

General information on the Group

The KGHM Polska Miedź S.A. Group has developed over the last 20 years. During the initial phase, most entities arose as a result of the separation of specific operational areas of KGHM Polska Miedź S.A. In this manner, in 1993 the Group's first companies arose. In subsequent years there were changes to the composition of the Group and the number of entities it contained. At the end of 2011 the KGHM Polska Miedź S.A. Group numbered 50 entities, 47 of which are subsidiaries, including three closed-end non-public investment funds.

Nine of these subsidiaries formed their own groups:

KGHM Ecoren S.A.;
PHP "MERCUS" sp. z o.o.;
POL-MIEDŹ TRANS Sp. z o.o.;
"Energetyka" sp. z o.o.;
BIPROMET S.A.;
NITROERG S.A.;
KGHM I FIZAN;
Fundusz Hotele 01 Sp. z o.o. S.K.A.;
Fermat 1 S.à r.l.

The companies of the KGHM Polska Miedź S.A. Group are diversified in terms of types of activity. They offer products and services related to the core business of KGHM Polska Miedź S.A. (such as exploration for and mining of deposits of copper and other metals, mine construction, the generation of electrical power and heat, mining machinery and equipment and research and development) as well as services unrelated to the core business of KGHM Polska Miedź S.A., such as transportation, commerce, medicine and capital investment. Many of these companies, mainly those involved in production, provide services to KGHM Polska Miedź S.A.

Information on management of the Group

In 2011, the Management Board of KGHM Polska Miedź S.A. decided to introduce a new model for management of the KGHM Polska Miedź S.A. Group.

Introduction of the new model was aimed at adapting supervision over the activities of the Group's companies to the strategy and investment policy of KGHM Polska Miedź S.A., which involves increasing the activities of the Group with regard to acquisitions and realising activities aimed at increasing value.

The management model adopted involves the expansion of supervision over Group companies, beyond that exercised up to now by appropriate units of the Head Office, to include business supervision. This is carried out by separate business units through the managers of these units designated by the Management Board of KGHM Polska Miedź S.A. This model enables business supervision of individual areas of the Group's activities, and also leads to improved management effectiveness of the Group.