

Investments and Research and Development

In 2011 capital expenditures amounted to PLN 1 514 million.

The structure of capital expenditures in the reporting period is presented below (in '000 PLN):

The structure of capital expenditures in the reporting period is presented below (in '000 PLN):

| | 2010 | 2011 |
|--------------|------------------|------------------|
| Mining | 985 097 | 1 056 553 |
| Smelting | 230 798 | 218 404 |
| Other | 47 097 | 238 941 |
| Total | 1 262 992 | 1 513 898 |

Major projects realised in 2011:

Mining

Work realised on schedule on the GGP (Deep Głogów) project and on the SW-4 shaft

Investments were made related to development of the infrastructure of the mining sections.

Modernisation and replacement of the machinery park in the mines was continued along with the replacement of floatation machinery in the ore enrichment plants.

Work was begun on exploring and documenting the Synklina Grodziecka region.

Work was continued on the project to expand the Żelazny Most tailings treatment pond, to ensure its ability to store floatation tailings after 2016.

The project "Licensing 2013" was realised.

Realisation began on the project "Achieving rock salt production of 1 million tonnes/year".

Smelting

The "Pyrometallurgy Modernisation Program" was realised.

Installation of the 4th Doerschel furnace was completed.

Other

The project "Construction of Gas-Steam Blocks in the Powerplants in Głogów and Polkowice" was continued.