

Review of financial position

Assets

As at 31 December 2011, total assets amounted to PLN 29 253 189 thousand, meaning an increase by PLN 9 423 893 thousand (48%) versus the end of 2010.

The most important changes in major items of assets in 2011 were in:

Cash and cash equivalents – an increase of PLN 10 240 470 thousand, mainly due to profit earned on operating activities in the amount of PLN 9 363 553 thousand and to the sale of its telecom assets (PLN 2 662 245 thousand). Cash generated from basic and other operations were mainly invested in short-term deposits to prepare for the financing of the Company's investment projects (Quadra FNX Mining Ltd. and AJAX MINING INC.).

Property, plant and equipment – an increase of PLN 726 792 thousand, mainly due to the realisation of investments – expenditures in this regard amounted to PLN 1 513 898 thousand, of which replacement-related investments amounted to PLN 660 801 thousand.

Shares and investment certificates – a decrease by PLN 1 790 784 thousand, mainly due to finalisation of the sale of the telecom assets (Polkomtel S.A., DIALOG S.A.), which decreased the carrying amount of investments in subsidiaries and associates in total by PLN 1 984 873 thousand.

Derivatives – an increase by PLN 1 061 193 thousand due to a change in the forward prices of metals, the settlement of derivatives in 2011 and the opening of new transactions on the copper, silver and currency markets.

Receivables – a decrease by PLN 893 429 thousand, including trade receivables (by PLN 623 118 thousand).

This decrease also affected deposits with a maturity of over 12 months (mid-term) presented as financial receivables. By the end of 2011 these deposits were terminated, which decreased receivables by PLN 351 130 thousand.

Available-for-sale financial assets – the decrease of PLN 162 949 thousand was due to an increase in the value of non-current assets (the purchase of further shares of Tauron Polska Energia S.A.) and a decrease in the value of current assets (the disposal of investment certificates in open-end investment funds).

Current and non-current assets ('000 PLN)

	31.12.2010	31.12.2011
Property, plant and equipment	6 551 111	7 277 903
Shares and investment certificates in subsidiaries and associates	3 802 993	2 012 209
Deferred tax asset	359 833	168 462
Available-for-sale financial assets	1 155 017	992 068
Derivatives	697 860	1 759 053
Trade and other receivables	2 480 594	1 587 165
Inventories	2 011 393	2 355 741
Cash and cash equivalents	2 595 529	12 835 999
Other assets	174 966	264 589
Total assets	19 829 296	29 253 189