

(Translation from the Polish language)

## **FINANCIAL SUPERVISORY COMMISSION**

### **Current report No 71/2013**

Date: 11 October 2013

Issuer's shortened name: KOPEX SA

**Subject: The signing of an agreement by KOPEX – Przedsiębiorstwo Bydowy Szybów S.A. with Południowy Koncern Węglowy S.A.**

Legal basis: Law on Offer, Art. 56, Par.1 Item – confidential information

#### **Contents of the report:**

The Management Board of KOPEX SA with its registered seat in Katowice (the Issuer) announces the signing of an tripartite agreement on 11.10.2013 between KOPEX S.A., Fabryka Maszyn i Urządzeń TAGOR S.A. (a subsidiary of the Issuer) and Miilux Ltd (a company belonging to the Group Miilukangas Oy, based in Raahen, Finland). The common intention of the parties is to take cooperation in the area of production of abrasion resistant steel, and the main purpose of signing the aforementioned cooperation agreement is to create a center of logistics and production, and prefabrication of metal sheets with abrasion resistant properties intended for customers from central and eastern Europe.

To achieve these objectives, the parties agreed, in the period up to January 2014, to conclude an agreement of a limited liability company under the name of "Miilux Poland", headquartered in Tarnowskie Góry which initial share capital will amount to PLN equivalent of EUR 100 000,00.

The "Miilux Poland" company's shareholders will be Millux Ltd (the majority shareholder) and TAGOR SA with shares up to 20% of the share capital.

In the next phase it is planned to increase the share capital of the company "Miilux Poland", including through in-kind contribution by Millux Ltd of ownership of a complete heat treating line of abrasion resistant steel with all the necessary technologies, and by the TAGOR SA by contribution in kind of a part of the production hall and the right of perpetual usufruct.

The expected target share capital of Millux Ltd in the capital of "Miilux Poland" will be not less than 66% and the estimated target share of TAGOR SA will cover a maximum of 34%.

Expected benefits for the Kopex Group companies in respect to collaborating with Miilux Ltd are:

- restructuring of TAGOR SA by becoming independent from the downturn in the coal market in complementary product area
- more efficient use of a held resource technology and facilities in TAGOR SA, including the use of vacant space and the signing of contracts for services in the pre-production with "Miilux Poland"
- creating a process line of prefabrication of abrasion resistant metal sheet and components integrated with the production-core rationalizing and improving the production processes,
- achieving a better quality of products Kopex Group of companies by having access to cutting-edge technology of heat treatment, improving technical parameters and the life-span of the products, including mining machinery, mainly conveyors

- extending the remit of co-operation in the domestic and foreign markets for sheet metal and components with abrasion resistant properties
- reduction of procurement costs for abrasion resistant steel by the companies from Kopex Group.

The Management Board of Kopex SA believes that the first results due to signing of a cooperation agreement with Miilux Ltd will appear in the following years, beginning in 2014

Legal basis for publishing: Cl. 56 Par. 1 Item 1 of Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies dated 29 July 2005 (Dz.U. Nr 184, poz. 1539) consolidated text of 9 October 2009 (Dz.U. Nr 185, poz. 1439).