



**LUBELSKI WĘGIEL „BOGDANKA”**  
**SPÓŁKA AKCYJNA**

**The Lubelski Węgiel BOGDANKA Group**

**Consolidated Quarterly Report for the First Quarter of  
2013**

**as at and for the period ended on 31 March 2013**

**The financial statements prepared in accordance with**

**International Accounting Standard 34**

**“Interim Financial Reporting”**

## **Additional information to the interim condensed consolidated quarterly report for the Lubelski Węgiel BOGDANKA Group and the interim condensed quarterly financial statements for the Parent Undertaking Lubelski Węgiel BOGDANKA S.A. for Q1 2013.**

### **1. General information**

Composition of the Group and the object of the Group's business.

The Lubelski Węgiel BOGDANKA Group (hereinafter referred to as the "Group") is composed of the following companies:

**Parent Undertaking** - Lubelski Węgiel BOGDANKA S.A., with registered office in Bogdanka, 21-013 Puchaczów.

Lubelski Węgiel Bogdanka S.A. is a joint stock company, operating under the laws of Poland. The Company was created as a result of the restructuring of the state enterprise Kopalnia Węgla Kamiennego Bogdanka with registered office in Bogdanka, under the Act on the Privatisation of State Enterprises of 13 July 1990.

The deed of transformation of a state-owned enterprise into a company wholly owned by the State Treasury operating under the business name: Kopalnia Węgla Kamiennego Bogdanka S.A. was drawn up on 1 March 1993 (Rep. A No. 855/1993) by Notary Public Jacek Wojdyło maintaining a Notarial Office in Katowice at ul. Kopernika 26.

The Company was entered in Section B of the Commercial Register of the District Court in Lublin, VIII Commercial Division, under No. H - 2993, on the basis of a valid decision of that Court issued on 30 April 1993 (file ref. No. HB - 2993, Ns. Rej. H 669/93).

On 26 March 2001, Lubelski Węgiel Bogdanka Spółka Akcyjna was registered in the Register of Entrepreneurs maintained by the District Court in Lublin, XI Division of the National Court Register, under KRS No. 0000004549.

On 22 June 2009, pursuant to the decision of the Polish Financial Supervision Authority, Series A and C Shares and Rights to Series C Shares were admitted to public trading on the WSE's main market. On 25 June 2009, the Company made its debut on the WSE by introducing Rights to Series C Shares to trading. As a result of transactions effected in 2010 regarding the disposal of shares effected by the State Treasury, represented by the Minister of the State Treasury as well as transfer of shares on the basis of contracts on a free-of-charge disposal of shares for the benefit of eligible employees under the Act on Commercialisation and Privatisation, Lubelski Węgiel Bogdanka Spółka Akcyjna has lost the status of the Company owned by the State Treasury.

In accordance with resolution of the Management Board of the National Depository for Securities No. 74/13 of 24 January 2013, on 4 February 2013 the National Depository registered 34,754 shares of the Company and marked them with code PLLWBGD00016. On the same date 34,754 employee shares were introduced to the WSE. As at today, there are 135 registered series B shares outstanding.

The Company's core objects, pursuant to the Polish Classification of Activity (PKD 0510Z), are mining and agglomeration of hard coal.

**The subsidiary** - Łęczyńska Energetyka Sp. z o.o., with registered office in Bogdanka, 21-013, Puchaczów.

As at 31 March 2012, the Parent Undertaking held 88.70% of share in capital of its subsidiary Łęczyńska Energetyka Sp. z o.o.

Łęczyńska Energetyka Sp. z o.o. provides services to mines involving supplying heat energy and conducts water/wastewater management. The company also conducts activities involving the construction and refurbishment of heat-generating, water supply and sewage disposal installations. The company prepares its balance sheet as at 31 December.

## **2. Principles applied in preparing the interim condensed consolidated report and the interim condensed financial statements of Lubelski Węgiel BOGDANKA S.A.**

The interim condensed financial statements have been prepared in compliance with the provisions of the International Accounting Standards and the International Financial Reporting Standards, as well as the Regulation of the Polish Finance Minister of 19 February 2009 on current and periodic information furnished by the issuers of securities and the conditions for deeming equally important the information required by provisions of law of a country which is not a Member State (Dz. U. No. 33 dated 28 February 2009, item 259).

These financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting and with relevant accounting standards applicable to interim financial reporting endorsed by the European Union, published and applicable as at 31 March 2013.

Data for the condensed interim financial statements has been prepared in compliance with the same accounting principles and calculation methods as in the previous annual financial statements with comparative period being adjusted to the change in accounting and presentation principles.

In accordance with amendments to IAS 1 “Presentation of Financial Statements” regarding presentation of items in “Other Comprehensive Income”, the Group introduced, as at 1 January 2013, a modification with respect to presentation of profit / loss and other comprehensive income of the interim consolidated and separate financial statements in the form of two consecutive documents, i.e. consolidated and separate statement of profit / loss and consolidated and separate statement of comprehensive income.

Modifications introduced with regard to presentation had no influence to the values of financial data presented in these condensed interim financial statements for the reporting period of the first quarter ended on 31 March 2013 and the comparative reporting period of the first quarter ended on 31 March 2012.

The Group complies with the changes introduced as at 1 January 2013 to IAS 19 – “Employee benefits”. The changes introduced in the Group referred to the recognition of actuarial gains and losses on revaluation of benefit schemes after the period of employment in other comprehensive income, and not - as previously – in the profit or loss. The presented financial statements were not affected by the application of the standard in the condensed interim financial statements as at 31 March 2013, due to the fact that provisions are valued once a year.

In the presented period, the Group did not introduce material changes in value of the estimated amounts which were presented for the preceding financial year.

### **3. Brief description of achievements and failures of the issuer during the reporting period**

With regard to the conducted activities under analysis, the following events took place at the Parent Undertaking in the first quarter of 2013:

From the publication date of these interim condensed consolidated financial statements, the following material events affecting the Company's operations in 2013, have occurred:

- On 15 January 2013, the Management Board of the Parent Undertaking concluded an annual agreement with ENEA Wytwarzanie S.A., registered office in Świerże Górne, on the supply of power coal in 2013, attached as Appendix 4 to the Long-Term Agreement No. UW/LW/01/2010. The agreement covers the period from 1 January 2013 to 31 December 2013. The value of the Annual Agreement for the supplies in 2013 amounts to PLN 755 million net at current prices.

Additionally, on 29 March 2013 an annex was signed to the Long-Term Agreement for the supply of power coal No. UW/LW/01/2010 previously in effect. As a result of signing the Annex to the Long-Term Agreement, there was an increase in the volume of coal supplies to the units of ENEA Wytwarzanie S.A.'s power plant under the Long-Term Agreement in 2014, 2015 and 2016. The aggregate value of that Long-Term Agreement for supplies in 2011-2025 currently amounts to PLN 11.166 million net.

- On 7 February 2013, the Parent Undertaking signed agreement No. Nr 222/IZ/2013 with Caterpillar Global Mining Europe GmbH, registered office in Industriestrasse, Germany, for the supply of a longwall ploughing system. In accordance with the Agreement, the machine will have been delivered to the Parent Undertaking by the end of June 2014. Its start-up is scheduled for the third quarter of 2014. The value of the ploughing system is EUR 47 million. The estimated value of the Agreement calculated at the average exchange rate announced by the National Bank of Poland on the date of concluding the Agreement amounts to PLN 196.8 million.
- On 10 April 2013 the Parent Undertaking, in accordance with a notary deed Rep. A No. 1302/2013 incorporated a company under the business name: EkoTRANS Bogdanka Sp. z o.o., registered office in Bogdanka. All shares in the company were acquired by the Parent Undertaking. On 24 April 2013 the Parent Undertaking paid in the amount of PLN 100,000 to cover the shares acquired in the above company. Core object of EkoTRANS Bogdanka Sp. z o.o. is comprehensive organisation of the process of transportation and recovery of waste created when washing and cleaning of coal shale.
- On 16 April 2013, the Management Board of the Parent Undertaking, entered into an agreement with Caterpillar Global Mining sp. z o.o. with registered office at ul. Fabryczna 6, Mysłowice, for the supply of factory-new spare components for the ploughing systems made by BUCYRUS and CATERPILLAR, which operate in underground mining plants extracting hard coal from places under risk of methane and coal dust explosion. The Agreement is in effect until 30 June 2014.
- On 29 April 2013, the Management Board of the Parent Undertaking signed an annex to the Agreement of purchase and sale of the power coal with PGNIG Termika S.A. registered office in Warsaw. Under the Annex, the date for determining the supply price for 2014 shall be postponed from 30 April 2013 to 31 May 2013, and the related condition precedent shall read as follows: "In the event that the supply price for 2014 is not established by 31 May 2013, the Agreement becomes automatically terminated as at 31 December 2013."

**4. Description of factors and events, in particular of untypical nature, with a significant bearing on the financial results.**

In the first quarter of 2013 no untypical events occurred that would have a significant bearing on the financial results achieved both by the Lubelski Węgiel BOGDANKA Group and its Parent Undertaking.

***The Lubelski Węgiel BOGDANKA Group***

***I quarter of 2013***

In the first quarter of 2013 the consolidated net revenue on sales of products, goods and materials achieved the level of PLN 430,758,000 while in the comparable period of 2012 the consolidated revenue on sales of products, goods and materials amounted to PLN 477,302,000.

The consolidated operating profit in Q1 2013 amounted to PLN 87,438,000.

As a result of achieving the operating profit, in the first quarter of 2013 net profit attributable to the shareholders of the Parent Undertaking was recorded in the amount of PLN 69,694,000, while in the comparable period of 2012 the Group recorded net profit attributable to the shareholders of the Parent Undertaking of PLN 99,106,000.

***Parent Undertaking - Lubelski Węgiel BOGDANKA S.A.***

***I quarter of 2013***

In Q1 2013 net revenue on sale of products, goods and materials achieved the level of PLN 429,427,000, while in the same period of 2012 the figure was PLN 475,758,000.

The operating profit in Q1 2013 amounted to PLN 85,026,000.

The net profit for the first quarter of 2013 amounted to PLN 67,856,000, while in the comparable period of the previous year the Company recorded the net profit of PLN 96,995,000.

***The Lubelski Węgiel BOGDANKA Group***

***I quarter of 2013***

As at 31 March 2013, the balance of total provisions for other liabilities and charges and the total amount of retirement benefits and jubilee awards payable in the member companies of the Lubelski Węgiel Bogdanka S.A. Group amounted to PLN 331,008,000, which represents an increase by PLN 2,481,000 in comparison to the balance as at 31 December 2012.

As at 31 March 2013, deferred income tax liability occurred in the amount of PLN 74,684,000, which represents a decrease by PLN 367,000 in comparison to the balance of this item as at 31 December 2012.

**Parent Undertaking - Lubelski Węgiel BOGDANKA S.A.**

***I quarter of 2013***

As at 31 March 2009, at the Parent Undertaking – Lubelski Węgiel BOGDANKA, the balance of provisions for other liabilities and charges and the amount of retirement benefits and jubilee awards payable amounted to PLN 329,004,000, which represents an increase by PLN 2,493,000 in comparison to the balance as at 31 December 2012.

As at 31 March 2013, deferred income tax liability occurred in the amount of PLN 74,743,000, which represents a decrease by PLN 713,000 in comparison to the balance of this item as at 31 December 2012.

**5. Information regarding seasonal or cyclical character of the Issuer's activity in the discussed period**

The production is not seasonal, whereas seasonal character of sales can be noticed in the case of retail sales at a point of coal sale. Sales to individual customers account for 0.87% of the total sales. This has no significant effect on operating and financing activity of the Group.

**6. Information concerning the issue, redemption and repayment of debt and equity securities**

In the first quarter of 2013, both the Group and the Parent Undertaking performed no transactions involving issue, redemption or repayment of debt and equity securities.

**7. Information concerning the dividend paid (or declared), in aggregate and calculated per share, divided into ordinary and preferred shares**

In the first quarter of 2013 and in the same period of 2012, the Parent Undertaking did not pay any dividend to Shareholders.

**8. Events after the balance-sheet date not disclosed in the interim condensed consolidated financial statements**

The presented results for the first quarter of 2013 refer to the events, identified by the Group, that occurred in this period. After the balance-sheet date no events affecting the financial results occurred that would not be disclosed in the Consolidated Quarterly Report.

**9. Information on changes in contingent liabilities or contingent assets, occurring following the end of the previous financial year**

Since the previous consolidated report, other balance of contingent liabilities has not changed significantly.

**10. Transactions of the Lubelski Węgiel BOGDANKA Group with related entities**

*Transactions of the Parent Undertaking with related entities*

All transactions with the subsidiary are concluded as part of regular operations of the Parent Undertaking and are performed on an arms' length basis.

The revenue of the Parent Undertaking resulting from the cooperation with its subsidiary, Łęczyńska Energetyka, primarily refer to the sale of coal and brick as well as the payments for lease of premises, telecommunications services and re-invoicing the cost of electricity. Purchases primarily include the purchase of heat power, potable water and the maintenance services for sewage installations, central heating, tailwater and water grid.

In the reporting periods ending on 31 March 2013 and 31 March 2012, the value of tradeover on account of purchase with the subsidiary "Łęczyńska Energetyka" Sp. z o.o. in Bogdanka and the total liabilities of the Parent Undertaking towards that related entity for subsequent balance-sheet dates were as follows:

	<b>31 Mar. 2013</b>	<b>31 Dec. 2012</b>	<b>31 Mar. 2012</b>
Purchases in period	6,701	17,013	6,376
Total liabilities at end of period including VAT	2,202	2,599	1,665

In the reporting periods ending on 31 March 2013 and 31 March 2012, the value of tradeover on account of sale with the subsidiary "Łęczyńska Energetyka" Sp. z o.o. in Bogdanka and the total accounts receivable of the Parent Undertaking towards that related entity for subsequent balance-sheet dates were as follows:

	<b>31 Mar. 2013</b>	<b>31 Dec. 2012</b>	<b>31 Mar. 2012</b>
Sales in period	5,163	10,819	4,542
Total receivables at end of period including VAT	1,686	2,204	2,127

#### **11. Reporting by segments: industry and location**

The Management Board does not apply division into segments for managing the Group since the Group mainly focuses its activities on the production and sale of coal.

## Consolidated Interim Statement of Financial Position (Balance Sheet)

	31 Mar. 2013	31 Dec. 2012
<b>Assets</b>		
<b>Fixed assets</b>		
Tangible fixed assets	2,990,682	2,969,791
Intangible fixed assets	23,244	23,116
Deferred income tax assets	1,864	1,890
Trade debtors and other receivables	961	825
Cash and cash equivalents	68,830	68,031
	<u>3,085,581</u>	<u>3,063,653</u>
<b>Current assets</b>		
Stocks	91,310	55,383
Trade debtors and other receivables	253,001	238,605
Overpaid income tax	1,633	6,964
Cash and cash equivalents	74,364	120,551
	<u>420,308</u>	<u>421,503</u>
<b>TOTAL ASSETS</b>	<b><u>3,505,889</u></b>	<b><u>3,485,156</u></b>
<b>Shareholders' equity</b>		
<b>Shareholders' equity attributable to shareholders of the Parent Undertaking</b>		
Ordinary shares	301,158	301,158
Other capitals	1,345,888	1,345,888
Retained profits	709,029	639,335
	<u>2,356,075</u>	<u>2,286,381</u>
<b>Non-controlling interests</b>	<b>10,225</b>	<b>9,993</b>
<b>Total shareholders' equity</b>	<b><u>2,366,300</u></b>	<b><u>2,296,374</u></b>
<b>Liabilities</b>		
<b>Long-term liabilities</b>		
Loans and borrowings	371,000	421,000
Deferred income tax liabilities	74,684	75,051
Employee benefits liabilities	156,669	152,111
Provisions for other liabilities and charges	89,861	89,861
Grants	17,874	18,122
Trade creditors and other liabilities	17,540	16,963
	<u>727,629</u>	<u>773,108</u>
<b>Current liabilities</b>		
Loans and borrowings	65,000	20,000
Employee benefits liabilities	37,727	40,557
Current income tax liabilities	124	-
Provisions for other liabilities and charges	46,751	45,998
Dividend payable	4	4
Trade creditors and other liabilities	262,354	309,115
	<u>411,960</u>	<u>415,674</u>
<b>Total liabilities</b>	<b><u>1,139,589</u></b>	<b><u>1,188,782</u></b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b><u>3,505,889</u></b>	<b><u>3,485,156</u></b>



## Interim consolidated statement of profit / loss

	Q1 2013 period from 1 Jan. 2013 to 31 Mar. 2013	Q1 2012 period from 1 Jan. 2012 to 31 Mar. 2012
Revenue on sales	430,758	477,302
Costs of products, goods and materials sold	(309,966)	(301,373)
<b>Gross profit</b>	<b>120,792</b>	<b>175,929</b>
Selling costs	(9,991)	(9,915)
Administrative costs	(22,292)	(20,803)
Other income	2,427	784
Other expenses	(356)	(240)
Other profits/(losses) - net	(3,142)	(26,458)
<b>Operating profit</b>	<b>87,438</b>	<b>119,297</b>
Financial income	1,268	4,409
Financial expenses	(1,277)	(3)
Net financial income/expenses	(9)	4,406
<b>Profit before taxation</b>	<b>87,429</b>	<b>123,703</b>
Income tax	(17,503)	(24,493)
<b>Net profit for the reporting period</b>	<b>69,926</b>	<b>99,210</b>
<b>including:</b>		
- attributable to the shareholders of the Parent Undertaking	69,694	99,106
- attributable to non-controlling interest	232	104
Earnings per share attributable to the shareholders of the Parent Undertaking during the year (in PLN per share)		
- Basic	2.05	2.91
- Diluted	2.05	2.91

## Consolidated Interim Statement of Comprehensive Income

	Q1 2013 period from 1 Jan. 2013 to 31 Mar. 2013	Q1 2012 period from 1 Jan. 2012 to 31 Mar. 2012
<b>Net profit for the reporting period</b>	<b>69,926</b>	<b>99,210</b>
<b>Other comprehensive income for the reporting period</b>		
<b>Items not intended to be transferred to the profit/ loss</b>		
Actuarial gains/ losses of defined benefit schemes	-	-
Income tax relating to non-transferrable items	-	-
<b>Items not intended to be transferred to the profit/ loss - total</b>	<b>-</b>	<b>-</b>
<b>Items which may be transferred to the profit/ loss</b>		
Cash flow hedges	-	-
Income tax relating to transferrable items	-	-
<b>Items which may be transferred to the profit/ loss - total</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income / loss for the reporting period</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the reporting period</b>	<b>69,926</b>	<b>99,210</b>
<b>Total comprehensive income for the reporting period including:</b>	<b>69,926</b>	<b>99,210</b>
- Attributable to shareholders of the Parent Undertaking	69,694	99,106
- attributable to non-controlling interest	232	104
Earnings per share attributable to the shareholders of the Parent Undertaking during the year (in PLN per share)		
- Basic	2.05	2.91
- Diluted	2.05	2.91

## Consolidated Interim Statement of Changes in Equity

	Attributable to shareholders of the Parent Undertaking				Non- controlling interests	Total shareholders' equity
	Ordinary shares	Other capitals	Retained profits	Total		
<b>As at 1 January 2012</b>	<b>301,158</b>	<b>1,261,013</b>	<b>570,896</b>	<b>2,133,067</b>	<b>9,579</b>	<b>2,142,646</b>
Total income for the accounting period	-	-	99,106	99,106	104	99,210
<b>As of 31 March 2012</b>	<b>301,158</b>	<b>1,261,013</b>	<b>670,002</b>	<b>2,232,173</b>	<b>9,683</b>	<b>2,241,856</b>
<b>As at 1 January 2013</b>	<b>301,158</b>	<b>1,345,888</b>	<b>639,335</b>	<b>2,286,381</b>	<b>9,993</b>	<b>2,296,374</b>
Total income for the accounting period	-	-	69,694	69,694	232	69,926
<b>As of 31 March 2013</b>	<b>301,158</b>	<b>1,345,888</b>	<b>709,029</b>	<b>2,356,075</b>	<b>10,225</b>	<b>2,366,300</b>

## Consolidated Interim Statement of Cash Flows

	<b>For Q1 ended on 31 March</b>	
	<b>2013</b>	<b>2012</b>
<b>Operating cash flow</b>		
Operating cash inflow	145,701	226,663
Interest received/ paid	420	(3)
Income tax paid	(12,730)	(23,926)
Net operating cash flow	<u>133,391</u>	<u>202,734</u>
<b>Investing cash flow</b>		
Acquisition of tangible fixed assets	(168,571)	(133,125)
Interest paid regarding investing activity	(4,389)	(4,850)
Acquisition of intangible fixed assets	(565)	(183)
Inflow from the sale of tangible fixed assets	9	51
Interest received	499	1,082
Other net investing cash flow	-	(1,297)
Outflow on account of funds being deposited in the bank account of the Mine Closure Fund	(799)	(340)
Net investing cash flow	<u>(173,816)</u>	<u>(138,662)</u>
<b>Financing cash flow</b>		
Loans and borrowings received	-	50,000
Loans and borrowings repaid	(5,000)	-
Interest and commissions on loans and borrowings paid	(762)	-
Net financing cash flow	<u>(5,762)</u>	<u>50,000</u>
Net increase / (decrease) in cash and cash equivalents	(46,187)	114,072
Cash and cash equivalents at beginning of period	120,551	102,820
<b>Cash and cash equivalents at end of period</b>	<b><u>74,364</u></b>	<b><u>216,892</u></b>

## Interim Statement of Financial Position (Balance Sheet) of Lubelski Węgiel BOGDANKA S.A.

31 Mar. 2013 31 Dec. 2012

### Assets

#### Fixed assets

Tangible fixed assets	2,939,541	2,918,273
Intangible fixed assets	22,917	23,115
Non-current investments	73,341	73,341
Cash and cash equivalents	68,830	68,031
	<u>3,104,629</u>	<u>3,082,760</u>

#### Current assets

Stocks	90,093	54,095
Trade debtors and other receivables	248,699	234,838
Overpaid income tax	1,633	7,234
Cash and cash equivalents	38,720	86,094
	<u>379,145</u>	<u>382,261</u>

#### TOTAL ASSETS

**3,483,774 3,465,021**

### Shareholders' equity

Ordinary shares	301,158	301,158
Other capitals	1,349,255	1,349,255
Retained profits	697,654	629,798
<b>Total shareholders' equity</b>	<b><u>2,348,067</u></b>	<b><u>2,280,211</u></b>

### Liabilities

#### Long-term liabilities

Loans and borrowings	371,000	421,000
Deferred income tax liabilities	74,743	75,456
Employee benefits liabilities	154,665	150,095
Provisions for other liabilities and charges	89,861	89,861
Grants	17,875	18,122
Trade creditors and other liabilities	17,524	16,909
	<u>725,668</u>	<u>771,443</u>

#### Short-term liabilities

Loans and borrowings	65,000	20,000
Employee benefits liabilities	37,727	40,557
Provisions for other liabilities and charges	46,751	45,998
Trade creditors and other liabilities	260,557	306,808
	<u>410,039</u>	<u>413,367</u>

#### Total liabilities

**1,135,707 1,184,810**

#### TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES

**3,483,774 3,465,021**

## Interim Report on Profit/ Loss of Lubelski Węgiel Bogdanka S.A.

	<b>Q1 2013</b> period from <b>1 Jan. 2013 to</b> <b>31 Mar. 2013</b>	<b>Q1 2012</b> period from <b>1 Jan. 2012 to</b> <b>31 Mar. 2012</b>
Revenue on sales	429,427	475,758
Costs of products, goods and materials sold	(311,354)	(302,611)
<b>Gross profit</b>	<b>118,073</b>	<b>173,147</b>
Selling costs	(10,182)	(10,084)
Administrative costs	(21,802)	(20,292)
Other income	2,220	524
Other expenses	(356)	(240)
Other profits/(losses) - net	(2,927)	(26,402)
<b>Operating profit</b>	<b>85,026</b>	<b>116,653</b>
Financial income	1,102	4,289
Financial expenses	(1,267)	-
Net financial income/expenses	(165)	4,289
<b>Profit before taxation</b>	<b>84,861</b>	<b>120,942</b>
Income tax	(17,005)	(23,947)
<b>Net profit for the reporting period</b>	<b>67,856</b>	<b>96,995</b>
Earnings per share attributable to the shareholders of the Parent Undertaking during the year (in PLN per share)		
- Basic	1.99	2.85
- Diluted	1.99	2.85

## Interim Statement of Comprehensive Income of Lubelski Węgiel BOGDANKA S.A.

	Q1 2013 period from 1 Jan. 2013 to 31 Mar. 2013	Q1 2012 period from 1 Jan. 2012 to 31 Mar. 2012
<b>Net profit for the reporting period</b>	<b>67,856</b>	<b>96,995</b>
<b>Other comprehensive income for the reporting period</b>		
<b>Items not intended to be transferred to the profit/ loss</b>		
Actuarial gains/ losses of defined benefit schemes	-	-
Income tax relating to non-transferrable items	-	-
<b>Items not intended to be transferred to the profit/ loss - total</b>	<b>-</b>	<b>-</b>
<b>Items which may be transferred to the profit/ loss</b>		
Cash flow hedges	-	-
Income tax relating to transferrable items	-	-
<b>Items which may be transferred to the profit/ loss - total</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income / loss for the reporting period</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the reporting period</b>	<b>67,856</b>	<b>96,995</b>
<b>Total comprehensive income for the reporting period</b>	<b>67,856</b>	<b>96,995</b>
Earnings per share attributable to the shareholders of the Parent Undertaking during the year (in PLN per share)		
- Basic	1.99	2.85
- Diluted	1.99	2.85

## Interim Statement of Changes in Equity of Lubelski Węgiel BOGDANKA S.A.

	Ordinary shares	Other capitals	Retained profits	Total shareholders' equity
<b>As at 1 January 2012</b>	<b>301,158</b>	<b>1,266,331</b>	<b>561,749</b>	<b>2,129,238</b>
Total income for the accounting period	-	-	96,995	96,995
<b>As of 31 March 2012</b>	<b>301,158</b>	<b>1,266,331</b>	<b>658,744</b>	<b>2,226,233</b>
<b>As at 1 January 2013</b>	<b>301,158</b>	<b>1,349,255</b>	<b>629,798</b>	<b>2,280,211</b>
Total income for the accounting period	-	-	67,856	67,856
<b>As of 31 March 2013</b>	<b>301,158</b>	<b>1,349,255</b>	<b>697,654</b>	<b>2,348,067</b>



## Interim Statement of Cash Flows of Lubelski Węgiel BOGDANKA S.A.

	<b>For Q1 ended on 31 March</b>	
	<b>2013</b>	<b>2012</b>
<b>Operating cash flow</b>		
Operating cash inflow	143,529	225,281
Interest received	430	-
Income tax paid	(12,116)	(23,527)
Net operating cash flow	<u>131,843</u>	<u>201,754</u>
<b>Investing cash flow</b>		
Acquisition of tangible fixed assets	(168,369)	(132,703)
Interest paid regarding investing activity	(4,389)	(4,850)
Acquisition of intangible fixed assets	(239)	(183)
Inflow from the sale of tangible fixed assets	9	51
Interest received	332	962
Other net investing cash flow	-	(1,297)
Outflow on account of funds being deposited in the bank account of the Mine Closure Fund	(799)	(340)
Net investing cash flow	<u>(173,455)</u>	<u>(138,360)</u>
<b>Financing cash flow</b>		
Loans and borrowings received	-	50,000
Loans and borrowings repaid	(5,000)	-
Interest and commissions on loans and borrowings paid	(762)	-
Net financing cash flow	<u>(5,762)</u>	<u>50,000</u>
Net increase / (decrease) in cash and cash equivalents	(47,374)	113,394
Cash and cash equivalents at beginning of period	86,094	70,397
<b>Cash and cash equivalents at end of period</b>	<b><u>38,720</u></b>	<b><u>183,791</u></b>

## 12. Approval of the financial statements

The Management Board of Lubelski Węgiel BOGDANKA S.A. hereby declares that as at 8 May 2013 it approves this Consolidated Quarterly Report for the first quarter for the period between 1 January 2013 and 31 March 2013.

### SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD

Zbigniew Stopa      President of the Management Board



Waldemar  
Bernaciak      Vice-President of the Board for  
Commerce and Logistics



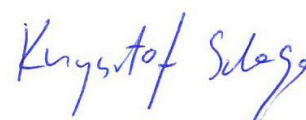
Roger de  
Bazelaire      Vice-President of the Management  
Board  
Director for Economic and Financial  
Affairs;



Krystyna  
Borkowska      Vice-President of the Management  
Board  
Chief Accountant



Krzysztof Szlaga      Member of the Management Board  
for Procurement and Investments



Lech Tor      Member of the Management Board  
elected by the employees



***Bogdanka, 8 May 2013***