



LUBELSKI WĘGIEL
„BOGDANKA”
SPÓŁKA AKCYJNA

The Lubelski Węgiel BOGDANKA Group

Abridged Consolidated Quarterly Financial Statements

for the third quarter of 2010

as at and for the period ended on 30 September 2010

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Additional information to the abridged consolidated quarterly financial statements for the Lubelski Węgiel Bogdanka Group and to the abridged quarterly financial statements for the Group's Parent Undertaking Lubelski Węgiel Bogdanka S.A., for the third quarter 2010

1. General

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 main market. On 25 June 2009, the Company made its debut on the WSE by introducing Rights to Series C Shares to trading. The share capital of the Company was increased by means of an issue of 11 million shares with a value of PLN 55 million and currently amounts to PLN 170,068,000 (PLN 301,158,000 after hyperinflation revaluation). The increase in the share capital was registered on 10 July 2009 by the District Court in Lublin, XI Commercial Division of the National Court Register. As a result of transactions of disposal of shares effected in 2010 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 persons under the Act on Commercialisation and Privatisation, Lubelski Węgiel Bogdanka Spółka Akcyjna has lost the status of the Company owned by the State Treasury.

The Company's core business activities, pursuant to the European Classification of Activity (EKD 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 30 September 2010, 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 Group's affiliated undertakings are:

The affiliated undertaking - EKSPERT Sp. z o.o. with registered office in Bogdanka, 21-013, Puchaczów.

As at 30 September 2010, Łęczyńska Energetyka Sp. z o.o. held 50% of shares in the capital of EKSPERT Sp. z o.o.

2. Principles applied in preparing the abridged consolidated quarterly financial statements and the abridged quarterly financial statements of Lubelski Węgiel Bogdanka S.A.

The 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 Council of Ministers of 19 October 2005 on current and periodic information furnished by the issuers of securities (Dz. U. No. 209 dated 26 October 2005).

Data for the consolidated quarterly abridged financial statements and the quarterly abridged financial statements of Lubelski Węgiel Bogdanka S.A. has been prepared in compliance with the same accounting principles and calculation methods as in the previous annual financial statements.

3. Brief description of significant achievements and failures of the Issuer during the reporting period, along with the list of the related key events

With regard to the conducted activities, the following events took place in the third quarter of 2010 under analysis:

- on 20 September 2010, an Annex to the Long-Term Agreement with Elektrownia Połaniec S.A. – GDF SUEZ ENERGIA POLSKA Group was signed, prolonging the execution of supplies determined for 2010 until 31 December 2011. Further, the Annex specifies the volume of supplies of power coal and price, and sets the schedule of supplies in 2011, performed following the end of supplies in 2010.

- on 19 October 2010, a Long-Term Agreement on the sale of power coal with ENERGA Elektrownie Ostrołęka with registered office in Ostrołęka was signed. The Agreement concerns the supply of power coal for the purposes of a new power unit in Ostrołęka – Unit C with the power of approx. 1000MW. According to current prices, the net value of the entire Agreement amounts to approx. PLN 12.5 billion.

- On 5 October 2010, New World Resource N.V. with registered office in Amsterdam announced a tender offer to subscribe for the sale of shares in LW BOGDANKA S.A. According to the announcement, as at the date of submitting the Report, the Shares subject to the tender offer will be purchased at PLN 100.75 per one Company's Share. Pursuant to Article 80.1, on 21 October 2010, the Management Board of Lubelski Węgiel Bogdanka S.A. presented its position concerning the tender offer to the Polish Financial Supervisory Authority and to the public.

- On 14 October 2010, the Ministry of Economy announced that the Minister of Economy had selected the initial investments, which will be granted subsidies pursuant to the Regulation of the Minister of Economy on a budget subsidy to co-finance initial investments of 10 June 2010. Lubelski Węgiel Bogdanka S.A. was granted a subsidy for the following investment: "Construction of a mining shaft hoist at shaft 2.1 in the Stefanów Field, in the mining plant of Lubelski Węgiel Bogdanka S.A., in the amount of PLN 19,451,437." Currently an appropriate agreement on budget subsidy to co-finance initial investments is under preparation.

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

In the third quarter of 2010 no untypical events occurred that would have a significant bearing on the financial results achieved both by the Group and its Parent Undertaking Lubelski Węgiel Bogdanka S.A.

The Lubelski Węgiel BOGDANKA Group

The third quarter of 2010 (Q3)

In the third quarter of 2010 the consolidated net revenue on sales of products, goods and materials achieved the level of PLN 356,125,000 while in the comparable period of 2009 the consolidated revenue on sales of products, goods and materials amounted to PLN 329,877,000.

The consolidated operating profit in Q3 2010 amounted to PLN 106,502,000.

As a result of achieving the operating profit, in the first quarter of 2010 net profit attributable to the shareholders of the Parent Undertaking was recorded in the amount of PLN 85,475,000, while in the comparable period of 2009 the Group recorded net profit attributable to the shareholders of the Parent Undertaking of PLN 90,968,000.

Three quarters of 2010 (3Qs cumulative)

In cumulative terms, the revenue on sales of products, goods and materials for three quarters of 2010 amounted to PLN 934,224,000, which represents an increase by 9.82% over the same period of the previous year.

The operating profit for three quarters of 2010 amounted to PLN 233,140,000.

In cumulative terms, the net profit attributable to Company's shareholders for three quarters of 2010 amounted to PLN 191,683,000, which represents an increase by 9.92% over the same period of the previous year.

Parent Undertaking - Lubelski Węgiel Bogdanka S.A.

The third quarter of 2010 (Q3)

In the third quarter of 2010 the consolidated net revenue on sales of products, goods and materials achieved the level of PLN 355,192,000, while in the comparable period of 2009 the item amounted to PLN 328,304,000, which represents an increase in the net revenue in 2010 by 8.19%.

The operating profit in Q3 2010 amounted to PLN 106,982,000.

The net profit for the third quarter of 2010 amounted to PLN 86,337,000, while in the comparable period of the previous year the Company recorded net profit of PLN 91,284,000.

Three quarters of 2010 (3Qs cumulative)

In cumulative terms, the revenue on sales of products, goods and materials for three quarters of 2010 amounted to PLN 929,452,000, which represents an increase by 9.92% over the same period of the previous year.

The operating profit for three quarters of 2010 amounted to PLN 232,060,000.

In cumulative terms, the net profit for three quarters of 2010 amounted to PLN 191,256,000, which represents an increase by 10.33% over the same period of the previous year.

The Lubelski Węgiel BOGDANKA Group

As at 30 September 2010, the balance of total provisions for other liabilities and charges and the total amount of retirement benefits and long-service awards payable in the member companies of the Lubelski Węgiel Bogdanka Group amounted to PLN 278,182,000, which represents an increase by PLN 26,581,000 in comparison to the balance as at 31 December 2009.

For the three quarters of 2010, deferred income tax liability occurred in the amount of PLN 53,545,000, which represents a decrease by PLN 4,733,000 in comparison to the balance of this item as at 31 December 2009.

Parent Undertaking - Lubelski Węgiel Bogdanka S.A.

As at 30 September 2010, the balance of provisions for other liabilities and charges and the amount of retirement benefits and long-service awards payable amounted to PLN 277,503,000, which represents an increase by PLN 26,514,000 in comparison to the balance as at 31 December 2009.

As at 30 September 2010, deferred income tax liability occurred in the amount of PLN 55,260,000, which represents a decrease by PLN 4,643,000 in comparison to the balance of this item as at 31 December 2009.

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 for individual customers account for 2.64 % of the total sales. This has no significant effect on operating and financing activity of the Group.

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

In the third quarter of 2010, 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 third quarter of 2009, the Parent Undertaking paid dividend to Shareholders for 2008 in the amount of PLN 88,832,000. And in the third quarter of 2010, the Parent Undertaking did not pay any dividend to the Shareholders. In compliance with Resolution No. 21 of the Annual General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A. of 10 June 2010, the profit for 2009 has been devoted to the reserve capital of the Parent Undertaking. In connection therewith, the dividend rate due to Shareholders of the Parent Undertaking is presented in the table below.

	9 months of 2010	9 months of 2009
Dividend paid	-	88,832
Weighted average number of ordinary shares ('000)	34,014	23,014
Dividend per share (in PLN per share)	0.00	3.86

The dividend rate per share is calculated as the quotient of the dividend attributable to the shareholders of the Parent Undertaking and the number of ordinary shares as at the dividend date.

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

The presented results for the third quarter of 2010 and three quarters of 2010 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 the balance of contingent liabilities has not changed.

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 Company and are performed on an arms' length basis.

The revenue of the Company 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 ended on 30 September 2009 and 30 September 2010 the value of trade related to purchase with the subsidiary, Łęczyńska Energetyka Sp. z o.o. in Bogdanka and the balance of liabilities of the Company towards that related undertaking as at subsequent balance-sheet dates were:

	30.09.2010	31.12.2009	30.09.2009
Purchases in period	8,314	9,353	6,398
Total liabilities at end of period including VAT	644	1,355	541

In the reporting periods ended on 30 September 2009 and 30 September 2010 the value of trade related to purchase with the subsidiary, Łęczyńska Energetyka Sp. z o.o. in Bogdanka, and the balance of liabilities of the Company towards that related undertaking as at subsequent balance-sheet dates were:

	30.09.2010	31.12.2009	30.09.2009
Sales in period	7,954	9,475	5,564
Total receivables at end of period including VAT	1,492	1,681	480

Information on transactions with undertakings related to the State Treasury

The Parent Undertaking presented the transactions with undertakings that are partially owned by the State Treasury in the consolidated financial statements for the period between 1 January and 31 December 2009. As a result of transactions of disposal of shares effected in 2010 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 persons under the Act on Commercialisation and Privatisation, the Parent Undertaking Lubelski Węgiel Bogdanka Spółka Akcyjna has lost the status of the Company owned by the State Treasury.

11. Reporting by segments: industry and location

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

Consolidated Statement of Financial Position (Balance Sheet)**30 Sep. 2010 31 Dec. 2009****Assets****Fixed assets**

Tangible fixed assets	1,950,192	1,558,727
Intangible assets	11,011	12,199
Investments in affiliated undertakings	29	77
Trade debtors and other receivables	367	367
Cash and cash equivalents	47,864	46,158
	<u>2,009,463</u>	<u>1,617,528</u>

Current assets

Stocks	48,980	50,382
Trade debtors and other receivables	167,631	117,491
Overpaid income tax	66	2,754
Cash and cash equivalents	518,052	681,659
	<u>734,729</u>	<u>852,286</u>

TOTAL ASSETS**2,744,192 2,469,814****Shareholders' equity****Shareholders' equity attributable to shareholders of the Parent Undertaking**

Ordinary shares	301,158	301,158
Other capital	1,082,509	890,456
Retained earnings	537,970	538,340
	<u>1,921,637</u>	<u>1,729,954</u>

Minority interests**Total shareholders' equity****10,240 8,943****1,931,877 1,738,897****Liabilities****Long-term liabilities**

Loans and borrowings	241,000	250,000
Deferred income tax liabilities	53,545	58,278
Employee benefits liabilities	118,543	98,588
Provisions for other liabilities and charges	65,144	63,079
Trade creditors and other liabilities	6,615	7,834
	<u>484,847</u>	<u>477,779</u>

Short-term liabilities

Loans and borrowings	9,000	-
Current income tax liabilities	8,174	-
Employee benefits liabilities	19,213	26,338
Provisions for other liabilities and charges	75,282	63,596
Trade creditors and other liabilities	215,799	163,204
	<u>327,468</u>	<u>253,138</u>

Total liabilities**812,315 730,917****TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES****2,744,192 2,469,814**

Consolidated Statement of Comprehensive Income

	Q3 2010 period from 1 Jul. 2010 to 30 Sep. 2010	3Qs 2010 period from 1 Jan. 2010 to 30 Sep. 2010	Q3 2009 period from 1 Jul. 2009 to 30 Sep. 2009	3Qs 2009 period from 1 Jan. 2009 to 30 Sep. 2009
Sales revenue	356,125	934,224	329,877	850,672
Cost of products, goods and materials sold	(221,996)	(616,992)	(186,643)	(547,818)
Pre-tax profit	134,129	317,232	143,234	302,854
Selling costs	(7,260)	(26,678)	(17,737)	(41,340)
Administrative costs	(16,804)	(49,007)	(17,625)	(50,084)
Other income	2,207	4,458	2,811	5,380
Other expenses	(253)	(1,998)	(1,650)	(2,754)
Other profits/(losses) - net	(5,517)	(10,867)	(277)	(754)
Operating profit	106,502	233,140	108,756	213,302
Financial income	5,370	18,239	7,529	12,359
Financial expenses	(2,802)	(9,466)	(2,882)	(8,417)
Net financial income/expenses	2,568	8,773	4,647	3,942
Share in profits/(losses) of affiliated undertakings	(24)	(48)	(196)	196
Pre-tax profit	109,046	241,865	113,207	217,440
Income tax	(22,986)	(48,885)	(22,358)	(43,053)
Financial year's net profit including:	86,060	192,980	90,849	174,387
- attributable to shareholders of the Parent Undertaking	85,475	191,683	90,968	174,381
- attributable to minority interests	585	1,297	(119)	6
Comprehensive income for the period including:	86,060	192,980	90,849	174,387
- attributable to shareholders of the Parent Undertaking	85,475	191,683	90,968	174,381
- attributable to minority interests	585	1,297	(119)	6
Earnings per share attributable to the shareholders of the Parent Undertaking during the year (in PLN per share)				
- basic		5.64		5.13
- diluted		5.64		5.13

Consolidated Statement of Changes in Shareholders' Equity

	Attributable to shareholders of the Parent Undertaking			Total	Minority interests	Total shareholders' equity
	Ordinary shares	Other capital	Retained earnings			
As at 1 January 2009	246,158	400,015	460,090	1,106,263	9,485	1,115,748
Total income for the accounting period	-	-	174,381	174,381	6	174,387
Proceeds from issue of shares	55,000	-	-	55,000	-	55,000
Share premium	-	466,051	-	466,051	-	466,051
Dividends concerning 2008	-	-	(88,832)	(88,832)	-	(88,832)
Transfer of the result for 2008	-	24,390	(24,390)	-	-	-
As at 30 September 2009	301,158	890,456	521,249	1,712,863	9,491	1,722,354
As at 1 January 2010	301,158	890,456	538,340	1,729,954	8,943	1,738,897
Comprehensive income for the accounting period	-	-	191,683	191,683	1,297	192,980
Transfer of the result for 2009	-	192,053	(192,053)	-	-	-
As at 30 September 2010	301,158	1,082,509	537,970	1,921,637	10,240	1,931,877

Consolidated Cash Flow Statement

	For 3 quarters ended on 30 September	
	2010	2009
Operating cash flow		
Operating cash inflow	334,598	334,792
Interest paid	(8,009)	(6,341)
Income tax paid	(42,753)	(34,585)
Net operating cash flow	<u>283,836</u>	<u>293,866</u>
Investing cash flow		
Acquisition of tangible fixed assets	(462,207)	(282,778)
Acquisition of intangible fixed assets	(55)	(4,127)
Inflow from the sale of tangible fixed assets	59	231
Interest received	16,466	8,771
Outflow on account of funds being deposited in the bank account of the Mine Closure Fund	(1,706)	(2,036)
Net investing cash flow	<u>(447,443)</u>	<u>(279,939)</u>
Financing cash flow		
Net proceeds from the sale of shares	-	522,271
Loans and borrowings received	-	180,000
Loans and borrowings repaid	-	(30,000)
Dividend paid to shareholders of the parent entity	-	(88,832)
Net financing cash flow	<u>-</u>	<u>583,439</u>
Net increase / (decrease) in cash and cash equivalents	(163,607)	597,366
Cash and cash equivalents at beginning of period	681,659	99,874
Cash and cash equivalents at end of period	<u>518,052</u>	<u>697,240</u>

Statement of Financial Position (Balance Sheet) of Lubelski Węgiel Bogdanka S.A.

	30 Sep. 2010	31 Dec. 2009
Assets		
Fixed assets		
Tangible fixed assets	1,908,943	1,521,808
Intangible assets	10,972	12,084
Long-term investments	73,341	73,341
Cash and cash equivalents	47,864	46,158
	<u>2,041,120</u>	<u>1,653,391</u>
Current assets		
Stocks	47,031	49,223
Trade debtors and other receivables	164,909	113,719
Overpaid income tax	-	2,754
Cash and cash equivalents	478,704	640,432
	<u>690,644</u>	<u>806,128</u>
TOTAL ASSETS	<u>2,731,764</u>	<u>2,459,519</u>
Shareholders' equity		
Ordinary shares	301,158	301,158
Other capital	1,086,588	894,535
Retained earnings	534,027	534,824
Total shareholders' equity	<u>1,921,773</u>	<u>1,730,517</u>
Liabilities		
Long-term liabilities		
Loans and borrowings	241,000	250,000
Deferred income tax liabilities	55,260	59,903
Employee benefits liabilities	117,864	97,976
Provisions for other liabilities and charges	65,144	63,079
Trade creditors and other liabilities	6,615	7,834
	<u>485,883</u>	<u>478,792</u>
Short-term liabilities		
Loans and borrowings	9,000	-
Current income tax liabilities	8,174	-
Employee benefits liabilities	19,213	26,338
Provisions for other liabilities and charges	75,282	63,596
Trade creditors and other liabilities	212,439	160,276
	<u>324,108</u>	<u>250,210</u>
Total liabilities	<u>809,991</u>	<u>729,002</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	<u>2,731,764</u>	<u>2,459,519</u>

Statement of Comprehensive Income of Lubelski Węgiel Bogdanka S.A.

	Q3 2010 period from 1 Jul. 2010 to 30 Sep. 2010	3Qs 2010 period from 1 Jan. 2010 to 30 Sep. 2010	Q3 2009 period from 1 Jul. 2009 to 30 Sep. 2009	3Qs 2009 period from 1 Jan. 2009 to 30 Sep. 2009
Sales revenue	355,192	929,452	328,304	845,555
Cost of products, goods and materials sold	(221,367)	(614,652)	(185,102)	(543,957)
Pre-tax profit	133,825	314,800	143,202	301,598
Selling costs	(7,131)	(26,720)	(17,596)	(41,343)
Administrative costs	(16,129)	(47,306)	(16,942)	(48,201)
Other income	2,186	4,136	2,736	5,292
Other expenses	(253)	(1,998)	(1,650)	(2,754)
Other profits/(losses) - net	(5,516)	(10,852)	(275)	(747)
Operating profit	106,982	232,060	109,475	213,845
Financial income	5,217	17,135	7,154	10,716
Financial expenses	(2,800)	(9,462)	(2,879)	(8,410)
Net financial income/expenses	2,417	7,673	4,275	2,306
Pre-tax profit	109,399	239,733	113,750	216,151
Income tax	(23,062)	(48,477)	(22,466)	(42,798)
Net profit for the period	86,337	191,256	91,284	173,353
Comprehensive income for the period	86,337	191,256	91,284	173,353
Earnings per share attributable to the shareholders of the Parent Undertaking during the year (in PLN per share)				
- basic		5.62		5.10
- diluted		5.62		5.10

Statement of Movements in Shareholders' Equity of Lubelski Węgiel Bogdanka S.A.

	Ordinary shares	Other capital	Retained earnings	Total shareholders' equity
As at 1 January 2009	246,158	404,094	455,993	1,106,245
Comprehensive income for the accounting period	-	-	173,353	173,353
Proceeds from issue of shares	55,000	-	-	55,000
Share premium	-	466,051	-	466,051
Dividends concerning 2008	-	-	(88,832)	(88,832)
Transfer of the result for 2008	-	24,390	(24,390)	-
As at 30 September 2009	301,158	894,535	516,124	1,711,817
As at 1 January 2010	301,158	894,535	534,824	1,730,517
Comprehensive income for the accounting period	-	-	191,256	191,256
Transfer of the result for 2009	-	192,053	(192,053)	-
As at 30 September 2010	301,158	1,086,588	534,027	1,921,773

Cash Flow Statement of Lubelski Węgiel Bogdanka S.A.

	For 3 quarters ended on 30 September	
	2010	2009
Operating cash flow		
Operating cash inflow	332,028	331,595
Interest paid	(8,006)	(6,341)
Income tax paid	(42,192)	(34,288)
Net operating cash flow	<u>281,830</u>	<u>290,966</u>
Investing cash flow		
Acquisition of tangible fixed assets	(457,218)	(277,548)
Acquisition of intangible fixed assets	(55)	(4,127)
Inflow from the sale of tangible fixed assets	59	231
Interest received	15,362	7,235
Outflow on account of funds being deposited in the bank account of the Mine Closure Fund	(1,706)	(2,036)
Net investing cash flow	<u>(443,558)</u>	<u>(276,245)</u>
Financing cash flow		
Net proceeds from the sale of shares	-	522,271
Loans and borrowings received	-	180,000
Loans and borrowings repaid	-	(30,000)
Dividend paid to Company shareholders	-	(88,832)
Net financing cash flow	<u>-</u>	<u>583,439</u>
Net increase / (decrease) in cash and cash equivalents	(161,728)	598,160
Cash and cash equivalents at beginning of period	640,432	57,502
Cash and cash equivalents at end of period	<u>478,704</u>	<u>655,662</u>

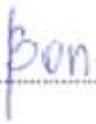
12. Approval of the financial statements

The Management Board of Lubelski Węgiel Bogdanka S.A. hereby represents that as of 5 November 2010 it approves these abridged consolidated quarterly financial statements of the Group and the abridged quarterly financial statements of the Parent Undertaking for the third quarter of 2010, covering the period from 1 January 2010 to 30 September 2010, for publication.

Mirosław Taras President of the Management Board



Krystyna Borkowska Vice-President for Economic and Financial
Affairs



Waldemar Bernaciak Vice-President for Commerce and Logistics



Zbigniew Stopa Vice-President for Technical Affairs