



**LUBELSKI WĘGIEL „BOGDANKA”**

**SPÓŁKA AKCYJNA**

BOGDANKA, 21-013 PUCHACZÓW

**REPORT OF THE SUPERVISORY BOARD OF  
LUBELSKI WĘGIEL BOGDANKA S.A.  
ON THE ASSESSMENT OF THE CONSOLIDATED  
FINANCIAL STATEMENTS OF THE LUBELSKI  
WĘGIEL BOGDANKA S.A. GROUP AND THE  
DIRECTORS' REPORT ON OPERATIONS OF THE  
LUBELSKI WĘGIEL BOGDANKA S.A. GROUP FOR  
THE FINANCIAL YEAR 2010**

---

**I. Pursuant to provisions of Article 32.1.1 of the Articles of Association of Lubelski Węgiel Bogdanka S.A., the Supervisory Board made an assessment of:**

1. the Consolidated Financial Statements of the Lubelski Węgiel Bogdanka S.A. Group for the financial year 2010 including:
  - the consolidated statement of financial position (balance-sheet) as at 31 December 2010, showing a balance-sheet total under assets and shareholders' equity and liabilities in the amount of **PLN 2,828,045,000**,
  - the consolidated statement of comprehensive income for the financial year from 1 January 2010 to 31 December 2010, showing the total income in the amount of **PLN 230,122,000**,
  - the consolidated statement of movements in the shareholders' equity for the financial year from 1 January 2010 to 31 December 2010, showing an increase in the shareholders' equity by **PLN 230,122,000**,
  - the consolidated cash flow statement for the financial year from 1 January 2010 to 31 December 2010 showing net cash outflows in the amount of **PLN 209,558,000**,
  - additional information about the adopted accounting principles and other explanatory notes,
2. Directors' Report on Operations of the LW BOGDANKA S.A. Group for the financial year 2010.

**II. As a result of the analysis and on the basis of the auditor's opinion and the audit report on Consolidated Financial Statements of the Group conducted by auditors, the Supervisory Board states as follows:**

1. These Consolidated Financial Statements of Lubelski Węgiel BOGDANKA S.A. Group were prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union.

As a result of the analysis and on the basis of the auditor's opinion and the audit report conducted by auditors of PricewaterhouseCoopers sp. z o.o., the Supervisory Board states as follows:

The financial statements under assessment comply in form and content with the binding provisions of law and the Company's Articles of Association and they present in a reliable, correct and clear manner all information material for the assessment of profitability and financial result on operations for the financial year 2010 as well as the economic and financial position of the audited Group as at 31 December 2010.

PricewaterhouseCoopers sp. z o.o., an auditing company, was selected to audit the consolidated financial statements of the Company by virtue of Resolution of the Supervisory Board No. 76/VII/2010 of 28 September 2010.

2. Directors' Report on Operations of the LW Bogdanka Group for the financial year 2010 complies with the requirements of Article 92 of the Regulation of the Minister of Finance on current and periodic information published by 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. 09.33.259 as amended).

The report under assessment contains information on the Company corresponding to the facts and the data included in the consolidated financial statements.

**III. The Supervisory Board files a motion to approve the Consolidated Financial Statements of the Lubelski Węgiel Bogdanka S.A. Group for 2010 and the Directors' Report on Operations of the Lubelski Węgiel Bogdanka S.A. Group for 2010 by the Annual General Shareholders Meeting.**

Submitting this report, the Supervisory Board encloses:

1. Resolution No. 94/VII/2011 of 13 April 2011 on the assessment of the Consolidated Financial Statements of the Lubelski Węgiel Bogdanka S.A. Group for the financial year 2010,
2. Resolution No. 95/VII/2011 of 13 April 2011 on the assessment of the Directors' Report on Operations of the Lubelski Węgiel Bogdanka S.A. Group for the financial year 2010,
3. Resolution No. 105/VII/2011 of 13 April 2011 on the approval of the Supervisory Board's Report on assessment of the Consolidated Financial Statements of the Lubelski Węgiel Bogdanka S.A. Group for the financial year 2010 and the Directors' Report on Operations of the Lubelski Węgiel Bogdanka S.A. Group for the financial year 2010.

**The Supervisory Board of Lubelski Węgiel Bogdanka S.A. with registered office in Bogdanka:**

<b>1. Eryk Karski</b>	Chairman of the Board	...[signature]....
<b>2. Stefan Kawalec</b>	Vice-Chairman of the Board	...[signature]....
<b>3. Jadwiga Kalinowska</b>	Secretary of the Board	...[signature]....
<b>4. Ewa Pawluczuk</b>	Member of the Board	...[signature]....
<b>5. Andrzej Lulek</b>	Member of the Board	...[signature]....
<b>6. Adam Partyka</b>	Member of the Board	...[signature]....

*Bogdanka, 14 April 2011*