



**Presentation of results
the LW Bogdanka Group
Q4 2016, Q1-Q4 2016**



We are part of a modern capital group involved in raw materials and energy operations



The Management Board of LW Bogdanka SA



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Management Board



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Investments



Situation on the coal market and key operating data



**Financial highlights of the LW Bogdanka Group
in Q4 2016, Q1-Q4 2016**



**Performance of the plan in Q4, Q1-Q4 2016 and main
assumptions of the Strategy**



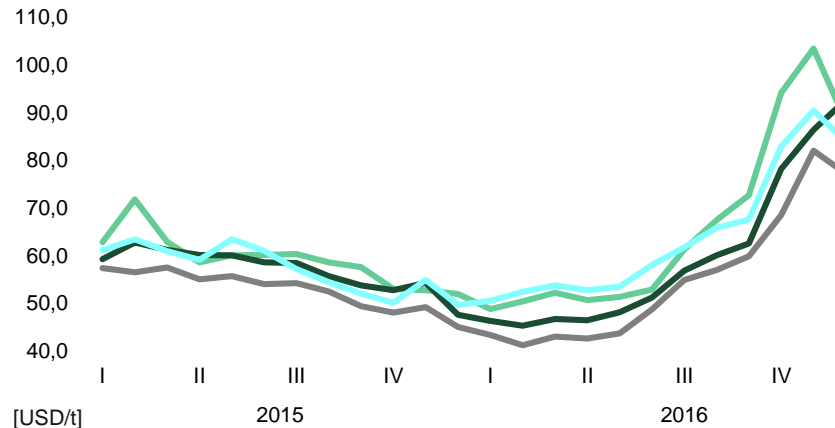
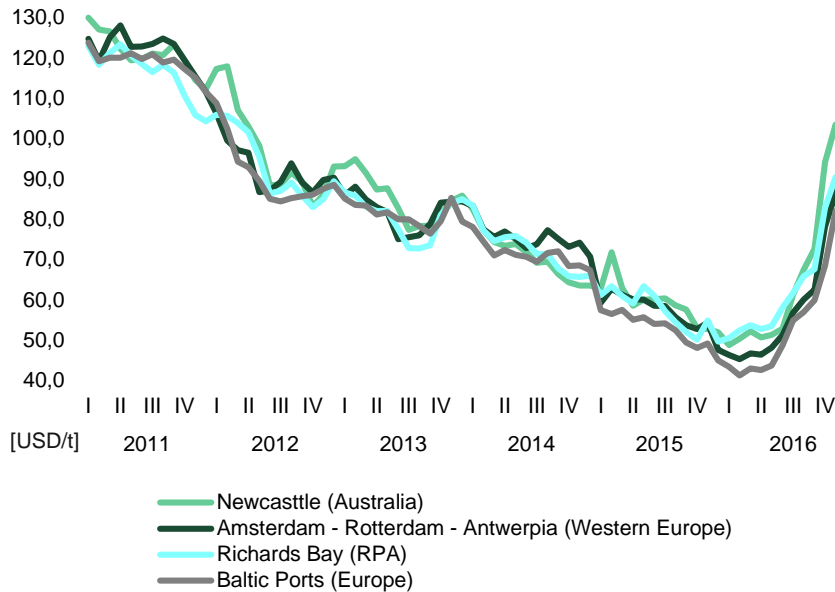
Appendices – Financial information



In 2016 sudden soar in global coal prices with a drop in prices of thermal coal on the domestic market



Rises of coal prices on the global market - Q4 adjustment



CIF ARA coal prices

- ✓ USD 60/tonne - the average annual coal price (CIF ARA) in 2016, i.e. +5.3% (compared to USD 57/tonne in 2015)
- ✓ USD 86/tonne - average coal price CIF ARA in Q4 2016, i.e. +66% vs. Q4 2015, an increase by 42% compared to Q3 2016
- ✓ Between 2011 and 2016 the coal price CIF ARA dropped by almost 51%, but between April and December 2016 the price rebounded and went up from USD 46/tonne to USD 90/tonne (+95.7%)

Stocks in ARA ports

- ✓ 4.5 million tonnes of coal stocks at the end of December 2016 in the ARA ports – decrease by 1.4 million tonnes compared to December 2015 (-24%), in comparison with the level as at the end of Q3 2016 it represents an increase by 1.1 million tonnes (+32%)

Prices in the world's main ports

- ✓ The average coal price FOB Baltic Ports in 2016 amounted to USD 55/tonne, which is +3.8% y/y (USD 53/tonne)
- ✓ The average coal price FOB Baltic Ports in Q4 2016 amounted to USD 77/tonne, i.e. an increase by 63% compared to Q4 2015, and an increase by 35% compared to Q3 2016
- ✓ In the period between 2011 and 2016 the coal price FOB BP fell by about 53%, but from April to December 2016 the price rebounded and went up from USD 43/tonne to USD 77/tonne (+ 79.1%)
- ✓ Coal prices at the end of 2016 in the other main coal ports in the world:
 - FOB Richard Bay – USD 85/tonne, i.e. up by 70% since the beginning of the year
 - FOB Newcastle – USD 94/tonne, i.e. up by 84% since the beginning of the year
 - FOB Puerto Bolivar – USD 94/tonne, i.e. up by 100% since the beginning of the year

China

- ✓ Almost 3.4 billion tonnes of coal produced in 2016, -9% y/y
- ✓ Import amounted to 256 million tonnes in 2016, up by about 25% y/y

USA

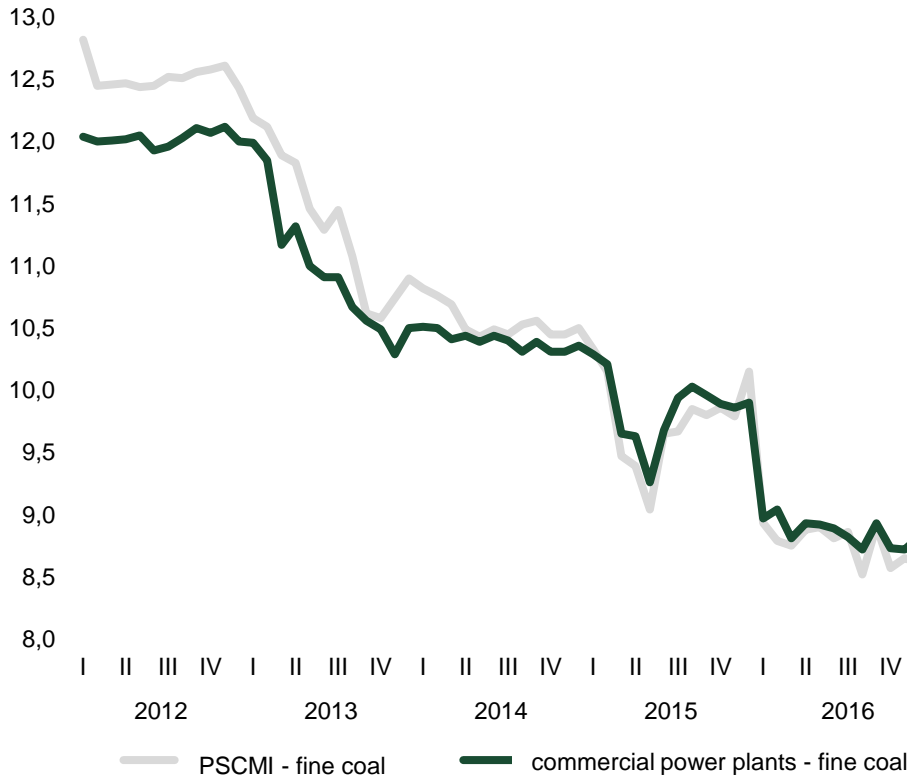
- ✓ 819 million tonnes of coal were produced in 2016, i.e. down by 17% y/y
- ✓ About 49 million tonnes of coal were exported in 2016, i.e. down by 27% y/y

Russia

- ✓ 384 million tonnes of coal were produced in 2016, i.e. up by 3% y/y
- ✓ Coal exports in 2016 amounted to 164 million tonnes, i.e. up by 8% y/y



Average annual drop in coal prices in 2016 by approx. 10% - stabilisation in Q4 2016



Fine thermal coal prices

- ✓ in 2016, the average annual price of fine thermal coal for commercial power plants was PLN 8.86 per GJ
- ✓ the price trend shows a 10.3% decline y/y
- ✓ average heating value of fine coal for commercial power plants is about 21.4 GJ
- ✓ price of fine coal for commercial power plants declined by 27% between January 2012 and December 2016

Prices based on the PSCMI index

- ✓ In 2016, the average price based on the PSCMI index was about PLN 8.77 per GJ
- ✓ decline was about 10.1% versus the 2015 average price



Drop in inventories, extraction, sales, low prices of thermal coal in Poland in Q4 2016 vs. Q4 2015

PERFORMANCE OF POLISH COMPANIES*:

Thermal coal:	Q4 2015	Q4 2016	Change	Q1-Q4 2015	Q1-Q4 2016	Change
Extraction (million tonnes)	16.1	14.3	-11.2%	56.8	55.1	-3.0%
Sales (million tonnes)	16.1	13.5	-16.1%	52.3	52.0	-0.6%
Average cost of coal sold (PLN)	254.7	247.6	-2.8%	288.2	255.8	-11.2%
COAL PRICES:						
Average price of power coal (PLN)	236.0	223.7	-5.2%	239.2	219.5	-8.2%
Average price of coal sold to commercial power industry (PLN)	211.3	188.3	-10.9%	211.9	190.0	-10.3%
DEMAND/SUPPLY:						
Production of electric power in commercial power plants with the use of hard coal (GWh)**	21,510	21,921	1.9%	81,883	81,348	-0.7%
Inventories of coal in mines (million tonnes)***	4.8	1.7	-64.6%	4.8	1.7	-64.6%

*data do not include Silesia, Siltech, Ekoplus

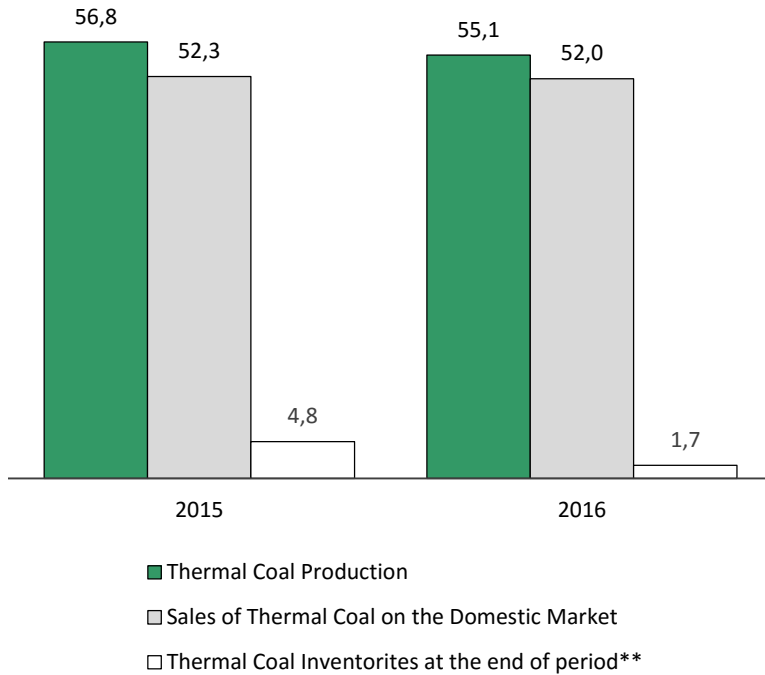
**PSE SA

***uncertain situation of coal in mine heaps (deposits)

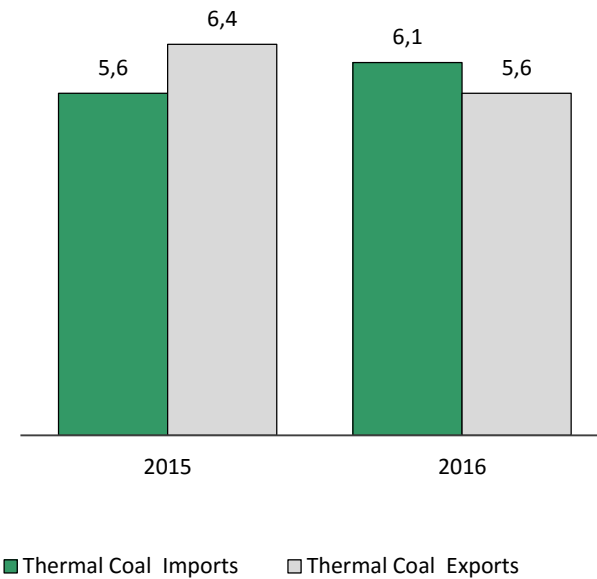


Decrease in extraction and sale of coal and lower coal inventories in Polish mines

Thermal coal production, domestic sales and inventories (million tonnes)*



Thermal coal imports and exports (million tonnes)*

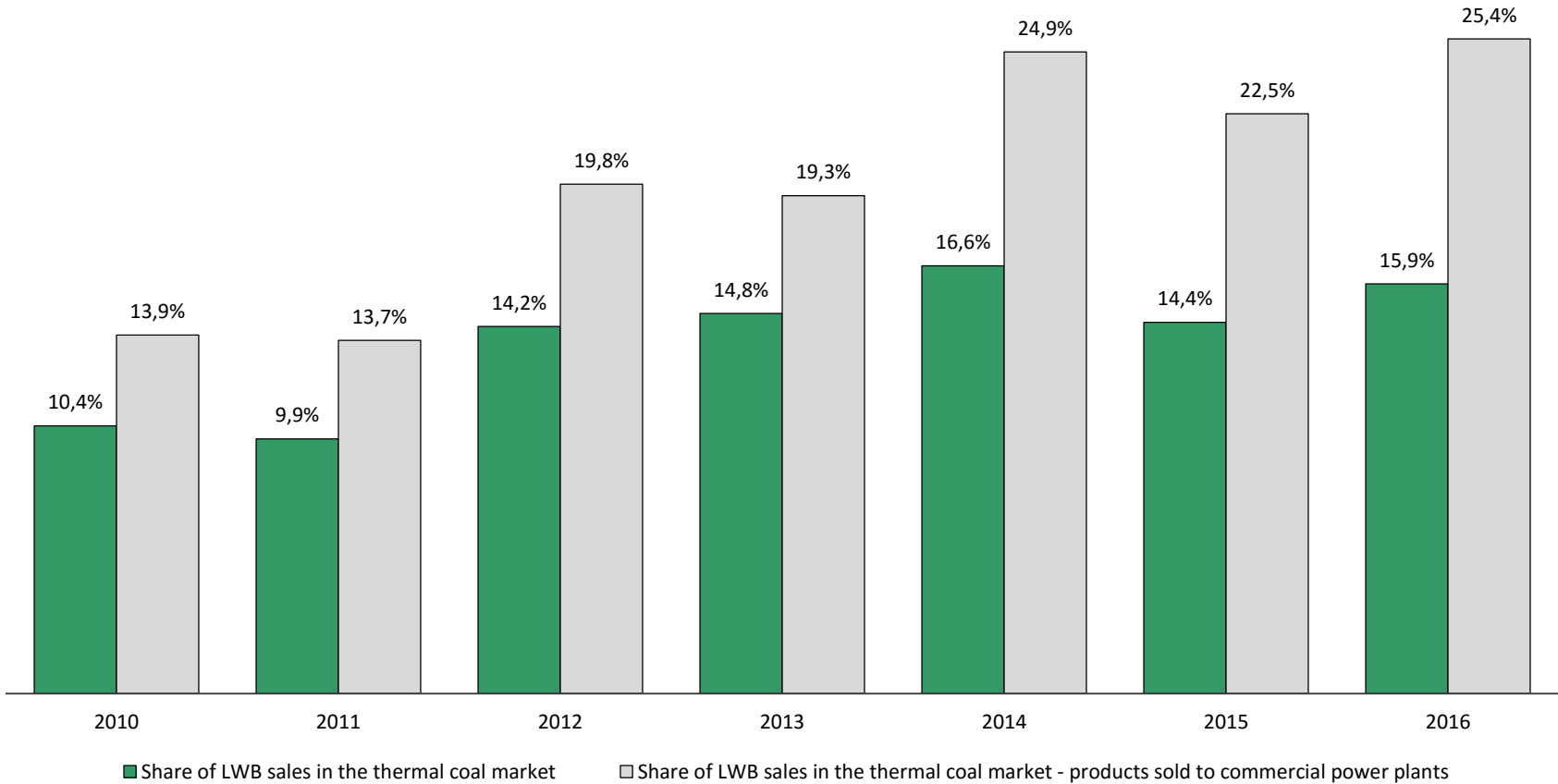


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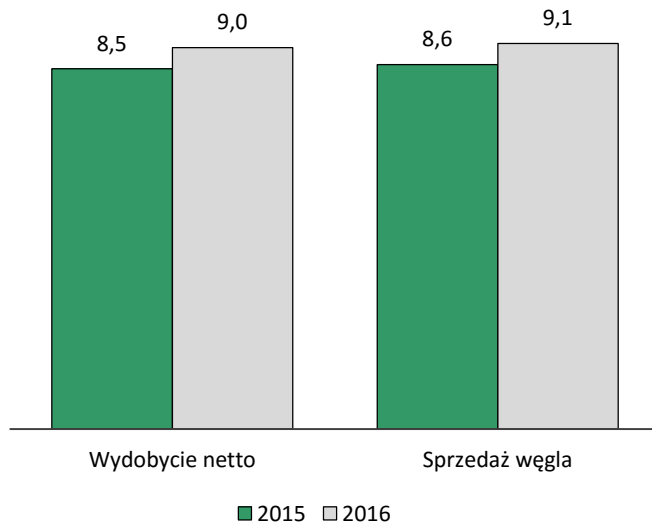
We keep a very strong position on the coal market – 25.4% of share in sales to commercial power plants





Higher extraction and sales in LW Bogdanka S.A., more production days in Q1-Q4 2016 than in Q1-Q4 2015

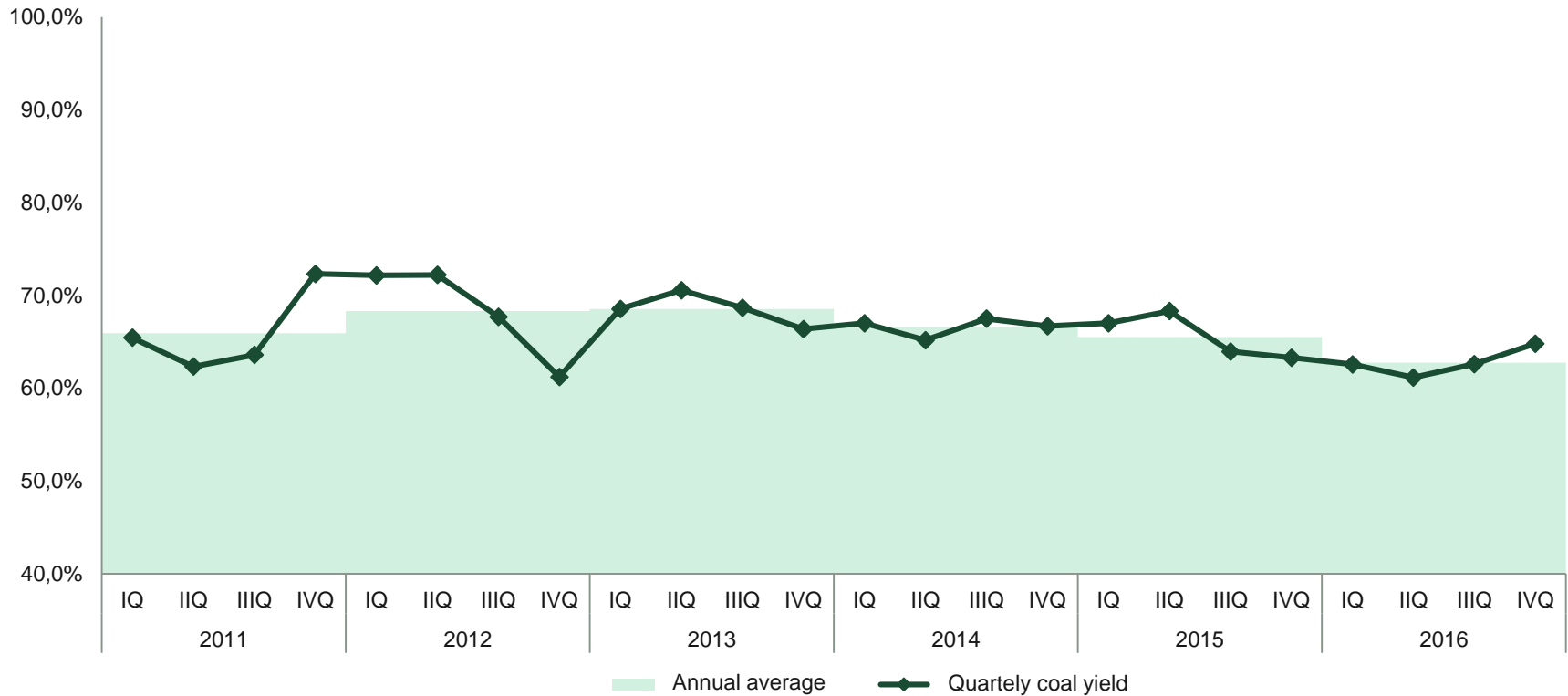
	Q4 2015	Q4 2016	Change	Q1-Q4 2015	Q1-Q4 2016	Change
Gross production ('000 tonnes)	3,994	3,638	-8.9%	12,940	14,389	11.2%
Net production ('000 tonnes)	2,527	2,356	-6.8%	8,457	9,038	6.9%
New workings (by length) (km)	4.4	6.6	50.0%	20.0	23.8	19.0%
Coal sales ('000 tonnes)	2,554	2,402	-6.0%	8,562	9,141	6.8%



- ✓ Production in Q1-Q4 2016 was conducted on 300 days, compared to 278 days in the same period 2015 – increase 7.9%
- ✓ more new excavations in pursuance of the flexible development scenario (Strategy)



Coal yield at a level of 64.8% in Q4 2016



- ✓ Coal yield in Q4 2016 was about 64.8% and was higher than in Q4 2015 (63.3%), and higher than in Q3 2016 (62,6%)
- ✓ In Q4 2016, 59.0% of raw coal was obtained from plough walls and 41.0% from shearer walls. In the same period of 2015, this ratio was 42.3% to 57.7%



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Good operating and financial results, cost efficiency



We achieved good operating results – increase of production and sales

Item	Unit	Q4 2015	Q4 2016	Change	Q1-Q4 2015	Q1-Q4 2016	Change
Technical and operating data							
Gross production	'000 tonnes	3,994	3,638	-8.9%	12,940	14,389	11.2%
Net production	'000 tonnes	2,527	2,356	-6.8%	8,457	9,038	6.9%
Coal yield	%	63.3%	64.8%	1.5 p.p.	65.4%	62.8%	-2.6 p.p.
Coal sales	'000 tonnes	2,554	2,402	-6.0%	8,562	9,141	6.8%
Inventories (end of period)	'000 tonnes	228.0	125.0	-45.2%	228.0	125.0	-45.2%
New workings (by length)	km	4.4	6.6	50.0%	20.0	23.8	19.0%
Financial data							
Revenue	PLN '000	558,387	471,878	-15.5%	1,885,371	1,786,265	-5.3%
EBITDA	PLN '000	228,177	174,260	-23.6%	686,298	606,539	-11.6%
EBITDA margin	%	40.9%	36.9%	-4.0 p.p	36.4%	34.0%	-2.4 p.p
EBIT	PLN'000	-500,766	82,370	-	-326,221	237,007	-
EBIT margin	%	-89.7%	17.5%	107.2 p.p	-17.3%	13.3%	30.6 p.p
Net profit	PLN'000	-411,763	61,833	-	-279,626	181,992	-
Net debt/EBITDA*	-	0.67	0.14	-79.1%	0.67	0.14	-79.1%

*Debt = non-current liabilities due to bonds issue + non-current loans and borrowings + short-term loans and borrowings



Low coal price affected financial results - drop in EBITDA for Q4 2016 vs. Q4 2015

[PLN million]	Q4 2015	Q4 2016	Change
EBITDA The LW Bogdanka Group	228.2	174.3	-23.6%

Q4 2016

- ✓ EBITDA down by PLN 53.9 million (-23.6%)
- ✓ decrease in the volume of coal sold by 6.0%
- ✓ decrease in the price of coal sold by 8.0%
- ✓ other income in Q4 2016 at the same level as in the analogous period 2015
- ✓ no material changes in the unit cost of products, goods and materials sold net of depreciation (decrease in nominal cost by 5.9% with the decreasing amount of coal sold by 6.0%)
- ✓ increase in selling costs - costs of logistics service and customs clearance of coal sold to Ukraine
- ✓ higher other operating income (penalties charged) lower other costs and net losses

Factors affecting EBITDA (PLN milion)





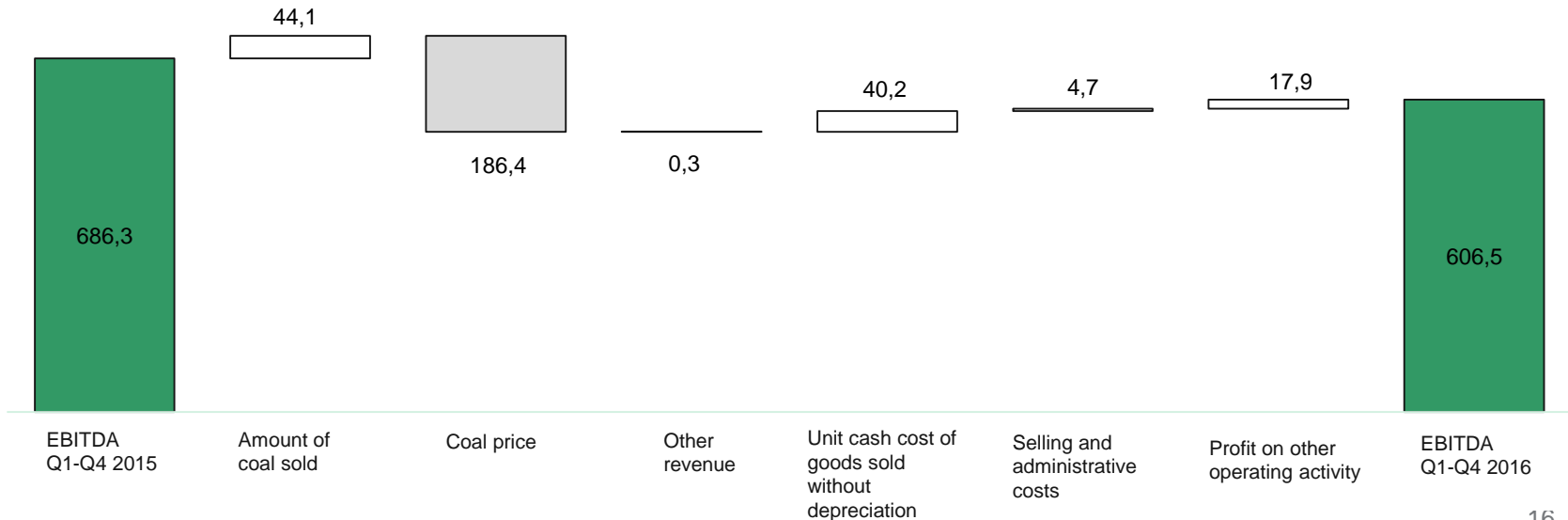
Cost efficiency and amount of coal sold compensated by half of the lower coal prices in 2016

[PLN million]	2015	2016	Change
EBITDA The LW Bogdanka Group	686.3	606.5	-11.6%

2016

- ✓ EBITDA down by PLN 79.8 million (-11.6%)
- ✓ increase in the volume of coal sold by 6.8%
- ✓ decrease in the price of coal sold by 10.0%
- ✓ other income in Q1-Q4 2016 at the same level as in the analogous period 2015
- ✓ drop in unit cost of products, goods and materials sold net of depreciation (increase in nominal cost by 2.7% with the increasing amount of coal sold by 6.8%)
- ✓ lower selling costs and administrative expenses (derecognition of a portion of costs of management options for 2016 and previous years, increase in selling costs - costs of logistics service and customs clearance of coal sold to Ukraine)
- ✓ positive result on other operating activity (release of provision for claims)

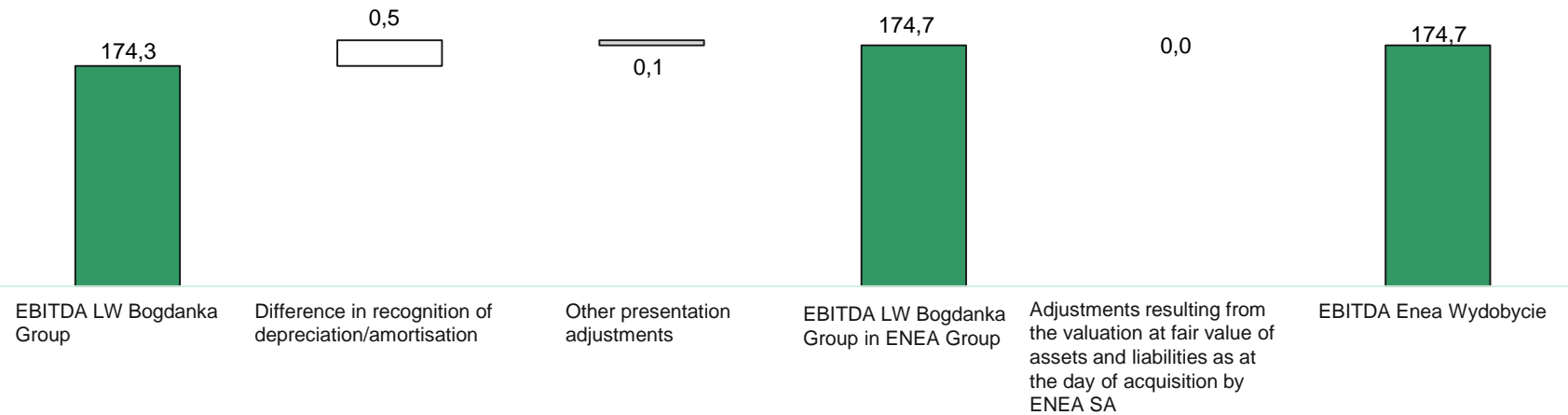
Factors affecting EBITDA (PLN million)



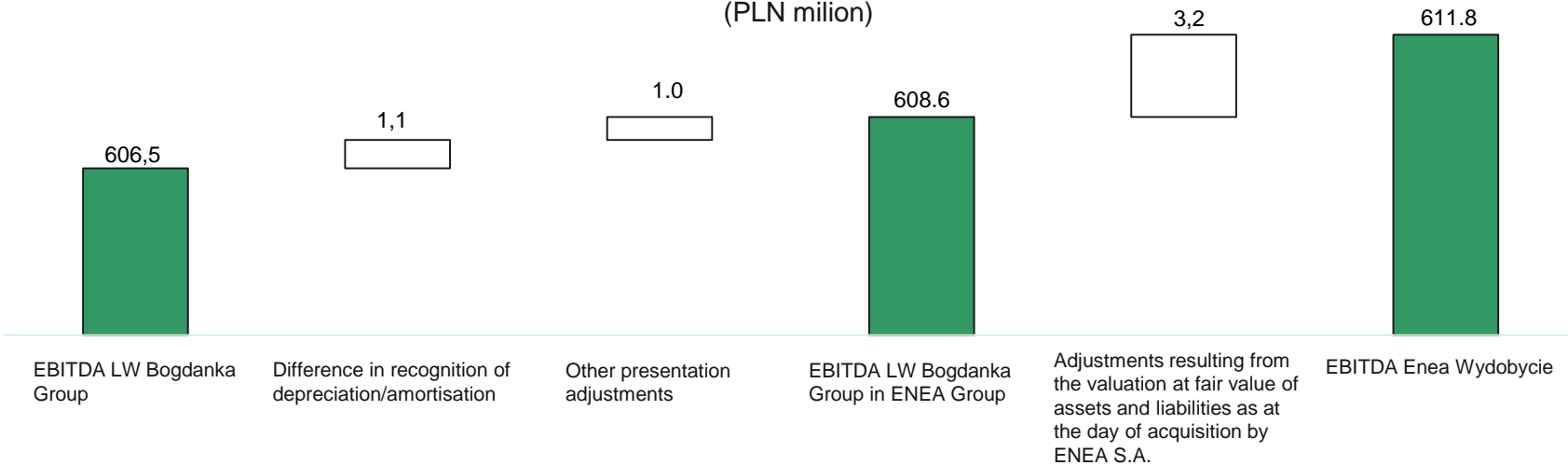


EBITDA presentation differences between the LW Bogdanka Group and Enea Wydobyocie

Q4 2016 (PLN million)



Q1-Q4 2016 (PLN million)





Increase in production by 6.9% in 2016 - higher costs by type only by 1.8%

Item [PLN '000]	Q4 2015	Q4 2016	Change	Q1-Q4 2015	Q1-Q4 2016	Change
Net production ['000 tonnes]	2,527	2,356	-6.8%	8,457	9,038	6.9%
Coal sales ['000 tonnes]	2,554	2,402	-6.0%	8,562	9,141	6.8%
Depreciation and amortization	102,193	89,320	-12.6%	381,900	352,958	-7.6%
Materials and energy	102,913	111,939	8.8%	393,104	423,911	7.8%
External services	112,680	115,984	2.9%	376,400	403,590	7.2%
Employee cost and benefits	185,764	172,235	-7.3%	542,646	535,648	-1.3%
Entertainment and advertising	741	365	-50.7%	6,355	6,443	1.4%
Taxes and charges	7,905	8,577	8.5%	34,560	37,205	7.7%
Other expenses	1,316	14,269	984.3%	21,492	28,170	31.1%
Cost by nature	513,512	512,689	-0.2%	1,756,457	1,787,925	1.8%
Cost of activities for the Company's own needs	-46,144	-54,415	17.9%	-184,275	-195,056	5.9%
Accruals and deferrals	-49,833	-71,689	43.9%	-8,824	-11,699	32.6%
Value of coal obtained from excavations	-10,174	-21,445	110.8%	-58,802	-70,519	19.9%
Provisions and other presentation adjustments between costs by type and by function	18,270	17,346	-5.1%	46,406	23,595	-49.2%
Impairment losses of non current assets and intangible assets	624,772	-	-	624,772	-	-
Total production costs	1,050,403	382,486	-63.6%	2,175,734	1,534,246	-29.5%
Change in product inventories	1,403	7,923	464.7%	18,835	15,477	-17.8%
Value of goods and materials sold	3,844	2,586	-32.7%	12,651	11,432	-9.6%
Own cost of production sold, including	1,055,650	392,995	-62.8%	2,207,220	1,561,155	-29.3%
Costs of products, goods and materials sold	1,002,471	355,913	-64.5%	2,054,607	1,431,941	-30.3%
Selling costs	9,957	14,327	43.9%	38,002	43,637	14.8%
Administrative costs	43,222	22,755	-47.4%	114,611	85,577	-25.3%



Efforts in reducing costs bring effects - increase in production by 6.9% in 2016 compared to 2015, with costs higher by only by 1.8%

Total costs by type for 2016 - PLN 1,788 million – increase in relation to 2015 by 1.8%, i.e. by PLN 31 million

Cash costs (net of depreciation/amortisation) - increase by 4.4%, i.e. by PLN 60 million

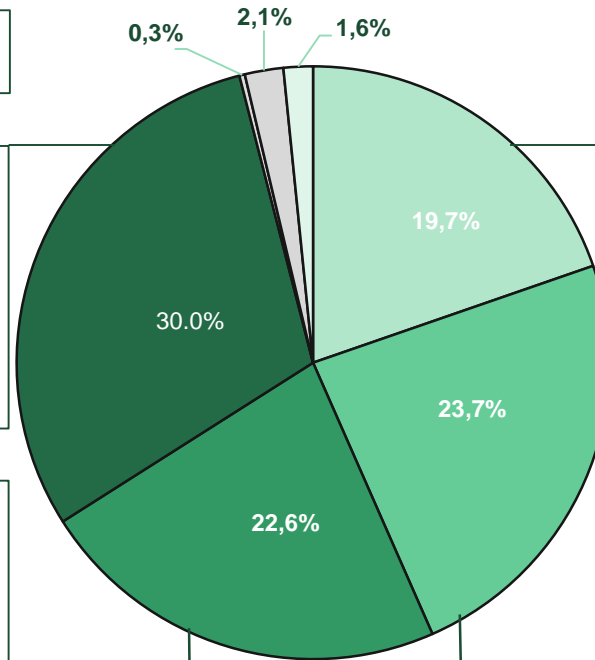
Net extraction - increase by 6.9%, i.e. by **approx. PLN 0.6 million tonnes**

Length of walls - increase by 19.0% (23.8 km in 2016 vs. 20.0 km in 2015)

Taxes and charges – 2.1% - (+7.7% y/y)

Entertainment and advertising costs – 0.3% - (+1.4% y/y)

Other costs – 1.6% - (+31.1% y/y)



Employee benefits - 30.0% (-1.3% y/y)

- ✓ as at 31 December 2016, the number of staff employed at the Company amounted to 4,462 persons and was lower by 93 compared to 31 December 2015.
- ✓ other employee benefits decreased (derecognition of costs of management options)

Depreciation - 19.7% (-7.6% y/y):

- ✓ the value of depreciation of non-current assets fell down, whereas the natural depreciation went up
- ✓ a drop in the value of depreciation of non-current assets is a consequence of impairment loss of non-current assets made as at 31 December 2015 as well as of lengthening the use period of certain assets performed in Q1 2016

External services – 22.6% - (+7.2 y/y):

- ✓ increases were recorded in drilling and mining works (for greater number of Saturdays when mining was performed and a higher scope of preparatory works), as well as in overhauls and maintenance;
- ✓ transport services dropped (lower coal sales where ensuring transport to the customer was LW Bogdanka S.A. responsibility)

Materials and energy consumption – 23.7% (+7.8% y/y):

- ✓ the value of energy costs (understood as a sum of electric and heat power, water and other utilities) went up due to higher extraction,
- ✓ the value of materials used went up due to a larger scope or preparatory works performed

**Provisions at the LW Bogdanka Group**

Item [PLN '000]	31.12.2015	31.12.2016	Change 31.12.2015/31.12.2016
Employee provisions	251,537	266,981	6.1%
Liabilities under local property tax	23,881	32,456	35.9%
Mine decommissioning and reclamation provision	130,179	117,423	-9.8%
Mining damage	8,497	4,440	-47.7%
Accident insurance premium (ZUS)	18,727	20,042	7.0%
Other	29,907	13,914	-53.5%
TOTAL	462,728	455,256	-1.6%

**Zmiana rezerw GK LW Bogdanka**

Item [PLN '000]	Change IVQ 2015	Change IVQ 2016	Change	Change 2015	Change 2016	Change
Employee provisions	10,292	8,314	-19.2%	24,813	15,444	-37.8%
Liabilities under local property tax	-507	2,192	-	623	8,575	1 276.4%
Mine decommissioning and reclamation provision	14,435	-6,798	-	6,594	-12,756	-
Mining damage	970	-3,363	-	-658	-4,057	516.6%
Accident insurance premium (ZUS)	331	330	-0.3%	2,826	1,315	-53.5%
Other	2,022	1,537	-24.0%	4,612	-15,993	-
TOTAL	27,543	2,212	-92.0%	38,810	-7,472	-



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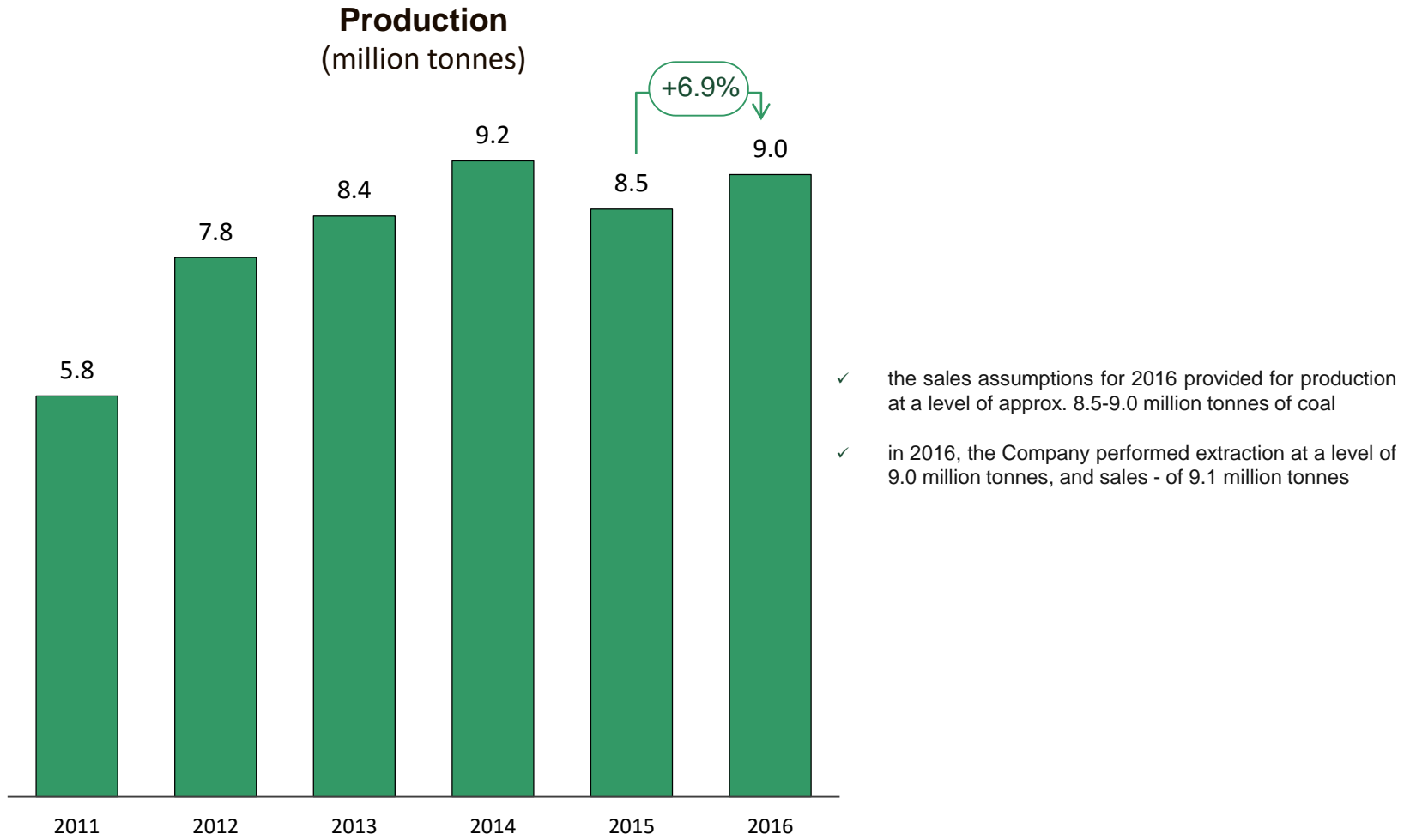
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In 2016, the production was in line with the assumed plan of 9.0 million tonnes



We completed the production plan assuming 9.0 million tonnes in 2016 – increase over 2015 by 6.9%





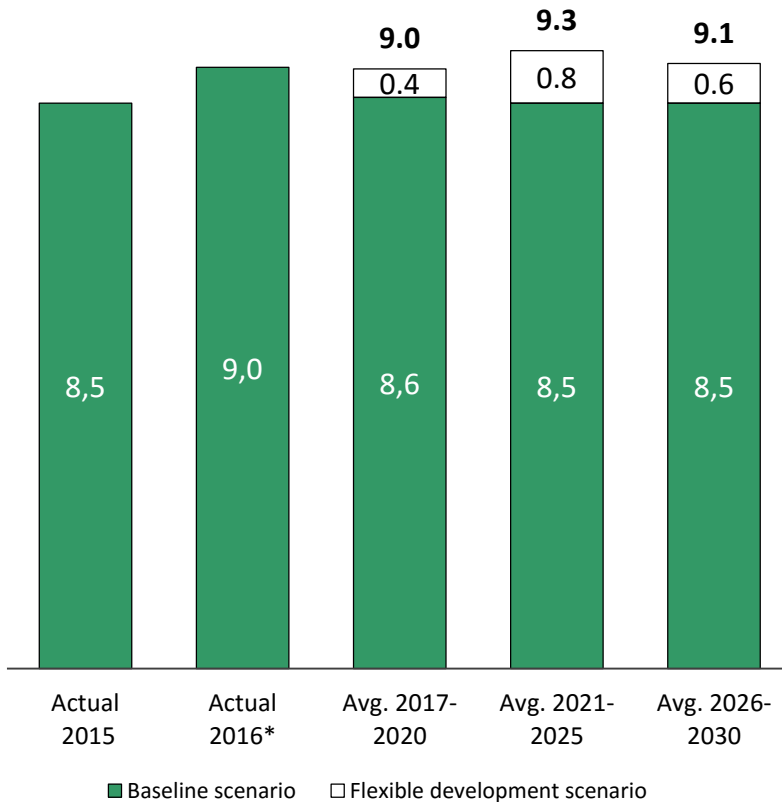
The use of CAPEX in 2016 r. and plan for 2017 r. - in line with Strategy

Item [PLN '000]	Plan for 2016	Realization of plan 2016	Realization of plan 2016 [%]	Plan for 2017
Obtaining new concessions	45,384	31,827	70.1%	18,660
Modernization and repair of machinery and equipment	62,655	33,239	53.1%	40,243
Other operating investments	68,700	47,397	69.0%	28,669
Purchase and assembly of longwall systems	-	-6,435	-	-
New workings and modernization of existing workings	254,978	195,405	76.6%	289,659
TOTAL CAPEX FOR LW BOGDANKA	431,717	301,433	69.8%	377,231
Łęczyńska Energetyka	6,200	6,287	101.4%	8,371
Other subsidiaries	-	142	-	-
TOTAL CAPEX FOR GK LW BOGDANKA	437,917	307,862	70.3%	385,602



In the course of the activities to formulate the Strategy, two development scenarios were prepared: baseline scenario and flexible development scenario

Planned coal production over the years
(million tonnes, 2015-2030)



Strategy

- ✓ on 9 February 2017 the Company announced its Development Strategy of LW Bogdanka S.A. from the Mining Area of the Enea Group until 2025 (under the 2030 framework), including the dividend policy
- ✓ the adopted strategy reflects the 2030 Development Strategy of the Enea Group as it covers, among other things, activities to meet the rising demand for thermal coal on the side of power and cogen plants from the Generation Area of the Enea Group and to implement 10 strategic initiatives planned by the Enea Group for the Mining area.

Vision

Bogdanka is a strong link in the value chain of the Enea Group and the efficiency leader in the mining sector with the highest work safety standards.

Mission

By contributing to energy security of Poland, Bogdanka proves that it is a reliable supplier of coal for commercial power plants able to maintain its competitive advantage and to continuously increase the value of the Company, while improving its work safety and environment protection standards and implementing innovative solutions.

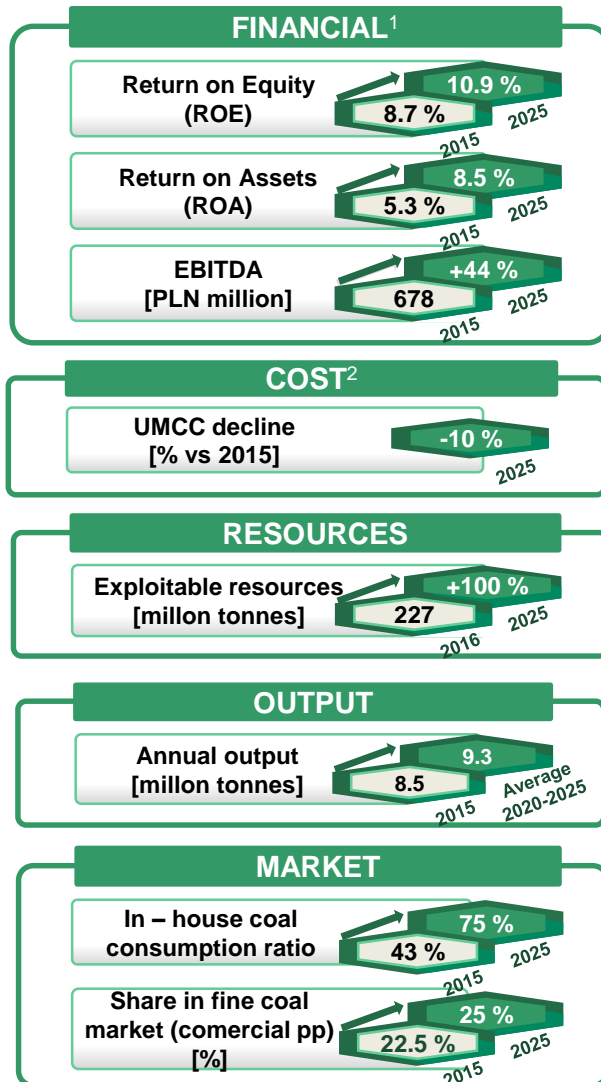
In the course of our activities to formulate the strategy, we prepared two development scenarios:

- ✓ **baseline scenario**, which assumes average production at a level of about 8.5 million tonnes a year over 2017-2025 with CAPEX amounts in 2016 - 2025 to 3.7 billion.
- ✓ **flexible development scenario**, with average annual production at a level of about 9.2 million tonnes over the same period 2017-2025 with CAPEX amounts in 2016 - 2025 to 4 billion.

LWB intends to implement the flexible development scenario as part of its strategy



Key indicators for LW Bogdanka until 2025 – flexible development scenario



¹ – adjusted by revaluation

² – in real terms

Based on the strategy assumptions the Company will strive to achieve the following objectives by 2025:

- ✓ return on equity (ROE) of 10.9%
- ✓ return on assets (ROA) of 8.5%
- ✓ increase in nominal EBITDA by 44.0% (compared to 2015 value adjusted by the impairment loss).

Bogdanka assumes that it will reinforce its market position by achieving at least a 25.0% share in the market of fine thermal coal for commercial power plants and, also, strengthen its financial position by a further reduction in the UMCC by 10.0% in real terms by 2025, compared to 2015.

During the implementation of the Strategy, the Management Board will focus on the key areas of operations of LW Bogdanka S.A., which include:

1. Close cooperation and utilisation of synergies in the Kozienice-Bogdanka-Połaniec mining and power generation area
2. Efforts to double the exploitable resources on the basis of the Ostrów deposit and to extend the mine's life to about 50 years
3. Implementation of strategic initiatives which include:
 - ✓ feasibility study of construction of an integrated gasification cycle (IGCC) system for production of fuel for power generation within the ENEA Group
 - ✓ programme to continue improving work safety
 - ✓ utilisation of the advanced high-performance face complex
 - ✓ continuation of the “Smart Mine” programme
 - ✓ effective waste rock management
 - ✓ operator's services provided by LW Bogdanka S.A., offered on the basis of high technological and management standards of the Company.

Until 2030, a key direction for the Company will be the development of infrastructure in the Ludwin Mining Area (Ostrów deposit) - according to preliminary estimates the Company will spend there about PLN 1.2 – 1.3 billion (in real terms) after the year 2025. This project is to ensure that the shaft complex in the Bogdanka Field can continue coal extraction after 2030.



Summary

The rise of international coal prices, observed in the third quarter, slowed down in the fourth quarter (+6% y/y). On the domestic market, prices remain on a low level - a decrease of more than 10% y/y. In Q4 prices were similar to those recorded in Q3.

In 2016, the Company signed four important annexes to agreements with key customers. This has provided Bogdanka with a long-term safety with respect to extraction, and a sound basis for long-term planning of production, employment, and preparatory works.

In 2016, the Company performed the production and sales plan at a level of 9.0 million tonnes and 9.1 million tonnes, respectively. The achieved financial result was strongly affected by prices, still remaining at a low level. The Company distinguishes itself in the industry thanks to a permanent cost control and optimisation of capital expenditure.

The Company maintains a strong market position by achieving in 2016 the share in thermal coal sales market of 15.9%, and in the thermal coal sold to commercial power plants - of 25.4%.

On 9 February 2017 the Company published its Development Strategy of Enea Group Mining Area until 2025 (under the 2030 framework), which also included the dividend policy.

On 7 March 2017, the Extraordinary General Shareholders Meeting removed the Supervisory Board and appointed the new the Supervisory Board for the 10th joint term of office. The Supervisory Board was joined by two representatives selected by the Company's employees. Rules governing remuneration calculation were determined with respect to the Management and the Supervisory Boards' remuneration.



Thank you



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Appendices – Financial information



Changes in provisions at LW Bogdanka Capital Group and their impact on financial result

Item [PLN '000]	Change in provisions In Q4 2015	Impact on financial result in Q4 2015	Change in provisions in Q4 2016	Impact on financial result in Q4 2016
Employee provisions	10,292	-24,156	8,314	-20,719
Liabilities under local property tax	-507	-2,174	2,192	-2,192
Mine decommissioning and land reclamation provision	14,435	-4,136	-6,798	-758
Mining damage	970	-4,377	-3,363	-915
Accident insurance premium (ZUS)	331	-331	330	-330
Other	2,022	-2,073	1,537	-1,570
TOTAL	27,543	-37,247	2,212	-26,484



Changes in provisions at LW Bogdanka Capital Group and their impact on financial result

Item [PLN '000]	Change in provisions in Q4 2016	Including:				
		Change reflected in operating activity (EBITDA)	Change reflected below operating result – interest	Change reflected only in balance sheet – increase in balance sheet value of fixed assets	Change reflected in Other Total Income	Change reflected only in balance sheet – use of provisions
Employee provisions	8,314	18,973	1,746	-	-1,866	-10,539
Liabilities under local property tax	2,192	2,192	-	-	-	-
Mine decommissioning and land reclamation provision	-6,798	-274	1,032	-7,556	-	-
Mining damage	-3,363	915	-	-	-	-4,278
Accident insurance premium (ZUS)	330	-	330	-	-	-
Other	1,537	1,483	87	-	-	-33
TOTAL	2,212	23,289	3,195	-7,556	-1,866	-14,850



Changes in provisions at LW Bogdanka Capital Group and their impact on financial result

Item [PLN '000]	Change in provisions in 2016	Including:				
		Change reflected in operating activity (EBITDA)	Change reflected below operating result – interest	Change reflected only in balance sheet – increase in balance sheet value of fixed assets	Change reflected in Other Total Income	Change reflected only in balance sheet – use of provisions
Employee provisions	15,444	51,135	6,348	-	7,771	-49,810
Liabilities under local property tax	8,575	8,575	-	-	-	-
Mine decommissioning and land reclamation provision	-12,756	1,336	3,645	-17,737	-	-
Mining damage	-4,057	915	-	-	-	-4,972
Accident insurance premium (ZUS)	1,315	-	1,315	-	-	-
Other	-15,993	-7,043	-5,919	-	-	-3,031
TOTAL	-7,472	54,918	5,389	-17,737	7,771	-57,813



The Consolidated Income Statement of LW Bogdanka Group

Item [PLN '000]	Q4 2015	Q4 2016	Change	Q1-Q4 2015	Q1-Q4 2016	Change
Revenue	558,387	471,878	-15.5%	1,885,371	1,786,265	-5.3%
Cost of products, merchandise and materials sold, distribution cost, administrative expenses	1,055,035	393,347	-62.7%	2,207,341	1,555,454	-29.5%
Gross profit	-496,648	78,531	-	-321,970	230,811	-
Gross margin	-88.9%	16.6%	105.5 p.p.	-17.1%	12.9%	30.0 p.p.
Other income	401	4,854	1 110.5%	2,831	17,866	531.1%
Other expenses	1,418	339	-76.1%	2,017	2,145	6.3%
Net operating profit/loss	-497,665	83,046	-	-321,156	246,532	-
Other net gains/loss	-3,101	-676	-78.2%	-5,065	-9,525	88.1%
Operating profit (EBIT)	-500,766	82,370	-	-326,221	237,007	-
EBIT margin	-89.7%	17.5%	107.2 p.p.	-17.3%	13.3%	30.6 p.p.
EBITDA	228,177	174,260	-23.6%	686,298	606,539	-11.6%
EBITDA margin	40.9%	36.9%	-4.0 p.p.	36.4%	34.0%	-2.4 p.p.
Finance income	1,475	2,424	64.3%	6,110	14,567	138.4%
Finance costs	7,945	7,041	-11.4%	22,938	27,929	21.8%
Profit before tax	-507,236	77,753	-	-343,049	223,645	-
Pre-tax profit margin	-90.8%	16.5%	107.3 p.p.	-18.2%	12.5%	30.7 p.p.
Income tax	-95,473	15,920	-	-63,423	41,653	-
Net profit for the reporting period	-411,763	61,833	-	-279,626	181,992	-
Net margin	-73.7%	13.1%	86.8 p.p.	-14.8%	10.2%	25.0 p.p.

**Statement of Financial Position of LW Bogdanka Capital Group**

Item [PLN' 000]	31.12.2015	31.12.2016
Non-current assets, including:	3,003,073	2,929,788
Cash and cash equivalents	90,872	111,218
Current assets, including:	640,951	870,501
Cash and cash equivalents	262,037	541,106
Total assets	3,644,024	3,800,289
Current liabilities	404,118	747,810
Non-current liabilities	1,117,284	760,072
Total liabilities	1,521,402	1,507,882
Equity	2,122,622	2,292,407
Current borrowings	3,036	3,273



Cash flows of LW Bogdanka Capital Group

Item [PLN '000]	Q1-Q4 2015	Q1-Q4 2016
Net cash flows on operating activities	729,575	675,791
Cash inflow from operating activities	760,324	695,068
Interest received	7,682	6,065
Income tax paid	(38,431)	(25,342)
Net cash flows on investing activities	(440,680)	(285,364)
Acquisition of property, plant and equipment	(435,358)	(262,818)
Interest paid regarding investing activity	(8,090)	(3,412)
Acquisition of intangible assets	(1,595)	(6,182)
Inflow from the sale of property, plant and equipment	3,044	54
Interest received	3,359	7,340
Outflow on account of funds being deposited in the bank account of the Mine Closure Fund	(2,040)	(20,346)
Net cash flows on financing activities	(222,339)	(111,358)
Proceeds from loans and borrowings	7,673	4,984
Repayments of loans and borrowings	-	(100,000)
Repayments of loans and borrowings	(99,514)	(3,036)
Interest and commissions paid due to financing activities	(11,450)	(13,306)
Dividend paid	(119,048)	-
Net increase (decrease) in cash and cash equivalents	66,556	279,069
Cash and cash equivalents at beginning of period	195,481	262,037
Cash and cash equivalents at end of period	262,037	541,106

**Sales structure at LW Bogdanka Capital Group**

Item [PLN '000]	Q4 2015	Share [%]	Q4 2016	Share [%]
Coal sales	536,777	96.1%	451,759	95.7%
Other activities	17,752	3.2%	17,507	3.7%
Sales of merchandise and materials	3,858	0.7%	2,612	0.6%
Total revenue	558,387	100.0%	471,878	100.0%



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