

Current Report No. 5/2012

Date of preparation: 20 March 2012

Subject: Resolution of the Management Board on a motion to the General Shareholders Meeting regarding a distribution of the 2011 net profit

Legal Basis: Article 56.1.1 of the Act on Public Offering – confidential information

Content:

The Management Board of LW Bogdanka S.A. (Company) hereby announces that on 19 March 2012, it adopted a resolution on making a motion to the General Shareholders Meeting regarding the distribution of net profit for 2011.

According to the resolution, the Management Board, having due consideration for the Company's financial needs required for its development, execution of the adopted investment plan as well as the necessity to maintain a proper level of the enterprise's liquidity, has proposed that the net profit generated by the Company in 2011, amounting to PLN 218,977,735.69 (two hundred eighteen million nine hundred seventy-seven thousand seven hundred and thirty-five zlotys 69/100) be distributed as follows:

- 1) **PLN 68,027,180.00** (sixty-eight million twenty-seven thousand one hundred and eighty zlotys) – allocate for **distribution between the shareholders**;
- 2) the remainder, i.e. **PLN 150,950,555.69** (one hundred fifty million nine hundred fifty thousand five hundred and fifty-five zlotys 69/100) – allocate for the **Company's reserve capital**.

Pursuant to Article 382.3 of the Commercial Companies Code and Article 32.1.2 of the Company's Articles of Association, the above motion will be submitted for assessment by the Management Board to the Supervisory Board of Lubelski Węgiel BOGDANKA S.A.

A final decision regarding distribution of 2011 profit will be made by the Annual General Shareholders Meeting of Lubelski Węgiel BOGDANKA S.A.

Legal Basis: Article 56.1 of the Act on public offering and conditions governing the introduction of financial instruments to organised trading and public companies of 29 July 2005 (uniform text, Dz. U. of 2009, No. 185, item 1439).