



**Presentation of results
the LW Bogdanka Group
Q4, Q1-Q4 2017**



Enea

**LUBELSKI WĘGIEL
„BOGDANKA”
SPÓŁKA AKCYJNA**

Safety and stable development of the innovative raw materials and energy corporation



Situation on the coal market and key operating data



**Financial highlights of the LW Bogdanka Group
in Q4, Q1-Q4 2017**



**Performance of the plan in Q4, Q1-Q4 2017 and plan
for 2018**



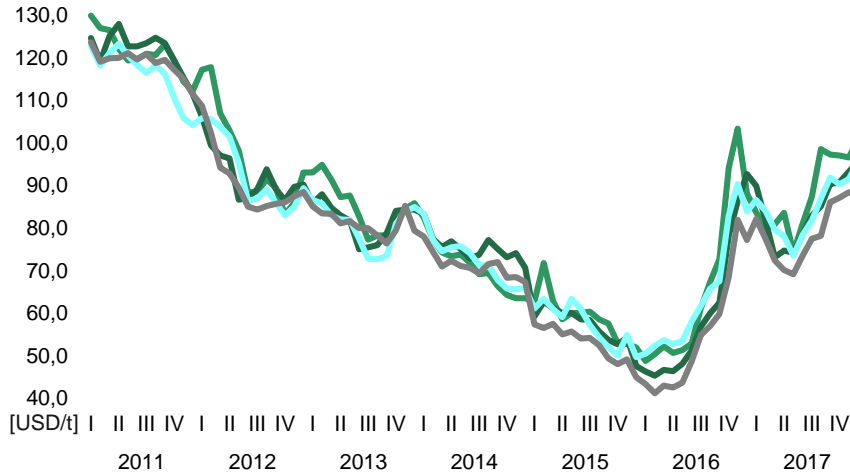
Appendices – Financial information



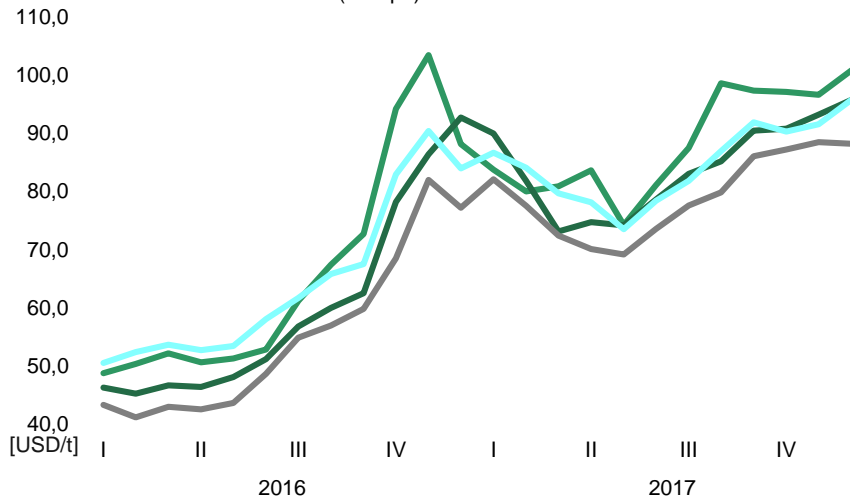
In the fourth quarter, the increase in global and domestic thermal coal prices



Rises of coal prices on the global market in Q4 2017 compared to Q4 2016 by 9.3%



— Newcastle (Australia)
 — Amsterdam - Rotterdam - Antwerpia (Western Europe)
 — Richards Bay (RPA)
 — Baltic Ports (Europe)



CIF ARA coal prices

- ✓ USD 94/tonne – the average annual coal price (CIF ARA) in Q4 2017, i.e. +9.3% compared to Q4 2016 (USD 86/tonne)
- ✓ USD 84/tonne in 2017, i.e. +41.7% compared 2016 (USD 60/tonne)
- ✓ Q4 2017 vs. Q3 2017 (USD 86/tonne) represents an increase by 9.3%
- ✓ Between Q1 2011 and Q4 2017 the coal price (CIF ARA) dropped by almost 23.3%, but from the moment of rebound (January 2016 – December 2017) the average monthly price went up from USD 46/tonne to USD 95/tonne (+106.5%)

Inventories in ARA ports

- ✓ 4.5 million tonnes of coal inventories at the end of December 2017 in ARA ports – similarly as in September 2017 (4.6 million tonnes)

Prices in the world's ports

- ✓ The average coal price FOB Baltic Ports in Q4 2017 amounted to USD 88/tonne, compared to Q3 2017 (USD 81/tonne), which represents an increase by 8.6%; +14.3% compared to Q4 2016 average (USD 77/tonne)
- ✓ USD 79/tonne – the average coal price FOB Baltic Ports in 2017 – i.e. +41.1% compared to 2016
- ✓ Between 2011 and Q4 2017 the coal price FOB BP dropped by almost 28.7%, but from the moment of rebound (January 2016 – December 2017) the price went up from USD 43/tonne to USD 88/tonne (+104.7%)

China

- ✓ approx. 898 million tonnes of coal were produced in Q4 2017, +1.7% vs. Q3 2017
- ✓ approx. 3.5 billion tonnes of coal were produced in 2017, +2.9% vs. 2016 (3.4 billion)
- ✓ imports in 2017 was 271 million tonnes and was higher by approx. 5.9% vs. 2016

USA

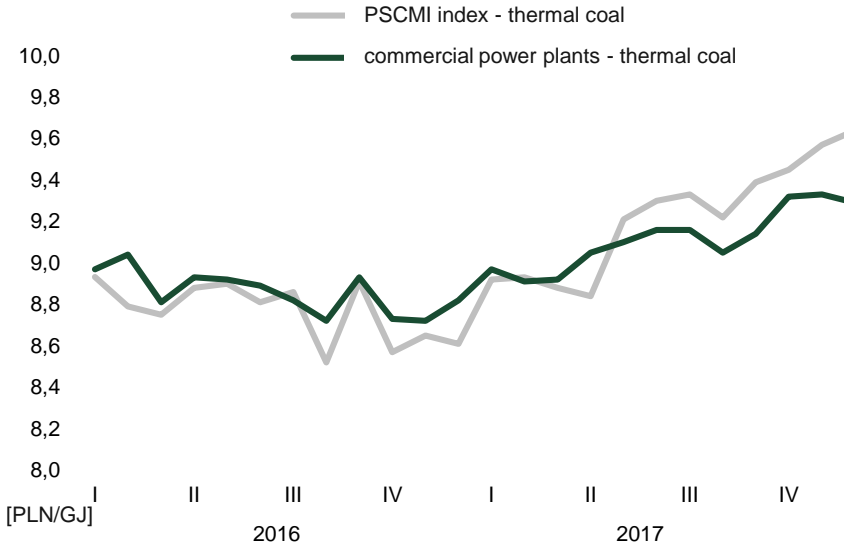
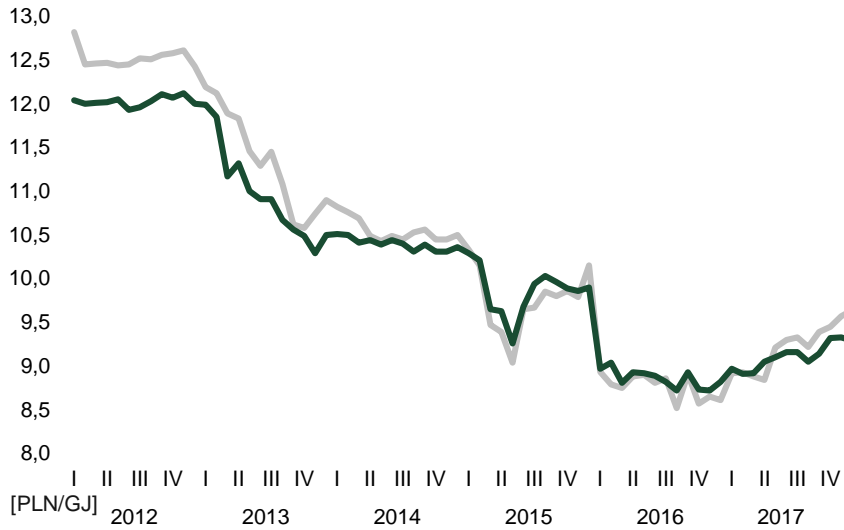
- ✓ Production in 2017 – 701 million tonnes, i.e. +6.1% compared to 2016 (661 million tonnes)
- ✓ Consumption in 2017 – 653 million tonnes, i.e. -1.5% compared to 2016 (663 million tonnes)
- ✓ Exports in 2017 – 87.4 million tonnes of hard coal, i.e. more by 59.8% y/y
- ✓ Main customers: countries in Europe and Asia

Russia

- ✓ exports of coal in Russia in 2017 increased by 12.8% y/y to the level of 185 million tonnes
- ✓ production in 2017 – 408 million tonnes i.e. 6.3% y/y
- ✓ exports to Poland in 2017 – 8.1 million tonnes, i.e. up by 58.8% compared to 2016 (5.1 million tonnes)



Rises of coal prices on the domestic market in Q4 2017 compared to Q3 2017 by 2.2%



Thermal coal prices

- ✓ in Q4 2017, the average price of thermal coal for commercial power plants was PLN 9.31 per GJ – up by 2.2% compared to Q3 2017
- ✓ the price trend shows a 6.3% increase Q4 2017 compared to Q4 2016
- ✓ average heating value of fine coal for commercial power plants was about 21.3 GJ
- ✓ price of fine coal for commercial power plants declined by about 22.8% between January 2012 and December 2017

Thermal coal prices based on the PSCMI index

- ✓ in Q4 2017, the average price based on the PSCMI index was about PLN 9.55 per GJ, which in comparison with Q3 2017 (PLN 9.31 per GJ) represents an increase by about 2.6%
- ✓ compared to Q4 2016 (PLN 8.61 per GJ) the PSCMI index price increased by 10.9%



Decrease in inventories, extraction and sales in thermal coal market in Poland in 2017 compared to 2016

PERFORMANCE OF POLISH COMPANIES*:

	Q4 2016	Q4 2017	Change	Q1-Q4 2016	Q1-Q4 2017	Change
Extraction of thermal coal in domestic coal market (million tonnes)	14.3	12.9	-9.8%	55.1	50.4	-8.5%
Sales of thermal coal in domestic coal market (million tonnes)	14.8	13.2	-10.8%	52.0	47.7	-8.3%
Average cost of coal sold (PLN)	250.6	298.9	19.3%	256.6	273.4	6.5%
COAL PRICES:						
Average price of power coal (PLN)	223.7	247.1	10.5%	219.5	238.5	8.7%
Average price of coal sold to commercial power industry (PLN)	188.4	196.6	4.4%	190.1	192.9	1.5%
DEMAND/SUPPLY:						
Production of electric power in commercial power plants with the use of hard coal (GWh)**	21,921	20,431	-6.8%	81,348	79,868	-1.8%
Inventories of coal in mines (million tonnes)***	1.7	0.7	-58.8%	1.7	0.7	-58.8%

*data do not include Silesia, Siltech, Ekoplus

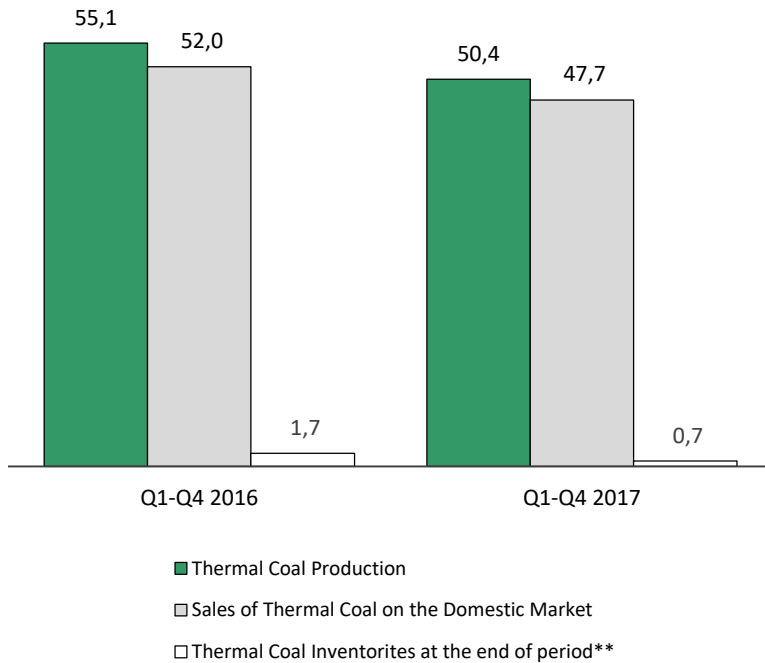
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***uncertain situation of coal in mine heaps (deposits)

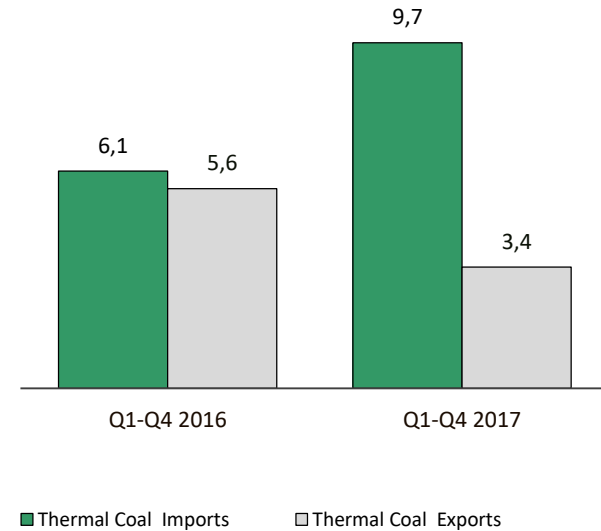


Drop in extraction, sales and stocks of thermal coal in Polish mines with significant increase in import

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



Thermal coal imports and exports (million tonnes)*

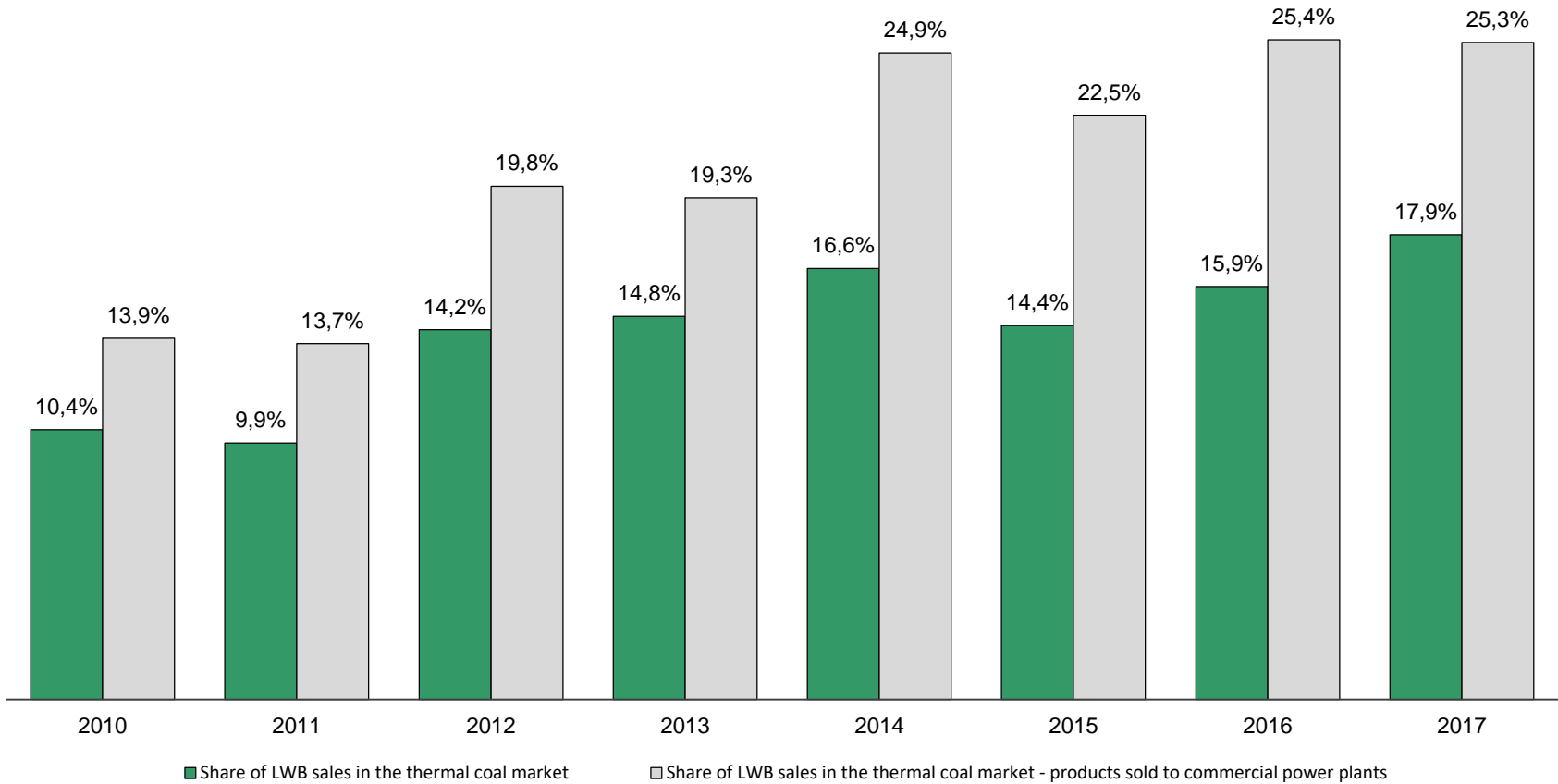


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** uncertain situation of coal in mine heaps (deposits)



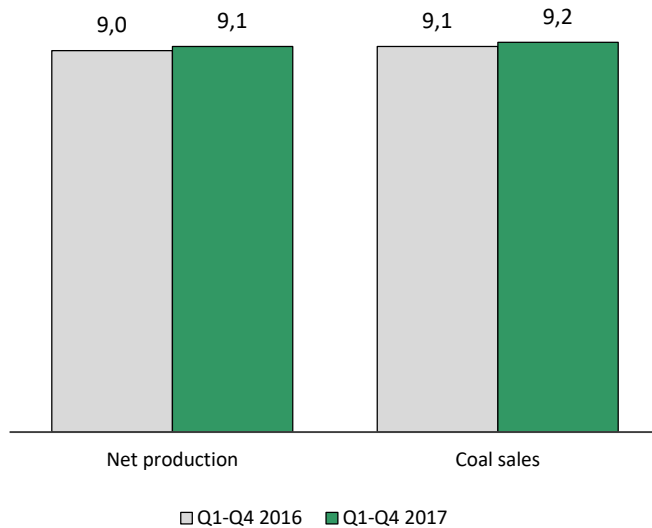
We keep a very strong position on the coal market – 25.3% of share in sales to commercial power plants





Production and sales in Q1-Q4 2017 at the level of last year, the increase of new workings

	Q4 2016	Q4 2017	Change	Q1-Q4 2016	Q1-Q4 2017	Change
Gross production ('000 tonnes)	3,650	3,770	3.3%	14,389	13,979	-2.8%
Net production ('000 tonnes)	2,356	2,338	-0.8%	9,038	9,050	0.1%
New workings (by length) (km)*	7.1	8.3	16.9%	25.5	30.7	20.4%
Coal sales ('000 tonnes)	2,402	2,453	2.1%	9,141	9,151	0.1%

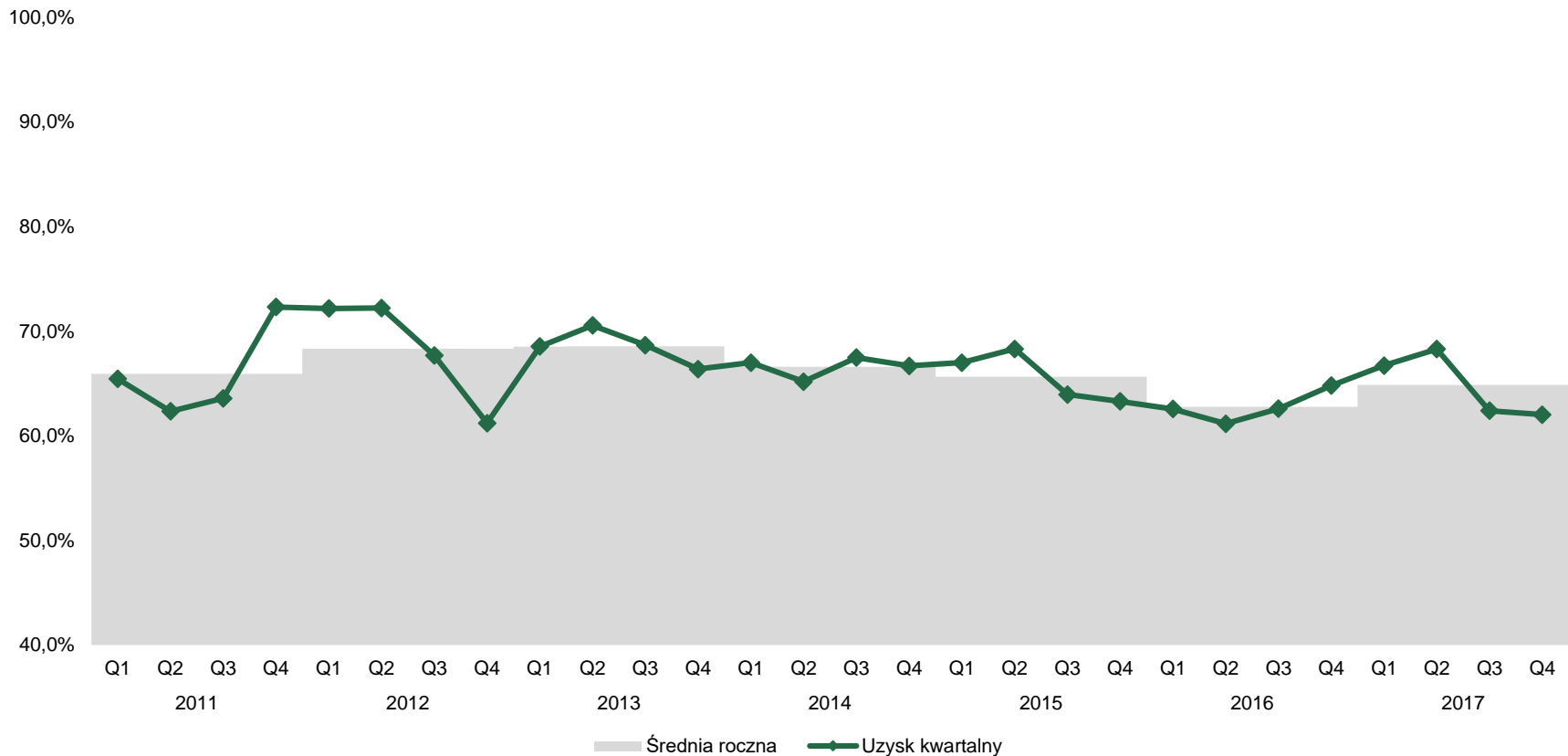


- ✓ more new workings in pursuance of the flexible development scenario (Strategy)
- ✓ production in Q1-Q4 2017 was conducted on 302 days, compared to 300 days in the same period 2016 – increase 0.7%

*Length of excavations made includes reconstruction works



Coal yield at a level of 64.7% in Q1-Q4 2017



- ✓ coal yield in Q4 2017 was about 62.0% and was lower than in Q4 2016 (64.5%), and lower than in Q3 2017 (62.4%), caused with difficult mining and geological conditions
- ✓ coal yield in Q1-Q4 2017 was about 64.7% and was higher by 1.9 p.p. than in Q1-Q4 2016 (62.8%)
- ✓ in Q4 2017 48.5% of raw coal was obtained from plough walls and 51.5% shearer walls. In the same period of 2016 this ratio was 59.0% to 41.0%, in Q1-Q4 2017 53.4% of raw coal was obtained from plough walls and , and 46.6% shearer walls. In the same period of 2016 this ratio was 64.0% to 36.0%



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Good operating and financial results, cost efficiency



We achieved good operating results in 2017 – improved financial results with a similar level of extraction and sales

Item	Unit	Q4 2016	Q4 2017	Change	Q1-Q4 2016	Q1-Q4 2017	Change
Technical and operating data							
Gross production	'000 tonnes	3,650	3,770	3.3%	14,389	13,979	-2.8%
Net production	'000 tonnes	2,356	2,338	-0.8%	9,038	9,050	0.1%
Coal yield	%	64.5%	62.0%	-2.5 p.p.	62.8%	64.7%	1.9 p.p.
Coal sales	'000 tonnes	2,402	2,453	2.1%	9,141	9,151	0.1%
Inventories (end of period)	'000 tonnes	125	24	-80.8%	125	24	-80.8%
New workings (by length)*	km	7.1	8.3	16.9%	25.5	30.7	20.4%
Financial data							
Revenue	PLN '000	471,878	473,189	0.3%	1,786,265	1,780,321	-0.3%
EBITDA	PLN '000	174,260	256,405	47.1%	606,539	708,944	16.9%
EBITDA margin	%	36.9%	54.2%	17.3 p.p.	34.0%	39.8%	5.8 p.p.
EBIT	PLN'000	82,370	655,384	695.7%	237,007	847,270	257.5%
EBIT margin	%	17.5%	138.5%	121.0 p.p.	13.3%	47.6%	34.3 p.p.
Net profit	PLN'000	61,833	524,270	747.9%	181,992	667,925	267.0%
Net debt/EBITDA**	-	0.14	-0.16	-	0.14	-0.16	-
Financial highlights (data for 2017, net of one-off events)							
EBITDA	PLN '000	174,260	141,474	-18.8%	606,539	594,013	-2.1%
EBIT	PLN '000	82,370	44,471	-46.0%	237,007	236,357	-0.3%
Net profit	PLN '000	61,833	29,430	-52.4%	181,992	173,085	-4.9%

*Length of new working includes reconstruction works

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



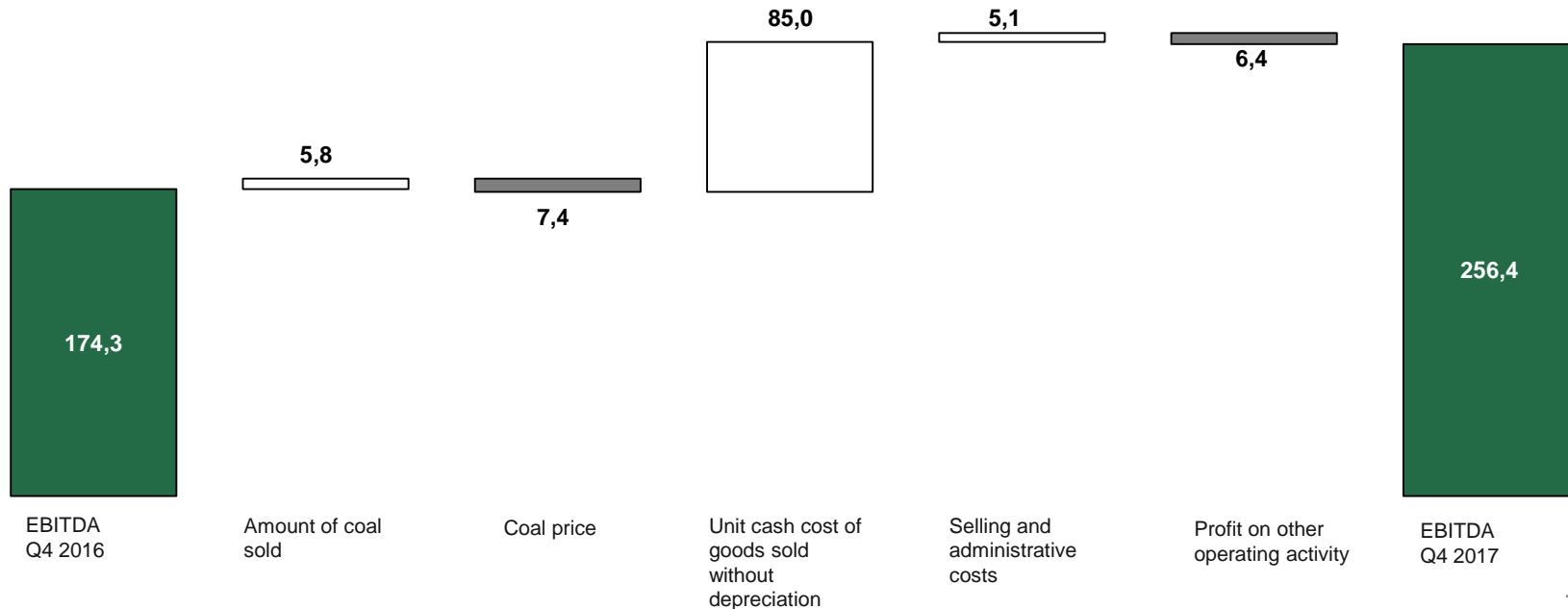
Increase in EBITDA in Q4 2017 compared to Q4 2016

[PLN million]	Q4 2016	Q4 2017	Change
EBITDA The LW Bogdanka Group	174.3	256.4	+47.1%

Q4 2017

- ✓ increase in EBITDA by PLN 82.1 million (+47.1%)
- ✓ increase in the volume of coal sold by 2.1%
- ✓ decrease in the price of coal sold by 1.6%
- ✓ decrease in unit cost of products, goods and materials sold net of depreciation – release of provisions for the coal allowance for retirees and pensioners and the “retirement” coal allowance for present employees
- ✓ lower selling costs and administrative expenses – release of provisions for the coal allowance for retirees and pensioners and the “retirement” coal allowance for present employees
- ✓ lower result on other operations – lower revenue on logistics and customs duty services regarding the exported coal

Factors affecting EBITDA [PLN million]





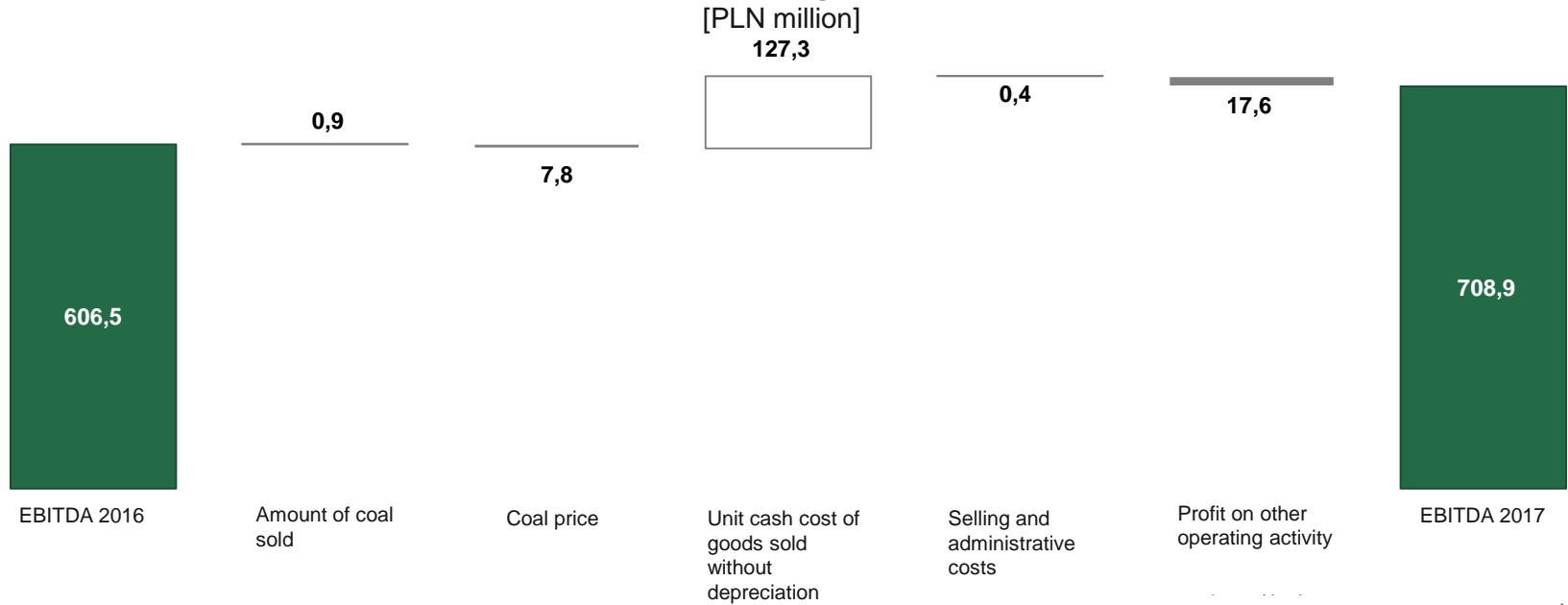
Increase in EBITDA in 2017 compared to 2016

[PLN million]	2016	2017	Change
EBITDA The LW Bogdanka Group	606.5	708.9	16.9%

2017

- ✓ increase in EBITDA by PLN 102.4 million (+16.9%)
- ✓ increase in the volume of coal sold by 0.1%
- ✓ decrease in the price of coal sold by 0.4%
- ✓ decrease in unit cost of products, goods and materials sold net of depreciation – release of provisions for the coal allowance for retirees and pensioners and the “retirement” coal allowance for present employees; better cost efficiency with slightly growing volume of the coal sold
- ✓ lower operating result – in 2016 the provision for damages for Budimex was released following an advantageous ruling issued by the Court of Appeals, higher compensations were received; in 2017 lower revenue on logistics and customs duty services regarding the exported coal

Factors affecting EBITDA





The Group's results were affected by one-off events – results including a reversal of the impairment loss and a release of a provision

Item [PLN '000]	Q4 2016	Q4 2017	Change	Q1-Q4 2016	Q1-Q4 2017	Change
Revenue	471,878	473,189	0.3%	1,786,265	1,780,321	-0.3%
Costs of products, goods and materials sold, selling and administrative expenses	393,347	-181,531	-	1,555,454	934,179	-39.9%
Profit on sales	78,531	654,720	733.7%	230,811	846,142	266.6%
Gross sales margin	16.6%	138.4%	121.8 p.p.	12.9%	47.5%	34.6 p.p.
Other income	4,854	2,961	-39.0%	17,866	5,104	-71.4%
Other costs	339	601	77.3%	2,145	1,161	-45.9%
Net operating profit	83,046	657,080	691.2%	246,532	850,085	244.8%
Other net losses	-676	-1,696	150.9%	-9,525	-2,815	-70.4%
Operating profit (EBIT)	82,370	655,384	695.7%	237,007	847,270	257.5%
EBIT margin	17.5%	138.5%	121.0 p.p.	13.3%	47.6%	34.3 p.p.
EBITDA	174,260	256,405	47.1%	606,539	708,944	16.9%
EBITDA margin	36.9%	54.2%	17.3 p.p.	34.0%	39.8%	5.8 p.p.
Finance income	2,424	1,606	-33.7%	14,567	7,253	-50.2%
Finance costs	7,041	8,046	14.3%	27,929	25,762	-7.8%
Profit before taxation	77,753	648,944	734.6%	223,645	828,761	270.6%
Pre-tax profit margin	16.5%	137.1%	120.6 p.p.	12.5%	46.6%	34.1 p.p.
Income tax	15,920	124,674	683.1%	41,653	160,836	286.1%
Net profit for the financial year	61,833	524,270	747.9%	181,992	667,925	267.0%
Net sales margin	13.1%	110.8%	97.7 p.p.	10.2%	37.5%	27.3 p.p.



The Groups results were affected by one-off events – results net of one-off events

The reversal of impairment loss of non-current assets, described above (with the gross value of approx. PLN 496 million) and the release of the coal allowance provision (with the gross value of approx. PLN 115 million) are on a non-cash and non-recurring nature. The table below shows the estimated results which would have been achieved by the Group should the abovementioned one-off events hadn't had happened.

Item [PLN '000]	Q4 2016	Q4 2017	Change	Q1-Q4 2016	Q1-Q4 2017	Change
Revenue	471,878	473,189	0.3%	1,786,265	1,780,321	-0.3%
Costs of products, goods and materials sold, selling and administrative expenses	393,347	429,382	9.2%	1,555,454	1,545,092	-0.7%
Profit on sales	78,531	43,807	-44.2%	230,811	235,229	1.9%
Gross sales margin	16.6%	9.3%	-7.3 p.p	12.9%	13.2%	0.3 p.p
Other income	4,854	2,961	-39.0%	17,866	5,104	-71.4%
Other costs	339	601	77.3%	2,145	1,161	-45.9%
Net operating profit	83,046	46,167	-44.4%	246,532	239,172	-3.0%
Other net losses	-676	-1,696	150.9%	-9,525	-2,815	-70.4%
Operating profit (EBIT)	82,370	44,471	-46.0%	237,007	236,357	-0.3%
EBIT margin	17.5%	9.4%	-8.1 p.p	13.3%	13.3%	0.0 p.p
EBITDA	174,260	141,474	-18.8%	606,539	594,013	-2.1%
EBITDA margin	36.9%	29.9%	-7.0 p.p	34.0%	33.4%	-0.6 p.p
Finance income	2,424	1,606	-33.7%	14,567	7,253	-50.2%
Finance costs	7,041	8,046	14.3%	27,929	25,762	-7.8%
Profit before taxation	77,753	38,031	-51.1%	223,645	217,848	-2.6%
Pre-tax profit margin	16.5%	8.0%	-8.5 p.p	12.5%	12.2%	-0.3 p.p
Income tax	15,920	8,601	-46.0%	41,653	44,763	7.5%
Net profit for the financial year	61,833	29,430	-52.4%	181,992	173,085	-4.9%
Net sales margin	13.1%	6.2%	-6.9 p.p	10.2%	9.7%	-0.5 p.p



In 2017 increase in coal production by 0.1% and in preparatory works by 20.4% with higher costs by type of of LW Bogdanka S.A. by 4.9%

Item [PLN '000]	Q4 2016	Q4 2017	Change	Q1-Q4 2016	Q1-Q4 2017	Change
Net production ['000 tonnes]	2,356	2,338	-0,8%	9 038	9 050	0,1%
Coal sales ['000 tonnes]	2,402	2,453	2,1%	9 141	9 151	0,1%
Depreciation and amortization	89,320	93,678	4,9%	352 958	347 997	-1,4%
Materials and energy	111,939	140,814	25,8%	423 911	494 927	16,8%
External services	115,984	118 058	1,8%	403 590	418 889	3,8%
Employee cost and benefits	172,235	208 520	21,1%	535 648	562 352	5,0%
Entertainment and advertising	365	1 355	271,2%	6 443	6 633	2,9%
Taxes and charges	8,577	8 957	4,4%	37 205	38 183	2,6%
Other expenses	14,269	1 101	-92,3%	28 170	6 944	-75,3%
Cost by nature	512,689	572 483	11,7%	1 787 925	1 875 925	4,9%
Cost of activities for the Company's own needs	-54,415	-78 699	44,6%	-195 056	-284 243	45,7%
Accruals and deferrals	-71,689	-48 101	-32,9%	-11 699	6 978	-
Value of coal obtained from excavations	-21,445	-18 533	-13,6%	-70 519	-63 887	-9,4%
Provisions and other presentation adjustments between costs by type and by function	17,346	-627 279	-	23 595	-622 641	-
Total production costs	382,486	-200 129	-	1 534 246	912 132	-40,5%
Change in product inventories	7,923	13 167	66,2%	15 477	11 571	-25,2%
Value of goods and materials sold	2,586	3 527	36,4%	11 432	12 820	12,1%
Own cost of production sold, including:	392,995	-183 435	-	1 561 155	936 523	-40,0%
Costs of products, goods and materials sold	355,913	-160 632	-	1 431 941	861 576	-39,8%
Selling costs	14,327	11 249	-21,5%	43 637	41 999	-3,8%
Administrative costs	22,755	-34 052	-	85 577	32 948	-61,5%



In 2017 increase in coal production by 0.1% and in preparatory works by 20.4% with higher costs by type of LW Bogdanka S.A. by 4.9%

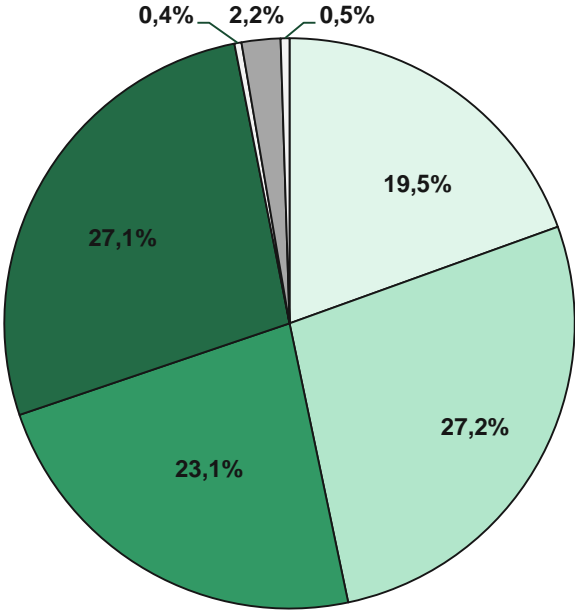
Net extraction – increase by 0.1%, i.e. by approx. PLN 12,000 tonnes
New excavations – increase by 20.4% (30.7 km in 2017 compared to 25.5 km in 2016)
Total costs by type for 2017 – PLN 1,875.9 million – increase in relation to 2016 by 4.9%, i.e. by PLN 88 million
Cash costs (net of depreciation/amortisation) – increase by 6.5%, i.e. by approx. PLN 93 million

Entertainment and advertising costs (+2.9% y/y):
 ✓ transfers in periods payments for the sponsoring of sport activities

Taxes and charges (+2.1% y/y):
 ✓ increase in payments to the National Disabled Persons Rehabilitation Fund
 ✓ increase in real property tax

Other costs (-75.3% y/y):
 ✓ change in settlement period of the insurance policy.

Employee benefits (+5.0% y/y):
 ✓ as at 31 December 2017, the number of staff employed amounted to 4,471 people and was higher by 9 people compared to 31 December 2016.
 ✓ an increase was primarily recorded in other employee benefits (cost of repurchase of coal allowances, pursuance of the Voluntary Redundancy Programme).



Depreciation/Amortisation (-1.4% y/y):
 ✓ drop in natural depreciation (slightly lower gross extraction, higher share in the cutting machine walls)
 ✓ shorter time of use of some railway wagons

External services (+3.8 y/y):
 ✓ higher costs of mining and drilling services (in respect of preparatory works)
 ✓ higher costs of repairs and maintenance of mining machinery and equipment
 ✓ lower costs of transport services (so called "przewoźne") and costs of waste management

Materials and energy used (+16.8% y/y):
 ✓ increase in costs of materials used due to higher extent of preparatory works performed
 ✓ increase in costs of spare parts to underground machinery and equipment
 ✓ increase in fuel price
 ✓ slight increase in the value of the purchased energy – a drop in electric energy consumption (lower consumption in terms of quantity) was recorded with an increase in the costs of other utilities (potable water)



Provisions at the LW Bogdanka Group

Item [PLN '000]	31.12.2016	31.12.2017	Change
Employee provisions	266,981	157,021	-41.2%
Liabilities under local property tax	32,456	42,353	30.5%
Mine decommissioning and land reclamation provision	117,423	114,448	-2.5%
Mining damage	4,440	4,434	-0.1%
Accident insurance premium (ZUS)	20,042	21,340	6.5%
Other	13,914	17,643	26.8%
TOTAL	455,256	357,239	-21.5%

**Change in provisions at the LW Bogdanka Group**

Item [PLN '000]	Change Q4 2016	Change Q4 2017	Change	Change Q1-Q4 2016	Change Q1-Q4 2017	Change
Employee provisions	8,314	-141,539	-	15,444	-109,960	-
Liabilities under local property tax	2,192	2,414	10.1%	8,575	9,897	15.4%
Mine decommissioning and land reclamation provision	-6,798	-2,588	-61.9%	-12,756	-2,975	-76.7%
Mining damage	-3,363	822	-	-4,057	-6	-99.9%
Accident insurance premium (ZUS)	330	325	-1.5%	1,315	1,298	-1.3%
Other	1,537	4,429	188.2%	-15,993	3,729	-
TOTAL	2,212	-136,137	-	-7,472	-98,017	1,211.8%



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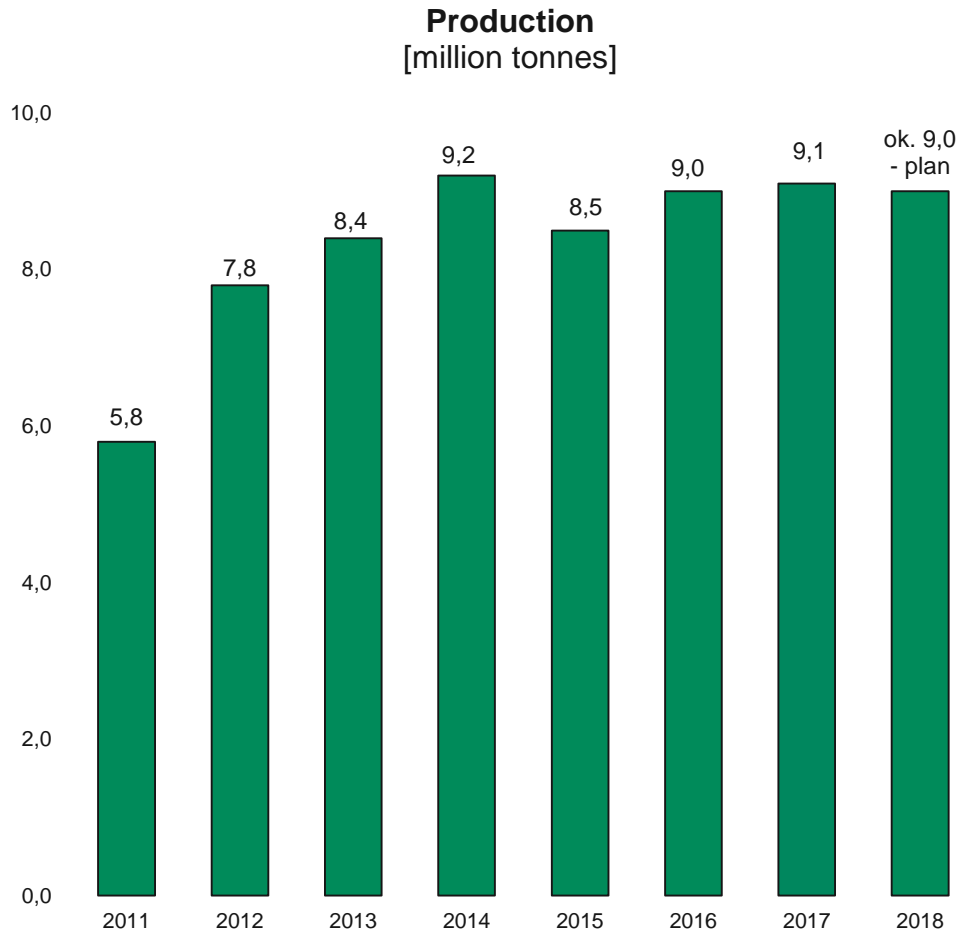
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In Q1-Q4 2017, the production was in line with the assumed plan – 9.1 million tonnes



We completed production plan – 9.1 million tonnes in Q1-Q4 2017 – the level close to previous year. In 2018 we plan to produce approx. 9.0 million tonnes



- ✓ According to the adopted Strategy, the Company assumes production of approximately 9.0 million tonnes of coal in 2018
- ✓ In Q4 2017, the company produced slightly higher than 2.3 million tonnes of coal, and sales were at the level of almost 2.5 million tonnes



The use of CAPEX in Q1-Q4 2017 and plan for 2017 - in line with Strategy, plan for 2018 – PLN 496 milion

Item [PLN '000]	Plan for 2017	Realization of plan Q1-Q4 2017	Realization of plan Q1-Q4 2017 [%]	Plan for 2018
New excavations and upgrades of existing ones	289,659	302,421	104.4%	291,365
Maintenance of machinery	40,243	34,942	86.8%	142,890
Obtaining new licences	18,660	10,346	55.4%	3,900
Ostrów Field	-	-	-	645
Longwalls	-	-	-	40
Other development investments	11,614	11,336	97.6%	28,021
ICT	8,686	3,500	40.3%	6,957
Administration	20	17	85.0%	60
Transport	489	353	72.2%	170
Other	7,860	2,342	29.8%	11,322
TOTAL CAPEX in LW Bogdanka S.A.	377,231	365,257	96.8%	485,370
Łęczyńska Energetyka sp. z o.o.	8,371	7,996	95.5%	9,500
Other subsidiaries	-	161	-	1,142
TOTAL CAPEX AT THE LW BOGDANKA GROUP	385,602	373,414	96.8%	496,012



Q4 2017 saw an increase in international coal prices compared to Q3 2017 (+9.3%). On the domestic market thermal coal prices remained at a similar level as in Q3 2017 (+2.2%).

In Q4 2017 the Company performed the production plan slightly higher than 2.3 million tonnes and sales plan at a level of almost 2.5 million tonnes. The Company continues to distinguish itself in the industry thanks to a permanent cost control and optimisation of capital expenditure.

The high level of coal yield between Q1 and Q4 2017 was maintained (64.7%), which is more by 1.9 p.p. than in Q1-Q4 2016 (62.8%). Output in Q4 2017 (62.0%), caused with difficult mining and geological conditions.

The Company retains a strong market position achieving, in Q1-Q4 2017, the share in the market of thermal coal sales of 17.9%, and the share in the market of thermal coal sales to commercial power plants of 25.3%.

On 17 November 2017 the Company obtained a hard coal mining licence for the Ostrów deposit (the Ludwin Mining Area).

On 28 February 2018 The Company has entered into an agreement with trade unions regarding the level of salaries in 2018. The parties have agreed that, starting 1 March 2018, the rates of employee personal classification will increase by 5%. Furthermore, a one-off incentive bonus will have been paid by the end of March (pro rata to working time) in the gross amount of PLN 2,700.



Thank you



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Situation on the coal market and key operating data



**Financial highlights of the LW Bogdanka Group
in Q4, Q1-Q4 2017**



**Performance of the plan in Q4, Q1-Q4 2017 and plan
for 2018**

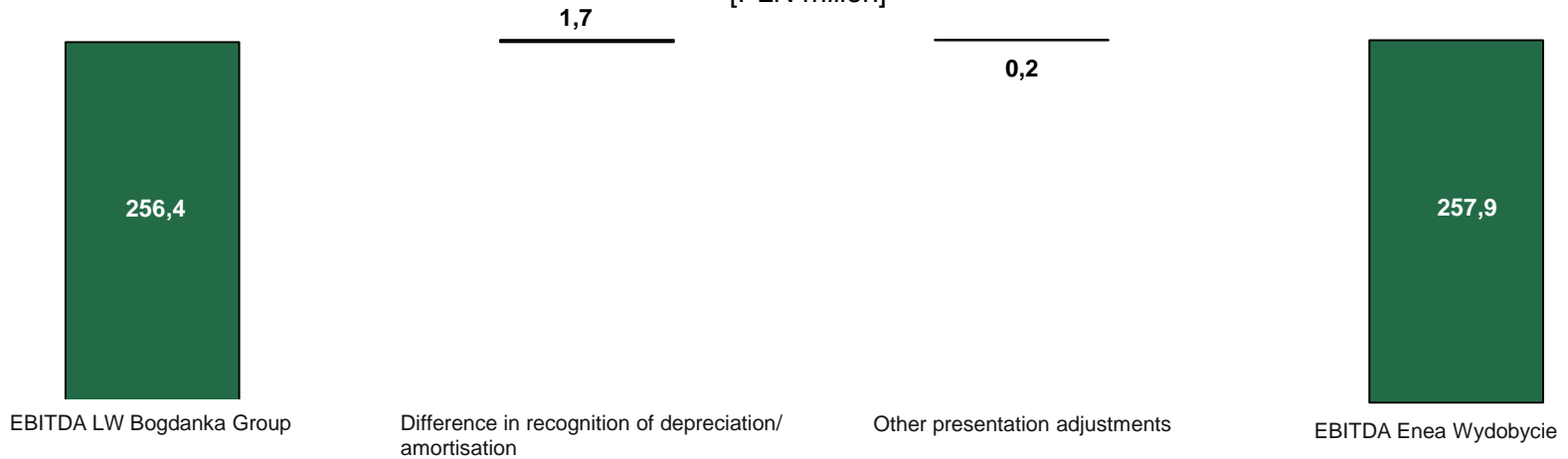


Appendices – Financial information

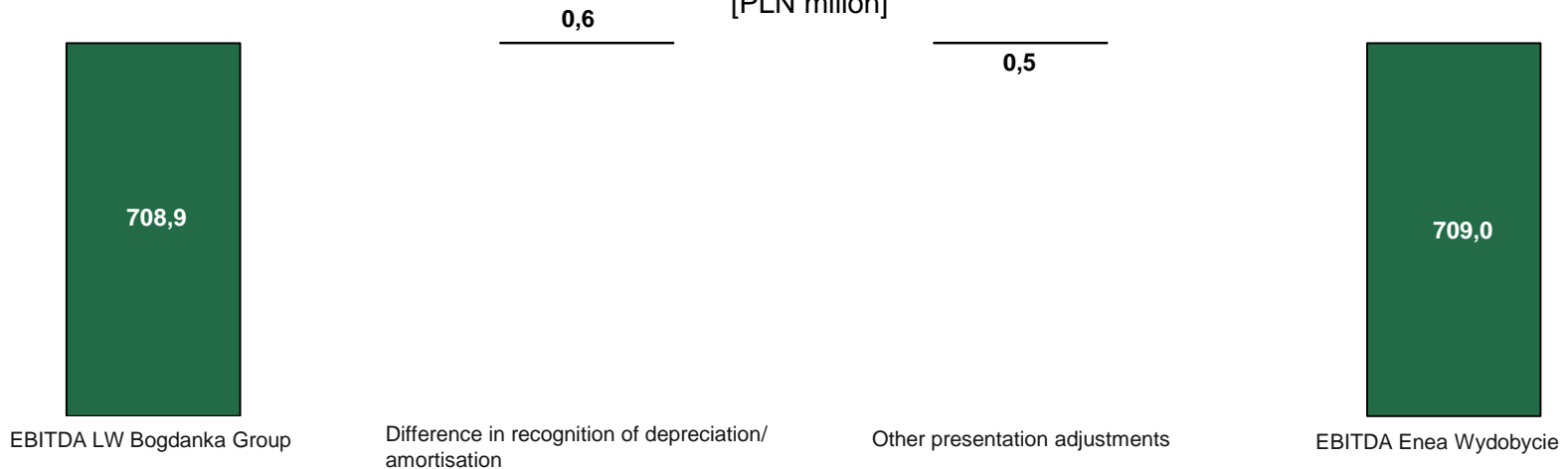


EBITDA presentation differences between the LW Bogdanka Group and Enea Wydobycie

Q4 2017
[PLN million]



2017
[PLN million]





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

Item [PLN '000]	Change in provisions in Q4 2016	Impact on financial result in Q4 2016	Change in provisions in Q4 2017	Impact on financial result in Q4 2017
Employee provisions	8,314	-20,719	-141,539	128,225
Liabilities under local property tax	2,192	-2,192	2,414	-2,414
Mine decommissioning and land reclamation provision	-6,798	-758	-2,588	-2,248
Mining damage	-3,363	-915	822	-1,795
Accident insurance premium (ZUS)	330	-330	325	-325
Other	1,537	-1,570	4,429	-4,394
TOTAL	2,212	-26,484	-136,137	117,049



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

Item [PLN '000]	Change in provisions In Q4 2017	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	-141,539	-129,465	1,240	-	-3,433	-9,881
Liabilities under local property tax	2,414	1,942	472	-	-	-
Mine decommissioning and land reclamation provision	-2,588	1,135	1,113	-4,836	-	-
Mining damage	822	1,795	-	-	-	-973
Accident insurance premium (ZUS)	325	-	325	-	-	-
Other	4,429	4,325	69	-	-	35
TOTAL	-136,137	-120,268	3,219	-4,836	-3,433	-10,819



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

Item [PLN '000]	Change in provisions in Q1-Q4 2017	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	-109,960	-101,202	6,843	-	30,043	-45,644
Liabilities under local property tax	9,897	6,896	3,001	-	-	-
Mine decommissioning and land reclamation provision	-2,975	2,406	3,758	-9,139	-	-
Mining damage	-6	1,795	-	-	-	-1,801
Accident insurance premium (ZUS)	1,298	-	1,298	-	-	-
Other	3,729	5,600	293	-	-	-2,164
TOTAL	-98,017	-84,505	15,193	-9,139	30,043	-49,609

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

Item [PLN '000]	31.12.2016	31.12.2017
Non-current assets, including:	2,929,788	3,428,805
Cash and cash equivalents	111,218	121,806
Current assets, including:	870,501	730,067
Cash and cash equivalents	541,106	434,928
Total assets	3,800,289	4,158,872
Current liabilities	747,810	744,910
Non-current liabilities	760,072	512,435
Total liabilities	1,507,882	1,257,345
Equity	2,292,407	2,901,527
Current borrowings	3,273	3,242



Item [PLN '000]	Q1-Q4 2016	Q1-Q4 2017
Net cash flows on operating activities	675,791	608,517
Cash inflow from operating activities	695,068	640,096
Interest received	6,065	(1,531)
Income tax paid	(25,342)	(30,048)
Net cash flows on investing activities	(285,364)	(372,052)
Acquisition of property, plant and equipment	(262,818)	(368,174)
Interest paid regarding investing activity	(3,412)	(3,126)
Acquisition of intangible assets	(6,182)	(1,160)
Inflow from the sale of property, plant and equipment	54	3,924
Interest received	7,340	7,072
Outflow on account of funds being deposited in the bank account of the Mine Closure Fund	(20,346)	(10,588)
Net cash flows on financing activities	(111,358)	(342,643)
Proceeds from loans and borrowings	4,984	-
Bond redemption	(100,000)	(300,000)
Repayments of loans and borrowings	(3,036)	(3,036)
Interest and commissions paid due to financing activities	(13,306)	(5,137)
Dividends paid	-	(34,470)
Net increase (decrease) in cash and cash equivalents	279,069	(106,178)
Cash and cash equivalents at beginning of period	262,037	541,106
Cash and cash equivalents at end of period	541,106	434,928

**Sales structure at LW Bogdanka Capital Group**

Item [PLN '000]	Q4 2016	Share [%]	Q4 2017	Share [%]
Coal sales	451,759	95.7%	457,198	96.6%
Other activities	17,507	3.7%	12,455	2.6%
Sales of merchandise and materials	2,612	0.6%	3,536	0.8%
Total revenue	471,878	100.0%	473,189	100.0%



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Thank you for your attention



Enea

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Safety and stable development of the innovative raw materials and energy corporation