

Current Report No. 42/2010

Date of preparation: 24 November 2010

Subject: Update of financial forecasts of the LW Bogdanka Group

General legal basis: Article 56.1.2 of the Act on Public Offering – current and periodic information

Content:

The Management Board of Lubelski Węgiel Bogdanka S.A. (the Company), having analysed the financial results of the LW Bogdanka Group (the Group) for the first 10 months of 2010, as well as the forecasts for the Q4/2010 results, hereby announces changes to the Group's forecasts for 2010 as reported in Current Report No. 38/2010 of 30 September 2010.

Forecasts of the Group's financial results for 2010, as published in Current Report No. 38/2010:

- Revenue on sales - PLN 1,228 million
- Operating profit - PLN 242 million
- EBITDA – PLN 391 million
- Net profit for the financial year - PLN 201 million.

Updated forecasts of the Group's financial results for 2010:

- Revenue on sales – PLN 1,237 million
- Operating profit - PLN 270 million
- EBITDA - PLN 410 million
- Net profit for the financial year - PLN 224 million.

Factors influencing the increase of previous forecasts:

Considering the technical ratios achieved and financial results generated during the 10 months of 2010, the Company's Management Board estimates that the Company will realise the volume of commercial coal extraction higher than previously planned.

The increase in commercial coal production in 2010 relative to 2009 will amount to approx. 11% rather than to 9% as initially assumed and reported in Current Report No. 38/2010 on 30 September 2010. The forecast increase in the production of commercial local will be performed with the level of the coal yield unchanged. This is due to the coal yield retained at a very high level, which results from technological and organisational solutions implemented at the Company.

Given an increasing demand for coal expressed by the market, the Company's Management Board has decided today to sell a portion of the additional volume of coal and to reconstruct the stock level scheduled for the end of 2010.

The forecast higher level of production will enhance the production efficiency and lower the unit price of coal extraction, and, as a consequence, will improve the financial results.

The Company performs ongoing monitoring of its financial results and capabilities of meeting the published financial forecasts. Any changes exceeding by at least 10% of the above financial results shall be published in appropriate current reports.

Assessments of the Company's capability of meeting the forecasts for the financial results shall be carried out in consolidated quarterly reports.

Legal basis for submitting the report: Article 5.1.25 of the Regulation of the Minister of Finance on the Stock Exchange