Current Report No. 53/2012

Date of preparation: 5 December 2012

Subject: Conclusion of agreement on the supply of power coal with Grupa Ożarów S.A. Volumes of trade with Grupa Ożarów S.A. - the value of a significant agreement

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

Content:
The Management Board of LW BOGDANKA S.A. (the "Company", the "Seller") hereby informs you that over the last 12 months (as at the date of publication of this Report) the total value of trading and the value of future supplies under agreements between the Company and Grupa Ożarów S.A. (the "Buyer") amount to approx. **PLN 295.04 million net**.

The Agreement of the highest value is the Long-Term Agreement on the purchase/sale of power coal (the "Agreement") concluded on 5 December 2012, which provides for coal supplies between 2013 and 2017 for the purposes of cement plants in Ożarów and Rejowiec.

Under the Agreement, the power coal will be supplied between 1 January 2013 and 31 December 2017.

The total value of the Agreement estimated in accordance with current prices amounts to approx. **PLN 218.45 million** net without regard to permissible deviations.

The Agreement provides for the following conditions of termination or withdrawal:

a) the Buyer may terminate or withdraw from the Agreement in the event that the specified volume of coal supplied by the Seller fails to comply with the border parameters provided for under the Agreement during the calendar year.
b) the Seller may terminate or withdraw from the Agreement in the event that the Buyer is in permanent default on payments under the Agreement.
c) the Parties may terminate or withdraw from the Agreement in the event that the price of coal supplies for the next calendar year is not set within the time limit specified under the Agreement. In such a case, each Party will be entitled to terminate the Agreement by 31 December of a given year with effect at the end of the following calendar year.
d) the Parties may terminate or withdraw from the Agreement in the event that the circumstances of force majeure specified under the Agreement last more than 90 days.

The Agreement provides for the following liquidated damages:

a) the Buyer is entitled to charge the Seller with liquidated damages in the amount of 15% of the value of coal which has not been supplied, if the Buyer withdraws from the Agreement for reasons attributable to the Seller, or if the Seller fails to supply the volume of coal provided for under the Agreement;
b) the Seller is entitled to charge the Buyer with liquidated damages in the amount of 15% of the value of coal which has not been collected, if the Seller withdraws from the Agreement for reasons attributable to the Buyer, or if the Buyer fails to collect the volume of coal provided for under the Agreement.

The Agreement does not provide for the possibility to claim damages in excess of the liquidated damages specified therein.

Other terms and conditions do not differ from the market standards applied in such agreements.

The criterion for deeming the agreements significant is that their total value exceeds 10% of the Company's shareholder equity.

Legal basis for submitting the report: Article 5.1.3 of the Regulation of the Minister of Finance on the Stock Exchange