

Current Report No.: 32/2012

Date: 2012-07-23



Conversion of series A bonds convertible to series K shares

The Management Board of LPP S.A. informs that today, 23 July 2012, it adopted a resolution to specify the Company's share capital and amend the Company's Articles of Association as a consequence of the share capital increase.

These actions were the result of receipt of information by the Company on the submission by nine holders of convertible series A bonds of statements and instructions to convert series A bonds into series K shares.

The bondholders are entitled to convert convertible series A bonds into bearer series K shares under Resolution No. 4/2009 of the Extraordinary General Meeting of LPP S.A. of 03.07.2009 on (i) the issue of bonds convertible to the Company's shares, (ii) conditional Company's share capital increase, (iii) exclusion of the pre-emptive rights of the current holders of convertible bonds and of pre-emptive rights to the shares to be issued in connection with the conversion of convertible bonds into shares, (iv) amendments to the Articles of Association covered by notarial deed rep. A No. 3018/2009, entered in the Business Register held at the National Court Register by the District Court for Gdańsk-Północ in Gdańsk, 7th Commercial Division of the National Court Register under the decision of 7 July 2009.

One series A convertible bond gives its owner the right to convert it into one series K share. Each 1 (one) PLN of the nominal value of series A bond corresponds to PLN 800 (eight hundred zlotys) of the nominal value of series K share. The maximum increase in the share capital by way of converting series A bonds into series K shares is PLN 212,500.

As a result of instructions to convert bonds received on 23 January 2012, 51,459 (fifty one thousand four hundred and fifty nine) bearer series A bonds with a nominal value of PLN 1,600 (one thousand six hundred zlotys) each were converted into 51,459 (fifty one thousand four hundred and fifty nine) series K shares. The issue price of series K shares is PLN 1,600 (one thousand six hundred), and the nominal price of series K shares is PLN 2 (two zlotys). Series K shares will be entitled to a dividend starting from the payment of profit, which will be allocated for distribution for the financial year 2011.

Bearing in mind these statements received from the holders of series A bonds convertible into series K shares, on 23 July 2012 the Management Board adopted a resolution to specify the Company's share capital resulting from converting series A bonds into series K shares. According to the adopted resolution the Company's share capital is increased from the amount of PLN 3,559,328 (three million five hundred and fifty nine thousand three hundred and twenty eight zloty) by the amount of PLN 102,918 (one hundred and two thousand nine hundred and eighteen zloty) to PLN 3,662,246 zł (three million six hundred and sixty two thousand two hundred and forty six zloty). The share capital increase shall be effected through the issue of 51,459 (fifty one thousand four hundred and fifty nine) ordinary series K bearer shares with a nominal value of PLN 2 (two zloty) each, numbered from K 029.388 (twenty nine thousand three hundred and eighty eight) to K 080.846 (eighty thousand eight hundred and forty six).

As a consequence of the specification of the amount of the Company's share capital the Management Board adopted a resolution to amend the Articles of Association as a result of conversion of series A bonds into series K shares, by providing § 5.1 and § 5.2 of the Articles of Association with the following wording:

1. The Company's share capital amounts to PLN 3,662,246 (three million six hundred sixty two thousand two hundred forty six zlotys) and is divided into: 350,000 (three hundred and fifty thousand) registered shares and 1,481,123 (one million four hundred and eighty one thousand one

hundred and twenty three) bearer shares with the nominal value of PLN 2,- (two zloty) each.

2. The Company has issued:

- 1) 100 (one hundred) series A shares, with a nominal value of PLN 2,- each,
- 2) 350,000 (three hundred and fifty thousand) registered series B shares with a nominal value of PLN 2,- (two zlotys) each,
- 3) 400,000 (four hundred thousand) series C bearer shares, with a nominal value of PLN 2,- (two zlotys) each,
- 4) 350,000 (three hundred and fifty thousand) series D bearer shares with a nominal value of PLN 2,- (two zlotys) each,
- 5) 56,700 (fifty six thousand seven hundred) series E bearer shares with a nominal value of PLN 2,- (two zlotys) each,
- 6) 56,700 (fifty six thousand seven hundred) series F bearer shares with a nominal value of PLN 2,- (two zlotys) each,
- 7) 300,000 (three hundred thousand) series G bearer shares with a nominal value of PLN 2,- (two zlotys) each,
- 8) 190,000 (one hundred and ninety thousand) series H bearer shares with a nominal value of PLN 2,- (two zlotys) each,
- 9) 6,777 (six thousand seven hundred and seventy seven) series I bearer shares with a nominal value of PLN 2,- (two zlotys) each,
- 10) 40,000 (forty thousand) series J bearer shares, with a nominal value of PLN 2,- (two zlotys) each,
- 11) 80,846 (eighty thousand eight hundred and forty six) series K bearer shares with the nominal value of PLN 2,- (two zlotys) each.

The Management Board of LPP S.A. announces that no further conversion of series A bonds into series K shares will be carried out, since the deadline for the exercise of the right by the bondholders to make a statement on conversion of series A bonds into series K shares as provided in § 2.2 of Resolution No. 4/2009 of the Extraordinary General Meeting of LPP S.A. of 07.03.2009 has expired, and the holders of all 80,846 (eighty thousand eight hundred and forty six) series A bonds have already exercised their right to convert the bonds into series K shares.

Article 56(1) sub-paragraph 2 of the Public Offering Act – current and periodical information

SIGNATURES:	Dariusz Pachla - Vice President of the Management Board Piotr Dyka - Vice President of the Management Board
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