

LPP

Updated information on the audit procedure carried out by the Fiscal Audit Office

Current report no: 26/2017

Date: 20.06.2017

Hour: 5:59 pm

The Management of LPP SA with its registered office in Gdańsk (the "Issuer") informs that, today, the Company has been served a decision of the Head of the Customs and Fiscal Office for the Pomorskie Voivodeship (*Pomorski Urząd Celno-Skarbowy*) in Gdynia, dated 30 May 2017, in which the Issuer has been charged with a corporate income tax liability for 2012, resulting in the Issuer's obligation to pay an additional amount of PLN 16,390,640 (sixteen million three hundred ninety thousand six hundred and forty Polish zlotys) of tax for the said period. The said amount should be increased with due interest.

As stated in the said decision, the grounds for charging the tax liability by the audit authority was, in their opinion, the overestimation by the Issuer of revenue earning costs.

The Issuer informed of the pending audit procedure in current report no 4/2017, dated 20 January 2017, and in interim reports, including, among others, the extended consolidated report of LPP SA for Q3 2016, in the item concerning procedures pending before a court, a competent arbitration authority or a public administration authority (pages 25-26).

The Issuer upholds the view that, in its opinion, the Company has correctly calculated the value of CIT for 2012 and duly classified as revenue earning costs expenses which, under applicable laws, may be recognised as such.

The Issuer informs that the decision served has no force of law and it has not been made immediately enforceable.

The Company intends to file, within time-frames set forth in the provisions of law, motions and appeals aimed at repealing the above-mentioned decision in full.

At the same time, in the opinion of the Issuer's Management Board and legal and tax advisers engaged by the Issuer for the purpose of conducting this case, the above-mentioned decision has defects which should result in having it repealed in full.

The Issuer will inform of further key stages of the procedure in question by publishing relevant reports.

Article 17(1) MAR – inside information

Signatures: Przemysław Lutkiewicz – Vice-President of the Management Board Sławomir Łoboda - Vice-President of the Management Board
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