

**Independent Auditor's Report
on review of consolidated condensed interim financial statements
for the 6 month period ended 30 June 2017**

To the Shareholders and Supervisory Board of LPP S.A.

Introduction

We have reviewed the accompanying consolidated condensed interim financial statements of LPP SA Capital Group ('the Group'), with parent's company LPP S.A. ('the Company') registered office located in Gdańsk, at Łąkowa 39/44 Street, as of 30 June 2017 and the related consolidated condensed interim statement of financial position as at 30 June 2017, the consolidated condensed interim statement of profit and other comprehensive income, the consolidated condensed interim statement of changes in equity, the consolidated condensed interim cash flow statement for the 6 month period ended 30 June 2017 and additional information and explanatory notes ('the interim condensed consolidated financial statements').

Management is responsible for the preparation and presentation of accompanying interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* as adopted by the European Union ('IAS 34'). Our responsibility is to express a conclusion on accompanying interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with National Financial Revision Standard 2410 based on International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* prepared by International Auditing and Assurance Standards Board ('standard'). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with National Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on accompanying interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Emphasis of matter

Without qualifying our review report, we draw your attention to the note 17.2 of the additional information to the attached interim condensed consolidated financial statements, in which the Company's management informed about obtaining the decision of the tax authorities on the ongoing tax proceeding in relation to the treatment as tax deductible cost in the CIT declaration for the year 2012 of license fees paid for the usage of the Group's trademarks that have been contributed in kind to the Company's subsidiary with its seat in Cyprus. In the above mentioned note the Company's management has also presented its assessment of the impact of this case on the interim condensed consolidated financial statements of the Group. Taking into account the early stage of the ongoing proceeding, as well as the appeal submitted by the Company, we draw attention to the uncertainty connected with the

final outcome of the conducted proceeding, the impact of the obtained decision as well as the outcome of the dispute with the tax authorities on the tax settlements of the Company in the following years.

Other matters

The consolidated financial statements for the prior financial year ended 31 December 2016 were subject to an audit by a key certified auditor acting on behalf of another authorised audit firm, who issued an unqualified opinion with an emphasis of matter on these consolidated financial statements, dated 6 April 2017. The emphasis of matter related to the ongoing tax proceeding in relation to the treatment as tax deductible costs of sublicense fees for the usage of trademarks contributed in kind to the Company's subsidiary. We refer to this matter in the preceding paragraph.

on behalf of
Ernst & Young Audyt Polska spółka
z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1, 00-124 Warsaw
Reg. No 130

Key Certified Auditor

Marcin Zieliński
certified auditor No. 10402

Warsaw, 28 August 2017