

Current Report No.: 31/2011

Date: 2011-07-25



Conversion of series A convertible bonds into series K shares

The Management Board of LPP SA seated in Gdansk (the "Company") announces that on 13 July 2011 the Company received from a bondholder of series A convertible bonds the declaration and order to convert the series A bonds into series K shares.

The bondholders are authorised to convert series A convertible bonds into series K bearer shares according to the Resolution No. 4/2009 of the Extraordinary General Meeting of Shareholders of LPP SA regarding bonds issuance and contingent increase of the company's share capital. 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 800 (eight hundred) PLN of the nominal value of series K share. 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 the received conversion orders:

on 25 July 2011 16,169 Series A convertible bonds are to be converted into 16,169 series K shares. The issue price of the series K share is PLN 1,600 (one thousand six hundred); the nominal price of the series K share is PLN 2 (two). The number of series A convertible bonds which are not to be converted into series K shares is 53,389.

The company, in accordance with relevant regulations, will apply to enter the increase in the company's share capital into the Register of Entrepreneurs not later than on 1 August 2011.

After registering the increase in the company's share capital, the structure of the Issuer's share capital will be as follows:

- share capital: PLN 3,555,468
- total number of votes at the general meeting: 3,177,734
- proportion of the new shares in the share capital: 0.91%
- proportion of the new shares in the total number of votes at the Issuer's general meeting: 0.51%.

Legal basis: §5 (1)(10) of the Regulation by the Minister of Finance and §16 (3) of the Regulation by the Minister of Finance

Art. 56 (1)(2) of the Public Offering Act - current and periodic information

SIGNATURES:	Hubert Komorowski- Vice President of the Management Board Piotr Dyka - Vice President of the Management Board
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