Report's type: Current report

Number: 21/2013

Company: LUG S.A.

Subject: Recommendation of the Management Board regarding to the proposed distribution of the net profit for 2012.

Content:

The Management Board of LUG S.A. (an „Issuer") with its seat in Zielona Góra, hereby informs about resolution no. 1/05/2013 related to the proposed distribution of the net profit for 2012.

In accordance with aforementioned resolution, the Management Board of an Issuer with awareness of the amount of profit of LUG S.A. of 2012 and as well financial condition of the Company, proposed the partition of the nett profit amounted to 1.895.123,99 PLN (in words: one milion eight hundred and ninety-five thousand one hundred twenty-three PLN 99/100) as following:

- 1.895.123,99 PLN (in words: one milion eight hundred and ninety-five thousand one hundred twenty-three PLN 99/100) contribute to the share capital of the Company).

The Management Board of an Issuer justified its recommendation with lack of threats for financial situation of the Company and acting in the best interest of LUG S.A. Shareholders.

According to art. 382 § 3 of the Commercial Companies Code and §23 par. 2 of the Statute of the Company, aforementioned proposition has been approved by the Supervisory Board and it will be forwarded on the General Meeting for its approval.

Legal basis:

§ 4 par. 2 point 11 of Appendix No. 3 to the Alternative Trading System Regulations „Current and periodically transferred Information in the Alternative Trading System on NewConnect"

Company representatives:

Ryszard Wtorkowski – President of the Management Board