Report's type: Current report

Number: 57/2012

Company: LUG S.A.

Subject: Extension of a factory and new production line.

Content:

The Management Board of LUG S.A. (the „Issuer", the „Company") with its seat in Zielona Góra, hereby informs about signing an agreement on 6 December 2012 between LUG Light Factory Sp. z o.o. (100% subsidiary of an Issuer) and PB Technik Sp. z o.o. regarding to buying new line for production of electronic's components for LED luminaires. Complete implementation of the production line is planned on May 2013.

To assembly new line, for the I quarter 2013 is planned an extension of production plant at Gorzowska 11 Street in Zielona Góra. It will extend the mechanical part of production surface by 700 m^2

Total cost of an investment is estimated to the amount of 1.600.000 PLN (in words: one milion six hundred thousand PLN 00/100).

The Management Board of an Issuer made a decision about publication of an information about this agreement in accordance with its expected positive influence on economic, property and financial situation of the Issuer. Moreover, the purchase of the complex line for production of an electronic's elements is compatibile with implemented directions of development of LUG S.A. Capital Group in LED luminaires segment, which is strategical area of lighting branch with high potential of growth on 2012-2020.
Indicated investment will let an Issuer to test in 2013 new model of technology-sophisticated production of lighting devices, created in LED technology, which will be implemented as well in the new plot of LUG S.A. Capital Group. Points connected with building new plot has been showed in current reports no.: 1/2012, 4/2012, 5/2012, 6/2012.

About further stages of the completion of an investement proccess, the Issuer will inform in separate current reports.

Legal basis:

§ 3 par. 1 of the Appendix No. 3 to the Regulations of the Alternative Exchange System "Recent and Periodical Information submitted within the Alternative Exchange System on the NewConnect market"

Company representatives:

Ryszard Wtorkowski – President of the Management Board