

Dear Sir/Madam,

I am handing over to you the Management Board's Report on LC Corp Group's Operations in the first half of 2009. This period abounded with events which have had and will have an impact on our Group's activity.

The first half of 2009 turned out to be an exceptionally difficult period for the world, and thus Polish economy. In Poland, the growth dynamics of the GDP slumped, which resulted in decreasing domestic demand, which translated into limiting activity conducted by entrepreneurs.

The first half of 2009 was marked by execution of the adopted strategy for development of the LC Corp Group. The Company continued with investing activities of its subsidiary developers operating within the areas of major Polish cities i.e. Warsaw, Wrocław, Kraków, Gdańsk, Katowice and Łódź. The new market situation which particularly strongly affected the property development market forced the Group to take steps to adjust to the new reality. The more so that we will probably have to struggle with the effects of the financial crisis for a longer time.

Hence, the Group took steps to minimize the effects of the crisis, carrying out projects maximally limiting the risk, but still retaining the intended profit.

Despite the difficulties arising solely from external factors, the LC Corp Group will continue to make every effort to develop its projects. We believe that through joint endeavour, and strong commitment of both the Management and employees of the LC Corp Group, we will be able to overcome temporary problems and be successful, deserving the trust placed in us by our shareholders.

At the same time I would like to thank the Shareholders and the Supervisory Board for the cooperation and trust placed in LC Corp S.A. and our Group. I want to assure you that for many years the LC Corp Group has invariably been focusing on carrying out the strategy of continuous growth of the company's value. The Management Board of LC Corp S.A. will make every effort so that the effects of our activities will be for you a source of satisfaction and stable growth of the Company and the LC Corp Group.

Dariusz Niedośpiał

President of the Management Board, LC Corp S.A.