

Wrocław, 20 March 2015

Ladies and Gentlemen,

For the LC Corp Group 2014 was undoubtedly a successful year. The Company fulfilled the set objectives and produced a very good financial result. This success was driven by the consistent implementation of the adopted development strategy, which relies on the strengthening of our position and increasing our influence on the real property market, in both residential and commercial property segments. Success of the year 2014 in the residential segment is confirmed by exceeding the number 1,000 in three important aspects of the property development activity: the Company sold over 1,200 flats, built and transferred to owners for use more than 1,000 retail premises and enlarged its offer by adding over 1,800 flats. Obviously, this excellent result was possible, because the Group took advantage of the favourable market conditions, which resulted, among others, from a reduction in interest rates, translating into an increase in demand on the real property market and Clients' enhanced purchasing power.

The Company's good results and stable financial base enabled it to acquire new land and to carry out subsequent investment projects in the largest cities in Poland. The Group purchased parcels of land in Warsaw, Kraków, Wrocław and Gdańsk. The total potential of real property acquired last year amounts to 113,000 sq. m of usable floor area. Fourteen new residential projects were also commenced, which will provide the total of over 83,000 sq. m of usable floor area.

The Company analyses on an ongoing basis the trends occurring in the real property sector and responds to prospective buyers' expectations, flexibly tailoring its current offer to the market needs. The standard of the project, its attractive location and competitive prices translated directly into sales results in 2014. Another considerable advantage of the LC Corp's offer was a large group of flats fulfilling the restrictive requirements of the governmental subsidy programme "Mieszkanie dla Młodych" (flats for young people).

We were also quite successful in the commercial property segment. The process of replacing tenants in the Arkady Wrocławskie shopping centre, representing the Group's profitable and highly stable asset, was effectively completed. Wola Center, the fully commercialised office building in Warsaw, records spectacular results. At the beginning of 2015 we transferred for use stage I of Silesia Star, an office project in Katowice. The commercialisation of Sky Tower and its assimilation with Arkady Wrocławskie proceeds successfully and in line with the Management Board's assumptions. In 2015 we are planning to start the construction of other office buildings and to acquire further land for the property development activity in the commercial segment.

In 2014 the LC Corp Group earned a substantial net profit of PLN 76,300,000, which exceeded the result achieved in 2013. The record number of flats was sold – 1,220 net (having taken account of withdrawals and without reservation agreements) – while maintaining high margins.

The Company's strategy is continued by the consistent strengthening of its position on the Polish property development market. This goal is achieved owing to the implemented projects, both on the basis of the owned bank of land and through the acquisition of new projects. The projects completed in the largest urban agglomerations significantly raise the Group's importance in the whole country, concurrently ensuring the diversification of risk. These activities will ensure the continuity of investment projects over the next several years.

The year 2015 will pose some additional challenges such as an increasingly growing demand, but also a new legal environment. In the Management Board's opinion the amendments to the Property Development Act strengthen the position of LC Corp S.A. as a solid and reliable developer with the stable financial base, which guarantees the security of transactions. For the dynamic development it is necessary to adhere to the highest standards, and therefore we can look into the future with confidence. Working as hard as before we hope to make it to the absolute top of the largest developers in Poland. The whole Group's commitment is necessary to achieve this goal.

I would like to thank all shareholders who contributed to the development of LC Corp S.A. as well as the Supervisory Board, our Employees and Management Boards of the Group companies. Without their commitment, knowledge and professionalism such good results would be beyond reach. We owe them our present position and we hope to continue our progress together.

Dariusz Niedośpiał
President of the Management Board of LC Corp S.A.