

Ladies and Gentlemen,

The year 2013 was another challenging year for the entire development industry, hard hit by the crisis and turmoil in financial and real estate markets in previous years. Looking back at the past year from the Group's point of view, it was another period of implementing the new strategy of setting the Group on the path of rapid development following the preceding period of major changes and restructuring of projects. In the opinion of the Management Board of LC Corp S.A., the Group emerged from the crisis stronger and is now successfully implementing its growth strategy. This was reflected in the results achieved by the Company and the Group in 2013.

In pursuing its strategy of development and diversification of supply in 2013, the Group launched the implementation and started the preparation phase of new housing investments in Warsaw, Wrocław, Kraków, and Gdańsk on the basis of the already owned land bank and by making new acquisitions. In the commercial business segment, last year we started the construction of an office building in Katowice. We put into operation Wola Centre, a large office and shopping centre in Warsaw, which has now been fully leased. We also acquired another office and shopping centre in Wrocław – Sky Tower. Intensive activities in the residential real estate market, aimed at finding attractive properties with the possibility of a quick start of construction, resulted in a number of acquisitions last year, with more acquisitions planned for completion this year. The Group substantially changed the structure of the constructed apartments, adjusting their size and standard to the changing market demand and requirements.

Thanks to the consistent policy of the Management Board, we managed to strengthen our position in the property development market. In the opinion of the Management Board, the changes related to the introduction in 2012 of new regulations regarding developers operating in the housing market stabilized and strengthened the position of LC Corp.

In 2013, the Group generated a consolidated net profit of PLN 73.6 million, higher than the result achieved in 2012.

The shopping centre Arkady Wrocławskie got through the process of replacing tenants quite successfully, maintaining only a minimum level of vacancy. We were able to maintain satisfactory profit margins on apartment sales. However, keep in mind that the effects of the actions taken by the Management Board in 2013 and earlier will only become visible to a significant extent in the following years.

The Company wants to continue its strategy by building a significant position in the property development market in Poland. This is being consistently implemented with the investments made by the Company using its land bank and by acquisitions of new projects. Diversification of the housing offer in terms of geography and the market segments brings the intended effects and ensures continuity of the Group's investments over the next several years. A noticeable development at key locations for the Group, such as Warsaw, Wrocław, Kraków, and Gdańsk, contributes significantly to raising the profile of the Group on the national scale. As part of its strategy, the Group also aims to carry out further commercial investments.

The year 2014 will certainly require great commitment, work, dedication, and focus on all relevant areas of the Group's activities. The rapid development and new challenges motivate us to work even harder, strengthening the market position and importance of the Group.

I want to thank all shareholders who supported our efforts. I am convinced that we proved that our Group can quickly adapt to the changing market situation and see new opportunities in order to maintain dynamic growth in future.

I also want to thank the Supervisory Board, our Employees, and the Management Boards of the respective companies of the LC Corp Group for their tremendous effort and contribution the Group's results. It certainly would not be possible without their commitment, professionalism, and skills.

When I look back at 2013, I am pleased that we were able to achieve our objectives as this will certainly have a positive impact on the situation of the Company and the Group in the coming years. Our effective actions and consistently pursued strategy allow us to look forward to future.

Dariusz Niedośpiał

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