

(Current Report No 067/2014)

July, 28th 2014

Conclusion of a significant agreement by a subsidiary undertaking

Legal basis: Art. 56.1.2 of the Act on Public Offering – current and periodic information

The Management Board of LC Corp S.A. ("Issuer") reports that on 28 July 2014 it received from LC Corp Invest XV spółka z ograniczoną odpowiedzialnością Projekt 3 spółka komandytowa, having its registered office in Wrocław ("Company"), where the Issuer is indirectly (through its subsidiary undertakings: LC Corp Invest XV Sp. z o.o. and Kraków Zielony Złocień sp. z o.o.) the sole shareholder, the information that the Company entered into a preliminary agreement ("Agreement") with Jupiter S.A., having its registered office in Kraków, and KCI Development Spółka z ograniczoną odpowiedzialnością - Wrocławska - Spółka komandytowa, having its registered office in Kraków ("Sellers"), on the sale of the perpetual usufruct right to the real property located in Kraków, in the area of ul. Wrocławska and ul. Raclawicka, having the total area of 64,790 sq. m and the title to the buildings, building structures and equipment founded on the above-mentioned real property ("Real Property"), together with all administrative decisions (including the building permit and planning permission), design documentation and copyrights to such documentation.

Pursuant to the conditions set down in the Agreement the Company and the Sellers ("Parties") undertook to sell the Real Property in stages, i.e. by concluding six promised agreements after separating six plots (Plots 1-6) from the Real Property, in accordance with the concept of the Real property division adopted by the Parties.

The total net selling price of the Real Property will not exceed PLN 95,369,000 (the final selling price of the Real Property depends on the usable and residential area that can be obtained in the buildings completed on the Real Property on the basis of the final building permit), with the reservation that:

1. the net amount of about PLN 32.5 million will be paid by transferring to the Seller the title to retail premises built and located on Plots 1-3, having the total usable area of about 6,926 sq. m;
2. in the case where the usable and residential area in the buildings completed and located on Plots 1-6 decreases, the selling price will be reduced accordingly.

The Parties have set the following dates for the conclusion of the promised agreements: 29 December 2014 for Plot No. 1, 14 December 2015 for Plot No. 2, 12 December 2016 for Plot No. 3, 18 December 2017 for Plot No. 4, 17 December 2018 for Plot No. 5 and 16 December 2019 for Plot No. 6.

The main conditions precedent, that have to be met in order to conclude the promised agreements, include the following:

1. reaching an agreement, satisfactory to the Parties, with regard to the concept of building development for Plots 2-6, influencing the number, size and structure of the planned residential premises;
2. obtaining by the Sellers any required approvals and permits, necessary to carry out the construction process on Plots 1-6, including in particular final building permits;
3. carrying out by the Sellers the surveying and subdivision of the Real Property into Plots 1-6;
4. submitting by the Sellers the land and mortgage registers for Plots 1-6, in which in sections III and IV no other entries than those indicated in the Agreement have been made;
5. establishing security by the Parties pursuant to the Agreement.

On Plots 1-6, representing the subject matter of the Agreement, it is planned to build, after their acquisition, a residential estate together with retail premises.

The Agreement provides for contractual penalties for both Parties, of PLN 3,000,000, in the case one Party withdraws from the Agreement for reasons attributable to the other Party, without the possibility of pursuing claims of supplemental damages.

The criterion for recognising the Agreement as significant by the Issuer is the fact that its value exceeds the level of 10% of the Issuer's equity.

Legal basis: Art. 56.1.2a) of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies (Dz. U. No. 184, item 1539 of 2005, as amended) in connection with Para. 5.1.3 of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognising as equivalent the information required by the laws of a non-member state (Dz. U. of 2009, No. 33, item 259, as amended).