

(Current Report No 017/2015)

March, 24th 2015

Notification given pursuant to Art. 160 of the Act on Trading in Financial Instruments.

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

The Management Board of LC Corp S.A. (the „Issuer”) reports that on 23 March 2015 it became aware of filing a petition in bankruptcy of LC Corp Invest XV spółka z ograniczoną odpowiedzialnością Projekt 3 spółka komandytowa with its registered seat in Wrocław (the “Company”) whose the Issuer is indirectly the sole shareholder (by its subsidiary undertakings: LC Corp Invest XV Sp. z o.o. and Kraków Zielony Złocień sp. z o.o.). The petition, dated 5 March 2015, was filed on 6 March 2015 in the District Court for Wrocław-Fabryczna in Wrocław by EM-BUD 2000 sp. z o.o. (the “Petitioner”).

The Company disputes the legitimacy of the filed Petition in its entirety. The Company believes that the Petition was filed in bad faith by the Petitioner as defined in Art. 34 of the Act of Bankruptcy and Reorganization Law dated 28 February 2003 (Journal of Laws, No. 60, item 535, as amended), because there was and there is no factual or legal grounds to file the Petition, in particular, there was and there is no evidence arising from Art. 11 of the above Act which would say about the Company’s insolvency or at least about such a risk.

The Petitioner claimed for the payment of remuneration for construction works in the amount of PLN 620,977.25 and reimbursement of the security deposit retained by the general contractor in the amount of PLN 26,205.50 from the Company, the investor implementing the investment in Wrocław, as a joint debtor together with the general contractor, in accordance with art. 647 (1) of the Act of 23 April 1964 - the Civil Code (Journal of Laws No. 16, item 93, as amended). The investment, which is the subject of the claim filed by the Petitioner, was completed in the third quarter of 2014. The Petitioner was a subcontractor of the general contractor in the investment and was not linked with the Company under any agreements or direct contractual relationship and the Company’s potential liability results only from the Art. 647 (1) of the Civil Code cited above. According to the information received from the general contractor, all the remuneration owned to the Petitioner was paid to him, and the Petitioner’s claim filed to the Company is entirely unjustified and non-existent.

The Petitioner’s claim was not substantiated with any documents justifying the Company’s liability or with the court’s final judgment, therefore, the Company refused to pay the claimed amount. According to the Company, the Petition is a tool intended to force the Company to meet its obligations, as referred to above.

The Petitioner’s actions to enforce the payment result in a strong Company’s reaction, both now and in the future, which shall take all possible legal actions in this matter.

The Issuer points out that the Company's financial position does not give any grounds to file a bankruptcy petition and the amount, claimed by the Petitioner to be paid, does not affect the financial status of the Company or the LC Corp Group. The Company meets liabilities to all counterparties as they fall due. The company has expressed its willingness to deposit the equivalent of the amount of the liability, which the Petitioner claims from the Company, to the court in order to secure the proceedings until their completion.

Legal basis: 5.1.24 of the Regulation of the Minister of Finance (Journal of Laws, No. 33, Item 259) dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognizing as equivalent the information required by the laws of a non-member state.