LC CORP
CAPITAL GROUP

MID-YEAR CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF SIX MONTHS ENDED JUNE 30TH 2009

WITH AN INDEPENDENT AUDITOR'S REPORT ON THE REVIEW

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30th 2009 (in PLN '000)

	Note	June 30th 2009 (unaudited)	December 31st 2008
Assets			
A. Non-current assets		**679,915**	**657,216**
1. Intangible assets		885	1,016
2. Goodwill of subordinated undertakings		0	0
3. Property, plant and equipment	12	5,314	127,650
3.1. Tangible assets		5,314	6,043
3.2. Tangible assets under construction		0	121,607
4. Non-current receivables		0	0
5. Non-current investments	13	671,298	525,806
6. Non-current prepayments and accrued income		991	1,354
7. Deferred tax assets		1,427	1,390
B. Current assets		**1,033,765**	**1,011,207**
1. Inventories	14	928,652	879,155
2. Trade and other receivables		11,217	58,835
3. Income tax receivable		633	806
4. Cash and cash equivalents		89,242	71,640
5. Current prepayments and accrued income		4,021	771
C. Non-current assets classified as held for sale		0	0
Total assets		**1,713,680**	**1,668,423**
Equity and liabilities			
A. Equity		**970,914**	**964,687**
1. Share capital		447,558	447,558
2. Balance of called-up share capital not paid		0	0
3. Reserve funds		428,914	418,648
4. Other reserve funds		65,451	39,771
5. Other capital		3,108	3,108
6. Retained profit / Uncovered losses		72	30,462
7. Minority interest		25,811	25,140
B. Non-current liabilities		**400,368**	**394,154**
1. Non-current financial liabilities	15,16	353,798	349,953
2. Non-current trade and other payables		3,003	2,977
3. Provisions		23	23
4. Deferred tax liability		43,544	41,201
C. Current liabilities		**342,398**	**309,582**
1. Current financial liabilities	15,16	253,232	227,517
2. Trade and other payables		22,721	39,218
3. Income tax payable		4	561
4. Provisions		45	804
5. Accrued expenses and revenue		66,396	41,482
Total equity and liabilities		**1,713,680**	**1,668,423**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period of 6 months ended June 30th 2009 (in PLN '000)

	Period of 6 months ended June 30th 2009 (unaudited)	Period of 6 months ended June 30th 2008 (unaudited)
Operating activity		
Sales revenue	**24,297**	**106,355**
Revenue on sales of services	24,244	19,656
Revenue on sales of goods and products	53	86,699
Cost of sales	(6,098)	**(65,828)**
Pre-tax profit on sales	**18,199**	**40,527**
Gain (loss) on disposal of non-current non-financial assets	(27)	2
Revaluation of non-current non-financial assets	17,351	0
Selling and distribution costs	(1,217)	(3,874)
General administrative expenses	(4,073)	(7,516)
Other operating income	5,486	2,180
Other operating expenses	(927)	(151)
Operating profit (loss)	**34,792**	**31,168**
Financial income	1,601	16,073
Financial expenses	(27,326)	(7,544)
Pre-tax profit (loss)	**9,067**	**39,697**
Corporate income tax (tax expense)	(2,840)	(7,820)
Net profit on business activities	**6,227**	**31,877**
Discontinued operations		
Profit (loss) on discontinued operations for the business year	0	0
Net profit (loss)	**6,227**	**31,877**
Other comprehensive income		
Other components of comprehensive income	0	0
Income tax relating to other components of comprehensive income	0	0
Other comprehensive income for the year, net of tax	**0**	**0**
Total comprehensive income for the year	**6,227**	**31,877**
Profit attributable to:		
Equity holders of the Parent	5,556	31,877
Minority interest	671	0
	6,227	**31,877**
Profit attributable to:		
Equity holders of the Parent	5,556	31,877
Minority interest	671	0
	6,227	**31,877**
Basic profit per share from profit for the business year in PLN	**0.01**	**0.07**
Diluted profit per share from profit for the business year in PLN	**0.01**	**0.07**

Additional explanatory notes to the mid-year condensed consolidated financial statements enclosed on pages 9 to 25 are their integral part

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended June 30th 2009 (in PLN '000)

	Note	Period of 6 months ended June 30th 2009 (unaudited)	Period of 6 months ended June 30th 2008 (unaudited)
A. Cash flows from operating activities			
I. Pre-tax profit		**9,067**	**39,697**
II. Total adjustments		**21,439**	**(226,957)**
1. Depreciation and amortization		802	658
2. Foreign exchange gains (losses)		17,714	(13,806)
3. Interest and distributions from profit (dividends)		17,715	10,831
4. Profit (loss) on investing activities		23	6
5. Change in provisions		(759)	(3,240)
6. Change in inventories		(49,497)	(159,626)
7. Change in receivables		47,618	(1,286)
8. Change in current liabilities (net of loans and borrowings)	18	(15,923)	(4,020)
9. Change in accruals and deferrals		22,027	(56,552)
10. Corporate income tax		(918)	(5,066)
11. Other adjustments	18	(17,363)	5,144
III. Net cash provided by (used in) operating activities (I±II)		**30,506**	**39,697**
B. Cash flows from investing activities			
I. Cash provided by investing activities		**66**	**15**
1. Sale of intangible assets and property, plant and equipment		66	15
2. Sale of investment property and intangible assets		0	0
3. Cash provided by financial assets		0	0
4. Other cash provided by investing activities		0	0
II. Cash used in investing activities		**(7,100)**	**(25,757)**
1. Acquisition of intangible assets and property, plant and equipment		(13)	(25,745)
2. Investment property and intangible assets		(7,087)	(12)
3. Cash used on financial assets		0	0
4. Other cash used in investing activities		0	0
III. Net cash provided by (used in) investing activities (I–II)		**(7,034)**	**(25,742)**
C. Cash flows from financing activities			
I. Cash provided by financing activities		**120,000**	**288,041**
1. Net proceeds from issue of shares and additional contributions to equity		0	1,000
2. Increase in loans and borrowings		110,000	243,797
3. Issue of debt securities		10,000	43,219
4. Other cash provided by financing activities		0	25
II. Cash used in financing activities		**(126,002)**	**(237,513)**
1. Repayment of loans and borrowings		(59,188)	(227,076)
2. Redemption of debt securities		(58,001)	0
3. Interest paid		(8,813)	(10,379)
4. Other cash used in financing activities		0	(58)
III. Net cash provided by (used in) financing activities (I–II)		**(6,002)**	**50,528**
D. Total net cash flow (A.III±B.III±C.III)		**17,470**	**(162,474)**
E. Balance-sheet change in cash, including:		**17,602**	**(162,474)**

– change in cash resulting from foreign exchange	(132)	0
F. Cash at beginning of period	**71,640**	**220,708**
	89,110	**58,234**
G. Cash at end of period (F±D)	2,256	20

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended June 30th 2009 (in PLN '000)

	Capital allocated to the shareholders of the parent undertaking							***Minority interest***	***Total equity***
	Issued share capital	*Balance of called-up share capital not paid*	*Reserve funds*	*Other reserve funds*	*Other capital*	*Retained profit / Uncovered losses*	*Total*		
As at January 1st 2009	**447,558**	**0**	**418,648**	**39,771**	**3,108**	**30,462**	**939,547**	**25,140**	**964,687**
Coverage of loss for 2008	0	0	(10,645)	0	0	10,645	0	0	0
Transfer of the profit for 2008 to reserve funds	0	0	20,911	0	0	(20,911)	0	0	0
Transfer of the profit for 2008 to capital reserve	0	0	0	25,680	0	(25,680)	0	0	0
Total comprehensive income for the period of 6 months ended June 30th 2009	0	0	0	0	0	5,556	5,556	671	6,227
As at June 30th 2009 (unaudited)	**447,558**	**0**	**428,914**	**65,451**	**3,108**	**72**	**945,103**	**25,811**	**970,914**

(in PLN '000)

	Capital allocated to the shareholders of the parent undertaking							***Minority interest***	***Total equity***
	Issued share capital	*Balance of called-up share capital not paid*	*Reserve funds*	*Other reserve funds*	*Other capital*	*Retained profit / Uncovered losses*	*Total*		
As at January 1st 2008	**446,558**	**0**	**302,659**	**39,771**	**3,108**	**105,474**	**897,570**	**0**	**897,570**
Registration of series I shares	1,000	0	0	0	0	0	1,000	0	1,000
Costs of share issues	0	0	(58)	0	0	0	(58)	0	(58)
Allocation of the profit for 2007 to reserve funds	0	0	116,047	0	0	(116,047)	0	0	0
Disposal of net assets in a subsidiary	0	0	0	0	0	0	0	24,431	24,431
Total comprehensive income for the year	0	0	0	0	0	41,035	41,035	709	41,744
As at December 31st 2008	**447,558**	**0**	**418,648**	**39,771**	**3,108**	**30,462**	**939,547**	**25,140**	**964,687**

	Capital allocated to the shareholders of the parent undertaking							***Minority interest***	***Total equity***
	Issued share capital	*Balance of called-up share capital not paid*	*Reserve funds*	*Other reserve funds*	*Other capital*	*Retained profit / Uncovered losses*	*Total*		
As at January 1st 2008	**446,558**	**0**	**302,659**	**39,771**	**3,108**	**105,474**	**897,570**	**0**	**897,570**
Registration of series I shares	1,000	0	0	0	0	0	1,000	0	1,000
Costs of share issues	0	0	(58)	0	0	0	(58)	0	(58)
Allocation of the profit for 2007 to reserve funds	0	0	116,047	0	0	(116,047)	0	0	0
Total comprehensive income for the period of 6 months ended June 30th 2008	0	0	0	0	0	31,877	31,877	0	31,877
As at June 30th 2008 (unaudited)	**447,558**	**0**	**418,648**	**39,771**	**3,108**	**21,305**	**930,390**	**0**	**930,390**

(in PLN '000)

ADDITIONAL EXPLANATORY NOTES

1. General information

LC Corp Capital Group (the "Group") consists of LC Corp S.A. and its subsidiary companies (see Note 2). The Group's mid-year condensed consolidated financial statements cover the period of 6 months ended June 30th 2009 and contain comparable data for the period ended June 30th 2008 and as at December 31st 2008.

LC Corp S.A. ("the Parent Undertaking", "the Company") was established by virtue of the Notarial Deed dated March 3rd 2006. The Parent Undertaking's registered office is situated in Wrocław, Poland, in ul. Powstańców Śląskich 2-4. The Parent Undertaking is entered in the Business Register of the National Court Register maintained by the District Court for Wrocław-Krzyki in Wrocław, 4th Commercial Section of the National Court Register, under KRS No. 0000253077.

The Company was assigned statistical identification number REGON 020246398.

The Parent Undertaking and the subsidiaries of the Capital Group were established for an indefinite period. The Parent Undertaking's primary activity is:

- PKD 7415Z Management activities of holding companies
- PKD 7020Z Letting of own property
- PKD 7011Z Development and selling of real estate
- PKD 7012Z Buying and selling of own real estate
- PKD 4521A General construction of buildings and civil engineering works

The Parent Undertaking of LC Corp S.A. and the whole group is LC Corp B.V., which is controlled by Leszek Czarnecki.

2. The organization of LC Corp Capital Group

As at June 30th 2009 and as at December 31st 2008 LC Corp Capital Group comprises the following subsidiaries of LC Corp S.A.:

Company name	Registered office	June 30th 2009 Share in capital (unaudited)	December 31st 2008 Share in capital
Arkady Wrocławskie S.A	Wrocław	100%	100%
LC Corp Sky Tower sp. z o.o	Wrocław	0% (*)	0% (*)
Katowice Ceglana sp. z o.o.	Wrocław	99.997%	99.997%
Vratislavia Residence sp. z o.o.	Wrocław	100%	100%
LC Corp Dębowa Ostoja sp. z o.o.	Wrocław	100%	100%
LC Corp Pustynna sp. z o.o.	Wrocław	100%	100%
LC Corp Stabłowice sp. z o.o.	Wrocław	100%	100%
LC Corp Bajkowy Park sp. z o.o.	Wrocław	100%	100%
LC Corp Szmaragdowe Wzgórze sp. z o.o.	Wrocław	100%	100%
Warszawa Przy Promenadzie sp. z o.o.	Wrocław	100%	100%

Warszawa Przy Promenadzie sp. z o.o. sp. k.	Wrocław	100% (indirectly and directly)	100% (indirectly and directly)
Warszawa Przyokopowa sp. z o.o.	Wrocław	81.67 %	81.67 %
Warszawa Rezydencja Kaliska sp. z o.o.	Wrocław	100%	100%
Kraków Zielony Złocień sp. z o.o.	Wrocław	100%	100%
Łódź Pustynna Sp. z o.o.	Wrocław	100%	100%

(*) On November 2nd 2008, the Issuer, under a share disposal agreement, sold 118,998 shares of LC Corp Sky Tower Sp. z o.o. with its seat in Wrocław (being a subsidiary of the Issuer until the disposal date), of PLN 1,000 per share, with a total par value of PLN 118,998,000.00, to LC Corp B.V. of Amsterdam, for a total price of PLN 118,998,000.00. Under the agreement and until February 15th 2010, the Issuer will be entitled to unilaterally repurchase all the shares at a price of PLN 118,998,000, increased by arm's length interest. In addition, LC Corp B.V. undertook to provide LC Corp Sky Tower Sp. z o.o. with the means up to PLN 170,000,000 (one hundred seventy million), which the Company needs to pay all its liabilities towards the Issuer and its subsidiary - Warszawa Przyokopowa Sp. z o.o.

Pursuant to IAS 27 and IAS 39, the conditions for the transfer of benefits, risks and control from LC Corp SA to LC Corp B.V. were not met. As a result, the Parent Undertaking continues to disclose the shares of LC Corp Sky Tower Sp. z o.o. in the separate (non-consolidated) financial statements, and net assets of that company in the consolidated financial statements of the LC Corp Group. The cash obtained from the share disposal is disclosed as financial liability valued at amortized cost.

As at June 30th 2009 and December 31st 2008 the Parent Undertaking's share in the total vote in subsidiary entities equals its share in the share capital of these entities, except for shares in LC Corp Sky Tower Sp. z o.o.

3. Declaration of compliance and basis for the preparation

The enclosed mid-year condensed consolidated financial statements of LC Corp Capital Group were prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS approved by the EU, applying to mid-year financial reporting.

As at the day of approval of these statements for publication, taking into account the process of introducing IFRS standards, currently in progress in the EU, and the Group's activity, there are no differences between IFRS standards which have come into force and IFRS standards adopted by the EU within the accounting principles used by the Group.

IFRS comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

The enclosed mid-year condensed consolidated financial statements of LC Corp Capital Group were prepared using the historical cost method, except with respect to investment properties, which are measured at fair value.

The mid-year condensed consolidated financial statements are presented in thousand zloty ('PLN'), and all values, if not indicated otherwise, are given in PLN '000.

The mid-year condensed consolidated financial statements were prepared on the assumption of a continuation of the business activity by the Group companies in the foreseeable future. As at the day of approval of these financial statements, there are no circumstances identified implying any threats for continuation of the Group companies' activity.

The mid-year condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements and they must be read together with the consolidated financial statements of the Group for the year ended December 31st 2008.

The enclosed mid-year condensed consolidated financial statements of LC Corp Capital Group for the period of 6 months ended June 30th 2009 were approved by the Management Board for publication on August 11th 2009.

4. Changes in accounting rules

Below are presented new or changed IFRS and new IFRIC interpretations (approved or being approved by the European Union), effective as at January 1st 2009:

1) IFRS 8 *Operating Segments* – published on November 30th 2006, applying to financial statements for periods beginning on or after January 1st 2009.
2) IFRS 1 (amendment) *First-time Adoption of International Financial Reporting Standards* and IAS 27 (amendment) *Consolidated and Separate Financial Statements* – amended IFRS 1 and IAS 27 published on May 22nd 2008, applying to annual periods beginning on or after January 1st 2009.
3) IAS 32 (amendment) *Financial Instruments: Presentation* – modified Standard published on February 14th 2008, applying to annual periods beginning on or after January 1st 2009.
4) IFRS (2008) *Amendments to International Financial Reporting Standards 2008* – published on May 22nd 2008. Most amendments apply to periods beginning on or after January 1st 2009.
5) IFRIC Interpretation 15 *Agreements for the Construction of Real Estate* – IFRIC Interpretation 15, published on July 3rd 2008, applying to annual financial statements for periods beginning on or after January 1st 2009 – not approved by the EU.
6) IFRIC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* - IFRIC Interpretation 16, published on July 3rd 2008, applying to annual financial statements for periods beginning on or after October 1st 2008.
7) IAS 23 *Borrowing Costs* (amended) – published on December 1st 2008, applying to annual periods beginning on or after January 1st 2009.
8) IAS 1 *Presentation of Financial Statements* (amended), published on December 17th 2008, applying to annual periods beginning on or after January 1st 2009.
9) IFRS 2 *Share-based Payment, Vesting Conditions and Cancellations* (amendment), published on January 17th 2008, applying to annual periods beginning on or after January 1st 2009.

Adoption of the amended IAS 1 *Presentation of Financial Statements* affected the titles of the financial statements and presentation of transactions only with owners in the changes in consolidated equity. Other elements were disclosed separately in the consolidated statement of comprehensive income.

Adoption of the amended IAS 40 *Investment Property* within the scope of properties under construction which will be used in the future as investment properties results in a change of their presentation from "Tangible assets under construction" to "Investment properties". For investment properties, the Group uses a valuation model for fair value, hence investment properties under construction will be measured at this value. However, in the case when the fair value of an investment property under construction cannot be reliably assessed, it is measured using the historical cost model, until one of two dates, whichever is earlier: date of completing the building process or the time when the fair value can be reliably assessed. On this basis, the Company continues the valuation of investment properties using the historical cost model.

Adoption of IFRS 8 *Operating Segments*, which replaced IAS 14 *Reporting Financial Information by Segment,* affected the disclosure of data concerning the Group's operating segments according to which strategic decisions are made within the Group (data concerning operating segments are presented in Note 9).

Except for the above mentioned, other changes in standards and interpretations did not cause significant changes in the Group's accounting policy or presentation of data in financial statements.

5. New standards and interpretations, which were published but have not become effective yet

As at the date of these financial statements, the following standards, amendments to standards and interpretations were published, but were not effective:

1) IFRS 1 (amendment) *First-time Adoption of International Financial Reporting Standards* – published on November 27th 2008. The Standard is required when making an entity's first financial statements compliant with IFRS for annual periods beginning on July 1st 2009, with admissible earlier adoption.
2) IFRS 3 (amendment) *Business Combinations* – published on January 10th 2008, applying to periods beginning on or after July 1st 2009.
3) IAS 27 (amendment) *Consolidated and Separate Financial Statements* – amendment published on January 10th 2008, applying to periods beginning on or after July 1st 2009.
4) IAS 39 (amendment) *Financial Instruments: Recognition and Measurement* – these amendments published on July 31st 2008 apply retrospectively to periods beginning on or after July 1st 2009.
5) IAS 39 (amendment): Financial Instruments: *Exposures Qualifying for Hedge Accounting* - applying to annual periods beginning on or after July 1st 2009. These amendments were not approved by the EU.
6) IFRS 1 (amended) *First-time Adoption of International Financial Reporting Standards*, applying to annual periods beginning on or after January 1st 2009 - not approved by the EU yet.
7) IFRIC Interpretation 17 *Distributions of Non-cash Assets to Owners*, applying to annual periods beginning on or after January 1st 2009 - not approved by the EU yet.
8) IFRIC Interpretation 18 *Transfers of Assets from Customers*, applying prospectively to items of assets received from customers on or after July 1st 2009 - not approved by the EU yet.
9) Improvements in International Financial Reporting Standards – a collection of changes in International Financial Reporting Standards; in most cases, the changes apply to annual periods beginning on or after January 1st 2010. These changes were not approved by the EU.
10) IFRS for Small and Medium-sized Entities. The standard applies as of the publication date (July 9th 2009). This standard was not approved by the EU.
11) IFRS 1 (amendment) *First-time Adoption of International Financial Reporting Standards*, applying to annual periods beginning on or after January 1st 2010 - not approved by the EU yet.

According to the Group's estimates, the above-mentioned standards, interpretations and amendments to standards would have little bearing on the consolidated financial statements if they were applied by the entity as at the balance-sheet date.

6. Significant accounting principles

Except for changes described in Note 4, the accounting principles and calculation methods adopted for preparation the mid-year condensed consolidated financial statements are coherent with the principles described in the audited consolidated financial statements of the LC Corp Group prepared in accordance with IFRS for the year ended December 31st 2008, published on March 14th 2009.

7. Change of estimates

In the process of applying accounting rules (policy) in relation to the issues listed below, the biggest significance, apart from accounting estimates, had professional judgement of the management.

Below are discussed the basic assumptions concerning the future and other key sources of uncertainty occurring as at balance-sheet day, with which there is a significant risk of a substantial adjustment of balance-sheet assets and liabilities in the next financial year.

Deferred tax asset

The Group recognizes a deferred tax asset based on the assumption that, in the future, tax profit is to be obtained enabling its utilization. Worsening of tax results attained could cause that this assumption might become illegitimate in the future.

Fair value of investment properties

Moreover, at the end of each quarter of an accounting year, the Group independently makes valuation of the fair value of an investment property, based on the agreed model of investment capitalisation. At the end of each accounting year, the fair value of investment properties is established or verified by an independent valuer.

Division of investment expenditure on the construction of the apartment, office and retail complex

In case of the construction of the apartment, office and retail complex, the Group divides the value of expenditures incurred on the construction, respectively, under "Inventories" – in the part concerning the sale of flats, and under "Tangible assets under construction" – in the part concerning shopping arcades and office buildings which will be the Group's future investment properties. The division is made on the basis of a ratio of planned investment expenditures concerning the residential or commercial part in the total planned investment expenditures.

Valuation allowances for inventories

As at each balance-sheet day the Management Board estimates if there is any evidence pointing to a loss of value of its property development investments under completion. If there is such evidence pointing to a loss of their value, the Management Board makes valuation allowances for the inventories to the level of the recoverable value. The recoverable value corresponds to the higher of fair value less selling costs of the asset or its value in use, respectively.

The value in use was evaluated by means of the DCF method, which is based on discounted cash flows generated within approved investment schedules and revenues from sales of flats, allowing for the sale price of 1 square metre of usable floor space, in accordance with the current market situation. The discount rate allows for the weighted average cost of capital (WACC).

The Group makes the valuation allowance for inventories in LC Corp Sky Tower Sp. z o.o. as a difference between the net balance-sheet value of assets and the recoverable value defined as the sale price of shares in LC Corp Sky Tower, in accordance with the agreement dated November 3rd 2008, described in Note 2 because, in the Management Board's opinion, failure to use the option of shares' repurchasing resulting from the above-mentioned agreement is highly probable.

The recoverable value of inventories and the value of the valuation allowances for inventories are estimated as at June 30th 2009 and may be subject to change depending on the fluctuation of the sale price of flats, project completion schedules and discount rate calculations. The actual results may vary from these estimates which were calculated on the grounds of data available as at the reporting date.

Depreciation rates

The rates of depreciation are established on the grounds of the expected economic useful life of items of property, plant and equipment and intangible assets.

In the period of 6 months ended June 30th 2009, the Group verified the initially adopted periods of economic useful life of tangible assets and intangible assets, and based on that, it changed the estimated economic useful life for these items for which the periods of economic useful life diverged materially from the initially adopted periods. Depreciation allowances for the new rates established as a result of verifying of the economic useful life have been used since the beginning of the financial year.

(in PLN '000)

The table below shows the change of estimates as at June 30th 2009 and as at December 31st 2008.

	June 30th 2009 (unaudited)	December 31st 2008
Deferred tax asset	1,427	1,390
Fair value of investment property	543,192	525,806
Deferred tax liability	43,544	41,201
Provisions	68	827
Depreciation	802	1,689
Valuation allowances for assets	63,590	68,189

8. Seasonal or cyclical character of the activity of LC Corp Capital Group

The seasonal character is connected with the development investments: it manifests itself in the possibility of conducting construction works depending on the season. In finances it is visible in profit-taking from investments: revenue is recognized as at the moment of signing a notary act transferring ownership of a property (until that moment, takings in the form of advance payments from customers are recognized as the company's liabilities).

9. Segment revenue and results

For management purposes, the Group distinguishes three reporting operating segments:

- rental services segment
- development activity segment
- holding activity segment

The Group values the results of operating segments on the basis of sales revenue and gross sales result. The results of other operating activity and financial activity are managed at the Group's level and are not allocated to operating segments.

In the tables below, data concerning revenues and profits as well as assets and liabilities of the individual segments within the Group have been provided for the period of 6 months ended June 30th 2009 and June 30th 2008.

Period of 6 months ended **June 30th 2009 or as at June 30th 2009 (unaudited)**	**Activity-rental services**	**Property development activity**	**Holding activity**	**Unallocated items and consolidation adjustments**	**Total activity**
Revenue					
Sales to external customers	24,098	132	18	49	24,297
Inter-segmental sales	577	0	1,248	(1,825)	0
Total sales revenue	**24,675**	**132**	**1,266**	**(1,776)**	**24,297**
Pre-tax profit (loss) on sales	**18,595**	**80**	**(1,228)**	**752**	**18,199**
Assets and liabilities					

Total assets	561,381	813,701	935,298	(596,700)	1,713,680
Total liabilities	295,267	550,900	181,139	(284,540)	742,766

Period of 6 months ended **June 30th 2008 lub As at June 30th 2008 (unaudited)**	**Activity-rental services**	**Property development activity**	**Holding activity**	**Unallocated items and consolidation adjustments**	**Total activity**
Revenue					
Sales to external customers	19,515	86,795	23	22	106,355
Inter-segmental sales	420	720	4,747	(5,887)	0
Total sales revenue	**19,935**	**87,515**	**4,770**	**(5,865)**	**106,355**
Pre-tax profit (loss) on sales	**13,773**	**28,652**	**1,392**	**(3,290)**	**40,527**
Assets and liabilities					
Total assets	500,147	717,195	947,183	(598,316)	1,566,209
Total liabilities	244,222	513,324	185,451	(307,178)	635,819

10. Character and amounts of items of assets, liabilities, equity, net profit or cash flow statement, non-typical due to their character, volume or scope

In the period ended June 30th 2009, there were no non-typical events for the LC Corp Group due to their character, volume or scope that have bearing on its financial statements.

11. Effects of changes in the structure of the business undertaking, including mergers, acquisitions or sale of subsidiary undertakings of the Capital Group, long-term investments, division, restructuring, and discontinued operations

In the period of 6 months ended June 30th 2009, there were no changes in the composition of the Group. The composition of the LC Corp Group as at June 30th 2009 and as at December 31st 2008 is presented in Note 2.

12. Property, plant and equipment

In the period of 6 months ended June 30th 2009, the Group acquired property, plant and equipment to the value of PLN 11,000 (in the period of 6 months ended June 30th 2008: PLN 28,405,000).

In the period of 6 months ended June 30th 2009, the Group sold items of property, plant and equipment to the net value of PLN 86,000 (in the period of 6 months ended June 30th 2008: PLN 26,000) recording a net loss on sales of PLN 27,000 (in the period of 6 months ended June 30th 2008 net profit: PLN 2,000).

(in PLN '000)

13. Investment properties

As at June 30th 2009, the Group owned among its assets a retail and service centre Arkady Wrocławskie. The fair value assessed on that day amounted to PLN 543,192,000 (EUR 121.5 m). As at December 31st 2008 the fair value amounted to PLN 525,806,000 (EUR 126.0 m).

In accordance with the company's policy concerning the mid-year valuation of assets, the market value of the above-mentioned property was assessed by the company based on an agreed model of capitalization of the investment, by the income method, using the investment method.

The income method and the investment method are based on the assumption that the value of a property depends on the rental income that can be obtained from the property. Income from the property can result from rental contracts or, in the case of vacant spaces, from the analysis of market rental rates. After evaluating the rent, the value is calculated as a ratio of the income from the property to the rate of return on the investment. The rate of return, known as capitalization rate, is established on the basis of an analysis of similar transactions on the market and depends on the risk associated with a given investment.

In addition, in accordance with the amended IAS 40, the Group discloses as "Investment properties" also properties under construction which will be used in the future as investment properties (see Note 4). As at June 30th 2009, properties under construction were measured using the historical cost model.

	June 30th 2009 (unaudited)	December 31st 2008	June 30th 2008 (unaudited)
As at January 1st	**525,806**	**489,373**	**489,373**
Transfer of investment property from tangible assets under construction	121,603	0	0
Increase - acquisition	6,538	69	69
Revaluation to fair value	17,351	36,364	0
Closing balance	**671,298**	**525,806**	**489,442**

14. Inventories

	June 30th 2009 (unaudited)	December 31st 2008
Materials	0	0
Work in process	991,320	947,045
Finished products	0	27
Valuation allowances for inventories	(62,668)	(67,917)
Total inventories	**928,652**	**879,155**

As at June 30th 2009 the costs of external financing of PLN 32,268,000 were capitalized in the inventories (as at December 31st 2008 they amounted to PLN 27,115,000).

The changes of the valuation allowance for inventories were as follows:

	Period of 6 months ended June 30th	Year ended December 31st

	2009 (unaudited)	2008
At the beginning of the period	**67,917**	**0**
Increase	0	67,917
Use	0	0
Deduction of unused amounts	(5,249)	0
At the end of the period	**62,668**	**67,917**

15. Issue, redemption and repayment of debt and capital securities

1. On February 12th 2009, LC Corp SA performed redemption of the last series of p bonds issued under the Bond Issue Scheme, and the company currently has no liability of that kind.

2. On February 16th 2009, the redemption date and value was changed with respect to the investment note issued on November 17th 2008 by LC Corp Sky Tower Sp. z o.o., and acquired by Fiolet-Powszechny Dom Kredytowy SA. Redemption date of the note was established to be August 17th 2009, and the note's redemption value was increased proportionally.

3. On June 16th 2009, LC Corp Sky Tower Sp. z o.o. issued 1 investment note of a par value of PLN 10,000,000. The redemption value of the investment note was established at arm's length. The redemption date is February 15th 2010, although an earlier redemption of the note is admissible. In the case of earlier redemption, the redemption price will be calculated proportionally to the actual period of the issue. The investment note was acquired by the Fundacja LC Heart foundation. The transaction was concluded at arm's length. By means of an Annex dated June 22nd 2009, the parties changed the payment date of the note's redemption price within the scope of the amount exceeding its par value to July 8th 2009.

16. Loans and borrowings

1. On January 15th 2009, LC Corp Sky Tower Sp. z o.o. took out a loan of PLN 11,002,000 from its shareholder LC Corp B.V. for the period of 2 years and at arm's length, intended for repayment of LC Corp Sky Tower Sp. z o.o. liabilities towards LC Corp S.A and Warszawa Przyokopowa Sp. z o.o.

2. On February 3rd 2009, LC Corp Sky Tower Sp. z o.o. took out a loan of PLN 23,000,000 from its shareholder Mr Leszek Czarnecki for the period of 2 years and at arm's length, intended for repayment of LC Corp Sky Tower Sp. z o.o. liabilities towards LC Corp S.A and Warszawa Przyokopowa Sp. z o.o.

3. On February 13th 2009, LC Corp Sky Tower Sp. z o.o. took out a loan of PLN 17,000,000 from its shareholder LC Corp B.V. for the period of 2 years and at arm's length, intended for repayment of LC Corp Sky Tower Sp. z o.o. liabilities towards LC Corp S.A and Warszawa Przyokopowa Sp. z o.o.

4. On February 26th 2009, Warszawa Rezydencja Kaliska Sp. z o.o. entered into an agreement with the bank PKO BP SA, relating to a buy-to-let loan to the amount of PLN 34,036,112, intended for partial financing of the housing project "Calisia Residence" within the property located in Warsaw ul. Kaliska.

5. On February 28th 2009, Warszawa Przyokopowa Sp. z o.o. completed the repayment of the loan taken out on June 1st 2007 with Pekao S.A. in the amount of 12,700,000.

6. On March 30th 2009 2009, LC Corp Sky Tower Sp. z o.o. took out a loan of PLN 10,000,000 from its shareholder Mr Leszek Czarnecki for the period of 2 years and at arm's length.

7. On March 30th 2009, Kraków Zielony Złocień Sp. z o.o. concluded an annex with PKO BP S.A. to the loan agreement taken out on August 14th 2007 for the amount of PLN 94,000,000 extending the complete repayment of the loan until March 31st 2010. In the period of 6 months ended June 30th 2009, the Company repaid PLN 40,000,000 from that loan. As at June 30th 2009 the total amount to be repaid stood at PLN 54,000,000.

(in PLN '000)

8. On May 13th 2009, LC Corp Bajkowy Park Sp. z o.o. concluded an annex with DnB Nord Polska S.A. to the loan agreement taken out on June 5th 2008 for the amount of PLN 25,480,000 extending the complete repayment of the loan until February 28th 2010.

9. In the period of 6 months ended June 30th 2009, Arkady Wrocławskie made a repayment, in accordance with the repayment schedule, of a loan taken out in EUR from a consortium of banks: ING Bank Hipoteczny S.A., ING Bank Śląski S.A. and Kredyt Bank in the amount of PLN 6,488,000. As at June 30th 2009, the total amount to be repaid, after conversion into PLN, stood at PLN 256,592,000.

17. Collaterals

As at June 30th 2009 the main collaterals of repayment of loans were:

- ordinary (for a fixed amount) mortgage – overall for all projects – up to PLN 178,000,000
- capped mortgage – overall for all projects – up to PLN 305,120,000
- capped mortgage *(loan in EUR)* – up to EUR 91,500,000
- pledge on shares of Arkady Wrocławskie S.A. owned by LC Corp SA – up to EUR 91,500,000
- pledge on shares of Kraków Zielony Złocień sp. z o.o.
- pledge on shares of LC Corp Bajkowy Park sp. z o.o. up to PLN 38,220,000
- registered pledge on bank accounts – up to PLN 38,220,000
- registered pledge on bank accounts (loan in EUR) – up to EUR 91,500,000
- blank promissory note of Kraków Zielony Złocień sp. z o.o.
- endorsement on note by LC Corp SA up to PLN 111,000,000
- surety by LC Corp SA for the amount of PLN 15,358,000
- assignments of rights from rental/lease contracts, insurance and guarantees from contracts with contractors within particular real estate development projects.
- security deposit of EUR 500,000

18. Explanations to the statement of cash flows

	June 30th 2009 (unaudited)	June 30th 2008 (unaudited)
Balance-sheet change in current liabilities (net of loans and borrowings)	(16,471)	(936)
Investment liabilities	548	(3,084)
Change in current liabilities (net of loans and borrowings)	**(15,923)**	**(4,020)**

	June 30th 2009 (unaudited)	June 30th 2008 (unaudited)
Adjustment of non-cash expenses of external financing capitalized in inventories	0	5,123
Revaluation of an investment property	(17,351)	0
Other	(12)	21
Other adjustments	**(17,363)**	**5,144**

19. Information concerning paid out (or declared) dividend

The Parent Undertaking LC Corp SA did not pay or declare payment of dividend.

20. Investment liabilities

In 2009, the Group plans to incur expenditures on property, plant and equipment and investment property in the amount of about PLN 110 million.

21. Court proceedings

As at June 30th 2009, no proceedings before court or public administration authorities were initiated with regard to liabilities or receivables of LC Corp SA and its subsidiaries, whose total value amounted to at least 10% of the equity of LC Corp SA.

22. Changes in contingent liabilities or contingent assets

1. On March 30th 2009, the Issuer backed an in blanco promissory note issued by Kraków Zielony Złocien sp. z o.o. (a subsidiary of the Issuer). The note was given as security for repayment of a loan taken out on August 14th 2007 by Kraków Zielony Złocien sp. z o.o. The surety was granted to Bank PKO BP S.A. The total amount of the loan was PLN 94,000,000. As of the date of signing the annex, the amount to be repaid stood at PLN 74,000,000. In addition, the Issuer as the backer of the note - in order to secure PKO BP SA's claims resulting from the loan advanced to Kraków Zielony Złocien sp. z o.o. on the issuing of the in blanco promissory note – submitted itself to enforcement procedures carried out by PKO BP SA under a bank executory title up to a total amount of PLN 111,000,000, which includes the principal and any interest, charges as well as other amounts payable, and the expenses that PKO BP SA may incur while taking steps to recover the secured debt (specifically the cost of issuing notifications, default notices and reminders). The bank executory title may be issued by March 31st 2011.
2. On May 29th 2008, insurance guarantee commissioned by Arkady Wrocławskie S.A. was issued by Towarzystwo Ubezpieczeń EUROPA S.A. for the beneficiary Spółdzielnia Usług Motoryzacyjnych SPOLMOT, seated in Wrocław, in order to secure the payment of the lease fee in the period June 1st 2009 – May 31st 2010, specified in the lease agreement concluded on May 13th 2004. The value of the guarantee together with Annex No. 1 dated December 9th 2005 amounted to PLN 290,000.
3. On May 29th 2008, insurance guarantee commissioned by Arkady Wrocławskie S.A. was issued by Towarzystwo Ubezpieczeń EUROPA S.A. for the beneficiary Spółdzielnia Usług Motoryzacyjnych SPOLMOT, seated in Wrocław, in order to secure the payment of the lease fee in the period June 1st 2009 – May 31st 2010, specified in the lease agreement concluded on May 13th 2004. The value of the guarantee together with Annex No. 1 dated December 9th 2005 amounted to PLN 282,000.
4. Due to dissolution of several building contracts concerning the subsidiary undertaking LC Corp Sky Tower Sp. z o.o. parties to these contracts asserted counter-claims, which as at the publication date, owing to pending negotiations, have not been settled yet. The Management Board of the parent undertaking does not see a risk for the Group in the existence of potential contingent liabilities against this company because redemption of its shares is highly unlikely. This company is comprised by the Group on the grounds of IAS 39 (see Note 2), and as at the balance-sheet date, valuation allowance for the net assets of this company was created.

23. Transactions with related undertakings

The following table shows total amounts of transactions concluded with related undertakings for the period of 6 months ended June 30th 2009 and the year ended December 31st 2008:

(in PLN '000)

(unaudited)

Related undertaking		Sales to related undertakings	Purchases from related undertakings	Receivables from elated undertakings	Liabilities to related undertakings	Financial income (interest)	Financial expenses (interest, discounts)	Capitalized costs of financing
Shareholders								
LC Corp B.V	2009	-	-	-	141,953	-	4,671	482
Leszek Czarnecki	2009	19	-	-	92,438	-	-	2,949
Undertakings related through shareholders								
RB Investcom Sp. z o.o.	2009	35	-	-	9	-	-	-
RB Computer Sp. z o.o.	2009	-	2	-	-	-	-	-
Getin Holding S.A.	2009	547	-	43	137	-	-	-
Getin International S.A.	2009	146	-	-	54	-	-	-
Getin Leasing S.A.	2009	342	-	46	233	-	-	-
Getin Bank S.A.	2009	606	-	111	330	2,209	-	-
LC Engineering Sp. z o.o.	2009	4	-	1	-	-	-	-
TU Europa S.A.	2009	334	17	4	1,192	-	-	-
TU Europa Życie S.A.	2009	366	-	3	-	-	-	-
Fiolet-Powszechny Dom Kredytowy S.A.	2009	612	-	68	26,402	-	-	1,115
PDK Biznes	2009	233	-	-	6	-	-	-
Fundacja LC Heart	2009	17	-	-	10,053	-	-	30
Home Broker S.A.	2009	2	20	-	-	-	-	-

Related undertaking		Sales to related undertakings	Purchases from related undertakings	Receivables from elated undertakings	Liabilities to related undertakings	Financial income (interest)	Financial expenses (interest, discounts)	Capitalized costs of financing
Shareholders								
LC Corp B.V	2008	113,850*	-	-	70,802	-	802	-
Leszek Czarnecki	2008	41	50	28	45,503	-	-	570
Undertakings related through shareholders								
RB Investcom Sp. z o.o.	2008	73	-	7	9	-	-	-
RB Computer Sp. z o.o.	2008	-	24	-	5	-	-	-
Getin Holding S.A.	2008	467	4	-	137	-	-	-
Getin International S.A.	2008	210	-	-	54	-	-	-
Getin Leasing S.A.	2008	882	-	-	233	-	-	-
Getin Bank S.A.	2008	1,530	-	-	329	2,917	1,152	856
LC Engineering Sp. z o.o.	2008	-	5	-	-	-	-	-
TU Europa S.A.	2008	753	64	1	1,356	-	-	-
TU Europa Życie S.A.	2008	477	-	-	-	-	-	-
Fiolet -PDK S.A.	2008	94	1	-	25,296	-	-	267
PDK Biznes	2008	757	-	1	-	1	-	-
Fundacja LC Heart	2008	36	-	-	23	-	-	-
Zakład Techniki Konstrukcyjnej	2008	-	69	-	-	-	-	-

(in PLN '000)

* In 2008, the Group increased the share capital of its subsidiary undertaking Warszawa Przyokopowa Sp. z o.o. by issue of new shares which were fully acquired by the new shareholder, LC Corp B.V., which is at the same time a shareholder of LC Corp S.A. The shares were covered in full by cash contribution of PLN 113,850,000. Following this increase, LC Corp B.V. holds 18.33% share in the company's equity, and the share of LC Corp S.A. decreased from 100% to 81.67%. In accordance with IAS 27.30, the difference between gain on disposal of part of a subsidiary undertaking and its balance-sheet value as at the disposal date (disposal which does not deprive of control over the undertaking) was disclosed by the Group in the profit and loss account as "Revenue on sale of net assets of subsidiary undertaking" in the amount of PLN 89,419,000.

23.1. The Parent Undertaking of the whole Group

LC Corp B.V.

In the period of 6 months ended June 30th 2009, there were no transactions between the Group and LC Corp B.V., except for granting a loan; as at June 30th 2009 the liability on account of this loan totalled PLN 17,482,000. In addition, as at June 30th 2009, the liability resulting from disclosing the sales agreement of shares of LC Corp Sky Tower Sp. z o.o. with a redemption option, described in Note 2, amounted to PLN 124,471,000.

Leszek Czarnecki

In the period of 6 months ended June 30th 2009, sales of services were effected, mainly connected with property management for the amount of PLN 19,000. In this period, loans were taken out for the amount of PLN 44,002,000; as at June 30th 2009 the balance of financial liabilities totalled PLN 92,438,000.

23.2. Remuneration to senior management of the Group

	Period of 6 months ended June 30th 2009 (unaudited)	**Period of 6 months ended June 30th 2008 (unaudited)**
Short-term employee benefits	1,369	1,800
Jubilee bonuses and retirement severance payments	0	0
Termination benefits	0	0
Share-based payment	0	0
Total remuneration paid to the senior management except the Management Board and Supervisory Board	**1,369**	**1,800**

23.3. Remuneration to members of the Management Board and the Supervisory Board

Remuneration paid to the members of the Management Board and members of the Supervisory Board of the Parent Undertaking and subsidiary undertakings was as follows:

	Period of 6 months ended June 30th 2009 (unaudited)	**Period of 6 months ended June 30th 2008 (unaudited)**
Management Board - remuneration	709	1,712
Management Board - share-based remuneration	0	0
Management Board (subsidiaries) - remuneration	234	128
Management Board (subsidiaries) - share-based remuneration	0	0
Supervisory Board - remuneration	48	59
Supervisory Board - share-based remuneration	0	0

Total	**991**	**1,899**

24. Rules Governing Financial Risk Management

The main financial instruments which the Group uses include bank loans and bonds. The main purpose of these financial instruments is to obtain financial resources for the Group's activity. Temporary cash flow surpluses are deposited in banks as short-term deposits. The Group also has other financial instruments such as trade receivables and trade payables, which occur directly in the course of conducting business activity by the Group.

The principle by which the Group abides now is refraining from the turnover of financial instruments.

The main types of risk following from the Group's financial instruments include the interest rate risk, currency risk and liquidity risk. The Management Board verifies and agrees the rules governing each type of risk – these rules are briefly discussed below.

24.1. Interest rate risk

The interest rate risk relates mainly to non-current financial liabilities, based on a floating interest rate.

This risk is partly compensated by indexation of lease revenues.

24.2. Currency risk

Currency risk which will arise at the moment of managing a foreign currency loan will be minimized by collecting rent indexed against the currency of the loan financing the investment. Time differences between invoicing and repayment will be minimized, depending on the market situation, by purchasing a proper amount of currency on dates of invoicing rents.

The table below shows sensitivity of a gross financial result (due to the change in the fair value of assets and financial liabilities) and the Group's equity to rationally possible fluctuations of the euro exchange rates, with the assumption of invariability of other factors.

	Increase/ decrease in the exchange rate in PLN	**Impact on the net financial result in PLN '000**	**Impact on equity**
	+ 0.10	5,177	5,177
June 30th 2009 - EUR (unaudited)	- 0.10	(5,177)	(5,177)
	+ 0.02	1,526	1,526
June 30th 2008 - EUR (unaudited)	- 0.02	(1,526)	(1,526)
	+ 0.10	5,429	5,429
December 31st 2008 - EUR	- 0.10	(5,429)	(5,429)

24.3. Credit risk

The Group concludes transactions with renowned companies of good credit capacity. Moreover, due to current monitoring of receivables, exposure of the Group to the risk of uncollectible receivables is negligible.

As at June 30th 2009, trade receivables amounted to PLN 5,527,000. Rental receivables of PLN 5,055,000 were secured with security deposits of PLN 2,016,000; and in the remaining part – with bank guarantees.

In reference to the Group's other financial assets, such as cash and cash equivalents, the Group's credit risk is minimal, because the Group deposits resources in banks of good, stable financial standing.

There is no significant concentration of credit risk in the Group.

(in PLN '000)

24.4. Liquidity risk

The Group aims to maintain balance between continuity and flexibility of financing, by means of using different sources of financing, such as bank loans and bonds.

The Group concludes bank loan agreements in order to finance the realized investments. Maturity dates of successive instalments are adjusted to projected proceeds from sale of individual investments.

25. Financial instruments

The table below shows a comparison of balance-sheet values and fair values of the Group's all financial instruments, which were disclosed in the mid-year condensed consolidated financial statements according to value different from fair value, divided into different categories of assets and liabilities.

	Balance-sheet value		Fair value	
	June 30th 2009 (unaudited)	December 31st 2008	June 30th 2009 (unaudited)	December 31st 2008
Financial assets available for sale				
Cash	89,242	71,640	89,242	71,640
Loans and receivables				
Trade and other receivables	11,217	58,835	11,217	58,835
Financial liabilities				
Trade and other payables	25,724	42,195	25,724	42,195
Interest-bearing bank loans and borrowings:				
Loans, bonds and borrowings at a floating interest rate	470,850	448,968	470,850	448,968
Loans, bonds, investment notes and borrowings at a fixed interest rate	136,180	128,502	136,180	128,502

A significant part of information on the grounds of which the fair value is evaluated is of a highly subjective character and results from an individual assessment; hence, it may not be accurate. Since the fair value is evaluated as at the end of the reporting period, amounts which were not actually realized or paid at maturity of individual instruments may significantly differ from it.

26. Capital management

The main purpose of capital management is maintaining good credit rating and safe capital ratios which would support the Group's operating activity and increase value for its shareholders.

The Group manages the capital structure and introduces changes resulting from changes in economic conditions. In order to maintain or adjust the capital structure, the Group can change payment of dividend to shareholders, return capital to shareholders or issue new shares. In the period of 6 months ended June 30th 2009 and the year ended December 31st 2008 there were no changes in the objectives, rules and processes binding in this area.

The Group monitors the condition of capital by means of a leverage ratio, which is calculated as a ratio of debt to equity. The Group's rules determine this ratio as not higher than 5. Net debt includes interest-bearing loans and borrowings, trade payables and other liabilities.

(in PLN '000)

	Period of 6 months ended June 30th 2009 (unaudited)	Year ended December 31st 2008
Interest-bearing loans and borrowings (external financing)	607,030	577,470
Trade payables and other liabilities	25,724	42,195
A. Net debt	**632,754**	**619,665**
B. Equity	**970,914**	**964,687**
Leverage ratio (A/B)	**07**	**0.6**

27. Events subsequent to the balance-sheet date

1) On July 14th 2009, Warszawa Rezydencja Kaliska Sp. z o.o. signed with Erbud S.A. Annex No. 2 to the contract dated August 18th 2008 concerning the construction of a residential building. Under this Annex, previously suspended construction works connected with this investment were resumed and the remuneration was decreased to the amount of PLN 31,900,000.

2) On July 20th 2009, LC Corp Sky Tower Sp. z o.o. received a claim from Betonox Construction S.A., lodged on June 22nd 2009 to the District Court in Wrocław, 10th Commercial Section, for a payment resulting from a construction works contract of the amount of PLN 610,000 along with statutory interest from April 22nd 2009 and until the date of payment along with costs of proceedings. The case has not been examined yet.

3) On July 31st 2009 the Company's Extraordinary General Shareholders Meeting authorized the Management Board of LC Corp S.A. to purchase not more than 20,000,000 Company's own shares for the purpose of retiring them during 3 years from the day of adopting this resolution. The amount of funds allocated to the purchase of own shares may not be higher than PLN 30,000,000. The price of purchased shares may not be higher than PLN 1.50 per 1 share.

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President Dariusz Niedośpiał Chief Accountant Lidia Kotowska

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Member of the Board Waldemar Czarnecki

Wrocław, August 11th 2009