

Statutory Auditor's Report on Mid-Year Review of the Consolidated Financial Statements for the Period of Six Months Ended on June 30th 2007

For the Supervisory Board of LC Corp SA

1. We conducted a review of the enclosed consolidated financial statements of the LC Corp Group ("Group"), in which LC Corp SA ("Company", "Parent Undertaking") with its business seat in Wrocław, ul. Powstańców Śląskich 2-4, is the dominant undertaking, including:
 - half-year consolidated balance sheet drawn up as at June 30th 2007, disclosing the total balance of assets, equity and liabilities in the amount of PLN 1,321,595 thousand,
 - half-year consolidated profit and loss account for the period from January 1st 2007 to June 30th 2007, showing a net loss in the amount of PLN 772 thousand,
 - half-year consolidated statement of changes in equity for the period from January 1st 2007 to June 30th 2007, disclosing an increase in equity by the amount of PLN 496,161 thousand,
 - half-year consolidated cash-flow statement for the period from January 1st 2007 to June 30th 2007, disclosing an increase in the balance of net cash by the amount of PLN 361,828 thousand PLN, and
 - half-year notes to financial statements
("enclosed half-year consolidated financial statements")
2. The responsibility for drawing up the enclosed half-year consolidated financial statements in compliance with the International Financial Reporting Standards, applicable to half-year reporting, which have been approved by the European Union ("IAS 34"), and for their accuracy, correctness and clarity as well as for the correctness of consolidation documentation rests with the Company's Management Board. Our task consisted in presenting a report on reviewing such financial statements.
3. Except for possible effects of the issue referred to in item 5 hereinafter, we carried out the review in accordance with the provisions of law binding in Poland, and the standards for professional practice of auditing, issued by the National Chamber of Statutory Auditors ("Standards"). We are obliged by the Standards to plan and carry out the review in the way ensuring reasonable certainty that no significant irregularities occur in the financial statements. The review was conducted mainly by way of analysing the financial data, inspecting the documents which constitute the basis for the amounts and information included in the consolidated financial statements, and making use of the information obtained from the Company's management and staff. The scope and method of reviewing the financial statements are fundamentally different from those adopted in auditing which provides the basis for stating whether the financial statements give a true and fair view. The review is less reliable than the audit. We did not audit the enclosed half-year consolidated financials statements, and, therefore, we have not provided any audit opinion.
4. As indicated in Note 18 of supplementary information and explanatory notes to the enclosed half-year consolidated financial statements, as at June 30th 2007 the Group recognised in its assets the retail centre, "Arkady Wrocławskie", which was disclosed under fixed assets under construction at the cost price value of PLN 346,712 thousand. As at the balance-sheet date the majority of space in this facility was used by tenants. The Group's target solution is to reclassify this facility in conformance to the International Accounting Standard 40 ("IAS 40") to investment property, and to make its valuation

according to the fair value. As at the date of this report the Group had the valuation of this facility according to the fair value, on the basis of which in Q3 2007 its revaluation will be made. In our opinion the circumstances for reclassification of this facility to investment property, described in IAS 40, occurred already as at June 30th 2007, and therefore the “Arkady Wroclawskie” centre should have been recognised as investment property and valued according to the fair value already at this date. With reference to the above the Group understated its net assets and the net result by about PLN 135,895 thousand as at June 30th 2007.

5. As indicated in Note 9.2 of supplementary information and explanatory notes to the enclosed half-year consolidated financial statements, the comparable data for the consolidated profit and loss account, consolidated cash flow statement, and consolidated statement of changes in equity for the period of six months ended on June 30th 2007 are formed exclusively by the financial data of the Parent Undertaking for the period from March 3rd to June 30th 2006. As stated in the above-mentioned note, as at June 30th 2006 the Group did not exist from the formal point of view, as it was created in August 2006 as a result of several acquisitions between co-controlled undertakings. Due to the fact that the Group adopted the pooling of interest method to recognise the mergers of co-controlled undertakings, the adjustment of comparable data is required, consisting in their presentation in the way as if the merger took place at the earliest date of a comparable period. In consequence, we are not able to assess potential effects of such adjustments that could be required with regard to the comparable financial data presented in the enclosed half-year consolidated financial statements as at June 30th 2007.
6. Except for the effects of the issue referred to in item 4, and except for potential effects of the issue referred to in item 5, the review we conducted did not reveal any need for making significant changes in the enclosed half-year consolidated financial statements so that they could give a true and fair view of all materials aspects of the Group’s assets and financial position as at June 30th 2007, and its financial result for the period of 6 months ended on June 30th 2007, in accordance with IAS 34.

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Warsaw, September 21st 2007