

Wrocław, 20 March 2013

Ladies and Gentlemen,

The year 2012 was another special year for the entire development industry strongly affected by the crisis and the turmoil in the financial and real estate markets in the past few years. In 2012, new statutory regulations for the property development industry came into force: the so-called “Developer Act”, and it was also the last year of the government program “Family on its Own”. Looking at the past year from the perspective of the Group, it was another period of introduction of the Group’s new strategy on the fast track of development after the former period of significant change and project restructuring. In the opinion of the Management Board of LC Corp S.A., the Company and the Group were successfully carried through a difficult period, which means that the Group emerged stronger from the crisis and is currently successfully implementing its strategy of development. This is reflected in the results achieved by the Company and the Group in 2012.

The financial and liquidity situation of the Group is very good. A high level of cash and cash equivalents as well as owned liquid assets secure the smooth implementation of the ongoing projects. The non-current liability (bank loan refinancing Arkady Wrocławskie) is secured by the proceeds from the shopping centre’s activity. The implementation of the next big office and retail project: Wola Center (Warsaw, ul. Przyokopowa) is secured by a signed loan agreement. The Group’s land bank is not encumbered with external obligations. Thanks to this, the Group’s companies will implement the most reasonable market investments without pressure, at a pace and sequence resulting from the Group’s strategy. It is also a very good situation for obtaining external funding for acquisitions and carrying out new projects. In order to raise funds for the implementation of new acquisitions, in 2012 the Group issued new bonds under the bond scheme. All this makes it possible to be optimistic about the future.

In pursuing its strategy of development and diversification of supply in the year 2012, the Group started and introduced to the preparation phase next housing projects in Warsaw, Wrocław, Kraków and Gdańsk, both on the basis of its existing land bank and by making new acquisitions. Work on the construction of a large office and retail centre in Warsaw: Wola Center is underway, according to the schedule, and the pace of space commercialization looks very optimistic. Commissioning the facility in the fourth quarter of 2013 does not seem to be at risk. Intensive efforts aimed at seeking attractive properties with the possibility of starting construction quickly, both on the market of residential and commercial properties resulted in acquisitions in the ended year, and many of these activities will end in acquisitions in the current year. In the housing market, the Group significantly changed the structure of flats, adjusting their size and standard to the changing market demand.

Thanks to the consistent policy of the Management Board, it was possible to strengthen our position in the property development market. Changes related to the introduction of new regulations for developers in the housing market, in the opinion of the Management Board, further stabilize and strengthen the position of LC Corp.

In 2012, the Group generated a consolidated net profit of PLN 70.6 million, which is significantly higher than the result achieved in 2011. The Arkady Wrocławskie shopping centre successfully went through the process of changing tenants – maintaining only the minimum level of vacancies. Satisfactory margins were maintained with the sale of flats. Yet, it must be

remembered that the effects of measures taken by the Management Board in 2012 and earlier will be visible to a significant extent only in subsequent years.

The continuation of the Company's strategy is to build a significant position in the property development market in Poland. This is consistently accomplished through introducing the company's investments on the market, both on the basis of the owned bank land, as well as through acquisitions of new projects – using the currently significant drop in land prices. Diversification of the housing offer in terms of both geography and segments is beginning to produce desired results and ensures investment continuity within the next few years. A notable development in the Group's key locations such as Warsaw, Wrocław, Kraków and Gdańsk contributes significantly to raising the Group's profile on a national scale. As part of its strategy, the Group also seeks to implement further commercial investments.

Certainly, the year 2013 will require great commitment, work, dedication and focus on all the important areas of the Group. Very rapid growth and new challenges motivate us even more to work hard, influencing the strengthening of the Group's position and an increase in its market significance.

I would like to thank all shareholders who have supported our efforts. I am convinced that we have proven that our Group is able to quickly adapt to changing market conditions and to see new opportunities in order to continue to grow dynamically in the future.

The Supervisory Board, our employees and the Management Boards of the LC Corp Group's companies also deserve appreciation for a huge effort and contribution to the Group's results. Surely it would not be possible without their commitment, professionalism and skills.

Analyzing the year 2012, I am happy that we have managed to achieve our goals, which will certainly have a positive impact on the Company and the Group in the coming years. Effective activities and a wise strategy allow us to look with optimism towards the future.

Dariusz Niedośpiał

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