



LC CORP GROUP

CONSOLIDATED QUARTERLY REPORT

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD OF 9 MONTHS, ENDED 30 SEPTEMBER 2015**

drawn up in accordance with the International Accounting Standards

CONTAINING THE QUARTERLY FINANCIAL INFORMATION OF LC CORP S.A.

(unaudited financial data)

Wrocław, 16 November 2015

CONSOLIDATED QUARTERLY REPORT

1. SELECTED FINANCIAL DATA	5
2. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE LC CORP GROUP	7
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	7
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	8
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	10
CONSOLIDATED STATEMENT OF CASH FLOWS	12
OTHER INFORMATION AND NOTES	13
2.1. General information about the LC Corp Group	13
2.2. Description of the organisation of the LC Corp Group, indicating the undertakings subject to consolidation and the effects of changes in the Group's structure, including those resulting from mergers, acquisitions or sale of the Group's subsidiary undertakings, long-term investments, divisions, restructuring and discontinued operations.....	13
2.3. Rules adopted for preparing the quarterly report (in particular the information on changes in the accounting principles/policy)	15
2.4. Seasonal or cyclical character of the activity of the LC Corp Group	18
2.5. Information on material estimates and professional judgement	18
Investment property under construction.....	18
2.6. Information about the write-downs of inventory to the net realizable value and the reversal of the write-downs in respect of assets sold	20
2.7. Information about impairment losses in respect of financial assets, property, plant and equipment, intangible assets or other assets and the reversal of such losses.....	20
2.8. Information about creating, increasing, utilizing and reversing provisions.....	21
2.9. Information about deferred tax liabilities and deferred tax assets	22
2.10. Information about significant purchase and sale transactions regarding property, plant and equipment.....	22
2.11. Information about significant liabilities on account of the purchase of property, plant and equipment.....	23
2.12. Information about significant settlements on account of litigation.....	23
2.13. Disclosure of the correction of errors of the previous periods.....	23
2.14. Information about changes in the economic situation and conditions for running a business activity which have a considerable impact on the fair value of the Group's financial assets and financial liabilities, regardless of whether such assets and liabilities are recognized at fair value or at adjusted purchase price (depreciated cost)	23
2.15. Information about the failure to repay a loan or borrowing or the infringement of material provisions of the loan or borrowing agreement with regard to which no corrective actions were taken by the end of the reporting period.....	23
2.16. Information on single or numerous transactions (individually or collectively deemed significant and made on the terms other than at arm's length) concluded by the Issuer or its subsidiary undertaking with related entities.....	23
2.17. Information about the change in the way (method) of determining the fair value for the financial instruments measured at fair value	23
2.18. Information about the change in the classification of financial assets, resulting from the change in the purpose or utilization of such assets	24
2.19. Financial liabilities.....	24
2.19.1 Interest-bearing bank loans and bonds	24
The allocation of respective instruments to the operating segments is presented in Note 8.	25
2.19.2 Other financial instruments liabilities	26
The allocation of respective instruments to the operating segments is presented in Note 2.24.	26
2.19.3 Issue and redemption of equity securities.....	26
2.19.4 Incurring and repaying bank loans and borrowings.....	26
2.19.5 Collaterals.....	27
2.19.6 Liabilities on account of the acquisition of a subsidiary undertaking.....	30
2.20. Information concerning paid out (or declared) dividend, in total and per share, in a breakdown by ordinary and preference shares.....	30
2.21. Events subsequent to 30/09/2015, not disclosed in these statements, which could have a material bearing on the future financial results of LC Corp Group	30
2.22. Information on the changes in contingent liabilities or contingent assets after the end of the last accounting year	31
2.23. Other information material for the assessment of the Group's personnel, asset, financial and profit/loss standing and changes thereof, and of the feasibility of fulfilling its obligations	31
2.24. Revenue and profit-loss attributable to respective operating segments	31
3. INTERIM CONDENSED FINANCIAL STATEMENTS OF LC CORP S.A.	33
STATEMENT OF FINANCIAL POSITION	33
STATEMENT OF COMPREHENSIVE INCOME	34
STATEMENT OF CHANGES IN EQUITY	35
STATEMENT OF CASH FLOWS.....	37

CONSOLIDATED QUARTERLY REPORT

OTHER INFORMATION AND NOTES	38
3.1. General information about the Issuer.....	38
3.2. Rules adopted for preparing the quarterly report (in particular the information on changes in the accounting principles/policy) 38	
3.3. Seasonal or cyclical character of the Issuer's activity.....	39
3.4. Information about significant estimates.....	39
Uncertainty of estimates.....	39
3.5. Information about the write-downs of inventory to the net realizable value and the reversal of the write-downs in respect of assets sold.....	41
3.6. Information about impairment losses in respect of financial assets, property, plant and equipment, intangible assets or other assets and the reversal of such losses.....	41
3.7. Information about creating, increasing, utilizing and reversing provisions.....	41
3.8. Information about deferred tax liabilities and deferred tax assets.....	41
3.9. Information about significant purchase and sale transactions regarding property, plant and equipment.....	42
3.10. Information about significant liabilities on account of the purchase of property, plant and equipment.....	42
3.11. Information about significant settlements on account of litigation.....	42
3.12. Disclosure of the correction of errors of the previous periods.....	42
3.13. Information about changes in the economic situation and conditions for running a business activity which have a considerable impact on the fair value of the Issuer's financial assets and financial liabilities, regardless of whether such assets and liabilities are recognized at fair value or at adjusted purchase price (depreciated cost).....	42
3.14. Information about the failure to repay a loan or borrowing or the infringement of material provisions of the loan or borrowing agreement with regard to which no corrective actions were taken by the end of the reporting period.....	43
3.15. Information on single or numerous transactions (individually or collectively deemed significant and made on the terms other than at arm's length) concluded by the Issuer or its subsidiary undertaking with related entities.....	43
3.16. Information about the change in the way (method) of determining the fair value for the financial instruments measured at fair value.....	43
3.17. Information about the change in the classification of financial assets, resulting from the change in the purpose or utilization of such assets.....	43
3.18. Financial liabilities.....	43
3.18.1 Interest bearing loans, borrowings, bonds and investment notes.....	43
3.18.2 Information about the issue, redemption and repayment of debt and equity securities.....	45
3.18.3 Incurring and repaying bank loans and borrowings.....	45
3.18.4 Collaterals.....	45
3.18.5 Liabilities on account of the acquisition of a subsidiary undertaking.....	46
3.19. Information concerning paid out (or declared) dividend, in total and per share, in a breakdown by ordinary and preference shares.....	46
3.20. Events subsequent to 30/09/2015, not disclosed in these statements, which could have a material bearing on the future financial results of the Issuer.....	46
3.21. Information on the changes in contingent liabilities or contingent assets after the end of the last accounting year.....	47
3.22. Other information material for the Issuer's assessment of its personnel, asset, financial and profit/loss standing and changes thereof and of the feasibility of fulfilling its obligations.....	47
4. MANAGEMENT BOARD'S COMMENTS ON THE ACTIVITY OF THE ISSUER AND ITS GROUP	47
4.1. Main achievements and failures of the LC Corp Group.....	47
4.1.1 Completed development projects.....	48
4.1.2 Development projects under implementation.....	49
4.1.3 Development projects in preparation (to be implemented in 2015).....	51
4.2. Description of factors and events, particularly non-typical ones, which have a significant impact on the achieved financial results.....	51
4.3. Opinion of the Management Board regarding the feasibility of meeting the earlier published financial forecasts for the year, in view of the results presented in this quarterly report as compared to the forecast results.....	51
4.4. Ownership structure of significant blocks of the Issuer's shares.....	52
4.5. Changes in the Issuer's shares or options held by the management and supervisory staff of the Issuer as at 16 November 2015, within the period following the submission of the previous quarterly report (including changes in ownership).....	53
4.6. Information about proceedings before courts, relevant arbitration authority or public administration authority.....	54
4.7. Information on single or numerous transactions (individually or collectively deemed significant and made on the terms other than at arm's length) concluded by the Issuer or its subsidiary undertaking with related entities.....	54
4.8. Information about the loan or borrowing surety or guarantee granted by the Issuer or its subsidiary undertaking.....	54
4.9. Other information material for the assessment of the Group's personnel, asset, financial and profit/loss standing and changes thereof and of the feasibility of fulfilling its obligations.....	54
4.10. Factors which in the Issuer's opinion may affect its performance at least in the following quarter.....	54

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

Member of the Management Board Mirosław Kujawski Member of the Management Board Tomasz Wróbel..... 55

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

SELECTED FINANCIAL DATA

Data concerning interim condensed consolidated financial statements of LC Corp

	PLN '000		EUR '000	
	30 Sept 2015	31 Dec 2014	30 Sept 2015	31 Dec 2014
I. Non-current assets	1,650,692	1,594,368	389,443	374,063
II. Current assets	1,228,255	1,046,384	289,778	245,497
III. Total assets	2,878,947	2,640,752	679,221	619,560
IV. Equity	1,321,776	1,255,153	311,843	294,478
V. Equity attributable to shareholders of the parent	1,321,776	1,255,153	311,843	294,478
VI. Minority interest	-	-	-	-
VII. Non-current liabilities	1,096,651	1,043,684	258,729	244,864
VIII. Current liabilities	460,520	341,915	108,649	80,218
IX. Book value of equity attributable to shareholders of the parent, per share (PLN/EUR)	2.95	2.80	0.70	0.66

	3 quarters of 2015	3 quarters of 2014	3 quarters of 2015	3 quarters of 2014
	cumulative from 1 Jan 2015 to 30 Sept 2015	cumulative from 1 Jan 2014 to 30 Sept 2014	cumulative from 1 Jan 2015 to 30 Sept 2015	cumulative from 1 Jan 2014 to 30 Sept 2014
X. Sales revenue	263,851	196,105	63,449	46,912
XI. Pre-tax profit on sales	107,160	84,746	25,769	20,273
XII. Net profit	65,877	42,260	15,842	10,109
XIII. Net profit attributable to shareholders of the parent	65,877	42,260	15,842	10,109
XIV. Net profit attributable to minority interest	0	0	0	0
XV. Basic profit per share (in PLN/EUR) attributable to equity holders of the parent	0.15	0.09	0.04	0.02

Data concerning interim condensed consolidated financial statements of LC Corp S.A.

	PLN '000		EUR '000	
	30 Sept 2015	31 Dec 2014	30 Sept 2015	31 Dec 2014
XVI. Total assets	1,406,438	1,344,558	331,817	315,454
XVII. Equity	863,429	845,119	203,706	198,278

	3 quarters of 2015	3 quarters of 2014	3 quarters of 2015	3 quarters of 2014
	cumulative from 1 Jan 2015 to 30 Sept 2015	cumulative from 1 Jan 2014 to 30 Sept 2014	cumulative from 1 Jan 2015 to 30 Sept 2015	cumulative from 1 Jan 2014 to 30 Sept 2014
XVIII. Net profit/(loss)	18,310	21,416	4,403	5,123

Selected financial data were converted to EUR in line with the following principles:

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

- a) financial data concerning selected items of assets and liabilities were calculated using the average EUR/PLN exchange rate quoted by the National Bank of Poland and effective as at the balance-sheet date. As at 30/09/2015 it stood at EUR/PLN 4.2386, and at the balance-sheet date of 31 December 2014 at EUR/PLN 4.2623;
- b) financial data concerning selected items of the statement of comprehensive income for three quarters of 2015 and three quarters of 2014 were calculated using the EUR/PLN rate which is an arithmetic mean of average exchange rates quoted by the National Bank of Poland and effective on the last day of each month in the accounting period, i.e. EUR/PLN 4.1585 and EUR/PLN 4.1803, respectively.

1. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE LC CORP GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(PLN '000)	30 September 2015 end of quarter (unaudited)	31 December 2014 end of previous year (audited)
Assets		
A. Non-current assets	1,650,692	1,594,368
1. Intangible assets	246	291
2. Property, plant and equipment	4,718	4,721
2.1. Tangible assets	4,467	4,715
2.2. Tangible assets under construction	251	6
3. Non-current receivables	7,000	6,948
4. Investment property	1,626,111	1,565,160
5. Non-current prepayments and accrued income	363	69
6. Deferred tax assets	12,254	17,179
B. Current assets	1,228,255	1,046,384
1. Inventories	938,085	729,555
2. Trade and other receivables	41,263	23,400
3. Income tax receivable	52	113
4. Current financial assets	18,795	5,332
5. Cash and cash equivalents	225,038	286,435
6. Current prepayments and accrued income	5,022	1,549
C. Non-current assets classified as held for sale	0	0
Total assets	2,878,947	2,640,752
Equity and liabilities		
A. Equity	1,321,776	1,255,153
I. Equity attributable to shareholders of the parent	1,321,776	1,255,153
1. Share capital	447,558	447,558
2. Other capital	808,341	731,275
3. Net profit / (loss)	65,877	76,320
II. Minority interest	0	0
B. Non-current liabilities	1,096,651	1,043,684
1. Non-current liabilities on account of loans and bonds	854,445	815,616
2. Non-current liabilities on account of the acquisition of a subsidiary	146,738	142,897
3. Non-current trade and other payables	0	0
4. Provisions	22	22
5. Deferred tax liability	95,446	85,149
C. Current liabilities	460,520	341,915
1. Current liabilities on account of loans and bonds	75,216	106,896
2. Current liabilities on account of the acquisition of a subsidiary	40,044	38,996
3. Current trade and other payables	75,928	67,941
4. Income tax payable	272	151
5. Provisions	415	311
6. Accrued expenses and revenue	268,645	127,620
Total equity and liabilities	2,878,947	2,640,752

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

	30 September 2015 end of quarter (unaudited)	31 December 2014 end of previous year (audited)
Book value of equity (PLN '000)	1,321,776	1,255,153
Book value of equity attributable to shareholders of the parent (PLN '000)	1,321,776	1,255,153
Number of registered shares (in pcs)	447,558,311	447,558,311
Book value of equity attributable to shareholders of the parent, per share (in PLN)	2.95	2.80

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(PLN '000)	Q3 2015 period from 1 July 2015 to 30 September 2015 (unaudited)	3 quarters of 2015 cumulative from 1 January 2015 to 30 September 2015 (unaudited)	Q3 2014 period from 1 July 2014 to 30 September 2014 (unaudited)	3 quarters of 2014 cumulative from 1 January 2014 to 30 September 2014 (unaudited)
Operating activity				
Sales revenue	53,936	263,851	60,637	196,105
Revenue from sales of services	32,845	96,713	29,621	85,829
Revenue from sales of goods and products	21,091	167,138	31,016	110,276
Cost of sales	(26,646)	(156,691)	(35,223)	(111,359)
Pre-tax profit on sales	27,290	107,160	25,414	84,746
Gain/(loss) on disposal of non-current non-financial assets	0	19	7	8
Revaluation of non-financial non-current assets	26,080	14,284	2,697	2,753
Write-downs of inventories	0	0	0	0
Selling and distribution cost	(2,850)	(8,717)	(2,025)	(5,622)
General administrative expenses	(3,531)	(10,448)	(3,276)	(10,817)
Other operating income	561	1,312	1,000	1,742
Other operating expenses	(90)	(551)	(1,233)	(1,545)
Operating profit/(loss)	47,460	103,059	22,584	71,265
Financial income	642	7,440	1,092	3,143
Financial expenses	(15,730)	(26,018)	(9,078)	(25,080)
Pre-tax profit/(loss)	32,372	84,481	14,598	49,328
Corporate income tax (tax burden)	(6,972)	(18,604)	(2,999)	(7,068)
Net profit/(loss) on business activities	25,400	65,877	11,599	42,260
Discontinued operations				
Profit (loss) on discontinued operations	0	0	0	0
Net profit/(loss)	25,400	65,877	11,599	42,260

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

Other comprehensive income

Items subject to reclassification to profit/(loss) in subsequent reporting periods:

Financial assets available for sale	0	70	0	31
Cash flow hedges	(1,449)	831	(1,809)	(4,419)
Income tax relating to other components of comprehensive income	214	(155)	192	682
Other comprehensive income (net)	(1,235)	746	(1,617)	(3,706)
Total comprehensive income	24,165	66,623	9,982	38,554

Net profit/(loss) attributable to:

Equity holders of the parent	25,400	65,877	11,599	42,260
Minority interest	0	0	0	0
	25,400	65,877	11,599	42,260

Total comprehensive income attributable to:

Equity holders of the parent	24,165	66,623	9,982	38,554
Minority interest	0	0	0	0
Net profit/(loss) attributable to:	24,165	66,623	9,982	38,554

(PLN '000)	3 quarters of 2015 cumulative from 1 January 2015 to 30 September 2015 (unaudited)	3 quarters of 2014 cumulative from 1 January 2014 to 30 September 2014 (unaudited)
Net profit attributable to shareholders of the parent (PLN '000)	65,877	42,260
Average weighted number of ordinary shares (in pcs)	447,558,311	447,558,311
Net profit per share (in PLN) attributable to equity holders of the parent - basic	0.15	0.09
Net profit per share (in PLN) attributable to equity holders of the parent - diluted	0.15	0.09

CONSOLIDATED QUARTERLY REPORT

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other capital		Net profit / (loss)	Total capital attributable to shareholders of the parent	Minority interest	Total equity
		Reserve funds, other reserve funds and retained earnings	Other funds				
As at 1 January 2015	447,558	733,851	(2,576)	76,320	1,255,153	0	1,255,153
<i>Net profit for the period of 9 months ended 30 September 2015</i>	0	0	0	65,877	65,877	0	65,877
<i>Other comprehensive income for the period of 9 months ended 30 September 2015</i>	0	0	746	0	746	0	746
Total comprehensive income for the period of 9 months ended 30 September 2015	0	0	746	65,877	66,623	0	66,623
Transfer of profit for the previous period to undistributed profit	0	76,320	0	(76,320)	0	0	0
As at 30 September 2015 (unaudited)	447,558	810,171	(1,830)	65,877	1,321,776	0	1,321,776

CONSOLIDATED QUARTERLY REPORT

	Share capital	Other capital		Net profit / (loss)	Total capital attributable to shareholders of the parent	Minority interest	Total equity
		Reserve funds, other reserve funds and retained earnings	Other funds				
As at 1 January 2014	447,558	660,249	3,367	73,602	1,184,776	0	1,184,776
<i>Net profit for 2014</i>	0	0	0	76,320	76,320	0	76,320
<i>Other comprehensive income for 2014</i>	0	0	(5,943)	0	(5,943)	0	(5,943)
Total comprehensive income for 2014	0	0	(5,943)	76,320	70,377	0	70,377
Transfer of profit for the previous period to undistributed profit	0	73,602	0	(73,602)	0	0	0
As at 31 December 2014 (audited)	447,558	733,851	(2,576)	76,320	1,255,153	0	1,255,153

	Share capital	Other capital		Net profit / (loss)	Total capital attributable to shareholders of the parent	Minority interest	Total equity
		Reserve funds, other reserve funds and retained earnings	Other funds				
As at 1 January 2014	447,558	660,249	3,367	73,602	1,184,776	0	1,184,776
<i>Net profit for the period of 9 months ended 30 September 2014</i>	0	0	0	42,260	42,260	0	42,260
<i>Other comprehensive income for the period of 9 months ended 30 September 2014</i>	0	0	(3,706)	0	(3,706)	0	(3,706)
Total comprehensive income for the period of 9 months ended 30 September 2014	0	0	(3,706)	42,260	38,554	0	38,554
Transfer of profit for the previous period to undistributed profit	0	73,602	0	(73,602)	0	0	0
As at 30 September 2014 (unaudited)	447,558	733,851	(339)	42,260	1,223,330	0	1,223,330

CONSOLIDATED STATEMENT OF CASH FLOWS

(PLN '000)	3 quarters of 2015 period from 1 January 2015 to 30 September 2015 (unaudited)	3 quarters of 2014 period from 1 January 2014 to 30 September 2014 (unaudited)
A. Cash flows from operating activities		
I. Pre-tax profit/(loss)	84,481	49,328
II. Total adjustments	(104,530)	(39,416)
1. Depreciation and amortisation	528	483
2. Foreign exchange gains (losses)	(3,540)	4,042
3. Interest and distributions from profit (dividends)	24,924	21,407
4. Profit (loss) on investing activities	(40)	0
5. Change in provisions	104	(66)
6. Change in inventories	(208,530)	(102,308)
7. Change in receivables	(17,915)	(4,281)
8. Change in current liabilities, excluding loans and borrowings	11,791	(17,247)
9. Change in accruals and deferrals	137,258	92,226
10. Corporate income tax	(3,354)	(2,864)
11. Other adjustments	(45,756)	(30,808)
III. Net cash provided by operating activities (I±II)	(20,049)	9,912
B. Cash flows from investing activities		
I. Cash	40	0
1. Sale of intangible assets and property, plant and equipment	40	0
2. Sale of investment property	0	0
3. Cash provided by financial assets	0	0
4. Other cash provided by investing activities	0	0
II. Expenses	(27,901)	(68,503)
1. Acquisition of intangible assets and property, plant and equipment	(497)	(416)
2. Cash used on investment property	(27,404)	(26,087)
3. Cash used on financial assets	0	(42,000)
4. Other cash used in investing activities	0	0
III. Net cash provided by investing activities (I–II)	(27,861)	(68,503)
C. Cash flows from financing activities		
I. Cash	107,936	223,505
1. Net proceeds from issue of shares and additional contributions to equity	0	0
2. Loans and borrowings	43,396	174,005
3. Issue of debt securities	64,540	49,500
4. Other cash provided by financing activities	0	0
II. Expenses	(121,423)	(140,825)
1. Repayment of loans and borrowings	(32,480)	(30,888)
2. Redemption of debt securities	(65,000)	(89,000)
3. Interest	(23,943)	(20,937)
4. Other financial expenses	0	0
III. Net cash provided by financing activities (I–II)	(13,487)	82,680
D. Net cash flow, total (A.III±B.III±C.III)	(61,397)	24,089
E. Balance-sheet change in cash, including:	(61,397)	24,089
– change in the position of cash on account of foreign exchange differences	0	0

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

F. Cash at beginning of period	286,435	190,319
G. Cash at end of period (F±D)	225,038	214,408
- restricted cash	20	20

OTHER INFORMATION AND NOTES

1.1. General information about the LC Corp Group

The LC Corp Group (the "Group") consists of LC Corp S.A. and its subsidiary undertakings. The composition of the Group is presented in item 2.2.

LC Corp S.A. (the "Parent Undertaking", the "Company" or the "Issuer") was established by the Notarial Deed dated 3 March 2006. The Parent Undertaking's registered office is situated in Wrocław, Poland, at ul. Powstańców Śląskich 2-4. The Parent Undertaking has been entered into the register of entrepreneurs of the National Court Register maintained by the District Court for Wrocław-Fabryczna in Wrocław, 6th Commercial Division of the National Court Register, under KRS No. 0000253077.

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

- PKD 64.20.Z Activities of financial holding companies
- PKD 68.20.Z Rental and management of own or leased real estate
- PKD 41.10.Z Completion of construction projects related to putting up buildings
- PKD 68.10.Z Buying and selling of own real estate
- PKD 41.20.Z Construction works related to the completion of residential and non-residential buildings

LC Corp B.V., controlled by Mr Leszek Czarnecki, is the Parent Undertaking of LC Corp S.A. and the whole Group.

The interim condensed consolidated financial statements of the LC Corp Group cover the period of 9 months, ended 30 September 2015. The detailed description of the component parts of the consolidated financial statements is included in item 2.3.

1.2. Description of the organisation of the LC Corp Group, indicating the undertakings subject to consolidation and the effects of changes in the Group's structure, including those resulting from mergers, acquisitions or sale of the Group's subsidiary undertakings, long-term investments, divisions, restructuring and discontinued operations

As at 30 September 2015 and as at 31 December 2014, the LC Corp Group comprised the following subsidiaries of LC Corp S.A.:

Company name	Registered office	Effective share of LC Corp S.A.	
		30 September 2015 Share in capital	31 December 2014 Share in capital
Arkady Wrocławskie S.A.	Wrocław	100%	100%
Sky Tower S.A. with registered office in Wrocław	Wrocław	100%	100%
Warsaw Przyokopowa Sp. z o.o.	Wrocław	100% (directly and indirectly)	100% (directly and indirectly)

QSR for Q3 2015
CONSOLIDATED QUARTERLY REPORT

Kraków Zielony Złocień Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest I Sp. z o.o.	Wrocław	100% (directly and indirectly)	100% (directly and indirectly)
LC Corp Invest II Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest III Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest VII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest VIII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest IX Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest X Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XI Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XV Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XVI Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XVII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XVIII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XV Sp. z o.o. Projekt 1 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 2 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 3 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 4 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 5 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 6 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 7 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 8 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 9 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 10 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 11 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 12 Sp. k.	Wrocław	100% (indirectly)	-
LC Corp Invest XV Sp. z o.o. Projekt 14 Sp. k.	Wrocław	100% (directly and indirectly)	100% (directly and indirectly)
LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k. ⁽¹⁾	Wrocław	100% (directly and indirectly)	100% (directly and indirectly)
LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k.	Wrocław	100% (indirectly)	-
LC Corp Invest XV Sp. z o.o. Finance S.K.A.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Investments S.K.A.	Wrocław	100% (directly and indirectly)	100% (directly and indirectly)
LC Corp Invest XVIII Sp. z o.o. Real Estate S.K.A.	Wrocław	100% (directly and indirectly)	100% (directly and indirectly)

- (1) On 14 July 2015, 23 July 2015 and 2 September 2015 LC Corp S.A. increased its contribution to LC Corp Invest XVII spółka z ograniczoną odpowiedzialnością Projekt 20 sp. k. The current value of LC Corp S.A.'s contribution amounts to PLN 76,600,00.00.

As at 30 September 2015 and as at 31 December 2014, the share in the total vote held by the Parent Undertaking in its subsidiaries was equal to the share of the Parent Undertaking in the capitals of these entities.

1.3. Rules adopted for preparing the quarterly report (in particular the information on changes in the accounting principles/policy)

These interim condensed consolidated financial statements of the LC Corp Group contain:

- consolidated statement of financial position as at 30 September 2015 and comparable financial data as at 31 December 2014;
- consolidated statement of comprehensive income for three quarters of 2015, i.e. for the period of 9 months, cumulative from 1 January 2015 to 30 September 2015 as well as comparable data for a corresponding period of the previous year, i.e. for the period from 1 January 2014 to 30 September 2014;
- consolidated statement of cash flows for three quarters of 2015, i.e. for the period of 9 months, cumulative from 1 January 2015 to 30 September 2015 as well as comparable data for a corresponding period of the previous year, i.e. for the period from 1 January 2014 to 30 September 2014;
- statement of changes in equity as at 30 September 2015 and comparable financial data as at 30 September 2014 and as at 31 December 2014;
- notes to consolidated financial statements.

Notes to financial statements and other information defined by § 87 of the Regulation of the Minister of Finance dated 19 February 2009 on current and periodic information published by the issuers of securities and the conditions for recognising as equivalent the information required by the law of a non-member state, representing an element of this Consolidated Quarterly Report for Q3 2015, are included in item 4.

The enclosed condensed consolidated financial statements of the LC Corp Group were prepared in accordance with the International Financial Reporting Standards ("IFRS"), in particular with IAS 34 (concerning the preparation of interim financial statements) and IFRS adopted by the EU. IFRS comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"), applicable to interim financial reporting.

As at the date of the approval of these financial statements for publication, taking into account the ongoing process of introducing IFRS in the EU and the business activity conducted by the Group, in the scope of the accounting principles adopted by the Group there were no differences between IFRS already in effect and those approved by the EU. IFRS approved by the EU include the standards and interpretations accepted by IASB and IFRIC.

The interim condensed consolidated statements of the LC Corp Group do not contain all information and disclosures required in the annual consolidated financial statements of the Group and they must be read together with the annual consolidated financial statements of the Group for the year ended 31 December 2014.

The interim condensed consolidated financial statements of the LC Corp Group are presented in thousand zlotys ('PLN'), and all values included in the tables and descriptions, if not indicated otherwise, are given in PLN '000.

The interim condensed consolidated financial statements of the LC Corp Group were prepared on the going concern assumption, i.e. the continuation of the business activity by the Group companies in the foreseeable future. As at the day of the approval of these financial statements, there were no circumstances identified implying any threats to the continuation of the Group companies' activity.

These interim condensed financial statements of the LC Corp Group were approved by the Management Board for publication on 16 November 2015.

The information on the accounting policies adopted by the LC Corp Group was presented in the annual consolidated financial statements of the LC Corp Group for the year ended 31 December 2014, published on 23 March 2015.

Standards and interpretations adopted for the first time in 2015

The accounting principles (policy) applied for the preparation of the interim condensed consolidated financial statements are consistent with those adopted for the drawing up of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the application of the following new or amended standards and interpretations, applicable to annual periods starting on or after 1 January 2015:

- *Changes resulting from the review of IFRS MSSF 2011-2013* comprising:
 - *Amendments to IFRS 3 Business combinations*
 The amendments clarify that not only joint ventures but also joint contractual arrangements are outside the scope of IFRS 3. This exception is only applied to prepare the financial statements of a joint contractual arrangement. This amendment shall apply prospectively.
 The above amendments did not have any impact on the Group's financial situation or the results of its activity.
 - *Amendments to IFRS 13 Fair value measurement*
 The amendments clarify that the exception referring to the investment portfolio is applicable not only to financial assets and financial liabilities, but also to other contracts covered by IAS 39. The amendments shall apply prospectively.
 The above amendments did not have any impact on the Group's financial situation or the results of its activity.
 - *Amendments to IAS 40 Investment property*
 A description of additional services in IAS 40 distinguishes investment property from property occupied by the owner (that is, from tangible fixed assets). The change is applied prospectively and clarifies that it is IFRS 3 and not the definition of additional services in IAS 40 is used to determine whether the transaction is an acquisition of an asset or of an undertaking.
 The above amendments did not have any impact on the Group's financial situation or the results of its activity.
- *IFRIC 21 Levies*
 The interpretation clarifies that the entity recognises its levies payable upon the occurrence of the obligating event, that is, an activity necessitating payment according to the rules. In case of levies charged above the minimum threshold, the entity will not recognise the payable until such threshold is achieved. IFRIC 21 shall apply retrospectively.
 The above amendments did not have any impact on the Group's financial situation or the results of its activity.

The Group did not decide to prematurely apply any other standard, interpretation or amendment published but not yet effective in the light of the regulations of the European Union.

The following standards and interpretations have been issued by the IASB or the IFRIC but are not yet in force:

- *Amendments to different standards "Amendments to IFRS (cycle 2010-2012)"* – amendments made under the procedure of making annual amendments to IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) aimed mainly at eliminating any inconsistencies and clarification of wording – approved by the EU on 17 December 2014 (applicable to annual periods beginning on or after 1 February 2015),
- *Amendments to IFRS 19 "Employee benefits"* – Specific benefits programmes: Employee contributions - approved by the EU on 17 December 2014 (applicable to annual periods beginning on or after 1 February 2015).

In the Group's opinion the application of amended standards will not have a significant impact on the financial statements.

Standards and interpretations which are not yet approved by the European Union:

- IFRS 9 *Financial Instruments* (published on 24 July 2014) applicable to annual periods beginning on or after 1 January 2018 – not endorsed by the EU as at the date of authorization of these financial statements,
- IFRS 14 *Regulatory deferral accounts* (published on 30 January 2014) – applicable to annual periods beginning on or after 1 January 2016 – the decision concerning the date on which EFRAG will complete respective stages of the works leading to the approval of this standard has not been made yet - not endorsed by the EU as at the date of authorization of these financial statements,
- Amendments to IFRS 11 *Accounting for interests in joint operations* (published on 6 May 2014) - applicable to annual periods beginning on or after 1 January 2016 - not endorsed by the EU as at the date of authorization of these financial statements,
- Amendments to IAS 16 and IAS 38 *Clarification of acceptable methods of depreciation* (published on 12 May 2014) – applicable to annual periods beginning on or after 1 January 2016 – not endorsed by the EU as at the date of authorization of these financial statements,
- IFRS 15 *Revenue from contracts with customers* (published on 28 May 2014) – applicable to annual periods beginning on or after 1 January 2018 – not endorsed by the EU as at the date of authorization of these financial statements,
- Amendments to IAS 16 and IAS 41 *Agriculture: bearer plants* (published on 30 June 2014) – applicable to annual periods beginning on or after 1 January 2016 – not endorsed by the EU as at the date of authorization of these financial statements,
- Amendments to IAS 27 *Equity method in separate financial statements* (published on 12 August 2014) – applicable to annual periods beginning on or after 1 January 2016 – not endorsed by the EU as at the date of authorization of these financial statements,
- Amendments to IFRS 10 and IAS 28 *Sale or contribution of assets between and investor and its associate or joint venture* (published on 11 September 2014) – applicable to annual periods beginning on or after 1 January 2016, whereas this date was temporarily deferred by IASB – a decision on the date on which EFRAG will carry out the stages of works aiming at approving these changes was not made – not endorsed by the EU as at the date of authorization of these financial statements,
- *Amendments resulting from the IFRS 2012-2014 review* (published on 25 September 2014) – applicable to annual periods beginning on or after 1 January 2016 – not endorsed by the EU as at the date of authorization of these financial statements,
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment entities: Applying the consolidation exception* (published on 18 December 2014) - applicable to annual periods beginning on or after 1 January 2016 – not endorsed by the EU as at the date of authorization of these financial statements,
- Amendments to IAS 1 *Disclosures* (published on 18 December 2014) – applicable to annual periods beginning on or after 1 January 2016 – not endorsed by the EU as at the date of authorization of these financial statements.

In the period covered by the financial statements the Group did not decide to apply the above interpretations which were published but are not yet effective.

1.4. Seasonal or cyclical character of the activity of the LC Corp Group

The activity of the LC Corp Group is not seasonal by nature. The activity is related to the investment cycles of the implemented property development projects, which is particularly noticeable in the recognition of the proceeds from the sale of residential and retail premises. In accordance with IAS 18, such proceeds can only be recognized when practically all risks and benefits related to given premises have been transferred to the client and the revenue can be reasonably measured. In consequence, the sales results in a given period depend on the value of the premises transferred to the clients in accordance with the above definition.

1.5. Information on material estimates and professional judgement

The Management Board of the Parent Undertaking used their best knowledge of the applied standards and interpretations, and also the methods and principles of the valuation of particular items of the enclosed condensed consolidated financial statements. Preparation of the financial statements in accordance with IFRS required the Company Management Board to make some assessments and assumptions which are reflected in these statements. The actual results may vary from these assessments. The presented financial data as at the end of Q3 2015 were not subject to examination by an auditor.

Professional judgement

In the process of applying the accounting principles (policy) to the issues specified herein below, the professional judgement of the management was, apart from the accounting estimates, of the greatest importance.

Determination of the moment when, upon the sale of residential premises, the risk is transferred to the client

The moment of transferring the risk to the client determines when the revenue from sales of residential and retail premises can be recognized.

Upon the sale of residential and retail premises, the risk is transferred to the client when the following conditions are fulfilled:

- (i) obtaining the occupancy permit for the buildings;
- (ii) payment of 100% of the value of the premises, based on the developer agreement or preliminary agreement;
- (iii) acceptance of the premises by the client, evidenced by the delivery and acceptance protocol;
- (iv) signing of the developer agreement or notarial deed transferring the title.

Investment property under construction

As at 30 September 2015, the investment property Silesia Star - Stage 2 in Katowice, taking into consideration the stage of works and the lack of possibility to reliably estimate the fair value, investment expenditures for the construction of an office complex, it is evaluated according to the historical cost.

Uncertainty of estimates

The basic assumptions concerning the future have been discussed below as well as other key reasons for doubts occurring at as the balance sheet date and entailing a significant risk of the considerable adjustment of the net book value of assets and liabilities in the following reporting period.

Deferred tax asset

The Group recognizes a deferred tax asset based on the assumption that a tax profit enabling its utilization should be obtained in the future. The worsening of the tax results attained in the future could cause that this assumption might become groundless.

Fair value of investment property

At the end of each quarter of an accounting year, the Group measures independently the fair value of its investment property in EUR, based on the agreed model of investment capitalisation or maintains the valuation in EUR established by an independent valuer at the end of the previous year (unless significant indications to update the valuation). At the end of each accounting year, the fair value of investment property is established or verified by an independent valuer. At the end of Q3 2015 the Group had valuations of commercial property issued by an independent valuer at the end of September 2015, therefore as at 30 September 2015 the Group used them to measure the fair value.

Fair value of financial instruments in the form of forward contracts

The fair value of financial instruments in the form of forward contracts, measured at fair value through profit or loss, is determined on the last day of each quarter in a given accounting year and at the end of each accounting year on the basis of the valuation made by an institution which professionally measures such financial transactions (among others by the Bank) or on the basis of a financial model built to make a valuation and accepted by the Statutory Auditor.

The fair value of financial instruments of the IRS type

The fair value of financial instruments of the IRS type, covered by the cash flow hedge accounting, measured at fair value through equity, is determined on the last day of each quarter in a given accounting year and at the end of each accounting year on the basis of the valuation made by an institution which professionally measures such financial transactions (among others by the Bank) or on the basis of a financial model built to make a valuation and accepted by the Statutory Auditor.

Write-downs of inventories

At the end of each reporting period, the Management Board verifies if there is any evidence pointing to the loss of value of its property development projects under completion, on the basis of sales reports, market research and other available evidence. Should the risk of the loss of value occur, the value of such projects is estimated employing the DCF method, which is used to establish the write-down of inventories. The DCF method is based on discounted cash flows generated within the approved investment schedules and proceeds from the sale of premises, allowing for the sale price of 1 square metre of usable floor space in accordance with the current market situation. The discount rate takes account of the weighted average cost of external and own capital (WACC).

The level of inventory write-down is the figure estimated as at 30 September 2015 and it may be subject to change depending on the fluctuations of the market prices of land, sales prices of flats, construction costs, project completion schedules and discount rate calculations in the future. The actual results may vary from these estimates, which were calculated on the grounds of the data available as at the reporting date. It is also related to the uncertainty regarding the proper estimation of the market conditions in the following years. Consequently, the level of write-downs may change in the following accounting periods.

The table below presents the significant estimates as at 30 September 2015 and as at 31 December 2014.

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

	30 September 2015 (unaudited)	31 Dec 2014 (audited)
Deferred tax assets	12,254	17,179
Fair value of investment property	1,563,727	1,532,039
Fair value of financial instruments in the form of forward contracts	45	(167)
The fair value of financial instruments of the IRS type	(7,805)	(8,633)
Deferred tax liability	(95,446)	(85,149)
Write-down of inventory	(117,198)	(118,833)

1.6. Information about the write-downs of inventory to the net realizable value and the reversal of the write-downs in respect of assets sold

(PLN '000)	30 September 2015 (unaudited)	31 December 2014 (audited)
Work in progress	1,019,644	742,758
Finished products	35,639	105,630
Write-downs of inventories	(117,198)	(118,833)
Total inventory	938,085	729,555

Changes in the write-down of inventory:

(PLN '000)	Period ended 30 September 2015 (unaudited)	Year ended 31 December 2014 (audited)
Beginning of period	118,833	81,071
Increase	0	43,061
Utilization	(1,635)	(5,299)
Transfers to investment property item	0	0
Decrease	0	0
End of period	117,198	118,833

1.7. Information about impairment losses in respect of financial assets, property, plant and equipment, intangible assets or other assets and the reversal of such losses

During the period of 9 months ended 30 September 2015 there were no significant changes in the impairment losses in respect of financial assets, property, plant and equipment, intangible values and other assets, except for the provisions for trade receivables, presented in the table below:

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

(PLN '000)	Period ended 30 September 2015 (unaudited)	Year ended 31 December 2014 (audited)
Beginning of period	3,153	2,113
Increase	898	1,901
Utilization	(184)	(434)
Decrease	(680)	(427)
End of period	3,187	3,153

1.8. Information about creating, increasing, utilizing and reversing provisions

The amounts of provisions and the reconciliation presenting the changes in their position during the reporting period are shown in the table below:

	<i>One-off retirement, disability and death benefits</i>	<i>Contentious and court issues</i>	<i>Removal of construction defects and faults</i>	<i>Total</i>
As at 1 January 2015	22	211	100	333
Created	0	165	0	165
Utilized	0	(61)	0	(61)
Reversed	0	0	0	0
As at 30 September 2015 (unaudited)	22	315	100	437
Current provisions as at 30 September 2015	0	315	100	415
Non-current provisions as at 30 September 2015	22	0	0	22

As at 1 January 2014	22	12,317	300	12,639
Created during the accounting year	0	45	0	45
Utilized	0	(111)	0	(111)
Reversed	0	(12,040)	(200)	(12,240)
As at 31 December 2014 (audited)	22	211	100	333
Current provisions as at 31 December 2014	0	211	100	311
Non-current provisions as at 31 December 2014	22	0	0	22

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

1.9. Information about deferred tax liabilities and deferred tax assets

Deferred income tax arises from the following items:

(PLN '000)	Statement of financial position		Deferred income tax burden for the period ended	
	30 September 2015 (unaudited)	31 December 2014 (audited)	30 September 2015 (unaudited)	31 December 2014 (audited)
Deferred tax liability				
Accrued interest and discounts on borrowings, bonds, notes and deposits	(18,868)	(15,503)	(3,365)	(1,080)
Valuation of investment property	(65,531)	(62,723)	(2,808)	(13,198)
Difference in the value of tangible assets (tax depreciation and book depreciation)	(33,407)	(27,806)	(5,601)	(9,130)
Other	(273)	(74)	(199)	316
Gross deferred tax liability	(118,079)	(106,106)		
Deferred tax assets				
Provisions and prepayments and accrued income	187	350	(163)	(444)
Accrued interest and discounts on borrowings, bonds and notes	12,615	10,177	2,438	746
Foreign exchange differences	5,211	6,321	(1,110)	2,853
Difference in the value of other assets (tax value and book value)	1,982	2,232	(250)	(3,708)
Losses potentially deductible from the future taxable income	13,631	17,630	(3,999)	4,137
Other	1,261	1,426	(165)	1,058
Gross deferred tax assets	34,887	38,136		
Deferred tax burden			(15,222)	(18,450)
Net deferred tax asset	12,254	17,179		
Net deferred tax liability	(95,446)	(85,149)		

Because of the specific nature of its activity, involving the generation of taxable income which is deferred in time, the Group recognizes the incurred tax losses by the time it earns the taxable income, taking account of the tax regulations concerning the possibility of offsetting such losses. The amount of the deferred tax asset on account of tax losses, included in the deferred tax, is presented in the table above.

As at 30 September 2015, the Group conducted the recoverability analysis of the created and potential deferred tax asset and did not create a deferred tax asset on account of, among others, tax losses incurred in the companies of PLN 4,731,000 (the corresponding amount as at 31 December 2014 totalled PLN 3,889,000), which can be utilized within a maximum period of five years as of the end of the reporting period in which they arose. In addition, the Group did not create a deferred tax asset of PLN 23,224,000 based on the temporary differences between the book value and the tax value of respective items of assets and equity and liabilities (the corresponding amount as at 31 December 2014 totalled PLN 23,054,000)

1.10. Information about significant purchase and sale transactions regarding property, plant and equipment

During the period of 9 months ended 30 September 2015, the Company purchased property, plant and equipment having the value of PLN 478,000.

In the period of 9 months ended on 30 September 2015, the Group did not enter into any sale transactions regarding property, plant and equipment items.

1.11. Information about significant liabilities on account of the purchase of property, plant and equipment

As at 30 September 2015 there were no significant liabilities on account of the purchase of property, plant or equipment.

1.12. Information about significant settlements on account of litigation

In the period of 9 months ended on 30 September 2015, the Group recorded no significant settlements on account of litigation.

1.13. Disclosure of the correction of errors of the previous periods

During the period of 9 months ended 30 September 2015 there were no corrections of errors of the previous periods.

1.14. Information about changes in the economic situation and conditions for running a business activity which have a considerable impact on the fair value of the Group's financial assets and financial liabilities, regardless of whether such assets and liabilities are recognized at fair value or at adjusted purchase price (depreciated cost)

Considerable fluctuations of the EUR exchange rate translate into significant changes in the EUR valuation of assets/equity and liabilities (i.e. commercial property and the loans financing it) converted into PLN according to the average exchange rate of NBP effective at the end of each accounting period. The situation on the financial markets also has an impact on the valuation of financial instruments in the form of forward and IRS contracts, disclosed in the statement of comprehensive income.

1.15. Information about the failure to repay a loan or borrowing or the infringement of material provisions of the loan or borrowing agreement with regard to which no corrective actions were taken by the end of the reporting period

No such events occurred in any of the Group's undertakings.

1.16. Information on single or numerous transactions (individually or collectively deemed significant and made on the terms other than at arm's length) concluded by the Issuer or its subsidiary undertaking with related entities

In the discussed reporting period neither the Issuer nor its subsidiary undertakings concluded with related entities any transactions, which, individually or collectively, could be deemed significant and were effected on the terms other than at arm's length.

1.17. Information about the change in the way (method) of determining the fair value for the financial instruments measured at fair value

None occurred.

1.18. Information about the change in the classification of financial assets, resulting from the change in the purpose or utilization of such assets

None occurred.

1.19. Financial liabilities

1.19.1 Interest-bearing bank loans and bonds

Non-current	Repayment date	30 September 2015 (unaudited)	31 December 2014 (audited)
Bank loan in EUR (its non-current part) (a)	31 Dec 2017	138,336	152,111
Bank loan in EUR (its non-current part) (b)	15 June 2022	206,943	220,651
Bank loan in EUR (its non-current part) (c)	20 Dec 2022	218,959	226,543
Bank loan in EUR (its non-current part) (d)	31 Dec 2025	41,972	35,038
Bank loan in PLN (its non-current part) (d)	-	-	886
Bank loan in PLN (its non-current part) (e)	-	-	29,936
Bank loan in PLN (its non-current part) (f)	31 Dec 2018	49,657	49,586
Bank loan in PLN (its non-current part) (g)	31 Dec 2018	33,689	-
Bond scheme (i)	30 Oct 2018	49,615	49,531
Bond scheme (j)	6 June 2019	49,633	49,558
Bond scheme (k)	20 Mar 2020	64,589	-
		853,393	813,840

Current	Repayment date	30 September 2015 (unaudited)	31 December 2014 (audited)
Bank loan in EUR (its current part) (a)	30 Sept 2016	17,121	16,513
Bank loan in EUR (its current part) (b)	30 Sept 2016	9,503	9,275
Bank loan in EUR (its current part) (c)	30 Sept 2016	8,365	8,173
Bank loan in EUR (its current part) (d)	30 Sept 2016	1,384	-
Bank loan in PLN (its current part) (e)	31 Jan 2016	29,980	-
Bond scheme (h)	-	-	65,285
Bond scheme (i)	30 Oct 2015	1,073	446
Bond scheme (j)	6 Dec 2015	816	179
Bond scheme (k)	20 Mar 2016	221	-
		68,463	99,871

CONSOLIDATED QUARTERLY REPORT

- (a) Loan in Arkady Wrocławskie company taken out in EUR on 28 February 2008 with the consortium of banks: ING Bank Śląski S.A. and BZ WBK S.A.
- (b) On 15 July 2011, Warsaw Przyokopowa Sp. z o.o. concluded with Raiffeisen Bank Polska S.A. the agreement on an investment loan for the maximum of EUR 49,000,000 in order to finance, partially, the construction of Wola Center, an office complex in Warsaw. On 26 June 2014 the company concluded and annex to the Loan agreement pursuant to which the maximum amount was increased to EUR 55,000,000.
- (c) Loan in Sky Tower S.A. taken out in EUR pursuant to the agreement of 29 December 2012 concluded with the consortium of banks Getin Noble Bank S.A. and Alior Bank S.A.
- (d) Loans taken out in LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k. pursuant to the agreement of 14 May 2014 concluded with PKO BP S.A. Loan taken out in EUR up to the amount equivalent in EUR of PLN 62,000,000 in order to finance, partially, the construction of an office and service complex with a car park under the name Silesia Star (Stage 1) in Katowice at ul. Roździeńskiego 10, and a revolving VAT loan for the maximum of PLN 3,000,000. On 17 July 2015 the Company concluded an annexe to the Loan agreement on the basis of which the bank authorised the Company to implement stage 2 of the project.
- (e) Loan in LC Corp S.A. taken out in PLN with Getin Noble Bank S.A. pursuant to the agreement concluded on 19 December 2011, initiated in 2012 in LC Corp S.A.
- (f) Loan in LC Corp S.A. taken out in PLN with Getin Noble Bank S.A. pursuant to the agreement concluded on 29 April 2014, initiated on 30 April 2014 in LC Corp S.A.
- (g) Loan in LC Corp S.A. taken out in PLN with Getin Noble Bank S.A. pursuant to the agreement concluded on 18 June 2014, initiated on 3 September 2015 in LC Corp S.A.
- (h) Coupon bonds – the issue of 1 June 2012, including 650 three-year unsecured coupon bonds, having a par value of PLN 100,000 each under a Bond Issue Agreement concluded with the banks Pekao S.A. having its registered office in Warsaw and BRE Bank S.A. having its registered office in Warsaw, with the buyback date set at 25 May 2015 .
- (i) Coupon bonds – the issue of 31 October 2013, including 500 five-year unsecured coupon bonds, having a par value of PLN 100,000 each and a total nominal value of PLN 50,000,000 under a Bond Issue Agreement with the buyback date set at 30 October 2018 concluded with the banks Pekao S.A. having its registered office in Warsaw and BRE Bank S.A. having its registered office in Warsaw.
- (j) Coupon bonds – the issue of 6 June 2014, including 50,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 50,000,000 under a Bond Issue Agreement with the buyback date set at 6 June 2019 concluded with the banks Pekao S.A. having its registered office in Warsaw and BRE Bank S.A. having its registered office in Warsaw.
- (k) Coupon bonds – the issue of 20 March 2015, including 65,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 65,000,000 under a Bond Issue Agreement with the buyback date set at 20 March 2020 concluded with the banks Pekao S.A. having its registered office in Warsaw and BRE Bank S.A. having its registered office in Warsaw.

Also, in LC Corp Invest XII Sp. z o.o. a loan was taken out in PLN with mBank Hipoteczny S.A. pursuant to an agreement concluded on 15 January 2015, initiated partially in Q1 2015 and fully repaid in Q2 2015.

The allocation of respective instruments to the operating segments is presented in Note 8.

1.19.2 Other financial instruments liabilities

As at 30 September 2015 and 31 December 2014, the fair value measurement of transactions hedging the risk of an interest rate increase, of the IRS and forward type, was disclosed in the Liabilities on account of loans and bonds item, in the amounts presented below:

	30 September 2015 (unaudited)	31 December 2014 (audited)
Non-current	1,052	1,776
Current	6,753	7,025
Total	7,085	8,801

The allocation of respective instruments to the operating segments is presented in Note 2.24.

1.19.3 Issue and redemption of equity securities

During the period of 9 months ended 30 September 2015 the following issue and redemption of securities were made:

- 1) On 20 March 2015 LC Corp S.A. issued 65,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and the total nominal value of PLN 65,000,000 under a Bond Issue Agreement with the buyback date set at 20 March 2020 concluded with the banks Pekao S.A. having its registered office in Warsaw and BRE Bank S.A. having its registered office in Warsaw. The funds obtained from the above issue were intended entirety for the redemption of securities issued on 01/06/2012 under the above-mentioned Bond Issue Agreement, whose buyback date fell on 25/05/2015.
- 2) On 25 May 2015, LC Corp S.A. redeemed on the redemption date 650 unsecured, dematerialized coupon bonds of LCC002250515 series and ISIN code PLLCCRP00041, with a par value of PLN 100,000.00 each, with a total par value of PLN 65,000,000 issued on 1 June 2012.

1.19.4 Incurring and repaying bank loans and borrowings

Repaying loans by Arkady Wrocławskie taken from a bank consortium

During the period of 9 months ended 30 September 2015, Arkady Wrocławskie S.A. repaid in accordance with the payment schedule the instalments of the loan in EUR taken out with the consortium of banks: ING Bank Śląski S.A. and Kredyt Bank S.A. (currently BZ WBK SA) of PLN 12,525,000. As at 30 September 2015 the total debt value translated into the zloty was PLN 155,457,000.

Repaying loans by Warsaw Przyokopowa Sp. z o.o.

During the period of 9 months ended 30 September 2015 Warsaw Przyokopowa Sp. z o.o. repaid in accordance with the payment schedule the instalments of the loan in EUR taken out with Raiffeisen Bank Polska SA of PLN 12,058,000. As at 30 September 2015 the total debt value translated into the zloty was PLN 216,446,000.

Conclusion of forward and IRS transactions by Warsaw Przyokopowa Sp. z o.o.

In the period from 1 January 2015 to 30 September 2015 the Company did not enter into any new forward or derivative transactions.

Repaying loans by Sky Tower S.A. taken from a bank consortium

During the period of 9 months ended 30 September 2015 Sky Tower S.A. repaid in accordance with the payment schedule the instalments of the loan in EUR taken out with the consortium of banks: Getin Noble Bank and Alior Bank SA of PLN 5,994,000. As at 30 September 2015 the total debt value translated into the zloty was PLN 227,324,000.

Conclusion of forward and IRS transactions by Sky Tower S.A.

In the period from 1 January 2015 to 30 September 2015 the Company did not enter into any new forward or derivative transactions.

Repaying loans by LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k.

On 14 May 2014 LC Corp Invest XVII Spółka z ograniczoną odpowiedzialnością Projekt 20 Sp. k., as borrower, concluded with PKO BP S.A. the agreement on an investment loan for the amount equivalent in EUR to PLN 62,000,000 intended for partial financing of the construction of an office and service complex with retail and service facilities and car parks under the name Silesia Star (Stage 1) in Katowice at ul. Roździeńskiego 10, and a revolving VAT loan for the maximum of PLN 3,000,000.

On account of the above, in the period of 9 months ended 30 September 2015, the Company, pursuant to the loan agreement, initiated the EUR loan in the total amount of PLN 8,498,000 and made the net initiation (initiations minus repayments) of the revolving VAT loan in the amount of PLN 886,000.

Conclusion of forward and IRS transactions by LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k.

During the period from 1 January 2015 to 30 September 2015 LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. kom. did not enter into any new forward or derivative transactions.

Loan taken out by LC Corp Invest XII Sp. z o.o. and its repayment

On 15 January 2015 LC Corp Invest XII Sp. z o.o. concluded with mBank Hipoteczny SA the loan agreement for PLN 28,530,000. On 5 March 2015 LC Corp Invest XII Sp. z o.o., in performance of the loan agreement, established the securities necessary to initiate this loan, inter alia a declaration on establishing a mortgage on the company's property up to the amount of PLN 57,060,000 has been submitted, financial pledges and pledges by registration on bank accounts, pledges by registration and financial pledges on shares and other standard securities of loan agreements has been established. A blank bill of exchange issued by LC Corp Invest XII Sp. z o.o. guaranteed by LC Corp S.A. until entry by competent courts of a pledge by registration on shares and a mortgage on the mortgaged property has been also submitted.

In the reporting period ended 30 September 2015 the Company initiated the loan, in accordance with the agreement, in the total amount of PLN 1,017,000 PLN and in the same period repaid the loan in full.

Loan taken out by LC Corp S.A.

On 19 February 2015 and 19 August 2015 LC Corp S.A. concluded with Getin Noble Bank S.A. annexes to the bank loan agreement of 18 June 2014, extending the period of utilization of the taken loan in the amount of PLN 40,000,000 by the end of December 2015. In September, this loan has been initiated in the amount of PLN 33,881,000.

1.19.5 Collaterals

As at 30 September 2015 the repayment of loans was secured mainly by:

Security for loans granted for the purpose of financing commercial property:

1. Security for the bank loan agreement concluded by Arkady Wrocławskie S.A.:
- capped mortgage (*loan in EUR*) – up to the amount of EUR 86,802,000,

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

- pledge on the shares of Arkady Wrocławskie S.A. held by LC Corp S.A. – up to the amount of EUR 91,500,000,
 - pledge by registration on bank accounts – up to the amount of PLN 38,220,000,
 - by registration on bank accounts (*loan in EUR*) – up to the amount of EUR 91,500,000,
 - assignment of the rights arising from rental contracts, insurance and guarantees related to agreements with contractors to the extent to which they apply to particular property development projects,
 - deposit of EUR 500,000.
2. Security for the bank loan agreement concluded by Warsaw Przyokopowa Sp. z o.o.:
 - contractual capped mortgage of the highest priority up to the amount of EUR 75,957,124.43,
 - financial pledges and pledges by registration on accounts receivable from bank accounts with a power of attorney to manage the accounts,
 - pledge by registration on all shares of Warsaw Przyokopowa Sp. z o.o. with a financial pledge,
 - transfer of rights to the borrower's security, arising from all agreements concluded by the Borrower,
 - support agreement concluded by the borrower, the bank and LC Corp S.A., pursuant to which LC Corp S.A. will be obliged to ensure for the borrower the necessary funds up to 10% of the assumed construction costs, should they be exceeded,
 - subordination agreement on claims from other creditors of the borrower, who are the borrower's partners, making them junior to the claims of the bank resulting from the Agreement.
 3. Security for the transactions hedging against foreign exchange risk and interest rate risk (hedging agreements), concluded pursuant to the framework agreement of 1 June 2012, established by Warsaw Przyokopowa Sp. z o.o.:
 - contractual mortgage for up to PLN 135,000,000,
 - declaration on submission to enforcement pursuant to Art. 97 of the Banking Law for up to the total of PLN 135,000.000
 4. Security for the agreement on a bank loan taken out by Sky Tower S.A.:
 - contractual mortgage of the highest priority up to the amount of EUR 90,000,000,
 - financial pledges and pledges by registration on accounts receivable from bank accounts with a power of attorney to manage the accounts,
 - declaration on submission to enforcement pursuant to Art. 97 of the Banking Law, declaration on submission to enforcement pursuant to Art. 777 of the Code of Civil Procedure
 - pledge by registration on all shares of Sky Tower S.A. with a financial pledge for up to EUR 90,000,000,
 - transfer of rights to the borrower's security, arising from all agreements concluded by the Borrower,
 - subordination agreement on claims from other creditors of the borrower, who are the borrower's partners, making them junior to the claims of the bank resulting from the Agreement.
 5. Security for the transactions hedging against foreign exchange risk and interest rate risk (hedging agreements), concluded pursuant to the framework agreement of 27 December 2012, established by Sky Tower S.A.:
 - contractual mortgage of the highest priority up to the amount of EUR 44,000,000,
 - declaration on submission to enforcement pursuant to Art. 97 of the Banking Law.
 6. Security for the agreement on a bank loan taken out by LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp.k.:
 - contractual mortgage for up to the total of EUR 36,833,333.33 established on the property in the form of land owned by LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k.,

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

- support agreement concluded by the borrower, the bank and the Issuer, pursuant to which the Issuer, acting as guarantor, will be obliged among others to provide the borrower with financial support in the situations specified in this agreement,
 - four blank promissory notes with promissory note agreements, guaranteed by the Issuer until the provision to the Bank of rental contracts with lessees not related to the Issuer, holding at least 20% of leasable area in Silesia Star building is provided,
 - transfer of a cash receivable under the agreement on the building site insurance against construction and installation risks, when the construction is in progress, and, upon its completion, the transfer of a cash receivable under the agreement on the real property insurance against fire and other accidents, concluded with an insurance company for the sum not lower than the amount due on account of the loan,
 - financial pledges and pledges by registration on accounts receivable from bank accounts with a power of attorney to manage the accounts,
 - declaration on submission to enforcement pursuant to Art. 97 of the Banking Law, declaration on submission to enforcement pursuant to Art. 777 of the Code of Civil Procedure,
 - pledges by registration on LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp.k.,
 - transfer of rights to the borrower's security, arising from all agreements concluded by the Borrower,
 - subordination agreement on claims from other creditors of the borrower, who are the borrower's partners, making them junior to the claims of the bank resulting from the Agreement.
7. Security for the transactions hedging against foreign exchange risk and interest rate risk (hedging agreements), concluded pursuant to the framework agreement of 30 June 2014, established by LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp.k.:
- next ranking contractual mortgage up to the amount of PLN 61,470,300.00, subordinated to the mortgage established as a security of the investment loan and a revolving loan for VAT on the land property owned by LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k.,
 - declaration on submission to enforcement pursuant to Art. 97 of the Banking Law.

Security for loans granted for the purpose of financing housing investments or financing the purchase of land for housing investments and financing the initial operations of these investments:

8. The bank loan agreement taken out by LC Corp S.A. with Getin Noble Bank S.A. is secured by:
- a) with regard to the loan agreement of 19 December 2011 for the amount of PLN 30,000,000:
 - contractual mortgage of the highest priority up to the amount of EUR 45,000,000,
 - declaration on submission to enforcement pursuant to Art. 97 of the Banking Law.
 - b) with regard to the loan agreement of 29 April 2014 for the amount of PLN 50,000,00:
 - joint contractual mortgage for up to PLN 75,000,000.00 on the property owned by the Issuer and on the property owned by the Issuer's subsidiaries - LC Corp Invest II Sp. z o.o. and LC Corp Invest XV sp. z o.o. Investments S.K.A,
 - guarantee granted by the Issuer's subsidiaries - LC Corp Invest II Sp. z o.o. and LC Corp Invest XV sp. z o.o. Investments S.K.A.
 - declaration on submission to enforcement pursuant to Art. 97 of the Banking Law.
 - c) with regard to the loan agreement of 18 June 2014 for the amount of PLN 40,000,000:
 - joint contractual mortgage for up to PLN 60,000,000.00 on the property held in perpetual usufruct by LC Corp Invest XV Sp. z o.o. Projekt 2 Sp. k.,
 - guarantee granted by the Issuer's subsidiary - LC Corp Invest XV Sp. z o.o. Projekt 2 Sp. k.

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

- declaration on submission to enforcement pursuant to Art. 97 of the Banking Law provided by the Issuer's subsidiary - LC Corp Invest XV Sp. z o.o. Projekt 2 Sp. k.

9. Security for the property exchange agreement concluded by LC Corp Invest III Sp. z o.o.
- contractual mortgage for up to PLN 3,000,000 on a property in Gdańsk as a security of liquidated damages provided for by the property exchange agreement concluded between LC Corp Invest III Sp. z o.o. and the capital city of Warsaw.

1.19.6 Liabilities on account of the acquisition of a subsidiary undertaking

In connection with the extension of the payment terms regarding the price of the shares of Sky Tower S.A. (based on the agreement of 6 December 2013), the resultant liabilities were disclosed in their discounted value. As at 30 September 2015 the discount amount was PLN 15,218,000 and as at 31 December 2014 it was PLN 20,107,000.

Discounted liabilities as at 30 September 2015 and as at 31 December 2014 are presented in the table below:

	30 September 2015	31 December 2014
	(unaudited)	(audited)
Non-current	146,738	142,897
Current	40,044	38,996
Total	186,782	181,893

1.20. Information concerning paid out (or declared) dividend, in total and per share, in a breakdown by ordinary and preference shares

The Parent Undertaking, LC Corp S.A., did not make or declare any payment of dividend.

1.21. Events subsequent to 30/09/2015, not disclosed in these statements, which could have a material bearing on the future financial results of LC Corp Group

1. LC Corp Invest I Sp. z o. o. concluded with LC Corp Group companies the following cash loan agreements:
 - a) on 16 October 2015, it concluded with LC Corp Invest XV Sp. z o.o. Projekt 11 Sp. k. a loan agreement for the amount of PLN 10,000,000 PLN on arm's length terms for an unlimited time,
 - b) on 27 October 2015, it concluded with LC Corp Invest XV Sp. z o.o. Projekt 12 Sp. k. a loan agreement for the amount of PLN 3,500,000 PLN on arm's length terms for an unlimited time,
2. On 2 November 2015, the Issuer's subsidiary – LC Corp Invest XV Sp. z o.o. Projekt 8 Sp. k. acquired from an unrelated entity the ownership right to land property located in Wrocław at ul. Raclawicka with a total area of 1.4271 ha intended for a housing project.
3. On 10 November 2015 the Issuer acquired from the subsidiary LC Corp Invest XI Sp. z o.o. all rights and obligations of the limited partner in LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k., thus becoming the sole limited partner in this company.
4. On 12 November 2015 a resolution of the shareholders' meeting of Kraków Zielony Złocień Sp. z o.o. was adopted on the change of the company's Articles of Association through the increase of the company's share capital from PLN 11,230,000 to PLN 13,530,000. All shares with increased capital have been acquired by the Issuer's subsidiary - LC Corp Invest XI Sp. z o.o.

1.22. Information on the changes in contingent liabilities or contingent assets after the end of the last accounting year

As of the end of the last accounting year there were no significant changes with regard to contingent liabilities or contingent assets of the Group companies.

Apart from the contingent liabilities representing the security for the bank loans, described in detail in Note 2.19.5, as at 30 September 2015 the Group companies did not have any significant liabilities other than those presented in the statement of financial position.

1.23. Other information material for the assessment of the Group's personnel, asset, financial and profit/loss standing and changes thereof, and of the feasibility of fulfilling its obligations

In the discussed reporting period, there were no events material for the assessment of the Group's personnel, asset, financial or profit/loss standing or changes thereof or of the feasibility of discharging its obligations.

1.24. Revenue and profit-loss attributable to respective operating segments

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

- rental services segment
- property development activity segment
- holding activity segment (other)

The Group measures 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, the data (in PLN '000) concerning revenues and profits of the Group's individual segments have been provided for the period of 9 months ended 30 September 2015 and 30 September 2014 and those concerning assets and liabilities as at 30 September 2015 and 31 December 2014.

Period of 9 months ended 30 September 2015 (unaudited)	Rental service activity	Property development activity	Holding activity (other)	Total activity
Total sales revenue	96,246	167,093	512	263,851
Pre-tax profit/(loss) on sales	65,181	41,467	512	107,160
Unallocated revenues				23,055
Unallocated expenses				(45,734)
Pre-tax profit (loss)				84,481
Corporate income tax (tax burden)				(18,604)
Profit (loss) after tax				65,877

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

Period of 9 months ended 30 September 2014 (unaudited)	Rental service activity	Property development activity	Holding activity (other)	Total activity
Total sales revenue	85,763	110,188	154	196,105
Pre-tax profit/(loss) on sales	61,467	23,125	154	84,746
Unallocated revenues				7,676
Unallocated expenses				(43,094)
Pre-tax profit (loss)				49,328
Corporate income tax (tax burden)				(7,068)
Profit (loss) after tax				42,260

As at 30 September 2015 (unaudited)	Rental service activity	Property development activity	Holding activity (other)	Total activity
Assets and liabilities				
Total assets	1,692,196	1,105,387	81,364	2,878,947
<i>including: Non-current receivables</i>	7,000	0	0	7,000
<i>Current financial assets</i>	316	18,479	0	18,795
<i>Cash and cash equivalents</i>	41,784	103,826	79,428	225,038
Total liabilities	773,768	594,667	188,736	1,557,171
<i>including: Liabilities on account of loans and bonds</i>	650,388	279,273	0	929,661
<i>Liabilities on account of the acquisition of a subsidiary</i>	0	0	186,782	186,782

As at 31 December 2014 (audited)	Rental service activity	Property development activity	Holding activity (other)	Total activity
Assets and liabilities				
Total assets	1,656,615	936,976	47,161	2,640,752
<i>including: Non-current receivables</i>	6,948	0	0	6,948
<i>Current financial assets</i>	201	5,131	0	5,332
<i>Cash and cash equivalents</i>	70,250	174,601	41,584	286,435
Total liabilities	790,611	408,582	186,406	1,385,599
<i>including: Liabilities on account of loans and bonds</i>	677,991	244,521	0	922,512
<i>Liabilities on account of the acquisition of a subsidiary</i>	0	0	181,893	181,893

2. INTERIM CONDENSED FINANCIAL STATEMENTS OF LC CORP S.A.

STATEMENT OF FINANCIAL POSITION

(PLN '000)	30 September 2015 end of quarter (unaudited)	31 December 2014 end of previous year (audited)
Assets		
A. Non-current assets	1,235,029	1,148,764
1. Intangible assets	236	272
2. Property, plant and equipment	960	1,103
2.1. Tangible assets	959	1,097
2.2. Tangible assets under construction	1	6
3. Non-current loans and receivables	411,071	353,122
4. Non-current investments	822,147	793,216
5. Non-current prepayments and accrued income	0	0
6. Deferred tax assets	615	1,051
B. Current assets	171,409	195,794
1. Inventories	102,481	116,150
2. Trade and other receivables	1,643	4,749
3. Income tax receivable	0	0
4. Current financial assets	20,301	68,924
5. Cash and cash equivalents	46,628	5,797
6. Current prepayments and accrued income	356	174
C. Non-current assets classified as held for sale	0	0
Total assets	1,406,438	1,344,558
Equity and liabilities		
A. Equity	863,429	845,119
1. Share capital	447,558	447,558
2. Balance of called-up share capital not paid	0	0
3. Reserve funds	294,493	357,285
4. Other reserve funds	100,000	30,000
5. Other capital	3,068	3,068
6. Retained profit/(Loss carried forward)	18,310	7,208
B. Non-current liabilities	461,377	374,585
1. Non-current financial liabilities	314,620	231,669
2. Non-current liabilities on account of the acquisition of a subsidiary	146,738	142,897
3. Provisions	19	19
4. Deferred tax liability	0	0
C. Current liabilities	81,632	124,854
1. Current financial liabilities	35,862	81,702
2. Current liabilities on account of the acquisition of a subsidiary	40,044	38,996
3. Current trade and other payables	5,101	1,043
4. Income tax payable	0	0
5. Provisions	11	11

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

6. Accrued expenses and revenue	614	3,102
Total equity and liabilities	1,406,438	1,344,558

STATEMENT OF COMPREHENSIVE INCOME

(PLN '000)	Q3 2015 period from 1 July 2015 to 30 September 2015 (unaudited)	3 quarters of 2015 cumulative from 1 January 2015 to 30 September 2015 (unaudited)	Q3 2014 period from 1 July 2014 to 30 September 2014 (unaudited)	3 quarters of 2014 cumulative from 1 January 2014 to 30 September 2014 (unaudited)
Revenue				
Revenue from sale of services, products and goods	2,392	22,586	1,941	5,501
Revenue from interest and discounts	4,595	15,290	4,744	14,468
Revenue from dividend	4,548	12,681	0	29,548
Other financial income	0	14,931	0	3,093
Other operating income	12	276	52	69
Total operating income	11,547	65,764	6,737	52,679
Expenses				
Operating expenses, cost of sold products and goods	(4,604)	(28,940)	(4,036)	(12,691)
Costs of interest and discounts	(4,047)	(12,478)	(4,493)	(12,673)
Other financial expenses	(1,863)	(5,581)	(1,833)	(6,112)
Other operating expenses	2	(19)	(62)	(68)
Total operating expenses	(10,512)	(47,018)	(10,424)	(31,544)
Pre-tax profit/(loss)	1,035	18,746	(3,687)	21,135
Corporate income tax (tax burden)	192	(436)	25	281
Net profit/(loss) on continued operations	1,227	18,310	(3,662)	21,416
Discontinued operations				
Profit (loss) on discontinued operations in an accounting year	0	0	0	0
Net profit/(loss)	1,227	18,310	(3,662)	21,416
Other comprehensive income				
Other components of comprehensive income	0	0	0	0
Income tax relating to other components of comprehensive income	0	0	0	0
Other comprehensive income (net)	0	0	0	0
Total comprehensive income	1,227	18,310	(3,662)	21,416

CONSOLIDATED QUARTERLY REPORT

STATEMENT OF CHANGES IN EQUITY

(PLN '000) (unaudited)	Share capital	Balance of called-up share capital not paid	Reserve funds	Other reserve funds	Other capital	Retained profit/(Loss carried forward)	Total
As at 1 January 2015	447,558	0	357,285	30,000	3,068	7,208	845,119
<i>Net profit for the period of 9 months ended 30 September 2015</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>18,310</i>	<i>18,310</i>
<i>Other comprehensive income for the period of 9 months ended 30 September 2015</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total comprehensive income for the period of 9 months ended 30 September 2015	0	0	0	0	0	18,310	18,310
Transfer of profit for 2014 to reserve funds	0	0	7,208		0	(7,208)	0
Transfer of profit from previous year from reserve funds to	0	0	(70,000)	70,000	0		0
As at 30 September 2015	447,558	0	294,493	100,000	3,068	18,310	863,429

(PLN '000) (audited)	Share capital	Balance of called-up share capital not paid	Reserve funds	Other reserve funds	Other capital	Retained profit/(Loss carried forward)	Total
As at 1 January 2014	447,558	0	333,863	30,000	3,068	23,422	837,911
<i>Net profit for 2014</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>7,208</i>	<i>7,208</i>
<i>Other comprehensive income for 2014</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total comprehensive income for 2014	0	0	0	0	0	7,208	7,208
Transfer of profit for 2013 to reserve funds	0	0	23,422	0	0	(23,422)	0
As at 31 December 2014	447,558	0	357,285	30,000	3,068	7,208	845,119

CONSOLIDATED QUARTERLY REPORT

(PLN '000) (unaudited)	<i>Share capital</i>	<i>Balance of called-up share capital not paid</i>	<i>Reserve funds</i>	<i>Other reserve funds</i>	<i>Other capital</i>	<i>Retained profit/(Loss carried forward)</i>	<i>Total</i>
As at 1 January 2014	447,558	0	333,863	30,000	3,068	23,422	837,911
<i>Net profit for the period of 9 months ended 30 September 2014</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>21,416</i>	<i>21,416</i>
<i>Other comprehensive income for the period of 9 months ended 30 September 2014</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total comprehensive income for the period of 9 months ended 30 September 2014	0	0	0	0	0	21,416	21,416
<i>Transfer of profit for 2013 to reserve funds</i>	<i>0</i>	<i>0</i>	<i>23,422</i>		<i>0</i>	<i>(23,422)</i>	<i>0</i>
As at 30 September 2014	447,558	0	357,285	30,000	3,068	21,416	859,327

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

STATEMENT OF CASH FLOWS

(PLN '000)	3 quarters of 2015 period from 1 January 2015 to 30 September 2015	3 quarters of 2014 period from 1 January 2014 to 30 September 2014
	(unaudited)	(unaudited)
A. Cash flows from operating activities		
I. Net profit/(loss) on continued operations	18,746	21,135
II. Total adjustments	(2,297)	(72,377)
1. Change in tangible assets and intangible assets	179	(22)
2. Change in provisions	0	0
3. Change in inventories	13,669	(16,269)
4. Change in receivables	3,106	(3,541)
5. Change in current liabilities (net of loans and borrowings)	4,058	(350)
6. Change in accruals and deferrals	(2,670)	(2,561)
7. Change in financial liabilities	17,618	(23,394)
8. Change in financial assets resulting from loans and notes	(9,326)	9,700
9. Change in financial assets resulting from shares	(28,931)	(35,940)
10. Corporate income tax	0	0
11. Other adjustments	0	0
III. Net cash provided by operating activities (I±II)	16,449	(51,242)
B. Cash flows from financing activities		
I. Cash	98,421	99,025
1. Net proceeds from issue of shares and additional contributions to equity	0	0
2. Issue of debt securities	64,540	49,500
3. Loans	33,881	49,525
II. Expenses	(74,039)	99,025
1. Acquisition of own (treasury) shares	0	0
2. Redemption of debt securities	(65,000)	(89,000)
3. Interest	(9,039)	(8,869)
4. Other financial expenses	0	0
III. Net cash provided by financing activities (I–II)	24,382	1,156
C. Total net cash flow (A.III±B.III)	40,831	(50,086)
D. Balance-sheet change in cash, including:	40,831	(50,086)
– change in the position of cash on account of foreign exchange differences		
E. Cash at beginning of period	5,797	76,278
F. Cash at end of period (F±D)	46,628	26,192
- restricted cash	20	20

OTHER INFORMATION AND NOTES

2.1. General information about the Issuer

LC Corp S.A. (the "Issuer", the "Company") was established by way of a Notarial Deed of 3 March 2006. The registered office of the Company is located in Wrocław at ul. Powstańców Śląskich 2-4. The Company has been entered into the register of entrepreneurs of the National Court Register maintained by the District Court for Wrocław-Fabryczna in Wrocław, 6th Commercial Division of the National Court Register, under KRS No. 0000253077.

As at 30 September 2015 the shares of LC Corp S.A. were in public trading.

The Company has been assigned statistical identification number REGON 020246398.

The Company has been established for an indefinite time. Its primary activity includes:

- PKD 64.20.Z Activities of financial holding companies

LC Corp B.V., controlled by Mr Leszek Czarnecki, is the Parent Undertaking of LC Corp S.A.

The interim condensed financial statements of LC Corp S.A. cover the period of 9 months ended 30 September 2015. The detailed description of component parts of the financial statements has been presented in item 3.2.

2.2. Rules adopted for preparing the quarterly report (in particular the information on changes in the accounting principles/policy)

These interim condensed financial statements of LC Corp S.A. comprise:

- statement of financial position as at 30 September 2015 and comparable data as at 31 December 2014;
- statement of comprehensive income for three quarters of 2015, i.e. for the period of 9 months, cumulative from 1 January 2015 to 30 September 2015 as well as comparable data for a corresponding period of the previous year, i.e. for the period from 1 January 2014 to 30 September 2014;
- statement of cash flows for three quarters of 2015, i.e. for the period of 9 months, cumulative from 1 January 2015 to 30 September 2015 as well as comparable data for a corresponding period of the previous year, i.e. for the period from 1 January 2014 to 30 September 2014;
- statement of changes in equity as at 30 September 2015 and comparable data as at 30 September 2014 and as at 31 December 2014;
- notes to financial statements.

Notes to financial statements and other information defined by § Para. 87 of the Regulation of the Minister of Finance dated 19 February 2009 on current and periodic information published by the issuers of securities and the conditions for recognising as equivalent the information required by the law of a non-member state, representing an element of this Consolidated Quarterly Report for Q3 2015, are included in item 4.

The enclosed condensed financial statements of LC Corp S.A. were prepared in accordance with the International Financial Reporting Standards ("IFRS"), in particular with IAS 34 (concerning the preparation of interim financial statements) and IFRS adopted by the EU.

As at the date of the approval of these financial statements for publication, taking into account the ongoing process of introducing IFRS in the EU and the business activity conducted by the Group, in the scope of the accounting principles adopted by the Group there are differences between IFRS already in effect and those approved by the EU.

IFRS comprise standards and interpretations accepted by IASB and IFRIC.

The interim condensed financial statements of LC Corp S.A. do not contain all information and disclosures required in the annual separate financial statements and they must be read together with the annual financial statements of LC Corp S.A. for the year ended 31 December 2014.

The interim condensed consolidated financial statements of the LC Corp Group are presented in thousand zlotys ("PLN"), and all values included in the tables and descriptions, if not indicated otherwise, are given in PLN'000.

The interim condensed financial statements of LC Corp S.A. were prepared on the going concern assumption, i.e. the continuation of the Company's business activity in the foreseeable future. As at the day of the approval of these financial statements, there were no circumstances identified implying any threats to the continuation of the Company's activity.

These interim condensed financial statements of LC Corp S.A. were approved by the Management Board for publication on 16 November 2015.

The information on the accounting principles adopted by the Issuer was presented in the annual financial statements of LC Corp S.A. for the year ended 31 December 2014, published on 23 March 2015.

The information about new standards and interpretations is included in item 2.3.

2.3. Seasonal or cyclical character of the Issuer's activity

The Company's activity is not seasonal by nature, therefore the presented Company's operating results are not subject to significant fluctuations during the year.

2.4. Information about significant estimates

The Management Board of LC Corp S.A. used their best knowledge of the applied standards and interpretations, and also the methods and principles of valuation of particular items of the enclosed condensed financial statements. Preparing the financial statements in accordance with IFRS required the Company Management Board to make some assessments and assumptions, which are reflected in these statements. The actual results may vary from these assessments. The presented financial data as at the end of Q3 2015 were not subject to examination by an auditor.

Uncertainty of estimates

The basic assumptions concerning the future have been discussed below as well as other key reasons for doubts occurring at the end of the reporting period and entailing a significant risk of considerable adjustment of the net book value of assets and liabilities in the following reporting period.

Deferred tax asset

The Company recognizes a deferred tax asset based on the assumption that a tax profit enabling its utilization should be obtained in the future. The worsening of the tax results attained in the future could cause that this assumption might become groundless.

Write-downs of the shares held in subsidiary undertakings

As at the end of each reporting period the Management Board verifies if there is any evidence pointing to the impairment of the shares in subsidiary undertakings.

If the review reveals the existence of such impairment, the Management Board writes down these assets to their recoverable value. The recoverable value of an asset can be defined as being the higher one of two values: fair value less costs to sell and value in use.

The value in use was estimated employing the DCF method. The DCF method is based on discounted cash flows generated by the subsidiary undertakings within the approved investment schedules and proceeds from the sale of flats, allowing for the sale price of 1 square metre of usable floor space in accordance with the current market situation and prices. The discount rate takes account of the weighted average cost of external and own capital (WACC).

The recoverable value of shares and the level of their write-downs were estimated as at 30 September 2015 and it may be subject to change depending on the fluctuations of the market prices of land, sale prices of flats, constructions costs, project completion schedules and discount rate calculations in the future.

The actual results may vary from these estimates, which were calculated on the grounds of the data available as at the reporting date. It is also related to the uncertainty regarding the proper estimation of the market conditions in the following years. Consequently, the level of write-downs may change in the following accounting periods.

Write-downs of borrowings granted to subsidiary undertakings

As at the end of each reporting period the Management Board verifies if there is any evidence pointing to the impairment of the borrowings granted to subsidiary undertakings.

If the objective evidence, pointing to impairment losses on account of the granted borrowings, exists, the Management Board makes write-downs of such assets.

The amount of write-down on account of impairment losses is equal to the difference between the carrying value of the financial assets and the present value of the estimated future cash flows generated by the subsidiary undertakings within the approved investment schedules and proceeds from the sale of flats, allowing for the sale price of 1 square metre of usable floor space in accordance with the current market situation and prices. The discount rate takes account of the weighted average cost of external and own capital (WACC).

The level of write-downs made with regard to the borrowings was estimated as at 30 September 2015 and it may be subject to change depending on the fluctuations of the market prices of land, sale prices of flats, constructions costs, project completion schedules and discount rate calculations in the future.

As at 30 September 2015 there were no write-downs of borrowings.

The table below presents the significant estimates as at 30 September 2015 and as at 31 December 2014.

	30 September 2015 (unaudited)	31 December 2014 (audited)
Deferred tax assets	615	1,051
Write-downs of shares	(76,945)	(91,876)

2.5. Information about the write-downs of inventory to the net realizable value and the reversal of the write-downs in respect of assets sold

During the period of 9 months ended 30 September 2015 there were no write-downs of inventory to the net realizable value.

2.6. Information about impairment losses in respect of financial assets, property, plant and equipment, intangible assets or other assets and the reversal of such losses

During the period of 9 months ended 30 September 2015 the Management Board made an update of write-downs of shares to their recoverable value. The total value of write-downs of shares as at 30 September 2015 was: PLN 76,945,000. The changes of write-downs of shares are presented in the table below:

	Period ended 30 September 2015 (unaudited)	Year ended 31 December 2014 (audited)
Beginning of period	(91,876)	(84,897)
Increase	0	(6,979)
Utilization	0	0
Decrease	14,931	0
End of period	(76,945)	(91,876)

Whereas with regard to property, plant and equipment, intangible assets, receivables and other assets during the period of 9 months ended on 30 September 2015, there were no significant changes in the amounts of impairment losses.

2.7. Information about creating, increasing, utilizing and reversing provisions

During the period of 9 months ended 30 September 2015 the Company made no changes with regard to provisions.

2.8. Information about deferred tax liabilities and deferred tax assets

Deferred income tax arises from the following items:

	Statement of financial position		Statement of comprehensive income for the period ended	
	30 September 2015 (unaudited)	31 December 2014 (audited)	30 September 2015 (unaudited)	31 December 2014 (audited)
<i>Deferred tax liability</i>				
Accrued interest on borrowings and deposits	(6,095)	(5,057)	(1,038)	252
Difference in the value of tangible assets (tax depreciation and book depreciation)	(65)	(74)	9	(12)
Participation in profits of a limited partnership	(435)	0	(435)	0
Other	(95)	(72)	(23)	(72)
Gross deferred tax liability	(6,690)	(5,203)		

Deferred tax assets

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

Participation in profits of a limited partnership	0	470	(470)	470
Provisions and prepayments and accrued income	103	574	(471)	(21)
Accrued interest on borrowings and discounts on bonds	3,671	3,010	661	369
Losses potentially deductible from the future taxable income	3,531	2,200	1,331	(498)
Gross deferred tax assets	7,305	6,254		
Deferred tax burden			(436)	488
Net deferred tax asset	615	1,051		
Net deferred tax liability	0	0		

2.9. Information about significant purchase and sale transactions regarding property, plant and equipment

During the period of 9 months ended 30 September 2015 the Company purchased property, plant and equipment having the value of PLN 167,000.

During the period of 9 months ended 30 September 2015 the Company did not enter into any significant sale transactions concerning property, plant or equipment.

2.10. Information about significant liabilities on account of the purchase of property, plant and equipment

As at 30 September 2015 there were no significant liabilities on account of the purchase of property, plant or equipment.

2.11. Information about significant settlements on account of litigation

In the period of 9 months ended on 30 September 2015, the Group recorded no significant settlements on account of litigation.

2.12. Disclosure of the correction of errors of the previous periods

During the period of 9 months ended 30 September 2015 there were no corrections of errors of the previous periods.

2.13. Information about changes in the economic situation and conditions for running a business activity which have a considerable impact on the fair value of the Issuer's financial assets and financial liabilities, regardless of whether such assets and liabilities are recognized at fair value or at adjusted purchase price (depreciated cost)

The description can be found in item 2.14.

2.14. Information about the failure to repay a loan or borrowing or the infringement of material provisions of the loan or borrowing agreement with regard to which no corrective actions were taken by the end of the reporting period

None occurred.

2.15. Information on single or numerous transactions (individually or collectively deemed significant and made on the terms other than at arm's length) concluded by the Issuer or its subsidiary undertaking with related entities

During the period of 9 months ended 30 September 2015 the Issuer did not conclude any transactions with related entities, which, individually or collectively, could be deemed significant and were effected on the terms other than at arm's length.

2.16. Information about the change in the way (method) of determining the fair value for the financial instruments measured at fair value

None occurred.

2.17. Information about the change in the classification of financial assets, resulting from the change in the purpose or utilization of such assets

None occurred.

2.18. Financial liabilities

2.18.1 Interest bearing loans, borrowings, bonds and investment notes

	Repayment date	30 September 2015	31 December 2014
Non-current			
Bank loan in PLN (a)	-	-	29,936
Bank loan in PLN (b)	31 Dec 2018	49,657	49,586
Bank loan in PLN (a)	31 Dec 2018	33,689	-
Bond scheme (e)	30 Oct 2018	49,615	49,531
Bond scheme (f)	6 June 2019	49,633	49,558
Bond scheme (c)	20 Mar 2020	64,589	-
Investment notes (h)	29 Dec 2018	12,284	-
Investment notes (i)	31 Jan 2017	17,269	16,524
Investment notes (h)	9 Dec 2016	37,884	36,534
		314,620	231,669

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

	Repayment date	30 September 2015	31 December 2014
Current			
Bank loan in PLN (a)	31 Jan 2016	29,980	-
Bond scheme (d)	-	-	65,285
Bond scheme (e)	30 Oct 2015	1,073	446
Bond scheme (f)	6 Dec 2015	816	179
Bond scheme (e)	20 Mar 2016	221	-
Investment notes (h)	-	-	12,020
Borrowings (k)	31 Dec 2015	3,772	3,772
		35,862	81,702

- (a) Bank loan taken out in PLN with Getin Noble Bank S.A. pursuant to an agreement concluded on 19 December 2011, initiated on 30 March 2012.
- (b) Bank loan taken out in PLN with Getin Noble Bank S.A. pursuant to an agreement concluded on 29 April 2014, initiated on 30 April 2014.
- (c) Loan in LC Corp S.A. taken out in PLN with Getin Noble Bank S.A. pursuant to the agreement concluded on 18 June 2014, initiated on 3 September 2015 in LC Corp S.A.
- (d) Coupon bonds – the issue of 1 June 2012 of 650 three-year unsecured coupon bonds, having a par value of PLN 100,000 each, under the Bond Issue Agreement, signed with Pekao S.A., having its registered office in Warsaw, and BRE Bank S.A., having its registered office in Warsaw, with the buyback date set at 25 May 2015.
- (e) Coupon bonds – the issue of 31 October 2013, including 500 five-year unsecured coupon bonds, having a par value of PLN 100,000 each and a total nominal value of PLN 50,000,000 under a Bond Issue Agreement with the buyback date set at 30 October 2018 concluded with the banks Pekao S.A. having its registered office in Warsaw and BRE Bank S.A. having its registered office in Warsaw.
- (f) Coupon bonds – the issue of 6 June 2014, including 50,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 50,000,000 under a Bond Issue Agreement with the buyback date set at 6 June 2019 concluded with the banks Pekao S.A. having its registered office in Warsaw and BRE Bank S.A. having its registered office in Warsaw.
- (g) Coupon bonds – the issue of 20 March 2015, including 65,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 65,000,000 under a Bond Issue Agreement with the buyback date set at 20 March 2020 concluded with the banks Pekao S.A. having its registered office in Warsaw and BRE Bank S.A. having its registered office in Warsaw.
- (h) Investment notes – the issue of 20 January 2011 of ten investment notes having a par value of PLN 1,000,000 each, taken up by the subsidiary Arkady Wrocławskie S.A. On 29 May 2013, the buyback date of the notes was rescheduled from 28 June 2013 to 30 June 2015 by way of an annexe. On 29 June 2015, the buyback date of the notes was rescheduled from 30 June 2015 to 29 June 2018 by way of an annexe.
- (i) Investment notes – the issue of 9 March 2012 of seven investment notes having a par value of PLN 2,000,000 each, taken up by the subsidiary Arkady Wrocławskie S.A. On 31 January 2014, the buyback date of the notes was rescheduled from 31 January 2014 to 31 January 2017 by way of an annexe.

- (j) Investment notes – the issue of 9 December 2010 of thirty investment notes having a par value of PLN 1,000,000 each, taken up by the subsidiary Warsaw Przyokopowa Sp. z o.o. On 9 December 2013, the buyback date of the notes was rescheduled from 9 December 2013 to 9 December 2016 by way of an annexe.
- (k) Liability on account of the agreement concluded on 8 July 2008 on a borrowing granted by a subsidiary undertaking, Warsaw Przyokopowa Sp. z o.o.

2.18.2 Information about the issue, redemption and repayment of debt and equity securities

In the period of 9 months ended 30 September 2015 LC Corp S.A. made the following issues and redemptions:

- 1) On 20 March 2015 LC Corp S.A. issued 65,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 and the total nominal value of PLN 65,000,000 under a Bond Issue Agreement with the buyback date set at 20 March 2020 concluded with the banks Pekao S.A. having its registered office in Warsaw and BRE Bank S.A. having its registered office in Warsaw. The funds obtained from the above issue will be intended in their entirety for the redemption of securities issued on 01/06/2012 under the above-mentioned Bond Issue Agreement, whose buyback date falls on 25 May 2015.
- 2) On 25 May 2015, LC Corp S.A. redeemed on the redemption date 650 unsecured, dematerialized coupon bonds of LCC002250515 series and ISIN code PLLCCRP00041, with a par value of PLN 100,000.00 each, with a total par value of PLN 65,000,000 issued on 1 June 2012.

2.18.3 Incurring and repaying bank loans and borrowings

In the period of 9 months ending 30 September 2015 LC Corp S.A. took the following loans:

- 1) On 19 February 2015 and 19 August 2015 LC Corp S.A. concluded with Getin Noble Bank S.A. annexes to the bank loan agreement of 18 June 2014, extending the period of utilization of the taken loan in the amount of PLN 40,000,000 until the end of December 2015. In September 2015 the loan was initiated in the amount of PLN 33,881,000.

2.18.4 Collaterals

As at 30 September 2015 the repayment of loans was secured mainly by:

- 1) The bank loan agreement taken out by LC Corp S.A. with Getin Noble Bank S.A. is secured by:
 - a) with regard to the loan agreement of 19 December 2011 for the amount of PLN 30,000,000:
 - contractual mortgage of the highest priority up to the amount of EUR 45,000,000,
 - declaration on submission to enforcement pursuant to Art. 97 of the Banking Law.
 - b) with regard to the loan agreement of 14 May 2014 for the amount of PLN 50,000,000:
 - joint contractual mortgage for up to PLN 75,000,000.00 on the property owned by the Issuer and on the property owned by the Issuer's subsidiaries - LC Corp Invest II Sp. z o.o. and LC Corp Invest XV Sp. z o.o. Investments S.K.A,
 - guarantee granted by the Issuer's subsidiaries - LC Corp Invest II Sp. z o.o. and LC Corp Invest XV sp. z o.o. Investments S.K.A.
 - declaration on submission to enforcement pursuant to Art. 97 of the Banking Law.

- 2) The repayment of loans taken by the subsidiary undertakings of LC Corp S.A. is secured, among others, by:
- pledge on the shares of Arkady Wrocławskie S.A. held by LC Corp S.A. – up to the amount of EUR 91,500,000,
 - pledges by registration on all shares of Sky Tower S.A. with a financial pledge for up to EUR 90,000,000,
 - pledge by registration on all shares of Warsaw Przyokopowa Sp. z o.o. with a financial pledge,
 - support agreement concluded by the borrower (LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. kom.), the Bank and the Issuer, under which the Issuer acting as a guarantor, inter alia, shall be obliged, in certain situations specified in this agreement, to provide the Borrower with financial support, declaration on submission to enforcement pursuant to Art. 777 of the Code of Civil Procedure up to EUR 41,333,333.33, four blank promissory notes of LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. kom. with promissory note agreements, guaranteed by LC Corp S.A. until the provision to the Bank of rental contracts with lessees not related to the Issuer, holding at least 20% of leasable are in Silesia Star building.
- 3) Security for the property exchange agreement concluded by LC Corp Invest III Sp. z o.o.
- contractual mortgage for up to PLN 3,000,000 on a property in Gdańsk as a security of liquidated damages provided for by the property exchange agreement concluded between LC Corp Invest III Sp. z o.o. and the capital city of Warsaw.

2.18.5 Liabilities on account of the acquisition of a subsidiary undertaking

In connection with the extension of the payment terms regarding the price of the shares of Sky Tower S.A., acquired on 6 December 2013, the resultant liabilities were disclosed in their discounted value. As at 30 September 2015 the discount amount was PLN 15,218,000 and as at 31 December 2014 it was PLN 20,107,000.

Discounted liabilities as at 30 September 2015 and as at 31 December 2014 are presented in the table below:

	30 September 2015 (unaudited)	31 December 2014 (audited)
Non-current	146,738	142,897
Current	40,044	38,996
Total	186,782	181,893

2.19. Information concerning paid out (or declared) dividend, in total and per share, in a breakdown by ordinary and preference shares

LC Corp S.A. did not make or declare any payment of dividend.

2.20. Events subsequent to 30/09/2015, not disclosed in these statements, which could have a material bearing on the future financial results of the Issuer

Subsequent to 30 September 2015 no such events occurred, except for those described in item 2.21.

2.21. Information on the changes in contingent liabilities or contingent assets after the end of the last accounting year

As of the end of the last accounting year, in LC Corp S.A. there were no changes with regard to contingent liabilities or contingent assets.

2.22. Other information material for the Issuer's assessment of its personnel, asset, financial and profit/loss standing and changes thereof and of the feasibility of fulfilling its obligations

In the discussed reporting period, in LC Corp S.A. there were no events material for the assessment of its personnel, asset, financial or profit/loss standing or changes thereof or of the feasibility of discharging obligations by the Company.

3. MANAGEMENT BOARD'S COMMENTS ON THE ACTIVITY OF THE ISSUER AND ITS GROUP

3.1. Main achievements and failures of the LC Corp Group

In the third quarter of 2015, the Group implemented, in accordance with the assumptions, investment projects conducted by subsidiaries.

The tables below present the number of premises pre-sold and transferred in Q3 2015 as compared to corresponding data from the previous year and cumulative for three quarters of 2014 and 2015 respectively.

The last of the below tables presents the offering scale of the Group as at 30 September 2015 and the estimated number of premises to be implemented in 2015. The fourth column in this table presents the number of premises to be implemented after 2015 in each of the cities, estimated on the basis of the land bank currently held by the Group. In addition, there is ongoing market monitoring and search for land to supplement the offer, ensuring high sales in the subsequent years.

presale

city	QIII'2014	QIII'2015	January – September'14	January – September'15
Wasaw	74	155	200	491
Wroclaw	130	104	399	363
Kraków	49	215	249	333
Gdańsk	5	27	21	133
Łódź	-1	2	6	9
total	257	503	875	1,329

96%

52%

transfers

city	QIII'2014	QIII'2015	January – September'14	January – September'15
Wasaw	65	5	71	89
Wroclaw	24	21	255	329
Kraków	6	30	40	159
Gdańsk	15	13	24	21
Łódź	4	3	10	9
total	114	72	370	607

-37%

64%

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

offer

city	30/09/2015	to be implemented in 2015	to be implemented after 2015
Wasaw	760		2,785
Wrocław	299	338	594
Kraków	563	108	3,766
Gdańsk	148	230	1,030
Łódź	17		
total	1,787	676	8,175

The Group's completed projects, projects under implementation and projects in preparation are described below.

3.1.1 Completed development projects

Commercial projects

Name of the project	City	District	Segment	Construction completion date	Area (sq m)
Wola Center	Warsaw	Wola	Office and service	Q3 2013	33,319
Arkady Wrocławskie	Wrocław	Krzyki	Office retail and service	Q2 2007	39,211
Sky Tower	Wrocław	Krzyki	Office retail and service	Q1 2013	51,357
Silesia Star (Building A)	Katowice	Bogucice Zawodzie	Office and service	Q4 2014	14,015

Housing projects

Name of the project	City	District	Segment	Construction completion date	Number of apartments and commercial premises	Area (sq m)
Osiedle Przy Promenadzie (stage 1, 2 and 3)	Warsaw	Praga-Południe	Apartments, services	Q4 2010	730	48,160
Rezydencja Kaliska	Warsaw	Śródmieście-Ochota	Apartments, services	Q1 2011	101	7,441
Osiedle Powstańców 33 (stage 1 and 2)	Ząbki near Warsaw		Apartments, services	Q4 2012 Q3 2014	114 229	6,919 13,141
Osiedle Na Woli (stage 1)	Warsaw	Wola	Apartments, services	Q4 2014	192	10,008
Osiedle Maestro (stage 1 and 2)	Wrocław	Krzyki-Jagodno	Apartments	Q3 2012 Q3 2013	176 160	9,352 8,829
Osiedle Potokowa (stage 1, 2c and 3)	Wrocław	Maślice	Apartments and houses	Q2 2013 Q3 2013	72 42	2,819 4,486

QsR for Q3 2015
CONSOLIDATED QUARTERLY REPORT

				Q2 2014	73	3,622
Osiedle Graniczna (stage 1 and 2)	Wrocław	Fabryczna	Apartments	Q3 2013	173	9,200
				Q3 2014	179	8,716
Osiedle Nowalia	Wrocław	Klecina	Terraced houses	Q1 2014	44	4,634
Brzeska 5	Wrocław	Krzyki	Apartments, services	Q4 2014	167	7,889
Stabłowicka 77 (stage 1 and 2)	Wrocław	Fabryczna	Apartments	Q3 2014	73	4,259
				Q1 2015	60	3,159
Słoneczne Miasteczko (stage 1, 2 and 3)	Kraków	Bieżanów- Prokocim	Apartments	Q4 2011	120	6,624
				Q4 2012	164	8,959
				Q3 2014	42	2,163
Okulickiego 59	Kraków	Mistrzejowice	Apartments, services	Q4 2012	146	6,701
Grzegórzecka 77 (stage 1)	Kraków	Śródmieście	Apartments, services	Q2 2015	164	8,008
Osiedle Przy Srebrnej (stage 2a, 2b and 2c)	Gdańsk	Łostowice	Apartments, services	Q4 2012	72	3,795
				Q4 2013	6	565
				Q3 2014	22	1,168
Osiedle Dębowa Ostoja (stage 1)	Łódź	Bałuty	Terraced houses	Q3 2011	22	3,493
Osiedle Pustynna 43 (stage 1)	Łódź	Górna	Apartments	Q4 2012	38	2,884

3.1.2 Development projects under implementation

Commercial projects

Name of the project	City	District	Segment	The estimated construction commencement date	The estimated construction completion date	Area (sq m)
Silesia Star (Building B)	Katowice	Bogucice Zawodzie	Office and service	Q2 2015	Q4 2016	13,496

QsR for Q3 2015
CONSOLIDATED QUARTERLY REPORT

Housing projects

Name of the project	City	District	Segment	Construction completion date	Number of apartments and commercial premises	Area (sq m)
Osiedle Przy Promenadzie (stage 4)	Warsaw	Praga Pł	Apartments	Q3 2016	202	9,781
Osiedle Powstańców 33 (stage 3)	Ząbki near Warsaw		Apartments	Q1 2017	230	13,512
Osiedle Na Woli (stage 2)	Warsaw	Wola	Apartments	Q4 2015	112	5,638
Mała Praga (stage 1 and 2)	Warsaw	Praga Południe	Apartments, services	Q2 2016	140	7,356
				Q2 2017	217	11,356
Osiedle Poborzańska	Warsaw	Targówek	Apartments, services	Q3 2016	91	4,167
Korona Pragi (stage 1)	Warsaw	Praga Południe	Apartments	Q2 2017	170	8,995
Osiedle Krzemowe (stage 1)	Warsaw	Mokotów	Apartments	Q1 2017	159	8,592
Osiedle Graniczna (stage 3, 4 and 5)	Wrocław	Fabryczna	Apartments	Q4 2015	187	9,689
				Q3 2016	125	6,443
				Q1 2017	168	9,086
Osiedle Dolina Piastów	Wrocław	Fabryczna	Apartments	Q3 2016	176	9,254
Słoneczne Miasteczko (stage 4)	Kraków	Bieżanów-Prokocim	Apartments	Q4 2015	120	6,457
Grzegórzecka (stage 2, 3 and 4)	Kraków	Śródmieście	Apartments, services	Q4 2015	149	7,064
				Q2 2016	85	4,579
				Q1 2017	242	11,908
5 Dzielnica (stage 1 and 2 - building B3 and B5)	Kraków	Krowodrza	Apartments	Q1 2017	187	8,178
				Q3 2017	112	4,708
Centralna Park (stage 1)	Kraków	Czyżyny	Apartments	Q1 2017	150	7,036
Osiedle Przy Srebrnej (stage 2d and 2e)	Gdańsk	Łostowice	Apartments	Q4 2015	46	2,101
				Q3 2016	32	1,676
Osiedle Przy Alejach (stage 1 and 2)	Gdańsk	Zaspa	Apartments	Q1 2016	110	5,480
				Q2 2017	97	5,065

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

3.1.3 Development projects in preparation (to be implemented in 2015)

Commercial projects

Name of the project	City	District	Segment	The estimated construction commencement date	The estimated construction completion date	Area (sq m)
Piłsudskiego	Wrocław	Stare Miasto	Office and service	Q3 2016	Q3 2018	20,767

Housing projects

Name of the project	City	District	Segment	The estimated construction commencement date	The estimated construction completion date	Number of apartments and commercial premises	Area (sq m)
Tęczowa	Wrocław	Stare Miasto	Apartments	Q4 2015	Q2 2017	213	9,994
Osiedle Maestro (stage 3)	Wrocław	Jagodno	Apartments	Q4 2015	Q2 2017	125	7,256
Słoneczne Miasteczko (stage 5)	Kraków	Bieżanów-Prokocim	Apartments	Q4 2015	Q2 2017	108	5,834
Osiedle Wałowa (stage 1)	Gdańsk	Śródmieście	Apartments	Q4 2015	Q3 2017	230	12,541

Furthermore, depending on the rate of sales of the premises in a given project, the initiation of subsequent stages is planned.

In Q3 2015, intensive preparatory works were also undertaken to enable the Group's companies to start subsequent projects and to find attractive locations for new investments, in both commercial and residential property segments.

The Group is also trying to obtain external financing for its projects. Negotiations with the banks concerning the loan agreements for respective projects are in progress.

3.2. Description of factors and events, particularly non-typical ones, which have a significant impact on the achieved financial results

There occurred no special or uncommon events that could affect the produced financial results.

3.3. Opinion of the Management Board regarding the feasibility of meeting the earlier published financial forecasts for the year, in view of the results presented in this quarterly report as compared to the forecast results

The Issuer did not publish any financial forecasts for the year 2015.

3.4. Ownership structure of significant blocks of the Issuer's shares

As at 30 September 2015 the share capital of LC Corp S.A. amounted to PLN 447,558,311 and was divided into 447,558,311 ordinary bearer shares carrying one vote at the General Meeting, with a par value of PLN 1.00 each. This was also valid as at 16 November 2015.

The ownership structure of significant blocks of shares as at the date of submitting the financial statements for Q3 2015, according to the information obtained by the Issuer:

Shareholders possessing, directly or indirectly, at least 5% of the total vote at the General Meeting of LC Corp S.A. as at the date of submitting the financial statements for Q3 2015:

Shareholder	Number of shares	Number of votes	Participation (%) in share capital	Share (%) in total vote at general meeting
Leszek Czarnecki directly and indirectly ⁽¹⁾ including: LC Corp B.V. seated in Amsterdam	229,359,795	229,359,795	51.24%	51.24%
AVIVA Otwarty Fundusz Emerytalny AVIVA BZ WBK	30,200,000	30,200,000	6.75%	6.75%
ING Otwarty Fundusz Emerytalny	35,000,000	35,000,000	7.82 %	7.82 %
OFE PZU "Złota Jesień"	44,669,000	44,669,000	9.98%	9.98%

Mr Leszek Czarnecki directly holds 14,658,685 shares representing 3.27% of the share capital and 3.27% of the total vote at the General Meeting, and indirectly through his subsidiary undertakings Mr Leszek Czarnecki holds 214,701,110 shares representing 47.97% of the share capital and 47.97% of the total vote at the General Meeting. Mr Leszek Czarnecki's subsidiary undertakings include LC Corp B.V., seated in Amsterdam and holding 214,701,110 shares representing 47.97% of the share capital and 47.97% of the total vote at the General Meeting, and RB Investcom Sp. z o.o., seated in Wrocław and holding 1,000 shares representing 0.0002% of the share capital and 0.0002% of the total vote at the General Meeting.

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

As at 31 December 2014, the shareholders possessing, directly or indirectly, at least 5% of the total vote at the General Meeting of the Issuer:

Shareholder	Number of shares	Number of votes	Participation (%) in share capital	Share (%) in total vote at general meeting
Leszek Czarnecki directly and indirectly ⁽¹⁾ including: LC Corp B.V. seated in Amsterdam	229,359,795	229,359,795	51.24%	51.24%
AVIVA Otwarty Fundusz Emerytalny AVIVA BZ WBK	214,701,110	214,701,110	47.97%	47.97%
ING Otwarty Fundusz Emerytalny	30,200,000	30,200,000	6.75%	6.75%
OFE PZU "Złota Jesień"	35,000,000	35,000,000	7.82 %	7.82 %
	44,000,000	44,000,000	9.83 %	9.83 %

Mr Leszek Czarnecki directly holds 14,658,685 shares representing 3.27% of the share capital and 3.27% of the total vote at the General Meeting, and indirectly through his subsidiary undertakings Mr Leszek Czarnecki holds 214,701,110 shares representing 47.97% of the share capital and 47.97% of the total vote at the General Meeting. Mr Leszek Czarnecki's subsidiary undertakings include LC Corp B.V., seated in Amsterdam and holding 214,701,110 shares representing 47.97% of the share capital and 47.97% of the total vote at the General Meeting, and RB Investcom Sp. z o.o., seated in Wrocław and holding 1,000 shares representing 0.0002% of the share capital and 0.0002% of the total vote at the General Meeting.

3.5. Changes in the Issuer's shares or options held by the management and supervisory staff of the Issuer as at 16 November 2015, within the period following the submission of the previous quarterly report (including changes in ownership)

Full name	Function in the body	Holding of the Issuer's shares as at 28/08/2015(*)	Increase	Decrease	Holding of the Issuer's shares as at 16/11/2015
Supervisory staff					
Leszek Czarnecki	Chairman of the Supervisory Board	14,657,685	-	-	14,657,685
Andrzej Błażejowski	Vice Chairman of the Supervisory Board	151,142	-	-	151,142
Remigiusz Baliński	Member of the Supervisory Board	32,722	-	-	32,722
Zbigniew Dorenda	Member of the Supervisory Board	-	-	-	-
Jakub Malski	Member of the Supervisory Board	9,830	-	-	9,830
Management staff					
Dariusz Niedośpiał	President of the Management Board	158,791	-	-	158,791
Joanna Jaskólska	Vice President of the Management Board	6,000	-	-	6,000

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

Tomasz Wróbel	Member of the Management Board	-	-	-	-
Mirosław Kujawski	Member of the Management Board	-	-	-	-
Małgorzata Danek	Member of the Management Board	15,000	-	-	15,000

(*) pursuant to the information included in the semi-annual report for 2015.

3.6. Information about proceedings before courts, relevant arbitration authority or public administration authority

As at 30 September 2015 no proceedings were initiated before the court or public administration authority, with regard to liabilities or receivables of LC Corp S.A. and its subsidiaries, whose individual or aggregate value would represent at least 10% of the equity of LC Corp S.A.

3.7. Information on single or numerous transactions (individually or collectively deemed significant and made on the terms other than at arm's length) concluded by the Issuer or its subsidiary undertaking with related entities

In the said reporting period, the Issuer and its subsidiaries did not conclude any transactions with related undertakings that individually or collectively could be classified as significant and concluded under non-arm's length terms.

3.8. Information about the loan or borrowing surety or guarantee granted by the Issuer or its subsidiary undertaking

On 28 August 2015, the Issuer's subsidiary - LC Corp Invest XV Sp. z o.o. Projekt 2 Sp. k. as collateral for a loan agreement concluded by the Issuer with Getin Noble Bank S.A. on 18 June 2014 in the amount of PLN 40,000,000 submitted a declaration of establishing a joint mortgage up to PLN 60,000,000 on properties held in perpetual usufruct of this company, provided a surety for the above amount and submitted a declaration of submission to enforcement with the restriction to lift enforcement from mortgaged property.

3.9. Other information material for the assessment of the Group's personnel, asset, financial and profit/loss standing and changes thereof and of the feasibility of fulfilling its obligations

In the discussed reporting period, there were no events material for the assessment of the Group's personnel, asset, financial or profit/loss standing or changes thereof or of the feasibility of discharging its obligations.

3.10. Factors which in the Issuer's opinion may affect its performance at least in the following quarter

The results achieved by LC Corp Group will be highly influenced by the macroeconomic situation, in particular with regard to availability of mortgage loans for potential clients. These factors are strong determinants of the demand for new apartments and the structure and price thereof.

In compliance with IAS 18, the LC Corp Group recognises the revenue from the sale of residential and commercial premises only when, in principle, all risks and benefits related to given premises have been transferred to the client and revenue can be measured in a reasonable manner. As a consequence, in the next quarter the results on sale will depend on the value of premises transferred to the client in line with the above description.

The operating performance of the Group will be also influenced by the level of revenue generated from the rental of commercial space in Arkady Wrocławskie, Sky Tower, Wola Center and Silesia Star (stage 1), which is linked with the EUR exchange rate. The EUR exchange rate will also affect the valuation of foreign currency loans and investment property Arkady Wrocławskie, Sky Tower, Wola Center and Silesia Star.

Qsr for Q3 2015
CONSOLIDATED QUARTERLY REPORT

In the long term, the Group's strategic goal for the coming years will be to maintain the current high volume of sale of premises on 4 housing markets in Poland (Warsaw, Wrocław, Kraków, Gdańsk), and at the same time maintain the level of currently reached margins and the stable increase of profit from commercial property (already operational and under construction/preparation).

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President of the Management Board Zarządu Dariusz Niedośpiał
Joanna Jaskólska

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Vice President the Management Board

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Member of the Management Board Mirosław Kujawski

.....
Member of the Management Board Tomasz Wróbel

.....
Member of the Management Board Małgorzata Danek

Wrocław, 16 November 2015