

Wrocław, 19 March 2012

Ladies and Gentlemen,

The year 2011 was a special year both for the LC Corp Group and the entire property development industry hard hit by the crisis and the turmoil in the financial and real estate markets. Looking back at the past year from the Group's point of view, it marked the start of implementation of the new strategy taking the Group on the path of rapid development after the previous period of major changes and restructuring of projects. In the opinion of the Management Board of LC Corp S.A., the Company and Group successfully navigated through that difficult period. As a result, the Group emerged from the crisis strengthened and is now successfully implementing the adopted development strategy. This was already reflected in the results achieved by the Company and the Group in 2011.

The financial position and liquidity of the Group is very good. A high level of own funds and liquid assets secure the implementation of the on-going projects. Non-current liabilities (refinancing credit of Arkady Wrocławskie) are secured by revenues from the activity of the shopping centre. Execution of another large office and shopping project: Wola Center (Warsaw, ul. Przyokopowa) is guaranteed by a signed credit contract. The owned land bank is not bound by any external commitments. This will allow the companies of the Group to implement the investments most appropriate from their respective businesses' perspectives at the pace and in the order resulting from the Group's strategy. It is also a very good situation to obtain external financing, for acquisitions, and to execute new projects. In order to raise funds for new acquisitions, the Group issued bonds amounting to PLN 100,000,000. All this makes us optimistic about future.

In pursuing its strategy of development and diversification of supply in 2011, the Group launched the implementation and started the preparation phase of new housing investments in Warsaw, Wrocław, Kraków, Łódź, and Gdańsk on the basis of the already owned land bank and by making new acquisitions. Construction work started on a large office and commercial centre in Warsaw: Wola Center; the works are progressing on schedule, and the current pace of commercialization of the offered space is very promising. Intensive activities aimed at finding attractive properties with the possibility of quick commencement of construction, both in the residential and commercial property market, should result in new acquisitions this year. In the housing market the Group substantially changed the structure of the built apartments, adjusting their size and standard to the changing market demand and requirements.

Thanks to the consistent policy of the Management Board, we were able to strengthen our position in the property development market. In 2011 the housing market stabilized in terms of both prices and demand. In the opinion of the Management Board, changes connected with the introduction of new legislation, concerning property developers in the housing market and coming into force this year, will further stabilize and solidify the position of LC Corp.

In 2011 the Group generated a net profit of PLN 62,000,000, which significantly exceeded the result generated in 2010. The Arkady Wrocławskie shopping centre is developing quite successfully - in 2011 the number of visitors and the turnover of the tenants achieved the highest levels since the centre opened in 2007. We were able to maintain satisfactory profit margins on sales of apartments.

However, please note that the effects of the actions taken by the Management Board in 2011 and earlier will only become visible to a significant extent in the following years.

The Company wants to continue its strategy by building a significant position in the property development market in Poland. This is being consistently implemented with market investments by the company, both on the basis of the owned land bank and by acquisitions of new projects, taking advantage of the current significant drop in the land prices. Diversification of the housing offer in terms of geography and the market segments is starting to produce the intended effects and ensures the continuity of investment for the Group over the next several years. A noticeable development of key locations for the Group, such as Warsaw, Wrocław, Kraków, and Gdańsk contributes significantly to raising the profile of the Group on the national scale. As part of its strategy, the Group also aims to perform further commercial investments.

The year 2012 will certainly require a great commitment, work, dedication, and concentration on all important aspects of the Group's activity. Rapid development and new challenges motivate us to work even harder, contributing to enhanced position and growing market importance of the Group.

I want to thank all shareholders who supported our efforts. I am convinced that we proved that our Group can quickly adapt to the changing market situation and can see new opportunities in order to continue to develop dynamically in future.

I also want to thank our Employees and Management Boards of the companies of the LC Corp Group for their tremendous effort and contribution the Group's results. It certainly would not be possible without their commitment, professionalism, and skills.

When I analyse the year 2011 I am pleased that we were able to achieve our objectives, which will certainly have a positive impact on the situation of the Company and the Group in the coming years. Effective actions and wisely conducted strategy allow us to look forward to future.

Dariusz Niedośpiał

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