LC CORP GROUP

CONSOLIDATED QUARTERLY REPORT

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD OF NINE MONTHS, ENDED 30 SEPTEMBER 2013
drawn up in accordance with the International Accounting Standards

CONTAINING QUARTERLY FINANCIAL INFORMATION OF LC CORP S.A.

(unaudited financial data)

Wrocław, 14 November 2013

CONSOLIDATED QUARTERLY REPORT

1. SELECTED FINANCIAL DATA

Data concerning interim condensed consolidated financial statements of the LC Corp Group

	PLN'000		EUR'000	
	30 Sept 2013	31 Dec 2012	30 Sept 2013	31 Dec 2012
I. Non-current assets	948 888	783 886	225 052	191 744
II. Current assets	908 227	886 511	215 409	216 846
III. Total assets	1 857 115	1 670 397	440 461	408 590
IV. Equity	1 139 016	1 079 084	270 146	263 951
V. Equity attributable to shareholders of the parent	1 139 016	1 079 084	270 146	263 951
VI. Minority interest	-	-	-	-
VII. Non-current liabilities	483 152	477 265	114 592	116 742
VIII. Current liabilities	234 947	114 048	55 723	27 897
IX. Book value of equity attributable to shareholders of the parent, per share (PLN/EUR)	2,54	2,41	0,60	0,59

	3 quarters 2013 cumulative from 1 Jan 2013 to 30 Sept 2013	3 quarters 2012 cumulative from 1 Jan 2012 to 30 Sept 2012	3 quarters 2013 cumulative from 1 Jan 2013 to 30 Sept 2013	3 quarters 2012 cumulative from 1 Jan 2012 to 30 Sept 2012
X. Sales revenue	129 230	89 398	30 601	21 312
XI. Pre-tax profit on sales	40 775	36 231	9 655	8 637
XII. Net profit (loss)	60 199	19 520	14 255	4 653
XIII. Net profit (loss) attributable to shareholders of the parent	60 199	18 762	14 255	4 472
XIV. Net profit (loss) attributable to minority interest	0	758	0	181
XV. Basic profit (loss) per share (in PLN/EUR) attributable to equity holders of the parent	0,13	0,04	0,03	0,01

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

	PLN'000		EUR'000	
	30 Sept 2013	31 Dec 2012	30 Sept 2013	31 Dec 2012
XVI. Total assets	1 116 027	1 098 025	264 693	268 584
XVII. Equity	832 841	814 489	197 529	199 229

	3 quarters 2013 cumulative from 1 Jan 2013 to 30 Sept 2013	3 quarters 2012 cumulative from 1 Jan 2012 to 30 Sept 2012	3 quarters 2013 cumulative from 1 Jan 2013 to 30 Sept 2013	3 quarters 2012 cumulative from 1 Jan 2012 to 30 Sept 2012
XVIII. Net profit (loss)	18 352	13 676	4 346	3 260

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

a) financial data concerning selected items of assets and equity 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 Sept 2013 it stood at EUR/PLN 4.2163, and at the balance-sheet date of 31 December 2012 at EUR/PLN 4.0882.

b) data concerning selected items of the statement of comprehensive income for three quarters of 2013 and three quarters of 2012 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 4.2231 and EUR/PLN 4.1948, respectively.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(PLN'000)	30 Sept 2013 end of quarter (unaudited)	31 Dec 2012 end of previous year (transformed*)
Assets		
A. Non-current assets	**948 888**	**783 886**
1. Intangible assets	288	347
2. Property, plant and equipment	1 417	1 274
2.1. Tangible assets	1 202	1 250
2.2. Tangible assets under construction	215	24
3. Non-current receivables	32 108	32 044
4. Investment property	892 055	731 515
5. Non-current prepayments and accrued income	99	134
6. Deferred tax assets	22 921	18 572
B. Current assets	**908 227**	**886 511**
1. Inventories	787 919	703 467
2. Trade and other receivables	31 066	25 758
3. Income tax receivable	414	486
4. Current financial assets	328	3 210
5. Cash and cash equivalents	86 407	153 028
including: Cash on open trust accounts	*5 165*	*52*
6. Current prepayments and accrued income	2 093	562
C. Non-current assets classified as held for sale	0	**0**
Total assets	**1 857 115**	**1 670 397**

(PLN'000)	30 Sept 2013 end of quarter (unaudited)	31 Dec 2012 end of previous year (transformed*)
Equity and liabilities		
A. Equity	**1 139 016**	**1 079 084**
I. Equity attributable to shareholders of the parent	**1 139 016**	**1 079 084**
1. Share capital	447 558	447 558
2. Other capital	631 259	562 248
3. Net profit / (loss)	60 199	69 278
II. Minority interest	**0**	**0**
B. Non-current liabilities	**483 152**	**477 265**
1. Non-current financial liabilities	411 797	418 218
2. Non-current trade and other payables	0	0
3. Provisions	22	22
4. Deferred tax liability	71 333	59 025
C. Current liabilities	**234 947**	**114 048**
1. Current financial liabilities	133 934	16 428
2. Current trade and other payables	60 452	51 119
3. Income tax payable	186	99
4. Provisions	643	397
5. Accrued expenses and revenue	39 732	46 005
Total equity and liabilities	**1 857 115**	**1 670 397**

(*) transformation regarding the presentation of equity, description – see Note 2.3

	as at 30 Sept 2013 end of quarter (unaudited)	as at 31 Dec 2012 end of previous year (tranformed*)
Book value of equity (PLN'000)	1 139 016	1 079 084
Book value of equity attributable to shareholders of the parent (PLN'000)	1 139 016	1 079 084
Number of registered shares	447 558 311	447 558 311
Book value of equity attributable to shareholders of the parent, per share (PLN)	2,54	2,41

(*) transformation regarding the presentation of equity, description – see Note 2.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(PLN'000)	Q3 2013 period from 1 July 2013 to 30 Sept 2013	3 quarters 2013 cumulative period from 1 Jan 2013 to 30 Sept 2013	Q3 2013 period from 1 July 2012 to 30 Sept 2012	3 quarters 2013 cumulative period from 1 Jan 2012 to 30 Sept 2012
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Operating activity				
Sales revenue	**32 452**	**129 230**	**29 035**	**89 398**
Revenue from sales of services	10 608	30 935	10 671	33 011
Revenue from sales of goods and products	21 844	98 295	18 364	56 387
Cost of sales	**(19 615)**	**(88 455)**	**(17 781)**	**(53 167)**
Pre-tax profit on sales	**12 837**	**40 775**	**11 254**	**36 231**
Gain (loss) on disposal of non-current non-financial assets	0	(7)	(13)	4
Revaluation of investment property	13 227	63 713	(18 416)	(42 017)
Valuation allowance for inventory	(10 000)	(12 336)	0	0
Selling and distribution costs	(1 518)	(3 763)	(2 081)	(4 939)
General administrative expenses	(4 411)	(10 242)	(2 287)	(7 447)
Other operating income	280	1 037	241	930
Other operating expenses	(389)	(1 091)	(33)	(187)
Operating profit (loss)	**10 026**	**78 086**	**(11 335)**	**(17 425)**
Financial income	10 559	4 992	11 826	23 401
Financial expenses	(1 130)	(12 443)	(2 118)	(6 357)
Pre-tax profit (loss)	**19 455**	**70 635**	**(1 627)**	**(381)**
Corporate income tax (tax expense)	(3 713)	(10 436)	7 754	19 901
Net profit on business activities	**15 742**	**60 199**	**6 127**	**19 520**
Discontinued operations				
Profit (loss) on discontinued operations	0	0	0	0
Net profit	**15 742**	**60 199**	**6 127**	**19 520**

Other comprehensive income				
Other components of comprehensive income	(330)	(330)	0	0
Income tax relating to other components of comprehensive income	63	63	0	0
Other comprehensive income, net of tax	**(267)**	**(267)**	0	0
Total comprehensive income	**15 475**	**59 932**	**6 127**	**19 520**
Net profit attributable to:				
equity holders of the parent	15 742	60 199	5 570	18 762
minority interest	0	0	557	758
	15 742	**60 199**	**6 127**	**19 520**
Total comprehensive income attributable to:				
equity holders of the parent	15 475	59 932	5 570	18 762
minority interest	0	0	557	758
	15 475	**59 932**	**6 127**	**19 520**

(PLN'000)	**3 quarters 2013** cumulative **from 1 Jan 2013 to 30 Sept 2013** **(unaudited)**	**3 quarters 2012** cumulative **from 1 Jan 2012 to 30 Sept 2012** **(unaudited)**
Net profit (loss) attributable to equity holders of the parent (PLN'000)	60 199	18 762
Average weighted number of ordinary shares	447 558 311	447 558 311
Net profit (loss) per share (in PLN) attributable to equity holders of the parent - basic	0,13	0,04
Net profit (loss) per share (in PLN) attributable to equity holders of the parent - diluted	0,13	0,04

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	*Other capital*		*Net profit/(loss)*	***Equity attributable to shareholders of the Parent***	***Minority interest***	***Total equity***
		Reserve fund, other reserve funds and retained earnings	*Other funds*				
As at 1 January 2013 (transformed)	**447 558**	**559 140**	**3 108**	**69 278**	**1 079 084**	**0**	**1 079 084**
Net profit for the period of 9 months ended 30 September 2013	*0*	*0*	*0*	*60 199*	***60 199***	*0*	***60 199***
Other comprehensive income for the period of 9 months ended 30 September 2013	*0*	*0*	*(267)*	*0*	***(267)***	*0*	***(267)***
Total comprehensive income for the period of 9 months ended 30 September 2013	**0**	**0**	**(267)**	**60 199**	**59 932**	**0**	**59 932**
Transfer of the profit for the previous period to retained earnings	0	69 278	0	(69 278)	**0**	0	**0**
As at 30 September 2013 (unaudited)	**447 558**	**628 418**	**2 841**	**60 199**	**1 139 016**	**0**	**1 139 016**

(*) transformation regarding the presentation of equity, description – see Note 2.3

	Share capital	*Other capital*		*Net profit/(loss)*	***Equity attributable to shareholders of the Parent***	***Minority interest***	***Total equity***
		Reserve fund, other reserve funds and retained earnings	*Other funds*				
As at 1 January 2012 (transformed *)	**447 558**	**493 304**	**3 108**	**61 318**	**1 005 288**	**28 142**	**1 033 430**
Net profit for 2012	*0*	*0*	*0*	*69 278*	***69 278***	*1 376*	***70 654***
Other comprehensive income for 2012	*0*	*0*	*0*	*0*	***0***	*0*	***0***
Total comprehensive income for 2012	**0**	**0**	**0**	**69 278**	**69 278**	**1 376**	**70 654**
Transfer of the profit for the previous period to retained earnings	0	61 318	0	(61 318)	0	0	**0**
Acquisition of minority interests	0	4 518	0		4 518	(29 518)	**(25 000)**
As at 31 December 2012 (transformed*)	**447 558**	**559 140**	**3 108**	**69 278**	**1 079 084**	**0**	**1 079 084**

(*) transformation regarding the presentation of equity, description – see Note 2.3

	Share capital	*Other capital*		*Net profit/(loss)*	***Equity attributable to shareholders of the Parent***	***Minority interest***	***Total equity***
		Reserve fund, other reserve funds and retained earnings	*Other funds*				
As at 1 January 2012 (transformed *)	**447 558**	**493 304**	**3 108**	**61 318**	**1 005 288**	**28 142**	**1 033 430**
Net profit for the period of 9 months ended 30 September 2012	*0*	*0*	*0*	*18 762*	***18 762***	*758*	***19 520***
Other comprehensive income for the period of 9 months ended 30 September 2012	*0*	*0*	*0*	*0*	***0***	*0*	***0***
Total comprehensive income for the period of 9 months ended 30 September 2012	**0**	**0**	**0**	**18 762**	**18 762**	**758**	**19 520**
Transfer of the profit for the previous period to retained earnings	0	61 318	0	(61 318)	**0**	0	**0**
As at 30 September 2012 (unaudited, transformed*)	**447 558**	**554 622**	**3 108**	**18 762**	**1 024 050**	**28 900**	**1 052 950**

(*) transformation regarding the presentation of equity, description – see Note 2.3

CONSOLIDATED STATEMENT OF CASH FLOWS

(PLN'000)	3 quarters 2013 from 1 Jan 2013 to 30 Sept 2013 (unaudited)	3 quarters 2012 from 1 Jan 2012 to 30 Sept 2012 (unaudited)
A. Cash flows from operating activities		
I. Pre-tax loss	**70 635**	**(381)**
II. Total adjustments	**(117 046)**	**(66 459)**
1. Depreciation and amortisation	428	449
2. Foreign exchange gains (losses)	6 534	(16 845)
3. Interest and distributions from profit (dividends)	13 529	13 358
4. Profit (loss) on investing activities	5	(4)
5. Change in provisions	246	0
6. Change in inventories	(84 452)	(93 473)
7. Change in receivables	(5 372)	(37 561)
8. Change in current liabilities (net of loans and borrowings)	22 537	15 974
9. Change in accruals and deferrals	(7 769)	11 551
10. Corporate income tax	(2 568)	(1 837)
11. Other adjustments	(60 164)	41 929
III. Net cash provided by (used in) operating activities (I±II)	**(46 411)**	**(66 840)**
B. Cash flows from investing activities		
I. Cash provided by investing activities	**9**	**21**
1. Sale of intangible assets and property, plant and equipment	9	21
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. Cash used in investing activities	**(110 555)**	**(45 907)**
1. Acquisition of intangible assets and property, plant and equipment	(531)	(489)
2. Cash used on investment property	(110 024)	(45 418)
3. Cash used on financial assets	0	0
4. Other cash used in investing activities	0	0
III. Net cash provided by (used in) investing activities (I-II)	**(110 546)**	**(45 886)**
C. Cash flows from financing activities		
I. Cash provided by financing activities	**112 614**	**129 329**
1. Net proceeds from issue of shares and additional contributions to equity	0	0
2. Loans and borrowings	112 614	64 506
3. Issue of debt securities	0	64 823
4. Other cash provided by financing activities	0	0
II. Cash used in financing activities	**(22 278)**	**(21 455)**
1. Repayment of loans and borrowings	(11 360)	(12 561)
2. Redemption of debt securities	0	0
3. Interest paid	(10 918)	(8 894)
4. Other cash used in financing activities	0	0
III. Net cash provided by (used in) financing activities (I–II)	**90 336**	**107 874**
D. Total net cash flow (A.III±B.III±C.III)	**(66 621)**	**(4 852)**
E. Balance-sheet change in cash, including:	**(66 621)**	**(4 852)**
– change in cash on account of foreign exchange differences	0	0
F. Cash at beginning of period	**153 028**	**160 216**
G. Cash at end of period (F±D)	**86 407**	**155 364**
- restricted cash	20	20

OTHER INFORMATION AND NOTES TO FINANCIAL STATEMENTS

2.1. 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 Company'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 Section of the National Court Register (KRS), 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 holdings
- 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 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 nine months, ended 30 September 2013. The detailed description of the component parts of the consolidated financial statements is included in item 2.3.

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' 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 Septemebe 2013 and as at 31 December 2012, the LC Corp Group comprised the following subsidiaries of LC Corp S.A.:

Company name	Registered office	30 September 2013 Share in capital	31 December 2012 Share in capital
Arkady Wrocławskie S.A.	Wrocław	100%	100%
Warszawa Przyokopowa Sp. z o.o.	Wrocław	100%	100%
Kraków Zielony Złocień Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest I Sp. z o.o.	Wrocław	100% (indirectly and directly)	100% (indirectly and directly)
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. (a)	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 XV Sp. z o.o. Projekt 1 Sp. k. **(b)**	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)	-
LC Corp Invest XV Sp. z o.o. Projekt 14 S.K.A.	Wrocław	100% (indirectly and directly)	100% (indirectly and directly)
LC Corp Invest XV Sp. z o.o. Finance S.K.A.	Wrocław	100% (indirectly and directly)	100% (indirectly and directly)
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 XVII Sp. z o.o. Projekt 20 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)

As at 30 September 2013 and as at 31 December 2012, 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.

(a) On 10 July 2013, the District Court for Wrocław – Fabryczna, 6th Commercial Section of KRS registered the change in the amount of the share capital of LC Corp Invest VII Sp. z o.o., resulting from an increase in the share capital made by the sole shareholder, LC Corp S.A. The new amount of the Company's share capital is PLN 2,000,000.00, which is divided into 2,000 shares of PLN 1,000 each. All shares in this company are held by LC Corp S.A.

(b) On 24 July 2013, the partners of LC Corp Invest XV Sp. z o.o. Projekt 1 Sp. k., i.e. LC Corp Invest XV Sp. z o.o. and LC Corp Invest XI Sp. z o.o., adopted a resolution pursuant to which a new limited partner, LC Corp Invest XII Sp. z o.o., joined the company. The new limited partner made the cash contribution of PLN 100,000.00 and it will be liable for the company's obligation for up to PLN 1,000.00.

2.3. 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 2013 and comparable financial data as at 31 December 2012;
- consolidated statement of comprehensive income for three quarters of 2013, i.e. for the period of nine months, cumulative from 1 January 2013 to 30 September 2013 as well as comparable data for a corresponding period of the previous year, i.e. for the period from 1 January 2012 to 30 September 2012;
- consolidated statement of cash flows for three quarters of 2013, i.e. for the period of nine months, cumulative from 1 January 2013 to 30 September 2013 as well as comparable data for a corresponding period of the previous year, i.e. for the period from 1 January 2012 to 30 September 2012;
- consolidated statement of changes in equity as at 30 September 2013 and comparable financial data as at 30 September 2012 and as at 31 December 2012;
- notes to consolidated 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 these Consolidated Quarterly Report for Q3 2013, 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 day of approval of these statements for publication, taking into account the process of introducing IFRS standards, currently in progress in the EU, and the Group's activity, there are differences between IFRS standards which have come into force and IFRS standards adopted by the EU within the accounting principles used by the Group. The Company took advantage of the possibility, existing in the case of the application of the International Financial Reporting Standards approved by the EU, of applying IFRS 10, IFRS 11, IFRS 12, amended IAS 27 and IAS 28 for the annual periods that will start on 1 January 2014.

The interim condensed consolidated financial 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 2012.

The interim condensed consolidated financial statements of the LC Corp Group are presented in thousand zloty ('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 consolidated financial statements of the LC Corp Group were approved by the Management Board for publication on 14 November 2013.

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 2012, published on 21 March 2013.

Standards and Interpretations adopted for the first time in 2013

The accounting principles (policies) adopted for the preparation of the interim condensed consolidated financial statements are coherent with those applied to the consolidated financial statements of the Group for the year ended 31 December 2012, except for the application of the following new or changed standards and interpretations effective for the annual periods beginning on or after 1 January 2013.

- Amendments to IAS 19 *Employee Benefits* – applicable to annual periods beginning on or after 1 January 2013,
- Amendments to IAS 1 *Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income* – applicable to annual periods beginning on or after 1 July 2012,
- Amendments to IAS 12 *Income Taxes: Deferred Tax: Recovery of Underlying Assets* – effective for annual periods beginning on or after 1 January 2012 – in the EU applicable at the latest to annual periods beginning on or after 1 January 2013,
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* – effective for annual periods beginning on or after 1 July 2011 – in the EU applicable at the latest to annual periods beginning on or after 1 January 2013,
- IFRS 13 *Fair Value Measurement* – applicable to annual periods beginning on or after 1 January 2013,
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* – applicable to annual periods beginning on or after 1 January 2013,
- Amendments to IFRS 7 *Financial Instruments: Disclosures*: *Offsetting Financial Assets and Financial Liabilities* – applicable to annual periods beginning on or after 1 January 2013,
- *Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards: Government Loans* – applicable to annual periods beginning on or after 1 January 2013,
- *Amendments resulting from the IFRS review* (published in May 2012) – applicable to annual periods beginning on or after 1 January 2013,
  IAS 1 – The amendment explains the difference between the voluntarily presented additional comparable data and the mandatory minimum of comparable data,
  IAS 16 – The amendment explains that the major spare parts and servicing equipment that fulfil the criteria for recognising them as property, plant and equipment may not be treated as inventory,
  IAS 32 – The amendment removes the existing requirements concerning the recognition of tax from IAS 32 and imposes the requirement to apply IAS 12 with regard to income taxes arising from distrubution to owners of financial instruments,
  IAS 34 – The amendment explains the requirements of IAS 34 concerning the information about the total value of assets and liabilities of each reporting segment, in order to strengthen the compliance with the requirements of IFRS 8 Operating segments. In accordance with this amendment, the total value of assets and liabilities of a given reporting segment has to be disclosed only if: such values are regularly reported to the main operating decision-maker of the entity and a significant change occurred in the total value of assets and liabilities disclosed in the previous annual financial statements for such segment.

The above changes did not have any impact on the Group's financial situation or the results of its activity.

As of 30 June 2013, the Management Board of the Parent Undertaking introduced some changes into the presentation, in its scope concerning the aggregation of equity items in the consolidated statement of financial position. In the opinion of the Management Board the current presentation reflects the Group's financial situation and current achievements in a better and clearer manner. The change did not have any impact on the financial result or the amount of equity in both the current reporting period and the comparable periods. In consequence, a change was made in the presentation of the consolidated statement of changes in equity. The currently adopted method of presentation will be continued by the Group in the future.

The table below presents the changes made in the presentation of comparable data in the consolidated statement of financial position as at 31 December 2012, in relation to the previously drawn up and published Group's financial statements for 2012.

Current name	Former name	31 December 2012 after a change in presentation	31 December 2012 as in the published statement
A. Equity		**1 079 084**	**1 079 084**
I. Equity attributable to shareholders of the Parent			**1 079 084**
1. Share capital	1. Share capital	447 558	447 558
2. Other capital		562 248	
	2. Subscribed but unpaid capital		0
	3. Reserve fund		522 863
	4. Other reserve funds		69 771
	5. Other funds		3 108
3. Net profit/(loss)		69 278	
	6. Retained profit/loss carried forward		35 784

The tables below present the changes made in the presentation of comparable data in the consolidated statement of changes in equity as at 1 January 2012, 30 September 2012 and as at 31 December 2012, in relation to the previously drawn up and published Group's financial statements for Q3 2012 and for the year 2012.

Current name	Former name	1 January 2012 after a change in presentation	1 January 2012 as in the published statement
Equity attributable to shareholders of the Parent		**1 005 288**	**1 005 288**
Share capital	**Share capital**	447 558	447 558
Other capital:			
Reserve fund, other reserve funds and retained profit		493 304	
Other funds		3 108	
	Reserve fund		428 992
	Other reserve funds		69 771
	Other funds		3 108
Net profit/(loss)		61 318	
	Retained profit/Loss carried forward		55 859

Current name	Former name	30 September 2012 after a change in presentation	30 September 2012 as in the published statement
Equity attributable to shareholders of the Parent		**1 024 050**	**1 024 050**
Share capital	**Share capital**	447 558	447 558
Other capital:			
Reserve fund, other reserve funds and retained profit		554 622	

Other funds		3 108	
	Reserve fund		518 345
	Other reserve funds		69 771
	Other funds		3 108
Net profit/(loss)		18 762	
	Retained profit/Loss carried forward		(14 732)

Current name	**Former name**	**31 December 2012** after a change in presentation	**31 December 2012** as in the published statement
Equity attributable to shareholders of the Parent		**1 079 084**	**1 079 084**
Share capital	**Share capital**	447 558	447 558
Other capital:			
Reserve fund, other reserve funds and retained profit		559 140	
Other funds		3 108	
	Reserve fund		522 863
	Other reserve funds		69 771
	Other funds		3 108
Net profit/(loss)		69 278	
	Retained profit/Loss carried forward		35 784

In addition, in H1 2013 the Group extended its accounting policy by adding the guidelines for Hedge Accounting concerning the instruments hedging against interest rate risk. Hedging transactions of this type were effected by the Group in Q3 2013 (see Note 2.19.4).

Standards and interpretations which were published and approved by the EU, but have not become effective yet

At the time of approval of these financial statements the Group did not adopt the following standards, amendments to standards and interpretations that were published and approved for adoption in the EU, but were not effective yet:

- IFRS 10 *Consolidated Financial Statements* – approved in the EU on 11 December 2012, applicable to annual periods beginning on or after 1 January 2013 – in the EU applicable to annual periods beginning on or after 1 January 2014 at the latest. The Group has decided to adopt IFRS for annual periods beginning on 1 January 2014,
- IFRS 11 *Joint Arrangements* – approved in the EU on 11 December 2012, applicable to annual periods beginning on or after 1 January 2013 – in the EU applicable to annual periods beginning on or after 1 January 2014 at the latest. The Group has decided to adopt IFRS for annual periods beginning on 1 January 2014,
- IFRS 12 *Disclosure of Interests in Other Entities* – approved in the EU on 11 December 2012 (applicable to annual periods beginning on or after 1 January 2014),
- IAS 27 (amended in 2011) *Separate Financial Statements* – approved in the EU on 11 December 2012, in the EU applicable to annual periods beginning on or after 1 January 2014 at the latest. The Group has decided to adopt the amendments to IAS for annual periods beginning on 1 January 2014,
- IAS 28 (amended in 2011) *Investments in Associates and Joint Ventures* – approved in the EU on 11 December 2012, applicable to annual periods beginning on or after 1 January 2013 – in the EU applicable to annual periods beginning on or after 1 January 2014 at the latest. The Group has decided to adopt the amendments to IAS for annual periods beginning on 1 January 2014,

- Amendments to IAS 32 *Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities*, approved in the EU on 13 December 2012 (applicable to annual periods beginning on or after 1 January 2014),
- Amendments to various standards *Amendments to IFRS (2012)* – approved in the EU on 27 March 2013 (applicable to annual periods beginning on or after 1 January 2014),
- Amendments to IFRS 10, IFRS 11 and IFRS 12 *Transition Guidance* – approved in the EU on 4 April 2013 (applicable to annual periods beginning on or after 1 January 2014),
- Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* (published on 27 June 2013 – applicable to annual periods beginning on or after 1 January 2014 – by the date of the approval of these financial statements not endorsed by the EU,
- Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* (published on 29 May 2013) – applicable to annual periods beginning on 1 January 2014 – by the date of the approval of these financial statements not endorsed by the EU,
- Phase 1 of IFRS 9 *Financial Instruments: Classification and Measurement* – applicable to annual periods beginning on or after 1 January 2015 – by the date of the approval of these financial statements not endorsed by the EU. In the next phases, IASB will deal with hedge accounting and impairment methodology. The application of Phase 1 of IFRS 9 will have an impact on the classification and measurement of the Group's financial assets. The Group will assess this impact in correspondence with the other phases of the project once they have been issued, in order to provide a consistent view.

The Group did not decide to choose the option of early application of any standard, interpretation, or amendment to an existing standard which has been published but has not yet become effective.

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

The activity of the LC Corp Group is not seasonal by nature. It 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.

2.5. Information on material estimates and professional judgement

The 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. Preparing the financial statements in accordance with IFRS required the Company 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 2013 were not subject to examination by an auditor.

Professional judgement

In the process of applying the accounting principles (policy) to the issues specified hereinbelow, 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.

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, based on the agreed model of investment capitalisation. At the end of each accounting year, the fair value of investment property is established or verified by an independent valuer.

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 and 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.

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-down of inventories

As 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 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 on 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 2013 and 31 December 2012.

(PLN'000)	as at 30 Sept 2013 end of quarter (unaudited)	as at 31 Dec 2012 end of previous year (audited)
Deferred tax asset	22 921	18 572
Fair value of investment property	892 055	731 515
Fair value of financial instruments in the form of forward contracts	311	3 193
Fair value of financial instruments of the IRS type	(330)	0
Deferred tax liability	71 333	59 025
Write-down of assets (inventories)	100 627	92 917

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

(PLN'000)	30 September 2013 (unaudited)	31 December 2012 (audited)
Work in progress	824 146	694 692
Finished products	64 400	101 692
Write-down of inventory	(100 627)	(92 917)
Total inventory	**787 919**	**703 467**

Changes in the write-down of inventory:

(PLN'000)	Period ended 30 September 2013 (unaudited)	Year ended 31 December 2012 (audited)
Beginning of period	**92 917**	**90 301**
Increase	12 336	10 135
Utilization	(4 626)	(7 519)
Decrease	0	0

End of period	**100 627**	**92 917**

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

During the period ended 30 September 2013 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 bad debt (trade receivables), presented in the table below:

(PLN'000)	Period ended 30 September 2013 (unaudited)	Year ended 31 December 2012 (audited)
Beginning of period	**651**	**555**
Increase	254	255
Utilization	(6)	(35)
Decrease	0	(124)
End of period	**899**	**651**

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

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

	One-off retirement, disability and death benefits	*Contentious and court issues*	*Remediation of construction defects and faults*	*Total*
As at 1 January 2013	**22**	**97**	**300**	**419**
Created during the accounting year	0	110	220	330
Utilized	0	(17)	(62)	(79)
Reversed	0	(5)	0	(5)
As at 30 September 2013 (unaudited)	**22**	**185**	**458**	**665**
Current provisions as at 30 September 2013	0	185	458	**643**
Non-current provisions as at 30 September 2013	22	0	0	**22**

As at 1 January 2012	**22**	**81**	**300**	**403**
Created during the accounting year	0	22	0	22
Utilized	0	0	0	0

Reversed	0	(6)	0	(6)
As at 31 December 2012 (audited)	**22**	**97**	**300**	**419**
Current provisions as at 31 December 2012	0	97	300	**397**
Non-current provisions as at 31 December 2012	22	0	0	**22**

2.9. Information about deferred tax liabilities and deferred tax assets

Deferred income tax arises from the following items:

(PLN'000)	Statement of financial position		Statement of comprehensive income for the period ended	
	30 September 2013 (unaudited)	31 December 2012 (audited)	30 September 2013 (unaudited)	31 December 2012 (audited)
Deferred tax liability				
Accrued interest and discounts on borrowings, bonds, promissory notes and deposits	(29 819)	(24 240)	(5 579)	(7 610)
Valuation of investment property	(53 059)	(40 954)	(12 105)	(6 207)
Difference in the value of tangible assets (tax depreciation and book depreciation)	(13 135)	(11 935)	(1 200)	(1 556)
Other	(145)	(226)	81	(11)
Gross deferred tax liability	**(96 158)**	**(77 355)**		
Deferred tax assets				
Provisions and prepayments and accrued income	442	702	(260)	174
Accrued interest and discounts on borrowings, bonds and promissory notes	8 964	3 897	5 067	1 554
Foreign exchange differences	4 937	4 093	844	(3 648)
Difference in the value of other assets (tax value and book value)	27 569	23 013	4 556	11 944
Losses potentially deductible from the future taxable income	5 690	5 158	532	4 077
Other	81	39	42	(26)
Valuation of a hedging instrument measured through equity	63	0		0
Gross deferred tax assets	**47 746**	**36 902**		
Deferred tax burden			**(7 954)**	**(1 309)**
Net deferred tax asset	**22 921**	**18 572**		
Net deferred tax liability	**(71 333)**	**(59 025)**		

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 2013, the Group did not create a deferred tax asset on account of, among others, tax losses in the companies in which it made a write-down of inventory of PLN 485,000 (PLN 530,000 as at 31 December 2012, respectively), which can be utilized within a maximum period of five years as of the end of the reporting period. In addition, the Group did not create a deferred tax asset of PLN 5,970,000 based on the differences between the book value and the tax value of inventory in the part of the companies in which write-downs were made (PLN 10,368,000 as at 31 December 2012, respectively).

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

In the period of nine months ended on 30 September 2013, the value of property, plant and equipment purchased by the Group totalled PLN 498,000.

In the period of nine months ended on 30 September 2013, the Group did enter into any sale transactions regarding property, plant and equipment items.

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

As at 30 September 2013 there were no significant liabilities on account of the purchase of property, plant or equipment.

2.12. Information about significant settlements on account of litigation

During the period of nine months ended 30 September 2013 the Group recorded no significant settlements on account of litigation.

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

In the period of nine months ended 30 September 2013 there were no corrections of errors of the previous periods.

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)

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 fluctuations of the EUR exchange rate exert also a significant influence on the valuation of financial instruments in the form of forward contracts, disclosed in the statement of comprehensive income.

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

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

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

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.

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

None occurred.

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

None occurred.

2.19. Financial liabilities

2.19.1 Interest-bearing bank loans and bonds

Non-current	Repayment date	30 September 2013 (unaudited)	31 December 2012 (audited)
Bank loan in EUR (its non-current part) (a)	31 Dec 2017	170 748	176 718
Bank loan in EUR (its non-current part) (b)	15 June 2022	138 488	45 370
Bank loan in PLN (its non-current part) (b)	30 Dec 2014	4 487	2 051
Bank loan in PLN (its non-current part) (c)	31 Jan 2016	29 872	29 831
Bank loan in PLN (its non-current part) (d)	31 Dec 2014	3 527	-
Bond scheme (e)	-	-	99 719
Bond scheme (f)	25 May 2015	64 675	64 529
		411 797	**418 218**

Current	Repayment date	30 September 2013 (unaudited)	31 December 2012 (audited)
Bank loan in EUR (its current part) (a)	30 Sept 2014	15 236	14 169
Bank loan in EUR (its current part) (b)	30 Sept 2014	2 100	-
Bank loan in PLN (its current part) (d)	30 Sept 2014	11 590	
Bond scheme (e)	15 Apr 2014	103 199	1 715
Bond scheme (f)	25 Nov 2013	1 459	524
Management bond scheme (g)	1 Dec 2013	20	20

	133 604	**16 428**

(a) Loan in Arkady Wrocławskie S.A. taken out in EUR with the consortium of banks: ING Bank Śląski S.A. and Kredyt Bank S.A.

(b) Loans in Warszawa Przyokopowa Sp. z o.o. taken out with Raiffeisen Bank Polska S.A.: an investment loan for the maximum amount of EUR 49,000,000 and a revolving VAT loan for the maximum amount of PLN 6,600,000.

(c) Loan in LC Corp S.A. taken out in PLN with Getin Noble Bank S.A.

(d) Loan in LC Corp Invest XV Sp. z o.o. Projekt 1 Sp. k. taken out in PLN with PKO BP S.A.

(e) Coupon bonds issued by LC Corp S.A. – the issue of 15 April 2011, including 1,000 three-year unsecured coupon bonds, having a par value of PLN 100,000 each.

(f) Coupon bonds issued by LC Corp S.A. – the issue of 1 June 2012, including 650 three-year unsecured coupon bonds, having a par value of PLN 100,000 each.

(g) Liability on account of the custody agreement concluded with Getin Noble Bank S.A. concerning the long-term incentive plan.

The allocation of respective loans and bonds to the operating segments is presented in Note 2.24.

2.19.2 Other liabilities concerning financial instruments

	30 September 2013 (unaudited)	31 December 2012 (audited)
Valuation of financial instruments of the IRS type	**330**	**0**

The transaction hedging the risk of an interest rate increase, of the IRS type, concluded by Warszawa Przyokopowa Sp. z o.o. with Raiffeisen Bank Polska S.A., pursuant to the framework agreement of 1 June 2012, is related to the execution of the EUR loan agreement.

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

2.19.3 Issue and redemption of equity securities

None occurred.

2.19.4 Incurring and repayment of bank loans and borrowings

Repayment of the loan taken by Arkady Wrocławskie from a bank consortium

During the period of nine months ended 30 September 2013 Arkady Wrocławskie S.A. repaid in accordance with the payment schedule the instalments of the loan in EUR taken from the consortium of banks: ING Bank Śląski S.A. and

Kredyt Bank of PLN 11,360,000. As at 30 September 2013 the total debt value translated into the zloty was PLN 185,984,000.

Taking out and repaying loans by Warszawa Przyokopowa Sp. z o.o.

On 15 July 2011, Warszawa Przyokopowa Sp. z o.o. concluded with Raiffeisen Bank Polska S.A. (Lender) the investment loan agreement for the maximum of EUR 49,000,000 and the revolving VAT loan for the maximum of PLN 6,600,000, to provide the partial financing for the construction of the office complex with retail and service facilities, located at ul. Grzybowska 85A in Warsaw. On account of the above, in the reporting period ended on 30 September 2013 the Company, pursuant to the loan agreement, initiated the EUR loan in the total amount of PLN 95,061,000 and made the net initiation (initiations minus repayments) of the revolving VAT loan in the amount of PLN 2,435,000.

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

Between 1 January 2013 and 30 September 2013, the Company, pursuant to the framework agreement of 1 June 2012, entered into forward currency transactions, including futures and derivatives, related to the implementation of a loan agreement, for the total of PLN 41,449,000. The total nominal amount of the above transactions at the base amount was EUR 9,737,000, with the due dates falling in the period from 4 February 2013 to 4 November 2013.

On 16 July 2013, Warszawa Przyokopowa sp. z o.o., implementing the loan agreement financing the commercial property, pursuant to the framework agreement of 1 June 2012, effected the IRS transaction for EUR 10,000,000, hedging the interest rate risk. The transaction was concluded for a period from 30 June 2015 to 30 June 2020.

Loan taken out by LC Corp Invest XV Sp. z o.o. Projekt 1 Sp. k.

On 20 February 2013, LC Corp Invest XV Sp. z o.o. Projekt 1 Sp. k. concluded with PKO BP S.A. (Lender) an investment loan agreement for the maximum of PLN 24,000,000, to finance the investment project carried out in ul. Graniczna in Wrocław. On account of the above, in the reporting period ended 30 September 2013, the Company initiated the loan, in accordance with the agreement, in the total amount of PLN 15,117,000.

2.19.5 Collaterals

As at 30 September 2013, the repayment of loans was secured mainly by:

1. Security for the bank loan agreement concluded by Arkady Wrocławskie S.A.:
   - cap mortgage (*loan in EUR*) – up to the amount of EUR 86,802,000,
   - 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,
   - pledge by registration on bank accounts (*loan in EUR*) – up to the amount of EUR 91,500,000,
   - assignment of 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. The agreement on the bank loan taken out by LC Corp S.A. with Getin Noble Bank S.A. is secured by a cash deposit of PLN 30,000,000.

3. Security for the bank loan agreement concluded by Warszawa Przyokopowa Sp. z o.o.:
   - contractual capped mortgage of the highest priority up to the amount 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 Warszawa Przyokopowa Sp. z o.o. with a financial pledge,
   - transfer of the 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.
4. 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 Warszawa 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
5. Security for the agreement on a bank loan taken out by LC Corp Invest XV sp. z o.o. Projekt 1 sp. k.:
   - contractual mortgage for up to the total of PLN 36,000,000 established on the property in the form of land owned by LC Corp Invest XV sp. z o.o. Projekt 1 sp. k.
   - 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,
   - transfer to a bank of cash receivables under the already concluded preliminary agreements and newly concluded preliminary agreements and agreements on the sale of residential premises,
   - Borrower's blank promissory note and blank promissory note agreement,
   - clause on the deduction of amounts receivable under the agreement from the amounts receivable deposited on the Borrower's accounts held with the Lender,
   - blocking, in favour of the Lender, the funds on the Borrower's account into which payments are made by the purchasers of premises built under the investment project in ul. Graniczna in Wrocław.

2.20. 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.

2.21. Events subsequent to 30 September 2013, not disclosed in these statements, which could have a material bearing on the future financial results of the LC Corp Group

1. On 1 October 2013 a new Company, LC Corp Invest XV Sp. z o.o. Investments S.K.A. was registered with KRS. As at the registration date, LC Corp Invest XV Sp. z o.o. was the company's general partner and the company's share capital was PLN 50,000.
2. On 21 October 2013, the partners of LC Corp Invest XV Sp. z o.o. Investments S.K.A. adopted a resolution on amending the company's deed of partnership to account for the entry of LC Corp S.A. to this company as its

shareholder, an increase in the company's share capital by PLN 91,855,080.00 and the offering of all shares in the increased share capital to LC Corp S.A.

3. On 21 October 2013, LC Corp S.A. concluded an agreement with LC Corp Invest XV Sp. z o.o. Investments S.K.A. on the taking up of the company's new issue shares (in connection with an increase in the company's share capital, referred to hereinabove), i.e. 9,185,508 Series C registered shares with a par value of PLN 10.00 each, at the issue price of PLN 10.00 per share. The total par value of the above company's shares taken up by the Issuer is PLN 91,855,080.00. All shares taken up by the Issuer were paid for through a non-cash contribution in the form of interest receivables of PLN 91,855,080.00, resulting from the loan agreements, concluded between the Issuer (Lender) and the Issuer's subsidiary undertakings (Borrowers). The transaction was effected in order to streamline the structure and settlements within the LC Corp Group.
4. On 31 October 2013, as a result of the amendment to the deed of partnership of LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k., a new limited partner, LC Corp S.A., entered into the Company, making a non-cash contribution having the value of PLN 60,900,000.00 (99.98%). As a result of the above, the total value of the contributions made by the partners is PLN 60,910,000.00, including the contributions made by LC Corp Invest XVII Sp. z o.o. and LC Corp Invest XI Sp. z o.o., of PLN 100.00 and PLN 9,900.00, respectively.
5. On 31 October 2013, LC Corp S.A. issued 500 unsecured five-year coupon bonds having the value of PLN 100,000 each and the total par value of PLN 50,000,000, pursuant to the agreement concluded with the banks, Pekao S.A. seated in Warsaw and BRE Bank S.A. seated in Warsaw, on the Bond Issue Programme, the bonds maturing on 30 October 2018.
6. On 6 November 2013, a new company, LC Corp Invest XV Sp. z o.o. Projekt 10 Sp. k., was registered.
7. On 6 November 2013, a change in the share capital of LC Corp Invest XV Sp. z o.o. Investments S.K.A. was registered with KRS, as a consequence of an increase in the Company's share capital made by LC Corp S.A.. The new amount of the Company's share capital is PLN 91,905,080.00 and it is divided into 9,190,508 shares of PLN 10.00 each. The new shares in the increased share capital were taken up by LC Corp S.A., which thus became the Company's new shareholder.
8. On 7 November 2013, the General Shareholders Meeting of LC Corp Invest II Sp. z o.o. adopted a resolution on an increase in the company's share capital up to the amount of PLN 88,800,000.00. All shares were taken up by the sole shareholder, LC Corp S.A.
9. On 7 November 2013, the General Shareholders Meeting of LC Corp Invest VII Sp. z o.o. adopted a resolution on an increase in the company's share capital up to the amount of PLN 4,000,000.00. All shares were taken up by the sole shareholder, LC Corp S.A.
10. On 7 November 2013, the General Shareholders Meeting of LC Corp Invest IX Sp. z o.o. adopted a resolution on an increase in the company's share capital up to the amount of PLN 4,700,000.00. All shares were taken up by the sole shareholder, LC Corp S.A.
11. On 7 November 2013, the General Shareholders Meeting of LC Corp Invest X Sp. z o.o. adopted a resolution on an increase in the company's share capital up to the amount of PLN 10,300,000.00. All shares were taken up by the sole shareholder, LC Corp S.A.
12. On 7 November 2013, the General Shareholders Meeting of LC Corp Invest XI Sp. z o.o., with its registered seat in Wrocław, adopted a resolution on an increase in the company's share capital up to the amount of PLN 41,000,000.00. All shares were taken up by the sole shareholder, LC Corp S.A.
13. On 7 November 2013, the General Shareholders Meeting of LC Corp Invest XII Sp. z o.o. adopted a resolution on an increase in the company's share capital up to the amount of PLN 24,800,000.00. All shares were taken up by the sole shareholder, LC Corp S.A.
14. On 7 November 2013, the General Shareholders Meeting of Kraków Zielony Złocień Sp. z o.o. adopted a resolution on an increase in the company's share capital up to the amount of PLN 11,230,000.00. All shares were taken up by the sole shareholder, LC Corp S.A.

2.22. 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 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 2013 the Group companies did not have any significant liabilities other than those presented in the statement of financial position.

2.23. Other information material for the Group's assessment of its personnel, asset, financial and profit/loss standing and related changes 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 related changes or of the feasibility of discharging its obligations.

2.24. 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

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 (PLN'000) concerning revenues and profits of the Group's individual segments have been provided for the period of nine months ended 30 September 2013 and 30 September 2012, whereas those concerning assets and liabilities have been provided as at 30 September 2013 and 31 December 2012.

Period of 9 months ended 30 September 2013 (unaudited)	Rental service activity	Property development activity	Holding activity	Total activity
Total sales revenue	**30 551**	**98 288**	**391**	**129 230**
Pre-tax profit (loss) on sales	**20 817**	**19 782**	**176**	**40 775**
Unallocated revenues				69 742
Unallocated expenses				(39 882)
Pre-tax profit (loss)				**70 635**
Income tax (tax burden)				(10 436)
Profit (loss) after tax				**60 199**

Period of 9 months ended 30 September 2012 (unaudited)	Rental service activity	Property development activity	Holding activity	Total activity
Total sales revenue	**32 817**	**56 467**	**114**	**89 398**
Pre-tax profit (loss) on sales	**23 433**	**12 684**	**114**	**36 231**
Unallocated revenues				24 335
Unallocated expenses				(60 947)

Pre-tax profit (loss)	**(381)**
Income tax (tax burden)	19 901
Profit (loss) after tax	**19 520**

As at 30 September 2013 (unaudited)	**Rental service activity**	**Property development activity**	**Holding activity**	**Total activity**
Assets and liabilities				
Total assets	926 958	888 914	41 243	1 857 115
Total liabilities and provisions	429 477	268 418	20 204	718 099
including Financial liabilities	*331 389*	*214 322*	*20*	*545 731*

As at 31 December 2012 (audited)	**Rental service activity**	**Property development activity**	**Holding activity**	**Total activity**
Assets and liabilities				
Total assets	767 668	783 165	119 564	1 670 397
Total liabilities and provisions	317 341	253 710	20 262	591 313
including Financial liabilities	*238 308*	*196 318*	*20*	*434 646*

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

STATEMENT OF FINANCIAL POSITION

(PLN'000)	as at 30 Sept 2013 end of quarter (unaudited)	as at 31 Dec 20121 end of previous year (audited)
Assets		
A. Non-current assets	**906 945**	**866 350**
1. Intangible assets	285	341
2. Property, plant and equipment	1 103	931
2.1. Tangible assets	916	930
2.2. Tangible assets under construction	187	1
3. Non-current loans and receivables	582 940	538 680
4. Non-current investments	322 617	326 398
5. Non-current prepayments and accrued income	0	0
6. Deferred tax assets	0	0
B. Current assets	**209 082**	**231 675**
1. Inventories	133 900	72 133
2. Trade and other receivables	8 922	13 330
3. Income tax receivable	0	63
4. Current financial assets	34 452	70 711
5. Cash and cash equivalents	31 524	75 293
6. Current prepayments and accrued income	284	145
C. Non-current assets classified as held for sale	0	**0**
Total assets	**1 116 027**	**1 098 025**

Equity and liabilities		
A. Equity	**832 841**	**814 489**
1. Share capital	447 558	447 558
2. Balance of called-up share capital not paid	0	0
3. Reserve funds	333 863	304 135
4. Other reserve funds	30 000	30 000
5. Other capital	3 068	3 068
6. Retained profit (loss carried forward)	18 352	29 728
B. Non-current liabilities	**121 882**	**224 589**
1. Non-current financial liabilities	105 886	208 830
2. Provisions	19	19
3. Deferred tax liability	15 977	15 740
C. Current liabilities	**161 304**	**58 947**
1. Current financial liabilities	158 650	50 426
2. Current trade and other payables	1 120	5 825
3. Income tax payable	0	0
4. Provisions	157	0
5. Accrued expenses and revenue	1 377	2 696
Total equity and liabilities	**1 116 027**	**1 098 025**

STATEMENT OF COMPREHENSIVE INCOME

(PLN'000)	Q3 2013 period from 1 July 2013 to 30 Sept 2013	3 quarters 2013 cumulative from 1 Jan 2013 to 30 Sept 2013	Q3 2012 period from 1 July 2012 to 30 Sept 2012	3 quarters 2012 cumulative from 1 Jan 2012 to 30 Sept 2012
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue				
Revenue from sale of services	1 575	22 462	1 245	24 304
Revenue from interest and discounts	6 325	21 368	12 890	33 143
Revenue from dividend	14 781	14 781	0	0
Other financial income	0	6 879	0	307
Other operating income	65	93	4	28
Total operating income	**22 746**	**65 583**	**14 139**	**57 782**
Expenses				
Operating expenses	(4 614)	(29 056)	(2 845)	(29 278)
Costs of interest and discounts	(4 151)	(13 243)	(4 670)	(11 264)
Other financial expenses	(119)	(4 452)	(119)	(263)
Other operating expenses	(13)	(244)	(27)	(66)
Total operating expenses	**(8 897)**	**(46 995)**	**(7 661)**	**(40 871)**
Pre-tax profit (loss)	**13 849**	**18 588**	**6 478**	**16 911**
Corporate income tax (tax burden)	145	(236)	(1 236)	(3 235)

Net profit/(loss) on continued operations	**13 994**	**18 352**	**5 242**	**13 676**
Discontinued operations				
Profit (loss) on discontinued operations	0	0	0	0
Net profit/(loss)	**13 994**	**18 352**	**5 242**	**13 676**
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 of tax)	**0**	**0**	**0**	**0**
Total comprehensive income	**13 994**	**18 352**	**5 242**	**13 676**

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 2013	**447 558**	**0**	**304 135**	**30 000**	**3 068**	**29 728**	**814 489**
Net profit for the period of 9 months ended 30 September 2013	*0*	*0*	*0*	*0*	*0*	*18 352*	***18 352***
Other comprehensive income for the period of 9 months ended 30 September 2013	*0*	*0*	*0*	*0*	*0*	*0*	***0***
Total comprehensive income for the period of 9 months ended 30 September 2013	**0**	**0**	**0**	**0**	**0**	**18 352**	**18 352**
Transfer of profit for 2012 to reserve funds	0	0	29 728		0	(29 728)	**0**
As at 30 September 2013	**447 558**	**0**	**333 863**	**69 771**	**3 108**	**18 352**	**832 841**

(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 2012	**447 558**	**0**	**288 430**	**30 000**	**3 068**	**15 705**	**784 761**
Net profit for 2012	*0*	*0*	*0*	*0*	*0*	*29 728*	*29 728*
Other comprehensive income for 2012	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Total comprehensive income for 2012	**0**	**0**	**0**	**0**	**0**	**29 728**	**29 728**
Transfer of profit for 2011 to reserve funds	0	0	5 116	0	0	(5 116)	0
Transfer of retained profits for 2009-2010 to reserve funds	0	0	10 589	0	0	(10 589)	0
As at 31 December 2012	**447 558**	**0**	**304 135**	**30 000**	**3 068**	**29 728**	**814 489**

(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 2012	**447 558**	**0**	**288 430**	**30 000**	**3 068**	**15 705**	**784 761**
Net profit for the period of 9 months ended 30 September 2012	*0*	*0*	*0*	*0*	*0*	*13 676*	*13 676*
Other comprehensive income for the period of 9 months ended 30 September 2012	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Total comprehensive income for the period of 9 months ended 30 September 2012	**0**	**0**	**0**	**0**	**0**	**13 676**	**13 676**
Transfer of profit for 2011 to reserve funds	0	0	5 116	0	0	(5 116)	0
Transfer of retained profits to reserve funds	0	0	10 589	0	0	(10 589)	0
As at 30 September 2012	**447 558**	**0**	**304 135**	**30 000**	**3 068**	**13 676**	**798 437**

STATEMENT OF CASH FLOWS

(PLN'000)	3 quarters 2013 from 1 Jan 2013 to 30 Sept 2013	3 quarters 2012 from 1 Jan 2012 to 30 Sept 2012
	(unaudited)	(unaudited)
A. Cash flows from operating activities		
I. Pre-tax profit (loss) on continuing operations	**18 588**	**16 911**
II. Total adjustments	**(53 967)**	**(130 715)**
1. Change in tangible assets and intangible assets	(115)	30
2. Change in provisions	157	0
3. Change in inventories	(61 767)	6 711
4. Change in receivables	4 408	(25 694)
5. Change in current liabilities (net of loans and borrowings)	(4 705)	(10)
6. Change in accruals and deferrals	(1 458)	(1 401)
7. Change in financial liabilities	13 670	381
8. Change in financial assets resulting from loans and notes	(3 520)	(110 686)
9. Change in financial assets resulting from shares	(700)	(704)
10. Corporate income tax	63	1 022
11. Other adjustments	0	(364)
III. Net cash provided by (used in) operating activities (I±II)	**(35 379)**	**(113 804)**
B. Cash flows from financing activity		
I. Cash provided by financing activities	**0**	**94 613**
1. Net proceeds from issue of shares and additional contributions to equity	0	0
2. Issue of debt securities	0	64 823
3. Loans	0	29 790
II. Cash used in financing activities	**(8 390)**	**(5 327)**
1. Acquisition of own (treasury) shares	0	0
2. Interest	(8 390)	(5 327)
3. Other financial expenses	0	0
III. Net cash provided by (used in) financing activities (I–II)	**(8 390)**	**89 286**
C. Total net cash flow (A.III±B.III)	**(43 769)**	**(24 518)**
D. Balance-sheet change in cash, including:	**(43 769)**	**(24 518)**
– change in the position of cash on account of foreign exchange differences		0
E. Cash at beginning of period	**75 293**	**107 791**
F. Cash at end of period (F±D)	**31 524**	**83 273**
- restricted cash	20	20

OTHER INFORMATION AND NOTES TO FINANCIAL STATEMENTS

3.1. General information about the Issuer

LC Corp S.A. ("the Issuer" or "the Company") was established by the Notarial Deed dated 3 March 2006. The Company's registered office is situated in Wrocław, Poland, 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 Section of the National Court Register, under KRS No. 0000253077.

As at 30 September 2013 the shares of LC Corp S.A. were publicly traded.

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 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 nine months ended 30 September 2013. The detailed description of the component parts of the financial statements has been presented in item 3.2.

3.2. Rules adopted for drawing up the quarterly report (in particular 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 2013 and comparable financial data as at 31 December 2012;
- statement of comprehensive income for three quarters of 2013, i.e. for the period of nine months, cumulative from 1 January 2013 to 30 September 2013 as well as comparable data for a corresponding period of the previous year, i.e. for the period from 1 January 2012 to 30 September 2012;
- statement of cash flows for three quarters of 2013, i.e. for the period of nine months, cumulative from 1 January 2013 to 30 September 2013 as well as comparable data for a corresponding period of the previous year, i.e. for the period from 1 January 2012 to 30 September 2012;
- statement of changes in equity as at 30 September 2013 and comparable financial data as at 30 September 2012 and as at 31 December 2012;
- 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 2013, 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. 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 day of approval of these statements for publication, taking into account the process of introducing IFRS standards, currently in progress in the EU, and the Group's activity, there are differences between IFRS standards which have come into force and IFRS standards adopted by the EU within the accounting principles used by the Group. The Company took advantage of the possibility, existing in the case of the application of the International Financial Reporting Standards approved by the EU, of applying IFRS 10, IFRS 11, IFRS 12, amended IAS 27 and IAS 28 for the annual periods that will start on 1 January 2014.

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 2012.

The interim condensed financial statements of LC Corp S.A. are presented in thousand zloty ('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 14 November 2013.

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 2012, published on 21 March 2013.

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

3.3. 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 a year.

3.4. 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 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 2013 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.

Impairment of the shares held in subsidiary undertakings and borrowings granted to such 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 and borrowings granted to these undertakings. If the review reveals the existence of such impairment, the Management Board writes down these assets to their recoverable value.
If the objective evidence, pointing to the impairment of borrowings, exists, the amount of write-down is equal to the difference between the carrying value of the asset and the present value of the future cash flows, discounted at the original effective interest rate of the financial instrument. The impairment loss is recognised in the statement of comprehensive income.
The recoverable value of shares and borrowings and the level of their write-downs were estimated as at 30 September 2013 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.

The table below presents the significant estimates as at 30 September 2013 and as at 31 December 2012.

(PLN'000)	as at 30 Sept 2013 end of quarter (unaudited)	as at 31 Dec 2012 end of previous year (audited)
Deferred tax asset	0	0
Deferred tax liability	15 977	15 740
Write-down of shares and borrowings	70 066	72 852

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

During the period of nine months ended 30 September 2013 there were no write-downs of inventory to the net realizable value.

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

During the period of nine months ended 30 September 2013 there were no changes in the impairment losses in respect of financial assets, property, plant and equipment, intangible values and other assets.

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

The amounts of provisions and the reconciliation presenting the changes of their status during the accounting year are shown in the table below:

	One-off retirement, disability and death benefits	*Remediation of construction defects and faults (*)*	*Total*
As at 1 January 2013	**19**	**0**	**19**
Created during the accounting year	0	220	220
Utilized	0	(63)	(63)
Reversed	0	0	0

As at 30 September 2013 (unaudited)	**19**	**157**	**176**
Current as at 30 September 2013	0	157	157
Non-current as at 30 September 2013	19	0	19

As at 1 January 2012	**19**	**0**	**19**
Created during the accounting year	0	0	0
Utilized	0	0	0
Reversed	0	0	0
As at 31 December 2012 (audited)	**19**	**0**	**19**
Current as at 31 December 2012	0	0	0
Non-current as at 31 December 2012	19	0	19

(*) it concerns the investment project carried out by LC Corp Invest Sp. z o.o., taken over as a result of the merger on 17 November 2011.

3.8. 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 2013 (unaudited)	**31 December 2012 (audited)**	**30 September 2013 (unaudited)**	**31 December 2012 (audited)**
Deferred tax liability				
Accrued interest on borrowings and deposits	(20 599)	(19 172)	(1 427)	(4 699)
Difference in the value of tangible assets (tax depreciation and book depreciation)	(56)	(45)	(11)	37
Gross deferred tax liability	**(20 655)**	**(19 217)**		
Deferred tax assets				
Provisions and prepayments and accrued income	327	548	(221)	185
Accrued interest on borrowings and discounts on bonds	3 055	2 061	994	446
Write-downs of shares	0	0	0	(15 444)
Losses potentially deductible from the future taxable income	1 296	868	429	830
Other	0	0	0	(20)
Gross deferred tax asset	**4 678**	**3 477**		

Deferred tax burden			(236)	(18 665)
Net deferred tax asset		0		
Net deferred tax liability	(15 977)	(15 740)		

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

In the period of nine months ended 30 September 2013 the Company purchased property, plant and equipment having the value of PLN 411,000.

In the period of nine months ended 30 September 2013 the Company did not enter into any sale transactions concerning property, plant or equipment.

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

As at 30 September 2013 there were no significant liabilities on account of the purchase of property, plant or equipment.

3.11. Information about significant settlements on account of litigation

During the period ended 30 September 2013 there were no significant settlements on account of litigation.

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

In the period of nine months ended 30 September 2013 there were no corrections of errors of the previous periods.

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)

The description can be found in item 2.14.

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

None occurred.

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

Apart from the letter of intent, described in item 2.15, in the discussed reporting period 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.

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

None occurred.

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

None occurred.

3.18. Financial liabilities

3.18.1 Interest bearing loans, borrowings, bonds and investment notes

Non-current	Maturity	30 September 2013 (unaudited)	31 December 2012 (audited)
Bank loan in PLN (a)	31 Jan 2016	29 872	29 831
Bond scheme (b)	-	-	99 719
Bond scheme (c)	25 May 2015	64 675	64 529
Investment notes (d)	-	-	14 751
Investment notes (e)	30 June 2015	11 339	-
		105 886	**208 830**

Current	Maturity	30 September 2013 (unaudited)	31 December 2012 (audited)
Bond scheme (b)	15-04-2014	103 198	1 715
Bond scheme (c)	25-11-2013	1 458	524
Investment notes (d)	31-01-2014	15 477	-
Investment notes (e)	-	-	10 997
Investment notes (f)	9 Dec 2013	34 725	33 398
Bond scheme (g)	1 Dec 2013	20	20
Borrowings (h)	31 Dec 2013	3 772	3 772
		158 650	**50 426**

(a) Bank loan in PLN taken out with Getin Noble Bank S.A.

(b) Coupon bonds – the issue of 15 April 2011, including 1,000 three-year unsecured coupon bonds, having a par value of PLN 100,000 each.

(c) Coupon bonds – the issue of 1 June 2012, including 650 three-year unsecured coupon bonds, having a par value of PLN 100,000 each.

(d) Investment notes – the issue of 9 March 2012, including seven investment notes having a par value of PLN 2,000,000 each, acquired by a subsidiary undertaking, Arkady Wrocławskie S.A.

(e) Investment notes – the issue of 20 January 2011, including ten investment notes having a par value of PLN 1,000,000 each, acquired by a subsidiary undertaking, Arkady Wrocławskie S.A.

(f) Investment notes – the issue of 9 December 2010, including 30 investment notes having a par value of PLN 1,000,000 each, acquired by a subsidiary undertaking, Warszawa Przyokopowa Sp. z o.o.

(g) Liability on account of the custody agreement concluded with Getin Noble Bank S.A. concerning the long-term incentive plan.

(h) Liability on account of the agreement concluded on 8 July 2008 on the borrowing granted by a subsidiary undertaking, Warszawa Przyokopowa Sp. z o.o.

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

In the period of nine months ended 30 September 2013 the Issuer did not issue, redeem or repay any debt or equity securities.

3.18.3 Collaterals

As at 30 September 2013 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 the cash deposit of PLN 30,000,000.
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,
   - pledge by registration on all shares of Warszawa Przyokopowa Sp. z o.o. with a financial pledge,
   - 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.

3.19. 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.

3.20. Events subsequent to 30 September 2013, not disclosed in these statements, which could have a material bearing on the future financial results of the Issuer

Subsequent to 30 September 2013 no such events occurred, except for those described in item 2.21.

3.21. 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.

3.22. Other information material for the Issuer's assessment of its personnel, asset, financial and profit/loss standing and related changes 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 related changes or of the feasibility of discharging its obligations.

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

4.1. Main achievement and failures of the LC Corp Group

In the third quarter of 2013, the Group was proceeding as planned with the completion of investment projects, carried out by its subsidiary undertakings:

Warsaw

Commercial projects:

Wola Center

On the property located in ul. Grzybowska and ul. Przyokopowa in Warsaw, Warszawa Przyokopowa Sp. z o.o. completed the commercial project consisting in the construction of an office complex with retail facilities. The project was finalised in September 2013, by the obtaining of an occupancy permit. Thus, the facility was transferred to the tenants for use.

Residential projects:

Osiedle Na Woli

On the property located in ul. Sowińskiego in Warsaw, LC Corp Invest XV Sp. z o.o. Projekt 8 Sp. k. is carrying out a project consisting in the construction of two eight-storey buildings, comprising 191 flats and two retail premises, having the total area of 10,033 sq. m. The construction works started on 1 March 2013, in the general contracting system, and the completion of the project is scheduled for the fourth quarter of 2014. The sale of flats is in progress.

Powstańców 33

On the plot of 3.4 ha, located at ul. Powstańców 33, in Ząbki near Warsaw, LC Corp Invest XV Sp. z o.o. Projekt 6 Sp. k. is carrying out a residential estate – Powstańców 33. The project provides for the construction of about 880 flats and it will be completed in five stages. In December 2012, stage I of the project (114 flats) was completed. In November 2012, the Group started the construction of stage II of the project, comprising 229 flats, having the total area of 13,169 sq. m. It is planned to complete stage II of the project in the third quarter of 2014. The sale of flats is in progress.

Poborzańska

On the parcel of land located in ul. Poborzańska in Warsaw, purchased in Q2 2013, it is planned to build two six-storey buildings (one purely residential and the other combining residential and retail functions), with underground parking garages (one common garage), offering the floor space of 4,185 sq. m. Eighty-four flats are planned in the building, having the areas from 32 sq. m to 74 sq. m. The construction works will start at the end of 2013.

Promenada stage IV

The planned project comprises one eight-storey residential and retail building with an underground parking garage, having the floor space of over 9,500 sq. m. In the building 188 flats are planned, having the areas from 28 sq. m to 82 sq. m. The construction works will start between the first and second quarter of 2014.

Ostrobramska

On the acquired plot of land in ul. Ostrobramska in Warsaw, it is planned to carry out a project consisting of three stages. Under the project three multi-storey residential buildings (with underground parking garages) are contemplated, having the total floor space of about 32,000 sq. m. It is expected to offer about 600 flats in the above buildings. The construction works will start at the beginning of Q2/3 2014.

Wrocław

Residential projects:

Osiedle Maestro

LC Corp Invest XV Projekt 14 S.K.A. (former LC Corp Invest XIV Sp. z o.o.) is building in three stages the "Maestro" housing estate, located on the property of 11,614 sq. m in ul. Dróżnicza, in the Krzyki-Jagodno district in Wrocław. The first stage (176 flats) and the second stage (160 flats), consisting of buildings B1 and B2, were completed. In July 2013, the occupancy permit was obtained for building B1, and the proceedings related to the occupancy permit for building B2 are in progress. The sale of flats is in progress.

Osiedle Potokowa

The construction of an estate comprising multi- and single-family houses is carried out by LC Corp Invest XV Sp. z o.o. Projekt 5 Sp. k. on the plot of about 18,578 sq. m in ul. Potokowa in Wrocław, purchased by LC Corp S.A. in March 2011 and transferred to LC Corp Invest XV Sp. z o.o. Projekt 5 Sp. k. in January 2012. As part of stage I, two buildings were completed, including 53 flats with underground parking garages and nine single-family terrace buildings with adjacent gardens. During stage II one multi-family building with 42 flats and an underground parking garage was completed. The Company obtained occupancy permits for both stages (stage I on 16 May 2013 and stage II on 3 October 2013). Moreover, on 18 March 2013, the construction of stage III was started, comprising two multi-family buildings (76 flats) and single-family terrace buildings. The completion of this stage of the project is scheduled for Q2 2014. The sale of flats is in progress.

Osiedle Graniczna

LC Corp Invest XV Sp. z o.o. Projekt 1 Sp. k. is carrying out the four-stage project of a residential estate comprising multi-family houses, on the property of about 3.4253 ha, located in ul. Graniczna, in the Muchobór Wielki section in Wrocław, purchased by LC Corp S.A. in 2011 and transferred to LC Corp Invest XV Sp. z o.o. Projekt 1 Sp. k. in April 2012. In October 2013, the occupancy permit for stage I (173 flats) was obtained. In August 2013, the construction of stage II was started – building E (179 flats), the completion of which is planned for Q3 2014. The sale of flats is in progress.

Osiedle Nowalia

On the non-built-up land parcel of 10,176 sq. m, located in ul. Ogórkowa in the Krzyki district in Wrocław, LC Corp Invest XV Sp. z o.o. Projekt 2 Sp. k. is carrying out the construction of a complex comprising 22 single-family terraced buildings (the total of 44 residential premises). The construction works, carried out by the general contractor, were started on 15 February 2013 and their completion is scheduled for the fourth quarter of 2013. The sale of flats is in progress.

Brzeska 5

On the property of 4,489 sq. m, located in ul. Brzeska in Wrocław, LC Corp Invest XV sp. z o.o. Projekt 4 sp. k. is carrying out a project consisting in the construction of a seven-storey residential building with a two-level car park with 150 parking spaces, retail premises on the ground floor and 164 flats. It is planned to complete the project in the fourth quarter of 2014. The sale of flats is in progress.

Stabłowicka 77

In September 2013, LC Corp Invest XV Sp. z o.o. Projekt 3 Sp. k. started the project in ul. Stabłowicka in Wrocław, consisting in the construction of three multi-family buildings on the parcel of land of 10,025 sq. m. In March 2013, the company obtained the building permit. The sale of flats is in progress.

Kiełczowska

On the parcel of land of 9,262 sq. m, located in ul. Kiełczowska, purchased in the second quarter of 2013, the Group is planning the construction of multi-family buildings. At present, the works concentrate on the selection of a design studio. The works on the project should start in Q3 2014.

Kraków

Residential projects:

Grzegórzecka 77

LC Corp Invest XV Sp. z o.o. Projekt 7 Sp. k. is carrying out the residential project on the property of the total area of 1.4098 ha, located ul. Grzegórzecka in Kraków. The project comprises the construction of three multi-family buildings (in three stages) with the total usable area of about 19,500 sq. m (i.e. about 390 flats). In September 2013 the Company obtained the building permit. In October 2013, the construction of the building with the area of 8,000 sq. m, representing the first stage of the project, was started. This stage should be completed in the second quarter of 2015. The sale of flats is in progress.

Słoneczne Miasteczko

In October 2013, on the property of 0.3595 ha, located in ul. Henryka i Karola Czeczów in Kraków, Kraków Zielony Złocień Sp. z o.o. started the construction of two subsequent buildings (42 flats). The completion of the construction is expected in Q4 2014. The sale of flats is in progress.

Katowice

Commercial projects:

Silesia Star

In August 2013, the construction of an office complex in ul. Roździeńskiego in Katowice was started. The project was initially carried out by LC Corp Invest XII Sp. z o.o., in the centre of Katowice, near "Spodek" (sports and entertainment arena). The project consists in the construction of two eight-storey buildings with one-level underground parking garages and retail premises on the ground floor, situated on the parcel of land of 9,938 sq. m.The project will be completed in two stages. The first stage (the construction of the first building) is planned to be completed in Q4 2014. In March 2013, the company obtained the building permit. The works related to this project will be carried out by the general contractor. In October 2013, the property on which the project is carried out was transferred to LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k., which assumed also the role of the investor and entered into all rights and obligations arising from the agreements concluded by the previous perpetual usufructuary and related to the execution of the project.

Gdańsk

Residential projects:

Osiedle Przy Srebrnej

On the property of about 10.7 ha, located in the Łostowice district in Gdańsk, LC Corp Invest VIII Sp. z o.o. is building a residential estate, to be completed in two stages: stage I with a total residential and retail space of about 26,900 sq. m and stage II with a total residential and retail space of about 20,150 sq. m. The first sub-stage (72 flats/premises) of the project was completed in Q4 2012. The construction of the second sub-stage, comprising 86 flats and 8 retail premises, started in August 2013 and is planned to be completed in Q4 2014. The sale of flats is in progress.

Powstańców Wielkopolskich

On the parcel of land of 0.9435 ha, located in the seaside district Gdańsk Zaspa, purchased in the second quarter of 2013, LC Corp Invest VII Sp. z o.o. is carrying out the project consisting in the construction of a residential estate. The project will be completed in two stages and includes multi-family residential buildings with parking spaces – about 230 flats in total, having the floor space of about 10,000 sq. m.

Łódź

Residential projects:

Osiedle Pustynna

On the property located in ul. Pustynna in Łódź, LC Corp Invest X Sp. z o.o. completed the first stage of the residential estate (38 flats), offering the flats with the area from 57 sq. m to 138 sq. m. The sale of flats is in progress.

Osiedle Dębowa Ostoja

On the property located in ul. Spadkowa in Łódź, LC Corp Invest IX Sp. z o.o. completed the first stage of the residential estate (22 terraced houses) – the sale of flats in the terraced buildings is in progress.

The tables below present the number of premises pre-sold and transferred in the third quarter of 2013, and also on the cumulative basis from the beginning of the year to 30 September 2013, in respective cities. The last table presents the level of the Group's offer as at 30 September 2013.

Pre-sales

city	Q3 2012	Q3 2013	Jan-Sept 2012	Jan-Sept 2013
Warszawa	27	81	55	126
Wrocław	98	125	161	252
Kraków	85	36	133	71
Gdańsk	9	6	15	26
Łódź	1	6	4	9
Total	**220**	**254**	**368**	**484**
increase		*15%*		*32%*

sales (notarial deeds – the final transfer of the title)

city	Q3 2012	Q3 2013	Jan-Sept 2012	Jan-Sept 2013
Warszawa	6	10	19	56
Wrocław	42	42	92	129
Kraków	8	25	65	131
Gdańsk	-	3	-	38
Łódź	-	8	-	17
Total	**56**	**88**	**176**	**371**
increase		*57%*		*111%*

offer

city	30 Sept 2013
Warszawa	333
Wrocław	503
Kraków	219
Gdańsk	50
Łódź	38

Total	**1 143**

The Group also expanded its activity by acquiring land for new projects in Warsaw (in ul. Chrzanowskiego).

In Q3 2013, intensive preparatory work was also undertaken to enable the Group's companies to start subsequent projects and to find attractive locations for new investments, both in 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. The negotiations were also continued with regard to the so-called rolling of 50% out of PLN 100 million worth bonds, maturing in April 2014. As a result of these activities, on 31 October 2013, unsecured five-year bonds were issued for the amount of PLN 50 million.

4.2. 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.

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

The Issuer did not publish any financial forecasts for the year 2013.

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

As at 30 September 2013 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 14 November 2013.

Ownership structure of significant blocks of the Issuer's shares as at the date of submitting the financial statements for Q3 2013, 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 2013:

As at 30 September 2013, the shareholders possessing, directly or indirectly through subsidiaries, at least 5% of the total vote at the Issuer's General Shareholders Meeting:

Shareholder	Number of shares	Number of votes	Participation (%) in share capital	Share (%) in vote at general meeting
Leszek Czarnecki directly and indirectly [1] including:	229.126.674	229.126.674	51,19%	51,19%
LC Corp B.V. seated in Amsterdam	214.701.110	214.701.110	47,97%	47,97%
ING Otwarty Fundusz Emerytalny[2]	30.322.627	30.322.627	6,78%	6,78%
AVIVA Otwarty Fundusz Emerytalny AVIVA BZ WBK[2]	30.200.000	30.200.000	6,74%	6,74%

OFE PZU "Złota Jesień"[2]	44.669.036	44.669.036	9,98%	9,98%

[1] Leszek Czarnecki directly holds 14,424,564 shares constituting 3.22% of the share capital and 3.22% share in the vote at the General Meeting, and indirectly through his subsidiary undertakings Leszek Czarnecki holds 214,702,110 shares constituting 47.97% of the share capital and 47.97% share in the vote at the General Meeting. Leszek Czarnecki's subsidiary undertaking is LC Corp B.V. seated in Amsterdam holding 214,701,110 shares constituting 47.97% of the share capital and 47.97% share in the vote at the General Meeting and RB Investcom Sp. z o.o., seated in Wrocław, holding 1,000 shares constituting 0.0002% of the share capital and 0.0002% share in the vote at the General Meeting.

[2] Number of shares in the possession of the shareholders at the General Shareholders Meeting of LC Corp S.A. held on 29 August 2013.

As at 31 December 2012, the shareholders possessing, directly or indirectly through subsidiaries, at least 5% of the total vote at the Issuer's General Shareholders Meeting:

Shareholder	Number of shares	Number of votes	Participation (%) in share capital	Share (%) in vote at general meeting
Leszek Czarnecki directly and indirectly [1] including:	229.126.674	229.126.674	51,19%	51,19%
LC Corp B.V. seated in Amsterdam	214.701.110	214.701.110	47,97%	47,97%
ING Otwarty Fundusz Emerytalny	32.684.371	32.684.371	7,30%	7,30%
AVIVA Otwarty Fundusz Emerytalny AVIVA BZ WBK	36.800.000	36.800.000	8,22%	8,22%
OFE PZU "Złota Jesień"	30.000.000	30.000.000	6,70%	6,70%

[1] Leszek Czarnecki directly holds 14,424,564 shares constituting 3.22% of the share capital and 3.22% share in the vote at the General Meeting, and indirectly through his subsidiary undertakings Leszek Czarnecki holds 214,702,110 shares constituting 47.97% of the share capital and 47.97% share in the vote at the General Meeting. Leszek Czarnecki's subsidiary undertaking is LC Corp B.V. seated in Amsterdam holding 214,701,110 shares constituting 47.97% of the share capital and 47.97% share in the vote at the General Meeting and RB Investcom Sp. z o.o., seated in Wrocław, holding 1,000 shares constituting 0.0002% of the share capital and 0.0002% share in the vote at the General Meeting.

4.5. Changes in the Issuer's shares or options held by the management and supervisory staff of the Issuer as at 14 November 2013, 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 21 Mar 2013(*)**	**Increase**	**Decrease**	**Holding of the Issuer's shares as at 14 May 2013**
Supervisory staff					
Leszek Czarnecki	Chairman of the Supervisory Board	14.424.564	-	-	14.424.564
Andrzej Błażejewski	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	-	-	-	-
Damian Milibrand[1]	Member of the Supervisory Board	-	-	-	-
Management staff					
Dariusz Niedośpiał	President of the Management Board	6.000	-	-	6.000
Joanna Jaskólska	Vice President of the Management Board	6.000	-	-	6.000
Tomasz Wróbel	Member of the Management Board	-	-	-	-
Mirosław Kujawski	Member of the Management Board	-	-	-	-

(*) pursuant to the information included in H1 2013 report.

([1]) On 9 November 2013, the Issuer was informed that Mr Damian Milibrand resigned from his function in the Issuer's Supervisory Board.

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

As at 30 September 2013 no proceedings were initiated before the court or public administration authority, with regard to liabilities or receivables of LC Corp S.A. or its subsidiaries, whose individual or aggregate value would represent at least 10% of the Issuer's equity.

4.7. Information on significant, single or multiple, non-arm's length related party transactions of the Issuer or its subsidiary undertaking

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

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

In Q3 2013, neither the Issuer nor its subsidiary undertaking granted any loan sureties.

4.9. Other information material for the assessment of the Group's personnel, asset, financial and profit/loss standing and relevant changes 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 related changes or of the feasibility of discharging its obligations.

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

The financial performance of the Group will be influenced by the level of revenue generated from the rental of commercial space in Arkady Wrocławskie Centre and the Wola Center office building, which is linked with the EUR exchange rate. The EUR exchange rate will also exert an influence on the valuation of foreign-denominated loans, financial instruments in the form of forward contracts and investment property, Arkady Wrocławskie and Wola Center. The property valuation of Arkady Wrocławskie and Wola Center will also depend on the level of capitalisation rates on the real estate market in a given reporting period.

Another important factor affecting the Group's results in the following quarter will be the value of flats/premises transferred to the clients in the completed projects: Rezydencja Kaliska, Powstańców 33 (stage I), Maestro (stages I and II), Potokowa (stages I and II), Graniczna (stage I), Słoneczne Miasteczko (stages I and II), Okulickiego 59, Przy Srebrnej (sub-stage I) and Dębowa Ostoja (stage I) and Pustynna 43 (stage I). In compliance with IAS 18 the revenue from property development activity is recognized when, in principle, all risks and benefits related to given premises have been transferred to the client and the revenue can be measured in a reasonable manner (item 2.5).

………………………………………….	………………………………………..
Dariusz Niedośpiał President of the Management Board	Joanna Jaskólska Vice President of the Management Board
………………………………………….	………………………………………..
Tomasz Wróbel Member of the Management Board	Mirosław Kujawski Member of the Management Board

Wrocław, 14 November 2013.