

**(Current Report No 091/2014)**

**October, 28<sup>th</sup> 2014**

**Mortgage established by a subsidiary**

Legal Basis: Art. 56.1.2 of the Act on Public Offering – current and periodic information

The Management Board of LC Corp S.A. (the "Issuer") informs that today it received information that the District Court of Katowice-Wschód in Katowice, 11th Land Register Division made an entry in the land and mortgage register No. KA1K/00047698/2 concerning a contractual mortgage for a total amount of up to PLN 61,470,300.00 for Powszechna Kasa Oszczędności Bank Polski S.A

The land and mortgage register No. KA1K/00047698/2 is kept for the real estate located in Katowice at al. Roździeńskiego with a total area of 0.9938 ha held in perpetual usufruct by LC Corp Invest XVII spółka z ograniczoną odpowiedzialnością Projekt 20 spółka komandytowa ("the Issuer's subsidiary undertaking"), whose the Issuer is directly and indirectly the sole shareholder (by its subsidiary undertakings: LC Corp Invest XVII sp. z o.o. and LC Corp Invest XI sp. z o.o.).

The mortgage was established on the basis of a framework agreement on the cooperation on the financial market concluded on 30 June 2014. between the Issuer's subsidiary and Powszechna Kasa Oszczędności Bank Polski S.A. (the "Agreement"). The mortgage constitutes the security for liabilities to Powszechna Kasa Oszczędności Bank Polski S.A. arising from the Agreement.

The Agreement was concluded, as stated above, between the Issuer's subsidiary and the entity not related to the Issuer (and unrelated to the Issuer's management or supervisory staff) - Powszechna Kasa Oszczędności Bank Polski S.A.

The book value of the assets on which the mortgage was established, as reported in the accounting records, is PLN 86,420,000.00.

To meet the Issuer's criterion of assets significance, the value of acquired assets has to exceed 10% of the Issuer's equity.

Legal basis: Art. 5.1.1 of the Regulation of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognizing as equivalent the information required by the laws of a non-member state (Journal of Laws - Dz. U. No. 33, item 259).