



CONSOLIDATED QUARTERLY REPORT

of the Echo Investment Capital Group
for Q4 2011

ECHO
investment

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1. SELECTED CONSOLIDATED FINANCIAL DATA

	PLN '000		EUR '000	
	1 January 2011 - 31 December 2011	1 January 2010 - 31 December 2010	1 January 2011 - 31 December 2011	1 January 2010 - 31 December 2010
I. Operating revenue	404 150	426 396	97 618	106 482
II. Profit before tax and excluding financial revenue /costs	545 835	168 691	131 841	42 126
III. Gross profit (loss)	188 719	137 332	45 583	34 295
IV. Net profit (loss)	164 047	147 738	39 624	36 894
V. Net cash flow from operating activities	155 760	99 923	37 622	24 953
VI. Net investment cash flow	(154 208)	(42 394)	(37 247)	(10 587)
VII. Net cash flow from financial activities	173 996	158 507	42 027	39 583
VIII. Total net cash flow	175 548	216 036	42 402	53 950
IX. Total assets	5 363 960	4 490 959	1 214 445	1 133 995
X. Equity attributable to shareholders of the parent	2 051 617	1 875 575	464 503	473 594
XI. Non-current liabilities	2 391 699	1 853 680	541 500	468 066
XII. Current liabilities	622 875	510 328	141 024	128 861
XIII. Number of shares	420 000 000	420 000 000	420 000 000	420 000 000
XIV. Earnings (loss) per ordinary share (in PLN/EUR)	0,39	0,35	0,09	0,09
XV. Diluted earnings (loss) per ordinary share (in PLN/EUR)	0,39	0,35	0,09	0,09
XVI. Book value per share (in PLN/EUR)	4,88	4,47	1,11	1,13
XVII. Diluted book value per share (in PLN/EUR)	4,88	4,47	1,11	1,13

2. CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION

PLN '000	as at 2011.12.31	as at 2010.12.31
Assets		
1. Non-current assets		
1.1. Intangible assets	1 427	1 227
1.2. Tangible fixed assets	55 457	24 952
1.3. Long-term receivables	309	39
1.4. Investment property	2 893 756	2 808 083
1.5. Investment property under construction	1 039 583	689 039
1.6. Financial investments	104 429	4
1.7. Borrowings granted	-	21
1.8. Deferred income tax assets	46 574	15 404
	4 141 535	3 538 769
2. Current assets		
2.1. Inventory	500 345	474 593
2.2. Income tax receivables	1 379	1 839
2.3. Other tax receivables	81 094	42 111
2.4. Trade and other receivables	72 627	52 491
2.5. Borrowings granted	148	1 039
2.6. Financial derivatives	-	828
2.7. Cash and cash equivalents	566 832	379 289
	1 222 425	952 190
Total Assets	5 363 960	4 490 959

CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION CONT.

PLN '000	as at 2011.12.31	as at 2010.12.31
Equity and Liabilities		
1. Equity		
1.1. Equity attributable to shareholders of the parent	2 051 617	1 875 575
1.1.1. Share capital	21 000	21 000
1.1.2. Supplementary capital	1 857 464	1 709 726
1.1.3. Accumulated profit (loss)	164 047	147 738
1.1.4. Foreign exchange differences on translation of foreign operations	9 106	(2 889)
1.2. Non-controlling interest	(60)	(59)
	2 051 557	1 875 516
2. Provisions		
2.1. Provisions for liabilities	10 537	11 565
2.2. Deferred income tax provision	287 292	239 870
	297 829	251 435
3. Non-current liabilities		
3.1. Loans and borrowings	2 269 056	1 746 175
3.2. Financial derivatives	13 169	10 310
3.3. Security deposits received	38 777	40 439
3.4. Lease	70 697	56 756
	2 391 699	1 853 680
4. Current liabilities		
4.1. Loans and borrowings	302 885	325 200
4.2. Financial derivatives	27 728	8 586
4.3. Income tax liabilities	2 385	2 839
4.4. Other tax liabilities	14 407	37 964
4.5. Trade liabilities	186 658	102 550
4.6. Other liabilities	10 506	11 908
4.7. Advance payments received	78 306	21 281
	622 875	510 328
Total Equity and Liabilities	5 363 960	4 490 959
Book value (PLN '000)	2 051 617	1 875 575
Number of shares	420 000 000	420 000 000
Book value per share (in PLN)	4,88	4,47
Diluted number of shares	420 000 000	420 000 000
Diluted book value per share (in PLN)	4,88	4,47

OFF-BALANCE SHEET ITEMS in PLN '000	as at 2011.12.31	as at 2010.12.31
1. Off-balance sheet receivables	-	-
2. Off-balance sheet liabilities	7 365	600

PLN '000	Q4 1 October 2011 - 31 December 2011	Q1-Q4 1 January 2011 - 31 December 2011	Q4 1 October 2010 - 31 December 2010	Q1-Q4 1 January 2010 - 31 December 2010
Operating revenue	112 441	404 150	99 914	426 396
Operating costs	(44 920)	(152 404)	(33 850)	(167 941)
Gross profit (loss) from sales	67 521	251 746	66 064	258 455
Profit (loss) from sale of property	11 776	136 590	15 344	53 273
Revaluation of property	(11 684)	213 708	(25 660)	(92 085)
Cost of sales	(8 758)	(26 161)	(7 929)	(22 088)
General and administrative expenses	(17 744)	(51 324)	(13 158)	(40 333)
Other operating revenue (expenses)	13 943	21 276	829	11 469
Profit before tax and excluding financial revenue /costs	55 054	545 835	35 490	168 691
Financial revenue	938	1 705	941	6 805
Financial costs	(42 906)	(156 199)	(27 865)	(125 136)
Profit (loss) on FX instruments	6 145	(26 395)	6 915	45 934
Foreign exchange profit (loss)	(36)	(175 580)	15 776	40 876
Revaluation of goodwill of subsidiaries	(2)	(647)	229	162
Gross profit (loss)	19 193	188 719	31 486	137 332
Income tax	(2 461)	(24 697)	344	10 312
Net profit (loss)	16 732	164 022	31 830	147 644
Profit (loss) attributable to non-controlling interest	(12)	(25)	(2)	(94)
Net profit (loss) attributable to shareholders of the parent	16 744	164 047	31 832	147 738
Annualised net profit (loss)		164 047		147 738
Average-weighted number of ordinary shares		420 000 000		420 000 000
Annualised earnings (loss) per ordinary share (in PLN)		0,39		0,35
Average-weighted diluted number of ordinary shares		420 000 000		420 000 000
Diluted earnings (loss) per ordinary share (in PLN)		0,39		0,35

3. CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME

PLN '000	Q4 1 October 2011 - 31 December 2011	Q1-Q4 1 January 2011 - 31 December 2011	Q4 1 October 2010 - 31 December 2010	Q1-Q4 1 January 2010 - 31 December 2010
Net profit	16 732	164 022	31 830	147 644
Other comprehensive income:				
- foreign exchange differences on translation of foreign operations				
Other net comprehensive income	5 872	11 995	(3 535)	(5 849)
	5 872	11 995	(3 535)	(5 849)
Comprehensive income for the period, including:				
	22 604	176 017	28 295	141 795
Comprehensive income attributable to shareholders of the parent				
Comprehensive income attributable to non-controlling interest	22 616	176 042	28 297	141 889

4. CONSOLIDATED QUARTERLY STATEMENT OF CHANGES IN EQUITY

PLN '000	Share capital	Supplementary capital	Accumulated profit (loss)	Foreign exchange differences on translation	Equity attributable to shareholders of the parent	Minority interest	Total equity
For Q1-Q4 (current year), from 1 January 2011 to 31 December 2011							
Opening balance after adjustment to comparative data	21 000	1 709 726	147 738	(2 889)	1 875 575	(59)	1 875 516
Allocation of result from previous years	-	147 738	(147 738)	-	-	-	-
Change in minority interest	-	-	-	-	-	24	24
Other net comprehensive income	-	-	-	11 995	11 995	-	11 995
Net profit (loss) for the period	-	-	164 047	-	164 047	(25)	164 022
Closing balance	21 000	1 857 464	164 047	9 106	2 051 617	(60)	2 051 557
For Q1-Q4 (previous year), from 1 January 2010 to 31 December 2010							
Opening balance after adjustment to comparative data	21 000	1 597 501	112 225	2 960	1 733 686	(8)	1 733 678
Allocation of result from previous years	-	112 225	(122 225)	-	-	-	-
Change in minority interest	-	-	-	-	-	43	43
Other net comprehensive income	-	-	-	(5 849)	(5 849)	-	(5 849)
Net profit (loss) for the period	-	-	147 738	-	147 738	(94)	147 644
Closing balance	21 000	1 709 726	147 738	(2 889)	1 875 575	(59)	1 875 516

5. CONSOLIDATED QUARTERLY CASH FLOW STATEMENT

Cash flow statement [PLN '000]		Q1-Q4 1 January 2011 - 31 December 2011	Q1-Q4 1 January 2010 - 31 December 2010
A. Operating cash flow – indirect method			
I. Net profit (loss)		164 022	147 644
II. Total adjustments			
1. Share in net profits (losses) of affiliated entities	-		(162)
2. Depreciation of PP&E	4 185		4 011
3. Foreign exchange profit (loss)	175 580		(40 875)
4. Interest and profit sharing (dividends)	145 533		106 765
5. Current income tax	24 697		(10 312)
6. Income tax paid	(8 438)		(10 067)
7. Profit (loss) on investment activities	(321 615)		(67 193)
8. Change in provisions	(1 029)		(5 085)
9. Change in inventory	(23 213)		(52 699)
10. Change in receivables	(59 389)		31 823
11. Change in current liabilities, excluding loans and borrowings	55 427		(3 927)
	(8 262)		(47 721)
III. Net operating cash flow (I+/-II)	155 760		99 923
B. Cash flow from investment activities			
I. Proceeds			
1. Disposal of intangible and tangible fixed assets	1 515		957
2. Disposal of investments in property and intangible assets	609 955		248 373
3. From financial assets	21 403		9 811
4 Other investment proceeds	-		-
	632 873		259 141
II. Expenses			
1. Purchase of intangible and tangible fixed assets	(36 406)		(11 483)
2. Investment in property and intangible assets	(622 840)		(184 027)
3. For financial assets	(112 201)		(106 025)
4. Dividends and other share of profit paid to minority	-		-
5. Other investment expenses	-		-
	(771 447)		(301 535)
III. Net cash flow from investment activities (I-II)	(138 574)		(42 394)

6. Consolidated interim cash flow statement (cont.)

Cash flow statement, continued [PLN '000]		Q1-Q4 1 January 2011 - 31 December 2011	Q1-Q4 1 January 2010 - 31 December 2010
C. Cash flow from financial activities			
I. Proceeds			
1. Net proceeds from issue of shares and holdings and other capital instruments and capital contributions		-	-
2. Loans and borrowings		420 035	290 931
3. Issue of debt securities		365 000	150 000
4. Other financial proceeds		-	-
		785 035	440 931
II. Expenses			
1. Acquisition of equity shares (holdings)		-	-
2. Dividends paid and other payments to equity holders		-	-
3. Profit share expenses, other than payments to equity holders		-	-
4. Repayment of loans and borrowings		(249 724)	(171 670)
5. Redemption of debt securities		(220 000)	-
6. On other financial liabilities		-	-
7. Payment of financial lease liabilities		(6)	(211)
8. Interest		(156 943)	(110 543)
9. Other financial expenses		-	-
		(626 673)	(282 424)
III. Net cash flow from financial activities (I+II)		158 362	158 507
D. Total net cash flow (A.IV+/-B.IV+/-C.IV)			
		175 548	216 036
E. Balance sheet change in cash, including:			
- change in cash due to foreign exchange		11 995	(5 848)
F. Cash at the beginning of the period			
		379 289	169 101
G. Cash at the end of the period (F+/- D), including:			
- of restricted availability		57 174	38 923

6. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS

6.1. Basic information

The Echo Investment Capital Group (the Capital Group) has been operating on the real estate market since 1996. The Capital Group's parent company is Echo Investment S.A. (Issuer, Company), which has been quoted at the WSE since 1996. The total number of shares issued by Echo Investment S.A. is 420,000,000 ordinary bearer shares.

Echo Investment S.A. manages the whole investment process of a given project, starting from the purchase of property, through obtaining administrative permits, financing, implementation, supervision to putting the facility into service. It performs the activities on its own behalf or, more often, by providing services to a special-purpose subsidiary. Implementation of construction projects by subsidiaries significantly facilitates the management of conducted processes and ensures transparency of Group structure. Those entities are mainly responsible for the renting out of commercial property (shopping and entertainment centres, offices), project execution and sales of apartments as well as provision of property management services. The Company also provides general investment contractor services to foreign investors.

Basic activities of the Capital Group cover four segments:

- construction and rent of area in shopping and shopping and entertainment centres,
- construction and lease of area in office facilities and construction and sale of hotels,
- construction and sale of residential apartments.

The Capital Group conducts business activity in Poland, Hungary, Romania and Ukraine.

As at 31.12.11 and 31.12.10, the Capital Group employed 324 and 308 people respectively.

6.2. Accounting principles adopted in drawing up the quarterly report

The consolidated statements of the Echo Investment Capital Group cover consolidated financial data for the 12-month period ending on 31 December 2011 and comparative data for the 12-month period ending on 31 December 2010. Unless indicated otherwise, all financial data in the Group's consolidated financial statements has been presented in thousands of PLN.

Reporting currency for the Group's financial statements in Polish zloty ("PLN"), which is the reporting and functional currency of the Parent Company. The Group comprises entities which use a different functional currency than PLN. The comparative data of these companies comprising these statements were converted to the Polish zloty in accordance with the IAS 21 principles. The balance sheet items were converted at the rate as at the balance sheet date while the items of the profit and loss account were converted at the average rate for this period. FX differences resulting from the conversion have been recognised under a separate equity item.

The statements have been drawn up in accordance with the International Accounting Standards and International Financial Reporting Standards approved by the European Commission. Principles regarding valuation of assets and liabilities and measurement of financial result have been reported as at the balance sheet day. The financial statements have been prepared in accordance with the historical cost principle except for investment property measured at fair value and financial instruments valued in accordance with IAS 39. The statements have been drawn up under the assumption of ongoing business activity in the foreseeable future having regard to the fact that there are no circumstances posing a threat to the ongoing business activity.

The Company's Management Board used their best judgment in the selection of the applicable standards, as well as measurement methods and principles for the different items of the condensed consolidated financial statements.

For the purpose of drawing up the statements, the Group applied the same accounting standards as those approved and described in the annual consolidated financial statements for 2010. New interpretations issued by the IFRS Interpretations Committee applicable to the Group for the reporting period beginning on 1 January 2011 did not have any significant impact on these financial statements.

6.3. Effects of adopted changes to accounting principles (restatement of financial statements for previous periods) with description

The Capital Group did not change its accounting principles in Q4, 2011. Detailed accounting policy was presented in the Annual Report for 2010.

6.4. Description of significant achievements and failures of the Capital Group and indication of major events in Q4, 2011

6.4.1. Major events in Q4, 2011

Agreements on the transfer of the ownership of holdings in subsidiaries

See section 6.13 of this report.

Agreement for the sale of the shopping centre in Pabianice

On 27 October 2011, the Issuer's subsidiaries, the company operating under the business name "PPR – Projekt Echo – 77 spółka z ograniczoną odpowiedzialnością" Spółka komandytowo-akcyjna with its registered office in Kielce (Seller), and the company under the business name "PH 3 spółka z ograniczoną odpowiedzialnością" Spółka komandytowo-akcyjna with its registered office in Warsaw (Buyer), entered into an agreement for the sale of the perpetual usufruct title to the plots of land located in Pabianice at ul. Zamkowa 31 and the right of ownership to the buildings and other structures developed on those plots (Pabianice shopping centre).

The total selling price of the Pabianice shopping centre stands at EUR 23,848,300 plus due and payable VAT, which as at the date of signing the agreement, according to the average exchange rate of the National Bank of Poland, was equivalent to PLN 104,589,200 net.

The book value of the assets sold in the consolidated financial statements of the Issuer's Capital Group in conformity with the IAS stands at PLN 80,114,000.

In addition, with regard to the above-mentioned sale transaction, the Issuer repaid some of the investment loan related to the shopping centre in Pabianice in the amount of EUR 530,000, which as at the date of signing the agreement, according to the average exchange rate of the National Bank of Poland, was equivalent to PLN 2,322,000.

The balance of the loan remaining for repayment as at 27.10.2011 is EUR 20,700 thousand, which is equivalent to PLN 90,782 thousand. The said loan agreement was entered into on 23 January 2004 (current report no. 3/2004) and it provided financing for three shopping centres: in Radom, in Piotrków and in Pabianice.

There are no links between the Issuer or the persons managing or supervising the Issuer and the Buyer or the persons managing the Buyer.

Assets sold under sale agreement have been considered to be material based on the Issuer's equity criterion.

The Issuer will earmark the funds raised from the sale of the Pabianice shopping centre for securing the sources of financing for projects ready for implementation. As a result, the Issuer's Management Board maintains its position expressed in current report dated 22 September 2011 (current report no. 44/2011).

Object General Contractor Agreement

On 13 December 2011, the Issuer received a general contractor agreement for a residential complex "Osiedle Jarzębinowe" in Łódź, ul. Okopowa (Stage I), signed on 12 December 2011 with Eiffage Budownictwo Mitex S.A., with its registered office in Warsaw 02-676, ul. Postępu 5A, entered into the Register of Entrepreneurs, District Court for the Capital City of Warsaw in Warsaw, under number KRS 0000044233 (later referred to as the Contractor).

The Contractor's lump-sum remuneration for the performance of the subject of the agreement amounts to: PLN 19,200,000.00 (in words: nineteen million and two hundred thousand złoty) net.

Completion date for the subject of the agreement: 29 March 2013

In the 1st stage of the investment, the Issuer shall construct 120 apartments with an area of 32 to 87 sq. m.

Loan agreement

On 15 December 2011, the Issuer's subsidiary "Veneda – Projekt Echo – 97 Spółka z ograniczoną odpowiedzialnością", with its registered office in Kielce at Al. Solidarności 36, 25-323 Kielce, entered into the register of entrepreneurs maintained by the District Court in Kielce, 10th Commercial Department of the National Court Register, under number KRS 0000396369 (later referred to as the Borrower or the Company), signed a loan agreement (later referred to as the Agreement) with RAIFFEISEN BANK POLSKA S.A., with its registered office in Warsaw at ul. Piękna 20, 00-549 Warsaw, entered into the register of entrepreneurs maintained by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Department of the National Court Register, under number KRS 0000014540 (later referred to as the Lender or the Bank).

According to the terms of the Agreement, the Bank – at the Borrower's request – shall provide the Borrower with the following:

- 1/ cash constituting a construction and investment loan of up to EUR 14,350,000 (fourteen million, three hundred and fifty thousand euro);
- 2/ cash constituting a VAT loan of up to PLN 5,000,000 (five million złoty).

At the Borrower's request submitted after the completion of the shopping centre, the Bank may agree that the amount of the investment loan is increased to refinance the project expenditures incurred by the Borrower.

The Borrower shall use the loans only for the following purposes:

- 1/ Construction loan – to fund project costs and refinance project expenditures incurred by the Borrower;
- 2/ VAT loan – to fund or refinance VAT;
- 3/ Investment loan – to repay the construction loan.

The loans bear interest: for the Investment Loan and Construction Loan – EURIBOR for 3-month deposits, for VAT Loan – WIBOR for 3-month deposits, plus the bank's margin.

The Borrower will use the funds raised under the agreement to develop the shopping centre "Galeria Veneda" in Łomża, ul. Sikorskiego and ul. Zawadzka.

The loan repayment deadlines are as follows:

- (a) for the Investment Loan: 30 September 2019,
- (b) for the Construction Loan: by 15 December 2013,
- (c) for the VAT Loan: 30 September 2013.

To secure the repayment of the amounts due to the Bank, the following securities will be established for the Bank's benefit:

- mortgage, comprising the following:
 - (a) priority mortgage of up to EUR 21,525,000 (twenty-one million, five hundred and twenty-five thousand euro),
 - (b) priority mortgage of up to EUR 7,500,000 (seven million and five hundred thousand zloty),
- registered pledge and financial pledge on shares in the Borrower's share capital;
- registered pledge and financial pledge on holdings in the General Partner's share capital;
- registered pledge and financial pledge on the Borrower's Bank Accounts;
- authorisation for the Bank to use the Borrower's Bank Accounts;
- Borrower's statement of Submission to Enforcement.

Agreement for the purchase of real property

On 21 December 2011, Projekt Echo-70 Spółka z ograniczoną odpowiedzialnością with its registered office in Kielce (address: 25-323 Kielce Aleja Solidarności 36), entered into the register of entrepreneurs maintained by the District Court in Kielce, 10th Commercial Department of the National Court Register under KRS no.: 0000271630, the Issuer's subsidiary (later referred to as: Buyer) signed an agreement for the sale of the perpetual usufruct title to a real property located in Warsaw at ul. Grzybowska, corner of Jana Pawła II 22, with an area of 3,260.00 m² (three thousand, two hundred and sixty square metres), with a hotel building erected on it, forming a separate property (later referred to as Real Property), with Ravenna Warszawa Spółka z ograniczoną odpowiedzialnością, with its registered office in Warsaw (address: 00-546 Warszawa, ul. Ks. I. Skorupki 5), entered into the register of entrepreneurs maintained by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Department of the National Court Register, under KRS no.: 0000106498 (later referred to as the Seller).

The selling price for the Real Property is EUR 31,000,000.00 (thirty-one million euro) net, i.e. PLN 137,714,400.00 (one hundred and thirty-seven million, seven hundred and fourteen thousand and four hundred zloty) as at the day of signing the agreement, according to the average rate of the National Bank of Poland (NBP).

The Real Property will be handed over to the Buyer by 31 January 2012.

There are no links between the Issuer and persons managing or supervising the Issuer, or between the Issuer's subsidiary and persons managing the Issuer's subsidiary, or between the Seller and the Seller's managers.

The purchase of assets will be financed from the Capital Group's equity.

On the purchased area, Echo Investment S.A. plans to construct a modern office building, 155 m high, with an office area of approx. 50,000 sq. m and a multi-level underground car park. At present, the architectural concept is being developed by the architectural design studio APA Kuryłowicz & Associates.

Object General Contractor Agreement

On 23 December 2011, Projekt Echo – 39 Sp. z o.o. with its registered office in: 25-323 Kielce, al. Solidarności 36, entered into the Register of Entrepreneurs kept by the 10th Commercial Department of the National Court Register of the District Court in Kielce under KRS number 0000196339 (a subsidiary of the Issuer, later referred to as the Company) signed a General Contractor Agreement for the object Shopping Centre "Galeria Amber" in Kalisz, ul. Górnośląska, with Eiffage Budownictwo Mitex S.A., with its registered office in Warsaw 02-676, ul. Postępu 5A, entered into the Register of Entrepreneurs kept by the 13th Commercial Department of the National Court Register, District Court for the Capital City of Warsaw in Warsaw, under number KRS 0000044233 (later referred to as the Contractor).

The Contractor' lump-sum remuneration for the performance of the subject of the agreement amounts to: PLN 162,350,000.00 (in words: one hundred and sixty-two million, three hundred and fifty thousand zloty) net.

The term for the completion of the subject of the agreement was specified in the agreement to be 19 months, calculated from the request to start all works.

The agreement contains provisions allowing the Company to calculate contractual penalties in the event of non-performance or ill-performance of the Agreement. The total value of the penalties may not exceed 10% of the remuneration for the performance of the subject of the agreement.

The Company has the right to withdraw from the Agreement by 31 March 2012.

Loan agreement

On 29 December 2011, Galeria Olimpia - Projekt Echo - 98 Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna, with its registered office in Kielce at Al. Solidarności 36, 25-323 Kielce, entered into the register of entrepreneurs of the National Court Register, maintained by the District Court in Kielce, 10th Commercial Department, under KRS no.: 0000396402 (later referred to as: the Borrower or the Company), the Issuer's subsidiary, signed a loan agreement (later referred to as the Agreement) with Nordea Bank Polska Spółka Akcyjna, with its registered office in Gdynia, ul. Kielecka 2, 81-303 Gdynia, entered into the register of entrepreneurs of the National Court Register, maintained by the District Court Gdańsk-Północ in Gdańsk, 8th Commercial Department of the National Court Register, under KRS no. 0000021828 (later referred to as the Lender or the Bank).

According to the terms of the Agreement, the Bank – at the Borrower's request – shall provide the Borrower with the following:

- 1/ cash constituting a construction and investment loan of up to EUR 15,372,421 (fifteen million, three hundred and seventy-two thousand, four hundred and twenty-one euro);
 - 2/ cash constituting a VAT loan of up to PLN 6,587,100 (six million, five hundred and eighty-seven thousand and one hundred zloty).
- The Borrower shall use the loans only for the following purposes:
- 1/ Construction Loan – to fund project costs and refinance project expenditures incurred by the Borrower;
 - 2/ VAT Loan – to fund or refinance VAT;
 - 3/ Investment Loan – the used tranche of the construction loan will be converted to an investment loan.

The loans bear interest: for the Investment Loan and Construction Loan – according to 1-month or 3-month EURIBOR, for VAT Loan – according to 1-month or 3-month WIBOR, plus the bank's margin.

The Borrower will use the funds raised under the agreement to develop the shopping centre "OLIMPIA" in Betchatów, ul. Kolejowa and ul. Armii Krajowej.

The loan repayment deadlines are as follows:

- 1/ for the Investment Loan: by 30 June 2018;
- 2/ for the VAT Loan: 6 months after the investment's completion, by 30 June 2013.

The repayment of the Borrower's liabilities under the Loan due to the Bank is secured by the following:

- 1/ priority joint mortgage established for the Bank's benefit by the Borrower on the Real Property, up to 150% of the Maximum Amount of the Investment Loan;
- 2/ priority joint mortgage established for the Bank's benefit by the Borrower on the Real Property, up to 150% of the Maximum Amount of the VAT Loan;
- 3/ priority registered pledge (including a financial pledge until the registered pledge is entered into the register) established on all of the Borrower's shares, up to 150% of the Maximum Amount of the Investment Loan;
- 4/ priority registered pledge (including a financial pledge until the registered pledge is entered into the register) established on all of the Borrower's shares, up to 150% of the Maximum Amount of the VAT Loan;
- 5/ priority registered pledge (including a financial pledge until the registered pledge is entered into the register) established on all of the General Partner's holdings, up to 150% of the Maximum Amount of the Investment Loan;
- 6/ priority registered pledge (including a financial pledge until the registered pledge is entered into the register) established on all of the General Partner's holdings, up to 150% of the Maximum Amount of the VAT Loan.

6.4.2. Information on the Capital Group's projects

In Q4, 2011, Echo Investment S.A. and members of the Capital Group implemented projects launched in previous years and were involved in new investments.

In order to minimise the risk of unfavourable changes on the real estate market, the Company, being responsible for the whole project implementation process, has taken into account a possibility that planned investments may be implemented in stages and that the pace of implementation may be adjusted to market expectations and local market prices. The Management Board attentively follows developments on the real estate market and makes individual decisions regarding the implementation of particular projects based on the assessment of current market conditions. All project implementation deadlines are flexible and sensibly adjusted to the actual situation.

POLISH MARKET

SHOPPING AND SHOPPING AND ENTERTAINMENT CENTRES SEGMENT

The stability of the shopping area market results from large demand, adaptability to particular customers' requirements and considerable diversity of industries.

Lessees of commercial area are both national and international shopping chains as well as local companies. Key lessees of shopping centres are: Carrefour, C&A, Douglas, Empik, Helios, H&M, Multikino, Nomi, Real, Rossmann, RTV Euro AGD, Tesco, Saturn, ZARA and other chain brands.

In its property portfolio, the Capital Group holds 8 shopping and entertainment centres; the table below presents the centres held as at 31.12.11:

Project location and name	Leasable area [sq. m GLA]
Jelenia Góra – Galeria Echo	19 000
Piotrków – Galeria Echo	17 400
Przemyśl – Galeria Echo	4 900
Radom – Galeria Echo	19 500
Tarnów – Galeria Echo	20 200
Total shopping centres	81 000
Kielce – Galeria Echo	70 500
Szczecin – Galaxy	41 700
Wrocław – Pasaż Grunwaldzki	48 700
Total shopping and entertainment centres	160 900
Total shopping projects	241 900

Moreover, the Capital Group owns land on which further projects will be developed.

In March 2011, Echo Investment and Orbis entered into sale-purchase agreements in Szczecin and Krakow of a total value of PLN 59.5 million.

The land purchased in Szczecin (ul. Jana Matejki, currently the Neptune Hotel) shall be used to extend the neighbouring shopping and entertainment centre Galaxy owned by Echo Investment.

The property in Krakow (al. Marszałka Ferdynanda Focha 1, currently Cracovia hotel) will be used to construct a complex of residential buildings. The detailed scope of functions, relation between them and the size of area shall be established together with representatives of the Krakow City Office.

Details of planned projects, their size, cost and implementation schedules shall be provided once market analyses have been performed and architectural concepts prepared.

Alphabetical list of projects in implementation and preparation stages:**Bełchatów, shopping and entertainment centre Galeria Olimpia**

In Q3 2011, the construction of Galeria Olimpia began on the property situated in ul. Kolejowa in Bełchatów. The shopping and entertainment centre with leasable area of approx. 20,700 sq. m is due to be delivered in H2, 2012.

Kalisz, shopping and entertainment centre Galeria Amber

The Echo Capital Group is going to use its property in Kalisz to construct a modern, regional shopping and entertainment centre. The centre will be constructed in ul. Górnośląska and Trasa Bursztynowa. The leasable area is approx. . Completion is planned for H2 2013.

Katowice, project in ul. Kościuszki

A shopping centre with the leasable area of approx. 50,000 sq. m is due to be constructed on the property purchased in 2010 in Katowice in ul. Kościuszki having the area of over 54,000 sq. m. The Study of Conditions and Directions of Spatial Development is currently being developed for the area where the property is located.

Koszalin, shopping and entertainment centre

A modern shopping and entertainment centre with the leasable area of approx. 35,000 sq. m is due to be constructed in Koszalin in ul. Krakusa i Wandy . The project is to be completed in 2014.

Lublin, shopping and entertainment centre

Investment plans include construction of a shopping and entertainment centre in Górki Czechowskie in Lublin. The Company's Management Board intends to establish the details regarding the investment planned by the Echo Investment Group together with the Lublin County authorities.

Łomża, shopping and entertainment centre Veneda

In Q3 2011, the construction of the shopping centre Galeria Veneda in Łomża was started. The facility is situated at the corner of ul. Zawadzka and ul. Sikorskiego. The shopping centre will have the leasable area of approx. 15,000 sq. m. There will be a car park with 600 parking places. The Galeria Veneda project is to be completed in H2, 2012.

Poznań, shopping and entertainment centre Metropolis

The Company is planning to develop a modern shopping and entertainment centre Metropolis with the leasable area of approx. 70,000 sq. m on the land property situated in Poznań in ul. Hetmańska. Currently, the project is at the architectural concept stage. The project is to be completed in 2015.

Ślupsk, shopping and entertainment centre Arena

The Company is planning to develop a shopping and entertainment centre Arena on the land property situated in Ślupsk in ul. Grottgera. The facility will have the leasable area of approx. 20,000 sq. m. Implementation will begin after financing has been raised.

Szczecin, Outlet Park

The construction of the Outlet Park in Szczecin was started in Q3 2011. It is being developed on the land formerly occupied by a facility in ul. A.Struga. The leasable area of the outlet developed in stages will total at approx. 23,000 sq. m. The first stage will be commissioned to use in H2, 2012.

Wrocław, shopping and entertainment centre Pasaż Grunwaldzki (expansion)

Pasaż Grunwaldzki is a shopping and entertainment centre located in Grunwaldzki Square in Wrocław. Currently, in an area of approx. 48,700 sq. m there are about 200 shops and service outlets. The Echo Capital Group intends to expand the facility. After the expansion is completed, the facility will offer approx. 62,500 sq. m of leasable area. The shopping area will include nearly 50 new shops. The expanded facility will be put into service in 2013.

Other shopping and shopping and entertainment centres

The Echo Capital Group also intends to extend some of currently owned shopping and entertainment centres. These projects are at the stage of purchasing new land and obtaining administrative permits.

In the future, activities of the Capital Group entities will concentrate on implementing new projects, including projects in smaller towns in Poland, and increasing the portfolio of commercial leasable area, including expansion of existing facilities.

OFFICE AREA SEGMENT

As to the office investment segment, the Capital Group is currently constructing and commercialising leasable facilities in Warsaw, Szczecin, Poznań and Wrocław. The Capital Group also plans new investments, its offer includes office buildings of various standard, including top class facilities.

Despite large competition in this market segment, projects held in the Capital Group's investment portfolio have appropriate location and accurate standard, which guarantees stable revenue from long-term lease agreements. Office area is leased to renowned companies, including: IKEA, Grand Thornton Frąckowiak, McKinsey, Lux Med, Medicover, Polkomtel, Mentor Graphics, Nordea Bank, Polsoft, Pramerica, Roche, Tieto Poland, Tebodin SAP-Projekt and others.

In its property portfolio, the Capital Group holds 6 office projects; the table below presents the office facilities held as at 31.12.11:

Project location and name	Leasable area [sq. m GLA]
Warsaw – Babka Tower	6 200
Warszawa – Postępu 3*	10 200
Poznań – Malta Office Park, stage I	6 800
Poznań – Malta Office Park, stage II	15 200
Poznań – Malta Office Park, stage III	6 500
Kielce – Astra Park	9 300
Szczecin – Oxygen	14 100
Total office projects	68 300

* The Capital Group owns 50% shares in the project (area indicated in the table corresponds to the 50% share)

Alphabetical list of projects in implementation and preparation stages:

Gdańsk, Tryton project

The Company is planning to develop office space on the property situated in Gdańsk in ul. Jana z Kolna. An A-class building designed by the Arch-Deco architectural design studio will provide approx. 22,000 sq. m of leasable area. At present, there are administrative procedures aimed at obtaining required permits and design works. The investment is to start in H2, 2012 and the building will be made available to the lessees in H1 2014.

Katowice, project in ul. Francuska

The property in Katowice, near the crossroads of ul. Górnośląska and Francuska, will be used to construct a business park with a leasable area of approx. 32,500 sq. m. The facility, designed by the DDJM architectural design studio, will be constructed in three stages. In December 2011, the company obtained a valid construction permit for stage I of the investment along with the required traffic system. The execution of stage I of the investment is to be launched in H1, 2012. The first stage of the investment will be put into service in H2, 2013.

Krakow, project in ul. Opolska

The property in ul. Opolska and 29 Listopada in Krakow will be used to construct a modern class A office building with a leasable area of approx. 58,000 sq. m. At present, there are administrative procedures aimed at obtaining a building permit for the office complex. The facility will be constructed in three stages, project implementation will begin in H2, 2012, while stage I is to be completed in early 2014.

Łódź, Aurus project

The property in ul. Piłsudskiego in Łódź will be used to construct two A-class office buildings with total leasable area of approx. 19,000 sq. m. The project is to be implemented in two stages. The first stage is to be completed in 2014. A decision to start the execution will be made in consideration of the situation on the office space market in Łódź.

Poznań, Malta Office Park project

In December 2011, a usage permit was obtained for the final stage of the investment with an area of 6,500 sq. m. The whole complex comprises 6 buildings with a total leasable area of 28,500 sq. m.

Warsaw, project in ul. Beethovena

The property located in ul. Beethovena in Warsaw will be used by the Company to construct an office park with a total leasable area of approx. 60,000 sq. m. The project is to be implemented in three stages. The construction of the first stage is to start in H2, 2013.

Warsaw, project in al. Jana Pawła II

In December 2011, the final agreement for the purchase of the perpetual usufruct title to the real property located at the junction of ul. Jana Pawła II and Grzybowska was signed. The construction of the office building with a leasable area of approx. 50,000 sq. m is planned for mid 2013.

Warsaw, project in ul. Konstruktorska

The property located in ul. Konstruktorska in Warsaw will be used by the Company to construct office buildings with a total leasable area of approx. 34,000 sq.m. Stage one of the investment is planned to start in mid 2012.

Wrocław, project in ul. Swobodna

In Q4 2011, the construction of office buildings on the property located at ul. Swobodna in Wrocław continued. The execution of stage I of the investment with a leasable area of approx. 15,700 sq. m will be completed in H2 2012. The leasable area of the whole project will be approx. 25,200 sq. m.

Wrocław, project in ul. Lotnicza

In November 2011, the final agreement was signed for the purchase of the perpetual usufruct title to the real property located at the junction of ul. Lotnicza and Na Ostatnim Groszu, where an office building with a leasable area of approx. 16,000 sq. m is planned. The investment is intended to start in H1 2013.

HOTEL SEGMENT

Many years' experience and renowned partners form a stable basis for the company's activity on the hotel market. In recent years, Echo Investment S.A. has dealt with comprehensive construction of hotels for key customers and operated as the general investment contractor. The Capital Group carried out projects in the hotel segment in partnership with international hotel chains: the French groups Accor and Envergure and the Norwegian group Qubus. Hotels constructed by the Group currently operate in Warsaw, Kielce, Krakow, Szczecin, Łódź, Poznań, Częstochowa, Zabrze and Gliwice. In the future, the Company intends to execute hotel projects in cooperation with international hotel operators.

Łódź, Novotel hotel

Pursuant to a General Investment Contracting Agreement entered into in 2009, the property located in ul. Piłsudskiego in Łódź will be used to construct a Novotel class hotel with total area of approx. 7,200 sq. m. In Q4 2011, the construction of the building continued and its completion is planned for H1 2013.

HOUSING SEGMENT

In the housing segment, the Capital Group carries out investments of various categories: from luxurious apartment buildings, through top and medium standard residential buildings, to complexes of detached houses.

Alphabetical list of projects in implementation and preparation stages:**Vicinity of Kielce, complex of detached houses in Dyminy**

The Company completed the construction of infrastructure for the first stage of the complex of detached houses on a property located in Dyminy near Kielce. The construction of infrastructure for stage two was started. The complex was designed by an architectural design studio StoMM Konsorcjum Pisarczyk & Tracz Architekci from Kielce, it will consist of approx. 180 plots (approx. 160,000 sq. m) for sale. The Company sells the plots together with house designs.

Krakow, Dom Pod Słowikiem, project in ul. Krasickiego

In Q4 2011, the construction of a residential and services facility on a property located in ul. Krasickiego in Krakow (area for sale is approx. 5,200 sq. m) continued. The building, designed by the architectural design studio Studio S – Biuro Architektoniczne Szymanowski from Krakow, will comprise approx. 85 apartments. The project is to be completed in mid 2012.

Krakow, project in ul. Korzeniowskiego

A new housing investment will be implemented in ul. Korzeniowskiego in Krakow. The building was designed by The Blok design studio, it will have an area of approx. 3,000 sq. m. (40 apartments). Currently, the project is in the phase of obtaining administrative permits. The execution of the investment is due to start in H2 2012 and it is to be completed in early 2014.

Krakow, project in ul. Tyniecka and ul. Czarodziejska

The property in ul. Tyniecka in Krakow will be used by the Company for the planned construction of residential buildings. The area for sale will be approx. 4,600 sq. m (approx. 50 apartments). Obtaining administrative permits and beginning of project implementation are due in late 2012.

Krakow, project in ul. Bronowicka

The property in ul. Bronowicka in Krakow will be used by the Company to construct a residential building with area for sale of approx. 3,000 sq. m. Construction works are to be launched in mid 2012. Project implementation is to be completed in Q4, 2013.

Krakow, project in ul. Kilińskiego

The Company owns a plot of 1,100 sq.m in ul. Kilińskiego in Krakow. The plot development concept involves the construction of an intimate residential facility. However, due to the small scale of the project, the Company abandoned its execution and decided to sell the property after administrative permits have been obtained.

Łódź, project in ul. Okopowa

The preparation process for constructing residential buildings continued. The buildings will be erected on a property located in ul. Okopowa and Górnica in Łódź. According to the present architectural concept, the area for sale will reach approx. 45,000 sq. m (approx. 700 apartments). This project will be implemented in stages. The project execution process is due to take five years, beginning in late 2011. A decision to start the execution will be made in consideration of the situation on the residential apartments market in Łódź.

Łódź, project in ul. Wodna

The Company is planning to develop residential buildings on the property owned by the Company and situated in Łódź in ul. Wodna. The new concept involves constructing approx. 200 apartments with a total area for sale of nearly 14,000 sq. m. The Company obtained a land development permit, allowing for the investment to be implemented. At present, the project is at the stage of obtaining the building permit, which should be completed in early 2012. The project will be implemented in stages. The execution of stage I is planned for early 2013 and it is to be completed in late 2014. A decision to start the execution will be made in consideration of the situation on the residential apartments market in Łódź.

Poznań, Osiedle Naramowice, Pod Klonami

The construction of a multi-family facility "Pod Klonami" continued in Q4 2011. The company also completed preparation works before implementing a single-family project of the same name. The residential complex was designed by an architectural design studio Archikwadrat Sp. z o.o. from Poznań, it will offer an area for sale of approx. 15,000 sq. m. The multi-family project will be completed in H2 2012. The single-family project will be carried out for approx. two years, starting in early 2012.

The Echo Investment Capital Group owns reserve land in Poznań, which will allow for constructing further stages of Osiedle Naramowice.

Poznań, Kasztanowa Aleja, project in ul. Wojskowa

The construction of stage I of the project Kasztanowa Aleja in Poznań in ul. Wojskowa was completed. At this stage, an area of approx. 8,600 sq. m is available for sale. The decision to start a second similar investment stage will be made in mid 2012.

Wrocław, project in ul. Litewska and ul. Grudzieniec

Activities were carried out with the aim of preparing the sale of plots comprising the property in ul. Litewska and ul. Grudzieniec in Poznań. The total area of the plots to be sold is nearly 14,000 sq. m. The Company plans to sell the plots together with prepared designs. It has been assumed that the sale will begin at the beginning of 2013 and will be carried out for sixteen months.

Warsaw, Klimt House, project in ul. Kazimierzowska

The sale of Klimt House in ul. Kazimierzowska in Warsaw continued (with an area for sale of approx. 5,200 sq. m.) The building designed by Mąka Sojka Architekci Sp. J. from Warsaw houses 60 apartments and service premises.

Warsaw, Rezydencje Leśne, Las Młociński

The Company continued the construction of the infrastructure for a complex of houses in Bielany district in Warsaw (Las Młociński). 31 plots were outlined on a property with an area of 6.3 ha. The estimated area of the plots for sale is nearly 53,000 sq. m. The project was designed by the architectural design studio W.M. Musiał Architekci Sp. z o.o. from Warsaw and StoMM Architektura Maciej Stoczkiewicz from Kielce. Completion is planned for early 2012.

Warsaw, project in ul. Konstruktorska

Conceptual and design works are underway related to the planned construction of an office and residential complex on an approx. 74,000 sq. m large plot purchased in H2 2010. The apartment area will be approx. 44,000 sq. m. (over 700 apartments). According to the preliminary concept, the project is to be executed in four stages. The first stage is to begin in H1 2012. The whole project is to be completed in 2019.

Warsaw, project in ul. Puławska

In Q4 2011, design works relating to a project located near ul. Puławska and Boryszewska in Mokotów continued. The area of this multi-floor building is intended to reach approx. 5,300 sq. m. The facility will be built in cascade form and will serve residential and service purposes. The investment is planned to start in late 2012.

Wrocław, Przy Słowiańskim Wzgórzu, project in ul. Jedności Narodowej

The execution of a residential housing project located in ul. Jedności Narodowej in Wrocław continued. The property of 7.4 thousand sq. m will be used to construct approx. 200 apartments with a total area of approx. 14,000 sq. m. The project is intended to be completed in mid 2012.

Wrocław, project in ul. Grota – Roweckiego

The Company's property in ul. Grota-Roweckiego in Wrocław, with an area of approx. 3 ha, will be used to construct a residential facility offering nearly 300 apartments with a usable area of approx. 19,000 sq. m. This project will be implemented in stages. The first stage will be launched in mid 2012, while the whole investment will be completed in 2017.

FOREIGN MARKET**Hungary****SHOPPING AND SHOPPING AND ENTERTAINMENT CENTRES SEGMENT****Budapest, shopping and entertainment centre Mundo**

The property in the 14th district in Budapest - Zuglo (area of approx. 6.84 ha) will be used to construct a modern shopping and entertainment facility MUNDO. At present, the Company is obtaining administrative permits and works on commercialising the project. Due to Hungary's legislation limiting the construction of shopping centres in cities, the project will not be executed for the next two years.

Romania**SHOPPING AND SHOPPING AND ENTERTAINMENT CENTRES SEGMENT****Brasov, shopping and entertainment centre Korona**

The property in ul. Stadionului in the Romanian city of Brasov will be used by the Echo Capital Group to construct a modern shopping and entertainment centre with a leasable area of approx. 33,000 sq. m. A building permit has already been obtained. Commercialisation of the project is still in progress. The execution of the project will begin once appropriate level of lease has been achieved and external funding has been obtained.

Ukraine

OFFICE PROJECT SEGMENT**Kiev, project in ul. Dehtiarivska**

The property in ul. Dehtiarivska in Kiev will be used to construct an office park with a leasable area of approx. 100,000 sq. m. Design works relating to the office park are conducted by an architectural design studio from Kiev - Atelier. The project will be implemented in stages. It is predicted that the building permit will be obtained in mid 2012.

6.5. Factors and events, especially unusual events, with a significant impact on the generated financial results

1. Factors which had impact on the Company's financial result in Q4, 2011:
 - entering into final sales agreements on housing projects:
 - in Warsaw: in ul. Zeusa, ul. Inflancka and ul. Kazimierzowska (Klimt House),
 - in Poznań: Naramowice (Rynek, Pod Klonami) and in ul. Wojskowa (Kasztanowa Aleja),
 - in Kielce: Bilcza district (stage II) and Południowe district in Dyminy – sale of plots with house designs,
 - measurement of the fair value of projects under construction and/ or after they have been put into service:
 - Oxygen in Szczecin (office segment),
 - Malta Office Park in Poznań (office segment),
 - Outlet Park in Szczecin (shopping centre segment),
 - regular revenue obtained from the rent of area in offices and shopping centres;
 - sale of the shopping centre in Pabianice,
 - hotel construction in Łódź,
 - quarterly revaluation of the fair value of property owned by the Echo Investment Capital Group, including:
 - changes in foreign exchange rates (EUR & USD),
 - indexation of rents,
 - changing levels of net operating revenue,
 - cost of sales and general and administrative expenses,
 - measurement of liabilities due to bonds and borrowings at adjusted purchase price,
 - measurement and realisation of adjustments to the value of loans and cash due to changing foreign exchange rates,
 - measurement and realisation of hedging financial instruments to foreign currencies,
 - interest on bank deposits and borrowings granted,
 - discounts and interest on loans and bonds.
2. Unusual events affecting Company's financial result in Q4 2011:
 - none.

Pursuant to agreements with banks, the Capital Group performs transactions to hedge foreign exchange rates. Such transactions are conducted as part of the hedging policy in order to ensure future cash flow levels on translating tranches of loans in EUR and operating revenue.

As at 31 December 2011, due to open foreign exchange market positions, the Echo Investment Capital Group hedged a portion of 2012 cash flow: EUR 57.0 million.

Balance sheet valuation of open positions on derivatives as at 31 December 2011 is:

-PLN 28 million.

The average-weighted strike for the remaining open transactions is PLN 4.1057 EUR/PLN.

Maturity periods for open hedging positions (as at 31.12.11):

Financial instrument	Currency	Category	Balance sheet value as at 31.12.11 (PLN '000,000)	Denomination (EUR '000,000)	Q1 2012 denomination (EUR '000,000)
Forward	EUR/PLN		-28,0	57,0	57,0

6.6. Information on Capital Group segments

The Capital Group generates revenue from the rent of its commercial space, sale of apartments, constructing facilities and providing property management services. Structure of the generated revenue:

Operating results generated in Q1-Q4 2011 by segments:

Item	Revenue [PLN '000,000]	% share	Costs [PLN '000,000]	% share
shopping and shopping and entertainment centres	285,2	70,6%	83,3	54,6%
residential area	28,9	7,2%	21,3	14,0%
offices and hotels	76,6	19,0%	40,7	26,7%
not classified	13,4	3,2%	7,1	4,7%
total operating result	404,1	100,0%	152,4	100,0%

In Q4 2011, the Capital Group did not change the basis for segmentation and the sum of segments' assets did not significantly change in comparison to data presented in the 2010 report.

6.7. Explanations concerning the seasonal and cyclical nature of the Capital Group's activity in the reported period

The Capital Group's activity covers several segments of the real estate market. It has a portfolio of assets held for lease, regularly completes and sells residential facilities, provides property management services, which guarantees comparable revenue in each quarter. By contrast, revenue due general investment contractor services and property trade may appear in an irregular manner. The Management Board cannot exclude other one-time events which may influence results obtained in a given period.

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

Apart from own resources and loans, current activities of the Capital Group are also funded through the issue of debt financial instruments. At present, the Company actively conducts a programme of issuing both long-term and short-term bonds.

The Company issued bonds pursuant to agreements signed with BRE Bank S.A. in 2004 under the Bond Issue Programme and further annexes. The table below presents liabilities due to the issued bonds as at the reporting day:

Bank	Instrument type	Amount used [PLN '000]	Bond maturity
BRE Bank SA	Bonds	35.000	25.01.2012
BRE Bank SA	Bonds	115 000	18.05.2012
BRE Bank SA	Bonds	150 000	29.03.2013
BRE Bank SA	Bonds	100.000	25.05.2013
BRE Bank SA	Bonds	300.000	30.06.2014
BRE Bank SA	Bonds	145.000	11.02.2016

Pursuant to the Sale Guarantee Agreement and the Agreement to Establish the Guarantee Rate signed with BRE Bank S.A. under the Issue Programme (valid until 31.08.2012), the bank undertook to purchase bonds issued by the Company which were not acquired by other investors, up to PLN 35 million.

As at 31.12.11, the maximum total nominal value of all bonds issued by Echo Investment S.A. could not exceed PLN 1 billion.

6.9. Information on paid (or declared) dividend

The Company did not pay any dividend in previous years and did not declare such payment in the current period or in the near future.

6.10. Events which occurred after the day of drawing up these quarterly financial statements which were not recognised in the statements and which may have a significant impact on future financial results of the Capital Group

Resolution by the Issuer's Management Board on adopting the Equity Shares Redemption Programme

On 18 January 2012, the Management Board of Echo Investment S.A., acting pursuant to resolution no. 3 of the Company's Extraordinary General Meeting of 19 December 2008, passed a resolution on adopting a redemption programme for the equity shares of Echo Investment S.A., reading as follows:

ECHO INVESTMENT S.A.'s EQUITY SHARES REDEMPTION PROGRAMME

I. LEGAL BASIS

Acting pursuant to resolution no. 3 of Echo Investment S.A.'s Extraordinary General Meeting of 19 December 2008, the Management Board of Echo Investment S.A. adopted Echo Investment S.A.'s Equity Shares Redemption Programme (later referred to as the "Programme").

The Programme involves the repurchase of shares of Echo Investment S.A. (later also referred to as the "Company") listed on the basic market of the Warsaw Stock Exchange (later referred to as "WSE").

II. PURPOSE OF THE PROGRAMME

The purpose of the Programme is the Company's repurchase of equity shares for resale or cancellation according to the terms and procedure specified in resolution no. 3 of Echo Investment S.A.'s Extraordinary General Meeting of 19 December 2008.

In the opinion of Echo Investment S.A.'s Management Board, the repurchase of equity shares is justified in consideration of the following:

- the Company's and the Capital Group's safe financial situation, including vast resources of cash,
- safe parameters and ratios defining debt and ability to service debt by the Company and the Capital Group, also taking account of the funds intended for redemption of equity shares,
- potentially slower growth of Poland's real property market compared to the previous two years and a higher risk of starting new projects and project funding risk due to the debt crisis in some of the countries of the euro zone and capital requirements of leading European banks,
- repurchase as an alternative to dividend payment.

III. DETAILED INFORMATION ABOUT THE PROGRAMME

1. The Equity Shares Redemption Programme is planned to start on 19 January 2012.
2. The Programme shall be implemented in line with the applicable Polish and EU laws as well as the principles laid down in resolution no. 3 of Echo Investment S.A.'s Extraordinary General Meeting of 19 December 2008.
3. The total number of shares purchased for cancellation shall not be greater than 210,000,000.
4. The total number of shares purchased for resale shall not be greater than 84,000,000, taking account of other equity shares that were not sold by the Company.
5. The amount of funds earmarked for the purchase of the Company's share for cancellation and resale shall be within the limits laid down in the provisions of resolution no. 3 of Echo Investment S.A.'s Extraordinary General Meeting of 19 December 2008.
6. The Programme shall end on 19 December 2013 at the latest.
7. Bearing in mind the Company's interest and after consulting the Supervisory Board, the Management Board may:
 - (a) end the purchase of shares earlier than 19 December 2013 or before the funds intended for the purchase run out;
 - (b) abandon the purchase of shares entirely or partially.

If a decision is made to end the Programme earlier than 19 December 2013, the Management Board shall make a suitable announcement to the public.
8. The price for which the Company is to purchase its equity shares may not be higher than the price during the last independent trading session and the highest present independent offer in transactions concluded during WSE trading sessions.

9. In one day, the Company may not purchase more than 25% of the average daily volume of shares at WSE, while the value of the average daily volume shall be based on the average daily volume over a 20-day period preceding the day of purchase.
10. In the event of an exceptionally low liquidity of the shares, the Company may exceed the 25% limit specified in item 9 by not more than 50% after notifying the Polish Financial Supervision Authority, WSE and announcing such intention to the public.
11. The Company's shares may be purchased based on a tender offer.
12. The Company's shares shall be purchased via a subsidiary or a brokerage house, which will purchase the Company's shares on their own account by way of transactions concluded at WSE and in observance of the terms of the Programme, in particular with regard to quantity and price limitations.
13. The shares purchased by a subsidiary or a brokerage house as part of implementing this Programme shall be then purchased by the Company (when purchasing from a subsidiary or a brokerage house) or a subsidiary (when purchasing from a brokerage house for resale to the Company) in block transactions. Block transactions referred to in the previous sentence shall not be subject to quantity and price limitations on the purchased shares referred to before.
14. The Company's Management Board shall announce to the public:
 - a/ for every day of the programme's implementation – number of shares purchased on a given day under the Programme and their average purchase price, unless no equity shares were purchased under the Programme on a given day;
 - b/ after the Programme is completed – collective and detailed report on the Programme's implementation.
15. The Company's Management Board is authorised to amend the Programme's provisions, while information on amendments to the Programme shall be announced to the public before such amendments come into effect.

IV. OBLIGATIONS AFTER THE PROGRAMME'S COMPLETION

1. After the Programme is completed, the Company's Management Board shall decide whether to cancel the purchased equity shares or to resell them. If it is decided that the equity shares are to be cancelled, the Management Board shall promptly, but not later than within 3 months from that date, convene the Company's General Meeting to pass resolutions on cancelling the shares and decreasing the Company's share capital.

Announcement of invitation to subscribe for the sale of the Issuer's shares

The Management Board of Echo Investment Spółka Akcyjna with its registered office in Kielce ("Company", "Issuer") announces that in the performance of the provisions of resolution no. 3 of the Company's Extraordinary General Meeting of 19 December 2008 on authorising the Company's Management Board to purchase the Company's equity shares for redemption and/or, pursuant to article 362 § 1 item 5 of the Commercial Companies Code ("Resolution") and in the performance of the provisions of the Equity Shares Redemption Programme adopted by way of the Company's Management Board resolution of 18 January 2012, it decided to announce, as of 19 January 2012, via its subsidiary Park Postępu - Projekt Echo - 93 Spółka z ograniczoną odpowiedzialnością spółka komandytowo – akcyjna, with its registered office in Kielce ("Inviting Party"), an invitation, under article 72 section 1 of the Act of 29 July 2005 on public offering, terms of introducing financial instruments into organised trading and public companies, to subscribe for the sale of the Company's shares, aimed at the purchase for redemption and/or resale of the Company's 42,000,420 (forty-two million, four hundred and twenty) equity shares with a nominal value of PLN 0.05 (five grosz) each, for a price PLN 3.90 (three zloty and ninety grosz) per share, according to the terms specified in the Invitation attached to this report.

The Management Board decided that the period for accepting subscriptions shall start on 8 February 2012 and end on 21 February 2012. The remuneration for the purchase of the Company's equity shares under the Invitation shall be paid from the Inviting Party's own funds.

In the opinion of the Company's Management Board, the purchase of equity shares as part of the Invitation is justified in consideration of the following:

- safe financial situation of the Company and its Capital Group, including vast resources of cash,
- safe parameters and ratios defining the Company's and its Capital Group's indebtedness and debt service ability, taking account of funds earmarked for the purchase of equity shares,
- potentially slower growth of Poland's real property market compared to the last two years and the related higher risk of starting new projects and project funding risk as a result of the debt crisis in some countries of the euro zone and capital requirements of leading European banks,
- as an alternative for the payment of dividend to the Company's shareholders.

Details of the invitation to subscribe for the sale of Echo Investment S.A.'s shares have been published in current report no. 4/2012 on 19 January 2012 and are included on the Issuer's Internet site.

6.11. Information on changes in contingent liabilities or contingent assets since the end of the last financial year

6.11.1. Surety agreements

Echo Investment SA's surety agreements in force as at 31 December 2011 are listed in the table below:

Surety to	Value ['000]	Validity period	Regarding
EUROHYPO AG	PLN 441,680	shall remain in force until the loan Conversion Date but not exceeding 31 march 2012	Surety for the liabilities of Echo – Galeria Kielce Sp. z o.o. under the loan agreement of 6 October 2009 with Bank Eurohypo AG with its registered office in Eschborn (Germany) Surety concluded in EUR
NORDEA BANK POLSKA SA	PLN 64,485	shall remain in force until the investment is completed but for a period not exceeding 31 December 2013	Surety for the liabilities of Echo-Oxygen Sp. z o.o. under the loan agreement of 27 September 2010 with Nordea Bank Polska S.A. Surety concluded in EUR

* See also item 7.19 of this Report.

6.11.2. Guarantee agreements

Guarantee agreement's in force as at 31 December 2011 are listed in the table below:

Guarantor	Value ['000]	Validity period	Regarding
Echo Investment S.A.	PLN 7,300	until the repayment of liabilities under the loan agreement of 22 June 2009	Security on exceeded costs of the execution of stage II of Malta Office Park
Echo Investment S.A.	PLN 17,768	shall remain in force until the investment is completed but for a period not exceeding 31 December 2013.	Security on insufficient funds or exceeded costs of constructing the office building Oxygen in Szczecin
PKO BP SA	PLN 200	until 15.04.12	Security for non-performance or ill-performance of all obligations towards Fortis Bank Polska SA under a finishing works agreement of 15 December 2010
PKO BP SA	PLN 4,073	until 24.03.13	Security for non-performance or ill-performance of all obligations towards Orbis SA under a contingent General Investment Contractor agreement of 4 September 2008
PKO BP SA	PLN 500	until 29.02.12	Security for the fulfilment of obligations to PGE Dystrybucja SA under agreement no. 12164/102010 for connection to the distribution network of 8 March 2011
PKO BP SA	PLN 500	until 29.02.12	Security for the fulfilment of obligations to PGE Dystrybucja SA under agreement no. 12146/102010 for connection to the distribution network of 8 March 2011
PKO BP SA	PLN 500	until 29.02.12	Security for the fulfilment of obligations to PGE Dystrybucja SA under agreement no. 12168/102010 for connection to the distribution network of 8 March 2011
PKO BP SA	PLN 500	until 29.02.12	Security for the fulfilment of obligations to PGE Dystrybucja SA under agreement no. 12152/102010 for connection to the distribution network of 8 March 2011
PKO BP SA	PLN 324	until 29.08.12	Security for the fulfilment of obligations to PGE Dystrybucja SA under agreement no. 1091/1/RP2/2009 for connection to the distribution network of 12 May 2011
PKO BP SA	PLN 434	until 29.08.12	Security for the fulfilment of obligations to PGE Dystrybucja SA under agreement no. 1091/2/RP2/2009 for connection to the distribution network of 12 May 2011
PKO BP SA	PLN 196	until 31.08.12	Security for non-performance of obligations to ImmoPoland Sp. z o.o. under the lease agreement of 28 August 2009. Guarantee issued in EUR.
PKO BP SA	PLN 142	until 14.10.12	Security for non-performance of obligations to ImmoPoland Sp. z o.o. under the lease agreement of 20 September 2011. Guarantee issued in EUR.

1. On 14 October 2011, PKO BP SA issued a guarantee to ImmoPoland Sp. z o.o. as a security for Echo Investment SA's non-performance of obligations under the lease agreement of 20 September 2011. The guarantee amounts to EUR 32,100.00 (which is equivalent to PLN 137,789.25 as at the day of issuing the guarantee, according to the average NBP exchange rate). The guarantee is valid until 14 October 2012.
2. On 31.12.2011, the bank guarantee securing the payment of amounts ordered by a court to Master Serwis Opon Sp. z o.o. expired.

6.12. Composition of the Echo Investment Capital Group

The most important entity in the Capital Group structure is Echo Investment S.A., which is the owner of other entities in the group and supervises, co-implements and raises finance for the implementation of construction projects carried out by the Group. Companies which form the Group have been established or purchased in order to perform certain investment tasks and do not conduct any business activities other than those which follow from the process of implementing a particular project and which are related to providing lease services regarding assets linked to completed projects or other services.

As at 31 December 2011, the Echo Investment Capital Group comprises 79 fully consolidated subsidiaries and one jointly-controlled company consolidated by means of the pro-rata method.

Subsidiaries:

Company name	Registered office	% share of the capital	Parent
47 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
53 – Grupa Echo Sp. z o.o. S.k.a. (formerly: Projekt Echo – 53 Sp. z o.o.)	Kielce	100%	XXXIV FIZ Forum
Astra Park Sp. z o.o.	Kielce	100%	XXXIV FIZ Forum
Avatar - Projekt Echo – 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
Babka Tower – Projekt Echo – 93 Sp. z o.o. S.k.a. (formerly Athina Park – Projekt Echo – 93 Sp. z o.o. S.k.a.)	Kielce	100%	XXIX FIZ Forum
Barconsel Holdings Ltd	Nicosia	100%	Echo – SPV 7
Bełchatów – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
Budivelnuy Soyuz Monolit LLC	Kiev	100%	Yevrobudgarant LLC
Echo – Arena Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Echo – Arena Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
Echo – Aurus Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Echo – Centrum Przemysłu - Projekt Echo – 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
Echo – Galaxy Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Echo – Galaxy Sp. z o.o. S.k.a. (formerly Galaxy – Grupa Echo Sp. z o.o. S.k.a.)	Szczecin	100%	XXIX FIZ Forum
Echo – Galeria Kielce Sp. z o.o.	Kielce	100%	XXIX FIZ Forum / XXXIV FIZ Forum
Echo – Galeria Lublin Sp. z o.o.	Lublin	100%	Echo Investment S.A.
Echo – Kasztanowa Aleja Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Echo – Kasztanowa Aleja Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
Echo – Klimt House Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Echo – Klimt House Sp. z o.o. Sp. z kom.	Kielce	100%	Echo Investment S.A.
Echo – Metropolis Sp. z o.o.	Kielce	100%	XXXIV FIZ Forum
Echo – Pasaż Grunwaldzki Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Echo – Project Management Ingatlanhasznosító Kft.	Budapest	100%	Echo Investment S.A.
Echo – Przy Słowiańskim Wzgórzu Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Echo – Przy Słowiańskim Wzgórzu Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
Echo – SPV 7 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Echo Investment ACC – Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
Echo Investment Facility Management – Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
Echo Investment Hungary Ingatlanhasznosító Kft.	Budapest	100%	Echo Investment S.A.

Company name	Registered office	% share of the capital	Parent
Echo Investment Project 1 S.R.L.	Bucharest	100%	Echo Investment S.A.
Echo Investment Project Management S.R.L.	Bucharest	100%	Echo Investment S.A.
Echo Investment Property Management – Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
Echo Investment Ukraine LLC	Kiev	100%	Echo Investment S.A.
EI – Project Cyp – 1 Ltd	Nicosia	100%	Echo Investment S.A.
Galeria Olimpia – Projekt Echo – 98 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
Galeria Sudecka – Projekt Echo – 43 Sp. z o.o. S.k.a.	Jelenia Góra	100%	XXIX FIZ Forum
Galeria Tarnów – Projekt Echo – 43 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
Grupa Echo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Grupa Echo Sp. z o.o. – 1 S.k.a.	Kielce	100%	XXIX FIZ Forum
Malta Office Park – Projekt Echo – 96 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
Oxygen – Projekt Echo – 95 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
Pamiątkowo Sp. z o.o. (formerly Olympus Prime Sp. z o.o.)	Kielce	100%	Echo Investment S.A.
Park Postępu - Projekt Echo - 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
Pasaż Grunwaldzki – Magellan West Sp. z o.o. S.k.a. (formerly Pasaż Grunwaldzki – Grupa Echo Sp. z o.o. S.k.a.)	Kielce	99,95%	XXIX FIZ Forum
PHS – Projekt CS Sp. z o.o. S.k.a.	Szczecin	100%	XXIX FIZ Forum
Pod Klonami Sp. z o.o. (formerly Projekt Echo - 94 Sp. z o.o.)	Kielce	100%	Projekt Naramowice Poznań Sp. z o.o.
PPR - Projekt Echo – 77 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
Princess Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Projekt CS Sp. z o.o.	Szczecin	100%	Echo Investment S.A.
Projekt Echo – 30 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 39 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 43 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 58 Sp. z o.o.	Kielce	100%	XXIX FIZ Forum / XXXIV FIZ Forum
Projekt Echo – 59 Sp. z o.o.	Kielce	100%	Echo – Aurus Sp. z o.o.
Projekt Echo – 67 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 67 Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 69 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 70 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 77 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 93 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 94 Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 95 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 96 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 97 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 98 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 99 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
Projekt Echo – 100 Sp. z o.o.	Kielce	100%	Echo Investment S.A.

Company name	Registered office	% share of the capital	Parent
Projekt Naramowice Poznań Sp. z o.o.	Kielce	100%	XXXIV FIZ Forum
Projekt S Sp. z o.o.	Kielce	95%	Echo Investment S.A.
Projekt 3 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
Projekt 4 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
Projekt 5 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
Projekt 6 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
Projekt 7 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
SPV – 1 Sp. z o.o.	Kielce	100%	XXIX FIZ Forum
Ultra Marina Sp. z o.o.	Kielce	100%	XXIX FIZ Forum / XXXIV FIZ Forum
Veneda – Projekt Echo –97 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
Yevrobudgarant LLC	Kiev	100%	EI – Project Cyp – 1 Ltd
Zakłady Ogrodnicze Naramowice Sp. z o.o.	Poznań	100%	XXXIV FIZ Forum

The jointly-controlled entity is Wan 11 Spółka z o.o. with its registered office in Warsaw.

All certificates issued by XXIX FIZ Forum and XXXIV FIZ Forum are held by companies from the Echo Investment Capital Group.

6.13. Effects of changes in the structure of the business unit, including business mergers, acquisitions or disposals of the Capital Group's entities, long-term investments, de-mergers, restructuring and discontinuation of activity

Agreements on the transfer of the ownership of holdings in subsidiaries

The following agreements on the transfer of the ownership of holdings were concluded on 18 October 2011:

1/ On 18 October 2011, under the agreement on the transfer of the ownership of holdings in Zakład Ogrodniczy Naramowice Sp. z o.o., a subsidiary of the Issuer (later referred to as the Company), Echo Investment S.A., with its registered office in Kielce (later referred to as the Seller), sold to Barconsel Holdings Limited, with its registered office in Nicosia (Cyprus), the Issuer's subsidiary (later referred to as the Buyer), 189,900 (one hundred and eighty-nine thousand and nine hundred) holdings of the Company with a nominal value of 100 (one hundred) zloty each and with a total nominal value of PLN 18,990,000. The agreement's value conforms to the book value of the holdings, amounting to PLN 1,146,996.

In addition to the Seller, the owner of 1 holding in the Company is Olympus Prime sp. z o.o., a subsidiary of the Issuer.

2/ On 18 October 2011, under the agreement on the transfer of the ownership of holdings in Astra Park spółka z o.o., a subsidiary of the Issuer (later referred to as the Company), Echo Investment S.A., with its registered office in Kielce (later referred to as the Seller), sold to Barconsel Holdings Limited, with its registered office in Nicosia (Cyprus), the Issuer's subsidiary (later referred to as the Buyer), 738,000 (seven hundred and thirty-eight thousand) holdings of the Company with a nominal value of 50 (fifty) zloty each and with a total nominal value of PLN 36,900,000. The agreement's value conforms to the book value of the holdings, amounting to PLN 25,977,600.

In addition to the Seller, the owner of 1 holding in the Company is Grupa Echo sp. z o.o., a subsidiary of the Issuer.

3/ On 18 October 2011, under the agreement on the transfer of the ownership of holdings in Projekt Naramowice Poznań spółka z ograniczoną odpowiedzialnością, a subsidiary of the Issuer (later referred to as the Company), Echo – Aurus Sp. z o.o., with its registered office in Kielce, a subsidiary of the Issuer (later referred to as the Seller), sold to Barconsel Holdings Limited, with its registered office in Nicosia (Cyprus), the Issuer's subsidiary (later referred to as the Buyer), 3,138,580 (three million, one hundred and thirty-eight thousand, five hundred and eighty) holdings of the Company with a nominal value of 50 (fifty) zloty each and with a total nominal value of PLN 156,929,000. The agreement's value conforms to the book value of the holdings, amounting to PLN 151,405,099.2.

In addition to the Seller, the owners of the Company's holdings are: Grupa Echo sp. z o.o., (20 holdings) and Echo Investment S.A. (1,000 holdings).

Before the afore-mentioned agreements had been signed, the transferred assets were used in construction and financial activities. The Buyer intends to continue those activities. Barconsel Holdings Limited intends to treat the purchased holdings in the Companies as a short-term capital investment.

The agreements on the transfer of the ownership of holdings in the above-mentioned three Companies result from the performance of a resolution by the partners of Barconsel Holdings Limited, with its registered office in Nicosia, on increasing the share capital by

way of issue of 2,250 holdings with a nominal value of EUR 1 and paying for the increase through an in-kind contribution in the form of holdings in the above-mentioned Companies, of which the Issuer buys 342 holdings and a subsidiary of the Issuer, „Echo – Aurus” Sp. z o.o., buys 1,908 holdings. The total purchase price for the new holdings is EUR 40,470,993.85, which is equivalent to PLN 176,044,776.1 as at the day of preparing the report.

Following the share capital increase, the holdings in Barconsel Holdings Limited are held by:

- The Issuer owns 6,169 holdings, accounting for 24% of the share capital and vested with 24% of votes at the meeting of shareholders;
- the Issuer's subsidiary Echo – SPV 7 Sp. z o.o. owns 13,080 holdings, accounting for 52% of the share capital and vested with 52% of votes at the meeting of shareholders;
- the Issuer's subsidiary Echo – Aurus Sp. z o.o. owns 6,001 holdings, accounting for 24% of the share capital and vested with 24% of votes at the meeting of shareholders.

Agreements on the transfer of the ownership of holdings in subsidiaries

The following agreements on the transfer of the ownership of holdings were concluded on 25 October 2011:

1/ On 25 October 2011, under the agreement on the transfer of the ownership of holdings in Echo – Metropolis spółka z ograniczoną odpowiedzialnością, with its registered office in Kielce, a subsidiary of the Issuer (later referred to as the Company), Barconsel Holdings Limited, with its registered office in Nicosia (Cyprus), a subsidiary of the Issuer (later referred to as the Seller), sold to Forum XXXIV Fundusz Inwestycyjny Zamknięty, with its registered office in Krakow (later referred to as the Buyer or the Fund), 1,213,238 (one million, two hundred and thirteen thousand, two hundred and thirty-eight) holdings of the Company with a nominal value of 50 (fifty) zloty each and with a total nominal value of PLN 60,661,900 (sixty million, six hundred and sixty-one thousand and nine hundred zloty).

The book value of the above holdings in the accounting books of Barconsel Holdings Limited was EUR 15,241,575, which – as at the day of preparing the report – was equivalent to PLN 66,738,284.

In addition to the Seller, the Company's holdings are owned by: the Buyer (previously 796,760 holdings), Echo Investment SA (1 holding) and Grupa Echo sp. z o.o. (1 holding), a subsidiary of the Issuer.

2/ On 25 October 2011, under the agreement on the transfer of the ownership of holdings in Astra Park spółka z o.o., with its registered office in Kielce, a subsidiary of the Issuer (later referred to as the Company), Barconsel Holdings Limited, with its registered office in Nicosia (Cyprus), a subsidiary of the Issuer (later referred to as the Seller), sold to Forum XXXIV Fundusz Inwestycyjny Zamknięty, with its registered office in Krakow (later referred to as the Buyer or the Fund), 738,000 (seven hundred and thirty-eight thousand) holdings of the Company with a nominal value of 50 (fifty) zloty each and with a total nominal value of PLN 36,900,000.

The book value of the above holdings in the accounting books of Barconsel Holdings Limited was EUR 5,888,876, which – as at the day of preparing the report – was equivalent to PLN 25,785,623.

In addition to the Seller, the owners of the Company's holdings are: Projekt Echo - 69 sp. z o.o. (1 holding) and Echo Investment S.A. (800 holdings).

3/ On 25 October 2011, under the agreement on the transfer of the ownership of holdings in Zakład Ogrodniczy Naramowice spółka z ograniczoną odpowiedzialnością, with its registered office in Pamiątków, a subsidiary of the Issuer (later referred to as the Company), Barconsel Holdings Limited, with its registered office in Nicosia (Cyprus), a subsidiary of the Issuer (later referred to as the Seller), sold to Forum XXXIV Fundusz Inwestycyjny Zamknięty, with its registered office in Krakow (later referred to as the Buyer or the Fund), 189,900 (one hundred and eighty-nine thousand and nine hundred) holdings of the Company with a nominal value of 100 (one hundred) zloty each and with a total nominal value of PLN 18,990,000.

The book value of the above holdings in the accounting books of Barconsel Holdings Limited was EUR 260,013, which – as at the day of preparing the report – was equivalent to PLN 1,138,520.

In addition to the Seller, the Company's holdings are owned by: Echo Investment SA (99 holdings) and Olympus Prime sp. z o.o. (1 holding), a subsidiary of the Issuer.

4/ On 25 October 2011, under the agreement on the transfer of the ownership of holdings in Projekt Echo – 53 spółka z ograniczoną odpowiedzialnością, with its registered office in Kielce, a subsidiary of the Issuer (later referred to as the Company), Barconsel Holdings Limited, with its registered office in Nicosia (Cyprus), a subsidiary of the Issuer (later referred to as the Seller), sold to Forum XXXIV Fundusz Inwestycyjny Zamknięty, with its registered office in Krakow (later referred to as the Buyer or the Fund), 1,029,279 (one million, twenty-nine thousand, two hundred and seventy-nine) holdings of the Company with a nominal value of 50 (fifty) zloty each and with a total nominal value of PLN 51,463,950.

The book value of the above holdings in the accounting books of Barconsel Holdings Limited was EUR 13,204,445, which – as at the day of preparing the report – was equivalent to PLN 57,818,303.

In addition to the Seller, the Company's holdings are owned by: the Buyer (previously 950,466 holdings), Echo Investment SA (999 holdings) and Grupa Echo sp. z o.o. (1 holding).

5/ On 25 October 2011, under the agreement on the transfer of the ownership of holdings in Projekt Naramowice Poznań spółka z ograniczoną odpowiedzialnością, with its registered office in Kielce, a subsidiary of the Issuer (later referred to as the Company), Barconsel Holdings Limited, with its registered office in Nicosia (Cyprus), a subsidiary of the Issuer (later referred to as the Seller), sold to Forum XXXIV Fundusz Inwestycyjny Zamknięty, with its registered office in Krakow (later referred to as the Buyer or the Fund), 3,138,580 (three million, one hundred and thirty-eight thousand, five hundred and eighty) holdings of the Company with a nominal value of 50 (fifty) zloty each and with a total nominal value of PLN 156,929,000.

The book value of the above holdings in the accounting books of Barconsel Holdings Limited was EUR 34,322,104, which – as at the day of preparing the report – was equivalent to PLN 150,286,197.

In addition to the Seller, the Company's holdings are owned by: Echo Investment SA (1,000 holdings) and Grupa Echo sp. z o.o. (20 holdings).

The agreements on the transfer of the ownership of holdings in the above-mentioned subsidiaries form a part of the performance of the declaration on the acquisition of 3rd issue investment certificates of the Fund issued by FORUM XXXIV Fundusz Inwestycyjny Zamknięty, with its registered office in Krakow, and a payment of an in-kind contribution in the form of holdings in the above-mentioned companies.

In total, as part of subscriptions for the investment certificates issued by Forum XXXIV Fundusz Inwestycyjny Zamknięty, the subsidiary Baronsel Holdings Limited acquired 11,764 investment certificates.

The total issue price of the acquired certificates was PLN 296,241,048.

Baronsel Holdings Limited intends to treat the purchased investment certificates as a long-term capital investment.

The transfer of those assets form a part of restructuring in the Echo Investment Capital Group, which will optimise the management of the project portfolio in the Issuer's Capital Group in terms of costs and taxes as well as allow for acquisition and implementation of new projects.

I. The composition of the Echo Investment S.A. Capital Group has expanded by the following companies: -

- On 24 November 2011, the District Court in Kielce registered a new company, Projekt Echo –100 Spółka z ograniczoną odpowiedzialnością, with its registered office in Kielce. The company's share capital is PLN 50 thousand.

II. The composition of the Echo Investment S.A. Capital Group has decreased by the following companies:

- no changes in the reporting period.

III. Other changes in companies comprising the Issuer's Capital Group:

- transformation of Projekt Echo – 53 sp. z o. o. into 53 – Grupa Echo spółka z ograniczoną odpowiedzialnością S. K. A. (registration date: 7 December 2011).

6.14. Management board's position regarding the possibility of fulfilment of previously published profit forecasts for a given year in light of the results disclosed in the quarterly report against the forecasted results

The Company's Management Board did not publish any financial forecasts.

6.15. Ownership structure of significant stakes of shares in Echo Investment S.A.

As at 6 February 2012, the following shareholders held, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting of Echo Investment S.A.:

Shareholder	Number of shares [pcs.]	% share in the share capital of Echo Investment S.A.	Number of votes at the GMS of Echo Investment S.A.	% of overall votes at the GMS of Echo Investment S.A.
Michał Sołowow, including:	185 786 775	44,23%	185 786 775	44,23%
- directly:	2 343 431	0,56%	2 343 431	0,56%
- indirectly, including:	183 443 344	43,68%	183 443 344	43,68%
Barcocapital Investment Limited	63 980 497	15,23%	63 980 497	15,23%
Calgeron Investment Limited	17 884 050	4,26%	17 884 050	4,26%
FTF Galleon S.A.	101 578 797	24,19%	101 578 797	24,19%
ING OFE	54 488 467	12,97%	54 488 467	12,97%
AVIVA OFE AVIVA BZ WBK	36 683 460	8,73%	36 683 460	8,73%
PZU Złota Jesień OFE	21 419 085	5,1%	21 419 085	5,1%

In the period between the publication of the last quarterly report, i.e. 14 November 2011, and the day of preparing this report, Echo Investment S.A. received the following notifications about the change in the holding of the Issuer's shares:

Notification from a significant shareholder about an increase in the holding of shares by at least 2%

On 17 November 2011, the Issuer received information from ING Powszechne Towarzystwo Emerytalne S.A., which – pursuant to article 69 of the Act of 29 July 2005 on public offering, terms of introducing financial instruments into organised trading and on public companies (J. L. of 2009, No. 185, item 1439) – announced that as a result of the purchase of the Issuer's shares under transactions at the WSE, settled on 14 November 2011, ING Otwarty Fundusz Emerytalny (later referred to as the Fund OFE) increased its holding of the shares by at least 2%.

Before the purchase of the shares, the Fund held 48,121,638 (forty-eight million, one hundred and twenty-one thousand, six hundred and thirty-eight) shares in the Company, representing 11.46% of the Company's share capital, and was entitled to 48,121,638 (forty-eight million, one hundred and twenty-one thousand, six hundred and thirty-eight) votes at the Company's general meeting of shareholders, accounting for 11.46% of the overall number of votes.

On 17 November 2011, the Fund's securities account included 54,488,467 (fifty-four million, four hundred and eighty-eight thousand, four hundred and sixty-seven) of the Company's shares, representing 12.97% of the Company's share capital. These shares are vested with 54,488,467 (fifty-four million, four hundred and eighty-eight thousand, four hundred and sixty-seven) votes at the Company's GMS, representing 12.97% of the overall number of votes.

In the following 12 months, the Funds may increase or decrease its holding of the shares, depending on the market situation and the company's operation. The purpose of the purchase of the company's shares is to invest cash as part of the Fund's investing activity.

Notifications from a significant shareholder about an increase in the holding of shares

On 18 November 2011, the Issuer received two notifications about the increase in the holding of the Company's shares:

NOTIFICATION 1 – from Mr Michał Solowow

"Acting pursuant to art. 69 section 2 item 2 of the Act of 29 July 2005 on public offering, terms of introducing financial instruments to organised trading and on public companies (J. L. no. 185, item 1439), I announce that, as a result of the purchase of shares from 15 to 18 November 2011 by my subsidiary, FTF Galleon S.A., with its registered office in Luxembourg, at Charles de Gaulle 2-8, L-1635 Luxembourg, registered in the Register of Commercial Companies in Luxembourg under no. B 154340, I increased my holding of shares in Echo Investment S.A. (Company) by at least 1% of the overall number of votes at the Company's general meeting of shareholders.

As at the day of preparing this notification, I held, directly and indirectly 183,151,128 shares in Echo Investment S.A., accounting for 43.61% of the share capital, vested with 183,151,128 votes at the general meeting of shareholders of Echo Investment S.A., and representing 43.61% of the overall number of votes at the general meeting of shareholders of Echo Investment S.A.

Details of my holding of shares in Echo Investment S.A. as at the day of preparing the notification are presented in the table below:

	Number of shares [pcs.]	% of share capital	Number of votes at the GMS	% of total votes at the GMS
In total, directly and indirectly:	183.151.128	43,61%	183.151.128	43,61%
- directly:	2.343.431	0,56%	2.343.431	0,56%
- indirectly, including:	180.807.697	43,05%	180.807.697	43,05%
Barcocapital Investment Limited	103.041.680	24,53%	103.041.680	24,53%
Calgeron Investment Limited	17.884.050	4,26%	17.884.050	4,26%
FTF Galleon S.A	59.881.967	14,26%	59.881.967	14,26%

Before the above-mentioned transactions, I held – directly and indirectly – a total of 173,582,353 shares in the Company, representing 41.33% of the share capital; I was entitled to 173,582,353 votes at the Company's general meeting of shareholders, accounting for 41.33% of the overall number of votes at the Company's general meeting of shareholders.

There are no parties referred to in article 87 section 1 item 3 letter c of the Act of 29 July 2005 on public offering, terms of introducing financial instruments into organised trading and on public companies (J.L. No. 184, item 1539)".

NOTIFICATION 2 – from FTF Galleon S.A., Mr Michał Sołowow's subsidiary

"Acting pursuant to art. 69 of the Act dated July 29th, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies – Journal of Laws no. 185, item 1439), I announce that, as a result of the purchase of shares in Echo Investment S.A. (later referred to as the Company) from 15 to 18 November 2011 during WSE transactions, FTF Galleon S.A., with its registered office in Luxembourg, at Charles de Gaulle 2-8, L-1635 Luxembourg, registered in the Register of Commercial Companies in Luxembourg under no. B 154340, a subsidiary of Mr Michał Sołowow, increased its holding of the Company's shares by at least 2%.

As at the day of preparing this notification, Galleon S.A. holds 59,881,967 (fifty-nine million, eight hundred and eighty-one thousand, nine hundred and sixty-seven) shares of the Company, representing 14.26% of the share capital, and is entitled to 59,881,967 (fifty-nine million, eight hundred and eighty-one thousand, nine hundred and sixty-seven) votes at the Company's general meeting of shareholders, representing 14.26% of the overall number of votes.

Before the transaction, Galleon S.A. held 50,313,192 (fifty million, three hundred and thirteen thousand, one hundred and ninety-two) shares in the Company, representing 11.98% of the Company's share capital, and was entitled to 50,313,192 (fifty million, three hundred and thirteen thousand, one hundred and ninety-two) votes at the Company's general meeting of shareholders, which makes up 11.98% of the overall number of votes.

No subsidiaries of the notifying shareholder hold shares in the company.

There are no parties referred to in article 87 section 1 item 3 letter c of the Act of 29 July 2005 on public offering, terms of introducing financial instruments into organised trading and on public companies (J.L. No. 184, item 1539)".

Notification about transaction on the Issuer's securities

On 18 November 2011, the Issuer received a notification from a member of the Issuer's Supervisory Board saying that between 15 and 18 November 2011 FTF Galleon S.A., with its registered office in Luxembourg, at Charles de Gaulle 2-8, L-1635 Luxembourg, registered in the Register of Commercial Companies in Luxembourg under no. B 154340, a subsidiary of Mr Michał Sołowow, purchased a total of 9,568,775 shares of Echo Investment S.A.

The share purchase transactions were made on the regulated market in the continuous trading system and as block transactions during the following sessions: 2011-11-15; 2011-11-16; 2011-11-17; 2011-11-18. The average purchase price was PLN 3.363 per share and the total volume was 9,568,775 shares.

The notifying entity requested that its personal information remains confidential, citing § 3 section 2 of the Ordinance of the Minister of Finance of 15 November 2005 on transferring and disclosing information on certain transactions in financial instruments and on the principles of compiling and maintaining a list of individuals with access to specific confidential information.

Notification about transaction on the Issuer's securities

On 29 November 2011, the Issuer received notification from a member of the Issuer's Supervisory Board, saying that:

1/ On 23 November 2011, FTF Galleon S.A., with its registered office in Luxembourg, at Charles de Gaulle 2-8, L-1635 Luxembourg, registered in the Register of Commercial Companies in Luxembourg under no. B 154340, a subsidiary of Mr Michał Sołowow, purchased 196,830 shares of Echo Investment S.A.

2/ On 24 November 2011, Barcocapital Investment Limited, with its registered office at Agiou Pavlou 15, Ledra House, Agios Andreas, 1105 Nicosia, Republic of Cyprus, registered in the Department for the Registration of Companies and the Receiver of the Republic of Cyprus (Register of Companies) under no. HE 145969, a subsidiary of Mr Michał Sołowow, purchased 1,001,757 shares of Echo Investment S.A.

The share purchase transactions were made on the regulated market in the continuous trading system on the following days: 2011-11-23; 2011-11-24. The average purchase price was PLN 3.34 per share and the total volume was 1,198,587 shares.

The notifying entity requested that its personal information remains confidential, citing § 3 section 2 of the Ordinance of the Minister of Finance of 15 November 2005 on transferring and disclosing information on certain transactions in financial instruments and on the principles of compiling and maintaining a list of individuals with access to specific confidential information.

Notifications received from major shareholders

On 5 December 2011, the Issuer received two notifications:

Notification 1: In a block transaction during the trading session on 30 November 2011, Barcocapital Investment Limited, with its registered office at Agiou Pavlou 15, Ledra House, Agios Andreas, 1105 Nicosia, Republic of Cyprus, registered in the Department for the Registration of Companies and the Receiver of the Republic of Cyprus (Register of Companies) under no. HE 145969, a subsidiary of Mr Michał Sołowow, sold 41,500,000 (forty-one million and five hundred thousand) shares, representing less than 15% of votes at the Issuer's general meeting of shareholders.

Notification 2: In a block transaction during the trading session on 30 November 2011, FTF Galleon S.A., with its registered office in Luxembourg, at Charles de Gaulle 2-8, L-1635 Luxembourg, registered in the Register of Commercial Companies in Luxembourg

under no. B 154340, a subsidiary of Mr Michał Sotowow, purchased 41,500,000 (forty-one million and five hundred thousand) shares, exceeding 20% of votes at the Issuer's general meeting of shareholders.

Notification 1

"Acting pursuant to article 69 section 2 of the Act of 27 July 2005 on public offering, terms of introducing financial instruments into organised trading and on public companies (J.L. no. 185, item 1439), I announce that as a result of a block transaction during the trading session on 30 November 2011, Barcocapital Investment Limited, with its registered office at Agiou Pavlou 15, Ledra House, Agios Andreas, 1105 Nicosia, Republic of Cyprus, registered in the Department for the Registration of Companies and the Receiver of the Republic of Cyprus (Register of Companies) under no. HE 145969, a subsidiary of Mr Michał Sotowow, sold 41,500,000 (forty-one million and five hundred thousand) shares; following the transaction, the company holds shares in Echo Investment S.A. (Company) representing less than 15% of votes at the Company's general meeting of shareholders.

As at the day of preparing this notification, Barcocapital Investment Limited holds 62,543,437 (sixty-two million, five hundred and forty-three thousand, four hundred and thirty-seven) shares of the Company, representing 14.89% of the share capital, and is entitled to 62,543,437 (sixty-two million, five hundred and forty-three thousand, four hundred and thirty-seven) votes at the Company's general meeting of shareholders, representing 14.89% of the overall number of votes.

Before the transaction, Barcocapital Investment Limited held 104,043,543 (one hundred and four million, forty-three thousand, five hundred and forty-three) shares of the Company, representing 24.77% of the share capital, and was entitled to 104,043,543 (one hundred and four million, forty-three thousand, five hundred and forty-three) votes at the Company's general meeting of shareholders, representing 24.77% of the overall number of votes.

No subsidiaries of the notifying shareholder hold shares in the company.

There are no parties referred to in article 87 section 1 item 3 letter c of the Act of 29 July 2005 on public offering, terms of introducing financial instruments into organised trading and on public companies (J.L. No. 184, item 1539)".

Notification 2

"Acting pursuant to article 69 section 1 of the Act of 27 July 2005 on public offering, terms of introducing financial instruments into organised trading and on public companies (J.L. no. 185, item 1439), I announce that as a result of a block transaction during the trading session on 30 November 2011, FTF Galleon S.A., with its registered office in Luxembourg, at Charles de Gaulle 2-8, L-1635 Luxembourg, registered in the Register of Commercial Companies in Luxembourg under no. B 154340, a subsidiary of Mr Michał Sotowow, purchased 41,500,000 (forty-one million and five hundred thousand) shares and became the owner of shares in Echo Investment S.A. (Company) that represent more than 20% of votes at the Company's general meeting of shareholders.

As at the day of preparing this notification, Galleon S.A. holds 101,578,797 (one hundred and one million, five hundred and seventy-eight thousand, seven hundred and ninety-seven) shares of the Company, representing 24.19% of the share capital, and is entitled to 101,578,797 (one hundred and one million, five hundred and seventy-eight thousand, seven hundred and ninety-seven) votes at the Company's general meeting of shareholders, representing 24.19% of the overall number of votes.

Before the transaction, FTF Galleon S.A. held 60,078,797 (sixty million, seventy-eight thousand, seven hundred and ninety-seven) shares in the Company, representing 14.3% of the Company's share capital, and was entitled to 60,078,797 (sixty million, seventy-eight thousand, seven hundred and ninety-seven) votes at the Company's general meeting of shareholders, accounting for 14.3% of the overall number of votes.

No subsidiaries of the notifying shareholder hold shares in the company.

There are no parties referred to in article 87 section 1 item 3 letter c of the Act of 29 July 2005 on public offering, terms of introducing financial instruments into organised trading and on public companies (J.L. No. 184, item 1539)".

Notification about transaction on the Issuer's securities

On 5 December 2011, the Issuer received a notification from a member of the Supervisory Board saying that, on 30 November 2011, Barcocapital Investment Limited, with its registered office at Agiou Pavlou 15, Ledra House, Agios Andreas, 1105 Nicosia, Republic of Cyprus, registered in the Department for the Registration of Companies and the Receiver of the Republic of Cyprus (Register of Companies) under no. HE 145969, sold 41,500,000 shares of Echo Investment S.A. to FTF Galleon S.A., with its registered office in Luxembourg, at Charles de Gaulle 2-8, L-1635 Luxembourg, registered in the Register of Commercial Companies in Luxembourg under no. B 154340.

The share purchase/sale transaction was made between the said entities on the regulated market by way of a block transaction concluded during the trading session on 30 November 2011. The average transaction price per share of the Issuer was PLN 3.3.

Both companies are subsidiaries of Mr Michał Sotowow. As a result of the said transaction, Barcocapital Investment Limited decreased its holding of votes at the Issuer's general meeting below 15% of votes, while FTF Galleon S.A. increased its holding of votes at the Issuer's general meeting to more than 20% of votes.

The notifying entity requested that its personal information remains confidential, citing § 3 section 2 of the Ordinance of the Minister of Finance of 15 November 2005 on transferring and disclosing information on certain transactions in financial instruments and on the principles of compiling and maintaining a list of individuals with access to specific confidential information.

Notification about transaction on the Issuer's securities

On 16 December 2011, the Issuer received a notification from a member of the Supervisory Board saying that Barcocapital Investment Limited, with its registered office at Agiou Pavlou 15, Ledra House, Agios Andreas, 1105 Nicosia, Republic of Cyprus, registered in the Department for the Registration of Companies and the Receiver of the Republic of Cyprus (Register of Companies) under no. HE 145969, a subsidiary of Mr Michał Sołowow, purchased a total of 750,108 shares in the Issuer's company.

The share purchase transactions were made on the regulated market in the continuous trading system on the following days: 2011-12-09; 2011-12-13; 2011-12-14;.

The average purchase price was PLN 3.35 per share and the total volume was 750,108 shares.

The notifying entity requested that its personal information remains confidential, citing § 3 section 2 of the Ordinance of the Minister of Finance of 15 November 2005 on transferring and disclosing information on certain transactions in financial instruments and on the principles of compiling and maintaining a list of individuals with access to specific confidential information.

Notification about transaction on the Issuer's securities

The Management Board of Echo Investment S.A. (Issuer) announces that on 30 December 2011, the Issuer received a notification from a member of the Supervisory Board saying that Barcocapital Investment Limited, with its registered office at Agiou Pavlou 15, Ledra House, Agios Andreas, 1105 Nicosia, Republic of Cyprus, registered in the Department for the Registration of Companies and the Receiver of the Republic of Cyprus (Register of Companies) under no. HE 145969, a subsidiary of Mr Michał Sołowow, purchased a total of 186,952 shares in the Issuer's company.

The share purchase transaction was concluded on the regulated market in the continuous trading system on 22 December 2011.

The average purchase price was PLN 3.17 per share and the total volume was 186,952 shares.

The notifying entity requested that its personal information remains confidential, citing § 3 section 2 of the Ordinance of the Minister of Finance of 15 November 2005 on transferring and disclosing information on certain transactions in financial instruments and on the principles of compiling and maintaining a list of individuals with access to specific confidential information.

Notification about transaction on the Issuer's securities

On 5 January 2012, the Issuer received a notification from a member of the Supervisory Board saying that Barcocapital Investment Limited, with its registered office at Agiou Pavlou 15, Ledra House, Agios Andreas, 1105 Nicosia, Republic of Cyprus, registered in the Department for the Registration of Companies and the Receiver of the Republic of Cyprus (Register of Companies) under no. HE 145969, a subsidiary of Mr Michał Sołowow, purchased 500,000 shares in the Issuer's company.

The share purchase transaction was concluded on the regulated market in the continuous trading system on 05.01.12.

The average purchase price was PLN 3.29 per share and the total volume was 500,000 shares.

The notifying entity requested that its personal information remains confidential, citing § 3 section 2 of the Ordinance of the Minister of Finance of 15 November 2005 on transferring and disclosing information on certain transactions in financial instruments and on the principles of compiling and maintaining a list of individuals with access to specific confidential information.

6.16. List of changes in the ownership of Echo Investment S.A.'s shares or rights thereto (options) by the Company's managerial and supervisory staff, in accordance with information available to Echo Investment S.A., in the period after the presentation of the previous quarterly report

According to the Company's knowledge, changes in the holding of shares in Echo Investment S.A. or rights to the shares (options) by the Company's managerial and supervisory staff in the period from the day of submitting the previous quarterly report are presented in the tables below:

Managerial staff	as at	as at
	14.11.2011	06.02.2012
Piotr Gromniak – President of the Management Board	no shares held	no shares held
Artur Langner – Vice-President of the Management Board	no shares held	no shares held

Supervisory staff	as at	as at
	14.11.2011	06.02.2012
Wojciech Ciesielski – Chairman of the Supervisory Board	1,200,000 shares	1,200,000 shares
Andrzej Majchert – Vice-chairman of the Supervisory Board	98,800 shares	98,800 shares
Mariusz Waniotka – Vice-chairman of the Supervisory Board	no shares held	no shares held
Karol Żbikowski – Member of the Supervisory Board	no shares held	no shares held
Robert Oskard – Member of the Supervisory Board	no shares held	no shares held
Tomasz Kalwat – Member of the Supervisory Board	no shares held	no shares held

Notification about transaction on the Issuer's securities

On 27 January 2012, the Issuer received a notification whereby a person holding a managerial position in the Issuer's organisational structure and having access to confidential information, acting pursuant to article 160 of the Act on trading in financial instruments of 29 July 2005 (J. L. No. 183, item 1538), in connection with § 2 section 5 of the Ordinance of the Minister of Finance of 15 November 2005 on transferring and disclosing information on certain transactions in financial instruments and on the principles of compiling and maintaining the list of individuals having access to specific confidential information (J. L. No. 229, item 1950), announces that in 2011 the total amount of purchase transactions on the shares of Echo Investment SA did not exceed EUR 5,000.

The purchase transactions were concluded on the regulated market in the continuous trading system: on 26 May 2011 and 21 December 2011. The total volume of the purchased shares was 4,700 and the average purchase price was PLN 4.31 per share.

The notifying entity requested that its personal information remains confidential, citing § 3 section 2 of the Ordinance of the Minister of Finance of 15 November 2005 on transferring and disclosing information on certain transactions in financial instruments and on the principles of compiling and maintaining a list of individuals with access to specific confidential information.

6.17. Information on court proceedings

In the period from 1 January to 31 December 2011, there were neither court nor administrative proceedings regarding liabilities or receivables of the Company or its subsidiaries in the total value of at least 10% of the Company's equity.

6.18. Information on transactions with related entities under terms other than market terms

In Q4 2011, neither the Company nor its subsidiaries entered into transactions with related entities under terms other than market terms.

6.19. Information on sureties granted on loans or borrowings and guarantees with a value equivalent to at least 10% of the Company's equity.

In Q4 2011, the Capital Group provided no sureties for loans or borrowings, nor did it grant any guarantees to a single entity or to its subsidiary with a total value equivalent to at least 10% of the Company's equity.
See also item 7.11.

6.20. Other information which, in the opinion of the Management Board of Echo Investment S.A., is material to assess its condition in terms of HR, assets, finance, financial result or changes thereto as well as information which is material for the assessment of the Echo Investment Capital Group's capability of fulfilling its obligations

Tieto Poland becomes the main tenant in Aquarius Business House

Tieto Poland, the Polish branch of an international IT concern, rented 8,000 sq. m in Aquarius Business House – class A office building erected in the centre of Wrocław by Echo Investment.

Aquarius Business House is a modern, class A office building offering a number of state-of-the-art technological solutions, high-end data communication lines, safety and access control systems as well as functions allowing for an environment-friendly, effective and efficient management of energy and utilities. The object comprises two 7-floor buildings.

The whole object has a leasable area of 25,000 sq. m.

Tieto Corporation is an international IT concern providing a full range of services in the creation, development and maintenance of IT systems. At present, it operates branches in nearly 30 countries, including Poland, and employs more than 18 thousand people. The company is also listed on stock exchanges in Helsinki and Stockholm. In Poland, Tieto operates offices in Szczecin, Warsaw and Wrocław, employing over 1,200 people.

Completion of stage I of the district Kasztanowa Aleja

Echo Investment obtained a legally binding permit to use building B, comprising stage one of the execution of a residential complex Kasztanowa Aleja at ul. Wojskowa in Poznań.

Kasztanowa Aleja includes two independent buildings with courtyards, greenery and a playground for children. The complex comprises 282 apartments with an area of 37 to 94 sq. m, gardens, balconies, terraces or loggias.

The Investor obtained a legally binding permit to use the first building. It means that stage I of the project is completed.

The architectural design for the Kasztanowa Aleja complex was created by Studio Lisiak Sp. z o.o. from Poznań. The general contractor for stage I of the district was Warbud S.A. from Warsaw.

Well-known clothing brands in Galeria Olimpia

Retail outlets of well-known clothing brands – Reserved, House, Mohito, Cropp, New Yorker and Orsay – will be established in Galeria Olimpia constructed by Echo Investment in Bełchatów.

The investor signed an agreement with the LPP group, which will open Reserved (900 sq. m), House (200 sq. m), Cropp (220 sq. m) and Mohito (190 sq. m) shops in Galeria Olimpia. The object will also house shops of the New Yorker chain (860 sq. m) and the well-known brand Orsay (165 sq. m).

Galeria Olimpia is being built in the region of ul. Armii Krajowej and ul. Kolejowa in Bełchatów on a plot adjacent to the Shopping Centre Echo, which has operated on the market for more than 11 years. The gallery and the adjacent CH Echo will create a functionally related shopping and services complex with a total leasable area of 32,200 sq. m. It will house three hypermarkets: Tesco, Carrefour and Nomi, the latter two already operate in CH Echo. A multiplex cinema of Poland's largest chain – Helios – will also be created. In total, Galeria Olimpia will house 90 shops, such as Martes Sport, Rtv Euro Agd, CCC, Deichman and Rossmann. The object's lease level is 77 per cent. Car traffic will be served by below-grade and on-grade car parks with a total of 1,050 parking places.

The execution of Galeria Olimpia is according to the schedule. The general contractor of the object is Polimex - Mostostal SA. The works have started in June of this year. The gallery is to open in H2 2012. The project was created by the design studio MOFO Architekci.

International success of Galeria Echo

Galeria Echo in Kielce has won a prize in the prestigious contest MAPIC Awards at Europe's largest commercial property fair in the French city of Cannes. The shopping centre constructed by Echo Investment has won in the category "Best enlarged retail development".

Two other exceptional developments competed against Galeria Echo in the category "Best enlarged retail development": Milano City Center from the Italian city of Milan and The Style Outlets from Zweibrücken in Germany. Galeria Echo was the only Polish development in all categories to be nominated for this prestigious award.

Commercialisation of Outlet Park Szczecin draws to a close

Adidas, Ecco, Lavard, Atlantic, NIKE, Big Star, Mc Arthur, Lancerto, 4F and Puere are the brands which will be present in Outlet Park Szczecin, the first sell-out centre developed by Echo Investment in the West Pomeranian region.

The object's commercialisation is coming to an end: 80% of areas have already been leased and negotiations are underway for the last premises available.

The outlet of Adidas, one of the best known sports clothing brands in the world, will have an area of 550 sq. m. The shop of Ecco, a well-known manufacturer of branded footwear, will occupy 160 sq. m. The outlet of Lavard, specialising in elegant men's wear, will have an area of nearly 200 sq. m. The shop of Atlantic, a well-known manufacturer of women's and men's underwear, will have an area of 130 sq. m. The NIKE shop will occupy nearly 750 sq. m. An area of 260 sq. m will be available to Big Star. The footwear shop Mc Arthur will occupy 130 sq. m. The outlet of Lancerto, specialising in men's wear, will have an area of 110 sq. m. The outlets of 4F, a manufacturer of sports wear and accessories, and of Puere, known for its comfortable men's suits, will occupy 200 and 100 sq. m respectively.

Outlet Park Szczecin is being executed according to the schedule. Construction works have started in June this year and completion is planned in the middle of the next year. The contractor is Polimex-Mostostal SA.

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RTV Euro AGD in Galeria Amber

The shop of RTV Euro AGD, to be established in Galeria Amber developed by Echo Investment in Kalisz, will have an area of over 1,200 sq. m.

RTV Euro AGD is the first country-wide chain specialising in audio, video and household equipment, computers, telecommunication equipment, cameras and accessories. At present, the company operates 173 shops in 83 Polish cities.

Galeria Amber is a 4-floor shopping and entertainment centre being constructed in the centre of Kalisz, in the vicinity of two main transport stations PKP (a Polish rail transport company) and PKS (vehicle transport services), at the corner of ul. Górnośląska and ul. Trasa Bursztynowa. The leasable area is 33,500 sq. m. Galeria Amber will be the largest shopping centre in the agglomeration of Kalisz and Ostrów Wielkopolski, where nearly 350,000 people live.

The object will house 140 shops, such as H&M, C&A, New Yorker, Reserved, Adidas, Reebok, NIKE, Puma, Lee Wrangler, Ochnik, Kazar, Harpers, Ocular Canada, Paris Optique, VIP Collection and Via Roma. There will also be a 7-room cinema operated by Helios. Approximately 1,100 parking places will be available for customers. Echo Investment is currently finalising agreements with other known clothing chains and a hypermarket. The object will open in Q2 2013.

6.21. Factors which, in the opinion of the Company's Management Board, will have impact on results generated by the Capital Group in the perspective of at least the following quarter

Factors to influence the result in the coming periods include:

- entering into final sales agreements on housing developments:
- in Warsaw: at ul. Zeusa and ul. Kazimierzowska (Klimt House),
- in Poznań: in Naramowice district (Naramowice Rynek, Pod Klonami) and at ul. Wojskowa (Kasztanowa Aleja),
- in Wrocław: at ul. Jedności Narodowej (Przy Słowiańskim Wzgórzu),
- in Kraków: at ul. Krasickiego (Pod Słowikiem),
- in Kielce: Bilcza district (stage II), Południowe district in Dyminy – sale of plots with house designs, Mastów – sale of plots without designs,
- measurement of the fair value of projects under construction and/ or after they have been put into service:
- Galeria Olimpia in Białystok (shopping centres segment),
- Galeria Veneda in Łomża (shopping centres segment),
- Aquarius in Wrocław (office segment)
- revaluation of the fair value of property held,
- regular revenue from rent agreements,
- measurement of loan liabilities and cash in foreign currencies,
- measurement of financial instruments hedging foreign exchange rates and interest rates,
- revaluation of non-financial assets.

7. CONDENSED SEPARATE FINANCIAL STATEMENTS AS AT 31.12.2011

Statement of financial position as at (PLN '000)	as at 2011.12.31 end of quarter	as at 2010.12.31 end of quarter
Assets		
1. Non-current assets		
1.1. Intangible assets	1 419	1 227
1.2. Property, plant and equipment	14 664	17 341
1.3. Investment property	3 655	11 631
1.4. Investments in subsidiaries and jointly-controlled entities	918 328	769 746
1.5. investments in associates	-	8
1.6. Borrowings granted	4 561	13 785
1.7. Other financial assets	13 946	12 079
	956 573	825 817
2. Current assets		
2.1. Inventory	315 295	327 002
2.2. Current income tax receivables	-	335
2.3. Other tax receivables	2 685	-
2.4. Trade and other receivables	89 131	94 675
2.5. Borrowings granted	144 929	144 538
2.6. Cash and cash equivalents	86 386	65 827
	638 426	632 377
Total assets	1 594 999	1 458 194
Liabilities		
1. Equity		
1.1. Share capital	21 000	21 000
1.2. Supplementary capital	550 573	511 901
1.3. Retained profit (loss) from previous years	-	-
1.4. Net profit (loss)	20 694	38 672
	592 267	571 573
2. Provisions		
2.1 Provisions for liabilities	4 273	6 700
2.2. Deferred income tax provision	8 640	12 007
	12 913	18 707
3. Non-current liabilities		
3.1. Loans, borrowings and bonds	654 374	484 907
	654 374	484 907
4. Current liabilities		
4.1. Loans, borrowings and bonds	232 691	285 043
4.3. Current income tax liabilities	2 762	-
4.4. Other tax liabilities	13 280	7 450
4.5. Trade liabilities	41 757	57 654
4.6. Advance payments received	36 916	24 111
4.7. Other liabilities	8 039	8 749
	335 445	383 007
Total liabilities	1 594 999	1 458 194

Book value (PLN '000)	as at 2011.12.31 end of quarter	as at 2010.12.31 end of quarter
Book value	592 267	571 573
Number of shares	420 000 000	420 000 000
Book value per share (in PLN)	1,41	1,36

Off-balance sheet items (PLN '000)	as at 2011.12.31 end of quarter	as at 2010.12.31 end of previous year
1. Off-balance sheet receivables		
2. Off-balance-sheet liabilities	539 059	480 083
Total off-balance sheet items	539 059	480 083

Statement of comprehensive income (PLN '000)	Q4 2011.09.01 to 2011.12.31	Q1-Q4 2011.01.01 to 2011.12.31	Q4 2010.09.01 to 2010.12.31	Q1-Q4 2010.01.01 to 2010.12.31
Revenue	107 349	414 629	111 168	371 571
Cost of sales	(76 901)	(309 143)	(90 221)	(287 755)
Gross profit (loss) from sales	30 448	105 486	20 947	83 816
Profit (loss) from sale of property	722	6 868	(3)	15
Revaluation of non-financial assets	-	(3 438)	(54)	19
Cost of sales	(6 217)	(24 011)	(7 026)	(21 276)
General and administrative expenses	(10 960)	(33 675)	(9 958)	(26 819)
Other operating revenue	6 213	28 782	3 582	21 963
Other operating costs	(3 604)	(20 857)	(406)	(2 515)
Profit before tax and excluding financial revenue / costs	16 602	59 155	7 082	55 203
Financial revenue	20 164	39 071	4 149	33 731
Financial costs	(34 730)	(77 822)	(13 243)	(46 555)
Gross profit (loss)	2 036	20 404	(2 012)	42 379
Income tax	974	290	(2 760)	(3 707)
Net profit (loss)	3 010	20 694	(4 772)	38 672
(Annualised) net profit (loss)		20 694		38 672
Average-weighted number of ordinary shares		420 000 000		420 000 000
Earnings (loss) per ordinary share (in PLN)		0,05		0,09
Average-weighted diluted number of ordinary shares		420 000 000		420 000 000
Diluted earnings per ordinary share (in PLN)		0,05		0,09

Statement of changes in equity (PLN '000)	Share capital	Supplementary capital	Retained profit (loss) from previous years	Net profit (loss)	Total equity
For Q1-Q4 (current year), from 1 January 2011 to 31 December 2011					
Opening balance	21 000	511 901	38 672	-	571 573
Changes in the period:					
Allocation of result from previous years	-	38 672	(38 672)	-	-
Net profit (loss) for the period				20 694	20 694
Total changes	-	38 672	(38 672)	20 694	20 694
Closing balance	21 000	550 573	-	20 694	592 267
For Q1-Q4 (previous year), from 1 January 2010 to 31 December 2010					
Opening balance	21 000	477 859	34 042	-	532 901
Changes in the period:					
Allocation of result from previous years	-	34 042	(34 042)	-	-
Net profit (loss) for the period				38 672	38 672
Total changes	-	34 042	(34 042)	38 672	38 672
Closing balance	21 000	511 901	-	38 672	571 573

Cash flow statement (PLN '000)	period 2011.01.01 to 2011.12.31	period 2010.01.01 to 2010.12.31
Cash flow from operating activities - indirect method		
I. Net profit (loss)	20 694	38 672
II. Adjustments:		
1. Amortisation/depreciation	3 837	3 356
2. Foreign exchange profit (loss)	-	-
3. Interest and profit sharing (dividends)	16 536	687
4. Current income tax recognised in profit and loss account	3 076	-
5. Income tax paid	21	1 860
6. Profit (loss) on investment activities	(3 485)	(13)
7. Change in provisions	(2 148)	(2 680)
8. Change in inventory	14 800	35 599
9. Change in receivables	384	32 229
10. Change in current liabilities, excluding loans and borrowings	(3 659)	(17 948)
Net cash flow from operating activities	50 056	91 762
Cash flow from investment activities		
I. Proceeds		
1. Disposal of intangible and tangible fixed assets	3 300	505
2. Disposal of investments in property and intangible assets	9 936	-
3. From financial assets	132 475	206 926
4. Other investment proceeds	-	227
	145 711	207 658
II. Expenses		
1. Purchase of intangible and tangible fixed assets	(3 196)	(10 701)
2. Investment in property and intangible assets	-	-
3. For financial assets	(230 151)	(361 147)
4. Other investment expenses	158	-
	(233 189)	(371 848)
Net investment cash flow	(87 478)	(164 190)
Cash flow from financial activities		
I. Proceeds		
1. Net proceeds from issue of shares and other capital instruments and capital contributions	-	-
2. Loans and borrowings	7 760	1 330
3. Issue of debt securities	364 566	150 000
4. Other financial proceeds	-	-
	372 326	151 330

Statement of cash flow (PLN '000) cont.	period 2011.01.01 to 2011.12.31	period 2010.01.01 to 2010.12.31
II. Expenses		
1. Acquisition of equity shares (holdings)	-	-
2. Dividends paid and other payments to equity holders	-	-
3. Profit share expenses, other than payments to equity holders	-	-
4. Repayment of loans and borrowings	(37 142)	(26 162)
5. Redemption of debt securities	(220 000)	-
6. Interest	(57 203)	(40 791)
	(314 345)	(66 953)
Net cash flow from financial activities	57 981	84 377
Total net cash flow	20 559	11 949
Balance sheet change in cash, including:	20 559	11 949
- change in cash due to foreign exchange	-	-
Cash at the beginning of the period	65 827	53 878
Cash at the end of the period, including:	86 386	65 827
- of restricted availability	6 400	7 600

Kielce, 31.01.12

Piotr Gromniak


President of the Management
Board

Artur Langner


Vice-President of the
Management Board

Signature of the individual entrusted with bookkeeping:

Tomasz Sułek



Chief Accountant

