



QUARTERLY REPORT OF THE ECHO INVESTMENT CAPITAL GROUP FOR Q4 2013

ECHO
investment

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I. SELECTED CONSOLIDATED FINANCIAL DATA

	IN PLN '000		IN EUR '000	
	FROM 01.01.2013 TO 31.12.2013	FROM 01.01.2012 TO 31.12.2012	FROM 01.01.2013 TO 31.12.2013	FROM 01.01.2012 TO 31.12.2012
I. Operating revenues	528 723	582 765	125 558	139 675
II. Operating profit (loss)	493 798	189 451	117 264	45 407
III. Gross profit (loss)	312 264	183 898	74 154	44 076
IV. Net profit (loss)	309 113	374 115	73 406	89 666
V. Net operating cash flow	254 762	212 119	60 499	50 840
VI. Net cash flow from investing activities	50 236	-467 678	11 930	-112 091
VII. Net cash flow from financing activities	-258 358	79 422	-61 353	19 036
VIII. Total net cash flow	46 640	-176 137	11 076	-42 216
IX. Total assets	6 195 463	5 453 173	1 493 891	1 333 881
X. Equity attributable to shareholders of the parent	2 743 448	2 431 620	661 518	594 790
XI. Long-term liabilities	1 781 439	2 285 728	429 552	559 104
XII. Short-term liabilities	1 637 650	703 594	394 881	172 104
XIII. Number of shares	412 690 582	412 690 582	412 690 582	412 690 582
XIV. Earnings (loss) per ordinary share (in PLN/EUR)	0,75	0,91	0,18	0,22
XV. Book value per share (in PLN/EUR)	6,65	5,89	1,60	1,44

II. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS OF THE CAPITAL GROUP AS AT 31.12.2013 AND FOR THE 12-MONTH PERIOD ENDED ON 31.12.2013

1. CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION

CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION – ASSETS (PLN '000)

	AS AT 31.12.2013 END OF QUARTER	AS AT 31.12.2012 END OF PREVIOUS YEAR
ASSETS		
1. Non-current assets		
1.1. Intangible assets	815	1 186
1.2. Property, plant and equipment	76 331	55 875
1.3. Investment property	3 069 519	2 882 760
1.4. Investment property under construction	1 354 363	1 177 050
1.5. Long-term financial assets	45 045	44 970
1.6. Derivative financial instruments	7 617	626
1.7. Deferred income tax assets	14 826	11 243
	4 568 516	4 173 710
2. Non-current assets held for sale	94 152	250 059
3. Current assets		
3.1. Inventory	486 045	463 120
3.2. Income tax receivables	1 090	1 519
3.3. Other tax receivables	510 879	47 852
3.4. Trade and other receivables	107 453	77 666
3.5. Short-term financial assets	-	61 915
3.6. Derivative financial instruments	2 149	1 508
3.7. Restricted cash	50 897	40 181
3.8. Cash and cash equivalents	374 282	335 643
	1 532 795	1 029 404
Total current assets and non-current assets held for sale	1 626 947	1 279 463
TOTAL ASSETS	6 195 463	5 453 173

CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES (PLN '000)

	AS AT 30.12.2013 END OF QUARTER	AS AT 31.12.2012 END OF PREVIOUS YEAR
EQUITY AND LIABILITIES		
1. Equity		
1.1. Equity attributable to shareholders of the parent	2 743 448	2 431 620
1.1.1. Share capital	20 635	21 000
1.1.2. Supplementary capital	2 411 154	2 065 321
1.1.3. Equity shares purchased	-	-28 647
1.1.4. Accumulated profit (loss)	309 113	374 115
1.1.5. Foreign exchange differences on translation of foreign operations	2 546	-169
1.2. Equity of non-controlling shareholders	17	23
	2 743 465	2 431 643
2. Provisions		
2.1. Long-term provisions	-	1 501
2.2. Short-term provisions	2 000	6 263
2.3. Deferred income tax long-term provision	30 909	24 444
	32 909	32 208
3. Long-term liabilities		
3.1. Loans and borrowings	1 659 273	2 146 281
3.2. Derivative financial instruments	-	13 043
3.3. Security deposits and advances received	45 799	49 732
3.4. Lease liabilities (perpetual usufruct of land)	76 367	76 672
	1 781 439	2 285 728
4. Short-term liabilities		
4.1. Loans and borrowings	975 040	550 114
4.2. Derivative financial instruments	-	66
4.3. Income tax liabilities	335	2 292
4.4. Other tax liabilities	484 205	5 711
4.5. Trade liabilities	113 762	103 421
4.6. Other liabilities	11 829	16 189
4.7. Security deposits and advances received	52 479	25 801
	1 637 650	703 594
TOTAL EQUITY AND LIABILITIES	6 195 463	5 453 173
Book value (in PLN '000)	2 743 448	2 431 620
Number of shares	412 690 582	412 690 582
Book value per share (in PLN)	6,65	5,89
Diluted number of shares	412 690 582	412 690 582
Diluted book value per share (in PLN)	6,65	5,89

OFF-BALANCE SHEET ITEMS (PLN '000)

	AS AT 30.12.2013 END OF QUARTER	AS AT 31.12.2012 END OF PREVIOUS YEAR
1. Off-balance sheet receivables	-	-
2. Off-balance sheet liabilities	54 015	10 058

2. CONSOLIDATED QUARTERLY PROFIT AND LOSS ACCOUNT

CONSOLIDATED QUARTERLY PROFIT AND LOSS ACCOUNT (PLN '000)

	Q4 01.10.2013 - 31.12.2013	4 QUARTERS 01.01.2013 - 31.12.2013	Q4 01.10.2012 - 31.12.2012	4 QUARTERS 01.01.2012 - 31.12.2012
Revenue	122 161	528 723	147 309	582 765
Prime cost of sale	-59 720	-234 589	-71 536	-277 297
Gross profit (loss) on sales	62 441	294 134	75 773	305 468
Profit (loss) on investment property (measurement)	-32 045	271 230	98 560	-60 836
Selling costs	-9 995	-27 455	-10 244	-28 733
General administrative expenses	-14 115	-55 732	-17 701	-54 755
Other operating revenue (expenses)	3 742	11 621	10 662	28 307
Operating profit	10 028	493 798	157 050	189 451
Financial revenue	-5 888	2 053	-10 296	273
Financial expenses	-42 933	-162 481	-23 964	-146 993
Profit (loss) on FX derivatives	8 662	5 004	1 891	18 065
Foreign exchange profit (loss)	29 539	-26 110	11 485	123 102
Revaluation of goodwill of subordinates	-	-	-	-
Gross profit (loss)	-592	312 264	136 166	183 898
Income tax	2 213	-3 096	196 927	190 227
Net profit (loss), including:	1 621	309 168	333 093	374 125
Profit (loss) attributable to non-controlling interest	-49	55	2	10
Profit (loss) attributable to shareholders of the parent company	1 670	309 113	333 091	374 115
(Annualised) net profit (loss)	309 113		374 115	
Average weighted ordinary shares	412 690 582		412 690 582	
Annualised earnings (loss) per ordinary share (in PLN)	0,75		0,91	

3. CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME (PLN '000)

	Q4 01.10.2013 - 31.12.2013	4 QUARTERS 01.01.2013 - 31.12.2013	Q4 01.10.2012 - 31.12.2012	4 QUARTERS 01.01.2012 - 31.12.2012
Net profit (loss)	1 621	309 168	333 093	374 125
Other comprehensive income:				
- foreign exchange gains/losses on translation of foreign operations	-3 415	2 715	2 180	-7 245
	-3 415	2 715	2 180	-7 245
Comprehensive income for the period, including:	-1 794	311 883	335 273	366 880
Comprehensive income attributable to shareholders of the parent company	-1 745	311 828	335 271	366 870
Minority comprehensive income	-49	55	2	10

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (PLN '000)

	SHARE CAPITAL	SUPPLEMENTARY CAPITAL	EQUITY SHARES PURCHASED	ACCUMULATED PROFIT (LOSS)	FOREIGN EXCHANGE GAINS/LOSSES ON TRANSLATION	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	EQUITY OF NON-CONTROLLING SHAREHOLDERS	EQUITY
4 QUARTERS, FROM 01.01.2013 TO 31.12.2013 (CURRENT YEAR)								
Opening balance	21 000	2 065 321	-28 647	374 115	-169	2 431 620	23	2 431 643
Allocation of result from previous years	-	374 115	-	-374 115	-	-	-	-
Decrease in share capital	-365	-28 282	28 647	-	-	-	-	-
Dividend paid to minority shareholders	-	-	-	-	-	-	-61	-61
Other net comprehensive income	-	-	-	-	2 715	2 715	-	2 715
Net profit (loss) for the period	-	-	-	309 113	-	309 113	55	309 168
Closing balance	20 635	2 411 154	-	309 113	2 546	2 743 448	17	2 743 465
4 QUARTERS, FROM 01.01.2012 TO 31.12.2012 (PREVIOUS YEAR)								
Opening balance	21 000	1 857 464	-	207 857	9 256	2 095 577	-59	2 095 518
Allocation of result from previous years	-	207 857	-	-207 857	-	-	-	-
Purchase of equity shares	-	-	-28 647	-	-	-28 647	-	-28 647
Movements in minority interest	-	-	-	-	-	-	72	72
Other net comprehensive income	-	-	-	-	-9 425	-9 425	-	-9 425
Net profit (loss) for the period	-	-	-	374 115	-	374 115	10	374 125
Closing balance	21 000	2 065 321	-28 647	374 115	-169	2 431 620	23	2 431 643

5. CONSOLIDATED INTERIM CASH FLOW STATEMENT

CONSOLIDATED QUARTERLY CASH FLOW STATEMENT (PLN '000)

	4 QUARTERS 01.01.2013-31.12.2013	4 QUARTERS 01.01.2012-31.12.2012
A. Operating cash flow – indirect method		
I. Gross profit (loss)	312 264	183 898
II. Total adjustments	-73 119	40 860
1. Share in net profits (losses) of associates	-	-
2. Depreciation of PP&E	4 213	5 661
3. Foreign exchange (gains) losses	26 110	-123 102
4. Interest and profit sharing (dividends)	130 410	124 924
5. (Profit) loss on revaluation of assets and liabilities	-232 886	28 704
6. (Profit) loss on settlement of financial instruments	-966	4 673
7. Other adjustments	-	-
III. Movements in working capital:	17 359	-7 945
1. Movement in provisions	-5 764	-5 623
2. Movement in inventory	-18 921	42 064
3. Movement in receivables	-454 920	31 562
4. Movement in short-term liabilities, except for loans and borrowings	496 964	-75 948
IV. Net operating cash (I+II+III)	256 504	216 813
1. Income tax paid	-1 742	-4 694
V. Net operating cash flows	254 762	212 119
B. Cash flow from investing activities		
I. Proceeds	481 449	27 426
1. Sale of intangible assets and PP&E	495	331
2. Sale of real property investments	451 396	-
3. On financial assets	29 558	27 095
4. Other investment proceeds	-	-
II. Expenditures	-431 213	-495 104
1. Purchase of intangible assets and PP&E	-26 783	-5 759
2. Real property investments	-400 348	-488 916
3. On financial assets	-4 021	-429
4. Dividends and other share of profit paid to minority	-61	-
5. Other capital expenditures	-	-
III. Net cash flow from investing activities (I-II)	50 236	-467 678

CONSOLIDATED QUARTERLY CASH FLOW STATEMENT (PLN '000), CONTINUED

	4 QUARTERS 01.01.2013-31.12.2013	4 QUARTERS 01.01.2012-31.12.2012
C. Cash flow from financing activities		
I. Proceeds	1 535 528	790 202
1. Net proceeds from issue of shares (interests) and other equity instruments and capital contributions	-	-
2. Loans and borrowings	1 219 562	395 202
3. Issue of debt securities	315 000	395 000
4. Other financial proceeds	966	-
II. Expenditures	-1 793 886	-710 780
1. Purchase of equity shares (interests)	-	-28 647
2. Dividends and other payments to equity holders	-	-
3. Profit share expenses, other than payments to equity holders	-	-
4. Repayment of loans and borrowings	-1 325 928	-126 676
5. Redemption of debt securities	-320 000	-395 000
6. Due to FX derivatives	-	-4 673
7. Payment of liabilities under finance lease agreements	-306	-15
8. Interest	-147 652	-155 769
9. Other financial expenditures	-	-
III. Net cash flow from financing activities (I-II)	-258 358	79 422
D. Total net cash flow (A.III+/-B.III+/-C.III)	46 640	-176 137
E. Movement in cash in the consolidated statement of financial position, including:	49 355	-185 561
- movement in cash due to foreign exchange gains/losses	2 715	-9 424
F. Cash and cash equivalents at the beginning of the period	375 824	561 385
G. Cash at the end of the period (F+/- D), including:	425 179	375 824
- restricted cash	50 897	40 181

6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**6.1. General information**

The Echo Investment Capital Group (Capital Group, Group) has operated on the real property market since 1996. The Group's parent company is Echo Investment S.A. (Echo, Issuer, Company), which is listed on the Warsaw Stock Exchange.

Echo 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. Implementing construction projects through subsidiaries significantly facilitates the management of the processes and ensures transparency of the Group's structure. These entities mainly rent out commercial space (shopping and entertainment centres, offices), construct and sell apartments and provide property management services. The Company also provides services as a general contractor to foreign investors.

The Capital Group's core business is divided into three segments:

- construction and lease of space in office and hotel facilities,
- construction and lease of space in shopping centres, and shopping and entertainment centres,
- construction and sale of residential apartments.

The Capital Group operates in Poland, Hungary, Romania and Ukraine.

As at 31 December 2013 and 31 December 2012, the Capital Group employed 352 and 343 people respectively.

The Company's shares have been listed on the Warsaw Stock Exchange since March 1996. The number of shares of the Issuer is 412,690,582 ordinary bearer shares. Following the registration on 31 October 2013 of the change in the amount of the share capital, the total number of votes vested with all of the issued shares is 412,690,582.

6.2. Accounting principles adopted in drawing up the quarterly report

The report includes the twelve-month period ended on 31 December 2013 and comparative data for the twelve-month period ended on 31 December 2012.

The reporting currency for the Group's financial statements is 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 was converted to the Polish zloty in accordance with the IAS 21 principles. The balance sheet items were converted at the rate applicable on 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 in other comprehensive income, and the accumulated amounts are 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. The principles regarding the measurement of assets and liabilities and the determination of the financial result have been adopted 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 its 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 2012. New interpretations issued by the IFRS Interpretations Committee applicable to the Group for the reporting period beginning on 1 January 2013 did not have any significant impact on these financial statements.

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

The Capital Group did not change its accounting principles in Q4 2013. A detailed accounting policy was presented in the annual report for 2012.

6.4. Description of significant achievements and failures of the Capital Group and indication of major events in Q4 2013

6.4.1. Major events in Q4 2013

Registration of change in the amount of share capital

On 4 November 2013, the Issuer received a decision of the District Court in Kielce, 10th Economic Department of the National Court Register, on the registration on 31 October 2013 of the change in the Company's share capital and the amendment to the statute.

The Issuer's share capital was reduced from PLN 21,000,000 to PLN 20,634,529.10.

The reduction of the share capital was related to the redemption of 7,309,418 (in words: seven million, three hundred and nine thousand, four hundred and eighteen) of the Issuer's shares.

Following the registration of the change in the share capital, the total number of votes vested with all of the issued shares is 412,690,582 (in words: four hundred and twelve million, six hundred and ninety thousand, five hundred and eighty-two).

In connection with the registered reduction of the Company's share capital, the following amendment to §5 of the Company's Statute was registered:

"The Company's share capital amounts to PLN 20,634,529.10 (in words: twenty million, six hundred and thirty-four thousand, five hundred and twenty-nine zloty, and ten grosz) and is divided into 412,690,582 (in words: four hundred and twelve million, six hundred and ninety thousand, five hundred and eighty-two) series A, B, C, D, E and F ordinary bearer shares with a nominal value of 5 (five) grosz each."

Redemption of shares in the National Depository for Securities (KDPW)

Resolution of the Management Board of Krajowy Depozyt Papierów Wartościowych S.A. of 26 November 2013 on the redemption of the Issuer's shares:

"§ 1

Pursuant to § 87 section 1 and § 2 section 1 and 4 of the Regulations of the National Depository for Securities, after examining the request of ECHO INVESTMENT S.A., in connection with the redemption of 7,309,418 (seven million, three hundred and nine thousand, four hundred and eighteen) of the company's shares under article 360 §1 and §2 item 2 and article 362 §1 item 8 of the Commercial Companies Code, the Management Board of the National Depository for Securities

ascertains that 412,690,582 (four hundred and twelve million, six hundred and ninety thousand, five hundred and eighty-two) shares of ECHO INVESTMENT S.A. are identified with the code PLECHPS00019.

§ 2

The Resolution becomes effective on the date of its adoption."

Loan agreement of the Issuer's subsidiary

On 19 December 2013, the Issuer's subsidiary operating under the business name Galeria Sudecka – Projekt Echo – 43 Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna, with its registered office in Jelenia Góra, ul. Jana Pawła II 51, 58-506 Jelenia Góra, entered into the register of entrepreneurs of the National Court Register maintained by the District Court for Wrocław – Fabryczna in Wrocław, 9th Economic Department of the National Court Register, under KRS no. 0000380072 (later referred to as the "Borrower"), and Bank Polska Kasa Opieki Spółka Akcyjna, with its registered office in Warsaw, ul. Grzybowska 53/57, 00-950 Warsaw, entered into the register of entrepreneurs of the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, 12th Economic Department of the National Court Register, under KRS no. 0000014843 (later referred to as the "Lender", the "Bank"), signed a loan agreement (later referred to as the "Agreement", the "Loan").

According to the terms of the Agreement, the Bank provides the Borrower with the following:

- cash in a refinancing tranche, amounting to EUR 14,126 thousand, for refinancing the principal amount of the loan granted to the Borrower on 20 April 2011 (see the Issuer's current report RB No. 20/2011);
- cash in a building tranche in the maximum amount of EUR 21,500 thousand;
- cash in a VAT tranche in the maximum amount of EUR 7 million;
- cash in an investment tranche for refinancing the debt under the refinancing and building tranches, up to the maximum amount of EUR 35,626 thousand.

The funds raised under the Loan will be used in connection with a shopping centre development in Jelenia Góra, referred to as Galeria Sudecka ("Building") after the expansion.

The loan amounts bear the following interest: for the refinancing building and investment tranche – according to 1-month or 3-month EURIBOR, for the VAT tranche – according to 1-month WIBOR, plus the Bank's margin.

The repayment deadline of cash under the Agreement was set as follows:

- For the funds under the refinancing and building tranche: on the date when these tranches are converted into the investment tranche;
- The repayment deadline for the investment tranche was specified in the Agreement to be no later than 30 June 2022;
- For the VAT tranche, the earlier of the following: 30 June 2015 or 6 months after obtaining a usage permit for the Building or 18 months from the disbursement of the funds in this tranche.

The loan and the amounts due to the Bank are mainly secured by the following:

- First ranking joint mortgage on the Property for the benefit of the Lender, up to 200% of the total loan amount;
- Financial and registered pledge agreements securing the repayment of all amounts due under the agreement;
- Pledge on the Borrower's bank accounts;
- Agreement for the transfer of rights to secure the amounts due under the Agreement;
- Borrower's statement on the submission to enforcement proceedings,
- Surety agreement between the Bank, the Borrower and the Issuer, as the guarantor (including the Issuer's statement saying that, as the guarantor, it submits to enforcement proceedings by the Bank in connection with the amounts due under the surety), involving the Issuer's surety to the Bank to guarantee the Borrower's obligations under the Agreement up to EUR 42,751 thousand and PLN 40,200 thousand until the full repayment of the amounts due to the Lender under the Agreement; the surety expires earlier if the circumstances specified in the loan agreement occur.

6.4.2. Information on the Capital Group's projects

As at 31 December 2013, the Group's portfolio included developments in use, in progress or in preparation

PORTFOLIO OF PROPERTIES IN USE

As at 31 December 2013, the Group's portfolio included 8 shopping centres and 6 office developments for lease.

REAL PROPERTY PORTFOLIO

CITY	LOCATION	NAME	GLA [SQ. M]	NOI [EUR '000,000]
Kielce	ul. Świętokrzyska	Galeria Echo	70 500	13,6

Wrocław	Plac Grunwaldzki	Pasaż Grunwaldzki	48 200	14,0
Szczecin	Al. Wyzwolenia	Galaxy	41 200	12,2
Bełchatów	ul. Kolejowa	Galeria Olimpia	21 400	3,2
Szczecin	Al. Struga	Outlet Park	16 500	3,2
Łomża	ul. Zawadzka 38	Galeria Veneda	15 200	2,3
Jelenia Góra	Al. Jana Pawła II	Galeria Echo*	12 700	1,2
Przemyśl	ul. 29 Listopada	Galeria Echo	5 500	0,5
SHOPPING CENTRES	TOTAL		231 200	50,4
Poznań	ul. Baraniaka	Malta Office Park	28 400	5,3
Szczecin	ul. Malczewskiego	Oxygen	14 100	2,8
Kielce	Al. Solidarności	Astra Park**	7 100	1,6
Warsaw	ul. Postępu	Polkomtel office building**	10 200	1,9
Wrocław	ul. Swobodna	Aquarius (stage II)	9 400	1,7
Warsaw	Al. Jana Pawła II	Babka Tower	6 200	1,1
OFFICE DEVELOPMENTS	TOTAL		75 400	14,4
DEVELOPMENTS FOR LEASE	TOTAL		306 600	64,8

* Non-expanded part of the existing centre

** The project does not include the area occupied by the Capital Group.

*** The area attributable to the Capital Group comprises 50% of Polkomtel office building development (Warsaw, ul. Postępu).

Tenants in shopping centres and shopping and entertainment centres include domestic and international retail chains and local businesses. The main tenants of shopping space include:

- hypermarkets: Real and Tesco,
- specialist retail chains: Empik, RTV Euro AGD and Saturn,
- fashion chains: C&A, H&M, Zara and Reserved,
- culture and entertainment retail chains: Helios and Multikino,
- health and beauty retail chains: Douglas, Rossmann and Sephora.

Office space is leased to renowned companies and local businesses. The main tenants of office space include: Grand Thornton Frąckowiak, Roche Polska, Ikea Shared Services, McKinsey Emea Shared Services, Coloplast Shared Services, Nordea Bank Polska, Tieto Polska, Polkomtel, ING Usługi Finansowe S.A., Pramerica Życie TUIR, Raiffeisen Bank Polska, Sygnity, Medicover, Altkom Investments, Mentor Graphics Polska, Kennametal Polska, Tebodin SAP-Projekt, Samsung Electronics Polska, The Bank of New York Mellon, IBM Global Services Delivery Centre and Schneider Electric Polska.

PROJECTS IN THE COURSE OF IMPLEMENTATION AND PREPARATION

The Management Board closely monitors the situation on the real property market and decides to implement specific projects based on the assessment of the present market situation. All project implementation deadlines are flexible and reasonably adjusted to the actual situation.

PROJECTS IN THE COURSE OF IMPLEMENTATION AND PREPARATION IN THE SEGMENT OF SHOPPING CENTRES, AND SHOPPING AND ENTERTAINMENT CENTRES

PROJECT	GLA/PLOT AREA [SQ. M]	NOI [EUR '000,000]	COMMENCEMENT	COMPLETION
Kalisz, Galeria Amber	33 600	5,1	H1 2012	March 2014
Jelenia Góra, Galeria Sudecka (expansion)	17 200	3,0	H1 2013	H1 2015
PROJECTS UNDER CONSTRUCTION	50 800	8,1		
Szczecin, Galaxy (expansion)	16 500	3,0	H1 2015	H2 2016
Katowice, ul. Kościuszki	30 500	5,3	H1 2015	H2 2016
Szczecin, Outlet Park (stage II)	8 300	1,3	H2 2015	H1 2016
Poznań, Metropolis	33 300	6,2	H1 2016	H1 2018
PROJECTS IN PREPARATION	88 600	15,8		
Brasov Korona (Romania)	29 800	5,3	H1 2015	H2 2016
Budapest Mundo (Hungary)	36 200	8,7	H2 2015	H1 2017
FOREIGN PROJECTS IN PREPARATION	66 000	14,0		
TOTAL SHOPPING CENTRES [GLA]	205 400	37,9		
Koszalin*	39 300			
Krakow, Cracovia *	17 400			
Słupsk, ul. Grottgiera*	65 700			
INVESTMENT LAND [PLOT AREA]	122 400			

* Any projects for which no dates are specified and a plot area is provided instead of the GLA are in the design phase.

PROJECTS IN THE COURSE OF IMPLEMENTATION AND PREPARATION IN THE SEGMENT OF OFFICE AND HOTEL SPACE

PROJECT	GLA/PLOT AREA [SQ. M]	NOI [EUR '000,000]	COMMENCEMENT	COMPLETION
Warsaw, Park Rozwoju (stage I)	17 400	3,1	H2 2012	February 2014
Warsaw, Park Rozwoju (stage II)	15 600	2,8	H2 2013	H1 2015
Warsaw, Q22	52 500	14,9	H2 2013	H2 2016
Wrocław, West Gate	16 200	2,9	H1 2013	H2 2014
Katowice, A4 Business Park (stage I)	9 000	1,5	H2 2012	February 2014
Katowice, A4 Business Park (stage II)	9 300	1,6	H2 2013	H2 2014
Gdańsk, Tryton	24 600	4,0	H2 2013	H1 2015
PROJECTS UNDER CONSTRUCTION	144 600	30,8		
Warsaw, Beethovena (stage I)	18 100	3,5	H2 2014	H1 2016
Warsaw, Beethovena (stages II-III)	36 700	6,7	H1 2016	H1 2019
Warsaw, Taśmowa (stage I)	15 000	2,7	H1 2014	H2 2015
Warsaw, Taśmowa (stages II-IV)	44 400	8,1	H2 2015	H1 2020
Krakow, Opolska (stage I)	19 200	3,5	H1 2014	H2 2015
Krakow, Opolska (stages II-III)	38 400	7,0	H2 2015	H2 2018
Wrocław, Plac Grunwaldzki	16 900	3,0	H1 2014	H2 2015
Wrocław, Sucha I-II	28 200	5,0	H1 2015	H1 2017
Katowice, A4 Business Park (stage III)	12 400	2,1	H1 2014	H2 2015
Poznań, Hetmańska (stages I-IV)	36 800	6,2	H1 2015	H2 2020
Łódź, Aurus (stage I)	9 600	1,6	H1 2014	H2 2015
Łódź, Aurus (stage II)	9 600	1,6	H2 2015	H2 2016
PROJECTS IN PREPARATION	285 300	51,0		
Kiev, Dehtiarivska (stage I)	17 900	3,8	H1 2015	H2 2016
Kiev, Dehtiarivska (stages II-VI)	89 700	19,3	H1 2015	H2 2020
FOREIGN PROJECTS IN PREPARATION	107 600	23,1		
TOTAL OFFICE DEVELOPMENTS	537 500	104,9		

PROJECTS IN THE COURSE OF IMPLEMENTATION AND PREPARATION IN THE RESIDENTIAL SEGMENT

PROJECT	USABLE AND RESIDENTIAL AREA/PLOT AREA [SQ. M]	REVENUE ['000,000]	COMMENCEMENT	COMPLETION
Warsaw, Nowy Mokotów (stage I)	11 600	94,0	H2 2012	H2 2014
Poznań, Kasztanowa Aleja (stage II)	8 600	57,8	H2 2012	H2 2014
Poznań, Naramowice, Pod Klonami I-III, row houses	3 600	17,7	H2 2013	H1 2016
Poznań, Naramowice, Jaśminowy Zakątek (stage I)	6 000	32,2	H1 2013	H1 2015
Krakow, Hortus Apartments	3 000	38,1	H2 2012	H2 2014
Krakow, Bronowicka	3 000	22,0	H2 2013	H2 2015
Wrocław, Grota Roweckiego (stage I)	5 900	32,5	H2 2013	H2 2015
PROJECTS IN SALE [USABLE AND RESIDENTIAL AREA]	41 700	294,3		
Warsaw, Nowy Mokotów (stages II-IV)	30 500	255,9	H1 2014	H2 2018
Warsaw, Princess, Puławska	4 700	71,8	H1 2015	H2 2016
Poznań, Naramowice, Jaśminowy Zakątek (stages II-IV)	13 500	73,6	H1 2015	H1 2019
Poznań, Jackowskiego	7 400	52,4	H1 2015	H2 2016
Poznań, Sowińskiego (stages I-IV)	19 800	132,9	H1 2014	H1 2019
Krakow, Kościuszki	5 200	55,8	H1 2015	H2 2016
Krakow, Czarodziejska/Tyniecka	5 700	84,6	H1 2014	H1 2016
Krakow, Spiska I-III	21 000	168,6	H2 2014	H2 2019
Krakow, Rydla	8 700	63,8	H1 2015	H1 2017
Wrocław, Grota Roweckiego (stages II-III)	12 500	67,7	H2 2015	H1 2019
Łódź, Osiedle Jarzębinowe (stages II-V)	40 000	201,7	H1 2014	H2 2021
Łódź, Wodna (stages I-II)	13 700	68,2	H1 2015	H2 2018
Kielce, Zielone Tarasy	2 100	9,3	H1 2014	H1 2015
PROJECTS IN PREPARATION [USABLE AND RESIDENTIAL AREA]	184 800	1306,3		
Dyminy, Osiedle Południowe (stage III)	43 400	7,6	H2 2013	H2 2014
Poznań, Sołacz	13 700	11,0	H1 2015	H2 2016
Warsaw, Rezydencje Leśne (project in the course of sale)	52 900	42,3	H2 2010	H2 2012
SALE OF PLOTS (PLOT AREA)	110 000	60,9		
Lublin, ul. Polygonowa*	1 130 000			
Poznań Naramowice*	330 000			
INVESTMENT LAND [PLOT AREA]	1 460 000			

* Any projects for which no dates are specified are in the design phase.

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

1. Factors affecting the Capital Group's financial results in Q4 2013:

- posting of revenues from the concluded final agreements for the sale of residential properties:
 - in Łódź (Osiedle Jarzębinowe in ul. Okopowa),
 - in Poznań (Kasztanowa Aleja in ul. Wojskowa, Pod Klonami in ul. Rubież),
 - in Warsaw (Klimt House in ul. Kazimierzowska, Osiedle Zeusa),
 - in Wrocław (Przy Słowiańskim Wzgórzu, in ul. Jedności Narodowej),
- posting of revenues from the concluded final agreements for the sale of plots with house designs:
 - in Dyminy near Kielce (Osiedle Południowe),
- sale of an investment plot in Krakow in ul. Kilińskiego,
- sale of finishing expenditures for the tenants of offices and shopping centres,
- regular revenue obtained from the lease of space in offices and shopping centres,
- quarterly revaluation of the fair value of property owned by the Group:
 - in use, including:
 - movements in foreign exchange rates (EUR and USD),

- indexation of rents,
- movements in net operating revenue,
- in the course of construction and commercialisation:
 - Galeria Amber in Kalisz (another measurement),
 - Galeria Sudecka in Jelenia Góra (another measurement),
 - stage I, A4 Business Park in Katowice (another measurement),
 - stage I, Park Rozwoju in Warsaw (first measurement),
- cost of sales, and general and administrative expenses,
- measurement of liabilities due to bonds and borrowings at amortised cost,
- measurement of loans and cash due to changing foreign exchange rates,
- measurement and settlement of FX hedging financial instruments,
- interest on deposits and borrowings granted,
- discounts and interest on loans, bonds and borrowings.

2. Unusual events affecting the Company's financial result in Q4 2013:

- none.

3. Exchange rate hedging transactions

Exchange rate hedging transactions are concluded as part of the hedging policy in order to ensure future cash flow levels on translating tranches of loans in EUR and one-off material operating revenue (e.g. from the sale of investment projects).

The average-weighted strike rate for the remaining open forward transactions is EUR/PLN 4.3064. MATURITIES OF OPEN HEDGING POSITIONS AS AT 31 DECEMBER 2013:

		HEDGE VALUE		MATURITY AT NOMINAL VALUE [EUR '000,000]						
		CARRYING VALUE	NOMINAL VALUE	Q1 2014	Q2 2014	Q3 2014	Q4 2014	H1 2015	H2 2015	H2 2016
		[PLN '000,000]	[EUR '000,000]							
Options	EUR/PLN	2,9	150,0						50,0	100,0
Forward	EUR/PLN	6,9	74,6	26,0	11,7	4,3	15,9	15,9	0,9	

6.6. Information on the Capital Group's segments

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

STRUCTURE OF OPERATING REVENUES AND EXPENSES IN Q4 2013:

ITEM	REVENUE [PLN '000,000]	% SHARE	COSTS [PLN '000,000]	% SHARE
Shopping centres, and shopping and entertainment centres	69	57%	26	43%
Residential areas	25	20%	20	33%
Office and hotel facilities	25	20%	8	14%
Not classified	3	3%	6	10%
Total operating result	122	100%	60	100%

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 property market. The asset portfolio held for lease largely ensures comparable revenues in every quarter. In contrast, revenue from the sale of residential developments and trade in real property may be irregular. The Management Board cannot exclude other one-time events which may influence results generated 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, the 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 for the Bond Issue Programme, and under further annexes. The table below presents liabilities due to the issued bonds as at the reporting day:

LIABILITIES DUE TO BONDS ISSUED AS AT 31 DECEMBER 2013 (PLN '000)

BANK	INSTRUMENT TYPE	AMOUNT USED	MATURITY	INTEREST RATE TERMS
BRE Bank S.A.	Bonds	300 000	2014-06-30	WIBOR 6M + margin
BRE Bank S.A.	Bonds	115 000	2015-05-18	WIBOR 6M + margin
BRE Bank S.A.	Bonds	145 000	2016-02-11	WIBOR 6M + margin
BRE Bank S.A.	Bonds	200 000	2017-04-28	WIBOR 6M + margin
BRE Bank S.A.	Bonds	80 000	2018-06-19	WIBOR 6M + margin
Total		840 000		

As at 31 December 2013, the Issue Programme allowed for the issue of bonds with a total maximum nominal value of PLN 1 billion.

Pursuant to the Sale Guarantee Agreement and the Agreement to Establish the Guarantee Rate (binding until 31.08.14), concluded as part of the Issue Programme with BRE Bank S.A., the bank undertakes to purchase bonds issued by the Company which were not acquired by other investors, up to PLN 35 million.

The issued bonds are not hedged.

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 after the day of drawing up these quarterly financial statements which have not been recognised in the statements and which have a potentially significant effect on the Capital Group's future financial results

Planned issue of public bonds

As of 20 January 2014, the Company took steps to issue bonds as part of a public bonds issue programme.

Under the public bonds issue programme, the Company will issue several series of unsecured bonds up to a total of PLN 200 million within 12 months.

The bonds will be available as a public offering. Next, the Issuer plans to introduce them to trading on the regulated market Catalyst, which is operated by Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange).

Sale of assets with a significant value – final agreement for the sale of stage II of an office project in Wrocław

On 31 January 2014, the Issuer's subsidiary operating under the business name Projekt Echo – 104 Spółka z ograniczoną odpowiedzialnością, with its registered office in Kielce (25-323), Al. Solidarności 36, entered into the register of entrepreneurs maintained by the District Court in Kielce under KRS no. 446924 (later referred to as the Seller), and the company operating under the business name Skua Spółka z ograniczoną odpowiedzialnością, with its registered office in Warsaw (address: ul. Mokotowska 49, 00-542 Warsaw), entered into the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, 12th Economic Department of the National Court Register, under KRS no. 422523 (later referred to as the Buyer), concluded the final agreement for the sale of the real property located in Wrocław in ul. Swobodna and ul. Borowska, including the ownership title to the building erected on that property, forming stage II of the office development Aquarius Business House, along with the accompanying infrastructure (Office Development).

The total value of the signed sale agreement for the Office Development is EUR 22,703 thousand, 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 96,188 thousand net, plus the applicable VAT.

The fixed value of the sold assets in the consolidated financial statements of the Echo Investment Capital Group at the end of Q3 2013, measured in conformity with the IAS, amounted to PLN 79,844 thousand.

In the absence of any debt due to a loan related to the sold asset, the transaction has generated cash flows in the amount equal to the sale price.

The Issuer's subsidiary, Echo Investment Property Management – Grupa Echo Sp. z o.o. Spółka komandytowa, will manage the office building until December 2017. The office building is fully rented out.

Issue of bonds

Under the Bond Issue Programme (Current Report no. 7/2011 of 1 February 2011) entered into with mBank S.A., with its registered office in Warsaw, on 19 February 2014, the Company issued coupon bonds in the total amount of PLN 100 million.

The nominal value and the issue price of one bond is PLN 10 thousand. The bonds were issued for the period ending on 19 February 2019. The bond interest rate was established based on the variable WIBOR 6M rate increased by investors' profit margin. Interest shall be paid in 6-month periods. On the redemption day, the bonds shall be redeemed based on their nominal value. The issued bonds are not secured.

The value of the Issuer's liabilities on the last day of the quarter preceding the day when purchase was offered, i.e. 30 September 2013, amounts to PLN 928 million.

In the opinion of the Management Board of Echo Investment S.A., during the validity period of issued bonds, the general liabilities of Echo Investment S.A. will be maintained on a safe level, while debt service ratios will ensure that the Company is capable to settle its liabilities following from the issued bonds.

As at 30 September 2013, the issued bonds account for 16.33% of the equity of Echo Investment S.A.

The bonds do not guarantee any benefits in kind from the Issuer.

The funds from the current issue will be used for a rollover of the bonds maturing in June 2014.

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

6.11.1. Surety agreements

CAPITAL GROUP'S SURETY AGREEMENTS IN FORCE AS AT 31 DECEMBER 2013 (PLN '000)

SURETY TO	VALUE	VALIDITY	DESCRIPTION
TESCO (POLSKA) SP. Z O.O.	15 000	until 30.06.2015	Surety for the liabilities of Galeria Olimpia-Projekt Echo-98 Spółka z ograniczoną odpowiedzialnością SKA and Veneda-Projekt Echo-97 Spółka z ograniczoną odpowiedzialnością SKA due to the reimbursement to Tesco (Polska) Sp. z o.o. up to the value of expenditures actually made by Tesco (Polska) Sp. z o.o. for the future subject of lease under the lease agreements concluded on 28.10.2010
PROJEKT ECHO – 105 SP. Z O.O.	172 412	until a legally binding establishment of a mortgage on the Property	Surety for the liabilities of Oxygen – Projekt Echo – 95 Spółka z ograniczoną odpowiedzialnością SKA under the Property Sale Agreement concluded on 27.11.2013
WESTDEUTSCHE IMMOBILIENBANK AG	230 428	up to 6 months from a legally binding decision on the establishment of a mortgage on the Property	Surety in EUR to Westdeutsche Immobilienbank AG for the liabilities under the loan agreement concluded on 5 December 2013

See also item 6.19 of this Report.

On 16 December 2013, Echo Investment S.A. granted a surety in the amount of PLN 172,411,560.00 to Projekt Echo – 105 Sp. z o.o. (the Issuer's subsidiary) for the liabilities of Oxygen – Projekt Echo – 95 Spółka z ograniczoną odpowiedzialnością SKA (the Issuer's subsidiary) under the Property Sale Agreement concluded on 27 November 2013. The surety is valid until a legally binding establishment of a mortgage on the Property.

On 5 December 2013, Echo Investment S.A. granted a surety in the amount of EUR 55,562,406.24 to Westdeutsche Immobilienbank AG for the liabilities of Farrina Investments Sp. z o.o. (the Issuer's subsidiary) under the loan agreement concluded on 5 December 2013. The surety is valid up to 6 months from a legally binding decision on the establishment of a mortgage on the Property

6.11.2. Guarantee agreements

GUARANTEES IN FORCE AS AT 31 DECEMBER 2013 (PLN '000)

GUARANTOR	VALUE	VALIDITY	DESCRIPTION
PKO BP SA	153	until 31.10.2014	Security for non-performance of obligations towards ImmoPoland Sp. z o.o. under the lease agreement dated 28 August 2009. The guarantee was issued in euro.
Echo Investment S.A.	9 856	until the handover date of the	Security of liabilities due to BNY MELLON (Poland)

		subject of lease, not exceeding 30.06.2015	Sp. z o.o. under the lease agreement of 19 November 2012. The guarantee was issued in euro.
Echo Investment S.A.	39 209	shall remain in force until the Conversion Date but for a period not exceeding 31 December 2014	Security for exceeding the development costs of the shopping and entertainment centre Amber in Kalisz, liabilities due to debt service and for the coverage of absent funds for the benefit of Bank Polska Kasa Opieki S.A.
Echo Investment S.A.	16 589	shall remain in force until the expiry of the preliminary contingent sale agreement but for a period not exceeding 31 July 2014	Security for the payment of outstanding amounts due to a potential termination of the preliminary contingent agreement for the sale of the office development Aquarius Business House in Wrocław, stage II. The guarantee was issued in EUR.
PKO BP SA	2 155	until 17.05.2016	Security for the repair of defects and faults to Orbis S.A. under the General Contractor Agreement dated 4 September 2008
PKO BP SA	350	until 31.05.2014	Security for the non-performance of obligations towards Dalkia Warszawa SA under Agreement no. HPN-HK/M-10-0198-2/PN-O/066/13 of 7 June 2013
PKO BP SA	170	until 31.05.2014	Security for the non-performance of obligations due to Dalkia Warszawa SA under Agreement no. HPN-HK/M-10-0198/UK-O/077/13 of 21 June 2013
Echo Investment S.A.	20 736	until 02.07.2020	Security for the ill-performance of the final agreement for the sale of the office facility Aquarius Business House in Wrocław, stage I. The guarantee was issued in EUR.
Echo Investment S.A.	26 563	shall remain in force until the project's completion but for a period not exceeding 28 February 2016	Security for exceeded costs and debt service liabilities, and construction management support during the implementation of the development Park Rozwoju in Warsaw, stage I, for Bank Zachodni WBK S.A.
Bank PeKaO S.A.	3 600	until 30.06.2016	Security for the payment of amounts due to the failure to observe the completion deadline for the subject of the understanding concluded on 24 August 2012, for Jelenia Góra Gmina. The guarantee was issued to replace the guarantee referred to in the item above.
PKO BP SA	30 000	until 30.11.2014	Security for the non-performance of obligations towards Tesco (Polska) Sp. z o.o. under the understanding and addendum 1 to the lease agreement of 29 November 2002, concluded on 21 October 2013.

On 30 October 2013, an addendum was concluded to the guarantee issued by Bank PKO BP S.A. to ImmoPoland Sp. z o.o., extending the validity of the guarantee from 31 October 2013 to 31 October 2014 and amending the amount, as of 31 October 2014, from EUR 52,627.00 to EUR 36,995.00.

On 31 October 2013, the guarantee in the amount of PLN 18,410,850.00, issued by Echo Investment SA to Nordea Bank Polska S.A. as a security to cover for the deficit of funds or exceeded construction costs of Olimpia Shopping Centre in Betchatów, expired.

On 16 October 2013, the guarantee in the amount of PLN 3,600,000.00 issued by Bank PKO BP S.A. to Jelenia Góra Gmina to secure the payment of the amounts due to the failure to observe the completion deadline of the subject of the understanding concluded on 24 August 2012, expired.

On 15 November 2013, Bank PKO BP SA granted a bank guarantee to Tesco (Polska) Sp. z o.o. as a security for the non-fulfilment of obligations under the understanding and addendum 1 to the lease agreement of 29 November 2002, concluded on 21 October 2013, by Projekt Echo Galeria Kielce – Magellan West spółka z ograniczoną odpowiedzialnością – S.K.A. (the Issuer's subsidiary). The guarantee amounts to PLN 30,000,000.00. The Guarantee is valid until 30.11.2014.

6.12. Composition of the Echo Investment Capital Group

Echo Investment S.A. has the key role in the Group's structure; it supervises, co-implements and ensures funding for property developments. The member companies of the Group have been incorporated or purchased to carry out specific investment tasks and they do not run any other business that the specific developments assigned to them.

As at 31 December 2013, the Capital Group comprised 113 fully consolidated subsidiaries, one jointly controlled entity consolidated with the proportionate method and one associate consolidated with the equity method.

SUBSIDIARIES:

COMPANY	REGISTERED OFFICE	% SHARE OF THE CAPITAL	PARENT COMPANY
1 47 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
2 53 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
3 Astra Park – Projekt Echo – 69 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
4 Aquarius Business House – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
5 Avatar – Projekt Echo – 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
6 A4 Business Park – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
7 Babka Tower – Projekt Echo – 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
8 Barconsel Holdings Ltd	Nicosia	100%	Echo – SPV 7 Sp. z o.o.
9 Bełchatów – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
10 Budivelnuy Soyuz Monolit LLC	Kiev	100%	Yevrobudgarant LLC
11 Echo – Arena Sp. z o.o.	Kielce	100%	Echo Investment S.A.
12 Echo – Aurus Sp. z o.o.	Kielce	100%	Echo Investment S.A.
13 Echo – Centrum Przemysł – Projekt Echo – 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
14 Echo – Galaxy Sp. z o.o.	Kielce	100%	Echo Investment S.A.
15 Echo – Galaxy Sp. z o.o. S.k.a.	Szczecin	100%	XXIX FIZ Forum
16 Echo – Galeria Amber Sp. z o.o.	Kielce	100%	Echo Investment S.A.
17 Echo – Galeria Amber Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
18 Echo – Galeria Lublin Sp. z o.o.	Kielce	100%	Echo Investment S.A.
19 Echo – Kasztanowa Aleja Sp. z o.o.	Kielce	100%	Echo Investment S.A.
20 Echo – Kasztanowa Aleja Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
21 Echo – Klimt House Sp. z o.o.	Kielce	100%	Echo Investment S.A.
22 Echo – Klimt House Sp. z o.o. Sp. z kom.	Kielce	100%	Echo Investment S.A.
23 Echo – Nowy Mokołów Sp. z o.o.	Kielce	100%	Echo Investment S.A.
24 Echo – Nowy Mokołów Sp. z o.o. Sp. kom. (formerly: Projekt Echo – 67 Sp. z o.o. Sp. kom.)	Kielce	100%	Echo Investment S.A.
25 Echo – Pod Klonami Sp. z o.o.	Kielce	100%	Projekt Naramowice – Grupa Echo Sp. z o.o. S.k.a.
26 Echo – Pod Klonami Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
27 Echo – Project – Management Ingatlanhasznosító Kft.	Budapest	100%	Echo Investment S.A.
28 Echo – Property Poznań 1 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
29 Echo – Przy Słowiańskim Wzgórzu Sp. z o.o.	Kielce	100%	Echo Investment S.A.
30 Echo – Przy Słowiańskim Wzgórzu Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
31 Echo – SPV 7 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
32 Echo Galeria Kielce – Magellan West Sp. z o.o. S.k.a.	Kielce	99,95%	XXIX FIZ Forum / XXXIV FIZ Forum
33 Echo Investment ACC – Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
34 Echo Investment Facility Management – Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
35 Echo Investment Hungary Ingatlanhasznosító Kft.	Budapest	100%	Echo Investment S.A.
36 Echo Investment Project 1 S.R.L.	Brasov	100%	Echo Aurus Sp. z o.o.
37 Echo Investment Project Management S.R.L.	Brasov	100%	Echo Investment S.A.
38 Echo Investment Property Management – Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
39 Echo Investment Ukraine LLC	Kiev	100%	Echo Investment S.A.
40 Echo Pasaż Grunwaldzki – Magellan West Sp. z o.o. S.k.a.	Kielce	99,95%	XXIX FIZ Forum
41 Echo – Park Rozwoju Sp. z o.o. (formerly: Nikson Capital Sp. z o.o.)	Kielce	100%	Echo Investment S.A.
42 Elmira Investments Sp. z o.o.	Kielce	100%	Echo Investment S.A.
43 Elmira Investments Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
44 El Project Cyp – 1 Ltd	Nicosia	100%	Echo Investment S.A.
45 Farrina Investments Sp. z o.o.	Kielce	100%	Echo Investment S.A.
46 Galaxy – Projekt Echo – 106 Sp. z o.o. S.k.a. (formerly:	Szczecin	100%	XXXIV FIZ Forum/XXXIV FIZ

Projekt 10 – Grupa Echo Sp. z o.o. S.k.a.)			Forum	
47	Galeria Nova – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
48	Galeria Olimpia – Projekt Echo – 98 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
49	Galeria Sudecka – Projekt Echo – 43 Sp. z o.o. S.k.a.	Jelenia Góra	100%	XXIX FIZ Forum
50	Galeria Tarnów – Grupa Echo Sp. z o.o. S.k.a. (formerly: Galeria Tarnów – Projekt Echo – 43 Sp. z o.o. S.k.a.)	Kielce	100%	XXIX FIZ Forum
51	Grupa Echo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
52	Intermedia Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
53	Iris Capital Sp. z o.o.	Kielce	100%	Echo Investment S.A.
54	Malta Office Park – Projekt Echo – 96 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
55	Mena Investments Sp. z o.o.	Kielce	100%	Echo Investment S.A.
56	Metropolis – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
57	Oxygen – Projekt Echo – 95 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
58	Pamiątkowo Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
59	Park Postępu – Projekt Echo – 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
60	Park Rozwoju – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
61	PHS – Projekt CS Sp. z o.o. S.k.a.	Szczecin	100%	XXIX FIZ Forum
62	PPR – Projekt Echo – 77 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
63	Princess Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
64	Projekt Babka Tower – Grupa Echo Sp. z o.o. S.k.a. (formerly: Projekt 6 – Grupa Echo Sp. z o.o. S.k.a.)	Kielce	100%	XXIX FIZ Forum
65	Projekt Beethovena – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
66	Projekt CS Sp. z o.o.	Szczecin	100%	Echo Investment S.A.
67	Projekt Echo – 33 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
68	Projekt Echo – 43 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
69	Projekt Echo – 69 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
70	Projekt Echo – 70 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
71	Projekt Echo – 77 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
72	Projekt Echo – 93 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
73	Projekt Echo – 95 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
74	Projekt Echo – 96 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
75	Projekt Echo – 97 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
76	Projekt Echo – 98 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
77	Projekt Echo – 99 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
78	Projekt Echo – 99 Sp. z o.o. Sp. kom	Kielce	100%	Echo Investment S.A.
79	Projekt Echo – 101 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
80	Projekt Echo – 102 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
81	Projekt Echo – 103 Sp. z o.o.	Szczecin	100%	Echo Investment S.A.
82	Projekt Echo – 104 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
83	Projekt Echo – 105 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
84	Projekt Echo – 106 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
85	Projekt Echo – 107 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
86	Projekt Echo – 108 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
87	Projekt Echo – 109 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
88	Projekt Echo – 110 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
89	Projekt Echo Galeria Kielce – Magellan West Sp. z o.o. S.k.a. (formerly: Projekt 9 – Grupa Echo Sp. z o.o. S.k.a.)	Kielce	99,95%	XXIX FIZ Forum / XXXIV FIZ Forum
90	Projekt Echo Pasaż Grunwaldzki – Magellan West Sp. z o.o. S.k.a. (formerly: Projekt 8 – Grupa Echo Sp. z o.o. S.k.a.)	Kielce	99,95%	XXIX FIZ Forum / XXXIV FIZ Forum
91	Projekt Naramowice – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
92	Projekt – Pamiątkowo Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
93	Projekt Saska Sp. z o.o.	Kielce	95%	Echo Investment S.A.
94	Projekt 3 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
95	Projekt 4 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
96	Projekt 5 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
97	Projekt 11 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
98	Projekt 12 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
99	Projekt 13 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
100	Projekt 14 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
101	Projekt 15 – Grupa Echo Sp. z o.o. S.k.a.	Pamiątkowo	100%	Echo Investment S.A.

102	Projekt 16 – Grupa Echo Sp. z o.o. S.k.a.	Pamiątkowo	100%	Echo Investment S.A.
103	Projekt 17 – Grupa Echo Sp. z o.o. S.k.a.	Pamiątkowo	100%	Echo Investment S.A.
104	Projekt 18 – Grupa Echo Sp. z o.o. S.k.a.	Pamiątkowo	100%	Echo Investment S.A.
105	Projekt 19 – Grupa Echo Sp. z o.o. S.k.a.	Pamiątkowo	100%	Echo Investment S.A.
106	Projekt 20 – Grupa Echo Sp. z o.o. S.k.a.	Pamiątkowo	100%	Echo Investment S.A.
107	Projekt 21 – Grupa Echo Sp. z o.o. S.k.a.	Pamiątkowo	100%	Echo Investment S.A.
108	Projekt 22 – Grupa Echo Sp. z o.o. S.k.a.	Pamiątkowo	100%	Echo Investment S.A.
109	SPV 1 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
110	Vasco Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
111	Veneda – Projekt Echo -97 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
112	Yevrobudgarant LLC	Kiev	100%	El Project Cyp – 1 Ltd
113	Zakład Ogrodniczy Naramowice – Pamiątkowo Sp. z o.o. S.k.a.	Pamiątkowo	100%	XXXIV FIZ Forum

The jointly controlled entity is Wan 11 Spółka z o.o., with its registered office in Warsaw. The associate EBR Global Services Spółka z o.o. has its registered office in Kielce.

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

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

I. The composition of the Echo Investment S.A. Capital Group has expanded by 13 companies as a result of the following:

- On 9 October 2013, the District Court in Kielce registered a new company: Projekt – Pamiątkowo Sp. z o.o., with its registered office in Pamiątkowo. The company's share capital is PLN 50 thousand.
- On 18 October 2013, the District Court in Kielce registered a new company: Projekt 13 – Grupa Echo Sp. z o.o. S.k.a., with its registered office in Kielce. The company's share capital is PLN 50 thousand.
- On 18 October 2013, the District Court in Kielce registered a new company: Projekt 14 – Grupa Echo Sp. z o.o. S.k.a., with its registered office in Kielce. The company's share capital is PLN 50 thousand.
- On 25 October 2013, the District Court in Kielce registered a new company: Projekt 15 – Grupa Echo Sp. z o.o. S.k.a., with its registered office in Pamiątkowo. The company's share capital is PLN 50 thousand.
- On 25 October 2013, the District Court in Kielce registered a new company: Projekt 16 – Grupa Echo Sp. z o.o. S.k.a., with its registered office in Pamiątkowo. The company's share capital is PLN 50 thousand.
- On 25 October 2013, the District Court in Kielce registered a new company: Projekt 17 – Grupa Echo Sp. z o.o. S.k.a., with its registered office in Pamiątkowo. The company's share capital is PLN 50 thousand.
- On 25 October 2013, the District Court in Kielce registered a new company: Projekt 18 – Grupa Echo Sp. z o.o. S.k.a., with its registered office in Pamiątkowo. The company's share capital is PLN 50 thousand.
- On 25 October 2013, the District Court in Kielce registered a new company: Projekt 19 – Grupa Echo Sp. z o.o. S.k.a., with its registered office in Pamiątkowo. The company's share capital is PLN 50 thousand.
- On 25 October 2013, the District Court in Kielce registered a new company: Projekt 20 – Grupa Echo Sp. z o.o. S.k.a., with its registered office in Pamiątkowo. The company's share capital is PLN 50 thousand.
- On 25 October 2013, the District Court in Kielce registered a new company: Projekt 21 – Grupa Echo Sp. z o.o. S.k.a., with its registered office in Pamiątkowo. The company's share capital is PLN 50 thousand.
- On 25 October 2013, the District Court in Kielce registered a new company: Projekt 22 – Grupa Echo Sp. z o.o. S.k.a., with its registered office in Pamiątkowo. The company's share capital is PLN 50 thousand.
- On 19 November 2013, the District Court in Kielce registered a new company: Projekt 12 – Grupa Echo Sp. z o.o. S.k.a., with its registered office in Kielce. The company's share capital is PLN 50 thousand.
- On 31 December 2013, the District Court in Kielce registered a new company: Projekt 11 – Grupa Echo Sp. z o.o. S.k.a., with its registered office in Kielce. The company's share capital is PLN 50 thousand.

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

- On 21 October 2013, FORUM XXIX Fundusz Inwestycyjny Zamknięty, with its registered office in Krakow (Seller), and FORUM XXXIV Fundusz Inwestycyjny Zamknięty (Buyer), with its registered office in Krakow, concluded an agreement for the sale of 10,024,750 series B registered shares of Projekt Beethovena – Grupa Echo Sp. z o.o. S.k.a., with its registered office in Kielce.
- On 21 October 2013, FORUM XXIX Fundusz Inwestycyjny Zamknięty, with its registered office in Krakow (Seller), and FORUM XXXIV Fundusz Inwestycyjny Zamknięty (Buyer), with its registered office in Krakow, concluded an agreement for the sale of 1,749,000 series B registered shares of Galeria Nova – Grupa Echo Spółka z ograniczoną odpowiedzialnością – S.K.A., with its registered office in Kielce.
- On 6 December 2013, FORUM XXXIV Fundusz Inwestycyjny Zamknięty, with its registered office in Krakow (Seller), and FORUM XXIX Fundusz Inwestycyjny Zamknięty (Buyer), with its registered office in Krakow, concluded an agreement for the sale of 24,999 series B registered shares of Galaxy – Projekt Echo – 106 Sp. z o.o. S.k.a., with its registered office in Szczecin.
- Increase of the share capital of Echo Investment Project 1 S.R.L. (date of registration in the National Court Register: 28 October 2013).
- Increase of the share capital of Echo Investment Project Management S.R.L. (date of registration in the National Court Register: 28 October 2013).
- Change of the business name of Projekt 6 – Grupa Echo Sp. z o.o. S.k.a. to Projekt Babka Tower – Grupa Echo Sp. z o.o. S.k.a. (date of registration in the National Court Register: 1 October 2013).
- Change of the business name of Projekt Echo – 67 Sp. z o.o. Sp. kom. to Projekt Echo – 67 Sp. z o.o. Sp. kom. (resolution: 10 October 2013; date of registration in the National Court Register: 14 February 2014).
- Change of the business name of Nikson Capital Sp. z o.o. to Echo – Park Rozwoju Sp. z o.o. (date of registration in the National Court Register: 11 October 2013).
- Change of the business name of Projekt 10 – Grupa Echo Sp. z o.o. S.k.a. to Galaxy – Projekt Echo – 106 Sp. z o.o. S.k.a. (date of registration in the National Court Register: 11 October 2013).
- Change of the business name of Projekt 8 – Grupa Echo Sp. z o.o. S.k.a. to Projekt Echo Pasaż Grunwaldzki – Magellan West Sp. z o.o. S.k.a. (date of registration in the National Court Register: 14 October 2013).
- Change of the business name of Projekt 9 – Grupa Echo Sp. z o.o. S.k.a. to Projekt Echo Galeria Kielce – Magellan West Sp. z o.o. S.k.a. (date of registration in the National Court Register: 28 November 2013).
- Change of the business name of Galeria Tarnów – Projekt Echo – 43 Sp. z o.o. S.k.a. to Galeria Tarnów – Grupa Echo Sp. z o.o. S.k.a. (date of registration in the National Court Register: 19 December 2013).

6.14. Management Board's position regarding the possibility of fulfilment of previously published result forecasts for a given year in light of the results disclosed in the quarterly report compared to the forecast results

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

6.15. Ownership structure of significant stakes of shares in Echo Investment SA

Following the registration on 31 October 2013 of the change in the share capital, the total number of votes vested with all of the issued shares is 412,690,582 (in words: four hundred and twelve million, six hundred and ninety thousand, five hundred and eighty-two).

SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE OVERALL NUMBER OF VOTES AT THE GENERAL MEETING OF ECHO INVESTMENT SA AS AT 27 NOVEMBER 2014

SHAREHOLDER	NUMBER OF SHARES	% OF SHARE CAPITAL OF ECHO INVESTMENT SA	NUMBER OF VOTES AT THE GSM OF ECHO INVESTMENT SA	% OF TOTAL VOTES AT THE GSM OF ECHO INVESTMENT SA
MICHAŁ SOŁOWOW, indirectly through subsidiaries, including:	189 361 930	45,88%	189 361 930	45,88%
Barcocapital Investment Limited	171 477 880	41,55%	171 477 880	41,55%
Calgeron Investment Limited	17 884 050	4,33%	17 884 050	4,33%
ING OFE*	38 513 969	9,33%	38 513 969	9,33%
AVIVA OFE AVIVA BZ WBK*	41 269 050	10,00%	41 269 050	10,00%
PZU Złota Jesień OFE *	22 011 702	5,33%	22 011 702	5,33%

*The data regarding the holding of the Issuer's shares is derived from OFE's reports presenting the annual structure of assets at the end of December 2013.

In the period between the publication of the last financial report, i.e. 14 November 2013, and the day of publication of this report, the Issuer did not receive any notifications about changes in the holding of shares by major shareholders.

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 knowledge 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:

HOLDING OF THE COMPANY'S SHARES BY MEMBERS OF THE MANAGEMENT BOARD

MANAGERIAL STAFF	14.11.2013	27.02.2014
Piotr Gromniak – President of the Management Board	no shares	no shares
Artur Langner – Vice-President of the Management Board	no shares	no shares
Waldemar Lesiak – Vice-President of the Management Board	no shares	no shares

HOLDING OF THE COMPANY'S SHARES BY MEMBERS OF THE SUPERVISORY BOARD

SUPERVISORY STAFF	14.11.2013	27.02.2014
Wojciech Ciesielski – Chairman of the Supervisory Board	1,000,000 shares	1,000,000 shares
Andrzej Majcher – Vice-Chairman of the Supervisory Board	no shares	no shares
Mariusz Waniółka – Vice-Chairman of the Supervisory Board	no shares	no shares
Karol Żbikowski – Member of the Supervisory Board	no shares	no shares
Robert Oskard – Member of the Supervisory Board	no shares	no shares

In the period between the publication of the last financial report, i.e. 14 November 2013, and the day of publication of this report, the Issuer did not receive any notifications from its managerial or supervisory staff about changes in the holding of the Issuer's shares.

6.17. Information on court proceedings

In the period from 1 October to 31 December 2013, 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 parties under terms other than market terms

In Q4 2013, neither the Company nor its subsidiaries entered into transactions with related parties 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 2013, Echo Investment S.A. granted two sureties whose value exceeded 10% of the Company's equity to non-related parties.

See also item 6.11.

6.20. Other information which, in the opinion of the Management Board of Echo Investment S.A., is material for assessing the company's HR, economic and financial situation, and the financial result, as well as information which is material for the assessment of the Echo Investment Capital Group's ability to fulfil its obligations**IBM office centre to be built in A4 Business Park in Katowice**

As part of stage II of the investment, a 10-floor building with an office area of approx. 9,000 sq. m and a multi-level car park with 560 parking places will be built. The building is to be completed in Q4 2014 and the car park in Q1 2014. The contractor for the building shell is Remax Construct.

A4 Business Park comprises three buildings. The construction of the first building is coming to an end. Completion is planned for Q1 2014. The 7-floor building as part of stage I has an area of 9,000 sq. m and has been fully rented to the IT concern IBM, which will open its office centre in A4 Business Park.

A4 Business Park is being erected at ul. Francuska, in the vicinity of the exit road from the A4 motorway. The facility is surrounded by a well-developed public transport system. There are numerous bus stops and a railway station in the vicinity. The project has been designed by the architectural design studio DDJM from Krakow. In March of this year, A4 Business Park has been distinguished with the BREEAM Interim certificate, and awarded the note Very Good and a very high score (64.62%).

6.21. Factors which, in the opinion of the Company's Management Board, will influence the 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:

- posting of revenues from the concluded final agreements for the sale of residential properties in:
 - Łódź (Osiedle Jarzębinowe in ul. Okopowa),
 - Poznań (Kasztanowa Aleja in ul. Wojskowa, Pod Klonami in ul. Rubież),
 - Warsaw (Klimt House in ul. Kazimierzowska),
 - Wrocław (Przy Słowiańskim Wzgórzu in ul. Jedności Narodowej),
- posting of revenues from the concluded final agreements for the sale of plots with house designs in:
 - Bilcza near Kielce (Bilcza, stage II),
 - Dyminy near Kielce (Osiedle Południowe),
- posting of revenues from the concluded final agreements for the sale of plots in:
 - Masłów near Kielce,
- sale of property:
 - Aquarius office building in Wrocław, stage II,
- regular revenue obtained from the lease of space in offices and shopping centres,
- quarterly revaluation of the fair value of property owned by the Group:
 - in use, including:
 - movements in foreign exchange rates (EUR and USD),
 - changing levels of net operating revenue,
 - in the course of construction and commercialisation:
 - Galeria Amber in Kalisz,
 - Expansion of Galeria Sudecka in Jelenia Góra,
 - A4 Business Park, stage I
 - Park Rozwoju in Warsaw, stage I,
- cost of sales, and general and administrative expenses,
- measurement of liabilities due to bonds and borrowings at amortised cost,
- measurement of loans and cash due to changing foreign exchange rates,
- measurement and settlement of FX hedging financial instruments,
- interest on deposits and borrowings granted,
- discounts and interest on loans, bonds and borrowings.

III. CONDENSED SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014 AND FOR THE 12-MONTH PERIOD ENDED ON 31 DECEMBER 2014

SEPARATE QUARTERLY STATEMENT OF FINANCIAL POSITION – ASSETS (PLN '000), AS AT:

	31.12.2013	31.12.2012
ASSETS		
1. Non-current assets		
1.1. Intangible assets	813	1 181
1.2. Property, plant and equipment	36 505	14 067
1.3. Investment property	3 172	3 752
1.4. Investments in subsidiaries, jointly-controlled entities and associates	925 441	921 946
1.5. Long-term financial assets	14 090	14 629
1.6. Borrowings granted	32	-
1.7. Deferred income tax assets	11 461	13 678
	991 514	969 253
2. Current assets		
2.1. Inventory	266 624	302 414
2.2. Income tax receivables	3 683	-
2.3. Other tax receivables	-	-
2.4. Trade and other receivables	59 162	65 629
2.5. Borrowings granted	208 128	318 736
2.6. Restricted cash	40	-
2.7. Cash and cash equivalents	9 897	3 017
	547 534	689 796
Total assets	1 539 048	1 659 049

SEPARATE QUARTERLY STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES (PLN '000), AS AT

	31.12.2013	31.12.2012
Equity and liabilities		
1. Equity		
1.1. Share capital	20 635	21 000
1.2. Supplementary capital	574 873	567 091
1.3. Equity shares	-	-
1.4. Net profit	60 655	41 113
	656 163	629 204
2. Provisions		
2.1. Short-term provisions	2 000	2 000
2.2. Deferred income tax long-term provision	-	-
	2 000	2 000
3. Long-term liabilities		
3.1. Loans, borrowings and bonds	509 110	527 138
3.2. Security deposits and advances received	1 521	17 707
	510 631	544 845
4. Short-term liabilities		
4.1. Loans, borrowings and bonds	334 191	438 557
4.2. Income tax liabilities	309	1 945
4.3. Other tax liabilities	2 553	4 187
4.4. Trade liabilities	12 348	17 267
4.5. Security deposits and advances received	16 870	16 016
4.6. Other liabilities	3 983	5 028
	370 254	483 000
Total equity and liabilities	1 539 048	1 659 049

BOOK VALUE (PLN '000)	31.12.2013	31.12.2012
Book value	656 163	629 204
Number of shares	412 690 582	420 000 000
Book value per share (in PLN)	1,59	1,50

OFF-BALANCE SHEET LIABILITIES (PLN '000)	31.12.2013	31.12.2012
1. Off-balance sheet receivables	-	-
2. Off-balance sheet liabilities	563 620	87 756
Total off-balance sheet items	563 620	87 756

PROFIT AND LOSS ACCOUNT (PLN '000)	Q4 FROM 01.10.2013 TO 31.12.2013	4 QUARTERS FROM 01.01.2013 TO 31.12.2013	Q4 FROM 01.10.2012 TO 31.12.12	4 QUARTERS FROM 01.01.2012 TO 31.12.12
Revenue	69 348	249 179	51 778	201 470
Prime cost of sale	(40 639)	(147 198)	(47 563)	(119 212)
Gross profit (loss) on sales	28 709	101 981	4 215	82 258
Profit (loss) on investment property	(347)	(580)	256	2 082
Selling costs	(5 571)	(23 086)	(6 004)	(24 111)
General administrative expenses	(10 853)	(39 743)	(11 023)	(35 368)
Other operating revenue	45 182	77 939	3 266	59 215
Other operating expenses	(921)	(1 476)	18 971	(2 696)
Profit before tax and excluding financial revenue/expenses	56 199	115 035	9 681	81 380
Financial revenue	(399)	2 096	2 194	3 048
Financial expenses	(11 824)	(54 259)	(16 248)	(62 538)
Gross profit	43 976	62 872	(4 373)	21 890
Income tax	(55)	(2 217)	22 529	19 223
Net profit	43 921	60 655	18 156	41 113
(Annualised) net profit		60 655		41 113
Average weighted ordinary shares		412 690 582		420 000 000
Earnings per ordinary share (in PLN)		0,15		0,10
Average weighted diluted ordinary shares		412 690 582		420 000 000
Diluted earnings (loss) per ordinary share (in PLN)		0,15		0,10

STATEMENT OF CHANGES IN EQUITY (PLN '000)	SHARE CAPITAL	SUPPLEMENTA RY CAPITAL	EQUITY SHARES	RETAINED PROFIT (LOSS) BROUGHT FORWARD	NET PROFIT (LOSS)	TOTAL EQUITY
For Q1-Q4 (current year), from 01.01.2013 to 31.12.2013						
Opening balance	21 000	567 091	-	41 113	-	629 204
Changes in the period:						
Equity shares	(365)	(33 331)	-			(33 696)
Allocation of result from previous years	-	41 113		(41 113)	-	-
Net profit (loss) for the period					60 655	60 655
Total changes	(365)	7 782	-	(41 113)	60 655	26 959
Closing balance	20 635	574 873	-	-	60 655	656 163
For Q1-Q4 (previous year), from 01.01.2012 to 31.12.2012						
Opening balance after adjustment to comparative data	21 000	550 574	-	16 517	-	588 091
Changes in the period:						
Allocation of result from previous years	-	16 517	-	(16 517)	-	-
Net profit (loss) for the period					41 113	41 113
Total changes	-	16 517	-	(16 517)	41 113	41 113
Closing balance	21 000	567 091	-	-	41 113	629 204

CASH FLOW STATEMENT (PLN '000)	4 QUARTERS FROM 01.01.2013 TO 31.12.2013	4 QUARTERS FROM 01.01.2012 TO 31.12.2012
A. Operating cash flow – indirect method		
I. Gross profit	62 872	21 890
II. Adjustments:	(15 339)	15 645
1. Amortisation/depreciation	3 782	3 984
2. Foreign exchange (gains) losses	-	-
3. Interest and profit sharing (dividends)	(19 049)	11 886
4. (Profit) loss on revaluation of assets and liabilities	(72)	(225)
III. Movements in working capital	28 564	29 547
1. Movement in provisions	580	(2 272)
2. Movement in inventory	35 669	10 432
3. Movement in receivables	14 278	59 607
4. Movement in short-term liabilities, excluding loans and borrowings	(21 963)	(38 220)
5. Other adjustments	-	-
IV. Net operating cash (I+/-II +/- III)	76 097	67 082
V. Income tax paid	(5 319)	(3 657)
VI. Net operating cash flow (IV+/-V)	70 778	63 425
B. Cash flow from investing activities		
I. Proceeds	619 295	147 210
1. Sale of intangible assets and property, plant and equipment	72	257
2. Sale of real property investments	-	159
3. On financial assets	619 223	146 794
4. Other investment proceeds	-	-
II. Expenditures	(470 651)	(303 989)
1. Purchase of intangible assets and PP&E	(25 103)	(3 170)
2. Real property investments	-	(256)
3. On financial assets	(445 494)	(300 275)
4. Other capital expenditures	(54)	(288)
III. Net cash flow from investing activities (I-II)	148 644	(156 779)

CASH FLOW STATEMENT (PLN '000)		4 QUARTERS FROM 01.10.2013 TO 31.12.2013	4 QUARTERS FROM 01.10.2012 TO 31.12.2012
C. Cash flow from financing activities			
I. Proceeds		313 686	504 202
1. Net proceeds from issue of shares (interests) and other equity instruments and capital contributions		-	-
2. Loans and borrowings		930	112 664
3. Issue of debt securities		312 756	391 538
4. Other financial proceeds		-	-
II. Expenditures		(526 188)	(494 217)
1. Purchase of equity shares (interests)		(33 696)	-
2. Dividends and other payments to equity holders		-	-
3. Profit share expenses, other than payments to equity holders		-	-
4. Repayment of loans and borrowings		(115 382)	(32 774)
5. Redemption of debt securities		(320 000)	(395 000)
6. Interest		(57 110)	(66 443)
III. Net cash flow from financing activities (I-II)		(212 502)	9 985
D. Total net cash flow (A.VI+/-B.III+/-C.III)		6 920	(83 369)
E. Movement in cash in the statement of financial position, including:		6 920	(83 369)
- movement in cash due to foreign exchange gains/losses		-	-
F. Cash and cash equivalents at the beginning of the period		3 017	86 386
G. Cash and cash equivalents at the end of the period (F+/-D)		9 937	3 017
- restricted cash		40	-

Kielce, 27 February 2014

Company representatives:**Person responsible for keeping the
accounting books:**President of the
Management BoardVice-President of the
Management BoardVice-President of the
Management Board

Chief Accountant

Piotr Gromniak

Artur Langner

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