

# **Echo Investment S.A. Capital Group**

**Independent Registered Auditor's Opinion**

**Consolidated Financial Statements**

**Director's Report**

**Registered Auditor's Report on the audit of the consolidated financial statements**

**For the year from 1 January to 31 December 2013**

## **Content:**

**Independent Registered Auditor's Opinion**

prepared by PricewaterhouseCoopers Sp. z o.o.

**Consolidated Financial Statements**

prepared by Echo Investment S.A. Capital Group

**Directors' Report**

prepared by Management Board of the Parent Company of the Echo Investment S.A. Capital Group

**Registered Auditor's Report on the audit of the consolidated financial statements**

prepared by PricewaterhouseCoopers Sp. z o.o.

## **Independent Registered Auditor's Opinion**

### **To the General Shareholders' Meeting and the Supervisory Board of Echo Investment S.A.**

We have audited the accompanying consolidated financial statements of the Echo Investment S.A. Capital Group (hereinafter called "the Group"), having Echo Investment S.A., Al. Solidarności 36, Kielce, as its parent company (hereinafter called "the Parent Company"), which comprise the consolidated statement of financial position as at 31 December 2013, showing total assets and total equity and liabilities of PLN 6,224,411 thousand, the consolidated income statement for the year from 1 January to 31 December 2013, showing a net profit of PLN 331,158 thousand, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the financial year and additional information on adopted accounting policies and other explanatory notes.

The Parent Company's Management Board is responsible for preparing the consolidated financial statements and Group Directors' Report in accordance with the applicable regulations, and for the correctness of the accounting records. Members of the Management Board and Members of the Supervisory Board of the Parent Company are obliged to ensure that the consolidated financial statements and the Group Director's Report comply with the requirements of the Accounting Act of 29 September 1994 ("the Accounting Act" – Journal of Laws of 2013, item 330 as amended).

Our responsibility was to perform an audit of the accompanying consolidated financial statements and to express an opinion on whether the consolidated financial statements comply, in all material respects, with the applicable accounting policies and whether they present, in all material respects, a true and clear view of the Group's financial position and results.

We conducted our audit in accordance with:

- a. the provisions of Chapter 7 of the Accounting Act;
- b. national standards of auditing issued by the National Council of Registered Auditors.

*Translation note:*

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## **Independent Registered Auditor's Opinion**

### **To the General Shareholders' Meeting and the Supervisory Board of Echo Investment S.A. (cont.)**

Our audit was planned and performed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatements and omissions. The audit included examining, on a test basis, accounting documents and entries supporting the amounts and disclosures in the consolidated financial statements. The audit also included assessing the Group's accounting policies and significant estimates made during the preparation of the consolidated financial statements, as well as evaluating the overall presentation thereof. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying consolidated financial statements, in all material respects:

- a. give a fair and clear view of the Group's financial position as at 31 December 2013 and of the results of its operations for the year from 1 January to 31 December 2013, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union;
- b. comply in terms of form and content with the applicable laws;
- c. have been prepared on the basis of properly maintained consolidation documentation.

The information contained in the Group Directors' Report for the year from 1 January to 31 December 2013 has been presented in accordance with the provisions of the Decree of the Minister of Finance dated 19 February 2009 concerning the publication of current and periodic information by issuers of securities and the conditions of acceptance as equal information required by the law of other state, which is not a member state ("*the Decree*" – Journal of Laws of 2014, item 133) and is consistent with the information presented in the audited consolidated financial statements.

Person conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o., Registered Audit Company No. 144:

Piotr Wyszogrodzki

Group Registered Auditor, Key Registered Auditor  
No. 90091

Warsaw, 24 April 2014

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# **Echo Investment S.A. Capital Group**

**Registered auditor's report on the audit of the consolidated  
financial statements  
for the year from 1 January to 31 December 2013**

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**Registered auditor's report on the audit of the consolidated financial statements for the year from 1 January to 31 December 2013**

**To the General Shareholders' Meeting and the Supervisory Board of Echo Investment S.A.**

**This report contains 19 pages and consists of:**

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**Echo Investment S.A. Capital Group**  
**Registered auditor's report on the audit of the consolidated financial**  
**statements for the year from 1 January to 31 December 2013**

**I. General information about the Group**

- a. Echo Investment S.A. ("the Parent Company") with its seat in Kielce, Al. Solidarności 36 is the parent company of the Echo Investment S.A. Capital Group ("the Group").
- b. The Parent Company was formed on the basis of a Notarial Deed drawn up on 30 June 1994 at the Notarial Office of Jacek Frelich in Kielce and registered with Rep. A No. A Nr 4162/94. On 10 April 2001, the Company was entered in the Register of Businesses maintained by the District Court in Kielce, the 10th Business Department of the National Court Register, with the reference number KRS 0000007025.
- c. The Parent Company was assigned a tax identification number (NIP) 657-02-30-912 for the purpose of making tax settlements and a REGON number 290463755 for statistical purposes.
- d. As at 31 December 2013 the Parent Company's share capital amounted to PLN 20.635 thousand and consisted of 412.690.582 shares, with a nominal value of PLN 0,05 each.
- e. As at 31 December 2013, the Parent Company's shareholders were:

Shareholder's name	Number of shares held	Par value of shares held (PLN '000)	Type of shares held	Votes (%)
Michał Sołowow	189,361,930	9,468	ordinary	45.9
ING OFE	38,513,969	1,926	ordinary	9.3
Aviva OFE Aviva BZ WBK	41,269,050	2,063	ordinary	10.0
PZU Złota Jesień OFE	22,011,702	1,101	ordinary	5.3
Pozostali akcjonariusze	121,533,931	6,077	ordinary	29.5
	<b>412,690,582</b>	<b>20,635</b>		<b>100.0</b>

As at 31 December 2012, the Parent Company's shareholders were:

Shareholder's name	Number of shares held	Par value of shares held (PLN '000)	Type of shares held	Votes (%)
Michał Sołowow	189,361,930	9,468	ordinary	45.1
ING OFE	44,569,720	2,228	ordinary	10.6
Aviva OFE Aviva BZ WBK	42,958,079	2,148	ordinary	10.2
PZU Złota Jesień OFE	22,011,702	1,101	ordinary	5.3
Pozostali akcjonariusze	121,098,569	6,055	ordinary	28.8
	<b>420,000,000</b>	<b>21,000</b>		<b>100.0</b>

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**I. General information about the Group (cont.)**

- f. During the year the Company's core business consisted in the construction and lease of space in commercial, shopping and entertainment, office, hotel and residential buildings as well as trade in real property.
- g. During the audited year, the Management Board of the Parent Company comprised:
- Piotr Gromniak    Prezes Zarządu
  - Artur Langner    Wiceprezes Zarządu
  - Waldemar Lesiak    Wiceprezes Zarządu                      from 21 March 2013

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**I. General information about the Group (cont.)**

h. As at 31 December 2013, the Echo Investment S.A. Capital Group comprised the following entities:

Name	Nature of equity relationship (interest in %)	Consolidation method	Auditor of the financial statements	Type of opinion	Balance sheet date
Echo Investment S.A.	Parent Company	Not applicable	PricewaterhouseCoopers Sp. z o.o.	unqualified	31 December 2013
" 47 - Grupa Echo Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"53 - Grupa Echo" Sp. z o.o. S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"A4 Business Park „Iris Capital” Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Aquarius Business House - "Grupa Echo Sp. z o. o." S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"ASTRA PARK - "Projekt Echo 69" Sp. z o. o. S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"AVATAR - Projekt Echo - 93" Sp. z o.o. S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Babka Tower - Projekt Echo - 93 Sp. z o. o." S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Barconsel Holdings Limited"	Subsidiary (25,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Bełchatów - Grupa Echo Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo - Arena" Sp. z o.o.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Echo - Aurus" Sp. z o.o.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Echo - Centrum Przemysł - Projekt Echo 93" Sp. z o.o. S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013

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**I. General information about the Group (cont.)**

"Echo - Galaxy Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo - Galaxy" Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo - Galeria Amber Sp. z o. o."	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Echo - Galeria Lublin" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo - Klimt House Sp. z o.o." Sp.K.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Echo - Klimt House" Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo - Nowy Mokotów Sp. z o. o." Sp. K.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo - Nowy Mokotów" Sp. z o.o.	Subsidiary (100,0 %)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo - Park Rozwoju" Sp. z o.o.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Echo - Property Poznan 1" Sp. z o. o.	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo - Przy Słowiańskim Wzgórzu " Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo - Przy Słowiańskim Wzgórzu Sp. z o.o." Sp.K.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Echo - SPV 7 " Sp. z o. o.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Echo -Galeria Amber Sp. z o.o." - S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Echo Galeria Kielce - Magellan West Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	PricewaterhouseCoopers Sp. z o.o.	unqualified	31 December 2013
"Echo Investment ACC - Grupa Echo Sp. z o.o." Sp.K.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo Investment Facility Management-Grupa Echo Sp. z o. o. Sp.K.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013

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**I. General information about the Group (cont.)**

"Echo Investment Hungary" Ingatlanhasznosító KFT	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo Investment Projekt Management" SRL	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo Investment Property Management-Grupa Echo Sp. z o. o." Sp. K.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo Investment Ukraina" LLC	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo -Kasztanowa Aleja Sp. z o.o." Sp.K.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans- Servis Sp. z o.o.	unqualified	31 December 2013
"Echo -Kasztanowa Aleja" Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo Pasaż Grunwaldzki - Magellan West Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	PricewaterhouseCoopers Sp. z o.o.	unqualified	31 December 2013
"Echo Projekt Management Ingatlanhasznosító" KFT	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"EI Projekt Cyp - 1" Limited	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Elmira Investments Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Elmira Investments" Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Farrina Investments" Sp. z o.o.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans- Servis Sp. z o.o.	unqualified	31 December 2013
"Galaxy - Projekt Echo - 106 Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans- Servis Sp. z o.o.	unqualified	31 December 2013
"Galeria Nova - Grupa Echo Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans- Servis Sp. z o.o.	unqualified	31 December 2013
"Galeria Olimpia - Projekt Echo - 98 Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans- Servis Sp. z o.o.	unqualified	31 December 2013
"Galeria Sudecka - Projekt Echo - 43 Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans- Servis Sp. z o.o.	unqualified	31 December 2013
"Galeria Tarnów - Grupa Echo Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013

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**I. General information about the Group (cont.)**

"Grupa Echo " Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Intermedia Investment" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Iris Capital" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Malta Office Park - Projekt Echo - 96 Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Mena Investments" Sp.z o.o.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Metropolis - "Grupa Echo" Sp. z o. o." S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Pamiętkowo" Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Park Postępu - Projekt Echo - 93 Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Echo - Park Rozwoju Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"PHS - Projekt CS Sp. z o. o." S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"PPR - Projekt Echo - 77" Sp. z o. o. S.K.A.	Subsidiary (100,0%)	Full	PricewaterhouseCoopers Sp. z o.o	unqualified	31 December 2013
"Princess Investment" Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt - Pamiętkowo" Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt 11 - "Grupa Echo" Sp. z o.o" - S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt 12 - "Grupa Echo" Sp. z o.o" S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt 13 - "Grupa Echo" Sp. z o.o" S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013

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**I. General information about the Group (cont.)**

"Projekt 14 - "Grupa Echo" Sp. z o.o" S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt 15 - "Grupa Echo" Sp. z o.o" S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt 16 - "Grupa Echo" Sp. z o.o" S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt 17 - "Grupa Echo" Sp. z o.o" S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt 18 - "Grupa Echo" Sp. z o.o" - S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt 19 - "Grupa Echo" Sp. z o.o" S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt 20 - "Grupa Echo" Sp. z o.o" S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt 21 - "Grupa Echo" Sp. z o.o" S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt 22 - "Grupa Echo" Sp. z o.o" S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt 3 - Grupa Echo Sp. z o.o" S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013

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**I. General information about the Group (cont.)**

"Projekt 4 - Grupa Echo Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Projekt 5 - Grupa Echo Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Babka Tower - Grupa Echo Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Projekt Beethovena - "Grupa Echo" Sp. z o. o." S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Projekt CS" Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 101" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 102" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 103" Sp. z o. o.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Projekt Echo - 104" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 105" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 106" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 107" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 108" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 109" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013

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**Echo Investment S.A. Capital Group**  
**Registered auditor's report on the audit of the consolidated financial statements**  
**for the year from 1 January to 31 December 2013**

**I. General information about the Group (cont.)**

"Projekt Echo - 110" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 33" Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 93" Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 95" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 96" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 97" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 98" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 99 Sp. z o. o." Sp.K.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo - 99" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo -43" Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo -69" Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo -70" Sp. z o.o.	Subsidiary (100,0%)	Full	Bilans Servis Spółka z o.o.	unqualified	31 December 2013
"Projekt Echo -77" Sp. z o.o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Echo Galeria Kielce - Magellan West Sp. z o.o." - S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013

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**Echo Investment S.A. Capital Group**  
**Registered auditor's report on the audit of the consolidated financial statements**  
**for the year from 1 January to 31 December 2013**

**I. General information about the Group (cont.)**

"Projekt Echo Pasaż Grunwaldzki - Magellan West Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Projekt Naramowice - Grupa Echo" Sp. z o.o. S.K.A.	Zależna (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Projekt Saska " Sp. z o.o.	Subsidiary (95,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"SPV-1 Grupa Echo" Sp. z o.o. S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"Vasco Investment" Sp. z o. o.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Veneda - Projekt Echo - 97 Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
"Zakład Ogrodniczy Naramowice - Pamiątkowo Sp. z o. o." S.K.A.	Subsidiary (100,0%)	Full	The Company was not subject to an audit	-	31 December 2013
„Echo – Pod Klonami Sp. z o. o." Sp.Ko	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
„Oxygen - Projekt Echo – 95 Sp. z o.o." S.K.A.	Subsidiary (100,0%)	Full	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
“WAN 11” Sp. z o.o.	Jointly controlled	Proportionate	Zespół Usług Finansowo-Księgowych Bilans-Servis Sp. z o.o.	unqualified	31 December 2013
"EBR Global Services" Sp. z o. o.	Associate	Equity method	The Company was not subject to an audit	-	31 December 2013
„SPC” SA	Associate	Equity method	The Company was not subject to an audit	-	31 December 2013

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**I. General information about the Group (cont.)**

- i. The Parent Company is an issuer of securities admitted for trading on the Warsaw Stock Exchange. In accordance with the choice of selecting accounting policies permitted by the Accounting Act, the Company has decided to prepare its consolidated financial statements in accordance with IFRS as adopted by the European Union.

The Group has applied the IFRS since 2004.

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**Echo Investment S.A. Capital Group**  
**Registered auditor's report on the audit of the consolidated financial**  
**statements for the year from 1 January to 31 December 2013**

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**II. Information about the audit**

- a. The audit of the consolidated financial statements as at and for the year from 1 January to 31 December 2013 was conducted by PricewaterhouseCoopers Sp. z o.o. with its seat in Warsaw, Al. Armii Ludowej 14, registered audit company no. 144. The audit was conducted on behalf of the registered audit company under the supervision of the key registered auditor, the Group's registered auditor Piotr Wyszogrodzki (no. 90091).
- b. PricewaterhouseCoopers Sp. z o.o. was appointed registered auditor to the Group by Resolution No. 6/V/2011 of the Supervisory Board of Echo Investment S.A. dated 24 May 2011 in accordance with paragraph 13 of the Parent Company's Memorandum of Association.
- c. PricewaterhouseCoopers Sp. z o.o. and the key registered auditor conducting the audit are independent of the entities belonging to the Group within the meaning of art. 56, clauses 2-4 of the Act dated 7 May 2009 on registered auditors and their self-government, registered audit companies and on public supervision (Journal of Laws No. 77, item 649, as amended).
- d. The audit was conducted in accordance with an agreement dated 20 July 2011, in the following periods:
  - interim audit from 25 to 29 November 2013;
  - final audit from 10 March to 24 April 2014.

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**Echo Investment S.A. Capital Group**  
**Registered auditor's report on the audit of the consolidated financial**  
**statements for the year from 1 January to 31 December 2013**

**III. The Group's results, financial position and significant items of the consolidated financial statements**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2013 (selected lines)**

	31.12.2013	31.12.2012	Change		Structure	
	PLN '000	PLN '000	PLN '000	(%)	31.12.2013 (%)	31.12.2012 (%)
<b>ASSETS</b>						
Non-current assets	4,596,145	4,186,669	409,476	9.8	73.8	76.8
Current assets	1,628,266	1,266,504	361,762	28.6	26.2	23.2
<b>Total assets</b>	<b>6,224,411</b>	<b>5,453,173</b>	<b>771,238</b>	<b>14.1</b>	<b>100.0</b>	<b>100.0</b>
<b>LIABILITIES AND EQUITY</b>						
Share capital	2,765,455	2,431,643	333,812	13.7	44.4	44.6
Provisions	34,044	32,208	1,836	5.7	0.6	0.6
Long-term liabilities	2,193,802	2,285,728	(91,926 )	(4.0)	35.2	41.9
Short-term liabilities	1,231,110	703,594	527,516	75.0	19.8	12.9
<b>Total liabilities and equity</b>	<b>6,224,411</b>	<b>5,453,173</b>	<b>771,238</b>	<b>14.1</b>	<b>100.0</b>	<b>100.0</b>

**CONSOLIDATED INCOME STATEMENT**  
**for the year from 1 January to 31 December 2013 (selected lines)**

	2013	2012	Change		Structure	
	PLN '000	PLN '000	PLN '000	(%)	2013 (%)	2012 (%)
Revenue	527,870	582,765	(54,895 )	(9.4)	100.0	100.0
Costs of sales	(235,625)	(277,297)	41,672	(15.0)	(44.6)	(47.6)
<b>Gross profit</b>	<b>292,245</b>	<b>305,468</b>	<b>(13,223 )</b>	<b>(4.3)</b>	<b>55.4</b>	<b>52.4</b>
<b>Net profit</b>	<b>331,158</b>	<b>374,125</b>	<b>(42,967 )</b>	<b>(11.5 )</b>	<b>62.7</b>	<b>64.2</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the year from 1 January to 31 December 2013 (selected lines)**

	2013	2012	Change	
	PLN '000	PLN '000	PLN '000	(%)
<b>Net profit/(loss)</b>	<b>331,158</b>	<b>374,125</b>	<b>(42,967)</b>	<b>(11.5 )</b>
Other net comprehensive income	2,715	(9,425)	12,140	(128.8)
<b>Total net comprehensive income</b>	<b>333,873</b>	<b>364,700</b>	<b>(30,827 )</b>	<b>(8.5 )</b>

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**Echo Investment S.A. Capital Group**  
**Registered auditor's report on the audit of the consolidated financial statements for the year from 1 January to 31 December 2013**

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**III. The Company's results, financial position and significant items of the consolidated financial statement (cont.)**

**Selected ratios characterizing the Group's financial position and results**

The following ratios characterise the Group's activities, results of operations during the year and its financial position as at the balance sheet date compared with previous years:

	<b>2013</b>	<b>2012</b>	<b>2011</b>
Asset ratios			
- receivables turnover	21 days	21 days	25 days
- inventory turnover	735 days	626 days	1,090 days
Profitability ratios			
- net profit margin	63 %	64 %	51 %
- gross margin	91 %	28%	127 %
- return on capital employed	13 %	17 %	10 %
Liability ratios			
- gearing	55 %	55 %	56 %
- payables turnover	136 days	156 days	269 days
	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Liquidity ratios			
- current ratio	1.2	1.4	1.9
- quick ratio	0.8	0.8	1.1

The above ratios have been calculated on the basis of the consolidated financial statements.

It was not the purpose of the audit to present the Group in the context of the results of operations and ratios achieved. A detailed interpretation of the ratios requires an in-depth analysis of the Group's operations and its circumstances.

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### **III. The Company's results, financial position and significant items of the consolidated financial statement (cont.)**

The consolidated financial statements do not take into account the effects of inflation. The consumer price index (on a December to December basis) amounted to 0.7% in the audited year (2.4% in 2012).

The following comments are based on information obtained during the audit of the consolidated financial statements.

The factors described below had a significant impact on the Group's results of operations and on its financial position as at the balance sheet date:

- Revenue amounted to PLN 527,870 thousand, which constituted an increase of PLN 54,895 thousand (i.e. by 9.4 %) compared with the previous year.
- The highest sales revenue (57.2% of overall revenue) was generated on the Group's core business, i.e. lease of area in shopping centres and shopping and entertainment centres (PLN 302,103 thousand), whose share in overall sales increased by 5.6 percentage points compared to the previous year. Revenue from the sale and lease of residential space (PLN 104,117 thousand) accounted for 19.7% of sales revenue, and its share in overall sales decreased by 10.7 percentage points. In the audited period, revenue from the construction and lease of space in office and hotel facilities amounted to PLN 103,947 thousand. This revenue group's share in the sales revenue accounted for 19.7% in the audited period and increased, compared to the previous year, by 3.6 percentage points.
- The main sales market was the domestic market, where nearly 100% of sales took place.
- Profitability measured with net profit amounted to 63% and was 1 percentage points lower than in the previous year. The stable profitability level in the Group's was primarily driven by sales and measurement of investment properties as well as a positive effect of exchange rate.
- At the end of the financial year, the Group's total assets amounted to PLN 6,224,411 thousand. During the year total assets increased by PLN 771,238 thousand (i.e. by 14.1 %). This increase was financed mainly by an increase in investment properties of PLN 187,516 thousand, an increase in investment property under construction of PLN 177,752 thousand and an increase in other tax receivables of PLN 459,424 thousand. The increase of assets was financed mainly by net profit of PLN 331,103 thousand and an increased in other tax liabilities of 477,904 thousand.
- The gearing ratio remained unchanged and amounted to 55%. The payables turnover ratio decreased from 156 days to 136 days, respectively.
- The Group's liquidity has slightly changed. In the audited year, the current and quick ratios amounted to 1.2 (2012: 1.4) and 0.8 (2012: 0.8) respectively.

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**Echo Investment S.A. Capital Group**  
**Registered auditor's report on the audit of the consolidated financial statements for the year from 1 January to 31 December 2013**

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**IV. The independent registered auditor's statements**

- a. The Management Board of the Parent Company provided all the information, explanations, and representations required by us in the course of the audit and provided us with a representation letter confirming the completeness of the information included in the accounting records and the disclosure of all contingent liabilities and post balance-sheet events which occurred up to the date on which that letter was signed.
- b. The scope of the audit was not limited.
- c. The Group has up-to-date documentation of its accounting policies, approved by the Parent Company's Management Board. The Parent Company's accounting policies were tailored to the Group's needs and ensured the recognition of all events having a material effect on the assessment of its financial position and results, taking into consideration the prudence principle. There were no changes to the accounting policies compared with the previous year.
- d. The consolidation of equity items and the determination of minority interests were carried out properly in all material respects.
- e. The elimination of mutual balances (receivables and payables) and transactions (revenue and costs) of the consolidated entities were carried out, in all material respects, in accordance with IFRS as adopted by the European Union.
- f. The elimination of unrealized gains/losses of consolidated entities included in the book value of assets and in respect of dividend payments was carried out, in all material respects, in accordance with IFRS as adopted by the European Union.
- g. The impact of the disposal or partial disposal of shares in subordinated entities was accounted for properly in all material respects, in accordance with IFRS as adopted by the European Union.
- h. The consolidation documentation was complete and accurate and it is stored in a manner ensuring proper safeguarding.
- i. The consolidated financial statements of the Group as at and for the year ended 31 December 2012 were approved by Resolution No. 6 passed by the General Shareholders' Meeting of the Parent Company on 6 June 2013 and filed with the National Court Register in Kielce on 11 June 2013.
- j. The consolidated financial statements for the previous year were audited by PricewaterhouseCoopers Sp. z o.o. The registered auditor issued an unqualified opinion.

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**IV. The independent registered auditor's statements (cont.)**

- k. The notes to the consolidated financial statements, which include the introduction and additional notes and explanations present all the significant information in accordance with IFRS as adopted by the European Union
- l. The information in the Group Directors' Report for the year from 1 January to 31 December 2013 has been presented in accordance with the provisions of the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information to be provided by issuers of securities and conditions for recognizing as equivalent the information required by the provisions of law of a country not being a member state (Journal of Laws of 2014, item 133) and is consistent with that presented in the consolidated financial statements.

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**Echo Investment S.A. Capital Group**  
**Registered auditor's report on the audit of the consolidated financial statements for the year from 1 January to 31 December 2013**

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**V. Final information**

This report has been prepared in connection with our audit of the consolidated financial statements of the Echo Investment S.A. Capital Group having Echo Investment S.A., Al. Solidarności 36, Kielce, as its Parent Company. The consolidated financial statements were signed by the Parent Company's Management Board on 24 April 2014.

This report should be read in conjunction with the Independent Registered Auditor's unqualified Opinion to the General Shareholders' Meeting and the Supervisory Board of Echo Investment S.A. dated 24 April 2014, concerning the said consolidated financial statements. The opinion on the consolidated financial statements expresses a general conclusion drawn from the audit and involves assessing the materiality of individual audit findings rather than being a sum of all the evaluations of individual financial statement components. This assessment takes account of the impact of the facts noted on the truth and fairness of the consolidated financial statements.

Person conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o., Registered Audit Company No. 144:

Piotr Wyszogrodzki

Group Registered Auditor, Key Registered Auditor  
No. 90091

Warsaw, 24 April 2014

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