



CONSOLIDATED QUARTERLY REPORT OF THE ECHO INVESTMENT CAPITAL GROUP FOR Q1 2014

ECHO
investment

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I. SELECTED CONSOLIDATED FINANCIAL DATA

	IN PLN '000		IN EUR '000	
	01.01.2014 TO 31.03.2014	01.01.2013 TO 31.03.2013	01.01.2014 TO 31.03.2014	01.01.2013 TO 31.03.2013
I. Operating revenues	111 843	137 885	26 697	33 036
II. Operating profit (loss)	490 148	245 707	116 997	58 869
III. Gross profit (loss)	444 556	156 883	106 114	37 588
IV. Net profit (loss)	408 342	156 054	97 470	37 389
V. Net operating cash flow	187 552	49 312	44 768	11 815
VI. Net cash flow from investing activities	18 934	-89 182	4 520	-21 367
VII. Net cash flow from financing activities	148 549	-60 273	35 458	-14 441
VIII. Total net cash flow	355 035	-100 143	84 746	-23 993
IX. Total assets	6 551 370	5 566 281	1 570 582	1 332 475
X. Equity attributable to shareholders of the parent	3 160 068	2 593 201	757 574	620 769
XI. Long-term liabilities	2 330 544	2 477 046	558 709	592 964
XII. Short-term liabilities	991 232	475 937	237 631	113 931
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)	1,41	1,41	0,34	0,34
XV. Book value per share (in PLN/EUR)	7,66	6,28	1,84	1,50

II. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS OF THE CAPITAL GROUP AS OF 31.03.2014 AND FOR A 3-MONTH PERIOD ENDED ON 31.03.2014

1. CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION

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

	AS OF 31.03.2014 END OF QUARTER	AS OF 31.12.2013 END OF PREVIOUS YEAR	AS OF 31.03.2013 END OF QUARTER
ASSETS			
1. Non-current assets			
1.1. Intangible assets	704	815	1 067
1.2. Property, plant and equipment	75 309	75 406	53 966
1.3. Investment property	3 922 910	2 997 822	3 066 824
1.4. Investment property under construction	965 873	1 354 802	1 166 527
1.5. Long-term financial assets	76 647	74 859	65 600
1.6. Derivative financial instruments	640	5 962	587
1.7. Deferred income tax assets	44 606	30 888	11 969
	5 086 689	4 540 554	4 366 540
2. Current assets			
2.1. Inventory	514 922	499 499	459 877
2.2. Income tax receivables	8 238	4 483	2 511
2.3. Other tax receivables	81 259	507 276	40 301
2.4. Trade and other receivables	76 098	57 084	95 594
2.5. Short-term financial assets	19 622	42 072	61 462
2.6. Derivative financial instruments	6 258	1 954	186
2.7. Restricted cash	60 760	64 570	58 127
2.8. Cash and cash equivalents	697 524	352 392	218 705
	1 464 681	1 529 330	936 763
3. Non-current assets held for sale	-	94 152	262 978
Total current assets and non-current assets held for sale	1 464 681	1 623 482	1 199 741
TOTAL ASSETS	6 551 370	6 164 036	5 566 281

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

	AS OF 31.03.2014 END OF QUARTER	AS OF 31.12.2013 END OF PREVIOUS YEAR	AS OF 31.03.2013 END OF QUARTER
EQUITY AND LIABILITIES			
1. Equity			
1.1. Equity attributable to shareholders of the parent	3 160 068	2 765 438	2 593 201
1.1.1. Share capital	20 635	20 635	21 000
1.1.2. Supplementary capital	2 411 154	2 411 154	2 065 321
1.1.3. Equity shares purchased	-	-	-28 647
1.1.4. Accumulated profit (loss)	739 445	331 103	530 169
1.1.5. Foreign exchange gains/losses on translation of foreign operations			
1.2. Equity of non-controlling shareholders	125	17	65
	3 160 193	2 765 455	2 593 266
2. Provisions			
2.1. Long-term provisions	-	-	-
2.2. Short-term provisions	2 000	2 000	7 764
2.3. Long-term deferred income tax provision	67 401	21 547	12 268
	69 401	23 547	20 032
3. Long-term liabilities			
3.1. Loans and borrowings	2 207 726	2 026 690	2 339 584
3.2. Derivative financial instruments	1 307	-	11 967
3.3. Security deposits and advance payments received	46 496	45 095	50 174
3.4. Lease liabilities (perpetual usufruct of land)			
	2 330 544	2 146 816	2 477 046
4. Short-term liabilities			
4.1. Loans and borrowings	570 232	559 468	325 245
4.2. Derivative financial instruments	-	3 936	429
4.3. Income tax liabilities	640	29	-
4.4. Other tax liabilities	222 359	483 493	20 478
4.5. Trade liabilities	99 717	115 468	92 854
4.6. Other liabilities	13 379	19 707	10 651
4.7. Security deposits and advance payments received	84 905	46 117	26 280
	991 232	1 228 218	475 937
TOTAL EQUITY AND LIABILITIES	6 551 370	6 164 036	5 566 281
Book value (in PLN '000)	3 160 068	2 765 438	2 593 201
Number of shares	412 690 582	412 690 582	412 690 582
Book value per share (in PLN)	7,66	6,70	6,28
Diluted number of shares	412 690 582	412 690 582	412 690 582
Diluted book value per share (in PLN)	7,66	6,70	6,28
OFF-BALANCE SHEET ITEMS (PLN '000)			
	AS OF 31.03.2014 END OF QUARTER	AS OF 31.12.2013 END OF PREVIOUS YEAR	AS OF 31.03.2013 END OF QUARTER
1. Off-balance sheet receivables	-	-	-
2. Off-balance sheet liabilities	54 290	54 015	10 270

2. CONSOLIDATED QUARTERLY PROFIT AND LOSS ACCOUNT

CONSOLIDATED QUARTERLY PROFIT AND LOSS ACCOUNT (PLN '000)

	Q1 PERIOD 01.01.2014 - 31.03.2014	Q1 PERIOD 01.01.2013 - 31.03.2013
Revenue	111 843	137 885
Prime cost of sale	-45 882	-63 390
Gross profit (loss) on sales	65 961	74 495
Profit (loss) on investment property (measurement)	444 895	188 297
Selling costs	-7 287	-5 395
General administrative expenses	-14 518	-14 598
Other operating revenue (expenses)	1 097	2 908
Operating profit	490 148	245 707
Financial revenue	2 896	4 670
Financial expenses	-36 714	-55 375
Profit (loss) on FX derivatives	-1 631	-1 588
Foreign exchange profit (loss)	-10 143	-36 531
Revaluation of goodwill of subordinates	-	-
Gross profit (loss)	444 556	156 883
Income tax	-36 106	-787
Net profit (loss), including:	408 450	156 096
Profit (loss) attributable to non-controlling interest	108	42
Profit (loss) attributable to shareholders of the parent company	408 342	156 054
<hr/>		
(Annualised) net profit (loss)	583 391	579 872
Average weighted ordinary shares	412 690 582	412 690 582
Annualised earnings (loss) per ordinary share (in PLN)	1,41	1,41

3. CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME (PLN '000)

	Q1 PERIOD 01.01.2014 - 31.03.2014	Q1 PERIOD 01.01.2013 - 31.03.2013
Net profit (loss)	408 450	156 096
Other comprehensive income:		
- foreign exchange gains/losses on translation of foreign operations	-13 712	5 527
	-13 712	5 527
Comprehensive income for the period, including:	394 738	161 623
Comprehensive income attributable to shareholders of the parent company	394 630	161 581
Minority comprehensive income	108	42

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
1 QUARTER, FROM 01.01.2014 TO 31.03.2014 (CURRENT YEAR)								
Opening balance	20 635	2 411 154	-	331 103	2 546	2 765 438	17	2 765 455
Allocation of result from previous years	-	-	-	-	-	-	-	-
Other net comprehensive income	-	-	-	-	-13 712	-13 712	-	-13 712
Net profit (loss) for the period	-	-	-	408 342	-	408 342	108	408 450
Closing balance	20 635	2 411 154	-	739 445	-11 166	3 160 068	125	3 160 193
4 QUARTERS, FROM 01.01.2013 TO 31.12.2013 (PREVIOUS 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	-	-	-	331 103	-	331 103	55	331 158
Closing balance	20 635	2 411 154	-	331 103	2 546	2 765 438	17	2 765 455
1 QUARTER, FROM 01.01.2013 TO 31.03.2013 (PREVIOUS 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	-	-	-	-	-	-	-	-
Other net comprehensive income	-	-	-	-	5 527	5 527	-	5 527
Net profit (loss) for the period	-	-	-	156 054	-	156 054	42	156 096
Closing balance	21 000	2 065 321	-28 647	530 169	5 358	2 593 201	65	2 593 266

5. CONSOLIDATED INTERIM CASH FLOW STATEMENT

CONSOLIDATED QUARTERLY CASH FLOW STATEMENT (PLN '000)

	Q1, 01.01.2014 - 31.03.2014	Q1, 01.01.2013 - 31.03.2013
A. Operating cash flow – indirect method		
I. Gross profit (loss)	444 556	156 883
II. Total adjustments	-401 093	-104 467
1. Share in net profits (losses) of associates	-1 064	9 724
2. Depreciation of PP&E	1 223	1 049
3. Foreign exchange (gains) losses	10 143	36 531
4. Interest and profit sharing (dividends)	32 086	37 060
5. (Profit) loss on revaluation of assets and liabilities	-442 787	-188 695
6. (Profit) loss on settlement of financial instruments	-694	-136
7. Other adjustments	-	-
III. Movements in working capital:	151 201	146
1. Movement in provisions	-	-
2. Movement in inventory	-14 850	5 923
3. Movement in receivables	407 001	-10 915
4. Movement in short-term liabilities, except for loans and borrowings	-240 950	5 138
IV. Net operating cash (I+II+III)	194 664	52 562
1. Income tax paid	-7 112	-3 250
V. Net operating cash flows	187 552	49 312
B. Cash flow from investing activities		
I. Proceeds	118 920	9 487
1. Sale of intangible assets and PP&E	78	133
2. Sale of real property investments	96 179	-
3. On financial assets	22 663	9 354
4. Other investment proceeds	-	-
II. Expenditures	-99 986	-98 669
1. Purchase of intangible assets and PP&E	-1 094	-1 145
2. Real property investments	-95 515	-97 399
3. On financial assets	-3 377	-125
4. Dividends and other share of profit paid to minority	-	-
5. Other capital expenditures	-	-
III. Net cash flow from investing activities (I-II)	18 934	-89 182

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

	Q1 01.01.2014 - 31.03.2014	Q1 01.01.2013 - 31.03.2013
C. Cash flow from financing activities		
I. Proceeds	635 906	287 706
1. Net proceeds from issue of shares (interests) and other equity instruments and capital contributions	-	-
2. Loans and borrowings	535 212	52 570
3. Issue of debt securities	100 000	235 000
4. Other financial proceeds	694	136
II. Expenditures	-487 357	-347 979
1. Purchase of equity shares (interests)	-	-
2. Dividends and other payments to equity holders	-	-
3. Profit share expenses, other than payments to equity holders	-	-
4. Repayment of loans and borrowings	-458 900	-87 835
5. Redemption of debt securities	-	-220 000
6. Due to FX derivatives	-	-
7. Payment of liabilities under finance lease agreements	-17	-16
8. Interest	-28 440	-40 128
9. Other financial expenditures	-	-
III. Net cash flow from financing activities (I-II)	148 549	-60 273
D. Total net cash flow (A.III+/-B.III+/-C.III)	355 035	-100 143
E. Movement in cash in the consolidated statement of financial position, including:	341 322	-94 616
- movement in cash due to foreign exchange gains/losses	-13 713	5 527
F. Cash and cash equivalents at the beginning of the period	416 962	371 448
G. Cash at the end of the period (F+/- D), including:	758 284	276 832
- restricted cash	60 760	58 127

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, and 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 rent of space in office 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 of 31 March 2014 and 31 March 2013, the Capital Group employed 369 and 349 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. 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 covers a three-month period ended on 31 March 2014, comparative data for a three-month period ended on 31 March 2013 and comparative data for a twelve-month period ended on 31 December 2013 (in the case of the balance sheet and the statement of changes in equity).

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.

New interpretations issued by the IFRS Committee applicable to the Group for the reporting period beginning on 1 January 2014 did not have any significant impact on the financial performance.

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

In Q1 2014, the Capital Group did not change its accounting principles, except for the new regulations introduced by the IFRS Committee. In particular, in connection with the introduction of IFRS 11 Joint Arrangements as of 1 January 2014, the Group changed the classification of the jointly controlled subsidiary WAN 11 Sp. z o.o., and changed the methods for measuring it (previously, proportionate consolidation was applied, which will not be allowed under IFRS 11). In the opinion of the Management Board, the jointly controlled subsidiary is a joint venture, and as such it was recognised with the equity method. This change is also recognised in the comparative statements and did not affect the Group's financial results and equity. A detailed accounting policy was presented in the annual report for 2013.

6.4. Change of the Management Board's material estimates

To prepare the financial statements, the Group's Management Board had to make certain estimates and assumptions, which are reflected in the statements. The actual results may differ from the estimates. The main area where the Management Boards' estimates materially affected the financial statements in Q1 2014 was Investment property.

Investment property includes shopping centres and office buildings leased out by the group companies. The fair value of investment property is classified as level 3 in the fair value hierarchy.

The fair value of real property generating fixed income is determined using the income approach and based on the perpetuity technique, i.e. dividing a project's net operating income (NOI) and the capitalisation rate (Yield). The yield is verified at least once a year by external property appraisers. Net operating income (NOI) is revised every quarter based on the applicable lease agreements, and values expressed in EUR and USD are converted every quarter according to the applicable exchange rates published by the NBP.

The measurement of the fair value of investment property depends on a number of assumptions made by the measuring entity. In Q1 2014, the Group received a valuation of, among other things, investment property as of 31 January 2014, which was prepared by Knight Frank Sp. z o.o., an independent real property consulting company based in Warsaw. According to these measurements, the total value of investment property as of 31 January 2014 was PLN 4,181,912 thousand (according to the EUR/PLN exchange rate of 31 March 2014), including investment property disclosed in the balance sheet as of 31 March 2014 (excluding the Polkomtel office building in Warsaw, due to the change resulting from the introduction of IFRS 11, as described in item 6.3). In contrast to the measurements applied by the Group to developments in use (i.e. based on perpetuity (NOI/Yield)), the said measurements were prepared using an income approach based on the discounted cash flow (DCF).

For the measurement of investment property as of 31 March 2014, according to the accounting policy, the Group applied the capitalisation rates (Yield) from the measurements prepared by Knight Frank, and the net operating income (NOI) was based on the applicable lease agreements (for leased space) and on the market rates (for vacancies). The Management Board also changed the estimated revenue from short-term stand mobile lease agreements (because this revenue has stabilised in the recent years) and the estimated number of leased vacancies (based on the historic turnover of tenants and the revenue from vacancies when conducting the measurement for the property sale agreements conducted in the recent years).

According to these estimates, the weighted average yield decreased by 5% and the net operating income (NOI) increased by 5% on average.

As a result of the changed assumptions regarding the measurement of real property and changes in other parameters, in Q1 2014, the Group recognised a profit from the measurement of real property in the amount of PLN 444.7 measurement. The impact of changes in the estimates on the measurement of property is presented in the table below:

EUR/PLN EXCHANGE RATE	YIELDS	IMPACT OF CHANGES ON THE MEASUREMENT OF REAL PROPERTY, INCLUDING			TOTAL
		NOI FROM VACANCIES	NOI FROM STANDS	OTHER CHANGES	
PLN 27.8 million	PLN 138.2 million	PLN 57.7 million	PLN 49.3 million	PLN 171.7 million	PLN 444.7 million

Other changes included the change of the measurement method from the discounted cash flow based method to the perpetuity based method for three properties (Galeria Amber in Kalisz, Park Rozwoju office buildings, stage I, in Warsaw and A4 Business Park, stage I, in Katowice) in connection with the properties' commissioning to use in Q1 2014 as well as the indexation of lease rates and other factors.

6.5. Description of significant achievements and failures of the Capital Group and indication of major events in Q1 2014

6.5.1. Major events in Q1 2014

Sale of assets with a significant value – final agreement for the sale of stage II of an office development 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 of the date of signing the agreement, according to the average exchange rate of the National Bank of Poland, is 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.

The Issuer's Capital Group does not hold any loan debts related to the sold asset, thus the transaction generates 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.

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

Loan agreement of the Issuer's subsidiary

On 31 March 2014, the Issuer's subsidiary A4 BUSINESS PARK – IRIS CAPITAL SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ – SPÓŁKA KOMANDYTOWO-AKCYJNA, with its registered office in Kielce (address: al. Solidarności 36, 25-323 Kielce), whose registration files are maintained by the District Court in Kielce, 10th Economic Department of the National Court Register, entered into the register of entrepreneurs of the National Court Register under no. KRS 0000445973 (later referred to as the "Borrower"), and BNP PARIBAS BANK POLSKA SPÓŁKA AKCYJNA, with its registered office in Warsaw (address: ul. Suwak 3, 02-676 Warsaw), whose registration files are maintained by the District Court for the Capital City of Warsaw, 13th Economic Department of the National Court Register, entered into the register of entrepreneurs of the National Court Register under no. KRS 0000006421 (later referred to as the "Lender" or "Bank"), signed a loan agreement (later referred to as the "Agreement" or "Loan").

The funds raised under the Loan will be used in connection with the construction of buildings by the Issuer's subsidiary as part of stages I and II of the office building complex under the name "A4 Business Park Katowice" in Katowice (later referred to as the "Development").

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

- cash under the Construction Loan, amounting to EUR 24,821 thousand, for financing and refinancing the construction costs as part of stages I and II of the Development;
- cash under the VAT Loan, amounting to PLN 5,000 thousand, for paying or refinancing the VAT due from the Borrower;
- cash under the Investment Loan for refinancing the debt raised under the Construction Loan, in the amount of EUR 29,000 thousand.

The loan amounts bear the following interest: for the Construction and Investment Loan – according to EURIBOR, for the VAT Loan – according to WIBOR, plus the Bank's margin in all cases.

The deadlines for repaying the funds raised under the Agreement were set as follows:

- for the Construction Loan: 14 and 24 months from the conclusion date of the Agreement, but not later than 6 months from the Required Completion Date for Buildings 1 and 2;
- for the VAT Loan: 24 months from the conclusion date of the Agreement, but not later than 6 months from the Required Completion Date for Building 2;
- for the Investment Loan: not later than 60 months from the Conversion Date, i.e. the date when the Construction Loan is repaid with the Investment Loan.

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

- first ranking mortgage on the Property for the benefit of the Lender, up to 150% of the total loan amount;
- first ranking registered pledge and financial pledge for the benefit of the Lender on all interests in the General Partner's share capital, up to 150% of the secured liability;
- first ranking registered pledges and financial pledges for the benefit of the Lender on all shares in the Borrower's share capital, up to 150% of the secured liability;
- first ranking registered pledge for the benefit of the Lender on the movable property and rights forming the Borrower's business, up to 150% of the secured liability;
- first ranking registered pledges for the benefit of the Lender on the General Partner's transferrable rights from the participation in the Borrower's company, up to 150% of the secured liability;
- first ranking registered pledges and financial pledges for the benefit of the Lender on the amounts due from the Accounts, up to 150% of the secured liability;
- authorisation granted by the Borrower to the Lender to use the accounts;

- security agreement on the transfer of the Borrower's due amounts and rights from, among other things, all Lease Agreements, Insurance Agreements, Construction Work Agreements, performance bonds for the Construction Work Agreements, Investment Management Agreements and other rights transferred by the Borrower to the Lender;

- debt subordination agreement;

- guarantee agreement on the capitalisation of the Borrower in the event that the investment costs are exceeded;

- Borrower's statement on the submission to enforcement proceedings.

6.5.2. Information on the Capital Group's developments

As of 31 March 2014, the Group's portfolio included developments in use, in progress or in preparation.

PORTFOLIO OF PROPERTIES IN USE

As of 31 March 2013, the Group's portfolio included 9 shopping centres and 7 office developments for lease.

REAL PROPERTY PORTFOLIO

CITY	LOCATION	NAME	GLA ¹ (SQ. M)	NOI ² (EUR '000,000)
Kielce	ul. Świętokrzyska	Galeria Echo	70 400	13,6
Wrocław	Plac Grunwaldzki	Pasaż Grunwaldzki	48 500	14,0
Szczecin	Al. Wyzwolenia	Galaxy	41 200	12,2
Kalisz	ul. Górnosłaska	Amber	33 600	5,1
Bełchatów	ul. Kolejowa	Galeria Olimpia	21 300	3,2
Szczecin	Al. Struga	Outlet Park	16 400	3,2
Łomża	ul. Zawadzka 38	Galeria Veneda	15 000	2,3
Jelenia Góra	Al. Jana Pawła II	Galeria Echo*	12 800	1,2
Przemyśl	ul. 29 Listopada	Galeria Echo	5 700	0,5
SHOPPING CENTRES	TOTAL		264 900	55,3
Poznań	ul. Baraniaka	Malta Office Park	29 000	5,3
Warsaw	ul. Konstruktorska	Park Rozwoju (stage I)	17 400	3,1
Szczecin	ul. Malczewskiego	Oxygen	13 900	2,8
Kielce	Al. Solidarności	Astra Park**	11 200	1,6
Warsaw	ul. Postępu	Polkomtel office building***	10 200	1,9
Katowice	ul. Francuska	A4 Business Park (stage I)	9 300	1,5
Warsaw	Al. Jana Pawła II	Babka Tower	6 200	1,1
OFFICE DEVELOPMENTS	TOTAL		97 200	17,3
DEVELOPMENTS FOR LEASE	TOTAL		362 100	72,6

* Under expansion: the part of centre that is currently in use is presented.

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

*** The area and NOI attributable to the Capital Group comprise 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, Sephora and Super-Pharm.

Office space is leased to multinationals as well as domestic 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, Medcover, Altom Investments, Mentor Graphics Polska, Kennametal Polska, Tebodin SAP-Projekt, Samsung Electronics Polska, IBM Global Services Delivery Centre, Ericsson and Schneider Electric Polska.

¹ Gross Leasable Area

² Net Operating Income

DEVELOPMENTS IN PROGRESS 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.

DEVELOPMENTS IN PROGRESS AND PREPARATION IN THE SEGMENT OF SHOPPING CENTRES, AND SHOPPING AND ENTERTAINMENT CENTRES

DEVELOPMENT	GLA (SQ. M)	NOI (EUR '000,000)	COMMENCEMENT	COMPLETION
Jelenia Góra, Galeria Sudecka (expansion)	18 600	3,0	H2 2013	H1 2015
UNDER CONSTRUCTION	18 600	3,0		
Poznań, Metropolis	33 300	6,2	H1 2016	H1 2018
Katowice, ul. Kościuszki	30 500	5,3	H1 2015	H2 2016
Szczecin, Galaxy (expansion)	15 700	3,0	H1 2015	H2 2016
Szczecin, Outlet Park (stage II)	8 300	1,3	H2 2015	H1 2016
IN PREPARATION	87 800	15,8		
Budapest Mundo (Hungary)	36 300	8,6		
Brasov Korona (Romania)*	29 800	5,3		
FOREIGN DEVELOPMENTS IN PREPARATION	66 100	13,9		
TOTAL SHOPPING CENTRES	172 500	37,8		

* The progress of administrative procedures allows for commencement in 2014.

INVESTMENT LAND

DEVELOPMENT	PLOT AREA (SQ. M)
Koszalin**	39 300
Słupsk**	65 700
INVESTMENT LAND	105 000

** development in the concept phase

DEVELOPMENTS IN PROGRESS AND PREPARATION IN THE SEGMENT OF OFFICE AND HOTEL SPACE

DEVELOPMENT	GLA (SQ. M)	NOI (EUR '000,000)	COMMENCEMENT	COMPLETION
Warsaw, Q22	52 500	14,9	H2 2013	H2 2016
Warsaw, Park Rozwoju (stage II)	15 600	2,8	H2 2013	H1 2015
Wrocław, West Gate	16 200	2,9	H1 2013	H2 2014
Katowice, A4 Business Park (stage II)	9 300	1,6	H2 2013	H2 2014
Krakow, Opolska (stage I)	19 200	3,5	H1 2014	H2 2015
Gdańsk, Tryton	24 600	4,1	H2 2013	H1 2015
UNDER CONSTRUCTION	137 400	29,8		
Warsaw, Beethovena (stage I)	18 100	3,5	H2 2014	H1 2016
Warsaw Beethovena (stages II - III)	36 700	6,8	H1 2016	H1 2019
Warsaw, Taśmowa (stage I)	15 000	2,7	H2 2014	H1 2016
Warsaw, Taśmowa (stages II - IV)	44 400	8,1	H2 2015	H1 2020
Krakow, Opolska (stages II - III)	38 400	6,9	H2 2015	H2 2018
Wrocław, Plac Grunwaldzki	16 900	3,0	H2 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	H2 2014	H1 2016
Poznań, Hetmańska (stages I - III)	36 900	6,3	H1 2015	H2 2020
Łódź, Aurus (stage I)	9 600	1,6	H2 2014	H2 2015
Łódź, Aurus (stage II)	9 600	1,6	H2 2015	H2 2016
IN PREPARATION	266 200	47,6		
Kiev, Dehtiarivska (stages I-VI)*	107 600	23,1		
FOREIGN DEVELOPMENTS IN PREPARATION	107 600	23,1		
TOTAL OFFICE DEVELOPMENTS	511 200	100,5		

* Commencement depends on the stabilisation of the political situation in Ukraine.

INVESTMENT LAND

DEVELOPMENT	PLOT AREA (SQ. M)
Krakow, Cracovia **	17 400
INVESTMENT LAND	17 400

** development in the concept phase

DEVELOPMENTS IN PROGRESS AND PREPARATION IN THE RESIDENTIAL SEGMENT

DEVELOPMENT	USABLE AND RESIDENTIAL 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, Sowińskiego (stage I)	7 100	47,3	H1 2014	H2 2015
Poznań, Naramowice, Pod Klonami I-III, row houses	3 700	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
Łódź, Osiedle Jarzębinowe (stage II)	5 500	27,7	H1 2014	H2 2015
DEVELOPMENTS IN SALE (USABLE AND RESIDENTIAL AREA)	54 400	369,3		
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	8 000	52,4	H1 2015	H2 2016
Poznań, Sowińskiego (stages II - IV)	12 700	85,6	H2 2014	H1 2019
Krakow, Kościuszki	5 200	55,8	H1 2015	H2 2016
Krakow, Czarodziejska/Tyniecka	5 700	84,6	H2 2014	H1 2016
Krakow, Rydla	8 700	63,8	H1 2015	H1 2017
Wrocław, Grota Roweckiego (stages II – III)	12 500	67,7	H2 2015	H2 2019
Łódź, Osiedle Jarzębinowe (stages III - V)	34 400	174,1	H2 2015	H2 2021
Łódź, Wodna (stages I – II)	13 700	68,2	H1 2015	H2 2018
Kielce, Zielone Tarasy	2 100	9,3	H2 2014	H2 2015
DEVELOPMENTS IN PREPARATION (USABLE AND RESIDENTIAL AREA)	151 700	1 062,8		
TOTAL RESIDENTIAL DEVELOPMENTS	206 100	1 432,1		

PLOTS FOR SALE AND INVESTMENT LAND

DEVELOPMENT	plot area (SQ. M)	REVENUE ('000,000)	COMMENCEMENT	COMPLETION
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 (in the course of sale)	52 900	42,3	H2 2010	H2 2012
PLOTS FOR SALE	110 000	60,9		
Lublin, ul. Poligonowa**	1 060 000			
Poznań Naramowice**	350 000			
INVESTMENT LAND	1 410 000			
TOTAL LAND	1 520 000			

** development in the concept phase

6.6. 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 Q1 2014:

- posting of revenues from the concluded final agreements for the sale of residential properties:
 - in Łódź (Osiedle Jarzębinowe in ul. Okopowa),
 - in Poznań (Pod Klonami in ul. Rubież),
 - in Warsaw (Klimt House in ul. Kazimierzowska),
 - 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 Aquarius II office building in Wrocław,
- regular revenue generated 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,
 - measurement of vacancies and stands,
 - movement in yields according to Knight Frank's measurements,
 - initial measurements (using the perpetuity method) after the commissioning of developments (Galeria Amber in Kalisz, stage I of A4 Business Park in Katowice, stage I of Park Rozwoju in Warsaw),

-in the course of construction and commercialisation:

-Galeria Sudecka in Jelenia Góra (another measurement),

- cost of sales, and general and administrative expenses,
- creation of provisions on investment land in Poznań, Koszalin, Brasov and Łódź,
- 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 Q1 2014:

- 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 4.1374. MATURITIES OF OPEN HEDGING TRANSACTIONS AS OF 31 MARCH 2014:

		HEDGE VALUE		MATURITY AT NOMINAL VALUE (EUR '000,000)						
		CARRYING VALUE (PLN '000,000)	NOMINAL VALUE (EUR '000,000)	Q2 2014	Q3 2014	Q4 2014	H1 2015	H2 2015	H1 2016	H2 2016
Options	EUR/PLN	-1,3	150,0					50		100,0
Forward	EUR/PLN	6,9	75,2	14,7	13,6	27,6	16,7	2,3	0,4	

6.7. 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 Q1 2014:

ITEM	REVENUE (PLN '000,000)	% SHARE	EXPENSES (PLN '000,000)	% SHARE
Shopping centres, and shopping and entertainment centres	78	70%	24	52%
Residential areas	11	10%	9	20%
Office facilities	19	17%	9	20%
Not classified	4	3%	4	8%
Total operating result	112	100%	46	100%

6.8. 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.

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

In addition to own funds, borrowings and loans, current activities of the Capital Group are also funded through the issue of debt financial instruments.

On 15 April 2004, Echo Investment S.A. and BRE Bank S.A. (currently mBank S.A.) signed an agency agreement and a dealership agreement for establishing an issue programme for short-term, mid-term and long-term bonds denominated in the Polish zloty, with a maximum nominal value of the programme of PLN 1 billion. Based on those agreements, mBank S.A. undertook to organise and ensure comprehensive issue of the Company's bonds as part of the Bonds Issue Programme. Those agreements and the addenda thereto were concluded for indefinite time and they provide for multiple non-public issues of the bonds by the Company. The maximum total nominal value of all bonds that may be issued is PLN 1 billion. The bonds under the Bonds Issue Programme are issued as unsecured bearer securities. The interest rate on the bonds may be fixed or variable. The final issue terms and conditions are determined before the issue, during the Bonds Issue Programme.

The cash obtained from the bond issue will supplement currently held loan facilities and will allow the Company to finance the planned investments and to develop its operations on the real property market.

As part of the above agreements with mBank S.A. on the Bond Issue Programme, the Company issued bonds, which, as of the date of the financial statements, represent liabilities presented in the table below.

LIABILITIES DUE TO BONDS ISSUED AS OF 31 MARCH 2014 (PLN '000)

BANK	INSTRUMENT TYPE	AMOUNT USED (PLN '000)	MATURITY	INTEREST RATE TERMS
mBank S.A.	Bonds	300 000	30.06.2014	WIBOR 6M + margin
mBank S.A.	Bonds	115 000	18.05.2015	WIBOR 6M + margin
mBank S.A.	Bonds	145 000	11.02.2016	WIBOR 6M + margin
mBank S.A.	Bonds	200 000	28.04.2017	WIBOR 6M + margin
mBank S.A.	Bonds	80 000	19.06.2018	WIBOR 6M + margin
mBank S.A.	Bonds	100 000	19.02.2019	WIBOR 6M + margin
TOTAL		940 000		

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 mBank S.A., the bank undertakes to purchase bonds issued by the Company which were not acquired by other investors, up to PLN 35 million.

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.

6.10. 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.

6.11. Events after the date of the condensed quarterly financial statements which were not recognised in the statements and may have a significant impact on future financial results of the Capital Group

Measurement of the Property Portfolio – stage II

On 28 April 2014, the Company received a valuation of the portfolio of 40 properties (stage 2) of the Echo Investment Capital Group as of 31 January 2014. The valuation was prepared by Knight Frank Sp. z o.o., an independent property consulting company with its registered office in Warsaw ("Appraiser"). The second stage is the final stage of valuation commissioned to the Appraiser and, along with stage 1 (described in current report no. 7/2014 of 20 March 2014), it covers all material properties held by the Company:

- commercial developments in use, under construction and in preparation,
- residential developments in sale, under construction and in preparation,
- land without approved investment plans.

4 valuation methods have been used:

1. Market value after completion (MV): income approach; the value is established under the assumption that the investment is completed.
2. Market value after completion, for projects where expenditures are required (MV-C): income approach; the value is established under the assumption that the investment is completed (commissioned to use) but capital expenditures expenditure still need to be incurred. The produced result (MV) is decreased by the nominal capital expenditures.
3. Residual market value (RV): income approach; the value takes account of the expenditures to be incurred and is discounted on the valuation date.
4. Market land value (CV): comparative approach; the land value is provided based on market transactions involving the sale of land on local or comparable markets. This method has been applied for properties in the course of preparation, where the implementation has not yet started, and for land without approved investment plans.

The results of the valuation (total of stage I and II) are as follows:

(PLN '000)	VALUATION RESULT – CV VARIANT	VALUATION RESULT – RV VARIANT	CARRYING VALUE
Shopping centres	3 603 617	3 832 183	2 867 460
Office facilities	1 682 152	1 856 017	1 421 710
Residential developments	490 610	507 700	423 979
Land	367 750	367 750	160 531
TOTAL	6 144 129	6 563 650	4 873 681

The EUR exchange rate for converting the valuation amount is 4.1472 (as of 31.12.2013).

The difference between the variants results from different approaches to developments in the course of preparation:

- CV Variant: The developments in the course of preparation have been valued with the comparative method (CV).
- RV Variant: The developments in the course of preparation have been valued using the residual market value method (RV).

The carrying amount means the following:

- for commercial developments – book value in the following items:
 - investment property,
 - Investment property under construction,

accepted into the balance sheet as of 31.12.2013,

- for residential developments – the value of inventory accepted into the balance sheet as of 31.01.2014; this is consistent with the date and the subject of the valuation.
- for land without approved investment plans – the book value in the following items:
 - Investment property under construction,
 - inventory,

accepted into the balance sheet as of 31.12.2013.

The list of the valued developments and the adopted valuation methods for stage I are presented in the table below:

	DEVELOPMENT	SEGMENT	REAL PROPERTY STATUS	VALUATION METHOD – CV VARIANT	VALUATION METHOD – RV VARIANT
1	Galeria Echo – Kielce	Shopping centre	In use	MV	MV
2	Pasaż Grunwaldzki – Wrocław	Shopping centre	In use	MV	MV
3	Galaxy – Szczecin	Shopping centre	In use, expansion in the course of preparation	MV CV	MV RV
4	Olimpia – Belchatów	Shopping centre	In use	MV	MV
5	Outlet Park - Szczecin	Shopping centre	In use, expansion in the course of preparation	MV CV	MV RV
6	Veneda – Łomża	Shopping centre	In use	MV	MV
7	Galeria Echo – Przemyśl	Shopping centre	In use	MV	MV
8	Galeria Sudecka – Jelenia Góra	Shopping centre	In use (a part of the development) and under expansion	RV	RV
9	Amber – Kalisz	Shopping centre	In use since 03/2014	MV-C	MV-C
10	Malta Office Park – Poznań	Office facilities	In use	MV	MV
11	Oxygen – Szczecin	Office facilities	In use	MV	MV
12	Postępu 3 – Warsaw	Office facilities	In use	MV	MV
13	Babka Tower – Warsaw	Office facilities	In use	MV	MV
14	Astra Park – Kielce	Office facilities	In use	MV	MV
15	Park Rozwoju – Warsaw	Office facilities	Stage I in use since 02/2014, stage II under construction	MV-C RV	MV-C RV
16	A4 Biznes Park – Katowice	Office facilities	Stage I in use since 02/2014, stage II under construction, stage III in preparation	MV-C RV CV	MV-C RV RV
17	Klimt – Warsaw	Apartments	Construction completed, in the course of sale	MV	MV
18	Przy Słowiańskim Wzgórzu – Wrocław	Apartments	Construction completed, in the course of sale	MV	MV
19	Osiedle Jarzębinowe – Łódź	Apartments	Stage I completed, in the course of sale, further stages in preparation	MV CV	MV RV
20	Nowy Mokotów – Warsaw	Apartments	Stage I under construction, in the course of sale, further stages in preparation	RV CV	RV RV
21	Kasztanowa Aleja, stage II – Poznań	Apartments	Under construction, in the course of sale	RV	RV
22	Osiedle Jaśminowe – Poznań	Apartments	Stage I under construction, in the course of sale, further stages in preparation	RV CV	RV RV
23	Hortus Apartments – Krakow	Apartments	Under construction, in the course of sale	RV	RV
24	Bronowicka 42 – Krakow	Apartments	Under construction, in the course of sale	RV	RV
25	Grota 111 – Wrocław	Apartments	Stage I under construction, in the course of sale, further stages in preparation	RV CV	RV RV
26	Osiedle Południowe – Dyminy, near Kielce	Plots of land	Stages I and II completed, in the course of sale, stage III in progress, in the course of sale	MV RV	MV RV

The list of the valued developments and the adopted valuation methods for stage II are presented in the table below:

DEVELOPMENT	SEGMENT	REAL PROPERTY STATUS	VALUATION METHOD – CV VARIANT	VALUATION METHOD – RV VARIANT
1 Warsaw, Q22	Office facilities	In progress	RV	RV
2 West Gate – Wrocław	Office facilities	In progress	RV	RV
3 Tryton – Gdańsk	Office facilities	In progress	RV	RV
4 Beethovena – Warsaw	Office facilities	In preparation	CV	RV
5 Taśmowa – Warsaw	Office facilities	In preparation	CV	RV
6 Opolska – Krakow	Office facilities	In preparation	CV	RV
7 Plac Grunwaldzki – Wrocław	Office facilities	In preparation	CV	RV
8 Sucha – Wrocław	Office facilities	In preparation	CV	RV
9 Hetmańska – Poznań	Office facilities	In preparation	CV	RV
10 Aurus – Łódź	Office facilities	In preparation, progress: 0	RV	RV
11 Dehtiarivska – Kiev	Office facilities	In preparation	RV*	RV
12 Katowice – Kościuszki	Shopping centre	In preparation	CV	RV
13 Hetmańska – Poznań	Shopping centre	In preparation	CV	RV
14 Korona – Brasov	Shopping centre	In preparation	CV	RV
15 Mundo – Budapest	Shopping centre	In preparation	RV*	RV
16 Zeusa – Warsaw	Apartments	Completed, remaining apartments in the course of sale	MV	MV
17 Kirkor – Warsaw	Apartments	Completed, remaining apartments in the course of sale	MV-C	MV-C
18 Pod Klonami (row houses) – Poznań	Apartments	Under construction, in the course of sale	RV	RV
19 Princess Puławska – Warsaw	Apartments	In preparation	CV	RV
20 Sowińskiego – Poznań	Apartments	In preparation	CV	RV
21 Jackowskiego – Poznań	Apartments	In preparation	CV	RV
22 Czarodziejska – Krakow	Apartments	In preparation	CV	RV
23 Kościuszki – Krakow	Apartments	In preparation	CV	RV
24 Spiska – Krakow	Apartments	Preliminary agreement, in preparation	CV	RV
25 Rydla – Krakow	Apartments	In preparation	CV	RV
26 Wodna – Łódź	Apartments	In preparation	CV	RV
27 Zielone Tarasy – Kielce	Apartments	In preparation	CV	RV
28 Rezydencje Leśne – Warsaw	Plots of land	Plots for the construction of houses, in sale	CV	CV
29 Solacz – Poznań	Plots of land	Plots for the construction of houses, in preparation	CV	CV
30 Cracovia – Krakow	Land	In concept phase	CV	CV
31 Grottgera – Słupsk	Land	In concept phase	CV	CV
32 Krakusa i Wandy – Koszalin	Land	In concept phase	CV	CV
33 Al. Wolności – Częstochowa	Land	In concept phase	CV	CV
34 Rzepakowa – Katowice	Land	In concept phase	CV	CV
35 Miarki – Zabrze	Land	In concept phase	CV	CV
36 Prażmowskiego – Radom	Land	In concept phase	CV	CV
37 Naramowice – Poznań	Land	In concept phase	CV	CV
38 Pamiętkowo – Poznań	Land	In concept phase	CV	CV

	DEVELOPMENT	SEGMENT	REAL PROPERTY STATUS	VALUATION METHOD – CV VARIANT	VALUATION METHOD – RV VARIANT
39	Zagnańska – Kielce	Land	In concept phase	CV	CV
40	Poligonowa – Lublin	Land	In concept phase	CV	CV

* No valuation using the CV method is available because there have been no comparable transactions in the last 2 years.

Information on the proposed allocation of profit for 2013

On 30 April 2014, the draft resolutions in the announcement on the convening of the Ordinary General Shareholders' Meeting of Echo Investment S.A. include the proposed allocation of the net profit disclosed in the Company's financial statements for the financial year ended on 31 December 2013.

The Company's Management Board proposed that the Company's net profit for FY 2013, amounting to PLN 60,663 thousand (in words: sixty million, six hundred and sixty-three thousand zloty), be not shared with the shareholders but used in full to boost the Company's supplementary capital to fund its current operations.

This recommendation will be brought to the attention of the Company's Ordinary General Shareholders' Meeting convened for 30 May 2014.

6.12. Information about changes in contingent liabilities or contingent assets after the end of the last financial year

6.12.1. Surety agreements

CAPITAL GROUP'S SURETY AGREEMENTS IN FORCE AS OF 31 MARCH 2014 (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
WESTDEUTSCHE IMMOBILIENBANK AG	231 767	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 22 January 2014, the surety in the amount of PLN 172,411,560.00 granted by Echo Investment S.A. 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 expired.

6.12.2. Guarantee agreements

GUARANTEES IN FORCE AS OF 31 MARCH 2014 (PLN '000)

GUARANTOR	VALUE	VALIDITY	DESCRIPTION
PKO BP SA	154	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.	9 913	until the handover date of the subject of lease, not exceeding 30.06.2015	Security of liabilities due to BNY MELLON (Poland) Sp. z o.o. under the lease agreement of 19 November 2012. The guarantee was issued in euro.
Echo Investment S.A.	39 264	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.
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.	20 857	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.	26 717	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.
Echo Investment S.A.	37 542	until 30.07.2021	Security for the ill-performance of the final agreement for the sale of the office facility Aquarius Business House in Wrocław, stage II. The guarantee was issued in EUR.
PKO BP SA	134	until 15.03.2015	Security for the non-performance of obligations under a promotional lottery organised in the shopping and entertainment centre Galeria Echo in Kielce.
PKO BP SA	188	until 07.05.2015	Security for the non-performance of obligations under a promotional lottery organised in the shopping and entertainment centre Olimpia in Bełchatów.
Echo Investment S.A.	14 411	until 30.06.2015	Security for exceeded implementation costs of the development A4 Business Park, stages I and II, in Katowice. The guarantee was issued in EUR.

On 31 January 2014, the guarantee amounting to EUR 4,000,000.00, issued by Echo Investment S.A. to secure the payment of outstanding amounts due to a potential termination of a preliminary contingent agreement for the sale of the office facility Aquarius Business House in Wrocław, stage II, which was concluded between Aquarius Business House – Grupa Echo Spółka z ograniczoną odpowiedzialnością SKA (the Issuer's subsidiary) and Skua Sp. z o.o., expired.

On 31 January 2014, Echo Investment S.A. issued a guarantee to secure the proper performance of the final agreement for the sale of the office facility Aquarius Business House in Wrocław, stage II, which was concluded between Projekt Echo – 104 Sp. z o.o. (the Issuer's subsidiary) and Skua Sp. z o.o. The total amount of the guarantee is EUR 9,000,000.00. The Guarantee is valid until 30 July 2021.

On 7 March 2014, Bank PKO BP SA issued a bank guarantee to the Customs Chamber in Kielce as a security for the non-performance of obligations under a promotional lottery organised in the shopping and entertainment centre Olimpia in Bełchatów. The guarantee amounts to PLN 188,332.50 and is valid until 7 May 2015.

On 14 March 2014, Bank PKO BP SA issued a bank guarantee to the Customs Chamber in Kielce as a security for the non-performance of obligations under a promotional lottery organised in the shopping and entertainment centre Galeria Echo in Kielce. The guarantee amounts to PLN 134,460.00 and is valid until 15 March 2015.

On 31 March 2014, Echo Investment S.A. granted a guarantee to BNP Paribas Bank Polska S.A. to secure the exceeding of the implementation costs of the office development A4 Business Park, stages I and II, in Katowice by the Borrower A4 Business Park – Iris Capital Spółka z ograniczoną odpowiedzialnością SKA (the Issuer's subsidiary). The guarantee amounts to EUR 3,545,886.40 and is valid until 30 June 2015.

6.13. 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 companies which form the Group have been established or purchased in order to perform specific investment tasks and do not conduct any business activities other than those which follow from the process of implementing a particular project and which are related to providing lease services regarding assets linked to completed projects or other services.

As of 31 March 2014, the Capital Group comprised 113 fully consolidated subsidiaries, one jointly controlled subsidiary and one associate, both 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	Avatar - Projekt Echo – 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
5	A4 Business Park - Iris Capital Sp. z o.o. - S.k.a. (formerly: A4 Business Park – Grupa Echo Sp. z o.o. S.k.a.)	Kielce	100%	XXXIV FIZ Forum
6	Babka Tower - Projekt Echo - 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
7	Barconsel Holdings Ltd	Nicosia	100%	Echo – SPV 7 Sp. z o.o.
8	Bełchatów – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
9	Budivelnuy Soyuz Monolit LLC	Kiev	100%	Yevrobudgarant LLC
10	Echo – Arena Sp. z o.o.	Kielce	100%	Echo Investment S.A.
11	Echo – Aurus Sp. z o.o.	Kielce	100%	Echo Investment S.A.
12	Echo – Centrum Przemysł - Projekt Echo – 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
13	Echo – Galaxy Sp. z o.o.	Kielce	100%	Echo Investment S.A.
14	Echo – Galaxy Sp. z o.o. S.k.a.	Szczecin	100%	XXIX FIZ Forum
15	Echo – Galeria Amber Sp. z o.o.	Kielce	100%	Echo Investment S.A.
16	Echo – Galeria Amber Sp. z o.o. S.k.a	Kielce	100%	XXXIV FIZ Forum
17	Echo – Galeria Lublin Sp. z o.o.	Kielce	100%	Echo Investment S.A.
18	Echo – Kasztanowa Aleja Sp. z o.o.	Kielce	100%	Echo Investment S.A.
19	Echo – Kasztanowa Aleja Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
20	Echo – Klimt House Sp. z o.o.	Kielce	100%	Echo Investment S.A.
21	Echo – Klimt House Sp. z o.o. Sp. z kom.	Kielce	100%	Echo Investment S.A.
22	Echo – Nowy Mokotów Sp. z o.o.	Kielce	100%	Echo Investment S.A.
23	Echo – Nowy Mokotów Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.

	COMPANY	REGISTERED OFFICE	% SHARE OF THE CAPITAL	PARENT COMPANY
24	Echo - Park Rozwoju Sp. z o.o. - S.k.a. (formerly: Park Rozwoju – Grupa Echo Sp. z o.o. S.k.a.)	Kielce	100%	XXIX FIZ Forum
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.	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 Cypr - 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.	Szczecin	100%	XXXIV FIZ Forum/XXXIV FIZ 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.	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	Pamiętkowo Sp. z o.o.	Pamiętkowo	100%	Echo Investment S.A.
59	Park Postępu - Projekt Echo - 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
60	PHS – Projekt CS Sp. z o.o. S.k.a.	Szczecin	100%	XXIX FIZ Forum
61	PPR - Projekt Echo – 77 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
62	Princess Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
63	Projekt Babka Tower - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
64	Projekt Beethovena – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
65	Projekt CS Sp. z o.o.	Szczecin	100%	Echo Investment S.A.
66	Projekt Echo - 33 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
67	Projekt Echo - 43 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
68	Projekt Echo - 69 Sp. z o.o.	Kielce	100%	Echo Investment S.A.

	COMPANY	REGISTERED OFFICE	% SHARE OF THE CAPITAL	PARENT COMPANY
69	Projekt Echo - 70 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
70	Projekt Echo - 77 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
71	Projekt Echo - 93 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
72	Projekt Echo - 95 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
73	Projekt Echo - 96 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
74	Projekt Echo - 97 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
75	Projekt Echo - 98 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
76	Projekt Echo - 99 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
77	Projekt Echo - 99 Sp. z o.o. Sp. kom	Kielce	100%	Echo Investment S.A.
78	Projekt Echo - 101 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
79	Projekt Echo - 102 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
80	Projekt Echo - 103 Sp. z o.o.	Szczecin	100%	Echo Investment S.A.
81	Projekt Echo - 104 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
82	Projekt Echo - 105 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
83	Projekt Echo - 106 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
84	Projekt Echo - 107 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
85	Projekt Echo - 108 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
86	Projekt Echo - 109 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
87	Projekt Echo - 110 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
88	Projekt Echo Galeria Kielce - Magellan West Sp. z o.o. S.k.a.	Kielce	99,95%	XXIX FIZ Forum / XXXIV FIZ Forum
89	Projekt Echo Pasaż Grunwaldzki - Magellan West Sp. z o.o. S.k.a.	Kielce	99,95%	XXIX FIZ Forum / XXXIV FIZ Forum
90	Projekt Naramowice – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
91	Projekt - Pamiątkowo Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
92	Projekt Saska Sp. z o.o.	Kielce	95%	Echo Investment S.A.
93	Projekt 1 - Grupa Echo Sp. z o.o. - S.k.a. (formerly: Aquarius Business House – Grupa Echo Sp. z o. o. S.k.a.)	Kielce	100%	XXIX FIZ Forum
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 Cypr - 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 Echo Investment Capital Group.

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

- Change of the business name of Park Rozwoju – Grupa Echo Sp. z o.o. S.k.a. to Echo - Park Rozwoju Sp. z o.o. - S.k.a. (date of registration in the National Court Register: 19 February 2014);
- Change of the business name of Aquarius Business House - Grupa Echo Sp. z o.o. S.k.a. to Projekt 1 - Grupa Echo Sp. z o.o. -S.k.a. (date of registration in the National Court Register: 25 February 2014);
- Change of the business name of A4 - Business Park - Grupa Echo Sp. z o.o. S.k.a. to A4 Business Park - Iris Capital Sp. z o.o. -S.k.a. (date of registration in the National Court Register: 31 March 2014);
- Increase of the share capital of Projekt 4 – Grupa Echo Sp. z o.o. S.k.a. by XXXIV FIZ Forum (date of registration in the National Court Register: 26 February 2014);
- Increase of the share capital of Projekt 3 – Grupa Echo Sp. z o.o. S.k.a. by XXXIV FIZ Forum (date of registration in the National Court Register: 28 February 2014);
- Change of the general partner: On 14 January 2014, Grupa Echo Sp. z o.o. transferred to Magellan West Sp. z o.o., with its registered office in Kielce, the rights and obligations of the general partner in Projekt 8 – Grupa Echo Sp. z o.o. S.k.a.;
- Change of the general partner: On 18 February 2014, Grupa Echo Sp. z o.o. transferred to Iris Capital Sp. z o.o. , with its registered office in Kielce, the rights and obligations of the general partner in A4 Business Park - Iris Capital Sp. z o.o. - S.k.a.

6.15. 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.

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

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 OF 15 MAY 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%
Barcapital 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 Żłota 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. 24 April 2014, 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.

6.17. Statement of changes in the holding of shares of Echo Investment SA or rights to shares (options) by managerial and supervisory staff of the Company, according to information available to Echo Investment SA, after the submission of the previous quarterly report

According to the Company's knowledge, the 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	27.02.2014	15.05.2014
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	27.02.2014	15.05.2014
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 Waniolka – Vice-Chairman of the Supervisory Board	no shares	no shares
Karol Zbikowski – 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. 24 April 2014, 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.

6.18. Information on court proceedings

In the period from 1 January to 31 March 2014, 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.

6.19. Information on transactions with related parties under terms other than market terms

In Q1 2014, neither the Company nor its subsidiaries entered into transactions with related parties under terms other than market terms.

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

In Q1 2014, Echo Investment S.A. granted two sureties to non-related parties whose value exceeded 10% of the Company's equity.

See also item 6.11.

6.21. 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 assessing the Echo Investment Capital Group's ability to fulfil its obligations

Resolution of the Management Board regarding the Bonds Issue Programme

On 18 March 2014, the Issuer's Management Board passed a resolution on establishing a programme for the issue of up to 2,000,000 of the Company's ordinary bearer bonds, with a nominal value of PLN 100 each, and with a total nominal value of up to PLN 200,000,000 ("Issue Programme", "Bonds").

The Bonds shall be issued under the following terms and conditions:

- The Bonds shall be issued pursuant to article 9 item 1 of the Bonds Act of 29 June 1995 ("Bonds Act").
- The Bonds shall be made available in a public offering, as stipulated by article 3 section 1 of the Act of 29 July 2005 ("Public Offering Act"), and based on the issue prospectus prepared by the Company according to article 21 section 2 of the Public Offering Act and approved by the Polish Financial Supervision Authority.
- The Bonds shall not have the form of a document. The Bonds shall be dematerialised and registered with the depository for securities maintained by Krajowy Depozyt Papierów Wartościowych S.A.
- The terms and conditions of the issue of the Bonds, as stipulated by article 5b of the Bonds Act, shall include the basic terms and conditions of the issue of the Bonds included in the issue prospectus and the issue supplement detailing the terms of issue of a given series of the Bonds, which shall be specified separately for each series of the Bonds before the issue.
- The Bonds shall be unsecured.
- The interest rate on the Bonds shall be variable or fixed. The method for calculating the interest rate, the date as of which the interest rate is calculated, the amount of the interest rate, the maturity dates and the place of payment shall be defined in the issue supplement for a given series of the Bonds.
- The Bonds shall be issued in a single or in multiple series for a period not longer than 12 months from the date when the Polish Financial

Supervision Authority approves the basic issue prospectus for the Issue Programme. All series of the Bonds shall be identical in terms of the rights vested with them, which shall not preclude the possibility to differentiate the terms of issue of the individual series of the Bonds in other regards.

- The maturity of the Bonds shall not be longer than 10 years from the date of issue of a given series of the Bonds; the date and the terms of the buyout shall be determined in the issue supplement for a given series of the Bonds, which may also provide for an earlier buyout of the Bonds at the Company's or at the bondholder's request.
- The benefits from the Bonds shall only be in cash form and shall involve the payment of the nominal value plus the interest. A detailed description of the benefits from the Bonds, and in particular the amount of such benefits and how they are determined, and the dates and methods for fulfilling such benefits, shall be included in the basic terms and conditions of issue and in the issue supplement for a given series of the Bonds.
- Each series of the Bonds shall be subject to a request for the approval and introduction to trading on a regulated market as part of the Catalyst platform, which is operated by Giełda Papierów Wartościowych w Warszawie S.A.
- The Bonds shall be identified with a series number specified in the issue supplement for a given series of the Bonds.
- The issue terms and conditions for a given series of the Bonds shall not provide for a minimum number of the Bonds which must be subscribed for the issue to be effective.

Grota 111 – Echo Investment's new residential development in Wrocław

Echo Investment started a new residential investment in the capital of Lower Silesia. As part of stage I of the Grota 111 investment, 100 apartments with an area of 27 to 99 sq. m will be built.

The investment comprises two small multi-family buildings with modern architecture. They were designed by the renowned studio Kuryłowicz & Associates. The first stage comprises 100 apartments with an area of 27 to 99 sq. m, with spacious balconies, terraces and gardens.

In January of this year, an agreement was signed with KRAK-CHEM, the general contractor building the residential complex Grota 111. The agreement's net value is PLN 19.33 million.

Bronowicka 42 – new residential development in Krakow

Echo Investment started the construction and sale of a new residential investment in Bronowice, which is one of the most popular districts in the city.

Bronowicka 42 is a neomodernist building arranged to resemble a terrace structure. It includes 60 apartments (with 1 to 4 rooms) with an area of 28 to 94 sq. m. The apartments overlook Las Wolski and Wzgórze Św. Bronisławy. Ground-floor apartments will have spacious gardens. The apartments' gross prices start at PLN 5,560 per 1 sq. m.

The building will be fitted with a silent-running lift connecting the garage level with the residential floors. At the main entrance, there will be a reception desk with 24/7 security. The sense of security will be further increased by video doorphones and a modern monitoring system.

The project was designed by the architectural studio Biuro Projektów Witold Saran from Krakow. In January of this year, Echo Investment signed an agreement with Expres Konkurent, a Krakow based company which will be the general contractor for the investment. The agreement's net value is PLN 9.85 million. The investment is to be completed in July 2015.

Commencement of stage II of Osiedle Jarzębinowe

Echo Investment started the construction of stage II of Osiedle Jarzębinowe in Łódź. The general contractor for the investment is RE-BAU.

Stage II of Osiedle Jarzębinowe includes a six-floor building with 97 apartments with an area of 32 to 113 sq. m. The investment is to commence in late March this year and will be completed in August 2015. The value of the agreement concluded with the contractor is nearly PLN 15.5 million.

Osiedle Jarzębinowe is located in Bałuty in ul. Okopowa. As part of stage I, Echo Investment built two buildings with 120 apartments with an area of 32 to 87 sq. m. With a high building standard and wide range of the offer, the investment has been highly popular among the customers. Finished apartments commissioned to use as part of this investment are still available.

Opening of Galeria Amber in Kalisz

On 20 March 2014, Galeria Amber, which was built by Echo Investment in Kalisz, was opened for business.

Galeria Amber is a 3-floor shopping and entertainment centre located in the centre of Kalisz, in the vicinity of two main stations: a railway station and a bus station, at the corner of ul. Górnośląska and Trasa Bursztynowa. It is the largest object of its type in the agglomeration of Kalisz and Ostrów Wielkopolski, with nearly 350,000 residents. The leasable area is 33,500 sq. m.

Information on the valuation of the real property portfolio of the Echo Investment Capital Group

On 20 April 2014, the Company received a valuation of the portfolio of 26 properties of the Echo Investment Capital Group as of 31 January 2014. The valuation was prepared by Knight Frank Sp. z o.o., an independent property consulting company with its registered office in Warsaw.

The valuation concerns a portfolio of commercial developments in use, further stages or expansions, as well as residential developments in sale along with further stages in the course of preparation.

4 valuation methods have been used:

1. Market value after completion (MV): income approach; the value is established under the assumption that the investment is completed.
2. Market value after completion, for projects where expenditures are required (MV-C): income approach; the value is established under the assumption that the investment is completed (commissioned to use) but capital expenditures expenditure still need to be incurred. The produced result (MV) is decreased by the nominal capital expenditures.
3. Residual market value (RV): income approach; the value takes account of the expenditures to be incurred and is discounted on the valuation date.
4. Market land value (CV): comparative approach; the land value is provided based on market transactions involving the sale of land on local or comparable markets. This method has been applied for properties in the course of preparation, where the implementation has not yet started, and for land without approved investment plans.

The results of the valuation are as follows:

(PLN '000)	VALUATION RESULT – CV VARIANT	VALUATION RESULT – RV VARIANT	CARRYING VALUE
Shopping centres	3 403 901	3 485 643	2 668 539
Office facilities	967 355	974 820	826 970
Residential developments	299 010	291 200	255 268
Total	4 670 267	4 751 663	3 750 777

The difference between the variants results from different approaches to developments in the course of preparation:

- CV Variant: The developments in the course of preparation have been valued with the comparative method (CV).
- RV Variant: The developments in the course of preparation have been valued using the residual market value method (RV).

The carrying amount means the following:

- for commercial developments in use, under construction or in preparation – the book value adopted for the balance sheet as of 31.12.2013,

- for residential developments – the value of inventory as of 31.01.2014; this is consistent with the date and the subject of the valuation.

The list of the valued developments and the adopted valuation methods are presented in the table below:

	DEVELOPMENT	SEGMENT	REAL PROPERTY STATUS	VALUATION METHOD – CV VARIANT	VALUATION METHOD – RV VARIANT
1	Galeria Echo – Kielce	Shopping centre	In use	MV	MV
2	Pasaż Grunwaldzki – Wrocław	Shopping centre	In use	MV	MV
3	Galaxy – Szczecin	Shopping centre	In use, expansion in the course of preparation	MV CV	MV RV
4	Olimpia – Bełchatów	Shopping centre	In use	MV	MV
5	Outlet Park – Szczecin	Shopping centre	In use, expansion in the course of preparation	MV CV	MV RV
6	Veneda – Łomża	Shopping centre	In use	MV	MV
7	Galeria Echo – Przemyśl	Shopping centre	In use	MV	MV
8	Galeria Sudecka – Jelenia Góra	Shopping centre	In use (a part of the development) and under expansion	RV	RV
9	Amber – Kalisz	Shopping centre	In use since 03/2014	MV-C	MV-C
10	Malta Office Park – Poznań	Office facilities	In use	MV	MV
11	Oxygen – Szczecin	Office facilities	In use	MV	MV
12	Postępu 3 – Warsaw	Office facilities	In use	MV	MV
13	Babka Tower – Warsaw	Office facilities	In use	MV	MV
14	Astra Park – Kielce	Office facilities	In use	MV	MV
15	Park Rozwoju – Warsaw	Office facilities	Stage I in use since 02/2014, stage II under construction	MV-C RV	MV-C RV
16	A4 Biznes Park – Katowice	Office facilities	Stage I in use since 02/2014, stage II under construction, stage III in preparation	MV-C RV CV	MV-C RV RV
17	Klimt – Warsaw	Apartments	Construction completed, in the course of sale	MV	MV
18	Przy Słowiańskim Wzgórzu – Wrocław	Apartments	Construction completed, in the course of sale	MV	MV
19	Osiedle Jarzębinowe – Łódź	Apartments	Stage I completed, in the course of sale, further stages in preparation	MV CV	MV RV
20	Nowy Mokotów – Warsaw	Apartments	Stage I under construction, in the course of sale, further stages in preparation	RV CV	RV RV
21	Kasztanowa Aleja, stage II – Poznań	Apartments	Under construction, in the course of sale	RV	RV
22	Osiedle Jaśminowe – Poznań	Apartments	Stage I under construction, in the course of sale, further stages in preparation	RV CV	RV RV
23	Hortus Apartments – Krakow	Apartments	Under construction, in the course of sale	RV	RV
24	Bronowicka 42 – Krakow	Apartments	Under construction, in the course of sale	RV	RV
25	Grota 111 – Wrocław	Apartments	Stage I under construction, in the course of sale, further stages in preparation	RV CV	RV RV
26	Osiedle Południowe – Dyminy, near Kielce	Plots of land	Stages I and II completed, in the course of sale, stage III in progress, in the course of sale	MV RV	MV RV

6.22. Factors which, in the opinion of the Company's Management Board, will influence the Capital Group's financial performance for at least the upcoming 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:
 - Krakow (Hortus Apartments in ul. Korzeniowskiego),
 - Łódź (Osiedle Jarzębinowe in ul. Okopowa),
 - Poznań (Kasztanowa Aleja in ul. Wojskowa, Pod Klonami in ul. Rubież),
 - Warsaw (Klimt House in ul. Kazimierzowska, Nowy Mokotów in ul. Konstruktorska),
 - 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,
- 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:
 - expansion of Galeria Sudecka in Jelenia Góra,
- 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 OF 31 MARCH 2014 AND FOR A 3-MONTH PERIOD ENDED ON 31 MARCH 2014

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

	31.03.2014	31.12.2013	31.03.2013
ASSETS			
1. Non-current assets			
1.1. Intangible assets	704	813	1 063
1.2. Property, plant and equipment	36 002	36 505	14 202
1.3. Investment property	3 172	3 172	3 050
1.4. Investments in subsidiaries, jointly-controlled entities and associates	925 441	925 441	922 147
1.5. Long-term financial assets	13 956	14 090	14 584
1.6. Borrowings granted	26	32	-
1.7. Deferred income tax assets	12 644	11 452	13 272
	991 945	991 505	968 318
2. Current assets			
2.1. Inventory	285 863	266 624	257 619
2.2. Income tax receivables	3 683	3 376	921
2.3. Other tax receivables	2 752	-	-
2.4. Trade and other receivables	64 769	59 186	61 832
2.5. Borrowings granted	210 699	208 128	319 098
2.6. Restricted cash	195	40	-
2.7. Cash and cash equivalents	151 165	9 897	6 749
	719 126	547 251	646 219
Total assets	1 711 071	1 538 756	1 614 537

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

	31.03.2014	31.12.2013	31.03.2013
Equity and liabilities			
1. Equity			
1.1. Share capital	20 635	20 635	21 000
1.2. Supplementary capital	574 873	574 873	567 091
1.3. Accumulated profit (loss)	104 668	60 663	49 322
	700 176	656 171	637 413
2. Provisions			
2.1. Short-term provisions	2 000	2 000	2 000
	2 000	2 000	2 000
3. Long-term liabilities			
3.1. Loans, borrowings and bonds	606 918	509 110	717 586
3.2. Security deposits and advance payments received	1 209	1 521	17 037
	608 127	510 631	734 623
4. Short-term liabilities			
4.1. Loans, borrowings and bonds	343 980	334 191	204 849
4.2. Income tax liabilities	2 076	2	307
4.3. Other tax liabilities	957	2 573	3 684
4.4. Trade liabilities	26 414	12 335	9 397
4.5. Security deposits and advance payments received	23 367	16 870	18 409
4.6. Other liabilities	3 974	3 983	3 855
	400 768	369 954	240 501
Total equity and liabilities	1 711 071	1 538 756	1 614 537

BOOK VALUE (PLN '000)	31.03.2014	31.12.2013	31.03.2013
Book value	700 176	656 171	637 413
Number of shares	412 690 582	412 690 582	420 000 000
Book value per share (in PLN)	1,70	1,59	1,52

OFF-BALANCE SHEET LIABILITIES (PLN '000)	31.03.2014	31.12.2013	31.03.2013
1. Off-balance sheet receivables	-	-	-
2. Off-balance sheet liabilities	429 409	564 027	121 679
Total off-balance sheet items	429 409	564 027	121 679

PROFIT AND LOSS ACCOUNT (PLN '000)	Q1	Q1
	FROM 01.01.2014 TO 31.03.2014	FROM 01.01.2013 TO 31.03.2013
Revenue	40 290	87 214
Prime cost of sale	(10 476)	(66 388)
Gross profit (loss) on sales	29 814	20 826
Profit (loss) on investment property	-	(702)
Selling costs	(5 617)	(5 645)
General administrative expenses	(10 342)	(9 104)
Other operating revenue	44 759	17 390
Other operating expenses	(779)	(448)
Profit before tax and excluding financial revenue/expenses	57 835	22 317
Financial revenue	4	2 463
Financial expenses	(12 577)	(16 164)
Gross profit	45 262	8 616
Income tax	(1 257)	(407)
Net profit	44 005	8 209
(Annualised) net profit	96 459	36 813
Average weighted ordinary shares	412 690 582	420 000 000
Earnings per ordinary share (in PLN)	0,23	0,09
Average weighted diluted ordinary shares	412 690 582	420 000 000
Diluted earnings (loss) per ordinary share (in PLN)	0,23	0,09

STATEMENT OF CHANGES IN EQUITY (PLN '000)	SHARE CAPITAL	SUPPLEMENTARY CAPITAL	EQUITY SHARES	ACCUMULATED NET PROFIT (LOSS)	TOTAL EQUITY
For Q1 (current year), from 01.01.2014 to 31.03.2014					
Opening balance after adjustment to comparative data	20 635	574 873	-	60 663	656 171
Changes in the period:					
Equity shares	-	-	-	-	-
Allocation of result from previous years	-	-	-	-	-
Net profit (loss) for the period	-	-	-	44 005	44 005
Total changes	-	-	-	44 005	44 005
Closing balance	20 635	574 873	-	104 668	700 176
For previous year, from 01.01.2013 to 31.12.2013					
Opening balance after adjustment to comparative data	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	-	-	-	60 663	60 663
Total changes	(365)	7 782	-	19 550	26 967
Closing balance	20 635	574 873	-	60 663	656 171
For Q1 (previous year), from 01.01.2013 to 31.03.2013					
Opening balance after adjustment to comparative data	21 000	567 091	-	41 113	629 204
Changes in the period:					
Allocation of result from previous years	-	16 517	-	(16 517)	-
Net profit (loss) for the period	-	-	-	8 209	8 209
Total changes	-	16 517	-	(8 308)	8 209
Closing balance	21 000	583 608	-	32 805	637 413

CASH FLOW STATEMENT (PLN '000)	Q1	
	FROM 01.01.2014 TO 31.03.2014	FROM 01.01.2013 TO 31.03.2013
A. Operating cash flow – indirect method		
I. Gross profit	45 262	8 616
II. Adjustments:	(29 657)	987
1. Amortisation and depreciation	872	850
2. Foreign exchange (gains) losses	-	-
3. Interest and profit sharing (dividends)	(30 384)	147
4. (Profit) loss on revaluation of assets and liabilities	(145)	(10)
III. Movements in working capital	(7 885)	42 970
1. Movement in provisions	-	1
2. Movement in inventory	(35 710)	43 919
3. Movement in receivables	11 443	7 849
4. Movement in short-term liabilities, excluding loans and borrowings	16 382	(8 799)
IV. Net operating cash (I+/-II +/- III)	7 720	52 573
V. Income tax paid	(681)	(2 559)
VI. Net operating cash flow (IV+/-V)	7 039	50 014
B. Cash flow from investing activities		
I. Proceeds	74 564	109 885
1. Sale of intangible assets, and property, plant and equipment	776	1
2. Sale of real property investments	-	-
3. On financial assets	73 704	109 884
4. Other investment proceeds	84	-
II. Expenditures	(34 671)	(95 893)
1. Purchase of intangible assets and PP&E	(909)	(867)
2. Real property investments	-	702
3. On financial assets	(33 762)	(95 728)
4. Other capital expenditures	-	-
III. Net cash flow from investing activities (I-II)	39 893	13 992

CASH FLOW STATEMENT (PLN '000)	Q1	Q1
	FROM 01.01.2014 TO 31.03.2014	FROM 01.01.2013 TO 31.03.2013
C. Cash flow from financing activities		
I. Proceeds	107 922	237 099
1. Net proceeds from issue of shares (interests) and other equity instruments and capital contributions	-	-
2. Loans and borrowings	7 922	4 909
3. Issue of debt securities	100 000	232 190
4. Other financial proceeds	-	-
II. Expenditures	(13 431)	(297 373)
1. Purchase of equity shares (interests)	-	-
2. Dividends and other payments to equity holders	-	-
3. Profit share expenses, other than payments to equity holders	-	-
4. Repayment of loans and borrowings	-	(59 675)
5. Redemption of debt securities	-	(220 000)
6. Interest	(13 431)	(17 698)
III. Net cash flow from financing activities (I-II)	94 491	(60 274)
D. Total net cash flow (A.VI+/-B.III+/-C.III)	141 423	3 732
E. Movement in cash in the statement of financial position, including:	141 423	3 732
- movement in cash due to foreign exchange gains/losses	-	-
F. Cash and cash equivalents at the beginning of the period	9 937	3 017
G. Cash and cash equivalents at the end of the period (F+/-D)	151 360	6 749
- restricted cash	195	-

Kielce, 15 May 2014

Company's representatives:

President of the Management Board	Vice-President of the Management Board	Vice-President of the Management Board
Piotr Gromniak	Artur Langner	Waldemar Lesiak

Person responsible for keeping the accounting books:

Chief Accountant
Tomasz Sulek



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