



CONSOLIDATED QUARTERLY REPORT OF  
THE ECHO INVESTMENT CAPITAL GROUP  
FOR Q4 2014

**ECHO**  
investment

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## I. SELECTED CONSOLIDATED FINANCIAL DATA

	PLN '000		EUR '000	
	FROM 01.01.2014 TO 31.12.2014	FROM 01.01.2013 TO 31.12.2013	FROM 01.01.2014 TO 31.12.2014	FROM 01.01.2013 TO 31.12.2013
I. Operating revenue	579 265	517 371	139 328	122 862
II. Operating profit (loss)	670 346	510 486	161 178	121 227
III. Gross profit (loss)	449 141	322 517	108 373	76 589
IV. Net profit (loss)	406 742	331 103	98 053	78 628
V. Net operating cash flow	101 422	218 913	25 260	51 986
VI. Net cash flow from investing activities	-363 866	66 622	-87 909	15 821
VII. Net cash flow from financing activities	276 252	-242 736	65 945	-57 643
VIII. Total net cash flow	13 808	42 799	3 296	10 164
IX. Total assets	6 662 744	6 164 021	1 564 121	1 486 309
X. Equity attributable to shareholders of the parent	3 158 611	2 765 438	741 999	666 821
XI. Long-term liabilities	2 993 197	2 146 801	702 249	517 651
XII. Short-term liabilities	432 620	1 228 218	101 499	296 156
XIII. Number of shares	412 690 582	412 690 582	412 690 582	412 690 582
XIV. Earnings (loss) per ordinary share (in PLN/EUR)	0,99	0,80	0,24	0,19
XV. Book value per share (in PLN/EUR)	7,65	6,70	1,80	1,62

## II. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS OF THE CAPITAL GROUP AS OF 31 DECEMBER 2014 AND FOR THE 12-MONTH PERIOD ENDED ON 31 DECEMBER 2014

### 1. CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION

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

	AS OF 31.12.2014 END OF QUARTER	AS OF 31.12.2013 END OF PREVIOUS YEAR
<b>ASSETS</b>		
<b>1. Non-current assets</b>		
1.1. Intangible assets	473	815
1.2. Property, plant and equipment	46 285	75 406
1.3. Investment property	4 095 782	2 997 807
1.4. Investment property under construction	1 289 641	1 354 802
1.5. Interests in companies recognised with the equity method	13 557	16 866
1.6. Long-term financial assets	13 081	57 993
1.7. Derivative financial instruments	2 645	5 962
1.8. Deferred income tax assets	62 025	30 888
	<b>5 523 489</b>	<b>4 540 539</b>
<b>2. Current assets</b>		
2.1. Inventory	598 336	499 499
2.2. Income tax receivables	5 926	4 483
2.3. Other tax receivables	42 625	507 276
2.4. Trade and other receivables	49 577	57 084
2.5. Short-term financial assets	22 472	42 072
2.6. Derivative financial instruments	3 118	1 954
2.7. Restricted cash	54 482	64 570
2.8. Cash and cash equivalents	362 719	352 392
	<b>1 139 255</b>	<b>1 529 330</b>
<b>3. Non-current assets held for sale</b>	-	94 152
<b>Total current assets and non-current assets held for sale</b>	<b>1 139 255</b>	<b>1 623 482</b>
<b>TOTAL ASSETS</b>	<b>6 662 744</b>	<b>6 164 021</b>

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

	AS OF 31.12.2014 END OF QUARTER	AS OF 31.12.2013 END OF PREVIOUS YEAR
<b>EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
1.1. Equity attributable to shareholders of the parent	3 158 611	2 765 438
1.1.1. Share capital	20 635	20 635
1.1.2. Supplementary capital	2 742 257	2 411 154
1.1.3. Equity shares purchased	-	-
1.1.4. Accumulated profit (loss)	406 742	331 103
1.1.5. Foreign exchange gains/losses on translation of foreign operations	-11 023	2 546
1.2. Equity of non-controlling shareholders	-89	17
	<b>3 158 522</b>	<b>2 765 455</b>
<b>2. Provisions</b>		
2.1. Long-term provisions	-	-
2.2. Short-term provisions	2 000	2 000
2.3. Long-term deferred income tax provision	76 405	21 547
	<b>78 405</b>	<b>23 547</b>
<b>3. Long-term liabilities</b>		
3.1. Loans and borrowings	2 824 757	2 026 690
3.2. Derivative financial instruments	4 316	-
3.3. Security deposits and advance payments received	46 640	45 095
3.4. Lease liabilities (perpetual usufruct of land)	117 484	75 016
	<b>2 993 197</b>	<b>2 146 801</b>
<b>4. Short-term liabilities</b>		
4.1. Loans and borrowings	245 887	559 468
4.2. Derivative financial instruments	7 451	3 936
4.3. Income tax liabilities	11 947	29
4.4. Other tax liabilities	3 080	483 493
4.5. Trade liabilities	89 478	115 468
4.6. Other liabilities	8 511	19 707
4.7. Security deposits and advance payments received	66 266	46 117
	<b>432 620</b>	<b>1 228 218</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6 662 744</b>	<b>6 164 021</b>
Book value (in PLN '000)	3 158 611	2 765 438
Number of shares	412 690 582	412 690 582
Book value per share (in PLN)	7,65	6,70
Diluted number of shares	412 690 582	412 690 582
Diluted book value per share (in PLN)	7,65	6,70

## OFF-BALANCE SHEET ITEMS (PLN '000)

	AS OF 31.12.2014 END OF QUARTER	AS OF 31.12.2013 END OF PREVIOUS YEAR
1. Off-balance sheet receivables	-	-
2. Off-balance sheet liabilities	77 449	54 015

## 2. CONSOLIDATED QUARTERLY PROFIT AND LOSS ACCOUNT

### CONSOLIDATED QUARTERLY PROFIT AND LOSS ACCOUNT (PLN '000)

	Q4	4 QUARTERS	Q4	4 QUARTERS
	01.10.2014 - 31.12.2014	01.01.2014 - 31.12.2014	01.10.2013 -31.12.2013	01.01.2013 -31.12.2013
Revenue	206 755	579 265	118 668	517 371
Cost of goods sold	-106 745	-257 158	-60 092	-232 949
<b>Gross profit (loss) on sales</b>	<b>100 010</b>	<b>322 107</b>	<b>58 576</b>	<b>284 422</b>
Profit (loss) on investment property	16 659	453 861	-23 205	294 287
Selling costs	-11 132	-31 450	-9 999	-27 459
General administrative expenses	-17 733	-65 713	-13 003	-54 592
Other operating revenue (expenses)	-14 511	-8 459	6 023	13 828
<b>Operating profit</b>	<b>73 293</b>	<b>670 346</b>	<b>18 392</b>	<b>510 486</b>
Financial revenue	-1 200	4 319	1 683	9 624
Financial expenses	-61 612	-166 861	-44 200	-162 741
Profit (loss) on FX derivatives	-6 096	-2 552	6 812	3 154
Foreign exchange profit (loss)	-44 054	-56 803	28 726	-25 339
Share of profit (loss) of companies recognised with the equity method	-2 724	692	-3 970	-12 667
<b>Gross profit (loss)</b>	<b>-42 393</b>	<b>449 141</b>	<b>7 443</b>	<b>322 517</b>
Income tax	-5 771	-42 311	16 168	8 641
<b>Net profit (loss), including:</b>	<b>-48 164</b>	<b>406 830</b>	<b>23 611</b>	<b>331 158</b>
Profit (loss) attributable to non-controlling interest	-19	88	-49	55
Profit (loss) attributable to shareholders of the parent company	-48 145	406 742	23 660	331 103
(Annualised) net profit (loss)		406 742		331 103
Average weighted ordinary shares		412 690 582		412 690 582
Annualised earnings (loss) per ordinary share (in PLN)		0,99		0,80

## 3. CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME

### CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME (PLN '000)

	Q4	4 QUARTERS	Q4	4 QUARTERS
	01.10.2014 - 31.12.2014	01.01.2014 - 31.12.2014	01.10.2013 -31.12.2013	01.01.2013 -31.12.2013
<b>Net profit (loss)</b>	<b>-48 164</b>	<b>406 830</b>	<b>23 611</b>	<b>331 158</b>
<b>Other comprehensive income:</b>				
- foreign exchange gains/losses on translation of foreign operations	654	-13 569	-3 415	2 715
	<b>654</b>	<b>-13 569</b>	<b>-3 415</b>	<b>2 715</b>
<b>Comprehensive income for the period, including:</b>	<b>-47 510</b>	<b>393 261</b>	<b>20 196</b>	<b>333 873</b>
Comprehensive income attributable to shareholders of the parent company	-47 491	393 173	20 245	333 818
Minority comprehensive income	-19	88	-49	55

## 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
<b>4 QUARTERS, FROM 01.01.2014 TO 31.12.2014 (CURRENT YEAR)</b>								
<b>Opening balance</b>	<b>20 635</b>	<b>2 411 154</b>	-	<b>331 103</b>	<b>2 546</b>	<b>2 765 438</b>	<b>17</b>	<b>2 765 455</b>
Allocation of result from previous years	-	331 103	-	-331 103	-	-	-	-
Acquisition of minority interest				-	-	-	-84	<b>-84</b>
Dividend paid to minority shareholders	-	-	-	-	-	-	-110	<b>-110</b>
Other net comprehensive income	-	-	-	-	-13 569	<b>-13 569</b>	-	<b>-13 569</b>
Net profit (loss) for the period	-	-	-	406 742		<b>406 742</b>	88	<b>406 830</b>
<b>Closing balance</b>	<b>20 635</b>	<b>2 742 257</b>	-	<b>406 742</b>	<b>-11 023</b>	<b>3 158 611</b>	<b>-89</b>	<b>3 158 522</b>
<b>4 QUARTERS, FROM 01.01.2013 TO 31.12.2013 (PREVIOUS YEAR)</b>								
<b>Opening balance</b>	<b>21 000</b>	<b>2 065 321</b>	<b>-28 647</b>	<b>374 115</b>	<b>-169</b>	<b>2 431 620</b>	<b>23</b>	<b>2 431 643</b>
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	<b>-61</b>
Other net comprehensive income	-	-	-	-	2 715	<b>2 715</b>	-	<b>2 715</b>
Net profit (loss) for the period	-	-	-	331 103	-	<b>331 103</b>	55	<b>331 158</b>
<b>Closing balance</b>	<b>20 635</b>	<b>2 411 154</b>	-	<b>331 103</b>	<b>2 546</b>	<b>2 765 438</b>	<b>17</b>	<b>2 765 455</b>

## 5. CONSOLIDATED INTERIM CASH FLOW STATEMENT

CONSOLIDATED QUARTERLY CASH FLOW STATEMENT (PLN '000)

	4 QUARTERS 01.01.2014 – 31.12.2014	4 QUARTERS 01.01.2013 – 31.12.2013
<b>A. Operating cash flow – indirect method</b>		
I. Gross profit (loss)	449 141	322 517
II. Total adjustments	-258 049	-104 582
1. Share in net profits (losses) of associates	-692	12 667
2. Depreciation of PP&E	4 606	5 129
3. Foreign exchange (gains) losses	56 803	25 339
4. Interest	135 000	104 816
5. (Profit) loss on revaluation of assets and liabilities	-442 003	-251 567
6. (Profit) loss on settlement of financial instruments	-11 763	-966
III. Movements in working capital:	-81 555	6 384
1. Movement in provisions	-	-5 764
2. Movement in inventory	-94 108	-34 367
3. Movement in receivables	477 787	-452 708
4. Movement in short-term liabilities, except for loans and borrowings	-465 234	499 223
IV. Net operating cash (I+II+III)	109 537	224 319
1. Income tax paid	-8 115	-5 406
V. Net operating cash flow	101 422	218 913
<b>B. Cash flow from investing activities</b>		
I. Proceeds	150 178	531 416
1. Sale of intangible assets and PP&E	1 048	551
2. Sale of real property investments	96 179	451 396
3. On financial assets	52 951	79 469
4. Other investment proceeds	-	-
II. Expenditures	-514 044	-464 794
1. Purchase of intangible assets and PP&E	-3 799	-24 840
2. Real property investments	-509 807	-398 727
3. On financial assets	-328	-41 165
4. Dividends and other share of profit paid to minority	-110	-62
5. Other capital expenditures	-	-
III. Net cash flow from investing activities (I-II)	-363 866	66 622



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

	4 QUARTERS 01.01.2014 – 31.12.2014	4 QUARTERS 01.01.2013 – 31.12.2013
<b>C. Cash flow from financing activities</b>		
<b>I. Proceeds</b>	<b>1 609 170</b>	<b>1 539 528</b>
1. Net proceeds from issue of shares (interests) and other equity instruments and capital contributions	-	-
2. Loans and borrowings	1 222 907	1 219 562
3. Issue of debt securities	370 500	315 000
4. Dividends received from companies recognised with the equity method	4 000	4 000
5. Other financial proceeds	11 763	966
<b>II. Expenditures</b>	<b>-1 332 918</b>	<b>-1 782 264</b>
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	-869 208	-1 323 660
5. Redemption of debt securities	-300 000	-320 000
6. Due to FX derivatives	-	-
7. Payment of liabilities under finance lease agreements	-31	-305
8. Interest	-163 679	-138 299
9. Other financial expenditures	-	-
<b>III. Net cash flow from financing activities (I-II)</b>	<b>276 252</b>	<b>-242 736</b>
<b>D. Total net cash flow (A.III+/-B.III+/-C.III)</b>	<b>13 808</b>	<b>42 799</b>
<b>E. Movement in cash in the consolidated statement of financial position, including:</b>	<b>239</b>	<b>45 514</b>
- movement in cash due to foreign exchange gains/losses	-13 569	2 715
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>416 962</b>	<b>371 448</b>
<b>G. Cash at the end of the period (F+/- D), including:</b>	<b>417 201</b>	<b>416 962</b>
- restricted cash	54 482	64 570

**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 December 2014 and 31 December 2013, the Capital Group employed 373 and 352 people respectively.

The Company's shares have been listed on 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 condensed interim consolidated financial statements of the Echo Investment Capital Group have been prepared in accordance with IAS 34 Interim Financial Reporting adopted in the European Union.

The condensed interim consolidated financial statements of the Group include consolidated financial data as of 31 December 2014 and for the 3-month period and 12-month period ended on 31 December 2014 as well as comparative data for the 3-month period and 12-month period ended on 31 December 2013 for the profit and loss account, the statement of changes in equity and the cash flow statement, and the comparative data as of 31 December 2013. Unless indicated otherwise, all financial data in the Group's condensed consolidated financial statements have been presented in thousands of PLN.

These financial statements should be analysed together with the annual consolidated financial statements for the FY ended on 31 December 2013, which were prepared according to the IFRS adopted for application in the EU.

The financial statements have been drawn up in accordance with the historical cost principle with the exception of investment property and financial instruments, which were measured at fair value. The statements have been drawn up according to the going concern principle as there are no circumstances indicating a threat to continued 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.

The accounting principles applied to these interim condensed financial statements are consistent with the principles applied in the most recent annual financial statements and have been applied on a continuous basis to all periods presented in the consolidated financial statements, except for the change in accounting principles described in section 6.3 below.

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 the 12-month period of 2014, the Capital Group did not change its accounting principles, except for the adoption of IFRS 11 as of 1 January 2014. According to IFRS 11, joint arrangements are classified as joint ventures or joint operations. The Group has analysed a joint arrangement (WAN 11 Sp. z o.o.) existing as of 1 January 2013 in consideration of IFRS 11 and decided that it fulfils the requirements for a joint venture, based on the assessment of the requirements specified in IFRS 11 paragraphs B19-B33. According to IFRS 11, a new accounting policy has been adopted for recognising interests in a joint venture. The Group cancelled the financial statements of WAN 11 Sp. z o.o. from the balance sheet, which were previously consolidated proportionately (at 50%), and applied the equity method for recognising investments in WAN 11 Sp. z o.o. In accordance with IFRS 11 Joint Arrangements, the Group restated the comparative data for 2013.

The changes in the accounting policy did not affect earnings per share.

## **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 for 12 months of 2014 was Investment property.

Investment property includes shopping centres and office developments for lease. 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. 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 4,273,144 thousand (according

to the EUR/PLN exchange rate of 31 December 2014), including investment property disclosed in the balance sheet as of 31 December 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 December 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.

## **6.5. Description of significant achievements and failures of the Capital Group and indication of major events in Q4 2014**

### **6.5.1. Major events in Q4 2014**

#### **Loan agreement of the Issuer's subsidiary – Q22**

On 18 November 2014, the Issuer's subsidiary, Projekt Echo - 70 Sp. z o.o., with its registered office in Kielce, Al. Solidarności 36, 25-323 Kielce, entered into the register of entrepreneurs maintained by the District Court in Kielce, 10th Economic Department of the National Court Register, under no. KRS 0000271630 (later referred to as the "Borrower", "Company"), and the banks:

1/ BANK ZACHODNI WBK S.A., with its registered office in Wrocław, 9/11, 50-950 Wrocław, entered into the register of entrepreneurs maintained by the District Court Wrocław-Fabryczna in Wrocław, 6th Economic Department of the National Court Register, under no. KRS 0000008723;

2/ Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, with its registered office in Warsaw, ul. Puławska 15, 02-515 Warsaw, entered into the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw in Warsaw, 13th Economic Department of the National Court Register, under no. KRS 0000026438 (later referred to as the "Lenders", "Banks");

signed a loan agreement (later referred to as the "Agreement").

The Borrower will use the funds raised under the Agreement to build the office building Q22 at the junction of al. Jana Pawła II and ul. Grzybowska in Warsaw (later referred to as the "Development").

According to the terms of the Agreement, the Banks provide the Borrower with the following:

1/ cash in the form of an investment loan of up to EUR 112,000 thousand (one hundred and twelve million euro), where the cash as part of the Bridging Loan and the Construction Loan will be allocated for partially financing or refinancing the Total Development Costs, and the cash as part of the Investment Loan will be used by the Borrower for refinancing the debt under the Construction Loan by way of Conversion.

2/ cash in the form of a VAT loan of up to PLN 16,000 thousand (sixteen million zloty) for partially financing or refinancing VAT in connection with the implementation of the Development.

The Bridging Loan, the Construction Loan and the Investment Loan bear a variable interest rate EURIBOR, and the VAT Loan bears a variable interest rate WIBOR, plus the bank's margin.

The loan repayment deadlines are as follows:

1/ for the investment loan: the final repayment date is 60 (sixty) months from the date when the Construction Loan is Converted into the Investment Loan,

2/ for the VAT Loan: 39 (thirty-nine) months from the first Use Date, but not later than 45 (forty-five) months from the conclusion date of the Agreement.

To secure the repayment of the Loan and of the amounts due to the Bank, the Borrower shall establish the following securities or shall cause them to be established:

1/ First ranking mortgages established by the Borrower in the form of a notarial deed on the Real Property for the benefit of:

- BZ WBK as a Security Agent, in the amount of EUR 174,000 thousand (one hundred and seventy-four million euro), securing the repayment of the principal loan amount, interest and other Loan-related costs;

- BZ WBK, in the amount of EUR 56,000 thousand (fifty-six million euro), securing all claims under Hedging Agreements to which BZ WBK is a party;

- PKO BP, in the amount of EUR 56,000 thousand (fifty-six million euro), securing all claims under Hedging Agreements to which PKO BP is a party;

2/ Statement on the Submission to Enforcement Proceedings;

3/ Authorisation to use the Borrower's Bank Accounts;

4/ Agreement on the Assignment of Rights, i.e. an agreement concluded between the Borrower (as an assignor) and the Security Agent (as an assignee) on the assignment of the Borrower's present and future rights under the respective Development Agreements, all Lease Agreements and Insurance Policies;

5/ Guarantee Agreement, i.e. an agreement concluded between the Borrower, the Issuer and the Lenders for a period ending with the full repayment of the Construction Loan (by the Conversion date), including the Issuer's obligation to provide a payment guarantee, an assistance guarantee and a surety;

6/ Agreements on Registered and Financial Pledges on interests and accounts;

7/ All powers of attorney granted by the Obligated Party to the Security Agent or to the Lender in connection with the Financial Documents.

#### **Loan agreement of the Issuer's subsidiaries: Galeria Echo, Kraków Opolska and Gdańsk Tryton**

On 22 December 2014, the Issuer's subsidiaries:

Projekt Echo Galeria Kielce – Magellan West Spółka z ograniczoną odpowiedzialnością SKA, with its registered office in Kielce, Al. Solidarności 36, 25-323 Kielce, entered into the register of entrepreneurs maintained by the District Court in Kielce, 10th Economic Department of the National Court Register, under no. KRS 000044006;

Projekt Echo – 102 Sp. z o.o., with its registered office in Kielce, Al. Solidarności 36, 25-323 Kielce, entered into the register of entrepreneurs maintained by the District Court in Kielce, 10th Economic Department of the National Court Register, under no. KRS 0000440683; and

Echo – Opolska Business Park Spółka z ograniczoną odpowiedzialnością SKA, with its registered office in Kielce, Al. Solidarności 36, 25-323 Kielce, entered into the register of entrepreneurs maintained by the District Court in Kielce, 10th Economic Department of the National Court Register, under no. KRS 0000396362;

(later referred to as the "Borrowers", "Companies), and the banks:

HSBC plc, with its registered office in London (address: 8 Canada Square, E14 5HQ London, UK);

HSBC Bank Polska Spółka Akcyjna, with its registered office in Warsaw, ul. Marszałkowska 89, 00-693 Warsaw, entered into the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw in Warsaw, 12th Economic Department of the National Court Register, under no. KRS 0000030437 (later referred to as the "Lenders", "Banks");

signed a loan agreement (later referred to as the "Agreement").

The Borrower will use the funds raised under the Agreement to:

1/ refinance the loan which the Issuer announced in its current report no. 39/2013 of 17 October 2013 and finance own contribution in connection with the development Galeria Echo in Kielce, al. Świętokrzyska 20;

2/ finance the construction of the office building Opolska Business Park, stage I, located on a real property in Krakow, al. 29 Listopada;

3/ finance the construction of the office building Tryton Business House on a real property in Gdańsk, ul. Jana z Kolna 11 (later referred to as the "Developments").

According to the terms of the Agreement, the Banks provide the Borrower with the following:

- a) cash in the form of Kielce Investment Loan of up to EUR 100,000,000 (one hundred million euro) for financing Galeria Echo in Kielce;
- b) cash under Tryton Development Loan in the amount of EUR 29,000,000 for financing and refinancing the construction costs of Tryton Business House, and cash under Tryton Investment Loan in the amount of EUR 36,000,000 for refinancing the debt due to Tryton Development Loan used;
- c) cash under Opolska Development Loan in the amount of EUR 22,500,000 for financing and refinancing the construction costs of Opolska Business Park, stage I, and cash under Opolska Investment Loan in the amount of EUR 29,000,000 for refinancing the debt due to Opolska Development Loan used;
- d) cash in the form of a VAT loan of up to PLN 7,000,000 (seven million zloty) for partially financing or refinancing VAT in connection with the implementation of Tryton Business House;
- e) cash in the form of a VAT loan of up to PLN 7,000,000 (seven million zloty) for partially financing or refinancing VAT in connection with the implementation of Opolska Business Park, stage I.

The Construction Loans and the Investment Loans bear a variable interest rate EURIBOR, and the VAT Loan bears a variable interest rate WIBOR, plus the bank's margin.

The loan repayment deadlines are as follows:

1/ for Kielce Investment Loan: the final repayment date is 5 years from the date when Kielce Investment Loan is disbursed;

2/ for Tryton Investment Loan and Opolska Investment Loan: the final repayment date is 7 years from the date when Kielce Investment Loan is disbursed;

3/ for VAT Loan: 2 years from the conclusion date of the Agreement.

To secure the repayment of the Loan and of the amounts due to the Bank, the Borrower shall establish the following securities or shall cause them to be established:

- a) First ranking mortgages established by the Borrower in the form of a notarial deed on each of the Borrowers' Real Property for the benefit of the Lender in the amount of EUR 495 million (four hundred and ninety-five million euro) and PLN 21 million (twenty-one million zloty), securing the repayment of the principal loan amount, interest and other Loan-related costs;
- b) Statement on the Submission to Enforcement Proceedings;
- c) Authorisation to the Borrower's Bank Accounts;
- d) Agreements on the Assignment of Rights, i.e. agreements concluded between the Borrowers (as assignors) and the Lender (as an assignee) on the assignment of the Borrowers' present and future rights under the respective Agreements, Lease Agreements and Insurance Policies concluded by the Borrowers;
- e) Guarantee Agreement, i.e. an agreement concluded between the Borrowers, the Issuer and the Lender for a period ending 12 months from the completion of Tryton Business House and Opolska Business Park, stage I, including the Issuer's obligation to provide a payment guarantee;
- f) Agreements on Registered and Financial Pledges on interests and accounts;
- g) Agreements on Registered Pledges on the Borrowers' assets;

Powers of attorney to the Lender in connection with the concluded Financial Documents.

#### 6.5.2. Information on the Capital Group's developments

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

## PORTFOLIO OF PROPERTIES IN USE

As of 31 December 2014, the Group's portfolio included 10 shopping centres and 7 office developments for lease.

## REAL PROPERTY PORTFOLIO

CITY	LOCATION	NAME	GLA <sup>1</sup> (SQ. M)	NOI <sup>2</sup> (EUR '000,000)
Kielce	ul. Świętokrzyska	Galeria Echo*	72 300	12,8
Wrocław	Plac Grunwaldzki	Pasaż Grunwaldzki	48 500	14,3
Szczecin	Al. Wyzwolenia	Galaxy	41 400	12,7
Kalisz	ul. Górnosłaska	Amber	33 600	5,1
Bełchatów	ul. Kolejowa	Galeria Olimpia	21 300	3,0
Szczecin	Al. Struga	Outlet Park	16 400	3,3
Łomża	ul. Zawadzka 38	Galeria Veneda	15 000	2,5
Jelenia Góra	Al. Jana Pawła II	Galeria Sudecka**	12 900	1,2
Bełchatów	ul. Kolejowa	Centrum Echo	9 000	0,8
Przemyśl	ul. 29 Listopada	Centrum Echo	5 300	0,4
<b>SHOPPING CENTRES</b>		<b>TOTAL</b>	<b>275 700</b>	<b>56,1</b>
Poznań	ul. Baraniaka	Malta Office Park	29 000	5,3
Warsaw	ul. Konstruktorska	Park Rozwoju (stage I)	17 800	3,0
Szczecin	ul. Malczewskiego	Oxygen	14 000	2,8
Kielce	Al. Solidarności	Astra Park***	11 200	1,7
Warsaw	ul. Postępu	Polkomtel office building****	10 200	2,0
Katowice	ul. Francuska	A4 Business Park (stage I)	9 200	1,5
Warsaw	Al. Jana Pawła II	Babka Tower	6 200	1,2
<b>OFFICE DEVELOPMENTS</b>		<b>TOTAL</b>	<b>97 600</b>	<b>17,5</b>
<b>DEVELOPMENTS FOR LEASE</b>		<b>TOTAL</b>	<b>373 300</b>	<b>73,6</b>

\* Change in connection with the lease of space by the chain JULA

\*\* 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, Super-Pharm and Hebe.

Office space is leased to multinationals as well as domestic and local businesses. The main tenants of office space include: IBM Global Services Delivery Centre, 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., Raiffeisen Bank Polska, Medicover, Altkom Investments, Mentor Graphics Polska, Kennametal Polska, Tebodin SAP-Projekt, Samsung Electronics Polska, Ericsson and Schneider Electric Polska.

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

<sup>1</sup> Gross Leasable Area

<sup>2</sup> Net Operating Income (includes the measurement of vacancies, sales-based rent and revenue from stands)

DEVELOPMENT	GLA (SQ. M)	NOI (EUR '000,000)	COMMENCEMENT	COMPLETION
Jelenia Góra, Galeria Sudecka (expansion)	18 500	2,7	H2 2013	H1 2015
<b>UNDER CONSTRUCTION</b>	<b>18 500</b>	<b>2,7</b>		
Katowice, ul. Kościuszki	41 800	8,5	H1 2016	H2 2017
Szczecin, Galaxy (expansion)	15 700	3,1	H2 2015	H1 2017
Szczecin, Outlet Park (stage II)	4 800	0,8	H1 2015	H2 2015
Szczecin, Outlet Park (stage III)	3 500	0,6	H1 2016	H2 2016
Poznań Metropolis*	33 300	6,1		
<b>IN PREPARATION</b>	<b>99 100</b>	<b>19,1</b>		
Budapest Mundo (Hungary)	34 500	8,3	H2 2015	H2 2017
Brasov Korona (Romania)**	35 400	5,6		
<b>FOREIGN DEVELOPMENTS IN PREPARATION</b>	<b>69 900</b>	<b>12,1</b>		
<b>TOTAL SHOPPING CENTRES</b>	<b>187 500</b>	<b>33,9</b>		

\* Development in the concept phase

\*\* Commencement contingent upon achieving the expected lease levels

#### INVESTMENT LAND

DEVELOPMENT	PLOT AREA (SQ. M)
Koszalin***	39 300
Stupsk***	65 700
<b>INVESTMENT LAND</b>	<b>105 000</b>

\*\*\* development in the concept phase

## DEVELOPMENTS IN THE COURSE OF IMPLEMENTATION AND PREPARATION IN THE SEGMENT OF OFFICE AND HOTEL SPACE

DEVELOPMENT	GLA (SQ. M)	NOI (EUR '000,000)	COMMENCEMENT	COMPLETION
Warsaw, Q22	52 500	14,0	H2 2013	H1 2016
Warsaw, Park Rozwoju (stage II)	15 600	2,8	H2 2013	H1 2015
Wrocław, Nobilis Business House	16 900	2,9	H2 2014	H1 2016
Wrocław, West Gate	16 200	2,8	H1 2013	H1 2015
Katowice, A4 Business Park (stage II)	9 300	1,5	H2 2013	January 2015
Krakow, Opolska (stage I)	19 100	3,2	H1 2014	H2 2015
Gdańsk, Tryton	23 700	3,8	H2 2013	H2 2015
<b>UNDER CONSTRUCTION</b>	<b>153 300</b>	<b>31,0</b>		
Warsaw, Brewery* (stages I - IV)	82 000	17,6	H1 2016	H2 2023
Warsaw, Beethovena (stage I)	18 000	3,3	H1 2016	H2 2017
Warsaw, Beethovena (stages II - III)	37 500	6,8	H2 2017	H2 2020
Warsaw, Taśmowa (stage I)	15 000	2,6	H2 2015	H1 2017
Warsaw, Taśmowa (stages II - IV)	44 400	7,8	H2 2016	H1 2020
Krakow, Opolska (stage II)	19 100	3,2	H2 2015	H1 2017
Krakow, Opolska (stage III)	19 100	3,2	H1 2017	H1 2019
Wrocław, Sucha (stage I)	18 000	3,2	H2 2015	H1 2017
Wrocław, Sucha (stage II)	7 600	1,4	H1 2017	H1 2018
Katowice, A4 Business Park (stage III)	11 900	2,0	H1 2015	H2 2016
Poznań, Hetmańska (stage I)	17 500	2,9	H2 2015	H2 2016
Poznań, Hetmańska (stages II - III)	22 400	3,8	H2 2016	H1 2019
Łódź, Aurus (stage I)	9 600	1,6	H1 2015	H1 2016
Łódź, Aurus (stage II)	9 600	1,6	H1 2016	H2 2017
<b>IN PREPARATION</b>	<b>337 700</b>	<b>61,0</b>		
Kiev, Dehtiarivska (stages I-VI)**	107 600	23,1		
<b>FOREIGN DEVELOPMENTS IN PREPARATION</b>	<b>107 600</b>	<b>23,1</b>		
<b>TOTAL OFFICE DEVELOPMENTS</b>	<b>598 600</b>	<b>115,1</b>		

\* Land purchased in 2014

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

## INVESTMENT LAND

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

\*\* 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	94,6	H2 2012	September 2014
Poznań, Naramowice, Osiedle Jaśminowe (stage I)	6 000	32,9	H1 2013	December 2014
Poznań, Kasztanowa Aleja II	8 700	58,3	H2 2012	May 2014
Krakow, Hortus Apartments	3 000	36,0	H2 2012	August 2014
<b>DEVELOPMENTS COMMISSIONED TO USE IN 2014 (USABLE AND RESIDENTIAL AREA)</b>	<b>29 300</b>	<b>221,8</b>		
Warsaw, Nowy Mokotów (stage II)	11 800	96,6	H1 2014	H1 2016
Poznań, Sowińskiego (stage I)	7 100	48,1	H1 2014	H2 2015
Poznań, Naramowice, Pod Klonami I-III, row houses	3 700	17,7	H2 2013	H2 2017
Krakow, Bronowicka	3 000	22,7	H2 2013	H2 2015
Krakow, Park Avenue	5 600	82,2	H2 2014	H1 2016
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
<b>DEVELOPMENTS IN PROGRESS (USABLE AND RESIDENTIAL AREA)</b>	<b>42 600</b>	<b>327,5</b>		
Warsaw, Nowy Mokotów (stage III)	16 100	132,0	H2 2015	H2 2017
Warsaw, Nowy Mokotów (stage IV)	3 200	27,0	H2 2016	H2 2018
Warsaw, Princess, Puławska	4 900	76,9	H2 2015	H1 2017
Warsaw, Brewery* (stages I - IV)	30 000	288,0	H1 2016	H1 2020
Poznań, Naramowice, Osiedle Jaśminowe (stages II - IV)	13 700	75,3	H1 2015	H1 2020
Poznań, Jackowskiego	8 100	52,5	H1 2015	H1 2017
Poznań, Sowińskiego (stage II)	2 600	19,6	H1 2015	H2 2016
Poznań, Sowińskiego (stage III)	5 000	33,5	H2 2015	H2 2017
Poznań, Sowińskiego (stage IV)	5 100	34,9	H2 2017	H1 2019
Krakow, Kościuszki	5 300	59,5	H1 2015	H1 2017
Krakow, Rydla	8 700	63,8	H1 2016	H1 2018
Krakow, Spiska* I	6 500	51,9	H1 2015	H2 2016
Krakow, Spiska* II - III	13 800	114,2	H2 2016	H1 2020
Wrocław, Grota Roweckiego (stages II - III)	12 500	67,7	H1 2016	H2 2019
Łódź, Osiedle Jarzębinowe (stage III)	6 800	33,0	H2 2015	H2 2017
Łódź, Osiedle Jarzębinowe (stages IV - V)	27 700	132,8	H1 2018	H2 2021
Łódź, Wodna (stages I - II)	13 700	73,8	H1 2016	H2 2019
<b>DEVELOPMENTS IN PREPARATION (USABLE AND RESIDENTIAL AREA)</b>	<b>183 700</b>	<b>1 336,4</b>		
<b>TOTAL RESIDENTIAL DEVELOPMENTS</b>	<b>255 600</b>	<b>1 885,7</b>		

\* Land purchased in 2014

## PLOTS FOR SALE AND INVESTMENT LAND

DEVELOPMENT	PLOT AREA (SQ. M)	REVENUE (000,000)	COMMENCEMENT	COMPLETION
Dyminy, Osiedle Południowe (stage III)	43 400	6,9	H2 2013	H2 2014
Kielce, Występa **	134 500	15,5	H2 2016	H2 2017
Poznań, Sotacz	17 300	11,0	H1 2016	H2 2017
Warsaw, Rezydencje Leśne (in the course of sale)	52 900	41,5	H2 2010	H2 2012
<b>PLOTS FOR SALE</b>	<b>248 100</b>	<b>74,9</b>		
Lublin, ul. Poligonowa*	1 060 000			
Poznań, Naramowice*	350 000			
Wrocław, Gdańska**	5 000			
<b>INVESTMENT LAND</b>	<b>1 415 000</b>			
<b>TOTAL LAND</b>	<b>1 663 100</b>			

\* Development in the concept phase

\*\* Land purchased in 2014

In Q4, the Company signed 130 preliminary agreements on the sale of apartments (without transferring the ownership title to the buyer) and 231 final agreements (transferring the ownership title to the buyer).

#### 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 Q4 2014:

- posting of revenues from the concluded final agreements for the sale of residential properties:
  - in Łódź: Osiedle Jarzębinowe in ul. Okopowa,
  - in Kraków: Hortus Apartments in ul. Korzeniowskiego,
  - in Poznań: Kasztanowa Aleja I and II in ul. Wojskowa,
  - in Warsaw: Klimt House in ul. Kazimierzowska, Nowy Mokotów I in ul. Konstruktorska and Os Zeusa in Bemowo District,
  - 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),
- 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),
    - movements in net operating revenue,
  - in the course of construction and commercialisation:
    - Galeria Sudecka in Jelenia Góra (another measurement) – under 'investment property' in the balance sheet,
    - West Gate office building in Wrocław (first measurement),
- transfer of a plot of land to city authorities for the purpose of road construction in Warsaw in ul. Witosa/Jana III Sobieskiego/Idzikowskiego (Beethovena development),
- sale of a plot of land for the construction of roads to Szczecin (Galaxy development, expansion),
- 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 and interest rate hedging financial instruments,
- settlement of costs of terminating an IRS hedging instrument in connection with the refinancing of a loan for Galeria Echo in Kielce,
- interest on deposits and borrowings granted,
- interest and commissions on loans, bonds and borrowings.

##### Unusual events affecting the Company's financial result in Q4 2014:

- revaluation of a plot in Kiev, Dehtiarivska (investment property under construction), up to PLN 10 million, resulting in a decrease in net profit by PLN 65 million (under item "profit/loss on investment property"),
- transfer of a plot of land to city authorities for the purpose of road construction in Warsaw in ul. Witosa/Jana III Sobieskiego/Idzikowskiego (Beethovena development) (effect on the result: -11.9 million),
- sale of a plot of land for the construction of roads to Szczecin (Galaxy development, expansion) (effect on the result: -3.9 million).

##### 2. 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 investment cash flows (e.g. from the sale of investment projects).

The average-weighted strike rate for the remaining open forward transactions is EUR/PLN 4.2651.

MATURITIES OF OPEN HEDGING POSITIONS AS OF 31 DECEMBER 2014:

		HEDGE VALUE		MATURITY AT NOMINAL VALUE (EUR '000,000)				
		CARRYING VALUE (PLN '000,000)	NOMINAL VALUE (EUR '000,000)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	H1 2016
Options	EUR/PLN	-0,2	150,0					50,0
Forward	EUR/PLN	-5,3	181,4	80,8	37,2	40,8	16,0	6,6

## 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 Q4 2014:

ITEM	REVENUE (PLN '000,000)	% SHARE	EXPENSES (PLN '000,000)	% SHARE
Shopping centres, and shopping and entertainment centres	78	38%	28	26%
Residential areas	105	51%	70	66%
Office facilities	22	10%	6	6%
Not classified	2	1%	3	2%
<b>Total operating result</b>	<b>207</b>	<b>100%</b>	<b>107</b>	<b>100%</b>

## 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. The sale of housing developments depends on the commissioned residential buildings and revenue on these operations is generated in every quarter but it varies in terms of stability. By contrast, revenue from general investment contractor services and trade in 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 mBank S.A. signed an agency agreement and a dealership agreement on 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 of 31 December 2014, the Issue Programme allowed for the issue of bonds with a total maximum nominal value of PLN 1 billion. As part of this package, mBank S.A. provides a purchase guarantee in the amount of PLN 35 million based on the Sales Guarantee Agreement, which is effective until 1 December 2016.

### Public bonds

On 18 March 2014, the Management Board of Echo Investment S.A. 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.

On 24 June 2014, the Polish Financial Supervision Authority approved the Issue Prospectus prepared in connection with the public offering and request for admission to public trading on the regulated market Catalyst, which is operated by the

Warsaw Stock Exchange, of the bonds of Echo Investment S.A. issued under the issue programme, with a total nominal value of up to PLN 200,000,000. On 5 September 2014, the Polish Financial Supervision Authority approved Addendum 1 to the basic Issue Prospectus.

As of the publication date of the report for Q4 2014, the Company carried out four issues with a total nominal value of PLN 200 million.

The Company issued:

- 500,000 (five hundred thousand) series A bearer bonds with a nominal value of PLN 100 each (one hundred zloty), maturing on 26 June 2016. The issue was made based on the Issue Resolution of the Company's Management Board of 25 June 2014. The bonds' ISIN code is PLECHPS00142. The Issue Date of series A Bonds was 22 July 2014.

- 250,000 (two hundred and fifty thousand) series B bearer bonds with a nominal value of PLN 100 each (one hundred zloty), maturing on 2 July 2016. The issue was made based on the Issue Resolution of the Company's Management Board of 1 July 2014. The bonds' ISIN code is: PLECHPS00167. The Issue Date of series B Bonds was 22 July 2014.

- 750,000 (seven hundred and fifty thousand) series C bearer bonds with a nominal value of PLN 100 each (one hundred zloty), maturing on 4 March 2018. The issue was made based on the Issue Resolution of the Company's Management Board of 1 September 2014. The bonds' ISIN code is: PLECHPS00175. The Issue Date of series C Bonds was 6 October 2014.

- 500,000 (five hundred thousand) series D bearer bonds with a nominal value of PLN 100 each (one hundred zloty), maturing on 20 April 2018. The issue was made based on the Issue Resolution of the Company's Management Board of 15 October 2014. The bonds' ISIN code is: PLECHPS00183. The Issue Date of series D Bonds was 7 November 2014.

The bond interest rate was established based on the variable WIBOR 6M rate increased by investors' profit margin. The bonds are not secured.

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

BANK	QUOTED AT BONDSPT	INSTRUMENT TYPE	AMOUNT USED (PLN '000)	MATURITY	INTEREST RATE TERMS
mBank S.A.	YES (ISIN : PLECHPS00100)	Bonds	115 000	18.05.2015	WIBOR 6M + margin
mBank S.A.	NO	Bonds	145 000	11.02.2016	WIBOR 6M + margin
mBank S.A.	YES (ISIN : PLECHPS00118)	Bonds	200 000	28.04.2017	WIBOR 6M + margin
mBank S.A.	YES (ISIN : PLECHPS00126)	Bonds	80 000	19.06.2018	WIBOR 6M + margin
mBank S.A.	YES (ISIN : PLECHPS00134)	Bonds	100 000	19.02.2019	WIBOR 6M + margin
mBank S.A.	YES (ISIN : PLECHPS00159)	Bonds	70 500	15.05.2019	WIBOR 6M + margin
<b>Non-public bonds</b>			<b>710 500</b>		
DM PKO BP/ Series A issue	YES (ISIN : PLECHPS00142)	Public bonds	50 000	26.06.2016	WIBOR 6M + margin
DM PKO BP/ Series B issue	YES (ISIN : PLECHPS00167)	Public bonds	25 000	02.07.2016	WIBOR 6M + margin
DM PKO BP/ Series C issue	YES (ISIN : PLECHPS00175)	Public bonds	75 000	04.03.2018	WIBOR 6M + margin
DM PKO BP/ Series D issue	YES (ISIN : PLECHPS00183)	Public bonds	50 000	20.04.2018	WIBOR 6M + margin
<b>Public bonds</b>			<b>200 000</b>		
<b>TOTAL</b>			<b>910 500</b>		

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

There were no events after the balance sheet date which could significantly affect future financial results.

**6.12. Information on 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 DECEMBER 2014 (PLN '000)

SURETY TO	VALUE	VALIDITY	DESCRIPTION
TESCO (POLSKA) SP. Z O.O.	15 000	until 30.06.2015	Surety of Echo Investment S.A. 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
BANK POLSKA KASA OPIEKI S.A.	222 419	shall remain in force until the fulfilment of conditions specified in the surety agreement but for a period not exceeding 31.12.2025	Surety of Echo Investment S.A. securing the obligations of Galeria Sudecka - Projekt Echo - 43 spółka z ograniczoną odpowiedzialnością SKA under the loan agreement concluded on 19.12.2013, the master agreement of 19.04.2011 and agreement no. 2013/127/DDF of 17.09.2013. A portion of the surety was granted in EUR.

See also item 6.20 of this Report.

## 6.12.2. Guarantee agreements

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

GUARANTOR	VALUE (PLN '000)	VALIDITY	DESCRIPTION
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	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 Betchatów.
PKO BP SA	88	until 10.08.2015	Security for the non-performance of obligations under a promotional lottery organised in the shopping and entertainment centre Olimpia in Betchatów.
PKO BP SA	101	until 29.04.2015	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	151	until 31.08.2015	Security for the non-performance of obligations under a promotional lottery organised in the shopping and entertainment centre Galeria Echo in Kielce.
Echo Investment S.A.	10 130	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.	21 312	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.	27 300	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.
Echo Investment S.A.	38 361	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.
Echo Investment S.A.	30 227	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.
Echo Investment S.A.	13 148	shall remain in force until the Conversion Date but for a period not exceeding 31 December 2025	Security for exceeding the development costs of the expansion of the shopping and entertainment centre Galeria Sudecka in Jelenia Góra and for covering the shortage of own funds for the benefit of Bank Polska Kasa Opieki 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	1 230	until 27.12.2017	Security for the payment of due amounts as a result of a failure to observe the terms of the understanding concluded on 26 November 2012 for the City Gmina of Szczecin.
Echo Investment S.A.	255 738	until the Conversion Date but for a period not exceeding 06.02.2018	Security for exceeded costs, coverage for the lack of own funds, debt service liabilities and hedging agreements, and support in organising the construction process during implementation of the

GUARANTOR	VALUE (PLN '000)	VALIDITY	DESCRIPTION
			Q22 office development in Warsaw for Bank Zachodni WBK S.A. and PKO BP S.A.
Echo Investment S.A.	34 974	12 months from the completion of construction	Security for exceeding the implementation costs of the office development Tryton Business House in Gdańsk for HSBC BANK plc.
Echo Investment S.A.	27 106	12 months from the completion of construction	Security for exceeding the implementation costs of the office development Opolska Business Park, stage I, in Krakow for HSBC BANK plc.
Projekt Echo Galeria Kielce - Magellan West spółka z ograniczoną odpowiedzialnością - SKA	160 443	until the repayment of all amounts due under the loan agreement	Security for a failure to meet the financial obligations under the loan agreement concluded on 22 December 2014 by Projekt Echo – 102 Sp. z o.o. to HSBC Bank plc. A portion of the guarantee was issued in EUR.
Projekt Echo Galeria Kielce - Magellan West spółka z ograniczoną odpowiedzialnością - SKA	130 607	until the repayment of all amounts due under the loan agreement	Security for a failure to meet the financial obligations under the loan agreement concluded on 22 December 2014 by Echo-Opolska Business Park Spółka z ograniczoną odpowiedzialnością SKA to HSBC Bank plc. A portion of the guarantee was issued in EUR.

On 31 October 2014, the guarantee in the amount of EUR 36,995.00, issued by Echo Investment S.A. to ImmoPoland Sp. z o.o. as a security for the non-performance of obligations under the lease agreement of 28 August 2009, expired.

On 31 October 2014, the guarantee issued by Echo Investment S.A. to Bank Polska Kasa Opieki S.A. as a security for exceeding the development costs of the shopping and entertainment centre Amber in Kalisz, for liabilities due to debt service and for the coverage of absent own funds by Echo-Galeria Amber Spółka z ograniczoną odpowiedzialnością S.K.A. expired. The guarantee is a sum of PLN 29,670,00.00 and EUR 300,000.00.

On 31 December 2014, the guarantee in the amount of PLN 1,000,000.00, issued by Echo Investment S.A. to Leroy – Merlin Inwestycje Sp. z o.o. as a security for the reimbursement of an advance payment in connection with a preliminary agreement on the sale of real property concluded on 9 April 2014, expired.

On 18 November 2014, Echo Investment S.A. issued a guarantee to Bank Zachodni WBK S.A. and to PKO BP S.A. to secure the exceeded costs, cover the lack of own funds, debt service liabilities and hedging agreements, and to provide assistance in organising the construction process during the implementation of the office development Q22 in Warsaw by the Borrower, Projekt Echo – 70 spółka z ograniczoną odpowiedzialnością (the Issuer's subsidiary). The maximum amount of the guarantee is EUR 60,000,000.00. The Guarantee is valid until the loan Conversion Date, but for a period not exceeding 06.02.2018.

On 22 December 2014, Echo Investment S.A. issued a guarantee to HSBC Bank plc to secure the exceeding of the implementation costs of the office development Tryton Business House in Gdańsk by Projekt Echo – 102 Sp. z o.o. (the Issuer's subsidiary). The guarantee amounts to PLN 34,974,200.00. The guarantee will remain in force for 12 months from the completion of construction.

On 22 December 2014, Echo Investment S.A. issued a guarantee to HSBC Bank plc to secure the exceeding of the implementation costs of the office development Tryton Business House in Gdańsk by Echo-Opolska Business Park Spółka z ograniczoną odpowiedzialnością SKA (the Issuer's subsidiary). The guarantee amounts to PLN 27,106,000.00. The guarantee will remain in force for 12 months from the completion of construction.

On 22 December 2014, Projekt Echo Galeria Kielce - Magellan West spółka z ograniczoną odpowiedzialnością -SKA (the Issuer's subsidiary) issued a guarantee to HSBC Bank plc to secure the non-performance of financial obligations under the loan agreement concluded on 22 December 2014 by Projekt Echo – 102 Sp. z o.o. (the Issuer's subsidiary). The guarantee amounts to EUR 36,000,000.00 and PLN 7,000,000.00. The guarantee will remain in force until the repayment of all amounts due under the loan agreement.

On 22 December 2014, Projekt Echo Galeria Kielce - Magellan West spółka z ograniczoną odpowiedzialnością -SKA (the Issuer's subsidiary) issued a guarantee to HSBC Bank plc to secure the non-performance of financial obligations under the loan agreement concluded on 22 December 2014 by Echo-Opolska Business Park Spółka z ograniczoną odpowiedzialnością SKA (the Issuer's subsidiary). The guarantee amounts to EUR 29,000,000.00 and PLN 7,000,000.00. The guarantee will remain in force until the repayment of all amounts due under the loan agreement.

### 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 30 September 2014, the Capital Group comprised 118 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 53 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
2 Astra Park - Projekt Echo - 69 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
3 Avatar - Projekt Echo - 93 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
4 A4 Business Park - Iris Capital Sp. z o.o. - S.k.a.	Kielce	100%	XXIX FIZ Forum
5 Babka Tower - Projekt Echo - 93 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
6 Barconsel Holdings Ltd	Nicosia	100%	Echo - SPV 7 Sp. z o.o.
7 Bełchatów – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
8 Budivelnuy Soyuz Monolit LLC	Kiev	100%	Yevrobudgarant LLC
9 Dellia Investments S.A.	Kielce	100%	PHS – Projekt CS Sp. z o.o. S.k.a.
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 – Babka Tower Sp. z o.o. (formerly: Projekt Echo - 110 Sp. z o.o.)	Kielce	100%	Echo Investment S.A.
13 Echo – Centrum Przemysł - Projekt Echo – 93 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
14 Echo - Galaxy Sp. z o.o.	Kielce	100%	Echo Investment S.A.
15 Echo - Galaxy Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
16 Echo – Galeria Amber Sp. z o.o.	Kielce	100%	Echo Investment S.A.
17 Echo – Galeria Amber Sp. z o.o. S.k.a	Kielce	100%	XXXIV FIZ Forum
18 Echo – Galeria Lublin Sp. z o.o.	Kielce	100%	Echo Investment S.A.
19 Echo – Kasztanowa Aleja Sp. z o.o.	Kielce	100%	Echo Investment S.A.
20 Echo – Kasztanowa Aleja Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
21 Echo – Klimt House Sp. z o.o.	Kielce	100%	Echo Investment S.A.
22 Echo – Klimt House Sp. z o.o. Sp. z kom.	Kielce	100%	Echo Investment S.A.
23 Echo – Nowy Mokotów Sp. z o.o.	Kielce	100%	Echo Investment S.A.
24 Echo – Nowy Mokotów Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
25 Echo – Opolska Business Park Sp. z o.o.	Kielce	100%	Echo Investment S.A.
26 Echo – Opolska Business Park Spółka z ograniczoną odpowiedzialnością S.k.a. (formerly: 47 – Grupa Echo Sp. z o.o. S.k.a.)	Kielce	100%	60 FIZ Forum
27 Echo - Park Rozwoju Sp. z o. o.	Kielce	100%	Echo Investment S.A.
28 Echo - Park Rozwoju Sp. z o.o. - S.k.a.	Kielce	100%	XXIX FIZ Forum
29 Echo – Pod Klonami Sp. z o.o.	Kielce	100%	Projekt Naramowice – Grupa Echo Sp. z o.o. S.k.a.
30 Echo – Pod Klonami Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
31 Echo – Project - Management Ingatlanhasznosito Kft.	Budapest	100%	Echo Investment S.A.
32 Echo - Property Poznań 1 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
33 Echo – Przy Słowiańskim Wzgórzu Sp. z o.o.	Kielce	100%	Echo Investment S.A.
34 Echo – Przy Słowiańskim Wzgórzu Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
35 Echo - SPV 7 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
36 Echo – West Gate Sp. z o. o.	Kielce	100%	Echo Investment S.A.



	COMPANY	REGISTERED OFFICE	% SHARE OF THE CAPITAL	PARENT COMPANY
37	Echo – West Gate Spółka z ograniczoną odpowiedzialnością S.k.a. (formerly: Projekt 3 – Grupa Echo Sp. z o.o. S.k.a.)	Kielce	100%	XXIX FIZ Forum
38	Echo Galeria Kielce – Magellan West Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
39	Echo Investment ACC - Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
40	Echo Investment Facility Management - Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
41	Echo Investment Hungary Ingatlanhasznosító Kft.	Budapest	100%	Echo Investment S.A.
42	Echo Investment Project 1 S.R.L.	Brasov	100%	Echo - Aurus Sp. z o.o.
43	Echo Investment Project Management S.R.L.	Brasov	100%	Echo Investment S.A.
44	Echo Investment Property Management - Grupa Echo Sp. z o. o. Sp. kom.	Kielce	100%	Echo Investment S.A.
45	Echo Investment Ukraine LLC	Kiev	100%	Echo Investment S.A.
46	Elmira Investments Sp. z o. o.	Kielce	100%	Echo Investment S.A.
47	Elmira Investments Sp. z o. o. S.k.a.	Kielce	100%	Echo Investment S.A.
48	El Project Cypr - 1 Ltd	Nicosia	100%	Echo Investment S.A.
49	Farrina Investments Sp. z o. o.	Kielce	100%	Echo Investment S.A.
50	Galaxy - Projekt Echo - 106 Sp. z o. o. S.k.a.	Szczecin	100%	XXXIV FIZ Forum
51	Galeria Nova - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
52	Galeria Olimpia – Projekt Echo – 98 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
53	Galeria Sudecka - Projekt Echo – 43 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
54	Galeria Tarnów – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
55	Grupa Echo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
56	Iris Capital Sp. z o. o.	Kielce	100%	Echo Investment S.A.
57	Malta Office Park - Projekt Echo - 96 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
58	Magellan West Sp. z o. o.	Kielce	100%	Echo Investment S.A.
59	Mena Investments Sp. z o. o.	Kielce	100%	Echo Investment S.A.
60	Metropolis - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
61	Oxygen - Projekt Echo - 95 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
62	Pamiętkowo Sp. z o.o.	Pamiętkowo	100%	Echo Investment S.A.
63	Park Postępu - Projekt Echo - 93 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
64	PHS – Projekt CS Sp. z o.o. S.k.a.	Szczecin	100%	60 FIZ Forum
65	PPR - Projekt Echo – 77 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
66	Princess Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
67	Projekt Babka Tower - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
68	Projekt Beethovena - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
69	Projekt CS Sp. z o.o.	Szczecin	100%	Echo Investment S.A.
70	Projekt Echo - 43 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
71	Projekt Echo 62 – Magellan West Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
72	Projekt Echo - 69 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
73	Projekt Echo - 70 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
74	Projekt Echo - 77 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
75	Projekt Echo - 93 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
76	Projekt Echo - 95 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
77	Projekt Echo - 96 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
78	Projekt Echo - 97 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
79	Projekt Echo - 98 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
80	Projekt Echo - 99 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
81	Projekt Echo - 99 Sp. z o.o. Sp. kom	Kielce	100%	Echo Investment S.A.

COMPANY	REGISTERED OFFICE	% SHARE OF THE CAPITAL	PARENT COMPANY
82 Projekt Echo - 101 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
83 Projekt Echo - 102 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
84 Projekt Echo - 103 Sp. z o.o.	Szczecin	100%	Echo Investment S.A.
85 Projekt Echo - 104 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
86 Projekt Echo - 105 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
87 Projekt Echo - 106 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
88 Projekt Echo - 107 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
89 Projekt Echo - 108 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
90 Projekt Echo - 109 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
91 Projekt Echo Galeria Kielce - Magellan West Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
92 Projekt Echo Pasaż Grunwaldzki - Magellan West Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
93 Projekt Naramowice – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
94 Projekt - Pamiątkowo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
95 Projekt Saska Sp. z o.o.	Kielce	95%	Echo Investment S.A.
96 Projekt 1 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
97 Projekt 4 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
98 Projekt 5 – Grupa Echo Sp. z o.o. S.k.a.	Szczecin	100%	60 FIZ Forum
99 Projekt 11 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
100 Projekt 12 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
101 Projekt 13 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
102 Projekt 14 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
103 Projekt 15 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
104 Projekt 16 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
105 Projekt 17 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
106 Projekt 18 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
107 Projekt 19 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
108 Projekt 20 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
109 Projekt 21 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
110 Projekt 22 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
111 SPV 1 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
112 Vasco Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
113 Veneda - Projekt Echo -97 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
114 Vousoka Ltd	Nicosia	100%	El Project Cypr - 1 Ltd
115 Vousoka Polska Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
116 Vousoka Polska Sp. z o.o. S.k.a.	Warsaw	100%	XXXIV FIZ Forum
117 Yevrobudgarant LLC	Kiev	100%	El Project Cypr - 1 Ltd
118 Zakład Ogrodniczy Naramowice – Pamiątkowo Sp. z o.o. S.k.a.	Pamiątkowo	100%	60 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 29 FIZ Forum, 34 FIZ Forum and 60 FIZ Forum are held by companies from the Echo Investment Capital Group.

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

##### I. In Q4 2014, the composition of the Echo Investment S.A. Capital Group expanded by 4 companies as a result of the following:

- On 18 November 2014, 100% interests were purchased in Magellan West Sp. z o.o., with its registered office in Kielce. The total purchase price was PLN 50,000.00. The company's share capital is PLN 50 thousand.
- On 3 December 2014, 100% interests were purchased in Vousoka Polska Sp. z o.o., with its registered office in Warsaw. The total purchase price was PLN 29,000.00. The company's share capital is PLN 5 thousand.
- On 3 December 2014, 100% shares were purchased in Vousoka Polska Spółka z ograniczoną odpowiedzialnością S.k.a., with its registered office in Warsaw. The total purchase price was PLN 50,000.00. The company's share capital is PLN 50 thousand.
- On 10 December 2014, 100% interests were purchased in Vousoka" Ltd., with its registered office in Nicosia. The total purchase price was EUR 1,000.00. The company's share capital is EUR 1 thousand.

##### II. Other changes in the companies of the Issuer's Capital Group in Q4 2014:

- Change of the business name of 47 - Grupa Echo Sp. z o.o. S.k.a. to Echo - Opolska Business Park Spółka z ograniczoną odpowiedzialnością S.k.a. (date of registration in the National Court Register: 22 December 2014);
- Change of the business name of Projekt 3 - Grupa Echo Sp. z o.o. S.k.a. to Echo - West Gate Spółka z ograniczoną odpowiedzialnością S.k.a. (date of registration in the National Court Register: 22 December 2014);
- Increase of the share capital in Barconsel Holdings Limited by Echo Investment S.A. and Echo - Aurus Sp. z o.o. (date of registration: 20 October 2014);
- Increase of the share capital in Projekt Echo - 101 Sp. z o.o. by Echo Investment S.A. (date of registration in the National Court Register: 20 October 2014);
- As a result of transactions as part of the Capital Group, the following stakes of shares were transferred to 60 FIZ Forum:
  1. 8,522,500 registered shares in Bełchatów - Grupa Echo Sp. z o.o. S.k.a.;
  2. 655,321 series B registered shares in PPR - Projekt Echo - 77 Sp. z o.o. S.k.a.;
  3. 13,691,000 series B registered shares in Echo Galeria Kielce - Magellan West Sp. z o.o. S.k.a.;
  4. 119,980,000 series B registered shares in Babka Tower - Projekt Echo - 93 Sp. z o.o. S.k.a.;
  5. 7,499,000 series B registered shares in Malta Office Park - Projekt Echo - 96 Sp. z o.o. S.k.a.;
  6. 49,999,500 series B registered shares in Echo - Opolska Business Park Spółka z ograniczoną odpowiedzialnością S.k.a.;
  7. 47,523,300 series B registered shares and 51,463,950 series C registered shares in 53 - Grupa Echo Sp. z o.o. S.k.a.;
  8. 20,049,500 series B registered shares in Projekt Beethovena - Grupa Echo Sp. z o.o. S.k.a.;
  9. 382,550,050 series B registered shares in Echo - Galaxy Sp. z o.o. S.k.a.;
  10. 76,655,350 series B registered shares in Galeria Tarnów - Grupa Echo Sp. z o.o. S.k.a.;
  11. 386,550,000 series B registered shares in Projekt Echo 62 - Magellan West Sp. z o.o. S.k.a.;
  12. 255,886,000 series B registered shares in Avatar - Projekt Echo - 93 Sp. z o.o. S.k.a.;
  13. 156,929,000 series B registered shares in Projekt Naramowice - Grupa Echo Sp. z o.o. S.k.a.;
  14. 53,282,750 series B registered shares in Park Postępu - Projekt Echo - 93 Sp. z o.o. S.k.a.;
  15. 100,499,900 series B registered shares in Metropolis - Grupa Echo Sp. z o.o. S.k.a.;
  16. 2,518,400 series B registered shares in PHS - Projekt CS Sp. z o.o. S.k.a.;
  17. 49,500 series B registered shares in SPV 1 - Grupa Echo Sp. z o.o. S.k.a.;
  18. 49,998 series B registered shares and 4,750,000 series C registered shares in Projekt 1 - Grupa Echo Sp. z o.o. S.k.a.;
  19. 49,998 series B registered shares in Projekt 5 - Grupa Echo Sp. z o.o. S.k.a.;
  20. 18,990,000 series B registered shares in Zakład Ogrodniczy Naramowice - Pamiątkowo Sp. z o.o. S.k.a.;
  21. 49,998 series B registered shares in Projekt 11 - Grupa Echo Sp. z o.o. S.k.a.;

22. 49,998 series B registered shares in Projekt 12 - Grupa Echo Sp. z o.o. S.k.a.;
  23. 49,998 series B registered shares in Projekt 13 - Grupa Echo Sp. z o.o. S.k.a.;
  24. 49,998 series B registered shares in Projekt 14 - Grupa Echo Sp. z o.o. S.k.a.;
  25. 9,619,950 series B registered shares in Oxygen – Projekt Echo – 95 Sp. z o.o. S.k.a.;
- As a result of transactions as part of the Capital Group, the following stakes of shares were transferred to XXIX FIZ Forum:
    1. 2,200,500 series B registered shares in A4 Business Park - Iris Capital Sp. z o.o. - S.k.a.;
    2. 49,998 series B registered shares, 1,000,000 series C registered shares and 950,000 series D registered shares in Echo – West Gate Spółka z ograniczoną odpowiedzialnością S.k.a.;
    3. 36,900,000 series B registered shares in Astra Park - Projekt Echo - 69 Sp. z o.o. S.k.a.;
  - As a result of transactions as part of the Capital Group, the following stakes of shares were transferred to XXXIV FIZ Forum:
    1. 75,673,000 series B registered shares in Echo – Centrum Przemysł - Projekt Echo – 93 Sp. z o.o. S.k.a.;
    2. 74,150,000 series B registered shares in Galeria Sudecka - Projekt Echo – 43 Sp. z o.o. S.k.a.;
    3. 24,999 series B registered shares in Projekt Echo Pasaż Grunwaldzki - Magellan West Sp. z o.o. S.k.a.;
    4. 24,999 series B registered shares in Projekt Echo Galeria Kielce - Magellan West Sp. z o.o. S.k.a.;
    5. 24,999 series B registered shares in Galaxy - Projekt Echo - 106 Sp. z o.o. S.k.a.;
  - As a result of transactions as part of the Capital Group, the following stakes of shares were transferred to Echo Investment S.A.:
    1. 3,498,000 series A registered shares in Galeria Nova – Grupa Echo Sp. z o.o. S.k.a.;
    2. 49,998 series B registered shares and 950,000 series C registered shares in Projekt 4 – Grupa Echo 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 qualifying holdings in Echo Investment SA**

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

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 24 FEBRUARY 2015

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
<b>MICHAŁ SOŁOWOW, indirectly through subsidiaries, including:</b>	189 361 930	45,88%	189 361 930	45,88%
FTF Columbus S.A.	171 477 880	41,55%	171 477 880	41,55%
Calgeron Investment Limited	17 884 050	4,33%	17 884 050	4,33%
AVIVA OFE AVIVA BZ WBK*	41 269 050	10,00%	41 269 050	10,00%
ING OFE*	35 241 541	8,54%	35 241 541	8,54%
PZU Złota Jesień OFE *	25 602 249	6,20%	25 602 249	6,20%

\*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 2014.

In the period between the publication of the last financial report, i.e. 13 November 2014, and the day of preparing this report, the Issuer received the following notifications about changes in the holding of shares by major shareholders:

On 18 December 2014, the Issuer received notifications from two subsidiaries of Mr Michał Sołowow, prepared according to Article 69 of the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading, and on public companies (complete text: Journal of Laws of 2013, item 1382) (later referred to as the

"Public Offering Act"), regarding a change in the holding of shares and the overall number of votes following transactions at the Warsaw Stock Exchange (WSE) concluded and settled on 15, 16, 17 and 18 December 2014.

1/ Notification from FTF Columbus S.A., with its registered office in Ul. Jerozolimskie 56C, 00-803, Warsaw, National Court Register (KRS) no. 0000441371, a subsidiary of Mr Michał Sołowow, about the purchase of 171,477,880 of the Issuer's shares and exceeding the 331/3% threshold in the overall number of votes at the General Shareholders' Meeting of Echo Investment S.A., as stipulated in Article 69 section 1 item 1 of the Public Offering Act;

2/ Notification from Barcocapital Investment Limited Agiou Pavlou 15, Ledra House, Agios Andreas 1105 Nicosia, Republic of Cyprus, a subsidiary of Mr Michał Sołowow, about the sale of 171,477,880 of the Issuer's shares and decreasing the shareholding below the 5% threshold in the overall number of votes at the General Shareholders' Meeting of Echo Investment S.A., as stipulated in Article 69 section 1 item 2 of the Public Offering Act.

#### **Notification 1, from FTF Columbus S.A. with its registered office in Warsaw**

"(...) We announce that, as a result of the purchase of the shares of Echo Investment S.A. (later referred to as the "Issuer") in WSE transactions concluded and settled on 15, 16, 17 and 18 December 2014, FTF Columbus S.A., with its registered office in Warsaw, registered under no. KRS 0000441371, a subsidiary of Mr Michał Sołowow, exceeded the 331/3% threshold in the overall number of votes at the General Shareholders' Meeting of Echo Investment S.A., as stipulated in Article 69 section 1 item 1 of the Public Offering Act.

As of the day of preparing this notification, FTF Columbus S.A. holds 171,477,880 of the Issuer's shares, accounting for 41.55% of the share capital, and is entitled to 171,477,880 votes at the Issuer's general shareholders' meeting, representing 41.55% of the overall number of votes.

Prior to the settlement of the said transactions, FTF Columbus S.A. did not hold any of the Issuer's shares.

There are no subsidiaries of the notifying shareholder who hold the Issuer's shares.

There are no persons referred to in Article 87 section 1 item 3 letter c of the Public Offering Act".

#### **Notification 2, from Barcocapital Investment Limited with its registered office in Nicosia, Cyprus**

"(...) I announce that, as a result of the sale of the shares of Echo Investment S.A. (later referred to as the "Issuer") in WSE transactions concluded and settled on 15, 16, 17 and 18 December 2014, Barcocapital Investment Limited, a subsidiary of Mr Michał Sołowow, decreased its shareholding below the 5% threshold in the overall number of votes at the General Shareholders' Meeting of Echo Investment S.A., as stipulated in Article 69 section 1 item 2 of the Public Offering Act.

As of the date of this notification, Barcocapital Investment Limited does not hold any of the Issuer's shares.

Prior to the said transactions, Barcocapital Investment Limited held 171,477,880 of the Company's shares, accounting for 41.55% of the share capital, and was entitled to 171,477,880 votes at the Company's general shareholders' meeting, representing 41.55% of the overall number of votes.

There are no subsidiaries of the notifying shareholder who hold the company's shares.

There are no persons referred to in Article 87 section 1 item 3 letter c of the Public Offering Act".

#### **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, following 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**

<b>MANAGERIAL STAFF</b>	<b>24.02.2015</b>	<b>12.11.2014</b>
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**

<b>SUPERVISORY STAFF</b>	<b>24.02.2015</b>	<b>12.11.2014</b>
Wojciech Ciesielski – Chairman of the Supervisory Board	745,999 shares	900,000 shares
Andrzej Majcher – Vice-Chairman of the Supervisory Board	no shares	no shares
Mariusz Waniotka – Vice-Chairman of the Supervisory Board	no shares	no shares
Karol Żbikowski – Member of the Supervisory Board	no shares	no shares
Robert Oskard – Member of the Supervisory Board	no shares	no shares

In the period between the publication of the last financial report, i.e. 13 November 2014, and the day of publishing this report, the Issuer received notifications from supervisory staff regarding a change in the holding of the Issuer's shares:

On 18 December 2014, the Issuer received notifications from three members of the Issuer's Supervisory Board regarding the purchase of the Issuer's shares by a related party, FTF Columbus S.A., with its registered office in Warsaw, National Court Register (KRS) no. 0000441371, a subsidiary of Mr Michał Sołowow.

FTF Columbus S.A. purchased the Issuer's shares as a result of the following block transactions at the Warsaw Stock Exchange:

1/ On 15 December 2014, the total volume of the purchased shares was 42,000,000, at a price of PLN 6.83 per share;

2/ On 16 December 2014, the total volume of the purchased shares was 42,000,000, at a price of PLN 6.86 per share;

3/ On 17 December 2014, the total volume of the purchased shares was 42,000,000, at a price of PLN 6.85 per share;

4/ On 18 December 2014, the total volume of the purchased shares was 45,477,880, at a price of PLN 6.93 per share.

The notifying parties requested that their personal data be kept confidential pursuant to §3 section 2 of the Ordinance of the Minister of Finance of 25 November 2005 on communicating and releasing information on certain transactions on financial instruments and principles of collecting and managing the list of persons having access to certain confidential information.

On 16 January 2015, the Issuer received a notification from a Supervisory Board Member, signed on 16 January 2015, regarding his sale of 154,001 shares of Echo Investment S.A.

The shares were sold in transactions during ordinary trading sessions at the regulated market of the Warsaw Stock Exchange:

- On 12.01.2015, the total volume of the sold shares was 15,425, at an average price of PLN 6.82.

- On 13.01.2015, the total volume of the sold shares was 138,576, at a price of PLN 6.65.

The notifying party requested that their personal data be kept confidential pursuant to §3 section 2 of the Ordinance of the Minister of Finance of 25 November 2005 on communicating and releasing information on certain transactions on financial instruments and principles of collecting and managing the list of persons having access to certain confidential information.

#### **6.18. Information on court proceedings**

In the period from 1 January to 31 December 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 Q4 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 Q4 2014, Echo Investment S.A. issued one guarantee whose value exceeded 10% of the Company's equity to non-related parties.

In Q4 2014, Projekt Echo Galeria Kielce - Magellan West spółka z ograniczoną odpowiedzialnością - SKA (the Issuer's subsidiary) issued two guarantees whose value exceeded 10% of the Company's equity to non-related parties.

See also item 6.12.

**6.21. Other information which, in the opinion of the Management Board of Echo Investment S.A., is material to assess the company's HR, economic and financial situation, and the financial result, as well as information which is material for the assessment of the Echo Investment Capital Group's ability to fulfil its obligations**

**Nowy Mokotów – stage II of investment**

Echo Investment started the construction of part II of the residential complex Nowy Mokotów in the Warsaw district of Mokotów.

Nowy Mokotów is a residential complex located in Konstruktorska Street and Suwak Street in Dolny Mokotów, which is currently the city's largest office district. The architectural design was created by Kuryłowicz & Associates, a renowned design studio.

The first part of New Mokotów, which has already been commissioned to use, includes 200 apartments, of which only 11 are currently available. The second part of the facility in Konstruktorska Street will include six buildings with 3 to 9 floors.

In the buildings, 206 apartments with an area of 29 to 121 sq. m have been designed. The next stage of the investment is only a halfway point. The whole residential district will be built in 4 stages and include 800 apartments.

Nowy Mokotów is one of Echo Investment's largest and most prestigious residential developments as of late. The development has been distinguished during this year's CIJ Awards 2014 with the title Residential Affordable Development of the Year.

**Deloitte's new office in Q22 office building**

Deloitte, a global leader of the consulting industry, has leased an area of 11,000 sq. m in Q22 office building, which is being built by Echo Investment at the junction of Jana Pawła II Street and Grzybowska Street in Warsaw.

Deloitte's Polish branch, representing the world's largest auditing, consulting, risk management, finance and tax consulting company, has leased 11,000 sq. m in Q22, a 155 m high modern office building in the business centre of Warsaw at the junction of Jana Pawła II Street and Grzybowska Street, with more than 50,000 sq. m of office space for lease.

In the ground floor, there will be a representative glazed lobby. In floors 2 to 14 and 18 to 39, there will be office space, and floors 14 to 17 will offer special purpose facilities, such as a conference centre, a fitness club and a restaurant. A five-floor below-grade car park will offer a total of 348 parking places.

**Nobilis Business House – a new investment in Wrocław**

Echo Investment has started a new office development in the capital of Lower Silesia. Nobilis Business House, a modern category A building, will be erected near Pasaż Grunwaldzki, at the junction of Marii Curie-Skłodowskiej Street and Mikołaja Reja Street.

Nobilis Business House offers 16,000 sq. m of modern office space. The investment will also include a single-floor below-grade car park. The office users will be able to use an access control system, a fast lift, energy-efficient air conditioning and ventilation systems, an air humidity control system and a friendly lighting system.

**Nokia Networks in West Gate office building**

Nokia Networks, a global specialist in mobile network broadband transmission, leased 14,000 sq. m of office space in West Gate, an office building built by Echo Investment in Lotnicza Street in Wrocław. In addition to office facilities, the new location will include an R&D lab.

This will be the fourth location of the European Software and Engineering Centre of Nokia Networks in Wrocław and the third lab conducting tests and research into telecommunication technologies. The lab will be outfitted with state-of-the-art equipment, such as test simulators, base station prototypes, signal imaging oscilloscopes and next-generation radio signal spectrum analysers.

West Gate is a modern category A building with 16,200 sq. m of office space. The investment is located in the area of Lotnicza, Na Ostatnim Groszu and Legnicka Streets. The architectural design for West Gate was created by the design studio Arcad from Kielce. The L-shaped building comprises six above-grade floors (office space) and two below-grade floors (car park).

**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 II 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:
  - Dyminy near Kielce: Osiedle Południowe,
- posting of revenues from the concluded final agreements for the sale of plots in:
  - Maśków 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,
    - West Gate office building in Wrocław,
    - A4 Business Park office building, stage II, in Katowice,
    - Park Rozwoju office building, stage II, in Warsaw,
- 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 and interest rate 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 DECEMBER 2014 AND FOR A 12-MONTH PERIOD ENDED ON 31 DECEMBER 2014

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

	31.12.2014	31.12.2013
<b>ASSETS</b>		
<b>1. Non-current assets</b>		
1.1. Intangible assets	472	813
1.2. Property, plant and equipment	7 247	36 505
1.3. Investment property	2 903	3 172
1.4. Investments in subsidiaries, jointly-controlled entities and associates	867 470	925 441
1.5. Long-term financial assets	13 915	14 090
1.6. Borrowings granted	156 987	32
1.7. Deferred income tax assets	23 648	11 452
	<b>1 072 642</b>	<b>991 505</b>
<b>2. Current assets</b>		
2.1. Inventory	348 024	266 624
2.2. Income tax receivables	-	3 376
2.3. Other tax receivables	-	-
2.4. Trade and other receivables	73 810	59 186
2.5. Borrowings granted	128 783	208 128
2.6. Restricted cash	2 372	40
2.7. Cash and cash equivalents	56 710	9 897
	<b>609 699</b>	<b>547 251</b>
<b>Total assets</b>	<b>1 682 341</b>	<b>1 538 756</b>

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

	31.12.2014	31.12.2013
Equity and liabilities		
<b>1. Equity</b>		
1.1. Share capital	20 635	20 635
1.2. Supplementary capital	635 536	574 873
1.3. Equity shares	-	-
1.4. Net profit	24 330	60 663
	<b>680 501</b>	<b>656 171</b>
<b>2. Provisions</b>		
2.1. Short-term provisions	2 000	2 000
	<b>2 000</b>	<b>2 000</b>
<b>3. Long-term liabilities</b>		
3.1. Loans, borrowings and bonds	758 101	509 110
3.2. Security deposits and advance payments received	866	1 521
	<b>758 967</b>	<b>510 631</b>
<b>4. Short-term liabilities</b>		
4.1. Loans, borrowings and bonds	186 715	334 191
4.2. Income tax liabilities	8 187	2
4.3. Other tax liabilities	1 209	2 573
4.4. Trade liabilities	18 649	12 335
4.5. Security deposits and advance payments received	18 947	16 870
4.6. Other liabilities	7 166	3 983
	<b>240 873</b>	<b>369 954</b>
<b>Total equity and liabilities</b>	<b>1 682 341</b>	<b>1 538 756</b>
<b>BOOK VALUE (PLN '000)</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
Book value	680 501	656 171
Number of shares	412 690 582	412 690 582
Book value per share (in PLN)	1,65	1,59
<b>OFF-BALANCE SHEET LIABILITIES (PLN '000)</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
1. Off-balance sheet receivables	-	-
2. Off-balance sheet liabilities	698 713	564 027
<b>Total off-balance sheet items</b>	<b>698 713</b>	<b>564 027</b>

PROFIT AND LOSS ACCOUNT (PLN '000)	Q4	4 QUARTERS	Q4	4 QUARTERS
	01.10.2014 - 31.12.2014	01.01.2014 - 31.12.2014	01.10.2013 - 31.12.2013	01.01.2013 - 31.12.2013
Revenue	64 859	211 616	69 430	249 261
Cost of goods sold	(30 120)	(82 357)	(40 627)	(147 186)
<b>Gross profit (loss) on sales</b>	<b>34 739</b>	<b>129 259</b>	<b>28 803</b>	<b>102 075</b>
Profit (loss) on investment property	34	(269)	(347)	(580)
Selling costs	(6 725)	(24 883)	(5 571)	(23 086)
General administrative expenses	(13 835)	(49 503)	(10 854)	(39 744)
Other operating revenue	30 173	127 696	45 102	77 859
Other operating expenses	(921)	(7 660)	(918)	(1 473)
<b>Profit before tax and excluding financial revenue/expenses</b>	<b>43 465</b>	<b>174 640</b>	<b>56 215</b>	<b>115 051</b>
Financial revenue	(160)	1 833	(2 466)	29
Financial expenses	(113 182)	(154 108)	(9 756)	(52 191)
<b>Gross profit</b>	<b>(69 877)</b>	<b>22 365</b>	<b>43 993</b>	<b>62 889</b>
Income tax	5 650	1 965	(64)	(2 226)
<b>Net profit</b>	<b>(64 227)</b>	<b>24 330</b>	<b>43 929</b>	<b>60 663</b>
(Annualised) net profit		24 330		60 663
Average weighted ordinary shares		412 690 582		412 690 582
Earnings per ordinary share (in PLN)		0,06		0,15
Average weighted diluted ordinary shares		412 690 582		412 690 582
Diluted earnings (loss) per ordinary share (in PLN)		0,06		0,15

STATEMENT OF CHANGES IN EQUITY (PLN '000)	SHARE CAPITAL	SUPPLEMENTARY CAPITAL	EQUITY SHARES	ACCUMULATED NET PROFIT (LOSS)	TOTAL EQUITY
<b>4 quarters (current year), from 1 January 2014 to 31 December 2014</b>					
<b>Opening balance after adjustment to comparative data</b>	20 635	574 873	-	60 663	656 171 -
Changes in the period:					
Equity shares	-	-	-	-	-
Allocation of result from previous years	-	60 663	-	(60 663)	-
Net profit (loss) for the period	-	-	-	24 330	24 330
Total changes	-	60 663	-	(36 333)	24 330
<b>Closing balance</b>	<b>20 635</b>	<b>635 536</b>	<b>-</b>	<b>24 330</b>	<b>680 501</b>
<b>For previous year, from 01.01.2013 to 31.12.2013</b>					
<b>Opening balance after adjustment to comparative data</b>	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
<b>Closing balance</b>	<b>20 635</b>	<b>574 873</b>	<b>-</b>	<b>60 663</b>	<b>656 171</b>

CASH FLOW STATEMENT (PLN '000)	4 QUARTERS	4 QUARTERS
	FROM 01.01.2014 TO 31.12.2014	FROM 01.01.2013 TO 31.12.2013
<b>A. Operating cash flow – indirect method</b>		
IV. Gross profit	22 365	62 889
V. Adjustments:	12 088	(17 351)
10. Depreciation/amortisation	3 231	3 782
11. Foreign exchange (gains) losses	-	-
12. Interest and profit sharing (dividends)	(91 032)	(18 992)
13. (Profit) loss on revaluation of assets and liabilities	99 889	(2 141)
VI. Movements in working capital	(53 574)	7 516
14. Movement in provisions	-	(498)
15. Movement in inventory	(82 014)	35 037
16. Movement in receivables	18 240	(5 566)
17. Movement in short-term liabilities, excluding loans and borrowings	10 200	(21 457)
18. Other adjustments	-	-
VII. Net operating cash (I+/-II +/- III)	(19 121)	53 054
VIII. Income tax paid	1 330	(5 319)
IX. Net operating cash flow (IV+/-V)	(17 791)	47 735
<b>B. Cash flow from investing activities</b>		
X. Proceeds	614 889	639 834
19. Sale of intangible assets, and property, plant and equipment	6 348	72
20. Sale of real property investments	-	145
21. On financial assets	608 432	639 617
22. Other investment proceeds	109	-
XI. Expenditures	(590 272)	(470 216)
23. Purchase of intangible assets and PP&E	(2 239)	(25 103)
24. Real property investments	-	435
25. On financial assets	(588 033)	(445 494)
26. Other capital expenditures	-	(54)
XII. Net cash flow from investing activities (I-II)	24 617	169 618

CASH FLOW STATEMENT (PLN '000)	4 QUARTERS	4 QUARTERS
	FROM 01.01.2014 TO 31.12.2014	FROM 01.01.2013 TO 31.12.2013
<b>C. Cash flow from financing activities</b>		
<b>XIII. Proceeds</b>	<b>396 301</b>	<b>313 686</b>
27. Net proceeds from issue of shares (interests) and other equity instruments and capital contributions	-	-
28. Loans and borrowings	25 801	930
29. Issue of debt securities	370 500	312 756
30. Other financial proceeds	-	-
<b>XIV. Expenditures</b>	<b>(353 982)</b>	<b>(524 119)</b>
31. Purchase of equity shares (interests)	-	(33 696)
32. Dividends and other payments to equity holders	-	-
33. Profit share expenses, other than payments to equity holders	-	-
34. Repayment of loans and borrowings	-	(112 430)
35. Redemption of debt securities	(300 000)	(320 000)
36. Interest	(53 982)	(57 993)
<b>XV. Net cash flow from financing activities (I-II)</b>	<b>42 319</b>	<b>(210 433)</b>
<b>D. Total net cash flow (A.VI+/-B.III+/-C.III )</b>	<b>49 145</b>	<b>6 920</b>
E. Movement in cash in the statement of financial position, including:	49 145	6 920
- movement in cash due to foreign exchange gains/losses	-	-
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>9 937</b>	<b>3 017</b>
<b>G. Cash and cash equivalents at the end of the period (F+/-D)</b>	<b>59 082</b>	<b>9 937</b>
- restricted cash	2 372	40

Kielce, 24 February 2015

**Company's representatives:**

President of the  
Management Board

Piotr Gromniak

Vice-President of the  
Management Board

Artur Langner

Vice-President of the  
Management Board

Waldemar Lesiak

**Person responsible for keeping the  
accounting books:**

Chief Accountant

Tomasz Sułek

**ECHO**  
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