



# CONSOLIDATED QUARTERLY REPORT OF THE ECHO INVESTMENT CAPITAL GROUP FOR Q1, 2015

**ECHO**  
investment

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## I. SELECTED CONSOLIDATED FINANCIAL DETAILS

	in thousand PLN		in thousand EUR	
	FROM 01.01.2015 TO 31.03.2015	FROM 01.01.2014 TO 31.03.2014	FROM 01.01.2015 TO 31.03.2015	FROM 01.01.2014 TO 31.03.2014
I. Operating revenues	142,655	111,843	34,384	26,699
II. Operating profit (loss)	(69,794)	490,148	(16,822)	117,006
III. Gross profit (loss)	5,672	444,556	1,367	106,122
IV. Net profit (loss)	7,110	408,342	1,714	97,477
V. Net cash flows from operating activities	40,467	187,552	9,754	44,771
VI. Net cash flows from investment activities	(157,035)	18,934	(37,850)	4,520
VII. Net cash flows from financial activities	86,832	148,549	20,929	35,461
VIII. Net cash flows total	(29,736)	355,035	(7,167)	84,752
IX. Total assets	6,687,079	6,551,370	1,635,382	1,570,582
X. Equity attributable to the parent company's shareholders	3,163,327	3,160,068	773,619	757,574
XI. Non-current liabilities	2,892,615	2,330,544	707,414	558,709
XII. Current liabilities	552,885	991,232	135,213	237,631
XIII. Number of shares	412,690,582	412,690,582	412,690,582	412,690,582
XIV. Earnings per ordinary share (in PLN/EUR)	0.01	0.99	0.00	0.24
XV. Book value per share (in PLN / EUR)	7.67	7.66	1.87	1.84

## II. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS OF THE CAPITAL GROUP AS OF AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2015

### 1. CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION

CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION - ASSETS [THOUSAND PLN]

	BALANCE AS OF 31.03.2015 END OF QUARTER	BALANCE AS OF 31.12.2014 END OF THE PREVIOUS YEAR	BALANCE AS OF 31.03.2014 END OF QUARTER
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
1.1. Intangible assets	353	473	704
1.2. Property, plant and equipment	45,430	46,299	75,309
1.3. Investment property	4,026,709	4,095,783	3,922,910
1.4. Investment property under construction	1,394,544	1,290,364	965,873
1.5. Shares in entities recognised using the equity method	5,116	13,557	17,930
1.6. Long-term financial assets	12,929	13,068	58,717
1.7. Derivatives	-	2,645	640
1.8. Deferred income tax assets	65,654	62,045	44,606
	<b>5,550,735</b>	<b>5,524,234</b>	<b>5,086,689</b>
<b>2. Current assets</b>			
2.1. Inventories	585,887	599,313	514,922
2.2. Income tax receivables	9,442	6,252	8,238
2.3. Other tax receivables	40,302	43,462	81,259
2.4. Trade and other receivables	65,708	55,258	76,098
2.5. Short-term financial assets	27,279	25,034	19,622
2.6. Derivatives	24,414	3,118	6,258
2.7. Restricted cash	57,187	54,482	60,760
2.8. Cash and cash equivalents	326,125	362,718	697,524
	<b>1,136,344</b>	<b>1,149,637</b>	<b>1,464,681</b>
<b>TOTAL ASSETS</b>	<b>6,687,079</b>	<b>6,673,871</b>	<b>6,551,370</b>

## CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES [THOUSAND PLN]

	BALANCE AS OF 31.03.2015 END OF QUARTER	BALANCE AS OF 31.12.2014 END OF THE PREVIOUS YEAR	BALANCE AS OF 31.03.2014 END OF QUARTER
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
1.1. Equity attributable to the parent company's shareholders	3,163,327	3,160,368	3,160,068
1.1.1. Share capital	20,635	20,635	20,635
1.1.2. Supplementary capital	2,742,257	2,742,257	2,411,154
1.1.3. Accumulated profit (loss)	412,259	405,149	739,445
1.1.4. Foreign exchange differences from conversion of foreign subsidiaries	(11,824)	(7,673)	(11,166)
1.2. Equity of non-controlling interests	(90)	(89)	125
	<b>3,163,237</b>	<b>3,160,279</b>	<b>3,160,193</b>
<b>2. Provisions</b>			
2.1. Long-term provisions	-	-	-
2.2. Short-term provisions	2,000	2,000	2,000
2.3. Deferred income tax provision – long term	76,342	77,053	67,401
	<b>78,342</b>	<b>79,053</b>	<b>69,401</b>
<b>3. Non-current liabilities</b>			
3.1. Loans and borrowings	2,681,628	2,824,793	2,207,726
3.2. Derivatives	2,320	4,316	1,307
3.3. Security deposits and prepayments received	48,830	46,559	46,496
3.4. Leasing obligations (perpetual usufruct of land)	159,837	117,485	75,015
	<b>2,892,615</b>	<b>2,993,153</b>	<b>2,330,544</b>
<b>4. Current liabilities</b>			
4.1. Loans and borrowings	379,190	245,886	570,232
4.2. Derivatives	41	7,451	-
4.3. Income tax liabilities	1,502	12,303	640
4.4. Other tax liabilities	17,286	2,526	222,359
4.5. Trade liabilities	76,538	92,919	99,717
4.6. Other liabilities	5,451	8,490	13,379
4.7. Security deposits and prepayments received	72,877	71,811	84,905
	<b>552,885</b>	<b>441,386</b>	<b>991,232</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,687,079</b>	<b>6,673,871</b>	<b>6,551,370</b>
Book value (in thousand PLN)	3,163,327	3,160,368	3,160,068
Number of shares	412,690,582	412,690,582	412,690,582
Book value per share (in PLN)	7.67	7.66	7.66
Diluted number of shares	412,690,582	412,690,582	412,690,582
Diluted book value per share (in PLN)	7.67	7.66	7.66
<b>OFF-BALANCE SHEET ITEMS [IN THOUSAND PLN]</b>			
	BALANCE AS OF 31.03.2015 END OF QUARTER	BALANCE AS OF 31.12.2014 END OF THE PREVIOUS YEAR	BALANCE AS OF 31.03.2014 END OF QUARTER
1. Off-balance sheet receivables	-	-	-
2. Off-balance-sheet liabilities	74,658	77,631	54,290

## 2. CONSOLIDATED QUARTERLY INCOME STATEMENT

### CONSOLIDATED QUARTERLY INCOME STATEMENT [THOUSAND PLN]

	I QUARTER PERIOD 01.01.2015 - 31.03.2015	1 QUARTER PERIOD 01.01.2015 - 31.03.2015	I QUARTER PERIOD 01.01.2014 - 31.03.2014	1 QUARTER PERIOD 01.01.2014 - 31.03.2014
Revenues	142,655	142,655	111,843	111,843
Cost of goods sold	(65,591)	(65,591)	(45,882)	(45,882)
<b>Gross profit (loss) on sales</b>	<b>77,064</b>	<b>77,064</b>	<b>65,961</b>	<b>65,961</b>
Profit (loss) on investment property	*(124,664)	*(124,664)	444,895	444,895
Selling costs	(6,260)	(6,260)	(7,287)	(7,287)
General and administrative expenses	(17,569)	(17,569)	(14,518)	(14,518)
Other operating revenues (costs)	1,635	1,635	1,097	1,097
<b>Operating profit</b>	<b>(69,794)</b>	<b>(69,794)</b>	<b>490,148</b>	<b>490,148</b>
Financial revenues	4,565	4,565	2,896	2,896
Financial costs	(40,662)	(40,662)	(37,778)	(37,778)
Profit (loss) on currency derivatives	30,122	30,122	(1,631)	(1,631)
Gains (losses) from foreign exchange differences	89,882	89,882	(10,143)	(10,143)
Share in (profit) loss of entities recognised using the equity method	(8,441)	(8,441)	1,064	1,064
<b>Gross profit (loss)</b>	<b>5,672</b>	<b>5,672</b>	<b>444,556</b>	<b>444,556</b>
Income tax	1,437	1,437	(36,106)	(36,106)
<b>Net profit (loss), of which:</b>	<b>7,109</b>	<b>7,109</b>	<b>408,450</b>	<b>408,450</b>
Profit (loss) attributable to non-controlling interests	(1)	(1)	108	108
Profit (loss) attributable to the parent company's shareholders	7,110	7,110	408,342	408,342
Net profit (loss) (annualised)		3,917		408,342
Average weighted ordinary shares		412,690,582		412,690,582
Profit (loss) annualised per ordinary share (in PLN)		0.01		0.99

\* negative change of the item: profit (loss) on investment property (a change of the fair value of the portfolio of properties for lease) was caused by the strengthening of the PLN against the EUR (from 4.2623 to 4.0890)

## 3. CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME

### CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME [THOUSAND PLN]

	I QUARTER PERIOD 01.01.2015 - 31.03.2015	1 QUARTER PERIOD 01.01.2015 - 31.03.2015	I QUARTER PERIOD 01.01.2014 - 31.03.2014	1 QUARTER PERIOD 01.01.2014 - 31.03.2014
<b>Net profit (loss)</b>	<b>7,109</b>	<b>7,109</b>	<b>408,450</b>	<b>408,450</b>
<b>Other comprehensive income:</b>				
- foreign exchange differences from conversion of foreign operations	(4,151)	(4,151)	(13,712)	(13,712)
	<b>(4,151)</b>	<b>(4,151)</b>	<b>(13,712)</b>	<b>(13,712)</b>
<b>Comprehensive income for the period, of which:</b>	<b>2,958</b>	<b>2,958</b>	<b>394,738</b>	<b>394,738</b>
Comprehensive income attributable to the parent company's shareholders	2,959	2,959	394,630	394,630
Comprehensive income of minority shareholders	(1)	(1)	108	108

## 4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY [THOUSAND PLN]

	SHARE CAPITAL	SUPPLEMENTARY CAPITAL	TREASURY SHARES PURCHASED	ACCUMULATED PROFIT (LOSS)	Foreign exchange gains/losses on translation	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS	EQUITY OF NON-CONTROLLING INTERESTS	EQUITY
<b>1 QUARTER FROM 01.01.2015 TO 31.03.2015 (CURRENT YEAR)</b>								
<b>Opening balance</b>	<b>20,635</b>	<b>2,742,257</b>	-	<b>405,149</b>	<b>(7,673)</b>	<b>3,160,368</b>	<b>(89)</b>	<b>3,160,279</b>
Distribution of profit from previous years	-	-	-	-	-	-	-	-
Other comprehensive net income	-	-	-	-	(4,151)	(4,151)	-	(4,151)
Net profit (loss) for the period	-	-	-	7,110	-	7,110	(1)	7,109
<b>Closing balance</b>	<b>20,635</b>	<b>2,742,257</b>	-	<b>412,259</b>	<b>(11,824)</b>	<b>3,163,327</b>	<b>(90)</b>	<b>3,163,237</b>
<b>1 QUARTER FROM 01.01.2014 TO 31.03.2014 (PREVIOUS 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>
Distribution of profit from previous years	-	-	-	-	-	-	-	-
Other comprehensive net income	-	-	-	-	(13,712)	(13,712)	-	(13,712)
Net profit (loss) for the period	-	-	-	408,342	-	408,342	108	408,450
<b>Closing balance</b>	<b>20,635</b>	<b>2,411,154</b>	-	<b>739,445</b>	<b>(11,166)</b>	<b>3,160,068</b>	<b>125</b>	<b>3,160,193</b>

## 5. INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED QUARTERLY STATEMENT OF CASH FLOWS [THOUSAND PLN]

	1 QUARTER PERIOD 01.01.2015 - 31.03.2015	1 QUARTER PERIOD 01.01.2014 - 31.03.2014
<b>A. Cash flows from operating activities – indirect method</b>		
<b>I. Gross profit (loss)</b>	<b>5,672</b>	<b>444,556</b>
<b>II. Total adjustments</b>	<b>47,961</b>	<b>(401,093)</b>
1. Share in net (profit) loss of associated units	8,441	(1,064)
2. Depreciation of fixed assets	1,230	1,223
3. Foreign exchange (gains) losses	(89,882)	10,143
4. Interest	34,290	32,086
5. (Profit) loss on revaluation of assets and liabilities	98,564	(442,787)
6. (Profit) loss on putting financial instruments into effect	(4,682)	(694)
<b>III. Changes in working capital:</b>	<b>3,708</b>	<b>151,201</b>
1. Change in provisions	-	-
2. Change in inventories	13,758	(14,850)
3. Movement in receivables	(7,232)	407,001
4. Change in short-term liabilities, except for loans and borrowings	(2,818)	(240,950)
<b>IV. Net cash generated from operating activities (I+II+III)</b>	<b>57,341</b>	<b>194,664</b>
1. Income tax paid	(16,874)	(7,112)
<b>V. Net cash flows from operating activities</b>	<b>40,467</b>	<b>187,552</b>
<b>B. Cash flows from investment activities</b>		
<b>I. Inflows</b>	<b>1,701</b>	<b>118,920</b>
1. Sales of intangible assets and tangible fixed assets	-	78
2. Disposal of investments in property	-	96,179
3. From financial assets	1,701	22,663
4. Other investment inflows	-	-
<b>II. Outflows</b>	<b>(116,172)</b>	<b>(99,986)</b>
1. Acquisition of intangible and tangible fixed assets	(242)	(1,094)
2. Investments in property	(110,673)	(95,515)
3. On financial assets	(5,257)	(3,377)
4. Dividends and other profit sharing paid to minority shareholders	-	-
5. Other investment outflows	-	-
<b>III. Net cash flow from investment activities (I-II)</b>	<b>(114,471)</b>	<b>18,934</b>



## CONSOLIDATED QUARTERLY STATEMENT OF CASH FLOWS CONT. [THOUSAND PLN]

	1 QUARTER PERIOD 01.01.2015 - 31.03.2015	1 QUARTER PERIOD 01.01.2014 - 31.03.2014
<b>C. Statement of cash flows from financial activities</b>		
<b>I. Inflows</b>	<b>104,609</b>	<b>635,906</b>
1. Net inflows from the issue of shares and other equity instruments and additional equity contributions:	-	-
2. Loans and borrowings	99,927	535,212
3. Issue of debt securities	-	100,000
4. Dividends received from entities recognised using the equity method	-	-
5. Other financial inflows	4,682	694
<b>II. Outflows</b>	<b>(60,341)</b>	<b>(487,357)</b>
1. Purchase of treasury shares	-	-
2. Dividends and other payments to shareholders	-	-
3. Profit distribution expenses other than payments to shareholders	-	-
4. Repayments of loans and borrowings	(22,004)	(458,900)
5. Redemption of debt securities	-	-
6. Outflows on foreign currency derivatives	-	-
7. Payments under financial lease contracts	(213)	(17)
8. Interest	(38,124)	(28,440)
9. Other financial outflows	-	-
<b>III. Net cash flows from financial activities (I-II)</b>	<b>44,268</b>	<b>148,549</b>
<b>D. Total net cash flows (A.III+/-B.III+/-C.III)</b>	<b>(29,736)</b>	<b>355,035</b>
<b>E. Change of cash in the consolidated statement of financial position, of which:</b>	<b>(33,888)</b>	<b>341,322</b>
- change in cash from foreign exchange differences	(4,152)	(13,713)
<b>F. Opening balance of cash and cash equivalents</b>	<b>417,200</b>	<b>416,962</b>
<b>G. Closing balance of cash (F+/- D), of which:</b>	<b>383,312</b>	<b>758,284</b>
- restricted cash	57,187	60,760

## 6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

### 6.1. Basic information

The Echo Investment Capital Group (the Capital Group, the Group) has been active on the property market since 1996. The parent company of the Group is Echo Investment S.A. (Echo, the Issuer, the Company) listed on the Warsaw Stock Exchange.

Echo organises the entire investment process for a given project, from purchasing property, through obtaining administrative decisions, financing, oversight of construction to putting a project into service. It conducts these activities on its own behalf or, as it is in most cases, by providing services for a subsidiary specially established for this purpose. The implementation of development projects through subsidiaries greatly simplifies the organisation of implemented processes and ensures transparency in the structure of the Group. These entities carry out business activities principally in the scope of leasing commercial space (shopping and entertainment centres, offices), construction and sales of apartments as well as property management services. The Company also provides general contractor services for external investors.

The core business of the Capital Group is divided into three segments:

- construction and lease of space in office buildings,
- construction and lease of space in shopping and entertainment centres,
- construction and sales of residential units.

The Capital Group is engaged in business activities in Poland, Hungary, Romania and the Ukraine.

As of 31 December 2014 and 31 December 2013 the Capital Group employed 363 and 369 people respectively.

The Company's shares have been listed on the Warsaw Stock Exchange since March 1996. The number of the Issuer's shares is 412,690,582 ordinary bearer shares. The total number of votes resulting from all the Company's shares issued is 412,690,582

### 6.2. Rules adopted in the preparation of the quarterly report

The condensed interim consolidated financial statements of the Echo Investment Capital Group have been prepared in line with IAS 34 "Interim Financial Reporting" adopted for application in the European Union.

The condensed interim consolidated financial statements of the Group present consolidated financial data as of 31 March 2015 and for the three-month period ended 31 March 2015, comparative data for the three-month period ended 31 March 2014 with respect to the income statement, the statement of changes in equity and the statement of cash flows as well as comparative data as of 31 December 2014 and as of 31 March 2014 in the case of the statement of financial position. Unless noted otherwise, all financial data in the condensed consolidated financial statements of the Group are presented in PLN.

These financial statements need to be analysed in conjunction with the annual consolidated financial statements for the financial year ended 31 December 2014 prepared in line with the IFRS adopted for application in the EU.

These financial statements were prepared on the historical cost basis except for investment property and financial instruments measured at fair value. The statements were prepared on the assumption of continuing business operations for the foreseeable future, bearing in mind that there are no circumstances indicating a threat to the continuation of activity.

The Management Board of the Company has used its best judgment regarding the application of standards and interpretations, as well as the methods and principles of measurement of individual items of the condensed consolidated financial statements.

The accounting policy principles applied for the preparation of these condensed interim financial statements are in line with the principles applied in the last annual financial statements and they were continuously applied to all periods presented in the consolidated financial statements.

New interpretations issued by the IFRS Committee applicable to the Company for the reporting period beginning on 1 January 2015 did not have a material influence on financial results.

### 6.3. Effects of the change of accounting principles applied (transformation of financial statements for previous periods)

In the first 3 months of 2015 the Capital Group did not change its accounting principles.

### 6.4. Summary of significant achievements and failures of the Capital Group detailing key events in Q1, 2015

#### 6.4.1. Key events in Q1, 2015

##### The loan agreement of the Issuer's subsidiary

On 18 March 2015 ECHO – WEST GATE spółka z ograniczoną odpowiedzialnością – spółka komandytowo akcyjna, a subsidiary of the Issuer with its registered office in Kielce (address: al. Solidarności 36, 25-323 Kielce), whose records are kept at the District Court in Kielce, 10th Commercial Division of the National Court Register, entered in the Register of Entrepreneurs of the National Court Register under KRS number 0000393284 (hereinafter: "Borrower", "Company"), signed with BNP PARIBAS BANK POLSKA SPÓŁKA AKCYJNA with its registered office in Warsaw (address: ul. Suwak 3, 02-676 Warsaw), whose records are kept at the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, entered in the Register of Entrepreneurs of the National Court Register under KRS number 0000006421 (hereinafter: "Lender", "Bank"), a loan agreement (hereinafter: "Agreement").

The Borrower will use funds raised under the Agreement to finance the construction of "WEST GATE" office building under construction at ul. No Ostatnim Groszu 1 in Wrocław (hereinafter: "Project").

Under the terms and conditions of the Agreement, the Bank places at the disposal of the Borrower the following:

- 1/ funds constituting the construction loan of EUR 19,000 thousand (nineteen million euro) earmarked for financing or refinancing Project costs;
- 2/ funds constituting the VAT loan of PLN 4,000 thousand (four million zloty) earmarked for partial financing or refinancing of VAT tax due in connection with the implementation of the Project;
- 3/ funds constituting the investment loan of EUR 25,000 thousand (twenty-one million euro) earmarked for repaying the construction loan by converting loans and refinancing Project costs.

The loan amounts shall bear interest: the Construction Loan and the Investment Loan at EURIBOR floating interest rate, the VAT loan at WIBOR floating interest rate, augmented by the bank's margin.

Loan repayment days were set as follows:

- 1/ with respect to the construction loan – the final repayment date was set on 29 January 2016; 2/ with respect to the VAT Loan – on 31 December 2015;
- 3/ with respect to the investment loan – the final repayment date was set on a day falling no later than 60 months after the Drawdown Date of the Investment Loan, i.e. on 29 January 2021 at the latest.

The Borrower shall provide the following security for the repayment of the loan and amounts due to the Bank:

- 1/ Mortgage with the highest satisfaction priority established by the Borrower for the Bank on the Property up to an amount constituting 150% of the commitment concerning the Investment Loan;
- 2/ Mortgage with the second satisfaction priority established by the Borrower for the Lender on the Property up to an amount of EUR 12,780 thousand in order to secure the repayment of claims resulting from termination of the Hedging Documents constituting an element of the Agreement;
- 3/ Declarations on submission to enforcement;
- 4/ Power of attorney over the Borrower's bank accounts;
- 4/ Agreements of Registered and Financial Pledge on shares, rights as well as accounts and accounts on the basis of which registered pledges and financial pledges with the highest priority of satisfaction for the Lender will be established on all shares in the Borrower's share capital up to the amount of 150% of the liability secured, in the form and with a content satisfactory for the Lender;

6/ The Transfer Agreement to secure the Lender's claims and rights resulting inter alia from all Lease Agreements, Insurance Agreements, Agreements for Work on the Construction Site, guarantees of workmanship concerning Agreements for Work on the Construction Site, Project Management Agreements and other Project Documents;

7/ any other document signed by the Obligated Entity establishing or intending to establish Security on entire or part of its assets with respect to the obligations of the Obligated Entities resulting from the Financing Documents.

Projects of the Capital Group

As of 31 March 2015 the Group had projects already placed in service as well as projects under construction or in preparation for it in its portfolio.

#### PORTFOLIO OF PROPERTY IN OPERATION

As of 31 March 2015 the Group's portfolio comprised 10 shopping centres and 8 office projects for lease.

##### PROPERTY PORTFOLIO

CITY	Location	NAME	GLA <sup>1</sup> [SQM]	NOI <sup>2</sup> [MILLION EUR]
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. Górnośląska	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 (Development Park) (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	1.9
Katowice	ul. Francuska	A4 Business Park (stage I)	9,200	1.5
Katowice	ul. Francuska	A4 Business Park (stage II)	9,400	1.5
Warsaw	Al. Jana Pawła II	Babka Tower	6,200	1.2
<b>OFFICES</b>	<b>TOTAL</b>		<b>107,000</b>	<b>18.9</b>
<b>PROJECTS FOR LEASE</b>	<b>TOTAL</b>		<b>382,700</b>	<b>75.0</b>

\* includes the area leased by JULA market

\*\* Project under extension – here the part of the centre currently used has been shown

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

\*\*\*\* Polkomtel Office Building (Warsaw, ul. Postępu - the area and NOI account for 50% of the project attributable to the Capital Group).

Space in shopping centres as well as shopping and entertainment centres is leased by national and international retail chains and local businesses. Key retail tenants include:

- hypermarkets: Real, Tesco,
- specialised retail chains: Empik, RTV Euro AGD, Saturn,
- clothing chains: C&A, H&M, Zara, Reserved,
- cultural and entertainment chains: Helios, Multikino,
- health and beauty chains: Douglas, Rossmann, Sephora, Super-Pharm, Hebe.

<sup>1</sup> GLA (gross leasable area)

<sup>2</sup> NOI (net operating income), makes the valuation of vacancies, rent dependent on turnover and revenues from stands

Office space is leased to international and domestic enterprises as well as local companies. Key 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, Altikom Investments, Mentor Graphics Polska, Kennametal Polska, Tebodin SAP-Projekt, Samsung Electronics Polska, Ericsson and Schneider Electric Polska.

Projects under construction and in preparation for construction

The Management Board is closely monitoring the situation in the property market and decisions concerning construction projects are made on the basis of an assessment of the current market conditions. All project implementation dates are flexible and reasonably adapted to the actual situation.

PROJECTS UNDER CONSTRUCTION OR IN PREPARATION WITHIN THE SEGMENT OF SHOPPING CENTRES AND SHOPPING AND ENTERTAINMENT CENTRES

PROJECT	GLA [SQM]	NOI [MILLION EUR]	PROJECT START	PROJECT COMPLETION
Galeria Sudecka, Jelenia Góra (extension)	18,400	2.8	H2, 2013	April 2015
<b>PROJECTS UNDER CONSTRUCTION</b>	<b>18,400</b>	<b>2.8</b>		
Galaxy, Szczecin (extension)	15,700	3.2	H2, 2015	H1, 2017
Outlet Park, Szczecin (stage II)	4,800	0.8	H1, 2015	H2, 2015
Outlet Park, Szczecin (stage III)	3,500	0.6	H1, 2016	H2, 2016
Katowice, ul. Kościuszki	41,800	8.6	H1, 2016	H2, 2017
Poznań Metropolis*	33,300	6.1		
<b>PROJECTS IN PREPARATION</b>	<b>99,100</b>	<b>19.3</b>		
Mundo, Budapest (Hungary)**	34,200	8.4		
Korona, Brasov (Romania)**	35,400	5.6		
<b>PROJECTS ABROAD IN PREPARATION</b>	<b>69,600</b>	<b>14.0</b>		
<b>SHOPPING CENTRES TOTAL</b>	<b>187,100</b>	<b>36.1</b>		

\* project at concept stage

\*\* project start depends on achieving the anticipated level of lease

INVESTMENT LAND

PROJECT	PLOT AREA [SQM]
Koszalin***	39,300
Stupsk***	65,700
<b>INVESTMENT LAND</b>	<b>105,000</b>

\*\*\* project at concept stage

## PROJECTS UNDER CONSTRUCTION OR IN PREPARATION WITHIN THE SEGMENT OF OFFICE BUILDINGS AND HOTELS

PROJECT	GLA [SQM]	NOI [MILLION EUR]	PROJECT START	PROJECT COMPLETION
Q22, Warsaw	52,500	14.0	H2, 2013	H1, 2016
Park Rozwoju (Development Park), Warsaw (stage II)	15,600	2.8	H2, 2013	April 2015
Wrocław Nobilis Business House	16,900	2.9	H2, 2014	H1, 2016
West Gate, Wrocław	16,200	2.8	H1, 2013	April 2015
Opolska, Cracow (stage I)	19,100	3.2	H1, 2014	H2, 2015
Tryton, Gdańsk	23,700	3.5	H2, 2013	H2, 2015
<b>PROJECTS UNDER CONSTRUCTION</b>	<b>144,000</b>	<b>29.5</b>		
Browary, Warsaw* (stage I-IV)	82,000	17.6	H1, 2016	H2, 2023
Beethovena, Warsaw (stage I)	18,000	3.3	H1, 2016	H2, 2017
Beethovena, Warsaw (stage II - III)	37,500	6.8	H2, 2017	H2, 2020
Taśmowa, Warsaw (stage I)	15,000	2.6	H2, 2015	H1, 2017
Taśmowa, Warsaw (stage II - IV)	44,400	7.8	H2, 2016	H1, 2020
Opolska, Cracow (stage II)	19,100	3.2	H2, 2015	H1, 2017
Opolska, Cracow (stage III)	19,100	3.2	H1, 2017	H1, 2019
Sucha, Wrocław (stage I)	18,000	3.2	H2, 2015	H1, 2017
Sucha, Wrocław (stage II)	7,600	1.4	H1, 2017	H1, 2018
A4 Business Park, Katowice (stage III)	11,900	2.0	H1, 2015	H2, 2016
Hetmańska, Poznań (stage I)	17,500	2.9	H2, 2015	H1, 2017
Hetmańska, Poznań (stage II - III)	22,400	3.5	H1, 2017	H2, 2019
Aurus, Łódź (stage I)	9,400	1.6	H1, 2015	H1, 2016
Aurus, Łódź (stage II)	9,600	1.6	H1, 2016	H2, 2017
<b>PROJECTS IN PREPARATION</b>	<b>331,500</b>	<b>61.0</b>		
<b>OFFICE PROJECTS IN TOTAL</b>	<b>475,500</b>	<b>90.5</b>		

\* land purchased in 2014 - project at conception stage, details may change

## INVESTMENT LAND

PROJECT	PLOT AREA [SQM]
Dehtiarivska, Kiev **	43,600
Cracovia, Cracow***	17,400
<b>INVESTMENT LAND</b>	<b>61,000</b>

\*\* project start depends on whether the political situation in Ukraine stabilises

\*\*\* project at concept stage

## PROJECTS UNDER CONSTRUCTION OR IN PREPARATION WITHIN THE RESIDENTIAL SEGMENT

PROJECT	URA [SQM]	REVENUES [MILLION]	PROJECT START	PROJECT COMPLETION
Nowy Mokotów, Warsaw (stage II)	11,800	96.6	H1, 2014	H1, 2016
Sowińskiego, Poznań (stage I)	7,100	48.1	H1, 2014	H2, 2015
Poznań, Naramowice, Pod Klonami II Terraced	1,900	8.6	H2, 2013	H1, 2015
Poznań, Naramowice, Pod Klonami III Terraced	1,800	8.9	H2, 2016	H2, 2017
Bronowicka, Cracow	3,000	22.7	H2, 2013	H2, 2015
Park Avenue, Cracow	5,600	82.2	H2, 2014	H1, 2016
Grota Roweckiego, Wrocław (stage I)	5,900	32.0	H2, 2013	H2, 2015
Osiedle Jarzębinowe, Łódź (stage II)	5,500	27.7	H1, 2014	H2, 2015
<b>Projects under construction [URA]</b>	<b>42,600</b>	<b>326.8</b>		
Nowy Mokotów, Warsaw (stage III)	16,100	129.5	H2, 2015	H2, 2017
Nowy Mokotów, Warsaw (stage IV)	3,200	26.7	H2, 2016	H2, 2018
Princess, Puławska, Warsaw	4,900	76.9	H2, 2015	H2, 2017
Browary, Warsaw* (stage I - IV)	30,000	288.0	H1, 2016	H1, 2020
Naramowice, Osiedle Jaśminowe, Poznań (II - IV)	13,700	75.3	H1, 2015	H1, 2020
Jackowskiego, Poznań	8,100	52.5	H1, 2015	H1, 2017
Sowińskiego, Poznań (stage II)	2,600	19.6	H1, 2015	H2, 2017
Sowińskiego, Poznań (stage III)	5,000	33.5	H1, 2015	H2, 2017
Sowińskiego, Poznań (stage IV)	5,100	34.9	H2, 2017	H1, 2019
Kościuszki, Cracow	5,200	58.3	H1, 2015	H1, 2017
Rydla, Cracow	8,700	63.8	H1, 2016	H1, 2018
Spiska I, Cracow*	6,500	51.9	H2, 2015	H1, 2017
Spiska II - III, Cracow*	13,800	114.2	H2, 2016	H1, 2020
Grota Roweckiego, Wrocław (stage II - III)	12,500	67.7	H1, 2016	H2, 2019
Osiedle Jarzębinowe, Łódź (stage III)	6,800	34.1	H2, 2015	H2, 2017
Osiedle Jarzębinowe, Łódź (stage IV - V)	27,700	132.8	H1, 2018	H2, 2021
Wodna, Łódź (stage I - II)	13,700	68.2	H1, 2016	H2, 2019
<b>PROJECTS IN PREPARATION [URA]</b>	<b>183,600</b>	<b>1,327.9</b>		
<b>RESIDENTIAL PROJECTS IN TOTAL</b>	<b>226,200</b>	<b>1,654.7</b>		

\* land purchased in 2014 - project at conception stage, details may change

## LAND ON SALE AND INVESTMENT LAND

PROJECT	PLOT AREA [SQM]	REVENUES [MILLION]	PROJECT START	PROJECT COMPLETION
Osiedle Południowe, Dyminy (stage III)	43,400	6.9	H2, 2013	H2, 2014
Występa, Kielce**	134,500	15.5	H2, 2016	H2, 2017
Sołacz, Poznań	17,300	11.0	H1, 2016	H2, 2017
Rezydencje Leśne, Warsaw (project on sale)	52,900	41.5	H2, 2010	H2, 2012
<b>PLOTS ON SALE</b>	<b>248,100</b>	<b>74.9</b>		
ul. Poligonowa, Lublin*	1,060,000			
Pamiątkowo, Poznań*	870,000			
Naramowice, Poznań*	350,000			
Gdańska, Wrocław**	5,000			
<b>INVESTMENT LAND</b>	<b>2,285,000</b>			
<b>LAND IN TOTAL</b>	<b>2,533,100</b>			

\* project at concept stage

\*\* land purchased in 2014

In Q1, 2015 the Company signed 113 preliminary agreements for residential property sales (without transferring the right of ownership to the buyer) as well as 106 final agreements (transferring the right of ownership to the buyer).

## 6.5. Factors and events, in particular those of unusual nature, materially affecting the financial performance

### 1. Factors affecting the financial performance of the Capital Group in Q1, 2015:

- accounting of revenues from final agreements of residential property sales:
  - In Łódź: Osiedle Jarzębinowe at ul. Okopowa
  - in Poznań: Kasztanowa Aleja I and II at ul. Wojskowa, Os. Jaśminowe at ul. Karpia
  - in Warsaw: Klimt House at ul. Kazimierzowska, Nowy Mokotów I at ul. Konstruktorska
  - in Wrocław: Przy Słowiańskim Wzgórzu at ul. Jedności Narodowej
- accounting of revenues from final agreements of sales of plots with house projects:
  - in Dyminy near Kielce (Osiedle Południowe)
- regular revenues from the lease of offices and shopping centres
- quarterly revaluation of the fair value of the property owned by the Group:
  - in operation taking into account:
    - the strengthening of the PLN against the EUR (4.2623 vs. 4.0890) – the largest negative impact on the result
    - changes in the amount of net operating revenues
  - first valuations using the income method based on perpetuity (NOI/yield):
    - Galeria Sudecka in Jelenia Góra
    - West Gate Office Building in Wrocław
    - A4 Business Park Office Building stage II
- selling costs as well as general and administrative expenses
- valuation of liabilities from bonds and borrowings at amortised cost
- valuation of loans and cash due to changes in foreign exchange rates
- valuation and implementation of securing financial instruments on foreign currencies and interest rates
- interest on deposits and borrowings granted
- interests and fees on loans, bonds and borrowings.

Unusual events affecting the financial performance of the Company in Q1, 2015:

- none.

### 2. Foreign currency hedging

Foreign currency hedging transactions are concluded as part of the security policy in order to ensure future cash flows from translation of loan tranches in the EUR and one-off significant investment revenues (e.g. from sales of investment projects).

Weighted average forward rate of settlement (strike) for the remaining open forward trades is 4.2556 EUR/PLN.



## MATURITY PERIODS OF OPEN HEDGING POSITIONS AS OF 31 MARCH 2015:

		HEDGE VALUE		MATURING BY NOMINAL VALUE [MILLION EUR]			
		BALANCE SHEET [MILLION PLN]	NOMINAL VALUE [MILLION EUR]	Q2, 2015	Q3, 2015	Q4, 2015	H1, 2016 H2, 2016
Options	EUR/PLN	3.6	150.0			50.0	100.0
Forward	EUR/PLN	19.4	137.4	59.5	55.4	16.0	6.6

**6.6. Segments of the Capital Group**

The Capital Group generates revenues from the lease of owned commercial space, from the sales of apartments, from the construction of projects and from the provision of property management services. The structure of revenues is as follows:

## STRUCTURE OF REVENUES AND OPERATING COSTS RECORDED IN Q1, 2015:

DESCRIPTION	REVENUES [MILLION PLN]	SHARE %	COSTS [MILLION PLN]	SHARE %
shopping centres as well as shopping and entertainment centres	80	56%	23	35%
residential space	40	28%	29	44%
office buildings	21	14%	11	16%
non-attributable to segments	2	2%	3	5%
<b>operating results total</b>	<b>143</b>	<b>100%</b>	<b>66</b>	<b>100%</b>

**6.7. Notes on the seasonality or cyclicity of the Capital Group's business in the presented period**

The operations of the Group cover several segments of the property market. The owned portfolio of assets held for lease to a large extent provides comparable revenues in each quarter. Sales of residential projects depend on the residential buildings being put into operation, and revenues from this activity are in almost every quarter, but with varying intensity. However, revenues from general investment services and property trading can be irregular. The Management Board cannot rule out other one-off events which may affect the results achieved in a given period.

**6.8. Issuance, redemption and repayment of debt and equity securities**

The current activities of the Group, in addition to its own resources, borrowings and loans, are also financed through the issuance of debt instruments.

On 15 April 2004 Echo Investment SA signed with mBank S.A. an agency agreement and a dealer agreement on adopting a programme for the issuance of short-, medium- and long-term bonds denominated in the Polish zloty with the maximum total par value of the programme of up to PLN 1 billion. Pursuant to these agreements, mBank S.A. undertook to organise and carry out comprehensive servicing of the issuance of the Company's bonds within the Bond Issuance Programme. These agreements, with subsequent annexes thereto, were concluded for a non-fixed period of time and they provide for multiple bond issuances by the Company according to non-public offering procedure. The maximum total par value of all issuable bonds is PLN 1 billion. Bonds issued within the Bond Issuance Programme are issued as non-secured bearer securities. Bonds may bear fixed or floating interest. Final issuance terms and conditions are determined prior to the issuance during the Bond Issuance Programme.

Cash raised from the bond issuance supplement the Company's credit limits and they enable the Company to finance the implementation of projects planned as well as develop current business areas on the property market.

As of 31 March 2015 the Issuance Programme allowed to issue bonds up to a maximum nominal value of PLN 1 billion. Within this batch 35 million are covered by a guarantee of acquisition by mBank S.A. pursuant to the Sale Guarantee Agreement in force until 1 December 2016.

## LIABILITIES DUE TO BONDS ISSUED AS OF 31 MARCH 2015 [THOUSAND PLN]

BANK NAME	LISTED ON BONDSPOT	NATURE OF THE INSTRUMENT	AMOUNT USED [IN THOUSAND PLN]	BOND REDEMPTION DATE	INTEREST TERMS
mBank S.A.	YES	Bonds	115,000	18.05.2015	WIBOR 6M + margin

	(ISIN : PLECHPS00100)				
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 shares	YES (ISIN : PLECHPS00142)	Public bonds	50,000	26.06.2016	WIBOR 6M + margin
DM PKO BP/ Series B shares	YES (ISIN : PLECHPS001 67)	Public bonds	25,000	02.07.2016	WIBOR 6M + margin
DM PKO BP/ Series C shares	YES (ISIN : PLECHPS001 75)	Public bonds	75,000	04.03.2018	WIBOR 6M + margin
DM PKO BP/ Series D shares	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>		

#### 6.9. Dividend paid (or declared)

The Company has not paid dividends in the previous years and has not declared payments of dividend in the current and the nearest period.

#### 6.10. Events after the day on which the condensed quarterly financial statements were prepared not included in these statements which could have a significant influence on the Capital Group's future financial performance

No events after the balance sheet date which could have a significant influence on future financial performance.

#### 6.11. Changes in contingent liabilities or contingent assets that occurred after the end of the previous financial year

##### 6.11.1. Suretyship agreements

SURETYSHIP AGREEMENTS OF THE CAPITAL GROUP IN FORCE AS OF 31 MARCH 2015 [THOUSAND PLN]

SURETYSHIP FOR	VALUE	VALID UNTIL	TITLE
TESCO (POLSKA) SP. Z O.O.	15,000	30.06.2015	The suretyship of Echo Investment S.A. for the obligations of "Galeria Olimpia-Projekt Echo-98 Spółka z ograniczoną odpowiedzialnością" SKA and "Veneda-Projekt Echo-97 Spółka z ograniczoną odpowiedzialnością" SKA on account of a refund to Tesco (Polska) Sp. z o.o. up to the value of outlays actually incurred by Tesco (Polska) Sp. z o.o. towards a future object of lease under lease agreements concluded on 28 October 2010.
BANK POLSKA KASA OPIEKI S.A.	215,011	shall remain valid until the terms and conditions specified in the suretyship agreement have been met, however, no later than until 31.12.2025.	The suretyship of Echo Investment S.A. for the obligations of Galeria Sudecka – Projekt Echo – 43 spółka z ograniczoną odpowiedzialnością SKA as security of the obligations resulting from the loan agreement concluded on 19.12.2013, the framework agreement of 19.04.2011 and agreement no. 2013/127/DDF dated 17.09.2013. A part of the suretyship in the EUR.

See also Subsection 6.19 hereof.

## 6.11.2. Guarantee agreements

## GUARANTEE AGREEMENTS IN FORCE AS OF 31 MARCH 2015 [THOUSAND PLN]

GUARANTOR	VALUE [THOUSAND PLN]	VALID UNTIL	TITLE
PKO BP SA	2,155	17.05.2016	Security for remedying defects and faults for Orbis S.A. under the conditional agreement for General Project Implementation of 04.09.2008.
PKO BP SA	188	07.05.2015	Security in the event of non-performance of the obligations resulting from the promotional lottery organised at CHR Olimpia in Bełchatów.
PKO BP SA	88	10.08.2015	Security in the event of non-performance of the obligations resulting from the promotional lottery organised at CHR Olimpia in Bełchatów.
PKO BP SA	101	29.04.2015	Security in the event of non-performance of the obligations resulting from the promotional lottery organised at CHR Galeria Echo in Kielce.
PKO BP SA	151	31.08.2015	Security in the event of non-performance of the obligations resulting from the promotional lottery organised at CHR Galeria Echo in Kielce.
Echo Investment S.A.	20,445	02.07.2020	Security in the event of improper performance of the final agreement for the sale of the Aquarius Business House office building in Wrocław, stage I. Guarantee issued in the EUR.
Echo Investment S.A.	26,190	The end of the project implementation period, however, no later than until 28 February 2016.	Security in the event of exceeding costs, liabilities on account of debt servicing and support in organising the construction process during the implementation of Park Rozwoju (Development Park) project, stage I, in Warsaw for Bank Zachodni WBK S.A.
Echo Investment S.A.	36,801	30.07.2021	Security in the event of improper performance of the final agreement for the sale of the Aquarius Business House office building in Wrocław, stage II. Guarantee issued in the EUR.
Echo Investment S.A.	28,998	30.06.2015	Security in the event of exceeding implementation costs of the A4 Business Park project, stage I and II in Katowice. Guarantee issued in the EUR.
Echo Investment S.A.	13,148	shall be in force until the Date of Conversion, but no later than until 31 December 2025.	Security in the event of exceeding implementation costs of extending CHR Galeria Sudecka in Jelenia Góra and covering the shortage of own funds for the benefit of Bank Polska Kasa Opieki S.A.
Bank PeKaO S.A.	3,600	30.06.2016	Security for the payment of claims resulting from a failure to comply with the date for the delivery of the subject of the agreement concluded on 24 August 2012 for Jelenia Góra commune. The guarantee issued in order to replace the guarantee in the item above.
PKO BP SA	1,230	27.12.2017	Security for the payment of claims resulting from non-performance of the terms and conditions of the agreement concluded on 26 November 2012 for the benefit of the municipal commune of Szczecin.
Echo Investment S.A.	245,340	the Date of Conversion, however, no later than until 06.02.2018.	Security in the event of exceeding costs, covering the shortage of own funds, obligations on account of debt servicing as well as hedging agreements, support in the organisation of the construction process during the implementation of the Q22 office project in Warsaw for the benefit of Bank Zachodni WBK S.A. and PKO BP S.A.
Echo Investment S.A.	34,974	12 months after the completion of the construction project.	Security in the event of exceeding implementation costs of the Tryton Business House office project in Gdańsk for the benefit of HSBC BANK plc.
Echo Investment S.A.	27,106	12 months after the completion of the construction project.	Security in the event of exceeding implementation costs of the Opolska Business Park office project, stage I, in Cracow for the benefit of HSBC BANK plc.

GUARANTOR	VALUE [THOUSAND PLN]	VALID UNTIL	TITLE
Projekt Echo Galeria Kielce - Magellan West spółka z ograniczoną odpowiedzialnością - SKA	154,204	the date of repaying all liabilities under the loan agreement	Security in the event of non-performance of the financial obligations resulting from the loan agreement concluded on 22 December 2014 by Projekt Echo – 102 Sp. z o.o. for the benefit of HSBC Bank plc. A part of the guarantee in the EUR.
Projekt Echo Galeria Kielce - Magellan West spółka z ograniczoną odpowiedzialnością - SKA	125,581	the date of repaying all liabilities under the loan agreement	Security in the event of non-performance of the financial obligations resulting from the loan agreement concluded on 22 December 2014 by Echo-Opolska Business Park Spółka z ograniczoną odpowiedzialnością SKA . for the benefit of HSBC Bank plc. A part of the guarantee in the EUR.
Echo Investment S.A.	11,200	30.01.2016	Security in the event of exceeding implementation costs of the West Gate office project in Wrocław.

The guarantee of PLN 134,460.00 issued by PKO BP SA for the Customs Chamber in Kielce as security in the event of non-performance of the obligations resulting from the promotional lottery organised at CHR Galeria Echo in Kielce expired on 15 March 2015.

The guarantee of EUR 2,376,535.24 issued by Echo Investment S.A. for BNY MELLON (Poland) Sp. z o.o. as security in the event of non-performance of the obligations resulting from the agreement for the lease of office space at Aquarius Business House, stage II, in Wrocław concluded on 19 November 2012, expired on 25 March 2015.

On 18 March 2015 Echo Investment S.A. granted a guarantee for BNP Paribas Bank Polska S.A. as security in the event of exceeding implementation costs of the West Gate office project in Wrocław by the Borrower, i.e. Echo – West Gate Spółka z ograniczoną odpowiedzialnością SKA (a subsidiary of the Issuer). The guarantee amounts to PLN 11,200,000.00. The guarantee is valid until 30 January 2016.

## 6.12. Composition of Echo Investment Capital Group

The most important role in the structure of the Group is played by Echo Investment S.A., which monitors, participates in and provides funding for the implementation of development projects. The companies it is composed of have been established or acquired to meet specific investment projects' goals and do not engage in economic activity other than that which would arise from the implementation of a specific project, and subsequently lease already completed assets or provide other services.

As of 31 March 2015, the Capital Group was composed of 119 subsidiaries fully consolidated, one joint subsidiary and one associated company consolidated using the equity method.

### SUBSIDIARIES:

SUBSIDIARY	REGISTERED OFFICE	% OF EQUITY HELD	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%	Echo Investment S.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.	Kielce	100%	Echo Investment S.A.
13 Echo - Babka Tower Spółka z ograniczoną odpowiedzialnością - S.k.a. (former: Projekt Babka Tower - Grupa Echo Sp. z o. o. S.k.a.)	Kielce	100%	XXIX FIZ Forum
14 Echo – Centrum Przemysł - Projekt Echo – 93 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum

SUBSIDIARY	REGISTERED OFFICE	% OF EQUITY HELD	PARENT COMPANY
15 Echo – Galaxy Sp. z o.o.	Kielce	100%	Echo Investment S.A.
16 Echo – Galaxy Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
17 Echo – Galeria Amber Sp. z o.o.	Kielce	100%	Echo Investment S.A.
18 Echo – Galeria Amber Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
19 Echo – Galeria Lublin Sp. z o.o.	Kielce	100%	Echo Investment S.A.
20 Echo Innovations - Projekt Echo - 99 Spółka z ograniczoną odpowiedzialnością Sp. K. (former: Projekt Echo - 99 Sp. z o.o. Sp. kom.)	Kielce	100%	Echo Investment S.A.
21 Echo – Kasztanowa Aleja Sp. z o.o.	Kielce	100%	Echo Investment S.A.
22 Echo – Kasztanowa Aleja Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
23 Echo – Klimt House Sp. z o.o.	Kielce	100%	Echo Investment S.A.
24 Echo – Klimt House Sp. z o.o. Sp. z kom.	Kielce	100%	Echo Investment S.A.
25 Echo – Nowy Mokołów Sp. z o.o.	Kielce	100%	Echo Investment S.A.
26 Echo – Nowy Mokołów Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
27 Echo – Opolska Business Park Sp. z o.o.	Kielce	100%	Echo Investment S.A.
28 Echo – Opolska Business Park Spółka z ograniczoną odpowiedzialnością S.k.a.	Kielce	100%	60 FIZ Forum
29 Echo - Park Rozwoju Sp. z o. o.	Kielce	100%	Echo Investment S.A.
30 Echo - Park Rozwoju Sp. z o.o. - S.k.a.	Kielce	100%	XXIX FIZ Forum
31 Echo – Pod Klonami Sp. z o.o.	Kielce	100%	Projekt Naramowice – Grupa Echo Sp. z o.o. S.k.a.
32 Echo – Pod Klonami Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
33 Echo – Project - Management Ingatlanhasznosito Kft.	Budapest	100%	Echo Investment S.A.
34 Echo - Property Poznań 1 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
35 Echo – Przy Słowiańskim Wzgórzu Sp. z o.o.	Kielce	100%	Echo Investment S.A.
36 Echo – Przy Słowiańskim Wzgórzu Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
37 Echo – SPV 7 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
38 Echo – West Gate Sp. z o. o.	Kielce	100%	Echo Investment S.A.
39 Echo – West Gate Spółka z ograniczoną odpowiedzialnością S.k.a.	Kielce	100%	XXIX FIZ Forum
40 Echo Galeria Kielce – Magellan West Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
41 Echo Investment ACC - Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
42 Echo Investment Facility Management - Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
43 Echo Investment Hungary Ingatlanhasznosito Kft.	Budapest	100%	Echo Investment S.A.
44 Echo Investment Project 1 S.R.L.	Brasov	100%	Echo - Aurus Sp. z o.o.
45 Echo Investment Project Management" S.R.L.	Brasov	100%	Echo Investment S.A.
46 Echo Investment Property Management – Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
47 Echo Investment Ukraine LLC	Kiev	100%	Echo Investment S.A.
48 Elmira Investments Sp. z o. o.	Kielce	100%	Echo Investment S.A.
49 Elmira Investments Sp. z o. o. S.k.a.	Kielce	100%	Echo Investment S.A.
50 El Project Cypr - 1 Ltd	Nicosia	100%	Echo Investment S.A.
51 Farrina Investments Sp. z o. o.	Kielce	100%	XXIX FIZ Forum
52 Galaxy - Projekt Echo - 106 Sp. z o. o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
53 Galeria Nova – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
54 Galeria Olimpia – Projekt Echo – 98 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
55 Galeria Sudecka - Projekt Echo – 43 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
56 Galeria Tarnów – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
57 Grupa Echo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
58 Iris Capital Sp. z o.o.	Kielce	100%	Echo Investment S.A.
59 Malta Office Park - Projekt Echo - 96 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
60 Magellan West Sp. z o. o.	Kielce	100%	Echo Investment S.A.
61 Mena Investments Sp. z o.o.	Kielce	100%	Echo Investment S.A.
62 Metropolis - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum

SUBSIDIARY	REGISTERED OFFICE	% OF EQUITY HELD	PARENT COMPANY
63 Oxygen – Projekt Echo – 95 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
64 Pamiątkowo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
65 Park Postępu - Projekt Echo - 93 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
66 PHS – Projekt CS Sp. z o.o. S.k.a.	Szczecin	100%	60 FIZ Forum
67 PPR - Projekt Echo – 77 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
68 Princess Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
69 Projekt Beethovena – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
70 Projekt CS Sp. z o.o.	Kielce	100%	Echo Investment S.A.
71 Projekt Echo - 43 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
72 Projekt Echo 62 – Magellan West Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
73 Projekt Echo - 69 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
74 Projekt Echo - 70 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
75 Projekt Echo - 77 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
76 Projekt Echo - 93 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
77 Projekt Echo - 95 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
78 Projekt Echo - 96 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
79 Projekt Echo - 97 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
80 Projekt Echo - 98 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
81 Projekt Echo - 99 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
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%	XXXIV FIZ Forum
85 Projekt Echo - 104 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
86 Projekt Echo - 105 Sp. z o.o.	Kielce	100%	XXIX FIZ Forum
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 Pure Systems Sp. z o.o.	Kielce	100%	Echo Investment S.A.
112 SPV 1 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
113 Vasco Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.

SUBSIDIARY	REGISTERED OFFICE	% OF EQUITY HELD	PARENT COMPANY
114 Veneda – Projekt Echo -97 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
115 Vousoka Ltd	Nicosia	100%	El Project Cypr - 1 Ltd
116 Vousoka Polska Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
117 Vousoka Polska Sp. z o.o. S.k.a.	Warsaw	100%	XXXIV FIZ Forum
118 Yevrobudgarant LLC	Kiev	100%	El Project Cypr - 1 Ltd
119 Zakład Ogrodniczy Naramowice - Pamiątkowo Sp. z o.o. S.k.a.	Pamiątkowo	100%	60 FIZ Forum

The joint subsidiary is Wan 11 Spółka z o.o. with its registered office in Warsaw. The associated company is EBR Global Services Spółka z o.o. (with its registered office in Kielce).

All certificates issued by 29 FIZ Forum as well as 34 FIZ Forum and 60 FIZ Forum are in possession of the companies of the Echo Investment Group.

### 6.13. Effects of changes in the business undertaking's structure, including as a result of business combinations, acquisitions or sales of the Capital Group's member entities, long-term investments, division, restructuring and discontinued operations

#### I. In Q1, 2015 the composition of Echo Investment Capital Group increased by 1 company as a result of:

- the acquisition on 25 February 2015 of 100% of shares in "Pure Systems" Sp. z o.o. with its registered office in Kielce.

The total acquisition price was PLN 500.00. The company's share capital is PLN 100 thousand.

#### II. Other changes in the composition of the Issuer's Capital Group in Q1, 2015:

- change of the business name of Projekt Babka Tower - Grupa Echo Spółka z ograniczoną odpowiedzialnością - S.k.a. into Echo - Babka Tower Spółka z ograniczoną odpowiedzialnością - S.k.a. (date of registration in the National Court Register: 7 January 2015);
- change of the business name Projekt Echo - 99 Spółka z ograniczoną odpowiedzialnością Sp. K. into Echo Innovations - Projekt Echo - 99 Spółka z ograniczoną odpowiedzialnością Sp. K. (resolution date: 16 March 2015);
- increasing of share par value from PLN 0.05 to PLN 1.00 and proportionately decreasing the number of shares series A and B from 655,322,000 to 32,766,100 at PPR - Projekt Echo - 77 Spółka z ograniczoną odpowiedzialnością S.k.a. (date of registration in the National Court Register: 7 January 2015);
- capital increase at Projekt Echo - 97 Sp. z o.o. by Echo Investment S.A. (registration date: 15 January 2015);
- capital increase at Projekt Echo - 98 Sp. z o.o. by Echo Investment S.A. (registration date: 15 January 2015);
- capital increase at Projekt Echo - 105 Sp. z o.o. by XXIX FIZ Forum (date of registration in the National Court Register: 25 February 2015);
- capital increase at Farrina Investments Sp. z o.o. by XXIX FIZ Forum (date of registration in the National Court Register: 3 March 2015);
- capital increase at Projekt Echo - 103 Sp. z o.o. by XXXIV FIZ Forum (date of registration in the National Court Register: 4 March 2015);
- change of the general partner – on 30 March 2015 Magellan West Sp. z o.o. disposed to Projekt Echo - 109 Sp. z o.o. with its registered office in Kielce of the rights and obligations of the general partner at Projekt Echo Galeria Kielce - Magellan West Spółka z ograniczoną odpowiedzialnością - S.k.a.;
- following the transaction in the Capital Group the following share interests were transferred to Echo Investment S.A.: A. 99,998 ordinary bearer shares series A in Dellia Investments S.A.

### 6.14. Position of the Management Board concerning the option to implement previously published result forecasts for the relevant year in the light of the results presented in the quarterly report in relation to predicted results

The Management of the Company did not publish any financial forecasts.

### 6.15. The ownership structure of major holdings of Echo Investment S.A.

The overall number of votes from all shares issued is 412,690,582 (in words: four hundred and twelve million, six hundred and ninety thousand, five hundred and 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 S.A., AS OF 14 MAY 2015

SHAREHOLDER	NUMBER OF SHARES	% OF SHARE CAPITAL OF ECHO INVESTMENT S.A.	NUMBER OF VOTES AT THE GM OF ECHO INVESTMENT S.A.	% OF TOTAL VOTES AT THE GM OF ECHO INVESTMENT S.A.
<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%
Synthos Dwory 7 Sp. z o.o. Sp. J.	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 Żłota Jesień OFE*	25,602,249	6.20%	25,602,249	6.20%

\* Details regarding the Issuer's shareholding have been obtained from reports presenting the annual structure of assets as of the end of December 2014 published by OFE.

In the period since the publication of the last financial report, i.e. 22 April 2015, to the date of this report the Issuer did not receive any notifications of a change in the shareholding of significant shareholders:

### 6.16. Summary of changes in the shareholding of Echo Investment S.A. or rights to shares (options) by the Issuer's managers and supervisors, as to the knowledge of Echo Investment S.A. since the publication of the previous quarterly report

As to the knowledge of the Company, changes in the shareholding of Echo Investment S.A. or rights to shares (options) by the Company's managers and supervisors since the publication of the previous quarterly report are presented in the tables below:

#### SHARES HELD BY THE MEMBERS OF THE MANAGEMENT BOARD

MANAGERS	24.02.2015	14.05.2015
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

#### SHARES HELD BY THE MEMBERS OF THE SUPERVISORY BOARD

SUPERVISORS	24.02.2015	14.05.2015
Wojciech Ciesielski – Chairman of the Supervisory Board	745,999 shares	745,999 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
<b>Robert Oskard – Member of the Supervisory Board</b>	no shares	no shares

In the period since the publication of the last financial report, i.e. 22 April 2015, to the date of this report the Issuer did not receive from supervisors any notifications of a change in the holding of the Issuer's shares.

### 6.17. Court proceedings

At the end of Q1, 2015 the value of proceedings pending before court, competent arbitration authority or public administration authority involving the Company and its subsidiaries was:

- (a) in the group of liabilities PLN 82,619,000 (of which PLN 57,436,298 concerns proceeding from calls for conciliation hearings finalised as of the date of the report with a lack of conciliation),
- (b) in the group of claims PLN 7,010,693.



The above proceedings concern ongoing operations of the Company and its liability on account of selling projects put into operation.

The largest proceedings by value concerned liabilities of the Company and its subsidiaries:

1. proceedings concerning a call for conciliation hearing in the case regarding a payment of PLN 19,321,472 as compensation pursuant to the agreement for the sale of a shopping centre in Radom dated 24 April 2013 instituted on the basis of a petition dated 2 February 2015 submitted by Syncerus Investments Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with its registered office in Warsaw against PPR-Projekt Echo – 77 Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna with its registered office in Kielce. As of the date of the report, the proceedings had been finalised with a lack of conciliation.

2. proceedings concerning a call for conciliation hearing in the case regarding a payment of PLN 18,277,422 as compensation pursuant to the agreement for the sale of a shopping centre in Tarnów dated 24 April 2013 instituted on the basis of a petition dated 2 February 2015 submitted by Connie Investments Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with its registered office in Warsaw against Galeria Tarnów – Grupa Echo Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna with its registered office in Kielce. As of the date of the report, the proceedings had been finalised with a lack of conciliation.

3. proceedings concerning a call for conciliation hearing in the case regarding a payment of PLN 19,837,404 as compensation pursuant to the agreement for the sale of a shopping centre in Piotrków Trybunalski dated 24 April 2013 instituted on the basis of a petition dated 2 February 2015 submitted by LCP Xantira Investments Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with its registered office in Warsaw against PPR-Projekt Echo – 77 Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna with its registered office in Kielce. As of the date of the report, the proceedings had been finalised with a lack of conciliation.

#### **6.18. Transactions with related parties on other than market conditions**

In Q1, 2015 the Company and its subsidiaries did not conclude any transactions with related parties on other than market conditions.

#### **6.19. Granted loan and borrowing suretyships as well as granted guarantees equivalent in value to at least 10% of the Company's equity**

In Q1, 2015 neither Echo Investment S.A. nor its subsidiaries granted guarantees to third parties the value of which would exceed 10% of the Company's equity.

See also Section 6.11.

#### **6.20. Other information that the Management Board of Echo Investment S.A. believes to be important to assess the personnel, economic and financial situation, the profit, and any changes in these aspects of business, and information necessary to assess the Echo Investment Capital Group's capacity to meet its obligations**

##### **West Gate office building leased in 100%.**

West Gate, developed by Echo Investment, was leased in 100% four months before putting into operation. The project commercialisation process was closed with contracts (a total of 500 sqm) with Aviva and a financial consulting company operating under the business name of Expander.

The key tenant of office space at West Gate is Nokia Networks (14,000 sqm). The building also houses the new registered office of Deichmann Obuwie Sp. z o.o. (1,200 sqm), medical centre Enel-Med (300 sqm) as well as a canteen operated by K&D Foods (310 sqm).

## II stage of Outlet Park Szczecin gets underway

Echo Investment starts the second stage of Outlet Park Szczecin. The building shell was developed by Eresco and the project will be completed in Q4, 2015.

In II stage Outlet Park Szczecin will be enlarged by approx. 5,000 sqm. After II stage has been completed, Outlet Park Szczecin will have total commercial space of 21,300 sqm. There will be 100 stores and 900 parking spaces available for customers.

### PKP CARGO leased A4 Business Park developed in II stage from Echo Investment

Echo Investment signed with PKO CARGO an agreement for the lease of 8,000 sqm in the A4 Business Park office building developed within II stage in Katowice. It is one of the largest transactions in Poland with regard to the regional market of office properties. The company's current offices and its headquarters in Katowice will be moved to A4. The company will move to the new building in September. PKP CARGO consolidated its branches in Katowice with the support of Savills, an international development consultancy.

A4 Business Park is being developed at ul. Francuska in Katowice. A4 Business Park is composed of three buildings. The first one, with an above-ground multi-storey car park with 560 parking spaces, was completed in Q1, 2014. The 7-floor building (9,000 sqm) was fully leased by IBM IT company. Within II stage of the project, a 10-floor building with office space of approx. 9,000 sqm is being developed.

### Echo Investment buys another property in Jelenia Góra

Echo Investment signed an agreement for the acquisition of another plot of land adjacent to Galeria Sudecka under construction in Jelenia Góra. In this area the investor will develop a retail park featuring a Leroy Merlin construction market among others and a car park with nearly 500 parking spaces.

The acquisition of the plot, which is adjacent to Galeria Sudecka currently under construction from the northwest, is a consequence of the strategy pursued by Echo Investment to develop the region's largest shopping and entertainment centre in Jelenia Góra.

## 6.21. 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

In subsequent periods, the financial performance will be influenced by the following factors:

- accounting of revenues from final agreements of residential property sales in:
  - Cracow: Hortus Apartments at ul. Korzeniowskiego,
  - Łódź: Osiedle Jarzębinowe at ul. Okopowa,
  - Poznań: Kasztanowa Aleja at ul. Wojskowa, Pod Klonami at ul. Rubież,
  - Warsaw: Klimt House at ul. Kazimierzowska, Nowy Mokotów at ul. Konstruktorska,
  - Wrocław: Przy Słowiańskim Wzgórzu at ul. Jedności Narodowej,
- accounting of revenues from final agreements of sales of plots with house projects in
  - Dyminy near Kielce: Osiedle Południowe,
- accounting of revenues from final agreements of sales of plots in:
  - Maślowie k. Kielce
- regular revenues from the lease of offices and shopping centres,
- quarterly revaluation of the fair value of the property owned by the Group:
  - in operation taking into account:
    - changes in exchange rates (EUR and USD),
    - changes in the amount of net operating revenues,
  - under construction and in the process of commercialisation:
    - Park Rozwoju (Development Park) II stage in Warsaw,
- selling costs as well as general and administrative expenses,
- valuation of liabilities from bonds and borrowings at amortised cost,
- valuation of loans and cash due to changes in foreign exchange rates,
- valuation and implementation of securing financial instruments on foreign currencies and interest rates,
- interest on deposits and borrowings granted,
- discounts and interests on loans, bonds and borrowings.

### III. CONDENSED SEPARATE FINANCIAL STATEMENTS AS OF AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2015

SEPARATE QUARTERLY STATEMENT OF FINANCIAL POSITION - ASSETS [THOUSAND PLN] AS OF:

	31.03.2015	31.12.2014	31.03.2014
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
1.1. Intangible assets	353	472	704
1.2. Property, plant and equipment	6,849	7,247	36,002
1.3. Investment property	2,528	2,903	3,172
1.4. Investments in subsidiaries, joint subsidiaries and associated companies	867,689	867,470	925,441
1.5. Long-term financial assets	13,617	13,751	13,956
1.6. Borrowings granted	218,013	156,987	26
1.7. Deferred income tax asset	23,185	23,160	12,644
	<b>1,132,234</b>	<b>1,071,990</b>	<b>991,945</b>
<b>2. Current assets</b>			
2.1. Inventories	354,310	348,024	285,863
2.2. Income tax receivables	372	-	3,683
2.3. Other tax receivables	-	-	2,752
2.4. Trade and other receivables	58,184	73,587	64,769
2.5. Borrowings granted	36,663	131,348	210,699
2.6. Restricted cash	5,229	2,372	195
2.7. Cash and cash equivalents	117,336	56,710	151,165
	<b>572,094</b>	<b>612,041</b>	<b>719,126</b>
<b>Total assets</b>	<b>1,704,328</b>	<b>1,684,031</b>	<b>1,711,071</b>

## SEPARATE QUARTERLY STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES [THOUSAND PLN]

	31.03.2015	31.12.2014	31.03.2014
<b>Equity and liabilities</b>			
<b>1. Equity</b>			
1.1. Share capital	20,635	20,635	20,635
1.2. Supplementary capital	635,536	635,536	574,873
1.3. Accumulated profit (loss)	54,394	26,153	104,668
	<b>710,565</b>	<b>682,324</b>	<b>700,176</b>
<b>2. Provisions</b>			
2.1. Provisions for short-term liabilities	2,000	2,000	2,000
	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
<b>3. Non-current liabilities</b>			
3.1. Loans, borrowings and bonds	624,488	759,410	606,918
3.2. Security deposits and prepayments received	628	866	1,209
	<b>625,116</b>	<b>760,276</b>	<b>608,127</b>
<b>4. Current liabilities</b>			
4.1. Loans, borrowings and bonds	322,808	185,406	343,980
4.2. Income tax liabilities	-	8,127	2,076
4.3. Other tax liabilities	2,131	1,215	957
4.4. Trade liabilities	4,013	18,570	26,414
4.5. Security deposits and prepayments received	29,962	18,947	23,367
4.6. Other liabilities	7,733	7,166	3,974
	<b>366,647</b>	<b>239,431</b>	<b>400,768</b>
<b>Total equity and liabilities</b>	<b>1,704,328</b>	<b>1,684,031</b>	<b>1,711,071</b>
<b>BOOK VALUE (IN THOUSAND PLN)</b>			
<b>Book value</b>	710,565	682,324	700,176
Number of shares	412,690,582	412,690,582	412,690,582
Book value per share (in PLN)	1.72	1.65	1.70
<b>OFF-BALANCE SHEET LIABILITIES (IN THOUSAND PLN)</b>			
<b>1. Off-balance sheet receivables</b>	-	-	-
<b>2. Off-balance-sheet liabilities</b>	677,077	698,713	429,409
<b>Total off-balance sheet items</b>	<b>677,077</b>	<b>698,713</b>	<b>429,409</b>


INCOME STATEMENT (IN THOUSAND PLN)	I QUARTER PERIOD 01.01.2015 - 31.03.2015	I QUARTER PERIOD 01.01.2014 - 31.03.2014
Revenues	30,124	40,290
Cost of goods sold	(7,731)	(10,476)
<b>Gross profit (loss) on sales</b>	<b>22,393</b>	<b>29,814</b>
Profit (loss) on investment property	(375)	-
Selling costs	(6,218)	(5,617)
General and administrative expenses	(12,462)	(10,342)
Other operating revenues	36,195	44,759
Remaining operating costs	(161)	(779)
<b>Profit before tax and financial revenues/costs</b>	<b>39,372</b>	<b>57,835</b>
Financial revenues	2,483	4
Financial costs	(13,639)	(12,577)
<b>Gross profit</b>	<b>28,216</b>	<b>45,262</b>
Income tax	25	(1,257)
<b>Net profit</b>	<b>28,241</b>	<b>44,005</b>
Net profit (annualised)	10,389	96,459
Average weighted ordinary shares	412,690,582	412,690,582
Profit per ordinary share (in PLN)	0.03	0.23
Average weighted diluted ordinary shares	412,690,582	412,690,582
Diluted earnings per ordinary share (in PLN)	0.03	0.23

STATEMENT OF CHANGES IN EQUITY (THOUSAND PLN)	SHARE CAPITAL	SUPPLEMENTARY CAPITAL	ACCUMULATED PROFIT (NET LOSS)	TOTAL EQUITY
<b>For Q1 (current year) period from 01.01.2015 to 31.03.2015</b>				
<b>Opening balance, after reconciliation with comparative data</b>	20,635	635,536	26,153	682,324
Changes in the period:				-
Treasury shares	-	-		-
Distribution of profit from previous years	-		-	-
Net profit (loss) for the period	-	-	28,241	28,241
Total changes	-	-	28,241	28,241
<b>Closing balance</b>	<b>20,635</b>	<b>635,536</b>	<b>54,394</b>	<b>710,565</b>
<b>For the previous period from 2014.01.01 to 2014.12.31</b>				
<b>Opening balance, after reconciliation with comparative data</b>	20,635	574,873	60,663	656,171
Changes in the period:				-
Treasury shares	-	-		-
Distribution of profit from previous years	-	60,663	(60,663)	-
Net profit (loss) for the period	-	-	26,153	26,153
Total changes	-	60,663	(34,510)	26,153
<b>Closing balance</b>	<b>20,635</b>	<b>635,536</b>	<b>26,153</b>	<b>682,324</b>
<b>For Q1 (previous year) period from 01.01.2014 to 31.03.2014</b>				
<b>Opening balance, after reconciliation with comparative data</b>	20,635	574,873	60,663	656,171
Changes in the period:				-
Treasury shares	-	-		-
Distribution of profit from previous years	-	-		-
Net profit (loss) for the period	-	-	44,005	44,005
Total changes	-	-	44,005	44,005
<b>Closing balance</b>	<b>20,635</b>	<b>574,873</b>	<b>104,668</b>	<b>700,176</b>

STATEMENT OF CASH FLOWS (IN THOUSAND PLN)	I QUARTER PERIOD FROM 01.01.2015 TO 31.03.2015	I QUARTER PERIOD FROM 01.01.2014 TO 31.03.2014
<b>A. Net operating cash flows - indirect method</b>		
<b>I. Gross profit</b>	<b>28,216</b>	<b>45,262</b>
<b>II. Adjustments:</b>	<b>(24,079)</b>	<b>(29,657)</b>
1. Depreciation/amortisation	687	872
2. Gains (losses) from foreign exchange differences	-	-
3. Interest and profit sharing (dividend)	(24,884)	(30,384)
4. (Profit) loss on revaluation of assets and liabilities	118	(145)
<b>III. Changes in working capital</b>	<b>7,378</b>	<b>(7,885)</b>
1. Change in provisions	-	-
2. Change in inventories	(6,260)	(35,710)
3. Change in receivables	16,097	11,443
4. Change in current liabilities, except for loans and borrowings	(2,459)	16,382
<b>IV. Net cash generated from operating activities (I+/-II +/- III)</b>	<b>11,515</b>	<b>7,720</b>
<b>V. Income tax paid</b>	<b>(8,499)</b>	<b>(681)</b>
<b>VI. Net cash flows from operating activities (IV+/-V)</b>	<b>3,016</b>	<b>7,039</b>
<b>B. Cash flows from investment activities</b>		
<b>I. Inflows</b>	<b>365,024</b>	<b>74,564</b>
1. Disposal of intangible assets as well as property, plant and equipment	-	776
2. Disposal of investments in property	-	-
3. From financial assets	365,024	73,704
4. Other investment inflows	-	84
<b>II. Outflows</b>	<b>(293,630)</b>	<b>(34,671)</b>
1. Purchase of intangible assets as well as property, plant and equipment	(169)	(909)
2. Investments in property	-	-
3. On financial assets	(293,326)	(33,762)
4. Other investment outflows	(135)	-
<b>III. Net cash flow from investment activities (I-II)</b>	<b>71,394</b>	<b>39,893</b>

STATEMENT OF CASH FLOWS (IN THOUSAND PLN)	I QUARTER PERIOD FROM 01.01.2015 TO 31.03.2015	I QUARTER PERIOD FROM 01.01.2014 TO 31.03.2014
<b>C. Cash flows from financial activities</b>		
<b>I. Inflows</b>	<b>1</b>	<b>107,922</b>
1. Net inflows from the issue of shares and other equity instruments and additional equity contributions:	-	-
2. Loans and borrowings	1	7,922
3. Issue of debt securities	-	100,000
4. Other financial inflows	-	-
<b>II. Outflows</b>	<b>(10,928)</b>	<b>(13,431)</b>
1. Purchase of treasury shares	-	-
2. Dividends and other payments to shareholders	-	-
3. Profit distribution expenses other than payments to shareholders	-	-
4. Repayments of loans and borrowings	(31)	-
5. Redemption of debt securities	-	-
6. Interest	(10,897)	(13,431)
<b>III. Net cash flows from financial activities (I-II)</b>	<b>(10,927)</b>	<b>94,491</b>
<b>D. Total net cash flows (A.VI+/-B.III+/-C.III)</b>	<b>63,483</b>	<b>141,423</b>
E. Change of cash from the financial position, of which:	63,483	141,423
- change in cash from foreign exchange differences	-	-
<b>F. Opening balance of cash and cash equivalents</b>	<b>59,082</b>	<b>9,937</b>
<b>G. Closing balance of cash and cash equivalents (F+/-D)</b>	<b>122,565</b>	<b>151,360</b>
- restricted cash	5,229	195

Kielce, 14 May 2015

**Company 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 bookkeeping:**

Chief Accountant



Tomasz Sufek



**ECHO**  
investment

Al. Solidarności 36  
25-323 Kielce

[www.echo.com.pl](http://www.echo.com.pl)