



# CONSOLIDATED QUARTERLY REPORT OF ECHO INVESTMENT CAPITAL GROUP FOR Q3 2015

**ECHO**  
investment

## TABLE OF CONTENTS

I.	SELECTED CONSOLIDATED FINANCIAL DATA .....	3
II.	CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS OF THE CAPITAL GROUP AS OF AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015 .....	4
1.	CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION .....	4
2.	CONSOLIDATED QUARTERLY PROFIT AND LOSS ACCOUNT .....	6
4.	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	7
5.	CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS .....	8
6.	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....	9
6.1.	Basic information .....	9
6.2.	Rules adopted for the preparation of the quarterly report .....	10
6.3.	Effects of a change of applied accounting rules (restatement of financial statements for previous periods) .....	10
6.4.	Material achievements or failures of the Capital Group, with details of key events in Q3 2015 .....	12
6.5.	Factors and events, especially those of a non-typical character, that have had an impact on the profit/loss of the Company .....	16
6.6.	Segments of the Capital Group .....	17
6.7.	Notes on the seasonality or cyclicity of the Capital Group's business in the presented period .....	17
6.8.	Information on issue, repurchase and repayment of debt and capital securities .....	17
6.9.	Information about the dividend paid (or declared) .....	18
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 .....	19
6.11.	Information on changes in contingent liabilities or contingent assets that occurred after the end of the previous financial year. ....	20
6.12.	Composition of Echo Investment Capital Group .....	22
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. ....	25
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. ....	27
6.15.	The ownership structure of major holdings of Echo Investment S.A. ....	27
6.16.	Summary of changes in 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 submission of the previous quarterly report .....	28
6.17.	Information on court proceedings .....	29
6.18.	Information on transactions with related entities on other than market conditions .....	29
6.19.	Information of granted loan sureties and granted guarantees equivalent in value to at least 10% of the issuer's equity capitals .....	29
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 .....	29
6.21.	Factors which, in the opinion of the Management Board, will influence the Capital Group's financial performance for at least the upcoming quarter .....	30
III.	CONDENSED SEPARATE FINANCIAL STATEMENTS AS OF AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015 .....	31

## I. SELECTED CONSOLIDATED FINANCIAL DATA

	'000 PLN		'000 EUR	
	FROM 01.01.2015 TO 30.09.2015	FROM 01.01.2014 TO 30.09.2014	FROM 01.01.2015 TO 30.09.2015	FROM 01.01.2014 TO 30.09.2014
I. Operating revenues	409,578	372,510	98,492	89,111
II. Operating profit (loss)	144,191	586,628	34,674	140,332
III. Gross profit (loss)	88,748	489,242	21,341	117,035
IV. Net profit (loss)	73,022	453,030	17,560	108,373
V. Net cash flows from operating activities	125,793	47,328	30,250	11,322
VI. Net cash flows from investing activities	(419,843)	(240,520)	(100,960)	(57,537)
VII. Net cash flows from financing activities	180,091	64,249	43,307	15,369
VIII. Total net cash flows	(113,959)	(128,943)	(27,403)	(30,845)
IX. Total assets	6,890,168	6,298,521	1,625,576	1,508,447
X. Equity attributable to shareholders of the parent	3,218,730	3,197,442	759,385	765,763
XI. Non-current liabilities	2,929,633	2,516,283	691,179	602,630
XII. Current liabilities	646,297	528,504	152,479	126,573
XIII. Number of shares	412,690,582	412,690,582	412,690,582	412,690,582
XIV. Earnings per share (in PLN/EUR)	0.06	1.16	0.01	0.28
XV. Book value per share (in PLN/EUR)	7.80	7.75	1.84	1.86

## II. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS OF THE CAPITAL GROUP AS OF AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015

### 1. CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION

#### CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION – ASSETS [‘000 PLN]

	AS OF 30.09.2015 END OF QUARTER	AS OF 31.12.2014 END OF PREVIOUS YEAR	AS OF 30.09.2014 END OF QUARTER
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
1.1. Intangible assets	201	473	484
1.2. Property, plant and equipment	45,490	46,299	46,832
1.3. Investment real property	4,465,360	4,065,211	3,941,402
1.4. Investment real property under construction	1,256,459	1,207,214	1,155,313
1.5. Shares in entities accounted for using the equity method	1,095	13,557	16,281
1.6. Long-term financial assets	13,169	13,068	61,812
1.7. Derivative financial instruments	1,713	2,645	809
1.8. Deferred income tax assets	69,646	63,860	37,060
	<b>5,853,133</b>	<b>5,412,327</b>	<b>5,259,993</b>
<b>2. Current assets</b>			
2.1. Inventories	606,173	592,947	622,337
2.2. Income tax receivables	5,062	6,252	5,254
2.3. Other tax receivables	45,879	43,462	74,723
2.4. Trade and other receivables	44,997	48,312	35,257
2.5. Short-term financial assets	19,762	25,034	24,223
2.6. Derivative financial instruments	237	3,118	6,986
2.7. Restricted cash	73,092	54,482	60,522
2.8. Cash and cash equivalents	241,833	362,718	209,226
	<b>1,037,035</b>	<b>1,136,325</b>	<b>1,038,528</b>
<b>TOTAL ASSETS</b>	<b>6,890,168</b>	<b>6,548,652</b>	<b>6,298,521</b>

## CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES [‘000 PLN]

	AS OF 30.09.2015 END OF QUARTER	AS OF 31.12.2014 END OF PREVIOUS YEAR	AS OF 30.09.2014 END OF QUARTER
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
1.1. Equity attributable to shareholders of the parent	3,218,730	3,152,634	3,197,442
1.1.1. Share capital	20,635	20,635	20,635
1.1.2. Supplementary capital	3,139,672	2,735,454	2,735,454
1.1.3. Acquired treasury shares	-	-	-
1.1.4. Accumulated profit (loss)	73,022	404,218	453,030
1.1.5. Currency translation differences (foreign companies)	(14,599)	(7,673)	(11,677)
1.2. Capitals of non-controlling shareholders	(91)	(89)	14
	<b>3,218,639</b>	<b>3,152,545</b>	<b>3,197,456</b>
<b>2. Provisions</b>			
2.1. Long-term provisions	960	-	-
2.2. Short-term provisions	2,800	2,000	2,000
2.3. Deferred income tax provision – long term	91,839	77,053	54,278
	<b>95,599</b>	<b>79,053</b>	<b>56,278</b>
<b>3. Non-current liabilities</b>			
3.1. Loans and borrowings	2,863,461	2,824,793	2,469,049
3.2. Derivative financial instruments	1,587	4,316	-
3.3. Received security deposits and advance payments	64,585	46,559	47,234
	<b>2,929,633</b>	<b>2,875,668</b>	<b>2,516,283</b>
<b>4. Current liabilities</b>			
4.1. Loans and borrowings	439,045	245,886	284,897
4.2. Derivative financial instruments	4,879	7,451	173
4.3. Income tax liabilities	1,270	12,303	2,381
4.4. Other tax liabilities	8,154	2,526	7,432
4.5. Trade liabilities	81,334	92,919	108,558
4.6. Other liabilities	20,884	28,470	18,772
4.7. Received security deposits and advance payments	90,731	51,831	106,291
	<b>646,297</b>	<b>441,386</b>	<b>528,504</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,890,168</b>	<b>6,548,652</b>	<b>6,298,521</b>
Book value (in PLN '000)	3,218,730	3,152,634	3,197,442
Number of shares	412,690,582	412,690,582	412,690,582
Book value per share (in PLN)	7.80	7.64	7.75
Diluted number of shares	412,690,582	412,690,582	412,690,582
Diluted book value per share (in PLN)	7.80	7.64	7.75

## OFF-BALANCE SHEET ITEMS [‘000 PLN]

	AS OF 30.09.2015 END OF QUARTER	AS OF 31.12.2014 END OF PREVIOUS YEAR	AS OF 30.09.2014 END OF QUARTER
1. Off-balance sheet receivables	-	-	-
2. Off-balance-sheet liabilities	309,891	77,450	75,952

## 2. CONSOLIDATED QUARTERLY PROFIT AND LOSS ACCOUNT

### CONSOLIDATED QUARTERLY PROFIT AND LOSS ACCOUNT ['000 PLN]

	Q3 PERIOD 01.07.2015- 30.09.2015	THREE QUARTERS PERIOD 01.01.2015- 30.09.2015	Q3 PERIOD 01.07.2014- 30.09.2014	THREE QUARTERS PERIOD 01.01.2014- 30.09.2014
Revenues	135,826	409,578	149,124	372,510
Cost of goods sold	(55,318)	(193,990)	(59,319)	(158,546)
<b>Gross profit (loss) on sales</b>	<b>80,508</b>	<b>215,588</b>	<b>89,805</b>	<b>213,964</b>
Profit (loss) on investment real property	53,985	13,414	4,977	437,202
Selling costs	(9,475)	(27,106)	(7,079)	(22,610)
General and administrative expenses	(14,966)	(64,626)	(18,050)	(47,980)
Other operating revenues (costs)	2,858	6,921	(283)	6,052
<b>Operating profit</b>	<b>112,910</b>	<b>144,191</b>	<b>69,370</b>	<b>586,628</b>
Financial revenues	7,109	15,988	1,275	5,519
Financial costs	(35,494)	(94,447)	(33,108)	(97,116)
Profit (loss) on currency derivatives	(2,724)	15,053	2,053	3,544
Gains (losses) from foreign exchange differences	(21,788)	14,415	(6,645)	(12,749)
Share in profits (losses) of entities accounted for using the equity method	535	(6,452)	1,153	3,416
<b>Gross profit (loss)</b>	<b>60,548</b>	<b>88,748</b>	<b>34,098</b>	<b>489,242</b>
Income tax	(10,263)	(15,728)	(4,518)	(36,105)
<b>Net profit (loss), of which:</b>	<b>50,285</b>	<b>73,020</b>	<b>29,580</b>	<b>453,137</b>
Profit (loss) attributable to non-controlling interest	-	(2)	-	107
Profit (loss) attributable to the parent company's shareholders	50,285	73,022	29,580	453,030
Net profit (loss) (annualised)		24,210		478,547
Average weighted ordinary shares		412,690,582		412,690,582
Annualised earnings per share (in PLN)		0.06		1.16

## 3. CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME ['000 PLN]

### CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME ['000 PLN]

	Q3 PERIOD 01.07.2015- 30.09.2015	THREE QUARTERS PERIOD 01.01.2015- 30.09.2015	Q3 PERIOD 01.07.2014- 30.09.2014	3 QUARTERS PERIOD 01.01.2014- 30.09.2014
<b>Net profit (loss)</b>	<b>50,285</b>	<b>73,020</b>	<b>29,580</b>	<b>453,137</b>
<b>Other comprehensive income:</b>				
– currency conversion differences of foreign operations	(39)	(6,926)	(465)	(14,223)
	<b>(39)</b>	<b>(6,926)</b>	<b>(465)</b>	<b>(14,223)</b>
<b>Comprehensive income for the period, of which:</b>	<b>50,246</b>	<b>66,094</b>	<b>29,115</b>	<b>438,914</b>
Comprehensive profit (loss) attributable to the parent company's shareholders	50,246	66,096	29,115	438,807
Comprehensive income attributable to minority interests	-	(2)	-	107

**4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY [‘000 PLN]

	SHARE CAPITAL	SUPPLEMENTARY CAPITAL	ACCUMULATED PROFIT (LOSS)	CURRENCY TRANSLATION DIFFERENCES	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS	CAPITAL ATTRIBUTABLE TO NON-CONTROLLING SHAREHOLDERS	EQUITY
<b>3 QUARTERS FROM 01.01.2015 TO 30.09.2015 (CURRENT YEAR)</b>							
<b>At the beginning of the period</b>	20,635	2,742,257	405,149	(7,673)	3,160,368	(89)	3,160,279
Changes in adopted accounting principles (policy) and adjustment for errors in previous years	-	(6,803)	(931)	-	(7,734)	-	(7,734)
<b>At the beginning of the period, reconciled with comparative data</b>	<b>20,635</b>	<b>2,735,454</b>	<b>404,218</b>	<b>(7,673)</b>	<b>3,152,634</b>	<b>(89)</b>	<b>3,152,545</b>
Distribution of profit from previous years	-	404,218	(404,218)	-	-	-	-
Other comprehensive net income	-	-	-	(6,926)	(6,926)	-	(6,926)
Net profit (loss) for the period	-	-	73,022		73,022	(2)	73,020
<b>As at the end of period</b>	<b>20,635</b>	<b>3,139,672</b>	<b>73,022</b>	<b>(14,599)</b>	<b>3,218,730</b>	<b>(91)</b>	<b>3,218,639</b>
<b>3 QUARTERS FROM 01.01.2014 TO 30.09.2014 (PREVIOUS YEAR)</b>							
<b>At the beginning of the period</b>	20,635	2,411,154	332,467	2,546	2,766,802	17	2,766,819
Changes in adopted accounting principles (policy) and adjustment for errors in previous years	-	(6,803)	(1,364)		(8,167)	-	(8,167)
<b>At the beginning of the period, reconciled with comparative data</b>	<b>20,635</b>	<b>2,404,351</b>	<b>331,103</b>	<b>2,546</b>	<b>2,758,635</b>	<b>17</b>	<b>2,758,652</b>
Distribution of profit from previous years	-	331,103	(331,103)	-	-	-	-
Dividends paid to minority shareholders	-	-	-	-	-	(110)	(110)
Other comprehensive net income	-		-	(14,223)	(14,223)		(14,223)
Net profit (loss) for the period	-	-	453,030		453,030	107	453,137
<b>As at the end of period</b>	<b>20,635</b>	<b>2,735,454</b>	<b>453,030</b>	<b>(11,677)</b>	<b>3,197,442</b>	<b>14</b>	<b>3,197,456</b>

## 5. CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

## CONSOLIDATED QUARTERLY STATEMENT OF CASH FLOWS ['000 PLN]

	3 QUARTERS 01.01.2015-30.09.2015	THREE QUARTERS PERIOD 01.01.2014- 30.09.2014
<b>A. Operating cash flows – indirect method</b>		
<b>I. Gross profit (loss)</b>	<b>88,748</b>	<b>489,242</b>
<b>II. Total adjustments</b>	<b>42,205</b>	<b>(349,804)</b>
1. Share in net losses (profits) of associates	6,452	(3,416)
2. Depreciation of fixed assets	3,565	3,501
3. Foreign exchange (gains) losses	(14,415)	12,749
4. Interest	71,049	78,629
5. (Profit) loss on revaluation of assets and liabilities	(8,833)	(437,429)
6. (Profit) loss on putting financial instruments into effect	(15,613)	(3,838)
<b>III. Changes in working capital</b>	<b>11,411</b>	<b>(85,743)</b>
1. Change in provisions	1,760	-
2. Change in inventories	(9,786)	(126,582)
3. Change in receivables	644	456,531
4. Change in short-term liabilities, except for borrowings and loans	37,403	(419,740)
5. Change in cash on blocked accounts	(18,610)	4,048
<b>IV. Net cash generated from operating activities (I+II+III)</b>	<b>142,364</b>	<b>53,695</b>
1. Income tax paid	(16,571)	(6,367)
<b>V. Net cash flows from operating activities</b>	<b>125,793</b>	<b>47,328</b>
<b>B. Cash flows from investing activities</b>		
<b>I. Inflows</b>	<b>39,254</b>	<b>144,817</b>
1. Disposal of intangible assets and tangible fixed assets	772	892
2. Disposal of real property investments	9,500	96,179
3. From financial assets	28,982	47,746
4. Other investment inflows	-	-
<b>II. Outflows</b>	<b>(459,097)</b>	<b>(385,337)</b>
1. Acquisition of intangible and tangible fixed assets	(3,255)	(3,097)
2. Real property investments	(433,210)	(374,728)
3. On financial assets	(22,632)	(7,402)
4. Dividends and other profit sharing paid to minority shareholders	-	(110)
5. Other investment outflows	-	-
<b>III. Net cash flows from investing activities (I-II)</b>	<b>(419,843)</b>	<b>(240,520)</b>



## CONSOLIDATED QUARTERLY STATEMENT OF CASH FLOWS CONT. ['000 PLN]

	3 QUARTERS 01.01.2015-30.09.2015	THREE QUARTERS PERIOD 01.01.2014-30.09.2014
<b>C. Cash flows from financing activities</b>		
<b>I. Inflows</b>	<b>455,293</b>	<b>1,140,849</b>
1. Net inflows from issue of stocks (shares) and other equity instruments and contributions to equity	-	-
2. Loans and borrowings	433,680	887,511
3. Issue of debt securities	-	245,500
4. Dividends received from units accounted for using the equity method	6,000	4,000
5. Other financial inflows	15,613	3,838
<b>II. Outflows</b>	<b>(275,202)</b>	<b>(1,076,600)</b>
1. Acquisition of own stocks (shares)	-	-
2. Dividends and other payments to equity holders	-	-
3. Outflows under distribution of profit other than payments to equity holders	-	-
4. Repayment of loans and borrowings	(69,322)	(682,706)
5. Redemption of debt securities	(115,000)	(300,000)
6. Outflows on account of foreign currency derivatives	-	-
7. Payment of liabilities arising from financial lease agreements	-	-
8. Interest	(90,880)	(93,894)
9. Other financial outflows	-	-
<b>III. Net cash flows from financing activities (I-II)</b>	<b>180,091</b>	<b>64,249</b>
<b>D. Total net cash flows (A.III+/-B.III+/-C.III)</b>	<b>(113,959)</b>	<b>(128,943)</b>
<b>E. Change in cash in the consolidated statement of financial position, of which:</b>	<b>(120,885)</b>	<b>(143,166)</b>
– change in cash due to foreign exchange gains/losses	(6,926)	(14,223)
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>362,718</b>	<b>352,392</b>
<b>G. Cash at the end of the period (F+/-D), of which:</b>	<b>241,833</b>	<b>209,226</b>

## 6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 6.1. Basic information

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

Echo organises the entire investment process for a given project, from purchasing real property, through obtaining administrative decisions, financing, oversight of construction to putting a project into service. The Company performs 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 are principally engaged in leasing commercial space (shopping and entertainment centres, offices), construction and sales of apartments and property management services. The Company also provides general contractor services for external investors.

The principal scope of activities of the Group is divided into three segments:

- construction and lease of space in office buildings,
- construction and lease of space in commercial and entertainment centres,
- construction and sale of residential units.

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

As of 30 September 2015 and 30 September 2014 the Capital Group employed 358 and 374 persons respectively.

The Company has been listed on the Warsaw Stock Exchange since March 1996. The Issuer has 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 for the preparation of the quarterly report**

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

The Group's condensed interim consolidated statements present consolidated financial data as of 30 September 2015 and for the three- and nine-month periods ended 30 September 2015, comparable data for the three- and nine-month periods ended 30 September 2014 with respect to the profit and loss account, the statement of changes in equity and the statement of cash flows, and comparable data as of 31 December 2014 and as of 30 September 2014 with respect to 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 should be analysed in conjunction with the annual consolidated financial statements for the financial year ended 31 December 2014 prepared in accordance with the IFRS adopted for application in the European Union.

These financial statements were prepared on the historical cost basis except for investment real 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 rules applied for the preparation of these condensed interim financial statements are consistent with the rules applied in the last financial year, and they were continuously applied for all periods presented in the consolidated financial statements, except for the change of accounting rules specified in Section 6.3.

New interpretations published by the IFRS Interpretations Committee, in the case of the Group applicable to the reporting period started 1 January 2015, did not have a significant effect on the financial results.

## **6.3. Effects of a change of applied accounting rules (restatement of financial statements for previous periods)**

In the 9-month period of 2015 the Capital Group changed its accounting rules in the scope of:

Recognising future liabilities relative to perpetual usufruct of land.

After consultation with the auditing firm, the Group resigned from recognising perpetual usufruct of land as financial lease, and removed the discounted value of future payments for perpetual usufruct of land in the amount of PLN 117,485 thousand (as of 31 December 2014) from the item: Investment real property and Investment real property under construction in Assets, and in Lease liabilities in Equity & liabilities. As a consequence, in the profit and loss account annual costs of payments for perpetual usufruct of land were transferred from Financial costs to the Cost of goods sold.

In addition, the Group changed the presentation of financial data in the scope of:

Recognising the amount of lease revenues on account of a rent-free period due to be settled in the future. As lease revenues are not invoiced on a straight-line basis (there are periods when rent is reduced, the so called rent-free period), in financial statements the Group averages them and discloses on a straight-line basis. The difference between the amount disclosed on a straight-line basis and the amount of invoiced revenues of PLN 3,763 thousand (as of 31 December 2014) was until now disclosed in the item of deferred income (Trade and other receives). The Group decided to change this presentation and disclose this amount in the item Investment real property. This change had no impact on the financial performance of the Group.

Recognition of advertising expenses in the period before the beginning of lease.

The Group decided to recognise advertising expenses incurred in order to look for tenants as costs in the period

in which they were incurred and not as in the period when the lease started as until then. As a result, appropriate amounts of advertising expenses of PLN 3,183 thousand (31 December 2014) were transferred from prepayments and accruals (Trade and other receivables) to Selling costs, which influenced the items of Supplementary capital and the Net profit of the relevant period. As a result of this change, the deferred income tax was appropriately calculated and recognised in the statements.

#### Recognition of land maintenance costs

The Group adjusted statements from previous years in the scope of activating land maintenance costs before 2010 for inventories. As a result the amount of Inventories and Supplementary capital was changed by PLN 6,366 thousand. As a result of this change the deferred income tax was appropriately calculated and recognised in the statements.

Changed items are listed below:

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS ['000 PLN]

AS OF 31.12.2014	IS	WAS	DIFFERENCE
<b>1. Non-current assets</b>	<b>5,412,327</b>	<b>5,524,234</b>	<b>(111,907)</b>
1.3. Investment real property	4,065,211	4,095,783	(30,572)
1.4. Investment real property under construction	1,207,214	1,290,364	(83,150)
1.8. Deferred income tax asset	63,860	62,045	1,815
<b>2. Current assets</b>	<b>1,136,325</b>	<b>1,149,637</b>	<b>(13,312)</b>
2.1. Inventories	592,947	599,313	(6,366)
2.4. Trade and other receivables	48,312	55,258	(6,946)
<b>TOTAL ASSETS</b>	<b>6,548,652</b>	<b>6,673,871</b>	<b>(125,219)</b>

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES ['000 PLN]

AS OF 31.12.2014	IS	WAS	DIFFERENCE
<b>1. Equity</b>	<b>3,152,545</b>	<b>3,160,279</b>	<b>(7,734)</b>
1.1. Equity attributable to shareholders of the parent	3,152,634	3,160,368	(7,734)
1.1.2. Supplementary capital	2,735,454	2,742,257	(6,803)
1.1.4. Accumulated profit (loss)	404,218	405,149	(931)
<b>3. Non-current liabilities</b>	<b>2,875,668</b>	<b>2,993,153</b>	<b>(117,485)</b>
3.4. Lease liabilities (perpetual usufruct of land)	-	117,485	(117,485)
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,548,652</b>	<b>6,673,871</b>	<b>(125,219)</b>

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS ['000 PLN]

AS OF 30.09.2014	IS	WAS	DIFFERENCE
<b>1. Non-current assets</b>	<b>5,259,993</b>	<b>5,373,999</b>	<b>(114,006)</b>
1.3. Investment real property	3,941,402	3,974,989	(33,587)
1.4. Investment real property under construction	1,155,313	1,237,764	(82,451)
1.8. Deferred income tax asset	37,060	35,028	2,032
<b>2. Current assets</b>	<b>1,038,528</b>	<b>1,050,666</b>	<b>(12,138)</b>
2.1. Inventories	622,337	628,703	(6,366)
2.4. Trade and other receivables	35,257	41,029	(5,772)
<b>TOTAL ASSETS</b>	<b>6,298,521</b>	<b>6,424,665</b>	<b>(126,144)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES ['000 PLN]

AS OF 30.09.2014	IS	WAS	DIFFERENCE
<b>1. Equity</b>	3,197,456	3,206,116	(8,660)
1.1. Equity attributable to shareholders of the parent	3,197,442	3,206,102	(8,660)
1.1.2. Supplementary capital	2,735,454	2,742,257	(6,803)
1.1.4. Accumulated profit (loss)	453,030	454,887	(1,857)
<b>3. Non-current liabilities</b>	<b>2,516,283</b>	<b>2,633,767</b>	<b>(117,484)</b>
3.4. Lease liabilities (perpetual usufruct of land)	-	117,484	(117,484)
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,298,521</b>	<b>6,424,665</b>	<b>(126,144)</b>

## CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT ['000 PLN]

FOR PERIOD FROM 01.01.2014 TO 30.09.2014	IS	WAS	DIFFERENCE
Revenues	372,510	372,510	-
Cost of goods sold	(158,546)	(150,413)	(8,133)
<b>Gross profit on sales</b>	<b>213,964</b>	<b>222,097</b>	<b>(8,133)</b>
Profit (loss) on investment real property	437,202	437,202	-
Selling costs	(22,610)	(20,318)	(2,292)
General and administrative expenses	(47,980)	(47,980)	-
Other operating revenues/costs	6,052	6,052	-
<b>Operating profit</b>	<b>586,628</b>	<b>597,053</b>	<b>(10,425)</b>
Financial revenues	5,519	5,519	-
Financial costs	(97,116)	(105,249)	8,133
Profit (loss) on currency derivatives	3,544	3,544	-
Gains (losses) from foreign exchange differences	(12,749)	(12,749)	-
Share in profit of affiliates	3,416	3,416	-
<b>Gross profit</b>	<b>489,242</b>	<b>491,534</b>	<b>(2,292)</b>
Income tax	(36,105)	(36,540)	435
<b>Net profit</b>	<b>453,137</b>	<b>454,994</b>	<b>(1,857)</b>
<b>Basic and diluted earnings (loss) per share (in PLN)</b>	<b>1.10</b>	<b>1.10</b>	<b>(0)</b>

## 6.4. Material achievements or failures of the Capital Group, with details of key events in Q3 2015

## 6.4.1. Key events in Q3 2015

## Establishment of mortgage

On 6 July 2015 the Company received notarial deeds, submitted on 3 July 2015, on the establishment of contractual mortgage on real property belonging to Delia Investments S.A. with its registered office in Kielce ("Delia") ("Mortgage I") and contractual mortgage on real property belonging to "Echo – Przy Słowiańskim Wzgórzu spółka z ograniczoną odpowiedzialnością" sp. k. with its registered office in Kielce ("Echo – Przy Słowiańskim Wzgórzu") ("Mortgage II", collective with Mortgage I as "Mortgages") for Powszechny Zakład Ubezpieczeń S.A. with its registered office in Kielce ("PZU"). Delia and Echo – Przy Słowiańskim Wzgórzu are subsidiaries of the Company.

Mortgage I will be established on a real property belonging to Delia, situated in Warsaw at ul. Grzybowska 58, for which the District Court for Warszawa-Mokotów in Warsaw keeps Land and Mortgage Register no. WA4M/00205434/3 ("Real Property I"), while Mortgage II will be established on a real property belonging to Echo – Przy Słowiańskim Wzgórzu, situated in Warsaw at the junction of ul. Chłodna and ul. Grzybowska 58 with Land and Mortgage Register no. KW WA4M/00443210/7 ("Real Property II").

The mortgages will secure the Company's liabilities to PZU in a total amount of PLN 216,900.00, including liabilities on which the Company reported in current report no. 21/2015 dated 25 June 2015. The total book value of Real Property I and Real Property II in the accounting books is PLN 182,563.100.

#### Commencement of a strategic analysis of the real property portfolio

In Q3 2015 the Company commenced the process of a strategic analysis of a real property portfolio and related business opportunities. Therefore, the Company is in the process of acquiring external advisors, including financial advisors.

#### 6.4.2. Projects of the Capital Group

As of 30 September 2015 the Group's portfolio included projects in use, under construction or in preparation for construction.

#### PORTFOLIO OF REAL PROPERTIES IN USE

As of 30 September 2015 the Group's portfolio included 10 commercial centres and 8 office projects for lease.

#### REAL PROPERTY PORTFOLIO

CITY	LOCATION	NAME	GLA <sup>1</sup> [SQM]	NOI <sup>2</sup> ['000 000 EUR]
Kielce	ul. Świętokrzyska	Galeria Echo	73,600	12.7
Wrocław	Plac Grunwaldzki	Pasaż Grunwaldzki	51,000	14.4
Szczecin	Al. Wyzwolenia	Galaxy	42,300	12.6
Kalisz	ul. Górnośląska	Amber	35,800	5.3
Jelenia Góra	Al. Jana Pawła II	Galeria Sudecka	31,300	3.9
Bełchatów	ul. Kolejowa	Galeria Olimpia	21,600	2.9
Szczecin	Al. Struga	Outlet Park	16,700	3.4
Łomża	ul. Zawadzka 38	Galeria Veneda	15,100	2.5
Bełchatów	ul. Kolejowa	Galeria Echo	11,600	0.8
Przemyśl	ul. 29 Listopada	Galeria Echo	5,800	0.4
<b>COMMERCIAL CENTRES TOTAL</b>			<b>304,800</b>	<b>58.9</b>
Poznań	ul. Baraniaka	Malta Office Park	29,000	5.3
Warsaw	ul. Konstruktorska	Park Rozwoju (stage I)	19,400	3.2
Warsaw	ul. Konstruktorska	Park Rozwoju (stage II)	16,000	2.7
Wrocław	ul. Lotnicza	West Gate	16,500	2.8
Szczecin	ul. Malczewskiego	Oxygen	13,900	2.6
Kielce	Al. Solidarności	Astra Park*	11,800	1.8
Warsaw	ul. Postępu	Polkomtel Office Building**	10,200	2.0
Katowice	ul. Francuska	A4 Business Park (stage I)	8,900	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 TOTAL</b>			<b>141,300</b>	<b>24.6</b>
<b>PROJECTS FOR LEASE TOTAL</b>			<b>446,100</b>	<b>83.5</b>

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

\*\* Polkomtel Office Building (Warsaw, ul. Postępu), the area and NOI represent 50% of the project attributed to the Capital Group.

Retail tenants in commercial as well as commercial and entertainment centres are national and international retail chains and local businesses. Key retail tenants include:

- hypermarket chains: Real, Tesco, E.Leclerc, Carrefour,
- specialist retail chains: Empik, RTV Euro AGD, Saturn,
- clothing chains: C&A, H&M, Zara, Reserved, TK Maxx,
- cultural and entertainment chains: Helios, Multikino,
- health and beauty chains: Douglas, Rossmann, Sephora, Super-Pharm.

<sup>1</sup> GLA – gross leasable area, including warehouse and common leased space

<sup>2</sup> NOI – net operating income, based on full lease

Office space is leased to multinational and national enterprises and local companies. Key office tenants include: IBM Global Services Delivery Centre, Nokia Solutions Networks, Grant Thornton Frąckowiak, PKP Cargo, Roche Polska, Ikea Shared Services, McKinsey Emea Shared Services, Nordea Bank Polska, Polkomtel, ING Usługi Finansowe S.A., BRIGHTONE SP.Z O.O., PKO Bank Polska, Medicover, Altkom Investments, Mentor Graphics Polska, Kennametal Polska, Samsung Electronics Polska, Ericsson, Provident Polska and Schneider Electric Polska.

#### PROJECTS UNDER CONSTRUCTION AND IN PREPARATION FOR CONSTRUCTION

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

#### PROJECTS UNDER CONSTRUCTION OR IN PREPARATION WITHIN THE SEGMENT OF COMMERCIAL CENTRES AS WELL AS COMMERCIAL AND ENTERTAINMENT CENTRES

PROJECT	GLA [SQM]	NOI ['000 000 EUR]	PROJECT START	PROJECT COMPLETION
Szczecin Outlet Park, (stage II)	4,800	0.8	I H 2015	II H 2015
<b>PROJECTS UNDER CONSTRUCTION</b>	<b>4,800</b>	<b>0.8</b>		
Katowice, ul. Kościuszki	42,800	8.7	I H 2016	II H 2017
Szczecin Galaxy, (expansion)	15,100	3.4	I H 2016	II H 2017
Szczecin Outlet Park, (stage III)	3,400	0.6	I H 2017	II H 2017
Szczecin Outlet Park, (Fitness & Medical Center)	3,100	0.3	I H 2016	II H 2016
<b>PROJECTS UNDER PREPARATION</b>	<b>64,400</b>	<b>13.0</b>		
<b>TOTAL COMMERCIAL CENTRES</b>	<b>69,200</b>	<b>13.8</b>		

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

PROJECT	GLA [SQM]	NOI ['000 000 EUR]	PROJECT START	PROJECT COMPLETION
Warszawa Q22	52,500	14.0	II H 2013	I H 2016
Gdańsk Tryton	23,700	4.1	II H 2013	II H 2015
Kraków Opolska (stage I)	19,100	3.3	I H 2014	II H 2015
Wrocław Nobilis	16,900	3.3	II H 2014	I H 2016
Katowice A4 Business Park (stage III)	12,000	2.1	I H 2015	II H 2016
Łódź Symetris (stage I)	9,400	1.5	I H 2015	I H 2016
<b>PROJECTS UNDER CONSTRUCTION</b>	<b>133,600</b>	<b>28.7</b>		
Kraków Opolska (stage II)	19,100	3.3	I H 2016	II H 2017
Kraków Opolska (stage III)	19,100	3.3	II H 2017	I H 2019
Wrocław Sucha (stage I)	17,300	3.2	I H 2016	I H 2017
Wrocław Sucha (stage II)	7,400	1.4	I H 2017	I H 2018
Łódź Symetris (stage II)	9,500	1.5	I H 2016	II H 2017
<b>PROJECTS UNDER PREPARATION</b>	<b>72,400</b>	<b>12.7</b>		
<b>TOTAL OFFICE PROJECTS</b>	<b>206,000</b>	<b>41.4</b>		

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

PROJECT	USABLE FLOOR AREA [SQM]	REVENUES ['000 000]	PROJECT START	PROJECT COMPLETION
Warsaw, Nowy Mokotów (stage II)	11,900	96.7	I H 2014	I H 2016
Warsaw, Nowy Mokotów (stage III)	16,100	128.3	II H 2015	II H 2017
Poznań, Jackowskiego	8,100	52.4	II H 2015	I H 2017
Poznań, Sowińskiego (stage I)	7,100	48.6	I H 2014	I H 2016
Poznań, Sowińskiego (stage II)	2,600	19.6	I H 2015	I H 2017
Poznań, Sowińskiego (stage III)	5,000	34.3	I H 2015	I H 2017
Poznań, Naramowice, Osiedle Jaśminowe (stage II)	4,500	24.6	I H 2015	I H 2017
Kraków, Czarodziejska, Park Avenue	5,600	81.2	II H 2014	I H 2016
Kraków, Bronowicka	3,000	22.6	II H 2013	II H 2015
Wrocław, Grota Roweckiego (stage I)	5,900	31.3	II H 2013	II H 2015
Łódź, Osiedle Jarzębinowe (stage II)	5,500	27.7	I H 2014	II H 2015
<b>PROJECTS UNDER CONSTRUCTION</b>	<b>75,300</b>	<b>567.3</b>		
Warsaw, Nowy Mokotów (stage IV)	3,200	27.1	I H 2016	I H 2018
Warszawa, Princess, Puławska	4,900	76.9	I H 2016	I H 2018
Poznań, Naramowice, Pod Klonami Terraced	1,900	8.9	I H 2016	II H 2017
Poznań, Naramowice, Osiedle Jaśminowe (III)	4,200	23.1	II H 2016	II H 2018
Poznań, Naramowice, Osiedle Jaśminowe (IV)	5,100	27.7	I H 2018	I H 2020
Poznań, Sowińskiego (stage IV)	5,100	35.1	II H 2017	I H 2019
Kraków, Kościuszki	5,200	58.3	II H 2015	II H 2017
Kraków, Spiska I	6,600	52.0	II H 2015	I H 2017
Kraków, Spiska II	9,000	73.6	II H 2016	I H 2018
Kraków, Spiska III	4,800	40.6	II H 2017	I H 2019
Kraków, Rydła	8,700	63.8	I H 2017	I H 2019
Kraków, Rakowicka	7,400	63.7	I H 2016	I H 2018
Wrocław, Grota Roweckiego (stage II)	2,900	16.1	II H 2015	II H 2017
Wrocław, Grota Roweckiego (stage III)	9,600	50.6	II H 2016	II H 2018
Wrocław, Gdańska	4,000	29.4	II H 2016	II H 2018
Wrocław, Kępa Mieszczańska (stage I and II)	10,704	66.1	II H 2016	II H 2019
Łódź, Osiedle Jarzębinowe (III)	6,500	32.4	II H 2015	I H 2017
Łódź, Wodna (stage I)	8,400	26.7	I H 2016	I H 2018
Łódź, Wodna (stage II)	5,300	45.6	I H 2018	II H 2019
<b>PROJECTS UNDER PREPARATION</b>	<b>113,504</b>	<b>817.7</b>		
<b>TOTAL PROJECTS IN THE RESIDENTIAL SEGMENT</b>	<b>188,804</b>	<b>1 385.0</b>		

## PLOTS OF LAND ON SALE

PROJECT	AREA OF A PLOT OF LAND [SQM]	REVENUES ['000 000]	PROJECT START	PROJECT COMPLETION
Dyminy, Osiedle Południowe (stage III)	43,400	7.1	II H 2013	II H 2014
Kielce, Występa	134,500	15.5	I H 2017	II H 2017
Warszawa, Rezydencje Leśne	52,900	35.4	I H 2011	II H 2012
<b>TOTAL LAND</b>	<b>230,800</b>	<b>58.0</b>		

## INVESTMENT LAND – PROJECTS AT CONCEPT STAGE

PROJECT	AREA OF A PLOT OF LAND [SQM]
Brasov Korona, (Romania)	49,700
Budapest Mundo, (Hungary)	67,700
Częstochowa	4,400
Katowice, Jankego	26,200
Kielce, Zagnańska	6,900
Kiev, Dehtiarivska	43,300
Koszalin	39,300
Kraków, Focha, Cracovia	17,400
Lublin	4,700
Lublin, Poligonowa	1,060,000
Łódź, Okopowa	21,800
Poznań, Hetmańska	65,300
Poznań, Naramowice	350,000
Poznań, Pamiątkowo	870,000
Poznań, Sołacz	13,700
Radom	6,300
Słupsk	65,700
Szczecin, Struga	25,800
Warsaw, Beethovena	28,900
Warsaw, Grzybowska, Browary	43,700
Warsaw, Taśmowa	30,800
Warsaw, Woronicza, Park Rozwoju III	9,500
Zabrze	8,100
<b>TOTAL INVESTMENT LAND</b>	<b>2,845,500</b>

## 6.5. Factors and events, especially those of a non-typical character, that have had an impact on the profit/loss of the Company

### 1. Factors having an impact on the financial performance of the Capital Group in Q3 2015:

- accounting of revenues from final agreements of residential property sales:
  - in Łódź: Osiedle Jarzębinowe at ul. Okopowa
  - in Cracow: Hortus Apartments at ul. Korzeniowskiego, Bronowicka 42 at ul. Bronowicka
  - in Poznań: os Jaśminowe at ul.Karpia, Kasztanowa Aleja at ul. Wojkowa, Pod Klonami at ul. Rubież
  - in Warsaw: Klimt House at ul. Kazimierzowska, Nowy Mokotów at ul. Konstruktorska
  - in Wrocław: Przy Słowiańskim Wzgórzu, at ul. Jedności Narodowej and Grota 111 at ul. Grota-Roweckiego
- accounting of revenues from final agreements of sales of plots with house projects:
  - in Dyminy near Kielce (Osiedle Południowe)
  - Rezydencje Leśne in Młociny in Warsaw
- accounting of revenues from sale of investment land:
  - Kielce, Al. Solidarności (for residential housing)
  - Jelenia Góra, Leroy Merlin
- regular income from the rental of offices and shopping centres
- quarterly revaluation of fair value of the Group's real estate:
  - in service, taking into account:
    - changes in exchange rates (EUR and USD)
    - changes in the level of net operating revenues
  - in the process of commercialisation:
    - Park Rozwoju II at ul. Konstruktorska in Warsaw
- selling costs and general and administrative expenses



- valuation of liabilities from bonds and loans 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
- interest on deposits and borrowings granted

Events of non-typical character that had an impact on the Company's financial performance in Q3 2015:

none

## 2. Transactions hedging exchange rates

Transactions hedging foreign exchange rates are made as part of the security policy in order to secure future cash flows from currency tranches of loans in EUR and one-off significant operating revenues (e.g. from the sale of investment projects).

Weighted average forward rate of settlement (strike) for the remaining Forward open trades is 4.2091 EUR/PLN.

MATURITY PERIODS FOR OPEN HEDGING POSITIONS AS OF 30 SEPTEMBER 2015:

MATURITY PERIODS FOR OPEN HEDGING POSITIONS AS OF 30 SEPTEMBER 2015.								
		BALANCE SHEET TOTAL ['000 000 PLN]	NOMINAL VALUE ['000 000 EUR]	HEDGE VALUE				
				Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Options	EUR/PLN	0.9	150.0	50.0	-	-	-	100.0
Forward	EUR/PLN	-3.9	92.4	74.9	17.6	-	-	

## 6.6. Segments of the Capital Group

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

STRUCTURE OF OPERATING REVENUES AND COSTS RECORDED IN Q3 2015:

DETAILS	REVENUES ['000 000 PLN]		SHARE %	COSTS ['000 000 PLN]	SHARE %
commercial centres as well as commercial and entertainment centres	85	63%		24	44%
residential space	26	19%		22	40%
office facilities	23	17%		8	14%
non-attributable to segments	2	1%		1	2%
<b>total operating results</b>	<b>136</b>	<b>100%</b>		<b>55</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 real property market. The Group's portfolio of assets for lease generates comparable revenues in each quarter to a considerable degree. 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, income 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. Information on issue, repurchase and repayment of debt and capital 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 S.A. signed with BRE Bank S.A. (at present mBank S.A.) an agency agreement and a dealer agreement for establishing an issuance programme of short-, medium- and long-term bonds denominated in the Polish zloty with a maximum nominal value of the programme of up to PLN 1 billion. Pursuant to these agreements, mBank S.A. undertook to organise and comprehensively service the issuance of the Company's bonds under the Bond Issuance Programme. These agreement, with later annexes thereto, were concluded for an indefinite period of time, and they provide for numerous issuances of bonds by the Company within private placement. The maximum total nominal value

of all issuable bonds is PLN 1 billion. Bonds issued within the Bond Issuance Programme are issued as non-collateralised bearer securities. Bonds may bear fixed or variable coupon. Final issuance terms and conditions are determined before an issuance during the Bond Issuance Programme.

Moreover, on 18 March 2014 the Management Board of Echo Investment S.A. adopted a resolution on establishing a programme of issuing up to 2,000,000 ordinary bearer bonds of the Company with a nominal value of PLN 100 each and with a total nominal value of up to PLN 200 million.

On 24 June 2015 the Polish Financial Supervision Authority approved the Prospectus drawn up in connection with the public offering and the intention of applying for admitting bonds of Echo Investment S.A. issued within the issuance programme with a total nominal value of up to PLN 200,000,000 to trading on the Catalyst regulated market operated by the Warsaw Stock Exchange. On 5 September 2014 the Polish Financial Supervision Authority approved annexe no. 1 to the basic Prospectus.

The issue agent is the brokerage house of PKO Bank Polski.

Funds raised from the bond issuance supplement the Company's credit limits and enable it to finance planned projects as well as expand its operations in current business areas on the property market.

Echo Investment S.A. issued bonds, for which at the date of this report it has liabilities in amounts shown in the table below:

#### LIABILITIES DUE TO BONDS ISSUED AS OF 30 SEPTEMBER 2015 ['000 PLN]

BANK	LISTED ON BONDSPOT	TYPE OF FINANCIAL INSTRUMENT	UTILISED AMOUNT ['000 PLN]	REDEMPTION DATE	COUPON TERMS
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>595 500</b>		
Brokerage house of PKO BP / Series A issue	Yes [ISIN : PLECHPS00142]	Public bonds	50,000	26.06.2016	WIBOR 6M + margin
Brokerage house of PKO BP / Series B issue	Yes [ISIN : PLECHPS00167]	Public bonds	25,000	02.07.2016	WIBOR 6M + margin
Brokerage house of PKO BP / Series C issue	Yes [ISIN : PLECHPS00175]	Public bonds	75,000	04.03.2018	WIBOR 6M + margin
Brokerage house of 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>795,500</b>		

As of 30 September 2015, the Issuance Program at mBank allowed to issue bonds up to a maximum nominal value of PLN 1 billion.

#### 6.9. Information about the dividend paid (or declared)

The Company did not pay dividends in previous years and did not declare 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**

##### **Issue of bonds**

On 22 October 2015 the Company issued coupon bonds in the total amount of PLN 230 million.

The nominal value and issue price of a single bond is PLN 1,000. Bonds were issued for a period ending on 23 April 2018. The interest on the bonds was determined on the basis of the WIBOR 6M variable plus a margin for investors. The interest will be paid semi-annually. The bonds will be redeemed at maturity at par value. The bonds are not secured.

The amount of liabilities incurred as of the last day of the quarter preceding the publication of the acquisition proposal, i.e. 30 June 2015, is PLN 981 million.

In the opinion of the Management Board of Echo Investment S.A., during the period of validity of the issued bonds, general liabilities of Echo Investment S.A. will be maintained at a safe level and the indicators of the debt servicing capability are at levels which ensure the ability of handling the liabilities arising from the issued bonds.

The issued bonds represent 31.93% of the equity of Echo Investment SA, as of 30 June 2015.

Funds from the current issue will be earmarked for the redemption of bonds maturing next year and for covering expenditures related to the implementation of current projects on the real property market, in accordance with the growth strategy of Echo Investment Capital Group.

As of 22 October 2015 the Company had redeemed bonds with a total nominal value of PLN 20 million from the issue worth PLN 145 million that matures on 11 February 2016.

##### **Concluding a material agreement**

On 30 October 2015 the Issuer's subsidiaries, i.e.

1/ Astra Park – "Projekt Echo – 69" spółka z ograniczoną odpowiedzialnością spółka komandytowo-akcyjna with its registered office in Kielce, entered in the Register of Entrepreneurs of the National Court Register by District Court Kielce, 10th Commercial Division of the National Court Register, under KRS number: 0000421616 (hereinafter: "Seller") and

2/ "PHS – Projekt CS spółka z ograniczoną odpowiedzialnością" spółka komandytowo-akcyjna with its registered office in Szczecin, entered in the Register of Entrepreneurs of the National Court Register by District Court Szczecin-Centrum in Szczecin, 13th Commercial Division of the National Court Register, under KRS number: 0000385367 (hereinafter: "PHS")

and

FTF Columbus S.A. with its registered office in Warsaw, entered in the Register of Entrepreneurs of the National Court Register by the District Court for the Capital City of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, under KRS number: 0000441371 (hereinafter: "Buyer") entered into a preliminary agreement establishing a unilateral obligation to sell the right of ownership and the right of perpetual usufruct of real property, including the right of ownership of buildings constituting separate real properties situated in Kielce at Al. Solidarności 36 (hereinafter: "Real Property").

Pursuant to the agreement, subject to the performance of all conditions precedent, i.e.:

1/ obtaining consistent tax interpretations;

2/ issue of appropriate documents by the existing lender;

3/ obtaining all mandatory consents to remove mortgages encumbering the real property;

4/ issuing relevant statements confirming that the Seller is not in tax arrears;

The Seller and PHS, provided that it becomes a co-user or a user of a part of or the whole Real Property, undertake to sell to the Buyer the Real Property free of any encumbrances except for permitted encumbrances by way of a final agreement, and the Buyer will have the right to enter into the final agreement.

The Seller and PHS will be obliged to enter into the final agreement provided that the Buyer submits a request to enter into the final agreement in the period between 10 June 2020 and 10 August 2020.

In order to meet its reporting obligation, the Issuer has determined the estimated value of the subject of the agreement at the equivalent of approx. EUR 31.4 million in the Polish zloty.

## 6.11. Information on 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 30 SEPTEMBER 2015 ['000 PLN]

SURETY FOR BENEFIT OF	VALUE	EXPIRY DATE	TITLE
BANK POLSKA KASA OPIEKI S.A.	221 406	shall apply until the performance of the terms and conditions specified in the suretyship agreement, but no later until 31.12.2025	Suretyship of Echo Investment S.A. for obligations of Galeria Sudecka – Projekt Echo – 43 spółka z ograniczoną odpowiedzialnością SKA as security of liabilities resulting from the loan agreement concluded on 19.12.2013, the framework agreement dated 19.04.2011 and agreement no. 2013/127/DDF dated 17.09.2013 A part of the suretyship in the EUR.

See also Section 6.20 of this Report.

### 6.11.2. Guarantee agreements

#### GUARANTEES IN FORCE AS OF 30 SEPTEMBER 2015 ['000 PLN]

GUARANTOR	VALUE ['000 PLN]	EXPIRY DATE	TITLE
PKO BP SA	2,155	until 17.05.2016	Security for removing defects and flaws for Orbis S.A. resulting from the General Project Implementation Agreement dated 04 September 2008
Echo Investment S.A.	21,193	until 02.07.2020	Performance bond for the final agreement for the sale of the office building Aquarius Business House in Wrocław, stage I. Guarantee issued in the EUR.
Echo Investment S.A.	27,148	shall be in force until the end of the project implementation period, but no later than 28 February 2016	Security for exceeding costs, liabilities relative to debt servicing as well as support for organising the construction process during the implementation period of Park Rozwoju stage I in Warsaw for Bank Zachodni WBK S.A.
Echo Investment S.A.	38,147	until 30.07.2021	Performance bond for the final agreement for the sale of the office building Aquarius Business House in Wrocław, stage II. Guarantee issued in the EUR.
Echo Investment S.A.	13,148	shall be in force until the Date of Conversion, but no later than 31 December 2025	Security for exceeding costs of extending the Commercial and Entertainment Centre Galeria Sudecka in Jelenia Góra and for covering a shortage of own funds for Bank Polska Kasa Opieki S.A.
Bank Pekao S.A.	3,600	until 30.06.2016	Security for the repayment of claims resulting from a failure to meet the deadline for performing the subject of the agreement entered into on 24 August 2012 for the commune of Jelenia Góra. The guarantee issued in order to replace the guarantee in the item above.
PKO BP SA	1,230	until 27.12.2017	Security for the repayment of claims resulting from a failure to meet the terms and conditions of the agreement entered into on 26 November 2012 for the commune Szczecin City.
Echo Investment S.A.	254,316	until the Conversion Date, but no later than until 06.02.2018	Security for exceeding costs, covering a shortage of own funds, liabilities relative to servicing debt and hedging agreements, support for organising the construction process during the implementation period of the office project Q22 in Warsaw for Bank Zachodni WBK S.A. and PKO BP S.A.
Echo Investment S.A.	34,974	up to 12 months after Project Completion	Security for exceeding implementation costs of the office project Tryton Business House in Gdańsk for HSBC Bank plc

GUARANTOR	VALUE ['000 PLN]	EXPIRY DATE	TITLE
Echo Investment S.A.	27,106	up to 12 months after Project Completion	Security for exceeding implementation costs of the office project Opolska Business Park stage I in Cracow HSBC BANK plc
Projekt Echo Galeria Kielce – Magellan West spółka z ograniczoną odpowiedzialnością – SKA	159,590	until the date of repayment of all liabilities under the loan agreement	Security for non-performance of financial obligations arising out of the loan agreement entered into on 22 December 2014 by Projekt Echo – 102 Sp. z o.o. for HSBC Bank plc. A part of the guarantee in the EUR.
Projekt Echo Galeria Kielce – Magellan West spółka z ograniczoną odpowiedzialnością – SKA	129,919	until the date of repayment of all liabilities under the loan agreement	Security for non-performance of financial obligations arising out of the loan agreement entered into on 22 December 2014 by Echo-Opolska Business Park Spółka z ograniczoną odpowiedzialnością SKA for HSBC Bank plc. A part of the guarantee in the EUR.
Echo Investment S.A.	11,200	until 30.01.2016	Security for exceeding implementation costs of the office project West Gate in Wrocław.
PZU S.A.	36,900	until 16.07.2016	Security for non-performance of the agreement entered into on 22 June 2015 by Echo Investment S.A. for FTF Columbus S.A.
PZU S.A.	180,000	until 16.07.2016	Security for non-performance of the agreement entered into on 22 June 2015 by Echo Investment S.A. for FTF Columbus S.A.
BGŻ BNP Paribas S.A.	886	until 30.09.2019	Security for non-performance of payment obligations relative to the real property tax pursuant to a decision dated 12 May 2015 for the commune of Katowice
Echo Investment S.A.	12,476	until 31.01.2016	Security for exceeding implementation costs of stage II of the office project A4 Business Park in Katowice.
BGŻ BNP Paribas S.A.	2,104	until 31.08.2020	Security for non-performance of payment obligations relative to the real property tax pursuant to a decision dated 24 August 2015 for the commune of Katowice

On 6 July 2015 Powszechny Zakład Ubezpieczeń S.A. granted a guarantee to FTF Columbus S.A. as a performance bond for the agreement entered into on 22 June 2015 by Echo Investment S.A. The guarantee amount is PLN 36,900,000.00. The guarantee is valid until 6 July 2016.

On 6 July 2015 Powszechny Zakład Ubezpieczeń S.A. granted a guarantee to FTF Columbus S.A. as a performance bond for the agreement entered into on 22 June 2015 by Echo Investment S.A. The guarantee amount is PLN 180,000,000.00. The guarantee is valid until 6 July 2016.

On 16 July 2015 Bank BGŻ BNP Paribas S.A. granted a guarantee to the commune of Katowice as security for non-performance of payment obligations relative to the real property tax by A4 Business Park – “Iris Capital” Spółka z ograniczoną odpowiedzialnością – spółka komandytowo-akcyjna (a subsidiary of the Issuer) pursuant to a decision dated 12 May 2015. The guarantee amount is PLN 886,336.50. The guarantee is valid until 30 September 2019.

A bank guarantee in the amount of PLN 88,466.00 issued by Bank PKO BP S.A. for the Customs Chamber in Łódź as a performance bond for obligations arising out of a promotional lottery organised at the Commercial and Entertainment Centre Galeria Olimpia in Bełchatów expired on 10 August 2015.

A bank guarantee in the amount of PLN 151,250.00 issued by Bank PKO BP S.A. for the Customs Chamber in Kielce as a performance bond for obligations arising out of a promotional lottery organised at the Commercial and Entertainment Centre Galeria Echo in Kielce expired on 31 August 2015.

On 7 September 2015 Echo investment granted a guarantee to Bank BGŻ BNP Paribas S.A. as security for exceeding implementation costs of stage II of the project A4 Business Park in Katowice by the Borrower, i.e. A4 Business Park –

"Iris Capital" Spółka z ograniczoną odpowiedzialnością – spółka komandytowo-akcyjna (a subsidiary of the Issuer). The guarantee amount is EUR 2,943,345.80. The guarantee is valid until 31 January 2016.

On 9 September 2015 Bank BGŻ BNP Paribas S.A. granted a guarantee to the commune of Katowice as security for non-performance of payment obligations relative to the real property tax by A4 Business Park – "Iris Capital" Spółka z ograniczoną odpowiedzialnością – spółka komandytowo-akcyjna (a subsidiary of the Issuer) pursuant to a decision dated 24 August 2015. The guarantee amount is PLN 2,104,134.00. The guarantee is valid until 31 August 2020.

## 6.12. Composition of Echo Investment Capital Group

The key role in the group's structure is performed by Echo Investment S.A, which supervises, co-implements and provides financial resources 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 30 September 2015 the Capital Group comprised 140 subsidiaries, consolidated under the full method, and one co-subsiary consolidated under 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.	Kielce	100%	XXIX FIZ Forum
14	"Echo – Centrum Przemysł – Projekt Echo – 93 Sp. z o.o." S.k.a.	Kielce	100%	XXXIV FIZ Forum
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.	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 Mokotów" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
26	"Echo – Nowy Mokotów 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

	SUBSIDIARY	REGISTERED OFFICE	% OF EQUITY HELD	PARENT COMPANY
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
	"Echo Investment ACC – Grupa Echo Sp. z o.o." 41	Kielce	100%	Echo Investment S.A.
LP	"Echo Investment Facility Management – Grupa Echo 42 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	"EBR Global Services" Sp z o.o.	Kielce	100%	Echo Investment S.A.
49	"Elmira Investments" Sp. z o. o.	Kielce	100%	Echo Investment S.A.
50	"EI Project Cypr – 1" Ltd	Nicosia	100%	Echo Investment S.A.
51	"EI Option" S.A.	Cracow	95,7%	Echo Investment S.A.
52	"Farrina Investments" Sp. z o. o.	Kielce	100%	XXIX FIZ Forum
53	"Galaxy – Projekt Echo – 106 Sp. z o. o." S.k.a.	Kielce	100%	XXXIV FIZ Forum
54	"Galeria Nova – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	Echo Investment S.A.
55	"Galeria Olimpia – Projekt Echo – 98 Sp. z o.o." S.k.a.	Kielce	100%	XXXIV FIZ Forum
56	"Galeria Sudecka – Projekt Echo – 43 Sp. z o.o." S.k.a.	Kielce	100%	XXXIV FIZ Forum
57	"Galeria Tarnów – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	60 FIZ Forum
58	"Grupa Echo" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
59	"Iris Capital" Sp. z o. o.	Kielce	100%	Echo Investment S.A.
60	"Malta Office Park – Projekt Echo – 96 Sp. z o.o." S.k.a.	Kielce	100%	60 FIZ Forum
61	"Magellan West" Sp. z o. o.	Kielce	100%	Echo Investment S.A.
62	"Mena Investments" Sp. z o. o.	Kielce	100%	Echo Investment S.A.
63	"Metropolis – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	60 FIZ Forum
64	"Oxygen – Projekt Echo – 95 Sp. z o.o." S.k.a.	Kielce	100%	60 FIZ Forum
65	"Pamiętkowo" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
66	"Park Postępu – Projekt Echo – 93 Sp. z o.o." S.k.a.	Kielce	100%	60 FIZ Forum
67	"PHS – Projekt CS Sp. z o.o." S.k.a.	Szczecin	100%	60 FIZ Forum
68	"PPR – Projekt Echo – 77 Sp. z o.o. " S.k.a.	Kielce	100%	60 FIZ Forum
69	"Princess Investment" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
70	"Projekt Beethovena – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	60 FIZ Forum
71	"Projekt CS" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
72	"Projekt Echo – 43" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
73	"Projekt Echo 62 – Magellan West Sp. z o.o." S.k.a.	Kielce	100%	60 FIZ Forum
74	"Projekt Echo – 69" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
75	"Projekt Echo – 70" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
76	"Projekt Echo – 77" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
77	"Projekt Echo – 93" Sp. z o.o.	Kielce	100%	Echo Investment S.A.

	SUBSIDIARY	REGISTERED OFFICE	% OF EQUITY HELD	PARENT COMPANY
78	"Projekt Echo – 95" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
79	"Projekt Echo – 96" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
80	"Projekt Echo – 97" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
81	"Projekt Echo – 98" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
82	"Projekt Echo – 99" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
83	"Projekt Echo – 101" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
84	"Projekt Echo – 102" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
85	"Projekt Echo – 103" Sp. z o.o.	Szczecin	100%	XXXIV FIZ Forum
86	"Projekt Echo – 104" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
87	"Projekt Echo – 105" Sp. z o.o.	Kielce	100%	XXIX FIZ Forum
88	"Projekt Echo – 106" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
89	"Projekt Echo – 107" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
90	"Projekt Echo – 108" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
91	"Projekt Echo – 109" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
92	"Projekt Echo – 111" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
93	"Projekt Echo – 115" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
94	"Projekt Echo – 116" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
95	"Projekt Echo – 117" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
96	"Projekt Echo – 118" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
97	"Projekt Echo – 119" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
98	"Projekt Echo – 120" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
99	"Projekt Echo – 121" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
100	"Projekt Echo – 122" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
101	"Projekt Echo – 123" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
102	"Projekt Echo – 127" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
103	"Projekt Echo – 128" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
104	"Projekt Echo – 129" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
105	"Projekt Echo – 130" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
106	"Projekt Echo – 131" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
107	"Projekt Echo – 132" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
108	"Projekt Echo – 135" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
109	"Projekt Echo – 136" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
110	"Projekt Echo – 137" Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
111	"Projekt Echo Galeria Kielce – Projekt Echo – 109 Sp. z o.o." S.k.a. (former: "Projekt Echo Galeria Kielce –Magellan West Sp. z o.o." S.k.a.)	Kielce	100%	XXXIV FIZ Forum
112	"Projekt Echo Pasaż Grunwaldzki – Magellan West Sp. z o.o." S.k.a.	Kielce	100%	XXXIV FIZ Forum
113	"Projekt Naramowice – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	60 FIZ Forum
114	"Projekt – Pamiątkowo" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
115	"Projekt Saska" Sp. z o.o.	Kielce	95%	Echo Investment S.A.
116	"Projekt 1 – Grupa Echo Sp. z o.o." – S.k.a.	Kielce	100%	60 FIZ Forum
117	"Projekt 4 – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	Echo Investment S.A.
118	"Projekt 5 – Grupa Echo Sp. z o.o." S.k.a.	Szczecin	100%	60 FIZ Forum
119	"Projekt 11 – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	60 FIZ Forum
120	"Projekt 12 – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	60 FIZ Forum
121	"Projekt 13 – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	60 FIZ Forum
122	"Projekt 14 – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	60 FIZ Forum
123	"Projekt 15 – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	Echo Investment S.A.
124	"Projekt 16 – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	Echo Investment S.A.



SUBSIDIARY	REGISTERED OFFICE	% OF EQUITY HELD	PARENT COMPANY
125 "Projekt 17 – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	Echo Investment S.A.
126 "Projekt 18 – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	Echo Investment S.A.
127 "Projekt 19 – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	Echo Investment S.A.
128 "Projekt 20 – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	Echo Investment S.A.
129 "Projekt 21 – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	Echo Investment S.A.
130 "Projekt 22 – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	Echo Investment S.A.
131 Projekt K-6 – "Grupa Echo" spółka z ograniczoną odpowiedzialnością S.K.A.	Kielce	100%	Echo Investment S.A.
132 "Pure Systems" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
133 "SPV 1 – Grupa Echo Sp. z o.o." S.k.a.	Kielce	100%	60 FIZ Forum
134 "Vasco Investment" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
135 "Veneda – Projekt Echo –97 Sp. z o.o." S.k.a.	Kielce	100%	XXXIV FIZ Forum
136 "Vousoka" Ltd	Nicosia	100%	"El Project Cypr – 1" Ltd
137 "Vousoka Polska" Sp. z o.o.	Kielce	100%	Echo Investment S.A.
138 "Vousoka Polska Sp. z o.o." S.k.a.	Warsaw	100%	XXXIV FIZ Forum
139 "Yevrobdugarant" LLC	Kiev	100%	El Project Cypr – 1 Ltd
140 "Zakład Ogródniczy Naramowice – Pamiątkowo Sp. z o.o." S.k.a.	Pamiątkowo	100%	60 FIZ Forum

The joint subsidiary is eWan 11ę Spółka z o.o. with its registered office in Warsaw.

All certificates issued by XXIX FIZ Forum, XXXIV 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. Composition of the Echo Investment S.A. Capital Group in Q3 2015 increased by 19 companies as a result of:

- registration of a newly-established company "Projekt Echo – 127 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 14 August 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 130 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 14 August 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 135 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 14 August 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 136 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 14 August 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 137 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 14 August 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 119 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 31 August 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 120 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 31 August 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 121 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 31 August 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 122 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 31 August 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 123 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 31 August 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 128 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 07 September 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 129 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 07 September 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 131 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 07 September 2015. The company's share capital is PLN 5 thousand;

- registration of a newly-established company "Projekt Echo – 132 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 07 September 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 111 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 15 September 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 115 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 15 September 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 116 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 15 September 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 117 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 15 September 2015. The company's share capital is PLN 5 thousand;
- registration of a newly-established company "Projekt Echo – 118 Sp. z o.o." with its registered office in Pamiątkowo by the District Court in Poznań on 15 September 2015. The company's share capital is PLN 5 thousand;

## **II. Other changes in the companies of the Capital Group of the Issuer in Q3 2015:**

- a change of the corporate name "Projekt Echo Galeria Kielce – Magellan West Sp. z o.o." S.k.a. for "Projekt Echo Galeria Kielce – Projekt Echo – 109 Sp. z o.o." S.k.a. (date of registration in the National Court Register: 24 September 2015);
- capital increase in "Echo – Babka Tower Spółka z ograniczoną odpowiedzialnością" – S.k.a. by XXIX FIZ Forum. (resolution date: 13 July 2015);
- capital increase in "Echo – Galeria Amber Sp. z o.o." S.k.a. by XXXIV FIZ Forum. (resolution date: 26 August 2015);
- change of the general partner – on 16 July 2015 "Projekt Echo – 93" Sp. z o.o. disposed of rights and obligations of the general partner in "Echo – Centrum Przemysł – Projekt Echo – 93 Sp. z o.o." S.k.a. to "Projekt Echo – 118" Sp. z o.o. with its registered office in Kielce;
- change of the general partner – on 16 July 2015 "Magellan West" Sp. z o.o. disposed of rights and obligations of the general partner in "Projekt Echo 62 – Magellan West Sp. z o.o." S.k.a. to "Projekt Echo – 111" Sp. z o.o. with its registered office in Kielce;
- change of the general partner – on 16 July 2015 "Projekt Echo – 93" Sp. z o.o. disposed of rights and obligations of the general partner in "Avatar – Projekt Echo – 93 Sp. z o.o." S.k.a. to "Projekt Echo – 119" Sp. z o.o. with its registered office in Kielce;
- change of the general partner – on 16 July 2015 "Grupa Echo" Sp. z o.o. disposed of rights and obligations of the general partner in "Projekt 4 – Grupa Echo Sp. z o.o." S.k.a. to "Projekt Echo – 116" Sp. z o.o. with its registered office in Kielce;
- change of the general partner – on 17 July 2015 "Grupa Echo" Sp. z o.o. disposed of rights and obligations of the general partner in "Projekt Beethovena – Grupa Echo Sp. z o.o." S.k.a. to "Projekt Echo – 122" Sp. z o.o. with its registered office in Kielce;
- change of the general partner – on 17 July 2015 "Grupa Echo" Sp. z o.o. disposed of rights and obligations of the general partner in "Metropolis – Grupa Echo Sp. z o.o." S.k.a. to "Projekt Echo – 121" Sp. z o.o. with its registered office in Kielce;
- change of the general partner – on 17 July 2015 "Grupa Echo" Sp. z o.o. disposed of rights and obligations of the general partner in "SPV 1 – Grupa Echo Sp. z o.o." S.k.a. to "Projekt Echo – 120" Sp. z o.o. with its registered office in Kielce;
- change of the general partner – on 22 July 2015 "Magellan West" Sp. z o.o. disposed of rights and obligations of the general partner in "Echo Galeria Kielce – Magellan West Sp. z o.o." S.k.a. to "Projekt Echo 129" Sp. z o.o. with its registered office in Kielce;
- change of the general partner – on 06 August 2015 "Projekt Echo – 93" Sp. z o.o. disposed of rights and obligations of the general partner in "Park Postępu – Projekt Echo – 93 Sp. z o.o." S.k.a. to "Projekt Echo – 130" Sp. z o.o. with its registered office in Kielce;
- change of the general partner – on 18 August 2015 "Grupa Echo" Sp. z o.o. disposed of rights and obligations of the general partner in "Projekt 11 – Grupa Echo Sp. z o.o." S.k.a. to "Projekt Echo – 131" Sp. z o.o. with its registered office in Kielce;
- following transactions in the Capital Group the following interests of shares and shares were transferred to Echo Investment S.A.:
  1. 50 series A registered shares in "SPV 1 – Grupa Echo Sp. z o.o." S.k.a.;
  2. 19 shares in "Echo – Galeria Lublin" Sp. z o.o.;
- 75% of shares in EBR Global Services Sp. z o.o. with its registered office in Kielce were acquired on 15 and 17 September 2015; The total acquisition price amounted to PLN 2. The company's share capital is PLN 50 thousand.

#### 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 total number of votes resulting from all the Company's shares issued is 412,690,582 (say: four hundred twelve million six hundred ninety thousand five hundred and eighty two) votes.

SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE GENERAL NUMBER OF VOTES AT THE GENERAL MEETING OF ECHO INVESTMENT S.A., AS OF 9 NOVEMBER 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.
ECHO PARTNERS B.V. (indirectly through a subsidiary)	272,375,784	65.99%	272,375,784	65.99%
– Lisala sp. z o.o. (indirectly)	272,375,784	65.99%	272,375,784	65.99%
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%

\* Figures concerning the shareholdings in the Issuer's capital come from reports published by open pension funds presenting the annual structure of assets as of the end of December 2014.

In the period since the publication of the last financial report, i.e. 31 August 2015, until the publication date hereof, the Issuer received the following notifications of changes in the shareholdings of significant shareholders.

- 1) On 22 September 2015 the Issuer received a notification from Lisala sp. z o.o. with its registered office in Warsaw (hereinafter "Lisala") about exceeding the threshold of 50% of total votes at Echo Investment S.A.

Lisala, where Echo Partners B.V. holds 100% of shares in the share capital, notifies pursuant to Article 69a (1) (1) in conjunction with Article 69 of the Act of 29 July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies (hereinafter: "Act on Offering"), of exceeding the 50% threshold of total votes at Echo Investment S.A. and direct acquisition of 256,582,350 shares in the Company's share capital, representing 62.17% of total shares in the Company and 62.17% of total votes at the Company, with respect to which Lisala is entitled to exercise its voting right.

The 50% threshold of total votes at the Company was exceeded as a result of the registration of a merger of Lisala with Bafia sp. z o.o. with its registered office in Warsaw (hereinafter: "Bafia") on 16 September 2015 (hereinafter: "Merger"). Bafia was a subsidiary of Lisala in which Lisala held 100% of shares in the share capital. The Merger consisted in transferring entire assets of Bafia to Lisala, including in particular 256,528,350 shares in the Company's share capital, representing 62.17% of total shares in the Company and 62.17% of total votes at the Company.

Before the Merger registration date Lisala held, through Bafia, 256,528,350 shares in the Company's share capital, representing 62.17% of total shares in the Company and 62.17% of total votes at the Company. Lisala does not intend to increase its share in total votes at the Company within 12 months as of the submission date of this notification.

Lisala does not have any subsidiaries.

With respect to Lisala there are no persons referred to in Article 87 (1) (3) (c) of the Act on Offering.

- 2) On 22 October 2015 the Issuer received a notification from Lisala sp. z o.o. with its registered office in Warsaw (hereinafter: "Lisala"), drawn up pursuant to Article 69 (2) (2) of the Act of 29 July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies (consolidated text of 28 June 2013, JoL of 2013, item 1382) (hereinafter: "Act on Offering") on an increase of total votes at Echo Investment S.A. and direct acquisition of additional 15,793,434 shares in the share capital of the Company, representing approximately 3.8269% of total shares in the share capital of the Company and 3.8269% of total votes at the Company, with respect to which Lisala is entitled to exercise the voting right.

"The total number of votes was increased on 22 October 2015 as a result of settling a block transaction to which Lisala was a party (hereinafter: "Transaction"). As a result of the Transaction Lisala increased its shareholding in the Company's share capital to 272,375,784 shares, representing 65.99% of total shares in the Company's share capital and 65.99% of total votes at the Company.

Before the execution of the Transaction Lisala held directly 256,582,350 shares in the Company's share capital, representing 62.17% of total shares in the Company's share capital and 62.17% of total votes at the Company.

Lisala does not intend to increase its share in total votes at the Company within 12 months as of the submission date of this notification.

Lisala does not have any subsidiaries.

With respect to Lisala there are no persons referred to in Article 87 (1) (3) (c) of the Act on Offering.

- 3) On 27 October 2015 the Issuer received a notification drawn up pursuant to Article 69 (1) (2) of the Act of 29 July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies (JoL of 2013 item 1382) in which Powszechne Towarzystwo Emerytalne PZU S.A. acting on behalf of Otwarty Fundusz Emerytalny PZU "Złota Jesień" (hereinafter: "OFE PZU") notifies that as a result of the transaction of sale of Echo Investment S.A. shares on the Warsaw Stock Exchange on 21 October 2015 OFE PZU holds less than 5% of total votes.

Before the execution of the transaction OFE PZU held 21,002,249 shares representing 5.09% of total shares in the Company's share capital and 5.09% of total votes at the Company.

After the execution of the transaction OFE PZU held 5,208,815 shares representing 1.26% of total shares in the Company's share capital and 1.26% of total votes at the Company.

#### 6.16. Summary of changes in 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 submission of the previous quarterly report

According to the information held by the Company, changes in the holdings of Echo Investment S.A. shares or rights (options) to them among managers and supervisors of the Company in the period between the publication date of the previous quarterly report are presented in the tables below:

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

MANAGERS	30.08.2015	09.11.2015
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
Maciej Drozd – Vice-President of the Management Board	no shares	no shares

In the period since the publication of the last financial report, i.e. 30 August 2015, until the publication date of this report, the Issuer did not receive any notifications from managers regarding changes in shareholdings in the Issuer's capital.

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

SUPERVISORS	30.08.2015	09.11.2015
Karim Khairallah – Chairman of the Supervisory Board	no shares	no shares
Laurent Luccioni – Deputy Chairman of the Supervisory Board	no shares	no shares
Maciej Dyjas – Member of the Supervisory Board	no shares	no shares
Sebastian Zilles – Member of the Supervisory Board	not applicable*	no shares
Przemysław Krych – Member of the Supervisory Board	no shares	no shares
Nebil Senman – Member of the Supervisory Board	no shares	no shares
Stefan Kawalec – Member of the Supervisory Board	no shares	no shares

\* Mr Sebastian Zilles was appointed as member of the Supervisory Board by way of Extraordinary General Meeting Resolution dated 27 October 2015.

In the period since the publication of the last financial report, i.e. 30 August 2015, until the publication date of this report, the Issuer did not receive any notifications from supervisors regarding changes in shareholdings in the Issuer's capital.

#### **6.17. Information on court proceedings**

In Q3 2015 there were no proceedings pending before court or a public administration authority concerning liabilities or claims of the Company and its subsidiaries, whose total value constitutes at least 10% of the Company's equity.

#### **6.18. Information on transactions with related entities on other than market conditions**

In Q3 2015 the Company and its subsidiaries did not conclude any transactions with related parties on other than market conditions.

#### **6.19. Information of granted loan sureties and granted guarantees equivalent in value to at least 10% of the issuer's equity capitals**

In Q3 2015 at the commission of Echo Investment S.A. Powszechny Zakład Ubezpieczeń S.A. granted guarantees to a third party (FTF Columbus), the value of which exceeded 10% of the Company's equity.

See 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**

##### **Appointment of a manager**

On 16 July 2015 the Supervisory Board of the Issuer elected Mr Maciej Drozd to serve on the Management Board of Echo Investment S.A. during the joint term of office, appointing him as Vice-President of the Issuer's Management Board.

Since 1995 Mr Maciej Drozd had been involved with Eastbridge Group, initially as the Chief Financial Officer of the operational companies of this Group and then between July 2009 and June 2015 he also acted as the Chief Financial Officer and Managing Partner at Eastbridge Group. At Eastbridge Group companies Mr Maciej Drozd served at the following positions:

2009 – June 2015: Chief Financial Officer of DTH Partners, a New York-based development company converting office buildings in Manhattan into luxury residential properties.

2009 – June 2015: Member of the Supervisory Board and Chairman of the Audit Committee of the Supervisory Board of NFI Empik Media & Fashion.

2010 – 2014: Director at ImmoBel, a company listed on Euronext, engaged in the development, lease and sale of office and residential properties in Belgium, Poland and Luxembourg.

2003 – 2014: Chief Financial Officer at CDI, a company engaged in development, management and sale of real estate with a portfolio including more than 30 assets, mainly commercial chains in Poland.

1999 – 2004: Chief Financial Officer at DTC, a Polish retail company.

1995 – 1999: Chief Financial Officer at Empik, a Polish retail company.

1990 – 1995: Before joining Eastbridge Group Maciej Drozd had worked as Chief Financial Officer at SMG/KRC and ran a sole proprietorship engaged in services and commerce.

##### **Jackowskiego 47 – new residential project in Poznań**

Echo Investment started the development of Jackowskiego 47 residential project situated in the Jeżyce district in Poznań. Zakłady Remontowo Budowlane WAM is the general contractor and the contract signed is worth more than PLN 28 million.

The Jackowskiego 47 project comprises detailed land development, including internal communication, a playground and a recreational area. Carefully selected plants and greenery, street furniture elements and common recreational area emphasise the friendly nature of this project.

Five-storey buildings include 155 apartments measuring between 28 and 86 sqm, with combination options. Each apartment will feature at least one balcony, recessed balcony or terrace.

#### **Nowy Mokotów – 3rd project stage**

Echo Investment started the 3<sup>rd</sup> development stage of the Nowy Mokotów residential estate at ul. Konstruktorska in Warsaw. The general contractor is Mostostal Warszawa and the contract signed is worth PLN 64 million.

In the 3<sup>rd</sup> stage of the Nowy Mokotów residential estate project a total of 29 apartments will be developed, measuring between 34 and 126 sqm. The completion of works is scheduled for Q3 2017.

The Nowy Mokotów residential estate is being developed at ul. Konstruktorska 10, in the part of Mokotów constituting the biggest office district of Warsaw. The project is implemented in four stages, the first stage has been completed and all 200 apartments in six buildings have already found buyers. The 2<sup>nd</sup> stage of the project, including 206 apartments, will be completed in June 2016. In total 800 apartments will be developed in the residential estate. The architectural design was drawn up by the renowned architectural firm Kuryłowicz & Associates based in Warsaw.

#### **6.21. Factors which, in the opinion of the Management Board, will influence the Capital Group's financial performance for at least the upcoming quarter**

In subsequent periods the following factors will have impact, among others:

- accounting of revenues from final agreements of residential property sales in:
  - Cracow:
    - Hortus Apartments at ul. Korzeniowskiego,
    - Bronowicka 42 at ul. Bronowicka (put into service in Q3 2015),
  - Łódź:
    - Os. Jarzębinowe at ul. Okopowa (II stage put into service in Q3 2015),
  - Poznań:
    - Kasztanowa Aleja II at ul. Wojskowa,
    - Pod Klonami at ul. Rubież
    - Park Sowińskiego at ul. Sowińskiego (to be put into service in Q1 2016),
  - Warsaw:
    - Klimt House at ul. Kazimierzowska,
    - Nowy Mokotów at ul. Konstruktorska (II stage to be put into service in Q2 2016),
  - Wrocław:
    - Przy Słowiańskim Wzgórzu at ul. Jedności Narodowej,
    - Grota 111 at ul. Grota-Roweckiego (put into service in Q3 2015)
- accounting of revenues from final agreements of sales of plots with house projects in:
  - Bilcza near Kielce: Bilcza II stage
  - Dyminy near Kielce: Osiedle Południowe,
- accounting of revenues from final agreements of sales of plots in:
  - Masłowie near Kielce:
- regular income from the rental of offices and shopping centres,
- quarterly revaluation of fair value of the Group's real estate:
  - in service, taking into account:
    - changes in exchange rates (EUR and USD),
    - changes in the level of net operating revenues,
  - under construction and in the process of commercialization:
    - Tryton office building in Gdańsk (to be put into service in Q4 2015)
    - office building Opolska Bussines Park stage I (to be put into service in Q1 2016)
- selling costs and general and administrative expense,
- valuation of liabilities from bonds and loans at amortized cost,
- valuation of loans and cash due to changes in foreign exchange rates,
- valuation and implementation of securing financial instruments on foreign currencies,
- interest on deposits and borrowings granted,
- discount and interests on credits, bonds and loans.

### III. CONDENSED SEPARATE FINANCIAL STATEMENTS AS OF AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015

SEPARATE QUARTERLY STATEMENT OF FINANCIAL POSITION – ASSETS [‘000 PLN ] AS OF:

	30.09.2015	31.12.2014	30.09.2014
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
1.1. Intangible assets	200	472	483
1.2. Property, plant and equipment	5,801	7,247	7,974
1.3. Investment real property	6,210	2,903	2,869
1.4. Investments in subsidiaries, co-subsidiaries and affiliates	867,912	867,470	922,645
1.5. Long-term financial assets	13,618	13,751	17,372
1.6. Borrowings granted	315,794	156,987	65
1.7. Deferred income tax asset	28,797	24,369	11,431
	<b>1,238,332</b>	<b>1,073,199</b>	<b>962,839</b>
<b>2. Current assets</b>			
2.1. Inventories	350,798	341,658	331,587
2.2. Income tax receivables	1,675	-	-
2.3. Other tax receivables	-	-	2,460
2.4. Trade and other receivables	59,291	73,587	30,873
2.5. Borrowings granted	80,387	131,348	311,257
2.6. Restricted cash	8,195	2,372	1,126
2.7. Cash and cash equivalents	6,456	56,710	6,692
	<b>506,802</b>	<b>605,675</b>	<b>683,995</b>
<b>Total assets</b>	<b>1,745,134</b>	<b>1,678,874</b>	<b>1,646,834</b>

## SEPARATE QUARTERLY STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES AS OF [‘000 PLN]

	30.09.2015	31.12.2014	30.09.2014
Equity and liabilities			
<b>1. Equity</b>			
1.1. Share capital	20,635	20,635	20,635
1.2. Supplementary capital	661,689	635,536	635,536
1.3. Accumulated net profit	67,901	20,996	88,557
	<b>750,225</b>	<b>677,167</b>	<b>744,728</b>
<b>2. Provisions</b>			
2.1. Short-term provisions	2,800	2,000	2,000
	<b>2,800</b>	<b>2,000</b>	<b>2,000</b>
<b>3. Non-current liabilities</b>			
3.1. Loans, borrowings and bonds	550,503	759,410	638,691
3.2. Received security deposits and advance payments	368	866	1,295
	<b>550,871</b>	<b>760,276</b>	<b>639,986</b>
<b>4. Current liabilities</b>			
4.1. Loans, borrowings and bonds	369,376	185,406	230,321
4.2. Income tax liabilities	186	8,127	2,176
4.3. Other tax liabilities	1,381	1,215	1,444
4.4. Trade liabilities	5,903	18,570	5,733
4.5. Received security deposits and advance payments	51,865	18,947	16,665
4.6. Other liabilities	12,527	7,166	3,781
	<b>441,238</b>	<b>239,431</b>	<b>260,120</b>
<b>Total equity and liabilities</b>	<b>1,745,134</b>	<b>1,678,874</b>	<b>1,646,834</b>

BOOK VALUE (‘000 PLN)	30.09.2015	31.12.2014	30.09.2014
Book value	750,225	677,167	744,728
Number of shares	412,690,582	412,690,582	412,690,582
Book value per share (in PLN)	1.82	1.64	1.80

OFF-BALANCE SHEET LIABILITIES (‘000 PLN)	30.09.2015	31.12.2014	30.09.2014
1. Off-balance sheet receivables	-	-	-
2. Off-balance-sheet liabilities	880,169	698,713	414,920
<b>Total off-balance sheet items</b>	<b>880,169</b>	<b>698,713</b>	<b>414,920</b>



PROFIT AND LOSS ACCOUNT ['000 PLN)	Q3 PERIOD FROM 01.07.2015 TO 30.09.2015	3 QUARTERS FROM 01.01.2015 TO 30.09.2015	Q3 PERIOD FROM 01.07.2014 TO 30.09.2014	3 QUARTERS FROM 01.01.2014 TO 30.09.2014
Revenues	53,155	120,779	70,362	146,757
Cost of goods sold	(27,095)	(55,891)	(31,615)	(52,237)
<b>Gross profit (loss) on sales</b>	<b>26,060</b>	<b>64,888</b>	<b>38,747</b>	<b>94,520</b>
Profit (loss) on investment real property	(4,945)	(5,005)	-	(303)
Selling costs	(6,316)	(18,857)	(6,395)	(18,158)
General and administrative expenses	(11,489)	(53,015)	(13,784)	(35,668)
Other operating revenues	43,876	122,339	11,953	97,523
Other operating costs	(5,799)	(6,878)	(6,529)	(6,739)
<b>Profit before tax and financial revenues/costs</b>	<b>41,387</b>	<b>103,472</b>	<b>23,992</b>	<b>131,175</b>
Financial revenues	76	2,158	65	1,993
Financial costs	(10,987)	(36,993)	(13,655)	(40,926)
<b>Gross profit</b>	<b>30,476</b>	<b>68,637</b>	<b>10,402</b>	<b>92,242</b>
Income tax	(482)	4,421	(2,055)	(3,685)
<b>Net profit</b>	<b>29,994</b>	<b>73,058</b>	<b>8,347</b>	<b>88,557</b>
<hr/>				
Net profit (annualised)		5,479		132,486
Average weighted ordinary shares		412,690,582		412,690,582
Profit per share (in PLN)		0.01		0.32
Average weighted diluted ordinary shares		412,690,582		412,690,582
Diluted earnings per share (in PLN)		0.01		0.32

STATEMENT OF CHANGES IN EQUITY ('000 PLN)	SHARE CAPITAL	SUPPLEMENTARY CAPITAL	ACCUMULATED PROFIT (LOSS) NET	TOTAL EQUITY
<b>For 3 quarters (current year), period from 01.01.2015 to 30.09.2015</b>				
<b>At the beginning of the period</b>	20,635	635,536	26,153	682,324
<b>Adjustment of profit from previous years</b>	-	-	(5,157)	(5,157)
<b>At the beginning of the period, reconciled with comparative data</b>	20,635	635,536	20,996	677,167
Changes in the period:				-
Distribution of profit from previous years	-	26,153	(26,153)	-
Net profit (loss) for the period	-	-	73,058	73,058
Total changes	-	26,153	46,905	73,058
<b>As at the end of period</b>	<b>20,635</b>	<b>661,689</b>	<b>67,901</b>	<b>750,225</b>
<b>For the previous year, period from 01.01.2014 to 31.12.2014</b>				
<b>At the beginning of the period</b>	20,635	574,876	60,663	656,171
<b>Adjustment of profit from previous years</b>	-	-	(5,157)	(5,157)
<b>At the beginning of the period, reconciled with comparative data</b>	20,635	574,873	55,506	651,014
Changes in the period:				-
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>As at the end of period</b>	<b>20,635</b>	<b>635,536</b>	<b>20,996</b>	<b>677,167</b>
<b>For 3 quarters (previous year), period from 01.01.2014 to 30.09.2014</b>				
<b>At the beginning of the period, reconciled 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	-	-	88,557	44,005
Total changes	-	60,663	27,894	44,005
<b>As at the end of period</b>	<b>20,635</b>	<b>635,536</b>	<b>88,557</b>	<b>744,728</b>

STATEMENT OF CASH FLOWS ('000 PLN)		Q3 PERIOD FROM 01.01.2015 TO 30.09.2015	Q3 PERIOD FROM 01.01.2014 TO 30.09.2014
<b>A. Cash flows from operating activities - indirect method</b>			
<b>I. Gross profit</b>		<b>68,637</b>	<b>92,242</b>
<b>II. Adjustments:</b>		<b>(81,632)</b>	<b>(48,028)</b>
1. Amortisation/depreciation		1,917	2,463
2. Foreign exchange (gains) losses		-	-
3. Interest and profit sharing (dividends)		(80,172)	(51,032)
4. (Profit) loss on revaluation of assets and liabilities		(3,377)	541
<b>III. Changes in working capital</b>		<b>32,673</b>	<b>(40,883)</b>
1. Change in provisions		799	-
2. Change in inventories		(16,431)	(65,484)
3. Change in receivables		25,264	35,148
4. Change in short-term liabilities, except for loans and borrowings		23,041	(10,547)
5. Other adjustments		-	-
<b>IV. Net cash generated from operating activities (I+/-II +/- III)</b>		<b>19,678</b>	<b>3,331</b>
<b>V. Income tax paid</b>		<b>(9,623)</b>	<b>1,885</b>
<b>VI. Net cash flows from operating activities (IV+/-V)</b>		<b>10,055</b>	<b>5,216</b>
<b>B. Cash flows from investing activities</b>			
<b>I. Inflows</b>		<b>600,970</b>	<b>322,324</b>
1. Disposal of intangible and tangible fixed assets		762	6,315
2. Disposal of real property investments		9,500	-
3. From financial assets		590,708	316,009
4. Other investment inflows		-	-
<b>II. Outflows</b>		<b>(591,289)</b>	<b>(312,397)</b>
1. Acquisition of intangible and tangible fixed assets		(602)	(1,954)
2. Real property investments		(93)	-
3. On financial assets		(590,470)	(310,405)
4. Other investment outflows		(124)	(38)
<b>III. Net cash flows from investing activities (I-II)</b>		<b>9,681</b>	<b>9,927</b>

STATEMENT OF CASH FLOWS ('000 PLN)		Q3 PERIOD FROM 01.01.2015 TO 30.09.2015	Q3 PERIOD FROM 01.01.2014 TO 30.09.2014
<b>C. Cash flows from financing activities</b>			
<b>I. Inflows</b>		<b>88,968</b>	<b>317,746</b>
1. Net inflows from issue of stocks (shares) and other equity instruments and contributions to equity			
2. Loans and borrowings		88,968	72,246
3. Issue of debt securities		-	245,500
4. Other financial inflows		-	-
<b>II. Outflows</b>		<b>(153,135)</b>	<b>(335,008)</b>
1. Acquisition of own stocks (shares)		-	-
2. Dividends and other payments to equity holders		-	-
3. Outflows under distribution of profit other than payments to equity holders		-	-
4. Repayment of loans and borrowings		(31)	-
5. Redemption of debt securities		(115,000)	(300,000)
6. Interest		(38,104)	(35,008)
<b>III. Net cash flows from financing activities (I-II)</b>		<b>(64,167)</b>	<b>(17,262)</b>
<b>D. Total net cash flows (A.VI+/-B.III+/-C.III)</b>		<b>(44,431)</b>	<b>(2,119)</b>
E. Change in cash in the statement of financial position, of which:		(44,431)	(2,119)
– change in cash due to foreign exchange gains/losses		-	-
<b>F. Cash and cash equivalents at the beginning of the period</b>		<b>59,082</b>	<b>9,937</b>
<b>G. Cash and cash equivalents at the end of the period (F+/-D)</b>		<b>14,651</b>	<b>7,818</b>
– restricted cash		8,195	1,126

Kielce, 10 November 2015

Piotr Gromniak



President of the Management Board

Maciej Drozd


Vice-President of the  
Management Board

Artur Langner


Vice-President of the  
Management Board

Waldemar Lesiak


Vice-President of the  
Management BoardSignature of the person entrusted with bookkeeping:  
Tomasz Sułek


Chief Accountant

**ECHO**  
investment

Al. Solidarności 36  
25-323 Kielce

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