

CONSOLIDATED EXTENDED SEMI-ANNUAL REPORT OF THE ECHO INVESTMENT CAPITAL GROUP FOR H1 2015

ECHO
investment

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I. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (PLN '000)

	NOTE	30.06.2015	31.12.2014 RESTATED*	30.06.2014 RESTATED*	31.12.2013 RESTATED*
ASSETS					
1. Non-current assets					
1.1. Intangible assets		238	473	601	815
1.2. Property, plant and equipment		45 765	46 299	47 009	75 406
1.3. Investment property	2	4 290 955	4 065 211	3 901 878	2 969 035
1.4. Investment property under construction	2	1 214 159	1 207 214	962 514	1 309 057
1.5. Interests in companies recognised with the equity method		571	13 557	15 128	16 866
1.6. Long-term financial assets		12 899	13 068	61 115	57 993
1.7. Derivative financial instruments	4A	4 103	2 645	681	5 962
1.8. Deferred income tax assets		68 397	63 860	39 026	32 485
		5 637 087	5 412 327	5 027 952	4 467 619
2. Current assets					
2.1. Inventory	3	592 286	592 947	553 038	493 133
2.2. Income tax receivables		4 598	6 252	5 421	4 483
2.3. Other tax receivables		44 741	43 462	33 195	507 276
2.4. Trade and other receivables		40 983	48 312	62 743	54 551
2.5. Short-term financial assets	5A	85	25 034	23 373	42 072
2.6. Derivative financial instruments	4A	3 973	3 118	6 636	1 954
2.7. Restricted cash		71 231	54 482	61 227	64 570
2.8. Cash and cash equivalents		328 805	362 718	497 781	352 392
		1 086 702	1 136 325	1 243 414	1 520 431
3. Assets held for sale	2A	5 160	-	-	94 152
TOTAL ASSETS		6 728 949	6 548 652	6 271 366	6 082 202

Restated statement (see section 1.3)

	NOTE	30.06.2015	31.12.2014 RESTATED*	30.06.2014 RESTATED*	31.12.2013 RESTATED*
EQUITY AND LIABILITIES					
1. Equity					
1.1. Equity attributable to shareholders of the parent		3 168 484	3 152 634	3 168 327	2 758 635
1.1.1. Share capital		20 635	20 635	20 635	20 635
1.1.2. Supplementary capital		3 139 672	2 735 454	2 735 454	2 404 351
1.1.3. Equity shares purchased		-	-	-	-
1.1.4. Accumulated profit (loss)		22 737	404 218	423 450	331 103
1.1.5. Foreign exchange gains/losses on translation of foreign operations		(14 560)	(7 673)	(11 212)	2 546
1.2. Equity of non-controlling shareholders		(91)	(89)	14	17
		3 168 393	3 152 545	3 168 341	2 758 652
2. Provisions					
2.1. Long-term provisions		800	-	-	-
2.2. Short-term provisions		2 000	2 000	2 000	2 000
2.3. Deferred income tax provision		83 072	77 053	55 841	21 547
		85 872	79 053	57 841	23 547
3. Long-term liabilities					
3.1. Loans and borrowings	5B	2 768 057	2 824 793	2 399 851	2 026 690
3.2. Derivative financial instruments	4B	2 134	4 316	-	-
3.3. Security deposits and advance payments received		50 721	46 559	49 715	45 095
		2 820 912	2 875 668	2 449 566	2 071 785
4. Short-term liabilities					
4.1. Loans and borrowings	5B	437 190	245 886	381 431	559 468
4.2. Derivative financial instruments	4B	1 973	7 451	237	3 936
4.3. Income tax liabilities		286	12 303	1 024	29
4.4. Other tax liabilities		12 475	2 526	10 680	483 493
4.5. Trade liabilities		92 101	92 919	73 952	115 468
4.6. Other liabilities		20 287	28 470	12 831	19 707
4.7. Security deposits and advance payments received		89 460	51 831	115 463	46 117
		653 772	441 386	595 618	1 228 218
TOTAL EQUITY AND LIABILITIES		6 728 949	6 548 652	6 271 366	6 082 202

	30.06.2015	31.12.2014 RESTATED	30.06.2014 RESTATED	31.12.2013 RESTATED
Book value (in PLN '000)	3 168 484	3 152 634	3 168 327	2 758 635
Number of shares (in thousands), excluding equity shares held	412 691	412 691	412 691	420 000
Book value per share	7,68	7,64	7,68	6,57

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (PLN '000)

	NOTE	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014 RESTATED
Revenue	6	273 752	223 386
Prime costs		(138 672)	(99 227)
Gross profit (loss) on sales		135 080	124 159
Profit (loss) on investment property	7	(40 571)	432 225
Selling costs		(17 631)	(15 531)
General administrative expenses	section 1.5	(49 660)	(29 930)
Other operating revenue		9 769	13 227
Other operating expenses		(5 706)	(6 892)
Operating profit		31 281	517 258
Financial revenue		8 879	4 244
Financial expenses		(58 953)	(64 008)
Profit (loss) on FX derivatives		17 777	1 491
Foreign exchange profit (loss)		36 203	(6 104)
Share of profit (loss) of companies recognised with the equity method		(6 987)	2 263
Gross profit (loss)		28 200	455 144
Income tax		(5 465)	(31 587)
- current portion		(4 680)	(3 831)
- deferred portion		(785)	(27 756)
Net profit (loss), including:		22 735	423 557
Profit (loss) attributable to shareholders of the parent company		22 737	423 450
Profit (loss) attributable to non-controlling interest		(2)	107
Profit (loss) attributable to shareholders of the parent (semi-annual)		22 737	423 450
Weighted average number of ordinary shares (in thousands), excluding equity shares held		412 691	412 691
Basic and diluted earnings (loss) per ordinary share (in PLN)		0,06	1,03

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (PLN '000)

	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014
Net profit	22 735	423 557
Other comprehensive income which may be reclassified to financial profit/loss on a later date:		
- foreign exchange gains/losses on translation of foreign operations	(6 887)	(13 758)
Other net comprehensive income	(6 887)	(13 758)
Comprehensive income, including:	15 848	409 799
Comprehensive income attributable to shareholders of the parent company	15 850	409 692
Comprehensive income attributable to non-controlling interest	(2)	107

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (PLN '000)

	SHARE CAPITAL	SUPPLEMENTAR Y CAPITAL	ACCUMULATE D PROFIT (LOSS)	FOREIGN EXCHANGE GAINS/LOSSE S ON TRANSLATION	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	NON- CONTROLLIN G INTEREST	TOTAL EQUITY
FOR THE PERIOD FROM 01.01.2015 TO 30.06.2015							
Opening balance	20 635	2 742 257	405 149	(7 673)	3 160 368	(89)	3 160 279
Adjustment from previous years	-	(6 803)	(931)	-	(7 734)	-	(7 734)
Opening balance (restated, comparable)	20 635	2 735 454	404 218	(7 673)	3 152 634	(89)	3 152 545
Appropriation of result brought forward	-	404 218	(404 218)	-	-	-	-
Dividend paid to minority shareholders	-	-	-	-	-	-	-
Other net comprehensive income	-	-	-	(6 887)	(6 887)	-	(6 887)
Net profit (loss) for the period	-	-	22 737	-	22 737	(2)	22 735
Total comprehensive income	-	-	22 737	(6 887)	15 850	(2)	15 848
Closing balance	20 635	3 139 672	22 737	(14 560)	3 168 484	(91)	3 168 393

FOR THE PERIOD FROM 01.01.2014 TO 30.06.2014							
Opening balance	20 635	2 411 154	332 467	2 546	2 766 802	17	2 766 819
Adjustment from previous years	-	(6 803)	(1 364)	-	(8 167)	-	(8 167)
Opening balance (restated, comparable)	20 635	2 404 351	331 103	2 546	2 758 635	17	2 758 652
Appropriation of result brought forward	-	331 103	(331 103)	-	-	-	-
Dividend paid to minority shareholders	-	-	-	-	-	(110)	(110)
Other net comprehensive income	-	-	-	(13 758)	(13 758)	-	(13 758)
Net profit (loss) for the period	-	-	423 450	-	423 450	107	423 557
Total comprehensive income	-	-	423 450	(13 758)	409 692	107	409 799
Closing balance (restated, comparable)	20 635	2 735 454	423 450	(11 212)	3 168 327	14	3 168 341

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (PLN '000)

	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014
A. Operating cash flow – indirect method		
I. Gross profit (loss)	28 200	455 144
II. Total adjustments		
1. Share in net (profit) loss of companies recognised with the equity method	6 986	(2 263)
2. Depreciation of PP&E	2 485	2 358
3. Foreign exchange (gains) losses	(36 203)	6 104
4. Interest	44 539	50 379
5. (Profit) loss on revaluation of assets and liabilities	33 339	(433 168)
6. (Profit) loss on settlement of financial instruments	(12 057)	(2 327)
	39 089	(378 917)
III. Movements in working capital:		
1. Movement in provisions	800	-
2. Movement in inventory	2 585	(59 331)
3. Movement in receivables	5 937	471 048
4. Movement in short-term liabilities, excluding loans and borrowings	29 114	(410 140)
5. Movement in cash on blocked accounts	(16 749)	3 343
	21 687	4 920
IV. Net operating cash (I+II+III)	88 976	81 147
1. Income tax paid	(14 347)	(3 777)
V. Net operating cash flows	74 629	77 370
B. Cash flow from investing activities		
I. Proceeds		
1. Sale of intangible assets, and property, plant and equipment	451	889
2. Sale of real property investments	-	96 179
3. From borrowings and financial investments	27 903	45 133
4. Other investment proceeds	-	-
	28 354	142 201
II. Expenditures		
1. Purchase of intangible assets and PP&E	(2 168)	(2 245)
2. Real property investments	(255 930)	(192 877)
3. On borrowings and financial investments	(3 006)	(4 058)
4. Dividends paid to minority interest holders	-	(110)
5. Other capital expenditures	-	-
	(261 104)	(199 290)
III. Net cash flow from investing activities (I-II)	(232 750)	(57 089)

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (PLN '000), CONTINUED

	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014
C. Cash flow from financing activities		
I. Proceeds		
1. Net proceeds from issue of shares (interests) and other equity instruments and capital contributions	-	-
2. Loans and borrowings	329 274	800 512
3. Issue of debt securities	-	170 500
4. Dividends received from companies recognised with the equity method	6 000	4 000
5. Other financial proceeds	12 057	2 327
	347 331	977 339
II. Expenditures		
1. Purchase of equity shares (interests)	-	-
2. Dividends and other payments to equity holders	-	-
3. Expenditures on profit sharing, other than payments to equity holders	-	-
4. Repayment of loans and borrowings	(39 977)	(482 574)
5. Redemption of debt securities	(115 000)	(300 000)
6. Due to FX derivatives	-	-
7. Payment of liabilities under finance lease agreements	-	-
8. Interest	(61 259)	(55 898)
9. Other financial expenditures	-	-
	(216 236)	(838 472)
III. Net cash flow from financing activities (I-II)	131 095	138 867
D. Total net cash flow (A.III+/-B.III+/-C.III)	(27 026)	159 148
E. Balance sheet movement in cash, including: movement in cash due to foreign exchange gains/losses	(33 913) (6 887)	145 389 (13 759)
F. Cash at the beginning of the period	362 718	352 392
G. Cash at the end of the period (F+/- D)	328 805	497 781

NOTES ON THE ADOPTED ACCOUNTING PRINCIPLES AND OTHER EXPLANATORY INFORMATION**1.1. General information**

The core business of the Echo Investment Capital Group (later referred to as the Group) consists in the construction and renting out or sale of space in office, shopping and residential buildings as well as trade in real property. The Group's parent company is Echo Investment S.A. (later referred to as Echo, the Issuer or the Company), with its registered office in Kielce, al. Solidarności 36.

The Company's shares are quoted at the Warsaw Stock Exchange on the regulated market – property development companies.

The Company was established for an indefinite period of time.

1.2. Information on the financial statements

The interim condensed consolidated financial statements of the Echo Investment Capital Group for H1 2015 for the period from 1 January 2015 to 30 June 2015 have been prepared according to IAS 34 Interim Financial Reporting, as adopted for application in the European Union.

The interim condensed consolidated financial statements of the Group include consolidated financial data as of 30 June 2015 and for the 6-month period ended on 30 June 2015 as well as comparative data for the 6-month period ended on 30 June 2014 in relation to the profit and loss account, the statement of changes in equity and the cash flow statement. The comparative data as of 31 December 2014, 30 June 2014 and 31 December 2013 are provided for the statement of financial position. Unless indicated otherwise, all financial data in the Group's condensed consolidated financial statements have been presented in thousands of PLN.

The reporting currency for the Group's financial statements is Polish zloty (PLN), which is the reporting and functional currency of the parent company. The Group comprises entities which use a different functional currency than PLN. The comparative data of these companies comprising these statements was converted to the Polish zloty in accordance with the IAS 21 principles. The balance sheet items were converted at the rate applicable on the balance sheet date, while the items of the profit and loss account were converted at the average rate for this period. FX gains/losses on translation have been recognised in other comprehensive income, and the accumulated amounts are under a separate equity item.

These financial statements should be analysed together with the annual consolidated financial statements for the FY ended on 31 December 2014, which were prepared according to the IFRS adopted for application in the EU.

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

The accounting principles applied to these interim condensed financial statements are consistent with the principles applied in the most recent annual financial statements and have been applied on a continuous basis to all periods presented in the consolidated financial statements, except for the change in accounting principles described in section 1.3 below and the application of new standards, amendments to the standards and interpretations published by the IFRS Interpretations Committee which apply to the Group's reporting period beginning 1 January 2015. The introduced amendments have not had any material effect on the presentation of data and measurement in the financial statements.

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

In H1 2015, the Capital Group introduced the following changes in the accounting principles:

Recognition of prospective liabilities on account of perpetual usufruct of land.

After consulting its auditor, the Group abandoned the recognition of the perpetual usufruct of land as finance lease and derecognised the discounted value of future instalments on account of the perpetual usufruct of land in the amount of PLN 117,485 thousand (as of 31 December 2014) from Investment property and Investment property under construction in assets, and from Lease liabilities in equity and liabilities.

As a result, in the profit and loss account, the annual costs of perpetual usufruct payments were transferred from Financial expenses to Prime costs.

Furthermore, the Group changed the presentation of the following financial data:

Recognising rental revenue on account of the rent grace period to be settled in the future

Given the fact that the rental revenue is not invoiced on a linear basis (there are rent reduction periods – so called rent grace periods), the Group averages that revenue and discloses it on a linear basis in the financial statements. The difference between the disclosed linear amount of revenues and the invoiced revenues in the amount of PLN 3,763 thousand (as of 31 December 2014) was previously disclosed as deferred revenue (an item in Trade and other receivables). The Group decided to change this presentation and to disclose that amount under Investment property. The change did not affect the Group's financial results.

Recognising advertising expenses in a pre-rental period

The Group decided to recognise advertising expenses to find tenants in the period in which such expenses are incurred, rather than upon the beginning of rental, as it was previously the case. As a result, the corresponding advertising expenses amounting to PLN 3,183 thousand (as of 31 December 2014) were transferred from prepayments (Trade and other receivables) to Selling costs, which affected Supplementary capital and Net profit in the respective period. The deferred income tax was correctly calculated and recognised in the statements as a result of that change.

Recognising land maintenance expenses

The Group adjusted statements from previous years in terms of recognising land maintenance expenses in inventory before 2010. As a result, Inventory and Supplementary capital changed by PLN 6,366 thousand. The deferred income tax was correctly calculated and recognised in the statements as a result of that change.

The following items have been changed:

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

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

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

AS OF 31.12.2014	CURRENTLY	PREVIOUSLY	DIFFERENCE
1. Equity	3 152 545	3 160 279	(7 734)
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)
3. Long-term liabilities	2 875 668	2 993 153	(117 485)
3.4. Lease liabilities (perpetual usufruct of land)	-	117 485	(117 485)
TOTAL EQUITY AND LIABILITIES	6 548 652	6 673 871	(125 219)

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

AS OF 30.06.2014	CURRENTLY	PREVIOUSLY	DIFFERENCE
1. Non-current assets	5 027 952	5 100 066	(72 114)
1.3. Investment property	3 901 878	3 935 941	(34 063)
1.4. Investment property under construction	962 514	1 002 482	(39 968)
1.8. Deferred income tax assets	39 026	37 109	1 917
2. Current assets	1 243 414	1 254 468	(11 054)
2.1. Inventory	553 038	559 404	(6 366)
2.4. Trade and other receivables	62 743	67 431	(4 688)
TOTAL ASSETS	6 271 366	6 354 534	(83 168)

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

AS OF 30.06.2014	CURRENTLY	PREVIOUSLY	DIFFERENCE
1. Equity	3 168 341	3 176 508	(8 167)
1.1. Equity attributable to shareholders of the parent	3 168 327	3 176 494	(8 167)
1.1.2. Supplementary capital	2 735 454	2 742 257	(6 803)
1.1.4. Accumulated profit (loss)	423 450	424 814	(1 364)
3. Long-term liabilities	2 449 566	2 524 567	(75 001)
3.4. Lease liabilities (perpetual usufruct of land)	-	75 001	(75 001)
TOTAL EQUITY AND LIABILITIES	6 271 366	6 354 534	(83 168)

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

AS OF 31.12.2013	CURRENTLY	PREVIOUSLY	DIFFERENCE
1. Non-current assets	4 467 619	4 540 540	(72 921)
1.3. Investment property	2 969 035	2 997 808	(28 773)
1.4. Investment property under construction	1 309 057	1 354 802	(45 745)
1.8. Deferred income tax assets	32 485	30 888	1 597
2. Current assets	1 520 431	1 529 330	(8 899)
2.1. Inventory	493 133	499 499	(6 366)
2.4. Trade and other receivables	54 551	57 084	(2 533)
TOTAL ASSETS	6 082 202	6 164 022	(81 820)

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

AS OF 31.12.2013	CURRENTLY	PREVIOUSLY	DIFFERENCE
1. Equity	2 758 652	2 765 455	(6 803)
1.1. Equity attributable to shareholders of the parent	2 758 635	2 765 438	(6 803)
1.1.2. Supplementary capital	2 404 351	2 411 154	(6 803)
1.1.4. Accumulated profit (loss)	331 103	331 103	-
3. Long-term liabilities	2 071 785	2 146 802	(75 017)
3.4. Lease liabilities (perpetual usufruct of land)	-	75 017	(75 017)
TOTAL EQUITY AND LIABILITIES	6 082 202	6 164 022	(81 820)

CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT (PLN '000)

FOR THE PERIOD FROM 01.01.2014 TO 30.06.2014	CURRENTLY	PREVIOUSLY	DIFFERENCE
Revenue	223 386	223 386	-
Prime costs	(99 227)	(91 094)	(8 133)
Gross profit on sales	124 159	132 292	(8 133)
Profit (loss) on investment property	432 225	432 225	-
Selling costs	(15 531)	(13 847)	(1 684)
General administrative expenses	(29 930)	(29 930)	-
Other operating revenue	13 227	13 227	-
Other operating expenses	(6 892)	(6 892)	-
Operating profit	517 258	527 075	(9 817)
Financial revenue	4 244	4 244	-
Financial expenses	(64 008)	(72 141)	8 133
Profit (loss) on FX derivatives	1 491	1 491	-
Foreign exchange profit (loss)	(6 104)	(6 104)	-
Share in profit of associates	2 263	2 263	-
Gross profit	455 144	456 828	(1 684)
Income tax	(31 587)	(31 907)	320
- current portion	(3 831)	(3 831)	-
- deferred portion	(27 756)	(28 076)	320
Net profit	423 557	424 921	(1 364)
Basic and diluted earnings (loss) per ordinary share (in PLN)	1,03	1,03	(0)

1.4. Description of material achievements or failures of the Capital Group and indication of major events

1.4.1. Major events in H1 2015

West Gate's loan agreement

On 18 March 2015, the Issuer's subsidiary, ECHO – WEST GATE spółka z ograniczoną odpowiedzialnością – spółka komandytowo-akcyjna, with its registered office in Kielce (address: al. Solidarności 36, 25-323 Kielce), whose registration files are maintained by the District Court in Kielce, 10th Economic Department of the National Court Register, entered into the register of entrepreneurs of the National Court Register under no. KRS 0000393284 (later referred to as the Borrower or Company), and BNP PARIBAS BANK POLSKA SPÓŁKA AKCYJNA, with its registered office in Warsaw (address: ul. Suwak 3, 02-676 Warsaw), whose registration files are maintained by the District Court for the Capital City of Warsaw, 13th Economic Department of the National Court Register, entered into the register of entrepreneurs of the National Court Register under no. KRS 0000006421 (later referred to as the Lender or Bank), signed a loan agreement (later referred to as the Agreement).

The Borrower shall use the funds raised under the Agreement to finance the construction of the office building WEST GATE in Wrocław, ul. Na Ostatnim Groszu 1 (later referred to as the Development).

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

1/ cash in the form of a construction loan in the amount of EUR 19,000 thousand (nineteen million euro 00/100) for financing or refinancing the Development,

2/ cash in the form of a VAT loan in the amount of PLN 4,000 thousand (four million zloty 00/100) for partially financing or refinancing VAT in connection with the implementation of the Development,

3/ cash in the form of an investment loan in the amount of EUR 25,000 thousand (twenty-five million euro 00/100) for repaying the construction loan by converting loans and refinancing the Development.

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

The loan repayment deadlines are as follows:

1/ for the construction loan: 29 January 2016,

2/ for the VAT Loan: 31 December 2015,

3/ for the investment loan: not later than 60 months from the Investment Loan Drawdown Date, i.e. by 29 January 2021.

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

1/ First ranking mortgage established by the Borrower for the Bank on the Real Property, up to 150% of the commitment amount of the Investment Loan,

2/ Second ranking mortgage established by the Borrower for the Bank on the Real Property in an amount of up to EUR 12,780 thousand to secure the repayment of claims resulting from the termination of the Hedging Documents provided for in the Agreement,

3/ Statement on Submission to Enforcement Proceedings,

4/ Authorisation to access the Borrower's Bank Accounts,

4/ Agreements for Registered Pledges and Financial Pledges on interests, shares, rights and accounts under which first ranking registered pledges and financial pledges shall be established for the Lender on all shares in the Borrower's share capital of up to 150% of the secured liability, with form and contents satisfactory for the Lender,

6/ Agreement for the assignment of the Borrower's claims and rights for security purposes under, among others, all Lease Agreements, Insurance Agreements, Construction Work Agreements, performance bonds for the Construction Work Agreements, Investment Management Agreement and other Investment Documents,

7/ any other document signed by the Obligated Entity which establishes or aims to establish a Security on all or some of its assets in relation to the liabilities of the Obligated Entities under the Financing Documents.

Conclusion of a material agreement

The Management Board of Echo Investment S.A. (Company) announces that on 22 June 2015 a Put Option and Profit Sharing Agreement was concluded between the Company, as the seller, FTF Columbus S.A., with its registered office in Warsaw (Columbus), a subsidiary of Michał Solowow, as the buyer, and Michał Solowow, as the guarantor (Option Agreement).

The main purpose of the Option Agreement is to reduce the Company's investment risk connected with constructing and commercialising the office building Q22, which is located at the junction of Aleja Jana Pawła II and ul. Grzybowska in Warsaw (Real Property).

Under the Option Agreement, the Company acquired the right (Option Right) to sell interests in its subsidiary and owner of the Real Property, Projekt Echo – 70 sp. z o.o. (Echo-70), according to the terms of the Option Agreement.

The Company is entitled to exercise the Option Right within 6 months from receiving a usage permit for the Real Property. If the Option Right is exercised, the interest sale price shall be equal to the equity contributed to Echo-70, plus the interest rate provided for in the Option Agreement, less certain costs related to investing in the Real Property. If the Company does not exercise the Option Right, Columbus shall have the right, at its sole discretion, (i) to receive an interest in the Company's hypothetical profit from investing in Echo-70, which shall be calculated based on the value of the Real Property declared by Echo (Real Property Value, Profit) in the amount of 75% of such Profit, or (ii) to acquire interests in Echo-70 for a price calculated based on the Real Property Value, less Profit share.

In the Option Agreement, Columbus undertook that if the Company is unable to raise a portion of funds with third parties for reasons which are beyond the Company's control (Funding Deficit), it shall cause the Company to be granted a borrowing in the amount of 60% of the Funding Deficit (Borrowing). The Borrowing can be subordinated to the funding granted by third parties at their request.

In addition, if the interests in Echo-70 are acquired, Columbus undertook to repay (i) any borrowings granted to Echo-70 by the Company and its subsidiaries, plus interest; and (ii) any funding granted by third parties, plus interest, related to the Real Property (Third Party Funding), unless, prior to the transfer of the interests in Echo-70, Columbus obtains a written permit from the parties providing Third Party Funding to acquire such interests, and the Company, with its subsidiaries, is fully and unconditionally relieved from any liabilities in connection with Third Party Funding.

In the Option Agreement, the parties also agreed to establish, under a separate agreement, a specialised entity (TIC Monitor) (Agreement with TIC Monitor) which shall provide the Company and Columbus with monthly reports, based on which payments under the Option Agreement shall be determined.

The Option Agreement provides for liquidated damages in the case of non-performance or ill-performance of basic obligations by the Company and Columbus, and the liquidated damages are to be secured with guarantees issued by financial institutions (banks or insurers).

Columbus shall be obliged to pay to the Company (i) liquidated damages in the amount of PLN 220,000,000 if Columbus or an entity specified by Columbus, in spite of the Company's successful exercise of the Option Right, does not acquire interests in Echo-70 due to Columbus' fault; or (ii) liquidated damages in the amount of PLN 180,000,000 if Columbus or Michał Solowow procure that TIC Monitor does not provide the respective calculations on time. The payment of the liquidated damages precludes any claims for damages in excess of the liquidated damages. In addition, according to the Option Agreement, Michał Solowow issued a surety to the Company for all liabilities of Columbus or an entity specified by Columbus under the Option Agreement. The surety was granted up to PLN 670,000,000 and is valid until 31 December 2022.

The Company shall pay to Columbus (i) a fine in the amount of PLN 180,000,000 if the Option Right is not exercised or if Columbus is not provided with a sale offer for the interests in Echo-70 by the dates specified in the Option Agreement; or (ii) a fine in the amount of PLN 180,000,000 if TIC Monitor does not receive on time the required data for calculations according to the Agreement with TIC Monitor.

As of the conclusion date of the Option Agreement, the benefit for the Company under the Option Right is equal to the amount of liability which will arise if the Option Right is not exercised, i.e. the net valuation amounts to zero. After an initial recognition, the Option Right and the liability which will arise if the Option Right is not exercised is measured based on the cost, according to IAS 39, sections 46-47.

Conclusion of a material agreement

The Management Board of Echo Investment S.A. (Company) announces that on 24 June 2015 an agreement for issuing an insurance performance bond was concluded between the Company and Powszechny Zakład Ubezpieczeń S.A., with its registered office in Warsaw (PZU, Agreement).

Under the Agreement, PZU undertook to issue, at the Company's order, a performance bond for FTF Columbus S.A., with its registered office in Warsaw (Columbus), of up to PLN 180,00,000 in order to secure the payment of liquidated damages or the share in the Company's hypothetical profit from investing in Projekt Echo – 70 sp. z o.o., as stipulated by the Put Option and Profit Sharing Agreement, which the Company announced in current report no. 20/2015 of 22 June 2015 (Performance Bond). The Performance Bond is valid for 12 months from the issue date. The Performance Bond can be extended, but not beyond 31 December 2018.

If the Performance Bond is issued, the Company shall pay a monthly premium calculated on the guaranteed sum of the issued Performance Bond and shall procure that first ranking mortgages are established on any real properties owned by the Company's subsidiaries in order to

secure PZU's claims under the Agreement.

Furthermore, the Company undertook to relieve PZU from any liabilities which may arise in connection with concluding the Agreement. In particular, if a payment under the Performance Bond is made, the Company undertakes to reimburse to PZU all amounts which PZU pays to Columbus under the Performance Bond.

Purchase of a plot in Warsaw

On 13.03.2015, the Issuer's subsidiary purchased the perpetual usufruct title to a plot of land with an area of 9,456 m², located in Warsaw, ul. Woronicza 37, for PLN 16,187 thousand. The plot is intended for office developments.

1.5. Factors and events, especially unusual events, with a significant impact on the generated financial results

1. Factors affecting the Capital Group's financial results in H1 2015:

- posting of revenues from the concluded final agreements for the sale of residential properties:
 - in Krakow (Hortus Apartments in ul. Korzeniowskiego)
 - in Łódź (Osiedle Jarzębinowe I in ul. Okopowa)
 - in Poznań (Kasztanowa Aleja in ul. Wojskowa, Osiedle Jaśminowe I in ul. Karpia, and Pod Klonami, row houses II, in ul. Rubież)
 - in Warsaw (Klimt House in ul. Kazimierzowska, Nowy Mokotów I in ul. Konstruktorska and Os. Zeusa in Bemowo District)
 - in Wrocław (Przy Słowiańskim Wzgórzu, in ul. Jedności Narodowej)
- posting of revenues from the concluded final agreements for the sale of plots with house designs:
 - in Dyminy near Kielce (Osiedle Południowe I - III)
- sale of a plot:
 - in Kielce, ul. Solidarności (for residential developments)
- regular revenue generated from the lease of space in offices and shopping centres
- quarterly revaluation of the fair value of property owned by the Group:
 - in use, including:
 - movements in foreign exchange rates (EUR and USD)
 - indexation of rents
 - movements in net operating revenue
 - measurement of vacancies and stands
- cost of sales, and general and administrative expenses
- measurement of liabilities due to bonds, loans and borrowings at amortised cost
- measurement of loans and cash due to changing foreign exchange rates
- measurement and settlement of FX hedging financial instruments
- interest on deposits and borrowings granted
- discounts and interest on loans, bonds and borrowings.

Unusual events affecting the Company's financial result in H1 2015:

- in general and administrative expenses, creation of a provision for bonuses for the Company's key employees, resulting in a decrease in the gross profit by PLN 14 million
- revaluation of plots in Warsaw (Las Młociński) and Romania (Brasov), resulting in a decrease in the gross profit by PLN 38.4 million.

Exchange rate hedging transactions

Exchange rate hedging transactions are concluded as part of the hedging policy in order to ensure future cash flow levels on translating tranches of loans in EUR and one-off material operating revenue (e.g. from the sale of investment projects).

The weighted average settlement price (strike) for the remaining open forward transactions is EUR/PLN 4.2245.

MATURITIES OF OPEN HEDGES (AS OF 30 JUNE 2015) IN MILLIONS OF EUR:

		HEDGE VALUE		MATURITY AT NOMINAL VALUE (EUR 000,000)			
		CARRYING VALUE (EUR 000,000)	NOMINAL VALUE (EUR 000,000)	Q3 2015	Q4 2015	H1 2016	H2 2016
Options	EUR/PLN	1,6	150,0		50,0		100,0
Forward	EUR/PLN	1,6	109,9	68,5	34,3	7,1	

1.6. Explanations concerning the seasonal and cyclical nature of the Capital Group's activity in the presented period

The Capital Group's activity covers several segments of the real property market. The asset portfolio held for lease largely ensures comparable revenues in every quarter. The sale of housing developments depends on the commissioned residential buildings and revenue on these operations is generated in every quarter but it varies in terms of stability. By contrast, revenue from general investment contractor services and trade in property may be irregular.

The Management Board cannot exclude other one-time events which may influence results generated in a given period.

1.7. Accounting policy

For the purpose of drawing up these statements, the Group applied the same accounting standards as those approved and described in the annual consolidated financial statements for 2014, except for the change described in section 1.3

The influence of new standards and interpretations which are not yet effective is described in the annual consolidated financial statements for 2014. There were no material changes in that regard in H1 2015.

1.8. Segment reporting

The Group's operating segments are presented according to data from internal management reporting analysed by the Management Board, which is the key operating decision-maker responsible for allocating resources and evaluating the results of the operating segments.

The following reporting segments, which correspond to the operating segments, have been defined in the Capital Group, based on the type of the implemented projects:

- office buildings
- shopping centres
- housing developments.

The rules for determining the revenue and costs, measuring a segment's results, assets and liabilities are the accounting principles adopted for preparing and presenting the Group's consolidated financial statements and they relate specifically to segment reporting.

The measure of an operating segment's result is gross sales profit/loss.

Financial data of segments is disclosed in notes 8A-8E to these condensed financial statements. The data for comparative periods has been restated accordingly to reflect the change in the accounting principles resulting from the adoption of IFRS 11.

1.9. Estimates by the Group companies' Management Boards

To prepare the financial statements, the Group's Management Board had to make certain estimates and assumptions, which are reflected in the statements. The material estimates and judgements used to prepare these interim financial statements are the same as the ones presented in the annual consolidated financial statements for the financial year ended on 31 December 2014. The actual results may differ from the estimates. Main areas where the Management Boards' estimates materially affect the financial statements:

Investment property

Investment property includes facilities rented out by the group companies that are classified as shopping centres and office buildings based on risk and measurement method. The fair value of investment property is classified as level 3 in the fair value hierarchy. There were no transfers between the levels.

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

Since most rent agreements concluded by the Group are denominated in EUR, the valuations of investment properties have been prepared in EUR and converted to PLN according to the average exchange rate of the NBP as of the balance sheet date. According to the Group's measurements, the total value of investment properties, as of 30 June 2015, was PLN 4,290,955 thousand (shopping centres amounting to PLN 3,285,654 thousand, office buildings amounting to PLN 999,091 thousand and other real property amounting to PLN 6,210 thousand), as of 31 December 2014, it amounted to PLN 4,061,448 thousand (shopping centres amounting to PLN 3,253,491 thousand and office buildings amounting to PLN 807,957 thousand), and as of 30 June 2014 it amounted to PLN 3,900,908 thousand (shopping centres amounting to PLN 3,128,936 thousand and office buildings amounting to PLN 771,972 thousand).

The capitalisation rates applied to estimate the fair value for shopping centres ranged from 6.5% to 8.5% (as of 30 June 2015, 31 December 2014 and 30 June 2014) and from 6.9% to 9.0% (as of 31 December 2013). For office buildings, they ranged from 7.0% to 8.4% (as of 30 June 2015, 31 December 2014 and 30 June 2014) and from 8.0% to 8.4% (as of 31 December 2013).

As of 30 June 2015 and 30 June 2014, all investment properties under construction were characterised by execution risk levels which – according to the Management Board – did not allow for a credible estimate of the properties' fair value. As of 31 December 2014, the Group held one real property under construction measured with the income approach at PLN 91,498 thousand. As of 30 June 2015, the value of the remaining real properties (disclosed at the amount of expenditures incurred) was PLN 1,214,159 thousand (as of 31 December 2014 and 30 June 2014: PLN 1,115,716 thousand and PLN 962,514 thousand respectively).

Financial instruments measured at fair value

The fair value of financial instruments (level 2 in the hierarchy of fair value) not traded on an active market is determined using measurement techniques (income approach). The company uses its own judgement when selecting the measurement method and makes assumptions based on market conditions on each balance sheet date. In particular, the concluded forward contracts and option contracts are measured based on measurements provided by the banks, which use data such as current and historic exchange rates, and interest rates on deposits (WIBOR, EURIBOR). In H1 2015, the Capital Group did not change the rules for measuring financial instruments, and there were no changes in

classification or movements within the fair value hierarchy of the instruments. There is no difference between the carrying value and the fair value of financial instruments.

Inventory

When estimating the write-down on inventory held by the Company as of the balance sheet date, information from the active market regarding the expected sales prices and current market trends as well as information from preliminary sales agreements concluded by the Company is analysed.

Assumptions used when calculating the write-down mainly relate to market prices of property applicable in a given market segment. In the case of land recognised under inventory, the value of the write-downs results from the usefulness of land for the Company's current and prospective business estimated by the Management Board. The data on write-downs on inventory to net realisable value and reversals of such write-downs are presented in note 3B.

Deferred income tax

The Company's Management Board is obliged to assess the probability of the realisation of deferred income tax assets. When preparing the financial statements, the Company estimates the value of the deferred income tax provision and asset based on, among other things, the value of prospective income tax burden. The process involves analysing current income tax burden and the value of temporary differences from different treatment of transactions in terms of fiscal and accounting aspects, resulting in the creation of deferred income tax assets and provisions.

A number of assumptions are adopted for determining the value of deferred income tax assets and provisions in the assessment process described above. The above estimates take account of fiscal forecasts, historic tax burden, currently available strategies for planning the Company's operating activity and timelines for realising the individual temporary differences. Since the above estimates may change due to external factors, the Company may periodically adjust the deferred income tax assets and provisions, which in turn may affect the Company's financial standing and performance.

In H1 2015, the Group created and released deferred income tax provisions and assets in the total amount of PLN 1,009 thousand, which decreased the Group's financial result. As of the balance sheet date, the Group held deferred income tax provisions in the amount of PLN 83,072 thousand and deferred income tax assets in the amount of PLN 68,397 thousand.

1.10. Additional information**Transactions of purchase or sale of non-current assets**

In H1 2015, the Capital Group did not purchase or sell any real properties whose value exceeds 10% of equity.

Changes in the classification of financial assets

In H1 2015, the Capital Group reclassified a real property in Jelenia Góra from Inventory to Non-current assets held for sale in connection with the planned sale of that property in the course of the year. In addition, the Group reclassified 3 land properties (in Radom, Zabrze and Częstochowa) from Inventory to Investment property in connection with the change of the properties' planned use to investments.

Information on defaults on loans or violations of material provisions of loan agreements with regard to which no repair measures were taken by the end of the reporting period.

In H1 2015, no measures were taken in relation to not repaid loans or violations of material provisions of loan agreements.

Information on the issue, redemption and repayment of non-equity securities

See section 3 of the Management Report and Note 5 to the Financial Statements.

Information on transactions with related parties concluded under terms other than market terms

In H1 2015, no transactions between related parties were concluded under terms other than market terms in the Capital Group.

Court proceedings

In H1 2015, there were no material settlements resulting from court proceedings.

Information on changes in the economic situation

In H1 2015, the Company's Management Board did not observe any changes in the economic situation and the business environment compared to the previous year.

1.11. Information on material post-balance sheet events**Appointment of a manager**

The Management Board of Echo Investment S.A. (Issuer, Company) announces that, on 16 July 2015, the Issuer's Supervisory Board appointed Maciej Drozd to hold the function of the Vice-President of the Management Board of Echo Investment S.A. for a joint term of office.

Since 1995, Maciej Drozd has worked with Eastbridge Group, first as a CFO of the Group's operating companies, and from 2009 to June 2015 as a CFO and managing partner with Eastbridge Group.

Among others, Maciej Drozd held the following positions in Eastbridge Group companies:

2009 - June 2015: CFO in DTH Partners, a New York based property development company transforming office buildings in Manhattan to apartment buildings.

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

2010 - 2014: Director in Immobel, a company listed at Euronext, building, renting out and selling office and residential buildings in Belgium, Poland and Luxembourg.

2003 - 2014: CFO in CDI, a company developing, managing and selling properties from its portfolio of more than 30 assets, mainly shopping facilities in Poland.

1999 - 2004: CFO in DTC, a Polish retail trade company.

1995 - 1999: CFO in Empik, a Polish retail trade company.

1990 - 1995: Before joining Eastbridge Group, Maciej Drozd worked as a CFO in SMG/KRC, and ran a services and trade business on his own account.

Maciej Drozd studied philosophy, mathematics and management at the University of Warsaw. He holds master's degrees in philosophy and management of the University of Warsaw, and an MBA degree of the University of Illinois.

According to the statement submitted by Maciej Drozd, he does not run any business competitive to the Company, is not involved in any company that is competitive to the Company as a partner in a general partnership or partnership, or as a member in a corporate body of a corporation or as a member in a corporate body of another competitive legal entity. He has not been entered into the Register of Insolvent Debtors, which is kept according to the Act of 20 August 1997 on the National Court Register (KRS).

Extension of a Loan Agreement

On 19 August 2015, Addendum 12 was signed to the Multi-Purpose Credit Limit Agreement of 21 August 2006 with Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, with its registered office in Warsaw. The Addendum decreases the credit limit from PLN 100,000,000 to PLN 75,000,000 and extends the repayment date to 18 August 2017. The amount of the used working capital loan bears interest according to variable WIBOR 1M for monthly inter-bank deposits, plus PKO BP S.A.'s margin.

Sale of a plot in Jelenia Góra

On 28.07.2015, the Company sold to Leroy - Merlin Inwestycje Sp. z o.o. a non-developed property with an area of 5.155 ha, located in Jelenia Góra, ul. Legnicka, for PLN 9.5 million plus VAT.

1.12. Transactions with related parties

As of 30 June 2015, the Capital Group did not conclude any transactions with related parties other than transactions with Members of the Management Board and Supervisory Board, which are described in note 1.13 below.

1.13. Information on remuneration of the Management Board and the Supervisory Board

In H1 2015, the Managers of Echo Investment S.A. received remuneration in Echo Investment S.A. and remuneration for holding functions in the bodies of subsidiaries:

- Piotr Gromniak received remuneration in Echo Investment S.A. in a total amount of PLN 666 thousand, he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly-controlled and affiliated companies.
- Artur Langner received remuneration in Echo Investment S.A. in a total amount of PLN 589 thousand, he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly-controlled and affiliated companies.
- Waldemar Lesiak received remuneration in Echo Investment S.A. in a total amount of PLN 589 thousand; he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly controlled entities and associates.

In H1 2015, a provision was created for bonuses for the Company's key employees, including a provision for bonuses for the Management Board members in the amount of PLN 5,561 thousand.

In H1 2014, the Managers of Echo Investment S.A. received remuneration in Echo Investment S.A. and remuneration for holding functions in the bodies of subsidiaries:

- Piotr Gromniak received remuneration in Echo Investment S.A. in a total amount of PLN 418 thousand, he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly-controlled and affiliated companies.
- Artur Langner received remuneration in Echo Investment S.A. in a total amount of PLN 394 thousand, he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly-controlled and affiliated companies.
- Waldemar Lesiak received remuneration in Echo Investment S.A. in a total amount of PLN 268 thousand; he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly controlled entities and associates.

In H1 2015, supervisory staff of Echo Investment S.A. received remuneration in Echo Investment S.A. for holding supervisory functions in the Company:

- Wojciech Ciesielski received remuneration in Echo Investment S.A. in a total amount of PLN 42 thousand; he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly controlled entities and associates.
- Andrzej Majcher received remuneration in Echo Investment S.A. in a total amount of PLN 30 thousand; he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly-controlled and affiliated companies.
- Mariusz Waniółka received remuneration in Echo Investment S.A. in a total amount of PLN 30 thousand; he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly controlled entities and associates.
- Robert Oskard received remuneration in Echo Investment S.A. in a total amount of PLN 18 thousand; he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly controlled entities and associates.
- Karol Żbikowski received remuneration in Echo Investment S.A. in a total amount of PLN 18 thousand; he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly controlled entities and associates.

In H1 2014, supervisory staff of Echo Investment S.A. received remuneration in Echo Investment S.A. for holding supervisory functions in the Company:

- Wojciech Ciesielski received remuneration in Echo Investment S.A. in a total amount of PLN 42 thousand; he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly controlled entities and associates.
- Andrzej Majcher received remuneration in Echo Investment S.A. in a total amount of PLN 30 thousand; he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly-controlled and affiliated companies.
- Mariusz Waniółka received remuneration in Echo Investment S.A. in a total amount of PLN 30 thousand; he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly controlled entities and associates.
- Robert Oskard received remuneration in Echo Investment S.A. in a total amount of PLN 18 thousand; he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly controlled entities and associates.
- Karol Żbikowski received remuneration in Echo Investment S.A. in a total amount of PLN 18 thousand; he did not receive remuneration for exercising functions in the bodies of subsidiaries, jointly controlled entities and associates.

NOTES

NOTE 1

OFF-BALANCE SHEET ITEMS (PLN '000)	30.06.2015	31.12.2014	30.06.2014
1. Contingent liabilities			
1.1 For related entities, due to:			
a) guarantees and sureties granted	-	-	-
1.2 Due to other entities:			
a) guarantees and sureties granted	65 946	77 450	75 050
b) court cases	-	-	-
Total contingent liabilities	65 946	77 450	75 050

Contingent liabilities are presented at nominal value, which does not deviate from the fair value.

List of guarantees (issued on the Group's behalf) and securities:

Security for the liabilities due to Horta Sp. z o.o. in the event of the ill-performance of the final agreement for the sale of the office facility Aquarius Business House in Wrocław, stage I. The guarantee was issued in EUR. The guarantee amounts to PLN 20,972 thousand.

Security for the liabilities due to Skuaa Sp. z o.o. in the event of the ill-performance of the final agreement for the sale of the office facility Aquarius Business House in Wrocław, stage I. The guarantee was issued in EUR. The guarantee amounts to PLN 37,750 thousand.

Bank guarantee of Pekao S.A. for Jelenia Góra Gmina as a security for the payment of amounts due to a failure to observe the completion deadline for the subject of the understanding concluded on 24.08.2012. The guarantee amounts to PLN 3,600 thousand.

Bank performance bond issued by PKO BP S.A. to ORBIS S.A., securing claims due to non-performance or ill-performance of the agreement of 04.09.2008, as amended. The guarantee amounts to PLN 2,155 thousand.

Bank guarantee of PKO BP S.A. for the Customs Chamber in Łódź as a security for the non-performance of obligations under a promotional lottery organised in the shopping and entertainment centre Galeria Olimpia in Bełchatów. The guarantee amounts to PLN 88 thousand.

Bank guarantee of PKO BP S.A. for the Customs Chamber in Kielce as a security for the non-performance of obligations under a promotional lottery organised in the shopping and entertainment centre Galeria Echo in Kielce. The guarantee amounts to PLN 151 thousand.

Bank guarantee of PKO BP S.A. for the City Gmina of Szczecin as a security for the payment of claims as a result of a failure to observe the terms of the understanding concluded on 26 November 2012. The guarantee amounts to PLN 1,230 thousand.

NOTE 2A

MOVEMENT IN PROPERTY (BY TYPES) (PLN '000)	30.06.2015	31.12.2014	30.06.2014
Opening balance	4 065 211	2 969 034	2 969 034
a) increases (due to)			
- reclassification from investment property under construction	216 432	416 617	416 509
- capital expenditures incurred	27 793	159 433	49 108
- reclassification from inventory	8 528	-	-
- revaluation of property	-	517 313	467 853
- value of rent grace periods	302	3 264	471
	253 055	1 096 627	933 941
b) decreases (due to)			
- revaluation of property	21 802	-	-
- reclassification to inventory	349	281	1 097
- reclassification to non-current assets held for sale	5 160	-	-
- donations	-	169	-
	27 311	450	1 097
Property at the end of the period	4 290 955	4 065 211	3 901 878

The company measures property at the fair value at the end of every calendar quarter.

Profit/loss on measurement is disclosed under Profit (loss) on investment property in the profit and loss account.

As of 30 June 2015, the Group held 21 investment properties located in cities across Poland. Since most lease agreements contain rents denominated in EUR, the measurements have been prepared in these currencies and converted to PLN according to the exchange rate of the NBP as of the balance sheet date.

In H1 2015, the Group reclassified to assets held for sale a land property in Jelenia Góra in connection with the property's planned sale in July 2015.

NOTE 2B

AMOUNTS DISCLOSED IN THE CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT (PLN '000)	01.01.2015 - 30.06.2015	01.01.2014 - 31.12.2014	01.01.2014 - 30.06.2014
a) revenue from investment property rents	201 684	385 173	187 014
b) direct operating expenses (including repair and maintenance costs) on investment property generating rent revenue in the period	76 086	138 109	68 029
c) direct operating expenses (including repair and maintenance costs) on investment property not generating rent revenue in the period	-	-	-

NOTE 2C

CHANGE IN THE BALANCE OF PROPERTY UNDER CONSTRUCTION (BY TYPES) (PLN '000)	30.06.2015	31.12.2014	30.06.2014
Opening balance	1 207 214	1 309 057	1 309 057
a) increases (due to)			
- capital expenditures incurred	245 336	405 403	119 162
	245 336	405 403	119 162
b) decreases (due to)			
- reclassification to investment property	216 432	416 617	416 509
- revaluation of property	18 769	66 351	35 007
- reclassification to inventory	-	2 436	845
- donations	-	9 230	-
- FX gains/losses	3 190	12 612	13 344
	238 391	507 246	465 705
Property at the end of the period	1 214 159	1 207 214	962 514

In H1 2015, capitalised borrowing costs amounted to PLN 8,560 thousand (in 2014 and H1 2014: PLN 14,880 and PLN 5,715 respectively).

In H1 2015, 2014 and H1 2014, the capitalisation rate amounted to 2.3%, 4.45% and 1.91% respectively.

NOTE 3A

INVENTORY (PLN '000)	30.06.2015	31.12.2014	30.06.2014
a) materials	236	236	203
b) semi-finished products and work-in-progress	494 725	502 741	451 694
c) finished products	62 318	46 250	55 915
d) goods	35 007	43 720	45 223
e) advances on deliveries	-	-	3
Total inventory	592 286	592 947	553 038

In H1 2015, capitalised borrowing costs amounted to PLN 1,924 thousand (in 2014 and H1 2014: PLN 4,736 thousand and PLN 1,605 respectively).

In H1 2015, 2014 and H1 2014, the capitalisation rate amounted to 2.3%, 4.45% and 1.91% respectively.

Finished products include finished residential apartments for sale.

Semi-finished products and work-in-progress mainly include the Group's property and expenditures on housing developments in the course of planning and execution.

Inventory is measured at the manufacturing cost, up to the net realisable sales value. This value is obtained based on information from the active market. An inventory write-off is reversed due to the sale of an inventory item or increase in the net selling price. Inventory write-offs disclosed in the period as costs and reversals of inventory write-downs disclosed in the period as revenue are presented in the Profit and Loss Account under Prime costs.

NOTE 3B

INVENTORY – EFFECT ON THE RESULT (PLN '000)	01.01.2015 - 30.06.2015	01.01.2014 - 31.12.2014	01.01.2014 - 30.06.2014
a) value of inventory recognised as cost in the period	56 260	119 017	18 503
b) inventory write-offs in the period	8 878	6 043	1 700
c) reversals of write-downs on inventory in the period	1 280	-	-

The value of inventory recognised as cost in the period is presented in the income statement under Prime costs.

NOTE 4A

DERIVATIVES (ASSETS) (PLN '000)	30.06.2015	31.12.2014	30.06.2014
a) Interest Rate Swap	1 373	-	-
b) FX options	3 085	3 108	354
c) FX forwards	3 618	2 655	6 963
Total investment in derivatives	8 076	5 763	7 317
with maturities:			
- up to 1 year	3 973	3 118	6 636
- 1 to 3 years	4 103	2 645	681
- 3 to 5 years	-	-	-
- over 5 years	-	-	-

NOTE 4B

DERIVATIVES (LIABILITIES) (PLN '000)	30.06.2015	31.12.2014	30.06.2014
a) Interest Rate Swap	660	453	-
b) FX options	1 473	3 324	-
c) FX forwards	1 974	7 990	237
Total liabilities due to derivatives	4 107	11 767	237
with maturities:			
- up to 1 year	1 973	7 451	237
- 1 to 3 years	1 474	4 316	-
- 3 to 5 years	-	-	-
- over 5 years	660	-	-

As of 30 June 2015, the total nominal value of FX options amounted to EUR 200 million. These contracts involve the sale (EUR 150 million) and purchase (EUR 50 million) of EUR in between 2015 and 2016, and are intended to hedge a portion of the Group's forecast cash flows against FX risk.

As of 30 June 2015, the total nominal value of unsettled FX forwards amounted to EUR 109.9 million. These contracts involve the sale of EUR between 2015 and 2016 and are intended to hedge a portion of the Group's forecast cash flows against FX risk.

IRS transactions and FX options hedge a portion of prospective interest payments in the Group against interest rate risk.

NOTE 5A

The decrease in Short-term financial assets results from the repayment of borrowings granted, mainly as a result of Magellan Proservice's repayment of a borrowing in the amount of PLN 24.8 million.

NOTE 5B

LOANS AND BORROWINGS (BY TYPE) (PLN '000)	30.06.2015	31.12.2014	30.06.2014
a) loans	2 401 410	2 151 664	2 064 108
b) debt securities	803 837	919 015	717 174
Total loans and borrowings	3 205 247	3 070 679	2 781 282
- long-term portion	2 768 057	2 824 793	2 399 851
- short-term portion	437 190	245 886	381 431

Loan liabilities are measured with the amortised cost of a liability item, according to IAS 39.

On 18 March 2015, Echo – West Gate spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna, with its registered office in Kielce, and BNP PARIBAS BANK POLSKA SPÓŁKA AKCYJNA, with its registered office in Warsaw, signed a loan agreement of up to EUR 25 million and PLN 4 million for financing and refinancing the construction of the office building WEST GATE, which is located in Wrocław, ul. Na Ostatnim Groszu 1. The repayment is secured mainly with a first ranking mortgage established for the Lender on the Real Property of up to 150% of the loan amount, a second ranking mortgage established by the Borrower for the Lender on the Real Property in an amount of up to EUR 12,780 thousand as well as first ranking registered pledges and financial pledges for the Lender on all interests in the General Partner's share capital, on all shares in the Borrower's share capital and claims under the Accounts (for details see section 1.4).

In H1 2015, the Company redeemed bonds in the total amount of PLN 115 million.

NOTE 6

NET SALES REVENUE, DUE TO: (PLN '000)	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014
a) lease of space in shopping centres, and in shopping and entertainment centres	162 858	158 297
b) construction and lease of space in office facilities	41 551	40 350
c) sale and lease of residential space	65 717	20 611
d) other sales	3 626	4 128
Total net sales revenue	273 752	223 386

NOTE 7

NET PROFIT (LOSS) ON INVESTMENT PROPERTY (PLN '000)	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014
Revenue from the sale of property	-	96 179
Property selling costs	-	(96 028)
Revaluation of property	(40 571)	432 074
Net profit (loss) on investment property	(40 571)	432 225

REPORTING BY INDUSTRY SEGMENTS

NOTE 8A

ASSIGNMENT OF ASSETS TO SEGMENTS (PLN '000)	30.06.2015	31.12.2014	30.06.2014
- shopping centres	3 652 931	3 786 280	3 573 949
- office buildings	1 940 034	1 673 565	1 509 845
- residential space	578 155	558 190	530 879
- non-assigned assets	557 829	530 617	656 693
Total assets	6 728 949	6 548 652	6 271 366

NOTE 8B

ASSIGNMENT OF LIABILITIES TO SEGMENTS (PLN '000)	30.06.2015	31.12.2014	30.06.2014
- shopping centres	1 754 081	1 780 589	1 567 442
- office buildings	688 948	488 151	450 362
- residential space	44 735	47 895	106 813
- non-assigned liabilities	1 072 792	1 079 472	978 408
Total liabilities	3 560 556	3 396 107	3 103 025

NOTE 8C

ASSIGNMENT OF OPERATING REVENUE TO SEGMENTS (PLN '000)	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014
- shopping centres	162 858	158 297
- office buildings	41 551	40 350
- residential space	65 717	20 611
- non-assigned revenue	3 626	4 128
Total operating revenue	273 752	223 386

NOTE 8D

ASSIGNMENT OF OPERATING EXPENSES TO SEGMENTS (PLN '000)	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014
- shopping centres	(53 357)	(55 224)
- office buildings	(24 336)	(20 063)
- residential space	(56 810)	(18 987)
- non-assigned expenses	(4 169)	(4 953)
Total operating revenue	(138 672)	(99 227)

NOTE 8E

ASSIGNMENT OF OPERATING PROFIT (LOSS) TO SEGMENTS (PLN '000)	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014
- shopping centres	109 502	103 072
- office buildings	17 216	20 287
- residential space	8 907	1 624
- non-assigned expenses	(545)	(825)
Total operating profit (loss)	135 080	124 158

Unallocated assets and liabilities include items which cannot be clearly assigned to specific segments.

There was no inter-segment revenue in the Group.

FINANCIAL RISK MANAGEMENT

NOTE 9

In the interim period, there were no material changes in the management of financial risk compared to the previous reporting year. As a result of new loans raised, non-discounted contractual cash flows have changed compared to 31.12.2014.

As of the balance sheet date (30 June 2015), the non-discounted contractual cash flows are as follows:

(PLN '000)	LOANS	BONDS	FORWARD	TRADE LIABILITIES
Up to 1 year	244 185	236 465	1 973	92 101
Over 1 to 3 years	1 016 853	479 663	1 474	-
Over 3 to 5 years	980 023	179 468	-	-
Over 5 to 10 years	365 115	-	660	-
Over 10 years	25 749	-	-	-
Total	2 631 925	895 596	4 107	92 101

As of the balance sheet date (31 December 2014), the non-discounted contractual cash flows are as follows:

(PLN '000)	LOANS	BONDS	FORWARD	TRADE LIABILITIES
Up to 1 year	161 114	141 121	4 185	92 907
Over 1 to 3 years	1 005 239	492 034	97	12
Over 3 to 5 years	1 089 210	403 563	-	-
Over 5 to 10 years	126 770	-	-	-
Over 10 years	29 901	-	-	-
Total	2 412 234	1 036 718	4 282	92 919

Date: 31 August 2015

*Signatures of the Management Board of Echo
Investment S.A.*

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
Board

Signature of the person entrusted with bookkeeping:

Tomasz Sułek



Chief Accountant

II. CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

CONDENSED SEPARATE INTERIM STATEMENT OF FINANCIAL POSITION (PLN '000)

	NOTE	30.06.2015	31.12.2014 RESTATED	30.06.2014 RESTATED
ASSETS				
1. Non-current assets				
1.1. Intangible assets		238	472	601
1.2. Property, plant and equipment	1	6 102	7 247	7 879
1.3. Investment property	2	6 210	2 903	2 869
1.4. Investments in subsidiaries, jointly-controlled entities and associates	3	867 809	867 470	922 670
1.5. Long-term financial assets		13 547	13 751	13 910
1.6. Borrowings granted	4	285 821	156 987	46
1.7. Deferred income tax assets	5	29 279	24 369	12 089
		1 209 006	1 073 199	960 064
2. Current assets				
2.1. Inventory	6	347 076	341 658	330 617
2.2. Income tax receivables		931	-	59
2.3. Other tax receivables		-	-	3 639
2.4. Trade and other receivables		88 185	73 587	60 221
2.5. Borrowings granted	4	32 114	131 348	135 701
2.6. Restricted cash		13 163	2 372	2 102
2.7. Cash and cash equivalents		8 564	56 710	183 343
		490 033	605 675	715 682
3. Assets held for sale	2	5 160	-	-
TOTAL ASSETS		1 704 199	1 678 874	1 675 746

CONDENSED SEPARATE INTERIM STATEMENT OF FINANCIAL POSITION (PLN '000)

	NOTE	30.06.2015	31.12.2014 RESTATED	30.06.2014 RESTATED
EQUITY AND LIABILITIES				
1. Equity				
1.1. Share capital		20 635	20 635	20 635
1.2. Supplementary capital		661 689	635 536	635 536
1.3. Profit/(loss) brought forward		(5 157)	(5 157)	(5 157)
1.4. Net profit		43 064	26 153	80 210
		720 231	677 167	731 224
2. Provisions				
2.1. Provisions for liabilities – short-term	10	2 000	2 000	2 000
2.2. Provisions for liabilities – long-term		800		
		2 800	2 000	2 000
3. Long-term liabilities				
3.1. Loans, borrowings and bonds	7	549 200	759 410	583 669
3.2. Security deposits and advance payments received		666	866	1 298
		549 866	760 276	584 967
4. Short-term liabilities				
4.1. Loans, borrowings and bonds	9	369 304	185 406	302 106
4.2. Liabilities due to current portion of income tax	8	-	8 127	188
4.3. Other tax liabilities	8	1 916	1 215	954
4.4. Trade liabilities	8	7 894	18 570	8 644
4.5. Security deposits and advance payments received	8	34 729	18 947	40 771
4.6. Other liabilities	8	17 459	7 166	4 892
		431 302	239 431	357 555
TOTAL EQUITY AND LIABILITIES		1 704 199	1 678 874	1 675 746

CONDENSED INTERIM SEPARATE PROFIT AND LOSS ACCOUNT (PLN '000)

	NOTE	01.01.2015- 30.06.2015	01.01.2014 -30.06.2014
Revenue	12	67 624	76 395
Prime costs		(28 796)	(20 622)
Gross profit on sales		38 828	55 773
Loss on investment property	2	(60)	(303)
Selling costs		(12 541)	(11 763)
General administrative expenses	*	(41 526)	(21 884)
Other operating revenue		78 463	85 570
Other operating expenses		(1 079)	(210)
Profit before tax and excluding financial revenue/expenses		62 085	107 183
Financial revenue		2 082	1 928
Financial expenses		(26 006)	(27 271)
Gross profit		38 161	81 840
Income tax		4 903	(1 630)
Net profit		43 064	80 210
Net profit		43 064	80 210
Weighted average ordinary shares		412 690 582	412 690 582
Earnings per ordinary share (in PLN)		0,10	0,19
Weighted average diluted ordinary shares		412 690 582	412 690 582
Diluted earnings per ordinary share (in PLN)		0,10	0,19

* Unusual events affecting the Company's financial result in H1 2015:

- in general and administrative expenses, creation of a provision for bonuses for the Company's key employees, resulting in a decrease in the gross profit by PLN 14 million.

CONDENSED INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME (PLN '000)

	NOTE	01.01.2015 -30.06.2015	01.01.2014 -30.06.2014
Net profit		43 064	80 210
Other net comprehensive income		-	-
Comprehensive income		43 064	80 210

CONDENSED INTERIM SEPARATE CASH FLOW STATEMENT (PLN '000)

	NOTE	01.01.2015- 30.06.2015	01.01.2014- 30.06.2014
Operating cash flow – indirect method			
I. Gross profit		38 161	81 840
II. Adjustments		(48 912)	(51 512)
1. Depreciation/amortisation		1 377	1 654
2. Interest and profit sharing (dividends)		(51 254)	(52 397)
3. Profit/(loss) on revaluation of assets and liabilities		965	(769)
III. Movement in working capital		(11 212)	(42 869)
1. Movement in provisions		(531)	(572)
2. Movement in inventory		(14 091)	(70 359)
3. Movement in receivables		(10 395)	10 497
4. Movement in short-term liabilities, except for loans and borrowings		24 596	19 627
5. Movement in restricted cash		(10 791)	(2 062)
IV. Net operating cash (I+/-II +/- III)		(21 963)	(12 541)
V. Income tax paid		(3 092)	2 445
VI. Net operating cash flow (IV+/-V)		(25 055)	(10 096)
Cash flow from investing activities			
I. Proceeds		561 047	208 314
1. Sale of intangible assets, and property, plant and equipment		441	828
2. Sale of investments in real property and intangible assets		-	-
3. From financial assets, including:		560 606	207 486
a) in related entities		533 178	207 585
- sale of financial assets		-	-
- dividends and profit sharing		71 432	72 601
- repayment of borrowings granted		460 248	132 945
- interest		1 498	2 039
b) in other entities		27 428	(99)
- sale of financial assets		-	(99)
- repayment of borrowings granted		26 793	-
- interest		635	-
II. Expenditures		(530 337)	(37 164)
1. Purchase of intangible assets and PP&E		(401)	(1 167)
2. Investments in real property and intangible assets		(93)	303
3. On financial assets, including:		(529 666)	(36 248)
a) in related entities		(529 666)	(36 248)
- purchase of financial assets		(14 469)	(747)
- borrowings granted		(515 197)	(35 501)
b) in other entities		-	-
- purchase of financial assets		-	-
4. Other capital expenditures		(177)	(52)
Net cash flow from investing activities		30 710	171 150

CONDENSED INTERIM SEPARATE CASH FLOW STATEMENT (PLN '000)

	NOTE	01.01.2015- 30.06.2015	01.01.2014- 30.06.2014
Cash flow from financing activities			
I. Proceeds		88 896	339 101
1. Net proceeds from issue of shares (interests) and other equity instruments and capital contributions		-	-
2. Loans and borrowings		88 896	168 601
3. Issue of debt securities		-	170 500
II. Expenditures		(142 697)	(326 709)
1. Purchase of equity shares (interests)		-	-
2. Dividends and other payments to equity holders		-	-
3. Expenditure due to 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. Due to other financial liabilities		-	-
7. Payment of liabilities under finance lease agreements		-	-
8. Interest		(27 666)	(26 709)
9. Other financial expenditures		-	-
Net cash flow from financing activities		(53 801)	12 392
Total net cash flows		(48 146)	173 446
Movement in the balance of cash, including:		(48 146)	173 446
- movement in cash due to foreign exchange gains/losses		-	-
Cash at the beginning of the period		56 710	9 897
Cash at the end of the period		8 564	183 343

CONDENSED INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY (PLN '000)

	SHARE CAPITAL	SUPPLEMENTAR Y CAPITAL	PROFIT BROUGHT FORWARD	CURRENT YEAR PROFIT	TOTAL EQUITY
As of 1 January 2015	20 635	635 536	26 153	-	682 324
Adjustments of result from previous years	-	-	(5 157)	-	(5 157)
As of 1 January 2015	20 635	635 536	20 996	-	677 167
Changes in the period:					
Appropriation of result brought forward	-	26 153	(26 153)	-	-
Net profit for the period	-	-	-	43 064	43 064
Total changes	-	26 153	(26 153)	43 064	43 064
As of 30 June 2015	20 635	661 689	(5 157)	43 064	720 231
As of 1 January 2014	20 635	574 873	60 663	-	656 171
Adjustments of result from previous years	-	-	(5 157)	-	(5 157)
As of 1 January 2014	20 635	574 873	55 506	-	651 014
Changes in the period:					
Appropriation of result brought forward	-	60 663	(60 663)	-	-
Net profit for the period	-	-	-	26 153	26 153
Total changes	-	60 663	(60 663)	26 153	26 153
As of 31 December 2014	20 635	635 536	(5 157)	26 153	677 167
As of 1 January 2014	20 635	574 873	60 663	-	656 171
Adjustments of result from previous years	-	-	(5 157)	-	(5 157)
As of 1 January 2014	20 635	574 873	55 506	-	651 014
Changes in the period:					
Appropriation of result brought forward	-	60 663	(60 663)	-	-
Net profit for the period	-	-	-	80 210	80 210
Total changes	-	60 663	(60 663)	80 210	80 210
As of 30 June 2014	20 635	635 536	(5 157)	80 210	731 224

NOTES ON THE ADOPTED ACCOUNTING PRINCIPLES AND OTHER EXPLANATORY INFORMATION

GENERAL INFORMATION

Echo Investment S.A.'s core business consists in the construction and lease or sale of space in office, shopping, residential and hotel buildings as well as trade in real property.

Echo Investment S.A. (later referred to as Echo or the Company), with its registered office in Kielce, al. Solidarności 36, was registered in Kielce on 23 July 1992. Echo is a Joint Stock Company entered into the National Court Register under no. 0000007025 by the District Court in Kielce, 10th Economic Department of the National Court Register.

The Company's shares are quoted at the Warsaw Stock Exchange on the regulated market – property development companies.

The Company was established for an indefinite period of time.

As of 30 June 2015, the Management Board of Echo Investment S.A. was composed of Piotr Gromniak (President of the Management Board), Artur Langner (Vice-President of the Management Board) and Waldemar Lesiak (Vice-President of the Management Board), and, as of 30 June 2014, the Management Board was composed of Piotr Gromniak (President of the Management Board), Artur Langner (Vice-President of the Management Board) and Waldemar Lesiak (Vice-President of the Management Board).

As of the publication date of the report, the Issuer's Management is composed of four persons because, on 16 July 2015, the Issuer's Supervisory Board appointed Maciej Drozd to hold the function of the Vice-President of the Management Board of Echo Investment S.A. for a joint term of office.

As of 30 June 2015, the Supervisory Board was composed of: Karim Khairallah (Chairman), Laurent Luccioni (Vice-Chairman), Maciej Dyjas, George Graham, Przemysław Krych, Nebil Senman and Stefan Kawalec (Members), and as of 30 June 2014: Wojciech Ciesielski (Chairman), Andrzej Majcher and Mariusz Waniółka (Vice-Chairmen) as well as Robert Oskard and Karol Żbikowski (Members). As of 30 June 2015, according to Article 86 section 3 of the Act of 7 May 2009 on statutory auditors and their professional associations, the Audit Committee is composed of Maciej Dyjas, Nebil Senman and Stefan Kawalec.

INFORMATION ON THE FINANCIAL STATEMENTS

The condensed interim statements of Echo Investment S.A. present financial data for the 6-month period ending on 30 June 2015, comparative data for the 6-month period ending on 30 June 2014 and comparative data for the 12-month period ending on 31 December 2014.

The reporting currency in the financial statements and the functional currency of Echo Investment S.A. is Polish zloty (PLN). Unless indicated otherwise, all financial data in the Company's financial statements has been presented in thousand PLN.

These condensed interim separate financial statements have been prepared in compliance with International Accounting Standard 34 *Interim Financial Reporting*, as approved by the EU (IAS 34). The financial statements have been drawn up in accordance with the historical cost principle with the exception of investment property and financial instruments, which were measured at fair value. These financial statements should be analysed together with the annual separate financial statements for the FY ended on 31 December 2014, which were prepared according to the IFRS adopted for application in the EU. These separate financial statements are available on the Company's website www.echo.com.pl. The statements have been drawn up according to the going concern principle as there are no circumstances indicating a threat to continued activity.

The Company's Management Board used its best knowledge in the application of the standards and interpretations, as well as measurement methods and principles for the various items of the separate financial statements.

When preparing these statements, the Company applied new standards, amendments to standards and interpretations released by the IFRS Interpretations Committee, which apply to the Company's reporting period beginning 1 January 2015. The introduced amendments have not had any material effect on the presentation of data and measurement in the financial statements.

RESTATEMENT OF FINANCIAL STATEMENTS FOR PREVIOUS PERIODS

The Company adjusted statements from previous years in terms of recognising land maintenance expenses in inventory before 2010. As a result, there was a change in the value of Inventory, Deferred income tax assets and Profit/loss brought forward.

The following items have been changed:

AS OF 30.06.2014	CURRENTLY	PREVIOUSLY	DIFFERENCE
1. Assets			
1.7. Deferred income tax assets	12 089	10 880	1 209
2.1. Inventory	330 617	336 983	(6 366)
2. Equity and liabilities			
1.3. Profit/(loss) brought forward	(5 157)	-	(5 157)

AS OF 31.12.2014	CURRENTLY	PREVIOUSLY	DIFFERENCE
1. Assets			
1.7. Deferred income tax assets	24 369	23 160	1 209
2.1. Inventory	341 658	348 024	(6 366)
2. Equity and liabilities			
1.3. Profit/(loss) brought forward	(5 157)	-	(5 157)

MAIN ACCOUNTING PRINCIPLES

The accounting policy is in line with the policy used in the financial statements for the year ending on 31 December 2014.

METHODS OF DETERMINING THE FINANCIAL RESULT

The financial result is determined using the calculation method.

Operating revenue

Revenue from the sale of goods and products is disclosed at the fair value of the received or due payment, less rebates, discounts and taxes on the sale, and recognised at the moment of the delivery of goods and products and the transfer of risks and benefits from the ownership title to the goods and products to the buyer, and when the amount of revenue can be credibly determined.

In particular, revenue from the sale of residential and commercial premises constructed by the Company is recognised according to IAS 18 and IFRIC 15 at the time of the transfer of the ownership title to these premises in a sale agreement, after the development is completed and the right to use the premises has been acquired.

Revenue from the lease of residential and commercial areas is recognised on a straight line basis for the duration of the concluded agreements.

Revenue from legal, framework, IT, financial, marketing, security and other sales services is recognised in the period in which such services were provided.

Prime costs

Manufacturing costs of goods, products and services sold include the incurred costs related to revenue for the financial year and the costs accrued but not yet incurred.

The costs of goods and products sold are measured at the manufacturing costs, using strict identification of actual costs of the sold assets or the percentage share, e.g.: of the sold land, interests, etc. In particular, the prime cost of the sold premises and land is determined proportionately to their share in the overall construction cost of an object and in the whole land comprising a project.

Financial expenses

The financial costs related to the current period are recognised in the profit and loss account, except for costs capitalised according to the solution presented in IAS 23. The Company capitalises this portion of the financial costs which are directly related to the purchase and manufacturing of items of assets recognised as inventories and commenced investments.

Capitalisation includes the amount of costs comprising interest, discounts and commissions, less revenue from the temporary investment of cash (i.e. interest on bank deposits, except for deposits resulting from blocked accounts, letter of credit agreements).

Cash flow statement

The cash flow statement is prepared using the indirect method. Liabilities due to overdraft facilities are presented as debt due to loan and not as cash equivalents.

Segment reporting

The Company does not recognise information on segments according to IFRS 8, paragraph 4. This information is included in the consolidated financial statements of the Echo Investment Capital Group, which is published simultaneously with the Company's separate financial statements.

MATERIAL ESTIMATES OF THE COMPANY'S MANAGEMENT BOARD

To prepare the financial statements, the Company's Management Board had to make certain estimates and assumptions, which are reflected in the statements. The actual results may differ from the estimates. Main areas where the Management Board's estimates materially affect the financial statements:

Investment property

Investment properties include properties owned and rented out by the company along with land directly related to the properties. Investment properties are initially recognised at purchase price/manufacturing cost.

Properties built by the Company are recognised as investment property once they are commissioned to use.

Following the initial recognition on the first balance sheet date, investment properties are disclosed at the fair value. Fair value is subject to a revaluation at least once every quarter. Profits or losses on changes in the fair value of investment property are recognised in the profit and loss account for the period in which they occurred.

Fair value of land and buildings measured at fair value is subject to a revaluation in such a way so that it reflects the market conditions at the end of the reporting period. Fair value of investment properties is the price for which a property could be subject to a transaction between well-informed, willing and unrelated parties. The fair value of real property generating constant income is determined by an entity with the income method, by applying simple capitalisation technique as a division of a project's net operating income (NOI) and the capitalisation rate (Yield), taking into account the terms of lease, rent and other agreements in force. The yield is verified at least once a year by external property appraisers. Net operating income (NOI) is revised every quarter based on the applicable lease agreements, and values expressed in EUR and USD are converted every quarter according to the applicable exchange rates published by the NBP.

The differences on the measurement of investment properties are recognised in the profit and loss account under revaluation of property.

All repair and maintenance costs of investment properties are disclosed as cost in the income statement for the period to which they pertain.

The result on the sale of investment properties is disclosed under a separate item of the profit and loss account.

Inventory

When estimating the write-down on inventory held by the Company as of the balance sheet date, information from the active market regarding the expected sales prices and current market trends as well as information from preliminary sales agreements concluded by the Company is analysed.

Assumptions used when calculating the write-down mainly relate to market prices of property applicable in a given market segment. In the case of land recognised under inventory, the value of the write-downs results from the usefulness of land for the Company's current and prospective business estimated by the Management Board.

Impairment of interests in subsidiaries, jointly controlled entities and associates

An impairment test is conducted when there are indications that the carrying value of an investment will not be recovered. The assessment of the impairment of interests in subsidiaries, jointly-controlled and associated companies is based on an analysis of the fair value of assets and liabilities held by the companies and the expected prospective cash flows from the operations of such companies. In the course of the assessment, the Company also evaluates the duration and extent to which the current value of the shares is lower than its purchase price and a company's perspectives and plans for its investment developments. All material impairments of the fair value of assets in subsidiaries have been regarded to be long-term by the Management Board and have resulted in impairment losses on interests in subsidiaries. In particular, for material subsidiaries which, as of 30 June 2015, did not run any material operating activity, the value of the recognised impairment corresponds to the total difference between the net value of the subsidiary's assets and the purchase price of the interests.

ANALYSIS OF EXPOSURE TO IMPAIRMENT OF INTERESTS, SHARES AND FUNDS (PLN '000)	VALUE CALCULATED FOR THE PURPOSE OF ANALYSIS		
	AS OF 30.06.2015	AS OF 31.12.2014	AS OF 30.06.2014
Interests, shares and funds held	869 139	868 800	923 800
Financial revenues/expenses from the measurement of interests, shares and funds	-	(56 028)	-
Estimated percentage change in the value of interests, shares and funds	+/- 1 p.p.	+/- 1 p.p.	+/- 1 p.p.
Estimated financial revenues/expenses from a potential change in the value of interests, shares and funds	8 691	8 688	9 238
Total effect on the gross result for the period	8 691	8 688	9 238
Income tax	1 651	1 651	1 755
Total effect on the net result for the period	7 040	7 037	7 483

When calculating the impairment of interests, shares and funds held in subsidiaries, associates and jointly controlled entities, the Company refers to the net value of the these companies' assets and takes into consideration the cash flow generated by investment properties held by these companies.

Deferred income tax

The Company's Management Board is obliged to assess the probability of the realisation of deferred income tax assets. When preparing the financial statements, the Company estimates the value of the deferred income tax provision and asset based on, among other things, the value of prospective income tax burden. The process involves analysing current income tax burden and the value of temporary differences from different treatment of transactions in terms of fiscal and accounting aspects, resulting in the creation of deferred income tax assets and provisions.

A number of assumptions are adopted for determining the value of deferred income tax assets and provisions in the assessment process described above. The above estimates take account of fiscal forecasts, historic tax burden, currently available strategies for planning the Company's operating activity and timelines for realising the individual temporary differences. Since the above estimates may change due to external factors, the Company may periodically adjust the deferred income tax assets and provisions, which in turn may affect the Company's financial standing and performance.

ADDITIONAL EXPLANATIONS

Material agreements concluded with related entities and performed during the period

In connection with the strategy of Echo Investment S.A.'s Group to execute shopping centres, office buildings and parts of residential developments through separate subsidiaries, Echo Investment S.A. undertook to provide comprehensive investment management and consulting services in that area. The largest H1 2015 transactions with related companies were executed based on the following agreements:

- Agreement for investment management, concluded on 1 July 2013 with Projekt Echo -70 Sp. z o.o., as the investor. Under this agreement, Echo Investment S.A. undertook to provide comprehensive investment management and consulting services in all matters related to the implementation of an office facility located in Warsaw, Al. Jana Pawła II. The value of the transaction for H1 2015 is PLN 2,629 thousand.
- Agreement for investment management, concluded on 31 October 2014 with Projekt Echo 101 Sp. z o.o., as the investor. Under this agreement, Echo Investment S.A. undertook to provide comprehensive investment management and consulting services in all matters related to the construction of an office building located in Wrocław, ul. Marii Curie-Skłodowskiej. The value of the transaction for H1 2015 is PLN 1,565 thousand.
- Agreement for the management of an investment project: alteration of a shopping centre in Jelenia Góra, concluded on 1 July 2013 with Galeria Sudecka - Projekt Echo - 43 Spółka z ograniczoną odpowiedzialnością S.K.A., as the investor. Under this agreement, Echo Investment S.A. undertook to provide comprehensive investment management and consulting services in all matters related to the alteration of the shopping centre located on a real property in Jelenia Góra, ul. Jana Pawła II 52. The value of the transaction for H1 2015 is PLN 861 thousand.
- Agreement for the management of an investment project concluded on 31 October 2013 with Projekt Echo - 102 Spółka z ograniczoną odpowiedzialnością, as the investor. Under this agreement, Echo Investment S.A. undertook to provide comprehensive investment management and consulting services in all matters related to the construction of the office facility located on a real property in Gdańsk, ul. Jana z Kolna. The value of the transaction for H1 2015 is PLN 1,847 thousand.
- Agreement for the management of an investment project, concluded on 31 October 2013 with Park Rozwoju – Grupa Echo Spółka z ograniczoną odpowiedzialnością S.K.A., as the investor. Under this agreement, Echo Investment S.A. undertook to provide comprehensive investment management and consulting services in all matters related to the implementation of stage II of the office facility located on a real property in Warsaw, ul. Konstruktorska. The value of the transaction for 2015 is PLN 1,462 thousand.
- Agreement for the management of an investment project, concluded on 1 April 2014 with Echo – Opolska Business Park Spółka z ograniczoną odpowiedzialnością S.K.A., as the investor. Under this agreement, Echo Investment S.A. undertook to provide comprehensive investment management and consulting services in all matters related to the construction of the office facility located on a real property in Krakow, ul. Opolska. The value of the transaction for H1 2015 is PLN 1,491 thousand.

Transactions with related parties detailed in the financial statements involve subsidiaries.

INFORMATION ON MATERIAL POST-BALANCE SHEET EVENTS

Appointment of a manager

The Management Board of Echo Investment S.A. (Issuer, Company) announces that, on 16 July 2015, the Issuer's Supervisory Board appointed Maciej Drozd to hold the function of the Vice-President of the Management Board of Echo Investment S.A. for a joint term of office.

Since 1995, Maciej Drozd has worked with Eastbridge Group, first as a CFO of the Group's operating companies, and from 2009 to June 2015 as a CFO and managing partner with Eastbridge Group.

Among others, Maciej Drozd held the following positions in Eastbridge Group companies:

2009 - June 2015: CFO in DTH Partners, a New York based property development company transforming office buildings in Manhattan to apartment buildings.

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

2010 – 2014: Director in ImmoBel, a company listed at Euronext, building, renting out and selling office and residential buildings in Belgium, Poland and Luxembourg.

2003 – 2014: CFO in CDI, a company developing, managing and selling properties from its portfolio of more than 30 assets, mainly shopping facilities in Poland.

1999 – 2004: CFO in DTC, a Polish retail trade company.

1995 – 1999: CFO in Empik, a Polish retail trade company.

1990 – 1995: Before joining Eastbridge Group, Maciej Drozd worked as a CFO in SMG/KRC, and ran a services and trade business on his own account.

Maciej Drozd studied philosophy, mathematics and management at the University of Warsaw. He holds master's degrees in philosophy and management of the University of Warsaw, and an MBA degree of the University of Illinois.

According to the statement submitted by Maciej Drozd, he does not run any business competitive to the Company, is not involved in any company that is competitive to the Company as a partner in a general partnership or partnership, or as a member in a corporate body of a corporation or as a member in a corporate body of another competitive legal entity. He has not been entered into the Register of Insolvent Debtors, which is kept according to the Act of 20 August 1997 on the National Court Register (KRS).

Extension of a Loan Agreement

On 19 August 2015, Addendum 12 was signed to the Multi-Purpose Credit Limit Agreement of 21 August 2006 with Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, with its registered office in Warsaw. The Addendum decreases the credit limit from PLN 100,000,000 to PLN 75,000,000 and extends the repayment date to 18 August 2017. The amount of the used working capital loan bears interest according to variable WIBOR 1M for monthly inter-bank deposits, plus PKO BP S.A.'s margin.

Sale of a plot in Jelenia Góra

On 28.07.2015, the Company sold to Leroy - Merlin Inwestycje Sp. z o.o. a non-developed property with an area of 5.155 ha, located in Jelenia Góra, ul. Legnicka, for PLN 9.5 million plus VAT.

INFORMATION ON REMUNERATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

In H1 2015, managerial staff of Echo Investment S.A. received the following remuneration in Echo Investment S.A.:

- Piotr Gromniak received remuneration in Echo Investment S.A. in the total amount of PLN 666 thousand.
- Artur Langner received remuneration in Echo Investment S.A. in the total amount of PLN 589 thousand.
- Waldemar Lesiak received remuneration in Echo Investment S.A. totalling PLN 589 thousand.

In H1 2015, a provision was created for bonuses for the Company's key employees, including a provision for bonuses for the Management Board members in the amount of PLN 5,561 thousand.

In H1 2015, supervisory staff of Echo Investment S.A. have received remuneration in Echo Investment S.A. for holding supervisory functions in the Company:

- Wojciech Ciesielski received remuneration in Echo Investment S.A. in the total amount of PLN 42 thousand.
- Andrzej Majcher received remuneration in Echo Investment S.A. in the total amount of PLN 30 thousand.
- Mariusz Waniółka received remuneration in Echo Investment S.A. in the total amount of PLN 30 thousand.
- Robert Oskard received remuneration in Echo Investment S.A. in the total amount of PLN 18 thousand.
- Karol Żbikowski received remuneration in Echo Investment S.A. in the total amount of PLN 18 thousand.

In H1 2014, managerial staff of Echo Investment S.A. received the following remuneration in Echo Investment S.A.:

- Piotr Gromniak received remuneration in Echo Investment S.A. in the total amount of PLN 418 thousand.
- Artur Langner received remuneration in Echo Investment S.A. in the total amount of PLN 394 thousand.
- Waldemar Lesiak received remuneration in Echo Investment S.A. totalling PLN 268 thousand.

In H1 2014, supervisory staff of Echo Investment S.A. have received remuneration in Echo Investment S.A. for holding supervisory functions in the Company:

- Wojciech Ciesielski received remuneration in Echo Investment S.A. in the total amount of PLN 42 thousand.
- Andrzej Majcher received remuneration in Echo Investment S.A. in the total amount of PLN 30 thousand.
- Mariusz Waniółka received remuneration in Echo Investment S.A. in the total amount of PLN 30 thousand.
- Robert Oskard received remuneration in Echo Investment S.A. in the total amount of PLN 18 thousand.
- Karol Żbikowski received remuneration in Echo Investment S.A. in the total amount of PLN 18 thousand.

DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS AND FAILURES OF THE COMPANY AND INDICATION OF MAJOR EVENTS**MAJOR EVENTS IN H1 2015****Conclusion of a material agreement**

The Management Board of Echo Investment S.A. (Company) announces that on 22 June 2015 a Put Option and Profit Sharing Agreement was concluded between the Company, as the seller, FTF Columbus S.A., with its registered office in Warsaw (Columbus), a subsidiary of Michał Solowow, as the buyer, and Michał Solowow, as the guarantor (Option Agreement).

The main purpose of the Option Agreement is to reduce the Company's investment risk connected with constructing and commercialising the office building Q22, which is located at the junction of Aleja Jana Pawła II and ul. Grzybowska in Warsaw (Real Property).

Under the Option Agreement, the Company acquired the right (Option Right) to sell interests in its subsidiary and owner of the Real Property (Echo-70), Projekt Echo – 70 sp. z o.o., according to the terms of the Option Agreement.

The Company is entitled to exercise the Option Right within 6 months from receiving a usage permit for the Real Property. If the Option Right is exercised, the interest sale price shall be equal to the equity contributed to Echo-70, plus the interest rate provided for in the Option Agreement, less certain costs related to investing in the Real Property. If the Company does not exercise the Option Right, Columbus shall have the right, at its sole discretion, (i) to receive an interest in the Company's hypothetical profit from investing in Echo-70, which shall be calculated based on the value of the Real Property declared by Echo (Real Property Value, Profit) in the amount of 75% of such Profit, or (ii) to acquire interests in Echo-70 for a price calculated based on the Real Property Value, less Profit share.

In the Option Agreement, Columbus undertook that if the Company is unable to raise a portion of funds with third parties for reasons which are beyond the Company's control (Funding Deficit), it shall cause the Company to be granted a borrowing in the amount of 60% of the Funding Deficit (Borrowing). The Borrowing can be subordinated to the funding granted by third parties at their request. In addition, if the interests in Echo-70 are acquired, Columbus undertook to repay (i) any borrowings granted to Echo-70 by the Company and its subsidiaries, plus interest; and (ii) any funding granted by third parties, plus interest, related to the Real Property (Third Party Funding), unless, prior to the transfer of the interests in Echo-70, Columbus obtains a written permit from the parties providing Third Party Funding to acquire such interests, and the Company, with its subsidiaries, is fully and unconditionally relieved from any liabilities in connection with Third Party Funding.

In the Option Agreement, the parties also agreed to establish, under a separate agreement, a specialised entity (TIC Monitor) (Agreement with TIC Monitor) which shall provide the Company and Columbus with monthly reports, based on which payments under the Option Agreement shall be determined.

The Option Agreement provides for liquidated damages in the case of non-performance or ill-performance of basic obligations by the Company and Columbus, and the liquidated damages are to be secured with guarantees issued by financial institutions (banks or insurers).

Columbus shall be obliged to pay to the Company (i) liquidated damages in the amount of PLN 220,000,000 if Columbus or an entity specified by Columbus, in spite of the Company's successful exercise of the Option Right, does not acquire interests in Echo-70 due to Columbus' fault; or (ii) liquidated damages in the amount of PLN 180,000,000 if Columbus or Michał Solowow procure that TIC Monitor does not provide the respective calculations on time. The payment of the liquidated damages precludes any claims for damages in excess of the liquidated damages. In addition, according to the Option Agreement, Michał Solowow issued a surety to the Company for all liabilities of Columbus or an entity specified by Columbus under the Option Agreement. The surety was granted up to PLN 670,000,000 and is valid until 31 December 2022.

The Company shall pay to Columbus (i) a fine in the amount of PLN 180,000,000 if the Option Right is not exercised or if Columbus is not provided with a sale offer for the interests in Echo-70 by the dates specified in the Option Agreement; or (ii) a fine in the amount of PLN 180,000,000 if TIC Monitor does not receive on time the required data for calculations according to the Agreement with TIC Monitor.

As of the conclusion date of the Option Agreement, the benefit for the Company under the Option Right is equal to the amount of liability which will arise if the Option Right is not exercised, i.e. the net valuation amounts to zero. After an initial recognition, the Option Right and the liability which will arise if the Option Right is not exercised is measured based on the cost, according to IAS 39, sections 46-47.

Conclusion of a material agreement

The Management Board of Echo Investment S.A. (Company) announces that on 24 June 2015 an agreement for issuing an insurance performance bond was concluded between the Company and Powszechny Zakład Ubezpieczeń S.A., with its registered office in Warsaw (PZU, Agreement).

Under the Agreement, PZU undertook to issue, at the Company's order, a performance bond for FTF Columbus S.A., with its registered office in Warsaw (Columbus), of up to PLN 180,00,000 in order to secure the payment of liquidated damages or the share in the Company's hypothetical profit from investing in Projekt Echo – 70 sp. z o.o., as stipulated by the Put Option and Profit Sharing Agreement, which the Company announced in current report no. 20/2015 of 22 June 2015 (Performance Bond). The Performance Bond is valid for 12 months from the issue date. The Performance Bond can be extended, but not beyond 31 December 2018.

If the Performance Bond is issued, the Company shall pay a monthly premium calculated on the guaranteed sum of the issued Performance Bond and shall procure that first ranking mortgages are established on any real properties owned by the Company's subsidiaries in order to secure PZU's claims under the Agreement.

Furthermore, the Company undertook to relieve PZU from any liabilities which may arise in connection with concluding the Agreement. In particular, if a payment under the Performance Bond is made, the Company undertakes to reimburse to PZU all amounts which PZU pays to Columbus under the Performance Bond.

FACTORS AND EVENTS, ESPECIALLY UNUSUAL EVENTS, WITH A SIGNIFICANT IMPACT ON THE GENERATED FINANCIAL RESULTS**1. Factors affecting the Company's financial result in H1 2015:**

- posting of revenues from the concluded final agreements for the sale of residential properties:
 - in Krakow (Hortus Apartments in ul. Korzeniowskiego)
 - in Łódź (Osiedle Jarzębinowe I in ul. Okopowa)
 - in Poznań (Kasztanowa Aleja in ul. Wojskowa, Osiedle Jaśminowe I in ul. Karpia, and Pod Klonami, row houses II, in ul. Rubież)
 - in Warsaw (Klimt House in ul. Kazimierzowska, Nowy Mokotów I in ul. Konstruktorska and Os. Zeusa in Bemowo District)
 - in Wrocław (Przy Słowiańskim Wzgórzu, in ul. Jedności Narodowej)
- posting of revenues from the concluded final agreements for the sale of plots with house designs:
 - in Dyminy near Kielce (Osiedle Południowe I - III)
- sale of a plot:
 - in Kielce, Al. Solidarności (for residential developments)
- cost of sales, and general and administrative expenses
- measurement of liabilities due to bonds and borrowings at amortised cost,
- measurement of loans and cash due to changing foreign exchange rates
- measurement and settlement of FX hedging financial instruments
- interest on deposits and borrowings granted
- discounts and interest on loans, bonds and borrowings.

Unusual events affecting the Company's financial result in H1 2015:

- in general and administrative expenses, creation of a provision for bonuses for the Company's key employees, resulting in a decrease in the gross profit by PLN 14 million
- revaluation of a plot in Warsaw (Las Młociński), resulting in a decrease in the gross profit by PLN 8.9 million.

NOTE ON SEASONAL OR CYCLICAL NATURE OF THE COMPANY'S BUSINESS IN THE PRESENTED PERIOD

The Company operates in several segments of the real property market. Regular implementation of projects for subsidiaries under agreements for the preparation and management of investments ensures stable revenue in each quarter. The sale of housing developments depends on the commissioned residential buildings and revenue on these operations is generated in every quarter but it varies in terms of stability. Revenue from general investment contractor services for third parties and from trade in property may be irregular. The Management Board cannot exclude other one-time events which may influence results generated in a given period.

NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION**NOTE 1A**

PROPERTY, PLANT AND EQUIPMENT	30.06.2015	31.12.2014	30.06.2014
a) PP&E, including	6 032	7 247	7 870
- land	164	165	166
- buildings, premises, civil and water engineering structures	2 804	2 849	3 143
- plant and machinery	137	261	440
- means of transport	2 443	3 350	3 670
- other PP&E	484	622	451
b) PP&E under construction	70	-	9
c) advances on PP&E under construction	-	-	-
Total property, plant and equipment	6 102	7 247	7 879

The Company did not create impairment losses for PP&E in the periods covered by the financial statements.

The company has no securities established on PP&E.

NOTE 2A

MOVEMENT IN INVESTMENT PROPERTY (IN PLN '000)	30.06.2015	31.12.2014	30.06.2014
Value of property investments at the beginning of the period	2 903	3 172	3 172
a) increases (due to)	8 527	-	-
- reclassification of inventory	8 527	-	-
	-	-	-
b) decreases (due to)	(5 220)	(269)	(303)
- sale	-	-	-
- reclassification to assets held for sale	(5 160)	-	-
- revaluation of property	(60)	(269)	(303)
Value of property investments at the end of the period	6 210	2 903	2 869

The company measures property at the fair value at the end of every calendar quarter. Profit/loss on measurement is disclosed under "Profit/loss on investment property" in the profit and loss account.

As of 30 June 2015, the Company held investment property located in Poland. Since the lease agreements contain rents denominated in EUR, the measurements have been prepared in that currency and converted to PLN according to the exchange rate of the NBP as of the balance sheet date.

The company has no securities established on investment properties. As of 30 June 2015, the Company does not have any contractual liabilities.

In H1 2015, the Group reclassified to assets held for sale a land property in Jelenia Góra in connection with the property's planned sale in July 2015.

NOTE 3A

INTERESTS AND SHARES (PLN '000)	30.06.2015	31.12.2014	30.06.2014
a) Investments in subsidiaries, jointly controlled entities and associates			
- in subsidiaries	866 296	865 957	921 157
- in jointly controlled entities	1 500	1 500	1 500
- in associates	13	13	13
Total interests or shares	867 809	867 470	922 670

The company holds interests in the financial result of associates, equivalent to the overall number of votes at the general meeting.

NOTE 3B

MOVEMENT IN INTERESTS AND SHARES (PLN '000)	30.06.2015	31.12.2014	30.06.2014
a) balance at the beginning of the period, including:	867 470	925 441	925 441
- shares and interests	867 470	925 441	925 441
b) increases (due to)	339	944	1
- purchase of interests	120	151	1
- increase in capital	219	793	-
c) decreases (due to)	-	(58 915)	(2 772)
- sale of interests	-	(50)	-
- capital decrease	-	(2 837)	(2 772)
- write-down	-	(56 028)	-
d) balance at the end of the period, including:	867 809	867 470	922 670
- shares and interests	867 809	867 470	922 670

In addition, in 2015, the Company acquired interests in:

Dellia Investments Sp. z o. o., with a value of PLN 119 thousand.

In 2015, the Company increased capital in the subsidiary:

- Projekt Echo - 97 Sp. z o.o. Sp. K., with a value of PLN 50 thousand

- Projekt Echo - 98 Sp. z o.o. Sp. K., with a value of PLN 50 thousand

- El Option S.A., with a value of PLN 100 thousand.

NOTE 4

LONG-TERM BORROWINGS GRANTED (PLN '000)	30.06.2015	31.12.2014	30.06.2014
- in subsidiaries	285 803	156 929	-
- in other entities	18	58	46
Total long-term borrowings granted	285 821	156 987	46

BASIC DATA ON LONG-TERM BORROWINGS, WITHOUT INTEREST, AS OF 30.06.2015

COUNTERPARTY	AMOUNT (PLN '000)	INTEREST RATE	REPAYMENT DATE
Echo - Park Rozwoju Sp. z o. o. S.K.A.	44 230	WIBOR 3M + margin	31 December 2016
Echo - Opolska Business Park sp. z o. o. S.K.A.	40 660	WIBOR 3M + margin	31 December 2016
Dellia Investment S.A.	4 055	WIBOR 3M + margin	31 December 2016
Echo Investment Hungary Ingatlanhasznosito KFT	28 936	WIBOR 3M + margin	31 December 2016
Echo - Projekt Management Ingatlanhasznosito KFT	762	WIBOR 3M + margin	31 December 2016
EI Project CYP - 1 LIMITED	7 476	WIBOR 3M + margin	31 December 2016
Projekt Echo Galeria Kielce - Magellan West Sp. z o.o. S.K.A.	10 000	WIBOR 3M + margin	31 December 2016
Projekt Echo Pasaż Grunwaldzki - Magellan West Sp. z o. o. S.K.A.	11 000	WIBOR 3M + margin	31 December 2016
Echo-West Gate Sp. z o. o. S.K.A.	4 150	WIBOR 3M + margin	31 December 2016
Projekt Echo 62 - Magellan West Sp. z o. o. S.K.A.	125 000	WIBOR 3M + margin	31 December 2016
other – unrelated parties	18	WIBOR 3M + margin	
Total:	276 287		

The maximum value of lending risk related to the borrowings is equivalent to their carrying value.

The granted borrowings are not secured.

The granted borrowings are not overdue and they have not been impaired.

BASIC DATA ON LONG-TERM BORROWINGS, WITHOUT INTEREST, AS OF 30.06.2014

COUNTERPARTY	AMOUNT (PLN '000)	INTEREST RATE	REPAYMENT DATE
other – unrelated parties	46	WIBOR 6M + margin	31 May 2016
Total:	46		

NOTE 4A

SHORT-TERM BORROWINGS GRANTED (PLN '000)	30.06.2015	31.12.2014	30.06.2014
a) in subsidiaries			
- borrowings granted	31 769	106 112	108 992
- interest	322	209	4 347
	32 091	106 321	113 339
b) in other entities			
- borrowings granted	23	24 822	22 244
- interest	-	205	118
	23	25 027	22 362
Total short-term borrowings granted	32 114	131 348	135 701

Note 4A contains short-term borrowings plus interest.

NOTE 4B

SHORT-TERM BORROWINGS GRANTED (CURRENCY STRUCTURE) (PLN '000)	30.06.2015	31.12.2014	30.06.2014
a) in the Polish currency (PLN)	32 114	106 335	135 701
b) in foreign currencies (by currency and after translation into PLN)	-	25 013	-
Total short-term borrowings granted	32 114	131 348	135 701

Note 4B contains short-term borrowings plus interest.

BASIC DATA ON MAJOR SHORT-TERM BORROWINGS, WITHOUT INTEREST, AS OF 30.06.2015

COUNTERPARTY	AMOUNT (PLN '000)	INTEREST RATE	REPAYMENT DATE
Metropolis - Grupa Echo Sp. z o. o. S.K.A.	1 600	WIBOR 3M + margin	31 December 2015
Veneda - Projekt Echo 97 Sp. z o. o. S.K.A.	2 260	WIBOR 3M + margin	31 December 2015
SPV 1 - Grupa Echo Sp. z o. o. S.K.A.	580	WIBOR 3M + margin	31 December 2015
Projekt Beethovena - Grupa Echo SP. z o. o. S.K.A.	3 000	WIBOR 3M + margin	31 December 2015
EBR Global Services Sp. z o.o.	2	WIBOR 3M + margin	30 September 2015
Pure Systems Sp. z o. o.	12 000	WIBOR 3M + margin	30 June 2016
Avatar - Projekt Echo 93 Sp. z o. o. S.K.A.	12 130	WIBOR 3M + margin	30 June 2016
Projekt 4 - Grupa Echo Sp. z o.o. S.K.A.	197	WIBOR 3M + margin	30 June 2016
other – unrelated parties	23	WIBOR 3M + margin	
Total:	31 792		

The maximum value of lending risk related to the borrowings is equivalent to their carrying value.

The granted borrowings are not secured.

The granted borrowings are not overdue and they have not been impaired.

The borrowings were granted to related entities with a good financial standing.

BASIC DATA ON MAJOR SHORT-TERM BORROWINGS, WITHOUT INTEREST, AS OF 31.12.2014

COUNTERPARTY	AMOUNT (PLN '000)	INTEREST RATE	REPAYMENT DATE
Magellan Pro-Service Sp. z o. o.	22 244	LIBOR USD 3M + margin	30 April 2015
Metropolis - Grupa Echo Sp. z o. o. S.K.A.	1 600	WIBOR 3M + margin	31 December 2015
Veneda - Projekt Echo 97 Sp. z o. o. S.K.A.	820	WIBOR 3M + margin	31 December 2015
SPV 1 - Grupa Echo Sp. z o. o. S.K.A.	500	WIBOR 3M + margin	31 December 2015
Projekt Beethovena - Grupa Echo Sp. z o. o. S.K.A.	28 190	WIBOR 3M + margin	31 December 2015
Echo - SPV 7 Sp. z o. o.	52 000	WIBOR 3M + margin	31 December 2015
Echo - Aurus Sp. z o.o.	23 000	WIBOR 3M + margin	31 December 2015
EBR Global Services Sp. z o.o.	2	WIBOR 3M + margin	30 September 2015
other – unrelated parties	13	WIBOR 3M + margin	
Total:	128 369		

BASIC DATA ON MAJOR SHORT-TERM BORROWINGS, WITHOUT INTEREST, AS OF 30.06.2014

COUNTERPARTY	AMOUNT (PLN '000)	INTEREST RATE	REPAYMENT DATE
Magellan Pro-Service Sp. z o. o.	22 244	WIBOR 3M + margin	30 April 2015
Dellia Investment S.A.	2	WIBOR 3M + margin	30 September 2014
Echo Investment Hungary Ingatlanhasznosító KFT	24 115	WIBOR 3M + margin	31 December 2014
EI Project CYP 1 LIMITED	49 384	WIBOR 3M + margin	31 December 2014
Barconsel Holding Limited	191	WIBOR 3M + margin	30 September 2014
Projekt Babka Tower - Grupa Echo Sp. z o. o. S.K.A.	35 300	WIBOR 3M + margin	31 December 2014
Total:	131 236		

NOTE 5

MOVEMENT IN DEFERRED INCOME TAX ASSETS/PROVISION (PLN '000)	30.06.2015	31.12.2014	30.06.2014
1. Deferred income tax assets/provision at the beginning of the period	24 369	12 661	12 661
investment property	(234)	(285)	(285)
receivables and liabilities due to borrowings	(559)	(329)	(329)
liabilities due to loans and bonds	(489)	(656)	(656)
tax loss	60	121	121
inventory	7 862	6 175	6 175
interests and shares	23 596	12 951	12 951
other	(5 867)	(5 316)	(5 316)
2. Increases	5 675	12 550	836
investment property	951	51	58
liabilities due to loans and bonds	222	167	130
tax loss	1 362	-	-
inventory	84	1 687	648
interests and shares	-	10 645	-
other	3 056	-	-
3. Decreases	(765)	(842)	(1 408)
investment property	-	-	-
receivables and liabilities due to borrowings	(765)	(230)	(520)
liabilities due to loans and bonds	-	-	-
tax loss	-	(61)	(61)
other	-	(551)	(827)
4. Deferred income tax assets/provision at the end of the period	29 279	24 369	12 089
investment property	717	(234)	(227)
receivables and liabilities due to borrowings	(1 324)	(559)	(849)
liabilities due to loans and bonds	(267)	(489)	(526)
tax loss	1 422	60	60
inventory	7 946	7 862	6 823
interests and shares	23 596	23 596	12 951
other	(2 811)	(5 867)	(6 143)

The Company does not hold any items where deferred tax has not been recognised.

NOTE 6A

INVENTORY (PLN '000)	30.06.2015	31.12.2014	30.06.2014
a) semi-finished products and work-in-progress	282 780	263 850	273 462
b) finished products	31 900	39 827	20 656
c) goods	32 396	37 981	36 499
Total inventory	347 076	341 658	330 617

Inventory is measured at the manufacturing cost, up to the net realisable sales value. This value is obtained based on information from the active market. An inventory write-off is reversed due to the sale of an inventory item or increase in the net selling price. Inventory write-offs disclosed in the period as cost and reversals of inventory write-downs disclosed in the period as a decrease of costs are presented in the income statement under prime cost of sale.

Finished products include finished residential apartments for sale. Semi-finished products and work-in-progress mainly include the Company's property and expenditures on housing developments in the course of planning and execution. Goods include land for sale.

NOTE 6B

INVENTORY – INFLUENCE ON THE RESULT (PLN '000)	30.06.2015	31.12.2014	30.06.2014
Inventory write-offs recognised as cost in the period	(8 878)	(6 043)	1 703
Reversed write-downs on inventory recognised as revenue in the period	1 279	-	-

The value of inventory recognised as cost in the period is presented in the income statement under Prime costs.

The movement in the write-down on inventory in H1 2015 amounted to PLN 7,599 thousand (as of 31 December 2014: PLN 6,043 thousand, and as of 30 June 2013: PLN 1,703 thousand).

As of 30 June 2015, work-in-progress for which there was no capitalisation of financing costs during the year amounted to PLN 179,775 thousand.

NOTE 7A

LONG-TERM LIABILITIES (WITHOUT INCOME TAX PROVISION) (PLN '000)	30.06.2015	31.12.2014	30.06.2014
a) due to subsidiaries	-	-	-
b) due to other entities			
- advances received	-	-	-
- security deposits received	666	866	1 298
- loan	-	-	20 082
- due to issue of debt securities	549 200	759 410	563 587
Total long-term liabilities	549 866	760 276	584 967

NOTE 7B

LONG-TERM LIABILITIES (WITHOUT INCOME TAX PROVISION) WITH REMAINING MATURITIES FROM THE BALANCE SHEET DATE (PLN '000)	30.06.2015	31.12.2014	30.06.2014
a) over 1 year to 3 years	482 178	598 174	348 200
b) over 3 years to 5 years	67 614	162 046	236 767
c) over 5 years	74	56	-
Total long-term liabilities	549 866	760 276	584 967
Interest rates applied for discounting the expected cash flows:	5,84%	5,79%	6,56%

The Company has presented its long-term liabilities at nominal value in note 7E.

NOTE 7C

LONG-TERM LIABILITIES (WITHOUT INCOME TAX PROVISION) (CURRENCY STRUCTURE) (PLN '000)	30.06.2015	31.12.2014	30.06.2014
a) in the Polish currency (PLN)	549 866	760 276	584 967
Total long-term liabilities	549 866	760 276	584 967

Financial liabilities due to financial debt instruments are measured with the amortised cost of a liability item, according to IAS 39. The fair value of long-term liabilities does not differ materially from their carrying value.

According to the best knowledge and information of the Company's Management Board, there have been no violations of loan agreements and the established security levels during the financial year and by the day of signing the condensed financial statements.

NOTE 7D

LOAN FACILITIES AS OF 30 JUNE 2015

BUSINESS NAME AND LEGAL FORM	REGISTERED OFFICE	LOAN/BORROWING AMOUNT ACCORDING TO THE AGREEMENT		OUTSTANDING AMOUNT OF THE LOAN/BORROWING		INTEREST RATE TERMS	REPAYMENT DATE	COLLATERAL
		PLN '000	CURRENCY	PLN '000	CURRENCY			
Facilities								
PeKaO S.A.	Warsaw	75 000	PLN	44 082	PLN	WIBOR 1M + margin	2016-06-30*	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 90 million
PKO BP S.A.	Warsaw	100 000**	PLN	25 770	PLN	WIBOR 1M + margin	2015-08-19**	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 200 million, sola blank bill of exchange
Alior Bank S.A.	Warsaw	30 000	PLN	-	PLN	WIBOR 3M + margin	2016-01-30	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 60 million
BZ WBK S.A.	Wroclaw	75 000	PLN	44 815	PLN	WIBOR 1M + margin	2016-07-30***	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 90 million
Total		280 000		114 667				

* Clause for the tacit renewal of the Loan Agreement from 30.06.2015 to 30.06.2016 once the obligations provided for in the Loan Agreement are satisfied.

** On 19.08.2015, an addendum was signed to the Loan Agreement, decreasing the credit limit to PLN 75 million and extending the repayment date to 18.08.2017.

*** The Loan is to be repaid by 30.07.2016 or 30.07.2015, if the required ratio is not achieved or if the Loan Agreement is violated.

LOAN FACILITIES AS OF 31 DECEMBER 2014

BUSINESS NAME AND LEGAL FORM	REGISTERED OFFICE	LOAN/BORROWING AMOUNT ACCORDING TO THE AGREEMENT		OUTSTANDING AMOUNT OF THE LOAN/BORROWING		INTEREST RATE TERMS	REPAYMENT DATE	COLLATERAL
		PLN '000	CURRENCY	PLN '000	CURRENCY			
PeKaO S.A.	Warsaw	75 000	PLN	-	-	WIBOR 1M + margin	2016-06-30*	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 90 million
PKO BP S.A.	Warsaw	60 000	PLN	-	-	WIBOR 1M + margin	2015-08-19	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 200 million, sola blank bill of exchange
PKO BP S.A.	Warsaw	40 000	PLN	25 770	-	WIBOR 1M + margin	2015-08-19	
BZ WBK S.A.	Wroclaw	75 000	PLN	-	-	WIBOR 1M + margin	2016-07-30**	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 90 million
Alior Bank S.A.	Warsaw	30 000	PLN	-	-	WIBOR 3M + margin	2016-01-30	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 60 million
Total		280 000		25 770				

* Clause for the tacit renewal of the Loan Agreement from 30.06.2015 to 30.06.2016 once the obligations provided for in the Loan Agreement are satisfied.

** The Loan is to be repaid by 30.07.2016 or 30.07.2015, if the required ratio is not achieved or if the Loan Agreement is violated.

LOAN FACILITIES AS OF 30 JUNE 2014

BUSINESS NAME AND LEGAL FORM	REGISTERED OFFICE	LOAN/BORROWING AMOUNT ACCORDING TO THE AGREEMENT		OUTSTANDING AMOUNT OF THE LOAN/BORROWING		INTEREST RATE TERMS	REPAYMENT DATE	COLLATERAL
		PLN '000	CURRENCY	PLN '000	CURRENCY			
Facilities								
PeKaO S.A.	Warsaw	75 000	PLN	38 089	PLN	WIBOR 1M + margin	2015-06-30	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 90 million, sola blank bill of exchange
PKO BP S.A.	Warsaw	60 000	PLN	54 937	PLN	WIBOR 1M + margin	2014-08-19	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 200 million, sola blank bill of exchange
Alior Bank S.A.	Warsaw	30 000	PLN	26 258	PLN	WIBOR 3M + margin	2016-01-30	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 60 million, sola blank bill of exchange
BZ WBK S.A.	Wroclaw	50 000	PLN	29 235	PLN	WIBOR 1M + margin	2014-07-30	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 100 million, sola blank bill of exchange
Working capital facility								
PKO BP S.A.	Warsaw	40 000	PLN	20 082	PLN	WIBOR 1M + margin	2015-08-19	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 200 million, sola blank bill of exchange
Total		255 000		168 601				

The loan value corresponds to non-discounted cash flows.

NOTE 7E

LONG-TERM AND SHORT-TERM LIABILITIES DUE TO DEBT FINANCIAL INSTRUMENTS ISSUED

DEBT FINANCIAL INSTRUMENTS BY TYPE	NOMINAL VALUE	INTEREST RATE TERMS	MATURITY	GUARANTEES/COLLATERAL S	QUOTATION MARKET
Bonds (mBank S.A.)	200 000	WIBOR 6M + margin	2017-04-28	None	BondSpot
Bonds (mBank S.A.)	145 000	WIBOR 6M + margin	2016-02-11	None	None
Bonds (mBank S.A.)	100 000	WIBOR 6M + margin	2019-02-19	None	BondSpot
Bonds (mBank S.A.)	80 000	WIBOR 6M + margin	2018-06-19	None	BondSpot
Bonds (mBank S.A.)	70 500	WIBOR 6M + margin	2019-05-15	None	BondSpot
Non-public bonds	595 500				
Series C bonds (PKO BP)	75 000	WIBOR 6M + margin	2018-03-04	None	BondSpot
Series A bonds (PKO BP)	50 000	WIBOR 6M + margin	2016-06-26	None	BondSpot
Series D bonds (PKO BP)	50 000	WIBOR 6M + margin	2018-04-20	None	BondSpot
Series B bonds (PKO BP)	25 000	WIBOR 6M + margin	2016-07-02	None	BondSpot
Public bonds	200 000				
Total	795 500				

The bond value corresponds to non-discounted cash flows, without interest.

The change of the business and economic environment has not materially affected the fair value of financial liabilities.

As of 30 June 2015, the Issue Programme allowed for the issue of bonds with a total maximum nominal value of PLN 1 billion. As part of this package, mBank S.A. provides a purchase guarantee in the amount of PLN 35 million based on the Sales Guarantee Agreement, which is effective until 1 December 2016.

NOTE 8A

SHORT-TERM TRADE LIABILITIES, TAXES, SECURITY DEPOSITS, ADVANCES RECEIVED AND OTHER (WITHOUT PROVISIONS)	30.06.2015	31.12.2014	30.06.2014
- trade, due to subsidiaries, with maturity:	58	3	157
- up to 12 months	58	3	157
- over 12 months	-	-	-
- trade, due to other companies, with maturity:	7 836	18 567	8 487
- up to 12 months	7 836	18 567	8 487
- over 12 months	-	-	-
Total short-term trade liabilities	7 894	18 570	8 644
- advances received	30 928	15 541	38 675
- security deposits received	3 801	3 406	2 096
Total security deposits and advance payments received	34 729	18 947	40 771
- taxes, customs duties, insurance and other benefits	1 916	9 342	1 142
Total tax	1 916	9 342	1 142
- other liabilities	17 459	7 166	4 892
- payroll	-	2	2
- other (due to)	17 459	7 164	4 890
Total other short-term liabilities	17 459	7 166	4 892
Total short-term trade liabilities, taxes, security deposits, advances received and other	61 998	54 025	55 449

The fair value of trade and other liabilities does not differ materially from their carrying value. The increase in the item "Advance payments received" is a result of an increase in the number of signed preliminary agreements.

NOTE 9A

SHORT-TERM LOANS, BORROWINGS AND BONDS (PLN '000)	30.06.2015	31.12.2014	30.06.2014
due to other companies			
- loans and borrowings	114 667	25 801	148 519
- due to issue of debt securities	254 637	159 605	153 587
Total short-term loans, borrowings and bonds	369 304	185 406	302 106

According to the best knowledge and information available to the Company, there have been no violations of loan agreements and the established security levels during the financial year and by the day of signing the condensed financial statements.

NOTE 9B

SHORT-TERM LOANS, BORROWINGS AND BONDS (CURRENCY STRUCTURE) (PLN '000)	30.06.2015	31.12.2014	30.06.2014
due to other companies			
in Polish currency	369 304	185 406	302 106
Total short-term loans, borrowings and bonds	369 304	185 406	302 106

NOTE 10

MOVEMENT IN SHORT-TERM PROVISIONS (DUE TO) (PLN '000)	30.06.2015	31.12.2014	30.06.2014
a) at the beginning of the period			
- provisions for penalties	2 000	2 000	2 000
	2 000	2 000	2 000
b) increases (due to)			
- court proceedings	800	-	-
	800	-	-
b) at the end of the period			
- provisions for penalties	2 000	2 000	2 000
- court proceedings	800	-	-
	2 800	2 000	2 000

The provision for penalties includes the value of potential penalties which may be imposed on the Company under the concluded agreements with a probability higher than 50%. The amount of provisions was estimated to the best of the Company's knowledge and based on past experience.

The provision for the expected costs of guarantee repairs includes the value of repairs or compensation for the sold premises and designs with a probability higher than 50%. The amount of provisions was estimated to the best of the Company's knowledge and based on past experience.

The dates for the recovery of the provisions for penalties and losses, guarantee costs and court proceedings are impossible to estimate and it is highly probable that they will be recovered within 12 months from the balance sheet date.

NOTE 11

OFF-BALANCE SHEET ITEMS (PLN '000)	30.06.2015	31.12.2014	30.06.2014
1. Contingent receivables		-	-
2. Contingent liabilities			
2.1. For related parties (due to)	643 284	695 991	409 919
- guarantees and sureties granted	643 284	695 991	409 919
2.2. For other entities (due to)	2 306	2 541	3 443
- guarantees and sureties granted	2 306	2 541	3 443
	645 590	698 532	413 362
3. Other (due to)			
- court proceedings against Echo Investment	81	181	682
	81	181	682
Total	645 671	698 713	414 044

Sureties and guarantees granted by Echo Investment S.A.:

1. Surety of Echo Investment S.A. securing the obligations of Galeria Sudecka - Projekt Echo - 43 spółka z ograniczoną odpowiedzialnością SKA under the loan agreement concluded on 19.12.2013, the master agreement of 19.04.2011 and agreement no. 2013/127/DDF of 17.09.2013. The surety amounts to PLN 219,517 thousand.

2. Bank performance bond issued on 13 May 2013 by PKO BP S.A. to ORBIS S.A., securing claims due to non-performance or ill-performance of the agreement of 04.09.2008, as amended. The guarantee amounts to PLN 2,155 thousand.

3. Security for the non-performance of obligations under a promotional lottery organised in Galeria Olimpia in Bełchatów. The guarantee amounts to PLN 88 thousand.

4. Security for the liabilities due to Horte Sp. z o.o. in the event of the ill-performance of the final agreement for the sale of the office facility Aquarius Business House in Wrocław, stage I. The guarantee was issued in EUR. The guarantee amounts to PLN 20,972 thousand.

5. Security for the ill-performance of the final agreement for the sale of the office facility Aquarius Business House in Wrocław, stage II. The guarantee was issued in EUR. The guarantee amounts to PLN 37,750 thousand.

6. Security for exceeded costs and debt service liabilities, and construction management support during the implementation of the development Park Rozwoju in Warsaw, stage I, for Bank Zachodni WBK S.A. The guarantee amounts to PLN 26,865 thousand.

7. Security for exceeding the implementation costs of the office development Opolska Business Park, stage I, in Krakow for HSBC BANK PLC. The guarantee amounts to PLN 27,106 thousand.

8. Security for the non-performance of obligations under a promotional lottery organised in Galeria Echo in Kielce. The guarantee amounts to PLN 151 thousand.

9. Security for exceeded costs, coverage for the lack of own funds, debt service liabilities and hedging agreements, and support in organising the construction process during the implementation of the office development Q22 in Warsaw for Bank Zachodni WBK S.A. and PKO BP S.A. The guarantee amounts to PLN 251,664 thousand.

10. Security for exceeding the implementation costs of the office development Tryton Business House in Gdańsk for HSBC BANK PLC. The guarantee amounts to PLN 34,974 thousand.

11. Security for exceeding the costs of expanding Galeria Sudecka in Jelenia Góra and for covering the shortage of own funds for the benefit of Bank Polska Kasa Opieki S.A. The guarantee amounts to PLN 13,148 thousand.

12. Security for exceeding the implementation costs of the office development West Gate in Wrocław. The guarantee amounts to PLN 11,200 thousand.

In the Company's opinion, the fair value of the sureties and guarantees is near zero because the probability that they will be used is low.

NOTES TO THE PROFIT AND LOSS ACCOUNT

NOTE 12

OPERATING REVENUE (ITEM STRUCTURE – TYPES OF ACTIVITY) (PLN '000)	01.01.2015 -30.06.2015	01.01.2014 - 30.06.2014
A. Sale of residential and commercial area	12 086	5 584
- including: from related parties	-	-
B. Property development services	15 834	32 800
- including: from related parties	15 829	30 940
from subsidiaries	15 829	30 940
C. Trade in real property	2 957	1 226
- including: from related parties	-	-
D. Lease services	1 903	1 791
- including: from related parties	971	969
from subsidiaries	971	969
from the parent company	-	-
E. Legal, accounting, consulting and IT services	21 949	20 868
- including: from related parties	21 946	20 868
from subsidiaries	21 946	20 868
from jointly controlled entities	-	-
F. Financial, marketing, securing services and other revenue	12 895	14 126
- including: from related parties	12 074	13 685
from subsidiaries	12 073	13 683
from key personnel	1	2
Total operating revenue	67 624	76 395
- including: from related parties	50 820	66 462
from subsidiaries	50 819	66 460
from the parent company	-	-
from key personnel	1	2

The minimum contracted lease revenue for 2015 is PLN 3,800 thousand.

The Company has not concluded any transactions with related entities under terms other than market terms.

NOTE 13

INFORMATION ON FINANCIAL INSTRUMENTS (PLN '000)

Item	INSTRUMENT TYPE	NOTE	CARRYING VALUE (PLN '000)		
			30.06.2015	31.12.2014	30.06.2014
	Financial assets				
1.	Borrowings and receivables:				
	- long-term borrowings	4	285 821	156 987	46
	- short-term borrowings	4	32 114	131 348	135 701
	- trade receivables		18 414	33 475	28 365
	- advances received		11 882	12 421	12 780
2.	Cash and cash equivalents		21 727	59 082	185 445
	Financial liabilities				
1.	Other financial liabilities:				
	- liabilities due to issue of debt securities		803 837	919 015	717 174
	- trade liabilities		7 894	18 570	8 644
	- loans and borrowings	7,9	114 667	25 801	168 601

The Company's main financial instruments include:

- Borrowings granted are measured at amortised purchase price determined with the effective interest rate method.
- Financial liabilities, i.e. liabilities due to the issue of debt securities, bank loans and other liabilities (borrowings and trade liabilities).

Financial liabilities are measured with the amortised cost of a liability item, according to IAS 39. The fair value of financial instruments does not differ materially from their carrying value.

Date: 31 August 2015

Signatures of the Management Board of Echo Investment S.A.

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 Board

Signature of the person entrusted with bookkeeping:

Chief Accountant



Tomasz Sulek



MANAGEMENT REPORT OF ECHO INVESTMENT S.A. AND OF THE CAPITAL GROUP FOR H1 2015

ECHO
investment

III. MANAGEMENT REPORT OF ECHO INVESTMENT S.A. AND OF THE CAPITAL GROUP

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

Echo manages the whole investment process of a given project, starting from the purchase of property, through obtaining administrative permits, financing, implementation, and supervision to putting the facility into service. It performs the activities on its own behalf or, more often, by providing services to a special-purpose subsidiary. Implementing construction projects through subsidiaries significantly facilitates the management of the processes and ensures transparency of the Group's structure. These entities mainly rent out commercial space (shopping and entertainment centres, offices), construct and sell apartments and provide property management services. The Company also provides services as a general contractor to foreign investors.

The Capital Group's core business is divided into three segments:

- construction and rent of space in office facilities,
- construction and lease of space in shopping centres, and shopping and entertainment centres,
- construction and sale of residential apartments.

The Capital Group operates in Poland, Hungary, Romania and Ukraine.

As at 30 June 2015 and 30 June 2014, the Capital Group employed 362 and 373 people respectively.

The report covers the six-month period ending on 30 June 2015, comparative data for the six-month period ending on 30 June 2014 and comparative data for the twelve-month period ending on 31 December 2014 (in the case of the balance sheet and statement of changes in equity). The report has been drawn up in Polish zloty and in accordance with International Financial Reporting Standards approved by the European Commission.

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

1. INFORMATION ON THE CAPITAL GROUP'S SEGMENTS

The Capital Group generates revenue from the lease of its commercial space, sale of apartments, constructing of facilities and providing property management services. Structure of the generated revenue:

OPERATING RESULTS GENERATED IN H1 2015, BROKEN DOWN BY SEGMENT:

ITEM	REVENUE (PLN 000,000)	% SHARE	EXPENSES (PLN 000,000)	% SHARE
Shopping centres, and shopping and entertainment centres	162,9	59,5%	53,4	38,5%
Residential areas	65,7	24,0%	*56,8	41,0%
Office facilities	41,6	15,2%	24,3	17,5%
Not classified	3,6	1,3%	4,2	3,0%
Total operating result	273,8	100,0%	138,7	100,0%

* Includes the created provision for a plot in Warsaw (Las Młociński) in the amount of PLN 8.9 million.

In H1 2015, the Capital Group did not change the basis for segmentation and the sum of segments' assets did not change significantly in comparison to data presented in the 2014 report.

OPERATING RESULTS GENERATED IN H1 2014, BROKEN DOWN BY SEGMENT:

ITEM	REVENUE (PLN 000,000)	% SHARE	EXPENSES (PLN 000,000)	% SHARE
Shopping centres, and shopping and entertainment centres	158,3	70,9%	55,2	55,7%
Residential areas	20,6	9,2%	19,0	19,1%
Office facilities	40,4	18,1%	20,0	20,2%
Not classified	4,1	1,8%	5,0	5,0%
Total operating result	223,4	100,0%	99,2	100,0%

2. INFORMATION ON THE CAPITAL GROUP'S PROJECTS

As of 30 June 2015, the Group's portfolio included developments in use, in progress or in preparation

PORTFOLIO OF PROPERTIES IN USE

As of 30 June 2015, the Group's portfolio included 10 shopping centres and 8 office developments for lease.

PROPERTY PORTFOLIO AS OF 30 JUNE 2015

CITY	LOCATION	NAME	GLA ¹ (SQ. M)	NOI ² (EUR '000,000)
Kielce	ul. Świętokrzyska	Galeria Echo	73 400	12,6
Wrocław	Plac Grunwaldzki	Pasaż Grunwaldzki	50 900	14,5
Szczecin	Al. Wyzwolenia	Galaxy	42 300	12,6
Kalisz	ul. Gómoślaska	Amber	35 800	5,3
Jelenia Góra	Al. Jana Pawła II	Galeria Echo	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	2,4
Bełchatów	ul. Kolejowa	Galeria Echo	11 700	0,8
Przemyśl	ul. 29 Listopada	Galeria Echo	5 800	0,4
SHOPPING CENTRES	TOTAL		304 600	58,8
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	2,8
Wrocław	ul. Lotnicza	West Gate	16 300	2,8
Szczecin	ul. Malczewskiego	Oxygen	13 800	2,6
Kielce	Al. Solidarności	Astra Park*	11 800	1,8
Warsaw	ul. Postępu	Polkomtel office building**	10 200	1,9
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
OFFICE DEVELOPMENTS	TOTAL		141 000	24,6
DEVELOPMENTS FOR LEASE	TOTAL		445 600	83,4

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

** Polkomtel office building development (Warsaw, ul. Postępu) – the area and NOI account for 50% of the development attributable to the Capital Group.

Tenants in shopping centres and shopping and entertainment centres include domestic and international retail chains and local businesses. The main tenants of shopping space include:

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

Office space is leased to multinationals as well as domestic and local businesses. The main tenants of office space include: 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, Medcover, Aitkom Investments, Mentor Graphics Polska, Kennametal Polska, Samsung Electronics Polska, Ericsson, Provident Polska and Schneider Electric Polska.

DEVELOPMENTS IN PROGRESS AND PREPARATION

The Management Board closely monitors the situation on the real property market and decides to implement specific projects based on the assessment of the present market situation. All project implementation deadlines are flexible and reasonably adjusted to the actual situation.

¹ GLA – Gross Leasable Area, including storage and common areas

² NOI – Net Operating Income, accounting for full lease

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

DEVELOPMENT	GLA (SQ. M)	NOI (EUR '000,000)	COMMENCEMENT	COMPLETION
Szczecin, Outlet Park (stage II)	5 000	0,8	H1 2015	H2 2015
UNDER CONSTRUCTION	5 000	0,8		
Katowice, ul. Kościuszki	42 900	8,7	H1 2016	H2 2017
Szczecin, Galaxy (expansion)	15 000	3,4	H1 2016	H2 2017
Szczecin, Outlet Park (stage III)	3 400	0,6	H2 2017	H1 2018
Szczecin, Outlet Park (Fitness & Medical Centre)	2 200	0,2	H1 2016	H1 2016
IN PREPARATION	63 500	12,9		
TOTAL SHOPPING CENTRES	68 500	13,7		

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

DEVELOPMENT	GLA (SQ. M)	NOI (EUR '000,000)	COMMENCEMENT	COMPLETION
Warsaw, Q22	52 500	14,0	H2 2013	H1 2016
Gdańsk, Tryton	23 700	4,4	H2 2013	H2 2015
Krakow, Opolska (stage I)	19 100	3,4	H1 2014	H2 2015
Wrocław, Nobilis	16 900	3,3	H2 2014	H1 2016
Katowice, A4 Business Park (stage III)	12 000	2,1	H1 2015	H2 2016
Łódź, Symetris (stage I)	9 400	1,5	H1 2015	H2 2017
UNDER CONSTRUCTION	133 600	28,7		
Krakow, Opolska (stage II)	19 100	3,4	H2 2015	H1 2017
Krakow, Opolska (stage III)	19 100	3,4	H1 2017	H1 2019
Wrocław, Sucha (stage I)	17 300	3,2	H2 2015	H1 2017
Wrocław, Sucha (stage II)	7 400	1,4	H1 2017	H1 2018
Łódź, Symetris (stage II)	9 500	1,5	H1 2016	H2 2017
IN PREPARATION	72 400	12,9		
TOTAL OFFICE DEVELOPMENTS	206 000	41,6		

DEVELOPMENTS IN PROGRESS AND PREPARATION IN THE RESIDENTIAL SEGMENT

DEVELOPMENT	USABLE AND RESIDENTIAL AREA (SQ. M)	REVENUE ('000,000)	COMMENCEMENT	COMPLETION
Warsaw, Nowy Mokotów (stage II)	11 900	96,7	H1 2014	H1 2016
Poznań, Sowińskiego (stage I)	7 100	48,6	H1 2014	H1 2016
Poznań, Sowińskiego (stage II)	2 600	19,6	H1 2015	H1 2017
Poznań, Sowińskiego (stage III)	5 000	34,3	H1 2015	H1 2017
Poznań, Naramowice, Osiedle Jaśminowe (stage II)	4 500	24,6	H1 2015	H1 2017
Krakow, Czarodziejska	5 600	81,2	H2 2014	H1 2016
Krakow, Bronowicka	3 000	22,6	H2 2013	H2 2015
Wrocław, Grota Roweckiego (stage I)	5 900	31,3	H1 2014	H2 2015
Łódź, Osiedle Jarzębinowe (stage II)	5 500	27,7	H1 2014	H2 2015
DEVELOPMENTS IN PROGRESS (USABLE AND RESIDENTIAL AREA)	51 100	386,6		
Warsaw, Nowy Mokotów (stage III)	16 100	128,3	H2 2015	H2 2017
Warsaw, Nowy Mokotów (stage IV)	3 200	27,1	H2 2015	H2 2017
Warsaw, Princess, Puławska	4 900	76,9	H2 2016	H2 2018
Poznań, Jackowskiego	8 100	52,4	H1 2015	H1 2015
Poznań, Naramowice, Pod Klonami, row houses	1 900	8,9	H1 2016	H2 2017
Poznań, Naramowice, Osiedle Jaśminowe (III)	4 200	23,1	H2 2016	H2 2018
Poznań, Naramowice, Osiedle Jaśminowe (IV)	5 100	27,7	H1 2018	H1 2020
Poznań, Sowińskiego (stage IV)	5 100	35,1	H2 2017	H1 2019
Krakow, Kościuszki	5 200	58,3	H2 2015	H2 2017
Krakow, Spiska I	6 600	52,0	H2 2015	H2 2017
Krakow, Spiska II	9 000	73,6	H2 2016	H2 2018
Krakow, Spiska III	4 800	40,6	H1 2018	H1 2020
Krakow, Rydla	8 700	63,8	H1 2017	H1 2019
Krakow, Rakowicka	7 400	63,7	H1 2016	H1 2018
Wrocław, Grota Roweckiego (stage II)	2 900	16,1	H1 2016	H2 2017
Wrocław, Grota Roweckiego (stage III)	9 600	50,6	H1 2018	H2 2019
Wrocław, Gdańska	4 000	29,4	H2 2016	H1 2018
Łódź, Osiedle Jarzębinowe III	6 500	32,4	H2 2015	H2 2017
Łódź, Wpdna (stage I)	5 300	26,7	H1 2016	H1 2018
Łódź, Wpdna (stage II)	8 400	45,6	H1 2018	H2 2019
DEVELOPMENTS IN PREPARATION (USABLE AND RESIDENTIAL AREA)	127 000	932,3		
TOTAL RESIDENTIAL DEVELOPMENTS	178 100	1318,9		

PLOTS FOR SALE

DEVELOPMENT	PLOT AREA (SQ. M)	REVENUE ('000,000)	COMMENCEMENT	COMPLETION
Dyminy, Osiedle Południowe (stage III)	43 400	7,1	H2 2013	H2 2014
Kielce, Występa	134 500	15,5	H2 2016	H2 2020
Poznań, Sołacz	13 700	11,0	H1 2017	H2 2017
Warsaw, Rezydencje Leśne (in the course of sale)	52 900	35,4	H1 2011	H2 2012
TOTAL LAND	244 500	69,0		

INVESTMENT LAND – DEVELOPMENTS IN THE DESIGN PHASE

DEVELOPMENT	PLOT AREA (SQ. M)	COMMENTARY
Warsaw, Grzybowska, Brewery	43 700	
Warsaw, Woronicza, Park Rozwoju III	9 500	
Warsaw, Beethovena	28 900	
Warsaw, Taśmowa	30 800	
Lublin, Poligonowa	1 060 000	
Lublin	4 700	
Poznań, Hetmańska	65 300	
Poznań, Naramowice	350 000	
Poznań, Pamiątkowo	870 000	
Szczecin, Struga	25 800	
Słupsk	65 700	
Jelenia Góra, Leroy Merlin	51 700	plot sold in July 2015
Koszalin	39 300	
Katowice, Jankego	26 200	
Łódź, Okopowa	21 800	
Krakow, Focha, Cracovia	17 400	
Zabrze	8 100	
Kielce, Zagnańska	6 900	
Radom	6 300	
Częstochowa	4 400	
Kiev, Dehtiarivska	43 300	
Brasov Korona (Romania)	49 700	
Budapest Mundo (Hungary)	67 700	
TOTAL INVESTMENT LAND	2 897 200	

3. INFORMATION CONCERNING THE ISSUE, REDEMPTION AND REPAYMENT OF DEBT SECURITIES AND EQUITY SECURITIES

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

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

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

As of 30 June 2015, the Issue Programme allowed for the issue of bonds with a total maximum nominal value of PLN 1 billion. As part of this package, mBank S.A. provides a purchase guarantee in the amount of PLN 35 million based on the Sales Guarantee Agreement, which is effective until 1 December 2016.

In addition, on 18 March 2014, the Management Board of Echo Investment S.A. passed a resolution on establishing a programme for the issue of up to 2,000,000 of the Company's ordinary bearer bonds, with a nominal value of PLN 100 each, and with a total nominal value of up to PLN 200 million.

On 24 June 2014, the Polish Financial Supervision Authority approved the Issue Prospectus prepared in connection with the public offering and request for admission to public trading on the regulated market Catalyst, which is operated by the Warsaw Stock Exchange, of the bonds of Echo Investment S.A. issued under the issue programme, with a total nominal value of up to PLN 200,000,000. On 5 September 2014, the Polish Financial Supervision Authority approved Addendum 1 to the basic Issue Prospectus.

The issue agent is the Brokerage Office of PKO Bank Polski.

Presented in the table below are Echo Investment S.A.'s liabilities due to the issued bonds as of the date of the report:

LIABILITIES DUE TO BONDS ISSUED AS OF 30 JUNE 2015 (PLN '000)

BANK	QUOTED AT BONDSPOT	INSTRUMENT TYPE	AMOUNT USED (PLN '000)	MATURITY	INTEREST RATE 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

Non-public bonds			595 500		
DM PKO BP/ Series A issue	YES (ISIN : PLECHPS00142)	Public bonds	50 000	26.06.2016	WIBOR 6M + margin
DM PKO BP/ Series B issue	YES (ISIN : PLECHPS00167)	Public bonds	25 000	02.07.2016	WIBOR 6M + margin
DM PKO BP/ Series C issue	YES (ISIN : PLECHPS00175)	Public bonds	75 000	04.03.2018	WIBOR 6M + margin
DM PKO BP/ Series D issue	YES (ISIN : PLECHPS00183)	Public bonds	50 000	20.04.2018	WIBOR 6M + margin
Public bonds			200 000		
TOTAL			795 500		

On 18 May 2015, Echo Investment S.A. redeemed bonds in the total amount of PLN 115 million.

4. INFORMATION ON PAID (OR DECLARED) DIVIDEND

The Company did not pay any dividend in previous years and did not declare such payment in the current period or in the near future.

5. EVENTS WHICH OCCURRED AFTER THE DAY OF PREPARING THE SEMI-ANNUAL FINANCIAL STATEMENTS WHICH WERE NOT RECOGNISED IN THE STATEMENTS AND MAY HAVE A MATERIAL IMPACT ON FUTURE FINANCIAL RESULTS OF THE CAPITAL GROUP

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

6. INFORMATION ON CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS AFTER THE END OF THE LAST FINANCIAL YEAR

SURETY AGREEMENTS

SURETY AGREEMENTS OF THE CAPITAL GROUP IN FORCE AS OF 30 JUNE 2015

SURETY TO	VALUE (PLN '000)	VALIDITY	DESCRIPTION
TESCO (POLSKA) SP. Z O.O.	15 000	until 30.06.2015	Surety for the liabilities of Galeria Olimpia-Projekt Echo-98 Spółka z ograniczoną odpowiedzialnością SKA and Veneda-Projekt Echo-97 Spółka z ograniczoną odpowiedzialnością SKA due to the reimbursement to Tesco (Polska) Sp. z o.o. up to the value of expenditures actually made by Tesco (Polska) Sp. z o.o. for the future subject of lease under the lease agreements concluded on 28.10.2010.
BANK POLSKA KASA OPIEKI S.A.	219 517	shall remain in force until the fulfilment of conditions specified in the surety agreement but not beyond 31.12.2025	Surety of Echo Investment S.A. securing the obligations of Galeria Sudecka - Projekt Echo - 43 spółka z ograniczoną odpowiedzialnością SKA under the loan agreement concluded on 19.12.2013, the master agreement of 19.04.2011 and agreement no. 2013/127/DDF of 17.09.2013. A portion of the surety was granted in EUR.

On 30.06.2015, a surety in the amount of PLN 15,000,000.00, which was issued by Echo Investment S.A. to Tesco (Polska) Sp. z o.o. to secure the reimbursement of Tesco (Polska) Sp. z o.o.'s expenditures on the prospective subject of lease under the lease agreements concluded on 28.10.2010, expired.

As of 30 June 2015, the value of valid sureties received by the Capital Group is as follows:

- under lease agreements concluded: PLN 2.76 million; EUR 4.71 million, USD 0
- due to the implementation of projects: PLN 0, EUR 0, USD 0.

GUARANTEE AGREEMENTS

GUARANTEES IN FORCE AS OF 30 JUNE 2015

GUARANTOR	VALUE (PLN '000)	VALIDITY	DESCRIPTION
PKO BP S.A.	2 155	until 17.05.2016	Security for the repair of defects and faults to Orbis S.A. under the General Contractor Agreement dated 4 September 2008
PKO BP S.A.	88	until 10.08.2015	Security for the non-performance of obligations under a promotional lottery organised in the shopping and entertainment centre Olimpia in Bełchatów.
PKO BP S.A.	151	until 31.08.2015	Security for the non-performance of obligations under a promotional lottery organised in the shopping and entertainment centre Galeria Echo in Kielce.
Echo Investment S.A.	20 972	until 02.07.2020	Security for the ill-performance of the final agreement for

Echo Investment S.A.	26 865	shall remain in force until the project's completion but not beyond 28 February 2016	the sale of the office facility Aquarius Business House in Wrocław, stage I. The guarantee was issued in EUR. Security for exceeded costs and debt service liabilities, and construction management support during the implementation of the development Park Rozwoju in Warsaw, stage I, for Bank Zachodni WBK S.A.
Echo Investment S.A.	37 750	until 30.07.2021	Security for the ill-performance of the final agreement for the sale of the office facility Aquarius Business House in Wrocław, stage II. The guarantee was issued in EUR.
Echo Investment S.A.	29 746	until 30.06.2015	Security for exceeded implementation costs of the development A4 Business Park, stages I and II, in Katowice. The guarantee was issued in EUR.

GUARANTOR	VALUE (PLN '000)	VALIDITY	DESCRIPTION
Echo Investment S.A.	13 148	shall remain in force until the Conversion Date but not beyond 31 December 2025	Security for exceeding the development costs of the expansion of the shopping and entertainment centre Galeria Sudecka in Jelenia Góra and for covering the shortage of own funds for the benefit of Bank Polska Kasa Opieki S.A.
Bank PeKaO S.A.	3 600	until 30.06.2016	Security for the payment of amounts due to the failure to observe the completion deadline for the subject of the understanding concluded on 24 August 2012, for Jelenia Góra Gmina. The guarantee was issued to replace the guarantee referred to in the item above.
PKO BP S.A.	1 230	until 27.12.2017	Security for the payment of due amounts as a result of a failure to observe the terms of the understanding concluded on 26 November 2012 for the City Gmina of Szczecin.
Echo Investment S.A.	251 664	until the Conversion Date but not beyond 06.02.2018	Security for exceeded costs, coverage for the lack of own funds, debt service liabilities and hedging agreements, and support in organising the construction process during implementation of the Q22 office development in Warsaw for Bank Zachodni WBK S.A. and PKO BP S.A.
Echo Investment S.A.	34 974	12 months from the completion of construction	Security for exceeding the implementation costs of the office development Tryton Business House in Gdańsk for HSBC BANK plc.
Echo Investment S.A.	27 106	12 months from the completion of construction	Security for exceeding the implementation costs of the office development Opolska Business Park, stage I, in Krakow for HSBC BANK plc.
Projekt Echo Galeria Kielce - Magellan West spółka z ograniczoną odpowiedzialnością -SKA	157 998	until the repayment of all amounts due under the loan agreement	Security for a failure to meet the financial obligations under the loan agreement concluded on 22 December 2014 by Projekt Echo – 102 Sp. z o.o. to HSBC Bank plc. A portion of the guarantee was issued in EUR.
Projekt Echo Galeria Kielce - Magellan West spółka z ograniczoną odpowiedzialnością -SKA	128 638	until the repayment of all amounts due under the loan agreement	Security for a failure to meet the financial obligations under the loan agreement concluded on 22 December 2014 by Echo-Opolska Business Park Spółka z ograniczoną odpowiedzialnością SKA to HSBC Bank plc. A portion of the guarantee was issued in EUR.
Echo Investment S.A.	11 200	until 30.01.2016	Security for exceeding the implementation costs of the office development West Gate in Wrocław.

On 29 April 2015, a bank guarantee in the amount of PLN 100,770.00, which was issued by Bank PKO BP S.A. to the Customs Chamber in Kielce as a security for the non-performance of obligations under a promotional lottery organised in the shopping and entertainment centre Galeria Echo in Kielce, expired.

On 7 May 2015, a bank guarantee in the amount of PLN 188,332.50, which was issued by Bank PKO BP S.A. to the Customs Chamber in Kielce as a security for the non-performance of obligations under a promotional lottery organised in the shopping and entertainment centre Galeria Olimpia in Belchatów, expired.

On 30 June 2015, a guarantee agreement in the amount of EUR 7,091,772.80, which was concluded on 31 March 2014 between BNP Paribas Bank Polska S.A. and A4 Business Park – Iris Capital Spółka z ograniczoną odpowiedzialnością SKA (the Issuer's subsidiary) in order to secure exceeded implementation costs of the office development A4 Business Park, stages I and II, in Katowice, expired.

As of 30 June 2015, the value of guarantees received by the Capital Group is as follows:

- under lease agreements concluded: PLN 6.74 million; EUR 16.43 million, USD 0
- under project execution agreements: PLN 48.07 million, EUR 5.58 million and USD 4.62 thousand.

7. COMPOSITION OF THE ECHO INVESTMENT CAPITAL GROUP

The most important entity in the Capital Group structure is Echo Investment S.A., which owns other entities in the group, and supervises, co-implements and raises funds for the implementation of construction developments. The companies which form the Group have been established

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

As of 30 June 2015, the Echo Investment Capital Group comprises 120 fully consolidated subsidiaries, one jointly controlled entity and one associate, which are recognised with the equity method.

SUBSIDIARIES:

	COMPANY	REGISTERED OFFICE	% SHARE OF THE CAPITAL	PARENT COMPANY
1	53 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
2	Astra Park - Projekt Echo - 69 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
3	Avatar - Projekt Echo - 93 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
4	A4 Business Park - Iris Capital Sp. z o.o. - S.k.a.	Kielce	100%	XXIX FIZ Forum
5	Babka Tower - Projekt Echo - 93 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
6	Barconsel Holdings Ltd	Nicosia	100%	Echo - SPV 7 Sp. z o.o.
7	Bełchatów – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
8	Budivelnuy Soyuz Monolit LLC	Kiev	100%	Yevrobudgarant LLC
9	Dellia Investments S.A.	Kielce	100%	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. (formerly: Projekt Babka Tower - Grupa Echo Sp. z o.o. S.k.a.)	Kielce	100%	XXIX FIZ Forum
14	Echo – Centrum Przemysł - Projekt Echo – 93 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
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. (formerly: Projekt Echo - 99 Sp. z o.o. Sp. kom)	Kielce	100%	Echo Investment S.A.
21	Echo – Kasztanowa Aleja Sp. z o.o.	Kielce	100%	Echo Investment S.A.
22	Echo – Kasztanowa Aleja Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
23	Echo – Klimt House Sp. z o.o.	Kielce	100%	Echo Investment S.A.
24	Echo – Klimt House Sp. z o.o. Sp. z kom.	Kielce	100%	Echo Investment S.A.
25	Echo – Nowy 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
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

	COMPANY	REGISTERED OFFICE	% SHARE OF THE CAPITAL	PARENT COMPANY
40	Echo Galeria Kielce – Magellan West Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
41	Echo Investment ACC - Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
42	Echo Investment Facility Management - Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
43	Echo Investment Hungary Ingatlanhasznosító Kft.	Budapest	100%	Echo Investment S.A.
44	Echo Investment Project 1 S.R.L.	Brasov	100%	Echo - Aurus Sp. z o.o.
45	Echo Investment Project Management S.R.L.	Brasov	100%	Echo Investment S.A.
46	Echo Investment Property Management – Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
47	Echo Investment Ukraine LLC	Kiev	100%	Echo Investment S.A.
48	Elmira Investments Sp. z o.o.	Kielce	100%	Echo Investment S.A.
49	EI Project Cypr - 1 Ltd	Nicosia	100%	Echo Investment S.A.
50	EI Option S.A.	Krakow	95,7%	Echo Investment S.A.
51	Farrina Investments Sp. z o.o.	Kielce	100%	XXIX FIZ Forum
52	Galaxy - Projekt Echo - 106 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
53	Galeria Nova - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
54	Galeria Olimpia – Projekt Echo – 98 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
55	Galeria Sudecka - Projekt Echo – 43 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
56	Galeria Tarnów – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
57	Grupa Echo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
58	Iris Capital Sp. z o.o.	Kielce	100%	Echo Investment S.A.
59	Malta Office Park - Projekt Echo - 96 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
60	Magellan West Sp. z o.o.	Kielce	100%	Echo Investment S.A.
61	Mena Investments Sp. z o.o.	Kielce	100%	Echo Investment S.A.
62	Metropolis - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
63	Oxygen - Projekt Echo - 95 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
64	Pamiętkowo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
65	Park Postępu - Projekt Echo - 93 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
66	PHS – Projekt CS Sp. z o.o. S.k.a.	Szczecin	100%	60 FIZ Forum
67	PPR - Projekt Echo – 77 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
68	Princess Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
69	Projekt Beethovena - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
70	Projekt CS Sp. z o.o.	Kielce	100%	Echo Investment S.A.
71	Projekt Echo - 43 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
72	Projekt Echo 62 – Magellan West Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
73	Projekt Echo - 69 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
74	Projekt Echo - 70 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
75	Projekt Echo - 77 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
76	Projekt Echo - 93 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
77	Projekt Echo - 95 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
78	Projekt Echo - 96 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
79	Projekt Echo - 97 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
80	Projekt Echo - 98 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
81	Projekt Echo - 99 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
82	Projekt Echo - 101 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
83	Projekt Echo - 102 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
84	Projekt Echo - 103 Sp. z o.o.	Szczecin	100%	XXXIV FIZ Forum
85	Projekt Echo - 104 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
86	Projekt Echo - 105 Sp. z o.o.	Kielce	100%	XXIX FIZ Forum
87	Projekt Echo - 106 Sp. z o.o.	Kielce	100%	Echo Investment S.A.

COMPANY	REGISTERED OFFICE	% SHARE OF THE CAPITAL	PARENT COMPANY
88 Projekt Echo - 107 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
89 Projekt Echo - 108 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
90 Projekt Echo - 109 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
91 Projekt Echo Galeria Kielce - Magellan West Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
92 Projekt Echo Pasaż Grunwaldzki - Magellan West Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
93 Projekt Naramowice – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
94 Projekt - Pamiątkowo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
95 Projekt Saska Sp. z o.o.	Kielce	95%	Echo Investment S.A.
96 Projekt 1 - Grupa Echo Sp. z o.o. - S.k.a.	Kielce	100%	60 FIZ Forum
97 Projekt 4 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
98 Projekt 5 – Grupa Echo Sp. z o.o. S.k.a.	Szczecin	100%	60 FIZ Forum
99 Projekt 11 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
100 Projekt 12 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
101 Projekt 13 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
102 Projekt 14 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
103 Projekt 15 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
104 Projekt 16 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
105 Projekt 17 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
106 Projekt 18 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
107 Projekt 19 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
108 Projekt 20 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
109 Projekt 21 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
110 Projekt 22 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
111 Projekt K-6 - Grupa Echo spółka z ograniczoną odpowiedzialnością S.K.A. (formerly: Elmira Investments Sp. z o.o. S.k.a.)	Kielce	100%	Echo Investment S.A.
112 Pure Systems Sp. z o.o.	Kielce	100%	Echo Investment S.A.
113 SPV 1 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
114 Vasco Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
115 Veneda - Projekt Echo -97 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
116 Vousoka Ltd	Nicosia	100%	EI Project Cypr - 1 Ltd
117 Vousoka Polska Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
118 Vousoka Polska Sp. z o.o. S.k.a.	Warsaw	100%	XXXIV FIZ Forum
119 Yevrobudgarant LLC	Kiev	100%	EI Project Cypr - 1 Ltd
120 Zakład Ogrodniczy Naramowice – Pamiątkowo Sp. z o.o. S.k.a.	Pamiątkowo	100%	60 FIZ Forum

The jointly controlled entity is Wan 11 Spółka z o.o., with its registered office in Warsaw. The associate EBR Global Services Spółka z o.o. has its registered office in Kielce.

All certificates issued by XXIX FIZ Forum and XXXIV FIZ Forum are held by companies from the Echo Investment Capital Group.

8. IDENTIFICATION OF CHANGES IN THE STRUCTURE OF THE BUSINESS UNIT, INCLUDING THOSE RESULTING FROM BUSINESS MERGERS, ACQUISITIONS OR DISPOSALS OF THE CAPITAL GROUP MEMBERS, LONG-TERM INVESTMENTS, DIVISIONS, RESTRUCTURING AND DISCONTINUATION

I. In H1 2015, the composition of the Echo Investment S.A. Capital Group has expanded and it includes the following companies:

- On 25 February 2015, 100% interests were purchased in Pure Systems Sp. z o.o., with its registered office in Kielce. The total purchase price was PLN 500.00. The company's share capital is PLN 100 thousand.

II. Other changes in the companies of the Issuer's Capital Group during H1 2015:

- Change of the business name of Projekt Babka Tower - Grupa Echo Spółka z ograniczoną odpowiedzialnością - S.k.a. to Echo - Babka Tower Spółka z ograniczoną odpowiedzialnością - S.k.a. (date of registration in the National Court Register: 7 January 2015);
- Change of the business name of Projekt Echo - 99 Spółka z ograniczoną odpowiedzialnością Sp. K. to Echo Innovations - Projekt Echo - 99 Spółka z ograniczoną odpowiedzialnością Sp. K. (resolution date: 16 March 2015);
- Change of the business name of Elmira Investments Sp. z o.o. S.k.a. to Projekt K-6 - Grupa Echo spółka z ograniczoną odpowiedzialnością S.K.A. (date of registration in the National Court Register: 24 June 2015);
- Increase of the nominal value of shares from PLN 0.05 to PLN 1.00 and a proportionate decrease of the number of series A and B shares from 655,322,000 to 32,766,100 in PPR - Projekt Echo - 77 Spółka z ograniczoną odpowiedzialnością S.k.a. (date of registration in the National Court Register: 7 January 2015);

- Increase of the share capital in Projekt Echo - 97 Sp. z o.o. by Echo Investment S.A. (date of registration: 15 January 2015);
- Increase of the share capital in Projekt Echo - 98 Sp. z o.o. by Echo Investment S.A. (date of registration: 15 January 2015);
- Increase of the share capital in Projekt Echo – 105 Sp. z o.o. by XXIX FIZ Forum (date of registration in the National Court Register: 25 February 2015);
- Increase of the share capital in Farrina Investments” Sp. z o.o. by XXIX FIZ Forum (date of registration in the National Court Register: 3 March 2015);
- Increase of the share capital in Projekt Echo – 103 Sp. z o.o. by XXXIV FIZ Forum (date of registration in the National Court Register: 4 March 2015);
- Increase of the share capital in Vousoka Polska Sp. z o.o. S.k.a. by XXXIV FIZ Forum (date of registration in the National Court Register: 28 May 2015);
- Change of the general partner: On 30 March 2015, Magellan West Sp. z o.o. transferred to Projekt Echo - 109 Sp. z o.o., with its registered office in Kielce, the rights and obligations of a general partner in Projekt Echo Galeria Kielce - Magellan West Spółka z ograniczoną odpowiedzialnością - S.k.a.;
- Change of the general partner: On 21 April 2015, Elmira Investments Sp. z o. o. transferred to Grupa Echo Sp. z o.o., with its registered office in Kielce, the rights and obligations of a general partner in Elmira Investments Sp. z o. o. S.k.a.;
- As a result of transactions in the Capital Group, the following stakes of shares were transferred to Echo Investment S.A.:
A. 99,998 series A ordinary bearer shares in Dellia Investments S.A.

9. POSITION OF THE MANAGEMENT BOARD CONCERNING THE POSSIBILITY OF MEETING PREVIOUSLY PUBLISHED FORECASTS FOR A GIVEN YEAR, IN THE LIGHT OF THE RESULTS PRESENTED IN THE QUARTERLY REPORT IN RELATION TO FORECASTED PROFIT/LOSS

The Company's Management Board did not publish any financial forecasts.

10. OWNERSHIP STRUCTURE OF SIGNIFICANT STAKES OF SHARES IN ECHO INVESTMENT S.A.

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

SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE OVERALL NUMBER OF VOTES AT THE GENERAL MEETING OF ECHO INVESTMENT S.A., AS OF 30 AUGUST 2015

SHAREHOLDER	NUMBER OF SHARES	% OF SHARE CAPITAL OF ECHO INVESTMENT S.A.	NUMBER OF VOTES AT THE GSM OF ECHO INVESTMENT S.A.	% OF TOTAL VOTES AT THE GSM OF ECHO INVESTMENT S.A.
ECHO PARTNERS B.V. (indirectly through subsidiaries), including:	256 582 350	62,17%	256 582 350	62,17%
- Lisala sp. z o.o. (indirectly through a subsidiary)	256 582 350	62,17%	256 582 350	62,17%
- Bafia sp. z o.o. (directly)	256 582 350	62,17%	256 582 350	62,17%
ING OFE*	35 241 541	8,54%	35 241 541	8,54%
AVIVA OFE AVIVA BZ WBK*	41 269 050	10,00%	41 269 050	10,00%
PZU Złota Jesień OFE *	25 602 249	6,20%	25 602 249	6,20%

*The data regarding the holding of the Issuer's shares is derived from OFE's reports presenting the annual structure of assets at the end of December 2014.

In the period between the publication of the last financial report, i.e. 15 May 2015, and the day of preparing this report, the Issuer received the following notifications about changes in the holding of shares by major shareholders:

- On 10 June 2015, the Issuer received a notification from Lisala Sp. o.o., with its registered office in Warsaw (later referred to as Lisala), prepared according to Article 69a section 1 item 3 of the Act of 29 July 2005 on public offering, terms of introducing financial instruments to organised trading and on public companies (later referred to as the Offering Act), on exceeding the threshold of 33 1/3% of overall votes in the Company and on the indirect purchase of 171,477,880 shares in the Company, accounting for 41.55% of overall shares and 41.55% of overall votes in the Company, under which Lisala's subsidiary, Bafia sp. z o.o., with its registered office in Warsaw (later referred to as Bafia), is entitled to exercise the right to vote.

The threshold of 33 1/3% of overall votes in the Company was exceeded as a result of Lisala's purchase on 10 June 2015 from FTF Columbus S.A., with its registered office in Warsaw, a subsidiary of Michał Solowow, of 100 interests in Bafia, accounting for 100% interests in Bafia and 100% votes in Bafia, which holds 171,477,880 shares in the Company, representing 41.55% of overall shares and 41.55% of overall votes in the Company (Transaction).

Before the Transaction, Lisala did not hold, directly or indirectly, any shares in the Company and was not entitled to exercise the right to vote in the Company.

- On 11 June 2015, the Issuer received a notification from Echo Partners B.V., with its registered office in Amsterdam (later referred to as Echo Partners), prepared according to Article 69a section 1 item 3 of the Act of 29 July 2005 on public offering, terms of introducing financial instruments to organised trading and on public companies, on exceeding the threshold of 33 1/3% of overall votes in Echo Investment S.A. and on the indirect purchase of 171,477,880 shares in the Company, accounting for 41.55% of overall shares and 41.55% of overall votes in the Company, under which Bafia sp. z o.o., with its registered office in Warsaw (later referred to as Bafia), a subsidiary of Lisala sp. z o.o., with its registered office in Warsaw (later referred to as Lisala), in which Echo Partners holds 100% of interests vested with 100% of votes at Lisala's general meeting, is entitled to exercise the right to vote.

The threshold of 33 1/3% of overall votes in the Company was exceeded as a result of Lisala's purchase on 10 June 2015 from FTF Columbus S.A., with its registered office in Warsaw, a subsidiary of Michał Solowow, of 100 interests in Bafia, accounting for 100% interests in Bafia and 100% votes in Bafia. Bafia holds 171,477,880 shares in the Company, representing 41.55% of overall shares and 41.55% of overall votes in the Company (Transaction).

Before the Transaction, Echo Partners did not hold, directly or indirectly, any shares in the Company and was not entitled to exercise the right to vote in the Company.

- On 12 June 2015, the Issuer received notifications from Michał Solowow and his subsidiary, FTF Columbus S.A., with its registered office in Warsaw, prepared according to Article 69 of the Act of 29 July 2005 on public offering, terms of introducing financial instruments to organised trading and on public companies (complete text: J.L. of 2013, item 1382) (later referred to as the Offering Act), on the holding of shares and votes at the General Shareholders' Meeting of Echo Investment S.A.

Notification from Michał Solowow on the sale on 10 June 2015 by his subsidiary, FTF Columbus S.A., with its registered office in Warsaw, of 100% interests in Bafia sp. z o.o., with its registered office in Warsaw, which holds 171,477,880 shares in the Issuer's company, and on a decrease of the share in the overall number of votes at Echo Investment S.A.'s General Shareholders' Meeting below the 5% threshold, as referred to in Article 69 section 1 item 2 of the Offering Act (Notification 1).

Notification from FTF Columbus S.A., with its registered office in Ul. Jerozolimskie 56C, 00-803, Warsaw, National Court Register (KRS) no. 0000441371, a subsidiary of Michał Solowow, on the sale on 10 June 2015 of 171,477,880 of the Issuer's shares to Bafia sp. z o.o., with its registered office in Warsaw (later referred to as Bafia), and on the sale of 100% interests in Bafia and the resulting decrease of the share in the overall number of votes at Echo Investment S.A.'s General Shareholders' Meeting below the 5% threshold, as referred to in Article 69 section 1 item 2 of the Offering Act (Notification 2).

Notification 1, from Michał Solowow

"Acting pursuant to Article 69, in connection with Article 87 section 5 item 1 of the Act of 29 July 2005 on public offering, terms of introducing financial instruments to organised trading and on public companies (complete text: J.L. of 2013, item 1382) (later referred to as the Offering Act), I announce that, in connection with the sale, on 10 June 2015, by my subsidiary, FTF Columbus S.A., with its registered office in Warsaw, of 100 interests in Bafia sp. z o.o., with its registered office in Warsaw (later referred to as Bafia), accounting for 100% interests and votes in Bafia, which holds 171,477,880 shares in Echo Investment S.A. (later referred to as the Issuer or the Company), representing 41.55% of overall shares and votes in the Company (later referred to as the Transaction), my share in the number of votes at Echo Investment S.A.'s General Shareholders' Meeting decreased below the 5% threshold referred to in Article 69 section 1 item 2 of the Offering Act.

As of the date of this notification, I hold, indirectly through the subsidiary SYNTHOS Dwory 7 sp. z o.o. sp. j., with its registered office in Oświęcim, 17,884,050 shares of the Issuer, which account for 4.33% of the share capital and are vested with 17,884,050 votes at the Issuer's

General Shareholders' Meeting, representing 4.33% of overall votes at the Issuer's General Shareholders' Meeting.

Before the above-mentioned Transaction, I held, indirectly through two subsidiaries, a total of 189,361,930 shares of the Issuer, which accounted for 45.88% of the share capital, and I was entitled to 189,361,930 votes at the Issuer's General Shareholders' Meeting, representing 45.88% of overall votes at the Company's General Shareholders' Meeting.

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

Notification 2, from FTF Columbus S.A., with its registered office in Warsaw

"Acting pursuant to Article 69 of the Act of 29 July 2005 on public offering, terms of introducing financial instruments to organised trading and on public companies (complete text: J.L. of 2013, item 1382) (later referred to as the Offering Act), I announce that, on 10 June, FTF Columbus S.A., with its registered office in Warsaw, registered under no. KRS:0000441371, a subsidiary of Michał Solowow, performed the following transactions:

- sale of 171,477,880 shares of Echo Investment S.A. (later referred to as the Issuer) to the subsidiary Bafia sp. z o.o., with its registered office in Warsaw (later referred to as Bafia), in a transaction outside the regulated market that was concluded and settled on 10 June 2015,

and

- sale of 100% interests in Bafia on the same day.

As a result, FTF Columbus S.A. decreased its share in the votes at Echo Investment S.A.'s General Shareholders' Meeting below the 5% threshold referred to in Article 69 section 1 item 2 of the Offering Act.

As of the date of this notification, FTF Columbus S.A. does not hold any of the Issuer's shares.

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

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

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

- On 7 August 2015, the Issuer received a notification from Echo Partners B.V., with its registered office in Amsterdam (later referred to as Echo Partners), prepared according to Article 69a section 1 item 3 Act of 29 July 2005 on public offering, terms of introducing financial instruments to organised trading and on public companies, on indirectly exceeding, on 7 August 2015, the 50% threshold in the number of votes in Echo Investment S.A.

The 50% threshold in the Company's votes was exceeded as a result of settling the call to subscribe (later referred to as the Call) for the sale of the Company's shares, which was announced on 24 June 2015 by Lisala sp. z o.o., with its registered office in Warsaw (later referred to as Lisala), in which Echo Partners holds 100% interests in the share capital.

Based on the Call, Bafia sp. z o.o., with its registered office in Warsaw (later referred to as Bafia), in which Lisala holds 100% interests in the share capital, purchased 85,104,470 shares in the Company's share capital, accounting for 20.62% of overall shares and votes in the Company (later referred to as the Transaction). As a result, Bafia held 256,582,350 shares in the Company's share capital, accounting for 62.17% of overall shares and votes in the Company, and exceeded the 50% threshold of votes in the Company. This means that Echo Partners indirectly acquired 85,104,470 shares in the Company's share capital, accounting for 20.62% of overall shares and votes in the Company, and indirectly held 256,582,350 shares in the Company's share capital, accounting for 62.17% of overall shares and votes in the Company.

Before the Transaction, Echo Partners indirectly held 171,477,880 shares in the Company's share capital, accounting for 41.55% of overall shares and votes in the Company.

In relation to Echo Partners, there are no persons referred to in Article 87 section 1 item 3 letter c of the Offering Act.

- On 10 August 2015, the Issuer received a notification from Lisala sp. z o.o., with its registered office in Warsaw, and Bafia sp. z o.o., with its registered office in Warsaw, on the number of shares acquired as a result of the call for the sale of shares in Echo Investment S.A. and on exceeding the 50% threshold of votes in Echo Investment S.A.

Lisala sp. z o.o., with its registered office in Warsaw (later referred to as Lisala), and Bafia sp. z o.o., with its registered office in Warsaw (later referred to as Bafia), in whose share capital Lisala holds 100% interests, according to Article 77 section 7 of the Act of 29 July 2005 on public offering, terms of introducing financial instruments to organised trading and on public companies (later referred to as the Offering Act), in connection with Article 69 of the Offering Act, announce that on 7 August 2015, as a result of settling the call to subscribe for the sale of shares in Echo Investment S.A., with its registered office in Kielce, which Lisala announced on 24 June 2015 (later referred to as the Call), Bafia, which acquired the Company's shares under the Call, purchased 85,104,470 shares in the Company's share capital, accounting for 20.62% of overall shares and votes in the Company. As a result, Bafia held 256,582,350 shares in the Company's share capital, accounting for 62.17% of overall shares and votes in the Company. This means that Lisala, as the calling entity in the Call, indirectly acquired 85,104,470 shares in the Company's share capital, accounting for 20.62% of overall shares and votes in the Company, and indirectly held 256,582,350 shares in the Company's share capital, accounting for 62.17% of overall shares and votes in the Company. Thus, Lisala (indirectly) and Bafia (directly) exceeded the 50% threshold of votes in the Company.

Before the Call was settled, Lisala held indirectly and Bafia directly 171,477,880 shares in the Company's share capital, accounting for 41.55% of overall shares and votes in the Company.

In relation to Lisala and Bafia, there are no persons referred to in Article 87 section 1 item 3 letter c of the Offering Act.

11. STATEMENT OF CHANGES IN THE HOLDING OF SHARES OF ECHO INVESTMENT S.A. OR RIGHTS TO SHARES (OPTIONS) BY MANAGERIAL AND SUPERVISORY STAFF OF THE COMPANY, ACCORDING TO INFORMATION AVAILABLE TO ECHO INVESTMENT S.A., SINCE THE SUBMISSION OF THE PREVIOUS QUARTERLY REPORT

According to the Company's knowledge, the changes in the holding of shares in Echo Investment S.A. or rights to the shares (options) by the Company's managerial and supervisory staff in the period from the day of submitting the previous quarterly report are presented in the tables below:

HOLDING OF THE COMPANY'S SHARES BY MEMBERS OF THE MANAGEMENT BOARD

MANAGERIAL STAFF	30.08.2015	15.05.2015
Piotr Gromniak – President of the Management Board	no shares	no shares
Artur Langner – Vice-President of the Management Board	no shares	no shares
Waldemar Lesiak – Vice-President of the Management Board	no shares	no shares
Maciej Drozd – Vice-President of the Management Board	no shares	not applicable*

* Maciej Drozd was appointed to sit in the Issuer's Management Board on 16 July 2015.

In the period between the publication of the last financial report, i.e. 15 May 2015, and the day of publishing this report, the Issuer did not receive any notifications from supervisory staff regarding a change in the holding of the Issuer's shares.

HOLDING OF THE COMPANY'S SHARES BY MEMBERS OF THE SUPERVISORY BOARD

SUPERVISORY STAFF	30.08.2015	15.05.2015
Karim Khairallah – Chairman of the Supervisory Board	no shares	not applicable*
Laurent Luccioni – Vice-Chairman of the Supervisory Board	no shares	not applicable*
Maciej Dyjas – Member of the Supervisory Board	no shares	not applicable*
George Graham – Member of the Supervisory Board	no shares	not applicable*
Przemysław Krych – Member of the Supervisory Board	no shares	not applicable*
Nebil Senman – Member of the Supervisory Board	no shares	not applicable*
Stefan Kawalec – Member of the Supervisory Board	no shares	not applicable*

* The Issuer's Supervisory Board has operated in the above-mentioned composition since 10 June 2015.

In the period from 10 June 2015 to the publication of this report, the Issuer did not receive any notifications from the supervisory staff regarding a change in the holding of the Issuer's shares.

12. INFORMATION ON COURT PROCEEDINGS

As of 30 June 2015, there were neither court nor administrative proceedings regarding liabilities or receivables of the Company or its subsidiaries in the total value of at least 10% of the Company's equity.

13. INFORMATION ON TRANSACTIONS WITH RELATED PARTIES UNDER TERMS OTHER THAN MARKET TERMS

In H1 2015, neither the Company nor its subsidiaries entered into transactions with related entities under terms other than market terms.

14. INFORMATION ON SURETIES GRANTED ON LOANS OR BORROWINGS AND ON GUARANTEES GRANTED WITH A VALUE EQUIVALENT TO AT LEAST 10% OF THE COMPANY'S EQUITY

In H1 2015, neither Echo Investment S.A. nor its subsidiaries granted jointly sureties on loans or borrowings or guarantees to a single entity or its subsidiary with a total value accounting for at least 10% of the Company's equity.

15. OTHER INFORMATION THAT, IN THE OPINION OF THE MANAGEMENT BOARD OF ECHO INVESTMENT S.A., IS SIGNIFICANT IN ORDER TO EVALUATE ITS HUMAN RESOURCES, PROPERTY AND FINANCIAL STANDING AND FINANCIAL PERFORMANCE AND CHANGES THEREOF AS WELL AS ANY INFORMATION CONSIDERED SIGNIFICANT IN ORDER TO EVALUATE THE CAPACITY OF ECHO INVESTMENT S.A.'S CAPITAL GROUP TO FULFIL ITS OBLIGATIONS

GSM's resolution on keeping profit for the previous financial year in the company

On 2 June 2015, the Ordinary General Shareholders' Meeting of Echo Investment S.A. adopted a resolution on excluding the Company's net profit for FY 2014 in the amount of PLN 26,153 thousand (in words: twenty-six million one hundred fifty-three thousand zloty 00/100) from distribution among the shareholders, and on fully allocating it to the Company's supplementary capital to finance its current operations.

Echo Investment presents a new concept for an office development in al. Piłsudskiego 86 in Łódź, implemented under the name Symetris Business Park

Symetris Business Park is a modern category A office building in al. Piłsudskiego, the city's main east-west artery, connecting the city centre with two largest districts, Widzew and Retkinia. That area is home to a number of office buildings as well as other important and well-known facilities, such as Centrum Biznesu, Centrum Rozrywki Silver Screen, the hotels Novotel and IBIS (executed by Echo Investment), and Galeria Łódzka. One of the advantages of the investment's location is that it is close to Łódź Airport.

The development is being executed in two stages. The total office area of Symetris Business Park is 19,000 sq. m. At present, the first building is being built. A number of modern technologies, high-grade data communication connections as well as security, monitoring and access control systems will be implemented.

The first stage is to be completed in Q1 2016. The investment is worth approx. PLN 100 million.

An important step on the way to execute Galeria Echo Katowice

On 29 May, during the session of the city council of Katowice, a resolution was passed on a new zoning plan for Sub-centre South, in the area of the junction of ul. Kościuszki and ul. Kolejowa. This is where Echo Investment plans to build a shopping centre.

Echo Investment presents details of Galeria Echo Katowice, a new shopping centre at the junction of ul. Kościuszki and ul. Kolejowa

The facility will be built in the southern part of Katowice, in ul. Tadeusza Kościuszki, one of the city's key arteries used by as many as 15 thousand vehicles per hour. Before a concept for the shopping centre was developed, the potential of its location had been thoroughly analysed. A study conducted by GfK Polonia confirmed the advantages of Katowice's southern part. Residents' and tenants' expectations were also analysed.

Galeria Echo Katowice will be erected on a plot with an area of 54,000 sq. m. The facility will offer a shopping and entertainment area of 42,000 sq. m in 3 floors. In addition to some of the best known retail chains, service centres and a supermarket, the complex will offer a 7-screen cinema, a billiards club, a children's corner, squash and badminton courts, restaurants with terraces and a medical centre. The whole facility will be complemented by a spacious inner courtyard with resting areas, a skate park and an ice rink in the winter.

16. FACTORS WHICH, IN THE OPINION OF THE COMPANY'S MANAGEMENT BOARD, WILL INFLUENCE THE CAPITAL GROUP'S FINANCIAL PERFORMANCE FOR AT LEAST THE NEXT QUARTER

Factors to influence the result in the coming periods include:

- posting of revenues from the concluded final agreements for the sale of residential properties in:
 - Krakow (Hortus Apartments in ul. Korzeniowskiego)
 - Łódź (Osiedle Jarzębinowe in ul. Okopowa)
 - Poznań (Kasztanowa Aleja in ul. Wojskowa)
 - Warsaw (Klimt House in ul. Kazimierzowska, Nowy Mokotów in ul. Konstruktorska)
 - Wrocław (Przy Słowiańskim Wzgórzu in ul. Jedności Narodowej)
- posting of revenues from the concluded final agreements for the sale of plots with house designs in:
 - Dyminy near Kielce (Osiedle Południowe)
- posting of revenues from the concluded final agreements for the sale of plots in:
 - Masłów near Kielce
- regular revenue from the lease of office and commercial space
- cost of sales, and general and administrative expenses
 - fair value measurement of designs prepared by external experts
 - measurement of liabilities due to bonds and borrowings at amortised cost
 - measurement of loans and cash due to changing foreign exchange rates
 - measurement and settlement of FX hedging financial instruments
 - interest on deposits and borrowings granted
 - discounts and interest on loans, bonds and borrowings.

17. DESCRIPTION OF MATERIAL RISK FACTORS AND THREATS IN THE REMAINING MONTHS OF 2015

The Company's Management Board does not expect any risks or threats which may influence the financial results in H2 2015.

Date: 31 August 2015

Signatures of the Management Board of Echo Investment S.A.

Piotr Gromniak



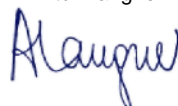
President of the Management Board

Maciej Drozd



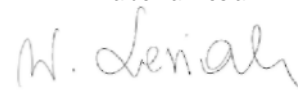
Vice-President of the Management Board

Artur Langner



Vice-President of the Management Board

Waldemar Lesiak



Vice-President of the Management Board

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