



SEPARATE ANNUAL REPORT OF
ECHO INVESTMENT S.A.
FOR 2015

ECHO
investment

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I. LETTER TO SHAREHOLDERS, PARTNERS AND CUSTOMERS

Dear Sir/Madam,

Echo Investment was very successful in 2015, and we have also seen an important change in the company's ownership structure and a number of other events, which strengthened our market position.

The figures presented in the annual financial report published today clearly confirm that 2015 was another very good year for the Group. We have generated a consolidated revenue of more than PLN 586 million, which is nearly PLN 10 million more than a year before. All profit figures in the consolidated income statement show a significant improvement compared to the previous year: operating profit amounting to PLN 911 million (39% increase), gross profit of PLN 678 million (52% increase) and net profit of PLN 514 million (increase by more than 27%).

Balance sheet figures also improved in the last year, confirming our strong position as well as excellent financial standing of the Issuer and of the whole Capital Group. The Capital Group's equity increased by 16% and amounted to over PLN 3.6 billion. It must also be stressed that the Capital Group has continued its long-time trend of a high balance of cash, amounting to more than PLN 900 million at the end of 2015.

We have seen a number of important events in 2015. The main change involved the ownership structure. In the last year, Echo Investment became a member of Griffin Real Estate - Oaktree - PIMCO, a dynamically growing capital group.

In 2015, we continued our activity in the office sector. Among others, we have continued to work on office building developments: Tryton Business House in Gdańsk, Symetris Business Park in Łódź, Nobilis Business House in Wrocław, Opolska Business Park in Krakow and stage III of A4 Business Park in Katowice. In Warsaw, we continued our flagship development: the 155 m high Q22 office building. The Company commissioned the office building West Gate in Wrocław, with 100% leased office space. Nokia Networks has rented an area of 14,000 sq. m in that building, and has established the most modern research laboratory in our part of Europe. In Warsaw, we have completed stage II of Park Rozwoju, an office development in ul. Konstruktorska.

In the residential segment, we sold a record number of apartments (over 590). In Krakow, we have built the luxurious development Park Avenue Apartments, and in Warsaw we started stage III of Nowy Mokotów district. In Poznań, we launched a new development, Jackowskiego 47. In Wrocław, the company commissioned stage I of the Grota 111 development. In Krakow, we expanded our offer by adding a new development, Dom Pod Wilgą, and a usage permit was procured for the development Bronowicka 42.

In the shopping centre segment, the main event in 2015 was the spring opening of Galeria Sudecka. This largest shopping and entertainment facility in the region of Jelenia Góra was already 100% leased before opening. In H1, the Company started stage II of Outlet Park Szczecin, and the development was completed in November. Works are underway to expand the shopping and entertainment centre Galaxy in Szczecin, and the interiors of Pasaż Grunwaldzki in Wrocław are being modernised.

In 2015, Echo Investment received a number of important industry awards, such as two main awards in the categories Office Developer of the Year and Retail Developer of the Year during Eurobuild Awards 2015. The Company also received the main award in the Developer of the Year category during Prime Property Prize 2015. At CIJ Awards 2015, Galeria Sudecka received the Retail Development of the Year award, and Echo Investment was distinguished as the Retail Developer of the Year. Our residential developments have also been recognised. Among others, the Złote Ville 2015 award was given to the developments Nowy Mokotów and Osiedle Jaśminowe.

In 2016, Echo Investment will celebrate 20 years in business. With such an extensive experience, we are well prepared for continued long-term growth of goodwill, and for assuming a leading market position, while consistently pursuing our goals.

Yours faithfully

Piotr Gromniak

President of the Management Board

II. SEPARATE FINANCIAL STATEMENTS OF ECHO INVESTMENT S.A. FOR 2015

STATEMENT OF FINANCIAL POSITION (PLN '000)

	NOTE	31.12.2015	31.12.2014 RESTATED
ASSETS			
1. Non-current assets			
1.1. Intangible assets	1	160	472
1.2. Property, plant and equipment	2	6 945	7 247
1.3. Investment property	3	6 285	2 903
1.4. Investments in subsidiaries, jointly-controlled entities and associates	4	464 167	867 470
1.5. Long-term financial assets	5	4 082 815	13 751
1.6. Borrowings granted	3	21	156 987
1.7. Deferred income tax assets	6	46 731	24 369
		4 607 124	1 073 199
2. Current assets			
2.1. Inventory	7	305 075	341 658
2.2. Income tax receivables	8	2 234	-
2.3. Trade and other receivables	8	59 374	73 587
2.4. Borrowings granted	9	278 731	131 348
2.5. Restricted cash	10	16 571	2 372
2.6. Cash and cash equivalents	10	19 048	56 710
		681 033	605 675
Total assets		5 288 157	1 678 874

STATEMENT OF FINANCIAL POSITION (PLN '000), CONTINUED

	NOTE	31.12.2015	31.12.2014 RESTATED
EQUITY AND LIABILITIES			
1. Equity			
1.1. Share capital	11	20 635	20 635
1.2. Supplementary capital	12	105 926	635 536
1.3. Reserve capital		555 763	-
1.4. Profit/(loss) brought forward		(5 157)	(5 157)
1.5. Net profit		2 958 590	26 153
		3 635 757	677 167
2. Provisions			
2.1. Provisions for liabilities – short-term	16	43 566	2 000
		43 566	2 000
3. Long-term liabilities			
3.1. Loans, borrowings and bonds	13	766 574	759 410
3.2. Security deposits and advance payments received	13	527	866
		767 101	760 276
4. Short-term liabilities			
4.1. Loans, borrowings and bonds	15	760 855	185 406
- from subsidiaries:		501 969	-
4.2. Liabilities due to current portion of income tax	14	188	8 127
4.3. Other tax liabilities	14	1 852	1 215
4.4. Trade liabilities	14	25 898	18 570
4.5. Security deposits and advance payments received	14	30 280	18 947
4.6. Other liabilities	14	22 660	7 166
		841 733	239 431
TOTAL EQUITY AND LIABILITIES		5 288 157	1 678 874

PROFIT AND LOSS ACCOUNT (PLN '000)

	NOTE	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
Revenue	18	205 895	211 570
Prime costs	19	(138 926)	(82 261)
Gross profit on sales		66 969	129 309
Profit / (loss) on investment property		4 854	(269)
Selling costs	19	(25 596)	(24 883)
General administrative expenses	19	(72 129)	(49 433)
Other operating revenue	20	3 475 082	120 920
Other operating expenses	20	(46 588)	(43 843)
Profit before tax and financial revenue/expenses		3 402 592	131 801
Financial revenue	21	2 428	4 397
Financial expenses	21	(468 786)	(111 582)
Gross profit		2 936 234	24 616
Income tax	22	22 356	1 537
Net profit		2 958 590	26 153
Net profit		2 958 590	26 153
Weighted average ordinary shares		412 690 582	412 690 582
Earnings per ordinary share (in PLN)		7.17	0.06
Weighted average diluted ordinary shares		412 690 582	412 690 582
Diluted earnings per ordinary share (in PLN)		7.17	0.06

STATEMENT OF FINANCIAL RESULT AND STATEMENT OF OTHER COMPREHENSIVE INCOME (PLN '000)

	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
Net profit	2 958 590	26 153
Other comprehensive income:	-	-
Other net comprehensive income	-	-
Comprehensive income	2 958 590	26 153

CASH FLOW STATEMENT (PLN '000)

	NOTE	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
Operating cash flow – indirect method			
I. Gross profit		2 936 234	24 616
II. Adjustments		(3 024 412)	37 726
1. Depreciation/amortisation		2 490	3 231
2. Foreign exchange gains/(losses)		(4 549)	-
3. Interest and profit sharing (dividends)		(3 448 458)	(62 739)
4. Profit/(loss) on revaluation of assets and liabilities		430 887	97 234
5. Profit/loss on sale of PP&E and investment real property		(4 782)	-
III. Movement in working capital		109 200	(68 106)
1. Movement in provisions		41 566	-
2. Movement in inventory		27 541	(82 014)
3. Movement in receivables		25 730	3 885
4. Movement in short-term liabilities, except for loans and borrowings		28 562	10 023
5. Movement in restricted cash		(14 199)	-
IV. Net operating cash (I+/-II +/- III)		21 022	(5 764)
V. Income tax paid		(2 048)	1 330
VI. Net operating cash flow (IV+/-V)		18 974	(4 434)
Cash flow from investing activities			
I. Proceeds		4 124 331	578 214
1. Sale of intangible assets, and property, plant and equipment		847	6 348
2. Sale of investments in real property and intangible assets		10 000	-
3. From financial assets, including:		4 113 484	571 757
a) in related parties		4 084 550	571 757
- sale of financial assets		-	2 806
- dividends and profit sharing		3 462 063	87 857
- repayment of borrowings granted		615 792	473 810
- interest		6 695	7 284
- other proceeds from financial assets		-	-
b) in other parties		28 934	-
- sale of financial assets		1 506	-
- repayment of borrowings granted		26 793	-
- interest		635	-
4. Other investment proceeds		-	109
II. Expenditures		(4 713 422)	(571 148)
1. Purchase of intangible assets and PP&E		(2 287)	(2 239)
2. Investments in real property and intangible assets		-	-
3. On financial assets, including:		(4 711 135)	(568 909)
a) in related parties		(4 711 135)	(568 909)
- purchase of financial assets		(4 111 317)	(1 307)
- borrowings granted		(599 818)	(567 602)
b) in other parties		-	-
- purchase of financial assets		-	-
- borrowings granted		-	-
4. Other capital expenditures		-	-
III. Net cash flow from investing activities		(589 091)	7 066

ANNUAL CASH FLOW STATEMENT (PLN '000), CONTINUED

	NOTE	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
Cash flow from financing activities			
I. Proceeds		747 520	396 301
1. Net proceeds from issue of shares (interests) and other equity instruments and capital contributions		-	-
2. Loans and borrowings		517 520	25 801
3. Issue of debt securities		230 000	370 500
4. Other financial proceeds		-	-
II. Expenditures		(215 065)	(349 788)
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		(25 770)	-
5. Redemption of debt securities		(135 000)	(300 000)
6. Due to other financial liabilities		-	-
7. Payment of liabilities under finance lease agreements		-	-
8. Interest		(54 295)	(49 788)
9. Other financial expenditures		-	-
III. Net cash flow from financing activities		532 455	46 513
Total net cash flows		(37 662)	49 145
Movement in the balance of cash, including:		(37 662)	49 145
- movement in cash due to foreign exchange gains/losses		4 549	-
Cash at the beginning of the period	24	56 710	9 937
Cash at the end of the period	24	19 048	56 710

STATEMENT OF CHANGES IN EQUITY (PLN '000)

	SHARE CAPITAL	SUPPLEMENT ARY CAPITAL	RESERVE CAPITAL	PROFIT (LOSS) 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	-	(529 610)	555 763	(26 153)	-	-
Net profit for the period	-	-	-	-	2 958 590	2 958 590
Total changes	-	(529 610)	555 763	(26 153)	2 958 590	2 958 590
As of 31 December 2015	20 635	105 926	555 763	(5 157)	2 958 590	3 635 757
As of 1 January 2014	20 635	574 873	-	60 663	-	656 171
adjustments of fundamental errors	-	-	-	(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

INTRODUCTION

GENERAL INFORMATION

Echo Investment S.A.'s core activity consists in the construction and lease of space in commercial, shopping, entertainment, office and residential 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 – WIG – property development companies.

The Company was established for an indefinite period of time.

As of 31 December 2015, the Management Board of Echo Investment S.A. was composed of Piotr Gromniak (President of the Management Board), Maciej Drozd (Vice-President of the Management Board), Artur Langner (Vice-President of the Management Board) and Waldemar Lesiak (Vice-President of the Management Board). As of 31 December 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 31 December 2015, the Supervisory Board was composed of: Karim Khairallah (Chairman), Laurent Luccioni (Vice-Chairman) as well as Maciej Dyjas, Przemysław Krych, Nebil Senman, Sebastian Zilles and Stefan Kawalec (Members), and as of 31 December 2014: Wojciech Ciesielski (Chairman), Andrzej Majcher and Mariusz Waniotka (Vice-Chairmen) as well as Robert Oskard and Karol Żbikowski (Members). As of 31 December 2015, the Audit Committee was composed of Stefan Kawalec (Chairman), Maciej Dyjas and Nebil Senman (Members), and Rafał Kwiatkowski (Secretary).

INFORMATION ON THE FINANCIAL STATEMENTS

The statements of the Echo Investment S.A. present financial data for the 12-month period ending on 31 December 2015 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.

The statements have been prepared in compliance with the International Financial Reporting Standards (IFRS), as adopted by the European Commission. The financial statements have been drawn up in accordance with the historical cost principle with the exception of investment property, which was measured at fair value. To fully understand the financial situation and business results of the Company as the parent company of the Echo Investment Capital Group, these financial statements should be read together with the full consolidated financial statements for the 12-month period ending on 31 December 2015. The consolidated financial statements are available at the Company's registered office in Kielce, al. Solidarności 36. 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.

APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS:

The accounting principles and policy applied to prepare these financial statements are consistent with the principles applied in the last annual financial statements, except for the application of new standards as well as amendments to standards and interpretations issued by the IFRS Interpretations Committee, which are applicable to the Company's reporting period beginning 1 January 2015. The following new and amended standards and interpretations effective as of 1 January 2015 have been adopted for the first time in these financial statements:

- a) IAS 19 Employee Benefits – Amendments to IAS 19 Employee contributions to defined benefit plans (published on 21 November 2013)
- b) IFRIC 21 Levies
- c) Amendments from the IFRS 2010-2012 review cycle (published on 12 December 2013)
- d) Amendments from the IFRS 2011-2013 review cycle (published on 12 December 2013).

The introduced amendments have not had any material effect on the presentation of data and measurement in the financial statements.

PUBLISHED STANDARDS AND INTERPRETATIONS WHICH ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED BY THE COMPANY

In these financial statements, the Company did not apply the following published standards, interpretations or amendments to the existing standards before their effective date:

- a) IFRS 9 Financial Instruments (issued on 24 July 2014), effective for annual periods beginning on or after 1 January 2018 – not approved by the EU by the approval date of these financial statements.
The Company will adopt IFRS 9 after it is approved by the European Union. The Company has not completed the analysis of the standard's effect on the financial statements.
- b) IFRS 14 Regulatory Deferral Accounts (issued on 30 January 2014), effective for annual periods beginning on or after 1 January 2016. According to the European Commission's decision, the approval process of the standard will not be initiated until the final version of the standard is issued – not approved by the EU by the approval date of these financial statements.
The Company does not expect the standard to significantly affect the financial statements.
- c) Amendments to IAS 11 Accounting for Acquisitions of Interests in Joint Operations (issued on 6 May 2014), effective for annual periods beginning on or after 1 January 2016.
The Company will adopt the amendment as of 1 January 2016, and does not expect the amendment to significantly affect the financial statements.
- d) Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation (issued on 12 May 2014), effective for annual periods beginning on or after 1 January 2016.
The Company will adopt the amendment as of 1 January 2016, and does not expect the amendment to significantly affect the financial statements.
- e) IFRS 15 Revenue from Contracts with Customers (issued on 28 May 2014), including amendments to IFRS 15, Effective date of IFRS 15 (issued on 11 September 2015), effective for annual periods beginning on or after 1 January 2018; not approved by the EU by the approval date of these financial statements.
The Company will adopt IFRS 15 after it is approved by the European Union. The Company has not completed the analysis of the standard's effect on the financial statements.
- f) Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants (issued on 30 June 2014), effective for annual periods beginning on or after 1 January 2016.
The Company will adopt the amendment as of 1 January 2016, and does not expect the amendment to significantly affect the financial statements.
- g) Amendments to IAS 27 Equity Method in Separate Financial Statements (issued on 12 August 2014), effective for annual periods beginning on or after 1 January 2016; not approved by the EU by the approval date of these financial statements.
The Company will adopt the amendment after it is approved by the European Union. The Company has not completed the analysis of the standard's effect on the financial statements.
- h) Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on 11 September 2014), effective for annual periods beginning on or after 1 January 2016. That date was initially postponed by IASB as no decision has been made on a date when EFRAG will perform steps to endorse the amendments – not approved by the EU by the approval date of these financial statements.
The Company will adopt the amendment after it is approved by the European Union. The Company has not completed the analysis of the standard's effect on the financial statements.
- i) Amendments following the review of IFRS 2012-2014 (issued on 25 September 2014), effective for annual periods beginning on or after 1 January 2016; not approved by the EU by the approval date of these financial statements.
The Company will adopt the amendment after it is approved by the European Union. The Company does not expect the amendments to significantly affect the financial statements.
- j) Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception (issued on 18 December 2014), effective for annual periods beginning on or after 1 January 2016; not approved by the EU by the approval date of these financial statements.
The Company will adopt the amendment after it is approved by the European Union. The Company does not expect the amendments to significantly affect the financial statements.
- k) Amendments to IAS 1 Disclosure Initiative (issued on 18 December 2014), effective for annual periods beginning on or after 1 January 2016; not approved by the EU by the approval date of these financial statements.

The Company will adopt the amendment after it is approved by the European Union. The Company does not expect the amendments to significantly affect the financial statements.

RESTATEMENT OF FINANCIAL STATEMENTS FOR PREVIOUS PERIODS

The Company adjusted the 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 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

Intangible assets

Intangible assets are recognised, if it is likely that they will result in economic benefits directly attributable to these assets in the future. Intangible assets are initially recognised at the purchase price or the manufacturing cost. After the initial recognition, intangible assets are measured at the purchase price or the manufacturing cost, less amortisation and impairment losses.

Straight line amortisation of intangible assets is applied over the expected useful life of intangible assets, which is verified on a quarterly basis. The estimated useful lives of assets are:

- for permits, patents, licenses etc. – 2 years,
- for other items – 2 years.

Intangible assets are tested for impairment, if certain events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is disclosed in the amount by which the carrying value of an asset exceeds the recoverable value.

Property, plant and equipment

Property, plant and equipment include the Company's tangible assets.

The Company's tangible assets include:

- property (not leased and not intended for trading) used by the Company,
- machinery and equipment,
- means of transport,
- other complete and usable items with an expected useful life of more than one year.

PP&E is measured and presented in the statement at the purchase price or the manufacturing cost, less depreciation and impairment losses.

Land held by the Company is not depreciated and other PP&E is depreciated using straight line method over their estimated useful life, which is verified on a quarterly basis. The estimated useful lives of assets are:

- for buildings and structures – 22 to 67 years,
- for machines and equipment – 2 to 5 years,
- for means of transport – 1.5 to 10 years,
- for other equipment – 5 years.

Further expenditures are recognised at the carrying value of a PP&E item or recognised as a separate tangible asset (where appropriate) only when it is probable that this item will result in economic benefits for the Company and the cost of a given item can be credibly measured. Any other expenditures on repairs and maintenance are recognised in the profit and loss account in the financial year in which they were incurred.

PP&E is tested for impairment, if certain events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is disclosed in the amount by which the carrying value of an asset (or a cash-generating item to which an asset is related) exceeds the recoverable value, and is recognised in the profit and loss account. The recoverable value is one of the two amounts, whichever is higher: fair value less selling costs or use value.

Profits and losses on the disposal of PP&E which constitute differences between sales revenue and the carrying value of a sold PP&E item are recognised in the profit and loss account under other operating revenue/costs.

Investment property

Investment properties include properties owned and leased out by the Company along with land directly related to the properties as well as land purchased and held to increase value. Investment properties are initially recognised at purchase price/manufacturing cost.

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.

Further expenditures are recognised at the carrying value of an investment property or recognised as a separate investment property (where appropriate) only when it is probable that this item will result in economic benefits for the Company and the cost of a given item can be credibly measured. Any other expenditures on repairs and maintenance are recognised in the profit and loss account in the financial year in which they were incurred.

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. The fair value of investment properties is the price which could be obtained for the sale of an asset or which could be paid for the transfer of a liability in a transaction concluded between market participants on arm's length terms as of the measurement date. 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. Fair value of property which is held for the purpose of increasing value is determined by external property appraisers.

The differences on the measurement of investment properties are recognised in the income statement under "profit/loss on investment 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 "profit/loss on investment property".

Investment property under construction includes the Company's investments in progress that are intended to be rented out. For projects where a significant portion of risks involved in the construction process is eliminated and a credible measurement of fair value is possible, the property is measured at fair value. In other situations, when it is not possible to credibly determine the fair value, the value of property under construction is measured at the purchase price or the manufacturing cost, less any impairment losses.

The Company has specified criteria which, when satisfied, lead to an analysis whether the material risks related to investment property under construction have been eliminated. These criteria include:

- procurement of a building permit,
- contracting construction works with a value of at least 30% of the investment's budget,
- at least 20% of area in the project under construction has been leased.

An important issue when analysing risks is the possibility and mode of funding the project. Every investment property under construction is analysed individually.

When measuring investment property under construction at fair value using the income approach, the Company considers the project's progress at the end of the reporting period. When measuring investment property under construction according to the manufacturing costs, in the absence of a credibly determinable fair value, the costs directly related to the investment in progress are considered. They include expenditures on the purchase of land, design and construction of civil engineering objects (third party services mainly), financial costs and other costs incurred in the course of implementation that are directly related to the investment.

If the use of a property changes, the property is reclassified in the financial statements as appropriate. A property is reclassified and disclosed under PP&E or inventory at the previously disclosed fair value.

Lease

Lease is classified as finance lease, if the terms of the agreement essentially transfer all potential benefits and risks from holding an ownership title to an asset to the lessee. Operating lease is a lease arrangement where a significant portion of risks and benefits from the ownership title rests with the lessor (the financing party).

Operating lease payments are recognised as costs (if the Company is a lessee) or as revenue (if the Company is a lessor) in the profit and loss account, using the straight line method for the duration of the lease agreement.

Benefits received by the lessee and benefits due as incentive to conclude an operating lease agreement are recognised in the profit and loss account, using the straight-line method for the duration of the lease agreement

When the nature of the contract indicates that the lease payments will be accrued progressively for the duration of the agreement, the annual payments are depreciated with the straight line method.

Interests and shares in subsidiaries, jointly controlled entities and associates

Interests and shares in subsidiaries, jointly controlled entities and associates are presented at the purchase price adjusted for subsequent impairment losses. An impairment test is conducted when there are indications that the carrying value of an investment will not be recovered. The Company analyses the value of net assets of companies in which it holds interests because the main asset of these entities is investment property measured at fair value, while the main liability are special purpose loans and, consequently, the net value of assets reflects the fair value of the held interests. In the event of impairment, an impairment loss is recognised in the profit and loss account under financial expenses. The impairment loss is recognised in the amount by which the carrying value exceeds the recoverable value. If the impairment loss is reversed, its value is recognised under financial revenue.

Inventory

The following items are recognised under inventory: semi-finished products, work-in-progress, finished products and goods. Given the specific nature of business, the purchased land or the incurred fees due to perpetual usufruct of land are classified as work-in-progress, if the land is intended for development and resale, or as goods, if the land is intended for sale. Work-in-progress also includes the incurred expenditures related to the process of implementing projects for sale (design services, construction works etc., performed by external contractors). Finished products include mainly completed residential and commercial developments sold under final agreements.

Inventories of current assets are measured at the purchase price of land and at the manufacturing costs of products in the property development business, plus capitalised financial costs, but not exceeding the net realisable 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.

Financial instruments

The Company classifies its financial assets and liabilities as follows:

- items of financial assets or financial liabilities measured at fair value through the profit and loss account,
- financial assets held for trade. A financial asset is included in this category, if it is purchased primarily for short-term sale.
- financial assets designated at initial recognition as measured at the fair value through the profit and loss account,
- derivatives which do not fulfil the criteria for hedge accounting.
- investments held to maturity – financial assets which are not derivative instruments with fixed or determinable payments and fixed maturity which the Company has a strong intention and ability to hold to maturity,
- borrowings and receivables – financial assets which are not derivative instruments with fixed or determinable payments, not quoted on an active market,
- financial assets available for sale – non-derivative financial assets not classified as financial assets disclosed at the fair value through the profit and loss account, borrowings and receivables, and assets held to maturity.

Assets are entered into the books as of the transaction date and cancelled from the balance sheet when the contractual rights to cash flows from a financial asset expire, or when a financial asset is transferred along with all risks and benefits resulting from that asset.

Financial assets disclosed at the fair value through the profit and loss account

These assets are classified as current assets, if they are intended for trade or are expected to be recovered within 12 months from the balance sheet date. In this category, the Company includes investments in securities.

As of the initial recognition and as of the balance sheet date, financial assets are measured at the fair value through the profit and loss account.

Derivatives

Derivative instruments are recognised in the books when the Company becomes a party to a binding agreement.

The Company uses derivatives to mitigate the FX or interest rate risk.

The Company does not apply hedge accounting.

As of the balance sheet date, derivatives are measured at their fair value. Derivatives with a positive fair value are financial assets, while derivatives with a negative fair value are financial liabilities.

Profit or loss on derivatives is recognised in financial revenue or costs respectively, while in the cash flow statement, it is recognised as cash flow from operating activity, if the purchase leads to the recognition of an asset in the Company's balance sheet.

Borrowings granted

Borrowings granted are non-derivative financial assets with a fixed or determinable payment, not quoted on an active market, and other than classified as financial assets disclosed at the fair value through the profit and loss account or other than available sale.

These assets are entered into the books as of the transaction date and cancelled from the balance sheet when the contractual rights to cash flows from a financial asset expire, or when a financial asset is transferred along with all risks and benefits resulting from that asset.

Borrowings granted are disclosed on the day of entry into the books at the fair value plus transaction costs and, subsequently, as of the balance sheet date, according to the amortised cost determined with the effective interest rate method.

Write-downs on borrowings granted are recognised at the end of every quarter, if there is objective evidence that the Company will not receive all amounts due under the original terms of the granted borrowings.

Trade and other receivables

Trade and other receivables are initially recognised in the balance sheet at the fair value and, subsequently, measured according to the amortised cost using the effective interest rate method, less impairment losses. Receivables are revaluated by creating a write-down in consideration of how probable it is that the receivables will be repaid.

Write-downs on trade and other receivables are recognised at the end of every quarter, if there is objective evidence that the Company will not receive all amounts due under the original terms of the receivables. Indications of impairment of receivables: severe financial problems of a debtor or delayed payments. The write-down amount is the difference between the carrying value of an item of receivables and the current value of the estimated prospective cash flows related to such an item. The amount of loss is recognised in the profit and loss account in "other operating expenses". Subsequent repayments of the written-down receivables are recognised in "other operating revenue" in the profit and loss account.

In principle, long-term trade receivables are measured according to the amortised cost, using the effective interest rate method. However, when the difference between the amortised cost value and the payable amount has no material effect on the Company's financial results, such receivables are recognised in the balance sheet at the payable amount.

Advances on deliveries are measured according to the expended cash and the received VAT invoices documenting the advances.

Financial assets available for sale

Financial assets available for sale are entered into the books as of the transaction date and cancelled from the balance sheet when the contractual rights to cash flows from a financial asset expire, or when a financial asset is transferred along with all risks and benefits resulting from that asset.

As of the day of entry into the books, these assets are measured at the fair value plus transaction costs, while as of the balance sheet date, they are measured at the fair value, taking account of impairment losses recognised in the income statement.

Profits or losses from movements in the fair value of an asset are recognised in other comprehensive income.

Write-downs on financial assets are recognised at the end of every quarter, if there is objective evidence that the Company will not receive all amounts due under the original terms of the assets.

Assets available for sale include shares and interests in companies which are not subsidiaries and associates, are not quoted on an active market, and which comprise short-term or long-term assets.

Where it is not possible to determine their fair value, the assets are measured at the purchase price, less impairment losses, and the effects of the measurement are recognised in the financial profit or loss.

Cash and cash equivalents

Cash in bank and cash in hand, short-term deposits held to maturity and other financial assets that fulfil the definition of a cash equivalent are measured at the nominal value.

Foreign currency cash is measured as of the reporting date. The same definition of cash applies to the cash flow statement.

Financial guarantee agreements

Financial guarantees are recognised as financial instruments. These agreements are initially recognised at the fair value (equal to a received bonus or estimated using measurement techniques) and, subsequently, at one of the two values, whichever is higher:

- amount of provision determined based on the estimated probable expenditure necessary to settle a liability under a guarantee agreement;
- initial value less amortisation/depreciation.

In addition, financial guarantee agreements are disclosed in off-balance sheet liabilities and receivables. On every balance sheet date, the Company verifies whether a payment and the creation of a provision are likely.

Income tax

Income tax on the profit or loss for the financial year includes current and deferred income tax. Income tax is recognised in the profit and loss account, except for amounts related to items recognised directly in equity or in other comprehensive income; in this case, income tax is disclosed in equity and other comprehensive income respectively.

The current portion of income tax is the expected amount of tax on taxable income for a given year, calculated based on the tax rates determined as of the balance sheet date along with any tax adjustments for previous years.

Deferred tax is calculated with the balance sheet method as tax to be paid or reimbursed in the future on the differences between the carrying values of assets and liabilities and the corresponding tax values used to calculate the tax base, except for temporary differences which arise at the time of initial recognition of an asset or liability, and do not affect the accounting or tax result.

Deferred tax is not created for temporary differences on investments in subsidiaries, jointly controlled entities and associates, if the Company controls the reversal of these differences and they will not be reversed in foreseeable future.

Deferred income tax assets due to tax loss are created, if the settlement of the loss in the following years is probable.

For the calculation of deferred income tax, a tax rate is used which will apply in the reporting periods in which assets will be settled or liabilities will be released.

Deferred income tax is estimated on every balance sheet date by recognising differences in the profit and loss account, other comprehensive income or equity, depending where the temporary difference from which the deferred tax is subtracted was recognised.

Equity

Share capital is measured at the nominal value disclosed in the National Court Register. Differences between the fair value of a payment and the nominal value of shares are recognised in the share premium.

The issue costs of shares decrease the Company's supplementary capital down to the amount of the share premium.

Provisions

Provisions are established when the Company has a present obligation as a result of past events and when it is probable that the fulfilment of that obligation will involve an outflow of assets representing economic benefits and the amount of such obligation can be credibly estimated.

Provisions are measured at the current value of costs estimated by the Company's management according to its best knowledge which must be incurred to settle a current liability as of the balance sheet date.

Financial liabilities – including trade liabilities

Financial liabilities include loans, borrowings, debt securities, not payable interest on bank loans accounted for according to the accrual principle as well as the discount of debt securities to be settled in subsequent accounting periods. Foreign currency loans are measured at the selling rate of the bank serving the Company.

Financial liabilities are initially recognised at the fair value less costs of transaction and subsequently measured with the method "amortised cost of a liability", according to IAS 39. Measurement takes account of the risk and the possibility of an early repayment of long-term liabilities.

Trade liabilities are initially measured at the fair value and, subsequently, long-term liabilities are measured at the amortised cost, using the effective interest rate method. When the difference between the amortised cost value and the value in the amount payable does not significantly affect the Company's financial results, such liabilities are recognised in the balance sheet at the amount payable. Advances on deliveries include invoiced advances (including advances on apartments) and non-invoiced advances. Trade liabilities include security deposits.

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, consulting, IT, financial, marketing, security and other sales services is recognised in the period in which such services were provided.

Prime cost of sale

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 which require an extended period during which they are prepared for the intended use or sale, recognised as inventories and commenced investments. Capitalisation includes the amount of costs determined using the effective interest rate, 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). In the case of general financing, the general financing costs subject to capitalisation are determined using the yield with regard to the expenditures incurred on a given asset.

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 presented in the consolidated financial statements of the Echo Investment Capital Group.

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. Fair value of property which is held for the purpose of increasing value and does not generate material income is determined by external property appraisers.

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. According to the Management Board, a change of these assumptions would not materially affect the value of the inventory write-down as of the balance sheet date because the adopted assumptions and information on the value of the write-down were largely based on the concluded sales agreements. 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 31 December 2015, did not run any material operating activity, the value of the recognised write-downs 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 31.12.2015	AS OF 31.12.2014
Interests, shares and funds held	4 264 550	868 800
Financial revenues/expenses from the measurement of interests, shares and funds	(430 299)	(56 028)
Estimated percentage change in the value of interests, shares and funds	+/- 1 p.p.	+/- 1 p.p.
Estimated financial revenues/expenses from a potential change in the value of interests, shares and funds	42 645	8 688
TOTAL effect on the gross result for the period	42 645	8 688
Income tax	8 103	1 651
TOTAL effect on the net result for the period	34 542	7 037

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.

FINANCIAL RISK MANAGEMENT

Price risk

The price risk is not material. The Company does not trade in securities on any active market. The Company may conclude transactions on derivatives to hedge against the FX risk related to the forecast cash flows.

Risk of changes in cash flows and fair value related to interest rate

The Company's exposure to the interest rate risk is related to financial assets and liabilities, in particular the granted borrowings, cash, the received bank loans and the issued bonds. Borrowings, loans and bonds bearing a variable interest rate expose the Company to the interest rate risk, while borrowings and loans with a fixed interest rate expose the Company to variations of the fair value of financial instruments. In addition, the Company is exposed to the risk of interest rate variations when raising a new loan or refinancing an existing long-term debt.

INTEREST RATE RISK OF BORROWINGS GRANTED (PLN '000)	VALUE CALCULATED FOR THE PURPOSE OF ANALYSIS	
	AS OF 31.12.2015	AS OF 31.12.2014
Balance of borrowings granted	278 752	288 335
Financial revenue from interest on borrowings granted	13 605	11 435
Estimated change of interest rates	+/- 1 p.p.	+/- 1 p.p.
Financial revenue from interest on borrowings granted, taking account of changes of interest rates	2 788	2 883
TOTAL effect on the gross result for the period	2 788	2 883
Income tax	530	548
TOTAL effect on the net result for the period	2 258	2 335

The Company granted borrowings in PLN, where the interest rate is variable and depends on WIBOR + margin. If, as of 31.12.2015, interest rates had been higher or lower than the applicable rate by 1 percentage point, the Company's net result would have been higher or lower by PLN 2,258 thousand respectively, as a result of higher or lower interest on the borrowings granted in PLN.

INTEREST RATE RISK OF LIABILITIES DUE TO ISSUE OF DEBT SECURITIES (PLN '000)	VALUE CALCULATED FOR THE PURPOSE OF ANALYSIS	
	AS OF 31.12.2015	AS OF 31.12.2014
Balance of liabilities due to issue of debt securities	1 009 835	919 015
Financial costs of interest on the issue of debt securities	46 870	52 008
Estimated change of interest rates	+/- 1 p.p.	+/- 1 p.p.
Financial costs of interest on the issue of debt securities taking account of increase/(decrease) in interest rates	10 098	9 190
TOTAL effect on the gross result for the period	10 098	9 190
Income tax	1 919	1 746
TOTAL effect on the net result for the period	8 179	7 444

INTEREST RATE RISK – CASH (PLN '000)	VALUE CALCULATED FOR THE PURPOSE OF ANALYSIS	
	AS OF 31.12.2015	AS OF 31.12.2014
Balance of cash	35 619	59 082
Other operating revenue from interest	754	1 878
Estimated change of interest rates	+/- 1 p.p.	+/- 1 p.p.
Other operating revenue from interest, taking account of changes of interest rates	356	591
TOTAL effect on the gross result for the period	356	591
Income tax	68	112
TOTAL effect on the net result for the period	288	479

INTEREST RATE RISK – LOAN LIABILITIES (PLN '000)	VALUE CALCULATED FOR THE PURPOSE OF ANALYSIS	
	AS OF 31.12.2015	AS OF 31.12.2014
Balance of loan liabilities	15 582	25 801
Financial costs of interest on loans	(2 184)	(1 648)
Estimated change of interest rates	+/- 1 p.p.	+/- 1 p.p.
Financial costs of interest on loans taking account of increase/(decrease) in interest rates	156	258
TOTAL effect on the gross result for the period	156	258
Income tax	30	49
TOTAL effect on the net result for the period	126	209

FX risk

As of the balance sheet date and during the financial year, the Company did not hold any other material foreign currency cash. Therefore, the risk has been estimated as not material and no analysis has been performed of the exposure of other balance sheet items to changing foreign exchange rates.

Credit risk

The credit risk occurs in cash, borrowings granted, derivatives, deposits in banks and financial institutions as well as, in relation to the Company's customers and tenants, in the form of unsettled amounts due. The Company has procedures in place to protect the credit worthiness of its customers and tenants; security deposits and guarantees are also used for tenants. There is no significant concentration of risk in relation to any of the Company's customers outside the Echo Investment Group. In relation to related entities, the credit risk, in the opinion of the Management Board, is minimised through regular monitoring of operating activities and the assessment of investment projects of these companies. For cash and deposits in financial institutions and in banks, the Company uses the services of renowned companies.

Liquidity risk

The liquidity risk occurs when the Company is unable to settle its financial liabilities in due time. The Company manages the liquidity risk by maintaining an adequate amount of supplementary capital, using bank services and reserve loan facilities, and by constantly monitoring the forecast and actual cash flows. Given the dynamic nature of its business, the Company ensures flexible funding through the availability of cash and by diversifying the sources of funding.

In the opinion of the Management Board, the Company has sufficient cash to settle all liabilities in due time. In the long term, the liquidity risk is minimised by the available bank loans. At any time, the Company may use sufficient funds from the loan facilities granted by banks.

The analyses of the Company's financial liabilities and derivatives settled in the net amount which will be settled at specific maturities, based on the period remaining until the contractual maturity as of the balance sheet date, have been presented in the respective notes: loans, borrowings, debt securities, trade receivables and trade liabilities.

Analysis of the Company's undiscounted financial liabilities which will be settled at specific maturities, based on the period remaining until the contractual maturity as of the balance sheet date (31.12.2015):

ANALYSIS OF UNDISCOUNTED FINANCIAL LIABILITIES (PLN '000)

PERIOD	FINANCIAL GUARANTEES	BONDS	TRADE AND OTHER LIABILITIES	LOANS
Up to 1 year	332 173	243 261	48 563	15 582
Over 1 to 3 years	255 690	604 145	-	-
Over 3 to 5 years	25 628	162 429	-	-
Over 5 years	269 567	-	-	-
TOTAL	883 058	1 009 835	48 563	15 582

The value of debt ratios, as of 31.12.2015 and 31.12.2014 respectively, was consistent with the Company's objectives.

CAPITAL MANAGEMENT

The Company's objective in terms of capital management is to protect the Company's ability to continue its business, allowing for the generation of returns for the shareholders, and to maintain an optimal structure of capital to reduce its cost.

When managing this risk, the Company makes decisions on the financial leverage, the dividend policy, the issue of new shares, the repurchase and subsequent redemption or resale of the issued shares, or the sale of assets to reduce debt.

The Company monitors the capital using debt ratios. This ratio is calculated as the relation between net debt and total equity. The net debt is calculated as the sum of loans and borrowings (including current and long-term loans and borrowings disclosed in the balance sheet) less cash and cash equivalents. The total value of capital is calculated as equity disclosed in the balance sheet along with the net debt.

DEBT RATIOS (PLN '000)	NOTE	31.12.2015	31.12.2014
Total loans	13, 15	1 527 429	944 816
Cash and cash equivalents	10	(35 619)	(59 082)
Net debt		1 491 810	885 734
Total equity		3 635 757	677 167
Total capital		5 127 567	1 562 901
Debt ratio		29.09%	56.67%

The value of debt ratios, as of 31.12.2015 and 31.12.2014 respectively, was consistent with the Company's objectives.

ADDITIONAL EXPLANATIONS

Material agreements concluded with related entities and performed during the period

According to the Echo Investment S.A. Group's strategy for building shopping centres, office buildings and selected residential buildings through a separate subsidiary, a large portion of Echo Investment's transactions is concluded with related parties. The major 2015 transactions with related companies were executed based on the following agreements:

- 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 1,581 thousand.
- Agreement on investment management, concluded on 1 June 2015 with A4 - Business Park – Iris Capital 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 III of an office facility located in Katowice in ul. Francuska. The value of the transaction for 2015 is PLN 1,289 thousand.
- Agreement for the preparation of an investment, concluded on 24 June 2010 with Projekt Echo - 70 Sp. z o.o., as the investor. Under this agreement, Echo Investment S.A. undertook to perform works so that the Investor can obtain a permit for the construction of an office facility on a real property located in Warsaw in ul. Jana Pawła. The value of the transaction for 2015 is PLN 1,676 thousand.
- 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 in ul. Jana Pawła. The value of the transaction for 2015 is PLN 5,258 thousand.
- Understanding for building power networks, concluded on 3 January 2013 with Echo – Nowy Mokotów Sp. z o.o. S.K., 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 power network for a residential facility located in Warsaw in ul. Konstruktorska. The value of the transaction for 2015 is PLN 1,799 thousand.
- Agreement for investment management, concluded on 01 July 2014 with Echo – Nowy Mokotów Sp. z o.o. S.K., 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 a residential facility located in Warsaw in ul. Konstruktorska. The value of the transaction for 2015 is PLN 1,438 thousand.
- Agreement for investment management, concluded on 31 October 2013 with Projekt Echo 102 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 Gdańsk, ul. Jana z Kolna. The value of the transaction for 2015 is PLN 3,337 thousand.
- Agreement for the management of an investment project, concluded on 1 April 2014 with Echo – Opolska Business Park Projekt Echo – 102 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 I of an office facility located in Krakow, ul. Opolska. The value of the transaction for 2015 is PLN 2,982 thousand.
- Agreement for the management of an investment project concluded on 31 October 2014 with Projekt Echo - 101 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 an office building located in Wrocław, ul. Marii Curie-Skłodowskiej. The value of the transaction for 2015 is PLN 3,131 thousand.
- Agreement for the management of an investment project concluded on 1 February 2015 with Projekt Echo - 103 Echo 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 implementation of stage II of CH Outlet in Szczecin. The value of the transaction for 2015 is PLN 1,116 thousand.

- Agreement for the management of an investment project concluded on 1 April 2015 with Echo – Aurus Echo 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 implementation of stage I of an office facility in Łódź. The value of the transaction for 2015 is PLN 1,457 thousand.

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

MATERIAL POST-BALANCE SHEET EVENTS:

Conclusion of a material agreement. Acquisition of new interests in the share capital of the Company's subsidiary

On 22 February 2016, the Company received from the attorney signed agreements (hereinafter referred to as the Agreements), dated 17 February 2016, for the transfer by Echo Investment S.A. to the Company's subsidiary, Echo PrimeProperties B.V., (beslotenvennootschap met beperkteaansprakelijkheid), operating under Dutch law, with its registered office in Amsterdam, the Netherlands, registered address: PrinsBernhardplein 200, 1097 JB Amsterdam, the Netherlands, entered into the business register under no. 64965945 (hereinafter referred to as ECHO BV), of the ownership title to the investment certificates of the Funds:

i) Forum XXIX Fundusz Inwestycyjny Zamknięty, with its registered office in Krakow, entered into the register of investment funds maintained by the District Court in Warsaw, 7th Civil Law Register Department, under no. Rfi 536, i.e. 20 series A investment certificates, 559 series D investment certificates and 931 series E investment certificates, i.e. a total of 1,510 investment certificates, and

ii) Forum XXXIV Fundusz Inwestycyjny Zamknięty, with its registered office in Krakow, entered into the register of investment funds maintained by the District Court in Warsaw, 7th Civil Law Register Department, under no. Rfi 586, i.e. 20 series A investment certificates, 3,409 series C investment certificates and 3,594 series D investment certificates, i.e. a total of 7,023 investment certificates of the Fund (hereinafter jointly referred to as the Certificates).

The parties to the Agreements decided that, in exchange for the contribution in kind in the form of the above Certificates, the Issuer shall acquire the issued 211,970,402 interests of ECHO BV in the share capital of ECHO BV with a nominal value of EUR 1 each, i.e. with a total nominal value of EUR 211,970,402, which, as of the signing date of the Agreements, amounted to PLN 933,560,044, according to the average exchange rate published by the National Bank of Poland (NBP).

The ownership title to the Certificates and all rights vested with the Certificates were transferred to ECHO BV on 19 February 2016, i.e. on the day when Echo BV was entered into the registers of the fund participants as the buyer of the Certificates. The book value of the Certificates in the Issuer's books is PLN 929,490,941. As a result of the above, Echo Investment S.A. will hold a total of 211,990,402 interests in Echo BV, with a nominal value of EUR 1 each and a total nominal value of EUR 211,990,402. The interests held by the Company account for 100% of ECHO BV's share capital and are vested with 100% of votes at the general meeting.

Agreement concluded between the Company and Echo Prime Properties B.V. for the sale and subscription of interests from Redefine Properties Limited and disclosure of delayed confidential information on circumstances related to negotiations with Redefine Properties Limited

On 1 March 2016, Echo Investment S.A. and the subsidiary Echo Prime Properties B.V. (Company) concluded with Redefine Properties Limited, with its registered office in Rosebank, Republic of South Africa (Redefine), an agreement for the sale and subscription of interests in the Company (Agreement).

According to the Agreement, Echo Investment S.A. undertook to sell and Redefine undertook to buy interests in the Company (Interests to be Sold), and Redefine undertook to subscribe for new interests (New Interests) in the Company (jointly referred to as the Interests) (Transaction). The number of Interests to be Sold and the New Interests shall be specified prior to their purchase by Redefine (Conclusion) in such a way that, once they have been purchased, Redefine shall hold 75% plus one interests in the total number of interests in the Company, and Echo Investment S.A. shall hold 25% minus one interests in the total number of interests in the Company (taking account of the increase by the New Interests).

As of the Conclusion date, the entities controlled by the Companies shall be owners or perpetual usufructuaries of the following real properties (indirectly, through the Company's subsidiaries): A4 Business Park in Katowice (stages I and II), Astra Park in Kielce, Malta Office Park in Poznań, Oxygen in Szczecin, Park Rozwoju in Warsaw (stages I and II), West Gate in Wrocław, Amber in Kalisz, Galaxy in Szczecin, Galeria Echo in Kielce, Galeria Olimpia in Bełchatów, Outlet Park Szczecin in

Szczecin, Pasaż Grunwaldzki in Wrocław, Centrum Handlowe Echo in Przemyśl, Galeria Sudecka in Jelenia Góra, Galeria Veneda in Łomża and Centrum Handlowe Echo in Bełchatów (Real Properties).

The agreed transactional value of the Real Properties is EUR 1,188,000,000 (Real Property Value), and the total value of the Real Properties disclosed in Echo Investment S.A.'s periodic report for Q3 2015 was PLN 4,480,705,000.

The price for the New Interests and the Interests to be Sold shall include the following:

1. Issue price for the New Interests, which shall correspond to the amount which the Company and its subsidiaries (Group) will allocate for decreasing the Group's financial liabilities to banks and entities controlled by Echo Investment S.A., as specified in the Agreement (Issue Price); and
2. Preliminary price for the Interests to be Sold, which shall correspond to an amount equivalent to 75% of the sum of Measurement before Increase (calculated as the Real Property Value, less estimated net debt and plus estimated value of working capital) and the Issue Price, less the Issue Price (Preliminary Sales Price). The Preliminary Sales Price shall be adjusted by the actual net debt and working capital after the Conclusion, according to the provisions of the Agreement.

In addition, upon the Conclusion, a resolution shall be passed on increasing the Company's share capital by EUR 9,775,000, based on which Echo Investment S.A. and Redefine shall acquire 25% and 75% of the new interests, and shall pay to the Company 25% and 75% of the full issue price respectively. The full amount of EUR 9,775,000 shall be paid immediately (as a preferential dividend payment) by the Company to Echo Investment S.A.

The Conclusion depends on the satisfaction of the following conditions precedent:

1. Approval by the European Commission;
2. Completion of restructuring, which, among others, involves transferring to the Company all shares/interests in companies which are partners of entities who are owners or perpetual usufructuaries of the Real Properties;
3. Receipt of the contractually required approvals to conclude the transactions under the Agreement (such approvals may include conditions specified in the Agreement); and
4. Conclusion by the Company of specific agreements referred to in the Agreement.

The parties undertook to take steps to satisfy the above conditions as soon as possible, but not later than by 31 October 2016. The Conclusion of the Transaction shall be by the date specified in the Agreement, once all of the above conditions are satisfied.

If all of the above conditions are not satisfied by the said date, the Agreement shall be terminated, unless the parties agree to extend the deadline for satisfying the conditions. The Agreement also provides for other situations in which a party may terminate it.

In addition, the Agreement provides for the conclusion, on the Conclusion date, of other agreements related to the Transaction, including a partnership agreement between Echo Investment S.A., Redefine and the Company (Partnership Agreement), which regulates the rules of partnership between Echo Investment S.A. and Redefine as part of the Company, consulting agreement, pre-emptive right agreement (PER), agreement for managing the development process involving the expansion of Galaxy and Outlet Park, based on which Echo Investment S.A. (as a developer) will implement the above projects, agreements for the management of the Real Properties by Echo Investment S.A.'s subsidiary as well as other agreements and documents.

The Partnership Agreements stipulates that Redefine may sell its interests in the future to co-investors, provided that such a sale will not result in a decrease of Redefine's share below 45% of all interests in the Company.

Among others, the consulting agreements stipulate that Griffin Real Estate sp. z o.o. shall be appointed as the Company's lead consultant for managing the Company and assets.

Based on the PER agreement, Echo Investment S.A. shall grant to the Company's subsidiary a pre-emptive right to the purchase of the following real properties: Gdańsk Tryton, Katowice A4 (stage III), Katowice Kościuszki, Krakow Opolska I, Krakow Opolska II, Krakow Opolska III, Łódź Symetris I, Łódź Symetris II, Wrocław Nobilis and Wrocław Sagitarius (PER Real Properties). At present, the above real properties are owned by Echo Investment S.A.'s 100% subsidiaries. The pre-emptive right, which is to be granted to the Company with regard to the above real properties, shall be exercised according to the provisions of the PER agreement.

Furthermore, the PER agreement stipulates that the entity controlled by the Company shall invest 25% of the already invested capital and of the future capital required to complete the construction and commercial developments on the PER Real Properties. The said development shall be financed by increasing the Company's capital in the amount of EUR 20,646,294 (subject to an upward adjustment on account of capital contributed in 2016 before the Conclusion of the

Transaction). The said capital increase shall be financed by Echo Investment S.A. and Redefine by acquiring 25% and 75% of the new interests, and paying 25% and 75% of the total increase amount respectively.

In connection with the investment, the entity controlled by the Company shall be entitled to a 25% share in the profits from the PER Real Properties, as stipulated in the PER agreement.

Payment of the first instalment of the Interim Dividend

On 10 February 2016, according to the Resolution of the Management Board of 23 December 2015, the 1st Instalment of the Interim Dividend was paid in the amount of PLN 0.72 per share, totalling PLN 297,137,219.04. The Company announced the adoption of the above Resolution in a current report in 2015 (see item 5.1 of the Management Report).

INFORMATION ON REMUNERATIONS OF THE MANAGEMENT BOARD

Management personnel of Echo Investment S.A. who received remuneration in Echo Investment S.A. as of 31 December 2015:

- Piotr Gromniak received remuneration in Echo Investment S.A. in the total amount of PLN 1,399 thousand.
- Maciej Drozd received remuneration in Echo Investment S.A. in the total amount of PLN 734 thousand.
- Artur Langner received remuneration in Echo Investment S.A. in the total amount of PLN 1,238 thousand.
- Waldemar Lesiak received remuneration in Echo Investment S.A. totalling PLN 1,238 thousand.

As of 31 December 2015, Echo Investment S.A.'s management personnel received bonuses in the amount of PLN 5,561 thousand.

Supervisory personnel of Echo Investment S.A. who received remuneration in Echo Investment S.A. for holding supervisory functions in the Company as of 31 December 2015:

- Wojciech Ciesielski received remuneration in Echo Investment S.A. in the total amount of PLN 44 thousand.
- Andrzej Majcher received remuneration in Echo Investment S.A. in the total amount of PLN 32 thousand.
- Mariusz Waniółka received remuneration in Echo Investment S.A. in the total amount of PLN 32 thousand.
- Robert Oskard received remuneration in Echo Investment S.A. in the total amount of PLN 19 thousand.
- Karol Żbikowski received remuneration in Echo Investment S.A. in the total amount of PLN 19 thousand.
- Stefan Kawalec received remuneration in Echo Investment S.A. in the total amount of PLN 31 thousand.
- Przemysław Krych received remuneration in Echo Investment S.A. in the total amount of PLN 19 thousand.
- Maciej Dyjas received remuneration in Echo Investment S.A. in the total amount of PLN 19 thousand.
- Nebil Senmam received remuneration in Echo Investment S.A. in the total amount of PLN 19 thousand.

In 2014, management personnel 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 1,084 thousand.
- Artur Langner received remuneration in Echo Investment S.A. in the total amount of PLN 983 thousand.
- Waldemar Lesiak received remuneration in Echo Investment S.A. totalling PLN 857 thousand.

In 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 the total amount of PLN 84 thousand.
- Andrzej Majcher received remuneration in Echo Investment S.A. in the total amount of PLN 60 thousand.
- Mariusz Waniółka received remuneration in Echo Investment S.A. in the total amount of PLN 60 thousand.
- Robert Oskard received remuneration in Echo Investment S.A. in the total amount of PLN 36 thousand.

Karol Żbikowski received remuneration in Echo Investment S.A. in the total amount of PLN 36 thousand.

INFORMATION ON AGREEMENTS CONCLUDED WITH AN ENTITY AUTHORISED TO AUDIT FINANCIAL STATEMENTS FOR THE AUDIT OR REVIEW OF FINANCIAL STATEMENTS OR CONSOLIDATED FINANCIAL STATEMENTS

On 25 June 2015, the Company's Supervisory Board, acting pursuant to § 13, section 1, letter b) of the Company's Statute, according to the applicable regulations and professional standards, appointed an entity authorised to audit financial statements. The entity authorised to audit the Company's financial statements is Ernst & Young Audyt Polska Sp. z o.o. Sp.K., with its registered office in Warsaw, ul. Rondo ONZ 1, entered in the list of entities authorised to audit financial statements, maintained by the National Chamber of Statutory Auditors, under no. 130 (Statutory Auditor); an agreement was concluded with that entity for the audit and review of Echo Investment's financial statements for 2015.

On 7 May 2014, the Company's Supervisory Board, acting pursuant to § 13, section 1, letter b) of the Company's Statute, according to the applicable regulations and professional standards, appointed an entity authorised to audit financial statements. The entity authorised to audit the Company's financial statements is PricewaterhouseCoopers Sp. z o.o., with its registered office in Warsaw, ul. Armii Ludowej 14, entered in the list of entities authorised to audit financial statements,

maintained by the National Council of Statutory Auditors, under no. 144 (Statutory Auditor); an agreement was concluded with that entity for the audit and review of Echo Investment's financial statements for 2014.

REMUNERATION OF ENTITIES AUTHORISED TO AUDIT FINANCIAL STATEMENTS

The net remuneration of the entity authorised to audit financial statements of the Company and the Group, paid or due for the financial year, includes the following:

- for the audit of separate and consolidated annual statements for 2015: PLN 100,000; the remuneration paid for the audit of the same statements for 2014 amounts to PLN 110,000.
- for the review of the separate and consolidated financial statements for 2015: PLN 411,000, and paid for the review of the separate and consolidated financial statements for 2014: PLN 125,000.

NOTES

EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

NOTE 1A

INTANGIBLE ASSETS (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) purchased permits, patents, licences and similar assets, including:	160	472
- software	108	318
b) other intangible assets	-	-
Total intangible assets	160	472

The Company did not recognise losses for intangible assets in the periods covered by the financial statements. As of 31.12.2015, the Company does not have any contractual liabilities.

NOTE 1B

MOVEMENT IN INTANGIBLE ASSETS (BY TYPES) (PLN '000)

FOR THE PERIOD 01.01.2015-31.12.2015	A) PURCHASED PERMITS, PATENTS, LICENCES AND SIMILAR ASSETS, INCLUDING:	COMPUTER SOFTWARE	B) OTHER INTANGIBLE ASSETS	TOTAL INTANGIBLE ASSETS
a) gross value of intangible assets at the beginning of the period	6 052	5 386	-	6 052
increases (due to)	95	49	-	95
- purchase	95	49	-	95
decreases (due to)	(1)	-	-	(1)
- sale	(1)	-	-	(1)
gross value of intangible assets at the end of the period	6 146	5 435	-	6 146
b) accumulated amortisation at the beginning of the period	(5 580)	(5 068)	-	(5 580)
amortisation for the period (due to)	(406)	(259)	-	(406)
- planned	(407)	(259)	-	(407)
- sale	1	-	-	1
accumulated amortisation at the end of the period	(5 986)	(5 327)	-	(5 986)
c) net value of intangible assets at the end of the period	160	108	-	160

All intangible assets held by the company have been purchased.

The applied amortisation methods and the adopted useful lives or the applied amortisation rates for:

- the purchased permits, patents, licenses and similar assets – straight line method, 50%, amortisation posted as general administrative expenses,
- other intangible assets – not commissioned to use, not amortised as of 31 December 2015.

MOVEMENT IN INTANGIBLE ASSETS (BY TYPES) (PLN '000), CONTINUED

FOR THE PERIOD 01.01.2014-31.12.2014	A) PURCHASED PERMITS, PATENTS, LICENCES AND SIMILAR ASSETS, INCLUDING:	COMPUTER SOFTWARE	B) OTHER INTANGIBLE ASSETS	TOTAL INTANGIBLE ASSETS
a) gross value of intangible assets at the beginning of the period	5 836	5 279	-	5 836
increases (due to)	216	107	-	216
- purchase	216	107	-	216
gross value of intangible assets at the end of the period	6 052	5 386	-	6 052
b) accumulated amortisation at the beginning of the period	(5 023)	(4 593)	-	(5 023)
amortisation for the period (due to)	(557)	(475)	-	(557)
- planned	(557)	(475)	-	(557)
accumulated amortisation at the end of the period	(5 580)	(5 068)	-	(5 580)
c) net value of intangible assets at the end of the period	472	318	-	472

NOTE 2A

PROPERTY, PLANT AND EQUIPMENT (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) PP&E, including:	6 945	7 247
- land	163	165
- buildings, premises, civil and water engineering structures	2 759	2 849
- plant and machinery	121	261
- means of transport	3 276	3 350
- other PP&E	626	622
b) PP&E under construction	-	-
c) advances on PP&E under construction	-	-
Total property, plant and equipment	6 945	7 247

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 2B

MOVEMENTS IN PP&E (BY TYPES) (IN PLN '000)

FOR THE PERIOD 01.01.2015- 31.12.2015	OWN LAND	BUILDINGS AND STRUCTURES	TECHNICAL EQUIPMENT AND MACHINES	MEANS OF TRANSPORT	OTHER PP&E	TOTAL PP&E
a) gross value of PP&E at the beginning of the period	168	3 263	4 929	12 370	4 079	24 809
increases (due to)	-	-	427	1 471	284	2 182
- purchase	-	-	427	1 471	284	2 182
- inventory taking	-	-	-	-	-	-
decreases (due to)	-	-	(456)	(4 327)	(983)	(5 766)
- inventory taking	-	-	-	-	-	-
- liquidation	-	-	(2)	-	-	(2)
- sale	-	-	(454)	(4 327)	(983)	(5 764)
gross PP&E at the end of the period	168	3 263	4 900	9 514	3 380	21 225
b) accumulated depreciation at the beginning of the period	(3)	(414)	(4 668)	(9 020)	(3 457)	(17 562)
depreciation for the period (due to)	(2)	(90)	(111)	2 782	703	3 282
- depreciation	(2)	(90)	(407)	(1 317)	(263)	(2 079)
- sale	-	-	(294)	(4 099)	(966)	(5 359)
- liquidation	-	-	(2)	-	-	(2)
accumulated depreciation at the end of the period	(5)	(504)	(4 779)	(6 238)	(2 754)	(14 280)
c) net PP&E at the end of the period	163	2 759	121	3 276	626	6 945

Contractual liabilities incurred in connection with the purchase of property, plant and equipment amount to: PLN 103 thousand.

FOR THE PERIOD 01.01.2014- 31.12.2014	OWN LAND	BUILDINGS AND STRUCTURES	TECHNICAL EQUIPMENT AND MACHINES	MEANS OF TRANSPORT	OTHER PP&E	TOTAL PP&E
a) gross value of PP&E at the beginning of the period	202	4 294	4 711	20 830	3 493	33 530
increases (due to)	-	10	535	962	728	2 235
- purchase	-	10	535	962	546	2 053
- inventory taking	-	-	-	-	182	182
decreases (due to)	(34)	(1 041)	(317)	(9 422)	(142)	(10 956)
- inventory taking	-	(294)	(116)	-	(109)	(519)
- sale	(34)	(747)	(201)	(9 422)	(33)	(10 437)
gross PP&E at the end of the period	168	3 263	4 929	12 370	4 079	24 809
b) accumulated depreciation at the beginning of the period	(8)	(478)	(4 305)	(11 421)	(3 082)	(19 294)
depreciation for the period (due to)	5	64	(363)	2 401	(375)	1 732
- depreciation	(2)	(98)	(680)	(1 563)	(331)	(2 674)
- sale	(7)	(123)	(201)	(3 964)	(30)	(4 325)
- inventory taking	-	(39)	(116)	-	74	(81)
accumulated depreciation at the end of the period	(3)	(414)	(4 668)	(9 020)	(3 457)	(17 562)

c) net PP&E at the end of the period	165	2 849	261	3 350	622	7 247
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NOTE 3A

MOVEMENT IN INVESTMENT PROPERTY (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
a) value of property investments at the beginning of the period	2 903	3 172
increases (due to)	3 382	-
- reclassification from inventory	3 368	-
- revaluation of property	14	-
decreases (due to)	-	(269)
- sale	-	-
- reclassification to inventory	-	-
- revaluation of property	-	(269)
Value of property investments at the end of the period	6 285	2 903

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 31 December 2015, the Company held investment property located in Poland. Since the 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.

The company has no securities established on investment properties. As of 31.12.2015, the Company does not have any contractual liabilities.

NOTE 3B

INVESTMENT PROPERTY – INFLUENCE ON THE RESULT (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
a) revenue from investment property rents	447	457
b) direct operating expenses (including repair and maintenance costs) on investment property generating rent revenue in the period	(424)	(407)
c) direct operating expenses (including repair and maintenance costs) on investment property not generating rent revenue in the period	-	-

NOTE 3C

LONG-TERM BORROWINGS GRANTED	31.12.2015	31.12.2014 RESTATED
- in subsidiaries	-	156 929
- in other entities	21	58
Total long-term borrowings granted	21	156 987

BASIC DATA ON LONG-TERM BORROWINGS, WITHOUT INTEREST, AS OF 31.12.2015

COUNTERPARTY	AMOUNT (PLN '000)	INTEREST RATE	REPAYMENT DEADLINE
other – unrelated parties (natural persons)	21	WIBOR 3M + margin	March, July 2017
Total:	21		

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 31.12.2014

COUNTERPARTY	AMOUNT (PLN '000)	INTEREST RATE	REPAYMENT DEADLINE
Echo - Park Rozwoju Sp. z o. o. S.K.A.	6 500	WIBOR 3M + margin	31 December 2016
47- Grupa Echo Sp. z o. o. SKA	24 300	WIBOR 3M + margin	31 December 2016
Dellia Investment S.A.	17 760	WIBOR 3M + margin	31 December 2016
Echo Investment Hungary Ingatlanhasznosító KFT	27 164	WIBOR 3M + margin	31 December 2016
Echo - Projekt Management Ingatlanhasznosító KFT	276	WIBOR 3M + margin	31 December 2016
EI Projekt CYP - 1 LIMITED	49 639	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 4 - Grupa Echo Sp. z o. o. S.K.A.	1 500	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.	45 900	WIBOR 3M + margin	31 December 2016
other – unrelated parties	58	WIBOR 3M + margin	
Total:	194 097		

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. In connection with the political and economic situation in Ukraine, BS Monolit LLC revaluated a plot in Kiev, Dehtiarivska (investment property under construction) to PLN 10 million. Considering the ownership relations between the companies – Echo Investment holds interests in EI Projekt Cyp-1 Ltd, which holds interests in Evrobudgarant LLC, which in turn is a holder of interests in BS Monolit LLC, which owns the said property, an impairment loss was recognised in the amount of PLN 42,527 thousand for a borrowing to EI Projekt Cyp - 1 Limited.

NOTE 4A

INTERESTS AND SHARES (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) Investments in subsidiaries, jointly controlled entities and associates		
- in subsidiaries	464 154	865 957
- in jointly controlled entities	-	1 500
- in associates	13	13
	464 167	867 470
Total interests or shares	464 167	867 470

The company holds interests in the financial result of associates, equivalent to the overall number of votes at the general meeting. In connection with the political and economic situation in Ukraine, BS Monolit LLC revaluated a plot in Kiev, Dehtiarivska (investment property under construction) to PLN 10 million. Considering the ownership relations between the companies – Echo Investment holds interests in EI Projekt Cyp-1 Ltd, which holds interests in Evrobudgarant LLC, which in turn is a holder of interests in BS Monolit LLC, which owns the said property, an impairment loss was recognised in the amount of PLN 56,028 thousand for the interests of EI Projekt Cyp - 1 Limited.

NOTE 4B

MOVEMENT IN INTERESTS AND SHARES (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
a) balance at the beginning of the period, including:	867 470	925 441
- shares and interests	867 470	925 441
b) increases (due to)	28 502	944
- purchase of interests	13 663	151
- increase in capital	14 839	793
- reversal of write-down on assets	-	-
c) decreases (due to)	(431 805)	(58 915)
- sale of interests	(1 506)	(50)
- capital decrease	-	(2 837)
- write-down on assets	(430 299)	(56 028)
- settlement of advances on the purchase of interests	-	-
d) balance at the end of the period, including:	464 167	867 470
- shares and interests	464 167	867 470

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

- Dellia Investments Sp. z o. o., with a value of PLN 119 thousand,
- SPV 1-Grupa Echo Sp. z o.o.-S.K.A., with a value of PLN 3 thousand,
- Echo - Galeria Lublin Sp. z o.o., with a value of PLN 1 thousand,
- Echo - Pod Klonami Sp. z o.o., with a value of PLN 10 thousand,
- Vilea Investment Sp. z o.o., with a value of PLN 13 thousand,
- Verwood Investments Sp. z o.o., with a value of PLN 13 thousand.

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

- WAN 11 Sp. z o.o. with a value of PLN 1,500 thousand,
- Projekt Echo - 134 SP Sp. z o.o., with a value of PLN 5 thousand.

In 2015, the Company increased capital in the subsidiary:

- Projekt Echo -97 Sp. z o.o. o Sp. K., in the amount of PLN 50 thousand,
- Projekt Echo -98 Sp. z o.o. o Sp. K., in the amount of PLN 50 thousand,
- El Option S.A., in the amount of PLN 14,060 thousand,
- Projekt Echo - 108 Sp. z o.o., in the amount of PLN 200 thousand,
- Projekt Echo - 111 Sp. z o.o., in the amount of PLN 100 thousand,
- Projekt Echo - 112 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 113 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 114 SP. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 115 SP. z o.o., in the amount of PLN 30 thousand,
- Projekt Echo - 116 SP. z o.o., in the amount of PLN 30 thousand,
- Projekt Echo - 117 SP. z o.o., in the amount of PLN 30 thousand,
- Projekt Echo - 118 SP. z o.o., in the amount of PLN 25 thousand,
- Projekt Echo - 119 SP. z o.o., in the amount of PLN 25 thousand,
- Projekt Echo - 120 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 121 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 122 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 123 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 124 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 125 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 126 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 127 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 128 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 129 Sp. z o.o., in the amount of PLN 50 thousand,
- Projekt Echo - 130 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 131 Sp. z o.o., in the amount of PLN 5 thousand,

- Projekt Echo - 132 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 133 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 134 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 135 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 136 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 137 Sp. z o.o., in the amount of PLN 5 thousand,
- Projekt Echo - 132 Sp. K., in the amount of PLN 5 thousand,
- Projekt Echo - 133 Sp. K., in the amount of PLN 5 thousand,
- Projekt Echo - 134 Sp. K., in the amount of PLN 5 thousand,
- Projekt Echo - 135 Sp. K., in the amount of PLN 5 thousand,
- Projekt Echo - 136 Sp. K., in the amount of PLN 5 thousand,
- Projekt Echo - 137 Sp. K., in the amount of PLN 5 thousand.

Furthermore, in 2015 the Company contributed real properties in exchange for the interests of Projekt Echo - 133 Sp. z o.o. in the amount of PLN 36,321 thousand.

NOTE 4C

Pledges on interests and shares

A registered pledge was established on the shares of Projekt Echo Galeria Kielce - Magellan West Spółka z ograniczoną odpowiedzialnością S.K.A., as a collateral for the loan granted to the subsidiary Projekt Echo Galeria Kielce - Magellan West Spółka z ograniczoną odpowiedzialnością S.K.A. by HSBC Bank in the amount of EUR 495 million.

A registered pledge was established on the shares of Oxygen - Projekt Echo - 95 Spółka z ograniczoną odpowiedzialnością S.K.A., as a collateral for the loan granted to the subsidiary Oxygen - Projekt Echo - 95 Spółka z ograniczoną odpowiedzialnością S.K.A. by Nordea Bank Polska S.A. in the amount of EUR 26 million.

A registered pledge was established on the interests of Projekt Echo - 105 Spółka z ograniczoną odpowiedzialnością, as a collateral for the loan granted to the subsidiary Oxygen - Projekt Echo - 95 Spółka z ograniczoną odpowiedzialnością S.K.A. by Nordea Bank Polska S.A. in the amount of EUR 26 million.

A registered pledge was established on the interests of Echo - Oxygen Spółka z ograniczoną odpowiedzialnością, as a collateral for the loan granted to the subsidiary Oxygen - Projekt Echo - 95 Spółka z ograniczoną odpowiedzialnością S.K.A. by Nordea Bank Polska S.A. in the amount of EUR 26 million.

A registered pledge was established on the shares of Galeria Sudecka - Projekt Echo - 43 Spółka z ograniczoną odpowiedzialnością S.K.A., with a value of PLN 50 thousand, as a collateral for the loan granted to the subsidiary Galeria Sudecka - Projekt Echo - 43 Spółka z ograniczoną odpowiedzialnością S.K.A. by Bank Polska Kasa Opieki S.A. in the amount of EUR 71 million.

A registered pledge was established on the interests of Projekt Echo - 43 Sp. z o.o., with a value of PLN 51 thousand, as a collateral for the loan granted to the subsidiary Galeria Sudecka - Projekt Echo - 43 Spółka z ograniczoną odpowiedzialnością S.K.A. by Bank Polska Kasa Opieki S.A. in the amount of EUR 71 million.

A registered pledge was established on the shares of Galeria Sudecka - Projekt Echo - 43 Spółka z ograniczoną odpowiedzialnością S.K.A., with a value of PLN 50 thousand, as a collateral for the loan granted to the subsidiary Galeria Sudecka - Projekt Echo - 43 Spółka z ograniczoną odpowiedzialnością S.K.A. by Bank Polska Kasa Opieki S.A. in the amount of PLN 14 million.

A registered pledge was established on the interests of Projekt Echo - 43 Sp. z o.o., with a value of PLN 51 thousand, as a collateral for the loan granted to the subsidiary Galeria Sudecka - Projekt Echo - 43 Spółka z ograniczoną odpowiedzialnością S.K.A. by Bank Polska Kasa Opieki S.A. in the amount of PLN 14 million.

A registered pledge was established on the interests of Projekt Echo - 97 Spółka z ograniczoną odpowiedzialnością, with a value of PLN 76 thousand, as a collateral for the loan granted to the subsidiary Veneda - Projekt Echo 97 Spółka z ograniczoną odpowiedzialnością S.K.A. by Raiffeisen Bank Polska S.A. in the amount of EUR 22 million.

A registered pledge was established on the interests of Projekt Echo - 97 Spółka z ograniczoną odpowiedzialnością, with a value of PLN 76 thousand, as a collateral for the loan granted to the subsidiary Veneda - Projekt Echo 97 Spółka z ograniczoną odpowiedzialnością S.K.A. by Raiffeisen Bank Polska S.A. in the amount of PLN 8 million.

Pledges on interests and shares

A registered pledge was established on the interests of Veneda - Projekt Echo 97 Spółka z ograniczoną odpowiedzialnością S.K.A., with a value of PLN 1 thousand, as a collateral for the loan granted to the subsidiary Veneda - Projekt Echo 97 Spółka z ograniczoną odpowiedzialnością S.K.A. by Raiffeisen Bank Polska S.A. in the amount of EUR 22 million.

A registered pledge was established on the shares of Veneda - Projekt Echo 97 Spółka z ograniczoną odpowiedzialnością S.K.A., with a value of PLN 1 thousand, as a collateral for the loan granted to the subsidiary Veneda - Projekt Echo 97 Spółka z ograniczoną odpowiedzialnością S.K.A. by Raiffeisen Bank Polska S.A. in the amount of PLN 8 million.

A registered pledge was established on the shares of Projekt - 5 Grupa Echo Spółka z ograniczoną odpowiedzialnością S.K.A., with a value of PLN 1 thousand, as a collateral for the loan granted to the subsidiary Projekt - 5 Grupa Echo Spółka z ograniczoną odpowiedzialnością S.K.A. by Bank Polska Kasa Opieki S.A. in the amount of EUR 26 million.

A registered pledge was established on the interests of Projekt Echo - 98 Spółka z ograniczoną odpowiedzialnością, with a value of PLN 76 thousand, as a collateral for the loan granted to the subsidiary Galeria Olimpia - Projekt Echo - 98 Spółka z ograniczoną odpowiedzialnością S.K.A. by Nordea Bank Polska S.A. in the amount of EUR 36 million.

A registered pledge was established on the interests of Projekt Echo - 98 Spółka z ograniczoną odpowiedzialnością, with a value of PLN 76 thousand, as a collateral for the loan granted to the subsidiary Galeria Olimpia - Projekt Echo - 98 Spółka z ograniczoną odpowiedzialnością S.K.A. by Nordea Bank Polska S.A. in the amount of PLN 10 million.

A registered pledge was established on the shares of Galeria Olimpia - Projekt Echo - 98 Spółka z ograniczoną odpowiedzialnością S.K.A., with a value of PLN 1 thousand, as a collateral for the loan granted to the subsidiary Galeria Olimpia - Projekt Echo - 98 Spółka z ograniczoną odpowiedzialnością S.K.A. by Nordea Bank Polska S.A. in the amount of EUR 36 million.

A registered pledge was established on the shares of Galeria Olimpia - Projekt Echo - 98 Spółka z ograniczoną odpowiedzialnością S.K.A., with a value of PLN 1 thousand, as a collateral for the loan granted to the subsidiary Galeria Olimpia - Projekt Echo - 98 Spółka z ograniczoną odpowiedzialnością S.K.A. by Nordea Bank Polska S.A. in the amount of PLN 10 million.

A registered pledge was established on the interests of Echo Galeria - Amber Spółka z ograniczoną odpowiedzialnością, with a value of PLN 101 thousand, as a collateral for the loan granted to the subsidiary Echo Galeria - Amber Spółka z ograniczoną odpowiedzialnością S.K.A. by Bank Polska Kasa Opieki S.A. in the amount of EUR 94 million.

A registered pledge was established on the interests of Echo Galeria - Amber Spółka z ograniczoną odpowiedzialnością, with a value of PLN 101 thousand, as a collateral for the loan granted to the subsidiary Echo Galeria - Amber Spółka z ograniczoną odpowiedzialnością S.K.A. by Bank Polska Kasa Opieki S.A. in the amount of PLN 14 million.

A registered pledge was established on the shares of Echo Galeria - Amber Spółka z ograniczoną odpowiedzialnością S.K.A., with a value of PLN 51 thousand, as a collateral for the loan granted to the subsidiary Echo Galeria - Amber Spółka z ograniczoną odpowiedzialnością S.K.A. by Bank Polska Kasa Opieki S.A. in the amount of EUR 94 million.

A registered pledge was established on the shares of Echo Galeria - Amber Spółka z ograniczoną odpowiedzialnością S.K.A., with a value of PLN 51 thousand, as a collateral for the loan granted to the subsidiary Echo Galeria - Amber Spółka z ograniczoną odpowiedzialnością S.K.A. by Bank Polska Kasa Opieki S.A. in the amount of PLN 14 million.

A registered pledge was established on the shares of Projekt Echo Pasaż Grunwaldzki - Magellan West Sp. z o.o. S.K.A., as a collateral for the loan granted to the subsidiary Projekt Echo Pasaż Grunwaldzki - Magellan West Sp. z o.o. S.K.A. by Hypothekbank Frankfurt AG in the amount of EUR 158 million.

A registered pledge was established on the interests of Echo -Park Rozwoju Spółka z ograniczoną odpowiedzialnością, with a value of PLN 97 thousand, as a collateral for the loan granted to the subsidiary Park Rozwoju - Grupa Echo Spółka z ograniczoną odpowiedzialnością S.K.A. by Bank Zachodni WBK S.A. in the amount of EUR 38 million.

A registered pledge was established on the shares of Park Rozwoju - Grupa Echo Spółka z ograniczoną odpowiedzialnością S.K.A., with a value of PLN 1 thousand, as a collateral for the loan granted to the subsidiary Park Rozwoju - Grupa Echo Spółka z ograniczoną odpowiedzialnością S.K.A. by Bank Zachodni WBK S.A. in the amount of EUR 38 million.

Pledges on interests and shares

A registered pledge was established on the shares of Galaxy - Projekt Echo 106 Spółka z ograniczoną odpowiedzialnością S.K.A., as a collateral for the loan granted to the subsidiary Galaxy - Projekt Echo 106 Spółka z ograniczoną odpowiedzialnością S.K.A. by Hypothekenbank Frankfurt AG in the amount of EUR 164 million.

A registered pledge was established on the interests of Projekt Echo - 106 Spółka z ograniczoną odpowiedzialnością, as a collateral for the loan granted to the subsidiary Projekt Echo - 106 Spółka z ograniczoną odpowiedzialnością by Hypothekenbank Frankfurt AG in the amount of EUR 164 million.

A registered pledge was established on the interests of Farrina Investment Sp. z o.o., with a value of PLN 60 thousand, as a collateral for the loan granted to the subsidiary Farrina Investment Sp. z o.o. by Westdeutsche Immobilien Bank in the amount of EUR 56 million.

A registered pledge was established on the interests of Projekt Echo - 105 Sp. z o.o., with a value of PLN 51 thousand, as a collateral for the loan granted to the subsidiary Projekt Echo - 105 Sp. z o.o. by Nordea Bank Polska S.A. in the amount of EUR 20 million.

A registered pledge was established on the shares of Astra Park - Projekt Echo 69 Spółka z ograniczoną odpowiedzialnością S.K.A., with a value of PLN 74 thousand, as a collateral for the loan granted to the subsidiary Astra Park - Projekt Echo 69 Spółka z ograniczoną odpowiedzialnością S.K.A. by Europäische Hypothekenbank Der Deutschen Bank in the amount of EUR 36 million.

A registered pledge was established on the interests of Projekt Echo 69 Spółka z ograniczoną odpowiedzialnością, with a value of PLN 115 thousand, as a collateral for the loan granted to the subsidiary Astra Park - Projekt Echo 69 Spółka z ograniczoną odpowiedzialnością S.K.A. by Europäische Hypothekenbank Der Deutschen Bank in the amount of EUR 36 million.

A registered pledge was established on the interests of Wan - 11 Sp. z o.o., with a value of PLN 1,500 thousand, as a collateral for the loan granted to the subsidiary Wan - 11 Sp. z o.o. by Eurohypo Aktiengesellschaft Europäische Hypothekenbank Der Deutschen Bank in the amount of EUR 48 million.

A registered pledge was established on the interests of A4 Business Park - Iris Capital Spółka z ograniczoną odpowiedzialnością S.K.A., with a value of PLN 51 thousand, as a collateral for the loan granted to the subsidiary A4 Business Park - Iris Capital Spółka z ograniczoną odpowiedzialnością S.K.A. by BNP Paribas S.A. in the amount of EUR 44 million.

A registered pledge was established on the interests of Iris Capital Spółka z ograniczoną odpowiedzialnością, with a value of PLN 122 thousand, as a collateral for the loan granted to the subsidiary A4 Business Park - Iris Capital Spółka z ograniczoną odpowiedzialnością S.K.A. by BNP Paribas S.A. in the amount of EUR 44 million.

A registered pledge was established on the interests of Projekt Echo - 70 Spółka z ograniczoną odpowiedzialnością, with a value of PLN 5,047 thousand, as a collateral for the loan granted to the subsidiary Projekt Echo - 70 Spółka z ograniczoną odpowiedzialnością by Bank Zachodni WBK S.A. in the amount of EUR 286 million.

A registered pledge was established on the shares of Echo - Opolska Business Park Spółka z ograniczoną odpowiedzialnością S.K.A., as a collateral for the loan granted to the subsidiary Echo - Opolska Business Park Spółka z ograniczoną odpowiedzialnością S.K.A. by HSBC Bank in the amount of EUR 495 million.

A registered pledge was established on the interests of Echo - Opolska Business Park Spółka z ograniczoną odpowiedzialnością, as a collateral for the loan granted to the subsidiary Echo - Opolska Business Park Spółka z ograniczoną odpowiedzialnością S.K.A. by HSBC Bank in the amount of EUR 495 million.

A registered pledge was established on the interests of Projekt Echo - 102 Spółka z ograniczoną odpowiedzialnością, as a collateral for the loan granted to the subsidiary Projekt Echo - 102 Spółka z ograniczoną odpowiedzialnością by HSBC Bank S.A. in the amount of EUR 495 million.

A registered pledge was established on the interests of Echo - West Gate Spółka z ograniczoną odpowiedzialnością, with a value of PLN 290 thousand, as a collateral for the loan granted to the subsidiary Echo - West Gate Spółka z ograniczoną odpowiedzialnością S.K.A. by BNP Paribas S.A. in the amount of EUR 38 million.

A registered pledge was established on the shares of Echo - West Gate Spółka z ograniczoną odpowiedzialnością S.K.A., as a collateral for the loan granted to the subsidiary Echo - West Gate Spółka z ograniczoną odpowiedzialnością S.K.A. by BNP Paribas S.A. in the amount of EUR 38 million.

NOTE 4D

INTERESTS OR SHARES IN SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES AS OF 31 DECEMBER 2015

NO	COMPANY NAME AND LEGAL FORM	REGISTERED OFFICE	BUSINESS ACTIVITY	VALUE OF SHARES/IN TERESTS ACCORDI NG TO THE PURCHASE PRICE	REVALUATION ADJUSTMENTS – OPENING BALANCE	REVALUATION ADJUSTMENTS – MOVEMENT	REVALUATION ADJUSTMENTS – CLOSING BALANCE	CARRYING VALUE OF INTERESTS/S HARES	% SHARE CAPITAL HELD	SHARE IN TOTAL NUMBER OF VOTES AT THE GENERAL MEETING	ANOTHER BASIS FOR CONTROL
SHARES/INTERESTS IN SUBSIDIARIES											
1	PHS - Projekt CS Sp. z o. o. S.K.A.	Szczecin	property lease and management	-	-		-	-	0.0040%	0.0040%	None
2	Projekt Echo - 93 Sp. z o.o.	Kielce	property lease and management	51	-		-	51	99.00%	99.00%	None
3	Echo - Aurus Sp. z o.o.	Kielce	property lease and management	199 440	-		-	199 440	99.9925%	99.9925%	None
4	Princess Investment Sp. zo.o.	Kielce	construction works involving erection of buildings	5 063	(2 663)		(2 663)	2 400	99.9875%	99.9875%	None
5	Bełchatów - Grupa Echo Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.0059%	0.0059%	None
6	PPR - Projekt Echo - 77 Sp. z o. o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0002%	0.0002%	None
7	Echo - SPV 7 Sp. z o. o.	Kielce	property lease and management	188 601	-		-	188 601	99.9989%	99.9989%	None
8	Echo - Centrum Przemysł - Projekt Echo - 118 Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0013%	0.0013%	None
9	Grupa Echo Sp. z o.o.	Kielce	business consulting and management	52	-		-	52	100.00%	100.00%	None
10	Veneda - Projekt Echo - 97 Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.0074%	0.0074%	None
11	Kielce - Projekt Echo 129 Sp. z o.o. S.K.A.	Kielce	property lease and management	16	-		-	16	0.0219%	0.0219%	None
12	Echo Investment ACC - Grupa Echo Sp. z o.o. Sp.K.	Kielce	accounting and book keeping activity	52	-		-	52	99.00%	99.00%	None
13	Babka Tower - Projekt Echo - 93 Sp. z o. o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.0083%	0.0083%	None

NO	COMPANY NAME AND LEGAL FORM	REGISTERED OFFICE	BUSINESS ACTIVITY	VALUE OF SHARES/IN TERESTS ACCORDI NG TO THE PURCHASE PRICE	REVALUATION ADJUSTMENTS – OPENING BALANCE	REVALUATION ADJUSTMENTS – MOVEMENT	REVALUATION ADJUSTMENTS – CLOSING BALANCE	CARRYING VALUE OF INTERESTS/S HARES	% SHARE CAPITAL HELD	SHARE IN TOTAL NUMBER OF VOTES AT THE GENERAL MEETING	ANOTHER BASIS FOR CONTROL
14	Malta Office Park - Projekt Echo - 96 Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.0067%	0.0067%	None
15	A4 Business Park - Iris Capital Sp. z o.o. S.K.A.	Kielce	property development involving erection of buildings	51	-		-	51	2.20%	2.20%	None
16	Echo - Arena Sp. z o.o.	Kielce	property development involving erection of buildings	1 008	-		-	1 008	99.95%	99.95%	None
17	Echo - Galaxy Sp. z o.o.	Kielce	property development involving erection of buildings	51	-		-	51	99.00%	99.00%	None
18	Echo - Opolska Biznes Park Sp. z o.o.	Kielce	property lease and management	52	-		-	52	100.00%	100.00%	None
19	Echo – Galeria Amber Sp. z o.o. - S.K.A.	Kielce	property lease and management	51	(49)		(49)	2	0.8250%	0.8250%	None
20	Zakład Ogrodniczy Naramowice - Pamiątkowo Sp. z o. o. S.K.A.	Pamiątkowo	crop growing and animal production	24	-		-	24	0.0521%	0.0521%	None
21	Echo Investment Property Management-Grupa Echo Sp. z o. o. Sp. K.	Kielce	property management	51	-		-	51	99.00%	99.00%	None
22	Projekt Saska Sp. z o.o.	Kielce	property trade agency	20 420	(20 419)		(20 419)	1	95.00%	95.00%	None
23	Echo -Kasztanowa Aleja Sp. z o.o.	Kielce	property lease and management	51	(15)		(15)	36	99.00%	99.00%	None
24	Echo - Klimt House Sp. zo.o.	Kielce	property lease and management	51	(15)		(15)	36	99.00%	99.00%	None
25	Projekt Echo -43 Sp. zo.o.	Kielce	property lease and management	51	(10)		(10)	41	99.00%	99.00%	None
26	Echo - Browary Warszawskie Sp. z o.o.	Kielce	property lease and management	51	(14)		(14)	37	99.00%	99.00%	None
27	Echo Investment Hungary Ingatlanhasznosító KFT	Budapest	property lease and management	89 130	(40 093)	(40 114)	(80 207)	8 923	100.00%	100.00%	None

NO	COMPANY NAME AND LEGAL FORM	REGISTERED OFFICE	BUSINESS ACTIVITY	VALUE OF SHARES/IN TERESTS ACCORDI NG TO THE PURCHASE PRICE	REVALUATION ADJUSTMENTS – OPENING BALANCE	REVALUATION ADJUSTMENTS – MOVEMENT	REVALUATION ADJUSTMENTS – CLOSING BALANCE	CARRYING VALUE OF INTERESTS/S HARES	% SHARE CAPITAL HELD	SHARE IN TOTAL NUMBER OF VOTES AT THE GENERAL MEETING	ANOTHER BASIS FOR CONTROL
28	Echo -Kasztanowa Aleja Sp. z o.o. Sp.K.	Kielce	property lease and management	15 901	-		-	15 901	99.90%	99.90%	None
29	Echo - Klimt House Sp. z o.o. Sp.K.	Kielce	property lease and management	501	-		-	501	99.90%	99.90%	None
30	Echo - Browary Warszawskie Sp. z o.o. Sp.K.	Kielce	property lease and management	20 002	-		-	20 002	99.9995%	99.9995%	None
31	Echo Projekt Management Ingatlanhasznosito KFT	Budapest	property management	2 126	(1 035)	(1 091)	(2 126)	-	100.00%	100.00%	None
32	Echo - Opolska Business Park Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0009%	0.0009%	None
33	53 - Grupa Echo Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0504%	0.0504%	None
34	Galeria Olimpia - Projekt Echo - 98 Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.0031%	0.0031%	None
35	Galeria Sudecka - Projekt Echo - 43 Sp. z o.o. S.K.A.	Kielce	property lease and management	50	-		-	50	0.0673%	0.0673%	None
36	Projekt Beethovena - Grupa Echo - 122 Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.0022%	0.0022%	None
37	Echo - Galaxy Sp. z o.o. S.K.A.	Kielce	property lease and management	50	-		-	50	0.0128%	0.0128%	None
38	Galeria Tarnów - Grupa Echo Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0651%	0.0651%	None
39	Duże Naramowice - Projekt Echo - 111 Sp. z o.o. S.K.A.	Kielce	property lease and management	17	-		-	17	0.0127%	0.0127%	None
40	AVATAR - Projekt Echo - 119 Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0004%	0.0004%	None
41	Projekt Naramowice - Grupa Echo Sp. z o.o. S.K.A.	Kielce	construction works involving erection of buildings	20	-		-	20	0.0319%	0.0319%	None
42	Oxygen - Projekt Echo – 95 Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0005%	0.0005%	None

NO	COMPANY NAME AND LEGAL FORM	REGISTERED OFFICE	BUSINESS ACTIVITY	VALUE OF SHARES/IN TERESTS ACCORDI NG TO THE PURCHASE PRICE	REVALUATION ADJUSTMENTS – OPENING BALANCE	REVALUATION ADJUSTMENTS – MOVEMENT	REVALUATION ADJUSTMENTS – CLOSING BALANCE	CARRYING VALUE OF INTERESTS/S HARES	% SHARE CAPITAL HELD	SHARE IN TOTAL NUMBER OF VOTES AT THE GENERAL MEETING	ANOTHER BASIS FOR CONTROL
43	Park Postępu - Projekt Echo - 130 Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0001%	0.0001%	None
44	Echo - Nowy Mokotów Sp. z o.o.	Kielce	property lease and management	94	-		-	94	99.90%	99.90%	None
45	Projekt Echo -69 Sp. zo.o.	Kielce	other monetary intermediation	115	-		-	115	99.99%	99.99%	None
46	Projekt Echo -70 Sp. zo.o.	Kielce	property lease and management	5 047	(7)		(7)	5 040	99.90%	99.90%	None
47	Projekt Echo -77 Sp. zo.o.	Kielce	property lease and management	50	(14)		(14)	36	99.90%	99.90%	None
48	Metropolis - Grupa Echo 121 Sp. z o. o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.000050%	0.000050%	None
49	Echo Investment Ukraina LLC	Kiev	property management	666	(319)	(291)	(610)	56	100.00%	100.00%	None
50	Galeria Nova - Grupa Echo Sp. z o.o. S.K.A	Kielce	implementation of building projects	16	-		-	16	100.00%	100.00%	None
51	Echo Investment Projekt Management SRL	Brasov	property management	4 986	(3 478)	(436)	(3 914)	1 072	99.9998%	99.9998%	None
52	El Projekt Cyp - 1 Limited	Nicosia	activity of head offices and holding companies	56 028	(56 028)		(56 028)	-	99.99%	99.99%	None
53	Barconsel Holdings Limited	Nicosia	activity of head offices and holding companies	374 332	-	(374 306)	(374 306)	26	25.3996%	25.3996%	None
54	Projekt Echo - 95 Sp. z o. o.	Kielce	buying and selling real property on own account	26	-		-	26	99.80%	99.80%	None
55	Projekt Echo - 96 Sp. z o. o.	Kielce	buying and selling real property on own account	26	-		-	26	99.80%	99.80%	None
56	Projekt Echo - 97 Sp. z o. o.	Kielce	buying and selling real property on own account	75	-		-	75	99.80%	99.80%	None
57	Projekt Echo - 98 Sp. z o. o.	Kielce	buying and selling real property on own account	75	-		-	75	99.80%	99.80%	None
58	Projekt Echo - 99 Sp. z o. o.	Kielce	buying and selling real property on own account	97	-		-	97	99.80%	99.80%	None

NO	COMPANY NAME AND LEGAL FORM	REGISTERED OFFICE	BUSINESS ACTIVITY	VALUE OF SHARES/IN TERESTS ACCORDI NG TO THE PURCHASE PRICE	REVALUATION ADJUSTMENTS – OPENING BALANCE	REVALUATION ADJUSTMENTS – MOVEMENT	REVALUATION ADJUSTMENTS – CLOSING BALANCE	CARRYING VALUE OF INTERESTS/S HARES	% SHARE CAPITAL HELD	SHARE IN TOTAL NUMBER OF VOTES AT THE GENERAL MEETING	ANOTHER BASIS FOR CONTROL
59	Echo - Pod Klonami Sp. zo.o.	Kielce	buying and selling real property on own account	11				11	99.90%	99.90%	None
60	Projekt 1 - Grupa Echo Sp. z o. o. S.K.A.	Kielce	property lease and management	2	-		-	2	0.000042%	0.000042%	None
61	Vousoka Polska Sp. z o. o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0040%	0.0040%	None
62	Echo – Pod Klonami Sp. z o. o. Sp.K.	Kielce	buying and selling real property on own account	10	-		-	10	99.00%	99.00%	None
63	Echo Investment Facility Management-Grupa Echo Sp. z o. o. Sp.K.	Kielce	property lease and management	11	-		-	11	99.00%	99.00%	None
64	Vousoka Polska Sp. z o. o.	Kielce	other monetary intermediation	29	-		-	29	99.00%	99.00%	None
65	Projekt CS Sp. z o.o.	Kielce	other monetary intermediation	122	-		-	122	99.00%	99.00%	None
66	Pamiątkowo Sp. z o.o.	Kielce	other monetary intermediation	83	-		-	83	99.00%	99.00%	None
67	Echo - West Gate Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.00%	0.00%	None
68	Projekt 4 - Grupa Echo - 116 Sp. z o.o. S.K.A.	Kielce	property lease and management	11	-		-	11	100.00%	100.00%	None
69	Projekt 5 - Grupa Echo Sp. z o.o. S.K.A.	Szczecin	property lease and management	1	-		-	1	0.00%	0.00%	None
70	Echo – Babka Tower Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.0040%	0.0040%	None
71	Echo - Park Rozwoju Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.0002%	0.0002%	None
72	Echo - Galeria Lublin Sp. z o. o.	Kielce	property lease and management	1 006	-		-	1 006	99.90%	99.90%	None
73	Echo - Nowy Mokotów Sp. z o. o. Sp. K.	Kielce	buying and selling real property on own account	1 251	-		-	1 251	99.00%	99.00%	None
74	ASTRA PARK - Projekt Echo 69 Sp. z o. o. S.K.A.	Kielce	property lease and management	74	-		-	74	0.1083%	0.1083%	None

NO	COMPANY NAME AND LEGAL FORM	REGISTERED OFFICE	BUSINESS ACTIVITY	VALUE OF SHARES/IN TERESTS ACCORDI NG TO THE PURCHASE PRICE	REVALUATION ADJUSTMENTS – OPENING BALANCE	REVALUATION ADJUSTMENTS – MOVEMENT	REVALUATION ADJUSTMENTS – CLOSING BALANCE	CARRYING VALUE OF INTERESTS/S HARES	% SHARE CAPITAL HELD	SHARE IN TOTAL NUMBER OF VOTES AT THE GENERAL MEETING	ANOTHER BASIS FOR CONTROL
75	Mena Investments Sp. z o.o.	Kielce	other business and management consulting services	105	-		-	105	99.00%	99.00%	None
76	Echo – Galeria Amber Sp. z o. o.	Kielce	other business and management consulting services	101	-		-	101	99.00%	99.00%	None
77	Vasco Investment Sp. z o. o.	Kielce	other business and management consulting services	90	-		-	90	99.00%	99.00%	None
78	Projekt Echo Pasaż Grunwaldzki - Magellan West Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0040%	0.0040%	None
79	Projekt Echo Galeria Kielce - Magellan West Sp. z o.o. - S.K.A.	Kielce	property lease and management	-	-		-	-	0.0040%	0.0040%	None
80	Galaxy - Projekt Echo - 106 Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0040%	0.0040%	None
81	Echo Innovations - Projekt Echo - 99 Sp. z o. o. Sp.K.	Kielce	buying and selling real property on own account	52	-		-	52	99.80%	99.80%	None
82	Echo -West Gate Sp. z o. o.	Kielce	other business and management consulting services	290	-		-	290	100.00%	100.00%	None
83	Iris Capital Sp. z o. o.	Kielce	other business and management consulting services	122	-		-	122	100.00%	100.00%	None
84	Projekt Echo - 101 Sp. z o. o.	Kielce	property lease and management	800	-		-	800	99.99%	99.99%	None
85	Projekt Echo - 102 Sp. z o. o.	Kielce	property lease and management	50	-		-	50	99.90%	99.90%	None
86	Projekt Echo - 103 Sp. z o. o.	Szczecin	property lease and management	50	-		-	50	99.90%	99.90%	None
87	Projekt Echo - 104 Sp. z o. o.	Kielce	property lease and management	50	-		-	50	99.90%	99.90%	None
88	Projekt Echo - 105 Sp. z o. o.	Kielce	property lease and management	51	-		-	51	99.90%	99.90%	None
89	Projekt Echo - 106 Sp. z o. o.	Kielce	property lease and management	50	-		-	50	99.90%	99.90%	None

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90	Projekt Echo - 107 Sp. z o. o.	Kielce	property lease and management	50	-		-	50	99.90%	99.90%	None
91	Projekt Echo - 108 Sp. z o. o.	Kielce	property lease and management	250	-		-	250	99.98%	99.98%	None
92	Projekt Echo - 109 Sp. z o. o.	Kielce	property lease and management	50	-		-	50	99.90%	99.90%	None
93	Echo - Babka Tower Sp. z o. o.	Kielce	property lease and management	51	-		-	51	100.00%	100.00%	None
94	Echo - Property Poznan 1 Sp. z o. o.	Kielce	other business and management consulting services	197	-		-	197	99.00%	99.00%	None
95	Echo - Park Rozwoju Sp. zo.o.	Kielce	other business and management consulting services	97	-		-	97	100.00%	100.00%	None
96	Farina Investments Sp. zo.o.	Kielce	buying and selling real property on own account	61	-		-	61	99.90%	99.90%	None
97	Elmira Investments Sp. z o.o.	Kielce	other business and management consulting services	60	-		-	60	99.90%	99.90%	None
98	Projekt K-6 - Grupa Echo Sp. z o.o. S.K.A.	Kielce	other business and management consulting services	61	-		-	61	99.9980%	99.9980%	None
99	Projekt 11 - Projekt Echo – 131 Sp. z o.o - S.K.A.	Kielce	property lease and management	-	-		-	-	0.0040%	0.0040%	None
100	Projekt 12 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property lease and management	-	-		-	-	0.0040%	0.0040%	None
101	Projekt 13 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property lease and management	-	-		-	-	0.0040%	0.0040%	None
102	Projekt 14 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	other financial agency services	-	-		-	-	0.0040%	0.0040%	None
103	Projekt – Pamiątkowo Sp. zo.o.	Kielce	buying and selling real property on own account	51	-		-	51	100.00%	100.00%	None
104	Projekt 15 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
105	Projekt 16 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None

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106	Projekt 17 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
107	Projekt 18 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
108	Projekt 19 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
109	Projekt 20 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
110	Projekt 21 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
111	Projekt 22 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
112	Dellia Investment S.A.	Kielce	other business and management consulting services	119				119	100.00%	100.00%	None
113	Pure Systems Sp. z o.o.	Krakow	other financial services, except insurance and retirement funds	1				1	99.90%	99.90%	None
114	Magellan West Sp. z o. o.	Kielce	property lease and management	50	-		-	50	99.90%	99.90%	None
115	Galeria Katowice - Projekt Echo 120 Sp. z o.o. S.K.A.	Kielce	property lease and management	3	-		-	3	1.00%	1.00%	None
116	Projekt Echo - 111 Sp. z o. o.	Kielce	property lease and management	101	-		-	101	99.95%	99.95%	None
117	Projekt Echo – 112 Sp. z o. o.	Pamiątkowo	property lease and management	5	-		-	5	100.00%	100.00%	None
118	Projekt Echo - 113 Sp. z o. o.	Pamiątkowo	property lease and management	5	-		-	5	100.00%	100.00%	None
119	Projekt Echo - 114 Sp. z o. o.	Pamiątkowo	property lease and management	5	-		-	5	100.00%	100.00%	None
120	Projekt Echo - 115 Sp. z o. o.	Kielce	property lease and management	31	-		-	31	99.83%	99.83%	None

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121	Projekt Echo - 116 Sp. z o. o.	Kielce	property lease and management	31	-		-	31	99.83%	99.83%	None
122	Projekt Echo - 117 Sp. z o. o.	Kielce	property lease and management	31	-		-	31	99.83%	99.83%	None
123	Projekt Echo - 118 Sp. z o. o.	Kielce	property lease and management	26	-		-	26	99.80%	99.80%	None
124	Projekt Echo - 119 Sp. z o. o.	Kielce	property lease and management	26	-		-	26	99.80%	99.80%	None
125	Projekt Echo - 120 Sp. z o. o.	Pamiątkowo	property lease and management	6	-		-	6	100.00%	100.00%	None
126	Projekt Echo - 121 Sp. z o. o.	Pamiątkowo	property lease and management	6	-		-	6	100.00%	100.00%	None
127	Projekt Echo - 122 Sp. z o. o.	Pamiątkowo	property lease and management	6	-		-	6	100.00%	100.00%	None
128	Projekt Echo - 123 Sp. z o. o.	Pamiątkowo	property lease and management	5	-		-	5	100.00%	100.00%	None
129	Projekt Echo - 124 Sp. z o. o.	Pamiątkowo	property lease and management	5	-		-	5	100.00%	100.00%	None
130	Projekt Echo - 125 Sp. z o. o.	Pamiątkowo	property lease and management	5	-		-	5	100.00%	100.00%	None
131	Projekt Echo - 126 Sp. z o. o.	Pamiątkowo	property lease and management	6	-		-	6	100.00%	100.00%	None
132	Projekt Echo - 127 Sp. z o. o.	Pamiątkowo	property lease and management	6	-		-	6	100.00%	100.00%	None
133	Projekt Echo - 128 Sp. z o. o.	Pamiątkowo	property lease and management	6	-		-	6	100.00%	100.00%	None
134	Projekt Echo - 129 Sp. z o. o.	Kielce	property lease and management	51	-		-	51	99.90%	99.90%	None
135	Projekt Echo - 130 Sp. z o. o.	Pamiątkowo	property lease and management	5	-		-	5	100.00%	100.00%	None
136	Projekt Echo - 131 Sp. z o. o.	Pamiątkowo	property lease and management	6	-		-	6	100.00%	100.00%	None

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137	Projekt Echo - 132 Sp. z o. o.	Pamiątkowo	property lease and management	5	-		-	5	100.00%	100.00%	None
138	Projekt Echo - 133 Sp. z o. o.	Pamiątkowo	property lease and management	13 545	-		-	13 545	100.00%	100.00%	None
139	Projekt Echo - 134 Sp. z o. o.	Pamiątkowo	property lease and management	6	-		-	6	1.00%	1.00%	None
140	Projekt Echo - 135 Sp. z o. o.	Pamiątkowo	property lease and management	5	-		-	5	100.00%	100.00%	None
141	Projekt Echo - 136 Sp. z o. o.	Pamiątkowo	property lease and management	6	-		-	6	100.00%	100.00%	None
142	Projekt Echo - 137 Sp. z o. o.	Pamiątkowo	property lease and management	6	-		-	6	100.00%	100.00%	None
143	El Option S.A.	Krakow	property lease and management	14 060	-	(14 060)	(14 060)	-	100.00%	100.00%	None
144	Projekt Echo - 132 Sp. z o. o. Sp. K.	Kielce	property lease and management	6	-		-	6	99.00%	99.00%	None
145	Projekt Echo - 133 Sp. z o. o. Sp. K.	Kielce	property lease and management	6	-		-	6	99.00%	99.00%	None
146	Projekt Echo - 134 Sp. z o. o. Sp. K.	Kielce	property lease and management	-	-		-	-	99.00%	99.00%	None
147	Projekt Echo - 135 Sp. z o. o. Sp. K.	Kielce	property lease and management	6	-		-	6	99.00%	99.00%	None
148	Projekt Echo - 136 Sp. z o. o. Sp. K.	Kielce	property lease and management	5	-		-	5	99.00%	99.00%	None
149	Projekt Echo - 137 Sp. z o. o. Sp. K.	Kielce	property lease and management	6	-		-	6	99.00%	99.00%	None
150	Villea Investments Sp. z o. o.	Warsaw	other business and management consulting services	13				13	100.00%	100.00%	None
151	Verwood Investments Sp. z o. o.	Warsaw	other business and management consulting services	13	-		-	13	100.00%	100.00%	None
				1 018 611	(124 159)	(430 298)	(554 457)	464 154			

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SHARES/INTERESTS IN ASSOCIATES											
1	EBR Global Services Sp. z o. o.	Kielce	accounting and book keeping activity	13	-	-	-	13	25.00%	25.00%	None
2	SPC S.A	Warsaw	management of other entities	34	(34)	-	(34)	-	34.00%	34.00%	None
				47	(34)	-	(34)	13			
TOTAL SHARES/INTERESTS IN SUBORDINATES				1 018 658	(124 193)	(430 298)	(554 491)	464 167			

In the table, the Company has presented the write-down recognised during the financial year on the Company's interests and shares in subsidiaries, jointly controlled entities and associates.

Where no write-downs have been recognised, the Company believes that, as of the balance sheet date, there were no indications that the write-down had to be adjusted.

The change in the value of revaluation adjustments of interests was disclosed in the result, as of 31 December 2015, under revaluation of investments, in financial revenue/expenses.

Expenses include a recognised impairment loss in the amount of PLN 430,298 thousand.

The Company exercises 100% control over the mentioned subsidiaries through a direct capital share or through interests/shares held by other subsidiaries of the Company, except for EBR Global Services" Sp. z o. o. and Projekt Saska Sp. z o.o.

INTERESTS OR SHARES IN SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES AS OF 31 DECEMBER 2014

NO	COMPANY NAME AND LEGAL FORM	REGISTERED OFFICE	BUSINESS ACTIVITY	VALUE OF SHARES/IN TERESTS ACCORDI NG TO THE PURCHASE PRICE	REVALUATION ADJUSTMENTS – OPENING BALANCE	REVALUATION ADJUSTMENTS – MOVEMENT	REVALUATION ADJUSTMENTS – CLOSING BALANCE	CARRYING VALUE OF INTERESTS/S HARES	% SHARE CAPITAL HELD	SHARE IN TOTAL NUMBER OF VOTES AT THE GENERAL MEETING	ANOTHER BASIS FOR CONTROL
shares/interests in subsidiaries											
1	PHS - Projekt CS Sp. z o. o. S.K.A.	Szczecin	property lease and management	-	-	-	-	-	0.0040%	0.0040%	None
2	Projekt Echo - 93 Sp. z o.o.	Kielce	property lease and management	51	-	-	-	51	99.00%	99.00%	None
3	Echo - Aurus Sp. z o.o.	Kielce	property lease and management	199 440	-	-	-	199 440	99.9925%	99.9925%	None
4	Princess Investment Sp. z o.o.	Kielce	construction works involving erection of buildings	5 063	(2 663)	-	(2 663)	2 400	99.9875%	99.9875%	None
5	Bełchatów - Grupa Echo Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-	-	-	1	0.0059%	0.0059%	None
6	PPR - Projekt Echo - 77 Sp. z o. o. S.K.A.	Kielce	property lease and management	-	-	-	-	-	0.0002%	0.0002%	None
7	Echo - SPV 7 Sp. z o. o.	Kielce	property lease and management	188 601	-	-	-	188 601	99.9989%	99.9989%	None
8	Echo - Centrum Przemysł - Projekt Echo 93 Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-	-	-	-	0.0013%	0.0013%	None
9	Grupa Echo Sp. z o.o.	Kielce	business consulting and management	52	-	-	-	52	100.00%	100.00%	None
10	Veneda - Projekt Echo - 97 Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-	-	-	1	0.0074%	0.0074%	None
11	Echo Galeria Kielce - Magellan West Sp. z o.o. S.K.A.	Kielce	property lease and management	16	-	-	-	16	0.0219%	0.0219%	None
12	Echo Investment ACC - Grupa Echo Sp. z o.o. Sp.K.	Kielce	accounting and book keeping activity	52	-	-	-	52	99.00%	99.00%	None
13	Babka Tower - Projekt Echo - 93 Sp. z o. o. S.K.A.	Kielce	property lease and management	1	-	-	-	1	0.0083%	0.0083%	None

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14	Malta Office Park -Projekt Echo - 96 Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.0067%	0.0067%	None
15	A4 Business Park - Iris Capital Sp. z o.o. S.K.A.	Kielce	implementation of building projects	51	-		-	51	2.20%	2.20%	None
16	Echo - Arena Sp. z o.o.	Kielce	implementation of building projects	1 008	-		-	1 008	99.95%	99.95%	None
17	Echo - Galaxy Sp. z o.o.	Kielce	implementation of building projects	51	-		-	51	99.00%	99.00%	None
18	Echo - Opolska Biznes Park Sp. z o.o.	Kielce	property lease and management	52	-		-	52	100.00%	100.00%	None
19	Echo -Galeria Amber Sp. z o.o. - S.K.A.	Kielce	property lease and management	51	(49)		(49)	2	0.8250%	0.8250%	None
20	Zakład Ogrodniczy Naramowice - Pamiątkowo Sp. z o. o. S.K.A.	Pamiątkowo	crop growing and animal production	24	-		-	24	0.0521%	0.0521%	None
21	Echo Investment Property Management-Grupa Echo Sp. z o. o. Sp. K.	Kielce	property management	51	-		-	51	99.00%	99.00%	None
22	Projekt Saska Sp. z o.o.	Kielce	property trade agency	20 420	(20 419)		(20 419)	1	95.00%	95.00%	None
23	Echo -Kasztanowa Aleja Sp. z o.o.	Kielce	property lease and management	51	(15)		(15)	36	99.00%	99.00%	None
24	Echo - Klimt House Sp. z o.o.	Kielce	property lease and management	51	(15)		(15)	36	99.00%	99.00%	None
25	Projekt Echo -43 Sp. z o.o.	Kielce	property lease and management	51	(10)		(10)	41	99.00%	99.00%	None
26	Echo - Przy Słowiańskim Wzgórzu Sp. z o.o.	Kielce	property lease and management	51	(14)		(14)	37	99.00%	99.00%	None
27	Echo Investment Hungary Ingatlanhasznosító KFT	Budapest	property lease and management	89 130	(40 093)		(40 093)	49 037	100.00%	100.00%	None
28	Echo -Kasztanowa Aleja Sp. z o.o. Sp.K.	Kielce	property lease and management	15 901	-		-	15 901	99.90%	99.90%	None

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29	Echo - Klimt House Sp. z o.o. Sp.K.	Kielce	property lease and management	501	-		-	501	99.90%	99.90%	None
30	Echo - Przy Słowiańskim Wzgórzu Sp. z o.o. Sp.K.	Kielce	property lease and management	20 002	-		-	20 002	99.9995%	99.9995%	None
31	Echo Projekt Management Ingatlanhasznosító KFT	Budapest	property management	2 126	(1 035)		(1 035)	1 091	100.00%	100.00%	None
32	Echo - Opolska Business Park Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0009%	0.0009%	None
33	53 - Grupa Echo Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0504%	0.0504%	None
34	Galeria Olimpia - Projekt Echo - 98 Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.0031%	0.0031%	None
35	Galeria Sudecka - Projekt Echo - 43 Sp. z o.o. S.K.A.	Kielce	property lease and management	50	-		-	50	0.0673%	0.0673%	None
36	Projekt Beethovena - Grupa Echo Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.0022%	0.0022%	None
37	Echo - Galaxy Sp. z o.o. S.K.A.	Kielce	property lease and management	50	-		-	50	0.0128%	0.0128%	None
38	Galeria Tarnów - Grupa Echo Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0651%	0.0651%	None
39	Projekt Echo 62 - Magellan West Sp. z o.o. S.K.A.	Kielce	property lease and management	17	-		-	17	0.0127%	0.0127%	None
40	AVATAR - Projekt Echo - 93 Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0004%	0.0004%	None
41	Projekt Naramowice - Grupa Echo Sp. z o.o. S.K.A.	Kielce	construction works	20	-		-	20	0.0319%	0.0319%	None
42	Oxygen - Projekt Echo - 95 Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0005%	0.0005%	None
43	Park Postępu - Projekt Echo - 93 Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0001%	0.0001%	None

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44	Echo - Nowy Mokotów Sp. z o.o.	Kielce	property lease and management	94	-		-	94	99.90%	99.90%	None
45	Projekt Echo -69 Sp. z o.o.	Kielce	other monetary intermediation	115	-		-	115	99.99%	99.99%	None
46	Projekt Echo -70 Sp. z o.o.	Kielce	property lease and management	5 047	(7)		(7)	5 040	99.90%	99.90%	None
47	Projekt Echo -77 Sp. z o.o.	Kielce	property lease and management	50	(14)		(14)	36	99.90%	99.90%	None
48	Metropolis - Grupa Echo Sp. z o. o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.000050%	0.000050%	None
49	Echo Investment Ukraina LLC	Kiev	property management	666	(319)		(319)	347	100.00%	100.00%	None
50	Galeria Nova - Grupa Echo Sp. z o.o. S.K.A.	Kielce	implementation of building projects	16	-		-	16	100.00%	100.00%	None
51	Echo Investment Projekt Management SRL	Brasov	property management	4 986	(3 478)		(3 478)	1 508	99.9998%	99.9998%	None
52	El Projekt Cyp - 1 Limited	Nicosia	activity of head offices and holding companies	56 028	-	(56 028)	(56 028)	-	99.99%	99.99%	None
53	Barconsel Holdings Limited	Nicosia	activity of head offices and holding companies	374 332	-		-	374 332	25.3996%	25.3996%	None
54	Projekt Echo - 95 Sp. z o. o.	Kielce	buying and selling real property on own account	26	-		-	26	99.80%	99.80%	None
55	Projekt Echo - 96 Sp. z o. o.	Kielce	buying and selling real property on own account	26	-		-	26	99.80%	99.80%	None
56	Projekt Echo - 97 Sp. z o. o.	Kielce	buying and selling real property on own account	26	-		-	26	99.80%	99.80%	None

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57	Projekt Echo - 98 Sp. z o. o.	Kielce	buying and selling real property on own account	26	-		-	26	99.80%	99.80%	None
58	Projekt Echo - 99 Sp. z o. o.	Kielce	buying and selling real property on own account	97	-		-	97	99.80%	99.80%	None
59	Projekt 1 - Grupa Echo Sp. z o. o. S.K.A.	Kielce	property lease and management	2	-		-	2	0.000042%	0.000042%	None
60	Vousoka Polska Sp. z o. o. S.K.A.	Warsaw	property lease and management	-	-		-	-	0.0040%	0.0040%	None
61	Echo – Pod Klonami Sp. z o. o. Sp. K.	Kielce	buying and selling real property on own account	10	-		-	10	99.00%	99.00%	None
62	Echo Investment Facility Management-Grupa Echo Sp. z o. o. Sp. K.	Kielce	property lease and management	11	-		-	11	99.00%	99.00%	None
63	Vousoka Polska Sp. z o. o.	Warsaw	other monetary intermediation	29	-		-	29	99.00%	99.00%	None
64	Projekt CS Sp. z o.o.	Szczecin	other monetary intermediation	122	-		-	122	99.00%	99.00%	None
65	Pamiątkowo Sp. z o.o.	Pamiątkowo	other monetary intermediation	83	-		-	83	99.00%	99.00%	None
66	Echo - West Gate Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.0001%	0.0001%	None
67	Projekt 4 - Grupa Echo Sp. z o.o. S.K.A.	Kielce	property lease and management	11	-		-	11	100.00%	100.00%	None
68	Projekt 5 - Grupa Echo Sp. z o.o. S.K.A.	Szczecin	property lease and management	1	-		-	1	0.0040%	0.0040%	None
69	Projekt Babka Tower - Grupa Echo Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.0040%	0.0040%	None
70	Echo - Park Rozwoju Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.0002%	0.0002%	None
71	Echo - Galeria Lublin Sp. z o. o.	Kielce	property lease and management	1 006	-		-	1 006	99.90%	99.90%	None

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72	Echo - Nowy Mokotów Sp. z o. o. Sp. K.	Kielce	buying and selling real property on own account	1 251	-		-	1 251	99.00%	99.00%	None
73	ASTRA PARK - Projekt Echo 69 Sp. z o. o. S.K.A.	Kielce	property lease and management	74	-		-	74	0.1083%	0.1083%	None
74	Mena Investments Sp. z o.o.	Kielce	other business and management consulting services	105	-		-	105	99.00%	99.00%	None
75	Echo – Galeria Amber Sp. z o. o.	Kielce	other business and management consulting services	101	-		-	101	99.00%	99.00%	None
76	Vasco Investment Sp. z o. o.	Kielce	other business and management consulting services	90	-		-	90	99.00%	99.00%	None
77	Projekt Echo Pasaż Grunwaldzki - Magellan West Sp. z o.o. S.K.A.	Kielce	property lease and management	-	-		-	-	0.0040%	0.0040%	None
78	Projekt Echo Galeria Kielce - Magellan West Sp. z o.o. - S.K.A.	Kielce	property lease and management	-	-		-	-	0.0040%	0.0040%	None
79	Galaxy - Projekt Echo - 106 Sp. z o.o. S.K.A.	Szczecin	property lease and management	-	-		-	-	0.0040%	0.0040%	None
80	Projekt Echo - 99 Sp. z o. o. Sp.K.	Kielce	buying and selling real property on own account	52	-		-	52	99.80%	99.80%	None
81	Echo - West Gate Sp. z o. o.	Kielce	other business and management consulting services	290	-		-	290	100.00%	100.00%	None
82	Iris Capital Sp. z o. o.	Kielce	other business and management consulting services	122	-		-	122	100.00%	100.00%	None
83	Projekt Echo - 101 Sp. z o. o.	Kielce	property lease and management	800	-		-	800	99.99%	99.99%	None
84	Projekt Echo - 102 Sp. z o. o.	Kielce	property lease and management	50	-		-	50	99.90%	99.90%	None
85	Projekt Echo - 103 Sp. z o. o.	Szczecin	property lease and management	50	-		-	50	99.90%	99.90%	None

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86	Projekt Echo - 104 Sp. z o. o.	Kielce	property lease and management	50	-		-	50	99.90%	99.90%	None
87	Projekt Echo - 105 Sp. z o. o.	Kielce	property lease and management	50	-		-	50	99.90%	99.90%	None
88	Projekt Echo - 106 Sp. z o. o.	Kielce	property lease and management	50	-		-	50	99.90%	99.90%	None
89	Projekt Echo - 107 Sp. z o. o.	Kielce	property lease and management	50	-		-	50	99.90%	99.90%	None
90	Projekt Echo - 108 Sp. z o. o.	Kielce	property lease and management	50	-		-	50	99.90%	99.90%	None
91	Projekt Echo - 109 Sp. z o. o.	Kielce	property lease and management	50	-		-	50	99.90%	99.90%	None
92	Echo - Babka Tower Sp. z o. o.	Kielce	property lease and management	51	-		-	51	100.00%	100.00%	None
93	Echo - Property Poznan 1 Sp. z o. o.	Kielce	other business and management consulting services	197	-		-	197	99.00%	99.00%	None
94	Echo - Park Rozwoju Sp. z o.o.	Kielce	other business and management consulting services	97	-		-	97	100.00%	100.00%	None
95	Farrina Investments Sp. z o.o.	Kielce	buying and selling real property on own account	60	-		-	60	99.90%	99.90%	None
96	Elmira Investments Sp. z o.o.	Kielce	other business and management consulting services	60	-		-	60	99.90%	99.90%	None
97	Elmira Investments Sp. z o.o. S.K.A.	Kielce	other business and management consulting services	61	-		-	61	99.9980%	99.9980%	None
98	Projekt 11 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property lease and management	-	-		-	-	0.0040%	0.0040%	None
99	Projekt 12 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property lease and management	-	-		-	-	0.0040%	0.0040%	None

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100	Projekt 13 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property lease and management	-	-		-	-	0.0040%	0.0040%	None
101	Projekt 14 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	other financial agency services	-	-		-	-	0.0040%	0.0040%	None
102	Projekt - Pamiątkowo Sp. z o.o.	Kielce	buying and selling real property on own account	51	-		-	51	100.00%	100.00%	None
103	Projekt 15 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
104	Projekt 16 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
105	Projekt 17 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
106	Projekt 18 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
107	Projekt 19 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
108	Projekt 20 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
109	Projekt 21 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
110	Projekt 22 - Grupa Echo Sp. z o.o - S.K.A.	Kielce	property trade agency	50	-		-	50	100.00%	100.00%	None
111	Magellan West Sp. z o. o.	Kielce	property lease and management	50	-		-	50	99.90%	99.90%	None
112	SPV-1 Grupa Echo Sp. z o.o. S.K.A.	Kielce	property lease and management	1	-		-	1	0.9000%	0.9000%	None
				990 116	(68 131)	(56 028)	(124 159)	865 957			
SHARES/INTERESTS IN JOINTLY CONTROLLED ENTITIES											
1	Wan 11 Sp. z o.o.	Warsaw	property lease and management	1 500	-	-	-	1 500	50.00%	50.00%	None

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				1 500	-	-	-	1 500			
SHARES/INTERESTS IN ASSOCIATES											
1	EBR Global Services Sp. z o. o.	Kielce	accounting and book keeping activity	13	-	-	-	13	25.00%	25.00%	None
2	SPC S.A	Warsaw	management of other entities	34	(34)	-	(34)	-	34.00%	34.00%	None
				47	(34)	-	(34)	13			
TOTAL SHARES/INTERESTS IN SUBORDINATES				991 663	(68 165)	(56 028)	(124 193)	867 470			

NOTE 5

LONG-TERM FINANCIAL ASSETS (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) advances received	11 883	12 421
b) investment certificates	3 800 383	1 330
c) advances on interests	671	-
d) receivables for the repurchase of certificates	269 878	-
Total long-term financial assets	4 082 815	13 751

NOTE 6

MOVEMENT IN DEFERRED INCOME TAX ASSETS/PROVISION (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
1. Deferred income tax assets/provision at the beginning of the period	24 369	12 661
investment property	(234)	(285)
receivables and liabilities due to borrowings	(559)	(329)
liabilities due to loans and bonds	(489)	(656)
tax loss	60	121
inventory	7 862	6 175
interests and shares	23 596	12 951
other	(5 867)	(5 316)
2. Increases	23 446	12 550
financial instruments	8	-
investment property	937	51
liabilities due to loans and bonds	-	167
tax loss	1 987	-
inventory	2 503	1 687
interests and shares	10 638	10 645
other	7 373	-
3. Decreases	(1 084)	(842)
receivables and liabilities due to borrowings	(945)	(230)
liabilities due to loans and bonds	(139)	-
tax loss	-	(61)
other	-	(551)
4. Deferred income tax assets/provision at the end of the period	46 731	24 369
financial instruments	8	-
investment property	703	(234)
receivables and liabilities due to borrowings	(1 504)	(559)
liabilities due to loans and bonds	(628)	(489)
tax loss	2 047	60
inventory	10 365	7 862
interests and shares	34 234	23 596
other	1 506	(5 867)

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

NOTE 7A

INVENTORY (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) semi-finished products and work-in-progress	253 492	263 850
b) finished products	29 419	39 827
c) goods	22 164	37 981
Total inventory	305 075	341 658

Inventory is measured 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 7B

INVENTORY – INFLUENCE ON THE RESULT (PLN '000)	31.12.2015	31.12.2014 RESTATED
Inventory write-offs recognised as cost in the period	(31 588)	(6 043)
Reversed write-downs on inventory recognised as revenue in the period	15 548	-
Movement in write-down on inventory	(16 040)	(6 043)

The write-downs on inventory and their reversal are related to residential developments and are intended to write down the value to the level of a realisable price. 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, as of 31 December 2015, amounted to PLN 16,040 thousand (as of 31 December 2014: PLN 6,043 thousand). As of 31 December 2015, work-in-progress for which there was no capitalisation of financing costs during the year amounted to PLN 68,865 thousand.

NOTE 8A

SHORT-TERM TRADE RECEIVABLES, TAXES AND OTHER (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) receivables from subsidiaries	55 568	66 935
- trade, with maturity:	23 875	33 068
- up to 12 months	23 875	33 068
- other	31 693	33 867
b) write-downs on receivables from related parties	-	-
c) receivables from other parties	6 040	6 652
- trade, with maturity:	1 857	407
- up to 12 months	1 857	407
- over 12 months	-	-
- income tax	2 234	-
- other	1 508	3 964
- advances on deliveries	441	2 281
d) write-downs on receivables from other parties	(701)	(886)
Total net short-term trade receivables, taxes and other	61 608	73 587
- total write-downs on receivables	(701)	(886)
Total gross short-term trade receivables, taxes and other	62 309	74 473

The maximum value of credit risk related to trade receivables is equivalent to their carrying value.

Receivables from related companies are not secured. As of 31 December 2015, no receivables from related parties were written off.

The estimated fair value of trade receivables is the amount of the expected future discounted cash flows and it does not differ from the carrying value of these receivables.

Trade receivables result from the lease of office space and residential apartments, and from the implementation of investments. The Company constantly monitors its tenants' financial situation and solvency. The payments are secured with security deposits. As of 31 December 2015, the value of security deposits amounts to PLN 220 thousand and, as of 31 December 2014, it amounted to PLN 219 thousand.

NOTE 8B

MOVEMENT IN WRITE-DOWNS ON SHORT-TERM RECEIVABLES (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
Opening balance	886	1 118
a) increases (due to)	21	65
- recognition of a write-down	21	65
b) decreases (due to)	(206)	(297)
- repayment	-	(1)
- release	(206)	(296)
Write-downs on short-term receivables at the end of the period	701	886

The write-down on receivables has been disclosed under "other operating revenue" in the Company's profit and loss account.

Based on experience and expectations regarding future cash flows, the Company recognises a write-down on receivables:

- for receivables overdue more than one year, for a full value of receivables,
- for receivables overdue more than half a year but not longer than one year, in the amount of 50% of receivables.

NOTE 8C

GROSS SHORT-TERM TRADE RECEIVABLES, TAXES AND OTHER (CURRENCY STRUCTURE) (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) in the Polish currency (PLN)	62 309	74 473
b) in foreign currencies (by currency and after translation into PLN)	-	-
- unit/currency EUR	-	-
- PLN '000	-	-
- unit/currency USD	-	-
- PLN '000	-	-
Total gross short-term trade receivables, taxes and other	62 309	74 473

NOTE 8D

(GROSS) TRADE RECEIVABLES, WITH REMAINING MATURITY FROM THE BALANCE SHEET DATE (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) up to 1 month	19 978	28 230
b) between 1 month and 3 months	4 110	5 087
c) between 3 months and 6 months	-	-
d) between 6 months and 1 year	-	-
e) over 1 year	-	-
f) overdue receivables	2 345	1 044
Total (gross) trade receivables	26 433	34 361
g) write-downs on trade receivables	(701)	(886)
Total (net) trade receivables	25 732	33 475

NOTE 8E

OVERDUE (GROSS) TRADE RECEIVABLES BROKEN DOWN INTO RECEIVABLES OUTSTANDING IN THE PERIOD (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) up to 1 month	350	31
b) between 1 month and 3 months	200	58
c) between 3 months and 6 months	1 075	56
d) between 6 months and 1 year	38	25
e) over 1 year	682	874
Total (gross) overdue trade receivables	2 345	1 044
f) write-downs on overdue trade receivables	(701)	(886)
Total (net) overdue trade receivables	1 644	158

NOTE 8F

(GROSS) TRADE RECEIVABLES (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) unimpaired current receivables	24 088	33 317
b) unimpaired overdue receivables	1 644	158
c) impaired overdue receivables	701	886
Total (gross) trade receivables	26 433	34 361

NOTE 8G

DISPUTED AND OVERDUE RECEIVABLES (PLN '000)	31.12.2015	31.12.2014 RESTATED
Disputed receivables	-	-
- other	-	-
- not covered by write-down	-	-
Overdue receivables	2 345	1 044
- trade	2 345	1 044
- not covered by write-down	1 644	158

NOTE 9A

SHORT-TERM BORROWINGS GRANTED (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) in subsidiaries		
- borrowings granted	265 959	106 112
- interest	12 740	209
	278 699	106 321
b) in other parties		
- borrowings granted	32	24 822
- interest	-	205
	32	25 027
Total short-term borrowings granted	278 731	131 348

Note 9A contains short-term borrowings plus interest.

NOTE 9B

SHORT-TERM BORROWINGS GRANTED (CURRENCY STRUCTURE) (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) in the Polish currency (PLN)	278 562	106 335
b) in foreign currencies (by currency and after translation into PLN)	169	25 013
Total short-term borrowings granted	278 731	131 348

Note 9B contains short-term borrowings plus interest.

BASIC DATA ON MAJOR SHORT-TERM BORROWINGS, WITHOUT INTEREST, AS OF 31 DECEMBER 2015

COUNTERPARTY	AMOUNT (PLN '000)	INTEREST RATE	REPAYMENT DEADLINE
Echo - Park Rozwoju Sp. z o. o. S.K.A.	49 700	WIBOR 3M + margin	31 December 2016
Echo - Opolska Biznes Park sp. z o. o. SKA	59 760	WIBOR 3M + margin	31 December 2016
Dellia Investment S.A.	7 653	WIBOR 3M + margin	31 December 2016
Echo Investment Hungary Ingatlanhasznosito KFT	30 966	WIBOR 3M + margin	31 December 2016
Echo - Projekt Management Ingatlanhasznosito KFT	778	WIBOR 3M + margin	31 December 2016
El Project CYP - I LIMITED	50 206	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
Echo-West Gate Sp. z o. o. S.K.A.	4 150	WIBOR 3M + margin	31 December 2016
Duże Naramowice -Projekt Echo -111 Sp. z o. o. S.K.A.	80 000	WIBOR 3M + margin	31 December 2016
Galeria Katowice - Projekt Echo 120 Sp. z o. o. S.K.A.	2 050	WIBOR 3M + margin	30 June 2016
Projekt Beethovena - Projekt Echo -122 SP. z o. o. S.K.A.	3 700	WIBOR 3M + margin	31 December 2016
A4 - Business Park - Iris Capital Sp. z o. o. S.K.A.	3 300	WIBOR 3M + margin	30 September 2016
Projekt Echo - 102 Sp. z o. o.	8 500	WIBOR 3M + margin	31 December 2016
Barconsel Holding Limited	100	WIBOR 3M + margin	30 June 2016
GP Development S.a.r.l	42	WIBOR 3M + margin	31 December 2016
GP Retail S.a.r.l	42	WIBOR 3M + margin	31 December 2016
GPOffice S.a.r.l	42	WIBOR 3M + margin	31 December 2016
other – unrelated parties	32	WIBOR 3M + margin	
Total:	311 021		

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 DECEMBER 2014

COUNTERPARTY	AMOUNT (PLN '000)	INTEREST RATE	REPAYMENT DEADLINE
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		

NOTE 10A

CASH AND CASH EQUIVALENTS (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) restricted cash	16 571	2 372
b) cash and cash equivalents	19 048	56 710
Total cash and cash equivalents	35 619	59 082

As of 31.12.2015, the Company held cash in renowned banks, mainly in PeKaO S.A. and PKO BP.

The maximum value of credit risk related to cash is equivalent to the carrying value of cash.

NOTE 10B

CASH AND CASH EQUIVALENTS (CURRENCY STRUCTURE) (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) in the Polish currency (PLN)	35 576	58 749
b) in foreign currencies (by currency and after translation into PLN)	43	333
- unit/currency EUR	8	20
- PLN '000	33	85
- unit/currency USD	3	71
- PLN '000	10	248
Total cash and cash equivalents	35 619	59 082

NOTE 11

SHARE CAPITAL			NOMINAL VALUE PER SHARE = PLN 0.05		
SERIES/ISSUE	TYPE OF SHARES	TYPE OF LIMITATION OF THE RIGHTS TO SHARES	NUMBER OF SHARES	VALUE OF SERIES/ISSUE ACCORDING TO NOMINAL VALUE (PLN '000)	CAPITAL COVERAGE
A, B, C, D, E, F	Bearer shares	None	412 690 582	20 635	Cash
Total number of shares			412 690 582		
Total share capital				20 635	

SHAREHOLDERS OF ECHO INVESTMENT S.A. HOLDING MORE THAN 5% OF THE SHARE CAPITAL AS OF 31 DECEMBER 2015

SHAREHOLDERS	NUMBER OF VOTES/SHARES	% OF SHARE CAPITAL	% OF VOTES AT G&M
Lisala Sp. z o.o.	272 375 784	65.99%	65.99%
Aviva OFE Aviva BZ WBK	41 269 000	9.99%	9.99%
Nationale-Nederlanden OFE	35 000 000	8.48%	8.48%
Other Shareholders	64 045 798	15.52%	15.52%
Total	412 690 582	100.00%	100.00%

NOTE 12

SUPPLEMENTARY CAPITAL (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) share premium	100 943	100 943
b) statutory	80	80
c) created from generated profits according to the statute/articles, above the statutorily required (minimum) value	4 881	534 491
d) other (by type)	22	22
Total supplementary capital	105 926	635 536

NOTE 13A

LONG-TERM LIABILITIES (WITHOUT INCOME TAX PROVISION) (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) due to subsidiaries	-	-
b) due to other parties		
- advances received	-	-
- security deposits received	527	866
- due to issue of debt securities	766 574	759 410
	767 101	760 276
Total long-term liabilities	767 101	760 276

NOTE 13B

LONG-TERM LIABILITIES (WITHOUT INCOME TAX PROVISION) WITH REMAINING MATURITIES FROM THE BALANCE SHEET DATE (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) between 1 to 3 years	604 351	598 174
b) between 3 to 5 years	162 468	162 046
c) over 5 years	282	56
Total long-term liabilities	767 101	760 276

Interest rates applied for discounting the expected cash flows: 5.27% in 2015 and 5.79% in 2014.
The Company has presented its long-term liabilities at nominal value in note 13E.

NOTE 13C

LONG-TERM LIABILITIES (WITHOUT INCOME TAX PROVISION) (CURRENCY STRUCTURE) (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) in the Polish currency (PLN)	767 101	760 276
b) in foreign currencies (by currency and after translation into PLN)	-	-
Total long-term liabilities	767 101	760 276

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 were no violations of loan agreements and the established security levels during the financial year and by the day of signing the financial statements.

NOTE 13D

CREDIT FACILITIES AS OF 31 DECEMBER 2015

COMPANY NAME AND LEGAL FORM	REGISTERED OFFICE	CONTRACTUAL AMOUNT OF LOAN/BORROWING		OUTSTANDING LOAN/BORROWING AMOUNT		INTEREST RATE	REPAYMENT DEADLINE	SECURITY
		PLN '000	CURRENCY	PLN '000	CURRENCY			
Alior Bank S.A.	Warsaw	30 000	PLN	-	PLN	WIBOR 3M + margin	2016-01-30	authorisation to bank account, statement on submission to enforcement proceedings
BZ WBK S.A.	Wrocław	75 000	PLN	15 582	PLN	WIBOR 1M + margin	2016-07-30	authorisation to bank account, statement on submission to enforcement proceedings
PeKaO S.A.	Warsaw	75 000	PLN	-	PLN	WIBOR 1M + margin	2016-06-30	authorisation to bank account, statement on submission to enforcement proceedings
PKO BP S.A.	Warsaw	75 000	PLN	-	PLN	WIBOR 1M + margin	2017-08-19	authorisation to bank account, statement on submission to enforcement proceedings
Total		255 000		15 582				

The loan value corresponds to non-discounted cash flows.

CREDIT FACILITIES AS OF 31 DECEMBER 2014

COMPANY NAME AND LEGAL FORM	REGISTERED OFFICE	CONTRACTUAL AMOUNT OF LOAN/BORROWING		OUTSTANDING LOAN/BORROWING AMOUNT		INTEREST RATE	REPAYMENT DEADLINE	SECURITY
		PLN '000	CURRENCY	PLN '000	CURRENCY			
PKO BP S.A.	Warsaw	60 000	PLN	-	PLN	WIBOR 1M + margin	2015-08-19	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 200 million (related to a multi-purpose facility), sola blank bill of exchange
PKO BP S.A.	Warsaw	40 000	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 (related to a multi-purpose facility), sola blank bill of exchange
PeKaO S.A.	Warsaw	75 000	PLN	-	PLN	WIBOR 1M + margin	2015-06-30*	authorisation to a bank account, statement on submission to enforcement proceedings up to PLN 90 million
BZ WBK S.A.	Wrocław	75 000	PLN	-	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	-	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				

NOTE 13E

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

FINANCIAL DEBT INSTRUMENTS BY TYPE	NOMINAL VALUE	INTEREST RATE	MATURITY	GUARANTEES/SE CURITIES	QUOTATION MARKET
Bonds (mBank S.A.)	125 000	WIBOR 6M + margin	2016-02-11	None	None
Bonds (mBank S.A.)	200 000	WIBOR 6M + margin	2017-04-28	None	None
Bonds (mBank S.A.)	230 000	WIBOR 6M + margin	2018-04-28	None	None
Bonds (mBank S.A.)	80 000	WIBOR 6M + margin	2018-06-19	None	None
Bonds (mBank S.A.)	100 000	WIBOR 6M + margin	2019-02-19	None	None
Bonds (mBank S.A.)	70 500	WIBOR 6M + margin	2019-05-15	None	None
Non-public bonds	805 500				
Bonds of DM PKO BP, series A	50 000	WIBOR 6M + margin	2016-06-26	None	None
Bonds of DM PKO BP, series B	25 000	WIBOR 6M + margin	2016-07-02	None	None
Bonds of DM PKO BP, series C	75 000	WIBOR 6M + margin	2018-03-04	None	None
Bonds of DM PKO BP, series D	50 000	WIBOR 6M + margin	2018-04-20	None	None
Public bonds	200 000				
Total	1 005 500				

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. On 18 May 2015, the Company redeemed bonds in the amount of PLN 115 million, and on 22 October 2015 in the amount of PLN 20 million. On 22 October 2015, the company issued bonds in the amount of PLN 230 million.

NOTE 14A

SHORT-TERM TRADE LIABILITIES, TAXES, SECURITY DEPOSITS RECEIVED, ADVANCES RECEIVED AND OTHER (WITHOUT PROVISIONS)	31.12.2015	31.12.2014 RESTATED
- trade, due to subsidiaries, with maturity:	1 290	3
- up to 12 months	1 290	3
- over 12 months	-	-
- trade, due to other companies, with maturity:	24 608	18 567
- up to 12 months	24 608	18 567
- over 12 months	-	-
Total short-term trade liabilities	25 898	18 570
- advances received	26 247	15 541
- security deposits received	4 033	3 406
Total security deposits and advance payments received	30 280	18 947
- taxes, customs duties, insurance and other benefits	2 040	9 342
Total tax	2 040	9 342
- other liabilities	22 660	7 166
- payroll	6	2
- other (due to)	22 654	7 164
Total other short-term liabilities	22 660	7 166
Total short-term trade liabilities, taxes, security deposits, advances received and other	80 878	54 025

The fair value of trade and other liabilities does not differ materially from their carrying value.

NOTE 14B

SHORT-TERM TRADE LIABILITIES, TAXES, SECURITY DEPOSITS RECEIVED, ADVANCES RECEIVED AND OTHER (WITHOUT PROVISIONS) (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) in the Polish currency (PLN)	80 648	53 954
b) in foreign currencies (by currency and after translation into PLN)	230	71
- unit/currency EUR	51	14
- PLN '000	216	59
- unit/currency USD	3	4
- PLN '000	14	12
Total short-term trade liabilities, taxes, security deposits, advances received and other	80 878	54 025

NOTE 15A

SHORT-TERM LOANS, BORROWINGS AND BONDS (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) due to subsidiaries		
- loans and borrowings	501 969	-
	501 969	-
b) due to other parties		
- loans and borrowings	15 582	25 801
- due to issue of debt securities	243 261	159 605
- IRS	43	-
	258 886	185 406
Total short-term loans, borrowings and bonds	760 855	185 406

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 financial statements.

NOTE 15B

SHORT-TERM LOANS, BORROWINGS AND BONDS (CURRENCY STRUCTURE) (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) in the Polish currency (PLN)	760 855	185 406
b) in foreign currencies (by currency and after translation into PLN)	-	-
Total short-term loans, borrowings and bonds	760 855	185 406

NOTE 16

MOVEMENT IN SHORT-TERM PROVISIONS (DUE TO) (PLN '000)	31.12.2015	31.12.2014 RESTATED
- provisions for penalties	2 000	2 000
a) at the beginning of the period	2 000	2 000
- provisions for expected losses	30 908	-
- provision for costs	8 592	-
- court proceedings	2 066	-
b) increases (due to)	41 566	-
- provisions for penalties	2 000	2 000
- provisions for expected losses	30 908	-
- provision for costs	8 592	-
- court proceedings	2 066	-
c) at the end of the period	43 566	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 17A

CONTINGENT LIABILITIES TO RELATED PARTIES (DUE TO) (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) guarantees and sureties granted, including:	664 003	695 991
- due to subsidiaries	664 003	695 991
Total contingent liabilities due to related parties	664 003	695 991

NOTE 17B

OFF-BALANCE SHEET ITEMS (PLN '000)	31.12.2015	31.12.2014 RESTATED
1. Contingent receivables	-	-
2. Contingent liabilities		
2.1. For related parties (due to)	664 003	695 991
- guarantees and sureties granted	664 003	695 991
2.2. For other parties (due to)	219 055	2 541
- guarantees and sureties granted	219 055	2 541
	883 058	698 532
3. Other (due to)		
- court proceedings against Echo Investment	150	181
	150	181
Total	883 208	698 713

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 222,385 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 exceeded implementation costs of stage II of the office development A4 Business Park in Katowice. The guarantee amounts to PLN 12,543 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 21,308 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 38,354 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 27,295 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 the agreement concluded on 22 June 2015 by Echo Investment S.A. for FTF Columbus S.A. The guarantee amounts to PLN 36,900 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 implementation of the Q22 office development in Warsaw for Bank Zachodni WBK S.A. and PKO BP S.A. The guarantee amounts to PLN 255,690 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 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. 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.

13. Security for the non-performance of the agreement concluded on 22 June 2015 by Echo Investment S.A. for FTF Columbus S.A. The guarantee amounts to PLN 180,000 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 18A

OPERATING REVENUE (ITEM STRUCTURE – TYPES OF ACTIVITY) (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
A. Sale of residential and commercial area	70 007	64 308
- including: from related parties	-	-
B. Property development services	34 451	55 339
- including: from related parties	34 061	51 901
from subsidiaries	34 061	51 901
C. Sale of plots	7 310	2 674
- including: from related parties	-	-
D. Lease services	3 852	3 618
- including: from related parties	1 908	1 864
from subsidiaries	1 908	1 864
from the parent company	-	-
E. Legal, accounting, consulting and IT services	44 711	42 425
- including: from related parties	44 710	42 425
from subsidiaries	44 710	42 425
from jointly controlled entities	-	-
F. Financial, marketing, securing services and other revenue	45 564	43 206
- including: from related parties	43 997	42 122
from subsidiaries	43 958	42 119
from key personnel	39	3
Total operating revenue	205 895	211 570
- including: from related parties	124 676	138 312
from subsidiaries	124 637	138 309
from the parent company	-	-
from key personnel	39	3

The minimum contracted lease revenue for 2016 is PLN 3,800 thousand. The Company has not concluded any transactions with related entities under terms other than market terms.

NOTE 18B

OPERATING REVENUE (TERRITORIAL STRUCTURE) (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
a) domestic	205 864	211 546
- including: from related parties	124 645	138 288
b) abroad	31	24
- including: from related parties	31	24
Total net revenue from sale of products	205 895	211 570
- including: from related parties	124 676	138 312

NOTE 18C

DEFERRED REVENUE FROM PROPERTY LEASE AGREEMENTS (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
a) up to 12 months	307	307
b) over 1 year to 5 years	615	922
c) over 5 years	-	-
Total deferred revenue from property lease agreements	922	1 229

Under the concluded agreements, these amounts will be increased by the incurred costs of operation related to the activity of the tenants.

NOTE 19A

OPERATING EXPENSES BY TYPE (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
a) amortisation/depreciation	2 486	3 231
b) consumption of materials and energy	14 719	67 587
c) third party services	139 392	116 198
d) taxes and charges	4 323	4 586
e) remunerations	33 649	31 663
f) social security and other benefits	5 160	4 841
g) other costs by type (due to)	5 942	8 177
- business travel	868	837
- other	5 074	7 340
Total costs by type	205 671	236 283
Movement in inventory and products	56 575	(79 706)
Own work capitalised (negative value)	(25 595)	-
Selling costs (negative value)	(25 596)	(24 883)
General administrative expenses (negative value)	(72 129)	(49 433)
Manufacturing cost of products sold	138 926	82 261

NOTE 19B

DEFERRED COSTS OF OPERATING LEASE AFTER THE BALANCE SHEET DATE (PLN '000)	31.12.2015	31.12.2014 RESTATED
a) up to 12 months	-	4 618
b) over 1 year to 5 years	-	18 470
c) 5 to 10 years	-	10 390
Total deferred costs	-	33 478

NOTE 20A

OTHER OPERATING REVENUE (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
a) released provisions (due to)	206	296
- receivables	206	296
- other	-	-
b) other, including:	864	1 507
- contractual penalties	85	122
- revenue from sale of non-financial non-current assets	442	-
- other	337	1 385
c) interest on borrowings	12 535	11 435
- from related parties, including:	12 535	11 435
- from subsidiaries	12 535	11 435
- from other entities	-	-
b) other interest	754	1 878
- from other entities	754	1 878
Total other operating revenue	14 359	15 116

NOTE 20B

OTHER OPERATING REVENUE FROM DIVIDENDS AND PROFIT SHARING (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
a) from related parties, including:	3 460 723	105 804
- from subsidiaries	3 460 723	105 804
Total other operating revenue from dividends and share in profits	3 460 723	105 804

NOTE 20C

OTHER OPERATING EXPENSES (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
a) created provisions (due to)	45 719	-
- for expected costs	45 719	-
- receivables	-	-
b) other, including:	869	1 316
- donations	497	1 008
- contractual penalties	3	18
- other	369	270
c) revaluation	-	42 527
- borrowings granted	-	42 527
Total other operating expenses	46 588	43 843

NOTE 21A

FINANCIAL REVENUE FROM INTEREST (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
a) other interest		
- from other parties	428	20
	428	20
Total financial revenue from interest	428	20

NOTE 21B

OTHER FINANCIAL REVENUE (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
a) foreign exchange gains	1 995	4 154
b) profit on sale of interests	-	165
b) revaluation of borrowings, loans and bonds	-	-
c) other	5	-
Total other financial revenue	2 000	4 319

NOTE 21C

FINANCIAL EXPENSES DUE TO INTEREST (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
a) on loans		
- due to other parties	-	-
- due to subsidiaries	-	-
- due to other parties	45 759	49 818
	45 759	49 818
b) other interest		
- due to other parties	2	5
	2	5
c) revaluation of borrowings, loans and bonds	844	-
	844	-
Total financial costs of interest	46 605	49 823

Borrowings costs capitalised to the amount of inventory amounted to PLN 3,295 thousand as of 31 December 2015 and PLN 3,838 thousand as of 31 December 2014.

NOTE 21D

OTHER FINANCIAL EXPENSES (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
a) foreign exchange losses:	-	-
b) loss on sale of:	756	-
- interests	756	-
c) other, including:	5 087	4 850
- commissions	5 087	4 682
- other	-	168
d) revaluation of investments, including:	416 338	56 909
- interests	416 338	56 909
Total other financial costs	422 181	61 759

NOTE 22A

INCOME TAX – EFFECTIVE TAX RATE (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
Gross profit	2 936 234	24 616
Income tax according to the national rates, 19%	557 884	4 677
Dividends received	(656 319)	(14 162)
Distribution of profit from limited partnerships	(1 212)	(5 953)
Company's tax burden relative to the result of limited partnerships (subsidiaries)	1 175	6 376
Representation costs and other non-deductible costs during the year	2 791	420
Measurement of interests of a subsidiary representing a permanent difference	71 118	-
Write-downs on borrowings granted due to which deferred income tax was not recognised	108	7 531
Movements in the measurement of other items	2 099	(426)
Charges on the financial result due to income tax	(22 356)	(1 537)

NOTE 22B

DEFERRED INCOME TAX, TERM OF SETTLEMENT (PLN '000)	31.12.2015	31.12.2014 RESTATED
Deferred income tax liabilities		
- to be settled within 12 months	(2 057)	6 366
- to be settled after 12 months	(75)	723
Deferred income tax assets		
- to be settled within 12 months	-	-
- to be settled after 12 months	(44 599)	(30 249)
Total	(46 731)	(23 160)

NOTE 23

DISTRIBUTION OF PROFIT

Echo Investment S. A.'s 2014 net profit, amounting to PLN 26,153 thousand, was earmarked for a contribution to the Company's supplementary capital, pursuant to the resolution of 2 June 2015.

Echo Investment S. A.'s 2014 financial statements were approved by way of the resolution of the Ordinary GSM of 02 June 2014.

It is proposed to earmark a portion of Echo Investment S. A.'s 2015 profit for distribution to the shareholders.

EXPLANATORY NOTES TO THE CASH FLOW STATEMENT

NOTE 24

CASH INCLUDED IN THE CASH FLOW STATEMENT (PLN '000)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
Opening balance, including:	56 710	9 937
- cash in hand and cash in bank	56 710	9 937
Closing balance	35 619	56 710
- cash in hand and cash in bank	35 619	56 710
ADDITIONAL EXPLANATIONS TO THE STRUCTURE OF THE CASH FLOW STATEMENT		

The Company discloses interest on the borrowings granted in investing activities.

NOTE 25

INFORMATION ON FINANCIAL INSTRUMENTS (PLN '000)

NO.	INSTRUMENT TYPE	NOTE	CARRYING VALUE AS OF 31.12.2015	CARRYING VALUE AS OF 31.12.2014
Financial assets				
1.	Borrowings and receivables:		316 367	334 231
	- long-term borrowings	3	21	156 987
	- short-term borrowings	9	278 731	131 348
	- trade receivables	8	25 732	33 475
	- advances received	5	11 883	12 421
2.	Cash and cash equivalents		35 619	59 082
	- restricted cash	10	16 571	2 372
	- cash and cash equivalents	10	19 048	56 710
Financial liabilities				
1.	Other financial liabilities		1 553 284	963 386
	- liabilities due to issue of debt securities	13, 15	1 009 835	919 015
	- trade liabilities	14	25 898	18 570
	- loans and borrowings	15	517 551	25 801

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: 21 March 2016

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

Piotr Gromniak

Maciej Drozd

Artur Langner

Waldemar Lesiak

President of the
Management Board

Vice President of the
Management Board

Vice President of the
Management Board

Vice President of the
Management Board

Signature of the person entrusted with bookkeeping:

Tomasz Sutek

Chief Accountant



Management report of Echo Investment S.A.
for 2015

ECHO
investment

III. MANAGEMENT REPORT OF ECHO INVESTMENT S.A. FOR 2015

Echo Investment S.A. has operated on the real property market since 1996. The company has been listed at the Warsaw Stock Exchange since March 1996.

Echo Investment S.A. manages the whole investment process of a given project, starting from the purchase of property, through obtaining administrative permits, financing, implementation, 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 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.

1. DISCUSSION OF MAIN ECONOMIC AND FINANCIAL FIGURES DISCLOSED IN THE ANNUAL FINANCIAL STATEMENTS OF ECHO INVESTMENT S.A.

BALANCE SHEET

At the end of 2015, the balance sheet total amounted to PLN 5,288 million, which means a 215% increase in value compared to the balance at the end of the same period in 2014.

Assets

At the end of December 2015, the assets structure was as follows:

- Non-current assets account for 87% of assets, of which the main item are long-term financial assets, accounting for 89% of non-current assets. Investments in subsidiaries, associates and jointly controlled entities account for 10% of non-current assets.
- Current assets account for 13% of assets, while borrowings granted make up 41% of total current assets, inventory makes up 45% of total current assets, trade and other receivables account for 9% of current assets, and cash (including restricted cash) and cash equivalents make up 5% of total current assets.

Equity and liabilities

- As of 31 December 2015, Echo Investment S.A.'s share capital amounted to PLN 20.6 million and was divided into 412,690,582 ordinary series A, B, C, D, E and F bearer shares with a nominal value of PLN 0.05 each.
- As of 31 December 2015, equity amounted to PLN 3,636 million, which means a 437% increase compared to the end of December 2014.
- Long-term and short-term liabilities accounted for 30% of the balance sheet total, and amounted to PLN 1,609 thousand.

PROFIT AND LOSS ACCOUNT

- At the end of December 2015, net sales revenue amounted to PLN 205.9 million, which means a 3% decrease compared to the same period a year earlier.
- At the end of 2015, operating profit amounted to PLN 2,481 million and was higher by 2,481% than the profit generated in the previous financial year.
- Gross profit amounted to PLN 2,936 million and was higher than in 2014 by 11.828%;
- Net profit amounted to PLN 2,959 million, which means an 11.213% increase compared to 2014.
- Net profit per share amounted to PLN 7.17.

CASH FLOW STATEMENT

- At the beginning of the reporting period, cash amounted to PLN 57 million.
- In 2015, the Company recorded a cash flow from operating activities amounting to (+) PLN 24.4 million; the main items were the following:
 - movement in short-term liabilities, except for loans: PLN (+) 115 million,
 - movement in inventory (-) PLN 63 million.

- In 2015, the Company recorded a negative cash flow from investing activities, amounting to (-) PLN 594 million, mainly as a result of:
 - a dividend received from related parties: PLN (+) 3,462 million,
 - purchase of financial assets: (-) PLN 4,082 million,
 - repayment of borrowings granted: (+) PLN 589 million,
 - borrowings granted: PLN (-) 604 million.
- At the end of December 2015, the Company recorded a cash flow from financing activities amounting to (+) PLN 532 million, mainly as a result of:
 - the redemption of debt securities: PLN (-) 135 million,
 - the issue of debt securities: PLN (+) 230 million,
 - raised loans and borrowings: PLN (+) 518 million.
- Between 1 January and 31 December 2015, the balance of cash decreased by PLN 38 million.
- At the end of December 2015, cash amounted to PLN 19 million.

2. DESCRIPTION OF MATERIAL RISKS AND THREATS, AND INDICATION OF THE ISSUER'S EXPOSURE TO SUCH RISKS AND THREATS

Material risks and threats to the Company's business:

- The **risk of competition** is related to the company's operation on the domestic real property market. The Group's competitive advantage consists in its extensive experience in property development and familiarity with the market, and attracting clients with developments in prime locations. Thanks to high quality of the offer and established customer trust, tenants from present shopping centres decide to lease space in newly commissioned objects. With a suitable mix of the tenants, constant marketing and social campaigns, the Group's centres are some of the mostly visited centres in their respective regions. With regard to potentially new entities, the risk is limited by high barriers to entry (high capital-intensiveness).
- **Risk of changing interest rates.** The Group's business is largely based on loans, on which interest is calculated based on interest rates. For loans and bonds in PLN, the applicable rate is WIBOR and for loans in EUR, the applicable rate is EURIBOR or LIBOR EUR. The interest rate risk is limited by hedging instruments (fixed rates, IRS) available on the market.
- **Foreign exchange risk.** In the Group, this risk is linked primarily to loans in foreign currencies (mainly in the euro) raised by special purpose vehicles. To minimise this risk, agreements with tenants of a specific object are denominated in the currency of the loan obtained for funding this object. Payments from tenants are used to repay the loans. This relation between funding and the sources of revenue significantly reduces the FX risk (natural hedge). In addition, since variations of exchange rates significantly affect the value of prospective cash flows (purchase of foreign currencies, sale of developments, disbursement of loan tranches), the Group uses the available derivatives, such as forwards or FX options.
- The **risk related to the Group's tenants** is the risk that the tenants may lose their liquidity or that outstanding amounts may become unrecoverable. Most of the Capital Group's revenue is generated from renting out commercial and office areas. The key aspect is to select tenants with a stable economic and financial situation. Among shopping centre tenants are renowned retail chains (Tesco, Auchan, brand fashion chains, cinemas etc.), and office facilities are occupied by big multinationals (IBM Global Services Delivery Centre, Nokia Solutions Networks, IKEA Shared Services, PKP Cargo, Samsung Electronics Polska and Orlen Oil Sp. z o.o.). Lease agreements are secured with guarantees or security deposits. The Group only accepts guarantees provided by renowned banks and insurance companies, thus reducing the risk that a financial institution may not disburse the funds. The Debt Collection Department constantly monitors payments from tenants, allowing for a swift response to delayed payments. The effectiveness of the applied procedures for minimising this risk is confirmed by nearly 100% recoverability of outstanding amounts in the Group.
- The **risk related to external contractors** is the risk related to the quality of work performed and the risk that the contractors may lose their liquidity. The Company, as the investor of a development, commissions external entities. Punctuality and quality of execution are largely the responsibility of these contractors. To a large extent, this factor is eliminated by securities provided for in the agreements for the construction of engineering objects, constant supervision over the construction process by inspectors or specialised external companies present on the construction sites and by Project Managers. When selecting a supplier, in addition to analysing the offer of construction works, the prospective contractor's financial situation and technical capabilities are examined.

- The **risk of administrative procedures** involves changes in the laws and indolence of authorities. Time-consuming administrative procedures at home and abroad determine the execution dates of the Group's projects. This may result in delays. In addition, third parties have significant powers to interfere with administrative procedures, which often leads to delays in the implementation of investments, affecting their profitability. The Group attempts to mitigate this risk by using its experience in administrative procedures and by employing staff specialised in this area.
- **The liquidity risk** involves the loss of solvency. The Group manages the liquidity risk by maintaining a constant supply of funds in the form of cash on bank accounts and/or by using the available loan limits granted. It constantly monitors the forecast and the actual cash flows. This risk is reduced by constant proceeds from the property portfolio and the funding of projects using special purpose loans.
- The **risk of unfavourable changes in the property market** involves changes in demand and the market situation. The Capital Company attempts to minimise the risk of unfavourable changes in the property market by implementing investments in steps and adjusting the implementation pace to the expected demand and price trends on local markets.
- The **social and economic risk** involves the effects of social and macroeconomic factors on business activity. They include inflation, overall condition of the economy, changes of the economic situation, changes in real income and tax policies in countries where the Group operates, and the global situation. Changes of macroeconomic indicators may result in a decrease in the planned revenues or an increase the costs of doing business. This is particularly significant in the event of a slower GDP growth, an increasing budget deficit and increase in unemployment, leading to a drop in real income. The social and economic situation may affect the Company's revenue and financial results because new housing, office, shopping and entertainment developments depend on consumers and the funds they are able to spend. On the other hand, social schemes may cause the demand to increase. This risk is limited by working with tenants who target their offer at various groups, including groups whose consumption expenditures are not strongly affected by a change of the macroeconomic situation. The apartments offered by the Group are mainly from the middle segment, which is less sensitive to the macroeconomic situation.

3. PROCEEDINGS PENDING BEFORE COURT, COMPETENT ARBITRATION AUTHORITY OR PUBLIC ADMINISTRATION AUTHORITY, INCLUDING ANY INFORMATION ON A PROCEDURE, OR TWO OR MORE PROCEEDINGS CONCERNING ECHO INVESTMENT S.A.'S OR ITS SUBSIDIARY'S LIABILITIES OR CLAIMS WHOSE VALUE EQUALS AT LEAST 10% OF THE COMPANY'S EQUITY

Between 1 January and 31 December 2015, there were no proceedings pending before court, a competent arbitration authority or a public administration authority concerning liabilities or claims of Echo Investment S.A. or its subsidiary whose value equals at least 10% of the Company's equity.

4. INFORMATION ON BASIC PRODUCTS IN TERMS OF THEIR VALUE AND VOLUME, SHARE OF INDIVIDUAL PRODUCT GROUPS IN ECHO INVESTMENT S.A. AS WELL AS ANY CHANGES IN THIS RESPECT IN THE FINANCIAL YEAR

4.1. Operating segments

As of 31 December 2015, the Capital Group's portfolio included developments in use, in progress or in preparation

PORTFOLIO OF PROPERTIES IN USE

As of 31 December 2015, the Group's portfolio included 10 shopping centres and 7 office developments for lease.

REAL PROPERTY PORTFOLIO

CITY	LOCATION	NAME	GLA ¹ (SQ. M)	NOI ² (EUR '000,000)
Kielce	ul. Świętokrzyska	Galeria Echo	73 600	12.7
Wrocław	Plac Grunwaldzki	Pasaż Grunwaldzki	51 000	14.4
Szczecin	Al. Wyzwolenia	Galaxy	42 300	12.6
Kalisz	ul. Górnoląska	Amber	35 800	5.3
Jelenia Góra	Al. Jana Pawła II	Galeria Sudecka	31 300	3.9
Bełchatów	ul. Kolejowa	Galeria Olimpia	21 600	2.9
Szczecin	Al. Struga	Outlet Park I	16 700	3.4
Szczecin	Al. Struga	Outlet Park II	4 800	0.8
Łomża	ul. Zawadzka 38	Galeria Veneda	15 100	2.5
Bełchatów	ul. Kolejowa	Galeria Echo	11 600	0.8
Przemysł	ul. 29 Listopada	Galeria Echo	5 800	0.4
Shopping centres	TOTAL		309 600	59.7
Poznań	ul. Baraniaka	Malta Office Park	29 000	5.3
Warsaw	ul. Konstruktorska	Park Rozwoju (stage I)	17 800	3.2
Warsaw	ul. Konstruktorska	Park Rozwoju (stage II)	16 000	2.7
Wrocław	ul. Lotnicza	West Gate	16 500	2.8
Szczecin	ul. Malczewskiego	Oxygen	13 900	2.6
Kielce	Al. Solidarności	Astra Park*	11 800	1.8
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		129 500	22.6
developments for lease	TOTAL		439 100	82.3

* The project does not include the area occupied by the Echo 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: Auchan, Tesco 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, Super-Pharm and Hebe.

Office space is leased to multinationals as well as domestic and local businesses. The main tenants of office space include: IBM Global Services Delivery Centre, Nokia Solutions Networks, Grant Thornton Frąckowiak, PKP Cargo, Orlen Oil Sp. z o.o., Roche Polska, Ikea Shared Services, McKinsey Emea Shared Services, Nordea

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

² NOI – Net Operating Income, accounting for full lease

Bank Polska, ING Usługi Finansowe S.A., BRIGHTONE SP.Z O.O., PKO Bank Polska, Medicover, Altkom Investments, Mentor Graphics Polska, Kennametal Polska, Samsung Electronics Polska, Ericsson, Provident Polska and Schneider Electric Polska.

DEVELOPMENTS IN PROGRESS AND PREPARATION

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

DEVELOPMENTS IN PREPARATION IN THE SHOPPING CENTRE SEGMENT

DEVELOPMENT	GLA (SQ. M)	NOI (EUR '000,000)	COMMENCEMENT	COMPLETION
Katowice, ul. Kościuszki	41 800	8.6	H2 2016	H1 2018
Szczecin, Galaxy (expansion)	15 100	3.3	H1 2016	H2 2017
Szczecin, Outlet Park (stage III)	3 800	0.6	H1 2017	H2 2017
Szczecin, Outlet Park (Fitness & Medical Centre)	3 200	0.3	H1 2016	H2 2016
IN PREPARATION	63 900	12.8		
TOTAL SHOPPING CENTRES	63 900	12.8		

DEVELOPMENTS IN PROGRESS AND IN PREPARATION IN THE OFFICE SEGMENT

DEVELOPMENT	GLA (SQ. M)	NOI (EUR '000,000)	COMMENCEMENT	COMPLETION
Warsaw, Q22	52 500	14.0	H2 2013	H1 2016
Gdańsk, Tryton	23 700	3.8	H2 2013	H1 2016
Krakow, Opolska (stage I)	19 100	3.2	H1 2014	H1 2016
Wrocław, Nobilis	16 900	2.9	H2 2014	H2 2016
Katowice, A4 Business Park (stage III)	12 000	2.0	H1 2015	H2 2016
Łódź, Symetris (stage I)	9 400	1.6	H1 2015	H1 2016
UNDER CONSTRUCTION	133 600	27.5		
Krakow, Opolska (stage II)	19 100	3.2	H1 2016	H2 2017
Krakow, Opolska (stage III)	19 100	3.2	H2 2017	H1 2019
Wrocław, Sagittarius (stages I and II)	24 900	4.4	H1 2016	H2 2017
Łódź, Symetris (stage II)	9 500	1.6	H1 2016	H2 2017
IN PREPARATION	72 600	12.4		
TOTAL OFFICE DEVELOPMENTS	206 200	39.9		

DEVELOPMENTS IN PROGRESS AND IN PREPARATION IN THE SEGMENT OF APARTMENTS FOR SALE

DEVELOPMENT	USABLE AND RESIDENTIAL AREA (SQ. M)	REVENUE ('000,000)	COMMENCEMENT	COMPLETION
Krakow, Park Avenue Apartments	5 600	81.2	H2 2014	H1 2016
Krakow, Kościuszki Apartments	5 300	61.7	H2 2015	H2 2017
Krakow, Dom pod Wilgą (stage I)	6 500	51.9	H2 2015	H1 2017
Łódź, Osiedle Jarzębinowe (stage III)	6 500	31.7	H2 2015	H2 2017
Poznań, Osiedle Jaśminowe (stage II)	4 500	24.6	H1 2015	H1 2017
Poznań, Sowińskiego (stage I)	7 100	48.6	H1 2014	H1 2016
Poznań, Sowińskiego (stages II-III)	7 700	55.2	H1 2015	H1 2017
Poznań, Jackowskiego	8 100	52.4	H2 2015	H1 2017
Poznań, Pod Klonami, row houses (stage III)	1 900	8.8	H2 2015	H1 2017
Warsaw, Nowy Mokotów (stage II)	11 900	96.7	H1 2014	H1 2016
Warsaw, Nowy Mokotów (stage III)	16 200	128.6	H2 2015	H2 2017
Wrocław, Grota Roweckiego (stage II)	7 500	42.3	H2 2015	H2 2017
DEVELOPMENTS IN PROGRESS	88 800	683.7		
Krakow, Dom pod Wilgą (stage II)	8 800	72.2	H2 2016	H1 2018
Krakow, Dom pod Wilgą (stage III)	4 600	38.7	H2 2017	H2 2019
Krakow, Rakowicka	7 500	67.4	H2 2016	H1 2018
Krakow, Rydla	7 700	58.2	H1 2017	H1 2019
Łódź, Osiedle Jarzębinowe (stage IV)	4 300	21.2	H1 2016	H1 2018
Łódź, Osiedle Jarzębinowe (stage V)	8 600	42.3	H2 2016	H2 2018
Łódź, Wodna (stage I)	5 300	26.7	H2 2016	H2 2018
Łódź, Wodna (stage II)	8 400	43.3	H2 2018	H1 2020
Poznań, Osiedle Jaśminowe (stage III)	4 200	23.1	H2 2016	H2 2018
Poznań, Osiedle Jaśminowe (stage IV)	5 100	27.7	H1 2018	H1 2020
Poznań, Sowińskiego (stage IV)	5 100	35.1	H1 2017	H1 2019
Poznań, 17 MW (stage I)	8 100	45.7	H2 2016	H2 2019
Poznań, 17 MW (stage II)	4 600	25.4	H2 2017	H1 2019
Poznań, 17 MW (stage III)	5 500	30.9	H2 2018	H1 2020
Warsaw, Princess	5 100	57.0	H2 2016	H1 2018
Warsaw, Nowy Mokotów (stage IV)	3 200	28.3	H1 2016	H1 2018
Wrocław, Gdańska	4 000	29.4	H1 2017	H2 2018
Wrocław, Kępa Mieszczańska (stage I)	6 400	39.5	H2 2016	H2 2018
Wrocław, Kępa Mieszczańska (stage II)	4 300	26.6	H1 2017	H1 2019
DEVELOPMENTS IN PREPARATION	110 800	738.7		
TOTAL RESIDENTIAL DEVELOPMENTS	199 600	1 422.4		

PLOTS FOR SALE

DEVELOPMENT	PLOT AREA (SQ. M)	REVENUE ('000,000)	COMMENCEMENT	COMPLETION
Kielce, Występa	134 500	15.5	H1 2017	H2 2017
Warsaw, Rezydencje Leśne	52 900	33.9	H1 2011	H2 2012
TOTAL LAND	187 400	49.4		

INVESTMENT LAND – DEVELOPMENTS IN THE DESIGN PHASE

DEVELOPMENT	PLOT AREA (SQ. M)	COMMENTS
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	land for sale
Lublin	4 700	
Poznań, Hetmańska	65 300	
Poznań, Naramowice	350 000	
Poznań, Pamiątkowo	870 000	
Szczecin, Struga	25 800	
Słupsk	65 700	land for sale
Koszalin	39 300	land for sale
Katowice, Jankego	26 200	
Wrocław, Rychalska	22 300	
Łódź, Okopowa	12 500	
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	land for sale
Budapest Mundo (Hungary)	67 700	land for sale
TOTAL INVESTMENT LAND	2 858 500	

In 2015, the Company signed 591 preliminary agreements on the sale of apartments (without transferring the ownership title to the buyer) and 400 final agreements (transferring the ownership title to the buyer).

4.2. Revenue structure

STRUCTURE OF THE COMPANY'S NET REVENUE FROM SALES (PLN '000,000) BETWEEN 2014 AND 2015

ITEM	01.01.2015 - 31.12.2015	% SHARE	01.01.2013 - 31.12.2013	% SHARE
Sale of residential and commercial area	71.7	35%	64.3	30%
Property development services	34.5	17%	55.3	26%
Trade in real property	5.6	3%	2.7	1%
Lease services	3.9	2%	3.6	2%
Legal, accounting and consulting services	44.7	21%	42.5	20%
Other revenue	45.6	22%	43.2	21%
Total net revenue from sale of products	205.9	100%	211.6	100%

5. INFORMATION ON SALES MARKETS BROKEN DOWN INTO DOMESTIC AND FOREIGN MARKETS, INFORMATION ON SOURCES OF SUPPLY OF MANUFACTURING MATERIALS, GOODS AND SERVICES, INDICATION OF DEPENDENCE ON A SINGLE OR ON SEVERAL CUSTOMERS AND SUPPLIERS AND, WHERE A SINGLE CUSTOMER'S OR SUPPLIER'S SHARE ACCOUNTS FOR AT LEAST 10% OF TOTAL SALES REVENUE, THE NAME OF SUCH CUSTOMER OR SUPPLIER, THEIR SHARE IN THE SALES OR SUPPLIES, AND FORMAL RELATIONS WITH THE ISSUER

Sales markets

In 2015, all projects implemented by the Company were located in the Polish market only.

Changes in sources of supply

In terms of Echo Investment S.A.'s purchase of services, the main share, measured by the share of purchases in total sales revenue, was attributable to entities with whom the Company works together as part of specific property developments. In 2015, trade turnover with the following counterparties exceeded 10% of the Company's revenue:

- RE-BAU Sp. z o.o.
- MOTA-ENGIL CENTRAL EUROPE S.A.

Changes among customers

The customers of Echo Investment S.A. include entities to whom property development management services are provided.

In 2015, trade turnover with one counterparty exceeded 10% of the Company's net sales revenue:

- Galaxy - Project Echo - 106 Spółka z ograniczoną odpowiedzialnością - S.K.A.

6. INFORMATION ON CONCLUDED AGREEMENTS SIGNIFICANT FOR THE ISSUER'S BUSINESS, INCLUDING AGREEMENTS KNOWN TO THE ISSUER THAT HAVE BEEN CONCLUDED BETWEEN THE SHAREHOLDERS, AND INSURANCE, PARTNERSHIP OR COOPERATION AGREEMENTS

6.1. Information on concluded agreements which are material for the Issuer's business

Conclusion of a material agreement

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 Sołowow, as the buyer, and Michał Sołowow, 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 funding 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 Sołowow 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 Sołowow 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.

Conclusion of a material agreement

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.

Commencement of a strategic analysis of the property portfolio

According to Announcement No. 28/2015 of 24 August 2015, the Company commenced the strategic analysis of its property portfolio and the related business opportunities. As a result, the Company is in the process of procuring external consultants, including financial advisers.

Conclusion of agreements for the purchase of investment certificates as part of the Issuer's Capital Group

On 18 November 2015, the Issuer (hereinafter referred to as the Buyer) and the Issuer's direct and indirect 100% controlled subsidiary, BARCONSEL HOLDINGS LIMITED, with its registered office in Nicosia (Cyprus), entered into the Register under number HE 227819 (hereinafter referred to as the Seller), concluded agreements for the Issuer's purchase of:

7,003 (in words: seven thousand three) series C and D registered investment certificates (3,409 series C investment certificates and 3,594 series D investment certificates, issued by FORUM XXXIV Fundusz Inwestycyjny Zamknięty, with its registered office in Krakow, entered into the register of investment funds under no. RFI 586, maintained by the District Court in Warsaw),

1,490 (in words: one thousand four hundred ninety) series D and E registered investment certificates (559 series D investment certificates and 931 series E investment certificates, issued by FORUM XXIX Fundusz Inwestycyjny Zamknięty, with its registered office in Krakow, entered into the register of investment funds under no. RFI 536, maintained by the District Court in Warsaw),

3,376,443 (in words: three million three hundred seventy-six thousand four hundred forty-three) series B registered investment certificates, issued by FORUM 60 Fundusz Inwestycyjny Zamknięty, with its registered office in Krakow, entered into the register of investment funds under no. RFI 1 048, maintained by the District Court in Warsaw.

The total value of agreements transferring the ownership title to the above investment certificates amounted to PLN 4,068,183 thousand (in words: four billion sixty-eight million one hundred eighty-three thousand zlotys 00/100).

The sale price shall be paid directly by the Buyer to the Seller by 31 December 2015.

The purchase of the above-mentioned assets shall be financed by the Issuer's from its own funds and from the funds of its Capital Group.

The book value of the purchased certificates in the accounting books of BARCONSEL HOLDINGS LIMITED amounts to EUR 809,832 thousand, which, as of the report's filing date, is equivalent to PLN 3,437,010 thousand (in words: three billion four hundred thirty-seven million ten zlotys 00/100).

The above agreements are intended to organise and simplify the structure of the Issuer's Capital Group by eliminating the Seller (company based in Cyprus) as an intermediary through which the Issuer controls the Closed Investment Funds.

The agreements are neutral to the economic situation of the Issuer and of its Capital Group.

Resolution by the Issuer's Management Board on the contingent payout of an interim dividend

RESOLUTION by the Management Board of Echo Investment S.A. on the contingent payout of an interim dividend for FY 2015

§ 1 Pursuant to Article 349 § 1 of the Commercial Companies Code and § 16 section 3 of the Company's Statute, considering that the approved separate financial statements of the Company for 2014 show a net profit of PLN 26,153,000, the Management Board of Echo Investment S.A. has decided to pay to the Company's shareholders an interim dividend for FY 2015 (hereinafter referred to as the Interim Dividend) according to the following terms:

1. The total amount for the payout of the Interim Dividend shall be PLN 590,147,532.26 (hereinafter referred to as the Total Interim Dividend). The Total Interim Dividend does not exceed one half of the Company's profit generated from the end of the previous financial year, as disclosed in the financial statements as of 30 September 2015, and covering the period 01.01.2015-30.09.2015, audited by the statutory auditor Ernst&Young Audyt Polska Sp. z o.o. Sp.k., with its registered office in Warsaw, plus supplementary capital created for the payout of an outstanding dividend or interim dividend, according to Resolution no. 4 of the Company's Extraordinary General Meeting of 21 December 2015, and less uncovered losses and equity shares.

2. Number of shares covered by the payout of the Interim Dividend as of the date of the Resolution: 412,690,582.

3. The Interim Dividend shall be paid in two instalments:

a) the first instalment in the amount of PLN 0.72 per share, in the total amount of PLN 297,137,219.04: on 10 February 2016 (1st Instalment of the Interim Dividend),

b) the second instalment in the amount of PLN 0.71 per share, in the total amount of PLN 293,010,313.22: by 30 December 2016 (2nd Instalment of the Interim Dividend).

If the dividend for 2015 is higher than the Total Interim Dividend, the 2nd Instalment of the Interim Dividend shall be paid on the payout date of the amount which forms the difference between the dividend for 2015 and the Total Interim Dividend.

4. The entitlement to the Interim Dividend shall rest with shareholders holding the Company's shares on 3 February 2016, i.e. 7 days before the payout of the 1st Instalment of the Interim Dividend.

§ 2 The Interim Dividend shall be paid on the condition that it is approved by the Supervisory Board.

§ 3 The Resolution becomes effective on the date of its adoption.

6.2. Agreements between shareholders

The Company was not aware of any agreements concluded in 2015 between the shareholders which would be important for its business.

6.3. Insurance agreements

SUBJECT OF INSURANCE:	INSURER	SUM INSURED (PLN '000)
property insurance policies	TU Compensa S.A.	85 190
civil liability policies	TU Compensa S.A., Generali S.A	171 538
construction and assembly risk policies	TU Compensa S.A., Generali S.A.	142 829
TOTAL SUM INSURED:		399 557

6.4. Partnership or cooperation agreements

In 2015, the Company did not conclude any material partnership or cooperation agreements.

7. INFORMATION ON ORGANISATIONAL OR CAPITAL RELATIONSHIPS BETWEEN ECHO INVESTMENT S.A. AND OTHER ENTITIES, INDICATION OF MAJOR DOMESTIC AND FOREIGN INVESTMENTS (SECURITIES, FINANCIAL INSTRUMENTS AND REAL PROPERTY), INCLUDING EQUITY INVESTMENTS OUTSIDE THE CAPITAL GROUP, AND DESCRIPTION OF FINANCING METHODS

7.1. Information on organisational or capital relations of Echo Investment S.A.

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 31 December 2015, the Capital Group was composed of 169 fully consolidated subsidiaries.

SUBSIDIARIES:

ITEM	COMPANY NAME	REGISTERED OFFICE	% SHARE OF THE CAPITAL	PARENT
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 - 119 Sp. z o.o. S.k.a. (formerly: 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	Budivelnyy Soyuz Monolit LLC	Kiev	100%	Yevrobudgarant LLC
9	Dellia Investments S.A.	Kielce	100%	Echo Investment S.A.
10	Duże Naramowice - Projekt Echo - 111 Sp. z o.o. S.k.a. (formerly: Projekt Echo 62 – Magellan West Sp. z o.o. S.k.a.)	Kielce	100%	60 FIZ Forum
11	Echo – Arena Sp. z o.o.	Kielce	100%	Echo Investment S.A.
12	Echo – Aurus Sp. z o.o.	Kielce	100%	Echo Investment S.A.
13	Echo – Babka Tower Sp. z o.o.	Kielce	100%	Echo Investment S.A.
14	Echo - Babka Tower Sp. z o.o. - S.k.a.	Kielce	100%	60 FIZ Forum
15	Echo - Browary Warszawskie Sp. z o.o. (formerly: Echo – Przy Stowiańskim Wzgórzu Sp. z o.o.)	Kielce	100%	Echo Investment S.A.
16	Echo - Browary Warszawskie Sp. z o.o. Sp. k. (formerly: Echo – Przy Stowiańskim Wzgórzu Sp. z o.o. Sp. kom.)	Kielce	100%	Echo Investment S.A.
17	Echo - Centrum Przemysł - Projekt Echo - 118 Sp. z o.o. S.k.a. (formerly: Echo – Centrum Przemysł - Projekt Echo – 93 Sp. z o.o. S.k.a.)	Kielce	100%	XXXIV FIZ Forum
18	Echo – Galaxy Sp. z o.o.	Kielce	100%	Echo Investment S.A.
19	Echo – Galaxy Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
20	Echo – Galeria Amber Sp. z o.o.	Kielce	100%	Echo Investment S.A.
21	Echo – Galeria Amber Sp. z o.o. S.k.a	Kielce	100%	XXXIV FIZ Forum
22	Echo – Galeria Lublin Sp. z o.o.	Kielce	100%	Echo Investment S.A.
23	Echo Innovations - Projekt Echo - 99 Sp. z o.o. Sp. K.	Kielce	100%	Echo Investment S.A.
24	Echo – Kasztanowa Aleja Sp. z o.o.	Kielce	100%	Echo Investment S.A.
25	Echo – Kasztanowa Aleja Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
26	Echo – Klimt House Sp. z o.o.	Kielce	100%	Echo Investment S.A.
27	Echo – Klimt House Sp. z o.o. Sp. z kom.	Kielce	100%	Echo Investment S.A.
28	Echo – Nowy Mokołów Sp. z o.o.	Kielce	100%	Echo Investment S.A.
29	Echo – Nowy Mokołów Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
30	Echo – Opolska Business Park Sp. z o.o.	Kielce	100%	Echo Investment S.A.
31	Echo – Opolska Business Park Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
32	Echo - Park Rozwoju Sp. z o. o.	Kielce	100%	Echo Investment S.A.

ITEM	COMPANY NAME	REGISTERED OFFICE	% SHARE OF THE CAPITAL	PARENT
33	Echo – Park Rozwoju Sp. z o.o. – S.k.a.	Kielce	100%	XXIX FIZ Forum
34	Echo – Pod Klonami Sp. z o.o.	Kielce	100%	Projekt Naramowice – Grupa Echo Sp. z o.o. S.k.a.
35	Echo – Pod Klonami Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
36	Echo – Project - Management Ingatlanhasznosito Kft.	Budapest	100%	Echo Investment S.A.
37	Echo - Property Poznań 1 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
38	Echo – SPV 7 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
39	Echo – West Gate Sp. z o. o.	Kielce	100%	Echo Investment S.A.
40	Echo – West Gate Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
41	Echo Investment ACC - Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
42	Echo Investment Facility Management - Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
43	Echo Investment Hungary Ingatlanhasznosito Kft.	Budapest	100%	Echo Investment S.A.
44	Echo Investment Project 1 S.R.L.	Brasov	100%	Echo - Aurus Sp. z o.o.
45	Echo Investment Project Management S.R.L.	Brasov	100%	Echo Investment S.A.
46	Echo Investment Property Management – Grupa Echo Sp. z o. o. Sp. kom.	Kielce	100%	Echo Investment S.A.
47	Echo Investment Ukraine LLC	Kiev	100%	Echo Investment S.A.
48	EBR Global Services Sp z o.o.	Kielce	100%	Echo Investment S.A.
49	Elmira Investments Sp. z o. o.	Kielce	100%	Echo Investment S.A.
50	El Project Cypr - 1 Ltd	Nicosia	100%	Echo Investment S.A.
51	El Option S.A.	Krakow	100%	Echo Investment S.A.
52	Farrina Investments Sp. z o. o.	Kielce	100%	XXIX FIZ Forum
53	Galaxy - Projekt Echo - 106 Sp. z o. o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
54	Galeria Katowice - Projekt Echo 120 Sp. z o.o. S.k.a. (formerly: SPV 1 – Grupa Echo Sp. z o.o. S.k.a.)	Kielce	100%	60 FIZ Forum
55	Galeria Nova – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
56	Galeria Olimpia – Projekt Echo – 98 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
57	Galeria Sudecka - Projekt Echo – 43 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
58	Galeria Tarnów – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
59	GP Development sarl	Luxemburg	100%	Barconsel Holdings Ltd
60	GP Office Sarl	Luxemburg	100%	Barconsel Holdings Ltd
61	GP Retail sarl	Luxemburg	100%	Barconsel Holdings Ltd
62	Grupa Echo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
63	Iris Capital Sp. z o. o.	Kielce	100%	Echo Investment S.A.
64	Kielce - Projekt Echo 129 Sp. z o.o." S.k.a. (formerly: Echo Galeria Kielce – Magellan West Sp. z o.o. S.k.a.)	Kielce	100%	60 FIZ Forum
65	Malta Office Park - Projekt Echo - 96 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
66	Magellan West Sp. z o. o.	Kielce	100%	Echo Investment S.A.
67	Mena Investments Sp. z o. o.	Kielce	100%	Echo Investment S.A.
68	Metropolis - Projekt Echo 121 Sp. z o.o. S.k.a. (formerly: Metropolis - Grupa Echo Sp. z o.o. S.k.a.)	Kielce	100%	60 FIZ Forum

ITEM	COMPANY NAME	REGISTERED OFFICE	% SHARE OF THE CAPITAL	PARENT
69	Oxygen – Projekt Echo – 95 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
70	Pamiątkowo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
71	Park Postępu - Projekt Echo - 130 Sp. z o.o. S.k.a. (formerly: Park Postępu - Projekt Echo - 93 Sp. z o.o. S.k.a.)	Kielce	100%	60 FIZ Forum
72	PHS – Projekt CS Sp. z o.o. S.k.a.	Warsaw	100%	60 FIZ Forum
73	PPR - Projekt Echo – 77 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
74	Princess Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
75	Projekt Beethovena - Projekt Echo - 122 Sp. z o.o. S.k.a. (formerly: Projekt Beethovena – Grupa Echo Sp. z o.o. S.k.a.)	Kielce	100%	60 FIZ Forum
76	Projekt CS Sp. z o.o.	Kielce	100%	Echo Investment S.A.
77	Projekt Echo - 43 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
78	Projekt Echo - 69 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
79	Projekt Echo - 70 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
80	Projekt Echo - 77 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
81	Projekt Echo - 93 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
82	Projekt Echo - 95 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
83	Projekt Echo - 96 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
84	Projekt Echo - 97 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
85	Projekt Echo - 98 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
86	Projekt Echo - 99 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
87	Projekt Echo - 101 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
88	Projekt Echo - 102 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
89	Projekt Echo - 103 Sp. z o.o.	Warsaw	100%	XXXIV FIZ Forum
90	Projekt Echo - 104 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
91	Projekt Echo - 105 Sp. z o.o.	Kielce	100%	XXIX FIZ Forum
92	Projekt Echo - 106 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
93	Projekt Echo - 107 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
94	Projekt Echo - 108 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
95	Projekt Echo - 109 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
96	Projekt Echo - 111 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
97	Projekt Echo - 112 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
98	Projekt Echo - 113 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
99	Projekt Echo - 114 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
100	Projekt Echo - 115 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
101	Projekt Echo - 116 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
102	Projekt Echo - 117 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
103	Projekt Echo - 118 Sp. z o.o.	Kielce	100%	Echo Investment S.A.

ITEM	COMPANY NAME	REGISTERED OFFICE	% SHARE OF THE CAPITAL	PARENT
104	Projekt Echo - 119 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
105	Projekt Echo - 120 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
106	Projekt Echo - 121 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
107	Projekt Echo - 122 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
108	Projekt Echo - 123 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
109	Projekt Echo - 124 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
110	Projekt Echo - 125 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
111	Projekt Echo - 126 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
112	Projekt Echo - 127 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
113	Projekt Echo - 128 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
114	Projekt Echo - 129 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
115	Projekt Echo - 130 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
116	Projekt Echo - 131 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
117	Projekt Echo - 132 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
118	Projekt Echo - 133 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
119	Projekt Echo - 135 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
120	Projekt Echo - 136 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
121	Projekt Echo - 137 Sp. z o.o.	Pamiątkowo	100%	Echo Investment S.A.
122	Projekt Echo - 132 Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
123	Projekt Echo - 133 Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
124	Projekt Echo - 134 Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
125	Projekt Echo - 135 Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
126	Projekt Echo - 136 Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
127	Projekt Echo - 137 Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
128	Projekt Echo Galeria Kielce – Projekt Echo - 109 Sp. z o.o. S.k.a. (formerly: Projekt Echo Galeria Kielce - Magellan West Sp. z o.o. S.k.a.)	Kielce	100%	XXXIV FIZ Forum
129	Projekt Echo Pasaż Grunwaldzki - Magellan West Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
130	Projekt Naramowice – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
131	Projekt - Pamiątkowo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
132	Projekt Saska Sp. z o.o.	Kielce	95%	Echo Investment S.A.
133	Projekt 1 - Grupa Echo Sp. z o.o. - S.k.a.	Kielce	100%	60 FIZ Forum
134	Projekt 4 - Projekt Echo 116 Sp. z o.o. S.k.A. (formerly: Projekt 4 – Grupa Echo Sp. z o.o. S.k.a.)	Kielce	100%	Echo Investment S.A.
135	Projekt 5 – Grupa Echo Sp. z o.o. S.k.a.	Szczecin	100%	60 FIZ Forum
136	Projekt 11 - Projekt Echo - 131 Sp. z o.o. S.k.a. (formerly: Projekt 11 – Grupa Echo Sp. z o.o. S.k.a.)	Kielce	100%	60 FIZ Forum
137	Projekt 12 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
138	Projekt 13 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum

ITEM	COMPANY NAME	REGISTERED OFFICE	% SHARE OF THE CAPITAL	PARENT
139	Projekt 14 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
140	Projekt 15 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
141	Projekt 16 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
142	Projekt 17 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
143	Projekt 18 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
144	Projekt 19 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
145	Projekt 20 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
146	Projekt 21 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
147	Projekt 22 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
148	Projekt K-6 - Grupa Echo Sp. z o.o. S.K.A.	Kielce	100%	Echo Investment S.A.
149	Pure Systems Sp. z o.o.	Krakow	100%	Echo Investment S.A.
150	SPV Office – 1 SCSp	Luxemburg	100%	XXIX FIZ Forum
151	SPV Development SCSp	Luxemburg	100%	60 FIZ Forum
152	SPV Office – 2 SCSp	Luxemburg	100%	XXIX FIZ Forum
153	SPV Office – 3 SCSp	Luxemburg	100%	XXIX FIZ Forum
154	SPV Office – 4 SCSp	Luxemburg	100%	XXIX FIZ Forum
155	SPV Office – 5 SCSp	Luxemburg	100%	XXIX FIZ Forum
156	SPV Retail – 1 SCSp	Luxemburg	100%	XXXIV FIZ Forum
157	SPV Retail – 2 SCSp	Luxemburg	100%	XXXIV FIZ Forum
158	SPV Retail – 3 SCSp	Luxemburg	100%	XXXIV FIZ Forum
159	SPV Retail – 4 SCSp	Luxemburg	100%	XXXIV FIZ Forum
160	SPV Retail – 5 SCSp	Luxemburg	100%	XXXIV FIZ Forum
161	Vasco Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
162	Veneda – Projekt Echo -97 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
163	Verwood Investments Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
164	Villea Investments Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
165	Vousoka Ltd	Nicosia	100%	El Project Cypr - 1 Ltd
165	Vousoka Polska Sp. z o.o.	Kielce	100%	Echo Investment S.A.
167	Vousoka Polska Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
168	Yevrobudgarant LLC	Kiev	100%	El Project Cypr - 1 Ltd
169	Zakład Ogrodniczy Naramowice – Pamiątkowo Sp. z o.o. S.k.a.	Pamiątkowo	100%	60 FIZ Forum

All certificates issued by XXIX FIZ Forum, XXXIV FIZ Forum and 60 FIZ Forum are held by companies from the Echo Investment Capital Group.

7.2. Main domestic and foreign investments

Real property

In 2015, the subsidiaries of Echo Investment purchased the following real properties:

TOWN/CITY	STREET	AREA	INTENDED PURPOSE
Wrocław	Kępa Mieszczańska	0.8 ha	residential developments
Wrocław	Rychtalska	2.2 ha	residential developments
Krakow	Rakowicka	0.4 ha	residential developments
Warsaw	Woronicza	0.9 ha	office developments

8. INFORMATION ON MATERIAL TRANSACTIONS CONCLUDED BY THE ISSUER OR ITS SUBSIDIARY WITH RELATED PARTIES ON TERMS OTHER THAN MARKET TERMS, INCLUDING AMOUNTS AND INFORMATION EXPLAINING THE NATURE OF SUCH TRANSACTIONS

In 2015, no material transactions were concluded between Echo Investment S.A. and its subsidiaries, and related parties on terms other than market terms.

9. INFORMATION ON LOAN AND BORROWING AGREEMENTS CONCLUDED AND TERMINATED IN A GIVEN FINANCIAL YEAR

9.1. Loan agreements

COMPANY'S LIABILITIES DUE TO LOANS RAISED, AS OF 31 DECEMBER 2015

BANK	TYPE OF LIABILITY	LOAN CURRENCY	CONTRACTUAL AMOUNT OF LOAN (PLN '000)	LOAN USED AS OF 31.12.2015 (PLN '000)	INTEREST RATE	FINAL MATURITY
ALIOR BANK S.A.	Revolving loan in a credit account	PLN	30 000	-	3M WIBOR + margin	30.01.2016*
PeKaO S.A.	Overdraft	PLN	75 000	-	1M WIBOR + margin	30.06.2016
BZ WBK S.A.	Overdraft	PLN	75 000	15 582	1M WIBOR + margin	30.07.2016
PKO BP S.A.	Revolving working capital loan in a credit account	PLN	75 000	**	1M WIBOR + margin	18.08.2017
TOTAL			255 000	15 582		

* On 29 January 2016, an addendum was signed to the Loan Agreement, extending the loan's availability by another 12-month period, i.e. to 30 January 2017.

** As of 31.12.2015, the used amount of a multi-purpose facility on account of guarantees issued by PKO BP S.A. at Echo Investment S.A.'s commission is PLN 2,155 thousand.

9.2. Debt instrument agreements

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

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

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

As of 31 December 2015, the Issue Programme allowed for the issue of bonds with a total maximum nominal value of PLN 1 billion.

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

On 22 October 2015, the Company issued bearer bonds, dematerialised in the total amount of PLN 230 million. The nominal value per bond is PLN 1 thousand. The bonds were issued for the period ending on 23 April 2018. The bonds' ISIN code is: PLECHPS00191. The bond interest rate was established based on the variable WIBOR 6M rate increased by investors' profit margin. Interest shall be paid in 6-month periods. On the redemption day, the bonds shall be redeemed based on their nominal value. The issued bonds are not secured.

In addition, on 22 October 2015, the Company purchased 200 bearer bonds with a total nominal value of PLN 20 million from the issue of series 1/2011 in the amount of PLN 145 million, maturing on 11 February 2016.

COMPANY'S LIABILITIES DUE TO BONDS ISSUED, AS OF 31 DECEMBER 2015

BANK	BONDSPOT QUOTATION NUMBER	INSTRUMENT TYPE	AMOUNT USED (PLN '000)	BOND MATURITY	INTEREST RATE
mBank S.A.	NOT QUOTED	Bonds	*125 000	11.02.2016	WIBOR 6M + margin
mBank S.A.	(ISIN : PLECHPS00118)	Bonds	200 000	28.04.2017	WIBOR 6M + margin
mBank S.A.	(ISIN : PLECHPS00191)	Bonds	230 000	23.04.2018	WIBOR 6M + margin
mBank S.A.	(ISIN : PLECHPS00126)	Bonds	80 000	19.06.2018	WIBOR 6M + margin
mBank S.A.	(ISIN : PLECHPS00134)	Bonds	100 000	19.02.2019	WIBOR 6M + margin
mBank S.A.	(ISIN : PLECHPS00159)	Bonds	70 500	15.05.2019	WIBOR 6M + margin
Non-public bonds			805 500		
Series A issue	(ISIN : PLECHPS00142)	Bonds	50 000	26.06.2016	WIBOR 6M + margin
Series B issue	(ISIN : PLECHPS00167)	Bonds	25 000	02.07.2016	WIBOR 6M + margin
Series C issue	(ISIN : PLECHPS00175)	Bonds	75 000	04.03.2018	WIBOR 6M + margin
Series D issue	(ISIN : PLECHPS00183)	Bonds	50 000	20.04.2018	WIBOR 6M + margin
Public bonds			200 000		
TOTAL			1 005 500		

* The bonds were purchased on the redemption date, i.e. 11 February 2016.

9.3. Borrowing agreements

BORROWINGS RECEIVED AS OF 31 DECEMBER 2015

COUNTERPARTY	AMOUNT (PLN '000)	INTEREST RATE	REPAYMENT DEADLINE
ECHO - AURUS SP Z O.O.	195 000	WIBOR 3M + margin	31 December 2016
ECHO-SPV 7 SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	306 000	WIBOR 3M + margin	31 December 2016
Total:	501 000		

10. INFORMATION ON BORROWINGS GRANTED IN A GIVEN FINANCIAL YEAR

I. LONG-TERM BORROWINGS GRANTED AS OF 31 DECEMBER 2015

COUNTERPARTY	AMOUNT (PLN '000)	INTEREST RATE	REPAYMENT DEADLINE
other – unrelated parties	21		
Total:	21		

II. SHORT-TERM BORROWINGS GRANTED AS OF 31 DECEMBER 2015

COUNTERPARTY	AMOUNT (PLN '000)	INTEREST RATE	REPAYMENT DEADLINE
Echo - Park Rozwoju Sp. z o. o. S.K.A.	49 700	WIBOR 3M + margin	31 December 2016
Echo - Opolska Biznes Park sp. z o. o. SKA	59 760	WIBOR 3M + margin	31 December 2016
Dellia Investment S.A.	7 653	WIBOR 3M + margin	31 December 2016
Echo Investment Hungary Ingatlanhasznosító KFT	30 966	WIBOR 3M + margin	31 December 2016
Echo - Projekt Management Ingatlanhasznosító KFT	778	WIBOR 3M + margin	31 December 2016
El Project CYP - I LIMITED	50 206	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
Echo-West Gate Sp. z o. o. S.K.A.	4 150	WIBOR 3M + margin	31 December 2016
Duże Naramowice -Projekt Echo -111 Sp. z o. o. S.K.A.	80 000	WIBOR 3M + margin	31 December 2016
Galeria Katowice - Projekt Echo 120 Sp. z o. o. S.K.A.	2 050	WIBOR 3M + margin	30 June 2016
Projekt Beethovena - Projekt Echo -122 SP. z o. o. S.K.A.	3 700	WIBOR 3M + margin	31 December 2016
A4 - Business Park - Iris Capital Sp. z o. o. S.K.A.	3 300	WIBOR 3M + margin	30 September 2016
Projekt Echo - 102 Sp. z o. o.	8 500	WIBOR 3M + margin	31 December 2016
Barconsel Holding Limited	100	WIBOR 3M + margin	30 June 2016
GP Development S.a.r.l	42	WIBOR 3M + margin	31 December 2016
GP Retail S.a.r.l	42	WIBOR 3M + margin	31 December 2016
GP Office S.a.r.l	42	WIBOR 3M + margin	31 December 2016
other – unrelated parties	32	WIBOR 3M + margin	
Total:	311 021		

11. INFORMATION ON SURETIES AND GUARANTEES ISSUED AND RECEIVED IN A GIVEN FINANCIAL YEAR

11.1. Surety agreements

I. Sureties issued as of 31 December 2015

SURETY TO	VALUE ('000)	VALIDITY PERIOD	DESCRIPTION
BANK POLSKA KASA OPIEKI S.A.	222 385	shall remain in force until the fulfilment of conditions specified in the surety agreement but for a period not exceeding 31.12.2025	Surety of Echo Investment S.A. securing the obligations of Galeria Sudecka - Projekt Echo - 43 spółka z ograniczoną odpowiedzialnością SKA under the loan agreement concluded on 19.12.2013, the master agreement of 19.04.2011 and agreement no. 2013/127/DDF of 17.09.2013. A portion of the surety was granted in EUR.

II. Amendments to agreements of surety issued by Echo Investment S.A. in 2015:

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.

III. As of 31 December 2015, the value of valid sureties received by Echo Investment S.A. is as follows:

- under lease agreements concluded: none,
- under development agreements: none.

11.2. Guarantee agreements

I. Valid guarantee agreements as of 31 December 2015

GUARANTOR	VALUE ('000)	VALIDITY PERIOD	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
Echo Investment S.A.	21 308	until 02.07.2020	Security for the ill-performance of the final agreement for the sale of the office facility Aquarius Business House in Wrocław, stage I. The guarantee was issued in EUR.
Echo Investment S.A.	27 295	shall remain in force until the project's completion but for a period not exceeding 28 February 2016	Security for exceeded costs and debt service liabilities, and construction management support during the implementation of the development Park Rozwoju in Warsaw, stage I, for Bank Zachodni WBK S.A.
Echo Investment S.A.	38 354	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.	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.
Echo Investment S.A.	255 690	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.
Echo Investment S.A.	11 200	until 30.01.2016	Security for exceeding the implementation costs of the office development West Gate in Wrocław.
PZU S.A.	36 900	until 16.07.2016	Security for the non-performance of the agreement concluded on 22 June 2015 by Echo Investment S.A. for FTF Columbus S.A.
PZU S.A.	180 000	until 16.07.2016	Security for the non-performance of the agreement concluded on 22 June 2015 by Echo Investment S.A. for FTF Columbus S.A.
Echo Investment S.A.	12 543	until 31.01.2016	Security for exceeded implementation costs of stage II of the office development A4 Business Park in Katowice.

II. Amendments to agreements of guarantee issued by Echo Investment S.A. in 2015:

On 15 March 2015, a guarantee in the amount of PLN 134,460.00, which was issued by 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 18 March 2015, Echo Investment S.A. issued a guarantee to BNP Paribas Bank Polska S.A. to secure the exceeding of the implementation costs of the office development West Gate in Wrocław by the Borrower, Echo - West Gate Spółka z

ograniczoną odpowiedzialnością SKA (the Issuer's subsidiary). The guarantee amounts to PLN 11,200,000.00. The Guarantee is valid until 30 January 2016.

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

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 Bełchatów, 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.

On 6 July 2015, Powszechny Zakład Ubezpieczeń S.A. issued a guarantee to FTF Columbus S.A. to secure the ill-performance of the agreement dated 22 June 2015 by Echo Investment S.A. The guarantee amounts to PLN 36,900,000.00. The Guarantee is valid until 6 July 2016.

On 6 July 2015, Powszechny Zakład Ubezpieczeń S.A. issued a guarantee to FTF Columbus S.A. to secure the ill-performance of the agreement dated 22 June 2015 by Echo Investment S.A. The guarantee amounts to PLN 180,000,000.00. The Guarantee is valid until 6 July 2016.

On 16 July 2015, BGŻ BNP Paribas S.A. issued a bank guarantee to Gmina Katowice to secure the non-performance of payment obligations on account of the real property tax by A4 Business Park – Iris Capital Spółka z ograniczoną odpowiedzialnością – spółka komandytowo-akcyjna (Issuer's subsidiary), according to the decision of 12 May 2015. The guarantee amounts to PLN 886,336.50. The Guarantee is valid until 30 September 2019.

On 10 August 2015, a bank guarantee in the amount of PLN 88,466.00, which was issued by PKO BP S.A. to 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, expired.

On 31 August 2015, a bank guarantee in the amount of PLN 151,250.00, which was issued by 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 September 2015, Echo Investment S.A. issued a guarantee to BGŻ BNP Paribas S.A. to secure the exceeding of the implementation costs of the development A4 Business Park, stage II, in Katowice by the Borrower, A4 Business Park – Iris Capital Spółka z ograniczoną odpowiedzialnością – spółka komandytowo-akcyjna (the Issuer's subsidiary). The guarantee amounts to EUR 2,943,345.80. The Guarantee is valid until 31 January 2016.

III. As of 31 December 2015, the value of guarantees received by the Company is as follows:

- due to lease agreements: PLN 40.13 thousand,
- due to contractor agreements: PLN 18.35 million, EUR 9.06 thousand.

12. IN THE EVENT OF THE ISSUE OF SECURITIES IN THE PERIOD COVERED BY THE REPORT – ALLOCATION OF ISSUE PROCEEDS BY ECHO INVESTMENT S.A.

Issue of bonds

The Management Board of Echo Investment S.A. (hereinafter referred to as the Issuer, Company) announces that, as part of the Bond Issue Programme (Current Report no. 7/2011 of 1 February 2011) signed with mBank S.A., with its registered office in Warsaw, on 22 October 2015, the Company issued coupon bonds in the total amount of PLN 230 million.

The nominal value and the issue price of one bond is PLN 1,000. The bonds were issued for the period ending on 23 April 2018. The bond interest rate was established based on the variable WIBOR 6M rate increased by investors' profit margin. Interest shall be paid in 6-month periods. On the redemption day, the bonds shall be redeemed based on their nominal value. The issued bonds are not secured.

The value of the incurred liabilities on the last day of the quarter preceding the day when purchase was offered, i.e. 30 June 2015, amounts to PLN 981 million.

In the opinion of the Management Board of Echo Investment S.A., during the validity period of issued bonds, the general liabilities of Echo Investment S.A. will be maintained on a safe level, while debt service ratios will ensure that the Company is capable to settle its liabilities following from the issued bonds.

As of 30 June 2015, the issued bonds account for 31.93% of the equity of Echo Investment S.A.

The funds from the current issue will be used for the repayment of bonds whose redemption date is in the next year and for expenditures related to investment processes on the real property market as part of the Echo Investment Capital Group's development strategy.

13. EXPLANATION OF DIFFERENCES BETWEEN THE FINANCIAL RESULTS DISCLOSED IN THE ANNUAL REPORT AND PREVIOUSLY PUBLISHED FORECASTS

Echo Investment S.A. did not publish any forecasts of financial results for 2015.

14. ASSESSMENT AND JUSTIFICATION OF THE MANAGEMENT OF FINANCIAL RESOURCES, WITH PARTICULAR EMPHASIS ON THE ABILITY TO FULFIL THE INCURRED LIABILITIES, AND POTENTIAL THREATS AND MEASURES PLANNED OR TAKEN BY THE ISSUER TO COUNTERACT SUCH THREATS

The management of the Company's financial resources focused mainly on obtaining funding for the projects and maintaining safe levels of liquidity and the planned funding structure. In the opinion of the Management Board, the Company's economic and financial situation at the end of December 2015 testifies to a strong financial standing, which is confirmed by the following ratios.

PROFITABILITY RATIOS

Operating profit margin (operating profit/sales revenue): The increase of the margin compared to the same period a year earlier is caused by a higher operating profit accompanied by a decrease in net sales revenue. The increase in the operating profit results from dividends received from subsidiaries (NOTE 20B).

Balance sheet net profit margin (net profit/revenue): The increase compared to the same period a year earlier is caused by an increase in net profit, accompanied by a decrease in sales revenue. In addition to the above-mentioned dividends, the ratio was affected by higher financial expenses.

Return on assets, ROA (net profit/total assets): The ratio increased in comparison to the same period a year earlier because net profit (dividend) increased faster than the value of assets (purchase of investment certificates).

Return on equity, ROE (net profit/equity): The ratio increased in comparison to the same period a year earlier because net profit increased faster than equity.

PROFITABILITY RATIOS

PROFITABILITY RATIOS	31.12.2015	31.12.2014
Operating profit margin	1 652.6%	62.3%
Net balance sheet profit margin	1 436.9%	12.4%
Return on assets (ROA)	55.9%	1.6%
Return on equity (ROE)	81.4%	3.8%

DAYS RATIOS

The days ratios depend on the specific nature of business. Since inventories include the acquired ownership titles, construction expenditures and costs of developments for sale, it must be stressed that this cycle will always be longer compared to other industries, such as the FMCG industry.

Inventory days (inventory*360/revenue): The ratio decreased compared to the previous year because the value of inventory decreased and sales revenue increased. It means that the company's apartment sales were higher than expenditures to build new apartments.

Short-term debtor days (short-term receivables*360/revenue): The ratio increased due to an increase in short-term receivables (repayment of borrowings), accompanied by a decrease in net sales revenue.

Short-term trade creditor days (short-term trade liabilities*360/revenue): The ratio increased due to an increase in short-term liabilities, accompanied by a decrease in sales revenue.

DAYS RATIOS

DAYS RATIOS	31.12.2015	31.12.2014
Inventory days	533	581
Short-term debtor days	595	349
Short-term trade creditor days	45	32

LIQUIDITY RATIOS

Current ratio (current assets/short-term liabilities): The ratio decreased as a result of an increase in short-term liabilities (mainly borrowings raised with Group companies). After eliminating intra-Group borrowings, the ratio's decrease is not that significant, and it is at an ideal level, which confirms the Company's stable financing standing.

Quick ratio ((current assets - inventory)/short-term liabilities): The decrease of this ratio results from an increase in short-term liabilities. The movement in inventory and short-term liabilities is explained in the descriptions of the above ratios. If the intra-Group borrowings raised by the Company were eliminated, the ratio would remain at a similar level.

Cash ratio (cash/short-term liabilities): The decrease of this ratio results from an increase in liabilities accompanied by a decrease in cash. Eliminating intra-Group borrowings significantly improves the ratio. In addition, the Company holds high amounts of overdraft facilities to quickly access cash, which completely eliminates the risk that it might lose liquidity.

LIQUIDITY RATIOS

LIQUIDITY RATIOS	31.12.2015	31.12.2014
Current ratio	0.81	2.53
Quick ratio	0.45	1.10
Cash ratio	0.04	0.25

DEBT RATIOS:

Equity to assets ratio (equity/total assets): The ratio increased because equity (dividends) increased faster than assets (purchase of certificates).

Equity to non-current assets ratio (equity/non-current assets): The ratio increased because equity (dividend) increased faster than non-current assets (purchase of certificates).

Overall indebtedness ratio (total liabilities/total assets): The ratio decreased because assets (purchase of certificates) increased faster than liabilities. The fact that this ratio remains at very safe levels confirms that the Company's debt is at safe levels compared to its assets.

Debt to equity ratio (total liabilities/equity): The ratio decreased compared to the previous year because total liabilities increased slower than equity.

DEBT RATIOS

DEBT RATIOS	31.12.2015	31.12.2014
Equity to assets ratio	69%	40%
Equity to non-current assets ratio	79%	63%
Overall indebtedness ratio	30%	60%
Debt to equity ratio	44%	148%

15. FEASIBILITY OF INVESTMENT PLANS, INCLUDING CAPITAL INVESTMENTS, COMPARED TO THE FUNDS HELD AND TAKING INTO CONSIDERATION POSSIBLE CHANGES IN THE FINANCING STRUCTURE OF SUCH OPERATIONS

The Company is fully capable of funding the current investment projects. It uses its own funds, bank loans and funds from the issue of bonds.

Developments for lease (shopping centres, shopping and entertainment centres and offices) are usually financed through funds obtained (special purpose loans) by special purpose vehicles established to carry out the developments. Residential developments are financed from the Company's own funds.

New properties for prospective developments are acquired using the Company's own funds or general purpose loans (overdraft facilities, working capital facilities and bonds) raised by the Company.

16. ASSESSMENT OF FACTORS AND UNUSUAL EVENTS INFLUENCING THE FINANCIAL RESULT FOR THE FINANCIAL YEAR, INCLUDING THE EXTENT TO WHICH THESE FACTORS AND UNUSUAL EVENTS INFLUENCED THE ACHIEVED RESULTS

1. Factors affecting the Company's financial result in 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 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:
 - Dyminy near Kielce (Osiedle Południowe, stages I, II and III)
- sale of a plot:
 - in Kielce, Al. Solidarności
- sales of the interests of Wan 11 Sp. z o.o.
- agreements involving implementation of developments:
 - investment management
 - investment preparation
- agreements with subsidiaries:
 - for financial and legal services, secretarial services, marketing, re-commercialisation, management and trade mark supervision,
 - for the lease of computer hardware
 - agency agreements: for the sale of apartments, projects and lease of commercial space
 - for financial agency services
 - for payment services
 - for establishing collaterals
 - for marketing services
- quarterly revaluation of the fair value of property owned by the Company in Warsaw
- cost of sales and general and administrative expenses
- measurement of liabilities due to bonds and borrowings at amortised cost
- measurement of cash due to changing foreign exchange rates

- revaluation of inventory
 - interest on deposits, bonds purchased and borrowings granted
 - discounts and interest on loans, bonds and borrowings
 - payments of dividends and posting of accrued profits from limited partnerships.
2. Unusual events affecting the Company's financial result in 2015:
- creation of a provision in general administrative expenses for costs related to the sale of 75% of the portfolio of real properties in use: PLN 34.8 million.
3. As of 31 December 2015, the Company did not have any open positions hedging against FX variations.

17. DESCRIPTION OF EXTERNAL AND INTERNAL FACTORS MATERIAL FOR THE GROWTH OF THE ISSUER'S BUSINESS AND DESCRIPTION OF GROWTH PERSPECTIVES FOR THE ISSUER'S BUSINESS, AT LEAST UNTIL THE END OF THE FINANCIAL YEAR

17.1. Description of external and internal factors significant for the growth of Echo Investment S.A.

The most important external factors affecting the Group's development include:

Positive factors:

- ever increasing investment activity of Polish and foreign businesses (BPO sector in particular) and the resulting demand for services provided by the Group companies
- the ratio of office space per 1,000 residents remaining lower than in Western Europe
- deficit of residential areas
- continued economic growth in Poland
- good condition of the Polish financial sector
- increase in retail sales dynamics.

Negative factors:

- unclear legal status of many properties due to the absence of precise land development plans in cities and gminas
- time-consuming court and administrative procedures with regard to clarifying legal status and acquiring rights to property
- variation of foreign exchange rates (EUR and USD)
- variation of interest rates
- uncertainty as to the key assumptions of fiscal and monetary policy in Poland (draft amendments to tax laws)
- unstable political situation in Ukraine.

Major internal factors important for the Company's development:

Positive factors:

- clearly defined development strategy
- strong position of the Group on the property development market and high credibility confirmed by the presence of Echo Investment S.A. on the Stock Exchange and the obtained Property Developer Certificate
- partnership in the area of loans, investment of surplus and transactions on FX derivatives (forwards) and interest rates (IRS) with banks with a stable financial situation
- successful partnership with stable and renowned partners described in sections 2 and 3 of the report
- organisational structure with identified departments corresponding to business segments (departments for shopping centres, offices and hotels, and apartments) responsible for generating profit (revenue and costs) in their segment and for running whole projects, i.e. from purchasing plots of land to lease or sale
- stable legal status (no court proceedings threatening the Company)
- experienced staff, including BREEAM certification specialists
- large area of land held and intended for investments.

Negative factors:

- specific nature of business involving dependence on complicated and time-consuming administrative procedures (among other things, obtaining building or usage permits, waiting for modification of a local zoning plan, etc.)
- high demand for current funds, in particular in connection with a high number of ongoing projects.

17.2. Business growth perspectives for Echo Investment S.A.

Presented in the tables below is the Echo Investment Capital Group's activity on the real property market in 2015:

DEVELOPMENTS COMMISSIONED TO USE IN 2015

SEGMENT	CITY	STREET	DEVELOPMENT
offices	Warsaw	Konstruktorska	Park Rozwoju (stage II)
offices	Katowice	Francuska	A4 Business Park (stage II)
offices	Wrocław	Lotnicza	West Gate
shopping centres	Jelenia Góra	Jana Pawła II	Galeria Sudecka (expansion)
shopping centres	Szczecin	Struga	Outlet Park (stage II)
apartments	Łódź	Okopowa	Osiedle Jarzębinowe (stage II)
apartments	Krakow	Bronowicka	Bronowicka 42
apartments	Poznań	Naramowice	Pod Klonami (stage II), row houses
apartments	Wrocław	Grota-Roweckiego	Grota 111 (stage I)

DEVELOPMENTS COMMENCED IN 2015

SEGMENT	CITY	STREET	DEVELOPMENT
offices	Katowice	Francuska	A4 Business Park (stage III)
offices	Łódź	Piłsudskiego	Symetris (stage I)
apartments	Krakow	Spiska	Dom Pod Wilgą
apartments	Krakow	Kościuszki	Kościuszki
apartments	Łódź	Okopowa	Osiedle Jarzębinowe (stage III)
apartments	Poznań	Karpia	Osiedle Jaśminowe (stage II)
apartments	Poznań	Sowińskiego	Park Sowińskiego (stages II and III)
apartments	Poznań	Jackowskiego	Jackowskiego
apartments	Poznań	Naramowice	Pod Klonami, row houses (stage III)
apartments	Warsaw	Konstruktorska	Nowy Mokotów (stage III)
apartments	Wrocław	Grota-Roweckiego	Grota 111 (stage II)

In 2016, the Company plans to launch and commission further projects presented in the table below. The Company will start the construction of 114 thousand sq. m of leasable area and 994 apartments. As parts of current developments, in 2016 the Group plans to commission to use 6 office developments, 1 services and shopping facility and 3 residential developments. In total, the leasable area to be commissioned to use in 2016 is 138.1 thousand sq. m and 387 apartments. The Company may also commence one of the developments in the design phase.

DEVELOPMENTS TO BE COMMENCED IN 2016

SEGMENT	CITY	STREET	DEVELOPMENT
offices	Krakow	Opolska	Opolska Business Park (stage II)
offices	Łódź	Piłsudskiego	Symetris (stage II)
offices	Wrocław	Sucha	Sagittarius (stages I and II)
shopping centres	Katowice	Kościuszki	Galeria Libero
shopping centres	Szczecin	Wyzwolenia	Galaxy, expansion
shopping centres	Szczecin	Struga	Fitness and health centre
apartments	Krakow	Spiska	Dom Pod Wilgą (stage II)
apartments	Krakow	Rakowicka	

SEGMENT	CITY	STREET	DEVELOPMENT
apartments	Łódź	Okopowa	Osiedle Jarzębinowe (stages IV and V)
apartments	Poznań	Karpia	Osiedle Jaśminowe (stage III)
apartments	Poznań	Naramowice	17 MW1
apartments	Warsaw	Puławska	Princess
apartments	Warsaw	Konstruktorska	Nowy Mokotów (stage IV)
apartments	Wrocław	Grota-Roweckieg	Grota 111 (stage III)

DEVELOPMENTS TO BE COMMISSIONED TO USE IN 2016

SEGMENT	CITY	STREET	DEVELOPMENT
offices	Gdańsk	Jana z Kolna	Tryton
offices	Krakow	Opolska	Opolska Business Park (stage I)
offices	Katowice	Francuska	A4 Business Park (stage III)
offices	Łódź	Piłsudskiego	Symetris (stage I)
offices	Warsaw	Grzybowska	Q22
offices	Wrocław	Plac Grunwaldzki	Nobilis Business House
shopping centres	Szczecin	Struga	Fitness and health centre
apartments	Krakow	Czarodziejska	Park Avenue
apartments	Poznań	Sowińskiego	Park Sowińskiego (stage I)
apartments	Warsaw	Konstruktorska	Nowy Mokotów (stage II)

The Company's results in 2016 will be affected by the sale of plots of land in Lublin and Brasov (Romania).

18. CHANGES IN BASIC MANAGEMENT PRINCIPLES OF THE ISSUER'S BUSINESS AND THE CAPITAL GROUP

In 2015, there were no material changes in the basic management principles of the Company and the Group.

19. AGREEMENTS CONCLUDED BETWEEN THE ISSUER AND MANAGERIAL STAFF, PROVIDING FOR A COMPENSATION IF SUCH PERSONS RESIGN OR ARE DISMISSED FROM THEIR POSITION WITHOUT A VALID REASON OR IF THEY ARE RECALLED OR DISMISSED AS A RESULT OF A MERGER OF THE ISSUER BY ACQUISITION

In 2015 and as of 31 December 2015, there were no agreements between the Company and its managerial staff providing for such compensation.

20. REMUNERATIONS, BONUSES OR BENEFITS, INCENTIVE OR BONUS SCHEMES BASED ON THE ISSUER'S CAPITAL, INCLUDING SCHEMES BASED ON CONVERTIBLE BONDS WITH PRE-EMPTIVE RIGHT, SUBSCRIPTION WARRANTS (IN CASH, IN KIND OR IN ANY OTHER FORM), PAID, DUE OR POTENTIALLY PAYABLE, SEPARATELY FOR EVERY MANAGER AND SUPERVISOR OF THE ISSUER, IRRESPECTIVE OF WHETHER SUCH PAYMENTS WERE RECOGNISED IN COSTS OR RESULTED FROM THE DISTRIBUTION OF PROFIT, AND REMUNERATIONS AND BONUSES RECEIVED FROM HOLDING FUNCTIONS IN CORPORATE BODIES OF SUBORDINATE ENTITIES

20.1. Remuneration of managerial staff

Management personnel of Echo Investment S.A. who received remuneration in Echo Investment S.A. as of 31 December 2015:

- Piotr Gromniak received remuneration in Echo Investment S.A. in the total amount of PLN 1,399 thousand.
- Maciej Drozd received remuneration in Echo Investment S.A. in the total amount of PLN 734 thousand.
- Artur Langner received remuneration in Echo Investment S.A. in the total amount of PLN 1,238 thousand.
- Waldemar Lesiak received remuneration in Echo Investment S.A. in the total amount of PLN 1,238 thousand.

As of 31 December 2015, Echo Investment S.A.'s management personnel received bonuses in the amount of PLN 5,561 thousand.

In 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 1,084 thousand.
- Artur Langner received remuneration in Echo Investment S.A. in the total amount of PLN 983 thousand.
- Waldemar Lesiak received remuneration in Echo Investment S.A. in the total amount of PLN 857 thousand.

20.2. Remuneration of supervisory staff

Supervisory personnel of Echo Investment S.A. who received remuneration in Echo Investment S.A. for holding supervisory functions in the Company as of 31 December 2015:

- Wojciech Ciesielski received remuneration in Echo Investment S.A. in the total amount of PLN 44 thousand.
- Andrzej Majcher received remuneration in Echo Investment S.A. in the total amount of PLN 32 thousand.
- Mariusz Waniotka received remuneration in Echo Investment S.A. in the total amount of PLN 32 thousand.
- Robert Oskard received remuneration in Echo Investment S.A. in the total amount of PLN 19 thousand.
- Karol Żbikowski received remuneration in Echo Investment S.A. in the total amount of PLN 19 thousand.
- Stefan Kawalec received remuneration in Echo Investment S.A. in the total amount of PLN 31 thousand.
- Przemysław Krych received remuneration in Echo Investment S.A. in the total amount of PLN 19 thousand.
- Maciej Dyjas received remuneration in Echo Investment S.A. in the total amount of PLN 19 thousand.
- Nebil Senmam received remuneration in Echo Investment S.A. in the total amount of PLN 19 thousand.

In 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 the total amount of PLN 84 thousand.
- Andrzej Majcher received remuneration in Echo Investment S.A. in the total amount of PLN 60 thousand.
- Mariusz Waniotka received remuneration in Echo Investment S.A. in the total amount of PLN 60 thousand.
- Robert Oskard received remuneration in Echo Investment S.A. in the total amount of PLN 36 thousand.

Karol Żbikowski received remuneration in Echo Investment S.A. in the total amount of PLN 36 thousand.

21. TOTAL NUMBER AND NOMINAL VALUE OF ALL OF THE ISSUER'S SHARES AS WELL AS SHARES AND INTERESTS IN THE ISSUER'S RELATED PARTIES HELD BY MANAGEMENT AND SUPERVISORY STAFF

21.1. Shareholding structure of Echo Investment S.A. by supervisory staff

The shareholding structure of Echo Investment S.A. by supervisory staff as of 31 December 2015 is presented in the table below:

SUPERVISOR	NUMBER AS OF 31.12.2015	NOMINAL VALUE PER SHARE	TOTAL NOMINAL VALUE	% OF SHARE CAPITAL
Karim Khairallah – Chairman of the Supervisory Board	no shares	-	-	-
Laurent Luccioni – Vice-Chairman of the Supervisory Board	no shares	-	-	-
Maciej Dyjas – Member of the Supervisory Board	no shares	-	-	-
Sebastian Zilles – Member of the Supervisory Board	no shares	-	-	-
Przemysław Krych – Member of the Supervisory Board	no shares	-	-	-
Nebil Senman – Member of the Supervisory Board	no shares	-	-	-
Stefan Kawalec – Member of the Supervisory Board	no shares	-	-	-

21.2. Shareholding structure of Echo Investment S.A. by managerial staff

The shareholding structure of Echo Investment S.A. by managerial staff as of 31 December 2015 is presented in the table below:

SUPERVISOR	NUMBER AS OF 31.12.2015	NOMINAL VALUE PER SHARE	TOTAL NOMINAL VALUE	% OF SHARE CAPITAL
Piotr Gromniak – President of the Management Board	no shares	-	-	-
Maciej Drozd – Vice-President of the Management Board	no shares	-	-	-
Artur Langner – Vice-President of the Management Board	no shares	-	-	-
Waldemar Lesiak – Vice-President of the Management Board	no shares	-	-	-

22. INFORMATION ON AGREEMENTS KNOWN TO THE ISSUER (INCLUDING AGREEMENTS CONCLUDED AFTER THE BALANCE SHEET DATE) THAT MAY CHANGE THE PROPORTION OF SHARES HELD BY THE EXISTING SHAREHOLDERS AND BONDHOLDERS

The Company is not aware of any agreements potentially resulting in changes in the proportion of shares held by existing shareholders.

23. INFORMATION ABOUT THE EMPLOYEE SHARE OWNERSHIP PLAN CONTROL SYSTEM

The Company does not operate an employee share scheme.

24. INFORMATION ON AGREEMENTS CONCLUDED WITH AN ENTITY AUTHORISED TO AUDIT FINANCIAL STATEMENTS FOR THE AUDIT OR REVIEW OF FINANCIAL STATEMENTS OR CONSOLIDATED FINANCIAL STATEMENTS

On 25 June 2015, the Company's Supervisory Board, acting pursuant to § 13, section 1, letter b) of the Company's Statute, according to the applicable regulations and professional standards, appointed an entity authorised to audit financial statements. The entity authorised to audit the Company's financial statements is Ernst & Young Audyt Polska Sp. z o.o. Sp.K., with its registered office in Warsaw, ul. Rondo ONZ 1, entered in the list of entities authorised to audit financial statements, maintained by the National Chamber of Statutory Auditors, under no. 130 (Statutory Auditor); an agreement was concluded with that entity for the audit and review of Echo Investment's financial statements for 2015.

The net remuneration of the entity authorised to audit financial statements of the Company and the Group, paid or due for the financial year, includes the following:

- for the audit of the separate and consolidated annual statements for 2015: PLN 170,000; the remuneration paid for the audit of the same statements for 2014 amounts to PLN 100,000,
- for the review of the separate and consolidated financial statements for 2015: PLN 411,000, and paid for the review of the separate and consolidated financial statements for 2014: PLN 125,000.

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

Piotr Gromniak

Maciej Drozd

Artur Langner

Waldemar Lesiak

President of the
Management Board

Vice President of the
Management Board

Vice President of the
Management Board

Vice President of the
Management Board

Kielce, 21 March 2016

IV. STATEMENT OF THE MANAGEMENT BOARD

The Management Board of Echo Investment S.A. declares that, to the best of its knowledge, the annual separate financial statements for 2015 and comparative data have been presented in compliance with the applicable accounting principles, and that they reflect in a true, reliable and transparent manner the economic and financial situation of Echo Investment S.A. and its financial result. The management report of Echo Investment S.A. presents a true view of development, accomplishments and situation of Echo Investment S.A., including a description of fundamental risks and threats.

The Management Board of Echo Investment S.A. declares that the entity authorised to audit financial statements, auditing the annual financial statements for 2015, was selected in accordance with the laws. This entity and the statutory auditors conducting the audit fulfilled the conditions required to express an unbiased and independent opinion on the audited annual financial statements, pursuant to the applicable laws and professional standards.

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

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

Kielce, 21 March 2016



STATEMENT OF THE MANAGEMENT BOARD OF ECHO INVESTMENT S.A. ON THE APPLICATION OF CORPORATE GOVERNANCE IN 2015

V. STATEMENT OF THE MANAGEMENT BOARD OF ECHO INVESTMENT S.A ON THE APPLICATION OF CORPORATE GOVERNANCE RULES IN 2015

1. INDICATION OF THE SET OF CORPORATE GOVERNANCE RULES WHICH THE ISSUER IS REQUIRED TO FOLLOW, AND WHERE THESE RULES ARE PUBLICLY AVAILABLE, OR A SET OF CORPORATE GOVERNANCE RULES WHICH THE ISSUER MAY ADOPT VOLUNTARILY, AND WHERE THESE RULES ARE PUBLICLY AVAILABLE, OR ALL RELEVANT INFORMATION ABOUT CORPORATE GOVERNANCE PRACTICES APPLIED BY THE ISSUER WHICH GO BEYOND THOSE REQUIRED BY NATIONAL LAWS, AND THE DESCRIPTION OF SUCH PRACTICES

In 2015, Echo Investment S.A. (Issuer) was subject to the rules of corporate governance specified in the document "Code of Best Practice for WSE Listed Companies", adopted by way of Resolution No. 17/1249/2010 of the Supervisory Board of the Warsaw Stock Exchange on 19 May 2010 (as amended) (WSE Best Practice 2015). On 13 October 2015, the Supervisory Board of the WSE passed a resolution on adopting a new set of corporate governance rules under the title "Best Practice for WSE Listed Companies 2016". The new rules took effect on 1 January 2016.

The text of the abovementioned rules is available on the website of Warsaw Stock Exchange: www.corp-gov.gpw.pl.

The website www.corp-gov.gpw.pl is the official website of Warsaw Stock Exchange devoted to corporate governance rules applicable to companies listed on the Main Market of WSE and on the NewConnect market.

At the same time, the Issuer would like to explain that in 2015 it did not apply corporate governance practices other than those mentioned before, going beyond the requirements specified by the national law.

2. INFORMATION ON THE EXTENT TO WHICH THE ISSUER ABANDONED THE RULES OF CORPORATE GOVERNANCE, SPECIFICATION OF SUCH PROVISIONS AND EXPLANATION FOR NOT APPLYING THEM

The Management Board of Echo Investment S.A. (Company) announces that in 2015 the Company did not apply the following corporate governance rules, as specified in the WSE Best Practice 2015.

Part I "Recommendations for Best Practice for Listed Companies"

Rule 5: "A company should have a remuneration policy and rules of defining the policy. The remuneration policy should in particular determine the form, structure, and level of remuneration of members of supervisory and management bodies. Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC) should apply in defining the remuneration policy for members of supervisory and management bodies of the company".

This principle was not be applied. Pursuant to the corporate documents of the Company, the level of remuneration, awards and bonuses for members of the Management Board is defined by the Supervisory Board and the remuneration of the Supervisory Board members is subject to a decision of the General Shareholders' Meeting and is adopted by way of a resolution.

Rule 9: "The WSE recommends to public companies and their shareholders that they ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies' economic business".

This principle was not be applied. Bodies authorised to appoint candidates for members of supervisory and management bodies care for the best interest of the Company and its shareholders and consider proper qualifications of candidates, satisfying the Company's requirements related with its operations. This process does not discriminate against women.

Rule 12: "A company should allow shareholders to exercise the right of vote in person or through an attorney at the general meeting, outside the location of the general meeting, using means of electronic communication".

This principle was not be applied. Pursuant to the provisions of the Commercial Companies Code, participation in a General Meeting using electronic means of communication must be allowed by the statute. The Statute of Echo Investment S.A. does not allow for such manner of conducting a general meeting.

Part II “Best Practice for Management Boards of Listed Companies”

Rule 1 “A company should operate a corporate website and publish on it.”

item 7: “shareholders’ questions on issues on the agenda submitted before and during a General Meeting together with answers to those questions”.

This principle was not be applied. The Company does not take minutes of the General Meeting, including all statements and questions. The Chairman of the General Shareholders’ Meeting decides on including individual issues in the minutes, taking into account the law, importance of a given issue and reasonable demands of the shareholders. According to the regulations of the Code of Commercial Companies, the participants of the General Meeting have the right to make statements in writing that are enclosed to the minutes. The Company acknowledges that such principles are sufficient to ensure the transparency of general meetings.

item 9a: “... a record of the General Meeting in audio or video format”.

This principle was not be applied. The Issuer does not facilitate audio and/or video records of the sessions of the general meeting and publish them on its website. Resolutions adopted by a general meeting are promptly disclosed in the form of current reports and published on the Issuer’s website.

Rule 3: “Before concluding a material agreement with the Company’s affiliate, the Management Board requests that the Supervisory Board approve the transaction/agreement. The aforementioned obligation is not applicable to typical, arm’s length transactions concluded within the company’s operating activities with its subsidiary, where the company is a majority shareholder. For the purpose of this document, related entity shall be understood within the meaning of the Regulation of the Minister of Finance issued pursuant to Article 60, section 2 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies (J.L. No. 184, item 1539, as amended)”.

This principle was applied to a limited extent. In the opinion of the Company’s Management Board, the provisions included in the existing legal regulations, the Statute and the regulations of the Company’s Supervisory Board regarding transactions/agreements concluded with its related parties are sufficient. All transactions concluded by the Company are checked by the Supervisory Board for the value thresholds specified in § 13 section 1 letters d) and e) of the Company’s Statute. The value thresholds (10% or 20% of the Company’s equity) also apply to transactions involving related parties. In addition, the powers of the Supervisory Board include continuous supervision of the Company’s operations, also as regards decisions on all material contracts concluded by the Company, assuming specific criteria for the value of contracts, as indicated in the Company’s Statute.

Part III “Best practice for Supervisory Board Members”

Rule 6: “At least two Members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board. Irrespective of the provisions of point (b) of the said Annex, a person who is an employee of the company or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a Member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting”.

The Company applied this principle to a limited extent. According to the existing legal regulations, Members of the Supervisory Board are appointed independently by the General Shareholders’ Meeting of the Company. When appointing Members of the Supervisory Board, the General Meeting considers criteria such as the candidates’ competence and experience. The Company declared that the independence criterion will be applied to the appointment of at least one member of the Supervisory Board.

Rule 8: “Annex I to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors (...) should apply to the tasks and the operation of the committees of the Supervisory Board”.

The above principle was applied to committees appointed based on a resolution by the Supervisory Board.

Rule 9: “Execution by the company of an agreement/transaction with a related entity which meets the conditions of section II.3 requires the approval of the Supervisory Board”.

This principle was applied to a limited extent. In the opinion of the Company’s Management Board, the provisions included in the existing legal regulations, the Statute and the regulations of the Company’s Supervisory Board regarding transactions/agreements concluded with its related parties are sufficient. All transactions concluded by the Company are checked by the Supervisory Board for the value thresholds specified in § 13 section 1 letters d) and e) of the Company’s

Statute. The value thresholds (10% or 20% of the Company's equity) also apply to transactions involving related parties. In addition, the powers of the Supervisory Board include continuous supervision of the Company's operations, also as regards decisions on all material contracts concluded by the Company, assuming specific criteria for the value of contracts, as indicated in the Company's Statute.

Part IV "Best Practices of Shareholders"

Rule 1: "Presence of representatives of the media should be allowed at General Meetings".

This principle was not be applied. General meetings are attended by authorised persons and persons providing services to the General Meeting. The Company does not find it necessary to introduce additional obligations for the shareholders as regards enabling participation in general meetings for the media representatives under special conditions. The existing legal regulations sufficiently regulate the implementation of information obligations imposed on public companies as regards the openness and transparency of issues discussed at the General Meeting. The Company replies immediately to questions from media representatives related to the General Meeting.

Rule 9: "A resolution of the General Meeting to split the nominal value of shares should not set the new nominal value of the shares at a level which could result in a very low unit market value of the shares, which could consequently pose a threat to the correct and reliable valuation of the company listed on the Exchange".

This principle was not be applied. The present nominal value per one share of Echo Investment S.A. amounts to PLN 0.05 (five grosz) and is higher than the minimum nominal value per share permitted by the Commercial Companies Code.

Rule 10: "A company should enable its shareholders to participate in a General Meeting using electronic communication means through:

- 1) real-time broadcast of General Meetings;
- 2) real-time bilateral communication where shareholders may take the floor during a General Meeting from a location other than the General Meeting".

This principle was not be applied. In the Company's opinion, the application of this rule involves technical and legal hazards, which may affect correct and uninterrupted session of the general meetings as well as the genuine, reliable and secure transmission of information in such communication.

3. MAJOR CHARACTERISTICS OF THE ISSUER'S BUSINESS AS REGARDS SYSTEMS OF INTERNAL CONTROL AND RISK MANAGEMENT APPLICABLE TO THE PROCESS OF PREPARATION OF FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS.

I. DESCRIPTION OF MAIN CHARACTERISTICS OF INTERNAL CONTROL SYSTEMS AND OF RISK MANAGEMENT SYSTEMS USED IN THE COMPANY

The Company's Management Board is responsible for the internal control system and its effectiveness in the process of preparing financial statements and periodic reports published according to the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information to be submitted by issuers of securities and conditions for considering as equivalent information required under the law of a non-member state (J.L. No. 33, item 259).

The effectiveness and correct operation of the internal control system and of the risk management system is ensured by:

- defined and transparent organisational structure
- skills, know-how and experience of people involved in the internal control process
- supervision by the management over the system and regular evaluation of the Company's business
- verification of financial statements by an independent statutory auditor.

Mutual connections and interdependence of internal control elements in several areas, such as:

- operating activity
- financial activity
- reporting process (including the preparation of financial statements)
- analysis of costs and expenditures related to projects, costs and general administrative expenses and sale, and costs and expenditures related to the use of leasable area
- risk management,

ensure an effective internal control system and support the management of the whole Group.

To make this process more optimal and effective, the Company has introduced a certain degree of automation in the internal control process:

- decision limits (approval of costs, expenditures, payments, selection of counterparties, posting of costs)
- supervision over employee quotas, independent of people assigning quotas
- configuration of accounts (enabling manual postings on automatic accounts, transparent and easy process of transferring information for reporting)
- automation of payments (generating a payment plan from the accounting system for electronic banking systems)
- eKOD system (electronic Document Circulation Sheet) facilitating the circulation of cost invoices, approval of expenditures and costs and initial posting.

II. DETAILED CHARACTERISTICS OF THE ISSUER'S BUSINESS AS REGARDS SYSTEMS OF INTERNAL CONTROL AND RISK MANAGEMENT APPLICABLE TO THE PROCESS OF PREPARATION OF FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS.

Main characteristics of the internal control and of the risk management system in relation to the process of preparing separate and consolidated financial statements:

- transparent organisational structure
- qualified staff
- direct supervision by the management
- expert verification of statements.

The people responsible for preparing financial statements, as part of the Company's financial and management reporting, are a highly qualified team of specialists of the Finance Branch, which is managed directly by the Finance Director and, indirectly, by the Company's Management Board. In the Finance Branch, this process involves mainly staff from the Accounting Division, assisted by employees from the Budgeting and Analysis Division and Funding Division, and the whole process is supervised by mid-level management staff of the Finance Branch.

Economic events in the course of the year are recorded by the Records Team of the Accounting Division. As part of internal control, the correctness of economic records is monitored by the Reporting Team from the Accounting Division, who have certificates of the Minister of Finance to provide services involving the keeping of accounting books (so called independent accountants). After completing all pre-defined processes of closing the books, the Team prepares financial statements. The process of monitoring the correctness of posting costs also involves employees from the Budgeting and Forecasts Team.

Measurements recognised in the statements are prepared and submitted to the Reporting Division by the employees of the Budget and Forecasts Team. This Team has knowledge in the area of financial accounting (some of the staff are independent accountants), management accounting and financial analyses (some of the staff are adequately trained in audit and internal control). They also monitor the correct posting of these measurements.

The whole process of preparing statements is supervised by managers from the Accounting Division and the Budget and Forecasts Team. The reconciliation of settlements with banks is the responsibility of the Payments and Insurance Team. Thanks to a broad internal control system, which involves staff from individual teams, and supervision by managers from the Finance Branch, any errors are adjusted on an ongoing basis in the Company's accounting books according to the adopted accounting policy.

Before being given to an independent auditor, the prepared financial statements are checked by the Company's Chief Accountant. According to the applicable laws, the Company reviews or audits its financial statements using a renowned and highly qualified independent statutory auditor. During the audit by an independent statutory auditor, employees from the Divisions of the Finance Branch participating in the process of preparing the statements provide explanations.

III. DESCRIPTION OF OTHER USE OF INTERNAL CONTROL SYSTEM AND OF RISK MANAGEMENT SYSTEM IN THE COMPANY, TAKING ACCOUNT OF SIGNIFICANCE OF THE FINANCIAL AND ACCOUNTING SYSTEM

The controlling process in the Company, whose basic and key element is the internal control, is based on a system of budgets. On an annual basis, the Company updates short-term, mid-term and long-term plans, and prepares very detailed budgets for the following year with regard to:

- construction projects
- utility projects
- expenditures, general administrative and sales expenses.

Based on the budgets, financial forecasts and cash flow forecasts, which are necessary in the risk management process, are updated. The budgeting process is based on the Company's existing formalised rules and is closely supervised by the

Finance Director. The process involves the Company's mid-level and senior management staff responsible for specific budget areas. Responsibility for the preparation and presentation rests with the Finance Branch and, with regard to costs of operation, the employees of the Property Management Division. They are also responsible for monitoring the incurred expenditures and reporting on the performance of budgets. The budget of construction projects is the responsibility of Project Managers, who are assisted by the Budgeting and Analysis Division staff. The budget of utility projects is the responsibility of financial analysts from the Management Division, and the budget of costs and general administrative and sale expenses is the responsibility of the Budgeting and Analysis Division. This division is also responsible for preparing financial and cash flow forecasts and for verifying them. The budget prepared for the following year on an annual basis is approved by the Company's Management Board.

The Company's financial and accounting system is the source of data for the whole reporting system of the Company, i.e.:

- for the process of preparing financial statements
- periodic reports
- management reporting system.

The whole reporting system uses the Company's financial and management accounting based on the accounting policy adopted in the Company (International Financial Reporting Standards). Thanks to this, management reporting is not detached from the prepared financial statements and takes account of the format and the level of detail of data presented in these statements. The process of preparing financial statements is described in the section before. The periodic and management reporting process is a continuation of the budgeting process described before. Once the accounting books have been closed, reports are prepared on the performance of budgets and forecasts. In relation to closed reporting periods, the Group's financial results are analysed in detail and compared to the budget assumptions and forecasts made in the month preceding the analysed reporting period.

The key element in this process is the monitoring of the deviation of actual performance from the plan, and explaining the reasons for such a deviation. Monitoring deviations and learning their reasons helps optimise the Group's operations and minimise potential risks. Initially, monthly performance reports are analysed in detail by mid-level and senior management staff from individual organisational units of the Accounting Division and the Budgeting and Forecasts Team. Given the specific nature of the industry, the analyses are multi-faceted: not only individual groups of costs are analysed but also specific investment projects, segments or result items are reviewed separately. Based on these reports, the Company's Management Board analyses current financial results and compares them with the adopted budgets in the course of the year.

IV. RISK MANAGEMENT IN THE COMPANY

Effective internal control (along with the existing reporting system) is the basic step in identifying risks and managing changes. In addition to the reporting system, effective risk management also involves a risk analysis. Therefore, the Company's key measure aimed at reducing its risk exposure is the correct assessment of prospective investments (Budgeting and Analysis Division) and the monitoring of current investments (Project Managers). To this end, investment models and decision-making procedures are employed, whose observance is closely monitored by the Company's Finance Director and the Management Board. In addition, all requests and potential changes in the budgets of investment projects are entered by the Budgeting and Analysis Division into result forecast models and a cash flow forecast so that an issue can be examined globally, and to eliminate risks related to projects, liquidity, foreign exchange rates, etc. Global management and risk monitoring as well as internal control in all areas that are important for the organisation largely eliminates most risks to which the Company is exposed.

4. SHAREHOLDERS WHO, DIRECTLY OR INDIRECTLY, HOLD SUBSTANTIAL STAKES OF SHARES IN ECHO INVESTMENT S.A., THE NUMBER OF SHARES HELD BY SUCH PARTIES, THEIR PERCENTAGE SHARE IN THE SHARE CAPITAL, THE NUMBER OF VOTES RESULTING FROM THE SHARES AND THEIR PERCENTAGE SHARE IN THE OVERALL NUMBER OF VOTES AT THE GENERAL MEETING.

Data as of 31 December 2015 and as of the date of the report.

SHAREHOLDER	NUMBER OF SHARES	% SHARE IN THE SHARE CAPITAL OF ECHO INVESTMENT S.A.	NUMBER OF VOTES AT THE GSM OF ECHO INVESTMENT S.A.	% OF OVERALL VOTES AT THE GSM OF ECHO INVESTMENT S.A.
Lisala Sp. z o.o.	272 375 784	65.99%	272 375 784	65.99%
Aviva OFE Aviva BZ WBK	41 269 000	9.99%	41 269 000	9.99%
Nationale-Nederlanden OFE	35 000 000	8.48%	35 000 000	8.48%

Information received by Echo Investment in 2015 on the ownership of qualifying holdings

Notification from Lisala sp. z o.o., with its registered office in Warsaw

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 Sołowow, 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.

Notification from Echo Partners B.V., with its registered office in Amsterdam

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 Sołowow, 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.

Notification from Michał Sołowow and his subsidiary FTF Columbus S.A., with its registered office in Warsaw

On 12 June 2015, the Issuer received notifications from Michał Sołowow 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 Sołowow 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 Sołowow, 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 Sołowow

"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 Sołowow, 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".

Notification from Echo Partners B.V., with its registered office in Amsterdam

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.

Notification from Lisala sp. z o.o. and Bafia Sp. z o.o., with their registered offices in Warsaw

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.

Notification from Lisala sp. z o.o., with its registered office in Warsaw

On 22 September 2015, the Issuer received a notification from Lisala sp. z o.o., with its registered office in Warsaw (hereinafter referred to as Lisala), about exceeding 50% of total votes in Echo Investment S.A.

Lisala, in which Echo Partners B.V. holds 100% of interests in the share capital, pursuant to Article 69a section 1 item 1, in connection with Article 69 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), announced that it exceeded 50% of total votes in Echo Investment S.A., and announced that it directly acquired 256,582,350 shares in the Company's share capital, which account for 62.17% of the Company's total shares and votes, under which Lisala is entitled to exercise its voting right.

The threshold of 50% of total votes in the Company was exceeded as a result of the registration, on 16 September 2015, of the merger (hereinafter referred to as the Merger) between Lisala and Bafia sp. z o.o., with its registered office in Warsaw (hereinafter referred to as Bafia). Bafia was Lisala's subsidiary in which Lisala held 100% of interests in the share capital. The merger involved a transfer to Lisala of all Bafia's assets, in particular 256,582,350 shares in the Company's share capital, accounting for 62.17% of total shares and votes in the Company.

Before the Merger registration date, Lisala held through Bafia 256,582,350 shares in the Company's share capital, accounting for 62.17% of overall shares and votes in the Company. Lisala does not intend to increase its share in the total number of votes in the Company for 12 months from the submission of this notification. Lisala does not hold any subsidiaries.

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

Notification from Lisala sp. z o.o., with its registered office in Warsaw

On 22 October 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 69 section 2 item 2 of the Act of 29 July 2005 on public offering, terms of introducing financial instruments to organised trading and on public companies (i.e. dated 28 June 2013, Journal of Laws of 2013, item 1382) (later referred to as the Offering Act), on increasing the number of total votes in Echo Investment S.A. and on the direct acquisition of additional 15,793,434 shares in the Company's share capital, which account for approx. 3.8269% of total shares and votes in the Company, under which Lisala is entitled to exercise its voting right.

"The total number of votes was increased on 22 October 2015 as a result of the settlement of a block transaction to which Lisala was a party (hereinafter referred to as the Transaction). As a result of the Transaction, Lisala held 272,375,784 shares in the Company's share capital, accounting for 65.99% of total votes and shares in the Company's share capital.

Before the Transaction was concluded, Lisala held directly 256,582,350 shares in the Company's share capital, accounting for 62.17% of total votes and shares in the Company's share capital.

Lisala does not intend to increase its share in the total number of votes in the Company for 12 months from the submission of this notification.

Lisala does not hold any subsidiaries.

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

Notification from Powszechne Towarzystwo Emerytalne PZU S.A.

On 27 October 2015, the Issuer received a notification, prepared according to Article 69 section 1 item 2 of the Act of 29 July 2005 on public offering, terms of introducing financial instruments to organised trading and on public companies (Journal of Laws of 2013, item 1382), in which Powszechne Towarzystwo Emerytalne PZU S.A., acting on behalf of Otwarty Fundusz Emerytalny PZU Złota Jesień (hereinafter referred to as OFE PZU), announced that, as a result of the sale of Echo Investment S.A.'s shares at the WSE on 21 October 2015, OFE PZU holds less than 5% of total votes.

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

At present, OFE PZU holds 5,208,815 shares, accounting for 1.26% of total votes and shares in the Company's share capital.

Notification from Echo Partners B.V., with its registered office in Amsterdam

On 17 November 2015, the Issuer received a notification from Echo Partners B.V., with its registered office in Amsterdam (hereinafter referred to as Echo Partners), dated 22 October 2015, prepared according to Article 69a section 1 item 3, in connection with Article 69 section 2 item 2 of the Act of 29 July 2005 on public offering, terms of introducing financial instruments to organised trading and on public companies, on indirectly increasing its number of total votes in Echo Investment S.A. and indirectly acquiring additional 15,793,434 shares in the Company's share capital, accounting for 3.8269% of total shares and votes in the Company, under which Lisala sp. z o.o., a 100% subsidiary of Echo Partners with registered office in Warsaw (hereinafter referred to as Lisala), is entitled to exercise its voting right.

The total number of votes was increased on 22 October 2015 as a result of the settlement of a block transaction to which Lisala was a party (hereinafter referred to as the Transaction). As a result of the Transaction, Echo Partners held indirectly 272,375,784 shares in the Company's share capital, accounting for 65.99% of total votes and shares in the Company's share capital.

Before the Transaction was concluded, Echo Partners held indirectly 256,582,350 shares in the Company's share capital, accounting for 62.17% of total votes and shares in the Company's share capital.

Echo Partners does not intend to increase its share in the total number of votes in the Company for 12 months from the submission of this notification.

Echo Partners' only subsidiary is Lisala, which holds directly 272,375,784 shares in the Company's share capital, accounting for 65.99% of total votes and shares in the Company's share capital.

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

Information on the ownership of shares received by the Issuer after the balance sheet date and by the date of publishing this report

From the balance sheet date to the publication date of this report, the Issuer did not receive any notifications on changes in the holding of shares by major shareholders.

5. IDENTIFICATION OF HOLDERS OF ALL SECURITIES WITH SPECIAL CONTROL RIGHTS AND A DESCRIPTION OF THESE RIGHTS.

Securities issued by Echo Investment S.A. do not grant any special control powers to their holders.

6. ALL LIMITATIONS REGARDING THE RIGHT TO VOTE, SUCH AS RESTRICTED RIGHT TO VOTE BY HOLDERS OF A GIVEN SHARE AND NUMBER OF VOTES, TEMPORARY RESTRICTIONS ON THE RIGHT TO VOTE OR PROVISIONS UNDER WHICH, IN COOPERATION WITH THE COMPANY, CAPITAL RIGHTS LINKED TO SECURITIES ARE SEPARATED FROM THE HOLDING OF SECURITIES.

Echo Investment S.A. does not have any information on restrictions on the right to vote by holders of the Issuer's securities.

7. IDENTIFICATION OF ALL RESTRICTIONS ON THE TRANSFER OF OWNERSHIP TITLE TO THE ISSUER'S SECURITIES

Echo Investment S.A. does not have any information on restrictions on the transfer of ownership of the Issuer's securities.

8. DESCRIPTION OF PRINCIPLES REGULATING THE APPOINTMENT AND DISMISSAL OF MANAGERIAL STAFF AND THEIR RIGHTS, IN PARTICULAR, THE RIGHT TO DECIDE ON THE ISSUE OR PURCHASE OF SHARES.

8.1. Rules for appointing and dismissing managerial staff

In the Company, these rules are regulated by the Commercial Companies Code, Rules and Regulations of the Management Board and Echo Investment S.A.'s Statute.

The Management Board or its Members are appointed, dismissed and suspended by the Supervisory Board, which also appoints the President and the Vice-President of the Management Board.

The term of office of the first Management Board is two years, the term of office of subsequent Management Boards is three years, and Management Board members are appointed for a joint term of office, which does not preclude the right to dismiss a member of the Management Board earlier. Mandates of Members of the Management Board expire on the day of the GSM's approval of the financial statements for the last year of the Management Board's term of office. The Management Board or its individual Members may be dismissed by the Supervisory Board before the expiry of their term of office, especially following a justified written motion of shareholders who represent at least 1/3 of the share capital, or if the Management Board's fulfilment of duties for the last closed financial year is not acknowledged by the Ordinary General Shareholders' Meeting.

8.2. Rights of managerial staff

Powers of managers are regulated by the Statute of Echo Investment SA and by the Commercial Companies Code.

The managers represent the Company before officials, institutions, third parties, courts as well as public authorities. Declarations of intent on behalf of the Company must be made jointly by two members of the Management Board or one member of the Management Board acting jointly with a proxy. Liabilities exceeding 20% of the Company's equity may be incurred by persons who make declarations of intent on behalf of the Company, following a written consent of the Supervisory Board. The Management Board runs all current affairs of the Company which are not reserved for the General Shareholders' Meeting and the Supervisory Board.

Decisions on the issue and redemption of shares are governed by the regulations of the Commercial Companies Code.

9. DESCRIPTION OF RULES FOR AMENDING THE ISSUER'S STATUTE OR ARTICLES OF ASSOCIATION.

The rules for amending the Company's Statute or Articles of Association are governed by the Commercial Companies Code.

Amendments to the Statute require a resolution of the General Shareholders' Meeting of Echo Investment S.A. and an entry into the National Court Register (KRS). The Management Board reports the amendment to the Statute to the respective register court within three months of the date of the resolution of the General Meeting.

Together with the entry of an amendment to the Statute, the amendment to the Company's corporate data reported to the register court is entered into the National Court Register.

The General Shareholders' Meeting authorises the Supervisory Board of Echo Investment S.A. to specify a complete text of the amended Statute or to introduce other editorial amendments, as specified by the resolution of the Meeting.

10. OPERATION OF THE GENERAL SHAREHOLDERS MEETING, ITS MAIN RIGHTS AND THE DESCRIPTION OF SHAREHOLDERS' RIGHTS AND HOW THESE RIGHTS ARE EXERCISED, IN PARTICULAR RULES RESULTING FROM THE CODE OF CONDUCT OF THE GENERAL SHAREHOLDERS MEETING.

The rules of operation of the Company's General Shareholders' Meeting, its rights and the rights of shareholders and the procedure by which these rights are exercised are governed by the Company's Statute and the Commercial Companies Code. The Company's Statute is available at the Company's website www.echo.com.pl in the tab Statute and Rules and Regulations.

The schedule of works related to organisation of the Company's General Meetings, including preparation of materials presented at the General Meeting, is planned in such a way so as to fulfil obligations towards shareholders and enable them to exercise their rights.

11. COMPOSITION AND CHANGES IN THE LAST FINANCIAL YEAR AND DESCRIPTION OF THE OPERATION OF THE ISSUER'S MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE AUTHORITIES AND OF THEIR COMMITTEES.

COMPANY'S MANAGEMENT BOARD – COMPOSITION IN 2015

As of 1 January 2015, the Management Board was composed of:

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

On 16 July 2015, the Issuer's Supervisory Board appointed Maciej Drozd to sit in Echo Investment S.A.'s Management Board for a joint term of office and entrusted him with the function of the Vice-President of the Issuer's Management Board.

As of 31 December 2015 and as of the publication date of this report, the composition of the Management Board is as follows:

- 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

COMPANY'S MANAGEMENT BOARD – RULES OF OPERATION IN 2015

The Management Board of Echo Investment SA operates based on the Commercial Companies Code Act (J.L. of 2000, No. 94, item 1037, as amended), the Company's Statute, the Rules and Regulations of the Management Board of Echo Investment SA approved by way of Resolution of the Company's Supervisory Board of 14 May 2005, and according to the adopted "Code of Best Practice for WSE Listed Companies".

The Management Board may consist of one or more persons. The Management Board or its Members are appointed, dismissed and suspended by the Supervisory Board, which also appoints the President and the Vice-President of the Management Board.

The term of office of the first Management Board is two years, the term of office of subsequent Management Boards is three years, and Management Board members are appointed for a joint term of office, which does not preclude the right to dismiss a member of the Management Board earlier. Mandates of Members of the Management Board expire on the day of the GSM's approval of the financial statements for the last year of the Management Board's term of office. Management Board Members may be re-appointed. The Management Board or individual members may be dismissed before the expiry of the term of office by the Supervisory Board, in particular at a written request of shareholders representing at least 1/3 of the Company's share capital, or if the General Shareholders' Meeting fails to acknowledge the fulfilment of obligations by the Management Board in the closed business year.

Only those individuals who are not the Company's shareholders may be appointed to the Management Board.

The Management Board represents the Company before officials, institutions, third parties, courts as well as public authorities. An appointed Proxy may act on behalf of the Company to the same effect. Declarations of intent on behalf of the Company must be made jointly by two members of the Management Board or one member of the Management Board acting jointly with an appointed proxy. Management Board Members may only fulfil their duties in person.

The operation of the Management Board is described in detail in the Work Regulations of the Management Board, which is adopted by the Management Board and approved by the Supervisory Board. In the event of a tied vote when adopting resolutions by the Management Board, the President of the Management Board shall have the casting vote.

The Management Board runs all current affairs of the Company, subject to restrictions specified by the Commercial Companies Code and this Statute. The purchase and sale of real property, perpetual usufruct title or a share in real property or a share in perpetual usufruct title by the Company lies within the responsibilities of the Management Board, subject to § 13, section 1, letters d) and e) of the Statute. When exercising the rights of the General Meeting in subsidiaries, the Company's Management Board is obliged to obtain a prior consent from the Company's Supervisory Board, even if the incurred liability or the exercise of a right by a subsidiary exceeds the limits specified in § 13, section 1, letters d) and e) of the Statute, under which a consent from the Supervisory Board is required for the Company to incur liabilities exceeding 20% of its equity.

When deciding on the Company's issues, the Management Board is particularly obliged to act within the limits of reasonable economic risks, following an in-depth analysis and consideration of all available information, studies and opinions which, in the opinion of the Management Board, should be taken into consideration in the Company's interest.

In addition, the Management Board submits motions regarding issues to be discussed by the General Meeting to the Company's Supervisory Board for approval. Information on the produced opinions is announced to the public by the Company immediately after such information is received from the Company's Supervisory Board.

When contacting the media, members of the Management Board may only provide generally available information about the Company. All statements for the media regarding financial forecasts and the strategy of the Company or of the Management Board may only be made by the President or the Vice-President of the Management Board. With regard to other issues, all members of the Management Board or other authorised persons are allowed to contact the media.

The Management Board meets at least once a month, and the meetings are presided over by the President of the Management Board and, in his/her absence, by the Vice-President of the Management Board and, in the absence of the President and the Vice-President of the Management Board, the meetings are presided over by the longest-serving Management Board member of Echo Investment S.A. The meetings of the Management Board are held at the Company's office, unless all members of the Management Board agree to hold a meeting in a different location. A meeting of the Management Board may be held, if all members of the Management Board have been informed about the meeting, and at least two members of the Management Board are present.

The meetings of the Management Board are convened by the President of the Management Board or by any other member of the Management Board who sees fit to do so.

Every member of the Management Board must be informed about the date and agenda of the meeting at least 2 days prior to the planned meeting. The notification may be delivered by phone, through the Office of the Company's Management Board, by e-mail, by fax or in writing.

The meetings of the Management Board may be held even when they have not been formally convened, if all members of the Management Board are present and no present member objects to the meeting being held or to specific items on the agenda.

The Management Board may pass its resolutions in writing or using means of telecommunication, subject that, in such a case, the Management Board is presided over by the member requesting the adoption of a given resolution. This procedure is not allowed when at least one member of the Company's Management Board objects.

The Management Board makes decisions by way of resolutions. Resolutions of the Management Board are adopted by an absolute majority of votes. In the event of a tied vote when adopting resolutions by the Management Board, the President of the Management Board shall have the casting vote and, in the absence of the President of the Management Board, the Vice-President of the Management Board shall have the casting vote. In the absence of the President and the Vice-President of the Management Board, the longest-serving member of the Company's Management Board shall have the casting vote.

When required, minutes are taken from the meetings of the Management Board. Resolutions of the Management Board are recorded in the minutes in such a way so that they form attachments to the minutes, or are included in the text of the minutes. In addition, the minutes must include the date and place of the meeting of the Management Board, names of the

present Management Board members and the number of votes cast on individual resolutions. The minutes must be signed by all Management Board members attending the meeting. Any dissenting opinions of the attendees must be enclosed to the minutes. The minutes are kept at the Office of the Company's Management Board.

In 2015, the Company's Management Board, when defining strategic objectives and current tasks, considered the best interest of the Company, its shareholders, partners, customers, employees and creditors, and observed the law.

To ensure transparency and effectiveness of the management system, the Management Board followed the rule of professional conduct within the limits of reasonable economic risk, taking account of the wide range of the available information, analyses and opinions.

The remunerations of the Management Board Members were defined by the Supervisory Board, based on the responsibilities and skills of individual Management Board Members, and took account for the Company's financial results, and a reasonable relation was maintained to remunerations of Management Boards in similar companies on Polish real property market.

COMPANY'S SUPERVISORY BOARD – COMPOSITION IN 2015

As of 1 January 2015, the Supervisory Board of Echo Investment SA was composed of:

- Wojciech Ciesielski – Chairman of the Supervisory Board
- Andrzej Majcher – Vice-Chairman of the Supervisory Board
- Mariusz Waniotka – Vice-Chairman of the Supervisory Board
- Robert Oskard – Member of the Supervisory Board
- Karol Żbikowski – Member of the Supervisory Board

In connection with the notification received on 10 June 2015 from Lisala Sp. z o.o., with its registered office in Warsaw, on exceeding 33 1/3 of total votes in the Company, the condition was satisfied for the entry into force of resolutions adopted by the Issuer's Extraordinary General Meeting on 13 April 2015 on dismissing all existing Members of the Issuer's Supervisory Board and appointing the Supervisory Board in a new composition for the next term of office (see Current report No. 8/2015 of 13 April 2015).

As a result, as of 10 June 2015, the Issuer's Supervisory Board was composed of:

- Karim Khairallah
- Laurent Luccioni
- Maciej Dyjas
- George Graham
- Przemysław Krych
- Nebil Senman
- Stefan Kawalec.

On 27 October 2015, the Issuer's Extraordinary General Shareholders' Meeting, in Resolution No. 8, appointed Sebastian Zilles to sit in the Supervisory Board for a joint term of office.

Furthermore, the Management Board announces that the Issuer's Extraordinary General Shareholders' Meeting, in Resolution No. 7, decided to dismiss George Graham from the post of a Member of the Company's Supervisory Board.

As of 31 December 2015 and as of the publication date of this report, the composition of the Supervisory Board is as follows:

- Karim Khairallah
- Laurent Luccioni
- Maciej Dyjas
- Sebastian Zilles
- Przemysław Krych
- Nebil Senman
- Stefan Kawalec.

Company's Supervisory Board – rules of operation in 2015

The Supervisory Board of Echo Investment SA operates based on the Commercial Companies Code Act (J.L. of 2000, No. 94, item 1037, as amended), the Company's Statute, the Rules and Regulations of the Supervisory Board of Echo Investment SA of 26 June 2003, and according to the adopted "Code of Best Practice for WSE Listed Companies".

The Supervisory Board is composed of at least 5 (five) members who are appointed (and dismissed) by the General Meeting for a period of three years; members of the Supervisory Board are appointed for a joint term of office, which does not preclude an earlier dismissal of every member of the Supervisory Board. Supervisory Board Members may be re-appointed. A

resolution of the General Meeting each time specifies the number and the members of the Supervisory Board. If the General Meeting does not specify the function of a given member of the Supervisory Board when appoint such a member, the Supervisory Board appoints the Chairman of the Supervisory Board from among its members and the Vice-Chairman in a secret ballot. Members of the Supervisory Board fulfil their duties only in person.

Members of the Supervisory Board delegated to constant and individual supervision may not, without the Company's consent, be involved in competitive business or participate in a competitive company as a partner in a civil law partnership, a partnership or as a member in a body of a capital company, or participate in another competitive legal person as a member of its bodies. This prohibition also includes participation in a competitive capital company in which a Supervisory Board member holds at least 10% of interests or shares, or has the right to appoint at least one management board member.

Members of the Supervisory Board may be dismissed at any time by the General Shareholders' Meeting.

A Supervisory Board member may resign his/her post before the expiry of the term of office for which he/she was appointed by submitting a statement to that effect to the Chairman of the Supervisory Board. If the Chairman of the Supervisory Board resigns his/her post, the statement to that effect is submitted to the Vice-Chairman. A Member of the Supervisory Board should not resign during the term of office, if such a resignation could prevent the Supervisory Board from operating, and especially if it could prevent the adoption of an important resolution.

The mandate of a Supervisory Board member expires, at the latest, on the day of the General Meeting which approves the Company's financial statements for the last full financial year in which the Supervisory Board member held his/her post (final year of the member's term of office). The mandate also expires upon death or dismissal of a Supervisory Board member. If, as a result of expiry of mandates of Supervisory Board members, the Supervisory Board is composed of fewer than 3 members, the Supervisory Board is unable to pass legally binding resolutions, and the Chairman of the Supervisory Board, or, in the absence of the Chairman, the Vice-Chairman, requests the Company's Management Board to promptly convene an Extraordinary General Meeting and to include the appointment of Supervisory Board members in the agenda of the General Meeting.

A member of the Supervisory Board should be primarily concerned about the Company's interest.

When contacting the media, members of the Supervisory Board may only provide generally available information about the Company. Any statements for the media regarding the Company or the Supervisory Board may only be made by the Chairman of the Supervisory Board and, in his/her absence, by the Vice-Chairman of the Supervisory Board.

The responsibilities of the Supervisory Board include supervision over the Company's business and other actions, as stipulated by the Commercial Companies Code and other acts. The Supervisory Board adopts resolutions or gives opinions on issues within its scope of responsibilities, according to the Company's Statute and under the procedure stipulated by the provisions of the Statute or other laws.

In particular, the Supervisory Board is authorised to:

- examine the Company's financial statements for the last financial year
- examine the Company's Management Report and suggestions of the Management Board regarding the distribution of profit and the coverage of loss
- submit a written report on the above actions to the General Meeting
- express opinions on motions submitted by the Management Board directed to the General Meeting, and express opinion and pass resolutions on other issues submitted by the Company's Management Board
- appoint, dismiss and suspend the Company's Management Board or its individual members
- appoint a statutory auditor to audit the Company's financial statements with whom the Management Board concludes an agreement
- approve the Management Board's conclusion of the agreement with a sub-issuer referred to in Article 433 § 3 of the Commercial Companies Code
- approve the contracting of liabilities and disposing of the rights to the extent within the current business of the Company – if their value exceeds 20 % of the Company's equity. If it is uncertain whether a given issue has been included in the current business of the Company, the Supervisory Board is entitled to make a relevant interpretation in this respect, at the request of the Management Board. The interpretation shall be binding for the Management Board. Issues related to trade in real property are within the scope of the Company's current business.
- approve the contracting of liabilities and disposing of the rights that go beyond the current business of the Company – if their value exceeds 10% of the Company's equity.
- The meetings of the Supervisory Board are held as necessary but at least three times per financial year. The meetings of the Supervisory Board are convened by the Chairman or the Vice-Chairman and are held in the Company's office or in a location indicated by the Chairman or the Vice-Chairman. The meetings of the Supervisory Board are

convened upon the initiative of the Chairman of the Board or at a written request of the Management Board or a member of the Supervisory Board.

The meetings of the Supervisory Board convened at the request of the Management Board or a member of the Supervisory Board must be held within two weeks from the date of submitting the request.

The meetings are presided over by the Chairman and, in his/her absence, by the Vice-Chairman of the Supervisory Board. If neither the Chairman nor the Vice-Chairman of the Supervisory Board is present at the meeting, the meeting is presided over by the Board member appointed by the present attendees. The Chairman or the Vice-Chairman of the Supervisory Board notifies the remaining Members about the meetings and invites them by phone, by fax or in writing in due advance so that the invitation reaches the members 7 (seven) days before the planned date of the meeting at the latest. In emergencies, this period may be shorter.

The Supervisory Board may hold a meeting without being formally convened, if all of its members are present, and no member objects to the meeting being held and to including specific items in the agenda. The meetings of the Supervisory Board may be attended by other persons invited by the Chairman of the Supervisory Board, including Members of the Management Board, but they do not have the right to vote.

The members of the Supervisory Board make decisions related to the exercise of supervisory and control rights by way of resolutions. All Members of the Supervisory Board must be invited to the meeting and at least 50% of the Members must be present at the meeting or otherwise the resolutions of the Supervisory Board are null and void. The Supervisory Board may pass resolutions in writing or using telecommunication, subject that resolutions passed in such a way may not involve the appointment of the Chairman and the Vice-Chairman of the Supervisory Board, the appointment of a Member of the Management Board as well as the dismissal and suspension of these individuals. In such a case, for the resolutions to be valid, the Supervisory Board members must be notified in advance about the draft resolutions.

Resolutions of the Supervisory Board are adopted by an absolute majority of votes. In case of a tied vote when adopting resolutions by the Supervisory Board, the Chairman of the Supervisory Board shall have the casting vote.

The meetings of the Supervisory Board are minuted. Resolutions of the Supervisory Board are recorded in the minutes in such a way so that they form attachments to the minutes, or are included in the text of the minutes. In addition, the minutes must include the date and place of the meeting of the Supervisory Board, names of the present Supervisory Board members and the number of votes cast on individual resolutions. The minutes must be signed by all Supervisory Board members attending the meeting. Any dissenting opinions of the attendees must be enclosed to the minutes. The minutes are kept at the Office of the Company's Management Board.

To fulfil their duties, the Supervisory Board has the right to control the full scale of the Company's operations, in particular:

- request the Management Board to provide documents and other materials on the Company's operations
- verify the Company's files and documentation
- demand explanations and reports from the Management Board and from the employees
- revise the status of the company's assets.

The Supervisory Board has the right to submit motions to the General Meeting regarding all issues within its scope of tasks and responsibilities. The Supervisory Board fulfils its duties by acting jointly; it may, however, delegate individual members to independent and specific supervisory functions by way of a resolution. The Supervisory Board may appoint committees for specific matters.

The secretarial services to the Supervisory Board are provided by the office of Company's the Management Board. The secretarial services include: preparing invitations to the meetings of the Supervisory Board and sending them to the members of the Supervisory Board according to these rules and regulations, organising the premises where the meeting of the Supervisory Board is to be held, preparing minutes from the meeting, providing services during the meeting and archiving the Supervisory Board's documentation.

The Supervisory Boards fulfilled the tasks of the Audit Committee.

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

Piotr Gromniak

Maciej Drozd

Artur Langner

Waldemar Lesiak

President of the
Management Board

Vice President of the
Management Board

Vice President of the
Management Board

Vice President of the
Management Board

Kielce, 21 March 2016

FCHO

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