



CONSOLIDATED QUARTERLY REPORT OF THE ECHO INVESTMENT CAPITAL GROUP FOR Q3 2012

ECHO
investment

CONTENTS

I.	SELECTED CONSOLIDATED FINANCIAL DATA	3
II.	CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS OF THE CAPITAL GROUP AS AT 30.09.2012 AND FOR A 3-MONTH PERIOD ENDED ON 30.09.2012	4
1.	CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION	4
2.	CONSOLIDATED QUARTERLY PROFIT AND LOSS ACCOUNT	6
3.	CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME	6
4.	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	7
5.	CONSOLIDATED INTERIM CASH FLOW STATEMENT	8
6.	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	9
6.1.	Basic information	9
6.2.	Accounting principles adopted in drawing up the quarterly report	10
6.3.	Effects of adopted changes to accounting principles (restatement of financial statements for previous periods) with description	10
6.4.	Description of significant achievements and failures of the Capital Group and indication of major events in Q3 2012	10
6.5.	Factors and events, especially unusual events, with a significant impact on the generated financial results	14
6.6.	Information on the Capital Group's segments	15
6.7.	Explanations concerning the seasonal and cyclical nature of the Capital Group's activity in the reported period	15
6.8.	Information about the issue, redemption and repayment of debt securities and equity securities	16
6.9.	Information on paid (or declared) dividend	16
6.10.	Events after the day of drawing up these quarterly financial statements which have not been recognised in the statements and which have a potentially significant effect on the Capital Group's future financial results	16
6.11.	Information on changes in contingent liabilities or contingent assets since the end of the last financial year	17
6.12.	Composition of the Echo Investment Capital Group	18
6.13.	Effects of changes in the structure of the business unit, including business combinations, acquisitions or sale of the Capital Group's entities, long-term investments, de-mergers, restructuring and discontinuation of activity	21
6.14.	Management Board's position regarding the possibility of fulfilment of previously published result forecasts for a given year in light of the results disclosed in the quarterly report compared to the forecast results	21
6.15.	Ownership structure of significant stakes of shares in Echo Investment S.A.	21
6.16.	List of changes in the ownership of Echo Investment S.A.'s shares or rights thereto (options) by the Company's managerial and supervisory staff, in accordance with information available to Echo Investment S.A., in the period after the presentation of the previous quarterly report	22
6.17.	Information on court proceedings	23
6.18.	Information on transactions with related entities under terms other than market terms	23
6.19.	Information on sureties granted on loans or borrowings and guarantees with a value equivalent to at least 10% of the Company's equity	23
6.20.	Other information which, in the opinion of the Management Board of Echo Investment S.A., is material to assess its condition in terms of HR, assets, finance, financial result or changes thereto as well as information which is material for the assessment of the Echo Investment Capital Group's capability of fulfilling its obligations	24
6.21.	Factors which, in the opinion of the Company's Management Board, will influence the results generated by the Capital Group in the perspective of at least the following quarter	25
III.	CONDENSED SEPARATE FINANCIAL STATEMENTS AS AT 30.09.2012 AND FOR A 3-MONTH PERIOD ENDED ON 30.09.2012	26

I. SELECTED CONSOLIDATED FINANCIAL DATA

	IN THOUSAND PLN		IN THOUSAND EUR	
	FROM 01.01.12 TO 30.09.12	FROM 01.01.2011 TO 30.09.2011	FROM 01.01.12 TO 30.09.12	FROM 01.01.2011 TO 30.09.2011
I. Operating revenue	435 456	291 709	103 851	72 182
II. Operating profit (loss)	32 401	490 781	7 727	121 441
III. Gross profit (loss)	47 732	169 526	11 383	41 948
IV. Net profit (loss)	41 024	147 303	9 784	36 449
V. Net operating cash flows	151 953	212 228	36 239	52 515
VI. Net cash flow from investing activities	(280 043)	(125 321)	(66 787)	(31 010)
VII. Net cash flow from financing activities	6 689	175 521	1 595	43 432
VIII. Total net cash flow	(121 401)	262 428	(28 953)	64 937
IX. Total assets	5 265 774	5 287 014	1 280 027	1 198 543
X. Equity attributable to shareholders of the parent	2 069 345	2 042 302	503 025	462 981
XI. Long-term liabilities	2 273 783	2 332 771	552 721	528 829
XII. Short-term liabilities	626 233	615 441	152 227	139 518
XIII. Number of shares	412 690 582	420 000 000	412 690 582	420 000 000
XIV. Earnings (loss) per ordinary share (in PLN/EUR)	0.17	0.43	0.04	0.11
XV. Book value per share (in PLN/EUR)	5.01	4.86	1.22	1.10

II. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS OF THE CAPITAL GROUP AS AT 30.09.2012 AND FOR A 3-MONTH PERIOD ENDED ON 30.09.2012

1. CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION

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

	30.09.2012	31.12.2011	30.09.2011
ASSETS			
1. Non-current assets			
1.1. Intangible assets	1 237	1 428	1 376
1.2. Property, plant and equipment	55 417	55 866	56 667
1.3. Long-term receivables	163	7	309
1.4. Investment property	2 734 544	2 893 756	2 914 876
1.5. Investment property under construction	1 282 557	1 047 624	892 976
1.6. Financial investments	108 824	106 019	104 348
1.7. Borrowings granted	14	-	-
1.8. Deferred income tax assets	40 747	42 201	44 192
	4 223 503	4 146 901	4 014 744
2. Current assets			
2.1. Inventory	472 598	500 938	470 528
2.2. Income tax receivables	1 467	1 345	1 199
2.3. Other tax receivables	39 084	82 925	50 349
2.4. Trade and other receivables	94 233	73 663	88 671
2.5. Borrowings granted	395	161	383
2.6. Derivative financial instruments	1 754	-	-
2.7. Restricted cash	38 236	57 174	58 638
2.8. Cash and cash equivalents	394 504	504 211	602 502
	1 042 271	1 220 417	1 272 270
TOTAL ASSETS	5 265 774	5 367 318	5 287 014

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

	30.09.2012	31.12.2011	30.09.2011
EQUITY AND LIABILITIES			
1. Equity			
1.1. Equity attributable to shareholders of the parent	2 069 345	2 064 213	2 042 302
1.1.1. Share capital	21 000	21 000	21 000
1.1.2. Supplementary capital	2 033 957	1 857 464	1 857 464
1.1.3. Equity shares purchased	(28 647)	-	-
1.1.4. Accumulated profit (loss)	41 024	176 493	147 303
1.1.5. Foreign exchange gains/losses on translation	2 011	9 256	16 535
1.2. Equity of non-controlling shareholders	21	(59)	(48)
	2 069 366	2 064 154	2 042 254
2. Provisions			
2.1. Long-term provisions	11 264	8 613	6 264
2.2. Short-term provisions	2 000	4 773	7 146
2.3. Deferred income tax long-term provision	283 128	280 323	283 138
	296 392	293 709	296 548
3. Long-term liabilities			
3.1. Loans and borrowings	2 140 316	2 241 553	2 226 293
3.2. Derivative financial instruments	13 791	13 169	11 912
3.3. Security deposits and advances received	43 004	40 413	41 998
3.4. Lease liabilities (perpetual usufruct of land)	76 672	76 688	52 568
	2 273 783	2 371 823	2 332 771
4. Short-term liabilities			
4.1. Loans and borrowings	460 661	317 499	303 321
4.2. Derivative financial instruments	247	20 670	34 183
4.3. Income tax liabilities	1 637	3 481	356
4.4. Other tax liabilities	9 157	16 434	127 672
4.5. Trade liabilities	112 689	192 528	82 121
4.6. Other liabilities	5 664	10 004	9 173
4.7. Security deposits and advances received	36 178	77 016	58 615
	626 233	637 632	615 441
TOTAL EQUITY AND LIABILITIES	5 265 774	5 367 318	5 287 014
Book value (PLN '000)	2 069 345	2 064 213	2 042 302
Number of shares	412 690 582	420 000 000	420 000 000
Book value per share (in PLN)	5.01	4.91	4.86
Diluted number of shares	412 690 582	420 000 000	420 000 000
Diluted book value per share (in PLN)	5.01	4.91	4.86

OFF-BALANCE SHEET ITEMS (PLN '000)

	30.09.2012	31.12.2011	30.09.2011
1. Off-balance sheet receivables	-	-	-
2. Off-balance-sheet liabilities	-	-	7 627

2. CONSOLIDATED QUARTERLY PROFIT AND LOSS ACCOUNT

CONSOLIDATED QUARTERLY PROFIT AND LOSS ACCOUNT (PLN '000)

	Q3 01.07.2012 30.09.2012	3 QUARTERS 01.01.2012 30.09.2012	Q3 01.07.2011 30.09.2011	3 QUARTERS 01.01.2011 30.09.2011
Revenue	158 710	435 456	109 446	291 709
Prime cost of sale	(76 726)	(205 761)	(45 087)	(107 484)
Gross profit (loss) on sales	81 984	229 695	64 359	184 225
Profit (loss) on investment property (measurement)	(110 487)	(159 396)	278 759	350 206
Selling costs	(5 913)	(18 489)	(6 035)	(17 403)
General administrative expenses	(11 064)	(37 054)	(15 173)	(33 580)
Other operating revenue (expenses)	4 951	17 645	1 668	7 333
Operating profit	(40 529)	32 401	323 578	490 781
Financial revenue	1 350	10 569	(5 782)	8 677
Financial costs	(37 388)	(123 029)	(46 448)	(121 203)
Profit (loss) on FX derivatives	1 586	16 174	(24 661)	(32 540)
Foreign exchange profit (loss)	52 850	111 617	(168 267)	(175 544)
Share in profit of affiliated companies	-	-	(645)	(645)
Gross profit (loss)	(22 131)	47 732	77 775	169 526
Income tax	2 674	(6 700)	(5 590)	(22 236)
Net profit (loss), including:	(19 457)	41 032	72 185	47 290
Minority profits (losses)	(6)	8	(11)	(13)
Net profit (loss) attributable to shareholders of the parent company	(19 451)	41 024	72 196	147 303
(Annualised) net profit (loss)		70 214		179 135
Average weighted ordinary shares		412 690 582		420 000 000
Annualised earnings (loss) per ordinary share (in PLN)		0.17		0.43

3. CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME (PLN '000)

	Q3 01.07.2012 30.09.2012	3 QUARTERS 01.01.2012 30.09.2012	Q3 01.07.2011 30.09.2011	3 QUARTERS 01.01.2011 30.09.2011
Net profit (loss)	(19 457)	41 032	72 185	147 290
Other comprehensive income:				
- foreign exchange gains/losses on translation of foreign operations	(8 967)	(7 245)	13 301	19 424
	(8 967)	(7 245)	13 301	19 424
Comprehensive income for the period, including:	(28 424)	33 787	85 486	166 714
Comprehensive income attributable to shareholders of the parent company	(28 418)	33 779	85 497	166 727
Minority comprehensive income	(6)	8	(11)	(13)

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (PLN '000)

	SHARE CAPITAL	SUPPLEMENTARY CAPITAL	EQUITY SHARES PURCHASED	ACCUMULATED PROFIT (LOSS)	FOREIGN EXCHANGE GAINS/LOSSES ON TRANSLATION	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	EQUITY OF NON-CONTROLLING SHAREHOLDERS	EQUITY
3 QUARTERS, FROM 01.01.2012 TO 30.09.2012 (CURRENT YEAR)								
Balance at the beginning of the period	21 000	1 857 464	-	176 493	9 256	2 064 213	(59)	2 064 154
Allocation of result from previous years	-	176 493	-	(176 493)	-	-	-	-
Purchase of equity shares	-	-	(28 647)	-	-	(28 647)	-	(28 647)
Change in minority interest	-	-	-	-	-	-	72	72
Other net comprehensive income	-	-	-	-	(7 245)	(7 245)	-	(7 245)
Net profit (loss) for the period	-	-	-	41 024	-	41 024	8	41 032
Balance at the end of the period	21 000	2 033 957	(28 647)	41 024	2 011	2 069 345	21	2 069 366
4 QUARTERS, FROM 01.01.11 TO 31.12.2011 (PREVIOUS YEAR)								
Balance at the beginning of the period	21 000	1 709 726	-	147 738	(2 889)	1 875 575	(59)	1 875 516
Allocation of result from previous years	-	147 738	-	(147 738)	-	-	-	-
Change in minority interest	-	-	-	-	-	-	25	25
Other net comprehensive income	-	-	-	-	12 145	12 145	-	12 145
Net profit (loss) for the period	-	-	-	176 493	-	176 493	(25)	176 468
Balance at the end of the period	21 000	1 857 464	-	176 493	9 256	2 064 213	(59)	2 064 154
3 QUARTERS, FROM 01.01.11 TO 30.09.11 (PREVIOUS YEAR)								
Balance at the beginning of the period	21 000	1 709 726	-	147 738	(2 889)	1 875 575	(59)	1 875 516
Allocation of result from previous years	-	147 738	-	(147 738)	-	-	-	-
Change in minority interest	-	-	-	-	-	-	24	24
Other net comprehensive income	-	-	-	-	19 424	19 424	-	19 424
Net profit (loss) for the period	-	-	-	147 303	-	147 303	(13)	147 290
Balance at the end of the period	21 000	1 857 464	-	147 303	16 535	2 042 302	(48)	2 042 254

5. CONSOLIDATED INTERIM CASH FLOW STATEMENT

CONSOLIDATED QUARTERLY CASH FLOW STATEMENT (PLN '000)

	FROM 01.01.12 TO 30.09.12	FROM 01.01.2011 TO 30.09.2011
A. Operating cash flow – indirect method		
I. Net profit (loss)	41 032	147 290
II. Total adjustments		
1. Share in net profits (losses) of associates	-	-
2. Depreciation of PP&E	4 267	4 054
3. Foreign exchange (gains) losses	(111 617)	175 544
4. Interest and profit sharing (dividend)	96 172	96 348
5. Current income tax	6 700	22 236
6. Income tax paid	(4 407)	(9 600)
7. (Profit) loss on investing activities	135 414	(317 991)
8. Movement in provisions	(123)	1 845
9. Movement in inventories	31 210	5 531
10. Movement in receivables	23 113	(44 687)
11. Movements in short-term liabilities, except for loans and borrowings	(69 808)	131 658
	110 921	64 938
III. Net operating cash flow (I+/-II)	151 953	212 228
B. Cash flow from investing activities		
I. Proceeds		
1. Sale of intangible assets and property, plant and equipment	253	1 480
2. Sale of investments in real property and intangible assets	-	509 220
3. From financial assets	20 252	11 217
4. Other investment proceeds	-	-
	20 505	521 917
II. Expenditures		
1. Purchase of intangible assets and property, plant and equipment	(3 881)	(37 400)
2. Investments in real property and intangible assets	(295 010)	(497 651)
3. For financial assets	(1 657)	(112 187)
4. Other capital expenditures	-	-
	(300 548)	(647 238)
III. Net cash flow from investing activities (I-II)	(280 043)	(125 321)

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

	FROM 01.01.12 TO 30.09.12	FROM 01.01.2011 TO 30.09.2011
C. Cash flow from financing activities		
I. Proceeds		
1. Net proceeds from issue of shares (interests) and other equity instruments and capital contributions	-	-
2. Loans and borrowings	291 555	370 352
3. Issue of debt securities	360 000	295 000
4. Other financial proceeds	-	-
	651 555	665 352
II. Expenditures		
1. Purchase of equity shares (interests)	(28 647)	-
2. Dividends and other payments to equity holders	-	-
3. Profit share expenses, other than payments to equity holders	-	-
4. Repayment of loans and borrowings	(134 496)	(207 002)
5. Redemption of debt securities	(360 000)	(185 000)
6. Due to FX derivatives	(6 817)	-
7. Payment of liabilities under finance lease agreements	(15)	(2 501)
8. Interest	(114 891)	(95 328)
9. Other financial expenditures	-	-
	(644 866)	(489 831)
III. Net cash flow from financing activities (I-II)	6 689	175 521
D. Total net cash flow (A.III+/-B.III+/-C.III)	(121 401)	262 428
E. Balance sheet movement in cash, including:	(128 645)	281 851
- movement in cash due to foreign exchange gains/losses	(7 244)	19 423
F. Cash at the beginning of the period	561 385	379 289
G. Cash at the end of the period (F+/- D), including:	432 740	661 140
- restricted cash	38 236	58 638

6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**6.1. Basic information**

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

The Company 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 by providing services as a general contractor or a project manager 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 are mainly responsible for the renting out of commercial property (shopping and entertainment centres, offices), and, to a lesser extent, project implementation and sales of apartments as well as the provision of property management services. The Company also provides services as a general contractor to foreign investors.

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

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

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

As at 30 September 2012 and 30 September 2011, the Capital Group employed 340 and 324 people respectively.

The shares of the parent company (Echo Investment SA) have been listed on Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) since 1996. There are 420,000,000 of the Issuer's ordinary bearer shares (including 7,309,418 shares purchased by a subsidiary).

6.2. Accounting principles adopted in drawing up the quarterly report

The report covers the nine-month period ended on 30 September 2012, comparative data for the nine-month period ended on 30 September 2011 and comparative data for the 12-month period ended on 31 December 2011 (in the case of the balance sheet and statement of changes in equity).

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

The statements have been drawn up in accordance with the International Accounting Standards and International Financial Reporting Standards approved by the European Commission. The principles regarding the measurement of assets and liabilities and the determination of the financial result have been adopted as at the balance sheet day. The financial statements have been drawn up in accordance with the historical cost principle with the exception of investment property measured at fair value and financial instruments measured according to IAS 39. The statements have been drawn up according to the going concern principle as there are no circumstances indicating a threat to continued activity.

The Company's Management Board used its best judgment in the selection of the applicable standards, as well as measurement methods and principles for the different items of the condensed consolidated financial statements.

For the purpose of drawing up the statements, the Group applied the same accounting standards as those approved and described in the annual consolidated financial statements for 2011. New interpretations issued by the IFRS Interpretations Committee applicable to the Group for the reporting period beginning on 1 January 2012 did not have any significant impact on these financial statements.

6.3. Effects of adopted changes to accounting principles (restatement of financial statements for previous periods) with description

The Capital Group did not change its accounting principles in Q3 2012. A detailed accounting policy was presented in the annual report for 2011.

6.4. Description of significant achievements and failures of the Capital Group and indication of major events in Q3 2012

6.4.1. Major events in Q3 2012

Loan agreement for the construction of Galeria Amber in Kalisz

On 27 July 2012, PROJEKT ECHO – 39 SP. Z O. O., with its registered office in Kielce, at Al. Solidarności 36, 25-323 Kielce, entered into the register of entrepreneurs maintained by the District Court in Kielce, 10th Economic Department of the National Court Register, under KRS no.: 0000196339 (later referred to as: Borrower, Company) – the Issuer's subsidiary, and BANK POLSKA KASA OPIEKI S.A., with its registered office in Warsaw, at ul. Grzybowska 53/57, PO Box 1008, 00-950 Warsaw, entered into the Register of Entrepreneurs of the National Court Register by the District Court for the Capital City of Warsaw, 13th Economic Department of the National Court Register, under KRS no. 14843 (hereinafter referred to as: Lender, Bank), signed a loan agreement (hereinafter referred to as: Agreement).

According to the terms of the Agreement, the Bank – at the Borrower's request – shall provide the Borrower with the following:

- 1/ cash constituting a construction and investment loan of up to EUR 47 million (forty-seven million euro);
- 2/ cash constituting a VAT loan of up to PLN 7 million (seven million zloty).

The Borrower shall use the loans only for the following purposes:

1. Construction loan – for financing or refinancing project expenditures;
2. Investment loan – for refinancing debt as part of the construction loan through a Conversion (repayment of debt under the construction loan by using cash made available under the investment loan);
3. VAT loan – for financing or refinancing VAT in connection with implementing the project.

The loans bear interest: for the Investment Loan and Construction Loan – according to 1-month or 3-month EURIBOR, for VAT Loan – according to 1-month WIBOR, plus the bank's margin.

The Borrower will use the funds raised under the agreement to build Galeria Amber in Kalisz at the junction of ul. Górnosłaska and Trasa Bursztynowa.

The loan repayment deadlines are as follows:

1. for the Investment Loan – on the fifth anniversary of the Conversion day or on 31 December 2019, whichever is earlier;
2. for the VAT Loan – 6 months from the date of the usage permit or 31 December 2014, whichever is earlier.

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

1. priority mortgage to secure Loans in the amount of up to 200% of loan exposure,
2. Borrower's declaration on the submission to enforcement proceedings,
3. Issuer's declaration on the submission to enforcement proceedings,
4. Declaration of every shareholder of the Borrower who is a partner on the conclusion date of the Agreement on the submission to enforcement proceedings,
5. Authorisation to the Borrower's bank accounts,
6. Subordination Agreement which prioritises payments due to the Lender under the Loan Agreement over other payments,
7. Pledge Agreements – registered and financial pledges on the rights to the Borrower's accounts, General Partner's cash debt, registered and financial pledges on the Borrower's interests and shares.

Addendum to a loan agreement

On 21 August 2012, the Issuer received an addendum signed by way of correspondence and dated 17 August 2012 to the loan agreement for a multi-purpose facility of 21 August 2006 with the bank Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, with its registered office in Warsaw (hereinafter referred to as: Bank, PKO BP). See current reports: no. 49/2006 of 22 August 2006 and no. 29/2009 of 1 September 2009.

Pursuant to the addendum, the amount of the multi-purpose facility was increased from PLN 80 million to PLN 100 million and the loan period was extended to another three-year period, i.e. to 19 August 2015.

As part of the facility agreement, the Bank shall grant the following to the Borrower:

- overdraft in PLN up to 40% of the facility,
- working capital revolving loan in PLN up to 50% of the facility,
- bank guarantees up to 65% of the facility.

The interest on the funds has been determined according to a variable interest rate WIBOR 1M plus the Bank's margin.

Securities for the repayment of the amounts due to the Bank in connection with the use of the facility:

1. Sola blank bill of exchange issued by the Borrower along with the Borrower's blank promissory note agreement,
2. Declaration on the submission to enforcement proceedings pursuant to article 97 of the Banking Law Act.

3. Clause for the withdrawal of cash from the Borrower's bank accounts maintained by PKO BP.

6.4.2. Information on the Capital Group's projects

As at 30 September 2012, the Capital Group held projects already commissioned to use as well as projects in the course of implementation or preparation.

PORTFOLIO OF PROPERTIES IN USE

As at 30 September 2012, the Capital Group held 5 shopping centres, 3 shopping centres and shopping and entertainment centres and 7 office projects for lease.

PROPERTY PORTFOLIO AS AT 30 SEPTEMBER 2012

CITY	LOCATION	NAME	GLA [SQ. M]
Jelenia Góra	Al. Jana Pawła II	Galeria Echo	19 000
Piotrków Trybunalski	ul. Sikorskiego	Galeria Echo	17 400
Przemysł	ul. 29 Listopada	Galeria Echo	5 500
Radom	ul. Żółkiewskiego	Galeria Echo	19 500
Tarnów	ul. Błonie	Galeria Echo	20 200
SHOPPING CENTRES	TOTAL		81 600
Kielce	ul. Świętokrzyska	Galeria Echo	70 500
Szczecin	Al. Wyzwolenia	Galaxy	41 700
Wrocław	Plac Grunwaldzki	Pasaż Grunwaldzki	48 700
SHOPPING AND ENTERTAINMENT CENTRES	TOTAL		160 900
Kielce	al. Solidarności	Astra Park (*)	11 200
Poznań	ul. Baraniaka	Malta Office Park (3 stages)	28 400
Szczecin	ul. Malczewskiego	Oxygen	14 100
Warsaw	Al. Jana Pawła II	Babka Tower	6 200
Warsaw	ul. Postępu	Polkomtel office building (*)	10 200
OFFICE SPACE	TOTAL		70 100
FACILITIES FOR LEASE	TOTAL		312 600

*The Astra Park project does not include area occupied by the Group. The area attributable to the Capital Group comprises 50% of the Polkomtel office building project (Warsaw, ul. Postępu).

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

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

Office space is leased to renowned companies and local businesses. The main tenants of office space include: Grand Thornton Frąckowiak, Roche Polska Sp. z o.o., Ikea Shared Services Sp. z o.o., McKinsey EMEA Shared Services, Coloplast Shared Services Sp. z o.o., Nordea Bank Polska S.A., Tieto Polska S.A., Polkomtel S.A., Pramerica Życie TUIR S.A., Raiffeisen Bank Polska S.A., Sygnity S.A., Medicover Sp. z o.o., Altikom Investments Sp. z o.o., Mentor Graphics Polska Sp. z o.o., Kennametal Polska Sp. z o.o., Tebodin SAP-Projekt Sp. z o.o. and Samsung Electronics Polska Sp. z o.o.

PROJECTS IN THE COURSE OF IMPLEMENTATION AND PREPARATION

To minimise the risk of unfavourable changes on the property market, a gradual implementation of the planned investments and adjustment of the pace of implementation to market expectations may be employed. 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.

PROJECTS IN THE COURSE OF IMPLEMENTATION AND PREPARATION IN THE SEGMENT OF SHOPPING CENTRES AND SHOPPING AND ENTERTAINMENT CENTRES

PROJECT	GLA [SQ. M]	COMMENCEMENT	COMPLETION
Galeria Olimpia, Bełchatów	21 400	H1 2011	H2 2012
Galeria Veneda, Łomża	14 900	H2 2011	H1 2013
Outlet Park, Szczecin (stage I)	16 600	H2 2011	H2 2012
Outlet Park, Szczecin (stage II)	8 300	H1 2014	H2 2014
Galeria Amber, Kalisz	34 300	H1 2012	H2 2013
Galeria Nova, Koszalin	27 200	H1 2014	H2 2015
Metropolis, Poznań	75 300	H1 2014	H1 2016
Galaxy, Szczecin (expansion)	16 100	H2 2013	H1 2015
Galeria Echo, Jelenia Góra (expansion)	12 300	H2 2013	H1 2015
Katowice, ul. Kościuszki	49 100	H2 2014	H2 2016
Galeria Arena, Słupsk (stages I-II)**	20 200		
Lublin, Poligonowa**	72 250		
PROJECTS IN POLAND	367 950		
Korona, Brasov (Romania), stage I	36 700	H2 2013	H1 2015
Mundo, Budapest (Hungary)(*)	42 700		
FOREIGN PROJECTS	79 400		
TOTAL PROJECTS	447 350		

* Due to the unstable economic situation in this country, it is uncertain whether the project will be commenced within the next three years.

** Any projects for which no dates are specified are in the design phase.

PROJECTS IN THE COURSE OF IMPLEMENTATION AND PREPARATION IN THE SEGMENT OF OFFICE AND HOTEL SPACE

PROJECT	GLA [SQ. M]	COMMENCEMENT	COMPLETION
Novotel, Łódź	7 300	H2 2011	H1 2013
Aquarius, Wrocław (stage I)	15 700	H1 2011	H2 2012
Aquarius, Wrocław (stage II)	9 300	H1 2012	H2 2013
Warsaw, Konstruktorska (stages I-II)	33 900	H2 2012	H2 2015
Katowice, Francuska (stages I-III)	32 700	H2 2012	H1 2017
Krakow, Opolska (stages I-III)	57 700	H1 2013	H2 2017
Tryton, Gdańsk	22 800	H1 2013	H2 2014
Warsaw, Jana Pawła II	52 900	H2 2013	H2 2015
Warsaw, Beethovena (stages I-III)	53 900	H2 2013	H1 2018
Warsaw, Taśmowa (stages I-III)	60 800	H1 2014	H2 2018
Wrocław, Lotnicza	16 600	H1 2013	H2 2014
Wrocław, Plac Grunwaldzki (stages I-II)	20 600	H1 2014	H1 2017
Aurus, Łódź (stages I-II)	19 200	H1 2014	H2 2016
PROJECTS IN POLAND	403 400		
Kiev, Dehtiarivska (stages I-VI)	105 400	H2 2013	H1 2015*
FOREIGN PROJECTS	110 400		
TOTAL PROJECTS	508 800		

*The completion dates applies to stage I.

PROJECTS IN THE COURSE OF IMPLEMENTATION AND PREPARATION IN THE RESIDENTIAL SEGMENT

PROJECT	USABLE AREA [SQ. M]	COMMENCEMENT	COMPLETION
Dyminy, Osiedle Południowe (stage I)	73 000	H2 2010	H2 2012
Dyminy, Osiedle Południowe (stages II-III)	87 100	H2 2011	H2 2014
Poznań, Sołacz	13 700	H1 2014	H2 2014
Warsaw, Rezydencje Leśne, Młociny	52 900	H2 2010	H2 2012
SALE OF PLOTS	226 700		
Kielce, Solidarności	2 100	H1 2013	H1 2014
Krakow, Korzeniowskiiego	3 000	H2 2012	H1 2014
Krakow, Bronowicka	3 100	H1 2013	H2 2014
Krakow, Tyniecka / Czarodziejska	4 600	H2 2013	H1 2015
Łódź, Osiedle Jarzębinowe, stage I	6 900	H2 2011	H1 2013
Łódź, Osiedle Jarzębinowe, stages II-IV	39 900	H1 2014	H2 2021
Łódź, Wodna (stages I-II)	13 700	H1 2014	H1 2017
Poznań, Kasztanowa Aleja (stage II)	8 600	H2 2012	H2 2014
Poznań, Naramowice, Pod Klonami I, multi-family houses	9 300	H1 2010	H2 2012
Poznań, Naramowice, Pod Klonami II, row houses	4 500	H1 2012	H2 2013
Poznań, Naramowice, Karpia (stages I-II)	19 400	H1 2013	H2 2018
Poznań, Sowińskiego	19 600	H2 2013	H1 2018
Warszawa, Konstruktorska (stages I-IV)	44 900	H2 2012	H1 2022
Warsaw, Princess, Puławska	4 700	H2 2013	H1 2015
Wrocław, Grota Roweckiego (stages I-III)	18 300	H2 2013	H1 2019
SALE OF APARTMENTS	202 600		
TOTAL PROJECTS	429 300		

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

1. Factors affecting the Capital Group's financial results in Q3 2012:

- posting of revenues from the concluded final agreements for the sale of residential properties:
 - in Krakow, (Dom Pod Słowikiem at ul. Krasickiego),
 - in Poznań (Kasztanowa Aleja at ul. Wojskowa, Pod Klonami at ul. Rubież),
 - in Warsaw (Klimt House at ul. Kazimierzowska),
 - in Wrocław (Przy Słowiańskim Wzgórzu, at ul. Jedności Narodowej),
- posting of revenues from the concluded final agreements for the sale of plots with house designs:
 - in Bilcza near Kielce (Osiedle Bilcza II),
 - in Dyminy near Kielce (Osiedle Południowe),
- regular revenue obtained from the lease of space in offices and shopping centres,
- sale of building expenditures related to the development of Novotel hotel in Łódź,
- quarterly revaluation of the fair value of property owned by the Group:
 - in use, including:
 - changes in foreign exchange rates (EUR & USD),
 - indexation of rents,
 - changing levels of net operating revenue,
 - in Q3, the yield rates were adopted at the same level as in the previous quarter; the yield rates are to be updated in Q4 2012,
 - in the course of construction and commercialisation:
 - Outlet Park in Szczecin (another measurement),
 - Galeria Olimpia in Bełchatów (another measurement),
 - Galeria Veneda in Łomża (another measurement),
 - Office building Aquarius, stage I, in Wrocław (another measurement),

- cost of sales and general and administrative expenses,
- measurement of liabilities due to bonds and borrowings at amortised cost,
- measurement of loans and cash due to changing foreign exchange rates,
- measurement and settlement of hedging financial instruments to foreign currencies,
- interest on bank deposits and borrowings granted,
- discounts and interest on loans, bonds and borrowings.

The loss in Q3 2012 (July-September) is only due to the strengthening of the Polish zloty; investment property is measured in euro, which is the base currency, and the value of property in this currency has not changed significantly. When converting the value to zloty, due to the strengthening of the Polish currency, the value of property in PLN has decreased significantly. If the effect of the decrease of the PLN exchange rate had been eliminated, the Group would have recorded a profit in Q3 2012. The Q3 operating profit, without considering the change in the fair value, amounted to nearly PLN 70 million.

2. Unusual events affecting Company's financial result in Q3 2012:

- none.

3. Exchange rate hedging transactions

Exchange rate hedging transactions are conducted as part of the hedging policy in order to ensure future cash flow levels on translating tranches of loans in EUR and operating revenue.

The average-weighted strike for the remaining open transactions is PLN 4.3270 EUR/PLN.

MATURITIES OF OPEN HEDGING TRANSACTIONS AS AT 30 SEPTEMBER 2012:

		CARRYING VALUE AS AT 30.09.2012 [millions of PLN]	NOMINAL VALUE [millions of PLN]	Q4 2012 NOMINAL VALUE [millions of EUR]	H1 2013 NOMINAL VALUE [millions of EUR]	H2 2013 NOMINAL VALUE [millions of EUR]	H1 2014 NOMINAL VALUE [millions of EUR]	H2 2014 NOMINAL VALUE [millions of EUR]
Forward	EUR/PLN	2.0	14.96	9.52	2.34	1.7	0.0	1.4

6.6. Information on the Capital Group's segments

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

STRUCTURE OF OPERATING REVENUES AND EXPENSES IN THREE QUARTERS OF 2012:

ITEM	REVENUE [millions of PLN]	% SHARE	COSTS [millions of PLN]	% SHARE
Shopping centres and shopping and entertainment centres	225	52%	61	30%
Residential areas	141	32%	111	54%
Office and hotel facilities	63	15%	28	13%
Not classified	6	1%	6	3%
Total operating result	435	100%	206	100%

In Q3 2012, the Capital Group did not change the basis for segmentation and the sum of the segments' assets did not significantly change in comparison to the data presented in the 2011 annual report.

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

The Capital Group's activity covers several segments of the real property market. It has a portfolio of assets held for lease, regularly completes and sells residential facilities and provides property management services, which guarantees comparable revenue in each quarter. By contrast, revenue from general investment contractor services and trade in property may be irregular. The Management Board cannot exclude other one-time events which may influence results generated in a given period.

6.8. Information about the issue, redemption and repayment of debt securities and equity securities

Apart from own resources and loans, current activities of the Capital Group are also funded through the issue of debt financial instruments. At present, the Company is running an active programme of issuing long-term and short-term bonds.

As at 30 September 2012, bonds were issued as part of the Bonds Issue Programme concluded with BRE Bank S.A. in 2004.

LIABILITIES DUE TO BONDS ISSUED AS AT 30 SEPTEMBER 2012 [PLN '000]

BANK	INSTRUMENT TYPE	AMOUNT USED	MATURITY	INTEREST RATE TERMS
BRE Bank S.A.	Bonds	35 000	2012-10-10	WIBOR 1M + margin
BRE Bank S.A.	Bonds	150 000	2013-03-29	WIBOR 6M + margin
BRE Bank S.A.	Bonds	100 000	2013-05-25	WIBOR 6M + margin
BRE Bank S.A.	Bonds	300 000	2014-06-30	WIBOR 6M + margin
BRE Bank S.A.	Bonds	115 000	2015-05-18	WIBOR 6M + margin
BRE Bank S.A.	Bonds	145 000	2016-02-11	WIBOR 6M + margin

As at 30 September 2012, The Issue Programme allows for the issue of bonds with a total maximum nominal value of PLN 1 billion.

On 13 July 2012, bonds in the amount of PLN 35 million were redeemed under a guaranteed programme and another issue as part of that programme took place. The Company issued discount bonds in the total amount of PLN 35 million. The issue price of one bond was PLN 100 thousand. The bonds were issued for a 1-month period. The bond redemption date was set to be 14 August 2012. The bond interest rate was established based on the variable WIBOR 1M rate plus the investors' margin.

On 10 September 2012, another issue took place as part of the guaranteed programme. The Company issued discount bonds in the total amount of PLN 35 million. The issue price of one bond was PLN 100 thousand. The bonds were issued for a 1-month period. The bond redemption date was set to be 10 October 2012. The bond interest rate was established based on the variable WIBOR 1M rate plus the investors' margin.

The issued bonds are not hedged.

6.9. Information on paid (or declared) dividend

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

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

Agreement for the purchase of real property

On 15 October 2012, the Issuer's subsidiary Projekt 4 – Grupa Echo Spółka z ograniczoną odpowiedzialnością Spółka komandytowo – akcyjna, with its registered office in Kielce (address: 25-323 Kielce, Aleja Solidarności 36), entered into the register of entrepreneurs maintained by the District Court in Kielce, 10th Economic Department of the National Court Register under KRS no.: 0000392867, and Agencja Rozwoju Przemysłu Spółka Akcyjna, with its registered office in Warsaw, ul. Wołoska 7, entered into the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, 13th Economic Department of the National Court Register, under KRS no.: 0000037957, signed agreements for the purchase of real property in Warsaw with an area of 30,804 sq. m, located at ul. Taśmowa 10/12.

The value of the agreement for the purchase of real property is PLN 60 million.

The Issuer plans to develop a complex of 6 office buildings with an area of approx. 60 thousand sq. m on the purchased property.

6.11. Information on changes in contingent liabilities or contingent assets since the end of the last financial year

6.11.1. Surety agreements

CAPITAL GROUP'S SURETY AGREEMENTS VALID AS AT 30 SEPTEMBER 2012

SURETY TO	VALUE [PLN '000]	VALIDITY PERIOD	DESCRIPTION
METALPLAST – STOLARKA SP. Z O.O.	6 000	Valid until the payment of the whole liability under the agreement for the construction of the facade of a facility: office complex "Aquarius Business House" in Wrocław (stage I) of 31.01.2012	The surety is related to the payment of the liability of Grupa Echo Spółka z ograniczoną odpowiedzialnością 1 spółka komandytowo-akcyjna under the agreement for the construction of the facade of a facility: office complex "Aquarius Business House" in Wrocław (stage I), concluded on 31.01.2012 with Metalplast – Stolarka Sp. z o.o.
TESCO (POLSKA) SP. Z O.O.	15 000	until 30.06.2015	Surety for the liabilities of Galeria Olimpia-Projekt Echo-98 Spółka z ograniczoną odpowiedzialnością SKA and Veneda-Projekt Echo-97 Spółka z ograniczoną odpowiedzialnością SKA due to the reimbursement to Tesco (Polska) Sp. z o.o. up to the value of expenditures actually made by Tesco (Polska) Sp. z o.o. for the future subject of lease under the lease agreements concluded on 28.10.2010

See also item 6.19 of this Report.

On 9 July 2012, a surety was granted by Echo Investment SA for the liabilities of Galeria Olimpia-Projekt Echo-98 Spółka z ograniczoną odpowiedzialnością SKA and Veneda-Projekt Echo-97 Spółka z ograniczoną odpowiedzialnością SKA due to the reimbursement to Tesco (Polska) Sp. z o.o. up to the value of expenditures actually made by Tesco (Polska) Sp. z o.o. for the future subject of lease under the lease agreements concluded on 28.10.2010. The value of the surety is PLN 15,000,000. The surety was granted for the period ending on 30 June 2015.

6.11.2. Guarantee agreements

GUARANTEES IN FORCE AS AT 30 SEPTEMBER 2012

GUARANTOR	VALUE [PLN '000]	VALIDITY PERIOD	DESCRIPTION
PKO BP SA	4 073	until 24.03.2013	Security for non-performance or ill-performance of all obligations towards Orbis SA under the conditional General Contractor Agreement dated 4 September 2008
PKO BP SA	132	until 14.10.2012	Security for non-performance of obligations towards ImmoPoland Sp. z o.o. under the lease agreement dated 20 September 2011. The guarantee was issued in euro.
Echo Investment S.A.	18 411	shall remain in force until the Conversion Date but for a period not exceeding 30 June 2018	Security to Nordea Bank Polska SA to cover for a deficit of funds or the exceeding of the costs of constructing Centrum Handlowe Olimpia in Bełchatów
PKO BP SA	1 300	until 31.12.2012	Security for the payment to Master Serwis – Opon sp. z o.o. of potential claims in connection with the termination of a lease agreement
PKO BP SA	18	until 30.11.2012	Security for the non-performance of obligations to Szczecin Municipal Gmina under understanding no. CRU/12/ of 22.05.2012
PKO BP SA	678	until 28.02.2013	Security for the non-performance of obligations to Eurovia Polska SA under agreement no. 7114/01/2012 of 7 August 2012

On 6 June 2012, Bank PKO BP SA granted a bank guarantee to Szczecin Municipal Gmina as a security for the non-fulfilment of obligations under understanding no. CRU/12/ of 22 May 2012 by Projekt 5 – Grupa Echo spółka z ograniczoną odpowiedzialnością S.K.A. (Issuer's subsidiary). The guarantee amounts to PLN 18,450.00. The Guarantee shall remain in force until 30 November 2012.

On 14 September 2012, Bank PKO BP SA granted a bank guarantee to Eurovia Polska SA as a security for the non-fulfilment of obligations under agreement no. 7114/01/2012 of 7 August 2012 by Projekt 5 – Grupa Echo spółka z ograniczoną odpowiedzialnością S.K.A. (Issuer's subsidiary). The guarantee amounts to PLN 678,025.12. The Guarantee shall remain in force until 28 February 2013.

On 29 August 2012, the guarantee in the amount of PLN 323,620.00, granted by PKO BP SA to PGE Dystrybucja SA as a security for the non-performance of obligations under agreement no. 1091/1/RP2/2009 of 12 May 2011, expired.

On 29 August 2012, the guarantee in the amount of PLN 433,620.00, granted by PKO BP SA to PGE Dystrybucja SA as a security for the non-performance of obligations under agreement no. 1091/2/RP2/2009 of 12 May 2011, expired.

On 31 August 2012, the guarantee in the amount of EUR 44,355.08, granted by PKO BP SA to ImmoPoland Sp. z o.o. as a security for the non-performance of obligations under the lease agreement of 28 August 2009, expired.

On 21 September 2012, the guarantee in the amount of EUR 6,000,000.00, granted by PKO BP SA to Ravenna Warszawa Sp. z o.o. as a security for the non-performance of payment obligations under the agreement for the purchase of the right of perpetual usufruct of property concluded on 21 December 2011, expired.

6.12. Composition of the Echo Investment Capital Group

The most important entity in the Capital Group structure is Echo Investment S.A., which is the owner of other entities in the Group, and supervises, co-implements and raises funds for the implementation of property development projects carried out by the Group. The companies which form the Group have been established or purchased in order to perform certain 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 at 30 September 2012, the Capital Group comprises 86 fully consolidated subsidiaries, one jointly controlled entity consolidated with the proportionate method and one associate consolidated with the equity method.

SUBSIDIARIES:

	COMPANY	REGISTERED OFFICE	% CAPITAL HELD	PARENT COMPANY
1	47 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
2	53 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
3	Astra Park – Projekt Echo – 69 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
4	Avatar – Projekt Echo – 93 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%	XXIX FIZ Forum
6	Barconsel Holdings Ltd	Nicosia	100%	Echo – SPV 7
7	Bełchatów – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
8	Budivelnuy Soyuz Monolit LLC	Kiev	100%	Yevrobudgarant LLC
9	Echo – Arena Sp. z o.o.	Kielce	100%	Echo Investment S.A.
10	Echo – Arena Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
11	Echo – Aurus Sp. z o.o.	Kielce	100%	Echo Investment S.A.
12	Echo – Centrum Przemysłu – Projekt Echo -93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
13	Echo – Galaxy Sp. z o.o.	Kielce	100%	Echo Investment S.A.
14	Echo – Galaxy Sp. z o.o. S.k.a.	Szczecin	100%	XXIX FIZ Forum
15	Echo – Galeria Amber Sp. z o.o.	Kielce	100%	Echo Investment S.A.
16	Echo – Galeria Lublin Sp. z o.o.	Lublin	100%	Echo Investment S.A.
17	Echo – Kasztanowa Aleja Sp. z o.o.	Kielce	100%	Echo Investment S.A.
18	Echo – Kasztanowa Aleja Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
19	Echo – Klimt House Sp. z o.o.	Kielce	100%	Echo Investment S.A.
20	Echo – Klimt House Sp. z o.o. Sp. z kom.	Kielce	100%	Echo Investment S.A.
21	Echo – Pod Klonami Sp. z o.o.	Kielce	100%	Projekt Naramowice Poznań Sp. z o.o.
22	Echo – Pod Klonami Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
23	Echo – Project – Management Ingatlanhasznosító Kft.	Budapest	100%	Echo Investment S.A.
24	Echo – Przy Słowiańskim Wzgórzu Sp. z o.o.	Kielce	100%	Echo Investment S.A.
25	Echo – Przy Słowiańskim Wzgórzu Sp. z o.o. Sp.	Kielce	100%	Echo Investment S.A.

	COMPANY	REGISTERED OFFICE	% CAPITAL HELD	PARENT COMPANY
	kom.			
26	Echo – SPV 7 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
27	Echo Galeria Kielce – Magellan West Sp. z o.o. S.k.a. (formerly Galeria Kielce -Projekt Echo – 93 Sp. z o.o. S.k.a.)	Kielce	99,95%	XXIX FIZ Forum / XXXIV FIZ Forum
28	Echo Investment ACC – Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
29	Echo Investment Facility Management – Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
30	Echo Investment Hungary Ingatlanhasznosító Kft.	Budapest	100%	Echo Investment S.A.
31	Echo Investment Project 1 S.R.L.	Brasov	100%	Echo Investment S.A.
32	Echo Investment Project Management S.R.L.	Brasov	100%	Echo Investment S.A.
33	Echo Investment Property Management – Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
34	Echo Investment Ukraine LLC	Kiev	100%	Echo Investment S.A.
35	Echo Pasaż Grunwaldzki – Magellan West Sp. z o.o. S.k.a.	Kielce	99,95%	XXIX FIZ Forum
36	El Project Cyp – 1 Ltd	Nicosia	100%	Echo Investment S.A.
37	Galeria Olimpia – Projekt Echo – 98 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
38	Galeria Sudecka – Projekt Echo – 43 Sp. z o.o. S.k.a.	Jelenia Góra	100%	XXIX FIZ Forum
39	Galeria Tarnów – Projekt Echo – 43 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
40	Grupa Echo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
41	Grupa Echo Sp. z o.o. 1 S.k.a.	Kielce	100%	XXIX FIZ Forum
42	Intermedia Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
43	Iris Capital Sp. z o.o.	Kielce	100%	Echo Investment S.A.
44	Malta Office Park – Projekt Echo – 96 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
45	Mena Investments Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
46	Metropolis – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
47	Monolit Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
48	Nikson Capital Sp. z o.o.	Kielce	100%	Echo Investment S.A.
49	Oxygen – Projekt Echo – 95 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
50	Pamiętkowo Sp. z o.o.	Pamiętkowo	100%	Echo Investment S.A.
51	Park Postępu – Projekt Echo – 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
52	PHS – Projekt CS Sp. z o.o. S.k.a.	Szczecin	100%	XXIX FIZ Forum
53	PPR – Projekt Echo – 77 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
54	Princess Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
55	Projekt Beethovena – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum / XXXIV FIZ Forum
56	Projekt CS Sp. z o.o.	Szczecin	100%	Echo Investment S.A.
57	Projekt Echo – 30 Sp. z o.o.	Kielce	100%	XXXIV FIZ Forum.
58	Projekt Echo – 33 Sp. z o.o. (formerly Echo – Pasaż Grunwaldzki Sp. z o.o.)	Kielce	100%	Echo Investment S.A.
59	Projekt Echo – 39 Sp. z o.o.	Kielce	100%	XXXIV FIZ Forum.
60	Projekt Echo – 43 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
61	Projekt Echo – 59 Sp. z o.o.	Kielce	100%	Echo – Aurus Sp. z o.o.
62	Projekt Echo – 67 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
63	Projekt Echo – 67 Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
64	Projekt Echo – 69 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
65	Projekt Echo – 70 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
66	Projekt Echo – 77 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
67	Projekt Echo – 93 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
68	Projekt Echo – 95 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
69	Projekt Echo – 96 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
70	Projekt Echo – 97 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
71	Projekt Echo – 98 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
72	Projekt Echo – 99 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
73	Projekt Echo – 99 Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
74	Projekt Naramowice Poznań Sp. z o.o.	Kielce	100%	XXXIV FIZ Forum

COMPANY	REGISTERED OFFICE	% CAPITAL HELD	PARENT COMPANY
75 Projekt S Sp. z o.o.	Kielce	95%	Echo Investment S.A.
76 Projekt 3 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
77 Projekt 4 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
78 Projekt 5 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
79 Projekt 6 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
80 Projekt 7 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
81 SPV – 1 Sp. z o.o.	Kielce	100%	XXIX FIZ Forum
82 Ultra Marina Sp. z o.o.	Kielce	100%	XXIX FIZ Forum / XXXIV FIZ Forum
83 Vasco Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
84 Veneda – Projekt Echo -97 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
85 Yevrobudgarant LLC	Kiev	100%	El Project Cyp – 1 Ltd
86 Zakład Ogrodniczy Naramowice – Pamiątkowo Sp. z o.o. S.k.a.	Pamiątkowo	100%	XXXIV FIZ Forum

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

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

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

I. The composition of the Echo Investment S.A. Capital Group has expanded by 5 companies as a result of the following:

- On 17 July 2012, the District Court in Kielce registered a new company – Projekt Echo – 99 Sp. z o.o." Sp. kom., with its registered office in Kielce. The company's share capital is PLN 10 thousand.
- On 25 July 2012, 100% interests were purchased in Intermedia Investment Sp. z o.o., with its registered office in Kielce. The total purchase price was PLN 289,592.60. The company's share capital is PLN 5 thousand.
- On 25 July 2012, 100% interests were purchased in Iris Capital Sp. z o.o., with its registered office in Kielce. The total purchase price was PLN 121,531.10. The company's share capital is PLN 5 thousand.
- On 5 September 2012, 100% interests were purchased in Monolit Investment Sp. z o.o., with its registered office in Kielce. The total purchase price was PLN 197,311.00. The company's share capital is PLN 5 thousand.
- On 5 September 2012, 100% interests were purchased in Nikson Capital Sp. z o.o., with its registered office in Kielce. The total purchase price was PLN 96,993.60. The company's share capital is PLN 5 thousand.

II. Other changes in companies comprising the Issuer's Capital Group:

- change of the business name of Echo – Pasaż Grunwaldzki Sp. z o.o. to Projekt Echo – 33 Sp. z o.o. (date of registration in the National Court Register: 17 July 2012);
- change of the business name (due to change of the general partner) of Galeria Kielce – Projekt Echo – 93 Spółka z ograniczoną odpowiedzialnością S. k. a. to Echo Galeria Kielce – Magellan West Spółka z ograniczoną odpowiedzialnością S. k. a.; the new general partner from outside the Echo Investment S.A. Group shall have a 0.05% share in profit. (date of registration in the National Court Register: 20 September 2012).

6.14. Management Board's position regarding the possibility of fulfilment of previously published result forecasts for a given year in light of the results disclosed in the quarterly report compared to the forecast results

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

6.15. Ownership structure of significant stakes of shares in Echo Investment S.A.

SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE OVERALL NUMBER OF VOTES AT THE GENERAL MEETING OF ECHO INVESTMENT SA AS AT 14 NOVEMBER 2012

SHAREHOLDER	NUMBER OF SHARES	% OF SHARE CAPITAL OF ECHO INVESTMENT SA	NUMBER OF VOTES AT THE GSM OF ECHO INVESTMENT SA	% OF TOTAL VOTES AT THE GSM OF ECHO INVESTMENT SA
MICHAŁ SOŁOWOW, including:	186 264 818	44.35%	186 264 818	44.35%
- directly:	2 343 431	0.56%	2 343 431	0.56%
- indirectly, including:	183 921 387	43.79%	183 921 387	43.79%
Barcocalpital Investment Limited	47 458 540	11.3%	47 458 540	11.3%
Calgeron Investment Limited	17 884 050	4.26%	17 884 050	4.26%
FTF Galleon S.A.	118 578 797	28.23%	118 578 797	28.23%
ING OFE	54 488 467	12.97%	54 488 467	12.97%
AVIVA OFE AVIVA BZ WBK	36 683 460	8.73%	36 683 460	8.73%
PZU Złota Jesień OFE	21 419 085	5.10%	21 419 085	5.10%

In the period between the publication of the last quarterly report, i.e. 28 August 2012, and the day of preparing this report, the Issuer received the following notifications about changes in the holding of shares by major shareholders:

On 26 September 2012, the Issuer received two notifications:

Notification 1 – regarding the purchase, by way of a block transaction, of 17,000,000 shares of Echo Investment S.A. during the trading session on 24 September 2012 by FTF Galleon S.A., with its registered office in Luxembourg, a subsidiary of Mr Michał Sołowow, and regarding a change in the capital and votes of Echo Investment S.A. by at least 2% and the exceeding of 25% of votes at the Company's general shareholders' meeting.

Notification 2 – regarding the sale, by way of a block transaction, of 17,000,000 shares of Echo Investment S.A. during the trading session on 24 September 2012 by Barcocapital Investment Limited, with its registered office in the Republic of Cyprus, a subsidiary of Mr Michał Sotowow, and regarding a change in the capital and votes of Echo Investment S.A. by at least 2% and the decrease in the number of votes at the Company's general shareholders' meeting to less than 15%.

Notification 1

"Acting pursuant to article 69 of the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading, and on public companies (J.L. no. 185, item 1439), I notify that, as a result of the purchase, by way of a block transaction, of 17,000,000 shares in Echo Investment S.A. during the trading session on 24 September 2012, settled on 24 September 2012, FTF Galleon S.A., with its registered office in Luxembourg at Charles de Gaulle 2-8, L-1635 Luxembourg, registered in the Register of Commercial Companies in Luxembourg under no. B 154340, a subsidiary of Mr Michał Sotowow, changed its share in the capital and votes of Echo Investment S.A. (hereinafter referred to as: Company) by at least 2% and it holds more than 25% of votes at the Company's general shareholders' meeting.

As at the day of preparing this notification, FTF Galleon S.A. holds 118,578,797 of the Company's shares, accounting for 28.23% of the share capital, and is entitled to 118,578,797 votes at the Company's general shareholders' meeting, representing 28.23% of the overall number of votes.

Before the transaction, FTF Galleon S.A. held 101,578,797 of the Company's shares, accounting for 24.19% of the share capital, and was entitled to 101,578,797 votes at the Company's general shareholders' meeting, representing 24.19% of the overall number of votes.

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

There are no persons referred to in article 87, section 1, item 3, letter c of the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading, and on public companies (J.L. No. 184, item 1539)."

Notification 2

"Acting pursuant to article 69 of the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading, and on public companies (J.L. no. 185, item 1439), I notify that, as a result of the sale, by way of a block transaction, of 17,000,000 shares in Echo Investment S.A. during the trading session on 24 September 2012, settled on 24 September 2012, Barcocapital Investment Limited, with its registered office at Agiou Pavlou 15, Ledra House, Agios Andreas, 1105 Nicosia, Republic of Cyprus, registered in the Department for the Registration of Companies and the Receiver of the Republic of Cyprus (Companies Register) under no. HE 145969, a subsidiary of Mr Michał Sotowow, changed its share in the capital and votes of Echo Investment S.A. (hereinafter referred to as: Company) by at least 2% and it holds less than 15% of votes at the Company's general shareholders' meeting.

As at the day of preparing this notification, Barcocapital Investment Limited holds 47,458,540 of the Company's shares, accounting for 11.3% of the share capital, and is entitled to 47,458,540 votes at the Company's general shareholders' meeting, representing 11.3% of the overall number of votes.

Before the transaction, Barcocapital Investment Limited held 64,458,540 of the Company's shares, accounting for 15.35% of the share capital, and was entitled to 64,458,540 votes at the Company's general shareholders' meeting, representing 15.35% of the overall number of votes.

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

There are no persons referred to in article 87, section 1, item 3, letter c of the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading, and on public companies (J.L. No. 184, item 1539)."

6.16. List of changes in the ownership of Echo Investment S.A.'s shares or rights thereto (options) by the Company's managerial and supervisory staff, in accordance with information available to Echo Investment S.A., in the period after the presentation of the previous quarterly report

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

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

MANAGERIAL STAFF	28.08.2012	14.11.2012
Piotr Gromniak – President of the Management Board	no shares	no shares
Artur Langner – Vice-President of the Management Board	no shares	no shares

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

SUPERVISORY STAFF	28.08.2012	14.11.2012
Wojciech Ciesielski – Chairman of the Supervisory Board	1,200,000 shares	1,200,000 shares
Andrzej Majcher – Vice-Chairman of the Supervisory Board	98,800 shares	98,800 shares
Mariusz Waniółka – Vice-Chairman of the Supervisory Board	no shares	no shares
Karol Żbikowski – Member of the Supervisory Board	no shares	no shares
Robert Oskard – Member of the Supervisory Board	no shares	no shares
Tomasz Kalwat – Member of the Supervisory Board	no shares	no shares

In the period between the publication of the last financial report, i.e. 28 August 2012, and the day of preparing this report, the Issuer received the following notifications from managerial or supervisory staff:

- On 26 September 2012, the Issuer received a notification in which a Member of the Issuer's Supervisory Board announced that FTF Galleon S.A., with its registered office in Luxembourg, at Charles de Gaulle 2-8, L-1635 Luxembourg, entered in the Register of Commercial Companies in Luxembourg under no. B 154340, a subsidiary of Mr Michał Sotowow, purchased 17,000,000 shares of Echo Investment S.A. The purchase transaction was made on WSE's regulated market as a block transaction during the trading session on 24 September 2012. The transaction volume was 17,000,000 shares and the purchase price amounted to PLN 4.35 per share. The notifying entity requested that their personal data be kept confidential pursuant to § 3.2 of the Ordinance of the Minister of Finance of 25 November 2005 on communicating and releasing information on certain transactions on financial instruments and principles of collecting and managing the list of persons having access to certain confidential information.
- On 25 October 2012, the Issuer received a notification from a Supervisory Board Member regarding the sale of shares of Echo Investment S.A. by the Member's close relative. The share sale transaction was concluded on WSE's regulated market in a continuous trading system on 24 October 2012. The total transaction volume was 500,000 shares at a price of PLN 4.64 per share. The notifying entity requested that their personal data be kept confidential pursuant to § 3.2 of the Ordinance of the Minister of Finance of 25 November 2005 on communicating and releasing information on certain transactions on financial instruments and principles of collecting and managing the list of persons having access to certain confidential information.

6.17. Information on court proceedings

In the period from 1 July to 30 September 2012, there were neither court nor administrative proceedings regarding liabilities or receivables of the Company or its subsidiaries in the total value of at least 10% of the Company's equity.

6.18. Information on transactions with related entities under terms other than market terms

In Q3 2012, neither the Company nor its subsidiaries entered into transactions with related parties under terms other than market terms.

6.19. Information on sureties granted on loans or borrowings and guarantees with a value equivalent to at least 10% of the Company's equity.

In Q3 2012, the Capital Group provided no sureties for loans or borrowings, nor did it grant any guarantees to a single entity or to its subsidiary with a total value equivalent to at least 10% of the Company's equity.

See also item 6.11.

6.20. Other information which, in the opinion of the Management Board of Echo Investment S.A., is material to assess its condition in terms of HR, assets, finance, financial result or changes thereto as well as information which is material for the assessment of the Echo Investment Capital Group's capability of fulfilling its obligations

Completion of the residential district Przy Słowiańskim Wzgórzu

Echo Investment obtained a legally binding permit to use the residential investment Przy Słowiańskim Wzgórzu implemented in the centre of Wrocław at ul. Jedności Narodowej. Przy Słowiańskim Wzgórzu is a complex of four buildings comprising 205 apartments with floor areas ranging from 34 to 94 sq. m. Most of the buildings have a balcony, a terrace or a loggia. In the ground floor, there are commercial premises with a floor area between 67 and 152 sq. m.

The investment started in mid 2010. The architectural design was prepared by APA Kuryłowicz & Associates, one of the most renowned designers in Poland.

Helios Cinema in Galeria Sudecka

Helios SA and Echo Investment SA concluded an agreement for the lease of space in Galeria Sudecka in Jelenia Góra, which is to house a cinema with 7 cinema halls. It will be the first multiplex in this city.

The Helios cinema in Galeria Sudecka will have 1,650 seats in seven halls. This is a new agreement between Echo Investment and Helios SA. The Companies have been partners for many years. A Helios cinema already operates in Galeria Echo in Kielce. New Helios cinemas will be established this year in Galeria Olimpia in Bełchatów and Outlet Park in Szczecin. Galeria Sudecka will be erected in the Zabobrze district, in the north-eastern part of Jelenia Góra. The facility will be constructed as a result of expansion of Centrum Handlowe Echo at al. Jana Pawła II.

The investment is to start in Q1 2013. Galeria Sudecka is to be opened in H1 2014.

AXIT rents space in Aquarius Business House

AXIT Sp. z o.o., an international IT company, rented more than 1,200 sq. m of space in Aquarius Business House – class A office building erected in the centre of Wrocław by Echo Investment.

Following Tieto Poland and PwC, AXIT is another multinational company which decided to rent office space in Aquarius Business House.

Aquarius Business House is being erected in the centre of Wrocław, at the junction ul. Borowska and ul. Swobodna. The project is being executed in two stages. The first stage started in June 2011 and is to be completed in November this year. The second stage is to be completed in September 2013. The contractor constructing the building shell is Eiffage Budownictwo Mitex SA. The building's architectural design was created by Arcad, an architectural design studio from Kielce. In June 2012, Echo Investment and Alior Bank SA concluded a loan agreement in the amount of PLN 93.3 million. The raised funds were used for the construction of Aquarius Business House.

AXIT is a multinational company specialising in IT solutions for logistics. The company's solutions have a very user-friendly and easy-to-use interface and offer flexible applications, for example the AX4 – the most broadly used logistics platform in Europe.

Commencement of construction of Galeria Sudecka

Echo Investment signed an understanding with the authorities of Jelenia Góra regarding the construction of Galeria Sudecka – the first regional shopping and entertainment centre.

The understanding specifies the dates for the completion of the works related to the facility and the alteration of the road system around Galeria Sudecka. Echo Investment's works involve the construction of a road and a roundabout to create a transport system around the facility to the west and to the north, connecting to ul. Legnicka and a Voivodeship road in the direction of Wrocław. The roundabout will be an important fragment of the western ring-road of the city and an exit road in the direction of Legnica. On 23 August this year, the authorities of Jelenia Góra adopted a local zoning plan.

The commercialisation of Galeria Sudecka goes well. The Investor signed agreements with the hypermarket Real, which will replace the hypermarket Carrefour operating in CH Echo, and with Helios, which is to operate a 7-hall multiplex cinema in Galeria Sudecka. An agreement was also signed with the sports chain Go Sport.

Important step on the way to implement Echo Investment's first foreign project

The acquisition of land for the shopping and entertainment centre Korona in Brasov (Romania) has been completed. Echo Investment purchased additional plots of land with a total area of approx. 9 thousand sq. m. This purchase transaction finalises the first stage (administration and acquisition) of the property development process and initialises the preparation for the execution of Echo Investment's first foreign project.

Echo Investment came into the ownership of two plots with a total area of 9,096 sq. m, which are adjacent to the plot of land purchased earlier. The purchased land will allow for increasing the leasable area, which in turn will translate into improved attractiveness of the centre's offer. Thanks to this, Korona will be the largest regional and the first modern shopping and entertainment centre in Brasov, the winter capital of Romania. The new plots are also very important due to the possibility to execute the investment in stages and to increase the centre's GLA to 45,000 sq. m.

6.21. Factors which, in the opinion of the Company's Management Board, will influence the results generated by the Capital Group in the perspective of at least the following quarter

Factors to influence the result in the coming periods include:

- posting of revenues from the concluded final agreements for the sale of residential properties in:
 - Krakow (Dom Pod Słowikiem at ul. Krasickiego),
 - Poznań (Kasztanowa Aleja at ul. Wojskowa, Pod Klonami at ul. Rubież),
 - Warsaw (Klimt House at ul. Kazimierzowska),
 - Wrocław (Przy Słowiańskim Wzgórzu at ul. Jedności Narodowej),
- posting of revenues from the concluded final agreements for the sale of plots with house designs in:
 - Bilcza near Kielce (Bilcza, stage II)
 - Dyminy near Kielce (Osiedle Południowe),
- posting of revenues from the concluded final agreements for the sale of plots in:
 - Mastów near Kielce
- regular revenue obtained from the lease of space in offices and shopping centres,
- sale of building expenditures related to the development of Novotel hotel in Łódź,
- quarterly revaluation of the fair value of property owned by the Group:
 - in use, including:
 - changes in foreign exchange rates (EUR & USD),
 - indexation of rents,
 - change of capitalisation rates (yield),
 - changing levels of net operating revenue,
 - in the course of construction and commercialisation:
 - Outlet Park in Szczecin (another measurement),
 - Galeria Olimpia in Bełchatów (another measurement),
 - Galeria Veneda in Łomża (another measurement),
 - Aquarius Business Park in Wrocław (another measurement),
 - Galeria Amber in Kalisz (first measurement),
- cost of sales and general and administrative expenses,
- measurement of liabilities due to bonds and borrowings at amortised cost,
- measurement of loans and cash due to changing foreign exchange rates,
- measurement and settlement of hedging financial instruments to foreign currencies,
- interest on bank deposits and borrowings granted,
- discounts and interest on loans, bonds and borrowings.

III. CONDENSED SEPARATE FINANCIAL STATEMENTS AS AT 30.09.2012 AND FOR A 3-MONTH PERIOD ENDED ON 30.09.2012

	30.09.2012	31.12.2011	30.09.2011
ASSETS			
1. Non-current assets			
1.1. Intangible assets	1 232	1 419	1 377
1.2. Property, plant and equipment	14 619	14 664	15 949
1.3. Investment property	3 496	3 655	3 655
1.4. Investments in subsidiaries and jointly-controlled entities	923 677	909 152	897 756
1.5. Borrowings granted	-	-	-
1.6. Other financial assets	1 131	3 431	3 590
1.7. Other receivables	13 632	14 038	14 172
	957 787	946 359	936 499
2. Current assets			
2.1. Inventory	299 339	313 863	330 710
2.2. Receivables due to current portion of income tax	-	-	-
2.3. Other tax receivables	-	2 685	2 474
2.4. Trade and other receivables	55 641	97 731	97 602
2.5. Borrowings granted	253 946	144 929	114 876
2.6. Cash and cash equivalents	11 739	86 386	94 125
	620 665	645 594	639 787
Total assets	1 578 452	1 591 953	1 576 286

	30.09.2012	31.12.2011	30.09.2011
Equity and liabilities			
3. Equity			
3.1. Share capital	21 000	21 000	21 000
3.2. Supplementary capital	567 091	550 574	550 573
3.3. Profit (loss) from previous years	-	-	-
3.4. Net profit / (loss)	22 957	16 517	20 761
	611 048	588 091	592 334
4. Provisions			
4.1. Provisions for liabilities – short-term	2 000	4 273	7 146
4.2. Deferred income tax provision – long-term	9 375	7 778	10 699
	11 375	12 051	17 845
5. Long-term liabilities			
5.1. Loans, borrowings and bonds	528 534	654 374	655 106
5.2. Advance payments received	15 820	16 288	16 445
	544 354	670 662	671 551
6. Short-term liabilities			
6.1. Loans, borrowings and bonds	367 387	232 691	235 191
6.2. Liabilities due to current portion of income tax	1 499	3 369	1 782
6.3. Other tax liabilities	3 609	14 033	12 131
6.4. Trade liabilities	19 402	42 391	19 469
6.5. Advance payments received	16 320	20 628	18 564
6.6. Other liabilities	3 458	8 037	7 419
	411 675	321 149	294 556
Total equity and liabilities	1 578 452	1 591 953	1 576 286
BOOK VALUE (PLN '000)			
Book value	611 048	588 091	592 334
Number of shares	420 000 000	420 000 000	420 000 000
Book value per share (in PLN)	1.45	1.40	1.41
OFF-BALANCE SHEET LIABILITIES (PLN '000)			
1. Off-balance sheet receivables	-	-	-
2. Off-balance-sheet liabilities	39 980	538 748	539 059
Total off-balance sheet items	39 980	538 748	539 059

PROFIT AND LOSS ACCOUNT (PLN '000)	Q3	3 QUARTERS	Q3	3 QUARTERS
	01.07.2012 30.09.2012	01.01.2012 30.09.2012	01.07.2011 30.09.2011	01.01.2011 30.09.2011
Revenue	49 870	149 692	111 709	307 280
Prime cost of sale	(9 587)	(71 649)	(73 821)	(232 242)
Gross profit (loss) on sales	40 283	78 043	37 888	75 038
Profit (loss) on investment property	-	1 826	1 952	2 708
Selling costs	(5 600)	(18 107)	(6 257)	(17 794)
General administrative expenses	(7 955)	(24 345)	(9 641)	(22 715)
Other operating revenue	16 364	55 949	14 686	43 646
Other operating expenses	(21 389)	(21 667)	(15 803)	(17 253)
Operating profit	21 703	71 699	22 825	63 630
Financial revenue	(132)	854	744	907
Financial costs	(14 870)	(46 290)	(15 973)	(43 092)
Gross profit (loss)	6 701	26 263	7 596	21 445
Income tax	(1 071)	(3 306)	(1 942)	(684)
Net profit (loss)	5 630	22 957	5 654	20 761
(Annualised) net profit (loss)		18 713		15 290
Average weighted ordinary shares		420 000 000		420 000 000
Earnings (loss) per ordinary share (in PLN)		0.04		0.04
Average weighted diluted ordinary shares		420 000 000		420 000 000
Diluted earnings (loss) per ordinary share (in PLN)		0.04		0.04

STATEMENT OF CHANGES IN EQUITY ('000 PLN)	SHARE CAPITAL	SUPPLEMENTARY CAPITAL	RETAINED PROFIT (LOSS) BROUGHT FORWARD	NET PROFIT (LOSS)
For 3 quarters (current year), from 2012.01.01 to 2012.09.30				
Balance at the beginning of the period	21 000	550 574	16 517	-
Changes in the period:				
Allocation of result from previous years	-	16 517	(16 517)	-
Net profit (loss) for the period				22 957
Total changes	-	16 517	(16 517)	22 957
Balance at the end of the period	21 000	567 091	-	22 957
For previous year, from 2011.01.01 to 2011.12.31				
Balance at the beginning of the period	21 000	511 902	38 672	-
Changes in the period:				
Allocation of result from previous years	-	38 672	(38 672)	-
Net profit (loss) for the period				16 517
Total changes	-	38 672	(38 672)	16 517
Balance at the end of the period	21 000	550 574	-	16 517
For 3 quarters (previous year), from 2011.01.01 to 2011.09.30				
Balance at the beginning of the period	21 000	511 901	38 672	-
Changes in the period:				
Allocation of result from previous years	-	38 672	(38 672)	-
Net profit (loss) for the period				20 761
Total changes	-	38 672	(38 672)	20 761
Balance at the end of the period	21 000	550 573	-	20 761

CASH FLOW STATEMENT (PLN '000)	FROM 01.01.12 TO 30.09.12	FROM 01.01.2011 TO 30.09.2011
Cash flow from operating activities – indirect method		
I. Net profit (loss)	22 957	20 761
II. Adjustments:		
1. Depreciation/Amortisation	3 033	2 648
2. Foreign exchange (gains) losses	-	-
3. Interest and profit sharing (dividend)	3 642	16 708
4. Current income tax recognised in profit and loss account	1 709	1 992
5. Income tax paid	(3 578)	126
6. Profit (loss) on investing activities	(201)	(2 155)
7. Movement in provisions	(676)	(967)
8. Movement in inventories	15 806	(615)
9. Movement in receivables	67 124	(587)
10. Movement in short-term liabilities, excluding loans and borrowings	(42 877)	(28 210)
11. Other adjustments	-	-
Total adjustments	43 982	(11 060)
Net operating cash flows	66 939	9 701
Cash flow from investing activities		
I. Proceeds		
1. Sale of intangible assets and property, plant and equipment	188	1 401
2. Sale of investments in real property and intangible assets	-	7 651
3. From financial assets	96 117	105 071
4. Other investment proceeds	-	-
	96 305	114 123
II. Expenditures		
1. Purchase of intangible assets and property, plant and equipment	(2 821)	(2 682)
2. Investments in real property and intangible assets	159	-
3. For financial assets	(193 338)	(170 030)
4. Other capital expenditures	(313)	(239)
	(196 313)	(172 951)
Net cash flow from investing activities	(100 008)	(58 828)

CASH FLOW STATEMENT (PLN '000)	FROM 01.01.12 TO 30.09.12	FROM 01.01.2011 TO 30.09.2011
Cash flow from financing activities		
I. Proceeds		
1. Net proceeds from issue of shares (interests) and other equity instruments and capital contributions	-	-
2. Loans and borrowings	42 340	10 470
3. Issue of debt securities	357 938	295 000
4. Other financial proceeds	-	-
	400 278	305 470
II. Expenditures		
1. Purchase of equity shares (interests)	-	-
2. Dividends and other payments to equity holders	-	-
3. Profit share expenses, other than payments to equity holders	-	-
4. Repayment of loans and borrowings	(32 774)	(759)
5. Redemption of debt securities	(360 000)	(185 000)
6. Interest	(49 082)	(42 286)
	(441 856)	(228 045)
Net cash flow from financing activities	(41 578)	77 425
Total net cash flows	(74 647)	28 298
Movement in the balance of cash, including:	(74 647)	28 298
- movement in cash due to foreign exchange gains/losses	-	-
Cash at the beginning of the period	86 386	65 827
Cash at the end of the period, including:	11 739	94 125
- restricted cash	-	7 300

Kielce, 14 November 2012

Company representatives:President of the
Management BoardVice-President of the
Management Board

Piotr Gromniak

Artur Langner

Person responsible for keeping the accounting books:

Chief Accountant

Tomasz Sułek

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