



CONSOLIDATED QUARTERLY REPORT OF  
THE ECHO INVESTMENT CAPITAL GROUP  
FOR Q1 2013

**ECHO**  
investment

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## I. SELECTED CONSOLIDATED FINANCIAL DATA

	IN THOUSANDS OF PLN		IN THOUSANDS OF EUR	
	FROM 01.01.2013 TO 31.03.2013	FROM 01.01.2012 TO 31.03.2012	FROM 01.01.2013 TO 31.03.2013	FROM 01.01.2012 TO 31.03.2012
I. Operating revenues	140 479	153 837	33 657	36 847
II. Operating profit (loss)	235 082	-31 970	56 323	-7 657
III. Gross profit (loss)	154 567	32 786	37 033	7 853
IV. Net profit (loss)	156 054	30 661	37 389	7 344
V. Net operating cash flow	50 300	49 858	12 051	11 942
VI. Net cash flow from investing activities	-93 139	-72 468	-22 315	-17 358
VII. Net cash flow from financing activities	-61 136	-97 124	-14 648	-23 263
VIII. Total net cash flow	-103 975	-119 734	-24 912	-28 679
IX. Total assets	5 629 929	5 130 236	1 347 711	1 232 756
X. Equity attributable to shareholders of the parent	2 593 201	2 092 383	620 769	502 783
XI. Long-term liabilities	2 526 201	2 172 634	604 730	522 067
XII. Short-term liabilities	479 023	625 582	114 670	150 322
XIII. Number of shares	412 690 582	412 690 582	412 690 582	412 690 582
XIV. Earnings (loss) per ordinary share (in PLN/EUR)	1.21	0.37	0.29	0.09
XV. Book value per share (in PLN/EUR)	6.28	5.07	1.50	1.22

## II. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS OF THE CAPITAL GROUP AS AT 31.03.2013 AND FOR A 3-MONTH PERIOD ENDED ON 31.03.2013

### 1. CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION

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

	AS AT 31.03.2013 END OF QUARTER	AS AT 31.12.2012 END OF PREVIOUS YEAR	AS AT 31.03.2012 END OF QUARTER
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
1.1. Intangible assets	1 067	1 186	1 379
1.2. Property, plant and equipment	53 966	55 875	55 682
1.3. Investment property	3 148 523	2 882 760	2 784 798
1.4. Investment property under construction	1 166 527	1 177 050	1 090 640
1.5. Long-term financial assets	45 805	44 970	108 037
1.6. Derivative financial instruments	587	626	-
1.7. Deferred income tax assets	11 969	11 243	18 444
	<b>4 428 444</b>	<b>4 173 710</b>	<b>4 058 980</b>
<b>2. Non-current assets held for sale</b>	<b>262 978</b>	<b>250 059</b>	<b>-</b>
<b>3. Current assets</b>			
3.1. Inventory	459 877	463 120	483 543
3.2. Income tax receivables	2 511	1 519	1 486
3.3. Other tax receivables	40 301	47 852	59 613
3.4. Trade and other receivables	96 794	77 666	90 012
3.5. Short-term financial assets	61 462	61 915	158
3.6. Derivative financial instruments	186	1 508	-
3.7. Restricted cash	58 127	40 181	44 990
3.8. Cash and cash equivalents	219 249	335 643	391 454
	<b>938 507</b>	<b>1 029 404</b>	<b>1 071 256</b>
<b>Total current assets and non-current assets held for sale</b>	<b>1 201 485</b>	<b>1 279 463</b>	<b>1 071 256</b>
<b>TOTAL ASSETS</b>	<b>5 629 929</b>	<b>5 453 173</b>	<b>5 130 236</b>

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

	AS AT 31.03.2013 END OF QUARTER	AS AT 31.12.2012 END OF PREVIOUS YEAR	AS AT 31.03.2012 END OF QUARTER
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
1.1. Equity attributable to shareholders of the parent	2 593 201	2 431 620	2 092 383
1.1.1. Share capital	21 000	21 000	21 000
1.1.2. Supplementary capital	2 065 321	2 065 321	1 857 464
1.1.3. Equity shares purchased	-28 647	-28 647	-28 647
1.1.4. Accumulated profit (loss)	530 169	374 115	238 518
1.1.5. Foreign exchange differences on translation of foreign operations	5 358	-169	4 048
1.2. Equity of non-controlling shareholders	65	23	-54
	<b>2 593 266</b>	<b>2 431 643</b>	<b>2 092 329</b>
<b>2. Provisions</b>			
2.1. Long-term provisions	-	1 501	9 120
2.2. Short-term provisions	7 764	6 263	4 273
2.3. Deferred income tax long-term provision	23 675	24 444	226 298
	<b>31 439</b>	<b>32 208</b>	<b>239 691</b>
<b>3. Long-term liabilities</b>			
3.1. Loans and borrowings	2 387 404	2 146 281	2 042 508
3.2. Derivative financial instruments	11 967	13 043	12 877
3.3. Security deposits and advances received	50 174	49 732	40 577
3.4. Lease liabilities (perpetual usufruct of land)	76 656	76 672	76 672
	<b>2 526 201</b>	<b>2 285 728</b>	<b>2 172 634</b>
<b>4. Short-term liabilities</b>			
4.1. Loans and borrowings	327 630	550 114	423 658
4.2. Derivative financial instruments	429	66	324
4.3. Income tax liabilities	-	2 292	4 305
4.4. Other tax liabilities	20 955	5 711	19 919
4.5. Trade liabilities	93 078	103 421	114 002
4.6. Other liabilities	10 651	16 189	10 840
4.7. Security deposits and advances received	26 280	25 801	52 534
	<b>479 023</b>	<b>703 594</b>	<b>625 582</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5 629 929</b>	<b>5 453 173</b>	<b>5 130 236</b>
Book value (in thousands of PLN)	2 593 201	2 431 620	2 092 383
Number of shares	412 690 582	412 690 582	412 690 582
Book value per share (in PLN)	6.28	5.89	5.07
Diluted number of shares	412 690 582	412 690 582	412 690 582
Diluted book value per share (in PLN)	6.28	5.89	5.07

## OFF-BALANCE SHEET ITEMS (PLN '000)

	AS AT 31.03.2013 END OF QUARTER	AS AT 31.12.2012 END OF PREVIOUS YEAR	AS AT 31.03.2012 END OF QUARTER
1. Off-balance sheet receivables	-	-	-
2. Off-balance-sheet liabilities	10 270	10 058	-

## 2. CONSOLIDATED QUARTERLY PROFIT AND LOSS ACCOUNT

## CONSOLIDATED QUARTERLY PROFIT AND LOSS ACCOUNT (PLN '000)

	Q1 01.01.2013 - 31.03.2013	Q1 01.01.2012 - 31.03.2012
Revenue	140 479	153 837
Prime cost of sale	-64 205	-64 766
<b>Gross profit (loss) on sales</b>	<b>76 274</b>	<b>89 071</b>
Profit (loss) on investment property (measurement)	175 864	-109 647
Selling costs	-5 395	-6 249
General administrative expenses	-14 612	-12 320
Other operating revenue (expenses)	2 951	7 175
<b>Operating profit</b>	<b>235 082</b>	<b>-31 970</b>
Financial revenue	4 670	4 019
Financial expenses	-45 953	-47 930
Profit (loss) on FX derivatives	-1 588	12 308
Foreign exchange profit (loss)	-37 644	96 437
Revaluation of goodwill of subordinates	-	-78
<b>Gross profit (loss)</b>	<b>154 567</b>	<b>32 786</b>
Income tax	1 529	-2 120
<b>Net profit (loss), including:</b>	<b>156 096</b>	<b>30 666</b>
Profit (loss) attributable to non-controlling interest	42	5
Profit (loss) attributable to shareholders of the parent company	156 054	30 661
(Annualised) net profit (loss)	499 508	151 911
Average weighted ordinary shares	412 690 582	412 690 582
Annualised earnings (loss) per ordinary share (in PLN)	1.21	0.37

## 3. CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME

## CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME (PLN '000)

	Q1 01.01.2013 - 31.03.2013	Q1 01.01.2012 - 31.03.2012
<b>Net profit (loss)</b>	<b>156 096</b>	<b>30 666</b>
<b>Other comprehensive income:</b>		
- foreign exchange gains/losses on translation of foreign operations	5 527	-5 208
<b>Comprehensive income for the period, including:</b>	<b>161 623</b>	<b>25 458</b>
Comprehensive income attributable to shareholders of the parent company	161 581	25 453
Minority comprehensive income	42	5

## 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
<b>1 QUARTER, FROM 01.01.2013 TO 31.03.2013 (CURRENT YEAR)</b>								
Balance at the beginning of the period	21 000	2 065 321	-28 647	374 115	-169	2 431 620	23	2 431 643
Allocation of result from previous years	-	-	-	-	-	-	-	-
Other net comprehensive income	-	-	-	-	5 527	5 527	-	5 527
Net profit (loss) for the period	-	-	-	156 054	-	156 054	42	156 096
Balance at the end of the period	21 000	2 065 321	-28 647	530 169	5 358	2 593 201	65	2 593 266
<b>4 QUARTERS, FROM 01.01.2012 TO 31.12.2012 (CURRENT YEAR)</b>								
Balance at the beginning of the period	21 000	1 857 464	-	207 857	9 256	2 095 577	-59	2 095 518
Allocation of result from previous years	-	207 857	-	-207 857	-	-	-	-
Purchase of equity shares	-	-	-28 647	-	-	-28 647	-	-28 647
Movements in minority interest	-	-	-	-	-	-	72	72
Other net comprehensive income	-	-	-	-	-9 425	-9 425	-	-9 425
Net profit (loss) for the period	-	-	-	374 115	-	374 115	10	374 125
Balance at the end of the period	21 000	2 065 321	-28 647	374 115	-169	2 431 620	23	2 431 643
<b>1 QUARTER, FROM 01.01.2012 TO 31.03.2012 (PREVIOUS YEAR)</b>								
Balance at the beginning of the period	21 000	1 857 464	-	207 857	9 256	2 095 577	-59	2 095 518
Allocation of result from previous years	-	-	-	-	-	-	-	-
Purchase of equity shares	-	-	-28 647	-	-	-28 647	-	-28 647
Other net comprehensive income	-	-	-	-	-5 208	-5 208	-	-5 208
Net profit (loss) for the period	-	-	-	30 661	-	30 661	5	30 666
Balance at the end of the period	21 000	1 857 464	-28 647	238 518	4 048	2 092 383	-54	2 092 329

## 5. CONSOLIDATED INTERIM CASH FLOW STATEMENT

CONSOLIDATED QUARTERLY CASH FLOW STATEMENT (PLN '000)0

	Q1 01.01.2013 - 31.03.2013	Q1 01.01.2012 - 31.03.2012
<b>A. Operating cash flow – indirect method</b>		
<b>I. Gross profit (loss)</b>	<b>154 567</b>	<b>32 786</b>
<b>II. Total adjustments</b>	<b>-100 385</b>	<b>42 490</b>
1. Share in net profits (losses) of associates	-	-
2. Depreciation of PP&E	1 049	4 668
3. Foreign exchange (gains) losses	37 644	-96 437
4. Interest and profit sharing (dividends)	37 292	37 614
5. (Profit) loss on revaluation of assets and liabilities	-176 234	87 792
6. (Profit) loss on settlement of financial instruments	-136	8 853
7. Other adjustments	-	-
<b>III. Movements in working capital:</b>	<b>-632</b>	<b>-25 076</b>
1. Movement in provisions	-	6
2. Movement in inventory	5 923	17 679
3. Movement in receivables	-11 943	6 352
4. Movement in short-term liabilities, except for loans and borrowings	5 388	-49 113
<b>IV. Net operating cash (I+II+III)</b>	<b>53 550</b>	<b>50 200</b>
1. Income tax paid	-3 250	-342
<b>V. Net operating cash flows</b>	<b>50 300</b>	<b>49 858</b>
<b>B. Cash flow from investing activities</b>		
<b>I. Proceeds</b>	<b>5 530</b>	<b>6 658</b>
1. Sale of intangible assets and PP&E	133	82
2. Sale of real property investments	-	-
3. On financial assets	5 397	6 576
4. Other investment proceeds	-	-
<b>II. Expenditures</b>	<b>-98 669</b>	<b>-79 126</b>
1. Purchase of intangible assets and PP&E	-1 145	-4 517
2. Real property investments	-97 399	-73 183
3. On financial assets	-125	-1 426
4. Dividends and other share of profit paid to minority	-	-
5. Other capital expenditures	-	-
<b>III. Net cash flow from investing activities (I-II)</b>	<b>-93 139</b>	<b>-72 468</b>



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

	Q1 01.01.13 - 31.03.2013	Q1 01.01.2012 - 31.03.2012
<b>C. Cash flow from financing activities</b>		
<b>I. Proceeds</b>	<b>287 706</b>	<b>172 733</b>
1. Net proceeds from issue of shares (interests) and other equity instruments and capital contributions	-	-
2. Loans and borrowings	52 570	67 733
3. Issue of debt securities	235 000	105 000
4. Other financial proceeds	136	-
<b>II. Expenditures</b>	<b>-348 842</b>	<b>-269 857</b>
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	-88 423	-65 370
5. Redemption of debt securities	-220 000	-105 000
6. Due to FX derivatives	-	-8 853
7. Payment of liabilities under finance lease agreements	-16	-19 944
8. Interest	-40 403	-42 043
9. Other financial expenditures	-	-
<b>III. Net cash flow from financing activities (I-II)</b>	<b>-61 136</b>	<b>-97 124</b>
<b>D. Total net cash flow (A.III+/-B.III+/-C.III)</b>	<b>-103 975</b>	<b>-119 734</b>
<b>E. Movement in cash in the consolidated statement of financial position, including:</b>	<b>-98 448</b>	<b>-124 941</b>
- movement in cash due to foreign exchange gains/losses	5 527	-5 207
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>375 824</b>	<b>561 385</b>
<b>G. Cash at the end of the period (F+/- D), including:</b>	<b>277 376</b>	<b>436 444</b>
- restricted cash	58 127	40 990

## 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 Group's parent company is Echo Investment S.A. (Issuer, Company), which is listed on Warsaw Stock Exchange. 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 mainly rent out commercial space (shopping and entertainment centres, offices), construct and sell apartments and provide property management services. The Company also provides services as a general contractor to foreign investors.

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

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

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

As at 31 March 2013 and 31 March 2012, the Capital Group employed 349 and 326 people respectively.

The Company's shares have been listed on Warsaw Stock Exchange since March 1996. There are 420,000,000 of the Issuer's ordinary bearer shares (including 7,309,418 shares purchased by a subsidiary as part of an equity share redemption programme).

## **6.2. Accounting principles adopted in drawing up the quarterly report**

The report covers a three-month period ended on 31 March 2013, comparative data for a three-month period ended on 31 March 2012 and comparative data for a twelve-month period ended on 31 December 2012 (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 prepared in accordance with the historical cost principle except for investment property measured at fair value and financial instruments valued in accordance with IAS 39. The statements have been drawn up under the assumption of ongoing business activity in the foreseeable future having regard to the fact that there are no circumstances posing a threat to the ongoing business 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 2012. New interpretations issued by the IFRS Interpretations Committee applicable to the Group for the reporting period beginning on 01 January 2013 did not have any significant impact on these financial statements.

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

The Capital Group did not change its accounting principles in Q1 2013. A detailed accounting policy was presented in the annual report for 2012.

## **6.4. Description of significant achievements and failures of the Capital Group and indication of major events in Q1 2013**

### **6.4.1. Major events in Q1 2013**

#### **Addendum to a material agreement**

On 16 January 2013, the Issuer received an addendum (later referred to as the Addendum) dated 11 January 2013 to the loan agreement (which the company announced in current report no. 18/2012 of 6 June 2012) signed by way of correspondence by AQUARIUS BUSINESS HOUSE GRUPA ECHO SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ SKA, with its registered office in Kielce, al. Solidarności 36, 25-323 Kielce, entered into the register of entrepreneurs of the National Court Register maintained by the District Court in Kielce, 10th Economic Department of the National Court register, under KRS no. 0000378348 (later referred to as the Borrower, Company), a subsidiary of the Issuer, and by ALIOR BANK SPÓŁKA AKCYJNA, with its registered office in Warsaw, at Al. Jerozolimskie 94, 00-807 Warsaw, entered into the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw in Warsaw, 12th Economic Department of the National Court register, under KRS no. 305178 (later referred to as the Lender, Bank).

According to the terms of the Addendum, the amount of the loan granted by the Bank to the Borrower was increased from PLN 93,368 thousand to PLN 134,036 thousand, which is intended for financing and refinancing the costs of the project involving the execution of the first and the second stage of the office and services facility Aquarius Business House in Wrocław.

The addendum also amended the loan repayment date to be 30 June 2014.

#### **Contingent preliminary agreements for the sale of property**

On 19 March 2013, the Company published information whose announcement to the public was delayed pursuant to article 57 section 1 of the Act of 29 July 2005 on public offering and terms of introducing financial instruments to organised trading and on public companies, and pursuant to § 2 section 1 item 3 of the Ordinance of the Minister of Finance of 13 April 2006 regarding the types of information which may violate the legitimate interest of an issuer and an issuer's procedure in connection with delayed publication of confidential information.

The notification about the delayed fulfilment of the disclosure obligation was presented to the Polish Financial Supervision Authority on 21 December 2012.

The information whose publication was delayed is the following:

"The Management Board of Echo Investment S.A. (later referred to as the Issuer) announces that on 20 December 2012:

1/ the Issuer's subsidiary Galeria Tarnów - Projekt ECHO- 43 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 of the National Court Register, maintained by the District Court in Kielce, 10th Economic Department of the National Court Register, under KRS no. 0000385055 (Seller)

and CONNIE INVESTMENTS spółka z ograniczoną odpowiedzialnością spółka komandytowa, with its registered office in Warsaw (address: 00-803 Warsaw, Aleje Jerozolimskie 56C), entered into the register of entrepreneurs of the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, 12th Economic Department of the National Court register, under KRS no. 0000342707 (Buyer)

concluded a preliminary agreement for the sale of the perpetual usufruct title to real property and ownership of buildings located on it along with properties comprising Centrum Handlowe ECHO in Tarnów in ul. Błonie 2.

2/ the Issuer's subsidiary PPR-Projekt ECHO-77 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 of the National Court Register, maintained by the District Court in Kielce, 10th Economic Department of the National Court Register, under KRS no. 0000361525 (Seller)

and SYNCERUS INVESTMENTS spółka z ograniczoną odpowiedzialnością spółka komandytowa, with its registered office in Warsaw (address: 00-078 Warsaw, Piłsudskiego 3), entered into the register of entrepreneurs of the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, 12th Economic Department of the National Court register, under KRS no. 0000342748 (Buyer)

concluded a preliminary agreement for the sale of the ownership title to real property along with properties comprising Centrum Handlowe ECHO in Radom in ul. Żółkiewskiego 4.

3/ the Issuer's subsidiary PPR-Projekt ECHO-77 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 of the National Court Register, maintained by the District Court in Kielce, 10th Economic Department of the National Court Register, under KRS no. 0000361525 (Seller)

and XANTIRA INVESTMENTS spółka z ograniczoną odpowiedzialnością spółka komandytowa, with its registered office in Warsaw (address: 00-803 Warsaw, Aleje Jerozolimskie 56C), entered into the register of entrepreneurs of the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, 12th Economic Department of the National Court register, under KRS no. 0000340765 (Buyer)

concluded a preliminary agreement for the sale of the ownership title and perpetual usufruct title to land and ownership title to a building along with properties comprising Centrum Handlowe ECHO in Piotrków Trybunalski in ul. Sikorskiego 13/17.

The total value of the signed preliminary contingent sale agreements for three shopping centres is EUR 67,092.99 thousand plus the applicable VAT, which, as at the date of signing the agreement, according to the average exchange rate of the National Bank of Poland, is equivalent to PLN 272,686.04 thousand net:

- The value of the agreement with CONNIE INVESTMENTS spółka z ograniczoną odpowiedzialnością spółka komandytowa is EUR 22,961.24 thousand, which, as at the date of signing the agreement, according to the average exchange rate of the National Bank of Poland, is equivalent to PLN 93,321.38 thousand net;

- The value of the agreement with SYNCERUS INVESTMENTS spółka z ograniczoną odpowiedzialnością spółka komandytowa is EUR 23,752.34 thousand, which, as at the date of signing the agreement, according to the average exchange rate of the National Bank of Poland, is equivalent to PLN 96,536.65 thousand net;

- The value of the agreement with XANTIRA INVESTMENTS spółka z ograniczoną odpowiedzialnością spółka komandytowa is EUR 20,379.41 thousand, which, as at the date of signing the agreement, according to the average exchange rate of the National Bank of Poland, is equivalent to PLN 82,828.02 thousand net;

The signing of the final agreements for the sale of the Shopping Centres depends on the satisfaction or waiver of the conditions specified in the agreements by the Buyers according to the stipulated dates, with the final date being 31 December 2013.

Terms and conditions of the agreements:

- Obtaining positive tax interpretations;
- All warranties made by the Sellers as at the date of this Agreement and as at the date of the Promised Agreement shall remain true and accurate, while all warranties made under the signed agreements are true and accurate;
- The land and mortgage registers maintained for the real property do not include any comments or warnings and do not specify any pre-emptive right;
- Achieving a renovation status provided for in the agreements;
- Real shall open its leased space to customers and shall operate its business in such space;
- There shall be parking places for customers on the properties in a number specified in the agreements;
- At least 50% of the shopping centre shall be leased out to tenants;
- Areas leased out to Nomi shall be opened for customers and Nomi shall operate its business in such space;
- Opening of the centres for customers;
- A guarantee of Echo Investment S.A. shall be issued and delivered to the Buyers;
- The Sellers shall repair any defects specified in annexes to the agreements or, if some of the defects are not repaired, the parties shall agree on the cost of repairing the defects which were not repaired;
- Save as provided for in the agreements, entries in the land and mortgage registers maintained for the properties shall not change as of the date of the signed agreements;
- The Sellers shall submit requests to competent governmental authorities as specified in the agreements;
- The perpetual usufruct title to a plot of land shall be extended;
- The Sellers shall conclude an addendum to the agreement for design works;
- Tenants who concluded new lease agreement have concluded agreements for the transfer of rights and obligations under the lease.

The agreements provide for the payment of standard contractual penalties for this type of agreements, while the maximum amount of the contractual penalties does not exceed 10% of the value of each agreement.

The payment of contractual penalties does not preclude either party's right to claim compensation in excess of such contractual penalties.

The agreements have been recognised as material agreements based on the criterion of the Issuer's equity."

The aforementioned entities described as "Buyers" are members of London & Cambridge Properties Ltd, with its registered office in London.

From among the aforementioned conditions, as at the date of submitting the current report, the following conditions were fulfilled:

- Real's opening of its leased space for customers;
- Leasing out of at least 50% of the shopping centre to tenants;

- Guarantee of Echo Investment S.A. issued and delivered to the Buyers;
- Extension of the perpetual usufruct title to a plot of land shall;
- Opening of the centres for customers;
- Areas leased out to Nomi remain open for customers and Nomi operates its business in such areas.

On 22 March, the Issuer submitted a report stating that the Issuer's subsidiaries:

1) Galeria Tarnów - Projekt ECHO- 43 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 of the National Court Register, maintained by the District Court in Kielce, 10th Economic Department of the National Court Register, under KRS no. 0000385055 (Seller 1)

2) PPR-Projekt ECHO-77 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 of the National Court Register, maintained by the District Court in Kielce, 10th Economic Department of the National Court Register, under KRS no. 0000361525 (Seller 2)

started the negotiations of final property sale agreements including the following:

- 1) perpetual usufruct title to real property and ownership of buildings located on it along with properties comprising Centrum Handlowe ECHO in Tarnów in ul. Błonie 2 (Property 1);
- 2) ownership title to real property along with properties comprising Centrum Handlowe ECHO in Radom in ul. Żółkiewskiego 4 (Property 2);
- 3) ownership title and perpetual usufruct title to land and ownership title to a building along with properties comprising Centrum Handlowe ECHO in Piotrków Trybunalski in ul. Sikorskiego 13/17 (Property 3)

with the following buyers:

1) CONNIE INVESTMENTS spółka z ograniczoną odpowiedzialnością spółka komandytowa, with its registered office in Warsaw (address: 00-803 Warsaw, Aleje Jerozolimskie 56C), entered into the register of entrepreneurs of the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, 12th Economic Department of the National Court register, under KRS no. 0000342707 (Buyer 1) – with regard to Property 1;

2) SYNCERUS INVESTMENTS spółka z ograniczoną odpowiedzialnością spółka komandytowa, with its registered office in Warsaw (address: 00-078 Warsaw, Plac Piłsudskiego 3), entered into the register of entrepreneurs of the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, 12th Economic Department of the National Court register, under KRS no. 0000342748 (Buyer 2) – with regard to Property 2;

3) XANTIRA INVESTMENTS spółka z ograniczoną odpowiedzialnością spółka komandytowa, with its registered office in Warsaw (address: 00-803 Warsaw, Aleje Jerozolimskie 56C), entered into the register of entrepreneurs of the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, 12th Economic Department of the National Court register, under KRS no. 0000340765 (Buyer 3) – with regard to Property 3.

According to the provisions of the preliminary sale agreements announced in current report no. 10/2013 of 20 March 2013, the Buyers reserved the right to transfer the rights and obligations under the said agreements to BRE Leasing Sp. z o.o., with its registered office in Warsaw, which shall act as the buyer when the contractual rights and obligations are transferred. The final sales prices for Properties 1-3 shall be verified by the Parties as at the day of concluding the final sale agreements according to the verification mechanisms included in the preliminary sale agreements.

## 6.4.2. Information on the Capital Group's projects

As at 31 March 2013, the Group's portfolio included developments in use, in progress or in preparation

**PORTFOLIO OF PROPERTIES IN USE**

As at 31 March 2013, the Group's portfolio included 6 shopping centres, 5 shopping and entertainment centres and 6 office developments for lease.

**REAL PROPERTY PORTFOLIO**

<b>CITY</b>	<b>LOCATION</b>	<b>NAME</b>	<b>GLA [SQ. M]</b>
Jelenia Góra	Al. Jana Pawła II	Galeria Echo	19 000
Łomża	ul. Zawadzka 38	Galeria Veneda	15 200
Piotrków Trybunalski	ul. Sikorskiego	Galeria Echo	17 400
Przemyśl	ul. 29 Listopada	Galeria Echo	5 500
Radom	ul. Żółkiewskiego	Galeria Echo	19 500
Tarnów	ul. Błonie	Galeria Echo	20 200
<b>SHOPPING CENTRES</b>	<b>TOTAL</b>		<b>96 800</b>
Bełchatów	ul. Kolejowa	Galeria Olimpia	21 400
Kielce	ul. Świętokrzyska	Galeria Echo	70 500
Szczecin	Al. Wyzwolenia	Galaxy	41 200
Szczecin	al. Struga	Outlet Park	16 600
Wrocław	Plac Grunwaldzki	Pasaż Grunwaldzki	48 200
<b>SHOPPING AND ENTERTAINMENT CENTRES</b>	<b>TOTAL</b>		<b>197 900</b>
Kielce	al. Solidarności	Astra Park (*)	11 200
Poznań	ul. Baraniaka	Malta Office Park	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
Wrocław	ul. Swobodna	Aquarius (stage I)	15 700
<b>OFFICE DEVELOPMENTS</b>	<b>TOTAL</b>		<b>85 800</b>
<b>DEVELOPMENTS FOR LEASE</b>	<b>TOTAL</b>		<b>380 500</b>

\*The Astra Park project does not include area occupied by the Group.

\*\* The area attributable to the Capital Group comprises 50% of Polkomtel office building development (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 shopping space include:

- hypermarkets: Real, 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., Altkom 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., Samsung Electronics Polska Sp. z o.o., Bank Ochrony Środowiska, Lux Med. Sp. z o.o., Pwc Polska Sp. z o.o., The Bank of New York Mellon.

**PROJECTS IN THE COURSE OF IMPLEMENTATION 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.

## 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
Kalisz, Galeria Amber	34 300	H1 2012	H1 2014
Jelenia Góra, Galeria Sudecka (expansion)	12 300	H2 2013	H1 2015
Szczecin, Galaxy (expansion)	17 200	H1 2014	H2 2015
Poznań, Metropolis	75 300	H1 2014	H1 2016
Szczecin, Outlet Park (stage II)	8 300	H1 2014	H2 2014
Koszalin, Galeria Nova	27 200	H2 2014	H2 2015
Katowice, ul. Kościuszki	50 000	H1 2015	H1 2017
Słupsk, ul. Grottgera **			
<b>PROJECTS IN POLAND</b>	<b>224 600</b>		
Brasov Korona (Romania)	30 500	H1 2014	H2 2015
Budapest Mundo (Hungary)*	42 700		
<b>FOREIGN PROJECTS</b>	<b>73 200</b>		
<b>TOTAL PROJECTS</b>	<b>297 800</b>		

\* 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
Warsaw, Park Rozwoju (stage I)	17 800	H2 2012	H1 2014
Warsaw, Park Rozwoju (stage II)	16 100	H1 2014	H2 2015
Warsaw, Jana Pawła II	52 900	H2 2013	H2 2016
Warsaw, Beethovena (stage I)	18 100	H2 2013	H1 2015
Warsaw, Beethovena (stages II - III)	36 700	H1 2015	H1 2018
Warsaw, Taśmowa (stages I - IV)	60 800	H1 2014	H2 2018
Krakow, Opolska (stage I)	19 200	H2 2013	H1 2015
Krakow, Opolska (stages II - III)	38 400	H1 2015	H1 2018
Wrocław, Aquarius Business House (stage II)	9 300	H1 2012	H2 2013
Wrocław, Lotnicza	16 300	H1 2013	H2 2014
Wrocław, Plac Grunwaldzki (stages I-II)	20 600	H1 2014	H1 2017
Gdańsk, Tryton	22 800	H2 2013	H1 2015
Katowice, A4 Business Park (stage I)	9 000	H2 2012	H1 2014
Katowice, A4 Business Park (stage II)	9 300	H2 2013	H1 2015
Katowice, A4 Business Park (stage III)	11 900	H1 2015	H2 2016
Łódź, Novotel	7 300	H2 2011	H1 2013
Łódź, Aurus (stages I – II)	19 200	H1 2014	H2 2016
<b>PROJECTS IN POLAND</b>	<b>385 700</b>		
Kiev, Dehtiarivska (stage I)	17 500	H2 2013	H1 2015
Kiev, Dehtiarivska (stages II-VI)	87 900	H2 2014	H1 2020
<b>FOREIGN PROJECTS</b>	<b>105 400</b>		
<b>TOTAL PROJECTS</b>	<b>491 100</b>		

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

PROJECT	USABLE AND RESIDENTIAL AREA/PLOT AREA [SQ. M]	COMMENCEMENT	COMPLETION
Dyminy, Osiedle Południowe (stage III)	43 400	H2 2013	H2 2014
Poznań, Sołacz	13 700	H1 2014	H2 2014
Warsaw, Rezydencje Leśne (project in the course of sale)	52 900	H2 2010	H2 2012
<b>SALE OF PLOTS [PLOT AREA]</b>	<b>110 000</b>		
Kielce, Zielone Tarasy	2 100	H2 2013	H1 2015
Krakow, Korzeniowskiego	3 000	H2 2012	H1 2014
Krakow, Bronowicka	3 000	H2 2013	H1 2015
Krakow, Tyniecka / Czarodziejska	5 600	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 II, row houses	4 500	H1 2012	H2 2013
Poznań, Naramowice, Jaśminowy Zakątek (stage I)	6 000	H1 2013	H2 2014
Poznań, Naramowice, Jaśminowy Zakątek (stages II-IV)	13 500	H2 2014	H2 2018
Poznań, Sowińskiego (stages I-III)	19 800	H1 2014	H1 2019
Warsaw, Nowy Mokotów (stage I)	11 600	H2 2012	H2 2014
Warsaw, Nowy Mokotów (stages II-IV)	30 500	H1 2015	H1 2022
Warsaw, Princess, Puławska	4 900	H2 2013	H1 2015
Wrocław, Grota Roweckiego (stages I – III)	18 300	H2 2013	H1 2019
<b>SALE OF APARTMENTS [USABLE AND RESIDENTIAL AREA]</b>	<b>191 900</b>		
Lublin, ul. Poligonowa (*)	1 130 000		
Poznań, Naramowice(*)	330 000		
<b>INVESTMENT LAND [PLOT AREA]</b>	<b>1 460 000</b>		

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

## 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 Q1 2013:

- posting of revenues from the concluded final agreements for the sale of residential properties:
  - in Krakow, (Dom Pod Słowikiem in ul. Krasickiego)
  - in Poznań (Kasztanowa Aleja in ul. Wojskowa, Pod Klonami in ul. Rubież)
  - in Warsaw (Klimt House in ul. Kazimierzowska, Zeus District),
  - in Wrocław (Przy Słowiańskim Wzgórzu, in ul. Jedności Narodowej)
- posting of revenues from the concluded final agreements for the sale of plots with house designs:
  - in Bilcza near Kielce (Bilcza, stage 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:
    - movements in foreign exchange rates (EUR and USD)
    - indexation of rents
    - movements in net operating revenue
- initial measurement of real property in use:
  - Galeria Veneda in Łomża
- in the course of construction and commercialisation:
  - Galeria Amber in Kalisz (another measurement)
  - Galeria Sudecka in Jelenia Góra (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 FX hedging financial instruments
- interest on deposits and borrowings granted
- discounts and interest on loans, bonds and borrowings.

2. Unusual events affecting the Company's financial result in Q1 2013:

none.

3. Exchange rate hedging transactions

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

The average-weighted strike for the remaining open transactions is PLN 4.2237 EUR/PLN.

MATURITIES OF OPEN HEDGING TRANSACTIONS AS AT 31 MARCH 2013:

		HEDGE VALUE		MATURITY AT NOMINAL VALUE [MILLIONS OF EUR]				
		CARRYING VALUE [MILLIONS OF PLN]	NOMINAL VALUE (MILLIONS OF EUR)	Q2 2013	Q3 2013	Q4 2013	H1 2014	H2 2014
Forward	EUR/PLN	0.34	106.1	63.4	24.8	7.7	8.8	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 of facilities and providing property management services. Structure of the generated revenue:

STRUCTURE OF OPERATING REVENUES AND EXPENSES IN Q1 2013:

ITEM	REVENUES [IN MILLIONS OF PLN]	% SHARE	EXPENSES [IN MILLIONS OF PLN]	% SHARE
Shopping centres and shopping and entertainment centres	84	60%	26	41%
Residential areas	24	17%	19	30%
Office and hotel facilities	30	21%	16	25%
Not classified	2	2%	3	4%
<b>Total operating result</b>	<b>140</b>	<b>100%</b>	<b>64</b>	<b>100%</b>

## 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. The asset portfolio held for lease largely ensures comparable revenues in every quarter. In contrast, revenue from the sale of residential developments and trade in real 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

The Group finances its current operation by, among other things, issuing debt securities. At present, the Company operates an active issue programme from 2004 for long-term and short-term bonds with BRE Bank S.A.

LIABILITIES DUE TO BONDS ISSUED AS AT 31 MARCH 2013 [PLN '000]

BANK	INSTRUMENT TYPE	AMOUNT USED	MATURITY	INTEREST RATE TERMS
BRE Bank S.A.	Bonds	100 000	25.05.2013	WIBOR 6M + margin
BRE Bank S.A.	Bonds	300 000	30.06.2014	WIBOR 6M + margin
BRE Bank S.A.	Bonds	115 000	18.05.2015	WIBOR 6M + margin
BRE Bank S.A.	Bonds	145 000	11.02.2016	WIBOR 6M + margin
BRE Bank S.A.	Bonds	200 000	28.04.2017	WIBOR 6M + margin
<b>total</b>		<b>860 000</b>		

Pursuant to the Sale Guarantee Agreement and the Agreement to Establish the Guarantee Rate (binding until 31.08.13), concluded as part of the Issue Programme with BRE Bank S.A., the bank undertakes to purchase bonds issued by the Company which were not acquired by other investors, up to PLN 35 million.

On 9 January 2013, 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 nominal value per bond was PLN 100 thousand. The bonds were issued for a 1-month period. The bond redemption date was 8 February 2013. The bond interest rate was established based on the variable WIBOR 1M rate plus the investors' margin. The issued bonds are not hedged.

On 31 January 2013, a partial early redemption of bonds in the amount of PLN 45 million, maturing in 29.03.2013, took place.

On 31 January 2013, the Company issued coupon bonds in the total amount of PLN 200 million. The nominal value per bond was PLN 10 thousand. The bond redemption date is 28.04.2017. The bond interest rate was established based on the variable WIBOR 6M rate plus margin. The issued bonds are not hedged.

On 8 February 2013, the bank purchased the guarantee programme bonds of PLN 35 million.

On 29 March 2013, bonds in the amount of PLN 105 million were redeemed.

## 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 which occurred after the day of drawing up these quarterly financial statements which were not recognised in the statements and which may have a significant impact on future financial results of the Capital Group

### Addendum to a material agreement

On 25 April 2013, the Company published information whose announcement to the public was delayed pursuant to article 57 section 1 of the Act of 29 July 2005 on public offering and terms of introducing financial instruments to organised trading and on public companies, and pursuant to § 2 section 1 item 3 of the Ordinance of the Minister of Finance of 13 April 2006 regarding the types of information which may violate the legitimate interest of an issuer and an issuer's procedure in connection with delayed publication of confidential information.

The notification about the delayed fulfilment of the disclosure obligation was presented to the Polish Financial Supervision Authority on 18 October 2012 and 3 January 2013.

The information of 18 October 2012 whose publication was delayed is the following:

"The Management Board of Echo Investment S.A. (later referred to as the Issuer) announces that, on 17 October 2012, the Issuer's subsidiary Aquarius Business House – Grupa Echo Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna, with its registered office in Kielce (25-323), Al. Solidarności 36, entered into the register of entrepreneurs maintained by the District Court in Kielce under KRS no. 378348 (later referred to as the Seller), and:

Horta Spółka z ograniczoną odpowiedzialnością, with its registered office in Warsaw (address: ul. Emilii Plater 53, 00-133 Warsaw), entered into the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, 12th Economic Department of the National Court Register, under KRS no. 397696, and SKUA Spółka z ograniczoną odpowiedzialnością, with its registered office in Warsaw (address: ul. Emilii Plater 53, 00-113 Warsaw), entered into the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, 12th Economic Department of the National Court Register, under KRS no. 422523 (later referred to as the Buyers), concluded a preliminary contingent sale agreement for land property located in Wrocław in ul. Swobodna and Borowska, including ownership title to two office buildings Aquarius Business House erected on the property with a total area of nearly 32 thousand sq. m along with accompanying infrastructure (Office Development).

The total value of the signed preliminary contingent sale agreements for the Office Development is EUR 66,513.1 thousand plus the applicable VAT, which, as at the date of signing the agreement, according to the average exchange rate of the National Bank of Poland, is equivalent to PLN 272,304.6 thousand net. The value of the agreement with Horta Sp. z o.o. is EUR 41,554.5 thousand, which, as at the date of signing the agreement, according to the average exchange rate of the National Bank of Poland, is equivalent to PLN 170,124.3 thousand net, and the value of the agreement with SKUA Sp. z o.o. is EUR 24,958.6 thousand, which, as at the date of signing the agreement, according to the average exchange rate of the National Bank of Poland, is equivalent to PLN 102,180.3 thousand net.

The signing of the final agreements for the sale of the Office Development Aquarius Business House – in connection with, among other things, a two-stage implementation of the development – depends on the satisfaction or waiver of the conditions specified in the agreements by the Buyers according to the stipulated dates, with the final date being 31 May 2014.

Terms and conditions of the agreements:

- Land surveying of the Office Development with division into two separate properties;
- Completion of the construction of the office buildings and obtaining final usage permits;
- Leasing out of at least 80% of total area in each building;
- Buyers' final due diligence review with a satisfactory outcome for the Sellers and for the bank funding the purchase of the property;
- Conclusion of lease agreements between the Issuer and the Buyers for areas remaining unoccupied on the date of conclusion of final agreements;
- Signing of addenda to lease agreements with tenants specified in the preliminary contingent sale agreements and signing of an addendum to the agreement for design works;
- Seller's statements and guarantees, submitted on the day of the final agreement, regarding the final legal, technical, tax, financial, commercial and environmental status of the property;
- Handover of premises to tenants;
- Buyers obtaining funding for the purchase of the Office Development.

The Buyers may withdraw from the conclusion of the final agreement, if:

- any representation of the Seller turns out to be inaccurate or false;
- any condition is not satisfied;
- prior the conclusion of the final agreement there is a significant adverse incident related to the property;
- the Seller refuses to conclude the final agreement even if all conditions are satisfied;
- the Seller becomes insolvent;
- no negotiated lease agreement is concluded with a potential tenant specified in the preliminary contingent sale agreement.

The Seller may withdraw from the conclusion of the final agreement, if the Buyers do not accept the wording of the lease agreement with a potential tenant specified in the preliminary contingent sale agreement.

The concluded preliminary agreements provide for the payment of contractual penalties for withdrawal from the preliminary agreement for reasons attributable to either party. The amount of the contractual penalty was set to be EUR 4 million, which, as at the date of signing the agreement, according to the average exchange rate of the National Bank of Poland, is equivalent to PLN 16.38 million.

The payment of contractual penalties does not preclude either party's right to claim compensation in excess of such contractual penalties.

The agreements have been recognised as material agreements based on the criterion of the Issuer's equity.

Legal basis: § 5 section 1 item 3 and §9 of the Ordinance of the Minister of Finance (Journal of Laws No. 33, item 259), dated 19 February 2009, on current and interim information to be submitted by issuers of securities and terms for considering as equivalent information required under the law of a non-member state.

The information of 3 January 2013 whose publication was delayed is the following:

"The Management Board of Echo Investment S.A. (later referred to as the Issuer) announces that due to the failure to satisfy, by 31 December 2012, one of the conditions for the preliminary sale agreements of 17 October 2012 (the Issuer signing addenda to lease agreements with the tenants specified in the preliminary contingent sale agreements), the Buyer, i.e. Horta Spółka z ograniczoną odpowiedzialnością, with its registered office in Warsaw, may withdraw from the conclusion of the final sale agreement.

Legal basis: § 5 section 1 item 4 and §10 of the Ordinance of the Minister of Finance (Journal of Laws No. 33, item 259), dated 19 February 2009, on current and interim information to be submitted by issuers of securities and terms for considering as equivalent information required under the law of a non-member state.

The aforementioned entities described as the "Buyers" are members of Azora Europe.

The Issuer's Management Board also announces that, as at the date of submitting the current report, the following conditions (from among the aforementioned conditions) were fulfilled:

- Land surveying of the Office Development with division into two separate properties;
- Leasing out and handover to tenants of at least 80% of total area in the building as part of STAGE 1 of the Office Development.

The Issuer's Management Board announces that, in spite of punctual satisfaction of one of the formal conditions for one of the above-mentioned preliminary agreements, the parties to the agreements seek to fulfil all conditions required under the signed contingent agreements, which should lead to the signing of final agreements.

#### **Sale of assets with a significant value – final agreements for the sale of shopping centres**

On 24 April 2013:

1/ the Issuer's subsidiary Galeria Tarnów - Projekt ECHO- 43 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 of the National Court Register, maintained by the District Court in Kielce, 10th Economic Department of the National Court register, under KRS no. 0000385055 (Seller)

and BRE Leasing spółka z ograniczoną odpowiedzialnością, with its registered office in Warsaw (address: 00-963 Warsaw, Ks. I. Skorupki 5, statistical no. REGON 012527809, tax identification no. NIP 5260212925), entered into the register of entrepreneurs of the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, 12th Economic Department of the National Court register, under KRS no. 0000090905 (Buyer)

concluded a final agreement for the sale of the perpetual usufruct title to land and ownership title to buildings located on it along with properties comprising Centrum Handlowe ECHO in Tarnów in ul. Błonie 2 (Agreement 1);

2/ the Issuer's subsidiary PPR-Projekt ECHO-77 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 of the National Court Register, maintained by the District Court in Kielce, 10th Economic Department of the National Court Register, under KRS no. 0000361525 (Seller)

and BRE Leasing spółka z ograniczoną odpowiedzialnością, with its registered office in Warsaw (address: 00-963 Warsaw, Ks. I. Skorupki 5, statistical no. REGON 012527809, tax identification no. NIP 5260212925), entered into the register of entrepreneurs of the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, 12th Economic Department of the National Court register, under KRS no. 0000090905 (Buyer)

concluded a final agreement for the sale of the ownership title to real property along with properties comprising Centrum Handlowe ECHO in Radom in ul. Żółkiewskiego 4 (Agreement 2);

3/ the Issuer's subsidiary PPR-Projekt ECHO-77 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 of the National Court Register, maintained by the District Court in Kielce, 10th Economic Department of the National Court Register, under KRS no. 0000361525 (Seller)

and BRE Leasing spółka z ograniczoną odpowiedzialnością, with its registered office in Warsaw (address: 00-963 Warsaw, Ks. I. Skorupki 5, statistical no. REGON 012527809, tax identification no. NIP 5260212925), entered into the register of entrepreneurs of the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, 12th Economic Department of the National Court register, under KRS no. 0000090905 (Buyer)

concluded a final agreement for the sale of the ownership title and perpetual usufruct title to land and ownership title to a building along with properties comprising Centrum Handlowe ECHO in Piotrków Trybunalski in ul. Sikorskiego 13/17 (Agreement 3).

The total value of the signed sale agreements for three shopping centres is EUR 66,467 thousand plus the applicable VAT, which, as at the date of signing the agreements, according to the average exchange rate of the National Bank of Poland, is equivalent to PLN 275,193 thousand net:

- The value of Agreement 1 is EUR 22,767 thousand, which is equivalent to PLN 94,262 thousand net,
- The value of Agreement 2 is EUR 23,748 thousand, which is equivalent to PLN 98,324 thousand net,
- The value of Agreement 3 is EUR 19,952 thousand, which is equivalent to PLN 82,607 thousand net.

The fixed value of the assets sold in the consolidated financial statements of the Echo Investment Capital Group measured according to IAS amounts to PLN 250,058 thousand, of which:

- The fixed value of assets comprising Centrum Handlowe Echo in Tarnów is PLN 83,440 thousand,
- The fixed value of assets comprising Centrum Handlowe Echo in Radom is PLN 89,267 thousand,
- The fixed value of assets comprising Centrum Handlowe Echo in Piotrków Trybunalski is PLN 77,351 thousand.

There are no relations between the Issuer or the persons managing or supervising the Issuer and the Buyers or the persons managing the Buyers.

In addition, on 25 April 2013, in connection with the above-mentioned sales transactions, the Issuer's subsidiary PPR-Projekt ECHO-77 spółka z ograniczoną odpowiedzialnością spółka komandytowo-akcyjna, with its registered office in Kielce, repaid an investment loan to Bank Polska Kasa Opieki S.A., with its registered office in Warsaw, in the total amount of EUR 17,239 thousand, which is equivalent to PLN 71,573 thousand.

As at the day of preparing the report, the Issuer's Capital Group does not have any loan liability related to the said shopping centres.

The Issuer plans to use the funds obtained from the sale of the Shopping Centres to secure funding for developments in preparation and to fund potential purchases of attractive plots of land and/or property developments.

#### Information on the purchase of equity shares

On 25 April 2013, as a result of a block transaction on the regulated market of Warsaw Stock Exchange, the Issuer purchased from its subsidiary Park Postępu-Projekt Echo-93 Spółka z ograniczoną odpowiedzialnością" spółka komandytowo – akcyjna, with its registered office in Kielce, 7,309,418 (seven million, three hundred and nine thousand, four hundred and eighteen) shares of Echo Investment S.A. for PLN 4.61 per share.

The transaction is to be settled with the National Depository for Securities today, i.e. 26 April 2013.

During the next Ordinary General Shareholders' Meeting of Echo Investment S.A., the Issuer's Management Board plans to submit a resolution on the redemption of the said shares, which were purchased as a result of a call to subscribe for the sale of shares between 8 and 21 February 2012 (see current report no. 4/2012 of 19 January 2012 and current report no. 7/2012 of 27 February 2012).

The said purchase of the Issuer's shares was based on:

- Resolution 3 of the Extraordinary General Meeting of Echo Investment S.A. of 19 December 2008, authorising the Issuer's Management Board to purchase equity shares for redemption or for resale between 20 December 2008 and 19 December 2013.
- Resolution on the adoption of the equity share redemption programme of Echo Investment S.A. on 18 January 2012 (Current Report no. 3/2012).

The nominal value of each of the Issuer's shares is PLN 0.05 and the total nominal value of the purchased shares is PLN 365,470.9. The purchased shares account for 1.74% of the Issuer's share capital and are vested with 7,309,418 votes, representing 1.74% of the overall number of votes at the General Meeting of Echo Investment S.A.

In total, the Issuer holds 7,309,418 ordinary bearer shares of Echo Investment S.A., which account for 1.74% of the Issuer's share capital and are vested with 7,309,418 votes, representing 1.74% of the overall number of votes at the General Meeting of Echo Investment S.A.

## 6.11. Information about changes in contingent liabilities or contingent assets that have occurred since the end of the last financial year

### 6.11.1. Surety agreements

#### CAPITAL GROUP'S SURETY AGREEMENTS VALID AS AT 31 MARCH 2013 (PLN '000)

SURETY TO	VALUE	VALIDITY	DESCRIPTION
TESCO (POLSKA) SP. Z O.O.	15 000	until 30.06.2015	Surety for the liabilities of Galeria Olimpia-Projekt Echo-98 Spółka z ograniczoną odpowiedzialnością SKA and Veneda-Projekt Echo-97 Spółka z ograniczoną odpowiedzialnością SKA due to the reimbursement to Tesco (Polska) Sp. z o.o. up to the value of expenditures actually made by Tesco (Polska) Sp. z o.o. for the future subject of lease under the lease agreements concluded on 28.10.2010
MERCOR S.A.	342	until 31.08.2013	Surety for the liabilities of Dostar Sp. z o.o. under agreement no. 2357/Gd/Hd/2012 concluded on 07.11.2012

See also item 6.19 of this Report.

On 14 March 2013, a surety amounting to PLN 6,000,000 granted by Park Postępu – Projekt Echo – 93 spółka z ograniczoną odpowiedzialnością spółka komandytowo-akcyjna (the Issuer's subsidiary) for the payment of a liability under the agreement for the construction of the facade of the office facility Aquarius Business House in Wrocław (stage I), concluded on 31 January 2012 with Metalplast - Stolarka Sp. z o.o., expired.

### 6.11.2. Guarantee agreements

#### GUARANTEES VALID AS AT 31 MARCH 2013 (PLN '000)

GUARANTOR	VALUE	VALIDITY	DESCRIPTION
PKO BP SA	4 073	until 30.04.2013	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	220	until 31.10.2013	Security for non-performance of obligations towards ImmoPoland Sp. z o.o. under the lease agreement dated 28 August 2009. The guarantee was issued in euro.
Echo Investment SA	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	760	until 14.04.2013	Security for the non-performance of obligations to Eurovia Polska SA under agreement no. 7114/01/2012 of 7 August 2012
Echo Investment S.A.	9 928	until the handover date of the subject of lease, not exceeding 30.06.2015	Security of liabilities due to BNY MELLON (Poland) Sp. z o.o. under the lease agreement of 19 November 2012. The guarantee was issued in euro.
Echo Investment S.A.	39 278	shall remain in force until the Conversion Date but for a period not exceeding 31 December 2014	Security for exceeding the development costs of the shopping and entertainment centre Amber in Kalisz, liabilities due to debt service and for the coverage of absent funds for the benefit of Bank Polska Kasa Opieki S.A.
Echo Investment S.A.	33 419	shall remain in force until the expiry of preliminary contingent sale agreements but for a period not exceeding 31 July 2014	Security for the payment of outstanding amounts due to a potential termination of preliminary contingent agreements for the sale of the office development Aquarius Business House in Wrocław. Guarantee issued in EUR.

On 28 February 2013, an addendum was signed to a bank guarantee granted by Bank PKO BP SA 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 amount of the guarantee was increased to PLN 760,168.63 and its validity was extended to 14 April 2013.

On 13 March 2013, an addendum was signed to a bank guarantee granted by Bank PKO BP S.A. to Orbis S.A. as security for non-performance or ill-performance by Echo Investment SA of obligations under the contingent General Contractor Agreement of 4 September 2008. Validity was extended to 30 April 2013.

In connection with the disclosure of confidential information in Current Report no. 14/2013, we announce that, on 17 October 2012, Echo Investment S.A. issued a guarantee to secure the payment of outstanding amounts due to a potential termination of preliminary contingent agreements for the sale of the office development Aquarius Business House in Wrocław, which were concluded between Aquarius Business House – Grupa Echo Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna (the Issuer's subsidiary), and SKUA Sp. z o.o. and HORTA SP. z o.o. The total amount of the guarantee is EUR 8,000,000.00. The guarantee shall be valid as long as the terms of preliminary contingent sale agreements are in force but not longer than until 31 July 2014.

## 6.12. Composition of the Echo Investment Capital Group

Echo Investment S.A. has the key role in the Group's structure; it supervises, co-implements and ensures funding for property developments. The member companies of the Group have been incorporated or purchased to carry out specific investment tasks and they do not run any other business that the specific developments assigned to them.

As at 31 March 2013, the Capital Group comprises 100 fully consolidated subsidiaries, one jointly controlled entity consolidated with the proportionate method and one associate consolidated with the equity method.

### SUBSIDIARIES:

	COMPANY	REGISTERED OFFICE	% SHARE OF THE CAPITAL	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	Aquarius Business House – Grupa Echo Sp. z o.o. S.k.a. (formerly: Grupa Echo Sp. z o.o. 1 S.k.a.)	Kielce	100%	XXIX FIZ Forum
5	Avatar - Projekt Echo - 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
6	A4 Business Park – Grupa Echo Sp. z o.o. S.k.a. (formerly: Projekt Echo - 30 Sp. z o.o.)	Kielce	100%	XXXIV FIZ Forum.
7	Babka Tower - Projekt Echo - 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
8	Barconsel Holdings Ltd	Nicosia	100%	Echo - SPV 7 Sp. z o.o.
9	Bełchatów – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
10	Budivelnuy Soyuz Monolit LLC	Kiev	100%	Yevrobudgarant LLC
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 - Centrum Przemysł - Projekt Echo - 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
14	Echo - Galaxy Sp. z o.o.	Kielce	100%	Echo Investment S.A.
15	Echo - Galaxy Sp. z o.o. S.k.a.	Szczecin	100%	XXIX FIZ Forum
16	Echo – Galeria Amber Sp. z o.o.	Kielce	100%	Echo Investment S.A.
17	Echo – Galeria Amber Sp. z o.o. S.k.a (formerly: Projekt Echo - 39 Sp. z o.o.)	Kielce	100%	XXXIV FIZ Forum.
18	Echo – Galeria Lublin Sp. z o.o.	Kielce	100%	Echo Investment S.A.
19	Echo - Kasztanowa Aleja Sp. z o.o.	Kielce	100%	Echo Investment S.A.
20	Echo - Kasztanowa Aleja Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
21	Echo - Klimt House Sp. z o.o.	Kielce	100%	Echo Investment S.A.
22	Echo - Klimt House Sp. z o.o. Sp. z kom.	Kielce	100%	Echo Investment S.A.
23	Echo – Pod Klonami Sp. z o.o.	Kielce	100%	Projekt Naramowice – Grupa Echo Sp. z o.o. S.k.a.
24	Echo – Pod Klonami Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
25	Echo - Project - Management Ingatlanhasznosito Kft.	Budapest	100%	Echo Investment S.A.
26	Echo – Przy Słowiańskim Wzgórzu Sp. z o.o.	Kielce	100%	Echo Investment S.A.

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



COMPANY	REGISTERED OFFICE	% SHARE OF THE CAPITAL	PARENT COMPANY
73 Projekt Echo - 99 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
74 Projekt Echo - 99 Sp. z o.o. Sp. kom	Kielce	100%	Echo Investment S.A.
75 Projekt Echo - 101 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
76 Projekt Echo - 102 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
77 Projekt Echo - 103 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
78 Projekt Echo - 104 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
79 Projekt Echo - 105 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
80 Projekt Echo - 106 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
81 Projekt Echo - 107 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
82 Projekt Echo - 108 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
83 Projekt Echo - 109 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
84 Projekt Echo - 110 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
85 Projekt Naramowice – Grupa Echo Sp. z o.o. S.k.a. (formerly: Projekt Naramowice Poznań Sp. z o.o.)	Kielce	100%	XXXIV FIZ Forum
86 Projekt Saska Sp. z o.o. (formerly: Projekt S Sp. z o.o.)	Kielce	95%	Echo Investment S.A.
87 Projekt 3 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
88 Projekt 4 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
89 Projekt 5 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
90 Projekt 6 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
91 Park Rozwoju - Grupa Echo Sp. z o.o. S.k.a. (formerly: Projekt 7 - Grupa Echo Sp. z o.o. S.k.a.)	Kielce	100%	XXIX FIZ Forum
92 Projekt 8 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
93 Projekt 9 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
94 Projekt 10 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
95 SPV 1 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
96 Ultra Marina Sp. z o.o.	Kielce	100%	XXIX FIZ Forum / XXXIV FIZ Forum
97 Vasco Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
98 Veneda - Projekt Echo -97 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
99 Yevrobudgarant LLC	Kiev	100%	EI Project Cyp - 1 Ltd
100 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 Kielce.

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 7 companies as a result of the following:

- On 9 January 2013, the District Court in Kielce registered a new company: Projekt Echo – 104 Sp. z o.o., with its registered office in Kielce. The company's share capital is PLN 50 thousand.
- On 30 January 2013, the District Court in Kielce registered a new company: Projekt Echo – 105 Sp. z o.o., with its registered office in Kielce. The company's share capital is PLN 50 thousand.
- On 18 February 2013, the District Court in Kielce registered a new company: Projekt Echo – 106 Sp. z o.o., with its registered office in Kielce. The company's share capital is PLN 50 thousand.
- On 18 March 2013, the District Court in Kielce registered a new company: Projekt Echo – 110 Sp. z o.o., with its registered office in Kielce. The company's share capital is PLN 50 thousand.
- On 25 March 2013, the District Court in Kielce registered a new company: Projekt Echo – 107 Sp. z o.o., with its registered office in Kielce. The company's share capital is PLN 50 thousand.

- On 26 March 2013, the District Court in Kielce registered a new company: Projekt Echo – 108 Sp. z o.o., with its registered office in Kielce. The company's share capital is PLN 50 thousand.
- On 26 March 2013, the District Court in Kielce registered a new company: Projekt Echo – -109 Sp. z o.o., with its registered office in Kielce. The company's share capital is PLN 50 thousand.

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

- Change of the business name of Projekt 7 – Grupa Echo Sp. z o.o. S.k.a. to Park Rozwoju – Grupa Echo Sp. z o.o. S.k.a. and increase of the share capital by XXIX FIZ Forum (date of registration in the National Court Register: 28 February 2013);
- Increase of the share capital of Projekt 3 – Grupa Echo Sp. z o.o. S.k.a. by XXXIV FIZ Forum (date of registration in the National Court Register: 28 February 2013);
- Increase of the share capital of Echo – Galeria Amber Sp. z o.o. S.k.a. by XXXIV FIZ Forum (date of registration in the National Court Register: 28 February 2013);
- Change of company ownership: on 29 March 2013, Echo Investment S.A., as part of a share capital increase, transferred 100% of interests in Echo Investment Project 1 S.R.L. to Echo – Aurus Sp. z o.o.

### 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 SA

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 15 MAY 2013

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
<b>MICHAŁ SOŁOWOW, indirectly through subsidiaries, including:</b>	189 361 930	45.09%	189 361 930	45.09%
Barcocapital Investment Limited	171 477 880	40.83%	171 477 880	40.83%
Calgeron Investment Limited	17 884 050	4.26%	17 884 050	4.26%
ING OFE	44 569 720	10.61%	44 569 720	10.61%
AVIVA OFE AVIVA BZ WBK	42 958 079	10.23%	42 958 079	10.23%
PZU Żłota Jesień OFE *	22 011 702	5.24%	22 011 702	5.24%

\* - share based on the annual asset structure of OFE PZU as at 31 December 2012.

In the period between the publication of the last financial report, i.e. 24 April 2013, and the day of publication of this report, the Issuer did not receive any notifications about changes in the holding of shares by major shareholders.

### 6.16. Statement of changes in the holding of shares of Echo Investment SA or rights to shares (options) by managerial and supervisory staff of the Company, according to information available to Echo Investment SA, since the submission 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	15.05.2013	24.04.2013
Piotr Gromniak – President of the Management Board	no shares	no shares
Artur Langner – Vice-President of the Management Board	no shares	no shares
Waldemar Lesiak – Vice-President of the Management Board	no shares	no shares

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

<b>SUPERVISORY STAFF</b>	<b>15.05.2013</b>	<b>24.04.2013</b>
Wojciech Ciesielski – Chairman of the Supervisory Board	1,100,000 shares	1,200,000 shares
Andrzej Majchert – 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 Zbikowski – 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. 24 April 2013, and the day of publication of this report, the Issuer received the following notification from managerial or supervisory staff:

On 6 May 2013, the Issuer received a notification from a Supervisory Board Member regarding the sale of shares of Echo Investment S.A. The share sale transaction was concluded on WSE's regulated market in a continuous trading system on 30 April 2013. The total transaction volume was 100,000 shares at a price of PLN 5.6 per share.

The notifying party requested that their personal data be kept confidential pursuant to § 3.2 of the Ordinance of the Minister of Finance of 15 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 January to 31 March 2013, 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 parties under terms other than market terms**

In Q1 2013, 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 Q1 2013, the Capital Group did not grant any sureties for loans or borrowings or 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 the company's HR, economic and financial situation, and the financial result, as well as information which is material for the assessment of the Echo Investment Capital Group's ability to fulfil its obligations****Issue of bonds**

The Bond Issue Programme (Current Report no. 7/2011 of 1 February 2011) entered into with BRE Bank S.A. with its registered office in Warsaw stipulated that, on 31 January 2013, the Company would issue coupon bonds of a total value of PLN 200 million.

The nominal value and the issue price of one bond is PLN 10 thousand. The bonds were issued for the period ending on 28 April 2017. 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 hedged.

The value of the incurred liabilities on the last day of the quarter preceding the day when purchase was offered, i.e. 30 September 2012, amounts to PLN 956 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 at 30 September 2012, the issued bonds account for 32.73% of the equity of Echo Investment S.A.

The bonds do not guarantee any benefits in kind from the Issuer.

The cash obtained from the issue of the said bonds fully secure the Company's borrowing requirements related to the service of previously issued bonds which mature in the current financial year.

#### **Information on the appointment of manager**

On 21 March 2013, the Issuer's Supervisory Board, acting pursuant to article 368 § 4 of the Commercial Companies Code and § 13 section 1 letter a) of the Company's Statute, passed a resolution on appointing Mr Waldemar Lesiak as the Vice-President of the Company's Management Board for the joint term of office of the present Management Board.

As the Vice-President of the Management Board of Echo Investment S.A., Mr Waldemar Lesiak will be responsible for the acquisition and sale of completed commercial developments in Poland and abroad.

Mr Waldemar Lesiak graduated from the Civil Engineering Department of Kielce University of Technology. He also graduated from the Economics Department at the Real Estate University in Warsaw and completed a Post-Graduate Tax Programme at the Warsaw School of Economics.

He started his career in Mitex-Trade/ Ahold Polska, where he held the function of the Operating Director and the Sales Director. Between 1998 and 2000, he held the position of the Vice-President of the Management Board of Hekon SA, which, together with Accor Group, constructed a hotel chain in Poland.

Since 1997, Echo Investment S.A. he held the post of the Residential Developments Sales Director and the Commercial Developments Sales Director. Previously, he held the function of the Director of the Office and Hotel Department, where he was responsible for the whole property development process in the office and hotel segment.

Mr Waldemar Lesiak is not involved in any competitive activity outside Echo Investment SA. He is not a partner in a competitive civil law company, personal partnership, or a member of the authority of an association of capital and he does not act as a member of the authority of any other competitive legal entity. He has not been entered into the register of insolvent debtors, which is kept pursuant to the Act on the National Court Register (KRS).

#### **Schneider Electric in the office facility Park Rozwoju**

Schneider Electric Polska rented 7,000 sq. m in Park Rozwoju, a modern category A office facility erected by Echo Investment S.A. in ul. Konstruktorska in Warsaw. The agreement with Schneider Electric Polska inaugurates the process of leasing out the new office facility of Echo Investment S.A. in Warsaw. In its new office, Schneider Electric Polska will employ approx. 700 people.

Schneider Electric Polska is a multinational company specialising in electricity management. It provides its customers in more than 100 countries with integrated solutions in various market segments. The company is a leader in power, infrastructure, industrial processes, building automation systems and data processing centres, and it has a robust and diverse offer for residential property development.

Park Rozwoju comprises two buildings with separate courtyards and a restaurant located in the connector. The facility has a total office area of 32,000 sq. m. The buildings will have a two-level below-grade and above-grade car park with a total of 740 parking places. The facility has rest and recreation areas: courtyard with a water cascade fountain and a canteen, indoor courtyards with comfortable benches, green terraces on rooftops and an open air gym. A garage with bike stands and locker rooms with showers will be available for cyclists.

The new office investment of Echo Investment S.A. is being developed in the southern part of Mokotów, in ul. Konstruktorska 10. The location will ensure easy and fast access to Chopin Airport and to the city centre. The object is surrounded by a well-developed public transport system. There are two tram terminuses and a bus terminus in the vicinity. The southern ring road of Warsaw and the Marynarska interchange ensure convenient car access.

The architectural design of Park Rozwoju was created by the design studio JEMS Architekci. The design process focused on the needs of the users, maintenance requirements as well as requirements for public utility building, taking account of sustainable development and qualifying for environmental certification.

As early as at the design stage, Park Rozwoju office facility has already been awarded the BREEAM certificate with the Very Good grade and the highest result in this category in Poland (67.83%). Park Rozwoju is being executed in two stages. The first stage is to be completed in Q1 2014 and the second stage is to be finished in Q2 2015.

#### **Construction of Galeria Sudecka – final and legally binding building permit**

On 4 February 2013, the building permit for Galeria Sudecka became final and enforceable.

The construction of Galeria Sudecka is according to the schedule. Echo Investment also holds a road investment permit for, among other things, the construction of a roundabout which will become the central point of the transport system, i.e. a ring road surrounding the facility to the west and to the north, connecting to ul. Legnicka and to a Voivodship road in the direction of Wrocław.

The commercialisation process is underway. Agreements have already been signed with, among others, the hypermarket Real (12,000 sq. m), LPP group (Reserved, House, Mohito, Cropp, Sinsay – the total area of LPP shops is 3,500 sq. m) and with Helios. A 7-screen multiplex cinema will be constructed in Galeria Sudecka.

Galeria Sudecka will be erected in the Zabobrze district, in the north-eastern part of Jelenia Góra. The facility is being constructed as part of

expansion of Centrum Handlowe Echo in al. Jana Pawła II, which has been in operation for 12 years. Galeria Sudecka will be the first shopping and entertainment centre in the area of Jelenia Góra. A prime location, with 100 shops, restaurants, service outlets and a well-established brand, make this development ideal as a regional centre which, due to its unique location, has the change of being greatly popular among foreign customers.

The new facility will have a total area of 53,000 sq. m. The sales area is 30,000 sq. m. The centre's programme includes 100 shops, restaurants and service outlets as well as a 7-room multiplex Helios cinema with a coffee bar section. A new below-grade car park will be constructed as well; customers will have a total of 1,200 parking places at their disposal.

#### **Echo Investment S.A. carrying out a new residential development: Nowy Mokotów**

Echo Investment S.A. started the construction of Nowy Mokotów, a modern residential development located in Warsaw, in ul. Konstruktorska.

Nowy Mokotów in ul. Konstruktorska is located in a part of Mokotów which is Warsaw's largest office district. The planned residential complex will comprise 6 buildings with varying height (5 to 9 floors) connected by a three-floor base.

The district has been planned as an autonomous urban planning unit with an internal transport system, its own space that promotes social integration, greenery and public utility objects, such as a kindergarten, a health centre, shops and service outlets. The whole facility is a closed compound with an internal enclosed courtyard which is accessible from four directions. The development is complemented by planned greenery with small architectural objects and lighting. The investment design was created by APA Kuryłowicz & Associates, a renowned design studio.

All apartments in the ground floor will have gardens and apartments in top floors will have spacious terraces. Owners of other apartments will have comfortable loggias and balconies. The architects have also designed a spacious below-grade car park with cellar rooms and bicycle storage rooms. The car park is equipped with a security system that can also be used by drivers with LPG systems installed in their cars.

All buildings are fully accessible to people with disabilities. Staircases will be equipped convenient lifts travelling directly to the car park level, where there are carts for transporting shopping to apartments. The district will be enclosed and there will be video intercoms at entrances into staircases. The whole facility will be monitored and supervised by security.

Nowy Mokotów is another residential investment of Echo Investment S.A. in Warsaw. The current offer includes luxurious apartments in Klimt House in Stary Mokotów in ul. Kazimierzowska and plots of land for villas in Rezydencje Leśne, an investment surrounded by Las Młociński.

#### **Galeria Veneda opens for business**

On 7 March, Galeria Veneda, Łomża's first modern shopping centre, erected by Echo Investment S.A., opened for business.

Galeria Veneda is located in Łomża, at the junction of ul. Zawadzka and ul. Sikorskiego. The object has a total area of 40 thousand sq. m, of which 16 thousand sq. m are intended for lease. Outlets such as the hypermarket Tesco Extra, RTV Euro AGD, Reserved, House, Cropp Town, Mohito, Sinsay, CCC, Rossmann, Orsay, Deichmann, Martes Sport, Kari, Cliff Sport, Apart, 4F and Zabawkowy Raj will offer shopping opportunities. The car park offers 600 parking places for customers.

The general contractor for Galeria Veneda was Instal Białystok. The architectural design of Galeria Veneda was created by Mąka Sojka Architekci, a Warsaw design studio, in partnership with a team of architects from Echo Investment.

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

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 in ul. Krasickiego),
  - Łódź (Osiedle Jarzębinowe in ul. Okopowa),
  - Poznań (Kasztanowa Aleja in ul. Wojskowa, Pod Klonami in ul. Rubież),
  - Warsaw (Klimt House in ul. Kazimierzowska),
  - Wrocław (Przy Słowiańskim Wzgórzu in ul. Jedności Narodowej),
- posting of revenues from the concluded final agreements for the sale of plots with house designs in:
  - Błocza near Kielce (Błocza, stage II)
  - Dyminy near Kielce (Osiedle Południowe),
- posting of revenues from the concluded final agreements for the sale of plots in:
  - Masłów near Kielce
- sale of property:
  - Shopping Centre in Piotrków Trybunalski,
  - Shopping Centre in Radom,
  - Shopping Centre in Tarnów,
  - Aquarius office building in Wrocław,
- regular revenue obtained from the lease of space in offices and shopping centres,
- quarterly revaluation of the fair value of property owned by the Group:
  - in use, including:
    - movements in foreign exchange rates (EUR and USD),
    - change of capitalisation rates (yield),
    - movements in net operating revenue
  - in the course of construction and commercialisation:
    - Galeria Amber in Kalisz,
    - stage II of Aquarius office building in Wrocław,
- cost of sales and general and administrative expenses,
- measurement of liabilities due to bonds and borrowings at amortised cost,
- measurement of loans and cash due to changing foreign exchange rates,
- measurement and settlement of FX hedging financial instruments,
- interest on deposits and borrowings granted,
- discounts and interest on loans, bonds and borrowings.

### III. CONDENSED SEPARATE FINANCIAL STATEMENTS AS AT 31 MARCH 2013 AND FOR A 3-MONTH PERIOD ENDED ON 31 MARCH 2013

#### SEPARATE QUARTERLY STATEMENT OF FINANCIAL POSITION – ASSETS (PLN '000), AS AT:

	31.03.2013	31.12.2012	31.03.2012
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
1.1. Intangible assets	1 063	1 181	1 371
1.2. Property, plant and equipment	14 202	14 067	14 769
1.3. Investment property	3 050	3 752	3 655
1.4. Investments in subsidiaries, jointly-controlled entities and associates	922 147	921 946	911 795
1.5. Long-term financial assets	14 584	14 629	15 057
1.6. Deferred tax assets	13 272	13 678	-
	<b>968 318</b>	<b>969 253</b>	<b>946 647</b>
<b>2. Current assets</b>			
2.1. Inventory	257 619	302 414	322 771
2.2. Income tax receivables	921	-	-
2.3. Other tax receivables	-	-	51
2.4. Trade and other receivables	61 832	65 629	35 293
2.5. Borrowings granted	319 098	318 736	206 647
2.6. Restricted cash	-	-	6 400
2.7. Cash and cash equivalents	6 749	3 017	44 401
	<b>646 219</b>	<b>689 796</b>	<b>615 563</b>
<b>Total assets</b>	<b>1 614 537</b>	<b>1 659 049</b>	<b>1 562 210</b>

## SEPARATE QUARTERLY STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES (PLN '000), AS AT

	31.03.2013	31.12.2012	31.03.2012
Equity and liabilities			
<b>1. Equity</b>			
1.1. Share capital	21 000	21 000	21 000
1.2. Supplementary capital	567 091	567 091	550 574
1.3. Accumulated profit (loss)	49 322	41 113	29 026
	<b>637 413</b>	<b>629 204</b>	<b>600 600</b>
<b>2. Provisions</b>			
2.1. Short-term provisions	2 000	2 000	5 873
2.2. Deferred income tax long-term provision	-	-	6 917
	<b>2 000</b>	<b>2 000</b>	<b>12 790</b>
<b>3. Long-term liabilities</b>			
3.1. Loans, borrowings and bonds	717 586	527 138	515 899
3.2. Security deposits and advances received	17 037	17 707	16 132
	<b>734 623</b>	<b>544 845</b>	<b>532 031</b>
<b>4. Short-term liabilities</b>			
4.1. Loans, borrowings and bonds	204 849	438 557	357 417
4.2. Income tax liabilities	307	1 945	4 143
4.3. Other tax liabilities	3 684	4 187	6 556
4.4. Trade liabilities	9 397	17 267	17 788
4.5. Security deposits and advances received	18 409	16 016	24 762
4.6. Other liabilities	3 855	5 028	6 123
	<b>240 501</b>	<b>483 000</b>	<b>416 789</b>
<b>Total equity and liabilities</b>	<b>1 614 537</b>	<b>1 659 049</b>	<b>1 562 210</b>
<b>BOOK VALUE (IN THOUSANDS OF PLN )</b>	<b>31.03.2013</b>	<b>31.12.2012</b>	<b>31.03.2012</b>
Book value	637 413	629 204	600 600
Number of shares	420 000 000	420 000 000	420 000 000
Book value per share (in PLN)	1.52	1.50	1.43
<b>OFF-BALANCE SHEET LIABILITIES (IN THOUSANDS OF PLN)</b>	<b>31.03.2013</b>	<b>31.12.2012</b>	<b>31.03.2012</b>
1. Off-balance sheet receivables	-	-	-
2. Off-balance sheet liabilities	121 679	87 756	120 379
<b>Total off-balance sheet items</b>	<b>121 679</b>	<b>87 756</b>	<b>120 379</b>



PROFIT AND LOSS ACCOUNT (IN THOUSANDS OF PLN)	Q1	
	01.10.2012 to 31.03.2013	01.10.2011 to 31.03.2012
Revenue	87 214	42 245
Prime cost of sale	(66 388)	(17 270)
<b>Gross profit (loss) on sales</b>	<b>20 826</b>	<b>24 975</b>
Profit (loss) on investment property	(702)	-
Selling costs	(5 645)	(6 290)
General administrative expenses	(9 104)	(7 383)
Other operating revenue	17 390	17 093
Other operating expenses	(448)	(356)
<b>Operating profit</b>	<b>22 317</b>	<b>28 039</b>
Financial revenue	2 463	125
Financial expenses	(16 164)	(15 689)
<b>Gross profit (loss)</b>	<b>8 616</b>	<b>12 475</b>
Income tax	(407)	34
<b>Net profit (loss)</b>	<b>8 209</b>	<b>12 509</b>
(Annualised) net profit (loss)	36 813	23 058
Average weighted ordinary shares	420 000 000	420 000 000
Earnings (loss) per ordinary share (in PLN)	0.09	0.05
Average weighted diluted ordinary shares	420 000 000	420 000 000
Diluted earnings (loss) per ordinary share (in PLN)	0.09	0.05

STATEMENT OF CHANGES IN EQUITY (IN THOUSANDS OF PLN)	SHARE CAPITAL	SUPPLEMEN TARY CAPITAL	RETAINED PROFIT (LOSS) BROUGHT FORWARD	NET PROFIT (LOSS)	TOTAL EQUITY
<b>For Q1 (current year), from 01.01.2013 to 31.03.2013</b>					
<b>Balance at the beginning of the period</b>	21 000	567 091	41 113	-	629 204
Changes in the period:					
Allocation of result from previous years	-	16 517	(16 517)	-	-
Net profit (loss) for the period	-	-	-	8 209	8 209
Total changes	-	16 517	(16 517)	8 209	8 209
<b>Balance at the end of the period</b>	<b>21 000</b>	<b>583 608</b>	<b>24 596</b>	<b>8 209</b>	<b>637 413</b>
<b>For 4 quarters (previous year), from 01.01.2012 to 31.12.2012</b>					
<b>Opening balance after adjustment to comparative data</b>	21 000	550 574	16 517	-	588 091
Changes in the period:					
Allocation of result from previous years	-	16 517	(16 517)	-	-
Net profit (loss) for the period	-	-	-	41 113	41 113
Total changes	-	16 517	(16 517)	41 113	41 113
<b>Balance at the end of the period</b>	<b>21 000</b>	<b>567 091</b>	<b>-</b>	<b>41 113</b>	<b>629 204</b>
<b>For Q1 (previous year), from 01.01.2012 to 31.12.2012</b>					
<b>Balance at the beginning of the period</b>	21 000	550 574	16 517	-	588 091
Changes in the period:					
Allocation of result from previous years	-	-	-	-	-
Net profit (loss) for the period	-	-	-	12 509	12 509
Total changes	-	-	-	12 509	12 509
<b>Balance at the end of the period</b>	<b>21 000</b>	<b>550 574</b>	<b>16 517</b>	<b>12 509</b>	<b>600 600</b>

CASH FLOW STATEMENT (IN THOUSANDS OF PLN)	Q1	Q1
	FROM 01.01.2013 TO 31.03.2013	FROM 01.01.2012 TO 31.03.2012
<b>A. Operating cash flow – indirect method</b>		
<b>I. Gross profit</b>	<b>8 616</b>	<b>12 475</b>
<b>II. Adjustments:</b>	<b>987</b>	<b>479</b>
1. Depreciation/Amortisation	850	962
2. Foreign exchange (gains) losses	-	-
3. Interest and profit sharing (dividends)	147	(435)
4. (Profit) loss on revaluation of assets and liabilities	(10)	(48)
<b>III. Movements in working capital</b>	<b>42 970</b>	<b>28 093</b>
1. Movement in provisions	1	(344)
2. Movement in inventory	43 919	(7 626)
3. Movement in receivables	7 849	64 574
4. Movement in short-term liabilities, excluding loans and borrowings	(8 799)	(28 511)
5. Other adjustments	-	-
<b>IV. Net operating cash (I+/-II +/- III)</b>	<b>52 573</b>	<b>41 047</b>
<b>V. Income tax paid</b>	<b>(2 559)</b>	<b>(52)</b>
<b>VI. Net operating cash flow (IV+/-V)</b>	<b>50 014</b>	<b>40 995</b>
<b>B. Cash flow from investing activities</b>		
<b>I. Proceeds</b>	<b>109 885</b>	<b>13 150</b>
1. Sale of intangible assets and property, plant and equipment	1	67
2. Sale of real property investments	-	-
3. On financial assets	109 884	13 083
4. Other investment proceeds	-	-
<b>II. Expenditures</b>	<b>(95 893)</b>	<b>(60 181)</b>
1. Purchase of intangible assets and PP&E	(867)	(1 035)
2. Real property investments	702	-
3. On financial assets	(95 728)	(58 935)
4. Other capital expenditures	-	(211)
<b>III. Net cash flow from investing activities (I-II)</b>	<b>13 992</b>	<b>(47 031)</b>

CASH FLOW STATEMENT (IN THOUSANDS OF PLN)	Q1	Q1
	FROM 01.01.2013 TO 31.03.2013	FROM 01.01.2012 TO 31.03.2012
<b>C. Cash flow from financing activities</b>		
<b>I. Proceeds</b>	<b>237 099</b>	<b>107 658</b>
1. Net proceeds from issue of shares (interests) and other equity instruments and capital contributions	-	-
2. Loans and borrowings	4 909	2 658
3. Issue of debt securities	232 190	105 000
4. Other financial proceeds	-	-
<b>II. Expenditures</b>	<b>(297 373)</b>	<b>(137 207)</b>
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	(59 675)	(16 470)
5. Redemption of debt securities	(220 000)	(105 000)
6. Interest	(17 698)	(15 737)
<b>III. Net cash flow from financing activities (I-II)</b>	<b>(60 274)</b>	<b>(29 549)</b>
<b>D. Total net cash flow (A.VI+/-B.III+/-C.III)</b>	<b>3 732</b>	<b>(35 585)</b>
E. Movement in cash in the statement of financial position, including:	3 732	(35 585)
- movement in cash due to foreign exchange gains/losses	-	-
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>3 017</b>	<b>86 386</b>
<b>G. Cash and cash equivalents at the end of the period (F+/-D)</b>	<b>6 749</b>	<b>50 801</b>
- restricted cash	-	6 400

Kielce, 15 May 2013

**Company representatives:****Person responsible for keeping the accounting books:**

President of the Management Board

Vice-President of the Management Board

Vice-President of the Management Board

Chief Accountant



Piotr Gromniak



Artur Langner



Waldemar Lesiak



Tomasz Sulek



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