



CONSOLIDATED QUARTERLY REPORT
OF THE ECHO INVESTMENT CAPITAL
GROUP
FOR Q3, 2013

ECHO
investment

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I. SELECTED CONSOLIDATED FINANCIAL DATA

	IN THOUSAND		IN THOUSAND	
	FROM 01.01.2013 TO 30.09.2013	PLN FROM 01.01.2012 TO 30.09.2012	EUR FROM 01.01.2013 TO 30.09.2013	EUR FROM 01.01.2012 TO 30.09.2012
I. Operating revenues	406,562	435,456	96,271	103,851
II. Operating profit (loss)	483,770	32,401	114,553	7,727
III. Gross profit (loss)	312,856	47,732	74,082	11,383
IV. Net profit (loss)	307,443	41,024	72,800	9,784
V. Net cash flows from operating activities	220,048	151,953	52,106	36,239
VI. Net cash flows from investment activities	174,335	-280,043	41,281	-66,787
VII. Net cash flows from financial activities	-180,654	6,689	-42,778	1,595
VIII. Total net cash flows	213,729	-121,401	50,609	-28,953
IX. Total assets	5,971,437	5,247,937	1,416,274	1,275,691
X. Equity attributable to the parent company's shareholders	2,745,193	2,100,709	651,091	510,649
XI. Non-current liabilities	2,368,995	2,273,783	561,866	552,721
XII. Current liabilities	822,327	626,233	195,035	152,227
XIII. Number of shares	412,690,582	412,690,582	412,690,582	412,690,582
XIV. Earnings per ordinary share (in PLN/EUR)	1.55	0.17	0.37	0.04
XV. Book value per share (in PLN/EUR)	6.65	5.09	1.58	1.24

II. CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS OF THE CAPITAL GROUP AS OF AND FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2013

1. CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION

CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION - ASSETS [THOUSAND PLN]

	AS OF 30.09.2013 END OF QUARTER	AS OF 31.12.2012 END OF THE PREVIOUS YEAR	AS OF 30.09.2012 END OF QUARTER
ASSETS			
1. Non-current assets			
1.1. Intangible assets	896	1,186	1,237
1.2. Property, plant and equipment	67,284	55,875	55,417
1.3. Investment property	3,102,412	2,882,760	2,734,544
1.4. Investment property under construction	1,316,092	1,177,050	1,282,557
1.5. Long-term financial assets	46,598	44,970	109,001
1.6. Derivative financial instruments	-	626	-
1.7. Deferred income tax assets	10,615	11,243	22,910
	4,543,897	4,173,710	4,205,666
2. Non-current assets held for sale	-	250,059	-
3. Current assets			
3.1. Inventory	466,745	463,120	472,598
3.2. Income tax receivables	3,280	1,519	1,467
3.3. Other tax receivables	224,352	47,852	39,084
3.4. Trade and other receivables	76,199	77,666	94,233
3.5. Short-term financial assets	61,282	61,915	395
3.6. Derivative financial instruments	-	1,508	1,754
3.7. Restricted cash	61,686	40,181	38,236
3.8. Cash and cash equivalents	533,996	335,643	394,504
	1,427,540	1,029,404	1,042,271
Total current assets and non-current assets held for sale	1,427,540	1,279,463	1,042,271
TOTAL ASSETS	5,971,437	5,453,173	5,247,937

CONSOLIDATED QUARTERLY STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES [THOUSAND PLN]

	AS OF 30.09.2013 END OF QUARTER	AS OF 31.12.2012 END OF THE PREVIOUS YEAR	AS OF 30.09.2012 END OF QUARTER
EQUITY AND LIABILITIES			
1. Equity			
1.1. Equity attributable to the parent company's shareholders	2,745,193	2,431,620	2,100,709
1.1.1. Share capital	21,000	21,000	21,000
1.1.2. Supplementary capital	2,439,436	2,065,321	2,065,321
1.1.3. Treasury shares purchased	-28,647	-28,647	-28,647
1.1.4. Accumulated profit (loss)	307,443	374,115	41,024
1.1.5. Foreign exchange differences from conversion of foreign subsidiaries	5,961	-169	2,011
1.2. Equity of non-controlling interests	121	23	21
	2,745,314	2,431,643	2,100,730
2. Provisions			
2.1. Long-term provisions	-	1,501	11,264
2.2. Short-term provisions	6,451	6,263	2,000
2.3. Deferred income tax provision – long term	28,350	24,444	233,927
	34,801	32,208	247,191
3. Non-current liabilities			
3.1. Loans and borrowings	2,239,887	2,146,281	2,140,316
3.2. Derivative financial instruments	6,374	13,043	13,791
3.3. Security deposits and prepayments received	46,367	49,732	43,004
3.4. Lease liabilities (perpetual usufruct of land)	76,367	76,672	76,672
	2,368,995	2,285,728	2,273,783
4. Current liabilities			
4.1. Loans and borrowings	450,820	550,114	460,661
4.2. Derivative financial instruments	171	66	247
4.3. Income tax liabilities	55	2,292	1,637
4.4. Other tax liabilities	239,082	5,711	9,157
4.5. Trade liabilities	89,544	103,421	112,689
4.6. Other liabilities	13,056	16,189	5,664
4.7. Security deposits and prepayments received	29,599	25,801	36,178
	822,327	703,594	626,233
TOTAL EQUITY AND LIABILITIES	5,971,437	5,453,173	5,247,937
Book value (in thousand PLN)	2,745,193	2,431,620	2,100,709
Number of shares	412,690,582	412,690,582	412,690,582
Book value per share (in PLN)	6.65	5.89	5.09
Diluted number of shares	412,690,582	412,690,582	412,690,582
Diluted book value per share (in PLN)	6.65	5.89	5.09
OFF-BALANCE SHEET ITEMS [IN THOUSAND PLN]			
	AS OF 30.09.2013 END OF QUARTER	AS OF 31.12.2012 END OF THE PREVIOUS YEAR	AS OF 30.09.2012 END OF QUARTER
1. Off-balance sheet receivables	-	-	-
2. Off-balance-sheet liabilities	54,409	10,058	-

2. CONSOLIDATED QUARTERLY INCOME STATEMENT

CONSOLIDATED QUARTERLY INCOME STATEMENT [THOUSAND PLN]

	Q3 PERIOD FROM 01.07.2013 TO- 30.09.2013	3 QUARTERS PERIOD FROM 01.01.2013 TO- 30.09.2013	Q3 PERIOD FROM 01.07.2012 TO- 30.09.2012	3 QUARTERS PERIOD FROM 01.01.2012 TO 30.09.2012
Revenues	140,716	406,562	158,710	435,456
Cost of sales	-57,724	-174,869	-76,726	-205,761
Gross profit (loss) on sales	82,992	231,693	81,984	229,695
Profit (loss) on investment property (valuation)	-75,266	303,275	-110,487	-159,396
Selling costs	-5,780	-17,460	-5,913	-18,489
General and administrative expenses	-14,938	-41,617	-11,064	-37,054
Other operating revenues (costs)	7,571	7,879	4,951	17,645
Operating profit	-5,421	483,770	-40,529	32,401
Financial revenues	-72	7,941	1,350	10,569
Financial costs	-35,526	-119,548	-37,388	-123,029
Profit (loss) on currency derivatives	3,972	-3,658	1,586	16,174
Gains (losses) from foreign exchange differences	43,078	-55,649	52,850	111,617
Revaluation of goodwill of subordinates	-	-	-	-
Gross profit (loss)	6,031	312,856	-22,131	47,732
Income tax	-637	-5,309	2,674	-6,700
Net profit (loss), of which:	5,394	307,547	-19,457	41,032
Profit (loss) attributable to non-controlling interests	28	104	-6	8
Profit (loss) attributable to the parent company's shareholders	5,366	307,443	-19,451	41,024
Net profit (loss) (annualised)	640,534		70,214	
Average weighted ordinary shares	412,690,582		412,690,582	
Profit (loss) annualised per ordinary share (in PLN)	1.55		0.17	

3. CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED QUARTERLY STATEMENT OF COMPREHENSIVE INCOME [THOUSAND PLN]

	Q3 PERIOD FROM 01.07.2013 TO- 30.09.2013	3 QUARTERS PERIOD FROM 01.01.2013 TO- 30.09.2013	Q3 PERIOD FROM 01.07.2012 TO- 30.09.2012	3 QUARTERS PERIOD FROM 01.01.2012 TO 30.09.2012
Net profit (loss)	5,394	307,547	-19,457	41,032
Other comprehensive income:				
- foreign exchange differences from conversion of foreign operations	-7,059	6,130	-8,967	-7,245
	-7,059	6,130	-8,967	-7,245
Comprehensive income for the period, of which:	-1,665	313,677	-28,424	33,787
Comprehensive income attributable to the parent company's shareholders	-1,693	313,573	-28,418	33,779
Comprehensive income of minority shareholders	28	104	-6	8

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY [THOUSAND PLN]

	SHARE CAPITAL	SUPPLEMENTAR Y CAPITAL	TREASURY SHARES PURCHASED	ACCUMULATED PROFIT (LOSS)	FOREIGN EXCHANGE DIFFERENCES FROM CONVERSION	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS	EQUITY OF NON-CONTROLLING INTERESTS	EQUITY
3 QUARTERS FROM 01.01.2013 TO 30.09.2013 (CURRENT YEAR)								
Opening balance	21,000	2,065,321	-28,647	374,115	-169	2,431,620	23	2,431,643
Distribution of profit from previous years	-	374,115	-	-374,115	-	-	-6	-6
Other comprehensive net income	-	-	-	-	6,130	6,130	-	6,130
Net profit (loss) for the period	-	-	-	307,443	-	307,443	104	307,547
Closing balance	21,000	2,439,436	-28,647	307,443	5,961	2,745,193	121	2,745,314
4 QUARTERS FROM 01.01.2012 TO 31.12.2012 (PREVIOUS YEAR)								
Opening balance	21,000	1,857,464	-	207,857	9,256	2,095,577	-59	2,095,518
Distribution of profit from previous years	-	207,857	-	-207,857	-	-	-	-
Purchase of treasury shares	-	-	-28,647	-	-	-28,647	-	-28,647
Changes in minority interests	-	-	-	-	-	-	72	72
Other comprehensive net income	-	-	-	-	-9,425	-9,425	-	-9,425
Net profit (loss) for the period	-	-	-	374,115	-	374,115	10	374,125
Closing balance	21,000	2,065,321	-28,647	374,115	-169	2,431,620	23	2,431,643
3 QUARTERS FROM 01.01.2012 TO 30.09.2012 (PREVIOUS YEAR)								
Opening balance	21,000	1,857,464	-	207,857	9,256	2,095,577	-59	2,095,518
Distribution of profit from previous years	-	207,857	-	(207,857)	-	-	-	-
Purchase of treasury shares	-	-	-28,647	-	-	-28,647	-	-28,647
Changes in minority interests	-	-	-	-	-	-	72	72
Other comprehensive net income	-	-	-	-	(7,245)	-7,245	-	-7,245
Net profit (loss) for the period	-	-	-	41,024	-	41,024	8	41,032
Closing balance	21,000	2,065,321	-28,647	41,024	2,011	2,100,709	21	2,100,730

5. INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED QUARTERLY STATEMENT OF CASH FLOWS [THOUSAND PLN]

		3 QUARTERS FOR THE PERIOD FROM 01.01.2013 TO 30.09.2013	3 QUARTERS FOR THE PERIOD FROM 01.01.2012 TO 30.09.2012
A. Operating cash flows – indirect method			
I.	Gross profit (loss)	312,856	47,732
II.	Total adjustments	-120,059	124,236
1.	Share in net (profit) loss of associated units	-	-
2.	Depreciation of fixed assets	2,154	4,267
3.	Gains (losses) from foreign exchange differences	55,649	-111,617
4.	Interest and profit sharing (dividend)	99,560	96,172
5.	(Profit) loss on revaluation of assets and liabilities	-276,879	128,597
6.	(Profit) loss on putting financial instruments into effect	-543	6,817
7.	Other adjustments	-	-
III.	Changes in working capital:	32,024	-15,608
1.	Change in provisions	-1,313	-123
2.	Change in inventory	-453	31,210
3.	Change in receivables	-175,386	23,113
4.	Change in current liabilities, excluding loans and borrowings	209,176	-69,808
IV.	Net cash generated from operating activities (I+II+III)	224,821	156,360
1.	Income tax paid	-4,773	-4,407
V.	Net cash flows from operating activities	220,048	151,953
B. Cash flows from investment activities			
I.	Inflows	466,848	20,505
1.	Disposal of intangible assets as well as property, plant and equipment	139	253
2.	Disposal of investments in property	451,396	-
3.	From financial assets	15,313	20,252
4.	Other investment inflows	-	-
II.	Expenses	-292,513	-300,548
1.	Purchase of intangible assets as well as property, plant and equipment	-15,401	-3,881
2.	Investments in property	-271,415	-295,010
3.	On financial assets	-5,697	-1,657
4.	Dividends and other profit sharing paid to minority shareholders	-	-
5.	Other investment expenses	-	-
III.	Net cash flows from investment activities (I-II)	174,335	-280,043

CONSOLIDATED QUARTERLY STATEMENT OF CASH FLOWS CONT. [THOUSAND PLN]

	3 QUARTERS FOR THE PERIOD FROM 01.01.2013 TO 30.09.2013	3 QUARTERS FOR THE PERIOD FROM 01.01.2012 TO 30.09.2012
C. Cash flows from financing activities		
I. Inflows	994,920	651,555
1. Net inflows from the issue of shares and other equity instruments and contributions to equity	-	-
2. Loans and borrowings	679,377	291,555
3. Issue of debt securities	315,000	360,000
4. Other financial inflows	543	-
II. Expenses	-1,175,574	-644,866
1. Purchase of treasury shares	-	-28,647
2. Dividends and other payments to shareholders	-	-
3. Outflows under profit distribution other than payments to shareholders	-	-
4. Repayment of loans and borrowings	-746,581	-134,496
5. Redemption of debt securities	-320,000	-360,000
6. Expenses on foreign currency derivatives	-	-6,817
7. Payments under finance lease contracts	-306	-15
8. Interest	-108,687	-114,891
9. Other financial outflows	-	-
III. Net cash flows from financial activities (I-II)	-180,654	6,689
D. Total net cash flows (A.III+/-B.III+/-C.III)	213,729	-121,401
E. Change of cash in the consolidated statement of financial position, of which:	219,858	-128,645
change in cash from foreign exchange differences	6,129	-7,244
F. Opening balance of cash and cash equivalents	375,824	561,385
G. Closing balance of cash (F+/- D), of which:	595,682	432,740
- restricted cash	61,686	38,236

6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.1. Basic information

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

Echo Investment S.A. organises the entire investment process for a given project, from purchasing property, through obtaining administrative decisions, financing, oversight of construction to putting a project into service. It conducts these activities on its own behalf or, as it is in most cases, by providing services for a subsidiary specially established for this purpose. The implementation of development projects through subsidiaries greatly simplifies the organisation of implemented processes and ensures transparency in the structure of the Group. These entities carry out business activities principally in the scope of leasing commercial space (shopping and entertainment centres, offices), construction and sales of apartments as well as property management services. The Company also provides general contractor services for external investors.

The core business of the Capital Group is divided into three segments:

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

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

As of 30 September 2013 and 30 September 2012 the Capital Group employed 353 and 340 people respectively.

The Company's shares have been listed on the Warsaw Stock Exchange since March 1996. The number of the Issuer's shares is 420,000,000 ordinary bearer shares (of which 7,309,418 shares acquired by a subsidiary within a share buyback program). The overall number of votes from all shares issued, after registering a change in the share capital on 31 October 2013, is 412,690,582.

6.2. Rules adopted in the preparation of the quarterly report

The statements presented cover the period of nine months ended 30 September 2013 and include comparative data for the period of nine months ended 30 September 2012 and comparative data for the period of twelve months ended 31 December 2012 (in the case of the balance sheet and the statement of changes in equity).

The presentation currency of the financial statements of the Group is the Polish zloty (PLN), which is also the presentation and functional currency of the parent company. Some of the Group's units have other functional currency than the PLN. The reporting data of these companies included in this report were converted to the PLN in accordance with IAS 21. Balance sheet items were translated at the exchange rate as of the balance sheet date, and income statement items were translated at the average exchange rate for the period. The resulting foreign exchange differences were reported in other comprehensive income and accumulated amounts were disclosed as a separate equity item.

The statements were prepared in compliance with the International Accounting Standards and the International Financial Reporting Standards adopted by the European Commission. The rules of measuring assets and equity and liabilities as well as determining the profit/loss were adopted as of the balance sheet date. These financial statements were prepared on the historical cost basis except for investment property measured at fair value and financial instruments measured in compliance with IAS 39. The statements were prepared on the assumption of continuing business operations for the foreseeable future, bearing in mind that there are no circumstances indicating a threat to the continuation of activity.

The Management Board of the Company has used its best judgment regarding the application of standards and interpretations, as well as the methods and principles of measurement of individual items of the condensed consolidated financial statements.

In the preparation of this report, the Group applied the same accounting principles as those adopted and described in the annual consolidated financial statements for 2012. New interpretations issued by the IFRS Committee applicable to the Company for the reporting period beginning on 1 January 2013 did not have a material influence on these financial statements.

6.3. Effects of the change of accounting principles applied (transformation of financial statements for previous periods)

In Q3, 2013 the Capital Group did not change its accounting principles. A detailed accounting policy was set out in the annual report for 2012.

6.4. Summary of significant achievements and failures of the Capital Group detailing key events in Q3, 2013

6.4.1. Key events in Q3, 2013

Disposal of assets of significant value - final agreement for the sales of the first stage of an office project in Wrocław

On 2 July 2013 a subsidiary of the Issuer, the company 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 kept by the District Court in Kielce under KRS number 378348 (hereinafter: the Seller), and

Horta Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw (address: ul. Mokotowska 49, 00-542 Warsaw), entered into the Register of Entrepreneurs kept by the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register under KRS number 397696 (hereinafter: the Buyer),

concluded a final agreement to sell a land property situated in Wrocław at ul. Swobodna and Borowska with the right of ownership of the office building developed on it and constituting the first stage in the Aquarius Business House office project under implementation together with the accompanying infrastructure (Office Project).

The total value of the signed agreement to sell the Office Project is EUR 41,905 thousand, augmented by the applicable VAT, which as of the date of signing the agreement, using the average exchange rate of the National Bank of Poland, is equivalent to PLN 181,301 thousand net.

As of the date of publishing this report, the current book value of the assets disposed of in the consolidated financial statements of the Echo Investment Capital Group measured in compliance with the IAS standards amounts to PLN 163,894 thousand.

There are no affiliations between the Issuer and its managers or supervisors and the Buyer and its managers.

The assets disposed of under the sales agreement were considered significant by reference to the Issuer's equity criterion.

Furthermore, in connection with the aforementioned sales transaction, on 1 and 2 July 2013 the Issuer's subsidiary, i.e. the company Aquarius Business House – Grupa Echo Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna, repaid a loan to ALIOR BANK S.A. with its registered office in Warsaw in the total amount of PLN 69,924 thousand.

As of the date of drawing up the current report, the Capital Group of the Issuer did not have any debt connected with the asset sold.

The Issuer's subsidiary, i.e. the company Echo Investment Property Management – Grupa Echo Sp. z o.o. Spółka komandytowa will be managing the office building for 5 years. The office building is leased in 98%.

Loan agreement of the Issuer's subsidiary

On 17 July 2013 the Issuer's subsidiary, the company Projekt 8 – Grupa Echo Spółka z ograniczoną odpowiedzialnością – Spółka komandytowo - akcyjna, with its registered office in Kielce, at Al. Solidarności 36, 25-323 Kielce, entered into the Register of Entrepreneurs kept by the District Court in Kielce, 10th Commercial Division of the National Court Register, under KRS number 0000440165 (hereinafter: the Borrower, the Company), signed with Hypothekenbank Frankfurt AG, a bank duly established and operating in compliance with the law of Germany, with its registered office in Eschborn, at Helfmann-Park 5, 65760 Eschborn, Germany, entered into the commercial register kept by the district court for the city of Frankfurt under HRB number 45701 (hereinafter: the Lender, the Bank), a loan agreement (hereinafter: the Agreement) in the amount of EUR 105,620 thousand, which as of the date of concluding the Agreement was equivalent to PLN 450,195 thousand.

The Borrower will use funds raised under the loan agreement to finance the acquisition of the PASAŻ GRUNWALDZKI Shopping and Entertainment Centre in Wrocław, at the junction of ul. Piastowska, Grunwaldzka, M. Reja, M. Curie – Skłodowskiej and Pl. Grunwaldzki (hereinafter: the Property).

The loan repayment date was set in the Agreement for 30 September 2018.

The repayment of the loan and amounts due to the Bank is secured principally with:

- a mortgage up to the amount of EUR 150,000 thousand established on the Property for the Lender;
- a mortgage up to the amount of EUR 23,250 thousand established on the Property for the Lender;
- assignment to secure rights under project documents for the Lender;
- an agreement for registered pledge on the Borrower's shares;
- agreement on assignment to secure rights under Project Documents concluded with the Seller for the Lender;
- declarations on submission to enforcement.

The aforementioned loan agreement was concluded in connection with the planned agreement to "transfer" assets constituting the Pasaż Grunwaldzki Shopping and Entertainment Centre in Wrocław from the company Echo Pasaż Grunwaldzki - Magellan West Spółka z ograniczoną odpowiedzialnością S.K.A. with its registered office in Kielce to the company Projekt 8 – Grupa Echo Spółka z ograniczoną odpowiedzialnością – Spółka komandytowo-akcyjna with its registered office in Kielce, where both entities are subsidiaries of the Issuer.

Conclusion of a significant agreement between the Issuer's subsidiaries

On 19 July 2013 the Issuer's subsidiary Echo Pasaż Grunwaldzki - Magellan West Spółka z ograniczoną odpowiedzialnością S.K.A. with its registered office in Kielce, at Al. Solidarności 36, 25-323 Kielce, NIP (Tax Identification Number) 9591762633, REGON (Business Registry Number) 260133484, entered into the Register of Entrepreneurs kept by the District Court in Kielce, 10th Commercial Division of the National Court Register, under KRS number 0000387317 (hereinafter: the Seller), and the Issuer's subsidiary Projekt 8 – Grupa Echo Spółka z ograniczoną odpowiedzialnością – Spółka komandytowo - akcyjna with its registered office in Kielce, at Al. Solidarności 36, 25-323 Kielce, entered into the Register of Entrepreneurs kept by the District Court in Kielce, 10th Commercial Division of the National Court Register, under KRS number 0000440165 (hereinafter: the Buyer)

concluded an agreement for sales of the right of perpetual usufruct of land and the right of ownership of the building together with movables constituting the Pasaż Grunwaldzki Shopping and Entertainment Centre in Wrocław at the junction of ul. Piastowska, Grunwaldzka, M. Reja, M. Curie – Skłodowskiej and Pl. Grunwaldzki (hereinafter: the Property).

The total value of the agreement signed is PLN 869,781 thousand, augmented by the applicable VAT.

In connection with the aforementioned sales agreement, with reference to current report no. 27/2013 published yesterday, the Issuer's subsidiary Projekt 8 – Grupa Echo Spółka z ograniczoną odpowiedzialnością – Spółka komandytowo - akcyjna with its registered office in Kielce, in order to pay for the Property purchased, disbursed cash in the amount of EUR 105,620 thousand under the loan agreement, which as of the date of publishing the report is equivalent to PLN 448,389 thousand, while today the company Echo Pasaż Grunwaldzki - Magellan West Spółka z ograniczoną odpowiedzialnością S.K.A. with its registered office in Kielce repaid the investment loan to the bank Hypothekenbank Frankfurt AG with its registered office in Eschborn, Germany, in the amount of EUR 105,620 thousand, which as of the date of publishing the report is equivalent to PLN 448.389 thousand.

The Buyer will raise the remaining funds to finance the purchase of the Property from equity at the disposal of the Issuer's Capital Group.

The agreement has a neutral influence on the economic situation of the Issuer's Capital Group and it is connected with the process of "transferring" assets constituting Projekt 8 – Grupa Echo Spółka z ograniczoną odpowiedzialnością – Spółka komandytowo-akcyjna with its registered office in Kielce, where both entities are subsidiaries of the Issuer.

Purchase of plots in Poznań and Cracow

In Q3, 2013 Echo Investment purchased two plots for residential development. The first property with the area of 0.6 ha is situated in Poznań at ul. Jackowskiego and the second with the area of 0.5 ha in Cracow at ul. Kościuszki.

Issue of bonds by the Issuer's subsidiaries

On 27 August the Issuer's subsidiaries, i.e. the companies Projekt 4 - Grupa Echo Spółka z ograniczoną odpowiedzialnością S.k.a with its registered office in Kielce and A4 Business Park – Grupa Echo Spółka z ograniczoną odpowiedzialnością S.k.a. with its registered office in Kielce issued 10-year bonds with the total nominal value of PLN 109 million, of which:

1/ Projekt 4 - Grupa Echo Spółka z ograniczoną odpowiedzialnością S.k.a. with its registered office in Kielce issued bonds with the total nominal

value of PLN 64 million;

2/ A4 Business Park – Grupa Echo Spółka z ograniczoną odpowiedzialnością S.k.a. with the total nominal value of PLN 45 million.

The interest on the bonds was determined on the basis of the WIBOR 6M variable plus margin. The interest will be paid semi-annually. The bonds will be redeemed at the nominal value. The bonds issued are not hedged.

Additionally, since 13 August 2013 three other subsidiaries of the Issuer have issued 10-year non-hedged bonds with the total nominal value of PLN 55.5 million.

All the bonds issued by the Issuer's subsidiaries have been acquired by the following funds: Forum XXIX Fundusz Inwestycyjny Zamknięty and Forum XXXIV Fundusz Inwestycyjny Zamknięty, both with their registered offices in Cracow. The Issuer directly and indirectly owns all the investment certificates issued by the aforementioned funds.

The above bond issues have a neutral influence on the economic situation of the Capital Group of the Issuer and they are connected with the process of managing cash of the Capital Group Echo Investment S.A.

The loan agreement of the Issuer's subsidiary

The Management Board of Echo Investment S.A. (hereinafter: the Issuer) reports that on 28 August 2013 the Issuer's subsidiary Park Rozwoju – "Grupa Echo" Spółka z ograniczoną odpowiedzialnością S.K.A with its registered office in Kielce, at Al. Solidarności 36, 25-323 Kielce, entered into the Register of Entrepreneurs kept by the District Court in Kielce, 10th Commercial Division of the National Court Register, under KRS number 0000397368 (hereinafter: the Borrower, the Company), signed a loan agreement (:Agreement) with BANK ZACHODNI WBK S.A., with its registered office in Wrocław, at Rynek 9/11, 50-950 Wrocław, entered into the Register of Entrepreneurs kept by the District Court Wrocław-Fabryczna in Wrocław, 6th Commercial Division of the National Court Register, under KRS number 0000008723, (hereinafter: the Lender, the Bank).

The Borrower will use the funds raised under the Agreement for the construction of the first phase of the office building comprising the office complex called "Park Rozwoju" (Development Park) situated in Warsaw at ul. Konstruktorska 10 (hereinafter: the Project).

Under the terms and conditions of the Agreement, the Bank places at the disposal of the Borrower the following:

1/ funds constituting an investment loan in the maximum amount not exceeding EUR 22,403 thousand (twenty-two million, four hundred and three thousand euro), where "Tranche A" funds will be earmarked for financing or refinancing outlays incurred for the costs of the office project while "Tranche B" funds for refinancing debt within "Tranche A" through conversion.

2/ funds constituting a VAT loan in the maximum amount not exceeding PLN 5,000 thousand (five million zloty) earmarked for financing or refinancing VAT in connection with implementing the office project.

The loan amounts shall bear interest, for the investment loan at the EURIBOR variable interest rate for one-month deposits with respect to Tranche A or three-month deposits with respect to Tranche B, for the VAT loan – at the WIBOR variable interest rate for one-month deposits, augmented by the bank's margin.

The loan repayment date was set as follows:

1/ with respect to Tranche A – not later than on the day falling 24 (twenty-four) months after the date of first Utilisation of Tranche A;

2/ with respect to Tranche B – on the day falling 84 (eighty-four) months after the Conversion date, subject to the satisfaction of the term concerning lease agreements, however, in no case later than on 28 February 2023;

3/ with respect to the VAT loan – shall mean the day falling 24 (twenty-four) months after the date of first Utilisation of the VAT loan.

The Borrower shall provide the following security for the repayment of the loan and amounts due to the Bank:

1/ Mortgage with the highest ranking established by the Borrower in the form of a notarial deed on the Land Property for the Lender in the amount of EUR 37,500 thousand.

2/ Declarations on submission to enforcement;

3/ Power of attorney over the Borrower's bank accounts;

4/ Agreement for the Assignment of Rights, i.e. an agreement concluded between the Borrower (as the assignor) and the Lender (as the assignee) for the assignment of (current and future) rights of the Borrower on account of relevant Project Agreements (with the exception of agreements with the Legal Advisor and the Technical Advisor), each Lease Agreement and Insurance Policies;

5/ Guarantee Agreement, i.e. an agreement concluded between the Borrower, the Issuer and the Lender for a period ending with a complete repayment of Tranche A (including Conversion), comprising obligations of the Issuer to grant a guarantee to cover excess Project construction costs specified in the budget or a guarantee to support the Project and ensure timely completion of the Project;

7/ Agreement for Registered and Financial Pledges on: shares, accounts, claims of the General Partner;

8/ each power of attorney granted by the Entity liable to the Lender in connection with Financial Documents.

Issue of bonds by the Issuer's subsidiaries

On 10 September 2013 the Issuer's subsidiary "Projekt Echo – 70" Spółka z ograniczoną odpowiedzialnością with its registered office in Kielce,

Al. Solidarności 36, issued 10-year bonds with the total nominal value of PLN 145 million.

On 24 September 2013 the Issuer's subsidiaries "Echo – SPV 7" Spółka z ograniczoną odpowiedzialnością with its registered office in Kielce and Mena Investments Spółka z ograniczoną odpowiedzialnością with its registered office in Kielce issued 10-year bonds with the total nominal value of PLN 75 million, of which:

1/ "Echo – SPV 7" Spółka z ograniczoną odpowiedzialnością with its registered office in Kielce issued bonds with the total nominal value of PLN 55 million;

2/ Mena Investments Spółka z ograniczoną odpowiedzialnością with its registered office in Kielce issued bonds with the total nominal value of PLN 20 million;

The interest on the bonds was determined on the basis of the WIBOR 6M variable plus margin. The interest will be paid semi-annually. The bonds will be redeemed at the nominal value. The bonds issued are not hedged as defined in the provisions of the Act on Bonds.

All the bonds issued by the aforementioned subsidiaries of the Issuer have been acquired by the fund Forum XXIX Fundusz Inwestycyjny Zamknięty with its registered office in Cracow. The Issuer directly and indirectly owns all the investment certificates issued by the aforementioned fund.

The above bond issues have a neutral influence on the economic situation of the Capital Group of the Issuer and they are connected with the process of managing cash of the Capital Group Echo Investment S.A.

Shell development agreement

On 25 September 2013 the Issuer's subsidiary Projekt Echo – 70 Sp. z o.o. with its registered office in: 25-323 Kielce, al. Solidarności 36, entered into the Register of Entrepreneurs kept by the 10th Commercial Division of the National Court Register of the District Court in Kielce under KRS number 0000271630 (hereinafter: the Company) signed with the company Modzelewski & Rodek Sp. z o.o. with its registered office in: 02-822 Warsaw, ul. Poleczki 35, entered into the Register of Entrepreneurs kept by the 13th Commercial Division of the National Court Register of the District Court for the Capital City of Warsaw in Warsaw under KRS number 0000187510 (hereinafter: the Contractor) an agreement for the development of a shell of the following facility: Q22 Office, Service and Commercial Building in Warsaw, Al. Jana Pawła II, ul. Grzybowska, together with an underground garage, the surrounding area, external infrastructure, road infrastructure, underground infrastructure, car parks and land development.

The consideration of the Contractor for performing the Agreement is flat-rate and amounts to: PLN 98,500,000.00 (in words: ninety-eight million and five hundred thousand zloty) net. The consideration shall be augmented with the goods and services tax (VAT) due.

Performance of the Agreement shall begin on the date of signing the Agreement and the completion date thereof has been set in the Agreement for 30 September 2015.

The Agreement contains provisions enabling the Company to charge contractual penalties usual for such agreements the total amount of which may not exceed 10% of the consideration for performing the Agreement, and if the value of the damage exceeds the amount of the contractual penalty, the Company may claim supplementary compensation.

6.4.2. Projects of the Capital Group

As of 30 September 2013 the Group had projects already placed in service as well as projects under construction or in preparation for it in its portfolio.

PORTFOLIO OF PROPERTY IN OPERATION

As of 30 September 2013 the Group's portfolio comprised 8 shopping centres and 6 office projects for lease.

PROPERTY PORTFOLIO

CITY	LOCATION	NAME	GLA [SQM]
Kielce	ul. Świętokrzyska	Galeria Echo	70,500
Wrocław	Plac Grunwaldzki	Pasaż Grunwaldzki	48,200
Szczecin	Al. Wyzwolenia	Galaxy	41,200
Bełchatów	ul. Kolejowa	Galeria Olimpia	21,400
Szczecin	Al. Struga	Outlet Park	16,500
Łomża	ul. Zawadzka 38	Galeria Veneda	15,200
Jelenia Góra	Al. Jana Pawła II	Galeria Echo*	12,700
Przemysł	ul. 29 Listopada	Galeria Echo	5,500
SHOPPING CENTRES	TOTAL		231,200
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 II)****	9,300
OFFICES	TOTAL		79,400
PROJECTS FOR LEASE	TOTAL		310,600

* Non-expanded part of the existing centre

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

*** Polkomtel Office Building *(Warsaw, ul. Postępu) - the area accounts for 50% of the project attributable to the Group.

**** The Office Building put into use in Q4, 2013

Space in shopping centres as well as shopping and entertainment centres is leased by national and international retail chains and local businesses. Key retail tenants include:

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

Office space is leased to renowned companies and local businesses. Key tenants of office space include: Grand Thornton Frąckowiak, Roche Polska, Ikea Shared Services, McKinsey Emea Shared Services, Coloplast Shared Services, Nordea Bank Polska, Tieto Polska, Polkomtel, Pramerica Życie TUIR, Raiffeisen Bank Polska, Sygnity, Medicover, Altkom Investments, Mentor Graphics Polska, Kennametal Polska, Tebodin SAP-Projekt, Samsung Electronics Polska, The Bank of New York Mellon, IBM Global Services Delivery Centre and Schindler Electric Polska.

PROJECTS UNDER CONSTRUCTION AND IN PREPARATION FOR CONSTRUCTION

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

PROJECTS UNDER CONSTRUCTION OR IN PREPARATION WITHIN THE SEGMENT OF SHOPPING CENTRES AND SHOPPING AND ENTERTAINMENT CENTRES

PROJECT	GLA [SQM]	PROJECT START	PROJECT COMPLETION
Galeria Amber, Kalisz	34,300	H1, 2012	H1, 2014
Galeria Sudecka, Jelenia Góra (extension)	17,300	H1, 2013	H1, 2015
PROJECTS UNDER CONSTRUCTION	51,600		
Galaxy, Szczecin (extension)	16,500	H1, 2015	H2, 2016
Katowice, ul. Kościuszki	30,500	H1, 2015	H2, 2016
Outlet Park, Szczecin (stage II)	8,300	H2, 2015	H1, 2016
Metropolis, Poznań	30,000	H1, 2016	H1, 2018
Galeria Nova, Koszalin *			
Cracovia, Cracow *			
Słupsk, ul. Grottgera *			
PROJECTS IN PREPARATION	85,300		
Korona, Brasov (Romania)	35,000	H1, 2015	H2, 2016
Mundo, Budapest (Hungary)	36,200	H1, 2015	H1, 2017
PROJECTS ABROAD IN PREPARATION	71,200		
PROJECTS IN TOTAL	208,100		

** Projects for which no dates have been provided are in the concept stage PROJECTS UNDER CONSTRUCTION AND IN PREPARATION WITHIN THE SEGMENT OF OFFICES AND HOTELS

PROJECT	GLA [SQM]	PROJECT START	PROJECT COMPLETION
Development Park, Warsaw (stage I)	17,500	H2, 2012	H1, 2014
Development Park, Warsaw (stage II)	15,600	H2, 2013	H1, 2015
Q22, Warsaw	52,500	H2, 2013	H2, 2016
West Gate, Warsaw	16,200	H1, 2013	H2, 2014
A4 Business Park, Katowice (stage I)	9,000	H2, 2012	H1, 2014
A4 Business Park, Katowice (stage II)	9,300	H2, 2013	H2, 2014
Tryton, Gdańsk	24,600	H2, 2013	H1, 2015
PROJECTS UNDER CONSTRUCTION	144,700		
Beethoven, Warsaw (stage I)	18,100	H2, 2014	H1, 2016
Beethoven, Warsaw (stage II - III)	36,700	H1, 2016	H1, 2019
Taśmowa, Warsaw (stage I - IV)	15,000	H1, 2014	H2, 2015
Taśmowa, Warsaw (stage II - IV)	44,400	H2, 2015	H1, 2020
Opolska, Cracow (stage I)	19,200	H2, 2013	H2, 2015
Opolska, Cracow (stage II - III)	38,400	H2, 2015	H2, 2018
Plac Grunwaldzki, Wrocław	16,900	H1, 2014	H2, 2015
A4 Business Park, Katowice (stage III)	12,400	H1, 2014	H2, 2015
Hetmańska, Poznań (stage I)	8,000	H2, 2014	H1, 2016
Hetmańska, Poznań (stage II - III)	28,800	H1, 2016	H2, 2020
Aurus, Łódź (stage I)	9,600	H1, 2014	H2, 2015
Aurus, Łódź (stage II)	9,600	H2, 2015	H2, 2016
PROJECTS IN PREPARATION	257,100		
Dehtiarivska, Kiev (stage I)	17,500	H1, 2014	H2, 2015
Dehtiarivska, Kiev (stage II - IV)	87,900	H1, 2015	H2, 2020
PROJECTS ABROAD	105,400		
PROJECTS IN TOTAL	507,200		

PROJECTS UNDER CONSTRUCTION OR IN PREPARATION WITHIN THE RESIDENTIAL SEGMENT

PROJECT	USABLE RESIDENTIAL SPACE/PLOT AREA [SQM]	PROJECT START	PROJECT COMPLETION
Nowy Mokotów, Warsaw (stage I)	11,600	H2, 2012	H2, 2014
Kasztanowa Aleja, Poznań (stage II)	8,600	H2, 2012	H2, 2014
Naramowice, Pod Klonami, Poznań I-III terraced	4,700	H1, 2012	H1, 2016
Naramowice, Jaśminowy Zakątek, Poznań (stage I)	6,000	H1, 2013	H1, 2015
Hortus Apartments, Cracow	3,000	H2, 2012	H2, 2014
Bronowicka, Cracow	3,000	H2, 2013	H2, 2015
Grota Roweckiego, Wrocław (stage I)	5,800	H2, 2013	H1, 2015
Osiedle Jarzębinowe, Łódź (stage I)	6,900	H2, 2011	H1, 2013
PROJECTS ON SALE [USABLE RESIDENTIAL AREA]	49,600		
Nowy Mokotów, Warsaw (stage II - IV)	30,500	H2, 2014	H2, 2021
Princess, Puławska, Warsaw	4,900	H1, 2014	H1, 2016
Naramowice, Jaśminowy Zakątek, Poznań (stage II - III)	13,500	H1, 2015	H1, 2019
Jackowskiego, Poznań	8,000	H1, 2015	H2, 2016
Sowińskiego, Poznań (stage I - IV)	19,800	H1, 2014	H1, 2019
Kościuszki, Cracow	5,200	H1, 2015	H1, 2016
Tyniecka / Czarodziejska, Cracow	5,600	H1, 2014	H1, 2016
Grota Roweckiego, Wrocław (stage II - III)	12,500	H2, 2015	H1, 2019
Osiedle Jarzębinowe, Łódź (stage II - IV)	39,900	H1, 2014	H2, 2021
Wodna, Łódź (stage I - II)	13,700	H1, 2015	H2, 2018
Zielone Tarasy, Kielce	2,100	H1, 2014	H1, 2015
PROJECTS IN PREPARATION [USABLE RESIDENTIAL AREA]	155 700		
Osiedle Południowe, Dyminy (stage III)	43,400	H2, 2013	H2, 2014
Sołacz, Poznań	13,700	H1, 2015	H2, 2016
Rezydencje Leśne, Warsaw (project on sale)	52,900	H2, 2010	H2, 2012
SALES OF PLOTS [PLOT AREA]	110,000		
ul. Poligonowa, Lublin*	1,130,000		
Naramowice, Poznań*	330,000		
INVESTMENT LAND [PLOT AREA]	1,460,000		

* Projects for which no dates have been provided are in the concept stage

6.5. Factors and events, in particular those of unusual nature, materially affecting the financial performance

1. Factors affecting the financial performance of the Capital Group in Q3, 2013:

- accounting of revenues from final agreements of residential property sales:
 - in Cracow (Dom Pod Słowikiem at ul. Krasickiego)
 - In Łódź (Osiedle Jarzębinowe at ul. Okopowa)
 - in Poznań (Kasztanowa Aleja at ul. Wojskowa, Pod Klonami at ul. Rubież)
 - in Warsaw (Klimt House at ul. Kazimierzowska, os. Zeusa)
 - in Wrocław (Przy Słowiańskim Wzgórzu at ul. Jedności Narodowej)
- accounting of revenues from final agreements of sales of plots with house projects:
 - in Dyminy near Kielce (Osiedle Południowe)
- sales of the Aquarius Office Building stage I in Wrocław
- sales of finishing outlays to an office tenant in Wrocław
- regular revenues from the lease of offices and shopping centres
- quarterly revaluation of the fair value of the property owned by the Group:
 - in operation taking into account:
 - changes in exchange rates (EUR and USD)
 - indexation of rents
 - change of yield rates
 - changes in the amount of net operating revenues
 - under construction and in the process of commercialisation:
 - Galeria Amber in Kalisz (subsequent valuation)
 - Galeria Sudecka in Jelenia Góra (subsequent valuation)
 - Aquarius Office Building stage II (subsequent valuation)
 - A4 Business Park in Katowice stage I (initial valuation)
- selling costs as well as general and administrative expenses
- valuation of liabilities from bonds and borrowings at amortised cost
- valuation of loans and cash due to changes in foreign exchange rates
- valuation and implementation of securing financial instruments on foreign currencies
- interest on deposits and borrowings granted
- discounts and interests on loans, bonds and borrowings

2. Unusual events affecting the financial performance of the Company in Q3, 2013:

- none

3. Foreign currency hedging transactions

Foreign currency hedging transactions are concluded as part of the security policy in order to ensure future cash flows from translation of loan tranches in the EUR and one-off significant operating revenues (e.g. from sales of investment projects).

Weighted average forward rate of settlement (strike) for the remaining open trades is 4.326 EUR/PLN.

MATURITY PERIODS OF OPEN HEDGING POSITIONS AS OF 30 SEPTEMBER 2013:

		HEDGE VALUE		MATURING BY NOMINAL VALUE [EUR MILLION]						
		BALANCE SHEET [PLN MILLION]	NOMINAL VALUE [EUR MILLION]	Q4, 2013	Q1, 2014	Q2, 2014	Q3, 2014	Q4, 2014	H1, 2015	H2, 2015
Forward	EUR/PLN	2.1	39.6	7.6	20.5	6.5	2.5	0.7	0.9	0.9

6.6. Segments of the Capital Group

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

STRUCTURE OF REVENUES AND OPERATING COSTS RECORDED IN Q3, 2013:

DETAILS	REVENUES [MILLION PLN]	SHARE %	COSTS [MILLION PLN]	SHARE %
shopping centres as well as shopping and entertainment centres	74	52%	20	35%
residential space	29	21%	24	41%
office buildings and hotels	27	19%	5	9%
non-attributable to segments	1111	8%	9	15%
operating results, total	141	100%	58	100%

6.7. Notes on the seasonality or cyclicity of the Capital Group's business in the presented period

The operations of the Capital Group cover several segments of the property market. The owned portfolio of assets held for lease to a large extent provides comparable revenues in each quarter. However, revenues from sales of residential projects and property trading may be irregular. The Management Board cannot rule out other one-off events which may affect the results achieved in a given period.

6.8. Issuance, redemption and repayment of debt and equity securities

The current activities of the Group, in addition to its own resources and loans, are also financed through the issuance of debt instruments. At present the Company has an active program to issue both long and short-term bonds.

As part of the Bond Issuance Programme agreements with BRE Bank S.A. signed in 2004, with subsequent amendments, the Company issued bonds for which, as of the date of this report, it has liabilities in amounts shown in the table below.

LIABILITIES DUE TO BONDS ISSUED AS OF 30 SEPTEMBER 2013 [THOUSAND PLN]

BANK NAME	TYPE OF FINANCIAL INSTRUMENT	AMOUNT USED	BOND REDEMPTION DATE	INTEREST RATE TERMS
BRE Bank S.A.	Bonds	300,000	30 June 2014	WIBOR 6M + margin
BRE Bank S.A.	Bonds	115,000	18 May 2015	WIBOR 6M + margin
BRE Bank S.A.	Bonds	145,000	11 February 2016	WIBOR 6M + margin
BRE Bank S.A.	Bonds	200,000	28 April 2017	WIBOR 6M + margin
BRE Bank S.A.	Bonds	80,000	19 June 2018	WIBOR 6M + margin
total		840,000		

As of 30 September 2013 the Issuance Programme allowed to issue bonds up to a maximum nominal value of PLN 1 billion.

Pursuant to the Sales Guarantee Agreement and the Guarantee Rate Agreement signed within the Issuance Programme with BRE Bank S.A., in force until 31 August 2014, the bank commits itself to redeem bonds issued by the Company that have not been redeemed by other investors up to the amount of PLN 35 million.

The bonds are not hedged.

6.9. Dividend paid (or declared)

The Company has not paid dividends in the previous years and has not declared payments of dividend in the current and the nearest period.

6.10. Events after the day on which the condensed quarterly financial statements were prepared not included in these statements which could have a significant influence on the Capital Group's future financial performance

No events after the balance sheet date which could have a significant influence on the Capital Group's future financial performance.

6.11. Changes in contingent liabilities or contingent assets that occurred after the end of the previous financial year

6.11.1. Suretyship agreements

SURETYSHIP AGREEMENTS OF THE CAPITAL GROUP IN FORCE AS OF 30 SEPTEMBER 2013 [THOUSAND PLN]

SURETYSHIP FOR	VALUE	VALID UNTIL	TITLE
TESCO (POLSKA) SP. Z O.O.	15,000	30 June 2015	Suretyship for liabilities of the company Galeria Olimpia-Projekt Echo-98 Spółka z ograniczoną odpowiedzialnością SKA and the company Veneda-Projekt Echo-97 Spółka z ograniczoną odpowiedzialnością SKA on account of a refund to Tesco (Polska) Sp. z o.o. up to the value of outlays actually incurred by Tesco (Polska) Sp. z o.o. towards a future object of lease under lease agreements concluded on 28 October 2010.

See also Subsection 6.19 hereof.

The suretyship in the amount of PLN 342,000.00 granted by Echo-Galaxy" spółka z ograniczoną odpowiedzialnością S.K.A (a subsidiary of the Issuer) for the payment of the liability arising from agreement no. 2357/Gd/Hd/2012 concluded on 28 December 2012 with Mercor S.A. expired on 31 August 2013.

6.11.2. Guarantee agreements

GUARANTEE AGREEMENTS IN FORCE AS OF 30 SEPTEMBER 2013 [THOUSAND PLN]

GUARANTOR	VALUE	VALID UNTIL	TITLE
PKO BP SA	222	31 October 2013	Security for performance of obligations for ImmoPoland Sp. z o.o. arising under the lease agreement concluded on 28 August 2009. Guarantee issued in the EUR.
Echo Investment SA	18,411	shall be in force until the Date of Conversion, but no later than until 30 June 2018.	Security to cover a shortage of funds or in the event of exceeding implementation costs of the Olimpia shopping centre in Belchatów for Nordea Bank Polska SA
Echo Investment S.A.	10,020	until the handover of the object of lease, not later than until 30 June 2015	Security for performance of obligations towards BNY MELLON (Poland) Sp. z o.o. arising from the lease agreement dated 19 November 2012 Guarantee issued in the EUR.
Echo Investment S.A.	39,367	shall be in force until the Date of Conversion, but no later than until 31 December 2014.	Security in the event of exceeding implementation costs of the Amber shopping and entertainment centre in Kalisz and liabilities on account of servicing the debt and covering the shortage of own funds for Bank Polska Kasa Opieki S.A.
Echo Investment S.A.	16,865	shall be in force until the preliminary conditional sales agreement has expired, however, not later than until 31 July 2014.	Security for the payment of claims resulting from potential termination of the preliminary conditional agreement for the sales of the Aquarius Business House office building in Wrocław, stage II. Guarantee issued in the EUR.
PKO BP SA	2,155	15 May 2016	Security for remedying defects and faults for Orbis S.A. under the conditional agreement for General Project Implementation of 4 September 2008
PKO BP SA	350	31 May 2014	Security for performance of obligations towards Dalkia Warszawa under Agreement no. HPN-HK/M-10-0198-2/PN-O/066/13 of 7 June 2013
PKO BP SA	170	31 May 2014	Security for performance of obligations towards Dalkia Warszawa under Agreement no HPN-HK/M-10-0198/UK-O/077/13 of 21 June 2013
Echo Investment S.A.	21,082	2 July 2020	Performance security of the final agreement for the sales of the Aquarius Business House office building in Wrocław, stage I. Guarantee issued in the EUR.
Echo Investment S.A.	27,005	the end of project implementation, however, not later than until 28 February 2016	Security in the event of exceeding costs, liabilities on account of debt servicing and support for organising the construction process during the implementation of the Development Park project, stage I, in Warsaw for Bank Zachodni WBK S.A.
PKO BP SA	3,600	30 June 2015	Security for the payment of claims resulting from a failure to perform in a timely manner the agreement concluded on 24 August 2012 for the commune of Jelenia Góra.
Bank Pekao S.A.	3,600	30 June 2016	Security for the payment of claims resulting from a failure to perform in a timely manner the agreement concluded on 24 August 2012 for the commune of Jelenia Góra. Guarantee issued in order to replace the guarantee in the item above.

A part of the guarantee in the amount of EUR 4,000,000.00 issued by Echo Investment S.A. as security for the payment of claims arising from potential termination of the preliminary conditional agreement for the sales of the Aquarius Business House office building in Wrocław, stage I, concluded between Aquarius Business House – Grupa Echo Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna (a subsidiary of the Issuer) and Horta Sp. z o.o. expired on 2 July 2013.

On 2 July 2013 Echo Investment granted a guarantee as security for performance of the final agreement for the sales of the Aquarius Business House office building in Wrocław, stage I, concluded between Aquarius Business House – Grupa Echo Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna (a subsidiary of the Issuer) and Horta Sp. z o.o. The total guarantee amount is EUR 5,000,000.00. The guarantee is valid until 2 July 2020.

On 24 July 2013 Bank PKO BP SA granted a bank guarantee to the Commune of Jelenia Góra as security for the payment of claims arising from a failure to perform in a timely manner the agreement concluded on 24 August 2012 by Galeria Sudecka – Projekt Echo-43 Spółka z ograniczoną odpowiedzialnością S.K.A. (a subsidiary of the Issuer). The guarantee amounts to PLN 3,600,000.00. The guarantee is valid until 30 June 2015.

On 28 August 2013 Echo Investment S.A. granted a guarantee for Bank Zachodni WBK S.A. as security in the event of exceeding costs, liabilities from debt servicing and support in the organisation of the construction process during the implementation of the Development Park project, stage I, in Warsaw by the Borrower, i.e. Development Park - Grupa Echo spółka z ograniczoną odpowiedzialnością - spółka komandytowo - akcyjna (a subsidiary of the Issuer). The guarantee amounts to EUR 6,405,000.00. The guarantee is valid until the end of the project implementation period, however, not later than until 28 February 2016.

On 18 September 2013 Bank Pekao SA granted a bank guarantee to the Commune of Jelenia Góra as security for the payment of claims arising from a failure to perform in a timely manner the agreement concluded on 24 August 2012 by Galeria Sudecka – Projekt Echo-43 Spółka z ograniczoną odpowiedzialnością S.K.A. (a subsidiary of the Issuer). The guarantee amounts to PLN 3,600,000.00. The guarantee is valid until 30 June 2016.

6.12. Composition of Echo Investment Capital Group

The most important role in the structure of the Group is played by Echo Investment S.A., which monitors, participates in and provides funding for the implementation of development projects. The companies the Group is composed of have been established or acquired to meet specific investment project goals and they do not engage in economic activities other than those which would arise from the project to which they have been ascribed.

As of 30 September 2013, the Capital Group is composed of 100 subsidiaries fully consolidated, one joint subsidiary consolidated using the proportional method and one associated company consolidated using the equity method.

SUBSIDIARIES:

	SUBSIDIARY	% OF EQUITY HELD		PARENT COMPANY
		REGISTERED OFFICE		
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
33	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.	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.	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	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 – Nowy Mokotów Sp. z o.o. (formerly: Projekt Echo - 67 Sp. z o.o.)	Kielce	100%	Echo Investment S.A.
24	Echo – Pod Klonami Sp. z o.o.	Kielce	100%	Projekt Naramowice – Grupa Echo Sp. z o.o. S.k.a.
25	Echo – Pod Klonami Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.

	SUBSIDIARY	REGISTERED OFFICE	% OF EQUITY HELD	PARENT COMPANY
26	Echo – Project - Management Ingatlanhasznosito Kft.	Budapest	100%	Echo Investment S.A.
27	Echo - Property Poznań 1 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
28	Echo – Przy Słowiańskim Wzgórzu Sp. z o.o.	Kielce	100%	Echo Investment S.A.
29	Echo – Przy Słowiańskim Wzgórzu Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
30	Echo – SPV 7 Sp.z o.o.	Kielce	100%	Echo Investment S.A.
31	Echo Galeria Kielce – Magellan West Sp. z o.o. S.k.a.	Kielce	99.95%	XXIX FIZ Forum / XXXIV FIZ Forum
32	Echo Investment ACC - Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
33	Echo Investment Facility Management - Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
34	Echo Investment Hungary Ingatlanhasznosito Kft.	Budapest	100%	Echo Investment S.A.
35	Echo Investment Project 1 S.R.L.	Brasov	100%	Echo Aurus Sp. z o.o.
36	Echo Investment Project Management* S.R.L.	Brasov	100%	Echo Investment S.A.
37	Echo Investment Property Management – Grupa Echo Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
38	Echo Investment Ukraine LLC	Kiev	100%	Echo Investment S.A.
39	Echo Pasaż Grunwaldzki – Magellan West Sp. z o.o. S.k.a.	Kielce	99.95%	XXIX FIZ Forum
40	Elmira Investments Sp. z o. o.	Kielce	100%	Echo Investment S.A.
41	Elmira Investments Sp. z o. o. S.k.a.	Kielce	100%	Echo Investment S.A.
42	EI Project Cyp - 1 Ltd	Nicosia	100%	Echo Investment S.A.
43	Farrina Investments Sp. z o. o.	Kielce	100%	Echo Investment S.A.
44	Galeria Nova – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum / XXXIV FIZ Forum
45	Galeria Olimpia – Projekt Echo – 98 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
46	Galeria Sudecka - Projekt Echo – 43 Sp. z o.o. S.k.a.	Jelenia Góra	100%	XXIX FIZ Forum
47	Galeria Tarnów – Projekt Echo – 43 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
48	Grupa Echo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
49	Intermedia Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
50	Iris Capital Sp. z o.o.	Kielce	100%	Echo Investment S.A.
51	Malta Office Park - Projekt Echo - 96 Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
52	Mena Investments Sp. z o.o.	Kielce	100%	Echo Investment S.A.
53	Metropolis - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
54	Nikson Capital Sp. z o.o.	Kielce	100%	Echo Investment S.A.
55	Oxygen – Projekt Echo – 95 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
56	Pamiętkowo Sp. z o.o.	Pamiętkowo	100%	Echo Investment S.A.
57	Park Postępu - Projekt Echo - 93 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
58	PHS – Projekt CS Sp. z o.o. S.k.a.	Szczecin	100%	XXIX FIZ Forum
59	PPR - Projekt Echo – 77 Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
60	Princess Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
61	Projekt Beethovena – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum / XXXIV FIZ Forum
62	Projekt CS Sp. z o.o.	Szczecin	100%	Echo Investment S.A.
63	Projekt Echo - 33 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
64	Projekt Echo - 43 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
65	Projekt Echo - 67 Sp. z o.o. Sp. kom.	Kielce	100%	Echo Investment S.A.
66	Projekt Echo - 69 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
67	Projekt Echo - 70 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
68	Projekt Echo - 77 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
69	Projekt Echo - 93 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
70	Projekt Echo - 95 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
71	Projekt Echo - 96 Sp. z o.o.	Kielce	100%	Echo Investment S.A.

SUBSIDIARY	REGISTERED OFFICE	% OF EQUITY HELD	PARENT COMPANY	
72	Projekt Echo - 97 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
73	Projekt Echo - 98 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
74	Projekt Echo - 99 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
75	Projekt Echo - 99 Sp. z o.o. Sp. kom	Kielce	100%	Echo Investment S.A.
76	Projekt Echo - 101 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
77	Projekt Echo - 102 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
78	Projekt Echo - 103 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
79	Projekt Echo - 104 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
80	Projekt Echo - 105 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
81	Projekt Echo - 106 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
82	Projekt Echo - 107 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
83	Projekt Echo - 108 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
84	Projekt Echo - 109 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
85	Projekt Echo - 110 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
86	Projekt Naramowice – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
87	Projekt Saska Sp. z o.o.	Kielce	95%	Echo Investment S.A.
88	Projekt 3 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
89	Projekt 4 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
90	Projekt 5 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
91	Projekt 6 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
92	Park Rozwoju – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX FIZ Forum
93	Projekt 8 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	99.95%	XXIX FIZ Forum / XXXIV FIZ Forum
94	Projekt 9 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	99.95%	XXXIV FIZ Forum
95	Projekt 10 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXXIV FIZ Forum
96	SPV 1 – Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	XXIX 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	Yevrobdugarant 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 joint subsidiary is Wan 11 Spółka z o.o. based in Warsaw. The associated company is EBR Global Services Spółka z o.o. (with its registered office in Kielce).

All certificates issued by XXIX FIZ Forum and XXXIV FIZ Forum are in possession of the companies of the Capital Group.

6.13. Effects of changes in the business undertaking's structure, including as a result of business combinations, acquisitions or sales of the Capital Group's member entities, long-term investments, division, restructuring and discontinued operations

I. Other changes in the companies of the Capital Group of the Issuer:

- on 1 July 2013 FORUM XXXIV Fundusz Inwestycyjny Zamknięty with its registered office in Cracow (Seller) and FORUM XXIX Fundusz Inwestycyjny Zamknięty (Buyer) with its registered office in Cracow concluded an agreement for the sales of 24,999 series B registered shares of the company Projekt 8 – Grupa Echo Sp. z o.o. – S.k.a. with its registered office in Kielce;
- equity increase in the company Echo – Aurus Sp. z o.o. (registered in the National Court Register on 8 July 2013);
- a change of the general partner – on 14 August 2013 Grupa Echo Sp. z o.o. disposed to Magellan West Sp. z o.o. with its registered office in Kielce of the rights and obligations of the general partner in the company Projekt 9 – Grupa Echo Sp. z o.o. S.k.a.
- a change of the business name of the company Projekt Echo – 67 Sp. z o.o. to Echo – Nowy Mokotów Sp. z o.o. (registered in the National Court Register on 19 September 2013);
- a change of the general partner – on 30 September 2013 Projekt Echo – 43 Sp. z o.o. disposed to Grupa Echo Sp. z o.o. with its registered office in Kielce of the rights and obligations of the general partner in the company Galeria Tarnów – Projekt Echo – 43 Sp. z o.o. S.k.a.;
- a change of the general partner – on 30 September 2013 Grupa Echo Sp. z o.o. disposed to Projekt Echo – 106 Sp. z o.o. with its registered office in Kielce of the rights and obligations of the general partner in the company Projekt 10 – Grupa Echo Sp. z o.o. S.k.a.

6.14. Position of the Management Board concerning the option to implement previously published result forecasts for the relevant year in the light of the results presented in the quarterly report in relation to predicted results

The Management of the Company has not published any financial forecasts.

6.15. The ownership structure of major holdings of Echo Investment S.A.

The overall number of votes from all shares issued, after registering a change in the share capital on 31 October 2013, is 412,690,582 (in words: four hundred and twelve million, six hundred and ninety thousand, five hundred and eighty-two) votes.

SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE OVERALL NUMBER OF VOTES AT THE GENERAL MEETING OF ECHO INVESTMENT S.A., AS OF 14 NOVEMBER 2013

SHAREHOLDER	NUMBER OF SHARES	% OF SHARE CAPITAL OF ECHO INVESTMENT S.A.	NUMBER OF VOTES AT THE GM OF ECHO INVESTMENT S.A.	% OF THE OVERALL NUMBER OF VOTES AT THE GM OF ECHO INVESTMENT S.A.
MICHAŁ SOŁOWOW indirectly through subsidiaries, including:	189,361,930	45.88%	189,361,930	45.88%
Barcocal Investment Limited	171,477,880	41.55%	171,477,880	41.55%
Calgeron Investment Limited	17,884,050	4.33%	17,884,050	4.33%
ING OFE*	41,988,822	10.17%	41,988,822	10.17%
AVIVA OFE AVIVA BZ WBK*	41,995,525	10.18%	41,995,525	10.18%
PZU Złota Jesień OFE	22,011,702	5.33%	22,011,702	5.33%

*The Issuer indicates that significant Shareholders of the Issuer, i.e. open-end pension funds: ING OFE, by way of the notification dated 5 September 2013, and AVIVA OFE AVIVA BZ WBK, by way of the notification dated 20 August 2013, notified the Issuer of a decrease of shareholding to less than 10% of votes at the General Meeting of the Shareholders of the Issuer in the share capital prior to the registration of the decrease by the registration court.

After the decision of the competent registration court to register the decrease of the share capital, given the number of shares indicated in the recent notifications at the disposal of the Issuer, both in the case of ING OFE and AVIVA OFE AVIVA BZ WBK, both funds have exceeded the threshold of 10% of votes at the General Meeting of the Shareholders of the Issuer (the number of shares and the share in the capital and votes corresponding to it are indicated in the table above).

The Issuer points out that it does not have at its disposal other notifications of shareholding and of the share thereof in the capital and the votes at the General Meeting of the Shareholders of the Issuer than the information indicated in the table above.

In the period since the publication of the last financial report, i.e. 28 August 2013, to the date of this report, the Issuer received the following notifications of a change in the shareholding of significant shareholders:

1. On 5 September 2013 the Issuer received a fax notification from ING Powszechnie Towarzystwo Emerytalne S.A. with information that as a result of a disposal of shares in the company Echo Investment S.A. within transactions on the Warsaw Stock Exchange settled on 27 August 2013, ING Otworthy Fundusz Emerytalny (hereinafter: the Fund) decreased its shareholding in the Company to less than 10% of votes at the General Meeting of the Company's Shareholders.

"Prior to the disposal of shares, the Fund held 42,000,000 (forty-two million) of the Company's shares accounting for 10% of the Company's share capital and it had the right to 42,000,000 (forty-two million) votes at the General Meeting of the Company's Shareholders, accounting for 10.00% of the overall number of votes.

On 5 September 2013 on the securities account of the Fund there are 41,988,822 (forty-one million, nine hundred and eighty-eight thousand, eight hundred and twenty-two) shares of the Company, accounting for 9.997% of the Company's share capital. These shares give the holder the right to 41,988,822 (forty-one million, nine hundred and eighty-eight thousand, eight hundred and twenty-two) votes at the General Meeting of the Company's Shareholders, accounting for 9.997% of the overall number of votes."

2. On 5 November 2013 the Issuer received from Mr Michał Solowow, a significant Shareholder of the Issuer, a notification reading as follows:

"Acting pursuant to Article 69 of the Act of 29 July 2005 on public offering and terms of introducing financial instruments to organised trading and on public companies (Journal of Laws no. 185, item 1439), in connection with the information from current report of the company Echo Investment S.A. No. 42/2013 dated 4 November 2013 on the registration of a decrease of the share capital, I announce that my shareholding has increased by at least 1% of the overall number of votes at the General Meeting of the Shareholders of the company Echo Investment S.A. (hereinafter: the Issuer, the Company).

As of the date of this notification, my indirect shareholding through subsidiaries totals at 189,361,930 shares in the company Echo Investment S.A., accounting for 45.88% of the share capital and giving the holder the right to 189,361,930 votes at the General Meeting of the Shareholders of Echo Investment S.A., accounting for 45.88% of the overall number of votes at the General Meeting of the Shareholders of Echo Investment S.A.

Details of my shareholding in Echo Investment S.A. through particular subsidiaries as of the date of this notification are as follows:

SHAREHOLDER	NUMBER OF SHARES	% OF SHARE CAPITAL OF ECHO INVESTMENT S.A.	NUMBER OF VOTES AT THE GMS OF ECHO INVESTMENT S.A.	% OF THE OVERALL NUMBER OF VOTES AT THE GMS OF ECHO INVESTMENT S.A.
Barcocal Investment Limited	171,477,880	41.55%	171,477,880	41.55%
Calgeron Investment Limited	17,884,050	4.33%	17,884,050	4.33%

Before the aforementioned event, I had held indirectly through subsidiaries the total of 189,361,930 shares in the Company, accounting for 45.09% of the share capital, and had been authorised to 189,361,930 votes at the General Meeting of the Company's Shareholders, accounting for 45.09% of the overall number of votes at the General Meeting of the Company's Shareholders.

There are no persons referred to in Article 87 (1) (3) (c) of the Act of 29 July 2005 on public offering and terms of introducing financial instruments to organised trading and on public companies (Journal of Laws No. 184, item 1539)".

6.16. Summary of changes in the shareholding of Echo Investment S.A. or rights to shares (options) by the Issuer's managers and supervisors, as to the knowledge of Echo Investment S.A. since the publication of the previous quarterly report

As to the knowledge of the Company, changes in the shareholding of Echo Investment S.A. or rights to shares (options) by the Company's managers and supervisors since the publication of the previous quarterly report are presented in the tables below:

SHARES HELD BY THE MEMBERS OF THE MANAGEMENT BOARD

MANAGERS	14.11.2013	28.08.2013
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

SHARES HELD BY THE MEMBERS OF THE SUPERVISORY BOARD

SUPERVISORS	14.11.2013	28.08.2013
Wojciech Ciesielski – Chairman of the Supervisory Board	1,000,000 shares	1,000,000 shares
Andrzej Majcher – Vice-Chairman of the Supervisory Board	no shares	98,800 shares
Mariusz Waniółka – Vice-Chairman of the Supervisory Board	no shares	no shares
Karol Żbikowski – Member of the Supervisory Board	no shares	no shares
Robert Oskard – Member of the Supervisory Board	no shares	no shares

In the period since the publication of the last quarterly report, i.e. 28 August 2013, to the date of this report, the Issuer received the following notifications from managers or supervisors:

On 6 September 2013 the Issuer received a notification in which a Member of the Supervisory Board reported a disposal of shares in Echo Investment SA. Shares were disposed of on the regulated market of the Warsaw Stock Exchange within an ordinary session transaction on 6 September 2013. Shares were disposed of at the unit price of PLN 6.38, with the total volume of 98,800 shares.

The notifying entity put forward a motion to keep their personal data secret, citing §3 (2) of the Regulation of the Minister of Finance of 15 November 2005 on transferring and disclosing information on certain transactions in financial instruments and on the principles of compiling and maintaining the list of individuals having access to specific confidential information.

6.17. Court proceedings

Between 1 July and 30 September 2013 there were no proceedings pending before court or a public administration authority concerning liabilities or claims of the Company and its subsidiaries, whose total value constitutes at least 10% of the Company's equity.

6.18. Transactions with related parties on other than market conditions

In Q3, 2013 the Company and its subsidiaries did not conclude any transactions with related parties on other than market conditions.

6.19. Granted loan and borrowing suretyships as well as granted guarantees equivalent in value to at least 10% of the Company's equity

In Q3, 2013 the Capital Group did not grant loan or borrowing suretyships and did not grant guarantees jointly to an entity or its subsidiary equivalent in value to at least 10% of the Company's equity.

See also Subsection 6.11.

6.20. Other information that the Management Board of Echo Investment S.A. believes to be important to assess the personnel, economic and financial situation, the profit, and any changes in these aspects of business, and information necessary to assess the Echo Investment Capital Group's capacity to meet its obligations

IBM office centre to be opened in A4 Business Park in Katowice

Echo Investment has signed a lease agreement with the IBM conglomerate concerning an area of nearly 9,000 sqm in the A4 Business Park office building developed at ul. Francuska in Katowice. It is one of the largest transactions in Poland with regard to the regional market of office properties.

The contract with IBM is an important step for Echo Investment which confirms the company's right approach to the development in regional cities, as well as the correctness of its analyses regarding individual locations, those concerning the BPO business in particular. A team of experts from the Jones Lang LaSalle international consultancy acted as the agent in the lease process.

The new IBM centre will join a network of strategic IBM delivery centres which render a broad range of IT services including: the management of server operating systems, system protection and security, end-user services including the maintenance and monitoring of IT equipment and software systems. The centre started its operations in August 2013.

The A4 Business Park is being developed in Katowice at ul. Francuska, near an exit from the A4 motorway. It is a modern business park which consists of three office buildings and a separate multi-storey car park. The first stage of the project is a 7-storey office building with an area of app. 9,000 sqm. In the spring earlier this year the office building obtained a BREEAM Interim certificate with a 'very good' grade and a very high score of 64.62 pct. The design of the A4 Business Park has been created by the DDJM architectural studio of Cracow. The general contractor of the shell of the first stage is Remax Construct. The completion of the first stage of the A4 Business Park is planned for Q1, 2014.

New concept for the Korona centre in Brasov, Romania

A new concept was shaped for the Korona shopping and entertainment centre to be built by Echo Investment in Brasov. Its design was reformatted and adapted to the current market needs, thus enhancing functionality and accessibility.

Development is expected to take approx. 18 months. It is worth EUR 100 million. Korona is a modern multi-functional shopping and entertainment centre with retail space of approx. 35,000 sqm planned to house stores and service points, restaurants and an entertainment zone with a 7-screen movie theatre. The conceptual design of the Korona centre was prepared by Bose International Planning & Architecture.

Shell contractor of Galeria Sudecka

Echo Investment concluded an agreement with Eiffage Polska Budownictwa SA for the development of the shell of Galeria Sudecka in Jelenia Góra. The net value of the contract is PLN 36.15 million.

Echo also acquired a permit concerning a further extension of the road layout around Galeria Sudecka. The decision to authorise the construction of the road project has a writ of immediate enforceability. The first stage will involve the construction of a high-voltage line, the new route of which will make it possible to build the external road layout including a roundabout. The new traffic layout will constitute an important section of the connection of the main traffic arteries in the town – Jana Pawła II street, the western ring road of the town and the exit route to Legnica.

Galeria Sudecka is being developed in the Zabobrze district. It will be the first shopping and entertainment centre in the Jelenia Góra region. The centre is planned to include 100 shops, restaurants and service outlets, as well as a 7-screen Helios cinema with a cafe and bar area. The investor has planned a retail area of 45,000 sqm in the design of Galeria Sudecka. Its customers will be able to use over 1,800 parking spaces. Tenants of Galeria Sudecka will include the shops of the LPP group (Reserved, House, Mohito, Cropp Town and Sinsay), which will occupy a combined area of 3,500 sqm, as well as GoSport, which will have a shop with an area of 1,350 sqm.

A hypermarket of the Real chain was opened in the current Echo shopping centre in March this year. The demolition work on a section of the

facility was finished last summer and the preparations for the construction of a new part started.

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

In subsequent periods, the financial performance will be influenced by the following factors:

- accounting of revenues from final agreements of residential property sales in:
 - Łódź (Osiedle Jarzębinowe at ul. Okopowa),
 - Poznań (Kasztanowa Aleja at ul. Wojskowa, Pod Klonami at ul. Rubież),
 - Warsaw (Klimt House at ul. Kazimierzowska),
 - Wrocław (Przy Słowiańskim Wzgórzu at ul. Jedności Narodowej),
- accounting of revenues from final agreements of sales of plots with house projects in
 - Bilcza near Kielce (Bilcza stage II),
 - Dyminy near Kielce (Osiedle Południowe),
- accounting of revenues from final agreements of sales of plots in:
 - Masłów near Kielce,
- sales of properties:
 - Aquarius Office Building in Wrocław, stage II
- regular revenues from the lease of offices and shopping centres,
- quarterly revaluation of the fair value of the property owned by the Group:
 - in operation taking into account:
 - changes in exchange rates (EUR and USD),
 - changes in the amount of net operating revenues,
 - the initial valuation in the operation of the second stage of the Aquarius office building in Wrocław,
 - under construction and in the process of commercialisation:
 - Galeria Amber in Kalisz,
 - Extension of Galeria Sudecka in Jelenia Góra,
 - stage I of the A4 Business Park,
- selling costs as well as general and administrative expenses,
- valuation of liabilities from bonds and borrowings at amortised cost,
- valuation of loans and cash due to changes in foreign exchange rates,
- valuation and implementation of securing financial instruments on foreign currencies,
- interest on deposits and borrowings granted,
- discounts and interests on loans, bonds and borrowings.

III. CONDENSED SEPARATE FINANCIAL STATEMENTS AS OF AND FOR THE PERIOD OF THREE MONTHS ENDED 30 SEPTEMBER 2013

SEPARATE QUARTERLY STATEMENT OF FINANCIAL POSITION - ASSETS [THOUSAND PLN] AS OF:

	30.09.2013	31.12.2012	30.09.2012
ASSETS			
1. Non-current assets			
1.1. Intangible assets	894	1,181	1,232
1.2. Property, plant and equipment	27,029	14,067	14,619
1.3. Investment property	3,519	3,752	3,496
1.4. Investments in subsidiaries, joint subsidiaries and associated companies	922,237	921,946	923,677
1.5. Long-term financial assets	16,184	14,629	14,763
1.6. Borrowings granted	38	-	-
1.7. Deferred income tax asset	12,139	13,678	-
	982,040	969,253	957,787
2. Current assets			
2.1. Inventory	268,926	302,414	299,339
2.2. Income tax receivables	2,139	-	-
2.3. Other tax receivables	-	-	-
2.4. Trade and other receivables	46,867	65,629	55,641
2.5.2.5. Borrowings granted	159,336	318,736	253,946
2.6. Restricted cash	41	-	-
2.7. Cash and cash equivalents	82,604	3,017	11,739
	559,913	689,796	620,665
Total assets	1,541,953	1,659,049	1,578,452

SEPARATE QUARTERLY STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES [THOUSAND PLN]

	30.09.2013	31.12.2012	30.09.2012
Equity and liabilities			
1. Equity			
1.1. Share capital	21,000	21,000	21,000
1.2. Supplementary capital	608,204	567,091	567,091
1.3. Treasury shares	(33,696)	-	-
1.4. Net profit	16,734	41,113	22,957
	612,242	629,204	611,048
2. Provisions			
2.1. Short-term provisions	2,000	2,000	2,000
2.2. Deferred income tax provision – long term	-	-	9,375
	2,000	2,000	11,375
3. Non-current liabilities			
3.1. Loans, borrowings and bonds	512,670	527,138	528,534
3.2. Security deposits and prepayments received	16,690	17,707	15,820
	529,360	544,845	544,354
4. Current liabilities			
4.1. Loans, borrowings and bonds	375,612	438,557	367,387
4.2. Income tax liabilities	307	1,945	1,499
4.3. Other tax liabilities	1,741	4,187	3,609
4.4. Trade liabilities	2,368	17,267	19,402
4.5. Security deposits and prepayments received	15,347	16,016	16,320
4.6. Other liabilities	2,976	5,028	3,458
	398,351	483,000	411,675
Total equity and liabilities	1,541,953	1,659,049	1,578,452
BOOK VALUE (IN THOUSAND PLN)			
Book value	612,242	629,204	611,048
Number of shares	412,690,582	420,000,000	420,000,000
Book value per share (in PLN)	1.48	1.50	1.45
OFF-BALANCE SHEET LIABILITIES (IN THOUSAND PLN)			
1. Off-balance sheet receivables	-	-	-
2. Off-balance-sheet liabilities	154,247	87,756	39,980
Total off-balance sheet items	154,247	87,756	39,980

INCOME STATEMENT (IN THOUSAND PLN)	Q3 PERIOD	3 QUARTERS PERIOD	Q3 PERIOD	3 QUARTERS PERIOD
	FROM 01.07.2013 TO 30.09.2013	FROM 01.01.2013 TO 30.09.2013	TO 01.07.2012 TO 30.09.2012	TO 01.01.2012 TO 30.09.2012
Revenues	58,171	179,831	49,870	149,692
Cost of sales	(28,326)	(106,559)	(9,587)	(71,649)
Gross profit (loss) on sales	29,845	73,272	40,283	78,043
Profit (loss) on investment property	(88)	(233)	-	1,826
Selling costs	(5,653)	(17,515)	(5,600)	(18,107)
General and administrative expenses	(10,792)	(28,890)	(7,955)	(24,345)
Other operating revenues	4,620	32,757	16,364	55,949
Other operating expenses	(90)	(555)	(21,389)	(21,667)
Profit before tax and financial revenues/costs	17,842	58,836	21,703	71,699
Financial revenues	(45)	2,495	(132)	854
Financial costs	(12,227)	(42,435)	(14,870)	(46,290)
Profit before tax	5,570	18,896	6,701	26,263
Income tax	(1,462)	(2,162)	(1,071)	(3,306)
Net profit	4,108	16,734	5,630	22,957

Net profit (annualised)	34,890	18,713
Average weighted ordinary shares	412,690,582	420,000,000
Profit per ordinary share (in PLN)	0.08	0.04
Average weighted diluted ordinary shares	412,690,582	420,000,000
Diluted earnings per ordinary share (in PLN)	0.08	0.04

STATEMENT OF CHANGES IN EQUITY (THOUSAND PLN)	SHARE CAPITAL	SUPPLEMENTAR Y CAPITAL	TREASURY SHARES	UNDISTRIBUTED PROFIT (LOSS) BROUGHT FORWARD	PROFIT (LOSS) NET	TOTAL EQUITY
For 3 quarters (current year) period from 01.01.2013 to 30.09.2013						
Opening balance	21,000	567,091		41,113	-	629,204
Changes in the period:						
Treasury shares			(33,696)			(33,696)
Distribution of profit from previous years	-	41,113		(41,113)	-	-
Net profit (loss) for the period					16,734	16,734
Total changes	-	41,113	(33,696)	(41,113)	16,734	(16,962)
Closing balance	21,000	608,204	(33,696)	-	16,734	612,242
For 4 quarters (previous year) period from 01.01.2012 to 31.12.2012						
Opening balance, after reconciliation with comparative data	21,000	550,574		16,517	-	588,091
Changes in the period:						
Distribution of profit 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
Closing balance	21,000	567,091	-	-	41,113	629,204
For 3 quarters (previous year) period from 01.01.2012 to 30.09.2012						
Opening balance	21,000	550,574		16,517	-	588,091
Changes in the period:						
Distribution of profit from previous years	-	16,517		(16,517)	-	-
Net profit (loss) for the period					22,957	22,957
Total changes	-	16,517		(16,517)	22,957	22,957
Closing balance	21,000	567,091	-	-	22,957	611,048

STATEMENT OF CASH FLOWS (IN THOUSAND PLN)	Q3 PERIOD FROM 01.07.2013 TO 30.09.2013	Q3 PERIOD FROM 01.07.2012 TO 30.09.2012
A. Net operating cash flows - indirect method		
I. Profit before tax	18,896	26,263
II. Adjustments:	15,315	(14,784)
1. Depreciation/amortisation	2,780	3,033
2. Gains (losses) from foreign exchange differences	-	-
3. Interest and profit sharing (dividend)	12,605	(17,616)
4. (Profit) loss on revaluation of assets and liabilities	(70)	(201)
III. Changes in working capital	38,236	59,038
1. Change in provisions	233	(2,273)
2. Change in inventory	30,446	15,806
3. Change in receivables	30,792	88,382
4. Change in current liabilities, except for loans and borrowings	(23,235)	(42,877)
5. Other adjustments	-	-
IV. Net cash generated from operating activities (I+/-II +/- III)	72,447	70,517
V. Income tax paid	(4,401)	(3,578)
VI. Net cash flows from operating activities (IV+/-V)	68,046	66,939
B. Cash flows from investment activities		
I. Inflows	546,997	96,305
1. Disposal of intangible assets as well as property, plant and equipment	60	188
2. Disposal of investments in property	-	-
3. From financial assets	546,937	96,117
4. Other investment inflows	-	-
II. Expenses	(380,247)	(196,313)
1. Purchase of intangible assets as well as property, plant and equipment	(14,705)	(2,821)
2. Investments in property	-	159
3. On financial assets	(365,455)	(193,338)
4. Other investment expenses	(87)	(313)
III. Net cash flows from investment activities (I-II)	166,750	(100,008)

STATEMENT OF CASH FLOWS (IN THOUSAND PLN)

Q3
PERIOD
FROM 01.07.2013
TO 30.09.2013Q3
PERIOD
FROM 01.07.2012
TO 30.09.2012**C. Cash flows from financial activities**

I. Inflows	317,913	400,278
1. Net inflows from the issue of shares and other equity instruments and contributions to equity	-	-
2. Loans and borrowings	5,558	42,340
3. Issue of debt securities	312,355	357,938
4. Other financial inflows	-	-
II. Expenses	(473,081)	(441,856)
1. Purchase of treasury shares	(33,696)	-
2. Dividends and other payments to shareholders	-	-
3. Outflows under profit distribution other than payments to shareholders	-	-
4. Repayment of loans and borrowings	(74,494)	(32,774)
5. Redemption of debt securities	(320,000)	(360,000)
6. Interest	(44,891)	(49,082)
III. Net cash flows from financial activities (I-II)	(155,168)	(41,578)
D. Total net cash flows (A.VI+/-B.III+/-C.III)	79,628	(74,647)
E. Change of cash from the financial position, of which:	79,628	(74,647)
- change in cash from foreign exchange differences	-	-
F. Opening balance of cash and cash equivalents	3,017	86,386
G. Closing balance of cash and cash equivalents (F+/-D)	82,645	11,739
- restricted cash	41	-

Kielce, 14 November 2013

Company representatives:

President of the Management Board

Vice-President of the Management Board

Vice-President of the Management Board

Person responsible for bookkeeping:

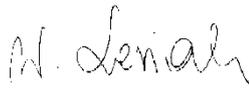
Chief Accountant



Piotr Gromniak



Artur Langner



Waldemar Lesiak



Tomasz Sułek



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