

„ECHO INVESTMENT” S.A. CAPITAL GROUP
address: 25-528 Kielce, ul. Zagnańska 27

Opinion and Report
on audit of the consolidated financial statement
prepared according to the International Accounting Standards
for the period from January 01, 2006 to December 31, 2006

Opinion of Independent Chartered Accountant

for the Shareholders and the Supervisory Board of Echo Investment S.A.

We have audited the enclosed consolidated financial statement of the Capital Group whereof the Dominant Company is Echo Investment S.A., having its registered seat in Kielce, 27 Zagnańska Street. The said statement is composed of:

- introduction to the consolidated financial statement;
- consolidated balance sheet prepared as on December 31, 2006, where the balance amount of assets and liabilities is **2,739,514 thousand** zlotys,
- consolidated profit and loss account for the period from January 1, 2006 to December 31, 2006, showing net profit amounting to **279,071 thousand** zlotys,
- statement of changes in consolidated equity for the period from January 1, 2006 to December 31, 2006, showing an increase in equity by **270,579 thousand** zlotys,
- consolidated cash flow statement for the period from January 1, 2006 to December 31, 2006, showing a cash increase by an amount of **63,658 thousand** zlotys,
- additional information and explanations.

The report has been prepared according to the full accounting method.

The Management Board of the Echo Investment SA. is responsible for preparation of this consolidated financial statement.

Our task was to audit and assess the reliability, correctness and clarity of this financial statement.

We have audited the consolidated statement pursuant to the provisions of:

- 1) chapter 7 of the Act of September 29, 1994, on Accounting (Journal of Laws No. 76, item 694 of 2002, as amended),
- 2) Chartered accountants' code of practice, issued by the National Board of Expert Auditors in Poland.

We have planned and executed the audit of the consolidated statement so that to achieve reasonable certainty allowing for expressing an opinion of the statement.

The audit particularly included verification of correctness of accounting principles applied by affiliated companies, primarily through random verification, and the basis of values and information contained in the consolidated statement, as well as global evaluation of the consolidated statement.

In our opinion, the audit has provided sufficient grounds for the expression of a reliable opinion.

In our opinion, the audited consolidated statement, covering quantitative data and verbal explanations:

- fairly and clearly presents all information significant for assessment of the material and financial condition of the audited capital group as on December 31, 2006, as well as its financial result for the financial year from January 1, 2006 to December 31, 2006,
- has been prepared in all substantial aspects in compliance with the accounting principles according to the International Accounting Standards, the International Financial Reporting Standards and related interpretations published as regulations of the European Commission and, with respect to issues not regulated by the said Standards, in accordance with the requirements of the Accounting Act and secondary provisions issued on its basis,
- complies with the laws binding upon the capital group to the extent to which these laws affect the contents of the consolidated statement.

The statement of the capital group's activity is complete within the meaning of Article 49 clauses 2 of the Accounting Act. The information contained therein is based on and compliant with the audited consolidated statement.

Katowice, April 27, 2007

BDO Numerica Spółka z o.o. [BDO Numerica Limited Liability Company]

address: ul. Postępu 12

02-676 Warszawa

Registration number 523

Katowice Branch

address: al. Korfantego 2

40-004 Katowice

**Chartered accountants involved in audit
o.o.**

Grażyna Maślanka

Chartered Accountant

registry no. 9375/7031

Acting on behalf of BDO Numerica Sp. z

Leszek Kramarczuk

Member of the Management Board

Chartered Accountant

registry no. 1920/289

Piotr Bałaban

Chartered Accountant

registry no. 10789/7853

„ECHO INVESTMENT” S.A. CAPITAL GROUP
25-528 Kielce, ul. Zagnańska 27

Complementary report to the Opinion
on audit of the consolidated financial statement
prepared according to the International Accounting Standards
for the period from January 1, 2006 to December 31, 2006

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<i>Annex 1: Information about companies incorporated in the Capital Group</i>	<i>Błąd! Nie zdefiniowano zakładki.</i>

I. GENERAL PART OF REPORT

1. Identification data of the dominant company

1.1 Name and legal form

Echo Investment Spółka Akcyjna [Echo Investment Joint Stock Company]

1.2 Registered address of the Company

25-528 Kielce, ul. Zagnańska 27.

1.3 Objects of activity

According to the Company Articles and entry to the registry, the main objects of the Company's activity particularly include:

- erection of complete buildings and structures or parts thereof, civil engineering,
- preparation of land for construction,
- engineering installations and finishing works,
- maintenance of own property,
- letting of own property,
- contracted maintenance of property,
- legal, financial and accounting, consulting, holding management activity.

During the audited period, the Company operated in accordance with the Company Articles and the content of entry in the registry of entrepreneurs, focusing on builder's and developer's activity in the field of building apartments, shopping and entertainment centers, hotels and offices, lease of areas and advisory services for affiliated companies.

1.4 Basis of activity

Echo Investment S.A. acts on the basis of:

- company Articles prepared as a notarial deed Repertory A 4162/94 as of June 30, 1994, as amended, C
- the Polish Code of Commercial Partnerships and Companies, t

1.5 Registration at the Economic Court

On April 10, 2001 the Company was entered into the National Court Register at the District Court in Kielce, 10th Economic Department, with National Court Register number KRS 0000007025.

Previously the Company was registered in the commercial registry with number RHB 2054.

1.6 Registration with the Tax Office and the Provincial Statistical Office

NIP [Tax Identification Number] 657-023-09-12
REGON [Company statistical number]: 290463755

1.7 Equity and changes in equity of the capital group during the reporting period

During the audited period, the capital group's total equity increased by PLN 270,579 thousand, which comprised an increase in the dominant company's equity by PLN 278,140 thousand and a decrease in minority capitals of PLN 7,561 thousand.

As at the beginning of the audited period, the value of the Company's share capital was PLN 21,000 and was divided into 10,500 shares with nominal value of PLN 2.00 each. During the audited period, the value of share capital did not change, but the shares were split in one to four proportion and as a consequence the nominal value of the Company's shares dropped to 50 grosz.

The shares were split on the basis of resolution no. 19 of the Ordinary General Meeting of Shareholders of May 30, 2006.

Changes effected by the aforementioned resolution have been reflected in the Company Articles and recorded in the National Court Register.

As on December 31, 2006, the value of the Company's share capital was PLN 21,000 and was divided into 42,000 shares with nominal value of PLN 0.50 each.

As on December 31, 2006 the Company's shares were held by:

Shareholders	Number of shares	Percentage of share capital
Michał Solowow - directly	1 185 568	2,82%
Michał Solowow – indirectly through:	16 050 968	38,22%
- Magellan Pro-Equity Fund I S.A.	10 432 968	24,84%
- Columbus Pro-Equity Fund II Sp. z o.o.	3 708 000	8,83%
- Amundsen Pro-Equity Fund III Sp. z o.o.	1 130 000	2,69%
- Barcocal Investment Ltd.	780 000	1,86%
Otwarty Fundusz Emerytalny ING NN	3 669 661	8,74%
OFE PZU Złota Jesień PTE	2 790 915	6,65%
Commercial Union PTE	3 073 873	7,32%
BZ WBK AIB Asset Management S.A.	2 119 363	5,05%
Other Shareholders	13 109 652	31,21%
total	42 000 000	100%

The value of supplementary capital as at the beginning of the audited period was PLN 353,771 thousand and increased by PLN 184,548 thousand to reach PLN 538,319 thousand as a result of allocation of the dominant company's part of net profit for 2005 to supplementary capital.

The value of profit carried forward as on December 31, 2006 was PLN 357,790 thousand and increased by PLN 9,872 thousand during the audited period, i.e. the part of profit for 2005 that was not included in supplementary capital.

The dominant company's net profit for the audited period equaled PLN 278,132 thousand.

Minority capital during the audited period decreased by PLN 7,561 thousand, comprising present year's profit allocated to minority in the amount of PLN 939 thousand and a decrease of PLN 8,500 thousand, resulting from change in minority shares due to payment of dividend for 2005 in a partially owned subsidiary.

1.8 The Supervisory Board and the Management Board of the Company

During the reporting period, the Management Board of Echo Investment S.A. was composed of:

- Andrzej Majcher- President of the Management Board
- Jarosław Grodzki Vice-President of the Management Board
- Piotr Gromniak - Member of the Management Board
- Artur Langner - Member of the Management Board

On March 26, 2007 Mr. Andrzej Majcher resigned from his function. The Supervisory Board appointed Mr. Jarosław Grodzki in place of the former President of the Management Board and temporarily delegated Mr. Mariusz Waniółka to act as Vice-President of the Management Board.

As a result of these changes, the Management Board of the Company was composed of the following persons as at the end of audit of the financial statement:

- Jarosław Grodzki- President of the Management Board
- Mariusz Waniółka- Member of the Management Board
- Piotr Gromniak - Member of the Management Board
- Artur Langner - Member of the Management Board

During the reporting period, there was a change in the composition of the Supervisory Board of the Company as a result of resignation from the function of Members of the Supervisory Board, declared on May 30, 2006 by Mr. Artur Kłoczko and Mr. Mariusz Gromek.

Mr. Tomasz Kalwat and Mr. Kamil Latos were appointed on May 30, 2006 to replace the former members of the Supervisory Board.

As a result of these changes, the Supervisory Board of the Company was composed of the following persons as at the end of audit of the financial statement:

- Wojciech Ciesielski- Chairman of the Supervisory Board
- Mariusz Waniółka- Deputy Chairman of the Supervisory Board
- Robert Oskard - Member of the Supervisory Board:
- Karol Żbikowski - Member of the Supervisory Board:
- Tomasz Kalwat - Member of the Supervisory Board:
- Kamil Latos - Member of the Supervisory Board:

1.9 Employment

As on December 31, 2006, the dominant company was hiring 157 employees and the capital group was hiring 286 persons.

2. Information about Group Companies

2.1. Information about the companies incorporated in the Capital Group

The data concerning Capital Group companies is presented in Annex 1 to this report.

On January 25, 2007 the District Court in Kielce registered a merger of Echo Investment – Centrum Handlowe Piotrków Trybunalski Sp. z o.o. [Echo Investment – Piotrków Trybunalski Shopping Center Limited Liability Company] with the following companies: Echo Investment – Centrum Handlowe Pabianice Sp. z o.o. [Echo Investment – Pabianice Shopping Center Limited Liability Company] and Echo Investment – Centrum Handlowe Radom Sp. z o.o. [Echo Investment – Radom Shopping Center Limited Liability Company]. The merger took place through transfer of all of the merged companies’ assets to Echo Investment – Centrum Handlowe Piotrków Trybunalski Sp. z o.o. [Echo Investment - Piotrków Trybunalski Shopping Center Limited Liability Company].

On February 26, 2007 the District Court in Kielce registered a merger of Echo Investment – Centrum Handlowe Świętochłowice Sp. z o.o. [Echo Investment – Świętochłowice Shopping Center Limited Liability Company] with the following Companies:

- Echo Investment - Centrum Handlowe Olkusz Sp. z o.o. [Echo Investment – Olkusz Shopping Center Limited Liability Company]
- Echo Investment - Centrum Handlowe Piła Sp. z o.o. [Echo Investment – Piła Shopping Center Limited Liability Company]
- Echo Investment - Centrum Handlowe Siemianowice Śląskie Sp. z o.o. [Echo Investment – Siemianowice Śląskie Shopping Center Limited Liability Company]
- Echo Investment - Centrum Handlowe Tczew Sp. z o.o. [Echo Investment – Tczew Shopping Center Limited Liability Company]
- Echo Investment - Centrum Handlowe Zamość Sp. z o.o. [Echo Investment – Zamość Shopping Center Limited Liability Company]

The merger took place through transfer of all assets of the merged Companies to Echo Investment – Centrum Handlowe Świętochłowice Sp. z o.o. [Echo Investment - Świętochłowice Shopping Center Limited Liability Company].

The aforementioned mergers shall not affect the value of the Capital Group’s net assets.

Statement of balance totals and net profits/losses of companies preparing the financial statements audited by certified organizations (in thousands PLN):

1) by BDO Numerica Sp. z o.o.:

Company	Balance total	Net profit/loss	Type of audit opinion
– Echo Investment S.A. [Echo Investment Joint Stock Company]	1 041 055	80 754	no objection
– Echo - Galaxy Sp. z o.o. [Echo – Galaxy Limited Liability Company]	551 049	127 428	no objection
– KCHR Sp. z o.o. [KCHR Limited Liability Company]	195 255	22 099	no objection
– WAN 11 Sp. z o.o. [WAN 11 Limited Liability Company]	151 396	1 881	no objection
– Athina Park Sp. z o.o. [Athina Park Limited Liability Company]	117 973	6 651	no objection
– Echo - Centrum Biznesu Łódź Sp. z o.o. [Echo – Business Center Łódź Limited Liability Company]	41 605	6 449	no objection

Company]			
	2 098 333	245 262	

2) by Bilans – Service Sp. z o.o.:

Company	Balance total	Net profit/loss	Type of audit opinion
– Echo Investment - Centrum Handlowe Piotrków Tryb. Sp. z o.o. [Echo Investment – Piotrków Tryb. Shopping Center Limited Liability Company]	108 988	7 196	no objection
– Echo Investment - Centrum Handlowe Pabianice Sp. z o.o. [Echo Investment – Pabianice Shopping Center Limited Liability Company]	85 611	5 826	no objection
– Echo Investment - Centrum Handlowe Tarnów Sp. z o.o. [Echo Investment – Tarnów Shopping Center Limited Liability Company]	94 834	12 355	no objection
– PHS Szczecin S.A. [PHS Szczecin Joint Stock Company]	28 516	4 978	no objection
– Projekt Naramowice Sp. z o.o. [Project Naramowice Limited Liability Company]	53 216	3 035	no objection
– Echo – Pasaż Grunwaldzki Sp. z o.o. [Echo – Grunwaldzki Arcade Limited Liability Company]	53	(2)	no objection
– Echo- Pasaż Grunwaldzki SK [Echo – Grunwaldzki Arcade Limited Partnership]	275 389	3 100	no objection
	646 607	36 488	

Total audited	2 744 940	281 750
Total not audited	625 864	46 910
Grand total	3 370 804	328 660
% of all companies that have been audited	81,4	85,7
% of all companies that have not been audited	18,6	14,3

2.2. Companies excluded from consolidation

Wydawcy Prasy Spółka z o.o. [Press Editors Limited Liability Company] of Warsaw, which is associated with Echo Investment S.A., was excluded from consolidation due to missing financial data.

3. Identification data of the audited consolidated financial statement

The audit concerned the consolidated financial statement of “Echo Investment” S.A. prepared in accordance with the International Accounting Standards for the period from January 1, 2006 to December 31, 2006, including:

- introduction to the consolidated financial statement;
 - consolidated balance sheet prepared as on December 31, 2006, where the balance amount of assets and liabilities is 2,739,514 thousand zlotys,
 - consolidated profit and loss account for the period from January 1, 2006 to December 31, 2006, showing net profit amounting to 279,071 thousand zlotys,
 - statement of changes in consolidated equity for the period from January 1, 2006 to December 31, 2006, showing an increase in equity by 270,579 thousand zlotys,
 - consolidated cash flow statement for the period from January 1, 2006 to December 31, 2006, showing a cash increase by an amount of 63,658 thousand zlotys,
 - additional information and explanations,
- and a report on the activities of the capital group.

The consolidated financial statement covers the individual financial statements of companies enumerated in Annex 1 to this report.

4. Identification data of the certified company and chartered accountant carrying out the audit

Audit of the consolidated financial statement was carried out by BDO Numerica Sp. z o.o. (formerly BDO Polska Sp. z o.o.) with its registered seat in Warsaw, listed as a company certified to audit financial statements by the National Board of Chartered Accountants with number 523, pursuant to the selection made by the Supervisory Board of the dominant company and to the provisions of the audit agreement made with the certified body on August 2, 2005. The certified company was represented in execution of that agreement by chartered accountants: Grażyna Maślanka (registration number 9375/7031) and Piotr Bałaban (registration number 10789/7853).

The audit was carried out at the Company’s registered office during the period from April 17, 2007 to April 20, 2007.

We hereby declare that BDO Numerica Sp. z o.o. as the certified company and the chartered accountants involved in the audit of the aforementioned statement comply with preconditions for

expressing an impartial and independent opinion on the audited statement, pursuant to Article 66 clauses 1 and 2 of the Accounting Act.

During audit, the dominant company made all required data available to the Chartered Accountant and provided all explanations necessary for carrying out the audit. The company further communicated all the significant events after the balance day, before the date of filing the statement.

5. Information about the consolidated financial statement for the preceding year

The consolidated statement for 2005 covered the period from January 1, 2005 to December 31, 2005.

The consolidated statement for 2005 was audited by BDO Numerica Sp. z o.o. (formerly BDO Polska Sp. z o.o.) of Warsaw, Katowice Branch, and the issued opinion was without objections.

The Company's consolidated financial statement for the period from January 1, 2005 to December 31, 2005 was approved through Resolution no. 4 of the General Meeting of Shareholders as of May 30, 2006.

The financial statement for the year 2005 was published in Monitor Polski "B" no. 223 as of February 07, 2007.

6. Events following the balance date

Events following the balance date are presented in the additional information. These events have no impact on the audited consolidated financial statement.

II. ANALYSIS OF THE CAPITAL GROUP'S FINANCIAL STANDING

Selected values from the consolidated balance sheet and profit and loss account are presented below:

2. Consolidated balance sheet

(in thousands PLN)						
ASSETS	31.12.06	% of balance total	31.12.05	% of balance total	31.12.04	% of balance total
Fixed assets	2.154.508	78,6	1.678.924	78,1	1.561.867	82,7
Intangible assets	91	-	85	-	66	-
			-	-	(571)	
Goodwill of subsidiaries	32.687	1,2				-
Tangible assets	411.699	15,0	245.081	11,4	214.148	11,4
Fixed assets	53.274	1,9	65.763	3,1	61.668	3,3
Fixed assets under construction	358.425	13,1	179.318	8,3	152.480	8,1
Long-term receivables	5	-	-	-	-	-
Investment immovable property	1.670.296	61,0	1.400.398	65,2	1.306.300	69,1
Long-term financial investments	21.671	0,8	17.747	0,8	21.086	1,1
Deferred income tax assets	18.059	0,6	15.613	0,7	20.838	1,1
Current assets	585.006	21,4	470.776	21,9	327.462	17,3
Inventories	208.075	7,6	170.595	7,9	218.524	11,6
Tax receivables	48.274	1,8	35.184	1,6	16.240	0,8
Short-term receivables	29.221	1,1	13.794	0,6	13.784	0,7
Short-term financial investments	613	-	7.889	0,4	1.455	0,1
Short-term accruals	1.032	-	831	0,1	3.849	0,2
Cash and cash equivalents	297.791	10,9	242.483	11,3	73.610	3,9
ASSETS TOTAL	2.739.514	100,0	2.149.700	100,0	1.889.329	100,0
LIABILITIES						
Equity	1.205.827	44,0	935.248	43,5	723.650	38,3
Equity capital allocated to shareholders of the dominant company	1.195.243	43,6	917.103	42,7	722.119	38,2
Initial capital	21.000	0,8	21.000	1,0	21.000	1,1
Supplementary capital	538.319	19,7	353.771	16,5	319.084	16,9
Profit/loss carried forward	357.790	13,1	347.918	16,2	355.636	18,8
Net profit (loss) of the accounting year	278.132	10,1	194.414	9,0	26.399	1,4
Foreign exchange gains/losses arising from conversion	2	-	-	-	-	-
Minority capitals	10.584	0,4	18.145	0,8	1.531	0,1
Reserves	210.821	7,7	156.769	7,3	154.548	8,2
Reserve for deferred income tax	178.766	6,5	125.972	5,9	112.887	6,0
Other reserves	32.055	1,2	30.797	1,4	41.661	2,2
Long-term liabilities	943.766	34,5	714.265	33,2	746.793	39,5
Financial liabilities	902.909	33,0	685.010	31,9	689.906	36,5
Other liabilities	40.857	1,5	29.255	1,3	56.887	3,0
Short-term liabilities	379.100	13,8	343.418	16,0	264.338	14,0
Financial liabilities	158.061	5,8	152.992	7,1	177.763	9,4
Liabilities on account of deliveries and services	88.333	3,2	57.499	2,7	40.252	2,2
Liabilities on account of taxes	8.838	0,3	27.878	1,3	4.232	0,2
Other liabilities	123.868	4,5	105.049	4,9	42.091	2,2
LIABILITIES TOTAL	2.739.514	100,0	2.149.700	100,0	1.889.329	100,0

The balance total of Echo Investment S.A. Capital Group for 2006 increased by 27.4% as compared to the previous year.

Fixed assets grew by 28.3%, where the growth was highest in comparison to 2005 with respect to investment property (by 19.3%) and tangible assets (by 68.0%). Current assets increased by 24.3%, mainly due to an increase in inventories by 22.05% and increase in cash and cash equivalent by 22.8% more than in 2005.

The increase in fixed assets, amounting to PLN 475,583 thousand mainly resulted from:

- disclosure of goodwill in respect of acquiring shares in a Subsidiary in the amount of PLN 32,687 thousand,
- increase in the value of fixed assets under construction, which are primarily effected by growth of expenditure incurred on the Pasaż Grunwaldzki shopping center in progress (in the amount of PLN 131,451 thousand) and acquisition of immovable property in Poznań for future investments (in the amount of PLN 40,387 thousand),
- PLN 269,896 thousand increase in the value of investment property, primarily consisting in fair valuation of own shopping centers and acceptances of new centers after completion.

Percentages of fixed assets and current assets remained similar to the previous year, giving 78.6% for fixed assets and 21.4% for current assets. The share of tangible assets in fixed assets rose from 11.4% to 15.0%, whereby the share of investment property dropped from 65.2% to 61.0%. As compared to 2005, the structure of current assets did not undergo any significant changes.

Total equity increased by 28.9%, mainly on account of profit earned for the present year. Changes to individual capitals are primarily due to profit distribution for the preceding year. Detailed description of changes within individual capitals is contained in sub-clause 1.7 of this report.

Reserves grew by 34.5%, largely as a result of the increase of reserve for deferred income tax in relation to growth of fair value of own investment property.

Long-term debt grew by 32.1% and short-term debt increased by 10.4%. Growth in long-term debt was mainly concerned with financial liabilities on account of loans and debt securities. The increase in short-term liabilities was mainly related to the increase in the balance of financial liabilities and liabilities on account of deliveries and services.

The share of equity in the Capital Group's liabilities remained on a similar level, i.e. 44.0% as compared to 43.5% in the preceding year. Within equity, the share of supplementary capital grew from 16.5% to 19.7% and the share of unallocated profit from previous years decreased from 16.2% to 13.1%.

During the audited year, the share of long-term debt in the balance total grew from 33.2% to 34.5%, with a simultaneous drop of the share of short-term debt (from 16.0% to 13.8%).

Fixed assets are financed with regular capital in 100%. In addition, regular capital finances nearly 30% of the Capital Group's current assets.

3. Consolidated profit and loss account

(in thousands PLN)

Specification	2006	2005	2004	Dynamics 2006/2005 (%)
Operating income	333.249	257.939	332.114	129,2
Operating costs	(144.163)	(108.098)	(157.979)	133,4

Gross profit from sales	189.086	149.841	174.135	126,2
Profit on sales of real property	8.919	63.672	-	14,0
Revaluation of immovable property	238.449	101.347	(130.433)	235,3
Costs of sales	(9.736)	(8.459)	(8.008)	115,1
Overheads	(43.694)	(28.847)	(30.968)	151,1
Other operating income and costs	(1.999)	14.438	(28.827)	-
Profit before tax and financial income/costs	381.025	291.992	(24.101)	130,5
Financial income	14.773	8.169	8.227	169,3
Financial costs	(64.860)	(43.038)	(52.417)	148,5
Foreign exchange gains	15.134	16.058	103.557	94,2
Revaluation of goodwill of subsidiaries	(18)	(6.375)	(910)	0,3
Shares in profits of associated companies	(1)	-	(2)	-
Gross profit (loss)	346.053	266.806	34.354	129,7
Corporate income tax	(66.982)	(55.774)	(7.951)	120,1
a) current portion	(16.636)	(37.467)	(12.986)	44,4
b) deferred portion	(50.346)	(18.307)	5.035	275,0
Net profit (loss), including:	279.071	211.032	26.403	132,2
Profit (loss) allocated to shareholders of the dominant company	278.132	194.414	26.399	143,1
Gross minority profit (loss)	939	16.618	4	5,7

In 2006, the Capital Group earned net profit of PLN 279,071 thousand, is an increase by 32,2% as compared to the preceding year.

The audited year was characterized by an increase in incomes from sales and in costs of operating activity, to grew by 29.2% and 33.4%, respectively. The incomes earned and costs incurred occasioned an increase of gross profit from sales by 26.3%.

The Capital Group recorded a profit from sales of immovable property that was 86.0% lower than that of 2006, but the positive result of increase of real estate fair value was 135.3% higher than in the preceding year.

The costs of sales remained on a similar level as in 2005. Overheads grew by 51.1%. The Capital Group rendered a loss on other operating incomes and costs, which equaled PLN 1,998 thousand, where in the preceding year there was a profit of PLN 14,438 thousand. The aforementioned factors contributed to a profit from operating activity of PLN 381,025 thousand, showing 30.5% growth as compared to 2005.

Foreign exchange gains were similar, to equal PLN 15,134 thousand. Both other financial incomes and other financial costs grew by 69.3% and 48.5%, respectively. The value of gross profit was PLN 346,053 thousand, i.e. 29.7% more than in 2005. Income tax with timing differences between the balance sheet value of assets and liabilities as presented in the report and the tax value of these assets and liabilities for 2006 equaled PLN 66,982 thousand and increased by 20.1% as compared to the preceding year. Effective income tax rate in 2006 was 19%.

68.9% of the PLN 346,053 thousand of gross profit was earned through the increase of fair value of investment property.

4. Basic financial indicators

Indicator	Economic content	31.12.2006	31.12.2005	31.12.2004
Balance total	Capital Group's property	2.739.514	2.149.700	1.889.329
Net profit/loss		279.071	211.032	26.403
Return on assets (%)	net financial result / average annual balance of assets	11,4%	10,4%	1,6%
Return on equity (%)	net financial result / average annual balance of equity	26,1%	25,4%	5,0%

Net sales profit to earnings ratio (%)	net financial result / income from sales of products, goods and materials	83,7%	81,8%	7,9%
Gross profit margin (%)	gross profit from sales of products, goods and materials / income from sales of products, goods and materials	56,7%	58,1%	52,4%
Receivables turnover ratio in days	average annual balance of all receivables on account of deliveries and services x 365 / income from sales of products, goods and materials	10	19	22
Debt repayment level in days	average annual balance of all liabilities on account of deliveries and services x 365 / value of sold commodities and materials + production costs of sold products	185	165	122
Stocks turnover ratio in days	average annual balance of inventories x 365 / value of sold commodities and materials + production costs of sold products	479	657	448
Fixed assets coverage with equity and long-term reserves ratio	equity + long-term reserves ¹ / fixed assets total	0,6	0,6	0,5
Financing structure permanence	equity + long-term reserves ¹ + long-term debt ¹ / total assets	0,9	0,8	0,8
Liquidity ratio I	operating assets total ³ / short-term liabilities	1,6	1,4	1,2
Liquidity ratio II	current assets total ³ - inventories / short-term liabilities ³	0,9	0,9	0,4
Short-term debt coverage with short-term receivables ratio	(short-term receivables / short-term debt + special funds)	0,2	0,1	0,1
Net assets allocated to the dominant company in PLN per 1 share	Dominant company's equity / number of shares	28,46	21,84	17,19
Net profit allocated to the dominant company in PLN per 1 share	Dominant company's net profit / number of shares	6,62	4,62	0,63

¹ exclusive of other reserves

² including liabilities for deliveries and services beyond 12 months

³ exclusive of receivables for deliveries and services beyond 12 months

⁴ exclusive of liabilities for deliveries and services beyond 12 months

In 2006, the return ratios remained on a similarly high level as compared to the preceding year. Only gross return on sales decreased from 58.1% to 56.1% during the audited year. The values of the aforementioned indicators were mostly affected by positive result on other operating activity and profit from real estate valuation.

Liquidity ratio I reached 1.4 from 1.2 in 2005, where the recommended value should range from 1.2 to 2.0. Liquidity ratio II remained unchanged (0.9), slightly below the recommended range (1-1.3). The liquidity ratios do not indicate any possibility of liquidity problems.

Receivables receipt cycle was established as 10 days, i.e. 9 days shorter than in the previous year. Debt repayment cycle extended from 165 to 185 days.

Stocks repayment cycle became shorter, from 657 to 479 days, indicating shortened contracts performance cycle of the dominant company.

Regular capital finances ca. 90% of the company's total assets. Short-term receivables cover 20% of the group's short-term debt.

Neither the results achieved nor the general financial condition of the Capital Group indicate any threat to continuation of the present range of operations.

III. DETAILED PART OF REPORT

1. Financial statements consolidation methods applied

1.1 Major principles of consolidating the capital group’s financial statement, determination of incomes, costs and individual assets values

The consolidated financial statement of “Echo Investment” S.A. Capital Group was prepared on the basis of financial statements prepared by Capital Group companies, expressed as though the group was a single organization.

The dominant company prepares its statement according to the International Accounting Standards, some of the subsidiaries prepare their statements according to the International Accounting Standards, and some other subsidiaries prepare the statements according to the Polish Accounting Standards. The statements of Subsidiaries prepared according to the Polish Accounting Standards were transformed for the purpose of preparing a consolidated statement, according to the International Accounting Standards.

The accounting principles applied by the capital group account for the character of activity and are applied on a continuous basis.

Relevant exclusions were made in the course of consolidation concerning mutual receivables and debts, incomes and costs related to operations between consolidated companies, profits and loss on operations between consolidated companies, contained in the values of consolidated assets and liabilities.

Further exclusions applied to the value of shares held by the dominant company in capitals of subsidiaries.

Minority shareholders’ capital was calculated correctly, in proportion to their respective shares held.

1.2. Consolidation records

The dominant company has prepared consolidation documents compliant with the requirements of the Regulation of the Minister of Finance as of December 12, 2001 on specific principles of preparing a financial statement of affiliated companies by organizations other than banks and insurance companies, including:

- financial statements of capital group companies, prepared for consolidation purposes and considering internal Group transactions,
- consolidation adjustments, covering all adjustments and exclusions in consolidated financial statements,
- data containing book value of shares,
- calculation of minority capitals;

2. Introduction to the consolidated financial statement, additional information and explanations

The dominant company has prepared additional information, covering the introduction to the financial report and additional information and explanations.

Numerical data contained in the said information is according to individual financial statements of consolidated companies and in compliance with the audited financial statement.

3. Statement of changes in consolidated equity

The statement of changes in consolidated equity of the capital group properly presents the increase of equity in the amount of PLN 270,579 thousand during the audited period. It was executed correctly and has a proper correlation with the consolidated balance sheet and the consolidated profit and loss account.

4. Consolidated cash flow statement

The consolidated cash flow statement was prepared through:

- totaling relevant positions of cash flow statements of subsidiaries covered by the consolidated financial statement,
- executing consolidation adjustments consisting in exclusion of cash flows between companies covered by the consolidated financial statement.

5. Management Report on the activities of the capital group

Pursuant to the requirements of Article 49 of the Act, the Management Board of the dominant company prepared a report on global operations of Echo Investment Capital Group in 2006.

The information contained therein is compliant with information contained in the audited consolidated financial statement for 2006.

6. Statement of the dominant organization’s management

The Management Board of Echo Investment S.A. filed a written statement on complete disclosure of data in the books of accounts, presentation of all contingent liabilities and non-existence of any significant events after the balance date, except for those mentioned in the report on activities.

Katowice, April 27, 2007

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Katowice Branch
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Chartered accountants involved in audit
Grażyna Maślanka
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Acting on behalf of BDO Numerica Sp. z o.o.
Leszek Kramarczuk
Member of the Management Board
Chartered Accountant
registry no. 1920/289

Piotr Bałaban
Chartered Accountant
registry no. 10789/7853

Annex 1: Information about companies incorporated in the Capital Group

Item	Name (company name) of the company, specifying the legal status	Registered office address	Type of capital relationship of the company	Applied method of consolidation	Percentage of owned initial / share capital	Period covered by the statement	Balance total (in thousands PLN)	Profit/loss (in thousands PLN)	Operating incomes before exclusion (in thousands PLN)	Entity entitled to audit	Audit opinion
1	“Echo Investment S.A.” [Echo Investment Joint Stock Company]	Kielce	dominant	full		01.01.2006-31.12.2006	1 041 055	80 754	259 237	BDO Numerica Sp. z o.o.	no objection
2	"Athina Park" Sp. z o.o. ['Athina Park' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	117 973	6 652	15 649	BDO Numerica Sp. z o.o.	no objection
3	“Echo – Centrum Gdynia” Sp. z o.o. ['Echo – Gdynia Center' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	3 652	(525)	(4)	No audit obligation	-
4	"Echo ACC" Sp. z o.o. ['Echo ACC' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	1 938	193	3 199	No audit obligation	-
5	“Echo Bau” Sp. z o.o. ['Echo Bau' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	54	-	-	No audit obligation	-
6	“Echo – Centrum Poznań” Sp. z o.o. ['Echo – Poznań Center' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48 599	(28)	8	No audit obligation	-
7	“Echo Centrum Ślchowice” Sp. z o.o. ['Echo Ślchowice Center' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	2 903	103	-	No audit obligation	-
8	"Echo Investment - Centrum Bankowości i Finansów Łódź" Sp. z o.o. ['Echo Investment – Łódź Banking and Finance Center' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	37 091	8 739	5 577	No audit obligation	-
9	"Echo Investment - Centrum Biznesu Łódź" Sp. z o.o. ['Echo Investment – Łódź Business Center' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	41 605	6 450	5 499	BDO Numerica Sp. z o.o.	no objection
10	"Echo Investment - Centrum Handlowe Bełchatów" Sp. z o.o. ['Echo Investment – Bełchatów Shopping Center' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	36 178	2 838	5 325	No audit obligation	-
11	"Echo Investment - Centrum Handlowe Jelenia Góra" Sp. z o.o. ['Echo Investment – Jelenia Góra Shopping Center' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	86 144	10 283	12 256	No audit obligation	-

Item	Name (company name) of the company, specifying the legal status	Registered office address	Type of capital relationship of the company	Applied method of consolidation	Percentage of owned initial / share capital	Period covered by the statement	Balance total (in thousands PLN)	Profit/loss (in thousands PLN)	Operating incomes before exclusion (in thousands PLN)	Entity entitled to audit	Audit opinion
12	"Echo Investment - Centrum Handlowe Łomża" Sp. z o.o. [‘Echo Investment - Łomża Shopping Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	7 101	12	24	No audit obligation	-
13	"Echo Investment - Centrum Handlowe Olkusz" Sp. z o.o. [‘Echo Investment – Olkusz Shopping Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	20 592	743	-	No audit obligation	-
14	"Echo Investment - Centrum Handlowe Pabianice" Sp. z o.o. [‘Echo Investment – Pabianice Shopping Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	85 611	5 825	9 372	Bilans-Servis Sp. z o.o.-	no objection
15	"Echo Investment - Centrum Handlowe Piła" Sp. z o.o. [‘Echo Investment – Piła Shopping Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	12 375	756	-	No audit obligation	-
16	"Echo Investment - Centrum Handlowe Piotrków Trybunalski" Sp. z o.o. [‘Echo Investment – Piotrków Trybunalski Shopping Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	108 988	7 196	10 859	Bilans-Servis Sp. z o.o.-	no objection
17	"Echo Investment - Centrum Handlowe Przemyśl" Sp. z o.o. [‘Echo Investment – Przemyśl Shopping Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	25 974	3 772	3 434	No audit obligation	-
18	"Echo Investment Centrum Handlowe Radom" Sp. z o.o. [‘Echo Investment Radom Shopping Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	133 192	15 877	12 045	No audit obligation	-
19	"Echo Investment - Centrum Handlowe Rzeszów" Sp. z o.o. [‘Echo Investment – Rzeszów Shopping Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	3 307	(86)	2	No audit obligation	-

Item	Name (company name) of the company, specifying the legal status	Registered office address	Type of capital relationship of the company	Applied method of consolidation	Percentage of owned initial / share capital	Period covered by the statement	Balance total (in thousands PLN)	Profit/loss (in thousands PLN)	Operating incomes before exclusion (in thousands PLN)	Entity entitled to audit	Audit opinion
20	"Echo Investment Centrum Handlowe Siemianowice" Sp. z o.o. [‘Echo Investment Siemianowice Shopping Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	15 249	974	-	No audit obligation	-
21	"Echo Investment - Centrum Handlowe Świętochłowice" Sp. z o.o. [‘Echo Investment – Świętochłowice Shopping Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	15 977	986	-	No audit obligation	-
22	"Echo Investment - Centrum Handlowe Tarnów" Sp. z o.o. [‘Echo Investment – Tarnów Shopping Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	94 834	12 355	13 178	Bilans-Servis Sp. z o.o.-	no objection
23	"Echo Investment - Centrum Handlowe Tczew" Sp. z o.o. [‘Echo Investment – Tczew Shopping Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	13 090	837	-	No audit obligation	-
24	"Echo Investment - Centrum Handlowe Zamość" Sp. z o.o. [‘Echo Investment – Zamość Shopping Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	17 238	1 260	-	No audit obligation	-
25	"Echo Investment - Centrum Handlowo – Rozrywkowe Kielce" Sp. z o.o. [‘Echo Investment – Kielce Shopping and Entertainment Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	38 292	1 044	-	No audit obligation	-
26	"Echo Investment - Centrum Handlowo – Usługowo - Rozrywkowe Gliwice" Sp. z o.o. [‘Echo Investment – Gliwice Shopping, Service and Entertainment Center’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	3 427	185	4	No audit obligation	-
27	"Echo Investment Hungary" Ingatlanhasznosító Kft.	Budapest	subsidiary	full	100,00%	01.01.2006-31.12.2006	87	(23)	-	No audit obligation	-
28	"Echo Investment Projekt 1" SRL	Bucharest	subsidiary	full	100,00%	01.01.2006-31.12.2006	207	(83)	-	No audit obligation	-

Item	Name (company name) of the company, specifying the legal status	Registered office address	Type of capital relationship of the company	Applied method of consolidation	Percentage of owned initial / share capital	Period covered by the statement	Balance total (in thousands PLN)	Profit/loss (in thousands PLN)	Operating incomes before exclusion (in thousands PLN)	Entity entitled to audit	Audit opinion
29	“Echo – Pasaż Grunwaldzki” Sp. z o.o. [‘Echo – Grunwaldzki Arcade’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	53	(3)	-	Bilans-Servis Sp. z o.o.-	no objection
30	“Echo – Pasaż Grunwaldzki Spółka z Ograniczoną Odpowiedzialnością” Sp.K. [‘Echo – Grunwaldzki Arcade Limited Liability Company’ Limited Partnership]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	275 389	3 100	482	Bilans-Servis Sp. z o.o.-	no objection
31	“Est-On Property Management” Sp. z o. o. [‘Est-On Property Management’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	1 652	(324)	7 088	No audit obligation	-
32	“Echo - Arena” Sp. z o.o. [‘Echo - Arena’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	1 155	37	-	No audit obligation	-
33	“Hotel Investment Spółka z Ograniczoną Odpowiedzialnością” Sp.k. [‘Hotel Investment Limited Liability Company’ Limited Partnership]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	30 443	1	54	No audit obligation	-
34	“Kieleckie Centrum Handlowo – Rozrywkowe Echo” Sp. z o.o. [‘Echo Shopping and Entertainment Center of Kielce’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	195 255	22 099	19 503	BDO Numerica Sp. z o.o.	no objection
35	“M.D.P.” Sp. z o.o. [‘M.D.P.’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	40 163	863	7 140	No audit obligation	-
36	“Malta Office Park” Sp. z o.o. [‘Malta Office Park’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	8 943	54	174	No audit obligation	-
37	“PHS Szczecin” S.A. [‘PHS Szczecin’ Joint Stock Company]	Szczecin	subsidiary	full	100,00%	01.01.2006-31.12.2006	28 516	4 979	7 651	Bilans-Servis Sp. z o.o.-	no objection
38	“Piomot Auto” Sp. z o.o. [‘Piomot Auto’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	156	(9)	-	No audit obligation	-
39	“Princess Boryszewska” Sp. z o.o. [‘Princess Boryszewska’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	281	(12)	-	No audit obligation	-
40	“Princess Investment” Sp. z o.o. [‘Princess Investment’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	3 384	(119)	1	No audit obligation	-

Item	Name (company name) of the company, specifying the legal status	Registered office address	Type of capital relationship of the company	Applied method of consolidation	Percentage of owned initial / share capital	Period covered by the statement	Balance total (in thousands PLN)	Profit/loss (in thousands PLN)	Operating incomes before exclusion (in thousands PLN)	Entity entitled to audit	Audit opinion
41	"Galeria Echo - Kielce" Sp. z o.o. ['Echo Arcade – Kielce' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	64	(1)	-	No audit obligation	-
42	"Projekt Echo 17" Sp. z o.o. ['Project Echo -17' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	50	(5)	-	No audit obligation	-
43	"Projekt Echo 23" Sp. z o.o. ['Project Echo -23' Limited Liability Company]	Kielce	associated	ownership rights	37,50%	01.01.2006-31.12.2006	22	(1)	-	No audit obligation	-
44	"Projekt Echo 30" Sp. z o.o. ['Project Echo -30' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	55	-	-	No audit obligation	-
45	"Echo - Galaxy" Sp. z o.o. ['Echo – Galaxy' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	399	343	-	No audit obligation	-
46	"Echo – Galaxy Spółka z ograniczoną odpowiedzialnością" Sp.K. ['Echo – Grunwaldzki Arcade Limited Liability Company' Limited Partnership]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	551 049	127 428	54 077	BDO Numerica Sp. z o.o.	no objection
47	"Projekt Echo 34" Sp. z o.o. ['Project Echo -34' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	55	-	-	No audit obligation	-
48	"Projekt Echo 37" Sp. z o.o. ['Project Echo -37' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	56	-	-	No audit obligation	-
49	"Projekt Echo 39" Sp. z o.o. ['Project Echo -39' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	54	(2)	-	No audit obligation	-
50	"Projekt Echo 41" Sp. z o.o. ['Project Echo -41' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
51	"Projekt Echo – 41 Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Szczecin - Echo Project – 41 Limited Liability Company' Limited Partnership]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	10	-	-	No audit obligation	-
52	"Projekt Echo 42" Sp. z o.o. ['Project Echo -42' Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-

Item	Name (company name) of the company, specifying the legal status	Registered office address	Type of capital relationship of the company	Applied method of consolidation	Percentage of owned initial / share capital	Period covered by the statement	Balance total (in thousands PLN)	Profit/loss (in thousands PLN)	Operating incomes before exclusion (in thousands PLN)	Entity entitled to audit	Audit opinion
53	“Projekt Echo – 42 Spółka z ograniczoną odpowiedzialnością” Sp.k. [‘Szczecin - Echo Project – 42 Limited Liability Company’ Limited Partnership]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	10	-	-	No audit obligation	-
54	“Projekt Echo 43” Sp. z o.o. [‘Project Echo -43’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
55	“Projekt Echo 44” Sp. z o.o. [‘Project Echo -44’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
56	“Projekt Echo 45” Sp. z o.o. [‘Project Echo -45’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
57	“Projekt Echo – 45 Spółka z ograniczoną odpowiedzialnością” Sp.k. [‘Szczecin - Echo Project – 45 Limited Liability Company’ Limited Partnership]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	10	-	-	No audit obligation	-
58	“Projekt Echo 46” Sp. z o.o. [‘Project Echo -46’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	50	-	-	No audit obligation	-
59	“Projekt Echo 47” Sp. z o.o. [‘Project Echo -47’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	50	-	-	No audit obligation	-
60	“Projekt Echo 48” Sp. z o.o. [‘Project Echo -48’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	50	-	-	No audit obligation	-
61	“Projekt Echo 49” Sp. z o.o. [‘Project Echo -49’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
62	“Projekt Echo 50” Sp. z o.o. [‘Project Echo -50’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
63	“Projekt Echo 51” Sp. z o.o. [‘Project Echo -51’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
64	“Projekt Echo 52” Sp. z o.o. [‘Project Echo -52’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
65	“Projekt Echo 53” Sp. z o.o. [‘Project Echo -53’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-

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66	“Projekt Echo 54” Sp. z o.o. [‘Project Echo -54’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
67	“Projekt Echo 55” Sp. z o.o. [‘Project Echo -55’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
68	“Projekt Echo 56” Sp. z o.o. [‘Project Echo -56’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
69	“Projekt Echo 57” Sp. z o.o. [‘Project Echo -57’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
70	“Projekt Echo 58” Sp. z o.o. [‘Project Echo -58’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
71	“Projekt Echo 59” Sp. z o.o. [‘Project Echo -59’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
72	“Projekt Echo 60” Sp. z o.o. [‘Project Echo -60’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
73	“Projekt Echo 61” Sp. z o.o. [‘Project Echo -61’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
74	“Projekt Echo 62” Sp. z o.o. [‘Project Echo -62’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
75	“Projekt Echo 63” Sp. z o.o. [‘Project Echo -63’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
76	“Projekt Echo 64” Sp. z o.o. [‘Project Echo -64’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
77	“Projekt Echo 65” Sp. z o.o. [‘Project Echo -65’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
78	“Projekt Echo 66” Sp. z o.o. [‘Project Echo -66’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
79	“Projekt Echo 67” Sp. z o.o. [‘Project Echo -67’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-

Item	Name (company name) of the company, specifying the legal status	Registered office address	Type of capital relationship of the company	Applied method of consolidation	Percentage of owned initial / share capital	Period covered by the statement	Balance total (in thousands PLN)	Profit/loss (in thousands PLN)	Operating incomes before exclusion (in thousands PLN)	Entity entitled to audit	Audit opinion
80	“Projekt Echo 68” Sp. z o.o. [‘Project Echo -68’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
81	“Projekt Echo 69” Sp. z o.o. [‘Project Echo -69’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
82	“Projekt Echo 70” Sp. z o.o. [‘Project Echo -70’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
83	“Projekt Echo 71” Sp. z o.o. [‘Project Echo -71’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
84	“Projekt Echo 72” Sp. z o.o. [‘Project Echo -72’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
85	“Projekt Echo 73” Sp. z o.o. [‘Project Echo -73’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
86	“Projekt Echo 74” Sp. z o.o. [‘Project Echo -74’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
87	“Projekt Echo 75” Sp. z o.o. [‘Project Echo -75’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
88	“Projekt Echo 76” Sp. z o.o. [‘Project Echo -76’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
89	“Projekt Echo 77” Sp. z o.o. [‘Project Echo -77’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
90	“Projekt Echo 78” Sp. z o.o. [‘Project Echo -78’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
91	“Projekt Echo 79” Sp. z o.o. [‘Project Echo -79’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
92	“Projekt Echo 80” Sp. z o.o. [‘Project Echo -80’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
93	“Projekt Echo 81” Sp. z o.o. [‘Project Echo -81’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-

Item	Name (company name) of the company, specifying the legal status	Registered office address	Type of capital relationship of the company	Applied method of consolidation	Percentage of owned initial / share capital	Period covered by the statement	Balance total (in thousands PLN)	Profit/loss (in thousands PLN)	Operating incomes before exclusion (in thousands PLN)	Entity entitled to audit	Audit opinion
94	“Projekt Echo 82” Sp. z o.o. [‘Project Echo -82’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	48	(2)	-	No audit obligation	-
95	“Projekt Naramowice” Sp. z o.o. [‘Project Naramowice’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	53 216	3 034	14 293	Bilans-Servis Sp. z o.o.-	no objection
96	“Projekt S” Sp. z o.o. [‘Project S’ Limited Liability Company]	Kielce	subsidiary	full	63,00%	01.01.2006-31.12.2006	1 140	(3)	-	No audit obligation	-
97	“SPC” S.A. [‘SPC’ Joint Stock Company]	Warsaw	associated	ownership rights	34,00%	01.01.2006-31.12.2006	data not available	data not available	data not available	No audit obligation	-
98	“W.A. Hotele” Sp. z o.o. [‘W.A. Hotels’ Limited Liability Company]	Warsaw	associated	ownership rights	43,45%	01.01.2006-31.12.2006	25574	13	166	No audit obligation	-
99	“WAN 11” Sp. z o.o. [‘WAN 11’ Limited Liability Company]	Warsaw	partially owned subsidiary	full	50,00%	01.01.2006-31.12.2006	151 396	1 881	17 110	BDO Numerica Sp. z o.o.	no objection
100	“WAN – Invest” Sp. z o.o. [‘WAN –Invest’ Limited Liability Company]	Warsaw	partially owned subsidiary	ownership rights	50,00%	01.01.2006-31.12.2006	703	(955)	25	No audit obligation	-
101	“Wyględów” Sp. z o.o. [‘Wyględów’ Limited Liability Company]	Kielce	subsidiary	full	100,00%	01.01.2006-31.12.2006	53	-	-	No audit obligation	-
102	“Zakład Ogrodniczy Naramowice” Sp. z o.o. [‘Naramowice Gardening Enterprise’ Limited Liability Company]	Poznań	subsidiary	full	100,00%	01.01.2006-31.12.2006	13 029	(731)	3 323	No audit obligation	-

The companies that are not subject to mandatory audit are noncompliant with at least two of three conditions contained in Article 64 clause 1 item 4 of the Accounting Act