

ANNUAL REPORT 2006

Consolidated financial statement of Echo Investment S.A. Capital Group

Kielce, April 26, 2007

Letter to Shareholders, Partners and Clients

Dear Madam, Dear Sir,

The year 2006 was truly successful for Echo Investment SA. The Company's profit was a record-breaker as compared to the whole history of operations, equaling PLN 80.7 million, and PLN 278 million for the entire Capital Group. Echo Investment's strategy, based on the assumption of sustainable development of all sectors of our operations – apartments, offices, hotels, shopping and entertainment centers – yielded the desired results and enabled us to take advantage of economic prosperity.

In 2006, we continued investment projects launched earlier, we handed over a number of projects, we launched our next developments, and we obtained land so as to complement the development potential of all sectors of our operations. We have reinforced our position as a regional developer through investing in larger cities. We have also marked our presence in local markets through executing and preparing projects in several smaller towns. The most significant event during the last year, of historical importance for the Company, was the launching of international operations – we have prepared the largest of all our projects ever since, consisting in erection of a multifunctional building complex, in the capital city of Hungary. When the investment project is completed, this complex will function as a new center of one of the districts of Budapest.

In 2007 and later on, we are going to consequently put our strategic goals into practice through active development on local and regional markets. We highly emphasize our development in the international real estate market, focusing on Central and Eastern Europe countries.

The most important immediate task of the Management Board will be to properly prepare our organization to the goals that have been set so that to assure the desired profit and appreciation of assets for the Shareholders, Partners and Clients.

On behalf of the Management Board, I would like to thank all those who have contributed to strengthening the Company's position on the market. These outstanding results would have been very difficult to achieve without the passion, involvement and huge effort of the whole team.

Yours sincerely,

Jarosław Grodzki
President of the Management Board

POLISH FINANCIAL SUPERVISION AUTHORITY

Consolidated annual report SA-RS 2006

(according to Article 86 clause 2 of the Regulation of the Board of Ministers as of 19.10.2005 (Journal of Laws No. 209, item 1744))

(for issuers of securities involved in production, construction, trade or service activities)

For the present financial year 2006, covering the period from January 1, 2006 to December 31, 2006
containing an IAS consolidated financial statement

currency of the report: PLN

dated

April 30, 2007

(submission date)

"Echo Investment" Spółka Akcyjna [Joint Stock Company]			
(full name of issuer)			
"Echo Investment" S.A.	building sector		
(contracted name of issuer) (sector according to Warsaw Stock Exchange classification)			
25-528	Kielce	Zagnańska 27	
(postcode)	(town/city)	(Street)	(number)
(0-41) 36 31 700	(0-41) 36 31 707	office@kielce.echo.com.pl.	
(phone)	(fax)	(e-mail)	
657 023 09 12	290463755	www.echo.com.pl	
(NIP – Tax Identification Number)	(REGON – Statistical Company Number)	(WWW)	

BDO Numerica Sp z o. o
(Entity entitled to audit)

The consolidated annual report contains:

- ☐ Report by a certified auditor of financial statements of a review of annual financial statement
- ☒ Opinion and report by a certified auditor of financial statements on audit of the annual financial statement
- ☒ Consolidated annual financial statement
- ☒ Introduction ☒ Statement of changes in consolidated equity capital własnym
- ☒ Consolidated balance sheet ☒ Consolidated cash flow statement
- ☒ Consolidated profit and loss account ☒ Additional information and explanations
- ☒ Management report (report on the issuer's activities)
- ☒ Statement of the Management Board on reliability of preparation of the consolidated financial statement
- ☒ Statement of the Management Board on entity certified to audit financial statements

Selected financial data	thousands PLN		thousand EUR	
	2006	2005	2006	2005
Operating income	333 249	257 939	85 468	64 111
Profit before tax and financial income/costs	381 025	291 992	97 721	72 575
Gross profit (loss)	346 053	266 806	88 752	66 315
Net profit (loss)	278 132	194 414	71 332	48 322
Net cash flows on operating activity	43 852	230 563	11 247	57 307
Net cash flows on investment activity	(112 791)	97 050	(28 927)	24 122
Net cash flows on financial activity	132 597	(148 269)	34 007	(36 853)
Net cash flows total	63 658	179 344	16 326	44 576
Assets total	2 739 514	2 149 700	715 054	556 946
Equity capital allocated to shareholders of the dominant company	1 195 243	917 103	311 976	237 604
Long-term liabilities	943 766	714 265	246 337	185 052
Short-term liabilities	379 100	343 418	98 951	88 973
Number of shares	42 000 000	42 000 000	42 000 000	42 000 000
Profit (loss) per one ordinary share (in PLN/EUR)	6,62	4,63	1,70	1,15
Book value per one share (in PLN/EUR)	28,46	21,84	7,43	5,66

Introduction

1. The basic range of activity of the dominant company registered under the company name of 'Echo Investment' Spółka Akcyjna [Joint Stock Company], having its head office in Kielce, Poland (address: 25-528 Kielce, ul. Zagnańska 27), recorded in the National Court Register under number 0000007025, District Court in Kielce, 10th Economic Department of the National Court Register – according to Polish Classification of Activity – covers services related to immovable property – PKD code 70, industry according to the regulated market – construction industry. Duration of the company - unlimited.
2. Echo Investment S.A. prepares a consolidated financial statement. The dominant company of Echo Investment S.A., which prepares the consolidated financial statement, is Magellan Pro – Equity Fund I S.A. (address: 25-528 Kielce, ul. Zagnańska 27). Ownership rights method applies to Echo shares. Consolidated statements of Magellan Pro – Equity Fund I S.A. are prepared at the end of each respective financial year and published in Monitor Polski B.
3. The statement presents consolidated financial data for the period from January 1 to December 31, 2006, as compared to the period from January 1 to December 31, 2005. The reporting currency is the Polish zloty. The statement is prepared in accordance with the International Accounting Standards and the International Financial Reporting Standards.
4. The following persons were members of the Management Board of Echo Investment S.A. as on December 31, 2006: Andrzej Majcher, President of the Management Board, Jarosław Grodzki, Vice-President of the Management Board, Piotr Gromniak, Member of the Management Board and Artur Langner, Member of the Management Board. The following persons are members of the Supervisory Board: Wojciech Ciesielski, chairman, Mariusz Waniółka, deputy chairman, and members: Robert Oskard, Karol Żbikowski, Mariusz Gromek and Artur Kłoczko.
5. Both the financial statement and the comparable financial information contains combined data, because the structure of "Echo Investment" S.A. comprises Echo Investment S.A.'s representative office in Ukraine, the latter being an internal unit of organization that prepares its own independent financial statement. No merger took place during the period covered by the statement.
6. The financial statement has been drawn up under the assumption of continuation of business operations in foreseeable future and there are no circumstances indicating any risk for the continuation of operations.
7. Items disclosed in the report are determined in accordance with the following principles:

1. Intangible assets

Intangible assets are recognized if it is probable that they will bring economic advantages in the future that may be directly related to such assets. Initially, intangible assets are disclosed according to acquisition prices or production costs. After initial disclosure, intangible assets are valued according to acquisition prices or production cost, reduced by depreciation and write-offs due to permanent loss in value.

Records of intangible assets are kept according to analytic methods. Tax rates are applied in the depreciation scheme. The most significant item of intangible assets is computer software.

2. Tangible assets

Fixed assets are interpreted as immovable property owned by the company (not leased and not intended for trade), machines and items of equipment, means of transport and other complete and usable items with an estimated life longer than one year. The following are particularly classified as fixed assets: furniture, fixed and mobile telephones, items of electronic equipment, regardless of their prices.

Fixed assets are valued and disclosed in the statement according to acquisition prices or production cost, reduced by depreciation and write-offs due to permanent loss in value. The costs pertaining to a fixed asset, which were borne after putting such asset in operation, refer to the profit and loss account, except for a situation where it is possible to prove that such costs resulted in an increase in expected future economic advantages on account of possessing the given fixed asset. In such case, the yielded costs increase the initial value of the fixed asset.

Fixed assets are booked on summary accounts according to Fixed Assets Classification groups. Detailed records of fixed assets are also kept. Fixed assets are depreciated according to declining balance method and equally through tax rates. Fixed assets with acquisition prices lower than PLN 3.5 thousand are depreciated once in their full value under the date of purchase. For fixed assets that have permanently lost their economic usability, extraordinary depreciation write-offs are made in other operating costs. Fixed assets include, among other items, the right to perpetual usufruct of land, which is depreciated equally during the period of usufruct. Ownership rights of land are not depreciated.

The company has verified the value of available fixed assets. The values of fixed assets disclosed in the statement do not differ from their assumed costs.

3. Fixed assets under construction

This item includes costs that are directly related to an investment not yet completed. These include expenses incurred on acquisition of land property, expenditure on execution of buildings (mainly foreign services) and activated and direct financial costs. After obtaining an occupancy permit, the completed real estates are reclassified as fixed assets or investments in immovable property, depending on their designed use. Fixed assets under construction are valued according to acquisition prices or production costs.

4. Investment immovable property

Investment immovable property includes leased real estates with land directly related to such real estates, owned by the company. Investment immovable property is initially disclosed according to acquisition price / production cost.

After initial disclosure as on the first balance day, investment immovable property is disclosed according to its fair value. Fair value is revaluated at least once every three months. Profits or losses resulting from change in fair value of investment immovable property is disclosed in the profit and loss account in the period of their occurrence.

Fair value is determined by the company individually, with the investment method, using simple capitalization method as a result of net operating income (NOI) of the project and yield rate. Yield rate is verified by independent property experts at least once a year.

Residential and garage property with values below PLN 1,000 thousand, due to minor difference between such valuation and valuation according to fair value, are valued according to production costs method corrected by depreciation and write-offs due to permanent loss in value.

Differences from investment immovable property are accounted for in the profit and loss account under the item of immovable property revaluation.

5. Shares

Shares in other companies are valued according to acquisition prices, less write-offs due to permanent loss in value.

Differences from valuation of shares are accounted for in the profit and loss account under the item of financial income / costs.

6. Inventories

The following are disclosed under inventories: semi-finished products and work in process, finished products, goods, and advances on deliveries. Due to unique quality of operations, purchased land or right to perpetual usufruct of land is classified as work in process if the land is designed for development, or as goods if the land is designed for sale. Finished products mainly include housing and service premises sold through final contracts.

Inventories of non-current assets are valued according to values equivalent to the acquisition price of land property and costs of production of development activity products increased by activated financial costs. Inventories related to long-term construction contracts are valued according to the guidelines of IAS No. 11 'Construction Contracts'. Inventories are valued not higher than obtainable net value at sale. Advances on deliveries are valued according to cash expenditure and according to received VAT invoices documenting granting an advance.

7. Accounts Receivable

Receivables are disclosed in the balance sheet as amounts due, with due caution. Receivables are valued according to probability of their payment through a revaluation write-off. Revaluation write-offs for receivables are made at the end of each consecutive 6-month period and each consecutive year according to the following criteria:

- for receivables aged over one year – for full value of receivables,
- for receivables aged over six months but not longer than one year – 50% of the value of receivables.

In certain justified cases, individual principles of calculating revaluation write-offs can be applied.

Receivables include output, but not aged interest from deposits, valued as amounts due.

8. Short-term investments

Short-term investments, except for financial instruments, are valued according to acquisition price or market value, whichever is lower. Short-term investments for which an active market does not exist are valued according to acquisition prices, accounting for write-offs due to permanent loss of value. The results of increases or decreases in the value of short-term investments valued according to market prices (values) are classified as financial income or costs, respectively.

9. Cash

Cash on bank accounts and in hand, short-term investments maintained up to their due dates and other financial assets (interest from granted loans if they fall due within 3 months from the statement date) are valued in nominal values.

Cash in foreign currencies is valued at least on each reporting date according to the buy rate of the bank employed by the Company. Foreign exchange gains / losses pertaining to cash in foreign currencies and operations of sale of foreign currencies are classified as financial costs or income, respectively. The same definition of cash applies to the cash flow statement.

10. Loans granted

Loans granted are disclosed according to depreciated acquisition price, determined using effective interest rate method.

11. Deferred income tax

The following items are created on account of deferred tax: assets on account of deferred income tax and provision for income tax. These items are valued according to their justified estimated value. The provision is calculated with the tax rate to be valid in the following accounting period. Assets on account of deferred income tax on account of tax loss are established if settlement of such loss in the following years is certain of occurring.

12. Equity capitals

Share capital and reserve capital is valued in its nominal value. The differences between fair value of received payment and nominal value of shares are disclosed in reserve capital from sale of shares above their nominal value. The costs of shares issue, which are borne at the point of establishment of a joint stock company or increase in initial capital reduce the company's reserve capital to the amount of surplus of issue value over nominal value of shares, while their remaining part is classified under financial costs.

13. Reserves

Reserves are established if the Company is under an existing obligation resulting from past events, it is probable that fulfillment of this obligation will result in the necessity of expensing funds that form

economic benefits and it is possible to reliably estimate the value of such obligation. Reserves are particularly established for costs of executed investment projects, costs of bonuses, cash equivalents for holidays not used by employees and audit costs that have not been incurred but which fall on the current period. Reserves for costs of bonuses are established pursuant to resolutions of the management board. Other reserves are established on the basis of resolutions of the management board or decisions of the chief accountant / deputy chief accountant.

According to the adopted principle, reserves for leave payments are not established. Such potential reserves would have no significant impact on the presented financial statement. At the point of occurrence they would be booked on a cash basis.

14. Liabilities

Liabilities are disclosed in the balance sheet as payable amounts.

Financial liabilities include in particular loans, credits, debt securities, not matured interest ib bank loans, booked according to the accruals method, as well as discount on short-term and long-term debt securities to be settled in the following accounting period, with a minus mark. Foreign currency loans are valued according to the selling rate of the bank employed by the Company.

Long-term financial liabilities are valued with the 'depreciated cost of liabilities component' method, according to IAS 39. The risk and the possibility of early repayment of long-term liabilities is taken into consideration in the course of valuation.

The item of advances for deliveries covers both invoiced advances (including advances on housing premises) and ones that have not been invoiced.

The amount of the company social benefits fund is established on the basis of the Act on Company Social Benefits Fund (Journal of Laws of 1994, no. 43, item 163, as amended) and disclosed in the balance sheet in its nominal value, in the about brought forward.

15. Methods of determining the financial result

Financial result is determined on the basis of the profit and loss account, applying the accruals concept, matching principle, yield and precautionary principle, upon reducing gross profit by input income tax, write-offs on account of provision for transitional difference on account of income tax and other charges on the financial result. Financial result is determined using the multiple-step method.

a) The costs of production of products sold include yielded costs pertaining to the revenues of a given accounting year and costs not yet borne, booked according to the principle of matching revenues and costs.

b) The cost of sold services and products is valued on the basis of production costs, using one of the following two methods, depending on the types of projects:

- return ratio according to the sales contract, or average (calculated) return ratio assumed by the company;

- percentage share of such items as: sold area of land, sold shares, etc. (according to average prices) In particular, own cost of sold premises and land is settled in proportion to sold shares in land.

In certain justified cases it is acceptable to use the method of precise identification of actual costs of sold assets.

c) The following items are also classified as costs and income:

- in the range of other sales of products and services – income invoiced and due to the company and the relevant costs,
- yielded costs of sales and overheads and costs not yet borne, booked according to the principle of matching revenues and costs,
- profit and loss from sales of securities and valuation of the company's assets and liabilities (including differences in receivables revaluation write-offs),
- all financial income receivable by the company,
- yielded and booked financial costs pertaining to the current period, except for costs activated according to an alternative solution presented in IAS 23 'Borrowing Costs'. The following amount of costs is activated: interest, discount and commission reduced by income yielded from temporary deposition of funds (i.e. amounts of interest on bank deposits, except for deposits resulting from holds of accounts, L/C contracts).
- realized extraordinary profits and yielded extraordinary losses, covering only items not occurring in the course of normal economic activity.

16. Cash flow statement

Cash flow statement is prepared according to indirect method. Liabilities on account of arranged overdrafts are presented as debt on account of credits and not cash equivalent.

- The data contained in the financial statement for the period from January 1 to December 31, 2006 is comparable to the data contained in the statement for the period from January 1 to December 31, 2005.

Basic data converted to EURO:

Selected financial data	thousands PLN		thousand EUR	
	2006	2005	2006	2005
Operating income	333 249	257 939	85 468	64 111
Profit before tax and financial income/costs	381 025	291 992	97 721	72 575
Gross profit (loss)	346 053	266 806	88 752	66 315
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Net cash flows total	63 658	179 344	16 326	44 576
Assets total	2 739 514	2 149 700	715 054	556 946
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Long-term liabilities	943 766	714 265	246 337	185 052
Short-term liabilities	379 100	343 418	98 951	88 973
Number of shares	42 000 000	42 000 000	42 000 000	42 000 000
Profit (loss) per one ordinary share (in PLN/EUR)	6,62	4,63	1,70	1,15
Book value per one share (in PLN/EUR)	28,46	21,84	7,43	5,66

The conversion was made as follows:

- Assets and liabilities items in the balance sheet were converted according to the average exchange rate valid as on the balance day, i.e. as on December 31, 2006 1 EUR = PLN 3.8312, as on December 31, 2005 1 EUR = PLN 3.8598,
- the specific items of the profit and loss account and the cash flow statement for the period from January 1 to December 31, 2006 were converted according to an exchange rate that is an arithmetic average of average exchange rates announced by the National Bank of Poland, valid as on the last day of each expiring month; 1 EUR = PLN 3.8991. For the period from January 1 to December 31, 2005, the conversion was made according to an exchange rate that is an arithmetic average of average exchange rates announced by the National Bank of Poland, valid as on the last day of each expiring month; 1 EUR = PLN 4.0233.

BALANCE SHEET

[thousands PLN]	Note	2006	2005
ASSETS			
1. Fixed assets		2 154 508	1 678 924
1.1. Intangible assets	1	91	85
1.2. Goodwill of subsidiaries	2	32 687	-
1.3. Tangible assets	3	411 699	245 081
1.3.1. Fixed assets		53 274	65 763
1.3.2. Fixed assets under construction		358 425	179 318
1.4. Long-term receivables	4	5	-
1.5. Investment immovable property	5	1 670 296	1 400 398
1.6. Long-term financial investments	6	21 671	17 747
1.7. Assets on account of deferred income tax	7	18 059	15 613
2. Current assets		585 006	470 776
2.1. Inventories	8	208 075	170 595
2.2. Receivables on account of taxes	9	48 274	35 184
2.2. Short-term receivables	9	29 221	13 794
2.3. Short-term financial investments	10	613	7 889
2.4. Short-term accruals	11	1 032	831
2.5. Cash and cash equivalents	12	297 791	242 483
ASSETS TOTAL		2 739 514	2 149 700

LIABILITIES

1. Equity		1 205 827	935 248
1.1. Equity capital allocated to shareholders of the dominant company		1 195 243	917 103
1.1.1. Initial capital	13	21 000	21 000
1.1.2. Supplementary capital	14	538 319	353 771
1.1.3. Profit/loss carried forward		357 790	347 918
1.1.4. Net profit (loss) of the accounting year		278 132	194 414
1.1.5. Foreign exchange gains/losses arising from conversion		2	-
1.2. Minority capitals	15	10 584	18 145
2. Reserves		210 821	156 769
2.1. Reserve for deferred income tax	16	178 766	125 972
2.2. Other reserves	17	32 055	30 797
3. Long-term liabilities	18	943 766	714 265
3.1. Financial liabilities	19	902 909	685 010
3.2. Other liabilities		40 857	29 255
4. Short-term liabilities	20	379 100	343 418
4.1. Financial liabilities	21	158 061	152 992
4.2. Liabilities on account of deliveries and services	21	88 333	57 499
4.3. Liabilities on account of taxes	21	8 838	27 878
4.4. Other liabilities		123 868	105 049
LIABILITIES TOTAL		2 739 514	2 149 700

Book value		1 205 827,00	935 248,00
Number of shares (thousands pcs.)		42 000	42 000
Book value per one share		28,71	22,27

OFF-BALANCE ITEMS

[thousands PLN]	Note	2006	2005
1. Contingent receivables		-	-
1.1. From associated companies, on account of:		-	-
a) received guarantees and securities			
1.2 From other companies, on account of:		-	-
a) received guarantees and securities			
Conditional receivables total		-	-
2. Contingent liabilities			
2.1 To affiliated companies, on account of:		8 466	8 561
a) granted guarantees and securities		8 466	8 561
2.2 To other companies, on account of:		4 568	16 249
a) granted guarantees and securities		3 831	12 747
b) court proceedings		737	700
c) purchase of land property in Radom		-	2 000
d) other		-	802
Contingent liabilities total		13 034	24 809

GUARANTEES AND SURETIES GRANTED BY ECHO INVESTMENT S.A.

Absolute surety towards the Municipal Office of Łódź for execution of liabilities of 'MDP' Sp. z o.o. concerning payment of annual fees for perpetual usufruct of land – total value due in the next 89 years is PLN 8,466 thousand.

Bank guarantee as of August 24, 2004, granted by Pekao S.A. bank for an amount of EUR 1,000 thousand, with reference to a contract of purchase of land in Wrocław from the commune of Wrocław for liabilities on account of possible contractual indemnity. As on December 31, 2006 the value of the guarantee is PLN 3,831 thousand.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

[thousands PLN]	Note	2006	2005
Operating income	22	333 249	257 939
Operating costs	23	(144 163)	(108 098)
Gross profit (loss) on sales		189 086	149 841
Profit (loss) on sales of immovable property	24	8 919	63 672
Revaluation of immovable property		238 449	101 347
Costs of sales		(9 736)	(8 459)
Overheads		(43 694)	(28 847)
Other operating income and costs	25	(1 999)	14 438
Profit before tax and financial income/costs		381 025	291 992
Financial income	26	14 773	8 169
Financial costs	27	(64 860)	(43 038)
Foreign exchange gains/losses	28	15 134	16 058
Revaluation of goodwill of subsidiaries		(18)	(6 375)
Shares in profits of associated companies		(1)	-
Gross profit (loss)		346 053	266 806
Income tax	29	(66 982)	(55 774)
- current part		(16 636)	(37 467)
- deferred part		(50 346)	(18 307)
Net profit (loss), including:	30	279 071	211 032

Profit (loss) allocated to shareholders of the dominant company		278 132	194 414
Gross minority profit (loss)		939	16 618

Profit (loss) allocated to shareholders of the dominant company (annualized)		278 132	194 414
Weighted average number of ordinary shares (in thousands pcs.)		42 000	42 000
Profit (loss) per one ordinary share (in PLN)		6,62	4,63

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY (in thousands PLN)

	Initial capital	Supplementary capital	Undistributed profit (loss) carried forward	Profit (loss) of the current year	Foreign exchange gains/losses arising from conversion	Equity capital allocated to shareholders of the dominant company	Minority capitals	Equity total
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For the period from January 1, 2006 to December 31, 2006

Balance at the beginning of period	21 000	353 771	542 332	-	-	917 103	18 145	935 248
Changes in applied accounting principles (policy)	-	-	6	-	-	6	-	6
Balance at the beginning of the period, after reconciliation to comparable data	21 000	353 771	542 338	-	-	917 109	18 145	935 254
Distribution of profit/loss carried forward	-	184 548	(184 548)	-	-	-	-	-
Changes in minority shares	-	-	-	-	-	-	(8 500)	(8 500)
Net profit (loss) of the current period	-	-	-	278 132	2	278 134	939	279 073
Balance at the end of the period	21 000	538 319	357 790	278 132	2	1 195 243	10 584	1 205 827

For the period from January 1, 2005 to December 31, 2005

Balance at the beginning of period	21 000	319 084	382 035	-	-	722 119	1 531	723 650
Changes in applied accounting principles (policy)	-	-	570	-	-	570	-	570
Balance at the beginning of the period, after reconciliation to comparable data	21 000	319 084	382 605	-	-	722 689	1 531	724 220
Distribution of profit/loss carried forward	-	34 687	(34 687)	-	-	-	-	-
Changes in minority shares	-	-	-	-	-	-	(4)	(4)
Net profit (loss) of the current period	-	-	-	194 414	-	194 414	16 618	211 032
Balance at the end of the period	21 000	353 771	347 918	194 414	-	917 103	18 145	935 248

CONSOLIDATED CASH FLOW STATEMENT

[thousands PLN]	Note	2006	2005
A. Cash flows on operating activity – indirect method			
I. Net profit (loss)		279 071	211 032
II. Adjustments total		(235 219)	19 531
1. Share of associated companies in net (profit) loss		1	-
2. Depreciation of fixed assets		4 980	4 787
3. Revaluation of goodwill		18	6 375
4. Foreign exchange gains/losses		(8 841)	(15 864)
5. Interest and shares in profits (dividends)		49 576	41 723
6. (Profit) loss on investment activity		(245 389)	(135 098)
7. Change in reserves		58 995	8 550
8. Change in inventories		(125 788)	42 350
9. Change in receivables		(32 486)	21 201
10. Change in short-term liabilities, except for loans and credits		65 275	46 760
11. Change in accruals		(2 059)	(1 263)
12. Other adjustments	31	499	10
III. Net cash flows from operating activity (I+/-II)		43 852	230 563
B. Cash flows on investment activity			
I. Income		153 394	376 942
1. Sales of intangible assets and fixed assets		1 230	569
2. Sales of investments in immovable property and in intangible assets		84 243	251 896
3. From financial assets		67 908	124 477
4. Other income from investments		13	-
II. Expenditure		(266 185)	(279 892)
1. Acquisition of intangible assets and fixed assets		(172 714)	(66 363)
2. Investments in immovable property and in intangible assets		(26 121)	(185 329)
3. On financial assets		(58 653)	(28 200)
4. Dividends and other shares in minority profits		(8 500)	-
5. Other investment expenditure		(197)	-
III. Net cash flows on investment activity (I-II)		(112 791)	97 050

CONSOLIDATED CASH FLOW STATEMENT ctd.

[thousands PLN]	Nota	2006	2005
C. Cash flows on financial activity			
I. Income		580 633	271 163
1. Net income from issue of stocks (issue of shares) and other capital instruments, additional payments to capital		-	-
2. Loans and credits		246 019	113 921
3. Issue of debenture bonds		334 023	157 242
4. Other financial income		591	-
II. Expenditure		(448 036)	(419 432)
1. Acquisition of own shares (stocks)		-	-
2. Dividends and other payments to owners		-	-
3. Expenses on account of profit distribution, other than payments to owners		-	-
4. Repayments of loans and credits		(155 771)	(253 958)
5. Redemption of debenture bonds		(220 800)	(110 000)
6. On account of other financial liabilities		-	-
7. Payments of liabilities on account of financial lease contracts		(487)	(487)
8. Interest		(70 968)	(54 976)
9. Other financial expenses		(10)	(11)
III. Net cash flows on financial activity (I-II)		132 597	(148 269)
D. Net cash flows total (A.III+/-B.III+/-C.III)		63 658	179 344
E. Difference in cash balances, including:		55 309	168 873
- change in cash balance on account of exchange rate gain/loss		(8 349)	(10 471)
F. Cash at the beginning of period		242 483	73 610
G. Cash at the end of period (F+/-D), including:	32	297 792	242 483
- with limited disposability		57 333	-

EXPLANATORY NOTES TO THE BALANCE SHEET

Note 1A

INTANGIBLE ASSETS (in thousands PLN)	2006	2005
a) costs of finished development works	-	-
b) goodwill	-	-
c) acquired concessions, patents, licences and similar assets, including:	78	73
- computer software	75	73
d) other intangible assets	13	12
e) advances for intangible assets	-	-
Intangible assets total	91	85

Note 1B

[thousands PLN]	Obtained concessions, patents, licences and similar assets	Other intangible assets	Intangible assets total
a) gross value of intangible assets at the beginning of period	1 346	28	1 374
b) increases (on account of)			
- purchase	396	8	404
c) gross value of intangible assets at the end of period	1 742	36	1 778
d) accumulated amortization at the beginning of the period	1 272	15	1 287
e) depreciation for the period (on account of)			
- planned	373	8	381
- sale	19		19
f) accumulated amortization (depreciation) at the end of the period	1 664	23	1 687
g) net value of intangible assets at the end of period	78	13	91

Note 1C

INTANGIBLE ASSETS (OWNERSHIP STRUCTURE) (in thousands PLN)	2006	2005
a) owned	91	85
b) used under a lease contract, rental agreement or another agreement	-	-
Intangible assets total	91	85

Note 2A

GOODWILL OF SUBSIDIARIES [thousands PLN]	2006	2005
a) goodwill - subsidiaries	32 687	-
b) goodwill - partially owned subsidiaries	-	-
c) goodwill - associated companies	-	-
a) negative goodwill - subsidiaries	-	-
b) negative goodwill - partially owned subsidiaries	-	-
c) negative goodwill - associated companies	-	-
Goodwill of subsidiaries total	32 687	-

Note 2B

CHANGE IN GOODWILL - SUBSIDIARIES [thousands PLN]	2006	2005
a) gross goodwill at the beginning of period	12 390	6 017
b) increases (on account of)	32 706	6 373
- purchase of shares in Projekt S Sp. z o.o.	-	6 373
- purchase of shares "Echo - Centrum Poznań" Sp. z o.o.	32 687	
- acquisition of shares in other companies	-	19
c) decreases (on account of)	-	-
d) gross goodwill at the end of period	45 096	12 390
e) write-off of goodwill from consolidation at the beginning of period	12 390	6 017
f) write-off of goodwill from consolidation for the period (on account of)	19	6 373
- shares held in subsidiaries (notarial costs)	19	-
- Projekt S Sp. z o.o.	-	6 373
	-	-
g) write-off of goodwill from consolidation at the end of period	12 409	12 390
h) net goodwill at the end of period	32 687	-

Note 2C

CHANGE IN GOODWILL - ASSOCIATED COMPANIES (in thousands PLN)	2006	2005
a) gross goodwill at the beginning of period	67	67
b) increases (on account of)	-	
c) decreases (on account of)	-	
b) gross goodwill at the end of period	67	67
c) write-off of goodwill from consolidation at the beginning of period	67	67
f) write-off of goodwill from consolidation for the period (on account of)	-	
- Wan Invest Sp. z o.o.	-	
d) write-off of goodwill from consolidation at the end of period	67	67
e) net goodwill at the end of period	-	-

Note 2D

CHANGE IN NEGATIVE GOODWILL - SUBSIDIARIES (in thousands PLN)	2006	2005
a) gross negative goodwill at the beginning of period	-	571
b) increases (on account of)	-	-
c) decreases (on account of)	-	571
- change of IAS principles	-	571
- investment revaluation	-	-
d) gross negative goodwill at the end of period	-	-
e) write-off of negative goodwill at the beginning of period	-	-
f) write-off of negative goodwill for the period (on account of)	-	-
g) write-off of negative goodwill at the end of period	-	-
h) net negative goodwill at the end of period	-	-

Negative value of goodwill occurred as a result of valuation of “Zakłady Ogrodnicze Naramowice” Sp. z o.o. as on the day of takeover. Valuation of that Company accounted for valuation of the Company’s land in Poznań on the basis of appraisal study carried out on March 25, 2004. According to the newly introduced IFRS 3 item 81, this value was projected to profit/loss carried forward.

Note 3A

TANGIBLE ASSETS (in thousands PLN)	2006	2005
a) fixed assets, including:	53 274	65 763
- land (including the right to perpetual usufruct of land)	7 691	7 777
- buildings, premises and civil engineering structures	35 244	44 376
- technical equipment and machines	1 860	4 367
- means of transport	8 404	9 152
- other fixed assets	75	91
b) fixed assets under construction	358 425	179 318
Non-current assets total	411 699	245 081

Land property in Wrocław, disclosed under fixed assets under construction, is charged with land mortgage up to the value of EUR 100,000 thousand, established in favor of Eurohypo A.G., with its head office in Eschborn, as a bank credit collateral.

Note 3B

CHANGES IN FIXED ASSETS (ACCORDING TO TYPE GROUPS) (in thousands PLN)	- own land	- buildings and structures	- technical equipment and machines	- means of transport	- other fixed assets	fixed assets total
a) gross value of fixed assets at the beginning of period	9 357	49 169	7 354	12 427	2 076	80 383
b) increases on account of:						
- purchase	63	457	535	4 196	62	5 313
c) decreases on account of:						
- sale		-255	-7	-543	-35	-840
- consolidation adjustments		-6		-546		-552
d) gross value of fixed assets at the end of period	9 420	49 365	7 882	15 534	2 103	84 304
d) accumulated amortization at the beginning of the period	1 580	4 794	2 986	3 274	1 985	14 619
e) depreciation for the period (on account of)						
- planned	149	948	883	1 893	68	3 941
- sales adjustments		1 866	2 153	1 963	-25	5 957
f) accumulated amortization (depreciation) at the end of the period	1 729	7 608	6 022	7 130	2 028	24 517
g) write-offs due to permanent loss of value		6 513				6 513
h) net value of fixed assets at the end of period	7 691	35 244	1 860	8 404	75	53 274

Note 3C

FIXED ASSETS IN THE BALANCE SHEET (OWNERSHIP STRUCTURE) [thousands PLN]	2006	2005
a) owned	411 699	245 081
b) used under a lease contract, rental agreement or another similar agreement	-	-
Balance sheet fixed assets total	411 699	245 081

Note 4

FIXED ASSETS IN THE BALANCE SHEET (OWNERSHIP STRUCTURE) [thousands PLN]	2006	2005
a) receivables from affiliated companies, including:	-	-
b) from other companies, on account of:	5	-
- deposits paid	5	-
Net long-term receivables	5	-
c) revaluation write-offs of receivables	-	-
Long-term receivables gross	5	-

Note 5A

CHANGE IN IMMOVABLE PROPERTIES (ACCORDING TO TYPE GROUPS) [thousands PLN]	2006	2005
a) balance at the beginning of the period	1 400 399	1 306 300
b) increases (on account of)	365 285	306 705
- purchase	8 618	250
- transfer from fixed assets under construction	-	178 221
- transfer from fixed assets	-	2 731
- transfer from inventories	98 223	292
- revaluation of immovable property	258 444	125 211
- consolidation adjustments	-	-
c) decreases (on account of)	95 388	212 607
- sale	79 717	188 246
- revaluation of immovable property	1 877	23 925
- transfer to fixed assets under construction	-	-
- transfer to inventories	13 794	436
d) balance at the end of the period	1 670 296	1 400 398

Land property in Radom, disclosed under investment immovable property, is charged with mortgage security up to the value of EUR 2,720 thousand, established in favor of BPH PBK S.A., as a bank credit collateral.

Land property in Piotrków Trybunalski, disclosed under investment immovable property, is charged with mortgage security up to the value of EUR 2,440 thousand, established in favor of BPH PBK S.A., as a bank credit collateral.

Land property in Pabianice, disclosed under investment immovable property, is charged with mortgage security up to the value of EUR 2,100 thousand, established in favor of BPH PBK S.A., as a bank credit collateral.

Land properties in Radom, Piotrków Trybunalski and Pabianice, disclosed under long-term investments, are charged with mortgage security up to the value of EUR 72,600 thousand, established in favor of BPH PBK S.A., as a bank credit collateral.

Land property in Jelenia Góra, disclosed under investment immovable property, is charged with mortgage security up to the value of EUR 11,831 thousand, and PLN 42,750, established in favor of Pekao S.A., with its head office in Warsaw, as a bank credit collateral.

Land property in Belchatów, disclosed under investment immovable property, is charged with mortgage security up to the value of EUR 6,451 thousand, and PLN 23,326 thousand in favor of Pekao S.A., with its head office in Warsaw, as a bank credit collateral.

Land property in Łódź, disclosed under investment immovable property, is charged with mortgage security up to the value of USD 14,970 thousand, and PLN 61,976 thousand established in favor of Pekao S.A., with its head office in Warsaw, as a bank credit collateral

Land property in Łódź, disclosed under investment immovable property, is charged with mortgage security up to the value of USD 7,506 thousand, and USD 31,000 thousand established in favor of Pekao S.A., with its head office in Warsaw, as a bank credit collateral.

Land property in Szczecin, disclosed under investment immovable property, is charged with ordinary real estate mortgage up to the value of PLN 30,000 thousand, established in favor of Pekao S.A., with its head office in Warsaw, as a bank credit collateral

Land property in Szczecin, disclosed under investment immovable property, is charged with ordinary real estate mortgage up to the value of PLN 3,165 thousand, established in favor of the State Treasury as a security of repayment of debt on account of a leasing contract.

Land property in Przemyśl, disclosed under investment immovable property, is charged with mortgage security up to the value of EUR 3,420 thousand, established in favor of ING Bank Śląski S.A., with its head office in Katowice, as a bank credit collateral.

Land property in Łódź, disclosed under investment immovable property, is charged with mortgage security up to the value of USD 11,250 thousand, established in favor of Reinhyp - BRE S.A., with its head office in Warsaw, as a bank credit collateral.

Land property in Kielce, disclosed under investment immovable property, is charged with mortgage security up to the value of EUR 27,000 thousand, established in favor of Kredyt Bank S.A., with its head office in Warsaw, as a bank credit collateral.

Land property in Tarnów, disclosed under investment immovable property, is charged with mortgage security up to the value of EUR 15,540 thousand, established in favor of Eurohypo A.G., with its head office in Eschborn, as a bank credit collateral.

Land property in Szczecin, disclosed under investment immovable property, is charged with mortgage security up to the value of EUR 66,300 thousand, established in favor of Eurohypo A.G., with its head office in Eschborn, as a bank credit collateral.

Land property in Warsaw, disclosed under investment immovable property, is charged with mortgage security up to the value of EUR 48,000 thousand, established in favor of Eurohypo A.G., with its head office in Eschborn, as a bank credit collateral.

Land property in Warsaw, disclosed under investment immovable property, is charged with mortgage security up to the value of EUR 30,600 thousand, established in favor of Eurohypo A.G., with its head office in Eschborn, as a bank credit collateral.

Note 5B

AMOUNTS DISCLOSED IN THE PROFIT AND LOSS ACCOUNT (in thousands PLN)	2006	2005
a) income from lease rent pertaining to investment immovable property	190 296	170 515
b) direct operating costs (including costs of repairs and maintenance) pertaining to the investment immovable property that yielded income from lease rent during a given period	65 899	63 869
b) direct operating costs (including costs of repairs and maintenance) pertaining to the investment immovable property that did not yield income from lease rent during a given period	-	-

Note 6A

LONG-TERM FINANCIAL ASSETS (in thousands PLN)	2006	2005
a) in subsidiaries	10 665	6 737
- shares	-	5
- debt securities	-	-
- other securities (according to type)	-	-
- granted loans	-	-
- other long-term financial assets (according to type)	10 665	6 732
- advances for acquisition of shares	10 665	6 732
b) in partially owned subsidiaries	349	344
- shares	349	344
- debt securities	-	-
- other securities (according to type)	-	-
- granted loans	-	-
- other long-term financial assets (according to type)	-	-
c) in associated companies	10 650	10 650
- shares	10 650	10 650
- debt securities	-	-
- other securities (according to type)	-	-
- granted loans	-	-
- other long-term financial assets (according to type)	-	-
d) in the significant investor	-	-
- shares	-	-
- debt securities	-	-
- other securities (according to type)	-	-
- granted loans	-	-
- other long-term financial assets (according to type)	-	-
e) in the dominant company	-	-
- shares	-	-
- debt securities	-	-
- other securities (according to type)	-	-
- granted loans	-	-
- other long-term financial assets (according to type)	-	-
f) in other companies	1	16
- shares	-	-
- debt securities	-	-
- other securities (according to type)	-	-
- granted loans	-	16
- other long-term financial assets (according to type)	-	-
- advances	1	-
Long-term financial assets total	21 671	17 747

Note 6B

CHANGE IN LONG-TERM FINANCIAL ASSETS (ACCORDING TO TYPE GROUPS) (in thousands PLN)	2006	2005
a) balance at the beginning of the period	17 747	21 086
b) increases (on account of)	10 672	352
- advances for acquisition of shares	10 664	-
- change of balance sheet qualification of shares	-	-

- charging interest and foreign exchange gains / losses	-	3
- shares revaluation	7	5
- change of balance sheet qualification of loans and interest	-	344
- other	1	-
c) decreases (on account of)	6 748	3 691
- repayment of loans	-	923
- change of balance sheet qualification of loans and interest	-	344
- other	1	-
- sale of shares	-	-
- change of balance sheet qualification of loans	16	-
- settlement of advances	6 732	2 768
- balance valuation of loans	-	-
- change of balance sheet qualification of loans	-	-
d) balance at the end of the period	21 671	17 747

Note 6C

SHARES IN SUBSIDIARIES (in thousands PLN)

Item	a	b	c	d	e	f	g	h	and	j	thousand	l
	Name (company name) of the company, specifying the legal status	Registered office address	Object of the company	Type of capital relationship of the company	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustment (total)	Balance sheet value of shares	Percentage of owned initial capital	Share in the total number of votes at the general meeting	Specification of other grounds for control than ones specified under j) or k)
1	"Athina Park" Sp. z o.o. ['Athina Park' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	6 009	-	6 009	100,00%	100,00%	none
2	"Echo – Centrum Gdynia" Sp. z o.o. ['Echo – Gdynia Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	9 284	7 626	1 658	100,00%	100,00%	none
3	"Echo ACC" Sp. z o.o. ['Echo ACC' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	52	-	52	100,00%	100,00%	none
4	"Echo Bau" Sp. z o.o. ['Echo Bau' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	53	-	53	100,00%	100,00%	none
5	"Echo – Centrum Poznań" Sp. z o.o. ['Echo – Poznań Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	04.09.2007	32 722	-	32 722	100,00%	100,00%	none
6	"Echo Centrum Ślchowiec" Sp. z o.o. ['Echo Ślchowiec Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	2 508	-	2 508	100,00%	100,00%	none
7	"Echo Investment - Centrum Bankowości i Finansów Łódź" Sp. z o.o. ['Echo Investment – Łódź Banking and Finance Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	3 008	-	3 008	100,00%	100,00%	none
8	"Echo Investment - Centrum Biznesu Łódź" Sp. z o.o. ['Echo Investment – Łódź Business Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	2 511	-	2 511	100,00%	100,00%	none
9	"Echo Investment - Centrum Handlowe Bełchatów" Sp. z o.o. ['Echo Investment – Bełchatów Shopping Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	2 084	-	2 084	100,00%	100,00%	none
10	"Echo Investment - Centrum Handlowe Jelenia Góra" Sp. z o.o. ['Echo Investment – Jelenia Góra Shopping Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	5 401	-	5 401	100,00%	100,00%	none
11	"Echo Investment - Centrum Handlowe Łomża" Sp. z o.o. ['Echo Investment – Łomża Shopping Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	6 134	-	6 134	100,00%	100,00%	none
12	"Echo Investment - Centrum Handlowe Olkusz" Sp. z o.o. ['Echo Investment – Olkusz Shopping Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	8 084	-	8 084	100,00%	100,00%	none
13	"Echo Investment - Centrum Handlowe Pabianice" Sp. z o.o. ['Echo Investment – Pabianice Shopping Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	10 526	-	10 526	100,00%	100,00%	none
14	"Echo Investment - Centrum Handlowe Piła" Sp. z o.o. ['Echo Investment – Piła	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	350	-	350	100,00%	100,00%	none

	Shopping Center' Co., Ltd.]											
15	"Echo Investment - Centrum Handlowe Piotrków Trybunalski" Sp. z o.o. ['Echo Investment - Piotrków Trybunalski Shopping Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	6 510	-	6 510	100,00%	100,00%	none
16	"Echo Investment - Centrum Handlowe Przemyśl" Sp. z o.o. ['Echo Investment - Przemyśl Shopping Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	6.11.1998	1 279	-	1 279	100,00%	100,00%	none
17	"Echo Investment Centrum Handlowe Radom" Sp.z o.o. ['Echo Investment Radom Shopping Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	11 729	-	11 729	100,00%	100,00%	none
18	"Echo Investment - Centrum Handlowe Rzeszów" Sp. z o.o. ['Echo Investment - Rzeszów Shopping Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	4 969	4 304	665	100,00%	100,00%	none
19	"Echo Investment Centrum Handlowe Siemianowice" Sp.z o.o. ['Echo Investment Siemianowice Shopping Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	10.11.1998	4 214	-	4 214	100,00%	100,00%	none

SHARES IN SUBSIDIARIES (in thousands PLN) ctd.

Item	a	b	c	d	e	f	g	h	and	j	thousand	l
	Name (company name) of the company, specifying the legal status	Registered office address	Object of the company	Type of capital relationship of the company	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustment (total)	Balance sheet value of shares	Percentage of owned initial capital	Share in the total number of votes at the general meeting	Specification of other grounds for control than ones specified under j) or k)
20	"Echo Investment - Centrum Handlowe Świętochłowice" Sp. z o.o. ['Echo Investment - Świętochłowice Shopping Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	23.02.1999	2 321	-	2 321	100,00%	100,00%	none
21	"Echo Investment - Centrum Handlowe Tarnów" Sp. z o.o. ['Echo Investment - Tarnów Shopping Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	9.11.1998	13 329	-	13 329	100,00%	100,00%	none
22	"Echo Investment - Centrum Handlowe Tczew" Sp. z o.o. ['Echo Investment - Tczew Shopping Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	1 515	-	1 515	100,00%	100,00%	none
23	"Echo Investment - Centrum Handlowe Zamość" Sp. z o.o. ['Echo Investment - Zamość Shopping Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	1 889	-	1 889	100,00%	100,00%	none
24	"Echo Investment - Centrum Handlowo - Rozrywkowe Kielce" Sp. z o.o. ['Echo Investment - Kielce Shopping and Entertainment Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	8 369	-	8 369	100,00%	100,00%	none
25	"Echo Investment - Centrum Handlowo - Usługowo - Rozrywkowe Gliwice" Sp. z o.o. ['Echo Investment - Gliwice Shopping, Service and Entertainment Center' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	2 478	77	2 401	100,00%	100,00%	none
26	"Echo Investment Hungary" Ingatlanhasznosító Kft.	Budapest	construction activity and real estate services	subsidiary	full	30.05.2006	47	-	47	100,00%	100,00%	none
27	"Echo Investment Projekt 1" SRL	Bucharest	construction activity and real estate services	subsidiary	full	03.03.2006	4	-	4	100,00%	100,00%	none
28	"Echo - Pasaż Grunwaldzki" Sp. z o.o. ['Echo - Grunwaldzki Arcade' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	52	-	52	100,00%	100,00%	none
29	"Echo - Pasaż Grunwaldzki Spółka z Ograniczoną Odpowiedzialnością" Sp.K. ['Echo - Grunwaldzki Arcade Limited Liability Company' Limited Partnership]	Kielce	construction activity and real estate services	subsidiary	full	19.10.2005	1	-	1	100,00%	100,00%	none
30	"Est-On Property Management" Sp. z o.o. ['Est-On Property Management' Co., Ltd.]	Kielce	property management	subsidiary	full	27.10.1998	51	-	51	100,00%	100,00%	none
31	"Echo - Arena" Sp. z o.o. ['Echo - Arena' Co., Ltd.]	Kielce	construction activity and real estate	subsidiary	full	30.10.1998	1 008	-	1 008	100,00%	100,00%	none

	Co., Ltd.]		services									
32	"Hotel Investment Spółka z Ograniczoną Odpowiedzialnością" Sp. z o.o. ['Hotel Investment Limited Liability Company' Limited Partnership]	Kielce	construction activity and real estate services	subsidiary	full	31.10.2005	1	-	1	100,00%	100,00%	none
33	"Kieleckie Centrum Handlowo – Rozrywkowe Echo" Sp. z o.o. ['Echo Shopping and Entertainment Center of Kielce' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	11 545	-	11 545	100,00%	100,00%	none
34	"M.D.P." Sp. z o.o. ['M.D.P.' Co., Ltd.]	Kielce	construction activity	subsidiary	full	22.11.1996	16 020	16 020	-	100,00%	100,00%	none
35	"Malta Office Park" Sp. z o.o. ['Malta Office Park' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	2 008	-	2 008	100,00%	100,00%	none
36	"PHS Szczecin" S.A. ['PHS Szczecin' Joint Stock Company]	Szczecin	trade activity	subsidiary	full	01.06.1999	4 776	-	4 776	100,00%	100,00%	none
37	"Piomot Auto" Sp. z o.o. ['Piomot Auto' Co., Ltd.]	Kielce	automotive	subsidiary	full	11.03.1997	320	255	65	100,00%	100,00%	none
38	"Princess Boryszewska" Sp. z o.o. ['Princess Boryszewska' Co., Ltd.]	Kielce	developer activity	subsidiary	full	26.10.1999	1 962	1 667	295	100,00%	100,00%	none
39	"Princess Investment" Sp. z o.o. ['Princess Investment' Co., Ltd.]	Kielce	developer activity	subsidiary	full	26.10.1999	2 663	1 736	927	100,00%	100,00%	none
40	"Galeria Echo - Kielce" Sp. z o.o. ['Echo Arcade - Kielce' Co., Ltd.]	Kielce	developer activity	subsidiary	full	25.04.1997	52	-	52	100,00%	100,00%	none

SHARES IN SUBSIDIARIES (in thousands PLN) ctd.

	a	b	c	d	e	f	g	h	and	j	thousand	l
Item	Name (company name) of the company, specifying the legal status	Registered office address	Object of the company	Type of capital relationship of the company	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustment (total)	Balance sheet value of shares	Percentage of owned initial capital	Share in the total number of votes at the general meeting	Specification of other grounds for control than ones specified under j) or k)
41	"Projekt Echo 17" Sp. z o.o. ['Project Echo -17' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	52	-	52	100,00%	100,00%	none
42	"Projekt Echo 23" Sp. z o.o. ['Project Echo -23' Co., Ltd.]	Kielce	construction activity and real estate services	associated	ownership rights	30.10.1998	11	-	11	37,50%	37,50%	none
43	"Projekt Echo 30" Sp. z o.o. ['Project Echo -30' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	52	-	52	100,00%	100,00%	none
44	"Echo - Galaxy" Sp. z o.o. ['Echo - Galaxy' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	52	-	52	100,00%	100,00%	none
45	"Echo - Galaxy Spółka z ograniczoną odpowiedzialnością" Sp.K. ['Echo - Grunwaldzki Arcade Limited Liability	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	35 883	-	35 883	100,00%	100,00%	none

	Company/ Limited Partnership]											
46	"Projekt Echo 34" Sp. z o.o. ['Project Echo -34' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	52	-	52	100,00%	100,00%	none
47	"Projekt Echo 37" Sp. z o.o. ['Project Echo -37' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	52	-	52	100,00%	100,00%	none
48	"Projekt Echo 39" Sp. z o.o. ['Project Echo -39' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1999	52	-	52	100,00%	100,00%	none
49	"Projekt Echo 41" Sp. z o.o. ['Project Echo -41' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.04.2006	51	-	51	100,00%	100,00%	none
50	"Projekt Echo – 41 Spółka z ograniczona odpowiedzialnością" Sp.thousand. ['Szczecin - Echo Project – 32 Limited Liability Company/ Limited Partnership]	Kielce	construction activity and real estate services	subsidiary	full	27.09.2006	12	-	12	100,00%	100,00%	none
51	"Projekt Echo 42" Sp. z o.o. ['Project Echo -42' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.04.2006	51	-	51	100,00%	100,00%	none
52	"Projekt Echo – 42 Spółka z ograniczona odpowiedzialnością" Sp.thousand. ['Szczecin - Echo Project – 42 Limited Liability Company/ Limited Partnership]	Kielce	construction activity and real estate services	subsidiary	full	27.09.2006	12	-	12	100,00%	100,00%	none
53	"Projekt Echo 43" Sp. z o.o. ['Project Echo -43' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.04.2006	51	-	51	100,00%	100,00%	none
54	"Projekt Echo 44" Sp. z o.o. ['Project Echo -44' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.04.2006	51	-	51	100,00%	100,00%	none
55	"Projekt Echo 45" Sp. z o.o. ['Project Echo -45' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.04.2006	51	-	51	100,00%	100,00%	none
56	"Projekt Echo – 45 Spółka z ograniczona odpowiedzialnością" Sp.thousand. ['Szczecin - Echo Project – 45 Limited Liability Company/ Limited Partnership]	Kielce	construction activity and real estate services	subsidiary	full	27.09.2006	12	-	12	100,00%	100,00%	none
57	"Projekt Echo 46" Sp. z o.o. ['Project Echo -46' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.11.2006	51	-	51	100,00%	100,00%	none
58	"Projekt Echo 47" Sp. z o.o. ['Project Echo -47' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.11.2006	51	-	51	100,00%	100,00%	none
59	"Projekt Echo 48" Sp. z o.o. ['Project Echo -48' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.11.2006	51	-	51	100,00%	100,00%	none
60	"Projekt Echo 49" Sp. z o.o. ['Project Echo -49' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
61	"Projekt Echo 50" Sp. z o.o. ['Project Echo -50' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
62	"Projekt Echo 51" Sp. z o.o. ['Project Echo -51' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
63	"Projekt Echo 52" Sp. z o.o. ['Project Echo -52' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
64	"Projekt Echo 53" Sp. z o.o. ['Project Echo -53' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none

65	"Projekt Echo 54" Sp. z o.o. ['Project Echo-54' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
66	"Projekt Echo 55" Sp. z o.o. ['Project Echo-55' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
67	"Projekt Echo 56" Sp. z o.o. ['Project Echo-56' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none

SHARES IN SUBSIDIARIES (in thousands PLN) ctd.

Item	a	b	c	d	e	f	g	h	and	j	thousand	l
	Name (company name) of the company, specifying the legal status	Registered office address	Object of the company	Type of capital relationship of the company	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustment (total)	Balance sheet value of shares	Percentage of owned initial capital	Share in the total number of votes at the general meeting	Specification of other grounds for control than ones specified under j) or k)
68	"Projekt Echo 57" Sp. z o.o. ['Project Echo -57' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
69	"Projekt Echo 58" Sp. z o.o. ['Project Echo -58' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
70	"Projekt Echo 59" Sp. z o.o. ['Project Echo -59' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
71	"Projekt Echo 60" Sp. z o.o. ['Project Echo -60' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
72	"Projekt Echo 61" Sp. z o.o. ['Project Echo -61' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
73	"Projekt Echo 62" Sp. z o.o. ['Project Echo -62' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
74	"Projekt Echo 63" Sp. z o.o. ['Project Echo -63' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
75	"Projekt Echo 63" Sp. z o.o. ['Project Echo -63' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
76	"Projekt Echo 64" Sp. z o.o. ['Project Echo -64' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
77	"Projekt Echo 65" Sp. z o.o. ['Project Echo -65' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
78	"Projekt Echo 66" Sp. z o.o. ['Project Echo -66' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
79	"Projekt Echo 67" Sp. z o.o. ['Project Echo -67' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
80	"Projekt Echo 68" Sp. z o.o. ['Project Echo -68' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
81	"Projekt Echo 69" Sp. z o.o. ['Project Echo -69' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
82	"Projekt Echo 70" Sp. z o.o. ['Project Echo -70' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
83	"Projekt Echo 71" Sp. z o.o. ['Project Echo -71' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
84	"Projekt Echo 72" Sp. z o.o. ['Project Echo -72' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none

85	"Projekt Echo 73" Sp. z o.o. ['Project Echo -73' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
86	"Projekt Echo 74" Sp. z o.o. ['Project Echo -74' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
87	"Projekt Echo 75" Sp. z o.o. ['Project Echo -75' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
88	"Projekt Echo 76" Sp. z o.o. ['Project Echo -76' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
89	"Projekt Echo 77" Sp. z o.o. ['Project Echo -77' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
90	"Projekt Echo 78" Sp. z o.o. ['Project Echo -78' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
91	"Projekt Echo 79" Sp. z o.o. ['Project Echo -79' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
92	"Projekt Echo 81" Sp. z o.o. ['Project Echo -81' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
93	"Projekt Echo 82" Sp. z o.o. ['Project Echo -82' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	51	-	51	100,00%	100,00%	none
94	"Projekt Naramowice" Sp. z o.o. ['Project Naramowice' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	15.05.2001	3 542	-	3 542	100,00%	100,00%	none
95	"Projekt S" Sp. z o.o. ['Project S' Co., Ltd.]	Kielce	construction activity and real estate services	subsidiary	full	23.04.2003	6 402	-	6 402	63,00%	63,00%	none
96	"SPC" S.A. ['SPC' Joint Stock Company]	Warsaw	management of companies	associated	ownership rights	26.03.1996	34	34	-	34,00%	34,00%	none
97	"W.A. Hotele" Sp. z o.o. ['W.A. Hotels' Co., Ltd.]	Warsaw	construction activity and real estate services	associated	ownership rights	18.04.2002	10 639	-	10 639	43,45%	43,45%	none

SHARES IN SUBSIDIARIES (in thousands PLN) ctd.

Item	a	b	c	d	e	f	g	h	and	j	thousand	l
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98	"WAN 11" Sp. z o.o. ['WAN 11' Co., Ltd.]	Warsaw	construction activity and real estate services	partially owned subsidiary	full	08.03.2004	1 500	-	1 500	50,00%	50,00%	none
99	"WAN - Invest" Sp. z o.o. ['WAN - Invest' Co., Ltd.]	Warsaw	construction activity and real estate services	partially owned subsidiary	ownership rights	18.04.2002	447	97	350	50,00%	50,00%	none
100	"Wyględów" Sp. z o.o. ['Wyględów' Co., Ltd.]	Kielce	construction activity	subsidiary	full	21.10.1998	51	-	51	100,00%	100,00%	none
101	"Zakład Ogrodniczy Naramowice" Sp. z o.o. ['Naramowice Gardening Enterprise' Co., Ltd.]	Poznań	orcharding activity	subsidiary	full	11.05.2000	40 676	5 702	34 974	100,00%	100,00%	none
TOTAL							289 513	37 518	251 995			

NOTE 6D

SHARES IN SUBSIDIARIES (in thousands PLN)

Item	a	m							n			o			p	r	s	t
	company name	equity of the company, including:							liabilities and provisions for liabilities of the company, including:			receivables of the company, including:			total assets of the company	income on sales	value of shares unpaid by the issuer	received or due dividends from the company for the last financial year
		initial capital	due payments to initial capital (negative value)	disclosed reserve	other equity capital, including:													
						Profit (loss) carried forward	net profit (loss)		long-term liabilities	short-term liabilities		long-term receivables	short-term receivables					
1	"Athina Park" Sp. z o.o. ['Athina Park' Co., Ltd.]	22 161	6 000		956	15 205	8 553	6 652	95 813	91 799	4 013	425	-	425	117 973	15 649	-	-
2	"Echo - Centrum Gdynia" Sp. z o.o. ['Echo - Gdynia Center' Co., Ltd.]	1 658	9 270		-	(7 612)	(7 087)	(525)	1 994	-	1 994	23	-	23	3 652	(4)	-	-
3	"Echo ACC" Sp. z o.o. ['Echo ACC' Co., Ltd.]	811	50		568	193	-	193	1 127	-	1 127	67	-	67	1 938	3 199	-	-
4	"Echo Bau" Sp. z o.o. ['Echo Bau' Co., Ltd.]	52	50		3	(1)	(1)	-	1	1	-	-	-	-	54	-	-	-
5	"Echo - Centrum Poznań" Sp. z o.o. ['Echo - Poznań Center' Co., Ltd.]	7	50		7	(50)	(22)	(28)	48 592	-	48 592	7 848	-	7 848	48 599	8	-	-
6	"Echo Centrum Ślichowice" Sp. z o.o. ['Echo Ślichowice Center' Co., Ltd.]	2 825	2 500		222	103	-	103	78	78	-	2	-	2	2 903	-	-	-
7	"Echo Investment - Centrum Bankowości i Finansów Łódź" Sp. z o.o. ['Echo Investment - Łódź Banking and Finance Center' Co., Ltd.]	13 725	3 000		81	10 644	1 905	8 739	23 365	20 272	3 093	35	-	35	37 091	5 577	-	-
8	"Echo Investment - Centrum Biznesu Łódź" Sp. z o.o. ['Echo Investment - Łódź Business Center' Co., Ltd.]	14 420	2 504		3 865	8 051	1 601	6 450	27 186	21 972	5 213	150	-	150	41 605	5 499	-	-
9	"Echo Investment - Centrum Handlowe Bełchatów" Sp. z o.o. ['Echo Investment - Bełchatów Shopping Center' Co., Ltd.]	27 036	8 524		7 557	10 955	8 117	2 838	9 142	6 468	2 674	84	-	84	36 178	5 325	-	-
10	"Echo Investment - Centrum	63 736	11 057		16 443	36 236	25 953	10 283	22 408	17 263	5 145	130	-	130	86 144	12 256	-	-

	Handlowe Jelenia Góra" Sp.z o.o. ['Echo Investment Jelenia Góra Shopping Center Co., Ltd.]																	
11	"Echo Investment - Centrum Handlowe Łomża" Sp. z o.o. ['Echo Investment - Łomża Shopping Center' Co., Ltd.]	6 753	6 781		-	(28)	(40)	12	348	43	306	-	-	-	7 101	24	-	-
12	"Echo Investment - Centrum Handlowe Olkusz" Sp. z o.o. ['Echo Investment - Olkusz Shopping Center' Co., Ltd.]	19 642	10 044		7 316	2 282	1 539	743	950	39	911	8	-	8	20 592	-	-	-
13	"Echo Investment - Centrum Handlowe Pabianice" Sp. z o.o. ['Echo Investment - Pabianice Shopping Center' Co., Ltd.]	44 280	13 311		6 542	24 427	18 602	5 825	41 331	38 785	2 546	80	-	80	85 611	9 372	-	-
14	"Echo Investment - Centrum Handlowe Piła" Sp. z o.o. ['Echo Investment - Piła Shopping Center' Co., Ltd.]	11 751	4 442		5 430	1 879	1 123	756	624	123	501	37	-	37	12 375	-	-	-

SHARES IN SUBSIDIARIES (in thousands PLN) ctd.

Item	a	m							n			o			p	r	s	t
	company name	equity of the company, including:							liabilities and provisions for liabilities of the company, including:			receivables of the company, including:			total assets of the company	income on sales	value of shares unpaid by the issuer	received or due dividends from the company for the last financial year
		other equity capital, including:																
		initial capital	due payments to initial capital (negative value)	disclosed reserve		Profit (loss) carried forward	net profit (loss)		long-term liabilities	short-term liabilities	long-term receivables	short-term receivables						
15	"Echo Investment - Centrum Handlowe Piotrków Trybunalski" Sp. z o.o. ['Echo Investment – Piotrków Trybunalski Shopping Center' Co., Ltd.]	60 095	11 420		13 431	35 244	28 048	7 196	48 892	45 882	3 011	70	-	70	108 988	10 859	-	-
16	"Echo Investment - Centrum Handlowe Przemyśl" Sp. z o.o. ['Echo Investment – Przemyśl Shopping Center' Co., Ltd.]	15 684	3 784		4 795	7 105	3 333	3 772	10 290	6 440	3 850	21	-	21	25 974	3 434	-	-
17	"Echo Investment Centrum	76 290	14 102		13 647	48 541	32 664	15 877	56 902	53 569	3 333	232	-	232	133 192	12 045	-	-

	Handlowe Radom" Sp.z o.o. ['Echo Investment Radom Shopping Center' Co., Ltd.]																	
18	"Echo Investment - Centrum Handlowe Rzeszów" Sp. z o.o. ['Echo Investment – Rzeszów Shopping Center' Co., Ltd.]	650	7 782		-	(7 132)	(7 046)	(86)	2 657	-	2 657	2	-	2	3 307	2	-	-
19	"Echo Investment Centrum Handlowe Siemianowice" Sp.z o.o. ['Echo Investment Siemianowice Shopping Center' Co., Ltd.]	14 518	5 289		8 355	874	(100)	974	730	82	648	73	-	73	15 249	-	-	-
20	"Echo Investment - Centrum Handlowe Świętochłowice" Sp. z o.o. ['Echo Investment – Świętochłowice Shopping Center' Co., Ltd.]	15 227	5 789		9 006	432	(554)	986	750	-	750	77	-	77	15 977	-	-	-
21	"Echo Investment - Centrum Handlowe Tarnów" Sp. z o.o. ['Echo Investment – Tarnów Shopping Center' Co., Ltd.]	65 261	12 894		11 967	40 400	28 045	12 355	29 574	23 882	5 691	383	-	383	94 834	13 178	-	-
22	"Echo Investment - Centrum Handlowe Tczew" Sp. z o.o. ['Echo Investment – Tczew Shopping Center' Co., Ltd.]	12 645	3 583		7 459	1 603	766	837	445	-	445	114	-	114	13 090	-	-	-
23	"Echo Investment - Centrum Handlowe Zamość" Sp. z o.o. ['Echo Investment – Zamość Shopping Center' Co., Ltd.]	16 769	4 543		11 695	531	(729)	1 260	470	95	375	62	-	62	17 238	-	-	-
24	"Echo Investment - Centrum Handlowo – Rozrywkowe Kielce" Sp. z o.o. ['Echo Investment – Kielce Shopping and Entertainment Center' Co., Ltd.]	36 358	32 132		3 182	1 044	-	1 044	1 934	421	1 513	279	-	279	38 292	-	-	-
25	"Echo Investment - Centrum Handlowo -Usługowo - Rozrywkowe Gliwice" Sp. z o.o. ['Echo Investment – Gliwice Shopping, Service and Entertainment Center' Co., Ltd.]	2 401	3 436		-	(1 035)	(1 220)	185	1 027	14	1 012	54	-	54	3 427	4	-	-
26	"Echo Investment Hungary" Ingatlanhasznosito Kft.	21	44		-	(23)	-	(23)	62	-	62	2	-	2	87	-	-	-
27	"Echo Investment Projekt 1"	-79	4		-	(83)	-	(83)	288	243	44	24	5	19	207	-	-	-

	SRL																	
SHARES IN SUBSIDIARIES (in thousands PLN) ctd.																		
Item	a	m							n			o			p	r	s	t
	company name	equity of the company, including:							liabilities and provisions for liabilities of the company, including:			receivables of the company, including:			total assets of the company	income on sales	value of shares unpaid by the issuer	received or due dividends from the company for the last financial year
		initial capital	due payments to initial capital (negative value)	disclosed reserve	other equity capital, including:													
28	"Echo - Pasaż Grunwaldzki" Sp. z o.o. ['Echo - Grunwaldzki Arcade' Co., Ltd.]	51	50		4	(3)	-	(3)	1	-	1	1	-	1	53	-	-	-
29	"Echo - Pasaż Grunwaldzki Spółka z Ograniczona Odpowiedzialnością" Sp.K. ['Echo - Grunwaldzki Arcade Limited Liability Company' Limited Partnership]	3 111	11		-	3 100	-	3 100	272 278	62 609	209 669	26 758	-	26 758	275 389	482	-	-
30	"Est-On Property Management" Sp. z o. o. ['Est-On Property Management' Co., Ltd.]	211	50		1 113	(952)	(628)	(324)	1 441	-	1 441	1 169	-	1 169	1 652	7 088	-	-
31	"Echo - Arena" Sp. z o.o. ['Echo - Arena' Co., Ltd.]	1 124	1 000		87	37	-	37	31	31	-	2	-	2	1 155	-	-	-
32	"Hotel Investment Spółka z Ograniczona Odpowiedzialnością" Sp.thousand. ['Hotel Investment Limited Liability Company' Limited Partnership]	11	11		-	-	(1)	1	30 433	-	30 433	5 427	-	5 427	30 443	54	-	-
33	"Kieleckie Centrum Handlowo - Rozrywkowe" Sp. z o.o. ['Shopping and Entertainment Center of Kielce' Co., Ltd.]	93 799	11 544		18 770	63 485	41 386	22 099	101 457	94 175	7 282	631	-	631	195 255	19 503	-	-
34	"M.D.P." Sp. z o.o. ['M.D.P.' Co., Ltd.]	-9 687	16 004		382	(26 073)	(26 936)	863	49 850	31 911	17 939	216	-	216	40 163	7 140	-	-
35	"Malta Office Park" Sp. z o.o. ['Malta Office Park' Co., Ltd.]	2 076	2 000		22	54	-	54	6 867	-	6 867	139	-	139	8 943	174	-	-

36	"PHS Szczecin" S.A. ['PHS Szczecin' Joint Stock Company]	21 017	2 519		5 095	13 403	8 424	4 979	7 499	6 397	1 102	394	-	394	28 516	7 651	-	-
37	"Piomot Auto" Sp. z o.o. ['Piomot Auto' Co., Ltd.]	65	150		-	(85)	(76)	(9)	91	-	91	-	-	-	156	-	-	-
38	"Princess Boryszewska" Sp. z o.o. ['Princess Boryszewska' Co., Ltd.]	280	900		-	(620)	(608)	(12)	-	-	-	-	-	-	281	-	-	-
39	"Princess Investment" Sp. z o.o. ['Princess Investment' Co., Ltd.]	927	1 600		-	(673)	(554)	(119)	2 457	-	2 457	181	-	181	3 384	1	-	-
40	"Galeria Echo - Kielce" Sp. z o.o. ['Echo Arcade - Kielce' Co., Ltd.]	50	50		1	(1)	-	(1)	15	1	13	1	-	1	64	-	-	-
41	"Projekt Echo 17" Sp. z o.o. ['Project Echo -17' Co., Ltd.]	50	50		10	(10)	(5)	(5)	-	-	-	4	-	4	50	-	-	-
42	"Projekt Echo 23" Sp. z o.o. ['Project Echo -23' Co., Ltd.]	22	28		-	(6)	(5)	(1)	-	-	-	-	-	-	22	-	-	-

SHARES IN SUBSIDIARIES (in thousands PLN) ctd.

Item	a	m							n			o			p	r	s	t
	company name	equity of the company, including:							liabilities and provisions for liabilities of the company, including:			receivables of the company, including:			total assets of the company	income on sales	value of shares unpaid by the issuer	received or due dividends from the company for the last financial year
		initial capital	due payments to initial capital (negative value)	disclosed reserve	other equity capital, including:													
						Profit (loss) carried forward	net profit (loss)		long-term liabilities	short-term liabilities		long-term receivables	short-term receivables					
43	"Projekt Echo 30" Sp. z o.o. ['Project Echo -30' Co., Ltd.]	54	50		4	-	-	-	1	1	-	-	-	-	55	-	-	-
44	"Echo - Galaxy" Sp. z o.o. ['Echo - Galaxy' Co., Ltd.]	397	50		4	343	-	343	2	2	-	6	-	6	399	-	-	-
45	"Echo - Galaxy Spółka z ograniczona odpowiedzialnością" Sp.K. ['Echo - Grunwaldzki Arcade Limited Liability Company' Limited Partnership]	308 668	36 635		411	271 622	144 194	127 428	242 382	224 672	17 710	2 125	-	2 125	551 049	54 077	-	34 000
46	"Projekt Echo 34" Sp. z o.o. ['Project Echo -34' Co., Ltd.]	54	50		4	-	-	-	2	2	-	-	-	-	55	-	-	-
47	"Projekt Echo 37" Sp. z o.o. ['Project Echo -37' Co., Ltd.]	54	50		4	-	-	-	1	1	-	-	-	-	56	-	-	-
48	"Projekt Echo 39" Sp. z o.o. ['Project Echo -39' Co., Ltd.]	52	50		4	(2)	-	(2)	2	1	-	-	-	-	54	-	-	-
49	"Projekt Echo 41" Sp. z o.o. ['Project Echo -41' Co., Ltd.]	48	50		-	(2)	-	(2)	-	-	-	-	-	-	48	-	-	-
50	"Projekt Echo - 41 Spółka z ograniczona odpowiedzialnością" Sp.thousand. ['Szczecin - Echo Project - 41 Limited Liability Company' Limited Partnership]	10	10		-	-	-	-	-	-	-	-	-	-	10	-	-	-
51	"Projekt Echo 42" Sp. z o.o. ['Project Echo -42' Co., Ltd.]	48	50		-	(2)	-	(2)	-	-	-	-	-	-	48	-	-	-
52	"Projekt Echo - 42 Spółka z ograniczona odpowiedzialnością" Sp.thousand. ['Szczecin - Echo Project - 42 Limited Liability	10	10		-	-	-	-	-	-	-	-	-	-	10	-	-	-

	Company/ Limited Partnership]																	
53	"Projekt Echo 43" Sp. z o.o. [Project Echo -43' Co., Ltd.]	48	50		-	(2)	-	(2)	-	-	-	-	-	-	48	-	-	-
54	"Projekt Echo 44" Sp. z o.o. [Project Echo -44' Co., Ltd.]	48	50		-	(2)	-	(2)	-	-	-	-	-	-	48	-	-	-
55	"Projekt Echo 45" Sp. z o.o. [Project Echo -45' Co., Ltd.]	48	50		-	(2)	-	(2)	-	-	-	-	-	-	48	-	-	-
56	"Projekt Echo - 45 Spółka z ograniczoną odpowiedzialnością" Sp.thousand. [Szczecin - Echo Project - 45 Limited Liability Company/ Limited Partnership]	10	10		-	-	-	-	-	-	-	-	-	-	10	-	-	-
57	"Projekt Echo 46" Sp. z o.o. [Project Echo -46' Co., Ltd.]	-	-		-	-	-	-	50	-	50	-	-	-	50	-	-	-
58	"Projekt Echo 47" Sp. z o.o. [Project Echo -47' Co., Ltd.]	-	-		-	-	-	-	50	-	50	-	-	-	50	-	-	-
59	"Projekt Echo 48" Sp. z o.o. [Project Echo -48' Co., Ltd.]	-	-		-	-	-	-	50	-	50	-	-	-	50	-	-	-

SHARES IN SUBSIDIARIES (in thousands PLN) ctd.

Item	a	m.							n			o			p	r	s	t
	company name	equity of the company, including:							liabilities and provisions for liabilities of the company, including:			receivables of the company, including:			total assets of the company	income on sales	value of shares unpaid by the issuer	received or due dividends from the company for the last financial year
		initial capital	due payments to initial capital (negative value)	disclosed reserve	other equity capital, including:													
						Profit (loss) carried forward	net profit (loss)		long-term liabilities	short-term liabilities		long-term receivables	short-term receivables					
60	"Projekt Echo 49" Sp. z o.o. ['Project Echo -49' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
61	"Projekt Echo 50" Sp. z o.o. ['Project Echo -50' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
62	"Projekt Echo 51" Sp. z o.o. ['Project Echo -51' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
63	"Projekt Echo 52" Sp. z o.o. ['Project Echo -52' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
64	"Projekt Echo 53" Sp. z o.o. ['Project Echo -53' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
65	"Projekt Echo 54" Sp. z o.o. ['Project Echo -54' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-

66	"Projekt Echo 55" Sp. z o.o. ['Project Echo -55' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
67	"Projekt Echo 56" Sp. z o.o. ['Project Echo -56' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
68	"Projekt Echo 57" Sp. z o.o. ['Project Echo -57' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
69	"Projekt Echo 58" Sp. z o.o. ['Project Echo -58' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
70	"Projekt Echo 59" Sp. z o.o. ['Project Echo -59' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
71	"Projekt Echo 60" Sp. z o.o. ['Project Echo -60' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
72	"Projekt Echo 61" Sp. z o.o. ['Project Echo -61' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
73	"Projekt Echo 62" Sp. z o.o. ['Project Echo -62' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
74	"Projekt Echo 63" Sp. z o.o. ['Project Echo -63' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
75	"Projekt Echo 64" Sp. z o.o. ['Project Echo -64' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
76	"Projekt Echo 65" Sp. z o.o. ['Project Echo -65' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
77	"Projekt Echo 66" Sp. z o.o. ['Project Echo -66' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
78	"Projekt Echo 67" Sp. z o.o. ['Project Echo -67' Co., Ltd.]	(2)	-		-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-

SHARES IN SUBSIDIARIES (in thousands PLN) ctd.

Item	a	m.							n			o			p	r	s	T
	company name	equity of the company, including:							liabilities and provisions for liabilities of the company, including:			receivables of the company, including:			total assets of the company	income on sales	value of shares unpaid by the issuer	received or due dividends from the company for the last financial year
		initial capital	due payments to initial capital (negative value)	disclosed reserve	other equity capital, including:													
					Profit (loss) carried forward	net profit (loss)		long-term liabilities	short-term liabilities		long-term receivables	short-term receivables						
79	"Projekt Echo 68" Sp. z o.o. ['Project Echo -68' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-	
80	"Projekt Echo 69" Sp. z o.o. ['Project Echo -69' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-	
81	"Projekt Echo 70" Sp. z o.o. ['Project Echo -70' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-	

82	"Projekt Echo 71" Sp. z o.o. ['Project Echo -71' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
83	"Projekt Echo 72" Sp. z o.o. ['Project Echo -72' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
84	"Projekt Echo 73" Sp. z o.o. ['Project Echo -73' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
85	"Projekt Echo 74" Sp. z o.o. ['Project Echo -74' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
86	"Projekt Echo 75" Sp. z o.o. ['Project Echo -75' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
87	"Projekt Echo 76" Sp. z o.o. ['Project Echo -76' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
88	"Projekt Echo 77" Sp. z o.o. ['Project Echo -77' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
89	"Projekt Echo 78" Sp. z o.o. ['Project Echo -78' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
90	"Projekt Echo 79" Sp. z o.o. ['Project Echo -79' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
91	"Projekt Echo 80" Sp. z o.o. ['Project Echo -80' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
92	"Projekt Echo 81" Sp. z o.o. ['Project Echo -81' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
93	"Projekt Echo 82" Sp. z o.o. ['Project Echo -82' Co., Ltd.]	(2)	-	-	(2)	-	(2)	50	-	50	-	-	-	48	-	-	-
94	"Projekt Naramowice" Sp. z o.o. ['Project Naramowice' Co., Ltd.]	40 813	2 838	34 941	3 034	-	3 034	12 402	7 923	4 479	238	-	238	53 216	14 293	-	-
95	"Projekt S" Sp. z o.o. ['Project S' Co., Ltd.]	46	50	3	(7)	(4)	(3)	1 094	1 092	2	3	-	3	1 140	-	-	-
96	"SPC" S.A. ['SPC' Joint Stock Company]	data not available	data not available	b.d.-	data not available	data not available	data not available	data not available	data not available	data not available	data not available	data not available	data not available	data not available	data not available	data not available	data not available
97	"W.A. Hotele" Sp. z o.o. ['W.A. Hotels' Co., Ltd.]	25 573	25 537	31	5	0	5	7	0	7	98	0	98	25 580	154	-	-

SHARES IN SUBSIDIARIES (in thousands PLN) ctd.

Item	a	m.				n				o				p	r	s	T
	company name	equity of the company, including:				liabilities and provisions for liabilities of the company, including:				receivables of the company, including:				total assets of the	income on sales	value of shares unpaid	received or due dividends from the company for
		initial	due	disclosed	other equity capital, including:												

			capital	payments to initial capital (negative value)	reserve		Profit (loss) carried forward	net profit (loss)		long-term liabilities	short-term liabilities		long-term receivables	short-term receivables	the company		unpaid by the issuer	the company for the last financial year
98	"WAN 11" Sp. z o.o. ['WAN 11' Co., Ltd.]	21 126	3 000		16 245	1 881	-	1 881	130 270	125 823	4 446	64	-	64	151 396	17 110	-	8 500
99	"WAN - Invest" Sp. z o.o. ['WAN -Invest' Co., Ltd.]	700	760		-	(60)	(58)	(2)	-	-	-	24	-	24	701	20	-	-
100	"Wyględów" Sp. z o.o. ['Wyględów' Co., Ltd.]	52	50		2	-	-	-	1	1	-	-	-	-	53	-	-	-
101	"Zakład Ogrodniczy Naramowice" Sp. z o.o. ['Naramowice Gardening Enterprise' Co., Ltd.]	419	13 000		602	(13 183)	(12 452)	(731)	12 611	-	12 611	457	-	457	13 029	3 323	-	-

Note 6E

SECURITIES AND OTHER LONG-TERM FINANCIAL ASSETS (CURRENCY STRUCTURE) (in thousands PLN)	2006	2005
a) in the Polish currency	21 671	17 731
b) in foreign currencies (according to currency, after conversion to zlotys)	-	-
Securities, shares and other long-term financial assets total	17 731	21 671

Note 6F

SECURITIES (ACCORDING TO TRANSFERABILITY) (in thousands PLN)	2006	2005
A. With unlimited transferability, quoted on stock exchanges (balance sheet value)	-	-
a) shares (balance sheet value):	-	-
- revaluation adjustments (for the period)	-	-
- value at the beginning of the period	-	-
- value according to acquisition prices	-	-
b) bonds (balance sheet value):	-	-
- revaluation adjustments (for the period)	-	-
- value at the beginning of the period	-	-
- value according to acquisition prices	-	-
c) other - according to type groups (balance sheet value):	-	-
c1 ...	-	-
- revaluation adjustments (for the period)	-	-
- value at the beginning of the period	-	-
- value according to acquisition prices	-	-
B. With unlimited transferability, quoted on markets other than stock exchanges (balance sheet value)	-	-
a) shares (balance sheet value):	-	-
- revaluation adjustments (for the period)	-	-
- value at the beginning of the period	-	-
- value according to acquisition prices	-	-
b) bonds (balance sheet value):	-	-
- revaluation adjustments (for the period)	-	-
- value at the beginning of the period	-	-
- value according to acquisition prices	-	-
c) other - according to type groups (balance sheet value):	-	-
c1 ...	-	-
- revaluation adjustments (for the period)	-	-
- value at the beginning of the period	-	-

	-	-
- value according to acquisition prices	-	-
C. With unlimited transferability, not quoted on regulated market (balance sheet value)	11 005	10 988
a) shares (balance sheet value):	11 005	10 988
- revaluation adjustments (for the period)	-	-
- value at the beginning of the period	11 005	10 988
- value according to acquisition prices	11 121	11 121
b) bonds (balance sheet value):	-	-
- revaluation adjustments (for the period)	-	-
- value at the beginning of the period	-	-
- value according to acquisition prices	-	-
c) other - according to type groups (balance sheet value)	-	-
c1 shares	-	-
- revaluation adjustments (for the period)	-	-
- value at the beginning of the period	-	-
- value according to acquisition prices	-	-
D. With limited transferability (balance sheet value)	-	11
a) shares and stocks (balance sheet value):	-	-
- revaluation adjustments (for the period)	-	-
- value at the beginning of the period	-	-
- value according to acquisition prices	-	-
b) bonds (balance sheet value):	-	-
- revaluation adjustments (for the period)	-	-
- value at the beginning of the period	-	-
- value according to acquisition prices	-	-
c) other - according to type groups (balance sheet value):	-	11
c1 shares	-	11
- revaluation adjustments (for the period)	-	-
- value at the beginning of the period	-	11
- value according to acquisition prices	-	-
Value according to acquisition prices total	11 121	10 121
Value at the beginning of the period total	11 005	10 999
Revaluation adjustments (for the period) total	-	-
Balance sheet value total	11 005	10 999

Note 6G

GRANTED LONG-TERM LOANS (CURRENCY STRUCTURE) (in thousands PLN)	2006	2005
a) in the Polish currency	-	13
b) in foreign currencies (according to currency, after conversion to zlotys)	-	-
b1. in USD k	-	-
b1. converted into PLN k	-	-
b2. in EUR k	-	-
b2. converted into PLN k	-	-
Granted long-term loans total	-	13

Note 6I

OTHER LONG-TERM INVESTMENTS AND FINANCIAL ASSETS (ACCORDING TO TYPE) (in thousands PLN)	2006	2005
- advances for shares	10 665	6 732
- options for interest rate	-	-
- ...	-	-
- ...	-	-
- ...	-	-
- other	1	-
Other long-term investments total	10 666	6 732

Note 7

CHANGE IN THE BALANCE OF ASSETS ON ACCOUNT OF DEFERRED INCOME TAX (in thousands PLN)	2006	2005
1. Balance of assets on account of deferred income tax at the beginning of the period, including:	15 613	20 838
a) applied to the financial result	15 613	20 838
- intangible assets	-	-
- tangible assets	-	2 740
- long-term receivables	-	-
- nieruchomości inwestycyjne	-	-
- long-term investments	-	2 740
- inventories	1 489	1 320
- short-term receivables	4 721	1 754
- short-term investments	580	546
- accruals	2 019	6
- reserves	2 953	4 342
- long-term liabilities	913	2 896
- short-term liabilities	181	437
- tax loss	2 368	6 764
b) applied to equity capital	389	33
-	-	3
c) compared to goodwill or negative goodwill	-	-
-	-	-
2. Increases	7 028	10 889
a) applied to the financial result of the period due to negative timing differences (on account of)	6 340	10 500

i. occurrence of timing differences	6 340	10 500
- intangible assets	-	
- tangible assets	1 139	-
- long-term receivables	-	
- nieruchomości inwestycyjne	-	
- long-term investments	530	169
- inventories	18	2 967
- short-term receivables	-	40
- short-term investments	576	2 022
- short-term accruals	1 121	1 147
- reserves	156	2 368
- long-term liabilities	1 547	887
- short-term liabilities	1 253	900
b) compared to the financial result of the period in relation to tax loss	688	389
i. occurrence of timing differences	389	-
c) compared to equity capital due to negative timing differences	-	-
-	-	-

CHANGE IN THE BALANCE OF ASSETS ON ACCOUNT OF DEFERRED INCOME TAX (in thousands PLN) ctd.	2006	2005
d) compared to equity capital in relation to tax loss	-	-
-	-	-
e) compared to goodwill or negative goodwill due to negative timing differences	-	-
-	-	-
3. Decreases	4 582	16 114
a) applied to the financial result of the period due to negative timing differences (on account of)	16 081	4 449
i. occurrence of timing differences	4 449	16 081
- intangible assets	-	
- tangible assets	-	2 740
- long-term receivables	-	
- nieruchomości inwestycyjne	-	
- long-term investments	257	-
- inventories	1 199	-
- short-term receivables	1	6
- short-term investments	1 040	9
- short-term accruals	481	2 536
- reserves	607	4 351
- long-term liabilities	551	1 143
- short-term liabilities	313	5 296
b) compared to the financial result of the period in relation to tax loss	133	33
-	33	33
c) compared to equity capital due to negative timing differences	-	-
-	-	3

d) compared to equity capital in relation to tax loss	-	-
-	-	-
e) compared to goodwill or negative goodwill due to negative timing differences	-	-
-	-	-
4. Balance of assets on account of deferred income tax at the end of the period total, including:	18 059	15 613
a) applied to the financial result	18 059	15 613
- intangible assets	-	-
- tangible assets	1 139	-
- long-term receivables	-	-
- nieruchomości inwestycyjne	-	-
- long-term investments	1 762	1 489
- inventories	3 540	4 721
- short-term receivables	579	580
- short-term investments	1 555	2 019
- short-term accruals	3 593	2 953
- reserves	462	913
- long-term liabilities	1 177	181
- short-term liabilities	3 308	2 368
- tax loss	944	389
b) applied to equity capital	-	-
-	-	-
c) compared to goodwill or negative goodwill	-	-

Note 8A

INVENTORIES (in thousands PLN)	2006	2005
a) materials	187	312
b) semi-finished products and work in process	186 840	146 874
c) finished products	12 238	15 936
d) goods	6 490	7 058
e) advances for deliveries	2 320	415
Assets total	208 075	170 595

The immovable property in Zabrze, disclosed under semi-finished products and work in progress, is charged with mortgage security in the amount of PLN 3,700 thousand in favor of the Municipal Commune of Zabrze as a security of payment of any possible claims that could occur due to payment of contractual indemnity in case the Company fails to execute the investment in due time.

Inventories are valued not higher than obtainable net value. This value is obtained from information from the active market. Reversal of write-off of inventory value takes place as a result of sale of inventory or increase in net sales price. The amounts of write-offs disclosed as cost in a given period and amounts of reversals of write-offs of values decreasing the value of inventories disclosed in the period as costs are disclosed in the profit and loss account under other operating income / costs.

Note 8B

INVENTORIES - IMPACT ON PROFIT/LOSS (in thousands PLN)	2006	2005
a) value of inventories recognized as cost in a given period	194 941	172 885
b) amounts of write-offs of the values of inventories in a given period	5 405	9 545
c) amounts of reversed write-offs of the values decreasing the value of inventories in a given period	3 642	2 846

Note 9A

SHORT-TERM RECEIVABLES (in thousands PLN)	2006	2005
a) from associated companies	-	-
- for deliveries and services, payable within:	-	-
- up to 12 months	-	-
- over 12 months	-	-
- other	-	-
b) receivables from other companies	29 221	13 794
- for deliveries and services, payable within:	4 175	13 473
- up to 12 months	3 260	8 851
- over 12 months	915	4 622
- other	25 046	321
Short-term receivables total	29 221	13 794
c) revaluation write-offs of receivables	6 453	11 320
Gross short-term receivables total	35 674	25 114

Note 9B

CHANGE IN THE BALANCE OF REVALUATION WRITE-OFFS OF SHORT-TERM RECEIVABLES (in thousands PLN)	2006	2005
Balance at the beginning of period	11 320	7 453
a) increases (on account of)	2 119	6 394
- creating a write-off	2 119	6 394
b) decreases (on account of)	6 984	2 527
- repayment	1 444	1 529
- cancellation of reserve	5 538	665
- discontinuance of enforcement proceedings	2	333
Balance of revaluation write-offs of short-term receivables at the end of the period	6 455	11 320

Note 9C

SHORT-TERM RECEIVABLES GROSS (CURRENCY STRUCTURE) (in thousands PLN)	2006	2005
a) in the Polish currency	35 674	25 114
b) in foreign currencies (according to currency, after conversion to zlotys)	-	-
Short-term receivables total	35 674	25 114

Note 9D

RECEIVABLES ON ACCOUNT OF DELIVERIES AND SERVICES (GROSS) - DUE PERIOD REMAINING UP TO THE BALANCE DATE (in thousands PLN)	2006	2005
a) up to 1 month	1 903	10 226
b) over 1 month up to 3 months	306	769
c) over 3 months up to 6 months	133	91
d) over 6 months up to 1 year	196	3 553
e) over 1 year	923	58
f) aged receivables	6 497	10 096
Receivables on account of deliveries and services total (gross)	9 958	24 793
g) revaluation write-offs of receivables on account of deliveries and services	(5 783)	(11 320)
Receivables on account of deliveries and services total (net)	4 175	13 473

Note 9E

AGED RECEIVABLES ON ACCOUNT OF DELIVERIES AND SERVICES (GROSS) - DIVIDED INTO RECEIVABLES NOT PAID DURING A PERIOD [thousands PLN]	2006	2005
a) up to 1 month	383	2 645
b) over 1 month up to 3 months	2 682	1 221
c) over 3 months up to 6 months	807	706
d) over 6 months up to 1 year	334	1 020
e) over 1 year	2 291	4 504
Aged receivables on account of deliveries and services total (gross)	6 497	10 096
f) revaluation write-offs of receivables on account of deliveries and services, aged	(2 680)	(6 277)
Aged receivables on account of deliveries and services total (net)	3 817	3 819

Note 9F

TAX RECEIVABLES ACCORDING TO TITLES (in thousands PLN)	2006	2005
- income tax	542	1 961
- VAT	47 588	33 223
- PCC	144	-
Receivables on account of taxes total	48 274	35 184

Note 10A

SHORT-TERM FINANCIAL INVESTMENTS (in thousands PLN)	2006	2005
a) in subsidiaries	-	-
- shares	-	-
- debt securities	-	-
- other securities (according to type)	-	-
-	-	-
- loans granted (including interest on loans)	-	-
- other short-term financial assets and investments (according to type)	-	-
-	-	-
b) in partially owned subsidiaries	-	-
- shares	-	-
- debt securities	-	-
- other securities (according to type)	-	-
-	-	-
- loans granted (including interest on loans)	-	-
- other short-term financial assets and investments (according to type)	-	-
-	-	-
c) in associated companies	-	-
- shares	-	-
- debt securities	-	-
- other securities (according to type)	-	-
-	-	-
- loans granted (including interest on loans)	-	-
- other short-term financial assets and investments (according to type)	-	-
-	-	-

	-	-
d) in the significant investor	-	-
- shares	-	-
- debt securities	-	-
- other securities (according to type)	-	-
-	-	-
- loans granted (including interest on loans)	-	-
- other short-term financial assets and investments (according to type)	-	-
-	-	-
e) in the dominant company	-	-
- shares	-	-
- debt securities	-	-
- other securities (according to type)	-	-
-	-	-
- loans granted (including interest on loans)	-	-
- other short-term financial assets and investments (according to type)	-	-
-	-	-
f) in other companies	613	7 889
- shares	-	-
- debt securities	-	-
- other securities (according to type)	-	-
-	-	-
- loans granted (including interest on loans)	613	7 889
- other short-term financial assets and investments (according to type)	-	30
Short-term financial investments total	613	7 889

Note 10B

SECURITIES AND OTHER SHORT-TERM FINANCIAL ASSETS (CURRENCY STRUCTURE) (in thousands PLN)	2006	2005
a) in the Polish currency	613	7 889
b) in foreign currencies (according to currency, after conversion to zlotys)	-	-
b1. in USD k	-	-
b1. converted into PLN k	-	-
b2. in EUR k	-	-
b2. converted into PLN k	-	-
Securities, shares and other short-term financial assets total	613	7 889

Note 11

ACCRUALS (in thousands PLN)	2006	2005
a) accrued costs, including	1 032	831
- property tax	-	-
- perpetual usufruct	13	13
- energy	62	-
- insurance	174	226
- costs of sales	365	365
- other	418	227
b) other accruals, including:	-	-
- settlement of lease rent costs	-	-
- ...	-	-
Total accruals	1 032	831

Note 12A

CASH AND OTHER MONETARY ASSETS (in thousands PLN)	2006	2005
a) cash in hand and on bank accounts	297 790	242 476
b) other cash	1	2
c) other cash assets	-	5
Cash and other monetary assets total	297 791	242 483

Note 12B

CASH AND OTHER MONETARY ASSETS (CURRENCY STRUCTURE) (in thousands PLN)	2006	2005
a) in the Polish currency	171 482	91 901
b) in foreign currencies (according to currency, after conversion to zlotys)	126 310	150 582
b1. in USD thousand	8 531	-
b1. converted into thousands PLN	24 765	-
b2. in thousand EUR	26 532	39 050
b2. converted into thousands PLN	101 545	150 582
Cash and other monetary assets total	297 792	242 483

Note 13A

INITIAL CAPITAL (STRUCTURE)								
Series / issue	Class of shares	Class of shares privilege	Type of restriction of rights to shares	Number of shares	Value of series / issue in nominal value (thousands PLN)	Method of capital coverage	Date of registration	Right to dividend as from
A	bearer shares	ordinary shares	none	160 000	80	non-cash contribution	1994-06-30	1995-01-01
B	bearer shares	ordinary shares	none	3 840 000	1 920	cash	1994-06-30	1995-01-01
C	bearer shares	ordinary shares	none	2 000 000	1 000	cash	1995-11-13	1995-01-01
D	bearer shares	ordinary shares	none	6 000 000	3 000	cash	1997-02-18	1996-01-01
E	bearer shares	ordinary shares	none	2 000 000	1 000	cash	1997-12-30	1997-01-01
F	bearer shares	ordinary shares	none	28 000 000	14 000	cash	2002-11-26	2002-01-01
Number of shares total				42 000 000				
Initial capital total					21 000			
Nominal value of one share = PLN 2.00								

Note 13B

SHAREHOLDERS OF ECHO INVESTMENT S.A. OWNING MORE THAN 5% OF SHARE CAPITAL AS ON DECEMBER 31, 2006			
Shareholders	Number of votes / shares	Percentage of share capital	Percentage of votes General Meeting of Shareholders
Michał Sołowow - directly	1 185 568	2,82%	2,82%
Michał Sołowow - indirectly through:	16 050 968	38,22%	38,22%
- Magellan Pro-Equity Fund I S.A.	10 432 968	24,84%	24,84%
- Columbus Pro-Equity Fund II Sp. z o.o.	3 708 000	8,83%	8,83%
- Amundsen Pro-Equity Fund III Sp. z o.o.	1 130 000	2,69%	2,69%
- Barcapital Investment Ltd.	780 000	1,86%	1,86%
Otwarty Fundusz Emerytalny ING NN	3 669 661	8,74%	8,74%
Commercial Union PTE	3 073 873	7,32%	7,32%
OFE PZU Złota Jesień PTE	2 790 915	6,65%	6,65%
BZ WBK AIB Asset Management SA	2 119 363	5,05%	5,05%
Other Shareholders	13 109 652	31,21%	31,21%

Note 14

SUPPLEMENTARY CAPITAL (in thousands PLN)	2006	2005
a) on transfer of shares above their nominal value	100 943	100 943
b) established by force of law	80	80
c) established by force of articles / agreement above the value required by law	437 469	252 921
d) from additional payments of shareholders / partners	-	-
e) costs of issue of shares	(195)	(195)
f) other	22	22
g) reserve (on account of immovable property revaluation)	-	-
Supplementary capital total	538 319	353 771

Note 15

CHANGE IN THE BALANCE OF MINORITY CAPITALS (in thousands PLN)	2006	2005
Balance at the beginning of period	18 145	1 531
a) increases (on account of)	939	16 619
- net result of Projekt S Sp. z o.o.	(4)	-
- net result of WAN 11 Sp. z o.o.	943	16 619
b) decreases (on account of)	8 500	5
- redemption of shares of minority shareholders in PHS S.A.	8 500	-
- net result and purchase of shares of Projekt S Sp. z o.o.	-	5
Balance of minority capitals at the end of the period	10 584	18 145

Note 16

CHANGE IN THE BALANCE OF RESERVE ON ACCOUNT OF DEFERRED INCOME TAX (in thousands PLN)	2006	2005
1. Balance of reserve on account of deferred income tax at the beginning of the period, including:	125 972	112 887
a) applied to the financial result	125 972	112 887
- intangible assets	-	-
- tangible assets	7 178	4 630
- long-term receivables	1 325	-
- investment immovable property	93 617	82 422
- long-term investments	4 398	5 981
- inventories	1 812	1 368
- short-term receivables	1 679	1 065
- short-term investments	3 000	884
- accruals	520	66
- reserves	-	-
- long-term liabilities	12 662	7 924
- short-term liabilities	(219)	8 547
b) applied to equity	-	-
-	-	-
c) compared to goodwill or negative goodwill	-	-
-	-	-

CHANGE IN THE BALANCE OF RESERVE ON ACCOUNT OF DEFERRED INCOME TAX (in thousands PLN) ctd.	2006	2005
2. Increases	58 636	35 035
a) applied to the financial result of the period on account of positive timing differences (on account of)	58 636	35 035
- intangible assets	-	
- tangible assets	-	5 947
- long-term receivables	-	1 391
- investment immovable property	43 574	15 260
- long-term investments	9 765	-
- inventories	-	444
- short-term receivables	835	913
- short-term investments	992	3 077
- accruals	268	2 193
- reserves	-	
- long-term liabilities	3 182	5 643
- short-term liabilities	20	167
b) compared to equity capital due to positive timing differences	-	-
c) applied to goodwill or negative goodwill due to positive timing differences	-	-
-	-	-
3. Decreases	5 842	21 950
a) applied to the financial result of the period due to positive timing differences (on account of)	5 842	21 950
- intangible assets	-	
- tangible assets	1 612	3 399
- long-term receivables	1 324	66
- investment immovable property	(390)	4 065
- long-term investments	44	1 583
- inventories	461	-
- short-term receivables	815	299
- short-term investments	1 273	961
- accruals	54	1 739
- reserves	-	
- long-term liabilities	561	905
- short-term liabilities	88	8 933
b) compared to equity capital due to positive timing differences	-	-
c) applied to goodwill or negative goodwill due to positive timing differences	-	-
-	-	-
4. Balance of reserve on account of deferred income tax at the end of the period total	177 766	125 972
a) applied to the financial result	177 766	125 972
- intangible assets	-	-
- tangible assets	5 566	7 178
- long-term receivables	1	1 325
- investment immovable property	137 581	93 617
- long-term investments	14 119	4 398
- inventories	1 351	1 812
- short-term receivables	1 699	1 679
- short-term investments	2 719	3 000

- accruals	734	520
- reserves	-	-
- long-term liabilities	15 283	12 662
- short-term liabilities	(287)	(219)
b) applied to equity	-	-
c) compared to goodwill or negative goodwill	-	-

Note 17

CHANGE IN THE BALANCE OF OTHER SHORT-TERM RESERVES (ACCORDING TO TITLES) [thousands PLN]	2006	2005
a) balance at the beginning of the period	30 797	41 661
b) increases (on account of)	10 967	4 455
- reserve for foreseen overheads (audit, holidays, bonuses, etc.)	8 514	1 435
- reserve for foreseen penalties and losses	2 453	1 399
- reserve for foreseen payments on account of granted sureties	-	1 547
- reserve for costs of perpetual usufruct	-	-
- reserve for court proceedings	-	74
c) utilization (on account of)	7 099	8 612
- incurred overheads	6 308	5 975
- incurred penalties and losses	791	800
- incurred costs of guarantee repairs, renovations and related damages	-	1 620
- poniesionych płatności z tytułu udzielonych poręczeń	-	
- poniesionych kosztów i strat wynikających z przekazania majątku	-	
- poniesionych na kosztów wieczystego użytkowania	-	
- incurred costs resulting from court proceedings	-	217
d) release (on account of)	2 610	6 707
- reserve for foreseen overheads (audit, holidays, bonuses, etc.)	-	-
- reserve for foreseen penalties and losses	-	-
- reserve for foreseen costs of guarantee repairs, renovations and related damages	2 024	5 976
- reserve for foreseen payments on account of granted sureties	-	
- reserve for foreseen costs and losses resulting from transfer of assets	152	731
- reserve for court proceedings	434	-
- reserve for costs of perpetual usufruct	-	
- reserve for court proceedings	-	-
e) balance at the end of the period	32 055	30 797
- reserve for foreseen overheads (audit, holidays, bonuses, etc.)	13 623	11 415
- reserve for foreseen penalties and losses	8 035	6 373
- reserve for foreseen costs of guarantee repairs, renovations and related damages	-	2 024
- reserve for foreseen payments on account of granted sureties	4 047	4 047
- reserve for foreseen costs and losses resulting from transfer	5 786	5 938

of assets		
- reserve for court proceedings	566	1 000

The reserve for penalties covers a reserve for possible penalties that the Company can be charged with due to performed services,

The reserve for court proceedings covers court proceedings against the company, where the probability of succeeding is lower than 50%.

The reserve for sureties includes a reserve for sureties provided to Princess Investment Sp. z o.o. and Princess Boryszewska Sp. z o.o. Echo Investment SA covenanted to incur the first payment for perpetual usufruct of land purchased by these companies if the municipality of Warsaw demands this payment from these companies.

The reserve for overheads covers the reserve for unpaid bonuses for the first half of this year and possibly the previous year, for costs of audit of the statement and costs of unused holiday benefits, etc.

Note 18A

LONG-TERM FINANCIAL LIABILITIES (in thousands PLN)	2006	2005
a) to subsidiaries	-	-
- loans and credits (including interest)	-	-
- on account of issue of debt securities	-	-
- other financial liabilities, including:	-	-
- on account of financial lease	-	-
- ...	-	-
b) to partially owned subsidiaries	-	-
- loans and credits (including interest)	-	-
- on account of issue of debt securities	-	-
- other financial liabilities, including:	-	-
- on account of financial lease	-	-
- ...	-	-
c) to associated companies	-	-
- loans and credits (including interest)	-	-
- on account of issue of debt securities	-	-
- other financial liabilities, including:	-	-
- on account of financial lease	-	-
- ...	-	-
d) to the significant investor	-	-
- loans and credits (including interest)	-	-
- on account of issue of debt securities	-	-
- other financial liabilities, including:	-	-
- on account of financial lease	-	-
- ...	-	-
e) to the dominant company	-	-
- loans and credits (including interest)	-	-
- on account of issue of debt securities	-	-
- other financial liabilities, including:	-	-
- on account of financial lease	-	-
- ...	-	-
f) to other companies	902 909	685 010
- loans and credits (including interest)	656 705	574 342
- on account of issue of debt securities	245 961	109 938
- other financial liabilities, including:	243	730
- on account of financial lease	243	730
Long-term financial liabilities total	902 909	685 010

Note 18B

LONG-TERM FINANCIAL LIABILITIES - DUE PERIOD REMAINING FROM THE BALANCE DATE (in thousands PLN)	2006	2005
a) over 1 year up to 3 years	112 385	112 339
b) over 3 years up to 5 years	88 753	77 389
c) over 5 years	701 771	495 282
Long-term financial liabilities total	902 909	685 010

Note 18C

LONG-TERM FINANCIAL LIABILITIES (CURRENCY STRUCTURE) (in thousands PLN)	2006	2005
--	-------------	-------------

a) in the Polish currency	246 203	150 668
b) in foreign currencies (according to currency, after conversion to zlotys)	656 706	534 342
b1. in USD thousand	20 749	15 419
b1. converted into thousands PLN	63 431	50 329
b2. in thousand EUR	152 350	125 392
b2. converted into thousands PLN	593 275	484 013
Long-term financial liabilities total	902 909	685 010

NOTE 18D

LONG-TERM LIABILITIES ON ACCOUNT OF LOANS AND CREDITS (in thousands PLN)

Name (company name) of the company, specifying the legal status	Registered office address	Amount of loan / credit under the contract		Amount of loan / credit remaining due		Interest rate arrangements	Due date	Collaterals	Other
		thousands PLN	currency	thousands PLN	currency				
PEKAO S.A. [PEKAO Joint Stock Company]	Warsaw	60 000		-		Wibor + margin	2009-06-30	- power of attorney to a bank account	
PEKAO S.A. [PEKAO Joint Stock Company]	Warsaw	34 868	9,101 thousand EUR	13 221	3,451 thousand EUR	EURIBOR + margin	2010-08-31	- mortgage security on immovable property for an amount of 11,831 thousand EUR, transfer of receivables due from lease contracts, transfer of receivables due from guarantees or sureties, transfer of receivables due to execution contracts, transfer of receivables due from insurance policies, statement of 'Echo Investment' S.A. on voluntary submission to enforcement proceedings, registered pledge on shares of 'Echo Investment - Centrum Handlowe Jelenia Góra' Sp. z o.o., power of attorney to a bank account	
PEKAO S.A. [PEKAO Joint Stock Company]	Warsaw	19 011	4,962 thousand EUR	6 413	1,679 thousand EUR	EURIBOR + margin	2010-04-30	- mortgage security on immovable property for an amount of 6,451 thousand EUR, transfer of receivables due from lease contracts, transfer of receivables due from guarantees or sureties, transfer of receivables due to execution contracts, transfer of receivables due from insurance policies, statement of 'Echo Investment' S.A. on voluntary submission to enforcement proceedings, registered pledge on shares of 'Echo Investment - Centrum Handlowe Bełchatów' Sp. z o.o., power of attorney to a bank account	
Eurohypo AG	Eschborn	41 377	10,800 thousand EUR	19 230	4,973 thousand EUR	EURIBOR + margin	2010-07-15	- mortgage security on immovable property for an amount of 15,540 thousand EUR, transfer of receivables due from lease contracts and management contract, transfer of receivables due from guarantees or sureties, transfer of receivables due from insurance policies, transfer of receivables due from execution contracts, registered pledge on shares of 'Echo Investment - Centrum Handlowe Tarnów' Sp. z o.o., transfer of receivables due from bank account agreement	

LONG-TERM LIABILITIES ON ACCOUNT OF LOANS AND CREDITS (in thousands PLN) ctd.

Name (company name) of the company, specifying the legal status	Registered office address	Amount of loan / credit under the contract		Amount of loan / credit due		Interest rate arrangements	Due date	Collaterals	Other
		thousands PLN	currency	thousands PLN	currency				
ING Bank Śląski SA [Joint Stock Company]	Katowice	18 608	4,857 thousand EUR	6 329	1,616 thousand EUR	EURIBOR + margin	2010-12-31	- mortgage security on immovable property for an amount of 3,420 thousand EUR, transfer of receivables due from lease contracts and management contract, transfer of receivables due from guarantees or sureties, transfer of receivables due from insurance policies, transfer of receivables due from execution contracts, registered pledge on shares of 'Echo Investment - Centrum Handlowe Przemysł' Sp. z o.o., surety of 'Echo Investment - Centrum Handlowe Świętochłowice' Sp. z o.o., transfer of receivables due from bank account agreement	
PEKAO S.A. [PEKAO Joint Stock Company]	Warsaw	37 706	4,600 thousand EUR 6,900 thousand USD.	30 045	3,610 thousand EUR 4,941 thousand USD.	EURIBOR + margin LIBOR + margin	2011-04-30	- mortgage security on immovable property for an amount of 14,970 thousand EUR, transfer of receivables due from lease contracts, transfer of receivables due from insurance policies, transfer of receivables due to execution contracts, registered pledge on shares of 'M.D.P.' Sp. z o.o., statement of 'Echo Investment' S.A. and 'M.D.P.' Sp. z o.o. on voluntary submission to enforcement proceedings, power of attorney to bank accounts of 'Echo Investment' S.A. and 'M.D.P.' Sp. z o.o.	
Eurohypo AG	Eschborn	383 120	100,000 thousand EUR	166 673	42,956 thousand EUR	EURIBOR + margin	2018-03-31	- mortgage security on immovable property for an amount of 66,300 thousand EUR, transfer of receivables due from lease contracts and management contract, transfer of receivables due from guarantees or sureties, transfer of receivables due from insurance policies, transfer of receivables due from execution contracts, registered pledge on shares of 'Echo Investment - Centrum Handlowe Szczecin' Sp. z o.o., transfer of receivables due from bank account agreement, transfer of receivables due from CAP transactions, transfer of receivables due from VAT return claims of 'Echo Investment - Centrum Handlowo-Rozrywkowe Szczecin' Sp. z o.o., transfer of receivables due from lease contract of parcel, covenant of 'Echo Investment' S.A. with statement of submission to enforcement proceedings	

LONG-TERM LIABILITIES ON ACCOUNT OF LOANS AND CREDITS (in thousands PLN) ctd.

Name (company name) of the company, specifying the legal status	Registered office address	Amount of loan / credit contract		Amount of loan / credit due		Interest rate arrangements	Due date	Collaterals	Other
		thousands PLN	currency	thousands PLN	currency				
Rheinhyp - BRE S.A. [Joint Stock Company]	Warsaw	21 829	7,500 thousand USD	15 302	4,963 thousand USD	LIBOR + margin	2012-06-28	- mortgage security on immovable property for an amount of 11,250 thousand USD, transfer of receivables due from lease contracts, transfer of receivables due from guarantees, transfer of receivables due from insurance policies, transfer of receivables due from execution contracts, registration pledge on shares of 'Echo - Centrum Biznesu Łódź' Sp. z o.o., power of attorney to bank accounts of 'Echo - Centrum Biznesu Łódź' Sp. z o.o., statement of 'Echo - Centrum Biznesu Łódź' Sp. z o.o. on submission to enforcement proceedings, subordination of loans granted by 'Echo Investment' S.A., declaration of 'Echo Investment' S.A. of not disposing of the immovable property without the Lender's consent	
PEKAO S.A. [PEKAO Joint Stock Company]	Warsaw	23 600	5,714 thousand USD	13 947	4,482 thousand USD	LIBOR + margin	2011-12-31	- mortgage security on immovable property for an amount of 7,506 thousand USD, transfer of receivables due from insurance policies, registered pledge on the shares of 'Echo - Centrum Bankowości i Finansów Łódź' Sp. z o.o., power of attorney to bank accounts of 'Echo - Centrum Bankowości i Finansów Łódź' Sp. z o.o., statement of 'Echo - Centrum Bankowości i Finansów Łódź' Sp. z o.o. on submission to enforcement proceedings,	
BPH PBK S.A. [Joint Stock Company]	Cracow	139 073	36,300 thousand EUR	120 180	31,257 thousand EUR	EURIBOR + margin	2019-01-23	- mortgage security on immovable property up to the amount of 72,600 thousand EUR, registered pledge on the shares of 'Echo Investment - Centrum Handlowe Radom' Sp. z o.o., registered pledge on the shares of 'Echo Investment - Centrum Handlowe Piotrków Trybunalski' Sp. z o.o., registered pledge on the shares of 'Echo Investment - Centrum Handlowe Pabianice' Sp. z o.o., transfer of receivables due from lease contracts, transfer of receivables from contracts of insurance of financed real estate, registered pledge on the receivable due from bank account agreements	

LONG-TERM LIABILITIES ON ACCOUNT OF LOANS AND CREDITS (in thousands PLN) ctd.

Name (company name) of the company, specifying the legal status	Registered office address	Amount of loan / credit of contract		Amount of loan / credit due		Interest rate arrangements	Due date	Collaterals	Other
		thousands PLN	currency	thousands PLN	currency				
Kredyt Bank S.A. [Joint Stock Company]	Warsaw	68 962	18,000 thousand EUR	51 318	13,027 thousand EUR	EURIBOR + margin	2013-10-31	- mortgage security on immovable property for an amount of 27,000 thousand EUR, transfer of receivables due from lease contracts, transfer of receivables due from guarantees, transfer of receivables due from insurance policies, transfer of receivables due from execution contracts, registered pledge on shares of 'Kieleckie Centrum Handlowo - Rozrywkowe Echo' Sp. z o.o., power of attorney to bank accounts of 'Kieleckie Centrum Handlowo-Rozrywkowe Echo' Sp. z o.o.	
Eurohypo AG	Eschborn	76 890	13,840 thousand EUR 8,200 thousand USD.	74 056	13,324 thousand EUR 7,907 thousand USD.	EURIBOR + margin LIBOR + margin	2014-09-30	- mortgage security on immovable property for an amount of 30,600 thousand EUR, transfer of receivables due from lease contracts, transfer of receivables due from guarantees, transfer of receivables due from insurance policies, transfer of receivables due from execution contracts, transfer of receivables due from hedging contracts, transfer of receivables from income statements from lease and deposits, registered pledge on shares of 'Athina Park' Sp. z o.o.	
Eurohypo AG	Eschborn	383 120	100,000 thousand EUR	61 923	16,126 thousand EUR	EURIBOR + margin	2022-09-30	- mortgage security on immovable property for an amount of 100,000 thousand EUR, registered pledge on the shares of 'Echo Pasaż Grunwaldzki' Sp. z o.o., registered pledge on receivables of shareholders on account of their shares in 'Echo Pasaż Grunwaldzki Sp. z o.o.' Limited Partnership, transfer of receivables on account of contracts, statement on submission to enforcement proceedings, declaration of Echo Investment S.A. to cover the costs of further realizations in an amount exceeding the credit amount	
Eurohypo AG	Eschborn	114 833	29,973 thousand EUR	119 859	29,973 thousand EUR	EURIBOR + margin	2016-01-29	- mortgage security on immovable property for an amount of 48,000 thousand EUR, transfer of receivables due from lease contracts, registration pledge on the shares of 'WAN 11' Sp. z o.o., subordination of the borrower's liabilities towards partners to the borrower's liabilities towards the bank on account of granted loan	

LONG-TERM LIABILITIES ON ACCOUNT OF LOANS AND CREDITS (in thousands PLN) ctd.

Name (company name) of the company, specifying the legal status	Registered office address	Amount of loan / credit e contract		Amount of loan / credit ng due		Interest rate arrangements	Due date	Collaterals	Other
		thousands PLN	currency	thousands PLN	currency				
ING Bank Śląski S.A. [Joint Stock Company]	Katowice	30 000	PLN	-	PLN	WIBOR + margin	2008-09-05	- statement of submission to enforcement proceedings.	
Fortis Bank Polska S.A. [Joint Stock Company]	Warsaw	20 000	PLN	-	PLN	WIBOR + margin	2008-11-29	- own blank bill of exchange, statement of submission to enforcement proceedings	
PKO BP SA [Joint Stock Company]	Warsaw	60 000	PLN	-	PLN	WIBOR + margin	2009-08-20	- power of attorney to the account, statement of submission to enforcement proceedings	
Total		1 532 995		698 496					

* The value of due loans consists of amounts of loan due within one year: PLN 41,791 thousand (short-term liabilities) and over one year (long-term liability) PLN 656,705 thousand.

NOTE 18E

LONG-TERM LIABILITIES ON ACCOUNT OF ISSUED DEBT FINANCIAL INSTRUMENTS (in thousands PLN)

Debt financial instruments according to type	Nominal value	Interest rate arrangements	Redemption date	Guarantees / securities	Additional privileges	Quotation market	Other
Bonds (BRE S.A.)	150 000	WIBOR + margin	2011-05-25	-	-	-	-
Bonds (BRE S.A.)	100 000	WIBOR + margin	2012-05-25	-	-	-	-
Total	250 000						

Note 19

OTHER LONG-TERM LIABILITIES [thousands PLN]	2006	2005
a) advances received	31 194	27 636
b) deposits received	6 139	1 619
c) right of perpetual usufruct	3 524	-
Other long-term liabilities total	40 857	29 255

Note 20A

SHORT-TERM FINANCIAL LIABILITIES [thousands PLN]	2006	2005
a) to subsidiaries	-	-
- loans and credits, including:	-	-
- long-term payable	-	-
- on account of interest on loans and credits	-	-
- on account of issue of debt securities	-	-
- on account of dividends	-	-
- other financial liabilities, including:	-	-
-	-	-
b) to partially owned subsidiaries	-	-
- loans and credits, including:	-	-
- long-term payable	-	-
- on account of interest on loans and credits	-	-
- on account of issue of debt securities	-	-
- on account of dividends	-	-
- other financial liabilities, including:	-	-
-	-	-
c) to associated companies	-	-
- loans and credits, including:	-	-
- long-term payable	-	-
- on account of interest on loans and credits	-	-
- on account of issue of debt securities	-	-
- on account of dividends	-	-
- other financial liabilities, including:	-	-
-	-	-
d) to the significant investor	-	-
- loans and credits, including:	-	-
- long-term payable	-	-
- on account of interest on loans and credits	-	-
- on account of issue of debt securities	-	-
- on account of dividends	-	-
- other financial liabilities, including:	-	-
-	-	-
e) to the dominant company	-	-
- loans and credits, including:	-	-
- long-term payable	-	-
- on account of interest on loans and credits	-	-
- on account of issue of debt securities	-	-
- on account of dividends	-	-
- other financial liabilities, including:	-	-
-	-	-
f) to other companies	158 061	152 992

- loans and credits, including:	48 975	57 525
- long-term payable	41 791	35 920
- on account of interest on loans and credits	1 672	1 069
- on account of issue of debt securities	106 927	93 911
- on account of dividends	-	-
- other financial liabilities, including:	487	487
- leasing	487	487
- ...	-	-
Short-term liabilities total	158 061	152 992

Note 20B

SHORT-TERM FINANCIAL LIABILITIES (CURRENCY STRUCTURE) (in thousands PLN)	2006	2005
a) in the Polish currency	116 270	116 991
b) in foreign currencies (according to currency, after conversion to zlotys)	41 791	36 001
b1. in thousands USD.	1 544	1 183
b1. converted into thousands PLN	4 660	3 861
b2. in thousands EURO	9 643	8 326
b2. converted into thousands PLN	37 131	32 140
Short-term liabilities total	158 061	152 992

NOTE 20C

SHORT-TERM LIABILITIES ON ACCOUNT OF LOANS AND CREDITS (in thousands PLN)									
Name (company name) of company	Registered office address	Amount of loan / credit under the contract		Amount of loan / credit remaining due		Interest rate arrangements	Due date	Protection	Other
		thousands PLN	currency	thousands PLN	currency				
Polimeni International	Garden City, N.Y.	7 170	PLN	7 170	PLN	WIBOR + margin	2007-02-28	-	
Bank Handlowy w Warszawie S.A. [Joint Stock Company]	Warsaw	20 000	PLN	14	PLN	WIBOR + margin	2007-03-08	- obligation to obtain required level of turnover, statement of submission to enforcement proceedings	
BPH PBK S.A. [Joint Stock Company]	Cracow	20 000	PLN	-	PLN	WIBOR + margin	2007-04-27	- power of attorney to a bank account	
Pekao S.A. [Joint Stock Company]	Warsaw	20 000	PLN	-	PLN	WIBOR + margin	2007-06-30	own blank bill of exchange, power of attorney to bank account, statement of submission to enforcement proceedings	
Total		67 170		7 184					

NOTA 20 D

SHORT-TERM LIABILITIES ON ACCOUNT OF ISSUED DEBT FINANCIAL INSTRUMENTS (in thousands PLN)							
Debt financial instruments according to type	Nominal value	Interest rate arrangements	Redemption date	Guarantees / securities	Additional privileges	Quotation market	Other
Bonds (BRE S.A.)	50 000	WIBOR + margin	2007-05-24	-	-	-	-
Bonds (BPH S.A.)	30 000	WIBOR + margin	2007-09-04				
Bonds (BPH S.A.)	30 000	WIBOR + margin	2007-09-11	-	-	-	-
Total	110 000						

Note 21A

OTHER SHORT-TERM LIABILITIES (in thousands PLN)	2006	2005
a) to subsidiaries	-	-
- on account of deliveries and services, payable:	-	-
- up to 12 months	-	-
- over 12 months	-	-
- other (according to type)	-	-
-	-	-
b) to partially owned subsidiaries	-	-
- on account of deliveries and services, payable:	-	-
- up to 12 months	-	-
- over 12 months	-	-
- other (according to type)	-	-
-	-	-
c) to associated companies	-	-
- on account of deliveries and services, payable:	-	-
- up to 12 months	-	-
- over 12 months	-	-
- other (according to type)	-	-
-	-	-
d) to the significant investor	-	-
- on account of deliveries and services, payable:	-	-
- up to 12 months	-	-
- over 12 months	-	-
- other (according to type)	-	-
-	-	-
e) to the dominant company	-	-
- on account of deliveries and services, payable:	-	-
- up to 12 months	-	-
- over 12 months	-	-
- other (according to type)	-	-
-	-	-
f) to other companies	221 039	190 426
- on account of deliveries and services, payable:	88 333	57 499
- up to 12 months	79 423	48 938
- over 12 months	8 910	8 561
- on account of taxes, customs duties, securities and other performances	8 838	27 878
- other (according to titles)	123 868	105 049
- advances received for deliveries	114 126	92 739
- deposits	3 632	5 757
- accrued income	826	2 186
- received hedging deposits	1 503	-
- bill of exchange liabilities	-	-
- on account of salaries and wages	30	46
- obligation to issue shares	2 966	-
- right of perpetual usufruct	-	3 625
- insurance	217	275
- company social benefits fund	296	291
- other	272	130
Short-term liabilities total	221 039	190 426

EXPLANATORY NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT**Note 22A**

NET INCOME FROM SALES (MATERIAL STRUCTURE - TYPES OF ACTIVITY) (in thousands PLN)	2006	2005
a) from affiliated companies	-	-
b) from other companies, on account of:	333 249	257 939
- lease of areas shopping centers and commercial and entertainment centers	150 855	152 571
- sale and lease of residential and commercial areas	111 538	56 592
- realization and lease of areas in office and hotel facilities	59 756	38 813
- real estate trade	3 101	2 546
- legal, accounting, managing and consulting services	1 107	1 656
- other incomes	6 892	5 761
Net income from sales total	333 249	257 939

Note 22B

NET INCOME FROM SALES (TERRITORIAL STRUCTURE) [thousands PLN]	2006	2005
a) domestic	333 249	257 939
- including: from affiliated companies	-	-
b) export	-	-
- including: from affiliated companies	-	-
Net income from sales total	333 249	257 939
- including: from affiliated companies	-	-

Note 23A

COSTS ACCORDING TO TYPE (in thousands PLN)	2006	2005
a) depreciation	(4 303)	(3 773)
b) consumption of materials and energy	(93 559)	(52 465)
c) foreign services	(107 828)	(55 738)
d) taxes and duties	(16 548)	(16 903)
e) salaries and wages	(22 212)	(17 693)
f) social security and other benefits	(4 169)	(3 100)
g) other prime costs	(3 603)	(8 480)
h) value of sold goods and materials	(267)	(304)
Costs according to type, total	(252 489)	(158 456)
Change in the balance of inventories, products and accruals	(12 760)	(13 591)
Cost of manufacture of products for the company's own purposes (negative value)	(292)	(41 305)
Costs of sales (negative value)	(9 736)	(8 459)
Overheads (negative value)	(43 694)	(28 847)
Production cost of sold products	(144 163)	(108 098)

Note 23B

OPERATING COSTS (MATERIAL STRUCTURE - TYPES OF OPERATIONS) (in thousands PLN)	2006	2005
a) from affiliated companies	-	-
b) from other companies, concerning income on:	(144 163)	(108 098)
- lease of areas shopping centers and commercial and entertainment centers	(44 001)	(144 163)
- sale and lease of residential and commercial areas	(74 346)	(36 925)
- realization and lease of areas in office and hotel facilities	(18 536)	(19 176)
- immovable property trade	-	(342)
- legal, accounting, managing and consulting services	(978)	(299)
- other	(6 302)	(6 663)
Operating costs total	(144 163)	(108 098)

Note 24

PROFIT (LOSS) ON SALES OF INVESTMENTS (in thousands PLN)	2006	2005
Income from sales	84 243	251 943
- of real estate	84 243	251 943
Costs of sales	(75 324)	(188 271)
- of real estate	(75 324)	(188 271)
Net profit (loss) on sales of investments	8 919	63 672

Note 25A

OTHER OPERATING INCOMES (in thousands PLN)	2006	2005
a) income from sale of non-financial tangible assets	1 032	494
b) revaluation of non-financial assets	7 671	5 969
b) release of reserve	1 514	24 867
d) contractual penalties	7 348	4 678
e) other, including:	1 546	940
- subsidies	313	259
- extraordinary profit	35	-
- indemnities and penalties	28	83
- write-down of receivables	315	-
- other	855	598
Other operating income total	19 111	36 948

Note 25B

OTHER OPERATING COSTS (in thousands PLN)	2006	2005
a) costs of sales of non-financial tangible assets	(1 415)	(1 829)
b) revaluation of non-financial assets	(9 642)	(9 478)
b) established reserves	(161)	(8 925)
d) contractual penalties	(1 296)	(339)
e) donations	(4 461)	(66)
f) other, including:	(4 135)	(1 873)
- write-down of bad receivables	(400)	(314)
- extraordinary loss	(50)	(22)
- contractual penalties other than costs of income	(469)	(22)
- costs of court proceedings	-	(57)
- other	(3 216)	(1 458)
Other operating costs total	(21 110)	(22 510)

Note 26

FINANCIAL INCOMES (in thousands PLN)	2006	2005
a) from affiliated companies	-	-
b) from other companies	13 831	8 169
- income from interest on loans	401	218
- income from other interest	9 515	6 377
- otrzymane dywidendy		-
- profit on sale of investments	1 229	141
- income from revaluation of financial assets and liabilities	2 888	1 428
- other financial income	740	5
Financial income total	14 773	8 169

Note 27

FINANCIAL COSTS ON ACCOUNT OF INTEREST (in thousands PLN)	2006	2005
a) from affiliated companies	-	-
b) from other companies	(63 918)	(43 038)
- koszty z tyt. odsetek od pożyczek	-	-
- costs of other interest	(45 866)	(38 288)
- financial commissions	(447)	(667)
- loss on sale of investments	(318)	(3)
- costs of revaluation of financial assets and liabilities	(9 403)	(66)
- other financial costs	(8 826)	(4 014)
Financial costs total	(64 860)	(43 038)

Note 28

FOREIGN EXCHANGE GAINS (LOSSES) (in thousands PLN)	2006	2005
a) foreign exchange gains	15 134	16 058
- realized	694	4 342
- unrealized	14 440	11 716
b) foreign exchange losses	-	-
- realized	-	-
- unrealized	-	-
Foreign exchange gains/losses total	15 134	16 058

Note 29A

CURRENT INCOME TAX (in thousands PLN)	2006	2005
1. Gross profit (loss) (consolidated)	346 053	266 807
2. Consolidation adjustments	51 077	(12 555)
3. Differences between gross profit (loss) and income tax taxable base (according to titles)	(308 872)	(56 885)
- Estimated income	(6 974)	6 569
- Tax / accounting differences in incomes (utilities, lease rents)	264	1 228
- Interest gained from loans for the previous years	1 936	3 403
- Output interest on loans, not received	(5 090)	(6 138)
- Other interest gained from loans for the previous years	295	62
- Other output interest, not received	95	(413)
- Release of receivables revaluation write-offs	(16 245)	(2 777)
- Release of reserve	(101)	(27 289)
- Contractual penalty charges	-	(529)
- Dividends received	(42 500)	(25 299)
- Świadczenia nieodpłatne		-
- Tax / accounting differences in depreciation	(19 902)	(13 899)
- Output interest on loans and credits that has not been paid	876	2 357
- Interest from loans and credits booked under costs in the previous year but paid this year	(1 421)	(2 436)
- Other output interest that has not been paid	3 030	4 731
- Other interest booked under costs in the previous year but paid this year	(2 402)	(291)
- Budget interest and penalties	67	5
- Establishment of receivables revaluation write-offs	13 325	15 809
- Contractual penalties other than costs of income	376	47
- Gifts	3 965	16
- Receivables written off as costs	(43)	155
- Established reserves	(8)	9 077
- Costs of representation and limited advertising	-	815
- Costs of perpetual usufruct of immovable property	(7 541)	418
- Estimated costs	-	110
- Unrealized foreign exchange differences	(1 475)	(11 050)
- Valuation of financial instruments	(131 351)	32 601
- Valuation of investments	(96 614)	(57 708)
- Estimated costs	15	160
- Activated financial costs	1 471	1 745

CURRENT INCOME TAX (in thousands PLN) ctd.	2006	2005
- Costs of income	7 464	8 161
- Results of partnerships	(17 414)	-
- ...		-
- ...		-
- ...		-
- Tax losses of consolidated companies	6 655	3 439
- Other	375	36
4. Income tax taxable base	88 258	197 367
5. Income tax under 19% rate	16 769	37 500
6. Increases, abandonments, exemptions, deductions and reductions of tax	(133)	(33)
7. Current income tax presented (disclosed) in the tax return of the period, including:	16 636	37 467
- disclosed in the profit and loss account	16 636	37 467
- concerning items that have reduced or increased equity capital	-	-
- concerning items that have reduced or increased goodwill or negative goodwill	-	-

Note 29B

DEFERRED INCOME TAX DISCLOSED IN THE PROFIT AND LOSS ACCOUNT (in thousands PLN)	2006	2005
- reduction (increase) due to occurrence and reversal of timing differences	50 346	18 307
- reduction (increase) due to change in tax rates	-	-
- reduction (increase) due to tax loss, tax relief or timing difference of the preceding period, not disclosed previously		
- reduction (increase) due to write-off of assets due to deferred income tax or lack of possibility of consuming the reserve for deferred income tax		
- other components of deferred tax (according to titles)		
-		
Deferred income tax total	50 346	18 307

Nota 29C

TOTAL AMOUNT OF DEFERRED TAX	2005	2004
- disclosed in equity	-	-
- disclosed in goodwill or negative goodwill	-	-
Total	-	-

Nota 29D

PODATEK DOCHODOWY WYKAZANY W RACHUNKU ZYSKÓW I STRAT DOTYCZĄCY:	2005	
- discontinued activity	-	-

- gains/losses on extraordinary operations	-	-
Total	-	-

Note 30

NET PROFIT (LOSS) (in thousands PLN)	2006	2005
a) net profit (loss) of the dominant company	80 754	9 523
b) net profit (loss) of subsidiaries	247 906	189 162
c) net profit (loss) of partially owned subsidiaries	-	-
d) net profit (loss) of associated companies	-	-
e) consolidation adjustments	(49 589)	12 347
Net profit (loss)	279 071	211 032

The net profit yielded by 'Echo Investment S.A.' in the year 2005, amounting to PLN 9,523 thousand was assigned to supplementary capital through resolution no. 3 of the Ordinary General Meeting of Shareholders of June 30, 2006.

EXPLANATORY NOTES TO THE CONSOLIDATED CASH FLOW ACCOUNT

Note 31

ADJUSTMENTS OF CHANGES IN THE BALANCE OF BALANCE ITEMS DISCLOSED UNDER A.II.10 'OTHER ADJUSTMENTS' (in thousands PLN)	2006	2005
Conversion of inventories into fixed assets	-	10
Valuation of credit facilities	499	-
Konwersja środków trwałych na zapasy	-	-
Korekta do zapasów - aport składników zapasów	-	-
Correction concerning the reserve from valuation of non-cash contribution	-	-
Korekta przeniesienie inwestycji rozpoczętej na zapasy	-	-
Korekta dotycząca wyniku z lat ubiegłych	-	-
Rozliczenia z tytułu podatku dochodowego	-	-
Adjustments total	499	10

Note 32

CASH DISCLOSED IN THE CASH FLOW STATEMENT (in thousands PLN)	2006	2005
Balance at the beginning of the period, including	242 483	73 610
- cash in hand and on bank accounts	242 478	73 600
- other monies	-	-
- other monetary assets	5	10
Balance at the end of the period	297 792	242 483
- cash in hand and on bank accounts	297 716	242 478
- other monies	-	-
- other monetary assets	76	5

'Echo Investment' S.A. qualifies as operating activity income gained and costs incurred in relation to running developer activity, i.e. provision of a wide range of services related to the immovable property market.

Investment activity covers payment for acquired and sold components of fixed assets, i.e. non-current assets, intangible assets, financial deposits, granting and repayment of loans, including advantages gained from deposits and granted loans.

Financial activity refers to obtaining own and foreign capital engaged in the form of short- and long-term credits and cash loans, their return and service (interest paid).

Types of segments of activity, specifying products (services) and goods under each disclosed field segment or composition of each disclosed geographical segments, indicating the basic classification (division of segments according to fields or geographical location) and the supplementary classification.

The basic classification is the division into geographical segments.

Two geographical segments have been distinguished in the Capital Group:

- domestic sales,
- export sales.

The supplementary classification is the division into field segments.

One field segment been distinguished in the Capital Group:

developer activity, whereunder the Capital Group provides lease services of commercial, service and residential areas, general contracting of investments services, and sales of immovable property,

Accounting principles (policy) applied to segment-related reporting, particularly referring to: method of distinguishing segments, allocation and valuation of income, costs and determination of financial result, method of allocation to segments and valuation of assets and liabilities, methods of determining transfer prices.

Field segments have been described as distinguishable fields of an economic entity, where goods are distributed, services are provided, or a group of related goods or services is delivered, subject to risk and described by a rate of return from investment expenditure different from ones typical of other field segments.

Accounting principles

The accounting principles of a segment are the principles applied to preparation and presentation of the Group's consolidated financial statement, as well as the accounting principles applicable directly to segments-related reporting.

Income from a segment

Income from a segment means the income yielded from sales to outside clients or from transactions with other segments within the Group, which are disclosed in the Group's profit and loss account and can be directly allocated to the given segment, along with the respective part of the Group's income, which can be allocated to this segment on the basis of reasonable premises. The following are not classified as income from segment:

- a) extraordinary profits,
- b) income from interest or dividends, including interest gained from advances paid or loans granted to other segments, unless the operations of the given segment are primarily focused on financial issues,
- c) profits from sales of investments or profits resulting from debt expiry, unless the operations of the segment are mainly focused on financial issues.

Income from the segment includes the Capital Group's shares in profits or losses of associated companies, joint ventures or other consolidated financial investments, using the ownership rights method, provided that the above items are contained in consolidated or general income of an economic entity.

Costs of segment

Costs of segment mean the costs composed of costs of sales to outside clients or costs of transactions realized with other segments within the Group, which result from the given segment's operating activity and can be directly allocated to the given segment, along with the respective part of the Group, which can be allocated to this segment on the basis of reasonable premises. The following are not classified as costs of segment:

- a) extraordinary losses,
- b) interest, including interest on advances or loans obtained from other segments, unless the operations of the given segment are primarily focused on financial issues,

c) losses from sales of investments or losses incurred from debt expiry, unless the operations of the segment are mainly focused on financial issues,

d) economic entity's share in losses of associated companies, joint ventures or other financial investments consolidated with the ownership rights method,

e) income tax charges, or

f) overheads and other costs occurring on Group level, applicable to the Group as a whole. However, certain costs occurring on Group level are yielded for the segment. Such costs can be classified as costs of segment if they apply to the segment's operating activity and can be directly allocated or assigned to the segment on the basis of reasonable premises.

Result of segment

The result of segment is the difference between the income from segment and costs of segment. The result of segment is determined before adjustments for minority shares.

Assets of segment

Assets of segment are current assets used by the segment in its operating activity that can be directly allocated to the given segment or assigned to that segment on the basis of reasonable premises.

If the result of segment comprises income from interest or dividends, the segment's assets shall comprise relevant receivables, loans, investments or other assets resulting in occurrence of income.

Liabilities of segment

Liabilities of segment are current liabilities occurring as a result of the segment's operating activity that can be directly allocated to the given segment or assigned to that segment on the basis of reasonable premises.

If the result of segment comprises costs of interest, the segment's liabilities shall comprise relevant liabilities incurring interest.

BASIC CLASSIFICATION ACCORDING TO FIELD SEGMENTS

As the Capital Group has focused on the segment of domestic developer activities, from which the Group has achieved 100% of its income, this segment's income and costs statement is the same as the profit and loss account, while this segment's assets and liabilities statement (including investment expenditure) is the same as the balance sheet of the Capital Group.

Additional explanations:

1. Risks

The company can be exposed to a risk of change in short-term interest rates applied to variable rate debts and to changes in long-term interest rates in case of incurring new debts or refinancing of the current debt as long-term financing. In 2006, the Company did not apply any protective measures against interest rate risks.

Echo Investment S.A. can be exposed to credit risk related to the following key areas:

- credit credibility of clients with which transactions of sale of products are executed;
- credit credibility of financial institutions with which financing contracts are made;

The Company does not manage financial risks through financial instruments but applies a wide range of internal reporting and close cooperation between the Department of Studies and the Management Board when taking decisions that may affect financial risk.

The Company did not protect planned transactions or future liabilities that are certain of occurring.

2. Discontinued operations

No items related to discontinued operations occurred during the year 2006. The Management Board does not expect discontinuation of performed operations during the subsequent period.

3. Affiliated companies

As a result of the strategy applied by 'Echo Investment' S.A., involving execution of each shopping center by a separate subsidiary, and as a result of contribution by 'Echo Investment' S.A. to target companies of immovable property on which the shopping centers are built, a significant part of transactions executed by Echo Investment are made with affiliated companies. The largest transactions during the year 2006 with affiliated companies were executed on the basis of the following contracts:

- Contract of general contracting of investment, made on December 21, 2004 with 'Wan 11' Sp. z o.o. as the investor and 'Wan' S.A. as the second General Contractor of the Investment. Under this contract, 'Wan 11' Sp. z o.o. contracted performance of finishing and adaptation works in the office building in Warsaw, Postępu Street, to General Contractors.
- Contract of general contracting of investment, made on December 30, 2005 with 'Echo -Pasaż Grunwaldzki Spółka z ograniczoną odpowiedzialnością' Sp. thousand. [Echo -Grunwaldzki Arcade Limited Liability Company Limited Partnership] as the investor. Pursuant to the said contract, 'Echo - Pasaż Grunwaldzki Spółka z o.o.' Sp. thousand. ordered the General Contractor to realize the entire investment of a modern shopping, service and entertainment center with a parking lot on a immovable property situated in Wrocław between Marii Curie-Skłodowskiej Street, Grunwaldzki Square, Piastowska Street and Grunwaldzka Street.

Managers and supervisors in Echo Investment S.A. Capital Group did not receive any of the following during the year 2006: benefits after the employment period, other long-term benefits, employment termination benefits or payments on account of shares held. Managers of Echo Investment S.A. received a total of PLN 3,278 thousand of compensation on account of short-term employment benefits during the year 2006. Supervisors of Echo Investment S.A. in 2006 received a total of 168 thousand PLN of compensation for performance of their function. Managers of other companies from Echo Investment S.A. Capital Group received a total of PLN 324 thousand of compensation on account of short-term employment benefits. Supervisors of other companies from Echo Investment S.A. Capital Group did not receive any compensation.

As on December 31, 2006 there were no credits, loans, guarantees or advance payments to managers or supervisors of the Capital Group Companies or to their spouses, relations and in-laws to the second degree, relations by adoption or other personal relations.

4. Significant events following the balance date:

- On January 9 and January 10 of 2007, the District Court in Kielce, 10th Economic Department, registered the following direct or indirect subsidiaries of the Issuer:
 - "Projekt - Echo 49" Sp. z o.o. ['Project - Echo 49' Limited Liability Company], having its registered seat in Kielce,
 - "Projekt - Echo 50" Sp. z o.o. ['Project - Echo 50' Limited Liability Company], having its registered seat in Kielce,
 - "Projekt - Echo 51" Sp. z o.o. ['Project - Echo 51' Limited Liability Company], having its registered seat in Kielce,
 - "Projekt - Echo 52" Sp. z o.o. ['Project - Echo 52' Limited Liability Company], having its registered seat in Kielce,
 - "Projekt - Echo 53" Sp. z o.o. ['Project - Echo 53' Limited Liability Company], having its registered seat in Kielce,
 - "Projekt - Echo 54" Sp. z o.o. ['Project - Echo 54' Limited Liability Company], having its registered seat in

Kielce,

- "Projekt - Echo 55" Sp. z o.o. ['Project - Echo 55' Limited Liability Company], having its registered seat in Kielce,

- “Projekt – Echo 56” Sp. z o.o. [‘Project – Echo 56’ Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 57" Sp. z o.o. ['Project - Echo 57' Limited Liability Company], having its registered seat in Kielce,

- “Projekt – Echo 58” Sp. z o.o. [‘Project – Echo 58’ Limited Liability Company], having its registered seat in Kielce,

- “Projekt – Echo 59” Sp. z o.o. [‘Project – Echo 59’ Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 60" Sp. z o.o. ['Project - Echo 60' Limited Liability Company], having its registered seat in Kielce,

- “Projekt – Echo 61” Sp. z o.o. [‘Project – Echo 61’ Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 62" Sp. z o.o. ['Project - Echo 62' Limited Liability Company], having its registered seat in Kielce,

- “Projekt – Echo 63” Sp. z o.o. [‘Project – Echo 63’ Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 64" Sp. z o.o. ['Project - Echo 64' Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 65" Sp. z o.o. ['Project - Echo 65' Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 66" Sp. z o.o. ['Project - Echo 66' Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 67" Sp. z o.o. ['Project - Echo 67' Limited Liability Company], having its registered seat in Kielce,

- “Projekt – Echo 68” Sp. z o.o. [‘Project – Echo 68’ Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 69" Sp. z o.o. ['Project - Echo 69' Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 70" Sp. z o.o. ['Project - Echo 70' Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 71" Sp. z o.o. ['Project - Echo 71' Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 72" Sp. z o.o. ['Project - Echo 72' Limited Liability Company], having its registered seat in Kielce,

- “Projekt – Echo 73” Sp. z o.o. [‘Project – Echo 73’ Limited Liability Company], having its registered seat in Kielce,

- “Projekt – Echo 74” Sp. z o.o. [‘Project – Echo 74’ Limited Liability Company], having its registered seat in Kielce,

- "Projekt – Echo 75" Sp. z o.o. ['Project – Echo 75' Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 76" Sp. z o.o. ['Project - Echo 76' Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 77" Sp. z o.o. ['Project - Echo 77' Limited Liability Company], having its registered seat in Kielce,

- “Projekt – Echo 78” Sp. z o.o. [‘Project – Echo 78’ Limited Liability Company], having its registered seat in Kielce,

- “Projekt – Echo 79” Sp. z o.o. [‘Project – Echo 79’ Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 80" Sp. z o.o. ['Project - Echo 80' Limited Liability Company], having its registered seat in Kielce,

- “Projekt – Echo 81” Sp. z o.o. [‘Project – Echo 81’ Limited Liability Company], having its registered seat in Kielce,

- "Projekt - Echo 82" Sp. z o.o. ['Project - Echo 82' Limited Liability Company], having its registered seat in

Kielce.

The share capital of each of these companies is PLN 50,000 and is divided into 1000 (one hundred) shares for a nominal value of PLN 50 each. The total number of votes at the meeting of shareholders, according to shares, is 1000.

- On January 25, 2007 the District Court in Kielce, 10th Economic Department, registered changes in the value and structure of initial capital of subsidiary “Echo Investment – Centrum Handlowe Piotrków Trybunalski” Sp. z o.o. [‘Echo Investment – Piotrków Trybunalski Shopping Center’] Limited Liability Company with its registered seat in Kielce.

As on the date of registration, the subsidiary „Echo Investment – Centrum Handlowe Piotrków Trybunalski” Sp. z o.o. („the holding company”) merged with the following subsidiaries of the Issuer: „Echo Investment – Centrum Handlowe Pabianice Sp. z o.o.” with its registered seat in Kielce, and „Echo Investment – Centrum Handlowe Radom Sp. z o.o.” with its registered seat in Kielce („the merged companies”).

Merger took place through transfer of all assets of each of the merged companies to the holding company, with an increase of the holding company’s initial capital through establishing new shares that were assigned to the merged companies’ present shareholders in exchange for their existing shares in the merged companies.

- On February 7, 2007 the District Court in Kielce, 10th Economic Department, registered the following 100% subsidiary of the Issuer: “Projekt – Echo 47” Sp. z o.o. [‘Project – Echo 44’ Limited Liability Company], having its registered seat in Kielce. The value of the Company’s initial capital is PLN 50,000 and is divided into 1000 shares with a nominal value of PLN 50 each. The total number of votes at the meeting of shareholders, according to shares, is 1000.
- On February 8, 2007 the District Court in Szczecin, 12th Department of Land and Mortgage Registers issued a decision on entry in the land and mortgage register of capped mortgage securities on the immovable property owned by the Issuer’s subsidiary Echo – Galaxy Spółka z ograniczoną odpowiedzialnością Sp. thousand. [Echo – Grunwaldzki Arcade Limited Liability Company, Limited Partnership] with its registered seat in Kielce. The mortgaged assets are situated in Szczecin at al. Wyzwolenia and are immovable properties under perpetual usufruct, with the Galaxy shopping and entertainment center building erected thereon. The established mortgages are collaterals for Eurohypo AG Bank, seated in Eschborn, Germany, Bank Zachodni BZ WBK SA, seated in Wrocław, Poland, and Investkredit Bank AG, seated in Vienna (the latter banks forming a consortium with Eurohypo AG Bank) concerning repayment of debt under a loan agreement, not exceeding the amount of EUR 100 million.
- On February 15, 2007 the District Court in Kielce, 10th Economic Department, registered the following 100% subsidiary of the Issuer: “Projekt – Echo 48” Sp. z o.o. [‘Project – Echo 48’ Limited Liability Company], having its registered seat in Kielce. The value of the Company’s initial capital is PLN 50,000 and is divided into 1000 shares with a nominal value of PLN 50 each. The total number of votes at the meeting of shareholders, according to shares, is 1000.
- On 21.02.2007 the District Court in Kielce, 10th Economic Department, registered changes in the value and structure of initial capital of subsidiary “Echo Investment – Centrum Handlowe Świętochłowice” Sp. z o.o. [‘Echo Investment – Świętochłowice Shopping Center’] Limited Liability Company with its registered seat in Kielce.
As on the date of registration, the subsidiary „Echo Investment – Centrum Handlowe Świętochłowice” Sp. z o.o. („the holding company”) merged with the following subsidiaries of the Issuer:
 - “Echo Investment – Centrum Handlowe Olkusz” Spółka z o.o. [‘Echo Investment – Olkusz Shopping Center’ Limited Liability Company], having its registered seat in Kielce,
 - “Echo Investment – Centrum Handlowe Piła” Spółka z o.o. [‘Echo Investment – Piła Shopping Center’ Limited Liability Company], having its registered seat in Kielce,
 - „Echo Investment – Centrum Handlowe Siemianowice Śląskie Sp. z o.o.” [‘Echo Investment – Siemianowice Śląskie Shopping Center Limited Liability Company] with its registered seat in Kielce,
 - „Echo Investment – Centrum Handlowe Tczew Sp. z o.o.” [‘Echo Investment – Tczew Shopping Center Limited Liability Company] with its registered seat in Kielce,
 - “Echo Investment – Centrum Handlowe Zamość” Spółka z o.o. [‘Echo Investment – Zamość Shopping Center’ Limited Liability Company], having its registered seat in Kielce,
 (hereinafter called the merged companies).

Merger took place through transfer of all assets of the merged companies to the holding company, with an increase of the holding company's initial capital through establishing new shares that were assigned to the merged companies' present shareholders in exchange for their existing shares in the merged companies.

- On February 27, 2007 the District Court in Kielce, 10th Economic Department, registered the following 100% subsidiary of the Issuer: "Projekt – Echo 46" Sp. z o.o. ['Project – Echo 46' Limited Liability Company], having its registered seat in Kielce. The value of the Company's initial capital is PLN 50,000 and is divided into 1000 shares with a nominal value of PLN 50 each. The total number of votes at the meeting of shareholders, according to shares, is 1000.
- On February 28, 2007, contracts of transfer of establishments were made between the issuer's subsidiaries: „Echo – Centrum Bankowości i Finansów” Sp. z o.o. ['Echo Banking and Finance Center' Limited Liability Company] with its registered seat in Kielce („the Seller”), „Echo – Centrum Biznesu Łódź” Sp. z o.o. ['Echo Łódź Business Center' Limited Liability Company] with its registered seat in Kielce („the Seller”) and „Projekt Echo – 53” Sp. z o.o. ['Project Echo – 53' Limited Liability Company] with its registered seat in Kielce („the Buyer”).
- On March 6, 2007, Echo Investment SA signed annex 5 to the working capital facility agreement of March 7, 2002 with Bank Pekao S.A. with its registered seat in Warsaw. According to the provisions of the aforementioned annex, the limit of available loan was increased from PLN 60 million to PLN 90 million. Other provisions of the working capital facility agreement remained unchanged.
- On March 8, 2007, in execution of resolution no. 2 “on consenting to transfer of an organized part of Echo Investment SA's enterprise through a non-cash contribution to an Echo Investment Capital Group company”, which was taken on March 5, 2007 by the Extraordinary General Meeting of Shareholders of Echo Investment SA, an agreement was made between Echo Investment SA with its registered seat in Kielce (the Seller) and the subsidiary “Projekt Echo – 54” Sp. z o.o. with its registered seat in Kielce (the Buyer) on transfer of an organized part of the company – an establishment preparing an individual balance sheet.

The object of the foregoing agreement is an organized part of company in the form of a Branch operating under company name “Echo Investment SA – Oddział Pasaż Świątokrzyski” ['Echo Investment Joint Stock Company – Świątokrzyski Arcade Branch'] (the “Branch”), forming an organized part of Echo Investment SA's enterprise within the meaning of Article 4a clause 4 of the Corporate Income Tax Act as of February 15 (Journal of Laws of 2000, No. 54 item 694), being an establishment preparing its individual balance sheet within the meaning of Article 6 clause 1 of the Tax on Goods and Services (VAT) Act as of March 11, 2004 (Journal of Laws No. 54 item 535), covering a group of tangible and intangible assets that are necessary and related to the operations carried out within the Branch. The value of contract is PLN 110,097,350 and the accounting value of the transferred establishment in the Issuer's books of accounts is PLN 96,452,018.78 (as on March 8, 2007).

- On March 26, 2007 Mr. Andrzej Majcher resigned from his function as a Member and President of the Management Board of Echo Investment S.A.
On March 27, 2007 a meeting of the Supervisory Board of Echo Investment S.A. was held and a resolution was passed on appointing President of the Management Board of the Company and assigning a member of the Supervisory Board to temporary performance of functions of Management Board member.
In the course of resolutions passed, the Supervisory board of the Company appointed Mr. Jarosław Grodzki, former Vice-President of the Management Board of the Company, President of the Management Board of the Company as from March 27, 2007.
Furthermore, the Supervisory Board of Echo Investment S.A. assigned Mr. Mariusz Waniółka, acting as Deputy Chairman of the Supervisory Board of the Company, to temporary exercise of functions of a Management Board member as a substitute for Mr. Andrzej Majcher, for a period not exceeding 3 months as from the date of resolution by the Supervisory Board.
- On April 5, 2007 Echo Investment S.A. (the Buyer) entered into a contract of sale of immovable property and a preliminary contract of sale with SPEDIMEX Sp. z o.o. with its registered seat in Łódź (the Seller).

The object of the contract of sale is the immovable property situated in Łódź with two office and warehouse buildings erected thereon. The value of contract is PLN 30,000,000.

The object of preliminary contract of sale is the immovable property situated in Łódź with a fuel station and

technical buildings erected thereon. The value of contract is PLN 13,300,000. A precondition to the making of the promised contract is that the Seller must disclose in the land and mortgage register the buildings and structures erected on the immovable property and submit a certificate of lack of arrears in tax payments valid as on the effective date of the final contract and a valid copy of the land and mortgage register. The Parties have agreed that the promised contract shall be executed when the aforementioned conditions are fulfilled, in any case no later than until December 31, 2007. The aforementioned conditions are conditions precedent.

- On April 16, 2007, Echo Investment SA signed annexes to contracts (the Contracts) concerning the Bonds Issuance Program (the Bonds) as of April 15, 2004 with BRE Bank S.A., with its registered seat in Warsaw.

The annexes to the foregoing Contracts stipulate multiple issues of short-, medium- and long-term bonds denominated in Polish zlotys, to be executed by the Company within 3 years from the date of signing the annexes. The maximum total nominal value of all bonds thus issued shall not exceed PLN 600 million. Under the foregoing Contracts, the Company is presently indebted on account of debt securities issued. The balance of these liabilities as at the end of the financial year 2006 equals PLN 300 million. The company shall allocate the funds obtained from issues to financing its daily activities.

Under the signed annexes to Contracts, BRE Bank S.A. shall organize and provide complex service of issue of the Company's bonds on unregistered market. The bonds will be straight debt, issued as bearer securities. Interest rates on the bonds can be fixed or variable. The bonds shall not yield any non-financial performances. The conditions of issue shall be set out prior to issue, during the term of the Bonds Issuance Program.

Dated: April 26, 2007

Management Board of Echo Investment S.A.

Jarosław Grodzki
President of the Management Board
Management Board

Piotr Gromniak
Member of the Management Board
acting Member of the Management Board

Artur Langner

Mariusz Waniolka
Member of the

Person in charge of keeping books of accounts

Tomasz Sulek
Chief Accountant

Management Report on the operations of Echo Investment S.A. Capital Group in 2006

Kielce, April 26, 2007

Report on the operations of Echo Investment S.A. Capital Group in 2006

Echo Investment S.A. Capital Group (hereinafter the Group, or the Capital Group) has been operating on the real estate market since 1996. The dominant entity in the Capital Group is Echo Investment S.A., quoted on the Warsaw Stock Exchange. Echo Investment S.A. organizes the entire investment process for a given project, starting from purchasing immovable property, through obtaining administrative decisions, financing, supervision over execution, until handover of the completed facility. Echo Investment S.A. also provides general contracting services for foreign investors. Individual developer and investment projects are implemented by affiliated companies, which largely facilitates organization of implemented processes and guarantees transparency of the Group structure. These companies are

mainly involved in leasing commercial areas (shopping and entertainment centers, offices), realization and sales of apartments, and property management services.

As on December 31, 2006 and as on December 31, 2005, Echo Investment Capital Group hired 286 and 274 persons, respectively.

1. Structure of Echo Investment S.A. Capital Group

Echo Investment S.A., which is the owner of Group companies, plays the major part in the structure of the Capital Group through supervising, partnering in execution and providing funds for execution of current developer projects. The group companies have been established or acquired for the purpose of performing certain investment tasks. They do not engage in any type of business activity other than one involved in the realization process of a specific project, followed by provisions of lease services of already completed property components or other services.

As on December 31, 2006 Echo Investment Capital Group consists of 98 subsidiaries that are fully consolidated and 4 companies valued according to ownership rights method.

Fully consolidated companies:

- “Athina Park” Spółka z o.o. [‘Athina Park’ Limited Liability Company], having its registered seat in Kielce
- “Centrum Handlowe PHS” Spółka Akcyjna [‘PHS Shopping Center’ Joint Stock Company], having its registered seat in Szczecin
- “Echo – Arena” Spółka z o.o. [‘Echo – Arena’ Limited Liability Company], having its registered seat in Kielce, formerly “Hotel Investment” Spółka z o.o. [‘Hotel Investment’ Limited Liability Company], having its registered seat in Kielce
- “Echo – Centrum Bankowości i Finansów Łódź” Spółka z o.o. [‘Echo Łódź Banking and Finance Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo – Centrum Biznesu Łódź” Spółka z o.o. [‘Echo Łódź Business Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo – Centrum Poznań” Spółka z o.o. [‘Echo – Poznań Center’ Limited Liability Company], having its registered seat in Kielce, formerly “Polimeni International Poznań” Spółka z o.o. [‘Polimeni International Poznań’ Limited Liability Company], having its registered seat in Gdynia
- “Echo – Galaxy” Spółka z o.o. [‘Echo – Galaxy’ Limited Liability Company], having its registered seat in Kielce, formerly “Projekt – Echo 32” Spółka z o.o. [‘Project – Echo 32’ Limited Liability Company], having its registered seat in Kielce
- “Echo – Galaxy spółka z ograniczoną odpowiedzialnością” [‘Echo – Galaxy Limited Liability Company’] Limited Partnership, having its registered seat in Kielce, formerly “Szczecin – Projekt Echo 32 Spółka z ograniczoną odpowiedzialnością” [‘Szczecin – Project Echo 32 Limited Liability Company’] Limited Partnership, having its registered seat in Kielce
- “Echo – Pasaż Grunwaldzki” Spółka z o.o. [‘Echo – Grunwaldzki Arcade’ Limited Liability Company], having its registered seat in Kielce
- „Echo – Pasaż Grunwaldzki spółka z ograniczoną odpowiedzialnością” Spółka komandytowa [“Echo – Grunwaldzki Arcade Limited Liability Company” Limited Partnership], having its registered seat in Kielce
- “Echo ACC” Spółka z o.o. [‘Echo ACC’ Limited Liability Company], having its registered seat in Kielce
- “Echo Bau” Spółka z o.o. [‘Echo Bau’ Limited Liability Company], having its registered seat in Kielce
- “Echo Centrum Ślichowice” Spółka z o.o. [‘Echo Ślichowice Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Gdynia” Spółka z o.o. [‘Echo Investment – Gdynia Center’ Limited Liability Company], having its registered seat in Kielce

- “Echo Investment - Centrum Handlowe Bełchatów” Spółka z o.o. [‘Echo Investment - Bełchatów Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Jelenia Góra” Spółka z o.o. [‘Echo Investment - Jelenia Góra Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Łomża” Spółka z o.o. [‘Echo Investment - Łomża Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Olkusz” Spółka z o.o. [‘Echo Investment - Olkusz Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Pabianice” Spółka z o.o. [‘Echo Investment - Pabianice Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Piła” Spółka z o.o. [‘Echo Investment - Piła Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Piotrków Trybunalski” Spółka z o.o. [‘Echo Investment - Piotrków Trybunalski Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Przemyśl” Spółka z o.o. [‘Echo Investment - Przemyśl Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Radom” Spółka z o.o. [‘Echo Investment - Radom Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Rzeszów” Spółka z o.o. [‘Echo Investment - Rzeszów Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Siemianowice Śląskie” Spółka z o.o. [‘Echo Investment - Siemianowice Śląskie Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Świętochłowice” Spółka z o.o. [‘Echo Investment - Świętochłowice Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Tarnów” Spółka z o.o. [‘Echo Investment - Tarnów Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Tczew” Spółka z o.o. [‘Echo Investment - Tczew Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Zamość” Spółka z o.o. [‘Echo Investment - Zamość Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowo-Usługowo-Rozrywkowe Gliwice” Spółka z o.o. [‘Echo Investment - Gliwice Shopping, Service and Entertainment Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Kielce” Spółka z o.o. [‘Echo Investment - Kielce Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment Hungary Ingatlanhasznosító Kft.”, having its registered seat in Budapest
- “Echo Investment Projekt 1” S.R.L., having its registered seat in Bucharest
- “Est On Property Management” Spółka z o.o. [‘Est On Property Management’ Limited Liability Company], having its registered seat in Kielce
- “Galeria Echo - Kielce” Spółka z o.o. [‘Echo Gallery Kielce’ Limited Liability Company’], having its registered seat in Kielce, formerly “Projekt 3” Spółka z o.o. [‘Project 3’ Limited Liability Company], having its registered seat in Warsaw
- “Hotel Investment Sp. z o.o.” Spółka komandytowa [‘Hotel Investment Limited Liability Company’ Limited Partnership], having its registered seat in Kielce
- “Kieleckie Centrum Handlowo-Rozrywkowe Echo” Spółka z o.o. [‘Echo Shopping and Entertainment Center of Kielce’ Limited Liability Company], having its registered seat in Kielce

- “Malta Office Park” Spółka z o.o. [‘Malta Office Park’ Limited Liability Company], having its registered seat in Kielce
- “MDP” Spółka z o.o. [‘MDP’ Limited Liability Company], having its registered seat in Kielce
- “Piomot Auto” Spółka z o.o. [‘Piomot Auto’ Limited Liability Company], having its registered seat in Kielce
- “Princess Boryszewska” Spółka z o.o. [‘Princess Boryszewska’ Limited Liability Company], having its registered seat in Kielce
- “Princess Investment” Spółka z o.o. [‘Princess Investment’ Limited Liability Company], having its registered seat in Kielce
- „Project 2 - Echo Hungary Kft.”, having its registered seat in Budapest
- “Projekt – Echo 17” Spółka z o.o. [‘Project – Echo 17’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 30” Spółka z o.o. [‘Project – Echo 30’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 34” Spółka z o.o. [‘Project – Echo 34’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 37” Spółka z o.o. [‘Project – Echo 37’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 39” Spółka z o.o. [‘Project – Echo 39’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 41” Spółka z o.o. [‘Project – Echo 41’ Limited Liability Company], having its registered seat in Kielce
- „Projekt – Echo 41 spółka z ograniczoną odpowiedzialnością” Spółka komandytowa [“Project – Echo 41 Limited Liability Company” Limited Partnership], having its registered seat in Kielce
- “Projekt – Echo 42” Spółka z o.o. [‘Project – Echo 42’ Limited Liability Company], having its registered seat in Kielce
- „Projekt – Echo 42 spółka z ograniczoną odpowiedzialnością” Spółka komandytowa [“Project – Echo 42 Limited Liability Company” Limited Partnership], having its registered seat in Kielce
- “Projekt – Echo 43” Spółka z o.o. [‘Project – Echo 43’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 44” Spółka z o.o. [‘Project – Echo 44’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 45” Spółka z o.o. [‘Project – Echo 45’ Limited Liability Company], having its registered seat in Kielce
- „Projekt – Echo 45 spółka z ograniczoną odpowiedzialnością” Spółka komandytowa [“Project – Echo 45 Limited Liability Company” Limited Partnership], having its registered seat in Kielce
- “Projekt – Echo 46” Spółka z o.o. [‘Project – Echo 46’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 47” Spółka z o.o. [‘Project – Echo 47’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 48” Spółka z o.o. [‘Project – Echo 48’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 49” Spółka z o.o. [‘Project – Echo 49’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 50” Spółka z o.o. [‘Project – Echo 50’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 51” Spółka z o.o. [‘Project – Echo 51’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 52” Spółka z o.o. [‘Project – Echo 52’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 53” Spółka z o.o. [‘Project – Echo 53’ Limited Liability Company], having its registered seat in Kielce

- “Projekt – Echo 54” Spółka z o.o. [‘Project – Echo 54’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 55” Spółka z o.o. [‘Project – Echo 55’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 56” Spółka z o.o. [‘Project – Echo 56’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 57” Spółka z o.o. [‘Project – Echo 57’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 58” Spółka z o.o. [‘Project – Echo 58’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 59” Spółka z o.o. [‘Project – Echo 59’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 60” Spółka z o.o. [‘Project – Echo 60’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 61” Spółka z o.o. [‘Project – Echo 61’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 62” Spółka z o.o. [‘Project – Echo 62’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 63” Spółka z o.o. [‘Project – Echo 63’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 64” Spółka z o.o. [‘Project – Echo 64’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 65” Spółka z o.o. [‘Project – Echo 65’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 66” Spółka z o.o. [‘Project – Echo 66’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 67” Spółka z o.o. [‘Project – Echo 67’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 68” Spółka z o.o. [‘Project – Echo 68’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 69” Spółka z o.o. [‘Project – Echo 69’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 70” Spółka z o.o. [‘Project – Echo 70’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 71” Spółka z o.o. [‘Project – Echo 71’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 72” Spółka z o.o. [‘Project – Echo 72’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 73” Spółka z o.o. [‘Project – Echo 73’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 74” Spółka z o.o. [‘Project – Echo 74’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 75” Spółka z o.o. [‘Project – Echo 75’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 76” Spółka z o.o. [‘Project – Echo 76’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 77” Spółka z o.o. [‘Project – Echo 77’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 78” Spółka z o.o. [‘Project – Echo 78’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 79” Spółka z o.o. [‘Project – Echo 79’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 80” Spółka z o.o. [‘Project – Echo 80’ Limited Liability Company], having its registered seat in Kielce

- “Projekt – Echo 81” Spółka z o.o. [‘Project – Echo 81’ Limited Liability Company], having its registered seat in Kielce
- “Projekt – Echo 82” Spółka z o.o. [‘Project – Echo 82’ Limited Liability Company], having its registered seat in Kielce
- “Projekt Naramowice” Spółka z o.o. [‘Project Naramowice’ Limited Liability Company], having its registered seat in Kielce
- “Projekt S” Spółka z o.o. [‘Project S’ Limited Liability Company], having its registered seat in Kielce
- “WAN 11” Spółka z o.o. [‘WAN 11’ Limited Liability Company], having its registered seat in Warsaw
- “Wyględów” Spółka z o.o. [‘Wyględów’ Limited Liability Company], having its registered seat in Kielce
- “Zakłady Ogrodnicze Naramowice” Spółka z o.o. [‘Naramowice Gardening Enterprise’ Limited Liability Company], having its registered seat in Kielce

Companies valued according to ownership rights method:

- “Projekt – Echo 23” Spółka z o.o. [‘Project – Echo 23’ Limited Liability Company], having its registered seat in Kielce
- “SPC” Spółka Akcyjna [‘SPC’ Joint Stock Company], having its registered seat in Warsaw,
- “W.A. Hotele” Spółka z o.o. [‘W.A. Hotels’ Limited Liability Company], having its registered seat in Warsaw
- “WAN Invest” Spółka z o.o. [‘WAN Invest’ Limited Liability Company], having its registered seat in Warsaw

All wholly and partially owned subsidiaries and affiliated companies are covered by the range of consolidation. The dominant company owns 100% of basic capital, directly or indirectly, in all fully consolidated subsidiaries. In partially owned subsidiaries, the dominant Company is the owner of the following respective shares:

- ‘WAN 11’ Sp. z o.o. [Co., Ltd.] – 50% of basic capital and 50% of voting rights at the general meeting.
- ‘Projekt S’ Sp. z o.o. [Co., Ltd.] – 63% of basic capital and 63% of voting rights at the general meeting.

Capital relationships within the Capital Group concern the following:

- a) “Piomot – Auto” Sp. z o.o., holding 15.88% of basic capital of “Echo Investment – Centrum Handlowe Piotrków Trybunalski” Sp. z o.o.;
- b) “Zakłady Ogrodnicze Naramowice” Sp. z o.o., holding 99,8% of basic capital of “Projekt Naramowice” Sp. z o.o.;
- c) “Echo Investment - Centrum Handlowo – Rozrywkowe Kielce” Sp. z o.o., holding:
 - 99.99% of basic capital of “Kieleckie Centrum Handlowo – Rozrywkowe Echo Sp. z o.o.”,
 - 100% of basic capital of “Princess Boryszewska” Sp. z o.o.,
- d) “Projekt – Echo 37” Sp. z o.o., holding 0,001% of basic capital of “Echo Investment – Centrum Handlowe Świętochłowice” Sp. z o.o.;
- e) “Echo – Pasaż Grunwaldzki” Sp. z o.o., holding 1% of share of “Echo – Pasaż Grunwaldzki Sp. z o.o.” Spółka komandytowa,
- f) “Echo – Arena” Sp. z o.o., holding 1% of share of “Hotel Investment Sp. z o.o.” Limited Partnership,
- g) “Echo – Galaxy” Sp. z o.o., holding 1% of share of “Echo – Galaxy Sp. z o.o.” Limited Partnership,
- h) “Galeria Echo - Kielce” Sp. z o.o., holding 0,01% of basic capital of “Kieleckie Centrum Handlowo-Rozrywkowe Echo” Sp. z o.o.;
- i) “Projekt – Echo 41” Sp. z o.o., holding 1% of share of “Projekt – Echo 41 Sp. z o.o.” Limited Partnership,
- j) “Projekt – Echo 42” Sp. z o.o., holding 1% of share of “Projekt – Echo 42 Sp. z o.o.” Limited Partnership;
- k) “Projekt – Echo 45” Sp. z o.o., holding 1% of share of “Projekt – Echo 45 Sp. z o.o.” Limited Partnership;
- l) “Projekt – Echo 17” Sp. z o.o., holding the following respective shares of basic capital of:
 - 1.00% of capital of “Wyględów” Sp. z o.o.,
 - 1.00% of capital of “Projekt – Echo 37” Sp. z o.o.,

- 1.00% of capital of "Projekt – Echo 39" Sp. z o.o.,
- 1.00% of capital of "Galeria Echo - Kielce" Sp. z o.o.,
- 1.00% of capital of "Echo ACC" Sp. z o.o.,
- 1.00% of capital of "Projekt – Echo 30" Sp. z o.o.,
- 1.00% of capital of "Echo - Galaxy" Sp. z o.o.,
- 1.00% of capital of "Echo – Pasaż Grunwaldzki" Sp. z o.o.,
- 1.00% of capital of "Projekt – Echo 34" Sp. z o.o.,
- 1.00% of capital of "Est On Property Management" Sp. z o.o.,
- 1.00% of capital of "Projekt – Echo 41" Sp. z o.o.,
- 1.00% of capital of "Projekt – Echo 42" Sp. z o.o.,
- 1.00% of capital of "Projekt – Echo 43" Sp. z o.o.,
- 1.00% of capital of "Projekt – Echo 44" Sp. z o.o.,
- 1.00% of capital of "Projekt – Echo 45" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 53" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 54" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 55" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 56" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 57" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 58" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 59" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 60" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 61" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 62" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 63" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 64" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 65" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 66" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 67" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 68" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 69" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 70" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 71" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 72" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 73" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 74" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 75" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 76" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 77" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 78" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 79" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 80" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 81" Sp. z o.o.,
- 0,1% of capital of "Projekt – Echo 82" Sp. z o.o.,
- 0,05% of capital of "Echo - Arena" Sp. z o.o.,
- 0.03% of capital of "Malta Office Park" Sp. z o.o.,
- 0,02% of capital of "Echo Centrum Ślichowice" Sp. z o.o.,
- 0,02% of capital of "Echo – Centrum Biznesu Łódź" Sp. z o.o.,
- 0,02% of capital of "Projekt Naramowice" Sp. z o.o.,
- 0,01% of capital of "Echo Investment – Centrum Handlowe Tczew" Sp. z o.o.,
- 0,01% of capital of "Echo Investment – Centrum Handlowe Piła" Sp. z o.o.,
- 0,01% of capital of "Echo Investment – Centrum Handlowe Zamość" Sp. z o.o.,
- 0,01% of capital of "Echo Investment – Centrum Handlowo-Rozrywkowe Gliwice" Sp. z o.o.,

- 0,009% of capital of "Echo Investment – Centrum Handlowe Siemianowice Śląskie" Sp. z o.o.,
- 0,008% of capital of "Athina Park" Sp. z o.o.,
- 0,007% of capital of "Echo Investment – Centrum Handlowe Łomża" Sp. z o.o.,
- 0,006% of capital of "Echo Investment – Centrum Handlowe Bełchatów" Sp. z o.o.,
- 0,006% of capital of "Echo Investment – Centrum Handlowe Rzeszów" Sp. z o.o.,
- 0,005% of capital of "Echo Investment – Centrum Handlowe Olkusz" Sp. z o.o.,
- 0,005% of capital of "Echo Investment – Centrum Gdynia" Sp. z o.o.,
- 0,004% of capital of "Echo Investment – Centrum Handlowe Pabianice" Sp. z o.o.,
- 0,004% of capital of "Echo Investment – Centrum Handlowe Radom" Sp. z o.o.,
- 0,004% of capital of "MDP" Sp. z o.o.,
- 0,004% of capital of "Echo Investment – Centrum Handlowe Tarnów" Sp. z o.o.,
- 0,002% of capital of "Echo Investment – Centrum Handlowo-Rozrywkowe Kielce" Sp. z o.o.,

Other shares in the above mentioned companies are held by 'Echo Investment' S.A.

2. Description of basic economic and financial values disclosed in the annual financial report of Echo Investment S.A. Capital Group for the year 2006

Consolidated balance sheet

Balance total of the Capital Group as at the end of the year 2006 amounted to **PLN 2,740 million**, showing an increase in value by 27,4% in comparison with the balance as at the end of 2005.

Assets

The structure of assets at the end of 2006 was the following:

- fixed assets constitute 78,6% of all assets, where the dominant items include investment immovable property – 77,5% of fixed assets, and tangible assets – 19,1% of total fixed assets.
- current assets constitute 21,4% of all assets, including inventories – 35,6% of total current assets, short-term receivables – 13,2% of current assets, and cash – 50,9% of total current assets.

Liabilities

- share capital of Echo Investment S.A., the dominant company, as on December 31, 2006, amounted to PLN 21.0 m and was divided into 42,000,000 ordinary bearer shares series A, B, C, D, E and F, with nominal value of PLN 0.50 each,
- consolidated equity as on December 31, 2006 amounted to **PLN 1,195.2 million**, showing an increase by 30,3% in comparison with the balance as at the end of December 2005.
- consolidated net book value per one share is PLN 28.71,
- liabilities constituted 48,3% of balance total and amounted to **PLN 1,322.9 million**.

Consolidated profit and loss account

- consolidated net income from sales reached the level of PLN 333.2 million in 2006,
- consolidated profit before tax and financial income / costs at the end of 2006 amounted to PLN 381.0 million in comparison to the profit of PLN 291.9 million in 2005,
- consolidated gross profit amounted to PLN 346.0 million and outgrew the balance of 2005 by 29,7%,
- consolidated net profit amounted to PLN 278.1 million, in comparison with PLN 194.4 million in 2005,
- consolidated net profit per one share was PLN 6.62.

Consolidated cash flow statement

- the reporting period began with the cash balance of PLN 242.5 million,
 - on operating activity, the Capital Group recorded income of cash in the amount of PLN 43.9 million in 2006,
 - on investment activity, the Capital Group recorded expenditure of cash in the amount of PLN 112.8 million in 2006,
 - on financial activity, the Company recorded income of cash in the amount of PLN 132.6 million in 2006,
 - during the period from January 1, 2006 to December 31, 2006 the cash balance increased by PLN 63.7 million,
- cash as at the end of December 2006 amounted to PLN 297.8 million.**

3. Description of major risk factors and threats, specifying the extent to which the issuer's Capital Group is exposed to them

The following should be classified among major risk factors and threats for the operations of Echo Investment S.A. and the Capital Group:

- competition risk – the real estate market in Poland has become very attractive for foreign investors in the recent years due to achievable rates of return. The advantages of foreign companies include their capital resources, which constitute competitive advantage over domestic developer companies. The advantage of Echo Investment S.A. is its extensive experience in execution of developer projects in various market segments and its recognized position in the real estate market in Poland. Dynamic growth of the Capital Group in the recent years and its portfolio of assets indicate that Echo Investment S.A. is capable of efficient functioning in the conditions of market competition.
- risk of operations on foreign markets – related to the economic and political situation in the country where the Company intends to launch its operations. The Company's policy relies on diversification of geographic locations (Central and Eastern Europe) and sector-based diversification of its portfolio.
- interest rate risk – the operations of Echo Investment S.A. and its subsidiaries are based on external financing (during the execution phase of a building) and refinancing (during the period of project exploitation). The risk related to changes in interest rates is limited through diversification of interest on loans taken and securing instruments. Echo Investment S.A. as the dominant company focuses the operations in the financial market, whose range covers the finance of the entire capital group.
- foreign exchange risk – this refers to loans taken in foreign currencies (most commonly in Euro) within the Capital Group. Contracts with tenants are expressed in the currency of the loan taken for their refinancing. Thus obtained payments from lessees are assigned to repayment of the above mentioned loans. Such combination of financing with sources of income minimizes or eliminates foreign exchange risk.
- risk of the lessees' financial condition – most of the revenues are yielded within the range of operations performed by the capital group from lease of commercial and office areas.

The key aspect is selection of lessees with stable economic and financial condition. In shopping centers, tenants include chain operators (Tesco, Carrefour, Ahold, Nomi, brand clothing shops, multiscreen cinemas, etc.). Cooperation with lessees enables undertaking such activities that would continuously improve the attractiveness of leased areas and emphasize the prestige of a given building, thus attracting new clients. The following companies can be mentioned among

clients in office buildings: Philips, Nordea, Polkomtel S.A., BRE Bank S.A., Deutsche Leasing and others.

- risk related to external contractors – when acting as an investor in a given project, Echo Investment S.A. or its subsidiary contracts its execution to external companies. Execution of these facilities, timely completion, quality and possible increase in costs largely depend on these companies. This factor is eliminated to a significant extent through various types of protective measures included in contracting agreements.
- fiscal and legal risk related to the unstable taxation and legal system, lack of certain ownership-related regulations. Accession to European structures and adoption of procedures applied by the EU should significantly foster reduction or elimination of this risk in the forthcoming years.
- risk of administrative procedures – as Echo Investment S.A. is involved in the process of executing individual projects from the beginning, its operations depend on administrative procedures. Time-consuming procedures of administrative authorities determine commencement of implementation of the Company's planned investments, which may result in delays in their completion.

4. Information about key products, with value and quantity specification and shares of specific product groups in the sales of Echo Investment S.A. Capital Group. Information about changes in the above fields during the financial year.

4.1. Segments of operation

During the year 2006, Echo Investment S.A. and Capital Group companies realized projects initiated in the previous years and became involved in new investments in the segments described below:

Segment of shopping centers and commercial and entertainment centers

Shopping centers built by the Group operate in more than ten larger cities in Poland.

The stability of the market of shopping areas is due to high market demand, possibility of adapting to the requirements of specific clients and high diversification of industries.

Domestic and international shopping chains, as well as local companies are tenants of commercial areas in these buildings. Key tenants in shopping centers include: Carrefour, Tesco, Real, Hypernova, E'Leclerc, Nomi, Silver Screen ITI Neovision, RTV Euro AGD, Empik, Douglas, Saturn Planet, Supermarkety Drogerijne Rossman and other chain brands.

In 2006, the Company was involved in building a modern shopping, entertainment and service center called Pasaż Grunwaldzki [Grunwaldzki Arcade], located in Wrocław. The anticipated rentable area is about 48,700 sq. m. Attractiveness of this investment has been confirmed by the tenants' interest. As at the end of the year, the Company let out 100% of the area of the center. The anticipated opening date of the center falls in April 2007.

In June, a subsidiary named Echo Pasaż Grunwaldzki Spółka z Ograniczoną Odpowiedzialnością [Echo - Grunwaldzki Arcade Limited Liability Company] Limited Partnership acquired the perpetual usufruct right of immovable property and ownership right to buildings and a structure situated in Wrocław at M. Curie Skłodowskiej Street, with an area of 6,826 sq. m. This is a land plot adjoining Pasaż Grunwaldzki and complementing the area owned by the Company. The plot has been dedicated to erection of a shopping, entertainment and office building, to become incorporated in Pasaż Grunwaldzki in the future.

During the 1st quarter of the year 2006 the Company has obtained a valid building permit for erection of the Pasaż Świętokrzyski (Świętokrzyski Arcade) shopping and entertainment center in Kielce (net area of 13,200 square meters). In March 2006, a contract was signed with Polimex-Mostostal S.A. Warsaw for general contracting of this project. The contract value was PLN 31 million. Contracts have also been made with other tenants. During the 4th quarter of the year, 100% of space was already let out and the center was put to use, including 8,500 sq. m occupied by E.Leclerc hypermarket.

During the 1st quarter of the year 2006 the Company entered into a contract of sale of two centers: in Legionowo, Zegrzyńska Street, and in Kalisz, Wojska Polskiego Street. Total size of sold area of the centers: 4,004 square meters. The above areas had the following tenants: Jeronimo Martins Dystrybucja Sp. z o.o., and NOMI S.A. The Company intends to apply the funds gained from the sale to currently realized and future investments.

In August 2006 Echo Investment SA became the owner of 100% of the shares in share capital of Polimeni International Poznań Sp. z o.o., seated in Gdynia, that has acquired title to immovable properties situated in Poznań with an area of 47,419 sq. m. The final acquisition price of the shares was PLN 39,109,952.59.

The Company is planning to build a modern shopping and entertainment center called METROPOLIS on the Company's immovable property situated in Poznań, Hetmańska Street, offering about 50,000 sq. m of space for rent. The anticipated commencement date of investment falls in the 2nd half of 2007 and completion date in the 1st half of 2010.

Realization of erection of shopping centers in Łomża and Lublin supplements the portfolio of commercial areas with simultaneous improvement of quality and advancement of the Company's offer. In 2005, long-term contracts of lease of commercial areas were signed with major tenants. In the Shopping Center in Łomża, which is currently under preparation, the REAL superstore will be opened, with an approximate area of 8,500 sq. m. The parties to the contract, i.e. Echo Investment SA and real,- Sp. z o.o. and Spółka sp.thousand., are entitled to terminate the contract if Echo Investment SA does not, until June 30, 2008, obtain a final building permit. The Company is expecting completion of administrative procedures.

Echo Investment S.A. intends to expand some of its shopping and shopping/entertainment centers.

Through execution of final agreements, in October 2006 the Capital Group purchased immovable property 64,000 sq. m in size, situated in an attractive location in Słupsk, Grottgera Street. The value of contract was PLN 24 million. The Company intends to build the largest shopping and entertainment center in Słupsk called ARENA on the said plot of land. The facility shall offer about 75,000 sq. m total area and 38,000 sq. m rentable area. Lease agreements were made with such companies as Helios, Media Markt, BC Club, Rossmann, Ravel. As at the end of 2006, the Company let out ca. 30% of the area of the center. The value of investment shall be about PLN 200 million. The anticipated project commencement date will be the 1st half of 2008, and completion date will fall in the 1st half of 2010.

In October 2006, an annex was made between the subsidiary Echo – Galaxy Spółka z ograniczoną odpowiedzialnością Sp. thousand., acting as the Landlord, and Geant Polska Sp. z o.o., acting as the Tenant, to the contract of lease of space in the Galaxy shopping and entertainment center in Szczecin, of November 28, 2001. According to the provisions of the said annex, the Landlord consents to the change of party and transfer of all rights and obligations of the present Tenant under the Contract to Real Spółka z ograniczoną odpowiedzialnością i Spółka Sp. thousand., provided that appropriate collaterals are made to the Contract.

Construction of shopping and entertainment centers is financed in cooperation with Bank BPH S.A., Bank PeKaO S.A., Eurohypo A.G., ING Bank Śląski S.A. and Kredyt Bank S.A.

Income from lease of areas in shopping centers during the year 2006 amounted to PLN 150.9 million, which constituted 45,3% of total income.

Future operations of Capital Group companies will focus on execution of new projects and extension of existing ones, followed by an increase of the portfolio of commercial areas for lease.

Segment of office areas

In the office investments segment, Echo Investment S.A. Capital Group has completed facilities for lease in the largest cities in Poland: Warsaw, Łódź and Cracow. The Group is executing new investments and acquiring projects already functioning in the market. Its offer covers office buildings of various standards, including top class.

Although this market segment is highly competitive, the Group's projects ensure stable income from long-term lease contracts due to location and appropriate standards.

Office areas are leased to such recognized companies as BRE Bank S.A., Bank PeKaO S.A., Bank Zachodni WBK S.A., Polkomtel S.A., Deutsche Leasing, Impel S.A., Colgate-Palmolive, Porr Polska, Modzelewski & Rodek, Roche Diagnostic Polska, Dell, and others.

Under a General Contracting Agreement made with Ustra Sp. z o.o., Echo Investment S.A. as the Contractor agreed and covenanted to develop the above mentioned office building complex. The Contractor shall receive a fee for execution of the aforementioned agreement of about 65,7 mln zł.. In

2006, realization of the investment consisting in a complex of office buildings in Kielce at Al. Solidarności Street (net area of the buildings approx. 20,000 square meters). The project assumes realization of three six-storey buildings. The anticipated completion date of investment falls in the 2nd half of 2007.

The process of designing and preparing realization of a set of office buildings with multi-storey underground parking lot was also carried out on a immovable property situated in Warsaw at 21 Postępu Street (area ca. 30000 square meters). In June, a contract was made with Biuro Projektowe APA Wojciechowski Sp. z o.o. [APA Wojciechowski Designs Limited Liability Company] of Warsaw for execution of designing works related to the said complex of office buildings. The anticipated commencement date of investment falls in the 3rd quarter of 2007 and completion date in the 4th quarter of 2009.

The process of preparing and realization of the 'Malta Office Park' office complex in Poznań was also carried out (usable area of about 28,000 square meters). A zoning decision has been obtained, and the Company is currently in the process obtaining the building permit. The six office buildings designed by Litoborski-Marciniak design office of Poznań shall be executed in three stages. Execution of the investment project will be launched during the 2nd quarter of the year 2007. First stage of construction is expected to complete in the 2nd quarter of the year 2008.

In 2006, the Company sold its right of perpetual usufruct of land with a four-storey building with an area of 1,154 square meters, situated in Szczecin at 3 Maja Street. Key tenants of the building are ING Bank Śląski S.A. and Provident Polska S.A.

Echo Investment SA intends to erect a new office building in Cracow, Lea Street. Leased area will be about 9,000 sq. m. The anticipated commencement date of investment falls in the 2nd half of 2007 and completion date in the 2nd half of 2008.

In December 2006, Echo Investment SA succeeded in an open tender for the sale of 99-year perpetual usufruct right to land situated in Gdańsk, Jana z Kolna Street. The Company intends to develop an office building on the above mentioned real estate.

Office projects are financed in cooperation with Eurohypo A.G., Bank PeKaO S.A., and RheinHyp BRE Bank Hipoteczny S.A.

The situation in the market of office property has improved since Poland's accession to the European Union, which was reflected in improved condition and dynamic development of many companies and, consequently, in increased demand for office space. This contributes to stabilization of lease rent rates level and increase of the leased-area ratio.

The good perspectives are noticeable in the Warsaw market and in regional markets, such as Łódź, Poznań, Cracow, Wrocław, which is due to high interest of international corporations in moving certain parts of their operations to Poland.

Segment of hotels

The Group's long experience and recognized partners provide good grounds for the company's operations on the market of hotels. During the preceding years, Echo Investment S.A. dealt with complex realization of hotels for key clients, acting as a general contractor of investments. The Group's projects in the hospitality industry are executed in cooperation with international hotel chains: with the French chains of hotels Accor and Envergure, and with the Qubus group of Norway. Realized hotels operate in Warsaw, Kielce, Cracow, Szczecin, Łódź, Poznań, Częstochowa, Zabrze, Gliwice.

In February 2006 subsidiaries entered into a contract of sale of shares in subsidiary Projekt Gdynia – 1 Sp. z o.o. The buyer was P.H.REDA Sp.J. D.Guzek i R.Guzek with its registered seat in Łódź, which,

under the signed contract, also acquired ownership rights to project documentation and building permit for a hotel on the immovable property situated at Ejsmonda Street in Gdynia. The Company intends to use the gained funds for realization of current and future investments.

In 2006, the Company succeeded in realization of a four-star Qubus hotel in Cracow (195 rooms, 10,600 square meters of usable area) and of a three-star hotel for the same client commenced, in the very center of Kielce (90 rooms, 3,700 square meters of usable area). The hotels were opened in July (Cracow) and in October (Kielce), respectively.

As regards the proposal received from Qubus Hotel System Sp. z o.o. of Wrocław, concerning purchase of the Kielce and Cracow hotels presently leased by that operator, Echo Investment SA decided to enter into relevant contracts of sale. In December 2006, the Company signed contracts of sale of immovable properties with hotel buildings erected thereon with Qubus Hotel System Sp. z o.o. The value of the sales contract regarding the hotel in Cracow, Nadwiślańska Street – Port Solny was PLN 47.94 million gross and the value of the Kielce hotel at Składowa Street was PLN 14.4 million gross.

The above mentioned hotels are not the first ones developed by the Company for Qubus Hotel System Sp. z o.o. Considering the fact that Qubus Hotel System Sp. z o.o. intends to continue the development of a hotel chain in Poland, the parties hereby express their intent to continue their cooperation in execution of similar projects.

In the future, the Company is going to build hotels in cooperation with international hotel operators.

During the last few months, economic trends in the hospitality market have been improving. This tendency, considering Echo Investment S.A.'s experience gained during execution of hotels for international operators, provides good perspectives for growth in the segment of commercial property.

Income from rental and sales in the segment of office and hotel areas during the year 2006 amounted to PLN 59.8 million, which constituted 17,9% of total income.

Housing segment

In the residential sector, Echo Investment S.A., the dominant company, with its subsidiary named Projekt Naramowice Sp. z o.o., realizes investment projects ranging from luxury apartment complexes, through high- and medium-standard residential buildings, to single-family houses estates.

During 2006, the Company was progressing with execution of the Inflancka Housing Estate in Warsaw (2nd stage). 140 apartments shall be delivered during the 1st quarter of the year 2007.

Realization of the 3rd stage of Inflancka Housing Estate, designed by Are Sp. z o.o. design office of Warsaw, has also begun (area for sale is 7,000 square meters). The anticipated date of completion of the consecutive estate falls in the 1st quarter of 2008. (130 apartments).

2nd stage of the investment project in Zwycięzców Street was in progres. The expected date of completion of 240 apartments designed by Szaroszyk & Rycerski Architekci Sp z o.o. of Warsaw shall be in the 2nd quarter of 2008.

A project concerning residential buildings is currently under preparation: in Warsaw at Kazimierzowska Street (net area in excess of 5,000 square meters). The Company has already obtained the zoning decision. The anticipated commencement date for building the apartments designed by Mąka Sojka Architekci Sp. J. design office of Warsaw falls in the 2nd half of 2007 and completion date in the 1st half of 2009.

Construction works were also performed in Poznań. Stage III of the Naramowice Housing Estate (155 apartments) was realized. Anticipated completion date of the Poznań investment falls in the 1st half of the year 2008.

Preparation of realization of the consecutive 4th stage of Naramowice Housing Estate in Poznań has also begun (area for sale: 14,500 square meters). About 180 apartments will be executed within this housing estate designed by Archikwadrat Sp. z o.o. of Poznań. The completion of this investment is anticipated in the 1st half of 2009.

Echo Investment Capital Group's reserve of land in Poznań enables the Company to carry on with subsequent stages of the Naramowice Housing Estate.

The process of designing and preparing execution of an estate of city-like multi-family houses was launched on the immovable property situated in Poznań, Litewska Street and Grudzieniec Street (area of the immovable property exceeds 17,000 sq. m). Anticipated completion date falls in the 2nd quarter of the year 2009.

A housing project is being prepared in Poznań, Wojskowa Street. More than 250 apartments will be built in residential buildings designed by Studio Lisiak Sp. z o.o. of Poznań (net area of approx. 17,000 square meters). Anticipated date of delivery of these buildings falls in the 1st half of 2009.

A 6-storey building with an area of 1,500 square meters will be built in Cracow, Kilińskiego Street, (16 apartments). The investment will be launched in the 2nd half of 2007. This building, which was designed by Oleksy&Polaczek office, will be put to use in the 1st quarter of 2009.

During the 1st half of the year 2009, Echo Investment SA is also going to complete a housing investment at Korzeniowskiego Street, Cracow, Wola Justowska district. In the 4th quarter of 2006, the Company applied for the building permit. This building, designed by The Blok office, will have an area of about 3,000 sq. m. (40 apartments).

The Company initiated the process of designing a housing and commercial building to be erected in Cracow, Krasickiego Street (area for sale is about 5,000 square meters). A contract was made with Studio S – Biuro Architektoniczne Szymanowski of Cracow concerning performance of designing works on the above mentioned building. The completion of this investment is anticipated in the 2nd half of 2009.

In December 2006, Echo Investment SA became the owner of immovable property with an area of more than 10,000 sq. m, situated in Cracow, Tyniecka Street, for a net price of PLN 25.6 million. The Company intends to erect residential buildings on the above mentioned real estate. The Company has applied for a zoning decision. The launch of this investment is anticipated in the 1st half of 2008 and the completion for the 2nd half of 2009.

In 2006, the process of designing an estate of single-family houses progressed on the immovable property situated in Bilcza near Kielce (Bilcza II) and preparation works for development of another housing estate were carried out on immovable property situated in Dyminy near Kielce. Following completion of technical utilities, the Company intends to sell plots of land with designs of houses (area of about 250,000 square meters). The anticipated realization date of investment falls at the turn of 2007/2008.

Demand for flats and apartments keeps increasing and investment perspectives in the housing market are very optimistic, particularly in large cities. At present, the Company's projects are realized in the following markets: Warsaw, Cracow, Kielce and Poznań. Echo Investment S.A. has its stable offer of sale of apartments in various price ranges in each of these markets.

Income from sale and lease of flats and apartments in 2006 amounted to PLN 111.5 million, which constituted 33,5% of total income.

Foreign market

The Company intends to limit the risk related to its activity, thus aiming at geographical diversification of its territories of operations and launching its new investments abroad. Investments on foreign markets will primarily focus on the segment of commercial projects in Central and Eastern Europe. Within the range of its foreign operations, the Company intends to collaborate with local partners.

Romania

In March 2006 the District Court in Bucharest registered the issuer's security named 'Echo Investment Projekt 1' S.R.L., seated in Bucharest. This company is going to carry out developer operations in the territory of Romania. Echo Investment SA holds 100% of shares in the initial capital of the aforementioned subsidiary.

Hungary

In 2006 Echo Investment SA acquired the right to immovable property situated in the 14th District of Budapest – Zuglo, with an area of 6.84 hectares. The value of the agreement was HUF 4.0 billion (equivalent of PLN 59.94 million). The design and preparation of the Budapest project has been launched. A modern, multifunctional MUNDO project will be erected on the Company's property, about 6.84 hectares in size, situated in Zuglo, 14th District of the city. The anticipated rentable area of this shopping, entertainment and office project shall be about 60,000 sq. m. Further plans include location of the Zuglo District Mayor's Office and an office park in the complex. In January 2007, the Company assigned all rights to the aforementioned immovable property to Echo Investment Hungary Ingatlanhasznosító Kft. with its registered seat in Budapest. The anticipated commencement date of investment falls in the 1st half of 2008 and completion date in 2011.

4.2. Structure of revenues

Echo Investment S.A. Capital group yields revenues from lease of its commercial areas, sales of apartments, realization of buildings and provision of immovable property management services. The structure of yielded revenues is as follows:

- lease of areas shopping centers and commercial and entertainment centers

Revenues from lease services are generated from lease of areas in shopping centers and shopping/entertainment centers. Consolidated revenues yielded on this account at the end of 2006 constituted 45,3% of net income from sales.

- sale of residential space:

The main source of income in this segment is the sale of apartments and, to a lesser extent, sale of commercial areas (shopping areas, offices and other premises situated within multifunctional housing projects). Revenues yielded on this account constituted approx. 33,5% of all consolidated income from sales of products.

- realization and lease of areas in office and hotel facilities

Revenues from lease services are generated from lease of areas in office and hotel buildings owned by individual subsidiaries. Consolidated revenues yielded on this account and on account of realization of investments at the end of 2006 constituted approx. 17,9% of net income from sales.

- real estate trade:

The characteristics of Echo Investment S.A. Capital Group's operations somehow enforces owning certain immovable property resources, which are then allocated to specific projects. Income yielded in this area of the Capital Group's operations constitutes about 0,9 % of total income on sales.

- legal, accounting and consulting services:

This range of operations is related to providing legal, accounting and consulting services to companies. The income generated in this area constitutes about 0,3% of total net income on sales.

Structure of net income from sales (in PLN m) yielded by Echo Investment S.A. Capital Group during the years 2006-2005:

Specification	January 1, 2006 - December 31, 2006	January 1, 2005 - December 31, 2005
Lease of areas shopping centers and commercial and entertainment centers	150,9	152,5
Sale of residential space	111,5	56,6
Realization and lease of areas in office and hotel facilities	59,8	38,8
Property trade	3,1	2,5
Legal, accounting and consulting services	1,1	1,6
Other income	6,8	5,7
Net income on sales of products total	333,2	257,9

5. Information about changes in the sales market, divided into domestic and foreign, and changes in sources of supply of materials for production, specifying dependency on one or several clients or suppliers and if the share of a single client or supplier reaches at least 10% of income from sales total - specifying the name of such supplier or client, his share in sales or purchases and his formal relationships with Echo Investment S.A. Capital Group.

Sales markets

All projects executed by Echo Investment S.A. Capital Group in 2006 were located in the Polish market only. The companies forming the Capital Group realized their investments in the markets of the following cities: Warsaw, Cracow, Poznań, Kielce and Wrocław.

Changes in sources of supply

With regard to purchase of services provided by Echo Investment S.A. Capital Group companies, the dominant share measured as the proportion between purchases and income from sales total is held by companies partnering Echo Investment S.A. Capital Group in the range of execution of specific developer projects. In 2006, the value of trade with one party exceeded the 10% threshold of the value of the Capital Group's income:

Largest suppliers of Echo Investment S.A. Capital Group in 2006:

Supplier	Value of turnover (in PLN m)	% of share in net income on sales
Strabag Sp. z o.o.	44,4	13,3%
Polimex – Mostostal S.A.	28,3	8,5%
Modzelewski & Rodek Sp. z o.o.	23,7	7,1%

Changes among clients

The clients of Echo Investment S.A. and of the subsidiaries include tenants of commercial surfaces and clients receiving investment realization services. In 2006, the value of trade with any single party never exceeded the 10% threshold of the value of the Capital Group's income:

Largest clients of Echo Investment S.A. Capital Group in 2006:

Client	Value of turnover (in PLN m)	% of share in net income on sales
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Carrefour Polska Sp. z o.o.	28,7	8,6%
Nomi S.A.	23,8	7,1%
Polkomtel S.A.	16,6	5,0%

6. Information about contracts significant for Echo Investment S.A. Capital Group's business operations, including contracts made between shareholders, known to Echo Investment S.A. Capital Group companies and insurance, partnering or cooperation contracts made during the year 2006.

6.1. Contracts significant for the economic activity of Echo Investment SA Capital Group

The unique quality of the operations of Echo Investment S.A. Capital Group assumes execution of investments through subsidiaries. Echo Investment S.A. individually executes housing projects and provides general contractor services to subsidiaries and external investors. The Capital Group companies operate under the commercial law and have been established for the purpose of realization and carrying out operations under a given project.

Shopping centers and shopping/entertainment centers

In March 2006, Echo Investment SA entered into an Agreement for General Contracting of the Pasaż Świętokrzyski Building in Kielce until October 2006 with Polimex-Mostostal SA. The contract value is PLN 31 million.

In May 2006, a preliminary contract of sale of shares in Polimeni International Poznań Sp. z o.o. [Limited Liability Company] seated in Gdynia was made between Echo Investment SA (the Buyer) and Polimeni International Two LLC, seated in Garden City New York, Polimeni International Funding LLC, seated in Garden City New York, and Mr. Karol Kalicki (jointly called the Sellers). Under the said contract, the Sellers and the Buyer hereby covenant to enter into a final contract of sale of 100% of shares in Polimeni International Poznań Sp. z o.o., seated in Gdynia, whereunder the shares shall be sold to the Buyer no later than until July 12, 2007.

The sales price shall be about 45 million PLN and can be changed on the day of signing the final agreement. In June 2006, Annex 1 to the preliminary contract of sale of shares was signed, pursuant to which the deadline for entering into the final contract of sale was extended to August 31, 2007.

On July 6, 2006, the final conditional contract of sale of shares in Polimeni International Poznań Sp. z o.o. [Limited Liability Company] seated in Gdynia was made between Echo Investment SA (the Buyer) and Polimeni International Two LLC Sp. z o.o., seated in Garden City New York, Polimeni International Funding LLC, seated in Garden City New York, and NOTISTA LTD., seated in Nicosia (previously Karol Kalicki) (jointly called the Sellers).

The purpose of the said contract is the acquisition by the Buyer of 100% of shares in Polimeni International Poznań Sp. z o.o., seated in Gdynia, from the Sellers, in the following quantities:

1. Polimeni International Two LLC – 91 shares,
2. Polimeni International Funding LLC – 1 share,
3. NOTISTA LTD – 8 shares.

The sales price shall be 44.9 million PLN and shall be adjusted by liabilities of Polimeni International Poznań Sp. z o.o. seated in Gdynia that existed as on the contract effective date.

A prerequisite for the entry into force of the conditional contract of sales of shares is the acquisition of ownership rights to immovable properties situated in Poznań, with an area of 47,419 sq. m, by Polimeni International Poznań Sp. z o.o. seated in Gdynia before August 31, 2007. This prerequisite is a condition precedent.

On July 26, 2006, an annex was made to the conditional contract of sale of shares as of July 6, 2006. Pursuant to the provisions of the said annex, financial conditions concerning settlement of liabilities

and receivables between the parties to the contract, affecting the ultimate sales price of the shares, shall be changed.

On August 31, 2006 Polimeni International Poznań Sp. z o.o., seated in Gdynia, acquired ownership title to the immovable property described above, thus meeting the condition for entry into force of the conditional contract of sale of shares as of July 6, 2006.

In view of the above, on August 31, 2006 Echo Investment SA purchased 100% of the shares in share capital of Polimeni International Poznań Sp. z o.o., seated in Gdynia, value 50,000 PLN, giving 100 votes at the meeting of shareholders. Nominal value of one share is PLN 500. The final acquisition price of the shares was PLN 39,109,952.59.

On June 12, 2006, as a result of completed tender procedure, Echo Investment SA of Kielce (the Buyer) signed a conditional agreement of purchase of immovable property with the Local Government of the 14th District of the Capital City of Budapest – Zuglo in Hungary (the Seller). The object of the agreement is the immovable property – land plot situated in the 14th District of Budapest – Zuglo with the area of 6.84 ha. Echo Investment S.A. intends to realize a modern multifunctional project on the purchased land. The condition of entry into force of this agreement is that the Local Government of the city of Budapest waives its first right of refusal. The Municipal Government of the capital city of Budapest did waive its first right of refusal. The value of the agreement is HUF 4,000,000,000 which, according to the average exchange rate of the National Bank of Poland, is an equivalent of PLN 59,940,000.

Through execution of final agreements, in October 2006 the Capital Group purchased immovable property 64,000 sq. m in size, situated in an attractive location in Słupsk, Grottgera Street. The value of contract was PLN 24 million. The largest shopping and entertainment center in Słupsk called ARENA will be built on the said plot of land. The facility shall offer about 75,000 sq. m total area and 38,000 sq. m rentable area. Lease agreements were made with such companies as Helios, Media Markt, BC Club, Rossmann, Ravel. As at the end of year, 30% of the area of the center was let out. The value of investment shall be about PLN 200 million. The anticipated project commencement date will be the 1st half of 2008, and completion date will fall in the 1st half of 2010.

In relation to an Agreement made on June 22, 2005 between "Echo Investment – Centrum Handlowe Łomża" Sp. z o.o. (the Financing Party) and "real,- Sp. z o.o. i Spółka" Spółka Komandytowa (the User), an annex was signed by the Parties to that Agreement, whereunder the final date of purchase of real estate in Łomża by the Financing Party was determined as June 22, 2007. According to the same Annex, the Parties may terminate the aforementioned Agreement if a final building permit is not obtained until June 30, 2008. The above mentioned Agreement (current report no. 27/2005 of September 8, 2005) relates to erection of a hypermarket in the course of building the Łomża Shopping Center, and transferring the same to the User for use and benefit for a period of 15 years.

In the course of performance of an agreement as of June 22, 2005 (current report no. 24/2005), obliging it to enter into a lease contract, on August 30, 2006 Echo Investment S.A. as the Landlord signed a contract of lease with Pergranso Sp. z o.o. as the Tenant. The subject-matter of the lease contract is a shopping area in the Pasaż Świętokrzyski Shopping Center in Kielce, Ślichowice Housing Estate, of 8,500 sq. m. The leased area will be designed for operating E.LECLERC food and nonfood merchandise superstore. The lease contract was made for a period of 30 years. The estimated value of contract for 30 years of lease is a Polish zloty equivalent of EUR 21.6 million, i.e. PLN 85,202,376 as on the contract effective date.

On October 31, 2006, an annex was signed between the subsidiary Szczecin – Projekt Echo 32 Sp. z o.o. (Szczecin – Project Echo 32 Limited Liability Company) with its registered seat in Kielce (the Lessor) and Geat Polska Sp. z o.o. with its registered seat in Warsaw (the Lessee) to the contract of lease of space in the Galaxy shopping and entertainment center in Szczecin, of November 28, 2001 (the Contract), (current report no. 87/2001).

According to the provisions of the said annex, the Lessor consents to the change of party and transfer of all rights and obligations of the present Lessee under the Contract to Real Spółka z ograniczoną odpowiedzialnością i Spółka Sp. thousand. (Real Limited Liability Company & Company, Limited Partnership), provided that appropriate collaterals are made to the Contract.

Hotels and Offices

In June 2006, Echo Investment SA signed a contract with Mitex SA for erection of core and shell of a complex of office buildings in Kielce at al. Solidarności Street until December 2006. The contract value was PLN 10.5 million.

In November 2006, the Company entered into a General Contracting Agreement with Ustra Sp. z o.o., whereunder Echo Investment S.A. as the Contractor agreed and covenanted to develop the office building complex as mentioned above. The Contractor shall receive a fee for execution of the aforementioned agreement of about PLN 65.7 million. The anticipated completion date of investment falls in the 2nd half of 2007.

The final remuneration for performance of the General Contracting Agreement as of December 21, 2004 (current report no. 56/2004), which was due to Echo Investment SA with its registered seat in Kielce and to WAN SA with its registered seat in Warsaw equaled PLN 38.67 million. Under the foregoing agreement, WAN-11 Sp. z o.o. with its registered seat in Warsaw, as the Investor, contracted from Echo Investment S.A. and WAN S.A., as General Contractors of Investment, complex execution of office building investment, situated at 3 Postępu Street in Warsaw. The building was handed over for exploitation to the tenant – Polkomtel S.A. (current report 31/2005) on November 2, 2005.

On December 18, 2006 Echo Investment S.A. of Kielce, as the "Seller", in the course of executing sales options under the agreements as of November 13, 2003 (current report no. 33/2003) entered into contracts of sales of immovable property with Qubus Hotel System Sp. z o.o. with its registered seat in Wrocław as the "Buyer". The object of sales is the right of perpetual usufruct of immovable property with ownership of a hotel building situated thereon, located in Cracow, Nadwiślańska Street – Port Solny, and ownership of immovable property with hotel building situated thereon, located in Kielce, Składowa Street. The value of the contract of sale of perpetual usufruct of the immovable property in Cracow, with an 8-storey hotel with 195 rooms, a restaurant, conference and recreation complex and underground parking lot is PLN 47,938,146 (gross) and the value of the contract of sale of the immovable property in Kielce with a 4-storey hotel with 90 rooms, a restaurant and recreation areas is PLN 14,401,519 (gross). At the same time, with reference to the making of the contracts of sale, the Buyer and the Seller agreed to terminate the lease relationship (RB no. 33/2003) concerning the immovable properties in Cracow and in Kielce, with hotel buildings erected thereon.

In December 2006, Echo Investment SA succeeded in an open tender for the sale of 99-year perpetual usufruct right to land situated in Gdańsk, Jana z Kolna Street. The Company intends to develop office space on the above mentioned real estate.

Apartments

In January 2006, Echo Investment SA acquired ownership right to land plot situated in Cracow at Kilińskiego Street, for a price of PLN 1.6 million. The Company intends to erect a 6-storey residential building on the above mentioned real estate, with an area of about 1,500 sq. m.

In February 2006, the Company purchased land plots in Dyminy near Kielce for a price of about PLN 5 million. The Company intends to sell plots of land with designs of houses. Anticipated completion date falls in 2008.

In February 2006, Echo Investment SA acquired immovable property situated in Poznań at Wojskowa Street. The Company intends to build residential buildings on that property, with a net area for sale of about 16,000 square meters). The completion of this investment is anticipated in the 1st half of 2009.

In May 2006, Echo Investment SA made an agreement for acquisition of the right of perpetual usufruct to immovable property located in Cracow at Krasickiego Street, area exceeding 3.3 thousand square meters, for a net price of 4.7 million PLN.

In June 2006, the Company acquired immovable property in Poznań at Litewska Street and Grudzieniec Street, area exceeding 17,000 square meters, for a net price of 4.7 million PLN. The Company intends to realize an estate of city-specific multi-family houses on the purchased land. (area for sale is about 7,000 square meters).

In June 2006, a contract was signed for erection of core and shell of a complex of residential buildings in Warsaw, Zwycięzców Street. The Contractor for the project is going to be Mostostal Warszawa S.A. of Warsaw. The contract value was PLN 17.4 million.

In September 2006, the Company won a tender organized by the Communication Studies and Designing Office State-Owned Company for purchase of immovable property situated in Cracow at Bronowicka Street, area exceeding 2,000 square meters, for a price of 8 million PLN. The Company intends to develop a luxury apartment building on the above mentioned real estate.

In October 2006, the Company signed a final agreement of acquisition of land property situated in Warsaw at Kazimierzowska Street, area exceeding 2,000 square meters, for a price of 9.2 million PLN. The Company intends to erect residential buildings on the above mentioned area. The anticipated commencement date for building the apartments designed by Mąka Sojka Architekci Sp. J. design office of Warsaw falls in the 2nd half of 2007 and completion date in the 1st half of 2009.

In December 2006, Echo Investment SA became the owner of immovable property with an area of more than 10,000 sq. m, situated in Cracow, Tyniecka Street, for a net price of PLN 25.6 million. The Company intends to erect residential buildings on the above mentioned real estate. The Company has applied for a zoning decision. The launch of this investment is anticipated in the 1st half of 2008 and the completion for the 2nd half of 2009.

6.2. Contracts made between shareholders

Echo Investment S.A. does not know about any contracts made between shareholders during the year 2006.

6.3. Insurance contracts

Range of coverage	Underwriter	Insurance amount [thousands PLN]
property insurance - buildings and structures	TU Compensa S.A., PTU S.A., STU Ergo Hestia S.A., TU Allianz Polska S.A., Generali TU S.A.,	892 069
property insurance - equipment	TU Compensa S.A., PTU S.A., STU Ergo Hestia S.A., TU Allianz Polska S.A., Generali TU S.A.,	4 877
property insurance - crops	PZU S.A.	551
third party insurance (civil liability insurance)	STU Ergo Hestia S.A., AIG Polska TU S.A., Generali TU S.A., PTU S.A., STU Ergo Hestia S.A., PZU S.A., TU Allianz Polska S.A.	48 669
insurance against construction and assembly risks	TUIR WARTA S.A., TU Allianz Polska S.A., Generali TU S.A.	250 700
insurance against loss of profit	TU Allianz Polska S.A., PTU S.A., Generali TU S.A.	105 609
TOTAL		1 302 475

6.4. Partnering or cooperation agreements

Echo Investment Capital Group did not conclude any partnering or cooperation agreements during 2006.

7. Information about changes in organizational or capital relationships of Echo Investment S.A. with other companies, indicating its key domestic and foreign investments (securities, financial instruments and real estate), including capital investments made outside its capital group, and a description of methods of their financing.

7.1. Changes in organizational or capital relationships of Echo Investment S.A.

- On December 6, 2005 the District Court in Kielce registered an increase of initial capital of a subsidiary – Projekt Echo – 36 Sp. z o.o. by an amount of PLN 4,000,000. Together with capital increase, company name of Projekt Echo – 36 Sp. z o.o. was changed into Projekt Gdynia - 1 Sp. z o.o. Following registration of the increase, the initial capital of Projekt Gdynia-1 Sp. z o.o. amounts to PLN 4,050,000 and is divided into 8100 shares with nominal value of PLN 500 each. The total number of votes according to shares is 8100. Capital was raised through non-cash contribution made by a subsidiary Echo Centrum Gdynia Sp. z o.o. to Projekt Gdynia – 1 Sp. z o.o. in the form of the right of perpetual usufruct of immovable property situated in Gdynia and rights to the building project designed on the immovable property in question. The book value of contributed assets in the books of accounts is PLN 11,097,649.74 and the value of assets, according to which the contribution was made, is PLN 4,000,000.00. Following registration of the capital raise, the shareholders' structure for Projekt Gdynia – 1 Sp. z o.o. is as follows: - Echo Centrum Gdynia Sp. z o.o. holds 8000 shares, - Echo Investment S.A. holds 99 shares, - Projekt Echo – 17 Sp. z o.o. holds 1 share.

- On February 23, 2006 a contract of sale was made of 100% of shares in the Projekt Gdynia-1 Sp. z o.o. subsidiary. The Seller are subsidiaries: Echo Centrum Gdynia Sp. z o.o., Echo Projekt – 17 Sp. z o.o. and Echo Investment S.A. and the buyer is P.H.REDA Sp.J. D.Guzek i R.Guzek with its registered seat in Łódź. The subject of the contract of sale is the 100% of shares of the issuer's subsidiary, Projekt Gdynia-1 Sp. z o.o. The price of sale of the shares equaled PLN 4,000,000 (read: four million) and the book value of the assets in the issuer's and the subsidiaries' books of accounts, as on December 31, 2006, totaled PLN 4,052,000 (read: four million and fifty-two k). No relationships occur between the issuer or members of the issuer's management and supervisory bodies and the parties acquiring the assets.
- On 03.03.2006 the District Court in Bucharest registered a subsidiary named 'Echo Investment Projekt 1' S.R.L., seated in Bucharest. The value of the initial capital is RON 4,000 (an equivalent of PLN 4,344 according to the average exchange rate of the National Bank of Poland as on the date of occurrence of the event), divided into 400 shares with nominal value of RON 10 each. Shares shall carry one vote each. Echo Investment S.A. is the owner of all shares. The registered subsidiary is going to carry out developer operations in the territory of Romania.
- On April 27, 2006 the District Court in Budapest registered a subsidiary: Echo Investment Hungary Ingatlanhasznosító Kft., seated in Budapest. The value of initial capital is HUF 3,000,000 (according to the average exchange rate of the National Bank of Poland as on the date of occurrence of the event, the said amount is an equivalent of PLN 43,812.00). The company is 100% owned by Echo Investment S.A.

On June 29, 2006, the District Court in Kielce, 10th Economic Department of the National Court Register, registered a subsidiary named "Szczecin - Projekt Echo 32 spółka z ograniczoną odpowiedzialnością" spółka komandytowa [„Szczecin – Project Echo 32 Limited Liability Company” Limited Partnership]. The company was formed through transformation of “Echo Investment - Centrum Handlowo-Rozrywkowe Szczecin Sp. z o.o.” [‘Echo Investment – Szczecin Shopping and Entertainment Center’ Limited Liability Company], the latter being deleted from the Register.

- On July 11, 2006 the District Court, 10th Economic Department in Kielce registered amendments to the Company Articles of Echo Investment S.A. Under resolution no. 19, passed on May 30, 2006 by the Ordinary General Meeting of Shareholders, on division of shares, the structure of the Company's share capital was changed. As a result of dividing the shares in proportion of 1:4, the nominal value of shares was reduced from 2 PLN to 0.50 PLN. At present, the value of share capital is PLN 21,000,000 and it is divided into:
 - 160,000 (one hundred and sixty k) series A ordinary bearer shares,
 - 3,840,000 (three million eight hundred and forty k) series B ordinary bearer shares,
 - 2,000,000 (two million) series C ordinary bearer shares,
 - 6,000,000 (six million) series D ordinary bearer shares,
 - 2,000,000 (two million) series E ordinary bearer shares,
 - 28,000,000 (twenty-eight million) series F ordinary bearer shares.
 All shares with nominal value of PLN 0.50. The total number of votes yielded by all shares is 42,000,000.
- The District Court in Kielce, 10th Economic Department of the National Court Register:
 - registered the following subsidiaries on August 4, 2006:
 1. “Projekt – Echo 41” Sp. z o.o. [‘Project – Echo 41’ Limited Liability Company], having its registered seat in Kielce.
 2. “Projekt – Echo 42” Sp. z o.o. [‘Project – Echo 42’ Limited Liability Company], having its registered seat in Kielce.
 3. “Projekt – Echo 45” Sp. z o.o. [‘Project – Echo 45’ Limited Liability Company], having its registered seat in Kielce.
 - on August 17, 2006:
 1. “Projekt – Echo 43” Sp. z o.o. [‘Project – Echo 43’ Limited Liability Company], having its

registered seat in Kielce.

2. "Projekt – Echo 44" Sp. z o.o. ['Project – Echo 44' Limited Liability Company], having its registered seat in Kielce.

The share capital of each of these companies is PLN 50,000 and is divided into 100 (one hundred) shares for a nominal value of PLN 500 each. The total number of votes at the meeting of shareholders, according to shares, is 100.

As on the registration day, Echo Investment SA took up 99 shares in each of the newly established companies, entitling him to 99% of votes at the meeting of shareholders. The purchase price is PLN 49,500 for each 99 shares. The subsidiary Projekt Echo - 17 Sp. z o.o. holds 1 share in each of the aforementioned companies. Acquisition of shares was financed with the Company's own funds. The acquired shares constitute a long-term capital investment.

- The District Court in Kielce, 10th Economic Department of the National Court Register:
 - on November 21, 2006, registered a subsidiary „Projekt Echo – 45 Spółka z ograniczoną odpowiedzialnością” Sp.thousand. ['Project Echo – 45 Limited Liability Company' Limited Partnership] with its registered seat in Kielce,
 - on December 6, 2006, registered a subsidiary „Projekt Echo – 41 Spółka z ograniczoną odpowiedzialnością” Sp.thousand. ['Project Echo – 41 Limited Liability Company' Limited Partnership] with its registered seat in Kielce,
 - on December 11, 2006, registered a subsidiary „Projekt Echo – 42 Spółka z ograniczoną odpowiedzialnością” Sp.thousand. ['Project Echo – 42 Limited Liability Company' Limited Partnership] with its registered seat in Kielce,
- On August 31, 2006 Echo Investment SA purchased 100% of the shares in share capital of Polimeni International Poznań Sp. z o.o., seated in Gdynia, value 50,000 PLN, giving 100 votes at the meeting of shareholders. Nominal value of one share is PLN 500. Acquisition price of the shares was PLN 39,109,952.59.
- On October 25, 2006 a sales contract was made between Echo Investment SA with its registered seat in Kielce (the Seller) and Energetyka Dwory Sp. z o.o. with its registered seat in Oświęcim (the Buyer), on the sales of shares of the issuer's subsidiary Bioelektrownia Hydropol – 4 Sp. z o.o. with its registered seat in Kielce.
The object of contract was a set of 200 shares in Bioelektrownia Hydropol – 4 Sp. z o.o. with its registered seat in Kielce, joint nominal value 100.000 PLN, representing 100% of the company's share capital and giving 200 votes at the meeting of shareholders. The sales price of the shares was PLN 200,000. The recorded value of the shares in the issuer's books of accounts is PLN 100,957.
- On November 7, 2006 a contract of purchase of shares was made between Echo Investment SA with its registered seat in Kielce (the Buyer) and Dr. Zsolt Istvan Osi, domiciled in Budapest (the Seller). The object of contract are the shares in Project 2 – Echo Hungary Kft. with its registered seat in Budapest, forming 100% of the share capital, with nominal value of HUF 3 million. The purchase price of the shares is HUF 3 million (according to the average exchange rate of the National Bank of Poland as on the date of occurrence of the event, the said amount is an equivalent of PLN 44,148.00). The Issuer intends to use the acquired shares as long-term capital investment. The acquired shares were financed with the issuer's own funds.
- On December 8, 2006 Echo Investment SA sold 8 shares in the subsidiary Kieleckie Centrum Handlowo-Rozrywkowe Echo Sp. z o.o. to Projekt 3 Sp. z o.o. The value of contract was PLN 12,100.
- On December 29, 2006 the District Court in Kielce, 10th Economic Department of the National Court Register, registered the following changes in the subsidiary's company: "Project 3" Sp. z o.o. ['Project 3' Limited Liability Company], having its registered seat in Warsaw, is now operating under the company name "Galeria Echo - Kielce" Sp. z o.o. ['Echo Gallery Kielce' Limited Liability Company'], having its registered seat in Kielce.

- The following company names of Capital Group companies were changed:
 - the name of "Projekt – Echo 32" sp. z o.o. ['Project – Echo 32' Limited Liability Company], having its registered seat in Kielce, changed into "Echo – Galaxy" sp. z o.o. ['Echo – Galaxy' Limited Liability Company'], having its registered seat in Kielce
 - the name of "Szczecin - Projekt Echo 32 Spółka z ograniczoną odpowiedzialności" Sp. thousand. ['Szczecin - Project Echo 32 Limited Liability Company' Limited Partnership], having its registered seat in Kielce, changed into "Echo – Galaxy Spółka z ograniczoną odpowiedzialnością" Sp. thousand. ['Echo – Galaxy Limited Liability Company' Limited Partnership], having its registered seat in Kielce
 - the name of "Hotel Investment" Sp. z o.o. ['Hotel Investment' Limited Liability Company], having its registered seat in Kielce, changed into "Echo – Arena" Sp. z o.o. ['Echo – Arena' Limited Liability Company'], having its registered seat in Kielce
 - the name of "Polimeni International Poznań" Sp. z o.o. ['Polimeni International Poznań' Limited Liability Company], having its registered seat in Gdynia, changed into "Echo – Centrum Poznań" Sp. z o.o. ['Echo – Poznań Center' Limited Liability Company'], having its registered seat in Kielce,

7.2. Investments in shares of companies quoted on the stock exchange

On account of securities, Echo Investment Capital Group companies did not make any investments in shares of companies quoted on the stock exchange during the year 2006.

7.3. Investments in Poland and abroad – acquisition of immovable property

In 2006, the Company acquired immovable property for development of new significant investment projects at home and abroad.

In January 2006, Echo Investment SA acquired ownership right to land plot situated in Cracow at Kilińskiego Street, for a price of PLN 1.6 million. The Company intends to erect a 6-storey residential building on the above mentioned real estate, with an area of about 1,500 sq. m.

In February 2006, the Company purchased land plots in Dyminy near Kielce for a price of about PLN 5 million. The Company intends to sell plots of land with designs of houses. Anticipated completion date falls in 2008.

In February 2006, Echo Investment SA acquired immovable property situated in Poznań at Wojskowa Street. The Company intends to build residential buildings on that property, with a net area for sale of about 16,000 square meters). The completion of this investment is anticipated in the 2nd half of 2009.

In May 2006, Echo Investment SA made an agreement for acquisition of the right of perpetual usufruct to immovable property located in Cracow at Krasickiego Street, area exceeding 3.3 thousand square meters, for a net price of 4.7 million PLN.

In June 2006, the Company acquired immovable property in Poznań at Litewska Street and Grudzieniec Street, area exceeding 17,000 square meters, for a net price of 4.7 million PLN. The Company intends to realize an estate of city-specific multi-family houses on the purchased land. (area for sale is about 7,000 square meters).

On June 12, 2006, as a result of completed tender procedure, Echo Investment SA of Kielce (the Buyer) signed a conditional agreement of purchase of immovable property with the Local Government of the 14th District of the Capital City of Budapest – Zuglo in Hungary (the Seller). The object of the agreement is the immovable property – land plot situated in the 14th District of Budapest – Zuglo with the area of 6.84 ha. Echo Investment S.A. intends to realize a modern multifunctional project on the purchased land. The condition of entry into force of this agreement is that the Local

Government of the city of Budapest waives its first right of refusal. The Municipal Government of the capital city of Budapest did waive its first right of refusal. The value of the agreement is HUF 4,000,000,000 which, according to the average exchange rate of the National Bank of Poland, is an equivalent of PLN 59,940,000. This agreement has been considered significant on the basis of issuer's equity capital criteria.

In August 2006 Echo Investment SA became the owner of 100% of the shares in share capital of Polimeni International Poznań Sp. z o.o., seated in Gdynia, that has acquired title to immovable properties situated in Poznań with an area of 47,419 sq. m. The final acquisition price of the shares was PLN 39,109,952.59.

The Company is planning to build a modern shopping and entertainment center called METROPOLIS on the Company's immovable property situated in Poznań, Hetmańska Street, offering about 50,000 sq. m of space for rent. The anticipated commencement date of investment falls in the 2nd half of 2007 and completion date in the 1st half of 2010.

In September, the Company won a tender organized by the Communication Studies and Designing Office State-Owned Company for purchase of immovable property situated in Cracow at Bronowicka Street, area exceeding 2,000 square meters, for a price of 8 million PLN. The Company intends to develop a luxury apartment building on the above mentioned real estate.

In October, the Company signed a final agreement of acquisition of land property situated in Warsaw at Kazimierzowska Street, area exceeding 2,000 square meters, for a price of 9.2 million PLN. The Company intends to erect residential buildings on the above mentioned area. The anticipated commencement date for building the apartments designed by Mąka Sojka Architekci Sp. J. design office of Warsaw falls in the 2nd half of 2007 and completion date in the 1st half of 2009.

Through execution of final agreements, in October 2006 the Capital Group purchased immovable property 64,000 sq. m in size, situated in an attractive location in Słupsk, Grottgera Street. The value of contract was PLN 24 million. The Company intends to build the largest shopping and entertainment center in Słupsk called ARENA on the said plot of land. The facility shall offer about 75,000 sq. m total area and 38,000 sq. m rentable area. Lease agreements were made with such companies as Helios, Media Markt, BC Club, Rossmann, Ravel. As at the end of 2006, the Company let out ca. 30% of the area of the center. The value of investment shall be about PLN 200 million. The anticipated project commencement date will be the 1st half of 2008, and completion date will fall in the 1st half of 2010.

In December 2006, Echo Investment SA succeeded in an open tender for the sale of 99-year perpetual usufruct right to land situated in Gdańsk, Jana z Kolna Street. The Company intends to develop office space on the above mentioned real estate.

In December 2006, agreements were made with Giant Sp. z o.o. with its registered seat in Poznań, concerning transfer of ownership of immovable property situated in Poznań, Duszna Street, having an area of 2,957 sq. m, in exchange of 3,939 shares in „Echo - Centrum Gdynia Sp. z o.o.” and in exchange for 1,993 shares in „Echo Investment-Centrum Handlowo-Usługowo-Rozrywkowe Gliwice Sp. z o.o.”. Changes in initial capital values of the above mentioned companies were registered by the District Court in Kielce, 10th Economic Department of the National Court Register, in January and in February, 2007.

In December 2006, Echo Investment SA became the owner of immovable property with an area of more than 10,000 sq. m, situated in Cracow, Tyniecka Street, for a net price of PLN 25.6 million. The Company intends to erect residential buildings on the above mentioned real estate. The Company has applied for a zoning decision. The launch of this investment is anticipated in the 1st half of 2008 and the completion for the 2nd half of 2009.

8. Description of transactions with affiliated companies if the individual or total value of several transactions made by a given affiliated company during a period of 12 months is a Polish zloty equivalent of the amount of EUR 500,000.

8.1. Transactions with companies from Echo Investment S.A. Capital Group

As a result of the strategy applied by the dominant company - Echo Investment S.A., involving execution of each shopping center by a separate subsidiary, and as a result of contribution by 'Echo Investment' S.A. to target companies of immovable property on which the shopping centers have been built, a significant part of transactions executed by Echo Investment are made with affiliated companies.

In 2006, the following contracts were made between Echo Investment S.A. and companies from Echo Investment S.A. Capital Group:

On March 28, 2006 the District Court in Wroclaw, 4th Department of Land and Mortgage Registers made an entry in the land and mortgage register of mortgage security on immovable properties owned by a subsidiary Echo – Pasaż Grunwaldzki Spółka z ograniczoną odpowiedzialnością Sp. thousand. [Echo – Grunwaldzki Arcade Limited Liability Company, Ltd.] with its registered seat in Kielce. The assets, on which the mortgage was established, are situated in Wroclaw, pl. Grunwaldzki, where the Pasaż Grunwaldzki shopping and entertainment center is being erected. The established mortgage security is a collateral for Bank Eurohypo AG, seated in Eschborn, Germany, concerning repayment of liability under a loan agreement, not exceeding the amount of EUR 100 m, which the Company reported on March 10, 2006. The book value of sold assets in the books of accounts of the assets on which mortgage was established is PLN 110,671,725.90. No relationships occur between the issuer or members of the issuer's management and supervisory bodies and the party, for which the mortgage was established or members of this party's management bodies.

- On May 19, 20-6 the District Court in Cracow, 7th Department of Pledge Registry, recorded a pledge in the Pledge Registry on 99 shares in the issuer's subsidiary Echo-Pasaż Grunwaldzki Sp. z o.o. with its registered seat in Kielce, owned by Echo Investment SA. The pledge on the shares has been established on the basis of an agreement of registered pledge on shares, made between Echo Investment SA and Eurohypo AG Bank of Eschborn (Germany) on 10.03.2006. The encumbered shares form 99% of share capital of Echo-Pasaż Grunwaldzki Sp. z o.o. and are treated as long-term capital investment by the issuer. Nominal value of one share is PLN 500. The established pledge is a collateral for Bank Eurohypo AG, seated in Eschborn, Germany, concerning repayment of liability under a loan agreement, not exceeding the amount of EUR 100 m, which the Company reported on March 10, 2006. The book value of the assets in the issuer's books of accounts of the assets on which pledge was established is PLN 51,250. No relationships occur between the issuer or members of the issuer's management and supervisory bodies and the party, for which the pledge was established or members of this party's management bodies. This contract has been considered significant on the basis of the criteria of significant value for financial assets.
- on May 24, 20-6 the District Court in Cracow, 7th Department of Pledge Registry, recorded a pledge in the Pledge Registry on 1 shares in the issuer's subsidiary Echo-Pasaż Grunwaldzki Sp. z o.o. with its registered seat in Kielce, owned by Projekt Echo – 17 Sp. z o.o. The pledge was established on the shares on the basis of an agreement of registered pledge on shares, which was made between Echo Investment SA and Eurohypo AG Bank of Eschborn, Germany, on March 10, 2006. The encumbered shares form 1% of share capital of Echo-Pasaż Grunwaldzki Sp. z o.o. and are treated as long-term capital investment. Nominal value of one share is PLN 500. The established pledge is a collateral for Bank Eurohypo AG, seated in Eschborn, Germany, concerning repayment of liability under a loan agreement, not exceeding the amount of EUR 100 m, which the Company reported on March 10, 2006.

- on May 25, 2006 the District Court in Cracow, 7th Department of Pledge Registry, recorded a pledge in the Pledge Registry on all rights and obligations (99 contributions) in the issuer's subsidiary Echo-Pasaż Grunwaldzki Sp. z o.o. Sp. thousand. with its registered seat in Kielce, owned by Echo Investment SA. The value of encumbered contributions is PLN 10,900. The established pledge on all rights and obligations is a collateral for Bank Eurohypo AG, seated in Eschborn, Germany, concerning repayment of liability under a loan agreement, not exceeding the amount of EUR 100 m, which the Company reported on March 10, 2006.
- on June 14, 2006 the District Court in Cracow, 7th Department of Pledge Registry, recorded a pledge in the Pledge Registry on all rights and obligations (1 contribution) in the issuer's subsidiary Echo-Pasaż Grunwaldzki Sp. z o.o. Sp. thousand. with its registered seat in Kielce, owned by Projekt Echo - 17 Sp. z o.o. The value of the encumbered contribution is PLN 100. The established pledge on all rights and obligations is a collateral for Bank Eurohypo AG, seated in Eschborn, Germany, concerning repayment of liability under a loan agreement, not exceeding the amount of EUR 100 m, which the Company reported on March 10, 2006.
- On October 11, 2006 the District Court in Cracow, 7th Department of Pledge Registry, recorded a pledge in the Pledge Registry on all rights and obligations (99 contributions) in the issuer's subsidiary Echo - Galaxy Spółka z ograniczoną odpowiedzialnością Sp. thousand. with its registered seat in Kielce (formerly "Szczecin - Projekt Echo 32 Spółka z ograniczoną odpowiedzialnością" Sp.thousand. with its registered seat in Kielce), owned by Echo Investment SA. The value of encumbered contributions is PLN 36,634,500. The established pledge on all rights and obligations is a collateral for Bank Eurohypo AG, seated in Eschborn, Germany, concerning repayment of liability under a loan agreement, not exceeding the amount of EUR 51 m, which the Issuer reported in the current report no. 34/2001. The highest amount of collateral is PLN 25.5 million.
- On October 11, 2006 the District Court in Cracow, 7th Department of Pledge Registry, recorded a pledge in the Pledge Registry on all rights and obligations (1 contribution) in the issuer's subsidiary Echo - Galaxy Sp. z o.o. Sp. thousand. with its registered seat in Kielce (formerly "Szczecin - Projekt Echo 32 Spółka z ograniczoną odpowiedzialnością" Sp.thousand. with its registered seat in Kielce), owned by Echo - Galaxy Sp. z o.o. with its registered seat in Kielce (formerly "Projekt - Echo 32" Spółka z o.o. with its registered seat in Kielce). The value of encumbered contributions is PLN 500. The established pledge on all rights and obligations is a collateral for Bank Eurohypo AG, seated in Eschborn, Germany, concerning repayment of liability under a loan agreement, not exceeding the amount of EUR 51 m, which the Issuer reported in the current report no. 34/2001. The highest amount of collateral is PLN 25.5 million.
- On October 11, 2006 the District Court in Cracow, 7th Department of Pledge Registry, registered a pledge in the Pledge Registry on 99 shares in the issuer's subsidiary Echo - Galaxy Sp. z o.o. with its registered seat in Kielce (formerly "Projekt - Echo 32" Spółka z o.o. with its registered seat in Kielce), owned by Echo Investment SA. The pledge on the shares has been established on the basis of an agreement of registered pledge on shares, made between Echo Investment SA and Eurohypo AG Bank of Eschborn (Germany) on July 7, 2006. The encumbered shares form 99% of share capital of Echo - Galaxy Sp. z o.o. (formerly "Projekt - Echo 32" Spółka z o.o. with its registered seat in Kielce), in nominal value of PLN 49,500, giving 99 votes at the meeting of shareholders of the company and are treated as long-term capital investment by the issuer. The established pledge is a collateral for Bank Eurohypo AG, seated in Eschborn, Germany, concerning repayment of liability under a loan agreement, not exceeding the amount of EUR 51 m, which the Issuer reported in the current report no. 34/2001, and repayment of debt on account of interest up to the amount of EUR 25.5 million. The book value of the pledged assets in the issuer's books of accounts is PLN 51,252. The registered pledge has been established on the said shares because of a change in the Borrower's legal status, the present company named Szczecin Projekt Echo - 32 Spółka z ograniczoną odpowiedzialnością spółka komandytowa [*Szczecin Project Echo-32 Limited Liability Company limited partnership*] (previously Echo Investment -

Centrum Handlowo-Rozrywkowe Szczecin Sp. z o.o. [*Echo Investment – Szczecin Shopping and Entertainment Center Limited Liability Company*]).

- On October 12, 2006 the District Court in Cracow, 7th Department of Pledge Registry, registered a pledge in the Pledge Registry on 1 share in the issuer's subsidiary Projekt Echo – 32 Sp. z o.o. with its registered seat in Kielce, owned by a subsidiary Projekt Echo – 17 Sp. z o.o. with its registered seat in Kielce. The pledge on the shares has been established on the basis of an agreement of registered pledge on shares, made between Echo Investment SA and Eurohypo AG Bank of Eschborn (Germany) on July 7, 2006. The encumbered share forms 1% of share capital of Projekt Echo-32 Sp. z o.o., in nominal value of PLN 500, giving 1 vote at the meeting of shareholders. The established pledge is a collateral for Bank Eurohypo AG, seated in Eschborn, Germany, concerning repayment of liability under a loan agreement, not exceeding the amount of EUR 51 m, which the Issuer reported in the current report no. 34/2001, and repayment of debt on account of interest up to the amount of EUR 25.5 million. The registered pledge has been established on the said share because of a change in the Borrower's legal status, the company named Szczecin Projekt Echo-32 Spółka z ograniczoną odpowiedzialnością spółka komandytowa [*Szczecin Project Echo-32 Limited Liability Company limited partnership*] (previously Echo Investment – Centrum Handlowo-Rozrywkowe Szczecin Sp. z o.o. [*Echo Investment – Szczecin Shopping and Entertainment Center Co., Ltd.*]).

8.2. Transactions with managers or supervisors of Echo Investment S.A.

During the year 2006, no transactions occurred between Echo Investment S.A. and its managers or supervisors with individual or total value during a period of 12 months would make a Polish zloty equivalent of the amount of EUR 500,000.

9. Information about credits taken and contracts of loan, specifying their due dates, and surety / guarantee contracts.

9.1. Credit agreements of the dominant company

Echo Investment S.A.'s liabilities on account of credits taken out as at the end of the financial year 2006 are presented in the table below:

Name of bank	Types of liabilities	Credit currency	Credit amount according to contract [in thousands PLN]	Credit used amount as on December 31, 2006 [thousands PLN]	Final repayment date
PeKaO S.A. [PeKaO Joint Stock Company]	Advance in current account	PLN	20.000	0	30.06.2007
PeKaO S.A. [PeKaO Joint Stock Company]	Working capital facility	PLN	60.000	0	30.06.2009
Bank Handlowy w Warszawie S.A.	Advance in current account	PLN	20.000	14	09.03.2007
PKO BP SA [PKO BP Joint Stock Company]	Advance in current account	PLN	20.000	0	20.08.2009
PKO BP SA [PKO BP Joint Stock Company]	Working capital facility	PLN	40.000	0	20.08.2009

Bank BPH S.A. [Joint Stock Company]	Advance in current account	PLN	20.000	0	27.04.2007
Bank BPH S.A. [Joint Stock Company]	Working capital facility	PLN	30.000	0	30.05.2009
ING Bank Śląski	Advance in current account	PLN	30.000	0	05.09.2008
FORTIS Bank S.A.	Multi-purpose line of credit	PLN	20.000	0	29.11.2008

9.2. Credit agreements of subsidiaries

Company raising the loan	Name of bank	Types of liabilities	Credit currency	Credit amount according to contract [thousand]	Credit usage level (in thousands) as on December 12, 2006	Final repayment date
Echo Investment – Centrum Handlowe Jelenia Góra Sp. z o.o.	Pekao S.A.	Long-term credit	EUR	9 101	3 451	2010-08-31
Echo Investment – Centrum Handlowe Bełchatów Sp. z o.o.	Pekao S.A.	Long-term credit	EUR	4 962	1 679	2010-04-30
Echo Investment – Centrum Handlowe Tarnów Sp. z o.o.	Eurohypo AG	Long-term credit	EUR	10 800	4 973	2010-07-15
Echo Investment – Centrum Handlowe Przemyśl Sp. z o.o.	ING Bank Śląski S.A.	Long-term credit	EUR	4 230	1 616	2010-12-31
MDP Sp. z o.o.	Pekao S.A.	Long-term credit	EUR USD	4 600 6 900	3 610 4 941	2011-04-30
Echo Galaxy spółka z ograniczoną odpowiedzialnością Sp. thousand.	Eurohypo AG	Long-term credit	EUR	100 000	42 956	2022-09-22
Echo – Centrum Biznesu Łódź Sp. z o.o.	BRE Bank Hipoteczny S.A.	Long-term credit	USD.	7 500	4 963	2012-06-28
Echo Investment – Centrum Bankowości i Finansów Łódź Sp. z o.o.	Pekao S.A.	Long-term credit	USD.	5 714	4 447	2011-12-31
Echo Investment – Centrum Handlowe Radom Sp. z o.o. Echo Investment – Centrum Handlowe Piotrków Trybunalski Sp. z o.o. Echo Investment – Centrum Handlowe Pabianice Sp. z o.o.	Bank BPH S.A. [Joint Stock Company]	Long-term credit	EUR	36 300	31 257	2019-01-23
Kieleckie Centrum Handlowo-Rozrywkowe Sp. z o.o.	Kredyt Bank S.A.	Long-term credit	EUR	18 000	13 027	2013-10-31
Athina Park Sp. z o.o.	Eurohypo AG	Long-term credit	EUR USD.	13 840 8 200	13 324 7 907	2014-09-30

9.2. Credit contracts of subsidiaries, ctd.

Company raising the loan	Name of bank	Types of liabilities	Credit currency	Credit amount according to contract [thousand]	Credit usage level (in thousands) as on December 12, 2006	Final repayment date
Wan 11 Sp. z o.o.	Eurohypo AG	Long-term credit	EUR	29 973	29 973	2016-01-29
Echo - Pasaż Grunwaldzki Spółka z ograniczoną odpowiedzialnością Sp. K.	Eurohypo AG	Long-term credit	EUR	100 000	16 126	2022-09-30

9.3. Loan agreements**9.3.1. Loans taken**

Echo Investment Capital Group's liabilities on account of credits taken out as at the end of the financial year 2006 are presented in the table below:

Organization	Outstanding loan amount [thousands PLN]	Final repayment date
Polimeni International	7.170	28.02.2007

9.3.2. Loans granted

Echo Investment Capital Group's receivables on account of loans granted as at the end of the financial year 2006 are presented in the table below:

Organization	Outstanding loan amount [thousands PLN]	Final repayment date
Individuals	526	-

9.4. Debt instruments contracts

Pursuant to contracts made as regards the Bonds Issue Program with BRE Bank in 2004 and BPH S.A. Bank in 2003, Echo Investment S.A. has certain liabilities due to issued debt securities. The balance of these liabilities as at the end of the financial year 2006 is presented in the table below:

Name of bank	Type of instrument	Amount used [in thousands PLN]	Contract duration
BRE Bank S.A.	Bonds	150.000	25.05.2011
BRE Bank S.A.	Bonds	100.000	25.05.2013
BRE Bank S.A.	Bonds	50.000	24.05.2007
Bank BPH S.A.	Bonds	30.000	04.09.2007
Bank BPH S.A.	Bonds	30.000	11.09.2007

On February 27, 2006, Echo Investment SA signed an annex to the contract of performance of a Bonds Issuance Program as of April 3, 2003 with Bank BPH S.A., seated in Cracow. The annex to the Contract of Bonds Issuance Program stipulates repeated issues of coupon bonds by the Company. The company shall allocate the funds obtained from issues to financing its basic current activity. Under the signed annex, Bank BPH S.A. shall organize and provide complex service of issue of coupon bonds by Echo Investment S.A. on the non-public market. The maximum total nominal value of all bonds shall not exceed PLN 60 million. The bonds will be straight debt, issued as bearer securities. Maturity period has been established as no less than 365 days and no more than 10 years. Interest shall be charged according to the interest rate. Terms and conditions of issue shall be set out a few days prior to issue, during the term of the Program Contract. The signed annex to the contract shall extend the term of the contract until May 30, 2009.

Under a Bonds Issuance Program signed with BRE Bank S.A., seated in Warsaw, on May 23, 2006 the Company issued voucher bonds for a total value of PLN 100 million. The nominal value and issue price of a single bond is PLN 100 thousand. The bonds have been issued for a period of seven years, i.e. the bonds Redemption date shall be May 25, 2013. Interest is payable every six months, based on WIBOR 6M rate plus investors' margin. On the Redemption Date, the bonds shall be redeemed for the nominal value of the bonds. The issued bonds are not secured.

Under a Bonds Issuance Program signed on April 15, 2004 with BRE Bank S.A., seated in Warsaw, on November 24, 2006 the Company issued discount bonds for a total value of PLN 50 million. The number of issued bonds is 500, with nominal value of PLN 100 thousand each. Issue price of bonds is specified as the nominal price less the discount calculated on the basis of the WIBOR 6M rate plus margin. The bonds were issued for a period expiring on May 24, 2007. The bonds shall be redeemed for the nominal value of the bonds. The issued bonds are not secured.

Under a Bonds Issuance Program signed with BPH SA, seated in Cracow, on 04.12.2006 the Company issued zero-voucher bonds for a total value of PLN 30 million. The nominal price was 100 pts less discount.

Under a Bonds Issuance Program signed with BPH SA, seated in Cracow, on December 11, 2006 the Company issued zero-voucher bonds for a total value of PLN 30 million. The nominal price was 100 pts less discount.

9.5. Suretyship agreements

Absolute surety of Echo Investment S.A. towards the Municipal Office of Łódź for execution of liabilities of 'MDP' Sp. z o.o. (subsidiary owned by 'Echo Investment' S.A. in 100%) concerning payment of annual fees for perpetual usufruct of land – total value due in the next 90 years is PLN 8,466 thousand.

Echo Investment SA's surety for the liability of Echo Investment – Centrum Bełchatów Sp. z o.o. [Echo Investment – Bełchatów Center Co., Ltd.] as a collateral of a loan granted by PeKaO S.A. Bank on June 28, 2000. Its total value is PLN 740 thousand.

On June 20, 2006 the Company granted a contingent surety in favor of Eurohypo AG Bank (Germany) for liabilities of Echo – Pasaż Grunwaldzki Spółka z ograniczoną odpowiedzialnością Sp. thousand. [Echo – Grunwaldzki Arcade Limited Liability Company Limited Partnership]. The surety was granted to a maximum amount of EUR 13,000,000, which equals PLN 52,538,200 as on the date of surety. The surety shall possibly enter into force no earlier than as from June 30, 2007 and expire no later than on June 30, 2013 or September 30, 2013. Echo – Pasaż Grunwaldzki Spółka z ograniczoną odpowiedzialnością Sp. thousand. is a subsidiary of Echo Investment S.A.

On December 29, 2006 Echo Investment SA signed a surety agreement for subsidiary's (Echo-Galaxy Spółka z ograniczoną odpowiedzialnością spółka komandytowa with its registered seat in Kielce) debt was made on account of loan granted by EUROHYPO AG Bank, with its registered seat in Eschborn, Germany. The guarantee was granted to the amount not exceeding EUR 100 m, which equals PLN 383,120,000 as on the day of granting the guarantee. The surety shall remain in force until lawful registration of mortgage on the immovable property and recording registered pledges to the register of pledges.

Surety in favor of	Value (thousands PLN)	Expiry date	Reference to
Urząd Miasta Łodzi [Municipal Office of Łódź]	PLN 8,466	year 2095	payment of fees for perpetual usufruct of land by MDP Sp. z o.o. [MDP Co., Ltd.] (100% subsidiary of Echo Investment S.A.)
Bank PeKaO SA	PLN 740	until the day of contract of transfer from the rights of bank performance guarantee in favor of PeKaO SA Bank.	Surety for the liabilities of Echo Investment – Centrum Bełchatów Sp. z o.o. [Echo Investment – Bełchatów Center Co., Ltd.] as a collateral of a loan granted by PeKaO SA Bank.
Bank Eurohypo AG	EUR 13,000	year 2013	collateral of credit granted
Bank Eurohypo AG	EUR 100,000	until the date of lawful registration of mortgage security on the immovable property and recording registered pledges to the registry of pledges	Surety for the liabilities of Echo – Galaxy Sp. z o.o. Sp.thousand. as a collateral of a loan granted by Eurohypo AG Bank.

9.10. Guarantee agreements

Bank guarantee as of September 23, 2005, granted by BZ WBK S.A. Bank by way of securing payment for execution of construction of an underground passage and other items of the road system of Grunwaldzki Square in Wrocław. The guarantee shall remain in force until January 15, 2007. As on December 31, 2005 the value of the guarantee is PLN 17,894 thousand.

Bank guarantee as of August 24, 2004 granted by Bank PeKaO S.A. for an amount of EUR 1,000 thousand with reference to a contract of purchase of land in Wrocław from the commune of Wrocław for liabilities on account of possible contractual indemnity. As on December 31, 2006 the value of the guarantee is PLN 3,831 thousand.

Bank guarantee as of September 7, 2005, granted by PKO BP SA Bank as a security of liabilities towards Spółdzielnia Spożywców MOKPOL. The guarantee shall expire on September 6, 2007. As on December 31, 2006 the value of the guarantee is PLN 3,995 thousand. The Issuer has established a reserve for the above amount.

Bank guarantee as of August 2, 2006, granted by EUROHYPO AG of Germany as a collateral of payment of remuneration for construction works in favor of Strabag Sp. z o.o. As on December 31, 2006, the value of the guarantee is PLN 27.102 million. Guarantee expiry date: April 30, 2007.

Guarantor	Value (thousands PLN)	Expiry date	Reference to
Bank BZ WBK S.A.	17.894	15.01.2007	Securing payment for execution of construction of an underground passage and other items of reconstruction of the road system of Grunwaldzki Square in Wrocław
PeKaO S.A. Kielce	3.831	31.01.2007	Security related to a contract of purchase of land in Wrocław from the commune of Wrocław for liabilities and possible contractual penalties
PKO BP S.A.	3.995	05.09.2007	Security of liabilities towards Spółdzielnia Spożywców MOKPOL
EUROHYPO AG	27.102	30.04.2007	Security of payment of remuneration for construction works to Strabag Sp. z o.o.

10. In case of issue of securities during the reporting period – description of the use of revenues from the issue by Echo Investment S.A.

The dominant company - Echo Investment S.A. did not issue any securities (shares) in 2006.

11. Clarification of differences between financial results disclosed in the annual statement and previously published prognoses for the year 2006

Neither Echo Investment S.A. Capital Group nor the dominant company - Echo Investment S.A. published any prognoses of financial results for the year 2006.

12. Evaluation of management of financial resources of Echo Investment S.A. Capital Group, with special consideration of the capacity of paying off the incurred debts

Management of financial resources of Echo Investment S.A. Capital Group in 2006, in relation to the investment process in progress of erection of commercial facilities and apartments was mainly focused on obtaining sources of financing for realized projects, bridge financing (until the point of

obtaining financing by subsidiaries) and maintaining safe liquidity ratios and assumed financing structure.

The capital group's operations during 2006 yielded a positive result on all levels of the profit and loss account. During the recent years, Echo Investment S.A. Capital Group has been increasingly emphasizing the increase of portfolio of commercial surfaces, which according to the Management Board should ensure stable revenues and cash flows and Echo Investment S.A. Capital Group's independency on cyclical phases in the economy and construction industry.

According to the Management Board, Echo Investment S.A. Capital Group's property and financial condition at the end of June 2006 indicates the capital group's stable financial standing and the perspective of the nearest years is optimistic with regard to the improvement in the immovable property market following Poland's accession to the European Union.

Profitability indicators of the Capital Group's operations in 2006 are significantly better in comparison to the previous year. Increased yield on basic activity and growth in net profit resulted in improvement of all profitability ratios.

Profitability indicators during the years 2006-2005 are presented in the table below:

Profitability indicators	2006	2005
Operating profit margin ratio <i>operating profit / net income on sales</i>	114,3%	113,2%
Net balance profit margin ratio <i>net profit / net income on sales</i>	83,5%	75,4%
Rate of return on assets (ROA) <i>net profit / assets total</i>	10,2%	9,0%
Rate of return on equity (ROE) <i>net profit / equity capital</i>	23,3%	21,2%

The rotation of key items of assets and liabilities in Echo Investment S.A. Capital Group is due to the unique qualities of performed operations. It is related to the relatively long cycle of execution of the specific investment projects and the value and volume increase of the 'portfolio' of executed investments. This directly fosters an increase in the value of inventories, covering the following items in the capital group: acquired ownership rights and rights of perpetual usufruct of land and all building expenses and costs pertaining to executed developer projects designed for sale. The inventories rotation cycle became shorter and the rotation periods of inventories and short-term receivables on account of deliveries became longer.

Rotation of key items of assets and liabilities during the years 2006-2005 is presented in the table below:

Activity indicators	2006	2005
Rotation of inventories in days <i>(average balance of inventories * 365 / net income on sales)</i>	228	241
Rotation of short-term liabilities in days <i>(balance of short-term liabilities * 365 / net income on sales)</i>	85	69
Rotation of short-term liabilities on account of deliveries and services in days <i>(balance of short-term liabilities on account of deliveries and services * 365 / net income on sales)</i>	97	81

Liquidity factors are maintained on safe levels. Current, quick and cash ratios are now higher than in 2005. This was primarily affected by the Management's policy related to financing of executed investments. Echo Investment S.A. Capital Group's reliability in the financial market keeps increasing, which is confirmed by the diversified structure of banks financing the operations of the entire group. The cash balance, which increased in comparison with the year 2006, also fostered improvement of relevant ratios.

Liquidity ratios of Echo Investment S.A. Capital Group during the years 2006-2005 are presented in the table below:

Liquidity ratios	2006	2005
Current ratio <i>operating assets / short-term liabilities</i>	1,54	1,37
Quick ratio <i>(current assets – inventories) / short-term liabilities</i>	0,99	0,87
Cash ratio <i>cash / short-term liabilities</i>	0,79	0,71

Due to appropriate financing structure, the values of presented ratios are safe for performed operations and confirm Echo Investment S.A. Capital Group's credibility in the financial market. Total debt and debt to equity ratios improved, but the assets to equity ratio and fixed assets to equity ratio changed slightly in comparison to 2005. These changes are particularly visible for total debt ratio and debt to equity ratio.

Assets coverage and debt ratios of Echo Investment S.A. Capital Group during the years 2006-2005 are presented in the table below:

Debt indicators	2006	2005
Assets coverage ratio with equity capitals <i>equity capital / assets total</i>	43,6%	42,7%
Fixed assets coverage ratio with equity capital <i>equity capital / fixed assets</i>	55,5%	54,6%
Total debt ratio <i>liabilities total / assets total</i>	48,3%	49,2%
Equity debt ratio <i>liabilities total / equity capital</i>	110,7%	115,3%

13. Evaluation of the possibility of realization of investment plans, including capital investments, as compared to the volume of available resources, accounting for possible changes in the structure of financing of these operations

Under the Capital Group, Echo Investment S.A. and its subsidiaries are fully capable of financing the currently executed investment projects. While executing projects in all areas of activity, Echo Investment S.A. Capital Group intends to finance these projects using funds from equity capitals, bank loans, issue of debt securities. The dominant company focuses its efforts on achieving a situation when programs of issue of debt securities are guaranteed and their aging period is longer than one year.

At the same time, the Capital Group intends to execute a number of projects through subsidiaries. This refers in particular to projects designed for lease, i.e. shopping and commercial / entertainment centers and offices, obtaining financing (special purpose facilities) directly for these companies.

14. Assessment of extraordinary factors and events affecting the financial results yielded in 2006

The financial result achieved was largely influenced by revaluation of the Pasaż Świętokrzyski shopping center project in Kielce, which was opened during the period, and transactions of sale of two Qubus hotels in Cracow and Kielce, sale of two centers in Legionowo and Kalisz, and sale of office space in Szczecin. Another factor significantly affecting the financial result was the revaluation of fair value of immovable property owned by the Capital Group, which is carried out as at the end of each consecutive quarter of year. Still another factor affecting the gained result was the income earned from sales of housing projects and rental of commercial space.

The following factors are going to influence the achieved results in the upcoming periods: regular income from lease contracts, progress of execution, lease and sale of currently built commercial and housing investments. Other important aspects shall include the situation in the financial market and general economic trends in Poland and in the foreign markets, where the Company is going to perform its operations.

Further factors and events that may affect future results include realization of the Company's plans concerning operations abroad. In foreign markets, the Company intends to realize investments within the basic scope of its operations, focusing mainly on office area projects and shopping/entertainment centers.

15. Description of external and internal factors significant for the development of Echo Investment S.A. Capital Group Description of development perspectives of the Capital Group's economic activity.

15.1. Description of external and internal factors significant for the development of Echo Investment S.A.

Key **external** factors affecting the Company's development include:

Positive factors:

- maintained investment activity of Polish and foreign business entities and resulting demand for services provided by the Company,
- shortage of residential areas,
- decreasing cost of mortgages, encouraging consumers to take out such loans,
- Polish and foreign financial institutions' willingness to engage in financing investments in the real estate market,
- increased interest of foreign investment funds in the Polish immovable property markets, resulting from their encouragement by high yield rates,
- improved availability of capital sources, resulting from market entry of a number of institutions interested in investing in the immovable property sector,
- Poland's accession to the European structures

Negative factors:

- unclear legal status of numerous immovable properties, which is due to such issues as reprivatization or lack of precise spatial development plans in many towns and communes,
- time-consuming court and administrative proceedings related to legal status regulation and acquisition of rights to immovable property,
- restriction of regulations concerning construction of large-size facilities in Poland,
- uncertainty about key assumptions of the fiscal and monetary policies in Poland.

Key **internal** factors significant for the development of Echo Investment S.A. include:

Positive factors:

- clear and precise development strategy,
- stable structure of shareholders of Echo Investment S.A., with clear and consistent owners' policy towards the Company,
- well-defined product group,
- recognized position in the developer market and high reliability, acknowledged by Echo Investment S.A.'s presence in the Stock Exchange and obtained Developer's Certificate,
- good cooperation with stable partners,
- organizational structure accounting for the existence of profit centers, which are responsible for the specific segments of activity of Echo Investment S.A.

Negative factors:

- unique quality of the operations, involving high level of dependency on complicated and time-consuming legal procedures,
- high demand for current assets, particularly related to the high number of executed projects.

15.2. Perspectives for the development of economic activity of Echo Investment S.A. and the Capital Group.

The Management Board of Echo Investment S.A. envisages further dynamic growth of the entire organization. Such growth will be based on good perspectives for the real estate market in Poland and in other countries of Central and Eastern Europe. The operations of Capital Group companies will focus on increasing the portfolio of commercial areas for lease (shopping and entertainment centers and offices). Furthermore, Echo Investment S.A. intends to increase the sales of residential projects. Realization of hotels strongly depends on the situation in the tourist industry and on hotel chains' willingness to undertake new investments. The Company is planning for further cooperation with the present hotel chain operators, for whom the Company has completed hotel projects. The current activities of the Company and of Echo Investment Capital Group are focused on the Polish market and is soon going to focus on the Hungarian market as well. The Management Board of the Company intends to launch business operations on foreign markets, in Central and Eastern Europe. Certain efforts have been taken in order to extend the range of the Company's operations outside Poland.

Under its verification and portfolio improvement policy, the Company does not foreclose expansion of existing commercial projects and the sale of certain existing projects to obtain funds for financing its current and future investments.

16. Changes in the basic principles of managing the issuer's enterprise and its Capital Group.

No significant changes in the basic rules of management took place during the year 2006. The development of the organization enforces improving management procedures applied both by Echo Investment S.A. and by Capital Group companies.

17. Changes in the composition of managing and supervisory bodies of Echo Investment S.A. during last financial years. Rules of appointing and dismissing managing and supervising persons. Authorizations of managing persons, specifically including the right to take decisions on issue or redemption of shares.

17.1. Management Board

As at the end of the year 2006, the Management Board of the Company was composed of the following members:

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 as a Member and President of the Management Board of the Company. Mr. Andrzej Majcher is going to apply for a post of Supervisory Board member.

On March 27, 2007 a meeting of the Supervisory Board of Echo Investment S.A. was held and a resolution was passed on appointing President of the Management Board of the Company and assigning a member of the Supervisory Board to temporary performance of functions of Management Board member.

In the course of resolutions passed, the Supervisory board of the Company appointed Mr. Jarosław Grodzki, former Vice-President of the Management Board of the Company, President of the Management Board of the Company as from March 27, 2007.

Furthermore, the Supervisory Board of Echo Investment S.A. assigned Mr. Mariusz Waniolka, acting as Deputy Chairman of the Supervisory Board of the Company, to temporary exercise of functions of a Management Board member as a substitute for Mr. Andrzej Majcher, for a period not exceeding 3 months as from the date of resolution by the Supervisory Board.

As on the submission date of this periodical report, the Management Board of the Company is composed of the following members:

Jarosław Grodzki, President of the Management Board
Piotr Gromniak, Member of the Management Board
Artur Langner, Member of the Management Board.
Mariusz Waniolka, Member of the Management Board (Deputy Chairman of the Supervisory Board, temporarily delegated to act as Member of the Management Board under resolution of the Supervisory Board as of March 27, 2007).

17.2. Supervisory Board

The composition of the Supervisory Board changed in 2006. As on the submission date of this annual report, the Supervisory Board of Echo Investment S.A. is composed of the following members:

Wojciech Ciesielski, Chairman of the Supervisory Board,
Mariusz Waniolka, Deputy Chairman of the Supervisory Board,
Robert Oskard, Member of the Supervisory Board,
Karol Żbikowski, Member of the Supervisory Board,
Kamil Latos, Member of the Supervisory Board,
Tomasz Kalwat, Member of the Supervisory Board.

On May 30, 2006 two Members of the Supervisory Board, i.e. Mr. Artur Kłoczko and Mr. Mariusz Gromek, resigned from their functions as Members of the Supervisory Board of Echo Investment S.A. Such decision was due to the fact that the said members' other professional obligations had prevented them from fully efficient performance of the supervising function at Echo Investment S.A.

On May 30, 2006 the Ordinary General Meeting of Shareholders appointed Mr. Tomasz Kalwat and Mr. Kamil Latos as Members of the Supervisory Board of Echo Investment S.A.

**17.3. Rules of appointing and dismissing managing and supervising persons.
Authorizations of managing persons, specifically including the right to take decisions on
issue or redemption of shares.**

17.3.1. Rules of appointing and dismissing members of managing bodies

These rules, as applied by the company, are regulated by the Polish Code of Commercial Partnerships and Companies, and Company Articles of Echo Investment S.A. The Management Board as a whole and the individual members thereof shall be appointed and suspended by the Supervisory Board, who shall elect the President of the Management Board and the Vice-President of the Management Board.

The term of office of the first Management Board shall last two years and the terms of office of the subsequent Management Boards shall last three years, where management board members shall be appointed for a common term of office, which shall not preclude the right to early dismissal of each of the Management Board members. The terms of office of the Management Board members shall elapse on the day of a General Meeting of Shareholders that is held for the purpose of approving of a financial statement for the final year of the term of the Management Board. The Supervisory Board may dismiss the Management Board or its individual members before expiry of their terms of office, including specifically upon written request of shareholders representing at least 1/3 of the share capital or if the Ordinary General Meeting of Shareholders passes a resolution on refusal to grant a vote of acceptance to the Management Board on account of performance of its duties during the completed financial year.

17.3.2. Powers of members of managing bodies

The powers of managing bodies members are regulated by the Company Articles of Echo Investment SA. The Management Board members shall represent the Company in front of authorities, offices and third parties, during proceedings in court, state authorities and offices. Statements shall be made in the name of the Company by two members of the Management Board acting jointly, or by one Management Board member acting jointly with the Procurator. Incurring liabilities by persons authorized to make statements in the name of the Company for amounts exceeding 20% of the Company's ownership capitals shall require prior written consent of the Supervisory Board. The Management Board shall handle all current issues of the Company in the range not reserved by the provisions of the Code of Commercial Partnerships and Companies or of the Company Articles for the General Meeting of Shareholders or the Supervisory Board.

Decisions regarding issue and redemption of shares are regulated by the provisions of the Polish Code of Commercial Partnerships and Companies.

18. Value of all outstanding loans granted by the issuer to members of managing and supervisory bodies and their relatives (separately), and of guarantees and sureties granted to these persons (separately).

As on December 31, 2006 there are no outstanding loans, guarantees or sureties granted by the issuer to managing or supervisory bodies members or to relatives of these persons.

19. Agreements made between the issuer and members of managing bodies, stipulating compensation in case of their resignation or dismissal from their positions without an important reason, or if their removal or dismissal results from the issuer's merger through takeover

As on December 31, 2006, no agreements exist between the issuer and members of managing bodies that would stipulate compensation.

20. Value of remuneration, rewards and benefits, including ones resulting from motivation or bonus programs based on bonds with preemptive rights, convertible bonds, subscription warrants, paid, due or potentially due, separately for each member of the issuer's managing and supervisory bodies, as well as values of remuneration and rewards received for performance of functions in the bodies of subsidiaries.

20.1 Remuneration paid to members of managing bodies

Managers of Echo Investment S.A. received the following compensation from Echo Investment S.A. and on account of their functions held in the bodies of wholly and partially owned subsidiaries and affiliated companies in 2006:

- Andrzej Majcher received compensation from Echo Investment S.A. in the total amount of PLN 1,050 thousand. He did not receive compensation for his functions held in the bodies of wholly and partially owned subsidiaries and affiliated companies;
- Jarosław Grodzki received compensation from Echo Investment S.A. in the total amount of PLN 788 thousand. He did not receive compensation for his functions held in the bodies of wholly and partially owned subsidiaries and affiliated companies;
- Piotr Gromniak received compensation from Echo Investment S.A. in the total amount of PLN 756 thousand. He did not receive compensation for his functions held in the bodies of wholly and partially owned subsidiaries and affiliated companies;
- Artur Langner received compensation from Echo Investment S.A. in the total amount of PLN 684 thousand. He did not receive compensation for his functions held in the bodies of wholly and partially owned subsidiaries and affiliated companies;

Other persons involved in management of wholly and partially owned subsidiaries and affiliated companies of Echo Investment S.A. (apart from the persons enumerated above) received a total compensation of PLN 324 thousand for performance of their functions in the bodies of the wholly and partially owned subsidiaries and affiliated companies.

20.2 Remuneration paid to members of supervisory bodies

On May 30, 2006 the Ordinary General Meeting of Shareholders of the Company passed resolution no. 18 on determining the rules of compensation for members of the Supervisory Board. Under the said resolution, in consideration of their participation in the works of the Board, Supervisory Board Members shall be entitled to a monthly compensation in the following amounts:

- 1) Chairman of the Supervisory Board: PLN 7,000 (read: seven k) gross,
- 2) Deputy Chairman of the Supervisory Board: PLN 5,000 (read: five k) gross,
- 3) Member of the Supervisory Board: PLN 3,000 (read: three k) gross.

Supervisors of Echo Investment SA received the following compensation from Echo Investment S.A. on account of their supervisory functions for the Company during the year 2006:

- Wojciech Ciesielski received compensation from Echo Investment S.A. in the total amount of PLN 49 thousand. He did not receive compensation for his functions held in the bodies of wholly and partially owned subsidiaries and affiliated companies;
- Mariusz Waniolka received compensation from Echo Investment S.A. in the total amount of PLN 35 thousand. He did not receive compensation for his functions held in the bodies of wholly and partially owned subsidiaries and affiliated companies,

- Robert Oskard received compensation from Echo Investment S.A. in the total amount of PLN 21 thousand. He did not receive compensation for his functions held in the bodies of wholly and partially owned subsidiaries and affiliated companies,
- Karol Żbikowski received compensation from Echo Investment S.A. in the total amount of PLN 21 thousand. He did not receive compensation for his functions held in the bodies of wholly and partially owned subsidiaries and affiliated companies,
- Tomasz Kalwat received compensation from Echo Investment S.A. in the total amount of PLN 21 thousand. He did not receive compensation for his functions held in the bodies of wholly and partially owned subsidiaries and affiliated companies,
- Kamil Latos received compensation from Echo Investment S.A. in the total amount of PLN 21 thousand. He did not receive compensation for his functions held in the bodies of wholly and partially owned subsidiaries and affiliated companies,

Other persons involved in supervision over the wholly and partially owned subsidiaries and affiliated companies of Echo Investment S.A. (apart from the persons enumerated above) did not receive compensation for performance of their functions in the bodies of the wholly and partially owned subsidiaries and affiliated companies.

21. Total number and nominal value of all shares of the issuer and shares in the issuer's Capital Group companies held by managing and supervising persons

Split of shares

On May 30, 2006 the Ordinary General Meeting of Shareholders passed a resolution no. 19 on the split of shares through dividing their nominal values in the proportion of 1:4 so that the current PLN 2 nominal value of each share (concerning 10,500,000 shares) should now be determined as PLN 0.50 (fifty grosz) per share (concerning 42,000,000 shares).

On July 11, 2006, the District Court in Kielce, 10th Economic Department of the National Court Register, recorded the division of shares in proportion of 1:4 without a change in the value of the Company's share capital.

Following registration of the division of shares, the share capital of Echo Investment S.A. equals PLN 21,000,000 and is divided into:

- 160,000 (one hundred and sixty k) series A ordinary bearer shares,
- 3,840,000 (three million eight hundred and forty k) series B ordinary bearer shares,
- 2,000,000 (two million) series C ordinary bearer shares,
- 6,000,000 (six million) series D ordinary bearer shares,
- 2,000,000 (two million) series E ordinary bearer shares,
- 28,000,000 (twenty-eight million) series F ordinary bearer shares.

All shares with nominal value of PLN 0.50.

On August 2, 2006, KDPW SA (the National Deposit of Securities Joint Stock Company) under the resolution no. 373/06 as of July 21, 2006, replaced Echo Investment SA's shares in the deposit of securities. The deposited 10,460,000 shares with nominal value of PLN 2 each were divided into 41,840,000 shares with nominal value of PLN 0.50 each.

Dematerialization and introduction to trade of series A shares

On May 30, 2006 the Ordinary General Meeting of Shareholders of the Company passed resolution no. 20 on introduction of series A shares, founder shares, to trade on the regulated market and

dematerialization. As on the date of the Ordinary General Meeting of Shareholders, these shares were in the form of document.

Pursuant to Resolution no. 273/2006 of the Management of Giełda Papierów Wartościowych w Warszawie S.A. (hereinafter the 'GPW' – Warsaw Stock Exchange Joint Stock Company) as of August 2, 2006, the Management of GPW SA hereby states that, pursuant to paragraph 19 clauses 1 and 2 of the Stock Exchange Regulations, 160,000 series A ordinary bearer shares of Echo Investment SA, for a nominal value of PLN 0.50 each, were accepted for trade.

On August 4, 2006 the KDPW (National Deposit of Securities Joint Stock Company) registered 160,000 series A ordinary bearer shares in the registry, with nominal value of PLN 160,000 each.

On August 7, 2006 the Management Board of the KDPW S.A. (National Deposit of Securities Joint Stock Company) adopted a resolution no. 416/06, pursuant to which on August 10, 2006 160,000 shares were assimilated with the 41,840,000 shares available for trade.

Following listing the series A shares, the total number of listed shares is 42,000,000.

21.1. Ownership of shares of Echo Investment S.A. by supervising persons

Ownership of shares of Echo Investment S.A. by supervising persons as on December 31, 2006 is illustrated in the table below:

Supervising person	Status as on December 31, 2006	Nominal value of one share	Nominal value total	Percentage of share capital
Wojciech Ciesielski , Chairman of the Supervisory Board,	144.000	PLN 0.50	PLN 72,000	0,34%
Mariusz Waniółka , Deputy Chairman of the Supervisory Board,	did not hold any shares	-	-	-
Robert Oskard , Member of the Supervisory Board,	did not hold any shares	-	-	-
Karol Żbikowski , Member of the Supervisory Board.	did not hold any shares	-	-	-
Kamil Latos , Member of the Supervisory Board,	did not hold any shares	-	-	-
Tomasz Kalwat , Member of the Supervisory Board	did not hold any shares	-	-	-

21.2. Ownership of shares of Echo Investment S.A. by managing persons

Ownership of shares of Echo Investment S.A. by managing persons as on December 31, 2006 is illustrated in the table below:

Managing person	Status as on December 31, 2006 [pcs.]	Nominal value of one share	Nominal value total	Percentage of share capital
Andrzej Majcher , President of the Management Board,	10.080	PLN 0.50	PLN 5,040	0,02%
Jarosław Grodzki , Vice-President of the Management Board	did not hold any shares	-	-	-
Piotr Gromniak , Member of the Management Board	did not hold any shares	-	-	-
Artur Langner , Member of the Management Board.	did not hold any shares	-	-	-

On February 3, 2006 the issuer was notified that on February 3, 2006 a Member of the Management Board of Echo Investment S.A. entered a transaction of transfer of 195,000 shares (48,750 – number of shares after splitting) of Echo Investment S.A. at the Stock Exchange for a unit price of PLN 160 each. The transaction was made as a block non-session transaction.

22. Shareholders of Echo Investment S.A. that, as on December 31, 2006, have at least 5% of the total number of votes at the general meeting of shareholders, directly or indirectly through subsidiaries.

The following shareholders, directly or indirectly through subsidiaries, had at least 5% of the total number of votes at the general meeting of Echo Investment S.A. as on December 31, 2006:

Shareholder	Number of shares (pcs.)	% of initial capital of Echo Investment S.A.	Number of votes at the General Meeting of Shareholders of Echo Investment S.A.	% of the total number of votes at the General Meeting of Shareholders of Echo Investment S.A.
Michał Sołowow (directly and indirectly)	17.236.536	41,04%	17.236.536	41,04%
OFE ING Nationale - Nederlanden Polska*	3 669 661	8,74%	3 669 661	8,74%
Commercial Union OFE*	3 073 842	7,32%	3 073 842	7,32%
OFE PZU Złota Jesień*	2 790 915	6,65%	2 790 915	6,65%
BZ WBK AIB Asset Management SA	2 119 363	5,05%	2 119 363	5,05%

* balance as on December 31, 2006

On February 3, 2006 the issuer was notified that, following an entry in the securities account resulting from acquisition of shares of Echo Investment S.A. as of February 3, 2006, Mr. Michał Sołowow owns directly and indirectly 4,159,134 shares of the issuer, which is a 39,61% stake in the initial capital, giving him 4,159,134 votes at the General Meeting of Shareholders, which constitute 39.61% of the total number of votes at the General Meeting of Shareholders of Echo Investment S.A. Before February 3, 2006 the number of shares of Echo Investment S.A. held by Mr. Michał Sołowow equaled 3,964,134, forming 37.75% of share in the initial capital and entitling to 3,964,134 votes at the General Meeting of Shareholders. The share in the total number of votes was 37,75%.

On March 7, 2006 the issuer was notified that on March 3, 2006 a Member of the Supervisory Board of Echo Investment S.A. entered a transaction of transfer of 150,000 ordinary bearer shares of Echo Investment S.A. at the Stock Exchange for a unit price of PLN 200 each. The transaction was made as a block non-session transaction.

On March 7, 2006 the issuer was notified that, following an entry in the securities account resulting from acquisition of shares of Echo Investment S.A. as of March 6, 2006, Mr. Michał Sołowow owns directly and indirectly 4,309,134 shares of the issuer, which is a 41.04% stake in the initial capital, giving him 4,309,134 votes at the General Meeting of Shareholders, which constitute 41.04% of the total number of votes at the General Meeting of Shareholders of Echo Investment S.A. Before March 6, 2006 the number of shares of Echo Investment S.A. held by Mr. Michał Sołowow equaled 4,159,134, forming 39.61% of share in the initial capital and entitling to 4,159,134 votes at the General Meeting of Shareholders. The share in the total number of votes was 39,61%.

On August 18, 2006 Echo Investment SA was informed that, following an entry made on August 17, 2006 on the securities account pursuant to sale of Echo Investment SA's shares, Mr. Artur Kłoczko holds 235,536 of the issuer's shares, equivalent to 0.56% of the share capital and offering 235,536 votes at the General Meeting of Shareholders, i.e. 0.56% of the total number of votes at the General Meeting of Shareholders of Echo Investment SA.

Before August 17, 2006 Mr. Artur Kłoczko owned 2,104,276 shares of Echo Investment S.A., constituting a 5.01% stake in the initial capital and giving him 2,104,276 votes at the General Meeting of Shareholders. The share in the total number of votes was 5.01%.

On December 4, 2006 Echo Investment SA received a notice whereunder BZ WBK AIB Asset Management SA of Poznań informs that as a result of acquisitions of Echo Investment SA's shares as accounted on November 30, 2006 BZ WBK AIB Asset Management SA's customers whose accounts are covered by the management agreement have become owners of shares giving more than 5% of the total number of votes at the Issuer's general meeting of shareholders.

Before increase of the foregoing share, customers of BZ WBK AIB Asset Management SA held 2,099,612 shares of Echo Investment SA on their accounts covered by the management agreement, forming 4.9991% of the Issuer's share capital. These shares gave 2,099,612 votes, forming 4.9991% of the total number of votes at the Issuer's general meeting of shareholders.

On November 30, 2006 there were 2,119,363 shares of Echo Investment SA on BZ WBK AIB Asset Management SA customers' securities accounts, forming 5.05% of the Issuer's share capital. These shares gave 2,119,363 votes, forming 5.05% of the total number of votes at the Issuer's general meeting of shareholders.

Furthermore, BZ WBK AIB Asset Management SA informs that BZ WBK AIB TFI SA of Poznań, pursuant to Article 46 clause 1 item 1 of the Act as of May 27, 2004 on investment funds (Journal of Laws No. 146 item 1546, as amended), contracted management of investment funds' portfolios from BZ WBK Asset Management SA. Considering the above, this information also accounts for Echo Investment SA's shares held by BZ WBK AIB TFI SA.

23. Information about contracts known to the issuer, made during the last financial year, as a result of which changes may occur in the future in the proportions of shares held by existing shareholders.

None of such contracts are known to the Management Board of Echo Investment S.A.

24. Owners of any securities giving special controlling privileges toward the issuer, including a description of such privileges

Securities issued by Echo Investment S.A. do not give any special controlling privileges toward the issuer.

25. Information about a system of control of matching shares programs

No matching share program is functioning in the company.

26. Restrictions concerning transfer of ownership right of the issuer's securities, and restrictions regarding execution of the voting rights assigned to the issuer's shares

There are no restrictions as regards transfer of ownership of securities or execution of the voting rights from shares.

27. Information concerning contract with certified auditor of financial statements for audit or review of a financial statement or consolidated financial statement

On August 2, 2005 Echo Investment S.A. concluded a contract with BDO Polska Sp. z o.o. (authorized to audit financial statements) on auditing and verifying individual and consolidated financial statements. The contract was made for a term of 2 years, with an option of prolongation for a third year.

On January 6, 2007 BDO Polska Sp. z o.o. changed its name into BDO Numerica Sp. z o.o.

The compensation under the contract for review of the financial statement in 2006 equals PLN 113,400 and for review of the consolidated financial statement in 2006 – PLN 72,000. The same data for the equivalent period of the preceding year is: PLN 144,900 and PLN 103,500, respectively.

Other total contractual compensation due on account of other services may apply to:

- compensation for verifying correctness of transformation of consolidated subsidiaries' data into the IAS if such subsidiaries had previously been preparing their financial statements according to the Polish Accounting Standards, in the amount of PLN 1,900 for each company requiring such verification, but no more than PLN 45,000 per year.
- costs of assignments borne by BDO Numerica Sp. z o.o. with regard to the performance of the order, whose value according to the contract in force may not exceed PLN 21,000 per year. The compensation paid in 2006 for delegation costs equaled PLN 20,817.

Kielce, April 26, 2007

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

Jarosław Grodzki

President of the Management Board
Management Board

Piotr Gromniak

Member of the Management Board
acting Member of the Management Board

Artur Langner

Member of the Management Board

Mariusz Waniolka

Member of the

STATEMENT OF THE MANAGEMENT BOARD

The Management Board of Echo Investment S.A. hereby declares that, according to its best knowledge, the annual consolidated financial statement and comparative information have been prepared in accordance with valid accounting principles and they truly, reliably and clearly present the Company's property and financial condition and its financial result and that the annual management report contains a true presentation of the development, achievement and standing of the issuer's Capital Group, including a description of basic risks and threats.

The Management Board of Echo Investment SA further declares that BDO Numerica Sp. z o.o., which audited the annual consolidated financial statement, was selected in accordance with the law and that this company and chartered accountants carrying out the audit fulfilled the criteria for issuing an objective and independent audit report, in accordance with relevant provisions of the Polish law.

Kielce, April 26, 2007

Jarosław Grodzki
President of the Management Board
Management Board

Piotr Gromniak
Member of the Management Board
acting Member of the Management Board

Artur Langner

Mariusz Waniolka
Member of the

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Echo Investment S.A. has applied the principles of corporate governance as advised by the Warsaw Stock Exchange Joint Stock Company. Statement of compliance with corporate governance principles was signed by the General Meeting of Shareholders of Echo Investment SA on June 14, 2005. On May 30, 2006 the Ordinary General Meeting of Shareholders of Echo Investment S.A. passed the Regulations of the General Meeting of Shareholders through resolution no. 2, thus applying the principle no. 18.

The wording of the said Statement is available on the Company's website www.echo.com.pl.

Statement of Echo Investment SA's compliance with corporate governance principles, according to the provisions of Stock Exchange Regulations, shall be published by the Company until July 1, 2007.

Kielce, April 26, 2007

_____ Jarosław Grodzki President of the Management Board	_____ Piotr Gromniak Member of the Management Board	_____ Artur Langner Member of the Management Board	_____ Mariusz Waniolka Member of the Management Board
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