

SEMI-ANNUAL REPORT 2007

Individual financial statement of Echo Investment S.A.

Kielce, September 20, 2007

SECURITIES AND EXCHANGE COMMISSION

Semi-annual Report P 2007

(according to Article 86 clause 1 item 2 of the Regulation of the Council of Ministers as of October 19, 2005
- Journal of Laws No. 209, item 1744)

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

Report for the 1st half of 2007, covering the period from January 01, 2007 to June 30, 2007
including an IAS financial statement

currency of the report: PLN
28, 2007

September

(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)
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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 semi-annual report consists of:

- ☒ Report by a certified auditor of financial statements on review of semi-annual financial statement
- ☐ Opinion and report by a certified auditor of financial statements on audit of semi-annual financial statement
- ☒ Semi-annual financial statement
 - ☒ Introduction
 - ☒ Balance sheet
 - ☒ Profit and loss account
 - ☒ Statement of changes in equity
 - ☒ Cash flow statement
 - ☒ Additional information and explanations
- ☒ Management report (report on the issuer's activities)
- ☒ Statement of the Management Board on the integrity of the prepared consolidated financial statement
- ☒ Statement of the Management Board concerning the entity certified to audit financial statements

Introduction

1. The basic range of activity 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 real estate – PKD code 70, trade according to the regulated market – construction. 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 consecutive financial year and published in Monitor Polski B.
3. The statement presents individual financial data for the period from January 1, 2007 to June 30, 2007, as compared to the period from January 1, 2006 to June 30, 2006. 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 are members of the Management Board of Echo Investment S.A.: Jarosław Grodzki, 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, Andrzej Majcher, deputy chairman, and members: Mariusz Waniolka, Robert Oskard, Karol Żbikowski and Tomasz Kalwat.
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 amortization scheme. The most significant item of intangible assets is computer software.

2. Tangible assets

Fixed assets are interpreted as real 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 real property revaluation.

5. Shares and stocks

Shares and stocks 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. Receivables

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 interest charged but not mature on 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 incomes or costs, respectively.

9. Cash

Cash on bank accounts and on 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: deferred income tax assets and provision for income tax. These items are valued according to their reasonable estimated value. The provision is calculated with the tax rate to apply during the following reporting period. Deferred income tax assets 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 supplementary 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 (debt)

Liabilities are disclosed in the balance sheet as payable amounts.

Financial liabilities include in particular loans, credits, debt securities, not matured interest on 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 amount 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 (profit/loss) 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:

- profitability level according to the sales contract, or average (calculated) profitability level 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 – incomes 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 incomes 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 company activates such part of financial costs that are directly related to acquisition and production of assets disclosed as inventories and investments in process. 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, 2007 to June 30, 2007 is comparable to the data contained in the statement for the period from January 1, 2006 to June 30, 2006.

Basic data converted to EURO:

Selected financial data	in thousands PLN		in thousands EUR	
	1st half of 2007	1st half of 2006	1st half of 2007	1st half of 2006
Net income from sales of products, goods and materials	150 023	84 207	38 981	21 590
Profit (loss) from operating activity	23 317	14 434	6 059	3 701
Gross profit	52 412	44 856	13 618	11 501
Net profit	45 397	44 693	11 796	11 459

Net cash flows on operating activity	(78 347)	69 106	(20 357)	17 719
Net cash flows on investment activity	(31 220)	74 501	(8 112)	19 102
Net cash flows on financial activity	242 716	(52 190)	63 066	(13 381)
Net cash flows total	133 149	91 418	34 596	23 439
Assets total	1 351 563	836 281	358 905	206 826
Liabilities and reserves for liabilities	902 116	468 292	239 555	115 817
Long-term liabilities	546 844	299 994	145 213	74 194
Short-term liabilities	308 495	137 068	81 920	33 899
Equity	449 447	367 988	119 350	91 009
Number of shares (pcs.)	42 000 000	42 000 000	42 000 000	42 000 000
Profit per one ordinary share (in PLN / EUR)	1,08	1,12	0,28	0,29
Diluted profit (loss) per one ordinary share (in PLN/EUR)	1,08	1,12	0,28	0,29
Book value per one share (in PLN/EUR)	10,70	2,19	2,84	0,54
Diluted book value per one share (in PLN/EUR)	10,70	2,19	2,84	0,54
Declared or paid dividend per one share (in PLN/EUR)	-	-	-	-

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 June 30, 2007 1 EUR = PLN 3.7658, as on June 30, 2006 1 EUR = PLN 4.0434,
- the specific items of the profit and loss account and the cash flow statement for the period from January 1 to June 30, 2006 were converted according to an exchange rate being an arithmetic average of average exchange rates published by the National Bank of Poland, valid as on the last day of each expiring month; 1 EUR = PLN 3.8486. For the period from January 1 to June 30, 2006, the conversion was made according to an exchange rate being an arithmetic average of average exchange rates published by the National Bank of Poland, valid as on the last day of each expiring month; 1 EUR = PLN 3.9002.

Balance sheet

balance as on	Note	1st half of 2007	2006	1st half of 2006
Assets				
1. Fixed assets				
1.1. Intangible assets	1	200	89	97
1.2. Tangible assets	2	46 577	45 475	50 033
1.3. Long-term investments	3	456 962	376 976	219 492
1.3.1. Real estate		13 069	102 834	5 334

1.3.2. Long-term financial investments		443 892	274 141	214 158
1.4. Deferred income tax assets	4	14 651	16 908	17 665
		518 390	439 447	287 287
2. Current assets				
2.1. Inventories	5	311 397	230 090	267 486
2.2. Short-term receivables	6	212 266	191 563	82 586
2.3. Short-term financial investments	7	49 148	47 768	25 383
2.3.1. In affiliated companies		48 629	47 258	25 040
2.3.2. In other companies		519	510	343
2.4. Cash and cash equivalents	7	260 248	131 909	173 302
2.5. Short-term accruals		114	277	238
		833 173	601 607	548 994
Assets total		1 351 563	1 041 054	836 281
Liabilities				
1. Equity				
1.1. Initial capital	8	21 000	21 000	21 000
1.2. Supplementary capital	9	378 967	298 213	298 213
1.3. Profit (loss) carried forward		4 083	4 083	4 083
1.4. Net profit (loss)		45 397	80 754	44 693
		449 447	404 050	367 989
2. Reserves	10			
2.1. Reserve for deferred income tax		27 086	22 548	13 614
2.2. Reserves		19 691	17 929	17 616
		46 777	40 477	31 230
3. Liabilities (debt)				
3.1. Long-term liabilities	11	546 844	252 049	299 994
3.2. Short-term liabilities	12	308 495	344 478	137 068
3.2.1. To affiliated companies		436	38 487	10 451
3.2.2. To other companies		307 960	305 982	126 552
3.2.3. Special funds		98	9	65
		855 339	596 527	437 062
Liabilities total		1 351 563	1 041 054	836 281
Book value		449 447	404 050	367 989
Number of shares		42 000 000	42 000 000	42 000 000
Book value per one share (in PLN)		10,70	9,62	8,76
Estimated number of shares		42 000 000	42 000 000	42 000 000
Diluted book value per one share (in PLN)		10,70	9,62	8,76

Off-balance items

	Note	1st half of 2007	2006	1st half of 2006
1. Contingent receivables		-	-	-
2. Contingent debt	13			
2.1. To affiliated companies (on account of)		27 917	442 131	457 644
- granted guarantees and sureties		27 917	442 131	457 644
2.2. To other companies (on account of)			21 725	28 369
- granted guarantees and sureties			21 725	28 369
		27 917	463 856	486 013

3. Other (on account of)

- purchase of land property in Radom	-	-	-
- other agreements	-	-	803
- court proceedings against Echo Investment	962	737	737
	962	737	1 540

Total	28 879	464 593	487 553
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Sureties and guarantees granted by 'Echo Investment' S.A.:

1. Absolute surety in favor of 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 88 years is PLN 8,370 thousand.

2. Surety as of November 15, 2000 for liabilities of 'Echo - Centrum Bełchatów' Sp. z o.o. under a credit contract as of June 28, 2000, made with PeKaO Spółka Akcyjna Bank, concerning a facility for financing an investment project involving purchase and execution of a shopping center in Bełchatów, in the amount of PLN 740 thousand.

3. Surety dated May 15, 2007 for the obligation of a subsidiary "Projekt – Echo 39" Sp. z o.o. with its registered seat in Kielce for payment of sales price for the right of perpetual usufruct of immovable property situated in Kalisz. The surety was granted up to the amount of PLN 18.807 million.

Statement of changes in equity

	Initial capital	Supplementa ry capital	Profit (loss) carried forward	Profit (loss) of the current year	Equity total
Balance as on January 01, 2007	21 000	298 213	84 837	-	404 050
changes in applied accounting principles	-	-	-	-	-
corrections of basic errors	-	-	-	-	-
Balance as on January 01, 2007, after reconciliation to comparable data	21 000	298 213	84 837	-	404 050
Changes during the period:					
Distribution of profit/loss carried forward	-	80 754	(80 754)	-	-
Net profit (loss) of the current period	-	-	-	45 397	45 397
Changes total	-	80 754	(80 754)	45 397	45 397
Balance as on June 30, 2007	21 000	378 967	4 083	45 397	449 447
Balance as on January 01, 2006	21 000	288 690	13 606	-	323 296
changes in the applied accounting principles related to the conversion to IAS	-	-	-	-	-
corrections of basic errors	-	-	-	-	-
Balance as on January 01, 2006, after reconciliation to comparable data	21 000	288 690	13 606	-	323 296
Changes during the period:					
Distribution of profit/loss carried forward	-	9 523	(9 523)	-	-
Net profit (loss) of the current period	-	-	-	80 754	80 754
Changes total	-	9 523	(9 523)	80 754	80 754
Balance as on December 31, 2006	21 000	298 213	4 083	80 754	404 050
Balance as on January 01, 2006	21 000	288 690	13 606	-	323 296
changes in the applied accounting principles related to the conversion to IAS	-	-	-	-	-
corrections of basic errors	-	-	-	-	-
Balance as on January 01, 2006, after reconciliation to comparable data	21 000	288 690	13 606	-	323 296
Changes during the period:					
Distribution of profit/loss carried forward	-	9 523	(9 523)	-	-
Net profit (loss) of the current period	-	-	-	44 693	44 693
Changes total	-	9 523	(9 523)	44 693	44 693
Balance as on June 30, 2006	21 000	298 213	4 083	44 693	367 989

Profit and loss account

	Note	1st half of 2007	2006	1st half of 2006
Operating income	14	150 023	259 237	84 207
Operating costs	15	123 631	195 419	42 364
Gross profit (loss) on sales		26 392	63 818	41 843
Profit (loss) on sales of immovable property		11	3 890	6 568
Revaluation of non-financial assets		(97)	(12 273)	(11 447)
Costs of sales		(11 468)	(9 818)	(4 466)
Overheads		(14 249)	(30 915)	(17 867)
Other operating income / costs	16	22 728	50 842	(196)
Profit before tax and financial income/costs		23 317	65 545	14 434
Financial income	17	44 376	53 979	48 546
Financial costs	18	(15 281)	(27 890)	(18 124)
Gross profit		52 412	91 634	44 856
Income tax	19	(7 015)	(10 880)	(163)
a) current portion		(220)	(3 817)	(2 792)
b) deferred portion		(6 795)	(7 063)	2 629
Net profit	20	45 397	80 754	44 693
Net profit (loss) (annualized)		45 397	80 754	46 961
Weighted average number of ordinary shares		42 000 000	42 000 000	42 000 000
Profit (loss) per one ordinary share (in PLN)		1,08	1,92	1,12
Weighted average diluted number of ordinary shares		42 000 000	42 000 000	42 000 000
Diluted profit (loss) per one ordinary share (in PLN)		1,08	1,92	1,12

Cash flow statement

	Note	1st half of 2007	2006	1st half of 2006
Cash flows on operating activity – indirect method				
I. Net profit (loss)		45 397	80 754	44 693
II. Adjustments				
1. Shares in net (profit) loss of subsidiaries valuated according to ownership rights method		-	-	-
2. Amortization / Depreciation		1 766	3 144	1 593
3. Foreign exchange gains/losses		4 810	8 171	(9 729)
4. Interest and shares in profits (dividends)		(24 849)	(23 038)	(28 995)
5. (Profit) loss on investment activity		(12 642)	(44 339)	(725)
6. Change in reserves		6 300	11 000	1 752
7. Change in inventories		(81 853)	(114 753)	(53 925)
8. Change in receivables		(19 916)	54 287	163 753
9. Change in short-term debt, except for loans and credits		2 249	38 414	(47 050)
10. Change in accruals		3 720	3 313	(2 261)
11. Other adjustments	21	(3 330)	2 433	-
		(123 745)	(61 369)	24 413
Net cash flows on operating activity		(78 347)	19 385	69 106
Cash flows on investment activity				
I. Income				
1. Sales of intangible assets and fixed assets		35	202	225
2. Sales of investments in immovable property and in intangible assets		-	70 257	15 568
3. From financial assets, including:		37 821	73 386	70 451
a) in affiliated companies		37 608	73 294	70 451
- sale of financial assets		-	-	-
- dividends and shares in profits		36 197	42 160	39 660
- repayment of granted loans		269	27 123	22 097
- interest		1 143	4 011	1 913
- other income from financial assets		-	-	6 780
b) in other companies		212	91	-
- sale of financial assets		212	91	-
- dividends and shares in profits		-	-	-
- repayment of granted loans		-	-	-
- interest		-	-	-
- other income from financial assets		-	-	-
4. Other income from investments		-	-	-
		37 855	143 846	86 245

Cash flow statement ctd.

	Note	1st half of 2007	2006	1st half of 2006
II. Expenditure				
1. Acquisition of intangible assets and tangible assets		2 425	4 692	1 587
2. Investments in immovable property and in intangible assets		8 947	9 630	188
3. On financial assets, including:		57 535	83 415	9 620
a) in affiliated companies		57 535	83 415	9 620
- acquisition of financial assets		(1 514)	38 715	8 955
- granted long-term loans		59 011	44 700	665
b) in other companies		38	-	-
- acquisition of financial assets		-	-	-
- granted loans		38	-	-
4. Other investment expenditure		168	197	350
		69 075	97 934	11 744
Net cash flows on investment activity		(31 220)	45 911	74 501
Cash flows on financial activity				
I. Income				
1. Net income from issue of stocks (issue of shares) and other capital instruments, additional payments to capital		-	-	-
2. Loans and credits		1 720	526	11 750
3. Issue of debenture bonds		347 559	373 223	99 654
4. Other financial income		-	-	-
		349 279	373 749	111 404
II. Expenditure				
1. Acquisition of own shares (stocks)		-	-	-
2. Dividends and other disbursements to owners		-	-	-
3. Expenses on account of profit distribution, other than disbursements to owners		-	-	-
4. Repayments of loans and credits		42 622	83 051	59 789
5. Redemption of debenture bonds		50 000	265 000	95 000
6. On account of other financial debt		-	-	-
7. Payments of debts under financial lease contracts		-	-	-
8. Interest		13 940	23 145	8 804
9. Other financial expenses		-	-	-
		106 563	371 196	163 593
Net cash flows on financial activity		242 716	2 554	(52 190)
Net cash flows total		133 149	67 850	91 418
Balance change of cash balance, including:		128 339	59 678	101 146
- change in cash balance due to foreign exchange gains/losses		(4 810)	(8 171)	9 729
Cash at the beginning of period		131 909	72 231	76 936
Cash at the end of period, including:	22	260 248	140 080	168 354
- with limited disposability		-	57 333	66 704

Additional explanatory notes

Note 1A

Intangible assets	1st half of 2007	2006	1st half of 2007
a) costs of finished development works	-	-	-
b) goodwill	-	-	-
c) acquired concessions, patents, licences and similar assets, including:	188	77	85
- computer software	184	74	83
d) other intangible assets	12	12	12
e) advances for intangible assets	-	-	-
Intangible assets total	200	89	97

Note 1B

Changes in the value of intangible assets (according to type groups)

	a) acquired concessions, patents, licences and similar assets, including:	computer software	b) other intangible assets	c) advances for intangible assets	d) intangible assets for sale	Intangible assets total
a) gross value of intangible assets at the beginning of period	1 705	1 657	27	-	-	1 732
b) increases (on account of)	239	237	-	-	-	239
- purchase	239	237				239
c) decreases (on account of)	-	-	-	-	-	-
- sale	-	-	-	-	-	-
d) gross value of intangible assets at the end of period	1 944	1 894	27	-	-	1 971
e) accumulated amortization at the beginning of the period	1 628	1 583	15	-	-	1 643
f) amortization for the period (on account of)						
- planned	128	127	-	-	-	128
- sale						
	128	127	-	-	-	128

Note 1B

Changes in the value of intangible assets (according to type groups) ctd.

	a) acquired concessions, patents, licences and similar assets, including:	computer software	b) other intangible assets	c) advances for intangible assets	d) intangible assets for sale	Intangible assets total
g) accumulated amortization at the end of the period	1 756	1 710	15	-	-	1 771
h) write-offs due to permanent loss in value at the beginning of period						
- increase	-	-	-	-	-	-
- decrease	-	-	-	-	-	-
i) write-offs due to permanent loss in value at the end of period	-	-	-	-	-	-
j) net value of intangible assets at the end of period	188	184	12	-	-	200

All intangible assets held by the company have been acquired.

Applied methods of amortization and assumed periods of utilization or applied rates of amortization for:

- acquired concessions, patents, licences and similar value - amortized equally, 50%, amortization booked under overheads
- other intangible assets - not put into use, not amortized as on June 30, 2007

Note 2A

Tangible assets		1st half of 2007	2006	1st half of 2006
a) fixed assets	Echo Investment S.A. SAP – 2007	46 495	45 433	50 032
- land (including the right to perpetual usufruct of land)		3 499	3 512	3 525
- buildings, premises and civil engineering structures		33 433	33 045	40 012
- technical equipment and machines		665	506	563
- means of transport		8 727	8 298	5 845
- other fixed assets		171	72	87
b) fixed assets under construction		82	41	1
c) advances for fixed assets under construction		-	-	-
Tangible assets total		46 577	45 474	50 033

Note 2B

Changes in fixed assets (according to type groups)

	- own land and the right to perpetual usufruct of 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	3 678	44 342	3 411	11 978	2 071	65 480
b) increases (on account of)						
- purchase	-	17	412	1 368	142	1 939
- transfer from fixed assets under construction	-	752	-	-	-	752
	-	769	412	1 368	142	2 691
c) decreases (on account of)						
- sale	-	-	-	141	-	141
- transfer to investments	-	-	-	-	-	-
	-	-	-	141	-	141
d) gross value of fixed assets at the end of period	3 678	45 111	3 823	13 205	2 213	68 030
e) accumulated depreciation at the beginning of period	166	4 783	2 905	3 681	1 998	13 533
f) depreciation for the period (on account of)						
- planned depreciation	13	381	253	920	44	1 611
- sale	-	-	-	123	-	123
	13	381	253	797	44	1 488

Changes in fixed assets (according to type groups) ctd.

	- own land and the right to perpetual usufruct of land	- buildings and structures	- technical equipment and machines	- means of transport	- other fixed assets	fixed assets total
g) accumulated depreciation at the end of period	179	5 164	3 158	4 478	2 042	15 021
h) write-offs due to permanent loss in value at the beginning of period		6 514				6 514
- increase						
- decrease						
i) write-offs due to permanent loss in value at the end of period		6 514				6 514
j) net value of fixed assets at the end of period	3 499	33 433	665	8 727	171	46 495

Applied methods of depreciation and assumed periods of utilization or applied rates of depreciation for:

- own land - the right to perpetual usufruct of land is depreciated equally. Ownership rights of land are not depreciated.
- buildings and structures - equally, depreciation rate: residential 1.5%, service 2.5%, used 10%, structures 4.5%, investments in foreign facilities 10%
- technical equipment and machines - equally, rates from 10% to 20%, computers - accelerated method, rate 30% or 60%
- means of transport - equally, rate 20% or 14% for airplane
- other fixed assets - equally, rates from 10% to 20%

The amount of contractual obligations incurred in relation to acquisition of tangible assets is:

thousan
286 ds PLN

Note 3A

Change in investments in real estate	1st half of 2007	2006	1st half of 2006
A) gross value of investments in real estate at the beginning of period	54 501	14 302	14 302
a) increases (on account of)			
- purchase	8 947	8 618	188
- transfer from fixed assets	-	-	-
- transfer from inventories	-	98 223	-
- transfer from fixed assets under construction	-	-	-
	8 947	106 841	188
b) decreases (on account of)			
- sale	45 847	66 642	4 888
	45 847	66 642	4 888
B) gross value of investments in real estate at the end of period	17 601	54 501	9 602
C) valuation to fair value at the beginning of period	48 422	(260)	(260)
a) increases	13 645	59 008	736
b) decreases (on account of)			
- sale	(65 278)	(4 124)	(4 124)
- valuation	(1 214)	(6 202)	(555)
	(66 492)	(10 326)	(4 679)
D) valuation to fair value at the end of period	(4 425)	48 422	(4 203)
E) depreciation	88	52	52
- decrease - sale	(4)	(23)	(11)
- increase – scheduled depreciation	23	59	24
F) depreciation at the end of period	107	88	65
Net value of fixed assets at the end of period	13 069	102 835	5 334

Note 3B

Amounts disclosed in the profit and loss account	1st half of 2007	2006	1st half of 2006
income from lease rent pertaining to investment immovable property	809	2 134	1 188
direct operating costs (including costs of repairs and maintenance) pertaining to investment immovable property that yielded income from lease rent during the given period	281	621	328
direct operating costs (including costs of repairs and maintenance) pertaining to investment immovable property that did not yield income from lease rent during the given period	-	-	-

Note 3C

Long-term financial assets	1st half of 2007	2006	1st half of 2006
a) in subsidiaries			
- shares or stocks	346 284	223 786	183 342
- debt securities	-	-	-
- other securities (according to type)	-	-	-
- granted loans	86 152	26 890	10 562
- other long-term financial assets (according to type)	419	12 466	9 248
- advances for shares	419	12 466	9 248
	432 855	263 142	203 152
b) in partially owned subsidiaries			
- shares or stocks	349	349	344
- debt securities	-	-	-
- other securities (according to type)	-	-	-
- granted loans	-	-	-
- other long-term financial assets (according to type)	-	-	-
- advances for shares	-	-	-
	349	349	344
c) in associated companies			
- shares or stocks	10 650	10 650	10 650
	10 650	10 650	10 650
d) in the significant investor	-	-	-
e) in the dominant company	-	-	-
f) in other companies			
- granted loans	39	-	13
- other long-term financial assets (according to type)	-	-	-
- advances for shares	-	-	-
	39	-	13
Long-term financial assets total	443 892	274 141	214 158

The basic data concerning the largest long-term loans is presented in the following table:

Name of the other party	Amount	Interest rate	Due date	Other
Projekt Naramowice Sp. z o.o. [Project Naramowice Limited Liability Company]	59 248	WIBOR 3M rate + margin	December 31, 2009	
Athina Park Sp. z o.o. [Athina Park Limited Liability Company]	15 971	collateral loan rate + margin	December 31, 2008	
Echo - Centrum Biznesu Łódź Sp. z o.o. [Echo - Business Center Łódź Limited Liability Company]	6 506	collateral loan rate + margin	June 28, 2012	subordinate to the Credit Agreement made on December 21, 2001 between the Borrower and RHEINHYP-BRE Bank Hipoteczny S.A. in Warsaw
Centrum Bankowości i Finansów Łódź Sp. z o.o. [Banking and Finance Center Łódź Limited Liability Company]	3 533	collateral loan rate + margin	December 31, 2011	
Projekt S Sp. z o.o. [Project S Limited Liability Company] and others	933	fixed 5% + adjustment according to USD exchange rate	August 19, 2008	
Total:	86 191			

Registered pledge was established on the shares of MDP Sp z o o in the value of PLN 16,019 thousand as a security of the obligations of MDP SP z o o towards PeKaO S.A. bank. The maximum value of collateral is EUR 4,924,000.

Registered pledge was established on the shares of MDP Sp z o o in the value of PLN 16,019 thousand as a security of the obligations of MDP SP z o o towards PeKaO S.A. bank. The maximum value of collateral is USD 6,773,000.

Registered pledge was established on current and future shares of 'Echo Investment - Centrum Handlowe Tarnów' Sp. z o.o. ['Echo Investment - Tarnów Shopping Center Co., Ltd.], amounting to PLN 13,329 thousand, as a collateral of credit granted to the 'Echo - Centrum Tarnów' Sp. z o.o. subsidiary by Eurohypo Aktiengesellschaft Europäische Hypothekenbank Der Deutschen Bank in the amount of 11,100 thousand EUR.

Registered pledge was established on the shares of 'Echo Investment - Centrum Handlowe Przemyśl' Sp. z o.o. ['Echo Investment - Przemyśl Shopping Center Co., Ltd.], amounting to PLN 1,279 thousand, as a collateral of credit granted to the 'Echo Investment - Centrum Handlowe Przemyśl' Sp. z o.o. subsidiary by Bank Śląski S.A. in the amount of 2,850 thousand EUR.

Registered pledge was established on current and future shares of 'Echo - Galaxy Sp. z o.o.' Sp. K. ['Echo - Galaxy Limited Liability Company' Limited Partnership] (formerly 'Echo Investment - Centrum Handlowo-Rozrywkowe Szczecin' Sp. z o.o. ['Echo Investment - Szczecin Shopping and Entertainment Center Limited Liability Company]), amounting to PLN 35,882 thousand, as a collateral of credit granted to the subsidiary by Eurohypo Aktiengesellschaft Europäische Hypothekenbank der Deutsche Bank in the amount of 66,300 thousand EUR.

Registered pledge was established on current and future shares of 'Kieleckie Centrum Handlowo - Rozrywkowe Echo' Sp. z o.o. in the value of PLN 5 thousand as a security of 'Kieleckie Centrum Handlowo - Rozrywkowe Echo' Sp. z o.o.'s debt to Kredyt Bank S.A.. The maximum value of collateral is 27,000 thousand EUR.

Registered pledges were established on the shares in the following subsidiaries:

- Echo Investment - Centrum Handlowe Piotrków Trybunalski Sp. z o.o. [Echo Investment - Piotrków Trybunalski Shopping Center Limited Liability Company] with a value of PLN 28,766 thousand

in favor of Bank Przemysłowo-Handlowy PBK S.A. with its registered seat in Krakow. Registered pledges constitute collaterals of the credit facility agreement signed by the above mentioned subsidiaries with BPH PBK S.A. The pledges were established up to the amount of 72,600 thousand EUR.

Registered pledge was established on the shares of 'Athina Park' Sp. z o.o., amounting to PLN 6,009 thousand, as a collateral of credit facility granted to the 'Athina Park' Sp. z o.o. subsidiary by Eurohypo Aktiengesellschaft Europäische Hypothekenbank der Deutschen Bank in the amount of 30,600 thousand EUR.

Registered pledge was established on the shares of 'Wan - 11' Sp. z o.o. ['Wan-11' Limited Liability Company], amounting to PLN 1,500 thousand, as a collateral of credit granted to the 'Wan - 11' Sp. z o.o. subsidiary by Eurohypo Aktiengesellschaft Europäische Hypothekenbank der Deutschen Bank in the amount of 48,000 thousand EUR.

Registered pledge was established on the shares of 'Echo - Pasaż Grunwaldzki' Sp. z o.o. [Echo - Grunwaldzki Arcade Limited Liability Company], amounting to PLN 51 thousand, as a collateral of credit facility granted to the 'Echo - Pasaż Grunwaldzki Spółka z ograniczoną odpowiedzialnością' Sp. K. ['Echo - Grunwaldzki Arcade Limited Liability Company' Limited Partnership] subsidiary by Eurohypo AG to the maximum amount of EUR 100 million.

Registered pledge was established on the shares of "Echo - Pasaż Grunwaldzki Spółka z ograniczoną odpowiedzialnością" Sp.K. ['Echo - Grunwaldzki Arcade Limited Liability Company' Limited Partnership] , amounting to PLN 11 thousand, as a collateral of credit facility granted to the 'Echo - Pasaż Grunwaldzki Spółka z ograniczoną odpowiedzialnością' Sp. K. ['Echo - Grunwaldzki Arcade Limited Liability Company' Limited Partnership] subsidiary by Eurohypo AG to the maximum amount of EUR 100 million.

Note 3D

Change in the balance of long-term financial assets (according to type groups)	1st half of 2007	2006	1st half of 2006
a) balance at the beginning of period, including:	274 141	219 838	219 838
- shares and stocks	234 785	202 644	202 644
- granted long-term loans	26 890	10 462	10 462
- advances for acquisition of shares	12 466	6 732	6 732
- other long-term financial assets	-	-	-
b) increases (on account of)			
- purchase of shares	122 697	33 132	57
- granting of loan	58 874	19 276	-
- charging of interest and foreign exchange gains / losses	1 371	2 085	558
- advances for acquisition of shares	131	12 466	9 248
- take-up of shares	-	-	-
- balance sheet valuation	450	-	-
- other	-	-	-
	183 524	66 960	9 863
c) decreases (on account of)			
- sale of shares	200	157	51
- change of balance sheet classification	265	-	-
- balance sheet valuation	-	835	8 315
- repayment of instalment	1 130	4 733	255
- settlement of advances for acquisition of shares	12 178	6 732	6 732
- balance sheet valuation of long-term loans	-	200	190
	13 773	12 657	15 543
d) balance at the end of period, including:	443 892	274 141	214 158
- shares and stocks	357 282	234 785	194 335
- granted long-term loans	86 191	26 890	10 575
- other long-term financial assets	419	12 466	9 248

Note 3E

Securities, shares and other long-term financial assets (currency structure)	1st half of 2007	2006	1st half of 2006
a) in the Polish currency	357 130	183 410	194 335
b) in foreign currencies (according to currency, after conversion to zlotys)	152	51 375	-
- unit / currency thousands /RON	4	-	-
- thousands PLN	4	-	-
- unit / currency thousands/HUF	9 634	3 239	-
- thousands PLN	148	51	-
Securities, shares and other long-term financial assets total	357 282	234 785	194 335

Note 3F

Securities, shares and other long-term financial assets (according to transferability)	1st half of 2007	2006	1st half of 2006
A. With unlimited transferability, quoted on stock exchanges (balance sheet value)	-	-	-
B. With unlimited transferability, quoted on OTC markets (balance sheet value)	-	-	-
C. With unlimited transferability, not quoted on regulated market (balance sheet value)			
a) shares (balance sheet value):	4 776	4 776	4 776
- revaluation adjustments (for the period)	(34)	34	34
- gross value	4 810	4 810	4 810
- net (balance sheet) value	4 776	4 776	4 776
b) bonds (balance sheet value):	-	-	-
c) other - according to type groups (balance sheet value) - shares:	265 680	140 672	100 215
- revaluation adjustments (for the period)	(19 797)	19 797	27 277
- gross value	285 477	160 469	127 492
- net (balance sheet) value	265 680	140 672	100 215
	270 456	145 448	104 991
D. With limited transferability (balance sheet value)			
a) shares and stocks (balance sheet value):	86 826	89 337	89 344
- revaluation adjustments (for the period)	(16 019)	16 019	16 019
- gross value	102 845	105 356	105 363
- net (balance sheet) value	86 826	89 337	89 344
b) bonds (balance sheet value):	-	-	-
c) other - according to type groups (balance sheet value):	-	-	-
	86 826	89 337	89 344
Balance sheet net value total	357 282	234 785	194 335
Gross value total	393 132	270 635	237 665
Revaluation adjustments (for the period) total	(35 850)	35 850	43 330
Balance sheet value total	357 282	234 785	194 335

Note 3G

Granted long-term loans (currency	1st half of 2007	2006	1st half of 2006
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structure)			
a) in the Polish currency	85 258	26 028	9 663
b) in foreign currencies (according to currency, after conversion to zlotys)	933	862	911
- unit / currency thousands/USD	333	297	279
- thousands PLN	933	862	911
Granted long-term loans total	86 191	26 890	10 575

Note 3H Shares in subsidiaries

Item	Name (company name) of the company, specifying the legal status	Registered office address	Objects of the company	Type of relationship	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustments - initial balance	Revaluation adjustments - change	Revaluation adjustments - end balance	Balance sheet value of shares	Percentage of owned initial / share capital	Share in the total number of votes at the general meeting	Specification of other grounds for control
1	"PHS Szczecin" S.A. [PHS Szczecin' Joint Stock Company]	Szczecin	trading activity	subsidiary	full	1999-06-01	4 776				4 776	100,00%	100,00%	none
2	"Piomot Auto" Sp. z o.o. [Piomot Auto' Limited Liability Company]	Kielce	automotive	subsidiary	full	1997-03-11	320	(255)		(255)	65	100,00%	100,00%	none
3	"M.D.P." Sp. z o.o. [M.D.P.' Limited Liability Company]	Kielce	construction activity	subsidiary	full	1996-11-22	16 019	(16 019)		(16 019)	-	99,99%	99,99%	none
4	"Galeria Echo - Kielce" Sp. z o.o. [Echo Arcade - Kielce' Limited Liability Company]	Kielce	development activity	subsidiary	full	1997-04-25	51				51	99,00%	99,00%	none
5	"Wygłędów" Sp. z o.o. [Wygłędów' Limited Liability Company]	Kielce	construction activity	subsidiary	full	1998-10-21	51				51	99,00%	99,00%	none
6	"Princess Investment" Sp. z o.o. [Princess Investment' Limited Liability Company]	Kielce	development activity	subsidiary	full	1999-10-26	2 663	(1 736)		(1 736)	927	100,00%	100,00%	none
7	"Echo Investment Centrum Handlowe w Radomiu" Sp.z o.o. [Echo Investment Radom Shopping Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	11 729				11 731	99,99%	99,99%	none
8	"Echo Investment - Centrum Handlowe Tarnów" Sp. z o.o. [Echo Investment - Tarnów Shopping Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-11-09	13 329				13 329	99,99%	99,99%	none
9	"Echo Investment - Centrum Handlowe Jelenia Góra" Sp.z o.o. [Echo Investment Jelenia Góra Shopping Center Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	5 401				5 401	100,00%	100,00%	none
10	"Echo Investment Centrum Handlowe Siemianowice" Sp.z o.o. [Echo Investment Siemianowice Shopping Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-11-10	4 214		(4 214)	(4 214)	-	99,99%	99,99%	none

11	"Echo Investment - Centrum Handlowe Bełchatów" Sp. z o.o. ['Echo Investment – Bełchatów Shopping Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	2 083				2 083	99,99%	99,99%	none
12	"Echo Investment - Centrum Handlowe Piotrków Trybunalski" Sp. z o.o. ['Echo Investment – Piotrków Trybunalski Shopping Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	6 510		22 255	22 255	28 765	84,12%	84,12%	none
13	"Echo Investment - Centrum Biznesu Łódź" Sp. z o.o. ['Echo Investment – Łódź Business Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	2 511				2 511	99,98%	99,98%	none

Item	Name (company name) of the company, specifying the legal status	Registered office address	Objects of the company	Type of relationship	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustments - initial balance	Revaluation adjustments - change	Revaluation adjustments - end balance	Balance sheet value of shares	Percentage of owned initial / share capital	Share in the total number of votes at the general meeting	Specification of other grounds for control
14	"Echo Investment - Centrum Handlowe Przemyśl" Sp. z o.o. ['Echo Investment – Przemyśl Shopping Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-11-06	1 279				1 279	100,00%	100,00%	none
15	"Echo Investment - Centrum Handlowe Świętochłowice" Sp. z o.o. ['Echo Investment – Świętochłowice Shopping Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1999-02-23	2 321		16 049	16 049	18 370	100,00%	100,00%	none
16	"Echo Investment - Centrum Handlowe Tczew" Sp. z o.o. ['Echo Investment – Tczew Shopping Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	1 514		(1 541)	(1 541)	-	99,99%	99,99%	none

Liability Company]													
17	"Echo Investment - Centrum Bankowości i Finansów Łódź" Sp. z o.o. ['Echo Investment – Łódź Banking and Finance Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	3 008			3 008	100,00%	100,00%	none
18	"Echo Investment - Centrum Handlowe Pabianice" Sp. z o.o. ['Echo Investment – Pabianice Shopping Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	10 526	(10 526)	(10 526)	-	100,00%	100,00%	none
19	"Echo Investment - Centrum Handlowe Piła" Sp. z o.o. ['Echo Investment – Piła Shopping Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	350	(350)	(350)	-	99,99%	99,99%	none
20	"Echo Investment - Centrum Handlowe Olkusz" Sp. z o.o. ['Echo Investment – Olkusz Shopping Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	8 083	(8 083)	(8 083)	-	99,99%	99,99%	none
21	"Echo Investment - Centrum Handlowe Rzeszów" Sp. z o.o. ['Echo Investment – Rzeszów Shopping Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	4 969	(4 304)	(4 304)	655	99,99%	99,99%	none
22	"Projekt Echo -17" Sp. z o.o. ['Project Echo -17' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	52			52	100,00%	100,00%	none
23	"Echo Investment - Centrum Handlowe Zamość" Sp. z o.o. ['Echo Investment – Zamość Shopping Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	1 888	(1 888)	(1 888)	-	99,99%	99,99%	none
24	"Echo Investment - Centrum Handlowo -Usługowo - Rozrywkowe Gliwice" Sp. z o.o. ['Echo Investment – Gliwice Shopping, Service and Entertainment Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	3 488	(77)	(77)	3 411	99,99%	99,99%	none
25	"Echo – Centrum Gdynia" Sp. z o.o. ['Echo – Gdynia Center'	Kielce	construction activity and real	subsidiary	full	1998-10-30	11 283	(7 626)	(7 626)	3 657	99,99%	99,99%	

	Limited Liability Company]		estate service	y							
26	"Echo - Veneda" Sp. z o.o. ['Echo - Veneda' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	6 133		6 133	99,99%	99,99% none
27	"Echo Investment - Centrum Handlowo - Rozrywkowe Kielce" Sp. z o.o. ['Echo Investment - Kielce Shopping and Entertainment Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	8 369		8 369	99,99%	99,99% none

Item	Name (company name) of the company, specifying the legal status	Registered office address	Objects of the company	Type of relationship	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustments - initial balance	Revaluation adjustments - change	Revaluation adjustments - end balance	Balance sheet value of shares	Percentage of owned initial / share capital	Share in the total number of votes at the general meeting	Specification of other grounds for control
28	"Echo Acc" Sp. z o.o. ['Echo Acc' Limited Liability Company]	Kielce	accounting and bookkeeping activity	subsidiary	full	1998-10-30	51				51	99,99%	99,99%	none
29	"Athina Park" Sp. z o.o. ['Athina Park' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	6 009				6 009	99,99%	99,99%	none
30	"Echo Centrum Ślischowice" Sp. z o.o. ['Echo Ślischowice Center' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	2 508				2 508	99,99%	99,99%	none
31	"Malta Office Park" Sp. z o.o. ['Malta Office Park' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	2 007				2 007	99,99%	99,99%	none
32	"Projekt Echo -30" Sp. z o.o. ['Project Echo -30' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	51				51	99,00%	99,00%	none
33	"Hotel Investment" Sp. z o.o. ['Hotel Investment' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	1 008				1 008	99,99%	99,99%	none
34	"Echo - Galaxy" Sp. z o.o. ['Echo - Galaxy' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	51				51	99,00%	99,00%	none
35	"Echo - Pasaż Grunwaldzki" Sp. z o.o. ['Echo - Grunwaldzki Arcade' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	51				51	99,99%	99,99%	none
36	"Projekt Echo -34" Sp. z o.o. ['Project Echo -34' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	51				51	99,00%	99,00%	none
37	"Projekt Echo -37" Sp. z o.o. ['Project Echo -37' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	51				51	99,00%	99,00%	none
38	"Echo Bau" Sp. z o.o. ['Echo Bau' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	52				52	100,00%	100,00%	none
39	"Projekt Echo -39" Sp. z o.o. ['Project Echo -39' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	1998-10-30	51				51	99,00%	99,00%	none

	Liability Company]		estate service	y								
	"Zakłady Ogrodnicze											
	Naramowice" Sp. z o.o.		fruit-growing	subsidiar	full	2000-05-11	40 673	(5 702)	(5 702)	34 974	100,00%	100,00%
40	['Naramowice Gardening	Poznań	activity	y								none
	Enterprise' Limited Liability											
	Company]											

Item	Name (company name) of the company, specifying the legal status	Registered office address	Objects of the company	Type of relationship	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustments - initial balance	Revaluation adjustments - change	Revaluation adjustments - end balance	Balance sheet value of shares	Percentage of owned initial / share capital	Share in the total number of votes at the general meeting	Specification of other grounds for control
41	"EST-ON Property Management" Sp. z o. o. ['EST-ON Property Management' Limited Liability Company]	Kielce	property management	subsidiary	full	1998-10-27	50				50	99,00%	99,00%	none
42	"Projekt S" Sp. z o.o. ['Project S' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2004-03-23	6 402				6 402	63,00%	63,00%	none
43	"Echo – Pasaż Grunwaldzki Spółka z Ograniczoną Odpowiedzialnością" Sp.K. ['Echo – Grunwaldzki Arcade Limited Liability Company' Limited Partnership]	Kielce	construction activity and real estate service	subsidiary	full	2005-08-30	11				11	99,00%	90,00%	none
44	"Hotel Investment Spółka z Ograniczoną Odpowiedzialnością" Sp.k. ['Hotel Investment Limited Liability Company' Limited Partnership]	Kielce	construction activity and real estate service	subsidiary	full	2005-09-27	12				12	99,00%	90,00%	none
45	"Wan 11" Sp. z o.o. ['Wan 11' Limited Liability Company]	Warsaw	construction activity and real estate service	partially owned subsidiary	full	2004-03-08	1 500				1 500	50,00%	50,00%	none
46	"Projekt Echo -23" Sp. z o.o. ['Project Echo -23' Limited Liability Company]	Kielce	processing non-ferrous metals	associated company	owners hip rights	1998-10-30	11				11	37,50%	37,50%	none
47	W.A. Hotele Sp. z o.o. [W.A. Hotels Limited Liability Company]	Warsaw	construction activity and real estate service	associated company	owners hip rights	2002-04-18	10 639				10 639	43,45%	43,45%	none
48	"SPC" S.A. ['SPC' Joint Stock Company]	Warsaw	managing other companies	associated company	owners hip rights	1996-03-26	34	(34)		(34)	-	34,00%	34,00%	none

49	Wan - Invest Sp. z o.o. [Wan - Invest Limited Liability Company]	Warsaw	construction activity and real estate service	associated company	ownership rights		446	(97)	(97)	349	50,00%	50,00%	none
50	"Projekt Echo - 41" Sp. z o.o. ["Project Echo - 41" Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-04-21	51			51	99,00%	99,00%	none
51	"Projekt Echo - 42" Sp. z o.o. ["Project Echo - 42" Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-04-21	51			51	99,00%	99,00%	none

Item	Name (company name) of the company, specifying the legal status	Registered office address	Objects of the company	Type of relationship	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustments - initial balance	Revaluation adjustments - change	Revaluation adjustments - end balance	Balance sheet value of shares	Percentage of owned initial / share capital	Share in the total number of votes at the general meeting	Specification of other grounds for control
52	“Projekt Echo – 43” Sp. z o.o. [“Project Echo – 43” Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-04-21	51				51	99,00%	99,00%	none
53	“Projekt Echo – 44” Sp. z o.o. [“Project Echo – 44” Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-04-21	51				51	99,00%	99,00%	none
54	“Projekt Echo – 45” Sp. z o.o. [“Project Echo – 45” Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-04-21	51				51	99,00%	99,00%	none
55	„Echo – Galaxy Sp. z o.o.” Sp.k. [„Echo – Galaxy Limited Liability Company” Limited Partnership], formerly “Echo Investment Centrum Handlowo – Rozrywkowe Szczecin” Sp. z o.o. [“Echo Investment Szczecin Shopping and Entertainment Center” Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-06-29	35 882				35 882	99,99%	99,99%	none
56	„Echo Investment Hungary,” KFT	Budapest	construction activity and real estate service	subsidiary	full	2006-04-24	47				47	100,00%	100,00%	none
57	“Projekt Echo -41” Sp. z o.o. Sp.K. [“Project Echo -41” Limited Liability Company, Limited Partnership]	Kielce	construction activity and real estate service	subsidiary	full	2006-09-27	11				11	99,00%	99,00%	none
58	“Projekt Echo -42” Sp. z o.o. Sp.K. [“Project Echo -42” Limited Liability Company, Limited Partnership]	Kielce	construction activity and real estate service	subsidiary	full	2006-09-27	11				11	99,00%	99,00%	none
59	“Projekt Echo -45” Sp. z o.o. Sp.K. [“Project Echo -45”	Kielce	construction activity and	subsidiary	full	2006-09-27	11				11	99,00%	99,00%	none

60	Limited Liability Company, Limited Partnership] Echo – Centrum Poznań Sp. z o.o. [Echo – Poznań Center Limited Liability Company]	Kielce	real estate service construction activity and real estate service	subsidiary	full	2006-08-31	40 417	40 417	100,00%	100,00%	none
61	Projekt 2 - Echo Hungary KFT	Budapest	construction activity and real estate service	subsidiary	full	2006-11-07	54	54	100,00%	100,00%	none
62	“Projekt Echo -46” Sp. z o.o. [‘Project Echo -46’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-11-21	51	51	99,90%	99,90%	none

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63	"Projekt Echo -47" Sp. z o.o. [Project Echo -47' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-11-21	51				51	99,90%	99,90%	None
64	"Projekt Echo -48" Sp. z o.o. [Project Echo -48' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-11-21	51				51	99,90%	99,90%	none
65	"Echo Building KFT	Budapest	construction activity and real estate service	subsidiary	full	2007-05-23	48				48			
66	"Echo Investment Projekt -1" S.R.L.	Bucharest	construction activity and real estate service	subsidiary	full	2006-02-27	4				4	100,00%	100,00%	none
67	"Projekt Echo -53" Sp. z o.o. [Project Echo -53' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-19	50				50	0,05%	0,05%	none
68	"Projekt Echo -54" Sp. z o.o. [Project Echo -54' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-20	110 147				110 147	99,90%	99,90%	none
69	"Projekt Echo -55" Sp. z o.o. [Project Echo -55' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-20	50				50	99,90%	99,90%	none
70	"Projekt Echo -56" Sp. z o.o. [Project Echo -56' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-20	50				50	99,90%	99,90%	none
71	"Projekt Echo -57" Sp. z o.o. [Project Echo -57' Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-20	50				50	99,90%	99,90%	none

72	“Projekt Echo -58” Sp. z o.o. [‘Project Echo -58’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-20	50				50	99,90%	99,90%	none
73	“Projekt Echo -59” Sp. z o.o. [‘Project Echo -59’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-20	50				50	99,90%	99,90%	none
74	“Projekt Echo -60” Sp. z o.o. [‘Project Echo -60’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-20	50				50	99,90%	99,90%	none

Item	Name (company name) of the company, specifying the legal status	Registered office address	Objects of the company	Type of relationship	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustments - initial balance	Revaluation adjustments - change	Revaluation adjustments - end balance	Balance sheet value of shares	Percentage of owned initial / share capital	Share in the total number of votes at the general meeting	Specification of other grounds for control
75	“Projekt Echo -61” Sp. z o.o. [‘Project Echo -61’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-20	50				50	99,90%	99,90%	none
76	“Projekt Echo -62” Sp. z o.o. [‘Project Echo -62’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-20	50				50	99,90%	99,90%	none
77	“Projekt Echo -63” Sp. z o.o. [‘Project Echo -63’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-21	50				50	99,90%	99,90%	none
78	“Projekt Echo -64” Sp. z o.o. [‘Project Echo -64’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-21	50				50	99,90%	99,90%	none
79	“Projekt Echo -65” Sp. z o.o. [‘Project Echo -65’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-21	50				50	99,90%	99,90%	none
80	“Projekt Echo -66” Sp. z o.o. [‘Project Echo -66’ Limited Liability Company]	Kielce	construction activity and real estate	subsidiary	full	2006-12-21	50				50	99,90%	99,90%	none

81	“Projekt Echo -67” Sp. z o.o. [‘Project Echo -67’ Limited Liability Company]	Kielce	service construction activity and real estate service	subsidiary	full	2006-12-21	50				50	99,90%	99,90%	none
82	“Projekt Echo -68” Sp. z o.o. [‘Project Echo -68’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-21	50				50	99,90%	99,90%	none
83	“Projekt Echo -69” Sp. z o.o. [‘Project Echo -69’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-21	50				50	99,90%	99,90%	none
84	“Projekt Echo -70” Sp. z o.o. [‘Project Echo -70’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-21	50				50	99,90%	99,90%	none
85	“Projekt Echo -71” Sp. z o.o. [‘Project Echo -71’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-21	50				50	99,90%	99,90%	none
86	“Projekt Echo -72” Sp. z o.o. [‘Project Echo -72’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-21	50				50	99,90%	99,90%	none

Item	Name (company name) of the company, specifying the legal status	Registered office address	Objects of the company	Type of relationship	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustments - initial balance	Revaluation adjustments - change	Revaluation adjustments - end balance	Balance sheet value of shares	Percentage of owned initial / share capital	Share in the total number of votes at the general meeting	Specification of other grounds for control
87	“Projekt Echo -73” Sp. z o.o. [‘Project Echo -73’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-21	50				50	99,90%	99,90%	none
88	“Projekt Echo -74” Sp. z o.o. [‘Project Echo -74’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-21	50				50	99,90%	99,90%	none
89	“Projekt Echo -75” Sp. z o.o. [‘Project Echo -75’ Limited Liability Company]	Kielce	construction activity and real estate service	subsidiary	full	2006-12-21	50				50	99,90%	99,90%	none

	Liability Company]		real estate service construction activity and real estate service								
90	"Projekt Echo -76" Sp. z o.o. ['Project Echo -76' Limited Liability Company]	Kielce	subsidiary	full	2006-12-21	50		50	99,90%	99,90%	none
91	"Projekt Echo -77" Sp. z o.o. ['Project Echo -77' Limited Liability Company]	Kielce	subsidiary	full	2006-12-21	50		50	99,90%	99,90%	none
92	"Projekt Echo -78" Sp. z o.o. ['Project Echo -78' Limited Liability Company]	Kielce	subsidiary	full	2006-12-21	50		50	99,90%	99,90%	none
93	"Projekt Echo -79" Sp. z o.o. ['Project Echo -79' Limited Liability Company]	Kielce	subsidiary	full	2006-12-21	50		50	99,90%	99,90%	none
94	"Projekt Echo -80" Sp. z o.o. ['Project Echo -80' Limited Liability Company]	Kielce	subsidiary	full	2006-12-21	50		50	99,90%	99,90%	none
95	"Projekt Echo -81" Sp. z o.o. ['Project Echo -81' Limited Liability Company]	Kielce	subsidiary	full	2006-12-21	50		50	99,90%	99,90%	none
96	"Projekt Echo -82" Sp. z o.o. ['Project Echo -82' Limited Liability Company]	Kielce	subsidiary	full	2006-12-21	50		50	99,90%	99,90%	none
Total						393 132	(35 850)	-	(35 850)	357 282	

Changes in the values of shares revaluation adjustments were applied to the result of 2007 under revaluation of investments in financial income / costs.

The costs also included the amount of established revaluation write-off on account of loss of value equaling
The income included the amount of reversal of revaluation write-off on account of loss of value equaling

thousands
0 PLN
0 thousands PLN

NOTE 3I Shares in subsidiaries

Item	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 in the company unpaid by the issuer	dividends from the company for the last financial year
			initial capital	due payments to initial capital (negative value)	supplementary capital	other equity capital, including:												
							profit (loss) carried forward	net profit (loss)		long-term debt	short-term debt		long-term receivables	short-term receivables				
Shares in wholly and partially owned subsidiaries																		
1	"PHS Szczecin" S.A. [PHS Szczecin' Joint Stock Company]	11 276	2 519		7 883	874		874	5 560	132	1 647		544	544	16 837	3 763	-	-
2	"Piomot Auto" Sp. z o.o. [Piomot Auto' Limited Liability Company]	59	150			(91)	(85)	(6)	97		97				156		-	-
3	"M.D.P." Sp. z o.o. [M.D.P.' Limited Liability Company]	(5 934)	16 004		3 831	(25 768)	(29 521)	3 753	49 953	32 117	17 836		381	381	44 019	2 872	-	-
4	"Galeria Echo - Kielce" Sp. z o.o. [Echo Arcade - Kielce' Limited Liability Company]	54	50		1	2	(1)	4	1				1	1	55		-	-
5	"Wygłędów" Sp. z o.o. [Wygłędów' Limited Liability Company]	64	50		2	12		12	5 602	5 585	14		1 006	1 006	5 666		-	-
6	"Princess Investment" Sp. z o.o. [Princess Investment' Limited Liability Company]	878	1 600			(722)	(673)	(49)	2 622		2 622		182	182	3 500		-	-
7	"Echo Investment Centrum Handlowe Radom" Sp.z o.o. [Echo Investment Radom Shopping Center' Limited Liability Company]	-				-											-	-
8	"Echo Investment - Centrum Handlowe Tarnów" Sp. z o.o. [Echo Investment - Tarnów Shopping Center' Limited Liability Company]	65 304	12 894		12 729	39 682	37 138	2 544	27 287	21 881	5 406		47	47	92 592	6 392	-	2 500
9	"Echo Investment - Centrum Handlowe Jelenia Góra" Sp.z o.o. [Echo Investment Jelenia Góra Shopping Center Limited Liability Company]	65 232	11 057		20 372	33 803	32 307	1 496	20 549	15 749	4 800		126	126	85 781	5 949	-	
10	"Echo Investment Centrum Handlowe Siemianowice" Sp.z o.o. [Echo Investment Siemianowice Shopping	-				-											-	-

11	Center' Limited Liability Company] "Echo Investment - Centrum Handlowe Bełchatów" Sp. z o.o. ['Echo Investment – Bełchatów Shopping Center' Limited Liability Company] "Echo Investment - Centrum Handlowe Piotrków Trybunalski" Sp. z o.o. ['Echo Investment – Piotrków Trybunalski Shopping Center' Limited Liability Company]	19 280	8 523	9 607	1 150	1 150	5 948	3 487	2 222	75	75	25 228	2 720	-	-	
12		109 392	32 772	64 270	12 350	6 060	6 290	124 401	113 728	10 672	214	214	233 831	16 354	-	-
13	Echo - Centrum Biznesu Łódź Sp. z o.o. [Echo – Business Center Łódź Limited Liability Company] "Echo Investment - Centrum Handlowe Przemysł" Sp. z o.o. ['Echo Investment – Przemysł Shopping Center' Limited Liability Company] "Echo – SPV 6" Sp. z o.o. ['Echo – SPV 6' Limited Liability Company]	23 744	2 504	11 026	10 214	890	9 324	27 998	25 898	2 100	19	19	51 742	1 040	-	-
14		11 713	3 784	7 448	482		482	7 694	4 360	3 308		43	19 407	1 584	-	-
15		91 662	33 662	56 862	1 138	27	1 111	3 893		4	172	172	95 555		-	-

Item	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 in the company unpaid by the issuer	dividends from the company for the last financial year		
			initial capital	due payments to initial capital (negative value)	supplementary capital	other equity capital, including:		Long-term debt	short-term debt		long-term receivables	short-term receivables						
16	"Echo Investment - Centrum Handlowe Tczew" Sp. z o.o. ['Echo Investment – Tczew Shopping Center' Limited Liability Company]	-				-										-	-	
17	"Echo Investment - Centrum Bankowości i Finansów Łódź" Sp. z o.o. ['Echo Investment – Łódź Banking and Finance Center' Limited Liability Company]	24 354	3 000		5 232	16 122	5 493	10 629	23 340	22 460	880	70		70	47 694	801	-	-
18	"Echo Investment - Centrum Handlowe Pabianice" Sp. z	-				-			-			-				-	-	

	o.o. ['Echo Investment – Pabianice Shopping Center' Limited Liability Company]															
19	"Echo Investment - Centrum Handlowe Piła" Sp. z o.o. ['Echo Investment – Piła Shopping Center' Limited Liability Company]	-			-			-			-			-		-
20	"Echo Investment - Centrum Handlowe Olkusz" Sp. z o.o. ['Echo Investment – Olkusz Shopping Center' Limited Liability Company]	-			-			-			-			-		-
21	"Echo Investment - Centrum Handlowe Rzeszów" Sp. z o.o. ['Echo Investment – Rzeszów Shopping Center' Limited Liability Company]	611	7 782		(7 171)	(7 132)	(39)	2 697	2 697		3	3	3 308		-	-
22	"Projekt Echo -17" Sp. z o.o. ['Project Echo -17' Limited Liability Company]	46	50	10	(14)	(11)	(3)				5	5	46		-	-
23	"Echo Investment - Centrum Handlowe Zamość" Sp. z o.o. ['Echo Investment – Zamość Shopping Center' Limited Liability Company]	-			-			-			-			-		-
24	"Echo Investment - Centrum Handlowo -Usługowo - Rozrywkowe Gliwice" Sp. z o.o. ['Echo Investment – Gliwice Shopping, Service and Entertainment Center' Limited Liability Company]	3 450	4 433		(983)	(1 036)	53	12	9	3	69	69	3 462		-	-
25	"Echo – Centrum Gdynia" Sp. z o.o. ['Echo – Gdynia Center' Limited Liability Company]	3 624	11 239		(7 615)	(7 612)	(3)	1 424	1 414	10	501	501	5 048		-	-
26	"Echo - Veneda" Sp. z o.o. ['Echo – Veneda' Limited Liability Company]	6 760	6 781		(21)	(28)	7	331		331	-		7 091	12	-	-
27	"Echo Investment - Centrum Handlowo – Rozrywkowe Kielce" Sp. z o.o. ['Echo Investment – Kielce Shopping and Entertainment Center' Limited Liability Company]	46 835	32 132	226	14 477		14 477	38 016	35 833	5	257	257	84 851		-	3 000
28	"Echo Acc" Sp. z o.o. ['Echo Acc' Limited Liability Company]	1 175	50	762	364		364	1 439		437	67	67	2 624	1 865	-	-

29	"Athina Park" Sp. z o.o. ['Athina Park' Limited Liability Company]	14 633	6 000	6 610	2 023	2 023	89 840	86 368	3 472	409	409	104 473	8 004	-	-
30	"Echo Centrum Ślchowice" Sp. z o.o. ['Echo Ślchowice Center' Limited Liability Company]	2 873	2 500	325	48	48	13			3	3	2 885	-	-	-

Item	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 in the company unpaid by the issuer	dividends from the company for the last financial year	
			short-term liabilities	due payments to initial capital (negative value)	supplementary capital			Long-term debt	short-term debt		long-term receivables	short-term receivables					
31	"Malta Office Park" Sp. z o.o. [‘Malta Office Park’ Limited Liability Company]	2 076	2 000		76	(0)	(0)	8 510	8 510	127		127	10 586	84	-	-	
32	"Projekt Echo -30" Sp. z o.o. [‘Project Echo -30’ Limited Liability Company]	55	50		4	1	1	5 535	5 533	1	992	992	5 591		-	-	
33	"Echo - Arena" Sp. z o.o. [‘Echo - Arena’ Limited Liability Company]	1 143	1 000		124	19	19	9	5	4	3	3	1 152		-	-	
34	"Echo - Galaxy" Sp. z o.o. [‘Echo – Galaxy’ Limited Liability Company]	644	50		347	247	247	32	32		6	6	676		-	-	
35	"Echo – Pasaż Grunwaldzki" Sp. z o.o. [‘Echo – Grunwaldzki Arcade’ Limited Liability Company]	42	50		4	(11)	(2)	(9)	4	4	3	3	46		-	-	
36	"Projekt Echo -34" Sp. z o.o. [‘Project Echo -34’ Limited Liability Company]	53	50		4	(2)	(2)	2			1		54		-	-	
37	"Projekt Echo -37" Sp. z o.o. [‘Project Echo -37’ Limited Liability Company]	52	50		4	(2)	(2)	2	1		-	1	54		-	-	
38	"Echo Bau" Sp. z o.o. [‘Echo Bau’ Limited Liability Company]	52	50		3	(1)	(1)	(0)	1		-	1	53		-	-	
39	"Projekt Echo -39" Sp. z o.o. [‘Project Echo -39’ Limited Liability Company]	59	50		4	5	(2)	7	21 021	20 988	29	1 760	1 760	21 080		-	-
40	"Zakłady Ogrodnicze Naramowice" Sp. z o.o. [‘Naramowice Gardening	(975)	13 000		602	(14 577)	(13 183)	(1 394)	13 605	13 488	271	271	12 629	845	-	-	

41	Enterprise' Limited Liability Company] "EST-ON Property Management" Sp. z o. o. ['EST-ON Property Management' Limited Liability Company]	2 993	50	1 113	1 829	(952)	2 781	1 819	1 119	943	943	4 811	7 503	-	-	
42	"Projekt S" Sp. z o.o. ['Project S' Limited Liability Company]	219	50	3	166	(7)	173	937	894	2	1	1	1 156	-	-	
43	"Echo – Pasaż Grunwaldzki Spółka z ograniczona odpowiedzialnością" Sp.K. ["Echo – Grunwaldzki Arcade Limited Liability Company" Limited Partnership]	15 411	11	293	15 107		15 107	326 850	155 067	171 037	19 316	19 316	342 261	24 391	-	-
44	"Echo – Arena Spółka z ograniczona odpowiedzialnością" Sp.K. ["Echo – Arena Limited Liability Company" Limited Partnership]	7	11		(4)	-	(4)	26 603		26 603	197	197	26 609	206	-	-
45	"Wan 11" Sp. z o.o. ['Wan 11' Limited Liability Company]	22 415	3 000	18 126	1 289		1 289	125 135	121 527	3 608	-		147 550	8 341	-	-
46	Wan - Invest Sp. z o.o. [Wan -Invest Limited Liability Company]	686	760		(74)	(60)	(14)	1		1	1	1	687		-	-
47	"Projekt Echo -41" Sp. z o.o. ['Project Echo -41' Limited Liability Company]	47	50		(3)	(2)	(1)	-			-		47		-	-
48	"Projekt Echo -42" Sp. z o.o. ['Project Echo -42' Limited Liability Company]	47	50		(3)	(2)	(1)	-			-		47		-	-
49	"Projekt Echo -43" Sp. z o.o. ['Project Echo -43' Limited Liability Company]	49	50		(1)	(2)	1	-			-		50		-	-
50	"Projekt Echo -44" Sp. z o.o. ['Project Echo -44' Limited Liability Company]	47	50		(3)	(2)	(1)	-			-		47		-	-
51	"Projekt Echo -45" Sp. z o.o. ['Project Echo -45' Limited Liability Company]	47	50		(3)	(2)	(1)	-			-		47		-	-
52	„Echo – Galaxy Sp. z o.o.” Sp.k. [„Echo – Galaxy Limited Liability Company” Limited Partnership], formerly Echo Investment Centrum Handlowo – Rozrywkowe Szczecin Sp. z o.o. [Echo Investment	309 040	36 636	242 033	30 372		30 372	239 228	152 803	17 560	906	906	548 268	30 014	-	30 000

	Szczecin Shopping and Entertainment Center Limited Liability Company]																
		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 in the company unpaid by the issuer	dividends from the company for the last financial year	
Item	company name		initial capital	due payments to initial capital (negative value)	supplementary capital	other equity capital, including:		Long-term debt	short-term debt		long-term receivables	short-term receivables					
53	"Echo Investment Hungary KFT	(45)	44			(89) (22) (67)	61 227		61 227	68		68	61 184				
54	"Projekt Echo -41" Sp. z o.o. Sp.K. ['Project Echo -41' Limited Liability Company, Limited Partnership]	10	10			-	-			-			10		-		
55	"Projekt Echo -42" Sp. z o.o. Sp.K. ['Project Echo -42' Limited Liability Company, Limited Partnership]	10	10			- -	-			-			10		-	-	
56	"Projekt Echo -45" Sp. z o.o. Sp.K. ['Project Echo -45' Limited Liability Company, Limited Partnership]	10	10			-	-						10		-	-	
57	Echo – Centrum Poznań Sp. z o.o. [Echo – Poznań Center' Limited Liability Company]	25	50		7	(32) (50) 18	42 852		42 852	784		784	42 877	12	-	-	
58	Projekt 2 - Echo Hungary KFT	(412)	46		11	(469) (31) (438)	824		824	50		50	414				
59	"Projekt Echo -46" Sp. z o.o. ['Project Echo -46' Limited Liability Company]	49	50			(1) (1)	-			-			49		-	-	
60	"Projekt Echo -47" Sp. z o.o. ['Project Echo -47' Limited Liability Company]	49	50			(1) (1)	-			-			49		-	-	
61	"Projekt Echo -48" Sp. z o.o. ['Project Echo -48' Limited Liability Company]	49	50			(1) (1)	-			-			49		-	-	
62	"Echo Investment Project 1 S.R.L.	(221)			4	(225) (84) (141)	307	285	22	34		34	64		-	-	
63	"Projekt Echo -53" Sp. z o.o. ['Project Echo -53' Limited Liability Company]	101 598	99 037			2 561 (2) 2 563	1 218	151	1 067	241		241	97 691	3 401	-	-	
64	"Projekt Echo -54" Sp. z o.o. ['Project Echo -54' Limited Liability Company]	102 834	110 147			(7 313) (2) (7 312)	3 820	593	3 100	226		226	106 654	3 693	-	-	

65	"Projekt Echo -55" Sp. z o.o. ['Project Echo -55' Limited Liability Company]	47	50	(3)	(2)	(1)	-		47	-	-
66	"Projekt Echo -56" Sp. z o.o. ['Project Echo -56' Limited Liability Company]	47	50	(3)	(2)	(1)	-	-	47	-	-
67	"Projekt Echo -57" Sp. z o.o. ['Project Echo -57' Limited Liability Company]	47	50	(3)	(2)	(1)	-	-	47	-	-
68	"Projekt Echo -58" Sp. z o.o. ['Project Echo -58' Limited Liability Company]	47	50	(3)	(2)	(1)	-	-	47	-	-
69	"Projekt Echo -59" Sp. z o.o. ['Project Echo -59' Limited Liability Company]	47	50	(3)	(2)	(1)	-	-	47	-	-
70	"Projekt Echo -60" Sp. z o.o. ['Project Echo -60' Limited Liability Company]	47	50	(3)	(2)	(1)	-	-	47	-	-
71	"Projekt Echo -61" Sp. z o.o. ['Project Echo -61' Limited Liability Company]	47	50	(3)	(2)	(1)	-	-	47	-	-
72	"Projekt Echo -62" Sp. z o.o. ['Project Echo -62' Limited Liability Company]	47	50	(3)	(2)	(1)	-		47	-	-
73	"Projekt Echo -63" Sp. z o.o. ['Project Echo -63' Limited Liability Company]	47	50	(3)	(2)	(1)	-		47	-	-
74	"Projekt Echo -64" Sp. z o.o. ['Project Echo -64' Limited Liability Company]	47	50	(3)	(2)	(2)	-		47	-	-
75	"Projekt Echo -65" Sp. z o.o. ['Project Echo -65' Limited Liability Company]	47	50	(3)	(2)	(2)	-		47	-	-
76	"Projekt Echo -66" Sp. z o.o. ['Project Echo -66' Limited Liability Company]	47	50	(3)	(2)	(2)	-		47	-	-

Item	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 in the company unpaid by the issuer	dividends from the company for the last financial year
		initial capital	due payments to initial capital (negative value)	supplementary capital	other equity capital, including:			Long-term debt	short-term debt		long-term receivables	short-term receivables				
77	"Projekt Echo -67" Sp. z o.o. ['Project Echo -67' Limited Liability Company]	47	50		(3)	(2)	(2)	-		-			47		-	-

78	"Projekt Echo -68" Sp. z o.o. ['Project Echo -68' Limited Liability Company]	47	50	(3)	(2)	(2)	-	-	47	-	-
79	"Projekt Echo -69" Sp. z o.o. ['Project Echo -69' Limited Liability Company]	46	50	(4)	(2)	(2)	-	-	46	-	-
80	"Projekt Echo -70" Sp. z o.o. ['Project Echo -70' Limited Liability Company]	46	50	(4)	(2)	(2)	-	-	46	-	-
81	"Projekt Echo -71" Sp. z o.o. ['Project Echo -71' Limited Liability Company]	46	50	(4)	(2)	(2)	-	-	46	-	-
82	"Projekt Echo -72" Sp. z o.o. ['Project Echo -72' Limited Liability Company]	46	50	(4)	(2)	(2)	-	-	46	-	-
83	"Projekt Echo -73" Sp. z o.o. ['Project Echo -73' Limited Liability Company]	46	50	(4)	(2)	(2)	-	-	46	-	-
84	"Projekt Echo -74" Sp. z o.o. ['Project Echo -74' Limited Liability Company]	47	50	(3)	(2)	(2)	-	-	47	-	-
85	"Projekt Echo -75" Sp. z o.o. ['Project Echo -75' Limited Liability Company]	47	50	(3)	(2)	(2)	-	-	47	-	-
86	"Projekt Echo -76" Sp. z o.o. ['Project Echo -76' Limited Liability Company]	47	50	(3)	(2)	(2)	-	-	47	-	-
87	"Projekt Echo -77" Sp. z o.o. ['Project Echo -77' Limited Liability Company]	47	50	(3)	(2)	(2)	-	-	47	-	-
88	"Projekt Echo -78" Sp. z o.o. ['Project Echo -78' Limited Liability Company]	47	50	(3)	(2)	(2)	-	-	47	-	-
89	"Projekt Echo -79" Sp. z o.o. ['Project Echo -79' Limited Liability Company]	47	50	(3)	(2)	(2)	-	-	47	-	-
90	"Projekt Echo -80" Sp. z o.o. ['Project Echo -80' Limited Liability Company]	47	50	(3)	(2)	(2)	-	-	47	-	-
91	"Projekt Echo -81" Sp. z o.o. ['Project Echo -81' Limited Liability Company]	47	50	(3)	(2)	(2)	-	-	47	-	-
92	"Projekt Echo -82" Sp. z o.o. ['Project Echo -82' Limited Liability Company]	47	50	(3)	(2)	(2)	-	-	47	-	-
93	Echo Building Kft	44	47	(3)		(3)	2	2	46	-	-

Shares in associated companies

1	"Projekt Echo -23" Sp. z o.o. ['Project Echo -23' Limited Liability Company]	20	28	(8)	(8)	(1)	-	-	20	20	28
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2	W.A. Hotele Sp. z o.o. [W.A. Hotels Limited Liability Company]	25 563	25 537	36	(10)	(10)	-	9	9	25 563	25 563	25 537
3	"S.P.C." S.A. ['S.P.C.' Joint Stock Company]	-			-		-	-			-	

Note 4

Change in the balance of deferred income tax assets	1st half of 2007	2006	1st half of 2006
1. Balance of deferred income tax assets at the beginning of period, including:			
a) applied to the financial result	16 908	15 479	15 479
Tangible assets	1 139	-	-
Long-term investments	7 420	7 197	7 197
Inventories	3 299	4 289	4 289
Short-term receivables	536	536	536
Short-term investments	1 553	978	978
Short-term accruals	1 057	645	645
Reserves for liabilities	-	419	419
Long-term debt	(481)	-	-
Short-term debt	2 386	1 417	1 417
b) applied to equity	-	-	-
c) applied to goodwill or negative goodwill	-	-	-
	16 908	15 479	15 479
2. Increases			
a) applied to the financial result of the period due to negative timing differences on balance sheet items:	1 090	3 318	3 556
Tangible assets	-	1 139	-
Long-term investments	755	225	2 414
Inventories	-	-	740
Short-term receivables	-	-	-
Short-term investments	-	574	-
Short-term accruals	126	412	365
Reserves for liabilities	209	-	-
Long-term debt	-	-	-
Short-term debt	-	969	37
b) applied to the financial result of the period in relation to tax loss	-	-	-
c) applied to equity due to negative timing differences	-	-	-
d) applied to equity in relation to tax loss	-	-	-
e) applied to goodwill or negative goodwill due to negative timing differences	-	-	-
	1 090	3 318	3 556
3. Decreases			
a) applied to the financial result of the period due to negative timing differences on balance sheet items:	(3 347)	(1 889)	(1 370)
Tangible assets	-	-	-
Long-term investments	-	-	-
Inventories	(248)	(990)	-
Short-term receivables	-	-	-
Short-term investments	(639)	-	(951)
Short-term accruals	-	-	-
Reserves for liabilities	-	(419)	(419)
Long-term debt	(101)	(481)	-
Short-term debt	(2 359)	-	-

Note 4 ctd.

Change in the balance of deferred income tax assets	1st half of 2007	2006	1st half of 2006
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3. Decreases ctd.

b) applied to the financial result of the period in relation to tax loss (on account of)	-	-	-
c) applied to equity due to negative timing differences (on account of)	-	-	-
d) applied to equity in relation to tax loss (on account of)	-	-	-
e) applied to goodwill or negative goodwill due to negative timing differences (on account of)	-	-	-
	(3 347)	(1 889)	(1 370)

4. Balance of deferred income tax assets at the end of the period total, including:

a) applied to the financial result	14 651	16 908	17 665
Tangible assets	1 139	1 139	-
Long-term investments	8 175	7 420	9 610
Inventories	3 051	3 299	5 029
Short-term receivables	536	536	536
Short-term investments	914	1 553	27
Short-term accruals	1 182	1 057	1 010
Reserves for liabilities	209	-	-
Long-term debt	(582)	(481)	-
Short-term debt	27	2 386	1 454
b) applied to equity	-	-	-
c) applied to goodwill or negative goodwill	-	-	-
	14 651	16 908	17 665

Note 5A

Inventories	1st half of 2007	2006	1st half of 2006
a) materials	-	-	-
b) semi-finished products and work in process	282 952	211 536	249 261
c) finished products	9 365	11 278	12 818
d) goods	5 737	5 477	5 283
e) advances for deliveries	13 343	1 799	124
Inventories total	311 397	230 090	267 486

Note 5B

Inventories	1st half of 2007	2006	1st half of 2006
Value of inventories recognized as cost in a given period	118 511	185 976	37 181
Amounts of write-offs of values of inventories disclosed as cost in a given period	97	5 033	11 420
Amounts of reversal of write-offs of values decreasing the value of inventories disclosed as income in a given period	1 404	3 365	649

Inventories are valued not higher than achievable net price. This value is obtained from information from the active market.

Reversal of write-off of inventory value took place as a result of sale of inventory or increase in net sales price.

The amounts of write-offs of the value of inventories disclosed as cost in a given period are disclosed in the profit and loss account under revaluation of non-financial assets.

The amounts of reversal of write-offs of the values decreasing the values of inventories disclosed as income in a given period are disclosed in the profit and loss account under other income.

The immovable property in Zabrze, disclosed under semi-finished products and work in progress, is encumbered with capped mortgage 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 liquidated damages in case the Company fails to execute the investment project in due time.

Note 6A

Short-term receivables	1st half of 2007	2006	1st half of 2006
a) from affiliated companies	148 545	158 615	61 263
- for deliveries and services, payable:	125 777	158 615	61 263
- within 12 months	113 644	156 380	61 263
- beyond 12 months	12 133	2 235	-
- other	22 768	-	-
- claimed through the court	-	-	-
b) revaluation write-offs of receivables from affiliated companies	7 529	17 529	17 300
c) receivables from other companies	63 721	32 947	21 323
- for deliveries and services, payable:	54 393	1 897	2 462
- within 12 months	53 478	982	1 364
- beyond 12 months	915	915	1 098
- due to taxes, grants, customs, social and health insurance and other performances	7 897	6 069	12 804
- other	1 431	24 982	6 058
- claimed through the court	-	-	-
d) revaluation write-offs of receivables other	1 782	1 975	1 901
Short-term receivables total	212 267	191 563	82 586
revaluation write-offs of receivables total	9 311	19 505	19 202
Gross short-term receivables total	221 578	211 067	101 788

The reserve for receivables from affiliated companies is a reserve for receivables in the amount of:

‘-’ PLN 1,245 thousand: overdue

‘-’ PLN 6,284 thousand: not overdue

Note 6B

Short-term receivables from affiliated companies	1st half of 2007	2006	1st half of 2006
a) for deliveries and services, including:	125 777	158 615	61 263
- from subsidiaries	125 777	158 615	61 263
- from partially owned subsidiaries	-	-	-
- from associated companies	-	-	-
- from the significant investor	-	-	-
- from the dominant company	-	-	-
b) other	22 768	-	-
c) claimed through the court	-	-	-
Net short-term receivables from affiliated companies total	148 545	158 615	61 263
d) revaluation write-offs of receivables from affiliated companies	7 529	17 529	17 300
Gross short-term receivables from affiliated companies total	156 074	176 144	78 563

Receivables from affiliated companies are not secured. No guarantees were granted or received with reference to receivables from affiliated companies.

No receivables from affiliated companies were written down as on June 30, 2007.

Note 6C

Change in the balance of revaluation write-offs of short-term receivables	1st half of 2007	2006	1st half of 2006
Balance at the beginning of period	19 505	23 171	23 171
a) increases (on account of)	-	1 469	1 145
- creating a write-off	-	1 469	1 145
b) decreases (on account of)	(10 194)	(5 135)	(5 114)
- repayment	-	-	-
- released	(10 190)	(5 116)	(2 737)
- utilization	(4)	(19)	(2 377)
Balance of revaluation write-offs of short-term receivables at the end of period	9 311	19 505	19 202

Note 6D

Short-term receivables gross (currency structure)	1st half of 2007	2006	1st half of 2006
a) in the Polish currency	221 540	211 067	101 788
b) in foreign currencies (according to currency, after conversion to zlotys)	-	-	-
Short-term receivables total	221 540	211 067	101 788

Note 6E

Receivables for deliveries and services (gross) - outstanding payable period as from the balance date	1st half of 2007	2006	1st half of 2006
a) up to 1 month	42 988	140 099	2 512
b) over 1 month up to 3 months	3 891	8 714	906
c) over 3 months up to 6 months	238	269	481
d) over 6 months up to 1 year	4 535	5 092	53 231
e) over 1 year	20 578	19 300	17 260
f) receivables overdue	117 139	6 431	8 525
Receivables for deliveries and services total (gross)	189 369	179 904	82 915
g) revaluation write-offs of receivables for deliveries and services	(9 199)	(19 393)	(19 190)
Receivables for deliveries and services total (net)	180 170	160 511	63 725

Note 6F

Overdue receivables for deliveries and services (gross) - divided into receivables not paid during the period	1st half of 2007	2006	1st half of 2006
a) up to 1 month	47 207	514	1 503
b) over 1 month up to 3 months	29 010	1 104	1 070
c) over 3 months up to 6 months	37 985	299	903
d) over 6 months up to 1 year	125	1 041	185
e) over 1 year	2 812	3 472	4 864
Overdue receivables for deliveries and services total (gross)	117 139	6 430	8 525
f) revaluation write-offs of receivables for deliveries and services, overdue	(1 744)	(1 934)	(1 889)
Overdue receivables for deliveries and services total (net)	115 395	4 496	6 636

Note 6G

Disputable and overdue receivables	1st half of 2007	2006	1st half of 2006
Disputable receivables	12	12	12
- for deliveries of works and services	12	12	12
- including ones not covered by a revaluation write-off	-	-	-
Overdue receivables	117 127	6 418	8 513
- for deliveries of works and services	117 127	6 418	8 513
- including ones not covered by a revaluation write-off	115 395	4 496	6 636

Note 7A

Short-term financial assets and cash	1st half of 2007	2006	1st half of 2006
a) in subsidiaries			
- granted loans	45 476	45 301	23 392
- other short-term financial assets (according to type)	3 153	1 957	1 648
- interest from 3 to 12 months	3 153	1 957	1 648
	48 629	47 258	25 040
b) in partially owned subsidiaries			
- granted loans	-	-	-
- other short-term financial assets (according to type)	-	-	-
- interest from 3 to 12 months	-	-	-
	-	-	-
c) in associated companies			
- shares or stocks	-	-	-
	-	-	-
d) in the significant investor	-	-	-
e) in the dominant company	-	-	-
f) in other companies			
- granted loans	502	506	340
- other short-term financial assets (according to type)	17	4	3
- interest from 3 to 12 months	17	4	3
	519	510	343
g) cash and cash equivalents			
- cash in hand and on bank accounts	260 217	131 879	173 271
- other cash	-	-	-
- other monetary assets	30	30	30
	260 248	131 909	173 302
Short-term financial assets total	309 396	179 677	198 685

The basic data concerning the largest short-term loans is presented in the following table:

Name of the other party	Amount	Interest rate	Due date
Echo – Centrum Poznań Sp. z o.o. [Echo – Poznań Center Limited Liability Company]	41 936	WIBOR 3M + margin	December 31, 2007
Malta Office Park Sp. z o.o. [Malta Office Park Limited Liability Company]	6 128	collateral loan rate + margin	December 31, 2007
others	1 115	collateral loan rate + margin	December 31, 2007
Total:	49 179		

Note 7B

Securities, shares and other short-term financial assets (foreign currency side)	1st half of 2007	2006	1st half of 2006
a) in the Polish currency	-	-	-
b) in foreign currencies (according to currency, after conversion to zlotys)	-	-	-
Securities, shares and other short-term financial assets total	-	-	-

Note 7C

Securities, shares and other short-term financial assets (according to transferability)	1st half of 2007	2006	1st half of 2006
A. With unlimited transferability, quoted on stock exchanges (balance sheet value)	-	-	-
B. With unlimited transferability, quoted on OTC markets (balance sheet value)	-	-	-
C. With unlimited transferability, not quoted on regulated market (balance sheet value)			
a) shares (balance sheet value):	-	-	-
b) bonds (balance sheet value):	-	-	-
c) other - shares:	-	-	-
- fair value	-	-	-
- market value	-	-	-
- value according to acquisition prices	-	-	-
	-	-	-
D. With limited transferability (balance sheet value)	-	-	-
Value according to acquisition prices total	-	-	-
Value at the beginning of period total	-	-	-
Revaluation adjustments (for the period) total	-	-	-
Balance sheet value total	-	-	-

Note 7D

Granted short-term loans (currency structure)	1st half of 2007	2006	1st half of 2006
a) in the Polish currency	49 148	47 768	25 383
b) in foreign currencies (according to currency, after conversion to zlotys)	-	-	-
Granted short-term loans total*	49 148	47 768	25 383

*Note 7D comprises short-term loans with interest

Note 7E

Cash and cash equivalents (currency structure)	1st half of 2007	2006	1st half of 2006
a) in the Polish currency	210 584	12 391	8 493
b) in foreign currencies (according to currency, after conversion to zlotys)	49 663	119 519	164 809
- unit / currency EUR	10 124	24 823	34 186
- thousands PLN	38 124	94 999	138 523
- unit / currency USD	4 119	8 442	8 236
- thousands PLN	11 529	24 507	26 273
- unit / currency HUF	690	792	957
- thousands PLN	11	12	14
Cash and cash equivalents total	260 248	131 909	173 302

Note 8

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 according to 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 0.50								

* On May 30, 2006 the General Meeting of Shareholders of the Company decided to change the existing number of the Company's shares through dividing their nominal value in the proportion of 1: 4 so that the current value of each share being PLN 2 is now determined as PLN 0.50 per share. On July 11, 2006 the District Court in Kielce recorded the division of shares in the National Court Register (KRS).

Shareholders of Echo Investment S.A. holding more than 5% of share capital as on June 30, 2007

Shareholder	Number of votes / shares	Percentage of share capital	Percentage of votes at the General Meeting of Shareholders
Michał Solowow (directly and indirectly)	16 480 963	39,24%	39,24%
OFE ING NN Polska*	3 669 661	8,74%	8,74%
Commercial Union PTE*	3 073 842	7,32%	7,32%
OFE PZU Złota Jesień PTE*	2 790 915	6,65%	6,65%
BZ WBK AIB Asset Management S.A.	2 119 363	5,05%	5,05%
Other Shareholders	13 865 256	33,00%	33,00%
Total	42 000 000	100,00%	100,00%

*Balance according to the structure of investment portfolios of the OFEs (Open Pension Funds) as on December 31, 2006

Note 9

Supplementary capital	1st half of 2007	2006	1st half of 2006
a) on transfer of shares above their nominal value	100 943	100 943	100 943
b) established by force of law	80	80	80
c) established by force of articles / agreement above the value required by law (minimum)	278 117	197 363	197 363
d) from additional payments of shareholders / partners	-	-	-
e) other (according to type)	22	22	22
- costs of issue of stocks	(195)	(195)	(195)
Supplementary capital total	378 967	298 213	298 213

Note 10

Change in the balance of reserve for deferred income tax	1st half of 2006	2005	1st half of 2005
1. Balance of reserve for deferred income tax at the beginning of period, including:			
a) applied to the financial result	16 873	8 381	8 381
Tangible assets	317	807	807
Long-term investments	14 117	4 397	4 397
Inventories	1 351	1 812	1 812
Short-term receivables	551	549	549
Short-term investments	378	516	516
Short-term accruals	(323)	(269)	(269)
Short-term debt	(308)	(220)	(220)
Accruals	789	789	789
b) applied to equity	5 675	5 675	5 675
Tangible assets	3 036	3 036	3 036
Long-term investments	2 639	2 639	2 639
c) applied to goodwill or negative goodwill	-	-	-
	22 548	14 056	14 056

Note 10 ctd.

Change in the balance of reserve for deferred income tax – ctd.	1st half of 2007	2006	1st half of 2006
2. Increases			
a) applied to the financial result of the period due to negative timing differences on balance sheet items:	4 915	9 722	279
Tangible assets	-	-	-
Long-term investments	3 406	9 720	126
Inventories	-	-	75
Short-term receivables	-	2	-
Short-term investments	230	-	-
Short-term accruals	-	-	77
Short-term debt	1 280	-	-
Accruals	-	-	-
b) applied to equity due to positive timing differences (on account of)	-	-	-
c) applied to goodwill or negative goodwill due to positive timing differences (on account of)	-	-	-
	4 915	9 722	279
3. Decreases			
a) applied to the financial result of the period due to negative timing differences on balance sheet items:	(377)	(1 230)	(722)
Tangible assets	(27)	(490)	(462)
Long-term investments	-	-	-
Inventories	(7)	(461)	-
Short-term receivables	(8)	-	(13)
Short-term investments	-	(138)	(176)
Short-term accruals	(336)	(54)	-
Short-term debt	-	(88)	(70)
Accruals	-	-	-
b) applied to equity due to positive timing differences (on account of)	-	-	-
c) applied to goodwill or negative goodwill due to positive timing differences (on account of)	-	-	-
	(377)	(1 230)	(722)
4. Balance of reserve for deferred income tax at the end of period total			
a) applied to the financial result	21 411	16 873	7 939
Tangible assets	290	317	345
Long-term investments	17 522	14 117	4 523
Inventories	1 344	1 351	1 887
Short-term receivables	543	551	536
Short-term investments	608	378	340
Short-term accruals	(658)	(323)	(192)
Short-term debt	972	(308)	(290)
Accruals	789	789	789
b) applied to equity	5 675	5 675	5 675
Tangible assets	3 036	3 036	3 036
Long-term investments	2 639	2 639	2 639
c) applied to goodwill or negative goodwill	-	-	-
	27 086	22 548	13 614

Note 11A

Long-term debt (exclusive of the reserve for income tax)	1st half of 2007	2006	1st half of 2006
a) to subsidiaries			
- loans and credits	155	6 088	39 356
- on account of issue of debt securities	-	-	18 325
	155	6 088	57 681
b) to partially owned subsidiaries	-	-	-
c) to associated companies	-	-	-
d) to the significant investor	-	-	-
e) to the dominant company	-	-	-
f) to other companies			
- loans and credits	-	-	13 000
- on account of issue of debt securities	546 689	245 961	229 313
	546 689	245 961	242 313
Long-term liabilities total	546 844	252 049	299 994

Note 11B

Long-term debt (exclusive of the reserve for income tax), period outstanding as from the balance date	1st half of 2007	2006	1st half of 2006
a) over 1 year up to 3 years	155	-	13 000
b) over 3 years up to 5 years	147 451	-	186 994
c) over 5 years	399 238	252 049	100 000
Long-term debt total	546 844	252 049	299 994

Note 11C

Long-term debt (exclusive of the reserve for income tax), currency structure	1st half of 2007	2006	1st half of 2006
a) in the Polish currency	546 844	252 049	299 994
b) in foreign currencies (according to currency, after conversion to zlotys)	-	-	-
- unit / currency thousands/USD	-	-	-
- thousands PLN	-	-	-
Long-term debt total	546 844	252 049	299 994

Note 11D**Long-term debt on account of loans and credits**

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
		in thousands PLN	currency	in thousands PLN	currency			
PeKaO S.A. [PeKaO Joint Stock Company]	Warsaw	90 000	PLN	-	PLN	Wibor + margin	2009-06-30	power of attorney to a bank account
Bank BPH SA [BPH Bank Joint Stock Company]	Krakow	30 000	PLN	-	PLN	Wibor + margin	2009-05-30	power of attorney to a bank account
Bank Zachodni WBK S.A. [Bank Zachodni WBK Joint Stock Company]	Wrocław	20 000	PLN	-		Wibor + margin	2009-05-31	blank promissory note, statement of submission to enforcement proceedings, power of attorney to bank account
PKO BP SA [PKO BP Joint Stock Company]	Warsaw	20 000	PLN	-	PLN	Wibor + margin	2009-08-20	surety clause from current account in PKO BP S.A., statement of voluntary submission to enforcement proceedings
PKO BP SA [PKO BP Joint Stock Company]	Warsaw	40 000	PLN	-	PLN	Wibor + margin	2009-08-20	surety clause from current account in PKO BP S.A., statement of voluntary submission to enforcement proceedings
Fortis Bank Polska S.A. [Fortis Bank Poland Joint Stock Company]	Warsaw	20 000	PLN	-	PLN	Wibor + margin	2008-11-29	blank promissory note, statement of voluntary submission to enforcement proceedings
ING Bank Śląski S.A. [ING Bank Śląski Joint Stock Company]	Katowice	30 000	PLN	-	PLN	Wibor + margin	2008-09-05	statement of voluntary submission to enforcement proceedings
Echo - SPV 6 Sp.z o.o. [Echo – SPV 6 Limited Liability Company]	Kielce	9 413	PLN	150	PLN	Wibor + margin	2008-12-31	none
Total		259 413	-	150	-			

Note 11E**Long-term debt for issued debt financial instruments**

Debt financial instruments according to type	Nominal value	Interest rate arrangements	Redemption date	Guarantees/ collaterals	Additional privileges	Quotation market
bonds (BRE Bank S.A.)	150 000	Wibor + margin	2011-05-25	none	-	none
bonds (BRE Bank S.A.)	100 000	Wibor + margin	2013-05-25	none	-	none

bonds (BRE Bank S.A.)	300 000	Wibor + margin	2014-06-30	None	-	None
Total	550 000					

*Long-term financial debts are valued according to 'depreciated cost of liabilities component', in accordance with IAS 39.

Note 12A

Short-term debt (exclusive of reserves)	1st half of 2007	2006	1st half of 2006
a) to subsidiaries			
- loans and credits, including:	-	37 075	10 420
- long-term in repayment period	-	-	-
- on account of issue of debt securities	-	-	-
- on account of dividends	-	-	-
- other financial obligations, including:	386	-	-
- booked interest from bonds	-	-	-
- on account of deliveries and services, payable:	50	1 412	31
- within 12 months	50	1 412	31
- beyond 12 months	-	-	-
	436	38 487	10 451
b) to partially owned subsidiaries			
- on account of deliveries and services, payable:	-	-	-
- within 12 months	-	-	-
c) to associated companies	-	-	-
d) to the significant investor	-	-	-
e) to the dominant company	-	-	-
f) to other companies			
- loans and credits, including:	26	14	13 810
- long-term in repayment period	-	-	-
- on account of issue of debt securities	108 381	106 927	-
- other financial obligations, including:	19	1 634	1 343
- interest charged	19	1 634	1 343
- on account of deliveries and services, payable:	48 750	82 952	39 287
- within 12 months	42 951	74 042	30 806
- beyond 12 months	5 799	8 910	8 480
- advances received for deliveries	149 150	109 838	68 478
- bill of exchange liabilities	-	-	-
- on account of taxes, customs duties, securities and other performances	64	2 974	2 532
- on account of salaries and wages	-	1	1
- other (according to titles)	1 570	1 642	1 101
- received hedging deposits	691	1 503	889
- insurance	25	134	198
- other	854	4	14
	307 960	305 982	126 552
g) special funds - company social benefits fund	98	9	65
Short-term debt total	308 495	344 478	137 068

Note 12B

Short-term obligations (exclusive of reserves) (currency structure)	1st half of 2007	2006	1st half of 2006
a) in the Polish currency	308 495	344 478	137 068
b) in foreign currencies (according to currency, after conversion to zlotys)	-	-	-
- unit / currency thousands / USD	-	-	-
- thousands PLN	-	-	-
Short-term debt total	308 495	344 478	137 068

Note 12C

Short-term debt on account of loans and credits

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
		in thousands PLN	currency	in thousands PLN	currency				
PeKaO S.A. [PeKaO Joint Stock Company]	Warsaw	20 000	PLN	-	PLN	Wibor + margin	2008-06-30	blank promissory note, power of attorney to bank account, statement of submission to enforcement proceedings power of attorney to a bank account obligation to transfer a quarterly amount of PLN 13,000 thousand through the account, statement of submission to enforcement proceedings	
Bank BPH S.A. [BPH Bank Joint Stock Company]	Krakow	20 000	PLN	-	PLN	Wibor + margin	2008-06-29		
Bank Handlowy w Warszawie S.A. [Handlowy Bank of Warsaw Joint Stock Company]	Warsaw	20 000	PLN	26	PLN	Wibor + margin	2008-03-07		
Echo Bau Sp. z o.o. [Echo Bau Limited Liability Company]	Kielce	50	PLN	45	PLN	Wibor	2007-12-31	none	
Projekt Echo 34 Sp. z o.o. [Project Echo 34 Limited Liability Company]	Kielce	50	PLN	43	PLN	Wibor	2007-12-31	none	
Projekt Echo 30 Sp. z o.o. [Project Echo 30 Limited Liability Company]	Kielce	50	PLN	44	PLN	Wibor	2007-12-31	none	
Galeria Echo - Kielce Sp. z o.o. [‘Echo Arcade – Kielce’ Limited Liability Company]	Kielce	50	PLN	30	PLN	Wibor	2007-12-31	none	
Echo - Galaxy Sp. z o.o. [Echo – Galaxy Limited Liability Company]	Kielce	50	PLN	45	PLN	Wibor	2007-12-31	none	
Projekt Echo 37 Sp. z o.o. [Project Echo 37 Limited Liability Company]	Kielce	50	PLN	43	PLN	Wibor	2007-12-31	none	
PeKaO S.A. [PeKaO Joint Stock Company]	Warsaw	20 000	PLN	-	PLN	Wibor + margin	2008-06-30	blank promissory note, power of attorney to bank account, statement of submission to enforcement proceedings	
Total		60 300		276					

NOTE 12D

Debt financial instruments according to type	Nominal value	Interest rate arrangements	Redemption date	Guarantees / collaterals	Additional privileges
bonds (BRE Bank S.A.)	50 000	Wibor + margin	2007-11-23	none	
bonds (BPH S.A.)	30 000	Wibor + margin	2007-09-04	none	
bonds (BPH S.A.)	30 000	Wibor + margin	2007-09-11	none	
Total	110 000				

Note 12E

Change in the balance of short-term reserves (according to titles)	1st half of 2007	2006	1st half of 2006
a) balance at the beginning of period			
- reserves for penalties	7 880	5 516	5 516
- guarantee repairs	-	2 024	2 024
- court proceedings	441	441	441
- sureties for liabilities	4 047	4 047	4 047
- bonuses, holidays, audit	5 561	3 394	3 394
	17 928	15 421	15 421
b) increases (on account of)			
- reserves for penalties	-	2 364	2 298
- guarantee repairs	1 100	-	-
- establishment of reserves for penalties	-	-	-
- court proceedings	-	-	-
- sureties for liabilities	-	-	-
- bonuses, holidays, audit	2 200	7 145	4 424
	3 300	9 509	6 722
c) utilization (on account of)			
- bonuses, holidays, audit	-	4 564	2 238
- guarantee repairs	-	-	-
- court proceedings	-	-	-
	-	4 564	2 238
d) release (on account of)			
- guarantee repairs	-	2024	2024
- bonuses, holidays, audit	1 538	414	265
	1 538	2 438	2 289
e) balance at the end of period			
- reserves for penalties	7 880	7 880	7 814
- guarantee repairs	1 100	-	-
- court proceedings	441	441	441
- sureties for liabilities	4 047	4 047	4 047
- bonuses, holidays, audit	6 223	5 561	5 314
	19 691	17 929	17 616

The reserve for penalties covers a reserve for possible penalties that can be imposed on the Company 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 debt sureties includes a reserve for sureties granted to Princess Investment Sp. z o.o. and Princess Boryszewska Sp. z o.o. The company covenanted to effect the first payment for perpetual usufruct of land purchased by these companies if the municipality of Warsaw demands such payment from these companies.

The reserve for bonuses, holidays and audit covers the reserve for unpaid bonuses for the second half of this year, for costs of audit of the statement for the second half of the year and costs of unused holiday benefits.

Note 13

Contingent obligations to affiliated companies (on account of)	1st half of 2007	2006	1st half of 2006
a) granted guarantees and sureties, including:	27 917	442 131	457 644
- to subsidiaries	27 917	442 131	457 644
- to partially owned subsidiaries	-	-	-
b) other	-	-	-
Contingent obligations to affiliated companies total	27 917	442 131	457 644

Note 14A

Operating income (material structure - types of operations)	1st half of 2007	2006	1st half of 2006
A. Sales of residential and commercial areas	9 670	93 207	61 232
- including: from affiliated companies	-	-	-
B. Investment project realization services	116 128	128 987	8 501
- including: from affiliated companies	73 688	124 482	3 986
from subsidiaries	73 688	121 536	3 986
from partially owned subsidiaries	-	2 946	-
C. Real estate trade	279	130	-
- including: from affiliated companies	-	-	-
D. Lease services	7 059	11 115	3 755
- including: from affiliated companies	114	302	117
from subsidiaries	111	299	115
- from the dominant company	3	3	2
E. Legal, accounting and consulting services	14 886	17 525	8 797
- including: from affiliated companies	14 457	16 907	8 155
from subsidiaries	14 457	16 907	8 155
from partially owned subsidiaries	-	-	-
F. Other income	2 002	8 274	1 922
- including: from affiliated companies	766	1 059	687
from subsidiaries	765	1 005	683
from partially owned subsidiaries	-	-	-
from key personnel	1	54	4
Operating income total	150 023	259 237	84 207
- including: from affiliated companies	89 024	142 749	12 945
from subsidiaries	89 020	139 746	12 939
from partially owned subsidiaries	-	2 946	-
- from the dominant company	3	3	2
from key personnel	1	54	4

Note 14B

Operating income (territorial structure)	1st half of 2007	2006	1st half of 2006
a) at home	150 023	259 237	84 207
- including: from affiliated companies	89 024	142 749	12 945
b) export	-	-	-
- including: from affiliated companies	-	-	-
Net income from sales of products total	150 023	259 237	84 207
- including: from affiliated companies	89 024	142 749	12 945

Note 15

Operating costs according to type	1st half of 2007	2006	1st half of 2006
Costs according to type, total			
a) depreciation/amortization	1 766	3 144	1 593
b) materials and energy intake	66 726	65 553	35 697
c) foreign services	132 705	200 009	77 518
d) taxes and levies	2 507	2 818	1 534
e) salaries and wages	9 986	14 485	6 889
f) social security and other performances	2 062	2 245	1 226
g) other prime costs (on account of)	1 933	2 673	2 188
- activated financial costs	513	789	1 268
- business trips	332	745	276
- other	1 089	1 139	645
	217 685	290 927	126 645
Change in the balance of inventories, products and accruals	(68 338)	(13 528)	(61 948)
Cost of manufacture of products for the company's own purposes (negative value)	-	(41 248)	-
Costs of sales (negative value)	(11 468)	(9 818)	(4 466)
Overheads (negative value)	(14 249)	(30 915)	(17 867)
Production cost of sold products	123 631	195 419	42 364

Note 16A

Other operating income	1st half of 2007	2006	1st half of 2006
a) released reserves (on account of)	10 190	1 115	1 322
- receivables	10 190	1 115	1 322
b) other, including:	125 343	69 722	4 225
- liquidated damages	43	7 139	344
- income from sale of enterprise	110 097	-	-
- income from valuation of investment projects	13 645	53 635	736
- other	1 557	8 948	3 146
Other operating income total	135 533	70 836	5 547

Note 16B

Other operating costs	1st half of 2007	2006	1st half of 2006
a) established reserves (on account of)	1 100	2 364	2 298
- for anticipated costs	1 100	2 364	2 298
b) other, including:	111 704	17 630	3 446
- donations	33	4 362	48
- liquidated damages	-	-	-
- costs of sale of enterprise	110 097	-	-
- costs of valuation of investment projects	1 214	6 602	554
- other	360	6 666	2 844
Other operating costs total	112 804	19 994	5 743

Note 17A

Financial income from dividends and shares	1st half of 2007	2006	1st half of 2006
a) from affiliated companies, including:	36 197	42 160	39 660
- from subsidiaries	36 197	42 160	39 660
b) from other companies	-	-	-
Financial income from dividends and shares in profits total	36 197	42 160	39 660

Note 17B

Financial incomes from interest	1st half of 2007	2006	1st half of 2006
a) on account of granted loans			
- from affiliated companies, including:	2 579	4 067	2 272
- from subsidiaries	2 579	4 067	2 272
- from partially owned subsidiaries	-	-	-
- from associated companies	-	-	-
- from the significant investor	-	-	-
- from the dominant company	-	-	-
- from other companies	14	-	-
	2 593	4 067	2 272
b) other interest			
- from affiliated companies, including:	-	-	-
- from subsidiaries	-	-	-
- from partially owned subsidiaries	-	-	-
- from associated companies	-	-	-
- from the significant investor	-	-	-
- from the dominant company	-	-	-
- from other companies	1 937	4 816	1 706
	1 937	4 816	1 706
Financial incomes from interest total	4 530	8 883	3 978

Note 17C

Other financial revenues	1st half of 2007	2006	1st half of 2006
a) foreign exchange gains	689	-	4 904
- realized	(2 672)	-	(14)
- unrealized	3 361	-	4 917
b) investment revaluation	2 527	2 522	5
c) other	433	414	-
Other financial revenues total	3 649	2 936	4 908

Note 18A

Financial costs on account of interest	1st half of 2007	2006	1st half of 2006
a) from loans and credits			
- to affiliated companies, including:	250	3 308	2 102
- to subsidiaries	250	3 308	2 102
- to partially owned subsidiaries	-	-	-
- to associated companies	-	-	-
- to the significant investor	-	-	-
- to the dominant company	-	-	-
- to other companies	11 605	18 606	8 112
	11 855	21 913	10 214
b) other interest			
- to other companies	1	227	1
	1	227	1
c) activated financial costs	(436)	(2 206)	(1 192)
	(436)	(2 206)	(1 192)
Financial costs on account of interest total	11 419	19 934	9 023

As on June 30, 2007, the activated amount of external financing costs was

513

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Note 18B

Other financial costs	1st half of 2007	2006	1st half of 2006
a) foreign exchange losses, including	-	5 120	-
- realized	-	1 761	-
- unrealized	-	3 360	-
b) investment revaluation	1 545	834	8 315
c) loss on sales of investments	-	3	3
d) other, including:	2 394	2 127	859
- commissions	2 394	2 122	854
- other	-	5	5
e) activated financial costs	(77)	(129)	(76)
Other financial costs total	3 862	7 956	9 101

Note 19A

Current income tax	1st half of 2007	2006	1st half of 2006
1. Gross profit (loss)	52 412	91 634	44 856
2. Differences between gross profit (loss) and income tax taxable base (according to titles)			
Deferred incomes considered taxable revenues in the current year	-	-	-
Interest earned on deferred receivables	40	70	70
Interest earned on deferred loans	847	2 014	1 913
Income related to valuation of long-term contracts	-	(6 877)	(6 877)
Output interest on loans, not received	(2 297)	(2 078)	(1 186)
Output interest on deposits, not received	-	(80)	-
Dividends received	(36 197)	(42 160)	(39 660)
Released reserves for liabilities	(10 190)	(13 442)	(3 525)
Donations	33	4 362	48
Reserve for amounts payable	-	11 369	1 145
Delay damages	-	-	-
Budget interest	-	1	1
Unplanned depreciation	-	-	-
Other costs not classified as costs of income	1 236	6 536	6 525
Booked costs related to valuation of long-term contracts and established reserves	-	-	-
Booked but unpaid discount on debt bonds	2 018	929	239
Established reserves for accruals of costs concerning investments and overheads	-	-	-
Valuation of loans, investments and inventories	(2 289)	(19)	19 082
Output interest on credits that has not been paid	1 650	1 617	1 525
Unpaid interest on debts	77	2 123	1 179
Unrealized foreign exchange gains / losses	(3 361)	3 360	(4 917)

Note 19A ctd.

Current income tax ctd.	1st half of 2007	2006	1st half of 2006
Activated financial costs accounted for as costs of income in the previous years	368	3 630	864
Depreciation covered by the investment tax credit	127	1 947	127
Perpetual usufruct fees, accounted for as costs of income in the previous years	-	-	-
Activated financial costs for developer projects	(303)	(2 159)	(1 200)
Valuation of fair value	(12 431)	(42 686)	3 943
Non-accounting tax depreciation	(840)	(692)	(140)
Reserve for guarantee repairs	1 100	(2 204)	(2 204)
Discount on debt bonds booked under costs of the previous year but paid this year	(251)	(647)	(647)
Interest from credits booked under costs in the previous year but paid this year	(1 617)	(1 156)	(1 156)
Interest from liabilities booked under costs in the previous year but paid this year	(7 815)	(1 755)	(984)
Released reserves for costs	662	2 167	1 920
Profit / loss of limited partnership	18 198	4 731	-
Deductible gifts	(20)	(444)	(32)
	(51 256)	(71 542)	(23 946)
3. Income tax taxable base	1 156	20 092	20 910
4. Income tax	220	3 817	3 973
5. Increases, abandonments, exemptions, deductions and reductions of tax	-	-	(1 181)
6. Current income tax presented (disclosed) in the tax return of the period, including:	220	3 817	2 792
- disclosed in the profit and loss account	220	3 817	2 792
- concerning items that have reduced or lowered equity value	-	-	-
- concerning items that have reduced or increased goodwill or negative goodwill	-	-	-

Note 19B

Deferred income tax disclosed in the profit and loss account	1st half of 2007	2006	1st half of 2006
Decrease (increase) due to occurrence and reversal of timing differences	6 795	7 063	(2 629)
Deferred income tax total	6 795	7 063	(2 629)

Note 19C

Total amount of deferred tax	1st half of 2007	2006	1st half of 2006
- disclosed as equity	-	-	-
- disclosed as goodwill or negative goodwill	-	-	-
Total	-	-	-

Note 20**Distribution of profits**

The net profit earned by 'Echo Investment S.A.' in the year 2006, amounting to PLN 80,754 thousand, was allocated to supplementary capital through a resolution as of May 29, 2007.

Note 21

Corrections to changes in the balance of balance sheet items, disclosed under II.11 'Other adjustments'	1st half of 2007	2006	1st half of 2006
Reclassification of investments in real estate as inventories	-	-	-
Correction concerning the reserve from valuation of non-cash contribution	-	-	-
Adjustments total	-	-	-

Note 22

Cash disclosed in the cash flow statement	1st half of 2007	2006	1st half of 2006
Balance at the beginning of period, including	131 909	72 231	72 231
- cash in hand and on bank accounts	131 879	72 125	72 125
- other cash	-	-	-
- other monetary assets	30	107	107
		-	
Balance at the end of period	260 248	131 909	173 302
- cash in hand and on bank accounts	260 217	131 879	173 271
- other cash	-	-	-
- other monetary assets	30	30	30

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 the first half of 2007, 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.

2. Discontinued operations

No items related to discontinued operations occurred during the 1st half of the year 2007. 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 real property on which the shopping centers are built, a significant part of transactions executed by Echo Investment are effected with affiliated companies. The largest transactions during the 1st half of the year 2007 with affiliated companies were executed on the basis of the following contracts:

- Contract for general contracting of an investment project, made on December 30, 2005 with Echo - Pasaż Grunwaldzki Spółka z ograniczoną odpowiedzialnością Spółka Komandytowa [Echo - Grunwaldzki Arcade Limited Liability Company Limited Partnership] as the investor. Pursuant to this contract, Echo -Pasaż Grunwaldzki Spółka z ograniczoną odpowiedzialnością Spółka Komandytowa contracted performance of building works on the shopping center in Wrocław at Grunwaldzka Street from the General Contractor.

4. Significant events following the balance date:

- On July 2, 2007 the Company was notified that on June 26, 2007 the Regional State Registry of Kiev registered the Issuer's subsidiary "Echo Investment Ukraine" Limited Liability Company with its registered seat in Kiev. The value of initial capital is UAH 42,000 (an equivalent of PLN 23,616 as on the date of occurrence according to average rate of exchange published by the National Bank of Poland). As on the registration date, Echo Investment S.A. took up 99.99% of initial capital of Echo Investment Ukraine, worth UAH 41,995.80 and carrying 99.99% votes at the general meeting of shareholders.
- The following contracts were executed on July 4, 2007:
 - Sales contract between Projekt Echo - 53 Sp. z o.o. [Project Echo - 53 Limited Liability Company] with its registered seat in Kielce as the Seller (the Issuer's subsidiary, buyer of the real estate from Echo - Centrum Biznesu Łódź Sp. z o.o. [Echo - Łódź Business Center Limited Liability Company]) and Projekt Echo - 49 Sp. z o.o. [Project Echo - 49 Limited Liability Company] with its registered seat in Kielce as the Buyer (company controlled by WCC Poland S.á.r.l. of Luxembourg, member of the capital group of Catalyst Capital of London). The object of the sales contract is perpetual usufruct of immovable property situated in Łódź at Piotrkowska/Piłsudskiego Streets, where the Łódź Business Center office building has been erected (Real Estate I). Transaction price has been determined as PLN equivalent of USD 17,383,406 net, equaling PLN 48,021,659.08, and the book value of these assets is PLN 47,009,588 (as on June 30, 2007).
 - Sales contract between Projekt Echo - 53 Sp. z o.o. [Project Echo - 53 Limited Liability Company] with its registered seat in Kielce as the Seller (the Issuer's subsidiary, buyer of the real estate from Echo - Centrum Bankowości i Finansów Sp. z o.o. [Echo - Banking and Finance Center Limited Liability Company]) and Projekt Echo - 51 Sp. z o.o. [Project Echo - 51 Limited Liability Company] with its registered seat in Kielce as the Buyer (company controlled by WCC Poland S.á.r.l. of Luxembourg, member of the capital group of Catalyst Capital of London). The object of the sales contract is perpetual usufruct of immovable property situated in Łódź at Sienkiewicza Street, whereon the Banking and Finance Center office building is developed (Real Estate II). Transaction price has been determined as PLN equivalent of USD 8,216,767 net, and EUR 7,021,907 net, equaling PLN 49,085,740.96, and the book value of these assets is PLN 46,255,934 (as on June 30, 2007).

- Sales contract between MDP Sp. z o.o. [MDP Limited Liability Company] with its registered seat in Kielce as the Seller (the Issuer's subsidiary) and Projekt Echo – 50 Sp. z o.o. [Project Echo – 50 Limited Liability Company] as the Buyer (company controlled by WCC Poland S.á.r.l. of Luxembourg, member of the capital group of Catalyst Capital of London). The object of the sales contract is perpetual usufruct of immovable property situated in Łódź at al. Piłsudskiego Street, where the MDP shopping and entertainment center building has been erected (Real Estate III). Transaction price has been determined as PLN equivalent of EUR 10,770,882 net, equaling PLN 40,474,820.38, and the book value of these assets is PLN 27,286,123 (as on June 30, 2007).
- Sales contract between Projekt Echo – 54 Sp. z o.o. [Project Echo – 54 Limited Liability Company] with its registered seat in Kielce as the Seller (the Issuer's subsidiary, buyer of the real estate from Echo Investment S.A.) and Projekt Echo – 52 Sp. z o.o. [Project Echo – 52 Limited Liability Company] as the Buyer (company controlled by WCC Poland S.á.r.l. of Luxembourg, member of the capital group of Catalyst Capital of London). The object of the sales contract is ownership right to immovable property situated in Kielce at Massalskiego Street, whereon the Pasaż Świętokrzyski shopping center is developed (Real Estate IV). Transaction price has been determined as PLN equivalent of EUR 29,581,113 net, equaling PLN 111,159,906.43, and the book value of these assets is PLN 102,046,365 (as on June 30, 2007).
- In addition, an agreement was signed on July 4, 2007 containing provisions whereunder Est-On Property Management Sp. z o.o. [Est-On Property Management Limited Liability Company], a subsidiary of Echo Investment S.A., and Cushman & Wakefield Polska Sp. z o.o. [Cushman & Wakefield Poland Limited Liability Company] with its registered seat in Warsaw shall provide services to the Buyer in the field of managing the sold properties.
- On July 13, 2007 the company received a decision of registration of a subsidiary named Echo – Building Ingatlanhasznosító Kft., seated in Budapest. The company was registered on May 31, 2007 by the Registration Court of 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 45,771). As on the registration day, Echo Investment SA acquired 100% of initial capital of the aforementioned company, carrying 100% of votes at the general meeting of shareholders.
- On July 19, 2007 Echo Investment S.A. (the Buyer) entered into a final contract of sale with SPEDIMEX Sp. z o.o. concerning immovable property situated in Łódź, Górnicza Street, with fuel station buildings and technical buildings erected thereon. The contract value is PLN 13.3 million. The Company intends to develop a project residential buildings on the above mentioned real estates.

Kielce, dated September 20, 2007

Jarosław Grodzki

Piotr Gromniak

Artur Langner

President of the Management Board

Member of the Management Board
the Management Board

Member of

Signature of the person in charge of keeping books of accounts

Tomasz Sulek

Chief Accountant

**Management Report on the operations
of Echo Investment S.A.
during the first half of the year 2007**

Kielce, September 20, 2007

Report on the operations of Echo Investment S.A. in the first half of 2007

Echo Investment S.A. has been operating in the real estate market since 1996. As a dominant company within the Capital Group, it 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 mainly 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.

Echo Investment SA is engaged in economic activities in Poland and Central/Eastern Europe.

Echo Investment SA is a public company quoted at the Warsaw Stock Exchange since March 1996.

The organization authorized to audit the financial statements of Echo Investment SA is BDO Numerica Sp. z o.o. with its registered office in Warsaw, postcode 02- 676, 12 Postępu Street.

1. Description of basic economic and financial values disclosed in the financial report of Echo Investment S.A. for the first half of 2007

Balance sheet

Balance total at the end of the first half of 2007 amounted to **PLN 836.3 million**, showing an increase in value by **62%** in comparison with the balance as at the end of the equivalent period in 2006.

Assets

The structure of assets at the end of June 2007 was the following:

- fixed assets constitute **38.4%** of all assets, where the dominant items include long-term investments – **88.2%** of fixed assets, and tangible assets – **9.0%** of total fixed assets.
- current assets constitute **61.6%** of all assets, where inventories make up **37.4%** of total current assets, cash and other monetary assets – **31.2%** of total current assets, short-term receivables – **25.5%** of current assets, and short-term investments – **5.9%** of total current assets.

Liabilities

- share capital of Echo Investment S.A., as on June 30, 2007, amounted to **PLN 21.0 million** 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,
- equity value as on June 30, 2007 amounted to **PLN 449.4 million**, showing an increase by **22.1%** in comparison with the balance as at the end of June 2006.
- the structure of equity at the end of the 1st half of 2007 was the following:
- initial capital: **4.7%**,
- supplementary capital: **84.3%**,
- net book value per one share is **PLN 10.7**,
- obligations (debts) and provisions for obligations constituted **66.7 %** of balance total and amounted to **PLN 902.1 million**.

Profit and loss account

- net income on sales reached the level of **PLN 150.0 million** at the end of June 2007, which is an increase by 78.2% in comparison with the equivalent period of the preceding year,
- profit from operating activity as at the end of the first half of 2007 amounted to **PLN 23.3 million** and was higher than the profit earned during the preceding financial year by 61.5%,
- gross profit amounted to **PLN 52.4 million** and outgrew the balance of the first half of 2006 by 16.8%,
- net profit amounted to **PLN 45.4 million**, which is an increase by 1.6% in comparison with the 1st half of 2006,
- net profit per one share was **PLN 1.08**.

Cash flow statement

- the reporting period began with the cash balance of **PLN 131.9 million**,
- on operating activity, the Company recorded cash expenditure in the amount of **PLN (-) 78.3 million** in the first half of 2007, including the following most significant items:
 - change in inventories **PLN (-) 81.8 million**,
 - change in receivables **PLN (-) 19.9 million**,
 - change in short-term debt, except for loans and credits, **PLN (+) 2.2 million**,
- on investment activity, the Company recorded cash expenditure in the amount of **PLN (-) 31.2 million** during the first half of 2007, which was most significantly affected by:
 - incomes from financial assets **PLN (+) 37.8 million**,
 - expenses on financial assets **PLN (-) 57.5 million**,
- on investment activity, the Company recorded cash flows in the amount of **PLN 242.7 million** at the end of June 2007, which was most significantly affected by:
 - issue of debt securities, cash increase in the amount of **PLN (+) 347.6 million**,
 - repayment of loans and credits in the amount of **PLN (-) 24.6 million**,
 - redemption of debt securities **PLN (-) 50.0 million**,
- during the period from January 1 to June 30, 2007 the cash balance increased by **PLN 128.3 million**,
- cash at the end of June 2007 amounted to **PLN 260.2 million**.

2. Description of major risk factors and threats, specifying the extent to which Echo Investment S.A. is exposed to them

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

- 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 Company in the recent years and its portfolio of assets indicate that it 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. 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 securing instruments. Echo Investment S.A. 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 out in foreign currencies (most commonly in Euro). Contracts with tenants are expressed in the currency of the loan taken for project financing. Thus obtained payments from lessees are assigned to repayment of the above mentioned loans. Such combination of financing with sources of income minimizes foreign exchange risk.
- risk of the tenants' financial condition – most of the revenues are yielded within the range of operations performed by the Company 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 tenants 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. contracts its execution from 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.

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

3.1. Segments of operation

During the 1st half of the year 2007, Echo Investment S.A. and Capital Group companies realized projects initiated in the previous years and became involved in new investment projects in the segments described below.

Polish market

Segment of shopping centers and shopping/entertainment centers

Shopping malls built by Echo Investment SA 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.

Realization of erection of a shopping center in Lublin supplements the portfolio of commercial areas with simultaneous improvement of quality and advancement of the Company's offer.

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

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.

Segment of office space

In the office investments segment, Echo Investment Capital Group has completed facilities for lease in Warsaw and Cracow. The Group is executing new investment projects and acquiring projects already functioning in the market. Its offer covers office buildings of various standards.

Although this market segment is highly competitive, the Capital Group's projects ensure stable income from long-term lease contracts due to proper location and appropriate standards. Office space is let to such recognized companies as BRE Bank SA, Bank PeKaO SA, Bank Zachodni WBK SA, Polkomtel SA, Deutsche Leasing, Impel SA, Colgate-Palmolive, Porr Polska, Modzelewski & Rodek, Roche Diagnostic Polska, Dell, and others.

The Warsaw market

The process of designing and preparing realization of a set of office buildings with multi-storey underground parking lot was carried out on a real property situated in Warsaw at 21 Postępu Street (rentable area of about 33,000 square meters). The four office buildings designed by APA Wojciechowski design office of Warsaw shall be executed in two stages. The Company obtained a building permit in July 2007. The anticipated commencement date of investment falls in the 2nd half of 2007 and completion date in the 1st half of 2009.

The Kielce market

During the first half of the year 2007, the Company was progressing with execution of an investment consisting in a complex of office buildings in Kielce at Al. Solidarności Street (area of the buildings is about 18,000 square meters). The project assumes realization of three six-storey buildings. 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. Office space of ca. 3,700 square meters in one of the above mentioned buildings will be let to Echo Investment SA. The contract was made for a period of 10 years. Anticipated completion date of the investment project falls in the 3rd quarter of the year 2007.

The Krakow market

The Company prepares to development of a new office building in Krakow, Lea Street. The architectural concept shall be developed by DDJM Biuro Architektoniczne Sp. z o.o., a designing office of Krakow. Rentable area will be about 9,000 square meters. The anticipated commencement date of this investment project falls in the 1st half of 2008 and completion date in the 2nd half of 2009.

The Gdańsk market

The Company intends to develop office space on the immovable property in Gdańsk, Jana z Kolna Street. In the 1st quarter of 2007, a contract was made with Arch – Deco, a designing office of Gdynia, for execution of designing works related to the said office building. The building designed by this designing office shall comprise ca. 23,000 square meters of rentable area. In the 2nd quarter of year, a plot of land at Dyrekcyjna Street, immediately adjoining the aforementioned real estate, with an area exceeding 1,100 sq. m, was purchased. This land is going to become an integrated part of the investment project in the future. The anticipated commencement date of the development process falls in the 1st half of 2008 and completion date in the 2nd half of 2009.

The Szczecin market

The Company intends to develop a modern office building at its plot of land in Szczecin (High Technology Center). About 12,000 sq. m of that building area will be designed for rent by companies specializing in advanced IT and telecommunication technologies. In the 1st quarter of 2007, a letter of intent was signed with TietoEnator RTS Sp. z o.o. concerning lease of 3,000 sq. m in the planned building. Architectural design of the building will be developed at Arch Deco, a design office of Gdynia. The anticipated project commencement date will be in the 1st half of 2008, and completion date – in the 1st half of 2009.

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

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 Capital Group's projects in the hospitality industry were executed in cooperation with international hotel chains: with the French chains of hotels Accor and Envergue, and with the Qubus group of Norway. Realized hotels operate in Warsaw, Kielce, Krakow, Szczecin, Łódź, Poznań, Częstochowa, Zabrze, Gliwice.

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

Housing segment

In the residential sector, Echo Investment Capital Group realizes investments from luxury apartment complexes, through high- and medium-standard residential buildings, to single-family houses estates.

The Warsaw market

During the first half of the year 2007, the Company succeeded with completion of the Inflancka Housing Estate in Warsaw (2nd stage). 140 apartments were handed over to occupants.

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

2nd stage of the investment project at Zwycięzców Street was in progress (ca. 15,000 square meters for sale). The expected date of completion of 240 apartments designed by Szaroszyk & Rycerski Architekci Sp z o.o. of Warsaw shall be in the 1st half 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.

A new development project of a housing estate in Warsaw, Bielany district (Młociński Forest) is under preparation. 37 houses, comprising 9,250 thousand square meters, will be built on the 6.3 hectares of land purchased by the Company in the 1st quarter of 2007. The anticipated project commencement date will be in the 1st half of 2008, and completion date – in the 2nd half of 2009.

The Poznań market

Stage III of the Naramowice Housing Estate (150 apartments) was realized. Anticipated completion date of the Poznań investment falls in the 2nd 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: 14,000 square meters), as designed by Archikwadrat Sp. z o.o. of Poznań. The completion of this investment project is anticipated in the 2nd 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.

A housing project is being prepared in Poznań, Wojskowa Street. About 280 apartments will be built in residential buildings designed by Studio Lisiak Sp. z o.o. of Poznań (area for sale is over 17,000 sq. m). Anticipated date of delivery of these buildings falls in the 2nd half of 2009.

The process of preparing execution of an estate of city-like multi-family houses was launched on the immovable property situated in Poznań at Litewska Street and Grudzieniec Street (area for sale is about 7,000 square meters). An agreement was made with Arpa Pracownia Autorska designing office of Poznań. This housing estate will comprise about 68 apartments. Anticipated completion date falls in the 1st quarter of 2009.

The Krakow market

A 4-storey building with an area of 1,500 square meters will be built in Krakow, Kilińskiego Street, (16 apartments). The launch of this investment is anticipated in the 2nd half of 2007. This building, which was designed by Oleksy&Polaczek office, will be put to use in the 1st half of 2009.

During the 1st half of the year 2009, the Company is also going to complete a housing investment at Korzeniowskiego Street, Krakow, Wola Justowska district. This building, designed by The Blok office, will have an area of about 3,000 square meters. (40 apartments).

The Company initiated the process of designing a housing and commercial building to be erected in Krakow, Krasickiego Street (area for sale of 5,500 sq. m, 84 apartments). A contract was made with Studio S – Biuro Architektoniczne Szymanowski of Krakow concerning performance of designing works on the above mentioned building. The anticipated commencement date of investment falls in the 1st half of 2008 and completion date in the 2nd half of 2009.

The Company intends to develop residential buildings on its land situated in Krakow, Tyniecka Street. Area for sale will be about 5,500 sq. m (109 apartments). The launch of this investment project is anticipated in the 1st half of 2008 and completion in the 1st half of 2010.

The Company intends to develop a residential building on land purchased in the 1st quarter of 2007, Krakow, Bronowicka Street, for an approximate area for sale of 3,000 sq. m (39 apartments). A contract was made with Studio S Michał Szymanowski design office of Krakow concerning performance of

designing works on the above mentioned project. The launch of this investment project is anticipated in the 1st half of 2008 and completion in the 2nd half of 2009.

The Kielce market

Preparatory works were also performed for the development of another housing estate on the immovable property situated in Dyminy near Kielce. The housing estate will be designed by StoMM Architektura Maciej Stoczkiewicz design office of Kielce. The total area of land is about 200,000 square meters. The anticipated completion date of this investment project falls in the 2nd half of 2009.

The process of designing an estate of detached houses was carried out on the immovable property situated in Bilcza near Kielce (Bilcza II). The "Bilcza II" estate was designed by Konsorcjum Pisarczyk & Tracz Architekci, a designing office of Kielce. The total area of land is about 180,000 square meters. Following completion of technical utilities, the Company intends to sell plots of land with designs of houses. The anticipated realization date of investment falls in the 1st half of 2008.

The Łódź market

In the 1st half of 2007, Echo Investment SA acquired the right of perpetual usufruct of immovable property situated in Łódź at Okopowa Street and Górnicza Street. The value of concluded real estate purchase agreements was a net of PLN 43.3 million. The Company intends to erect residential buildings on the above mentioned real estate, with an area of about 50,000 sq. m for sale (800 apartments). The anticipated commencement date of this investment project falls in the 2nd half of 2008 and completion date in the 1st half of 2013.

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.

Hungary

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 square meters. 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. In the 1st quarter of 2007, an agreement was made with MOFO Architekci Sp. z o.o. designing office. The anticipated date of launching the investment project falls in the 1st half of 2008 and the completion date will be in 2011.

3.2. Structure of revenues

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

- sales of residential and commercial areas

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. **6.4%** of all revenues from sales of products.

- investment contracting service

Echo Investment S.A. is the Chief Contractor of Investments for potential investors. For this reason, during the 1st half of 2007 investment project contracting services stood for **77.4%**.

- lease services:

Revenues from lease services are generated from lease of areas in shopping centers and office buildings owned by Echo Investment SA. Revenues yielded on this account at the end of June 2007 constituted **4.7%** of net income from sales.

- legal, accounting and consulting services:

This range of operations is related to providing legal, accounting and consulting services to subsidiaries. The income generated in this area constituted about **9.9%** of total net income from sales.

Structure of net income from sales (in millions PLN) earned by Echo Investment S.A. during the first half of 2007-2006:

Specification	01.01.2007 - 30.06.2007	01.01.2006 - 30.06.2006
Sales of residential and commercial areas	9,7	61,2
Investment project contracting services	116,1	8,5
Real estate trade	0,3	-
Lease services	7,0	3,8
Legal, accounting and consulting services	14,9	8,8
Other incomes	2,0	1,9
Net income from sales of products total	150,0	84,2

4. 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 SA

Sales markets

All projects executed by Echo Investment S.A. in the first half of 2007 were located in the Polish market only. The Company realized its investments in the markets of the following cities: Warsaw, Kielce, Krakow, Poznań and Wrocław.

Changes in sources of supply

With regard to purchase of services provided by Echo Investment S.A., the dominant share measured as the proportion between purchases and income from sales total is held by companies partnering Echo Investment S.A. in the range of execution of specific developer projects. In the 1st half of 2007, the turnover with three partners exceeded the 10% threshold of the value of the Capital Group's income:

Largest suppliers of Echo Investment S.A. in the 1st half of the year 2007:

Other party	Value of turnover (in million PLN)	% of share in net income from sales
Spedimex Sp. z o.o.	30,0	20,00%
PPHU RO.S.A.-BUD R.J. Saczywka	12,7	8,47%
PIB Trapik Krzysztof Jabłoński	11,8	7,89%

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 the 1st half of 2007, there were no turnover values exceeding the threshold 10% of net income from sales.

Largest clients of Echo Investment S.A. in the 1st half of the year 2007:

Other party	Value of turnover (in million PLN)	% of share in net income from sales
Echo - Pasaż Grunwaldzki Spółka z ograniczoną odpowiedzialnością Sp. K.	77,9	51,95%
Ustra Sp. z o. o.	42,4	28,29%

5. Information about contracts significant for Echo Investment S.A.'s business operations, including contracts made between shareholders, known to Echo Investment S.A., and insurance, partnering or cooperation contracts made during the 1st half of the year 2007.

5.1. Contracts significant for the economic activity of Echo Investment S.A.

The unique quality of the operations of Echo Investment S.A. assumes execution of investments through subsidiaries. Echo Investment S.A. individually executes housing projects and provides general contractor services to subsidiaries and external investors.

In May 2007, Echo Investment SA purchased undeveloped property in Częstochowa, with an area of ca. 3,900 square meters, for a gross price of 3.66 million PLN, designed for future investment.

Shopping centers and shopping/entertainment centers

In January 2007, Echo Investment SA assigned all rights and obligations to the immovable property situated in Budapest, 14th District Zuglo, with an area of 6.84 hectares, to Echo Investment Hungary Ingatlanhasznosító Kft. with its registered seat in Budapest under the contract of purchase of the aforementioned property, effected on June 12, 2006 between Echo Investment SA and the Local government of the 14th District of the Capital City of Budapest - Zuglo (the Seller). Pursuant to the annex

signed, the subsidiary is going to continue development of a modern multifunctional project. In the 1st quarter of 2007, an agreement was made with MOFO Architekci Sp. z o.o. designing office for design works on the shopping, service and office center, which is going to be built by the Capital Group on the above mentioned property.

On July 4, 2007 Echo Investment S.A. published a current report that contained confidential information within the meaning of Article 60 of the Act on Public Quotations and Conditions of Introducing Financial Instruments to Organized Trade and on Public Companies as of July 29, 2005, which was communicated to the public with delay under Article 57 of the Quotations Act, i.e.:

1. On October 20, 2006, with regard to negotiations being in progress, Echo Investment S.A. and the Issuer's subsidiaries signed a memorandum of understanding with Catalyst Capital of London, whereunder the Parties to that memorandum expressed their intent to enter into a contract of sale of selected real estates in Echo Investment Capital Group's portfolio, no later than until the end of January 2007.

The Parties then agreed that the deadline for signing the aforementioned contract was extended to February 28, 2007.

II. On February 9, 2007:

- Echo Investment S.A. [Echo Investment Joint Stock Company], having its registered seat in Kielce, and the following subsidiaries:

- Echo – Centrum Biznesu Łódź Sp. z o.o. [Echo Łódź Business Center Limited Liability Company], having its registered seat in Kielce,

- Echo – Centrum Bankowości i Finansów Łódź Sp. z o.o. [Echo Łódź Banking and Finance Center Limited Liability Company], having its registered seat in Kielce,

- MDP Sp. z o.o. [MDP Limited Liability Company], having its registered seat in Kielce – as the Sellers, and:

- 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, as the Buyers (subsidiaries of Catalyst Capital of London), entered into a preliminary agreement of sale of real estate.

The object of the preliminary agreement was the sale of:

- perpetual usufruct of real estate situated in Łódź, Piotrkowska/Piłsudskiego Street, whereon the Business Center office building is developed (Real Estate I),

- perpetual usufruct of real estate situated in Łódź, Sienkiewicza Street, whereon the Banking and Finance Center office building is developed (Real Estate II),

- perpetual usufruct of real estate situated in Łódź, Al. Piłsudskiego Street, whereon the MDP shopping and entertainment center is developed (Real Estate III),

- ownership of real estate situated in Kielce, Massalskiego Street, whereon the Pasaż Świętokrzyski shopping center is developed (Real Estate IV).

The initial transaction price has been determined as a PLN equivalent of USD 27,124,907 and EUR 43,810,750, equaling PLN 81,108,896 and PLN 170,371,244, respectively.

The parties to the preliminary agreement have agreed and covenanted to sign the promised contracts until September 30, 2007. The preliminary agreement was signed under a condition precedent. The conditions of signing the promised contract included: obtaining legally required consent of the parties' statutory bodies to the signing of promised contracts, arranging the content of agreement concerning extension of Real Estate IV by the Seller, and content of agreement concerning services related to lease of space in office buildings situated on Real Estate I and real Estate II, submission of certificates of lack of arrears with payment of taxes and other duties, valid as on the day of signing the final agreement,

currency permit for effecting payment of the final price in foreign currencies. The agreement has been considered significant on the basis of Issuer's equity criteria. No relationships occur between the Issuer or members of the Issuer's management and supervisory bodies and the parties buying the assets.

III. On July 4, 2007, as the aforementioned conditions precedent have been fulfilled according to the preliminary sales agreement as of February 9, 2007 and in the course of executing the aforementioned agreement, the Parties signed the contracts of sale of the real estates in question.

Total net price of transaction was the PLN equivalent of USD 25,600,173 and EUR 47,373,902.

The following contracts were made:

- Sales contract between Projekt Echo - 53 Sp. z o.o. [Project Echo - 53 Limited Liability Company] with its registered seat in Kielce as the Seller (the Issuer's subsidiary, buyer of the real estate from Echo - Centrum Biznesu Łódź Sp. z o.o. [Echo - Łódź Business Center Limited Liability Company]) and Projekt Echo - 49 Sp. z o.o. [Project Echo - 49 Limited Liability Company] with its registered seat in Kielce as the Buyer (company controlled by WCC Poland S.á.r.l. of Luxembourg, member of the capital group of Catalyst Capital of London).

The object of the sales contract is perpetual usufruct of immovable property situated in Łódź at Piotrkowska/Piłsudskiego Street, whereon the Business Center office building is developed (Real Estate I),

Transaction price has been determined as PLN equivalent of USD 17,383,406 net, equaling PLN 48,021,659.08, and the book value of these assets is PLN 47,009,588 (as on June 30, 2007).

- Sales contract between Projekt Echo - 53 Sp. z o.o. [Project Echo - 53 Limited Liability Company] with its registered seat in Kielce as the Seller (the Issuer's subsidiary, buyer of the real estate from Echo - Centrum Bankowości i Finansów Sp. z o.o. [Echo - Banking and Finance Center Limited Liability Company]) and Projekt Echo - 51 Sp. z o.o. [Project Echo - 51 Limited Liability Company] with its registered seat in Kielce as the Buyer (company controlled by WCC Poland S.á.r.l. of Luxembourg, member of the capital group of Catalyst Capital of London).

The object of the sales contract is perpetual usufruct of immovable property situated in Łódź at Sienkiewicza Street, whereon the Banking and Finance Center office building is developed (Real Estate II). Transaction price has been determined as PLN equivalent of USD 8,216,767 net, and EUR 7,021,907 net, equaling PLN 49,085,740.96, and the book value of these assets is PLN 46,255,934 (as on June 30, 2007).

- Sales contract between MDP Sp. z o.o. [MDP Limited Liability Company] with its registered seat in Kielce as the Seller (the Issuer's subsidiary) and Projekt Echo - 50 Sp. z o.o. [Project Echo - 50 Limited Liability Company] as the Buyer (company controlled by WCC Poland S.á.r.l. of Luxembourg, member of the capital group of Catalyst Capital of London).

The object of the sales contract is perpetual usufruct of immovable property situated in Łódź at Al. Piłsudskiego Street, whereon the MDP shopping and entertainment center is developed (Real Estate III). Transaction price has been determined as PLN equivalent of EUR 10,770,882 net, equaling PLN 40,474,820.38, and the book value of these assets is PLN 27,286,123 (as on June 30, 2007).

- Sales contract between Projekt Echo - 54 Sp. z o.o. [Project Echo - 54 Limited Liability Company] with its registered seat in Kielce as the Seller (the Issuer's subsidiary, buyer of the real estate from Echo Investment S.A.) and Projekt Echo - 52 Sp. z o.o. [Project Echo - 52 Limited Liability Company] as the Buyer (company controlled by WCC Poland S.á.r.l. of Luxembourg, member of the capital group of Catalyst Capital of London).

The object of the sales contract is ownership right to immovable property situated in Kielce at Massalskiego Street, whereon the Pasaż Świętokrzyski shopping center is developed (Real Estate IV). Transaction price has been determined as PLN equivalent of EUR 29,581,113 net, equaling PLN 111,159,906.43, and the book value of these assets is PLN 102,046,365 (as on June 30, 2007).

In addition, an agreement was signed on July 4, 2007 containing provisions whereunder Est-On Property Management Sp. z o.o. [Est-On Property Management Limited Liability Company], a subsidiary of Echo Investment S.A., and Cushman & Wakefield Polska Sp. z o.o. [Cushman & Wakefield Poland Limited Liability Company] with its registered seat in Warsaw shall provide services to the Buyer in the field of managing the sold properties.

Funds earned through this transaction will be allocated to performance of Echo Investment Capital Group's investment projects, particularly to realization of consecutive phases of shopping centers in Kielce, office projects in Krakow, Katowice and Łódź.

Offices and Hotels

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. A preliminary agreement was made for letting the aforementioned land in perpetual usufruct. The Company intends to develop office space on the above mentioned real estate. In the 1st quarter of 2007, a contract was made with Arch – Deco, a designing office of Gdynia, for execution of designing works related to the said office building.

On January 9, 2007 Echo Investment SA entered into a contract of lease of office space (ca. 3,690 sq. m) in one of the above mentioned buildings with Ustra Sp. z o.o. of Kielce. The contract was made for a period of 10 years. The value of contract for the entire 10-year period, as at the contract effective date, is PLN 32.9 million.

On July 5, 2007, Echo Investment SA purchased real estate situated at the crossing of Górnośląska Street and Francuska Street in Katowice. The local spatial development plan stipulates an office and administrative function for the purchased plot of land. The Company intends to build a business park with an area exceeding 60,000 sq. m, with underground parking lots, on the purchased land. The launch of this investment project is anticipated in the 1st half of 2008 and the first stage should be completed in the 2nd half of 2009.

On August 14, 2007 the Company became the owner of immovable property situated in Łódź, Piłsudskiego Street. The purchase price of this immovable property was PLN 22.8 million. A modern complex of A-class office buildings will be erected on the newly purchased plot of land. Rentable area shall exceed 20,000 sq. m. The launch of this investment project is planned for the 1st half of 2008 and completion for the 2nd half of 2009.

Apartments

Echo Investment SA intends to develop residential buildings on its land situated in Krakow, Tyniecka Street, purchased in the 1st half of 2007. The Company has applied for a zoning decision. Area for sale will be about 5,000 square meters. (109 apartments). The launch of this investment project is anticipated in the 1st half of 2008 and completion in the 2nd half of 2009.

A new development project of a housing estate in Warsaw, Bielany district (Młociński Forest) is under preparation. 37 houses, comprising 9.25 thousand square meters, will be built on the 6.3 hectares of land purchased by the Company in the 1st half of 2007.

During the 1st half of 2007, the Company purchased immovable property situated in Krakow, Bronowicka Street. The company intends to erect a residential building on that plot, with an area for sale of about 3,000 sq. m (39 apartments). The Company has applied for a zoning decision. The launch of this investment project is anticipated in the 1st half of 2008 and completion in the 2nd half of 2009.

On January 18, 2007 Echo investment SA signed a contract with StoMM Architektura Maciej Stoczkiewicz of Kielce for design works on a single-family houses estate in Dyminy near Kielce.

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.

The Company intends to develop residential buildings on the aforementioned immovable property.

On July 18, 2007 a contract was signed for purchase of real estate in Łódź, Wodna Street. The Company intends to develop residential buildings comprising 320 apartments on the purchased land. The contract value was PLN 26 million. The launch of this investment project is anticipated in the 2nd half of 2008 and completion in the 1st half of 2011.

On July 19, 2007, as the condition precedent to executing the promised contract of sale was fulfilled, Echo Investment (the Buyer) signed a contract with SPEDIMEX Sp. z o.o. with its registered seat in Łódź (the Seller) on sale of immovable property situated in Łódź at Górnicza Street, with fuel station buildings and technical buildings erected thereon. The contract value was PLN 13.3 million. A precondition to the making of the aforementioned promised contract was that the Seller had to 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 aforementioned conditions were conditions precedent.

The Issuer intends to execute a project consisting in residential buildings on the newly purchased immovable property in Łódź at Górnicza and Okopowa Streets.

5.2. Contracts made between shareholders

Echo Investment S.A. does not know about any contracts made between shareholders during the first half of the year 2007.

5.3. Insurance contracts

Object of coverage	Underwriter	Insurance amount [in thousands PLN]
property insurance – buildings	TU Compensa S.A., STU Ergo Hestia S.A.	32 097
property insurance - equipment	STU Ergo Hestia S.A., TU Compensa S.A.	2 641
third party insurance (civil liability insurance)	PTU S.A., STU Ergo Hestia S.A.	5 230
insurance against construction and assembly risks	TUiR WARTA S.A., TU Allianz Polska, Generali S.A..	250 700
TOTAL		290 668

5.4. Partnering or cooperation agreements

Echo Investment S.A. did not conclude any significant partnering or cooperation agreements during the 1st half of 2007.

6. 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.

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

I. Echo Investment Capital Group was expanded with 42 new subsidiaries.

On January 09, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register, registered the following subsidiaries:

1. "Projekt – Echo 53" Sp. z o.o. ['Project – Echo 53' Limited Liability Company], having its registered seat in Kielce,
2. "Projekt – Echo 54" Sp. z o.o. ['Project – Echo 54' Limited Liability Company], having its registered seat in Kielce,
3. "Projekt – Echo 55" Sp. z o.o. ['Project – Echo 55' Limited Liability Company], having its registered seat in Kielce,
4. "Projekt – Echo 56" Sp. z o.o. ['Project – Echo 56' Limited Liability Company], having its registered seat in Kielce,
5. "Projekt – Echo 60" Sp. z o.o. ['Project – Echo 60' Limited Liability Company], having its registered seat in Kielce,
6. "Projekt – Echo 62" Sp. z o.o. ['Project – Echo 62' Limited Liability Company], having its registered seat in Kielce,
7. "Projekt – Echo 63" Sp. z o.o. ['Project – Echo 63' Limited Liability Company], having its registered seat in Kielce,
8. "Projekt – Echo 65" Sp. z o.o. ['Project – Echo 65' Limited Liability Company], having its registered seat in Kielce,
9. "Projekt – Echo 67" Sp. z o.o. ['Project – Echo 67' Limited Liability Company], having its registered seat in Kielce,
10. "Projekt – Echo 71" Sp. z o.o. ['Project – Echo 71' Limited Liability Company], having its registered seat in Kielce,
11. "Projekt – Echo 76" Sp. z o.o. ['Project – Echo 76' Limited Liability Company], having its registered seat in Kielce,

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

13. "Projekt – Echo 79" Sp. z o.o. ['Project – Echo 79' 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.

As on the registration day:

- Echo Investment SA took up 999 shares in each newly established subsidiary, entitling to 99,9% of votes at the meeting of shareholders. The purchase price is PLN 49,950 for each 999 shares.

- Projekt – Echo 17 Sp. z o.o. [Project – Echo 17 Limited Liability Company] subsidiary of Kielce took up 1 share in each newly established subsidiary, carrying 1% of votes at the general meeting of shareholders. The purchase price is PLN 50 for share. The acquired shares constitute a long-term capital investment. Acquisition of shares was financed with own funds of the Issuer and of Projekt - Echo 17 Sp. z o.o. [Project – Echo 17 Limited Liability Company] with its registered seat in Kielce.

On January 09, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register, registered the following subsidiaries:

1. "Projekt – Echo 49" Sp. z o.o. ['Project – Echo 49' Limited Liability Company], having its registered seat in Kielce,

2. "Projekt – Echo 50" Sp. z o.o. ['Project – Echo 50' Limited Liability Company], having its registered seat in Kielce,

3. "Projekt – Echo 51" Sp. z o.o. ['Project – Echo 51' Limited Liability Company], having its registered seat in Kielce,

4. "Projekt – Echo 52" Sp. z o.o. ['Project – Echo 52' 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 general meeting of shareholders, according to shares, is 100.

On the registration day, the Issuer took up 100 shares in each of the newly established subsidiaries, entitling him to 100% of votes at the meeting of shareholders. The purchase price is PLN 50,000 for each 100 shares. The acquired shares constitute a long-term capital investment.

Acquisition of shares was financed with the Issuer's own funds.

On January 10, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register, registered the following subsidiaries:

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

2. "Projekt – Echo 58" Sp. z o.o. ['Project – Echo 58' Limited Liability Company], having its registered seat in Kielce,

3. "Projekt – Echo 61" Sp. z o.o. ['Project – Echo 61' Limited Liability Company], having its registered seat in Kielce,

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

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

6. "Projekt – Echo 68" Sp. z o.o. ['Project – Echo 68' Limited Liability Company], having its registered seat in Kielce,
7. "Projekt – Echo 69" Sp. z o.o. ['Project – Echo 69' Limited Liability Company], having its registered seat in Kielce,
8. "Projekt – Echo 70" Sp. z o.o. ['Project – Echo 70' Limited Liability Company], having its registered seat in Kielce,
9. "Projekt – Echo 72" Sp. z o.o. ['Project – Echo 72' Limited Liability Company], having its registered seat in Kielce,
10. "Projekt – Echo 73" Sp. z o.o. ['Project – Echo 73' Limited Liability Company], having its registered seat in Kielce,
11. "Projekt – Echo 74" Sp. z o.o. ['Project – Echo 74' Limited Liability Company], having its registered seat in Kielce,
12. "Projekt – Echo 75" Sp. z o.o. ['Project – Echo 75' Limited Liability Company], having its registered seat in Kielce,
13. "Projekt – Echo 78" Sp. z o.o. ['Project – Echo 78' Limited Liability Company], having its registered seat in Kielce,
14. "Projekt – Echo 80" Sp. z o.o. ['Project – Echo 80' Limited Liability Company], having its registered seat in Kielce,
15. "Projekt – Echo 81" Sp. z o.o. ['Project – Echo 81' Limited Liability Company], having its registered seat in Kielce,
16. "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 general meeting of shareholders, according to shares, is 1000. As on the registration day:

- Echo Investment SA took up 999 shares in each newly established subsidiary, entitling to 99,9% of votes at the meeting of shareholders. The purchase price is PLN 49,950 for each 999 shares.
- Projekt – Echo 17 Sp. z o.o. [Project – Echo 17 Limited Liability Company] subsidiary of Kielce took up 1 share in each newly established subsidiary, carrying 1% of votes at the general meeting of shareholders. The purchase price is PLN 50 for share. The acquired shares constitute a long-term capital investment. Acquisition of shares was financed with own funds of the Issuer and of Projekt - Echo 17 Sp. z o.o. [Project – Echo 17 Limited Liability Company] with its registered seat in Kielce.

On January 29, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register, registered a new subsidiary "Projekt Echo – 59" Sp. z o.o. ['Project Echo – 59' Limited Liability Company] with its registered seat in Kielce.

The value of the newly registered 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. As on the registration day:

- Echo Investment SA took up 999 shares in the newly established subsidiary, entitling to 99,9% of votes at the meeting of shareholders. The purchase price is PLN 49,950 for the 999 shares.
- Projekt – Echo 17 Sp. z o.o. [Project – Echo 17 Limited Liability Company] of Kielce took up 1 share in the newly established subsidiary, entitling to 1% of votes at the meeting of shareholders. The purchase price is PLN 50 for share.

The acquired shares constitute a long-term capital investment. Acquisition of shares was financed with own funds of the Issuer and of Projekt - Echo 17 Sp. z o.o. [Project - Echo 17 Limited Liability Company] subsidiary with its registered seat in Kielce.

On February 7, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register, registered a new subsidiary "Projekt Echo - 47" Sp. z o.o. ['Project Echo - 47' Limited Liability Company] with its registered seat in Kielce.

The value of the newly registered 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. As on the registration day:

- Echo Investment SA took up 999 shares in the newly established subsidiary, entitling to 99,9% of votes at the meeting of shareholders. The purchase price is PLN 49,950 for the 999 shares.
 - Projekt - Echo 17 Sp. z o.o. [Project - Echo 17 Limited Liability Company] of Kielce took up 1 share in the newly established subsidiary, entitling to 1% of votes at the meeting of shareholders. The purchase price is PLN 50 for share.
 The acquired shares constitute a long-term capital investment. Acquisition of shares was financed with own funds of the Issuer and of Projekt - Echo 17 Sp. z o.o. [Project - Echo 17 Limited Liability Company] subsidiary with its registered seat in Kielce.

On February 15, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register, registered a new subsidiary "Projekt Echo - 48" Sp. z o.o. ['Project Echo - 48' Limited Liability Company] with its registered seat in Kielce.

The value of the newly registered 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. As on the registration day:

- Echo Investment SA took up 999 shares in the newly established subsidiary, entitling to 99,9% of votes at the meeting of shareholders. The purchase price is PLN 49,950 for the 999 shares.
 - Projekt - Echo 17 Sp. z o.o. [Project - Echo 17 Limited Liability Company] of Kielce took up 1 share in the newly established subsidiary, entitling to 1% of votes at the meeting of shareholders. The purchase price is PLN 50 for share.
 The acquired shares constitute a long-term capital investment. Acquisition of shares was financed with own funds of the Issuer and of Projekt - Echo 17 Sp. z o.o. [Project - Echo 17 Limited Liability Company] subsidiary with its registered seat in Kielce.

On February 27, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register, registered a new subsidiary "Projekt Echo - 46" Sp. z o.o. ['Project Echo - 48' Limited Liability Company] with its registered seat in Kielce.

The value of the newly registered 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. As on the registration day:

- Echo Investment SA took up 999 shares in the newly established subsidiary, entitling to 99,9% of votes at the meeting of shareholders. The purchase price is PLN 49,950 for the 999 shares.
 - Projekt - Echo 17 Sp. z o.o. [Project - Echo 17 Limited Liability Company] of Kielce took up 1 share in the newly established subsidiary, entitling to 1% of votes at the meeting of shareholders. The purchase price is PLN 50 for share.
 The acquired shares constitute a long-term capital investment. Acquisition of shares was financed with own funds of the Issuer and of Projekt - Echo 17 Sp. z o.o. [Project - Echo 17 Limited Liability Company] subsidiary with its registered seat in Kielce.

The District Court in Kielce, 10th Economic Department of the National Court Register, registered the following subsidiaries:

- „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 ograniczoną odpowiedzialnością” Spółka komandytowa [“Project – Echo 42 Limited Liability Company” Limited Partnership], 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

On May 31, 2007 the District Court in Budapest registered a subsidiary “Echo – Building Ingatlanhasznosító” Kft. with its registered seat 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 45,771.00). As on the registration day, Echo Investment SA acquired 100% of initial capital of the aforementioned company, carrying 100% of votes at the general meeting of shareholders. The acquired shares were financed with the Issuer’s own funds. The Issuer intends to use the acquired shares as long-term capital investment.

On June 26, 2007, the Regional State Registration in Kiev registered a subsidiary “Echo Investment Ukraine” Limited Liability Company with its registered seat in Kiev.

The value of initial capital is UAH 42,000 (an equivalent of PLN 23,616 as on the date of occurrence according to average rate of exchange published by the National Bank of Poland). As on the registration date, Echo Investment S.A. took up 99.99% of initial capital of Echo Investment Ukraine, worth UAH 41,995.80 and carrying 99.99% votes at the general meeting of shareholders. Shares were acquired on the basis of an agreement of sales of share in initial capital, which was executed between Echo Investment SA (the Buyer) and Mr. Andriy Smetana, citizen of Ukraine (the Seller). The purchase price of the shares is USD 8,350 (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 23,616). The Issuer intends to use the acquired shares as long-term capital investment. The acquired shares were financed with the Issuer’s own funds.

II. The structure of initial capital of the following subsidiaries was changed:

On January 25, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register registered a change in the value of initial capital of subsidiary “Echo – Centrum Gdynia” Sp. z o.o. [“Echo – Gdynia Center” Limited Liability Company] with its registered seat in Kielce.

The present value of the Company’s initial capital is PLN 11,239,000 and is divided into 22,478 shares with a nominal value of PLN 500 each. The total number of votes at the meeting of shareholders, according to shares, is 22,478.

As on the registration date, ownership structure in “Echo – Centrum Gdynia” Sp. z o.o. [“Echo – Gdynia Center” Limited Liability Company] has changed and is now as follows:

- Echo Investment SA holds 18,538 shares in the subsidiary with a total value of PLN 9,269,500, giving 18,538 votes at the meeting of shareholders, forming 82.47% of the initial capital.
- “Giant” Sp. z o.o. (Limited Liability Company) with its registered seat in Poznań holds 3,939 shares with a total value of PLN 1,969,500, giving 3,939 votes at the meeting of shareholders, forming 17.52% of the initial capital,

- the subsidiary “Projekt Echo - 17” Sp. z o.o. [“Project Echo – 17” Limited Liability Company] with its registered seat in Kielce holds 1 share with a total value of PLN 500, giving 1 vote at the meeting of shareholders, forming 0.004% of the initial capital.

On February 2, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register registered a change in the value of initial capital of subsidiary “Echo Investment – Centrum Handlowo-Usługowo-Rozrywkowe Gliwice” Sp. z o.o. [“Echo Investment – Gliwice Shopping, Service and Entertainment Center” Limited Liability Company] with its registered seat in Kielce.

The present value of the Company's initial capital is PLN 4,432,500 and is divided into 8,865 shares with a nominal value of PLN 500 each. The total number of votes at the meeting of shareholders, according to shares, is 8,865.

As on the registration date, ownership structure in "Echo Investment – Centrum Handlowo-Usługowo-Rozrywkowe Gliwice" Sp. z o.o. [Echo Investment – Gliwice Shopping, Service and Entertainment Center' Limited Liability Company] has changed and is now as follows:

- Echo Investment SA holds 6,871 shares in the subsidiary with a total value of PLN 3,435,500, giving 6,871 votes at the meeting of shareholders, forming 77.51% of the initial capital,
- "Giant" Sp. z o.o. (Limited Liability Company) with its registered seat in Poznań holds 1,993 shares with a total value of PLN 996,500, giving 1,993 votes at the meeting of shareholders, forming 22.48% of the initial capital,
- the subsidiary "Projekt Echo - 17" Sp. z o.o. [Project Echo - 17' Limited Liability Company] with its registered seat in Kielce holds 1 share with a total value of PLN 500, giving 1 vote at the meeting of shareholders, forming 0.01% of the initial capital.

On March 1, 2007, annex no. 2 to the contract of sale of shares as of July 6, 2006 was executed 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 (jointly called the Sellers). Under the provisions of the aforementioned annex, the parties to the contract have determined the ultimate sales price of 100% of the shares in share capital of Polimeni International Poznań Sp. z o.o., seated in Gdynia, as PLN 39,109,952.59.

In regard of the merger of "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 (the merging company) with the following companies:

"Echo Investment - Centrum Handlowe Pabianice" Sp. z o.o. [Echo Investment – Pabianice Shopping Center' Limited Liability Company], having its registered seat in Kielce

- "Echo Investment - Centrum Handlowe Radom" Sp. z o.o. [Echo Investment – Radom Shopping Center' Limited Liability Company], having its registered seat in Kielce (the merged companies), the existing shareholders of the merged companies have taken up the newly established shares in the merging company:

- Echo Investment SA: 426,916 shares with a total value of PLN 21,345,800, giving 426,916 votes at the meeting of shareholders, forming 65.13% of the initial capital,
- the subsidiary "Projekt Echo - 17" Sp. z o.o. [Project Echo - 17' Limited Liability Company] with its registered seat in Kielce: 125 share with a total value of PLN 6,250, giving 125 votes at the meeting of shareholders, forming 0.02% of the initial capital.

In regard of merger of the subsidiary „Echo Investment – Centrum Handlowe Świętochłowice” Sp. z o.o. [Echo Investment – Świętochłowice Shopping Center' Limited Liability Company] (the merging company) with the following companies:

- "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 Sp. 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'], having its registered seat in Kielce,

- "Echo Investment - Centrum Handlowe Tczew Sp. z o.o." [Echo Investment – Tczew Shopping Center Limited Liability Company'], having its registered seat in Kielce,

- "Echo Investment - Centrum Handlowe Zamość Sp. z o.o. " [Echo Investment – Zamość Shopping Center Limited Liability Company'], having its registered seat in Kielce (the merged companies), the existing shareholders of the merged companies have taken up the newly established shares in the merging company:

- Echo Investment SA: 557,263 shares with a total value of PLN 27,863,150, giving 557,263 votes at the meeting of shareholders, forming 82.77% of the initial capital,

- the subsidiary "Projekt Echo - 17" Sp. z o.o. ['Project Echo - 17' Limited Liability Company] with its registered seat in Kielce: 195 share with a total value of PLN 9,750, giving 195 votes at the meeting of shareholders, forming 0.03% of the initial capital.

On February 28, 2007, in consequence of agreements of transfer of enterprises, which were made between the following subsidiaries: (i) „Echo – Centrum Bankowości i Finansów” Sp. z o.o. ['Echo Banking and Finance Center' Limited Liability Company] with its registered seat in Kielce, (ii) „Echo – Centrum Biznesu Łódź” Sp. z o.o. ['Echo Łódź Business Center' Limited Liability Company] with its registered seat in Kielce (the Selling Companies) and „Projekt Echo – 53” Sp. z o.o. ['Project Echo – 53' Limited Liability Company] with its registered seat in Kielce (the Buying Company), the present shareholders of the Selling Companies acquired the 1,979,745 newly established shares in the Buying Company of a total value of PLN 98,987,250, where:

- 950,466 shares for a total nominal value of PLN 47,523,300 shall be taken up by "Echo – Centrum Bankowości i Finansów" Sp. z o.o. ['Echo – Banking and Finance Center' Limited Liability Company]. These shares constitute 47.99% of the company's initial capital, giving 950,466 votes at the meeting of shareholders.

- 1,029,279 shares for a total nominal value of PLN 51,463,950 shall be taken up by "Echo – Centrum Biznesu Łódź" Sp. z o.o. ['Echo – Łódź Business Center' Limited Liability Company]. These shares constitute 51.96% of the company's initial capital, giving 1,029,279 votes at the meeting of shareholders.

On April 18, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register, registered the aforementioned changes in the initial capital of "Projekt Echo – 53" Sp. z o.o. ['Project Echo – 53' Limited Liability Company] with its registered seat in Kielce.

In the course of execution of resolution no. 2, passed by the Extraordinary General Meeting of Shareholders of Echo Investment SA of March 5, 2007 on consenting to transfer of an organized part of the enterprise of Echo Investment SA Company through a non-cash contribution to a company of Echo Investment Capital Group, an agreement of transfer of an organized part of company Echo Investment SA – Oddział Pasaż Świętokrzyski ("the Branch") was signed on March 8. The Branch is a non-cash contribution for coverage of newly established 2,201,947 shares in the initial capital of "Projekt Echo – 54" Sp. z o.o. ['Project Echo – 54' Limited Liability Company] with total value of PLN 110,097,350, where all these newly established shares were taken up by Echo Investment SA. These shares form 99.9% of the Company's initial capital, giving 2,202,946 votes at the meeting of shareholders. On March 30, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register, registered the aforementioned changes in the initial capital of "Projekt Echo – 54" Sp. z o.o. ['Project Echo – 54' Limited Liability Company].

On March 14, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register, registered Echo Investment SA – Oddział Pasaż Świętokrzyski [Echo Investment Joint Stock Company – Świętokrzyski Arcade Branch], being a separated part of Echo Investment SA company within the meaning of Article 4a clause 4 of the Act as of February 15, 1992 on Corporate Income Tax (Journal of Laws as of 2000, No. 54, item 694), being an establishment that prepares its balance sheet independently, within the meaning of Article 6 item 1 of the Act as of March 11, 2004, on Tax on Goods and Services (Journal of Laws No. 54, item 535), as a Branch named "Echo Investment S.A. – Oddział Pasaż Świętokrzyski" ['Echo Investment Joint Stock Company – Świętokrzyski Arcade Branch'], covering a set of tangible and intangible assets required for and related to the activity carried out under the Branch.

On March 30, 2007 the District Court, 10th Economic Department of the National Court Register of Kielce, registered changes to the initial capital of "Projekt Echo – 54" Sp. z o.o. ['Project Echo – 54' Limited Liability Company]. Echo Investment S.A. took up 2,201,947 shares in the initial capital with a nominal value of PLN 50 each, and covered them in whole with a non-cash contribution – the Branch named "Echo Investment S.A. – Oddział Pasaż Świętokrzyski" ['Echo Investment Joint Stock Company – Świętokrzyski Arcade Branch'], classified as an organized part of the Company's enterprise.

The present value of the Company's initial capital is PLN 110,147,350 and is divided into 2,202,947 shares with a nominal value of PLN 50 each.

As on the date of registration of initial capital changes, ownership structure in "Projekt Echo - 54" Sp. z o.o. ['Project Echo - 54' Limited Liability Company] has changed and is now as follows:

- "Echo Investment SA" holds 2,202,946 shares in the subsidiary with a total value of PLN 110,147,300, yielding 2,202,946 votes at the meeting of shareholders, which forms 99.99995 % of the initial capital,
- the subsidiary "Projekt Echo - 17" Sp. z o.o. ("Project Echo - 17" Limited Liability Company) with its registered seat in Kielce holds 1 share with a total value of PLN 50, yielding 1 vote at the meeting of shareholders, which forms 0.00005 % of the initial capital.

On April 3, 2007 Echo Investment SA purchased from Giant Sp. z o.o. [Giant Limited Liability Company] of Poznań 1,993 shares in "Echo Investment - Centrum Handlowo-Uslugowo-Rozrywkowe Gliwice" Sp. z o.o. ['Echo Investment - Gliwice Shopping, Service and Entertainment Center' Limited Liability Company] with its registered seat in Kielce, constituting 22.48% of the initial capital worth PLN 996,500, carrying 1,993 votes at the general meeting of shareholders of the company.

On April 3, 2007 Echo Investment SA purchased from "Giant" Sp. z o.o. ('Giant' Limited Liability Company) with its registered seat in Poznań 3,939 shares with a total value of PLN 1,969,500, giving 3,939 votes at the meeting of shareholders, forming 17.52% of the initial capital.

On April 18, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register, registered the changes in the initial capital of "Projekt Echo - 53" Sp. z o.o. ['Project Echo - 53' Limited Liability Company] with its registered seat in Kielce.

On the basis of the agreements of transfer of enterprises, which were made on February 28, 2007 between the following subsidiaries: (i) „Echo - Centrum Bankowości i Finansów” Sp. z o.o. ['Echo Banking and Finance Center' Limited Liability Company] with its registered seat in Kielce, (ii) „Echo - Centrum Biznesu Łódź” Sp. z o.o. ['Echo Łódź Business Center' Limited Liability Company] with its registered seat in Kielce (the Selling Companies) and „Projekt Echo - 53” Sp. z o.o. ['Project Echo - 53' Limited Liability Company] with its registered seat in Kielce (the Buying Company), the present shareholders of the Selling Companies acquired the 1,979,745 newly established shares in the Buying Company of a total value of PLN 98,987,250

„Echo - Centrum Biznesu Łódź” Sp. z o.o. ['Echo - Łódź Business Center' Limited Liability Company] took up 1,029,279 shares in the initial capital with nominal value of PLN 50 and covered them up in whole with a non-cash contribution, being an enterprise, while „Echo - Centrum Bankowości i Finansów Łódź” Sp. z o.o. ['Echo - Łódź Banking and Finance Center' Limited Liability Company] took up 950,466 shares in the initial capital for a nominal value of PLN 50 each and covered them in whole with a non-cash contribution being an enterprise.

As on the registration date, ownership structure in "Projekt Echo - 53" Sp. z o.o. ['Project Echo - 53' Limited Liability Company] has changed and is now as follows:

- the subsidiary "Echo - Centrum Biznesu Łódź" Sp. z o.o. ["Echo - Łódź Business Center" Limited Liability Company] holds 1,029,279 shares in the subsidiary with a total value of PLN 51,463,950, yielding 1,029,279 votes at the meeting of shareholders, which forms 51.96% of the initial capital.
- the subsidiary "Echo - Centrum Bankowości i Finansów Łódź" Sp. z o.o. ["Echo - Łódź Banking and Financial Center" Limited Liability Company] holds 950,466 shares in the subsidiary with a total value of PLN 47,523,300, yielding 950,466 votes at the meeting of shareholders, which forms 47.98% of the initial capital.
- "Echo Investment SA" holds 999 shares in the subsidiary with a total value of PLN 49,950, yielding 999 votes at the meeting of shareholders, which forms 0.05% of the initial capital,
- the subsidiary "Projekt Echo - 17" Sp. z o.o. ("Project Echo - 17" Limited Liability Company) with its registered seat in Kielce holds 1 share with a total value of PLN 50, yielding 1 vote at the meeting of shareholders, which forms 0.0001% of the initial capital.

On May 16, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register, registered changes in the value and structure of initial capital of subsidiary "Echo - Centrum Bankowości i Finansów Łódź" Sp. z o.o. ['Echo - Łódź Banking and Finance Center' Limited Liability Company] with its registered seat in Kielce. The value of the company's initial capital was reduced and now equals PLN

3,000,500, divided into 6,001 shares with a nominal value of PLN 500 each. The total number of votes at the meeting of shareholders, according to shares, is 6,001.

As on the registration date, ownership structure in “Echo – Centrum Bankowości i Finansów Łódź” Sp. z o.o. [‘Echo – Łódź Banking and Finance Center’ Limited Liability Company] is now as follows:

- Echo Investment SA holds 6,001 shares in the subsidiary with a total value of PLN 3,000,500, giving 6,001 votes at the meeting of shareholders, forming 100% of the initial capital.

II. 11 companies were eliminated from the Capital Group:

- “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 (the merging company) merged with the following companies:

- “Echo Investment - Centrum Handlowe Pabianice” Sp. z o.o. [‘Echo Investment - Pabianice Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Radom” Sp. z o.o. [‘Echo Investment - Radom Shopping Center’ Limited Liability Company], having its registered seat in Kielce (the merged companies).

and

- „Echo Investment - Centrum Handlowe Świętochłowice” Sp. z o.o. [‘Echo Investment - Świętochłowice Shopping Center’ Limited Liability Company] (the merging company) merged with the following companies:

- “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 Sp. 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’], having its registered seat in Kielce,
- “Echo Investment - Centrum Handlowe Tczew Sp. z o.o.” [‘Echo Investment - Tczew Shopping Center Limited Liability Company’], having its registered seat in Kielce,
- “Echo Investment - Centrum Handlowe Zamość Sp. z o.o.” [‘Echo Investment - Zamość Shopping Center Limited Liability Company’], having its registered seat in Kielce (the merged companies).

On January 30, 2007 Echo Investment SA transferred 100% of shares in the initial capital of the following companies:

- “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.

The sales price of shares in the aforementioned companies was PLN 400,000 and the book value of these shares in the Issuer’s books of accounts was PLN 200,000.

The nominal value of 100% shares in each company is PLN 50,000. The Issuer’s previous share in the initial capital of each of the aforementioned companies was 100% and the number of votes carried by these shares was 100 votes at the general meeting of shareholders of each of the transferred companies.

IV. Names of the following subsidiaries were changed:

The District Court in Kielce, 10th Department of the National Court Register, registered the following:

- replacement of company name of “Hotel Investment Sp. z o.o.” Sp.k. [‘Hotel Investment Limited Liability Company’ Limited Partnership], having its registered seat in Kielce, with “Echo - Arena Sp. z o.o.” Sp.k. [‘Echo - Arena Limited Liability Company’ Limited Partnership], having its registered seat in Kielce,

- replacement of company name of “Kieleckie Centrum Handlowo - Rozrywkowe Echo” Sp. z o.o. [‘Echo Shopping & Entertainment Center of Kielce’ Limited Liability Company], having its registered seat in Kielce, with “Echo – Galeria Kielce” Sp. z o.o. [‘Echo – Kielce Gallery’ Limited Liability Company’], having its registered seat in Kielce,
- replacement of company name of “Echo Investment – Centrum Handlowe Świętochłowice” Spółka z o.o. [‘Echo Investment – Świętochłowice Shopping Center’ Limited Liability Company] with “Echo – SPV 6” Sp. z o.o. [‘Echo – SPV 6’ Limited Liability Company’], having its registered seat in Kielce, with its registered seat in Kielce,
- replacement of company name of “Echo Investment – Centrum Handlowe Łomża” Spółka z o.o. [‘Echo Investment – Łomża Shopping Center’ Limited Liability Company] with “Echo – Veneda” Sp. z o.o. [‘Echo – Veneda’ Limited Liability Company’], having its registered seat in Kielce, with its registered seat in Kielce.
- replacement of company name of “Echo Investment – Centrum Handlowe Bełchatów” Spółka z o.o. [‘Echo Investment – Bełchatów Shopping Center’ Limited Liability Company] with “Echo – Centrum Bełchatów” Sp. z o.o. [‘Echo – Bełchatów Center’ Limited Liability Company’], having its registered seat in Kielce, with its registered seat in Kielce,
- replacement of company name of “Echo Investment – Centrum Handlowe Jelenia Góra” Spółka z o.o. [‘Echo Investment – Jelenia Góra Shopping Center’ Limited Liability Company] with “Echo – Centrum Jelenia Góra” Sp. z o.o. [‘Echo – Jelenia Góra Center’ Limited Liability Company’], having its registered seat in Kielce, with its registered seat in Kielce,
- replacement of company name of “Echo Investment – Centrum Handlowe Przemyśl” Spółka z o.o. [‘Echo Investment – Przemyśl Shopping Center’ Limited Liability Company] with “Echo – Centrum Przemyśl” Sp. z o.o. [‘Echo – Przemyśl Center’ Limited Liability Company’], having its registered seat in Kielce, with its registered seat in Kielce,
- replacement of company name of “Echo Investment – Centrum Handlowe Rzeszów” Spółka z o.o. [‘Echo Investment – Rzeszów Shopping Center’ Limited Liability Company] with “Echo – Centrum Rzeszów” Sp. z o.o. [‘Echo – Rzeszów Center’ Limited Liability Company’], having its registered seat in Kielce, with its registered seat in Kielce,
- replacement of company name of “Echo Investment – Centrum Handlowe Tarnów” Spółka z o.o. [‘Echo Investment – Tarnów Shopping Center’ Limited Liability Company] with “Echo – Centrum Tarnów” Sp. z o.o. [‘Echo – Tarnów Center’ Limited Liability Company’], having its registered seat in Kielce, with its registered seat in Kielce,

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

On account of securities, Echo Investment S.A. did not have and did not make any investments in shares of companies quoted on the stock exchange during the first half of 2007.

7. 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.

7.1. Transactions with companies from Echo Investment 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 real estates on which the shopping centers have been built, a significant part of transactions executed by Echo Investment are made with affiliated companies.

In the 1st half of 2007, the following contracts were made between Echo Investment S.A. and companies from Echo Investment S.A. Capital Group:

- on January 15, 2007, Echo Investment SA assigned all rights and obligations to the immovable property situated in Budapest, 14th District Zuglo, with an area of 6.84 hectares, to Echo Investment Hungary Ingatlanhasznosító Kft. with its registered seat in Budapest under the contract of purchase of the aforementioned property, effected on June 12, 2006 between Echo Investment SA and the Local government of the 14th District of the Capital City of Budapest - Zuglo (the Seller). Pursuant to the annex signed, the subsidiary is going to continue development of a modern multifunctional project.

- on January 19, 2007 the District Court in Krakow, 7th Department of Pledge Registry, registered a pledge in the Pledge Registry on one share in the share capital of the Issuer's subsidiary "Echo - Galaxy" Sp. z o.o. ['Echo - Galaxy' Limited Liability Company], owned by the Issuer's subsidiary "Projekt - Echo 43" Sp. z o.o. ['Project - Echo 43' Limited Liability Company], in favor of EUROHYPO AG Bank with its registered seat in Eschborn, Germany. The pledge on share is a collateral of the maximum amount of credit facility granted to "Echo - Galaxy Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Echo - Galaxy Limited Liability Company' Limited Partnership] by EUROHYPO AG Bank. The value of the collateral is EUR 150 million.

- on January 22, 2007 the District Court in Krakow, 7th Department of Pledge Registry, registered a pledge in the Pledge Registry on all rights and obligations in the Issuer's subsidiary "Echo - Galaxy Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Echo - Galaxy Limited Liability Company' Limited Partnership], owned by the Issuer's subsidiary "Echo - Galaxy" Sp. z o.o. ['Echo - Galaxy' Limited Liability Company], in favor of EUROHYPO AG Bank with its registered seat in Eschborn, Germany, as a collateral of the maximum amount of credit facility granted to "Echo - Galaxy Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Echo - Galaxy Limited Liability Company' Limited Partnership] by EUROHYPO AG Bank. The value of the collateral is EUR 150 million.

- on January 22, 2007 the District Court in Krakow, 7th Department of Pledge Registry, registered a pledge in the Pledge Registry on one share in the initial capital of the Issuer's subsidiary "Projekt Echo - 43" Sp. z o.o. ['Project Echo - 43' Limited Liability Company], owned by the Issuer's subsidiary "Projekt Echo - 17" Sp. z o.o. ['Project Echo - 17' Limited Liability Company] in favor of EUROHYPO AG Bank with its registered seat in Eschborn, Germany, as a collateral of the maximum amount of credit facility granted to "Echo - Galaxy Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Echo - Galaxy Limited Liability Company' Limited Partnership] by EUROHYPO AG Bank. The value of the collateral is EUR 150 million.

- on January 25, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register, 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. ['Echo Investment - Piotrków Trybunalski Shopping Center' Limited Liability Company] („the holding company”) merged with the following subsidiaries of the Issuer: „Echo Investment - Centrum Handlowe Pabianice Sp. z o.o.” ['Echo Investment - Pabianice Shopping Center Limited Liability Company'] with its registered seat in Kielce, and „Echo Investment - Centrum Handlowe Radom Sp. z o.o.” ['Echo Investment - Radom Shopping Center Limited Liability Company'] 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.

The registered values of the merged Companies' shares in the Issuer's and its subsidiaries' books of accounts were as follows, respectively:

- "Echo Investment - Centrum Handlowe Pabianice Sp. z o.o." ['Echo Investment - Pabianice Shopping Center Limited Liability Company']: PLN 13,310,700,

- "Echo Investment - Centrum Handlowe Radom Sp. z o.o." ['Echo Investment - Radom Shopping Center Limited Liability Company']: PLN 14,101,500.

As on the day of the aforementioned registration, the newly established shares in "Echo Investment - Centrum Handlowe Piotrków Trybunalski" Sp. z o.o. ['Echo Investment - Piotrków Trybunalski Shopping Center' Limited Liability Company] were taken up by:

- Echo Investment SA: 426,916 shares of a total value of PLN 21,345,800, giving 426,916 votes at the meeting of shareholder, i.e. 65.13% of initial capital,
- Issuer's subsidiary „Projekt Echo - 17” Sp. z o.o. ['Project Echo - 17' Limited Liability Company] with its registered seat in Kielce: 125 shares of a total value of PLN 6,250, giving 125 votes at the meeting of shareholders, i.e. 0.02% of initial capital.

- on January 26, 2007 the District Court in Krakow, 7th Economic Department of the Registry of Pledges, registered pledges on shares of the Issuer's subsidiaries in the Registry of Pledges. Pledges were established on 99 shares of the Issuer's subsidiaries:

- "Projekt - Echo 43" Sp. z o.o. ['Project - Echo 43' Limited Liability Company], having its registered seat in Kielce,

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

owned by Echo Investment SA.

The pledges established on shares constitute a collateral in favor of Bank Eurohypo AG, seated in Eschborn, Germany, concerning repayment of obligations under a loan agreement, up to EUR 150 million, which the Issuer reported in the current report no. 66/2006. The pledges on the shares have been established on the basis of agreements of registered pledge on shares, made between Echo Investment SA and Eurohypo AG Bank of Eschborn (Germany) on December 29, 2006. The pledged shares constitute:

- 99% of share capital of Projekt Echo-43 Sp. z o.o. [Project Echo-43 Limited Liability Company], in nominal value of PLN 49,500, giving 99 vote at the meeting of shareholders,

- 99% of share capital of Echo Galaxy Sp. z o.o. [Echo Galaxy Limited Liability Company], in nominal value of PLN 49,500, giving 99 vote at the meeting of shareholders.

The aforementioned shares constitute a long-term capital investment for the Issuer. The book value of the assets in the Issuer's books of accounts of the assets on which pledge was established is:

- "Projekt Echo - 43" Sp. z o.o. ['Project Echo - 43' Limited Liability Company]: PLN 50,482.

- "Echo Galaxy" Sp. z o.o. ['Echo Galaxy' Limited Liability Company]: PLN 51,252.

- on February 8, 2007 the District Court in Szczecin, 12th Department of Land and Mortgage Registers entered in the land and mortgage register capped mortgage securities on the immovable property owned by the Issuer's subsidiary Echo - Galaxy Spółka z ograniczoną odpowiedzialnością Sp. k. [Echo - Galaxy Limited Liability Company, Limited Partnership] with its registered seat in Kielce. The assets, on which the mortgage was established, are situated in Szczecin, al. Wyzwolenia Street, and constitute real estate let for perpetual usufruct, whereon the Galaxy shopping and entertainment center building is erected.

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, which the Issuer reported on December 29, 2006. The book value of sold assets in the books of accounts of the assets on which mortgage was established is PLN 195,331,000 (according to the balance as on September 30, 2006).

- on February 21, 2007 the District Court in Kielce, 10th Economic Department of the National Court Register, 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. [‘Echo Investment – Świętochłowice Shopping Center’ Limited Liability Company] („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 Sp. z o.o.” [‘Echo Investment – Zamość Shopping Center Limited Liability Company’], having its registered seat in Kielce (hereinafter 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.

The registered values of the merged Companies’ shares in the Issuer’s and its subsidiaries’ books of accounts were as follows, respectively:

- “Echo Investment - Centrum Handlowe Olkusz Sp. z o.o.” [‘Echo Investment – Olkusz Shopping Center Limited Liability Company’]: PLN 10,058,020.99,
- “Echo Investment - Centrum Handlowe Piła Sp. z o.o.” [‘Echo Investment – Piła Shopping Center Limited Liability Company’]: PLN 4,450,650.70,
- “Echo Investment - Centrum Handlowe Siemianowice Śląskie Sp. z o.o.” [‘Echo Investment – Siemianowice Śląskie Shopping Center Limited Liability Company’]: PLN 5,297,549.10,
- “Echo Investment - Centrum Handlowe Tczew Sp. z o.o.” [‘Echo Investment – Tczew Shopping Center Limited Liability Company’]: PLN 3,590,059.17,
- “Echo Investment - Centrum Handlowe Zamość Sp. z o.o.” [‘Echo Investment – Zamość Shopping Center Limited Liability Company’]: PLN 4,551,520.01.

As on the day of the aforementioned registration, the newly established shares in “Echo Investment – Centrum Handlowe Świętochłowice” Sp. z o.o. [‘Echo Investment – Świętochłowice Shopping Center’ Limited Liability Company] were issued to:

- Echo Investment SA: 557,263 shares of a total value of PLN 27,863,150, giving 557,263 votes at the meeting of shareholder, i.e. 82.77% of initial capital,
- Issuer’s subsidiary „Projekt Echo – 17” Sp. z o.o. [‘Project Echo – 17’ Limited Liability Company] with its registered seat in Kielce: 195 shares of a total value of PLN 9,750, giving 195 votes at the meeting of shareholders, i.e. 0.03% of initial capital.

The newly created shares constitute a long-term capital investment.

The registered values of the merged Companies’ transferred assets in the Issuer’s or its subsidiaries’ books of accounts as on September 30, 2006 were as follows, respectively:

- in “Echo Investment - Centrum Handlowe Olkusz Sp. z o.o.” [‘Echo Investment – Olkusz Shopping Center Limited Liability Company’]: 19.44 million PLN.
- in “Echo Investment - Centrum Handlowe Piła Sp. z o.o.” [‘Echo Investment – Piła Shopping Center Limited Liability Company’]: 11.45 million PLN.
- in “Echo Investment - Centrum Handlowe Siemianowice Śląskie Sp. z o.o.” [‘Echo Investment – Siemianowice Śląskie Shopping Center Limited Liability Company’]: 14.30 million PLN.
- in “Echo Investment - Centrum Handlowe Tczew Sp. z o.o.” [‘Echo Investment – Tczew Shopping Center Limited Liability Company’]: 12.52 million PLN.
- in “Echo Investment - Centrum Handlowe Zamość Sp. z o.o.” [‘Echo Investment – Zamość Shopping Center Limited Liability Company’]: PLN 16.44 million.

The assets of the merged Companies were used in developer and financial activity. The holding company will continue the operations of the merged Companies and present utilization of transferred assets.

As on the date of registration of the aforementioned changes, the value of initial capital of “Echo Investment – Centrum Handlowe Świętochłowice” Sp. z o.o. [‘Echo Investment – Świętochłowice Shopping Center’ Limited Liability Company] is PLN 33,662,250 and is divided into 673,245 shares with a nominal value of PLN 50 each. The total number of votes at the meeting of shareholders, according to shares, is 673,245.

Ownership structure of “Echo Investment – Centrum Handlowe Świętochłowice” Sp. z o.o. [‘Echo Investment – Świętochłowice Shopping Center’ Limited Liability Company] has changed and is now as follows:

- Echo Investment SA holds 673,049 shares in the subsidiary with a total value of PLN 33,652,450, giving 637,049 votes at the meeting of shareholders, forming 99.97% of the initial capital,

- the Issuer’s subsidiary “Projekt Echo - 17” Sp. z o.o. [‘Project Echo - 17’ Limited Liability Company] with its registered seat in Kielce holds 195 shares with a total value of PLN 9,750, giving 195 votes at the meeting of shareholders, forming 0.03% of the initial capital.

- the Issuer’s subsidiary “Projekt Echo - 37” Sp. z o.o. [‘Project Echo - 37’ Limited Liability Company] with its registered seat in Kielce holds 1 share with a total value of PLN 50, giving 1 vote at the meeting of shareholders, forming 0.0001% of the initial capital.

- 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”). The object of contract of transfer of establishment made between „Projekt Echo - 53” Sp. z o.o. [‘Project Echo - 53’ Limited Liability Company] and „Echo – Centrum Bankowości i Finansów” Sp. z o.o. [‘Echo – Banking and Finance Center’ Limited Liability Company] is an establishment comprising the right of perpetual usufruct of immovable property situated in Łódź, Sienkiewicza Street, with an area of 1,265 sq. m, including ownership of an office building erected thereon, usable area of 8,318 sq. m, forming a separate object of ownership, with all rights and obligations pertaining thereto.

The value of contract is PLN 47,523,341.95 and the accounting value of the transferred establishment in the books of accounts of the Issuer's subsidiaries is PLN 29,702,029.99 (as on December 31, 2006).

The object of contract of transfer of establishment made between „Projekt Echo - 53” Sp. z o.o. [‘Project Echo - 53’ Limited Liability Company] and „Echo – Centrum Biznesu Łódź” Sp. z o.o. [‘Echo – Łódź Business Center’ Limited Liability Company] is an establishment comprising the right of perpetual usufruct of immovable property situated in Łódź, Piotrkowska Street, with an area of 2,487 sq. m, including ownership of an office building erected thereon, usable area of 12,291 sq. m, forming a separate object of ownership, with all rights and obligations pertaining thereto.

The value of contract is PLN 51,463,974.57 and the accounting value of the transferred establishment in the books of accounts of the Issuer's subsidiaries is PLN 40,052,646.83 (as on December 31, 2006).

The aforementioned establishments form a non-cash contribution for coverage of newly established 1,979,745 shares in the initial capital of “Projekt Echo - 53” Sp. z o.o. [‘Project Echo - 53’ Limited Liability Company] with total value of PLN 98,987,250, where:

- 950,466 shares for a total nominal value of PLN 47,523,300 shall be taken up by “Echo – Centrum Bankowości i Finansów” Sp. z o.o. [‘Echo – Banking and Finance Center’ Limited Liability Company]. These shares constitute 47.99% of the company's initial capital, giving 950,466 votes at the meeting of shareholders.

- 1,029,279 shares for a total nominal value of PLN 51,463,950 shall be taken up by “Echo – Centrum Biznesu Łódź” Sp. z o.o. [‘Echo – Łódź Business Center’ Limited Liability Company]. These shares constitute 51.96% of the company's initial capital, giving 1,029,279 votes at the meeting of shareholders.

- on March 01, 2007 the District Court in Krakow, 7th Department of Pledge Registry, registered a pledge in the Pledge Registry on all rights and obligations in the Issuer’s subsidiary “Echo – Galaxy

Spółka z ograniczoną odpowiedzialnością” Sp.k. [‘Echo – Galaxy Limited Liability Company’ Limited Partnership], owned by Echo Investment SA, in favor of EUROHYPO AG Bank with its registered seat in Eschborn, Germany, as a collateral of the maximum amount of credit facility granted to “Echo – Galaxy Spółka z ograniczoną odpowiedzialnością” Sp.k. [‘Echo – Galaxy Limited Liability Company’ Limited Partnership] by EUROHYPO AG Bank. The value of the collateral is EUR 150 million.

- on March 01, 2007 the District Court in Krakow, 7th Department of Pledge Registry, registered a pledge in the Pledge Registry on all rights and obligations in the Issuer’s subsidiary “Echo – Galaxy Spółka z ograniczoną odpowiedzialnością” Sp.k. [‘Echo – Galaxy Limited Liability Company’ Limited Partnership], owned by the Issuer’s subsidiary “Projekt Echo - 43” Sp. z o.o. [‘Project Echo - 43’ Limited Liability Company], in favor of EUROHYPO AG Bank with its registered seat in Eschborn, Germany, as a collateral of the maximum amount of credit facility granted to “Echo – Galaxy Spółka z ograniczoną odpowiedzialnością” Sp.k. [‘Echo – Galaxy Limited Liability Company’ Limited Partnership] by EUROHYPO AG Bank. The value of the collateral is EUR 150 million.

On March 8, 2007 an agreement was made between Echo Investment SA with its registered seat in Kielce („the Seller”) and a subsidiary „Projekt Echo – 54” Sp. z o.o. [‘Project Echo – 54’ Limited Liability Company] with its registered seat in Kielce („the Buyer”) on transfer of an organized part of enterprise – 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 Act as of January 15, 1992 on Corporate Income Tax (Journal of Laws of 2000 No. 54 item 694), which is an establishment preparing its independent balance sheet within the meaning of Article 6 item 1 of the Act as of March 11, 2004 on Tax on Goods and Services (VAT) (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. These assets include, among other, ownership right to immovable property situated in Kielce at Massalskiego Street and Kredowa Street, with an area of 50,716 sq. m, including ownership of a shopping center building erected thereon, usable area of 16,467 sq. m, with all rights and obligations pertaining thereto.

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). The aforementioned organized part of enterprise form a non-cash contribution for coverage of newly established 2,201,947 shares in the initial capital of “Projekt Echo – 54” Sp. z o.o. [‘Project Echo – 54’ Limited Liability Company] with total value of PLN 110,097,350, where all these newly established shares shall be taken up by Echo Investment SA. Together with the existing shares, the aforementioned shares form 99.9% of the Company’s initial capital, giving 2,202,946 votes at the meeting of shareholders.

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

During the first half of the year 2007, 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.

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

8.1. Credit agreements

Echo Investment S.A.'s liabilities on account of credits taken as at the end of June 2007 are presented in the table below:

Name of bank	Types of obligations	Credit currency	Credit amount according to contract [in thousands PLN]	Credit usage level [in thousands PLN] as on 2007-06-30	Final repayment date
Bank BPH S.A. [BPH Bank Joint Stock Company]	Working capital facility	PLN	30.000	0	30.05.2009
Bank BPH S.A. [BPH Bank Joint Stock Company]	Advance on current account	PLN	20.000	0	29.06.2008
Bank BZ WBK SA [BZ WBK Joint Stock Company]	Advance on current account	PLN	20.000	0	31.05.2009
Bank Handlowy w Warszawie S.A. [Handlowy Bank of Warsaw Joint Stock Company]	Advance on current account	PLN	20.000	26	07.03.2008
Bank Pekao S.A. [Pekao Joint Stock Company]	Advance on current account	PLN	20.000	0	30.06.2008
Bank Pekao S.A. [Pekao Joint Stock Company]	Working capital facility	PLN	90.000	0	30.06.2009
Bank PKO BP SA [PKO BP Joint Stock Company]	Advance on current account	PLN	20.000	0	20.08.2009
Bank PKO BP SA [PKO BP Joint Stock Company]	Advance on current account	PLN	40.000	0	20.08.2009
Fortis Bank Polska SA [Fortis Bank Poland Joint Stock Company]	Advance on current account	PLN	20.000	0	29.11.2008
ING Bank Śląski SA [ING Bank Śląski Joint Stock Company]	Advance on current account	PLN	30.000	0	05.09.2008

8.3. Loan agreements

8.3.1. Loans taken – short-term

Entity	Loan amount [in thousands PLN]	Final repayment date
Echo Bau Sp. z o.o. [Echo Bau Limited Liability Company]	50	2007-12-31
Projekt Echo 34 Sp. z o.o. [Project Echo 34 Limited Liability Company]	50	2007-12-31
Projekt Echo 30 Sp. z o.o. [Project Echo 30 Limited Liability Company]	50	2007-12-31
Galeria Echo - Kielce Sp. z o.o. [‘Echo Arcade - Kielce’ Limited Liability Company]	50	2007-12-31
Echo - Galaxy Sp. z o.o. [Echo - Galaxy Limited Liability Company]	50	2007-12-31
Projekt Echo 37 Sp. z o.o. [Project Echo 37 Limited Liability Company]	50	2007-12-31

8.3.1. Loans taken – long-term

Entity	Loan amount [in thousands PLN]	Final repayment date
Echo - SPV 6 Sp. z o.o. [Echo - SPV 6 Limited Liability Company]	9 413	2008-12-31

8.3.2. Granted loans – short-term

Entity	Outstanding loan amount [in thousands PLN] as on 2007-06-30	Final repayment date
Echo - Centrum Poznań Sp. z o.o. [Echo - Poznań Center’ Limited Liability Company]	41 936	2007-12-31
Malta Office Park Sp. z o.o. [Malta Office Park Limited Liability Company]	6 128	2007-12-31
Other	1 115	2007-12-31

8.3.3. Granted loans – long-term

Entity	Outstanding loan amount [in thousands PLN] as on 2007-06-30	Final repayment date
Projekt Naramowice Sp. z o.o. [Project Naramowice Limited Liability Company]	59 248	2009-12-31
Athina Park SP. z o. o. [Athina Park Limited Liability Company]	15 971	2009-12-31
Echo - Centrum Biznesu Łódź Sp. z o.o. [Echo - Business Center Łódź Limited Liability Company]	6 506	2012-06-28

Centrum Bankowości i Finansów Łódź Sp. z o.o. [Banking and Finance Center Łódź Limited Liability Company]	3 533	2011-12-31
Projekt S Sp. z o.o. [Project S Limited Liability Company]	933	2008-08-19

8.4. 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 1st half of 2007 is presented in the table below:

Name of bank	Type of instrument	Amount utilized [in thousands PLN]	Bonds redemption date
BRE Bank S.A. [BRE Bank Joint Stock Company]	Bonds	150.000	25.05.2011
BRE Bank S.A. [BRE Bank Joint Stock Company]	Bonds	100.000	25.05.2013
BRE Bank S.A. [BRE Bank Joint Stock Company]	Bonds	300.000	30.06.2014
BRE Bank S.A. [BRE Bank Joint Stock Company]	Bonds	50.000	23.11.2007
Bank BPH S.A. [BPH Bank Joint Stock Company]	Bonds	30.000	04.09.2007
Bank BPH S.A. [BPH Bank Joint Stock Company]	Bonds	30.000	11.09.2007

1. On April 16, 2007, Echo Investment SA signed annexes to contracts concerning the Bonds Issuance Program as of April 15, 2004 with BRE Bank S.A., with its registered seat in Warsaw. Annexes to the aforementioned contracts increase the total nominal value of all issued bonds from PLN 300 million to PLN 600 million. Echo Investment SA is allowed to effect 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. 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. Terms and conditions of issue shall be set out a few days prior to issue, during the term of the Contract on Bonds Issue (until April 16, 2010). As on the date of signing the annexes, the Company had obligations under issued debt securities amounting to PLN 300 million.

On June 28, 2007 Echo Investment SA issued voucher bonds for a total value of PLN 300 million. The nominal value and issue price of a single bond is PLN 100 thousand. The bonds were issued for a period of seven years. Bonds redemption date shall be June 30, 2014. On the redemption date, the bonds shall be redeemed for the nominal value of the bonds. The issue price is PLN 100 for PLN 100. Interest has been determined on the basis of WIBOR 6M rate plus investors' margin. The issued bonds are not secured. The company shall allocate the funds obtained from issues to financing its daily activities.

2. Under a Bonds Issuance Program signed with BRE Bank S.A., seated in Warsaw, on May 24, 2007 Echo Investment SA issued discount bonds for a total value of PLN 50 million. The nominal value and issue price of a single bond is PLN 100 thousand. The bonds were issued for a period of six months, i.e. the bonds redemption date falls on November 23, 2007. Issue price and interest rate was determined on the basis of 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. The above mentioned issue shall be considered the roll-up process of 500 bonds issued on November 24, 2006, to be redeemed on May 24,

2007. Funds from the issuance of bonds shall provide grounds for continued implementation of the Issuer's and Echo Investment Capital Group's development strategy.

8.5. 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. ['MDP' Limited Liability Company] (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 8,370 thousand.

Echo Investment SA's surety for the liability of Echo Investment – Centrum Bełchatów Sp. z o.o. [Echo Investment – Bełchatów Center Limited Liability Company] as a collateral of a loan granted by PeKaO S.A. Bank on June 28, 2000. Its total value is PLN 739.9 thousand.

On May 15, 2007 Echo Investment SA granted a surety for the obligation of a subsidiary "Projekt – Echo 39" Sp. z o.o. ['Project – Echo 39' Limited Liability Company] with its registered seat in Kielce for payment of sales price for the right of perpetual usufruct of immovable property situated in Kalisz. The surety was granted up to the amount of PLN 18,807 million.

Surety agreements in force as on June 30, 2007 are presented in the table below:

Surety in favor of	Value (in thousands)	Expiry date	On account of
Urząd Miasta Łodzi [Municipal Office of Łódź]	PLN 8,370	year 2095	payment of fees for perpetual usufruct of land by MDP Sp. z o.o. [MDP Limited Liability Company] (100% subsidiary of Echo Investment S.A.)
Bank PeKaO SA [PeKaO Joint Stock Company]	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 Limited Liability Company] as a collateral of a loan granted by PeKaO SA Bank.
Natural person	PLN 18,807	until December 31, 2010	surety for the obligations of a subsidiary "Projekt – Echo 39" Sp. z o.o. ['Project – Echo 39' Limited Liability Company] for purchase of the right of perpetual usufruct of immovable property situated in Kalisz.

The following changes have occurred in contingent obligations concerning sureties granted since the expiry of the last financial year, as follows:

1. The surety for the debts of Echo-Galaxy Sp. z o.o. Sp.k. [Echo-Galaxy Limited Liability Company, Limited Partnership] with its registered seat in Kielce on account of loan granted by EUROHYPO AG Bank, with its registered seat in Eschborn, Germany, has expired. The surety was granted by Echo Investment SA in favor of EUROHYPO AG to the amount not exceeding EUR 100 million.
2. The surety for the debts of Echo – Pasaż Grunwaldzki Spółka z ograniczoną odpowiedzialnością Sp.k. [Echo – Grunwaldzki Arcade Limited Liability Company, Limited Partnership] with its registered seat in Kielce on account of loan granted by EUROHYPO AG Bank, with its registered seat in Eschborn, Germany, has expired. The surety was granted by Echo Investment SA in favor of EUROHYPO AG to the amount not exceeding EUR 13 million.

8.6. Guarantee agreements

Bank guarantee as of September 7, 2005, granted by PKO BP SA Bank as a security of obligations towards Spółdzielnia Spożywców MOKPOL. The guarantee is valid until September 5, 2007. As on June 30, 2006 the value of the guarantee is PLN 3,995 thousand.

Guarantee agreements in force as on June 30, 2007 are presented in the table below:

Guarantor	Value (in thousands PLN)	Expiry date	On account of
PKO BP SA [PKO BP Joint Stock Company]	3.995	05.09.2007	Security of obligations towards Spółdzielnia Spożywców MOKPOL

The following changes have occurred in contingent obligations concerning guarantees granted since the expiry of the last financial year, as follows:

1. 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 components of reconstruction of the road system of Grunwaldzki Square in Wrocław, granted in favor of the Commune of Wrocław, has expired. The value of that guarantee was PLN 17,894 thousand.
2. Bank guarantee as of August 15, 2004, granted by PeKaO SA Bank as a security of debts and possible liquidated damages related to the contract of purchase of land in Wrocław from the Commune of Wrocław, has expired. The value of that guarantee was PLN 3,831 thousand.

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

Echo Investment S.A. did not issue any securities (shares) in the 1st half of 2007.

10. Clarification of differences between financial results disclosed in the annual statement and previously published prognoses for the year 2007

Echo Investment S.A. did not publish any prognoses of financial results for the year 2007.

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

Management of financial resources of Echo Investment S.A. in the 1st half of 2007, 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 Company's operations during the 1st half of 2007 generated a positive result on all levels of the profit and loss account. During the recent years, Echo Investment S.A. 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.'s independency on cyclical phases in the economy and construction industry.

According to the Management Board, Echo Investment S.A.'s property and financial condition at the end of June 2007 indicates the Company's stable financial standing and the perspective of the nearest years is optimistic.

Return ratios indicating profitability of the Company's operations in the 1st half of 2007 are lower in comparison to the previous year. Net profit as at the end of June 2007 was similar to that of the equivalent period of 2006. The values of net assets and equity rose significantly, resulting in a decrease of ROA and ROE ratios.

Profitability indicators during the 1st half of 2007 and the 1st half of 2006 are presented in the table below:

Yield ratios	1st half of 2007	1st half of 2006
Operating profit margin ratio <i>operating profit / net income on sales</i>	15,5%	17,1%
Net balance profit margin ratio <i>net profit / net income on sales</i>	30,3%	53,1%
Rate of return on assets (ROA) <i>net profit / assets total</i>	3,4%	5,3%
Rate of return on equity (ROE) <i>net profit / equity capital</i>	10,1%	12,1%

The rotation of key items of assets and liabilities of Echo Investment S.A. 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: acquired ownership rights and rights of perpetual usufruct of land and all building expenses and costs pertaining to executed developer projects designed for sale.

Rotation of key items of assets and liabilities in the 1st half of 2007 and in the 1st half of 2006 is presented in the table below:

Activity indicators	1st half of 2007	1st half of 2006
Rotation of inventories in days <i>(average balance of inventories * 180 / net income on sales)</i>	374	572
Rotation of short-term liabilities in days <i>(balance of short-term liabilities * 180 / net income on sales)</i>	255	177
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 * 180 / net income on sales)</i>	59	84

Liquidity factors are maintained on safe levels. Current, quick and cash ratios are lower than during the equivalent period of 2006. This is primarily due to the management board's policy related to increased financing of investment projects in progress. Echo Investment S.A.'s credibility in the financial market keeps increasing, which is confirmed by the diversified structure of banks financing the operations of the Company. High balance of cash also fosters improvement of liquidity ratios.

Liquidity ratios of Echo Investment S.A. during the 1st half of 2007 and the 1st half of 2006 are presented in the table below:

Liquidity ratios	1st half of 2007	1st half of 2006
Current ratio <i>operating assets/ short-term liabilities</i>	2,70	4,01
Quick ratio <i>(current assets – inventories) / short-term liabilities</i>	1,69	2,05
Cash ratio <i>cash / short-term liabilities</i>	0,84	1,26

Debt ratios remain lower than during the equivalent period of 2006. Increase of obligations related to loans taken out and issue of debt securities to finance the investment projects in progress affected the values of these ratios. The values of presented ratios are safe for performed operations and confirm Echo Investment S.A.'s credibility in the financial market.

Assets coverage and debt ratios of Echo Investment S.A. during the 1st half of 2007 and the 1st half of 2006 are presented in the table below:

Debt ratios	1st half of 2007	1st half of 2006
Assets coverage ratio with equity capitals <i>equity capital / assets total</i>	33,3%	44,0%
Fixed assets coverage ratio with equity capital <i>equity capital / fixed assets</i>	86,7%	128,1%
Total debt ratio <i>liabilities total / assets total</i>	63,3%	52,3%
Equity debt ratio <i>liabilities total / equity capital</i>	190,3%	118,8%

12. 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

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. intends to finance these projects using funds from equity capitals, bank loans, issue of debt securities. The Management Board of the 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 Company 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.

13. Assessment of extraordinary factors and events affecting the financial results yielded in the 1st half of 2007

In the 1st half of 2007, revaluation of the Pasaż Grunwaldzki shopping and entertainment center in Wrocław after its delivery had a significant impact on the financial result, as well as quarterly revaluation of fair value of the Capital Group's immovable properties, considering for changes due to EUR and USD exchange rate gains/losses (q/q).

Another factor affecting the gained profit was the income earned under General Contractor Agreement made by Echo Investment SA with Ustra Sp. z o.o. of Kielce for development of an office building complex in Kielce, Al. Solidarności Street, and income earned from letting of commercial space and sales of housing projects.

Other factors include regular incomes from lease contracts, progress of execution, lease and sale of currently built commercial and housing investments, and quality improvement and value increase of the available investment portfolio. Other important aspects shall include the situation in the financial market and general economic trends in Poland and in Hungary, where the Company is going to commence its operations. In foreign markets, the Company intends to realize investments within the basic scope of its operations, focusing its activity mainly on office area projects and shopping/entertainment centers.

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

14.1. 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,
- economic boom in Poland,
- 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 real 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 real property sector,
- Poland's accession to the European structures,

Negative factors:

- unclear legal status of numerous real 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 real 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 the dominant company – 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.

14.2. Perspectives for the development of economic activity of Echo Investment S.A.

The Management Board of Echo Investment S.A. envisages further dynamic growth of the Company. 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 Echo Investment SA will focus on optimizing the advantage taken of the potential of real estate market, increasing the portfolio of commercial areas for lease (shopping and entertainment centers and offices). Furthermore, Echo Investment S.A. intends to increase the sale of residential projects during the consecutive years of operation. Realization of hotels strongly depends on the situation in the tourist industry and on hotel chains' willingness to undertake new investments. The current activity of Echo Investment S.A. is focused on the Polish market. The Management Board of the Company intends to develop its 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 the sale of certain existing projects to obtain funds for financing its current and future investments.

15. Changes in basic management principles of Echo Investment S.A. and in the level of management supporting computerization in Echo Investment S.A.

No significant changes in the basic rules of management took place during the 1st half of the year 2007. The development of the organization enforces improving management procedures applied both by Echo Investment S.A. and by other Capital Group companies.

16. Changes in the composition of managing and supervisory bodies of Echo Investment S.A. during the first half of 2007. 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.

16.1. Management Board

The following changes occurred among members of the Management Board of the Company during the 1st half of 2007.

On March 26, 2007 Mr. Andrzej Majcher, acting as President of the Management Board resigned from his function as a Member and President of the Management Board of the Company.

On March 27, 2007, the Supervisory Board of Echo Investment SA passed a resolution appointing 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, on March 27, 2007 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, i.e. until June 27, 2007.

As on the submission date of this report, the Management Board of Echo Investment SA 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.

16.2. Supervisory Board

In the 1st half of 2007, the composition of the Supervisory Board of Echo Investment SA has changed.

On May 29, 2007 the Ordinary General Meeting of Shareholders of Echo Investment SA passed a resolution no. 18, whereunder it decided to appoint 6 new members of the Supervisory Board for the next term of office (combined 3-years' term of office).

In addition, on the basis of resolutions passed in respect of appointment of the Supervisory Board for the new term of office, on May 29, 2007 the Ordinary General Meeting of Shareholders of Echo Investment SA appointed the following persons as supervisors:

- Wojciech Ciesielski
- Mariusz Waniółka
- Robert Oskard
- Andrzej Majcher
- Tomasz Kalwat
- Karol Żbikowski

Compared to the Supervisory Board for the previous term of office, Mr. Andrzej Majcher is a new member.

During the session of June 11, 2007 the Supervisory Board of Echo Investment SA, acting pursuant to paragraph 1 clause 2 of the Regulations of the Supervisory Board of Echo Investment SA, enacted resolutions on election of Chairman and Deputy Chairman of the Supervisory Board of Echo Investment SA. Mr. Wojciech Ciesielski was elected Chairman and Mr. Andrzej Majcher was elected Deputy Chairman of the Supervisory Board of Echo Investment SA. Both functions shall be held as from June 11, 2007.

Mr. Kamil Latos, who was a Member of the Management Board of Echo Investment SA until May 29, 2007, resigned from applying to a post for the next term of office.

The present members of the Supervisory Board are as follows:

Wojciech Ciesielski, Chairman of the Supervisory Board,
Andrzej Majcher, Vice-President of the Supervisory Board,
Mariusz Waniółka, Member of the Supervisory Board,
Robert Oskard, Member of the Supervisory Board,
Karol Żbikowski, Member of the Supervisory Board,
Tomasz Kalwat, Member of the Supervisory Board.

16.3. 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.

16.3.1. 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.

16.3.2. Authorizations 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.

17. 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 June 30, 2007 there are no outstanding loans, guarantees or sureties granted by the issuer to managing or supervisory bodies members or to relatives of these persons.

18. 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 June 30, 2007, no agreements exist between the issuer and members of managing bodies that would stipulate compensation.

19. Value of remuneration, rewards and benefits, including ones resulting from 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.

19.1 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 during the first half of 2007:

- Andrzej Majcher received compensation from Echo Investment S.A. in the total amount of PLN 650 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 444 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 368 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 368 thousand. He did not receive compensation for his functions held in the bodies of wholly and partially owned subsidiaries and affiliated companies;
- Mariusz Waniółka received compensation from Echo Investment S.A. in the total amount of PLN 60 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 162 thousand for performance of their functions in the bodies of the wholly and partially owned subsidiaries and affiliated companies,

19.2 Remuneration paid to members of supervisory bodies

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 1st half of 2007:

- Wojciech Ciesielski received compensation from Echo Investment S.A. in the total amount of PLN 40 thousand. He did not receive compensation for his functions held in the bodies of wholly and partially owned subsidiaries and affiliated companies;
- Andrzej Majcher received compensation from Echo Investment S.A. in the total amount of PLN 4 thousand. He did not receive compensation for his functions held in the bodies of wholly and partially owned subsidiaries and affiliated companies;
- Mariusz Waniółka received compensation from Echo Investment S.A. in the total amount of PLN 28 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 18 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 18 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 18 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 15 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.

20. 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

Shares of Echo Investment S.A. have been quoted on the Warsaw Stock Exchange since March 1996. As on June 30, 2007, 42,000,000 shares of the Company are presently available for stock trade. Nominal value of one share is PLN 0.50. All shares carry the same rights. Each share carries one vote at the General Meeting of Shareholders of the Company.

Information about issues of Echo Investment's shares:

Series	Number of shares*	Nominal value total	Class of shares	Date of shares registration by court	Date of listing on the Warsaw Stock Exchange
A	160.000	80.000	Ordinary bearer shares	30.06.1994	10.08.2006
B	3.840.000	1.920.000	Ordinary bearer shares	30.06.1994	21.02.1996
C	2.000.000	1.000.000	Ordinary bearer shares	13.11.1995	21.02.1996
D	6.000.000	3.000.000	Ordinary bearer shares	18.02.1997	27.03.1997
E	2.000.000	1.000.000	Ordinary bearer shares	30.12.1997	02.03.1998
F	28.000.000	14.000.000	Ordinary bearer shares	26.11.2002	20.12.2002
Total:	42.000.000	21.000.000			

* number of shares after 1:4 split of July 11, 2006 by the District Court, 10th Economic Department of the National Court Register in Kielce).

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

Ownership of shares of Echo Investment S.A. by supervising persons as on June 30, 2007 is illustrated in the table below:

Supervising person	Balance as on 2007-06-30 [pcs.]	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%
Andrzej Majcher , Deputy Chairman of the Supervisory Board	10.080	PLN 0.50	PLN 5,040	0,02%
Mariusz Waniółka , Member 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	–	–	–
Tomasz Kalwat , Member of the Supervisory Board*	did not hold any shares	–	–	–

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

Ownership of shares of Echo Investment S.A. by managing persons as on June 30, 2007 is illustrated in the table below:

Managing person	Balance as on 2007-06-30 [pcs.]	Nominal value of one share	Nominal value total	Percentage of share capital
Jarosław Grodzki , 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	–	–	–

21. Shareholders of Echo Investment S.A. that, as on June 30, 2007, 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 June 30, 2007:

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 Solowow (directly and indirectly)	16.480.963	39,24%	16.480.963	39,24%
OFE ING NN Polska*	3.669.661	8,74%	3.669.661	8,74%
Commercial Union PTE*	3.073.842	7,32%	3.073.842	7,32%
PZU Żłota Jesień PTE*	2.790.915	6,65%	2.790.915	6,65%
BZ WBK AIB Asset Management SA**, managing the funds of BZ WBK TFI SA***	2 119 363	5,05%	2 119 363	5,05%

*Balance according to the structure of investment portfolios of the OFEs (Open Pension Funds) as on December 31, 2006

** BZ WBK AIB Asset Management SA with its registered office in Poznań, managing the investment portfolios of BZ WBK TFI SA Funds, communicated its achievement of 5.05% threshold in the number of votes at the General Meeting of Shareholders of Echo Investment SA on November 30, 2006.

22. 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.

No such contracts are known to the Management Board of Echo Investment S.A.

23. 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.

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

No matching share program is functioning in the Company.

25. 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.

26. 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 has been made for a term of 2 years, with an option of prolongation for a third year.

On June 27, 2007 the Company executed the option under the aforementioned agreement concerning assignment of further audit of the financial statements of the Company and Echo Investment Capital Group for the year 2007 to BDO Numerica Sp. z o.o. with its registered seat in Warsaw, 12 Postępu Street, National Board of Chartered Accountants reg. no. 523 (former name: BDO Polska Sp. z o.o.).

The compensation under the contract for review of the financial statement in the first half of 2007 equals PLN 39,100 and for review of the consolidated financial statement in the first half of 2007 – PLN 38,250. The same data for the equivalent period of the preceding year is: PLN 41,400 and PLN 40,500, 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. This compensation, paid in 2006, equaled PLN 45,000.
- costs of assignments borne by BDO Polska 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, September 20, 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

Artur Langner

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 semi-annual individual 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 semi-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 semi-annual individual 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, September 20, 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

Artur Langner

Member of the

