

SEMI-ANNUAL REPORT 2007

Consolidated financial statement of Echo Investment Capital Group

Kielce, September 20, 2007

POLISH FINANCIAL SUPERVISION AUTHORITY

Consolidated semi-annual report SA-PS 2007

(according to paragraph 86 clause 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 involved in production, construction, trade or service activities)

For the 1st half of 2007, covering the period from January 01, 2007 to June 30, 2007
containing an IAS consolidated 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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(phone)	(fax)	(e-mail)	
657 023 09 12	290463755	www.echo.com.pl	
(NIP – Tax Identification Number)	(REGON – Statistical Company Number)	(WWW)	

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

This consolidated semi-annual report contains:

- ☒ 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
- ☒ Consolidated semiannual financial statement
 - ☒ Introduction ☒ Statement of changes in consolidated equity
 - ☒ Consolidated balance sheet
 - ☒ Consolidated profit and loss account ☐ Consolidated 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 the dominant company registered under the company name of "Echo Investment" Spółka Akcyjna ['Echo Investment' Joint Stock Company], having its registered office in Kielce, Poland (address: 25-528 Kielce, ul. Zagnańska 27), recorded in the National Court Register with number 0000007025, District Court in Kielce, 10th Economic Department of the National Court Register – according to Polish Classification of Economic Activities – covers services related to immovable property – 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 consolidated 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 were members of the Management Board of Echo Investment S.A. as on June 30, 2007: 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: Tomasz Kalwat, Robert Oskard, Mariusz Waniółka and Karol Żbikowski.
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 with non-Group companies.
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. Goodwill of subsidiaries

Goodwill resulting from acquisition of shares or stocks in subsidiaries is initially disclosed according to acquisition price, being a surplus of acquisition costs of these units over the Group's share in net fair value of identifiable assets, liabilities and contingent liabilities. After initial disclosure, goodwill is presented according to acquisition price less all accumulated write-offs due to permanent loss in value. Goodwill is reviewed for possible loss of value at least once a year, or more frequently in case of occurrence of any events or changes indicating possible loss of value. Goodwill is not amortized.

3. Tangible assets

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

Fixed assets are valued and disclosed in the statement according to acquisition prices or production cost, less 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.

4. 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.

5. 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.

6. 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.

7. 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 tangible 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.

8. Receivables

Receivables are disclosed in the balance sheet as amounts due, with due caution. Receivables are valued accounting for 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 overdue by more than one year – for full value of receivables,
- for receivables overdue by more than 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.

9. 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.

10. 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.

11. Loans granted

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

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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	1 st half of 2007, in thousands PLN	1 st half of 2007, in thousands EUR	1 st half of 2006, in thousands PLN	1 st half of 2006, in thousands EUR
Net income on sales	190 991	49 626	184 362	47 270
Profit before tax and financial income/costs	266 270	69 186	169 139	43 367
Gross profit (loss)	262 659	68 248	127 126	32 595
Net profit (loss)	210 899	54 799	102 184	26 200
Net cash flows on operating activity	12 160	3 160	(4 933)	(1 265)
Net cash flows on investment activity	(197 049)	(51 200)	(10 177)	(2 609)
Net cash flows on financial activity	288 367	74 928	106 258	27 244
Net cash flows total	103 478	26 887	91 148	23 370
Assets total	3 312 016	879 499	2 392 222	591 636
Long-term debt	1 248 639	331 573	992 190	245 385
Short-term debt	390 523	103 703	194 803	48 178
Equity	1 406 140	373 397	1 019 287	252 087
Initial capital	21 000	5 577	21 000	5 194
Number of shares	42 000 000	42 000 000	42 000 000	42 000 000
Profit (loss) per one ordinary share (in PLN/EUR)	9,21	2,39	4,76	1,22
Book value per one share (in PLN/EUR)	33,48	8,89	24,27	6,00

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, 2007 were converted according to an exchange rate that is an arithmetic average of average exchange rates announced by the National Bank of Poland, valid as on the last day of each expiring month; 1 EUR = PLN 3.8486. For the period from January 1 to June 30, 2006, the conversion was made according to an exchange rate that is an arithmetic average of average exchange rates announced by the National Bank of Poland, valid as on the last day of each expiring month; 1 EUR = PLN 3.9002.

BALANCE SHEET (thousands PLN)

	Note	1st half of 2007	2006	1st half of 2006
ASSETS				
1. Fixed assets				
1.1. Intangible assets	1	201	91	124
1.2. Goodwill of subsidiaries	2	40 382	32 687	-
1.3. Tangible assets	3	247 154	411 699	305 154
1.4. Long-term receivables	4	5	5	-
1.5. Investment immovable property	5	2 186 416	1 670 296	1 481 387
1.6. Long-term financial investments	6	11 450	21 671	22 649
1.7. Deferred income tax assets	7	18 322	18 059	16 984
		2 503 930	2 154 508	1 826 298
2. Current assets				
2.1. Inventories	8	312 593	208 075	163 791
2.2. Receivables on account of taxes	9	24 440	48 274	40 452
2.3. Short-term receivables	9	68 872	29 221	12 980
2.4. Short-term financial investments	10	709	613	842
2.5. Short-term accruals	11	5 012	1 032	4 575
2.6. Cash and cash equivalents	12	396 460	297 791	343 284
		808 086	585 006	565 924
ASSETS TOTAL		3 312 016	2 739 514	2 392 222
LIABILITIES				
1. Equity				
1.1. Equity allocated to shareholders of the dominant company		1 406 140	1 195 243	1 019 287
1.1.1. Initial capital	13	21 000	21 000	21 000
1.1.2. Supplementary capital	14	985 994	538 319	534 636
1.1.3. Profit/loss carried forward		188 247	357 790	361 467
1.1.4. Net profit (loss) of the accounting year		210 899	278 132	102 184
1.1.5. Foreign exchange gains/losses arising from conversion		-	2	-
1.2. Minority capitals	15	11 292	10 584	12 150
		1 417 432	1 205 827	1 031 437
2. Reserves				
2.1. Reserve for deferred income tax	16	220 536	178 766	141 162
2.2. Other reserves	17	34 886	32 055	32 630
		255 422	210 821	173 792
3. Long-term debt				
3.1. Financial liabilities	18	1 212 514	902 909	958 834
3.2. Other liabilities	19	36 125	40 857	33 356
		1 248 639	943 766	992 190
4. Short-term debt				
4.1. Financial liabilities	20	145 191	158 061	52 881
4.2. Liabilities on account of deliveries and services	21	57 525	88 333	49 597
4.3. Liabilities on account of taxes	21	11 384	8 838	13 322
4.4. Other liabilities	21	176 423	123 868	79 003
		390 523	379 100	194 803
LIABILITIES TOTAL		3 312 016	2 739 514	2 392 222

Book value (in thousands PLN)	1 406 140	1 195 243	1 019 287
Number of shares (thousands pcs.)	42 000	42 000	42 000
Book value per one share	33,48	28,46	24,27

OFF-BALANCE ITEMS (thousands PLN)

	Note	1st half of 2007	2006	1st half of 2006
1. Contingent debt				
1.1 To affiliated companies, on account of:				
a) granted guarantees and sureties		8 371	8 466	8 466
		8 371	8 466	8 466
1.2 To other companies, on account of:				
a) granted guarantees and sureties		-	3 831	4 043
b) court proceedings		962	737	737
c) purchase of land property in Kalisz		18 807	-	-
d) other agreements		-	-	802
		19 769	4 568	5 582
Contingent obligations total		28 140	13 034	14 048

GUARANTEES AND SURETIES GRANTED BY ECHO INVESTMENT S.A.

Absolute surety towards the Municipal Office of Łódź for performance of obligations of "MDP" Sp. z o.o. ["MDP" Limited Liability Company] concerning payment of annual fees for perpetual usufruct of land – total value due in the next 89 years is PLN 8,371 thousand.

CONSOLIDATED PROFIT AND LOSS ACCOUNT (thousands PLN)

	Note	1st half of 2007	1st half of 2006
Operating income	22	190 991	184 362
Operating costs	23	(95 293)	(83 256)
Gross profit (loss) on sales		95 698	101 106
Profit (loss) on sales of immovable property	24	-	9 931
Revaluation of immovable property		195 903	98 196
Costs of sales		(7 643)	(4 433)
Overheads		(18 177)	(25 304)
Other operating income and costs	25	489	(10 357)
Profit before tax and financial income/costs		266 270	169 139
Financial income	26	13 316	13 889
Financial costs	27	(36 044)	(37 985)
Foreign exchange gains/losses	28	19 197	(17 906)
Revaluation of goodwill of subsidiaries		(73)	(4)
Shares in profits of associated companies		(7)	(7)
Gross profit (loss)		262 659	127 126
Income tax	29	(51 052)	(24 937)
- current part		(9 541)	(11 118)
- deferred part		(41 511)	(13 819)
Net profit (loss), including:	30	211 607	102 189
Profit (loss) allocated to shareholders of the dominant company		210 899	102 184
Minority profit (loss)		708	5
Profit (loss) allocated to shareholders of the dominant company (annualized)		386 847	200 082
Weighted average number of ordinary shares (in thousands pcs.)		42 000	42 000
Profit (loss) per one ordinary share (in PLN)		9,21	4,76

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY (thousands PLN)

	Initial capital	Supplementary capital	Profit (loss) carried forward	Profit (loss) of the current year	Foreign exchange gains/losses arising from conversion	Equity allocated to shareholders of the dominant company	Minority capitals	Equity total
For 2 quarters (current year), the period from 2007.01.01 to 2007.06.30								
Balance at the beginning of period	21 000	538 319	635 922		2	1 195 243	10 584	1 205 827
Corrections of basic errors			-			-		-
Balance at the beginning of period, after reconciliation to comparable data	21 000	538 319	635 922	-	2	1 195 243	10 584	1 205 827
Distribution of profit/loss carried forward	-	447 675	(447 675)	-		-	-	-
Net profit (loss) of the current period	-	-	-	210 899	(2)	210 897	708	211 605
Balance at the end of period	21 000	985 994	188 247	210 899	-	1 406 140	11 292	1 417 432
For the preceding year, period from 2006.01.01 to 2006.12.31								
Balance at the beginning of period	21 000	353 771	542 332	-		917 103	18 145	935 248
Changes in applied accounting principles (policy)	-	-	6	-		6	-	6
Corrections of basic errors	-	-	-	-		-	-	-
Balance at the beginning of period, after reconciliation to comparable data	21 000	353 771	542 338	-	-	917 109	18 145	935 254
Distribution of profit/loss carried forward	-	184 548	(184 548)	-		-	-	-
Changes in minority shares	-	-	-	-		-	(8 500)	(8 500)
Net profit (loss) of the current period	-	-	-	278 132	2	278 134	939	279 073
Balance at the end of period	21 000	538 319	357 790	278 132	2	1 195 243	10 584	1 205 827
For 2 quarters (previous year), period from January 1, 2006 to June 30, 2006								
Balance at the beginning of period	21 000	353 771	542 332	-		917 103	18 145	935 248
Changes in applied accounting principles (policy)	-	-	-	-		-	-	-
Corrections of basic errors	-	-	-	-		-	-	-
Balance at the beginning of period, after reconciliation to comparable data	21 000	353 771	542 332	-	-	917 103	18 145	935 248
Distribution of profit/loss carried forward	-	180 865	(180 865)	-		-	-	-
Changes in minority shares	-	-	-	-		-	(6 000)	(6 000)
Net profit (loss) of the current period	-	-	-	102 184		102 184	5	102 189

Balance at the end of period	21 000	534 636	361 467	102 184	-	1 019 287	12 150	1 031 437
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CONSOLIDATED CASH FLOW STATEMENT (in thousands PLN)

	1st half of 2007	1st half of 2006
A. Cash flows on operating activity – indirect method		
I. Net profit (loss)	211 607	102 189
II. Adjustments total		
1. Share in net (profits) losses of associated companies	7	7
2. Depreciation of fixed assets	2 057	2 763
3. Revaluation of goodwill	73	5
4. Foreign exchange gains/losses	(31 124)	18 663
5. Interest and shares in profits (dividends)	25 051	18 906
6. (Profit) loss on investment activity	(178 441)	(95 098)
7. Change in reserves	43 613	17 504
8. Change in inventories	(82 972)	(47 386)
9. Change in receivables	(26 855)	(2 291)
10. Change in short-term debt, except for loans and credits	41 574	(5 045)
11. Change in accruals	7 570	(15 150)
12. Other adjustments	-	-
	(199 447)	(107 122)
III. Net cash flows on operating activity (I+/-II)	12 160	(4 933)
B. Cash flows on investment activity		
I. Income		
1. Sales of intangible assets and fixed assets	38	225
2. Sales of investments in immovable property and in intangible assets	-	25 653
3. From financial assets	38 376	44 765
4. Other income from investments	-	-
	38 414	70 643
II. Expenditure		
1. Acquisition of intangible assets and tangible assets	(80 903)	(12 007)
2. Investments in immovable property and in intangible assets	(127 652)	(43 742)
3. On financial assets	(26 740)	(24 677)
4. Other investment expenditure	(168)	(394)
	(235 463)	(80 820)
III. Net cash flows on investment activity (I-II)	(197 049)	(10 177)

CONSOLIDATED CASH FLOW STATEMENT (in thousands PLN) continued

	1st half of 2007	1st half of 2006
C. 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	148 613	218 019
3. Issue of debenture bonds	347 559	57 454
4. Other financial income	-	-
	496 172	275 473
II. Expenditure		
1. Acquisition of own shares (stocks)	-	-
2. Dividends and other disbursements to owners	-	(6 000)
3. Expenses on account of profit allocation, other than payments to owners	-	-
4. Repayments of loans and credits	(122 883)	(83 957)
5. Redemption of debenture bonds	(50 000)	(50 800)
6. On account of other financial debt	-	-
7. Payments of debts under financial lease contracts	-	(243)
8. Interest	(34 922)	(28 215)
9. Other financial expenses	-	-
	(207 805)	(169 215)
III. Net cash flows on financial activity (I-II)	288 367	106 258
D. Net cash flows total (A.III+/-B.III+/-C.III)	103 478	91 148
E. Difference in cash balances, including:	98 668	100 877
- change in cash balance due to foreign exchange gains/losses	(4 810)	9 729
F. Cash at the beginning of period	297 792	242 407
G. Cash at the end of period (F+/-D), including:	31	343 284
- with limited disposability	-	68 629

EXPLANATORY NOTES

EXPLANATORY NOTES TO THE BALANCE SHEET

Note 1A

INTANGIBLE ASSETS (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) costs of finished development works	-	-	-
b) goodwill	-	-	-
c) acquired concessions, patents, licences and similar assets, including:	189	78	105
d) other intangible assets	12	13	19
e) advances for intangible assets	-	-	-
Intangible assets total	201	91	124

Note 1B

CHANGES IN THE VALUE OF INTANGIBLE ASSETS (ACCORDING TO TYPE GROUPS) (thousands PLN)			
	Obtained concessions, patents, licences and similar assets	Other intangible assets	Intangible assets total
a) gross value of intangible assets at the beginning of period	1 716	35	1 751
b) increases (on account of)			
- purchase	240		240
c) gross value of intangible assets at the end of period	1 956	35	1 991
d) accumulated amortization at the beginning of period	1 639	22	1 661
e) depreciation for the period (on account of)			
- planned	128	1	129
- sale			
f) accumulated amortization (depreciation) at the end of period	1 767	23	1 790
g) net value of intangible assets at the end of period	189	12	201

Note 1C

INTANGIBLE ASSETS (OWNERSHIP STRUCTURE) (in thousands PLN)	1st half of 2007	2006	1st half of 2006
a) owned	201	91	124
b) used under a lease contract, rental agreement or another similar agreement, including lease agreement, including:	-	-	-
Intangible assets total	201	91	124

Note 2A

GOODWILL OF SUBSIDIARIES	1st half of 2007	2006	1st half of 2006
a) goodwill - subsidiaries	40 382	32 687	-
Goodwill of subsidiaries total	40 382	32 687	-

Note 2B

CHANGE IN GOODWILL - SUBSIDIARIES (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) gross goodwill at the beginning of period	45 096	12 391	12 391
b) increases on account of:	7 769	32 705	-
- purchase of shares of "Echo - Centrum Poznań" Sp. z o.o. [Echo - Poznań Center' Limited Liability Company]	7 695	32 687	-
- purchase of shares of "Echo - Centrum Gliwice" Sp. z o.o. [Echo - Gliwice Center' Limited Liability Company]	15	-	-
- purchase of shares of "Echo - Centrum Gdynia" Sp. z o.o. [Echo - Gdynia Center' Limited Liability Company]	30	-	-
- purchase of shares of Echo Investment Project 1SRL	29	-	-
- purchase of shares in other companies	-	18	-
c) decreases (on account of)	-	-	-
d) gross goodwill at the end of period	52 865	45 096	12 391
e) write-off of goodwill from consolidation at the beginning of period	12 409	12 391	12 391
f) write-off of goodwill from consolidation for the period, concerning:	74	18	-
- Echo - Centrum Gliwice Sp. z o.o. [Echo - Gliwice Center Limited Liability Company]	15	-	-
- Echo - Centrum Gdynia Sp. z o.o. [Echo - Gdynia Center Limited Liability Company]	30	-	-
- Echo Investment Project 1 SRL	29	-	-
- shares held in subsidiaries	-	18	-
e) adjustment of write-off of goodwill from consolidation for previous years	-	-	-
h) write-off of goodwill from consolidation at the end of period	12 483	12 409	12 391
i) net goodwill at the end of period	40 382	32 687	-

Note 2C

CHANGE IN GOODWILL - ASSOCIATED COMPANIES (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) gross goodwill at the beginning of period	67	67	67
b) gross goodwill at the end of period	67	67	67
c) write-off of goodwill from consolidation at the beginning of period	67	67	67
d) write-off of goodwill from consolidation at the end of period	67	67	67
e) net goodwill at the end of period	-	-	-

Note 3A

TANGIBLE ASSETS (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) fixed assets:			
- land (including the right to perpetual usufruct of land)	6 912	7 691	7 723
- buildings, premises and civil engineering structures	34 670	35 244	43 908
- technical equipment and machines	1 863	1 860	4 216
- means of transport	8 755	8 404	8 979
- other fixed assets	172	75	90
	52 372	53 274	64 916
b) fixed assets under construction	194 782	358 425	240 238
Tangible assets total	247 154	411 699	305 154

NOTE 3B

CHANGES IN THE VALUE OF INTANGIBLE ASSETS (ACCORDING TO TYPE GROUPS) (thousands PLN)	Own land	Buildings and structures	Technical equipment and machines	Means of transport	Other	Fixed assets total
a) gross value of fixed assets at the beginning of period	9 420	40 853	5 505	15 534	2 103	73 415
b) increases on account of:						
- purchase	-	17	429	1 368	142	1 956
- transfer to investment activity	-	752	55	-	-	807
c) decreases on account of:						
- sale	-	-	-	-141	-	-141
- transfer to investment activity	-2 329	-1 284	-244	-	-	-3 857
- consolidation adjustments	-	-158	-	-	-	-158
d) gross value of fixed assets at the end of period	7 091	40 180	5 745	16 761	2 245	72 022
d) accumulated depreciation at the beginning of period	1 729	5 609	3 644	7 129	2 028	20 139
e) depreciation for the period (on account of)						
- planned	13	426	415	1 000	45	1 899
- transfer to investment activity	-1 563	-525	-177	-	-	-2 265
- sales adjustments	-	-	-	-123	-	-123
f) accumulated amortization (depreciation) at the end of period	179	5 510	3 882	8 006	2 073	19 650
g) write-offs due to permanent loss of value						
h) net value of fixed assets at the end of period	6 912	34 670	1 863	8 755	172	52 372

Note 3C

FIXED ASSETS IN THE BALANCE SHEET (OWNERSHIP STRUCTURE) (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) owned	247 154	411 699	305 154
b) used under a lease contract, rental agreement or another similar agreement	-	-	-
Balance fixed assets total	247 154	411 699	305 154

Note 4

LONG-TERM RECEIVABLES (thousands PLN)	1st half of 2007	2006	1st half of 2006
Receivables from non-affiliated companies, on account of:			
- deposits paid	5	5	-
Long-term receivables gross	5	5	-
- revaluation adjustments of receivables	-	-	-
Net long-term receivables	5	5	-

Note 5A

CHANGE IN IMMOVABLE PROPERTIES (ACCORDING TO TYPE GROUPS) (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) balance at the beginning of period	1 670 296	1 400 399	1 400 399
b) increases (on account of)			
- purchase	74	8 618	187
- transfer from fixed assets under construction	318 552	-	-
- transfer from fixed assets	1 591	-	-
- transfer from inventories	-	98 223	-
- change in property revaluation	222 033	258 444	111 222
	542 250	365 285	111 409
c) decreases (on account of)			
- sale	-	79 717	16 045
- change in property revaluation	26 130	1 877	13 196
- transfer to inventories	-	13 794	1 180
	26 130	95 388	30 421
d) balance at the end of period	2 186 416	1 670 296	1 481 387

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

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

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

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

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

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

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

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

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

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

Land property in Przemyśl, disclosed under investment immovable property, is charged with mortgage security up to the value of EUR 3,420 thousand, established in favor of ING Bank Śląski S.A., with its registered office in Katowice, as a bank credit collateral
Land property in Łódź, disclosed under investment immovable property, is charged with mortgage security up to the value of USD 11,250 thousand, established in favor of Reinhyp - BRE S.A., with its registered office in Warsaw, as a bank credit collateral

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

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

Land property in Szczecin, disclosed under investment immovable property, is charged with mortgage security up to the value of EUR 150,000 thousand, established in favor of Eurohypo A.G., with its registered office in Eschborn, as a bank credit collateral.

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

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

Land property in Wrocław, disclosed under investment immovable property, is charged with mortgage security up to the value of EUR 100,000 thousand, established in favor of Eurohypo A.G., with its registered office in Eschborn, as a bank credit collateral.

Note 5B

AMOUNTS DISCLOSED IN THE PROFIT AND LOSS ACCOUNT (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) income from lease rent pertaining to investment immovable property	120 410	190 296	94 365
b) direct operating costs (including costs of repairs and maintenance) pertaining to the investment immovable property that yielded income from lease rent during the given period	46 762	65 899	35 427
b) direct operating costs (including costs of repairs and maintenance) pertaining to the investment immovable property that did not yield income from lease rent during the given period	-	-	-

Note 6A

LONG-TERM FINANCIAL ASSETS (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) in subsidiaries			
- shares or stocks	-	-	
- advances for acquisition of shares	419	10 665	9 248
	419	10 665	9 248
b) in partially owned subsidiaries			
- shares or stocks	341	349	344
	341	349	344
c) in associated companies			
- shares or stocks	10 650	10 656	10 656
	10 650	10 656	10 656
d) in other companies			
- granted loans	39	-	2 401
- advances	1	1	-
	40	1	2 401
Long-term financial assets total	11 450	21 671	22 649

Note 6B

CHANGE IN LONG-TERM FINANCIAL ASSETS (ACCORDING TO TYPE GROUPS) (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) balance at the beginning of period	21 671	17 747	17 747
b) increases (on account of)			
- advances for acquisition of shares	131	10 664	9 248
- granting of loans	38	-	2 371
- charging of interest and foreign exchange gains / losses	1	-	628
- shares revaluation	-	7	-
- balance valuation of loans	-	-	5
- other	-	1	-
	170	10 672	12 252
c) decreases (on account of)			
- shares revaluation	14	-	9
- repayment of loans	-	-	461
- balance valuation of loans	-	16	-
- settlement of advances	10 377	6 732	6 742
- other	-	-	138
	10 391	6 748	7 350
d) balance at the end of period	11 450	21 671	22 649

Note 6C

SHARES IN SUBSIDIARIES (thousands PLN)

Item	Name (company name) of the company, specifying the legal status	Registered office address	Objects of the company	Type of capital relationship of the company	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustments (total)	Balance sheet value of shares	Percentage of owned initial capital	Share in the number of votes at the general meeting	Specification of other grounds for control
1	"Athina Park" Sp. z o.o. ['Athina Park' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	6 009	-	6 009	100,00%	100,00%	none
2	"Centrum Handlowe PHS" S.A. ['PHS Shopping Center' Joint Stock Company]	Szczecin	trading activity	subsidiary	full	01.06.1999	4 776	-	4 776	100,00%	100,00%	none
3	"Echo - Arena" Sp. z o.o. ['Echo - Arena' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	1 008	-	1 008	100,00%	100,00%	none
4	"Echo - Arena Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Echo - Arena Limited Liability Company' Limited Partnership]	Kielce	construction activity and real estate services	subsidiary	full	31.10.2005	12	-	12	100,00%	100,00%	none
5	"Echo - Building Ingatlanhasznosító" Kft.	Budapest	construction activity and real estate services	subsidiary	full	23.05.2007	47	-	47	100,00%	100,00%	none
6	"Echo - Centrum Bankowości i Finansów Łódź" Sp. z o.o. ['Echo - Łódź Banking and Finance Center' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	3 008	-	3 008	100,00%	100,00%	none
7	"Echo - Centrum Bełchatów" Sp. z o.o. ['Echo - Bełchatów Center' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	2 084	-	2 084	100,00%	100,00%	none
8	Echo - Centrum Biznesu Łódź Sp. z o.o. [Echo - Business Center Łódź Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	2 511	-	2 511	100,00%	100,00%	none
9	"Echo - Centrum Gdynia" Sp. z o.o. ['Echo - Gdynia Center' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	11 283	7 626	3 657	100,00%	100,00%	none
10	"Echo - Centrum Jelenia Góra" Sp. z o.o. ['Echo - Jelenia Góra Center' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	5 401	-	5 401	100,00%	100,00%	none
11	"Echo - Centrum Poznań" Sp. z o.o. ['Echo - Poznań Center' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	04.09.2006	40 417	-	40 417	100,00%	100,00%	none

12	"Echo - Centrum Przemysł" Sp. z o.o. ['Echo - Przemysł Center' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	6.11.1998	1 279	-	1 279	100,00%	100,00%	none
13	"Echo - Centrum Rzeszów" Sp. z o.o. ['Echo - Rzeszów Center' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	4 969	4 304	665	100,00%	100,00%	none
14	"Echo - Centrum Tarnów" Sp. z o.o. ['Echo - Tarnów Center' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	9.11.1998	13 329	-	13 329	100,00%	100,00%	none
Item	Name (company name) of the company, specifying the legal status	Registered office address	Objects of the company	Type of capital relationship of the company	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustments (total)	Balance sheet value of shares	Percentage of owned initial capital	Share in the number of votes at the general meeting	Specification of other grounds for control
15	"Echo - Galaxy" Sp. z o.o. ['Echo - Galaxy' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	52	-	52	100,00%	100,00%	none
16	"Echo - Galaxy Spółka z ograniczoną odpowiedzialnością" Sp.K. ['Echo - Galaxy Limited Liability Company' Limited Partnership]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	35 883	-	35 883	100,00%	100,00%	none
17	"Echo - Galeria Kielce" Sp. z o.o. ['Echo - Kielce Gallery' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	11 545	-	11 545	100,00%	100,00%	none
18	"Echo - Pasaż Grunwaldzki" Sp. z o.o. ['Echo - Grunwaldzki Arcade' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	52	-	52	100,00%	100,00%	none
19	"Echo - Pasaż Grunwaldzki Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Echo - Grunwaldzki Arcade Limited Liability Company' Limited Partnership]	Kielce	construction activity and real estate services	subsidiary	full	19.10.2005	11	-	11	100,00%	100,00%	none
20	"Echo - SPV 6" Sp. z o.o. ['Echo - SPV 6' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	23.02.1999	30 271	-	30 271	100,00%	100,00%	none
21	"Echo - Veneda" Sp. z o.o. ['Echo - Veneda' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	6 134	-	6 134	100,00%	100,00%	none
22	"Echo ACC" Sp. z o.o. ['Echo ACC' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	52	-	52	100,00%	100,00%	none

23	"Echo Bau" Sp. z o.o. ['Echo Bau' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	53	-	53	100,00%	100,00%	none
24	"Echo Centrum Ślchowice" Sp. z o.o. ['Echo Ślchowice Center' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	2 508	-	2 508	100,00%	100,00%	none
25	"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 services	subsidiary	full	30.10.1998	35 776	-	35 776	100,00%	100,00%	none
26	"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 services	subsidiary	full	30.10.1998	8 369	-	8 369	100,00%	100,00%	none
27	"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 services	subsidiary	full	30.10.1998	3 489	77	3 412	100,00%	100,00%	none
Item	Name (company name) of the company, specifying the legal status	Registered office address	Objects of the company	Type of capital relationship of the company	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustments (total)	Balance sheet value of shares	Percentage of owned initial capital	Share in the number of votes at the general meeting	Specificati on of other grounds for control
28	"Echo Investment Hungary" Ingatlanhasznosito Kft.	Budapest	construction activity and real estate services	subsidiary	full	30.05.2006	47	-	47	100,00%	100,00%	none
29	"Echo Investment Projekt 1" SRL	Bucharest	construction activity and real estate services	subsidiary	full	03.03.2006	4	-	4	100,00%	100,00%	none
30	"Est-On Property Management" Sp. z o. o. ['Est-On Property Management' Limited Liability Company]	Kielce	property management	subsidiary	full	27.10.1998	51	-	51	100,00%	100,00%	none
31	"Galeria Echo - Kielce" Sp. z o.o. ['Echo Arcade - Kielce' Limited Liability Company]	Kielce	developer activity	subsidiary	full	25.04.1997	52	-	52	100,00%	100,00%	none

32	"Malta Office Park" Sp. z o.o. [Malta Office Park' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	2 008	-	2 008	100,00%	100,00%	none
33	"MDP" Sp. z o.o. [MDP' Limited Liability Company]	Kielce	construction activity	subsidiary	full	22.11.1996	16 020	16 020	-	100,00%	100,00%	none
34	"Piomot Auto" Sp. z o.o. [Piomot Auto' Limited Liability Company]	Kielce	automotive	subsidiary	full	11.03.1997	320	255	65	100,00%	100,00%	none
35	"Princess Boryszewska" Sp. z o.o. [Princess Boryszewska' Limited Liability Company]	Kielce	developer activity	subsidiary	full	26.10.1999	1 962	1 666	296	100,00%	100,00%	none
36	"Princess Investment" Sp. z o.o. [Princess Investment' Limited Liability Company]	Kielce	developer activity	subsidiary	full	26.10.1999	2 663	1 736	927	100,00%	100,00%	none
37	„Project 2 - Echo Hungary” Kft.	Budapest	construction activity and real estate services	subsidiary	full	07.11.2006	54	-	54	100,00%	100,00%	none
38	“Projekt Echo 17” Sp. z o.o. [Project Echo -17' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	52	-	52	100,00%	100,00%	none
39	“Projekt Echo 23” Sp. z o.o. [Project Echo -23' Limited Liability Company]	Kielce	construction activity and real estate services	associated	ownership rights	30.10.1998	11	3	8	37,50%	37,50%	none
40	“Projekt Echo 30” Sp. z o.o. [Project Echo -30' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	52	-	52	100,00%	100,00%	none
41	“Projekt Echo 34” Sp. z o.o. [Project Echo -34' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	52	-	52	100,00%	100,00%	none
42	“Projekt Echo 37” Sp. z o.o. [Project Echo -37' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1998	52	-	52	100,00%	100,00%	none

Item	Name (company name) of the company, specifying the legal status	Registered office address	Objects of the company	Type of capital relationship of the company	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustments (total)	Balance sheet value of shares	Percentage of owned initial capital	Share in the number of votes at the general meeting	Specification of other grounds for control
43	“Projekt Echo 39” Sp. z o.o. [Project Echo -39' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	30.10.1999	52	-	52	100,00%	100,00%	none
44	“Projekt Echo 41” Sp. z o.o. [Project Echo -41' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.04.2006	51	-	51	100,00%	100,00%	none

45	"Projekt Echo - 41 Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Project Echo - 41 Limited Liability Company' Limited Partnership]	Kielce	construction activity and real estate services	subsidiary	full	27.09.2006	12	-	12	100,00%	100,00%	none
46	"Projekt Echo 42" Sp. z o.o. ['Project Echo -42' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.04.2006	51	-	51	100,00%	100,00%	none
47	"Projekt Echo - 42 Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Project Echo - 42 Limited Liability Company' Limited Partnership]	Kielce	construction activity and real estate services	subsidiary	full	27.09.2006	12	-	12	100,00%	100,00%	none
48	"Projekt Echo 43" Sp. z o.o. ['Project Echo -43' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.04.2006	51	-	51	100,00%	100,00%	none
49	"Projekt Echo 44" Sp. z o.o. ['Project Echo -44' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.04.2006	51	-	51	100,00%	100,00%	none
50	"Projekt Echo 45" Sp. z o.o. ['Project Echo -45' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.04.2006	51	-	51	100,00%	100,00%	none
51	"Projekt Echo - 45 Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Project Echo - 45 Limited Liability Company' Limited Partnership]	Kielce	construction activity and real estate services	subsidiary	full	27.09.2006	12	-	12	100,00%	100,00%	none
52	"Projekt Echo 46" Sp. z o.o. ['Project Echo -46' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.11.2006	52	-	52	100,00%	100,00%	none
53	"Projekt Echo 47" Sp. z o.o. ['Project Echo -47' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.11.2006	52	-	52	100,00%	100,00%	none
54	"Projekt Echo 48" Sp. z o.o. ['Project Echo -48' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.11.2006	52	-	52	100,00%	100,00%	none
55	"Projekt Echo 53" Sp. z o.o. ['Project Echo -53' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	99 037	-	99 037	100,00%	100,00%	none
56	"Projekt Echo 54" Sp. z o.o. ['Project Echo -54' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	110 147	-	110 147	100,00%	100,00%	none

Item	Name (company name) of the company, specifying the legal status	Registered office address	Objects of the company	Type of capital relationship of the company	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustments (total)	Balance sheet value of shares	Percentage of owned initial capital	Share in the number of votes at the general meeting	Specification of other grounds for control
57	"Projekt Echo 55" Sp. z o.o. ['Project Echo -55' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
58	"Projekt Echo 56" Sp. z o.o. ['Project Echo -56' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
59	"Projekt Echo 57" Sp. z o.o. ['Project Echo -57' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
60	"Projekt Echo 58" Sp. z o.o. ['Project Echo -58' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
61	"Projekt Echo 59" Sp. z o.o. ['Project Echo -59' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
62	"Projekt Echo 60" Sp. z o.o. ['Project Echo -60' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
63	"Projekt Echo 61" Sp. z o.o. ['Project Echo -61' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
64	"Projekt Echo 62" Sp. z o.o. ['Project Echo -62' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
65	"Projekt Echo 63" Sp. z o.o. ['Project Echo -63' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
66	"Projekt Echo 64" Sp. z o.o. ['Project Echo -64' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
67	"Projekt Echo 65" Sp. z o.o. ['Project Echo -65' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
68	"Projekt Echo 66" Sp. z o.o. ['Project Echo -66' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
69	"Projekt Echo 67" Sp. z o.o.	Kielce	construction	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none

70	['Project Echo -67' Limited Liability Company]	Kielce	activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
	["Projekt Echo 68" Sp. z o.o. ['Project Echo -68' Limited Liability Company]]		construction activity and real estate services									

Item	Name (company name) of the company, specifying the legal status	Registered office address	Objects of the company	Type of capital relationship of the company	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustments (total)	Balance sheet value of shares	Percentage of owned initial capital	Share in the number of votes at the general meeting	Specification of other grounds for control
71	"Projekt Echo 69" Sp. z o.o. ['Project Echo -69' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
72	"Projekt Echo 70" Sp. z o.o. ['Project Echo -70' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
73	"Projekt Echo 71" Sp. z o.o. ['Project Echo -71' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
74	"Projekt Echo 72" Sp. z o.o. ['Project Echo -72' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
75	"Projekt Echo 73" Sp. z o.o. ['Project Echo -73' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
76	"Projekt Echo 74" Sp. z o.o. ['Project Echo -74' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
77	"Projekt Echo 75" Sp. z o.o. ['Project Echo -75' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
78	"Projekt Echo 76" Sp. z o.o. ['Project Echo -76' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
79	"Projekt Echo 77" Sp. z o.o. ['Project Echo -77' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
80	"Projekt Echo 78" Sp. z o.o. ['Project Echo -78' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
81	"Projekt Echo 79" Sp. z o.o. ['Project Echo -79' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
82	"Projekt Echo 80" Sp. z o.o. ['Project Echo -80' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none
83	"Projekt Echo 81" Sp. z o.o.	Kielce	construction	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none

	[‘Project Echo -81’ Limited Liability Company] “Projekt Echo 82” Sp. z o.o.		activity and real estate services construction									
84	[‘Project Echo -82’ Limited Liability Company]	Kielce	activity and real estate services	subsidiary	full	21.12.2006	50	-	50	100,00%	100,00%	none

Item	Name (company name) of the company, specifying the legal status	Registered office address	Objects of the company	Type of capital relationship of the company	Applied method of consolidation	Date of seizing control	Value of shares according to acquisition price	Revaluation adjustments (total)	Balance sheet value of shares	Percentage of owned initial capital	Share in the number of votes at the general meeting	Specification of other grounds for control
85	"Projekt Naramowice" Sp. z o.o. ['Project Naramowice' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	15.05.2001	3 542	-	3 542	100,00%	100,00%	none
86	"Projekt S" Sp. z o.o. ['Project S' Limited Liability Company]	Kielce	construction activity and real estate services	subsidiary	full	23.04.2003	6 402	-	6 402	63,00%	63,00%	none
87	"SPC" S.A. ['SPC' Joint Stock Company]	Warsaw	management of companies	associated	ownership rights	26.03.1996	34	34	-	34,00%	34,00%	none
88	"W.A. Hotele" Sp. z o.o. ['W.A. Hotels' Limited Liability Company]	Warsaw	construction activity and real estate services	associated	ownership rights	18.04.2002	10 639	-	10 639	43,45%	43,45%	none
89	"WAN 11" Sp. z o.o. ['WAN 11' Limited Liability Company]	Warsaw	construction activity and real estate services	partially owned subsidiary	full	08.03.2004	1 500	-	1 500	50,00%	50,00%	none
90	"WAN - Invest" Sp. z o.o. ['WAN -Invest' Limited Liability Company]	Warsaw	construction activity and real estate services	partially owned subsidiary	ownership rights	18.04.2002	447	103	344	50,00%	50,00%	none
91	"Wyględów" Sp. z o.o. ['Wyględów' Limited Liability Company]	Kielce	construction activity	subsidiary	full	21.10.1998	51	-	51	100,00%	100,00%	none
92	"Zakład Ogrodniczy Naramowice" Sp. z o.o. ['Naramowice Gardening Enterprise' Limited Liability Company]	Poznan	orcharding activity	subsidiary	full	11.05.2000	40 676	5 702	34 974	100,00%	100,00%	none
TOTAL:							528 102	37 526	490 576			

NOTE 6D

SHARES IN SUBSIDIARIES (thousands PLN)

Item	company name	equity of the company, including:					liabilities and reserves, including:			receivables of the company, including:			total assets of the company	income on sales	dividends from the company for the last financial year
			initial capital	supplementary capital	profit/loss carried forward	net profit (loss)		long-term	short-term		long-term	short-term			
1	"Athina Park" Sp. z o.o. ['Athina Park' Limited Liability Company]	25 910	6 000	6 610	9 551	3 749	92 435	88 871	3 564	409	-	409	118 345	8 004	-
2	"Centrum Handlowe PHS" S.A. ['PHS Shopping Center' Joint Stock Company]	18 881	2 519	7 883	10 615	(2 136)	7 345	1 785	5 560	544	-	544	26 226	3 763	-
3	"Echo - Arena" Sp. z o.o. ['Echo - Arena' Limited Liability Company]	1 143	1 000	124	-	19	9	5	4	3	-	3	1 152	-	-
4	"Echo - Arena Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Echo - Arena Limited Liability Company' Limited Partnership]	6	11	-	-	(5)	26 603	-	26 603	197	-	197	26 609	206	-
5	"Echo - Building Ingatlanhasznosító" Kft.	44	47	-	-	(3)	2	-	2	-	-	-	46	-	-
6	"Echo - Centrum Bankowości i Finansów Łódź" Sp. z o.o. ['Echo - Łódź Banking and Finance Center' Limited Liability Company]	24 354	3 000	5 232	5 493	10 629	23 340	22 460	880	70	-	70	47 694	801	-
7	"Echo - Centrum Bełchatów" Sp. z o.o. ['Echo - Bełchatów Center' Limited Liability Company]	28 122	8 524	10 084	8 428	1 086	8 028	5 633	2 394	75	-	75	36 150	2 720	-
8	Echo - Centrum Biznesu Łódź Sp. z o.o. [Echo - Business Center Łódź Limited Liability Company]	23 744	2 504	11 026	890	9 324	27 998	25 898	2 100	19	-	19	51 742	1 040	-
9	"Echo - Centrum Gdynia" Sp. z o.o. ['Echo - Gdynia Center' Limited Liability Company]	3 624	11 239	-	(7 612)	(3)	1 424	1 414	10	501	-	501	5 048	-	-
10	"Echo - Centrum Jelenia Góra" Sp. z o.o. ['Echo - Jelenia Góra Center' Limited Liability Company]	65 232	11 057	20 372	32 307	1 496	20 549	15 749	4 800	126	-	126	85 781	5 949	-
11	"Echo - Centrum Poznań" Sp. z o.o. ['Echo - Poznań Center' Limited Liability Company]	25	50	7	(50)	18	42 852	-	42 852	784	-	784	42 877	12	-
12	"Echo - Centrum Przemysław" Sp. z o.o. ['Echo - Przemysław Center']	16 120	3 784	7 448	4 452	436	8 733	5 424	3 309	43	-	43	24 853	1 584	-

Limited Liability Company]

13	"Echo – Centrum Rzeszów" Sp. z o.o. ["Echo – Rzeszów Center" Limited Liability Company]	611	7 782	-	(7 132)	(39)	2 697	-	2 697	3	-	3	3 308	-	-
14	"Echo – Centrum Tarnów" Sp. z o.o. ["Echo – Tarnów Center" Limited Liability Company]	65 304	12 894	12 729	37 138	2 543	27 287	21 881	5 406	47	-	47	92 592	6 392	2 500

SHARES IN SUBSIDIARIES (thousands PLN) continued

Item	company name	equity of the company, including:					liabilities and reserves, including:			receivables of the company, including:			total assets of the company	income on sales	dividends from the company for the last financial year
			initial capital	supplementary capital	profit/loss carried forward	net profit (loss)		long-term	short-term		long-term	short-term			
15	"Echo - Galaxy" Sp. z o.o. ['Echo - Galaxy' Limited Liability Company]	644	50	347	-	247	32	32	-	6	-	6	676	-	-
16	"Echo - Galaxy Spółka z ograniczoną odpowiedzialnością" Sp.K. ['Echo - Galaxy Limited Liability Company' Limited Partnership]	309 040	36 636	242 033	-	30 371	239 228	221 668	17 560	906	-	906	548 268	30 014	30 000
17	"Echo - Galeria Kielce" Sp. z o.o. ['Echo - Kielce Gallery' Limited Liability Company]	86 297	11 544	10 815	57 439	6 499	98 059	90 903	7 156	446	-	446	184 356	10 255	14 000
18	"Echo - Pasaż Grunwaldzki" Sp. z o.o. ['Echo - Grunwaldzki Arcade' Limited Liability Company]	42	50	4	(2)	(10)	4	-	4	3	-	3	46	-	-
19	"Echo - Pasaż Grunwaldzki Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Echo - Grunwaldzki Arcade Limited Liability Company' Limited Partnership]	138 755	11	3 215	(115)	135 644	357 772	185 989	171 783	19 316	-	19 316	496 527	24 391	-
20	"Echo - SPV 6" Sp. z o.o. ['Echo - SPV 6' Limited Liability Company]	91 662	33 689	56 835	27	1 111	3 893	452	3 441	172	-	172	95 555	-	-
21	"Echo - Veneda" Sp. z o.o. ['Echo - Veneda' Limited Liability Company]	6 760	6 781	-	(28)	7	331	7	324	-	-	-	7 091	12	-
22	"Echo ACC" Sp. z o.o. ['Echo ACC' Limited Liability Company]	1 175	50	762	-	363	1 449	2	1 447	67	-	67	2 624	1 865	-
23	"Echo Bau" Sp. z o.o. ['Echo Bau' Limited Liability Company]	52	50	3	(1)	-	1	1	-	1	-	1	53	-	-
24	"Echo Centrum Ślichowice" Sp. z o.o. ['Echo Ślichowice Center' Limited Liability Company]	2 873	2 500	325	-	48	13	13	-	3	-	3	2 885	-	-

25	"Echo Investment - Centrum Handlowe Piotrków Trybunalski" Sp. z o.o. ['Echo Investment – Piotrków Trybunalski Shopping Center' Limited Liability Company]	187 605	38 833	64 270	77 563	6 939	142 923	131 875	11 048	202	-	202	330 528	16 354	-
26	"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	38 016	36 511	1 505	257	-	257	84 851	-	4 000

SHARES IN SUBSIDIARIES (thousands PLN) continued

Item	company name	equity of the company, including:					liabilities and reserves, including:			receivables of the company, including:			total assets of the company	income on sales	dividends from the company for the last financial year
			initial capital	supplementary capital	profit/loss carried forward	net profit (loss)		long-term	short-term		long-term	short-term			
27	"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	-	(1 035)	52	12	9	3	69	-	69	3 462	-	-
28	"Echo Investment Hungary" Ingatlanhasznosító Kft.	-46	44	-	(22)	(68)	60 370	37 548	22 822	68	-	68	60 326	-	-
29	"Echo Investment Projekt 1" SRL	-237	4	-	(84)	(157)	4 914	267	4 647	40	6	34	4 673	-	-
30	"Est-On Property Management" Sp. z o.o. ['Est-On Property Management' Limited Liability Company]	2 993	50	1 113	(952)	2 782	1 819	-	1 819	943	-	943	4 812	7 503	-
31	"Galeria Echo - Kielce" Sp. z o.o. ['Echo Arcade - Kielce' Limited Liability Company]	54	50	1	(1)	4	1	1	-	2	-	2	55	-	-
32	"Malta Office Park" Sp. z o.o. ['Malta Office Park' Limited Liability Company]	2 076	2 000	76	-	-	8 510	-	8 510	127	-	127	10 586	84	-
33	"MDP" Sp. z o.o. ['MDP' Limited Liability Company]	-5 934	16 004	3 831	(29 521)	3 752	49 953	32 117	17 836	381	-	381	44 019	2 872	-
34	"Piomot Auto" Sp. z o.o. ['Piomot Auto' Limited Liability Company]	59	150	-	(85)	(6)	97	-	97	-	-	-	156	-	-
35	"Princess Boryszewska" Sp. z o.o. ['Princess Boryszewska' Limited Liability Company]	289	900	-	(620)	9	18 848	18 847	1	-	-	-	19 137	-	-
36	"Princess Investment" Sp. z o.o. ['Princess Investment' Limited Liability Company]	878	1 600	-	(673)	(49)	2 622	-	2 622	182	-	182	3 500	-	-
37	„Project 2 - Echo Hungary” Kft.	-417	46	(20)	-	(443)	829	-	829	48	-	48	414	-	-
38	“Projekt Echo 17” Sp. z o.o. ['Project Echo -17' Limited	46	50	10	(11)	(3)	-	-	-	5	-	5	46	-	-

Liability Company]															
39	"Projekt Echo 23" Sp. z o.o. ['Project Echo -23' Limited Liability Company]	20	28	-	(8)	-	-	-	-	-	-	-	20	-	-
40	"Projekt Echo 30" Sp. z o.o. ['Project Echo -30' Limited Liability Company]	55	50	4	-	1	5 536	5 535	1	992	-	992	5 591	-	-
41	"Projekt Echo 34" Sp. z o.o. ['Project Echo -34' Limited Liability Company]	52	50	4	-	(2)	2	2	-	1	-	1	54	-	-
42	"Projekt Echo 37" Sp. z o.o. ['Project Echo -37' Limited Liability Company]	52	50	4	-	(2)	2	1	1	1	-	1	54	-	-
43	"Projekt Echo 39" Sp. z o.o. ['Project Echo -39' Limited Liability Company]	59	50	4	(2)	7	21 021	20 992	29	1 760	-	1 760	21 080	-	-
44	"Projekt Echo 41" Sp. z o.o. ['Project Echo -41' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-

SHARES IN SUBSIDIARIES (thousands PLN) continued

Item	company name	equity of the company, including:					liabilities and reserves, including:			receivables of the company, including:			total assets of the company	income on sales	dividends from the company for the last financial year
			initial capital	supplementary capital	profit/loss carried forward	net profit (loss)		long-term	short-term		long-term	short-term			
45	"Projekt Echo - 41 Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Project Echo - 41 Limited Liability Company' Limited Partnership]	10	10	-	-	-	-	-	-	-	-	-	10	-	-
46	"Projekt Echo 42" Sp. z o.o. ['Project Echo -42' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
47	"Projekt Echo - 42 Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Project Echo - 42 Limited Liability Company' Limited Partnership]	10	10	-	-	-	-	-	-	-	-	-	10	-	-
48	"Projekt Echo 43" Sp. z o.o.	49	50	-	(2)	1	-	-	-	-	-	-	50	-	-

	['Project Echo -43' Limited Liability Company]														
49	"Projekt Echo 44" Sp. z o.o. ['Project Echo -44' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
50	"Projekt Echo 45" Sp. z o.o. ['Project Echo -45' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
51	"Projekt Echo - 45 Spółka z ograniczoną odpowiedzialnością" Sp.k. ['Project Echo - 45 Limited Liability Company' Limited Partnership]	10	10	-	-	-	-	-	-	-	-	-	10	-	-
52	"Projekt Echo 46" Sp. z o.o. ['Project Echo -46' Limited Liability Company]	49	50	-	-	(1)	-	-	-	-	-	-	49	-	-
53	"Projekt Echo 47" Sp. z o.o. ['Project Echo -47' Limited Liability Company]	49	50	-	-	(1)	-	-	-	-	-	-	49	-	-
54	"Projekt Echo 48" Sp. z o.o. ['Project Echo -48' Limited Liability Company]	49	50	-	-	(1)	-	-	-	-	-	-	49	-	-
55	"Projekt Echo 53" Sp. z o.o. ['Project Echo -53' Limited Liability Company]	96 149	99 037	-	(2)	(2 886)	1 618	151	1 467	241	-	241	97 767	3 401	-
56	"Projekt Echo 54" Sp. z o.o. ['Project Echo -54' Limited Liability Company]	102 834	110 147	-	(2)	(7 311)	3 820	121	3 698	226	-	226	106 654	3 693	-
57	"Projekt Echo 55" Sp. z o.o. ['Project Echo -55' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
58	"Projekt Echo 56" Sp. z o.o. ['Project Echo -56' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
59	"Projekt Echo 57" Sp. z o.o. ['Project Echo -57' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
60	"Projekt Echo 58" Sp. z o.o. ['Project Echo -58' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
61	"Projekt Echo 59" Sp. z o.o. ['Project Echo -59' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
62	"Projekt Echo 60" Sp. z o.o.	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-

	['Project Echo -60' Limited Liability Company]														
63	["Projekt Echo 61" Sp. z o.o. ['Project Echo -61' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
64	["Projekt Echo 62" Sp. z o.o. ['Project Echo -62' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
65	["Projekt Echo 63" Sp. z o.o. ['Project Echo -63' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-

SHARES IN SUBSIDIARIES (thousands PLN) continued

Item	company name	equity of the company, including:					liabilities and reserves, including:			receivables of the company, including:			total assets of the company	income on sales	dividends from the company for the last financial year
			initial capital	supplementary capital	profit/loss carried forward	net profit (loss)		long-term	short-term		long-term	short-term			
66	"Projekt Echo 64" Sp. z o.o. ['Project Echo -64' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
67	"Projekt Echo 65" Sp. z o.o. ['Project Echo -65' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
68	"Projekt Echo 66" Sp. z o.o. ['Project Echo -66' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
69	"Projekt Echo 67" Sp. z o.o. ['Project Echo -67' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
70	"Projekt Echo 68" Sp. z o.o. ['Project Echo -68' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
71	"Projekt Echo 69" Sp. z o.o. ['Project Echo -69' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
72	"Projekt Echo 70" Sp. z o.o. ['Project Echo -70' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
73	"Projekt Echo 71" Sp. z o.o. ['Project Echo -71' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
74	"Projekt Echo 72" Sp. z o.o. ['Project Echo -72' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
75	"Projekt Echo 73" Sp. z o.o. ['Project Echo -73' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
76	"Projekt Echo 74" Sp. z o.o. ['Project Echo -74' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
77	"Projekt Echo 75" Sp. z o.o. ['Project Echo -75' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-

78	"Projekt Echo 76" Sp. z o.o. ['Project Echo -76' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
79	"Projekt Echo 77" Sp. z o.o. ['Project Echo -77' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
80	"Projekt Echo 78" Sp. z o.o. ['Project Echo -78' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
81	"Projekt Echo 79" Sp. z o.o. ['Project Echo -79' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
82	"Projekt Echo 80" Sp. z o.o. ['Project Echo -80' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
83	"Projekt Echo 81" Sp. z o.o. ['Project Echo -81' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
84	"Projekt Echo 82" Sp. z o.o. ['Project Echo -82' Limited Liability Company]	47	50	-	(2)	(1)	-	-	-	-	-	-	47	-	-
85	"Projekt Naramowice" Sp. z o.o. ['Project Naramowice' Limited Liability Company]	40 767	2 838	37 976	-	(47)	90 389	74 640	15 749	75	-	75	131 156	49	-
86	"Projekt S" Sp. z o.o. ['Project S' Limited Liability Company]	219	50	3	(7)	173	937	934	2	1	-	1	1 156	-	-
87	"SPC" S.A. ['SPC' Joint Stock Company]	data not available	data not available	data not available	data not available	data not available	data not available	data not available	data not available	data not available	data not available	data not available	data not available	data not available	data not available
88	"W.A. Hotele" Sp. z o.o. ['W.A. Hotels' Limited Liability Company]	25 563	25 537	36	-	(10)	-	-	-	98	-	9	25 563	-	-

SHARES IN SUBSIDIARIES (thousands PLN) continued

Item	company name	equity of the company, including:					liabilities and reserves, including:			receivables of the company, including:			total assets of the company	income on sales	dividends from the company for the last financial year
		initial capital	supplementary capital	profit/loss carried forward	net profit (loss)		long-term	short-term		long-term	short-term				
89	"WAN 11" Sp. z o.o. ['WAN 11'	22 415	3 000	18 126	-	1 289	125 135	121 527	3 608	-	-	-	147 550	8 341	-

	Limited Liability Company]														
	"WAN – Invest" Sp. z o.o.														
90	['WAN –Invest' Limited Liability Company]	686	760	-	(60)	(14)	1	-	1	24	-	1	687	-	-
	"Wyględów" Sp. z o.o.														
91	['Wyględów' Limited Liability Company]	64	50	2	-	12	5 602	5 588	14	1 006	-	1 006	5 666	-	-
	"Zakład Ogrodniczy Naramowice" Sp. z o.o.														
92	['Naramowice Gardening Enterprise' Limited Liability Company]	-976	13 000	602	(13 183)	(1 395)	13 605	-	13 605	271	-	271	12 629	890	-

Note 6E

SECURITIES AND OTHER LONG-TERM FINANCIAL ASSETS (CURRENCY STRUCTURE) (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) in the Polish currency	11 411	21 671	20 248
b) in foreign currencies (according to currency, after conversion to zlotys)	-	-	-
Securities, shares and other long-term financial assets total	11 411	21 671	20 248

Note 6F

SECURITIES (ACCORDING TO TRANSFERABILITY) (thousands PLN)	1st half of 2007	2006	1st half of 2006
1. With unlimited transferability, not quoted on regulated market (balance sheet value)			
a) shares (balance sheet value):	10 991	11 005	11 000
- revaluation adjustments (for the period)	(14)	5	-
- value at the beginning of the period	11 005	11 000	11 000
- value according to acquisition prices	11 121	11 121	11 121
	10 991	11 005	11 000
Value according to acquisition prices total	11 121	11 121	11 121
Value at the beginning of period total	11 005	11 000	11 000
Revaluation adjustments (for the period) total	(14)	5	-
Balance sheet value total	10 991	11 005	11 000

Note 6H

GRANTED LONG-TERM LOANS (CURRENCY STRUCTURE) (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) in the Polish currency	39	-	2 385
b) in foreign currencies (according to currency, after conversion to zlotys)	-	-	-
Granted long-term loans total	39	-	2 385

Note 6I

OTHER LONG-TERM INVESTMENTS AND FINANCIAL ASSETS (ACCORDING TO TYPE) (thousands PLN)	1st half of 2007	2006	1st half of 2006
- advances for shares	419	10 665	9 248
- other	1	1	-
Other long-term investments total	420	10 666	9 248

Note 7

CHANGE IN THE BALANCE OF DEFERRED INCOME TAX ASSETS (thousands PLN)	1st half of 2007	2006	1st half of 2006
1. Balance of deferred income tax assets at the beginning of period, including:	18 059	15 613	15 613
a) applied to the financial result			
- tangible assets	1 139	-	-
- long-term investments	1 762	1 489	1 489
- inventories	3 540	4 721	4 721
- short-term receivables	579	580	580
- short-term investments	1 555	2 019	2 019
- accruals	3 593	2 953	2 953
- reserves	462	913	913
- long-term debt	1 177	181	181
- short-term debt	3 308	2 368	2 368
- tax loss	944	389	389
	18 059	15 613	15 613
2. Increases			
a) compared to the financial result of the period due to negative timing differences (on account of)			
- tangible assets	-	1 139	-
- investment immovable property	2 919	-	-
- long-term investments	798	530	857
- inventories	4	18	764
- short-term receivables	-	-	-
- short-term investments	-	576	62
- short-term accruals	230	1 121	365
- reserves	410	156	215
- long-term debt	521	1 547	1 330
- short-term debt	252	1 253	52
b) applied to the financial result of the period in relation to tax loss			
- occurrence of timing differences	539	688	849
	5 673	7 028	4 494
3. Decreases			
a) compared to the financial result of the period due to negative timing differences (on account of)			
- tangible assets	-	-	-
- investment immovable property	94	-	-
- long-term investments	397	257	91
- inventories	248	1 199	-
- short-term receivables	43	1	1
- short-term investments	640	1 040	1 992
- short-term accruals	74	481	237
- reserves	-	607	476
- long-term debt	1 033	551	11
- short-term debt	2 716	313	315
b) applied to the financial result of the period in relation to tax loss			
- resolution of timing differences	165	133	-
	5 410	4 582	3 123

Note 7

CHANGE IN THE BALANCE OF DEFERRED INCOME TAX ASSETS (thousands PLN) ctd.	1st half of 2007	2006	1st half of 2006
4. Balance of deferred income tax assets at the end of period total, including:			
a) applied to the financial result			
- tangible assets	1 139	1 139	-
- investment immovable property	2 825	-	-
- long-term investments	2 163	1 762	2 255
- inventories	3 296	3 540	5 485
- short-term receivables	536	579	579
- short-term investments	915	1 555	89
- short-term accruals	3 749	3 593	3 081
- reserves	872	462	652
- long-term debt	665	1 177	1 500
- short-term debt	844	3 308	2 105
- tax loss	1 318	944	1 238
	18 322	18 059	16 984

Note 8A

INVENTORIES (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) materials	187	187	326
b) semi-finished products and work in process	273 829	186 840	144 199
c) finished products	18 952	12 238	13 698
d) goods	5 950	6 490	5 284
e) advances for deliveries	13 675	2 320	284
Inventories total	312 593	208 075	163 791

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

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 takes place as a result of sale of inventory or increase in net sales price. The amounts of write-offs disclosed as cost in a given period and amounts of reversals of write-offs of values decreasing the value of inventories disclosed in the period as costs are disclosed in the profit and loss account under other operating income / costs.

Note 8B

INVENTORIES - IMPACT ON PROFIT/LOSS (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) value of inventories recognized as cost in a given period	118 565	194 941	44 873
b) amounts of write-offs of the values of inventories in a given period	97	5 405	11 597
c) amounts of reversed write-offs of the values decreasing the value of inventories in a given period	1 404	3 642	599

Note 9A

SHORT-TERM RECEIVABLES (thousands PLN)	1st half of 2007	2006	1st half of 2006
Receivables from non-affiliated companies			
- for deliveries and services, payable:			
- within 12 months	66 406	3 260	5 729
- beyond 12 months	916	915	1 098
- other	1 550	25 046	6 153
Net short-term receivables total	68 872	29 221	12 980
- revaluation adjustments of receivables	4 271	6 453	5 780
Gross short-term receivables total	73 143	35 674	18 760

Note 9B

CHANGE IN THE BALANCE OF REVALUATION WRITE-OFFS OF SHORT-TERM RECEIVABLES (thousands PLN)	1st half of 2007	2006	1st half of 2006
Balance at the beginning of period	6 453	11 320	11 320
a) increases (on account of)			
- creating a write-off	813	2 119	640
	813	2 119	640
b) decreases (on account of)			
- repayment	1 347	1 444	960
- release of reserve	1 475	5 538	5 220
- discontinuance of enforcement proceedings	173	2	-
	2 995	6 984	6 180
Balance of revaluation write-offs of short-term receivables at the end of period	4 271	6 455	5 780

Note 9C

SHORT-TERM RECEIVABLES GROSS (CURRENCY STRUCTURE) (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) in the Polish currency	73 143	35 674	18 760
b) in foreign currencies (according to currency, after conversion to zlotys)	-	-	-
Short-term receivables total	73 143	35 674	18 760

Note 9D

RECEIVABLES ON ACCOUNT OF DELIVERIES AND SERVICES (GROSS) - PAYABLE WITHIN THE FOLLOWING PERIODS AS FROM THE BALANCE DAY (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) up to 1 month	23 282	1 903	1 678
b) over 1 month up to 3 months	184	306	204
c) over 3 months up to 6 months	176	133	38
d) over 6 months up to 1 year	490	196	354
e) over 1 year	915	923	1 265
f) receivables overdue	46 546	6 497	9 068
Receivables for deliveries and services total (gross)	71 593	9 958	12 607
g) revaluation write-offs of receivables for deliveries and services	(4 271)	(5 783)	(5 780)
Receivables for deliveries and services total (net)	67 322	4 175	6 827

Note 9E

AGED RECEIVABLES ON ACCOUNT OF DELIVERIES AND SERVICES (GROSS) - DIVIDED INTO RECEIVABLES NOT PAID DURING THE PERIOD (thousands PLN)

	1st half of 2007	2006	1st half of 2006
a) up to 1 month	42 005	383	3 550
b) over 1 month up to 3 months	1 183	2 682	872
c) over 3 months up to 6 months	1 064	807	433
d) over 6 months up to 1 year	122	334	302
e) over 1 year	2 172	2 291	3 911
Overdue receivables for deliveries and services total (gross)	46 546	6 497	9 068
f) revaluation write-offs of receivables for deliveries and services, overdue	(2 601)	(2 680)	(2 778)
Overdue receivables for deliveries and services total (net)	43 945	3 817	6 290

Note 9F

TAX RECEIVABLES ACCORDING TO TITLES (thousands PLN)

	1st half of 2007	2006	1st half of 2006
- income tax	1 560	542	900
- VAT	22 750	47 588	38 982
- other	130	144	570
Tax receivables total	24 440	48 274	40 452

Note 10A

SHORT-TERM FINANCIAL INVESTMENTS (thousands PLN)

	1st half of 2007	2006	1st half of 2006
a) in associated companies	-	-	-
- shares or stocks	-	-	-
b) in other companies			
- loans granted (including interest on loans)	709	613	842
	709	613	842
Short-term financial investments total	709	613	842

Note 10B

SECURITIES AND OTHER SHORT-TERM FINANCIAL ASSETS (CURRENCY STRUCTURE) (thousands PLN)

	1st half of 2007	2006	1st half of 2006
a) in the Polish currency	682	613	826
b) in foreign currencies (according to currency, after conversion to zlotys)	-	-	-
Securities, shares and other short-term financial assets total	682	613	826

Note 11

ACCRUALS (thousands PLN)

	1st half of 2007	2006	1st half of 2006
- property tax	4 414	-	3 806
- perpetual usufruct	286	13	13
- energy	1	62	33
- insurance	107	174	34
- costs of sales	-	365	-
- other	204	418	689
Total accruals	5 012	1 032	4 575

Note 12A

CASH AND OTHER MONETARY ASSETS (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) cash in hand and on bank accounts	396 460	297 790	343 282
b) other cash	-	1	2
c) other cash assets	-	-	-
Cash and cash equivalents total	396 460	297 791	343 284

Note 12B

CASH AND OTHER MONETARY ASSETS (CURRENCY STRUCTURE) (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) in the Polish currency	271 140	171 482	170 977
b) in foreign currencies (according to currency, after conversion to zlotys)			
b1. in thousands USD	8 452	8 531	8 235
b1. converted into thousands PLN	24 535	24 765	26 270
b2. in thousands EURO	26 358	26 532	36 035
b2. converted into thousands PLN	100 785	101 545	146 037
	125 320	126 310	172 307
Cash and cash equivalents total	396 460	297 792	343 284

Note 13A

INITIAL CAPITAL (STRUCTURE)

Series of shares	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								

Note 13B

SHAREHOLDERS OF ECHO INVESTMENT S.A. OWNING MORE THAN 5% OF SHARE CAPITAL AS ON JUNE 30, 2006

Shareholders	Number of votes / shares	Percentage of share capital	Percentage of votes at the General Meeting of Shareholders
Michał Solowow - directly	1 185 568	2,82%	2,82%
Michał Solowow - indirectly through:	15 295 395	36,42%	36,42%
- Magellan Pro-Equity Fund I S.A.	10 432 968	24,84%	24,84%
- Columbus Pro-Equity Fund II Sp. z o.o.	3 708 000	8,83%	8,83%
- Amundsen Pro-Equity Fund III Sp. z o.o.	1 130 000	2,69%	2,69%
- Barco Capital Investment Ltd.	24 427	0,06%	0,06%
Otwarty Fundusz Emerytalny ING NN	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 ABK AIB AM SA	2 119 363	5,05%	5,05%
Other Shareholders	13 865 256	33,00%	33,00%

Note 14

SUPPLEMENTARY CAPITAL (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) from 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 above the value required by law	885 144	437 469	433 786
d) from additional payments of shareholders / partners	-	-	-
e) costs of issue of shares	(195)	(195)	(195)
f) other	22	22	22
g) reserve	-	-	-
Supplementary capital total	985 994	538 319	534 636

Note 15

CHANGE IN THE BALANCE OF MINORITY CAPITALS (thousands PLN)	1st half of 2007	2006	1st half of 2006
Balance at the beginning of period	10 584	18 145	18 145
a) increases (on account of)			
- net result of Projekt S Sp. z o.o. [Project S Limited Liability Company]	64	-	-
- net result of WAN 11 Sp. z o.o. [WAN 11 Limited Liability Company]	644	943	13
	708	943	13
b) decreases (on account of)			
- disbursements of dividend	-	8 500	6 000
- net result and purchase of shares of Projekt S Sp. z o.o. [Project S Limited Liability Company]	-	4	8
	-	8 504	6 008
Balance of minority capitals at the end of period	11 292	10 584	12 150

Note 16

CHANGE IN THE BALANCE OF DEFERRED INCOME TAX RESERVE
(thousands PLN)

1st half of 2007

2006

1st half of 2006

1. Balance of deferred income tax reserve at the beginning of period:

a) applied to the financial result:

- tangible assets	5 566	7 178	7 178
- long-term receivables	1	1 325	1 325
- investment immovable property	137 581	93 617	93 617
- long-term investments	14 119	4 398	4 398
- inventories	1 351	1 812	1 812
- short-term receivables	1 699	1 679	1 679
- short-term investments	2 719	3 000	3 000
- accruals	734	520	520
- reserves	-	-	-
- long-term debt	15 283	12 662	12 662
- short-term debt	(287)	(219)	(219)
	178 766	125 972	125 972

2. Increases

a) applied to the financial result:

- tangible assets	-	-	2 655
- long-term receivables	-	-	-
- investment immovable property	40 910	43 574	23 096
- long-term investments	9 701	9 765	3 288
- inventories	-	-	75
- short-term receivables	-	835	28
- short-term investments	602	992	360
- accruals	58	268	10
- reserves	-	-	65
- long-term debt	4 519	3 182	2 692
- short-term debt	1 280	20	4
	57 070	58 636	32 273

3. Decreases

a) applied to the financial result:

- tangible assets	5 275	1 612	1 063
- long-term receivables	1	1 324	1 038
- investment immovable property	4 991	(390)	7 402
- long-term investments	-	44	-
- inventories	7	461	-
- short-term receivables	835	815	412
- short-term investments	393	1 273	981
- accruals	371	54	-
- reserves	-	-	-
- long-term debt	3 407	561	6 116
- short-term debt	20	88	71
	15 300	5 842	17 083

Note 16

CHANGE IN THE BALANCE OF DEFERRED INCOME TAX RESERVE (thousands PLN) ctd.	1st half of 2007	2006	1st half of 2006
4. Balance of reserve for deferred income tax at the end of period total			
a) applied to the financial result:			
- tangible assets	291	5 566	8 770
- long-term receivables	-	1	287
- investment immovable property	173 500	137 581	109 311
- long-term investments	23 820	14 119	7 686
- inventories	1 344	1 351	1 887
- short-term receivables	864	1 699	1 295
- short-term investments	2 928	2 719	2 379
- accruals	421	734	530
- reserves	-	-	65
- long-term debt	16 395	15 283	9 238
- short-term debt	973	(287)	(286)
	220 536	178 766	141 162

Note 17

CHANGE IN THE BALANCE OF OTHER RESERVES (ACCORDING TO TITLES) (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) balance at the beginning of period	32 055	30 797	30 797
b) increases (on account of)			
- reserve for foreseen overheads (audit, holidays, bonuses, etc.)	4 544	8 514	6 258
- reserve for foreseen penalties and losses	740	2 453	3 316
- reserve for foreseen costs of guarantee repairs, renovations, etc.	1 100	-	-
	6 384	10 967	9 574
c) utilization (on account of)			
- incurred overheads	3 138	6 308	4 442
- incurred penalties and losses	17	791	765
	3 155	7 099	5 207
d) release (on account of)			
- reserve for foreseen costs of guarantee repairs, renovations, etc.	-	2 024	2 024
- reserve for foreseen costs and losses resulting from transfer of assets	273	152	76
- reserve for court proceedings	125	434	434
	398	2 610	2 534
e) balance at the end of period			
- reserve for foreseen overheads (audit, holidays, bonuses, etc.)	15 027	13 623	13 231
- reserve for foreseen penalties and losses	8 758	8 033	8 924
- reserve for foreseen costs of guarantee repairs, renovations, etc.	1 100	-	-
- reserve for foreseen payments on account of granted sureties	4 047	4 047	4 047
- reserve for foreseen costs and losses resulting from transfer of assets	5 513	5 786	5 862
- reserve for court proceedings	441	566	566
	34 886	32 055	32 630

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

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

Note 18A

LONG-TERM FINANCIAL OBLIGATIONS (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) to non-affiliated companies			
- loans and credits (including interest)	665 825	656 705	729 034
- on account of issue of debt securities	546 689	245 961	229 313
- on account of financial lease	-	243	487
Long-term financial obligations total	1 212 514	902 909	958 834

Note 18B

LONG-TERM FINANCIAL OBLIGATIONS - DUE PERIOD REMAINING FROM THE BALANCE DATE (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) over 1 year up to 3 years	352 997	112 385	166 618
b) over 3 years up to 5 years	216 142	88 753	188 286
c) over 5 years	643 375	701 771	603 930
Long-term financial obligations total	1 212 514	902 909	958 834

Note 18C

LONG-TERM FINANCIAL OBLIGATIONS (CURRENCY STRUCTURE) (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) in the Polish currency	547 893	246 203	242 800
b) in foreign currencies (according to currency, after conversion to zlotys)			
b1. in thousands USD	7 225	20 749	21 872
b1. converted into thousands PLN	19 869	63 431	73 386
b2. in thousands EUR	169 102	152 350	157 874
b2. converted into thousands PLN	644 752	593 275	642 648
	664 621	656 706	716 034
Long-term financial obligations total	1 212 514	902 909	958 834

NOTE 18D

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
		thousands PLN	currency	thousands PLN	currency			
PeKaO S.A. [PeKaO Joint Stock Company]	Warsaw	90 000		-		Wibor + margin	2009-06-30	- power of attorney to a bank account
Bank BPH S.A. [BPH Bank Joint Stock Company]	Krakow	30 000		-		Wibor + margin	2009-05-30	- power of attorney to a bank account
Bank Zachodni WBK S.A. [Bank Zachodni WBK Joint Stock Company]	Wroclaw	20 000		-		Wibor + margin	2009-05-31	- own blank promissory note, - statement of voluntary submission to enforcement proceedings, - power of attorney to bank account
PKO BP SA [PKO BP Joint Stock Company]	Warsaw	20 000		-		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		-		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		-		Wibor + margin	2008-11-29	- own blank promissory note, - statement of voluntary submission to enforcement proceedings
ING Bank Śląski S.A. [ING Bank Śląski Joint Stock Company]	Katowice	30 000		-		Wibor + margin	2008-09-05	- statement of voluntary submission to enforcement proceedings.
PEKAO S.A. [PEKAO Joint Stock Company]	Warsaw	34 273	9,101 thousand EUR	11 346	2,980 thousand EUR	EURIBOR + margin	2010-08-31	- mortgage security on immovable property for an amount of 11,831 thousand EUR, - assignment of receivables under lease contracts, - assignment of receivables under guarantees or sureties, - assignment of receivables under execution contracts, - assignment of receivables under insurance policies, - statement of 'Echo Investment' S.A. on voluntary submission to enforcement proceedings,

PEKAO S.A. [PEKAO Joint Stock Company]	Warsaw	18 686	4,962 thousand EUR	5 389	1,427 thousand EUR	EURIBOR + margin	2010-04-30	- registered pledge on shares of "Echo - Centrum Jelenia Góra" Sp. z o.o. [‘Echo - Jelenia Góra Center’ Limited Liability Company], - power of attorney to bank account
								- mortgage security on immovable property for an amount of 6,451 thousand EUR, - assignment of receivables under lease contracts, - assignment of receivables under guarantees or sureties, - assignment of receivables under execution contracts, - assignment of receivables under insurance policies, - statement of 'Echo Investment' S.A. on voluntary submission to enforcement proceedings, - registered pledge on shares of "Echo - Centrum Bełchatów" Sp. z o.o. [‘Echo - Bełchatów Center’ Limited Liability Company], - power of attorney to bank account

NOTE 18D

LONG-TERM DEBT ON ACCOUNT OF LOANS AND CREDITS continued

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
		thousands PLN	currency	thousands PLN	currency			
Eurohypo AG	Eschborn	41 400	11,100 thousand EUR	16 833	4,437 thousand EUR	EURIBOR + margin	2010-07-15	- mortgage security on immovable property for an amount of 15,540 thousand EUR, - assignment of receivables under lease contracts and management contract, - assignment of receivables under guarantees or sureties, - assignment of receivables under insurance policies, - assignment of receivables under execution contracts, - registered pledge on shares of "Echo - Centrum Tarnów" Sp. z o.o. [‘Echo - Tarnów Center Limited Liability Company], - assignment of receivables under bank account agreement
ING Bank Śląski SA [ING Bank Śląski Joint Stock Company]	Katowice	15 929	4,230 thousand EUR	5 763	1,487 thousand EUR	EURIBOR + margin	2012-06-30	- mortgage security on immovable property for an amount of 3,420 thousand EUR, - assignment of receivables under lease contracts and management contract, - assignment of receivables under guarantees or sureties, - assignment of receivables under insurance policies, - assignment of receivables under execution contracts, - registered pledge on shares of "Echo Investment - Centrum Handlowe Przemysł" Sp. z o.o. [‘Echo Investment - Przemysł Shopping Center’ Limited Liability Company], - surety of "Echo - SPV 6" Sp. z o.o. [‘Echo - SPV 6’ Limited Liability Company], - assignment of receivables under bank account agreement

PEKAO S.A. [PEKAO Joint Stock Company]	Warsaw	36 635	4,600 thousand EUR 6,900 thousand USD	-	-	EURIBOR + margin LIBOR + margin	repaid	<ul style="list-style-type: none"> - mortgage security on immovable property for an amount of 14,970 thousand EUR, - assignment of receivables under lease contracts, - assignment of receivables under insurance policies, - assignment of receivables under execution contracts, - registered pledge on shares of "M.D.P." Sp. z o.o. ['M.D.P.' Limited Liability Company], - statement of "Echo Investment" S.A. and "M.D.P." Sp. z o.o. ['M.D.P.' Limited Liability Company] on voluntary submission to enforcement proceedings, - power of attorney to bank accounts of "Echo Investment" S.A. and "M.D.P." Sp. z o.o. ['M.D.P.' Limited Liability Company]
BPH S.A. [BPH Joint Stock Company]	Krakow	136 699	36,300 thousand EUR	114 741	30,314 thousand EUR	EURIBOR + margin	2014-02-28	<ul style="list-style-type: none"> - mortgage security on real property up to the amount of 72,600 thousand EUR, - registered pledge on shares of "Echo Investment - Centrum Handlowe Piotrków Trybunalski" Sp. z o.o. ['Echo Investment - Piotrków trybunalski Shopping Center' Limited Liability Company], - assignment of receivables under lease contracts, - assignment of receivables under insurance contracts of the financed real estates, - registered pledge on receivables under bank account agreements

NOTE 18D

LONG-TERM DEBT ON ACCOUNT OF LOANS AND CREDITS continued

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
		thousand s PLN	currency	thousands PLN	currency			
Eurohypo AG	Eschborn	376 580	100,000 thousand EUR	159 101	41,719 thousand EUR	EURIBOR + margin	2022-06-30	<ul style="list-style-type: none"> - mortgage security on immovable property for an amount of 150,000 thousand EUR, - assignment of receivables under lease contracts and management contract, - assignment of receivables under guarantees or sureties, - assignment of receivables under insurance policies, - assignment of receivables under execution contracts, - registered pledge on shares of "Echo - Galaxy Spółka z ograniczoną odpowiedzialnością" Sp. k. ["Echo - Galaxy Limited Liability Company" Limited Partnership], - assignment of receivables under bank account agreement, - assignment of receivables due from CAP transactions, - assignment of receivables under the claims of "Echo - Galaxy Spółka z ograniczoną odpowiedzialnością" Sp. k. ["Echo - Galaxy Limited Liability Company" Limited Partnership] concerning VAT return, - assignment of receivables under lease contract of parcel, - covenant of "Echo Investment" S.A. with statement of voluntary submission to enforcement proceedings
Rheinhyp - BRE S.A. [Rheinhyp - BRE Joint Stock Company]	Warsaw	20 992	7,500 thousand USD	-	-	LIBOR + margin	repaid	<ul style="list-style-type: none"> - mortgage security on immovable property for an amount of 11,250 thousand USD, - assignment of receivables under lease contracts, - assignment of receivables under guarantees, - assignment of receivables under insurance policies, - assignment of receivables under execution contracts, - registered pledge on shares of "Echo - Centrum Biznesu Łódź" Sp. z o.o. ["Echo - Łódź Business Center" Limited Liability Company], - power of attorney to bank accounts of "Echo - Centrum Biznesu Łódź" Sp. z o.o. ["Echo - Łódź Business Center" Limited Liability Company], - statement of "Echo - Centrum Biznesu Łódź" Sp. z o.o. ["Echo - Łódź Business Center" Limited Liability Company] on voluntary submission to enforcement proceedings, - subordination of loans granted by "Echo Investment" S.A., - declaration of "Echo Investment" S.A. of not disposing of the immovable property without the Lender's consent

NOTE 18D

LONG-TERM DEBT ON ACCOUNT OF LOANS AND CREDITS continued

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
		thousands PLN	currency	thousands PLN	currency			
PEKAO S.A. [PEKAO Joint Stock Company]	Warsaw	23 600	5,714 thousand USD	-	-	LIBOR + margin	repaid	<ul style="list-style-type: none"> - mortgage security on immovable property for an amount of 7,506 thousand USD, - assignment of receivables under insurance policies, - registered pledge on the shares of "Echo - Centrum Bankowości i Finansów Łódź" Sp. z o.o. [Echo - Łódź Banking and Finance Center' Limited Liability Company], - power of attorney to bank accounts of "Echo - Centrum Bankowości i Finansów Łódź" Sp. z o.o. [Echo - Łódź Banking and Finance Center' Limited Liability Company], - statement of "Echo - Centrum Bankowości i Finansów Łódź" Sp. z o.o. [Echo - Łódź Banking and Finance Center' Limited Liability Company] on voluntary submission to enforcement proceedings,
Kredyt Bank S.A. [Kredyt Bank Joint Stock Company]	Warsaw	67 784	18,000 thousand EUR	48 498	12,518 thousand EUR	EURIBOR + margin	2013-10-31	<ul style="list-style-type: none"> - mortgage security on immovable property for an amount of 27,000 thousand EUR, - assignment of receivables under lease contracts, - assignment of receivables under guarantees, - assignment of receivables under insurance policies, - assignment of receivables under execution contracts, - registered pledge on shares of "Echo - Galeria Kielce" Sp. z o.o. [Echo - Kielce Gallery' Limited Liability Company], - power of attorney to bank accounts of "Echo - Galeria Kielce" Sp. z o.o. [Echo - Kielce Gallery' Limited Liability Company]
Eurohypo AG	Eschborn	75 070	13,840 thousand EUR 8,200 thousand USD	70 672	13,038 thousand EUR 7,743 thousand USD	EURIBOR + margin LIBOR + margin	2014-09-30	<ul style="list-style-type: none"> - mortgage security on immovable property for an amount of 30,600 thousand EUR, - assignment of receivables under lease contracts, - assignment of receivables under guarantees, - assignment of receivables under insurance policies, - assignment of receivables under execution contracts, - assignment of receivables under hedging contracts, - assignment of receivables under income statements from lease and deposits, - registered pledge on shares of "Athina Park" Sp. z o.o. [Athina Park' Limited Liability Company]

NOTE 18D

LONG-TERM DEBT ON ACCOUNT OF LOANS AND CREDITS continued

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
		thousands PLN	currency	thousands PLN	currency			
Eurohypo AG	Eschborn	376 580	100,000 thousand EUR	155 199	41,178 thousand EUR	EURIBOR + margin	2022-09-30	<ul style="list-style-type: none"> - mortgage security on immovable property for an amount of 100,000 thousand EUR, - registered pledge on the shares of "Echo Pasaż Grunwaldzki" Sp. z o.o. [Echo Grunwaldzki Arcade Limited Liability Company], - registered pledge on receivables of shareholders on account of their shares in "Echo Pasaż Grunwaldzki Sp. z o.o." Sp. k. [Echo Grunwaldzki Arcade Limited Liability Company' Limited Partnership], - assignment of receivables under contracts, - statement on voluntary submission to enforcement proceedings, - declaration of Echo Investment S.A. to cover the costs of further realizations in an amount exceeding the credit amount
Eurohypo AG	Eschborn	120 882	32,100 thousand EUR	115 039	29,584 thousand EUR	EURIBOR + margin	2016-01-29	<ul style="list-style-type: none"> - mortgage security on immovable property for an amount of 48,000 thousand EUR, - assignment of receivables under lease contracts, - registered pledge on the shares of "WAN 11" Sp. z o.o. [WAN 11' Limited Liability Company], - subordination of the borrower's obligations towards partners to the borrower's liabilities towards the bank on account of granted loan
Total		1 565 510		702 581				

* The value of due loans consists of amounts of loan due within one year: PLN 36,756 thousand (short-term debt) and over one year (long-term debt) PLN 665,825 thousand.

NOTE 18E

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

Debt financial instruments according to type	Nominal value	Interest rate arrangements	Redempti on date	Guarantees / collaterals	Additional privileges	Quotation market
Bonds (BRE S.A.)	150 000	WIBOR + margin	2011-05-25	-	-	-
Bonds (BRE S.A.)	100 000	WIBOR + margin	2013-05-25	-	-	-
Bonds (BRE S.A.)	300 000	WIBOR + margin	2014-06-30	-	-	-
Total	550 000					

Note 19

OTHER LONG-TERM DEBTS (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) advances received	30 504	31 194	26 965
b) deposits received	5 621	6 139	6 391
c) accrued income	-	-	-
d) as repayment of perpetual usufruct	-	-	-
e) other	-	3 524	-
Other long-term debt total	36 125	40 857	33 356

Note 20A

SHORT-TERM FINANCIAL OBLIGATIONS (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) to non-affiliated companies			
- loans and credits, including:	36 786	48 975	51 051
- long-term in repayment period	36 756	41 791	37 241
- on account of interest on loans and credits	24	1 672	1 343
- on account of issue of debt securities	108 381	106 927	-
- on account of financial lease	-	487	487
Short-term debt total	145 191	158 061	52 881

Note 20B

SHORT-TERM FINANCIAL OBLIGATIONS (CURRENCY STRUCTURE) (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) in the Polish currency	108 435	116 270	15 640
b) in foreign currencies (according to currency, after conversion to zlotys)			
b1. in thousands USD	269	1 544	1 183
b1. converted into thousands PLN	749	4 660	3 788
b2. in thousands EUR	9 559	9 643	8 233
b2. converted into thousands PLN - { } -	36 007	37 131	33 453
	36 756	41 791	37 241
Short-term debt total	145 191	158 061	52 881

NOTE 20C

SHORT-TERM DEBT ON ACCOUNT OF LOANS AND CREDITS

Name (company name) of company	Registered office address	Amount of loan / credit under the contract		Amount of loan / credit remaining due		Interest rate arrangements	Due date	Collaterals
		in thousands PLN	currency	in thousands PLN	currency			
Bank Handlowy w Warszawie S.A. [Handlowy Bank of Warsaw Joint Stock Company]	Warsaw	20 000	PLN	26	PLN	WIBOR + margin	2008-03-07	- statement of voluntary submission to enforcement proceedings.
BPH S.A. [BPH Joint Stock Company]	Krakow	20 000	PLN	-	PLN	WIBOR + margin	2008-06-29	- power of attorney to a bank account
Pekao S.A. [Pekao Joint Stock Company]	Warsaw	20 000	PLN	-	PLN	WIBOR + margin	2008-06-30	- own blank promissory note, - power of attorney to bank account, - statement of voluntary submission to enforcement proceedings
Total		60 000		26				

NOTE 20D

SHORT-TERM DEBT ON ACCOUNT OF ISSUED DEBT FINANCIAL INSTRUMENTS (thousands PLN)

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 21A

OTHER SHORT-TERM OBLIGATIONS (thousands PLN)	1st half of 2007	2006	1st half of 2006
a) to other companies			
- on account of deliveries and services, payable:			
- within 12 months	50 687	79 423	41 116
- beyond 12 months	6 838	8 910	8 481
	57 525	88 333	49 597
- on account of taxes, customs duties, securities and other performances	11 384	8 838	13 322
- other (according to titles)			
- advances received for deliveries	163 973	114 126	70 665
- deposits	5 813	3 632	1 253
- accrued income	4 410	826	1 617
- received hedging deposits	691	1 503	889
- on account of salaries and wages	91	30	84
- right of perpetual usufruct	-	2 966	-
- insurance	-	-	3 575
- company social benefits fund	112	217	198
- other	422	296	416
	911	272	306
Short-term debt total	176 423	123 868	79 003

EXPLANATORY NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

Note 22A

NET INCOME FROM SALES (MATERIAL STRUCTURE - TYPES OF ACTIVITY) (thousands PLN)	1st half of 2007	1st half of 2006
b) from non-affiliated companies, on account of:		
- lease of areas shopping centers and commercial and entertainment centers	105 767	73 195
- sale and lease of residential and commercial areas	11 695	75 259
- realization and lease of areas in office and hotel facilities	70 921	28 091
- property trade	279	3 100
- legal, accounting, managing and consulting services	126	830
- other incomes	2 203	3 887
Net income from sales total	190 991	184 362

Note 22B

NET INCOME FROM SALES (TERRITORIAL STRUCTURE) (thousands PLN)	1st half of 2007	1st half of 2006
a) at home	190 991	184 362
b) export	-	-
Net income from sales total	190 991	184 362

Note 23A

COSTS ACCORDING TO TYPE (thousands PLN)	1st half of 2007	1st half of 2006
a) depreciation/amortization	(2 056)	(2 244)
b) materials and energy intake	(83 979)	(48 455)
c) foreign services	(76 259)	(91 929)
d) taxes and levies	(13 557)	(10 158)
e) salaries and wages	(14 229)	(10 819)
f) social security and other performances	(2 988)	(2 195)
g) other prime costs	(2 522)	(2 731)
h) value of sold goods and materials	(27)	(17)
Costs according to type, total	(195 617)	(168 548)
Change in the balance of inventories, products and accruals	(73 960)	(55 555)
Cost of manufacture of products for the company's own purposes	(544)	-
Costs of sales	(7 643)	(4 433)
Overheads	(18 177)	(25 304)
Production cost of sold products	(95 293)	(83 256)

Note 23B

OPERATING COSTS (MATERIAL STRUCTURE - TYPES OF OPERATIONS) (thousands PLN)	1st half of 2007	1st half of 2006
a) from non-affiliated companies, concerning income on:		
- lease of areas shopping centers and commercial and entertainment centers	(33 631)	(21 882)
- sale and lease of residential and commercial areas	(7 590)	(43 603)
- realization and lease of areas in office and hotel facilities	(50 068)	(13 286)
- property trade	(191)	-
- legal, accounting, managing and consulting services	(5)	(201)
- other	(3 808)	(4 284)
Operating costs total	(95 293)	(83 256)

Note 24

NET PROFIT (LOSS) ON SALES OF INVESTMENTS (thousands PLN)	1st half of 2007	1st half of 2006
Income from sales of immovable property	-	25 716
Costs of sales of immovable property	-	(15 785)
Net profit (loss) on sales of investments	-	9 931

Note 25A

OTHER OPERATING INCOMES (thousands PLN)	1st half of 2007	1st half of 2006
a) income from sale of non-financial tangible assets	24	21
b) revaluation of non-financial assets	4 501	2 809
b) release of reserve	449	2 039
d) contractual penalties	309	447
e) write-down of obligations	-	15
f) extraordinary profits	3	-
g) indemnities and penalties	71	-
h) other	214	4 084
Other operating income total	5 571	9 415

Note 25B

OTHER OPERATING COSTS (thousands PLN)	1st half of 2007	1st half of 2006
a) costs of sales of non-financial tangible assets	(67)	-
b) revaluation of non-financial assets	(850)	(12 071)
b) established reserves	(2 590)	(1 044)
d) contractual penalties	-	(46)
e) donations	(50)	(7)
f) write-down of bad receivables	(207)	(292)
g) extraordinary losses	(7)	(9)
h) contractual penalties other than costs of income	(129)	(384)
i) costs of court proceedings	(295)	-
j) costs of PCC tax	(495)	-
k) other	(392)	(5 919)
Other operating costs total	(5 082)	(19 772)

Note 26

FINANCIAL INCOMES (thousands PLN)	1st half of 2007	1st half of 2006
a) from non-affiliated companies		
- income from interest on loans	17	332
- income from other interest	5 006	4 600
- profit on sale of investments	48	122
- income from revaluation of financial assets	8 006	8 835
- other financial income	239	-
Financial income total	13 316	13 889

Note 27

FINANCIAL COSTS (thousands PLN)	1st half of 2007	1st half of 2006
a) from non-affiliated companies		
- costs of interest	(30 484)	(23 075)
- financial commissions	(2 564)	(401)
- loss on sale of investments	-	(272)
- costs of revaluation of financial assets	(2 927)	(12 909)
- other financial costs	(69)	(1 328)
Financial costs total	(36 044)	(37 985)

During the 1st half of the year 2007, the activated amount of external financing costs was PLN 513 thousand.

Note 28

FOREIGN EXCHANGE GAINS (LOSSES) (thousands PLN)	1st half of 2007	1st half of 2006
- realized foreign exchange gains	16 997	372
- unrealized foreign exchange gains	2 200	-
- realized foreign exchange losses	-	-
- unrealized foreign exchange losses	-	(18 278)
Foreign exchange gains/losses total	19 197	(17 906)

Note 29A

CURRENT INCOME TAX (thousands PLN)	1st half of 2007	1st half of 2006
1. Gross profit (loss) (consolidated)	262 659	127 126
2. Consolidation adjustments	51 811	31 796
3. Differences between gross profit (loss) and income tax taxable base (according to titles)		
- Estimated income	(191)	(6 538)
- Tax / accounting differences in incomes (utilities, lease rents)	75	(47)
- Interest gained from loans for the previous years	1 341	2 692
- Output interest on loans, not received	(2 877)	(1 765)
- Other interest earned on loans for the previous years	4 493	70
- Other output interest, not received	(690)	(252)
- Release of receivables revaluation write-offs	(11 711)	(4 490)
- Release of reserve	(562)	(2 471)
- Dividends received	(50 500)	(40 000)
- Tax / accounting differences in depreciation	(16 138)	(6 398)
- Output interest on loans and credits that has not been paid	5 452	1 595
- Interest from loans and credits booked under costs in the previous year but paid this year	(2 082)	(2 396)
- Other output interest that has not been paid	78	1 418
- Other interest booked under costs in the previous year but paid this year	(7 815)	(1 631)
- Budget interest and penalties	1	8
- Establishment of receivables revaluation write-offs	654	1 272
- Contractual penalties other than costs of income	121	330
- Donations	20	21
- Receivables written off as costs	54	50
- Established reserves	3 282	1 445
- Costs of representation and limited advertising	120	-
- Costs of perpetual usufruct of immovable property	346	82
- Unrealized foreign exchange gains/losses	(2 050)	18 280
- Valuation of financial instruments	(7 763)	24 944
- Valuation of investments	(152 385)	(98 412)
- Estimated costs	168	17
- Activated financial costs	65	(336)
- Profit/loss of partnerships	2 598	5 891
- Costs not classified as costs of income	5	(6 277)
- Tax losses of consolidated companies	4 968	12 442
- Other	(2)	96
	(230 925)	(100 360)
4. Income tax taxable base	(147 380)	(41 798)
5. Income tax under 19% rate	10 126	11 127
6. Increases, abandonments, exemptions, deductions and reductions of tax	(585)	(9)
7. Current income tax presented (disclosed) in the tax return of the period, including:	9 541	11 118
- disclosed in the profit and loss account	9 541	11 118
- concerning items that have reduced or lowered equity value	-	-
- concerning items that have reduced or increased goodwill or negative goodwill	-	-

Note 29B

DEFERRED INCOME TAX DISCLOSED IN THE PROFIT AND LOSS ACCOUNT (thousands PLN)	1st half of 2007	1st half of 2006
- reduction (increase) due to occurrence and reversal of timing differences	41 511	13 819
- reduction (increase) due to change in tax rates	-	-
Deferred income tax total	41 511	13 819

Note 30

Net profit (loss) (thousands PLN)	1st half of 2007	1st half of 2006
a) net profit (loss) of the dominant company	45 397	44 693
b) net profit (loss) of subsidiaries	218 470	90 832
c) net profit (loss) of partially owned subsidiaries	-	-
d) net profit (loss) of associated companies	-	-
e) consolidation adjustments	(52 260)	(33 336)
Net profit (loss)	211 607	102 189

The net profit earned by 'Echo Investment S.A.' in the year 2006, amounting to PLN 80,754 thousand was assigned to supplementary capital through resolution of the Ordinary General Meeting of Shareholders of May 29, 2007.

EXPLANATORY NOTES TO THE CONSOLIDATED CASH FLOW ACCOUNT

Note 31

CASH DISCLOSED IN THE CASH FLOW STATEMENT (thousands PLN)	1st half of 2007	1st half of 2006
Balance at the beginning of period, including		
- cash in hand and on bank accounts	297 792	242 407
- other cash	-	-
- other monetary assets	-	-
	297 792	242 407
Balance at the end of period		
- cash in hand and on bank accounts	396 384	343 208
- other cash	-	-
- other monetary assets	76	76
	396 460	343 284

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

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

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

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

The basic classification is the division into geographical segments.

Two geographical segments have been distinguished in the Capital Group:

- operations in Poland,
- operations in Hungary.

The supplementary classification is the division into field segments.

Three field segments have been distinguished in the Capital Group:

- letting and sales of commercial space,
- letting and sales of hotel and office space,
- letting and sales of residential premises.

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

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

Accounting principles

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

Income from a segment

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

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

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

Costs of segment

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

- a) extraordinary losses,
- b) interest, including interest on advances or loans obtained from other segments, unless the operations of the given segment are primarily focused on financial issues,
- c) losses from sales of investments or losses incurred from debt expiry, unless the operations of the segment are mainly focused on financial issues,
- d) economic entity's share in losses of associated companies, joint ventures or other financial investments consolidated with the ownership rights method,
- e) income tax charges, or
- f) overheads and other costs occurring on Group level, applicable to the Group as a whole. However, certain costs occurring on Group level are yielded for the segment. Such costs can be classified as costs of segment if they apply to the segment's operating activity and can be directly allocated or assigned to the segment on the basis of reasonable premises.

Result of segment

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

Assets of segment

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

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

Liabilities of segment

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

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

BASIC CLASSIFICATION ACCORDING TO GEOGRAPHICAL SEGMENTS

With regard to commencement of operations in Hungary, below is a division of balance sheet items as on June 30, 2007 according to geographic segments, in thousands PLN:

	Poland	Hungary
Allocated assets (commercial space)	2 006 731	66 364
Allocated assets (hotel and office space)	428 679	0
Allocated assets (residential premises)	317 977	0
Non-allocated assets	487 035	5 230
Total	3 240 422	71 594

	Poland	Hungary
Allocated liabilities (commercial space)	588 492	914
Allocated liabilities (hotel and office space)	193 269	0
Allocated liabilities (residential premises)	168 486	0
Non-allocated liabilities	687 507	494
Total	1 637 754	1 408

Incomes and costs in the 1st half of 2007 were earned by Echo Investment Capital Group on its operations in Poland exclusively – the division into field segments is the same as presented in Notes 22A and 23B.

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.

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

2. Discontinued operations

No items related to discontinued operations occurred during the 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" Sp. k. ['Echo -Grunwaldzki Arcade Limited Liability Company' Limited Partnership] as the investor. Pursuant to the said contract, 'Echo - Pasaż Grunwaldzki Spółka z o.o.' Sp. k. ['Echo - Grunwaldzki Arcade Limited Liability Company' Limited Partnership] ordered the General Contractor to realize the entire investment of a modern shopping, service and entertainment center with a parking lot on a real property situated in Wrocław between Marii Curie-Skłodowskiej Street, Grunwaldzki Square, Piastowska Street and Grunwaldzka Street.

Managers and supervisors in Echo Investment S.A. capital Group did not receive any of the following during the 1st half of the year 2007: benefits after the employment period, other long-term benefits, employment termination benefits or payments on account of shares held. Managers of Echo Investment S.A. received a total of PLN 1,890 thousand of compensation on account of short-term employment benefits during the 1st half of the year 2007. Managers of Echo Investment S.A. received a total of PLN 141 thousand of remuneration for performance of their functions during the 1st half of the year 2007. Managers of other companies from Echo Investment S.A. Capital Group received a total of PLN 162 thousand of compensation on account of short-term employment benefits. Supervisors of other companies from Echo Investment S.A. Capital Group did not receive any compensation.

As on June 30, 2007 there were no credits, loans, guarantees or advance payments to managers or supervisors of the Capital Group Companies or to their spouses, relations and in-laws to the second degree, relations by adoption or other personal relations.

4. Significant events following the balance date:

- On 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).
 - Agreement 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 Issuer 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 S.A. acquired 100% of initial capital of the aforementioned company, carrying 100% of votes at the general meeting of shareholders.
- On July 19, 2007 the Issuer 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. Echo Investment S.A. intends to develop a project residential buildings on the above mentioned real estates.
- On August 31, 2007, a contract of transfer of establishment was made between the Issuer's subsidiaries: „Echo – Centrum Tarnów” Sp. z o.o. [‘Echo – Tarnów Center’ Limited Liability Company] with its registered seat in Kielce („the Seller”) and „Projekt Echo – 61” Sp. z o.o. [‘Project Echo – 61’ Limited Liability Company] with its registered seat in Kielce („the Buyer”). The object of contract is an establishment comprising right of perpetual usufruct of immovable property situated in Tarnów, with an area of 55,797 sq. m, including ownership of a shopping center building erected thereon and forming a separate object of ownership, with all rights and obligations pertaining thereto. The value of contract is PLN 76,655,350 and the accounting value of the transferred establishment in the books of accounts of the Issuer's subsidiaries is PLN 74,742,798.66 (as on June 30, 2007). The aforementioned establishment forms a non-cash contribution for coverage of newly established 1,533,107 shares in the initial capital of “Projekt Echo – 61” Sp. z o.o. [‘Project Echo – 61’ Limited Liability Company] with total nominal value of PLN 76,655,350. These shares form 99.93% of the Company's initial capital, giving 1,533,107 votes at the meeting of shareholders.

Dated: September 20, 2007

Management Board of Echo Investment S.A.

Jarosław Grodzki

Piotr Gromniak

Artur Langner

President of the Management Board

Member of the Management Board
Management Board

Member of the

Person in charge of keeping books of accounts

Tomasz Sułek

Chief Accountant

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

Kielce, September 20, 2007

Report on the operations of Echo Investment S.A. Capital Group in the 1st half of 2007

Echo Investment Capital Group (the Capital Group) has been operating on the real estate market since 1996. The dominant company in the Capital Group is Echo Investment S.A., which has been quoted on the Warsaw Stock Exchange since March 1996.

Echo Investment S.A. organizes the entire investment process for a given project, starting from purchasing immovable property, through obtaining administrative decisions, financing, supervision over execution, until handover of the completed facility. Echo Investment S.A. also provides general contracting services for foreign investors. Individual developer and investment projects are implemented by affiliated companies, which largely facilitates organization of implemented processes and guarantees transparency of the Group structure. These companies are mainly involved in leasing commercial areas (shopping and entertainment centers, offices), realization and sales of apartments, and property management services.

Echo Investment Capital Group's (hereinafter 'the Capital Group') operations can be divided into four major segments:

- (a) erection and rental of space in shopping centers and shopping/entertainment centers,
- (b) erection and sales of apartments,
- (c) erection and letting of space in office buildings,
- (d) erection and sales of hotels.

The Capital Group performs its operations in Poland and is launching its business in Hungary.

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.

Employment in the Capital Group is as follows:

Balance as on	June 30, 2007	December 31, 2006	June 30, 2006
Number of employees	312	286	281

1. Structure of Echo Investment Capital Group

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

The Echo Investment S.A. Capital Group consists of 88 subsidiaries that are fully consolidated and 4 companies valued according to ownership rights method.

Fully consolidated companies:

- "Athina Park" Spółka z o.o. ['Athina Park' Limited Liability Company], having its registered seat in Kielce
- "Centrum Handlowe PHS" Spółka Akcyjna ['PHS Shopping Center' Joint Stock Company], having its registered seat in Szczecin
- "Echo - Arena" Spółka z o.o. ['Echo - Arena' Limited Liability Company], having its registered seat in Kielce

- „Echo - Arena Sp. z o.o.” Spółka komandytowa [‘Echo - Arena Limited Liability Company’ Limited Partnership], having its registered seat in Kielce, formerly „Hotel Investment Sp. z o.o.” Spółka komandytowa [‘Hotel Investment Limited Liability Company’ Limited Partnership], having its registered seat in Kielce
- „Echo - Building Ingatlanhasznosító” Kft., having its registered seat in Budapest
- “Echo - Centrum Bankowości i Finansów Łódź” Spółka z o.o. [‘Echo Łódź Banking and Finance Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo - Centrum Bełchatów” Spółka z o.o. [‘Echo - Bełchatów Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo - Centrum Biznesu Łódź” Spółka z o.o. [‘Echo Łódź Business Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo - Centrum Gdynia” Spółka z o.o. [‘Echo - Gdynia Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo - Centrum Jelenia Góra” Spółka z o.o. [‘Echo - Jelenia Góra Center’ Limited Liability Company], having its registered seat in Jelenia Góra
- “Echo - Centrum Poznań” Spółka z o.o. [‘Echo - Poznań Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo - Centrum Przemysł” Spółka z o.o. [‘Echo - Przemysł Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo - Centrum Rzeszów” Spółka z o.o. [‘Echo - Rzeszów Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo - Centrum Tarnów” Spółka z o.o. [‘Echo - Tarnów Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo - Galaxy” Spółka z o.o. [‘Echo - Galaxy’ Limited Liability Company], having its registered seat in Kielce
- „Echo - Galaxy spółka z ograniczoną odpowiedzialnością” Spółka Komandytowa [‘Echo - Galaxy Limited Liability Company’ Limited Partnership], having its registered seat in Kielce
- “Echo - Galeria Kielce” Sp. z o.o. [‘Echo - Kielce Gallery’ Limited Liability Company’], having its registered seat in Kielce, formerly “Kieleckie Centrum Handlowo-Rozrywkowe Echo” Sp. z o.o. [‘Echo Shopping & Entertainment Center of Kielce’ Limited Liability Company], having its registered seat in Kielce
- “Echo - Pasaż Grunwaldzki” Spółka z o.o. [‘Echo - Grunwaldzki Arcade’ Limited Liability Company], having its registered seat in Kielce
- „Echo - Pasaż Grunwaldzki spółka z ograniczoną odpowiedzialnością” Spółka komandytowa [‘Echo - Grunwaldzki Arcade Limited Liability Company’ Limited Partnership], having its registered seat in Kielce
- “Echo - SPV 6” Sp. z o.o. [‘Echo - SPV 6’ Limited Liability Company’], having its registered seat in Kielce, formerly “Echo Investment - Centrum Handlowe Świętochłowice” Spółka z o.o. [‘Echo Investment - Świętochłowice Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo - Veneda” Sp. z o.o. [‘Echo - Veneda’ Limited Liability Company’], having its registered seat in Kielce, formerly “Echo Investment - Centrum Handlowe Łomża” Spółka z o.o. [‘Echo Investment - Łomża Shopping Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo ACC” Spółka z o.o. [‘Echo ACC’ Limited Liability Company], having its registered seat in Kielce
- “Echo Bau” Spółka z o.o. [‘Echo Bau’ Limited Liability Company], having its registered seat in Kielce
- “Echo Centrum Ślichowice” Spółka z o.o. [‘Echo Ślichowice Center’ Limited Liability Company], having its registered seat in Kielce
- “Echo Investment - Centrum Handlowe Piotrków Trybunalski” Spółka z o.o. [‘Echo Investment - Piotrków Trybunalski Shopping Center’ Limited Liability Company], having its registered seat in Kielce

- "Echo Investment - Centrum Handlowo-Usługowo-Rozrywkowe Gliwice" Spółka z o.o. ['Echo Investment - Gliwice Shopping, Service and Entertainment Center' Limited Liability Company], having its registered seat in Kielce
- "Echo Investment - Centrum Handlowe Kielce" Spółka z o.o. ['Echo Investment - Kielce Shopping Center' Limited Liability Company], having its registered seat in Kielce
- "Echo Investment Hungary Ingatlanhasznosító Kft.", having its registered seat in Budapest
- "Echo Investment Projekt 1" S.R.L., having its registered seat in Bucharest
- "Est On Property Management" Spółka z o.o. ['Est On Property Management' Limited Liability Company], having its registered seat in Kielce
- "Galeria Echo - Kielce" Spółka z o.o. ['Echo Gallery - Kielce' Limited Liability Company], having its registered seat in Kielce
- "Malta Office Park" Spółka z o.o. ['Malta Office Park' Limited Liability Company], having its registered seat in Kielce
- "MDP" Spółka z o.o. ['MDP' Limited Liability Company], having its registered seat in Kielce
- "Piomot Auto" Spółka z o.o. ['Piomot Auto' Limited Liability Company], having its registered seat in Kielce
- "Princess Boryszewska" Spółka z o.o. ['Princess Boryszewska' Limited Liability Company], having its registered seat in Kielce
- "Princess Investment" Spółka z o.o. ['Princess Investment' Limited Liability Company], having its registered seat in Kielce
- „Project 2 - Echo Hungary” Kft., having its registered seat in Budapest
- "Projekt - Echo 17" Spółka z o.o. ['Project - Echo 17' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 30" Spółka z o.o. ['Project - Echo 30' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 34" Spółka z o.o. ['Project - Echo 34' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 37" Spółka z o.o. ['Project - Echo 37' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 39" Spółka z o.o. ['Project - Echo 39' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 41" Spółka z o.o. ['Project - Echo 41' Limited Liability Company], having its registered seat in Kielce
- „Projekt - Echo 41 spółka z ograniczoną odpowiedzialnością” Spółka komandytowa ["Project - Echo 41 Limited Liability Company" Limited Partnership], having its registered seat in Kielce
- "Projekt - Echo 42" Spółka z o.o. ['Project - Echo 42' Limited Liability Company], having its registered seat in Kielce
- „Projekt - Echo 42 spółka z ograniczoną odpowiedzialnością” Spółka komandytowa ["Project - Echo 42 Limited Liability Company" Limited Partnership], having its registered seat in Kielce
- "Projekt - Echo 43" Spółka z o.o. ['Project - Echo 43' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 44" Spółka z o.o. ['Project - Echo 44' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 45" Spółka z o.o. ['Project - Echo 45' Limited Liability Company], having its registered seat in Kielce
- „Projekt - Echo 45 spółka z ograniczoną odpowiedzialnością” Spółka komandytowa ["Project - Echo 45 Limited Liability Company" Limited Partnership], having its registered seat in Kielce
- "Projekt - Echo 46" Spółka z o.o. ['Project - Echo 46' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 47" Spółka z o.o. ['Project - Echo 47' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 48" Spółka z o.o. ['Project - Echo 48' Limited Liability Company], having its registered seat in Kielce

- "Projekt - Echo 53" Spółka z o.o. ['Project - Echo 53' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 54" Spółka z o.o. ['Project - Echo 54' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 55" Spółka z o.o. ['Project - Echo 55' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 56" Spółka z o.o. ['Project - Echo 56' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 57" Spółka z o.o. ['Project - Echo 57' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 58" Spółka z o.o. ['Project - Echo 58' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 59" Spółka z o.o. ['Project - Echo 59' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 60" Spółka z o.o. ['Project - Echo 60' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 61" Spółka z o.o. ['Project - Echo 61' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 62" Spółka z o.o. ['Project - Echo 62' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 63" Spółka z o.o. ['Project - Echo 63' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 64" Spółka z o.o. ['Project - Echo 64' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 65" Spółka z o.o. ['Project - Echo 65' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 66" Spółka z o.o. ['Project - Echo 66' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 67" Spółka z o.o. ['Project - Echo 67' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 68" Spółka z o.o. ['Project - Echo 68' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 69" Spółka z o.o. ['Project - Echo 69' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 70" Spółka z o.o. ['Project - Echo 70' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 71" Spółka z o.o. ['Project - Echo 71' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 72" Spółka z o.o. ['Project - Echo 72' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 73" Spółka z o.o. ['Project - Echo 73' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 74" Spółka z o.o. ['Project - Echo 74' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 75" Spółka z o.o. ['Project - Echo 75' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 76" Spółka z o.o. ['Project - Echo 76' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 77" Spółka z o.o. ['Project - Echo 77' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 78" Spółka z o.o. ['Project - Echo 78' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 79" Spółka z o.o. ['Project - Echo 79' Limited Liability Company], having its registered seat in Kielce

- "Projekt - Echo 80" Spółka z o.o. ['Project - Echo 80' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 81" Spółka z o.o. ['Project - Echo 81' Limited Liability Company], having its registered seat in Kielce
- "Projekt - Echo 82" Spółka z o.o. ['Project - Echo 82' Limited Liability Company], having its registered seat in Kielce
- "Projekt Naramowice" Spółka z o.o. ['Project Naramowice' Limited Liability Company], having its registered seat in Kielce
- "Projekt S" Spółka z o.o. ['Project S' Limited Liability Company], having its registered seat in Kielce
- "WAN 11" Spółka z o.o. ['WAN 11' Limited Liability Company], having its registered seat in Warsaw
- "Wyględów" Spółka z o.o. ['Wyględów' Limited Liability Company], having its registered seat in Kielce
- "Zakłady Ogrodnicze Naramowice" Spółka z o.o. ['Naramowice Gardening Enterprise' Limited Liability Company], having its registered seat in Kielce

Companies valuated according to ownership rights method:

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

All wholly and partially owned subsidiaries and associated companies are covered by consolidation. The dominant company owns 100% of basic capital, directly or indirectly, in all fully consolidated subsidiaries.

In partially owned subsidiaries, the dominant Company is the owner of the following respective shares:

- "WAN 11" Sp. z o.o. ['WAN 11' Limited Liability Company] - 50% of basic capital and 50% of voting rights at the general meeting of shareholders,
- "Projekt S" Sp. z o.o. ['Project S' Limited Liability Company] - 63% of basic capital and 63% of voting rights at the general meeting of shareholders.

Capital relationships within the Capital Group concern the following:

- a) "Piomot - Auto" Sp. z o.o., holding 5.53% of basic capital of "Echo Investment - Centrum Handlowe Piotrków Trybunalski" Sp. z o.o.;
- b) "Zakłady Ogrodnicze Naramowice" Sp. z o.o., holding 99,8% of basic capital of "Projekt Naramowice" Sp. z o.o.;
- c) "Echo Investment - Centrum Handlowo - Rozrywkowe Kielce" Sp. z o.o., holding:
 - 99.99% of basic capital of "Echo - Galeria Kielce" Sp. z o.o.
 - 100% of basic capital of "Princess Boryszewska" Sp. z o.o.
- d) "Projekt - Echo 37" Sp. z o.o., holding 0,001% of basic capital of "Echo - SPV 6" Sp. z o.o.;
- e) "Echo - Pasaż Grunwaldzki" Sp. z o.o., holding 1% of share of "Echo - Pasaż Grunwaldzki" Sp. z o.o." Spółka komandytowa;
- f) "Echo - Arena" Sp. z o.o., holding 1% of share of "Echo - Arena Sp. z o.o." Spółka komandytowa;
- g) "Echo - Galaxy" Sp. z o.o., holding 1% of share of "Echo - Galaxy Sp. z o.o." Limited Partnership,
- h) "Galeria Echo - Kielce" Sp. z o.o., holding 0,01% of basic capital of "Echo - Galeria Kielce" Sp. z o.o.;
- i) "Projekt - Echo 41" Sp. z o.o., holding 1% of share of "Projekt - Echo 41 Sp. z o.o." Limited Partnership,
- j) "Projekt - Echo 42" Sp. z o.o., holding 1% of share of "Projekt - Echo 42 Sp. z o.o." Limited Company;
- k) "Projekt - Echo 45" Sp. z o.o., holding 1% of share of "Projekt - Echo 45 Sp. z o.o." Spółka komandytowa;
- l) „Echo - Centrum Bankowości i Finansów Łódź” Spółka z o.o., holding 47.98% of basic capital of „Projekt - Echo 53” Sp. z o.o.;
- m) „Echo - Centrum Biznesu Łódź” Spółka z o.o., holding 51.96% of basic capital of „Projekt - Echo 53” Sp. z o.o.;
- n) "Projekt - Echo 17" Sp. z o.o., holding the following respective shares of basic capital of:

- 1.00% of capital of "Wyględów" Sp. z o.o.,
- 1.00% of capital of "Projekt - Echo 37" Sp. z o.o.,
- 1.00% of capital of "Projekt - Echo 39" Sp. z o.o.,
- 1.00% of capital of "Galeria Echo - Kielce" Sp. z o.o.,
- 1.00% of capital of "Echo ACC" Sp. z o.o.,
- 1.00% of capital of "Projekt - Echo 30" Sp. z o.o.,
- 1.00% of capital of "Echo - Galaxy" Sp. z o.o.,
- 1.00% of capital of "Echo - Pasaż Grunwaldzki" Sp. z o.o.,
- 1.00% of capital of "Projekt - Echo 34" Sp. z o.o.,
- 1.00% of capital of "Est On Property Management" Sp. z o.o.,
- 1.00% of capital of "Projekt - Echo 41" Sp. z o.o.,
- 1.00% of capital of "Projekt - Echo 42" Sp. z o.o.,
- 1.00% of capital of "Projekt - Echo 43" Sp. z o.o.,
- 1.00% of capital of "Projekt - Echo 44" Sp. z o.o.,
- 1.00% of capital of "Projekt - Echo 45" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 55" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 56" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 57" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 58" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 59" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 60" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 61" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 62" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 63" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 64" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 65" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 66" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 67" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 68" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 69" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 70" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 71" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 72" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 73" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 74" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 75" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 76" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 77" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 78" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 79" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 80" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 81" Sp. z o.o.,
- 0.1% of capital of "Projekt - Echo 82" Sp. z o.o.,
- 0,05% of capital of "Echo - Arena" Sp. z o.o.,
- 0.03% of capital of "Malta Office Park" Sp. z o.o.,
- 0.03% of capital of "Echo - SPV 6" Sp. z o.o.,
- 0,02% of capital of "Echo Centrum Ślichowice" Sp. z o.o.,
- 0,02% of capital of "Echo - Centrum Biznesu Łódź" Sp. z o.o.,
- 0,02% of capital of "Projekt Naramowice" Sp. z o.o.,
- 0,01% of capital of "Echo Investment - Centrum Handlowo-Rozrywkowe Gliwice" Sp. z o.o.,
- 0.008% of capital of "Athina Park" Sp. z o.o.,
- 0.007% of capital of "Echo - Centrum Veneda" Sp. z o.o.,
- 0.006% of capital of "Echo - Centrum Bełchatów" Sp. z o.o.,

- 0.006% of capital of "Echo - Centrum Rzeszów" Sp. z o.o.,
- 0,005% of capital of "Echo - Centrum Gdynia" Sp. z o.o.,
- 0,004% of capital of "MDP" Sp. z o.o.,
- 0.004% of capital of "Echo - Centrum Tarnów" Sp. z o.o.,
- 0,002% of capital of "Echo Investment - Centrum Handlowe Piotrków Trybunalski" Sp. z o.o.,
- 0,002% of capital of "Echo Investment - Centrum Handlowo-Rozrywkowe Kielce" Sp. z o.o.,
- 0.001% of capital of "Projekt - Echo 53" Sp. z o.o.,
- 0.001% of capital of "Projekt - Echo 54" Sp. z o.o.,

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

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

Consolidated balance sheet

Balance total of the Capital Group at the end of the 1st half of 2007 amounted to **PLN 3.312 million**, showing an increase in value by **38.4%** in comparison to the balance as at the end of the first half of 2006.

Assets

The structure of assets at the end of 1st half of the year 2007 was the following:

- fixed assets constitute 75.6% of all assets, where the dominant items include investment real property – 87.3% of fixed assets, and tangible assets – 9.9% of total fixed assets.
- current assets constitute 24.4% of all assets, including inventories – 38.7 % of total current assets, receivables – 11.5% of current assets, and cash – 49.1% of total current assets.

Liabilities

- share capital of Echo Investment S.A., the dominant company, as on June 30, 2007, amounted to PLN 21.0 m and was divided into 42,000,000 ordinary bearer shares series A, B, C, D, E and F, with nominal value of PLN 0.50 each,
- consolidated equity capital as on June 30, 2007 amounted to **PLN 1,406.1 million**, showing an increase by **38.0%** in comparison with the balance as at the end of June 2006.
- consolidated net book value per one share is PLN 33.48,
- liabilities constituted 57.2% of balance total and amounted to **PLN 1,894.6 million**.

Consolidated profit and loss account

- consolidated net income from sales reached the level of PLN 191.0 million in the first half of 2007,
- consolidated profit before tax and financial income / costs at the end of June 2007 amounted to PLN 266.3 million, which is an increase in comparison to the profit of the 1st half of 2006 by 57.4%,
- consolidated gross profit amounted to PLN 262.7 million and outgrew the balance of the first half of 2006 by 106.6%,
- consolidated net profit amounted to PLN 210.9 million, which is a 106.4% increase in comparison to the PLN 102.2 million profit in 2006,
- consolidated net profit per one share for the last 12 months was PLN 9.21.

Consolidated cash flow statement

- the reporting period began with the cash balance of PLN 297.8 million,
- on operating activity, the Capital Group recorded income of cash in the amount of PLN 12.1 million in the 1st half of 2007,
- on investment activity, the Capital Group recorded expenditure of cash in the amount of PLN 197.0 million as at the end of June 2007,
- on financial activity, the Company recorded income of cash in the amount of PLN 288.4 million,
- during the period from January 01, 2007 to June 30, 2007, cash balance increased by PLN 98.7 million, including PLN 4.8 million reduction on account of exchange rate variations,
- cash at the end of June 2007 amounted to PLN 396.5 million.

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

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

- competition risk – the real estate market in Poland has become very attractive for foreign investors in the recent years due to achievable rates of return. The advantages of foreign companies include their capital resources, which constitute competitive advantage over domestic developer companies. The advantage of Echo Investment S.A. is its extensive experience in execution of developer projects in various market segments and its recognized position in the real estate market in Poland. Dynamic growth of the Capital Group in the recent years and its portfolio of assets indicate that Echo Investment S.A. is capable of efficient functioning in the conditions of market competition.
- risk of operations on foreign markets – related to the economic and political situation in the country where the Company intends to launch its operations. The Company's policy relies on diversification of geographic locations (Central and Eastern Europe) and sector-based diversification of its portfolio.
- interest rate risk – the operations of Echo Investment S.A. and its subsidiaries are based on external financing (during the execution phase of a building) and refinancing (during the period of project exploitation). The risk related to changes in interest rates is limited through hedging instruments. Echo Investment S.A. as the dominant company focuses the operations in the financial market, whose range covers the finance of the entire capital group.
- foreign exchange risk – this refers to loans taken in foreign currencies (most commonly in Euro) within the Capital Group. Contracts with lessees are expressed in the currency of the loan taken for their refinancing. Thus obtained payments from lessees are assigned to repayment of the above mentioned loans. Such combination of financing with sources of income minimizes or eliminates foreign exchange risk.
- risk of the tenants' financial condition – most of the revenues are earned within the range of operations performed by the capital group from letting of commercial and office space. The key aspect is selection of tenants with stable economic and financial condition. In shopping centers, tenants include chain operators (Tesco, Carrefour, Ahold, 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. or its subsidiary contracts its execution to external companies. Execution of these facilities, timely completion, quality and possible increase in costs largely depend on these companies. This factor is eliminated to a significant extent through various types of protective measures included in contracting agreements.
- fiscal and legal risk related to the unstable taxation and legal system, lack of certain ownership-related regulations. Accession to European structures and adoption of procedures applied by the EU should significantly foster reduction or elimination of this risk in the forthcoming years.

- risk of administrative procedures – as Echo Investment S.A. is involved in the process of executing individual projects from the beginning, its operations depend on administrative procedures. Time-consuming procedures of administrative authorities determine commencement of implementation of the Company's planned investments, which may result in delays in their completion.

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

4.1. Segments of operation

During the 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. Apart from the investment projects enumerated below, immovable property for future investment projects were purchased in Częstochowa, with an area of ca. 0.4 hectare. The value of executed contracts was about PLN 3.3 million.

Polish market

Segment of shopping centers and shopping/entertainment centers

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

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

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

During the first half of 2007, an advanced shopping, entertainment and service center called Pasaż Grunwaldzki [Grunwaldzki Arcade], located in Wrocław at Grunwaldzki Square, was opened. Rentable area of about 48,700 sq. m has been let to tenants in 100%.

The Group is planning to build a modern shopping and entertainment center called METROPOLIS on its immovable property situated in Poznań, Hetmańska Street, offering about 50,000 sq. m of space for rent (120,000 sq. m total area). The Center will be designed by Studio ADS, architects' office of Poznań. The anticipated commencement date of investment falls in the 1st half of 2008 and completion date in the 2nd half of 2010.

The Group is planning to build a shopping and entertainment center called ARENA on its immovable property situated in Słupsk, Grottgera Street. The facility shall offer about 75,000 sq. m total area and 38,000 sq. m rentable area. Lease agreements were made with such companies as Helios, Media Markt, BC Club, Rossmann, Ravel. The anticipated project commencement date will be in the 2nd half of 2007, and completion date – in the 2nd half of 2009.

In the 2nd quarter of 2007, the subsidiary of Echo Investment SA acquired perpetual usufruct right to immovable property situated in the center of Kalisz, Górnośląska Street, for a price of PLN 18.8 million. Echo Investment Capital Group intends to develop a mall on this immovable property, rentable area of ca. 35 thousand square meters. The launch of this investment project is anticipated in the 1st half of 2010 and completion in the 1st half of 2012.

Development of shopping centers is planned in Łomża and Lublin. In the shopping center in Łomża, which is currently being prepared to execution, the REAL superstore will be opened, with an approximate area of 8,500 square meters. The parties to the contract, i.e. Echo Investment SA and real,- Sp. z o.o. and Spółka sp.k., are entitled to terminate the contract if Echo Investment SA's subsidiary does not, until June 22, 2008, acquire the immovable property situated in Łomża and if it fails to obtain a final building permit until June 30, 2009. The Company is expecting completion of administrative procedures.

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 Krakow. 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 Poznań market

The process of preparing for realization of the 'Malta Office Park' office complex in Poznań was carried out (rentable area of about 30,000 square meters). In the 2nd quarter of 2007, the Company obtained a building permit for the 1st stage of the investment project. The six office buildings designed by Litoborski-Marciniak design office of Poznań shall be executed in three stages. Anticipated commencement date of realization of this investment project falls in the 2nd quarter of the year 2007. First stage of construction is expected to complete in the 2nd half of the year 2008.

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 13,000 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 2nd 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.

Ukraine

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. This company is going to carry out developer operations in the territory of Ukraine.

4.2. Structure of revenues

Echo Investment S.A. Capital group earns revenues from letting of its commercial space, sales of apartments, realization of buildings and provision of property management services. The structure of earned revenues is as follows:

- letting of areas shopping centers and commercial and entertainment centers

Revenues from lease services are generated from lease of areas in shopping centers and shopping/entertainment centers. Consolidated revenues yielded on this account at the end of the 1st half of 2007 constituted 55.4% of net income from sales.

- sale of residential space:

The main source of income in this segment is the sale of apartments and, to a lesser extent, sale of commercial areas (shopping areas, offices and other premises situated within multifunctional housing projects). Revenues yielded on this account constituted approx. 6.1% of all consolidated income from sales of products.

- realization and lease of areas in office and hotel facilities

Revenues from lease services are generated from lease of areas in office and hotel buildings owned by individual subsidiaries. Consolidated revenues yielded on this account and on account of realization of investments at the end of June 2007 constituted approx. 37.1% of net income from sales in 2005.

- real estate trade:

The characteristics of Echo Investment S.A. Capital Group's operations somehow enforces owning certain real property resources, which are then allocated to specific projects. Income generated in this area of the Capital Group's operations constitutes about 0.1 % of total income on 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 constitutes about 0.1% of total net income on sales.

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

Specification	01.01.2007 - 30.06.2007	01.01.2006 - 30.06.2006
Lease of areas in shopping centers and commercial and entertainment centers	105 767	73 195
Sale and lease of residential areas	11 695	75 259
Realization and lease of areas in office and hotel facilities	70 921	28 091
Real estate trade	279	3 100
Legal, accounting and consulting services	126	830
Other incomes	2 203	3 887
Net income from sales of products total	190 991	184 362

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

Sales markets

All projects executed by Echo Investment Capital Group in the 1st half of 2007 were located in the Polish market only. The companies forming the Capital Group realized their investments in the markets of the following cities: Warsaw, Krakow, Poznań, Kielce and Wrocław.

Changes in sources of supply

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

Largest suppliers of Echo Investment Capital Group in the 1st half of 2007:

Other party	Value of turnover (in millions PLN)	% of share in net income on sales
Spedimex Sp. z o.o.	30,0	15,7%
MTM - Consulting	18,8	9,8%
PPHU RO.SA. – BUD	15,8	8,3%

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, trade with one client exceeded 10% of consolidated net income from sales.

Largest clients of Echo Investment Capital Group in the 1st half of 2007:

Client	Value of turnover (in millions PLN)	% of share in net income from sales
Ustra Sp. z o.o.	42,5	22,3%
Carrefour Polska Sp. z o.o.	13,1	6,9%
Polkomtel S.A.	8,2	4,3%

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

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

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

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.

In May 2007, the subsidiary of Echo Investment SA acquired perpetual usufruct right to immovable property situated in the center of Kalisz, Górnośląska Street, for a price of PLN 18.8 million. Echo Investment Capital Group intends to develop a mall on this immovable property, rentable area of ca. 35 thousand square meters. The launch of this investment project is anticipated in the 1st half of 2010 and completion in the 1st half of 2012.

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.à.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. In the 1st quarter of 2007, 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. Another 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, a contract of purchase of 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 2nd half of 2008 and the first stage should be completed in the 1st half of 2010.

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 2nd 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.

In January 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.

In April 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 aforementioned contracts have been considered significant on the basis of equity capital criteria.

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. Echo Investment SA 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.

6.2. 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.

6.3. Insurance contracts

Object of coverage	Underwriter	Insurance amount [in thousands PLN]
property insurance – buildings	PTU S.A., TU Compensa S.A., PZU S.A. Generali TU S.A., TU Allianz Polska S.A.	997 322
property insurance - equipment	TU Compensa S.A., STU Ergo Hestia S.A., PTU S.A., Generali TU S.A., TU Allianz Polska S.A.	6 958
third party liability insurance	TU Compensa S.A., PTU S.A., STU Ergo Hestia S.A., TU Allianz Polska S.A., PZU S.A.	50 799
insurance against construction and assembly risks	TUiR WARTA S.A., TU Allianz Polska, Generali TU S.A.	250 700
insurance against loss of profit	TU Allianz Polska S.A., PTU S.A., Generali TU S.A., TU Compensa S.A.	134 386
other insurances	PZU SA	977
TOTAL		1 441 142

6.4. Partnering or cooperation agreements

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

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

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

I. The 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 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 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 - 46' 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 (currently "Echo - Centrum Poznań" Sp. z o.o. ['Echo - Poznań Center' Limited Liability Company]), 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 - currently "Echo - SPV 6" Sp. z o.o. ['Echo - SPV 6' Limited Liability 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 shares 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-Usługowo-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 it 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 Handlowe - 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.

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

On account of securities, Echo Investment Capital Group companies did not make any investments in shares of companies quoted on the stock exchange during the 1st half of 2007.

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

8.1. Transactions with companies from Echo Investment 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.

8.2. 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.

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

9.1. Credit agreements of the dominant company

Echo Investment S.A.'s liabilities on account of credits taken as at the end of the 1st half of 2007 are presented in the table below:

Name of bank	Types of obligations	Credit currency	Credit amount according to contract [in thousands PLN]	Credit used amount as on 2007-06-30 [in thousands PLN]	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
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9.2. Credit agreements of subsidiaries

Echo Investment Capital Group's obligations on account of credits taken as at the end of the 1st half of 2007 are presented in the table below:

Company raising the loan	Name of bank	Types of obligations	Credit currency	Credit amount according to contract [thousands]	Credit usage level [in thousands PLN] as on 2007-06-30	Final repayment date
Athina Park Sp. z o.o. [Athina Park Limited Liability Company]	Eurohypo AG	Long-term credit	EUR USD	13 840 8 200	13 038 7 743	2014-09-30
Echo - Centrum Bełchatów Sp. z o.o. [Echo - Bełchatów Center Limited Liability Company]	Pekao S.A. [Pekao Joint Stock Company]	Long-term credit	EUR	4 962	1 427	2010-04-30
Echo - Centrum Jelenia Góra Sp. z o.o. [Echo - Jelenia Góra Center Limited Liability Company]	Pekao S.A. [Pekao Joint Stock Company]	Long-term credit	EUR	9 101	2 980	2010-08-31
Kieleckie Centrum Handlowo - Rozrywkowe Echo Sp. z o.o. [Echo Shopping and Entertainment Center of Kielce Limited Liability Company]	Kredyt Bank SA [Kredyt Bank Joint Stock Company]	Long-term credit	EUR	18 000	12 518	2013-10-31
Echo Investment - Centrum Handlowe Piotrków Tryb. Sp. z o.o. [Echo Investment - Piotrków Tryb. Shopping Center Limited Liability Company]	Bank BPH SA [BPH Bank Joint Stock Company]	Long-term credit	EUR	36 300	30 314	2014-02-28

Echo – Centrum Przemysł Sp. z o.o. ['Echo – Przemysł Center' Limited Liability Company]	ING Bank Śląski SA [ING Bank Śląski Joint Stock Company]	Long-term credit	EUR	4 230	1 487	2012-06-30
Echo - Galaxy Sp. z o.o. Sp.K ['Echo - Galaxy' Limited Liability Company, Limited Partnership]	EUROHYPO AG	Long-term credit	EUR	100 000	41 719	2022-06-30
Echo – Centrum Tarnów Sp. z o.o. ['Echo – Tarnów Center' Limited Liability Company]	EUROHYPO AG	Long-term credit	EUR	11 100	4 437	2010-07-15
WAN 11 Sp. z o.o. [WAN 11 Limited Liability Company]	EUROHYPO AG	Long-term credit	EUR	32 100	29 584	2016-01-29
Echo – Pasaż Grunwaldzki Sp. z o.o. Sp.k. ['Echo – Grunwaldzki Arcade' Limited Liability Company, Limited Partnership]	EUROHYPO AG	Long-term credit	EUR	100 000	41 178	2022-09-30

9.3. Loan agreements

9.3.1. Loans taken

Echo Investment Capital Group did not take out any loans in the 1st half of 2007.

9.3.2. Loans granted

Echo Investment S.A.'s receivables on account of loans granted as at the end of the 1st half of 2007 are presented in the table below:

Entity	Outstanding loan amount [in thousands PLN]	Final repayment date
Sun Plaza Sp. z o.o.	160	31.12.2007
Individuals	522	-

9.4. Debt instruments contracts

Pursuant to contracts made as regards the Bonds Issue Program with BRE Bank in 2004 and BPH S.A. Bank in 2003, Echo Investment S.A. has certain liabilities due to issued debt securities.

The balance of these liabilities as at the end of the 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 on April 15, 2004 with BRE Bank S.A., seated in Warsaw, on May 24, 2007 the Company issued discount bonds for a total value of PLN 50 million. The nominal value of one 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.

9.5. Suretyship agreements

Absolute surety of Echo Investment S.A. towards the Municipal Office of Łódź for execution of liabilities of "MDP" Sp. z o.o. ['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 8,371 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 8,371	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.)
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.

9.6. 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.

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

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

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

Neither Echo Investment S.A. Capital Group nor the dominant company - Echo Investment S.A. published any prognoses of financial results for the year 2007.

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

Management of financial resources of Echo Investment S.A. Capital Group in 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 Capital Group'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. Capital Group has been increasingly emphasizing the increase of portfolio of commercial surfaces, which according to the Management Board should ensure stable revenues and cash flows and Echo Investment S.A. Capital Group's independency on cyclical phases in the economy and construction industry.

According to the Management Board, Echo Investment S.A. Capital Group's property and financial condition at the end of the 1st half of 2007 indicates the Capital Group's stable financial standing and the perspective of the nearest years is optimistic.

Profitability indicators of the Capital Group's operations in the 1st half of 2007 are significantly higher than those of the same period in the previous year. This was primarily due to increased operating profit and net profit in the 1st half of 2007.

Profitability indicators during the 1st half of 2007-2006 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>	139,4%	91,7%
Net balance profit margin ratio <i>net profit / net income on sales</i>	110,4%	55,4%
Rate of return on assets (ROA) <i>net profit / assets total</i>	6,4%	4,3%
Rate of return on equity (ROE) <i>net profit / equity capital</i>	15,0%	10,0%

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

Rotation of key items of assets and liabilities in the 1st half of 2007-2006 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>	295	160
Rotation of short-term liabilities in days <i>(balance of short-term liabilities * 180 / net income on sales)</i>	88	52
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>	54	48

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

Liquidity ratios of Echo Investment S.A. Capital Group during the 1st half of 2007-2006 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>	2,07	2,91
Quick ratio <i>(current assets – inventories) / short-term liabilities</i>	1,27	2,06
Cash ratio <i>cash / short-term liabilities</i>	1,02	1,76

Proper structure of financing makes it possible for the debt ratios to be maintained on similar levels in comparison to the comparable period of 2006. The values of presented factors are safe for the operations and confirm Echo Investment S.A. Capital Group's credibility on the financial market.

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

Debt indicators	1st half of 2007	1st half of 2006
Assets coverage ratio with equity capitals <i>equity capital / assets total</i>	42,5%	42,6%
Fixed assets coverage ratio with equity capital <i>equity capital / fixed assets</i>	56,2%	55,8%
Total debt ratio <i>liabilities total / assets total</i>	49,5%	49,6%
Equity debt ratio <i>liabilities total / equity capital</i>	116,6%	116,5%

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

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

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

14. Assessment of extraordinary factors and events affecting the financial results yielded in 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 mainly on office area projects and shopping/entertainment centers.

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

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

Key **external** factors affecting the development of the Capital Group include:

Positive factors:

- maintained investment activity of Polish and foreign business entities and resulting demand for services provided by Capital Group companies,
- 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. Capital Group 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 of the capital group 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. Capital Group:

Negative factors:

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

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

The Management Board of Echo Investment S.A. envisages further dynamic growth of the entire organization. Such growth will be based on good perspectives for the real estate market in Poland and in other countries of Central and Eastern Europe. The operations of Capital Group companies will focus on increasing the portfolio of commercial areas for lease (shopping and entertainment centers and offices). Furthermore, Echo Investment S.A. intends to increase the 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. Capital Group is focused on the Polish market. In 2007, the Management Board of the Company intends to launch business operations on foreign markets, in Central and Eastern Europe countries other than Hungary. 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.

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

No significant changes in the basic rules of management took place during the 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.

17. 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.

17.1. 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.

17.2. 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, Deputy Chairman 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.

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

17.3.1. Rules of appointing and dismissing members of managing bodies

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

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

17.3.2. Authorizations of members of managing bodies

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

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

As on 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.

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

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

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

20.1 Remuneration paid to members of managing bodies

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

20.2 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 Waniolka 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.

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

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).

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

Ownership of shares of Echo Investment S.A. by supervising persons as on 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 Waniolka , Member of the Supervisory Board	did not hold any shares	PLN 0.50	-	-
Robert Oskard , Member of the Supervisory Board,	did not hold any shares	PLN 0.50	-	-
Karol Żbikowski , Member of the Supervisory Board.	did not hold any shares	PLN 0.50	-	-
Tomasz Kalwat , Member of the Supervisory Board*	did not hold any shares	PLN 0.50	-	-

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

Ownership of shares of Echo Investment S.A. by managing persons as on 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	PLN 0.50	-	-
Piotr Gromniak , Member of the Management Board	did not hold any shares	PLN 0.50	-	-
Artur Langner , Member of the Management Board.	did not hold any shares	PLN 0.50	-	-

22. 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 Sołowow (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 Złota 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.

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

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

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

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

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

No matching share program is functioning in the company.

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

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

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

On August 2, 2005 Echo Investment S.A. concluded a contract with BDO Polska Sp. z o.o. (authorized to audit financial statements) on auditing and verifying individual and consolidated financial statements. The contract 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 Numerica Sp. z o.o. with regard to the performance of the order, whose value according to the contract in force may not exceed PLN 21,000 per year. The compensation paid in 2006 for delegation costs equaled PLN 20,817.

Kielce, 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 consolidated financial statement and comparative information have been prepared in accordance with valid accounting principles and they truly, reliably and clearly present the Company's property and financial condition and its financial result and that the 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 consolidated financial statement, was selected in accordance with the law and that this company and chartered accountants carrying out the audit fulfilled the criteria for issuing an objective and independent audit report, in accordance with relevant provisions of the Polish law.

Kielce, September 20, 2007

Jarosław Grodzki
President of the Management Board
Management Board

Piotr Gromniak

Member of the Management Board

Artur Langner

Member of the

