

Echo Investment Capital Group

Condensed interim consolidated financial statement
as at and for a period of twelve months ended on December 31, 2008



Kielce, February 27, 2009

	balance as at 2008.12.31 end of quarter	balance as at 2007.12.31 end of previous year
<i>Assets</i>		
1. Fixed assets		
1.1. Intangible fixed assets	1 051	525
1.2. Goodwill of subsidiaries	-	-
1.3. Tangible fixed assets	730 585	467 837
1.4. Non-current receivables	58	54
1.5. Investment property	2 450 101	1 925 595
1.6. Investments in associated companies	374	10 960
1.7. Loans granted	13	40
1.8. Deferred income tax assets	88 270	40 776
	3 270 452	2 445 787
2. Current assets		
2.1. Inventories	487 218	492 136
2.2. Deferred income tax receivables	3 456	10 948
2.3. Other tax receivables	46 405	35 265
2.4. Trade receivables and other receivables	46 458	13 215
2.5. Loans granted	933	26 758
2.6. Other financial assets	24 173	6 720
2.7. Short-term accruals	5 573	3 144
2.8. Cash and cash equivalents	322 400	394 046
	936 616	982 232
Assets total	4 207 068	3 428 019

1. Condensed consolidated balance sheet, in thousands PLN, continued

	balance as at 2008.12.31 end of quarter	balance as at 2007.12.31 end of previous year
Liabilities		
1. Equity		
1.1. Equity allocated to shareholders of the dominant company	1 640 277	1 514 126
1.1.1. Initial capital	21 000	21 000
1.1.2. Supplementary capital	1 558 879	985 994
1.1.3. Profit (loss) carried forward	(62 009)	191 395
1.1.4. Profit (loss) of the current year	108 802	319 481
1.1.5. Foreign exchange gains/losses arising from conversion of foreign companies' data	13 605	(3 744)
1.2. Minority capitals	(8)	19
	1 640 269	1 514 145
2. Non-current liabilities		
2.1. Borrowings	1 586 515	1 230 619
2.2. Derivative instruments	172 642	-
2.3. Deposits received	37 871	32 180
2.4. Provision for deferred income tax	320 911	247 745
	2 117 939	1 510 544
3. Current liabilities		
3.1. Borrowings	124 972	36 358
3.2. Derivative instruments	66 450	-
3.3. Deferred income tax liabilities	3 409	2 906
3.4. Liabilities on account of other taxes	10 115	6 068
3.5. Trade liabilities, other debts	97 693	130 990
3.6. Advance payments received	110 370	192 076
3.7. Short-term accruals	17 539	24 018
3.8. Provisions for liabilities	18 312	10 914
	448 860	403 330
Liabilities total	4 207 068	3 428 019
Book value (in thousands PLN)	1 640 277	1 514 126
No. of shares	420 000 000	420 000 000
Book value per share (in PLN)	3,91	3,61
Diluted number of shares	420 000 000	420 000 000
Diluted book value per share (in PLN)	3,91	3,61

OFF-BALANCE ITEMS in thousands PLN	balance as at 2008.12.31 end of quarter	balance as at 2007.12.31 end of previous year
1. Off-balance receivables	-	-
2. Off-balance liabilities	22 870	22 501

2. Condensed consolidated profit and loss account, in thousands PLN

	4 th quarter the period from 2008.10.01 to 2008.12.31	4 quarters the period from 2008.01.01 to 2008.12.31	4 th quarter the period from 2007.10.01 to 2007.12.31	4 quarters the period from 2007.01.01 to 2007.12.31
Operating incomes	160 322	433 387	95 028	373 725
Operating expenses	(68 129)	(183 838)	(38 707)	(185 890)
Gross profit (loss) on sales	92 193	249 549	56 321	187 835
Profit (loss) on sales of property	(63)	(63)	610	29 616
Revaluation of immovable property	455 839	458 123	28 664	250 324
Costs to sell	(5 259)	(21 244)	(5 753)	(21 491)
Overheads	(12 056)	(48 198)	(21 791)	(48 956)
Other operating incomes (expenses)	(6 538)	8 691	(6 711)	(2 571)
Earnings before tax and financial incomes/expenses	524 116	646 858	51 340	394 757
Financial incomes	7 300	41 129	19 566	38 519
Financial expenses	(287 652)	(370 055)	(32 124)	(84 886)
Foreign exchange gains (losses)	(188 451)	(167 033)	26 689	45 474
Revaluation of goodwill of subsidiaries	-	2	(17)	(90)
Gross profit (loss)	55 313	150 901	65 454	393 774
Income tax	(20 785)	(42 109)	(14 623)	(74 295)
Net profit (loss)	34 528	108 792	50 831	319 479
Profit (loss) attributed to minority shareholders	-	(10)	(66)	(2)
Profit (loss) attributed to shareholders of the dominant company	34 528	108 802	50 897	319 481
Net profit (loss) (annualized)		108 802		319 481
Weighted average number of ordinary shares		420 000 000		420 000 000
Profit (loss) annualized per ordinary share (in PLN)		0,26		0,76
Weighted average diluted number of ordinary shares		420 000 000		420 000 000
Diluted profit (loss) per ordinary share (in PLN)		0,26		0,76

3. Condensed statement of changes in consolidated equity, in thousands PLN

	Initial capital	Supplementary capital	Profit (loss) carried forward	Profit (loss) of the current year	Foreign exchange gains/losses arising from conversion	Equity attributed to the holding company's shareholders	Minority capitals	Total shareholders' equity
For 4 quarters (current year), period from 2008.01.01 to 2008.12.31								
Balance as at the beginning of period, after reconciliation to comparable data	21 000	985 994	510 876	-	(3 744)	1 514 126	19	1 514 145
Distribution of profit/loss carried forward	-	572 885	(572 885)	-	-	-	-	-
Changes in minority stakes	-	-	-	-	-	-	(17)	(17)
Net profit (loss) of the current period	-	-	-	108 802	17 349	126 151	(10)	126 141
Balance as at the end of period	21 000	1 558 879	(62 009)	108 802	13 605	1 640 277	(8)	1 640 269
For 4 quarters (previous year), period from 2007.01.01 do 2007.12.31								
Balance as at the beginning of period, after reconciliation to comparable data	21 000	538 319	639 070	-	2	1 198 391	21	1 198 412
Distribution of profit/loss carried forward	-	447 675	(447 675)	-	-	-	-	-
Changes in minority stakes	-	-	-	-	-	-	-	-
Net profit (loss) of the current period	-	-	-	319 481	(3 746)	315 735	(2)	315 733
Balance as at the end of period	21 000	985 994	191 395	319 481	(3 744)	1 514 126	19	1 514 145

4. Condensed consolidated cash flow statement, in thousands PLN

Cash flow statement	4 quarters the period from 2008.01.01 to 2008.12.31	4 quarters the period from 2007.01.01 to 2007.12.31
A. Cash flows on operating activities – indirect method		
I. Net profit (loss)	108 792	319 479
II. Adjustments total		
1. Share in net (gains) losses of associated companies	26	15
2. Depreciation	4 959	5 709
3. Revaluation of goodwill	(2)	75
4. Foreign exchange gains (losses)	188 736	(28 032)
5. Interest and shares in profits (dividends)	61 267	40 531
6. (Profit) loss on investment activities	(227 644)	(265 533)
7. Change in reserves	85 349	53 820
8. Change in inventories	1 175	(250 128)
9. Change in receivables	16 745	(116 386)
10. Change in non-current liabilities, except for borrowings	(119 077)	253 643
11. Change in accruals	(54 109)	4 766
12. Other adjustments	(492)	31 583
	(43 067)	(269 937)
III. Net cash flows on operating activities (I+/-II)	65 725	49 542
B. Cash flows on investment activities		
I. Incomes		
1. Sales of intangible and tangible fixed assets	1 417	211 562
2. Sales of investments in property and in intangible assets	27	45 628
3. From financial assets	88 875	139 997
4. Other incomes from investments	-	-
	90 319	397 187
II. Expenditure		
1. Acquisition of intangible and tangible fixed assets	(194 184)	(292 008)
2. Investments in property and in intangible assets	(110 016)	(128 888)
3. On financial assets	(86 605)	(148 556)
4. Dividends and other shares in profits paid to minority	-	-
5. Other investment expenditures	(2 714)	(70)
	(393 519)	(569 522)
III. Net cash flows on investment activities (I-II)	(303 200)	(172 335)
C. Cash flows on financial activities		
I. Incomes		
1. Net incomes from issue of stocks (issue of shares) and other equity instruments, additional payments to capital	-	-
2. Borrowings	318 794	254 406
3. Issue of debenture bonds	-	346 405
4. Other financial incomes	600	-
	319 394	600 811

4. Condensed consolidated cash flow statement, in thousands PLN, continued

Cash flow statement, continued	4 quarters the period from 2008.01.01 to 2008.12.31	4 quarters the period from 2007.01.01 to 2007.12.31
II. Expenditures		
1. Acquisition of own shares (stocks)	-	-
2. Dividends and other payments to owners	-	-
3. Expenses on account of profit distribution, other than disbursements to owners	-	-
4. Repayment of borrowings	(87 233)	(142 942)
5. Redemption of debenture bonds	-	(160 000)
6. On account of other financial liabilities	-	-
7. Payments of obligations under financial lease contracts	-	(487)
8. Interest	(89 661)	(71 450)
9. Other financial expenses	-	(3)
	(176 894)	(374 882)
III. Net cash flows on financial activities (I-II)	142 500	225 929
D. Net cash flows total (A.III+/-B.III+/-C.III)	(94 975)	103 136
E. Difference in cash balances, including:	(71 646)	97 040
- change in cash balance on account of foreign exchange gains/losses	23 329	(6 096)
F. Cash at the beginning of period	394 046	297 006
G. Cash at the end of period (F+/-D), including:	322 400	394 046
- with limited disposability	-	150

5. Additional information to condensed consolidated report**5.1 Basic information**

Echo Investment S.A. (hereinafter 'the Company'), formerly incorporated and operating under the name of 'Echo Press' Sp. z o.o. , was registered in Kielce on July 23, 1992. The registered office of the Company is located in Kielce at Al. Solidarności 36.

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

- (a) building and letting of space in shopping centers and shopping/entertainment centers,
- (b) building and selling apartments,
- (c) building and letting office space,
- (d) building and sales of hotel facilities.

As at December 31, 2008 and December 31, 2007, the Capital Group's headcount was 345 and 342 employees, respectively.

The Capital Group runs its business activities in the territory of Poland, Hungary and Romania.

The presented statements refer to the twelve months' period expiring on December 31, 2008, with comparative data referring to the twelve months' period expiring on December 31, 2007. The statement is presented in thousands Polish zlotys (PLN), according to the International Financial Reporting Standards as approved by the European Commission.

Shares of Echo Investment S.A., which is the holding company, have been listed at the Warsaw Stock Exchange since 1996. Volume of shares of Echo Investment SA: 420,000,000 ordinary bearer shares.

The organization authorized to audit the financial statements of Echo Investment SA is PricewaterhouseCoopers Sp. z o.o. with its registered office in Warsaw, registered as a certified auditor of financial statements by the National Board of Chartered Accountants with no. 144.

5.2 Principles applied during preparation of the quarterly report

The consolidated statements of Echo Investment S.A. Capital Group present consolidated financial data for the period of 12 months ended December 31, 2008, and comparable data for the period of 12 months ended December 31, 2007 (in respect of the balance sheet and statement of changes in equity). Unless otherwise specified, all financial data in the Group's consolidated financial statements are given in thousands PLN.

The reporting currency of the Group's financial statements is the Polish zloty ("PLN"), which is also the reporting currency and the functional currency of the holding company. The Group comprises companies with other functional currencies than PLN. The reporting data of these companies, incorporated in this statement, have been converted into PLN according to the principles set out in IAS 21. Balance sheet items were recalculated according to the exchange rate as of the balance date and the income statement items were recalculated according to the average rate of exchange for the period. Foreign exchange differences arising from conversion are presented as a separate equity item.

The statement is prepared in accordance with the International Accounting Standards and the International Financial Reporting Standards as approved by the European Commission. Guidelines contained in IFRS 1 and IAS 34 have been applied in the course of preparing the statement. The rules of assets and liabilities valuation and determining the financial result were applied as at the balance day. The financial statement was prepared according to historical cost methodology, to the exception of investment properties, long-term settlements and derivatives, which are valued in fair values. The statement has been drawn up under the assumption of continued business activity in foreseeable future, considering non-existence of any circumstances that might indicate any risk for the continuation of operations.

The Company's Management Board has used its best knowledge in respect of application and interpretation of standards, methods and principles of valuating specific items of the condensed consolidated financial statement.

In preparing the present financial statement, the Group has applied new interpretations issued by the IFRS Committee and applicable to the Group's reporting period starting as at January 01, 2008. The guidelines thus applied have not affected this financial statement to any significant extent. The Group has implemented the following interpretations:

IFRIC 11 interpretation "Group and Treasury Share Transactions"

IFRIC interpretation 11 was issued by the International Financial Reporting Interpretations Committee on November 02, 2006 and applies to annual periods beginning on or after March 1, 2007. This interpretation contains the following guidelines concerning

- application of IFRS 2 "Share-based Payment" for own share payment transactions involving two or more affiliated companies;
- accounting approaches in the following cases:
 - a) share-based payment involving an entity's own equity instruments in which the entity chooses or is required to buy its own entity instruments from a third party to settle the share-based payment obligation toward employees,
 - b) an entity or its owner grants rights to its equity instruments to employees and the owner of the entity is the supplier of these instruments.

IFRIC interpretation 12 *Service Concession Arrangements*

IFRIC interpretation 12 was issued by the International Financial Reporting Interpretations Committee on November 30, 2006 and applies to annual periods beginning on or after January 01, 2008. This interpretation contains guidelines on application of existing standards by parties to service concession agreements between the public and the private sector. IFRIC 12 concerns those agreements in which the employer controls the type of service provided by the operator using the infrastructure, recipients of these services and prices.

IFRIC 14 interpretation *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

IFRIC interpretation 14 was issued by the International Financial Reporting Interpretations Committee on July 09, 2007 and applies to annual periods beginning on or after January 01, 2008. This interpretation contains general guidelines concerning IAS 19-compliant assessment of the limit on a surplus of fair value of a defined benefit scheme beyond the current value of a defined benefit scheme, which can be recognized as an asset. In addition, IFRIC 14 explains how statutory or contractual requirements regarding minimum funding may impact the value of asset or liability under a defined benefit scheme.

Until the publishing date of the present financial statement, the International Accounting Standards Board and the International Financial Reporting Standards Interpretation Committee have issued the following standards and interpretations that have not yet entered into force.

New IFRS 8 Operating Segments

IFRS 8 was issued by the International Accounting Standards Board on November 30, 2006 and applies to annual periods beginning on or after January 01, 2009. The IFRS 8 substitutes the IAS 14 – “Segment Reporting”. The new standard sets forth the new requirements regarding posting of business segment data, product and service information, geographical range of activity, and key clients. IFRS 8 requires a “management approach” to reporting financial results of segments of activity. The Group intends to apply IFRS 8 as from January 01, 2009. Application of these standards shall not affect the Group’s financial result.

Revised IAS 23 Borrowing Costs

The revised IAS 23 was published by the International Accounting Standards Board on March 29, 2007 and applies to annual periods beginning on or after January 01, 2009. Variation refers to the accounting approach to those costs of third party financing which may be directly attributed to acquisition, construction or production of an asset requiring significant time of preparation for intended use or sale. Under this amendment, it is no longer possible to immediately post these costs to the profit and loss account of the period when the costs were borne. According to the new Standard requirement, these costs should be capitalized. As at the date of preparation of this financial statement, the above specified revision of IAS 23 has not yet been approved by the European Union. The Group intends to apply the revised IAS 23 as from January 01, 2009. Application of these standards shall not affect the Group’s financial result, as the Group is currently applying an alternative approach to recognition of borrowing costs.

Revised IAS 1 Presentation of Financial Statements

The revised IAS 1 was published by the International Accounting Standards Board on September 06, 2007 and applies to annual periods beginning on or after January 01, 2009. The changes mainly refer to the issues of equity presentation and the objective was to facilitate data analysis and comparison by users of the financial statements. As at the date of preparation of this financial statement, the above specified revision of IAS 1 has not yet been approved by the European Union. The Group intends to apply the revised IAS 1 as from January 01, 2009. Application of these standards shall not affect the Group’s financial result.

Revised IFRS 3 Business Combinations

The revised IAS 3 was published by the International Accounting Standards Board on January 10, 2008 and applies prospectively to business combinations with acquisition dates on or after July 01, 2009. The changes involve an option to recognize minority shares at fair value or according to proportion in fair value of identified net assets, conversion of shares previously held in the acquired entity to fair value and posting the difference to the income statement, and additional guidelines regarding application of acquisition methods, including recognition of transaction costs as the cost of a period in which it was incurred. As at the date of preparation of this financial statement, the above specified revision of IFRS 3 has not yet been approved by the European Union. The Group intends to apply the revised IFRS 3 as from July 01, 2009. Application of these standards shall not have any significant impact on the Group’s financial result.

Revised IAS 27 Consolidated and Separate Financial Statements

The revised IAS 27 was published by the International Accounting Standards Board on January 10, 2008 and applies to annual periods beginning on or after July 01, 2009. The standard requires the outcomes of transactions with minority shareholders to be posted directly as equity, provided that the current holding company retains control over the entity. The standard further details the method of accounting in case of lost control over a subsidiary, requiring restatement of the remaining shares to fair value and posting the difference to the income statement. As at the date of preparation of this financial statement, the above specified revision of IAS 27 has not yet been approved by the European Union. The Group intends to apply the revised IAS 27 as from January 01, 2010. Application of these standards shall not have any significant impact on the Group’s financial result.

Revised IFRS 2 – Share-based Payment

The revised IFRS 2 was published by the International Accounting Standards Board on January 17, 2008 and applies to annual periods beginning on or after January 01, 2009. The revision of this Standard concerns the following two issues: explaining that the only requirements for effective vesting of rights is the service provision condition and the condition relating to the entity’s operating results. Other qualities of share-based payment scheme are not acknowledged as vesting conditions. The standard clarifies that the accounting representation of scheme cancellation by the entity or other party to the transaction should be identical. As at the date of preparation of this financial statement, the above specified revision of IFRS 2 has not yet been approved by the European Union. The Group intends to apply the revised IFRS 2 as from January 01, 2009. Application of these standards shall not affect the Group’s financial result.

Revised IAS 32 Financial Instruments: Presentation, and IAS 1 Presentation of Financial Statements

Revisions to IAS 32 and IAS 1 were published by the International Accounting Standards Board on February 14, 2008 and apply to annual periods beginning on or after January 01, 2009. The changes relate to accounting approach to some financial instruments bearing certain similarity to capital instruments but classified as financial liabilities. According to the new Standard requirement, such financial instruments as financial instruments with sell option and instruments obligating the company to disburse the share in net assets only if the company is wound up, upon fulfilling certain conditions, are presented as equity. As at the date of preparation of this financial statement, the above specified revisions of IAS 32 and IAS 1 has not yet been approved by the European Union. The Group intends to apply the revised IAS 32 and IAS 1 as from January 01, 2009. Application of these standards shall not affect the Group's financial result.

IFRS corrections in 2008

The International Accounting Standards Board has published the IFRS Corrections, amending 20 standards. These corrections involve changes in presentation, posting and valuation, as well as terminology and editorial changes. The majority of these corrections will apply to annual periods beginning on or after January 01, 2009. As at the date of preparation of this financial statement, the above specified standard revisions have not yet been approved by the European Union. The Group intends to apply the revised IFRS 2 according to transition requirements. Application of these standards shall not affect the Group's financial result.

Revised IFRS 1 First-time Adoption of International Financial Reporting Standards, and IAS 27 Consolidated and Separate Financial Statements

Revisions to IFRS 1 and IAS 27 were published by the International Accounting Standards Board on May 22, 2008 and apply to annual periods beginning on or after January 01, 2009. These revisions allow the use of either the fair value or balance sheet value determined according to existing accounting principles as the 'assumed cost' for fully owned subsidiaries, associated companies and partially owned subsidiaries in a separate financial statement. In addition, the definition of *cost-based approach* has been eliminated and substituted by dividend-based revenue recognition in a separate financial statement. As at the date of preparation of this financial statement, these revisions of IFRS 1 and IAS 27 has not yet been approved by the European Union. The Group intends to apply the revised IAS 1 and IAS 27 as from January 01, 2009. Application of these standards shall not have any significant impact on the Group's financial result.

Revised IAS 39 Financial Instruments: Recognition and Measurement – Hedged Item Classification Criteria

Revisions to IAS 39 Hedged Item Classification Criteria were published by the International Accounting Standards Board on July 31, 2008 and apply to annual periods beginning on or after July 01, 2009. These revisions include explanations on the methods of applying the principles of assessing compliance of hedged risk or cash flow with the criteria for assessment as hedged items in specific circumstances. Inflation is no more allowed to be established as a potentially hedged component of a fixed interest rate instrument. Under these changes, it is not allowed to incorporate a time value to one-sided hedged risk when options are considered as a hedging instrument. As at the date of preparation of this financial statement, the above specified changes to IAS 39 has not yet been approved by the European Union. The Group intends to apply the revised IAS 39 as from January 01, 2010. Application of these standards shall not affect the Group's financial result.

IFRIC interpretation 13 Customer Loyalty Programmes

IFRIC interpretation 13 was issued by the International Financial Reporting Interpretations Committee on June 27, 2007 and applies to annual periods beginning on or after July 01, 2008. This interpretation contains guidelines as to the accounting recognition of transactions under loyalty programmes implemented by an entity for its customers, such as loyalty cards or loyalty award credits. Specifically, IFRIC 13 indicates a correct method of recognition of liabilities arising when the entity has to deliver certain products or services free of charge or for reduced prices to customers in exchange of their credits. As at the date of preparation of this financial statement, IFRIC interpretation 13 has not yet been approved by the European Union. The Group intends to apply IFRIC interpretation 13 as from January 01, 2009. Application of these standards shall not affect the Group's financial result.

IFRIC interpretation 15 Agreements for the Construction of Real Estate

IFRIC interpretation 15 was issued by the International Financial Reporting Interpretations Committee on July 03, 2008 and applies to annual periods beginning on or after January 01, 2009. This interpretation provides guidance on how to assess an agreement for construction of real estate in order to determine whether its results should be presented in a financial statement under IAS 11 Construction Contracts, or IAS 18 Revenue. In addition, IFRIC 15 indicates the point of recognition of income from construction service. As at the date of preparation of this financial statement, IFRIC interpretation 15 has not yet been approved by the European Union. The Group intends to apply IFRIC interpretation 15 as from January 01, 2009. Application of these standards shall not affect the Group's financial result.

IFRIC interpretation 16 Hedges of a Net Investment in a Foreign Operation

IFRIC interpretation 16 was issued by the International Financial Reporting Interpretations Committee on July 03, 2008 and applies to annual periods beginning on or after October 01, 2008. This interpretation contains guidelines on determining whether risk arises from the foreign currency exposure to the functional currency of the foreign operation and the presentation currency of the parent entity's consolidated financial statements. In

addition, IFRIC 16 clarifies which entity within a group can hold a hedging instrument in a hedge of a net investment in a foreign operation and in particular whether the parent entity holding the net investment in a foreign operation must also hold the hedging instrument. IFRIC 16 also clarifies how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item when the entity disposes of the investment. As at the date of preparation of this financial statement, IFRIC interpretation 16 has not yet been approved by the European Union. The Group intends to apply IFRIC interpretation 16 as from January 01, 2009. Application of these standards shall not affect the Group's financial result.

5.3 Results of change in applied accounting principles (conversion of financial statements for the preceding periods), with description

Echo Investment Capital Group did not change its accounting principles during the 4th quarter of 2008. Detailed accounting policies are presented in the interim report for the period of six months expiring on June 30, 2008.

5.4 Composition of the Echo Investment S.A. Capital Group

Echo Investment S.A., which is the owner of Group companies, plays the major part in the structure of the Capital Group through supervising, partnering in execution and providing funds for execution of current developer projects. The group companies have been established or acquired for the purpose of performing certain investment tasks. They do not engage in any type of business activity other than one involved in the realization process of a specific project, followed by provisions of lease services of already completed property components or other services. As at December 31, 2008, Echo Investment Capital Group consists of 100 subsidiaries that are fully consolidated, 1 partially owned subsidiary consolidated according to the proportional method, and 3 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
- "Echo - Aurus" Sp. z o.o. ['Echo - Aurus' Limited Liability Company], having its registered seat in Kielce (formerly "Wyględów" Spółka z o.o. ['Wyględów' Limited Liability Company] with 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 Belchatów" Spółka z o.o. ['Echo - Belchatów 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 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-Galaxy Szczecin" Sp. z o.o. ['Echo-Galaxy Szczecin' Limited Liability Company], having its registered seat in Szczecin
- "Echo - Galeria Kielce" Sp. z o.o. ['Echo - Kielce Gallery' Limited Liability Company], having its registered seat in Kielce,
- "Echo - Kielce 1" Sp. z o.o. ['Echo - Kielce 1' Limited Liability Company], having its registered seat in Kielce
- "Echo - Metropolis" Spółka z o.o. ['Echo - Metropolis' Limited Liability Company] with its registered seat in Kielce (formerly "Projekt Echo - 81" ['Project Echo - 81' Limited Liability Company], having its registered seat in Kielce)
- "Echo - Park Postępu" Spółka z o.o. ['Echo - Postępu Park' Limited Liability Company], having its registered seat in Kielce (formerly "Projekt Echo - 66" Spółka z o.o. ['Project Echo - 66' 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 - Project Management Ingatlanhasznosító” Kft., having its registered seat in Budapest
- „Echo - Projekt 1" LLC, having its registered seat in Kiev
- „Echo - Projekt 2" LLC, having its registered seat in Kiev

- „Echo – Property Poznań 1” Spółka z ograniczoną odpowiedzialnością [‘Echo – Property Poznań 1’ Limited Liability Company], having its registered seat in Kielce
- „Echo – Property Poznań 2” Spółka z ograniczoną odpowiedzialnością [‘Echo – Property Poznań 1’ Limited Liability Company], having its registered seat in Kielce (formerly “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 – SPV 6” Sp. z o.o. [‘Echo – SPV 6’ 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,
- “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 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 Hungary Ingaatlanhasznosito Kft.”, having its registered seat in Budapest**
- “Echo Investment Project Management” S.R.L., having its registered seat in Bucharest
- “Echo Investment Projekt 1” S.R.L., having its registered seat in Bucharest
- „Echo Investment Ukraine” LLC, having its registered seat in Kiev
- „EI Project Cyp – 1” Limited, having its registered seat in Nicosia (formerly „Wlementor Holdings Limited”, having its registered seat in Nicosia)
- “Est On Property Management” Spółka z o.o. [‘Est On Property Management’ 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
- “Projekt Echo - 17” Spółka z o.o. [‘Project Echo - 17’ Limited Liability Company], having its registered seat in Kielce
- “Projekt Echo - 28” Spółka z o.o. [‘Project Echo - 28’ 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 Jelenia Góra
- “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 - 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 - 65” Spółka z o.o. [‘Project Echo - 65’ 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] in liquidation, having its registered seat in Kielce
- “Projekt Echo - 72” Spółka z o.o. [‘Project Echo - 72’ Limited Liability Company] in liquidation, having its registered seat in Kielce
- “Projekt Echo - 73” Spółka z o.o. [‘Project Echo - 73’ Limited Liability Company] in liquidation, having its registered seat in Kielce

- "Projekt Echo - 74" Spółka z o.o. ['Project Echo - 74' Limited Liability Company] in liquidation, having its registered seat in Kielce
- "Projekt Echo - 75" Spółka z o.o. ['Project Echo - 75' Limited Liability Company] in liquidation, having its registered seat in Kielce
- "Projekt Echo - 76" Spółka z o.o. ['Project Echo - 76' Limited Liability Company] in liquidation, 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 - 80" Spółka z o.o. ['Project Echo - 80' Limited Liability Company], having its registered seat in Kielce
- "Projekt Echo - 83" Spółka z o.o. ['Project Echo - 83' Limited Liability Company] in liquidation, having its registered seat in Kielce
- "Projekt Echo - 84" Spółka z o.o. ['Project Echo - 84' Limited Liability Company] in liquidation, having its registered seat in Kielce
- "Projekt Echo - 85" Spółka z o.o. ['Project Echo - 85' Limited Liability Company] in liquidation, having its registered seat in Kielce
- "Projekt Echo - 86" Spółka z o.o. ['Project Echo - 86' Limited Liability Company] in liquidation, having its registered seat in Kielce
- "Projekt Echo - 87" Spółka z o.o. ['Project Echo - 87' Limited Liability Company] in liquidation, having its registered seat in Kielce
- "Projekt Echo - 88" Spółka z o.o. ['Project Echo - 88' Limited Liability Company] in liquidation, having its registered seat in Kielce
- "Projekt Echo - 89" Spółka z o.o. ['Project Echo - 89' Limited Liability Company] in liquidation, having its registered seat in Kielce
- "Projekt Echo - 90" Spółka z o.o. ['Project Echo - 90' Limited Liability Company] in liquidation, having its registered seat in Kielce
- "Projekt Echo - 91" Spółka z o.o. ['Project Echo - 91' Limited Liability Company] in liquidation, having its registered seat in Kielce
- "Projekt Echo - 92" Spółka z o.o. ['Project Echo - 92' Limited Liability Company] in liquidation, having its registered seat in Kielce
- "Projekt Echo - 93" Sp. z o.o. ['Project Echo - 93' Limited Liability Company], having its registered seat in Kielce (formerly "Galeria Echo - Kielce" Spółka z o.o. ['Echo Gallery - Kielce' Limited Liability Company] with its registered seat in Kielce)
- "Projekt Naramowice" Spółka z o.o. ['Project Naramowice' Limited Liability Company], having its registered seat in Kielce
- „Projekt Naramowice Poznań” Spółka z ograniczoną odpowiedzialnością ['Project Naramowice Poznań' Limited Liability Company] (formerly: "Projekt Echo - 64" Sp. z o.o. ['Project Echo - 64' 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
- „Ultra Marina” Sp. z o.o. ['Ultra Marina' 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 Poznań

„Wan 11” Spółka z o.o. ['Wan 11' Limited Liability Company] with its registered seat in Warsaw is a partially owned subsidiary

Companies valued according to ownership rights method:

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

All wholly and partially owned subsidiaries and affiliated companies are consolidated. The dominant company holds 100% of basic capital, directly or indirectly, in all fully consolidated subsidiaries.

In subsidiaries partially owned by minority shareholders, the dominant Company is the holder 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] – 95% of basic capital and 95% of voting rights at the general meeting of shareholders.

Equity relationships within the Capital Group concern the following:

- "Piomot - Auto" Sp. z o.o., holding 5.53% of basic capital of "Echo Investment - Centrum Handlowe Piotrków Trybunalski" Sp. z o.o.;
- "Zakłady Ogrodnicze Naramowice" Sp. z o.o., holding 99.8% of basic capital of "Projekt Naramowice" Sp. z o.o.;
- „Echo - Kielce 1" Sp. z o.o., holding:
 - 99.97% of basic capital of "Echo - Galeria Kielce" Sp. z o.o.,
 - 100% of basic capital of "Princess Boryszewska" Sp. z o.o.
- "Projekt Echo - 37" Sp. z o.o., holding 0.001% of basic capital of "Echo - SPV 6" Sp. z o.o.;
- "Echo - Pasaż Grunwaldzki" Sp. z o.o., holding 1% of share of "Echo - Pasaż Grunwaldzki Sp. z o.o." Spółka komandytowa;
- "Echo - Arena" Sp. z o.o., holding 1% of share of "Echo - Arena Sp. z o.o." Spółka komandytowa;
- "Echo - Galaxy" Sp. z o.o., holding 1% of share of "Echo - Galaxy Sp. z o.o." Spółka komandytowa;
- „Echo - Galaxy Szczecin" Sp. z o.o. (formerly „Projekt Echo - 60" Sp. z o.o.), holding 1% of share of „Echo - Galaxy Sp. z o.o." Spółka komandytowa;
- „Projekt Echo - 93" Sp. z o.o., holding 0.01% of basic capital of „Echo - Galeria Kielce" Sp. z o.o.;
- "Projekt Echo - 41" Sp. z o.o., holding 1% of share of "Projekt Echo - 41 Sp. z o.o." Spółka komandytowa;
- "Projekt Echo - 42" Sp. z o.o., holding 1% of share of "Projekt Echo - 42 Sp. z o.o." Spółka komandytowa;
- "Projekt Echo - 43" Sp. z o.o., holding 0.01% of share of "Echo - Galaxy Sp. z o.o." Limited Company;
- "Projekt Echo - 45" Sp. z o.o., holding 1% of share of "Projekt Echo - 45 Sp. z o.o." Spółka komandytowa;
- „Echo - Centrum Bankowości i Finansów Łódź" Spółka z o.o., holding 47.98% of basic capital of „Projekt Echo - 53" Sp. z o.o.;
- „Echo - Centrum Biznesu Łódź" Spółka z o.o., holding 51.96% of basic capital of „Projekt Echo - 53" Sp. z o.o.;
- „Echo - Centrum Tarnów" Sp. z o.o., holding 99.93% of basic capital of „Projekt Echo - 61" Sp. z o.o.;
- „Echo - Centrum Jelenia Góra" Sp. z o.o., holding 99.93% of basic capital of „Projekt Echo - 56" Sp. z o.o.;
- „Echo - Galaxy Sp. z o.o." Sp. k., holding 99.99% of basic capital of „Echo - Galaxy Szczecin" Sp. z o.o. (formerly „Projekt Echo - 60" Sp. z o.o.);
- „Echo - Pasaż Grunwaldzki Sp. z o.o." Sp. k., holding 99.99% of basic capital of „Projekt Echo - 62" Sp. z o.o.;
- „Echo - Centrum Poznań" Sp. z o.o., holding 99.87% of basic capital of „Echo - Metropolis" Spółka z o.o. with its registered seat in Kielce, formerly „Projekt Echo - 81" Spółka z o.o. with its registered seat in Kielce

- „Echo Investment Ukraine” LLC, holding:
 - 99.99% of basic capital of „Echo - Projekt 1” LLC
 - 99.99% of basic capital of „Echo - Projekt 2” LLC
- „Echo - Projekt 1” LLC, holding 0.01% of basic capital of „Echo - Projekt 2” LLC;
- „Echo - Projekt 2” LLC, holding 0.01% of basic capital of „Echo - Projekt 1” LLC;
- „Echo Investment Project 1” SRL, holding 0.007% of basic capital of „Echo Investment Project Management” SRL;
- „Projekt Naramowice” Sp. z o.o., holding 99.97% of basic capital of „Projekt Naramowice Poznań” Sp. z o.o.;
- „Projekt Echo - 17” Sp. z o.o., holding the following respective shares of basic capital of:
 - 1.00% of capital of „Echo Aurus” Sp. z o.o. with its registered seat in Kielce, formerly „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 „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.,
 - 1.00% of capital of „Projekt Echo - 93” Sp. z o.o.,
 - 0.1% of capital of „Projekt Echo - 55” 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 - 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. in liquidation,
 - 0.1% of capital of „Projekt Echo - 72” Sp. z o.o. in liquidation,
 - 0.1% of capital of „Projekt Echo - 73” Sp. z o.o. in liquidation,
 - 0.1% of capital of „Projekt Echo - 74” Sp. z o.o. in liquidation,
 - 0.1% of capital of „Projekt Echo - 75” Sp. z o.o. in liquidation,
 - 0.1% of capital of „Projekt Echo - 76” Sp. z o.o. in liquidation,
 - 0.1% of capital of „Projekt Echo - 77” Sp. z o.o.,
 - 0.1% of capital of „Projekt Echo - 80” Sp. z o.o.,
 - 0.1% of capital of „Projekt Echo - 83” Sp. z o.o. in liquidation,
 - 0.1% of capital of „Projekt Echo - 84” Sp. z o.o. in liquidation,
 - 0.1% of capital of „Projekt Echo - 85” Sp. z o.o. in liquidation,
 - 0.1% of capital of „Projekt Echo - 86” Sp. z o.o. in liquidation,
 - 0.1% of capital of „Projekt Echo - 87” Sp. z o.o. in liquidation,
 - 0.1% of capital of „Projekt Echo - 88” Sp. z o.o. in liquidation,
 - 0.1% of capital of „Projekt Echo - 89” Sp. z o.o. in liquidation,
 - 0.1% of capital of „Projekt Echo - 90” Sp. z o.o. in liquidation,
 - 0.1% of capital of „Projekt Echo - 91” Sp. z o.o. in liquidation,
 - 0.1% of capital of „Projekt Echo - 92” Sp. z o.o. in liquidation,
 - 0,05% of capital of „Echo - Arena” Sp. z o.o.,
 - 0,05% of capital of „EI Project Cyp - 1” Limited (formerly „Wlementor Holdings Limited”);
 - 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 „Projekt Echo - 28” 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 - Property Poznań 2” Spółka z ograniczoną odpowiedzialnością, formerly: „Echo Investment - Centrum Handlowo-Usługowo-Rozrywkowe Gliwice”);
 - 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 – Property Poznań 1” 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 – Kielce 1” Sp. z o.o.;
- 0.001% of capital of "Echo – Galaxy Szczecin" Sp. z o.o. (formerly „Projekt Echo - 60” Sp. z o.o.);
- 0.001% of capital of "Echo Park Postępu" Spółka z o.o. with its registered seat in Kielce (formerly „Projekt Echo - 66” Spółka z o.o. with its registered seat in Kielce);
- 0.001% of capital of „Echo – Metropolis” Spółka z o.o. with its registered seat in Kielce (formerly „Projekt Echo - 81” Spółka z o.o. with its registered seat in Kielce),
- 0.001% of capital of "Projekt Echo - 53" Sp. z o.o.,
- 0.001% of capital of "Projekt Echo - 54" Sp. z o.o.,
- 0.001% of capital of "Projekt Echo - 56" Sp. z o.o.,
- 0.001% of capital of "Projekt Echo - 61" Sp. z o.o.,
- 0.001% of capital of "Projekt Echo - 62" Sp. z o.o.,
- 0.001% of capital of "Projekt Echo - 63" Sp. z o.o.,
- 0.001% of capital of "Projekt Echo - 65" Sp. z o.o.,

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

5.5 Explanations concerning seasonal or cyclical quality of the issuer's activities during the presented period

Echo Investment Capital Group's activities cover several segments of the property market. The available portfolio of assets for lease, systematic execution and sale of residential project, along with other ranges of activity, guarantee comparable levels of income during each consecutive quarter to a significant extent. However, consolidated revenues from sales of apartments, general contracting and project management services, real estate management and trade, other minor ranges of activity may be seasonal or cyclical in nature. The Management Board cannot preclude certain other individual events that can affect the results earned in the given period.

5.6 Information about issuance, redemption and repayment of debt securities and equity instruments

Apart from own funds, loans and facilities, daily operations of the Capital Group are also financed through issuance of debenture bonds. The dominant company – Echo Investment S.A. – is currently implementing active programs of issuance of long-term and short-term financial instruments (bonds).

Pursuant to contracts made in respect of the Bonds Issuance Program with BRE Bank S.A. in 2004 and BPH S.A. Bank in 2003 (currently Pekao SA Bank as BPH SA Bank's legal successor), Echo Investment S.A. has certain obligations under issued debenture bonds. The balance of these liabilities as at the submission date of these statements is presented in the table below:

Bank name	Type of instrument	Amount utilized [in thousands PLN]	Bonds redemption date
BRE Bank S.A.	Bonds	150.000	25.05.2011
BRE Bank S.A.	Bonds	100.000	25.05.2013
BRE Bank S.A.	Bonds	300.000	30.06.2014

Echo Investment may issue bonds within the following limits:

- 600 million PLN under the agreement signed with BRE Bank SA,
- 250 million PLN under the agreement signed with BPH SA Bank (currently Pekao SA Bank as BPH SA Bank's legal successor).

5.7 Information about paid (or declared) dividend, total and per share, divided into ordinary and preference shares

The dominant company – Echo Investment S.A. – did not pay any dividend in the previous years nor declare payment of such in the nearest future. On May 12, 2008, the Management Board of the Company presented the Supervisory Board of Echo Investment SA with a proposal concerning allocation of net earnings disclosed in the Company's financial statement for the year expiring on December 31, 2007, and a proposal for allocation of the Company's profits carried forward.

The Management Board of the Company proposed that the net profit for 2007 and net earnings carried forward from the preceding years should be excluded from distribution to shareholders and allocated to supplementary capital of Echo Investment SA in its entirety for purposes of financing daily operations of the Company. The Supervisory Board of Echo Investment SA issued a positive opinion on the Management Board's proposal. Under Article 395 § 2 sub-paragraph 2 of the Polish Code of Commercial Partnerships and Companies, the aforementioned recommendation has been ultimately presented to the General Meeting of Shareholders for consideration. On the basis of resolution no. 6 on distribution of profits

carried forward, and resolution no. 7 on distribution of profit, the Ordinary General Meeting of Shareholders of Echo Investment SA decided to exclude the net profit earned by Echo Investment SA in the previous years and the net profit earned during the last financial year 2007 from distribution among shareholders and to allocate the whole amount of profit to supplementary capital for financing the company's current operations.

5.8 Specification of events occurring after the condensed quarterly financial statement date, not disclosed in the statement but capable of significantly affecting future financial results of the issuer

On January 06, 2009, Annex 1 (the Annex) of January 06, 2009 was executed to the agreement for project management and general contracting of investment (the General Contracting Agreement) of October 8, 2008 between the Issuer's subsidiary „Projekt Echo – 63” Spółka z ograniczoną odpowiedzialnością [‘Project Echo – 63’ Limited Liability Company] with its registered seat in Kielce (the Investor) and Echo Investment S.A. with its registered seat in Kielce (the Project Manager and the General Contractor of Investment).

According to the terms of the Annex, the Project Manager and the General Contractor of Investment shall receive a fee based on investment budget, whereof the estimated net value is approx. 78.4 million PLN.

Under the General Contracting and Project Management Agreement, the Contractor agrees to carry out comprehensive development of an office building with an underground car park and necessary utilities on the land property situated in Krakow, Lea Street (the Office Building, the Investment) until effective completion, meaning handing over of the Office Building to the Investor and users of premises in the Office Building and obtaining all permits from competent authorities as required for opening the Office Building.

On January 13, 2009 PKO BP SA Bank granted a bank guarantee to PKP SA with its registered seat in Warsaw as a security of payment of consulting costs, up to the amount of PLN 1.8 million. The guarantee will be valid until December 30, 2009.

On January 21, 2009 Echo Investment S.A. (the Buyer) and TBS Nasz Dom Sp. z o.o. with its registered seat in Poznań (the Seller) signed a final contract of purchase of freehold right to undeveloped property situated in Poznań, Katowicka Street, for a price of PLN 3.163 million.

On January 22, 2009, Orbis S.A. with its registered seat in Warsaw (the Buyer) accepted the quotation offered by the Issuer's subsidiary “Echo – Kielce 1” Sp. z o.o. [‘Echo – Kielce 1’ Limited Liability Company] with its registered seat in Kielce (the Seller), dated January 19, 2009 (the Quotation) concerning extension of the preliminary conditional agreement (the Agreement).

The Parties agreed on the basis of their respective statements that the Seller and the Buyer should enter into the Promised Agreement until March 13, 2009, provided that the conditions enumerated in Current Report no. 44/2008 of September 05, 2008 are fulfilled until February 16, 2009, including:

- achievement of positive results of completed due diligence and technical audit,
- signing by the Seller or by the General Contractor of the Investment of relevant agreements with owners of neighboring properties that are required for executing the investment,
- presentation of a certificate of no arrears in tax payments.

On February 16, 2009, Orbis S.A. with its registered seat in Warsaw (the Buyer) accepted the quotation offered by the Issuer's subsidiary “Echo – Kielce 1” Sp. z o.o. [‘Echo – Kielce 1’ Limited Liability Company] with its registered seat in Kielce (the Seller), dated February 12, 2009 concerning extension of the preliminary conditional agreement (the Agreement). The Parties agreed on the basis of their mutual representations that the Seller and the Buyer should enter into the Promised Agreement until March 31, 2009, provided that the aforementioned conditions are fulfilled until March 20, 2009.

On January 27, 2009 Echo Investment S.A. (the Issuer), acting in accordance with sub-paragraphs 1.1 and 1.2 of the Recommendations contained in “Good Practices of Public Companies Quoted at the Warsaw Stock Exchange” in respect of ensuring extensive and efficient access to all information necessary for assessment of the company's condition (Annex to Resolution No. 12/1170/2007 of the Stock Exchange Council of July 04, 2007), which the Issuer has agreed to follow on the basis of the Regulations of the Warsaw Stock Exchange (Stock Exchange Regulations enacted through Resolution No. 1/1110/2006 of the Stock Exchange Council of January 04, 2006), and in respect of receiving valuations of foreign exchange rate hedging transactions, communicated the following information in a current report:

During the financial year 2008, both Echo Investment S.A. and its subsidiaries have only executed hedging transactions on future anticipated currency exposure, using such standard financial instruments as forwards and currency options (Plain Vanilla). The transactions executed on the basis of contracts signed with banks were not speculative in nature and were effected within the scope of the applicable hedging policy to secure future levels of cash flows on operating activity and currency conversion of EUR-denominated credit facility tranches. With the open positions on the currency market, Echo Capital Group is duly hedged for the part of cash flows allocated to 2009 (98.5 million EUR, including 43.3 million in the 1st half of 2009) and 2010 (229 million EUR, including 109.5 million in the 1st half of 2010). These transactions were executed at the average strike rate of 3.4976. On the basis of data received from banks, balance sheet valuation of open items on derivatives as at December 31, 2008 is as follows: forwards – PLN226.3m, currency options – PLN12.3m.

The Management Board of the Issuer further emphasizes that, considering the high exchange rate of EUR, Echo Investment Capital Group is currently earning higher revenues in PLN on letting of office and commercial space.

Fair value of the projects in Echo Investment Group's portfolio is expressed in EUR and therefore in the 4th quarter of 2008, the value of property portfolio will be revaluated by approx. 480 million PLN in plus.

Considering the value of assets (property appraisal +480 million PLN) and liabilities (valuation of foreign exchange rate hedging transactions – PLN238m and valuation of special-purpose loans expressed in EUR – PLN170m), the results earned by Echo Investment Group are not exposed to any major changes with regard to foreign exchange rate variations.

In view of the foregoing, the Issuer's Management Board forecasts that Echo Investment Group should earn a net profit for 2008 of not less than 100 million PLN.

Upon determination of the financial result after four quarters of 2008, the value derived from property portfolio revaluation is 458 in plus. The difference between the value specified in the above mentioned report and the ultimate value under revaluation is a consequence of altering

presentation of the statements of WAN 11 Sp. z o.o. subsidiary, consisting in application of company valuation according to ownership rights method (corresponding to approximately 18 million PLN).

Under a Bonds Issuance Program signed with BRE Bank S.A., seated in Warsaw (Current Report RB no. 19/2004 of 2004-04-16), on February 13, 2009 Echo Investment SA issued discount bonds for a total value of PLN 35 million.

The par value of a single bond is PLN 100 thousand. Bonds redemption date is May 14, 2009. The bonds shall be redeemed for the nominal value of the bonds. Issue price and interest rate was determined on the basis of WIBOR 3M rate plus investors' margin. The issued bonds are not secured.

Balance sheet item: "Liabilities and provisions for liabilities" of Echo Investment S.A. as at September 30, 2008 equaled PLN 872.5 million, whereof "non-current liabilities" amounted to PLN 557.2 million and "current liabilities" to PLN 315.3 million.

According to the Management Board of Echo Investment SA, during the validity period of the issued bonds, Echo Investment S.A.'s general obligations will be maintained on a safe level. The issued bonds form 7.0% of Echo Investment S.A.'s equity according to the balance of September 30, 2008.

On February 16, 2009 Echo Investment S.A. with its registered seat in Kielce (the Investor) and Modzelewski & Rodek Sp. z o.o. with its registered seat in Warsaw (the Contractor) signed Annex 2 dated February 12, 2009 to the core and shell construction contract for an establishment, dated September 08, 2008 (the Contract).

Under the aforementioned Contract, the Contractor agreed to carry out the works consisting in core and shell construction of an office and commercial establishment (the Facility) located on a real property in Łódź, Piłsudskiego Street (Object of Contract). The Contractor also agrees to obtain the necessary amendments to the building permit decision in case any variations by the Contractor render it necessary to obtain such decision. Completion of development of the Object of Contract was expected until July 24, 2009.

Under the said Annex, the Parties to the Contract agreed to terminate the Contract by mutual agreement as at the effective date of Annex. The reason for Contract termination is the suspension of development of the Object of Contract, which has to be redesigned to optimize the investment process. The envisaged modifications will enable more flexible adaptation to the current situation on the property market and will enable development and sales of this project in stages.

As a result of Contract termination, the Contractor's fee for Contract performance was agreed as PLN 10,839,703.00 net. This amount includes the fee for advancement of Contract development until the termination date and the cost of securing the completed works, as well as other activities necessary for closing the works and Contractor's evacuation from site. The Parties to the Annex further agreed that the above fee fully covered their mutual claims as to settlement of basic works and works, tasks and activities carried out with regard to the need to end performance and terminate the Contract.

The Management Board of the Issuer further informs that as a result of the above changes being implemented, the currently anticipated completion date of the 1st stage of development of the facility is the 2nd half of 2010.

On February 26, 2009 the Issuer was notified that on February 24, 2008 the District Court in Kielce, 10th Economic Department of the National Court Register, registered changes in the value and structure of initial capital of a subsidiary "Projekt Naramowice Poznań" Sp. z o.o. ("Project Naramowice Poznań" Limited Liability Company) with its registered seat in Kielce (the "Subsidiary").

The value of the Subsidiary's initial capital was increased by 156,930,000 and now equals PLN 156,980,000, divided into 3,139,600 shares with a par value of PLN 50 each. The total number of votes at the meeting of shareholders, according to shares, is 3,139,600.

As at the registration date, ownership structure in "Projekt Naramowice Poznań" Sp. z o.o. ["Project Naramowice Poznań" Limited Liability Company] has changed and is now as follows:

- the Issuer's subsidiary "Projekt Naramowice" Sp. z o.o. ["Project Naramowice" Limited Liability Company] with its registered seat in Kielce holds 3,138,600 shares in the subsidiary with a total value of PLN 156,930,000, carrying 3,138,600 votes at the meeting of shareholders, which correspond to 99.97% of the initial capital,
- Echo Investment SA with its registered seat in Kielce holds 1,000 shares in the subsidiary with a total value of PLN 50,000, carrying 1,000 votes at the meeting of shareholders, which corresponds to 0.03% of the initial capital.

Changes in the share capital of "Projekt Naramowice Poznań" Sp. z o.o. were registered as a consequence of a non-cash contribution made by "Projekt Naramowice" Sp. z o.o., the said contribution incorporating a set of tangible and intangible assets designed for carrying out business activity, specifically including:

- an employer enterprise within the meaning of Article 231 of the Labor Code,
- freehold of properties situated in Poznań, Naramowice cadastral district, including:
 - a) a plot of land with an area of 12,971 sq. m, with multiple-dwelling buildings erected thereon,
 - b) undeveloped plots of land with a total area of 428,527 square meters
 - c) 3/18 share in a service establishment – a multiple-space garage situated in a building in Poznań, Rubież Street,
- all rights and obligations arising from contracts signed.

The value of goodwill as specified in the agreement of transfer of ownership of the enterprise is 156.93 million PLN and the registration value of the transferred enterprise as given in the accounting books of the Issuer's subsidiary "Projekt Naramowice" Sp. z o.o., according to acquisition and production costs, is 10.74 million PLN (as at June 30, 2008).

The assets mentioned above used to be exploited before transfer in developer operations. „Projekt Naramowice Poznań” Spółka z ograniczoną odpowiedzialnością intends to continue utilizing these assets in the existing manner.

The aforementioned non-cash contributions were effected on the basis of agreement of transfer of ownership of an enterprise, which was made on October 31, 2008 between the Issuer's subsidiaries "Projekt Naramowice" Sp. z o.o. (the Transferor) and "Projekt Naramowice Poznań" Sp. z o.o. with its registered seat in Kielce (the Transferee).

"Projekt Naramowice" Sp. z o.o. with its registered seat in Kielce intends to consider the Subsidiary's shares thus taken up as a long-term equity investment.

The shares taken up in the Subsidiary have been considered significant assets on the basis of the criteria of significant value for financial assets.

5.9 Indication of the consequences of changes in the structure of the business entity, including those resulting from mergers, takeover or sale of Capital Group companies, long-term investments, split, restructuring or discontinuation of operations

I. The composition of the Capital Group did not change.

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

On October 28, 2008, the Issuer received a decision whereunder on October 07, 2008 the Registration Court in Budapest recorded change in the value of initial capital of the Issuer's subsidiary „Echo-Project-Management-Ingatlanhasznosito” Kft. with its registered seat in Budapest (the Subsidiary).

The Subsidiary's initial capital was increased by HUF 35,400,000 (an equivalent of PLN 489,228 as on the effective date of registration of change to the share capital according to the average rate of exchange of the National Bank of Poland) and it currently equals HUF 88,400,000 (equivalent of PLN 1,221,688 as on the effective date of registration of changes to the share capital according to the average rate of exchange of the NBP).

As on the registration date, Echo Investment SA took up the entire increased initial capital for the Subsidiary, constituting 40.04% of the current value of initial capital. As a consequence, Echo Investment SA now holds 100% of the initial capital and the same proportion of votes at the general meeting of shareholders of the Subsidiary. The shares thus taken up shall be financed with Echo Investment SA's own funds.

The increased share capital of the Subsidiary has been considered significant on the basis of major financial assets criteria.

On October 31, 2008 an agreement of transfer of ownership of an enterprise was executed between the Issuer's subsidiaries: „Projekt Naramowice” Spółka z ograniczoną odpowiedzialnością [‘Project Naramowice’ Limited Liability Company] with its registered seat in Kielce („the Seller”) and „Projekt Naramowice Poznań” Spółka z ograniczoną odpowiedzialnością [‘Project Naramowice Poznań’ Limited Liability Company] with its registered seat in Kielce (formerly „Projekt Echo - 64” Spółka z ograniczoną odpowiedzialnością [‘Project Echo - 64’ Limited Liability Company] („the Buyer”).

The object of this agreement is the enterprise of „Projekt Naramowice” Sp. z o.o. with its registered seat in Kielce, incorporating a group of tangible and intangible assets designated for carrying out business activity, specifically including:

- an employer enterprise within the meaning of Article 231 of the Labor Code,

- freehold of properties situated in Poznań, Naramowice cadastral district, including:

- a) a plot of land with an area of 12,971 sq. m, with multiple-dwelling buildings erected thereon,

- b) undeveloped plots of land with a total area of 428,527 square meters

- c) 3/18 share in a service establishment – a multiple-space garage situated in a building in Poznań, Rubież Street,

- all rights and obligations arising from contracts signed.

The value of goodwill as specified in the agreement of transfer of ownership of the enterprise is 156.93 million PLN and the registration value of the transferred enterprise as given in the accounting books of the Issuer's subsidiary „Projekt Naramowice” Sp. z o.o., according to acquisition and production costs, is 10.74 million PLN (as at June 30, 2008).

The aforementioned enterprise forms a non-cash contribution for covering newly established 3,138,600 shares in the initial capital of „Projekt Naramowice Poznań” Spółka z ograniczoną odpowiedzialnością with a total par value of PLN 156,930,000. These shares form 99.97% of the Company's initial capital, carrying 3,138,600 votes at the general meeting of shareholders.

The assets mentioned above used to be exploited before transfer in developer operations. „Projekt Naramowice Poznań” Spółka z ograniczoną odpowiedzialnością intends to continue utilizing these assets in the existing manner.

The Issuer's managers also perform managerial functions in the buying company and the company - seller of assets with significant value.

The aforementioned assets have been considered significant on the basis of financial assets of significant value and the Issuer's equity criteria.

Echo Investment S.A. holds 1000 shares in the initial capital of „Projekt Naramowice Poznań” Spółka z ograniczoną odpowiedzialnością with its registered seat in Kielce, corresponding to 0.03% of share capital that carries 1000 votes at the general meeting of shareholders.

On December 10, 2008, the Issuer received a decision whereunder on November 12, 2008 the Registration Court in Budapest recorded change in the value of initial capital of the Issuer's subsidiary „Echo-Building Ingatlanhasznosito” Kft. with its registered seat in Budapest (the Subsidiary).

The Subsidiary's initial capital was increased by HUF 57,000,000 (an equivalent of PLN 793,440 as on the effective date of registration of change to the share capital according to the average rate of exchange of the National Bank of Poland) and it currently equals HUF 60,000,000 (equivalent of PLN 835,200 as on the effective date of registration of changes to the share capital according to the average rate of exchange of the NBP).

As on the registration date, Echo Investment SA took up the entire increased initial capital for the Subsidiary, constituting 95.00% of the current value of initial capital. As a consequence, Echo Investment SA now holds 100% of the initial capital and the same proportion of votes at the general meeting of shareholders of the Subsidiary. The shares thus taken up shall be financed with Echo Investment SA's own funds.

The increased share capital of the Subsidiary has been considered significant on the basis of major financial assets criteria.

III. Opening of liquidation procedure of the Issuer's subsidiaries

On December 03, 2008, motions were lodged with the District Court in Kielce, 10th Economic Department of the National Court Register, for opening of liquidation procedures of the following subsidiaries of the Issuer:

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

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

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

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

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

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

Resolutions on dissolving the subsidiaries enumerated above upon effective liquidation were passed by the Extraordinary General Meetings of Shareholders of the above subsidiaries, with the functions of liquidators delegated to representatives of their respective Management Boards, namely to Mr. Piotr Gromniak and to Mr. Artur Langner.

Steps were taken for the purpose of dissolving the subsidiaries as a consequence of those subsidiaries not being involved in developer or investment activities and no plans exist as to using these companies in the future for project development. Their continued existence is not economically reasonable, and their liquidation will not affect the financial results of Echo Investment S.A. or the Group.

IV. Names of the following subsidiaries were changed:

- the name of "Galeria Echo - Kielce" Sp. z o.o. ['Echo Gallery - Kielce' Limited Liability Company], having its registered seat in Kielce, changed into "Projekt Echo - 93" Sp. z o.o. ['Project Echo - 93' Limited Liability Company'], having its registered seat in Kielce,
- the name of "Wyględów" Sp. z o.o. ['Wyględów' Limited Liability Company], having its registered seat in Kielce, changed into "Echo Aurus" Sp. z o.o. ['Echo Aurus' Limited Liability Company'], having its registered seat in Kielce,
- the name of "Projekt Echo - 81" Spółka z o.o. ['Project Echo - 81' Limited Liability Company], having its registered seat in Kielce, changed into "Echo - Metropolis" Spółka z o.o. ['Echo - Metropolis' Limited Liability Company'], having its registered seat in Kielce,
- the name of "Projekt Echo - 64" Spółka z o.o. ['Project Echo - 64' Limited Liability Company], having its registered seat in Kielce, changed into "Projekt Naramowice Poznań" Spółka z ograniczoną odpowiedzialnością ['Project Naramowice Poznań' Limited Liability Company'], having its registered seat in Kielce,
- the name of "Projekt Echo - 66" Spółka z o.o. ['Project Echo - 66' Limited Liability Company], having its registered seat in Kielce, changed into "Echo Park Postępu" Spółka z o.o. ['Echo Park Postępu' Limited Liability Company'], having its registered seat in Kielce,
- the name of „Wlementor Holdings” Limited, having its registered seat in Nicosia, changed into „El Project Cyp - 1” Limited, with its registered seat in Nicosia;
- the name of "Echo Investment - Centrum Handlowo-Usługowo - Rozrywkowe Gliwice" Spółka z ograniczoną odpowiedzialnością ['Echo Investment - Gliwice Shopping , Service & Entertainment Center' Limited Liability Company] with its registered seat in Kielce changed into „Echo - Property Poznań 2" Spółka z ograniczoną odpowiedzialnością ['Echo - Property Poznań 2' Limited Liability Company] with its registered seat in Kielce.

V. See also: sub-paragraph 5.15.

5.10 Information about changes in contingent liabilities or contingent assets that occurred after the end of the last financial year

Certain changes have occurred in contingent liabilities since the expiry of the last financial year, as follows:

5.10.1 Suretyship agreements

Issuer's suretyship agreements in force as on December 31, 2008 are presented in the table below:

Surety in favor of	Value (in thousands)	Expiry date	On account of
Bank PeKaO SA	740 PLN	until signing a contract of transfer under the rights of bank performance guarantee in favor of PeKaO SA Bank	Surety for the liabilities of Echo Investment – Centrum Bełchatów Sp. z o.o. [Echo Investment – Bełchatów Center Limited Liability Company] as a collateral of a loan granted by PeKaO SA Bank.
Natural person	18.807 PLN	until December 31, 2010	Surety for subsidiary's obligations
Projekt – Echo 49 Sp. z o.o.	4.032 PLN	until July 04, 2010	Surety for obligations concerning remediation of damage regarding Projekt – Echo 49 Sp. z o.o. [Project – Echo 49 Limited Liability Company]

5.10.2 Guarantee agreements

1. On January 17, 2008 PKO BP SA Bank granted a bank guarantee to PKP SA with its registered seat in Warsaw as a security of payment of consulting costs, up to the amount of PLN 1.5 million.

2. On October 18, 2008 a bank guarantee granted by PKO BP SA Bank in favor of PKP SA with its registered seat in Warsaw on January 17, 2008 as a collateral for repayment of consulting costs, up to the amount of PLN 1.5 million, expired.

As at December 31, 2008 no valid bank guarantee agreements in force exist.

5.11 Description of the issuer's significant achievements or failures

During the 4th quarter of 2008, Echo Investment S.A. and Echo Capital Group companies were executing projects launched during the previous periods, and became involved in new investments in the segments described below.

To minimize the risk of adverse changes on the real estate market, Echo Capital Group may execute investment projects in stages and adapt investment realization rate to expectations, trends, and prices on local markets. The Group is carefully monitoring the developments on the real estate market and therefore, decisions concerning implementation of specific projects are taken on an individual basis, according to assessment of current market conditions. All project completion dates are flexibly and reasonably adapted to actual circumstances.

The Polish market

Segment of shopping centers and shopping/entertainment centers

Shopping and shopping/entertainment centers built by the Capital Group operate in more than ten cities in Poland. The stability of the market of shop floor areas is due to high market demand, adaptability to specific clients' requirements, and high diversification of sectors and 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, Nomi, ITI Neovision, RTV Euro AGD, Empik, Douglas, Saturn Planet, Supermarkety Drogerijne Rossman, and other tenants.

Galeria Echo Shopping & Entertainment Center in Kielce - extension

During the 4th quarter of 2008, development works were carried out on the 1st stage of extension of the Galeria Echo shopping & entertainment center in Kielce, including construction of a seven-level car park with an area of 43 thousand sq. m. This car park, capable of holding nearly 1500 vehicles, will be built on a land designated for 30-year lease by Echo from the Kielce University of Technology. The car park was designed by Detan Design Studio of Kielce and the construction was designed by JORDAHL & PFEIFER Technika Budowlana Sp. z o.o. The target area of the center shall be 64,000 square meters. EIFFAGE BUDOWNICTWO MITEX S.A. shall act as the general contractor. Completion of this investment is scheduled for the end of 2009. The gallery, tripled in size, will be opened in 2010.

The ARENA shopping & entertainment center in Słupsk

Development of a shopping and entertainment center called ARENA, is scheduled on the Company's property of 64,000 sq. m, to be situated in an attractive location of Słupsk at Grottgera Street. The facility shall offer about 38,000 sq. m leasable area.

On October 21, 2008 an agreement for project management and general contracting of investment (the General Contracting Agreement) was executed between the Issuer's subsidiary „Echo - Arena Spółka z ograniczoną odpowiedzialnością” Spółka komandytowa [‘Echo - Arena Limited Liability Company’ Limited Partnership] with its registered seat in Kielce (the Investor) and Echo Investment S.A. with its registered seat in Kielce (the Project Manager and the General Contractor of Investment). Under the General Contracting Agreement, the Project Manager and General Contractor of Investment agrees to execute the development of “Arena” shopping and entertainment center on an immovable property situated in Słupsk, between Grottgera, Szczecińska and Bolesława Krzywoustego Streets (the Investment, the Center), until effective delivery of the Center to the Investor and to individual users. At the same time, the Project Manager and General Contractor agrees and covenants to obtain all permits from competent authorities as required for commencement of operation of the Center. Development of the Investment will be completed not later than May 31, 2011.

The project budget is about 220 million PLN.

The tenants of the center will include: Tesco, Helios, Media Markt, BC Club, Rossmann, Ravel. The anticipated project commencement date will be the 1st half of 2009, and completion date will fall in the 2nd half of 2010.

The Pasaz Swietokrzyski Shopping Center in Kielce

The process of designing the 2nd stage of Pasaż Świętokrzyski in Kielce was advancing. With consideration of the existing conditions on the market, development of the project for Catalyst Capital fund of London was suspended.

Shopping & entertainment center in Kalisz

Echo Capital Group intends to develop a modern regional shopping and entertainment center on its immovable property located in Kalisz. The facility will be built at Górnośląska Street and Trasa Bursztynowa (the Amber Route). Gross floor area of the contemplated center shall be ca. 100,000 square meters, with gross leasable area of about 35,000 sq. m. The launching of the project is scheduled for 2010 and completion in 2012.

Shopping & entertainment center in Koszalin

Development of a modern shopping & entertainment center is planned in Koszalin, Krakusa i Wandy Street. Area to let in the building will be about 30 thousand square meters. The anticipated commencement date of investment falls in the 1st half of 2011 and completion date in the 2nd half of 2012.

Shopping & entertainment center in Lublin

The Company's investment plans include development of the so-called Echo Park in Górki Czechowskie, Lublin. The Issuer's Management Board is attempting at an agreement with the Commune of Lublin on the details concerning the investment project scheduled by Echo Investment Group.

The VENEDA shopping & entertainment center in Łomża

Erection of a shopping center in Łomża is going to supplement the portfolio of retail space. The Łomża City Council agreed to an amendment of the spatial development conditions and directions study in order to allow development of a shopping center exceeding 2,000 square meters in size. The Company is expecting completion of administrative procedures. Anticipated development date falls in 2011.

The METROPOLIS shopping & entertainment center in Poznań

Echo Capital Group intends to build a modern shopping and entertainment center called METROPOLIS on the Company's immovable property situated in Poznań, Hetmańska Street, offering about 80,000 square meters rentable area. The mall has been designed by Studio ADS architects' firm of Poznań. The Group is currently determining the architectural concept of the design.

Other shopping centers and shopping/entertainment centers

Echo Capital Group also intends to expand some of its existing shopping and shopping/entertainment centers. Future operations of Capital Group companies will focus on execution of new projects, also including projects in smaller Polish towns, followed by an increase of the portfolio of commercial areas for lease, including expansion of existing projects.

On December 11, 2008 an agreement on termination of lease contract dated August 28, 2001 (the Lease Agreement) was made by the Issuer's 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 (the Subsidiary) and Carrefour Polska Sp. z o.o. with its registered seat in Warsaw. The object of Contract consists of commercial premises with auxiliary space, with a total area of 4,992.29 sq. m, located in the Pabianice shopping center building (the Center). Whereas the Office for Competition and Consumer Protection issued a decision obligating Carrefour to terminate the activities of its hypermarket in the Center, the parties to this Agreement have decided to terminate the Lease Agreement as at December 31, 2008. The parties to the agreement have decided that Carrefour shall pay liquidated damages and an advance for operating fees payable for the period expiring on January 15, 2009 and lease rent payable for the period ending January 31, 2009 as a penalty for early termination of the Lease Agreement. At the same time, on December 11, 2008 a subsidiary signed a lease agreement with Piotr i Paweł S.A. with its registered seat in Poznań as the new tenant of space in the Pabianice shopping center for a period of 10 years. The new tenant is going to run commercial activities in the Center through operating a supermarket offering groceries and household goods in a range equivalent to that offered in other similar establishments operating within the Piotr i Paweł chain in Poland.

On December 11, 2008, Echo Investment SA and Carrefour Polska Sp. z o.o. with its registered seat in Warsaw entered into an agreement whereunder the parties shall endeavor to sign an agreement enabling extension of the Jelenia Góra shopping center. The desired agreement should be signed during the 1st half of 2009.

Segment of office space

In the office investments segment, Echo Investment Capital Group has facilities to let in Warsaw. The Group is executing new investments and acquiring projects already functioning in the market. Its offer covers office buildings of various standards, including top class.

Although this market segment is highly competitive, the projects contained in the portfolio of Echo Capital Group ensure stable income from long-term lease contracts due to proper location conditions and appropriate standards. Office space is let to such recognized companies as Polkomtel SA, Deutsche Leasing, Impel SA, Colgate-Palmolive, Porr Polska, Modzelewski & Rodek, Roche Diagnostic Polska, and many others.

The Warsaw market

Execution works on a set of office buildings with multi-storey underground parking lot were continued on the real estate situated in Warsaw at 21 Postępu Street. The project, comprising leasable area of ca. 34,000 square meters, consisting of four office buildings, was designed by APA Wojciechowski studio of Warsaw. The contractor of core and shell construction and the general contractor and manager of the investment is Modzelewski & Rodek Sp. z o.o. of Warsaw. The anticipated completion date of the 1st stage falls in the 3rd quarter of 2009 and of the 2nd stage in the 1st half of 2010.

On December 31, 2008, in the course of fulfilling the obligation mentioned in Article 57 clause 3 with reference to Article 56 clause 1 sub-paragraph 1 of the Act on Quotations and Conditions of Introducing Financial Instruments to Organized Trade and on Public Companies, of July 29, 2005 (Journal of Laws no. 184 item 1539), the Management Board of Echo Investment S.A. (the Issuer) communicated to the general public such confidential

information the communication whereof was delayed under the Regulation of the Minister of Finance of April 13, 2006 on types of information that may affect issuer's reasonable interest and manner of proceeding by an issuer with respect to delayed public disclosure of confidential information (Journal of Laws of 2006 No. 67 item 476).

1. On November 11, 2006, a memorandum of understanding (the Memorandum) was signed between Echo Investment SA with its registered seat in Kielce, WAN 11 Sp. z o.o. with its registered seat in Warsaw, WAN S.A. with its registered seat in Warsaw (the Seller), and Immoeast Corporate Finance Consulting GmbH with its registered seat in Vienna (the Buyer).

Under the said Memorandum, the Parties expressed their intention to sign:

- 1) a contract of sale of real estate situated in Warsaw, 3 Postępu Street (the Property), owned by WAN 11 Sp. z o.o. and comprising two five-storey buildings with a total gross leasable area estimated as 20,400 square meters, with an underground and above-ground car park (the Contract of Sale of Property), or
- 2) a contract of sale of 100% shares in the share capital of WAN 11 Sp. z o.o. (the Shares), whereof the following Companies hold 50% of shares, respectively: Echo Investment S.A., and WAN S.A. (Contract of Sale of Shares). The value of the share capital of WAN 11 Sp. z o.o. is 3 million PLN and it is divided into 60,000 shares.

The sales price of 100% of shares in WAN 11 Sp. z o.o. was initially determined on the basis of capitalization rate and current value of annual net operating income (NOI) as approx. 56 million EUR (which, as at the effective date of the Memorandum, according to the average rate of exchange of the National Bank of Poland of November 10, 2006, is an equivalent of ca. 215.22 million PLN). The ultimate sales price was envisaged to be agreed after Due Diligence review of NOI value.

The sales price of the Property was determined on the basis of capitalization rate and current value of annual net operating income (NOI) as approx. 57 million EUR (which, as at the effective date of the Memorandum, according to the average rate of exchange of the National Bank of Poland of November 10, 2006, is an equivalent of ca. 219.07 million PLN). The ultimate sales price was envisaged to be agreed after Due Diligence review of NOI value.

The Parties to the Memorandum also expressed their intention to enter into the Contract of Sale of Property or the Contract of Sale of Shares not later than March 30, 2007. Considering prolongation of the negotiation process, this deadline was extended to November 30, 2007.

2. On May 31, 2007, due to unsatisfactory outcome of negotiations, the Parties to the Memorandum entered into an agreement terminating the Memorandum of Understanding of November 11, 2006 and terminated further negotiations aiming at signing a Contract of Sale of Property or Contract of Sale of Shares.

3. In regard of termination of the aforementioned Memorandum of Understanding, the Issuer has decided to commence a negotiation procedure aiming at execution of a significant contract of sale of the Property or contract of sale of Shares with another organization representing specialized property funds. At the same time, due to the confidential nature of the process and circumstances of these negotiations, the Issuer assumed that public communication of information concerning the signing of the Memorandum of Understanding on November 11, 2006 and the Memorandum termination agreement of May 31, 2007 could unfavorably affect further advancement and outcome of negotiations, leading as a consequence to infringement of the Issuer's reasonable interest.

On December 31, 2008, with regard to the presently unfavorable conditions on the property market, the Issuer has decided to cancel further negotiations aiming at signing a Contract of sale of property or a Contract of sale of shares. The Issuer further communicates their intention to closely monitor all developments on the property market and to take their investment decisions as appropriate.

Before the date of communicating the above information to the public, the Issuer had treated the same as 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 2 clause 2 item 1 of the Regulation of the Minister of Finance of April 13, 2006 on types of information that may affect issuer's reasonable interest and manner of proceeding by an issuer with respect to delayed public disclosure of confidential information (Journal of Laws of 2006 No. 67 item 476) and with reference to Article 57 of the Act on Public Quotations and Conditions of Introducing Financial Instruments to Organized Trade and on Public Companies as of July 29, 2005 (Journal of Laws No. 184 item 1539, as amended).

The Poznań market

The 1st stage of the 'Malta Office Park' office complex in Poznań, with leasable area of approx. 7,000 square meters, of which 100% had been previously let to tenants, was opened to operations during the 4th quarter of 2008. At the same time, development works were carried out on the consecutive 2nd stage of that complex, incorporating about 15,000 square meters of leasable area, which is scheduled for handing over to operators in two stages, namely in the 2nd half of 2009 and in the 1st half of 2010. Core and shell of the second stage is being developed by Fakt Budownictwo Sp. z o.o. construction company of Kielce. The anticipated leasable area of the entire complex shall be about 31,000 sq. m. The six office buildings designed by Litoborski-Marciniak studio of Poznań shall be executed in three stages.

The Krakow market

During the 4th quarter of 2008, development of a new seven-storey modern class A office building commenced in Krakow, Lea Street, with above-ground and underground parking lots. The architectural concept was developed by DDJM Biuro Architektoniczne Sp. z o.o., a designing office of Krakow. 100% of the facility has been leased by Fortis Bank (Polska) SA with its registered seat in Krakow. Area to let is about 11,000 sq. m. In October 2008, a Project Management and General Contracting Agreement was made between Echo Investment SA (Project Manager and General Contractor of Investment) and the Issuer's subsidiary Projekt Echo 63 Sp. z o.o. (the Investor). Under the General Contracting and Project Management Agreement, the Contractor agrees to carry out comprehensive development of an office building with an underground car park and necessary utilities on the land property situated in Krakow, Lea Street (the Office Building, the Investment) until effective completion, meaning handing over of the Office Building to the Investor and users of premises in the Office Building and obtaining all permits from competent authorities

as required for opening the Office Building. Development of the Investment Project will be completed not later than May 31, 2010. The Contractor shall receive a fee for execution of the aforementioned agreement, based on the investment budget, in the approximate amount of 78.4 million PLN. On December 18, 2008 Echo Investment S.A. with its registered seat in Kielce (the Company) and Modzelewski & Rodek Sp. z o.o. with its registered seat in Warsaw (the Contractor) signed a zero state construction contract (the Contract).

Under the aforementioned Contract, the Contractor agrees and covenants to carry out the works consisting in raw state construction of an office establishment located on a real property in Krakow, Lea Street (Object of Contract), including performance of earth works, raw state construction with necessary systems. The Contractor also agrees to obtain the necessary amendments to the building permit decision in case any variations by the Contractor render it necessary to obtain such decision. Development of the Object of Contract should be completed until April 30, 2009. The Contractor's fee for Contract performance shall be a lump sum fee of PLN 7.55 million net.

The Contract contains certain provisions that allow charging of liquidated damages in excess of a total PLN equivalent of EUR 200,000 but not exceeding 10% of the net value of fee for Contract performance. Liquidated damages shall be charged for such events as delay in timely completion of the Object of Contract or termination of Contract by the Company or Contractor by one party's default. Payment of liquidated damages shall not exclude the right to claim indemnity in the amount exceeding the value of such liquidated damages.

Anticipated completion date falls in the 2nd half of the year 2009.

The company intends to develop an advanced class A office project on its property situated in Krakow, Opolska and 29 Listopada Streets, with area to let exceeding 60 thousand square meters. Administrative procedures are currently being advanced to the objective of obtaining a building permit for the scheduled office complex. The anticipated project implementation commencement date will be in the 2nd half of 2009, and completion date of the 1st stage will be in the 2nd half of 2011.

The Szczecin market

Development of a modern office building has commenced at the Company's plot of land in Szczecin, Malczewskiego Street (High Technology Center). About 14,000 sq. m of that building area will be designed for rent by companies specializing in advanced IT and telecommunication technologies. Architectural design of the establishment was developed by Arch Deco, a design studio of Gdynia.

On October 20, 2008, Annex 1 (the Annex) of October 20, 2008 was executed to the agreement for project management and general contracting of investment (the General Contracting Agreement) between the Issuer's subsidiary „Projekt Echo – 65” Spółka z ograniczoną odpowiedzialnością [‘Project Echo – 65’ Limited Liability Company] with its registered seat in Kielce (the Investor) and Echo Investment S.A. with its registered seat in Kielce (the Project Manager and the General Contractor of Investment). According to the terms of the Annex, the Project Manager and the General Contractor of Investment shall receive a fee based on investment budget, whereof the estimated net value is approx. 94.42 million PLN. Under the General Contracting Agreement, the Project Manager and General Contractor of Investment has agreed to carry out complete realization of an office building (the Office Complex) on a real estate in Szczecin, Malczewskiego Street, until handover of the Office Complex to the Investor and users of premises in the Office Complex and obtaining all permits from competent authorities as required for opening the office building (the Investment Project).

The contractor of core & shell construction is Przedsiębiorstwo Budowlane CALBUD Sp. z o.o. of Szczecin. The contractor's fee for the above mentioned contract shall be PLN 24.6 million. Anticipated completion date falls in the 1st half of 2010.

The Łódź market

Development of a modern class A office building complex was commenced on a land plot in Łódź, Piłsudskiego Street. Area to let will be about 28,000 sq. m.

In November 2008 Echo Investment S.A. with its registered seat in Kielce (the Investor) and Modzelewski & Rodek Sp. z o.o. with its registered seat in Warsaw (the Contractor) signed Annex 1 dated November 20, 2008 to the core and shell construction contract for an establishment, dated September 08, 2008 (the Contract). Under the said Annex, the due date for completion of works consisting in erection of core & shell construction of an office and service establishment located on a property in Łódź, Piłsudskiego Street (Object of Contract) was changed. The current due date for completion of the Object of Contract is July 24, 2009. The Contractor also agrees to obtain the necessary amendments to the building permit decision in case any variations by the Contractor render it necessary to obtain such decision. Contract provisions enable extension of cooperation with General Contracting of the Investment, thus expanding the scope of the object of contract. The contractor shall receive a fee for performance of these works, in an approximate amount of 32.94 million PLN.

On February 16, 2009 Echo Investment S.A. with its registered seat in Kielce (the Investor) and Modzelewski & Rodek Sp. z o.o. with its registered seat in Warsaw (the Contractor) signed Annex 2 dated February 13, 2009 to the core and shell construction contract for an establishment, dated September 08, 2008 (the Contract).

Under the aforementioned Contract, the Contractor agreed to carry out the works consisting in core and shell construction of an office and commercial establishment (the Facility) located on a real property in Łódź, Piłsudskiego Street (Object of Contract). The Contractor also agrees to obtain the necessary amendments to the building permit decision in case any variations by the Contractor render it necessary to obtain such decision. Completion of development of the Object of Contract was expected until July 24, 2009.

Under the said Annex, the Parties to the Contract agreed to terminate the Contract by mutual agreement as at the effective date of Annex. The reason for Contract termination is the suspension of development of the Object of Contract, which has to be redesigned to optimize the investment process. The envisaged modifications will enable more flexible adaptation to the current situation on the property market and will enable development and sales of this project in stages.

As a result of Contract termination, the Contractor's fee for Contract performance was agreed as PLN 10,839,703.00 net. This amount includes the fee for advancement of Contract development until the termination date and the cost of securing the completed works, as well as other activities necessary for closing the works and Contractor's evacuation from site. The Parties to the Annex further agreed that the above fee fully covered their mutual claims as to settlement of basic works and works, tasks and activities carried out with regard to the need to end performance and terminate the Contract.

As a result of the above changes being implemented, the currently anticipated completion date of the 1st stage of development of the facility is the 2nd half of 2010.

The Gdańsk market

The Company intends to develop office space on the immovable property in Gdańsk, Jana z Kolna Street. The class A building designed by Arch – Deco design studio of Gdynia shall comprise over 20,000 sq. m of leasable area. Administrative procedures are currently advancing in regard of obtaining the required permits and design works. The anticipated commencement date of the development process falls in the 1st half of 2010 and completion date in the 2nd half of 2011.

The Katowice market

A business park with rentable area of ca. 50,000 square meters is planned on the Company's land in Katowice at the crossing of al. Górnośląska and Francuska Street. This establishment, designed by DDJM Biuro Architektoniczne design office, will be executed in three stages. Administrative procedures are now in progress for obtaining a building permit for the planned office complex.

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 project manager and general contractor of investments. The Capital Group's projects in the hospitality industry were executed in cooperation with international hotel chains: Accor and Envergue groups of France, and the Qubus group of Norway. Realized hotels operate in Warsaw, Kielce, Krakow, Szczecin, Łódź, Poznań, Czestochowa, Zabrze, Gliwice. In the future, the Company is going to build hotels in cooperation with international hotel operators.

The Łódź market

Under a General Contracting Agreement between Orbis S.A. with its registered seat in Warsaw (the Investor) and Echo Investment S.A. with its registered seat in Kielce (Project Manager and General Contractor of Investment), Echo Investment S.A. agreed to build a Novotel-class hotel to ACCOR'S standards, with a net area of 7,127.4 square meters, and to deliver the turnkey project to the Investor (the Investment). The Investor shall take any and all necessary legal, administrative and financial activities for the purpose of development of the Investment, including obtaining of a building permit decision and an occupancy permit for the completed hotel. Execution of the Investment Project will be completed not later than December 31, 2012. The net price for development of the Investment is PLN 44.8 million.

The agreement was made under a condition precedent. All of the following prerequisites must be fulfilled for the General Contracting Agreement to take effect:

- the Investor (the Buyer) and the Issuer's subsidiary "Echo - Kielce 1" Spółka z ograniczoną odpowiedzialnością [Limited Liability Company] with its registered seat in Kielce (the Seller) must enter into the promised contract of sale of perpetual usufruct right to a property situated at Piłsudskiego Street, with a total area of 1,450 square meters (the Property). The contract value is a net amount of PLN 5 million (the Promised Agreement). The said Promised Agreement shall be signed until March 31, 2009, provided that the conditions enumerated in Current Report no. 44/2008 of September 05, 2008 are fulfilled until March 20, 2009, including:

- achievement of positive results of completed due diligence and technical audit,
- signing by the Seller or by the General Contractor of the Investment of relevant agreements with owners of neighboring properties that are required for executing the investment,
- presentation of a certificate of no arrears in tax payments;
- the competent administrative authority must issue a decision acknowledging effective assignment of the zoning decision to the

Investor.

In addition, the Investor is entitled to terminate the General Contracting Agreement if the Investment is not delivered within the above specified completion deadline, or if the Investment is not executed properly. The agreement has been considered significant on the basis of Issuer's equity criteria.

Housing segment

In the housing segment, Echo Capital Group realizes investment projects ranging from luxury apartment complexes, through high- and medium-standard residential buildings, to estates of single-family houses.

The Warsaw market

During the 4th quarter of 2008, execution works were carried out on the Kazimierzowska Street project in Warsaw (area for sale ranging around 5,300 square meters). The general contractor and project manager of construction of this development is Vectra S.A. with its registered seat in Plock. Contractor's fee for execution of this housing complex will be 34.3 million PLN. Design of this residential building, developed by Mąka Sojka Architekci Sp. J. designing firm of Warsaw, comprises about 60 apartments. Anticipated completion date of this development falls in the 1st half of 2010.

A new development project of a housing estate in Warsaw, Bielany district (Młociński Forest) is under preparation. 30 houses will be built on the 6.3 hectares of land. The Company intends to sell plots of land with designs of houses. The anticipated area of land plots for sale is about 50,000 square meters. The anticipated commencement date for construction of this project designed by W.M. Musiał Architekci Sp. z o.o. design office of Warsaw and StoMM Architektura Maciej Stoczkiewicz of Kielce falls in the 1st half of 2010 and completion date in the 2nd half of 2011.

The Poznań market

Preparation of realization of the consecutive 4th and 5th stage of Naramowice Housing Estate in Poznań has also begun (area for sale approx. 15,000 square meters), as designed by Archikwadrat Sp. z o.o. of Poznań. Completion of the 4th stage of this investment project is scheduled for the 2nd half of 2011.

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 called Kasztanowa Aleja (Chestnut Alley), located in Poznań, Wojskowa Street, is currently under preparation, but development works on this project have been suspended. Recommencement of project development depends on the Company's assessment of the situation on the housing market.

The process of preparing execution of an estate of city-like multi-family houses was in progress on the immovable property situated in Poznań at Litewska Street and Grudzieniec Street (area for sale is about 1,600 square meters) (1st stage). The estate was designed by Arpa Pracownia Autorska design studio of Poznań. Anticipated completion date of the 1st stage of this investment falls in the 1st half of 2013.

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 designed by StoMM Architektura Maciej Stoczkiewicz design office of Kielce will cover about 200,000 square meters total area of

land plots for sale. The Company intends to sell plots of land with designs of houses. The anticipated completion date of investment falls in the 2nd half of 2010.

Land plots are still being sold within an estate of single-family houses (Bilcza II) designed by Konsorcjum Pisarczyk & Tracz Architekci design studio of Kielce and located in Bilcza near Kielce. The offering concerns sales of land plots with utility connections and finished designs of houses. Total area of land plots for sale is about 130,000 sq. m.

The Krakow market

A 2.5-storey building with an area of 535 square meters will be built in Krakow, Kilinskiego Street, (8 apartments). The building was designed by Oleksy&Polaczek design studio. The launch of this investment is anticipated in the 1st half of 2010.

In the first half of 2010, the Company is going to commence a housing investment at Korzeniowskiego Street, Krakow, Wola Justowska district. This building, designed by The Blok office, will have an area of about 2,000 sq. m. (10 apartments).

In the 4th quarter of 2008, the Company continued preparation for development of a housing and commercial establishment to be erected in Krakow, Krasickiego Street (area for sale exceeds 5,600 square meters). The building designed by Studio S – Biuro Architektoniczne Szymanowski design office of Krakow will contain 84 apartments. The anticipated commencement date of investment falls in the 1st half of 2010 and completion date in the 2nd half of 2011.

The Company intends to develop residential buildings on its land situated in Krakow, Tyniecka Street. Area for sale will be about 5,300 sq. m. (54 apartments). The launch of this investment project is anticipated in the 2nd half of 2010 and completion in the 1st half of 2012.

The Company intends to develop a residential building on its land situated in Krakow, Bronowicka Street, for an approximate area of 3,400 sq. m. The establishment designed by Studio S Michał Szymanowski designing firm of Krakow will contain about 45 apartments. The launch of this investment project is anticipated in the 2nd half of 2010 and completion in the 2nd half of 2011.

The Łódź market

The process of preparing construction of residential buildings to be developed on real estate in Łódź, Okopowa and Gornicza Streets, was in progress. The estimated area for sale will be about 45,000 sq. m. (700 apartments). The anticipated project commencement date will be in the 1st half of 2010, and completion date – in the 2nd half of 2015.

The Company is also going to develop residential buildings with 320 apartments on its real estate in Łódź, Wodna Street (approx. 20,000 square meters of area for sale). The launch of this investment project is anticipated in the 1st half of 2011 and completion in the 2nd half of 2015.

The Wrocław market

The Company intends to execute a housing project in Wrocław, on a property 7.4 thousand square meters in size, located at Jednosci Narodowej Street. A zoning decision has been issued for the real estate that allows erection of a multi-family residential building. Echo Investment intends to carry out a project comprising ca. 200 apartments with a total area of about 14,000 sq. m. Design works commenced in 2008, and launching of development is anticipated for 2010.

A housing project will be developed on the Company's property in Wrocław, Grota Roweckiego Street, about 3 hectares in size, with usable area of approximately 20 thousand square meters, including almost 19 thousand square meters to be allocated to apartments (over 300 apartments) and about 1 thousand square meters for service outlets. The anticipated realization commencement date will be the 2nd half of 2010, and completion date will fall in the 2nd half of 2015.

Foreign markets

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 be primarily focused 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

Segment of shopping centers and shopping/entertainment centers

A modern, multifunctional shopping, entertainment and office project called MUNDO will be erected on the Company's property, about 6.84 hectares in size, situated in Zuglo, 14th District of Budapest. The building has been designed by Mofo Architekci Sp. z o.o. architectural design firm of Krakow. Leasable area of this shopping and entertainment project shall be about 70,000 sq. m. The anticipated project commencement date will be the 1st half of 2009, and completion date will fall in the 2nd half of 2011.

Segment of office projects

An office park to be comprised within the MUNDO project of Budapest is being prepared. Rentable area will be about 30,000 sq. m. The park has been designed by Mofo Architekci Sp. z o.o. architectural design firm of Krakow. The project is scheduled for commencement in the 1st half of 2011 and for completion in the 2nd half of 2012.

RomaniaSegment of shopping centers and shopping/entertainment centers

Echo Capital Group intends to develop a modern shopping & entertainment center in Brasov, Romania, Stadionului Street, with gross leasable area exceeding 50,000 sq. m. The Company has obtained a building permit for construction of the KORONA shopping and entertainment center. Design of the mall was developed by a Polish design studio IMB Asymetria and by a Romanian architectural firm Dico si Tiganas. Commercialization of the project has been started by Echo's experts in close cooperation with a Romanian representative of Jones Lang LaSalle. The anticipated project commencement date will be the 1st half of 2009, and completion date will fall in the 1st half of 2011.

5.12 Factors and events, particularly extraordinary in nature, having a major impact on the achieved financial results

The following factor had a major impact on the bottom line of the 4th quarter of 2008:

- posting of incomes earned under final agreements of sale of the following housing projects:
 - in Warsaw, Inflancka Street (stage 3), and Zwycięzców Street (stage 2),
 - in Poznań – the Naramowice housing project (stage 3), and
 - land plots with designs of houses, consisted in the Błczy II housing estate near Kielce;
- fair value appraisal of the completed and handed over Malta Office Park project (1st stage) in Poznań;
- quarterly revaluation of fair value of properties owned by Echo Investment Capital Group, accounting for factors such as foreign exchange rate fluctuations (EUR and USD) and variations of net earnings;
- revenues earned from letting of commercial space,
- valuation of credit obligations and cash in foreign currencies,
- valuation of hedge instruments for foreign currencies,
- revaluation of non-financial assets.

Yet another factor influencing the results was the situation on the financial market and general economic trends in Poland, Hungary and Romania where Echo Capital Group operates.

5.13 Structure of revenues

Echo Investment Capital Group earns revenues on letting commercial space, sales of apartments, development of buildings and provision of property management services. Earnings structure is as follows:

- letting of space in shopping centers and shopping/entertainment centers:

Revenues from lease services are generated through letting of areas in shopping centers and shopping/entertainment centers. Consolidated revenues earned on this account at the end of the 4th quarter of 2008 constituted 47.4% of net income from sales.

- sales 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 earned on this account constituted approx. 40.3% of all consolidated revenues from sales of products.

- development and letting 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 the 4th quarter of 2008 constituted 7.6% of all net incomes from sales.

- other incomes:

Other sources of revenues include revenues earned on property management services and other services. Property trade also forms a portion of other revenues. As at the end of the 4th quarter of 2008, this income made up 4.6% of the total.

Specification	Incomes for 4 quarters of 2008 [in millions PLN]	Incomes for 4 quarters of 2007 [in millions PLN]
Letting of space in shopping centers and shopping/entertainment centers	205,6	216,8
Sales of residential space	174,7	32,0
Development and letting of areas in office and hotel facilities	33,0	117,0
Other revenues	20,1	7,9
Operating incomes total	433,4	373,7

5.14 Selected consolidated financial data

	in thousands PLN		in thousands EURO	
	4 quarters accrued, the period from 2008.01.01 to 2008.12.31	4 quarter accrued, the period from 2007.01.01 to 2007.12.31	4 quarters accrued, the period from 2008.01.01 to 2008.12.31	4 quarter accrued, the period from 2007.01.01 to 2007.12.31
I. Operating incomes	433 387	373 725	122 693	98 950
II. Earnings before tax and financial incomes/expenses	646 858	394 757	183 127	104 519
III. Gross profit (loss)	150 901	393 774	42 720	104 259
IV. Net profit (loss)	108 802	319 481	30 802	84 588
V. Net cash flows from operating activities	65 725	49 542	18 607	13 117
VI. Net cash flows from investing activities	(303 200)	(172 335)	(85 836)	(45 629)
VII. Net cash flows from financing activities	142 500	225 929	40 342	59 819
VIII. Net cash flows total	(94 975)	103 136	(26 887)	27 307
IX. Assets total	4 207 068	3 428 019	1 008 309	957 013
X. Equity attributed to majority shareholders	1 640 277	1 514 126	393 126	422 704
XI. Non-current liabilities	2 117 939	1 510 544	507 607	421 704
XII. Current liabilities	448 860	403 330	107 578	112 599
XIII. No. of shares	420 000 000	420 000 000	420 000 000	420 000 000
XIV. Annualized profit (loss) per ordinary share (in PLN/EUR)	0,26	0,76	0,07	0,20
XV. Diluted profit (loss) per ordinary share (in PLN/EUR)	0,26	0,76	0,07	0,20
XVI. Book value per share (in PLN/EUR)	3,91	3,61	0,94	1,01
XVII. Diluted book value per share (in PLN/EUR)	3,91	3,61	0,94	1,01

5.15 Ownership structure of significant stakes of the issuer's shares

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 at February 27, 2009:

Shareholder	Number of shares (pcs.)	% of share capital of Echo Investment S.A.	Number of votes at the General Meeting of Shareholders of Echo Investment S.A.	% of total number of votes at the General Meeting of Shareholders of Echo Investment S.A.
Michał Solowow (directly and indirectly)	169 916 580	40,46%	169 916 580	40,46%
OFE ING Nationale – Nederlanden Polska*	41 070 350	9,78%	41 070 350	9,78%
OFE PZU Złota Jesień*	41 066 860	9,78%	41 066 860	9,78%
Commercial Union OFE*	37 812 146	9,00%	37 812 146	9,00%
Pioneer Pekao Investment Management S.A.	21.035.115	5,01%	21.035.115	5,01%

*balance of shares according to annual structure of investment portfolios of the OFEs (Open Pension Funds) as at December 31, 2008

On December 12, 2008 the Issuer received a notice wherein Pioneer Pekao Investment Management S.A. with its registered seat in Warsaw (PPIM), acting in compliance with Article 87 clause 1 sub-clause 3 letter b of the Act of July 29, 2005 on Public Quotations and Conditions of Introducing Financial Instruments to Organized Trade and on Public Companies (Journal of Laws No. 184 item 1539) communicated an increase of total engagement to 5.01% of the total number of votes at the general meeting of shareholders of Echo Investment SA in respect of financial instruments in the portfolios that PPIM manages through performing contracted brokers' financial instrument portfolio management services. Before the aforementioned increase of share, Pioneer Pekao Investment management S.A.'s clients held 20,812,889 shares of Echo Investment S.A. on their accounts covered by the management agreement, forming 4.96% of the Issuer's share capital. These shares carried 20,812,889 votes, corresponding to 4.96% of the total number of votes at the Issuer's general meeting of shareholders.

On December 10, 2008 there were 21,035,115 shares of Echo Investment SA on all Pioneer Pekao Investment Management SA customers' securities accounts, forming 5.01% of the Issuer's share capital. These shares carried 21,035,115 votes, constituting 5.01% of the total number of votes at the Issuer's general meeting of shareholders.

Pioneer Pekao Investment Management S.A. further informs that all clients of Pioneer Pekao Investment Management S.A. with respect to portfolios managed by PPIM have become the shareholders holding the aforementioned number of votes exceeding 5% of the total number of votes at the Issuer's general meeting of shareholders.

On December 24, 2008 the Issuer received a notice dated December 24, 2008, whereunder Magellan Pro-Equity Fund I S.A., acting pursuant to Article 69 clause 2 sub-clause 1) of the Act of July 29, 2005 on Public Quotation and Conditions of Introduction of Financial Instruments to Organized Trade, and on Public Companies, hereby informs that on December 23, 2008 Magellan Pro-Equity Fund I S.A. received a decision of the District Court in Kielce, 10th Economic Department of the National Court Register, on registration as on December 23, 2008 of a merger of Magellan Pro-Equity Fund I S.A. and Columbus Pro-Equity Fund II Sp. z o.o., as a consequence whereof Magellan Pro-Equity Fund I S.A. took over the assets of Columbus Pro-Equity Fund II Sp. z o.o. Both the aforementioned companies are subsidiaries wholly owned by Mr. Michał Solowow. The above mentioned incident has led to an increase in the voting rights held by Magellan Pro-Equity Fund I S.A. in the total number of votes at the General Meeting of Shareholders of Echo Investment S.A.

As at the effective date of this report, Magellan Pro-Equity Fund I S.A. holds 141,409,680 shares of Echo Investment S.A., corresponding to 33.67% of the share capital and carrying 141,409,680 votes at the General Meeting of Shareholders, i.e. 33.67% of the total number of votes at the General Meeting of Shareholders of Echo Investment SA.

Before December 23, 2008, Magellan Pro-Equity Fund I S.A. held 104,329,680 shares of Echo Investment S.A., corresponding to 24.84% of the share capital and carrying 104,329,680 votes at the General Meeting of Shareholders, i.e. 24.84% of the total number of votes at the General Meeting of Shareholders of Echo Investment SA.

On December 30, 2008 the Issuer received a notice dated December 30, 2008, whereunder Mr. Michał Solowow, acting pursuant to Article 69 clause 2 sub-clause 2) of the Act of July 29, 2005 on Public Quotation and Conditions of Introduction of Financial Instruments to Organized Trade, and on Public Companies, hereby informs that his balance of voting rights at the General Meeting of Shareholders of Echo Investment SA has been increased by at least 1% of the total number of votes after the entry made on December 29, 2008 in the securities account as a result of acquisition of shares of Echo Investment SA.

As at the effective date of this report, Mr. Michał Solowow holds:

- directly: 16,591,450 shares of Echo Investment SA, corresponding to 3.95% of the share capital and carrying 16,591,450 votes at the General Meeting of Shareholders, i.e. 3.95% of the total number of votes at the General Meeting of Shareholders of Echo Investment SA,
- indirectly 153,325,130 shares of Echo Investment SA, corresponding to 36.51% of the share capital and carrying 153,325,130 votes at the General Meeting of Shareholders, i.e. 36.51% of the total number of votes at the General Meeting of Shareholders of Echo Investment SA.

Directly and indirectly, Mr. Michał Solowow holds a total of 169,916,580 shares of Echo Investment SA, corresponding to 40.46% of the share

capital and carrying 169,916,580 votes at the General Meeting of Shareholders, i.e. 40.46% of the total number of votes at the General Meeting of Shareholders of Echo Investment SA.

According to the last report dated February 15, 2007, Mr. Michał Solowow held a total of 164,809,630 shares of Echo Investment SA, corresponding to 39.24% of the share capital and carrying 164,809,630 votes at the General Meeting of Shareholders, i.e. 39.24% of the total number of votes at the General Meeting of Shareholders of Echo Investment SA.

As at February 15, 2007, Mr. Michał Solowow was holding:

- directly: 11,855,680 shares of Echo Investment SA, corresponding to 2.82% of the share capital and carrying 11,855,680 votes at the General Meeting of Shareholders, i.e. 2.82% of the total number of votes at the General Meeting of Shareholders of Echo Investment SA,
- indirectly 152,953,950 shares of Echo Investment SA, corresponding to 36.42% of the share capital and carrying 152,953,950 votes at the General Meeting of Shareholders, i.e. 36.42% of the total number of votes at the General Meeting of Shareholders of Echo Investment SA.

5.16 Statement of changes in the ownership status of the issuer's shares or options by persons managing and supervising the issuer, according to information available to the issuer, during the period following presentation of the previous quarterly report

Shares of Echo Investment S.A. have been quoted on the Warsaw Stock Exchange since March 1996.

As on February 27, 2009, 420,000,000 shares of the Company are presently available for stock trade (ISIN PLECHPS00019). All shares carry the same privileges. Each share carries one vote at the General Meeting of Shareholders of the Company. Face value of one share is PLN 0.05.

Information about issues of Echo Investment's shares:

Series	No. of shares	Par value total	Class of shares	Date of shares registration by court	Date of listing on the Warsaw Stock Exchange
A	1,600,000	80,000	Ordinary bearer shares	30.06.1994	10.08.2006
B	38,400,000	1,920,000	Ordinary bearer shares	30.06.1994	21.02.1996
C	20,000,000	1,000,000	Ordinary bearer shares	13.11.1995	21.02.1996
D	60,000,000	3,000,000	Ordinary bearer shares	18.02.1997	27.03.1997
E	20,000,000	1,000,000	Ordinary bearer shares	30.12.1997	02.03.1998
F	280,000,000	14,000,000	Ordinary bearer shares	26.11.2002	20.12.2002
Total:	420,000,000	21,000,000			

According to information available to the Company, changes in the ownership status of the issuer's shares or options by persons managing and supervising the issuer during the period following presentation of the previous quarterly report are presented in the table below:

Managers	balance as at 2009-02-27	balance as at 2008-11-14
Piotr Gromniak, President of the Management Board	did not hold any shares	did not hold any shares
Artur Langner, Vice-President of the Management Board	did not hold any shares	did not hold any shares

Supervising persons	balance as at 2009-02-27	balance as at 2008-11-14
Wojciech Ciesielski, Chairman of the Supervisory Board	1,440,000 shares	1,440,000 shares
Andrzej Majcher, Deputy Chairman of the Supervisory Board	100,800 shares	100,800 shares
Mariusz Waniółka, Member of the Supervisory Board	did not hold any shares	did not hold any shares
Karol Żbikowski, Member of the Supervisory Board	did not hold any shares	did not hold any shares
Robert Oskard, Member of the Supervisory Board	did not hold any shares	did not hold any shares
Tomasz Kalwat, Member of the Supervisory Board	14,860 shares	14,860 shares

On December 30, 2008 the Issuer received a notice whereunder two members of the Issuer's Supervisory Board communicated of an increase in the voting rights at the General Meeting of Shareholders of Echo Investment SA held by a person closely related thereto, namely by Magellan Pro-Equity Fund I S.A. wherein the said Members of the Supervisory Board act as procurators. The said increase occurred through acquisition of Echo

Investment SA's shares as a result of registration on December 23, 2008 by the District Court in Kielce, 10th Economic Department of the National Court Register, of a merger between Magellan Pro-Equity Fund I S.A. (the Bidding Company) and Columbus Pro-Equity Fund Sp. z o.o. (the Target Company). Under the Code of Commercial Partnerships and Companies, within the scope of merger, merged shares were released for the shares of the Target Company. No prices of the Target Company's individual assets were distinguished. Through the aforementioned merger, Magellan Pro-Equity Fund I S.A. effectively acquired 37,080,000 shares of Echo Investment SA. Both companies are Mr. Michał Solowow's subsidiaries.

The notifying parties requested that his or her personal data is kept confidential, quoting the provisions of Article 3 Clause 2 of the Regulation of the Minister of Finance as of November 15, 2005 on transmitting and announcing information about certain financial instruments transactions and the rules of preparing and keeping a list of persons to whom certain confidential information is made available (Journal of Laws No. 229 item 1950).

On January 07, 2009 the Issuer received a notice dated January 07, 2009, whereunder a person holding a managing function in the organizational structure of Echo Investment SA, acting pursuant to Article 160 of the Financial Instrument Trading Act of July 29, 2005 (Journal of Laws No. 183, item 1538) with reference to §2 sub-paragraph 5 of the Regulation of the Minister of Finance as of November 15, 2005 on transmitting and announcing information about certain financial instruments transactions and the rules of preparing and keeping a list of persons to whom certain confidential information is made available (Journal of Laws No. 229 item 1950), hereby communicates that a transaction of purchase of Echo Investment SA's shares was executed.

1,800 ordinary bearer shares were bought at PLN 1.70 per share on the regulated market during ordinary session of the Warsaw Stock Exchange on November 24, 2008.

The notifying party requested that his or her personal data is kept confidential, quoting the provisions of Article 3 Clause 2 of the Regulation of the Minister of Finance as of November 15, 2005 on transmitting and announcing information about certain financial instruments transactions and the rules of preparing and keeping a list of persons to whom certain confidential information is made available.

On January 30, 2009 the Issuer received a notice dated January 30, 2009, whereunder a person holding a managing function in the organizational structure of Echo Investment SA, acting pursuant to Article 160 of the Financial Instrument Trading Act of July 29, 2005 (Journal of Laws No. 183, item 1538) with reference to §2 sub-paragraph 5 of the Regulation of the Minister of Finance as of November 15, 2005 on transmitting and announcing information about certain financial instruments transactions and the rules of preparing and keeping a list of persons to whom certain confidential information is made available (Journal of Laws No. 229 item 1950), hereby communicates that a transaction of purchase of Echo Investment SA's shares was executed by a close relative thereto. 300 ordinary bearer shares were bought at PLN 6.58 per share on the regulated market during ordinary session of the Warsaw Stock Exchange on January 31, 2008.

The notifying party requested that his or her personal data is kept confidential, quoting the provisions of Article 3 Clause 2 of the Regulation of the Minister of Finance as of November 15, 2005 on transmitting and announcing information about certain financial instruments transactions and the rules of preparing and keeping a list of persons to whom certain confidential information is made available.

5.17 Information about proceedings in court

During the period from January 01, 2008 to December 31, 2008, no proceedings were instigated before a court or a public administration authority concerning liabilities or receivables of Echo Investment S.A. or its subsidiaries, whose joint value would constitute at least 10% of Echo Investment S.A.'s equity.

5.18 Opinion of the management board concerning the possibilities of realizing the previously published forecasts for the given year, in view of results presented in the quarterly report as compared to forecasts

The Management Board of Echo Investment S.A. did not publish any financial forecasts referring to the holding company or to the Capital Group.

5.19 Information about transactions with affiliated companies

Neither Echo Investment S.A. nor its subsidiaries entered into any transaction in the 4th quarter of 2008 with affiliated companies that would be considered extraordinary, not conforming to market conditions, or not resulting from the Capital Group companies' current operating activities, the value of such transactions exceeding the PLN equivalent of EUR 500,000 during the period from the beginning of the financial year.

The following are classified among the most significant contracts executed with affiliated entities:

On October 28, 2008, a contract of sale of a property in Koszalin, Zwycięstwa Street, was executed between the following subsidiaries of the Issuer: "Echo - Property Poznań 1" Sp. z o.o. (the Seller) and "Ultra Marina" Sp. z o.o. (the Buyer). The sale price was 5.75 million PLN.

On November 06, 2008 an annex was signed to the Project Management and General Contracting Agreement dated December 30, 2005 between the Issuer's subsidiary „Projekt Echo - 62” Sp. z o.o. [‘Project Echo - 62’ Limited Liability Company] with its registered seat in Kielce and Echo Investment SA. Under the said annex, in consideration of the need to carry out certain additional works at the Pasaż Grunwaldzki shopping and entertainment center in Wrocław, the parties agreed that development cannot be finished later than June 30, 2009.

On November 18, 2008 an agreement for managing the process of letting the areas in Galeria Echo shopping and entertainment center in Kielce, which is in the process of extension, was signed between the Issuer's subsidiary "Echo - Galeria Kielce" Sp. z o.o. (the Subsidiary) and Echo Investment SA. The parties to the said contract agreed that Echo Investment SA should organize the process of letting areas in the facility for the Subsidiary, wherefore Echo Investment SA shall receive a fee equivalent to 10% of yearly incomes derived from lease contracts executed in the course of commercialization.

On November 18, 2008 a financial agency agreement was signed between the Issuer's subsidiary "Echo - Galeria Kielce" Sp. z o.o. (the Subsidiary) and Echo Investment SA. The parties to the agreement have agreed that Echo Investment SA shall act as agent and provider of consulting services in the process of obtaining funds for financing development of the Galeria Echo shopping & entertainment center building in Kielce. The subsidiary agreed to pay a commission fee to Echo Investment SA, based on a specified percentage of the total of financing installments disbursed by the financing organization under and during the term of the Financing Contract. The contract was made for a period of 12 months.

On November 28, 2008, an agreement was made between Echo Investment SA and the Issuer's subsidiary Echo-Project-Management Kft with its registered seat in Budapest whereunder the subsidiary shall provide consulting and legal services and carry out engineering works regarding the scheduled MUNDO shopping & entertainment center project in Budapest. The fee amounts to about 28.5 million HUF which, as at the effective date of the agreement, according to the average rate of exchange of the National Bank of Poland, is an equivalent of ca. PLN 413 thousand.

See also: sub-clauses 5.8, 5.9 and 5.11 of this Report.

5.20 Information about granted sureties or guarantees

During the 4th quarter of 2008, Echo Investment Capital Group did not grant any sureties of loans or credits, or any guarantees combined to a single subsidiary organization or company that would exceed a total of at least 10% of the Issuer's equity.

5.21 Other information that the issuer considers important for assessment of its HR, property and financial standing, earnings and profit variations, and important data for assessing the issuer's solvency

On September 26, 2008, the Issuer's subsidiary "Echo - Park Postępu" Sp. z o.o. (formerly "Projekt Echo - 66" Sp. z o.o.) and Lux Med Sp. z o.o. with its registered seat in Warsaw entered into a conditional contract of lease of more than 2.5 thousand square meters in the Park Postępu office building in Warsaw where Lux Med intends to operate a medical clinic. The period of lease is 8 years. Estimated contract value is about 13.3 million PLN.

On October 02, 2008 the District Court in Krakow, 7th Department of Pledge Registry, registered a pledge in the Pledge Registry on 999 shares in the share capital of the Issuer's subsidiary "Projekt Echo - 61" Sp. z o.o., owned by Echo Investment S.A., and on 1 share owned by the Issuer's subsidiary "Projekt - Echo 17" Sp. z o.o. Par value of one share is PLN 50. The shares on which pledge was established constitute 0.06% of share capital of "Projekt Echo - 61" Sp. z o.o. The pledges on shares serve as a collateral of debts owed by "Projekt Echo - 61" Sp. z o.o. to EUROHYPO AG Bank with its registered seat in Eschborn (Germany) under a credit facility granted thereto in the amount of EUR 11 million (equivalent of PLN 37,427,500 as at the effective date of establishing the registered pledge according to the average rate of exchange of the National Bank of Poland). The maximum value of collateral is 8,873,596 (according to the average exchange rate of the National Bank of Poland as at the date of making the registered pledge, the said amount is an equivalent of PLN 30,192,410.39).

On October 16, 2008 the Issuer received Annex no. 1 (the Annex) to the Contract of Lease of December 31, 2007 (the Contract) executed by correspondence between the Issuer's subsidiary „Projekt Echo - 63” Spółka z ograniczoną odpowiedzialnością [‘Project Echo - 63’ Limited Liability Company] with its registered seat in Kielce (the Landlord) and Fortis Bank Polska S.A. with its registered seat in Warsaw (the Project Manager and the General Contractor of Investment).

Under the said Annex, the Parties have decided that the Landlord shall, not later than March 31, 2010, deliver to the Tenant office space in a seven-storey class A office building with leasable area of ca. 11,000 sq. m, which will be built in Krakow, ul. Lea, with an above-ground and underground car park (the Leased Property).

Estimated value of net revenues from lease of the said office space is 92.48 million PLN (including 21.42 million EUR, an equivalent of 72.72 million PLN, converted according to the average rate of exchange of the National Bank of Poland as of the effective date of the Annex).

The Annex contains certain provisions allowing the charging of liquidated damages, the aggregated value whereof may exceed 10% of the value of contract. Penalties will be charged on the basis of the monthly lease rent as from January 03, 2010 in respect of delayed delivery of the Leased Property to the Tenant.

The contract provides for claiming indemnity in excess of the reserved value of liquidated damages.

On November 21, 2008, the Issuer indicated in its current report no. 44/2008 that, as a result of a spelling mistake in the published current report no. 44/2008 dated September 05, 2008 concerning the signing of a conditional Project Management and General Contracting Agreement and a preliminary conditional contract of sale of property with Orbis S.A., the report gives incorrect effective date of the Promised Contract, i.e. "The parties to the contract have agreed to enter into the Promised Contract until December 04, 2008 upon effective fulfillment of the conditions precedent, as specified in the Preliminary Conditional Contract of Sale.

The correct wording is: "The parties to the contract have agreed to enter into the Promised Contract until December 31, 2008 upon effective fulfillment of the conditions precedent, as specified in the Preliminary Conditional Contract of Sale.

On November 25, 2008 Echo Investment S.A. (the Buyer) and TBS Nasz Dom Sp. z o.o. signed a conditional contract of purchase of freehold right to undeveloped property situated in Poznań, Katowicka Street. The value of contract is PLN 3,162,900. The effective date of the final agreement is January 09, 2009.

On December 04, 2008 the Issuer's subsidiary "Echo - Kielce 1" Sp. z o.o. with its registered seat in Kielce (the Seller) forwarded a quotation (Quotation) concerning amendment of the preliminary conditional contract of sale (the Contract) to Orbis SA with its registered seat in Warsaw (the Buyer), and the Buyer accepted the said quotation.

The Parties agreed on the basis of their respective statements that the Seller and the Buyer should enter into the Promised Agreement until February 28, 2009, provided that the conditions enumerated in Current Report no. 44/2008 of September 05, 2008 are fulfilled until January 22, 2009, including:

- achievement of positive results of completed due diligence and technical audit,
- signing by the Seller or by the General Contractor of the Investment of relevant agreements with owners of neighboring properties that are required for executing the investment,
- presentation of a certificate of no arrears in tax payments.

On December 04, 2008 the Issuer's subsidiary „Echo - Galeria Kielce” Sp. z o.o. with its registered seat in Kielce (the Landlord) and LPP S.A. with its registered seat in Gdańsk and a subsidiary of LPP S.A. called LPP Tex S.A. with its registered seat in Gdynia (the Tenants) signed contracts of lease of over 2,000 square meters of space in the Galeria Echo shopping and entertainment center in Kielce where the Tenants intend to operate their outlets: Reserved, Home&You, and Esotiq. The contracts were made for a period of 10 years. The combined value of the above contracts is about 20.5 million PLN. The total value of contracts executed by Echo Investment SA Capital Group with LPP S.A. and its subsidiaries during the last 12 months was about 42.5 million PLN.

On December 05, 2008, the Issuer's subsidiary "Echo - Park Postępu" Sp. z o.o. (formerly "Projekt Echo - 66" Sp. z o.o.) and Lux Med Sp. z o.o. with its registered seat in Warsaw entered into a conditional contract of lease of more than 3.8 thousand square meters of office space in the Park Postępu office building in Warsaw. The period of lease is 90 months. The contract value was about 26 million PLN.

On December 08, 2008 the Issuer's subsidiary „Echo - Galeria Kielce” Sp. z o.o. with its registered seat in Kielce (the Landlord) and H&M Hennes & Mauritz Sp. z o.o. with its registered seat in Warsaw (the Tenant) signed contracts of lease of commercial premises in the extended Galeria Echo shopping and entertainment center in Kielce, with the area exceeding 1700 square meters, where the Tenant intends to operate a H&M outlet. The contract was made for the period of 10 years.

On December 19, 2008, the Extraordinary General Meeting of Shareholders of Echo Investment SA passed a Resolution no. 3 on authorizing the Management Board of Echo Investment S.A. to buy the Company's own shares for the purpose of redemption and/or as stipulated in Article 362 paragraph 1 sub-paragraph 8 of the Code of Commercial Partnerships and Companies. Under the said resolution, the Management Board of the Company has been authorized to:

1. Acquire the Company's own shares listed on the primary market of the Warsaw Stock Exchange, i.e. official public market, for the purpose of their redemption. The Company shall acquire fully paid up shares for the purpose of redemption according to the following terms:

- (a) the overall number of shares acquired for the purpose of redemption shall not exceed 210,000,000 (two hundred and ten million) shares with face value of 5 (five) grosz each;
- (b) the total minimum value of payment for the shares thus acquired shall be not less than 100 (one hundred) zlotys, and the total maximum value of payment for the shares thus acquired shall be not more than 420,500,000 (four hundred twenty million five hundred thousand) zlotys;
- (c) at the Management Board's discretion, shares may be acquired via third parties acting on the Company's behalf, brokerage houses, subsidiaries, or persons acting for the benefit of subsidiaries in public trade at the Warsaw Stock Exchange and on OTC markets;
- (d) authorization for the Management Board to acquire own shares for the purpose of redemption shall cover the period from December 20, 2008 to December 19, 2013, however not longer than until the funds designated for such acquisition are exhausted;
- (e) shares may be acquired in block transactions;
- (f) shares may be acquired through public call for the Company's shares;
- (g) upon the Management Board's decision, acquisition of own shares may be financed with the amount that, according to Article 348 paragraph 1 of the Code of Commercial Partnerships and Companies, can be designated for allocation, whereby the Management Board of the Company is entitled to decide on using other sources of financing own shares acquisition for the purpose of redemption.

II. Acquire fully paid-up shares in such manner as stipulated in Article 362 § 1 sub-paragraph 8 of the Code of Commercial Partnerships and Companies on the following terms:

- (a) the total face value of shares thus acquired shall not exceed 20% of the value of the Company's share capital, i.e. 84,000,000 (eighty-four million) shares with face value of 5 (five) grosz each, inclusive of face value of the remaining own shares that will not have been sold by the Company;
- (b) the total minimum value of payment for the shares thus acquired shall be not less than 100 (one hundred) zlotys, and the total maximum value of payment for the shares thus acquired shall be not more than 420,500,000 (four hundred twenty million five hundred thousand) zlotys, including share purchase costs;
- (c) at the Management Board's discretion, shares may be acquired via third parties acting on the Company's behalf, brokerage houses, subsidiaries, or persons acting for the benefit of subsidiaries in public trade at the Warsaw Stock Exchange and on OTC markets;
- (d) the Management Board's authority to acquire own shares under Article 362 § 1 sub-paragraph 8 of the Code of Commercial Partnerships and Companies shall cover the period from December 20, 2008 to December 19, 2013, however not longer than until the funds designated for such acquisition are exhausted;
- (e) shares may be acquired in block transactions;
- (f) shares may be acquired through public call for the Company's shares;
- (g) the purpose of such acquisition of own shares shall be determined through a resolution of the Management Board, and specifically own shares thus acquired by the Company may be designated for further resale.

Echo Investment Spółka Akcyjna with its registered seat in Kielce, acting pursuant to Article 348 § 1, with reference to Article 396 paragraph 4 and paragraph 5 of the Code of Commercial Partnerships and Companies, and paragraph 19 of the Company Articles, hereby decides as follows:

- (a) to establish a reserve capital in the amount of 420,500,000 (four hundred twenty million five hundred thousand) zlotys, designated for implementing the purposes mentioned in this resolution;
- (b) the reserve capital shall be established through transferring the amount of PLN 420,500,000 (four hundred twenty million five hundred thousand) from the Company's supplementary capital in compliance with the requirements of Article 348 §1 of the Code of Commercial Partnerships and Companies, whereby the Company's supplementary capital shall be decreased from PLN 437,943,000 (four hundred thirty-seven million nine hundred forty-three thousand) to PLN 17,443,000 (seventeen million four hundred forty-three thousand).

The Management Board may, while acting for the benefit of the Company and upon consulting the Supervisory Board, terminate such acquisition of shares before December 19, 2013 or before exhausting all funds designated for their acquisition, or give up their acquisition in whole or in part. The terms and conditions of own shares acquisition will be in accordance with the Commission Regulation (EC) no. 2273/2003 of December 22, 2003.

On December 29, 2008 the Issuer's subsidiary „Echo Investment – Centrum Handlowe Piotrków Trybunalski” Sp. z o.o. with its registered seat in Kielce (the Landlord) and LPP S.A. with its registered seat in Gdańsk signed contracts of lease of over 1,600 square meters of space in the Pabianice shopping center where the Tenant intends to operate the following outlets: Reserved, Cropp Town and Esotiq. The contracts were made for a period of 10 years. The combined value of the above contracts is about 16.46 million PLN. The total value of contracts executed by Echo Investment SA Capital Group with LPP S.A. and its subsidiaries during the last 12 months was about 42.5 million PLN.

On December 29, 2008, the Issuer's subsidiary “Echo – Park Postępu” Sp. z o.o. (formerly “Projekt Echo – 66” Sp. z o.o.) (the Landlord) and Dent-A-Medical Sp. z o.o. with its registered seat in Wrocław (the Tenant) entered into a conditional contract of lease of office space in a building incorporated within the Park Postępu office complex in Warsaw. Area to let will exceed 420 square meters. The period of lease is 7 years.

As a security against foreign exchange risks on the currency futures market, the Group opened a position in derivatives hedging the EUR/PLN exchange rate in the 4th quarter of 2008.

With the open positions on the currency market, Echo Investment Capital Group was duly hedged as at December 31, 2008 for the part of cash flows allocated to 2009 (133.5 million EUR, including 78.3 million in the 1st half of 2009) and 2010 (229 million EUR, including 110.5 million in the 1st half of 2010). The transactions executed on the basis of contracts signed with banks were not speculative in nature and were effected within the scope of the applicable hedging policy to secure future levels of cash flows on operating activity and currency conversion of EUR-denominated credit facility tranches. On the basis of data received from banks, balance sheet valuation of open items on derivatives as at December 31, 2008 is as follows: forwards – PLN226.3m, currency options – PLN12.3m. These transactions were executed at the average forward/strike rate of 3.5649. Valuation of hedging instruments is presented under financial incomes/expenses of the income statement.

See also: sub-clauses 5.8, 5.9, 5.11 and 5.19 of this Report.

5.22 Specification of factors that, according to the issuer, shall affect its results in the perspective of at least the nearest quarter of a year

The following factors are going to influence the bottom line during the consecutive periods:

- signing final contracts of sale of housing projects:
 - in Warsaw, Inflancka Street (stage 3), and Zwycięzców Street (stage 2),
 - in Poznań – the Naramowice housing project (stage 3), and
 - land plots with designs of houses, consisted in the Bilcza II housing estate near Kielce;
- sale of real estate situated in Łódź, Piotrkowska Street, to ORBIS S.A. with its registered seat in Warsaw,
- fair value appraisal of the Malta Office Park project (stage 2) in Poznań, the Park Postępu office project in Warsaw, and the office building at Lea Street in Krakow, which are scheduled for opening in the 2nd half of 2009;
- quarterly revaluation of fair value of owned properties, accounting for factors such as foreign exchange rate fluctuations (EUR and USD).

Other key factors that will affect the bottom line in the perspective of at least the following quarter of year include:

- regular revenues from lease contracts,
- advancement of execution, letting and sales of currently built commercial and housing projects,
- possible purchasing and sales of real estates,
- appraisal of credit obligations and cash in foreign currencies,
- valuation of hedging instruments for foreign currencies,
- revaluation of non-financial assets
- overall trends on the real estate market,
- situation on the financial market and general economic trends in Poland, Hungary and Romania, where Echo Capital Group operates.

6. Interim separate financial statement in thousands PLN, as at and for a period of 12 months expiring on December 31, 2008

	balance as at 2008.12.31 end of quarter	balance as at 2007.12.31 end of previous year
Assets		
1. Fixed assets		
1.1. Intangible fixed assets	1 050	524
1.2. Tangible fixed assets	11 636	13 982
1.3. Non-current receivables	12 960	3 961
1.4. Investments in fully and partially owned subsidiaries	463 780	384 630
1.5. Investments in associated companies	61	10 650
1.6. Loans granted	12 959	131 015
1.7. Other financial assets	-	
1.8. Deferred income tax assets	28 252	26 254
	530 698	571 016
2. Current assets		
2.1. Inventories	411 315	444 977
2.2. Current income tax receivables	1 824	8 034
2.3. Trade receivables and other receivables	140 816	40 936
2.4. Loans granted	192 742	92 424
2.5. Derivative instruments	295	6 720
2.6. Cash and cash equivalents	39 639	148 739
2.7. Short-term accruals	1 592	1 575
	788 224	743 405
Assets total	1 318 922	1 314 422
Liabilities		
1. Equity		
1.1. Initial capital	21 000	21 000
1.2. Supplementary capital	437 943	378 967
1.3. Profit (loss) carried forward	3 591	7 231
1.4. Profit (loss) of the present year	40 341	55 336
	502 875	462 534
2. Non-current liabilities		
2.1. Borrowings	512 455	553 488
2.2. Provision for deferred income tax	30 544	29 194
	542 999	582 682
3. Current liabilities		
3.1. Borrowings	78 797	463
3.2. Derivative instruments	8 258	2 852
3.3. Current income tax obligations	0	
3.4. Trade debts, other debts	81 009	65 884
3.5. Advance payments received	85 508	174 440
3.6. Other liabilities	1 517	4 443
3.7. Reserves	10 290	10 129
3.8. Short-term accruals	7 669	10 993
	273 048	269 205
Liabilities total	1 318 922	1 314 422

	balance as at 2008.12.31 end of quarter	balance as at 2007.12.31 end of previous year
Book value (in thousands PLN)	502 875	462 534
No. of shares	420 000 000	420 000 000
Book value per share (in PLN)	1,20	1,10

Off-balance liabilities (in thousands PLN)	balance as at 2008.12.31 end of quarter	balance as at 2007.12.31 end of previous year
1. Off-balance receivables	-	-
2. Off-balance liabilities	23 610	23 241
Off-balance items total	23 610	23 241

Income statement (in thousands PLN)	4 th quarter the period from 2008.10.01 to 2008.12.31	4 quarters the period from 2008.01.01 to 2008.12.31	4 th quarter the period from 2007.10.01 to 2007.12.31	4 quarters the period from 2007.01.01 to 2007.12.31
Operating incomes	223 142	408 051	58 065	254 343
Operating expenses	(159 722)	(286 350)	(44 925)	(201 953)
Gross profit (loss) on sales	63 420	121 701	13 140	52 390
Profit (loss) on sales of property	(21)	82	(47)	(47)
Revaluation of real estates	1 899	4 545	9 030	21 461
Costs to sell	(6 310)	(22 197)	(5 793)	(21 848)
Overheads	(10 727)	(36 807)	(8 115)	(29 609)
Other operating incomes / costs	(5 335)	4 367	(4 437)	5 197
Earnings before tax and financial incomes/expenses	42 926	71 691	3 778	27 544
Financial incomes	8 956	65 971	22 820	82 382
Financial expenses	(50 983)	(97 591)	(23 802)	(48 429)
Gross profit (loss)	899	40 071	2 796	61 497
Income tax	2 396	271	(245)	(6 161)
Net profit (loss)	3 294	40 341	2 551	55 336
Net profit (loss) (annualized)		40 341		55 336
Weighted average number of ordinary shares		420 000 000		420 000 000
Profit (loss) per ordinary share (in PLN)		0,10		0,13
Weighted average diluted number of ordinary shares		420 000 000		420 000 000
Diluted profit per ordinary share (in PLN)		0,10		0,13

Statement of changes in equity (in thousands PLN)	Initial capital	Supplementary capital	Profit brought forward	Net profit in the period	Capitals total
For 4 quarters (current year), period from 2008.01.01 to 2008.12.31					
Balance as at the beginning of period	21 000	378 967	58 976	-	458 944
Corrections of basic errors			3 591		
Balance as at the beginning of period, after reconciliation to comparable data	21 000	378 967	62 567	-	462 534
Distribution of profit/loss carried forward		58 976	(58 976)		0
Net profit (loss) of the current period				40 341	40 341
Changes total	-	58 976	(58 976)	40 341	40 341
Balance as at the end of period	21 000	437 943	3 591	40 341	502 875
For 4 quarters (previous year), period from 2007.01.01 do 2007.12.31					
Balance as at the beginning of period	21 000	298 213	84 837	-	404 050
Changes in applied accounting principles (policy)	-	-	3 148	-	3 148
Corrections of basic errors					
Balance as at the beginning of period, after reconciliation to comparable data	21 000	298 213	87 985	-	407 198
Distribution of profit/loss carried forward		80 754	(80 754)		-
Net profit (loss) of the current period				55 336	55 336
Changes total		80 754	(80 754)	55 336	55 336
Balance as at the end of period	21 000	378 967	7 231	55 336	462 534

Cash flow statement (in thousands PLN)	4 quarters the period from 2008.01.01 to 2008.12.31	4 quarters the period from 2007.01.01 to 2007.12.31
Cash flows on operating activity – indirect method		
I. Net profit (loss)	40 341	55 336
II. Adjustments:		
1. Share in net (gains) losses of associated companies	-	-
2. Depreciation (amortization)	4 384	4 967
3. Foreign exchange gains (losses)	(42)	8 970
4. Interest and shares in profits (dividends)	(11 778)	(28 968)
5. Current income tax in the income statement	378	9 557
6. Income tax paid	5 831	(19 624)
7. (Profit) loss on investment activity	17 982	(21 068)
8. Change in reserves	(8 683)	9 144
9. Change in inventories	(7 434)	(179 056)
10. Change in receivables	(93 428)	143 472
11. Change in current liabilities, except for borrowings	(74 479)	45 159
12. Change in accruals	4 823	(7 050)
13. Other adjustments	36 583	(24 056)
Net cash flows from operating activities	(85 522)	(3 217)
Cash flows from investing activities		
I. Incomes		
1. Sales of intangible and tangible fixed assets	260	87
2. Sales of investments in property and in intangible assets	27	1 141
3. From financial assets	105 440	90 432
4. Other incomes from investments	-	-
	105 727	91 660
II. Expenditures		
Acquisition of intangible and tangible fixed assets	(2 773)	(7 496)
2. Investments in property and in intangible assets	(20)	(805)
3. On financial assets	(121 605)	(176 588)
4. Other investment expenditure	(2 693)	-
	(127 091)	(184 889)
Net cash flows from investing activities	(21 364)	(93 229)
Cash flows from financing activities		
I. Incomes		
1. Net incomes from issue of stocks (issue of shares) and other equity instruments, additional payments to capital	-	-
2. Borrowings	39 132	3 978
3. Issue of debenture bonds	-	346 405
4. Other financial incomes	-	-
	39 132	350 383

Cash flow statement (in thousands PLN) continued	4 quarters the period from 2008.01.01 to 2008.12.31	4 quarters the period from 2007.01.01 to 2007.12.31
II. Expenditures		
1. Acquisition of own shares (stocks)	-	-
2. Dividends and other payments to owners	-	-
3. Expenses on account of profit distribution, other than disbursements to owners	-	-
4. Repayment of borrowings	(463)	(42 715)
5. Redemption of debenture bonds	-	(160 000)
6. Interest	(40 925)	(25 423)
	(41 388)	(228 138)
Net cash flows from financing activities	(2 256)	122 245
Net cash flows total	(109 143)	25 800
Balance change in cash, including:	(109 101)	16 830
- change in cash balance on account of foreign exchange gains/losses	42	(8 970)
Cash as at the beginning of period	148 739	131 909
Cash as at the end of period, including:	39 639	148 739
- with limited disposability	8 885	-

Kielce, February 27, 2009

Representatives of the Company:

President of the Management Board

Vice-President of the Management Board

Piotr Gromniak

Artur Langner

Person in charge of bookkeeping:

Chief Accountant

Tomasz Sulek