

Echo Investment Capital Group

Condensed interim consolidated financial statements
as at and for a period of three months ended March 31, 2009



Kielce, May 15, 2009

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

	balance as at 2009.03.31 end of quarter	balance as at 2008.12.31 end of previous year	balance as at 2008.03.31 end of quarter
<i>Assets</i>			
1. Fixed assets			
1.1. Intangible fixed assets	1 035	1 002	461
1.2. Tangible fixed assets	19 588	19 899	27 723
1.3. Non-current receivables	7	58	49
1.4. Investment property	2 839 697	2 481 014	1 957 110
1.5. Investment property under construction	768 957	711 555	506 194
1.6. Investments in associated companies	28 701	24 119	11 120
1.7. Loans granted	12	13	40
1.8. Derivative instruments	428	1 287	-
1.9. Deferred income tax assets	149 969	92 805	41 292
	3 808 394	3 331 752	2 543 989
2. Current assets			
2.1. Inventories	451 625	486 655	512 141
2.2. Income tax receivables	3 273	3 478	18 554
2.3. Other tax receivables	39 235	46 944	19 381
2.4. Trade receivables and other receivables	136 336	56 679	24 835
2.5. Loans granted	267	638	7 391
2.6. Derivative instruments	8 467	357	9 522
2.7. Cash and cash equivalents	211 040	321 793	270 914
	850 243	916 544	862 738
Assets total	4 658 637	4 248 296	3 406 727

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

	balance as at 2009.03.31 end of quarter	balance as at 2008.12.31 end of previous year	balance as at 2008.03.31 end of quarter
Liabilities			
1. Equity			
1.1. Equity attributed to shareholders of the dominant company	1 701 492	1 640 600	1 540 731
1.1.1. Initial capital	21 000	21 000	21 000
1.1.2. Supplementary capital	1 493 280	1 493 280	1 174 241
1.1.3. Accumulated earnings (loss)	165 527	112 750	353 800
1.1.5. Foreign exchange gains/losses arising from conversion of foreign companies' data	21 685	13 570	(8 310)
1.2. Minority capitals	(8)	(8)	(8)
	1 701 492	1 640 600	1 540 731
2. Non-current liabilities			
2.1. Borrowings	1 669 641	1 589 154	1 216 585
2.2. Derivative instruments	279 159	174 123	-
2.3. Deposits received	36 018	37 871	39 053
2.4. Leases	34 235	34 235	34 311
2.5. Provision for deferred income tax	389 913	325 845	252 489
	2 408 966	2 161 228	1 542 438
3. Current liabilities			
3.1. Borrowings	246 637	125 010	32 782
3.2. Derivative instruments	133 152	65 833	1 637
3.3. Income tax liabilities	1 956	256	689
3.4. Other tax liabilities	19 343	13 199	14 515
3.5. Trade liabilities and other liabilities	62 856	112 528	70 155
3.6. Advances received	65 395	111 390	176 095
3.7. Provisions for liabilities	18 848	18 260	27 693
	548 187	446 476	323 566
Liabilities total	4 658 637	4 248 296	3 406 727
Book value (in thousands PLN)	1 701 492	1 640 600	1 540 731
Number of shares	420 000 000	420 000 000	420 000 000
Book value per share (in PLN)	4,05	3,91	3,67
Diluted number of shares	420 000 000	420 000 000	420 000 000
Diluted book value per share (in PLN)	4,05	3,91	3,67

OFF-BALANCE ITEMS in thousands PLN	balance as at 2009.03.31 end of quarter	balance as at 2008.12.31 end of previous year	balance as at 2008.03.31 end of quarter
1. Off-balance receivables	-	-	-
2. Off-balance liabilities	24 017	22 870	22 806

2. Condensed consolidated income statement, in thousands PLN

	1st quarter the period from 2009.01.01 to 2009.03.31	1st quarter the period from 2008.01.01 to 2008.03.31
Operating incomes	134 381	89 659
Operating expenses	(55 204)	(40 315)
Gross profit (loss) on sales	79 177	49 344
Profit (loss) on sales of property	-	-
Revaluation of real property	334 836	665
Costs to sell	(4 445)	(5 409)
Overheads	(6 908)	(9 413)
Other operating incomes (expenses)	(644)	6 040
Earnings before tax and financial incomes/expenses	402 016	41 227
Financial incomes	5 698	7 684
Financial expenses	(199 195)	(21 188)
Foreign exchange gains (losses)	(143 480)	5 148
Revaluation of goodwill of subsidiaries	-	-
Gross profit (loss)	65 039	32 871
Income tax	(12 262)	(6 649)
Net profit (loss)	52 777	26 222
Profit (loss) attributed to minority shareholders	-	(10)
Profit (loss) attributed to shareholders of the dominant company	52 777	26 232
Net profit (loss) (annualized)	130 766	284 577
Weighted average number of ordinary shares	420 000 000	420 000 000
Profit (loss) annualized per ordinary share (in PLN)	0,31	0,68
Weighted average diluted number of ordinary shares	420 000 000	420 000 000
Diluted profit (loss) per ordinary share (in PLN)	0,31	0,68

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

	Initial capital	Supplementary capital	Profit (loss) carried forward	Foreign exchange gains/losses arising from conversion	Equity attributed to shareholders of the dominant company	Minority capitals	Total shareholders' equity
For the 1 st quarter (present year), period from 2009.01.01 to 2009.03.31							
Balance as at the beginning of period, after reconciliation to comparable data	21 000	1 493 280	112 750	13 570	1 640 600	(8)	1 640 592
Distribution of profit/loss carried forward	-	-	-	-	-	-	-
Changes in minority shares	-	-	-	-	-	-	-
Net profit (loss) of the current period	-	-	52 777	8 115	60 892	-	60 892
Balance as at the end of period	21 000	1 493 280	165 527	21 685	1 701 492	(8)	1 701 484
For the previous year, period from 2008.01.01 to 2008.12.31							
Balance as at the beginning of period, after reconciliation to comparable data	21 000	1 174 241	327 568	(3 744)	1 519 065	19	1 519 084
Distribution of profit/loss carried forward	-	319 039	(319 039)	-	-	-	-
Changes in minority shares	-	-	-	-	-	(17)	(17)
Net profit (loss) of the current period	-	-	104 221	17 314	121 535	(10)	121 525
Balance as at the end of period	21 000	1 493 280	112 750	13 570	1 640 600	(8)	1 640 592
For the 1 st quarter (previous year), period from 2008.01.01 to 2008.03.31							
Balance as at the beginning of period, after reconciliation to comparable data	21 000	1 174 241	327 568	(3 744)	1 519 065	19	1 519 084
Distribution of profit/loss carried forward	-	-	-	-	-	-	-
Changes in minority shares	-	-	-	-	-	(17)	(17)
Net profit (loss) of the current period	-	-	26 232	(4 566)	21 666	(10)	21 656
Balance as at the end of period	21 000	1 174 241	353 800	(8 310)	1 540 731	(8)	1 540 723

4. Condensed consolidated cash flow statement, in thousands PLN

Cash flow statement	1st quarter the period from 2009.01.01 to 2009.03.31	1st quarter the period from 2008.01.01 to 2008.03.31
A. Cash flows on operating activities – indirect method		
I. Net profit (loss)	52 777	26 222
II. Adjustments total		
1. Share in net (gains) losses of associated companies	16	15
2. Depreciation	1 196	1 466
3. Revaluation of goodwill	-	-
4. Foreign exchange gains (losses)	145 432	(11 221)
5. Interest and shares in profits (dividends)	7 087	16 868
6. Current income tax	12 262	6 649
7. Income tax paid	(6 346)	(6 449)
8. (Profit) loss on investing activities	(164 859)	16 453
9. Change in provisions	(650)	5 618
10. Change in inventories	39 797	(21 531)
11. Change in receivables	54 220	404
12. Change in current liabilities, except for borrowings	(87 098)	(49 069)
13. Change in accruals	(28 557)	(5 746)
14. Other adjustments	-	4
	(27 500)	(46 539)
III. Net cash flows on operating activity (I+/-II)	25 277	(20 317)
B. Cash flows on investing activities		
I. Incomes		
1. Sales of intangible and tangible fixed assets	86	164
2. Sales of investments in property and in intangible assets	-	-
3. From financial assets	9 563	11 750
4. Other incomes from investments	-	-
	9 649	11 914
II. Expenditures		
1. Acquisition of intangible and tangible fixed assets	(324)	(31 235)
2. Investments in property and in intangible assets	(114 650)	(12 111)
3. On financial assets	(64 411)	(31 038)
4. Dividends and other shares in profits paid to minority	-	-
5. Other investment expenditures	(230)	(2 403)
	(179 615)	(76 787)
III. Net cash flows on investing activities (I-II)	(169 966)	(64 873)
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	50 874	14 037
3. Issue of debt securities	32 019	-
4. Other financial incomes	3	-

82 896

14 037

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

Cash flow statement, continued	1st quarter the period from 2009.01.01 to 2009.03.31	1st quarter the period from 2008.01.01 to 2008.03.31
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	(25 771)	(20 820)
5. Redemption of debt securities	-	-
6. Other financial liabilities	-	-
7. Payments of liabilities under financial lease contracts	-	-
8. Interest	(23 356)	(20 319)
9. Other financial expenses	(5)	-
	(49 132)	(41 139)
III. Net cash flows on financial activity (I-II)	33 764	(27 102)
D. Net cash flows total (A.III+/-B.III+/-C.III)	(110 925)	(112 292)
E. Cash balance change, including:	(110 753)	(123 132)
- change in cash balance due to foreign exchange gains/losses	172	(10 840)
F. Cash as at the beginning of period	321 793	394 046
G. Cash as at the end of period (F+/-D), including:	211 040	270 914
- with limited disposability	8 860	-

5. Additional information to condensed consolidated report

5.1 Basic information

Echo Investment S.A. (Echo Investment Joint Stock Company, hereinafter "the Company"), formerly incorporated and operating under the business name "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) construction 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 selling hotels.

As at March 31, 2009 and March 31, 2008, the Capital Group was employing 315 and 363 persons, respectively.

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

The present statement refers to the three months' period ended March 31, 2009, with comparable data referring to the three months' period ended March 31, 2008. 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 dominant company, have been quoted on the Warsaw Stock Exchange since 1996. Volume of shares of Echo Investment SA: 420,000,000 ordinary bearer shares.

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 3 months ended March 31, 2009, comparable data for the period of 3 months ended March 31, 2008, and comparable data for the period of 12 months ended December 31, 2008 (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. Methods of assets and liabilities valuation and determination of the financial result were assumed as at the balance date. The financial statements were prepared according to historical cost principle, to the exception of investment property carried at fair value and financial instruments valued according to IAS 39. The statements have been drawn up under the assumption of continued business activity in foreseeable future, considering non-existence of any circumstances that might indicate any threat for 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 statements, the Group has applied new interpretations issued by the IFRS Committee and applicable to the Group's reporting period starting as at 1 January 2009. The guidelines thus applied have not affected these financial statements to any significant extent.

The Group has implemented the following interpretations:

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.

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.

Revised IAS 40 Investment Property

The revised IAS 40 shall apply to yearly periods beginning on or after 1 January 2009. The revisions involve a change concerning property being constructed or developed for future use as investment property. As a consequence of IAS 40 revision, such items will also be disclosed as investment property. If the company applies valuation of investment property to fair value, then such items shall also be valued to fair value according to the revised IAS. However, if fair value of investment property cannot be reliably estimated in a continuous manner, an investment property shall be valued according to historical cost model back to the earlier of the following two dates: construction or development process completion date, or the date on which it will be possible to reliably estimate the fair value. Application of the revised Standard did not have a significant impact on the presented financial results of the Group but it may have an impact on the Group's future results, particularly on valuation of assets currently presented as investment property under construction.

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.

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.

Revised IFRS 7 Financial Instruments: Disclosures

Revised IFRS 7 Financial Instruments: Disclosures" were published by the International Accounting Standards Board on 5 March 2009 and apply as from 1 January 2009. This revision introduces a three-step hierarchy for the purpose of disclosing valuation to fair value, and a requirement to publish additional disclosures regarding relative reliability of valuation to fair value. In addition, these revisions clarify and extend previously existing requirements as to disclosures concerning liquidity risk.

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.

IFRIC interpretation 13 Customer Loyalty Programmes

IFRIC interpretation 13 was issued by the International Financial Reporting Interpretations Committee on 27 June 2007 and applies to annual periods beginning on or after 1 July 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.

IFRIC interpretation 15 Agreements for the Construction of Real Estate

IFRIC interpretation 15 was issued by the International Financial Reporting Interpretations Committee on 3 July 2008 and applies to annual periods beginning on or after 1 January 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.

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 3 July 2008 and applies to annual periods beginning on or after 1 October 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.

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

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 these financial statements, 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 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 these financial statements, the above specified changes to IAS 39 have 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.

Revised IFRS 3 Business Combinations

The revised IFRS 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 these financial statements, 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 IFRIC 9 and IFRS 7 Embedded Derivatives

Revisions to IFRIC 9 and IFRS 7 "Embedded Derivatives" were published by the International Accounting Standards Board on 12 March 2008 and apply to annual periods ending on or after 30 June 2009. These revisions specify the changes to IFRS 7 and IAS 39 issued in October 2008 regarding embedded derivatives. These revisions clarify that all derivatives must be assessed and separately presented in the financial statements as required in the course of reassessment of a financial asset classified to assets valued to fair value through the income statement. As at the date of preparation of these financial statements, these revisions of IFRIC 9 and IFRS 7 have not yet been approved by the European Union. The Group intends to apply the revised IFRIC 9 and IFRS 7 as from 1 January 2009. Application of these standards shall not have any significant impact on the Group's financial result.

IFRIC interpretation 17 Distribution of Non-cash Assets to Owners

IFRIC interpretation 17 was issued by the International Financial Reporting Interpretations Committee on 27 November 2008 and applies to annual periods beginning on or after 1 July 2009. This interpretation contains guidelines as to the point of recognition of dividend, valuation of dividend, and posting of differences between the value of dividend and the balance sheet value of distributed assets. As at the date of preparation of these financial statements, IFRIC interpretation 16 has not yet been approved by the European Union. The Group intends to apply IFRIC interpretation 16 as from January 01, 2010. Application of these standards shall not affect the Group's financial result.

IFRIC interpretation 18 Transfers of Assets from Customers

IFRIC interpretation 18 was issued by the International Financial Reporting Interpretations Committee on 29 January 2009 and applies to annual periods beginning on or after 1 July 2009. This interpretation contains guidelines as to recognition of transfers of assets from customers, namely such situations in which the definition of assets is fulfilled, with identification of separately identifiable services (services provided in exchange for transferred assets), recognition of income and posting of cash obtained from customers. As at the date of preparation of these financial statements, IFRIC interpretation 16 has not yet been approved by the European Union. The Group intends to apply IFRIC interpretation 16 as from January 01, 2010. 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 1st quarter of 2009. Details of the accounting policy are presented in the annual report for 2008.

5.4 Composition of Echo Investment Capital Group

Echo Investment S.A., which is the owner of Group companies, plays the major part in the structure of the Capital Group through supervising, partnering in execution and providing funds for execution of current developer projects. The group companies have been established or acquired for the purpose of performing certain investment tasks. They do not engage in any type of business activity other than that involved with development of a specific project, followed by provision of lease services of already completed property components or other services. As at March 31, 2009, 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 "Wygłędów" Spółka z o.o. ['Wygłędów' 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 Bełchatów" Spółka z o.o. ['Echo - Bełchatów Center' Limited Liability Company], having its registered seat in Kielce

- "Echo - Centrum Biznesu Łódź" Spółka z o.o. ['Echo - Łódź Business Center' Limited Liability Company], having its registered seat in Kielce
- "Echo - Centrum 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 Przemysłu" 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 - Project 1” LLC, having its registered seat in Kiev
- „Echo - Project 2” LLC, having its registered seat in Kiev
- „Echo - Property Poznań 1” Spółka z ograniczoną odpowiedzialnością ['Echo - Property Poznan 1' Limited Liability Company], having its registered seat in Kielce
- „Echo - Property Poznań 2” Spółka z ograniczoną odpowiedzialnością ['Echo - Property Poznan 2' 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 Ingatlanhasznosító Kft.", having its registered seat in Budapest
- "Echo Investment Project 1" S.R.L., having its registered seat in Bucharest
- "Echo Investment Project Management" 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.
- "Projekt Naramowice" Spółka z o.o. ['Project Naramowice' Limited Liability Company], having its registered seat in Kielce
- "Projekt Naramowice Poznań" Spółka z o.o. ['Project Naramowice Poznań' 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 Kielce

„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., 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." Spółka komandytowa;
- „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.;
- „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:
 - 100% 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 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;
 - 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.,
- 0,001% of capital of "Echo Park Postępu" 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;
- 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 activities of the issuer 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 development and sales of residential projects and property management services guarantee comparable levels of income during each consecutive quarter to a significant extent. However, revenues from general contracting and project management services, property trade, other minor ranges of activities may be seasonal or cyclical in nature. The Management Board cannot preclude certain other incidental events that can affect the results earned in a given period.

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

Apart from own funds, loans and credit facilities, current operations of the Capital Group are also financed through issuance of debt instruments. 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	35.000	17.06.2009
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).

Under a Bonds Issuance Program signed with BRE Bank S.A., seated in Warsaw, 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. On May 14, 2009, the Company redeemed and cancelled the bonds. The bonds were redeemed at par value. Issue price and interest rate was determined on the basis of WIBOR 3M rate plus investors' margin. The issued bonds were not secured.

Under a Bonds Issuance Program signed with BRE Bank S.A., seated in Warsaw, on May 14, 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 June 17, 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 1M rate plus investors' margin. The issued bonds are not secured.

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, 2009 the Management Board of the Company presented to the Supervisory Board of Echo Investment SA a proposal concerning allocation of net profit disclosed in the Company's financial statements for the year ended on December 31, 2008.

The Management Board of the Company proposed that the net profit for 2008 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-clause 2 of the Polish Code of Commercial Partnerships and Companies, the aforementioned recommendation shall be ultimately considered by the General Meeting of Shareholders.

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 April 17, 2009, the Company received Annex 1 dated April 15, 2009 (the Annex) to the zero state construction contract of December 18, 2008 (the Contract), signed by correspondence between 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).

Under the aforementioned Contract, the Contractor agreed 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, Facility), including performance of earth works, raw state construction with necessary services. The Contractor also agreed to obtain the necessary amendments to the building permit decision in case any variations by the Contractor render it necessary to obtain such decision.

On the basis of the executed Annex, the scope of works was extended by erection of above-ground reinforced concrete structure of the Facility. With regard to the change of scope of Contract, the Contractor's fee shall be increased by PLN 3.92 million net, totaling PLN 11.47 million net as a result. The current due date for completion of the Object of Contract is August 17, 2009.

On May 4, 2009, open currency positions (forwards) owned by the "Echo - Park Postępu" Spółka z o.o. subsidiary (formerly "Projekt Echo - 66" Spółka z o.o.) were cleared as a result of expiry. The nominal value is 15 million EUR.

See also: sub-clause 5.6 of the present Report.

5.9 Specification of results of changes in the structure of the organization, including changes arising out of mergers, acquisitions or sales of Capital Group companies, long-term investments, splits, restructuring or discontinuation of business activity

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

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

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.

On March 26, 2009 the District Court in Kielce, 10th Economic Department of the National Court Register registered a change in the value of initial capital of subsidiary "Malta Office Park" Sp. z o.o. ["Malta Office Park" Limited Liability Company] with its registered seat in Kielce. The value of the Subsidiary's initial capital was increased by PLN 5,500,000 and now equals PLN 7,500,000, divided into 15,000 shares with a par value of PLN 500 each. The capital was increased through creation of 11,000 new shares with a par value of PLN 500 each. Each share carries one vote at the Subsidiary's general meeting of shareholders. As at the registration date, Echo Investment S.A. took up the entirety of the increased share capital of the Subsidiary, corresponding to 73.34% of the current share capital. The newly established shares were covered with a cash contribution. The shares thus taken up were financed with Echo Investment S.A.'s own funds. Echo Investment SA intends to treat the shares taken up as long-term equity investment. Shareholding structure of the Subsidiary after registration of changes in the share capital is the following:

- Echo Investment S.A. is currently the holder of 99.99% shares, corresponding to 99.99% of share capital and carrying 13,999 votes at the general meeting of shareholders of the Subsidiary,

- the Issuer's subsidiary "Projekt Echo - 17" Sp. z o.o. is the holder of 1 share, corresponding to 0.01% of share capital and carrying 0.01% votes at the general meeting of shareholders of the Subsidiary.

III. Names of the following subsidiaries were changed:

- company name of "Echo Investment - Centrum Handlowo - Rozrywkowe Kielce" Sp. z o.o. ["Echo Investment - Kielce Shopping & Entertainment Center" Limited Liability Company], having its registered seat in Kielce, was replaced with "Echo - Kielce 1" Sp. z o.o. ["Echo - Kielce 1" Limited Liability Company], having its registered seat in Kielce,

- 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.

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 end of last financial year, as follows:

5.10.1 Surety agreements

Issuer's surety agreements in force as at March 31, 2009 are presented in the table below:

Surety in favor of	Value (in thousands)	Expiry date	On account of
Bank PeKaO SA	PLN 740	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	PLN 18,807	until December 31, 2010	Surety for liabilities of subsidiary
Projekt – Echo 49 Sp. z o.o.	PLN 4,032	until July 04, 2010	Surety for liabilities concerning remediation of damage regarding Projekt – Echo 49 Sp. z o.o. [Project – Echo 49 Limited Liability Company]

5.10.2 Guarantee agreements

Bank guarantees in force as at March 31, 2009 are presented in the table below:

Guarantor	Value (in thousands)	Expiry date	On account of
Bank PKO BP SA	PLN 1,800	2009-12-31	Security of obligations in favor of PKP S.A.

1. 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 31, 2009.

5.11 Description of the issuer's significant achievements or failures

During the 1st quarter of 2009, 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 centers built by the Group operate in more than ten larger cities in Poland. 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, RTV Euro AGD, Empik, Douglas, Saturn Planet, Rossman, and other chain brands.

Projects in progress and under preparation, in alphabetical order:

Kalisz, shopping & entertainment center

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 the Amber Route. The total area of the contemplated center shall be ca. 100,000 square meters, with rentable area of about 35,000 sq. m.

Kielce, Galeria Echo shopping & entertainment center - extension

During the 1st quarter of 2009, execution 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 43,000 square meters. 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 general contractor will be EIFFAGE BUDOWNICTWO MITEX S.A. Completion of development of this multi-level car park is scheduled at the end of the 1st half of 2009. The gallery, tripled in size (ca. 65,000 square meters of leasable area), will be opened in 2011.

Kielce, Pasaż Świętokrzyski shopping center – 2nd stage

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.

Koszalin, shopping & entertainment center

Development of a modern shopping & entertainment center is planned in Koszalin, Krakusa i Wandy Street. Area to let in the building will be about 30,000 sq. m.

Lublin, shopping & entertainment center

The Company's investment plans include development of the so-called Echo Park in Górki Czechowskie, Lublin. The Company intends to build the following establishments on that property:

- a shopping, entertainment and service center (the Mall) with a total shopping area reaching 80,000 square meters, developed in combination with reconstruction of the traffic system around the contemplated building as a necessary Mall service component,
- a complex of service and office establishments complementing the functions offered by the Mall,
- a city-like recreation and landscape park.

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.

Łomża, VENEDA shopping & entertainment center

The envisaged erection of a shopping center in Łomża supplements the portfolio of commercial areas while enhancing quality and advancement of the Company's offering. 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.

Poznań, METROPOLIS shopping & entertainment center

Echo Capital Group is planning to build a modern shopping and entertainment center called METROPOLIS on its property situated in Poznań, Hetmańska Street, offering about 80,000 sq. m of space for rent. The Group is currently determining the architectural concept of the design.

Ślupsk, ARENA shopping & entertainment center

The Group is planning to build a shopping and entertainment center called ARENA on its immovable property situated in Ślupsk, Grottgera Street. The facility shall offer about 38,000 sq. m leasable area. 94% of the project area have already been let to tenants. The Capital Group has obtained a building permit for erection of the aforementioned establishment.

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.

Segment of office areas

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 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.

Projects in progress and under preparation, in alphabetical order:

Gdansk, project at Jana z Kolna Street

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.

Katowice, project at Francuska Street

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. Górnoślaska 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.

Krakow, AVATAR project

During the 4th quarter of 2008, preparations to 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. Anticipated completion date falls in the 2nd half of the year 2009.

Krakow, project at Opolska Street

A modern class A office project is scheduled for development on the land property in Krakow, Opolska and 29 Listopada Streets, with rentable area in excess of 60,000 sq. m. Administrative procedures are now in progress for obtaining a building permit for the planned office complex.

Łódź, AURUS project

For the purpose of optimizing the investment process, the class A office building project in Łódź, Piłsudskiego Street, is currently being redesigned. 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. Area to let is about 28,000 sq. m.

Poznań, Malta Office Park

During the 1st quarter of 2009, 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 2nd 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.

Szczecin, Oxygen project

Development of an advanced office building called Oxygen commenced on the land plot in Szczecin, Malczewskiego Street. 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. Currently, works involved in construction of the underground level have been completed, and the building has reached the "0" condition. With regard to ongoing agreements of engineering details with potential lessees interested in areas of approx. 8000 square meters, the development programme shall be modified so that to enable introduction of possible adjustments in the building arrangement design, to the lessees' expectations. Such updating of schedule results in changing the start date and end dates of certain civil engineering works.

Warsaw, Park Postępu

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.

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. handled 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. Complete hotels operate in Warsaw, Kielce, Kraków, Szczecin, Łódź, Poznań, Częstochowa, Zabrze, Gliwice. In the future, the Company is going to build hotels in cooperation with international hotel operators.

Łódź, Novotel hotel

As at the publication date of the present report, Echo Investment Capital Group is negotiating sales of property located in Łódź, Piłsudskiego Street, with Orbis S.A., whereupon a Novotel-class hotel will be built to ACCOR standards, with net area exceeding **7,000 square meters**.

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 Company does not preclude execution of scheduled investments in stages, suspension of execution of certain housing projects, or adaptation of investment execution schedules to actual market situation.

Projects in progress and under preparation, in alphabetical order:

Vicinity of Kielce, estate of detached houses in Dyminy

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.

Vicinity of Kielce, estate of detached houses in Bilcza

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.

Krakow, project at Kilińskiego Street

A 2.5-storey building with an area of 535 square meters will be built in Krakow, Kilińskiego Street (8 apartments). The building was designed by Oleksy&Polaczek design studio.

Krakow, project at Korzeniowskiego Street

the Company is going to commence development of 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).

Krakow, project at Krasickiego Street

In the 1st quarter of 2009, the Company continued preparation for development of a housing and commercial establishment to be erected in Krakow, Krasickiego Street (area for sale exceeds 5,200 square meters). The building designed by Studio S - Biuro Architektoniczne Szymanowski design office of Krakow will contain 84 apartments.

Krakow, project at Tyniecka Street

The Company intends to develop residential buildings on its land situated in Krakow, Tyniecka Street. Area for sale will be about 4,000 sq. m (40 apartments).

Krakow, project at Bronowicka Street

The Company intends to develop a residential building on its land situated in Krakow, Bronowicka Street, with an approximate area for sale of 3,400 sq. m. The establishment designed by Studio S Michał Szymanowski designing firm of Krakow will contain about 45 apartments.

Łódź, project at Okopowa and Górnicza Streets

The process of preparing construction of residential buildings to be developed on real estate in Lodz, Okopowa and Gornicza Streets, was in progress. The estimated area for sale will be about 45,000 sq. m (700 apartments). The Company has already obtained the zoning decision allowing for development of the investment.

Łódź, project at Wodna Street

The Company is also going to develop residential buildings with 310 apartments on its real estate in Lodz, Wodna Street (approx. 20,000 square meters of area for sale). The Company has already obtained the zoning decision allowing for development of the investment.

Poznań, Naramowice Housing Estate

Preparation of realization of the consecutive 4th and 5th stage of Naramowice Housing Estate in Poznan has also begun (area for sale approx. 13,500 square meters), as designed by Archikwadrat Sp. z o.o. of Poznań. Echo Investment Capital Group's reserve of land in Poznan enables the Company to carry on with subsequent stages of the Naramowice Housing Estate.

Poznań, Kasztanowa Aleja (Chestnut Alley)

Another housing project called Kasztanowa Aleja (Chestnut Alley) is being prepared in Poznań, Wojskowa Street. With regard to certain changes occurring on the market, decision has been taken to alter the schedule of project implementation and sales. Recommencement of project development depends on the Company's assessment of the situation on the housing market.

Poznań, project at Litewska and Grudzieniec Streets

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. The estate was designed by Arpa Pracownia Autorska design studio of Poznań. The Company intends to sell plots of land with designs of houses (ca. 11,000 sq. m of plots for sale).

Warsaw, Klimt House

With regard to certain changes occurring on the market, decision has been taken to alter the schedule of implementation and sales of the project in Warsaw, Kazimierzowska Street (net area is about 5,300 square meters). Recommencement of facility development depends on the Company's assessment of the situation on the housing market. Execution works were carried out on the project). Design of this residential building, developed by Mąka Sojka Architekci Sp. J. designing firm of Warsaw, comprises 60 apartments.

Warsaw, estate of detached houses in the Bielany district

A new development project of a housing estate in Warsaw, Bielany district (Młociński Forest) is under preparation. 32 houses will be built on the 6.3 hectares of land. The anticipated area of land plots for sale is about 50,000 square meters. This project was designed by W.M. Musiał Architekci Sp. z o.o. architectural design studio of Warsaw, and StoMM Architektura Maciej Stoczkiewicz of Kielce.

Wrocław, project at Jedności Narodowej Street

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. The Company has already obtained the zoning decision allowing for development of the investment. Design works were commenced.

Wrocław, project at Roweckiego Street

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.

Foreign marketsHungarySegment of shopping centers and shopping/entertainment centersBudapest, MUNDO shopping & entertainment center

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. A preliminary building permit has been obtained for the center. The rentable area of this shopping and entertainment project shall be about 80,000 sq. m. Commercialization of the project is currently in progress, and the commencement of development is envisaged as soon as appropriate lease ratio is achieved and relevant external financing is secured.

Segment of office projectsBudapest, MUNDO project

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. Further plans include location of the Zuglo District Mayor's Office in the complex. A preliminary building permit has been obtained for erection of the office complex.

RomaniaSegment of shopping centers and shopping/entertainment centersBrasov, KORONA shopping & entertainment center

Echo Capital Group intends to develop a modern shopping & entertainment center in Brasov, Romania, Stadionului Street, with gross leasable area of ca. 50,000 sq. m. Design of the mall was developed by a Polish design studio IMB Asymetria and by a Romanian architectural firm Dico si Tiganas. A building permit has already been obtained. Commercialization of the project has been started by Echo's experts in close cooperation with a Romanian representative of Jones Lang LaSalle. Commencement of development is envisaged as soon as appropriate lease ratio is achieved and relevant external financing is secured.

5.12 Factors and events having an impact on the achieved financial results

The following factor had a major impact on the bottom line of the 1st quarter of 2009:

- 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 Poznan – the Naramowice housing project (stage 3), and
 - land plots with designs of houses, consisted in the Bilcza II housing estate near Kielce;
- 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), lease rents adjustment, 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 yielded on this account at the end of the 1st quarter of 2009 constituted 48,4% of net income from sales.

- sales of residential space:

The primary source of revenues in this segment is the sale of apartments and, to a lesser extent, sales of commercial areas (shopping areas, offices and other premises situated within multifunctional housing projects). Revenues yielded on this account constituted approx. 40,6% 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 from development of investments at the end of the 1st quarter of 2009 constituted 7,8% of net income from sales.

- other incomes:

Other sources of income include income earned on property management services and other services. Property trade also forms a portion of other revenues. As at the end of the 1st quarter of 2009, this income made up 3,1% of the total.

Specification	Incomes for the 1 st quarter of 2009 [in millions PLN]	Incomes for the 1 st quarter of 2008 [in millions PLN]
Letting of space in shopping centers and shopping/entertainment centers	65,1	53,8
Sale of residential space	54,6	20,6
Development and letting of areas in office and hotel facilities	10,5	8,2
Property trade	-	4,5
Other incomes	4,2	2,5
Operating incomes total	134,4	89,7

5.14 Selected consolidated financial data

	in thousands PLN		in thousands EURO	
	1 st quarter accrued, the period from 2009.01.01 to 2009.03.31	1 st quarter accrued, the period from 2008.01.01 to 2008.03.31	1 st quarter accrued, the period from 2009.01.01 to 2009.03.31	1 st quarter accrued, the period from 2008.01.01 to 2008.03.31
I. Operating incomes	134 381	89 659	29 217	25 204
II. Earnings before tax and financial incomes/expenses	402 016	41 227	87 406	11 589
III. Gross profit (loss)	65 039	32 871	14 141	9 240
IV. Net profit (loss)	52 777	26 232	11 475	7 374
V. Net cash flows from operating activities	25 277	(20 317)	5 496	(5 711)
VI. Net cash flows from investing activities	(169 966)	(64 873)	(36 954)	(18 236)
VII. Net cash flows from financing activities	33 764	(27 102)	7 341	(7 618)
VIII. Net cash flows total	(110 925)	(112 292)	(24 117)	(31 566)
IX. Assets total	4 658 637	3 406 727	990 925	966 228
X. Equity attributed to majority shareholders	1 701 492	1 540 731	361 919	436 988
XI. Non-current liabilities	2 408 966	1 542 438	512 404	437 472
XII. Current liabilities	548 187	323 566	116 603	91 771
XIII. Number of shares	420 000 000	420 000 000	420 000 000	420 000 000
XIV. Annualized profit (loss) per ordinary share (in PLN/EUR)	0,31	0,68	0,07	0,19
XV. Diluted profit (loss) per ordinary share (in PLN/EUR)	0,31	0,68	0,07	0,19
XVI. Book value per share (in PLN/EUR)	4,05	3,67	0,86	1,04
XVII. Diluted book value per share (in PLN/EUR)	4,05	3,67	0,86	1,04

5.15 Shareholding structure – 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 May 15, 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	44 078 210	10,49%	44 078 210	10,49%
Commercial Union OFE	43.274.227	10,30%	43.274.227	10,30%
OFE PZU Złota Jesień*	41 066 860	9,78%	41 066 860	9,78%

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

On March 9, 2009 the Issuer was notified by ING Powszechne Towarzystwo Emerytalne (ING Common Pension Society), which communicated according to Article 69 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) that as a result of transaction at the Warsaw Stock Exchange, cleared as at March 4, 2009, it has become the holder of a stake of Echo Investment S.A.'s (the Company's) shares exceeding 10% of votes at the general meeting of shareholders of the Company.

Before the aforementioned increase of share percentage, ING Open Pension Fund had been the holder of 41,995,656 shares of Echo Investment S.A., corresponding to 9,99% of the Issuer's share capital. These shares carried 41,995,656 votes, constituting 9,99% of the total number of votes at the Issuer's general meeting of shareholders.

As at March 6, 2009, ING Open Pension Fund was holding 44,078,210 shares on its securities account, corresponding to 10,49% of the Issuer's share capital. These shares carried 44,078,210 votes, constituting 10,49% of the total number of votes at the Issuer's general meeting of shareholders.

ING Common Pension Society hereby notifies that during the upcoming 12-month period, ING Open Pension Fund acknowledges the possibility of increasing or decreasing the stake held thereby, depending on the Company's market situation and functioning. The purpose of acquiring shares of Echo Investment S.A. is to invest funds within the scope of ING Open Pension Fund's investing activities.

On April 17, 2009 the Company 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, as amended), communicates a reduction of its total engagement to the level of 4,98% of the total number of votes at the general meeting of shareholders of Echo Investment S.A. to the extent of financial instruments comprised in the portfolios managed within the range of performance by PPIM of brokers' financial instruments portfolio management service.

Before reduction of the foregoing share, customers of Pioneer Pekao Investment Management S.A. used to hold 21,028,310 shares of Echo Investment SA on their accounts covered by the management agreement, forming 5,01% of the Issuer's share capital. These shares carried 21,028,310 votes, constituting 5,01% of the total number of votes at the Issuer's general meeting of shareholders.

On April 8, 2009 there were 20,920,240 shares of Echo Investment SA on the securities accounts of all customers of Pioneer Pekao Investment Management S.A., corresponding to 4,98% of the Issuer's share capital. These shares carried 20,920,240 votes, constituting 4,98% of the total number of votes at the Issuer's general meeting of shareholders.

Pioneer Pekao Investment Management S.A. further notifies that all customers of Pioneer Pekao Investment Management S.A. concerned with portfolios managed by PPIM are the shareholders holding the above specified number of votes below 5% at the Issuer's general meeting of shareholders.

On May 14, 2009 the Issuer was notified by Commercial Union Powszechne Towarzystwo Emerytalne BPH CU WBK S.A. (CU Common Pension Society), which communicated according to Article 69 clause 1 and clause 4 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) that as a result of transaction of acquisition of shares of Echo Investment S.A. at the Warsaw Stock Exchange, cleared as at May 12, 2009, Commercial Union Otwarty Fundusz Emerytalny BPH CU WBK S.A. (CU Open Pension Fund) has become the holder of a stake of Echo Investment S.A.'s (the Company's) shares exceeding 10% of votes at the general meeting of shareholders of the Company.

Before the aforementioned transaction, as at May 11, 2009, CU Open Pension Fund used to hold 41,874,227 shares of Echo Investment S.A., corresponding to 9,97% of the Issuer's share capital. These shares carried 41,874,227 votes, constituting 9,97% of the total number of votes at the Issuer's general meeting of shareholders.

After closing and settlement of the aforementioned transaction, as at May 11, 2009 CU Open Pension Fund was holding 43,274,227 shares of Echo Investment S.A., corresponding to 10,30% of the Issuer's share capital. These shares carried 43,274,227 votes, constituting 10,30% of the total number of votes at the Issuer's general meeting of shareholders.

Investment in the shares of Echo Investment S.A. is a portfolio investment. CU Open Pension Fund acknowledges the possibility of further increasing its involvement in the Company during the next 12 months as of the submission date of the present notice, for the purpose of achieving maximum safety and profitability of the open pension fund's investments. CU Common Pension Society further informs that, in accordance with the provisions of the Act on organization and functioning of pension funds and secondary legislation issued under the said Act, CU Open Pension Fund's involvement may not exceed 20% of the Company's share capital. The Fund does not preclude transferring of its shares in case of appropriate growth of value or occurrence of relevant investment risk.

5.16 Statement of changes in shareholding balances 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 at May 15, 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	Number 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:

Managing persons	balance as at 2009-05-15	balance as at 2009-02-27
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 2009-05-15	balance as at 2009-02-27
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 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 court proceedings

During the period from January 01, 2009 to March 31, 2009, 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 constitutes at least 10% of equity of Echo Investment S.A.

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 on non-arm's length terms

Neither Echo Investment S.A. nor any subsidiary entered into any transactions with affiliated companies on different terms than arm's length transactions in the 1st quarter of 2009.

5.20 Information about granted sureties or guarantees

During the 1st quarter of 2009, 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 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 ograniczona odpowiedzialnoscia [‘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 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 3.16 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,

- achievement of positive results of completed due diligence and technical audit,

including:

- 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 February 3, 2009 the Echo - Veneda Sp. z o.o. subsidiary acquired land property situated in Łomża at Sikorskiego Street, with a total area of ca. 3,500 sq. m. The purchase price was PLN 0.5 million.

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 20, 2009, a contract of sale of property with an approximate area of 2,016 square meters, located at Duszna Street in Poznań, was executed between the following subsidiaries: Echo - Property Poznań 1 Sp. z o.o. (the Seller) and Echo - Metropolis Sp. z o.o. (the Buyer). The contract value was about 4.29 million PLN.

On March 2, 2009 Echo Investment SA and XY Studio S.C. Filip Domaszyński, Marta Nowosielska, Dorota Sibińska with its registered seat in Warsaw signed a contract for design works concerning the envisaged housing development in Krakow, Tyniecka Street. The value of contract was 715.5 thousand PLN net.

As a security against EUR/PLN interest rate risk, Echo Capital Group has opened positions in derivatives on forwards market.

On January 6 and January 15, 2009, Echo Investment S.A. closed part of its open currency positions: forwards with nominal value of 35 million EUR (closing cost: 59 thousand PLN).

On March 16, 2009, Echo Investment S.A. closed part of its open currency positions: call option with nominal value of 2.8 million EUR (closing cost: 2,500 thousand PLN) and put option with nominal value of 4.0 million EUR (this option expired naturally without cost).

With the open positions on the currency market, Echo Investment Capital Group was duly hedged as at March 31, 2009 for the part of cash flows allocated to 2009 (95.7 million EUR, including 40.5 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 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 March 31, 2009 is as follows: forwards - PLN 385.5 million, currency options - PLN 18.2 million. Weighted average strike rate for the remaining open transactions is 3.4963 EUR/PLN.

Valuation of hedging instruments is posted to accounts receivable / accounts payable of the balance sheet, and revaluation is recognized as financial incomes / costs in the income statement.

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

5.22 Factors expected by the issuer to influence his results in the perspective of at least the next quarter of 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 is going to launch its operations.

6. Interim separate financial statement in thousands PLN, as at and for a period of 3 months ended March 31, 2009

	balance as at 2009.03.31 end of quarter	balance as at 2008.12.31 end of previous year	balance as at 2008.03.31 end of quarter
Assets			
1. Fixed assets			
1.1. Intangible fixed assets	1 033	1 001	461
1.2. Tangible fixed assets	11 393	11 636	13 537
1.3. Non-current receivables	14 212	12 959	3 959
1.4. Investments in fully and partially owned subsidiaries	458 693	463 779	410 714
1.5. Investments in associated companies	10 650	62	10 650
1.6. Loans granted	12 909	12 909	132 942
1.7. Other financial assets	50	50	
1.8. Deferred income tax assets	26 864	27 633	25 326
	535 804	530 029	597 589
2. Current assets			
2.1. Inventories	392 490	410 935	465 902
2.2. Current income tax receivables	1 325	1 890	14 507
2.3. Trade receivables and other receivables	218 545	142 599	29 896
2.4. Loans granted	190 978	192 772	92 477
2.5. Derivative instruments	19	295	9 334
2.6. Cash and cash equivalents	32 169	39 608	85 442
	835 526	788 099	697 558
Assets total	1 371 330	1 318 128	1 295 147
Liabilities			
1. Equity			
1.1. Initial capital	21 000	21 000	21 000
1.2. Supplementary capital	437 943	437 943	378 967
1.3. Profit (loss) carried forward	46 317	6 401	65 377
1.4. Profit (loss) of the present year	5 260	39 916	10 425
	510 520	505 260	475 769
2. Non-current liabilities			
2.1. Borrowings	521 099	509 151	522 102
2.2. Provision for deferred income tax	28 803	30 552	28 610
	549 902	539 703	550 712
3. Current liabilities			
3.1. Borrowings	137 322	78 854	40 395
3.2. Derivative instruments	10 030	8 257	1 637
3.3. Current income tax liabilities	308	-	633
3.4. Trade liabilities and other liabilities	44 378	81 125	28 904
3.5. Advances received	62 289	85 508	173 991
3.6. Other liabilities	47 021	9 131	12 977
3.7. Provisions	9 560	10 290	10 129
	310 908	273 165	268 666
Liabilities total	1 371 330	1 318 128	1 295 147

	balance as at 2009.03.31 end of quarter	balance as at 2008.12.31 end of previous year	balance as at 2008.03.31 end of quarter
<i>Book value (in thousands PLN)</i>	510 520	505 260	475 769
<i>Number of shares</i>	420 000 000	420 000 000	420 000 000
<i>Book value per share (in PLN)</i>	1,22	1,20	1,13

Off-balance liabilities (in thousands PLN)	balance as at 2009.03.31 end of quarter	balance as at 2008.12.31 end of previous year	balance as at 2008.03.31 end of quarter
1. Off-balance receivables	-	-	-
2. Off-balance liabilities	26 557	23 610	23 546
Off-balance items total	26 557	23 610	23 546

Income statement (in thousands PLN)	1st quarter the period from 2009.01.01 to 2009.03.31	1st quarter the period from 2008.01.01 to 2008.03.31
Operating incomes	104 737	36 100
Operating expenses	(80 692)	(19 389)
Gross profit (loss) on sales	24 045	16 711
Profit (loss) on sales of property	40	1
Revaluation of real property	1 254	-
Costs to sell	(4 195)	(5 403)
Overheads	(4 314)	(7 992)
Other operating incomes	2 345	5 588
Other operating expenses	(1 850)	(249)
Earnings before tax and financial incomes/expenses	17 325	8 656
Financial incomes	22 828	15 212
Financial expenses	(33 698)	(12 726)
Gross profit (loss)	6 455	11 142
Income tax	(1 195)	(717)
Net profit (loss)	5 260	10 425
Net profit (loss) (annualized)	34 751	57 048
Weighted average number of ordinary shares	420 000 000	420 000 000
Profit (loss) per ordinary share (in PLN)	0,08	0,14
Weighted average diluted number of ordinary shares	420 000 000	420 000 000
Diluted earnings per ordinary share (in PLN)	0,08	0,14

Statement of changes in equity (in thousands PLN)	Initial capital	Supplementary capital	Profit brought forward	Net profit in the period	Capitals total
For the 1st quarter (present year), period from 2009.01.01 to 2009.03.31					
Balance as at the beginning of period, after reconciliation to comparable data	21 000	437 943	46 317	-	505 260
Distribution of profit/loss carried forward	-	-	-	-	-
Net profit (loss) of the current period	-	-	-	5 260	5 260
Changes total	-	-	-	5 260	5 260
Balance as at the end of period	21 000	437 943	46 317	5 260	510 520
For the previous year, period from 2008.01.01 to 2008.12.31					
Balance as at the beginning of period, after reconciliation to comparable data	21 000	378 967	65 377	-	465 344
Distribution of profit/loss carried forward	-	58 976	(58 976)	-	-
Net profit (loss) of the current period	-	-	-	39 916	39 916
Changes total	-	58 976	(58 976)	39 916	39 916
Balance as at the end of period	21 000	437 943	6 401	39 916	505 260
For the 1st quarter (previous year), period from 2008.01.01 to 2008.03.31					
Balance as at the beginning of period, after reconciliation to comparable data	21 000	378 967	65 377	-	465 344
Distribution of profit/loss carried forward	-	-	-	-	-
Net profit (loss) of the current period	-	-	-	10 425	10 425
Changes total	-	-	-	10 425	10 425
Balance as at the end of period	21 000	378 967	65 377	10 425	475 769

Cash flow statement (in thousands PLN)	1st quarter period from 2009.01.01 to 2009.03.31	1st quarter period from 2008.01.01 to 2008.03.31
Cash flows on operating activity – indirect method		
I. Net profit (loss)	5 260	10 425
II. Adjustments:		
1. Share in net (gains) losses of associated companies	-	-
2. Depreciation (amortization)	977	1 299
3. Foreign exchange gains (losses)	-	10 840
4. Interest and shares in profits (dividends)	9 339	7 775
5. Current income tax in the income statement	2 175	1 075
6. Income tax paid	(1 302)	(367)
7. (Profit) loss on investment activity	(1 294)	-
8. Change in provisions	(2 479)	(692)
9. Change in inventories	17 921	(20 926)
10. Change in receivables	(75 273)	3 810
11. Change in current liabilities, except for borrowings	(59 737)	(37 496)
12. Change in accruals	(1 724)	6
13. Other adjustments	-	-
Net cash flows on operating activities	(106 137)	(24 251)
Cash flow from investing activities		
I. Incomes		
1. Sales of intangible and tangible fixed assets	73	-
2. Sales of investments in property and in intangible assets	-	-
3. From financial assets	4 120	497
4. Other incomes from investments	-	-
	4 193	497
II. Expenditures		
Acquisition of intangible and tangible fixed assets	(244)	(746)
2. Investments in property and in intangible assets	-	-
3. On financial assets	(5 502)	(26 084)
4. Other investment expenditures	(230)	(2 403)
	(5 976)	(29 233)
Net cash flows from investing activities	(1 783)	(28 736)
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	91 304	10 047
3. Issue of debt securities	32 019	-
4. Other financial incomes	-	-
	123 323	10 047

Cash flow statement (in thousands PLN) continued	1st quarter period from 2009.01.01 to 2009.03.31	1st quarter period from 2008.01.01 to 2008.03.31
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	(12 785)	(153)
5. Redemption of debt securities	-	-
6. Interest	(10 087)	(9 330)
	(22 872)	(9 483)
Net cash flows from financing activities	100 451	564
Net cash flows total	(7 469)	(52 423)
Balance change in cash, including:	(7 469)	(63 263)
- change in cash balance due to foreign exchange gains/losses	-	(10 840)
Cash as at the beginning of period	39 608	148 705
Cash as at the end of period, including:	32 139	85 442
- with limited disposability	8 860	-

Kielce, May 15, 2009

Representatives of the Company:**Person in charge of bookkeeping:**President of the
Management Board

Vice-President of the Management Board

Chief Accountant

Piotr Gromniak

Artur Langner

Tomasz Sulek