

Echo Investment Capital Group S.A.

Quarter of a year, condensed, consolidated financial statement covering the period of three months
ended on 30 June 2005.

Kielce, 16 June 2005.

1. Condensed consolidated balance sheet statement in thousand zloty.

	as at 30.06.2005	as at 31.12.2004	as at 30.06.2004
Assets			
1. Tangible assets			
1.1. Intangible and legal assets	41	66	43
1.2. Goodwill of subsidiaries	(571)	(571)	(3 423)
1.3. Tangible fixed assets	257 629	273 167	171 637
1.4. Long-term receivables	2 785	-	-
1.5. Real-estate investments	1 205 185	1 310 606	1 380 974
1.6. Long-term financial assets	20 577	21 086	63 271
1.7. Assets due to deferred income tax	15 406	20 245	16 451
	1 501 052	1 624 599	1 628 953
2. Current assets			
2.1. Inventories	173 195	155 196	170 816
2.2. Short-term receivables, including:	22 383	36 962	52 261
2.2.1. <i>on taxes</i>	11 503	16 240	369
2.3. Short-term financial assets, including:	260 707	75 065	70 306
2.3.1. <i>cash and other cash assets</i>	259 165	73 610	63 532
	456 285	267 223	293 383
Assets total	1 957 337	1 891 822	1 922 336
Liabilities			
1. Equity capital			
1.1. Equity towards dominant entity shareholders	820 140	723 156	737 997
1.1.1. Share capital	21 000	21 000	21 000
1.1.2. Reserve capital	349 025	314 339	324 605
1.1.3. Undistributed profit (loss) from previous years	353 131	360 381	349 980
1.1.4. Current profit (loss)	96 984	27 436	42 412
1.2. Minority capital	1 549	1 531	60
	821 689	724 687	738 057
2. Liabilities			
2.1. Long-term liabilities	851 962	826 274	918 184
2.1.1. Long-term reserves	159	11 729	139
2.1.2. Reserve due to deferred income tax	104 722	112 535	109 357
2.1.3. Long-term liabilities, including:	747 081	702 010	808 688
2.1.3.1. <i>financial liabilities</i>	707 910	691 225	799 985
2.2. Short-term liabilities	283 686	340 861	266 095
2.2.1. Short-term reserves	18 811	29 633	14 126
2.2.2. Short-term liabilities, including:	264 875	311 228	251 969
2.2.2.1. <i>Financial liabilities</i>	117 066	177 757	111 743
2.2.2.2. <i>Liabilities due to taxes</i>	9 120	4 232	15 119
	1 135 648	1 167 135	1 184 279
Liabilities total	1 957 337	1 891 822	1 922 336

OFF-BALANCE SHEET STANDINGS

1. Off-balance sheet receivables			
2. Off-balance sheet liabilities	27 915	21 665	24 404

2. Condensed consolidated profit and loss statement in thousand zloty.

	2 quarter period from 2005.04.01 to 2005.06.30	2 quarters period from 2005.01.01 to 2005.06.30	2 quarter period from 2004.04.01 to 2004.06.30	2 quarters period from 2004.01.01 to 2004.06.36
Operating revenues	54 905	112 084	88 287	161 143
Operating costs	(20 011)	(38 052)	(36 673)	(73 662)
Gross profit (loss) on sale	34 894	74 032	51 614	87 481
Profit (loss) on sale of real estate	551	63 192	-	-
Revaluation of real estate value	16 999	16 988	(42 840)	(6 231)
Selling expenses	(2 072)	(4 073)	(1 821)	(3 401)
General administrative expenses	(7 977)	(14 403)	(7 976)	(12 832)
Other operating revenues (expenses)	14 171	14 230	(10 282)	(13 108)
Income before taxation with financial incomes/expenditures accounted for	56 566	149 966	(11 305)	51 909
Financial revenues	1 649	4 264	1 375	5 101
Financial expenses	(12 581)	(26 886)	(12 457)	(25 313)
Profit (loss) on exchange rate differences	(362)	(3 878)	30 979	24 521
Revaluation of goodwill of subsidiaries	-	(3 073)	(724)	(909)
Share stake of associate entities	(1)	(1)	(817)	(817)
Gross profit (loss)	45 271	120 392	7 051	54 492
Income tax	(7 691)	(23 386)	(2 239)	(12 072)
Net profit (loss)	37 580	97 006	4 812	42 420
1. Profit (loss) towards minority shareholders	(397)	22	(9)	8
2. Profit (loss) towards dominant entity shareholders	37 977	96 984	4 821	42 412
Net profit (loss) (annualised)		82 008		55 890
Average weighed number of ordinary shares		10 500 000		10 500 000
Profit (loss) per ordinary share (in PLN)		7,81		5,32
Average weighed diluted number of ordinary shares		10 500 000		10 500 000
Diluted profit (loss) per ordinary share (in PLN)		7,81		5,32

3. Condensed statement of changes in equity in thousand zloty.

	Stock capital	Reserve capital	Undistributed profit (loss) form previous years	Profit (loss) of current year	Ownership capital ascribed to dominant entity shareholders	Minority capital	Equity total
For 2 quarters (current year) period from 2005.01.01 to 2005.06.30							
As at the beginning of the period	21 000	314 339	39 431	-	374 770	1 531	376 301
Changes in accepted accountancy policy	-	-	348 386	-	348 386	-	348 386
Corrections of cardinal mistakes					-		-
State at the beginning of the period after comparing to corresponding data	21 000	314 339	387 817	-	723 156	1 531	724 687
Distribution of previous years result	-	34 686	(34 686)	-	-	-	-
Changes in minority share stake	-	-	-	-	-	(4)	(4)
Net profit (loss) for the given period	-	-	-	96 984	96 984	22	97 006
As at the end of the period	21 000	349 025	353 131	96 984	820 140	1 549	821 689
For 2 quarters (previous year) period from 2004.01.01 to 2004.06.30							
As at the beginning of the period	21 000	289 724	29 293	-	340 017	177	340 194
Changes in accepted accountancy policy	-	-	355 636	-	355 636	-	355 636
Corrections of cardinal mistakes	-	-	-	-	-	-	-
State at the beginning of the period after comparing to corresponding data	21 000	289 724	384 929	-	695 653	177	695 830
Distribution of previous years result	-	34 881	(34 881)	-	-	-	-
Revaluation of real estate value	-	-	(68)	-	(68)	-	(68)
Changes in minority share stake	-	-	-	-	-	(125)	(125)
Net profit (loss) for the given period	-	-	-	42 412	42 412	8	42 420
As at the end of the period	21 000	324 605	349 980	42 412	737 997	60	738 057

4. Condensed consolidated cash flow statement in thousand zloty.

	2 kwartały okres od 2005.01.01 do 2005.06.30	2 kwartały okres od 2004.01.01 do 2004.06.36
A. Cash flow statement on operating activity- indirect method		
I. Net profit (loss)	97 006	42 420
II. Corrections total		
1. Participation in profit (losses) of associate entities	1	817
2. Depreciation of fixed assets	3 330	1 871
3. Revaluation of goodwill	3 073	911
4. (Profit) loss on differences in exchange rate	1 917	(30 953)
5. Interests and share stakes in profits (dividends)	17 376	20 857
6. (Profit) loss on investment activity	(43 973)	3 128
7. Change in reserves	(36 430)	17 746
8. Change in inventories	(44 436)	(1 860)
9. Change in liabilities	21 541	17 334
10. Change in short-term liabilities, except for loans and credits	45 555	(11 090)

11. Change in inter-period settlements	(3 408)	(10 282)
12. Other corrections	(117)	-
	-35 571	8 479
III. Cash flow on operating activity (I+/-II)	61 435	50 899
B. Cash flow on investment activity		
I. Incomes		
1. Disposal of intangible and legal assets and tangible fixed assets	33	637
2. Disposal of investments in real estate property and intangible and legal assets	251 436	-
3. From financial assets	3 262	15 714
4. Other investment incomes	-	-
	254 731	16 351
II. Expenses		
1. Purchase of intangible and legal assets and tangible fixed assets	(4 336)	(703)
2. Investments in real estate and intangible and legal assets	(52 670)	(126 026)
3. For financial assets	-	-
4. Dividend and other share stakes paid to minority	-	-
5. Other investment incomes	(323)	-
	(57 329)	(126 729)
III. Net cash flow on investment activity (I-II)	197 402	(110 378)
C. Cash flow on financial activity		
I. Incomes		
1. Net income from issuing share and other capital instruments and additional capital contributions	-	-
2. Credits and loans	133 089	236 788
3. Issue of debt securities	58 280	188 029
4. Other financial incomes	-	-
	191 369	424 817
II. Expenses		
1. Purchase of ownership shares	-	-
2. Dividends and other payments towards owners	-	-
3. Other than payments towards owners expenditures due to distribution of profit	-	-
4. Repayment of credits and loans	(175 850)	(152 973)
5. Redemption of debt securities	(60 000)	(168 800)
6. Due to other financial liabilities	-	-
7. Payments for financial leasing contracts	(243)	(243)
8. Interests	(28 558)	(28 165)
9. Other financial expenditures	-	-
	(264 651)	(350 181)
II. Net cash flow on financial activity (I-II)	(73 282)	74 636
D. Net cash flow total (A.III+/-B.III+/-C.III)	185 555	15 157
E. Balance change of cash including:	185 555	15 157
F. Cash at the beginning of the period	73 610	48 375
G. Cash at the end of the period (F+/-D) including	259 165	63 532
- restricted cash	-	-

5. Additional information to condensed, consolidated report.

5.1 Basic information

Echo Investment S.A. ('Company) functioning before as 'Echo Press' Sp.z.o.o. was registered in Kielce on 23 July 1992.

The office of the company is in Kielce Zagnanska 27 Street.

The basic Echo Investment S.A. activity is centred around construction of buildings to lease and for sale.

Capital Group operates all over Poland.

This statement covers 6 months ended by 30 June 2005 with enclosed comparable data from period ended by 30 June 2004. The financial statement was drawn in thousands of PLN.

Dominating entity shares- Echo Investment S.A- are quoted on Polish Stock Exchange.

5.2 Rules accepted for drawing up quarterly reports.

Consolidated Echo Investment S.A. financial report for two quarters of 2005 was drawn up in accordance with International Accounting Standards. While drawing up directives IAS no.1 and IAS no.34 were used. Assets and liabilities valuation as well as financial balance were accepted as at balance day.

Dominating entity Management Board used its profound knowledge with respect to implementation and interpretation of standards as well as valuation method of separate standings in condense, consolidated financial statement for the first quarter of 2005. Drawing up the financial statements in accordance with IAS entails the Board to make certain estimations and assumptions which will be reflected in this statements. Actual results may differ from those ratings. Presented financial data was not checked by the auditor.

Basic rules for assets and liabilities valuation and for presenting financial balance.

-Intangible and legal assets are valued according to purchase price, in balance amounts are diminished by amortization and deduction due to permanent loss in value

- Subsidiaries value results from difference between the purchase price and fair value of identified assets and liabilities of dependent, co-dependent and associated entities. The difference is accounted on purchase day. Company is checked at least once a year with respect to loss in value.
- Record of fixed assets is kept according to purchase price. They are entered in joint accounts according to fixed Assets Classification groups and detailed record of fixed assets is kept. Fixed assets are depreciated by linear method by means of tax rates. Fixed assets of purchase price up to 3,500 zloty are depreciated once in total purchase price on purchase day. Regarding fixed assets that lost economic usefulness, unplanned depreciation charges are made. Fixed assets include: real estate property owned by the company (used for administrative purpose), machines and devices, means of transport and other objects that can be used longer than for a year, especially furniture, telephones, mobile phones, electronic equipment (computers, TV sets, radios, videos) regardless of price. In financial report net value is given, that is in index value diminished by depreciation charges and loss in value.
- Fixed assets under construction are valued according to purchase price and manufacturing¹ costs. Expenses connected with unfinished investment are qualified here. Including plot purchase, investment expenses on building realization (external service) as well as adequate financial expenses.
- Real estate investment comprise those investments which are treated as a means of income as well as those maintained with a view to future rise in value. Real estate is valued in fair value. The difference resulting from changing fair value is presented in results account for the given period.
- Shares in other entities and other investments treated as fixed assets are valued according to purchase price diminished by deduction due to loss in value.
- Granted loans are shown according to depreciated purchase price determined by efficient rate of interest method.
- Reserves include: half-finished products and products under realization, ready products and delivery advance. Reserves on tangible elements of current assets are valued according values equaling plot purchase price and production costs on development activity increased by used financial costs, but not higher than anticipated net sale price. Reserves regarding long-term building contracts are valued in accordance with IAS directives no.11 'Building Contracts'
- Liabilities listed in balance sheet in amount requiring payment with due caution. Updated liabilities deductions are created in accordance with the following criteria:
 - Regarding over year due liabilities in full liability value
 - regarding over half a year but not more than a year due liabilities by 50% of liability value.

In separate, justified cases individual updating deductions calculating method can be used.

Liabilities also include discount on short and long-term debt securities till they are accounted for in next settlement period, calculated, unmatured interest on investment valued in amount requiring payment.

- Short-term investments are valued according to purchase price with value loss accounted for. Cash and other financial assets include such assets as country means of payment, foreign currency, exchange and other financial assets especially credit interest if they are required within three months since statement. Cash flow statement includes the same definition of financial means.
- Due to deferred income tax such standings are created: deferred income tax assets and income tax reserve. Those standings are valued according to justified, appraised value. To calculate reserve interest rate for the next settlement period will be used. Deferred income tax asset due to tax loss is created if settlement of this loss in next years is possible.
- In accordance with accepted method, no retirement gratuity reserves are created. Potential reserves wouldn't significantly influence presented financial statement. In case of appearance they will be entered by cash receipt principle.
- Stock capital and reserve capital are valued according to face value.
- Amount of company social benefit fund is prepared on the basis of company social; benefits fund act (Dz.U. from 1994 no.43, position 163 with later changes) and in balance sheet it is presented in face value in the amount to be used in the next period.
- Reserves are only created when previous years liabilities rest on the company and it may cause necessary outflow of economic value and accurate assessment of the liability can be made. Reserves are especially created on costs, which were not yet incurred but fall on current period that is : cost of investment projects, bonuses, monetary equivalent for outstanding leave and costs of audit as well as anticipated losses in future periods.
- Liabilities are listed in the balance in the amount required for payment. Especially liabilities entered by memorial method, unmatured interests on bank credits. Delivery advances standing includes both invoiced (for houses) and not invoiced advances.
- Interperiod income and cost settlements are given in face value.
- Foreign currency on balance day are calculated according to average NBP exchange rate on balance day.
- Financial result is determined from profit and loss account by principles of memorial and commensurate, realization and caution, diminished by gross profit from income tax, reserve deduction on temporary difference due to income tax and other financial result. Financial result is determined by calculating method.
- a) Regarding long-term contracts, financial result is influenced by estimated income based on the stage of investment development on balance day. Investment development stage is determined as a share in incurred costs on balance day in total, estimated cost. Proportionately to estimated incomes, current period incomes are determined. Cost on production sale based on building contracts realization is indicated adequately to advancement in investment realization.
- b) Manufacturing costs on sold products comprise incurred costs within current year and entered by costs and incomes commensurate method, which were not yet incurred.
- c) Sale cost is valued on the level of manufacturing costs depending on projects by one or the other method:
 - profitability level resulting from sale contract or average (calculated) profitability level accepted by the Company
 - percentage share; e.g. of sold plot, sold shares, etc., (in average prices). Prime cost of sold apartments or land is calculated proportionately to sold share in ground. In separate justified cases accurate identification of real costs of sold assets elements is acceptable.
- d) Costs also include:
 - regarding other product and service sale- invoiced and due to company incomes as well as commensurate costs,
 - incurred sale and general administrative costs entered by costs and incomes commensurability principle, costs which were not yet incurred,
 - profit, loss on securities sale,
 - due financial incomes
 - incurred and entered costs regarding current period, except for activated costs in accordance with IAS no.23 'External financing costs' as an alternative solution. The company activates this part of financial costs which

directly links to purchasing or manufacturing assets elements presented as reserves and undertaken investments. Activated costs amount consists of interests, discounts and commission diminished by incomes on financial means deposited at a bank (interest on bank investments except for investments resulting from blocking accounts and letter of credit contracts) . Calculated are: company general administrative structure expenses, advances, given loans, expenses on tangible financial investments, intangible and legal assets, not activated reserves and expenses diminished by income on advance on activated building projects. Amount of activated financial expenses is calculated in proportion to the last position. It is divided into separate reserve projects according to expenses structure diminished by advance

- realized extraordinary incomes and made extraordinary losses including only those standings not present in casual economic activity.

-Cash flow statement is prepared by indirect method

5.3. Result of changes in accounting policy (previous periods financial statements transformations) with description.

Comparable Capital Group financial statements were transformed in accordance with IAS no.1.

Comparable financial statements were mostly influenced by assessing real estate according to fair value in accordance with IAS no.40. Capital Group valued its real estate property on available historical valuations prepared by independent experts (mostly on crediting banks requirement). Consequently Capital Group equity increased by 349,884 thousand zloty by the end of 2004.

As a result of changing market terms (change in rate of discount) real estate properties can be valued again, which may influence future results of the Capital Group.

Data for two quarters of 2004

➤ Financial result

by PSR 15.396 thousand PLN

by MSR (IAS) 42.412 thousand PLN

difference 27.016 thousand PLN, including:

6.528 - Difference on real estate valuation (fair value)

27.941 - Withdrawing revaluation of financial instrument embedded in lease contract

(1.146) - Revaluation of currency liabilities

(6.331) - Deferred income tax on the above mentioned position

24 - Deferred income tax on depreciation of Bemowo apartments

Undistributed result from previous years

by PSR (5.656) thousand PLN

by MSR 349.980 thousand PLN

difference 355.636 thousand PLN, including:

497.072 – difference on real estate valuation (fair value)

(53.610) – Withdrawing revaluation of financial instrument embedded in lease contract

(657) – Revaluation of currency liabilities

(84.133) – differed income tax on the above mentioned position

(3.036) – differed income tax on Bemowo apartments investment tax credit.

-Ownership capital ascribed to dominant entity shareholders:

by PSR 355.345 thousand PLN

by MSR 737.997 thousand PLN

difference 382.652 thousand PLN, including:

355.636 - Undistributed profit from previous years

27.016 - Net result in current year

- Tangible fixed assets:
 - by PSR 1.050.928 thousand PLN
 - by MSR 171.637 thousand PLN
 - difference (879.291) thousand PLN - withdrawing fixed assets assigned to lease
- Real estate investments
 - by PSR 0 thousand PLN
 - by MSR 1.380.974 thousand PLN
 - difference 1.380.974 thousand PLN- Indicating fixes assets assigned to lease (fair value)
- Other long-term investments
 - by PSR 36.249 thousand PLN
 - by MSR 0 thousand PLN
 - difference (36.249) thousand PLN - Withdrawing revaluation of financial instrument embedded in lease contract
- Deferred income tax assets
 - by PSR 11.231 thousand PLN
 - by MSR 16.451 thousand PLN
 - difference 4.877 thousand PLN - Occurrence of temporary differences in income tax
- Income tax reserve
 - by PSR 10.661 thousand PLN
 - by MSR 109.357 thousand PLN
 - difference 98.696 thousand PLN - Occurrence of temporary differences in income tax
- Long-term liabilities
 - by PSR 798.182 thousand PLN
 - by MSR 799.985 thousand PLN
 - difference (1.803) thousand PLN- Revaluation of currency liabilities
- Other long-term liabilities
 - by PSR 67.705 thousand PLN
 - by MSR 57.125 thousand PLN
 - difference (10.580) thousand PLN - Withdrawing revaluation of financial instrument embedded in lease contract
- Interperiod expenses settlements, short-term
 - by PSR 29.219 thousand PLN
 - by MSR 27.302 thousand PLN
 - difference (1.917) thousand PLN - Withdrawing reserve on .renovation of fixed assets assigned to lease

Data for 2004:

Financial result:

by PSR 34.686 thousand PLN

by MSR 27.436 thousand PLN

difference (7.250) thousand PLN, including:

(114.689) - Difference on real estate valuation (fair value)

106.871 - Withdrawing revaluation of financial instrument embedded in lease contract

(1.192) - Revaluation of currency liabilities

1.712 - differed income tax on the above mentioned position

48 - differed income tax on Bemowo apartments investment tax credit.

Undistributed profit from previous years:

by PSR 4.745 thousand PLN

by MSR 360.381 thousand PLN

difference 355.636 thousand PLN, including:

497.072 - Difference on real estate valuation (fair value)

- (53.610) - Withdrawing revaluation of financial instrument embedded in lease contract
- (657) - Revaluation of currency liabilities
- (84.133) - differed income tax on the above mentioned position
- (3.036) - differed income tax on Bemowo apartments investment tax credit.

➤ Ownership capital ascribed to dominant entity shareholders:

by PSR 374.770 thousand PLN

by MSR 723.156 thousand PLN

difference 348.386 thousand PLN, including:

355.636 - Undistributed result from previous years

(7.250) - Net result in current year

➤ Real estate investments:

by PSR 928.223 thousand PLN

by MSR 1.310.606 thousand PLN

difference 382.383 thousand PLN- Difference on real estate valuation (fair value)

➤ Other long-term investments

by PSR 5.174 thousand PLN

by MSR 0 thousand PLN

difference (5.174) thousand PLN - Withdrawing revaluation of financial instrument embedded in lease contract

➤ Deferred income tax reserve

by PSR 27.126 thousand PLN

by MSR 112.535 thousand PLN

difference 85.761 thousand PLN - Occurrence of temporary differences in income tax

➤ Long-term financial liabilities

by PSR 747.812 thousand PLN

by MSR 691.225 thousand PLN

difference (56.587) thousand PLN, including:

1.849 - Undistributed profit from previous years

(58.436) - Withdrawing revaluation of financial instrument embedded in lease contract

5.4 Composition of Echo Investment S.A. Capital Group

The core of Capital Group is formed by Echo Investment S.A., which as the owner of Group's subsidiaries supervises, participates in realization and provides financial means for carried out development projects. Companies comprising the Group were either set up or purchased in order to realize selected investment tasks and do not run economic activity other than that resulting from accomplishment of a particular building site, then provides lease service of accomplished property or other service.

49 subsidiaries comprise Echo Investment S.A. Capital Group; they are dependent or co-dependent, consolidated under full method. Four of them are accounted for under the equity method.

Entities consolidated under full method

- 'Athina Park'- Sp.z.o.o. with office in Kielce
- 'Bioelektrownia Hydropol -4'- Sp.z.o.o. with office in Kielce
- Shopping Centre PHS- stock capital with office in Szczecin
- 'Echo Bau'- Sp.z.o.o. with office in Kielce
- 'Echo- Banking and Finance Centre Lodz'- Sp.z.o.o. with office in Kielce
- 'Echo- Lodz Business Centre' Sp.z.o.o. with office in Kielce
- 'Echo ACC- Sp.z.o.o. with office in Kielce
- Echo Centre Slichowice' Sp.z.o.o. with office in Kielce

- 'Echo Investment- Gdynia Centre' Sp.z.o.o. with office in Kielce
- Echo Investment- Shopping Centre Belchatow- Sp.z.o.o. with office in Kielce
- Echo Investment- Shopping Centre Jelenia Gora- Sp.z.o.o. with office in Kielce
- Echo Investment- Shopping Centre Lomza - Sp.z.o.o. with office in Kielce
- Echo Investment- Shopping Centre Olkusz- Sp.z.o.o. with office in Kielce
- Echo Investment- Shopping Centre Pabianice- Sp.z.o.o. with office in Kielce
- Echo Investment- Shopping Centre Pila- Sp.z.o.o. with office in Kielce
- Echo Investment- Shopping Centre Piotrkow Trybunalski- Sp.z.o.o. with office in Kielce
- Echo Investment- Shopping Centre Przemysl- Sp.z.o.o. with office in Kielce
- Echo Investment- Shopping Centre Radom- Sp.z.o.o. with office in Kielce
- Echo Investment – Shopping Centre Rzeszow Sp.z.o.o. with office in Kielce
- Echo Investment- Shopping Centre Siemianowice Slaskie- Sp.z.o.o. with office in Kielce
- Echo Investment- Shopping Centre Swietochlowice- Sp.z.o.o. with office in Kielce
- Echo Investment- Shopping Centre Tarnow- Sp.z.o.o. with office in Kielce
- Echo Investment- Shopping Centre Tczew- Sp.z.o.o. with office in Kielce
- Echo Investment- Shopping Centre Zamosc- Sp.z.o.o. with office in Kielce
- Echo Investment Shopping-Service-Entertainment Centre Gliwice- Sp.z.o.o. with office in Kielce
- Echo Investment Shopping-Entertainment Centre Kielce- Sp.z.o.o. with office in Kielce
- Echo Investment Shopping-Entertainment Centre Szczecin- Sp.z.o.o. with office in Kielce
- 'Est-On Property Management Sp.z.o.o. with office in Kielce
- 'Hotel Investment Sp.z.o.o. with office in Kielce
- Kielce Echo Shopping –Entertainment Centre- Sp.z.o.o. with office in Kielce
- 'Malta Office Park' Sp.z.o.o. with office in Kielce
- 'MDP' Sp.z.o.o. with office in Kielce
- 'Piomot Auto' Sp.z.o.o. with office in Kielce
- 'Princess Boryszewska' Sp.z.o.o. with office in Kielce
- 'Princess Investment' Sp.z.o.o. with office in Kielce
- 'Project Echo' Sp.z.o.o with office in Warsaw
- 'Projekt- Echo 17' Sp.z.o.o. with office in Kielce
- 'Projekt- Echo 30' Sp.z.o.o. with office in Kielce
- 'Projekt- Echo 32' Sp.z.o.o. with office in Kielce
- 'Projekt- Echo 33' Sp.z.o.o. with office in Kielce
- 'Projekt- Echo 34' Sp.z.o.o. with office in Kielce
- 'Projekt- Echo 36' Sp.z.o.o. with office in Kielce
- 'Projekt- Echo 37' Sp.z.o.o. with office in Kielce
- 'Projekt- Echo 39' Sp.z.o.o. with office in Kielce
- 'Projekt- Echo Naramowice' Sp.z.o.o. with office in Kielce
- 'Projekt- Echo S' Sp.z.o.o. with office in Kielce
- 'WAN- 11' Sp.z.o.o. with office in Warsaw
- 'Wygladow' Sp.z.o.o. with office in Kielce
- 'Zaklady Ogrodnicze Naramowice' Sp.z.o.o. with office in Poznan.

Entities accounted for under equity method

- 'SPC- stock company with office in Warsaw
- 'W.A. Hotels' Sp.z.o.o. with office in Warsaw
- 'WAN Invest' Sp.z.o.o. with office in Warsaw
- 'Projekt Echo- 23' Sp.z.o.o. with office in Kielce

All consolidated companies are dependent, co-dependent or associate . Dominating company holds directly or indirectly 100% of primary capital in all entities accounted for under full method. In co-dependent entities the dominating company holds respectively:

- 'WAN 11' Sp.z.o.o. - 50% of primary capital and 50% of votes at general meeting

- 'Projekt S' Sp.z.o.o. - 56% of primary capital and 56% of votes at general meeting

Capital connections within Capital Group concern:

- a) - 'Piomot auto' Sp.z.o.o. which holds 15,88% of 'Echo - Piotrkow Trybunalski centre' Sp.z.o.o.
- b) 'Zakłady Ogrodnicze Naramowice' Sp.z.o.o. which holds 99,8% of 'Projekt Naramowice Sp.z.o.o. primary capital
- c) 'Echo Investment- Kielce Shopping-Entertainment Centre' Sp.z.o.o. which holds 99,9% of 'Kielce Echo Shopping-Entertainment Centre' Sp.z.o.o. primary capital
- d) 'Projekt- Echo 17' Sp.z.o.o., which holds corresponding share in primary capital of the following companies
 - 1,00% of 'Wyględow' Sp.z.o.o.' capital
 - 1,00% of 'Projekt Echo 36' Sp.z.o.o capital
 - 1,00% of 'Projekt Echo 37' Sp.z.o.o capital
 - 1,00% of 'Projekt Echo 39' Sp.z.o.o capital
 - 1,00% of 'Projekt 3' Sp.z.o.o. capital
 - 1,00% of 'Echo ACC' Sp.z.o.o. capital
 - 1,00% of Projekt Echo 30' Sp.z.o.o capital
 - 1,00% of Projekt Echo 32' Sp.z.o.o capital
 - 1,00% of 'Echo- Grunwaldzki Arcade' Sp.z.o.o.
 - 1,00% of Projekt Echo 34' Sp.z.o.o capital
 - 1,00% of 'Est-On Property Management' Sp.z.o.o.
 - 0,05% of 'Hotel Investment' Sp.z.o.o. capital
 - 0,03% of 'Malta Office Park' Sp.z.o.o. capital
 - 0,02% of 'Echo- Slichowice Centre' Sp.z.o.o. capital
 - 0,02% of 'Echo- Lodz Business Centre' Sp.z.o.o.
 - 0,02% of 'Projekt Naramowice' Sp.z.o.o. capital
 - 0,01% of 'Echo Investment- Shopping Centre Tczew' Sp.z.o.o. capital
 - 0,01% of 'Echo Investment- Shopping Centre Pila' Sp.z.o.o. capital
 - 0,01% of 'Echo Investment- Shopping Centre Zamosc' Sp.z.o.o. capital
 - 0,01% of 'Echo Investment- Shopping-Entertainment Centre Gliwice' Sp.z.o.o. capital
 - 0,009% of 'Echo Investment- Shopping Centre Siemianowice Slaskie' Sp.z.o.o. capital
 - 0,008% of 'Athina Park' Sp.z.o.o. capital
 - 0,007% of 'Echo Investment- Shopping Centre Lomza' Sp.z.o.o. capital
 - 0,006% of 'Echo Investment- Shopping Centre Belchatow' Sp.z.o.o. capital
 - 0,006% of 'Echo Investment- Shopping Centre Rzeszow' Sp.z.o.o. capital
 - 0,005% of 'Echo Investment- Shopping Centre Olkusz' Sp.z.o.o. capital
 - 0,005% of 'Echo Investment- Gdynia Centre' Sp.z.o.o. capital
 - 0,004% of 'Echo Investment- Shopping Centre Radom' Sp.z.o.o. capital
 - 0,004% of 'MDP' Sp.z.o.o. capital
 - 0,004% of 'Echo Investment- Shopping Centre Tarnow' Sp.z.o.o. capital
 - 0,002% of Echo Investment- Shopping- Entertainment Centre Kilece' Sp.z.o.o. capital
 - 0,001% Echo Investment- Shopping-Entertainment Centre Szczecin' Sp.z.o.o. capital

The rest of shares in the above mentioned companies is held by Echo Investment S.A.

5.5 Explanation regarding seasonal and cyclical type of Issuer's activity in presented period.

Echo Investment S.A. Capital group activity covers many sectors of real estate market, that is why seasonal or cyclical nature of drawn incomes or results is irrelevant. Consolidated income on sale is accumulated to large extend from lease of commercial surface(shopping centres, offices) while it is supplemented by other types of activity: apartment sale, general investment contractor service, management and sale of real estate and others. Held assets portfolio assigned to lease, systematic accomplishment and sale of housing projects, supplemented by other type of activity give comparable incomes in every quarter of the year. The Management Board cannot exclude other, one-time occurrences, which may influence achieved in that period results.

5.6 Information regarding issue, redemption and repayment of debt and capital securities.

Current Capital Group activity apart from own means and credits is also financed through issuing debt financial instruments. At present the dominating entity Echo Investment S.A. holds active issue programmes of both long- (bonds, bills of exchange) and shortterm debt instrument (bonds). Detailed information about issues, redemption and repayment of those instruments is contained in inclosed cash flow statement.

5.7 Information regarding paid (or declared) dividend, total and per share with didvision into common and preference ones.

The dominating entity- Echo Investment S.A. neither paid dividends in previous years nor declared their payment soon.

5.8 Indicating events, which occurred after condensed, quarterly financial statement was drawn and were not included in that statement but could significantly influence future issuer's results.

The above-mentioned events did not occur.

5.9 Indicating results of changes in economic structure of the unit including economic units merge, taking over or sale of capital group entities, long-term investments, division, restructuring, abandoning the activity.

The above-mentioned events did not occur

5.10 Information regarding changes in secondary liabilities or secondary assets, which appeared since the end of last accounting year.

Detailed information about the above-mentioned subject is contained in financial statements in off-balance sheet liabilities standing. Selected financial data, containing basic standings of condensed consolidated financial statement (also converted in EURO).

5.11 Description of Issuer's successes of failures.

In the second quarter of 2005 activity of Capital Group entities was centred around continuation of basic activity in all sectors of real estate market:

Hotels

Accomplishment of a four-star Qubus hotel in Krakow (196 rooms, 12,000 sq.m. of commercial surface) was continued. At the same time a project of three-star hotel located in the centre of Kielce (90 rooms, 3,550 sq.m. of commercial surface) was prepared. Hotels in Kielce and Krakow are accomplished for Qubus Hotel, which owns a chain of three and four-star hotels in Poland. Echo Investment S.A. signed 25 year lease contract with the company.

Several last months was a period of upturn in the economic situation on the hotel market. Increasing tendency is clearly visible in one and two-star hotel sector, which bearing in mind Echo Investment S.A. experience gained while accomplishing over 1500 rooms in such objects for international operators, creates well prospects of development in this sector of commercial investments. In III and IV quarter of the year, the Company plans to hold talks with economy hotels operators in order to complete such objects all over Poland.

Offices

Accomplishment and commercialization of Athina Park office buildings (15,00 sq.m. of commercial surface) with underground car park was terminated. At the same period finishing and adaptation processes in an office building located in Warsaw in Postępu Street (25,000 sq.m. of commercial surface) were carried out. This object together with two-storey car park was leased as a whole.

In the second quarter of 2005 designing and preparing processes of a complex building in Poznan 'Malta Office Park' (25,000 commercial surface) were carried out.

At the same time recommercialization of both office buildings in Lodz, which offer over 17,000 sq.m. of high-standard, air-conditioned surface with an underground car park. Currently both buildings are leased in 100% but it does not mean that activities aiming at raising their standards were terminated. It is achieved through optimizing lease-holders structure and terms of lease.

Situation on office real estate market has been improving since Poland entered the European Union, which is linked to improvement in situation and dynamic development of many companies which in turn leads to increased demand for office surface, caused by stabilization of rent rates and decrease in the index of unleased surface.

Such good prospects concern not only Warsaw market but also local markets such as Lodz, Poznan, Krakow, Wroclaw, which is connected to considerable interest of international concerns in moving part of their activity to Poland that is called Business Offshoring Process.

Echo Investment S.A. is a beneficiary of such situation- Philips International Company chose Lodz as a seat of finance-accounting service for their branches in mid-Europe and is main lease-holder of an office building 'Orion' which belongs to Echo Investment S.A.

Shopping Centres

Intensive works over realization of shopping-entertainment centre in Wroclaw 'Grunwaldzki Arcade' (130,000 sq.m. of commercial surface) were carried out. At the beginning of May 2005 a contract was signed with Strabag Sp.z.o.o. for complete realization of a shell building of this project. Commercialization of this building also proceeded. Index of leased surface amounted to 31,5%. Such high lease-index was achieved 16 months before planned opening of the centre, which stresses exceptionally good market position of Grunwaldzki Arcade and its popularity among lease-holders. At the same time shopping centers in Kielce (22,000 sq.m.) and Lomza (18,000 sq.m.) were prepared for realization. In June 2005 a contract with Pergranso Sp.z.o.o. was signed for lease of commercial surface in prepared for realization shopping centre in Kielce, Slichowice real estate. On the basis of the contract in planned centre a food- industry hypermarket will be opened. Contract is valid for 30 years. Within next months the Company will concentrate on realization and commercialization of the above mentioned projects, as well as on the search for possibilities of further development in this sector of real estate market.

Flats

Building works on realization of housing investments were continued in Warsaw (Mondrian House, II stage of Inflancka housing Estate) Poznan (II stage of Small Naramowice Housing Estate) and Krakow ((House Under Pegasus).

The end of the second quarter of 2005 brought revival .of sale, especially on the Warsaw market, caused among others by increased interest in apartments of foreign investors.

Increased demand for flats and apartments can be observed and prospects for housing investments, especially in big cities are promising. Currently Company's projects are realized on such markets as:Warsaw, Krakow and Poznan. Echo Investment S.A. holds a diversified offer of houses for sale on these markets. In the future the Company plans to maintain current level of investment in this sector.

5.12 Factors and events, especially untypical ones, which considerably influenced financial result.

Financial results of two first quarters of the year were greatly influenced by the sale of seven shopping centres in Plock, Olkusz, Pila, Simianowice-Bytkow, Swietochowice, Tczew and Zamosc. All of them were developed by 'Echo' shopping centres buildings. Net value of the transaction amounted to 249,063 thousand PLN. Total index value of sold assets in accordance with published consolidated financial report after IV quarter of 2004 amounted to 147,444 thousand zloty.

Indirect purchaser is Meind European Ltd. commercial real estate investment fund. The sale of 7 shopping centres proves professional structure of our objects, their chief assets and possibilities of development. Initialized building site of Grunwaldzki Arcade in Wroclaw and soon to start shopping centres in Lomza and **Kielce, will perfectly** supplement commercial surface portfolio, raising standards and modernity of our offer.

From Echo Investment S.A. point of view the decision of selling 7 centres will positively influence further capital group's development. Type of our activity requires constant investments in new projects in various sectors of real estate market that is why Echo Investment S.A. Management Board plans to assign gathered financial means for currently accomplished as well as future investments.

5.13 Selected financial data

	In thousand PLN		In thousand EURO	
	2 quarters from 01.01.05 to 30.06.05r.	2 quarters from 01.01.04 to 30.06.04r.	2 quarters from 01.01.05 to 30.06.05r.	2 quarters from 01.01.04 to 30.06.04r.
I. Operating revenues	112 084	161 143	27 468	34 060
II. Profit prior to taxation including incomes/expenditures	149 966	51 909	36 752	10 972
III. Gross profit (loss)	120 392	54 492	29 504	11 518
IV. Net profit (loss)	96 984	42 412	23 768	8 965
V. Cash flow on operating activity	61 435	50 899	15 056	10 758
VI. Cash flow on investment activity	197 402	(110 378)	48 377	(23 330)
VII. Cash flow on financial activity	(73 282)	74 636	(17 959)	15 776
VIII. Net cash flow ,total	185 555	15 157	45 474	3 204
IX. Assets total	1 957 337	1 922 336	484 477	423 217
X. Equity	821 689	738 057	203 383	162 489
XI. Long-term liabilities	851 962	918 184	210 876	202 145
XII. Short-term liabilities	283 686	266 095	70 218	58 583
XIII. Number of shares	10 500 000	10 500 000	10 500 000	10 500 000
XIV. Profit (loss) per ordinary share (in zloty/EURO)	7,81	5,32	1,93	1,17
XV. Diluted profit (loss) per ordinary share (in zloty/EURO)	7,81	5,32	1,93	1,17

5.14 Indication of shareholders holding directly or indirectly at least 5% of the total number of votes at the general issuer's meeting on quarterly report reporting day with number of shares held by them, their percentage share in capital stock, resulting number of votes, percentage share in total number of shares at general meeting and indicating changes in Issuer's assets since previous quarterly report submission.

Shareholders who hold directly or indirectly through subordinates at least 5% of the total number of votes at the general Echo Investment S.A. meeting on 16 August 2005 were:

Shareholder	Share units [unit]	Echo Investment S.A. capital stock in %	Number of votes at Echo Investment S.A. GSM	% of total Echo Investment S.A. votes at GSM
Michał Sołowow (directly and indirectly)	3.964.134	37,75%	3.964.134	37,75%
OFE ING Nationale – Nederlanden Polska	1.040.000	9,90%	1.040.000	9,90%
Artur Kłoczko	766.069	7,30%	766.069	7,30%
Commercial Union PTE	600.000	5,71%	600.000	5,71%
OFE PZU Złota Jesień PTE	544.125	5,18%	544.125	5,18%

In correspondence to recently given information about important shareholders contained in previous quarterly report following changes occurred:

W dniu 22 czerwca 2005 roku Spółka otrzymała od Otwartego Funduszu Emerytalnego PZU „Złota Jesień” Powszechne Towarzystwo Emerytalne PZU S.A. z siedzibą w Warszawie zawiadomienie o stanie posiadania akcji Emitenta. Otwarty Fundusz Emerytalny PZU „Złota Jesień” Powszechne Towarzystwo Emerytalne PZU S.A. informuje, iż posiadał na dzień 17 czerwca 2005 roku 544.125 akcji Echo Investment S.A., stanowiących 5,18% kapitału akcyjnego oraz dających 544.125 głosów na WZA, stanowiących 5,18% w ogólnej liczbie głosów na WZA Echo Investment S.A.

Commercial Union PTE zarejestrował na Walnym Zgromadzeniu Akcjonariuszy Echo Investment S.A. w dniu 14 czerwca 2005 roku 600.000 akcji.

5.15 Statement of changes in Issuer's equity or entitlement to them (options) by managing or supervising bodies, in accordance with held by the issuer information since previous quarterly report submission day.

According to held by issuer information there were no changes in Issuer's equity or entitlement to them by managing or supervising bodies since previous quarterly report submission day.

Issuer's equity or entitlement to them (options) by managing or supervising bodies as at 16 May (August?) 2005 are presented in the chart below:

Management Board	As at 16 May 2005	As at 16 August 2005
Andrzej Majcher - President of the Management Board	197.520 shares	197.520 shares
Jarosław Grodzki - Vice-President of the Management Board	no shares	no shares
Piotr Gromniak - Member of the Management Board	no shares	no shares
Artur Langner - Member of the Management Board	no shares	no shares
Osoby Nadzorujące		
Wojciech Ciesielski - President of the Supervisory Board	36 000 shares	36 000 shares
Mariusz Waniółka - Vice-President of the Supervisory Board	no shares	no shares
Mariusz Gromek - Member of the Supervisory Board	no shares	no shares
Artur Kłoczko - Member of the Supervisory Board	766 069 shares	766 069 shares
Robert Oskard - Member of the Supervisory Board	no shares	no shares
Karol Żbikowski - Member of the Supervisory Board	no shares	no shares

5.16 Information about legal proceedings.

Since 1 January 2005 till 30 June 2005 there were no legal or public administration proceedings regarding Echo Investment S.A. Capital Group as well as subsidiaries liabilities or receivables, which comprised at least 10% of Echo Investment S.A. Capital Group equity.

5.17 Management Board position regarding possible implementation of previously published anticipated this year's results as presented in quarterly report with respect to anticipated results.

Echo Investment S.A. Management Board did not publish any financial forecasts either towards dominating entity or the capital group.

5.18 Information about subsidiaries transactions

Since 1 January 2005 till 30 June 2005 neither Echo Investment S.A. nor any subsidiary concluded any transaction that would be untypical or diverging from market terms comprising at least 10% of Echo Investment S.A. Capital Group equity.

5.19 Information about given guarantees.

Since 1 January 2005 till 30 June 2005 Echo Investment S.A. Capital Group neither gave a credit or loan guarantee nor any other guarantee comprising at least 10% of Echo Investment S.A. Capital Group.

5.20 Indication of factors which will influence results within the next quarter of the year.

Within the next quarter of the year Echo Investment S.A. Capital Group results will be influenced by: systematic lease income, lease and sale of currently accomplished commercial and housing investments. Situation on the financial market as well general economic situation in Poland are also important.

6. Quarter of a year unit financial statement in thousand PLN prepared on day for the period of six months ended on 30 June 2005.

Condensed balance sheet statement	As at 30.06.2005	As at 31.12.2004
Assets		
1. Fixed assets		
1.1. Intangible and legal assets	38	65
1.2. Tangible fixed assets	49 761	46 593
1.3. Long-term receivables	2 785	2 601
1.4. Real estate investments	13 955	53 686
1.5. Long-term financial assets	232 253	247 177
1.6. Assets due to deferred income tax	9 043	5 660
	307 835	355 782
2. Current assets		
2.1. Inventories	256 842	214 146
2.2. Short-term receivables, including	112 837	122 812
2.2.1. on taxes	3 896	702
2.3. Short-term financial assets, including:	141 375	109 304
2.3.1. loans to associate entities	48 611	95 551
2.3.2. cash and other financial assets	92 294	13 304
	511 054	446 262
Assets total	818 889	802 044
Liabilities		
1. Equity		
1.1. Capital stock	21 000	21 000
1.2. Reserve capital	288 690	281 147
1.3. Undistributed profit from previous years	5 121	8 204
1.4. Net profit in current year	7 255	4 461
	322 066	314 812
2. Liabilities		
2.1. Long-term liabilities		
2.1.1. Reserve due to deferred income tax	14 336	15 511
2.1.2. Long-term liabilities, including:	267 252	233 582
2.1.2.1. financial liabilities, including	267 252	233 582
2.1.2.1.1. from associate entities	110 752	122 082
	281 588	249 093
2.2. Short-term liabilities		
2.2.1. Short-term reserves	8 154	7 743
2.2.2. Short-term liabilities, including:	207 081	230 396
2.2.2.1. financial liabilities, including:	84 714	128 713
2.2.2.1.1. from associate entities	4 704	4 616
2.2.2.2. liabilities due to taxes	-	-
	215 235	238 139
Liabilities total	818 889	802 044

Off-balance sheet liabilities	As at 30 June 2005	As at 31 December 2004
Secondary payables	-	
Secondary liabilities	81 715	32 962
Other	3 502	3 736
Off-balance sheet standings total	85 217	36 698

Condensed profit and loss statement	Period of three months ended on 30 June 2005	Period of six months ended on 30 June 2005	Period of three months ended on 30 June 2004	Period of six months ended on 30 June 2004
Operating revenues	21 569	43 822	99 919	151 673
Operating expenses	(14 870)	(26 780)	(77 795)	(120 282)
Gross profit on sale	6 699	17 042	22 124	31 391
Profit on sale of real estate investments	234	29 654	(92)	(92)
Selling expenses	(1 832)	(3 584)	(1 827)	(3 406)
General administrative expenses	(2 436)	(5 266)	(3 532)	(6 454)
Change in fair value	(1 354)	(1 354)	(2 144)	(64)
Other incomes / operating costs	(74)	(14 263)	(7 086)	(8 388)
Profit on operating activity	1 237	22 229	7 443	12 987
Financial incomes	18 304	19 665	1 792	7 458
Financial expenditures	(26 239)	(31 799)	(8 530)	(14 163)
Including from differences in exchange rate	(783)	(1 341)	74	25
Gross profit	(6 698)	10 095	705	6 282
Income tax	3 153	(2 840)	(159)	(1 238)
Net profit	(3 545)	7 255	546	5 044
Net profit (annualized)		9 754		5 036
Average weighed number of ordinary shares		10 500 000		10 500 000
Profit per one ordinary share (in zloty)		0,93		0,48
Average diluted weighed number of ordinary shares		10 500 000		10 500 000
Diluted profit per one ordinary share (in zloty)		0,93		0,48

Statement of changes in equity	Capital stock	Reserve capital	Profit from previous years	Net profit in the period	Capital total
As at 1 January 2004	21 000	270 355	10 792	-	302 147
Changes in accepted accounting policy	-	-	8 204	-	8 204
As at 1 January 2004 in relation to comparable data	21 000	270 355	18 996	-	310 351
Changes in the period					
Distribution of profit:		10 792	(10 792)		-
Net result in the period				5 044	5 044
Changes total	-	10 792	(10 792)	5 044	5 044
As at 30 June 2004	21 000	281 147	8 204	5 044	315 395
As at 1 January 2005	21 000	281 147	7 543	0	309 690
Changes in accepted accounting policy	0	0	5 121	0	5 121
As at 1 January 2004 in relation to comparable data	21 000	281 147	12 664	0	314 811
Changes in the period					
Distribution of profit		7 543	-7 543		0
Net result in the period				7 255	7 255
Changes total	0	7 543	-7 543	7 255	7 255
As at 30 June 2005	21 000	288 690	5 121	7 255	322 066

Condensed cash flow statement	Period of six months ended on 30 June 2005	Period of six months ended on 30 June 2004
Cash flow on operating activity- direct method		
I. Net profit (loss)	7 255	5 044
II. Corrections:		
1. Udział w (zyskach) stratach netto jednostek podporządkowanych wycenianych metodą praw własności	-	-
2. Depreciation	1 201	1 685
3. (Profit) loss due to exchange rate differences	-	-
4. Interests and participation in profits (dividends)	(3 084)	5 307
5. Current income tax in profit and loss statement	7 397	748
6. Paid income tax	(9 695)	1 336
7. (Profit) loss on investment activity	(10 221)	(3 112)
8. Change in reserves	(764)	5 757
9. Change in inventories	(42 988)	(7 283)
10. Change in liabilities	12 423	9 455
11. Change in short-term liabilities except for credits and loans	37 155	(32 720)
12. Change in interperiod settlements	(2 058)	2 087
13. Other corrections	(4)	40 069
Net cash flow on operating activity	(3 383)	23 329

Cash flow on investment activity**I. Incomes**

1. Disposal of intangible and legal assets and tangible fixed assets	19	463
2. . Disposal of investments in real estate property and intangible and legal assets	68 690	-
3. from financial assets	64 543	93 244
4. Other investment incomes	-	-
	133 252	93 707

II. Expenditures

1. Purchase of intangible and legal assets and tangible fixed assets	(4 336)	(1 628)
2. . Investments in real estate and intangible and legal assets	(339)	-
3. On financial assets	(4 114)	(121 223)
4. Other financial expenditures	(323)	-
	(9 112)	(122 851)

Net cash flow on investment activity	124 140	(29 144)
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Cash flow on financial activity**I. Incomes**

1. . Net income from issuing share and other capital instruments and additional capital contributions	-	-
2. Credits and loans	-	1 524
3. Issue of debt securities	58 280	249 116
4. Other financial incomes	-	-
	58 280	250 640

II. Expenditures

1. Purchase of ownership shares	-	-
2. Dividends and other payments towards owners	-	-
3. Other than payments towards owners, expenditures due to distribution of profits	-	-
4. Repayment of credits and loans	(26 476)	(65 556)
5. Redemption of debt securities	(60 000)	(168 800)
6. Interests	(13 571)	(9 118)
	(100 047)	(243 474)

Net cash flow on financial activity	(41 767)	7 166
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Net cash flow total	78 990	6 395
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Balance change of cash, including:	78 990	6 395
- change in cash due to exchange rate differences	(1 360)	-

Cash at the beginning of the period	13 304	3 422
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Cash at the end of the period, including:	92 294	9 817
- restricted cash	-	-

Signatures:**Management Board:**

Andrzej Majcher President of the Board

Jarosław Grodzki Vice-President of the Board

Piotr Gromniak Member of the Board

Artur Langnar Member of the board

General ledger:

Tomasz Sułek Chief Book-keeper