

ECM REAL ESTATE INVESTMENTS A.G.
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009

To the Board of Directors
ECM REAL ESTATE INVESTMENTS AG
9, rue de Laboratoire
L -1911 Luxembourg

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of ECM REAL ESTATE INVESTMENTS AG at 30 June, 2009, and the related condensed consolidated interim statements of comprehensive income and cash flows for the period then ended. The Board of Directors is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.


Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Deloitte S.A.
Réviseur d'entreprises



Nick Tabone
Partner

21 August, 2009

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2009**

Name of the Company: ECM REAL ESTATE INVESTMENTS A.G.

Registered Office: 9, rue du Laboratoire, L – 1911 Luxembourg

Components of the Condensed Consolidated Interim Financial Statements:

Condensed Consolidated Interim Statement of Comprehensive Income

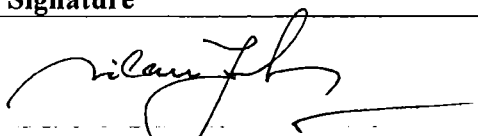
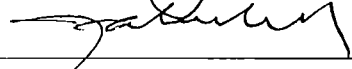
Condensed Consolidated Interim Statement of Financial Position

Condensed Consolidated Interim Statement of Changes in Equity

Condensed Consolidated Interim Statement of Cash Flows

Notes to the Condensed Consolidated Interim Financial Statements

**These condensed consolidated interim financial statements were prepared on
21 August 2009.**

Statutory body of the reporting entity:	Signature
Milan Janků, Chairman of the Board of Directors	
Antonín Jakubše Member of the Board of Directors	

ECM REAL ESTATE INVESTMENTS A.G.
Condensed consolidated interim statement of comprehensive income
For the six-months period ended 30 June 2009

In thousands of €

	Note	30 June 2009 (6 months)	30 June 2008 (6 months) restated
Gross rental income	5.3	6,420	4,744
Service income	5.3	11,499	9,692
Service charge income		1,517	1,541
Service charge expenses		(2,728)	(1,969)
Property operating expenses		(9,509)	(9,412)
Net rental and related income		7,199	4,596
Valuation gains on investment property	5.4.1	15,546	14,821
Valuation losses on investment property	5.4.2	(16,522)	(11,161)
Net valuation (loss) / gain on investment property	5.4	(976)	3,660
Proceeds from the sale of investment property	5.5	3,044	1,402
Carrying value of investment property sold	5.5	(3,431)	(1,384)
(Loss) / Gain on the disposal of investment property	5.5	(387)	18
Proceeds from the sale of financial investments in subsidiaries and associates	5.6	8,404	--
Carrying value of sold financial investments in subsidiaries and associates	5.6	(9,768)	--
(Loss) / Gain on the disposal of financial investments	5.6	(1,364)	--
Proceeds from the sale of trading property – inventory and related accounts	5.7	3,114	--
Carrying value of sold trading property – inventory and related accounts	5.7	(2,297)	--
Gain / (Loss) on the disposal of trading property	5.7	817	--
Personnel expenses	5.8	(1,502)	(1,442)
Administrative expenses	5.9	(4,532)	(6,225)
Impairment of trading property	5.10.1	(4,527)	(360)
Impairment of property, plant and equipment	5.10.2	--	(1,352)
Other income		2,651	876
Other expenses	5.11	(5,510)	(3,736)
Net other (expense)		(7,386)	(4,572)
Net operating (loss) before net financial (expense)		(8,131)	(3,965)
Interest income	5.12	657	1,010
Interest expenses	5.12	(12,241)	(12,335)
Net other financial (expense)	5.13	(308)	(9,649)
Net financial (expense)		(11,892)	(20,974)
Share of the (loss) / profit of associates and joint venture		(2,548)	26
(Loss) before tax		(22,571)	(24,913)
Current tax expense		--	--
Deferred tax income	5.14	4,005	4,988
Income tax income	5.14	4,005	4,988
(Loss) for the period		(18,566)	(19,925)

ECM REAL ESTATE INVESTMENTS A.G.

Condensed consolidated interim statement of comprehensive income

For the six-months period ended 30 June 2009

In thousands of €

	Note	30 June 2009 (6 months)	30 June 2008 (6 months) restated
Other comprehensive income			
Foreign currency translation differences for foreign operations		2,316	18,543
Other comprehensive income for the period, net of income tax		2,316	18,543
Total comprehensive income for the period		(16,250)	(1,382)
Profit / (Loss) attributable to:			
Equity holders of the parent company		(19,699)	(19,731)
Non-controlling interest		1,133	(194)
Profit / (Loss) for the period		(18,566)	(19,925)
Total comprehensive income attributable to:			
Equity holders of the parent company		(14,062)	(2,238)
Non-controlling interest		(2,188)	856
Total comprehensive income for the period		(16,250)	(1,382)
Earnings per share			
Basic earnings per share (euros)	5.23.3	(2.70)	(4.64)
Diluted earnings per share (euros)	5.23.3	(1.95)	(2.86)

Note: No tax effect is related to Other comprehensive income.

Notes to condensed consolidated interim financial statements on pages 10 to 41 are integral part of these financial statements.

ECM REAL ESTATE INVESTMENTS A.G.
 Condensed consolidated interim statement of financial position
 As at 30 June 2009

In thousands of €

	Note	30 June 2009	31 December 2008
Investment property	5.15	378,222	508,518
Investment property under construction	5.16	9,257	57,517
Property, plant and equipment	5.17	20,939	18,908
Intangible fixed assets		411	451
Goodwill	5.18	3,387	3,256
Pre-paid operating lease payments		7	7
Investments in associates and joint venture	5.19	2,604	76
Other investments		324	312
Provided loans	5.20	11,041	2,526
Deferred tax assets		15,594	14,180
Total non-current assets		441,786	605,751
Trading property	5.21	12,725	13,549
Income tax receivable		284	297
Trade and other receivables	5.22	28,487	24,700
Cash and cash equivalents		35,642	33,627
Total current assets		77,138	72,173
TOTAL ASSETS		518,924	677,924

ECM REAL ESTATE INVESTMENTS A.G.
Condensed consolidated interim statement of financial position
As at 30 June 2009

In thousands of €

	Note	30 June 2009	31 December 2008
EQUITY	5.23		
Issued capital		11,676	11,676
Share premium		66,888	67,874
Reserves		193	193
Equity instruments		7,438	7,438
Retained earnings		(49,927)	(29,469)
Translation reserve		22,510	16,873
Total equity attributable to equity holders of the Company		58,778	74,585
Non-controlling interest		16,058	20,761
Total equity		74,836	95,346
LIABILITIES			
Interest-bearing loans and borrowings	5.24	164,505	221,962
Convertible bonds	5.25	91,427	86,015
Other bonds	5.26	31,063	30,167
Long-term liabilities from derivatives	5.25	11,043	10,458
Other long-term payables	5.28	12,370	12,157
Provisions		17,552	15,053
Deferred tax liabilities		23,242	27,303
Total non-current liabilities		351,202	403,115
Trade and other payables	5.27	39,721	137,018
Bank overdraft		239	1,555
Interest-bearing loans and borrowings	5.24	52,019	40,279
Provisions		907	611
Total current liabilities		92,886	179,463
Total liabilities		444,088	582,578
TOTAL EQUITY AND LIABILITIES		518,924	677,924

Notes to condensed consolidated interim financial statements on pages 10 to 41 are integral part of these financial statements.

ECM REAL ESTATE INVESTMENTS A.G.
Condensed consolidated interim statement of changes in equity
For the six-months period ended 30 June 2009

In thousands of €

	Share capital	Share premium	Translation reserve	Legal reserve fund	Equity Instrument	Retained earnings	Total attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance at 1 January 2008	7,229	44,467	12,831	175	7,438	75,648	147,788	168	147,956
Total comprehensive income for the period	--	--	--	--	--	(102,489)	(102,489)	10,382	(92,107)
Profit or loss	--	--	--	--	--	--	--	--	--
Other comprehensive income	--	--	--	--	--	--	--	--	--
Foreign currency translation differences	--	--	4,042	--	--	--	4,042	1,211	5,253
Items recorded directly in equity	--	--	--	--	--	(180)	(180)	2,966	2,786
<i>Total other comprehensive income</i>	--	--	4,042	--	--	(180)	3,862	4,177	8,039
Total comprehensive income for the period	--	--	4,042	--	--	(102,669)	(98,627)	14,559	(84,068)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Equity Step-up	425	3,478	--	--	--	--	3,903	--	3,903
Private placement	4,022	19,929	--	--	--	--	23,951	--	23,951
<i>Total contribution by and distributions to owners</i>	4,447	23,407	--	--	--	--	27,854	--	27,854
Changes in ownership interests in subsidiaries that do not result in a loss of control									
Changes in non-controlling interest without change in control	--	--	--	--	--	(2,472)	(2,472)	6,034	3,562
<i>Total changes in ownership interests in subsidiaries</i>	--	--	--	--	--	(2,472)	(2,472)	6,034	3,562
Total transactions with owners	4,447	23,407	--	--	--	(2,472)	25,382	6,034	31,416
Other movements									
Addition to the legal reserve fund	--	--	--	18	--	(18)	--	--	--
Other changes in equity	--	--	--	--	--	42	42	--	42
Total other movements	--	--	--	18	--	24	42	--	42
Balance at 31 December 2008	11,676	67,874	16,873	193	7,438	(29,469)	74,585	20,761	95,346

ECM REAL ESTATE INVESTMENTS A.G.
 Condensed consolidated interim statement of changes in equity
 For the six-months period ended 30 June 2009

In thousands of €

	Share capital	Share premium	Translation reserve	Legal reserve fund	Equity Instrument	Retained earnings	Total attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance at 1 January 2009	11,676	67,874	16,873	193	7,438	(29,469)	74,585	20,761	95,346
Total comprehensive income for the period									
Profit or loss	--	--	--	--	--	(19,699)	(19,699)	1,133	(18,566)
Other comprehensive income									
Foreign currency translation differences	--	--	5,637	--	--	--	5,637	(3,321)	2,316
Items recorded directly in equity	--	--	--	--	--	--	--	--	--
<i>Total other comprehensive income</i>	--	--	5,637	--	--	--	5,637	(3,321)	2,316
Total comprehensive income for the period	--	--	5,637	--	--	(19,699)	(14,062)	(2,188)	(16,250)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Equity Step-up	--	(986)	--	--	--	--	(986)	--	(986)
Transactions with non-controlling interest resulting in loss of control	--	--	--	--	--	--	--	(4,807)	(4,807)
<i>Total contributions by and distributions to owners</i>	--	(986)	--	--	--	--	(986)	(4,807)	(5,793)
Changes in ownership interests in subsidiaries that do not result in a loss of control									
Changes in non-controlling interest without change in control	--	--	--	--	--	(784)	(784)	2,292	1,508
<i>Total changes in ownership interests in subsidiaries</i>	--	--	--	--	--	(784)	(784)	2,292	1,508
Total transactions with owners	--	(986)	--	--	--	(784)	(1,770)	(2,515)	(4,285)
Other movements									
Addition to the legal reserve fund	--	--	--	--	--	--	--	--	--
Other changes in equity	--	--	--	--	--	25	25	--	25
Total other movements	--	--	--	--	--	25	25	--	25
Balance at 30 June 2009	11,676	66,888	22,510	193	7,438	(49,927)	58,778	16,058	74,836

Notes to condensed consolidated interim financial statements on pages 10 to 41 are integral part of these financial statements.

ECM REAL ESTATE INVESTMENTS A.G.
Condensed consolidated interim statement of cash flows
For the six-months period ended 30 June 2009

In thousands of €

	30 June 2009 (6 months)	30 June 2008 (6 months) restated
<i>Cash flows from operating activities</i>		
(Loss) / profit for the period before tax	(22,571)	(24,913)
<i>Adjustments for:</i>		
Depreciation	310	814
Amortisation	24	42
Impairment losses	4,527	1,712
Foreign exchange losses	15,587	38,607
Change in the value of investment property	976	(3,660)
Revaluation of derivatives	(7,966)	(751)
Interest expense	11,584	11,805
Share of (loss) / profit of associates	2,548	(26)
Loss on the sale of investments in subsidiaries and associates	1,364	--
Gain on the sale of trading property - inventory	(817)	--
(Loss) / gain on the sale of investment property	387	(18)
Loss on the sale of property, plant and equipment	39	--
Other	--	(2)
<i>Operating profit before changes in working capital and provisions</i>	5,992	23,610
Increase / (decrease) in trade and other receivables	(3,700)	9,863
Increase / (decrease) in trading property - inventory	(1,973)	(3,842)
Increase / (decrease) in trade and other payables	(12,123)	(95)
Increase / (decrease) in assets and liabilities held for sale	--	(3,054)
Increase / (decrease) in provisions and employee benefits	2,166	1,535
<i>Cash generated from / (used in) the operations</i>	(9,638)	28,017
Interest paid	(6,549)	(2,211)
Interest received	643	369
Income taxes paid	(673)	290
<i>Net cash from / (used in) operating activities</i>	(16,217)	26,465
<i>Cash flows from investing activities</i>		
Proceeds from the sale of property, plant and equipment	400	73
Proceeds from the sale of investment property	3,044	1,402
Proceeds from the sale of trading property	3,114	--
Disposal of subsidiary, net of cash disposed	7,978	--
Acquisition of subsidiary, net of cash acquired	--	(1,737)
Acquisition of property, plant and equipment	(113)	(1,489)
Acquisition of intangible fixed assets	--	(133)
Acquisition of investment property	(5,808)	(27,141)
Acquisition of investment property under construction	(767)	(32,946)
Other loans (provided) / repaid	1,513	1,974
<i>Net cash from investing activities</i>	9,361	(59,997)

ECM REAL ESTATE INVESTMENTS A.G.
 Condensed consolidated interim statement of cash flows
 For the six-months period ended 30 June 2009

In thousands of €

	30 June 2009 (6 months)	30 June 2008 (6 months) restated
<i>Cash flows from financing activities</i>		
Drawings / (repayments) of loans and borrowings	9,146	47,289
(Repayments) / drawings of finance lease liabilities and other long term payables	(275)	(1,869)
<i>Net cash from financing activities</i>	8,871	45,420
<i>Net increase in cash and cash equivalents</i>	2,015	11,888
Cash and cash equivalents at 1 January	33,627	36,753
<i>Cash and cash equivalents at 30 June</i>	35,642	48,641

Notes to condensed consolidated interim financial statements on pages 10 to 41 are integral part of these financial statements.

ECM REAL ESTATE INVESTMENTS A.G.

Notes to the condensed consolidated interim financial statements

For the six-months period ended 30 June 2009

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ECM REAL ESTATE INVESTMENTS A.G.

Notes to the condensed consolidated interim financial statements

For the six-months period ended 30 June 2009

2. GENERAL INFORMATION

Business firm:

ECM REAL ESTATE INVESTMENTS A.G. (hereinafter “the Company” or “ECM”)

Registered office:

9, Rue du Laboratoire
L - 1911 Luxembourg

Registration number:

B 65153

The Company was incorporated on 1 July 1998 for an unlimited period of time.

List of directors

Milan Janků, Chairman of the Board of Directors of the Company
Jana Žejdlíková, Member of the Board of Directors of the Company
Antonín Jakubše, Member of the Board of Directors of the Company
Jozef Franc Homola, Member of the Board of Directors of the Company

In 2009, the board of directors changed as follows:

- in April 2009 Tomáš Laštovka was removed from the board of directors;
- in April 2009 Antonín Jakubše was appointed as a member of the board of directors.

The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates and jointly controlled entities.

The consolidated financial statements of the Group as at and for the year ended 31 December 2008 are available on www.ecm.cz.

3. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS), specifically IAS 34 Interim Financial Reporting. They do not include all of the information required for a full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2008.

These condensed consolidated interim financial statements were approved by the directors on 21 August 2009.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2008.

ECM REAL ESTATE INVESTMENTS A.G.

Notes to the condensed consolidated interim financial statements

For the six-months period ended 30 June 2009

(b) Foreign exchange rates used in the condensed consolidated interim financial statements

The following exchange rates were used during translations:

Date	Closing exchange rate CZK/EUR	Average exchange rate CZK/EUR for the 6 month period
30 June 2009	25.890	27.142
31 December 2008	26.930	24.942
30 June 2008	23.895	25.194
31 December 2007	26.620	27.762

Date	Closing exchange rate RUB/EUR	Average exchange rate RUB/EUR for the 6 month period
30 June 2009	43.907	44.049
31 December 2008	41.283	36.397
30 June 2008	36.947	36.608
31 December 2007	36.004	34.996

Date	Closing exchange rate CNY/EUR	Average exchange rate CNY/EUR for the 6 month period
30 June 2009	9.653	9.090
31 December 2008	9.496	10.168
30 June 2008	10.807	10.795
31 December 2007	10.756	10.406

Date	Closing exchange rate USD/EUR	Average exchange rate USD/EUR for the 6 month period
30 June 2009	1.413	1.330
31 December 2008	1.392	1.464
30 June 2008	1.576	1.529
31 December 2007	1.473	1.367

Date	Closing exchange rate PLN/EUR	Average exchange rate PLN/EUR for the 6 month period
30 June 2009	4.453	4.472
31 December 2008	4.153	3.502
30 June 2008	3.351	3.490
31 December 2007	3.591	3.784

(c) Income tax

In the condensed consolidated interim financial statements, income tax is recognised based on the best reasonable approximation of the effective annual income tax rate expected for the financial year. This reasonable approximation is calculated based on the weighted average of tax rates across tax jurisdictions.

For the six-month periods ended 30 June 2009 and 30 June 2008, the effective tax rate of 20 percent was used based on the weighted average of income tax rates enacted for 2009 (2008 respectively) and the following periods in the individual tax jurisdictions of the consolidated companies.

(d) Change in accounting policy**(i) Accounting for business combinations**

The Group has adopted early IFRS 3 *Business Combinations* (2008) and IAS 27 *Consolidated and Separate Financial Statements* (2008) for business combinations occurring in the financial year starting 1 January 2009. All business combinations occurring on or after 1 January 2009 are accounted for by applying the acquisition method. The change in accounting policy was applied prospectively and had no material impact on earnings per share.

ECM REAL ESTATE INVESTMENTS A.G.

Notes to the condensed consolidated interim financial statements

For the six-months period ended 30 June 2009

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination (see below). If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

(ii) Accounting for acquisitions of non-controlling interests

The Group has adopted early IFRS 3 Business Combinations (2008) and IAS 27 Consolidated and Separate Financial Statements (2008) for acquisitions of non-controlling interests occurring in the financial year starting 1 January 2009.

Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Previously, goodwill was recognised arising on the acquisition of a non-controlling interest in a subsidiary; and that represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of exchange.

The change in accounting policy was applied prospectively and had no material impact on earnings per share.

(iii) Investment property under construction

The Group applies amended IAS 40 Investment property (2008), which became effective as of 1 January 2009. As a result, property under construction or development for future use as investment property is measured at fair value. Any gain or loss arising on the measurement is recognised in profit or loss.

An external independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, valued the portfolio of investment property and investment property under construction. The results of independent valuations were further analysed by the Group and included in the final management estimates of the fair value. Those estimates considered the results of current and prior external valuations, information from similar selling and purchase transactions and current market conditions.

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The fair values of the properties are determined in euros. Various investment properties are held by companies with the functional currency other than euros. Revaluation gains and losses in respect of these investment properties therefore include the impact of a change in foreign exchange rates. The impact of changes in foreign exchange rates is presented separately under 'Net other financial (expense) / income'. Changes in the fair value of investment properties without effect of changes in foreign exchange rates are presented on the face of the income statement as 'Valuation gains / losses on investment property'.

(iv) Presentation of financial statements

The Group applies revised IAS 1 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the six months period ended on 30 June 2009.

Comparative information has been restated to conform with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

(e) Reclassifications

With respect to the accounting policies stated above, the Group has decided to reclassify several items in financial statements as at 31 December 2008. To ensure consistency with the classification applied in the current period, reclassifications were made in the comparative financial information (including Cash flow statement) as at 30 June 2008. The reclassifications are described in detail below.

(i) Personnel expenses and administrative expenses

The Group has decided to present personnel expenses related to administrative expenses separately on the face of the statement of comprehensive income. To ensure consistency with the classification selected in the current period, a reclassification from administrative expenses to personnel expenses in the amount of TEUR 1,442 was made in the comparative financial information.

(ii) Impairment of trading property and administrative expenses

The Group has decided to present impairment of trading property separately on the face of the statement of comprehensive income. To ensure consistency with the classification selected in the current period, a reclassification from Administrative expenses to Impairment of trading property in the amount of TEUR 360 was made in the comparative financial information.

(iii) Impairment of property, plant and equipment and other expenses

The Group has decided to present impairment of property, plant and equipment separately on the face of the statement of comprehensive income. To ensure consistency with the classification selected in the current period, a reclassification from Other expenses to Impairment of property, plant and equipment in the amount of TEUR 1,352 was made in the comparative financial information.

(iv) Interest income (expenses)

The Group has decided to disclose interest income / (expenses) on the face of the statement of comprehensive income. To ensure consistency with the classification selected in the current period, a reclassification from Other financial income / (expenses) to Interest income / (expenses) in the amount of TEUR 1,010 / TEUR (12,335) was made in the comparative financial information.

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(v) Net other financial income / (expenses)

The Group has decided to disclose Other financial income / (expenses) on the face of the statement of comprehensive income on the net basis. To ensure consistency with the classification selected in the current period, a net amount of TEUR (9,649) is presented under Net other financial income / (expenses) in the comparative financial information.

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5. SUPPORTING NOTES TO THE FINANCIAL STATEMENTS

5.1. Group entities

5.1.1. Control of the Group

The Group's ultimate parent company is ECM REAL ESTATE INVESTMENTS A.G. which is controlled by the owners – ECM Group N.V. (84 %) and other retail and institutional investors (16 %).

PPF Group N.V. and Milan Janků have agreed to establish a joint holding company, which will manage the two groups' selected real estate assets. A minority stake in ECM Group N.V. will also be transferred to the joint holding company. Its establishment will not have any bearing on ECM REAL ESTATE INVESTMENTS A.G. or its activities and assets. Through his majority stake in ECM Group N.V., Milan Janků will retain control over ECM REAL ESTATE INVESTMENTS A.G. As at 30 June 2009 the above mentioned transaction was not legally in force and Milan Janků was the sole owner of ECM Group N.V.

5.1.2. Subsidiaries, joint ventures and associates

	Country of incorporation	Ownership interest		
		30/6/2009	31/12/2008	30/6/2008
ECM Finance a.s.	Czech Republic	100%	100%	100%
ECM Real Estate Investments,k.s.	Czech Republic	100%	100%	100%
ECM Czech Republic A.G.	Luxembourg	100%	100%	100%
CITY PARKVIEW s.r.o. (SPV Court, s.r.o.)	Czech Republic	100%	100%	100%
CITY TOWER s.r.o. (SPV TOWER, s.r.o.)	Czech Republic	100%	100%	100%
LANCASTER a.s.	Czech Republic	100%	100%	100%
TABULA MAIOR, a.s.	Czech Republic	100%	100%	100%
TABULA MINOR, a.s.	Czech Republic	100%	100%	100%
ECM Byty s.r.o.	Czech Republic	100%	100%	100%
ECM Czech Services, a.s. (STROMOVKA OBCHODNI CENTRUM a.s.)	Czech Republic	100%	100%	100%
ECM Hotel Operations EUROPORT s.r.o.	Czech Republic	100%	100%	100%
ECM Hotel Operations Plzeň s.r.o.	Czech Republic	100%	100%	100%
ECM OFFICES LIBEŇ s.r.o.	Czech Republic	100%	100%	100%
ADARKON a.s.	Czech Republic	100%	100%	100%
EPOQUE HOTEL a.s.	Czech Republic	100%	100%	100%
EPOQUE-LANCASTER a.s.	Czech Republic	100%	100%	100%
ECM CITY POINT a.s. (HUANTA a.s.)	Czech Republic	100%	100%	100%
ECM CITY EMPIRIA a.s. (DORMIDA a.s.)	Czech Republic	100%	100%	100%
ECM Facility a.s. (1)	Czech Republic	100%	100%	100%
ECM REGIONS CZ S.a.r.l.	Luxembourg	100%	100%	100%
GRASLON a.s.	Czech Republic	100%	100%	100%
CITY ELEMENT s.r.o.	Czech Republic	100%	100%	100%
CITY DECO s.r.o.	Czech Republic	100%	100%	100%
EMPIRIA BUILDING s.r.o.	Czech Republic	100%	100%	100%
SAZERAC a.s.	Czech Republic	100%	100%	100%
Palisády, s.r.o.	Czech Republic	100%	100%	100%
TORSAR a.s.	Czech Republic	100%	100%	100%
NATIONAL BUSINESS CENTRE Ostrava a.s.	Czech Republic	100%	100%	100%
NBC National s.r.o.	Czech Republic	100%	100%	100%
NBC Office a.s.	Czech Republic	10%	10%	10%
Ryazan Investors Company Ltd.	Cyprus	79%	85%	100%
Ryazan Shopping Mall Ltd.	Cyprus	79%	85%	100%
Ryazan Hold Company Ltd.	Cyprus	100%	100%	100%
PROSPECT LLC (OOO "PROSPEKT")	Russia	79%	85%	100%
2P, s.r.o.	Czech Republic	--	--	100%
REZIDENCE UNHOŠŤ a.s.	Czech Republic	100%	100%	100%
Czech Real Estate Regions S.a.r.l.	Luxembourg	100%	100%	100%
VARENSKÁ OFFICE CENTER, a.s.	Czech Republic	100%	100%	100%
EKZ Tschechien 4 Immobiliengesellschaft s.r.o.	Czech Republic	50%	50%	50%

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	Country of incorporation	Ownership interest		
		30/6/2009	31/12/2008	30/6/2008
OIK City Point Investment a.s. (SPV POINT, a.s.)	Czech Republic	5%	5%	5%
China East Investment Limited	Hong Kong	37%	60%	60%
ECM Property Holding (Tianjin) Co Ltd.	China	37%	60%	60%
Metropolis Holding China Limited	Hong Kong	37%	60%	60%
Metropolis Holding (Tianjin) Co., Ltd.	China	37%	60%	60%
MOLE ONE LIMITED	Cyprus	100%	100%	100%
ECM Poland A.G. (China ECM Beijing I. SA)	Luxembourg	100%	100%	100%
ECM CHINA Beijing S.a.r.l.	Luxembourg	100%	100%	100%
ECM POZNAŃ RESIDENCE sp. z o.o. (Mergus sp. z o.o.)	Poland	100%	100%	100%
East Point Holding B.V.	Netherlands	30%	30%	30%
OAO Yugo-Vostochnaya promyshlennaya kompaniya "Kartontara"	Russia	30%	30%	30%
Yerevan Invest B.V.	Netherlands	70%	70%	70%
GONDOMAR s.r.o.	Czech Republic	100%	100%	100%
ECM Corporate Services s.r.o. (HARBINOIR s.r.o.)	Czech Republic	100%	100%	100%
LEPORANO s.r.o.	Czech Republic	100%	100%	100%
POYNTON s.r.o.	Czech Republic	100%	100%	100%
ROBUREN s.r.o.	Czech Republic	100%	100%	100%
ECM ExCE Services s.r.o. (TALENTONE s.r.o.)	Czech Republic	100%	100%	100%
URBARIUM s.r.o.	Czech Republic	100%	100%	100%
VEPAMOS s.r.o.	Czech Republic	100%	100%	100%
LUNZIE a.s.	Czech Republic	100%	100%	100%
OPTISERVIS, spol. s r.o. (1)	Czech Republic	100%	100%	100%
ECM Russia A.G.	Luxembourg	100%	100%	100%
OOO "ECM Russia"	Russia	100%	100%	100%
ECM Real Estate Consulting (Beijing) Co.,Ltd.	China	100%	100%	100%

(1) In first half of 2009 ECM Facility a.s. initiated merging with OPTISERVIS, spol. s r.o.

5.1.3. Changes in the Group

In the six-month period ended 30 June 2009, the Group acquired or disposed the following companies:

Company	Share of acquisition	Share of disposal	Sold on
China East Investment Limited (1)	--	23%	9 January 2009
Metropolis Holding China Limited (2)	--	23%	9 January 2009
Ryazan Investors Company Ltd. (3)	--	6%	31 March 2009

- (1) Including its subsidiary ECM Property Holding (Tianjin) Co Ltd. The ownership interest was sold to NORDEVO INVESTMENTS LIMITED. The ownership interest decreased to 37%. Therefore, the method of equity consolidation has been applied since 9 January 2009.
- (2) Including its subsidiary Metropolis Holding (Tianjin) Co., Ltd. The ownership interest was sold to NORDEVO INVESTMENTS LIMITED. The ownership interest decreased to 37%. Therefore, the method of equity consolidation has been applied since 9 January 2009.
- (3) Including its subsidiaries Ryazan Shopping Mall Ltd. and Prospect LLC. The ownership interest was sold to related party PSJ NEW N.V.

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5.2. Segment reporting

5.2.1. Business segments

The Group comprises the following main business segments:

- Development
 - Activities in this segment comprise realization of specific development projects.
- Business Operations
 - Activities in this segment consist of providing the rental of immovables (mainly multi-purpose office and retail buildings) and related services.
- Hotel Operations
 - Companies within the Group operate three hotels: Courtyard by Marriott Prague Airport, Marriott Executive Apartments and Courtyard by Marriott Pilsen. Based on market development and internal analysis, the Group created a provision for onerous contracts within this segment of TEUR 15,657 as at 30 June 2009 (TEUR 15,053 as at 31 December 2008).

5.2.2. Geographical segments

The running of the business and development segments are managed on a worldwide basis, but operate in two principal geographical areas, Europe and Asia. In Europe the business facilities and sales offices are operated in Russia, Cyprus, the Netherlands, Luxembourg, the Czech Republic and Poland.

The companies in Asia operate in China and Hong Kong.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

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Business segments

	Hotel Operations		Business Operations		Development		Eliminations		Consolidation	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008	30 June 2009	30 June 2008	30 June 2009	30 June 2008	30 June 2009	30 June 2008
<i>In thousands of euros</i>										
External revenues (1)	3,123	4,825	9,429	5,968	21,446	6,586	-	-	33,998	17,379
Inter-segment revenue	-	-	2,810	1,088	5,016	4,802	(7,826)	(5,890)	-	-
Total segment revenue	3,123	4,825	12,239	7,056	26,462	11,388	(7,826)	(5,890)	33,998	17,379
Segment result	(1,827)	(2,840)	11,582	(3,683)	(25,773)	(13,428)			(16,018)	(19,951)
Results from operating activities									(8,131)	(3,965)
Share of the profit in associates and joint ventures									(2,548)	26
Net finance revenues (costs)									(11,892)	(20,974)
Income tax expense									4,005	4,988
Profit for the period									(18,566)	(19,925)

(1) External revenues consist of gross rental income, service income, service charge income, proceeds from the sale of investment property, proceeds from the sale of financial investment in subsidiaries and associates and proceeds from the sale of trading property.

	Hotel Operations		Business Operations		Development		Consolidation	
	30 June 2009	31 Dec 2008	30 June 2009	30 June 2008	31 Dec 2008	30 June 2009	31 Dec 2008	30 June 2008
<i>In thousands of euros</i>								
Segment assets	2,753	4,019	11,224	268,707	245,408	275,356	247,464	518,924
Segment liabilities	17,440	11,544	6,784	187,449	183,735	176,670	239,199	444,088
Segment net assets								74,836
Capital expenditure	9	13	8	(314)	27,248	22,138	2,692	42,620
Depreciation	182	404	213	42	167	81	86	520
Amortisation of intangible assets	1	1	-	4	8	1	19	41
								24
								147
								2,387
								181,576
								705
								814
								147
								42

Geographical segments

	Europe and Russia		Asia		Consolidated	
	30 June 2009	31 Dec 2008	30 June 2009	30 June 2008	31 Dec 2008	30 June 2008
<i>In thousands of euros</i>						
Revenue from external customers	33,530	45,168	17,200	468	926	179
Segment assets	518,377	496,538	566,061	547	181,386	88,295
						518,924
						677,924
						654,356
Capital expenditure	2,217	48,584	31,795	170	132,992	32,971
						2,387
						181,576
						64,766

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5.3. Gross rental and service income

Gross rental income totals TEUR 6,420 (30 June 2008 – TEUR 4,744), which consists of income from the rental of offices, land and garages. The income is mainly generated by CITY TOWER s.r.o., ECM CITY EMPIRIA a.s., VARENSKÁ OFFICE CENTER, a.s., ECM OFFICES LIBEŇ s.r.o., ECM Real Estate Investments, k.s., ECM Finance, a.s. and TABULA MAIOR, a.s.

Service income totals TEUR 11,499 (30 June 2008 – TEUR 9,692), which consists of income from facility management activities provided in connection with the rental activity and services provided in the Hotel Operations segment. The income is mainly generated by ECM Hotel Operations EUROPORT s.r.o., ECM Hotel Operations Plzeň s.r.o., ECM Facility a.s., OPTISERVIS, spol. s r.o., ECM Finance a.s., ECM CITY EMPIRIA a.s., CITY TOWER s.r.o., OOO “ECM Russia” and ECM Real Estate Consulting (Beijing) Co.,Ltd.

5.4. Net valuation gains and losses on investment property

5.4.1. Valuation gains on investment property

<i>In thousands of euros</i>	30/6/2009 (6 months)	30/6/2008 (6 months)
<i>Entity</i>		
ECM CITY EMPIRIA a.s.	5,781	520
CITY TOWER s.r.o.	4,963	--
ECM OFFICES LIBEŇ s.r.o.	2,543	--
VARENSKÁ OFFICE CENTER, a.s.	2,259	2,780
RYAZAN SHOPPING MALL Ltd.	--	7,997
GRASLON a.s.	--	2,445
ECM POZNAŇ REZIDENCE sp. z .o.o	--	1,076
LUNZIE a.s.	--	3
TOTAL	15,546	14,821

5.4.2. Valuation losses on investment property

<i>In thousands of euros</i>	30/6/2009 (6 months)	30/6/2008 (6 months)
<i>Entity</i>		
GRASLON a.s.	(3,970)	--
LUNZIE a.s.	(3,183)	--
CITY PROJECT	(3,036)	(3,448)
NATIONAL BUSINESS CENTRE OSTRAVA a.s. & NBC National s.r.o.	(3,013)	(69)
RYAZAN SHOPPING MALL Ltd.	(2,394)	--
ECM POZNAŇ REZIDENCE sp. z .o.o	(660)	--
OAO Yugo-Vostochnaya promyshlennaya kompaniya “Kartontara”	(266)	--
CITY TOWER s.r.o.	--	(7,359)
ECM OFFICES LIBEŇ s.r.o.	--	(154)
ECM Byty s.r.o.	--	(85)
Palisády, s.r.o.	--	(46)
TOTAL	(16,522)	(11,161)
Net valuation gains and losses on investment property	(976)	3,660

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5.5. Net result on the disposal of investment property

<i>In thousands of euros</i>	30/6/2009 (6 months)	30/6/2008 (6 months)
Proceeds from sale of investment property		
<i>Entity description – project description</i>		
VARENSKÁ OFFICE CENTER, a.s. - VARENSKÁ OFFICE CENTER (small building)	1,657	1,262
Palisády, s.r.o. - Palisády	847	--
CITY TOWER s.r.o. – CITY TOWER	540	--
ECM Byty s.r.o. – Residence Letňany	--	140
	3,044	1,402
Carrying value of investment property sold		
<i>Entity description – project description</i>		
VARENSKÁ OFFICE CENTER, a.s. - VARENSKÁ OFFICE CENTER (small building)	(2,013)	(1,262)
Palisády, s.r.o. - Palisády	(877)	--
CITY TOWER s.r.o. – CITY TOWER	(540)	--
ECM Byty s.r.o. – Residence Letňany	(1)	(122)
	(3,431)	(1,384)
Net gain / (loss) on disposal		
<i>Entity description – project description</i>		
VARENSKÁ OFFICE CENTER, a.s. - VARENSKÁ OFFICE CENTER (small building)	(356)	--
Palisády, s.r.o. - Palisády	(30)	--
CITY TOWER s.r.o. – CITY TOWER	--	--
ECM Byty s.r.o. – Residence Letňany	(1)	18
TOTAL	(387)	18

5.5.1. VARENSKÁ OFFICE CENTER, a.s. - VARENSKÁ OFFICE CENTER

The agreement on the sale of a part of investment property in VARENSKÁ OFFICE CENTER, a.s. (known as small building) was signed in the first quarter of 2009. The investment property was sold for TEUR 1,657 in cash and a loss of TEUR (356) was realised.

5.5.2. Palisády, s.r.o. - Palisády

The agreement on the sale of investment property - land in Palisády, s.r.o. was signed in the second quarter of 2009. The investment property was sold for TEUR 847 in cash and a loss of TEUR (30) was realised.

5.5.3. CITY TOWER s.r.o. – CITY TOWER

The agreements on the sale of fit-outs of rented premises to the lessees in CITY TOWER s.r.o. were signed in the first and second quarter of 2009. The investment property was sold for TEUR 540 in cash and no gain or loss was realised.

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5.6. Net result on disposal of the financial investment in subsidiaries

<i>In thousands of euros</i>	30/6/2009 (6 months)	30/6/2008 (6 months)
Proceeds from sale of financial investment in subsidiaries and associates		
<i>Entity description – project description</i>		
China East Investment Limited and Metropolis Holding China Limited – ECMall + Metropolis Tower	8,404	--
	8,404	--
Carrying value of financial investment in subsidiaries and associates		
<i>Entity description – project description</i>		
China East Investment Limited and Metropolis Holding China Limited – ECMall + Metropolis Tower	(9,768)	--
	(9,768)	--
Net profit (loss) on disposal of subsidiaries and associates	(1,364)	--

In January 2009 ECM has agreed with Nordevo Investments Limited, a project partner in China, on the sale of 23% stake in China East Investment Limited and Metropolis Holding China Limited for a total consideration of US\$ 11.5 million. China East Investment Limited and Metropolis Holding China Limited are companies that own, respectively, the Beijing-based ECMall and Metropolis Tower Projects through their wholly-owned subsidiaries. The sale consisted of the sale of 23% stake in the above entities and the cession of part of shareholders' loans provided by the Group.

Nordevo has been granted an option ("Put option") to require ECM to purchase 12.9% of the issued share capital and the related shareholders' loans of the HK Holding Companies for a consideration of US\$ 6.45 million plus the value of any new pro-rata shareholders' loan, together with the cost of financing accruing at the rate of 20% per annum for a period of nine to twelve months after completion of the transaction. ECM has been granted an option ("Call option") to require Nordevo to sell 12.9% of the issued share capital and the related shareholders' loans of the HK Holding Companies on similar terms, at any time after completion of the transaction, for a period of 12 months.

Effect of the disposal

<i>In thousands of euros</i>	30/6/2009
Carrying value of investment property	122,459
Carrying value of investment property under construction	55,295
Trade and other receivables	3
Cash and cash equivalents	426
Identifiable assets	178,183
Interest-bearing loans and borrowings	(81,796)
Deferred tax liability	(913)
Trade and other payables	(83,121)
Identifiable liabilities	(165,830)
Net identifiable assets total	12,353
Net identifiable assets sold	3,154
Loans ceded	6,322
Total carrying value sold	9,476
Sales price	8,404
Cost to sell	(292)
Net loss on disposal	(1,364)

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5.7. Net result on the disposal of trading property - inventories

<i>In thousands of euros</i>	30/6/2009 (6 months)	30/6/2008 (6 months)
Proceeds from the sale of trading property		
<i>Entity description – project description</i>		
REZIDENCE UNHOŠŤ a.s. – Terasy Unhošť	3,114	--
	3,114	--
Carrying value of sold trading property		
<i>Entity description – project description</i>		
REZIDENCE UNHOŠŤ a.s. – Terasy Unhošť	(2,297)	--
	(2,297)	--
Net profit (loss) on the disposal of trading property	817	--

5.7.1. REZIDENCE UNHOŠŤ a.s. – Terasy Unhošť

The agreements on the sale of 13 family houses (including related land) from residential project Terasy Unhošť in REZIDENCE UNHOŠŤ a.s. were signed in the first and second quarter of 2009. The trading property was sold for TEUR 3,114 in cash and a gain of TEUR 817 was realised.

5.8. Personnel expenses

<i>In thousands of euros</i>	30/6/2009 (6 months)	30/6/2008 (6 months) restated
Wages and salaries	1,348	1,169
Social security contributions	154	273
Total	1,502	1,442

5.9. Administrative expenses

<i>In thousands of euros</i>	30/6/2009 (6 months)	30/6/2008 (6 months) restated
Material consumption	135	392
Amortisation and depreciation	103	216
Audit, tax, advisory services	523	1,915
Legal services	389	1,160
Advertising expenses	434	565
Representation cost	109	242
Travel expenses	157	121
Operating lease	517	386
Telecommunication fees	151	179
Other administrative expenses	2,014	1,049
TOTAL	4,532	6,225

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5.10. Impairment

5.10.1. Impairment of trading property

As a result of the interim impairment test carried out, the Group decided to charge through profit or loss impairment of trading property in total amount of TEUR 4,527 (30 June 2008 - TEUR 360) related to projects in progress recorded in ECM Real Estate Investments, k.s.

5.10.2. Impairment of property, plant and equipment

Based on market developments, developments in foreign exchange rates and internal analysis, the Group recognised impairment in respect of the leased assets within the Hotel operations segment (ECM Finance a.s.) of TEUR 1,352 as at 30 June 2008. No impairment of property, plant and equipment was recorded as at 30 June 2009.

5.11. Other expenses

<i>In thousands of euros</i>	30/6/2009 (6 months)	30/6/2008 (6 months) restated
Change in other provisions	2,380	2,491
Other charges related to ECM Group N.V.	--	366
Other expenses related to Chinese projects	862	--
Taxes and fees	790	19
Penalties	146	5
Insurance	59	49
Receivable written off	39	(9)
Impairment of receivables	1	--
Other	1,233	815
TOTAL	5,510	3,736

5.12. Interest income / (expense)

<i>In thousands of euros</i>	30/6/2009 (6 months)	30/6/2008 (6 months) restated
Bank interest income	209	530
Other interest income	448	480
Interest income	657	1,010
Interest expense related to bank and non-bank loans	(5,535)	(5,760)
Interest expenses from convertible debt	(5,412)	(5,042)
Expenses related to other bonds	(963)	(1,186)
Interest charges related to financial leases	(331)	(347)
Interest (expenses)	(12,241)	(12,335)
Net interest (expense) / income	(11,584)	(11,325)

5.13. Net other financial income / (expense)

<i>In thousands of euros</i>	30/6/2009 (6 months)	30/6/2008 (6 months) restated
Revaluation of financial derivatives	7,966	751
Net foreign exchange losses	(8,345)	(10,247)
Other financial income	260	46
Other financial expenses	(189)	(199)
Net financial (expense) / income	(308)	(9,649)

Net foreign exchange losses comprise net foreign exchange losses of TEUR (7,890) (30 June 2008 net foreign exchange losses of TEUR (38,182)) related to the revaluation of investment property and net foreign exchange losses of TEUR (455) (30 June 2008 net foreign exchange

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gains of TEUR 27,935) which were recorded mainly due to the fluctuations in the FX rate in the companies having EUR and CZK as the functional currencies.

5.13.1. Foreign exchange gains and losses related to revaluation of investment property

<i>In thousands of euros</i>	30/6/2009 (6 months)	30/6/2008 (6 months)
<i>Entity description – Project description</i>		
OA0 Yugo-Vostochnaya promyshlennaya kompaniya “Kartontara”	2,132	--
RYAZAN SHOPPING MALL Ltd.	1,020	407
ECM POZNAŇ REZIDENCE sp. z .o.o	545	--
Palisády, s.r.o.	14	--
TOTAL foreign exchange gains on investment property	3,711	407
CITY TOWER s.r.o.	(5,041)	(13,682)
ECM CITY EMPIRIA a.s.	(2,475)	(8,750)
CITY PROJECT	(2,154)	(9,010)
VARENSKÁ OFFICE CENTER, a.s.	(458)	(1,536)
GRASLON a.s.	(448)	(1,685)
ECM OFFICES LIBEŇ s.r.o.	(371)	(1,231)
LUNZIE a.s.	(333)	(1,168)
NATIONAL BUSINESS CENTRE OSTRAVA a.s. & NBC National s.r.o.	(321)	(735)
ECM POZNAŇ REZIDENCE sp. z .o.o	--	(698)
Palisády, s.r.o.	--	(94)
TOTAL foreign exchange losses on investment property	(11,601)	(38,589)
Net foreign exchange gains and losses on investment property	(7,890)	(38,182)

Foreign exchange gains and losses related to the revaluation of investment property are included in net foreign exchange losses.

5.14. Income tax

<i>In thousands of euros</i>	30/6/2009 (6 months)	30/6/2008 (6 months)
Effective tax rate	20.00%	20.00%
Tax income/ (expense) calculated using the effective tax rate	4,005	4,988
TOTAL	4,005	4,988

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5.15. Investment property

In thousands of euros	CITYVARENSKA PROJECT OFFICE CENTER, EMPIRIA a.s.	ECM CITY OFFICES LIBEN s.r.o.	ECM BYTY, TOWER s.r.o.	CITY TOWER s.r.o.	Ryazan Shopping Mall Ltd.	NATIONAL BUSINESS CENTRE Ostrava a.s. + NBC National s.r.o.	GRASLON a.s.	Palsady, s.r.o.	ECM POZNAN RESIDEN- CE sp. z o.o.	LUNZIE a.s.	ECM Property Holding (Tunajin) Co Ltd.	OAO Yugo- Vostochnaya promyshle- nnaya kompaniya "Kartontara"	URBARI- UM s.r.o.	Total
Balance at 1 January 2008	4,563	1,181	1,202	31	489	18,606	3,599	331	393	156	839	941	301	33,524
Acquisitions	--	--	--	--	--	--	--	--	--	--	114,802	--	--	114,802
Transfers to/ from investment property under construction	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Transfers to/ from trading property	--	--	--	--	952	--	--	--	--	--	--	406	--	833
Transfers to/ from property, plant and equipment	(16)	--	--	--	--	--	--	--	--	--	--	--	--	(16)
Acquisitions through business combinations	--	--	--	--	--	--	--	--	--	--	--	17,671	--	17,671
Fair value adjustment	(33,663)	(51)	(18,584)	(1,845)	(931)	(12,138)	9,138	(210)	(4,555)	(2,798)	2,699	19,388	--	(44,674)
FX adjustment (refer to Note 5.13.1)	1,034	177	1,005	142	--	1,572	2,291	85	194	134	--	2,503	--	10,773
Effect in movement in foreign exchange rate	1,100	(169)	260	(10)	47	(2,033)	(1,785)	(214)	110	28	7,280	(3,513)	(22)	4
Disposals	--	(1,286)	--	--	(322)	(74)	--	--	--	--	--	--	--	(1,682)
Balance at 31 December 2008	56,416	14,054	64,794	9,699	103	131,988	29,997	8,399	11,720	820	125,626	37,396	279	508,518

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	CITY VARENS- PROJECT	KA OFFICE CENTER, a.s.	ECM CITY EMPRIA a.s.	ECM OFFICES LIBEN s.r.o.	ECM By%, s.r.o.	CITY TOWER s.r.o.	Ryazan Shopping Mall Ltd.	NATIONAL BUSINESS CENTRE Ostrava a.s.+NBC National s.r.o.	GRASLON a.s.	Palisady, s.r.o.	ECM POZNAN RESIDEN- CE sp. z o.o.	LUNZIE a.s.	ECM Property Holding (Itinajin) Co Ltd.	OAO Yugo- Vostochnaya promyshle- nnaya kompaniya "Kartontara"	URBARI- UM s.r.o.	Total
<i>In thousands of euros</i>																
Balance at 1 January 2009	56,416	14,054	64,794	9,699	103	131,988	29,997	8,399	11,720	820	8,499	8,728	125,626	37,396	279	508,518
Acquisitions	2,112	--	592	--	4	1,656	431	56	108	50	290	294	--	215	--	5,808
Transfers to/ from investment property under construction	(6,964)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(6,964)
Transfers to/ from trading property	--	--	--	--	--	--	--	--	--	--	--	--	(2,719)	--	--	(2,719)
Transfers to/ from property, plant and equipment	--	--	--	--	--	(1,848)	--	--	--	--	--	--	--	--	--	(1,848)
Other transfers	--	--	--	--	--	--	--	--	--	--	--	--	(448)	--	--	(448)
Fair value adjustment	(3,036)	2,259	5,781	2,543	--	4,963	(2,394)	(3,013)	(3,970)	--	(660)	(3,183)	--	(266)	--	(976)
FX adjustment	(2,154)	(458)	(2,475)	(371)	--	(5,041)	1,020	(321)	(448)	14	545	(333)	--	2,132	--	(7,890)
(refer to Note 5.13.1)																
Effect in movement in foreign exchange rate	1,777	552	2,789	495	4	5,258	1,722	179	262	(7)	(528)	194	--	(2,077)	11	10,631
Disposals	--	(2,013)	--	--	(1)	(540)	--	--	--	(877)	--	--	--	--	--	(3,431)
Disposals out of the Group	--	--	--	--	--	--	--	--	--	--	--	--	(122,459)	--	--	(122,459)
Balance at 30 June 2009	48,151	14,394	71,481	12,566	110	136,436	30,776	5,300	7,672	--	8,146	5,700	--	37,400	290	378,222

Investment property comprises advances paid to suppliers of TEUR 1,099 (2008 – TEUR 578).

Acquisitions through business combinations represent purchases of investment property as part of the acquisition of subsidiaries.

Disposals out of the Group in 2009 included in the above table represent the disposal of investment property as a result of the sale of 23% stake in China East Investment Limited to Nordevo Investments Limited (for more details refer to Note 5.6).

Disposals in 2009 consist of the sales of investment property from VARENSKÁ OFFICE CENTER, a.s. (for more details refer to Note 5.5.1), Palisady, s.r.o. (Note 5.5.2) and CITY TOWER s.r.o. (Note 5.5.3).

In 2009, CITY PARKVIEW s.r.o. obtained a construction permit and started to develop an office building. As a result, project CITY COURT was transferred to investment property under construction in the second quarter of 2009 (refer also to Note 5.16).

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5.16. Investment property under construction

<i>In thousands of euros</i>	ECM Property Holding (Tianjin) Co Ltd.	Metropolis Holding (Tianjin) Co., Ltd.	CITY SAZERAC PARK- VIEW s.r.o.	a.s.	Total
Balance at 1 January 2008	19,732	9,231	--	--	28,963
Acquisitions	90,998	41,970	--	--	132,968
Transfer to/from trading property	2,935	979	--	611	4,525
Transfer to/from property, plant and equipment	--	--	--	773	773
Transfer to/from investment property	(114,802)	--	--	--	(114,802)
Effect in movement in foreign exchange rate	1,137	4,055	--	(102)	5,090
Disposals	--	--	--	--	--
Balance at 31 December 2008	--	56,235	--	1,282	57,517
Balance at 1 January 2009	--	56,235	--	1,282	57,517
Acquisitions	--	172	--	595	767
Transfer to/from trading property	--	(907)	--	--	(907)
Transfer to/from investment property	--	--	6,964	--	6,964
Other transfers	--	(205)	--	--	(205)
Effect in movement in foreign exchange rate	--	--	336	80	416
Disposals	--	--	--	--	--
Disposals out of the Group	--	(55,295)	--	--	(55,295)
Balance at 30 June 2009	--	--	7,300	1,957	9,257

Disposals out of the Group in 2009 included in the above table represent the disposal of investment property under construction as a result of the sale of 23% stake in Metropolis Holding China Limited to Nordevo Investments Limited (for more details refer to Note 5.6).

In 2009, CITY PARKVIEW s.r.o. obtained a construction permit and started to develop an office building. As a result, project CITY COURT was reclassified from investment property to investment property under construction in the second quarter of 2009.

Investment property under construction includes the capitalised borrowing cost of TEUR 37 (31 December 2008 – TEUR 2,297).

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5.17. Property, plant and equipment

<i>In thousands of euros</i>	Land and buildings	Plant and equipment	Property under construction	Advance payments	Other	Finance leases	Total
Cost							
Balance at 1 January 2008	1,281	2,345	321	161	93	13,719	17,920
Acquisitions through business combinations	--	172	--	--	--	--	172
Other acquisitions	--	588	7,106	183	--	--	7,877
Transfer to/ from investment property	--	--	--	22	--	--	22
Transfer to/ from investment property under construction	--	--	(773)	--	--	--	(773)
Disposals	(692)	(33)	(29)	(90)	--	(650)	(1,494)
Effect of movements in foreign exchange rate	36	(81)	(469)	(10)	(1)	(107)	(632)
Balance at 31 December 2008	625	2,991	6,156	266	92	12,962	23,092
Balance as 1 January 2009	625	2,991	6,156	266	92	12,962	23,092
Other acquisitions	--	23	31	58	1	--	113
Transfer to/from investment property	1,787	61	--	--	--	--	1,848
Disposals	--	(223)	(287)	(12)	--	--	(522)
Effect of movements in foreign exchange	111	113	235	13	4	520	996
Balance as 30 June 2009	2,523	2,965	6,135	325	97	13,482	25,527
Accumulated depreciation and impairment losses							
Balance at 1 January 2008	(69)	(1,788)	--	--	--	(2,096)	(3,953)
Acquisitions through business combinations	--	(63)	--	--	--	--	(63)
Depreciation charge for the year	(48)	(236)	--	--	--	(421)	(705)
Transfer to/ from investment property	--	--	--	(6)	--	--	(6)
Disposals	26	104	--	--	--	352	482
Effect of movements in foreign exchange rate	2	35	--	--	--	24	61
Balance at 31 December 2008	(89)	(1,948)	--	(6)	--	(2,141)	(4,184)
Balance at 1 January 2009	(89)	(1,948)	--	(6)	--	(2,141)	(4,184)
Depreciation charge for the year	(46)	(83)	--	--	--	(181)	(310)
Disposals	--	83	--	--	--	--	83
Effect of movements in foreign exchange	(6)	(78)	--	--	--	(93)	(177)
Balance at 30 June 2009	(141)	(2,026)	--	(6)	--	(2,415)	(4,588)
Carrying amounts							
At 1 January 2008	1,212	557	321	161	93	11,623	13,967
At 31 December 2008	536	1,043	6,156	260	92	10,821	18,908
At 1 January 2009	536	1,043	6,156	260	92	10,821	18,908
At 30 June 2009	2,382	939	6,135	319	97	11,067	20,939

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5.18. Goodwill

In the first half of 2008, the addition to goodwill through business combinations of TEUR 1,903 was recorded in connection with the following acquisitions:

- 100% share in ECM Real Estate Consulting (Beijing) Co., Ltd. on 21 March 2008; and
- 50 % share in OPTISERVIS, spol. s r.o. on 28 May 2008.

In connection with annual impairment test, the Group decided to recognize an impairment loss on goodwill in total amount of TEUR 4,995 as at 31 December 2008.

5.19. Investments in associates, joint ventures and other investments

5.19.1. Equity accounted investments

The Group has the following investments in associates which were accounted for using the equity method:

	Country	Ownership		Investment	
		30/6/2009	31/12/2008	30/6/2009	31/12/2008
EKZ Tschechien 4 Immobilien-gesellschaft s.r.o.	Czech Republic	50%	50%	79	76
China East Investment Limited (1) + (3)	Hong Kong	37%	60%	2,525	--
Metropolis Holding China Limited (2) + (3)	Hong Kong	37%	60%	--	--
Total				2,604	76

(1) Including its subsidiary ECM Property Holding (Tianjin) Co Ltd.

(2) Including its subsidiary Metropolis Holding (Tianjin) Co., Ltd.

(3) In January 2009 ECM agreed with Nordevo Investments Limited, a project partner in China, on the sale of 23% stake in China East Investment Limited and Metropolis Holding China Limited for a total consideration of US\$ 11.5 million. China East Investment Limited and Metropolis Holding China Limited are companies that own, respectively, the Beijing-based ECMall and Metropolis Tower Projects through their wholly-owned subsidiaries (for further details refer to Note 5.6).

The financial information relating to associates (100%) is summarised below:

<i>In thousands of euros</i>	Assets	Liabilities	Equity	Profit
30/6/2009				
EKZ Tschechien 4 Immobilien-gesellschaft s.r.o.	*	*	*	*
China East Investment Limited	54,613	(58,955)	4,342	3,617
ECM Property Holding (Tianjin) Co Ltd.	137,972	(72,686)	(65,286)	(7,354)
Metropolis Holding China Limited	46,810	(49,783)	2,973	2,846
Metropolis Holding (Tianjin) Co., Ltd.	57,148	(29,439)	(27,709)	(1,360)
31/12/2008				
EKZ Tschechien 4 Immobilien-gesellschaft s.r.o.	2,930	(2,778)	(152)	(108)

*) Data not available as at 30 June 2009.

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5.20. Provided loans

<i>In thousands of euros</i>	30/6/2009	Average interest rate	31/12/2008	Average interest rate
Provided loans	11,041	7.6%	2,526	8.0%
Total	11,041		2,526	

As at 30 June 2009, provided loans comprise mainly TEUR 7,175 which was granted to China East Investment Limited and TEUR 3,124 provided to Metropolis Holding China Limited. As at 31 December 2008, the most significant loans were provided to ECM Group N.V. of TEUR 856 and to Kanebo Investments S.A. of TEUR 447.

5.21. Trading property – inventory

<i>In thousands of euros</i>	CITY TOWER s.r.o.	REZIDEN -CE UNHOŠŤ a.s.	OOO ECM RUSSIA	Other	Total
Balance at 1 January 2008	8	6,407	--	7,119	13,534
Acquisitions	--	5,534	19	1,674	7,227
Acquisitions through business combinations	--	--	1,375	2	1,377
Transfers to/from investment property	525	--	(952)	(406)	(833)
Transfers to/from investment property under construction	--	--	--	(4,525)	(4,525)
Transfers to/from assets held for sale	--	--	--	(1,132)	(1,132)
Other transfers	(525)	--	--	525	--
Impairment/reversal of impairment	--	--	--	(1,177)	(1,177)
Disposals and other movements	--	--	(251)	(393)	(644)
Effect of movements in foreign exchange rate	--	(483)	(112)	317	(278)
Balance at 31 December 2008	8	11,458	79	2,004	13,549
Balance at 1 January 2009	8	11,458	79	2,004	13,549
Acquisition	--	1,890	15	68	1,973
Transfers to/from investment property	--	--	--	2,719	2,719
Transfers to/from investment property under construction	--	--	--	907	907
Impairment/reversal of impairment	--	--	--	(4,527)	(4,527)
Disposals	--	(2,297)	--	--	(2,297)
Effect of movement in foreign exchange rate	--	440	(4)	(35)	401
Balance at 30 June 2009	8	11,491	90	1,136	12,725

Other trading property – inventory primarily represents unbilled services provided by ECM Finance a.s. and ECM Real Estate Investments, k.s. to other companies within the Group.

Transfers from investment property and investment property under construction in 2009 included in the above table represent the transfer of unbilled services provided by ECM Real Estate Investments, k.s. to China East Investment Limited and Metropolis Holding China Limited as a result of the sale of 23% stake in these entities to Nordevo Investments Limited (for more details refer to Note 5.6).

In connection with annual impairment test, the Group decided to recognize impairment loss on trading property in total amount of TEUR (4,527) as at 30 June 2009 (TEUR (1,177) as at 31 December 2008). For further information refer to Note 5.10.1.

Trading property includes borrowing cost in the amount of TEUR 382 (31 December 2008 – TEUR 328).

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5.22. Trade and other receivables

<i>In thousands of euros</i>	30/6/2009	31/12/2008
Trade receivables (1)	13,096	10,908
Value added tax receivables	1,965	3,569
Pre-payments (2)	3,230	3,314
Revaluation of derivatives	686	201
Prepaid expenses	3,438	4,401
Estimated receivables	3,078	1,168
Receivables to employees	85	89
Receivables from retention	--	450
Other receivables (3)	2,909	600
Total	28,487	24,700

(1) Trade receivables are shown net of impairment losses amounting to TEUR (224) recognised in the current year (31 December 2008 – TEUR (309)).

(2) The Company entered into negotiations with Telor International Limited to cancel the future share purchase option on the sale of 25% shares of GRASLON a.s. and SAZERAC a.s. Cancellation is expected to occur in 2010.

(3) As at 31 December 2008, other receivables were shown net of provisions for irrecoverable amounts amounting to TEUR (1,526) recognised in 2008. During 2009 provisions for irrecoverable amounts were released.

5.23. Changes in equity

The condensed consolidated statement of changes in equity is presented on the face of the financial statements.

5.23.1. Equity Step-Up

Due to the low possibility of further use of Step-Up equity program the Company has decided to write off currently booked asset which has currently been gradually decreased upon each step-up drawing. This asset consists of various consultancy and brokerage fees paid upon the set-up of this program. As a result, the share premium was decreased by TEUR (986) which consists of the asset written off of TEUR (1,389) and related deferred tax liability of TEUR 403.

5.23.2. Other changes in equity

Effect of transaction with non-controlling interest resulting in loss of control as at 30 June 2009 relates to sale of 23% stake in China East Investment Limited and Metropolis Holding China Limited to Nordevo Investments Limited. For further information refer to Note 5.6 Net result on disposal of the financial investment in subsidiaries and associates.

Change in non-controlling interest without change in control charged directly in equity as at 30 June 2009 relates to sale of 6% of shares of Ryazan Investors Company Ltd. to PSJ NEW NV. For further information refer to Note 5.1.3 Changes in the Group.

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5.23.3. Earnings per shareBasic earnings per share as at 30 June 2009

Profit attributable to ordinary shareholders

In thousands of euros	Continuing operations	Discontinued operations	Total
Net profit / (Loss) for the six-month period ended 30 June 2009	(18,566)	--	(18,566)
Dividends on non-redeemable preference shares	--	--	--
Net profit / (Loss) attributable to ordinary shareholders	(18,566)	--	(18,566)

The weighted average number of ordinary shares

In thousands of shares	Ordinary shares	Weight	Weighted average
Issued ordinary shares at 1 January 2009	6,868	180	6,868
Weighted average number of ordinary shares at 30 June 2009			6,868
Earnings per share			(2.70)

Diluted earnings per share as at 30 June 2009

Profit attributable to ordinary shareholders (diluted)

In thousands of euros	Continuing operations	Discontinued operations	Total
Net profit / (Loss) attributable to ordinary shareholders for the six-month period ended 30 June 2009	(18,566)	--	(18,566)
Net profit attributable to ordinary shareholders	(18,566)	--	(18,566)

The weighted average number of ordinary shares (diluted)

In thousands of shares	Ordinary shares	Weight	Weighted average
Weighted average number of ordinary shares (basic) at 30 June 2009	6,868		6,868
Effect of convertible warrants from convertible bonds 2006 unconverted in bonds 2007	780	180	780
Effect of convertible warrants from convertible bonds 2007	1,857	180	1,857
Weighted average number of ordinary shares (diluted) at 30 June 2009			9,505
Earnings per share (diluted)			(1.95)

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Basic earnings per share as at 30 June 2008

Profit attributable to ordinary shareholders

In thousands of euros	Continuing operations	Discontinued operations	Total
Net profit / (Loss) for the six-month period ended 30 June 2008	(19,731)	--	(19,731)
Dividends on non-redeemable preference shares	--	--	--
Net profit / (Loss) attributable to ordinary shareholders	(19,731)	--	(19,731)

The weighted average number of ordinary shares

In thousands of shares	Ordinary shares	Weight	Weighted average
Issued ordinary shares at 1 January 2008	4,253	180	4,253
Weighted average number of ordinary shares at 30 June 2008			4,253
Earnings per share			(4.64)

Diluted earnings per share as at 30 June 2008

Profit attributable to ordinary shareholders (diluted)

In thousands of euros	Continuing operations	Discontinued operations	Total
Net profit / (Loss) attributable to ordinary shareholders for the six-month period ended 30 June 2008	(19,731)	--	(19,731)
Net profit attributable to ordinary shareholders	(19,731)	--	(19,731)

The weighted average number of ordinary shares (diluted)

In thousands of shares	Ordinary shares	Weight	Weighted average
Weighted average number of ordinary shares (basic) at 30 June 2008	4,253		4,253
Effect of convertible warrants from convertible bonds 2006 unconverted in bonds 2007	780	180	780
Effect of convertible warrants from convertible bonds 2007	1,857	180	1,857
Weighted average number of ordinary shares (diluted) at 30 June 2008			6,890
Earnings per share (diluted)			(2.86)

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5.24. Interest-bearing loans and borrowings

There were no significant movements in the effective interest rates as reported in the latest set of the annual financial statements. The contractual terms of the Group's interest-bearing loans and borrowings are summarised below.

<i>In thousands of euros</i>	30/6/2009	31/12/2008
Current liabilities		
Loans from third parties	20,901	15,072
Loans from third parties – BOHL MEZZANINE INVESTMENT S.A.	1,459	1,402
Loans from related parties	7,708	1,749
Bank loans	21,951	22,056
Total	52,019	40,279

<i>In thousands of euros</i>	30/6/2009	31/12/2008
Non-current liabilities		
Loans from third parties	68	65,595
Bank loans	164,437	156,367
Total	164,505	221,962

Non-current interest bearing loans and borrowings are payable as follows:

<i>In thousands of euros</i>	Amount as at 30 June 2009	Payable in 1-5 years	Payable after 5 years
Loans from third parties	68	68	--
Bank loans	164,437	103,447	60,990
Total	164,505	103,515	60,990

<i>In thousands of euros</i>	Amount as at 31 December 2008	Payable in 1-5 years	Payable after 5 years
Loans from third parties	65,595	65,595	--
Bank loans	156,367	28,411	127,956
Total	221,962	94,006	127,956

The maturity of loans depends on the development of individual projects. Therefore, any further details related to the maturity of the above stated loans would be inaccurate.

Pledge of the Group's stakes and other guarantees for bank loans

Refer to Note 5.29 Contingencies.

5.25. Convertible bonds

On 31 July 2006, the Company issued 115,212 bonds with 15 redeemable warrants attached to each bond. All of these 115,212 bonds and 948,408 of the warrants issued in 2006 were converted into 16,870 new issued bonds with redeemable warrants attached in the fourth quarter of 2007. In the fourth quarter of 2007, the Company further issued 9,662 bonds with warrants attached.

<i>In thousands of euros</i>	30/6/2009	31/12/2008
Number of convertible notes	26,532	26,532
Proceeds from the issue of convertible notes (2)	94,520	94,520
Transaction costs	(4,226)	(4,226)
Net proceeds	90,294	90,294
Amount classified as equity (3)	(7,438)	(7,438)
Amount classified as derivative (1)	(5,027)	(5,027)
Accrued interest	13,598	8,186
Carrying amount of liability	91,427	86,015

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(1) The Group identified a derivative embedded in the value of convertible bonds. The nominal value of the derivative is TEUR 14,178 (31 December 2008 – TEUR 14,178). The fair value of the derivative was separated and presented on the face of the statement of financial position as a long-term liability from derivatives. The fair value of the derivative was TEUR 5,027 as at the date of separation and TEUR 11,043 as at 30 June 2009 (TEUR 10,458 as at 31 December 2008).

(2) Proceeds from the issue of convertible notes consist of the redemption value of the converted 2006 warrants of TEUR 34,475, the redemption value of the converted 2006 bonds of TEUR 25,649 and net proceeds of TEUR 34,396 paid in cash.

(3) The amount of convertible warrants classified as equity of TEUR 7,438 is net of the attributable transaction cost of TEUR 348.

The warrants are convertible into 1,857 thousand ordinary shares in October 2011 at the option of the holder, which represents the rate of one share for each warrant. Seventy warrants are attached to each bond.

The interest rate of the bonds is 5% and interest is payable on an annual basis on 30 September. Bonds will be redeemed in full on 9 October 2011. Subject to certain conditions, the Company may decide to redeem all the bonds early (on the interest payment date) at par plus the interest amount accrued until the early redemption date.

5.26. Other bonds

Starting from 30 March 2007, the Company has issued 800 bearer bonds with a nominal value of TCZK 1,000 each. The Company could issue bearer bonds up to a maximum value of TCZK 1,000,000.

<i>In thousands of euros</i>	30/6/2009	31/12/2008
Number of bearer bonds	800	800
Proceeds from the issue of bearer bonds	28,510	28,510
Transaction costs	(245)	(245)
Net proceeds	28,265	28,265
FX translation as at the date of statement of financial position	2,246	1,291
Accrued interest	552	611
Carrying amount of liability	31,063	30,167

The principal of the bearer bonds is due on 30 March 2012.

The interest rate of the bonds is floating and amounted to 6.82% p.a. in the first quarter of 2009 and to 5.56% in the second quarter of 2009 (6.53% p.a. in the first quarter of 2008, to 7.10% in the second and third quarters of 2008 and to 6.82% in the fourth quarter of 2008). Interest is payable on a semi-annual basis on 31 March and 30 September.

5.27. Trade and other payables

<i>In thousands of euros</i>	30/6/2009	31/12/2008
Trade payables	13,220	97,480
Advances received	12,418	12,378
Payables resulting from the purchase of financial assets	18	18
Estimated payables	4,257	4,636
Income tax payables	326	184
Payables to employees, social security and health insurance, employees income tax	446	889
Accrued expenses	249	285
Value added tax payables	560	339
Deferred revenues	353	649
Revaluation of derivatives	5,428	13,309
Other payables	2,446	6,851
TOTAL	39,721	137,018

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5.28. Other long-term payables

As at 30 June 2009, other long-term payables amounted to TEUR 12,370 (31 December 2008 – TEUR 12,157), of which TEUR 10,859 (31 December 2008 – TEUR 10,932) related to finance lease liabilities and TEUR 989 (31 December 2008 – TEUR 714) related to retentions.

5.29. Contingencies

The Group identified the following contingencies as at 30 June 2009:

- ECM Finance a.s. pledged its stake in CITY TOWER, s.r.o. and CITY PARKVIEW s.r.o. as a guarantee to the bank for a group company to secure the obtained loan. The guarantee totals TEUR 77,897.
- CITY TOWER s.r.o. pledged its fixed assets and receivables from the bank account as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 3,500.
- ECM CITY EMPIRIA a.s. pledged its receivables, fixed assets, shares, receivables from bank accounts, service charge account and claims arising from lease agreements, existing and future claims arising from the insurance agreement, stake in EMPIRIA BUILDING s.r.o. as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 58,100.
- EPOQUE-LANCASTER a.s. pledged its fixed assets, receivables from its bank account and shares as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 2,703.
- EPOQUE HOTEL a.s. pledged its fixed assets, receivables from its bank account and shares as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 2,703.
- ECM REAL ESTATE INVESTMENTS A.G. has pledged its shares and stake in TABULA MAIOR, a.s., ECM CITY EMPIRIA a.s., ECM OFFICES LIBEŇ s.r.o., CITY DECO s.r.o., CITY ELEMENT s.r.o., NATIONAL BUSINESS CENTRE Ostrava a.s. EPOQUE HOTEL a.s. and EPOQUE-LANCASTER a.s. for bank loans granted to these Group companies. In addition, ECM REAL ESTATE INVESTMENTS A.G. pledged its fixed assets, receivables from its bank account and shares in LUNZIE a.s. and ECM CITY EMPIRIA a.s. for a bank loan granted to the Group.
- NATIONAL BUSINESS CENTRE Ostrava a.s. pledged its receivables from bank accounts as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 3,090.
- ECM OFFICES LIBEŇ s.r.o. pledged its receivables and fixed assets as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 6,750.
- CITY DECO s.r.o. pledged its receivables and fixed assets as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 19,149.
- CITY ELEMENT s.r.o. pledged receivables and fixed assets as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 15,259.

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- VARENSKÁ OFFICE CENTER, a.s. pledged receivables, shares and fixed assets as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 9,462.
- REZIDENCE UNHOŠŤ a.s. pledged its receivables, shares and fixed assets as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 17,620.
- LUNZIE a.s. pledged fixed assets, shares and receivables from its bank account as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 3,476.
- CITY PARKVIEW s.r.o. pledged its fixed assets and receivables from its bank account and future receivables from loan contract as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 2,897.
- ECM Facility a.s. pledged technology Energo, guarantee declaration, shares, receivables from bank accounts and stake in OPTISERVIS spol. s r.o. as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 7,376.
- TABULA MAIOR, a.s. pledged its fixed assets, receivables and shares as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 5,292.
- ECM POZNAŇ RESIDENCE sp. z o.o. pledged its fixed assets and receivables as a guarantee to the bank for a group company to secure a loan in the amount of TEUR 4,491.
- Czech Real Estate Regions S.a.r.l. pledged its share in REZIDENCE UNHOŠŤ a.s. and VARENSKÁ OFFICE CENTER, a.s. as a guarantee for bank loans granted to these Group companies.

The Company did not enter any contract to pledge its assets in the period ended 30 June 2009; any changes in pledges in comparison to the year 2008 are caused by fluctuations in exchange rates of foreign currency.

5.30. Related parties

5.30.1. Identity of related parties

The Group has a related party relationship with its subsidiaries, associates, joint ventures and with its directors and executive officers.

Key management persons include the Chairman of the Board of Directors, Finance Director and Chief Project Manager. The remuneration of the key management personnel is as follows:

<i>In thousands of euros</i>	30/6/2009 (6 months)	30/6/2008 (6 months)
Remuneration and benefits paid to key management (1)	539	1,426
TOTAL	539	1,426

(1) The remuneration for the 6-months period ended 30 June 2008 includes bonuses for 2007.

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5.30.2. Transactions with related parties

The Group identified the following transactions with related parties in 2009 and 2008:

<i>In thousands of euros</i>		30/6/2009 (6 months)	31/12/2008 (12 months)	30/6/2008 (6 months)
Milan Janků	Loans provided to the Group	1,688	--	12
	Loans granted by the Group	119	9	128
	Payables to the Group	5,174	4,761	5,134
	Receivables from the Group	--	67	31
	Services provided to the Group	12	--	--
	Purchases from the Group	19	--	31
ECM Group N.V.	Loans granted by the Group	--	856	--
	Loans provided to the Group	5,788	--	--
	Receivables from the Group	--	18	--
	Services provided to the Group	86	1	--
	Purchases from the Group	31	--	--
	Payables to the Group	953	888	81
ECM Group Asset Management, a.s.	Receivables from the Group	137	--	--
	Advances provided to the Group	5	--	--
	Services provided to the Group	92	--	4,030
	Purchases from the Group	122	866	--
	Payables to the Group	20	57	30
	Purchases from the Group	--	153	--
Domus Eventis Asset Management, s.r.o.	Services provided to the Group	--	23	25
	Loans granted by the Group	34	--	34
	Payables to the Group	18	52	21
	Receivables from the Group	12	9	10
	Services provided to the Group	2	1	1
	Purchases from the Group	9	16	12
LONGIN Business Center, a.s.	Loans provided to the Group	--	--	1,286
	Loans granted by the Group	50	--	50
	Payables to the Group	36	83	24
	Services provided to the Group	--	1	--
	Purchases from the Group	1	1	314
	Receivables from the Group	945	2,890	102
PSJ, a.s.	Payables to the Group	11	--	--
	Advances to the Group	72	58	--
	Services provided to the Group	494	1,121	81
	Purchases from the Group	115	106	--
	Loans granted by the Group	22	2	--
	Receivables from the Group	27	34	--
Nová Liboc, a.s.	Services provided to the Group	12	--	--
	Payables to the Group	9	9	--
	Loans provided to the Group	--	1,745	--
	Services provided to the Group	45	--	--
	Payables to the Group	1,622	--	--
	Receivables from the Group	87	144	49
ECM Real Estate Investment II, A.G.	Services provided to the Group	--	151	--

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5.31. Subsequent events

5.31.1. The project management changes

In accordance with the conclusions of the General Meeting that took place on 28 April 2009, the Board of ECM REAL ESTATE INVESTMENTS A.G. has adopted a vigorous cost restructuring. By strengthening its cash flow on the highly volatile Central European real estate market, the Company wants to support the long-term value for its shareholders and it believes that this can be reached by increased outsourcing which, in terms of project management and servicing, is supported by significant savings made through economies of scale. The Board of the Company is aiming to reach a reduction in its operational costs in the level of 20 – 25% per year and it plans to re-invest such cost savings to finalize its own selected development projects.

As a result of that the Board of ECM has handed over the management of its own projects to an external specialist company, PPF ECM Advisory. Based on a consultancy contract, this company will look after the management as well as the servicing support of ECM's projects and any steps relating to these assets will be carried out by PPF ECM Advisory only after the approval of the Board of ECM. This externally managed projects model will be used in the Czech Republic as well as in Russia and China. This transaction was initiated after 30 June 2009.

The outsourcing of the servicing of projects ensures the full flexibility of ECM. The company will still continue to be managed by the Board, which, according to the law, has to take decisions in accordance with the interests of all parties involved, including minority shareholders, and which aims to ensure maximum transparency towards them as well as towards the whole market. ECM still remains under the control of its majority shareholder Milan Janků, who controls the company through his majority stake in the company ECM Group N.V.

5.31.2. Real Estate Fund

On 27 July 2009 ECM has received the approval from the Czech Antimonopoly Bureau (ÚOHS) regarding the possible transfer of its five subsidiaries into a specialized real estate fund in Luxembourg which is currently under the discussion with other potential investors. ECM will hold a significant stake in the fund.

The project SPV's include CITY TOWER s.r.o., ECM CITY EMPIRIA a.s., TABULA MAIOR, a.s., ECM OFFICES LIBEŇ s.r.o. and VARENSKÁ OFFICE CENTER, a.s. which, respectively, include projects CITY TOWER, CITY EMPIRIA, CITY FORUM, CCS Headquarters and VARENSKÁ OFFICE CENTER.

The fund main objective will be the long-term investment into the properties which generate steady stream of rental income.