



1. THE PBG SUCCESS STORY

Success

1994 founding Piecobiogaz s.c. company

1995 introducing new product:
reducing station "Piecobiogaz"
– first projects for PGNiG

1996 purchasing and introducing American technology T.D. Williamson, first works on active gas pipelines

1997 founding Technologie Gazowe Piecobiogaz Sp. z o.o. company

1998 purchasing and introducing non digging method of pipelines renovation Compact Pipe

1998 gaining EN – PN ISO 9001:1996 certificate

1999 construction of the first in Poland automatic natural gas plant Banikowo-1

2000 realization of the first gasification and heating of cities and municipalities program

2001 construction, as a General Investment Contractor, the biggest in Poland automatic Natural Gas Plant in Kościan

2002 construction of the LPG separation and storing station - Władysławowo

2002 purchasing first shares packet of Hydrobudowa Włocławek SA

2002 gaining PN-EN 729-2 certificate

2003 construction of the first in the history of the company Crude Oil Plant – Sławoborze, Dzieduszyce

2004 changing legal form and name from Technologie Gazowe Piecobiogaz Sp. z o.o. for PBG SA

2004 July 2, IPO – debut of the PBG SA company on the Warsaw Stock Exchange (amount of gained capital – PLN 96 mln)

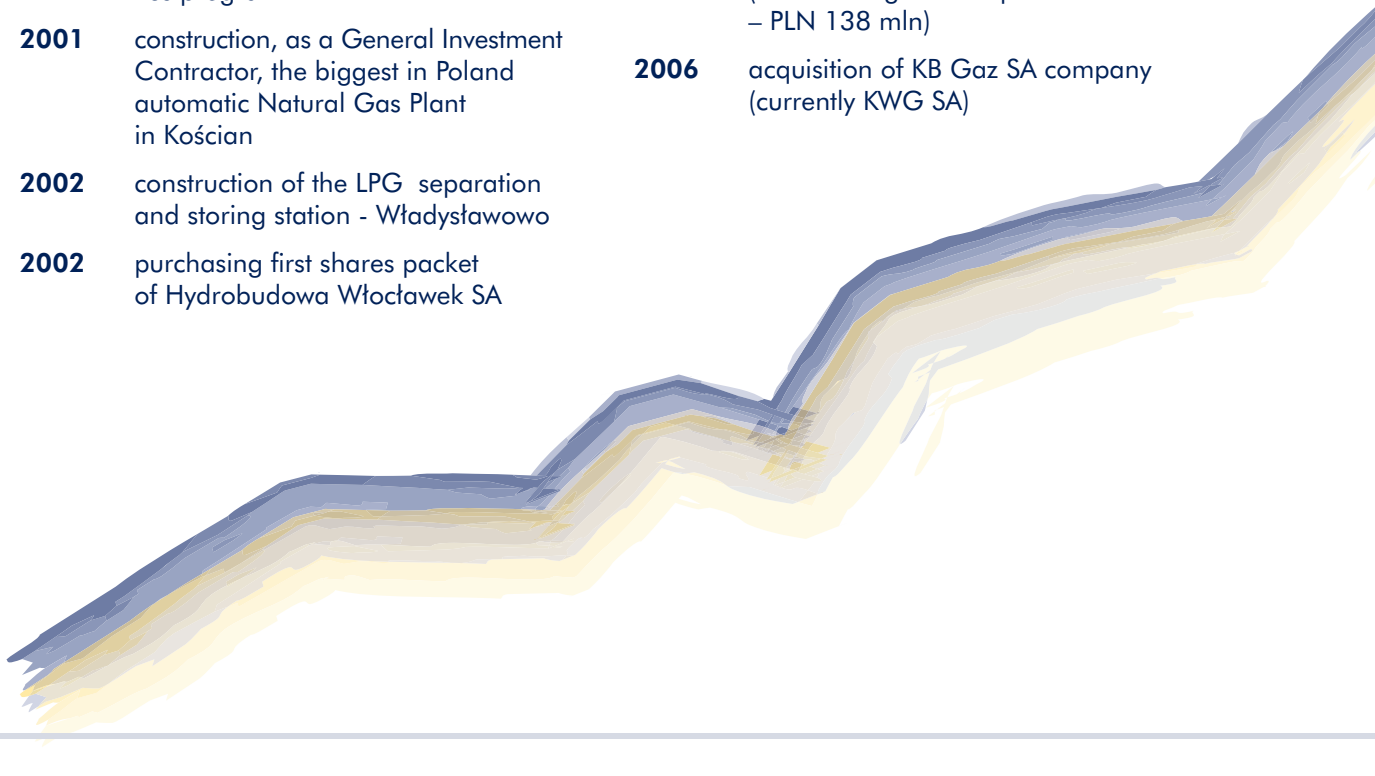
2005 purchasing shares in Metorex Sp. z o.o. company and in Infra Sp z o.o. (currently Infra SA)

2005 taking possession of the control packet of shares in Hydrobudowa Włocławek SA company

2005 first contracts for PKN ORLEN

2006 January, SPO of PBG SA shares (amount of gained capital – PLN 138 mln)

2006 acquisition of KB Gaz SA company (currently KWG SA)





- 2006** purchasing shares in Hydrobudowa Śląsk SA company
- 2007** January, SPO of PBG SA shares (amount of gained capital – PLN 350 mln)
- 2007** merging Hydrobudowa Włocławek SA and Hydrobudowa Śląsk SA and forming one of the largest entities operating on the environmental protection and hydro engineering market (currently the Company is named Hydrobudowa Polska SA)
- 2007** new companies in the PBG CG (Hydrobudowa 9 SA, GasOil Engineering AS, Excan Oil&Gas Engineering LTD, Przedsiębiorstwo Drogowo-Mostowe Dromost Sp. z o.o., PRID SA,

PBG Dom Sp. z o.o., Apartamenty Poznańskie Sp. z o.o., Brokam Sp. z o.o., Bathinex Sp. z o.o., PRIS Sp. z o.o.)

- 2008** new companies in the PBG CG: Betpol SA, Aprivia SA, Avatia Sp. z o.o., Wiertmar Sp. z o.o., Budwil Sp. z o.o., Gdyńska Projekt Sp. z o.o., Hydrobudowa Polska Konstrukcje Sp. z o.o. – (currently PBG Technologia Sp. z o.o.), PRG Metro Sp. z o.o., Górecka Projekt Sp. z o.o., Dawil Sp. z o.o. – (currently PBG Dom Invest 1 Sp. z o.o.)
- 2008** signing multi million contracts with PGNiG: for bringing into cultivation deposits Lubiatów-Międzychód-Grotów (LMG) and construction of the Underground Gas Storage in Wierzchowice
- 2008** signing first contract related to the EURO 2012 – for construction of Municipal Stadium in Poznań
- 2009** enlarging PBG CG by another companies: PBG Export Sp. z o.o., KM Investment Sp. z o.o. (currently Złotowska 51 Sp. z o.o.) and PBG Technologia Sp. z o.o.
- 2009** gaining contract related to the construction of stadium for EURO 2012: BALTIC ARENA Stadium in Gdańsk

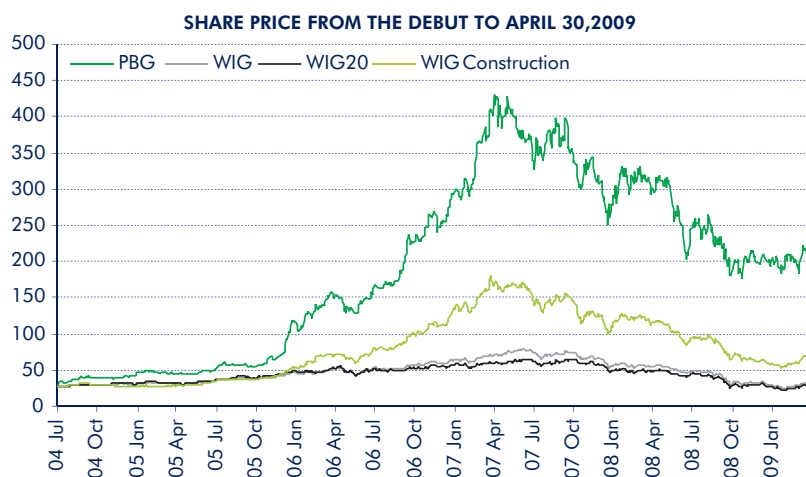
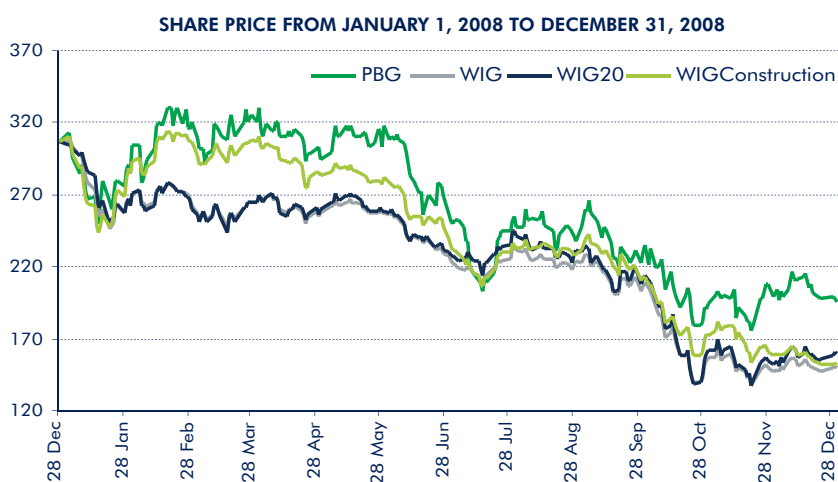
Time

2. THE PBG SHARES AND SHAREHOLDERS

HISTORY OF THE PBG SA ON THE CAPITAL MARKET

- IPO – issue price of PLN 32 per share (June 2004)
- Debut price on the WSE – PLN 35 (July 2, 2004)
- SPO – issue price of PLN 92 per share (January 2006)
- SPO – issue price of PLN 250 per share (January 2007)
- Maximum share price – PLN 430 per share (April 30, 2007)
- Current market price – PLN 206 per share (April 30, 2009)
- Market cap – PLN 2,767 bn (April 30, 2009)
- MSCI EM Index - as of June 1, 2007, the company has been listed on the emerging market index of Europe, The Middle East and Africa
- WIG 20 Index - as of June 18, 2007, the company has been listed on the index of the 20 biggest and most liquid companies on the WSE – BLUE CHIPS

PRICE OF THE PBG SA COMPANY SHARES FROM THE DAY OF THE DEBUT ON THE WARSAW STOCK EXCHANGE

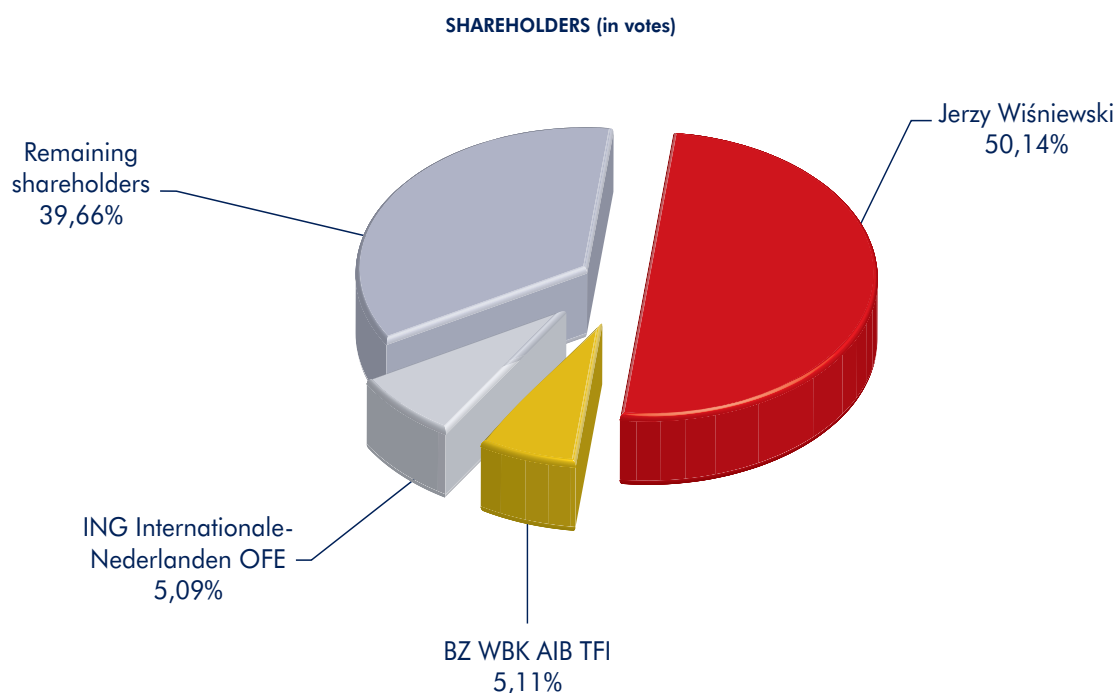


KEY DATA PER SHARE

Key data per share		2008	2007	Change % y/y
Earnings	in PLN	11,78	7,77	+51%
Equity	in PLN	69,11	55,90	+24%
Share price high	in PLN	331,00	430,00	-23%
Share price low	in PLN	175,30	253,40	-31%
Share price at year-end	in PLN	196,00	286,1	-31%
P/E ratio high		28,10	54,43	-48%
P/E ratio low		14,88	32,08	-54%
P/E ratio at year-end		16,64	36,21	-54%
Number of shares		13 430 000	13 430 000	0%
Number of shares in trade		8 917 500	8 905 000	+0.1%
Market capitalization at year-end	in PLN thous.	2,632,280	3,842,323	-31%
Average daily stock exchange volume		24 309	17 767	+37%

SHAREHOLDER STRUCTURE

Initial capital of the Company is PLN 13 430 000 and is divided into 4 500 000 privileged registered shares and 8 930 000 ordinary bearer shares. Nominal value of the privileged shares and ordinary shares is PLN 1,00 each. One privileged share gives two votes at the Annual General Meeting. Nearly 99,9% of privileged shares is in possession of Mr. Jerzy Wiśniewski who is the founder of the PBG company, its major shareholder and simultaneously performs the role of the President of the Board.



As of December 31, 2008				
Shareholder	Number of shares	Total nominal value (PLN)	Share in the capital (%)	Share in votes (%)
Jerzy Wiśniewski	4.495.054 shares, including: 4.495.054 privileged registered shares	4.495.054	33,47%	50,14%
BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA	899.265 ordinary shares	916.334	6,70%	5,02%

Stan aktualny				
Shareholder	Number of shares	Total nominal value (PLN)	Share in the capital (%)	Share in votes (%)
Jerzy Wiśniewski	4.495.054 shares, including: 4.495.054 privileged registered shares	4.495.054	33,47%	50,14%
BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA	916.334 ordinary shares	916.334	6,82%	5,11%
ING Nationale - Nederlanden Polska PTE SA	912.991 ordinary shares	912.991	6,80%	5,09%

INVESTOR RELATIONS

Activity connected with running investor relations has high priority in the PBG SA company. Investor Relations Department reports directly to the Chief Executive Officer and Chief Financial Officer. Major aim of IR is to establish open communication platform with investors and shareholders of the PBG SA in order to guarantee as easy access to the information as possible. The Company communicates with the market complying with transparency rules.

In year 2008 representatives of the PBG SA have participated in numerous meetings with investors and in conferences throughout Europe and USA. The Management Board and Investor Relations team met hundreds of investors personally and discussed the Company as well as its strategy in conference calls and video meetings. Moreover, the PBG website represents an important communication medium and provides many information on the company for every interested person as well as enables downloading annual reports, periodic and current reports, financial calendar, information on Annual General Meeting and analysts' recommendations.

Our efforts to continually improve Investor Relations has been again honoured by the financial society with awarded prizes. In WarsawScan 2009 research conducted by NBS Public Relations company among analysts and people managing the biggest financial institutions in the country, PBG company has been awarded prize for the company which has the biggest fondness of investors and media, and also prize for the best communication with investors. In the same research, President of the Board and founder of the PBG SA, Mr. Jerzy Wiśniewski, has been acknowledged as the most appreciated chief of the listed company.

There are 12 institutions which analyze and cover PBG: CitiGroup Investment Research Dom Maklerski Banku Handlowego SA, UniCredit CAiB Poland SA, IDM SA, Millennium DM SA, DI BRE BANK SA, Banco Espirito Santo SA, Ipopema Securities SA, Wood & Company Financial Services AS, ING Securities SA, DM BZ WBK SA, Erste Securities Polska SA, Deutsche Bank Securities SA

INFORMATION ON THE COMPANY AND THE PBG SA SHARES:

Investor Relations Department	Jacek Krzyżaniak Kinga Banaszak – Filipiak
Shareholder's Telephone	+48 (0) 61 66 51 761 +48 (0) 61 66 46 423
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E-mail	jacek.krzyzaniak@pbg-sa.pl kinga.banaszak@pbg-sa.pl
Website	www.pbg-sa.pl
WSE	PBG
Reuters	PBGG.WA
Bloomberg	PBG PW
ISIN	PLPBG0000029

3. HIGHLIGHTS 2008

JANUARY

- Conclusion of reference agreement on the reconstruction of the stadium in Poznań with Poznański Ośrodek Sportu i Rekreacji. The value of the agreement amounts to PLN 14 mln net
- Conclusion of reference agreement with Bytomskie Przedsiębiorstwo Komunalne Sp. z o.o. for the realization of the task called "IMPROVEMENT IN WATER-SEWAGE MANAGEMENT ON THE TERRITORY OF THE COMMUNITY OF BYTOM". The concluded agreement is worth EUR 3,2 mln net
- Conclusion of reference agreement with Karkonoski System Wodociągów Sp. z o.o. for the project - "Construction and modernization of water-pipe network and sewerage system in the community of Szklarska Poręba". The concluded agreement is worth EUR 28 net

FEBRUARY

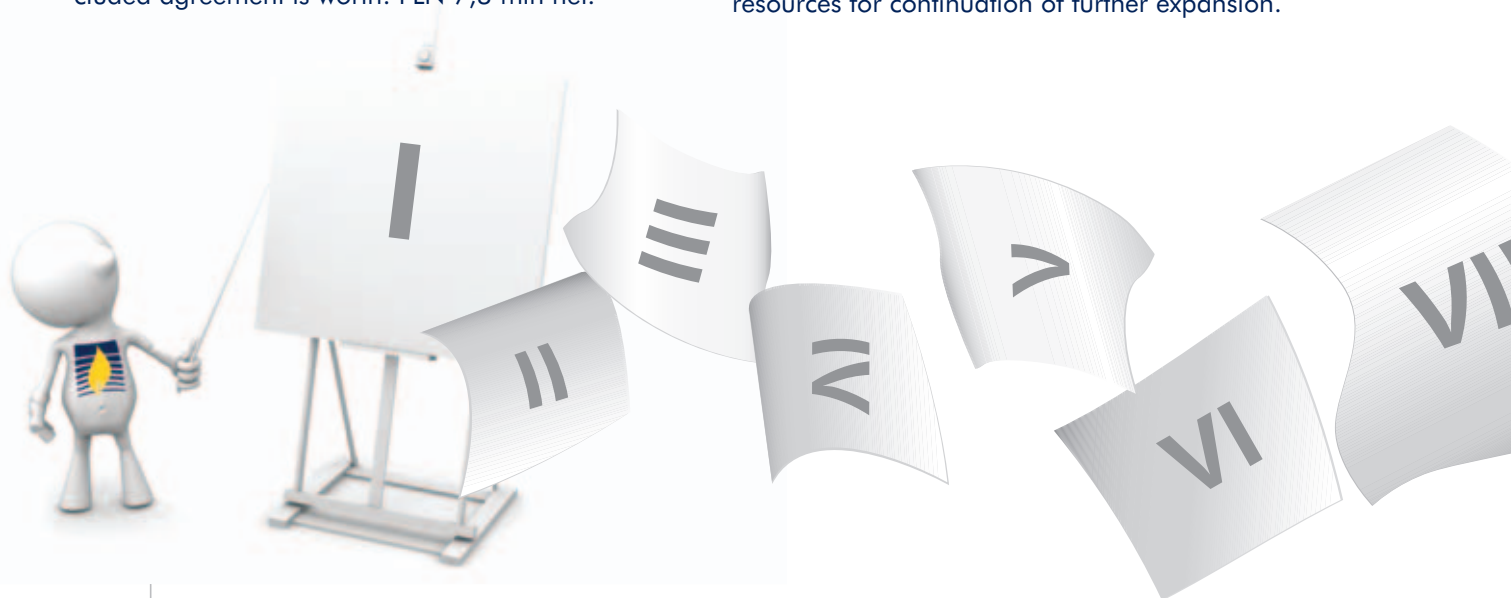
- Establishing an IT company under the name of AVATIA Sp. z o.o.
- Signing an agreement with Zakłady Wodociągów i Kanalizacji Sp. z o.o. (pipelines and sewage system plant) for the realization of the task called "Performance of works optimizing and modifying the existing process of water purification in Water Purification Plant Miedwie". The concluded agreement is worth: EUR 8,2 mln net
- Conclusion of reference agreement with Ośrodek Przygotowań Olimpijskich in Szczyrk for modernization works of Malinka ski-jump. The concluded agreement is worth: PLN 7,3 mln net.

MARCH

- Acquisition of shares in BETPOL SA
- Establishing a joint stock company under the name of APRIVIA SA

APRIL

- Acquisition of material assets by a subsidiary Infra SA in WIERTMAR Sp. z o.o.
- Establishing a subsidiary of HYDROBUDOWA 9 SA company under the name of GDYNSKA PROJEKT Sp. z o.o.
- Conclusion of a material agreement with Miejskie Wodociągi i Kanalizacja Sp. z o. o. in Bydgoszcz for extension of sewage system in Bydgoszcz. The concluded agreement is worth: EUR 30,8 mln net
- Acquisition of material assets by a subsidiary PBG DOM Sp z o.o. in BUDWIL Sp. z o.o.
- Conclusion of material agreement with "Nairit Plant" CJSC from Republic of Armenia for reconstruction and modernization of the Nairit CJSC Site". The concluded agreement is worth: USD 210 mln net
- Conclusion of the reference agreement with the community of Rewal together with Przedsiębiorstwo Inżynierii Ochrony Środowiska "Ekoklar" Sp. z o.o. for the task called "Development and modernization of sewage treatment plant in Pobierowo, community of Rewal". The concluded agreement is worth: PLN 23 mln net
- Successful end of public offer of shares issue of the K series by Hydrobudowa Polska SA, (company offered 35,000,000 K series shares, price for K series shares was determined for the amount of 8,80 PLN. HBP gained PLN 308 mln and assured resources for continuation of further expansion.



MAY

- Formation of the affiliated company HYDROBUDOWA POLSKA KONSTRUKCJE Sp. z o.o.
- Decrease of capital by PBG SA in Hydrobudowa Polska SA as a result of the registration of increasing the share capital of the company

JUNE

- Increasing share capital up to 100% of the total number of votes by PBG SA in PBG Dom Sp. z o.o.
- Conclusion of the reference agreement with the Company Polimex-Mostostal S.A. - works are connected with the realization of the project called "Construction of the terephthalic acid production plant" in Włocławek. The concluded agreement is worth PLN 23 mln net
- Acquisition of material assets by a subsidiary Hydrobudowa Polska SA in PRG METRO Sp. z o.o. Conclusion of the agreement on the sale of shares in Apartamenty Poznańskie Sp. z o.o. to its subsidiary, PBG Dom Sp. z o.o.
- Conclusion of the reference contract with Przedsiębiorstwo Wodociągów i Kanalizacji Sp. z o.o. in Starachowice for modernization and development of sewage treatment plant in Starachowice

AUGUST

- Conclusion of the reference agreement with Zakład Utylizacyjny Spółka z o.o. in Gdańsk for the designing and construction of waste utilization plant in Gdańsk Szadółki, construction-assembly works. The value of the concluded agreement amounts to: PLN 299 mln net
- Conclusion of a material agreement with PGNiG SA for the realization of the LMG Project - Main Centre, wellsites, pipelines and other. The total contract value is PLN 1 bn 397 mln net

SEPTEMBER

- Conclusion of a material agreement with Miejski Zakład Oczyszczania Sp. z o.o. for waste neutraliza-

tion plant in Trzebania. The concluded contract is worth EUR 24.9 net

- Establishing by a subsidiary HYDROBUDOWA 9 SA a company under the name of GÓRECKA PROJEKT Sp. z o.o.
- Increasing share capital up to 100% of the total number of votes by PBG DOM Sp. z o.o. in DAWIL Sp. z o.o.

OCTOBER

- Increasing share capital of APRIVIA SA subsidiary

NOVEMBER

- Conclusion of the reference agreement with PGNiG SA for complete execution of the investment "The Construction of Surface Part of the Wierzchowiec Underground Gas Storage". Contract value is PLN 1 bn 89 mln net

DECEMBER

- Concluding the reference agreement for the development of the city stadium in Poznań for the needs of EURO 2012. The value of the concluded agreement amounts to: PLN 397 mln net
- Disposal of share value in Bathinex Sp z o.o. by PBG SA

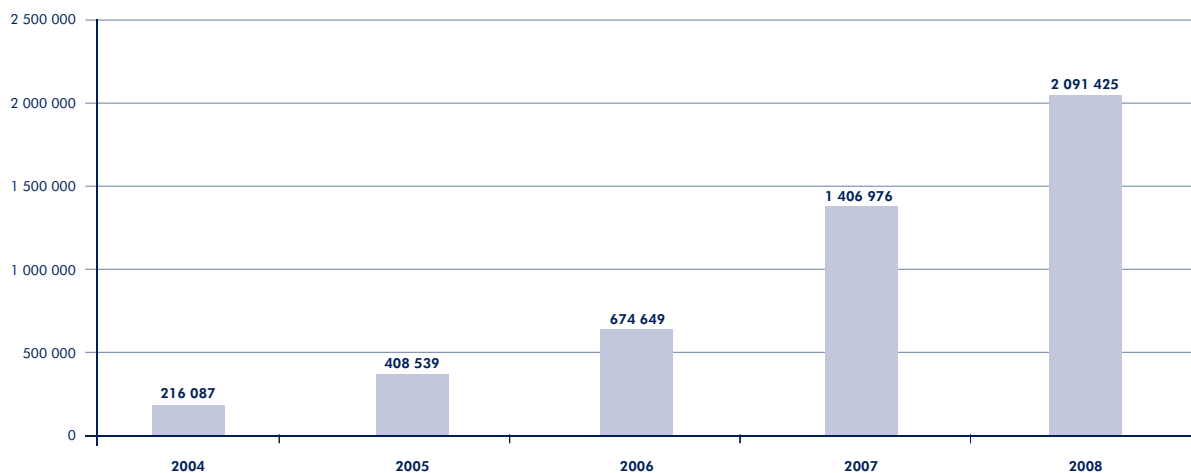
4. FINANCIAL REVIEW

Year 2008 abounded in many occurrences which had a significant influence on either financial or property situation in the PBG Capital Group. Once again, the PBG Group ended year with the best results in its history. Continually a significant influence on the Group's financial condition had its parent company which also achieved record-breaking results increasing net profit by PLN 8,4 mln to the level of over PLN 58 mln and increasing revenues to PLN 571,5 mln which is over 24% more than in a previous year. Reaching such positive results would not be possible without signing profitable contracts and accomplishment of forecasted budgets.

REVENUES FROM SALES

In 2008 the Capital Group achieved in comparison with the analogical period of the previous year the growth of revenues by 48%. The revenues of PBG Group increased from the amount of PLN 1.406.976 thousands in 2007 to PLN 2.091.425 thousands by the end of 2008. Cost of products sold in the analyzed period increased by 47% from the amount of PLN 1.192.005 thousands in 2007 to PLN 1.749.532 thousands in 2008.

HISTORICAL VALUES OF REVENUES FROM SALES OF THE PBG GROUP ARE PRESENTED BELOW
(the comparison was prepared for a period of five years)

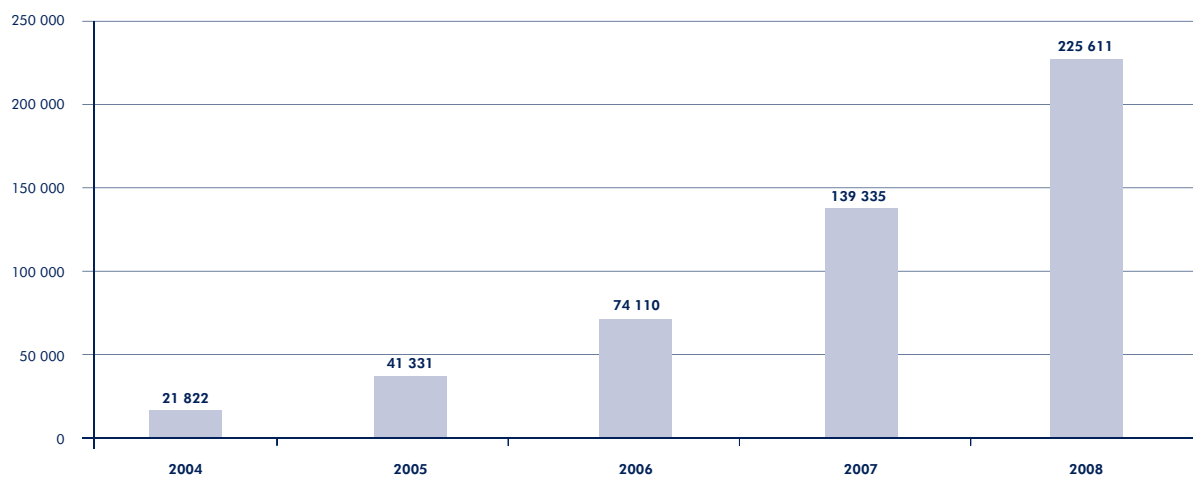


Revenues from the sales of services of the PBG Capital Group have been increasing in the last few years. This is the result of the continuous development of the Capital Group achieved through the growth of the organization and the acquisition of companies as well as by winning a significant number of new contracts of important individual value.

OPERATING PROFIT – EBIT

In 2008 the operating profit of the PBG Capital Group increased by 62 % in comparison with the analogous period of the previous year 2007. Operating profit of the PBG Capital Group increased from the amount of app. PLN 139.335 thousands to the amount of PLN 225.611 thousands.

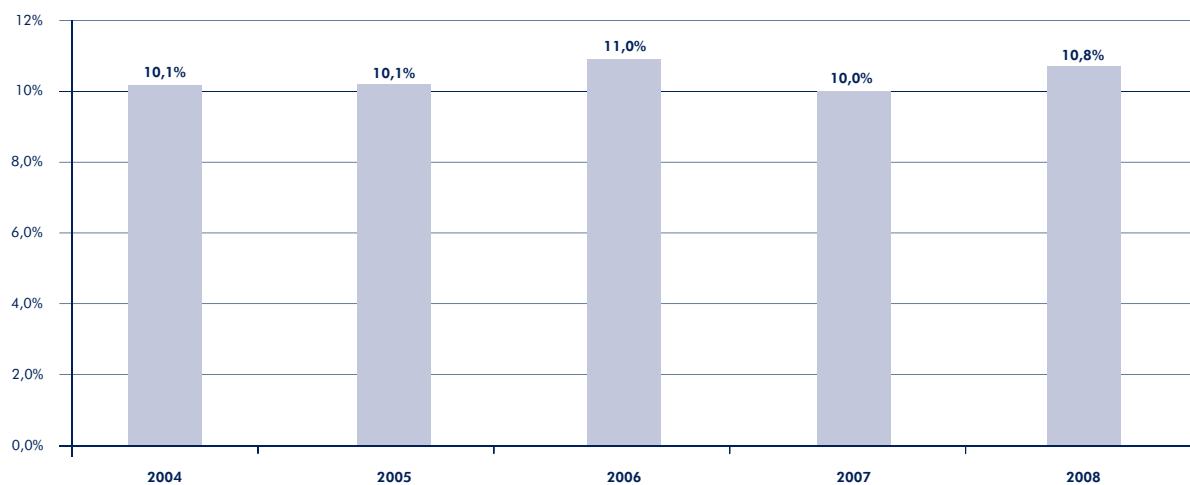
HISTORICAL VALUES OF OPERATING PROFIT OF THE PBG GROUP ARE PRESENTED BELOW
(the comparison was prepared for a period of five years)



OPERATING MARGIN

In year 2008 the PBG Capital Group has reached growth of operating margin by 0,8% in comparison to year 2007. Operating margin increased from 10,0% to 10,8%.

HISTORICAL VALUES OF OPERATING MARGIN OF THE PBG GROUP ARE PRESENTED
(the comparison was prepared for a period of five years)



CHANGES IN THE AREA OF SALES MARKETS

In the reporting period, revenues (according to IAS) from different areas of business of the PBG Capital Group companies were generated mainly on the Polish market in the following amounts:

Revenues	2008 (in PLN thous.)	2007 (in PLN thous.)	Change (in PLN thous.)	Change (in %)
crude oil and natural gas (transmission, distribution and extract)	258 071	160 455	97 616	61%
water (hydro engineering, environmental protection and renovations)	1 130 317	781 821	348 496	45%
fuels (storing fuels)	170 038	192 225	-22 187	-12%
Industrial and residential construction (construction, infrastructure for industrial facilities)	195 491	116 152	79 339	68%
roads (road construction)	140 794	31 205	109 589	351%
other (sale of goods, materials and products and other services)	196 714	125 118	71 596	57%
Total revenues from sales	2 091 425	1 406 976	684 449	49%

The changes in the area of sales market are the consequence of the implementation of a strategy consisting in the acquisition of highly specialist contracts in terms of technology, expansion on environmental protection market co-financed from EU Funds and extension of the activity on the roads construction market and infrastructural investments.

Operations of the PBG Capital Group focus mainly on the Polish market and the Group considers this market the most important one due to the significant inflow of EU funds and related investments as well as scheduled investments connected with installations for production of liquefied natural gas and the entire additional infrastructure (pumping stations/gas compressor stations, pipelines and other) and due to investments carried out within the scope of organization in Poland European Football Championship EURO 2012. The actions are taken, however, in order to enter foreign markets in the future and especially the sectors of natural gas and crude oil. In 2006 the PBG company acting as a subcontractor of the company Pall Poland Sp. z o.o. performed the first contract for a final foreign investor, the Latvian company Latvijas Gaze Akciju Sabiedriba. The contract was performed in Latvia. The value of the contract was EUR 5.22 mln. The contract is the first step of PBG towards the foreign markets. Moreover, the PBG company took steps towards the expansion into the Norwegian market. In March of 2007 PBG concluded the first agreement with the Norwegian company Kanfa Aragon AS for the production of glycol revitalization system for gas drying. The value of the contract was EUR 1.125 mln. The transaction was considered material, since it created prospects for PBG to win new contracts in Norway. PBG received another foreign order from the above mentioned company in August 2007. The order consisted in the production of packages for glycol revitalization to be used on platforms located in the coastal areas of the Great Britain as well as the supply of booster pumps used together with packages for glycol revitalization. The net value of the contract totaled nearly EUR 3 mln. Moreover in February 2007 PBG company accepted a number of orders from the company Gas Naturale' (Pvt.) Ltd. company with its registered office in Punjab, Pakistan. The total value of orders is USD 5.5 mln. The first order consisted in the preparation by PBG of the design works for natural gas liquefaction system. The second order consisted in the supply of materials and technological units for natural gas liquefaction system. The transaction was material as it created additional prospects for PBG SA to win new export contracts.

DYNAMICS OF PROFIT AND LOSS ACCOUNT

PBG CG Profit and Loss Account (in PLN thousands)	2008	2007	2008/2007
Net revenues from sales of products, goods and materials	2,091,425	1,406,976	149%
Costs of products, goods and materials sold	1,749,532	1,192,005	147%
Gross profit (loss) on sales	341,893	214,971	159%
Costs of sales	0	399	0%
General administrative expenses	107,997	81,143	133%
Profit on sales	233,896	133,429	175%
Other operating revenues	18,770	18,685	100%
Other operating expenses	27,055	12,779	212%
Operating profit (loss)	225,611	139,335	162%
Financial revenues	50,176	14,521	346%
Financial expenses	62,140	35,661	174%
Profits/losses from investments in related parties	2,268	28,181	0%
Profit (loss) before tax	215,915	146,376	148%
Income tax	25,992	26,697	97%
Net profit:	189,923	119,679	159%
- profit of the parent company	158,241	104,308	152%
- profit of the minority shareholders	31,682	15,371	206%

In 2008 revenues from sales generated by the PBG Capital Group increased by 49% in comparison to the corresponding period in the previous year, whereas the costs of sales increased by 47%.

A considerable increase was recorded on each level of financial results from particular Group's activities: gross profit on sales – increase by 59%, profit on sales - increase by nearly 75%, operating profit - increase by 62% and net profit – increase by nearly 52%.

A considerable influence was exerted on the Group's net profit achieved in 2008 by the financial revenue due to realized profits from the following transactions: profit generated by Hydrobudowa Śląsk SA (now Hydrobudowa Polska SA) from selling shares of Mostostal Zabrze SA company; which resulted in achievement of quite high margin on net level in the previous year. The shares mentioned above were taken up by the Hydrobudowa SA company within the scope of agreement on exchange of debt into shares.

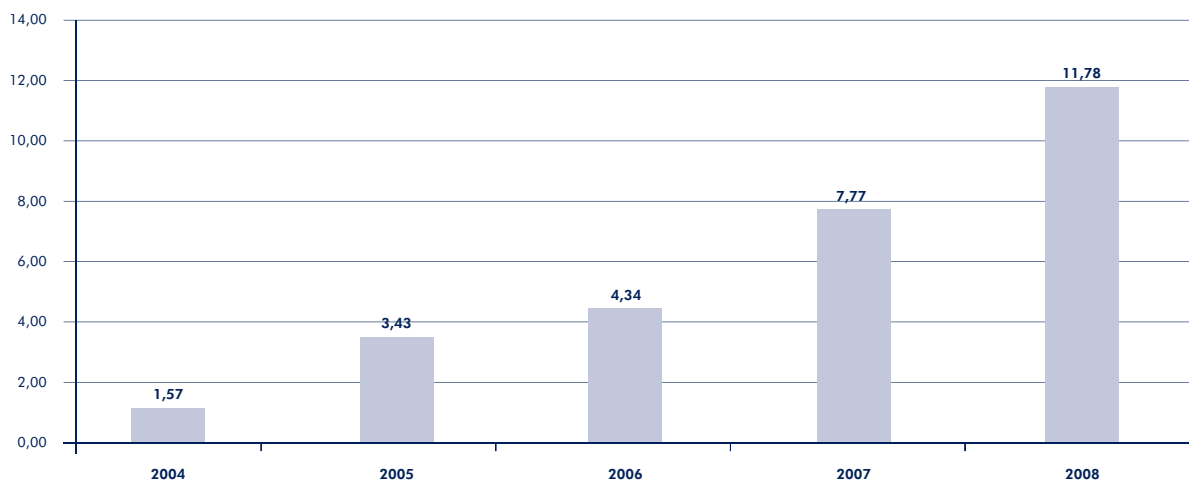
The share of floating costs in revenues from sale in the described period in comparison to the analogous period of the previous year decreased slightly from 84,7% to 83,7% that is: by 1%. The share of overhead costs in the described period also decreased and amounted 5,2% in comparison to 5,8% which means a drop by 0,6%.

It should be mentioned that the profitability recorded in 2008 by the PBG CG was under significant influence of evaluation of simple forward hedging instruments as well as acquisitions made in 2007 and completion and settlement of old contracts from the portfolio of Hydrobudowa 9.

EARNINGS PER SHARE (EPS)

In year 2008 EPS ratio has increased by 52% in comparison to the year 2007 and came to PLN 11,78 from PLN 7,77 in the previous year.

HISTORICAL VALUES OF THE EPS RATIO OF THE PBG GROUP ARE PRESENTED BELOW
(the comparison was prepared for a period of five years)



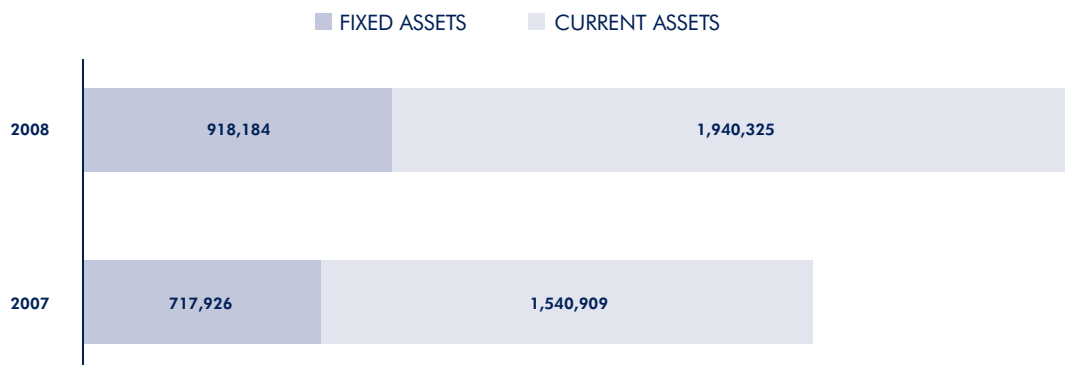
ASSETS

The structure of assets did not considerably change during the period in question. Fixed assets at the end of 2008 constituted over 32,1% of the total assets and their share decreased by 0,3% against the corresponding period in the previous year. In the same period current assets recorded a slight drop of their share in total assets and constituted nearly 67,9%. The most important element of fixed assets are tangible fixed assets (they constitute approximately 44% of fixed assets).

The second position in fixed assets is held by goodwill acquired by merger of business entities, which constitutes 35% of the former. A considerable increase of the share of this element in the analysed period was caused by realised acquisitions.

The structure of current assets against 2007 changed minimally. The biggest share in current assets in 2008 belonged to trade receivables from contracting parties due to works set out in contracts for long-term/ construction service, which constituted 40% of the current assets. Similar, yet a slightly smaller share belonged to short-term receivables constituting 35% of the current assets. The third item in terms of value constitutes cash which corresponds with 15% value of current assets.

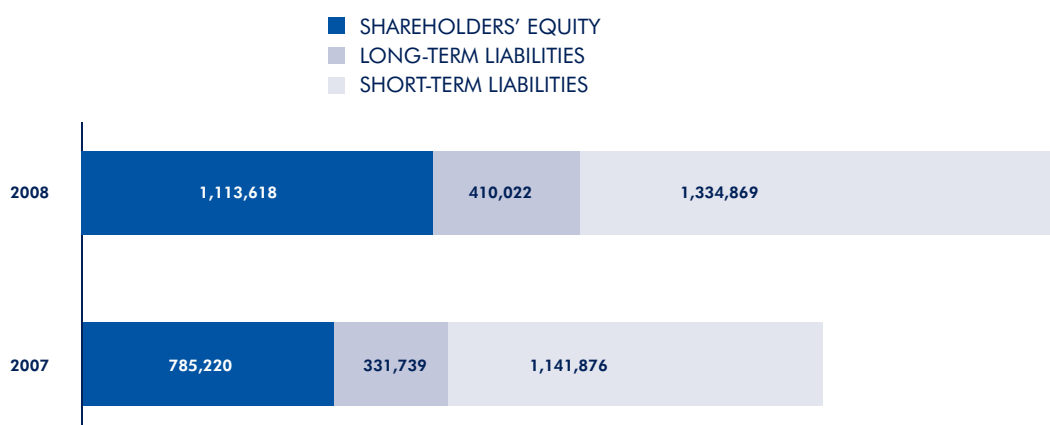
Assets in thousands PLN



LIABILITIES

The statement of liabilities does not show important changes in the structure of sources of assets financing of PBG Group that occurred during the analysed period. The shareholders' equity constituted 39% of the total liabilities value. The share of long-term liabilities in the balance sheet sum decreased slightly (from approximately 14,7% in 2007 to 14,3% in 2008). The share of short-term liabilities also decreased, constituting at the end of 2008 - 46,7% in comparison to 50,6% in the corresponding period in the previous year. Amongst long-term payables the highest value was recorded by other long-term liabilities which included bonds issued in December of 2007 by the holding company of the Group for PLN 200 mln.

Liabilities in thousands PLN



NET DEBT

	2008 in PLN thous.	2007 in PLN thous.	Change y/y in %
Long-term credits and loans	112,850	50,033	+126
Short-term credits and loans	475,147	350,402	+36
Bonds	200,000	200,000	0
- Closing balance of cash	289,713	410,305	-29
Net debt	498,284	190,130	+162

Net debt as of December 31, 2008 amounted PLN 498,3 mln and increased by 162% in comparison to its value from the end of year 2007. It consists of PLN 112,8 mln of long-term credits and loans, over PLN 475 mln of short-term credits and loans and PLN 200 mln of bonds issued by the parent company of the Group at the end of year 2007. From above amounts we subtract closing balance of cash which at the end of year 2008 amounted almost PLN 290 mln. Rising net debt is an effect of ploughing large amounts of money to the operational activity of the Group and financing from them contracts being executed. It is also an effect of still growing backlog of orders and significant share of projects co-financed by EU which require significant own capital employed.

DYNAMICS OF ASSETS

Assets (in thousands PLN)	2008	2007	2008/2007
FIXED ASSETS	918,184	717,926	127.89%
Intangible assets	14,820	13,262	111.75%
Goodwill acquired by merger of business entities	322,522	267,426	120.60%
Tangible fixed assets	403,749	306,786	131.61%
Other long-term financial assets	48,571	41,834	116.10%
CURRENT ASSETS	1,940,325	1,540,909	125.92%
Inventories	69,360	40,145	172.77%
Receivables from contracting parties due to works set out in contracts for long-term / construction service	783,930	439,585	178.33%
Short-term trade receivables	679,366	534,476	127.11%
Other short-term receivables	48,751	43,263	112.69%
Other short-term financial assets	51,767	58,410	88.63%
Closing balance of cash and cash equivalents	289,713	410,305	70.61%
TOTAL ASSETS	2,858,509	2,258,835	126.55%

The balance sheet recorded almost 27% increase against year 2007. This fact resulted from a considerable increase of each item of assets. In the period in question fixed assets increased almost by 28%. The greatest increase, both in percentage and value, was recorded in the tangible fixed assets which at the end of 2008 amounted PLN 404 mln and it was increase by 31% in comparison with the previous year. The company's goodwill also increased within the scope of merger of the economical entities. The increase in the latter item results from a higher activity in the acquisitions of other enterprises (in 2008, among others, the following enterprises were included in the PBG CG: Betpol, Wiertmar, PRG Metro).

The value of current assets increased by 26% against 2007. The greatest dynamics amongst current assets was recorded in the receivables from the contracting parties due to works set out in contracts for long-term construction service and trade receivables as well as inventories.

In terms of value, the highest items among current assets are receivables from contracting parties due to contracts for construction service and short-term receivables. The very visible increase of these two items (in the second case exceeding PLN 100 mln and in the first one even PLN 300 million respectively) resulted from the growth of the backlog of orders held and contracts realised.

DYNAMICS OF LIABILITIES

Liabilities (in thousands PLN)	2008	2007	2008/2007
EQUITY	1,113,618	785,220	141.82%
Equity of the shareholder of the parent company	928,135	750,670	123.64%
Share capital	13,430	13,430	100.00%
Reserve capital from shares sold above share nominal value	551,178	551,178	100.00%
LIABILITIES	1,744,891	1,473,615	118.41%
LONG-TERM LIABILITIES	410,022	331,739	123.60%
Long-term credits and loans	112,850	50,033	225.55%
Other long-term financial payables	256,996	208,544	123.23%
SHORT-TERM LIABILITIES	1,334,869	1,141,876	116.90%
Short-term credits and loans	475,147	350,402	135.60%
Other short-term financial payables	196,324	116,260	168.87%
Short-term trade payables	486,595	387,161	125.68%
TOTAL LIABILITIES	2,858,509	2,258,835	126.55%

A higher increase among the liabilities was recorded in the case of shareholders' equity - its value increased by almost 42% and equalled over PLN 1.1 bn, whereas external equity increased by 18,4% and amounted over PLN 1,7 bn. The following items increased significantly in the foreign capital: other long-term and short-term financial payables, credits and loans as well as trade payables (increase by 26% in comparison to their value at the end of 2008).

CASH FLOW

	2008 in PLN thous.	2007 in PLN thous.
Net cash from operations	-262,881	-117,647
Net cash used in investments	-174,856	-178,941
Net cash flows from financial activity	315,220	655,464
Closing balance of cash and cash equivalents	289,713	410,305

In cash flow for year 2008 there have been similar tendencies as in previous year. Net cash from operations in 2008 generated negative value (almost PLN 263 mln), net cash used in investments – also negative value (almost PLN 175 mln), net cash flows from financial activity marked positive value (over PLN 315 mln), closing balance of cash and cash equivalents amounted nearly PLN 290 mln and it was over PLN 120 mln less than in the previous year.

Observed economic situation implies that the PBG Capital Group develop itself very dynamically and retain this phase of development. The reason of negative operating cash flow is fact that in the Group's backlog of orders there are long-term contracts co-financed by EU which require involving large amounts of the Company's resources.

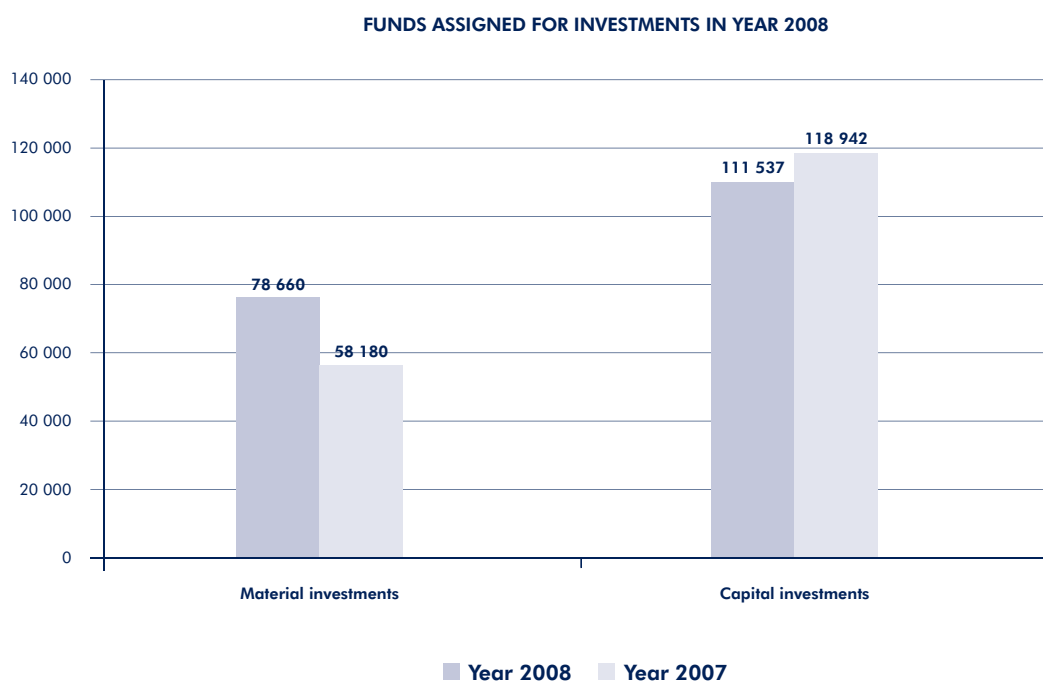
INVESTMENTS

Capital investments

In year 2008 companies from the PBG Capital Group as a result of acquisition acquired shares in four entities like Betpol, PRG Metro or Wiertmar. Each of the acquired companies is in possession of special references and competences to perform contracts on the markets which the PBG Group's interested in. Moreover, there have been four companies called into being like Aprivia and Hydrobudowa Polska Konstrukcje (currently PBG Technologia). What is more, PBG has increased share capital in one of its subsidiaries - PBG DOM company.

Material investments

In year 2008 the PBG Capital Group invested mainly in extension of machines park and warehouses. Part of the funds has been also spent on modernization and extension of already possessed or construction of new office buildings. Investments in specialist construction equipment and transport equipment amounted over PLN 29,5 mln in total.



In year 2009 expenses on material investments are planned at the restitution level, for capital investments the PBG Capital Group is going to spend at this moment about PLN 40 mln.

MAJOR MATERIAL INVESTMENTS OF THE PBG CAPITAL GROUP IN 2008

No.	Item	Amount (in PLN thous.)
1.	Modernization and extension of owned office, storage and workshop facilities	31 854
2.	Heavy construction equipment	21 048
3.	Construction of administration building in Mikołowo	8 933
4.	Means of transport	8 494
5.	License Oracle	3 446
6.	System ERP	3 075
7.	License Nino Ferrari	1 145
8.	License EFFE	535
9.	License Promax	130

MAJOR CAPITAL INVESTMENTS OF THE PBG CAPITAL GROUP IN 2008

No.	Item	Amount (in PLN thous.)
1.	The acquisition of shares of Betpol S.A.	45 972
2.	The acquisition of shares of PRG Metro Sp. z o.o.	40 368
3.	The acquisition of shares of PBG Dom sp. z o.o.	10 361
4.	The acquisition of shares of Hydrobudowa Polska Konstrukcje Sp. z o.o.	8 050
5.	The acquisition of shares of Wiertmar Sp. z o.o.	3 208
6.	The acquisition of shares of Gdyńska Projekt Sp. z o.o.	3 000
7.	The acquisition of stocks of Aprivia S.A.	506
8.	The acquisition of shares of Avatia Sp. z o.o.	49,9
9.	The acquisition of shares of Strateg Capital	47
10.	The acquisition of shares of Budwil Sp. z o.o.	25

PROFITABILITY RATIOS

	2008	2007
ROA	5,5%	4,6%
ROE	17,0%	13,9%

ROA ratio in year 2008 increased in the comparison to year 2007 by almost 1%, from 4,6% to 5,5%. It means that each PLN 100 of assets involved in business activity gives PLN 5.5 of net profit.

ROE ratio in year 2008 reached 17,0% which is 3,1% more than in the previous year. It means that each PLN 100 of equity invested in the Group's wealth gives PLN 17 of net profit.

FORECAST OF CONSOLIDATED FINANCIAL RESULTS FOR 2009

Item	Forecast (in PLN thous.)
Net revenues from sales	2 800 000
Operating profit	300 000
Net profit	190 000

Exact assumptions concerning financial forecast for year 2009 can be viewed on the Company's website in current report number 21/2009.

5. INTERVIEW WITH PRZEMYSŁAW SZKUDLARCZYK, CFO



The whole world is talking about the crisis on financial markets – has PBG suffered any problems in access to credits and loans enabling financing?

Ensuring access to financing Group's current activity has been our concern "from always". To achieve that aim we have been cooperating with the biggest financial institutions in Poland for many years. We are a reliable and trusted client for them with the highest backlog of orders in our history in the area of strategic for Poland infrastructural investments and that is why we could guarantee for ourselves without any problems access either to credits or other financial instruments. At the end of year 2008 amount of bank and credit limits assigned to the PBG Capital Group for financing current and investment activity and also for handling transactions of the foreign exchange market exceeded PLN 2,3 bn. It enables us to tender for the biggest contracts in Poland and to secure realization of the current backlog of orders.

On the one hand you say that the Company has secured its financing, but on the other hand PBG wants to gain additional funds from shares or bonds convertible to shares issue. What would the Company do with these funds?

We want to secure funds for further development, I mean potential acquisitions. Currently we are negotiating acquisitions with companies from the energy sector. This market seems to be very perspective. We are convinced that acquisition targets will be completed in year 2009 and this requires significant financial resources from us. We are also planning acquisitions of foreign companies. Moreover, we are executing an investment related to the construction of one of the biggest queries in the country which is essential for roads and railways construction.

PBG Capital Group's net debt has increased significantly in the recent year. Can you explain why it has happened and how the situation in year 2009 will look?

Indeed, net debt amount compared to one from the previous year increased over 160% and reached almost PLN 500 mln. The reason was dynamic growth of backlog of orders value and its structure. At the beginning of the year 2008 practically 80% of the backlog constituted contracts co-financed from European Union funds which require from the contractor large amounts of resources involved in the first stages of the executed contract. At the end of year 2009 we want our net debt to stay at the similar and not higher level as it was in year 2008. It is possible due to favourable change in the structure of our backlog of orders where significantly increased share of contracts requiring smaller amounts of working capital, e.g. in the area of natural gas and crude oil and construction of stadiums.