

Wysogotowo, 21st March 2007

To:
Report submitted to the Polish Financial Supervision Authority

Current report: 28/2007

Re: Material agreement concluded with a subsidiary

Contents:

March 2007 that PBG S.A. concluded a contract with its subsidiary company Infra Sp. z o.o. on 26 February 2007; as a result of this contract, the total value of all contracts concluded with Infra Sp. z o.o. exceeded the amount set for material agreements. The total value of all transactions concluded by and between these companies is PLN 49,279,727.87. The contact for the highest amount (EUR 6,615,760.27 net, i.e. PLN 25,765,078.37) was signed on 26 February 2007. This contract covers works specified under the task: Renovation of water mains in Bydgoszcz. Under this contract, Infra Sp. z o.o. as the Contractor shall complete works contracted by PBG S.A. as the Consortium Leader, by November 2009.

The said agreement is considered material based on the total shareholders' equity criterion.

Legal basis:

§ 5 section 1.3) of the Ordinance by the Polish Council of Ministers on current and interim information provided by issuers of securities

Signature of the authorised person
Magdalena Eckert-Boruta