

Wysogotowo, 18th May 2007

To:
Report submitted to the Polish Financial Supervision Authority

Current report: 48/2007

Re: Conclusion of a material agreement by companies of PBG Group

Contents:

The Board of Directors of PBG S.A. hereby informs that on 18th May 2007 the Consortium of the following companies:

- Infra Sp. z o.o. (as the Consortium Leader),
- Hydrobudowa Włocławek S.A.
- PBG SA
- and Zakład Usługowy "Wiertmar" Marian Piekarski, Bogumiła Piekarska, Marek Piekarski, Tomasz Piekarski Sp. J.,

concluded an agreement with Łódzka Spółka Infrastrukturalna Sp. z o.o. for the project:

„Upgrade of water supply and sewage distribution system in Łódź”. The contractual amount has been determined at EUR 53,859,709.64 gross (including VAT: EUR 9,712,406.64), i.e. approx. PLN 167.36 m net. The works specified in the contract will be executed according to the CONTRACTUAL TERMS AND CONDITIONS OF INSTALLATIONS, AND DESIGNING AND CONSTRUCTION for electrical and mechanic equipment as well as construction and engineering works designed by the Contractor. The agreement provides that the max. contractual penalty for delivery will not exceed 10% of the agreed gross contractual amount. The amount securing due performance of the contract has been determined at 10% of the agreed gross contractual amount.

The works will be completed by 30th November 2009.

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

Legal basis:

Art. 5 item 1.3 of the Regulation of 19 October 2005 on current and interim information provided by issuers of securities.

Signature of the authorised person:
Magdalena Eckert-Boruta

