

Wysogotowo, 23 May 2006

Attn:

The Public Office of the Polish Securities and Exchange Commission – report submitted using the ESPI system

Current report: 49/2006

Re: Conclusion of a material agreement by a subsidiary, Hydrobudowa Włocławek S.A.

The Board of Directors of PBG S.A. hereby informs to have been notified that on 23rd May 2006 Hydrobudowa Włocławek S.A., a subsidiary company, the Leader of the Consortium Hydrobudowa Włocławek S.A. – Pro-Log Sp. z o.o. – PBG S.A., concluded an agreement with Tarnowskie Wodociągi Sp. z o.o.

Under provisions of this contract, the Consortium will implement the project "Construction of sanitary sewerage system in the communes of Skrzyszów and Tarnów and "P" and "F" collectors with sewage system in Klikowa district".

The Consortium contract provides for the following division of works during the project implementation:

- Hydrobudowa Włocławek S.A. – Consortium Leader, General Contractor; 50% of works;
- Pro-Log Sp. z o.o. – Consortium Partner: 25% of works;
- PBG S.A. - Consortium Partner: 25% of works;

The order is financed with public resources, including resources of the Cohesion Fund. The works specified in this contract will be executed according to the terms and conditions of the construction contract for building and engineering works designed by the Contractor.

For the execution of works, the Consortium will be paid net remuneration of EUR 5,942,371.30 (i.e. PLN 23,525,847.97).

The works will be executed by 31 August 2008.

Contractual penalty is 0.1% of the approved contractual amount for each day of delay, however not more than 10% in total.

In the opinion of the Board of Directors of PBG S.A., the contract will materially affect the revenues of PBG Capital Group.

Legal basis: Article 56 item 1.1 of the Public Offering Act – confidential information

Signature of the authorised person:

Marcin Zboralski