

Wysogotowo, 13<sup>th</sup> June 2007

To:  
Report submitted to the Polish Financial Supervision Authority

Current report: 63/2007

Re: Conclusion of an annex to a material agreement by Hydrobudowa 9 S.A. and granting a guarantee for the Company's payables by PBG S.A.

**Contents:**

The Board of Directors of PBG S.A. hereby informs to have been notified on 13th June 2007 that on 30th April 2007

Hydrobudowa 9 (a subsidiary of PBG S.A.) concluded an annex to the agreement concluded on 25th April 2005 for a bank guarantee limit with BZ WBK SA for the amount decreasing the value limit to PLN 74 791 581.61 (the value of expired guarantees) and establishing another security of the agreement – guarantee granted by PBG S.A.

The agreement for bank guarantee limit concluded by Hydrobudowa 9 SA in 2005, upon the incorporation of the Company into PBG SA Capital Group was concluded for PLN 100 m and was in force till 30<sup>th</sup> April 2007. The agreement was secured with capped mortgage on the real estate owned by Hydrobudowa, power of attorney to encumber the bank account of Hydrobudowa SA, transfer liabilities under the construction contracts with business partners and transfer the ownership rights to some fixed assets.

- with regard to the said agreement, PBG S.A. concluded with BZWBK SA a Guarantee Agreement for subsidiary's (Hydrobudowa 9 S.A.) liabilities for an amount of up to PLN 149 583 163.20.

The guarantee was granted until 28th February 2010, when the Bank's claims arising from the said limit agreement expire. The remuneration of PBG S.A. for the guarantee granted will be calculated against market conditions.

**Legal basis:**

Article 5 item 1 point 3) and 7) of the Regulation of 19th October 2005 on current and interim information provided by issuers of securities.

Signature of the authorised person:

Magdalena Eckert-Boruta

