

Wysogotowo, 19th July 2006

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

Current report: 64/2006

Re: Conclusion of agreements by PBG S.A. and a subsidiary, Hydrobudowa Włocławek S.A. with TUir Cigna STU S.A.

On 19th July 2006 the Board of Directors of PBG S.A. was notified about: Conclusion of agreements by PBG S.A. and a subsidiary, Hydrobudowa Włocławek S.A. (hereinafter referred to as "the Obligated Parties") with Towarzystwo Ubezpieczeń i Reasekuracji Cigna STU S.A. for granting contract guarantees on 29th June 2006. For each of the agreement the guarantee limit of PLN 20,000,000 shall be the liability limit of Cigna STU for all guarantees granted under the agreement:

- a) bid bond,
- b) performance guarantee,
- c) defects liability bond,
- d) advance payment guarantee,
- e) retention money guarantee,
- f) reguarantees securing guarantees granted by the bank or insurance company,

The performance bond or defect liability guarantee shall be issued for up to 42 months, while a joint guarantee covering the two types –for up to 72 months. Advance payment guarantee shall remain in effect for the maximum period of 18 months.

The total guarantee amount for a single contract guarantee amounts to PLN 8 million.

The agreements have been concluded for the period ending when all claims of Cigna STU S.A. against the Obligated Parties arising from the agreement become extinct.

For granting the guarantees the Obligated Parties shall pay Cigna STU S.A. a premium depending on the type of the guarantee against market principles.

The guarantees shall be secured by promissory notes issued by the Obligated Party

and guaranteed by either PBG S.A. or Hydrobudowa Włocławek S.A.

respectively.

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

Legal basis:

§ 39.1.1 of the Regulation of 19th October 2005 on current and interim information provided by issuers of securities.

Signature of the authorised person:

Michał Zboralski