

Wysogotowo, 18th August 2006

To:

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

Current report: 67/2006

Re: Conclusion of material agreements by PBG S.A. and its subsidiary, Infra Sp. z o.o.

The Board of Directors of PBG S.A. hereby informs that on 18th August 2006, PBG S.A. and its subsidiary, Infra Sp. z o.o., entered into material agreements with Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w Bydgoszczy Sp. z o.o.

PBG S.A., acting as the consortium leader, executed waterworks mains repair agreement. Total net value of the contract is EUR 13,989,132.09 (PLN 54,374,357.52). The contract will be performed within 38 months from the day of commencing works.

At the same time, Infra Sp. z o.o. acting as the consortium leader, executed sewerage system repair agreement. Total net value of the contract is EUR 15,544,876.20 (PLN 60,421,379.30). The contract will be performed within 34 months from the day of commencing works.

Contractual penalty for both contracts is 0.5% of the approved contractual amount for each day of delay, however not more than 10% in total.

The said contracts are considered material based on the total shareholders' equity criterion.

Legal basis:

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

Signature of the authorised person:

Michał Zboralski