

Wysogotowo, 29th August 2006

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

Current report: 71/2006

Re: Conclusion of a material agreement by subsidiaries

The Board of Directors of PBG S.A. hereby informs that subsidiaries Hydrobudowa Włocławek S.A. (Leader of the Consortium) and Infra Sp. z o.o. (Partner of the Consortium) concluded a material agreement with Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji Sp. z o.o. in Włocławek on 28th August 2006. The subject of the agreement is the “Extension of sewage system with sewage pumping stations in Włocławek”. Total net value of the said agreement totals EUR 9,490,000 (i.e. PLN 37,317,527).

The works will be executed within 20 months from the date of beginning the works. Agreed penalty is 0.1% of the approved contractual amount for each day of delay, however not more than 10% in total.

The said agreement is 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