

Wysogotowo, 31st July 2007

To:
Report submitted to the Polish Financial Supervision Authority

Current report: 76/2007

Re: Making a decision on planning a merger

Contents:

The Board of Directors of PBG S.A. hereby informs that on 31st July 2007 it adopted a resolution on the merger of PBG SA with ATG Sp. z o.o., its subsidiary. With regard to the above, it publishes the Merger Plan.

Legal basis:

§ 5 item 1 point 13 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

MERGER PLAN

PBG SA (joint-stock company) with its registered office in Wysogotowo

and

ATG Sp. z o.o. (limited liability company) with its registered office in Poznań

agreed upon and signed in Wysogotowo near Poznań

on 31st July 2007

In relation to the planned merger of **PBG SA with its registered office in Wysogotowo** (as the Acquiring Company) and **ATG Sp. z o.o. with its registered office in Poznań** (as the Acquired Company), (hereinafter jointly referred to as “Companies”), the Companies have agreed upon and have drawn up the present Merger Plan (hereinafter referred to as the “Merger Plan”), pursuant to art. 498 and art. 499 of the Code of Commercial Companies (hereinafter referred to as “CCC”) of the following content:

1. GENERAL INFORMATION ON THE MERGING COMPANIES

(a) PBG SA (hereinafter referred to as the “Acquiring Company”)

Type: Joint-stock company, public company under the Public Offering Act and terms of introduction of financial instruments to organised trading and on public companies of 29th July 2005 (Journal of Laws of 2005 No. 184, item 1539), entered into the Register of Entrepreneurs under number 0000184508 by the Poznań District Court, 21 st Commercial Division of the National Court Register.

Company: PBG SA

Address and registered office: 35 Skórzewska St., 62-081 Przeźmierowo near Poznań

Share capital: PLN 13,430,000.00 (thirteen million and four hundred thirty thousand PLN), composed of 13,430,000 shares of nominal value of PLN 1 per share, divided as follows: 5,700,000 series A shares, 1,500,000 series B shares, 3,000,000 series C shares, 330,000 series D shares, 1,500,000 series E shares and 1,400,000 series F shares. Series A shares are preference shares (preference concerns the voting right - each preference share carries two votes), whereas series B, C, D, E and F shares are ordinary bearer shares, without preference. Share capital paid in total.

(b) ATG Sp. z o.o. (hereinafter referred to as the „Acquired Company”)

Type: Limited liability company, one-person company of the Acquiring Company under art. 4 § 1 point 3 of CCC, entered into the Register of Entrepreneurs under number 0000201535 by the Poznań District Court, 21 st Commercial Division of the National Court Register.

Company: ATG Sp. z o.o.

Address and registered office 35 Kolejowa St., 60-717 Poznań

Share capital: PLN 1,500,000.00 (one million five hundred thousand PLN), 100 per cent of shares in the share capital is held by the only partner - the Acquiring Party

2. MERGER METHOD

The merger of Companies will take place by means of acquisition of the Acquired Company by the Acquiring Company, pursuant to art. 492 § 1 point 1 of CCC (merger by acquisition), by transferring all assets of the Acquired Company (ATG Sp. z o.o.) to the Acquiring Company (PBG SA).

With regard to the fact that the Acquiring Company holds 100 per cent of shares in the share capital of the Acquired Company, the merger of Companies under art. 515 § 1 of CCC shall be effected without increasing the share capital of the Acquiring Company.

As the Acquired Company is a one-person company of the Acquiring Company - all shares of the Acquired Company are held by the Acquiring Company, who is its only partner - the merger of Companies will be effected according to provisions specified in art. 516 § 6 of CCC, i.e.

- a) without granting the shares of the Acquiring Company to the shareholders of the Acquired Company
- b) without defining the ratio of the exchange of shares in the Acquired Company to the shares in the Acquiring Company in the Merger Plan
- c) without defining the rules concerning the granting of shares in the Acquiring Company in the Merger Plan
- d) without defining the day from which the shares of the Acquiring Company granted to the shareholder of the Acquired Company give the right to participate in Acquiring Company's profits

and on the basis of art. 516 § 5 in relation to article 516 § 6 of CCC the elaboration of written reports justifying the merger by Boards of the merging Companies is not required; moreover, applications for adding the present Merger Plan to Companies' registration files submitted to competent Local Courts shall not include a request for appointing an expert to examine the correctness and reliability of the Merger Plan.

Also with regard to the above, the Acquiring Company is the only partner of the Acquired Company pursuant to art. 516 § 1 in relation to art. 516 § 6 of CC the merger of Companies shall take place with reference to the Acquiring Party without the Board adopting a resolution mentioned in art. 506 of CCC – resolution on the merger of Companies shall be adopted by the Board of Directors of the Acquiring Company.

Due to the fact that the merger will be effected in accordance with art. 515 § 1 of CCC, i.e. without increasing the share capital of the Acquiring Company and that the merger in the abovementioned way does not give rise to any circumstances that require amending the Articles of Association of the Acquiring Company, the Articles of Association of PBG SA, the Acquiring Company, shall not be amended in relation to the merger. With regard to the above, the provisions of art. 499 § 2 point 2 on enclosing the project of amendments to the Articles of Association of the Acquiring Company to the Merger Plan do not apply.

3. RIGHTS GRANTED BY THE ACQUIRING COMPANY TO ITS PARTNERS AND PRIVILEGED PERSONS AT THE ACQUIRED COMPANY

In relation to the merger of Companies, no person shall be granted special rights in the Acquiring Company.

4. SPECIAL BENEFITS FOR THE GOVERNING BODIES OF MERGING COMPANIES AND OTHER PERSONS PARTICIPATING IN THE MERGER.

In relation to the merger of Companies, no special benefits shall be granted to the governing bodies of the Acquired and Acquiring Company or to other persons participating in the merger.

5. PERMISSIONS AND CONSENTS

Consent of the President of the Office for Protection of Competition and Consumers is not required, as the merging Companies belong to the same capital group (art. 13 point 6 of the Act on competition and consumer protection of 15th December 2000 (Journal of Laws of 2005 No. 244, item 2080, as amended).

APPENDICES

The present plan includes the following appendices:

1. Draft resolution by the Board of Directors of the Acquiring Company concerning the merger of Companies;

2. Valuation of the Acquired Company's (ATG Sp. z o.o., with its registered office in Poznań) assets, as at 30th June 2007.

3. Declaration on Acquired Company's (ATG Sp. z o.o., with its registered office in Poznań) accounting records drawn up for the purpose of merger, as at 30th June 2007;

4. Declaration on Acquiring Company's (PBG SA, with its registered office in Wysogotowo) accounting records drawn up for the purpose of merger, as at 30th June 2007;

Appendix no.1 to the MERGER PLAN of PBG SA with its registered office in Wysogotowo (as the Acquiring Company) and ATG Sp. z o.o. with its registered office in Poznań (as the Acquired Company), drawn up in Wysogotowo, on 31st July 2007.

**Draft Resolution by the Board of Directors of the Acquiring Company Concerning the Merger of
Companies;**

Wysogotowo, _____ 2007

Resolution of the Board of Directors

of the company under the name PBG SA with its registered office in Wysogotowo

of _____ 2007

on

the merger

of PBG SA with its registered office in Wysogotowo

as the Acquiring Company

with

ATG Sp. z o.o. with its registered office in Poznań

as the Acquired Company

by

transferring all assets of the acquired company to

PBG SA with its registered office in Wysogotowo

1. Pursuant to art. 492 § 1 point 1 and art. 516 § 1 in relation to article 516 § 6 of CCC, the Board of Directors of PBG SA with its registered office in Wysogotowo, the only partner of ATG Sp. z o.o. with its registered office in Poznań, hereby resolves to effect the merger of PBG SA with its registered office in Wysogotowo with ATG Sp. z o.o. with its registered office in Poznań by the acquisition of the Acquired Company by the Acquiring Company and by transferring all assets of ATG Sp. z o.o. with its registered office in Poznań to PBG SA with its registered office in Wysogotowo.

2. The Board of Directors of PBG SA with its registered office in Wysogotowo, the only partner of ATG Sp. z o.o. with its registered office in Poznań, hereby accepts the content of the Merger Plan of PBG SA with its registered office in Wysogotowo with ATG Sp. z o.o. with its registered office in Poznań, which was published in the Court and Economic Journal (Monitor Sądowy i Gospodarczy) No. ____/2007 on _____ 2007 as item no. _____.

3. The merger does not require any amendments to the Articles of Association of the acquiring company.

4. The resolution comes into effect as of the date of adoption.

Appendix no.2 to the MERGER PLAN of PBG SA with its registered office in Wysogotowo (as the Acquiring Company) and ATG Sp. z o.o. with its registered office in Poznań (as the Acquired Company), drawn up in Wysogotowo, on 31st July 2007.

**Valuation of the Acquired Company's (ATG Sp. z o.o. with its registered office in Poznań) assets
drawn up as at 30th June 2007.**

Poznań, 31st July 2007

**Declaration of the Board of Directors of ATG Sp. z o.o. with its registered office in Poznań
on
the valuation of the assets of ATG Sp. z o.o. with its registered office in Poznań (as the Acquired
Company)
prepared for the purpose of merger with PBG SA with its registered office in Wysogotowo (as the
Acquiring Company)**

With regard to the planned merger with PBG SA with its registered office in Wysogotowo (as the Acquiring Company), the Board of Directors of ATG Sp. z o.o. with its registered office in Poznań, 13 Kolejowa St., 60-717 Poznań, entered into the Register of Entrepreneurs under number 0000201535 by the Poznań District Court, 21 st Commercial Division of the National Court Register, with share capital in the amount of PLN 1,500,000.00, hereby declares that the book value of assets (net assets) of ATG Sp. z o.o. with its registered office in Poznań, as at the day indicated in art. 499 § 2 point 3 of CCC, i.e. 30th June 2007, amounts to PLN 3,120,090.28 (say: three million one hundred twenty thousand ninety zlotys and twenty eight groszy).

The abovementioned value of ATG Sp. z o.o. assets has been determined on the basis of the balance sheet drawn up as at 30th June 2007 by Anna Nowak i Wspólnicy Spółka komandytowa (limited partnership) with its registered office in Wysogotowo.

This declaration presents the valuation of Company assets for the purpose of merger with PBG SA with its registered office in Wysogotowo

Appendix no.3 to the MERGER PLAN of PBG SA with its registered office in Wysogotowo (as the Acquiring Company) and ATG Sp. z o.o. with its registered office in Poznań (as the Acquired Company), drawn up in Wysogotowo, on 31st July 2007.

**Declaration on Acquired Company's (ATG Sp. z o.o., with its registered office in Poznań)
accounting records drawn up for the purpose of merger, as at 30th June 2007;**

Poznań, 31st July 2007

**Declaration of the Board of Directors of ATG Sp. z o.o. with its registered office in Poznań
on the accounting records of ATG Sp. z o.o. with its registered office in Poznań (as the Acquired
Company)
prepared for the purpose of merger with PBG SA with its registered office in Wysogotowo (as the
Acquiring Company)**

With regard to the planned merger with PBG SA with its registered office in Wysogotowo (as the Acquiring Company), the Board of Directors of ATG Sp. z o.o. with its registered office in Poznań, 13

Kolejowa St., 60-717 Poznań, entered into the Register of Entrepreneurs under number 0000201535 by the Poznań District Court, 21 st Commercial Division of the National Court Register, with share capital in the amount of PLN 1,500,000.00, hereby declares that as at the day indicated in art. 499 § 2 point 4 of CCC, i.e. 30th June 2007, the balance sheet of the acquired company presents the total of assets and liabilities in the amount of PLN 3,239,944.27 (say: three million two hundred thirty nine thousand nine hundred forty four and twenty seven groszy); the balance sheet of the acquired company presents the total of net assets (equity) in the amount of PLN 3,120,090.28 (say: three million one hundred twenty thousand ninety zlotys and twenty eight groszy).

The balance sheet of the acquired company drawn up as at 30th June 2007 has been prepared in accordance with the annual closing rules (art. 28 of the Accounting Act of 29th September 1994, Journal of Laws of 1994 No. 121, item 591, as amended) using the same methods and in the same presentation as the last annual balance sheet.

This declaration presents Company's accounting records for the purpose of merger with PBG SA with its registered office in Wysogotowo.

Appendix no.4 to the MERGER PLAN of PBG SA with its registered office in Wysogotowo (as the Acquiring Company) and ATG Sp. z o.o. with its registered office in Poznań (as the Acquired Company), drawn up in Wysogotowo, on 31st July 2007.

**Declaration on Acquiring Company's (PBG SA, with its registered office in Wysogotowo)
accounting records drawn up for the purpose of merger, as at 30th June 2007;**

Wysogotowo, 31st July 2007

**Declaration of the Board of Directors of PBG SA with its registered office in Wysogotowo
on the accounting records of PBG SA with its registered office in Wysogotowo (as the Acquiring
Company)
drawn up for the purpose of merger with ATG Sp. z o.o. with its registered office in Poznań (as the
acquired company)**

With regard to the planned merger with ATG Sp. z o.o. with its registered office in Poznań (as the Acquired Company), the Board of Directors of PBG SA. with its registered office in Wysogotowo, 35 Skórzewska St., 62-081 Przeźmierowo, entered into the Register of Entrepreneurs under number 0000184508 by the Poznań District Court, 21 st Commercial Division of the National Court Register,

with share capital in the amount of PLN 13,430,000.00, hereby declares that as at the day indicated in art. 499 § 2 point 4 of CCC, i.e. 30th June 2007, the balance sheet of the acquiring company presents the total of assets and liabilities in the amount of PLN 989,430,771.95 (say: nine hundred eighty nine million four hundred thirty thousand seven hundred seventy one and ninety five groszy); the balance sheet of the acquiring company presents the total of net assets (equity) in the amount of PLN 680,376,826.40 (say: six hundred eighty million three hundred seventy six thousand eight hundred twenty six and forty groszy).

The balance sheet of the acquiring company drawn up as at 30th June 2007 has been prepared in accordance with the annual closing rules (art. 28 of the Accounting Act of 29th September 1994, Journal of Laws of 1994 No. 121, item 591, as amended) using the same methods and in the same presentation as the last annual balance sheet.

This declaration presents Company's accounting records for the purpose of merger with ATG Sp. z o.o. with its registered office in Poznań.