

Wysogotowo, 17th October 2006

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

Current report: 83/2006

Re: Material agreement with Raiffeisen Bank Polska S.A., promissory note guarantee granted to a subsidiary.

Contents:

The Board of Directors of PBG S.A. hereby informs to have been notified on 16th October 2006 by PBG S.A. and subsidiaries Hydrobudowa Włocławek S.A., Hydrobudowa Śląsk S.A., Infra Sp. z o.o., Przedsiębiorstwo Inżynieryjne Metorex Sp. z o.o. about an agreement concluded with Raiffeisen Bank Polska S.A. on 12th October 2006. The subject of the agreement is granting the borrowers a facility liability limit of PLN 50,000,000 by 29th April 2011.

The limit may be used as a revolving loan, guarantee, letters of credit, futures transactions, forex transactions.

The Bank shall receive remuneration for the granted products on the basis of market principles.

Securities for transactions financed under the agreement shall be selected legal securities such as assignments of receivables arising from contracts, powers of attorney to manage current account, blank promissory notes, statement of submission to enforcement proceedings. In the case of loans concluded by the Borrower other than PBG S.A., but still a party to this agreement, an additional security shall be guarantee of promissory notes granted by PBG S.A.

With regard to the granted liability limit, PBG S.A. granted subsidiary Infra Sp. z o.o. promissory note guarantee for up to PLN 53,550,000 as at the date of signing the loan agreement.

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

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

Signature of the authorised person:
Michał Zboralski

