



**ACTIVITY REPORT OF PBG SA MANAGEMENT BOARD
ON THE ACTIVITIES OF THE PBG CAPITAL GROUP**

for the period from 1 January 2009 to 30 June 2009

TABLE OF CONTENTS

I. ABOUT PBG CAPITAL GROUP COMPANIES – GENERAL INFORMATION (AS AT 30 JUNE 2009)	5
1. STRUCTURE OF PBG CAPITAL GROUP AS AT 30 JUNE 2009	5
2. CONSOLIDATED PBG CAPITAL GROUP COMPANIES.....	8
II. CHANGES IN THE SHAREHOLDING STRUCTURE IN PBG SA IN H1 2009	18
1. ISSUE OF 865,000 SERIES G SHARES OF PBG SA WITH NO PREEMPTIVE RIGHTS	18
2. CONVERSION OF SERIES A REGISTERED SHARES OF PBG SA.....	19
3. ASSIMILATION OF SHARES	19
4. CHANGES IN THE COMPANY’S SHAREHOLDING STRUCTURE	20
5. SHAREHOLDERS HOLDING MAJOR BLOCKS OF SHARES, DIRECTLY OR INDIRECTLY	23
6. COMPANY’S SHARES OR RIGHT TO SHARES (OPTIONS) HELD BY OTHER MEMBERS OF THE MANAGEMENT BOARD OR SUPERVISORY BOARD OF PBG SA	24
7. PRICE OF PBG SA SHARES SINCE THE FIRST LISTING ON THE WARSAW STOCK EXCHANGE	25
III. MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD AND CHANGES IN H1 FY 2009	26
IV. TOTAL NUMBER OF SHARES IN RELATED PARTIES.....	28
(AS AT 30 JUNE 2009)	28
V. BRANCH OFFICES.....	30
VI. BASIC SERVICES.....	30
VII. CHANGES IN MARKETS.....	35
VIII. MATERIAL AGREEMENTS	38
IX. CHANGES IN ORGANISATIONAL RELATIONS BY THE DATE OF SUBMISSION OF THE FINANCIAL STATEMENTS....	40
X. BUY-BACK OF TREASURY SHARES.....	42
XI. RELATED PARTY TRANSACTIONS	42
XII. APPROPRIATION OF PROCEEDS FROM THE 4TH ISSUE OF SERIES G SHARES	43
1. OBJECTIVES OF THE 4 TH ISSUE OF SHARES	43
2. APPROPRIATION OF PROCEEDS FROM THE 4 TH ISSUE OF SHARES	43
XIII. EXPLANATION OF DISCREPANCIES BETWEEN ACTUAL FINANCIAL RESULTS AND FORECASTS.....	43
XIV. ASSESSMENT OF FINANCIAL ASSETS MANAGEMENT	44
XV. FINANCIAL INSTRUMENTS USED BY THE CAPITAL GROUP.....	45
XVI. KEY CAPITAL EXPENDITURES AND INVESTMENTS, AS WELL AS FEASIBILITY OF INVESTMENT PLANS	47
1. KEY CAPITAL EXPENDITURES AND EQUITY INVESTMENTS OF PBG CAPITAL GROUP.....	47
2. FEASIBILITY OF INVESTMENT PLANS.....	47
XVII. ASSESSMENT OF FACTORS AND EXTRAORDINARY EVENTS	48
XVIII. IMPACT OF CURRENCY HEDGES ON THE RESULTS OF PBG CAPITAL GROUP	48
XIX. RISKS AND THREATS. FACTORS INFLUENCING THE DEVELOPMENT OF PBG CAPITAL GROUP	49
XX. STRATEGY OF PBG SA AND ITS CAPITAL GROUP	54
XXI. KEY ACHIEVEMENTS IN RESEARCH & DEVELOPMENT	59
XXII. CURRENT AND FORECAST FINANCIAL STANDING	59
LIQUIDITY RATIOS.....	62
EFFICIENCY RATIOS	62

SOLVENCY (DEBT) RATIOS	63
STRUCTURE OF ASSETS	65
XXIII. PBG SA MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS OF PBG CAPITAL GROUP FOR Q2 2009	71
XXIV. MATERIAL OFF-BALANCE SHEET ITEMS BY TYPE, ENTITY AND AMOUNT	75
XXV. CHANGES IN BASIC PRINCIPLES OF MANAGEMENT	75
XXVI. AMOUNT OF REMUNERATION, BONUSES, OR BENEFITS PAID TO MEMBERS OF THE MANAGEMENT BOARD OR SUPERVISORY BOARD	75
XXVII. INFORMATION ON ANY AGREEMENTS WHICH MAY RESULT IN CHANGES OF THE CURRENT SHAREHOLDING STRUCTURE	78
XXVIII. AUDITOR OF THE FINANCIAL STATEMENTS	78
XXIX. AGREEMENTS CONCLUDED BETWEEN THE COMPANY AND MEMBERS OF ITS MANAGEMENT BOARD PROVIDING FOR COMPENSATION PAYABLE IN THE EVENT OF THEIR RESIGNATION FROM OFFICE OR DISMISSAL ..	79
XXX. SYSTEM OF CONTROL OF THE EMPLOYEE SHARE OPTION SCHEMES	79
XXXI. PROCEEDINGS CURRENTLY IN PROGRESS IN THE PUBLIC COURT, ARBITRATION COURT OR PUBLIC ADMINISTRATION OFFICE	79
XXXII. LIMITATIONS SET FOR THE TRANSFER OF OWNERSHIP TITLES TO SECURITIES OF PBG SA AND FOR THE EXERCISE OF VOTING RIGHTS CARRIED BY THESE SECURITIES	79
XXXIII. PBG SA – CONTACT INFORMATION	79

I. ABOUT PBG CAPITAL GROUP COMPANIES – GENERAL INFORMATION (AS AT 30 June 2009)

1. Structure of PBG Capital Group as at 30 June 2009

PBG Capital Group companies (including information on the consolidation method) in the period from 1 January to 30 June 2009 are presented below:

Parent Company of PBG Capital Group:

PBG SA

Direct subsidiaries:

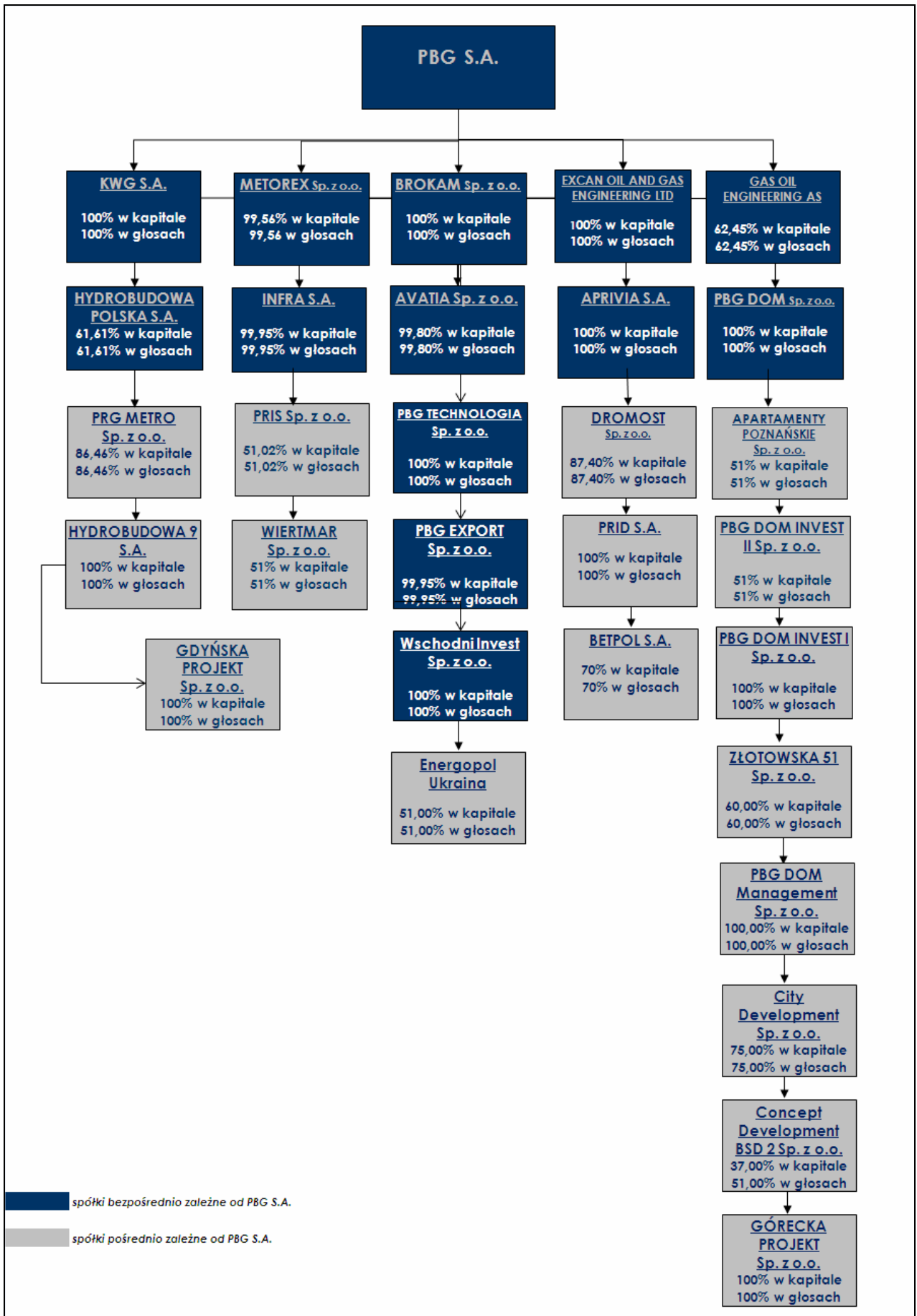
- Metorex Sp. z o.o.– fully consolidated since 1.01.2005;
- Infra SA – fully consolidated since 1.06.2005;
- Hydrobudowa Polska SA – fully consolidated since 1.08.2005;
- KWG SA – fully consolidated since 1.06.2006;
- PBG Dom Sp. z o.o.– fully consolidated since 1.04.2007;
- Gas Oil Engineering A.S.– fully consolidated since 1.04.2007;
- Excan Oil and Gas Engineering Ltd. – fully consolidated since 1.04.2007;
- Brokam Sp. z o.o.– fully consolidated since 1.09.2007;
- Avatia SA – fully consolidated since 1.03.2008;
- Aprivia SA – fully consolidated since 7.04.2008;
- PBG Technologia Sp. z o.o.– fully consolidated;
- PBG Export Sp. z o.o.– fully consolidated (in the process of registration);
- Wschodni Invest Sp. z o.o.– fully consolidated.

Indirect subsidiaries

- Hydrobudowa 9 SA – fully consolidated since 1.10.2008, direct subsidiary of Hydrobudowa Polska;
- Dromost Sp. z o.o.– fully consolidated since 9.10.2008, direct subsidiary of Aprivia SA;
- Przedsiębiorstwo Robót Inżynieryjno Drogowych S.A.– fully consolidated since 9.10.2008, direct subsidiary of Aprivia SA;
- PRIS Sp. z o.o.– fully consolidated since 1.09.2007, direct subsidiary of Infra SA;
- Betpol SA – fully consolidated since 9.10.2008, direct subsidiary of Aprivia SA;
- Wiertmar Sp. z o.o.– fully consolidated since 1.06.2008, direct subsidiary of Infra SA;
- Apartamenty Poznańskie Sp. z o.o.– fully consolidated since 1.06.2007, direct subsidiary of PBG Dom Sp. z o.o. since 1.07.2008;

- PBG DOM Invest II Sp. z o.o. (formerly Budwil Sp. z o.o.)– fully consolidated since 1.04.2008, direct subsidiary of PBG Dom Sp. z o.o.;
- Gdyńska Projekt Sp. z o.o.– fully consolidated since 2.04.2008, direct subsidiary of Hydrobudowa 9 SA;
- Górecka Projekt Sp. z o.o.– fully consolidated, direct subsidiary of PBG Dom Sp. z o.o.;
- PRG METRO Sp. z o.o.– fully consolidated since 1.09.2008, direct subsidiary of Hydrobudowa Polska SA;
- PBG DOM INVEST I Sp. z o.o. (DAWIL) – fully consolidated since 1.09.2008, direct subsidiary of PBG Dom Sp. z o.o.;
- Złotowska 51 Sp. z o.o.– fully consolidated, direct subsidiary of PBG Dom Sp. z o.o.;
- PBG DOM Management Sp. z o.o.– fully consolidated, direct subsidiary of PBG Dom Sp. z o.o. (in the process of registration);
- City Development Sp. z o.o.– fully consolidated, direct subsidiary of PBG Dom Sp. z o.o. (in the process of registration);
- Concept Development BSD 2 Sp. z o.o.– fully consolidated, direct subsidiary of PBG Dom Sp. z o.o. (in the process of registration);
- Energopol Ukraina – fully consolidated, direct subsidiary of Wschodni Invest Sp. z o.o.;

As at 30 June 2009, share of the Parent Company in share capital and total vote of its consolidated subsidiaries was as follows:



As at the date of submission of the financial statements, there were no other changes in the structure of PBG Capital Group.

2. Consolidated PBG Capital Group companies

Parent Company of PBG Capital Group

PBG SA

Address: ul. Skórzewska 35, 62-081 Przeźmierowo, Wysogotowo k/Poznań

Phone: (0-61) 665 17 00,

Fax: (0-61) 665 17 01,

Website: www.pbg-sa.pl

e-mail: polska@pbg-sa.pl

Central Statistical Office classification: 7112 Z – engineering and related technical advisory activities

7420 A – architectural and engineering activities and related technical consultancy

REGON: 631048917

NIP: 777-21-94-746

Direct subsidiaries:

METOREX Sp. z o.o.

Share ownership structure:

99.56% held by PBG SA

0.44% held by natural persons

Address: ul. Żwirki i Wigury 17A, 87-100 Toruń

Phone: (0-56) 65-96-647

Fax: (0-56) 65-96-647

Website: none

e-mail: metorex@post.pl

Central Statistical Office classification: 4521C – general construction works in the area of linear facilities: pipelines, power lines, traction lines, telecommunication lines - transmission lines

4521 – general construction of buildings and civil engineering works

REGON: 870516709

NIP: 879-016-81-22

INFRA SA

Share ownership structure:

99.95% held by PBG SA

0.05% held by natural persons

Address: ul. Skórzewska 35, 61-082 Przeźmierowo, Wysogotowo k/Poznania,

Phone: (0-61) 662 25 70

Fax: (0-61) 662 25 72

Website: www.infra-sa.pl

e-mail: biuro@infra-sa.pl

Central Statistical Office classification: 4322Z – plumbing, heat and air-conditioning installation

REGON: 016342538

NIP: 524-23-68-479

Branch Office: Warsaw, ul. Mehoffera 86, 03-118 Warszawa

HYDROBUDOWA POLSKA SA

Share ownership structure:

61.61% held by PBG SA

8.21% held by ING TFI SA

5.34% held by BZ WBK AIB AM SA

5.01 % held by ING OFE

19.83% held by other shareholders

Registered office: ul. Skórzewska 35, 62-081 Przeźmierowo, Wysogotowo k/Poznania

Phone: (0-61) 664 19 50

Fax: (0-61) 664 19 51

Website: www.hbp-sa.pl

e-mail: polska@hbp-sa.pl

Central Statistical Office classification: 4524B – construction of other hydro-engineering structures

REGON: 910097080

NIP: 888-020-59-44

Branch Offices: Włocławek, ul. Płocka 164, 87-800 Włocławek

Śląsk, ul. Żwirki i Wigury 58, 43-190 MIKOŁÓW

KWG SA

Share ownership structure:

100% held by PBG SA

Address: ul. Wojska Polskiego 129 , 70-490 Szczecin

Phone: (0-91) 432-11-30

Fax: (0-91) 469-24-24

Website: www.kwg.com.pl

e-mail: biuro@kwg.com.pl

Central Statistical Office classification: 4221Z – construction of transmission pipelines and distribution networks

4222Z – construction of telecommunication and power lines

REGON: 811974250

NIP: 852-22-75-208

PBG Dom Sp. z o.o.

Share ownership structure:

100% held by PBG SA

Address: ul. Skórzewska 35, 62-081 Przeźmierowo, Wysogotowo k/Poznania,

Phone: (0-61) 66 41 986

Fax: (0-61) 66 41 960

Website: www.pbqdom.pl

e-mail: biuro@pbqdom.pl

Central Statistical Office classification: 4521A – General construction of buildings

REGON: 300530390

NIP: 777-29-66-522

GAS OIL ENGINEERING A.S.

Share ownership structure:

62.45 held by PBG SA

37.55% held by a natural person

Address: ul. Karpatská 3256/15, Poprad 058 01, Slovak Republic

Phone: +421 52 7144 111

Fax: +421 52 7144 140

Website: www.gasoil.sk

e-mail: gasoil@gasoil.sk

The company's objects:

1. civil engineering and modifications thereof, building adaptation and maintenance works

2. engineering construction and modifications thereof, building adaptation and maintenance works
3. building control, civil engineering, hydro-engineering – pipelines
4. building control, process equipment – equipment for industrial gas production and distribution (gas and oil pipelines)
5. purchase and sale of know-how related to free entrepreneurship
6. specialist construction services in the area of: building statics – civil engineering, building structures (in the licensed area), design of engineering construction – bridges, engineering construction (in the licensed area), end-to-end industrial construction projects, technical, technological and power facilities (in the licensed area): power equipment, gas equipment, production process equipment, sanitary equipment and systems, heating and air-conditioning equipment, thermal equipment, building statics.

REGON: 36 471 224

NIP: SK2020019397

EXCAN OIL AND GAS ENGINEERING Ltd.

Share ownership structure:

100% held by PBG SA

Address: 9637-45 Avenue, Edmonton Alberta T5J 3V5, Canada

Phone: +1 780 701 7501

Fax: +1 780 430 1133

Website: www.excan.ca

e-mail: info@excan.ca

The company's objects:

1. exports of technologies and signing of contracts in the area of natural gas and crude oil

Corporate Access Number: 2013131863

BROKAM Sp. z o.o.

Share ownership structure:

100% held by PBG SA

Address: ul. Skórzewska 35, 62- 081 Przeźmierowo, Wysogotowo k/Poznania

Phone: (0) 691 470 133

Fax: (0-61) 66 41 981

Website: none

e-mail: pawel.dolinski@pbg-sa.pl

Central Statistical Office classification: 1411Z Quarrying of gem-stones and stone for construction

REGON: 30067892

NIP: 777-30-21-309

AVATIA Sp. z o.o.

Share ownership structure:

99.8% held by PBG SA

0.2% held by natural persons

Address: ul. Skórzewska 35, 62-081 Przeźmierowo, Wysogotowo k/Poznania

Phone: (0-61) 66 46 440

Fax: (0-61) 66 46 441

Website: www.avatia.pl

e-mail: biuro@avatia.pl

Central Statistical Office classification: 6202Z – IT consultancy

REGON: 300775832

NIP: 777-30-38-072

APRIVIA SA

Share ownership structure:

100% held by PBG SA

Address: ul. Skórzewska 35, 62- 081 Przeźmierowo, Wysogotowo k/Poznania

Phone: (0-61) 66 46 426

Fax: (0-61) 66 46 427

Website: www.aprivia-sa.pl

e-mail: piotr.kwiattek@aprivia-sa.pl

Central Statistical Office classification: 4211Z Construction of roads and highways

REGON: 300804522

NIP: 777-30-43-593

PBG Technologia Sp. z o.o. (formerly Hydrobudowa Polska Konstrukcje Sp. z o.o.)

Share ownership structure:

100% held by PBG SA

Registered office: ul. Żwirki i Wigury 58, 43-190 Mikołów

Phone: (0-32) 779 10 00

Fax: (0-32) 779 10 23

e-mail: sekretariat@pbg-t.pl

Central Statistical Office classification: 2811B – Manufacture of metal structures (services excluded)

REGON: 240917617

NIP: 635-17-82-451

In April 2009, 100% of shares of Hydrobudowa Polska Konstrukcje Sp. z o.o. was sold to the Parent Company PBG SA. At the same time, the Company's name was changed to PBG Technologia Sp. z o.o.

PBG Export Sp. z o.o.

Share ownership structure:

99.95% held by PBG SA

0.05% held by other shareholders

Address: Al. Słowackiego 165, 30-004 Kraków

Phone: (0-12) 298 41 60

Fax: (0-12) 298 41 69

Central Statistical Office classification: 4299Z – Construction of other civil engineering projects n.e.c.

REGON: 631048917

NIP: 677-232-91-05

Wschodni Invest Sp. z o.o.

Share ownership structure:

100% held by PBG SA

Address: ul. Skórzewska 35, 62-081 Przeźmierowo, Wysogotowo k/Poznań

Phone: (0-61) 665 17 00,

Fax: (0-61) 665 17 01,

Indirect subsidiaries:

HYDROBUDOWA 9 SA

Share ownership structure:

100% held by Hydrobudowa Polska SA

Address: ul. Skórzewska 35, 62-081 Przeźmierowo, Wysogotowo k/ Poznania
Phone: (0-61) 846 97 00
Fax: (0-61) 847 56 23
Website: www.hb9.pl
e-mail: sekretariat@hb9.pl
Central Statistical Office classification: 45 21F – general construction of buildings and civil engineering works, n.e.c.
REGON: 630006130
NIP: 781-00-90-083

DROMOST Sp. z o.o.

Share ownership structure:

87.40% held by APRIVIA SA

12.60% held by natural persons

Address: Żabno 2A, 63-112 Brodnica
Phone: (0-61) 28 23 607
Fax: (0-61) 28 23 639
Website: www.dromost.com
e-mail: polska@dromost.com
Central Statistical Office classification: 45 21B - General construction of buildings and civil engineering works
45 23A – manufacture and trade in the area of specialist road and bridge construction works
26 82Z – manufacture of mineral and bituminous compounds
26 63Z – manufacture of ready-mix concrete, pre-fabricated units and building materials
REGON: 631190160
NIP: 785-16-18-643

Przedsiębiorstwo Robót Inżynieryjno Drogowych SA (PRID SA)

Share ownership structure:

100% held by APRIVIA SA

Address: ul. Poznańska 42, 64-300 Nowy Tomyśl
Phone: (0-61) 44 37 600
Fax: (0-61) 44 37 628
Website: www.prid.pl
e-mail: sekretariat@prid.pl
Central Statistical Office classification: 4523 Construction of roads

REGON: 631172333

NIP: 788-17-31-143

PRIS Sp. z o.o.

Share ownership structure:

51.02% held by Infra SA

Address: ul. Popielskiego 14, 52-019 Wrocław

Office of the Management Board: ul. Rapackiego 5, 53-021 Wrocław

Phone: (0-71) 78 99 147

Fax: (0-71) 78 99 148

Website: www.pris.pl

e-mail: biuro@pris.pl

Central Statistical Office classification: 2223Z – Manufacture of builders' ware of plastic

REGON: 931116532

NIP: 899-21-19-368

BETPOL SA

Share ownership structure:

70% held by APRIVIA SA

30% held by natural persons

Address: ul. Fordońska 168A, 85-766 Bydgoszcz

Phone: (0-52) 343 59 08

Fax: (0-52) 344 47 15

Website: www.betpol.com.pl

e-mail: betpol@betpol.com.pl

Central Statistical Office classification: 4211Z Construction of roads and highways

REGON: 091299287

NIP: 554-03-84-946

WIERTMAR Sp. z o.o.

Share ownership structure:

51.00% held by Infra SA

49% held by natural persons

Address: ul. Kopanka 13/15, 92-701 Nowosolna k. Łodzi

Phone: (0-42) 648 40 62

Fax: (0-42) 671 45 48

Website: www.wiertmar.pl

e-mail: wiertmar@wiertmar.pl

Central Statistical Office classification: 4399Z – Other specialist construction works n.e.c.

REGON: 470361834

NIP: 728-00-25-558

APARTAMENTY POZNAŃSKIE Sp. z o.o.

Share ownership structure:

51% held by PBG Dom Sp. z o.o.

49% held by a natural person

Address: ul. Skórzewska 35, 62-081 Przeźmierowo, Wysogotowo k/Poznania

Central Statistical Office classification: construction of buildings

REGON: 300453554

NIP: 783-16-22-860

PBG DOM Invest II (formerly Budwil Sp. z o.o.)

Share ownership structure:

51% held by PBG Dom Sp. z o.o.

49% held by DM DEWELOPER Sp. z o.o.

Address: ul. Mazowiecka 42, 60-623 Poznań

Central Statistical Office classification: 7011Z Development and selling of own real estate
7012Z Buying and selling of own real estate

REGON: 300667568

NIP: 781-18-10-110

GDYŃSKA PROJEKT Sp. z o.o.

Share ownership structure:

100% held by Hydrobudowa 9 SA

Address: ul. Skórzewska 35, 62-081 Przeźmierowo, Wysogotowo k/ Poznania

Central Statistical Office classification: 6810 Buying and selling of own real estate

REGON: 300820811

NIP: 781-18-19-878

GÓRECKA PROJEKT Sp. z o.o.

Share ownership structure:

100% held by PBG Dom Sp. z o.o. (formerly 100% Hydrobudowa 9 SA)

Address: ul. Skórzewska 35, 62-081 Przeźmierowo, Wysogotowo k/ Poznania

Central Statistical Office classification: 4110Z – Development of building projects

REGON: 300930327

NIP: 781-18-26-832

On 25 June 2009, the owner of Górecka Projekt Sp. z o.o. changed –the Company became a subsidiary of PBG Dom Sp. z o.o. (direct subsidiary of the Parent Company PBG SA).

PRG METRO Sp. z o.o.

Share ownership structure:

86.46% held by Hydrobudowa Polska SA

13.54% held by other shareholders

Address: ul. Wólczyńska 163, 01-919 Warszawa

Phone: (0-22) 864 57 50

Fax: (0-22) 864 57 52

Website: www.prgmetro.pl

e-mail: info@prgmetro.pl

Central Statistical Office classification: 4212Z Construction of railways and underground railways
7732Z Renting of machinery and equipment

REGON: 010872560

NIP: 526-10-19-550

PBG DOM INVEST I Sp. z o.o. (formerly Dawil Sp. z o.o.)

Share ownership structure:

100% held by PBG Dom Sp. z o.o.

Address: ul. Skórzewska 35, 62-081 Przeźmierowo, Wysogotowo k/ Poznania

Central Statistical Office classification: 4110Z – General construction of buildings

REGON: 300884700

NIP: 781-18-23-265

Złotowska 51 Sp. z o.o.

Share ownership structure:

60% held by PBG Dom Sp. z o.o.

40% held by natural persons

Address: ul. Skórzewska 35, 62-081 Przeźmierowo, Wysogotowo k/ Poznania

Central Statistical Office classification: 4120 Z – General construction of buildings

REGON: 300429780

NIP: 779-22-96-639

PBG DOM Management Sp. z o.o.

Share ownership structure:

100% held by PBG Dom Sp. z o.o.

The Company is currently in the process of registration

City Development Sp. z o.o.

Share ownership structure:

75% held by PBG Dom Sp. z o.o.

25% held by natural persons

Address: ul. Skórzewska 35, 62-081 Przeźmierowo, Wysogotowo k/ Poznania

Central Statistical Office classification: 6832 Z – management of real estate on a fee or contract basis

REGON: 140937907

NIP: 701-00-62-377

Concept Development BSD 2 Sp. z o.o.

Share ownership structure:

37% held by PBG Dom Sp. z o.o.

18% held by Mountcedar Trading

45% held by natural persons

Address: ul. Skórzewska 35, 62-081 Przeźmierowo, Wysogotowo k/ Poznania

Central Statistical Office classification: 4521 A – General construction of buildings

REGON: 140986277

NIP: 527 25 40 606

II. CHANGES IN THE SHAREHOLDING STRUCTURE IN PBG SA IN H1 2009

1. Issue of 865,000 series G shares of PBG SA with no preemptive rights

In the Public Offering held in June 2009, 865,000 series G shares were offered to the qualified investors with no preemptive rights.

Shares were offered only to qualified investors selected by the Management Board. According to the criterion of selection, qualified investors were the Company's shareholders as at 4 June 2009. They were the preferred investors in the allocation of Shares. Every 16 Shares held and recorded in the investor's securities account as at 4 June 2009 entitled the investor to 1 Share under the new issue.

The subscription was opened on 12 June and closed on 17 June. On 19 June, all 865,000 shares were taken over by 51 investors. The per-share issue price for series G shares of PBG SA was PLN 220.00 (nominal value: PLN 1.00 per share). **Proceeds from the issue totalled PLN 190,300 k.** Share issue premium amounted to PLN 189,435 k and was recognised in reserve capital, less all direct issue-related costs, i.e. PLN 6,650 k.

The increased share capital resulting from the issue of 865,000 series G bearer shares was registered by the Local Court in Poznań, XXI Commercial Division of the National Court Register, **on 15 July 2009.** After the registration, the Company's share capital increased from PLN 13,430,000 to 14,295,000, and the total number of votes at the General Meeting of Shareholders increased from 17,930,000 to 18,795,000.

2. Conversion of series A registered shares of PBG SA

After the accounting reference date, the Management Board of PBG SA, acting upon request of the Company's Shareholder Mr Jerzy Wiśniewski, adopted a resolution regarding the conversion of 260,000 series A registered preference shares (1 preference share carries 2 votes at the GM) into ordinary bearer shares. The Management Board of the National Depository for Securities, pursuant to resolution of 28 July 2009, decided to designate 260,000 ordinary bearer shares of PBG SA with the code PLPBG0000052 after the conversion of 260,000 registered shares of PBG SA designated was PLPBG0000037 on 31 July 2009. As of 31 July 2009, 4,240,000 shares of PBG SA are designated with the code PLPBG0000037, and 260,000 ordinary bearer shares of PBG SA are designated as PLPBG0000052. As a result, the number of votes held by the Company's shareholders at the General Meeting of Shareholders changed accordingly. The conversion of shares was made **on 31 July 2009.** After the conversion, 14,295,000 shares held by shareholders carry 18,535,000 votes at the General Meeting of Shareholders.

3. Assimilation of shares

On 23 June 2009, the Management Board of the Warsaw Stock Exchange adopted a resolution to admit and introduce ordinary bearer shares of PBG SA to trading on the WSE's main market as of

28 July 2009, including 12,500 series D shares and 865,000 series G shares, provided that series D shares are assimilated by the National Depository for Securities with shares already traded on the WSE and that series G shares are registered and designated with the code PLPBG0000029.

On 28 July 2009, 12,500 series D shares of PBG SA designated with the code PLPBG0000045 were assimilated with 8,917,500 shares of PBG SA designated with the code PLPBG0000029, and designated as PLPBG0000029. The said shares were allocated under the Company's Incentive Scheme.

also on 28 July 2009, 865,000 series G shares designated as PLPBG0000029 were registered and introduced to trading. 9,795,000 shares of PBG designated as PLPBG0000029 are currently traded on the WSE.

On 31 July 2009, 260,000 series A preference shares were converted into ordinary shares. After the conversion, 14,295,000 shares held by shareholders carry 18,535,000 votes at the General Meeting of Shareholders. As a result of this conversion of 260,000 series A shares, PBG SA applied to the National Depository for Securities for the assimilation of series A shares and to the Warsaw Stock Exchange for the admission and introduction of shares to public trading on the regulated market. Under resolution no. 376/2009 of 7 August 2009 of the Management Board of the Warsaw Stock Exchange, 260,000 series A ordinary bearer shares of PBG SA, designated as PLPBG0000052 by the National Depository for Securities, were admitted to trading on the main market. At the same time, the Management Board of the WSE resolved to admit the said shares of PBG SA to trading on the WSE's main market as of 14 August 2009 under the standard procedure, provided that these shares are assimilated by the National Depository for Securities with other shares of PBG SA currently traded on the WSE.

As at the date of submission hereof, 9,795,000 shares of PBG designated as PLPBG0000029 are traded, 4,240,000 shares of PBG designated as PLPBG0000037 are not traded, and a resolution by the National Depository for Securities on the registration and introduction of 260,000 shares of PBG designated as PLPBG0000052 as of 14 August 2009 is pending. If these shares are successfully introduced to trading, 10,055,000 shares of PBG SA will be traded as of 14 August 2009.

4. Changes in the Company's shareholding structure

In the reporting period and after the accounting reference date, the shareholding structure of PBG SA changed as follows:

Notification from BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA – drop in the share ownership below 5% and subsequent increase over 5% of the total vote

On 9 February 2009, the Management Board of PBG SA was notified that the shareholding structure in PBG SA changed as a result of sale of shares on 2 February 2009. Following this transaction, shares held by the Funds represented less than 5% of the total number of votes at the General Meeting of Shareholders of PBG SA, i.e. 4.99%. Before the transaction, Funds held 900,438 shares of PBG SA, representing 6.70% of share capital of PBG SA and carrying 900,438 votes, i.e. 5.02% of the total vote at the General Meeting of Shareholders of PBG SA. As at the day of this transaction, i.e. on 2 February 2009, Funds held 895,438 shares of PBG SA, representing 6.67% of Company's share capital and carrying 895,438 votes, i.e. 4.99% of the total vote at the General Meeting of Shareholders of PBG SA.

On 13 February 2009, the Management Board of PBG SA was notified that the shareholding structure in PBG SA changed as a result of acquisition of shares on 5 February 2009. After this transaction, shares held by the Funds represent more than 5% of the total number of votes at the General Meeting of Shareholders of PBG SA, i.e. 5.001%. Before the transaction, Funds held 894,458 shares of PBG SA, representing 6.660% of share capital of PBG SA and carrying 894,458 votes, i.e. 4.989% of the total vote at the General Meeting of Shareholders of PBG SA. As at the day of this transaction, i.e. on 5 February 2009, Funds held 896,653 shares of PBG SA, representing 6.676% of Company's share capital and carrying 896,653 votes, i.e. 5.001% of the total vote at the General Meeting of Shareholders of PBG SA.

In addition, on the same day, i.e. **on 13 February 2009**, the Management Board of PBG SA was notified that the shareholding structure in PBG SA changed as a result of sale of shares on 9 February 2009. Following this transaction, shares held by the Funds represent less than 5% of the total number of votes at the General Meeting of Shareholders of PBG SA, i.e. 4.972%. Before the transaction, Funds held 896,653 shares of PBG SA, representing 6.676% of share capital of PBG SA and carrying 896,653 votes, i.e. 5.001% of the total vote at the General Meeting of Shareholders of PBG SA. As at the day of this transaction, i.e. on 9 February 2009, Funds held 891,469 shares of PBG SA, representing 6.638% of Company's share capital and carrying 891,469 votes, i.e. 4.972% of the total vote at the General Meeting of Shareholders of PBG SA.

On 16 February 2009, the Management Board of PBG SA was notified that the shareholding structure in PBG SA changed as a result of acquisition of shares on 10 February 2009. After this transaction, shares held by the Funds represent more than 5% of the total number of votes at the General Meeting of Shareholders of PBG SA, i.e. 5.022%. Before the transaction, Funds held 891,469 shares of PBG SA, representing 6.638% of share capital of PBG SA and carrying 891,469 votes, i.e.

4.972% of the total vote at the General Meeting of Shareholders of PBG SA. As at the day of this transaction, i.e. on 10 February 2009, Funds held 900,469 shares of PBG SA, representing 6.705% of Company's share capital and carrying 900,469 votes, i.e. 5.022% of the total vote at the General Meeting of Shareholders of PBG SA.

On 2 March 2009, the Management Board of PBG SA was notified that the shareholding structure in PBG SA changed as a result of sale of shares on 24 February 2009. Following this transaction, shares held by the Funds represent less than 5% of the total number of votes at the General Meeting of Shareholders of PBG SA, i.e. 4.948%. Before the transaction, Funds held 902,212 shares of PBG SA, representing 6.718% of share capital of PBG SA and carrying 902,212 votes, i.e. 5.032% of the total vote at the General Meeting of Shareholders of PBG SA. On 24 February 2009, Funds held 887,210 shares of PBG SA, representing 6.606% of Company's share capital and carrying 887,210 votes, i.e. 4.948% of the total vote at the General Meeting of Shareholders of PBG SA.

On 2 April 2009, the Management Board of PBG SA was notified that following the transaction of acquisition of the Company's shares on 27 March 2009, Funds became a holder of shares representing more than 5% of the total vote at the General Meeting of Shareholders of PBG SA. Before the transaction, Funds held 896,334 shares of PBG SA, representing 6.67% of share capital of PBG SA and carrying 896,334 votes, i.e. 4.999% of the total vote at the General Meeting of Shareholders of PBG SA. On 27 March 2009, Funds held 916,334 shares of PBG SA, representing 6.82% of Company's share capital and carrying 916,334 votes, i.e. 5.11% of the total vote at the General Meeting of Shareholders of PBG SA.

On 10 August 2009, the Management Board of PBG SA was notified that the shareholding structure in PBG SA changed as a result of sale of shares on 4 August 2009. Following this transaction, shares held by the Funds represent less than 5% of the total number of votes at the General Meeting of Shareholders of PBG SA, i.e. 4.24%. Before the transaction, Funds held 948,747 shares of PBG SA, representing 6.64% of share capital of PBG SA and carrying 948,747 votes, i.e. 5.12% of the total vote at the General Meeting of Shareholders of PBG SA. On 4 August 2009, Funds held 786,247 shares of PBG SA, representing 5.5% of Company's share capital and carrying 786,247 votes, i.e. 4.24% of the total vote at the General Meeting of Shareholders of PBG SA.

Notification from Aviva Powszechne Towarzystwo Emerytalne Aviva BZ WBK SA (AVIVA OFE) - exceeding 5% of the total vote

On 17 July 2009, the Management Board of PBG SA was notified that following the transaction of acquisition of the Company's shares on 13 July 2009, Aviva OFE became a holder of shares representing more than 5% of the total vote at the General Meeting of Shareholders of PBG SA.

Before the said transactions, according to the portfolio, as at 15 July 2009 Aviva OFE held 871,081 shares of PBG SA, representing 6.49% of the Company's share capital and carrying 871,081 votes at the General Meeting of Shareholders, i.e. 4.86 % of total vote. After the conclusion and settlement of these transactions on 13 July 2009, as at 16 July 2009 Aviva OFE held 898,581 shares of PBG SA, representing 6.69% of the Company's share capital and carrying 898,581 votes at the General Meeting of Shareholders, i.e. 5.01 % of total vote.

Notification from Mr Jerzy Wiśniewski, the founder and key shareholder of PBG SA – drop in the share ownership below 50% of votes and subsequent reduction of interest

Following the registration of the increased share capital of PBG SA on **15 July 2009** as a result of issue of series G shares, the interest held by Jerzy Wisniewski resulting from direct ownership of 4,495,054 registered preference shares carrying 8,990,108 votes at the Company's General Meeting of Shareholders dropped from 33.47% to 31.44% of share capital and from 50.14% to 47.83% of the total vote. Mrs Małgorzata Wiśniewska and Mr Jerzy Wiśniewski jointly hold 4,498,333 registered preference shares carrying 8,996,666 votes, representing 31.47% of share capital (33.49% before the increase) and 47.87% of the total vote (50.18% before the increase).

On 16 July 2009, upon request of the key shareholder of PBG SA, Mr Jerzy Wiśniewski, the Management Board of PBG SA adopted a resolution to on the conversion of 260,000 series A registered preference shares held by Mr Jerzy Wiśniewski into series A ordinary bearer shares. Conversion of shares took effect upon its registration on **31 July 2009**. After series A registered shares were converted into bearer shares, they became ordinary shares (with no preference) – each of the 260,000 series A shares is an ordinary share carrying one vote at the Company's General Meeting of Shareholders. Before the conversion, 14,295,000 shares representing the share capital of PBG SA totalling PLN 14,295,000, carried 18,795,000 votes. After the conversion, 14,295,000 shares carry 18,535,000 votes. After the conversion was registered, the interest held by Mr Jerzy Wiśniewski totals 31.44% of share capital and 47.10% of total vote (vs. 47.87% before the conversion).

5. Shareholders holding major blocks of shares, directly or indirectly

As at 30 June 2008, the Company's share capital totalled PLN 13,430 k and was divided into 4,500,000 registered preference shares and 8,930,000 ordinary bearer shares. The nominal value of preference shares and ordinary shares was PLN 1.00 per share. One preference share carries two votes at the General Meeting of Shareholders.

After the accounting reference date, i.e. on **15 July 2009**, increase in the Company's share capital was registered following the issue of 865,000 series G shares. As a result, the Company's

share capital increased from PLN 13,430k to PLN 14,295k, and the total number of votes at the General Meeting of Shareholders increased from 17,930,000 to 18,795,000.

Also after the accounting reference date, i.e. on **31 July 2009**, 260,000 series A registered preference shares held by the Company's key shareholder, Mr Jerzy Wiśniewski, were converted into ordinary bearer shares. After the conversion, 14,295,000 shares held by shareholders carry 18,535,000 votes at the General Meeting of Shareholders.

As at the date of submission hereof, the Company's share capital totalled PLN 14,295 k and was divided into 4,240,000 registered preference shares and 10,055,000 ordinary bearer shares.

As at 30 June 2009				
Shareholder	Number of shares	Total nominal value in PLN	% of share capital held	% of votes in the total vote
Jerzy Wiśniewski	4,495,054 shares, of which: 4,495,054 registered preference shares	4,495,054	33.47%	50.14%
BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA	916,334 ordinary shares	916,334	6.82%	5.11%
ING Nationale - Nederlanden Polska PTE SA	912,991 ordinary shares	912,991	6.80%	5.09%
As at the date of submission of the report				
Shareholder	Number of shares	Total nominal value in PLN	% of share capital held	% of votes in the total vote
Jerzy Wiśniewski	4,495,054 shares, of which: 4,235,054 registered preference shares and 260,000 ordinary bearer shares	4,495,054	31.44%	47.10%
ING Nationale - Nederlanden Polska PTE SA	No update after the issue of series G shares	No update after the issue of series G shares	5-10%	5-10%
AVIVA OFE	No update after the issue of series G shares	No update after the issue of series G shares	5-10%	5-10%

The Company has no knowledge of any other shareholders holding at least 5% of the total vote at the General Meeting of Shareholders and had not been informed thereof by the date of preparation of this report.

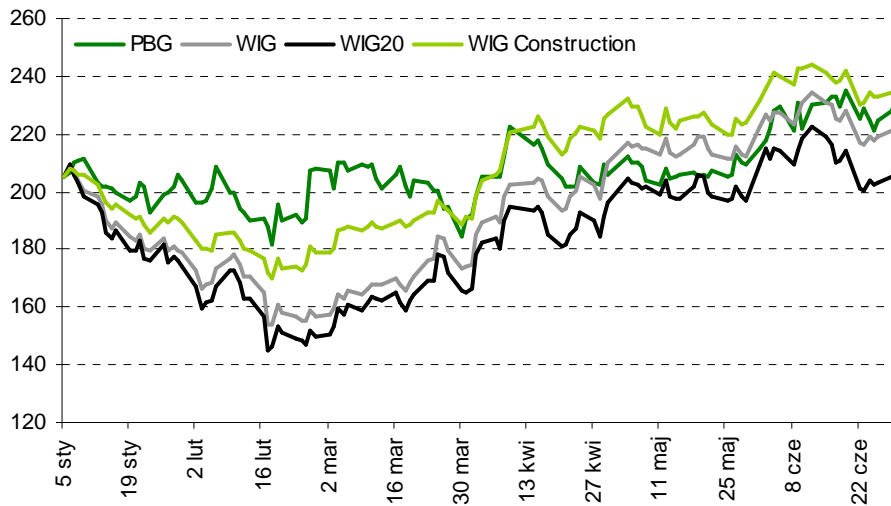
6. Company's shares or right to shares (options) held by other members of the Management Board or Supervisory Board of PBG SA

Members of the Management Board	Number of shares	
	As at 30.06.2009	As at the date of submission of the report
Przemysław Szkudlarczyk	2 000	4 500

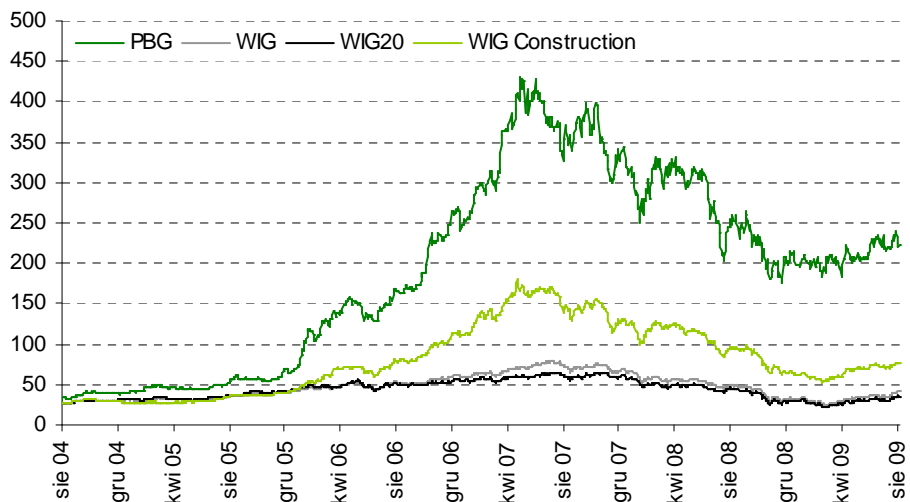
Tomasz Tomczak	750	3 250
Tomasz Woroch	1 778	1 778
Mariusz Łożyński	1 553	3 553
Tomasz Łatawiec	500	500
Supervisory Board members	Number of shares	
	As at 30.06.2009	As at the date of submission of the report
Jacek Kseń	150	150

7. Price of PBG SA shares since the first listing on the Warsaw Stock Exchange

Share price from 1 January 2009 to 30 June 2009:



Share price from the date of first listing until 5 August 2009:



III. MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD AND CHANGES IN H1 FY 2009

Members of the Management Board in the period from 1 January to 30 June 2009:

- Jerzy Wiśniewski – President of the Management Board;
- Tomasz Woroch – Vice President of the Management Board;
- Przemysław Szkudlarczyk – Vice President of the Management Board;
- Tomasz Tomczak – Vice President of the Management Board;
- Mariusz Łożyński – Vice President of the Management Board,
- Tomasz Latawiec – Member of the Management Board.

The above members of the Management Board, with the exception of Mr Tomasz Latawiec, were appointed on 10 May 2006 by the Supervisory Board of PBG SA to perform their functions for the next term of office. Mr Tomasz Latawiec was appointed Member of the Management Board by resolution of the Supervisory Board of PBG SA on 3 October 2007. On 28 November 2008, at the request of the Company's Management Board, the Supervisory Board of PBG SA decided to appoint Mr Mariusz Łożyński, former Member of the Management Board, as Vice-President of the Management Board. This request was submitted in connection with changes in the division of responsibilities within the Company's Management Board, resulting from the conclusion of the largest-ever contracts in the Company's history in the area of crude oil and natural gas. Mr Tomasz Tomczak, Vice-President of the Board, formerly responsible for the entire area of production, shall now manage contracts signed in the area of oil and gas (construction of the LMG crude oil mining facilities and construction of the underground gas storage facility in Wierzchowice). Mr Mariusz Łożyński shall be responsible for the supervision of contracts signed in Poland and abroad, and in addition for orders within PBG Capital Group and implementation of contracts in the hydrotechnical and renovation segment.

The current term of office of the Management Board appointed on 10 May 2006 shall expire on 10 May 2009. Pursuant to § 37 par. 7 of the Articles of Association of PBG SA, mandates of the Management Board members shall expire at the date of the General Meeting approving the financial statements for the last full financial year of the Board's term of office. The General Meeting of Shareholders convened to approve the FY08 financial statements was held on 4 June 2009. On the same day, i.e. on 4 June 2009, the Supervisory Board of PBG SA adopted resolutions to determine the number of the Management Board members and appoint members of the Management Board for the next term of office. By decision of the Supervisory Board, members of the Management Board shall not change. The current term of office of the Management Board shall expire on 4 June 2012.

The Management Board is competent in all matters related to the Company not restricted to competencies of the General Meeting of Shareholders or the Supervisory Board. The role, duties and Regulations of the Management Board are defined in a formal document. Individual members of the Management Board shall manage the specific areas of the Company's business, and their work is coordinated by the President of the Management Board.

	No.	NAME	FUNCTION IN THE MANAGEMENT BOARD	AREA OF RESPONSIBILITY
MANAGEMENT BOARD	1.	Jerzy Wiśniewski	President of the Management Board	Strategy and development
	2.	Tomasz Woroch	Vice-President of the Management Board	Environmental protection projects
	3.	Przemysław Szkudlarczyk	Vice-President of the Management Board	Economy and finance
	4.	Tomasz Tomczak	Vice-President of the Management Board	Natural gas, crude oil, and fuels projects
	5.	Mariusz Łożyński	Vice-President of the Management Board	Offers and signing of contracts in PBG Capital Group; implementation of projects in the hydro-technical and renovation segment
	6.	Tomasz Latawiec	Member of the Management Board	Renovation projects
AUTHORISED REPRESENTATIVES (PROXY HOLDERS)	1.	Tomasz Przebieracz	Authorised Representative (Proxy)	Natural gas, crude oil, and fuels projects
	2.	Cezary Pokrzywniak	Authorised Representative (Proxy)	Engineering – design of technical processes and plants
	3.	Wojciech Byczkowski	Authorised Representative (Proxy)	Logistics
	4.	Eugenia Bachorz	Authorised Representative (Proxy)	Accounts of PBG Capital Group
	5.	Rafał Wilczyński	Authorised Representative (Proxy)	Economy and finance
	6.	Paweł Buczkowski	Authorised Representative (Proxy)	Hydro-technical engineering projects

Members of the current Supervisory Board:

- Maciej Bednarkiewicz – Chairman of the Supervisory Board;
- Jacek Kseń – Vice-Chairman of the Supervisory Board;
- Wiesław Lindner – Secretary of the Supervisory Board;
- Dariusz Sarnowski – Member of the Supervisory Board
- Adam Strzelecki – Member of the Supervisory Board
- Jacek Krzyżaniak – Member of the Supervisory Board until 4 June 2009;
- Małgorzata Wiśniewska – Member of the Supervisory Board until 31 August 2008;

The above Supervisory Board members were appointed on 18 June 2008 by the Annual General Meeting of Shareholders. In September 2008, Mrs Małgorzata Wiśniewska handed in her resignation from the position of Member of the Supervisory Board of PBG SA, as she became President of the Management Board of Infra SA, a subsidiary company of PBG SA. In the reporting period, i.e. on 4 June 2009, Mr Jacek Krzyżaniak handed in his resignation from the position of Member of the Supervisory Board of PBG SA as he became Member of the Supervisory Board of Hydrobudowa Polska SA, a subsidiary company of PBG SA.

Pursuant to § 29 par. 4 of the Articles of Association of PBG SA, the term of office of the Supervisory Board is 1 year. Pursuant to Art. 386 §2, the term of office of the Supervisory Board appointed on 18 June 2009 shall expire on the date when the financial statements for FY 2009 are approved by the General Meeting. On 4 June 2009, the Annual General Meeting of Shareholders of PBG SA discharged all the above Members of the Supervisory Board for the performance of their duties, and under resolution no. 22, pursuant to § 29 par. 2 of the Company's Articles of Association, the number of Supervisory Board members was reduced to five. Current Members of the Supervisory Board:

- Maciej Bednarkiewicz – Chairman of the Supervisory Board;
- Jacek Kseń – Vice-Chairman of the Supervisory Board;
- Wiesław Lindner – Secretary of the Supervisory Board;
- Dariusz Sarnowski – Member of the Supervisory Board;
- Adam Strzelecki – Member of the Supervisory Board;

There were no other changes in the composition of the Supervisory and Management Board of PBG SA in the reporting period or after the accounting reference date.

IV. TOTAL NUMBER OF SHARES IN RELATED PARTIES (as at 30 June 2009)

Related party	Relation		As at 30.06.2009		As at the date of submission hereof	
	Parent company	Type of relation	Number of shares	Nominal value of shares	Number of shares	Nominal value of shares
Metorex Sp. z o.o.	PBG S.A.	subsidiary	682	51,150.00 PLN	682	51,150.00 PLN
INFRA SA	PBG S.A.	subsidiary	9,995	4,997,500.00 PLN	9,995	4,997,500.00 PLN
Hydrobudowa Polska SA	PBG S.A.	subsidiary	129,726,808	129,726,808.00 PLN	129,726,808	129,726,808.00 PLN
KWG SA	PBG S.A.	subsidiary	28,700	2,870,000.00 PLN	28,700	2,870,000.00 PLN
Excan Oil and Gas Engineering LTD Kanada	PBG S.A.	subsidiary		250,000.00 CAD		250,000.00 CAD
Gas Oil Engineering AS Słowacja	PBG S.A.	subsidiary		163,000 SKK		163,000 SKK
PBG Dom Sp. z o.o.	PBG S.A.	subsidiary	123,572	12,357,200.00 PLN	123,572	12,357,200.00 PLN
BROKAM Sp. z o.o.	PBG S.A.	subsidiary	12,000	12,000,000.00 PLN	12,000	12,000,000.00 PLN
AVATIA Sp. z o.o.	PBG S.A.	subsidiary	998	49,900.00 PLN	998	49,900.00 PLN

APRIVIA SA	PBG S.A.	subsidiary	71,993,000	71,993,065.00 PLN	71,993,000	71,993,065.00 PLN
PBG Technologia Sp. z o.o.	PBG S.A.	subsidiary	16,100	8,050,000.00 PLN	16,100	8,050,000.00 PLN
PBG EXPORT Sp. z o.o.	PBG S.A.	subsidiary	19,900	999,500.00 PLN	19,900	999,500.00 PLN
Wschodni Invest sp. z o.o.	PBG S.A.	subsidiary	37,740	3,774,000.00 PLN	37,740	3,774,000.00 PLN
PRIS Sp. z o.o.	Infra S.A.	indirect subsidiary	897	89,700.00 PLN	897	89,700.00 PLN
Wiertmar Sp. z o.o.	Infra S.A.	indirect subsidiary	25,969	1,298,450.00 PLN	25,969	1,298,450.00 PLN
Hydrobudowa 9 S.A.	HBP S.A.	indirect subsidiary	14,536,685	1,453,668.50 PLN	14,536,685	1,453,668.50 PLN
PRG Metro Sp. z o.o.	HBP S.A.	indirect subsidiary	543	543,000.00 PLN	543	543,000.00 PLN
Gdyńska Projekt Sp. z o.o.	HB 9 S.A.	indirect subsidiary	60,000	3,000,000.00 PLN	60,000	3,000,000.00 PLN
Górecka Projekt Sp. z o.o.	PBG Dom Sp. z o.o.	indirect subsidiary	1,000	50,000.00 PLN	1,000	50,000.00 PLN
Apartamenty Poznańskie Sp. z o.o.	PBG Dom Sp. z o.o.	indirect subsidiary	255	25,500.00 PLN	255	25,500.00 PLN
PBG DOM INVEST II Sp. z o.o. (dawniej Budwil Sp. z o.o.)	PBG Dom Sp. z o.o.	indirect subsidiary	255	25,500.00 PLN	255	25,500.00 PLN
PBG Dom Invest I (dawniej Dawil Sp. z o.o.)	PBG Dom Sp. z o.o.	indirect subsidiary	500	50,000.00 PLN	500	50,000.00 PLN
Złotowska 51 sp. z o.o.	PBG Dom Sp. z o.o.	indirect subsidiary	150	75,000.00 PLN	150	75,000.00 PLN
PBG Dom Management Sp. z o.o.	PBG Dom Sp. z o.o.	indirect subsidiary	100	5,000.00 PLN	100	5,000.00 PLN
Dromost Sp. z o.o.	APRIVIA S.A.	indirect subsidiary	6,000	3,000,000.00 PLN	6,000	3,000,000.00 PLN
PRID SA	APRIVIA S.A.	indirect subsidiary	25,000	500,000.00 PLN	25,000	500,000.00 PLN
BETPOL SA	APRIVIA S.A.	indirect subsidiary	14,244,999	14,244,999.00 PLN	14,244,999	14,244,999.00 PLN

In addition, PBG SA as the parent company of PBG Capital Group holds interest in the following entities:

- **KRI S.A.** - 25,300,000 shares of the nominal value PLN 1.00 per share; the total nominal value of shares is PLN 25,300,000.00; these shares give PBG SA 19.97% share in the company's share capital and total vote;
- **Lubickie Wodociągi Sp. z o.o.** - 60 shares of the nominal value PLN 500.00 per share; the total nominal value of shares is PLN 30,000.00; these shares give PBG S.A. 15% share in the company's share capital and total vote;
- **Towarzystwo Ubezpieczeń Wzajemnych TUZ** – 60 shares of the nominal value PLN 10.00 per share; the total nominal value of shares is PLN 600.00; these shares give PBG SA 0.01% share in the company's share capital and total vote;
- **Budownictwo Naftowe "Naftomontaż" Sp. z o.o.** - 3,500 shares of the nominal value PLN 1000.00 per share; the total nominal value of shares is PLN 3,500,000.00; these shares give PBG S.A. 7.82% share in the company's share capital and total vote;

- **Remaxbud Sp. z o.o. (formerly MTR Sp. z o.o.)** - 840 shares of the nominal value PLN 500.00 per share; the total nominal value of shares is PLN 420,000.00; these shares give PBG SA 18.92% share in the company's share capital and total vote;
- **STRATEG CAPITAL Sp. z o.o.** - 47 shares of the nominal value PLN 1000.00 per share; the total nominal value of shares is PLN 47,000.00; these shares give PBG SA 18.80% share in the company's share capital and total vote;
- **Energia Wiatrowa PL Sp. z o.o.** - 230 shares of the nominal value PLN 50.00 per share; the total nominal value of shares is PLN 11,500.00; these shares give PBG SA 18.70% share in the company's share capital and total vote;
- **Poner Sp. z o.o.** - 475 shares of the nominal value PLN 1000.00 per share; the total nominal value of shares is PLN 475,000.00; these shares give PBG SA 19.00% share in the company's share capital and total vote;
- **AWDAR Sp. z o.o.** - 95 shares of the nominal value PLN 100.00 per share; the total nominal value of shares is PLN 9,500.00; these shares give PBG SA 19% share in the company's share capital and total vote;

V. BRANCH OFFICES

Branch offices of the parent company PBG SA:

none

Branch offices of subsidiaries:

Branch offices of Hydrobudowa Polska SA:

Branch Office in Włocławek, ul. Płocka 164, 87-800 Włocławek
Oddział Śląsk, ul. Żwirki i Wigury 58, 43-190 Mikołów

Branch Office of Infra SA:

Branch Office in Warsaw ul. Mehoffera 86, 03-118 Warszawa

VI. BASIC SERVICES

Core business of PBG SA and the Capital Group companies includes general contractor's services in the area of water, crude oil, natural gas, and fuels in the "turn-key" system, as well as industrial, residential, infrastructure, and road construction. PBG SA is responsible for the natural gas, crude oil, and fuels segments, Hydrobudowa Polska and Hydrobudowa 9 play the key role in the water segment, Aprivia specialises in road construction, and Hydrobudowa Polska and its Capital Group as well as PBG SA are responsible for the infrastructure investments market.

PBG Capital Group currently operates in five main segments:

1. **natural gas and crude oil,**
2. **water,**
3. **fuels,**
4. **industrial and residential construction,**
5. **roads.**

Services rendered in these five main segments are specified in the table below.

NATURAL GAS AND CRUDE OIL	WATER	FUELS
<ul style="list-style-type: none"> ▪ overground natural gas and crude oil mining facilities ▪ natural gas liquefaction facilities and LNG storage and regasification facilities ▪ LPG separation and storage stations, C5+ ▪ LNG storage and vaporisation stations. ▪ underground gas storage facility ▪ desulphurisation plants ▪ overground facilities of underground natural gas storage facility ▪ crude oil tanks ▪ natural gas and crude oil transport systems, including: meter and regulator stations, measurement and settlement stations, mixing plants, distribution stations, compressor stations, etc. 	<ul style="list-style-type: none"> ▪ process and sanitary facilities for water and sewerage systems, such as: <ul style="list-style-type: none"> - waterworks - sewerage systems - water mains and interceptors - water intake points - wastewater treatment plants ▪ hydrotechnical facilities, such as: <ul style="list-style-type: none"> - water dams - storage reservoirs - flood defences (dykes) ▪ renovation of waterworks and sewerage systems 	<ul style="list-style-type: none"> ▪ fuel depots, tanks ▪ technical and sanitary systems
		INDUSTRIAL AND RESIDENTIAL CONSTRUCTION
		<ul style="list-style-type: none"> ▪ general construction ▪ industrial infrastructure ▪ building of stadiums/sport arenas ▪ building of waste sorting stations
		ROADS
		<ul style="list-style-type: none"> ▪ road construction ▪ associated infrastructure

The scope of construction services in the above segments includes end-to-end installation, design, upgrade, renovation, repairs, and servicing of facilities and equipment.

Presented below is the detailed scope of business of individual Capital Group companies as at the date of submission of this report. Companies were grouped according to their area of responsibility and respective markets.

NATURAL GAS, CRUDE OIL, AND FUELS:

PBG SA

PBG SA provides specialist services in the area of end-to-end installation of natural gas, crude oil, and fuel systems. It operates as a General Contractor or subcontractor offering design, construction/installation, repairs, operation, and maintenance of systems in the following areas: mining (natural gas, crude oil), transmission (natural gas, crude oil), and storage (natural gas, fuels, LNG, LPG, C5+, CNG).

Excan Oil and Gas Engineering LTD.

Engineering company offering design and installation of equipment and systems in the area of natural gas and crude oil; Excan Gas and Oil was registered on 5 April 2007 in Canada, Province of Alberta.

Gas Oil Engineering AS

Gas & Oil is a company involved in engineering, design, and implementation of projects, operating on the international market. The company's portfolio of services includes analyses, research, design, financial analyses, project management, turn-key projects, and supervision of projects implemented in the area of natural gas and crude oil; the company's registered office is in Poprad, Slovakia.

WATER:

Hydrobudowa Polska SA

Hydrobudowa Włocławek SA specialises in end-to-end construction and servicing of engineering, hydro-technical, environmental protection, and water and sewerage systems.

Hydrobudowa 9 SA

The company provides construction services – environmental protection systems, hydro-technology systems, construction of roads and buildings.

Przedsiębiorstwo Inżynieryjne „Metorex” Sp. z o.o.

The company provides construction services – construction of waterworks, sewerage systems, heating and gas pipelines, land improvement for hydro-engineering structures, wastewater treatment plants, as well as surfaces of roads and squares.

Infra SA

The Company offers services in the area of sanitary engineering and environmental protection, using various methods of repair of waterworks, sewerage, and other systems.

KWG SA

The Company specialises in infrastructure investments connected with environmental protection, such as waterworks and wastewater systems, pumping stations and water treatment plants, low-, medium and high-pressure gas supply systems, as well as meter and regulator stations and gas boiler houses.

PRIS Sp. z o.o.

The Company provides services related to renovation and monitoring of pipelines and no-dig technologies. Acquisition of its shares by Infra Sp. z o.o. strengthened the project implementation potential of PBG Capital Group in this area.

Wiertmar Sp. z o.o.

The Company offers construction services related to the renovation and monitoring of pipelines and no-dig technologies. The goal of the acquisition of Wiertmar was to build a project

implementation base for PBG Capital Group companies in the hydro-technology sector, in particular for Infra , in terms of renovation of the existing waterworks and sewerage systems.

ROAD BUILDING:

APRIVIA SA

The task of APRIVIA SA is to consolidate road building companies and strengthen the position of PBG Capital Group in the area of road building, including the conclusion and implementation of contracts and organisation of financing.

Dromost Sp. z o.o.

The Company provides construction services – road and bridge building and production of bituminous compounds.

PRID SA

The company offers road and bridge building and engineering works, including earthworks, sewerage systems, culverts, base courses (of various kinds), soil compaction, and surface works, both bituminous and cement. The company has its own Bituminous Compounds Production Plant with a research laboratory.

BETPOL SA

The company's core business is mainly in road works, including: cold recycling with the application of foamed bitumens, as well as milling of asphalt and concrete surfaces. Betpol also manufactures cold mineral-bituminous compounds and ready-mix concrete. In addition, the Company offers demolition services, steel structures, and assembly and construction works, installation, and reinforced concrete works. The incorporation of BETPOL to the Capital Group enhanced the Group's activity in the field of road building.

Brokam Sp. z o.o.

The Company owns land and license to start the production of aggregate. Its incorporation to the Capital Group ensured a raw material base for road construction companies.

REAL PROPERTY

PBG Dom Sp. z o.o.

The Company is involved in real property development – construction of a housing estate in Lusówko near Poznań. In addition, the Company offers management of buildings and land owned by all PBG Capital Group companies.

Apartamenty Poznańskie Sp. z o.o.

The Company is involved in construction and real property development.

Gdyńska Projekt Sp. z o.o.

The Company is involved in the purchase, sale, rental, and administration of real property. The Company is involved in construction and real property development.

PBG DOM Invest II (formerly Budwil Sp. z o.o.)

PBG DOM INVEST II is involved in the purchase, sale, and development of own real property. The Company is involved in construction and real property development.

Górecka Projekt Sp. z o.o.

The Company is involved in construction and real property development.

PBG Dom Invest I Sp. z o.o. (formerly Dawil Sp. z o.o.)

The Company is involved in construction and real property development.

Złotowska 51 Sp. z o.o. (formerly KM Invest I Sp. z o.o.)

The Company is involved in construction of residential units for sale and rental.

PBG DOM Management Sp. z o.o.

The Company will be involved in sale of real estate, including development projects.

City Development Sp. z o.o.

The Company is involved in construction of residential units for sale and rental.

Concept Development BSD 2 Sp. z o.o.

The Company is involved in real property development. It is now implementing a project related to the construction of an office building in Warsaw.

INFRASTRUCTURE CONSTRUCTION

PRG Metro Sp. z o.o.

The Company is one of the General Contractors of tunnels for the Warsaw Underground, and the associated facilities such as ventilation units, junction chambers, micro-tunnels, and underground pedestrian passes. Since 2001, the Company's portfolio has also included water and sewerage services. PRG Metro strengthened the project implementation potential of Hydrobudowa Polska SA and increased diversification of business by adding new areas of activity, in particular construction of the underground (subway).

PROJECT IMPLEMENTATION COMPANIES

PBG Technologia Sp. z o.o. (formerly Hydrobudowa Polska Konstrukcje Sp. z o.o.)

The Company is involved in the manufacturing and installation business in the following areas: manufacture and installation of steel structures, equipment and systems, and steel tanks; implementation of end-to-end projects – design of industrial systems, and in particular for the petrochemical industry. In the future, the Company will implement projects in the area of construction services.

CONCLUSION AND IMPLEMENTATION OF FOREIGN CONTRACTS

PBG Export Sp. z o.o.

The Company signs contracts in Poland and abroad and supervises their implementation.

FOREIGN OPERATIONS

Wschodni Invest Sp. z o.o.

The Company manages the real property development business of Energopol-Ukraina with its registered office in Kiev.

Energopol - Ukraina

The Company holds the right to the land of 63,000 square meters located in Kiev, where a real estate development project is planned, with the total built-up area of about 250,000 square meters. The Company provides services covering the wide scope of the entire investment process, including general construction, manufacturing, and design works. It has a proven track record in trade and any works connected with the modernisation of industrial facilities.

SUPPORT OF PBG CAPITAL GROUP COMPANIES

AVATIA Sp. z o.o.

The objects of the Company cover IT services, including IT consultancy, implementation of IT systems, data processing, and services related to IT and computer technologies. As a member of PBG Capital Group, AVATIA provides IT support for all entities in the Group.

Detailed financial data on the share of individual segments in total sales is presented below.

VII. CHANGES IN MARKETS

In the reporting period, revenues (in accordance with IAS) from different areas of business of PBG Capital Group companies were generated mainly in the Polish market in the following amounts:

Revenues from sale	1H 2009 (in PLN '000)	H1 2008 (in PLN '000)	difference (in PLN '000)	difference (in %)
natural gas and crude oil (transport, distribution, mining)	102,906	111,580	-8,674	-8%
water (hydro-technology and environmental protection, repairs)	387,107	463,117	-76,010	-16%
fuels (storage of fuels)	73,934	74,459	-525	-1%
Industrial and residential construction (construction, infrastructure for industrial facilities)	267,702	51,731	+215,971	+417%
roads (road building)	68,651	37,388	+31,263	+84%
other (sale of goods, materials, and products, other services)	48,284	88,545	-40,261	-45%
Total revenues from sales	948,584	826,820	+121,764	+15%

Changes in markets for the Group's products result from the adopted strategy: to sign highly-specialised contracts and increase the Group's market share in the environmental protection market co-financed with the European Union funds, as well as to extend the Group's business to road building and infrastructure investments.

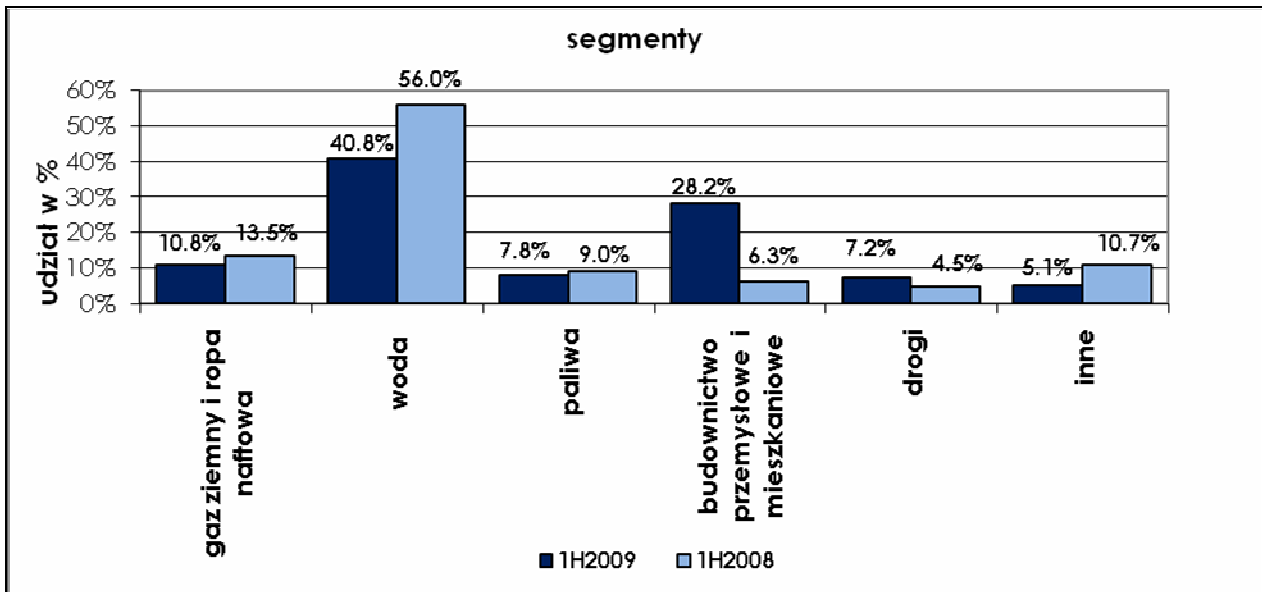
Scope of business

PBG Capital Group focuses its business operations mainly on the Polish market and considers it the Group's key market, taking into account the significant inflows of the Community funds and the resulting investments, planned investments connected with the liquefied natural gas production facilities and the associated infrastructure (compressor stations, pipelines, etc.), as well as investments implemented as part of the European Football Championship EURO 2012 organised in Poland. However, the Group takes action to enter foreign markets as well, mainly in the natural gas and crude oil sectors. In 2006, PBG S.A. implemented its first-ever project for a foreign customer, the Latvian company Latvijas Gaze Akciju Sabiedriba, as a subcontractor of the company Pall Poland Sp. z o.o. This project was implemented in Latvia. The total amount of this contract was EUR 5.22 million. It may be considered the first step for PBG to enter foreign markets. In addition, PBG took action to enter the Norwegian market. In March 2007, PBG signed the first contract with a Norwegian company Kanfa Aragon AS for the installation of a Glycol Regeneration Plant for gas drying. The total amount of this contract is EUR 1,125 million. This transaction was considered significant, as it presents an opportunity for PGB S.A. to sign new contracts in Norway. Another foreign contract was signed with the same company in August 2007 for the construction of glycol regeneration units for platforms located in the off-shore sectors in the UK and the delivery of supporting pumps for these units. Net amount of this contract is nearly EUR 3 million.

In addition, in 2007 PBG SA was contracted by the company Gas Naturale' (Pvt.) Ltd. with its registered office in Punjab, Pakistan. The total amount of these contracts is USD 5.5 million. The first of these contracts involved design works for the natural gas liquefaction plant. The other included the supply of materials and technological systems for natural gas liquefaction plant. These contracts were considered significant, as they presented an opportunity for PGB SA to sign new contracts for export sales.

Share of business segments in revenues from sale

In the reporting period, the share of individual segments of the Capital Group's business in total sales was as follows:



Dynamic growth was recorded for the **water segment**, with the highest share in sales (in H1 2009, it represented nearly 41% of the Group's revenues from services, compared to 56% in H1 2008). Contracts implemented in this segment are co-financed by the European Union, have high individual value, and are connected with environmental protection and hydro-technical investments. The investment budget approved for Poland for 2007-2013 includes PLN 63 billion for investments related i.a. to infrastructure, environmental protection, and hydro-technology. Therefore, it is expected that this market will remain very attractive for investors in the next several years. In the water segment, Hydrobudowa Polska and Hydrobudowa 9 play the key role.

Residential and industrial construction, including general construction and industrial infrastructure, was the second largest segment of the Group's business in the reporting period. In H1 2009, the share of this segment in revenues from sale reached 28%, up by 22% vs. H1 2008. Considering new prospects and opportunities in this market, mainly infrastructure investments such as the construction of stadiums or waste sorting stations in the biggest Polish cities, revenues from this segment are expected to increase considerably in the years to come. The major projects currently implemented in this segment include: contract for the construction of the National Stadium in Warsaw (PLN 1,252 billion); contract for the construction of Baltic Arena in Gdańsk (PLN 427 million); contract for the modernisation and extension of the Poznan City Stadium (PLN 398 million); and contract for the construction of a waste sorting station in Gdańsk (PLN 300 million).

Natural gas and crude oil is an important segment of the Group's operations. In H1 2009, the share of this segment in revenues from sale reached 11%, down by nearly 2.5 percentage points vs. H1 2008. Natural gas and crude oil segment is the main area of activity of PBG SA, the leader in this area in the Polish market. Considering the largest-ever contract in this segment signed in August 2008 (contract for the construction of a crude oil mining plant for Polskie Górnictwo Naftowe i

Gazownictwo SA for the total net amount of PLN 1.4 billion), and another comparable contract (for the construction of an underground gas storage facility in Wierzchowice – PLN 1.1 billion), PBG expects a significant increase in revenues from sale in the natural gas and crude oil segment in the years to come. These are the key projects implemented currently by PBG Capital Group.

Another segment of the Company's business is the **fuels segment**. The main investments in this segment are connected with the storage of fuels (fuel depots and storage stations). The share of this segment in revenues from sale in the reporting period was 7.8%, down by 1.2% vs. the previous corresponding period.

The main customers for services rendered in this segment include, among others: Zakład Inwestycji Organizacji Traktatu Północnoatlantyckiego – NATO, PKN Orlen, and Operator Logistyczny Paliw Płynnych. The key project currently implemented in this segment is a contract for the supply and installation of underground fuel depots, implemented since the beginning of 2007. The total net value of this contract is nearly PLN 280 million (vs. approx. PLN 255 million at the contract signing date). Considering the conclusion of a contract with NATO and the increasing demand for this type of services in the years to come, PBG expects the increase of revenues also in the fuels segment.

The last segment defined by PBG Capital Group, related to the specialist construction services, is **road building segment**. In H1 2009, the share of this segment in revenues from sale reached 7.2%, up by 2.7% vs. the previous corresponding period. PBG entered the road building market based on acquisitions of road companies. In 2008, the Group focused on the development of this segment, acquisitions of road companies, restructuring, and financing of the acquirees. These companies play the key role in this market. Given the new investments in the road building market, the Capital Group expects a major increase in revenues from this segment.

VIII. MATERIAL AGREEMENTS

Agreements significant for PBG Capital Group's operations concluded in the reporting period and after the accounting reference date:

date of agreement	parties to the agreement	object of the agreement	terms of reference
21.01.2009	HBP SA and PBG SA as the Contracting Party	End-to-end installation of specialist systems for fuels storage, construction of site welfare and technical facilities, as well as external networks of underground infrastructure related to crude oil and natural gas deposits in the region of Lubiatów, Międzychód and Grotów	Value of the contract: PLN 82,500,000.00 net
12.02.2009	PBG SA as the Contracting Party and Control Process SA	Two contracts in connection with the implementation of "LMG Project – Central Unit, wellsites, pipelines and other".	1. Value of contract 1: PLN 183,955,000.00 net; 2. Value of contract 2: PLN 94,610,000.00 net;

		<p>1. 1. General Contractor services in the area of wellsites and group units, including design, construction, and commissioning of these facilities</p> <p>2. 1. General Contractor services in the area of CHP plant, including its construction and commissioning</p>	Date of completion: 10 April 2013
24.03.2009	HBP SA as the Contracting Party and its subsidiary HBP Konstrukcje Sp. z o.o.	Roof steel structure of the Poznań City Stadium at ul. Bułgarska	Value of the contract: PLN 107,664,862.98 net
10.04.2009	HBP SA – as Consortium Leader, HB 9 SA, ALPINE BAU GmbH, ALPINE BAU DEUTSCHLAND AG Oddział Berlin, ALPINE Construction Polska Sp. z o.o. – as Consortium Partners, and Gmina Miasta Gdańska (City of Gdańsk Urban Municipality) – as the Contracting Party represented by Biuro Inwestycji Euro Gdańsk 2012 Sp. z o.o.	The second phase of construction works related to the Baltic Arena project – Football Stadium in Gdańsk Letnica. The object of this contract is construction of the Baltic Arena – Football Stadium in Gdańsk Letnica.	Value of the contract: PLN 427,700,000.00 net
16.04.2009	PBG SA – as consortium Leader – Contracting Party, and PLYNOSTAV PARDUBICE HOLDING A.S.	Contracts are connected with the agreement signed by the Consortium of companies: PBG SA (Consortium Leader), Technimont S.P.A., Société Française d'Etudes et de Réalisations d'Equipements Gaziers "SOFREGAZ", and Plynostav Pardubice Holding A.S. - Plynostav Regulace Plynu A.S. (Consortium Partners) with Polskie Górnictwo Naftowe i Gazownictwo SA for General Contractor services for the investment "Construction of the overground part of Wierzchowice Underground Gas Storage Facility 3.5 billion nm ³ , subphase 1.2 billion nm ³ ". The object of these contracts includes design, supply, and installation of the selected systems.	Value of the contract: PLN 84,178,442.00; Date of completion: 18 November 2009
16.04.2009	PBG SA as consortium Leader and PLYNOSTAV REGULACE PLYNU A.S.		Value of the contract: 83,731,000.00; Date of completion: 18 November 2011
27.04.2009	HB9 SA – as Consortium Leader, and Przedsiębiorstwo Robót Górniczych "METRO" Sp. z o.o. and Spółka KWG SA – as Consortium Partners, with Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w Warszawie S.A. – as the Contracting Party	Contract for the construction of a wastewater transport system from left-bank Warsaw to Czajka wastewater treatment plant – phase 1	Value of the contract: PLN 236,214,352.34 net; Date of completion: 31 September 2010
04.05.2009	ALPINE BAU DEUTSCHLAND AG – as Consortium Leader, ALPINE BAU GmbH, ALPINE Construction Polska Sp. z o.o., HBP SA, PBG SA – as Consortium Partners, with Narodowe Centrum Sportu Sp. z o.o. – as the Contracting Party	Construction of the multi-function National Stadium in Warsaw with associated infrastructure	Value of the contract: PLN 1,252,755,008.64 net; Date of completion: 24 months from the contract signing date
5.05.2009	HB9 SA as the Contracting Party and HOBAS SYSTEM POLSKA Sp. z o.o.	Contract for the supply of pipes, pipe fittings and joints, and wells for the project "Construction of a wastewater transport system from left-bank Warsaw to Czajka wastewater treatment plant – phase 1"	Value of the contract: PLN 105,448,019.15 net
7.05.2009	PBG SA – Consortium Leader and Technimont S.p.a. and Societe Francaise d'Etudes et de Realisations d'Equipements Gaziers „SOFREGAZ” –	Agreement under the Consortium for the design and supply of the selected systems for the project "Construction of the overground part of Wierzchowice Underground Gas Storage Facility 3.5	Value of the contract: 1. Tecnimont: PLN 283,224,600.00 net; 2. Sofregaz: PLN 176,327,200.00 net;}}

	Consortium Partners	billion nm3, subphase 1.2 billion nm3"	
25.05.2009	HB9 SA – as Consortium Leader and PIECOBIOGAZ SA, Przedsiębiorstwo Robót Wiertniczych HYDROPOL – Gdańsk Sp. z o.o. – as Contractors, with Miejskie Wodociągi i Kanalizacja w Bydgoszczy Sp. z o.o. - as the Contracting Party	Contract for the project "Modernisation of the Water Mains Station SW-4 "Czyżkówko" in Bydgoszcz, part 2"	Value of the contract: PLN 82,446,725.64 net; Date of completion: 16 months as from the Commencement Date
25.05.2009	PBG SA – as the Contractor and Operator Gazociągów Przesyłowych GAZ-SYSTEM SA – as the Contracting Party	General Contractor services for the project "Construction of the Goleniów Gas Compressor Station"	Value of the contract: PLN 54,900,000.00; Date of completion: 17 months from the contract signing date
19.07.2009	PBG SA – as the Contractor and MAXER SA – as the Contracting Party	Annex increasing the amount of the contract signed with Maxer SA (currently in liquidation) on 6 February 2006 for the project "Construction of the Malczyce barrage on the Odra river"	Financial limit for construction and installation works to be performed by PBG SA under the said contract in 2009-2011 was increased by the net amount of PLN 216,673,815.57; Date of completion: by 30 December 2011

Material agreement criterion:

Legal basis:

§ 5 par.1.3 of the Regulation of 19 October 2005 on current and interim information provided by issuers of securities.

Art. 56 par. 5 of Public Offering Act – update of information. Regulation of 19 February 2009 on current and interim information provided by issuers of securities and on the conditions under which information required by the regulations adopted by countries other than Member States is considered equivalent.

IX. CHANGES IN ORGANISATIONAL RELATIONS BY THE DATE OF SUBMISSION OF THE FINANCIAL STATEMENTS

In the reporting period and after the accounting reference date, the following changes in organisational relations occurred:

date:	parties	type of transaction	description	purpose
2.04.2009	PBG SA	Establishment of a subsidiary – PBG Export Sp. z o.o.	The Company's registered capital amounts to PLN 1,000,000.00 and is divided to 20,000 shares of nominal value PLN 50.00 per share. PBG SA took over 19,990 shares at PLN 50.00 per share, of the total value of PLN 999,500.00. The said shares were paid up for in cash. PBG SA holds shares representing 99.95% of share capital and votes.	PBG Export Sp. z o.o. was established to sign contracts in Poland and abroad and supervise their implementation.
2.04.2009	PBG SA, Hydrobudowa Polska SA	Take-over of interest in HBP KONSTRUKCJE Sp. z o.o. by PBG SA	PBG SA acquired shares of HBP KONSTRUKCJE Sp. z o.o. from HBP SA. PBG SA acquired all 16,100 shares at PLN 500.00 per share, of the total value of PLN 8,050,000.00, for the total price of PLN 9,000,000.00. These shares represent 100% of votes at the General Meeting of Shareholders and of share capital of HBP KONSTRUKCJE Sp. z o.o.	Restructuring of PBG Capital Group and establishment of low-cost companies

9.04.2009	PBG Dom Sp. z o.o., KM Investment Sp. z o.o.	Acquisition of KM Investment Sp. z o.o. by PBG Dom Sp. z o.o.	Acquisition of assets of significant value by PBG Dom Sp. z o.o. following the increase in share capital of KM Investment Sp. z o.o. Share capital was increased to PLN 125,000 by resolution of the Extraordinary General Meeting of Shareholders of KM Investment Sp. z o.o., covering 150 shares of the nominal value PLN 500.00 per share. PBG Dom Sp. z o.o. took over all new shares for PLN 75,000 (book value of the acquired shares recorded in books of PBG Dom Sp. z o.o. was PLN 76,664). Shares acquired by PBG Dom Sp. z o.o. represent 60% of share capital and total vote of KM Investment Sp. z o.o. Registration of change of the name "KM Investment Sp. z o.o." to "Złotowska 51" Sp. z o.o. by the court is currently pending. The Company is involved in construction of residential units for sale and rental.	Long-term investment involving a real estate development project and construction of residential units for sale and rental
19.06.2009	PBG SA, natural person	Acquisition of shares in Wschodni Invest sp. z o.o.	<p>PBG SA acquired 37,740 shares of per-share nominal value of PLN 100.00, representing 100% of the Company's share capital of the total value of PLN 3,774,000.00 and 100% of the total vote, for the total price of PLN 40,000,000.00. The stake in Wschodni Invest Sp. z o.o. was taken over by the "Seller" as the only shareholder as follows: 1) 500 shares at PLN 100.00 per share, of thr total value PLN 50,000, paid up in cash; 2) 37,240 shares at PLN 100.00 per share, of the total value of PLN 3,724,000.00, in exchange for 51 ordinary registered shares series A of the company Energopol - Ukraina incorporated under the laws of Ukraine, of the total amount of PLN 3,724,000.00, representing 51% of the Company's share capital.</p> <p>Disclosure of information on the agreement concluded by and between the "Seller" and PBG SA on 30 April 2008 for the conditional acquisition of a stake in Energopol - Ukraina with its registered office in Kiev by PBG SA. The said agreement expired by agreement of the Parties, although the agreed precedent were satisfied. On behalf of the Company, a procedure was commenced to establish a joint-stock company incorporated under the laws of Ukraine - PBG Ukraina. The first phase of Company establishment was completed - the entity was provisionally registered in order to make capital contributions to the Company's share capital and to take actions leading to the final registration of PBG Ukraina. As at today, the Company's share capital will amount to UAH 900,000, i.e. USD 117,000, and the Company will be wholly owned by PBG SA.</p>	<p>PBG SA acquired shares of Wschodni Invest Sp. z o.o. whose portfolio includes the real property development business of Energopol Ukraina with its registered office in Kiev; PBG SA does not intend to change the business profile of these companies. This acquisition is considered by PBG SA as a long-term investment.</p> <p>Entering the Ukrainian market; PBG Ukraina will operate in the broadly defined construction market.</p>
5.06.2009	PBG Dom Sp. z o.o.	Establishment of a subsidiary - PBG Dom Management Sp. z o.o.	The Company's share capital amounts to PLN 5,000.00 and is divided to 100 shares of nominal value PLN 50.00 per share. All shares are equal and indivisible, and each share carries one vote. All shares of PBG Dom Management Sp. z o.o. were taken over by PBG Dom Sp. z o.o. Book value of the said shares as recorded in the Company's accounts: PLN 5,416.00.	The Company's objects include trade in real property, including development projects.
9.06.2009	PBG Dom Sp. z o.o.; City Development Sp. z o.o.	Take-over of additional shares by increasing the share capital of City Development Sp. z o.o.	PBG Dom Sp. z o.o., previously holding only 1 share of City Development, expressed its intention to take over 53,250 additional shares after the increase in its share capital. The nominal value of the newly issued shares is PLN 50 per share. The acquisition price of one share will be equal to its nominal value. Shares to be taken over by PBG Dom Sp. z o.o. represent 75% of share capital and votes at the General Meeting of Shareholders of City Development Sp. z o.o. The total value of the investment of PBG Dom will amount to PLN 2,662,500.00. City Development owns two properties (land), where more than 300 residential units are to be built. Book value of the said shares as recorded in the accounts of PBG Dom Sp. z o.o.: PLN 2,664,558.00.	Long-term investment involving a real estate development project and construction of residential units for sale and rental
9.06.2009	PBG Dom Sp. zo.o., Concept Development BSD 2 Sp. z o.o.	Take-over of additional shares by increasing the share capital of Concept Development BSD 2 Sp. z o.o.	After the increase in share capital of Koncept Development BSD 2 Sp. z o.o., PBG Dom Sp. z o.o. will take over: <ul style="list-style-type: none"> - 265 preference shares (one share carries 2 votes); - 970 ordinary shares. After the increase in share capital is registered, PBG Dom will hold the total of 1,235 shares against the cash contribution of PLN 61,750. The said shares will carry 51% of votes at the General Meeting of Shareholders and will represent 37% of share capital of Concept Development BSD 2. The Company Concept Development BSD 2 owns land and construction plans and specifications based on which a building permit was issued. The Company operates in Warsaw. Book value of the said shares as recorded in the accounts of PBG Dom Sp. z o.o.: PLN 71,025.00. The activities of PBG Dom will be financed with loans taken out by the Company.	Long-term investment involving a real estate development project and construction of residential units for sale and rental

25.06.2009	PBG Dom Sp. z o.o., Hydrobudowa 9 SA,	Acquisition of shares in PBG Dom Sp. z o.o. in Górecka Projekt Sp. z o.o.	Spółka PBG Dom Sp. z o.o. bought all shares of Górecka Projekt Sp. z o.o. held by Hydrobudowa 9 SA	This transaction is connected with the reorganisation process in PBG Capital Group – PBG Dom Sp. z o.o. will be responsible for real property management
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X. BUY-BACK OF TREASURY SHARES

No treasury shares were bought back in the reporting period.

XI. RELATED PARTY TRANSACTIONS

In the reporting period, PBG SA Capital Group concluded related-party transactions of the total value exceeding the equivalent of EURO 500,000 (expressed in PLN). These transactions were typical, concluded at arm's length, and resulted from current operations of PBG SA and its subsidiaries.

Moreover, some of these transactions resulted from contracts signed with Financial Institutions containing a security in the form of sureties or mutual guarantees granted by PBG Capital Group companies as parties to these agreements.

This approach was defined in the financing strategy adopted by PBG Capital Group.

In addition, PBG SA as the Parent Company with the strongest financial position granted sureties for the repayment of liabilities of PBG Capital Group companies.

The main types of transactions concluded in PBG Capital Group are:

- construction contracts,
- loan agreements,
- suretyship agreements:
 - credit limits,
 - guarantee limits,
 - security limits, etc.

The business of PBG Capital Group companies is based on the activities of highly qualified entities providing complementary services. The goal of co-operation among PBG Capital Group companies is to improve the utilisation of resources of the transaction parties and reduce business risks, e.g. by ensuring appropriate risk allocation. With the proper allocation of risks and division of business functions, the Group is able to:

- achieve higher turnover based on long-term planning of the utilisation of its resources and investments and ensuring continuous demand for its products and services;
- achieve the Group's strategic goals – maintaining the leading position among the comparable entities and gaining a "monopoly rent" depends on the proper organisation of a Capital Group able to respond to the specific market demands;

- reduce business risks – a co-operating group of related entities either reduces or altogether eliminates the dependence on day-to-day business changes and their impact on the Capital Group's financial situation;
- offer competitive products and services and achieve the resulting growth in turnover and profitability;
- reduce business costs by minimising expenses and ensuring more efficient use of resources;
- reduce procurement costs and increase the Group's bargaining power in price negotiations;
- achieve financial savings with a surety granted by PBG. Beyond any doubt, grant of a surety for a related-party liability and a security for its repayment enables faster implementation of a contract, which may add to a more efficient management of PBG CG companies and more efficient utilisation of their resources.

XII. APPROPRIATION OF PROCEEDS FROM THE 4th ISSUE OF SERIES G SHARES

Series G shares were issued in June 2009.

1. Objectives of the 4th issue of shares

1. Acquisition of companies from the power construction sector (PLN 80-100 million).
2. Acquisition of the Ukrainian company (about PLN 40 million).
3. Investments in raw material base – aggregate mining facilities (PLN 30-40 million).

2. Appropriation of proceeds from the 4th issue of shares

Following the issue of 865,000 series G shares without pre-emptive rights at the selling price of PLN 220 per share, the proceeds of PBG SA exceeded PLN 190 million. These proceeds were used as planned. Until the date of submission of the financial statements, PBG SA used the proceeds to implement objective 2. The transaction of acquisition of the Ukrainian company was closed in June 2009. PBG acquired a 100% stake in Wschodni Invest, direct owner of 51% of shares in Energopol-Ukraina. The total value of this transaction was PLN 40 million.

XIII. EXPLANATION OF DISCREPANCIES BETWEEN ACTUAL FINANCIAL RESULTS AND FORECASTS

PBG Capital Group publishes its annual forecasts. Therefore, information presented below concerns the forecast of consolidated results for 2007 and its achievement.

There are no significant discrepancies between the consolidated results for 2008 and forecasts presented in April in the current report no. 14/2008: "Forecast of consolidated financial results for

2008" and subsequent adjustments of this forecast published by the Group's Parent Company – PBG SA in October 2008 and February 2008. Adjustments of financial forecasts were related to "upward" corrections of operating profit and "upward" corrections of revenues from sale.

The forecast items of the income statement published in the form of a communication include revenues from sale, operating profit, and net profit.

Forecast of the selected items of the income statement and the actual results are presented in the table below.

Wielkość prognozowana	Prognoza (w tys. zł.)	Podniesienie prognozy (w tys. zł.)	Podniesienie prognozy (w tys. zł.)	Wykonanie (w tys. zł.)	Realizacja prognozy (w %)
Przychody netto ze sprzedaży	1 924 000	-	2 100 000	2 091 425	99,59%
Zysk z działalności operacyjnej	194 000	-	220 000	225 611	102,55%
Zysk netto	142 600	157 800	158 000	158 241	100,15%

XIV. ASSESSMENT OF FINANCIAL ASSETS MANAGEMENT

The strategy of financing of PBG SA and its Capital Group activities was introduced in 2004. In 2009, it was still implemented.

In view of the future dynamic growth of PBG Capital Group, limits were increased i.a. by increasing the limit in ING Bank Śląski SA granted to implement the contract ""Construction of the overground part of Wierzchowice Underground Gas Storage Facility", and by signing a new contract with Nordea Bank Polska SA for the limit of PLN 115 million.

The total amount of bank and insurance limits granted to PBG SA and its Capital Group and earmarked for the financing of the Company's current operations and investments, as well as currency market transactions, totalled PLN 2,553 million as at 30 June 2009.

Consistent implementation of this financing strategy allowed the Company to:

1. maintain diversified sources of financing,
2. improve the availability of bank and insurance products on offer,
3. standardise products and services offered to PBG Capital Group,
4. reduce the level of security for bank limits,
5. relate bank and insurance products to specific contracts based on Project Finance rules.

Availability, flexibility and standardisation of bank products made it possible to relate these products directly to the contract and adjust them to cash flows, which significantly reduced the operating risks of PBG Capital Group (in the opinion of the Financial Institutions). Controlling

principles adopted by PBG SA and its Capital Group and monitoring carried out by Financial Institutions allowed to settle payables from contract cash flows of CG companies on an on-going basis.

Risks related to financial resources:

- implementation of contracts up to 4 years with annual periods of credit limits,
- prolonged business cycle periods for UE contracts – longer than standard payment periods adopted by the banks, risk of negative changes of interest rates and currency rates.

According to the Management Board, given the present situation there is no risk of the reduced availability of bank and insurance limits.

Actions taken to minimise these threats:

- diversification of financial resources – banks, insurance companies, brokerage houses, the capital market,
- on-going monitoring of the utilisation of resources by PBG Capital Group,
- implementation of procedures in accordance with the Integrated Management Systems in place,
assigning specific bank products to specific contracts for the active controlling by the Financial Institutions.

XV. FINANCIAL INSTRUMENTS USED BY THE CAPITAL GROUP

Financial instruments used by the Capital Group are related to:

- 1) price change risks
 - a) Description: increase in prices of materials and services provided by subcontractors during contract implementation vs. prices defined in the contract budget.
 - b) How to minimise: contracts with a "stop cost" clause and earlier payment option.
 - c) Instruments: hedging of fixed cost contracts, delivery in phases, subsequent adjustment and discount. Each contract has its cost estimate with a separate sub-ledger account where all costs are recorded.
 - d) Objectives: hedging of contract profit margins and reduction of similar costs for various contracts based on economies of scale.
 - e) Risk management methods: analysis of profitability and liquidity for each contract, on-going monitoring.
- 2) credit risks

- a) Description: to maintain credit limits for the optimum management of working capital.
 - b) Financial strategy: diversification of limits earmarked to finance the Group's current operations among 10 banks, in the total amount of PLN 1,706 million, of which PLN 1,228.5 million for credits and guarantees.
 - c) Instruments: co-operation based on uniform undertakings (pari passu, material change, negative pledge) confirmed in a positive annual opinion of the certified auditor sent directly to all Financial Institutions. Extending the use of various products offered by banks and insurance companies.
 - d) Objectives: flexibility in the utilisation of limits for individual Capital Group companies, products and currencies.
 - e) Risk management methods: moving the focus (weight) from the Company's financial assessment to the assessment of the contract whose cash flows are considered reliable by Financial Institutions.
- 3) liquidity risks
- a) Description: potential inability of the Capital Group companies to fulfil their obligations.
 - b) How to minimise: close monitoring of cash flows at the level of each contract and adjusting inflows and outflows over time, based on bank limits for the settlement of long business cycles for individual contracts.
 - c) Instruments: analysis sheets for the structure of payables and receivables and adjustment of these variables over time to avoid the risk.
 - d) Risk management methods: on-going monitoring and analyses of the liquidity threshold and safety margin.
- 4) interest rate risks
- a) Description: adverse change in interest rates affecting the Capital Group's financial result.
 - b) How to minimise: define a strategy based on macroeconomic recommendations of the banks.
 - d) All liabilities incurred by the Company in respect of the Financial Institutions are based on a variable interest rate with base rate from 1 to 6 months.
 - d) Instruments: IRS transactions.
- 5) currency risks
- a) Description: risk of negative changes in currency rates resulting in an increase of costs and expenses under the implemented contracts or reduction of revenues and inflows.
 - b) The adopted Strategy defines hedging instruments, methods and timing, as well as principles of measurement of hedging instruments. The Group uses hedge accounting. The

available transaction limits fully secure the current and planned portfolio of contracts at the planned exchange rate adopted in the budget for each contract.

- c) Instruments: forward transactions, NDF
 - d) Risk management methods: hedging currency risks with the above instruments when contracts are signed, with termination and settlement as at the date of revenue from hedged contract.
- 6) insurance risks
- a) Description: the Group may be unable to provide insurance for the implemented contracts; in addition, insurance may lose its replacement nature in the event of any force majeure if a wrong insurance package is used.
 - b) The insurance strategy aimed at achieving a complete insurance coverage.
 - c) Instruments: individually adjusted to each contract to meet specific contract requirements.
 - d) Risk management methods: centralised management of the insurance portfolio.

XVI. KEY CAPITAL EXPENDITURES AND INVESTMENTS, AS WELL AS FEASIBILITY OF INVESTMENT PLANS

1. Key capital expenditures and equity investments of PBG Capital Group

Key capital expenditures of PBG Capital Group in H1 2009

No.	Item	Amount (in PLN '000)
1	Reconstruction of a building into a gatehouse and other facilities	1 725
2	Bunker, asset under construction	801
3	Outlays on the ORACLE system	762
4	Outlays on the construction of a new office building	374
5	Infrastructure for project-related supplies	256
6	Virtualisation	220

Equity investments of PBG Capital Group in H1 2009

No.	Item	Amount (in PLN '000)
1	Acquisition of shares in Wschodni Invest Sp. z o.o.	40 000
2	Payments on account of the acquisition of assets	10 380
3	Acquisition of Hydrobudowa Polska Konstrukcje Sp. z o.o.	9 290
4	Acquisition of shares in Poner Sp. z o.o.	3 850
5	Acquisition of shares in Bathinex Sp. z o.o.	1 071

2. Feasibility of investment plans

Cash from the proceeds from the issue of series G shares held in June 2009 by PBG SA (over PLN 190 million) and the concluded credit agreements fully cover the planned outlays connected

with the currently implemented projects and capital expenditure. In addition, in April 2008, Hydrobudowa Polska SA issued series K shares. In this Public Offering, 35,000,000 series K shares were offered with preference (preferential allotment). The per-share issue price was PLN 8.80. Proceeds from this issue totalled PLN 308 million. Proceeds from this issue cover investment plans of this Company. In H1 2009, the Group spent PLN 18 million on PP&E investments and over PLN 72 million on equity investments. In 2009, the planned value of PP&E outlays will equal the replacement value. The planned value of equity investments is PLN 50-100 million.

XVII. ASSESSMENT OF FACTORS AND EXTRAORDINARY EVENTS

In H1 2009, there were no extraordinary events with any significant impact on the financial results of PBG Capital Group.

XVIII. IMPACT OF CURRENCY HEDGES ON THE RESULTS OF PBG CAPITAL GROUP

In FY 2009, PBG SA and its subsidiaries concluded hedging transactions relating only to the future planned currency exposures and using standard forward instruments. PBG Capital Group companies concluded no financial instruments such as currency options. Hedging transactions were concluded in accordance with the adopted hedging policy, were related to contracts signed with investors and suppliers (mainly denominated in EUR and CAD), and had no speculative character, as they were concluded under the adopted hedging policy in order to secure future cash flows from revenues from sale (under the implemented long-term construction contracts) and cost of sales.

With open positions in the currency market, PBG Capital Group has currency hedges for a portion of its cash flows (connected with revenues from sale) for FY 2009 – in the amount of EUR 156.9 million (of which EUR 156.9 million in H2 2009) and for FY 2010 – in the amount of EUR 98 million (of which EUR 51.5 million in H1 2010). These transactions were concluded at the weighted average forward exchange rate of 3.63 EUR/PLN. According to data received from banks, the carrying amount of open positions on forward hedges as at 30 June 2009 totalled PLN -217.81 million; the amount of -60.58 million was recognised in the Group's profit or loss, including -34.49 million in the consolidated income statement for 2009, while the remaining portion (-157.23 million) was recognised in equity). Result on forward contracts realised (settled) in 2009 totalled PLN -54.64 million, which was recognised and recorded in the consolidated income statement.

For a portion of cash flows related to cost of sales, PBG Capital Group has open positions in the currency market for 2009 in the amount of CAD 2.35 million (of which CAD 2.35 million in H2 2009) and for 2010 and the following years in the amount of CAD 30.72 million (of which CAD 9.7 million in H1 2010). These transactions were concluded at the weighted average forward exchange rate

of 2.16 CAD/PLN. According to data received from banks, the carrying amount of open positions on forward hedges as at 30 June 2009 totalled PLN 21.26 million, of which PLN 7.52 million was recognised in the Group's profit or loss. Result on forward contracts realised (settled) in 2009 totalled PLN 0.25 million, which was recognised and recorded in the consolidated income statement.

Hedging contracts are concluded in accordance with the Group's policy of currency risks hedging.

This strategy is based on the adjustment of hedging instruments to the planned transactions of the hedged contract, taking into account net currency exposure, offered exchange rate, timeframe, as well as quantitative distribution of currency revenues by quarters. As the impact of currency risks on the result of Capital Group companies shall be reduced to a minimum, it was agreed that they shall use forward transaction to hedge these risks. PBG Capital Group uses hedge accounting, which requires the measurement of the effectiveness of hedges on a quarterly basis.

To make sure that the effects of a hedge are not recognised in a different period than the hedged item, a change in the method of assessment of hedge effectiveness for forward transactions in PBG Capital group was introduced as of 1 January 2009, which should keep the impact of foreign exchange rates on the Company's results at a minimum in subsequent quarters. This new method is applicable to new transactions and to transactions that became ineffective in the previous reporting period and may be allocated to the hedged item. Measurement of the ineffective instrument shall be recognised in profit or loss of the previous year, and the new method of assessment of hedge effectiveness shall be applied to the change in the measurement of the hedge. This new method consists in the differentiation of the spot portion and interest portion from the hedge measurement. The interest portion is recognised in profit or loss on financing activity, while the spot portion is recognised in equity.

XIX. RISKS AND THREATS. FACTORS INFLUENCING THE DEVELOPMENT OF PBG CAPITAL GROUP

External factors

1. Competition risk

PBG Capital Group operates in the competitive market of specialist construction services in the gas, oil, fuels, water supply and sewerage, as well as road construction and infrastructure sectors. Apart from prices, the key factor determining the competitiveness of any company is its experience (track record) in the completion of complex, specialist projects, good customer

references, high quality of services, and efficient organisation ensuring timely performance of contracts in line with the efficiency assumptions.

The Group reduces competition risks by:

- Selecting niche products and services,
- Focusing on high quality of services,
- Consistent improvement of qualifications in the area of cutting-edge technologies with the goal to develop a competitive offer and ensure its optimum market placement,
- Diversification of business areas,
- Forming strategic alliances with well-known foreign companies operating in the Polish market and abroad.

In addition, competition risks may be minimised by the Company's decision to gain new markets for its products and services.

2. Economic situation in Poland

Despite the global economic slowdown, Poland still handles the financial crisis better than other EU Member States. In Q1 FY 2009, Poland recorded an increase in GDP of 0.8 % y/y, and according to the forecasts of the Minister of Finance, the growth in GDP in Q2 will reach 0.1- 0.3%, allowing Poland to record positive GDP growth at year end. This significant growth in GDP in Q1 2009 resulted from high consumer demand (3.3% y/y) and positive balance of foreign trade (higher drop in imports vs. exports). In H1 2009, the Monetary Policy Council continued the efforts to loosen the monetary policy by reducing interest rates. As at the end of Q2 2009, the reference rate of the National Bank of Poland was 3.50% vs. 5.00% at previous year end. This trend in the monetary policy resulted also from the lower inflationary pressures in Q2 2009. In H1 2009, CPI dropped to 3.5 % y/y, mainly because of the falling prices of food.

Achievement of strategic goals and financial results planned by PBG Capital Group is also determined by the above-mentioned macroeconomic factors: GDP growth, inflation rate, general economic situation in Poland, and changes in legislation. Unfavourable changes of macroeconomic indicators may reduce the planned revenues or increase operating costs.

Forecasts for the Polish economy for the coming months assume further drop in GDP. It is caused mainly by the economic downturn in the USA and the Euro zone, resulting, among other, in the reduced access to the financing of new investments, drop in export sales, rise in unemployment rate, drop in consumption, and the resulting further downward inflation trend and higher trade deficit. The effects of this slowdown also include a drop in prices of building materials, and access to cheaper labour and subcontractors, which may reduce operating costs and consequently increase the Group's profitability. Please note, however, that the reduction in business activity in Poland will not be as significant as in other countries. It will result mainly from the utilisation of the EU funds earmarked for Poland, primarily for infrastructure investments, environmental protection projects, and investments related to the European Football Championship EURO 2012. Projects

implemented currently are still financed from the Cohesion Fund (EUR 4.5 billion for 2004-2006). In addition, projects co-financed by the EU from the approved Community budget for 2007-2013 are also launched, with EUR 63 billion earmarked for Poland.

3. Poland's membership in the European Union

Poland's membership in the EU encouraged international companies providing services similar to those offered by PBG Capital Group to enter the Polish market. This may increase market competition and reduce profit margins.

Having signed several contracts of considerable value, PBG SA and its Capital Group companies have proved that they are well prepared to compete with foreign companies.

On the other hand, opening of the European markets may be an opportunity for PBG Capital Group to enter brand new geographic markets.

To fully benefit from opportunities resulting from Poland's membership in the EU, PBG SA and its Capital Group companies:

- Form strategic alliances with foreign companies operating on the Polish market to implement joint projects,
- Have implemented and are developing good management culture;
- Offer high quality of services confirmed by the following standards: PN-EN ISO 9001:2001, PN-EN 729-2, AQAP 2110:2003,
- Consistently improve qualifications of their staff, especially in the area of unique cutting-edge technologies, with the goal to develop a competitive offer and ensure its optimum market placement.

Internal factors

1. Unfavourable changes in tax regulations

In Poland, tax regulations related to taxation of business activities are subject to frequent changes. Therefore, there is a risk of changes in tax regulations currently in effect and introduction of less favourable tax regulations for companies or their customers, which may in turn affect financial results generated by companies, either directly or indirectly.

2. Currency rates

In FY 2008 and H1 FY 2009, unexpected changes affected the Polish foreign currency market. In H1 FY 2008 PLN was strengthening, especially vs. USD and EURO. In H2 2008, a considerable depreciation of PLN was recorded. It was caused by a number of factors, not necessarily based on the Polish economy as such. Currency exchange risks have a direct impact on PBG CG companies, as they implement contracts co-financed from EU funds, denominated mostly in EURO. In addition, certain contract-related costs (usually purchase of equipment) are also

denominated in foreign currencies: EURO and CAD. The Group minimises currency risks by using the optimum financial instruments and by passing part of the currency risk to their subcontractors and suppliers of materials and equipment. Similarly, in the case of purchase of foreign machinery and equipment of significant value required for the performance of contracts, foreign exchange risk is minimised with financial instruments available on the market.

Projects financed from the EU funds are one of the main revenue groups of PBG Capital Group. Contractual fees negotiated by PBG CG companies were denominated in EURO. In the future, currency risks will be minimised with the expected change in the currency of contracts financed with the EU funds from EUR to PLN (some of the new contracts are already denominated in PLN). In the long-term perspective, this risk will be further reduced as Poland will join the EURO zone.

3. Seasonality of sales in the sector

The majority of revenues from sale are generated by PBG Capital Group in the construction and installation sector, where sales are seasonal (it is typical for this sector as a whole). Seasonality of sales depends mainly on the following factors which are beyond the Group's control:

- weather conditions in the winter season, when many works cannot be carried out. Difficult weather conditions (more adverse than usual) may also reduce the Group's revenues.
- the majority of investment cycles planned by customers are completed in the last several months of the year.

As a result, revenues generated by PBG Capital Group are the lowest in Q1 and their significant increase is recorded in H2.

4. Losing the key staff

The business of PBG SA and its Capital Group companies is based primarily on the knowledge and experience of highly qualified staff, especially engineers. There is a potential risk of staff churn involving employees of key importance for the Group's development, which in turn might affect the quality of services. However, the situation in the Polish labour market has deteriorated, the unemployment rate was on the rise, and forecasts for the coming months do not expect that this trend will be reversed, which obviously reduced the risk of losing the key management personnel and strengthened the relations between PBG CG companies and their employees.

The risk of losing key staff is also reduced by the following factors:

- Well-developed internal corporate culture and employees' identification with the Company and the Group;
- Development of the incentive-based and loyalty-based remuneration programmes;
- Knowledge management and extensive training programme;
- Good opportunities for the personal and professional development in a dynamically developing Group.

5. Risk related to non-performance of contracts

Construction contracts contain a number of clauses regarding the proper and timely performance of the contract, elimination of defects, and guarantee deposits or contract performance bonds (bank or insurance guarantees) provided by the company.

Contract performance security is usually provided on the contract signing date and settled after the contract is completed. The amount of this security depends on the type of contract; it usually amounts to 10%. In the case of non-performance or improper performance of contract signed by PBG SA or any Capital Group company, there is a risk that its customers may claim contractual penalties or contract termination.

To minimise this risk, the Group makes sure that:

- contracts are insured (including subcontractors),
- organisation is consistently fine-tuned based on a training programme to prepare a group of employees to become certified project managers, and the extensive use of IT tools in the process of project design and management.

6. Dependence on key customers

PGNiG is currently the main customer of services rendered by PBG Capital Group companies in the natural gas and crude oil segment. Two contracts of high individual value are currently implemented for this customer (nearly PLN 2.5 billion). They are the biggest-ever contracts implemented by PBG as part of PGNiG investments. Please note that the strategy of PBG SA adopted for the Capital Group as a whole assumes implementation of projects of high individual value, which may increase the share of sales to one customer vs. total sales. In the previous year and until now, PBG Capital Group companies signed three contracts of high individual value, in addition to the two above-mentioned PGNiG contracts. These contracts are related to: construction of a waste incineration plant (with Zakład Utylizacyjny in Gdańsk as the customer), extension of the football stadium in Poznań (with Euro Poznań 2012 as the customer), and construction of a sport arena in Gdańsk (with Biuro Inwestycji Euro Gdańsk 2012 as the customer) for the total amount of PLN 1.125 billion. To reduce the risk of dependence on its key customers, PBG Capital Group signs contracts with new customers for its services, including the Army-NATO, PKN Orlen, PERN, LOTOS, Naftobazy, OLPP, and foreign customers.

In 2008, the share of the biggest customers in PBG Capital Group's revenues from sale did not exceed 20%.

Capital Group companies will continue to minimise this risk by:

- diversifying sources of revenues and gaining new customers,
- signing contracts financed with the EU funds (in particular with local governments as contracting parties),
- entering foreign markets.

7. Risk related to on-going operations

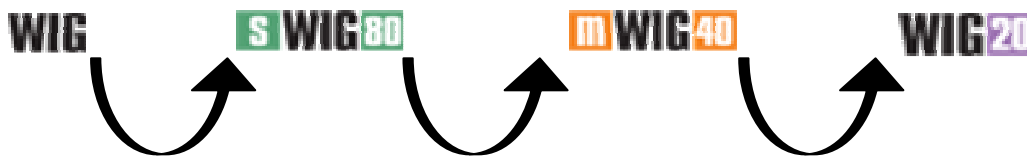
Operations of PBG Capital Group companies, especially works involving any running equipment and facilities, may be a potential source of threats, including the possibility of a breakdown causing human or property losses.

The Group counters this risk by:

- insuring operations of Capital Group companies against civil liability;
- providing new, up-to-date personal protective equipment to employees on an on-going basis,
- training and development of staff qualifications,
- on-going control of all facilities and equipment used,
- regular H&S training and supervision.

XX. STRATEGY OF PBG SA AND ITS CAPITAL GROUP

The strategy of PBG SA is focused on the systematic and long-term increase in value of its Capital Group by creating one of the biggest construction groups in Central and Eastern Europe.



These goals will be attained based on:

- dynamic increase in revenues from sale while maintaining the leading position among the most profitable construction companies with comparable business profile listed in the Warsaw Stock Exchange;
- signing and implementing profitable contracts of high individual value using synergies resulting from the combined input of the Capital Group companies,
- diversification of business – road construction, industrial facilities, underground car parks, the subway, and sports facilities,
- expansion on specialist construction markets, e.g. power construction sector;
- expansion on foreign markets.

Actions taken to implement the strategy of PBG SA and its Capital Group in the nearest future will be focused primarily on:

1. Strengthening the market position in the natural gas and crude oil segment by signing and implementing the biggest contracts in Poland;

2. Strengthening the market position in the infrastructure and hydro-technical segments based on:

- consolidation of Hydrobudowa Polska and Hydrobudowa 9;
- extending the business profile by implementing contracts related to the construction of subway, underground car parks, and industrial facilities;
- participation in contracts connected with the organisation of the European Football Championship EURO 2012 in Poland.

3. Expansion of business in the local road construction market based on:

- investments in road companies and signing contracts of high unit value;
- participation in projects in order to gain access to deposits of aggregates necessary to build roads and railways.

4. Expansion on foreign markets based on:

- signing contracts for the construction of natural gas and crude oil facilities of ever-increasing individual value for investors in Norway;
- implementation of export contracts in co-operation with Polish banks;
- launching business operations in Ukraine based on the acquisition of an Ukrainian company;
- strategic alliances with global players.

5. Expansion of business in the power construction market based on:

- acquisitions of companies operating in the power construction market;
- co-operation with the leading companies in the Polish market in order to participate in the largest tenders in Poland;
- co-operation with foreign partners;
- participation in tenders of ever-increasing individual value.

6. Streamlining the Group's structure and organisation to reduce its operating costs based on:

- establishment of low-cost project implementation companies responsible for the implementation of contracts with low individual value;
- moving the head offices of subsidiary companies to the headquarters of PBG in Wysogotowo, using the remaining buildings and land.

7. Investments in infrastructure operation projects bringing long-term and stable revenues;

8. Securing the optimum financing for the Capital Group's operations based on:

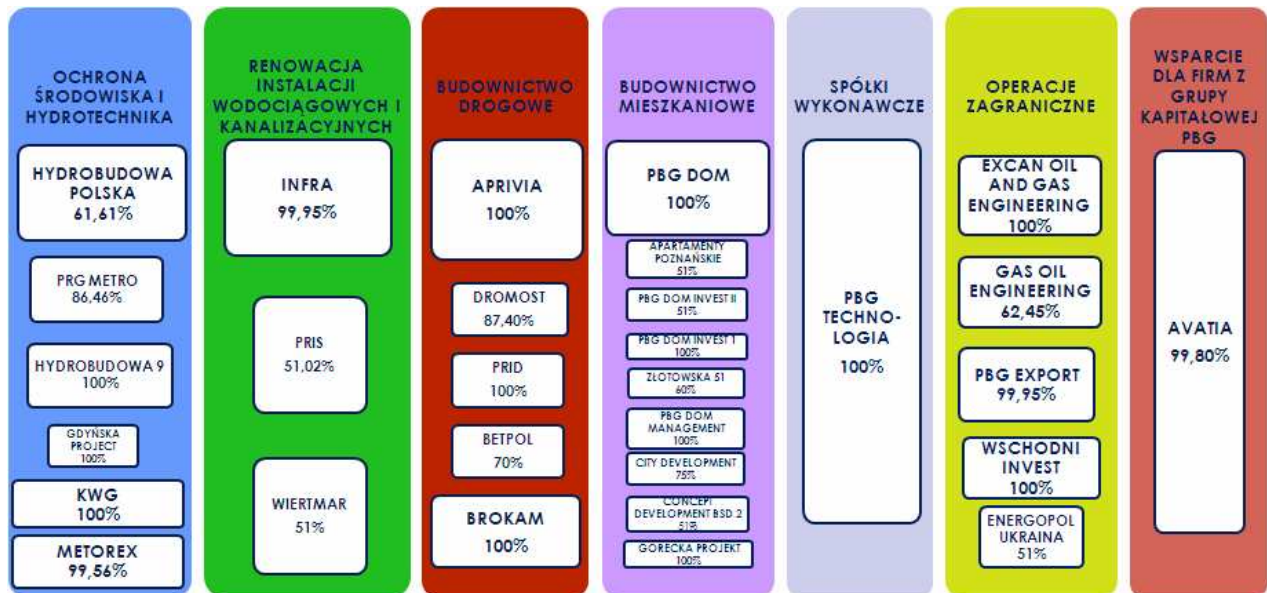
- short- and long-term sources of financing to secure the optimum financing of operations and investments;

- effective utilisation of proceeds from the issue of 865,000 series G shares to be earmarked for investments and further development, and in particular for the acquisition of companies to implement projects in the power construction market,
- organisation of financing for long-term investment projects.

Strategy in practice

Achievement of the above strategic goals will be based, among others, on good organisation of the Capital Group in specific areas of activity.

Presented below is the organisational structure of the Capital Group (share of PBG in the total vote is given) as at 30 June 2009.



As at the date of submission hereof, the organisation of PBG Capital Group did not change.

Business model

The business model of PBG Capital Group is based on the provision of specialist construction services. The Group gradually increases its revenues and gains by entering new markets and niche segments, where competition is lower due to the specific requirements (top qualifications, experience, and customer references). Operational and strategic management of PBG Capital Group is based on a simple structure, with one Leading Company responsible for each area of business, including the signing of contracts, development of services, organisation of financing, and consolidation of other entities. PBG Capital Group provides its services to customers by performing a portion of technologically advanced work on its own, and outsourcing reliable subcontractors to perform simple works. Based on this model, contracts are implemented in

accordance with the adopted schedule and within the agreed budget. By performing specialist works and focusing on niche markets, PBG Capital Group records one of the highest profitability ratios among all construction companies listed in the WSE.

The **natural gas and crude oil segment** is the area of responsibility of the Parent Company PBG, which has been involved in this type of business since the very beginning. PBG is the leader in this business in the Polish market, thanks to the strategic alliances with international companies and introduction of cutting-edge technological solution to the Polish market. Customer references and a proven track record were used to sign the largest contracts implemented in Poland in this area. The natural gas and crude oil market is a very important segment of the Group's business, with the significant share in the Group's result expected in the next several years.

The **infrastructure market, including environmental protection and hydro-technical segments** is another important market for PBG Capital Group. **Hydrobudowa Polska SA**, also listed in the WSE, is the leader in this segment. Hydrobudowa Polska is a very competitive company, using its potential, experience, and customer references to win the largest contracts co-financed with EU funds and implemented under the EURO 2012 investments (European Football Championship in Poland). Hydrobudowa Polska SA has its own Capital Group. In 2008, the Company closed the acquisition of Hydrobudowa 9 from its former shareholders. As a result of this transaction, Hydrobudowa Polska will take over 100% of shares in Hydrobudowa 9 based on the issue of shares only to the former shareholders of Hydrobudowa 9 in exchange for the transfer of all its assets to Hydrobudowa Polska. In addition, Hydrobudowa Polska acquired PRG Metro. This acquisition extended the business profile of PBP Capital Group by adding new, attractive markets – construction of subway or underground car parks.

Waterworks and sewerage systems renovation market is a specific market, considering the limited competition and technological solutions available. While looking for niche markets, PBG found its spot in this market. **Infra** is the leader in this segment. The company is currently implementing the largest renovation contracts in Poland. Considering its fast growth to date and a promising market, Infra SA is building its own Capital Group in order to improve its project implementation potential. Renovation services require cutting-edge technologies and therefore competition in this market comes mainly from abroad, which in turn results in good profit margins. In 2007, Infra acquired PRIS, followed by a stake in Wiertmar in 2008.

Road building is a new, strategic area of the Group's business. Road projects are co-financed by the EU and are given a priority by the Polish government in view of the EURO 2012 championship organised in Poland. This business will ensure further dynamic increase of the Capital Group's revenues. In addition, it will keep profit margins within PBG Capital Group, mainly with the

implementation of contracts for the construction of sewerage systems, where a considerable part of works are replacement/reconstruction works. In this segment of its business, PBG CG will implement contracts related to the construction of local roads (municipality- and district-level roads). In addition, a new company Brokam operates in this segment in connection with an investment into aggregate mining facilities. Its task is to secure the access to aggregate to companies from the road building segment and other Capital Group entities. Last year, another company joined the road construction segment – Betpol; its task is to support other road companies both in terms of project implementation potential and customer references. In addition, in 2008 PBG established another entity in this segment – Aprivia. The task of Aprivia is to strengthen the position of PBG Capital Group in the area of road construction, including the signing and implementation of contracts and organisation of financing.

Foreign business is another strategic segment of PBG Capital Group's business. Acquisitions of foreign companies make it possible for the Group to enter foreign markets and enhance its project implementation potential in Poland, including e.g. the design activities and project management. As a result, a new area of the Group's business is created. The Slovak engineering company Gas Oil Engineering AS was the first acquisition in this segment. Another company Excan Oil And Gas Engineering Ltd. was also established in Canada, with 100% of shares held by PBG SA. As part of its foreign expansion strategy, PBG SA is now entering the Ukrainian market based on the acquisition of Energopol-Ukraina. This acquisition was closed in June 2009. Despite the current difficult economic situation in Ukraine, in the long term this market will be a very promising market for PBG SA, especially considering the expected aid for Ukraine for the upgrade of its gas pipelines. The amount of this aid is expected at EUR 2.5 billion and will present an opportunity to win large contracts in the gas segment. Investments in environmental protection and water segments are also necessary to adjust the sewerage systems and waterworks to the European standards; these projects will be co-financed by the EU. In addition, to strengthen its foreign business, in April 2009 PBG established a new entity PBG Export, focusing on the award and implementation of export contracts.

The overriding objective of all these actions is to implement the strategy of PBG focusing on the creation of the largest construction and engineering company in Central and Eastern Europe.

Construction of buildings is an additional business segment. In the long term, this business may be of great importance for the entire Capital Group. In this segment, the company **PBG Dom** was established. Its task is to manage the Capital Group's real estate and ensure its efficient use or sale. Long-term plans of PBG include its own real estate development business, not only as a contractor but as a developer. To create its own land bank, the Group is now buying attractive plots to be used for real estate development projects when the downturn in the residential construction market reverses. To this end, PBG Dom was quickly joined by four new entities.

To optimise the Group's structure and organisation and reduce its operating costs, PBG Technologia (formerly Hydrobudowa Konstrukcje) was established. This Company will be responsible for the implementation of smaller contracts and focus its services on project implementation only. In addition, Górecka Projekt and its assets was taken over by PBG Dom from Hydrobudowa 9.

Investments in the broadly defined infrastructure operation business might play a key role in the future business of PBG Capital Group, ensuring long-term and stable revenues. This business includes, among others, transmission of natural gas, renewable energy, and waterworks.

In the nearest future, in accordance with the strategy adopted by PBG Capital Group, the Group will establish or acquire companies operating in the power construction market.

XXI. KEY ACHIEVEMENTS IN RESEARCH & DEVELOPMENT

In the reporting period, PBG Capital Group companies recorded no achievements in the area of R&D which could significantly influence the Group's financial result.

XXII. CURRENT AND FORECAST FINANCIAL STANDING

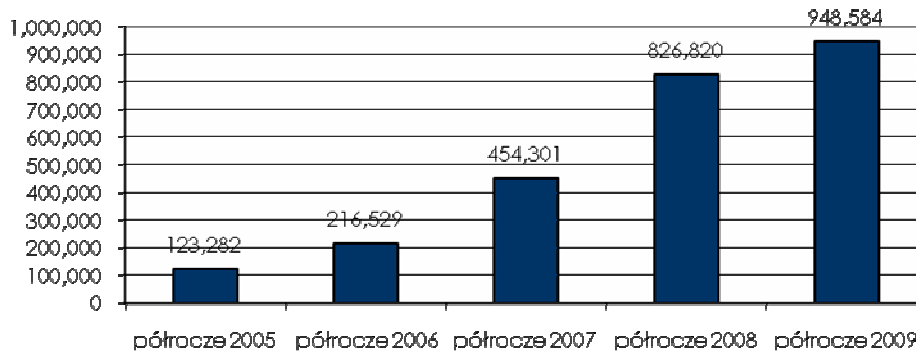
All financial ratios and data are based on the underlying financial statements prepared in accordance with the International Accounting Standards.

Revenues from sales

In H1 2009, PBG Capital Group recorded an increase in its revenues from sales – up by 15% vs. the previous corresponding period . The Group's revenues increased from PLN 826,820 k in H1 2008 to PLN 948,584 k in H1 2009. Costs of products sold in the reporting period were also up by 14% – from PLN 700,199 k in H1 2008 to PLN 801,541 k in H1 2009.

Historical data on revenues from sales (the following comparison covers five years):

Sprzedaż (w tys. zł.)



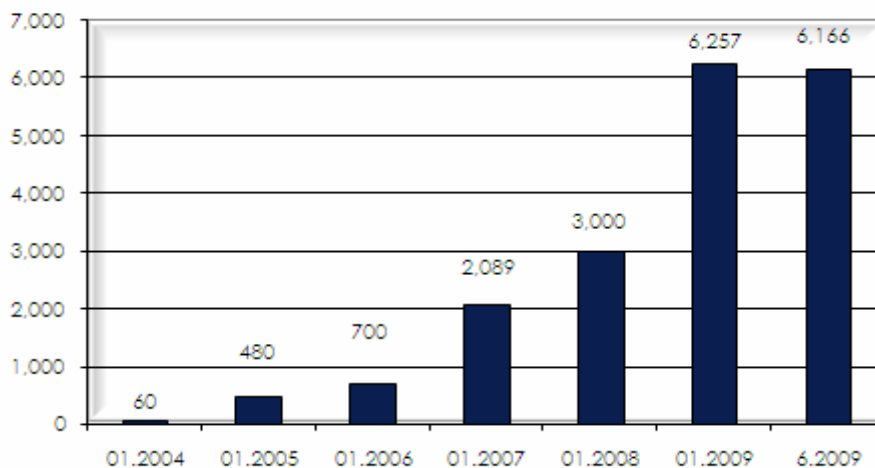
For the part several years, sales of services of PBG Capital Group have been on the increase. It is a result of the consistent development of the Capital Group, acquisition of new companies, and signing more contracts of high individual value, and the resulting development of the portfolio of contracts.

Portfolio of contracts of PBG Capital Group

As at 1 June 2009, value of the Capital Group's portfolio of contracts exceeded PLN 6 billion. Contracts representing the industrial and residential construction segment account for the largest part of the Group's portfolio – this segment covers mainly contracts for sport stadiums for EURO 2012 in Poznań, Gdańsk and Warsaw, as well as the contract for a waste sorting station in Gdańsk – these contracts account for over 38% of the entire portfolio. Contracts co-financed with EU funds account for 28.3% of the portfolio, and natural gas and crude oil segment is the third largest segment (28.2%).

Historical data on the portfolio of contracts is as follows:

WARTOŚĆ PORTFELA ZAMÓWIEŃ



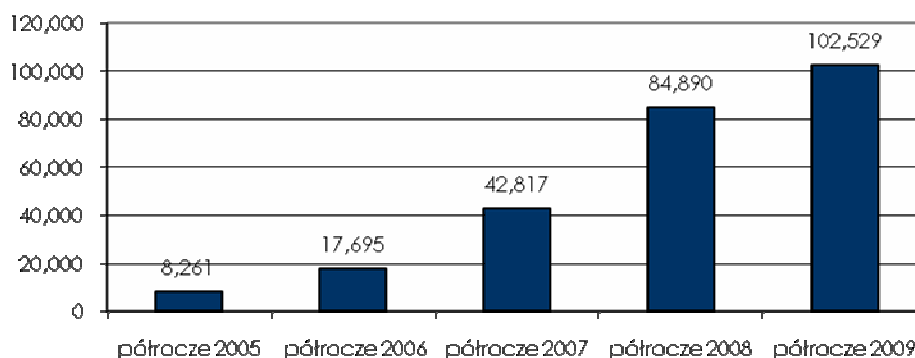
PORTFEL ZAMÓWIEŃ NA DZIEŃ 1 CZERWCA 2009	
Gaz ziemny i ropa naftowa	28,2%
Woda	28,3%
Infrastruktura wodnokanalizacyjna	24,0%
Budownictwo hydrotechniczne	0,7%
Renowacje	3,6%
Budownictwo przemysłowe i mieszkaniowe	38,1%
Paliwa	4,6%
Budowa dróg	0,8%
RAZEM	100%

Operating profit – EBIT

In H1 2009, PBG Capital Group recorded an increase in operating profit – up by 21% vs. the previous corresponding period. The Group's operating profit increased from PLN 84,890 k to PLN 102,529 k.

Historical data on operating profit generated by PBG Capital Group is as follows (this comparison covers five years):

Zysk operacyjny - EBIT (w tys. zł.)



PROFITABILITY RATIOS

RATIO	CALCULATION FORMULA	1H 2009	1H 2008
Gross profit margin	profit before tax / revenues from sales *100	15.50%	15.31%
Return on sales (ROS) – profit margin	profit from sales / revenue from sales *100	9.24%	9.83%
Operating profit margin	operating profit / revenues from sales *100	10.81%	10.27%
Net profit margin	net profit / revenues from sales	7.40%	6.04%

	*100		
ROA	net profit / total assets *100	2.07%	1.96%
ROE	net profit / equity of Parent Company shareholders *100	5.97%	5.14%

In H1 2009, the slightly higher growth in revenues from sale (115%) compared to growth in costs of sales (114%) influenced the Company's profitability ratios practically at all levels of its income statement. Gross profit margin as at the end of H1 2009 reached 15.50% vs. 15.31% as at the end of H1 2008, i.e. up by 0.19 percentage point. Return on sales (9.24% as at the end of H1 2009) was the only ratio whose value was lower than in the previous corresponding period (9.83%). Operating profit margin as at the end of H1 2009 reached 10.81% vs. 10.27% as at the end of H1 2008, i.e. up by 0.54%. Net profit margin for H1 2009 amounted to 7.40%, i.e. up by as much as 1.36% vs. the previous corresponding period.

In H1 2009, Return on Assets (ROA) was up by 0.11% compared to H1 2008 – from 1.96% to 2.07%. It resulted mainly from the higher growth in net profit (40%) compared to growth in total assets (33%).

Return on equity (ROE) for H1 2009 amounted to 5.97%, i.e. up by 0.83 percentage points vs. the previous corresponding period.

LIQUIDITY RATIOS

RATIO	CALCULATION FORMULA	1H 2009	1H 2008
Current ratio	current assets / short-term payables	1.55	1.63
Working capital (in PLN '000)	current assets - short-term payables	853,858	658,611
Working capital to total assets	working capital / total assets	25.15%	25.87%

In H1 2009, current ratio was down vs. H1 2008 (1.55 vs. 1.63). Both in H1 2009 and H1 2008, the Group would be able to repay its liabilities immediately. In the reporting period, a considerable increase of working capital (up by 30%) was recorded. As at the end of H1 2009, it reached PLN 853,858 k, compared to PLN 658,611 k as at the end of H1 2008. The share of working capital in total assets in H1 2009 totalled 25.15%, and was down by 0.72% vs. H1 2008.

EFFICIENCY RATIOS

RATIO	CALCULATION FORMULA	1H 2009	1H 2008
Inventory turnover ratio (days in inventory)	average inventory * 180 / cost of sales	22	12
Receivables turnover ratio (days in receivables)	average trade receivables * 180 / sales	265	206
Payables turnover ratio (days in payables)	average trade payables * 180 / cost of sales	118	87

All efficiency ratios in H1 2009 were up vs. the corresponding period in 2008. In the reporting period, inventory turnover ratio (days in inventory) was 22 days, i.e. 10 days more vs. the previous corresponding period. In H1 2009, the Group settled its payables faster than it collected its

receivables. Receivables turnover ratio (days in receivables) was up by 49 days and reached 265 days. Payables turnover ratio (days in payables) was up by 31 days and reached 118 days. Cash conversion period calculated as the difference between the total of days in inventory and days in receivables on the one hand, and days in payables on the other hand, reached 169 days in H1 2009 (vs. 131 days in H1 2008). It means that the Group increased the level of financing of current assets with equity by another 38 days.

SOLVENCY (DEBT) RATIOS

RATIO	CALCULATION FORMULA	1H 2009	1H 2008
Total debt ratio	debt / total equity	0.58	0.54
Equity to debt ratio	equity of the Parent Company shareholders/debt	0.59	0.70
Long-term debt	long-term payables / total equity	0.13	0.14
Short-term debt	short-term payables / total equity	0.46	0.41
Long-term capital to non-current assets ratio	equity of the Parent Company shareholders + long-term payables / non-current assets	1.87	1.78
Debt to equity ratio	debt / equity of the Parent Company shareholders + provisions	1.33	1.07

The share of debt in total equity was up by 4 percentage points compared to H1 2008 and reached 58%.

Short-term debt in H1 2009 totalled 46% compared to 41% in H1 2008, i.e. up by 5%. Long-term debt as at the end of H1 2009 totalled 13%, down by 1% vs. the previous corresponding period. Equity to debt ratio in H1 2009 reached 59%. This result is lower than recorded by the Group as at the end of H1 2008 (70%). It means that 59% of the Group's debt is covered by equity. Long-term capital to non-current assets ratio as at the end of H1 2009 totalled 1.87 compared to 1.78 in the previous corresponding period. It means that in H1 2009, the 187% of Group's non-current assets could be financed with equity + provisions + long-term payables.

Debt to equity ratio as at the end of H1 2009 totalled 1.33 compared to 1.07% as at the end of H1 2008. It means that per each PLN 1 of equity, the Group had PLN 1.33 of borrowings. This ratio was down by PLN 0.26 vs. the previous corresponding period.

CHANGES IN THE INCOME STATEMENT

PBG CG Income Statement (in PLN '000)	1H 2009	1H 2008	1H2009/ 1H2008
Revenues from sale of products, goods and materials	948,584	826,820	115%
Cost of sales	801,541	700,199	114%
Gross profit (loss) on sales	147,043	126,621	116%
Selling expenses	0	0	0%
General administrative expenses	59,409	45,319	131%
Profit on sales	87,634	81,302	108%
Other operating revenues	25,429	10,203	249%
Other operating expenses	10,534	6,615	159%
Operating profit (loss)	102,529	84,890	121%

Financial revenues	17,816	16,066	111%
Financial expenses	25,772	32,150	80%
Profits/losses from investments	0	0	0%
Profit (loss) before tax	94,573	68,806	137%
Income tax	7,403	4,808	154%
Net profit	87,170	63,998	136%
- Parent Company shareholders	70,169	49,975	140%
- minority shareholders	17,001	14,023	121%

In H1 2009, the Capital Group's revenues from sale were up by 15% vs. H1 2008, while costs of sales were up by 14%. Increase was recorded at every level of financial results representing the specific areas of the Group's activity: gross profit on sales – up by 16%, profit on sales – up by 8%, operating profit – up by 21%, and net profit – up by 40%.

At the level of operating profit, the Group's result depended mainly on a single event – revaluation of real property in Hydrobudowa 9 SA. This revaluation was connected with a real estate development project in progress and its resale to another Capital Group company – PBG Dom, responsible for the Group's real estate development business. The resulting amount on revaluation, recognised in other operating revenues, totalled PLN 8.6 million. This transaction was included in the forecast of the Group's results for 2009, presented in the relevant current report. At the level of net profit, the Group's result depended on the settlement of deferred income tax under unrealised tax losses in Hydrobudowa 9 SA.

The share of variable costs in revenues from sale in the reporting period increased slightly from 90.2% to 90.8% vs. the previous corresponding period, i.e. up by 0.6%. The share of general administrative expenses in the reporting period also increased from 5.5% to 6.3%, i.e. up by 0.8%.

Analysis of other operating revenues and expenses as well as financial revenues and expenses

Other operating revenues

In H1 2009, operating revenues exceeded PLN 25.4 million, of which 5.6 million in reversals of write-downs of assets and PLN 1.3 million in damages from insurance policies, penalties and fines. The main item of other operating revenues of PBG Capital Group is the revaluation of land held by an indirect subsidiary of PBG SA, Hydrobudowa 9 – PLN 8.6 million. In addition, in view of the planned disposal of real property, the subsidiary company PBG Dom moved its real property from inventories to investment property, where these assets are presented at fair value. The resulting amount of PLN 5.7 million was recognised in the Company's other operating revenues. In comparison with the previous corresponding period, the value of other operating revenues was up by as much as 149%.

Other operating expenses

In H1 2009, other operating expenses exceeded PLN 10.5 million – up by 59% vs. the previous corresponding period. Write-downs of assets are the main item under operating expenses – PLN 3.8 million.

Financial revenues

In H1 2009, financial revenues exceeded PLN 17.8 million and were up by 11% vs. the previous corresponding period. Foreign exchange differences (PLN 8.9 million) are the main item under financial revenues, followed by bank interest (PLN 4.4 million) and interest on loans (PLN 3.2 million).

Financial expenses

In H1 2009, financial expenses exceeded PLN 25.7 million, with the dynamics of change of 80% - their amount was down by 20% vs. the previous corresponding period. The main items under financial expenses included bank interest and commissions (nearly PLN 23.9 million, of which interest and commissions on bank loans – PLN 17.1 million), as well as interest on bonds (PLN 5.9 million). As of 1 January 2009, the Group has capitalised its borrowing costs under variable contract costs, which may be the reason for the reduction of financial expenses in the reporting period.

STRUCTURE OF ASSETS

A s s e t s (in PLN '000)	1H2009	% share	1H2008	% share
FIXED ASSETS	986,492	29.06%	849,804	33.38%
Goodwill	332,677	9.80%	298,693	11.73%
Intangible assets	16,627	0.49%	13,564	0.53%
Tangible fixed assets (Property, Plant & Equipment)	467,855	13.78%	355,340	13.96%
Non-renewable natural resources	11,999	0.35%	27,834	1.09%
Investment property	37,905	1.12%	27,137	1.07%
Investments in subsidiaries	12,111	0.36%	34,207	1.34%
Investments in associates	-	0.00%	-	0.00%
Other long-term financial assets	38,287	1.13%	49,374	1.94%
Long-term receivables - derivatives	13,691	0.40%	19,647	0.77%
Long-term receivables	17,769	0.52%	19,707	0.77%
Deferred income tax assets	26,821	0.79%	-	0.00%
Long-term prepaid expenses	10,750	0.32%	4,301	0.17%
CURRENT ASSETS	2,408,442	70.94%	1,696,304	66.62%
Inventories	132,284	3.90%	60,769	2.39%
Receivables under contracts for construction services	960,482	28.29%	582,637	22.88%
Trade receivables	696,348	20.51%	556,484	21.86%
Current income tax receivables	5,568	0.16%	195	0.01%
Other short-term receivables	26,745	0.79%	52,495	2.06%
Other short-term financial assets	103,259	3.04%	15,896	0.62%
Short-term receivables - derivatives	7,573	0.22%	67,503	2.65%
Cash and cash equivalents	456,785	13.45%	340,167	13.36%
Short-term prepaid expenses	19,398	0.57%	20,158	0.79%

Non-current assets classified as held for sale	-	0.00%	-	0.00%
TOTAL ASSETS	3,394,934	100.00%	2,546,108	100.00%

Structure of assets did not change considerably in the reporting period. Fixed assets as at the end of H1 2009 represented over 29% of total assets, and their share was down by over 4% vs. the previous corresponding period. In the same reporting period, the share of current assets in total assets increased to 71%. Tangible fixed assets (Property, Plant & Equipment) are the main item of fixed assets (over 47%). Goodwill acquired in business combination is the second largest item of fixed assets (nearly 34% of the total value). Significant increase of this item in the reporting period is attributable to acquisitions. The structure of current assets remained practically the same as in H1 2008. Receivables from contracting parties under contracts for long-term/construction services were the main item of current assets in H1 2009 (40% of current assets). A slightly lower share was recorded for trade receivables (29% of current assets), followed by cash (19% of current assets).

CHANGES IN ASSETS

A s s e t s (in PLN '000)	1H2009	1H2008	1H2009/1H2008
FIXED ASSETS	986,492	849,804	116.08%
Goodwill	332,677	298,693	111.38%
Intangible assets	16,627	13,564	122.58%
Tangible fixed assets (Property, Plant & Equipment)	467,855	355,340	131.66%
Non-renewable natural resources	11,999	27,834	43.11%
Investment property	37,905	27,137	139.68%
Investments in subsidiaries	12,111	34,207	35.41%
Investments in associates	0	0	0.00%
Other long-term financial assets	38,287	49,374	77.54%
Long-term receivables - derivatives	13,691	19,647	69.68%
Long-term receivables	17,769	19,707	90.17%
Deferred income tax assets	26,821	0	0.00%
Long-term prepaid expenses	10,750	4,301	249.94%
CURRENT ASSETS	2,408,442	1,696,304	141.98%
Inventories	132,284	60,769	217.68%
Receivables under contracts for construction services	960,482	582,637	164.85%
Trade receivables	696,348	556,484	125.13%
Current income tax receivables	5,568	195	2855.38%
Other short-term receivables	26,745	52,495	50.95%
Other short-term financial assets	103,259	15,896	649.59%
Short-term receivables - derivatives	7,573	67,503	11.22%
Cash and cash equivalents	456,785	340,167	134.28%
Short-term prepaid expenses	19,398	20,158	96.23%
Non-current assets classified as held for sale	0	0	0.00%
TOTAL ASSETS	3,394,934	2,546,108	133.34%

The balance sheet total of assets was up by over 33% vs. H1 2008, which resulted from the significant increase of almost each category of assets. In the reporting period, fixed assets were up by 16%. The highest increase in terms of value was recorded for PP&E – PLN 467.9 million as at the end of H1 2009, up by over 31% vs. 2008. Increase was also recorded for goodwill acquired in

business combinations, as a result of the Group's activities in the area of take-overs and acquisitions of other entities (in the past year, the following companies joined the Capital Group: PRG Metro, PBG Export, Wschodni Invest, and Złotowska 51).

The value of current assets was up by nearly 42% vs. H1 2008. The highest increase was recorded for other short-term financial assets, inventories, receivables under construction contracts, cash and cash equivalents, as well as trade receivables. In terms of value, the highest increase was recorded for receivables under construction contracts and short-term receivables. Considerable increase of these two items (PLN 130 million for receivables under construction contracts and even PLN 378 million for short-term receivables) was attributable to the increase in the portfolio of orders and contracts currently in progress.

STRUCTURE OF LIABILITIES

Liabilities (in PLN '000)	1H2009	% share	1H2008	% share
Equity	1,410,612	41.55%	1,158,776	45.51%
Equity of the Parent Company shareholders	1,174,604	34.60%	971,864	38.17%
Share capital	14,295	0.42%	13,430	0.53%
Treasury shares	-	0.00%	-	0.00%
Share premium reserve	733,730	21.61%	551,178	21.65%
Reserve from valuation of hedging transactions and foreign exchange differences on consolidation	(103,633)	-3.05%	21,682	0.85%
Other reserves	366,025	10.78%	295,858	11.62%
Retained profit/accumulated loss	164,187	4.84%	89,716	3.52%
- profit (loss) carried forward from previous years	94,018	2.77%	39,741	1.56%
- net profit (loss) for the current year of the Parent Company shareholders	70,169	2.07%	49,975	1.96%
Minority interest	236,008	6.95%	186,912	7.34%
PAYABLES	1,984,322	58.45%	1,387,332	54.49%
Long-term payables	429,737	12.66%	349,639	13.73%
Long-term borrowings (credits and loans)	138,099	4.07%	84,249	3.31%
Other long-term financial payables	205,870	6.06%	208,880	8.20%
Long-term payables - derivatives	35,984	1.06%	-	0.00%
Other long-term payables	25,412	0.75%	17,790	0.70%
Deferred income tax provision	-	0.00%	13,049	0.51%
Provisions for employee benefits	5,530	0.16%	4,841	0.19%
Other long-term provisions	11,226	0.33%	12,032	0.47%
Government grants	-	0.00%	-	0.00%
Long-term accruals and deferred income	7,616	0.22%	8,798	0.35%
Short-term payables	1,554,584	45.79%	1,037,693	40.76%
Short-term borrowings (credits and loans)	579,664	17.07%	368,767	14.48%
Other short-term financial payables	8,184	0.24%	5,873	0.23%
Short-term payables - derivatives	182,569	5.38%	838	0.03%
Trade payables	599,678	17.66%	409,725	16.09%
Payables under construction contract	31,633	0.93%	6,473	0.25%
Deferred income tax liabilities	3,381	0.10%	9,171	0.36%
Other short-term payables	73,992	2.18%	117,536	4.62%
Provisions for employee benefits	1,309	0.04%	704	0.03%

Other short-term provisions	64,241	1.89%	110,467	4.34%
Government grants	-	0.00%	-	0.00%
Short-term accruals and deferred income	9,933	0.29%	8,139	0.32%
Liabilities related to non-current assets held for sale	-	0.00%	-	0.00%
TOTAL LIABILITIES	3,394,934	100.00%	2,546,108	100.00%

This structure of liabilities does not reflect the significant changes in the sources of financing of the Group's assets that took place in the reporting period. Equity represented 41.5% of all liabilities. The share of long-term payables in the balance sheet total of liabilities dropped slightly (from about 13.7% in H1 2008 to 12.7% in H1 2009). On the other hand, the share of short-term payables totalled 45.8% as at the end of H1 2009, compared to 40.8% in the previous corresponding period. Other long-term financial payables were the highest item under of long-term payables; these included bonds issued in December 2007 by the Group's Parent Company (PLN 200 million).

CHANGES IN LIABILITIES

Liabilities (in PLN '000)	1H2009	1H2008	1H009/ 1H2008
Equity	1,410,612	1,158,776	121.73%
Equity of the Parent Company shareholders	1,174,604	971,864	120.86%
Share capital	14,295	13,430	106.44%
Treasury shares	0	0	0.00%
Share premium reserve	733,730	551,178	133.12%
Reserve from valuation of hedging transactions and foreign exchange differences on consolidation	-103,633	21,682	-477.97%
Other reserves	366,025	295,858	123.72%
Retained profit/accumulated loss	164,187	89,716	183.01%
- profit (loss) carried forward from previous years	94,018	39,741	236.58%
- net profit (loss) for the current year of the Parent Company shareholders	70,169	49,975	140.41%
Minority interest	236,008	186,912	126.27%
PAYABLES	1,984,322	1,387,332	143.03%
Long-term payables	429,737	349,639	122.91%
Long-term borrowings (credits and loans)	138,099	84,249	163.92%
Other long-term financial payables	205,870	208,880	98.56%
Long-term payables - derivatives	35,984	0	0.00%
Other long-term payables	25,412	17,790	142.84%
Deferred income tax provision	0	13,049	0.00%
Provisions for employee benefits	5,530	4,841	114.24%
Other long-term provisions	11,226	12,032	93.30%
Government grants	0	0	0.00%
Long-term accruals and deferred income	7,616	8,798	86.57%
Short-term payables	1,554,584	1,037,693	149.81%
Short-term borrowings (credits and loans)	579,664	368,767	157.19%
Other short-term financial payables	8,184	5,873	139.35%
Short-term payables - derivatives	182,569	838	21786.28%
Trade payables	599,678	409,725	146.36%
Payables under construction contract	31,633	6,473	488.69%
Deferred income tax liabilities	3,381	9,171	36.87%
Other short-term payables	73,992	117,536	62.95%
Provisions for employee benefits	1,309	704	185.99%
Other short-term provisions	64,241	110,467	58.15%

Government grants	0	0	0.00%
Short-term accruals and deferred income	9,933	8,139	122.04%
Liabilities related to non-current assets held for sale	0	0	0.00%
TOTAL LIABILITIES	3,394,934	2,546,108	133.34%

Under liabilities, higher growth was recorded for borrowings (credits and loans) – up by 43% (exceeding PLN 1.98 billion) than for equity – up by 21.7% (over PLN 1.41 billion). Short-term payables under derivatives recorded the highest increase under borrowings. Other items that recorded a considerable increase included other short- and long-term payables, borrowings (credits and loans), and trade payables.

Forecast of the Capital Group' financial standing

For 2009, the Capital Group is planning to maintain its financial ratios at the level which guarantees stability of its operations. A new issue of shares by the Parent Company in Q2 2009 secured funds for the future development of PBG Capital Group.

Forecast of consolidated financial results for 2009

In its current report no. 21/2009, the Parent Company of PBG Capital Group presented the following forecast of consolidated financial results for 2009:

Forecast item	Forecast (in PLN '000)
Net revenues from sales	2 800 000
Operating profit	300 000
Net profit	190 000

Basis and key assumptions of the forecast:

- Forecast of the financial results of PBG Capital Group was estimated based on contracts currently implemented as part of the Group's portfolio, as well as contracts to be signed and implemented in 2009.
- It is expected that the highest share in the consolidated results will be represented by revenues generated in the segment of environmental protection (43%), specialist construction (including mainly infrastructure investments) (25%), crude oil, natural gas, and fuel segment (24%), and road building (8%).
- Forecast revenues from the implemented contracts related to the construction of stadiums in Gdańsk and Warsaw were recognised only as estimates, as their exact amount will be known after contracts with subcontractors are signed.
- The forecast for 2009 does not include the contract related to modernisation of manufacturing plant of Nairit Plant CJSC in Armenia;

- Forecasts for 2009 include the impact of "Górecka Project" investment;
- The forecast of financial results assumes that FY 2009 will see no significant changes with negative impact on the market where PBG Capital Group operates. For the purposes of this forecast it was assumed that currency rates would remain fixed throughout the entire period covered by the forecast – equal to the average exchange rate announced by the National Bank of Poland as at 31 December 2008. The forecast is therefore based on the following currency rates:
 - 1 EUR = PLN 4.1724;
 - 1 USD = PLN 2.9618;
 - 1 CAD = PLN 2.4307;
- In accordance with a change in the measurement of hedge transactions introduced in PBG Capital Group as of 1 January 2009, the forecast includes a change in the method of assessment of hedge effectiveness for forward transactions. It was introduced mainly to minimise the impact of changes in foreign exchange rates on quarterly financial results recorded by companies;
- For the purposes of this forecast it was assumed that interest rates would remain fixed throughout the entire period covered by the forecast – equal to the interest rates of Warsaw Interbank Offered Rate (WIBOR) as at 31 December 2008, i.e.:
 - WIBOR 1M = 5.61%;
 - WIBOR 3M = 5.88%;
 - WIBOR 6M = 5.95%;
- It was also assumed that this market is not too sensitive to economic downturns, considering the specific type of the Group's business and highly specialised services offered by PBG and its Capital Group companies. It should result in the relatively high demand for services and products offered by the Group. It is estimated that in the period covered by this forecast there will be no significant increase in prices or limited access to production inputs. It was therefore assumed that the forecast profitability ratios are under no threat;
- The forecast of financial results for 2009 is based on the new method of revenue recognition. It consists in identification of revenues and costs of construction contracts signed and implemented as part of the consortium to be implemented by one of the consortium partners (despite the position of the consortium leader). At the same time, these contracts are treated as joint ventures. If a company acting as the consortium leader signs such a contract, it recognises only a part of revenues and expenses generated by this company alone, excluding any revenues and costs of consortium partners.
- Forecasts for 2009 do not include the impact of potential acquisitions on the forecast financial results.

Monitoring methods and time frames for the assessment of the feasibility of forecast result and potential correction of the forecast by the Issuer

The forecast will be monitored on an on-going basis based on the control of budget implementation. Any adjustments in excess of 10% of the above financial results must be published in the form of a current report.

XXIII. PBG SA MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS OF PBG CAPITAL GROUP FOR Q2 2009

Significant events and factors influencing financial results of PBG Capital Group in Q2 FY 2009

Consistent implementation of the strategy focused on the strengthening of the Group's position on specialist installation markets and expanding business activities to new areas (such as construction of roads and stadiums) resulted in an increase of the overall financial results and all key items of the Income Statement vs. the previous corresponding period:

Revenues from sale of nearly PLN 600 million, i.e. up by 17.5% vs. Q2 FY08;

Gross profit on sales was up by 8.5% from PLN 76.6 million to over PLN 83 million;

Operating profit was up by over 23% from nearly PLN 55 million to PLN 67.7 million;

Net profit of the Parent Company shareholders in Q2 amounted to nearly PLN 47 million, up by as much as 34% vs. the previous corresponding period.

Income Statement of PBG Capital Group	for the period	for the period	Growth
	01.04 – 30.06.2009	01.04 – 30.06.2008	2Q2009/ 2Q2008
<i>Continuing operations</i>			
Revenues from sales	599 446	510 111	117.5%
Revenues from sale of products	11 732	2 276	515.5%
Revenues from sale of services	583 816	498 964	117.0%
Revenues from sale of goods and materials	3 898	8 871	43.9%
Cost of sales	(516 372)	(433 550)	119.1%
Costs of products sold	(14 298)	(1 752)	816.1%
Costs of services sold	(498 243)	(423 663)	117.6%
Costs of goods and materials sold	(3 831)	(8 135)	47.1%
Gross profit (loss) on sales	83 074	76 561	108.5%
Selling expenses	-	183	0.00%
General administrative expenses	(31 882)	(23 471)	135.8%
Other operating revenues	23 346	5 611	416.1%
Other operating expenses	(6 800)	(3 955)	171.9%
Share in profits of related parties accounted for under the equity method	-	-	0.00%
Restructuring costs	-	-	0.00%
Operating profit (loss)	67 738	54 929	123.3%
Financial revenues	14 131	7 618	185.5%
Financial expenses	(12 573)	(15 702)	80.0%
Other profits (losses) from investments	-	-	0.00%
Profit (loss) before tax	69 296	46 845	147.9%
Income tax	(5 091)	428	-1189.5%
Net profit (loss) from continuing operations	64 205	47 273	135.8%
<i>Discontinued operations</i>	-	-	0.00%
Net loss from discontinued operations	-	-	0.00%
Net profit (loss)	64 205	47 273	135.8%

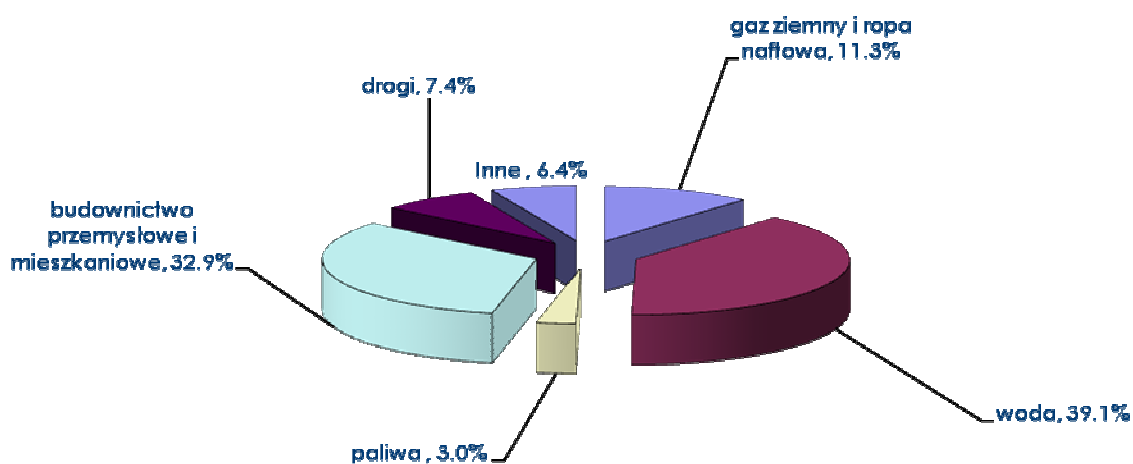
Net profit (loss), of which:	64 205	47 273	135.8%
- Parent Company shareholders	46 925	35 129	133.6%
- minority shareholders	17 280	12 144	142.3%

Discussion and analysis of revenues and expenses

1. Revenues from sales

In Q2 2009, the Group's revenues from sale totalled nearly PLN 600 million, up by 17.5%. Water segment accounted for the largest share in revenues from sale (39%). The second largest segment was residential and industrial construction. The share of this segment in total revenues from sales totalled 33% in the reporting period. Natural gas and crude oil segment ranked third in terms of its share in revenues from sales – 11.3%. Road building is another segment defined by PBG Capital Group; in Q2 2009, the share of this segment in revenues from sale reached 7.4%. The services segment accounted for 6.4% of revenues. Road building segment accounted for the lowest share in revenues from sale (3%).

Udział segmentów działalności w przychodach ze sprzedaży w II kw 2009



2. Cost of sales

In Q2 2009, cost of sales exceeded PLN 516 million, up by 19% vs. Q2 2008. The share of these variable costs in revenues from sales changed. As at the end of Q2 2009, they represented 86.1% of revenues, compared to 85% as at the end of Q2 2008 – i.e. up by 1.1%. Please note, however, that as of 1 January 2009, the Group has capitalised its borrowing costs under variable contract costs.

3. General administrative expenses

As at the end of Q2 2009, general administrative expenses totalled nearly PLN 31.8 million, up by 36% vs. the previous corresponding period. The share of general administrative expenses in revenues from sale increased in the reporting period vs. the previous corresponding period – from 4.6% to 5.3, i.e. up by 0.7%.

4. Other operating revenues

Operating revenues for Q2 2009 reached PLN 23.3 million; revaluation of real property by an indirect subsidiary, Hydrobudowa 9, was the main item of operating revenues. This revaluation was connected with a real estate development project in progress and its resale to another Capital Group company – PBG Dom, responsible for the Group's real estate development business. The resulting amount on revaluation, recognised in other operating revenues, totalled PLN 8.6 million. This transaction was included in the forecast of the Group's results for 2009, presented in the relevant current report. Reversal of write-downs of receivables was another significant item under other operating revenues (nearly PLN 4.5 million). In addition, in view of the planned disposal of real property, the subsidiary company PBG Dom moved its real property from inventories to investment property, where these assets are presented at fair value. The resulting amount of PLN 5.7 million was recognised in the Company's other operating revenues. In comparison with the previous corresponding period, four-fold increase was recorded for other operating revenues.

5. Other operating expenses

In Q2 2009, other operating expenses totalled PLN 6.8 million – up by 72% vs. the previous corresponding period. Write-downs of receivables (PLN 3 million) and damages under insurance contracts (nearly PLN 2.35 million) represented the main items of other operating expenses.

6. Financial revenues

In Q2 2009, financial revenues exceeded PLN 14 million and were up by 85.5% vs. the previous corresponding period. Foreign exchange gains (PLN 10.5 million) are the main item under financial revenues, followed by interest (PLN 4.1 million, of which PLN 1.9 million in loans granted and PLN 1.6 million in bank interest).

7. Financial expenses

In Q2 2009, financial expenses amounted to PLN 12.6 million, down by 20% vs. the previous corresponding period. This drop results from the recognition of borrowing costs related to contracts in operating expenses. The main item under financial expenses was interest and bank commissions – PLN 12 million, of which: interest and commissions on bank loans – PLN 8.2 million, and interest on bonds – PLN 3.6 million.

Management's discussion and analysis of the financial results

1. Results disclosed in the Income Statement

In Q2 2009, PBG Capital Group recorded an increase in its revenues from sale and in all key items of its Income Statement vs. the previous corresponding period. Revenues from sale of PBG Capital Group were up from PLN 510 million to PLN 600 million, i.e. up by 17.5%. Gross profit on sales totalled PLN 83 million and was up by 8.5% vs. the previous corresponding period. Operating profit was up from nearly PLN 55 million to PLN 67.7 million, i.e. up by over 23%, and net profit of the Parent Company shareholders was up by 34% - from over PLN 35 million to nearly PLN 47 million. These results resulted mainly from:

- **net level:** settlement of deferred income tax under unrealised tax losses in Hydrobudowa 9 SA;
- **operating level:** a single event – revaluation of real property (PLN 8.6 million) recognised by Hydrobudowa 9 SA.

2. EBITDA

In Q2 2009, expenditure on tangible fixed assets and intangible assets totalled over PLN 9.3 million, compared to PLN 30.1 million in the previous corresponding period. Amortisation and depreciation costs totalled PLN 11.3 million in Q2 2009 vs. PLN 10.5 million in the previous corresponding period. EBITDA (EBIT – operating profit plus amortisation and depreciation) as at the end of Q2 2009 totalled PLN 79 million, up by over PLN 13.5 million vs. the result recorded for the previous corresponding period – i.e. up by 21%.

3. Profitability ratios

Gross profit margin reached 13.9% in the reporting period, down by 1.1% vs. the previous corresponding period. Operating profit margin totalled 11.3%, up by 0.5% vs. the previous corresponding period. Net profit margin reached 7.8%, up by nearly 1% vs. the previous corresponding period. Reduction of gross profit margin results from the recognition of financial costs of implemented contracts under operating expenses (the change related to the recognition of borrowing costs under variable contract costs was introduced on 1 January 2009).

Profitability ratios in the reporting period

profitability ratios	Q2 2009	Q2 2008
Gross profit margin ¹	13.9%	15.0%
Operating profit margin ²	11.3%	10.8%
Net profit margin ³	7.8%	6.9%

¹gross return of sales/revenues from sale*100

²operating profit/revenues from sale*100

³gross profit/revenues from sale*100

4. The following activities will have impact on the Group's future results:

- a. Implementation of the portfolio of contracts of nearly PLN 6.2 billion.
- b. Participation in tenders and award of the most important contracts for:
 - Construction of gas networks and LNG systems for KRI;
 - Construction and extension of gas pipelines, compressor stations, and LNG terminal;
 - Building of water intake points and collectors for wastewater treatment stations;
 - Construction of underground car parks and tunnels;
 - Building of roads.
- c. Further consolidation and strengthening of the Capital Group Hydrobudowa Polska – strengthening of the Group's efficiency based on better utilisation of the project implementation potential and more efficient utilisation of human resources, equipment and materials.
- d. Award of important foreign contracts and acquisitions of an Ukrainian company;
- e. Entering the segment of services for the power sector based on acquisition of companies in this segment.

XXIV. MATERIAL OFF-BALANCE SHEET ITEMS BY TYPE, ENTITY AND AMOUNT

Information on the amount of off-balance sheet items (guarantees and sureties) is presented in Note 19 to the financial statements – Contingent liabilities under guarantees and sureties granted as at 30 June 2009.

XXV. CHANGES IN BASIC PRINCIPLES OF MANAGEMENT

In the reporting period, PBG Capital Group companies introduced no changes to their basic principles of management.

XXVI. AMOUNT OF REMUNERATION, BONUSES, OR BENEFITS PAID TO MEMBERS OF THE MANAGEMENT BOARD OR SUPERVISORY BOARD

1. Remuneration committee

Remuneration Committee was established in the Supervisory Board on 25 June 2005. The tasks of Remuneration Committee are as follows:

- general monitoring of practices in the area of remuneration and its level in the Company,
- determining the employment terms of the Management Board members and the Company's management personnel,
- drawing up of the bonus plan for the financial year.

The Committee shall meet as need be, but at least once every quarter, and shall prepare an annual report on its activities, forming part of the Report on the Supervisory Board's activities presented to the Shareholders of PBG SA at the Annual General Meeting.

Members of the Remuneration Committee:

- Maciej Bednarkiewicz
- Wiesław Lindner

2. Incentive Programme in PBG SA

By resolution of the Supervisory Board of PBG SA of 28 April 2004, an Incentive Programme for the management and key employees was introduced in PBG Group.

To implement the Programme in a given year, the Group must generate operating profit for the previous financial year presented in the consolidated financial statements of at least 75% of the forecast operating profit for this year. If the minimum operating profit for the previous financial year is not achieved, the Programme will not be implemented. The amount of operating profit to be generated by the Capital Group in a given year will be specified by the Supervisory Board by 30 June in each year of the forecast. Under Resolution no. 1/01/2009 of 12 January 2009, the Eligible Persons were defined for the 2009 Incentive Programme. Under decision of the Supervisory Board of HB9, in 2009 the Eligible Persons may take over the total of 351,147 Shares. The price at which Shares will be sold to Eligible Persons is PLN 0.14 per share.

3. Incentive Programme in Hydrobudowa 9 SA

By Resolution of the General Meeting of Shareholders of Hydrobudowa Polska SA of 24 June 2008 and Resolutions of the Supervisory Board of Hydrobudowa Polska SA of 19 August 2008 and 26 August 2008, the Incentive Programme for the management and key employees of PBG Group will be introduced by Hydrobudowa 9 SA. The Programme will be launched in 2009. To introduce the Programme, Hydrobudowa 9 SA issued 692,225 series D bearer shares in 2008; these shares were subsequently converted to 1,755,738 series L ordinary bearer shares of Hydrobudowa Polska SA. In 2009, these Shares were listed in the Warsaw Stock Exchange. All Shares were divided into five tranches, of which four tranches of 351,147 series L shares and one tranche of 351,150 series L shares. Series L shares will be offered to Eligible Persons in 2009-2013. Shares not acquired under a given tranche will be offered in the following tranche. All Shares were taken over by Bank Zachodni WBK SA selling Shares to persons participating in the Programme, i.e. key employees of HB9 and other PBG Capital Group companies, as well as members of its governing bodies, as defined in the relevant resolutions of the Supervisory Board and Management Board of Hydrobudowa 9 SA.

4. Remuneration of members of the Management Board and Supervisory Board of PBG SA

Remuneration of members of the Supervisory Board of PBG SA was defined in a Resolution of the Extraordinary General Meeting of Shareholders of PBG SA of 10 December 2005.

Members of the Company's Management Board are appointed by resolution of the Supervisory Board and employed based on contracts of employment. Under resolution of the Supervisory Board of PBG SA, members of the Management Board shall be entitled to base salary and bonuses/allowances specified in the applicable provisions.

REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD FOR THEIR FUNCTIONS IN THE PARENT COMPANY IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2009

Member	Base salary	Other benefits	Total
Remuneration of the Management Board members			
Jerzy Wiśniewski	600	2	602
Tomasz Woroch	210	2	212
Przemysław Szkudlarczyk	150	2	152
Tomasz Tomczak	150	2	152
Mariusz Łożyński	150	1	151
Tomasz Łatawiec	120	1	121
Total	1 380	10	1 390

Member	Base salary	Other benefits	Total
Remuneration of the Supervisory Board members			
Maciej Bednarkiewicz	60	1	61
Jacek Kseń	48	1	49
Wiesław Lindner	30	1	31
Jacek Krzyżaniak	15	1	16
Dariusz Sarnowski	18	1	19
Adam Strzelecki	18	1	19
Total	189	6	195

REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD FOR THEIR FUNCTIONS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2009

Member	Base salary	Other benefits	Total
Remuneration of the Management Board members			
Jerzy Wiśniewski	-	-	-
Tomasz Woroch	30	-	30
Przemysław Szkudlarczyk	18	-	18
Tomasz Tomczak	1	-	1
Mariusz Łożyński	-	-	-
Tomasz Łatawiec	-	-	-
Total	49	-	49

Member	Base salary	Other benefits	Total
Remuneration of the Supervisory Board members			
Maciej Bednarkiewicz	-	-	-
Jacek Kseń	-	-	-
Wiesław Lindner	-	-	-
Jacek Krzyżaniak	38	-	38
Dariusz Sarnowski	-	-	-
Adam Strzelecki	-	-	-
Total	38	-	38

XXVII. INFORMATION ON ANY AGREEMENTS WHICH MAY RESULT IN CHANGES OF THE CURRENT SHAREHOLDING STRUCTURE

As at the date of submission hereof, the Management Board has no knowledge of any agreements which may result in any change of the current shareholding structure.

XXVIII. AUDITOR OF THE FINANCIAL STATEMENTS

The Management Board of PBG SA hereby declares that in accordance with applicable regulations currently in effect, having analysed recommendations of the Audit Committee, the Supervisory Board of PBG SA decided to appoint the company Grant Thornton Frąckowiak Sp. z o.o. with its registered office in Poznań at ul. Plac Wiosny Ludów 2, 61-831 Poznań, entered in the register of auditors certified to audit financial statements kept by the National Chamber of Certified Auditors (entry no. 238), as the certified auditor authorised to:

- audit the separate financial statements of PBG SA and the consolidated financial statements of PBG Capital Group for FY 2009 (pursuant to Resolution of the Supervisory Board of 21 July 2009);
- review the interim separate financial statements of PBG SA and the interim consolidated financial statements of PBG Capital Group drawn up as at 30 June 2009 (pursuant to Resolution of the Supervisory Board of 21 July 2009)..

1. Date of agreement

PBG SA concluded the agreement with Grant Thornton Frąckowiak Sp. z o.o. on 22 July 2009.

2. Total amount of the auditor's fee

The total amount of fee payable to Grant Thornton Frąckowiak Sp. z o.o. for the review of the Company's interim separate financial statements and the consolidated financial statements of PBG Capital Group is PLN 38,300.00 net of tax.

3. The remaining amount of the agreement

The remaining amount payable to Grant Thornton Frąckowiak Sp. z o.o. for future services provided for in the agreement signed on 22 July 2009 (audit of the interim and annual separate financial statements of PBG SA and the consolidated financial statements of PBG Capital Group for FY 2008) totals PLN 121,200.00 net of tax.

XXIX. AGREEMENTS CONCLUDED BETWEEN THE COMPANY AND MEMBERS OF ITS MANAGEMENT BOARD PROVIDING FOR COMPENSATION PAYABLE IN THE EVENT OF THEIR RESIGNATION FROM OFFICE OR DISMISSAL

No agreements for any compensation payable to members of the Management Board in the event of their resignation from office or dismissal were concluded by PBG SA as at the accounting reference date.

XXX. SYSTEM OF CONTROL OF THE EMPLOYEE SHARE OPTION SCHEMES

The Capital Group companies have no employee share option schemes in place.

XXXI. PROCEEDINGS CURRENTLY IN PROGRESS IN THE PUBLIC COURT, ARBITRATION COURT OR PUBLIC ADMINISTRATION OFFICE

The value of proceedings initiated both by and against PBG SA and PBG Capital Group subsidiaries does not exceed 10% of the Issuer's equity.

XXXII. LIMITATIONS SET FOR THE TRANSFER OF OWNERSHIP TITLES TO SECURITIES OF PBG SA AND FOR THE EXERCISE OF VOTING RIGHTS CARRIED BY THESE SECURITIES

Pursuant to §11 section 1 of the Company's Articles of Association, consent of the Management Board is required for any transfer of registered series A shares.

XXXIII. PBG SA – CONTACT INFORMATION

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SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD

President of the Management Board	Jerzy Wiśniewski
Vice-President of the Management Board	Tomasz Woroch
Vice-President of the Management Board	Przemysław Szkudlarczyk
Vice-President of the Management Board	Tomasz Tomczak
Vice-President of the Management Board	Mariusz Łożyński
Member of the Management Board	Tomasz Łatawiec