

Subject: Termination of credit agreements by financing banks

The Management Board of PBG S.A. hereby reports that it received the following notices from banks which provide financing for PBG S.A.'s operations:

- 1) a notice of June 5th 2012 **from HSBC Bank Polska S.A. of Warsaw to terminate** Credit Agreement No. 15/2011 of June 27th 2011, as amended and restated, Letter of Credit Facility Agreement No. 27/2008 of February 26th 2008, as amended and restated, and a framework agreement for financial products of July 20th 2011 entered into by PBG S.A. and HSBC Bank Polska S.A. of Warsaw. As stated in the notice, Credit Agreement No. 15/2011 of June 27th 2011 was terminated upon a seven days' notice on the grounds that a petition for insolvency with arrangement option was filed with the court, Letter of Credit Facility Agreement No. 27/2008 of February 26th 2008 was terminated upon a seven days' notice on the grounds of threatened insolvency, and the master agreement for financial products of July 20th 2011 was terminated on the grounds that an event of default was identified which involved the occurrence of legal circumstances giving rise to a risk of the client being declared bankrupt, i.e. filing of a petition for insolvency with arrangement option by PBG S.A. Concurrently, the bank set June 12th 2012 as the date of early termination of the framework agreement;
- 2) a notice of June 6th 2012 **from Bank Gospodarki Żywnościowej S.A. of Warsaw to terminate** Agreement No. U/00090614330/0003/2007/4000 for working capital line of credit, dated December 27th 2007, as amended and restated, entered into by PBG S.A., Hydrobudowa Polska S.A., Energomontaż Południe S.A., APRIVIA S.A. The agreement was terminated upon a seven days' notice on the grounds that on June 4th 2012 the management boards of PBG S.A., Hydrobudowa Polska S.A. and APRIVIA S.A. passed resolutions to file petitions for insolvency with arrangement option;

- 3) a notice of June 6th 2012 **from ING Bank Śląski S.A. of Katowice to terminate** Multi-Product Agreement No. 682/2011/00005367/00 of September 6th 2007, as amended and restated, entered into by PBG S.A., Hydrobudowa Polska S.A., PBG AVATIA S.A., PBG Technologia Sp. z o.o., KWG S.A., APRIVIA S.A., and PBG Energia Sp. z o.o. The agreement was terminated upon a seven days' notice on the grounds that petitions for insolvency were filed by PBG S.A., Hydrobudowa Polska S.A. and APRIVIA S.A.;
- 4) a notice of June 6th 2012 **from Polski Bank Przedsiębiorczości S.A. of Warsaw to terminate** Credit Agreement No. KT 2/2011 of January 24th 2011 and Credit Agreement No. KT 5/2011 of June 29th 2011 entered into with PBG S.A. Credit Agreement No. KT 2/2011 of January 24th 2011 was terminated on the grounds that: (i) PBG S.A. filed a petition for insolvency, (ii) the standstill agreement of May 14th 2012 on temporary and conditional suspension of enforcement of debt covenants against the PBG Group entered into with financing banks was terminated, and (iii) PBG S.A. defaulted under its credit agreements by failing to comply with the minimum net profit margin covenant, as reported by PBG S.A. in the separate and consolidated financial statements for the period January 1st–December 31st 2011. Credit Agreement No. KT 5/2011 of June 29th 2011 was terminated on the grounds that: (i) PBG S.A. filed a petition for insolvency, (ii) a standstill agreement of May 14th 2012 on temporary and conditional suspension of enforcement of debt covenants against the PBG Group entered into with financing banks was terminated, (iii) PBG S.A.'s bank accounts, including the account blocked and encumbered with a registered pledge to secure the repayment of the bank's claims under said credit agreement, were seized by the court enforcement officer, and (iv) PBG S.A. defaulted under its credit agreements by failing to comply with the minimum net profit margin covenant, as reported by PBG S.A. in the separate and consolidated financial statements for the period January 1st–December 31st 2011.

Concurrently, notices of default and enforcement were served by Polski Bank Przedsiębiorczości S.A. of Warsaw on PBG S.A. in respect of: an agreement of August 30th 2011 creating registered and financial pledges over shares in Hydrobudowa Polska S.A., an agreement of July 7th 2011 creating registered and financial pledges over shares in AQUA S.A., and an agreement of June 29th 2011 creating registered and financial pledges over

shares in Hydrobudowa Polska S.A. In the notices the bank stated that it intends to enforce its rights under the pledge agreements.

Furthermore, PBG S.A. received a notification from Polski Bank Przedsiębiorczości S.A. of Warsaw that the bank exercised its right of offset by withdrawing PLN 2,892,298.04 from the company's account held with the bank to cover its claims against PBG S.A. in respect of the principal amount of a term loan advanced by the bank to PBG S.A. under Credit Agreement No. KT 5/2011 of June 29th 2011.

Legal basis:

Art. 56.1.1 of the Public Offering Act – inside information

For PBG S.A.:

Magdalena Eckert-Boruta