
OPINION OF THE MANAGEMENT BOARD OF PBG S.A. STATING THE REASONS FOR:

- (i) **the adoption by the General Shareholders Meeting of PBG S.A. of a resolution to issue Series A bonds convertible into Series H shares, issue Series H shares as part of a conditional share capital increase, waive all preemptive rights of the existing shareholders with respect to Series A bonds convertible into Series H shares and Series H shares, amend the Company's Articles of Association, and to propose the issue prices for the bonds and the shares or define the manner of determining the issue prices;**
- or**
- (ii) **the adoption by the General Shareholders Meeting of PBG S.A. of a resolution to increase the Company's share capital by issuing Series H shares with preemptive rights, amend the Company's Articles of Association, seek admission of the Series H shares to trading on a regulated market, and to convert the shares into book-entry form.**

Additional capital needs to be raised to secure financing for the currently implemented strategy of the PBG Group ("the Group"), whose key objectives are for the Group to:

- focus on its strategic markets, i.e. the natural gas/crude oil market and the power engineering market, where the Group earns satisfactory margins on contracts and does not have to commit significant financial resources at the execution phase,
- withdraw, in principle, from the construction segments, which require significant investments in working capital, while being characterised by low margins,
- change its debt structure, following from the shift in business focus.

The strategy to expand the power engineering business has been gradually implemented by the PBG Group since 2010. Initially, the strategy was intended to be financed with the proceeds from sale of shares in Hydrobudowa Polska S.A., a subsidiary of PBG S.A., to OBRASCÓN HUARTE LAIN CONSTRUCCIÓN INTERNACIONAL S.L. (OHL), a Spanish construction company, as reported by the Company in relevant current reports. However, the negotiations with OHL were suspended in May 2011.

As part of the implementation of its power engineering strategy, PBG S.A. has strengthened its capabilities in the field through acquisition of power engineering companies. The Company purchased controlling stakes in Energomontaż Południe S.A. and RAFAKO S.A., with the total acquisition expenditure amounting to PLN 712m. When making the decision to acquire RAFAKO S.A. in June 2011, the Management Board of PBG S.A. intended to finance the transaction with the proceeds from a special purpose bank loan. Once preliminary arrangements had been made with financial institutions, a preliminary share purchase agreement was signed. The final share purchase agreement was concluded in November 2011. Unfortunately, in December 2011 it became obvious that the PBG Group would be forced to finance the acquisition of RAFAKO S.A. with its own funds. The purchase price for the 66% interest in RAFAKO S.A. totalled PLN 592.7m.

Today, power engineering is the most promising segment of the Polish construction market. This year alone, contracts worth ca. PLN 30bn are to be awarded. In the coming years, the estimated value of all projects in the sector may amount to hundreds of billions of złotys. The acquisitions of Energomontaż Południe S.A. and RAFAKO S.A. marked the beginning of the significant shift of the Group's business towards power engineering. Both takeovers will allow the PBG Group to increase its revenue streams from sources other than the road and general construction segments. Power engineering already accounts for the largest share of the PBG Group's backlog - approximately 33% of its total worth (as at the end of 2011).

To capture the opportunities offered by the power engineering market, the PBG Group has taken the following steps:

- RAFAKO S.A. has been designated as the leader of the PBG Group's power engineering segment;
- strategic cooperation with major players on the global power engineering market has been commenced to jointly bid for and execute contracts in Poland;
- the Group has started building up its own capabilities and credentials by winning and executing contracts of increasingly higher unit values.

Raising additional capital will also help PBG S.A. to strengthen its own balance sheet. Today, the leverage of the PBG Group companies is significantly higher than its historical levels. It is driven mainly by the execution of large road construction contracts, which require significant expenditures at the execution stage. The raised capital will, therefore, be also used to finance contracts currently in progress. Since the contracts were awarded, the prices of raw materials used in the construction process (concrete, bitumen, aggregate, diesel oil) have risen sharply.

The execution of the contract for the construction of the National Stadium also forced the PBG Group to commit, on a long-term basis, significant resources to its operating activities. The general contractor has by now incurred significant expenditures to complete the construction work. However, the final settlement is still being agreed with the contracting authority.

An additional factor which has significantly reduced the PBG Group's capacity to finance its working capital was the payment of PLN 135m under a guarantee, which was made by one of the banks serving the PBG Group to Alstom Power sp. z o.o. In the opinion of PBG, the payment was made in violation of the law and the PBG Group will seek to prove that in arbitration proceedings.

The draft resolutions for the Extraordinary General Shareholders Meeting presented to the Shareholders would allow PBG S.A. to find a strategic investor able to acquire a significant stake in the Company. New capital could be raised through an issue of bonds convertible into shares or a rights issue.

Considering the above, the Management Board believes that a waiver of the existing shareholders' preemptive rights with respect to Series A bonds convertible into Series H shares and Series H shares is in the best interest of all shareholders of PBG S.A.

The issue price of Series A bonds convertible into Series H shares and the issue price of Series H shares will be determined by the Management Board of PBG S.A. Before the

offer to acquire bonds is addressed to investors, the issue prices will be approved by the Supervisory Board of PBG S.A.

In the case of the resolution on the issue of Series H shares with preemptive rights, the issue price of Series H shares will be determined by the Management Board of PBG S.A.

The authorisation of the Management Board of PBG S.A. to determine the issue prices referred to above is necessary because a successful issue of Series A bonds convertible into Series H shares and Series H shares with preemptive rights requires that the issue prices and other issue parameters be aligned with investors' expectations and the prevailing conditions on the Warsaw Stock Exchange.

As a result, the parameters of the issue of Series A bonds convertible into Series H shares should be determined immediately before the offer to acquire bonds is addressed to investors, while the issue price of Series H shares with preemptive rights should be determined immediately before the opening of subscription for the shares.

The priority of the Management Board of PBG S.A. will be to set the issue prices at the highest possible level.

The Management Board of PBG S.A.