CEE Equity Research

June 22, 2005

Company Report

Initial Coverage

PBG S.A.

Oil and gas specialist enters hydro segment

- Engineering company with very solid position in selected market niches
- Unique references provide strong competitive advantage
- Large backlog of orders equal to last three years' sales
- Very strong profitability (operating margin close to 10%)
- Operating in market with enormous growth potential
- Entering hydro-engineering segment with two spectacular takeovers
- We initiate our coverage with a Buy recommendation
- Target price at PLN 175 offers over 30% upside

ERSTE BANK

Company Report

PBG

initiating coverage with buy

Poland, Engineering/Specialized construction

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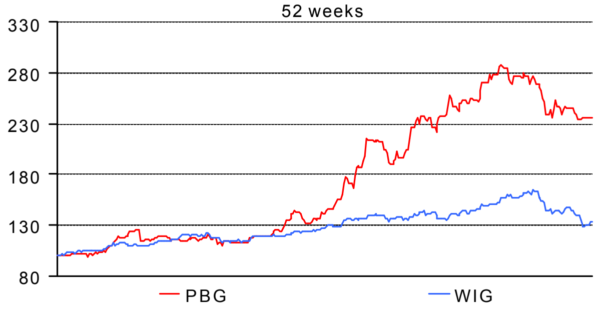
PLN mn	2005	2006e	2007e	2008e
Net sales	409.0	823.4	1,046.7	1,278.7
EBITDA	50.7	95.0	107.2	151.7
EBIT	40.1	79.9	89.6	132.7
Net profit	42.2	53.8	62.5	97.7
EPS (PLN)	3.51	4.47	5.20	8.12
CEPS (PLN)	4.55	11.55	6.66	9.70
BVPS (PLN)	14.69	33.51	38.70	44.22
Div/share (PLN)	0.00	0.00	0.00	2.60
EV/EBITDA (x)	33.5	17.7	15.2	10.7
P/E (x)	37.0	29.1	25.0	16.0
P/CE (x)	28.6	11.3	19.5	13.4
Dividend yield	0.0%	0.0%	0.0%	2.0%



Performance	12M	6M	3M	1M
in PLN	135.1%	66.0%	-3.0%	-1.9%
in EUR	134.7%	57.2%	-6.6%	-3.9%

Share price (PLN)	130.0	Reuters	PBGG.WA	Free float	56.6%
Number of shares (mn)	12.0	Bloomberg	PBG PW	Shareholders	Wisniewski Jerzy (36.4%)
Market capitalization (PLN mn / EUR mn)	1,563.9 / 384.3	Div. ex-date	n.a.		BZ WBK AIB Asset Management (7.4%)
Enterprise value (PLN mn /EUR mn)	1,684.8 / 414.0	**Target price**	**175.0**	Homepage:	www.pbg-sa.pl

Oil and gas specialist enters hydro segment

- **PBG is an engineering company with a very unique profile that helps it to sidestep the tough competition on the Polish construction market. PBG offers specialized technology for oil & gas industry as a general contractor. Experience and references make it a clear favorite for gaining valuable contracts in the coming years.**
- **PBG has a clearly defined strategy assuming leadership in selected areas: installations for production, transmission and distribution of natural gas and crude oil. It has a dominant position in the niche of renovation of water and wastewater networks.**
- **The firm already has a backlog of orders amounting to PLN 0.8bn, close to the annual revenue from the last three years combined. It has placed bids for another PLN 1.2bn. Further bids amounting to PLN 2.4bn are to be placed in upcoming tenders. We expect PBG to double its 2005 revenues in 2006 and maintain high dynamics in the coming years.**
- **We see enormous potential in PBG's core markets, as main clients have very comfortable financial situations and already-approved large budgets for investment expenditure. PGNiG intends to increase exploration of domestic oil and gas deposits, build new storage, transmission and distribution facilities and an LNG terminal. Another important client is NATO, which plans to build 10 fuel depots in Poland. The public sector will invest in environmental protection, fuelled by EU structural funds.**
- **We like the strategy, which eschews winning as many orders as possible at any price, preventing erosion of margins. PBG calculates a price that offers a satisfying margin, and very often beats cheaper competitors on service quality. Such impressive margins are not achievable for other companies in the sector. Therefore, PBG is traded at a substantial premium to the construction industry.**
- **PBG strongly entered the hydro-engineering segment. The recent capital increase provided funds for the acquisition of Hydrobudowa Slask, one of the biggest companies operating in the water and wastewater segment. Together with similar-sized Hydrobudowa Wloclawek this will create a strong hydro-engineering division benefiting most from EU funds for infrastructure.**
- **We initiate coverage of PBG with a Buy rating, setting our DCF-based 12-month target price at PLN 175 per share.**

Investment story

Investment boom in Poland driven by EU funds

PBG operates in very specialized niches of the industrial construction market, which in our opinion will grow dynamically in the coming decade. The core business of PBG is the construction of facilities for crude oil and natural gas (exploration, storage, transmission and distribution), and, as of recently, water and wastewater systems. All of these niches are very promising because of the strong financial condition of all potential clients. Oil & gas companies, which are at the peak of their business cycles, have plenty of cash and are likely to invest. Furthermore, some of them (like PGNiG and Lotos) have recently gone through successful IPOs that provided additional funds. One substantial client base for PBG is the public sector, which has already approved some strategic projects, such as the diversification of supply and intensifying exploration of domestic deposits. Finally, the main driver will be the wide stream of EU funds for the development of infrastructure. We have found some strategic projects in areas that are the core business of PBG and estimate this market at over PLN 20bn in total.

Market potential

SEGMENT	Budget	Years
Intensifying the domestic gas exploration by PGNiG	PLN 3.6bn	till 2008
Development of gas transmission infrastructure	PLN 2.35bn	till 2008
New gas storage depots	PLN 1bn	till 2011
Development of gas distribution network	PLN 2.45bn	till 2008
LNG terminal	EUR 400mn	till 2010
Brody-Plock crude oil pipeline	USD 450-500mn	till 2009
3 arm of Friendship crude oil pipeline	PLN 0.8bn	n.a.
2 arm of Yamal natural gas pipeline	USD 900mn	till 2010
10 fuel bases + depot for NATO	PLN 700mn	n.a.
Refurbishment of water and wastewater networks	EUR 1.6bn	till 2009
Hydro-engineering program for Odra River	EUR 500mn	n.a.
Total	**PLN 24.1bn**	

Source: Erste Bank

Backlog of orders confirms PBG will benefit from "infrastructure boom"

We believe that PBG will benefit from the inflow of infrastructure funds, as a substantial portion is dedicated to areas where the company has a very strong position. Our optimism is confirmed by the current backlog of orders, which amounts to PLN 0.8bn - the annual revenue for the last three years combined. Bids have already been placed for a further PLN 1.2bn in contracts, of which deals worth PLN 0.6bn are expected to be decided on soon (June/July). Furthermore, PBG intends to place bids for another PLN 2.4bn. The company is eyeing some contracts which have "strategic importance", as its chances of winning them are estimated to be good by management. Some of them were planned to be decided on in April, but tender procedures in Poland are delayed very often, due to appeals from losers. We regard this as one of the biggest risk factors for PBG. We believe that PBG has sufficient competitive advantages to win the most crucial contracts.

Strategic contracts

Contract	Value (mn)	Currency	Settlement	End
Modernisation and extension of the fuel and lubricant inland depot in Gardeja	20.0	PLN	soon	n.a.
Modernisation and extension of the fuel and lubricant inland depot in Cybowo	250.0	PLN	June 2006	n.a.
Lubiatow-Miedzychod-Grotow crude oil plant	430.0	PLN	June 2006	December 2009
Nitrogen Removal Unit Grodzisk Wlkp.	120.0	PLN	June 2006	April 2008
LNG plant in Norway for Lysse Gaz	56.0	EUR	June 2006	April 2008
Renovation of the sewage system in Bydgoszcz	60.0	EUR	July 2006	December 2007
Wastewater treatment installation „Czajka" in Warsaw	750.0	PLN	Oct 2006	October 2009
Racibórz reservoir on the Odra river	650.0	PLN	Nov 2006	May 2010
LNG contract in Norway for Statoil	10.0	EUR	Nov 2006	n.a.
Underground Gas Storage in Wierzchowice	200.0	PLN	June 2007	June 2009
Construction of sewage system in Wroclaw	20.0	EUR	soon	n.a.
Construction of sewage system in Elblag	14.0	EUR	soon	n.a.

Source: PBG

Intensification of natural gas exploration to be main driver in gas segment

PBG is concentrating on selected areas of the construction market that we believe have the highest growth potential. The main driver in the gas sector is the increase of natural gas consumption in the power and heating industry and by private individuals, due to strengthening regulations regarding sulfur and nitrogen oxides that are difficult for coal-fired power plants to meet. This has led to an increase of domestic exploration by PGNiG (from 4.3bn m^3 in 2004 to 5.5bn m^3 in 2008). According to the issue prospectus, PGNiG has a dedicated budget for this project amounting to PLN 3.6bn, including funds from its IPO and debt. The company's main motivation for this project is the growing import prices of Russian gas. In order to counterbalance this hike, PGNiG wants to intensify exploration of domestic gas deposits. New deposits were found recently in western Poland. Intensifying exploration will require new storage depots from the current 1.5bn cubic meters to at least 5bn cubic meters. This purpose was also included in PGNiG's IPO budget (PLN 350mn). Recently PGNiG raised planned capex on increase of storage capacity to PLN 1bn in order to increase it by 1bn cubic meters until 2011. PBG will benefit from other PGNiG projects in the area of gas transmission (PLN 2.35bn) and distribution (PLN 2.45bn). Another idea being considered by PGNiG is the construction of an LNG terminal on the Polish coast, in order to increase the country's energy security by creating the possibility of receiving supplies via the sea. The estimated cost of the project excluding the purchase of tankers is EUR 400mn (through 2010). An alternative project is the construction of a gas pipeline to Norway. In addition to PGNiG, some private companies have search & exploration licenses for natural gas in Poland. On of them, FX Energy, was successful and hired PBG to build the Wilga gas exploration plant near Warsaw. The value of the contract is PLN 20mn.

Crude oil sector to be another substantial source of orders

A similar situation prevails in the crude oil sector. In this area, Poland is also thinking about diversifying supplies. The most advanced project is the extension of the Odessa-Brody pipeline to Plock, which would provide Caspian crude to the Plock and Gdansk refineries (they are already connected to each other via a pipeline). The estimated cost of the project is USD 450-500mn. Apart from intensifying the exploration of natural gas from domestic deposits, PGNiG also intends to increase the exploration of domestic crude oil from 644,000 tons per annum to 1.4mn tons. Besides the construction of exploration sites, this will require the building of storage and transport facilities. Another driver should be the development of fuel storage facilities for NATO bases in Poland. NATO intends to build 10 fuel bases (each costing PLN 10mn), plus one big depot supplying all bases (costing PLN 250mn). PBG has already won a tender for the first base in Cybowo. PKN Orlen intends to build two fuel bases in Wroclaw and Nowa Sol. The dedicated budget for this project is PLN 100mn in 2006. Other valuable clients could include PERN, with the third arm of the "Friendship" pipeline from the Polish-Belarusian border in Adamki to Plock. In 2002, this tender was won by the consortium of Prochem and Megagaz (which received the budget of PLN 1bn), but the tender was later invalidated (another one is expected). Also, Lotos might look for contractors to implement its PLN 3.2bn Comprehensive Technical Upgrade Program.

Promising Norwegian market might be strong foothold for expansion abroad

Norway is trying to intensify the exploration of its own gas deposits, with increasing demand from the European market and 100% capacity utilization. The biggest Norwegian companies, like Lesse Gas and Statoil, have noticed the unique qualifications of PBG and, after the positively rated audit of the Polish company, decided to invite it to some tenders. The Norwegian construction market is dominated by the oligopoly of a few domestic companies, and the limited competition enables them to achieve strong profitability. The market is very attractive for PBG, and the company is applying for a EUR 58mn contract for the construction of an LNG installation for Lesse Gas. The total number of potential contracts in the Norwegian LNG market is 25, with PBG allowed to bid for two or three. In order to increase its capacity, PBG is considering establishing a subsidiary in Norway. This would be done via the acquisition of an undisclosed Polish company with international references.

Water and wastewater market to be supported with multi-billion euro EU funds

Another promising market for PBG is water and wastewater technology. A substantial source of financing for the development of infrastructure in these areas will be EU structural funds. Poland will receive EUR 56bn from the EU cohesion fund; added to Poland's own co-financing of EUR 9.7bn, this amounts to over EUR 65bn. According to the National Strategic Reference Network approved in February 2006, 38.4% of this sum (EUR 25bn) will be dedicated to infrastructure and environment – areas from which PBG directly benefits. The total budget to be spent on this purpose in 2004-06 amounts to EUR 3.7bn. Anticipating opportunities to win substantial contracts, PBG reacted by strengthening its market position via the acquisition of Hydrobudowa Wloclawek and Hydrobudowa Slask. The first of these has annual revenues of PLN 163mn, while the second one has PLN 111.5mn. PBG expects these companies to contribute at least PLN 0.5bn in sales per annum.

Preliminary allocations of EU funds for 2007-2013 (EURmn)

Operational Programme	Share	EU funds	Polish co-financing	Total public
16 Regional Ops	28.9%	15,985.5	2821.0	18,806.5
Development of Eastern Poland	3.9%	2,161.6	381.5	2,543.1
European territorial cooperation	1.0%	576.0	101.6	677.6
Infrastructure & environment	38.4%	**21,275.2**	**3754.4**	**25,029.6**
Human capital	14.7%	8,125.9	1434.0	9,559.9
Economic competitiveness	12.7%	7,004.9	1236.2	8,241.1
Technical assistance	0.4%	216.7	38.2	254.9
TOTAL	100.0%	**55,345.8**	**9,766.9**	**65,112.7**

Source: National Strategic Reference Framework 2007-2013

Recent share issue strengthened group position in hydro segment

PGB issued 1.5mn E-series shares at the beginning of 2006, raising its capital by PLN 138mn. The main purposes of the issue were the following: the acquisition of the new issue by Hydrobudowa Slask (total cost of PLN 72mn for a 58% stake), in order to gain control over this company, and an increase of working capital at two subsidiaries, KRI (by PLN 11.5mn) and Infra (by PLN 4mn). PBG also intends to acquire some companies operating in the installation segment (for PLN 30-50mn) and implement the integrated IT system ERP to support management processes (for PLN 2-5mn). This year's results will jump due to the Hydrobudowa Wloclawek and Hydrobudowa Slask acquisitions. The former is consolidated from 1Q06 on, the latter from 2Q06. We expect each company to contribute PLN 100-150mn in sales. However, the consolidated profitability might suffer this year, as Hydrobudowa Slask has to process some PLN 100-150mn of old contracts signed at unfavorable conditions. Full restructuring of the acquired assets should take up to two years. After the consolidation of the hydro division, PBG will have capacity of approximately PLN 500mn per annum in the hydro segment and references from the biggest sewage treatment projects: Krakow-Plaszow II (which is currently being finished by Hydrobudowa Slask) and in Warsaw (by Hydrobudowa Wloclawek). At least two similar (but bigger) projects are expected in Warsaw (PLN 750mn) and Poznan (not disclosed yet). In our opinion, with such a strong experience and production capacity, PGB Group is the favorite to win these tenders.

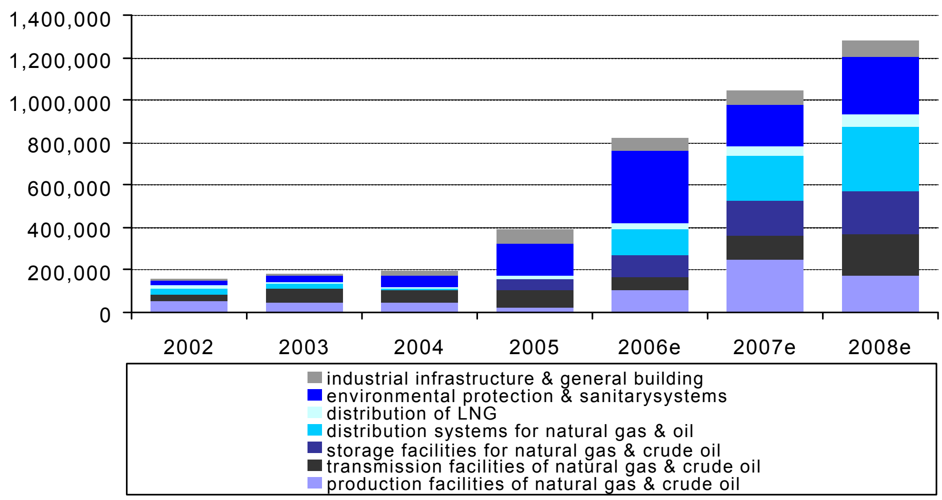
Acquired companies in hydro segment

Hydrobudowa Wloclawek	2002	2003	2004	2005	2006e	2007e
Revenue (PLN mn)	34,963	42,353	114,284	163,000	170,000	180,000
Net profit (PLN mn)	131	1,843	291	1,370	5,950	9,000
Net margin	*0.4%*	*4.4%*	*0.3%*	*0.8%*	*3.5%*	*5.0%*
Hydrobudowa Slask	**2002**	**2003**	**2004**	**2005**	**2006e**	**2007e**
Revenue (PLN mn)	112,033	130,765	175,034	111,598	150,000	170,000
Net profit (PLN mn)	333	661	490	-97,093	3,000	5,950
Net margin	*0.3%*	*0.5%*	*0.3%*	*-87.0%*	*2.0%*	*3.5%*

Source: Notoria, Hoppenstett Bonnier, Erste Bank

We expect very rapid development of revenue in the coming years. The fastest growth will be in environmental protection and sanitary systems, which will be boosted by acquisitions and an increase of orders financed by EU funds. In the oil & gas segment, we expect exploration and distribution to start dynamically at first, and to be followed by storage and transmission later. Another growth story is KRI's LNG trading, which received the concession for imports. This company had annual sales of PLN 25mn in 2005. It expects to increase this to PLN 30mn in 2006 and double this figure by 2008. Together with the increased scale of activity, the net margin for KRI should grow from the current 2% to at least 10%.

Sales breakdown (PLN '000)



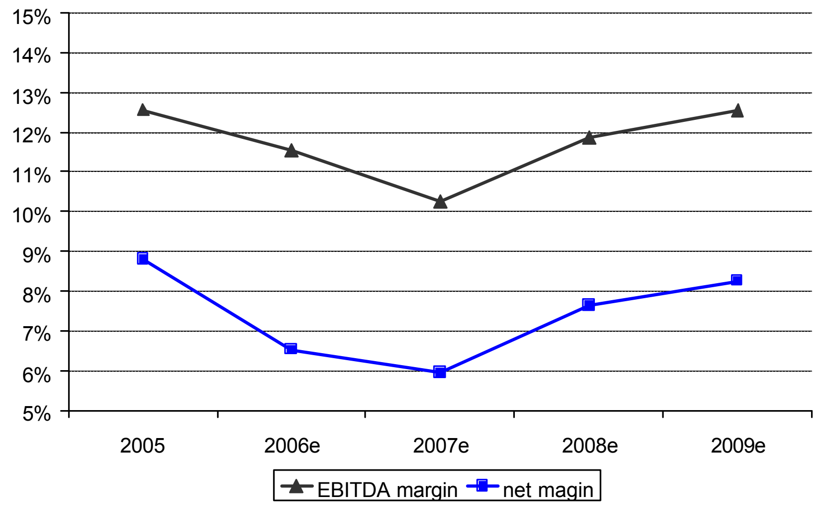
Source: PBG, Erste Bank

Sound 1Q results harbinger of robust development

PBG's 1Q06 results underscored our optimism regarding the company's quick development in 2006. First of all, the top line doubled compared to 1Q05, reaching PLN 76.7mn. Revenues are on a stable base, with more than half stemming from strategic contracts that are to continue in the coming quarters. An additional trigger was the consolidation of Hydrobudowa Wloclawek for the first time. However, Hydrobudowa Slask has not been consolidated yet. We expect the first-time consolidation to happen next quarter, which should again boost the top line by an additional PLN 30mn in sales per quarter.

1Q06 was also good for PBG in terms of profitability. The operating margin grew from 5% to 9%. EBIT thus rose by 226% to PLN 6.6mn. Considering seasonality and the very tough weather conditions this winter, the result is very impressive. On the bottom line, PBG posted a PLN 2.2mn profit (+126% y/y). Our general conclusion is very positive: quick growth, accompanied by improving margins. We expect another revenue jump in 2Q, due to the consolidation of Hydrobudowa Slask and a drop in margins, which should continue this year and in 2007 (until the new companies are fully restructured).

Margins



Source: Erste Bank

Company overview

History

Established in 1994, PBG gradually entered gas and oil segments

PBG is the leading engineering company in Poland (10th in terms of revenues; in terms of market cap, it is No. 3 behind two real estate developers), specializing in installations for the oil & gas, power and heating sectors. The company was established in 1994 under the name Piecobiogaz. The founders were Malgorzata and Jerzy Wisniewscy. In 1996, the company purchased technology from America's T.D. Williamson that enabled it to launch its first work on gas pipelines. In 1998, the company purchased technology from Dutch Compact Pipe, which enabled work on the modernization of pipelines with a trench-less method. This year, the company was granted an ISO 9001:1996 certificate. In 1999, PBG built its first natural gas exploration site Bonikowo-1. In 2000, PBG implemented its first gasification and heating program for a community. In 2002, PBG implemented LNG technology and built its first LNG separation and storage plant in Wladyslawowo. In 2003, PBG entered the crude oil market with the construction of its first oil exploration plants in Slawoborze and Dzieduszyce. In 2004, the company changed its name to PBG SA and debuted on the Warsaw Stock Exchange.

Competencies

The company specializes in infrastructure for oil & gas industry as well as environment protection and sanitary systems. The company has a very strong position in the market of turn-key system contracting, which includes:

- Designing, organizing, executing and servicing all gas and oil facilities - particularly natural gas and crude oil plants, LNG installations, LPG separation and storage facilities, gas meter and pressure reduction stations, heating plants, micro generation systems, gas compressor stations and gas and oil pipelines
- Renovating and modernizing pipelines using T.D. Williamson and Compact Pipe methods.
- Control measuring apparatus
- Designing aid systems (AutoCAD)
- Process simulation (HYSYS)
- Designing directly at the construction site via the Internet
- Cooperating with external designs companies from Canada, Great Britain, Germany and others

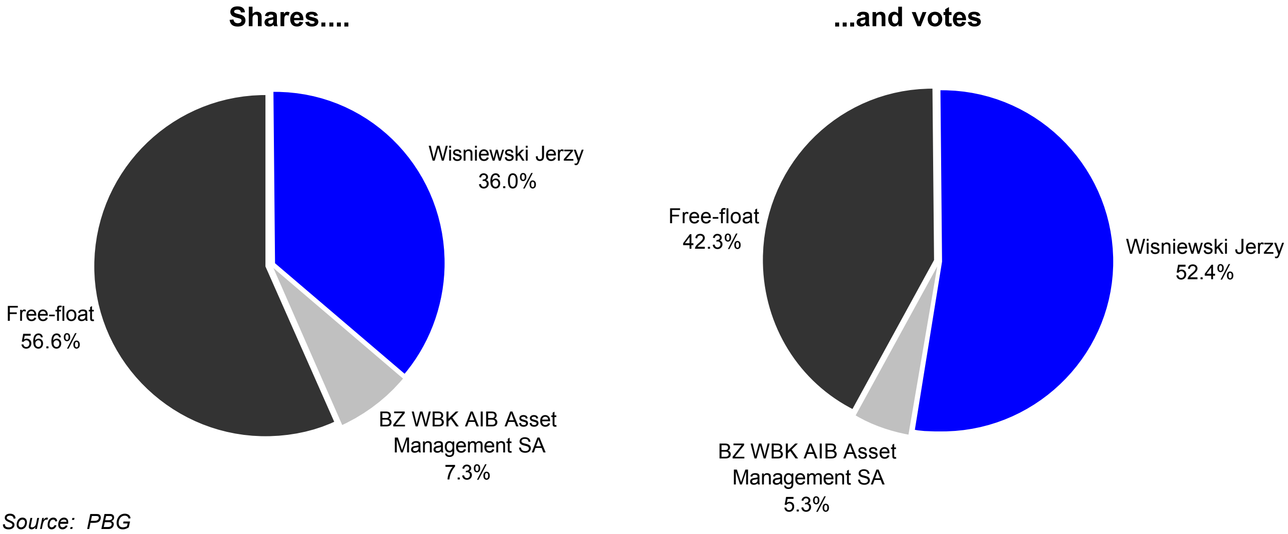
Structure and ownership

PBG has a nationwide capital group, including several companies specializing in the market of installations for the oil, gas, heat and water industries. In addition to parent company PBG SA, the capital group includes:

- KRI Sp. z o.o., which specializes in the distribution and transmission of natural gas in western Poland. The company's capital was recently increased from PLN 27.8mn to PLN 39.3mn. KRI employs 25-30 people. Annual sales hover between PLN 25mn and PLN 30mn. However, this should increase strongly soon, as the company received (in April) concessions for the international trade of LNG until 2016. We estimate it should double the annual revenue to PLN 60mn by 2008. After the repurchase of a 51% stake from Germany's RWE, PBG now holds a 99.9% stake in KRI.
- Infra Sp. z o.o. offers special services in the area of rehabilitation of water pipes and sewage systems. It is the biggest Polish company of that type, controlling 18% of the market. In 2005, Infra posted PLN 14.4mn in revenue and a PLN 0.33mn net profit. PBG acquired Infra last year, paying PLN 4.3mn for a 99.8% stake. This year, similarly to KRI, Infra was also fuelled by a capital increase (from PLN 1mn to PLN 5mn). In our opinion, the company is the "pearl in the crown" of the PBG group, due to its unique profile and references, which have put it in first place in a very promising niche.
- Metorex Sp. z o.o focuses on construction of water-pipe networks, sewage systems, heat and gas distribution networks, land melioration networks, hydro-engineering, wastewater treatment plants, road and square pavement. The company employs 80-100 people. Annual revenue hovers between PLN 50mn and PLN 100mn. PBG holds 99.6%.
- Elwik Sp. z o.o. focuses on sewage treatment and wastewater system management for the Lubicz community. However, the company does not rule out the possibility of expanding its activity over a wider area. PBG holds a 76% stake.
- ATG Sp. z o.o. provides materials and machinery for the construction of facilities for oil & gas and, after the acquisition of Hydrobudowa Wloclawek, also for water and wastewater systems. PBG controls 100% of ATG.
- After recent capital increases and takeover activity, the capital group was extended with two companies specializing in the construction of water facilities: Hydrobudowa Wloclawek (a 91.8% stake) and Hydrobudowa Slask (58%). They are the biggest subsidiaries, substantially influencing the consolidated financial statement.
- PBG's latest acquisition, KB Gaz (from Szczecin), specializes in construction for the gas industry and environmental protection. PBG acquired a 100% stake for PLN 1.64mn. Annual revenue of KB Gaz is PLN 7.5mn. Together with KB Gaz, PBG acquired a contract for the construction of a wastewater network on the right bank in Szczecin. KB Gas is the consortium leader with an 80% stake in the works (a EUR 22.6mn contract).

The company's main shareholders are still its founders, the Wisniewski family. After the recent capital increase, Malgorzata Wisniewska has decided to sell her stake. In terms of shareholding, the stake held by Jerzy Wisniewski dropped to 36.4%. Due to preference votes, however, he controls 52.36% of votes at the AGM. The company enjoys the strong presence of institutional investors. AIB Asset Management has held 7.4% of shares since the IPO, while the PZU pension fund registered 600,000 (3.6%; as this is below 5%, the fund does not have to reveal its holding) shares for the upcoming AGM.

Shareholder structure



Source: PBG

Strategy and future development

Profitability preferred over growth, aggressive takeover policy

PBG intends to maximize its revenue by strengthening its market position in selected niches. This is to happen through the development of the firm's products and services on the basis of possessed technologies. PBG concentrates on gaining high value added contracts in the role of General Contractor. Apart from the domestic market, PBG intends to expand its activity abroad. The company is expanding its client base to include entities with strong financial situations (e.g. NATO). In terms of acquisition policy, PBG targets majority stakes in companies with strong references and their own production capacity. The strategy of preferring own capacities over subcontractors results in keeping the margins inside the group and excellent margins compared to other construction companies. PBG makes sure that its subsidiaries have sufficient capitalization to develop quickly. Another significant point of strategy is development of export markets. The most promising foreign markets seem to be Norway and Ukraine (which are increasing natural gas production) and Latvia and Hungary in the area of extension of underground storage.

PBG considering entering road construction…

Apart from its current core business (oil, gas and water), the PBG group is looking at two other segments in the construction market: road construction and real estate development. In road construction, the current situation is quite unfavorable for companies, due to the limited number of tenders and very strong competition. Expectations of a large number of contracts brought the biggest companies present in the road segment to Poland: Strabag, Porr, Skanska, NCC, etc. Furthermore, the Polish construction companies like Mostostal Zabrze and Polimex Mostostal also intend to enter this market. Until regulations regarding public procurement are changed, the chances for a substantial increase of tenders are low. The situation is much better in the sub-segment of second-category roads, where decisions on tenders are up to the municipal authorities that have received substantial EU funds. The situation is worse in the motorway segment, where decisions on tenders for specific sections of motorways are decided by the General Directorate for National Roads and Motorways (GDDKiA). The majority of tenders here are delayed. Fierce competition leads to low bid prices and margins, often near break-even points. However, in a few years, the situation might improve. PBG is looking at some acquisition targets now.

…and real estate development segments

The second target market is real estate development. Recently, the company signed its first development contract for PLN 144mn. PBG will build residences in Swinoujscie (northwestern Poland), for which it expects higher margins than the average for the group in recent years (ca. 9% net). However, PBG prefers to be both investor and contractor, contrary to the majority of real estate developers. We think that the competition in the developer market might increase, as competitors (Polimex, Budimex) have similar plans. We are very cautious in evaluating such plans, as these markets are much more competitive and the company does not have experience in such projects. PBG is less likely to be able to take advantage of its main competitive assets – its uniqueness and references.

Competitors

Strong specialization limits competition

As we mentioned earlier, PBG is a niche company. Thus, its competition is very limited. In facilities for oil & gas companies, its main rival is ABB. PBG stresses that, so far, it has not lost any tender to the Swiss company. Domestic companies focusing on the oil & gas sector include Megagaz, Gazobudowa and Naftobudowa. Gazobudowa (owned by PGNiG) carries out assembly of installations together with earthworks for gas, oil, water and heat engineering, with a special focus on reducing and metering stations for natural gas. Although Gazobudowa is owned by the major recipient of construction services in the oil & gas sector, we do not think it will enjoy any preference, as all contracts in Poland must be decided in public tenders. The hydro-engineering market is far more competitive. A recent tender for the construction of a sewage treatment plant for the city of Tarnobrzeg saw bids from all potential competitors: Pol-Aqua (which intends to debut on the WSE this year), Hydrobudowa Warszawa, Budimex Dromex, Skanska and Inzynieria Rzeszow. Other strong players in the hydro-engineering market are Hydrobudowa Gdansk and Hydrobudowa Poznan. We regard Hydrobudowa Warszawa and Hydrobudowa Gdansk as the most serious competition for PBG in the hydro segment, due to their size (annual sales of PLN 780mn and PLN 170mn, respectively) and presence of foreign strategic investors (Germany's Bilfinger Berger in Hydrobudowa Warszawa and Sweden's NCC in Hydrobudowa Gdansk).

Capex

Two-year investment program ending this year

PBG is ending its two-year investment program, which cost PLN 47mn. Management expects 2006 capex to reach approximately PLN 30mn, while we estimate annual depreciation at PLN 12.5mn. PBG is using PLN 12mn worth of subsidies to co-finance the investments. For 2006 capex, we also included the acquisition of Hydrobudowa Slask. In 1Q05, PBG acquired the entire issue of H-series shares (1.69bn shares at an issue price of PLN 28.5), gaining a 66% stake in the firm. There was another issue from Hydrobudowa Slask in 2Q (0.8mn I-series shares at an issue price of PLN 35), from which PBG acquired 0.267mn shares.

Forex exposure

Fully hedged FX position

PBG has a EUR 28mn long position (exceed of euro-invoiced contracts over cost) that is fully covered by forward contracts (up to 4.1-4.4 PLN/EUR). At the moment, euro-denominated contracts do not constitute a significant part of total revenues, but the company is looking at foreign markets. We appreciate the fact that management is already thinking about its hedging strategy.

Risk factors:

Although we regard PBG as a relatively safe investment, there are some risk factors:

- Lack of experience in restructuring big companies from new segments (like Hydrobudowa Wloclawek and Hydrobudowa Slask). There is a risk that PBG will not succeed in returning these companies to profitability.
- Risk of postponement of some contracts, due to specific tender procedure (appeals of competitors, etc.). This might influence the results in the short run (e.g. quarterly figures); in the long run, however, we are concerned about the market potential.
- Risk of changes to the structure of the PGNiG group. In accordance with EU regulations, the company has to keep the natural gas transmission activity outside the group. Transmission assets are to by taken over by national operator Gas System, which has a less comfortable financial situation than PGNiG. This might have a negative influence on the planned budget for investments.
- Risk of key material prices. Key materials used in the construction of infrastructure are metals (mostly steel) and crude derivatives (e.g. ethylene, utilized in the construction of low-pressure pipelines), which are sensitive to changes on global commodity markets. In periods of increased materials prices, the company faces pressure on operating margins. Materials and energy constitute one third of PBG's total operating costs.

Valuation and recommendation

Only DCF reflects long-term potential of PBG

We valued PBG with two methods, peer comparison and DCF, which provide different pictures of the company's value. We have chosen to rely on DCF, as it includes PBG's excellent long-term growth prospects. Peer comparison distorts the valuation, as it is based only on the forecast for the next two years. In our opinion, PBG is an excellent long-term growth play. Furthermore, we expect the results for 2006 and 2007 to see a negative impact from acquisitions. Hydrobudowa Slask in particular needs more time for restructuring. PBG acquired the company with a portfolio of poorly performing contracts. However, they were provisioned for (PLN 60mn) before the takeover.

Assumptions:

- We include Hydrobudowa Slask in the capital group from 2Q06. This will have a negative influence on the group's profitability in 2006 and (partially) in 2007, at which time we expect the restructuring of Hydrobudowa Slask to be finished.
- We include the acquisition of Hydrobudowa Slask in 2006 capex. We increased investment capex after 1Q06 (PLN 20mn), with PLN 28.0mn spent on acquiring the I-series issue (267,000 shares at PLN 35 per share) in 2Q06.
- We assume target capacity (including Hydrobudowa Slask) reaching approximately PLN 1.5bn per annum. To exceed this amount, PBG will have to employ a subcontractor, sharing margins with them.
- We do not include any further acquisitions or entry into new segments (like roads or real estate).
- We assume a fully diluted number of shares (12.03mn).
- We discount future cash flows with the WACC (of ca. 7%), which includes a 5.15% risk-free rate, a 5% equity risk premium, a 1.5% debt premium and beta at 0.98 (Reuters estimates).
- We assume no dividend to be paid until the end of restructuring of Hydrobudowa Slask (2008). In 2008, we assume a 50% payout ratio; 75% in 2009 and 100% from 2010.
- We conservatively assume a zero growth rate of the terminal value.
- Our 12-month target price is today's fair value compounded by the cost of equity (10%) one year ahead.

WACC calculation

	2006e	2007e	2008e	2009e	2010e	2011e	beyond 2011e
WACC	**7.03%**	**7.17%**	**7.20%**	**7.26%**	**7.31%**	**7.33%**	**7.24%**
Equity cost	10.05%	10.05%	10.05%	10.05%	10.05%	10.05%	10.00%
Debt cost	5.39%	5.39%	5.39%	5.39%	5.39%	5.39%	5.27%
Equity weighting	35.21%	38.25%	38.92%	40.13%	41.20%	41.67%	41.67%
Debt weighting	64.79%	61.75%	61.08%	59.87%	58.80%	58.33%	58.33%
Risk free rate	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%	5.00%
Equity risk premium	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Beta	0.98	0.98	0.98	0.98	0.98	0.98	1.0
Debt premium	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Tax rate	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%

Source: PBG

DCF model suggests PLN 175 target price

Our long-term projection of cash flows shows rapid development. On the basis of the EU budget until 2013, we believe that the next decade will be fat years for PBG. Although the company has a successful period of constant growth behind it, we still see huge market potential, without any major risk on the side of PBG. Therefore, we initiate our coverage with a Buy rating and a 12-month target price of PLN 175 per share.

DCF

PLN '000	2006e	2007e	2008e	2009e	2010e	2011e	beyond 2011e
EBIT	**79,852**	**89,601**	**132,722**	**152,821**	**170,576**	**182,910**	**182,910**
Tax rate	19%	19%	19%	19%	19%	19%	19%
Tax on EBIT	-15,172	-17,024	-25,217	-29,036	-32,410	-34,753	-34,753
NOPLAT	**64,680**	**72,577**	**107,505**	**123,785**	**138,167**	**148,157**	**148,157**
Depreciation	15,122	17,610	18,936	20,381	21,968	23,718	
Capital expenditures	-58,857	-17,500	-18,800	-20,200	-21,900	-23,600	
Change in working capital	-128,223	-9,340	-45,923	-17,682	10,471	3,483	
Free cash flow	**-107,278**	**63,347**	**61,717**	**106,284**	**148,706**	**151,758**	
Terminal value							**2,527,019**
PV of FCF	-100,233	55,227	50,192	80,587	105,073	99,906	
Sum of PV of FCF	290,752						
PV of terminal value	1,663,607						
Enterprise value	**1,954,359**						
Net debt at 31.12.2005	111,733						
Minorities	6,648						
Fair value at 31.12.2005	**1,835,978**						
Number of shares	12,030						
Fair value per share	**153**						
Equity cost		10.1%					
12-month price target		**175**					

Source: Erste Bank

Excellent strategy and profitability reflected in huge premium to construction sector

On market multiples, PBG trades with a substantial premium to other European construction and engineering companies. In our opinion, the premium is justified by two main reasons. First of all, the company has excellent profitability. We expect the EBITDA margin to be almost double the median of its peers'. Secondly, PBG operates in the very promising Polish market, which will be injected with substantial EU convergence funds, while the majority of PBG's peers are operating in the mature markets of Western Europe.

Multiples comparison

	P/E 2005	P/E 2006e	P/E 2007e	EV/Sales 2005	EV/Sales 2006e	EV/Sales 2007e	EV/EBITDA 2005	EV/EBITDA 2006e	EV/EBITDA 2007e	Valuation 2005	Valuation 2006e	Valuation 2007e
Implied fair value (PLN mn)	628.3	778.7	765.7	138.2	452.0	577.2	291.0	637.3	713.2			
Number of shares (mn)	10.5	12.0	12.0	10.5	12.0	12.0	10.5	12.0	12.0			
Implied fair value per share	59.7	64.7	63.6	13.1	37.6	48.0	27.6	53.0	59.3	**33.2**	**51.8**	**57.0**
12-month target value										**34.7**	**54.1**	**59.6**

	P/E 2005	P/E 2006e	P/E 2007e	EV/Sales 2005	EV/Sales 2006e	EV/Sales 2007e	EV/EBITDA 2005	EV/EBITDA 2006e	EV/EBITDA 2007e	EBITDA margin 2005	EBITDA margin 2006e	EBITDA margin 2007e
median for peer group	**17.43**	**14.49**	**12.26**	**0.61**	**0.67**	**0.60**	**7.65**	**7.76**	**7.11**	**7.53%**	**7.96%**	**8.31%**
Acs Activid. De Constru S.	17.91	13.96	12.43	1.14	1.20	1.08	12.65	13.23	11.52	9.0%	9.1%	
Grupo Ferrovial SA	20.71	19.20	17.34	1.92	1.57	1.46	13.23	11.25	10.17		14.0%	14.3%
Sacyr Y Vallehermoso	16.67	19.96	15.85	3.29	3.30	3.30	15.62	15.36	15.06		21.5%	21.9%
Fomento Const y Contr(Fcc	18.14	15.10	13.99	0.94	1.07	1.02	6.73	7.41	6.81	13.9%		
Skanska AB	11.53	12.54	12.22	0.32	0.26	0.24	6.67	5.56	5.46	4.9%	4.6%	
Eiffage SA	18.94	15.92	14.27	0.52	1.62	1.46	7.65	10.77	9.36	6.9%	15.0%	15.6%
Hochtief AG	41.41	33.18	28.87	0.13	0.15	0.15	3.02	3.90	3.84	4.2%	4.0%	4.0%
Yit Oyj	14.63	12.38	11.02	0.82	0.74	0.67	9.91	8.44	7.57	8.3%	8.8%	8.8%
NCC AB	15.06	13.19	11.89	0.32	0.36	0.33	6.76	7.21	6.50	4.8%	4.9%	5.0%
Abengoa SA	24.69	21.97	18.76	0.92	1.06	0.93	8.64	9.65	8.35	10.7%	11.0%	11.2%
FLSmidth & Co	22.26	22.76	18.73	0.70	1.19	1.09	14.06	18.20	14.54	5.0%	6.6%	7.5%
Boskalis Westminster	22.00	16.19	12.30	1.27	0.92	0.88	9.00	6.27	5.36	14.1%	14.7%	16.4%
Imtech	17.97	13.97	11.99	0.27	0.35	0.31	6.07	7.14	5.86	4.4%	4.9%	5.3%
Hellenic Technodomiki	20.36	15.03	11.78	1.04	1.60	1.28	6.24	10.20	8.23	16.6%	15.6%	15.6%
Elecnor SA	23.32	30.13	28.90	1.08	1.57	1.45	14.38	19.59	18.68	7.5%	8.0%	7.8%
PEAB AB	14.12	13.36	12.12	0.41	0.38	0.34	10.08	8.35	7.35	4.1%	4.6%	
Heijmans	10.94	10.34	8.97	0.45	0.43	0.41	8.35	8.00	7.20	5.4%	5.4%	
Veidekke ASA	10.45	9.88	9.91	0.39	0.37	0.34	6.97	6.81	6.20	5.5%	5.4%	
Kier Group	13.37	12.20	10.66	0.21	0.24	0.21	4.92	5.50			4.3%	
Morgan Sindall	16.38	15.00	13.80	0.25	0.29	0.25	7.20	8.24	7.39	3.4%	3.5%	3.4%
Arcadis	21.27	15.58	13.48	0.60	0.64	0.58	7.97	8.39	7.28	7.6%	7.6%	7.9%
Alfred McAlpine Plc	13.96	12.76	11.56	0.35	0.36	0.35	8.69	7.76	7.17	4.0%	4.6%	4.8%
Technical Olympic SA	3.36	3.21	2.31	0.61	0.47	0.39	5.02	3.88	2.69	12.1%	12.1%	14.6%
Interserve Plc	14.14	13.27	11.95	0.35	0.35	0.30	6.60	6.48	5.83	5.3%	5.4%	5.1%
Lemminkaeinen	11.98	10.05	9.31	0.46	0.41	0.38	6.96	6.21	5.70	6.6%	6.5%	6.6%
Astaldi SpA	13.98	11.26	10.00	0.70	0.67	0.60	4.75	4.99	4.59	14.8%	13.4%	13.0%
Potagua FLS A/S	12.40	25.87	15.80									
Cfe	16.95	12.28	8.93	0.61	0.58	0.48	6.45	5.25	4.18			
Terna Tourist Tech & Mar	30.13	17.14	11.84	1.78	1.77	1.59	10.40	9.38	7.04	17.2%	18.8%	22.6%
J & P Avax Sa	28.24	20.88	15.26	1.00	1.05	0.92	14.80	14.25	11.11	6.8%	7.4%	8.2%
Keller	13.68	12.51	12.30	0.44	0.50	0.45	4.95	5.95	5.75	8.9%	8.4%	7.9%
Vianini Lavori SpA												
Geo ASA	35.77	10.80	9.01	7.15	3.38	3.20	19.45	8.33	7.83	36.8%	40.5%	40.8%
Sweco AB	21.50	16.03	14.91	1.07	0.82	0.73	11.21	7.37	6.57	9.6%	11.1%	11.1%
Galliford Try	12.97	11.77	10.63	0.26	0.30	0.28	5.70	7.37	6.38	4.6%	4.1%	4.3%
Wsp Group	19.61	16.81	14.86	0.73	0.71	0.65	8.83	8.87	7.79	8.3%	8.0%	8.3%
Trevi Finanziaria Industriale	30.20	18.85	14.16	0.79	0.85	0.73	7.06	6.51	5.17	11.1%	13.1%	14.1%

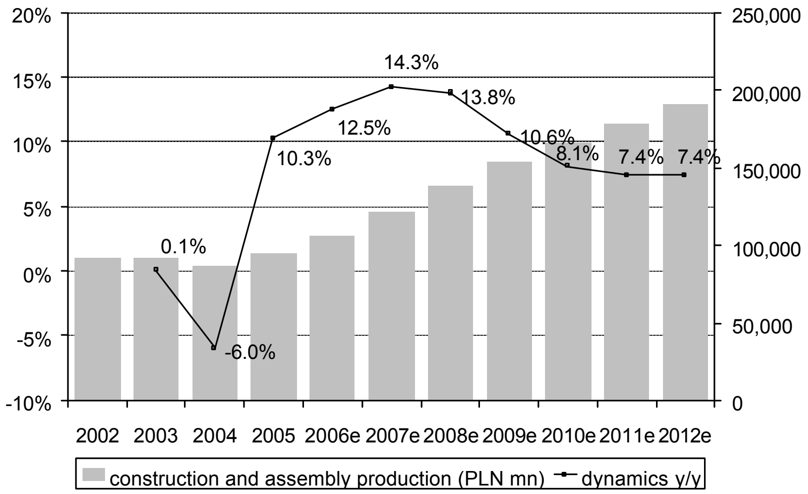
Source: JCF

Construction sector overview – appendix

Poland is on cusp of construction boom

According to a forecast from independent institutes, the long-awaited boom in the Polish construction sector should finally be near. PMR Publications expects that in the next three years, the Polish construction industry will grow at a double-digit rate. We assume a slowdown after 2008, but the industry should continue to expand, which may lead to the market doubling its current value by 2012.

Dynamics of construction and assembly production (PLN mn)



Source: GUS, PMR, Erste Bank

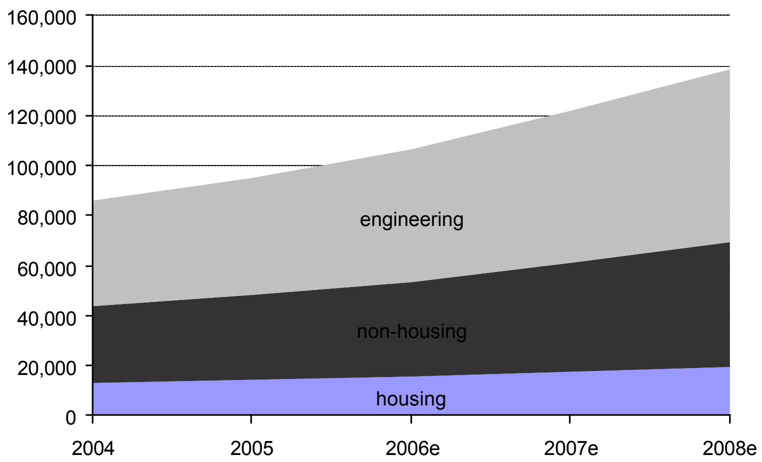
Civil engineering to be fastest growing segment

According to the Polish Classification of Construction Objects, the sector breaks down into three basic segments:

- housing (including one-flat residentials, multi-flat residentials and objects of common residence)
- non-housing (including hotels, camps, office centers, trade centers, transportation and communication buildings, industrial and storage buildings, public-access buildings for educational, healthcare and cultural purposes, agricultural facilities, religious facilities)
- civil engineering objects (like roads, motorways, railway tracks, airstrips, bridges, ports, shipyards, dams, irrigation channels, pipelines, telecommunication lines, complex facilities in industrial zones, buildings for mining, power plants, chemical plants, heavy industry facilities, sport facilities, etc.)

According to PMR Publications, one of the most well-know publishers of reliable market intelligence for business professionals focusing on CEE, the fastest growing area will initially be engineering, but from 2007 onwards, the growth leader will be the non-housing segment. Housing will grow at the slowest rate, albeit still above 10%.

Polish construction market



Source: GUS, PMR

Substantial infrastructure investment needed

Poland's entry into the European Union in 2004 accelerated the need to upgrade transportation infrastructure (highways, airports, etc.), with substantial EU funds made available to finance these investments. Nowadays, Poland still has significant infrastructure deficits in comparison with CEE peers such as the Czech Republic and Hungary. According to an official statement from the Infrastructure Ministry, Poland will apply for EUR 8.5bn from the EU in 2007-13 for road construction. Together with money to be added by the government, Poland's regions (voivodships) will receive EUR 21bn to this end.

Large orders from utility and oil & gas sectors

In our opinion, the biggest clients from the civil engineering segment should be the utility and oil & gas sectors. The Polish energy sector is on the cusp of a large investment program, caused by the deficit of installed power capacities and upcoming deadlines imposed by several strict environmental protection regulations. Another factor that will accelerate investment will be the privatization and vertical integration of energy producers and distributors. This will definitely strengthen the financial position of existing plants, which was the main obstacle to investments.

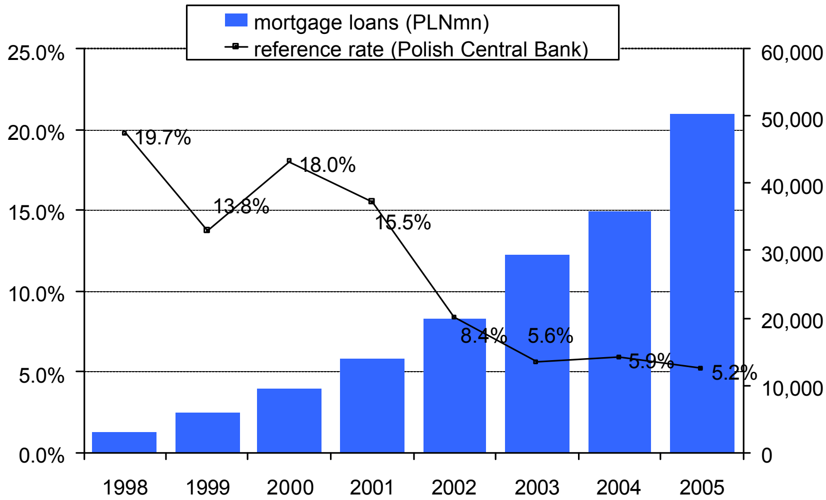
Mortgage boom to support housing construction

Another very promising sector is oil & gas. Polish companies in this sector are now enjoying a period of prosperity, and have substantial cash reserves. Lotos and PGNiG also collected capital from their IPOs. All companies have very ambitious and costly investment programs.

Poland has a huge deficit in housing. Therefore, the development of the residential segment will be another growth factor. According to some estimates, demand for new homes exceeds supply by around 4,000-5,000 in Warsaw alone and around 1,000 to 2,500 in Krakow, Poznan, the Gdansk-Gdynia-Sopot area and in Wroclaw. Other experts estimate that Poland lacks at least 1mn new homes and a further 7.5mn existing homes are in poor condition and require renovation.

Falling interest rates encouraged Poles to take mortgage loans and fuelled demand for homes. Most macroeconomists expect rate cuts to continue (the expected average reference rate for 2006-10 is 4.25%), which should lead to double-digit growth of mortgage loans.

Mortgage loans and interest rates



Source: Polish central bank

Construction sector well represented on WSE

The Polish construction sector is well represented on the Warsaw Stock Exchange. In contrast, there are a very small number of listed construction companies on other CEE stock exchanges. Therefore, investment in the biggest Polish construction stocks provides excellent exposure to the dynamically growing CEE construction industry.

WSE-listed construction companies (PLN mn)

Company name	MC (PLN mn)	MC (EUR mn)	Core business
Budimex	1,314.8	346.0	roads, industrial construction, public utility buildings
Budopol	13.5	3.6	housing, public utility buildings
Echo	2,614.5	688.0	real estate developer
Elektromontaz Export	21.1	5.6	construction-assembly prodution, trade of electical machinery
Elektrobudowa	214.0	56.3	power engineering, environmental protection, chemical industry
Elektromontaz Warszawa	15.4	4.1	assembly and installation of electric devices
Elkop	4.5	1.2	electrical and assembly services
Energoaparatura	15.7	4.1	design, manufacturing and assembly of control and measurement devices in industrial plants
Energomontaz Polnoc	276.4	72.7	industrial construction, assembly works, renewing and repairs in power plants
Energomontaz Poludnie	70.6	18.6	assembly, modernisation and repairs of power devices
Energopol	39.7	10.4	construction and assembly works, complex ground and engineering works
Globe Trade Center	5,094.0	1340.5	real estate developer
Hydrobudowa Slask	172.9	45.5	construction of water engineering buildings
Instal Krakow	93.6	24.6	construction and assembly of installations in industrial, municipal and health care facilities
Instal Lublin	21.6	5.7	assembly services
Mostostal Export	103.8	27.3	construction services
Mostostal Plock	32.1	8.4	production of constructions and devices, building and assembly production
Mostostal Warsaw	353.0	92.9	public buildings, bridges & roads, infrastructural facilities, industrial buildings and installations
Mostostal Zabrze	45.9	12.1	production and assembly of metal constructions, manufacture of industrial devices and installations
Naftobudowa	29.0	7.6	construction and assembly services for oil & gas and power industries
PBG	1,594.0	419.5	designing, operating and reparation of objects for transport of natural gas, crude oil, water and sewages
Pemug	24.8	6.5	construction, assembly, repairs, production of steel constructions and industrial devices
Polimex Mostostal Siedlce	1,395.2	367.2	production of metal constructions and their components, construction of industrial objects
Polnord	181.0	47.6	general construction works and manufacture of prefabricated reinforced elements
Prochem	156.0	41.1	planning, designing and supervision of construction works and redecorations
Projprzem	85.2	22.4	production of specialised devices and steel constructions, general construction

Source: Warsaw Stock Exchange, Notoria, Erste Bank

Income Statement (IAS, PLN mn, 31/12)	2004	2005	2006e	2007e	2008e
Sales revenues	**216.1**	**409.0**	**823.4**	**1,046.7**	**1,278.7**
Cost of goods sold	-172.1	-338.5	-703.7	-910.3	-1,093.8
Gross profit	**44.0**	**70.5**	**119.7**	**136.4**	**184.9**
SG&A	-24.1	-33.9	-46.4	-53.8	-60.6
Other operating revenues	4.4	10.5	14.8	15.8	19.0
Other operating expenses	-2.5	-7.0	-8.2	-8.8	-10.6
EBITDA	**28.5**	**50.7**	**95.0**	**107.2**	**151.7**
Depreciation	-6.7	-10.6	-15.1	-17.6	-18.9
EBIT	**21.8**	**40.1**	**79.9**	**89.6**	**132.7**
Financial result	-2.7	4.7	-11.9	-10.6	-9.1
EBT	**19.1**	**44.8**	**68.0**	**79.0**	**123.6**
Tax expenses	-5.1	-1.7	-12.9	-15.0	-23.5
Extraordinary result	0.0	0.0	0.0	0.0	0.0
Minority interests	0.0	-0.9	-1.3	-1.5	-2.4
Net result after minorities	**14.0**	**42.2**	**53.8**	**62.5**	**97.7**

Balance Sheet (IAS, PLN mn, 31/12)	2004	2005	2006e	2007e	2008e
Intangible assets	3.7	10.9	93.9	93.9	93.8
Tangible assets	48.1	177.1	209.9	209.8	209.7
Financial assets	16.2	5.0	30.5	30.5	30.5
Total fixed assets	**68.0**	**192.9**	**334.3**	**334.2**	**334.1**
Inventories	4.8	11.7	24.6	26.4	29.5
Receivables and other current assets	186.8	369.6	678.0	715.3	828.6
Other assets	2.4	6.4	12.4	15.7	19.2
Cash and cash equivalents	43.8	81.6	115.3	146.5	179.0
Total current assets	**237.8**	**469.3**	**830.3**	**903.9**	**1,056.3**
TOTAL ASSETS	**305.8**	**662.2**	**1,164.6**	**1,238.1**	**1,390.3**
Shareholders' equity	**142.6**	**176.8**	**403.1**	**465.6**	**532.0**
Minorities	**0.5**	**6.7**	**6.9**	**8.0**	**9.1**
Other reserves	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Interest-bearing LT debts	27.7	84.8	91.2	83.6	89.0
Other LT liabilities	6.0	122.8	192.9	192.9	192.9
Total long-term liabilities	**33.7**	**207.6**	**284.1**	**276.5**	**281.9**
Interest-bearing ST debts	44.0	130.5	145.0	132.9	141.6
Other ST liabilities	85.0	140.7	325.5	355.2	425.7
Total short-term liabilities	**129.1**	**271.2**	**470.5**	**488.1**	**567.3**
TOTAL LIAB. & EQUITY	**305.8**	**662.2**	**1,164.6**	**1,238.1**	**1,390.3**

Cash Flow Statement (IAS, PLN mn, 31/12)	2004	2005	2006e	2007e	2008e
Cash flow from operating activities	-43.2	-51.4	-15.3	84.3	84.0
Cash flow from investing activities	-18.5	-107.0	-87.4	-17.5	-18.8
Cash flow from financing activities	94.8	196.2	136.4	-35.5	-32.7
CHANGE IN CASH & CASH EQU.	**33.1**	**37.8**	**33.7**	**31.3**	**32.4**

Margins & Ratios	2004	2005	2006e	2007e	2008e
Sales growth	19.6%	89.3%	101.3%	27.1%	22.2%
EBITDA margin	13.2%	12.4%	11.5%	10.2%	11.9%
EBIT margin	10.1%	9.8%	9.7%	8.6%	10.4%
Net profit margin	6.5%	10.3%	6.5%	6.0%	7.6%
ROE	15.9%	26.5%	18.5%	14.4%	19.6%
ROCE	11.7%	15.2%	11.1%	9.9%	14.1%
Equity ratio	46.8%	27.7%	35.2%	38.2%	38.9%
Net debt	27.9	133.8	120.9	70.0	51.7
Capital employed	177.0	440.0	723.8	736.4	785.7
Inventory turnover	48.1	41.1	38.7	35.7	39.1

Company Report

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PBG	--	--

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