

Dear Shareholders, Associates, Clients, Partners and Friends

The importance and uniqueness of the past year in the history of the PBG Group can be fully appreciated through an analysis of the past 12 months in the context of the difficult situation on the construction market and the related increase in competition for new orders. Therefore, the acquisition and launch of the prestigious, but also the most complex, contracts in our order book can be seen as a particular success of the PBG Group. Our ambition and continuous strive for development led us to face the challenge of constructing three football stadiums for the upcoming 2012 European Football Championships. It is a great responsibility.

At the same time, we also perform contracts in the gas sector, strategically important to Poland's energy security; these include construction of the underground gas storage facility in Wierzchowice and development of the LMG oil field. It is not only a great responsibility, but also a major milestone in the development of the PBG Group.

The celebration of PBG's 15th anniversary was undoubtedly a very important event to us, and to me a very personal one. It is a great opportunity for reminiscences, rethinking and acknowledgments. Once again, I would like to sincerely thank you all for the trust you have so far placed in me, PBG and the entire Group. Both in my private and business life, it has been always very important to me to ensure that adopted solutions benefited many, not only one party. Fifteen years ago, despite significant risks, I established a private company and found people who believed in me and took their chances with me. Today, from that period's perspective, I may safely say that the risk has paid off and it was a very good decision. If somebody asked me what was the secret to our success, I would say that it was our tightly knit team of dedicated staff convinced that each task put before them always requires their full commitment. Our team of competent and loyal employees is my pride.

Last year abounded in significant events. It was a year of very intensive work. Our efforts focused primarily on acquisition of new contracts and securing the financing for our operations. As part of those efforts, we once again raised capital through a share offering. That operation should be considered as our great achievement, considering the then-prevailing slump on the capital markets. But we managed to achieve our objectives. We carried out our fourth consecutive share issue, whereby securing funds of over PLN 190m for our continued development, which allowed us to make an acquisition in Ukraine and enter the power sector through the acquisition of a 25% interest in Energomontaż Południe S.A., a company listed on the Warsaw Stock Exchange. As a result of those transactions, we have gained access to new markets. I think that this was a good move in the context of the opportunities we see and want to pursue. The next step, allowing us to secure the financial and contract execution capabilities necessary to participate in high-value tenders, was the issue of consecutive tranches under the three-year bond programme, totalling PLN 375m. These transactions also helped us improve the Group's financing structure through conversion of short-term debt into long-term instruments matching the duration of our contracts.

In 2009, there were several changes in the Group's structure, which included not only acquisitions of other companies, but also a spin-off of PBG Technologia, establishment of several special-purpose vehicles in our property development segment, and the formation of PBG Export, a company responsible for the Group's foreign operations.

The PBG Group's financial performance was positive. Last year, our net profit reached a record-breaking level of PLN 210.6m, or PLN 15.11 per share. The Group's revenue was almost PLN 2.6bn having grown by as much as 23% over 2008. We met the forecasts. We also managed to generate positive operating cash flows totalling over PLN 306m, and to reduce net debt from PLN 499m at the end of 2008 to PLN 435m at the end of 2009, which was a great achievement. On a non-consolidated basis, PBG reported even better performance. As at the end of the year, net profit was PLN 98.3m, up by as much as 68% relative to 2008, while revenue increased from PLN 572m to PLN 827m. The lower net debt and positive operating cash flows allow the Management Board of PBG, for the first time since the floatation of PBG shares, to propose to the General Shareholders Meeting a dividend payment at 20% of PBG's 2009 net profit.

Relatively weaker performance of the PBG share price vs. WIG 20 and WIG Budownictwo indices in 2009 (PBG: +10.6%, WIG20: +51.5%, WIG Budownictwo (the construction sector index): +31.6%) were caused by the high base effect (the share price performed better than the indices since autumn 2007) on the one hand, and investors' concerns regarding the overall standing of the construction sector and the forecasts of a difficult market situation in 2010 on the other. 2010 may indeed be difficult for the construction companies in Poland, but looking ahead, we still see great opportunities for our continued growth. We are in a comfortable position because our order book secures sufficient flow of business and growth opportunities for the next two years. Last year alone, the PBG Group acquired orders for a total value of PLN 2.8bn.

We believe that 2010 will be a breakthrough year for large construction companies in Poland in terms of the supply of contracts whose aggregate value will be several times higher than in the previous years. Those who seize the opportunity will be able to build their order books ensuring safe growth in the next several years. I am convinced that the PBG Group will benefit from the largest investment projects in the history of Poland. I think that the outcomes of the tenders related to several large projects in which we currently take part, e.g. the LNG terminal in Świnoujście or the power generation units in Opole, may have a material effect on the Group's financial performance and operations. In 2010, we will take part in more tenders of strategic importance to us, with a total amount of several dozen billions of złotys, including in tenders for contracts such in sectors as power generation, road construction, natural gas, hydro-technology and environmental protection. You will find more information on our plans and objectives in our strategy presented in detail in the Director's Report.

I would like to thank you for the trust you have placed in us. Let me wish all our clients, shareholders and employees a successful year and promise that I will use all reasonable endeavours to ensure a stable growth of the PBG Group based on our order book in the years to come.

Jerzy Wiśniewski



President of the Management Board of PBG S.A.

Wysogotowo, March 22nd 2010