PBG Group’s financial performance in Q4 2011

Wysogotowo, March 1st 2012

Key events at the PBG Group in 2011 and 2012 YTD

MONTH	
March 2011	▪ **Execution of a contract** for "**Construction of road link between the Gdańsk Airport and the Port of Gdańsk** – Trasa Słowackiego – Task 2, ul. Potokowa–Aleja Rzeczypospolitej Section" (total length of 3.32 kilometres). The agreed contract price was **PLN 129.3m (VAT exclusive).**
April 2011	▪ **Execution of a contract** for **"Construction of a sports and entertainment arena** with accompanying infrastructure in Toruń". The agreed contract price was **PLN 99m (VAT exclusive)**. ▪ Execution of a Letter of Intent between **PBG** and **Obrascon Huarte Lain (OHL)** providing for **close cooperation on foreign oil and gas markets**, including in the area of construction of oil and gas processing units, pipelines and oil and fuel tanks, first in Mexico, Brazil and other South American countries. ▪ **Supervisory Board's positive opinion on the Management Board's proposal to allocate PLN 20.013m to payment of dividend of PLN 1.40 per share.** ▪ **Merger of CP Energia and KRI by way of a non-cash contribution of 100% of KRI shares to CP Energia**. Following the transaction, PBG came to hold 9,088,491 Series J shares in CP Energia, repersenting 12.98% of the share capital and votes at the company's general meeting. In July 2011, following a tender offer, PBG held 9,788,627 shares in CP Energia, representing 13.98% of the share capital and votes at the company's general meeting.
May 2011	▪ **Suspension of negotiations** with OHL concerning the sale of a 51% interest in Hydrobudowa Polska and a 50.1% interest in Aprivia. The decision was made by mutual agreement of the parties mainly in view of a significant decline of the price of Hydrobudowa Polska shares and the company's valuation on the Warsaw Stock Exchange relative to the originally agreed selling price. The negotiations will resume when the price of Hydrobudowa Polska shares recovers to the level seen at the beginning of the negotiations.
June 2011	▪ **Settlement agreement between Narodowe Centrum Sportu and ALPINE BAU DEUTSCHLAND AG, ALPINE BAU GmbH, ALPINE Construction Polska, HYDROBUDOWA POLSKA and PBG,** a consortium constructing the multi-purpose National Stadium in Warsaw. Under the agreement, **HYDROBUDOWA POLSKA S.A. became the consortium's new leader.** The project execution deadline was extended until November 29th 2011. The project was completed by the agreed date. ▪ **Execution of a contract** for **"Construction of the Piekło compressor station, forcing pipeline and water supply infrastructure",** with a value of **PLN 52.1m (VAT exclusive).**
August 2011	▪ **Execution of a sub-contractor agreement** by Hydrobudowa Polska for **"Engineering design, construction and commissioning of the LNG regasification terminal in Świnoujście".** The agreed contract price was **PLN 2.3bn (VAT exclusive).** ▪ **Execution of a contract** for **"Construction work consisting in the alteration of ul. Roosevelta between the intersection with ul. Dąbrowskiego and the Most Teatralny overpass, and the intersection with ul. Głogowska and the Most Dworcowy overpass, along with the alteration of the Rondo Kaponiera interchange in Poznań".** The agreed contract price was **PLN 170.2m (VAT-exclusive).** ▪ **Execution of a contract for construction of a biogas-fired power plant** in Szarlej, with a value of nearly **PLN 50m.**

Key events at the PBG Group in 2011 and 2012 YTD

MONTH

October 2011

- **Sale of equity interest in Strateg Capital** (reduction of the interest in share capital and total vote from 80% to 48.80%).
- **Sale of equity interest in GasOil Engineering of Poprad, Slovakia** (reduction of the interest in share capital and total vote from 62.45% to 49.90%).
- **Hydrobudowa Polska** executed a contract for **"Construction of road link between the Gdańsk Airport and the Port of Gdańsk** – Trasa Słowackiego, Task 4, Węzeł Marynarki Polskiej – Węzeł ku Ujściu**".** The agreed contract price due to the consortium was **PLN 720m (VAT exclusive).**
- **Long-term rating assigned to PBG by Standard & Poor's Rating Services**. Standard & Poor's Ratings Services assigned PBG S.A. a long-term rating of BB-, with stable outlook.

November 2011

- **ING Otwarty Fundusz Emerytalny increased its interest in PBG.** As at the end of February 2012, ING Otwarty Fundusz Emerytalny's share in total vote at PBG's general meeting was **10.24%.**

December 2011

- **Tomasz Woroch resigned from the position of PBG Management Board member** Mr Woroch submitted his resignation to the Chairman of the Supervisory Board citing personal reasons.
- **Clients of Pioneer Pekao Investment Management reduced their interest in PBG.** As at the end of February 2012, Pioneer Pekao Investment Management clients' share in total vote at PBG's general meeting was **14.99%.**
- **CFR and PDR ratings assigned to PBG by Moody's.** Moody's Investors Service assigned PBG S.A. the CFR (*Corporate Family Rating*) and PDR (*Probability of Default Rating*) of B2, with stable outlook.
- **Polskie LNG excluded construction of a denitriding plant from the LNG terminal project in Świnoujście.** The contract price payable to the consortium was reduced by PLN 120,167,000 (VAT-exclusive) upon delivery of a notice of exclusion, as required under the contract. The PBG Management Board reported on Polskie LNG's right to make such exclusions from the contract scope in Current Report No. 35/2010. In Current Report No. 12/2011 of February 10th 2011, the PBG Management Board reported of exclusion by Polskie LNG of the ORV system from the deliveries under the contract. Following the exclusions, the total contract price was reduced to PLN 2,088,976,000 (VAT exclusive).

January 2012

- **Merger of Hydrobudowa Polska with its subsidiary, Hydrobudowa 9.**

Jerzy Wiśniewski

- **January 2011:**

Sale of 500,000 shares by PBG's main shareholder, Mr Jerzy Wiśniewski resulting in the reduction of his interest in **total vote at PBG's general meeting to 41.42%.**

- **December 2011/January 2012:**

Mr Jerzy Wiśniewski, PBG's CEO, acquired 135,670 shares of PBG S.A. Following the transactions, Mr. Wiśniewski increased its **interest in the share capital to 27.15%** , and in the **total vote at PBG's general meeting – to 42.33%.**

Key events at the PBG Group in 2011 and 2012 YTD

PBG S.A.

MONTH	
Energomontaż-Południe	

- **April 2011:**

PBG called tender offer for **Energomontaż-Południe shares to achieve 66% of the total vote at the General Shareholders Meeting.**

- **June 2011:**

Summary of tender offer for Energomontaż-Południe shares Following the tender offer**,** PBG, together with ENERGOMONTAŻ POŁUDNIE, held 46,699,770 shares in the latter company, conferring the right to 46,699,770 shares. The interest represented 65.80% of both share capital and total vote at Enegromontaż-Południe's general meeting. Following Energomontaż Południe's disposal of its own shares in July 2011, PBG has held 46,021,520 shares in the company, representing 64.84% of both share capital and total vote at Enegromontaż-Południe's general meeting.

- **December 2011:**

Execution of agreement for sale of shares in ENERGOMONTAŻ-POŁUDNIE S.A. and subsequent sale of the shares
On December 20th 2011, PBG and RAFAKO executed an agreement defining the terms of sale of shares in ENERGOMONTAŻ-POŁUDNIE. Under the agreement, PBG agreed to sell **46,021,520** ordinary bearer shares in Energomontaż-Południe S.A.**, which represent 64.84% of the company's share capital and 64.84% of the total vote at EPD's general meeting.** PBG also agreed to sell the shares to RAFAKO, and RAFAKO undertook to acquire the shares for **PLN 160,154,889.60, that is PLN 3.48 per share.** RAFAKO will be obliged to make an additional payment to PBG of PLN 30,000,000 over and above the price if the company: (i) earns net profit of no less than PLN 20,000,000 for the financial year 2012, and (ii) earns net profit of no less than PLN 35,000,000 for the financial year 2013, to be determined based on EPD's financial statements, approved by the company's general meeting, for the financial years 2012 and 2013, respectively.

Key events at the PBG Group in 2011 and 2012 YTD

PBG S.A.

MONTH

RAFAKO

- **June 2011:**

Execution of a preliminary agreement to sell RAFAKO shares between **Elektrim and PBG,** providing for the sale of **50% + 1 share (50% + 1 vote) in Rafako.**

- **August 2011:**

By buying free float shares, PBG exceeded the threshold of 5% of the total vote at RAFAKO's general meeting. **3,761,669** Rafako shares, conferring the right to **5.41%** of the total vote at the general meeting and representing 5.41% of its share capital, were purchased by PBG for PLN 45,460,926.00, that is at the average price of **PLN 12.09** per share**.**

- **October 2011:**

The Polish Office of Competition and Consumer Protection (UOKiK) **cleared a business combination** involving **acquisition of RAFAKO S.A. by PBG S.A.**

- **November 2011:**

Execution of the final agreement to sell Rafako shares (purchase of a 100% interest in MULTAROS (indirect acquisition of shares in Rafako S.A.).

- **December 2011:**

Payment of the second instalment of the price for acquisition of 100% of shares in MULTAROS Trading Company Limited of Nicosia**, of PLN 200m.**

- **January 2012:**

Payment of the third and final instalment of the price for acquisition of 100% of shares in MULTAROS Trading Company Limited. On January 5th 2012, PBG paid to ARGUMENOL, a company organised under the laws of Cyprus, having its registered office in Nicosia, the final (third) instalment of the price for 100% of shares in MULTAROS Trading Company Limited, of PLN 160m.

Closing of the tender offer for RAFAKO shares:

Summary of the tender offer for RAFAKO shares

As part of the tender offer for RAFAKO shares called on November 18th 2011, and following the settlement of the transactions on January 20th 2012, PBG acquired all the shares which were tendered for sale.

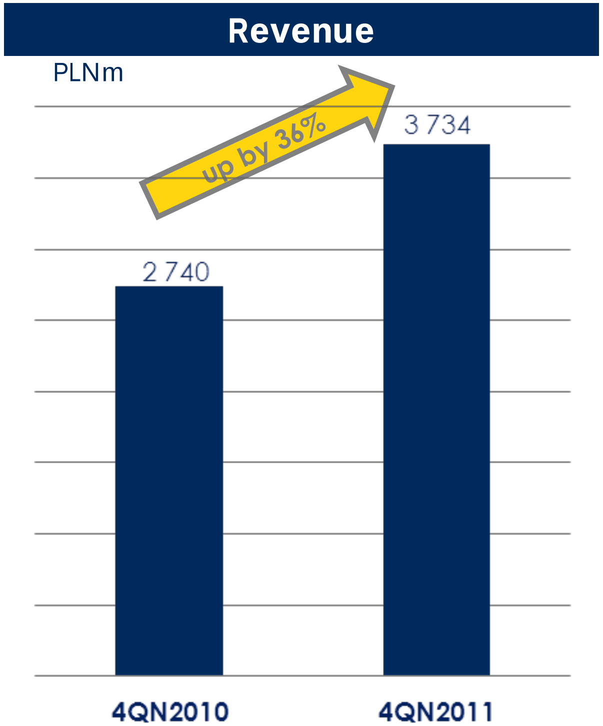
Following the settlement of the tender offer, PBG holds:

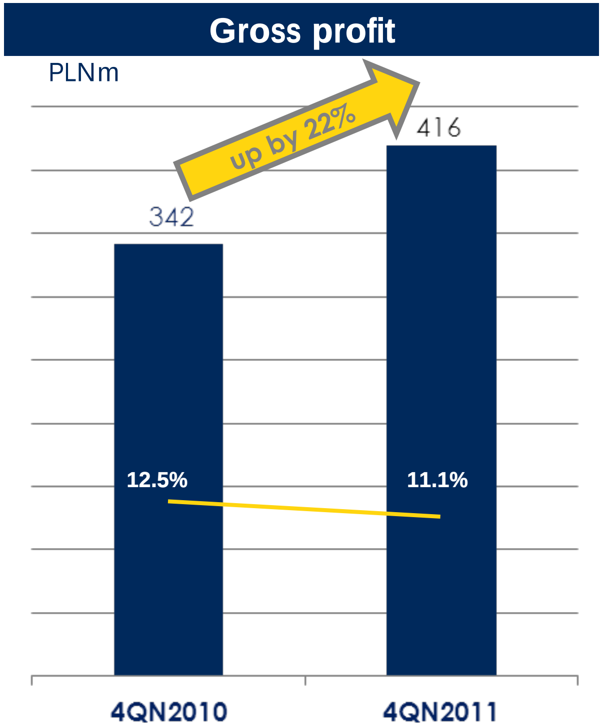
a. **indirectly, through MULTAROS – 34,800,001 Rafako shares, representing 50.000001% of its share capital** and carrying the rights to 34,800,001 votes (or 50.000001% of the total vote) at Rafako's general meeting;

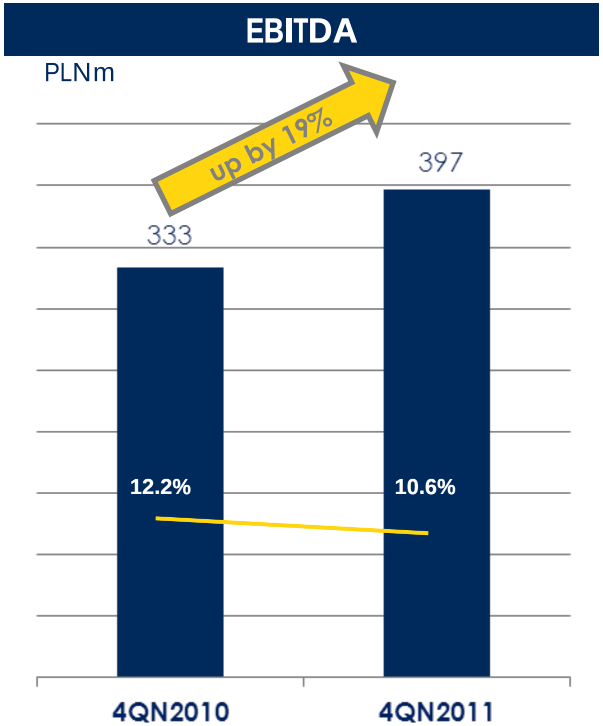
b. **directly – 11,135,999 Rafako shares, representing 16.00% of its share capital** and carrying the rights to 11,135,999 votes (or 16% of the total vote) at Rafako's general meeting;

c. **jointly with MULTAROS – 45,936,000 Rafako shares, representing 66% of its share capital** and carrying the rights to 45,936,000 votes (or 66% of the total vote) at Rafak's general meeting**.**

Key financial ratios for 2011







- A 36% yoy revenue growth, driven mainly by the highway and sports stadium construction projects, as well as consolidation of Energomontaż Południe (as of July 1st 2011) and Rafako (as of November 2011)
- Gross margin slightly down, due to a large share of road construction projects in total revenue (the road construction segment contributed PLN 1.13bn to the top line)
- The acquisitions of Energomontaż Południe and Rafako marked the beginning of an important shift in the Group's business and its repositioning towards power engineering.
- Accounting policy changes concerning inclusion of certain income and cost items in operating and financing activities.

PBG Group's financial position – Q1-Q4 2011 income statement

PBG S.A.

Commentary

- Revenue growth was driven by the execution of highway and stadium construction contracts and expansion of the Group.
- Consolidation of Rafako's results as of November 1st 2011 – revenue: PLN 218m, operating profit: PLN 8m, net profit: PLN 6.7m.
- Consolidation of Energomontaż Południe's results - revenue: PLN 192m, operating profit: PLN 10m, net profit: PLN 11.6m.
- Gross margin fell on the back of a higher share of low-margin segments (highways, stadiums) in the revenue structure.
- Finance costs increased as a result of higher debt incurred to finance working capital requirements (mostly road construction contracts).
- Change of the policy governing the classification of transactions to operating or financing activities (financing activities should include only those transactions, which are related to raising financing, while the results of investing activities involving investment and allocation of funds to the benefit of the Group's entities should be recognised as operating activities).

Financial performance

PLN '000	**Q1-Q4 2011**	**Q1-Q4 2010**	**y-o-y change**
Revenue	3,733 829	2,740,311	+36
Cost	3,317,416	2,398,682	+38
Gross profit/(loss)	**416,413**	**341,629**	**+22**
Distribution costs	9,672	73	-
Administrative expenses	129,157	109,096	+18
Profit/(loss)	**277,584**	**232,460**	**+19**
Other income	113,931	126,506	-10
Other expenses	54,776	72,441	-24
Operating profit (loss)	**336,199**	**286,525**	**+17**
Finance costs	60,148	48,180	+25
Share of profit /(loss) of associates accounted for using the equity method	(4,744)	(4,061)	-
Profit/(loss) before tax	**271,307**	**234,284**	**+16**
Income tax expense	49,113	49,756	-1
Net profit/(loss) attributable to:	**222,194**	**184,528**	**+20**
- owners of the Parent	**206,471**	**190,284**	**+9**
- non-controlling interests	15,723	(5,756)	**-**

Margins (%)

PLN '000	**Q1-Q4 2011**	**Q1-Q4 2010**	**y-o-y change (pp)**
Gross margin	11.2	12.5	-1.3
Operating margin	9.0	10.5	-1.5
Net margin	5.5	6.9	-1.4

Other income

PLN '000	**Q1-Q4 2011**	**Q1-Q4 2010**
Interest on loans	24,723	33,781
Foreign exchange gains	12,004	-
Reversals of allowance for credit losses on receivables	6,467	32,468

Other expenses

PLN '000	**Q1-Q4 2011**	**Q1-Q4 2010**
Allowance for credit losses on receivables	18,524	17,968
Compensation and penalties paid	4,969	19,292
Interest on liabilities	3,898	2,057

Finance income

PLN '000	**Q1-Q4 2011**	**Q1-Q4 2010**
Foreign exchange gains	16,050	11,399
Interest on financial instruments	8,843	6,130
Deposits	7,311	4,385

Finance costs

PLN '000	**Q1-Q4 2011**	**Q1-Q4 2010**
Interest on bonds	41,047	34,413
Interest on bank borrowings	10,995	23,179
Interest on bank overdrafts	27,552	10,040

PBG Group's financial position – Q4 2011 income statement

PBG S.A.

Commentary

- Revenue growth was driven by the execution of road construction contracts (PLN 1.1bn vs. PLN 299m) and the consolidation of Energomontaż Południe (PLN 192m) and Rafako (PLN 218m).
- Gross margin fell on the back of a higher share of low-margin segments in the revenue structure.
- Fair-value measurement of Rafako shares, following a change in the consolidation method, was recognised in other expenses at PLN 21.9m.
- Consolidation of Rafako's results: distribution costs of PLN 5.6m.
- Consolidation of Energomontaż Południe's and Rafako's results: administrative expenses of PLN 10.5m and PLN 7.3m, respectively.
- Operating margin was materially affected by the recognition in other expenses of PLN 21.9m fair-value measurement of Rafako shares.
- Net margin declined as a result of increased finance costs and high effective tax rate, which followed chiefly from non-disclosure by two of our subsidiaries of income tax in the financial statements for nine months ended September 30th 2011. As a result, the tax settled in December 2011 comprised tax charged on these companies' income for the entire reporting period. Another factor contributing to the high tax level was derecognition of a deferred tax asset on unused tax loss.

Financial performance

PLN '000	Q4 2011	Q4 2010	y-o-y change
Revenue	1,353,331	855,257	+58
Cost	1,193,062	744,534	+60
Gross profit/(loss)	**160,269**	**110,723**	**+45**
Distribution costs	6,006	7	-
Administrative expenses	46,387	30,485	+52
Profit/(loss)	**107,876**	**80,231**	**+34**
Other income	1,870	61,622	-97
Other expenses	39,617	31,098	+27
Operating profit /(loss)	**70,129**	**110,755**	**-37**
Finance costs	7,412	14,170	-48
Share of profit (loss) of associates accounted for using the equity method	-	(1,682)	-
Profit/(loss) before tax	**62,717**	**94,903**	**-34**
Income tax	20,401	24,452	-17
Net profit/(loss) attributable to:	**42,316**	**70,451**	**-40**
- owners of the Parent	**30,856**	**71,440**	**-57**
- non-controlling interests	11,460	(989)	-

Margins (%)

PLN '000	Q4 2011	Q4 2010	y-o-y change (pp)
Gross margin	11.8	12.9	-1.1
Operating margin	5.2	12.9	-7.7
Net margin	2.3	8.4	-6.1

Other income

PLN '000	Q4 2011	Q4 2010
Interest on loans	1,366	8,434
Lease	2,967	253
Compensation and penalties received	6,329	2,082

Other expenses

PLN '000	Q4 2011	Q4 2010
Allowance for credit losses on receivables	17,388	580
Compensation and penalties paid	3,103	3,444
Interest on liabilities	1,912	466

Finance income

PLN '000	Q4 2011	Q4 2010
Interest on financial instruments	3,059	1,139
Loans and receivables	1,504	-
Foreign exchange gains/(losses)	11,690	6,208

Finance costs

PLN '000	4Q 2011	4Q 2010
Interest on bonds	5,731	11,633
Interest on bank borrowings	1,289	10,930
Interest on bank overdrafts	12,099	459

BPG Group's assets – statement of financial position

Statement of financial position

PLNm	2008	2009	2010	Q4 2011
Non-current assets	902	1,018	1,594	2,242
Cash and cash equivalents	**289**	**660**	**709**	**559**
Other current assets	1,651	2,337	2,447	3,825
Total assets	**2,841**	**4,015**	**4,750**	**6,627**
Interest-bearing debt[1]	805	1,135	1,438	2,019
Other liabilities[2]	940	1,262	1,494	2,278
Equity	1,096	1,619	1,818	2,329
Total equity and liabilities	**2,841**	**4,015**	**4,750**	**6,627**
Net debt	**517**	**475**	**740**	**1,459**
Net debt / EBITDA	**1.8x**	**1.4x**	**2.2x**	**3.0x[3]**

[1] Interest-bearing debt includes Borrowings, Bonds and Finance Lease.
[2] Including: Trade and other payables and Amounts due to customers for construction contract work in the amount of PLN 1.83bn.
[3] Ratio calculated based on a formula agreed upon with financial institutions.

High liquidity in all years. Decline in 2011 caused by high demand for working capital relating to road and stadium construction projects, as well as equity investments in Energomontaż-Południe and Rafako.

Includes in particular trade and other receivables (PLN 1,411m), amounts due from customers from construction contract work (PLN 1,225m) and inventories (PLN 464m).

Debt increase driven by capital-intensive projects and acquisitions in 2010 and 2011. Debt expected to fall upon completion of the projects and reversal of the working capital build-up.

Strong equity position

PBG Group’s economic standing – Cash flows

Cash flows				
PLNm	2008	2009	2010	4Q 2011
Profit before tax	214	260	234	271
Adjustments and other	108	184	68	81
Net changes in working capital	(550)	85	188	(774)
Cash from (used in) operating activities	**(253)**	**305**	**434**	**(496)**
Operating capex	(110)	(70)	(144)	(163)
Other cash flows from investing activities	(75)	(281)	(386)	13
Cash from (used in) investing activities	**(186)**	**(351)**	**(530)**	**(150)**
Cash from (used in) financing activities	**315**	**417**	**145**	**497**
Net change in cash	**(123)**	**371**	**48**	**(150)**
Cash at beginning of period	410	289	660	709
Cash at end of period	**289**	**660**	**709**	**559**

PLN 271m profit before tax – highest in the last four years.

Strong need in 2011 owing to four large road construction projects and completion of Euro 2012 stadium projects.

Stable operating capex. In 2011, expenditures were related to the purchase of heavy equipment and a PLN 52m investment in buildings and land.

Historically, expenses incurred in connection with the purchase of real estate and construction of aggregate quarry (Strateg Capital)

Cash from (used in) financing activities resulting from new borrowings and issue of bonds in 2008 and 2009.

High liquidity in all years. Reduction in 2011 caused by the capital-intensive road and stadium construction projects.

PBG's stand-alone performance – Q1-Q4 2011 income statement

PBG S.A.

Commentary

- Revenue grew by 9% year on year, primarily as a result of the execution of projects in the gas segment, which accounted for 77% of PBG's revenue in 2011.
- Shrinking of the gross margin was attributable to the execution of projects in the industrial construction segment.
- Change of the policy governing the classification of transactions to operating or financing activities (financing activities should include only those transactions, which are related to raising financing, while the results of investing activities involving investment and allocation of funds to the benefit of the entity should be recognised as operating activities).
- Finance costs increased in connection with the service of debt under bond issues: interest on bonds recognised in the separate financial statements amounts to PLN 70m, whereas interest on bonds in the consolidated financial statements of the PBG Group is PLN 41m. In the PBG Group only the parent has issued bonds and incurs related costs, including interest accruing pursuant to the indenture. Therefore, the balance of over PLN 28m results only from a consolidation adjustment.

Financial performance

PLN '000	Q1-Q4 2011	Q1-Q4 2010	y-o-y change
Revenue	1,001,914	918,230	+9
Cost	845,984	743,223	+14
Gross profit/(loss)	**155,930**	**175,007**	-11
Distribution costs	-	-	-
Administrative expenses	31,015	29,486	+5
Profit/(loss)	**124,915**	**145,521**	**-14**
Other income	97,465	52,471	+86
Other expenses	6,298	4,679	+35
Operating profit/(loss)	**216,082**	**193,313**	**+12**
Dividend income	-	43,228	-
Finance costs	63,355	42,005	+51
Other gains/(losses) on investments	-	-	-
Profit/(loss) before tax	**152,727**	**194,536**	**-21**
Income tax expense	29,903	29,148	+3
Net profit	**122,824**	**165,388**	**-26**

Margins (%)

PLN '000	Q1-Q4 2011	Q1-Q4 2010	y-o-y change (pp)
Gross margin	15.6	19.1	-3.5
Operating margin	21,6	21,1	+0,5
Net margin	12.3	18.0	-6.7

Other income

PLN '000	Q1-Q4 2011	Q1-Q4 2010
Interest on loans	43,586	36,917
Foreign exchange gains	13,449	-
Interest on cash in current bank account	11,994	5,807

Other expenses

PLN '000	Q1-Q4 2011	Q1-Q4 2010
Allowance for credit losses on receivables	3,360	-
Foreign exchange gains/(losses)	-	2,083
Compensation and penalties paid	320	782

Finance income

PLN '000	Q1-Q4 2011	Q1-Q4 2010
Interest on financial instruments	4,422	8,177
Foreign exchange gains/(losses)	8,504	4,636
Deposits	3,178	6,663

Finance costs

PLN '000	Q1-Q4 2011	Q1-Q4 2010
Interest on bonds	69,863	45,139
Interest on bank borrowings	6,883	7,927
Interest on bank overdrafts	962	11,792

PBG's stand-alone performance – Q4 2011 income statement

Commentary

- Revenue fell by 18% year on year as a result of the execution of projects in the gas and industrial construction segments.
- Shrinking of the gross margin was attributable to the execution of projects in the industrial construction segment.

Financial performance

PLN '000	**Q4 2011**	**Q4 2010**	**y-o-y change**
Revenue	316,342	384,342	-18
Cost	275,362	310,653	-11
Gross profit/(loss)	**40,980**	**73,689**	-44
Distribution costs	-	-	-
Administrative expenses	10,395	8,499	+22
Profit/(loss)	**30,585**	**65,190**	**-53**
Other income	32,086	16,175	+98
Other expenses	651	1,882	-65
Operating profit/(loss)	**62,020**	**79,483**	-22
Finance costs	16,515	14,901	+11
Other gains/(losses) on investments	-	-	-
Profit/(loss) before tax	**45,505**	**64,582**	**-30**
Income tax expense	9,969	11,801	-16
Net profit	**35,536**	**52,781**	**-33**

Margins (%)

PLN '000	**Q4 2011**	**Q4 2010**	**y-o-y change (pp)**
Gross margin	13.0	19.2	-6.2
Operating margin	19.6	20.7	-1.1
Net margin	11.2	13.7	-2.5

Other income

PLN '000	**Q4 2011**	**Q4 2010**
Profit/(loss) on derivative instruments	13,732	(859)
Interest on loans	12,114	10,317
Gain on disposal of equity instruments	4,099	-

Other expenses

PLN '000	**Q4 2011**	**Q4 2010**
Allowance for credit losses on receivables	3,360	-
Foreign exchange gains/(losses)	(3,297)	739
Compensation and penalties paid	97	550

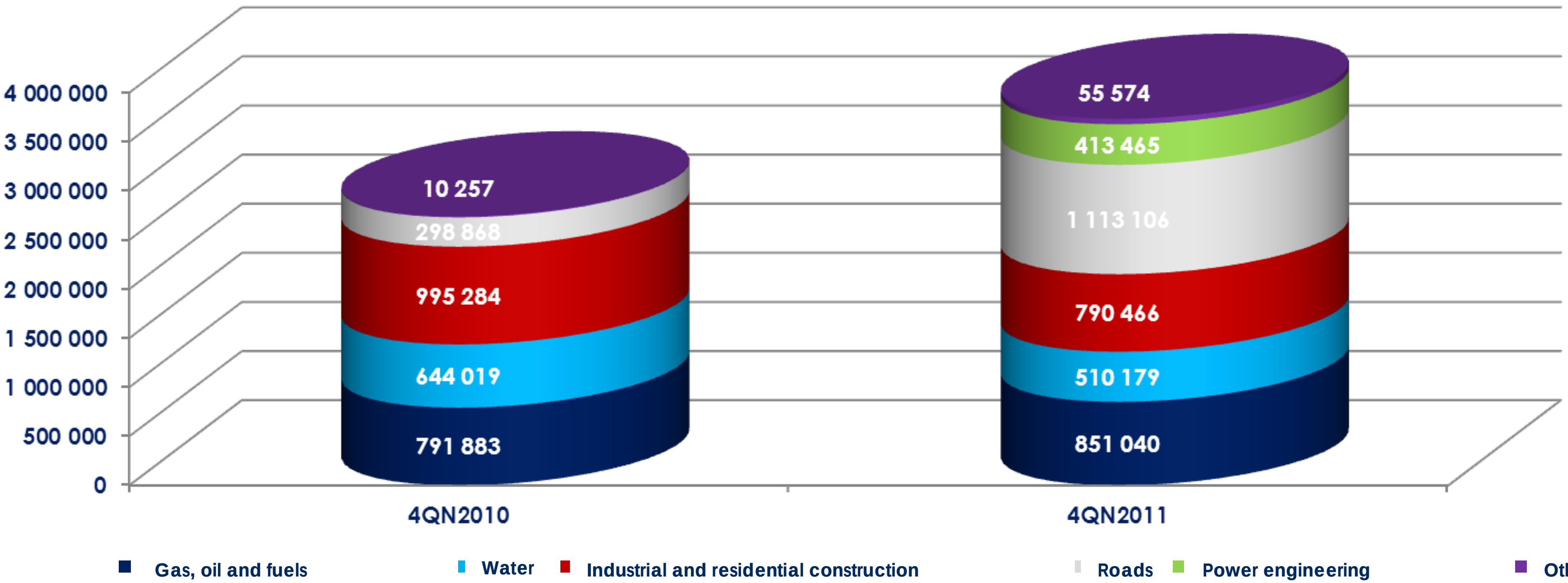
Finance income

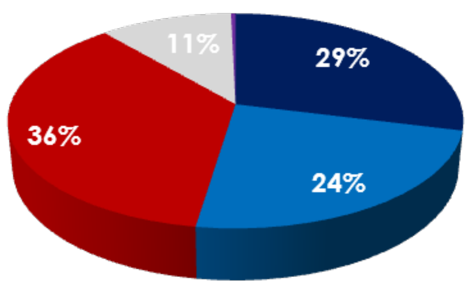
PLN '000	**Q4 2011**	**Q4 2010**
Foreign exchange gains	6,690	2,464
Interest on financial instruments	333	1,564
Deposits	191	1,176

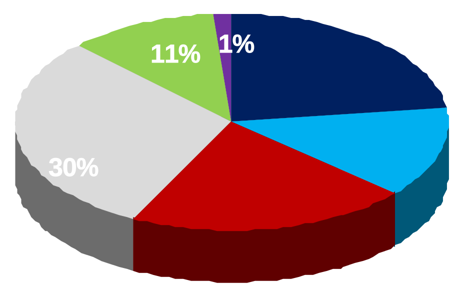
Finance costs

PLN '000	**4Q 2011**	**4Q 2010**
Interest on bonds	19,782	17,227
Interest on bank borrowings	3,502	1,772
Interest on bank overdrafts	(43)	704

PBG Group's financial performance in Q1-Q4 2011 and Q1-Q4 2010, by segments



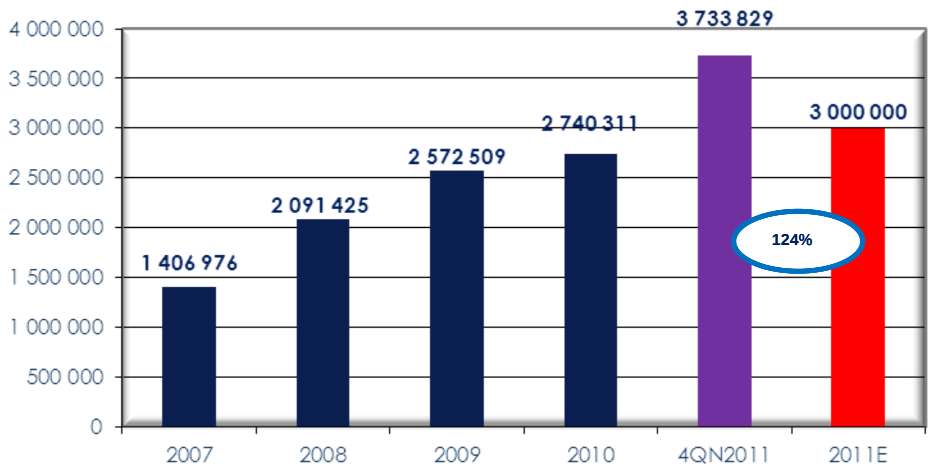




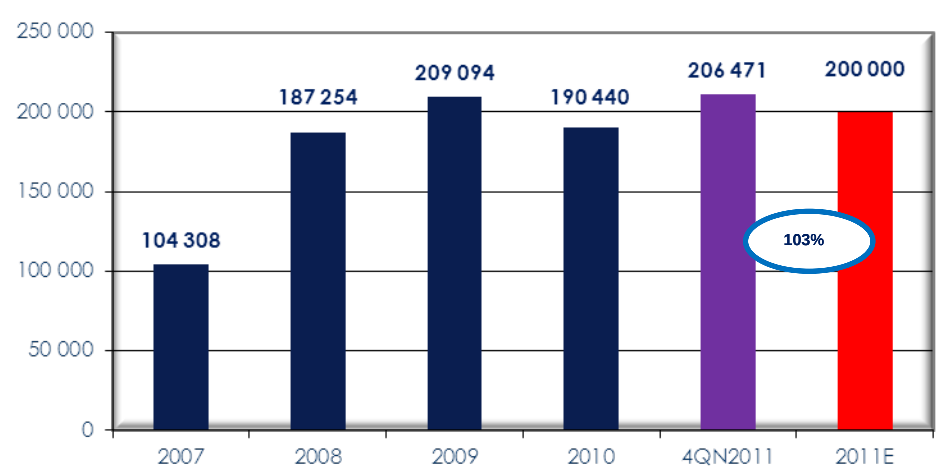
SEGMENTS	GAS, OIL AND FUELS	WATER	INDUSTRIAL AND RESIDENTIAL CONSTRUCTION	ROAD CONSTRUCTION	POWER ENGINEERING	OTHER
GROSS MARGIN IN Q1-Q4 2011 R(%)	16.5	16.5	6.3	4.3	17.2	40.2
GROSS MARGIN IN Q1-Q4 2010 R(%)	22.8	10.8	5.9	9.6	0.0	44.4

PBG Group's financial highlights (PLN '000)

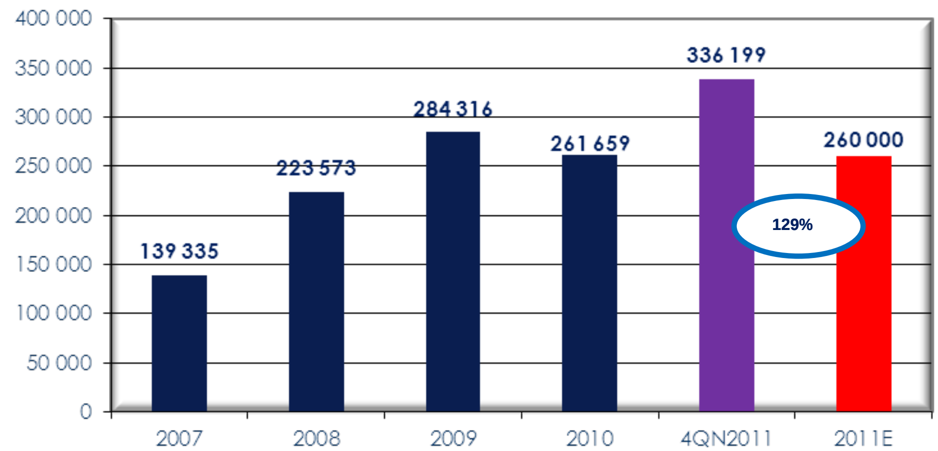
REVENUE



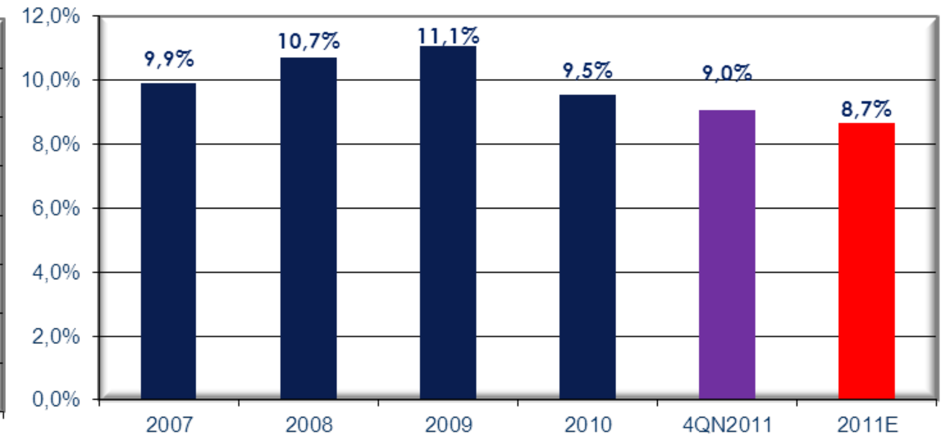
NET PROFIT



OPERATING PROFIT - EBIT



OPERATING MARGIN

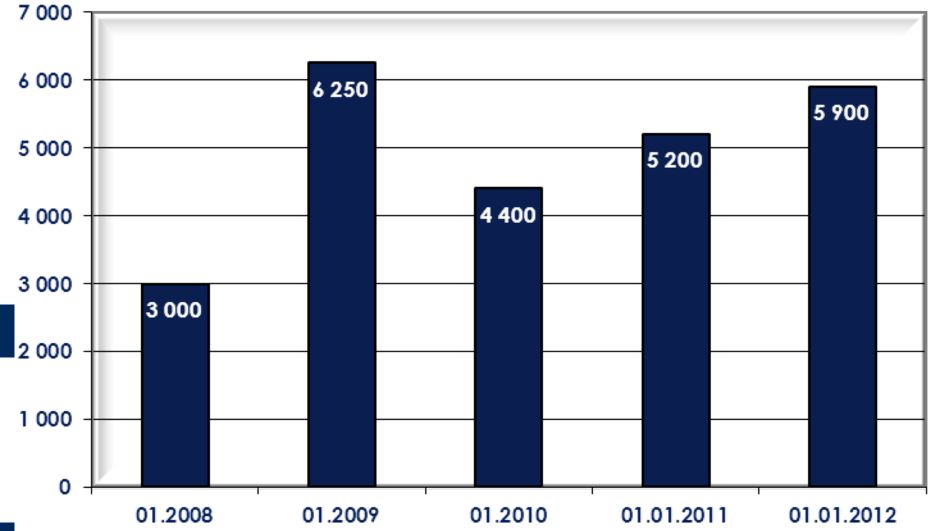


PBG Group's order book

Key information

- Our core segments account for over 50% of the order book
- The order book represents 1.6x of revenue
- It is expected that the Opole contract will add PLN 3.2bn to the order book, raising its value to 2.4x of revenue
- Road segment's share and significance to decrease.

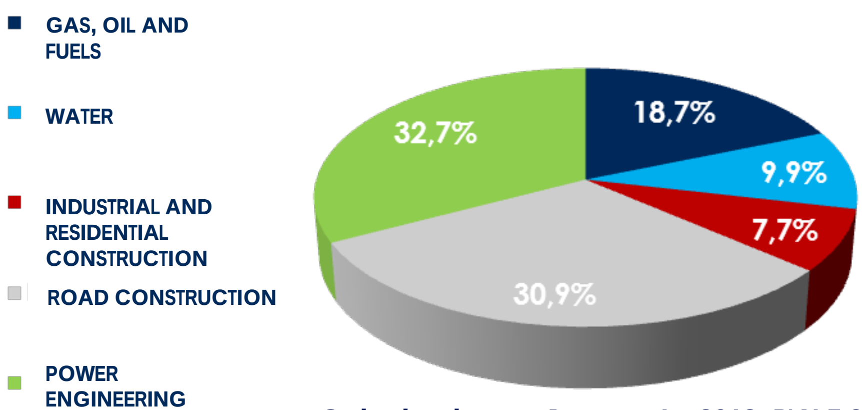
Order book (PLNm)



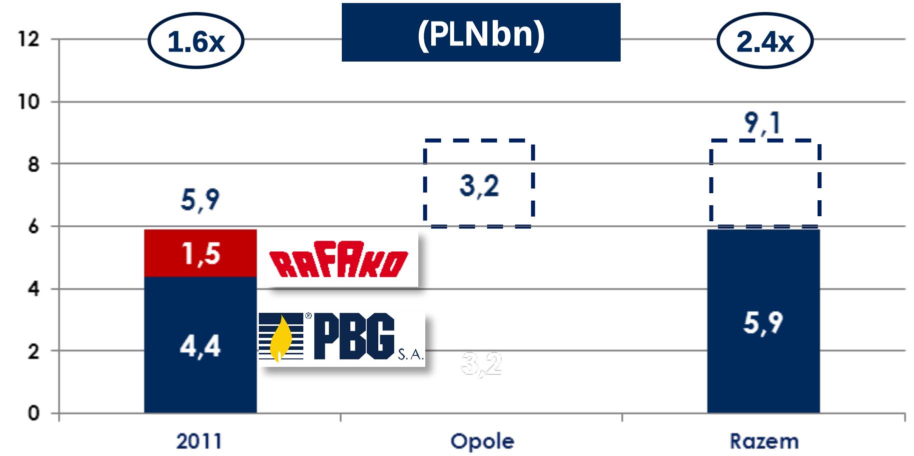
Key contracts in the order book

- LNG Terminal; 2010-2014; PLN 2.1bn
- LMG crude oil and natural gas production facility; 2008-2013; PLN 1.4bn

Order book by segments



Order book as at January 1st 2012: PLN 5.9bn



The key advantage of our order book is its excellent visibility in revenues going forward, which is additionally enhanced by a significant increase of the order book's value, resulting from execution of the Opole contract.

Order book/ Revenue in 2011

Strategy of the PBG Group

PBG'S STRATEGIC PLANS FOCUS ON HIGH-MARGIN CORE SEGMENTS, ON STRENGTHENING THE LEADERSHIP, AND ON DELEVERAGING

Expansion in the Polish power engineering market	▪ Placing RAFAKO S.A. as the leader of the PBG Group's power engineering segment ▪ Strategic cooperation with major players on the global power engineering market to facilitate joint acquisition and execution of contracts in Poland ▪ Building up own competences and credentials through winning and execution of contracts of increasingly larger unit values
Strengthening the Company's position as the leader in the gas and oil sector in Poland	▪ Winning the largest contracts in Poland ▪ Expanding the range of credentials through continuous development of engineering skills, improvement of project management skills and execution of increasingly more complex projects
Participation in the infrastructure and specialist construction market	▪ Presence in the waste management plants construction market ▪ Presence in the waste incineration plants construction market ▪ Presence in the hydro-engineering market
Deleveraging	▪ Disposal of non-core assets ▪ Reduction of exposure to non-core sectors requiring substantial capital expenditure

Structure of the PBG Group

PBG S.A.

GAS, OIL AND EPC SERVICES

POWER ENERGINEERING

- RAFAKO – 66.00%
- ENERGOMONTAŻ-POŁUDNIE SA – 64.84%
- PBG energia – 99.95%

GENERAL CONSTRUCTION, ENVIRONMENTAL PROTECTION, HYDRO-ENGINEERING

- HYDROBUDOWA POLSKA S.A. GRUPA PBG – 63.05%
- PRG METRO GRUPA PBG – 98.49%
- KWG GRUPA PBG – 100.00%
- METOREX GRUPA PBG – 99.56%
- AQUA S.A. – 81.69%
- PBG technologia – 100.00%

ROAD CONSTRUCTION

- APRIVIA GRUPA PBG – 100.00%
- DROMOST GRUPA PBG – 99.99%
- PRID GRUPA PBG – 100.00%
- Betpol GRUPA PBG – 70.00%

RESIDENTIAL CONSTRUCTION

- PBG DOM GRUPA PBG – 100.00%
- PBG ERIGO DEWELOPER – 100.00%

AGGREGATE QUARRIES

- BROKAM GRUPA PBG – 100.00%
- BATHINEX – 100.00%

FOREIGN OPERATIONS

- EXCAN OIL AND GAS ENGINEERING LTD – 100.00%
- PBG UKRAINA – 100.00%
- WSCHODNI INVEST – 100.00%
- ENERGOPOL UKRAINA – 51.00%

Disclaimer

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