



PBG Group's Financial Results – 1Q2011

May 13, 2011

Presentation:
Jerzy Wiśniewski, CEO
Przemysław Szkudlarczyk, CFO

The most important events in the PBG Group since the beginning of 2011



MONTH	EVENT
January	Sale of 500.000 shares by main shareholder of PBG – Mr. Jerzy Wiśniewski, and therefore decreasing his share to 41,42% at AGM.
March	Signing an agreement concerning „Connecting Airport with Seaport Gdańsk – Słowackiego Route – Phase II, section Potokowa Street – Rzeczypospolitej Avenue” total length of 3,32 km. PLN 129,3 mn VAT exclusive.
April	Signing an agreement on execution of „ Construction of sports hall in Toruń ”. PLN 99 mn VAT exclusive. Signing a Memorandum of Understanding between PBG and Obrascon Huarte Lain (OHL) on close cooperation on foreign markets in the segment of natural gas and crude oil, including natural gas and crude oil transmission installations, pipelines, natural gas and crude oil storage systems in Mexico, Brasil and other countries in South America. Positive opinion of the Supervisory Board on Management Board’s motion on PLN 20,013 dividend in the amount of PLN 1,40. Call for Energomontaż Południe shares up to 66%. Increased stake in PBG by Pioneer Pekao Investment Management . Currently, its share in overall amount of votes at AGM is 19,18%.
May	Suspending negotiations with Spanish OHL on sales of 51% of Hydrobudowa Polska and 50,1% of Aprivia. Decision has been made by mutual agreement, and it derives from significant decrease of HBP's share price, and therefore its market value. Talks will be renewed after reaching by HBP's share price the level from the beginning of negotiations.

P&L

<i>In thousand PLN</i>	1Q 2011	1Q 2010	change % y/y	2010	2009	change % y/y
REVENUES	477 635	469 024	+2	2 740 311	2 572 509	+7
GROSS PROFIT(LOSS)	55 269	48 660	+14	347 236	389 943	-11
EBIT	33 472	23 924	+40	272 710	284 316	-4
AMORTIZATION	11 244	11 588	-3	46 973	47 256	-1
EBITDA	44 716	35 512	+26	319 683	331 572	-4
NET PROFIT(LOSS)	24 261	17 436	+39	218 559	219 860	-1
PARENT COMPANY PROFIT(LOSS)	24 084	17 768	+36	224 315	209 094	+7
MINORITY SHAREHOLDER PROFIT(LOSS)	177	-332	-	-5 756	10 766	-

Balance Sheet

<i>In thousand PLN</i>	As of 31.03.2011	As of 31.03.2010	change % y/y
ASSETS	4 588 846	3 740 749	+23
TRADE RECEIVABLES	2 871	12 149	-76
RECEIVABLES FROM CONTRACTING PARTIES DUE TO WORKS SET OUT	511 013	833 046	-39
EQUITY OF THE PARENT COMPANY	1 627 514	1 436 880	+13
EARNING PER SHARE(EPS)	1,68	1,24	+35
CREDITS AND LOANS	611 109	635 611	-4
LONG TERM CREDIT AND LOANS	150 142	85 831	+75
SHORT TERM CREDIT AND LOANS	460 967	549 780	-16
BONDS	839 997	534 788	+57
TRADE PAYABLES	6 245	22 558	-72

CASH FLOW		
<i>In thousand PLN</i>	1Q2011	1Q2010
NET CASH FROM OPERATIONS	-194 968	5 645
NET CASH FROM INVESTMENTS	-84 949	-250 692
NET CASH FROM FINANCIAL ACTIVITY	3 295	28 628
NET CASH FLOW AND CASH EQUIVALENTS BALANCE	-283 212	-216 419

<i>In thousand PLN</i>	As of 31.03.2011	As of 31.03.2010	change % y/y
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	425 567	443 941	- 4
CREDITS AND LOANS	611 109	635 611	+ 24
NET DEBT	1 025 539	726 458	+ 41
NET DEBT/EBITDA	22,93	20,46	+12
CREDIT AND GUARANTEE LINES	3 640 000	2 656 000	+37

PBG Group's Financial Results 1Q2010



Financial results						
<i>In thousand PLN</i>	1Q 2011	1Q 2010	change% y/y	2010	2009	change % y/y
Revenues	477 635	469 024	+2	2 740 311	2 572 509	+7
Costs	422 366	420 364	+0,5	2 393 075	2 182 566	+10
Gross profit (loss) on sales	55 269	48 660	+14	347 236	389 943	-11
Costs of sold products, goods & materials	1 198	0	-	73	0	-
General and administrative costs	25 653	24 811	+3	109 096	109 764	-1
Profit (loss) on sales	28 418	23 849	+19	238 067	280 179	-15
Other operating revenues	8 047	18 392	-56	66 863	31 143	+115
Other operating expenses	3 340	17 721	-83	33 603	27 006	+24
Share in profit	347	1 404	-75	1 383	0	-
Profit (loss) on operating activities	33 472	23 924	+40	272 710	284 316	-4
Financial revenues	12 189	16 030	-24	64 015	30 717	+108
Financial expenses	19 270	17 129	+12	71 324	58 850	+21
Other revenues/expenses from investment	3 957	0	-	2 209	4 265	-48
Gross profit (loss)	30 348	22 825	+33	267 610	260 448	+3
Income tax	6 087	5 389	+13	49 051	40 588	+21
Net profit (loss), including:	24 261	17 436	+39	218 559	219 860	-1
Parent company profit (loss)	24 084	17 768	+36	224 315	209 094	+7
Minority shareholder profit (loss)	177	-332	-	-5 756	10 766	-
Margins (%)						
<i>In thousand PLN</i>	1Q 2011	1Q 2010	change p.p. y/y	2010	2009	change p.p. y/y
GROSS MARGIN	11,6%	10,4%	+1,2	12,7%	15,2%	-2,5
OPERATING MARGIN	7,0%	5,1%	+1,9	10,0%	11,1%	-1,1
NET MARGIN	5,0%	3,8%	+1,3	8,2%	8,1%	-0,1

Other operating revenues		
<i>In thousand PLN</i>	1Q2011	1Q2010
write-offs amount	2 969	14 244
compensation	1 751	1 717
lease, rental	1 180	1 144

Other operating costs		
<i>In thousand PLN</i>	1Q2011	1Q2010
compensation	309	14 436
write-offs amount	326	4 051
donations	551	117

Financial revenues		
<i>In thousand PLN</i>	1Q2011	1Q2010
loan interest	4 955	5 420
bank loan interest	1 500	3 402
revenues from transactions on financial markets	2 462	2 732

Financial expenses		
<i>In thousand PLN</i>	1Q2011	1Q2010
bonds interest	11 084	9 988
bank loan interest	7 627	5 351
exchange loss	0	418

Financial Results

<i>In thousand PLN</i>	1Q 2011	1Q 2010	change % y/y	2010	2009	change % y/y
Revenues	163 787	110 825	+ 48	909 953	827 463	+10
Costs	137 248	90 810	+ 51	735 076	679 400	+8
Gross profit (loss) on sales	26 539	20 015	+ 33	174 877	148 063	+18
Costs of sold products, goods & materials	-	-	-	-	-	-
General and administrative costs	6 629	6 147	+ 8	29 486	29 113	+1
Profit (loss) on sales	19 910	13 868	+ 44	145 391	118 950	+22
Other operating revenues	3 246	1 283	+ 153	7 978	8 887	-10
Other operating expenses	677	359	+ 89	2 379	2 241	+6
Profit (loss) on operating activities	22 479	14 792	+ 52	150 990	125 596	+20
Financial revenues	17 641	14 551	+ 21	99 252	31 578	+214
Financial expenses	21 635	13 922	+ 55	56 371	35 487	+59
Other revenues/expenses from investment	-	-	-	17	-	-
Valuation of interests in joint ventures	-	-	-	647	-	-
Gross profit (loss)	18 485	15 421	+ 20	194 535	121 687	+60
Income tax	3 543	2 891	+ 23	29 148	23 408	+25
Net profit	14 942	12 530	+ 19	165 387	98 279	+68

Margins (%)

<i>In thousand PLN</i>	1Q 2011	1Q 2010	change p.p. y/y	2010	2009	change p.p. y/y
GROSS MARGIN	16,2	18,1	- 1,9	19,2%	17,9%	+1,3
OPERATING MARGIN	13,7	13,3	+0,4	16,6%	15,2%	+1,4
NET MARGIN	9,1	11,3	- 2,2	18,2%	11,9%	+6,3

Other operating revenues

<i>In thousand PLN</i>	1Q2011	1Q2010
profit on sale from fixed assets	979	-
compensation	828	106
release of provisions	271	21

Other operating expenses

<i>In thousand PLN</i>	1Q2011	1Q2010
donations	434	106
other costs	155	122
compensation	88	89

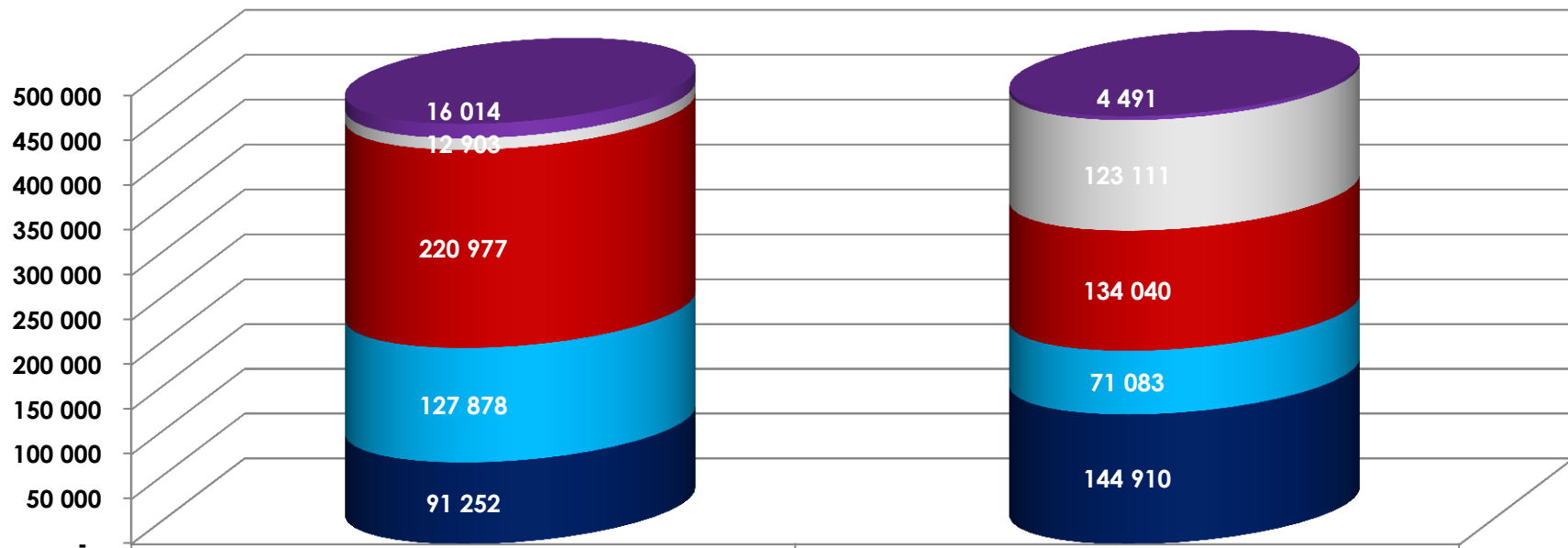
Financial revenues

<i>In thousand PLN</i>	1Q2011	1Q2010
loan interest	9 555	8 388
financial market revenues	4 100	2 590
bank loan interest	2 521	3 442

Financial expenses

<i>In thousand PLN</i>	1Q2011	1Q2010
bond interest	16 947	9 419
foreign currency losses	2 790	1 782
bank loan interest	1 790	2 471

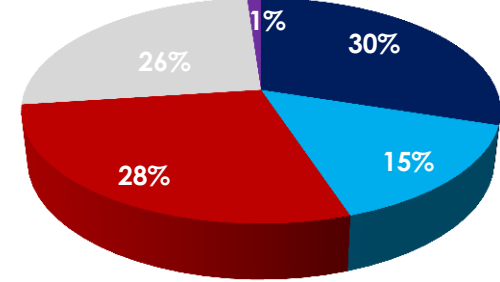
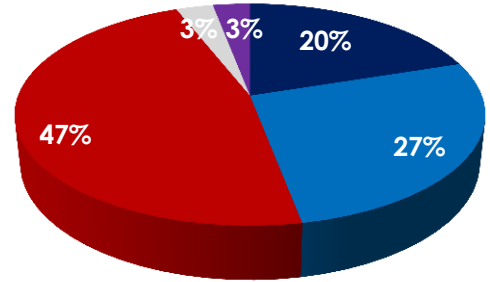
PBG Group's Financial Results FY 2010 & 2011 – Business Profile



1Q2010

1Q2011

■ Natural gas , crude oil & fuels ■ Water ■ Industrial and housing estate construction ■ Roads ■ Other

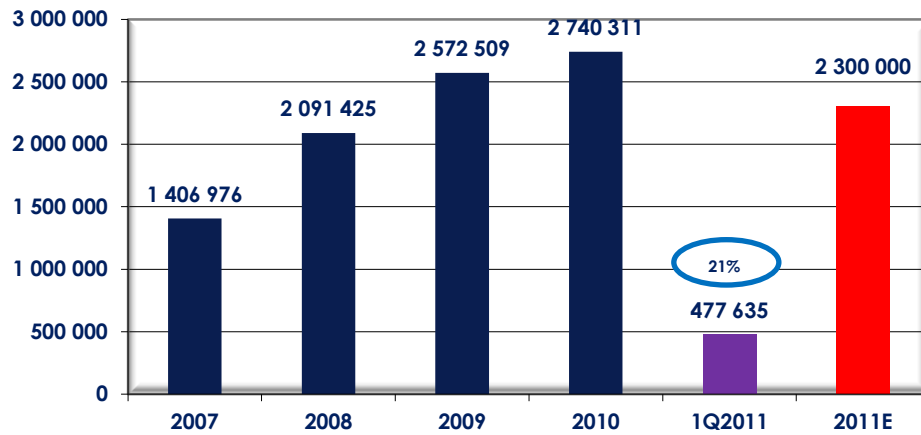


SEGMENTS	NATURAL GAS, CRUDE OIL AND FUELS	WATER	INDUSTRIAL AND RESIDENTIAL CONSTRUCTION	ROAD CONSTRUCTION	OTHER
GROSS MARGIN IN 1Q2011 (%)	19	21	8	2	29
GROSS MARGIN IN 1Q2010 (%)	19	7	10	-22	19

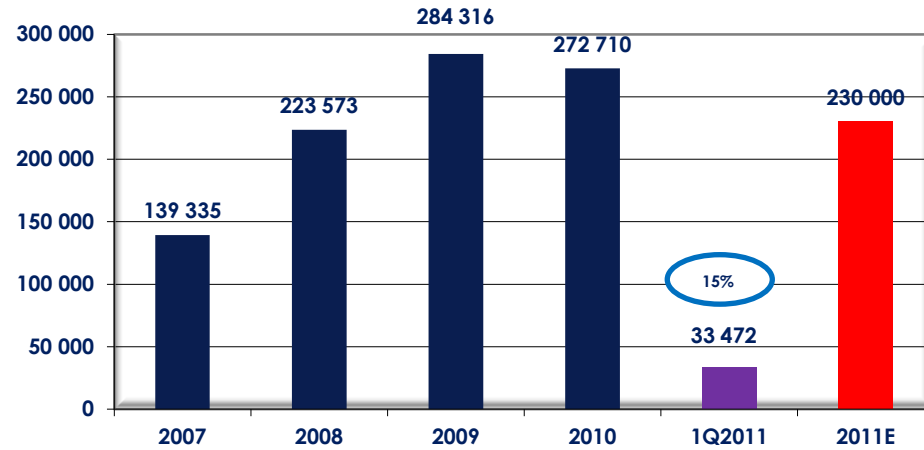
Selected financial highlights of the PBG Group 2007 – 2011 [PLN'000]



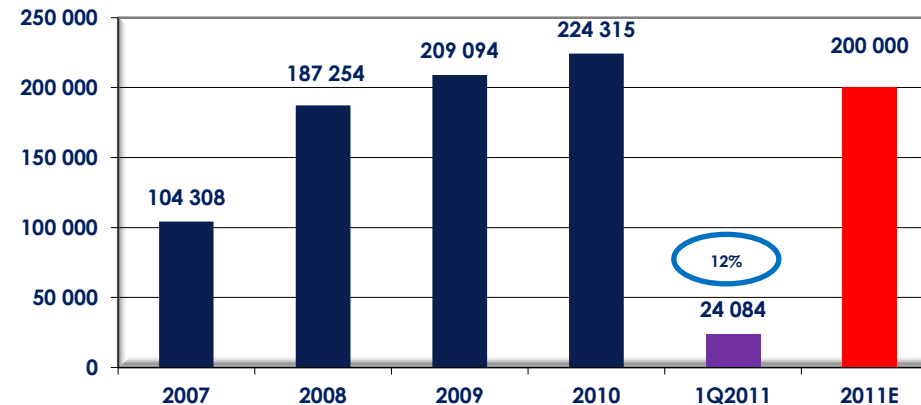
SALES



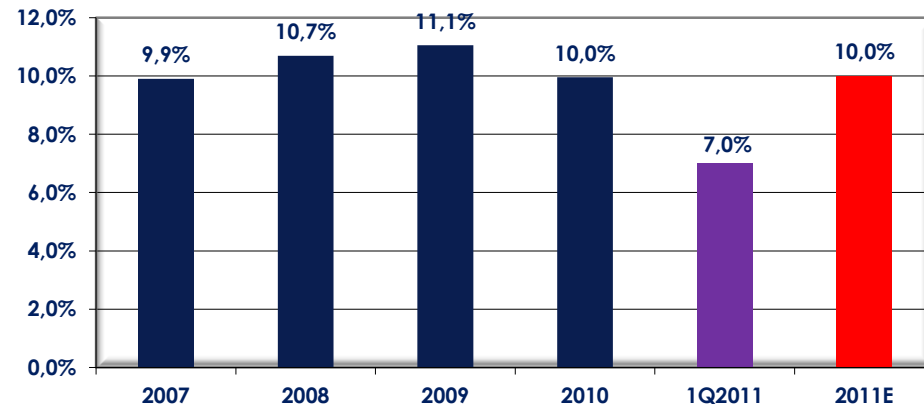
OPERATING PROFIT - EBIT



NET PROFIT



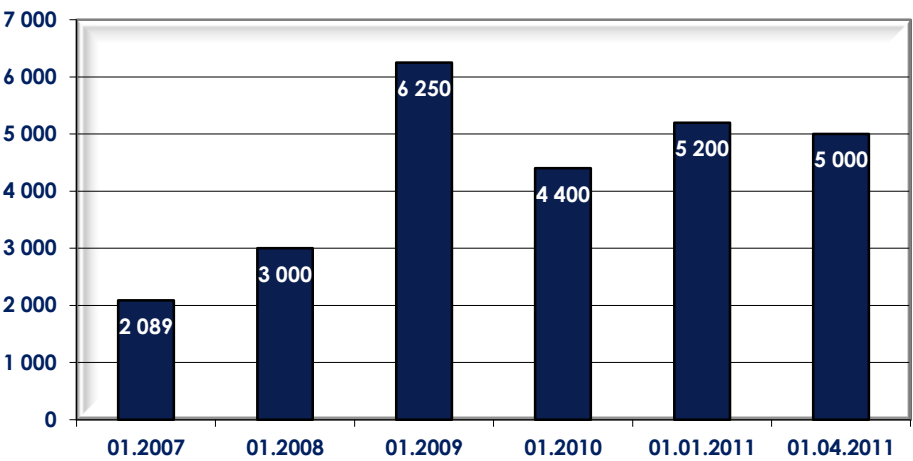
OPERATING MARGIN



BACKLOG OF ORDERS AS OF APRIL 1, 2011

Natural gas, crude oil & fuels	33,6%
Water	8,3%
Industrial and residential construction	19,3%
Road construction	38,8%
TOTAL	100%

BACKLOG OF ORDERS



	ESTIMATED VALUE [mPLN]	
	2010	1Q2011
Submitted tenders	32 547,00	5 075,00
Signed contracts	3 817,00	355,00
	%	%
Hit ratio	11,7%	7,0%

	VALUE [mPLN]	YEARS	
		2011	2012 and further
Backlog of orders	5 000,00	2 600,00	2 400,00

	ESTIMATED VALUE [mPLN]
Value of submitted tenders awaiting for settlement (April 2011)	4 021,00
Value of offers in prequalification (April 2011)	46 484,00
Value of offers in preparation (April 2011)	8 648,00

Structure of the PBG Group



**NATURAL GAS, CRUDE OIL & FUELS
ENGINEERING & GENERAL CONSTRUCTION**



Employment in the PBG Capital Group – 3 391 (as of April 30, 2011)

- Negotiations have been suspended by mutual agreement of PBG and OHL taking into account the evolution of the value of HBP in Warsaw Stock Exchange.
- Negotiations shall be restarted when HBP value achieves similar level than the value that HBP had when the negotiations started.
- Mutual agreement between OHL and PBG to cooperate in construction projects remains in force.

HBP GROUP'S CONSOLIDATED FINANCIAL FORECAST FOR FY 2011

 Consolidated revenues – about PLN 1,6 bn

 Net profit of the parent company – about PLN 50 mn

KEY ASSUMPTIONS TO THE FORECASTS

1. Forecast is based on contracts which HBP Group has in the backlog of orders.
2. Forecast does not include influence of potential contracts of a significant single value.

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