

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

PBG SA

INTERIM CONDENSED FINANCIAL STATEMENT

FOR THE PERIOD FROM 1 JANUARY 2008 TO 30 JUNE 2008

WYSOGOTOWO, 24 SEPTEMBER 2008

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting period:	01.01-30.06.2008
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

TABLE OF CONTENTS

1.	GENERAL INFORMATION.....	3
1.1.	ABOUT THE COMPANY AND ITS FINANCIAL STATEMENT	3
1.1.1.	SUBSIDIARIES AS AT 30 JUNE 2008.....	4
1.1.2.	MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD OF PGB SA.....	5
2.	BASIS OF THE FINANCIAL STATEMENT, REPORTING CURRENCY, AND APPROXIMATION OF AMOUNTS	6
2.1.	BASIS OF THE FINANCIAL STATEMENT	6
2.2.	REPORTING CURRENCY AND APPROXIMATION OF AMOUNTS	6
2.3.	AVERAGE EXCHANGE RATES OF PLN AGAINST EURO	6
3.	ACCOUNTING PRINCIPLES.....	7
4.	SEASONALITY OF BUSINESS.....	7
5.	SEGMENT REPORTING.....	7
6.	INTERIM CONDENSED FINANCIAL STATEMENT.....	8
6.1.	NOTES TO THE BALANCE SHEET.....	15
6.2.	NOTES TO THE PROFIT AND LOSS ACCOUNT.....	39
7.	OTHER NOTES AND EXPLANATIONS.....	42
8.	EVENTS AFTER THE BALANCE SHEET DATE	51

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

1. GENERAL INFORMATION

1.1. ABOUT THE COMPANY AND ITS FINANCIAL STATEMENT

PBG Spółka Akcyjna with its registered office in Wysogotowo k/Poznania, ul. Skórzewska 35, 62-081 Przeźmierowo, was established following the transformation of the limited liability company Technologie Gazowe Piecobiogaz Sp. z o.o. (resolution no. 1 of the Extraordinary General Meeting of Partners of Technologie Gazowe Piecobiogaz Sp. z o.o. of 1 December 2003). The Issuer's legal predecessor was established in 1997 by Mr. Jerzy Wiśniewski and Mrs. Małgorzata Wiśniewska. The Company is registered in the Register of Entrepreneurs of the National Court Register kept by the Local Court, XXI Commercial Division of the National Court Register, entry no. KRS 0000184508. PBG SA was assigned the statistical number REGON 631048917. The Company operates in Poland in accordance with the provisions of the Code of Commercial Companies.

Core business of PBG SA covers general construction works in the area of linear facilities: pipelines, power lines, traction lines, telecommunication lines – transmission lines (Polish Classification of Economic Activities PKD 4521 C).

This financial statement was signed by the Board of Directors of PBG SA on 25 September 2008.

The financial statement covers the period of 6 months from 1 January 2008 to 30 June 2008.

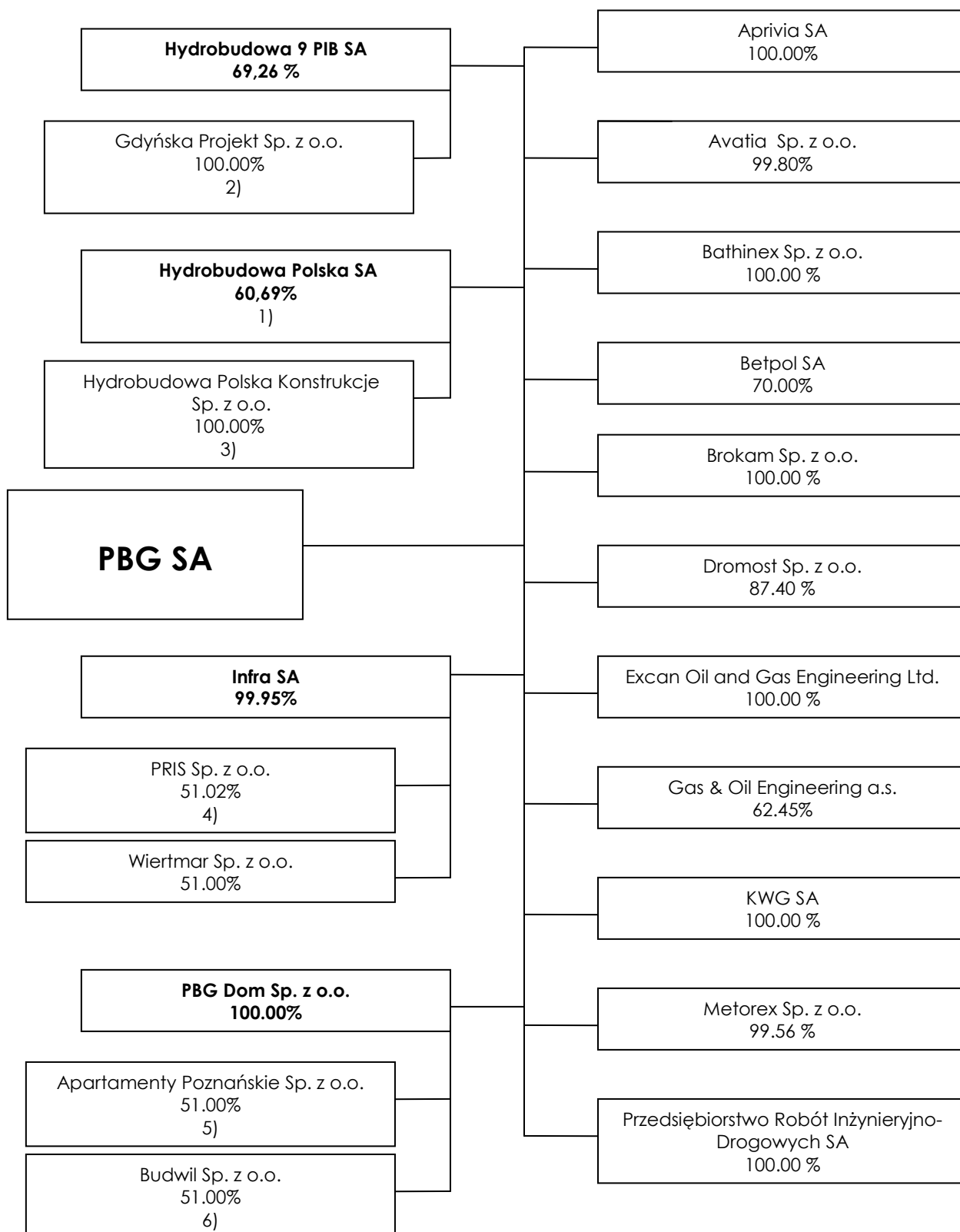
Comparative data as at 31 December 2007 and 30 June 2007 was presented in the Balance Sheet and Off-Balance Sheet Items.

Comparative data the period from 1 January 2007 to 30 June 2007 was presented in the Profit and Loss Account, Statement of Changes in Equity, and Cash Flow Statement.

The Company's duration shall be unlimited.

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting period:	01.01-30.06.2008
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

1.1.1. SUBSIDIARIES AS AT 30 JUNE 2008



Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

- 1) Hydrobudowa Polska SA with its registered office in Wysogotowo near Poznań, 62-081 Przeźmierowo is an entity established following the merger of the following Companies: Hydrobudowa Włocławek SA with its registered office in Włocławek and Hydrobudowa Śląsk SA with its registered office in Katowice.
- 2) Gdyńska Projekt Sp. z o.o. has been a subsidiary of Hydrobudowa 9 PIB SA as of 2 April 2008.
- 3) Hydrobudowa Polska Konstrukcje Sp. z o.o. has been a subsidiary of Hydrobudowa Polska SA as of 16 May 2008.
- 4) PRIS SA has been a subsidiary of Infra SA as of 31 August 2007. Wiertmar Sp. z o. o. has been a subsidiary of Infra SA as of 2 April 2008.
- 5) Apartamenty Poznańskie Sp. z o.o. has been a subsidiary of PBG Dom Sp. z o. o. as of 27 June 2008. As at 30 June 2007, Apartamenty Poznańskie Sp. z o.o. was a subsidiary of PBG SA - 51% stake, as at 30 June 008 it is a subsidiary of PBG Dom Sp. z o. o. - 51% stake.
- 6) Budwil Sp. z o. o. has been a subsidiary of PBG Dom Sp. z o. o. as of 8 April 2008.

1.1.2. MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD OF PBG SA

As at 30 June 2008, composition of the Company's Board of Directors was as follows:

- Jerzy Wiśniewski – President of the Board of Directors,
- Tomasz Woroch – Vice President of the Board of Directors,
- Przemysław Szkudlarczyk – Vice President of the Board of Directors,
- Tomasz Tomczak – Vice President of the Board of Directors,
- Mariusz Łożyński – Member of the Board of Directors,
- Tomasz Łatawiec – Member of the Board of Directors.

As at 30 June 2008, composition of the Company's Supervisory Board was as follows:

- Maciej Bednarkiewicz – Chairman of the Supervisory Board,
- Jacek Kseń – Vice Chairman of the Supervisory Board,
- Wiesław Lindner – Secretary of the Supervisory Board,
- Jacek Krzyżaniak – Member of the Supervisory Board,
- Małgorzata Wiśniewska – Member of the Supervisory Board,
- Dariusz Sarnowski – Member of the Supervisory Board,
- Adam Strzelecki – Member of the Supervisory Board,

On 12 March 2008, Mr Mirosław Dobrut handed in his resignation from membership in the Supervisory Board of PBG SA, due to a potential conflict of interest related to his membership in the management board of another listed company. Mr Dobrut's resignation did not affect the Supervisory Board's performance, including its ability to adopt resolutions.

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

On 1 September 2008, Małgorzata Wiśniewska handed in her resignation from membership in the Supervisory Board of PBG SA, as she became President of the Board of Directors in Infra SA, a subsidiary company of PBG SA.

2. BASIS OF THE FINANCIAL STATEMENT, REPORTING CURRENCY, AND APPROXIMATION OF AMOUNTS

2.1. BASIS OF THE FINANCIAL STATEMENT

The interim condensed financial statement of PBG SA was drawn up in accordance with the International Financial Reporting Standards in the scope applied to interim reports, as adopted by the European Union (IAS 34).

2.2. REPORTING CURRENCY AND APPROXIMATION OF AMOUNTS

PLN is the reporting currency of this consolidated financial statement, and all amounts are presented in PLN thousands (PLN '000) (unless indicated otherwise). The financial statement was converted to the reporting currency in accordance with the International Accounting Standard 21.

2.3. AVERAGE EXCHANGE RATES OF PLN AGAINST EURO

In the period covered by this financial statement and in comparative periods, the Company used average exchange rates of PLN and EURO set by the National Bank of Poland, and in particular:

a) net revenue from sales of products, goods and materials, operating profit, gross profit and net profit, as well as net cash flows from operations, net cash flows from investments, net cash flows from financial activity, and total net cash flows for H1 2008 were calculated based on the average exchange rate of EURO – arithmetic average of exchange rates set by the National Bank of Poland as at month end in each month of the period, i.e.: PLN 3.4776

a) net revenue from sales of products, goods and materials, operating profit, gross profit and net profit, as well as net cash flows from operations, net cash flows from investments, net cash flows from financial activity, and total net cash flows for H1 2007 were calculated based on the average exchange rate of EURO – arithmetic average of exchange rates set by the National Bank of Poland as at month end in each month of the period, i.e.: PLN 3.8486

c) total assets, liabilities and provisions for liabilities, long-term payables, short-term payables, and share capital as at 30 June 2008 were calculated at the average exchange rate of EURO as at 30 June 2008, i.e.: PLN 3.3542

d) total assets, liabilities and provisions for liabilities, long-term payables, short-term payables, and share capital as at 30 June 2007 were calculated at the average exchange rate of EURO as at 29 June 2007, i.e.: PLN 3.7658

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

Basic items of the Balance Sheet, Profit and Loss Account and Cash Flow Statement of the financial statement and comparatives converted into EURO

Item	as at 30.06.2008 PLN	as at 30.06.2007 PLN	as at 30.06.2008 EUR	as at 30.06.2007 EUR
Assets	1 209 464	990 981	360 582	263 153
Long-term payables	259 684	150 116	77 421	39 863
Short-term payables	213 453	161 756	63 638	42 954
Equity	736 327	679 109	219 524	180 336
Share capital	13 430	13 430	4 004	3 566
Number of shares	13 430	12 963		
Book value per share – BVPS (in PLN / EURO)	54.83	53.63	16.35	14.24
Dividend per share – declared or paid (in PLN / EURO)	-	-	-	-
PLN / EURO exchange rate as at period end	-	-	3.3542	3.7658

Description	for the period 01.01 – 30.06.2008 PLN	for the period 01.01 – 30.06.2007 PLN	for the period 01.01 – 30.06.2008 EUR	for the period 01.01 – 30.06.2007 EUR
Revenues from sales	203 967	141 324	58 652	36 721
Operating profit (loss)	27 755	14 406	7 981	3 743
Profit (loss) before tax	22 996	14 738	6 613	3 829
Net profit (loss) from continuing operations	17 598	12 319	5 060	3 201
Net profit (loss)	17 598	12 319	5 060	3 201
Net cash from operations	(7 935)	(4 249)	(2 282)	(1 104)
Net cash used in investments	7 087	1 257	2 038	327
Net cash from financial activity	6 305	3 454	1 813	897
Net balance of cash and cash equivalents	5 457	462	1 569	120
Weighted average number of ordinary shares	13 430 000	12 963 000	13 430 000	12 497 000
Weighted average diluted number of ordinary shares	13 430 000	12 963 000	13 430 000	12 497 000
Profit (loss) per ordinary share (in PLN / EUR)	1,31	0,95	0,38	0,25
Diluted profit (loss) per ordinary share (in PLN / EUR)	1,31	0,95	0,38	0,25
Average exchange rate of EUR / PLN	-	-	3,4776	3,8486

3. ACCOUNTING PRINCIPLES

The Company's interim condensed financial statement was based on the same accounting principles and methods of calculation as those adopted and described in the Company's last annual financial statement as at 31 December 2007.

4. SEASONALITY OF BUSINESS

The Company's business is not seasonal. Therefore, no significant changes are recorded for the Company's results published throughout the year.

5. SEGMENT REPORTING

The Company publishes a consolidated financial statement, where results of its activities broken down into business segments are presented.

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting period:	01.01-30.06.2008
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

6. INTERIM CONDENSED FINANCIAL STATEMENT

BALANCE SHEET AS AT 30 JUNE 2008

Item	Note	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Assets				
Fixed assets		576 391	533 871	444 757
Intangible assets	1	9 372	8 675	4 121
Goodwill acquired in business combination	1	1 606	1 606	-
Tangible fixed assets (Property, Plant & Equipment)	2	144 575	132 946	113 749
Investment property	3	710	710	-
Investments in subsidiaries	4	337 563	255 249	262 232
Other long-term financial assets	9	73 540	125 187	54 520
- related parties		25 910	83 695	38 470
- other entities		47 630	41 492	16 050
Long-term receivables	5	8 614	9 094	10 135
- related parties		-	-	6
- other entities		8 614	9 094	10 129
Deferred income tax assets	18	-	-	-
Long-term prepaid expenses	8	411	404	-
Current assets		633 073	774 738	546 224
Inventories	6	31 203	21 737	10 982
Receivables from contracting parties for works completed under contracts for construction/long-term services	7	133 054	112 488	126 412
- related parties		8 836	8 649	8 086
- other entities		124 218	103 839	118 326
Trade receivables	5	174 367	216 742	161 574
- related parties		10 985	16 199	22 090
- other entities		163 382	200 543	139 484
Current income tax receivables		-	-	1 204
Other short-term receivables	5	11 805	8 622	22 043
- related parties		418	1 763	54
- other entities		11 387	6 859	21 989
Other short-term financial assets	9	58 421	79 093	109 400
- related parties		42 088	66 276	105 131
- other entities		16 333	12 817	4 269
Cash and cash equivalents	10	214 811	328 669	111 073
Short-term prepaid expenses	8	9 412	7 387	3 536
Non-current assets classified as held for sale		-	-	-
Total assets		1 209 464	1 308 609	990 981

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

Item	Note	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
<i>Liabilities</i>				
Equity		736 327	720 225	679 109
Share capital	12	13 430	13 430	13 430
Treasury shares			-	-
Share premium reserve	13	551 178	551 178	551 178
Capital from measurement of hedging transactions	13	4 345	1 840	(812)
Other reserves	13	149 776	104 948	104 262
Retained profit/accumulated loss	13	17 598	48 829	11 051
- profit (loss) carried forward from previous years	13	-	(1 268)	(1 268)
- net profit (loss) of the current year	13	17 598	50 097	12 319
Payables		473 137	588 384	311 872
Long-term payables		259 684	234 853	150 116
Long-term credits and loans	11	41 407	18 803	23 838
- related parties		-	-	-
- other entities		41 407	18 803	23 838
Other long-term financial payables	11	200 000	200 047	109 736
Other long-term payables	15	1 186	300	457
- related parties		-	-	-
- other entities		1 186	300	457
Deferred income tax provision	17	4 573	3 606	3 881
Provisions for employee benefits		286	327	252
Other long-term provisions	14	3 434	2 618	2 106
Long-term accruals ad deferred income	16	8 798	9 152	9 846
Short-term payables		213 453	353 531	161 756
Short-term credits and loans	11	101 483	97 154	78 375
- related parties		-	-	-
- other entities		101 483	97 154	78 375
Other short-term financial payables	11	2 202	113 372	2 472
Trade payables	15	92 237	98 661	61 014
- related parties		35 140	33 704	10 008
- other entities		57 097	64 957	51 006
Payables under contract for construction services	7	3 178	3 768	1 550
- related parties		83	25	-
- other entities		3 095	3 743	1 550
Deferred income tax liabilities		1 373	4 731	-
Other short-term payables	15	10 715	33 641	15 852
- related parties		126	139	22
- other entities		10 589	33 502	15 830
Provisions for employee benefits		-	-	-
Other short-term provisions	14	617	973	865
Short-term accruals ad deferred income	16	1 648	1 231	1 628
Liabilities related to non-current assets held for sale		-	-	-
TOTAL liabilities		1 209 464	1 308 609	990 981

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting period:	01.01-30.06.2008
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 01.01 TO 30.06.2008

Item	Note	for the period 01.01 – 30.06.2008	for the period 01.01 – 30.06.2007
<i>Continuing operations</i>			
Revenues from sales	19	203 967	141 324
- related parties		4 968	11 309
Revenues from sale of products		9 004	-
Revenues from sale of services		193 401	126 201
Revenues from sale of goods and materials		1 562	15 123
Selling costs	20	(162 610)	(124 088)
- related parties		(41 655)	(34 028)
Costs of products sold		(8 198)	-
Costs of services sold		(152 936)	(114 673)
Costs of goods and materials sold		(1 476)	(9 415)
Gross profit (loss) on sales		41 357	17 236
Costs of sales	21	-	-
General administrative expenses	21	(14 809)	(11 859)
Other operating revenues	21	2 936	10 640
Other operating expenses	21	(1 729)	(1 611)
Restructuring costs		-	-
Operating profit (loss)		27 755	14 406
Financial revenues	22	11 679	7 770
Financial expenses	22	(17 358)	(7 438)
Other profits (losses) from investments		920	-
Profit (loss) before tax		22 996	14 738
Income tax		(5 398)	(2 419)
Net profit (loss) from continuing operations		17 598	12 319
<i>Discontinued operations</i>		-	-
Net loss from discontinued operations		-	-
Net profit (loss)		17 598	12 319

EARNINGS (LOSS) PER ORDINARY SHARE

Item	for the period 01.01 – 30.06.2008 PLN / share	for the period 01.01 – 30.06.2007 PLN / share
Net profit (loss) from continuing operations	17 598	12 319
Net profit (loss) from continuing and discontinued operations	17 598	12 319
Weighted average number of ordinary shares	13 430	12 963
Weighted average diluted number of ordinary shares	13 430	12 963
<i>from continuing operations</i>		
- basic	1.31	0.95
- diluted	1.31	0.95
<i>from continuing and discontinued operations</i>		
- basic	1.31	0.95
- diluted	1.31	0.95

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

CASH FLOW STATEMENT FOR THE PERIOD FROM 01.01 TO 30.06.2008

Item	for the period 01.01 – 30.06.2008	for the period 01.01 – 30.06.2007
<i>Cash flow from operations</i>		
Net profit before tax	22 996	14 738
Adjustments:	7 480	4 325
Amortisation of intangible assets	712	609
Goodwill impairment losses	-	-
Impairment losses on tangible fixed assets	-	-
Depreciation of tangible fixed assets	5 788	5 294
Profit (loss) from sale of tangible fixed assets	(68)	2
(Profit) loss on sale of available-for-sale (held-for-trading) financial assets	(1 926)	(1 860)
Profit (loss) on valuation of investment property carried at fair value	-	-
(Profit) loss on revaluation of fair value of financial assets carried at fair value	-	(666)
Share in profits (losses) of associates	-	-
Foreign exchange (gains) losses	-	-
Interest expense	14 630	5 657
Interest received	(11 656)	(4 711)
Dividends received	-	-
Cash flow from operations before changes in working capital	30 476	19 063
Change in inventories	(9 466)	(1 791)
Change in receivables	19 107	(57 515)
Change in payables	(31 422)	(20 895)
Change in provisions, prepaid expenses, accruals and deferred income	(1 550)	(99)
Other adjustments	(3 924)	(38 049)
Cash generated in business operations	3 221	(99 286)
Interest paid	-	-
Income tax paid	(7 935)	(4 249)
Net cash from operations	(4 714)	(103 535)
<i>Cash flow from investments</i>		
Outflows – acquisition of intangible assets	(1 480)	(1 197)
Inflows – sale of intangible assets	-	-
Outflows – acquisition of tangible fixed assets	(17 849)	(12 770)
Inflows – sale of tangible fixed assets	521	42
Outflows – acquisition of investment property	-	-
Inflows – sale of investment property	-	-
Outflows – acquisition of available-for-sale financial assets	-	-
Inflows – sale of available-for-sale financial assets	-	-
Outflows – acquisition of held-to-maturity financial assets	(11 400)	(40 918)
Inflows – redemption of held-to-maturity financial assets	50 000	-
Outflows – acquisition of available-for-sale financial assets	(579)	(827)
Inflows – sale of held-for-trading financial assets	2 505	2 687
Outflows – acquisition of subsidiaries (less cash received)	(82 315)	(77 583)
Inflows – sale of subsidiaries	2 500	-
Other outflows – additional paid-in capital	-	(8 000)
Inflows from government grants received	-	1 769
Loans granted	(6 850)	(38 251)
Repayment of loans granted	39 500	20 790
Interest received	7 087	1 257
Dividends received	-	-
Other inflows	-	-
Other outflows on investments	-	-
Net cash used in investments	(18 360)	(153 001)
<i>Cash flow from financial activity</i>		
Net inflows – issue of shares	-	333 090
Repayment of bonds	(110 000)	-
Inflows – issue of debt securities	-	-
Repayment of interest on bonds	(8 680)	(2 828)
Redemption of debt securities	-	-
Inflows – credits and loans incurred	32 688	21 817
Repayment of credits and loans	(5 763)	(5 187)
Repayment of interest on credits and loans	(4 787)	(2 583)
Inflows from interest on deposits	6 305	3 454
Repayment of finance lease liabilities	(8)	(171)
Interest paid	-	-

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting period:	01.01-30.06.2008
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

Dividends paid out	-	-
Commissions on bank credits and loans	(539)	-
Other outflows	-	-
Net cash from financial activity	(90 784)	347 592
Net balance of cash and cash equivalents	(113 858)	91 056
Opening balance of cash and cash equivalents	328 669	20 017
Change in cash resulting from foreign exchange differences	-	-
Closing balance of cash and cash equivalents	214 811	111 073

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 01.01 TO 30.06.2008

Item	Share capital	Other reserves	Retained profit/accumulated loss	Total
As at 01.01.2008	13 430	657 966	48 829	720 225
Changes in the adopted accounting principles (policy)	-	-	-	-
Corrections of fundamental errors	-	-	-	-
Balance after adjustments	13 430	657 966	48 829	720 225
<i>Statement of Changes in Equity for the period from 01.01 to 30.06.2008</i>				
Revaluation gains (losses)	-	-	-	-
Available-for-sale investments:	-	-	-	-
- valuation gains recognised in equity	-	-	-	-
- recognised in profit (loss) on sales	-	-	-	-
Cash flow hedges:	-	2 650	-	2 650
- gains (losses) recognised in equity	-	1 885	-	1 885
- gains (losses) recognised in profit or loss of the period	-	765	-	765
- profits (losses) included in the valuation of the carrying amount of hedged items	-	-	-	-
Foreign exchange differences – valuation of related parties operating abroad	-	-	-	-
Tax related to items recognised in equity or transferred from equity	-	(146)	-	(146)
Net profit recognised directly in equity	-	2 504	-	2 504
Net profit for the period from 01.01 to 30.06.2008	-	-	17 598	17 598
Total gains and losses recorded in the period 01.01 – 30.06.2008	-	2 504	17 598	20 102
Dividends	-	-	-	-
Distribution of the financial result	-	44 829	(48 829)	(4 000)
Share capital issued	-	-	-	-
Options convertible to shares issued	-	-	-	-
As at 30.06.2008	13 430	705 299	17 598	736 327

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 01.01 TO 31.12.2007

Item	Share capital	Other reserves	Retained profit/accumulated loss	Total
As at 01.01.2007	12 030	289 054	35 239	336 323
Changes in the adopted accounting principles (policy)	-	-	(1 268)	(1 268)
Corrections of fundamental errors	-	-	-	-
Balance after adjustments	12 030	289 054	33 971	335 055
<i>Statement of Changes in Equity for the period from 01.01 to 31.12.2007</i>				
Revaluation gains (losses)	-	-	-	-
Available-for-sale investments:	-	-	-	-
- valuation gains (losses) recognised in equity	-	-	-	-
- recognised in profit (loss) on sales	-	-	-	-
Cash flow hedges:	-	2 475	-	2 475
- gains (losses) recognised in equity	-	3 040	-	3 040
- gains (losses) recognised in profit or loss of the period	-	(565)	-	(565)
- profits (losses) included in the valuation of the carrying amount of hedged items	-	-	-	-
Tax related to items recognised in equity or transferred from equity	-	(577)	-	(577)
Net profit recognised directly in equity	-	1 898	-	1 898
Net profit for the period from 01.01 to 31.12.2007	-	-	50 097	50 097
Total gains and losses recorded in the period 01.01 – 31.12.2007	-	1 898	50 097	51 995
Dividends	-	-	-	-
Distribution of the financial result	-	33 239	(35 239)	(2 000)
Share capital issued	1 400	333 090	-	334 490
Options convertible to shares issued	-	685	-	685
As at 31.12.2007	13 430	657 966	48 829	720 225

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting period:	01.01-30.06.2008
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 01.01 TO 30.06.2007

Item	Share capital	Other reserves	Retained profit/accumulated loss	Total
As at 01.01.2007	12 030	289 054	35 239	336 323
Changes in the adopted accounting principles (policy)	-	-	(1268)	(1 268)
Corrections of fundamental errors	-	-	-	-
Balance after adjustments	12 030	289 054	33 971	335 055
Revaluation gains (losses)	-	-	-	-
Cash flow hedges:	-	(730)	-	(755)
- gains (losses) recognised in equity	-	129	-	(755)
- gains (losses) recognised in profit or loss of the period	-	-	-	-
- profits (losses) included in the valuation of the carrying amount of hedged items	-	(859)	-	-
Tax related to items recognised in equity or transferred from equity	-	(25)	-	-
Net profit recognised directly in equity	-	(755)	-	(755)
Net profit (loss) for the period from 01.01 to 30.06.2007	-	-	12 319	12 319
Total gains and losses recorded in the period 01.01 – 30.06.2007	-	(755)	11 051	10 296
Dividends	-	-	-	-
Distribution of the financial result	-	33 239	(35 239)	(2 000)
Share capital issued	1 400	333 090		334 490
Options convertible to shares issued	-	-		-
As at 30.06.2007	13 430	654 628	11 051	679 109

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

6.1. NOTES TO THE BALANCE SHEET

NOTE 1.

INTANGIBLE ASSETS

Item	as at 30.06.2008 total net value, of which:	as at 31.12.2007 total net value, of which:	as at 30.06.2007 total net value, of which:
Trademarks	-	-	-
Patents ad licenses	4 072	1 607	1 561
Software	919	1 050	852
Development costs	-	-	-
Other intangible assets	1 139	1 423	1 708
Goodwill	1 606	1 606	-
Net carrying amount	7 736	5 686	4 121
Intangible assets in progress	3 242	4 595	-
Payments on account of intangible assets	-	-	-
Total intangible assets	10 978	10 281	4 121
Intangible assets classified as held for sale	-	-	-
Intangible assets	10 978	10 281	4 121

INTANGIBLE ASSETS IN THE PERIOD 01.01-30.06.2008

Item	Goodwill	Patents and licenses	Software	Development costs	Other intangible assets	Total
<i>As at 01.01.2008</i>						
Gross carrying amount	2 103	2 807	3 923	-	2 846	11 679
Total accumulated amortisation and write-downs	497	1 200	2 873	-	1 423	5 993
Net carrying amount	1 606	1 607	1 050	-	1 423	5 686
<i>As at 30.06.2008</i>						
Gross carrying amount	2 103	5 553	3 991	-	2 846	14 493
Total accumulated amortisation and write-downs	497	1 481	3 072	-	1 707	6 757
Net carrying amount	1 606	4 072	919	-	1 139	7 736

As at the date of this interim condensed financial statement, the Company's intangible assets were not used as a security for the Company's liabilities. As at 30 June 2008, gross value of all fully amortised intangible assets still used was PLN 3,331 k, vs. PLN 3,751k as at 30 June 2007.

On 11 November 2007, the Board of Directors of PBG SA adopted a resolution to merge PBG SA (Acquirer) and ATG Sp. z o.o. (Acquiree) by transferring all assets of the Acquiree to PBG SA. The merger between the Acquiree (ATG Sp. z o.o.) and the Acquirer (PBG SA) was registered based on a simplified procedure on 30 November 2007 by the Local Court in Poznań. Following this transaction, the Company took over goodwill at the Capital Group's consolidation level in 2004 as at the date of entry of ATG to PBG Capital Group.

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

NOTE 2.

TANGIBLE FIXED ASSETS (PROPERTY, PLANT & EQUIPMENT)

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Land	6 729	4 474	4 500
Buildings and structures	49 093	49 801	46 516
Plant and equipment	28 560	26 568	27 398
Transport vehicles	13 017	11 160	11 455
Other PP&E	11 926	10 421	7 149
Net carrying amount	109 325	102 424	97 018
Tangible fixed assets in construction	34 645	28 196	14 689
Payments on account of PP&E	605	2 326	2 042
Total tangible fixed assets	144 575	132 946	113 749
Tangible fixed assets classified as held for sale	-	-	-
Tangible fixed assets (Property, Plant & Equipment)	144 575	132 946	113 749

TANGIBLE FIXED ASSETS (PROPERTY, PLANT & EQUIPMENT) IN THE PERIOD 01.01-30.06.2008

Item	Land	Buildings and structures	Plant and equipment	Transport vehicles	Other PP&E	Total
<i>As at 01.01.2008</i>						
Gross carrying amount	4 474	52 594	41 609	22 762	15 954	137 393
Total accumulated depreciation and write-downs (-)	-	(2 793)	(15 041)	(11 602)	(5 533)	(34 969)
Net carrying amount	4 474	49 801	26 568	11 160	10 421	102 424
<i>As at 30.06.2008</i>						
Gross carrying amount	6 729	52 594	46 408	25 434	17 957	149 122
Total accumulated depreciation and write-downs (-)	-	(3 501)	(17 848)	(12 417)	(6 031)	(39 797)
Net carrying amount	6 729	49 093	28 560	13 017	11 926	109 325

As at the date of this interim condensed financial statement, the Company had limited right to use Property, Plant and Equipment up to PLN 12,339 k, vs. 17,079 k as at 30 June 2007.

As at 30 June 2008, the Company reviewed the adopted useful lives of its PP&E in accordance with its accounting policy. As at 30 June 2008, gross value of fully depreciated PP&E still used was PLN 5,211k, vs. PLN 4,749k as at 30 June 2007.

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

NOTE 3.

In the Balance Sheet item "Investment property", PBG SA presented the amount of PLN 710k as at 30 June 2008. It is the value of land with residential building in the village of Modzerowo, acquired by PBG SA on 11 October 2007 with the acquisition of ATG Sp. z o.o. (as the Acquiree – by transferring all assets of ATG Sp. z o.o. to PBG SA).

This property is located at a lake and includes a multi-functional residential building adapted to and used for agri-tourism business (benefits from rentals).

NOTE 4.

INVESTMENTS IN SUBSIDIARIES IN THE PERIOD

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Opening balance	255 249	185 070	185 070
Increase in the reporting period:	83 894	118 387	77 162
- business combinations	-	-	-
- reclassification	-	-	-
- other increase	83 894	118 387	77 162
Reductions in the reporting period:	1 580	48 208	-
- disposal of a subsidiary	1 580	20 361	-
- reclassification	-	23 800	-
- other reductions	-	4 047	-
Closing balance	337 563	255 249	262 232

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting period:	01.01-30.06.2008
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

INVESTMENTS IN SUBSIDIARIES AS AT 30.06.2008

Name of a subsidiary	% share in share capital	% of votes held	Consolidation method	Value of shares at cost	Revaluation adjustments	Carrying amount of shares
Aprivia SA	100.00%	100.00%	full	506	-	506
Avatia Sp. z o.o.	99.80%	99.80%	full	50	-	50
Bathinex Sp. z o.o.	100.00%	100.00%	full	4 343	-	4 343
Betpol SA	70.00%	70.00%	full	45 971	-	45 971
Brokam Sp. z o.o.	100.00%	100.00%	full	12 565	-	12 565
Dromost Sp. z o.o.	87.40%	87.40%	full	3 142	-	3 142
Excan Oil and Gas Engineering Ltd.	100.00%	100.00%	full	781	-	781
Gas & Oil Engineering a.s.	62.45%	62.45%	full	7 490	-	7 490
Hydrobudowa 9 PIB SA	69.26%	69.26%	full	58 658	-	58 658
Hydrobudowa Polska SA	60.69%	60.69%	full	126 418	-	126 418
Infra SA	99.95%	99.95%	full	8 433	-	8 433
KWG SA	100.00%	100.00%	full	1 734	-	1 734
Metorex Sp. z o.o.	99.56%	99.56%	full	2 717	-	2 717
PBG Dom Sp. z o.o.	100.00%	100.00%	full	2 376	-	2 376
Przedsiębiorstwo Robót Inżynieryjno Drogowych SA	100.00%	100.00%	full	22 379	-	22 379
paid-up shares	-	-	-	40 000	-	40 000
Total	x	x	x	337 563	-	337 563

Description of changes in financial assets: shares in the period from 1 January 2008 to 30 June 2008

Establishment of Avatia Sp. z o.o.

On 15 February 2008, the Board of Directors of PBG SA concluded a Memorandum of Association with two natural persons, providing for the formation of a limited liability company with its registered seat in Wysogotowo near Poznań. On 29 February 2008, Avatia Sp. z o.o. was registered by the Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register. The Company's registered capital amounts to PLN 50,000.00 and is divided into 1,000 shares of nominal value PLN 50.00 per share. The Company's partners are: PBG SA holding 998 shares of the total value of PLN 49,900.00 (in words: forty nine thousand nine hundred) and two natural persons holding 1 share each. The interest held by PBG SA represents 99.80% of share capital and total vote. The objects of the Company cover IT services, including IT consultancy, implementation of IT systems, data processing, services related to IT and computer technologies, software-related business, sale of ICT hardware, repair and maintenance of hardware and peripheral devices, and IT training. As a new member of PBG Capital Group, AVATIA will provide IT support for all entities in the Group. The Company's registered capital was paid in by PBG SA from the Company's own funds.

Acquisition of shares of Betpol Sp. z o.o.

On 13 March 2008, the Board of Directors of PBG SA concluded an agreement for the sale of shares with three natural persons, under which PBG SA acquired 14,244,999 registered series A shares of Betpol SA of the nominal per-share value of PLN 1.00. All shares were acquired at the per-share price of PLN 2.90; the amount of PLN 40,246,497.10 was paid within 3 days from the date of signing of the said agreements, and the amount PLN 1,064,000.00 will be paid after the approval of the

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

financial statement for FY 2008 provided that the Company achieves the forecast results for 2008 i.e. revenues from sale not less than PLN 60,000,000.00 (sixty million) and net profit not less than PLN 6,000,000.00 (six million). Shares acquired by PBG SA represent 70% of share capital and total vote. Financing of the Company's acquisition is one of the objectives of share issue and is co-financed with an investment facility. There is no relation between PBG SA, members of the company's management or supervisory board, and persons selling these shares. The acquired assets are not encumbered with any limited right in property and were classified as material assets, as they represent over 20% of equity of Betpol SA.

Betpol was established back in 1990. The Company's core business is mainly in road works. Betpol offers cold recycling with the application of foamed bitumens, as well as milling of asphalt and concrete surfaces. Betpol also manufactures cold mineral-bituminous compounds and ready-mix concrete. In addition, the Company offers demolition services, steel structures, and assembly and construction works, installation, and reinforced concrete works, as well as recycling of demolition gases.

PBG SA hereby declares its interest in the future development of the Company and co-operation within the Company's core business. The incorporation of BETPOL in the Capital Group will enhance the Group's activity in the field of road building.

Registration of Aprivia SA

On 18 March 2008, the Board of Directors of PBG SA concluded a Memorandum of Association of a joint-stock company Aprivia SA with its registered office in Wysogotowo near Poznań. The Company's share capital amounts to PLN 500,000.00 (in words: five hundred thousand) and is divided into 500,000 (in words: five hundred thousand) registered preference series A shares of the nominal value PLN 1.00 (in words: PLN one) per share. PBG SA took over 100% shares of APRIVIA SA. On 07 April 2008, Aprivia SA was registered by the Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register. The task of APRIVIA SA will be to strengthen the position of PBG Capital Group in the area of road building, including the conclusion and implementation of contracts and organisation of financing. Funds for the Company's establishment paid by PBG SA came from proceeds from the issue of shares. In the future, PBG SA may make further investments in the newly-established company.

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

Reduction of equity interest held in Hydrobudowa Polska SA

On 30 May 2008, the Board of Directors of PBG SA informed that following the registration of share capital increase of Hydrobudowa Polska SA with the issue of series K shares, the interest held by PBG SA in the total number of votes in the Company dropped below 75% and now totals 60.69%. After the registration of the increased share capital of Hydrobudowa Polska SA, PBG holds 105,397,300 of the Company's shares, representing 60.69% of the Company's share capital and carrying 105,397,300 votes at the Company's General Meeting of Shareholders, representing 60.69% of the Company's total vote. Before the registration of the increased share capital of Hydrobudowa Polska SA, PBG held 105,397,300 of the Company's shares, representing 76.00% of the Company's share capital and carrying 105,397,300 votes at the Company's General Meeting of Shareholders, representing 76.00% of the Company's total vote.

Increase of equity interest held in PBG Dom Sp. z o.o.

On 11 June 2008, the Board of Directors of PBG SA informed that following the transaction of 10 June 2008 for the purchase of 3,572 shares in PBG Dom Sp. z o.o. from Hydrobudowa Polska SA, the interest held by PBG SA represents 100% of the share capital and 100% of the total number of votes of PBG Dom Sp. z o.o.. The total purchase price was equal to the total nominal value of shares, i.e. PLN 357,200.00. The registered capital of PBG Dom Sp. z o.o. totals PLN 2,357,200.00. Per-share nominal value is PLN 100.00 (one hundred). Before the transaction, PBG SA held 20,000 of the Company's shares, which represented 84.85% of its registered capital and 84.85% of the total vote.

Sale of interest held in the company Apartamenty Poznańskie Sp. z o.o.

On 27 June 2008, the Board of Directors of PBG SA concluded an agreement for the sale of shares in Apartamenty Poznańskie Sp. z o.o. to its subsidiary, PBG Dom Sp. z o.o. PBG SA sold all 255 shares held, of per-share nominal value of PLN 100.00, for the total amount of PLN 2,500,020. The said shares represent 51% of the Company's share capital and 51% of the total vote at the Company's meeting of partners. The shares sold were paid up in full by PBG SA, are not encumbered with any rights of third parties, no proceedings have been initiated in relation to these shares, and their book value as recorded in PBG SA accounts is PLN 1,579,893.51. As result of this transaction, PBG Dom Sp. z o.o. shall form a Capital Group with Apartamenty Poznańskie Sp. z o.o. and its financial result shall be consolidated as of 1 July 2008. PBG SA holds 100% of share capital in PBG Dom Sp. z o.o.

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

NOTE 5.

LONG-TERM TRADE AND OTHER RECEIVABLES

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Trade payables	8 614	9 094	10 145
- from Polish customers	8 614	9 094	10 145
- from foreign customers	-	-	-
Other receivables	-	-	-
Write-downs of receivables (-)	-	-	(10)
Total long-term receivables	8 614	9 094	10 135

SHORT-TERM TRADE RECEIVABLES

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Trade receivables	174 367	216 742	161 574
- from Polish customers	169 525	213 864	161 170
- from foreign customers	5 187	3 247	775
Write-downs of trade receivables (-)	(345)	(369)	(371)
Total trade receivables	174 367	216 742	161 574

OTHER SHORT-TERM RECEIVABLES

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Value-Added Tax	4 874	-	8 680
subsidies, customs duties, social security, health insurance and other	-	2	-
settlements with employees	444	319	1 010
claimed in court	-	-	-
other receivables	6 514	8 337	12 380
Write-downs of other receivables (-)	(27)	(36)	(27)
Total other receivables	11 805	8 622	22 043

As at the date of this interim condensed financial statement, the Company had no receivables claimed in court.

NOTE 6.

STRUCTURE OF INVENTORIES

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Materials	6 212	5 680	4 136
Work-in-progress	20 834	12 001	2 645
Finished goods	-	-	-
Commodities	3 302	3 126	3 126
Payments on account of deliveries	855	930	1 075
Total, of which	31 203	21 737	10 982

In H1 2008, no inventories were written down by the Company. As at 30 June 2008 and 30 June 2007, the Company's inventories were not pledged.

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting period:	01.01-30.06.2008
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

NOTE 7.

CONTRACTS FOR CONSTRUCTION SERVICES FOR THE PERIOD FROM 01.01.2008 TO 30.06.2008

Item	Amount of contract revenues initially defined in the contract	Changes	Total amount of contract revenues	Costs incurred by the balance sheet date	Remaining costs required to complete the contract	Estimated total costs of the contract	Estimated gains	Stage of completion as at the balance sheet date	Amount of advance payments received	Amount of retained money
Total contracts for construction services	1 237 722	107 129	1 344 851	571 815	583 983	1 155 798	189 053	49%	33 189	21 468
Total	1 237 722	107 129	1 344 851	571 815	583 983	1 155 798	189 053	x	33 189	21 468

CONTRACTS FOR CONSTRUCTION SERVICES FOR THE PERIOD FROM 01.01.2007 TO 31.12.2007

Item	Amount of contract revenues initially defined in the contract	Changes	Total amount of contract revenues	Costs incurred by the balance sheet date	Remaining costs required to complete the contract	Estimated total costs of the contract	Estimated gains	Stage of completion as at the balance sheet date	Amount of advance payments received	Amount of retained money
Total contracts for construction services	1 243 901	20 873	1 264 774	488 632	606 307	1 094 939	169 835	45%	36 480	23 127
Total	1 243 901	20 873	1 264 774	488 632	606 307	1 094 939	169 835	x	36 480	23 127

CONTRACTS FOR CONSTRUCTION SERVICES FOR THE PERIOD FROM 01.01.2007 TO 30.06.2007

Item	Amount of contract revenues initially defined in the contract	Changes	Total amount of contract revenues	Costs incurred by the balance sheet date	Remaining costs required to complete the contract	Estimated total costs of the contract	Estimated gains	Stage of completion as at the balance sheet date	Amount of advance payments received	Amount of retained money
Total contracts for construction services	1 025 623	4 760	1 030 383	311 044	583 507	894 551	135 832	35%	7 347	31 048
Total	1 025 623	4 760	1 030 383	311 044	583 507	894 551	135 832	x	7 347	31 048

CONTRACTS FOR CONSTRUCTION SERVICES FOR THE PERIOD FROM 01.01.2008 TO 30.06.2008

Item	Costs incurred by 30.06.2008 related to completion of the contract	Gains recognised by 30.06.2008 (-)	Losses recognised by 30.06.2008 (-)	Incurred costs adjusted by the recognised gains and losses	Amounts invoiced by 30.06.2008	Contract receivables as at 30.06.2008	Contract payables as at 30.06.2008

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

Total contracts for construction services	571 815	60 972	-	632 787	502 911	133 054	(3 178)
Total	571 815	60 972	-	632 787	502 911	133 054	(3 178)

CONTRACTS FOR CONSTRUCTION SERVICES FOR THE PERIOD FROM 01.01.2007 TO 31.12.2007

Item	Costs incurred by 31.12.2007 related to completion of the contract	Gains recognised by 31.12.2007 (-)	Losses recognised by 31.12.2007 (-)	Incurred costs adjusted by the recognised gains and losses	Amounts invoiced by 31.12.2007	Contract receivables as at 31.12.2007	Contract payables as at 31.12.2007
Total contracts for construction services	488 632	51 009	-	539 641	430 923	112 487	3 768
Total	488 632	51 009	-	539 641	430 923	112 487	3 768

CONTRACTS FOR CONSTRUCTION SERVICES FOR THE PERIOD FROM 01.01.2007 TO 30.06.2007

Item	Costs incurred by 30.06.2007 related to completion of the contract	Gains recognised by 30.06.2007 (-)	Losses recognised by 30.06.2007 (-)	Incurred costs adjusted by the recognised gains and losses	Amounts invoiced by 30.06.2007	Contract receivables as at 30.06.2007	Contract payables as at 30.06.2007
Total contracts for construction services	311 044	49 813	-	360 857	235 995	126 412	(1 550)
Total	311 044	49 813	-	360 857	235 995	126 412	(1 550)

The Board of Directors of PBG SA disclosed information required by IAS 11 (construction contracts) in total amounts and not broken down into individual contracts, as this information is a trade secret.

Under the provisions of contracts concluded as part of ordinary operations, the Company implements these contracts in accordance with the schedules and based on the assumed profit margins. No provisions were established for any potential losses on these contracts, which proves that they are profitable.

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

NOTE 8.

LONG-TERM PREPAID EXPENSES

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
a) prepaid expenses, of which:	411	404	-
- insurance policies	48	404	-
- other (subscriptions, training)	363	-	-
Total	411	404	-

SHORT-TERM PREPAID EXPENSES

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
a) prepaid expenses, of which:	3 271	1 953	1 739
- insurance policies	1 298	1 056	949
- guarantees	461	74	87
- Integrated Management System	1	1	16
- costs of two reporting periods – end of period 1/beginning of period 2	-	23	15
- other (subscriptions, training)	1 511	799	672
b) other prepaid expenses and accrued liabilities, of which:	6 141	5 434	1 797
- costs incurred before the conclusion of a construction contract	5 629	3 371	982
- costs of share issue	-	-	-
- costs in respect of future acquisitions	480	2 063	815
- other	32	-	-
Total	9 412	7 387	3 536

NOTE 9.

FINANCIAL INSTRUMENTS

OTHER FINANCIAL ASSETS

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Assets carried at fair value through profit or loss	-	-	-
Held-to-maturity investments	59 915	98 099	40 918
Loans and receivables	40 221	74 936	116 773
Available-for-sale financial assets	29 252	29 252	3 952
Fair value hedges	-	-	-
Cash flow hedges	2 573	1 993	2 277
Total financial assets	131 961	204 280	163 920
- long-term	73 540	125 187	54 520
-short-term	58 421	79 093	109 400

The amount of receivables presented under "loans and receivables" includes additional paid-in capital in accordance with Resolution No. 4 of the Extraordinary General Meeting of Shareholders of the Company "PBG Dom" dated 11 June 2007. PBG SA, as the sole partner, was required to pay PLN 400 per each share held, i.e. PLN 8,000,000 in total.

Additional paid-in capital was presented in the Company's Balance Sheet as "other short-term financial assets".

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Bonds	33 552	83 695	30 313
Commercial papers	26 363	14 404	10 605
Total held-to-maturity investments	59 915	98 099	40 918
- long-term	28 944	94 591	40 918
-short-term	30 971	3 508	-

CHANGE IN HELD-TO-MATURITY INVESTMENTS

Item	for the period 01.01 – 30.06.2008	for the period 01.01 – 31.12.2007	for the period 01.01 – 30.06.2007
Opening balance	98 099	-	-
Acquisitions	11 400	96 100	40 600
Interest calculated at effective interest rate	3 137	2 129	448
Impairment write-downs (-)	-	-	-
Change of asset category	-	-	-
Disposal (-)	(52 721)	(130)	(130)
Other changes	-	-	-
Closing balance	59 915	98 099	40 918

The amount of 50 million presented in the table is related to the redemption of bonds by Hydrobudowa Polska on 30 June 2008. This Company also paid the accrued interest.

Transaction type	Conclu sion date	Transaction period	Nominal amount	Interest rate		Carrying amount
				nominal	effective	
Acquisition of bonds of Dromost Sp. z o.o.	2007-05-22	2009-05-22	5 000	5.76%	5.60%	5 312
Acquisition of bonds of Infra SA – issue 1	2007-06-28	2009-06-29	5 000	6.01%	5.83%	5 295
Acquisition of bonds of Infra SA – issue 2	2007-08-23	2009-08-24	3 000	6.35%	6.15%	3 158
Acquisition of bonds of KWG SA – issue 1	2007-08-31	2009-08-31	3 000	6.44%	6.24%	3 156
Acquisition of bonds of KWG SA – issue 2	2007-10-04	2009-10-04	2 000	7.15%	6.91%	2 092
Acquisition of bonds of KWG SA – issue 3	2007-10-26	2009-10-26	5 000	6.52%	6.32%	5 213
Acquisition of bonds of KWG SA – issue 4	2007-12-20	2009-12-20	9 000	6.45%	6.25%	9 325
Acquisition of registered notes of Czwiertnia Sp. z o.o.	2007-04-05	2009-04-06	10 470	5.67%	5.52%	11 192
Acquisition of registered notes of PBG Dom Sp. z o.o. - issue 1	2007-12-20	2008-12-20	3 500	7.15%	7.11%	3 630
Acquisition of registered notes of PBG Dom Sp. z o.o. - issue 2	2008-02-19	2009-02-19	1 000	8.09%	8.09%	1 029
Acquisition of registered notes of PBG Dom Sp. z o.o. - issue 3	2008-06-20	20-06-2009	3 500	8.85%	8.80%	3 509
Acquisition of registered notes of Poner Sp. z o.o.	2008-02-21	2011-02-21	3 000	8.09%	8.11%	3 084
Acquisition of registered notes of Apartamenty Poznańskie Sp. z o.o.	2008-06-06	2011-06-06	2 900	8.70%	8.04%	2 915
Acquisition of registered notes of Bathinex Sp. z o.o.	2008-06-11	2008-12-30	1 000	8.64%	8.81%	1 005
Total						59 915

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

Description of changes in financial assets: debt securities in the period from 1 January 2008 to 30 June 2008

In the period covered by this interim condensed financial statement, PBG SA acquired securities for the total amount of PLN 11,400,000.00 from:

- PBG Dom sp. z o.o. with its registered office in Wysogotowo: unsecured registered notes series B with the total value of PLN 1,000,000.00
- PBG Dom sp. z o.o. with its registered office in Wysogotowo: unsecured registered notes series C with the total value of PLN 3,500,000.00
- Poner sp. z o.o. with its registered office in Kępno: unsecured registered notes series A with the total value of PLN 3,000,000.00
- Apartamenty Poznańskie sp. z o.o. with its registered office in Poznań: unsecured registered notes series A with the total value of PLN 2,900,000.00
- Bathinex sp. z o.o. with its registered office in Wysogotowo: unsecured registered notes series A with the total value of PLN 1,000,000.00

In addition, Hydrobudowa Polska redeemed dematerialised bearer bonds series A for the total amount of PLN 20,000,000.00 and series B for the total amount of PLN 30,000,000.00.

CHANGE IN LOANS AND RECEIVABLES

Item	for the period 01.01 – 30.06.2008	for the period 01.01 – 31.12.2007	for the period 01.01 – 30.06.2007
Opening balance	74 936	89 301	89 301
Acquisition – loans granted	6 850	46 901	46 251
Additional paid-in capital in a subsidiary	-	8 000	-
Interest calculated at effective interest rate	2 301	5 914	2 552
Impairment write-downs (-) valuation	-	(13)	(13)
Change of asset category	-	(988)	(988)
Disposal (-) repayment of loans	(43 866)	(74 727)	(20 877)
Other changes	-	548	547
Closing balance	40 221	74 936	116 773

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

LOANS GRANTED TO RELATED PARTIES AND OTHER ENTITIES AS AT 30.06.2008

Entity	Loan payables	Accrued interest	The outstanding amount with interest	Loan interest rate
KWG SA	9 172	330	9 502	Wibor 1M+1%
Bathinex Sp. z o.o.	4 400	303	4 703	Wibor 3M+1%
Brokam Sp. z o.o.	100	3	103	Wibor 3M+2%
Apartamenty Poznańskie Sp. z o.o.	50	-	50	Wibor 3M+2%
TOTAL RELATED PARTIES	13 722	636	14 358	
Lubickie Wodociągi Sp. z o.o.	1 866	39	1 905	Wibor 1M+2%
Remaxbud Sp. z o.o.	1 500	-	1 500	Wibor 3M+1%
Piecobiogaz SA	7 600	459	8 059	Wibor 3M+1%
Jastarpport Sp. z o.o.	6 000	40	6 040	Wibor 3M+2%
Koszykarski Klub Sportowy	150	3	153	Wibor 3M+2%
A. Hamrol, M. Marcinkowski	200	6	206	Wibor 3M+0,5%
TOTAL OTHER ENTITIES	17 316	547	17 863	
TOTAL	31 038	1 183	32 221	

PAYMENTS AND REPAYMENTS OF LOANS

Entity	Total debt as at 31 December 2007	Payment of loans in the period 01.01.2008 - 30.06.2008r.	Repayment of loans in the period 01.01.2008 - 30.06.2008r.	Interest accrued in the period 01.01.2008 - 30.06.2008r.	Interest repaid in the period 01.01.2008 - 30.06.2008r.	Total debt as at 31 December 2008
<i>Related parties</i>						
Hydrobudowa Polska SA	41 390	-	38 500	1 346	4 236	-
KWG SA	9 186	-	-	316	-	9 502
Bathinex Sp. z o.o.	4 192	350	-	161	-	4 703
Brokam Sp. z o.o.	-	100	-	3	-	103
Apartamenty Poznańskie Sp. z o.o.	-	50	-	-	-	50
Total related parties	54 768	500	38 500	1 826	4 236	14 358
<i>Other entities</i>						
Lubickie Wodociągi Sp. z o.o.	1 866	-	-	77	38	1 905
Remaxbud Sp. z o.o.	1 500	-	-	55	55	1 500
Piecobiogaz SA	7 782	-	-	277	-	8 059
Jastarpport Sp. z o.o.	-	6 000	-	40	-	6 040
Koszykarski Klub Sportowy	-	150	-	3	-	153
A. Hamrol, M. Marcinkowski	-	200	-	6	-	206
Ćwiertnia Sp. z o.o.	1 020	-	1 000	40	60	-
Total non-related parties	12 168	6 350	1 000	498	153	17 863
TOTAL:	66 936	6 850	39 500	2 324	4 389	32 221

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting period:	01.01-30.06.2008
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

CASH FLOW HEDGES AS AT 30.06.2008

Transaction type	Conclusion date	Transaction period	Base amount (in PLN '000)	Fair value (in PLN '000)	
				Assets	Liability
BANK MILLENNIUM					
hedging instruments – put option					
- forward financial instrument no. 00196004	29.04.2008	8 months	3 470.0	88	-
- forward financial instrument no. 00196005	29.04.2008	8 months	3 470.0	88	-
DnB NORD					
hedging instruments – put option					
- forward financial instrument no. 00081297	16.11.2007	10 months	3 703.5	338	-
- forward financial instrument no. 00081298	16.11.2007	10 months	3 708.5	343	-
hedging instruments – call option					
- forward financial instrument no. 00057670	07.11.2007	26 months	2 974.0	-	838
PEKAO					
hedging instruments – put option					
- forward financial instrument no. 06448318	16.11.2007	10 months	3 704.0	332	-
- forward financial instrument no. 06663627	18.01.2008	8.5 months	3 661.0	289	-
- forward financial instrument no. 06663621	18.01.2008	11 months	3 679.0	291	-
- forward financial instrument no. 06663615	18.01.2008	11 months	3 679.0	291	-
BZ WBK					
hedging instruments – put option					
- forward financial instrument no. 01489313	21.08.2007	13 months	3 878.0	255	-
- forward financial instrument no. 01489315	21.08.2007	13 months	3 878.0	752	-
- forward financial instrument no. 01527855	19.11.2007	10 months	3 715.5	344	-
				3 411	838
Total hedges			43 520, 5	3 411	838

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Shares	29 252	29 252	3 952
Other	-	-	-
Total available-for-sale financial assets	29 252	29 252	3 952
- long-term	29 252	29 252	3 952
- short-term	-	-	-

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

CHANGE IN AVAILABLE-FOR-SALE FINANCIAL ASSETS

Item	for the period 01.01 – 30.06.2008	for the period 01.01 – 31.12.2007	for the period 01.01 – 30.06.2007
Opening balance	29 252	3 531	3 531
Acquisitions	-	1 921	421
Measurement recognised in equity	-	-	-
Impairment losses recognised in profit or loss (-)	-	-	-
Change of asset category	-	23 800	-
Disposal (-)	-	-	-
Other changes	-	-	-
Closing balance	29 252	29 252	3 952

NOTE 10.

CASH AND CASH EQUIVALENTS

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
a) in the Polish currency	198 265	322 155	106 750
- cash	198 233	321 975	106 686
- cash in transit	-	-	54
- interest on deposits	32	180	10
b) in foreign currencies (converted to PLN)	16 546	6 514	4 323
Total	214 811	328 669	111 073

Cash and cash equivalents include cash in hand, cash in banks, and short-term financial assets with maturity not exceeding 3 months. Book value of these assets is equal to their fair value.

NOTE 11.

FINANCIAL LIABILITIES

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Credits	142 890	115 957	102 213
Finance lease liabilities	4	11	16
Payables under issue of debt securities	202 196	311 043	109 650
Other financial payables	2	2 365	2542
Total financial payables	345 092	429 376	214 421
- long-term	241 407	218 850	133 574
-short-term	103 685	210 526	80 847

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

CREDITS AS AT 30.06.2008

No	Credit agreement no.	Type of credit facility	Maturity date	Credit amount defined in the contract (annex)	Total debt - 31.12.07	Drawdowns in the period 01.01.-30.06.08	Repayment in the period 01.01.-30.06.08	Total debt 30.06.08
BZ WBK SA								
1	K0003424	investment facility	28.05.2010	1336	1079	-	220	859
DZ Bank Polska SA								
8	2003/KI/0010	investment facility	27.02.2009	12 000	3 887	-	1 620	2 267
BOŚ								
9	001/2002/WN-15/OA-NO-pr/O/056	preferential investment facility	15.12.2011	11 231	5 125	-	639	4 486
ING BANK ŚLAŃSKI								
10	8712005001000249/00	investment facility	31.12.2011	36 000	17 473	-	2 091	15 382
11	8852008001000016/00	investment facility	30.03.1013	10 000 000		9344	11	9 333
NORD/LB								
12	49/2005	investment facility	30.04.2008	2 000	224	-	224	-
13	48/2005	investment facility	31.12.2008	2 000	540		271	269
PEKAO SA								
14	I/CKK/IIPO/1003644431	working capital facility	14.04.2007	35 000	10 000	-	-	10 000
15	I/CKK/IIPO/1013291427	investment facility	29.04.2011	14 000	1225	4644	417	5452
	DDF/IIPO/2/2008/20510821	investment facility	30.09.2013	18 700	-	18700	72	18628
16	I/CKK/IIPO/10032496685	investment facility	11.05.2008	3 000	373	-	189	184
WESTLB								
17	KT 1/2007	short-term credit	06.09.2008	76 000	76 000	-	-	76 000
AMEX CARDS								
18				180	31	-	1	30
TOTAL					115 957	32 688	5 755	142 890

MATURITY OF CREDITS AND LOANS

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Short-term credits and loans	101 483	97 154	78 375
Long-term credits and loans	41 407	18 803	23 838
- payable after 1 to 3 years	26 750	13 203	16 202
- payable after 3 to 5 years	13 722	5 600	7 636
- payable after 5 years	935	-	-
Total credits and loans	142 890	115 957	102 213

As at 30 June 2008 and 30 June 2007, all credits and loans incurred by the Company were denominated in PLN.

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

OTHER SHORT-TERM AND LONG-TERM FINANCIAL PAYABLES

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Finance lease liabilities	4	11	34
Payables under issue of debt securities	202 196	311 044	109 651
Payables related to derivatives (forward contracts)	-	-	-
Other financial payables	2	2 364	2 523
Total	202 202	313 419	112 208
- long-term portion	200 000	200 047	109 736
- short-term portion	2 202	113 372	2 472

Pursuant to the bonds issue agreement, on 21 March 2008 PBG SA redeemed a tranche of bonds issued by ING Bank Śląski in the total amount of PLN 110 million and paid the accrued interest and commissions of PLN 2,395 k.

As at 30 June, the corresponding item in the Balance Sheet includes the measurement at amortised cost of PLN 3,441 k.

NOTE 12.

In H1 2008, the Company's share capital did not change vs. the Company's last annual financial statement ended 31 December 2007. The structure of share capital and a list of shareholders holding at least 5% of all votes at the General Meeting of Shareholders as at 30 June 2008 were presented in the interim consolidated financial statement of PBG Capital Group.

After the date of submission of the interim financial statement, the following changes in the ownership structure of major blocks of Issuer's shares occurred:

Sale of shares by ING Towarzystwo Funduszy Inwestycyjnych SA

On 25 July 2008, the Board of Directors of PBG SA informed to have received a "Notification of the sale of shares as a result of which the entity has become a holder of shares representing more than 5% of the total vote in the AGM of a public company". Pursuant to Art 69 section 1.2 of the Act on Public Offering and Terms of Introduction of Financial Instruments to Organised Trading and on Public Companies, ING Towarzystwo Funduszy Inwestycyjnych SA, acting for and on behalf of ING Fundusz Inwestycyjny Otwarty Średnich i Małych Spółek, ING Fundusz Inwestycyjny Otwarty Akcji, ING Fundusz Inwestycyjny Otwarty Zrównoważony, ING Fundusz Inwestycyjny Otwarty Stabilnego Wzrostu, ING Specjalistyczny Fundusz Inwestycyjny Otwarty Akcji 2 and ING Parasol Specjalistycznego Funduszu Inwestycyjnego Otwartego, informed that following the sale of PBG SA shares, the total number of votes at the AGM of PBG SA held by all Investment Funds managed by ING Towarzystwo Funduszy Inwestycyjnych SA dropped below 5% of the total vote, as a result of disposal of PBG SA shares on 22 July 2008. Before the change in shareholding structure, Investment Funds managed by ING Towarzystwo Funduszy Inwestycyjnych SA held 932,570 PBG SA shares in total, representing 6.94% of the Company's share capital and carrying 932,570 votes at the Company's AGM, i.e. 5.20% of total vote.

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

As at 22 July 2008, Investment Funds managed by ING Towarzystwo Funduszy Inwestycyjnych SA held 881,570 PBG SA shares in total, representing 6.56% of the Company's share capital and carrying 881,570 votes at the Company's AGM, i.e. 4.92% of total vote.

As at 25 July 2008, Investment Funds managed by ING Towarzystwo Funduszy Inwestycyjnych SA jointly held 859,112 shares of PBG SA, representing 6.40% of the Company's share capital and 4.79% of the total vote at the Company's AGM.

Sale of shares by BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna

On 31 July 2008, the Board of Directors of PBG SA informed that BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA acting on behalf of Arka BZ WBK Akcje Fundusz Inwestycyjny Otwarty, Arka BZ WBK Zrównoważony Fundusz Inwestycyjny Otwarty and Lukas Fundusz Inwestycyjny Otwarty (hereinafter referred to as the Funds) informed that as a result of acquisitions of shares settled on 29 July 2008, the above Funds became holders of shares representing more than 5% of the total vote at the General Meeting of Shareholders of PBG SA. Before this transaction, the Funds held 883,265 shares of PBG SA, representing 6.58% of the Company's share capital and carrying 883,265 votes at the General Meeting of Shareholders of PBG SA, which represented 4.93% of the total vote. On 29 July 2008, 899,265 shares of PBG SA were registered in securities accounts of the Funds, representing 6.70% of the Company's share capital and carrying 899,265 votes, i.e. 5.02% the total vote at the General Meeting of Shareholders of PBG SA. In addition, BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA informed that the management of investment portfolios of the Funds was commissioned to the company BZ WBK AIB Asset Management Spółka Akcyjna with its registered office in Poznań.

Representation of a Member of the Board of Directors regarding transactions in excess of Euro 5,000

On 5 September 2008, the Board of Directors of PBG SA received a representation from a Member of the Board of Directors regarding transactions on shares of PBG SA made on 27.08 - 01.09.2008. 434 ordinary bearer shares of PBG SA were sold on the stock exchange at the average price of PLN 245.60 per share.

NOTE 13.

Description of changes in the Company's share capital in the period from 1 January 2007 to 30 June 2008

Item	Share premium reserve	Capital from measurement of hedging transactions	Other reserves	Profit (loss) carried forward from previous years	Net profit (loss) of the current year	Total
As at 01.01.2007	218 088	(57)	71 023	-	33 971	323 025
Increase in the period 01.01-31.12.2007	348 600	-	33 925	33 971	51 365	467 861
- distribution of financial result	-	-	33 239	35 239	-	68 478
- measurement of the	-	-	-	-	-	-

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

Incentive Programme						
- issue of shares	348 600	-	-	-	-	348 600
- financial result for the period 01.01 - 31.12.2007	-	-	686	-	50 097	50 783
- adjustment of financial result for FY 2006	-	-	-	(1 268)	1 268	-
Reductions in the period 01.01-31.12.2007	15 510	(1 897)	-	35 239	35 239	84 091
- share issue (costs of issue charged to reserve capital)	15 510	-	-	-	-	15 510
- measurement of financial instruments recognised in equity	-	(1 897)	-	-	-	(1 897)
- distribution of financial result	-	-	-	33 239	35 239	68 478
- distribution of financial result (to the Company Social Fund)	-	-	-	2 000	-	2 000
As at 31.12.2007	551 178	1 840	104 948	(1 268)	50 097	706 795
As at 01.01.2008	551 178	1 840	104 948	(1 268)	50 097	706 795
Increase	-	2 650	44 829	1 268	17 598	66 345
- distribution of financial result	-	-	44 829	1 268	-	46 097
- measurement of the Incentive Programme	-	-	-	-	-	-
- issue of shares	-	-	-	-	-	-
- financial result for the period 01.01 - 31.12.2007	-	-	-	-	17 598	17 598
- other	-	2 650	-	-	-	2 650
Reductions in the period 01.01-30.06.2008	-	145	-	-	50 097	50 242
- share issue (costs of issue charged to reserve capital)	-	-	-	-	-	-
- measurement of financial instruments recognised in equity	-	145	-	-	-	145
- distribution of financial result	-	-	-	-	46 097	46 097
- distribution of financial result (to the Company Social Fund)	-	-	-	-	4 000	4 000
As at 30.06.2008	551 178	4 345	149 777	-	17 598	722 898

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

NOTE 14. CHANGE IN PROVISIONS

Item	Provision for losses	Provision for warranty servicing	Total
As at 01.01.2007	-	3 079	3 079
Increase	-	2 751	2 751
Reduction (-)	-	(2 239)	(2 239)
Provisions established	-	-	-
Provisions used (-)	-	-	-
Provisions reversed (-)	-	-	-
Other changes in provisions	-	-	-
As at 31.12.2007	-	3 591	3 591
As at 01.01.2008	-	3 591	3 591
Increase	-	696	696
Reduction (-)	-	-	-
Provisions established	-	-	-
Provisions used (-)	-	(234)	(234)
Provisions reversed (-)	-	(2)	(2)
Other changes in provisions	-	-	-
As at 30.06.2008, of which:	-	4 051	4 051
- long-term provisions	-	3 434	3 434
- short-term provisions	-	617	617

NOTE 15.

LONG-TERM TRADE AND OTHER PAYABLES

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Trade payables	1 174	299	457
- in respect of Polish suppliers	1 174	299	457
- in respect of foreign suppliers	-	-	-
Other long-term payables	12	1	-
- in respect of Polish suppliers	12	1	-
- in respect of foreign suppliers	-	-	-
Total long-term payables	1 186	300	457

SHORT-TERM TRADE PAYABLES

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
- in respect of Polish suppliers	87 484	96 114	58 453
- in respect of foreign suppliers	4 753	2 547	2 561
Total trade payables	92 237	98 661	61 014

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

OTHER SHORT-TERM PAYABLES

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
Value-Added Tax	-	1 326	-
subsidies, customs duties, social security, health insurance and other	1 839	2 365	1 834
salaries	-	-	32
payments on account	4 237	10 778	7 347
other	4 532	19 172	6 639
settlements with employees	107	-	-
Other payables – total	10 715	33 641	15 852

NOTE 16.

ACCRUALS AND DEFERRED INCOME

Item	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
a) provision for holiday leaves	536	175	510
b) provision for Balance Sheet audits	139	83	139
c) deferred income	9765	10 125	10 825
d) other	6	-	-
Closing balance accruals and deferred income, of which:	10 446	10 383	11 474
- long-term accruals and deferred income	8 798	9 152	9 846
- short-term accruals and deferred income	1 648	1 231	1 628

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting period:	01.01-30.06.2008
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

NOTE 17.

DEFERRED INCOME TAX

Item	Balance Sheet			Profit and Loss Account		
	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007	for the period 01.01 – 30.06.2008	for the period 01.01 – 31.12.2007	for the period 01.01 – 30.06.2007
<i>Provision for deferred income tax</i>						
- revenues from unrealised interest on loans	225	617	576	392	287	246
- revenues from financial assets carried at amortised cost (using the effective interest rate method) – securities	-	-	85	-	-	85
- revenues from unrealised interest on receivables		-	-	-	(4)	(4)
- revenues from unrealised interest on deposits and cash	6	34	2	28	28	(4)
- balance sheet revenues of the current period – tax revenues of the subsequent period	30 689	26 256	24 018	(4 433)	8 676	6 438
- difference between net carrying value and tax value of the Company's Property, Plant & Equipment	1 161	1 161	770	-	604	213
- difference between net carrying value and tax value of the leased Property, Plant & Equipment (operating lease)	97	113	138	16	(50)	(25)
- value of the measured financial assets or investment property carried at fair value (through equity)	616	471	85	-	-	-
- value of the measured financial assets or investment property carried at fair value (through profit or loss)	32	1	741	-31	(1 111)	(371)
- value of credit payables carried at amortised cost (using the effective interest rate method)	497	409	35	-88	92	(282)
- loss brought forward from previous years	-	-	-	-	-	-
- unrealised foreign exchange gains	-	-	-	-	(11)	(11)
- discount	-	-	-	-	-	-
- other	339	-	-	(339)	(210)	(210)
Gross deferred income tax provisions	33 662	29 062	26 450	(4 455)	8 301	6 075
<i>Deferred income tax assets</i>						
- retirement benefits	54	62	48	(8)	(29)	(15)
- costs of holiday leaves not used	102	33	97	69	(18)	(82)
- costs of warranty servicing	769	523	564	246	(235)	21
- costs of salaries not paid in the reporting period	-	-	7	-	-	(7)
- costs of unpaid interest on bank credits	-	2	9	(2)	18	11
- costs of unpaid interest on payables	2	5	3	(3)	3	5
- value of credit payables carried at amortised cost (using the effective interest rate method)	-	18	-	(18)	4	22
- value of the measured financial assets or investment property	16	16	183	-	-	-

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

carried at fair value (through equity)						
- value of the measured financial assets or investment property carried at fair value (through profit or loss)	362	392	211	(30)	(221)	(40)
- costs connected with balance sheet revenues	27 601	23 706	20 893	3 895	(8 006)	(5 193)
- write-down of receivables	20	47	45	(27)	5	7
- unrealised foreign exchange losses	24	188	304	(164)	179	63
- costs of audit	27	16	27	11	(7)	(18)
- discount	-	-	-	-	-	-
- warranty servicing	-	-	-	-	-	-
- expected losses on contracts	-	-	-	-	-	-
- over-invoiced amounts	-	-	-	-	-	-
- other	112	150		(38)	(45)	(73)
- assets connected with warranty servicing	-	298	178	(298)	-	-
Gross deferred income tax assets	29 089	25 456	22 569	3 633	(8 352)	(5 299)
Deferred income tax charge	x	x	x	(822)	(51)	776
Net deferred income tax provision	4 573	3 606	3 881	x	x	x
Net deferred income tax assets	-	-	-	x	x	x

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting period:	01.01-30.06.2008
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

NOTE 18. CONTINGENT LIABILITIES UNDER GUARANTEES AND SURETIES GRANTED

Liability	Contingent liability	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
SURETIES GRANTED TO OTHER ENTITIES				
surety	loan and credit repayment	806	1 073	1 607
surety	repayment of trade payables	3	-	3
surety	repayment of contractual guarantees	3 388	-	240
surety	present and future lease agreements	189	155	304
surety	defects liability bond			325
SURETIES GRANTED TO RELATED PARTIES				
surety	loan and credit repayment	40 000	42 562	45 639
surety	present and future lease agreements	2 225	-	64
SURETIES GRANTED TO SUBSIDIARIES				
surety	loan and credit repayment	207 531	233 736	113 574
surety	repayment of trade payables	121 068	40 401	76 145
surety	repayment of contractual guarantees	225 341	288 166	61 825
surety	present and future lease agreements	2	-	-
surety	security for a guarantee	184 596	2 920	234 629
surety	defects liability bond	1 099	-	19
surety	advance payment guarantee	14 239	5 778	6 616
surety	bid bonds	-	-	50
surety	co-operation agreement	-	-	207
TOTAL SURETIES		800 487	614 791	541 247

Liability	Contingent liability	as at 30.06.2008	as at 31.12.2007	as at 30.06.2007
GUARANTEES GRANTED TO OTHER ENTITIES				
guarantee	performance bond	69 984	61 747	66 454
guarantee	defects liability bond	9 765	6 545	5 158
guarantee	bid bond	21 138	3 589	710
guarantee	payment of trade payables	15 573	18 224	17 401
guarantee	advance payment guarantee	2 393	2 746	10 312
TOTAL GUARANTEES		118 853	92 851	100 035

As of Q2 2007, the Company's financial statement has included non-consolidated off-balance sheet items related to guarantees and sureties granted to third parties for liabilities of the Parent Company and its subsidiaries presented in the financial statement as trade payables, borrowings or guarantees granted by the Capital Group companies to third parties.

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

6.2 NOTES TO THE PROFIT AND LOSS ACCOUNT

NOTE 19.

REVENUES FROM SALE OF SERVICES

Item	for the period 01.01 – 30.06.2008	for the period 01.01 – 30.06.2007
natural gas and crude oil	103 947	27 054
water	25 947	56 953
fuels	31 723	20 913
residential and industrial construction	32 031	9 976
roads	647	-
other	9 672	26 428
Total revenues from sales of services	203 967	141 324

NOTE 20.

EXPENSES BY TYPE

Item	for the period 01.01 – 30.06.2008	for the period 01.01 – 30.06.2007
Depreciation and amortisation	6 500	5 904
Consumption of materials and energy	41 343	17 934
Outsourced services	92 177	79 824
Taxes and similar charges	783	627
Salaries	17 214	12 812
Social security and other benefits	3 756	3 887
Other expenses (by type)	4 535	4 030
Expenses by type	166 308	125 018
Change in inventory, work in progress, and prepaid expenses, accruals and deferred income	9 635	1 514
Cost of works performed for in-house purposes	-	-
Costs of sales	-	-
General administrative expenses	(14 809)	(11 859)
Costs of products and services sold	161 134	114 673

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting period:	01.01-30.06.2008
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

NOTE 21.

OTHER OPERATING REVENUES FOR THE PERIOD FROM 1 JANUARY 2008 TO 30 JUNE 2008

Item	for the period 01.01 – 30.06.2008	for the period 01.01 – 30.06.2007
a) Gains from sale of non-financial fixed assets	68	-
b) Reversal of write-downs of assets	-	-
- intangible assets and tangible fixed assets	-	-
- receivables	-	-
- inventories	-	-
- other	-	-
b) Other, of which:	2 868	10 640
- re-invoicing (recharges)	882	487
- compensation received under insurance contracts, penalties and fines	281	238
- subsidies	353	576
- reversal of write-downs of receivables	-	56
- assignment of rights to contract	-	8 165
- rental, consulting services	1 345	1 092
- other	7	26
Other operating revenues – total	2 936	10 640

OTHER OPERATING EXPENSES FOR THE PERIOD FROM 1 JANUARY 2008 TO 30 JUNE 2008

Item	for the period 01.01 – 30.06.2008	for the period 01.01 – 30.06.2007
b) Loss from sale of non-financial fixed assets	-	2
b) Write-downs of assets	-	-
- intangible assets and tangible fixed assets	-	-
- receivables	-	-
- inventories	-	-
- other	-	-
b) Other, of which:	1 729	1 609
- donations	219	388
- re-invoicing (recharges)	882	487
- compensation received under insurance contracts, penalties and fines	-	141
- costs other than tax-deductible costs	113	153
- revaluation of non-financial assets	-	87
- other	515	353
Other operating expenses	1 729	1 611

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

NOTE 22.

FINANCIAL REVENUES FOR THE PERIOD FROM 1 JANUARY 2008 TO 30 JUNE 2008

Item	for the period 01.01 – 30.06.2008	for the period 01.01 – 30.06.2007
a) Interest	11 656	6 763
- loans granted	2 302	2 552
- bank interest	6 012	3 454
- bonds and other securities	3 137	448
- other	205	309
b) Other	23	1 007
- foreign exchange gains	-	-
- profit from sale of investments	-	-
- discount (long-term settlements)	23	-
- dividends and profit sharing	-	-
- other	-	1 007
Total financial revenues	11 679	7 770

FINANCIAL EXPENSES FOR THE PERIOD FROM 1 JANUARY 2008 TO 30 JUNE 2008

Item	for the period 01.01 – 30.06.2008	for the period 01.01 – 30.06.2007
a) Bank interest and commissions	15 169	5 736
- interest and commissions on bank credits	5 337	2 659
- bonds (using the effective interest rate)	9 832	2 998
- other interest	-	79
b) Other financial expenses	2 189	1 702
- foreign exchange losses	2 189	658
- loss on the sale of investments	-	-
- discount (long-term settlements)	-	16
- other	-	1 028
Total financial expenses	17 358	7 438

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

7. OTHER NOTES AND EXPLANATIONS

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD FOR THEIR FUNCTION HELD IN THE COMPANY IN THE PERIOD FROM 1 JANUARY 2008 TO 30 JUNE 2008

Item	Base salary	Other benefits	Total
<i>Remuneration of members of the Board of Directors</i>			
Jerzy Wiśniewski	287	2	289
Tomasz Woroch	210	2	212
Przemysław Szkudlarczyk	150	2	152
Tomasz Tomczak	150	2	152
Mariusz Łożyński	120	1	121
Tomasz Łatawiec	120	-	120
Total	1 037	9	1 046
<i>Remuneration of the Supervisory Board members</i>			
Maciej Bednarkiewicz	60	1	61
Jacek Kseń	48	1	49
Wiesław Lindner	30	1	31
Jacek Krzyżaniak	18	1	19
Małgorzata Wiśniewska	18	1	19
Dariusz Sarnowski	18	1	19
Adam Strzelecki	18	1	19
Mirosław Dobrut	18	1	19
Total	228	8	236

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD FOR THEIR FUNCTION HELD IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES IN THE PERIOD FROM 1 JANUARY 2008 TO 30 JUNE 2008

Item	Base salary	Other benefits	Total
<i>Remuneration of members of the Board of Directors</i>			
Jerzy Wiśniewski	120	-	120
Tomasz Woroch	148	-	148
Przemysław Szkudlarczyk	39	-	39
Tomasz Tomczak	-	-	-
Mariusz Łożyński	-	-	-
Tomasz Łatawiec	60	-	60
Total	367	-	367
<i>Remuneration of the Supervisory Board members</i>			
Maciej Bednarkiewicz	-	-	-
Wiesław Lindner	-	-	-
Jacek Krzyżaniak	36	-	36
Małgorzata Wiśniewska	142	-	142
Dariusz Sarnowski	-	-	-
Adam Strzelecki	-	-	-
Mirosław Dobrut	-	-	-
Jacek Kseń	-	-	-
Total	178	-	178

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

AVERAGE EMPLOYMENT IN THE PERIOD FROM 1 JANUARY 2008 TO 30 JUNE 2008 (FTEs)

Item	for the period 01.01 – 30.06.2008	for the period 01.01 – 31.12.2007	for the period 01.01 – 30.06.2007
White-collar employees	430	413	378
Blue-collar employees	209	223	218
Total	640	636	596

STAFF ROTATION IN THE PERIOD 01.01.2008-30.06.2008

Item	for the period 01.01 – 30.06.2008	for the period 01.01 – 31.12.2007	for the period 01.01 – 30.06.2007
Recruited	54	284	116
Dismissed	(103)	(193)	(79)
Total	(49)	91	37

ADVANCE PAYMENTS, LOANS, AND GUARANTEES GRANTED TO MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD

In H1 2008, the Company granted loans to Members of the Board of Directors of PBG SA for the total amount of PLN 295 k.

SIGNIFICANT EVENTS IN RESPECT OF PREVIOUS YEARS PRESENTED IN THE FINANCIAL STATEMENT FOR THE CURRENT PERIOD

No significant events in respect of previous years were presented in the interim financial statement.

CHANGES IN ACCOUNTING PRINCIPLES (POLICY) AND METHODS OF PREPARATION OF THE FINANCIAL STATEMENT VS. THE PREVIOUS FINANCIAL YEAR(S), THEIR CAUSES, TYPES, AND FINANCIAL IMPACT ON THE FINANCIAL STANDING AND ASSET STRUCTURE, LIQUIDITY, FINANCIAL RESULT AND PROFITABILITY

In the Company's interim financial statement, no changes of the adopted accounting principles and methods of preparation of the financial statement were introduced.

To adapt its accounting principles to IFRS requirements, the Company introduced the following presentation adjustments:

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

BALANCE SHEET as at 31 December 2007

Item	Note	as at:	version of the	difference
		31.12.2007 Version relating to comparatives	financial statement for the period 01.01- 31.12.2007	
<i>Assets</i>				
Fixed assets		533 871	533 871	-
Intangible assets		10 281	10 281	-
Tangible fixed assets (Property, Plant & Equipment)		132 946	132 946	-
Investment property		710	710	-
Investments in subsidiaries		255 249	255 249	-
Other long-term financial assets		125 187	125 187	-
Long-term receivables		9 094	9 094	-
Deferred income tax assets		-	-	-
Long-term prepaid expenses		404	404	-
Current assets		774 738	774 738	-
Inventories		21 737	21 737	-
Receivables from contracting parties for works completed under contracts for construction/long-term services		112 488	112 488	-
Trade receivables		216 742	216 742	-
Current income tax receivables		-	-	-
Other short-term receivables		8 622	8 622	-
Other short-term financial assets		79 093	79 093	-
Cash and cash equivalents		328 669	328 669	-
Short-term prepaid expenses		7 387	7 387	-
Non-current assets classified as held for sale		-	-	-
Total assets		1 308 609	1 308 609	-

Item	Note	as at:	version of the	difference
		31.12.2007 Version relating to comparatives	financial statement for the period 01.01- 31.12.2007	
<i>Liabilities</i>				
Equity		720 225	720 225	-
Share capital		13 430	13 430	-
Treasury shares		-	-	-
Share premium reserve		551 178	551 178	-
Capital from measurement of hedging transactions		1 840	1 840	-
Other reserves		104 948	104 948	-
Retained profit/accumulated loss		48 829	48 829	-
- profit (loss) carried forward from previous years		(1 268)	(1 268)	-
- net profit (loss) of the current year		50 097	50 097	-
Liabilities and provisions for liabilities		588 384	588 384	-
Long-term payables	1	234 853	235 040	(187)
Long-term credits and loans		18 803	18 803	-
Other long-term financial payables		200 047	200 047	-
Other long-term payables	1	300	9 634	(9 334)
Deferred income tax provision		3 606	3 606	-
Provisions for employee benefits		327	327	-
Other long-term provisions		2 618	2 618	-
Long-term accruals and deferred income	1	9 152	5	9 147
Short-term payables	1	353 531	353 344	187
Short-term credits and loans		97 154	97 154	-
Other short-term financial payables		113 372	113 372	-
Trade payables		98 661	98 661	-
Payables under contract for construction services		3 768	3 768	-

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

Deferred income tax liabilities		4 731	4 731	-
Other short-term payables	2	33 641	34 425	(784)
Provisions for employee benefits		-	-	-
Other short-term provisions		973	973	-
Short-term accruals and deferred income	2	1 231	260	971
Liabilities related to non-current assets held for sale		-	-	-
TOTAL liabilities		1 308 609	1 308 609	-

A. EXPLANATION OF DIFFERENCES VS. THE BALANCE SHEET AS AT 31 DECEMBER 2007

NOTE 1

Presentation adjustment – “Liabilities and provisions for liabilities – Other long-term payables” were reduced by the amount of PLN 9,334 k related to the long-term portion of a grant received to finance capital expenditure (PP&E) and recharged to “Long-term accruals ad deferred income” (PLN 9,147k) and “Short-term accruals ad deferred income” (PLN 187k).

NOTE 2

Presentation adjustment – “Other short-term payables” were reduced by PLN 784k as a result of recharging the short-term portion of a grant received to finance capital expenditure (PP&E) to “Short-term accruals ad deferred income”.

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

BALANCE SHEET as at 30 June 2007

Item	Note	as at:	version of the	difference
		30.06.2007 Version relating to comparatives	financial statement for the period 01.01- 30.06.2007	
<i>Assets</i>				
Fixed assets		444 757	444 757	-
Intangible assets		4 121	4 121	-
Tangible fixed assets (Property, Plant & Equipment)		113 749	113 749	-
Investment property		-	-	-
Investments in subsidiaries	1	262 232	-	262 232
Other long-term financial assets	1	54 520	316 752	(262 232)
Long-term receivables		10 135	10 135	-
Deferred income tax assets		-	-	-
Long-term prepaid expenses		-	-	-
Current assets		546 224	544 674	1 550
Inventories	2	10 982	10 982	-
Receivables from contracting parties for works completed under contracts for construction/long-term services	2	126 412	124 862	1 550
Trade receivables		161 574	161 574	-
Current income tax receivables		1 204	1 204	-
Other short-term receivables		22 043	22 043	-
Other short-term financial assets		109 400	109 400	-
Cash and cash equivalents		111 073	111 073	-
Short-term prepaid expenses		3 536	3 536	-
Non-current assets classified as held for sale		-	-	-
Total assets		990 981	989 431	1 550

Item	Note	as at:	Version of the	difference
		30.06.2007 version relating to comparatives	financial statement for the period 01.01- 30.06.2007	
<i>Liabilities</i>				
Equity	4	679 109	680 377	(1 268)
Share capital		13 430	13 430	-
Treasury shares		-	-	-
Share premium reserve		551 178	551 178	-
Capital from measurement of hedging transactions		(812)	(812)	-
Other reserves		104 262	104 262	-
Retained profit/accumulated loss	4	11 051	12 319	(1 268)
- profit (loss) carried forward from previous years	4	(1 268)	-	(1 268)
- net profit (loss) of the current year		12 319	12 319	-
Liabilities and provisions for liabilities	2	310 604	309 054	1 550
Long-term payables		150 116	139 002	11 114
Long-term credits and loans		23 838	23 838	-
Other long-term financial payables		109 736	109 736	-
Other long-term payables		457	457	-
Deferred income tax provision	4	3 881	4 179	(298)
Provisions for employee benefits		252	252	-
Other long-term provisions	4	2 106	540	1 566
Long-term accruals and deferred income	3	9 846	-	9 846
Short-term payables		161 756	170 052	(8 296)
Short-term credits and loans		78 375	78 375	-
Other short-term financial payables		2 472	2 472	-

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

Trade payables		61 014	61 014	-
Payables under contract for construction services	2	1 550	-	1 550
Deferred income tax liabilities		-	-	-
Other short-term payables	3	15 852	26 669	(10 817)
Provisions for employee benefits		-	-	-
Other short-term provisions		865	865	-
Short-term accruals and deferred income	3	1 628	657	971
Liabilities related to non-current assets held for sale		-	-	-
TOTAL liabilities		990 981	989 431	1 550

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 JANUARY to 30 JUNE 2007

	Note	as at: 30.06.2007 version relating to comparatives	version of the financial statement for the period 01.01- 30.06.2007	difference
<i>Continuing operations</i>				
Revenues from sales	5	141 324	139 590	1 734
Revenues from sale of products		-	-	-
Revenues from sale of services		126 201	124 467	1 734
Revenues from sale of goods and materials		15 123	15 123	-
Selling costs		(124 088)	(123 036)	(1 052)
Costs of products sold	5	-	-	-
Costs of services sold	5	(114 673)	(113 621)	(1 052)
Costs of goods and materials sold		(9 415)	(9 415)	-
Gross profit (loss) on sales	5	17 236	16 554	682
Costs of sales		-	-	-
General administrative expenses		(11 859)	(11 859)	-
Other operating revenues		10 640	10 640	-
Other operating expenses		(1 611)	(1 611)	-
Operating profit (loss)	5	14 406	13 724	682
Financial revenues	5	7 770	8 452	(682)
Financial expenses		(7 438)	(7 438)	-
Other profits (losses) from investments		-	-	-
Profit (loss) before tax		14 738	14 738	-
Income tax		(2 419)	(2 419)	-
Net profit (loss) from continuing operations		12 319	12 319	-
<i>Discontinued operations</i>		-	-	-
Net loss from discontinued operations		-	-	-
Net profit (loss)		12 319	12 319	-

A. EXPLANATION OF DIFFERENCES VS. THE FINANCIAL STATEMENT AS AT 30 JUNE 2007

NOTE 1

Presentation adjustment: "Fixed assets", item "Investments in subsidiaries" – the amount of PLN 262,232 was previously disclosed under "other long-term financial assets" "from related parties".

NOTE 2

Presentation adjustment: Current assets, item "Receivables from contracting parties for works completed under contracts for construction/long-term services" was adjusted by the amount of payables related to over-invoicing of PLN 1,550 k, and is currently presented under "Payables under contracts for construction services".

NOTE 3

Presentation adjustment: the amount of PLN 10,817k related to a grant received to finance capital expenditure (PP&E) from "Other short-term payables" to "Long-term accruals ad deferred income" (PLN 9,846k) and to "Short-term accruals ad deferred income" (PLN 971 k).

NOTE 4

As at the end of FY 2007, the method of accounting for provisions for warranty servicing changed. An adjustment of PLN 1,556 k was presented in "Other long-term provisions" and reduced "Retained profit/accumulated

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

loss". An asset from temporary differences in the amount of PLN 298 k was calculated accordingly, reducing "Deferred income tax provision" and increasing "Retained profit/accumulated loss".

NOTE 5

Presentation adjustment: recharging of revenues from financial market transactions (PLN 1,734 k) from "Financial revenues" to "Revenues from sale of services", and the amount of reduction of these revenues by costs related to financial market transactions (PLN 1,052 k) to "Costs of services sold" (previously this amount was presented as a set-off, now it is presented separately).

CORRECTIONS OF FUNDAMENTAL ERRORS

No fundamental errors were identified in the Company in the reporting period.

POTENTIAL DISCONTINUATION OF OPERATIONS – DESCRIPTION AND IDENTIFICATION OF RELEVANT ADJUSTMENTS IN THE FINANCIAL STATEMENT

The Company's financial statement was drawn up based on the going concern assumption. There are no circumstances which could indicate any threat to the Company's ability to remain a going concern in the foreseeable future.

SUMMARY AND EXPLANATION OF DIFFERENCES BETWEEN DATA PRESENTED IN THE FINANCIAL STATEMENT AND THE FINANCIAL STATEMENT FOR Q2 2008 DRAWN UP AND PUBLISHED EARLIER

BALANCE SHEET as at 30 June 2008

Item	Note	as at 30.06.2008 Version approved by the Auditor	as at 30.06.2008 Version from Q2 2008 report	difference
<i>Assets</i>				
Fixed assets		576 391	576 391	-
Intangible assets		10 978	10 978	-
Tangible fixed assets (Property, Plant & Equipment)		144 575	144 575	-
Investment property		710	710	-
Investments in subsidiaries		337 563	337 563	-
Other long-term financial assets		73 540	73 540	-
Long-term receivables		8 614	8 614	-
Deferred income tax assets		-	-	-
Long-term prepaid expenses		411	411	-
Current assets		633 073	633 073	-
Inventories	3	31 203	32 787	(1 584)
Receivables from contracting parties for works completed under contracts for construction/long-term services		133 054	133 054	-
Trade receivables	4	174 367	162 690	11 677
Current income tax receivables		-	-	-
Other short-term receivables	3	11 805	21 898	(10 093)
Other short-term financial assets		58 421	58 421	-

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

Cash and cash equivalents		214 811	214 811	-
Short-term prepaid expenses		9 412	9 412	-
Non-current assets classified as held for sale		-	-	-
Total assets		1 209 464	1 209 464	-

Item	Note	as at 30.06.2008 Version approved by the Auditor	as at 30.06.2008 Version from Q2 2008 report	difference
<i>Liabilities</i>				
Equity		736 327	736 327	-
Share capital		13 430	13 430	-
Treasury shares		-	-	-
Share premium reserve		551 178	551 178	-
Capital from measurement of hedging transactions		4 345	4 345	-
Other reserves		149 776	149 776	-
Retained profit/accumulated loss		17 598	17 598	-
- profit (loss) carried forward from previous years		-	-	-
- net profit (loss) of the current year		17 598	17 598	-
Liabilities and provisions for liabilities		473 137	473 137	-
Long-term payables	1	259 684	259 793	(109)
Long-term credits and loans		41 407	41 407	-
Other long-term financial payables		200 000	200 000	-
Other long-term payables	1	1 186	10 089	(8 903)
Deferred income tax provision		4 573	4 573	-
Provisions for employee benefits		286	286	-
Other long-term provisions		3 434	3 434	-
Long-term accruals and deferred income	1	8 798	4	8 794
Short-term payables	1	213 453	213 344	109
Short-term credits and loans		101 483	101 483	-
Other short-term financial payables		2 202	2 202	-
Trade payables		92 237	93 301	-
Payables under contract for construction services		3 178	3 178	-
Deferred income tax liabilities		1 373	1 373	-
Other short-term payables	2	10 715	10 513	202
Provisions for employee benefits		-	-	-
Other short-term provisions		617	617	-
Short-term accruals and deferred income	2	1 648	677	971
Liabilities related to non-current assets held for sale		-	-	-
TOTAL liabilities		1 209 464	1 209 464	-

A. EXPLANATION OF DIFFERENCES VS. THE BALANCE SHEET AS AT 30 JUNE 2008

NOTE 1

Presentation adjustment: the long-term portion of a grant received to finance capital expenditure (PP&E) was recharged from "Other long-term payables" (PLN 8,903 k) to "Long-term accruals ad deferred income" as deferred income (PLN 8,794 k) and as short-term accruals ad deferred income (PLN 109 k).

NOTE 2

Presentation adjustment: the short-term portion of a grant received to finance capital expenditure (PP&E) was recharged from "Other short-term payables" to "Short-term accruals ad deferred income" (PLN 862 k).

NOTE 3

Presentation adjustment: payments on account of services were recharged from "Inventories" to "Other short-term payables" (PLN 1,584 k).

NOTE 4

Presentation adjustment: payments on account of services were recharged from "Other short-term receivables" to "Trade receivables" (PLN 11,677 k).

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting period:	01.01-30.06.2008
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

THE ISSUER'S RELATED PARTY TRANSACTIONS

Related party	Receivables as at 30.06.2008	Payables as at 30.06.2008	Financial assets	Loans received	Financial liabilities (securities)	Revenues from sales in 2008	Acquisitions in 2008	Financial revenues in 2008	Financial expenses in 2008
Metorex Sp. z o.o.	4	-	-	-	-	-	-	-	-
Infra SA	1 942	4 139	8 452	-	-	21	8 838	240	-
Hydrobudowa Polska SA	973	28 515	-	-	-	1 326	25 987	2 922	-
KWG SA	254	-	29 289	-	-	-	-	935	-
Dromost Sp. z o.o.	3	1 433	5 313	-	-	11	2 685	142	-
Hydrobudowa 9 PIB SA	8 035	233	-	-	-	3 599	95	-	-
PBG Dom Sp. z o.o.	6	-	16 168	-	-	-	-	160	-
Apartamenty Poznańskie Sp. z o.o.	-	-	2 965	-	-	-	-	16	-
PRID SA	-	-	-	-	-	-	-	-	-
Gas & Oil Engineering a.s.	-	274	-	-	-	-	1 284	-	-
Excan Oil and Gas Engineering Ltd.	-	450	-	-	-	-	-	-	-
Brokam Sp. z o.o.	1	-	103	-	-	-	-	2	-
Bathinex Sp. z o.o.	1	-	5 708	-	-	-	-	167	-
AVATIA Sp. z o.o.	179	222	-	-	-	-	723	-	-
APRIVIA Sp. z o.o.	4	-	-	-	-	-	-	-	-
Betpol Sp. z o.o.	-	-	-	-	-	-	-	-	-
Budwil Sp. z o.o.	-	-	-	-	-	-	-	-	-
Gdyńska Projekt Sp. z o.o.	-	-	-	-	-	-	-	-	-
Wiertmar Sp. z o.o.	-	-	-	-	-	-	-	-	-
PRIS SA	-	-	-	-	-	11	51	-	-
Hydrobudowa Polska Konstrukcje Sp. z o.o.	-	-	-	-	-	-	-	-	-
Total	11 402	35 266	67 998	-	-	4 968	39 663	4 584	-

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

8. EVENTS AFTER THE BALANCE SHEET DATE

Mergers, acquisitions, and establishment of new subsidiaries

Increase of registered capital of PBG Dom Sp. z o.o.

On 5 August 2008, the Board of Directors of PBG SA was notified that the increased registered capital of PBG Dom Sp. z o.o. was registered by the Court as of 5 August 2008. The Company's registered capital was increased from PLN 2,357,200.00 to PLN 12,357,000.00, i.e. by PLN 10,000,000.00, by creating 100,000 shares of the nominal per-share value of PLN 100.00. All new shares were taken over by PBG SA, the sole partner of PBG Dom Sp. z o.o. After the increase in registered capital from 123,572 shares, PBG SA may exercise 123,572 votes representing 100% of the total vote.

Investment agreements

Investment "LMG Project – the Central Unit, wellsites, pipelines and other"

On 11 August 2008, the Consortium of companies PBG SA as Consortium Leader, the Italian company Technip KTI S.P.A. and Canadian company Thermo Design Engineering Ltd. as Consortium Partners, concluded a contract with Polskie Górnictwo Naftowe i Gazownictwo SA (Polish Gas and Oil Company) for General Contractor services under the task "LMG Project – the Central Unit, wellsites, pipelines and other". The total gross amount of this contract is PLN 1,704,340,000.00 k (i.e. PLN 1,397,000,000.00 net). The contract shall be performed by the Consortium within 56 months of the date of signing.

The following contractual penalties were agreed:

- in the case of delays in the provision of the required performance bond for the term of this contract, for which PBG is responsible – 0.005% of the agreed gross fee for every day of the delay;
- in the case of delays in the provision of the approved basic design to the Contracting Party, for which PBG is responsible – 0.01% of the agreed gross fee for every day of the delay;
- in the case of delays in the agreed contract performance term, for which PBG is responsible – 0.05% of the agreed gross fee for every day of the delay;
- in the case of delays in the elimination of defects identified upon acceptance of works or during the warranty period, for which PBG is responsible – 0.005% of the agreed fee for each day of the delay from the set date of expected elimination of defects;
- in the case of earlier termination of the Contract by the Contracting Party, for reasons attributable to the Contractor – 10% of the agreed gross fee;
- in the case of delays in the provision of the required performance bond for the warranty term, for which PBG is responsible – 0.005% of the agreed gross fee for every day of the delay;

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

- in the case of non-achievement of the guaranteed performance parameters defined in the functional programme and the Contract after the second test under the warranty - 5% of the agreed gross fee.

On 11 August 2008, PBG SA concluded a material agreement with Technip KTI S.P.A for the performance of works under the task "LMG Project – the Central Unit, wellsites, pipelines and other". As the Consortium Partner, Technip KTI S.P.A. shall provide specialist end-to-end systems, including:

- amine treatment of sour gas from oil separation and stabilisation,
- conversion of hydrogen sulphide from sour gases and storage of liquid sulphur,
- removal of organic sulphur compounds from gas products and LPG,
- treatment of post-regeneration gas.

PBG SA as the Consortium Leader shall pay PLN 306,084,000.00 net to Technip KTI S.P.A. for the entire scope of works performed. The Parties agreed that both in the scope covered by the Contract with the Contracting Party, and in all contracts concluded within the Consortium for the task "LMG Project", all terms and conditions of the Contract concluded by PBG SA on behalf of the Consortium with Polskie Górnictwo Naftowe i Gazownictwo SA (Polish Oil and Gas Company) shall apply.

Investment "Construction of the Waste Management Plant in Trzebania, municipality of Osieczna"

On 5 September 2008, the Board of Directors of PBG SA concluded an agreement with Miejski Zakład Oczyszczania Sp. z o.o. with its registered office in Leszno. The Contract for the total gross amount of EUR 30,400,518.41 (EUR 24,918,457.71 net) shall be performed by the Consortium of PBG Capital Group Companies (Hydrobudowa 918 PIB SA as Consortium Leader, PBG SA and Hydrobudowa Polska SA as Consortium Partners) as well as research and design centres "Ekosystem" Sp. z o. o. with its registered office in Zielona Góra and Ekotab Projekt Sp. z o. o. with its registered office in Poznań. This Contract shall cover the task "Construction of the Waste Management Plant in Trzebania, municipality of Osieczna". Works under this Contract shall be performed by 30 June 2008 in accordance with the Conditions of Contract for Plant and Design-Build for Electrical and Mechanical Works, as well as Building and Engineering Works Designed by the Contractor. The following agreed penalties were adopted:

- delay damages: 0.05% of Contract Price for each day of delay, payable in Euro;
- maximum total amount of delay damages: 10% of net Contract Price.

Consortium Members agreed on the following division and settlement of works:

- design works for the total net amount of EUR 1,181,011.05: 90% EKOSYSTEM Sp. z o.o., 10% Ekotab Projekt Sp. z o.o.
- building and engineering works: 75% Hydrobudowa 9 PIB SA, 15% Hydrobudowa Polska SA, 10% PBG SA.

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

Agreements with financial institutions

Annex to the facility liability limit agreement concluded with Raiffeisen Bank Polska SA

On 31 July 2008, the Board of Directors of PBG SA informed that on 30 July 2008 an annex to the agreement on a facility liability limit of 28 September 2008 was concluded with Raiffeisen Bank Polska SA with its registered office in Warsaw. Under this Annex, another subsidiary APRIVIA SA joined PBG SA and other PBG Capital Group companies: INFRA SA, METOREX Sp. z o. o., DROMOST Sp. z o. o., HYDROBUDOWA 9 SA, and PRID SA. The annex also increased the liability limit facility granted to the Companies, from PLN 75,000,000.00 to PLN 125,000,000.00. Under the annexed agreement, the Companies are entitled to a facility liability limit up to the total amount of PLN 75,000,000.00 to be used to finance current operations. The Companies may use the limit in the following forms:

- revolving credit facility in PLN, EUR and USD up to PLN 100,000,000.00 until 27 November 2009,
- limit for uncovered letters of credit in PLN or other currency up to PLN 75,000,000.00 until 29 November 2013,
- limit for bank guarantees in PLN or other currency up to PLN 75,000,000.00 until 29 November 2013.

Receivables of Raiffeisen Bank Polska SA are secured with:

- 1) Authorisation to charge any receivables and claims of the Bank arising from the Agreement to current accounts of each Borrower in the Bank and other accounts of each Borrower managed by the Bank,
- 2) judgment note (agreement for judgment) under Art. 97 of the Banking Law (i.e. enforcement proceedings initiated by the Bank on the basis of an enforceable title), up to the total amount of the current debt including interest and other charges, but not exceeding PLN 187,500,000.00.
- 3) assignment of receivables from the financed contract in the minimum amount of 150% of the utilised limit.

Other provisions of the agreement were not amended.

Financial agreements with PEKAO SA related to the preparation and implementation of the contract for the task "LMG Project – the Central Unit, wellsites, pipelines and other"

On 7 August 2008, PBG SA concluded financial agreements with Bank PEKAO SA related directly to the signing and performance of the contract "LMG Project – the Central Unit, wellsites, pipelines and other":

- 1) Agreement for the credit line of PLN 286,000,000.00 for contract financing. This limit will be broken down into the following Bank Product Limits:
 - a) Performance Bond Limit – up to PLN 86,000,000.00,

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

b) Credit Limit – up to PLN 200,000,000.00, of which up to (the equivalent of) PLN 40,000,000.00 denominated in PLN, USD, EUR, CAD, SKK, CZK, NOK, SEK, or DKK for Guarantees or Letters of Credit.

The total amount of the Bank's commitment in Bank Products granted under this agreement must not exceed:

- a) PLN 86,000,000.00 for Performance Bond Limit – in the period starting on the agreement signing date and ending on the date of works acceptance by PGNiG SA,
- b) PLN 100,000,000.00 for Credit Limit in the first quarter starting on the Contract signing date,
- c) PLN 200,000,000.00 for Credit Limit in the second quarter as of the Contract signing date, provided that the total amount of the Bank's commitment in the Credit Facility, Performance Bonds, or Letters of Credit shall not exceed the lower of:
 - 75% of the Contract amount defined in the Contract and still to be invoiced, or accepted and invoiced but not paid by PGNiG,
 - 90% of the required working capital defined in the Contract performance schedule and quarterly budget submitted by the Borrower to the Bank.

The Parties agreed as follows:

- a) Performance Bond shall be granted in PLN,
- b) Credit Facility shall be granted in PLN,
- c) Guarantees and Letters of Credit shall be granted in PLN or in currencies specified in documents submitted by the Borrower, but no other than USD, EUR, CAD, SKK, NOK, CZK, SEK, or DKK.

Maturity of each Bank Product shall be agreed on a case-by-case basis pursuant to the Line Agreement and terms and conditions of the Contract, but must not exceed:

- a) the expected Contract performance date,
- b) final payment date,
- c) final repayment date set at 30 June 2013.

The following legal security for Bank Products was established:

- a) assignment of receivables with a condition precedent from the Contract with irrevocable specification of Credit Account,
- b) authorisation to debit the Borrower's current and future accounts in the Bank,
- c) the Borrower's judgment note (agreement for judgment),
- d) surety of the Borrower's subsidiary Hydrobudowa Polska SA together with its judgment note (agreement for judgment).

II) Agreement for the Performance Bond up to PLN 85,217,000.00 valid until 30 April 2013, with Polskie Górnictwo Naftowe i Gazownictwo SA as the Beneficiary. Bank's claims for the reimbursement of sums paid to the Beneficiary shall be secured by: assignment of receivables with a condition precedent from the Contract with irrevocable specification of Credit Account, authorisation to debit the Principal's current and future accounts in the Bank, the Principal's judgment note (agreement for

Capital Group:	PBG Spółka Akcyjna		
Reporting period:	01.01-30.06.2008	Reporting currency:	Polish zloty (PLN)
Approximation:	unless indicated otherwise, all amounts are in PLN thousands		

judgment), and surety of the Principal's subsidiary Hydrobudowa Polska SA together with its judgment note (agreement for judgment). PBG SA issued its judgment note (agreement for judgment) and approval for bank's enforceable title covering the amount paid by the Bank to the Beneficiary under the Performance Bond as well as outstanding Increased Interest and Commissions and other receivables of the Bank, up to the amount of PLN 129,000,000.00. Under this agreement, Performance Bond may be used provided that the Principal has undertaken to conclude an agreement for the assignment of receivables from the Contract to the Bank, and that PGNiG SA is duly notified thereof and issues its approval within 60 days after the Bond is used.

III) Annex to the contract of 12 May 2005 on Bank Products limits. Considering the Bank's commitment in the Limit granted for Contract financing, this Annex reduced the total value of Bank Products from PLN 147,755,113.25 to the total maximum amount of PLN 92,682,661.91. The Parties agreed the following maximum amount of limits for Bank Products made available to PBG SA:

- a) Revolving facility in the form of a credit line – up to PLN 20,000,000.00 or its equivalent in EUR or USD at the average exchange rate of the National Bank of Poland,
- b) Investment facility in the form of a credit line up to: PLN 14,182,661.91
- c) Bank guarantee line up to PLN 30,000,000.00
- d) Limit for derivatives up to PLN 25,000,000.00
- e) Limit for letters of credit up to PLN 20,000,000.00
- f) Limit for cards up to PLN 500,000.00

Other terms and conditions of the said agreement remain unchanged. Bank fees and charges were agreed at arm's length.

Agreement on contract insurance guarantees with TuiR „WARTA” SA

On 29 August 2008, the Board of Directors of PBG SA concluded a material agreement with Towarzystwo Ubezpieczeń i Reasekuracji "WARTA" SA with its registered office in Warsaw and PBG Capital Group Companies on contract guarantees granted within the specified guarantee limit. PBG SA, Hydrobudowa Polska SA, Hydrobudowa 9 PIB SA, and Infra SA are Parties to this agreement. Under the said agreement, TUIR "WARTA" SA granted a revolving guarantee limit to Capital Group Companies, within which contract performance bonds shall be granted with the following validity dates:

- a) bid bonds and advance payment guarantees – up to 3 years,
- b) performance bonds – up to 4 years (plus 30 days to release the security),
- c) defects liability bonds – up to 5 years (plus 15 days to release the security),

provided that the total maximum term of performance bonds related to a single contract (subject to the above limitations) is 6 years. In the case of guarantees related to construction contracts co-financed with the EU funds, concluded in public procurement proceedings, and contracted by public Beneficiaries, this term shall be 7 years (plus 45 days to release the security). The Parties agreed that the maximum guarantee limit for all Guarantees and Bonds granted under this agreement, as well as other guarantees for which TUIR "WARTA" SA is responsible in the period of this

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

agreement, shall not exceed PLN 150,000,000.00 at any time. The agreement shall be valid until 28 April 2009. The fee payable to TUIR "WARTA" SA for guarantees granted within the limit was agreed at arm's length. Receivables of TUIR "WARTA" SA related to guarantees granted within the limit are secured by:

- 1) PBG SA corporate guarantee,
- 2) five blank promissory notes with a promissory note agreement issued by PBG SA and guaranteed by Hydrobudowa Polska SA, Infra SA, and Hydrobudowa 9 PIB SA,
- 3) five blank promissory notes with a promissory note agreement issued by Hydrobudowa Polska SA and guaranteed by PBG SA, Infra SA, and Hydrobudowa 9 PIB SA,
- 4) five blank promissory notes with a promissory note agreement issued by Infra SA and guaranteed by PBG SA, Hydrobudowa Polska SA, and Hydrobudowa 9 PIB SA,
- 5) five blank promissory notes with a promissory note agreement issued by Hydrobudowa 9 PIB SA and guaranteed by PBG SA, Hydrobudowa Polska SA, and Infra SA,
- 6) judgment note (agreement for judgment) issued by all Applicants pursuant to Art. 777 § 1 section 5 of the Code of Civil Proceedings, whereunder each Applicant shall be subject to enforcement proceedings under claims of TUIR "WARTA" SA resulting from guarantees granted upon request of any Applicant acting as Party to the agreement. No fee shall be charged by the Capital Group Companies for any of the above intercompany sureties.

Surety granted by PBG SA for liabilities of HYDROBUDOWA 9 PIB SA.

On 27 August 2008, PBG SA granted its surety for liabilities of a subsidiary Company Hydrobudowa 9 PIB SA. This surety shall be valid until 31 December 2013, and was granted in relation to the increased security limit of Hydrobudowa 9 PIB SA to Euro 20,000,000.00 under the Framework Agreement on Derivatives and Forward Transactions of 23 June 2008 concluded with Raiffeisen Bank Polska SA.

PBG SA provided its judgment note (agreement for judgment) under Art. 29 of the Banking Law (i.e. enforcement proceedings initiated by the Bank on the basis of an enforceable title), up to the total amount of the current debt including interest and other charges, but not exceeding EUR 30,000.000.00, for any claims of the Bank arising from Transactions concluded under the said Framework Agreement and Additional Agreement.

The amount of fee related to this surety was agreed at arm's length.

Annex to framework agreement concluded with ING Bank Śląski SA

On 8 September 2008, PBG SA signed Annex no. 5 to the framework agreement concluded on 6 September 2007 by and between ING Bank Śląski SA and PBG Capital Group companies: PBG SA, HYDROBUDOWA POLSKA SA, INFRA SA, HYDROBUDOWA 9 P.I. B. SA, AVATIA Sp. z o. o., and PRIS

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

Sp. z o. o. Under the said Annex, the credit limit was increased from PLN 100,000,000.00 to PLN 150,000,000.00.

Borrowers submitted their judgment notes (agreements for judgment) up to PLN 225,000,000.00, and the Bank may apply for an immediate execution of the enforceable title by 5 September 2015. In addition, a corporate guarantee provided by each Company acting as Party to the agreement was increased from PLN 100,000,000.00 to PLN 150,000,000.00. These corporate guarantees shall remain in effect until all obligations arising from the Framework Agreement in respect of the Bank have been settled. Corporate guarantees were granted at arm's length. Other provisions of the agreement were not amended.

Other events

Termination of a preliminary contract of sale of equity interest in the company J.A. Sokół – Melafir Sp. z o.o.

On 25 August 2008, the Board of Directors of PBG SA was notified by an authorised representative that the Parties to the preliminary contract of sale agreed to terminate this contract as of 22 August 2008. The said contract was concluded by and between PBG SA and a natural person on 22 June 2007. The object of this contract was the acquisition of equity interest in the company J.A. Sokół – Melafir Sp. z o.o. with its registered office in Tłumaczów. PBG SA and the Seller had undertaken to conclude the final contract of sale, whereunder the Seller would sell all 500 shares of the company J.A. Sokół - Melafir Sp. z o.o. to PBG SA, free of any encumbrances, for the total price of PLN 32,000,000.00. The final contract of sale was to be concluded subject to the following conditions precedent:

- results of the audit conducted by PBG SA in the Acquiree must be positive;
- a license to extract melaphyre from the deposit "Tłumaczów - Gardzież" must be brought back into effect and become binding.

On 22 August 2008, PBG SA represented by its authorised representative and the natural person acting as a Party to the said preliminary contract of sale agreed to terminate this contract as no agreement had been reached whether the first condition precedent (positive audit result) was satisfied.

Resignation from the Supervisory Board of PBG SA

On 1 September 2008, Małgorzata Wiśniewska handed in her resignation from membership in the Supervisory Board of PBG SA, as she became President of the Board of Directors in Infra SA, a subsidiary company of PBG SA.

Capital Group:	<i>PBG Spółka Akcyjna</i>		
Reporting period:	<i>01.01-30.06.2008</i>	Reporting period:	<i>01.01-30.06.2008</i>
Approximation:	<i>unless indicated otherwise, all amounts are in PLN thousands</i>		

SIGNATURES OF ALL MEMBERS OF THE BOARD OF DIRECTORS

Jerzy Wiśniewski – President of the Board of Directors

Tomasz Woroch – Vice President of the Board of Directors

Przemysław Szkudlarczyk – Vice President of the Board of Directors

Tomasz Tomczak – Vice President of the Board of Directors.

Mariusz Łożyński – Member of the Board of Directors

Tomasz Latawiec – Member of the Board of Directors

Signature of a person responsible for the preparation of the financial statement

Anna Nowak – Chief Accountant

Wysogotowo, 24 September 2008