

Subject: Execution of a conditional property sale agreement by a PBG Dom Group company.

The Management Board of PBG S.A. w upadłości układowej (in company voluntary arrangement) (the "Company", "PBG") reports that Galeria Kujawska Nova Sp. z o.o. spółka komandytowa ("Galeria"), an indirect subsidiary of PBG, executed a conditional agreement (the "Agreement") on sale of an undeveloped property comprising four plots of land in Bydgoszcz, designated for the construction of a shopping centre (the "Property").

The Agreement was executed on February 21st 2014 with ECE Projektmanagement Polska sp. z o.o. of Warsaw ("ECE"). Subsequently, the buyer's rights under the Agreement were transferred, pursuant to an agreement signed between Galeria, ECE and Centrum Handlowe Polska 6 Sp. z o.o. Sigma Spółka komandytowa (the "Buyer") on March 3rd 2014, to the Buyer.

The sale price of the Property is PLN 130,503,000.00 (including value added tax of PLN 24,403,000.00). The Agreement may be terminated by either Party on or before August 14th 2014 in the event of improper performance of contractual obligations by the other Party.

Transfer of the Property to the Buyer will be made under a separate final agreement (the "Final Agreement"), executed upon fulfilment of the condition stating that the Municipality of Bydgoszcz does not exercise its statutory right of first refusal over any of the plots comprising the Property.

The Agreement provides for the following contractual penalties:

- 1) Galeria has the right to demand from the Buyer a contractual penalty of PLN 20,000,000 if the Buyer fails to execute the Final Agreement for reasons attributable to the Buyer;
- 2) The Buyer has the right to demand from Galeria a contractual penalty of PLN 20,000,000 if any representation on the condition of the Property made by the Gallery proves incorrect or untrue, or if Galeria breaches the terms of the Agreement, including the obligation to prevent any events which may have an adverse effect on the Property.

In the Agreement, the parties agreed to secure Galeria's liability towards the Buyer, related to claims which may arise under the Agreement, by voluntary submission to enforcement for up

to PLN 80,421,969. The Buyer will have the right to request the court to append an enforcement clause until May 24th 2016. In addition, an entry will be made for the benefit of the Buyer in the land and mortgage register for the plots making up the Property, up to PLN 80,421,696, as security for the Buyer's claim under the Agreement, as referred to above.

Galeria is an indirect subsidiary of PBG, controlled through PBG Dom Sp. z o.o.

Legal basis:

Art. 56.1.1 of the Public Offering Act – inside information

For PBG S.A.:

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