

Current report no.: 42/2009

Wysogotowo, 22.06.2009

Subject: Expansion of the Capital Group by PBG DOM Sp. z o.o.

The Management Board of PBG S.A. informs to have been notified by PBG DOM Sp. z o.o. subsidiary of the following actions aimed to expand PBG DOM Capital Group:

1) the establishment of PBG DOM Management Sp. z o.o., having its registered office in Wysogotowo k/ Poznania by PBG DOM Sp. z o.o. on 5 June 2009. The Company's share capital amounts to PLN 5,000 and is divided into 100 shares of PLN 50.00 in face value per share. The shares are equal and cannot be split, and each share has one vote attached. All shares in the share capital of PBG DOM Management Sp. z o.o. have been taken up by PBG DOM. The Company has been established to operate in the real estate and development market. The book value of the said assets in PBG DOM Sp. z o.o. books amounts to PLN 5,416.00.

2) the increase in the share capital of CITY DEVELOPMENT Sp. z o.o. carried out on 9 June by the General Meeting of Shareholders. A subsidiary of PBG S.A. – PBG DOM Sp. z o.o. – holding 1 share in the Company so far expressed its will to take up 53,250 shares in CITY DEVELOPMENT Sp. z o.o. after the increase in the share capital is registered. The face value of each share from the new issue amounts to PLN 50. The share selling price will be equivalent to the face value. Shares held by PBG DOM Sp. z o.o. will translate into 75 per cent in share capital and votes at the GMS of CITY DEVELOPMENT. Total investment of PBG DOM in the Company's share capital will amount to PLN 2,662,500. CITY DEVELOPMENT Sp. z o.o. objects include the construction of residential buildings for sale and rent.

CITY DEVELOPMENT is the proprietor of two plots where it intends to build over 300 flats. The book value of the said assets in PBG DOM Sp. z o.o. books amounts to PLN 2,664,558.00.

3) the submission of a declaration to take up new shares in Concept Development BSD 2 Sp. z o.o., based in Warsaw, on 9 June 2009 by PBG DOM Sp. z o.o. PBG DOM Sp. z o.o. expressed its will to take up:

- 265 shares privileged only in terms of voting rights (2 voting rights from 1 share);

- 970 ordinary shares after the share capital in the Company is increased.

After the registration PBG DOM will hold 1,235 shares which will be taken up in consideration of cash contribution in the amount of PLN 61,750. The shares held will entitle the company to exercise 51 per cent of voting rights at the GMS and account for 37 per cent stake in Concept Development BSD 2 share capital. Concept Development BSD 2 is the proprietor of the plot and construction design under which it was granted a construction permit. Concept Development BSD 2 Sp. z o.o objects include the construction of an office building in Warsaw. The book value of the said assets in PBG DOM Sp. z o.o. books amounts to PLN 71,025.00.

PBG Dom Sp. z o.o. does not plan to change business activity profile of the Companies whose shares it is taking up and treats the investment in the Companies as a long-term investment. The actions taken will be financed from loans incurred by the Company. PBG Dom treats the assets as a long-term investment.

After registration by the National Court Register, the shares taken up will constitute material assets in each Company since they account for over 20 per cent in the share capital of every Company.

Legal basis:

56 item 1 point 1 of Public Offering Act – confidential information

Signature of the authorised person:

Magdalena Eckert-Boruta