

POLISH FINANCIAL SUPERVISION AUTHORITY

PBG CAPITAL GROUP



**Interim consolidated financial statements
for Q3 FY 2009**

Prepared in accordance with the International Financial Reporting Standards (IFRS)

date of submission: 9 November 2009

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**1 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF PBG CAPITAL GROUP FOR Q3
FY 2009**

SELECTED FINANCIAL DATA

Item	for the period 01.01 – 30.09.2009 PLN	for the period 01.01 – 30.09.2008 PLN	for the period 01.01 – 31.12.2008 PLN	for the period 01.01 – 30.09.2009 EUR	for the period 01.01 – 30.09.2008 EUR	for the period 01.01 – 31.12.2008 EUR
Income Statement						
Revenues from sales	1 651 055	1 370 043	2 091 425	375 299	400 048	592 119
Operating profit (loss)	168 668	142 640	225 611	38 340	41 650	63 874
Profit (loss) before tax	147 556	122 886	215 915	33 541	35 882	61 129
Net profit (loss) from continuing operations	130 513	108 781	189 923	29 667	31 764	53 771
Net profit (loss), of which:	130 513	108 781	189 923	29 667	31 764	53 771
- Parent Company shareholders	109 105	84 515	158 241	24 801	24 678	44 801
- minority shareholders	21 408	24 266	31 682	4 866	7 086	8 970
Earnings (loss) per ordinary share (in PLN / EUR)	7.90	6.29	11.78	1,80	1,84	3,34
Diluted earnings (loss) per ordinary share (in PLN / EUR)	7.90	6.29	11.78	1,80	1,84	3,34
Average exchange rate of EUR / PLN				4,3993	3,4247	3,5321

Statement of Cash Flows						
Net cash from operations	173 228	(327 748)	(252 117)	39 376	(95 701)	(71 379)
Net cash used in investments	(222 339)	(128 199)	(185 622)	(50 540)	(37 434)	(52 553)
Net cash from financing activity	510 884	313 472	315 220	116 128	91 533	89 244
Net balance of cash and cash equivalents	461 773	(142 475)	(122 519)	104 965	(41 602)	(34 687)
Average exchange rate of EUR / PLN				4,3993	3,4247	3,5321

Item	as at 30.09.2009 PLN	as at 30.09.2008 PLN	as at 31.12.2008 PLN	as at 30.09.2009 EUR	as at 30.09.2008 EUR	as at 31.12.2008 EUR
Balance Sheet						
Assets	3 869 070	2 660 469	2 858 509	916 277	780 585	685 099
Long-term payables	691 612	373 317	410 022	163 788	109 532	98 270
Short-term payables	1 660 499	1 108 771	1 334 869	393 241	325 315	319 928
Equity	1 516 959	1 178 381	1 113 618	359 248	345 739	266 901
Share capital	14 295	13 430	13 430	3 385	3 940	3 219
Number of shares	14 295 000	13 430 000	13 430 000	14 295 000	13 430 000	13 430 000
Weighted average number of ordinary shares	13 814 000	13 430 000	13 430 000	13 814 000	13 430 000	13 430 000
Weighted average diluted number of ordinary shares	13 814 000	13 430 000	13 430 000	13 814 000	13 430 000	13 430 000
Book value per share - BVPS (in PLN / EUR)	89.43	77.41	69.11	21,18	22,71	16,56
Dividend per share – declared or paid (in PLN / EUR)	-	-	-	-	-	-
PLN / EUR closing exchange rate				4,2226	3,4083	4,1724

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Item	as at 30.09.2009	as at 30.09.2008	as at 30.06.2009	as at 30.06.2008	as at 31.12.2008
Assets					
Fixed assets	1 047 215	901 820	986 492	849 804	918 184
Goodwill	330 113	300 255	332 677	298 693	332 522
Intangible assets	17 148	14 105	16 627	13 564	14 820
Tangible fixed assets (Property, Plant & Equipment)	380 776	382 944	467 855	355 340	403 749
Non-renewable natural resources	12 282	27 834	11 999	27 834	11 999
Investment property	165 966	27 116	37 905	27 137	21 662
Investments in subsidiaries	10 381	62 389	12 111	34 207	27 000

Investments in associates	-	-	-	-	-
Other long-term financial assets	79 680	50 584	38 287	49 374	35 655
Long-term receivables – derivatives	10 101	7 948	13 691	19 647	12 916
Long-term receivables	16 018	19 747	17 769	19 707	20 593
Deferred income tax assets	15 028	-	26 821	-	23 701
Long-term prepaid expenses	9 722	8 898	10 750	4 301	13 567
Current assets	2 821 855	1 758 649	2 408 442	1 696 304	1 940 325
Inventories	89 722	64 857	132 284	60 769	69 360
Receivables under contracts for construction services	857 915	649 151	960 482	582 637	783 930
Trade receivables	881 945	638 337	696 348	556 484	679 366
Current income tax receivables	1 729	713	5 568	195	978
Other short-term receivables	48 641	56 707	26 745	52 495	48 751
Other short-term financial assets	162 033	16 266	103 259	15 896	50 487
Short-term receivables – derivatives	6 762	44 138	7 573	67 503	1 280
Cash and cash equivalents	751 514	268 116	456 785	340 167	289 713
Short-term prepaid expenses	21 594	20 364	19 398	20 158	16 460
Non-current assets classified as held for sale	-	-	-	-	-
Total assets	3 869 070	2 660 469	3 394 934	2 546 108	2 858 509

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

Item	as at 30.09.2009	as at 30.09.2008	as at 30.06.2009	as at 30.06.2008	as at 31.12.2008
<i>Liabilities</i>					
Equity	1 516 959	1 178 381	1 410 612	1 158 776	1 113 618
Equity of Parent Company shareholders	1 278 445	1 039 598	1 174 604	971 864	928 135
Share capital	14 295	13 430	14 295	13 430	13 430
Treasury shares	-	-	-	-	-
Share premium reserve	733 348	551 178	733 730	551 178	551 178
Reserve from valuation of hedging transactions and foreign exchange differences on consolidation	(55 674)	(1 596)	(103 633)	21 682	(101 444)
Item cont.	as at 30.09.2009	as at 30.09.2008	as at 30.06.2009	as at 30.06.2008	as at 31.12.2008
Other reserves	382 271	352 330	366 025	295 858	274 778
Retained earnings/accumulated loss	204 205	124 256	164 187	89 716	190 193
- earnings (loss) carried forward from previous years	95 100	39 741	94 018	39 741	31 952
- net earnings (loss) for the current year of Parent Company shareholders	109 105	84 515	70 169	49 975	158 241
Minority interest	238 514	138 783	236 008	186 912	185 483
Payables	2 352 111	1 482 088	1 984 322	1 387 332	1 744 891
Long-term payables	691 612	373 317	429 737	349 639	410 022
Long-term borrowings (credits and loans)	110 572	114 141	138 099	84 249	112 850
Other long-term financial payables	518 199	208 395	205 870	208 880	210 386
Long-term payables – derivatives	12 562	944	35 984	-	46 610
Other long-term payables	22 709	18 818	25 412	17 790	17 115
Deferred income tax provision	-	10 003	-	13 049	-
Provisions for employee benefits	4 911	4 650	5 530	4 841	5 229
Other long-term provisions	15 073	8 289	11 226	12 032	9 606
Government grants	-	-	-	-	-
Long-term accruals and deferred income	7 586	8 077	7 616	8 798	8 226
Short-term payables	1 660 499	1 108 771	1 554 585	1 037 693	1 334 869
Short-term borrowings (credits and loans)	550 072	451 445	579 664	368 767	475 147
Other short-term financial payables	29 052	11 581	8 184	5 873	8 045
Short-term payables – derivatives	84 173	4 798	182 569	838	188 279
Trade payables	741 320	405 321	599 679	409 725	486 595
Payables under construction contract	45 618	27 692	31 633	6 473	14 989
Deferred income tax liabilities	10 799	14 065	3 381	9 171	21 219
Other short-term payables	144 985	99 714	73 992	117 536	52 016
Provisions for employee benefits	1 377	439	1 309	704	881
Other short-term provisions	45 409	86 137	64 241	110 467	78 926
Government grants	-	-	-	-	-
Short-term accruals and deferred income	7 694	7 579	9 933	8 139	8 772
Liabilities related to non-current assets held for sale	-	-	-	-	-

Total liabilities	3 869 070	2 660 469	3 394 934	2 546 108	2 858 509
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INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

Item	Q3 01.07.2009 - 30.09.2009	3 quarters to date 01.01.2009 - 30.09.2009	Q3 01.07.2008 - 30.09.2008	3 quarters to date 01.01.2008 - 30.09.2008
<i>Continuing operations</i>				
Revenues from sales	702 471	1 651 055	543 223	1 370 043
- related parties	-	-	-	-
Revenues from sales of products	7 204	21 111	15 196	51 017
Revenues from sales of services	693 456	1 621 810	513 824	1 290 524
Revenues from sales of goods and materials	1 811	8 134	14 203	28 502
Cost of sales	(611 547)	(1 413 088)	(461 482)	(1 159 261)
- related parties	-	-	-	-
Costs of products sold	(6 215)	(22 226)	(12 778)	(42 897)
Costs of services sold	(603 732)	(1 383 173)	(436 303)	(1 090 556)
Costs of goods and materials sold	(1 600)	(7 689)	(12 401)	(25 808)
Gross profit (loss) on sales	90 924	237 967	81 741	210 782
Selling expenses	-	-	-	-
General administrative expenses	(23 010)	(82 419)	(27 640)	(72 959)
Other operating revenues	941	26 370	3 847	9 568
Other operating expenses	(2 716)	(13 250)	(198)	(4 751)
Share in profits of related parties accounted for using the equity method	-	-	-	-
Restructuring costs	-	-	-	-
Operating profit (loss)	66 139	168 668	57 750	142 640
Financial revenues	1 257	19 073	8 479	24 545
Financial expenses	(17 321)	(43 093)	(12 149)	(44 299)
Other profits (losses) from investments	2 908	2 908	-	-
Profit (loss) before tax	52 983	147 556	54 080	122 886
Income tax	(9 640)	(17 043)	(9 297)	(14 105)
Net profit (loss) from continuing operations	43 343	130 513	44 783	108 781
<i>Discontinued operations</i>				
Net loss from discontinued operations	-	-	-	-
Net profit (loss)	43 343	130 513	44 783	108 781
Net profit (loss):	43 343	130 513	44 783	108 781
- Parent Company shareholders	38 936	109 105	34 540	84 515
- minority shareholders	4 407	21 408	10 243	24 266

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Item	Q3 01.07.2009 - 30.09.2009	3 quarters to date 01.01.2009 - 30.09.2009	Q3 01.07.2008 - 30.09.2008	3 quarters to date 01.01.2008 - 30.09.2008
Net profit (loss)	43 343	130 513	44 783	108 781
Other comprehensive income				
Subsequent measurement of PP&E	-	(77)	883	649
Available-for-sale financial assets	-	-	-	-
Cash flow hedges	88 339	77 428	(33 962)	(12 889)
Foreign exchange differences – valuation of related parties operating abroad	13	398	(196)	134
Share in financial results of related parties accounted for using the equity method	-	-	-	-
Income tax relating to other comprehensive income	(20 692)	(19 082)	6 045	2 400
Other comprehensive income after tax	67 660	58 667	(27 230)	(9 706)
Comprehensive income	111 003	189 180	17 553	99 075
Comprehensive income of:				
- Parent Company shareholders	86 895	154 798	11 911	74 809
- minority shareholders	24 108	34 382	5 642	24 266

PBG SA MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS OF PBG CAPITAL GROUP FOR Q3 FY 2009

1. DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS OF PBG CAPITAL GROUP

Significant events and factors influencing the financial results of PBG Capital Group in Q3 FY 2009

Consistent implementation of the strategy focused on the strengthening of the Group's position in specialist installation markets and expanding its business activities to new areas (such as construction of roads and stadiums or other specialist facilities) resulted in the improved financial results and significant increase for all key items of the Income Statement vs. the previous corresponding period.

- **Revenues from sales** of **nearly PLN 702.5 million**, i.e. up by **29%** vs. Q3 FY08;
- **Gross profit on sales** was **up by 11%** from PLN 81.7 million to **nearly PLN 91 million**;
- **Operating profit** was **up by 15%** from PLN 57.8 million to over **PLN 66 million**;
- **Net profit** of Parent Company shareholders in Q3 reached nearly **PLN 39 million, up by 13%** vs. the previous corresponding period;
- As at **1 October 2009**, the value of PBG Capital Group's portfolio of contracts was close to **PLN 5.3 billion**, of which about **PLN 1.15 billion** is to be implemented in 2009 and the remaining portion in the following years (mainly 2010 and 2011). The largest share of this portfolio is represented by contracts signed in the specialist (industrial) construction market, including mainly infrastructure-related projects. The second largest segment of the portfolio of contracts is natural gas and crude oil. The high share of this segment is a result of new, record-breaking contracts signed by PBG in this segment.

PORTFOLIO OF CONTRACTS AS AT 1 OCTOBER 2009	
Natural gas and crude oil	29.0%
Water	26.9%
Water and sewerage infrastructure	21.8%
Hydro-technical facilities	1.8%
Renovations	3.3%
Industrial and residential construction	36.6%
Fuels	5.9%
Road construction	1.6%
TOTAL	100%

Value of the Group's portfolio of contracts was estimated in accordance with a new revenue recognition method – it does not include revenues from contracts signed and implemented as part of a consortium to be implemented by one of consortium partners (despite holding a position of a consortium leader).

PBG Capital Group companies are currently bidding for contracts of the total value of over PLN 9 billion.

The following construction contracts were the key sources of revenue from ordinary activities of PBG Capital Group entities in Q3:

A). Water

- 1) contract for "Construction of wastewater transport system from left-bank Warsaw to Czajka Wastewater Treatment Plant – Phase 1" signed by and between Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w Warszawie and Hydrobudowa 9 – recorded revenues: **PLN 34 million**;
- 2) contract for "Upgrade of the water supply and sewerage system in Łódź" – signed by and between Łódzka Spółka Infrastrukturalna and Infra – recorded revenues: **PLN 26.8 million**;
- 3) contract for "Extension of the wastewater treatment plant FORDON in Bydgoszcz, part 1" signed by and between Miejskie Wodociągi i Kanalizacja w Bydgoszczy and Hydrobudowa 9 – recorded revenues: **PLN 26.6 million**;
- 4) contract for "Improvement of water and wastewater management in the Municipality of Zabrze – Grzybowo and Rokitnica districts" signed by and between the Municipality of Zabrze with Zabrzeńskie Przedsiębiorstwo Wodociągów i Kanalizacji and Hydrobudowa Polska – recorded revenues: **PLN 22.5 million**;
- 5) contract for "Upgrade of the sewerage system of the City of Kraków – man-accessible pipes" signed by and between MPWiK Kraków and PBG – recorded revenues: **PLN 14.8 million**;
- 6) contract for "Construction of Malczyce barrage on the Odra river", signed by and between Maxis (currently in liquidation) and PBG – recorded revenues: **PLN 13 million**;
- 7) contract for "Upgrade of Left-Bank Wastewater Treatment Plant in Poznań" signed by and between the City of Poznań and Hydrobudowa 9 – recorded revenues: **PLN 12.5 million**;
- 8) contract for "Integrated water and wastewater management in the Parsęta river basin" signed by and between Miejskie Wodociągi i Kanalizacja w Kołobrzegu and KWG – recorded revenues: **PLN 12 million**;

B). Natural gas and crude oil

- 9) contract for "Design and construction of a complete system of Lubiatów-Międzychód-Grotów Crude Oil and Natural Gas Mining Facility in the turnkey system", signed by and between PGNiG and PBG – recorded revenues: **PLN 45 million**;
- 10) contract for "Construction of the over-ground part of Wierzchowice Underground Gas Storage Depot", signed by and between PGNiG and PBG – recorded revenues: **PLN 35.2 million**;

- 11) contract for "Adaptation of gas equipment of gas customers connected to the gas network of Oddział Zakład Dystrybucji Gazu Poznań, Wielkopolski Operator Systemu Dystrybucyjnego", signed by and between PGNiG and PBG – recorded revenues: **PLN 12.8 million**;

C). Construction of buildings

- 12) contract for "Preparatory works for construction and design works for a building in Świnoujście" signed by and between Pomerania Development and PBG – recorded revenues: **PLN 11.7 million**;

D). Specialist construction

- 13) contract for "Extension of the Poznań City Stadium for EURO 2012" signed by and between EURO Poznań and Hydrobudowa Polska – recorded revenues: **PLN 120.6 million**;
- 14) contract for "Construction of a multi-purpose National Stadium in Warsaw along with the associated infrastructure", signed by and between Narodowe Centrum Sportu and Hydrobudowa Polska – recorded revenues: **PLN 57.7 million**;
- 15) contract for "Construction of Arena Bałtycka football stadium in Gdańsk Letnica", signed by and between the Municipality of the City of Gdańsk and Hydrobudowa Polska – recorded revenues: **PLN 24.7 million**;
- 16) contract for "Design and construction of a waste treatment plant in Gdańsk Szadółki – construction and installation works" signed by and between Zakład Utylizacji in Gdańsk and Hydrobudowa Polska SA – recorded revenues: **PLN 24.4 million**.

In Q3 FY09 and up until now, the following significant events were recorded by PBG Capital Group (by area of the Group's business):

1. Crude oil and natural gas:

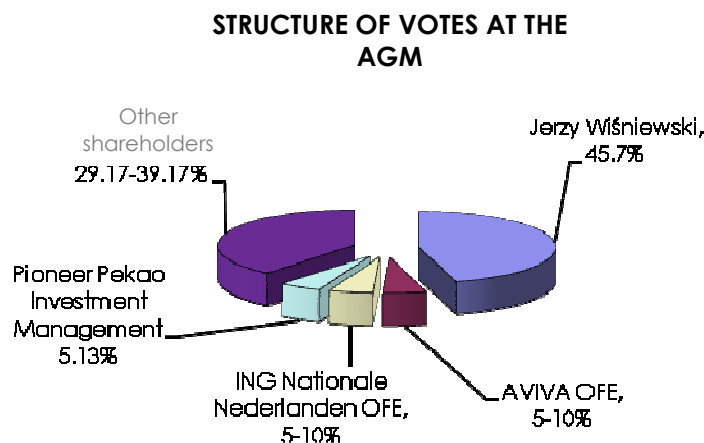
CONTRACTS:

- o Participation in the public procurement procedure for the construction of a gas terminal in Świnoujście; pre-qualification bid was submitted under the consortium of companies: Saipem SA -Saipem SpA - Snamprogetti Canada Inc - Techint SpA – PBG SA -PBG Export Sp. z o.o.; **estimated value of the investment:** about **EUR 700 million**; 4 out of 8 bidders will be short-listed; 4 potential contractors will be announced by mid-November 2009;
- o Participation in public procurement procedures related to construction of gas infrastructure, including: upgrade of Jarosław gas compressor station and construction of a gas compressor station for the underground gas depot Strachocin;
- o Contract for subcontractor's services signed by and between the subsidiary company Hydrobudowa Polska SA and ALPINE Construction Polska (as the Contracting Party) and the subsidiary company PBG Technologia and Energomontaż Południe (as the Subcontractor) for the design and installation of a roof steel structure for Arena Bałtycka – football stadium in Gdańsk, of the total value **PLN 93 million**;

OTHER

- o Introduction and admission to trading as well as registration of **865,000 series G ordinary shares** of PBG SA, of nominal value PLN 1.00 per share. Series G shares were issued in June 2009. Proceeds from this issue amounted to **PLN 190.3 million**.
- o The increased share capital of PBG resulting from the issue of 865,000 series G ordinary bearer shares was registered by the Local Court in Poznań, XXI Commercial Division of the National Court Register, on 15 July 2009. After the registration, share capital of PBG SA increased from PLN 13.43 million to PLN 14.295 million, and the total number of votes at the General Meeting of Shareholders increased from 17,930,000 to 18,795,000.
- o 260,000 series A preference shares were converted to ordinary bearer shares upon request of the main shareholder of PBG – Mr Jerzy Wiśniewski, and sold in the main market in block transactions at PLN 220 per share. As a result, the **stake held by Mr Jerzy Wiśniewski dropped to 29.63% of share capital and 45.70% of the total vote at the AGM**. Mr Jerzy Wiśniewski does not intend to sell any additional shares;
- o Following the transactions related to the issue of series G shares and sale of shares by the main shareholder, 10,055,000 shares of PBG SA designated as PLPBG0000029 are currently traded in the stock exchange, and 4,240,000 shares of PBG SA designated as PLPBG0000037 are traded in the OTC market. At the same time, the total number of votes at the AGM is 18,535,000;
- o 12,500 shares were vested under the last tranche of the incentive programme adopted back in 2004. The per-share price of series D shares was PLN 1.26;
- o Increase of share capital of a subsidiary company PBG Technologia from PLN 8.050 million to PLN 23.050 million. The Company's share capital was increased by 30,000 new shares and is now divided to 46,100 shares of nominal value PLN 500.00 per share. PBG holds 100 % shares of PBG Technologia;
- o Conditional Investment Agreement signed with Energomontaż – Południe SA, defining terms and conditions for the take-over by PBG of 17,734,002 series A subscription warrants with no pre-emptive rights and the same number of shares in the share capital of Energomontaż – Południe SA – conditionally increased by way of issue of 22,582,001 new series E shares of nominal value PLN 1.00 per share. This transaction is related to a new strategic segment of the Group's business – power construction. The planned value of this transaction is PLN 61.2 million;
- o Mr Tomasz Łatawiec, Member of the Management Board of PBG SA, handed in his resignation from office citing family reasons;
- o Changes in the shareholding structure in PBG SA:
 - **stake held by** the Company's main shareholder, **Mr Jerzy Wiśniewski, dropped below 50%** of the total vote at the AGM resulting from the registration of share capital increase following the issue of series G shares;
 - **stake held by Aviva Powszechne Towarzystwo Emerytalne BZ WBK SA (Aviva OFE) exceeded 5%** of the total vote at the AGM;

- stake held by BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA dropped below 5% of the total vote at the AGM;
- stake in share capital and total vote held by the Company's main shareholder, Mr Jerzy Wiśniewski, dropped as a result of sale of 260,000 series A ordinary shares;
- stake held by Pioneer Pekao Investment Management SA (PPIM) exceeded 5% of the total vote at the AGM.



2. Water, including:

Hydro-technology and environmental protection:

CONTRACTS:

- o The consortium of companies led by CIMOLAI S.p.A with its registered office in Pordenone (Italy) was contracted for the design and installation of the roof structure complete with roof covering, and end-to-end design and installation of the elevation of the National Stadium in Warsaw – **total net value of this contract: PLN 329 million;**
- o Termination of a material contract for contractor's services by Hydrobudowa Polska SA, signed on 21 January 2009 with PBG SA, for end-to-end design and installation of specialist systems for fuels storage, construction of site welfare and technical facilities, as well as external networks of underground infrastructure related to crude oil and natural gas deposits in the region of Lubiatów, Międzychód and Grotów. Net value of this contract was **PLN 82.5 million**. Total net fee payable to Hydrobudowa Polska for the partial performance of this contract is PLN 4.24 million. The contract was terminated by agreement of the parties;

OTHER

- o Mr Leszek Auda, Member of the Supervisory Board of Hydrobudowa Polska SA, handed in his resignation from office;
- o Changes in the composition of the Management Board of Hydrobudowa Polska SA: Mrs Joanna Zwolak, Member of the Management Board, resigned from office, and Mr Szymon Tamborski was appointed Vice-President of the Management Board and the

Company's officer responsible for the implementation of projects in environmental protection and specialist construction sectors;

- Take-over of additional shares in **PRG Metro** by Hydrobudowa Polska SA (in connection with the increase in share capital of **PRG Metro**) and increase in the share in total vote and share capital to **98.49%**;
- As at **1 October 2009**, value of **HBP Capital Group's portfolio of contracts** reached nearly **PLN 2.6 billion**, of which over PLN 500 million is to be implemented in 2009 and the remaining portion in the following years.

3. Renovation of waterworks and sewerage systems:

- Implementation of the largest contracts in the area of renovation of waterworks and sewerage systems in Poland;
- Sale of the interest held in PRIS and Wiertmar at the acquisition price, for the total price of PLN 1.65 million for PRIS shares and PLN 4.3 million for Wiertmar shares. The goal of this transaction was to reorganise PBG Capital Group and prepare Infra for the merger with other Capital Group companies (KWG, Metorex) operating in the environmental protection market. This reorganisation is connected with the establishment of an entity focused strictly on projects in the water segment, responsible for smaller contracts and implementation of projects.

4. Construction of buildings:

- Continuing the activities related to the optimised utilisation of real property owned by PBG Capital Group by **PBG Dom**;
- Acquisition of a 100% stake in **Villa Poznań Sp. z o.o.** by PBG Dom. The purpose of this investment is to implement a real estate development project.

5. Roads:

- Road companies were prepared for the conclusion and implementation of contracts in the road construction and upgrade market with ever-increasing unit value – participation in pre-qualification public procurement procedures of the total value about **PLN 6.5 billion**,
- Strategic alliances with foreign partners: SRB Civil Engineering, SAIAC, and Alpinie Bau;
- Securing sources of supply of road construction materials through investments in aggregate mines.

6. Foreign operations:

- Works on the first gas and water projects in the Ukrainian market based on a public and private partnership;
- Works on a real estate development project in Kiev – supervised by Energopol-Ukraine.

Financing:

1. **Bank and insurance limits** for the financing of the Group's current activities were **maintained at the level of PLN 1.98 billion;**

2. **Issue of series C bonds**

On 10 September, PBG issued another tranche of bonds under the current programme, with the liability limit of PLN 500 million, organised by ING Bank Śląski SA acting as an agent. The total value of series C bearer bonds, of nominal value PLN 100,000 per bond, totalled PLN 375 million. Their maturity date was set at 10 September 2012. Interest will be payable at variable rate based on WIBOR 6M. Receivables from the issue of series C bonds are secured with sureties issued by subsidiary companies Infra SA, Hydrobudowa Polska SA, and Hydrobudowa 9 SA, up to PLN 450 million, valid until 10 March 2013, and issued in respect of all holders of series C bonds. In addition, on 10 September 2009, 750 series B bearer bonds, of the total value 75 million, issued by PBG SA on 12 December 2007, were redeemed. As a result, sureties issued by subsidiary companies Hydrobudowa Polska SA, Infra SA, and Hydrobudowa 9 SA for the issue of series B bonds, valid until 15 May 2011, were reduced to PLN 150 million.

Proceeds from the issue of bonds will secure the Group's financing and its ability to issue guarantees necessary to participate in tenders of high value. They will also partially release the available credit and guarantee lines and their transfer to other Group entities, and increase the amount of the available limits of contract performance bonds. The structure of financing will also be improved by exchanging a short-term debt to long-term debt, adjusted to contract implementation schedules.

The following activities will impact the Group's future results:

1. Implementation of the portfolio of contracts of nearly **PLN 5.3 billion.**
2. Participation in tenders and award of the most important contracts for:
 - o Construction and extension of gas pipelines, compressor stations, and LNG terminal;
 - o Building of water intake points and collectors for wastewater treatment stations;
 - o Construction of underground car parks and tunnels;
 - o Building of roads,
 - o Building of power units.
3. Further consolidation and strengthening of PBG Capital Group – strengthening the Group's efficiency based on better utilisation of the project implementation potential and more efficient utilisation of human resources, equipment and materials.
4. Entering the Ukrainian market through Energopol-Ukraina.

The following table presents profitability ratios recorded in the reporting period.

Profitability ratios

Profitability ratios	3 quarters to date 2009	3 quarters to date 2008	Q3 2009	Q3 2008
Gross profit margin ¹	14.4%	15.4%	12.9%	15.0%
Operating profit margin ²	10.2%	10.4%	9.4%	10.6%
Net profit margin ³	6.6%	6.2%	5.5%	6.4%

¹ gross profit on sales / revenues from sales *100

² operating profit / revenues from sales *100

³ net profit of shareholders of the Parent Company / revenues from sales *100

For 3 quarters to date of 2009, a slight reduction was recorded for the Group's profitability ratios in terms of gross return on sales and operating profit margin. **Gross profit margin** reached **14.4%** in the reporting period, down by **1%** vs. the previous corresponding period. **Operating profit margin** totalled **10.2%**, down by only **0.2%** vs. the previous corresponding period. Please note, however, that as of 1 January 2009, the Group has capitalised its borrowing costs under variable contract costs. In addition, variable contract costs include costs of employees assigned to work on the key contracts.

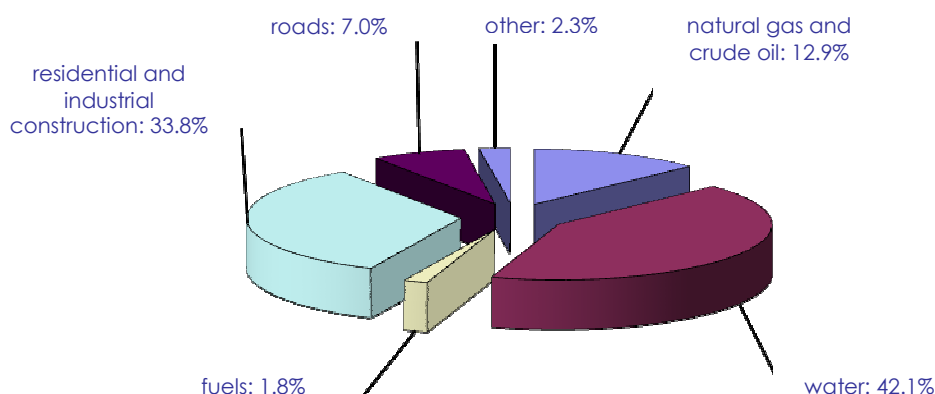
The share of variable costs in revenues from sales in the reporting period increased from 84.6% to **85.6%** vs. the previous corresponding period, i.e. up by 1%. **The share of general administrative expenses** in the reporting period dropped from 5.3% to **5%**, i.e. down by 0.3%.

For 3 quarters to date, PBG Capital Group generated **net profit margin** of **6.6%** vs. 6.2% generated at the end of Q3 2008, i.e. up by **0.4%**. At the level of net profit, the Group's result depended on the settlement of deferred income tax under unrealised tax losses in Hydrobudowa 9 SA.

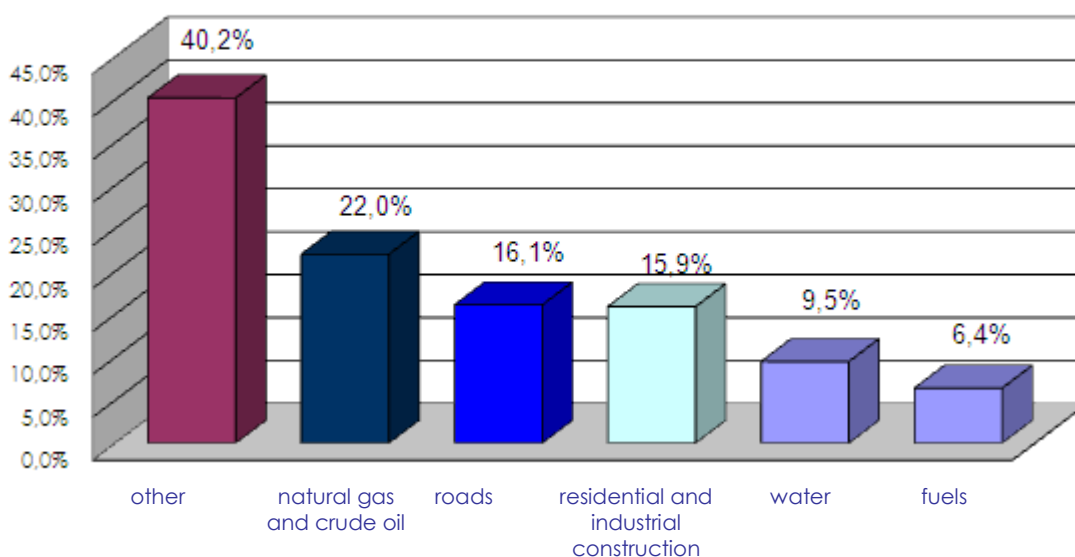
If we analyse **Q3 2009 alone** and compare it to results generated in Q3 2008 (previous corresponding period), a slight drop at all levels of the income statement can be observed: **gross profit margin was down from 15% to 12.9%**. i.e. by 2.1%; **operating profit margin was down from 10.6% to 9.4%**, i.e. by 1.2%. **and net profit margin was down from 6.4% to 5.5%**. i.e. by 0.9%. The lower profitability ratios resulted mainly from contracts implemented by Capital Group companies. In addition, profit margins recorded at net level also depended on the increasing financial expenses, resulting, *inter alia*, from the issue of series C bonds and the resulting increase of the Group's debt (year-on-year increase in financial costs reached 43% in Q3).

Financial results recorded by PBG Group for Q3 2009 included a single event – sale of shares held by a subsidiary company Infra in other entities – PRIS and WIERTMAR. As a result of this transaction, PBG Capital Group recorded and presented PLN 2.9 million in profit in its financing activities.

Share of segments in revenues from sales for 3 quarters 2009 to date



Gross profit margin by segment for 3 quarters 2009 to date



2. ANALYSIS OF OTHER OPERATING REVENUES AND EXPENSES AS WELL AS FINANCIAL REVENUES AND EXPENSES

1. Other operating revenues

Other operating revenues for 3 quarters 2009 to date **reached PLN 26.3 million**; revaluation of real property by an indirect subsidiary, Hydrobudowa 9, was the main item under operating revenues. This revaluation was connected with a real estate development project in progress and its re-sale to another Capital Group company – PBG Dom, responsible for the Group's real estate development business. The resulting amount on revaluation, recognised under other operating revenues, totalled

PLN 8.6 million. This transaction was included in the forecast of the Group's results for 2009, presented by PBG in the relevant current report. Reversal of write-downs of receivables was another significant item under other operating revenues (nearly PLN 4.8 million). In addition, in view of the planned disposal of real property, the subsidiary company PBG Dom moved its real property from inventories to investment property, where these assets are presented at fair value. The resulting amount of PLN 5.7 million was recognised in the Company's other operating revenues. Damages under insurance contracts, penalties and fines (PLN 2.1 million), as well as revenues from rental and lease (PLN 2.1 million) represented other major items under revenues. In comparison with the previous corresponding period, a **nearly threefold increase** was recorded for other operating revenues.

2. Other operating expenses

As at the end of Q3 2009, **other operating expenses to date totalled PLN 13.2 million, a nearly threefold increase** vs. the previous corresponding period. These expenses include, among others, write-downs of receivables (PLN 3.3 million), and damages under insurance contracts (PLN 4.5 million).

3. Financial revenues

Financial revenues for 3 quarters 2009 to date **totalled PLN 19 million, down by 22%** vs. the corresponding period in 2008. Bank interest is the main item under financial revenues (PLN 8 million). Other items include interest on loans granted – PLN 6 million, and revenues from financial market transactions – PLN 1.3 million.

4. Financial expenses

As at the end of Q3 2009, **financial expenses to date reached PLN 43.1 million – down by 3%** vs. the previous corresponding period. The main item under financial expenses was interest and commissions on bank loans – PLN 25.9 million. Interest on bonds issued by PBG SA at the end of 2007 and in September 2009 was another major item – PLN 11.5 million. Foreign exchange losses (PLN 3.3 million) were another major item under financial expenses.

3. STATEMENT OF CASH FLOWS OF PBG CAPITAL GROUP

Analysis of PBG Capital Group's statement of cash flows for three periods of 2009 to date shows significant changes in trends vs. the previous corresponding period. **Positive balance of cash from operations** is one of these significant changes – **PLN 173.2 million** vs. **PLN –327.7 million** in the previous corresponding period. It resulted from changes in the portfolio of contracts implemented by PBG Group. At the beginning of 2008, contracts co-financed with EU funds requiring, significant funding on the Contractor's part, represented about 80% of the Group's portfolio of contracts. Currently the share of contracts co-financed with EU funds dropped to about 30%. In addition, share of business segments in revenues from sales also changed. The share of water segment in revenues from sales dropped from 58% to 42%, while the share of industrial and residential construction increased from 10% to 34%. The share of other segments in revenues from sales remained similar as in the previous

corresponding period. Please note that payment terms in industrial construction segment and in natural gas and crude oil segment are to the advantage of the contractor. The relatively high level of payables disclosed by the Group is related i.a. to VAT liabilities, reaching nearly PLN 90 million as at 30 September 2009.

The balance of cash from investments in the reporting period totalled **PLN -222.3 million**. It resulted mainly from capital expenditure – purchase of PP&E in the amount of PLN 46.2 million (including, among others: construction of office buildings and warehouses by subsidiary companies Hydrobudowa Polska and Gas & Oil, as well as purchase of transport vehicles, plant and machinery necessary to carry out business operations). Expenditure related to acquisition of subsidiaries by the Capital Group in three quarters of 2009 reached PLN 37.8 million. This amount includes the acquisition of a stake in Wschodni Invest (majority shareholder of Energopol Ukraina) and acquisition of shares of Złotowska 51. In the reporting period, PBG Capital Group companies granted loans for the total amount of PLN 157.8 million, of which nearly PLN 74 million in loans granted to Strateg Capital and PLN 8.2 million granted to Bathinex. This spending is connected with an investment into quarries. This project is related to the construction of one of the largest aggregate mines in Poland.

Other significant items include PLN 25 million in other investments – resulting from the acquisition of land to be used for future investments by a subsidiary company.

The balance of cash from financing activity in the reporting period totalled **PLN 510.9 million**. It resulted mainly from the issue of G shares by the Group's Parent Company, PBG, in June 2009, and the resulting inflow of PLN 182.1 million. In addition, PBG gained PLN 300 million from the issue of bonds. In the reporting period, the total amount of loans taken out by PBG Capital Group companies reached PLN 277.1 million, while the amount of loans repaid – PLN 203.8 million.

The financial situation of PBG Group indicates that the Group has reached the phase of dynamic growth. In addition, the Group has the ability to secure external financing (issue of shares, bonds, and credit facilities). This external funding and cash generated in business operations are necessary to implement the planned investments and to sign and finance strategic contracts.

NET EARNINGS (LOSS) PER ORDINARY SHARE

Item	as at 30.09.2009	as at 30.09.2008	as at 30.06.2009	as at 30.06.2008	as at 31.12.2008
Net profit (loss) from continuing operations	109 105	84 515	70 169	49 975	158 241
Net profit (loss) from continuing and discontinued operations	-	-	-	-	-
Weighted average number of ordinary shares	13 814 000	13 430 000	13 574 000	13 430 000	13 430 000
Weighted average diluted number of ordinary shares	13 814 000	13 430 000	13 574 000	13 430 000	13 430 000
<i>from continuing operations</i>					
- basic	7.90	6.29	5.17	3.72	11.78
- diluted	7.90	6.29	5.17	3.72	11.78
<i>from continuing and discontinued operations</i>					
- basic	7.90	6.29	5.17	3.72	11.78
- diluted	7.90	6.29	5.17	3.72	11.78

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Item	3 quarters to date 01.01.2009 - 30.09.2009	3 quarters to date 01.01.2008 - 30.09.2008
<i>Cash flow from operations</i>		
Net profit before tax	147 556	122 886
Adjustments:	4 132	1 684
Amortisation of intangible assets	4 381	2 180
Goodwill impairment losses	-	-
Impairment losses on tangible fixed assets	123	-
Depreciation of tangible fixed assets	30 978	28 972
(Profit) loss from sale of tangible fixed assets	7	(1 305)
(Profit) loss on sale of available-for-sale (held-for-trading) financial assets	(31 866)	(33 943)
Profit (loss) on valuation of investment property carried at fair value	(5 758)	-
(Profit) loss on revaluation of financial assets carried at fair value	(15 160)	(16 361)
Share in profits (losses) of associates	-	-
Foreign exchange gains (losses)	367	(1 198)
Interest expense	38 108	41 310
Interest received	(17 048)	(17 969)
Dividends received	-	(2)
Cash from operations before changes in working capital	151 688	124 570
Change in inventories	(20 362)	(24 629)
Change in receivables	(330 876)	(321 374)
Change in payables	444 567	(36)
Change in provisions, prepaid expenses, accruals and deferred income	(30 562)	(65 308)
Other adjustments	(2 923)	(14 803)
Cash generated in business operations	211 532	(301 580)
Interest paid	(95)	(303)
Income tax paid	(38 209)	(25 865)
Net cash from operations	173 228	(327 748)
<i>Item cont.</i>	3 quarters to date 01.01.2009 - 30.09.2009	3 quarters to date 01.01.2008 - 30.09.2008
<i>Cash flow from investments</i>		
Outflows – acquisition of intangible assets	(5 877)	(4 115)
Inflows – sale of intangible assets	10	-
Outflows – acquisition of tangible fixed assets	(46 154)	(61 244)
Inflows – sale of tangible fixed assets	32 072	8 150
Outflows – acquisition of investment property	-	(1 516)
Inflows – sale of investment property	-	-
Outflows – acquisition of held-to-maturity financial assets	(11 659)	(3 956)
Inflows – sale/repayment of financial assets	17 952	40 482
Outflows – acquisition of subsidiaries (less cash received)	(37 751)	(101 901)
Inflows – disposal of subsidiaries	-	2 500
Loans granted	(157 842)	(9 677)
Repayment of loans granted	12 779	3 076
Interest on loans received	2 061	-
Dividends received	-	2
Other outflows on investments	(27 930)	-
Net cash used in investments	(222 339)	(128 199)
<i>Cash flow from financing activity</i>		
Net inflows – issue of shares	182 097	292 296
Buy-back of treasury shares	-	-
Inflows – issue of debt securities	375 000	-
Redemption of debt securities/repayment of bonds	(75 000)	(110 000)
Repayment of interest on debt securities	(11 758)	(8 680)
Inflows – credits and loans incurred	277 143	250 080
Repayment of credits and loans	(203 804)	(87 572)
Repayment of interest on credits and loans	(26 980)	(27 341)
Inflows from interest on deposits	6 219	9 805
Repayment of finance lease liabilities	(11 339)	(3 081)
Interest paid	(694)	(1 860)
Dividends paid out	-	-
Other inflows/outflows	-	(175)
Net cash from financing activity	510 884	313 472

PBG Capital Group

Qsr3/2009 (unless indicated otherwise, all data is presented in PLN thousands)

Net balance of cash and cash equivalents	461 773	(142 475)
Opening balance of cash and cash equivalents	289 713	410 305
Change in cash resulting from foreign exchange differences	28	335
Closing balance of cash and cash equivalents	751 514	268 165

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN THE PERIOD 01.01 - 30.09.2009

Item	Equity of Parent Company shareholders								Minority interest	Total equity
	Share capital	Treasury shares (-)	Share premium reserve	Reserve from measurement of cash flow hedges	Foreign exchange differences (conversion of subsidiaries)	Other reserves	Retained earnings/accumulated loss	Total		
As at 01.01.2009	13 430	-	551 178	(102 264)	820	274 778	190 193	928 135	185 483	1 113 618
Changes in the adopted accounting principles (policy)	-	-	-	-	-	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-	-	-	-	-	-
Balance after adjustments	13 430	-	551 178	(102 264)	820	274 778	190 193	928 135	185 483	1 113 618
Statement of Changes in Equity for the period 01.01 - 30.09.2009										
Issue of shares	865	-	182 170	-	-	-	-	183 035	-	183 035
Measurement of options (employee share option scheme)	-	-	-	-	-	980	-	980	-	980
Changes in the Capital Group structure (transactions with the minority)	-	-	-	-	-	16 283	-	16 283	16 584	32 867
Other adjustments	-	-	-	-	-	335	1 367	1 702	2 065	3 767
Dividends	-	-	-	-	-	-	-	-	-	-
Financial result recognised in reserve capital	-	-	-	-	-	89 972	(96 460)	(6 488)	-	(6 488)
Total capital transactions with owners	865	-	182 170	-	-	107 570	(95 093)	195 512	18 649	214 161
Net profit for the period from 01.01 to 30.09.2009	-	-	-	-	-	-	109 105	109 105	21 408	130 513
Other comprehensive income:										
Subsequent measurement of PP&E	-	-	-	-	-	(77)	-	(77)	-	(77)
Cash flow hedges	-	-	-	77 428	-	-	-	77 428	-	77 428
Cash flow hedges (minority shareholders)	-	-	-	(12 974)	-	-	-	(12 974)	12 974	-
Foreign exchange differences – valuation of related parties operating abroad	-	-	-	-	398	-	-	398	-	398
Foreign exchange differences recognised in profit or loss – disposal of foreign subsidiaries	-	-	-	-	-	-	-	-	-	-
Share in financial results of related parties accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Income tax relating to other comprehensive income	-	-	-	(19 082)	-	-	-	(19 082)	-	(19 082)
Total comprehensive income	-	-	-	45 372	398	(77)	109 105	154 798	34 382	189 180
Recognised in retained earnings (sale of PP&E after revaluation)	-	-	-	-	-	-	-	-	-	-
As at 30.09.2009	14 295	-	733 348	(56 892)	1 218	382 271	204 205	1 278 445	238 514	1 516 959

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN THE PERIOD 01.01- 30.09.2008

Item	Equity of Parent Company shareholders								Minority interest	Total equity
	Share capital	Treasury shares (-)	Share premium reserve	Reserve from measurement of cash flow hedges	Foreign exchange differences (conversion of subsidiaries)	Other reserves	Retained earnings/accumulated loss	Total		
As at 01.01.2008	13 430	-	551 178	8 605	154	65 998	111 305	750 670	34 550	785 220
Changes in the adopted accounting principles (policy)	-	-	-	-	-	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-	-	-	-	-	-
Balance after adjustments	13 430	-	551 178	8 605	154	65 998	111 305	750 670	34 550	785 220
Statement of Changes in Equity for the period 01.01- 30.09.2008										
Issue of shares	-	-	-	-	-	-	-	-	-	-
Issue of shares in connection with the exercise of options (employee share option scheme)	-	-	-	-	-	-	-	-	-	-
Measurement of options (employee share option scheme)	-	-	-	-	-	-	-	-	-	-
Changes in the Capital Group structure (transactions with the minority)	-	-	-	-	-	220 269	-	220 269	79 900	300 169
Other adjustments	-	-	-	-	-	(67)	567	500	67	567
Dividends	-	-	-	-	-	-	-	-	-	-
Financial result recognised in equity	-	-	-	-	-	66 130	(72 780)	(6 650)	-	(6 650)
Total capital transactions with owners	-	-	-	-	-	286 332	(72 213)	214 119	79 967	294 086
Net profit for the period from 01.01 to 30.09.2008	-	-	-	-	-	-	84 515	84 515	24 266	108 781
Other comprehensive income										
Subsequent measurement of PP&E	-	-	-	-	-	-	649	649	-	649
Available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-
Cash flow hedges	-	-	-	(12 889)	-	-	-	(12 889)	-	(12 889)
Cash flow hedges (KM adjustment)	-	-	-	-	-	-	-	-	-	-
Foreign exchange differences – valuation of related parties operating abroad	-	-	-	-	134	-	-	134	-	134
Foreign exchange differences recognised in profit or loss – disposal of foreign subsidiaries	-	-	-	-	-	-	-	-	-	-
Share in financial results of related parties accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Income tax relating to other comprehensive income	-	-	-	2 400	-	-	-	2 400	-	2 400
Total comprehensive income	-	-	-	(10 489)	134	-	85 164	74 809	24 266	99 075
Recognised in retained earnings (sale of PP&E after revaluation)	-	-	-	-	-	-	-	-	-	-
As at 30.09.2008	13 430	-	551 178	(1 884)	288	352 330	124 256	1 039 598	138 783	1 178 381

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN THE PERIOD 01.01- 31.12.2008

Item	Equity of Parent Company shareholders								Minority interest	Total equity
	Share capital	Treasur y shares (-)	Share premium reserve	Reserve from measurement of cash flow hedges	Foreign exchange differences (conversion of subsidiaries)	Other reserves	Retained earnings/accumulated loss	Total		
As at 01.01.2008	13 430	-	551 178	8 605	154	65 998	111 305	750 670	34 550	785 220
Changes in the adopted accounting principles (policy)	-	-	-	-	-	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-	-	-	-	-	-
Balance after adjustments	13 430	-	551 178	8 605	154	65 998	111 305	750 670	34 550	785 220
Changes in equity in the period 01.01-31.12.2008										
Issue of shares	-	-	-	-	-	-	-	-	-	-
Measurement of options (employee share option scheme)	-	-	-	-	-	-	-	-	-	-
Changes in the Capital Group structure (transactions with the minority)	-	-	-	-	-	140 717	(4 640)	136 077	161 293	297 370
Other adjustments	-	-	-	-	-	2 243	(2 243)	-	(108)	(108)
Dividends	-	-	-	-	-	-	-	-	-	-
Financial result recognised in reserve capital	-	-	-	-	-	65 820	(72 470)	(6 650)	-	(6 650)
Total capital transactions with owners	-	-	-	-	-	208 780	(79 353)	129 427	161 185	290 612
Net profit for the period from 01.01 to 31.12.2008	-	-	-	-	-	-	158 241	158 241	31 682	189 923
Other comprehensive income:										
Subsequent measurement of PP&E	-	-	-	-	-	-	-	-	-	-
Available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-
Cash flow hedges	-	-	-	(187 585)	-	-	-	(187 585)	-	(187 585)
Cash flow hedges (minority shareholders)	-	-	-	41 934	-	-	-	41 934	(41 934)	-
Foreign exchange differences – valuation of related parties operating abroad	-	-	-	-	666	-	-	666	-	666
Foreign exchange differences recognised in profit or loss – disposal of foreign subsidiaries	-	-	-	-	-	-	-	-	-	-
Share in financial results of related parties accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Income tax relating to other comprehensive income	-	-	-	34 782	-	-	-	34 782	-	34 782
Total comprehensive income	-	-	-	(110 869)	666	-	158 241	48 038	(10 252)	37 786
Recognised in retained earnings (sale of PP&E after revaluation)	-	-	-	-	-	-	-	-	-	-
As at 31.12.2008	13 430	-	551 178	(102 264)	820	274 778	190 193	928 135	185 483	1 113 618

2 NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR Q3 FY 2009

2.1 About the Parent Company and PBG Capital Group

2.1.1. Parent Company

The Parent Company of the Capital Group, PBG Spółka Akcyjna with its registered office in Wysogotowo near Poznań at ul. Skórzewska 35, 62-081 Przeźmierowo, was established on 2 January 2004 by the Notarial Deed on 1 December 2003. The company was registered in the National Court Register, entry no. 0000184508. The Company operates in the territory of Poland pursuant to the provisions of the Code of Commercial Companies.

PBG S.A. was established as a result of the transformation of Technologie Gazowe Piecobiogaz sp. z o.o. (resolution no. 1 of the Extraordinary General Meeting of Shareholders 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.

Authorities of the Parent Company PBG SA

Management Board:

As at 30 September 2009, composition of the Company's Management Board was as follows:

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

On 30 September 2009, Mr Tomasz Latawiec, Member of the Management Board, handed in his resignation from office to the Supervisory Board of PBG SA, citing family reasons.

Supervisory Board:

As at 30 September 2009, 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,
- Dariusz Sarnowski – Member of the Supervisory Board,
- Adam Strzelecki – Member of the Supervisory Board.

On 4 June 2009, Mr Jacek Krzyżaniak handed in his resignation from membership in the Supervisory Board of PBG SA, as he was appointed member of the Supervisory Board of the subsidiary company Hydrobudowa Polska SA.

2.1.2. Objects of PBG Capital Group

Objects of business activity of the Parent Company are as follows: engineering activities and related technical consultancy (Polish Classification of Economic Activities PKD 71.12 Z).

PBG Capital Group is involved in construction of hydro-technical, engineering and industrial facilities, installation of water supply, sewage, heat and gas systems, as well as wastewater treatment plants and waste incineration plants, trade in materials and equipment in the gas, oil, water supply and sewage sectors, as well as infrastructural and residential construction.

2.1.3. Role of PBG SA in the Capital Group and changes in the Group's structure

PBG SA is the Parent Company in the Capital Group. In Q3 2009, composition of PBG Capital Group changed as presented below.

Conditional Investment Agreement signed with Energomontaż Południe SA

On 21 September 2009, PBG SA concluded a Conditional Investment Agreement with Energomontaż – Południe SA.

This agreement defines defining terms and conditions for the take-over by PBG SA of 17,734,002 series A subscription warrants with no pre-emptive rights and the same number of shares in the share capital of Energomontaż – Południe SA – conditionally increased by way of issue of 22,582,001 new series E shares of nominal value PLN 1.00 per share.

CHANGES IN SUBSIDIARIES

Increase of share capital of the subsidiary company PBG Technologia Sp. z o.o.

On 13 August 2009, share capital of the subsidiary company of PBG SA – PBG Technologia Sp. z o.o. was increased.

Before the increase, share capital of PBG Technologia Sp. z o.o. amounted to PLN 8,050,000.00 and was divided to 16,100 shares of nominal value PLN 500 per share. After the increase by 30,000 new shares, share capital of PBG Technologia Sp. z o.o. amounts PLN 23,050,000.00 and is divided to 46,100 shares of nominal value PLN 500 per share.

PBG SA holds 100% shares of PBG Technologia Sp. z o.o.

Disposal of subsidiaries of Infra SA

On 30 September 2009, the subsidiary company Infra SA sold its assets. Infra SA and Invest Ecopap Sp. z o.o. Spółka komandytowa signed contracts for the sale of:

- all shares of PRIS Sp. z o.o. held by Infra SA – 897 shares for the total amount of PLN 1,650,000.00. Total share capital of PRIS amounts to PLN 175,800 and is divided to 1,758 shares of nominal value PLN 100 per share,
- all shares of Wiertmar Sp. z o.o. held by Infra SA – 25,969 shares for the total amount of PLN 4,300,000.00. Total share capital of Wiertmar amounts to PLN 2,546,000 and is divided to 50,920 shares of nominal value PLN 50 per share.

Transactions concluded by Infra SA are part of the strategy of reorganisation of PBG Capital Group.

Increased stake in a subsidiary of Hydrobudowa Polska SA – P.R.G. Metro Sp. z o.o.

On 15 October 2009, increased share capital of a subsidiary company of Hydrobudowa Polska SA – Przedsiębiorstwo Robót Górniczych Metro Sp. z o. o. with its registered office in Warsaw, was registered. This increase covered 5,000 shares of nominal value PLN 1,000.00 per share, all taken over by Hydrobudowa Polska SA. As a result, share capital of P.R.G. Metro Sp. z o.o. was increased from PLN 628,000.00 to PLN 5,628,000.00 and is divided to 5,628 shares of nominal value PLN 1,000.00 per share. After the registration of increased capital, Hydrobudowa Polska SA holds 5,543 shares of P.R. G. Metro Sp. z o.o., which represents 98.49% of share capital and total vote of P. R. G. Metro Sp. z o.o. The said shares were paid up by Hydrobudowa Polska SA with a cash contribution of PLN 5,000,000.00.

PBG Capital Group subsidiaries as at 30 September 2009

Company	Registered office	Company's objects (according to PKD – 2007)	Court of appropriate jurisdiction or registry court	Consolidation method	Group's share		
					30.09.2009	30.09.2008	31.12.2008
Aprivia SA (1)	ul. Skórzewska 35, Wysogotowo 62 – 081 Przeźmierowo POLAND	Construction of roads and motorways PKD 42.11.Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full	100.00%	100.00%	100.00%
Betpol SA (2)	ul. Fordońska 168a, 85-766 Bydgoszcz POLAND	Construction of roads and motorways PKD 42.11.Z	Local Court in Bydgoszcz, XIII Commercial Division of the National Court Register	full Subsidiary of Aprivia SA consolidated at the level of the consolidated financial statements of the Parent Company PBG SA	70.00%	70.00%	70.00%
Dromost Sp. z o.o. (3)	Żabno 4A, 63-112 Brodnica POLAND	Construction of roads and motorways PKD 42.11.Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full Subsidiary of Aprivia SA consolidated at the level of the consolidated financial statements of the Parent Company PBG SA	87.40%	87.40%	87.40%
Przedsiębiorstwo Robót Inżynieryjno - Drogowych SA (PRID SA) (4)	ul. Poznańska 42, 64-300 Nowy Tomyśl POLAND	Construction of roads and motorways PKD 42.11.Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full Subsidiary of Aprivia SA consolidated at the level of the consolidated financial statements of the Parent Company PBG SA	100.00%	100.00%	100.00%

Avatia Sp. z o.o. (5)	ul. Skórzewska 35, Wysogotowo 62 – 081 Przeźmierowo POLAND	Reproduction of recorded media PKD 18.20.Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full	99.80%	99.80%	99.80%
Brokam Sp. z o.o. (6)	ul. Skórzewska 35, Wysogotowo 62 – 081 Przeźmierowo POLAND	Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate PKD 08.11.Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full	100.00%	100.00%	100.00%
Excan Oil and Gas Engineering Ltd (7)	#201,9637-45 Avenue Edmonton AB T6E 5Z8 CANADA	Agency in contract conclusion, coordination of design and engineering works, trade	CERTIFICATE OF INCORPORATION Edmonton Alberta	full	100.00%	100.00%	100.00%
GasOil Engineering a.s. (8)	Karpatska, 3256/15 Poprad 05801 SLOVAKIA	Design services, investor's supervision services	Obchodne registr Okresneho Sudu Presov	full	62.45%	62.45%	62.45%
Hydrobudowa Polska SA (9)	ul. Skórzewska 35, Wysogotowo 62 – 081 Przeźmierowo POLAND	Construction of transmission pipelines and distribution networks PKD 42.21.Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full	61.61%	61.61%	61.61%
P.R.G. Metro Sp. z o.o. (10)	ul. Wólczyńska 156 01-919 Warsaw POLAND	Construction of transmission pipelines and distribution networks PKD 42.21.Z	Local Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register	full Subsidiary of Hydrobudowa Polska SA consolidated at the level of the consolidated financial statements of its parent company, Hydrobudowa Polska SA	53.27%	52.09%	52.09%
Hydrobudowa 9 SA (11)	ul. Skórzewska 35, Wysogotowo 62 – 081 Przeźmierowo POLAND	Construction of residential and non-residential buildings PKD 41.20.Z Construction of water projects PKD 42.91.Z Site preparation 43.12.Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full Subsidiary of Hydrobudowa Polska SA consolidated at the level of the consolidated financial statements of its parent company, Hydrobudowa Polska SA	61.61%	61.61%	61.61%

Gdyńska Projekt Sp. z o.o. (12)	ul. Sienkiewicza 22, 60-900 Poznań POLAND	Buying and selling of own real estate PKD 68.10.Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full Subsidiary of Hydrobudowa 9 SA consolidated at the level of the consolidated financial statements of its parent company, Hydrobudowa Polska SA	61.61%	61.61%	61.61%
Infra SA (13)	ul. Skórzewska 35, Wysogotowo 62 – 081 Przeźmierowo POLAND	Plumbing, heat and air-conditioning installation PKD 43.22.Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full	99.95%	99.95%	99.95%
KWG SA (14)	Aleja Wojska Polskiego 129, 70-490 Szczecin POLAND	Construction of transmission pipelines and distribution networks PKD 42.21.Z	Local Court in Szczecin, XI Commercial Division of the National Court Register	full	100.00%	100.00%	100.00%
Metorex Sp. z o.o. (15)	ul. Żwirki i Wigury 17A, 87-100 Toruń POLAND	Construction of transmission pipelines and distribution networks PKD 42.21.Z	Local Court in Toruń, VII Commercial Division of the National Court Register	full	99.56%	99.56%	99.56%
PBG Export Sp. z o.o. (16)	Al. Juliusza Słowackiego 64, 30 – 004 Kraków POLAND	Manufacture of metal structures and parts of structures PKD 25.11.Z	Local Court for Kraków-Śródmieście, XI Commercial Division of the National Court Register	full	99.95%	-	-
PBG Technologia Sp. z o.o. (formerly Hydrobudowa Polska Konstrukcje Sp. z o.o.) (17)	ul. Skórzewska 35, Wysogotowo 62 – 081 Przeźmierowo POLAND	Manufacture of metal structures and parts of structures PKD 25.11.Z	Local Court in Katowice-Wschód in Katowice, VIII Commercial Division of the National Court Register	full	100%	61.61%	61.61%
PBG Dom Sp. z o.o. (18)	ul. Skórzewska 35, Wysogotowo 62 – 081 Przeźmierowo POLAND	Construction of residential and non-residential buildings PKD 41.20 Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full	100.00%	100.00%	100.00%
Apartamenty Poznańskie Sp. z o.o. (19)	ul. Skórzewska 35, Wysogotowo 62 – 081 Przeźmierowo POLAND	Construction of residential and non-residential buildings PKD 41.20 Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full Subsidiary of PBG Dom Sp. z o.o. consolidated at the level of the consolidated financial statements of the Parent Company PBG SA	51.00%	51.00%	51.00%

PBG Capital Group

QSR3/2009 (unless indicated otherwise, all data is presented in PLN thousands)

PBG Dom Invest I Sp. z o.o. (formerly Dawil Sp. z o.o.) (20)	ul. Skórzewska 35, Wysogotowo 62 – 081 Przeźmierowo POLAND	Development of building projects PKD 41.10.Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full Subsidiary of PBG Dom Sp. z o.o. consolidated at the level of the consolidated financial statements of the Parent Company PBG SA	100.00%	100.00%	100.00%
PBG Dom Invest II Sp. z o.o. (formerly Budwil Sp. z o.o.) (21)	ul. Skórzewska 35, Wysogotowo 62 – 081 Przeźmierowo POLAND	Development of building projects PKD 41.10.Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full Subsidiary of PBG Dom Sp. z o.o. consolidated at the level of the consolidated financial statements of the Parent Company PBG SA	51.00%	-	51.00%
Górecka Projekt Sp. z o.o. (22)	ul. Sienkiewicza 22, 60-900 Poznań POLAND	Development of building projects PKD 41.10.Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full Subsidiary of PBG Dom Sp. z o.o. consolidated at the level of the consolidated financial statements of the Parent Company PBG SA	100.00%	61.61%	61.61%
Złotowska 51 Sp. z o.o. (formerly KM Investment Sp. z o.o.) (23)	ul. Skórzewska 35, Wysogotowo 62 – 081 Przeźmierowo POLAND	Construction of residential and non-residential buildings PKD 41.20.Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full Subsidiary of PBG Dom Sp. z o.o. consolidated at the level of the consolidated financial statements of the Parent Company PBG SA	60.00%	-	-
City Development Sp. z o.o. (24)	ul. Emilii Plater 28 00-688 Warszawa POLAND	Development of building projects PKD 41.10.Z	Local Court for the Capital City of Warsaw in Warsaw, XII Commercial Division of the National Court Register	full Subsidiary of PBG Dom Sp. z o.o. consolidated at the level of the consolidated financial statements of the Parent Company PBG SA	75.00%	-	-

Concept Development BSD 2 Sp. z o.o. (25)	ul. Hrubieszowska 2, 01-209 Warsaw POLAND	Construction of residential and non-residential buildings PKD 41.20 Z	Local Court for the Capital City of Warsaw in Warsaw, XII Commercial Division of the National Court Register	full Subsidiary of PBG Dom Sp. z o.o. consolidated at the level of the consolidated financial statements of the Parent Company PBG SA	51.00%	-	-
Wschodni Invest Sp. z o.o. (24)	ul. Mazowiecka 41, 60 – 623 Poznań POLAND	Other financial intermediation PKD 64.19.Z	Local Court in Poznań – Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register	full	100.00%	-	-
Energopol Ukraina (25)	ul. Kondratiuka 1, Kiev UKRAINE	no data	no data	full	51.00%	-	-

The above table shows the Parent Company's interest in equity of Capital Group companies in %.

Percentage share in the equity of PBG Capital Group companies was calculated as follows: % share of the Parent Company PBG in a Subsidiary * % share of this Subsidiary in its subsidiary.

This rule applies to the following Capital Group entities: Hydrobudowa Polska, PBG Dom, Aprivia, and Wschodni Invest.

1. Aprivia SA has been a subsidiary of PBG SA as of 18 March 2008. PBG SA holds 100% stake in Aprivia SA. At the same time, Aprivia SA has been a parent company in Aprivia Capital Group since 8 October 2008.
2. Betpol SA has been a subsidiary of Aprivia SA as of 8 October 2008. Aprivia SA holds 70% stake in Betpol SA. As at 30 September 2008, Betpol SA was a direct subsidiary of PBG SA – PBG SA held 70% stake in Betpol SA.
3. Dromost Sp. z o.o. has been a subsidiary of Aprivia SA as of 8 October 2008. Aprivia SA holds 87.40% stake in Dromost Sp. z o.o. As at 30 September 2008, Dromost Sp. z o.o. was a direct subsidiary of PBG SA – PBG SA held 87.40% stake in Dromost Sp. z o.o.
4. PRID SA has been a subsidiary of Aprivia SA as of 8 October 2008. Aprivia SA holds 100% stake in PRID SA. As at 30 September 2008, PRID Sp. z o.o. was a direct subsidiary of PBG SA – PBG SA held 100 % interest in PRID SA.
5. Avatia Sp. z o.o. has been a subsidiary of PBG SA as of 15 February 2008. PBG SA holds 99.80% stake in Avatia Sp. z o.o..
6. Brokam Sp. z o.o. has been a subsidiary of PBG SA as of 16 August 2007. PBG SA holds 100% stake in Brokam Sp. z o.o..
7. Excan Oil and Gas Engineering Ltd has been a subsidiary of PBG SA as of 5 April 2007. PBG SA holds 100% stake in Excan Oil and Gas Engineering Ltd.
8. GasOil Engineering a.s. has been a subsidiary of PBG SA as of 12 April 2007. PBG SA holds 62.45% stake in GasOil Engineering a.s..
9. Hydrobudowa Polska SA is a subsidiary of PBG SA and at the same time a parent company in Hydrobudowa Polska Capital Group. PBG SA holds 61.61% stake in Hydrobudowa Polska SA.
10. P.R.G. Metro Sp. z o. o. has been a subsidiary of Hydrobudowa Polska SA as of 12 September 2008. As at 30 September 2008, Hydrobudowa Polska SA held 84.55% stake in P. R. G. Metro Sp. z o. o., and as at 30 September 2009 Hydrobudowa Polska SA held 86.46% stake in P.R.G. Metro Sp. z o.o.
11. Hydrobudowa 9 SA has been a subsidiary of Hydrobudowa Polska SA as of 30 September 2008. Hydrobudowa Polska SA holds 100% stake in Hydrobudowa 9 SA.

PBG Capital Group

QSR3/2009 (unless indicated otherwise, all data is presented in PLN thousands)

12. Gdyńska Projekt Sp. z o.o. has been a subsidiary of Hydrobudowa 9 SA as of 2 April 2008. Hydrobudowa 9 SA holds 100% stake in Gdyńska Projekt Sp. z o.o.
13. Infra SA has been a subsidiary of PBG SA as of 19 May 2005. At the same time, Infra SA is a parent company in Infra Capital Group. PBG SA holds 99.95% stake in Infra SA.
14. KWG SA has been a subsidiary of PBG SA as of 30 May 2006. PBG SA holds 100% stake in KWG SA.
15. Metorex Sp. z o.o. has been a subsidiary of PBG SA as of 13 January 2005. PBG SA holds 99.56% stake in Metorex Sp. z o.o..
16. PBG Export Sp. z o.o. has been a subsidiary of PBG SA as of 2 April 2009. PBG SA holds 99.95% stake in PBG Export Sp. z o.o.
17. PBG Technologia Sp. z o.o. (formerly Hydrobudowa Polska Konstrukcje Sp. z o.o.) has been a subsidiary of PBG SA as of 2 April 2009. PBG SA holds 100% stake in PBG Technologia Sp. z o.o. As at 30 September 2008, PBG Technologia Sp. z o.o. was a direct subsidiary of Hydrobudowa Polska SA – Hydrobudowa Polska held 100% stake in PBG Technologia Sp. z o.o.
18. PBG Dom Sp. z o.o. has been a subsidiary of PBG SA as of 12 April 2007. At the same time, PBG Dom Sp. z o.o. is a parent company in PBG Dom Capital Group. PBG SA holds 100.00% stake in PBG Dom Sp. z o.o.
19. Apartamenty Poznańskie Sp. z o.o. has been a subsidiary of PBG Dom Sp. z o.o. as of 27 June 2008. PBG Dom Sp. z o.o. holds 51% stake in Apartamenty Poznańskie Sp. z o.o..
20. PBG Dom Invest I Sp. z o.o. (formerly Dawil Sp. z o.o.) has been a subsidiary of PBG Dom Sp. z o.o. as of 26 August 2008. PBG Dom Sp. z o.o. holds 100% stake in PBG Dom Invest I Sp. z o.o..
21. PBG Dom Invest II Sp. z o.o. (formerly Budwil Sp. z o.o.) has been a subsidiary of PBG Dom Sp. z o.o. as of 8 April 2008. PBG Dom Sp. z o.o. holds 51% stake in PBG Dom Invest II Sp. z o.o.
22. Górecka Projekt Sp. z o.o. has been a subsidiary of PBG Dom Sp. z o.o. as of 25 June 2009. PBG Dom Sp. z o.o. holds 100% stake in Górecka Projekt Sp. z o.o.. As at 31 December 2008, Górecka Projekt Sp. z o.o. was a direct subsidiary of Hydrobudowa 9 SA – an entity of Hydrobudowa Polska Capital Group where Hydrobudowa Polska SA is a parent company. As at 31 December 2008, Hydrobudowa 9 SA held 100% stake in Górecka Projekt Sp. z o.o..
23. Złotowska 51 Sp. z o.o. (formerly KM Investment Sp. z o.o.) has been a subsidiary of PBG Dom Sp. z o.o. as of 9 April 2009. PBG Dom Sp. z o.o. holds 60% stake in Złotowska 51 Sp. z o.o.
24. City Development Sp. z o.o. has been a subsidiary of PBG Dom Sp. z o.o. as of 9 June 2009. PBG Dom Sp. z o.o. holds 75% stake in City Development Sp. z o.o.
25. Concept Development BSD 2 Sp. z o.o. has been a subsidiary of PBG Dom Sp. z o.o. as of 9 June 2009. PBG Dom Sp. z o.o. holds 51% stake in Concept Development BSD 2 Sp. z o.o.
24. Wschodni Invest Sp. z o.o. has been a subsidiary of PBG SA as of 19 April 2009. At the same time, Wschodni Invest Sp. z o.o. is a parent company in Wschodni Invest Capital Group. PBG SA holds 100% stake in Wschodni Invest Sp. z o.o.
25. Energopol Ukraina has been a subsidiary of Wschodni Invest Sp. z o.o. as of 19 June 2009. Wschodni Invest Sp. z o.o. holds 51% stake in Energopol Ukraina.

Consolidation of indirect subsidiaries

Hydrobudowa Polska SA has two subsidiaries: P.R.G. Metro Sp. z o.o. and Hydrobudowa 9 SA. Hydrobudowa 9 SA has a subsidiary company Gdyńska Projekt Sp. z o.o.. As at 30 September 2009, Hydrobudowa 9 SA does not prepare consolidated financial statements. All entities of Hydrobudowa Polska Capital Group are consolidated at the level of their parent company, Hydrobudowa Polska SA.

Aprivia SA has three subsidiaries: Betpol SA, Dromost Sp. z o.o., and Przedsiębiorstwo Robót Inżynieryjno – Drogowych SA. As at 30 September 2009, the company did not prepare consolidated financial statements. These entities are consolidated at the level of the Parent Company PBG SA.

PBG Dom Sp. z o.o. has the following subsidiaries: Apartamenty Poznańskie Sp. z o.o., PBG Dom Invest I Sp. z o.o. (formerly Dawil Sp. z o.o.), PBG Dom Invest II Sp. z o.o. (formerly Budwil Sp. z o.o.), Górecka Projekt Sp. z o.o., Złotowska 51 Sp. z o.o. (formerly KM Investment Sp. z o.o.), City Development Sp. z o.o., and Concept Development BSD 2 Sp. z o.o. The last two entities, i.e. City Development Sp. z o.o. and Concept Development BSD2 Sp. z o.o., were not consolidated for Q3 2009.

Justification:

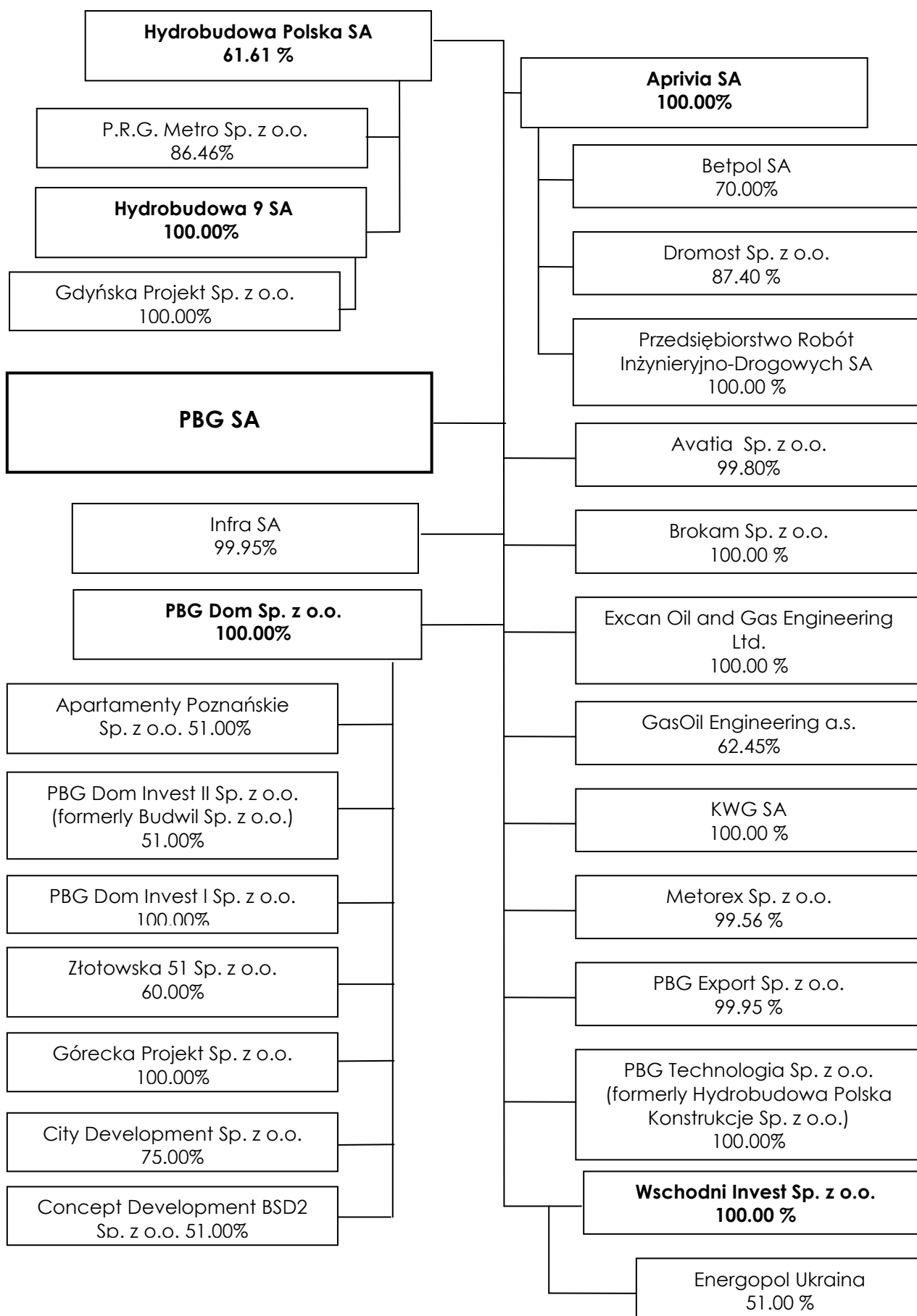
On 9 June 2009, the General Meeting of Shareholders of **City Development Sp. z o.o.** increased the Company's share capital. The subsidiary of PBG SA – PBG Dom Sp. z o.o., the holder of only 1 share of the Company, expressed its intent to take over 53,250 shares of City Development Sp. z o.o. following the increase in share capital and its registration. The increased share capital had not been registered by the Court by 30 September 2009.

On 9 June 2009, PBG Dom Sp. z o.o. concluded an investment agreement and became a shareholder of **Concept Development BSD 2 Sp. z o.o.** This company was established to implement a specific project – construction of Concept Tower office building at Karolkowa and Grzybowska Streets in Warsaw. PBG Dom Sp. z o.o. has undertaken to grant a loan to Concept Development BSD 2 Sp. z o.o. *i.a.* on condition that the credit committee or any other relevant authority of the bank decides to grant a credit facility to the Company to implement this project. At the same time, PBG Dom Sp. z o.o. granted an irrevocable authorisation to a representative of other shareholders, wherein PBG Dom Sp. z o.o. had undertaken not to exercise any rights under shares in Concept Development BSD 2 Sp. z o.o. in person, and not to grant any other authorisations in this respect until the said loan agreement is signed. The loan agreement has not been signed yet.

Wschodni Invest Sp. z o.o. has one subsidiary – Energopol Ukraina; as at 30 September 2009, the company did not prepare consolidated financial statements. This subsidiary is consolidated at the level of the Parent Company PBG SA.

As the financial statements drawn up as at the date of acquisition of Energopol Ukraina with its registered office in Kiev, a subsidiary of Wschodni Invest Sp. z o.o., are still being prepared, the Management Board of PBG SA decided to present these acquisitions in the consolidated financial statements of PBG Capital Group for Q3 2009 only provisionally. This provisional accounting, allowed under IFRS 3, will be adjusted by the end of 2009.

STRUCTURE OF PBG CAPITAL GROUP AS AT 30 SEPTEMBER 2009



2.2 Accounting principles adopted in the interim condensed consolidated financial statements for Q3 2009

2.2.1 Declaration of compliance with IFRS

These interim condensed consolidated financial statements were drawn up in accordance with the International Financial Reporting Standards (IFRSs), and in particular with the requirements of IAS 34 "Interim financial reporting", and present the true and fair view of the financial situation of PBG Capital Group as at 30 September 2009 and 30 September 2008, results of its operations for the 9-month period ended on 30 September 2009 and 30 September 2008, as well as cash flows for the 9-month period ended on 30 September 2009 and 30 September 2008.

IFRSs include standards and interpretations approved by the International Accounting Standards Board (IASB) and the International Financial Reporting Standards Interpretation Committee (IFRIC).

The separate financial statements of PBG, constituting an integral part hereof, were also drawn up in accordance with these standards.

The interim condensed consolidated financial statements were prepared based on the assumption that PBG Capital Group companies shall remain going concerns in the foreseeable future.

2.2.2 Form and general principles of preparation

These financial statements were prepared in accordance with IAS 34 "Interim financial reporting" and with the Ordinance of the Minister of Finance on Current and Interim Information Submitted by Issuers of Securities of 19 February 2009 (Journal of Laws of 2009, No. 33 item 259), and cover the period of 9 months ended on 30 September 2009, as well as the relevant comparative periods.

Under §83.1 of the Ordinance, the Issuer – a Parent Company in a Capital Group is under no obligation to submit a separate quarterly report, provided that the consolidated quarterly financial statements contain the company's separate quarterly condensed financial statements containing: balance sheet (statement of financial position), income statement, statement of changes in equity, and statement of cash flows.

These consolidated financial statements were drawn up based on the historical cost principle, with the exception of available-for-sale financial assets, investment property, and derivatives, which are carried at fair value.

To prepare financial statements in accordance with the IFRS, an entity must make estimates and assumptions which have effect on the amounts disclosed therein. Any such estimates and assumptions are based on the best knowledge of the Management Board as regards the current events and activities; however, the actual results may be different.

2.2.3 Adopted accounting principles

In the reporting period, PBG Capital Group introduced no significant changes to its accounting principles vs. the principles presented in the published consolidated financial statements for 2008, available at:

<http://pbgsa.home.pl/www/relacje-inwestorskie/raporty-okresowe/skonsolidowany-raport-roczny-2008-skonsolidowane-sprawozdanie-finansowe-pbg-za-rok-2008.html>

In comparison with the accounting principles published in the last annual report, the Capital Group added the following standards, amendments to standards, and interpretations effective as of 1 January 2009:

- Amendment of IFRS 2 "Share-Based Payment – Vesting Conditions and Cancellations".
- IFRS 8 "Operating Segments".
- Revised IAS 1 "Presentation of Financial Statements".
- Revised IAS 23 "Borrowing costs".
- Revised IAS 32 "Financial Instruments – Presentation" and IAS 1 "Presentation of Financial Statements".
- Revised IFRS 1 "First-time Adoption of International Financial Reporting Standards" and IAS 27 "Consolidated and Separate Financial Statements".
- Revised IAS 39 "Financial Instruments: Recognition and Measurement".
- Revised IFRS 1 "First-time Adoption of International Financial Reporting Standards".
- New IFRIC Interpretation 13 "Customer Loyalty Programmes".
- New IFRIC Interpretation 15 "Agreements for the Construction of Real Estate".
- New IFRIC Interpretation 16 "*Hedges of a Net Investment in a Foreign Operation*".
- New IFRIC Interpretation 17 "Distributions of Non-cash Assets to Owners".

IAS 1 Presentation of Financial Statements

The revised standard introduced changes in terms of titles of financial statements, their format, and presentation of certain items.

This standard had no effect on the principles of recognition and measurement of assets, liabilities, revenues and expenses adopted by PBG Capital Group. However, certain items previously recognised by the Capital Group in equity are now recognised as other comprehensive income, e.g. subsequent measurement of PP&E, measurement of cash flow hedges, or foreign exchange differences from valuation of foreign subsidiaries.

IAS 1 requires that entities must prepare a Statement of Comprehensive Income. PBG Capital Group presents a separate "Consolidated Income Statement" followed directly by the "Consolidated Statement of Comprehensive Income".

PBG Capital Group changed the structure of the "Statement of Changes in Consolidated Equity" – changes in equity resulting from transactions with owners are presented first, followed by the effects of comprehensive income on equity.

IFRS 8 Operating segments

IFRS 8 requires an entity to report information on its operating segments. According to PBG Capital Group, operating segments presented in the last annual consolidated financial statements are consistent with operating segments.

IFRS 8 replaces IAS 14 "Segment Reporting" and requires the management approach to the disclosure of information on segments, i.e. information about the components of the entity that management uses to make decisions about operating matters – in other words, segment information should be disclosed on the same basis as for internal reporting purposes.

PBG Capital Group currently operates in five main segments:

- natural gas and crude oil,
- water,
- fuels,
- industrial and residential construction
- roads.

Detailed description of these segments is presented in section 2.5 hereof.

Reporting segments did not change compared to the last annual financial statements.

IAS 23 Borrowing costs

The revised standard requires capitalisation of borrowing costs as costs of acquisition or construction. Financial costs that are directly attributable to the acquisition, construction or production, or adaptation of a qualifying asset should be capitalised.

Under the transitional provisions of IAS 23, changes in accounting principles were not applied with retrospective effect. PBG Capital Group capitalises borrowing costs related to the acquisition, construction or production, or adaptation of assets, for which the commencement date is after 1 January 2009.

The revised IAS 23 "Borrowing Costs" has a limited effect on the accounting principles, as PBG Capital Group entities have applied the alternative treatment, i.e. recognition of borrowing costs.

IFRIC 13 Customer Loyalty Programmes

The new interpretation applies to customer loyalty programmes where loyalty award credits are granted when buying goods or services. Under IFRIC 13, an entity should deduct the amount equal to the fair value of these credits from its revenues from sale.

Adoption of these interpretations and revised standards had no effect on the reporting system of PBG Capital Group.

The Management Board of the Parent Company monitors new standards and interpretations on an on-going basis and analyses their effects on the financial statements.

2.3 Corrections of fundamental errors and changes of accounting principles

These interim consolidated financial statements contain no correction of errors with an effect on the financial data presented for the comparative periods.

PBG Capital Group changed the principles of presentation of receivables and payables resulting from the measurement of derivatives in its statement of financial position. As items related to derivative financial instruments used as hedges are significant, additional items were presented separately:

- Long-term receivables – derivatives
- Short-term receivables – derivatives
- Long-term payables – derivatives
- Short-term payables – derivatives

Based on the above changes, comparatives were restated as follows:

Item	was	is
	30.09.2008.	30.09.2008.
Assets		
Other long-term financial assets	53 253	50 584
Long-term receivables – derivatives	-	7 948
Other short-term financial assets	65 683	16 266
Short-term receivables – derivatives	-	44 138
Liabilities		
Other long-term financial payables	209 339	208 395
Long-term payables – derivatives	-	944
Other short-term financial payables	16 379	11 581
Short-term payables – derivatives	-	4 798

2.4 Functional and presentation currency of financial statements and principles of currency conversion of financial data

2.4.1 Functional currency and presentation currency

Polish zloty (PLN) is the functional currency of the Parent Company and presentation currency of these interim condensed consolidated financial statements as well as the consolidated condensed separate financial statements.

Financial statements of foreign entities are converted to PLN for consolidation purposes as follows:

- assets and liabilities of each presented Statement of Financial Position (Balance Sheet) – at the closing exchange rate as at the relevant accounting reference date,
- items of the Income Statement – at the exchange rate calculated as an arithmetic average of the exchange rates set by the National Bank of Poland as at each month end of the reporting period. The resulting foreign exchange differences are recognised directly in equity as foreign exchange differences on consolidation.

2.4.2 Principles of currency conversion of financial data

- net revenues from sales of products, goods and materials, operating profit, gross profit and net profit, as well as net cash flow from operations, net cash flow from investments, net cash flow from financing activity, and total net cash flow for three quarters 2009 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, i.e. : PLN 4.3993;

- net revenues from sales of products, goods and materials, operating profit, gross profit and net profit, as well as net cash flow from operations, net cash flow from investments, net cash flow from financing activity, and total net cash flow for three quarters 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, i.e. : PLN 3.4247

- net revenues from sales of products, goods and materials, operating profit, profit before tax and net profit, as well as net cash flow from operations, net cash flow from investments, net cash flow from financing activity, and total net cash flows for FY 2008 were calculated at 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 3.5321;

- total assets, liabilities and provisions for liabilities, long-term payables, short-term payables, equity and share capital as at 30 September 2009 were calculated at the average exchange rate of EURO as at this date, i.e. 30 September 2009, i.e. : PLN 4.2226;

- total assets, liabilities and provisions for liabilities, long-term payables, short-term payables, equity and share capital as at 30 September 2008 were calculated at the average exchange rate of EURO as at this date, i.e. 30 September 2008, i.e. : PLN 3.4083;

- total assets, liabilities and provisions for liabilities, long-term payables, short-term payables, equity and share capital as at 31 December 2008 were calculated at the average exchange rate of EURO as at this date, i.e. 31 December 2008, i.e. : PLN 4.1724.

2.5 Selected additional Notes to the Financial Statements

2.5.1 Revenues from sales

Item	for the period 01.01- 30.09.2009	for the period 01.01- 30.09.2008
Natural gas and crude oil	212 953	192 338
Water	695 693	789 415
Fuels	30 124	117 734
Industrial and residential construction	558 388	133 449
Roads	115 177	77 436
Other	38 720	59 671
Total revenues from sales	1 651 055	1 370 043

Amounts presented in Tables 2.5.1 were adjusted by non-consolidated items.

2.5.2 Expenses by type

Item	for the period 01.01- 30.09.2009	for the period 01.01- 30.09.2008
Depreciation and amortisation	35 359	31 395
Consumption of materials and energy	315 389	263 754
Outsourced services	956 047	743 406
Taxes and similar charges	11 816	8 894
Salaries	147 619	132 638
Social security and other benefits	30 658	29 584
Other expenses (by type)	27 533	25 108
Expenses by type	1 524 421	1 234 779
Change in inventory, work in progress, and prepaid expenses, accruals and deferred income	(35 623)	(18 639)
Cost of works performed for in-house purposes	(980)	(9 728)
Selling expenses	-	-
General administrative expenses	(82 419)	(72 959)
Costs of products and services sold	1 405 399	1 133 453

2.5.3 Other operating revenues

Item	for the period 01.01- 30.09.2009	for the period 01.01- 30.09.2008
a) Gains from sale of non-financial fixed assets	-	645
b) Reversal of write-downs of assets	5 262	3 749
- intangible assets and tangible fixed assets	-	-
- receivables	4 857	3 747
- inventories	405	-
- other	-	2
c) Other, of which:	21 108	5 174
- compensation received under insurance contracts, penalties and fines	2 126	1 239
- subsidies	856	785
- reversal of provisions for warranty servicing	106	241
- valuation of real property	14 614	234
- rental, lease	2 060	2 357
- other	1 346	318
Other operating revenues – total	26 370	9 568

2.5.4 Other operating expenses

Item	for the period 01.01- 30.09.2009	for the period 01.01- 30.09.2008
a) Loss from sale of non-financial fixed assets	6	-
b) Write-downs of assets	3 542	992
- intangible assets and tangible fixed assets	123	-
- receivables	3 301	987
- inventories	118	-
- other	-	5
c) Other, of which:	9 702	3 759
- donations	1 943	898
- compensation received under insurance contracts, penalties and fines	4 531	2 415
- shortages of current assets beyond the Group's control	65	184
- costs other than tax-deductible costs	1 218	125
- prescribed, waived and uncollectible receivables – written off	-	13
- losses caused by undermining and flooding, damage to transport vehicles	-	43
- other	1 945	81
Other operating expenses – total	13 250	4 751

2.5.5 Financial revenues

Item	for the period 01.01- 30.09.2009	for the period 01.01- 30.09.2008
a) Interest	17 048	17 739
- loans granted	6 077	1 146
- bank interest	8 492	12 651
- bonds	515	931
- other	1 964	3 011
b) Other	2 025	6 806
- foreign exchange gains	-	3 748
- dividends and profit sharing	2	2
- revenues from financial market transactions	1 267	2 972
- other	756	84
Total financial revenues	19 073	24 545

2.5.6 Financial expenses

Item	for the period 01.01- 30.09.2009	for the period 01.01- 30.09.2008
a) Bank interest and commissions	38 108	42 043
- loans received	161	266
- interest and commissions on bank credits	25 872	25 217
- bonds	11 475	13 805
- other	600	2 755
b) Other financial expenses	4 985	2 256
- foreign exchange losses	3 291	-
- discount (long-term settlements)	647	1 489
- write-off – loan and interest	846	-
- other	201	767
Total financial expenses	43 093	44 299

2.5.7 Gains/losses from investments

Item	for the period 01.01- 30.09.2009	for the period 01.01- 30.09.2008
a) gains/losses from investments in related parties	2 908	-
- sale of a subsidiary company PRIS Sp. z o.o.	1 942	-
- sale of a subsidiary company WIERTMAR Sp. z o.o.	966	-
b) gains/losses on sale of shares held	-	-
Gains/losses from investments	2 908	-

2.6 Operating segments

When defining operating segments, the Management Board considers product lines representing the main services and products supplied by the Group. Each segment is managed separately under a given product line, considering the specific type of services requiring different technologies, resources, and approaches. Adoption of IFRS 8 had no effect on the structure of operating segments vs. the previous consolidated financial statements of the Capital Group.

Operating segment is the primary reporting format adopted by PBG Capital Group. The Group currently operates in five main segments:

- **natural gas and crude oil,**

- **water,**
- **fuels,**
- **industrial and residential construction,**
- **roads.**

Individual segments cover the following services:

- **Natural gas and crude oil:**
 - overground natural gas and crude oil mining facilities
 - natural gas liquefaction facilities and LNG storage and regasification facilities
 - LPG separation and storage stations, C5+
 - LNG storage and vaporisation stations
 - underground gas depots
 - desulphurisation plants
 - overground facilities of underground natural gas depots
 - crude oil tanks
 - natural gas and crude oil transport systems, including:
 - meter and regulator stations, measurement and settlement stations, mixing plants, distribution stations,
 - compressor stations, etc.
- **Water:**
 - process and sanitary facilities for water and sewerage systems, such as:
 - waterworks
 - sewerage systems
 - water mains and interceptors
 - water intake points
 - wastewater treatment plants
 - hydrotechnical facilities, such as:
 - water dams
 - storage reservoirs
 - flood defences (dykes)
 - renovation of waterworks and sewerage systems
- **Fuels:**
 - fuel depots
- **Industrial and residential construction:**
 - general construction
 - industrial infrastructure.
 - construction of stadiums/sport arenas
 - construction of waste incineration plants
- **Roads:**
 - road building.

PBG Capital Group

Qsr3/2009 (unless indicated otherwise, all data is presented in PLN thousands)

In addition, PBG Capital Group defined an additional operating segment – “Other”. This segment covers revenues from sales of goods and materials, as well as other services that are not classified under the five main segments.

PBG Capital Group presents its revenues from sales, expenses and result (gross profit margin) broken down into these segments, but does not present its assets and liabilities in the Balance Sheet by segments, as some tangible fixed assets (PP&E) are used in production classified under several different segments and it is not possible to allocate the inventory of materials to individual segments; it is also not possible to allocate trade payables as well as other operating and financial revenues and expenses to specific segments.

Information on operating segments is presented in the table below:

OPERATING SEGMENTS – FOR THE PERIOD FROM 1 JANUARY 2009 TO 30 SEPTEMBER 2009

Item	Segments					Other	Non-consolidation	Consolidated amount
	Natural gas and crude oil	Water	Fuels	Industrial and residential construction	Roads			
<i>Financial results of operating segments for the period from 1 January 2009 to 30 September 2009</i>								
Total revenues	237 346	908 452	89 255	658 690	156 615	101 241	(500 544)	1 651 055
External sales	237 346	908 452	89 255	658 690	156 615	101 241	(500 544)	1 651 055
Intersegment sales	-	-	-	-	-	-	-	-
Total expenses	(190 637)	(831 997)	(87 331)	(569 709)	(137 809)	(81 641)	486 036	(1 413 088)
Segment result	46 709	76 455	1 924	88 981	18 806	19 600	(14 508)	237 967
Expenses not allocated to segments	x	x	x	x	x	x	x	(82 567)
Other operating revenues/expenses	x	x	x	x	x	x	x	13 268
Operating profit	x	x	x	x	x	x	x	168 668
Financial revenues	x	x	x	x	x	x	x	19 073
Financial expenses	x	x	x	x	x	x	x	(43 093)
Share in profits of related parties accounted for using the equity method	x	x	x	x	x	x	x	-
Gains/losses from investments	x	x	x	x	x	x	x	2 908
Profit before tax	x	x	x	x	x	x	x	147 556
Income tax	x	x	x	x	x	x	x	(17 043)
Net profit	x	x	x	x	x	x	x	130 513

OPERATING SEGMENTS – FOR THE PERIOD FROM 1 JANUARY 2008 TO 31 DECEMBER 2008

Item	Segments					Other	Non-consolidation	Consolidated amount
	Natural gas and crude oil	Water	Fuels	Industrial and residential construction	Roads			
<i>Financial results of operating segments for the period from 1 January 2008 to 31 December 2008</i>								
Total revenues	267 721	1 376 801	180 089	199 227	172 107	201 057	(305 577)	2 091 425
External sales	267 721	1 376 801	180 089	199 227	172 107	201 057	(305 577)	2 091 425
Intersegment sales	-	-	-	-	-	-	-	-
Total expenses	(214 686)	(1 272 883)	(150 997)	(153 654)	(142 928)	(143 442)	329 058	(1 749 532)
Segment result	53 035	103 918	29 092	45 573	29 179	57 615	23 481	341 893
Expenses not allocated to segments	x	x	x	x	x	x	x	(107 997)
Other operating revenues/expenses	x	x	x	x	x	x	x	(8 285)
Operating profit	x	x	x	x	x	x	x	225 611
Financial revenues	x	x	x	x	x	x	x	50 176
Financial expenses	x	x	x	x	x	x	x	(62 140)
Share in profits of related parties accounted for using the equity method	x	x	x	x	x	x	x	-
Gains/losses from investments	x	x	x	x	x	x	x	2 268
Profit before tax	x	x	x	x	x	x	x	215 915
Income tax	x	x	x	x	x	x	x	(25 992)
Net profit	x	x	x	x	x	x	x	189 923

OPERATING SEGMENTS – FOR THE PERIOD FROM 1 JANUARY 2008 TO 30 SEPTEMBER 2008

Item	Segments					Other	Non-consolidation	Consolidated amount
	Natural gas and crude oil	Water	Fuels	Industrial and residential construction	Roads			
<i>Financial results of business segments for the period from 1 January 2008 to 30 September 2008</i>								
Total revenues	197 502	926 188	117 734	133 449	89 920	63 890	(158 640)	1 370 043
External sales	197 502	926 188	117 734	133 449	89 920	63 890	(158 640)	1 370 043
Intersegment sales	-	-	-	-	-	-	-	-
Total expenses	(159 505)	(833 464)	(95 458)	(110 668)	(76 026)	(40 386)	156 246	(1 159 261)
Segment result	37 997	92 724	22 276	22 781	13 894	23 504	(2 394)	210 782
Expenses not allocated to segments	x	x	x	x	x	x	x	(72 959)
Other operating revenues/expenses	x	x	x	x	x	x	x	4 817
Operating profit	x	x	x	x	x	x	x	142 640
Financial revenues	x	x	x	x	x	x	x	24 545
Financial expenses	x	x	x	x	x	x	x	(44 299)
Share in profits of related parties accounted for using the equity method	x	x	x	x	x	x	x	-
Profit before tax	x	x	x	x	x	x	x	122 886
Income tax	x	x	x	x	x	x	x	(14 105)
Net profit	x	x	x	x	x	x	x	108 781

2.7 Key achievements or failures of the Capital Group in Q3 FY 2009 and summary of the respective key events

In Q3 FY09, PBG Capital Group generated PLN 702.471 k in net revenues from sales of products, goods and materials, achieving the return on sales (before tax) of PLN 90.924 k.

The key sources of income in Q3 from the Group's core business included the following construction contracts:

- a. contract for "Extension of the City Stadium at 5/7 Bułgarska Street in Poznań for EURO 2012 – construction of stand 1 and 3 with roofing of stands 1, 2 and 3", signed by and between EURO Poznań Sp. z o.o. in Poznań and Hydrobudowa Polska SA – recorded revenues: PLN 120,610k;
- b. contract for "Construction of a multi-purpose National Stadium in Warsaw along with the associated infrastructure", signed by and between Narodowe Centrum Sportu and Hydrobudowa Polska SA – recorded revenues: PLN 57,693k;
- c. contract for "Design and construction of a complete system of the Lubiatów-Międzychód-Grotów Crude Oil and Natural Gas Mining Facility, in the turnkey system, as part of the investment "LMG Project – Central Unit, wellsites, pipelines and other", signed by and between PGNiG SA and PBG SA – recorded revenues: PLN 45,029k;
- d. contract for "Construction of the over-ground part of Wierchowice Underground Gas Storage Depot", signed by and between PGNiG SA and PBG SA – recorded revenues: PLN 35,171k,
- e. contract for "Construction of wastewater transport system from left-bank Warsaw to Czajka Wastewater Treatment Plant – Phase 1" signed by and between Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w Warszawie and Hydrobudowa 9 SA – recorded revenues: PLN 34,000k;
- f. contract for "Upgrade of the water supply and sewerage system in Łódź" – signed by and between Łódzka Spółka Infrastrukturalna Sp. z o.o. and Infra SA – recorded revenues: PLN 26,846k;
- g. contract for "Extension of the wastewater treatment plant FORDON in Bydgoszcz, part 1" signed by and between Miejskie Wodociągi i Kanalizacja w Bydgoszczy Sp. z o.o. and Hydrobudowa 9 SA – recorded revenues: PLN 26,586k;
- h. contract for "Construction of Arena Bałtycka football stadium in Gdańsk Letnica", signed by and between the Municipality of the City of Gdańsk and Hydrobudowa Polska SA – recorded revenues: PLN 24,706k;
- i. contract for "Design and construction of a waste treatment plant in Gdańsk Szadółki – construction and installation works", signed by and between Zakład Utylizacji Sp. z o.o. in Gdańsk and Hydrobudowa Polska SA – recorded revenues: PLN 24,379k;
- j. contract for "Improvement of wastewater and water management in the Municipality of Zabrze, districts of Grzybowo and Rokitnica", part of the project "Improvement of water and wastewater management in the Municipality of Zabrze" signed by and

- between the Municipality of Zabrze with Zabrzeńskie Przedsiębiorstwo Wodociągów i Kanalizacji Sp. z o.o. Zabrze and Hydrobudowa Polska SA – recorded revenues: PLN 22,495k;
- k. contract for “Upgrade of the sewerage system of the City of Kraków – man-accessible pipes” signed by and between MPWiK Kraków and PBG SA – recorded revenues: PLN 14,783k;
 - l. contract for “Construction of Malczyce barrage on the Odra river”, signed by and between Maxter SA (currently in liquidation) and PBG SA – recorded revenues: PLN 13,051k;
 - m. contract for “Adaptation of gas equipment of gas customers connected to the gas network of Oddział Zakład Dystrybucji Gazu Poznań, Wielkopolski Operator Systemu Dystrybucyjnego Sp. z o.o., located in the eastern part of Wielkopolska region with the agglomeration of Poznań, from LS to E gas, and supply of factory-new gas water heaters and gas ranges”, signed by and between PGNiG SA and PBG SA – recorded revenues: PLN 12,824k;
 - n. contract for “Upgrade of the Left-Bank Wastewater Treatment Plant in Poznań” signed by and between the City of Poznań and Hydrobudowa 9 SA – recorded revenues: PLN 12,542k;
 - o. contract for “Integrated water and wastewater management in the Parsęta River basin” signed by and between Miejskie Wodociągi i Kanalizacja Sp. z o.o. in Kołobrzeg and KWG SA – recorded revenues: PLN 12,049k;
 - p. contract for “Preparatory works for construction and design works for a building in Świnoujście” signed by and between Pomerania Development and PBG SA – recorded revenues: PLN 11,712k.

Summary of major events related to the key achievements or failures of the Capital Group in Q3 FY09 communicated by the Parent Company in current reports in the reporting period

The key events in Q3 FY09 included:

INVESTMENT AGREEMENTS

Annex to the contract “Construction of the Malczyce barrage on the Odra river”

On 19 July 2009, PBG SA and Maxter SA (currently in liquidation) signed an annex to the agreement of 6 February 2006 for the investment “Construction of the Malczyce barrage on the Odra river”. Under the said annex, the financial limit for construction and installation works to be performed by PBG SA under the said agreement in 2009 – 2011 was increased to PLN 216,673,815.57 net (i.e. PLN 264,342,055.00 before tax).

Material agreement on subcontractor's services for the construction of roofing for the National Stadium in Warsaw

On 5 August 2009, Hydrobudowa Polska SA and Alpine Construction Polska Sp. z o.o. signed a contract with CIMOLAI S.p.A with its registered office in Pordenone - Italy, Mostostal Zabrze-Holding SA with its registered office in Zabrze, and HIGHTEX GmbH with its registered office in Rimsting – Germany, for the construction and installation of the entire roof structure with roof covering, as well as the complete construction and installation of the elevation of the National Stadium in Warsaw. The said contract covers Subcontractor's works involving installation of the roof and facade structure, supply and installation of supporting structures, as well as supply and installation of glass roof. In addition, the Subcontractor shall supply and install the shell of the stadium's elevation. The total net amount of this contract is PLN 329,000,000.00. Contract completion date agreed by the Parties: 20 April 2011.

Annex to a material agreement with the municipality of Piaseczno

On 14 August 2009, Hydrobudowa Polska SA signed annex 4 to the material agreement concluded on 20 June 2007 with the Municipality of Piaseczno for the "Extension and reconstruction of the wastewater treatment plant in Piaseczno". Under the said annex, the contract completion date was changed from 30 September 2009 to 30 November 2009. Other terms and conditions of the said agreement did not change.

Subcontractor's agreement signed by Subsidiaries

On 11 September 2009, Hydrobudowa Polska SA signed a contract for subcontractor's services. Under the said contract, Hydrobudowa Polska SA and Alpine Construction Polska Sp. z o.o. (as the Contracting Party) contracted PBG Technologia Sp. z o.o. and Energomontaż Południe SA (as the Subcontractor) to construct and install a roof steel structure for a football stadium in Gdańsk Letnica.

The value of these works was agreed at PLN 93,000,000.00 net; this fee may be reduced by PLN 7,950,000.00 net if the Contractor decides not to construct and install part of the works covered by the agreement.

Works are to be completed by the Subcontractor by 13 August 2010.

AGREEMENTS WITH FINANCIAL INSTITUTIONS

Annex to the performance bond agreement signed with TU Allianz Polska SA

On 31 July 2009, PBG SA signed an annex to the agreement on contract performance bonds within the revolving limit concluded on 5 June 2007 between PBG Capital Group companies and the insurance company TU Allianz Polska SA with its registered office in Warsaw.

Under the said annex, the period during which TU Allianz Polska SA is to grant contract performance bonds (bid bonds, performance bonds, defect liability bonds, and advance payment guarantees) to PBG Capital Group companies was extended until 31 December 2009.

Annex to framework agreement with ING Bank Śląski SA

On 14 August 2009, PBG SA concluded annex to the framework agreement concluded on 6 September 2007 by and between ING Bank Śląski SA and PBG Capital Group companies for a credit limit up to PLN 220,000,000.00.

Under the said annex, the Bank's claims resulting from different forms of credit facilities granted under this agreement are secured by:

1. assignments of receivables from contracts;
2. conditional assignment of receivables under the contract "Construction of the overground part of Wierzchowice Underground Gas Storage Depot 3.5 billion nm³, subphase 1.2 billion nm³" of 19 November 2008,
3. financial pledge on cash to be deposited in the Bank's account under the agreement signed on 14 August 2009, if this cash is used by exercising the rights under the advanced payment guarantees issued for Tecnimont S.P.A. and Societe Francaise d'Etudes et de Realisations d' Equipments Gaziers "SOFREGAZ", 4 Alle'e de Seine 93200 Saint-Denis France, provided that this security applies to the Bank's receivables arising only from Guarantee no. 15/09/K issued by the Bank in respect of Polskie Górnictwo Naftowe i Gazownictwo SA, ul. Kasprzaka 25, 01-224 Warsaw,
4. authorisation to debit bank accounts of the Issuer and other parties to the agreement in the Bank,
5. corporate guarantees issued by Borrowers,
6. financial pledge on cash from all gains related to the Contract for general contractor services for "Construction of the overground part of Wierzchowice Underground Gas Storage Depot 3.5 billion nm³, subphase 1.2 billion nm³" of 19 November 2008, kept in the bank account specified in the Contract.

On 4 September 2009, the Management Board of PBG SA signed an Annex to the agreement, extending the period of validity of the credit line to 13 November 2009.

On 9 October 2009, another annex to framework agreement was signed, extending the period of the credit line to 13 August 2010 and excluding "PRIS" Sp. z o.o. from the agreement (as it had been excluded from PBG Capital Group).

In connection with the extended credit limit repayment term, Borrowers submitted their judgment notes (agreements for judgment) up to PLN 330,000,000, and the Bank may apply for an immediate execution of the enforceable title by 13 August 2013.

Validity of corporate guarantees provided by each Company acting as party to this agreement up to PLN 220,000,000.00 was also extended.

Other provisions of the agreement remained unchanged.

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

On 21 August 2009, PBG SA concluded an annex to the agreement for a liability limit of 28 September 2007 with Raiffeisen Bank Polska SA with its registered office in Warsaw. Under this annex, another PBG Capital Group company Hydrobudowa Polska SA became party to the agreement. The annex also increased the liability limit facility granted to the Companies from PLN 125,000,000 to PLN

145,000,000, to be used to finance current operations. The Companies may use the limit in the following forms:

- revolving credit facility 1 in PLN, EUR and USD up to the equivalent of PLN 100,000,000 until 30 November 2009 (final repayment date);
- revolving credit facility 2 in PLN up to PLN 20,000,000 until 30 July 2010 (final repayment date);
- limit for uncovered letters of credit in PLN or other currency up to the equivalent of PLN 15,000,000 until 29 November 2013 (final repayment date);
- limit for bank guarantees in PLN or other currency up to the equivalent of PLN 75,000,000 until 29 November 2013.

At the same time, Companies submitted their judgment notes (agreement for judgment) under Art. 97 of the Banking Law up to the total amount of current debt including interest and other charges, but not exceeding PLN 217,500,000.00. The Bank shall have the right to demand the immediate execution of its enforceable title by 29 November 2016.

Annex to the performance bond agreement signed with TUIR Euler Hermes SA

On 18 September 2009, PBG SA signed an annex to the agreement on contract performance bonds within the revolving limit, concluded on 28 September 2007 between PBG Capital Group companies and the insurance company TUIR Euler Hermes SA with its registered office in Warsaw. Under the said annex, the period during which TUIR Euler Hermes SA shall grant contract performance bonds (bid bonds, performance bonds, defect liability bonds, and advance payment guarantees) to PBG Capital Group companies was extended until 31 December 2009.

OTHER EVENTS

Resignation of a Management Board Member

On 30 September 2009, Mr Tomasz Latawiec, Member of the Management Board, handed in his resignation from office to the Supervisory Board of PBG SA, citing family reasons.

2.8 Factors and events of extraordinary nature with significant impact on the consolidated financial results

IMPACT OF CURRENCY HEDGES ON THE RESULTS OF PBG CAPITAL GROUP

In FY 2009, PBG SA and its Subsidiaries concluded hedging transactions relating only to future planned currency exposures and using standard forward instruments. PBG Capital Group companies had no financial instruments such as currency options. Hedging transactions were concluded in accordance with the adopted hedging policy, were related to contracts signed with investors and suppliers (mainly denominated in EUR, CAD and USD), and had no speculative character, as they were concluded under the adopted hedging policy in order to secure future cash flow from revenues from

sales (under the implemented long-term construction contracts) and cost of sales, as well as to secure the future fair value of a financial asset.

For 3 quarters of 2009, result on derivatives (**open and closed** as at 30 September 2009) totalled PLN -103.35 million, of which:

- revenues from sales were adjusted by the amount of PLN -106.07 (transferred from other comprehensive income and recognised in profit or loss in the reporting period, reduction of revenues from sales),
- PLN 3.38 million reduced costs of sales,
- PLN 1.54 million was recognised in financial revenues (of which PLN 0.55 million related to the interest portion of cash flow hedges, while PLN -0.11 related to the valuation of fair value hedges of financial assets, which must be presented in financing activity under the applicable regulations.

With open positions in the currency market, PBG Capital Group has currency hedges for a portion of its cash flows denominated in EUR (connected with revenues from sales) for 2009 – in the amount of EUR 82.8 million for 2010 and EUR 98.7 million in subsequent years (of which EUR 52.2 million in H1 2010). These transactions were concluded at the weighted average forward exchange rate of 3.67 EUR/PLN.

According to data received from banks, the fair value of **open positions** on cash flow hedges denominated in EUR as at 30 September 2009 totalled PLN -106.5 million, of which:

- the amount of PLN -37.5 million was included in the Group's result, of which PLN -14.17 million was recognised in the consolidated income statement for three quarters of 2009,
- PLN -69 million was recognised in the statement of other comprehensive income.

Result on forward contracts realised (closed) by the end of Q3 2009 totalled PLN -92.4 million, which was recognised and recorded in the consolidated income statement for 3 quarters 2009.

For a portion of cash flows denominated in CAD (related to cost of sales), PBG Capital Group has open positions in the currency market in the amount of CAD 2.35 million for 2009 and in the amount of CAD 30.72 million for 2010 and the following years (of which CAD 9.7 million in H1 2010). These transactions were concluded at the weighted average forward exchange rate of 2.16 CAD/PLN.

According to data received from banks, the carrying amount of **open positions** on cash flows hedges denominated in CAD as at 30 September 2009 totalled PLN 16.72 million, of which PLN 2.96 million recognised in the result for 2009.

Result on forward contracts realised (settled) by the end of Q3 2009 totalled PLN 0.40 million, which was recognised and recorded in the consolidated income statement for 3 quarters 2009.

For a portion of cash flows denominated in USD (related to cost of sales), PBG Capital Group has open positions in the currency market in the amount of USD 2.15 million for 2009 and in the amount of USD 3.25 million for 2010 (of which USD 3.25 million in H1 2010). These transactions were concluded at the weighted average forward exchange rate of 2.88 USD/PLN.

According to data received from banks, the carrying amount of **open positions** on cash flows hedges denominated in USD as at 30 September 2009 totalled PLN 0.14 million, of which:

- PLN –0.05 million recognised in PBG Capital Group's profit or loss,
- PLN 0.19 million was recognised in the statement of other comprehensive income.

As at 30 September 2009, the fair value of all **open positions** on derivatives totalled PLN –89.70 million, of which **PLN 89.59 million** related to fair value of cash flow hedges, and PLN –0.11 million related to fair value of instruments hedging financial assets. Fair value of open positions on derivatives depends on changes of market conditions, and the final result on these transactions may be very different from the above valuation.

Hedging contracts are concluded in accordance with the Group's policy of currency risks hedging.

This strategy is based on the adjustment of hedging instruments to the planned transactions under the hedged contract, taking into account net currency exposure, offered exchange rate, timeframe, as well as quantitative distribution of currency revenues by quarters. As the impact of currency risks on the result of Capital Group companies shall be reduced to a minimum, it was agreed that they shall use forward transactions to hedge these risks. PBG Capital Group uses hedge accounting, which requires the measurement of the effectiveness of hedges on a quarterly basis.

To make sure that the effects of a hedge are not recognised in a different period than the hedged item, a change in the method of assessment of hedge effectiveness for forward transactions in PBG Capital Group was introduced as of 1 January 2009, which should keep the impact of foreign exchange rates on the Company's results at a minimum in subsequent quarters.

This new method is applicable to new transactions and to transactions that became ineffective in the previous reporting period and may be allocated to the hedged item. Measurement of the ineffective instrument shall be recognised in profit or loss of the previous year, and the new method of assessment of hedge effectiveness shall be applied to the change in the measurement of the hedge. This new method consists in the differentiation of the spot portion and interest portion from the hedge measurement. The interest portion is recognised in profit or loss on financing activity, while the spot portion is recognised in equity.

2.9 Seasonal or cyclical nature of the Issuer's operations in the reporting period

Given the specific type of its business activities, i.e. provision of construction and installation services, works carried out by the Capital Group depend mainly on weather conditions. Low temperatures make it difficult to carry out earthworks and installation works and may affect the level of revenues from sales.

The strategy adopted by PBG Capital Group assumes that contracts signed by the Group should have the highest individual value possible. As a result, the impact of seasonality of sales on the Group's revenues will be reduced, and distribution of revenues throughout the financial year will be more uniform.

2.10 Dividend paid (or declared), in total and per one share, broken down into ordinary and preference shares

No dividend was paid or declared by the Company.

2.11 Events occurring after 30 September 2009 (Events After the Balance Sheet Date) with potential significant impact on the future consolidated results of the Capital Group and separate financial results of PBG SA, not included herein

ACQUISITIONS

Establishment of PBG Ukraina by PBG SA

On 28 October 2009, PBG Ukraina Publiczna Spółka Akcyjna was registered. PBG SA took over 222,227 registered shares of nominal value UAH 4 per share, representing 100% of share capital of PBG Ukraina for the total price of UAH 888,908, i.e. PLN 313,517.85. Each share carries one vote at the General Meeting of Shareholders. Cash contribution was covered from own funds of PBG SA. PBG Ukraina will be a project implementation company. PBG SA considers this establishment as a long-term investment.

At the same time, the Management Board of PBG SA informed that on 21 October 2009 registration of a Representative Office of PBG SA in Ukraine dated 1 October 2009 was confirmed. The Representative Office was established to conduct analyses of the Ukrainian market, and establish contacts with companies offering construction and associated services. The Representative Office will apply for a license to perform construction works in Ukraine.

Acquisition of a Company by the Subsidiary Company PBG Dom Sp. z o.o.

On 3 November 2009, the Subsidiary Company PBG Dom Sp. z o.o. acquired Villa Poznań Sp. z o.o., a company with its registered office in Poznań.

As a result of a transaction concluded by two natural persons, PBG Dom Sp. z o.o. acquired 21,100 shares of Villa Poznań Sp. z o.o. of nominal value PLN 100 per share. Share capital of Villa Poznań Sp. z o.o. totals PLN 2,110,000. The said shares represent 100% of the Company's share capital and 100% of the total vote at the General Meeting of Shareholders. PBG Dom Sp. z o.o. paid PLN 2,230,100 for the said shares.

PBG Dom Sp. z o.o. considers this acquisition as a long-term investment. Villa Poznań Sp. z o.o. is a special-purpose vehicle, owner of an undeveloped land free of any encumbrances with the area of 11,103 square meters in Poznań, to be used for real estate development projects.

Statement confirming the acceptance of an offer to take over subscription warrants of 28 October 2009, and take over of subscription warrants

On 6 November 2009, the Management Board of PBG SA accepted the offer of 28 October 2009 placed by the company Energomontaż Południe SA with its registered office in Katowice, for the take-over of 17,743,002 (seventeen million seven hundred forty three thousand and two) series A registered subscription warrants.

At the same time, the Management Board of PBG SA made a statement confirming the take-over of 17,743,002 (seventeen million seven hundred forty three thousand and two) series A registered subscription warrants issued in accordance with the Resolution of the Extraordinary General Meeting of Shareholders of Energomontaż Południe SA no. 2 of 22 September 2009 on the conditional increase of share capital by way of issue of series E shares without pre-emptive rights, issue of series A subscription warrants without pre-emptive rights, and amendment of the Articles of Association.

AGREEMENTS WITH FINANCIAL INSTITUTIONS

Annex to the credit line agreement between PBG Capital Group companies and BGŻ SA

On 15 October 2009, PBG SA signed an annex to the agreement with Bank Gospodarki Żywnościowej SA, extending the final date for repayment of the credit line of PLN 90,000,000.00.

Under the said annex, the line may be used until 30 November 2009:

- 1) up to PLN 73,000,000 in the form of working capital facilities in the credit account, in PLN, EUR or USD, to finance current operations;
- 2) up to PLN 40,000,000 in the form of bank guarantees, only up to PLN 13,000,000 in the form of bid bonds. The longest period of guarantee shall not exceed 30 December 2014,
- 3) up to PLN 5,000,000 in the form of revolving credit facilities to cover the Bank's receivables from financial market transactions concluded with the Bank; the longest period of transaction under the transaction limit shall not exceed 30 December 2014.

OTHER

Changes in the composition of the Management Board of a Subsidiary Company – Hydrobudowa Polska SA

On 19 October 2009, Member of the Management Board of Hydrobudowa Polska SA, Mrs Joanna Zwolak, resigned from office citing family reasons making it impossible for Mrs Joanna Zwolak to combine the function of Chief Accountant and Member of the Management Board. Mr Szymon

Tamborski was appointed Vice President of the Management Board by the Supervisory Board in her stead.

On 22 October 2009, Mrs Joanna Zwolak was appointed Independent Proxy of Hydrobudowa Polska SA.

Changes in the composition of the Management Board of a Subsidiary Company – Hydrobudowa 9 SA

On 19 October 2009, Mr Szymon Tamborski handed in his resignation from office of President of the Company's Management Board to the Supervisory Board Chairperson of Hydrobudowa 9 SA. This resignation was related to a new function assigned to Mr Szymon Tamborski in PBG Capital Group. By decision of the Company's Supervisory Board, Mr Marek Durczak was appointed President of the Management Board on 19 October 2009.

Statement of an obligated person regarding transactions in excess of Euro 5,000

On 20 October 2009, Mr Jacek Kseń, Vice-Chairman of the Supervisory Board of PBG SA, concluded a transaction involving PBG SA shares. In the said transaction, 100 ordinary bearer shares of PBG SA were acquired on the stock exchange at PLN 217.10 per share.

2.12 Representation of the Management Board on the feasibility of forecasts adopted for the respective financial year published earlier, taking into account results published in the consolidated and condensed separate quarterly reports vs. forecast results.

The Management Board of the Parent Company hereby represents that based on the results published in the interim condensed consolidated and condensed separate quarterly reports, the Board has decided to uphold its opinion that the forecast of FY 2009 results shall be achieved in line with the adopted assumptions, and results presented for the respective quarter support the feasibility of this forecast.

2.13 Shareholders holding at least 5% of votes at the General Meeting of Shareholders of PBG SA – directly or indirectly through subsidiaries – as at the date of submission of this report

Shareholders holding at least 5% of the total vote at PBG SA General Meeting of Shareholders, either directly or indirectly (through subsidiaries) as at the date of submission of the consolidated quarterly report; the number of shares held by these entities; percentage share in share capital; resulting number of votes carried by these shares and their percentage share in the total vote at the General Meeting; as well as changes in the structure of ownership of large blocks of PBG SA shares after the

submission date of the previous consolidated quarterly report – based on the information held by the Parent Company.

Shareholder	Number of shares	Total nominal value in PLN	% of share capital held	% of the total vote
Jerzy Wiśniewski	4,235,054 shares, of which: 4,235,054 registered preference shares	4,235,054	29.63	45.70
Clients of Pioneer Pekao Investment Management SA	951,182 ordinary shares	951,182	6.65	5.13
ING Otwarty Fundusz Emerytalny	912,991 ordinary shares	912,991	5-10	5-10
AVIVA Otwarty Fundusz Emerytalny Aviva BZ WBK	898,581 ordinary shares	898,581	5-10	5-10

Changes in the Issuer's share ownership structure in Q3 2009:

Increase in share capital of PBG SA by issuing series G shares

On 15 July 2009, amendment to the Company's Articles of Association was registered in connection with the increase in share capital of PBG SA by way of issue of 865,000 series G ordinary bearer shares. After the registration, the Company's share capital increased from PLN 13,430,000.00 to 14,295,000.00, and the total number of votes at the General Meeting of Shareholders increased from 17,930,000 to 18,795,000.

The majority shareholder, Mr Jerzy Wisniewski, informed that his share resulting from direct ownership of 4,495,054 registered preference shares carrying 8,990,108 votes at the Company's General Meeting of Shareholders, was reduced:

- from 33.47% to 31.44% of the Company's share capital;
- from 50.14% to 47.83% of the total vote.

Pursuant to article 69 par. 2 section 1 subsection a) and section 2, in connection with Art. 87 par. 4 of the Act on Public Offering, Jerzy Wiśniewski, the Company's Shareholder, and his spouse jointly held 4,498,333 registered preference shares carrying 8,996,666 votes, representing the following share after the said increase in the Company's share capital:

- 31.47% of share capital (vs. 33.49% before the increase);
- 47.87% of the total vote (vs. 50.18% before the increase).

In addition, pursuant to Art. 56 par. 1 section 1 of the Act on Public Offering, the Management Board of PBG SA informed that acting upon request of the Company's Shareholder, Mr Jerzy Wiśniewski (submitted to the Company pursuant to Art. 334 § 2 of the Code of Commercial Companies on 16 July 2009 by Dom Maklerski BZ WBK SA), the Board adopted a resolution regarding the conversion of 260,000 series A registered preference shares held by Mr Jerzy Wiśniewski into series A ordinary bearer shares. Conversion of these shares in the National Depository for Securities was required, and the Company applied for this conversion to the National Depository for Securities without delay. Conversion of shares will take effect upon its registration at the date of conversion, in accordance with the relevant regulations adopted by the National Depository for Securities. After the conversion,

and in accordance with § 14 par. 1 of the Company's Articles of Association, preference of 2 votes at the General Meeting per 1 share shall expire.

As a result of the conversion of a portion of series A registered preference shares into series A ordinary bearer shares, all shares issued by the Company shall carry **18,535,000** votes at the General Meeting of Shareholders.

On 31 July 2009, based on the Company's application, the Management Board of the National Depository for Securities adopted resolution no. 266/2009 to designate 260,000 ordinary bearer shares of PBG SA with the code PLPBG0000052, after the conversion of 260,000 registered shares of PBG SA designated with the code PLPBG0000037 on 31 July 2009. As a result, 4,240,000 shares of PBG SA were designated with the code PLPBG0000037, and 260,000 shares of PBG SA were designated as PLPBG0000052 as of 31 July 2009.

Under resolution no. 376/2009 of 7 August 2009 of the Management Board of the Warsaw Stock Exchange, 260,000 series A ordinary bearer shares of PBG SA, of nominal value PLN 1.00 per share, designated as PLPBG0000052 by the National Depository for Securities, were admitted to trading on the main market.

Under resolution 287/2009 of 11 August 2009, the Management Board of the National Depository for Securities decided to assimilate 260,000 series A ordinary bearer shares of PBG SA designated as PLPBG0000052 with 9,795,000 shares of PBG SA designated as PLPBG0000029 on 14 August 2009.

The assimilated shares were designated with the code PLPBG0000029.

At the same time, the Management Board of the National Depository for Securities decided that as of 14 August 2009, 10,055,000 shares of PBG SA shall be designated as PLPBG0000029. 14 August was the first day of listing of shares after the assimilation.

Statement of an obligated person regarding transactions involving PBG shares

On 14 August 2009, Mr Jerzy Wiśniewski, President of the Management Board of PBG SA, sold 260,000 of the Company's shares at PLN 220 per share on the Warsaw Stock Exchange in over-the-counter block transaction.

After this transaction, Mr Jerzy Wiśniewski holds **4,235,054** series A registered preference shares (carrying **8,470,108** votes), representing jointly **29.63%** of the Company's share capital and **45.70%** of the total vote. Together with his spouse, Mr Jerzy Wiśniewski holds 4,238,333 series A registered preference shares (carrying 8,476,666 votes), representing jointly 29.65% of the Company's share capital and 45.73% of the total vote.

Mr Jerzy Wiśniewski informed that he had no related parties holding the Company's shares, and that he was not party to any agreements referred to in Art. 87 par. 1 section 3 subsection c. of the Act on Public Offering and Terms of Introduction of Financial Instruments to Organised Trading and on Public Companies.

As at today, according to information held by the Company, Mr Jerzy Wiśniewski has no intention of selling the Company's shares within the next 12 months.

Notification from Aviva Powszechne Towarzystwo Emerytalne Aviva BZ WBK SA (AVIVA OFE)

On 17 July 2009, Aviva Powszechne Towarzystwo Emerytalne Aviva BZ WBK SA (AVIVA OFE) informed that following the transactions of acquisition of shares of PBG SA on the regulated market, concluded on 13 July 2009, its share of the Company's total vote exceeded 5%.

Before the said transactions, according to the portfolio, as at 15 July 2009 Aviva OFE held 871,081 shares of PBG SA, representing 6.49% of the Company's share capital and carrying 871,081 votes at the General Meeting of Shareholders, i.e. 4.86 % of total vote. After the conclusion and settlement of these transactions on 13 July 2009, as at 16 July 2009 Aviva OFE held 898,581 shares of PBG SA, representing 6.69% of the Company's share capital and carrying 898,581 votes at the General Meeting of Shareholders, i.e. 5.01 % of total vote.

Notification from BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA

On 4 August 2009, BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA with its registered office in Poznań, acting on behalf of Arka BZ WBK Akcji Fundusz Inwestycyjny Otwarty, Arka BZ WBK Rozwoju Nowej Europy Fundusz Inwestycyjny Otwarty, Arka BZ WBK Zrównoważony Fundusz Inwestycyjny Otwarty and Lukas Fundusz Inwestycyjny Otwarty (hereinafter referred to as "Funds"), as a result of transactions of sale of the Company's shares, became holders of shares representing less than 5% of the total vote at the General Meeting of Shareholders of PBG SA.

Before the transaction, Funds held 948,747 shares of PBG SA, representing 6.64% of share capital of PBG SA and carrying 948,747 votes, i.e. 5.12% of the total vote at the General Meeting of Shareholders of PBG SA.

On 4 August 2009, Funds held 786,247 shares of PBG SA, representing 5.5% of Company's share capital and carrying 786,247 votes, i.e. 4.24% of the total vote at the General Meeting of Shareholders of PBG SA.

In addition, BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. informed that the management of investment portfolios of the Funds was commissioned to the company BZ WBK AIB Asset Management SA with its registered office in Poznań. The company shall be responsible for the publication of information related to the acquisition of shares.

Notification from Pioneer Pekao Investment Management SA (PPIM) on the change of ownership of PBG SA shares

On 29 October 2009, Pioneer Pekao Investment Management SA (PPIM) concluded transactions involving PBG SA shares. As a result of these transactions,

the share in total vote at the AGM of PBG SA increased to 5.13% in terms of financial instruments covered by portfolios managed by PPIM as part of the brokerage financial services management. As a result of the acquisition of PBG SA shares on 23 October 2009, all Clients of PPIM became holders of

951,182 shares of PBG, carrying 951,182 votes at the AGM. The said shares represent 6.65% of share capital and 5.13% of the total vote at the General Meeting of PBG SA.

Before the transaction, Clients of PPIM held 913,863 shares of PBG, carrying 913,863 votes at the AGM and representing 6.39% of share capital of PBG and 4.93% of the total vote.

While performing services under the contract for the management of investment portfolio of funds, signed with Pioneer Pekao Towarzystwo Funduszy Inwestycyjnych SA, acting on behalf of the following funds:

- Pioneer Akcji Polskich Fundusz Inwestycyjny Otwarty,
- Pioneer Aktywnej Alokacji Fundusz Inwestycyjny Otwarty,
- Pioneer Fundusz Inwestycyjny Otwarty,
- Pioneer Małych i Średnich Spółek Rynku Polskiego Fundusz Inwestycyjny Otwarty,
- Pioneer Stabilnego Wzrostu Fundusz Inwestycyjny Otwarty,
- Pioneer Zmiennej Alokacji Fundusz Inwestycyjny Otwarty,
- Pioneer Zmiennej Alokacji 2 Fundusz Inwestycyjny Otwarty,
- Pioneer Zrównoważony Fundusz Inwestycyjny Otwarty,
- Specjalistyczny Fundusz Inwestycyjny Otwarty Telekomunikacji Polskiej

PPIM informed that the interest held by these funds increased to 5.06% of the total vote at the General Meeting of Shareholders of PBG SA in terms of shares covered by the portfolios of these funds managed by PPIM. Following the transaction of purchase of PBG SA shares on 23 October 2009, interest held by PPIM increased to 938,493 shares carrying 938,493 votes at the General Meeting of Shareholders of PBG, representing 6.57% of share capital and 5.06% in the total vote at the AGM.

Before the transaction, funds held 901,188 shares carrying 901,188 votes at the General Meeting of Shareholders of PBG, representing 6.30% of share capital of PBG and 4.86% of the total vote at the AGM.

2.14 Summary of changes in the ownership of the Issuer's shares or right to shares (options) held by members of the Management Board or Supervisory Board of PBG SA

Changes in the ownership structure of the Issuer's shares or rights to shares (options) held by members of Management Board and the Supervisory Board of PBG SA since the date of submission of the previous report for H1 2009, based on the information held by the Parent Company as at 9 November 2009.

Item	Number of shares	
	11.08.2009	09.11.2009
<u>Members of the Management Board:</u>		
Przemysław Szkudlarczyk	4,500	4,500
Tomasz Tomczak	3,250	3,250
Tomasz Woroch	1,778	1,778
	3,553	3,553

Mariusz Łożyński		
<u>Members of the Supervisory Board:</u>		
Maciej Bednarkiewicz	-	-
Jacek Kseń	150	250
Wiesław Lindner	-	-
Dariusz Sarnowski	-	-
Adam Strzelecki	-	-

2.15 Proceedings currently in progress in the public court, arbitration court or public administration office, including the following information:

a) proceedings regarding payables or receivables of the Issuer or its subsidiary, whose value equals at least 10% of the Issuer's equity, specifying: object of these proceedings, value of the claim, date of initiation, parties to the proceedings, and the Issuer's position,

b) two or more proceedings regarding payables or receivables whose value equals at least 10% of the Issuer's equity, specifying the total value of proceedings separately for payables and receivables, as well as the Issuer's position, and (separately for the most significant proceedings for payables and receivables) specifying the object of these proceedings, value of the claim, date of initiation, and parties to the proceedings;

The value of proceedings initiated both by and against PBG SA and PBG Capital Group subsidiaries does not exceed 10% of the Issuer's equity.

2.16 Material related party transactions

2.16.1 Related party transaction(s) concluded by the Issuer or its subsidiary of value exceeding the equivalent of EURO 500,000 in PLN

In Q3 FY 2009, the value of related party transactions exceeded the equivalent of EURO 500,000 expressed in PLN in the period since the beginning of the fiscal year, but these transactions were typical and routine, concluded at arm's length, whose type, terms and conditions were determined by current operations of the Issuer and its subsidiaries.

2.16.2 Related party transactions.

Related party transactions are concluded at arm's length and their type, terms and conditions were determined by the Company's current operations.

RELATED PARTY TRANSACTIONS (in PLN '000)

Related party	Receivables as at 30 September 2009	Payables as at 30 September 2009	Financial assets as at 30 September 2009	Financial liabilities (loans granted) as at 30 September 2009	Financial liabilities (debt securities) as at 30 September 2009	Revenues from sales in the period 1 January - 30 September 2009	Acquisitions in the period 1 January - 30 September 2009	Financial revenues in the period 1 January - 30 September 2009	Financial expenses in the period 1 January - 30 September 2009
PBG SA (Parent Company)	48 615	65 919	151 195	-	-	77 557	185 223	5 201	-
CONSOLIDATED COMPANIES									
Aprivia SA	4 164	3 535	-	-	-	31 914	2 876	-	-
Dromost Sp. z o.o.	1 948	73	-	5 400	-	7 994	116	-	244
PRID SA	3 101	18	-	-	-	1 563	2 383	-	-
Betpol SA	44	26	-	-	-	65	17	-	-
AVATIA Sp. z o.o.	688	1	-	-	-	3 158	2	-	-
Brokam Sp. z o.o.	-	-	-	564	-	-	-	-	39
Excan Oil and Gas Engineering Ltd.	390	-	-	-	-	2 051	-	-	-
GasOil Engineering a.s.	4 765	654	-	-	-	10 007	-	-	-
Hydrobudowa Polska SA	72 490	44 008	62 797	-	-	121 110	130 228	2 944	422
P.R.G. Metro Sp. z o.o.	4 457	3 985	-	-	-	13 246	2 598	245	386
Hydrobudowa 9 SA	31 808	45 433	-	29 685	33 112	47 875	49 601	1 565	3 034
Gdyńska Projekt Sp. z o.o.	-	16	-	-	-	-	-	-	-
Infra SA	29 997	37 824	-	12 064	-	66 573	30 073	110	473
PRIS Sp. z o.o.	-	-	-	-	-	6 892	2 731	-	99
Related parties	Receivables as at 30 September 2009	Payables as at 30 September 2009	Financial assets as at 30 September 2009	Financial liabilities (loans granted) as at 30 September 2009	Financial liabilities (debt securities) as at 30 September 2009	Revenues from sales in the period 1 January - 30 September 2009	Acquisitions in the period 1 January - 30 September 2009	Financial revenues in the period 1 January - 30 September 2009	Financial expenses in the period 1 January - 30 September 2009
Wiertmar Sp. z o.o.	-	-	-	-	-	2 234	16 350	-	-
PBG Dom Sp. z o.o.	236	1 140	42 039	110 023	3 246	1 529	5	1 165	3 001
Apartamenty Poznańskie Sp. z o.o.	-	2	-	3 331	-	-	-	-	194
PBG Dom Invest I Sp. z o.o.	-	4	-	7 685	-	-	-	-	442
PBG Dom Invest II Sp. z o.o. (formerly Budwil Sp. z o.o.)	-	-	-	735	3 243	-	-	-	231
Złotowska 51 Sp. z o.o.	-	79	-	1 832	-	-	-	-	-
Górecka Projekt Sp. z o.o.	6	27 406	-	25 268	-	5	-	-	269
KWG SA	2 429	212	-	1 920	14 975	2 176	184	-	1 286
Metorex Sp. z o.o.	8 558	8 084	-	-	-	21 557	2 913	53	43
PBG Technologia Sp. z o.o.	31 196	866	-	-	-	71 050	9 193	-	-
PBG Export Sp. z o.o.	573	301	-	-	-	810	13	-	-

PBG Capital Group**Q3/2009** (unless indicated otherwise, all data is presented in PLN thousands)

Wschodni Invest Sp. z o.o.	-	-	-	2 948	-	-	-	-	-
Total	245 465	239 586	256 031	201 455	54 576	489 366	434 506	11 283	10 163
NON-CONSOLIDATED PERSONALLY RELATED PARTIES									
Total	132 486	11 879	12 690	691	-	69 875	111 736	5 978	29

2.17 Issue, redemption and repayment of debt and equity securities

On 10 September 2009, the Parent Company PBG SA issued Series C Bonds on the following terms:

Issuer	Bondholder	Nominal value of Bonds (PLN '000)	Date of issue	Date of redemption	Interest rate
PBG SA	ING Bank Śląski SA	375 000	10.09.2009	10.09.2012	Wibor + bank's margin

On 10 September 2009, 750 Series B Bonds of total nominal value PLN 75,000 thousand were redeemed.

Issuer	Bondholder	Nominal value of Bonds (PLN '000)	Date of issue	Date of redemption	Value of redemption (PLN '000)	Remaining value of Bonds (PLN '000)	Interest rate
PBG SA	ING Bank Śląski SA	200 000	12.12.2007	15.11.2010	75 000	125 000	Wibor + bank's margin

* Prices and bank margins are not disclosed in accordance with the confidentiality clauses contained in the respective contracts concluded with financial institutions.

Issue of series C bonds and sureties granted by Subsidiaries

On 10 September 2009, 750 series B bearer bonds of the total value 75,000,000.00, issued by PBG SA on 12 December 2007, were redeemed. As a result, sureties issued by subsidiary companies Hydrobudowa Polska SA, Infra SA, and Hydrobudowa 9 SA for the issue of series B bonds, valid until 15 May 2011, were reduced to PLN 150,000,000.00.

On 10 September, PBG issued another tranche of bonds under the current programme, with the liability limit of PLN 500,000,000, organised by ING Bank Śląski SA acting as an agent.

The total value of series C bearer bonds, of nominal value PLN 100,000.00 per bond, was PLN 375,000,000.00. Their maturity date was set at 10 September 2012.

Interest will be payable at variable rate based on WIBOR 6M.

Receivables from the issue of series C bonds are secured with sureties issued by subsidiary companies Infra SA, Hydrobudowa Polska SA, and Hydrobudowa 9 SA, up to PLN 450,000,000.00 million, valid until 10 March 2013, and issued in respect of all holders of series C bonds.

Proceeds from the issue of bonds will secure the Group's financing and its ability to issue guarantees necessary to participate in tenders of high value. They will also partially release the available credit and guarantee lines and their transfer to other Group entities, and increase the amount of the available limits of contract performance bonds. The structure of financing will also be improved by exchanging a short-term debt to long-term debt, adjusted to contract implementation schedules.

SECURITIES PURCHASED BY ENTITIES OTHER THAN PBG CAPITAL GROUP COMPANIES

Issuer	Type of security	Buyer of securities	Nominal value of bonds (PLN '000)	Date of issue	Date of purchase	Interest rate
Bathinex Sp. z o.o.	commercial papers	PBG SA	1 000	24.09.2008	15.09.2009	8.64%

SECURITIES PURCHASED BY PBG CAPITAL GROUP COMPANIES

The following table presents information on the purchase of the Company's securities by PBG Capital Group companies in Q3 2009.

Issuer	Type of security	Buyer of securities	Nominal value of bonds (in PLN '000)	Date of issue	Date of purchase	Interest rate
Infra SA	bonds	PBG SA	3 000	23.08.2007	21.08.2009	6.35%
KWG SA	bonds	PBG SA	3 000	31.08.2007	28.08.2009	6.44%
KWG SA	bonds	PBG SA	2 000	04.10.2007	29.09.2009	6.45%
KWG SA	bonds	PBG SA	5 000	26.10.2007	29.09.2009	6.52%
PBG Dom Sp. z o.o.	bonds	PBG SA	17 000	22.08.2008	21.08.2009	8.74%
Apartamenty Poznańskie Sp. z o.o.	commercial papers	PBG Dom Sp. z o.o.	3 000	29.08.2008	29.08.2009	8.62%
PBG Dom Invest I Sp. z o.o. **	commercial papers	PBG Dom Sp. z o.o.	6 700	29.08.2008	29.08.2009	8.62%

**PBG Dom Invest I Sp. z o.o. – formerly Dawil Sp. z o.o.

2.18 Credit or loan guarantees or other guarantees granted by the Issuer or its subsidiaries to one entity or its subsidiary of the total value representing 10% of the Issuer's equity

In Q3 2009, the following guarantees and sureties were granted:

- on 7 July 2009, an annex was signed to the credit line agreement for the financing of current operations no. U/00910614330/0003/2007/4000 dated 27 April 2007, concluded by Bank Gospodarki Żywnościowej SA and the following PBG Capital Group companies: PBG SA, Hydrobudowa Polska SA and Infra SA. Under the said annex, the final date for the repayment of the credit line of PLN 100,000,000.00 was extended until 30 July 2015. In addition, Borrowers submitted a joint representation containing their judgment note (agreement for judgment) pursuant to the provisions of the Code of Civil Proceedings, under the Bank's enforceable title, for the enforcement of monetary consideration up to PLN 150,000,000.00 jointly against all Borrowers. The Bank shall have the right to demand the immediate execution of its enforceable title by 25 July 2018.

- on 21 August 2009, annex to the liability limit agreement CRD/L/25135/07 of 28 September 2007 concluded with Raiffeisen Bank Polska SA was signed. Under this Annex, another subsidiary – Hydrobudowa Polska 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, PRID SA, Aprivia SA, and Betpol SA. The annex also increased the liability limit facility granted to the Companies, from PLN 125,000,000.00 to PLN 145,000,000.00. The Companies submitted their judgment note (agreement for judgment) under the bank's enforceable title for the enforcement of monetary consideration up to PLN 217,500,000.00. The Bank shall have the right to demand the immediate execution of its enforceable title by 29 November 2016.

- on 4 September 2009 PBG Capital Group companies signed an annex to the framework agreement with ING Bank Śląski SA (agreement of 6 September 2007 between ING Bank Śląski SA and PBG Capital Group companies: PBG SA, Hydrobudowa Polska SA, Hydrobudowa 9 SA, Infra SA, Avatia Sp. z o.o., PRIS Sp. z o.o., and PBG Technologia Sp. z o.o., providing for the use of bank products up to PLN 220,000,000.00. The Bank shall have the right to demand the immediate execution of its enforceable title up to PLN 330,000,000.00 by 5 September 2015). Under the said annex, the final date for the use of the credit line was extended until 13 November 2009. Other provisions of the agreement were not changed.

2.19 Contingent payables and receivables

Item	as at 30 September 2009	as at 30 September 2008	as at 31 December 2008
In respect of non-consolidated related parties:			
Security for the repayment of loans and credits	1 800	-	-
Security for the repayment of trade and other payables	16 707	5 219	20 396
Total non-consolidated related parties	18 507	5 219	20 396
In respect of other entities:			
Security for the repayment of loans and credits	34 850	43 589	41 144
Security for performance bonds	7 565	6 253	7 664
Security for present and future lease agreements	97	-	-
Contract performance bonds	668 337	524 148	636 453
Defects liability bonds	58 253	22 994	26 740
Bid bonds	54 290	10 196	10 427
Trade payables repayment bonds	13 753	21 530	12 316
Advance payment guarantees	209 577	112 285	98 424
Retention money guarantees	4 198	2 684	2 139
Total other entities	1 050 920	743 679	835 307
Total contingent liabilities	1 069 427	748 898	855 703

As of Q2 FY 2007, financial statements of PBG Capital Group include non-consolidated off-balance sheet items, related to guarantees and sureties granted to third parties for liabilities of the Parent Company and its consolidated subsidiaries, which were presented in the consolidated statements as trade payables, credit liabilities, or guarantees granted at the request of the Capital Group companies to third parties.

2.20 Additional information relevant for the assessment of the Issuer's financial standing, assets, human resources, or the Issuer's financial result, and any changes thereof, as well as information relevant for the assessment of the Issuer's repayment ability

In Q3 2009, no other significant events occurred which could impact the assessment and changes of the Capital Group's financial standing, assets, and financial result, as well as its human resources and repayment ability, in addition to events discussed herein.

2.21 Factors likely to influence results generated by the Issuer in the next quarter or afterwards (according to the Issuer)

In the fourth quarter of FY 2009, the Issuer will continue construction works under the concluded construction contracts, including in particular:

- a. contract for "Construction of a multi-purpose National Stadium in Warsaw along with the associated infrastructure", signed by and between Narodowe Centrum Sportu and Hydrobudowa Polska SA – planned revenues: PLN 126,905 k;
- b. contract for "Extension of the City Stadium at 5/7 Bułgarska Street in Poznań for EURO 2012 – construction of stand 1 and 3 with roofing of stands 1, 2 and 3", signed by and between EURO Poznań Sp. z o.o. in Poznań and Hydrobudowa Polska SA – planned revenues: PLN 89,401 k;
- c. contract for "Construction of Arena Bałtycka football stadium in Gdańsk Letnica", signed by and between the Municipality of the City of Gdańsk and Hydrobudowa Polska SA – planned revenues: PLN 73,248 k;
- d. contract for "Design and construction of a complete system of the Lubiatów-Międzychód-Grotów Crude Oil and Natural Gas Mining Facility, in the turnkey system, as part of the investment "LMG Project – Central Unit, wellsites, pipelines and other", signed by and between PGNiG SA and PBG SA – planned revenues: PLN 51,957 k;
- e. contract for "Construction of the over-ground part of Wierzchowice Underground Gas Storage Depot", signed by and between PGNiG SA and PBG SA – planned revenues: PLN 50,962 k;
- f. contract for "Design and construction of a waste treatment plant in Gdańsk Szadółki – construction and installation works", signed by and between Zakład Utylizacji Sp. z o.o. in Gdańsk and Hydrobudowa Polska SA – planned revenues: PLN 49,676 k;
- g. contract for "Construction of wastewater transport system from left-bank Warsaw to Czajka Wastewater Treatment Plant – Phase 1" signed by and between Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w Warszawie and Hydrobudowa 9 SA – planned revenues: PLN 37,995 k;
- h. contract for "Upgrade of the Left-Bank Wastewater Treatment Plant in Poznań" signed by and between the City of Poznań and Hydrobudowa 9 SA – planned revenues: PLN 29,637 k;
- i. contract for "Construction of a Waste Management Plant in Trzebania, municipality of Osieczna", signed by and between Miejski Zakład Oczyszczania in Trzebania and Hydrobudowa 9 SA – planned revenues: PLN 28,658 k;
- j. contract for "Extension of the wastewater treatment plant FORDON in Bydgoszcz, part 1" signed by and between Miejskie Wodociągi i Kanalizacja w Bydgoszczy Sp. z o.o. and Hydrobudowa 9 SA – recorded revenues: PLN 24,864 k;

- k. contract for "Construction of an Aggregate (Melaphyre) Mine and Processing Plant in Tłumaczów together with loading and transport system and side-track" signed by and between Strateg Capital Sp. z o.o. and PBG SA – planned revenues: PLN 22,041 k;
- l. contract for "Construction and upgrade of the water and sewerage system in the Municipality of Szklarska Poręba" signed by and between Karkonoski System Wodociągów i Kanalizacji Sp. z o.o. a and Hydrobudowa 9 SA – planned revenues: PLN 21,985 k;
- m. contract for "Sewerage and rainwater system in Wilkowyje and Mąkołowiec districts in Tychy", signed by and between the Municipality of Tychy and Hydrobudowa Polska SA – planned revenues: PLN 17,791 k;
- n. contract for "Construction of Malczyce barrage on the Odra river", concluded by and between Maxer SA (currently in liquidation) and PBG SA – planned revenues: PLN 12,827 k;
- o. contract for "Upgrade of the sewerage system of the City of Kraków – non-man-accessible pipes" signed by and between MPWiK Kraków and PBG SA – planned revenues: PLN 12,286 k;

3 INTERIM CONDENSED FINANCIAL STATEMENTS OF PBG SA FOR Q3 FY 2009

SELECTED FINANCIAL DATA

Item	for the period 01.01 – 30.09.2009 PLN	for the period 01.01 – 30.09.2008 PLN	for the period 01.01 – 31.12.2008 PLN	for the period 01.01 – 30.09.2009 EUR	for the period 01.01 – 30.09.2008 EUR	for the period 01.01 – 31.12.2008 EUR
Income Statement						
Revenues from sales	532 861	374 755	571 576	121 124	109 427	161 823
Operating profit (loss)	76 775	49 555	72 028	17 452	14 470	20 392
Profit (loss) before tax	73 848	42 715	73 589	16 786	12 473	20 834
Net profit (loss) from continuing operations	59 729	34 195	58 469	13 577	9 985	16 554
Net profit (loss)	59 729	34 195	58 469	13 577	9 985	16 554
Earnings (loss) per ordinary share (in PLN / EUR)	2.14	4.45	4.35	0.49	1.30	1.23
Diluted earnings (loss) per ordinary share (in PLN / EUR)	2.14	4.45	4.35	0.49	1.30	1.23
Average exchange rate of PLN / EUR				4.3993	3.4247	3.5321
Statement of Cash Flows						
Net cash from operations	264 718	(27 886)	(40 642)	60 173	(8 143)	(11 506)
Net cash used in investments	(259 630)	(29 165)	(54 956)	(59 016)	(8 516)	(15 559)
Net cash from financing activity	505 628	(58 375)	(67 166)	114 934	(17 045)	(19 016)
Net balance of cash and cash equivalents	510 716	(115 426)	(162 764)	116 090	(33 704)	(46 081)
Average exchange rate of PLN / EUR				4.3993	3.4247	3.5321

Item	as at 30.09.2009 PLN	as at 30.09.2008 PLN	as at 31.12.2008 PLN	as at 30.09.2009 EUR	as at 30.09.2008 EUR	as at 31.12.2008 EUR
Balance Sheet						
Assets	2 149 918	1 317 072	1 340 364	509 146	386 431	321 245
Long-term payables	614 305	287 285	288 825	145 480	84 290	69 223
Short-term payables	529 134	279 103	290 337	125 310	81 889	69 585
Equity	1 006 479	750 684	761 202	238 355	220 252	182 437
Share capital	14 295	13 430	13 430	3 385	3 940	3 219
Number of shares	14 295 000	13 430 000	13 430 000	14 295 000	13 430 000	13 430 000
Weighted average number of ordinary shares	13 814 000	13 430 000	13 430 000	13 814 000	13 430 000	13 430 000
Weighted average diluted number of ordinary shares	13 814 000	13 430 000	13 430 000	13 814 000	13 430 000	13 430 000
Book value per share - BVPS (in PLN / EUR)	70.41	55.90	56.68	16,67	16,40	13,58
Dividend per share – declared or paid (in PLN / EUR)	-	-	-	-	-	-
PLN / EUR closing exchange rate				4.2226	3.4083	4.1724

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION OF PBG SA

Item	as at 30.09.2009	as at 30.09.2008	as at 30.06.2009	as at 30.06.2008	as at 31.12.2008
Assets					
Fixed assets	639 612	589 695	620 431	576 391	560 298
Goodwill	1 606	1 606	1 606	1 606	1 606
Intangible assets	12 311	10 170	12 018	9 372	10 596
Tangible fixed assets (Property, Plant & Equipment)	134 271	153 970	140 496	144 575	148 116
Non-renewable natural resources	-	-	-	-	-
Investment property	7 095	710	6 963	710	710

PBG SA

QSR3/2009 (unless indicated otherwise, all data is presented in PLN thousands)

Investments in subsidiaries	380 411	334 567	365 411	337 563	330 226
Investments in associates	-	-	-	-	-
Other long-term financial assets	79 972	70 822	65 689	73 540	38 393
Long-term receivables – derivatives	10 101	3 140	13 691	-	12 916
Long-term receivables	7 803	10 386	8 478	8 614	9 508
Deferred income tax assets	-	-	-	-	-
Long-term prepaid expenses	6 042	4 324	6 079	411	8 227
Current assets	1 510 306	727 377	1 106 939	633 911	780 066
Inventories	18 298	30 586	15 097	31 203	32 623
Receivables under contracts for construction services	145 291	169 144	245 422	133 054	179 287
Trade receivables	341 921	223 040	271 167	174 367	250 802
Current income tax receivables	-	-	4 695	-	-
Other short-term receivables	16 279	9 775	17 432	11 805	23 462
Other short-term financial assets	296 459	71 547	212 755	55 848	120 958
Short-term receivables – derivatives	6 761	1 244	7 573	3 411	1 279
Cash and cash equivalents	676 621	213 243	325 542	214 811	165 905
Short-term prepaid expenses	8 676	8 798	7 256	9 412	5 750
Non-current assets classified as held for sale	-	-	-	-	-
Total assets	2 149 918	1 317 072	1 727 370	1 210 302	1 340 364

Item	as at 30.09.2009	as at 30.09.2008	as at 30.06.2009	as at 30.06.2008	as at 31.12.2008
<i>Liabilities</i>					
Equity	1 006 479	750 684	970 064	736 327	761 202
Share capital	14 295	13 430	14 295	13 430	13 430
Treasury shares	-	-	-	-	-
Share premium reserve	733 348	551 178	733 730	551 178	551 178
Reserve from measurement of hedging transactions	(4 506)	2 105	(11 684)	4 345	(11 651)
Other reserves	203 613	149 776	203 613	149 776	149 776
Retained earnings/accumulated loss	59 729	34 195	30 110	17 598	58 469
- earnings (loss) carried forward from previous years	-	-	-	-	-
- net profit (loss) of the current year	59 729	34 195	30 110	17 598	58 469
Payables	1 143 439	566 388	757 306	473 975	579 162
Long-term payables	614 305	287 285	327 278	259 684	288 825
Long-term borrowings (credits and loans)	89 180	68 824	98 936	41 407	65 549
Item cont.	as at 30.09.2009	as at 30.09.2008	as at 30.06.2009	as at 30.06.2008	as at 31.12.2008
Other long-term financial payables	501 878	200 000	201 109	201 077	200 000
Long-term payables – derivatives	682	137	744	-	1 540
Other long-term payables	5 367	3 446	3 861	109	5 072
Deferred income tax provision	4 165	3 100	10 005	4 573	4 099
Provisions for employee benefits	219	286	221	286	303
Other long-term provisions	5 228	3 512	4 934	3 434	4 206
Government grants	-	-	-	-	-
Long-term accruals and deferred income	7 586	7 980	7 468	8 798	8 056
Short-term payables	529 134	279 103	430 028	214 291	290 337
Short-term borrowings (credits and loans)	121 231	107 120	91 863	101 483	108 516
Other short-term financial payables	3 048	7 235	10 036	2 254	2 252
Short-term payables – derivatives	2 597	570	7 698	838	15 291
Trade payables	314 945	143 733	294 656	97 538	147 630
Payables under construction contract	21 522	9 797	7 296	3 178	4 452
Deferred income tax liabilities	7 440	4 046	-	1 373	3 548
Other short-term payables	55 870	3 518	16 108	5 362	6 962
Provisions for employee benefits	-	-	-	-	-
Other short-term provisions	658	977	326	617	303
Government grants	-	-	-	-	-
Short-term accruals and deferred income	1 823	2 107	2 045	1 648	1 383
Liabilities related to non-current assets held for sale	-	-	-	-	-
Total liabilities	2 149 918	1 317 072	1 727 370	1 210 302	1 340 364

INTERIM CONDENSED INCOME STATEMENT OF PBG SA

Item	Q3 01.07.2009 - 30.09.2009	3 quarters to date 01.01.2009 - 30.09.2009	Q3 01.07.2008 - 30.09.2008	3 quarters to date 01.01.2008 - 30.09.2008
<i>Continuing operations</i>				
Revenues from sales	241 931	532 861	170 788	374 755
- related parties	54 772	77 557	4 171	9 139
Revenues from sales of products	475	12 809	6 139	15 143
Revenues from sales of services	241 368	511 468	157 770	351 171
Revenues from sales of goods and materials	88	8 584	6 879	8 441
Cost of sales	(196 636)	(436 685)	(141 289)	(303 899)
- related parties	(74 579)	(185 224)	(26 928)	(65 846)
Costs of products sold	(493)	(14 205)	(5 265)	(13 463)
Costs of services sold	(196 035)	(414 053)	(129 525)	(282 461)
Costs of goods and materials sold	(108)	(8 427)	(6 499)	(7 975)
Gross profit (loss) on sales	45 295	96 176	29 499	70 856
Selling expenses	-	-	-	-
General administrative expenses	(6 169)	(23 982)	(8 406)	(23 215)
Other operating revenues	2 839	6 291	1 190	3 244
Item cont.	Q3 01.07.2009 - 30.09.2009	3 quarters to date 01.01.2009 - 30.09.2009	Q3 01.07.2008 - 30.09.2008	3 quarters to date 01.01.2008 - 30.09.2008
Other operating expenses	(506)	(1 710)	(483)	(1 330)
Share in profits of related parties accounted for using the equity method	-	-	-	-
Restructuring costs	-	-	-	-
Operating profit (loss)	41 459	76 775	21 800	49 555
Financial revenues	7 050	18 347	4 728	16 407
Financial expenses	(11 210)	(21 274)	(6 809)	(24 167)
Other profits (losses) from investments	-	-	-	920
Profit (loss) before tax	37 299	73 848	19 719	42 715
Income tax	(7 680)	(14 119)	(3 122)	(8 520)
Net profit (loss) from continuing operations	29 619	59 729	16 597	34 195
<i>Discontinued operations</i>				
Net loss from discontinued operations	-	-	-	-
Net profit (loss)	29 619	59 729	16 597	34 195

INTERIM STATEMENT OF COMPREHENSIVE INCOME

Item	Q3 01.07.2009 - 30.09.2009	3 quarters to date 01.01.2009 - 30.09.2009	Q3 01.07.2008 - 30.09.2008	3 quarters to date 01.01.2008 - 30.09.2008
Net profit (loss)	29 619	59 729	16 597	34 195
Other comprehensive income				
Subsequent measurement of PP&E	-	-	-	-
Available-for-sale financial assets	-	-	-	-
Cash flow hedges	8 706	9 074	(2 239)	411
Income tax relating to other comprehensive income	(1 529)	(1 929)	-	(146)
Other comprehensive income after tax	7 177	7 145	(2 239)	265
Comprehensive income	36 796	66 874	14 358	34 460

PBG SA MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS OF PBG SA FOR Q3 2009

PBG SA Management Discussion and Analysis of the financial results of PBG SA for Q3 2009

I. Significant events and factors influencing the financial results of PBG SA in Q3 2009

In Q3 2009, increase in revenues from sales was accompanied by an increase in profitability at all levels of the Income Statement vs. the previous corresponding period.

1.1 In Q3 FY2009, PBG SA generated nearly **PLN 242 million in revenues from sales** and **PLN 45.3 million in gross profit on sales**. Compared to the previous corresponding period, these results represent an **increase by 42% and 54%**, respectively. In addition, in Q3 PBG SA recorded **operating profit** of nearly **PLN 41.5 million** and **net profit** of **PLN 29.6 million**. Compared to the previous corresponding period in 2008, these results represent an **increase** of as much as **90% for operating profit** and as much as **78% for net profit**.

1.2 The key sources of income in Q3 from the Company's core business included the following construction contracts:

- a. contract for "Design and construction of a complete system of Lubiatów-Międzychód-Grotów Crude Oil and Natural Gas Mining Facility in the turnkey system", signed by and between PGNiG and PBG – recorded revenues: **PLN 45 million**;
- b. contract for "Construction of the over-ground part of Wierzchowice Underground Gas Storage Depot", signed by and between PGNiG and PBG – recorded revenues: **PLN 35.2 million**;
- c. contract for "Upgrade of the sewerage system of the City of Kraków – man-accessible pipes" signed by and between MPWiK Kraków and PBG – recorded revenues: **PLN 14.8 million**;
- d. contract for "Construction of Malczyce barrage on the Odra river", signed by and between Maxter (currently in liquidation) and PBG – recorded revenues: **PLN 13 million**;
- e. contract for "Adaptation of gas equipment of gas customers connected to the gas network of Oddział Zakład Dystrybucji Gazu Poznań, Wielkopolski Operator Systemu Dystrybucyjnego", signed by and between PGNiG and PBG – recorded revenues: **PLN 12.8 million**;
- f. contract for "Preparatory works for construction and design works for a building in Świnoujście" concluded by and between Pomerania Development and PBG SA – recorded revenues: **PLN 11.7 million**;

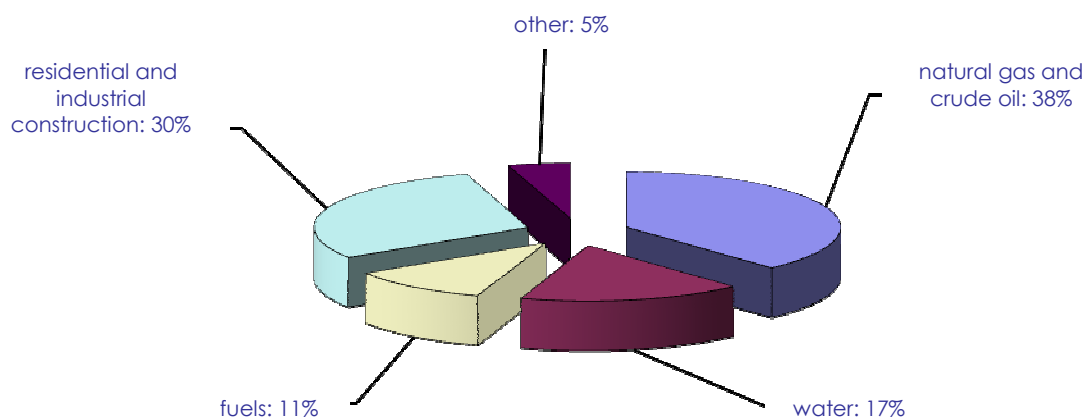
II. Discussion and analysis of revenues and expenses

2.1 Revenues from sales

Financial revenues of PBG for 3 quarters 2009 to date totalled nearly **PLN 533 million** and were **up by 42%** vs. the previous corresponding period. The highest share in revenues from sale was represented

by the natural gas and crude oil segment – **38%**. The second largest segment was **residential and industrial construction**. The share of this segment in total revenues from sales totalled **30%** in the reporting period. **Water segment** ranked third in terms of its share in revenues from sales – **17%**, followed by **fuels segment** – **11%**. **Other services** accounted for the lowest share in revenues from sales (slightly over **5%**).

**Share of segments in revenues from sales
for 3 quarters 2009 to date**



2.2 Cost of sales

Cost of sales for 3 quarters 2009 to date totalled **nearly PLN 437 million** and was **up by 44%** vs. the previous corresponding period. The share of these variable costs in revenues from sales changed slightly. After 3 quarters 2009, these costs represented **82%**, up by **0.9%** vs. the end of Q3 2008.

2.3 General administrative expenses

As at the end of Q3 2009, **general administrative expenses** totalled **PLN 24 million** and were **up by only 3%** vs. the previous corresponding period. The share of general administrative expenses in revenues from sales dropped in the reporting period by as much as **1.7%** vs. the previous corresponding period – from **6.2%** to **4.5%**. If we analyse Q3 2009 alone and compare it to results generated in Q3 2008, a year-on-year reduction in general administrative expenses by as much as **27%** can be observed. It resulted mainly from the fact that about 45 employees moved to a new company PBG Technologia as at the end of June 2009 and a number of employees were assigned to work on the largest contracts, and the associated costs were recognised in costs of sales (i.e. variable contract costs).

2.4 Other operating revenues

For 3 quarters 2009 to date, **other operating revenues totalled PLN 6.3 million**, of which **PLN 2.1 million** in revenues from rentals and lease payments. Gains from sale of PP&E in the amount of **PLN 1.3 million** and damages under insurance contracts, penalties and fines represented other major items under

revenues. In comparison with the previous corresponding period, the value of other operating revenues was **up by as much as 94% (a nearly twofold increase)**.

2.5 Other operating expenses

As at the end of Q3 2009, **other operating expenses** totalled **PLN 1.7 million, up by 29%** vs. the previous corresponding period. These expenses included, among others, write-downs of assets, and damages resulting from insurance contracts, penalties, and fines.

2.6 Financial revenues

Financial revenues for 3 quarters 2009 to date totalled **PLN 18.3 million, up by 12%** vs. the previous corresponding period. Interest on loans is the main item under financial revenues – PLN 7.5 million. Other items included bank interest (PLN 6.8 million), and interest on bonds issued by PBG Capital Group companies and taken over by PBG (PLN 3.5 million).

2.7 Financial expenses

As at the end of Q3 2009, **financial expenses** reached **PLN 21.3 million – down by 12%** vs. the previous corresponding period. The main item under financial expenses was interest on bonds issued by PBG SA at the end of 2007 and in Q3 2009 – PLN 11.4 million. Significant amounts were recorded also for interest and commissions on bank credits – PLN 6.7 million. Foreign exchange losses (PLN 2.3 million) were another major item under financial expenses.

III. Management's discussion and analysis of the Company's financial results

3.1 Results disclosed in the Income Statement

For 3 quarters 2009 to date, the Company's **net profit totalled PLN 59.7 million – up by as much as 75%** vs. the end of Q3 2008. The **increasing trend** in financial results **for 3 quarters of 2009 was maintained at all levels of the Income Statement: gross profit on sales was up by 36% vs. the previous corresponding period, and operating profit was up by as much as 55%**.

3.2 EBITDA

In 3 quarters 2009 to date, expenditure on tangible fixed assets and intangible assets totalled PLN 11.1 million vs. PLN 20.7 million in the previous corresponding period. Depreciation and amortisation in three quarters of 2009 reached PLN 11.5 million vs. PLN 10 million in the previous corresponding period. **EBITDA** (EBIT plus amortisation and depreciation) **as at the end of Q3 2009 totalled PLN 88 million** and was **up by over PLN 28 million** vs. the result recorded in the previous corresponding period – i.e. **up by 47%**.

3.3 Profitability ratios

In the reporting period, PBG maintained its profitability ratios at the levels recorded in the previous corresponding period or higher. In particular, margins recorded by PBG in Q3 alone: **gross margin on sale, operating margin, and net margin, reached very high levels (18.7%, 17.1% and 12.2%, respectively)** – one of the highest profit margins in the entire construction sector. Compared to the previous corresponding period, gross profit margin was up by 1.5%, operating profit margin was up by 4.3%, and net profit margin was up by 2.5%.

Analysis of profit margins recorded for **3 quarters to date** shows that **gross profit margin dropped by 0.9%** (from 18.9% to 18.0%), **operating profit margin was up by 1.2%** (from 13.2% to 14.4%), and **net profit margin was up by 2.1%** (from 9.1% to 11.2%).

The following table presents profitability ratios recorded in the reporting period.

Profitability ratios	3 quarters to date 2009	3 quarters to date 2008	Q3 2009	Q3 2008
Gross profit margin ¹	18.0%	18.9%	18.7%	17.3%
Operating profit margin ²	14.4%	13.2%	17.1%	12.8%
Net profit margin ³	11.2%	9.1%	12.2%	9.7%

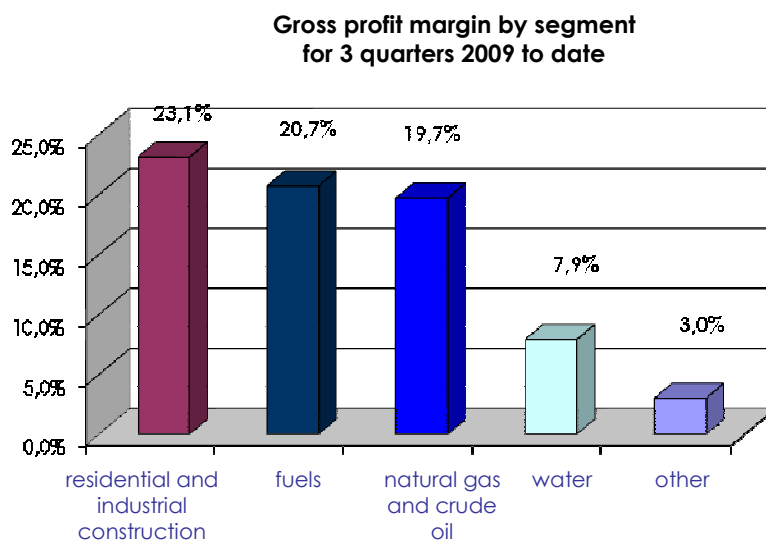
¹ gross profit on sales / revenues from sales *100

² operating profit / revenues from sales *100

³ net profit of shareholders of the Parent Company / revenues from sales *100

3.4 Gross profit margin on sales by segments

In terms of the Company's segments, the highest margins were recorded for contracts implemented in **residential and industrial construction segment**. Average gross return on sales in this segment for 3 quarters of 2009 to date reached **23.1%**. **Fuels segment** was the second most profitable segment, with the average gross return on sales of **20.7%**. In the **natural gas and crude oil segment** gross profit margin reached **19.7%**, and in the **water segment – 7.9%**. "Other", i.e. the segment covering other services and sale of goods and materials or products, reached **3%** in terms of its profit margin.



NET EARNINGS (LOSS) PER ORDINARY SHARE

Item	as at 30.09.2009	as at 30.09.2008	as at 30.06.2009	as at 30.06.2008	as at 31.12.2008
Net profit (loss) from continuing operations	29 619	59 729	16 597	34 195	58 469
Net profit (loss) from continuing and discontinued operations	29 619	59 729	16 597	34 195	58 469
Weighted average number of ordinary shares	13 814 000	13 430 000	13 574 000	13 430 000	13 430 000
Weighted average diluted number of ordinary shares	13 814 000	13 430 000	13 574 000	13 430 000	13 430 000
<i>from continuing operations</i>					
- basic	2.14	4.45	1.22	2.55	4.35
- diluted	2.14	4.45	1.22	2.55	4.35
<i>from continuing and discontinued operations</i>					
- basic	2.14	4.45	1.22	2.55	4.35
- diluted	2.14	4.45	1.22	2.55	4.35

INTERIM CONDENSED STATEMENT OF CASH FLOWS OF PBG SA

Item	3 quarters to date 01.01.2009 - 30.09.2009	3 quarters to date 01.01.2008 - 30.09.2008
<i>Cash flow from operations</i>		
Net profit before tax	73 848	42 715
Adjustments:	3 576	8 024
Amortisation of intangible assets	2 153	1 076
Goodwill impairment losses	-	-
Impairment losses on tangible fixed assets	-	-
Depreciation of tangible fixed assets	9 335	8 963
(Profit) loss from sale of tangible fixed assets	(1 328)	(552)
<i>Item cont.</i>	3 quarters to date 01.01.2009 - 30.09.2009	3 quarters to date 01.01.2008 - 30.09.2008
(Profit) loss on sale of available-for-sale (held-for-trading) financial assets	(4 049)	1 358
Profit (loss) on valuation of investment property carried at fair value	-	-
(Profit) loss on revaluation of financial assets carried at fair value	(2 968)	(3 043)
Share in profits (losses) of associates	-	-
Foreign exchange gains (losses)	-	-
Interest expense	18 407	17 577
Interest received	(17 974)	(17 355)
Dividends received	-	-
Cash from operations before changes in working capital	77 424	50 739
Change in inventories	14 324	(8 849)
Change in receivables	(48 232)	(65 398)
Change in payables	233 588	24 124
Change in provisions, prepaid expenses, accruals and deferred income	691	(4 770)
Other adjustments	(987)	(9 050)
Cash generated in business operations	276 808	(13 204)
Interest paid	-	-
Income tax paid	(12 090)	(14 682)
Net cash from operations	264 718	(27 886)
<i>Cash flow from investments</i>		
Outflows – acquisition of intangible assets	(3 908)	(3 820)
Inflows – sale of intangible assets	-	-
Outflows – acquisition of tangible fixed assets	(7 192)	(16 846)
Inflows – sale of tangible fixed assets	7 309	552
Outflows – acquisition of investment property	-	-
Inflows – sale of investment property	-	-
Outflows – acquisition of held-to-maturity financial assets	(11 659)	(29 400)
Inflows – sale/repayment of held-to-maturity financial assets	62 452	50 000
Outflows – acquisition of subsidiaries (less cash received)	(55 579)	(79 318)

PBG SA

Qsr3/2009 (unless indicated otherwise, all data is presented in PLN thousands)

Inflows – disposal of subsidiaries	-	2 500
Inflows from Government grants received	-	-
Loans granted	(280 083)	(9 093)
Repayment of loans granted	21 570	48 897
Interest on loans received	7 627	7 363
Dividends received	-	-
Other outflows on investments	(167)	-
Net cash used in investments	(259 630)	(29 165)
<i>Cash flow from financing activity</i>		
Net inflows – issue of shares	182 170	-
Buy-back of treasury shares	-	-
Inflows – issue of debt securities	375 000	-
Redemption of debt securities	(75 000)	(110 000)
Repayment of interest on debt securities	(11 758)	(8 680)
Inflows – credits and loans incurred	164 452	69 589
Repayment of credits and loans	(126 967)	(9 593)
Repayment of interest on credits and loans	(7 252)	(8 897)
<i>Item cont.</i>	3 quarters to date 01.01.2009 - 30.09.2009	3 quarters to date 01.01.2008 - 30.09.2008
Inflows from interest on deposits	5 716	9 217
Repayment of finance lease liabilities	(733)	(11)
Interest on finance lease paid	-	-
Dividends paid out	-	-
Other inflows/outflows	-	-
Net cash from financing activity	505 628	(58 375)
Net balance of cash and cash equivalents	510 716	(115 426)
Opening balance of cash and cash equivalents	165 905	328 669
Change in cash resulting from foreign exchange differences	-	-
Closing balance of cash and cash equivalents	676 621	213 243

PBG SA

Qsr3/2009 (unless indicated otherwise, all data is presented in PLN thousands)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY OF PBG SA IN THE PERIOD 01.01- 30.09.2009

Item	Share capital	Treasury shares (-)	Share premium reserve	Reserve from measurement of cash flow hedges	Other equity	Retained earnings/accumulated loss	Total
As at 01.01.2009	13 430	-	551 178	(11 651)	149 776	58 469	761 202
Changes in the adopted accounting principles (policy)	-	-	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-	-	-
Balance after adjustments	13 430	-	551 178	(11 651)	149 776	58 469	761 202
Changes in equity in the period 01.01-30.09.2009							
Issue of shares	865	-	182 170	-	-	-	183 035
Measurement of options (employee share option scheme)	-	-	-	-	368	-	368
Dividends	-	-	-	-	-	-	-
Financial result recognised in reserve capital	-	-	-	-	53 469	(58 469)	(5 000)
Total capital transactions with owners	865	-	182 170	-	53 837	(58 469)	178 403
Net profit for the period from 01.01 to 30.09.2009	-	-	-	-	-	59 729	59 729
Other comprehensive income:							
Subsequent measurement of PP&E	-	-	-	-	-	-	-
Cash flow hedges	-	-	-	9 074	-	-	9 074
Income tax relating to other comprehensive income	-	-	-	(1 929)	-	-	(1 929)
Total comprehensive income	-	-	-	7 145	-	59 729	66 874
Recognised in retained earnings (sale of PP&E after revaluation)	-	-	-	-	-	-	-
As at 30.09.2009	14 295	-	733 348	(4 506)	203 613	59 729	1 006 479

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY OF PBG SA IN THE PERIOD 01.01- 30.09.2008

Item	Share capital	Treasury shares (-)	Share premium reserve	Reserve from measurement of cash flow hedges	Other equity	Retained earnings/accumulated loss	Total
As at 01.01.2008	13 430	-	551 178	1 840	104 948	48 828	720 224
Changes in the adopted accounting principles (policy)	-	-	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-	-	-
Balance after adjustments	13 430	-	551 178	1 840	104 948	48 828	720 224
Changes in equity in the period 01.01-30.09.2008							
Issue of shares	-	-	-	-	-	-	-
Measurement of options (employee share option scheme)	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Financial result recognised in reserve capital	-	-	-	-	44 828	(48 828)	(4 000)
Total capital transactions with owners	-	-	-	-	44 828	(48 828)	(4 000)
Net profit for the period from 01.01 to 30.09.2008	-	-	-	-	-	34 195	34 195
Other comprehensive income:							
Subsequent measurement of PP&E	-	-	-	-	-	-	-
Available-for-sale financial assets	-	-	-	-	-	-	-
Cash flow hedges	-	-	-	411	-	-	411
Income tax relating to other comprehensive income	-	-	-	(146)	-	-	(146)
Total comprehensive income	-	-	-	265	-	34 195	34 460
Recognised in retained earnings (sale of PP&E after revaluation)	-	-	-	-	-	-	-
As at 30.09.2008	13 430	-	551 178	2 105	149 776	34 195	750 684

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY OF PBG SA IN THE PERIOD 01.01- 31.12.2008

Item	Share capital	Treasury shares (-)	Share premium reserve	Reserve from measurement of cash flow hedges	Other equity	Retained earnings/accumulated loss	Total
As at 01.01.2008	13 430	-	551 178	1 840	104 948	48 828	720 224
Changes in the adopted accounting principles (policy)	-	-	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-	-	-
Balance after adjustments	13 430	-	551 178	1 840	104 948	48 828	720 224
Changes in equity in the period 01.01-31.12.2008							
Issue of shares	-	-	-	-	-	-	-
Measurement of options (employee share option scheme)	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Financial result recognised in reserve capital	-	-	-	-	44 828	(48 828)	(4 000)
Total capital transactions with owners	-	-	-	-	44 828	(48 828)	(4 000)
Net profit for the period from 01.01 to 31.12.2008	-	-	-	-	-	58 469	58 469
Other comprehensive income:							
Subsequent measurement of PP&E	-	-	-	-	-	-	-
Available-for-sale financial assets	-	-	-	-	-	-	-
Cash flow hedges	-	-	-	(16 881)	-	-	(16 881)
Income tax relating to other comprehensive income	-	-	-	3 390	-	-	3 390
Total comprehensive income	-	-	-	(13 491)	-	58 469	44 978
Recognised in retained earnings (sale of PP&E after revaluation)	-	-	-	-	-	-	-
As at 31.12.2008	13 430	-	551 178	(11 651)	149 776	58 469	761 202

SELECTED ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

REVENUES FROM SALES

Item	for the period 01.01 – 30.09.2009	for the period 01.01 – 30.09.2008
Natural gas and crude oil	203 650	180 524
Water	89 802	49 809
Fuels	56 788	52 512
Industrial and residential construction	157 854	70 788
Roads	-	3 480
Other	24 767	17 642
Total revenues from sales	532 861	374 755

EXPENSES BY TYPE

Item	for the period 01.01 – 30.09.2009	for the period 01.01 – 30.09.2008
Depreciation and amortisation	11 489	10 039
Consumption of materials and energy	24 008	52 185
Outsourced services	360 769	204 677
Taxes and similar charges	1 177	1 250
Salaries	26 543	26 357
Social security and other benefits	5 341	5 621
Other expenses (by type)	10 444	7 693
Expenses by type	439 771	307 822
Change in inventory, work in progress, and prepaid expenses, accruals and deferred income	12 470	11 317
Cost of works performed for in-house purposes	-	-
Selling expenses	-	-
General administrative expenses	(23 982)	(23 215)
Costs of products and services sold	428 259	295 924

OTHER OPERATING REVENUES

Item	for the period 01.01 – 30.09.2009	for the period 01.01 – 30.09.2008
a) Gains from sale of non-financial fixed assets	1 328	44
b) Reversal of write-downs of assets	3	-
- receivables	3	-
c) Other, of which:	4 960	3 200
- compensation received under insurance contracts, penalties and fines	305	374
- subsidies	661	711
- reversal of provisions for warranty servicing	74	-
- rental, lease	2 079	2 115
- other	1 841	-
Other operating revenues – total	6 291	3 244

OTHER OPERATING EXPENSES

Item	for the period 01.01 – 30.09.2009	for the period 01.01 – 30.09.2008
a) Write-downs of assets	137	-
- receivables	19	-
- inventories	118	-
b) Other, including:	1 573	1 330
- donations	481	287
- compensation received under insurance contracts, penalties and fines	254	239
- shortages of current assets beyond the Group's control	42	-
- costs other than tax-deductible costs	121	129
- other	675	675
Other operating expenses – total	1 710	1 330

FINANCIAL REVENUES

Item	for the period 01.01 – 30.09.2009	for the period 01.01 – 30.09.2008
a) Interest	17 975	16 384
- loans granted	7 466	2 850
- bank interest	6 798	9 110
- bonds	3 506	4 212
- other	205	212
b) Other	372	23
- discount (long-term settlements)	-	22
- revenues from financial market transactions	50	-
- other	322	1
Total financial revenues	18 347	16 407

FINANCIAL EXPENSES

Item	for the period 01.01 – 30.09.2009	for the period 01.01 – 30.09.2008
a) Bank interest and commissions	18 407	22 719
- loans received	-	-
- interest and commissions on bank credits	6 696	8 858
- bonds	11 440	13 805
- other	271	56
b) Other financial expenses	2 867	1 448
- foreign exchange losses	2 306	1 448
- discount (long-term settlements)	342	-
- write-off – loan and interest	212	-
- other	7	-
Total financial expenses	21 274	24 167

GAINS/LOSSES FROM INVESTMENTS

Item	for the period 01.01 – 30.09.2009	for the period 01.01 – 30.09.2008
a) gains/losses from investments in related parties	-	920
- sale of a subsidiary company Apartamenty Poznańskie	-	920
b) gains/losses on sale of shares held	-	-
Gains/losses from investments	-	920

Signatures of all Members of the Management Board

Jerzy Wiśniewski – President of the Management Board

Tomasz Woroch – Vice President of the Management Board

Przemysław Szkudlarczyk – Vice President of the Management Board

Tomasz Tomczak – Vice President of the Management Board

Mariusz Łożyński – Vice President of the Management Board

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

Eugenia Bachorz – Proxy, Capital Group Accounting Coordination Director

Wysogotowo, 9 November 2009