

FINANCIAL SUPERVISION COMMITTEE

PBG CAPITAL GROUP



**Interim consolidated financial statement
for the first quarter of the year 2009**

Prepared according to the International Standards of Financial Reporting

Issue date: 11th of May 2009

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1 SHORTENED MID-YEAR CONSOLIDATED FINANCIAL STATEMENT OF THE PBG CAPITAL GROUP FOR THE 1ST QUARTER OF 2009

CHOSEN FINANCIAL DATA

Item	period from 01.01. to 31.03.2009	period from 01.01. to 31.03.2008	period from 01.01. to 31.03.2009	period from 01.01. to 31.03.2008
	PLN		EUR	
Revenues from sales	349 138	316 709	75 909	89 028
Operating profit (loss)	34 791	29 961	7 564	8 422
Profit (loss) before taxation	25 277	21 961	5 496	6 173
Net profit (loss) from continued operation	22 965	16 725	4 993	4 701
Net profit (loss), including:	22 965	16 725	4 993	4 701
- parent company shareholders	23 244	14 846	5 054	4 173
- minority shareholders	(279)	1 879	(61)	528
Total net profit (loss) from the above that is due to:	(65 503)	20 720	(14 242)	5 824
- parent company shareholders	(38 503)	18 124	(8 371)	5 095
- minority shareholders	(27 000)	2 596	(5 870)	730
Net monetary resources from operations	31 974	(68 044)	6 952	(19 127)
Net monetary resources used for investments	(121 698)	(59 337)	(26 460)	(16 680)
Monetary sources from financial activity	47 321	(46 467)	10 289	(13 062)
Net balance of monetary resources and their equivalents	(42 403)	(173 848)	(9 219)	(48 869)
Weighted average number of common shares	13 430 000	13 430 000	13 430 000	13 430 000
Weighted average diluted number of ordinary shares	13 430 000	13 430 000	13 430 000	13 430 000
Profit (loss) per ordinary share (in PLN / EUR)	1,73	1,11	0,38	0,31
Profit (loss) per ordinary share (in PLN / EUR)	1,73	1,11	0,38	0,31
Average PLN / EUR rate			4,5994	3,5574
Item	As off 31.03.2009	As off 31.03.2008	As off 31.03.2009	As off 31.03.2008
	PLN		EUR	
Assets	2 872 013	2 181 551	610 898	618 739
Long-term liabilities	378 297	348 679	80 466	98 301
Short-term liabilities	1 445 177	1 026 708	307 399	291 791
Ownership capital	1 048 539	806 164	223 032	228 647
Share capital	13 430	13 430	2 857	3 809
Number of shares	13 430 000	13 430 000	13 430 000	13 430 000
Book value per share (in PLN / EUR)	64,66	57,33	13,75	16,26
Dividend per share – declared or paid (in PLN / EUR)	-	-	-	-
PLN / EUR rate at period end			4,7013	3,5258

1. Chosen items of assets and liabilities in EUR according to the rates announced by the NBP Chairman on the 31st of March 2009:

1 EUR = 4,7013 PLN

- a) Book value per share in PLN = ownership capital in PLN thousands (for the 31.03.2009) / number of shares in thousands for the 31.03.2009 :

$$868.406 / 13.430 = \mathbf{64,66 \text{ PLN}}$$

- b) Book value per share in EUR = ownership capital in EUR thousands (for the 31.03.2009) / number of shares in thousands for the 31.03.2009 :

$$184.716 / 13.430 = \mathbf{13,75 \text{ EUR}}$$

- c) The diluted number of shares for the 31.03.2009 equals 13.430 thousands

- d) Diluted book value per share in PLN = ownership capital in PLN thousands (for the 31.03.2009) / the diluted number of shares in thousands

$$868.406 / 13.430 = \mathbf{64,66 \text{ PLN}}$$

- e) Diluted book value per share in EUR thousands = ownership capital in EUR (for the 31.03.2009) / the diluted number of shares in thousands

$$184.716 / 13.430 = \mathbf{13,75 \text{ EUR}}$$

2. Chosen items from the profit and loss balance for 3 months of 2009 in EUR according to the rates being the arithmetic average of the average rates announced by the NBP Chairman from from the last 3 months of 2009:

January	30.01.2009r.	4,4392
February	27.02.2009r.	4,6578
March	31.03.2009r.	4,7013
		13,7983 / 3 = 4,5994 (kurs średni za 3 m-ce)

Profit for the last 3 months: 23.244

Average weighted number of shares in thousands: 13.430

- a) Profit per share in PLN = net profit for the 31.03.2009 in PLN thousands / average weighted number of shares for the last 3 months in thousands

$$23.244 / 13.430 = \mathbf{1,73 \text{ PLN}}$$

- b) Profit per common share in EUR = profit per share in PLN / average EUR rates in the last 3 months:

$$1,73 / 4,5994 = \mathbf{0,38 \text{ EUR / share}}$$

SHORTENED MID-YEAR CONSOLIDATED FINANCIAL SITUATION STATEMENT

Item	As off 31.03.2009	As off 31.12.2008	As off 31.03.2008
<i>Assets</i>			
Fixed assets	962 475	918 184	775 360
Intangible assets	16 434	14 820	13 495
Goodwill acquired by merger of business entities	332 522	332 522	267 405
Tangible fixed assets	412 990	403 749	318 637
Non-renewable natural resources	11 999	11 999	27 834
Investment property	21 662	21 662	30 340
Investments in subsidiaries	37 000	27 000	50 472
Investments in associates settled based on the equity method	-	-	-
Other long-term financial assets	58 407	48 571	44 942
Long-term receivables	20 119	20 593	17 657
Deferred income tax assets	39 383	23 701	-
Long-term prepaid expenses	11 959	13 567	4 578
Current assets	1 909 538	1 940 325	1 406 191
Inventories	78 012	69 360	63 135
Receivables from contracting parties due to works set out in contracts for long-term / construction service	788 599	783 930	531 760
Receivables due from shipments and services	634 705	679 366	414 453
Current income tax receivables	4 223	978	1 387
Other short-term receivables	34 462	48 751	75 396
Other short-term financial assets	104 871	51 767	67 269
Cash and cash equivalents	247 320	289 713	235 907
Short-term prepaid expenses	17 346	16 460	16 884
Fixed assets classified as held for sale	-	-	-
Total assets	2 872 013	2 858 509	2 181 551

SHORTENED MID-YEAR CONSOLIDATED FINANCIAL SITUATION STATEMENT CONTINUED

Item	As off 31.03.2009	As off 31.12.2008	As off 31.03.2008
<i>Liabilities</i>			
Ownership capital	1 048 539	1 113 618	806 164
Ownership capital of the shareholder of the parent company	868 406	928 135	769 876
Shared capital	13 430	13 430	13 430
Shares / ownership interests	-	-	-
Reserve capital from shares sold above share nominal value	551 178	551 178	551 178
Reserve from the valuation of hedging transactions and foreign exchange differences on consolidation	(163 191)	(101 444)	12 037
Other capital	253 552	274 778	67 080
Retained financial result	213 437	190 193	126 151
- profit (loss) from previous years	190 193	31 952	111 305
- net profit (loss) of the parent company shareholders	23 244	158 241	14 846
Minority shares	180 133	185 483	36 288
Liabilities	1 823 474	1 744 891	1 375 387
Long-term liabilities	378 297	410 022	348 679

Long-term credits and loans	124 707	112 850	74 843
Other long-term financial payables	216 871	256 996	208 071
Other long-term payables	14 580	17 115	20 137
Deferred income tax provision	-	-	22 685
Provisions for liabilities related to employee benefits	5 235	5 229	4 254
Other long-term provisions	8 933	9 606	17 260
Government grants	-	-	-
Long-term prepaid expenses	7 971	8 226	1 429
Short-term liabilities	1 445 177	1 334 869	1 026 708
Short-term credits and loans	514 065	475 147	393 478
Other short-term financial payables	345 400	196 324	6 503
Liabilities under shipping and service contract	412 133	486 595	354 385
Liabilities under construction service contract	42 126	14 989	9 099
Current income tax liabilities	620	21 219	1 933
Other short-term payables	55 208	52 016	140 068
Provisions for liabilities related to employee benefits	851	881	934
Other short-term provisions	67 480	78 926	111 569
Government grants	-	-	-
Short-term prepaid expenses	7 294	8 772	8 739
Payables related to fixed assets held for sale	-	-	-
Total liabilities	2 872 013	2 858 509	2 181 551

SHORTENED MID-YEAR CONSOLIDATED PROFIT AND LOSS BALANCE STATEMENT

Item	First quarter 01.01.2009 - 31.03.2009	First quarter 01.01.2008 - 31.03.2008
<i>Continued operations</i>		
Revenues from sales	349 138	316 709
Revenues from sales of products	2 175	7 371
Revenues from sales of services	344 538	303 910
Revenues from sales of goods and materials	2 425	5 428
Selling costs	(288 829)	(266 649)
Costs of products sold	(1 713)	(6 954)
Costs of services sold	(284 858)	(254 423)
Costs of products, goods and materials sold	(2 258)	(5 272)
Gross profit (loss) on sales	60 309	50 060
Costs of sales	-	(183)
General administrative expenses	(27 527)	(21 848)
Other operating revenues	10 398	5 302
Other operating expenses	(8 389)	(3 370)
Share in profits of related parties settled based on the equity method	-	-
Restructuring costs	-	-
Operating profit (loss)	34 791	29 961
Financial revenues	5 977	7 109
Financial expenses	(15 491)	(15 109)
Other profits (losses) from investments	-	-
Profit (loss) before taxation	25 277	21 961
Income tax	(2 312)	(5 236)
Net profit (loss) from continued operations	22 965	16 725
<i>Discontinued operations</i>		
Net loss from discontinued operations	-	-
Net profit (loss)	22 965	16 725

Profit (loss) including:	22 965	16 725
- profit of the shareholders of the parent company	23 244	14 846
- profit of the minority shareholders	(279)	1 879

NET PROFIT (LOSS) PER ORDINARY SHARE

Item	As off 31.03.2009	As off 31.12.2008	As off 31.03.2008
Net profit (loss) from continued operations	23 244	158 241	14 846
Net profit (loss) from continued and discontinued operations	-	-	-
Average weighted number of ordinary shares	13 430 000	13 430 000	13 430 000
Average weighted diluted number of ordinary shares	13 430 000	13 430 000	13 430 000
<i>From continued operations</i>			
- basic	1,73	11,78	1,11
- diluted	1,73	11,78	1,11
<i>Form continued and discontinued operations</i>			
- basic	1,73	11,78	1,11
- diluted	1,73	11,78	1,11

MID-YEAR CONSOLIDATED TOTAL INCOME STATEMENT

Item	First quarter 01.01.2009 - 31.03.2009	Second quarter 01.01.2008 - 31.03.2008
Net profit for the period	22 965	16 725
Other total profit	(88 468)	3 995
Difference from foreign entity rate calculation	681	(177)
Cash flow protection instrument valuation	(126 519)	3 315
Cash flow protection results	18 405	1 712
Income tax regarding constituents of other total income	18 965	(855)
Total income for the period	(65 503)	20 720
Total income including:	(65 503)	20 720
- income of the parent company shareholders	(38 503)	18 124
- income of the minority shareholders	(27 000)	2 596

PBG SA BOARD OF DIRECTORS COMMENT ON THE FINANCIAL RESULTS OF THE PBG SA CAPITAL GROUP FOR THE FIRST QUARTER OF 2009

1. DISCUSSION OF THE FINANCIAL RESULTS OF THE PBG CAPITAL GROUP

Significant events and factors influencing the financial results of the PBG Capital Group in the first quarter of 2009

The consistent realization of the strategy of strengthening the position on the specialist installations market as well as branching out to new areas such as building of roads and stadiums has resulted in gaining better financial results and significant increases of all key items in the balance of profits and losses compared to the parallel period of the previous year.

- Gaining a **sales revenue** close to **350 million PLN**, which is **10%** more compared to the first quarter of the previous year;
- **Net sales profit** has increased by **20%** from 50 million PLN to the amount of over **60,3 million PLN**;
- **Increase of the operational profit** from close to 30 million PLN to the amount of **34,8 million PLN**, which is a 16% rise;
- **The net income** for the patent company shareholders reached **23,2 million PLN** in the first quarter of the year, which is a **57%** increase compared to the parallel period of the last year;
- On the 1st of April 2009 the value of orders on hand of the PBG Capital Group exceeded 5,5 billion PLN, out of which 2,4 billion is due in 2009 and the rest in the following years (mainly 2010 and 2011). The largest share in the structure of orders on hand is currently held by contracts in the specialist construction segment, where the Group holds the main infrastructural projects. The second largest segment of the orders on hand is the natural gas and petroleum segment. Its large share is the effect of the PBG Company acquiring the hugest contracts in this segment during the last year.

Structure of the orders on hand on the 1st of April 2009	
Natural gas and petroleum	31,8%
Water	28,7%
Water-plumbing infrastructure	23,7%
Hydro-technical construction	0,8%
Renovations	4,2%
Industrial and housing construction	34,5
Fuels	4,0%
Roads	1,0%
	100%

The value of orders on hand has been calculated according to a new method of recognition of income, which means that income from contracts acquired and realized within a consortium agreement that are to be realized by a given partner in the consortium (despite the position of consortium leader) are not included.

Currently, the value of the PBG Capital Group's orders on hand has increased in connection with acquiring contracts regarding the construction of the National Stadium as well as the construction of Czajka sewage treatment plant collectors in Warsaw and is now close to **6,4 billion PLN**.

The following construction contracts were among the most significant sources of income within the basic operations of the PBG Capital Group in the first quarter of the year:

A). Water

- 1) A contract named "Development of the plumbing of the Ołtaszyn housing estate" between the Wrocław local area district and Hydrobudowa S.A. – the realized income equals **26,5 million PLN**;

- 2) A contract named "Modernization of the Left Bank Sewage Treatment Plant in Poznań" between the City of Poznań and Hydrobudowa SA – realized income equals **22,7 million PLN**;
- 3) A contract named "Improvement of water and sewage management of the Zabrze local area district – Grzybowo and Rokitnica districts" between the Zabrze Local Area District and the Przedsiębiorstwo Wodociągów i Kanalizacji Ltd. Zabrze and Hydrobudowa SA – the realized income equals **15,5 million PLN**;
- 4) A contract named "Development and modernization of the sewage treatment plant in Ciernie and modernization of the sewage treatment plant in Jugowice" between the Wałbrzyski Związek Wodociągów i Kanalizacji and Hydrobudowa 9 SA – the realized income equals **12,5 million PLN**;
- 5) A contract named „Królewiecka Water Treatment Stadion and the development of the waterworks network in Elbląg" between the Elbląskie Przedsiębiorstwo Wodociągów i Kanalizacji and Hydrobudowa SA – the realized income equals **11,7 million PLN**;
- 6) A contract named "Integrated water and sewage management in the Parsęta Basin" between the Miejskie Wodociągi i Kanalizacja Ltd. in Kołobrzeg and KWG SA – the realized income equals **9,4 million PLN**;
- 7) A contract named „Collector of the Lower Vistula Terrace – level I and II" between the Urban Local Area District of Kraków and the Miejskie Przedsiębiorstwo Wodociągów SA and Hydrobudowa SA – the realized income equals **9,1 million PLN**;
- 8) A contract named "Modernization of the waterworks and plumbing distribution network in Łódź" between the Łódzka Spółka Infrastrukturalna Ltd. and Infra SA – the realized income equals **9,1 million PLN**;

B). Natural gas and petroleum

- 9) A contract named "Designing and turnkey construction of a complete Lubiatów-Międzychód-Grotów Petroleum and Natura Gas Mine system" between PGNiG and PBG – the realized income equals **7,6 million PLN**;
- 10) A contract named „Construction of the surface part of PMG Wierzchowice" between PGNiG and PBG – the realized income equals **4,8 million PLN**;

C). Cubature construction

- 11) A contract named "Execution of the preparations for the realization of construction works, designing and erecting of a construction object in Świnoujście" between Pomerania Development and PBG SA – the realized income equals **9,4 million PLN**;

D). Liquid fuels

- 12) A contract for „delivery and installation of underground storage containers in Poland" between the North-Atlantic Treaty Organization Investment Establishment and PBG SA – the realized income equals **26,9 million PLN**;

E). Specialist construction

- 13) A contract named "Development of the Poznań City Stadium to meet the needs of EURO 2012" between EURO Poznań Ltd. and Hydrobudowa Poland SA – the realized income equals **27,5 million PLN**;
- 14) A contract named "Designing and construction of the waste neutralization plant in Gdańsk Szadółki – construction and assembly works" between the Recycling Establishment Ltd. in Gdańsk and Hydrobudowa Poland SA – the realized income equals 20,2 million PLN;

In the first quarter of 2009 and up to the current moment the following events significant to the PBG Group in various areas of activity have occurred:

1. Petroleum and natural gas:

- o Participation in tenders connected with the construction of gas infrastructure, such as for example, the construction of the press in Goleniowo;
- o Acquisition of 100% Hydrobudowa Constructions Company shares by PBG S.A. within the framework of optimization of the structure and organization of the PBG Capital Group. The name of the company has also changed to PBG Technology. The PBG Technology Company will take care of smaller contracts and focus on executive operations;
- o Publication by PBG SA of **a prognosis of the PBG Capital Group's financial results for the year 2009**, which assumes gaining: **an estimated consolidated sales income of 2 billion 800 million PLN, a consolidated operational profit of about 300 million PLN** as well as **an estimated consolidated net profit of 190 million PLN**;

2. Water, including:

Hydro-technology and environment protection:

- o Issuing and admition for turnover on the basic market and registration of 36 885 245 L series Hydrobudowa Poland Company common shares of a nominal value of 1,00 PLN each payable to the bearer, marked by the code PLHDRWL00010. The total number of securities after the registration of the L series shares in the KDPW equals 210 558 445;
- o Acquisition of additional shares by the Hydrobudowa Poland SA Company within the aforementioned PRG Metro Ltd. share capital and thus increasing the vote share and capital share to 86,46%;
- o The sale of 100% of Hydrobudowa Constructions Poland shares to PBG SA for the price of 9 million PLN;
- o Relocation of the Hydrobudowa 9 SA company office from the center of Poznań to Wysogotowo, where the offices of other PBG Group companies are located;
- o Signing of a **427,7 million PLN** contract with the Euro Gdańsk Investment Office Ltd. for **the construction of the Baltic Arena** – the football stadium in Gdańsk along with the accompanying infrastructure;

- Signing a **52,77 million PLN** contract with the Warsaw City Waterworks and Plumbing Company SA for **the construction of a sewage transfer network from left bank Warsaw to the Czajka water treatment plant** by the Hydrobudowa 9 SA and PRG Metro Ltd. companies;
- Signing a **1 billion 252,7 million PLN net value** contract with the National Sports Center Ltd. for **the construction** of a multipurpose **National Stadium**;
- Publication of **a prognosis of the Hydrobudowa Poland Capital Group's financial results for the year 2009**, which assumes gaining: **an estimated consolidated sales income of 1 billion 500 million PLN, a consolidated operational profit of about 114 million PLN** as well as **an estimated consolidated net profit of 92 million PLN**;
- On the **1st of April 2009 the HBP Group's orders on hand** exceeded the value of **2,3 billion PLN**, out of which close to 1,3 billion PLN is due to be realized in 2009 while the rest in the following years. **Currently the HBP Group's orders on hand value** increased in connection with acquiring two significant contracts concerning the construction of the National Stadium as well as the collectors for the Czajka water treatment plant in Warsaw and is now worth close to 3,2 billion PLN;

3. Renovation of waterworks and plumbing networks:

- Realization of Poland's largest contracts in the area of waterworks and plumbing network renovations;

4. Cubature construction:

- Continuation of operations connected with the optimal use of property in the PBG Capital Group by the **PBG Dom Ltd. company**;
- Acquisition of 60% of the Złotowska 51 Ltd Company (previously KM Investment) shares by PBG Dom as a result of an increase of the share capital by 75 thousand PLN. The investment in the company is aimed at collaborate realization of a development project;

5. Roads:

- Preparation of road companies for acquisition and realization of contracts on the market of construction and modernization of roads of a higher unitary value – participation in pre-qualification proceedings for tenders of an estimated general value of 13 billion PLN;
- Securing road construction material supplying sources by participation in investments into aggregate mines;

6. Foreign operations:

- Appointment of the PBG Export Company, whose basis of operation is the acquisition and realization of export contracts.

Operation financing:

1. Maintaining bank and insurance limits for the financing of current operation on the level of **1,94 billion PLN**.

The following factors will influence the results in upcoming periods:

1. Realization of the orders on hand worth close to **6,4 billion PLN**.
2. Participation in tenders in order to acquire the most significant contracts for:
 - o Construction of gas networks and LNG installations for KRI;
 - o Construction and development of transmission gas pipes, a gas press and LNG terminal;
 - o Construction of water intakes and collectors for sewage treatment plants;
 - o Construction of underground car parks and tunnels;
 - o Road construction.
3. Further consolidation and strengthening of the companies in the Hydrobudowa Poland SA Capital Group – increase of effectiveness by better usage of the executive potential and more effective personnel and equipment and material resource management.
4. Acquisition of significant foreign projects and canvassing the company in Ukraine.

Below are presented the profitability indicators achieved in the discussed financial period.

Profitability indicators

Profitability indicators	I Q 2009	I Q 2008
Gross sales profitability ¹	17,3%	15,8%
Operational profitability ²	10,0%	9,5%
Net profitability ³	6,7%	4,7%

¹ gross profit from sales / income from sales*100

² operational profit / sales revenue*100

³ net profit of the parent company shareholders / sales revenue*100

In the first quarter of 2009, compared to the parallel period in the previous year, the PBG Capital Group gained higher sales income and increased the profitability while achieving increases on all levels of the profit and loss balance.

The sales revenue of the PBG Group went up from the amount of 316,7 million PLN to over 349 million PLN, which means a 10% increase. The gross sales profit equaled 60,3 million PLN and was 20% higher compared to its value in the first quarter of the year 2008. Operational profit increased from close to 30 million PLN to the amount of 34,8 million PLN, which equals 16% and the parent company shareholders' net profit increased by 57%, from 14,8 million PLN to 23,2 million PLN. The factor influencing the net profit gained by the PBG Group was the accounting of the deferred income tax as unrealized tax losses in the Hydrobudowa 9 SA Company.

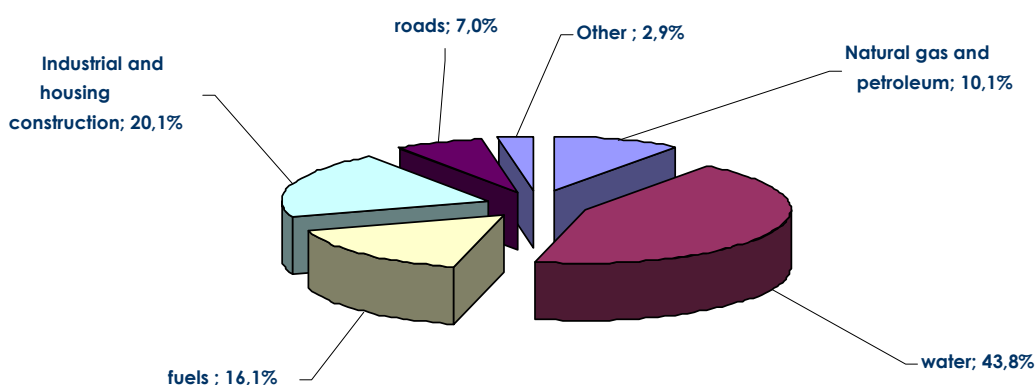
The gross sales profitability in the discussed period was 17,3% and, compared to the parallel period in the previous year, was 1,5% higher. Operational profitability reached a level of 10,0% and improved its result compared to last year by 0,5%. Net profitability was 6,7%, which in relation to the previous year equals a 2 per cent increase.

The share of variable costs in sales revenue in the discussed period compared to the parallel period of the previous year decreased from 84,2% to 82,7%, that is, by 1,5%.

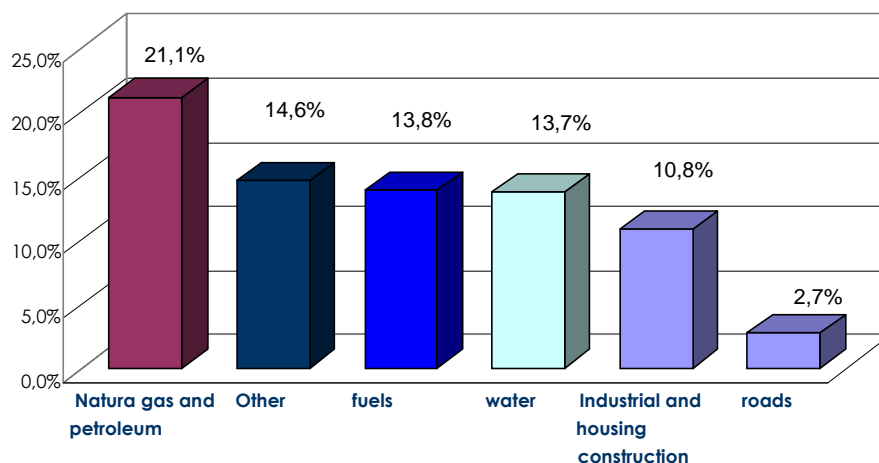
The share of general management costs in the discussed period increased and equaled 7,9% compared to 6,9%, which means a 1% increase.

The financial results of the PBG Group in the first quarter of 2009 do not include any single events.

Share of operation segments in sales revenue on the 1st of April 2009



Sales profit in operation segment on the 1st of April 2009



2. DISCUSSION OF THE POSITION OF OTHER OPERATIONAL INCOME AND COSTS AND FINANCIAL INCOME AND COSTS

2.1. Other operational income

The operational for the first quarter of 2009 was close to 10,4 million PLN, out of which a significant amount is comprised of the dissolved reserves created for future penalties and the dissolved payable updating deductions – it is a sum of over 9 million PLN (mainly in the Hydrobudowa 9 SA company – an estimate of 8,9 million PLN) as well as income gained from compensations – it is a sum close to 0,6 million PLN. Compared to the parallel period of the previous year the value of other operational income increased by 96%.

2.2. Other operational costs

Other operational costs in the first quarter of 2009 were close to 8,4 million PLN and were almost two and a half times larger compared to the parallel period of the previous year. A significant share in other operational costs is held by the recalculation of obligations on account of reserves for future penalties (in currency) and payable updating deductions – it is a sum of about 5 million PLN (including close to 4,7 million in the Hydrobudowa 9 Company) as well as compensations from insurance agreements on the sum of almost 2 million PLN.

2.3. Financial income

The financial income in the first quarter of 2009 was close to 6 million PLN and suffered a 16% decrease compared to their value in the parallel period of the previous year. The main share in financial income was held by interest – 4,8 million PLN (including interest on given loans – 1,3 million PLN, bank loans – 2,7 million PLN, from bonds – close to 0,3 million and 0,5 million PLN in other interest). Furthermore, a significant share in financial income is held by income from transactions of the financial market worth 1,1 million PLN.

2.4. Financial costs

In the first quarter of 2009 the financial costs were almost 15,5 million PLN. The most significant share in the financial costs is held by interest and commissions – 11,8 million PLN, including: interest and commissions on bank loans – 8,9 million PLN, interest on bonds amounting 1,4 million PLN and other interest – 1,5 million PLN. Additionally, a large share is held by the negative exchange rate differences, it is a sum of 2,3 million PLN. Compared to the parallel period of the previous year the financial costs increased merely by 3%.

SHORTENED MID-YEAR CONSOLIDATED CASH FLOW BALANCE SHEET

Item	First quarter 01.01.2009 - 31.03.2009	First quarter 01.01.2008 - 31.03.2008
<i>Cash flow from operations</i>		
Net profit before taxation	25 277	21 961
Adjustments:	37 352	3 239
Amortisation of intangible assets	1 245	723
Goodwill impairment write-downs	-	-
Impairment write-downs of tangible fixed assets	109	-

PBG Capital Group

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Amortisation of the value of tangible fixed assets	10 475	8 491
Profit (loss) from sale of tangible fixed assets	33	(150)
Profit (loss) from sale of financial assets available for sale (held for sale)	10 410	(9 466)
Profit (loss) from valuation of real estate investments carried at fair value	-	-
Profit (loss) on revaluation of fair value of financial assets carried at fair value	8 211	(2 752)
Share in profits (losses) of associates	-	-
Foreign exchange gains (losses)	357	1 246
Costs of interest	11 738	11 963
Interest received	(5 226)	(6 816)
Dividends received	-	-
Cash from operations before changes in working capital	62 629	25 200
Change in inventories	(8 313)	(20 053)
Change in receivables	(76 286)	54 166
Change in payables	88 731	(94 906)
Change in inventories and deferred expenditures	(9 173)	(11 960)
Other adjustments	(167)	(1 432)
Cash generated in the course of business operations	57 421	(48 985)
Interest paid	(86)	(19)
Income tax paid	(25 361)	(19 040)
Net cash resources from operations	31 974	(68 044)
<i>Cash flow from investment operations</i>		
Outflows – acquisition of intangible assets	(2 615)	(55)
Inflows – sale of intangible assets	-	-
Outflows – acquisition of tangible fixed assets	(7 221)	(18 947)
Inflows – sale of tangible fixed assets	805	1 815
Outflows – acquisition of real estate investments	(16 036)	(247)
Inflows – sale of real estate investments	-	25
Outflows – acquisition of financial assets available for sale (held for sale)	(35 615)	(3 010)
Inflows – sale of financial assets held for trading	5 149	6 202
Outflows – acquisition of subsidiaries (reduced by the acquired cash resources)	(15 208)	(46 471)
Inflows – sale of subsidiaries	-	-
Other expenses – capital contribution	-	-
Inflows from government grants received	-	-
Loans granted	(51 561)	(584)
Repayment of loans granted	97	1 167
Interest received	507	768
Dividends received	-	-
Net cash used in investments operations	(121 698)	(59 337)
<i>Cash flow from financial activity</i>		
Net inflows – issue of shares	-	-
Buy-back of treasury shares	-	-
Inflows – issue of debt securities	-	-
Repayment of bonds	-	(110 000)
Repayment of interest on bonds	-	(3 441)
Redemption of debt securities	-	-
Inflows – credits and loans incurred	154 098	73 456

PBG Capital Group**Qsr1/2009** (all data presented in PLN thousands, unless noted otherwise)

Repayment of credits and loans	(96 929)	(5 059)
Repayment of interest on credits and loans	(8 611)	(7 254)
Inflows from interest on deposits	1 202	6 746
Repayment of finance lease liabilities	(1 777)	(732)
Interest paid	(335)	(77)
Dividends paid out	-	-
Commission on credits	(327)	(77)
Other expenses	-	(29)
Net cash flows from financial activity	47 321	(46 467)
Net cash flow and cash equivalent balance	(42 403)	(173 848)
Opening balance of cash and cash equivalents	289 713	410 305
Change due to exchange rate discrepancies	10	(483)
Closing balance of cash and cash equivalents	247 320	235 974

SHORTENED MID-YEAR CONSOLIDATED OWNERSHIP CAPITAL CHANGE STATEMENT OF THE PERIOD FROM 01.01 TO 31.03.2009

Item	Equity of the shareholder of the parent company							Minority shares	Total Equity
	Share Capital	Surplus from sale of shares above their nominal value	Capital from the valuation of cashflow hedging transactions	Foreign exchange differences related to valuation of foreign units	Other Capital	Undistributed financial result	Total		
Balance as at 01.01.2009	13 430	551 178	(102 264)	820	274 778	190 193	928 135	185 483	1 113 618
Correction of fundamental error	-	-	-	-	-	-	-	-	-
Balance as at 01.01.2009 after changes	13 430	551 178	(102 264)	820	274 778	190 193	928 135	185 483	1 113 618
<i>Changes in equity between 01.01.- 31.03.2009</i>									
Profit (loss) for the period	-	-	-	-	-	23 244	23 244	(279)	22 965
Other total income for the period	-	-	(62 428)	681	-	-	(61 747)	(26 721)	(88 468)
Total income for the period	-	-	(62 428)	681	-	23 244	(38 503)	(27 000)	(65 503)
Dividends	-	-	-	-	-	-	-	-	-
Share capital issued	-	-	-	-	-	-	-	-	-
Bonds convertible to shares issued	-	-	-	-	-	-	-	-	-
Changes in Capital Group structure (acquisitions/sale)	-	-	-	-	-	-	-	-	-
Transfer to emergency capital – negative Minority Capital of subsidiaries	-	-	-	-	(21 346)	-	(21 346)	21 650	304
Other adjustments	-	-	-	-	120	-	120	-	120
Distribution of financial result	-	-	-	-	-	-	-	-	-
Transactions with owners for the period	-	-	-	-	(21 226)	-	(21 226)	21 650	424
Balance as at 31.03.2009	13 430	551 178	(164 692)	1 501	253 552	213 437	868 406	180 133	1 048 539

SHORTENED MID-YEAR CONSOLIDATED OWNERSHIP CAPITAL CHANGE STATEMENT OF THE PERIOD FROM 01.01 TO 31.03.2008

Item	Equity of the shareholder of the parent company							Minority Share	Total Equity
	Share Capital	Surplus from the sale of shares above their nominal value	Capital from the valuation of cashflow hedging transactions	Foreign exchange differences related to valuation of foreign units	Other Capital	Undistributed financial result	Total		
Balance as at 01.01.2008	13 430	551 178	8 605	154	65 998	111 305	750 670	34 550	785 220
Correction of fundamental error	-	-	-	-	-	-	-	-	-
Balance as at 01.01.2008 after changes	13 430	551 178	8 605	154	65 998	111 305	750 670	34 550	785 220
<i>Changes in equity between 01.01.- 31.12.2008</i>									
Profit (loss) for the period	-	-	-	-	-	158 241	158 241	31 684	189 925
Other total income for the period	-	-	(110 869)	666	-	-	(110 203)	(41 934)	(152 137)
Total income for the period	-	-	(110 869)	666	-	158 241	48 038	(10 250)	37 788
Dividends	-	-	-	-	-	-	-	-	-
Share capital issued	-	-	-	-	-	-	-	-	-
Bonds convertible to shares issued	-	-	-	-	-	-	-	-	-
Changes in Capital Group structure (acquisitions/sale)	-	-	-	-	163 412	(4 640)	158 772	138 596	297 368
Transfer to emergency capital – negative Minority Capital of subsidiaries	-	-	-	-	(22 695)	-	(22 695)	22 695	-
Other adjustments	-	-	-	-	2 243	(2 243)	-	(108)	(108)
Distribution of financial result	-	-	-	-	65 820	(72 470)	(6 650)	-	(6 650)
Transactions with owners for the period	-	-	-	-	208 780	(79 353)	129 427	161 183	290 610
Balance as at 31.12.2008	13 430	551 178	(102 264)	820	274 778	190 193	928 135	185 483	1 113 618

SHORTENED MID-YEAR CONSOLIDATED OWNERSHIP CAPITAL CHANGE STATEMENT OF THE PERIOD FROM 01.01 TO 31.03.2008

Wyszczególnienie	Equity of the shareholder of the parent company							Minority Share	Total Equity
	Share Capital	Surplus from the sale of shares above their nominal value	Capital from the valuation of cashflow hedging transactions	Foreign exchange differences related to valuation of foreign units	Other Capital	Undistributed financial result	Total		
Balance as at 01.01.2008	13 430	551 178	8 605	154	65 998	111 305	750 670	34 550	785 220
Correction of fundamental error	-	-	-	-	-	-	-	-	-
Balance as at 01.01.2008 after changes	13 430	551 178	8 605	154	65 998	111 305	750 670	34 550	785 220
<i>Changes in equity between 01.01.- 31.03.2008</i>									
Profit (loss) for the period	-	-	-	-	-	14 846	14 846	1 879	16 725
Other total income for the period	-	-	3 455	(177)	-	-	3 278	717	3 995
Total income for the period	-	-	3 455	(177)	-	14 846	18 124	2 596	20 720
Dividends	-	-	-	-	-	-	-	-	-
Share capital issued	-	-	-	-	-	-	-	-	-
Bonds convertible to shares issued	-	-	-	-	-	-	-	-	-
Changes in Capital Group structure (acquisitions/sale)	-	-	-	-	-	-	-	-	-
Transfer to emergency capital – negative Minority Capital of subsidiaries	-	-	-	-	858	-	858	(858)	-
Other adjustments	-	-	-	-	224	-	224	-	224
Distribution of financial result	-	-	-	-	-	-	-	-	-
Transactions with owners for the period	-	-	-	-	1 082	-	1 082	(858)	224
Balance as at 31.03.2008	13 430	551 178	12 060	(23)	67 080	126 151	769 876	36 288	806 164

2 ADDITIONAL INFORMATION REGARDING THE SHORTENED MID-YEAR CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST QUARTER OF 2009

2.1 Information regarding the parent company and the PBG Capital Group

2.1.1. The parent company

The parent company of the Capital Group, PBG Joint Stock Company with an office in Skórzewska Street 35 in Wysgotów near Poznań, 62-081 Przeźmierowo, was established on the 2nd of January 2004 based on an Authenticated Deed from the 1st of December 2003. The Company is registered in the National Judicial Registry under the number 0000184508. The Company operates on the territory of the entire country according to the regulations of the Commercial Companies Code.

PBG SA was established as a result of the transformation of the Gas Technologies Piecbiogaz Ltd. Company (resolution No 1 of the Special Partners Assembly of the Gas Technologies Piecbiogaz Ltd. Company from the 1st of January 2003). The legal predecessor of the Issuer was established in 1997 by Jerzy Wiśniewski and Małgorzata Wiśniewska.

Skład organów spółki dominującej PBG SA

Company's Board of Directors:

On the 31st of March 2009 the Board of Directors was comprised of:

- Jerzy Wiśniewski – Board Chairman,
- Tomasz Woroch – Board Vice-Chairman,
- Przemysław Szkudlarczyk – Board Vice-Chairman,
- Tomasz Tomczak – Board Vice-Chairman,
- Mariusz Łożyński – Board Vice-Chairman,
- Tomasz Łatawiec – Board Member.

The makeup of the Board did not change until the day of composing the following statement.

Company's Supervisory Board:

On the 31st of March 2009 the Supervisory Board was comprised of:

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

The makeup of the Supervisory Board did not change until the day of composing the following statement.

2.1.2. Object of the PBG Capital Group's enterprise

The object of the parent company's enterprise is the execution of general construction works in the range of line facilities: pipelines, electric energy and traction as well as telecommunication transmission lines (PKD 4521 C).

The PBG Capital Group is engaged in the transmission and distribution of natural gas and heat, realization of hydro-technical, engineering and industrial, execution of water plumbing, thermal and gas installations as well as sewage treatment plants, retail of materials and devices from the gas, petroleum and water plumbing trades.

2.1.3. The role of PBG SA in the Capital Group and changes in the structure of the Capital Group

The PBG SA Company fulfills the role of parent company in the PBG Capital Group. In the first quarter of 2009 changes within the PBG Capital Group presented below took place.

CHANGES IN SUBSIDIARIES**Increase in the shares of the P.R.G. Metro Ltd dependent Company**

On the 19th of January 2009 by the decision of the District Court for the Capital City Warsaw the increase in the capital of the P.R.G. METRO Ltd. Company with an office in Warsaw was registered.

The increase in capital concerns 78 shares of a nominal value of 1.000.00 PLN each obtained entirely by Hydrobudowa Poland SA.

This way the share capital of the P.R.G METRO Ltd. Company was raised from 550.000,00 PLN to 628.000,00 PLN and is divided between 628 shares of a nominal value of 1.000,00 PLN per share.

The shares have been covered by Hydrobudowa Poland SA with a financial contribution of a total worth of 4.963.631,40 PLN.

After registering the increase in share capital Hydrobudowa Poland SA holds 543 shares in the P.R.G. METRO Ltd. Company, which constitutes 86,46% of shared votes and shared capital of P.R.G METRO Ltd.

Subsidiaries in the PBG Capital group on the 31.03.2009

Company name	Office	Operation scope	Consolidation method	Percentage share in the Capital Group		
				31.03.2009.	31.12.2008.	31.03.2008.
Aprivia SA (1)	Skórzewska Street 35, Wysogołowo near Poznań, 62-081 Przeźmierowo POLAND	Works connected with the construction of roads and highways PKD 4211Z	full	100,00%	100,00%	-

Betpol SA (2)	Fordońska Street 168a, 85-766 Bydgoszcz POLAND	Works connected with the construction of roads and highways PKD 4211Z	full Subsidiary of the Company: Aprivia S.A.,consolidate d on the level of the Aprivia SA consolidated statement	70,00%	70,00%	70,00%
Dromost Ltd. (3)	Żabno 4A, 63-112 Brodnica POLAND	Production, retail and service operations in the scope of specialist road and bridgr works PKD 45 23A	full Subsidiary of the Company: Aprivia S.A.,consolidate d on the level of the Aprivia SA consolidated statement	87,40%	87,40%	87,40%
Przedsiębiorstwo Robót Inżynieryjno - Drogowych SA (4)	Poznańska Street 42, 64-300 Nowy Tomyśl POLAND	Constructions of wheel and rail roads PKD 4523A and construction of highways, roads, airports and sports facilities EKD 4523	full Subsidiary of the Company: Aprivia S.A.,consolidate d on the level of the Aprivia SA consolidated statement	100,00%	100,00%	100,00%
Avatia Sp. z o.o.	Skórzewska Street 35, Wysogołowo near Poznanian, 62-081 Przeźmierowo POLAND	Reproduction of written data carriers PKD 1820Z	Full	99,80%	99,80%	99,80%
Brokam Ltd.	Skórzewska Street 35, Wysogołowo near Poznanian, 62-081 Przeźmierowo POLAND	Extraction of decorative stonek and stones for the needs of construction work PKD 1411Z	full	100,00%	100,00%	100,00%
Excan Oil and Gas Engineering Ltd	#201,9637-45 Avenue Edmonton AB T6E 5Z8 CANADA	Contract mediation, coordination of designe and engineering works, sales operations	full	100,00%	100,00%	100,00%
GasOil Engineering a.s.	Karpatska, 3256/15 Poprad 05801 SLOVAKIA	Design services, investor supervision	full	62,45%	62,45%	62,45%
Hydrobudowa Polska SA	Skórzewska Street 35, Wysogołowo near Poznanian 62-081 Przeźmierowo POLAND	Carrying out of works connected with transmission pipe lines and distribution networks (PKD 2007) and development of other water engineering facilities PKD 45 24B	full	61,61%	61,61%	76,00%

PBG Technologia Ltd. (previously Hydrobudowa Polska Konstrukcje Ltd.) (5)	Skórzewska Street 35, Wysogołowo near Poznań 62-081 Przeźmierowo POLAND	Metal construction and parts production PKD 25111Z	full Subsidiary of the Company: Hydrobudowa Poland SA consolidated on the level of the consolidated statement of Hydrobudowa Poland SA	61,61%	61,61%	-
P.R.G. Metro Sp. z o. o. (6)	Wólczyńska Street 156 01-919 Warsaw POLAND	Other unclassified specialist construction works PKD 4399Z	full Subsidiary of the Company: Hydrobudowa Poland SA consolidated on the level of the consolidated statement of Hydrobudowa Poland SA	53,27%	52,09%	-
Hydrobudowa 9 SA (7)	Skórzewska Street 35, Wysogołowo near Poznań 62-081 Przeźmierowo POLAND	Execution of unclassified general construction works in the scope of engineering PKD 4521F	full Subsidiary of the Company: Hydrobudowa Poland SA consolidated on the level of the consolidated statement of Hydrobudowa Poland SA	61,61%	61,61%	52,64%
Gdyńska Projekt Ltd. (8)	Sienkiewicza Street 22, 60-900 Poznań POLAN	Purchase and sale of real estate on own account PKD 6810Z	full Subsidiary of the Company: Hydrobudowa 9 SA consolidated on the level of the consolidated statement of Hydrobudowa Poland SA	61,61%	61,61%	-
Górecka Projekt Ltd. (9)	Sienkiewicza Street 22, 60-900 Poznań POLAND	Realization of construction projects connected with the erection of buildings PKD 4110 Z as well as development and sale of buildings on own account PKD 7011 Z.	full Subsidiary of the Company: Hydrobudowa 9 SA consolidated on the level of the consolidated statement of Hydrobudowa Poland SA	61,61%	61,61%	-
Infra SA	Skórzewska Street 35, Wysogołowo near Poznań 62-081 Przeźmierowo POLAND	Carrying out of waterworks and sewage, heat, gas and air conditioning installations PKD 4322Z	full	99,95%	99,95%	99,95%
PRIS Ltd. (10)	Leona Popielskiego Street 14, 52-019 Wrocław POLAND	Production of plastic items for construction purposes PKD 2523Z	full Subsidiary of the Company: Infra SA consolidated on the level of the consolidated statement of Infra SA	50,99%	50,99%	50,99%

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Wiertmar Ltd. (11)	Kopanka 13/15, 92-701 ŁÓDŹ POLAND	General construction works connected with the erection of buildings PKD 4521A	full Subsidiary of the Company: Infra SA consolidated on the level of the consolidated statement of Infra SA	50,97%	50,97%	-
KWG SA (previously KB GAZ SA)	Krasickiego Street 4, 71-333 Szczecin POLSKA	General construction works in the scope of line objects: pipe lines, electric energy lines, unclassified land engineering PKD 4521C	Full	100,00%	100,00%	100,00%
Metorex Ltd.	Żwirki i Wigury Street 17A, 87-100 Toruń POLAND	General construction EKD 4521	full	99,56%	99,56%	99,56%
PBG Dom Ltd.	Skórzewska Street 35, Wysogotowo near Poznań 62-081 Przeźmierowo POLAND	General construction works connected with the erection of buildings PKD 4521A	full	100,00%	100,00%	84,85%
Apartamenty Poznańskie Ltd. (12)	Skórzewska Street 35, Wysogotowo near Poznań 62-081 Przeźmierowo POLAND	General construction works connected with the erection of buildings PKD 4521A	full Subsidiary of the Company: PBG Dom Ltd. consolidated on the level of the consolidated statement of the parent company - PBG SA	51,00%	51,00%	51,00%
Budwil Ltd. (13)	Mazowiecka Street 42, 60-623 Poznań POLAND	Development and sale of real estate on own account PKD 7011 Z	full Subsidiary of the Company: PBG Dom Ltd. consolidated on the level of the consolidated statement of the parent company - PBG SA	51,00%	51,00%	-
PBG Dom Invest I Ltd. (previously Dawil Ltd.) (14)	Skórzewska Street 35, Wysogotowo near Poznań 62-081 Przeźmierowo POLAND	Realization of construction projects connected with the erection of buildings PKD 4110 Z and development and sale of buildings on own account PKD 7011 Z	full Subsidiary of the Company: PBG Dom Ltd. consolidated on the level of the consolidated statement of the parent company - PBG SA	100,00%	100,00%	-

The values in the above table reflect the Parent Company's share in the individual Companies' capital.

The percentage share in the capital of the PBG Group Companies has been presented as compound interest (the percentage share of the PBG SA Parent Company in the given Subsidiary * the percentage share of that Subsidiary in its Subsidiary). It concerns Companies belonging to the following Capital Groups: Hydrobudowa Poland, Infra, PBG Dom and Apriva.

1. Aprivia SA is the Parent Company in the Apriva Capital Group since the 8th of October 2008. The Capital Group is comprised of the following Companies: Betpol SA, Dromost Ltd. and PRID SA. PBG SA holds 100% of the shares in the Arriva SA Company's capital.
2. Betpol SA is a Subsidiary of the Apriva SA Company since the 8th of October 2008 – APRIVA SA holds 70% of the shares in the Bretpol SA Company's capital. On the 31st of March 2008 Bretpol SA was a direct subsidiary of the PBG SA Company – PBG SA held 70% of shares in the Bretpol SA Company's capital.
3. Dromost Ltd. is a subsidiary of Apriva SA since the 8th of October 2008 – the Apriva SA Company holds 87,40% of the shares in the Dromost Ltd. Company's capital. On the 31st of March 2008 Dromost Ltd was a direct subsidiary of the PBG SA Company – PBG SA held 87,40% of shares in the Bretpol SA Company's capital.
4. PRID SA is a subsidiary of Apriva SA since the 8th of October 2008 – the Apriva SA Company holds 100% of the shares in the PRID SA Company's capital. On the 31st of March 2008 Dromost Ltd was a direct subsidiary of the PBG SA Company – PBG SA held 100% of shares in the PRID SA Company's capital.
5. PBG Technologia Ltd. (Previously Hydrobudowa Poland Konstrukcje Ltd.) as at the 31st of March 2009 is a subsidiary of the Hydrobudowa Poland SA Company – since the 16th of May 2008 – Hydrobudowa Poland SA holds 100% of shares in the capital of the Hydrobudowa Polska Konstrukcje Ltd. Company.
6. P.R.G. Metro Ltd. is a subsidiary of Hydrobudowa Poland SA since the 12th of September 2008 – on the 21st of December 2008 Hydrobudowa Poland SA held 84,55% of the shares in the P.R.G. Metro Ltd. Company's capital, while as at the 31st of March 2009 it holds 86,46% of the shares in the capital.
7. Hydrobudowa 9 SA is a subsidiary of Hydrobudowa Poland SA since the 30th of September 2008. On the 31st of March 2008 Hydrobudowa 9 SA was a direct subsidiary of PBG SA which held 69,26% of the capital shares; as at the 31st of March 2008 it is a direct subsidiary of Hydrobudowa Poland SA which holds 100% of shares in the capital.
8. Gdyńska Projekt Ltd. is a subsidiary of Hydrobudowa 9 SA since the 2nd of April 2008 – Hydrobudowa 9 SA holds 100% of the shares in the Gdyńska Projekt Ltd. Company's capital.
9. Górecka Projekt Ltd. is a subsidiary of Hydrobudowa 9 SA since the 11th of September 2008 – Hydrobudowa 9 SA holds 100% of the shares in the Górecka Projekt Ltd. Company's capital.
10. PRIS SA is a subsidiary of the Indra SA Company since the 31st of August 2007 – Infra SA holds 51,02% of the shares in the PRIS SA Company's capital;
11. Wiertmar Ltd. is a subsidiary of Infra SA since the 2nd of April 2008 – Infra SA holds 51,00% of the shares in the Wiertmar Ltd. Company's capital.
12. Apartamenty Poznańskie Ltd. are a subsidiary of the PBG Dom Ltd. Company since the 27th of June 2008. On the 31st of March 2008 Apartamenty Poznańskie Ltd. was a direct subsidiary of PBG SA which held 51,00% shares in the Company's capital; as at the 31st of March 2009 the Company is a subsidiary of PBG Dom Ltd. which holds 51,00% of the shares in the Company's capital.
13. Budwil Ltd. is a subsidiary of PBG Dom Ltd. since the 8th of April 2008 – PBG Dom Ltd. holds 51% of the shares in the Budwil Ltd. Company's capital.
14. PBG Dom Invest I Ltd. (previously Dawil Ltd.) is a subsidiary of PBG Dom Ltd. since the 26th of August 2008 – PBG Dom Ltd. holds 100% of the shares in the PBG Dom Invest I Ltd. Company's capital.

Consolidation of second degree Subsidiaries as at the 31st of March 2009

The Hydrobudowa Poland SA Company owns the following subsidiaries: PBG Technologia Ltd. (previously Hydrobudowa Poland Konstrukcje Ltd.), P.R.G. Metro Ltd. and Hydrobudowa 9 SA. The last of these Companies owns its own subsidiaries: Gdyńska Projekt Ltd. and Górecka Projekt Ltd. As at the

PBG Capital Group

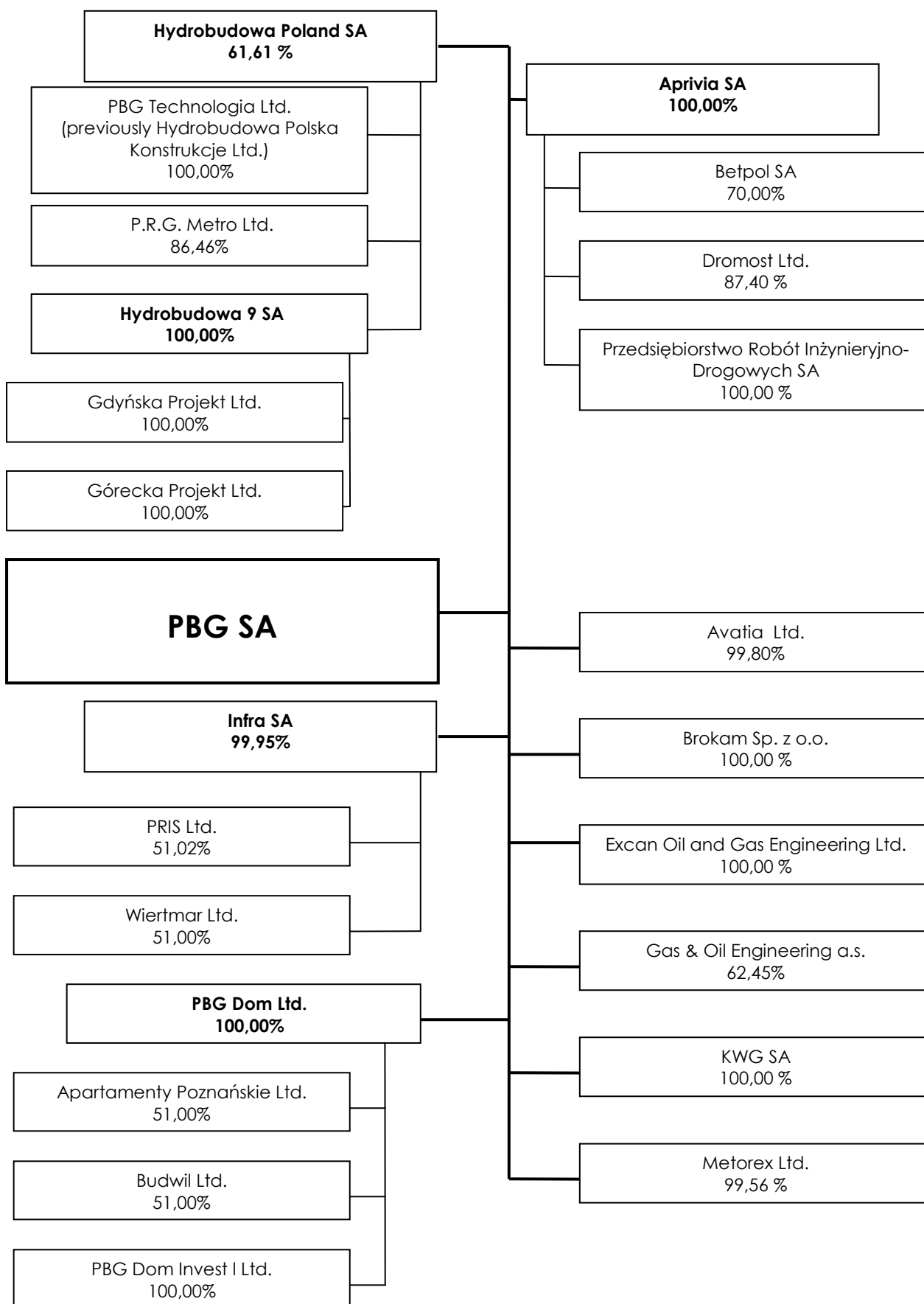
Qsr1/2009 (all data presented in PLN thousands, unless noted otherwise)

31st of March 2009 Hydrobudowa 9 SA does not draw up a consolidated financial statement. All Companies of the Hydrobudowa Poland Capital Group are consolidated on the level of their Parent Company, that is, Hydrobudowa Poland SA.

Moreover, Apriva SA owns the following subsidiaries: Bełpol SA, Dromost SA and Przedsiębiorstwo Robót Inżynieryjno – Drogowych SA. These Companies' consolidation takes place within the consolidated financial statement of the Apriva Capital Group.

The PBG Dom Ltd Company also has its own subsidiaries: Apartamenty Poznańskie Ltd., Budwil Ltd. and PBG Dom Invest I Ltd. and as at the 31st of March 2009 does not draw up a consolidated financial statement. The consolidation of these Companies takes place on the level of the PBG SA Parent Company.

STRUCTURE OF THE PBG CAPITAL GROUP AS AT THE 31ST OF MARCH 2009



2.2 Rules adopted in the preparation of the shortened mid-year consolidated financial statement for the first quarter of 2009.

2.2.1 Conformity Statement

The hereby presented shortened mid-year consolidated financial statement has been prepared according to the International Accounting Standards (IAS), especially according to IAS 34 "Mid-year financial statements" and reliably presents the financial situation of the PBG Capital Group as at the 31st of March 2009 and the 31st of March 2008, the results of its activity for the 3-month period finalized on the 31st of March 2009 and the 31st of March 2008, as well as the cash flow for the 3-month period finalized on the 31st of March 2009 and 31st of March 2008.

The ISFR encompass the standards and interpretations accepted by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Commission (IFRIC)

The PBG Capital Group's specific statement which is a part of the following report has also been prepared in accordance with the above regulations.

The shortened mid-year consolidated financial Statement has been prepared with the assumption of continued business operation of the PBG Capital group in the foreseeable future.

2.2.2 Format and general rules of preparation

The financial statement has been prepared in accordance with IAS 34 "Mid-year financial statements" and the Decree of the Minister of Finance from the 19th of October 2005 regarding current and periodical information handed over by issuers of stocks and shares, published in the Official Journal No 209 pos. 1744 and spans a period of 3 months ending on the 31st of March 2009 and respective comparable periods.

According to article 87.1 of the Decree, the issuer being the parent company is not obliged to hand over a separate quarterly statement, provided the inclusion of a shortened quarterly specific financial statement including: balance (financial situation statement), profit and loss balance, a breakdown of changes in ownership capital and a cashflow balance, in the consolidated quarterly statement.

The following consolidated financial statement has been prepared based on the historical cost principle, with the exception of estimation of investment properties at fair value, valuation of derivative financial instruments and financial assets held for sale.

Preparation of the financial statement according to the IAS requires carrying out estimations and assumptions which influence the values shown in the financial statement. Any assumptions and estimations made are based on the Board's best knowledge of the current operations and events; actual results may vary from the estimated ones.

2.2.3 Established accountancy principles

In the presented period the PBG Capital Group did not introduce any significant changes to the established accountancy rules compared to the rules presented in the consolidated financial statement for the year 2008 published and available on the following Internet page:

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

Regarding the rules published in the previous annual statement the Capital Group takes into account the following standards, changes in accountancy standards and interpretations valid since the 1st of January 2009:

- Changes to IAS 2 „Payments in the form of shares – Conditions of entitlement acquisition and cancellation”.
- IAS 8 “Operational segments”.
- Updated IAS 1 „Presentation of Financial Statements”.
- Updated IAS 23 „Outside financing costs”.
- Changes to IAS 32 „Financial Instruments – Presentation” and IAS 1 „Presentation of Financial Statements”.
- Changes to IFRS 1 „First time application of IFRS” and IAS 27 „Consolidated and specific financial statement”.
- Changes to IAS 39 “Financial Instruments: expression and valuation”.
- Changes to IFRS 1 “First time application of IFRS”.
- New interpretation of IFRS 13 „Customer loyalty programs”.
- New interpretation of IFRIC 15 „Real estate construction agreements”.
- New interpretation of IFRIC 16 “Securing net asset shares of foreign entities”.
- New interpretation of IFRIC 17 „Handing over to owners of assets other than cash resources”.

IFRS 8 now replaces IAS 14 “Operation segment reporting” and requires a „managerial approach” to segment reporting, according to which segment information is presented on the same basis as the one used for the aims of internal reporting.

The operation of the Capital Group is organized into five main segments, in which the Group operates:

- natural gas and petroleum,
- water,
- fuels,
- industrial and housing construction

- roads.

A detailed description of the operational segments is found in section 2.4 of this statement.

Regarding the previous annual statement there were no changes in the separation of reporting segments.

Application of the altered IAS 1 resulted in a change in presentation of certain items in the breakdown of changes in the consolidated ownership capitals. All "non-ownership changes in ownership capital" are presented in the listing of total income.

The updated IAS 23 "Outside financing costs" has a limited influence on the rules of accountancy, because the Company has until now used an alternative approach based on the expression of outside financing costs. The new tone of IAS 23 in the extent of activating outside financing costs was used by the Capital Group for new contracts, transactions made after the 1st of January 2009. The change in IAS 23 has the largest influence on the presentation of financing costs in the balance sheet, because part of the costs expressed in financial activity until now has been moved to operational activity.

The application of the abovementioned interpretations and changes in standards did not influence the reporting of the PBG Capital Group.

The Board of the Parent Company constantly monitors new standards and interpretations and analyzes their influence on financial statements.

2.3 Functional currency and financial statement presentation currency and rules established for the calculation of financial data.

2.3.1 Functional currency and presentation currency

The functional currency of the Parent Company and the presentation currency of the following shortened mid-year consolidated financial statement and the shortened mid-year specific financial statement is the PLN.

The financial statements of foreign entities for the purpose of consolidation are recalculated on the Polish currency in the following manner:

- the assets and liabilities of each presented financial situation statement (balance) based on the closing exchange rates for the given balance day,
- respective positions on the balance sheet based on the exchange rates being the arithmetical average of the average rates announced by the NBP as at the last day of every month of the reporting period. Exchange discrepancies arising as a result of such calculation are expressed directly in the ownership capital as exchange discrepancies from consolidation.

Rules established for the calculation of financial data

- net product, goods and materials sales income, operational profit, gross and net profit as well as net operational cash flow total for the first quarter of 2009 are calculated assuming the average rate of the EURO according to the rates being the arithmetic average of the average NBP rates as at the last day of individual months, that is: 4,5994 PLN.

- net income from product, goods and materials sales, operational profit, gross and net profit and net cash flow from operations, net cash flow from investments, net cash flow from financial operations and total net cash flow for the first quarter of 2008 are calculated assuming the average rate of the EURO based on the rates being the arithmetic average of the average NBP rates as at the last day of individual months, that is: 3,5574 PLN.

- total assets, liabilities and reserves for liabilities, long-term and short-term liabilities ownership capital and share capital as at the 31st of March 2009 was calculated assuming the average EURO rates for the 31st of March 2009, that is: 4,7013 PLN.

- total assets, liabilities and reserves for liabilities, long-term and short-term liabilities, ownership capital and share capital as at the 31st of March 2008 was calculated assuming the average Euro rates for the 31st of March 2008, that is: 3,5258 PLN.

2.4 Operational segments

The operational segment has been established as the basic reporting model in the PBG Capital Group, while the geographical segment based on the client location criterium as the supplementary one.

The PBG Capital Group and its parent company distinguish five main segments within which it conducts its operations:

- **Natural gas and petroleum,**
- **water,**
- **fuels,**
- **industrial and housing construction**
- **roads.**

Within the individual segments the following ranges of services are distinguished:

- **For natural gas and petroleum these are:**
 - surface installations for the extraction of petroleum and natural gas
 - installations for the condensation of natural gas, storage and degasification of LNG
 - LPG and C5+ storage and separation stations
 - LNG storage and evaporation stations
 - underground gas storage facilities
 - desulphurizing installations
 - surface installations of underground natural gas storage facilities

- petroleum containers
- natural gas and petroleum transmission systems, including:
 - reduction-measuring and measurement-accounting stations, mixing facilities, split nodes, presses and so on.
- **For water these are:**
 - technological and sanitary installations for water and plumbing systems, such as:
 - waterworks
 - sewage systems
 - water mains and collectors
 - water intakes
 - sewage treatment
 - hydrotechnical objects, such as:
 - water barriers
 - storage reservoirs
 - flood prevention embankments
 - renovation of waterworks and sewage installations
- **For fuels these are:**
 - fuel storage facilities
- **For industrial and housing construction these are:**
 - general construction
 - industrial infrastructure
 - construction of stadiums
 - waste incineration facilities construction
- **For roads these are:**
 - construction of roads

Moreover, the PBG Capital Group distinguishes an additional operation segment named „other“, which incorporates, among other things, income from the sales of goods and materials and remaining services which do not qualify as any of the services enumerated within the FIDE main segments.

The PBG Capital Group presents the sales income, costs and results (gross profit) divided among the abovementioned segments, but does not, however, present the assets and liabilities balance divided into segments due to the fact that part of the fixed resources is used for the production numbered among various segments and there is no possibility of assigning materials to individual segments of operation and it is impossible to assign segments to obligations from shipments and services as well as the income and costs of other operational and financial activity.

Information regarding the individual operational segments is presented in the table below.

OPERATIONAL SEGMENTS FOR THE PERIOD FROM 01.01. TO 31.03.2009

Item	Segments						Consolidational exclusions	Consolidated value
	natural gas and petroleum	water	fuels	Industrial and gousing construction	roads	Other		
<i>Financial results of operational segments for the period from 01.01 to 31.03.2009</i>								
General revenue	39 890	220 694	56 237	70 288	26 611	11 227	(75 808)	349 138
Outside sale	39 890	220 694	56 237	70 288	26 611	11 227	(75 808)	349 138
Intersegmental sales	-	-	-	-	-	-	-	-
Total costs	(31 492)	(190 487)	(48 452)	(62 705)	(25 892)	(9 588)	79 786	(288 829)
Segment result	8 398	30 207	7 785	7 582	719	1 639	3 978	60 309
Not assigned costs	x	x	x	x	x	x	x	(27 527)
Other operational revenue/costs	x	x	x	x	x	x	x	2 009
Operational profit	x	x	x	x	x	x	x	34 791
Financial revenues	x	x	x	x	x	x	x	5 977
Financial expenses	x	x	x	x	x	x	x	(15 491)
Share in profits of related parties settled based on the equity method	x	x	x	x	x	x	x	-
Investment profit/loss	x	x	x	x	x	x	x	-
Profit before taxation	x	x	x	x	x	x	x	25 277
Income tax	x	x	x	x	x	x	x	(2 312)
Net profit	x	x	x	x	x	x	x	22 965

OPERATIONAL SEGMENTS FOR THE PERIOD FROM 01.01. TO 31.12.2008

Item	Segments					Other water	Consolidational exclusions fuels	Consolidated value Industrial and gousing construction
	natural gas and petroleum	water	fuels	Industrial and gousing construction	natural gas and petroleum			
<i>Financial results of operational segments for the period from 01.01 to 31.12.2008</i>								
General revenue	267 721	1 376 801	180 089	199 227	172 107	201 057	(305 577)	2 091 425
Outside sale	267 721	1 376 801	180 089	199 227	172 107	201 057	(305 577)	2 091 425
Intersegmental sales	-	-	-	-	-	-	-	-
Total costs	(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
Not assigned costs	x	x	x	x	x	x	x	(107 997)
Other operational revenue/costs	x	x	x	x	x	x	x	(8 285)
Operational 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 settled based on the equity method	x	x	x	x	x	x	x	-
Investment profit/loss	x	x	x	x	x	x	x	2 268
Profit before taxation	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

OPERATIONAL SEGMENTS FOR THE PERIOD FROM 01.01. TO 31.03.2008

Item	Segments					Other water	Consolidational exclusions fuels	Consolidated value Industrial and gousing construction
	natural gas and petroleum	water	fuels	Industrial and gousing construction	natural gas and petroleum			
<i>Financial results of operational segments for the period from 01.01 to 31.03.2008</i>								
General revenue	34 374	205 272	28 875	20 740	6 721	39 617	(18 890)	316 709
Outside sale	34 374	205 272	28 875	20 740	6 721	39 617	(18 890)	316 709
Intersegmental sales	-	-	-	-	-	-	-	-
Total costs	(29 306)	(191 035)	(20 707)	(16 809)	(5 882)	(22 385)	19 475	(266 649)
Segment result	5 068	14 237	8 168	3 931	839	17 232	585	50 060
Not assigned costs	x	x	x	x	x	x	x	(22 031)
Other operational revenue/costs	x	x	x	x	x	x	x	1 932
Operational profit	x	x	x	x	x	x	x	29 961
Financial revenues	x	x	x	x	x	x	x	7 109
Financial expenses	x	x	x	x	x	x	x	(15 109)
Share in profits of related parties settled based on the equity method	x	x	x	x	x	x	x	-
Investment profit/loss	x	x	x	x	x	x	x	21 961
Profit before taxation	x	x	x	x	x	x	x	(5 236)
Income tax	x	x	x	x	x	x	x	16 725

2.5 Significant achievements and failures of the PBG Capital Group in the first quarter of 2009 along with the most important events concerning them

In the first quarter of 2009 the PBG Capital Group gained a net income 349.138 thousand PLN from the sales of products, goods and materials, realizing a gross sales profit of 60.309 thousand PLN.

The most significant sources of income from the Group's basic operation in the first quarter of the year were the following construction contracts:

- a. A contract named „Development of the City Stadium in Bułgarska Street 5/7 in Poznań to meet the needs of EURO 2012 in the scope of constructing stands I and III as well as the awning of stands I, II and III” signed between EURO Poznań Ltd. in Poznań and Hydrobudowa Poland SA – realized income: 27.481 thousand PLN;
- b. A contract for the „delivery and construction of underground storage containers in Poland” between North-Atlantic Treaty Organization Investment Establishment and PBG SA – realized income: 26.913 thousand PLN;
- c. A contract named “Development of the plumbing of the Ołtaszyn housing estate” between the Wrocław local area district and Hydrobudowa SA – realized income: 26.475 thousand PLN;
- d. A contract named “Modernization of the Left Bank Sewage Treatment Plant in Poznań” between the City of Poznań and Hydrobudowa SA – realized income: 22.688 thousand PLN;
- e. A contract named “Designing and construction of the waste neutralization plant in Gdańsk Szadółki – construction and assembly works” between the Zakład Utylizacji Ltd. in Gdańsk and Hydrobudowa Poland SA – realized income: 20.201 thousand PLN;
- f. A contract named “Improvement of water and sewage management of the Zabrze local area district – Grzybowo and Rokitnica districts” between the Zabrze Local Area District and the Przedsiębiorstwo Wodociągów i Kanalizacji Ltd. Zabrze and Hydrobudowa SA – realized income: 15.536 thousand PLN;
- g. A contract named “Development and modernization of the sewage treatment plant in Cierne and modernization of the sewage treatment plant in Jugowice” between the Wałbrzyski Związek Wodociągów i Kanalizacji and Hydrobudowa 9 SA – realized income: 12.475 thousand PLN;
- h. A contract named „Królewiecka Water Treatment Stadion and the development of the waterworks network in Elbląg” between the Elbląskie Przedsiębiorstwo Wodociągów i Kanalizacji and Hydrobudowa SA – realized income: 11.721 thousand PLN;
- i. A contract named “Integrated water and sewage management in the Parsęta Basin” between the Miejskie Wodociągi i Kanalizacja Ltd. in Kołobrzeg and KWG SA – realized income: 9.432 thousand PLN;

- j. A contract named "Execution of the preparations for the realization of construction works, designing and erecting of a construction object in Świnoujście" between Pomerania Development and PBG SA – realized income: 9.386 thousand PLN;
- k. A contract named „Collector of the Lower Vistula Terrace – level I and II” between the Urban Local Area District of Kraków and the Miejskie Przedsiębiorstwo Wodociągów SA and Hydrobudowa SA – realized income: 9.128 thousand PLN;
- l. A contract named "Modernization of the waterworks and plumbing distribution network in Łódź" between the Łódzka Spółka Infrastrukturalna Ltd. and Infra SA – realized income: 9.102 thousand PLN;
- m. A contract named "Designing and turnkey construction of a complete Lubiatów-Międzychód-Grotów Petroleum and Natura Gas Mine system" within the investment named "LMG Project – Central Facility, bore proximity zones, pipelines and other" between PGNiG and PBG – realized income: 7.556 thousand PLN;
- n. A contract named „Construction of the surface part of PMG Wierzchowice" between PGNiG and PBG – realized income: 4.768 thousand PLN.

A list of the most important events regarding significant achievements or failures of the PBG Capital Group in the first quarter of 2009, of which the Group's Parent Company informed in the form of current statements during the reporting period.

The most important events in the first quarter of 2009 were:

MERGERS, ACQUISITIONS, ESTABLISHMENT OF NEW SUBSIDIARIES

CHANGES IN SUBSIDIARIES

Increase in the shares of the subsidiary - P.R.G. METRO Ltd.

On the 19th of January 2009 by the decision of the District Court of the Capital City Warsaw the increase of share capital of the P.R.G. METRO Ltd. subsidiary with an office in Warsaw was registered.

The capital increase concerns 78 shares of a nominal value of 1.000,00 PLN each, acquired entirely by Hydrobudowa Poland SA.

As a result the share capital of the P.R.G. Metro Ltd. Company has increased from 550.000,00 PLN to the sum of 628.000,00 PLN and is divided into 628 shares of a nominal value of 1.000,00 PLN per share.

The shares have been covered by Hydrobudowa Poland SA with a financial input of a total value of 4.963.631,40 PLN.

After registering the increased share capital Hydrobudowa Poland SA holds 543 shares in the P.R.G. METRO Ltd. Company, which constitutes an 86,46% share in votes and share capital of P.R.G. METRO Ltd.

INVESTMENT AGREEMENTS

Reaching an agreement concerning “LMG Project – Central Facility, bore proximity zones, pipelines and other”.

On the 12th of February 2009 the Board of PBG SA has signed two contracts of a total net value of 278.565.000,00 PLN, each of which is a significant agreement due to the criterion of PBG SA ownership capital. Control Process SA with an office in Tarnów is a Party in the contract, but the role of Procurer is fulfilled by PBG SA. Both concern the realization of the task connected with the LMG Project –

The object of the contract of a net value of 183.955.000 PLN (gross value of 224.425.100 PLN) is the General realization of bore proximity zones, group facilities, including designing, construction and commission of said facilities. The object of the contract of a net value of 94.610.000 (gross value of 115.424.000 PLN) is the General realization of a heat and power plant based on the designing, construction and commissioning of the heat and power plant. The deadline for the realization of the contracts has been set no later than the 10th of April 2013. In order to secure the claims of PBG SA of not carrying out or the inappropriate carrying out of both contracts. The Contractor is obliged, in favor of the Procurer, to establish proper insurance of realization of the contract as well as removal of faults and errors in the form of:

- a. Retained Amounts of 5% of the gross value of the Contractor's pay,
 - b. An in blanco bill of exchange payable on first demand, for filling out, the Procurer of which will be entitled to a maximum value, 5% of the Pay, but no more than the difference between the maximum value and the amounts already retained by the Procurer, under the agreement of point a above.
- Additionally, Control Process SA is obliged to sign a civil liability insurance agreement in the scope of damages connected to the realization of the contract in favor of PBG S.A.

AGREEMENTS REACHED WITH FINANCIAL INSTITUTIONS

Changes in the agreement and guarantee of advance payment return

On the 7th of January 2009 the Board of PBG SA has negotiated and annex to the framework agreement reached on the 6th of September 2007 between ING Bank Śląski SA and the Companies of the PBG Capital Group: PBG SA, Hydrobudowa Poland SA, Infra SA, Hydrobudowa 9 SA, AVATIA Ltd. and PRIS Ltd. By the power of that annex the credit limit has been raised from 150.000.000,00 PLN to the sum of 220.000.000,00 PLN.

In connection with the raise in credit limit, the Borrowers have claimed readiness to submit to the execution of the sum of 330.000.000,00 PLN, with the possibility for the bank to grant the bank title an execution clause to the 5th of September 2015.

Moreover, the amount of corporate guarantee issued by each of the Companies being parties in the agreement has increased from 150.000.000,00 PLN to the sum of 220.000.000,00 PLN.

The corporate guarantees are valid to the day of payment of all Bank dues resulting from the Framework Agreement and were issued on market terms.

Other conditions have not changed.

Also, the Board of PBG SA informs that based on this agreement and the PBG SA Company's motion on the 7th of January 2009 a guarantee has been issued by ING Bank Śląski SA of the advance payment return to the amount of 108.900.000,00 PLN, the Beneficiary of which is Polskie Górnictwo Naftowe i Gazownictwo SA. The guarantee has been given in connection with reaching an agreement by the PBG SA company Consortium (Consortium Leader), Tecnimont S.P.A., Société Française d'Etudes et de Réalisations d'Equipements Gaziers "SOFREGAZ" and Plynostav Pardubice Holding A.S. - Plynostav Regulace Plynu A.S. (Consortium Partners), with the Polskie Górnictwo Naftowe i Gazownictwo SA Company concerning the general realization of the investment named "Construction of the surface part of the Underground Gas Storage Facility in Wierzchowice 3,5 billion nm³ sublevel 1,2 billion nm³". The value of the contract, of which the Company informed in the 82/2008 current statement from the 19th of November 2008, equals 1.089.000.000,00 PLN. The guarantee was given up to the 7th of January 2012. The insurance of the guarantee will be a deposit of the received advance payment with the reservation that the insurance will be valid until the establishment of insurance in the form of a liabilities transfer from the abovementioned contract signed with PGNiG SA. The payment due for ING Bank Śląski SA for giving the guarantee was specified on market terms.

Annex to the agreement of contract guarantees

On the 4th of February 2009 the Board of PBG SA has added an annex to the contract guarantee within the renewable limit agreement signed on the 28th of September 2007 with TUIR Euler Hermes SA.

By the power of the annex signed between the Insurance Association and PBG SA and the Companies of the Capital Group, Hydrobudowa Poland SA, Hydrobudowa 9 SA, Infra SA, the renewable limit has increased from 80.000.000,00 PLN to the sum of 100.000.000,00 PLN and the maximum value of a single guarantee issued within this limit equals 10.000.000,00 PLN. By the power of the signed agreement, until the 29th of September 2009 Towarzystwo Ubezpieczeń Euler Hermes SA will issue contract guarantees, such as tender guarantees, guarantees of proper execution of contracts, guarantees of proper fault and error removal and guarantees of advance payment returns. The payment due for Towarzystwo Ubezpieczeń Euler Hermes SA for the guarantees given by the power of the agreement was established on market terms.

Zabezpieczeniem ewentualnych roszczeń Towarzystwa Ubezpieczeń Euler Hermes SA wynikających z wypłaty z tytułu wszystkich udzielonych gwarancji jest dwadzieścia weksli własnych in blanco deklaracją wekslową z wystawienia Ubezpieczających - po 5 weksli z wystawienia każdego z Ubezpieczających, każdy poręczony przez pozostałych Ubezpieczających.

Kryterium uznania powyższej umowy za znaczącą jest wartość kapitałów własnych Emitenta.

OTHER EVENTS

The issue for market turnover of L series shares of the Subsidiary – Hydrobudowa Poland S.A

On the 21st of January 2009 by the Decree of Giełda Papierów Wartościowych SA 36.885.245 L series common shares of the Subsidiary Hudrobudowa Poland SA, each of a nominal value of 1,00 PLN were issued on the basic market.

2.6 Factors and events of a non-typical nature influencing the consolidated financial results

INFLUENCE OF EXCHANGE RATE INSURANCE ON THE RESULTS ACHIEVED BY THE PBG CAPITAL GROUP.

In the 2009 financial year PBG SA and its subsidiaries owned insurance transactions concerning only planned future currency exposure ratios using a standard forward type financial instrument. The Companies of the PBG Group did not own any financial instruments like currency options. Insurance transactions were carried out according to the current insurance policy, concerns agreements signed with investors and suppliers (mainly nominated in EUR, CAD) and did not have a speculative character, since they were signed within the adopted insurance policy in order to ensure future cash flow from sales income (realized long-term construction contracts) and the prime cost of sales.

As a result of open positions on the currency market, the PBG Capital Group's partial cash flow (concerning sales income) due for the year 2009 summing up to of 222,62 million EUR (out of which 83,86 million EUR in the first half of 2009) and 2010, summing up to 68,63 million EUR (out of which 39,13 million EUR in the first half of 2010) is secured. These transactions were carried out at the average weighted forward rates on the level of 3,53 EUR/PLN. Based on the data received from banks, the balance valuation of the open positions on the forward type insurance instruments as at the 31st of March 2009 was minus 334,08 million PLN, including, in connection the occurrence of insurance income an amount of minus 72,09 million PLN was included in the Group's results, out of which minus 41,32 million PLN was included in the consolidated profit and loss balance sheet of the year 2009; the rest, that is, minus 261,99 million PLN was included in the capital. The result on forward contracts in 2009 was minus 35,73 million PLN, which was expressed and accounted for in the consolidated profit and loss balance sheet.

For parts of the cash flow (concerning own sales costs) the PBG Capital Group remains insured by open positions on the currency market for the year 2009 in the amount of 2,35 million CAD (out of which 2,35 million CAD in the second half of 2009) and for 2010 and following years in the amount of 30,72 million CAD (out of which 9,7 million CAD in the first half of 2010). Those transactions were carried out at the average weighted forward rates on the level of 2,16 CAD/PLN. Based on the data received from banks the balance valuation of open positions on the forward type insurance instruments as at the the 31 of March 2009 was 22,34 million PLN, out of which 8,6 million PLN were included in the Group's results in 2009. Results on the realized (accounted for) forward contracts in 2009 was 0,12 million PLN, which was expressed and accounted for in the consolidated profit and loss balance sheet.

Insurance contracts are carried out according to the insurance of business operation against currency risks strategy adopted by the PBG Group.

The basis of the strategy is the matching of hedging instruments to the planned transactions of the contract being hedged taking into account net exposure, offer rates, time horizon, quarterly distribution of income. Assuming the approach of maximum restriction of the influence of currency risks on the operational results of the Companies of the Group it was established, that forward type transactions will be applied. The PBG Capital Group conducts hedging accountancy, which requires carrying out measurements of hedging effectiveness during individual quarterly periods.

In order to avoid inclusion of the hedging effects in another period than the hedged item, as of the 1st of January 2009 a change in the manner of hedging effectiveness was introduced for forward type transactions in the PBG Capital Group, which will minimize the influence of the exchange rates fluctuation on the financial result of the Company during individual quarters.

The adoption of a new manner of effectiveness measurement has an application in newly made transactions, which lost effectiveness in the previous period, with the possibility of applying it to the hedged item. The valuation of the ineffective hedging instrument remains in the result for the previous year, while the change in the valuation of the hedging instrument is subject to effectiveness measurement using the new method.

The new manner of effectiveness measurement is based on exclusion from the hedging instrument valuation of the spotting part and the interest part. The interest part is referenced to the result of financial operations, while the spotting is referenced to the capital.

2.7 Explanations concerning the seasonality or periodicity of the issuer's operations in the presented period.

Due to the character of conducted operations, that is offering construction and installation services, the factor determining the course of works are atmospheric conditions. Low temperatures make it difficult to carry out surface and installation works and as a consequence, can influence the level of generated sales income.

The PBG Capital Group's strategy assumes acquiring contracts of a possibly high unitary value. Acquiring of such contracts contributes to the leveling of the seasonality of income, simultaneously ensuring a more even income distribution during a financial year.

2.8 Information concerning payed (or declared) dividends, in total and per one share, distinguishing common and preferred shares.

The company did not pay or declare paying dividends.

2.9 Events after the 31st of March 2009 which can significantly influence the future financial results, and are not included in this statement but with the potential to significantly

influence future consolidated financial results of the PBG Capital Group and the unitary financial results of PBG SA.

MERGERS, ACQUISITIONS, ESTABLISHMENT OF NEW SUBSIDIARIES

Zawiązanie Spółki zależnej PBG Export Sp. z o.o.

On the 2nd of April 2009 a Subsidiary Company – PBG Export Ltd. with an office in Kraków was established.

The share capital of the Company is 1.000.000,00 PLN and is divided into 20.000 shares of a nominal value of 50,00 PLN each.

PBG SA acquired 19.990 shares, 50,00 PLN per share, of a total value of 999.500,00 PLN. The acquired shares have been covered by a financial contribution – in cash. Thus PBG SA owns 99,95% of the share capital and 99,95% of the vote share in the PBG Export Ltd Company.

The PBG Export Ltd Company was established in order to acquire domestic and foreign contracts as well as to supervise their realization.

Acquisition of PBG Technologia Ltd. Company shares (previously Hydrobudowa Polska Konstrukcje)

On the 2nd of April 2009 an agreement was reached with the Hydrobudowa Poland SA for the acquisition of shares of the PBG Technologia Ltd Company (previously Hydrobudowa Poland Konstrukcje Ltd).

Under the abovementioned agreement PBG SA acquired all 16.100 shares of a nominal value of 500,00 PLN per share and a total value of 8.050.000,00 PLN, comprising 100% of votes on the General Meeting of Shareholders and the same in the share capital of the PBG Technologia Ltd Company (previously Hydrobudowa Poland Konstrukcje Ltd) for the price of 9.000.000,00 PLN.

The name change from Hydrobudowa Poland Konstrukcje Ltd to PBG Technologia Ltd was registered on the 30th of April 2009 by the District Court in Katowice, VIII Economic Division of the National Court Registry.

CHANGES IN SUBSIDIARIES

Increase in capital of the KM Investment Ltd Company

On the 9th of April the Subsidiary PBG Dom Ltd has acquired significant shares, which were a result of the increase in capital of the KM Investment Ltd Company. The capital increase to the amount of 125.000 PLN occurred on the 9th of April 2009 by the decree passed by the KM investment Ltd Special General Meeting of Shareholders and encompassed 150 shares of a nominal value of 500,00 PLN per share. The PBG Dom Ltd Company acquired all the newly issued Company shares for the price of 75.000 PLN (book value of the acquired shares in PBG Dom Ltd books is 76.664 PLN). The

shares acquired comprise 60% of the share capital of KM Investment and 60% of the general number of votes. KM Investment Ltd is currently registering a name change in Court to "Złotowska 51" Ltd. The object of KM Investment's operation is the construction of housing for sale and rent. The investment in KM Investment Ltd is aimed at collaborative realization of a development project. After the finalization of the development enterprise PBG Dom and other partners will discuss further cooperation in the field of real estate enterprise.

INVESTMENT CONTRACTS

Signing the contract for building the Baltic Arena in Gdańsk

On the 10th of April 2009 the Consortium comprised of the following companies: Hydrobudowa Poland SA, Hydrobudowa 9 SA, Alpine Bau Deutschland AG Berlin, Alpine Bau GmbH Austria i Alpine Construction Poland signed a contract for the construction of the Baltic Arena in Gdańsk.

The stadium will cost close to 522 million PLN and is to be ready by the end of the year 2010.

Signing a contract for the development and modernization of the sewage treatment plant in Syców

On the 15th of April 2009 Hydrobudowa Poland SA as the Leader of the Consortium signed a contract for the development and modernization of the sewage treatment plant in Syców.

Under the contract Hydrobudowa Poland SA along with Hydrobudowa 9 SA will carry out works consisting in replacing the existing single-step process biological sewage treatment plant with a three-step process sewage treatment plant.

The value of the contract equals 12.229.931,85 PLN.

Hydrobudowa Poland SA is obliged to finalize the project by the 28th of February 2010.

Signing significant contracts connected with the realization of investments named „Construction of the surface part of the Underground Gas Storage Facility Wierzchowice level 3,5 billion nm3 sublevel 1,2 billion nm3”

On the 16th of April 2009 the Board of PBG SA as the Leader of the Consortium signed executory contracts:

* with Plynostav Pardubice Holding a.s. for the sum of 84.178.442,00 PLN;

* with Plynostav Regulace Plynu a.s., for the sum of 83.731.000,00 PLN.

Both contracts are connected with the agreement signed by the the Consortium of the Companies PBG SA(Leader of the Consortium), the Italian Tecnimont S.P.A., French Société Française d'Etudes et de Réalisations d'Equipements Gaziers "SOFREGAZ" and the Czech Plynostav Pardubice Holding A.S. - Plynostav Regulace Plynu a.s. (Consortium Partners), and the Polskie Górnictwo Naftowe i Gazownictwo SA company for the general realization of an investment named " Construction of the surface part of the Underground Gas Storage Facility Wierzchowice level 3,5 billion nm3 sublevel 1,2 billion nm3". The object of both contracts is the designing, delivery and installation of chosen facilities

The parties have established that, despite the collective responsibility specified by the conditions of the Contract of Consortium Partners and the Leader of the Consortium towards the Ordering Party, each of the Parties is individually responsible for the professional, timely and complete realization of the scope of work they were entrusted with. Each of the Parties of the Consortium Agreement is responsible for irregularities, faults or shortages in regard to the realization of their Scope of Work and is obliged to their immediate removal and carrying out works or shipments on their own account and at their own expense, regardless of their size, in order to fully meet the requirements of the Contract. Costs related to repairing damages originating from delays will be born by the Consortium Agreement Party responsible for the delay.

The deadline for finalizing the works by Consortium Partners, who are parties in the contracts described above, is predicted to be the 18th of November 2011. The Contract has been recognized as significant due to the criterion of ownership capital.

Signing a contract for the construction of a sewage transmission network by the Subsidiaries of Hydrobudowa Poland SA

On the 27th of April 2009 the Subsidiaries of Hydrobudowa Poland SA, namely: Hydrobudowa 9 SA and P.R.G. METRO Ltd along with the consortium partner, KGW SA, signed a contract worth 52,8 million Euro for the construction of a sewage transmission network from left-bank Warsaw to the Czajka sewage treatment plant.

Under the contract the consortium will carry out the construction of a DN 2,80 m combined water collector of approximately 6 kilometers in length and the redevelopment of the existing infrastructure which interferes with the newly designed transmission network, as well as reconstruction works.

The value of the signed contract is 52,8 million Euro, which is equal to a net value of 236,2 million PLN. The contract is to be realized by the 31st of September 2010.

As the Consortium Leader, Hydrobudowa 9 SA will be responsible for 50% of the works related to the carrying out the task. The second Company – P.R.G. METRO Ltd, the consortium partner, will be responsible for 40% of the work involved in carrying out the task. The remaining 10% is the responsibility of KGW SA.

Signig a significant contract for the construction of the National Stadium in Warsaw

On the 4th of may 2009 the Consortium of Companies comprised of: Alpine Bau Deutschland AG – Consortium Leader, Alpine Bau GmbH – Consortium Partner, Alpine Construction Poland Ltd – Consortium Partner, Hydrobudowa Poland SA – Consortium Partner and PBG SA – Consortium Partner, signed a contract with Narodowe Centrum Sportu Ltd acting in favor and on behalf of the State Treasury. The object of the contract is the construction of a multipurpose National Stadium in Warsaw along with the accompanying infrastructure essential for the proper functioning of the stadium and making it possible to play the matches of the UEFA EURO 2012.

The net value of the signed contract is 1.252.755.008,64 PLN. The object of the contract will be realized within 24 months from the signature date

The parties have established the following distribution of work:

Alpinie Bau Deutschland AG, Alpinie Bau GmbH, Alpine Construction Poland Ltd. – will carry out and will be responsible for 50% of the works related to the realization of the task,

Hydrobudowa Poland SA along with PBG SA will carry out and be responsible for the remaining 50% of the works related to the realization of the task.

The contract contains agreements concerning contractual penalties according to which the Contractor will pay the Ordering Party contractual fines, the total value of which will not exceed 25% of the total net value of the payment.

CONTRACTS SIGNED WITH FINANCIAL INSTITUTIONS

Signing a significant contract with Nordea Bank Poland SA

On the 10th of April 2009 the Board of PBG SA signed a contract a party of which is Nordea Bank Poland SA. The object of the contract is the establishment of rules of cooperation in the scope of giving credit for economic activity between PBG SA along with companies from the Capital Group, namely: Hydrobudowa Poland SA and Infra SA. Under the contract until the 10th of April 2012 Companies will be able to make use of short-term credits on the current balance for the period of one year, bank guarantees for the period of 3 years, up to a total sum of the Bank's involvement not exceeding 115.000.000 PLN.

Usage of the limits will occur based on detailed agreements specifying, for example, the type of hedging, which can be:

- * liability transfer from contracts realized by the Companies of the Capital Group of a minimal value of 150% of the used limit;
- * authorization to administer the Borrower's current balance;
- * mutual guarantee of Borrowers according to civil law;
- * own in blanco deposit bills of exchange issued by the Borrowers along with bill declarations;
- * declaration of submission to execution.

OTHER

Establishing a deposit on the Hydrobudowa Poland SA shares

On the 28th of April the Board of PBG SA signed a deposit agreement of deposit on the shares of the subsidiary – Hydrobudowa Poland SA in favor of WESTLB AG.

The deposit on Hydrobudowa Poland SA Shares was established due to the credit contract signed on the 22nd of April 2009 between PBG SA ad WESTLB AG and WESTLB Bank Poland SA for the amount of 56.000.000 PLN, which is due to be payed on the 31st of January 2012.

In order to hedge the credit a deposit was established in 24.329.508 Hydrobudowa Poland SA dematerialized common shares payable to bearer and labeled with the series PLHDRWL00010, of a nominal value of 1 PLN each, comprising 11,50% of the Company's share capital. The deposit hedges the liability to the maximum hedging expressed in the sum of 72.000.000 PLN. The hedging expires on the 30th of June 2015. The deposit will be subject to registration by the proper Court. The book value of the assets which are the object of deposit in PBG SA Company's books is expressed by the sum of 29.181.856,72 PLN.

The Board of PBG SA confirms that the investment in Hydrobudowa Poland SA shares has a long-term character.

Generally PBG SA owns 129.726.808 Hydrobudowa Poland SA Shares, which gives 61,61% of the votes and the same amount of the Company's capital share.

Assets being the object of the deposit were deemed significant due to the fact that their nominal value exceeds 1.000.000 Euro.

2.10 The Board's standpoint on the possibility of realizing the formerly published prognoses of results for the given year in light of the results presented in the shortened consolidated quarterly specific statement in relation to the results from the prognosis.

The board of the Parent Company states that in light of the results presented in the shortened mid-year consolidated and mid-year shortened specific quarterly statement it upholds the opinion that the prognosis for the year 2009 will be realized according to the assumptions and the presented quarterly results will confirm the realization of these prognoses.

2.11 A listing of shareholders who, directly or indirectly through Subsidiaries, hold at least 5% of the total number of votes on the general meeting of PBG S.A. as of the hand over date of this statement.

A listing of shareholders who, directly or indirectly through Subsidiaries, hold at least 5% of the total number of votes on the General Meeting of Shareholders of PBG SA as of the hand over date of this consolidated quarterly statement along with an indication of the number of shares held by these subjects, their percentage share in the share capital, number of votes which result from them and the percentage of the general share of votes on the general meeting as well as the changes in the equity structure of significant share packages of PBG SA in the period from the hand over date of the previous quarterly report according to the information retained by the Parent Company.

Shareholder	Quantity	Total nominal value (PLN)	Share in the share capital (%)	Share in the general number of votes (%)
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Jerzy Wiśniewski	4.495.054 shares, including: 4.495.054 preferred registered shares.	4.495.054	33,47	50,14
BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA	916.334 common shares	916.334	6,82	5,11
ING Nationale - Nederlanden Polska PTE SA	912.991 common shares	912.991	6,80	5,09

Changes in the equity structure of the issuer's share packages in the first quarter of 2009:

On the 2nd of February 2009 BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA with an office in Poznań, acting on behalf of Arka BZ WBK Akcje Funduszu Inwestycyjnego Otwartego, Arka BZ WBK Rozwoju Nowej Europy Funduszu Inwestycyjnego Otwartego, Arka BZ WBK Zrównoważony Funduszu Inwestycyjnego Otwartego as well as Lukas Funduszu Inwestycyjnego Otwartego (further called the Funds) carried out the sale of PBG SA shares. As a result of this transaction the shares held by the Funds ensured less than 5% of the total vote share on the General Meeting of Shareholders of the PBG SA Company, that is, 4,99%.

Before the share sale the Funds held 900.438 shares of the PBG SA Company, which comprised 6,70% of the PBG SA share capital and gave 900.438 votes, which comprised 5,02% of the share in the total number of votes on the General Meeting of Shareholders of PBG SA.

On the day of the share sale, that is the 2nd of February 2009, the Funds held a total of 895.438 PBG SA shares, comprising 6,67% of the share capital and giving the right to 895.438 votes, which gave 4,99% of the general number of votes on the General Meeting of Shareholders of PBG SA.

On the 5th of February 2009 BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA with an office in Poznań, acting on behalf of Arka BZ WBK Akcji Funduszu Inwestycyjnego Otwartego, Arka BZ WBK Rozwoju Nowej Europy Funduszu Inwestycyjnego Otwartego, Arka BZ WBK Zrównoważony Funduszu Inwestycyjnego Otwartego and Lukas Funduszu Inwestycyjnego Otwartego (further called the Funds) purchased PBG SA shares. As a result of this transaction the shares held by the Funds ensured more than 5% of the general number of votes on the General Meeting of Shareholders of PBG SA, that is, 5,001%.

Before the share purchase the Funds held 894.458 shares of the PBG SA Company, which comprised 6,70% of the PBG SA share capital and gave 894.458 votes, which comprised 4,989% of the share in the total number of votes on the General Meeting of Shareholders of PBG SA.

On the day of the share sale, that is the 5th of February 2009, the Funds held a total of 896.653 PBG SA shares, comprising 6,676% of the share capital and giving the right to 896.653 votes, which gave 5,001% of the general number of votes on the General Meeting of Shareholders of PBG SA.

On the 9th of February 2009 BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA with an office in Poznań, acting on behalf of Arka BZ WBK Akcje Funduszu Inwestycyjnego Otwartego, Arka BZ WBK Rozwoju Nowej Europy Funduszu Inwestycyjnego Otwartego, Arka BZ WBK Zrównoważony Funduszu Inwestycyjnego Otwartego as well as Lukas Funduszu Inwestycyjnego Otwartego (further called the Funds) carried out the sale of PBG SA shares. As a result of this transaction the shares held by the Funds ensured less than 5% of the total vote share on the General Meeting of Shareholders of the PBG SA Company, that is, 4,972%.

Before the share sale the Funds held 896.653 shares of the PBG SA Company, which comprised 6,676% of the PBG SA share capital and gave 896.653 votes, which comprised 5,001% of the share in the total number of votes on the General Meeting of Shareholders of PBG SA.

On the day of the share sale, that is the 9th of February 2009, the Funds held a total of 891.469 PBG SA shares, comprising 6,638% of the share capital and giving the right to 891.469 votes, which gave 4,972% of the general number of votes on the General Meeting of Shareholders of PBG SA.

On the 10th of February 2009 BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA with an office in Poznań, acting on behalf of Arka BZ WBK Akcji Funduszu Inwestycyjnego Otwartego, Arka BZ WBK Rozwoju Nowej Europy Funduszu Inwestycyjnego Otwartego, Arka BZ WBK Zrównoważony Funduszu Inwestycyjnego Otwartego and Lukas Funduszu Inwestycyjnego Otwartego (further called the Funds) purchased PBG SA shares. As a result of this transaction the shares held by the Funds ensured more than 5% of the general number of votes on the General Meeting of Shareholders of PBG SA, that is, 5,022%.

Before the share purchase the Funds held 891.469 shares of the PBG SA Company, which comprised 6,638% of the PBG SA share capital and gave 891.469 votes, which comprised 4,972% of the share in the total number of votes on the General Meeting of Shareholders of PBG SA.

On the day of the share sale, that is the 10th of February 2009, the Funds held a total of 900.469 PBG SA shares, comprising 6,705% of the share capital and giving the right to 900.469 votes, which gave 5,022% of the general number of votes on the General Meeting of Shareholders of PBG SA.

On the 24th of February 2009 BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA with an office in Poznań, acting on behalf of Arka BZ WBK Akcje Funduszu Inwestycyjnego Otwartego, Arka BZ WBK Rozwoju Nowej Europy Funduszu Inwestycyjnego Otwartego, Arka BZ WBK Zrównoważony Funduszu Inwestycyjnego Otwartego as well as Lukas Funduszu Inwestycyjnego Otwartego (further called the Funds) carried out the sale of PBG SA shares. As a result of this transaction the shares held by the Funds ensured less than 5% of the total vote share on the General Meeting of Shareholders of the PBG SA Company, that is, 4,948%.

Before the share sale the Funds held 902.212 shares of the PBG SA Company, which comprised 6,718% of the PBG SA share capital and gave 902.212 votes, which comprised 5,032% of the share in the total number of votes on the General Meeting of Shareholders of PBG SA.

On the 24th of February 2009, the Funds held a total of 887.210 PBG SA shares, comprising 6,606% of the share capital and giving the right to 887.210 votes, which gave 4,948% of the general number of votes on the General Meeting of Shareholders of PBG SA.

On the 27th of March 2009 BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych SA with an office in Poznań, acting on behalf of Arka BZ WBK Akcji Funduszu Inwestycyjnego Otwartego, Arka BZ WBK Rozwoju Nowej Europy Funduszu Inwestycyjnego Otwartego, Arka BZ WBK Zrównoważony Funduszu Inwestycyjnego Otwartego and Lukas Funduszu Inwestycyjnego Otwartego (further called the Funds) purchased PBG SA shares. As a result of this transaction the shares held by the Funds ensured more than 5% of the general number of votes on the General Meeting of Shareholders of PBG SA.

Before the share purchase the Funds held 896.334 shares of the PBG SA Company, which comprised 6,67% of the PBG SA share capital and gave 891.469 votes, which comprised 4,999% of the share in the total number of votes on the General Meeting of Shareholders of PBG SA.

On the day of the share sale, that is the 27th of March 2009, the Funds held a total of 916.334 PBG SA shares, comprising 6,82% of the share capital and giving the right to 916.334 votes, which gave 5,11% of the general number of votes on the General Meeting of Shareholders of PBG SA.

2.12 A listing of changes in the issuer's stock ownership state or entitlement to the shares (options) by persons in charge of PBG SA.

A listing of changes in the issuer's stock ownership state or entitlement to the shares (options) by persons in charge of PBG SA in the period since the handing over of the previous quarterly statement, according to the information retained by the Parent Company on the 11th of May 2009.

Item	Amount of shares	
	02.03.2009 r.	11.05.2009 r.
<u>Management personnel:</u>		
Przemysław Szkudlarczyk	2.000	2.000
Tomasz Tomczak	750	750
Tomasz Woroch	1.778	1.778
Mariusz Łożyński	1.553	1.553
Tomasz Łatawiec	500	500
<u>Supervisory personnel:</u>		
Maciej Bednarkiewicz	-	-
Wiesław Lindner	-	-
Jacek Krzyżaniak	250	250
Dariusz Sarnowski	-	-
Adam Strzelecki	-	-
Jacek Kseń	150	150

2.13 A listing of proceedings before court, institutions specific to arbitration proceedings or public administration institutions including information regarding:

a) proceedings concerning obligations or liabilities of the issuer of a value that comprises at least 10% of the issuer's ownership capital, with the indication of: the object of the proceeding, value of the object of litigation, date of the initiation of the proceedings, the parties of the proceedings and the issuer's standpoint,

b) two or more proceedings concerning obligations or liabilities of a total value of at least 10% of the issuer's ownership capital, with the indication of the total value of proceedings within the group of obligations and liabilities, the issuer's standpoint in the case and, in regard to the largest proceedings in the group of obligations and liabilities – with indication of their object, value of the object of litigation, date of the initiation of the proceedings and the parties of the proceedings;

The proceedings initiated by and initiated against the PBG SA Capital Group do not exceed a value comprising at least 10% of the ownership capital.

2.14 Information concerning significant transactions with related entities

2.14.1 Information concerning one or more transactions made by the issuer or its subsidiary if the value of these transactions exceeds the sum of 500.000 EURO expressed in PLN.

During the first quarter of 2009 transactions with related entities the value of which exceeded the sum of 500.000 EURO expressed in PLN took place in the period since the beginning of the financial year, but these were transactions of a typical and routine character made on market terms, the character and conditions of which result from the current operations carried out by the Issuer and its subsidiaries.

2.14.2 Transactions with related entities.

Transactions with related entities are realized on normal market terms, their character and conditions result from the current operations.

PBG Capital Group

Qsr1/2009 (all data presented in PLN thousands, unless noted otherwise)

(in PLN thousands)

Related entities	Receivables as at the 31.03.2009	Liabilities as at the 31.03.2009	Financial assets	Loans received	Financial liabilities (securities)	Sales income in the first quarter of 2009	Purchases in the first quarter of 2009r.	Financial income in the first quarter of 2009	Financial costs in the first quarter of 2009
PBG SA (parent company)	29 055	102 129	84 535	-	-	2 215	50 080	1 270	-
ENTITIES SUBJECT TO CONSOLIDATION									
APRIVIA SA	8 671	495	-	-	5 534	2 024	149	-	74
AVATIA Ltd.	636	49	-	-	-	879	39	-	-
Brokam Ltd.	-	-	-	-	538	-	1	-	13
Excan Oil and Gas Engineering Ltd.	673	171	-	-	-	1 413	-	-	-
GasOil Engineering a.s.	3 182	29	-	-	-	3 217	-	-	-
GK Hydrobudowa Poland	141 823	29 991	-	10 030	-	29 254	7 520	35	1 272
GK Infra	19 151	61 475	-	-	8 827	15 975	426	8	145
GK PBG Dom	153	5	-	9 477	24 732	376	7	-	612
KWG SA	-	537	-	-	25 397	-	-	-	416
Metorex Ltd.	2 261	6 023	-	-	-	3 651	762	8	16
Total	205 605	200 904	84 535	19 507	65 028	59 004	58 984	1 321	2 548
ENTITIES RELATED PERSONALLY AND NOT SUBJECT TO CONSOLIDATION									
Total	166 787	36 310	20 651	-	-	33	3 081	458	11

2.15 Information concerning credit or loan guarantees given by the Issuer or its subsidiary or giving a guarantee – to one entity on subsidiary of that entity, if the total value of existing guarantees equals 10% of the Issuer’s ownership capital.

During the first quarter of 2009 the following events occurred:

- signing on the 7th of January 2009 of an annex to the framework agreement between the Companies of the PBG Capital Group and ING Bank Śląski SA (agreement from the 7th of January 2007 between ING Bank Śląski SA and the following companies: PBG SA, Hydrobudowa Poland SA, Hydrobudowa 9 SA, Infra SA, followed by Avatia Ltd. and Pris Ltd.). Under the signed annex the value of the credit limit will be increased from 150.000 thousand PLN to the sum of 220.000 thousand PLN. In relation to the increase of the credit limit the Bank may apply for giving an execution clause to the bank execution title to the sum of 330.000 thousand PLN due at the 5th of September 2015. Furthermore, the amount of corporate guarantee issued by each of the Companies being a party in the agreement changed to the sum of 220.000 thousand PLN.

- signing on the 4th of February 2009 of an annex to the contract guarantee agreement within the renewable limit No 029/09/2007 signed on the 28th of September 2007 between Towarzystwo Ubezpieczeń Euler Hermes SAM and the Companies of the PBG Capital Group: PBG SA, Hydrobudowa Poland SA, Hydrobudowa 9 SA and Infra SA. Under the signed annex the renewable limit value was increased from the sum of 80.000 thousand PLN to 100.000 thousand PLN. Based on the agreement, TU Euler Hermes SA issues contract guarantees until the 29th of September 2009. The guarantee of the limit granted are twenty in blanco ownership exchange bills with a bill of exchange agreement issued by the Insured Party – 5 bills issued by each of the Insured Parties, each guaranteed by the remaining Insured Parties.

2.16 Conditional liabilities and payables

Type of liability	Title of conditional liability	As off 31.03.2009	As off 31.12.2008	As off 31.03.2008
GUARANTEE GIVEN TO THE REMAINING ENTITIES				
guarantee	Payment of a loan and credit	40 700	41 144	47 046
guarantee	Payment of commercial obligations	25 575	20 396	2 923
guarantee	Contract guarantees	8 650	7 664	3 902
guarantee	Current and future leasing agreements	-	-	182
TOTAL GUARANTEES		74 925	69 204	54 053

Type of liability	Title of conditional liability	As off 31.03.2009	As off 31.12.2008	As off 31.03.2008
GUARANTEES GIVEN TO REMAINING ENTITIES				
guarantee	Proper contract execution	691 457	636 453	401 494
guarantee	Proper fault and error removal	30 060	26 740	19 447
guarantee	Bid bond	36 475	10 427	17 544
guarantee	Payment of commercial obligations	12 121	12 316	26 510
guarantee	Advance payment return	209 423	98 424	84 303
guarantee	Retained sums return	2 422	2 139	6 398
TOTAL GUARANTEES		981 958	786 499	555 696

Since the second quarter of 2007 consolidational exclusions are carried out in the PBG Capital Group's statements in the range of guarantees given to third parties for the Parent Company and its capital related subsidiaries' obligations (subject to consolidation); these obligations were expressed in the consolidated statement as bank, credit or guarantee obligations given by order of the Companies of the Capital Group in favor of third parties.

2.17 Other information which, in the opinion of the Issuer are significant in regards to the valuation of the situation of its staff, property, finances, financial result and their changes, as well as information which are significant in regard to the valuation of the Issuer's capability of realizing obligations.

2.18 Listing of factors which, in the assessment of the Issuer, will have a significant influence on the results achieved and results within at least the next quarter

During the second quarter of 2009 the Issuer will carry out further construction works under the signed contracts, out of which the most significant will be:

- a. A contract named „Designing and construction of the waste neutralization plant in Gdańsk Szadółki – construction and assembly works”, signed between Zakład Utylizacji Ltd. in Gdańsk and Hydrobudowa Poland SA – planned income: 53.949 thousand PLN;
- b. A contract named „Development of the City Stadium in Bułgarska 5/7 Street in Poznań to meet the requirements of EURO 2012 in the scope of construction of stands I and III and awnings of stands I, II and III”, between EURO Poznań Ltd. and Hydrobudowa Poland SA – planned income: 33.870 thousand PLN;
- c. A contract named „Development of the first part of Fordon water treatment plant in Bydgoszcz”, signed between Miejskie Wodociągi i Kanalizacja in Bydgoszcz Ltd. and Hydrobudowa 9 SA – planned income: 33.346 thousand PLN;

- d. A contract named „Construction of the surface part of PMG Wierzchowice”, signed between PGNiG and PBG SA – planned income: 23.584 thousand PLN;
- e. A contract named "Improvement of the water and sewage economy on the territory of the Zabrze Local Area Sistrict – districts of Grzybowo and Rokitnica”, signed between the Zabrze Local Area District and Zabrzeńskie Przedsiębiorstwo Wodociągów i Kanalizacji Ltd. in Zabrze and Hydrobudowa Poland SA – planned income: 23.110 thousand PLN;
- f. A contract named „Development and modernization of the Railroad Container Terminal in Małaszewicze”, signed between PKP CARGO SA and PBG SA – planned income: 22.802 thousand PLN;
- g. A contract named „Development and modernization of the sewage treatment plant in Ciernie and modernization of the sewage treatment plant in Jugowice”, signed between Wałbrzyski Związek Wodociągów i Kanalizacji and Hydrobudowa 9 SA – planned income: 22.429 thousand PLN;
- h. A contract for „The modernization of the Left-Bank Sewage Treatment Plant in Poznań”, signed between the City of Poznań and Hydrobudowa 9 SA – planned income: 21.854 thousand PLN;
- i. A contract named „Apartment estate in Ruczaj Street in the district of Wilanów in Warsaw”, signed between Z.W. Sowiński Partnership Limited by Shares and PBG SA – planned income: 19.684 thousand PLN;
- j. A contract named „Piaseczno – development and redevelopment of the sewage treatment plant”, signed between the Local District of Piaseczno and Hydrobudowa Poland SA – planned income: 18.359 thousand PLN;
- k. A contract named „The modernization of the waterworks and sewage distribution network in Łódź”, signed between Łódzka Spółka Infrastrukturalna Ltd. and Infra SA – planned income: 17.483 thousand PLN;
- l. A contract named „Renovation of the Plumbing System of the City of Kraków – man accessible sewers”, signed between MPWiK Kraków and PBG SA – planned income: 16.989 thousand PLN;
- m. A contract named „Renovation of the Plumbing System of the City of Kraków – unaccessible sewers”, signed between MPWiK Kraków and PBG SA – planned income: 14.121 thousand PLN;

3 SHORTENED MID-YEAR CONSOLIDATED FINANCIAL STATEMENT OF THE PBG SA COMPANY FOR THE FIRST QUARTER OF 2009

CHOSEN FINANCIAL DATA

Item	Period	Period	Period	period
	from 01.01. to 31.03.2009	from 01.01. to 31.03.2008	from 01.01. to 31.03.2009	from 01.01. to 31.03.2008
	PLN		EUR	
Revenues from sales	102 383	71 029	22 260	19 967
Operating profit (loss)	11 270	7 855	2 450	2 208
Profit (loss) before taxation	14 577	7 778	3 169	2 186
Net profit (loss) from continued operation	10 812	6 207	2 351	1 745
Net profit (loss)	10 812	6 207	2 351	1 745
Total net profit (loss)	3 478	7 224	756	2 031
Net monetary resources from operations	108 640	4 648	23 620	1 307
Net monetary resources used for investments	(84 368)	(55 121)	(18 343)	(15 495)
Monetary sources from financial activity	(33 567)	(81 936)	(7 298)	(23 033)
Net balance of monetary resources and their equivalents	(9 295)	(132 409)	(2 021)	(37 221)
Weighted average number of common shares	13 430 000	13 430 000	13 430 000	13 430 000
Weighted average diluted number of ordinary shares	13 430 000	13 430 000	13 430 000	13 430 000
Profit (loss) per ordinary share (in PLN / EUR)	0,81	0,46	0,18	0,13
Diluted profit (loss) per common share (in PLN / EUR)	0,81	0,46	0,18	0,13
Average PLN / EUR rate			4,5994	3,5574
Item	As off	As off	As off	As off
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	PLN		EUR	
Assets	1 431 661	1 168 146	304 524	331 314
Long-term liabilities	306 932	251 162	65 287	70 643
Short-term liabilities	360 049	189 535	76 585	54 349
Ownership capital	764 680	727 449	162 653	206 322
Share capital	13 430	13 430	2 857	3 809
Number of shares	13 430 000	13 430 000	13 430 000	12 030 000
Book value per share (in PLN / EUR)	56,94	54,17	12,11	15,36
Dividend per share – declared or paid (in PLN / EUR)	-	-	-	-
PLN / EUR rate at period end			4,7013	3,5258

1. Chosen items of assets and liabilities in EUR according to the rates announced by the NBP Chairman on the 31st of March 2009:

1 EUR = 3,7013 PLN

- a) Book value per share in PLN = ownership capital in PLN thousands (for the 31.03.2009) / number of shares in thousands for the 31.03.2009:

$$764.680 / 13.430 = \mathbf{56,94 \text{ PLN}}$$

- b) Book value per share in EUR = ownership capital in EUR thousands (for the 31.03.2009) / number of shares in thousands for the 31.03.2009 :

$$162.653 / 13.430 = \mathbf{12,11 \text{ EUR}}$$

- c) The diluted number of shares for the 31.03.2009 equals 13.430 thousand

- d) Diluted book value per share in PLN = ownership capital in PLN thousands (for the 31.03.2009) / the diluted number of shares in thousands

$$764.680 / 13.430 = \mathbf{56,94 \text{ PLN}}$$

- e) Diluted book value per share in EUR = ownership capital in EUR (for the 31.03.2009) / the diluted number of shares in thousands

$$162.653 / 13.430 = \mathbf{12,11 \text{ EUR}}$$

2. Chosen items from the profit and loss balance for 3 months of 2009 in EUR according to the rates being the arithmetic average of the average rates announced by the NBP Chairman from from the last 3 months of 2009:

January	30.01.2009	4,4392
February	27.02.2009	4,6578
March	31.03.2009	4,7013
		13,7983/ 3 miesiące = 4,5994

Profit for the last 3 months: 10.812

Average weighted number of shares in thousands 13.430

- a) Profit per share in PLN = net profit for the 31.03.2009 in PLN thousands / average weighted number of shares for the last 3 months in thousands

$$10.812 / 13.430 = \mathbf{0,81}$$

- b) Profit per common share in EUR = profit per share in PLN / average EUR rates in the last 3 months:

$$\mathbf{0,81 / 4,5994 = 0,18 \text{ EUR / share}}$$

SHORTENED MID-YEAR FINANCIAL SITUATION STATEMENT OF THE PBG SA COMPANY

Item	As off 31.03.2009	As off 31.12.2008	As off 31.03.2008
<i>Assets</i>			
Fixed assets	580 391	560 298	568 927
Intangible assets	13 450	12 202	10 762
Tangible fixed assets	148 883	148 116	138 087
Investment property	710	710	710
Investments in subsidiaries	340 226	330 226	301 770
Other long-term financial assets	61 228	51 309	108 417
Long-term receivables	9 044	9 508	8 676
Deferred income tax assets	-	-	-
Long-term prepaid expenses	6 850	8 227	505
Current assets	851 270	780 066	599 219
Inventories	34 390	32 623	23 976
Receivables from contracting parties due to works set out in contracts for long-term / construction service	205 892	179 287	116 625
Receivables due from shipments and services	237 508	250 802	142 353
Current income tax receivables	2 094	-	1 225
Other short-term receivables	17 781	23 462	9 131
Other short-term financial assets	189 559	122 237	102 123
Cash and cash equivalents	156 610	165 905	196 261
Short-term prepaid expenses	7 436	5 750	7 525
Fixed assets classified as held for sale	-	-	-
Total assets	1 431 661	1 340 364	1 168 146

Item	As off 31.03.2009	As off 31.12.2008	As off 31.03.2008
<i>Liabilities</i>			
Ownership capital	764 680	761 202	727 449
Shared capital	13 430	13 430	13 430
Shares / ownership interests	-	-	-
Reserve capital from shares sold above share nominal value	551 178	551 178	551 178
Hedging transaction valuation capital	(18 986)	(11 652)	2 857
Other capital	149 777	149 777	104 948
Retained financial result	69 281	58 469	55 036
- profit (loss) from previous years	58 469	-	48 829
- current year net profit (loss)	10 812	58 469	6 207
Liabilities	666 981	579 162	440 697
Long-term liabilities	306 932	288 825	251 162
Long-term credits and loans	81 311	65 549	42 638
Other long-term financial payables	203 300	201 540	200 028
Other long-term payables	4 084	5 072	118
Deferred income tax provision	5 723	4 099	5 165
Provisions for liabilities related to employee benefits	303	303	327
Other long-term provisions	4 412	4 206	2 882
Long-term prepaid expenses	7 799	8 056	4
Short-term liabilities	360 049	290 337	189 535
Short-term credits and loans	60 589	108 516	100 333
Other short-term financial payables	26 893	17 543	3 846

Liabilities under shipping and service contract	249 671	147 630	60 814
Liabilities under construction service contract	13 145	4 452	2 274
Current income tax liabilities	-	3 548	-
Other short-term payables	7 999	6 962	21 215
Provisions for liabilities related to employee benefits	-	-	-
Other short-term provisions	369	303	793
Short-term prepaid expenses	1 383	1 383	260
Payables related to fixed assets held for sale	-	-	-
Total liabilities	1 431 661	1 340 364	1 168 146

SHORTENED MID-YEAR CONSOLIDATED PROFIT AND LOSS BALANCE SHEET OF THE PBG SA COMPANY

Item	First quarter 01.01.2009 - 31.03.2009	First quarter 01.01.2008 - 31.03.2008
<i>Continued operations</i>		
Revenues from sales	102 383	71 029
Revenues from sales of products	1 260	7 371
Revenues from sales of services	99 932	62 706
Revenues from sales of goods and materials	1 191	952
Selling costs	(82 294)	(56 993)
Costs of products sold	(980)	(6 954)
Costs of services sold	(80 183)	(49 153)
Costs of products, goods and materials sold	(1 131)	(886)
Gross profit (loss) on sales	20 089	14 036
Costs of sales	-	-
General administrative expenses	(9 643)	(6 797)
Other operating revenues	1 169	1 217
Other operating expenses	(345)	(601)
Operating profit (loss)	11 270	7 855
Financial revenues	6 269	6 680
Financial expenses	(2 962)	(6 757)
Other profits (losses) from investments	-	-
Profit (loss) before taxation	14 577	7 778
Income tax	(3 765)	(1 571)
Net profit (loss) from continued operations	10 812	6 207
<i>Discontinued operations</i>		
Net loss from discontinued operations		
Net profit (loss)	10 812	6 207

NET PROFIT (LOSS) PER COMMON SHARE

Wyszczególnienie	As off 31.03.2009 PLN / share	As off 31.12.2008 PLN / share	As off 31.03.2008 PLN / share
Net profit (loss) from continued operations	10 812	58 469	6 207
Net profit (loss) from continued and discontinued operations	-	-	-
Average weighted number of ordinary shares	13 430 000	13 430 000	13 430 000
Average weighted diluted number of ordinary shares	13 430 000	13 430 000	13 430 000
<i>From continued operations</i>			

- basic	0,81	4,35	0,46
- diluted	0,81	4,35	0,46
<i>Form continued and discontinued operations</i>			
- basic	0,81	4,35	0,46
- diluted	0,81	4,35	0,46

MID-YEAR TOTAL PROFIT STATEMENT

Item	First quarter 01.01.2009 - 31.03.2009	First quarter 01.01.2008 - 31.03.2008
Net profit for the period	10 812	6 207
Other total profit	(7 334)	1 017
Cash flow hedging instrument valuation	(5 980)	233
Cash flow hedging results	(2 871)	828
Income tax regarding constituents of other total income	1 517	(44)
Total income for the period	3 478	7 224

COMMENT OF THE BOARD OF PBG SA ON THE FINANCIAL RESULTS OF PBG SA FOR THE FIRST QUARTER OF 2009

I. Significant events and factors influencing the financial results of the Company (data concerning the first quarter of 2009)

In the first quarter of 2009 the increase in income was accompanied by a stabilization of the achieved profitability on practically all levels of the balance sheet compared to the results achieved in a parallel period of the previous year.

1.1. In the first quarter of 2009 the PBG Company gained over **102 million PLN of sales income** achieving a **gross sales profit on the level of 20 million PLN**, which compared to the parallel period of the previous year is a **43% increase**. Furthermore, PBG gained in the first quarter an operational **profit on the level of 11,3 million PLN** and a **net profit of 10,8 million PLN**. Compared to the parallel period of the previous year these results are **respectively a 43% increase in operational profit** and a **74% increase in net profit**.

1.2. The most significant sources of income from the basic operations of the Company in the first quarter of the year were the following construction contracts:

- o. A contract for „the shipment and construction of underground storage facilities in Poland” signed between Zakład Inwestycji Organizacji Traktatu Północnoatlantyckiego and PBG – realized income equals **26,9 million PLN**;

- p. A contract named „Carrying out of preparations for the realization of construction works, designs and construction of a building in Świnoujście” signed between Pomerania Development and PBG – realized income equals **9,4 million PLN**;
- q. A contract named „Designing and turnkey construction of a complete Lubiátów-Międzychód-Grotów Petroleum and Natura Gas Mine system” between PGNiG and PBG – the realized income equals **7,6 million PLN**;
- r. A contract named „Construction of the surface part of PMG Wierzchowice” signed between PGNiG and PBG – the realized income equals **4,8 million PLN**.

II. Comments on the income and costs

2.1. Sales income

In the first quarter of 2009 the PBG Company's **sales income was over 102 million PLN and increased by 44%**. The largest share in sales income was noted in the **natural gas and petroleum segment** and comprises over **32%**. The second largest segment was the **fuel segment**. Its share in the sales income in his period was **28%**. The **water segment** ranked third in terms of sales income share and comprises **22%**. The next largest segment was the **industrial and housing construction segment**, whose share in income was **14%**. The smallest share in sales income was held by the **other services segment**, which held merely **3,5%** of the sales income value.

2.2. Prime sales cost

The prime sales cost in the first quarter of 2009 was close to 82,3 million PLN and increased by 44% compared to the parallel value from the first quarter of the year 2008. Practically unnoticeable was the change in the share of the discussed variable costs in the sales income. Their value by the end of the first quarter of 2009 was about 80,4% of income compared to 80,2% by the end of the first quarter of 2009, which is an increase only by 0,2%.

2.3. General management costs

The general management costs by the end of the first quarter of 2009 **were over 9,6 million PLN and were 43% higher** compared to the parallel period of the previous year. The share of general management costs in the sales income decreased slightly in the discussed period compared to the result achieved in 2008, from 9,6% to 9,4%, which is a 0,2% decrease.

2.4. Other operational income

In the first quarter of 2009 **other operational income were close to 1,2 million PLN**, part of which are income from lease (close to 0,5 million PLN), gained compensations (0,08 million PLN), the reversion of certificates actualizing payables and profit from the sell off of unfinanced fixed assets. Compared to the parallel period of the previous year the value of other operational income **decreased by 4%**.

2.5. Other operational costs

Other operational costs by the end of the first quarter of 2009 **were over 0,3 million PLN** and were **43% smaller** than their values from the end of the first quarter of 2008. These costs comprise, among others, from donations, disbanded reserves created for future costs connected with given guarantees and costs not comprising income gaining costs.

2.6. Financial income

The financial income for the first quarter of 2009 **were close to 6,3 million PLN and noted a 6% decrease** compared to the parallel period of the previous year. The main position in financial income is held by bank interest, it is a sum of over 1,84 million PLN, interest from given loans – 1,25 million PLN and interest from bonds issued by companies from the Financial Group and acquired by PBG – 1,33 million PLN. Additionally, a significant position in the financial income is held by the positive exchange rate discrepancies, which equaled 1,8 million PLN.

2.7. Financial costs

By the end of the first quarter of 2009 the **financial costs were close to 3 million PLN**, which is a sum **54% lower** compared to the financial costs at the end of the first quarter of 2008. The most significant position in the financial costs are interests and commissions from bank loans – it is a sum of 2,15 million PLN. Additionally a significant value was also noted by interest from bonds issued by the PBG Company by the end of 2007 – it is a sum of 0,8 million PLN.

III. Comments on the financial results

3.1. Result items of the Profit and Loss Balance Sheet

By the end of the first quarter of 2009 the **net profit** achieved by the Company **reached a level of 10,8 million**, which compared to the result achieved by the end of the first quarter of 2008 is a **74% increase**. The financial results **for the first quarter of 2009 maintain an upward tendency on all levels of the balance sheet; gross sales profit compared to the parallel period of the previous year increased by 43%, the operational profit also noted a 43% increase.**

3.2. EBITDA

In the first quarter of 2009 the costs of acquisition of tangible fixed assets and the acquisition of intangible and legal values was a total of 6,3 million PLN compared to 6 million PLN of the parallel period of the previous year. The total depreciation costs in the first quarter of 2009 were 4,26 million PLN compared to 3,15 million PLN in the parallel period of the previous year. **The EBITDA result** (EBIT – operational profit plus depreciation) **by the end of the first quarter of 2009 was 15,5 million PLN** and was over 4,5 million PLN higher than its value noted in the first quarter of the previous year, which is a **41% increase.**

3.3. Profitability indicators

In the first quarter of 2009 the dynamic of sales income behaved in an identical manner as the dynamic of prime sales costs and both equaled 144%. This influenced the stabilization of the profitability achieved by the Company on almost all levels of the balance sheet. It must be noted that the profits gained by PBG: gross sales, operational and net, reached a very high level (respectively 19,6%, 11% and 10,6%) and are one of the largest in the construction services sector. Compared to the results achieved in the parallel period of the previous year: gross sales profitability fell insignificantly by 0,2 percentage points, operational profitability fell by a mere 0,1 percentage points, the net profitability however, increased by 1,8%. A better result on the net level was achieved by the Company on financial operations by achieving a positive difference between income and financial costs, which was approximately 3,3 million PLN.

Profitability indicators	First quarter 2009	First quarter 2008
Gross sales profitability ¹	19,6%	19,8%
Operational profitability ²	11,0%	11,1%
Net profitability	10,6%	8,7%

¹ gross profit from sales / income from sales*100

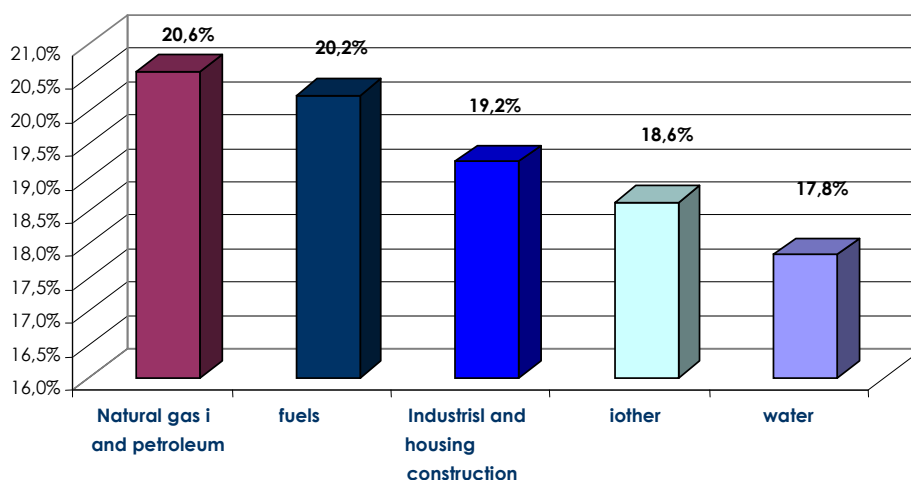
² operational profit / sales revenue*100

³ net profit/sales revenue*100

3.4. Gross sales profit divided into segments

Within the segments distinguished by the Company the highest profits are achieved from realization of contracts in the **natural gas and petroleum segment**. The average net sales profit from that segment in the first quarter of 2009 was **20,6%**. The second in terms of profitability turned out to be the **segment of fuels**, where the average gross profit was over **20%**. In the **water segment** gross profit was **17,8%** and in the segment connected mainly with **industrial and housing construction** the gross profit equaled **19,2%**. The **other segment**, in which the Company expresses remaining services and the sale of goods and materials or products, reached a gross sales profit of **18,6%**.

Gross sales profit in operational segments in the first quarter of 2009



SHORTENED MID-YEAR CASH FLOW BALANCE OF THE PBG SA COMPANY

Item	First quarter 01.01.2009 - 31.03.2009	First quarter 01.01.2008 - 31.03.2008
<i>Cash flow from operations</i>		
Net profit before taxation	14 577	7 778
Adjustments:	(5 963)	1 148
Depreciation of intangible assets	870	363
Goodwill impairment write-downs	-	-
Impairment write-downs of tangible fixed assets	-	-
Amortisation of the value of tangible fixed assets	3 391	2 788
Profit (loss) from sale of tangible fixed assets	19	(14)
Profit (loss) from sale of financial assets available for sale (held for sale)	136	(221)
Profit (loss) from valuation of real estate investments carried at fair value	-	-
Profit (loss) on revaluation of fair value of financial assets carried at fair value	(8 717)	(825)
Share in profits (losses) of associates	-	-
Foreign exchange gains (losses)	-	-
Costs of interest	2 819	5 617
Interest received	(4 481)	(6 560)
Dividends received	-	-
Cash from operations before changes in working capital	8 614	8 926
Change in inventories	(1 767)	(2 238)
Change in receivables	(6 802)	68 937
Change in payables	114 075	(65 322)
Change in inventories and deferred expenditures	(294)	1 404
Other adjustments	1 079	(1 046)
Cash generated in the course of business operations	114 905	10 661
Interest paid	-	-
Income tax paid	(6 265)	(6 013)
Net cash resources from operations	108 640	4 648
<i>Cash flow from investment operations</i>		
Outflows – acquisition of intangible assets	(2 118)	-
Inflows – sale of intangible assets	-	-
Outflows – acquisition of tangible fixed assets	(4 225)	(6 089)
Inflows – sale of tangible fixed assets	160	14
Outflows – acquisition of real estate investments	-	-
Inflows – sale of real estate investments	-	-
Outflows – acquisition of financial assets available for sale	-	-
Inflows – sale of financial assets held for trading	4 000	-
Outflows – acquisition of financial assets held for trading	(2 874)	(4 000)
Inflows – sale of financial assets held for trading	1 149	829
Outflows – acquisition of subsidiaries	(15 208)	(46 521)
Inflows – sale of subsidiaries	-	-

Other expenses – supplements to the capital	-	-
Government grants received	-	-
Loans granted	(65 730)	(600)
Repayment of loans granted	86	1 158
Interest received	392	88
Dividends received	-	-
Other inflows	-	-
Other investment expenses	-	-
Net cash used in investments operations	(84 368)	(55 121)
<i>Cash flow from financial activity</i>		
Net inflows – issue of shares	-	-
Buy-back of treasury bonds	-	(110 000)
Inflows – issue of debt securities	-	-
Repayment of interest on bonds	-	(3 441)
Redemption of debt securities	-	-
Inflows – credits and loans incurred	49 690	30 270
Repayment of credits and loans	(81 823)	(3 059)
Repayment of interest on credits and loans	(2 024)	(2 174)
Inflows from interest on deposits	846	6 472
Repayment of finance lease liabilities	(186)	(4)
Interest paid	(33)	-
Dividends paid out	-	-
Commission on credits	(37)	-
Other expenses	-	-
Net cash flows from financial activity	(33 567)	(81 936)
Net cash flow and cash equivalent balance	(9 295)	(132 409)
Opening balance of cash and cash equivalents	165 905	328 670
Change due to exchange rate discrepancies	-	-
Closing balance of cash and cash equivalents	156 610	196 261

SHORTENED MID-YEAR OWNERSHIP CAPITAL CHANGE STATEMENT OF PBG SA IN THE PERIOD FROM 01.01 TO 31.03.2009

Item	Share Capital	Surplus from the sale of shares above their nominal value	Capital from the valuation of cashflow hedging transactions	Other Capital	Undistributed financial result	Total
Balance as at 01.01.2009	13 430	551 178	(11 652)	149 776	58 470	761 202
Correction of fundamental error	-	-	-	-	-	-
Balance as at 01.01.2009 after changes	13 430	551 178	(11 652)	149 776	58 470	761 202
<i>Changes in equity between 01.01.- 31.03.2009</i>						
Profit (loss) for the period	-	-	-	-	10 812	10 812
Other total income	-	-	(7 334)	-	-	(7 334)
Total income for the period from 01.01 to 31.03.2009	-	-	(7 334)	-	10 812	3 478
Share capital issued	-	-	-	-	-	-

Bonds convertible to shares issued	-	-	-	-	-	-
Distribution of financial result	-	-	-	-	-	-
Transactions with owners for the period	-	-	-	-	-	-
Balance as at 31.03.2009	13 430	551 178	(18 986)	149 776	69 282	764 680

SHORTENED MID-YEAR OWNERSHIP CAPITAL CHANGE STATEMENT OF PBG SA IN THE PERIOD FROM 01.01 TO 31.12.2008

Item	Share Capital	Surplus from the sale of shares above their nominal value	Capital from the valuation of cashflow hedging transactions	Other Capital	Undistributed financial result	Total
Balance as at 01.01.2008	13 430	551 178	1 840	104 948	48 829	720 225
Correction of fundamental error	-	-	-	-	-	-
Balance as at 01.01.2008 after changes	13 430	551 178	1 840	104 948	48 829	720 225
<i>Changes in equity between 01.01. - 31.12.2008</i>						
Profit (loss) for the period	-	-	-	-	58 469	58 469
Other total income	-	-	(13 492)	-	-	(13 492)
Total income for the period from 01.01 to 31.12.2008	-	-	(13 492)	-	58 469	44 977
Share capital issued	-	-	-	-	-	-
Bonds convertible to shares issued	-	-	-	-	-	-
Distribution of financial result	-	-	-	44 829	(48 829)	(4 000)
Transactions with owners for the period	-	-	-	44 829	(48 829)	(4 000)
Balance as at 31.12.2008	13 430	551 178	(11 652)	149 777	58 469	761 202

SHORTENED MID-YEAR OWNERSHIP CAPITAL CHANGE STATEMENT OF PBG SA IN THE PERIOD FROM 01.01 TO 31.03.2008

Item	Share Capital	Surplus from the sale of shares above their nominal value	Capital from the valuation of cashflow hedging transactions	Other Capital	Undistributed financial result	Total
Balance as at 01.01.2008	13 430	551 178	1 840	104 948	48 829	720 225
Correction of fundamental error	-	-	-	-	-	-
Balance as at 01.01.2008 after changes	13 430	551 178	1 840	104 948	48 829	720 225
<i>Changes in equity between 01.01.- 31.03.2008</i>						
Profit (loss) for the period	-	-	-	-	6 207	6 207
Other total income	-	-	1 017	-	-	1 017

PBG SA**QSR1/2009** (wszystkie dane przedstawione są w tys. zł, o ile nie zaznaczono inaczej)

Total income for the period from 01.01 to 31.03.2008	-	-	1 017	-	6 207	7 224
Share capital issued	-	-	-	-	-	-
Bonds convertible to shares issued	-	-	-	-	-	-
Distribution of financial result	-	-	-	-	-	-
Transactions with owners for the period	-	-	-	-	-	-
Profit (loss) for the period	-	-	-	-	-	-
Balance as at 31.03.2008	13 430	551 178	2 857	104 948	55 036	727 449

Signatures of all Board Members

Jerzy Wiśniewski – Board Chairman

Tomasz Woroch – Board Vice-Chairman

Przemysław Szkudlarczyk – Board Vice-Chairman

Tomasz Tomczak – Board Vice-Chairman

Mariusz Łożyński – Board Vice-Chairman

Tomasz Latawiec – Board Member

Signature of the person responsible for the preparation of this statement

Eugenia Bachorz – Proxy Director of Book Coordination of the Capital Group

Wysogotowo, 11th of May 2009