



**REPORT SUPPLEMENTING THE AUDITOR'S OPINION
ON THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR 2008**

PBG Spółka Akcyjna Capital Group

1. ABOUT THE HOLDING COMPANY

The holding company in the Capital Group is PBG Spółka Akcyjna. The holding company was established on 1 December 2003. It was established for an indefinite period. The holding company's registered office is in Wysogotowo, at ul. Skórzewska 35

The Company's core business is as follows:

- service activities incidental to oil and gas extraction, excluding surveying,
- manufacture of fabricated metal products, except machinery and equipment,
- manufacture of other general purpose machinery,
- manufacture of other special purpose machinery,
- manufacture of industrial process control equipment,
- building installation,
- letting of own property.

The core business of subsidiaries is related to the business of the Holding Company.

On 2 January 2004 the Holding Company was registered in the register of entrepreneurs of the National Court Register kept by the District Court in Poznań, 8th Commercial Division of the National Court Register under entry no. KRS 0000184508.

The Holding Company's NIP (Tax Identification Number) is 777-21-94-746 and was assigned on 13 May 2004, and REGON (Statistical Identification Number) is 631048917 and was assigned on 5 January 2004.

The share capital of the Holding Company as at the last day of the financial year, i.e. 31 December 2008 amounted to PLN 13 430 thousand. Shareholders' equity of the Capital Group as at the same day amounted to PLN 1 113 618 thousand.

According to the note no. 15 of explanatory information to the consolidated financial statement as at 31st December 2008, the share capital ownership structure of the Holding Company is the following:

Stockholder	Number of stocks	Number of votes	Nominal value of stocks	% of votes
Jerzy Wiśniewski	4 495	8 990	4 495	50.14%
ING Otwarty Fundusz Emerytalny	900	900	900	5.02%
Other stockholders	8 035	8 040	8 035	44.84%
Total	13 430	17 930	13 430	100%

In the period from 01 January 2008 to 31 December 2008 and after the balance sheet date, by the present report issuance date, the following changes in the ownership structure occurred in the Holding Company:

- On 10 April 2008, BZ WBK AIB TFI S.A. notified about the reduction of the number of stocks as of 8 April 2008 to a level below the threshold of 5% in the total number of the Holding Company's votes at GMS. After the reduction, BZ WBK MB TFI S.A. holds 882 348 of the Holding Company's

stocks, which is 4.93 % of the total number of the Holding Company's votes at GMS;

- On 22 July 2008, ING TFI S.A. notified about the reduction of the number of stocks to a level below the threshold of 5% in the total number of the Holding Company's votes at GMS. After the reduction, ING TFI S.A. holds 881,570 of the Holding Company's stocks, which is 4.92 % of the total number of the Holding Company's votes at GMS;
- On 29 July 2008, BZ WBK AIB TFI S.A. notified about the increase of the number of stocks to a level above the threshold of 5% in the total number of the Holding Company's votes at GMS. After the reduction, BZ WBK MB TFI S.A. holds 899,265 of the Holding Company's stocks, which is 5.02 % of the total number of the Holding Company's votes at GMS;
- On 2 February 2009, BZ WBK AIB TFI S.A. notified about the sale of the Holding Company's stocks, as a result of which the share in the total number of the Holding Company's votes at General Meeting of Stockholders decreased to a level below the threshold of 5%. After the change, BZ WBK MB TFI S.A. holds 4.99% of the total number of votes at the Holding Company's GMS;
- In the period from 6 February 2009 to 2 April 2009 further purchases and sales of the Holding Company's stocks by Funds took place. According to information submitted by the financial statements publishing date on 2 April 2009, as a result of the stock purchase transaction on 27 March 2009 performed by the Funds, the Funds took hold of the Holding Company's stocks which give more than 5% in the total number of votes at the Holding Company's GMS. On 27 March 2000, the Funds held the total of 916,334 stocks of the Company, which is 6.82% of the Holding Company's share capital and gives the entitlement to 916,334 votes, which is 5.11% of the total number of votes at the Holding Company's GMS.

As at 27 April 2009, composition of the Company's Board of Directors was as follows:

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

In the period from 1 January 2008 to 27 April 2009, the following changes were made in the composition of the Board of Directors of the Holding Company:

- On 28 November 2008, at the request of the Holding Company's Board of Directors, the Supervisory Board appointed Mr. Mariusz Łożyński, who previously was a Member of the Board of Directors, as a Vice President of the Board of Directors of the Holding Company.

2. COMPOSITION OF THE CAPITAL GROUP

As at 31 December 2007 the PBG S.A. Capital Group was composed of the following subsidiaries:

Company name	Consolidation method	Name of entity which audited the financial statement	Balance sheet date of the financial statement
Aprivia SA	Full consolidation	Not applicable	31st December 2008
Betpol SA	Full consolidation	Not applicable	31st December 2008
Dromost Sp. z o.o.	Full consolidation	Grant Thornton Frąckowiak Sp. z o.o.	31st December 2008
Przedsiębiorstwo Robót Inżynieryjno-Drogowych S.A.	Full consolidation	Grant Thornton Frąckowiak Sp. z o.o.	31st December 2008
Avatia Sp. z o.o.	Full consolidation	Not applicable	31st December 2008
Brokam Sp. z o.o.	Full consolidation	Not applicable	31st December 2008
Excan Oil and Gas Engineering Ltd.	Full consolidation	Not applicable	31st December 2008
GasOil Engineering a.s.	Full consolidation	Not applicable	31st December 2008
Hydrobudowa Polska SA	Full consolidation	Grant Thornton Frąckowiak Sp. z o.o.	31st December 2008
Hydrobudowa Polska Konstrukcje Sp. z o.o.	Full consolidation	Not applicable	31st December 2008
P.R.G. Metro Sp. z o.o.	Full consolidation	Grant Thornton Frąckowiak Sp. z o.o.	31st December 2008
Hydrobudowa 9 SA	Full consolidation	Grant Thornton Frąckowiak Sp. z o.o.	31st December 2008
Gdyńska Projekt Sp. z o.o.	Full consolidation	Not applicable	31st December 2008
Górecka Projekt Sp. z o.o.	Full consolidation	Not applicable	31st December 2008
Infra SA	Full consolidation	Grant Thornton Frąckowiak Sp. z o.o.	31st December 2008
PRIS Sp. z o.o.	Full consolidation	Grant Thornton Frąckowiak Sp. z o.o.	31st December 2008
Wiertmar Sp. z o.o.	Full consolidation	Grant Thornton Frąckowiak Sp. z o.o.	31st December 2008
KWG SA (formerly KB GAZ SA)	Full consolidation	Grant Thornton Frąckowiak Sp. z o.o.	31st December 2008
Metorex Sp. z o.o.	Full consolidation	Not applicable	31st December 2008
PBG Dom Sp. z o.o.	Full consolidation	Not applicable	31st December 2008
Apartamenty Poznańskie Sp. z o.o.	Full consolidation	Not applicable	31st December 2008
Budwil Sp. z o.o.	Full consolidation	Not applicable	31st December 2008
PBG Dom Invest I Sp. z o.o. (formerly Dawil Sp. z o.o.)	Full consolidation	Not applicable	31st December 2008
Excan Oil and Gas Engineering Ltd.	Full consolidation	Not applicable	31st December 2008
GasOil Engineering a.s.	Full consolidation	Not applicable	31st December 2008
Hydrobudowa Polska SA	Full consolidation	Grant Thornton Frąckowiak Sp. z o.o.	31st December 2008
Hydrobudowa Polska Konstrukcje Sp. z o.o.	Full consolidation	Not applicable	31st December 2008
P.R.G. Metro Sp. z o.o.	Full consolidation	Grant Thornton Frąckowiak Sp. z o.o.	31st December 2008
Hydrobudowa 9 SA	Full consolidation	Grant Thornton Frąckowiak Sp. z o.o.	31st December 2008
Gdyńska Projekt Sp. z o.o.	Full consolidation	Not applicable	31st December 2008
Górecka Projekt Sp. z o.o.	Full consolidation	Not applicable	31st December 2008

Changes compared to the previous year in relation to consolidated companies and their impact on the consolidated financial statement are presented in point 1.1.1. of the audited financial statement and in note no. 2 of the Notes to the consolidated financial statement of the Capital Group for financial year ended 31 December 2008.

3. CONSOLIDATED FINANCIAL STATEMENT FOR THE PREVIOUS YEAR

The consolidated financial statement of the Capital Group for financial year ended 31 December 2007 (previous financial year) was audited by HLB Frąckowiak i Wspólnicy Sp. z o.o. (currently Grant Thornton Frąckowiak Sp. z o.o.) represented by Mr Jan Letkiewicz, certified auditor no. 9530/7106. The auditor made an unqualified opinion about the audited financial statement.

The consolidated financial statement of the Capital Group for financial year ended 31 December 2007 was approved by the Annual General Meeting of Stockholders on 18 June 2008.

The consolidated financial statement of the Capital Group for financial year ended 31 December 2007 (previous financial year) with an opinion of a certified auditor, resolutions of the Annual General Meeting of Stockholders on approval of the consolidated financial statement and report on the operation of the Capital Group was submitted in the National Court Register on 25 June 2008.

Consolidated balance sheet as at 31 December 2007, consolidated profit and loss account, consolidated statement of changes in equity and consolidated cash flow statement for financial year ended on 31 December 2007 (previous financial year) together with an opinion of a certified auditor, resolution of Stockholders' General Meeting on accepting the consolidated financial statement on 19 December 2008 were published in the Monitor Polski (*Polish Monitor*) B number 2100.

4. Information on entity authorized to audit the financial statement and on the certified auditor

Grant Thornton Frąckowiak Sp. z o.o. with registered office in Poznań, pl. Wiosny Ludów 2 is a statutory auditor entitled to audit financial statements, registered in the list of auditors held by the National Council of Certified Auditors in Poland under entry no. 238.

On behalf of Grant Thornton Frąckowiak Sp. z o.o., the audit of the consolidated financial statement of the Capital Group was managed by Jan Letkiewicz, certified auditor no. 9530/7106.

On 13 June 2007, HLB Frąckowiak i Wspólnicy Sp. z o.o. was appointed by the Supervisory Board to audit the consolidated financial statement of the Company for the period between 31 December 2007 and 31 December 2008. On 21 August 2008, the entity changed its name into Grant Thornton Frąckowiak Sp. z o.o. The Capital Group's consolidated financial statement was audited pursuant to the contract concluded with the Company's Board of Directors on 17 August 2007.

5. Scope and date of the audit

The aim of our audit was to express a written opinion to the report, as to whether the consolidated financial statement for fiscal year ended on 31 December 2008 presents a reliable and clear view, in all material aspects, of the financial condition and assets, as well as the financial result of the Capital Group, in line with the accounting principles (policy), set out in the International Accounting Standards, International Financial Reporting Standards and applicable interpretations announced in regulations of the European Commission and in scope not covered by the Standards, in line with the requirements of the Accounting Act and applicable executive regulations published on its basis.

In audit of individual items of the consolidated financial statement and consolidation records we applied tests applicable to financial audit. Based on the test results we made conclusions concerning the correctness of audited items.

The audit did not cover other issues which had no impact of the audited financial statement.

The audit of the Capital Group's consolidated financial statement for the financial year ended on 31 December 2008 was carried out from 14 April 2009 to 27 April 2009.

6. INDEPENDENCE DECLARATION

Grant Thornton Frąckowiak Sp. z o.o. and the certified auditor managing the audit meet the requirement specified in article 66, clauses 2 and 3 of the Accounting Act necessary to express an impartial and independent opinion on the audited consolidated financial statement of the Capital Group.

7. AVAILABILITY OF DATA AND STATEMENTS RECEIVED

On 27 April 2009, the Board of Directors of the Holding Company submitted a written statement on the completeness, reliability and accuracy of the audited consolidated financial statement, which also confirmed that between the balance sheet date and the end of the audit there had been no events which could significantly impact the financial condition and assets of the Capital Group and require to be disclosed in the audited consolidated financial statement. In this statement the Board of Directors of the Holding Company confirmed its responsibility for the approved consolidated financial statement and also declared that over the audit period it made available to us all financial statements of companies subject to consolidation, consolidation records, information and other required documents and provided explanations necessary to express an opinion on the audited consolidated financial statement.

8. BALANCE SHEET

ASSETS (in PLN '000)	31.12.2008	31.12.2007	31.12.2006
FIXED ASSETS	918 184	717 926	373 649
Intangible assets	14 820	13 262	4 676
Goodwill acquired by merger of business entities	332 522	267 426	71 989
Tangible fixed assets	403 749	306 786	266 487
Non-renewable natural resources	11 999	27 834	-
Investment property	21 662	30 383	710
Investments in subsidiaries	27 000	4 000	-
Investments in associates settled based on the equity method	-	-	-
Other long-term financial assets	48 571	41 834	5 558
Long-term receivables	20 593	21 614	22 936
Deferred income tax	23 701	-	-
Long-term prepaid expenses	13 567	4 787	1 293
CURRENT ASSETS	1 940 325	1 540 909	671 402
Inventories	69 360	40 145	19 446
Receivables from contracting parties due to works set out in contracts for long-term/construction service	783 930	439 585	275 832
Trade receivables	679 366	534 476	245 573
Short-term income tax receivables	978	-	-
Other short-term receivables	48 751	43 263	48 012
Other short-term financial assets	51 767	58 410	13 854
Cash and cash equivalents	289 713	410 305	51 310

Short-term prepaid expenses	16 460	14 725	7 706
Fixed assets classified as held for sale	-	-	9 669
TOTAL ASSETS:	2 858 509	2 258 835	1 045 051

LIABILITIES (in PLN'000)	31.12.2008	31.12.2007	31.12.2006
EQUITY	1 113 618	785 220	379 252
Equity of shareholders of the holding company	928 135	750 670	367 173
Minority equity	185 483	34 550	12 079
LONG-TERM LIABILITIES	410 022	331 739	212 668
Long-term credits and loans	112 850	50 033	70 330
Other long-term financial liabilities	256 996	208 544	109 902
Other long-term liabilities	17 115	20 556	12 144
Provisions from deferred income tax	-	18 595	8 971
Provisions for remuneration payable	5 229	4 184	3 541
Other long-term provisions	9 606	20 675	2 671
Governmental subsidies	-	-	-
Accruals and deferred income	8 226	9 152	5 109
CURRENT LIABILITIES	1 334 869	1 141 876	453 131
Short-term credits and loans	475 147	350 402	203 317
Other short-term financial liabilities	196 324	116 260	1 683
Accounts payable	486 595	454 434	170 423
Liabilities under construction service contracts	14 989	19 594	935
Current income tax payable	21 219	17 800	-
Other short-term liabilities	52 016	55 714	61 715
Provisions for remuneration payable	881	1 120	672
Other short-term provisions	78 926	118 805	11 805
Governmental subsidies	-	-	-
Accruals and deferred income	8 772	7 747	2 581
Accounts payable related to fixed assets held for sale	-	-	-
TOTAL LIABILITIES:	2 858 509	2 258 835	1 045 051

PROFIT AND LOSS ACCOUNT

REVENUES AND EXPENSES (in PLN'000)	2008	2007	2006
CONTINUED OPERATIONS			
Revenues from sales	2 091 425	1 406 976	674 337
Operating expenses	1 749 532	1 192 005	558 209
Profit (loss) on sales	341 893	214 971	116 128
Cost of goods sold	-	399	1 381
Overhead costs	107 997	81 143	52 799
Other operating revenues	18 770	18 685	23 144

Other operating costs	27 055	12 779	13 135
Share in profits of in associates settled based on the equity method	-	-	-
Restructuring costs	-	-	-
Operating profit (loss)	225 611	139 335	71 957
Financial revenues	50 176	14 521	18 321
Financial costs	62 140	35 661	19 041
Other profits (losses) from investments	2 268	28 181	1 318
Profit (loss) before tax	215 915	146 376	69 919
Income tax	25 992	26 697	15 007
Net profit (loss) from continued operations	189 923	119 679	54 912
DISCONTINUED OPERATIONS			
Net profit (loss) from discontinued operations	-	-	-
Net profit (loss)	189 923	119 679	54 912
Net profit (loss) incurred by:	189 923	119 679	54 912
- stockholders of the holding company	158 241	104 308	52 181
- minority stockholders	31 682	15 371	2 731

11. BASIC DATA AND FINANCIAL RATIOS

The table below presents selected data and financial ratios for years 2006, 2007 and 2008, which describe the financial condition of the Capital Group in these periods. All ratios have been calculated based on data included in consolidated financial statements of the Capital Group for years ended 31 December 2008 and 31 December 2007.

Ratio	Calculation formula	Ratio value		
		2008	2007	2006
revenues from sales (in PLN'000)		2 091 425	1 406 976	674 337
net financial result (in PLN'000)		189 923	119 679	54 912
shareholders' equities (in PLN'000)		1 113 618	785 220	379 252
total assets (in PLN'000)		2 858 509	2 258 835	1 045 051
return on assets (ROA) (%)	Net financial result / total assets at period end	4.4	3.8	4.9
return on equity (ROE)(%)	Net financial result / shareholders' equity at period beginning	8.1	15.0	20.0
Return on sales (%)	sales result / revenues from sales of goods and products	18.5	14.1	10.7
Liquidity ratio I (current ratio)	total current assets* / short-term payables*	1.5	1.3	1.5
Liquidity ratio III (cash ratio)	cash resources / short term payables*	0.2	0.4	0.1

receivables turnover ratio (days in receivables)	Receivables from deliveries and services* x 365 days/ revenues from sales of goods and products	119	139	133
payables turnover ratio (days in payables)	Receivables from deliveries and services* X 365 days / (value of sold goods and products + manufacturing costs of products sold)	102	139	133
inventory turnover ratio (days in inventory)	inventory – 365 days/ (value of goods and materials sold + manufacturing costs of products sold)	14	12	13
sustainability of financing	(shareholders' equity + long term provisions + long term liabilities + long term accrued liabilities) / total liabilities	53.3	49.4	56.6
debt to assets ratio (%)	(total liabilities -shareholders' equity) / total liabilities	61.0	65.2	63.7
Inflation ratio:				
Average annual (%)		4.2	2.5	1.0
December to December (%)		3.3	4.0	1.4

* excluding trade payables/ liabilities of over 12 months

11. GOING CONCERN

In Point 2.5 of the examined consolidated financial statement of the Capital Group for year ended 31 December 2008, the Board of Directors of the Holding Company informed that the said financial statement of the Holding Company and financial statements of subsidiaries were drawn assuming going concern of the companies for period of at least 12 months following 31 December 2008 and that there were no circumstances that would indicate any threat to going concern of the Holding Company and the subsidiaries.

In the course of our audit we found no material indications that the Holding Company may not be able to remain a going concern in the next 12 months following the balance sheet date, i.e. 31 December 2008, due to any intentional or forced discontinuation of operations or significant limitation of its business.

12. FINANCIAL YEAR

Financial statements of all members of the Capital Group which provide a basis for the consolidated financial statement were prepared as at 31 December 2008 and include financial data for reporting period between 1 January 2008 and 31 December 2008.

13. ACCOUNTING PRINCIPLES (POLICY) AND FINANCIAL DATA PRESENTATION METHODS

In Point no. 3 of the consolidated financial statement for year ended 31 December 2008, the Board of Directors of the Holding Company presented the accounting principles (policy) and methods of presenting the financial data of the Capital Group. Over the period for which the consolidated financial statement was drawn no changes were made to the accounting principles (policy) and methods of presenting financial data of the Capital Group, which were described in point no. 5 of the audited

financial statement.

14. COMPANY'S GOODWILL FROM CONSOLIDATION, SURPLUS OF SHARES OF THE HOLDING COMPANY IN THE NET FAIR VALUE OF ASSETS, LIABILITIES AND PROVISIONAL LIABILITIES OF THE ACQUIRED COMPANIES OVER COST

The principles of determining consolidation goodwill, write-down rules from impairment and the information allowing for the assessment of the changes in the company's balance value for the period between 1 January 2008 and 31 December 2008 were presented in item 3.2.3 of the consolidated financial statement and explanatory note no. 2 to the consolidated financial statement.

The method of determining the surplus of shares of the Holding Company in the net fair value of the possible to identify assets, liabilities and provisional liabilities of the acquired companies over their take-over cost and the amount of the surplus accounted for in the period between 1 January 2008 and 31 December 2008 were disclosed in explanatory note no. 2 to the consolidated financial statement.

15. EQUITY

Equity presented in consolidated balance sheet as at 31 December 2008 is in line with the consolidation documentation. Financial data referring to the equity is presented in explanatory note no. 14 to the audited consolidated financial statement.

16. SHARE OF MINORITY CAPITAL

As at 31 December 2008 minority capital amounted to PLN 185 483 thousand. The capital is in line with the consolidation documentation.

17. CONSOLIDATION EXCLUSIONS

Exclusions regarding companies subject to consolidation:

- inter-company settlements (payables and receivables);
- internal turnover (revenues and costs),
- results unrealised by consolidated companies, included at value of assets,
- dividends

are in line with the consolidation documentation.

18. SALE OF SHARES IN A SUBSIDIARY

Results of sales of all shares in Bathinex Sp. z o.o were disclosed in consolidated financial statement of the Capital Group in line with the applicable source documents and consolidation documentation.

19. COMPLETENESS AND CORRECTNESS OF CONSOLIDATION DOCUMENTATION

In the course of our audit, we concluded that the consolidation documentation is, in all material aspects, complete and correct, and meets material terms applicable to consolidation documentation. This applies in particular to exclusions under consolidation adjustments.

20. STRUCTURE OF ASSETS AND LIABILITIES IN THE CONSOLIDATED BALANCE SHEET

The structure of assets and liabilities of the Capital Group is presented in the consolidated financial statement for year ended 31 December 2008. Data disclosed in the consolidated financial statement are in line with the consolidation documentation.

21. ITEMS HAVING IMPACT ON THE FINANCIAL RESULT OF THE CAPITAL GROUP

The items that have an impact on the financial result of the Capital Group are described in the audited consolidated financial statement for year ended 31 December 2008. Data disclosed in the consolidated financial statement are in line with the consolidation documentation.

22. ADDITIONAL INFORMATION ABOUT THE ADOPTED ACCOUNTING RULES AND OTHER EXPLANATORY INFORMATION

Notes to the financial statement for fiscal year ended 31 December 2008 have been drawn, in all material aspects, correctly, i.e. in line with the accounting standards (policy) resulting from the International Accounting Standards, International Financial Reporting Standards and related interpretations announced as regulations by the European Commission; and to the extent not covered by the Standards, in line with the provisions of the Accounting Act and its implementing provisions, as well as in compliance with the requirements set out in the Regulation by the Minister of Finance of 19 February 2009 on current and interim information provided by the issuers of securities and conditions of acknowledging information required by the laws of a non-member country as equivalent.

23. REPORT ON THE CAPITAL GROUP'S BUSINESS

We have analyzed the report of the Board of Directors of the Holding Company on the Capital Group's business for the financial year ended 31 December 2008. Information included in the report and taken from the audited consolidated statement for financial year ended 31 December 2008 is in compliance with that report. In its material aspects, the Board of Directors' report on the Capital Group's business meets the requirements of article 49 clause 2 of the Accounting Act and provisions of Regulation by the Minister of Finance of 19 February 2009 on current and interim information submitted by issuers of securities and conditions of acknowledging information required by the laws of a non-member country as equivalent.

This report consists of 12 pages.

Jan Letkiewicz
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Certified Auditor No. 9530/7106

Przemysław Kędzia
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Member of the Board of Directors
Grant Thornton Frąckowiak Sp. z o.o.

Poznań, pl. Wiosny Ludów 2

statutory auditor entitled to audit financial statements, registered in the list of auditors held by the National Council of Certified Auditors in Poland under entry no. 238

Certified Auditor No. 9527/7103