

# HYDROBUDOWA POLSKA PRESENTATION OF THE CAPITAL GROUP

Updated: November 2011

	NAME	FUNCTION	AREA OF RESPONSIBILITY
Management Board	Jerzy Ciechanowski	President	Strategy and development
	Jarosław Duśiło	Vice-President, CFO	Economics, Finances
	Radosław Czarny-Kropiwnicki	Vice-President	Execution
	Rafał Damasiewicz	Board Member	Economics, Finances
	Andrzej Zwierzchowski	Board Member	Execution
Proxies	Andrzej Szultka	Proxy, Contracts Preparation Manager	Tendering
	Joanna Zwolak	Proxy, Chief Accountant	Accounting
	Agnieszka Grzmil	Proxy, Financial Director	Economics, Finances

The Hydrobudowa Polska Capital Group specializes in comprehensive executions in the areas of:

WATER	INDUSTRIAL AND RESIDENTIAL CONSTRUCTION	ROADS
<ul style="list-style-type: none"> <li>▪ technological installations for water and sewage systems, including:               <ul style="list-style-type: none"> <li>– water pipelines,</li> <li>– sewage systems,</li> <li>– water mains,</li> <li>– trunk sewers,</li> <li>– water intakes,</li> <li>– wastewater treatment plants,</li> </ul> </li> <li>▪ hydrotechnical engineering structures, including:               <ul style="list-style-type: none"> <li>– water dams,</li> <li>– storage reservoirs,</li> <li>– dykes,</li> </ul> </li> <li>▪ renovation of water and sewage systems,</li> <li>▪ microtunneling</li> </ul>	<ul style="list-style-type: none"> <li>▪ sports and recreation facilities,</li> <li>▪ office buildings, social and technical facilities,</li> <li>▪ industrial structures, including waste incineration plants</li> <li>▪ residential buildings,</li> <li>▪ retail facilities,</li> <li>▪ hotel and conference buildings,</li> <li>▪ tunnels, including:               <ul style="list-style-type: none"> <li>- underground tunnels,</li> <li>- railway tunnels,</li> </ul> </li> <li>▪ piercing and drilling, microtunneling</li> </ul>	<ul style="list-style-type: none"> <li>▪ motorways and expressways,</li> <li>▪ bridges and viaducts,</li> <li>▪ road tunnels,</li> <li>▪ parking lots</li> </ul> <p style="text-align: center;"><b>NATURAL GAS, CRUDE OILS AND FUELS</b></p> <ul style="list-style-type: none"> <li>▪ crude oil and fuel tanks,</li> <li>▪ surface installations for production of crude oil and natural gas,</li> <li>▪ surface installations of underground gas storage facilities</li> </ul>

WATER	INDUSTRIAL AND RESIDENTIAL CONSTRUCTION	ROADS	POWER ENERGY
<ul style="list-style-type: none"> <li>▪ EU budget for 2007-2013 : <b>EUR 63 billion</b> for Poland; the Infrastructure and Environment Protection Program 2007-2013 : <b>EUR 37,6 billion</b>, including <b>EUR 4,8 billion</b> for environment protection               <ul style="list-style-type: none"> <li>➢ water and sewage management projects: <b>EUR 3,3 billion</b></li> <li>➢ waste management and surface protection: <b>EUR 1,4 billion Euro</b></li> </ul> </li> <li>▪ „Program for Odra 2006” – estimated total financial investments for the years 2002-2016: <b>PLN 9 billion</b>, including               <ul style="list-style-type: none"> <li>➢ sewage treatment plants: <b>PLN 3,6 billion</b></li> <li>➢ flood control facilities: <b>PLN 3,1 billion</b></li> <li>➢ flood-banks reconstruction and modernization: <b>PLN 0,4 billion</b></li> </ul> </li> <li>▪ increasing flood security – raising the capacity of Polish reservoirs by approximately 2 billion m<sup>3</sup>, to about 3,3 billion m<sup>3</sup>, reconstructing 1 000 km of embankments, river bank improvement on 4 000 km</li> <li>▪ modernization of the Włocławek dam or construction of the Nieszawa water-power plant: <b>PLN 1,5-3,5 billion</b></li> <li>▪ Construction of the Racibórz flood control reservoir: <b>PLN 1 billion</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ waste disposal facilities, including waste incineration plants, for example in Poznań, Kraków, Białystok, Olsztyn, Płock and Szczecin : <b>PLN 6 billion</b></li> <li>▪ underground car parks</li> </ul>	<ul style="list-style-type: none"> <li>▪ National Road Construction Program for years 2011-2015:               <ul style="list-style-type: none"> <li>➢ total value of expenditure in years 2010-2015 for projects started and those to be launched by 2013: <b>PLN 82,8 billion</b></li> <li>➢ planned expenditures in years 2011-2013: <b>PLN 72,4 billion</b> (compared to PLN 51,3 billion in 2008-2010)</li> <li>➢ estimated value of investments, whose implementation could start by 2013 (including motorways, expressways, bypasses and reinforcement of national roads): <b>PLN 42,2 billion</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ the value of energy companies' investments into new production capacities and distribution networks in the period of 15 years may reach <b>PLN 200 billion</b></li> <li>▪ taking into account EU assumptions regarding renewable energy and plans of introducing atomic energy in Poland, the value of these investments may <b>double</b></li> <li>▪ the construction of new 16 thousand MW power units is planned for the years of 2010-2020, including               <ul style="list-style-type: none"> <li>➢ construction of a power unit in the PGE power plant in Opole: <b>PLN 10 billion</b></li> <li>➢ construction of a 900-1000 MW power unit in the Koziencice power plant: <b>PLN 5-6 billion</b></li> <li>➢ construction of a 890-910 MW power unit in the Jaworzno power plant: <b>PLN 5 billion</b></li> </ul> </li> </ul>
	<b>FUELS</b>		
	<ul style="list-style-type: none"> <li>▪ NATO investments in Poland: <b>PLN 2 billion</b>, including fuel storage bases: <b>PLN 0,7 billion</b></li> <li>▪ Development of the PKN Orlen, OLPP and PERN storage bases</li> </ul>		



### The Kuźnica Warężyńska flood control reservoir

– area: 560 ha,  
reservoir capacity: 46,3 million m<sup>3</sup>

Net value: **PLN 28,4m**  
Execution time: **2003-2005**



### Engineering of the Rawa river in Katowice

– length: 19,6 km  
catchment area: 89,9 km<sup>2</sup>

Net value: **PLN 174,8m**  
Execution time: **1976-2006**



### The Leftbank Wastewater Treatment Plant in Poznań

– output: 50,000 m<sup>3</sup>  
of treated wastewater a day

Net value: **EUR 55,3m**  
Execution time: **2006-2009**



### First metro line in Warsaw

– 10 sections in boring technology,  
2 sections in opencast\*

Net value\*: **PLN 546,7m**  
Execution time: **2006-2008**

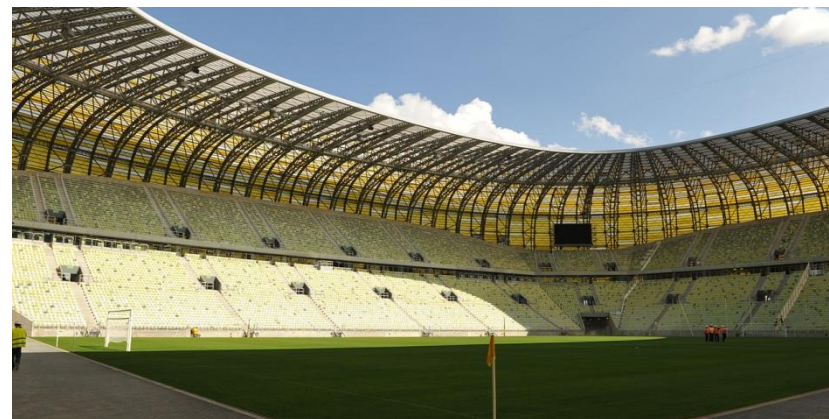


Fot: Euro Poznan 2012

### Football stadium in Poznań

– EURO 2012 venue, 43,000 seats,  
roof membrane surface: 40,000 m<sup>2</sup>

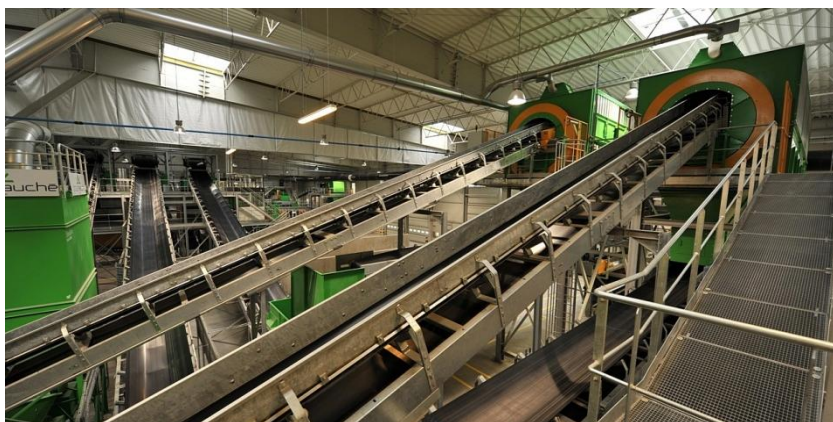
Net value: **PLN 398,4m**  
Execution time: **2009-2010**



### PGE Arena Gdańsk

– EURO 2012 venue, 42,000 seats,  
stadium dimensions: 236 x 203 x 45 m

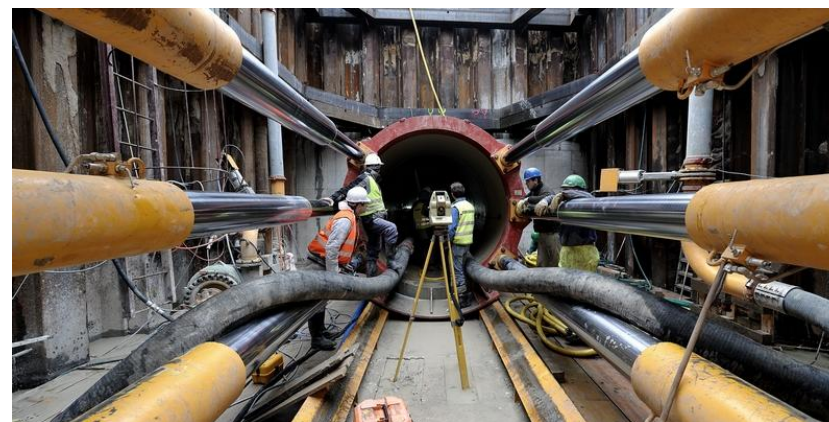
Net value: **PLN 427,7m**  
Execution time: **2009-2011**



### Waste disposal plant in Gdańsk Szadółki

– waste sorting output: 140,000 tons a year,  
biogas power plant: 900 kW

Net value: **PLN 298,5m**  
Execution time: **2008-2011**



### Collectors for the Czapka wastewater treatment plant in Warsaw –

**stage I** – biggest microtunneling project  
in Poland – external diameter: 3 m,

Net value: **EUR 52,8m**  
Execution time: **2009-2011**



Fot.: Narodowe Centrum Sportu

### National Stadium in Poland

– main Polish EURO 2012 venue,  
58,000 seats, 200,000 m<sup>2</sup> of usable space

Net value: **PLN 1 252,8m**  
Execution time: **2009-2011**



**Collectors for the Czajka wastewater treatment plant in Warsaw – stage II** – first tunnel under Vistula river,  
implementation of TBM technology

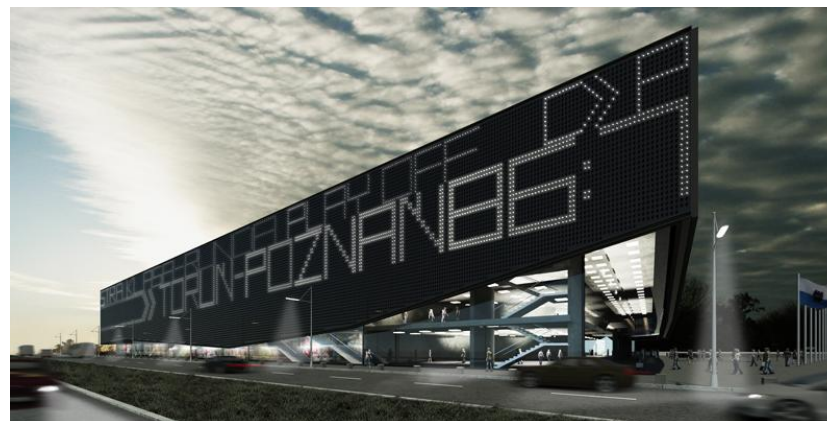
Net value: **PLN 144,8m**  
Execution time: **2010-2011**



### A4 motorway between Tarnów and Dębica

– 35 km, 2 junctions, 32 bridges  
and viaducts, including 1,3 km overpass

Net value: **PLN 1 434,8m**  
Execution time: **2010-2012**



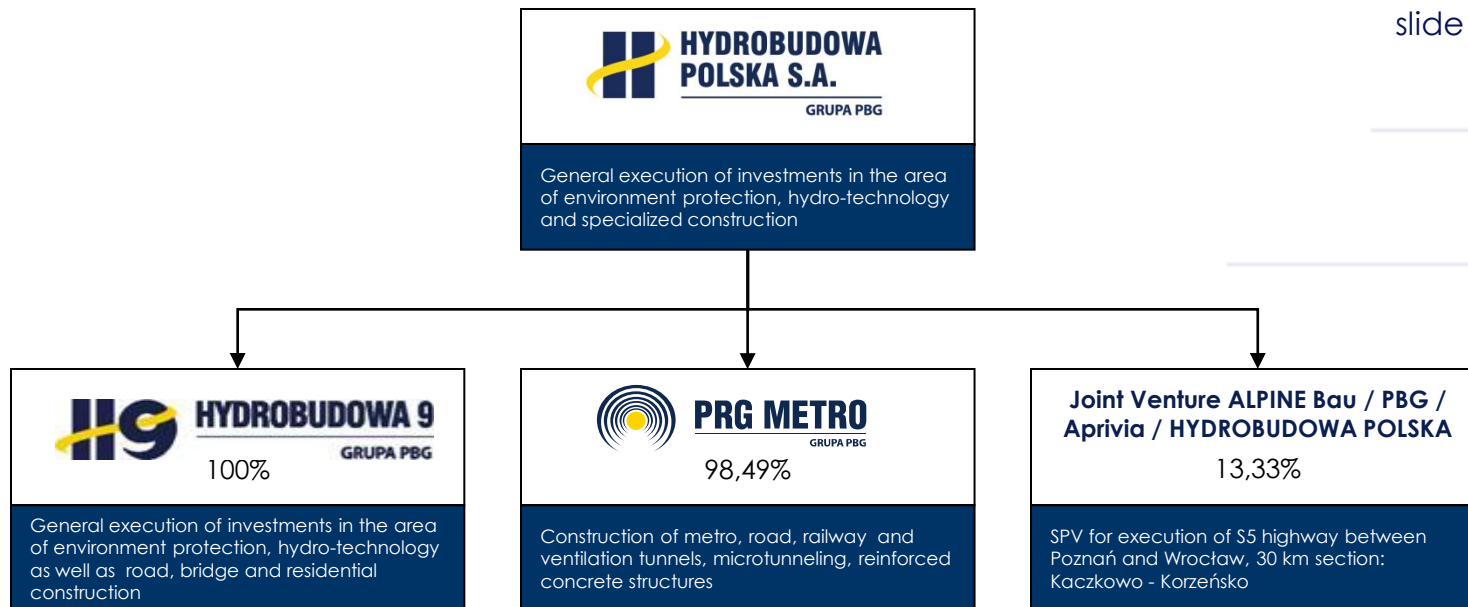
### Sports and entertainment hall in Toruń

– over 6,000 permanent seats,  
200-meters long 6-lane track

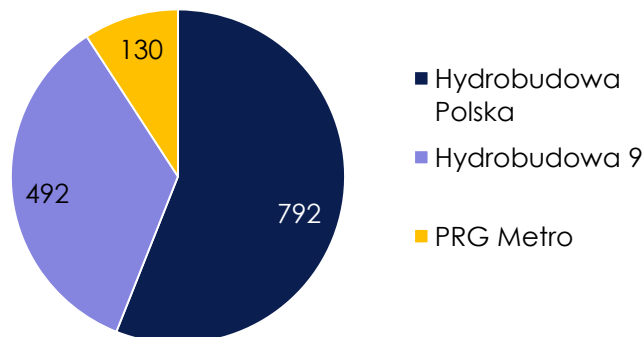
Net value: **PLN 99m**  
Execution time: **2011-2012**

SEGMENT	DOMESTIC COMPETITION	FOREIGN COMPETITION
<b>WATER</b>	Pol-Aqua, Eiffage Budownictwo Mitex, Hydrobudowa Gdańsk, Budimex, Warbud, Polimex-Mostostal, Mostostal Zabrze	Skanska, Strabag, Bilfinger Berger
<b>INDUSTRIAL AND RESIDENTIAL DEVELOPMENT</b>	Mostostal Warszawa, Budimex, Warbud, Unibep, Polimex-Mostostal, Erbud, Mostostal Zabrze	Skanska, Strabag, Dragados, Ferrovial
<b>ROADS</b>	Budimex, Warbud, Mostostal Warszawa, Polimex - Mostostal, Unibep, Erbud	Strabag, Skanska, Dragados, Mota-Engil, Acciona Infraestructuras, J&P Avax, FCC Construcción, China Overseas Engineering Group

2008		2009		2010	
Key clients	Share in revenue	Key clients	Share in revenue	Key clients	Share in revenue
1. Wrocław Municipality	8,8%	1. Euro Poznań 2012	14,7%	1. National Sports Centre	26,1%
2. Piaseczno Municipality	7,9%	2. National Sports Centre	13,1%	2. Euro Poznań 2012	29,6%
3. PBG	6,7%	3. Zakład Utylizacji Gdańsk	7,5%	3. MPWiK Warszawa	16,7%
4. ZPWik Zabrze	6,4%	4. Wrocław Municipality	5,7%	4. Zakład Utylizacji Gdańsk	8,9%
5. MPWiK Wrocław	4,6%	5. PBG	5,7%	5. MPWiK Bydgoszcz	6,7%

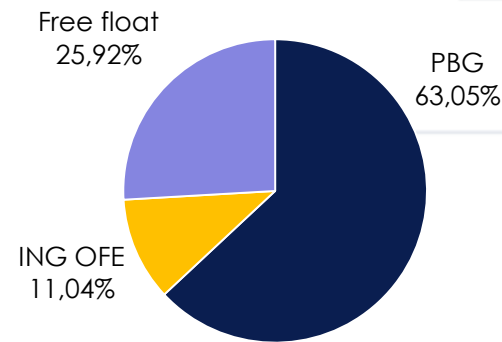


## Employment in HBP Group: 1441 employees (2011.09.30)



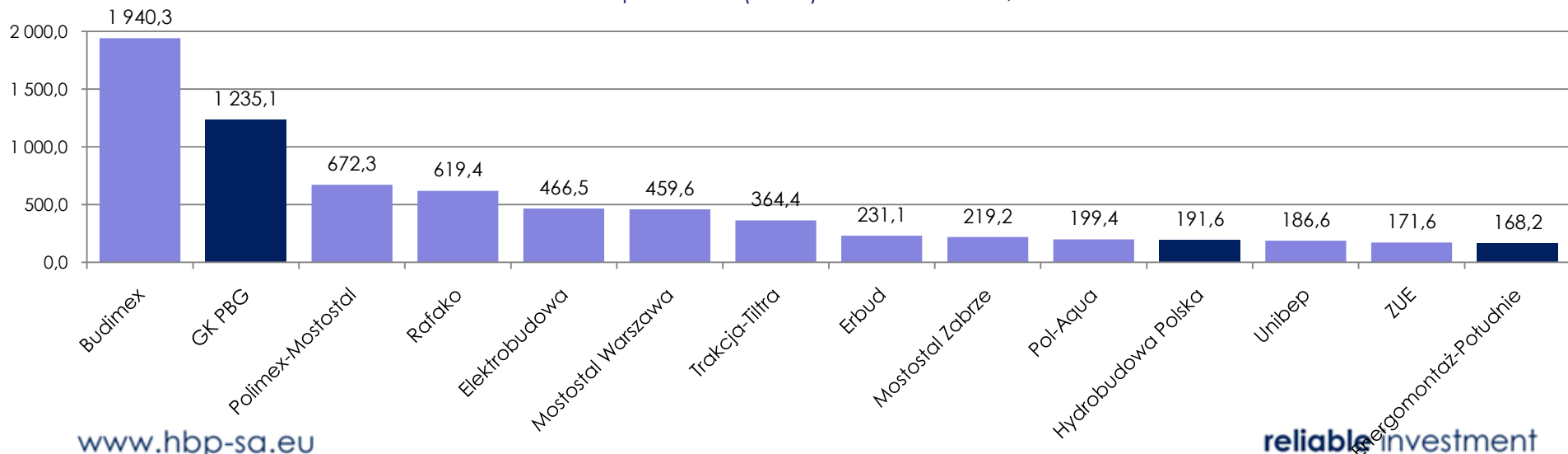
- IPO (September 2007): 1 303 464 shares (J series) of a nominal value of PLN 50 (after the split: 65 173 200 shares of a nominal value of PLN 1) – joint issue – merger with Hydrobudowa Śląsk
- SPO (April 2008): 35 000 000 shares (K series); issue price: PLN 8,80; gross offer value: PLN 308 million
- Private offering (September 2008): 36 885 245 shares (L series) in exchange for 100 percent of Hydrobudowa 9 shares
- Total number of shares: 210 558 445
- Current market price (Nov 15, 2011): PLN 0,91

## Shareholder structure

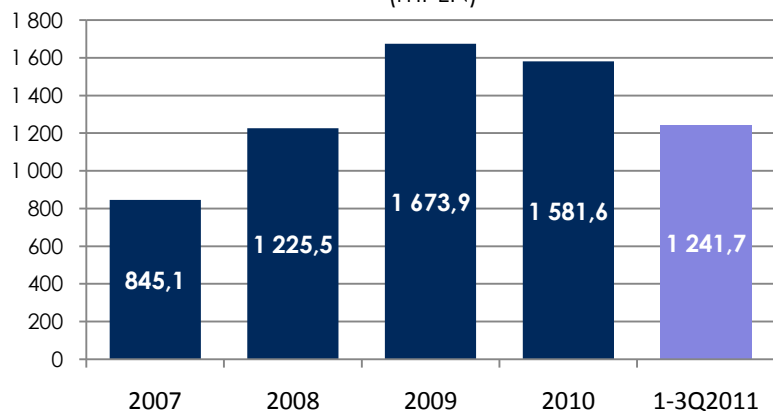


## Largest construction companies listed on WSE

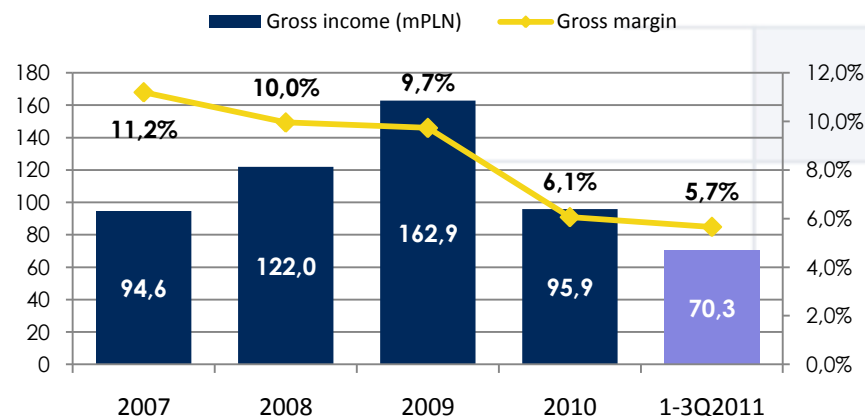
Market capitalization (PLNm) – November 15th, 2011



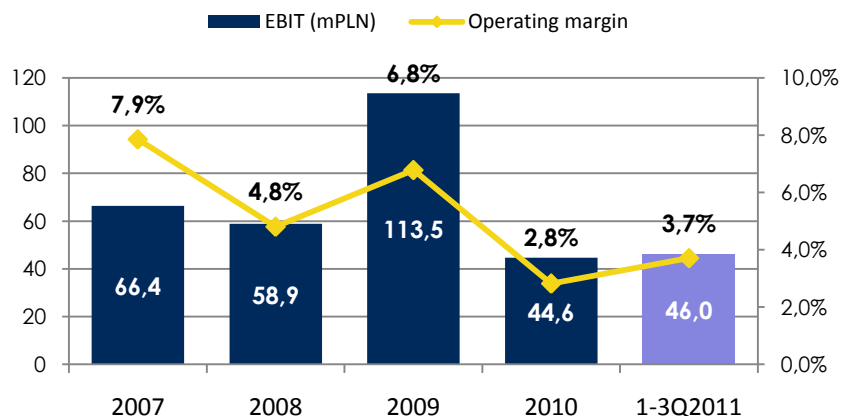
**Revenue**  
(mPLN)



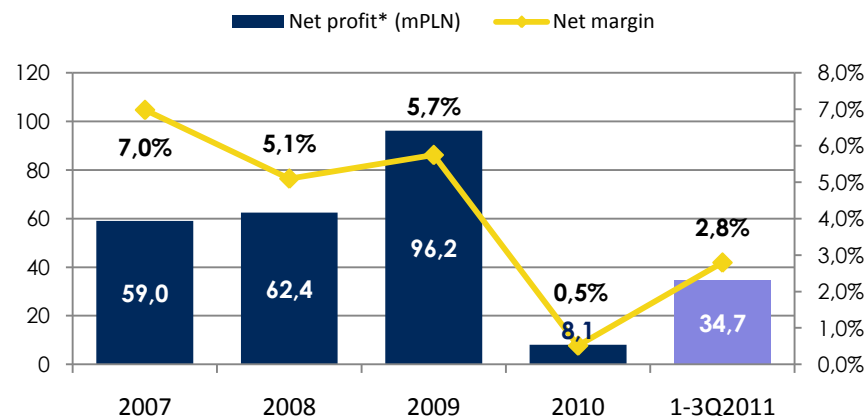
**Gross income**



**EBIT**



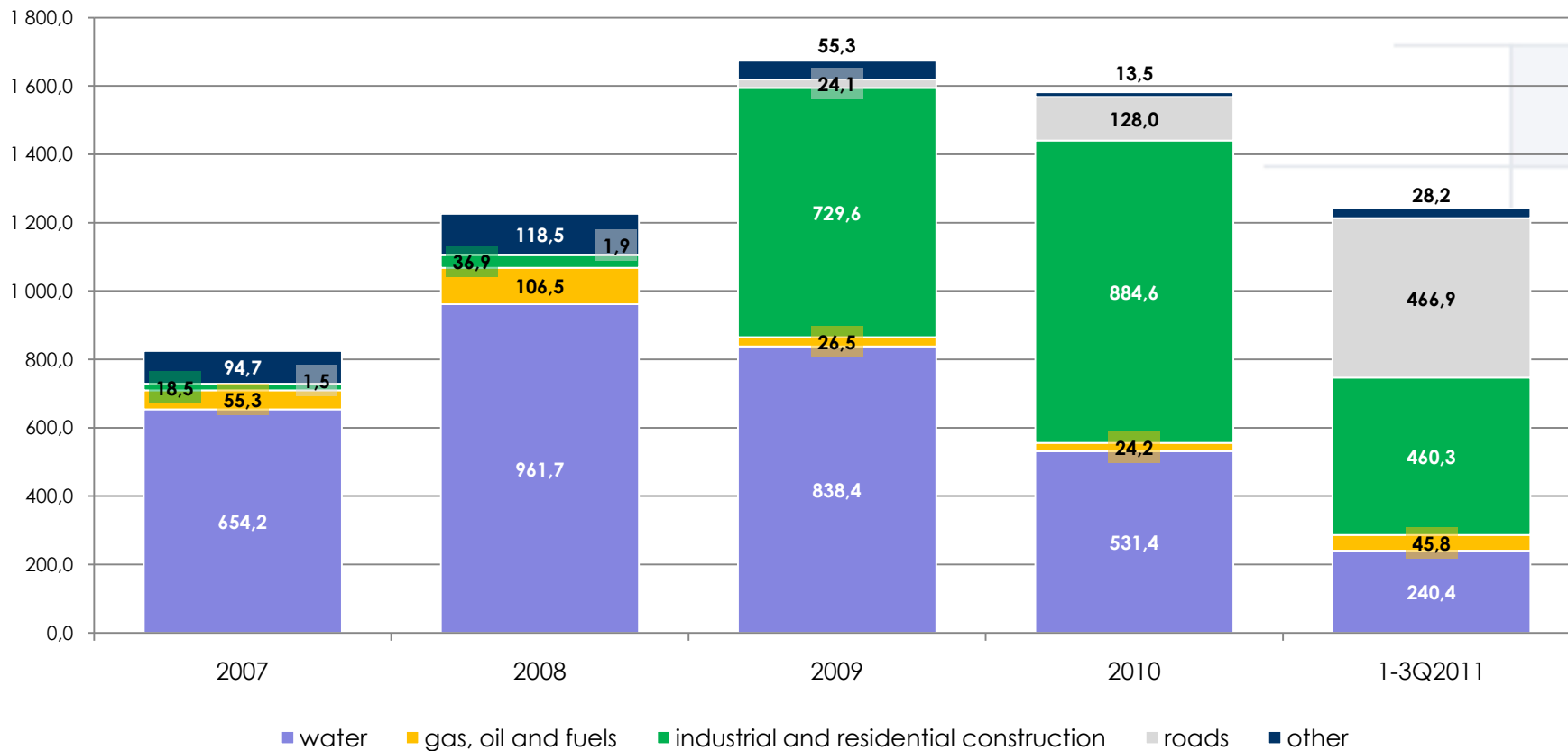
**Net profit\***



\* attributable to parent company shareholders

# Revenue structure (PLN million)

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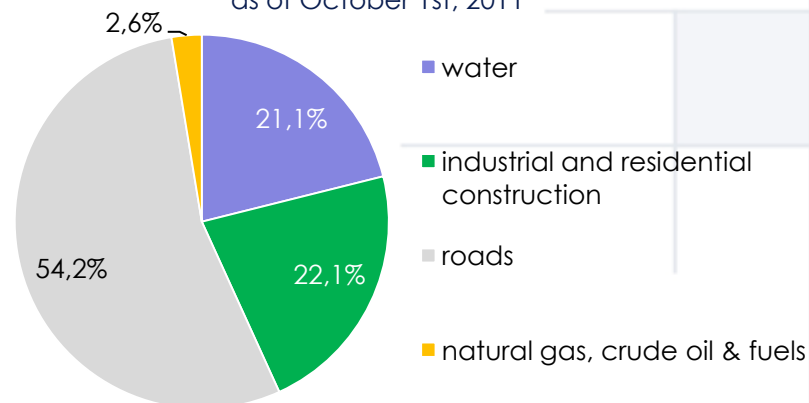


	2007	2008	2009	2010	1-3Q2011
<b>Revenue (PLN million)</b>	845.1	1 225.5	1 673.9	1 581.6	1 241.7

## The HBP Group's order backlog as of October 1st, 2011

Total value [PLNm]	Contracts due in:		
	4Q2011	2012	2013 & later
~2 300	~450	~1 400	~450

## Order backlog structure as of October 1st, 2011



- **HYDROBUDOWA POLSKA** acquires contracts alone as well as with companies of the PBG capital group
- Thanks to cooperation with PBG and international partners the company is able to place offers in a larger amount of bids and increases the possibility of winning, especially in case of bids in areas where the company has less experience, such as: road infrastructure construction, storage of fuels, oil and gas as well as civil engineering

OFERTOWANIE	2006	2007	2008	2009	2010	1-3Q2011
Value of submitted tenders (PLNm)	5 658	7 460	10 324	13 123	12 477	6 540
Value of signed contracts (PLNm)	364	806	1 135	2 320	1 729	609
Contract acquisition efficiency – hit ratio	6,4%	10,8%	11,0%	17,7%	13,9%	9,3%

Segment	Project	Execution time	Investor	Net value
WATER	Water purification plant in Mosina	2010 – 2015	Aquanet	PLN 217,7 million
	Transfer system for Czajka wastewater treatment plant in Warsaw – stage 2	2010 – 2011	MPWiK Warszawa	PLN 144,8 million
INDUSTRIAL AND RESIDENTIAL CONSTRUCTION	National Stadium in Warsaw	2009 – 2011	National Sports Centre	PLN 626,4 million*
	LNG terminal in Świnoujście – construction works	2011 – 2013	Saipem – Techint – PBG	PLN 110,9 million
	Sports and entertainment hall in Toruń	2011 – 2012	City of Toruń	PLN 99 million
ROADS	A4 Tarnów – Dębica motorway	2010 – 2012	GDDKiA	PLN 717,4 million*
	A1 Toruń – Kowal motorway	2010 – 2012	GDDKiA	PLN 146,1 million**
	Słowackiego Route in Gdańsk – section 2 (city section)	2011 – 2012	City of Gdańsk	PLN 129,3 million
	Słowackiego Route in Gdańsk – section 4 (tunnel under Martwa Wisła river)	2011 – 2014	City of Gdańsk	PLN 324 million***

\* HBP share (50% of total contract value); \*\* HB9 share; \*\*\*PBG Group share (45% of total contract value)

## **Strategic goal:**

- Maintain Poland's leading position in the area of hydrotechnical structure execution and environment protection engineering as well as broaden our operations in the areas of specialized structure, industrial and road construction

## **How we strive to achieve our strategic goal:**

- we consolidate the market of entities providing execution services in the area of environment protection and engineering structures;
- we make attempts to acquire companies with areas of expertise useful in broadening our operations;
- we increase the acquisition efficiency of high value contracts ensuring the assumed margins;
- we secure funding for the growing contract portfolio;
- we constantly improve the quality of executed work;
- we invest in workload capacity;
- we secure human resources

## **HYDROBUDOWA POLSKA S.A.**

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