



**Directors' Report
on the Operations of
HYDROBUDOWA POLSKA**

for the period from January 1st to June 30th 2010

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I. OVERVIEW OF HYDROBUDOWA POLSKA'S BUSINESS

1. General Information

HYDROBUDOWA POLSKA S.A., with registered office in Wysogotowo, ul. Skórzewska 35; 62-081 Przeźmierowo, Poland, is a company operating in the construction sector and specialising in the construction of civil engineering structures as well as the execution of engineering (including hydraulic engineering) work for general construction projects.

On February 24th 1993, the Company was entered in the commercial register of businesses by the District Court in Włocławek under entry No. RHB-794. Subsequently, on June 6th 2001, the Company was registered in the National Court Register by the District Court in Toruń (ul. Młodzieżowa 31, Toruń, Poland), 7th Commercial Division of the National Court Register, under entry No. KRS 0000017342.

On October 9th 2006, the Extraordinary General Shareholders Meeting, by virtue of Resolution No. 1, changed the Company's registered office to ul. Skórzewska 35, Wysogotowo near Poznań. On November 20th 2006, the District Court in Toruń registered the change and handed over the Company's Registration Deed to the District Court in Poznań, 21st Commercial Division of the National Court Register, having territorial jurisdiction over the Company's new registered office. The Company's merger with Hydrobudowa Śląsk S.A. and the change of the Company name from HYDROBUDOWA Włocławek S.A. to HYDROBUDOWA POLSKA S.A. were registered on August 27th 2007 and January 7th 2008, respectively.

The Company's registration file is currently maintained by the District Court for Poznań Nowe Miasto i Wilda, 8th Commercial Division of the National Court Register.

Company Details

HYDROBUDOWA POLSKA Spółka Akcyjna

Registered Office: 62-081 Przeźmierowo, Wysogotowo near Poznań, Poland

Contact Details: Tel. +48 61 664 19 50
Fax. +48 61 664 19 51
www.hbp-sa.pl
e-mail: polska@hbp-sa.pl

The Company has the following branches:

1. Włocławek Branch of Włocławek

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ul. Płocka 164
87-800 Włocławek, Poland
tel.: + 48 54 230 32 00
fax: + 48 54 230 32 02
e-mail: wloclawek@hbp-sa.pl

2. Śląsk Branch of Mikołów

ul. Żwirki i Wigury 58
43-190 Mikołów, Poland
tel. (switchboard): + 48 32 78 31 100
tel. (main office): + 48 32 78 31 200
fax: + 48 32 78 31 201
e-mail: slask@hbp-sa.pl

Classification According to the

Polish Statistics Office (GUS): 4221Z (PKD 2007)

NIP (Tax Identification Number): 888-020-59-44

REGON (Industry Identification Number): 910097080.

2. Composition, Changes and Procedures of the Company's Management and Supervisory Boards

The Company's governing bodies include the Management Board (as the management body) and Supervisory Board (as the supervisory body). Apart from the Management and Supervisory Boards, there are no other governing bodies. The Company's senior management staff comprises its commercial proxies.

In the first half of 2010, the following changes in the composition of the Supervisory Board took place:

- In connection with the end of the term of office of four members of the Supervisory Board and the expiry of the mandates of Ms Małgorzata Wiśniewska – Chairperson of the Supervisory Board, Ms Andrzej Wilczyński – Deputy Chairperson of the Supervisory Board, Mr Grzegorz Wojtkowiak – Secretary of the Supervisory Board, and Mr Przemysław Szkudlarczyk – Member of the Supervisory Board, the Company's Annual General Shareholders

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Meeting appointed, by virtue of Resolution No. 25 of April 21st 2010, the following persons to the Supervisory Board:

- 1) Ms Małgorzata Wiśniewska,
- 2) Mr Andrzej Wilczyński,
- 3) Mr Przemysław Szkudlarczyk,
- 4) Mr Grzegorz Wojtkowiak,
- 5) Mr Adam Hamrol,
- 6) Mr Marek Obrusiewicz.

Consequently, as at June 30th 2010, the Supervisory Board was composed of eight members, three of whom (Grzegorz Wojtkowiak, Adam Hamrol and Marek Obrusiewicz) meet the criteria for independent members provided for in the Code of Best Practice for WSE Listed Companies.

Name and surname	Position
Małgorzata Wiśniewska	Chairperson of the Supervisory Board
Andrzej Wilczyński	Deputy Chairperson of the Supervisory Board
Grzegorz Wojtkowiak	Member of the Supervisory Board
Przemysław Szkudlarczyk	Member of the Supervisory Board
Jacek Krzyżaniak	Member of the Supervisory Board
Adam Hamrol	Member of the Supervisory Board
Marek Obrusiewicz	Member of the Supervisory Board
Robert Oppenheim	Member of the Supervisory Board

Management Board

There were no changes in the composition of the Company's Management Board in the period from January 1st to June 30th 2010.

As at June 30th 2010, the composition of the Company's Management Board was as follows:

Name and surname	Position
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Jerzy Ciechanowski	President of the Management Board
Edward Kasprzak	Vice-President of the Management Board
Jarosław Duśi	Wiceprezes Zarządu
Szymon Tamborski	Vice-President of the Management Board
Andrzej Zwierzchowski	Member of the Management Board
Rafał Damasiewicz	Member of the Management Board

Commercial Proxies

There were no changes of the Company's commercial proxies in the period from January 1st to June 30th 2010.

Name and surname	Position
Andrzej Szultka	Commercial proxy authorised to act individually
Joanna Zwolak	Commercial proxy authorised to act individually

II. KEY PRODUCT GROUPS

The four main operating segments have been identified within the Company:

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

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NATURAL GAS, CRUDE OIL AND FUELS	WATER	RESIDENTIAL AND INDUSTRIAL CONSTRUCTION
<ul style="list-style-type: none"> ▪ surface installations for production of crude oil and natural gas ▪ installations and facilities for liquefying and storage of natural gas and LNG regasification ▪ separation and storage stations for LPG and C5+ ▪ desulphurisation units ▪ surface installations of underground gas storage facilities ▪ crude oil tanks ▪ natural gas and crude oil transmission systems ▪ LNG units 	<ul style="list-style-type: none"> ▪ process and sanitary installations for water and sewage systems, including: <ul style="list-style-type: none"> – water pipes – sewage systems – water mains – trunk sewers – water intakes – wastewater treatment plants ▪ hydraulic engineering structures, including: <ul style="list-style-type: none"> – water dams – storage reservoirs – dykes ▪ modernisation of water and sewage systems 	<div style="background-color: #ff0000; color: white; padding: 5px;">RESIDENTIAL AND INDUSTRIAL CONSTRUCTION</div> <ul style="list-style-type: none"> ▪ sports and recreation facilities ▪ office buildings, social and technical facilities ▪ industrial structures ▪ residential buildings ▪ retail facilities, hotel and conference buildings ▪ tunnels, including <ul style="list-style-type: none"> - underground tunnels - railway tunnels ▪ piercing and drilling ▪ microtunneling <div style="background-color: #cccccc; padding: 5px;">ROAD CONSTRUCTION</div> <ul style="list-style-type: none"> ▪ construction of motorways and expressways ▪ construction of bridges and viaducts ▪ construction of parking lots ▪ construction of road tunnels.

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The table below contains data on the Company's key product groups:

Total net sales revenue (operating segments)	H1 2010 (PLN '000)	% share in sales revenue	H1 2009 (PLN '000)	% share in sales revenue	% change
Natural gas, crude oil and fuels			24,245	6,20%	
Water (hydraulic engineering and environmental protection)	51,151	10.07%	185,643	47.44%	362.93%
Residential and industrial construction	447,492	88.08%	175,462	44.84%	255.04%
Road construction			-116	- 0.03%	
Other	9,401	1.85%	6,080	1.55%	154.62%
Total net sales revenue	508,044	100.00%	391,314	100.00%	129.83%

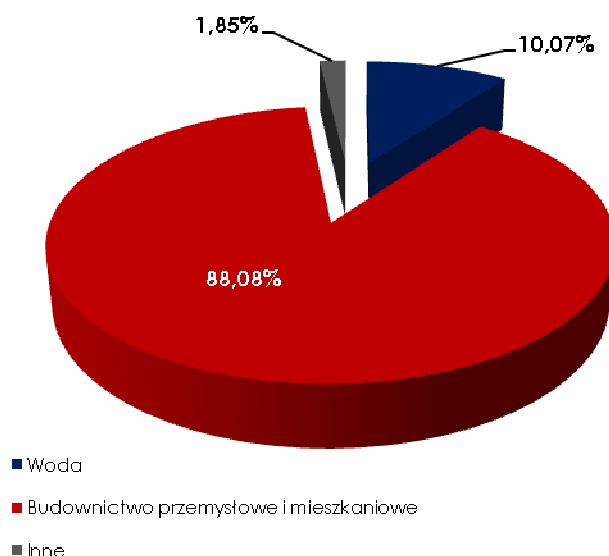
The "Other" column includes revenue and expenses not allocated to any of the operating segments, that is:

- sales of goods for resale and materials,
- revenue from activities other than construction services.

In H1 2010, the Company's **residential and industrial construction** segment had the largest share in total sales revenue. The segment comprises general construction and industrial infrastructural projects. The share of the segment in total sales revenue amounted to 88.1% in H1 2010, compared with 44.8% in the same period last year. The segment's revenue includes revenue under the contracts for the construction of three football stadiums for the EURO 2012 Championships: in Warsaw, Gdańsk and Poznań, as well as revenue under the contact for the construction of a Waste Neutralisation Facility in Gdańsk-Szadółki.

The second largest segment in H1 2010 was the **water** segment, which accounted for 10.1% of the Company's total sales revenue. The contracts performed in this segment are typically high unit-value contracts, and are connected with environmental protection and hydraulic engineering projects co-funded by the European Union.

**Structure of HBP's sales revenue by operating segments
in H1 2010**



(Water – 10.07%

Residential and industrial construction – 88.08%

Other – 1.85%)

HYDROBUDOWA POLSKA S.A.'s sales revenue is derived exclusively from the Polish market, due to the nature of the Company's business and the fact that – following Poland's accession into the EU – the Polish investment market has been extremely prospective. The Company's order book includes contracts for specialist facilities, placed by Polish entities and local governments.

III. THE GROUP'S MARKETS

Currently, the Company's largest customers are entities responsible for the implementation of the EURO 2012 projects.

Key customers for the Company's construction services in H1 2010

Investor	Share in revenue in H1 2010
1. ALPINE Construction Polska Sp. z o.o. (indirectly NCS)	45.3%

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2. POSIR Poznań	37.7%
3. Municipality of Gdańsk	16.7%
4. Municipality of Wrocław	9.9%
5. Zakład Utylizacyjny Gdańsk	7.6%
6. Municipality of Tychy	3.2%

Supply Sources

Due to the nature of HYDROBUDOWA POLSKA's business, comprising specialist construction and assembly services, including those provided on general contracting basis, the Company's service providers are mainly Polish companies active on the same market as the Company.

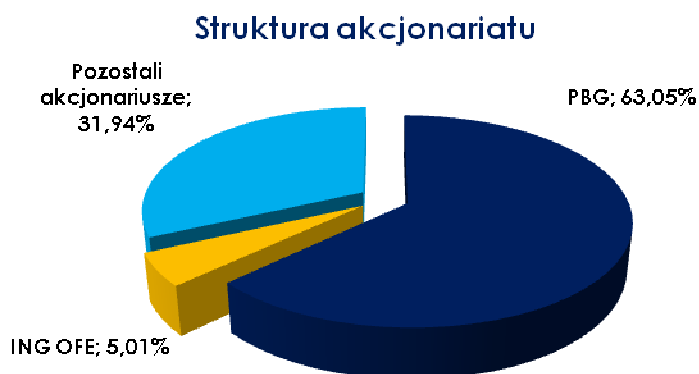
The table below lists the largest suppliers of HBP as at June 30th 2010 (based on the value of contracts executed with each supplier).

Contractor	Share in revenue in H1 2010
1. ALPINE Construction Polska Sp. z o.o.	16.5%
2. PBG Technologie Sp. z o.o.	9.8%
3. Przedsiębiorstwo Inżynieryjne Metorex Sp. z o.o.	6.6%
4. Pekabex S.A.	4.2%

5. HUSAR Sp. z o.o.	3.7%
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IV. SHAREHOLDERS HOLDING 5% OR MORE OF THE TOTAL VOTE AT THE COMPANY'S GENERAL SHAREHOLDERS MEETING AND CHANGES IN THE HOLDINGS OF SIGNIFICANT BLOCKS OF THE COMPANY SHARES

As at June 30th 2010, the Company's share capital amounted to PLN 210,558,445, and was divided into 210,558,445 ordinary bearer shares with a par value of PLN 1.00 per share.



(Shareholder structure

PBG – 63.05%

ING OFE – 5.01%

Other – 31.94%)

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The table below presents shares of the Company's shareholders in the total vote at the General Shareholders Meeting as at the date of this report (based on notifications received from the shareholders).

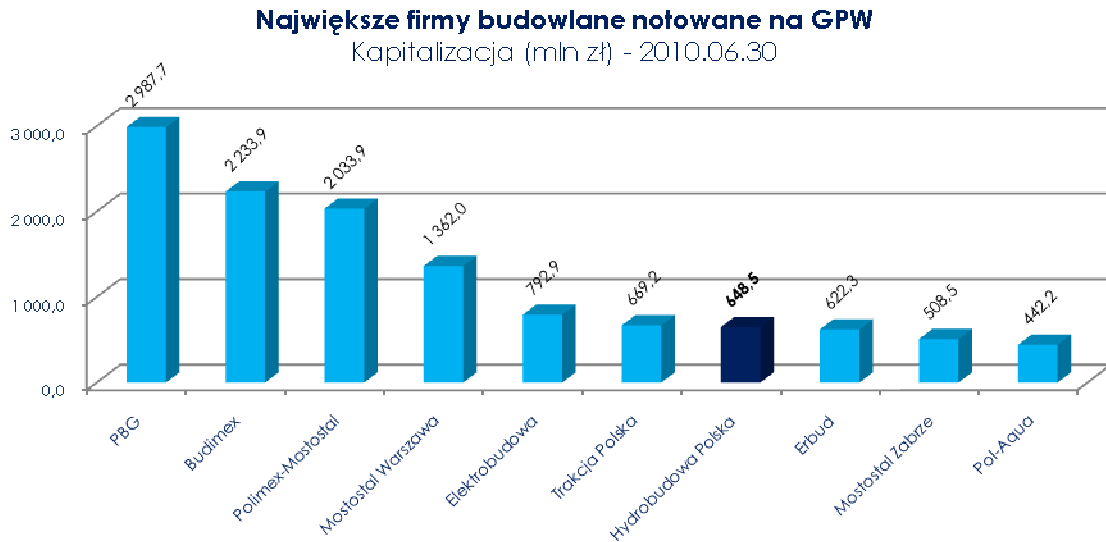
No.	Shareholder	Number of shares	Number of votes	Share in the Company's share capital	Share in the total vote at the Company's GM
1.	PBG S.A.	132,748,692	132,748,692	63.05%	63.05%
2.	ING OFE of Warsaw	10,550,000	10,550,000	5.01%	5.01%
3.	Other	67,259,753	67,259,753	31.94	31.94%
TOTAL		210,558,445	210,558,445	100.00%	100.00%

In H1 2010, there was one change in the holdings of the Company's significant blocks of shares:

April 12th 2010 – Increase in PBG S.A.'s Equity Interest in the Company

On April 12th 2010, following acquisition of 650,507 shares in HYDROBUDOWA POLSKA S.A. in a block transaction, at a purchase price of PLN 3.60 per share, PBG S.A. increased its equity interest in HYDROBUDOWA POLSKA S.A. to 132,748,692 shares, accounting for 63.05% of the Company's share capital and of the total vote at the Company's General Shareholders Meeting. Prior to the transaction PBG S.A. held 132,098,185 shares in HYDROBUDOWA POLSKA S.A., or 62.47% of the share capital and of the total vote.

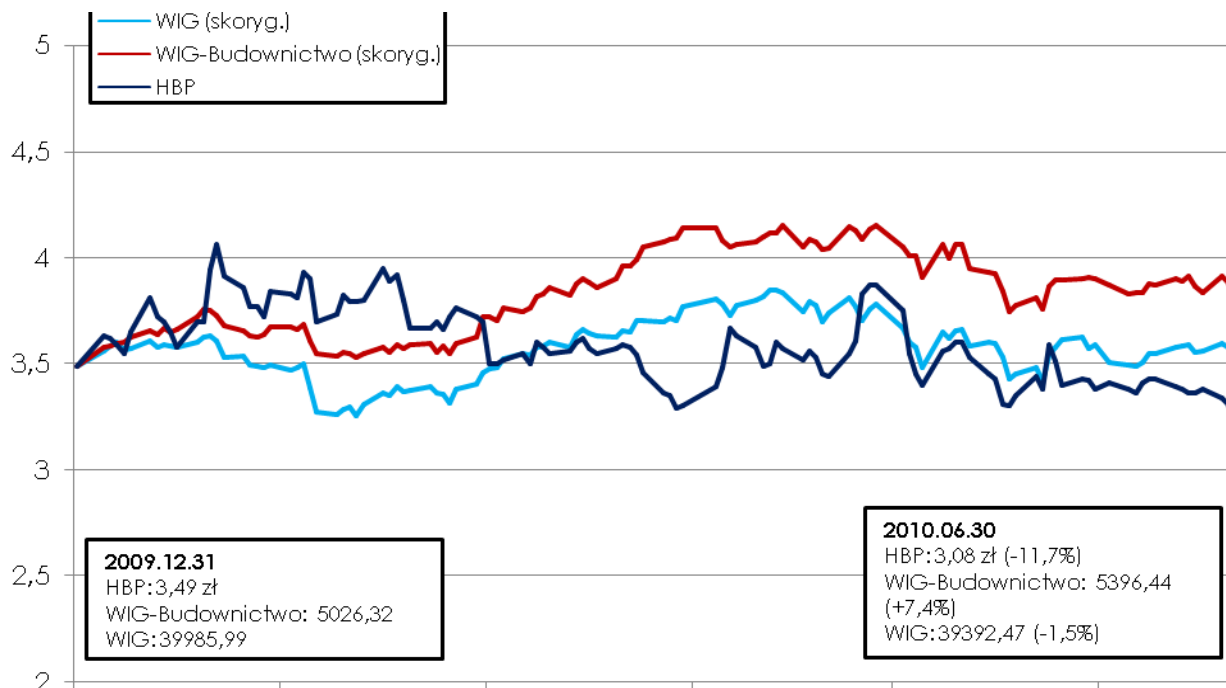
Company's Market Capitalisation against the Industry as a Whole



(Largest construction companies listed on the Warsaw Stock Exchange

Market capitalisation (PLN m) as at June 30th 2010)

Performance of HYDROBUDOWA POLSKA shares against WIG and WIG-Construction indices in H1 2010



(WIG (rebased))

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WIG-Construction (rebased)

HBP

December 31st 2009

June 30th 2010

HBP: PLN 3.49

HBP: PLN 3.08 (-11.7%)

WIG-Construction: 5026.32

WIG-Construction: 5396.44 (+7.4%)

WIG: 39985.99

WIG: 39392.47 (-1.5))

V. TOTAL NUMBER AND PAR VALUE OF ALL COMPANY SHARES HELD BY MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD AS AT THE END OF JUNE 2010

The tables below present information on the holdings of the Company shares by members of the Management and Supervisory Boards, and changes in the holdings after the release date of the most recent periodic report.

Management Board	Number of shares held May 10 2010	Increase	Decrease	Number of shares held Jun 30 2010
Jerzy Ciechanowski	-	-	-	-
Edward Kasprzak	438,100	-	-	438,100
Jarosław Dusiło	150	-	-	150
Szymon Tamborski	3,182,695	-	-	3,182,695
Andrzej Zwierzchowski	4,850	-	-	4,850
Rafał Damasiewicz	-	-	-	-

Supervisory Board	Number of shares held May 10 2010	Increase	Decrease	Number of shares held Jun 30 2010
Małgorzata Wiśniewska	-	-	-	-
Andrzej Wilczyński	-	-	-	-
Grzegorz Wojtkowiak	-	-	-	-
Robert Oppenheim	-	-	-	-
Jacek Krzyżaniak	-	-	-	-
Adam Hamrol	-	-	-	-
Marek Obrusiewicz	-	-	-	-
Przemysław Szkudlarczyk	36,100	-	-	36,100

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Commercial proxies	Number of shares held May 10 2010	Increase	Decrease	Number of shares held Jun 30 2010
Andrzej Szultka	9,000	9,000	-	18,000
Joanna Zwolak	50	-	-	50

VI. ORGANISATIONAL AND CAPITAL LINKS BETWEEN THE COMPANY AND OTHER ENTITIES; KEY INVESTMENTS, INCLUDING EQUITY INVESTMENTS, MADE OUTSIDE THE GROUP IN H1 2010

As at June 30th 2010, the Company held equity interests in:

- HYDROBUDOWA 9 S.A. of Wysogotowo,
- Przedsiębiorstwo Robót Górniczych METRO Sp. z o.o. of Warsaw
- Drogowa Trasa Średnicowa S.A. of Katowice,
- Konsorcjum Autostrada Śląsk S.A. of Katowice,
- Mikołowski Bank Spółdzielczy of Mikołów,
- Centrozap S.A. of Katowice.

Shares held by HYDROBUDOWA POLSKA S.A. in other companies as at June 30th 2010

Company	Carrying amount (PLN '000)
HYDROBUDOWA 9 S.A.	325,696.7
Przedsiębiorstwo Robót Górniczych METRO Sp. z o.o. of Warsaw	40,367.9
Drogowa Trasa Średnicowa S.A. of Katowice	22.0
Konsorcjum Autostrada Śląsk S.A. of Katowice	4.0
Mikołowski Bank Spółdzielczy of Mikołów	0.5
Centrozap S.A. of Katowice	133.6
TOTAL	366,224.7

The total book value of the above assets is PLN **366,224.7** thousand.

Except P.R.G. METRO Sp. z o.o. and HYDROBUDOWA 9 S.A., none of the companies is a subsidiary of HYDROBUDOWA POLSKA S.A.

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The value of shares held by HYDROBUDOWA POLSKA S.A. in companies other than P.R.G. METRO Sp. z o.o. and HYDROBUDOWA 9 S.A. is not material to the evaluation of the Company's assets, equity and liabilities, financial position, or profit or loss.

Shares in Przedsiębiorstwo Robót Górniczych METRO Sp. z o.o.

In H1 2010, there were no changes in the holding of P.R.G. METRO Sp. z o.o. shares by HYDROBUDOWA POLSKA S.A..

As at June 30th 2010, HYDROBUDOWA POLSKA S.A. held 5,543 shares in P.R.G. METRO Sp. z o.o., accounting for 98.49% of the company's share capital and of the total vote at the company's General Shareholders Meeting.

Shares in HYDROBUDOWA 9 S.A.

The share capital of HYDROBUDOWA 9 S.A. amounts to PLN 1,453,668.50, and is divided into 14,536,685 shares with a par value of PLN 0.10 per share. As at June 30th 2010, HYDROBUDOWA 9 S.A. held 14,536,685 shares, with a par value of PLN 0.10 per share and the total value of PLN 1,453,668.50, accounting for 100% of the company's share capital and of the total vote at the company's General Shareholders Meeting.

Shares in HYDROBUDOWA 9 S.A., with a par value of PLN 0.10 per share and total par value of PLN 1,453,668.50, were acquired in 2008 in exchange for 36,885,245 Series L ordinary bearer shares of HYDROBUDOWA POLSKA S.A. with a par value of PLN 1.00 per share.

VII. MATERIAL EVENTS WITH A BEARING ON THE GROUP'S OPERATIONS IN H1 2010 AND IN THE PERIOD UNTIL THE DATE OF APPROVAL OF THE FINANCIAL STATEMENTS

April 8th 2010

Increased Amount and Extended Availability Period of Revolving Facility for Contract-Related Guarantees and Bonds with Allianz Polska S.A.

On April 8th 2010, HYDROBUDOWA POLSKA S.A., jointly with other PBG Group companies, i.e. PBG S.A., INFRA S.A. and HYDROBUDOWA 9 S.A., executed an annex to the agreement of June 5th 2007 on contract-related guarantees and bonds issued under a revolving facility.

Under the annex, the period in which TU Allianz Polska S.A. was obliged to issue contract-related guarantees and bonds (bid bonds, performance bonds, maintenance bonds, advance payment bonds) at the request of the companies was extended until June 30th 2010.

Under the annex, the revolving facility limit was raised from PLN 80m to **PLN 120m**.

April 13th 2010

Increased Amount and Extended Availability Period of Revolving Facility for Contract-Related Guarantees and Bonds with Allianz Polska S.A.

On April 13th 2010, HYDROBUDOWA POLSKA S.A., jointly with other PBG Group companies, i.e. PBG S.A., INFRA S.A. and HYDROBUDOWA 9 S.A., executed an annex to the agreement with

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Towarzystwo Ubezpieczeń Euler Hermes S.A. of Warsaw, dated September 28th 2007, on contract-related guarantees and bonds issued under a revolving facility.

Under the annex, the period in which TUIR Euler Hermes S.A. was obliged to issue contract-related guarantees and bonds (bid bonds, performance bonds, maintenance bonds, advance payment bonds) at the request of the companies was extended until June 30th 2010.

April 21st 2010

Annual General Shareholders Meeting of the Company

The Annual General Shareholders Meeting of the Company held on April 21st 2010 approved the consolidated and separate financial statements for 2009, made decisions concerning the distribution of profit for 2009 and approved the discharge of duties by all members of the Management Board and the Supervisory Board.

The Meeting was attended by shareholders representing nearly 72% of the share capital. All resolutions were adopted unanimously.

The Annual General Shareholders Meeting resolved to retain net profit of PLN 38,895,407.90 disclosed in the 2009 financial statements of the Company, of which PLN 1,100,000.00 was allocated to the social benefits fund, and PLN 37,795,407.90 was transferred to statutory reserve funds.

The agenda of the Meeting also included changes in the Supervisory Board. Upon expiry of their term of office, four members of the Supervisory Board, i.e. Małgorzata Wiśniewska, Andrzej Wilczyński, Przemysław Szkudlarczyk and Grzegorz Wojtkowiak, were elected by the shareholders for a subsequent term of office.

Furthermore, the Meeting elected Professor Adam Hamrol (nominated by PBG) and Marek Obrusiewicz (nominated by ING OFE) to the Supervisory Board.

July 9th 2010

Milestone Achieved in National Stadium Project

On July 9th, that is three weeks before the deadline agreed with the principal, the first milestone in the project involving construction of the National Stadium in Warsaw was achieved. The assembly of the main steel frame has been completed (72 columns, each approximately 30 metres high, joined by a compressed ring), which will support the linear roof of the arena.

According to the expert opinion prepared by Polski Związek Inżynierów i Techników Budownictwa, the engineering association, the project's deadlines could have been postponed by a total of 97 days due to severe weather conditions prevailing last winter. Narodowe Centrum Sportu, the principal, approved the extension of deadlines for completion of the facility's main steel frame by 57 days, with July 31st being the rescheduled completion date. Increased effort of the contractors and excellent organisation and coordination of the work made it possible to achieve the first project milestone three weeks before the deadline agreed with the principal.

The National Stadium in Warsaw will be completed in mid-2011. The contract provides for two other milestones: primary heating system is to be launched in November 2011, which will enable execution of MEP and fit-out works inside the facility in winter, and the linear roof structure installation is scheduled for completion in January 2011.

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August 6th 2010

Execution of Annex to Master Agreement with ING Bank Śląski

On **August 13th 2010**, HYDROBUDOWA POLSKA S.A., jointly with other companies of the PBG Group and non-member INFRA S.A., executed an annex to the master agreement with ING Bank Śląski S.A. of September 6th 2007.

Under the agreement, ING Bank Śląski S.A. has extended a credit facility of up to PLN 220,000,000.00 to the companies.

The annex provides for the extension of credit availability period until October 13th 2010.

VIII. INFORMATION ON MATERIAL AGREEMENTS

January 7th 2010

Subcontractor Agreements for Construction of National Stadium in Warsaw

On January 7th 2010, HYDROBUDOWA POLSKA S.A., jointly with Alpine Construction Polska Sp. z o.o., executed two material subcontractor agreements, with annexes thereto, relating to the project involving construction of the National Stadium in Warsaw.

The subject matter of the first agreement, whereunder Elektrobudowa S.A., Qumak-Sekom S.A. and Przedsiębiorstwo AGAT S.A. act jointly as the subcontractor, is the delivery of comprehensive electrical engineering work, and installation of low voltage and BMS systems.

The value of work subcontracted under the agreement and annexes thereto totals PLN 91m (VAT exclusive).

The completion date of the work is February 28th 2011.

The final completion date is May 4th 2011.

The subject matter of the other agreement, executed between HYDROBUDOWA POLSKA S.A. and Alpine Construction Polska Sp. z o.o. on the one hand, and Imtech Sp. z o.o. of Warsaw (the subcontractor) on the other, is the delivery of sewage system and **outer** systems.

The value of work subcontracted under the agreement and annexes thereto totals PLN 118m (VAT exclusive).

The completion date of the work is February 28th 2011.

The final completion date is May 4th 2011.

June 7th 2010

Execution of Annex to Material Contract for Extension of Municipal Stadium in Poznań for EURO 2012

On June 7th 2010, HYDROBUDOWA POLSKA S.A., acting as the consortium leader, was notified of the execution of an annex to the contract concluded with Euro Poznań 2012 Sp. z o.o. of Poznań (the principal) on the delivery of project involving the extension of City Stadium at ul. Bułgarska 5/7 in Poznań for EURO 2012 and construction of spectator stands I and III, and roofing over spectator stands I, II and III.

Under the annex, the expiry date of the contract was extended until July 29th 2010.

June 9th 2010

Execution of Annex to Material Contract on Construction of Multipurpose National Stadium in Warsaw

On June 9th 2010, HYDROBUDOWA POLSKA S.A. acting as the consortium partner, executed an annex to the contract of May 4th 2009, concluded with Narodowe Centrum Sportu Sp. z o.o. (the principal), acting for and on behalf of the Polish State Treasury, for the construction of multipurpose National Stadium in Warsaw together with auxiliary infrastructure.

Under the annex, June 30th 2011 was set as the contract completion date.

June 17th 2010

Execution of Material Contracts for Construction of Toruń-Stryków Section of A1 Motorway

On June 17th 2010, HYDROBUDOWA POLSKA S.A. entered into two material contracts with the Polish State Treasury (represented by the General Directorate for National Roads and Motorways (GDDKiA) as the principal), whereby:

1) the Company participates in a consortium composed of PBG S.A. (leader), and the following consortium partners: Aprivia S.A. (PBG subsidiary), Hydrobudowa Polska S.A. (PBG subsidiary), SRB Civil Engineering Limited of Dublin, Ireland, and John Sisk&Son Limited of Dublin, Ireland.

The subject matter of the contract is the construction of Toruń-Stryków A-1 Motorway (Section III Brzezie-Kowal, from km 168+348 to km 215+850),

The agreed contract price is **PLN 702,768,700.00 (VAT exclusive), that is PLN 857,377,814.00 (VAT inclusive)**.

The consortium agreed to complete the construction work under the contract within 20 months of the commencement date. Winter season does not count towards the time for completion.

The parties agreed on the following percentage-based division of work:

- 1) PBG S.A., Aprivia S.A. and Hydrobudowa Polska S.A. will deliver and be responsible for 50% of the work,
- 2) SRB Civil Engineering Limited and John Sisk&Son Limited will deliver and be responsible for the other 50% of the work under the project;

2) the Company participates in a consortium composed of SRB Civil Engineering Limited of Dublin, Ireland (leader), and the following consortium partners: PBG S.A., Aprivia S.A. (PBG subsidiary), Hydrobudowa Polska S.A. (PBG subsidiary), and John Sisk&Son Limited of Dublin, Ireland.

The subject matter of the contract is the construction of Toruń-Stryków A-1 Motorway (Section I Czerniewice-Odolion, from km 151+900 to km 163+300; and section II Odolion-Brzezie, from km 163+300 to km 186+366).

The agreed contract price is **PLN 765,632,889.69 (VAT exclusive), that is PLN 934,061,145.42 (VAT inclusive)**.

The consortium agreed to complete the work under the contract within 20 months of the work commencement date. Winter season does not count towards the time for completion.

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The parties agreed on the following percentage-based division of work:

- 1) PBG S.A., Aprivia S.A. and HYDROBUDOWA POLSKA S.A. will deliver and be responsible for 50% of the work,
- 2) SRB Civil Engineering Limited and John Sisk&Son Limited will deliver and be responsible for the other 50% of the work under the project;

July 6th 2010

Material Agreement with Bank Pekao S.A. on Financing Construction of the Tarnów–Rzeszów Section of the A4 Motorway

On July 6th 2010, HYDROBUDOWA POLSKA S.A. jointly with other members of the of the PBG Group, i.e.: PBG S.A. and APRIVIA S.A. (several and joint debtors) executed a credit facility agreement with Bank Polska Kasa Opieki S.A. of Warsaw to finance the performance of the contract for construction of the Tarnów–Rzeszów Section of the A4 Motorway from the Krzyż Interchange to the Dębica Pustynia Interchange (from km 502+797.96 to approx. km 537+550).

The Parties agreed a maximum total credit facility limit of **PLN 220m**, which was divided into the following individual banking limits:

- a) Performance bond limit – up to PLN 44m, with expiry date falling not later than two months after the end of the construction period, but in any case not later than December 31st 2012, and after the performance bond is replaced with a defects liability bond – up to PLN 13,200,000 for a period of 62 months after the end of the construction period, but in any case expiring not later than December 31st 2017;
- b) Credit limit – up to PLN 176m, under which guarantees and letters of credit in the złoty or the euro may be issued up to a total amount equivalent to PLN 40m. The amount drawn under the credit facility and other issued guarantees and letters of credit may not exceed the outstanding amount payable under the contract and attributable to the PBG Group, and the final settlement date may not exceed two months after the end of the construction period, but in any case (including in the case of exercising the extension option) may not fall later than on December 31st 2012.

The final repayment date of the credit facility was set at June 30th 2013.

Under the agreement, the Companies will be able to use the following banking products:

- a) long-term performance bond for the amount of 5% of the Contract value, which will be subsequently replaced with a defects liability bond for the amount of 1.5% of the Contract value,
- b) medium-term revolving credit facility in the form of an overdraft facility, and
- c) short-term and medium-term guarantees or letters of credit related to the performance of the contract, including prepayment guarantees.

The credit facility is secured with:

- a) assignments of claims;
- b) powers of attorney to the Companies' accounts held with the Bank;
- c) the Borrower's representation on voluntary submission to enforcement, joint and several surety;

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- d) accession to the credit facility and surety issued by PBG S.A. and APRIVIA S.A. together with a representation on submission to enforcement or a joint and several surety;
- e) cash security deposit in the Bank's account, established in respect of other guarantees or letters of credit whose maturity would exceed, for any reason, the Construction Period or the outstanding balance under the Contract to be paid by the General Directorate for National Roads and Motorways.

July 7th 2010

Material Contract for the Construction of the Krzyż–Dębica Pustynia Section of the Tarnów–Rzeszów A4 Motorway,

On July 7th 2010, HYDROBUDOWA POLSKA S.A., acting as a consortium partner, and the General Directorate for National Roads and Motorways, represented by the General Directorate for National Roads and Motorways, Rzeszów Branch (the Principal) executed a contract for the construction of the Tarnów–Rzeszów A4 Motorway (from the Krzyż interchange to the Dębica Pustynia interchange; km 502+797.96 to about km 537+550).

The accepted contract price is **PLN 1,434,761,287.80 (VAT exclusive)**; PLN 1,750,408,771.12 VAT inclusive).

The consortium has agreed to complete the works within 24 months of the start of work.

The parties further agreed on the following percentage-based division of work:

- 1) PBG S.A., APRIVIA S.A. and HYDROBUDOWA POLSKA S.A. deliver and are responsible for 50% of the scope of work under the project;
- 2) SIAC Construction Ltd delivers and is responsible for 50% of the scope of work under the project.

The contract has the highest value of any contract ever executed by Hydrobudowa Polska as a consortium member.

July 22nd 2010

Material Contract for the Execution of Stage II of the Construction of Sewage Trunks for the Czajka Sewage Treatment Plant

On July 22nd 2010, HYDROBUDOWA POLSKA S.A., acting as a consortium partner, executed a contract with Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie S.A. (the Principal) for construction of the intercepting sewers system connecting left-bank Warsaw to the Czajka sewage treatment plant (Stage II, delivery of the Zakład Farysa facilities, siphon crossing under the Vistula, facilities of Zakład Świdorska, and right-bank trunks).

The contract price was agreed at **PLN 144,771,027.99 (VAT exclusive)** and the completion date at December 31st 2011.

The parties have further agreed on the following percentage-based division of work:

- P.R.G. METRO Sp. z o.o. as the consortium leader will deliver 40% of the scope of work under the project and will be responsible for work coordination,

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- HYDROBUDOWA 9 S.A. as a consortium partner will deliver 40% of the scope of work under the project,
- HYDROBUDOWA POLSKA S.A. as a consortium partner will deliver 15% of the scope of work under the project,
- INFRA S.A. as a consortium partner will deliver 5% of the scope of work under the project.

July 30th 2010

Material Contract for the Construction of the Kaczkowo–Korzeńsko Section of Poznań–Wrocław S5 Expressway

On July 30th 2010, HYDROBUDOWA POLSKA S.A., as a consortium partner, executed a contract with the General Directorate for National Roads and Motorways, Poznań Branch (the Principal), for construction of the Kaczkowo-Korzeńsko section (the Bojanowo and Rawicz beltway) of the S5 Poznań (A2 – the Głuchowo interchange) – Wrocław (A8 – the Widawa interchange) expressway.

The accepted contract price is **PLN 777,239,570.60 (VAT exclusive;** PLN 948,232,276.21 VAT inclusive).

The contract provides for a performance bond in the form of a bank guarantee with the value equal to 5% of the gross contract price.

The consortium agreed to complete the works within 20 months of the start of work. The time necessary for completing the work excludes the periods between December 15th and March 15th.

The parties agreed on the following percentage-based division of work:

- 1) ALPINE Bau GmbH as the consortium leader is obliged to deliver and is responsible for 60% of the scope of work under the project;
- 2) PBG S.A., APRIVIA S.A. and HYDROBUDOWA POLSKA S.A. as consortium partners are obliged to deliver and are responsible for 40% of the scope of work under the project.

IX. CHANGES IN ORGANISATIONAL RELATIONS UNTIL THE DATE OF FILING THE FINANCIAL STATEMENTS

No changes in organisational relations occurred during the reporting period and subsequent to the balance-sheet date.

X. SHARE BUY-BACKS

In the period covered by this Report, HYDROBUDOWA POLSKA S.A. did not buy back any of its shares.

XI. RELATED-PARTY TRANSACTIONS

In the discussed period, there were transactions with related parties, whose value exceeded the zloty equivalent of EUR 500,000.

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These transactions were typical for the day-to-day operations of HYDROBUDOWA POLSKA S.A. and were executed at arm's length.

Furthermore, part of the executed transactions were concluded in connection with the existing agreements with Financial Institutions; collateral for these agreements includes sureties and mutual guarantees issued by the PBG Group companies which are parties to individual agreements.

This approach follows from the funding strategy adopted by the PBG Group, of which the Company is a member.

The most frequent types of transactions are:

- construction contracts,
- loan agreements,
- surety agreements concerning:
 - credit limits,
 - guarantee limits,
 - guarantees etc.

Related-party transactions are described in the Notes to the Financial Statements of the Company – Note 18.

XII. EXPLANATION OF DISCREPANCIES BETWEEN THE ACTUAL RESULTS AND FORECASTS

In the period until the date of release of this Report, HYDROBUDOWA POLSKA S.A. did not publish any financial forecasts for 2010.

XIII. ASSESSMENT OF FINANCIAL RESOURCES MANAGEMENT

In H1 2010, the Company's overall financial standing was good.

The key objectives of the financing activities were to ensure funding and financial security for high-value construction contracts.

At present, the most financially important projects include:

- **Construction of the National Stadium,**
- **Construction of the PGE Gdańsk Arena,**
- **Construction of the Tarnów–Rzeszów Section of the A4 Motorway from the Krzyż Interchange to the Dębica Pustynia Interchange,**
- **Construction of the Lech Stadium in Poznań,**
- **Design and construction of Waste Neutralisation Facility in Gdańsk Szadółki.**

The settlement methods applied to long-term contracts with significant unit values combined with the need to commit significant funds to perform such contracts may expose the Company to the risk of losing financial liquidity. The Management Board stresses the need to focus on maintaining credibility in relations with financial institutions. Liquidity risk involving the occurrence of long trading cycles between the time of committing funds to the performance of contracts and the time of recovering committed funds in the form of payment for invoiced

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work is mitigated by the use of bank limits, while the risk of a failure to match annual credit limits with longer trading cycles is eliminated by diversifying credit limits among several banks.

The Management Board expects that financial institutions will raise the bank and insurance limits determined for the Company. There should be no disruptions in the provision of credit and guarantees to support the contracts with significant unit values.

The Management Board believes that the maturities and quality of receivables poses no threat to the Company's liquidity position, and the Company will retain its ability to repay liabilities.

The Company's stable financial position has further strengthened financial institutions' confidence in the Company, which allowed it to limit its operational risk.

Considering the above, it may be assumed that the finance strategy developed by the PBG Group, which was also adopted by the Company, allowed it to maintain diversified sources of funding for its day-to-day operations and investment activities, while ensuring the necessary stability to perform in the future the existing and planned contracts, including contracts of significant unit values.

XIV. FINANCIAL INSTRUMENTS USED BY THE COMPANY

In H1 2010, as a result of the differences between lower exchange rates hedged by forward transactions and the higher EUR/PLN exchange rate, hedging transactions carried negative valuations. On the other hand, thanks to the high EUR/PLN exchange rate, the Company currently derives higher PLN-denominated revenues from the performance of construction contracts, which offsets the effect of the negative valuations and settled transactions charged to the H1 2010 financial result. The objective of foreign currency contracts concluded or settled by the Company is to limit the negative effect of exchange rate fluctuations on the Company's operations, i.e. to hedge operating margins as assumed in the contract's budget. The Company did not enter into any hedging transaction for speculative purposes. All transactions were entered into in compliance with the adopted hedging policy for the portfolio of the existing EUR-denominated contracts. The Company used forwards and NDFs.

XV. MAJOR INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND EQUITY INVESTMENTS AND EVALUATION OF THE FEASIBILITY OF INVESTMENT PLANS

1. Major Investments in Property, Plant and Equipment of HYDROBUDOWA POLSKA S.A.

Major investments in property, plant and equipment of HYDROBUDOWA POLSKA S.A. in H1 2010

No.	Investment	Value (PLN '000)
1	Reconstruction of the warehouse building	512
2	Passenger vehicles – 2 items	288
3	IT purchases	171
4	Trucks – 3 items	144

Equity Investments of HYDROBUDOWA POLSKA S.A. in H1 2010

In H1 2010, HYDROBUDOWA POLSKA S.A. did not make any equity investments.

2. Evaluation of the Feasibility of Investment Plans

HYDROBUDOWA POLSKA S.A.'s funds secure its planned expenditure on the current projects.

XVI. NON-RECURRING FACTORS AND EVENTS

EFFECT OF FX HEDGING ON THE PERFORMANCE OF HYDROBUDOWA POLSKA S.A.

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HYDROBUDOWA POLSKA S.A. and its subsidiaries hedge only future currency exposures with hedging transactions involving forward contracts. HBP S.A. holds no currency options. Currently open hedging transactions were concluded in accordance with the adopted hedging policy and covered contracts with investors (mainly denominated in EUR). The transactions were not of a speculative nature, because they were concluded within the frameworks of the Company's hedging policy to hedge future cash flows on sales revenue (under the existing long-term construction contracts).

HBP S.A. uses its open positions on the currency market to hedge some of its cash flows on sales revenue: attributable to 2010 in an amount of EUR 12.63m. The relevant transactions were concluded at the weighted average forward exchange rate of PLN 3.4104/EUR 1. According to the data sourced from the banks, as at June 30th 2010, the carrying amount of open positions on forward hedges was negative at PLN -9.64m, including an amount of PLN -7.04m disclosed in the Company's financial result for hedged revenues, of which PLN -2.85m was recognised in the 2010 income statement, with the remaining balance, i.e. PLN -2.60m, recognised under equity. The result on forward contracts realised in 2010 was PLN -2.14m, which was posted to and disclosed in the income statement.

Hedging contracts are executed in compliance with the Company's strategy for hedging business activities against the currency risk.

The strategy is based on matching hedging instruments with the planned transactions under the hedged contract, with the actual net exposure, bid price, time horizon and the quantitative distribution of foreign-currency revenues in the individual quarters being taken into account. Using the approach of limiting the impact of currency risk on the operating performance of the Company to the largest extent possible, the Company selected forward transactions for hedging purposes. HBP S.A. applies hedge accounting, which requires it to measure the effectiveness of its hedge transactions on a quarterly basis.

XVII. RISKS, THREATS AND FACTORS WITH A BEARING ON HYDROBUDOWA POLSKA S.A.'S DEVELOPMENT

Risk of Competition

HYDROBUDOWA POLSKA S.A. conducts operations on the market of specialist services in the area of construction, modernisation and operation of hydroengineering facilities, water mains and sewerage systems, civil engineering as well as roads and bridges specialty construction services.

The market is highly competitive and its participants include both Polish and foreign companies. The Company's major competitors are highly-capitalised companies, with access to high-quality equipment used in project execution. This is particularly important in the context of the stringent requirements to be satisfied in public tenders in the construction sector.

In addition to the high capitalisation, which potential project sponsors view as a safeguard of due project delivery, the key sources of competitive advantage include pricing, sound track record, high quality of services, efficient organisation enabling timely project execution, as well as financing capabilities.

The Company's business strategy focuses on consolidating the market position and securing the competitive advantage through continuous improvement of the service quality,

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comprehensive service offering, flexibility of the offering, as well as further refinement and building of new areas of expertise.

The competition risk necessitates adjusting prices to the current market conditions. A vital point of the strategy will continue to be caring for highest-achievable quality of contract bids, as well as a continuous process of optimising operating expenses. Another prerequisite for the development will be to keep the Company's potential as a contractor, in terms of equipment and staffing, at the level which ensures timely delivery of high-quality services, in line with the sponsors' requirements.

Risk of Unreliable Vendors and Subcontractors

The immediate environment of HYDROBUDOWA POLSKA S.A.'s operations comprises suppliers of materials (vendors) and services (subcontractors). The quality of collaboration between the Company and its vendors and subcontractors directly translates into the quality of the projects delivered by the Company. Therefore, it is vital that the business collaboration proceeds as smoothly as possible.

HYDROBUDOWA POLSKA S.A. mitigates the risk posed by unreliable vendors and subcontractors through:

- cooperation with recognised companies with strong and sound track record,
- vendor diversification,
- negotiating favourable terms of deliveries.

Risk Related to Economic Conditions in Poland

The pursuit of strategic objectives of HYDROBUDOWA POLSKA S.A. and the achievement of the target financial results is affected, among other factors, by the macroeconomic environment. The macroeconomic factors include: GDP growth rate, inflation rate, general standing of Poland's economy, and regulatory changes. Unfavourable macroeconomic changes may reduce the number of contracts delivered by HYDROBUDOWA POLSKA S.A., which, in consequence, may adversely affect the Company's financial standing.

Risk of Competition

Poland's presence in the European Union may contribute to an increased drive to enter the Polish market by international companies which provide services similar to those on offer from the Company. This may lead to stiffening competition and a drop in profit margins. The Company counteracts these threats by offering quality and management procedures meeting the European standards, as confirmed by the Company's successful implementation of ISO 9001, AQAP 2120, ISO 14001 and PN-N 18001 standards, as well as by cooperating (as a consortium leader or partner) with foreign companies which operate on European construction markets.

Risk of Limited Access to EU Funding

Contracts for the delivery of services offered by HYDROBUDOWA POLSKA S.A. are funded, to a substantial degree, by the European Union. If rules of awarding those funds change, at the

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EU level or the national level, the stream of funding earmarked for financing projects of interest to the Company may be reduced, or access to the funds may become more difficult. Under this scenario, the demand for services offered by HYDROBUDOWA POLSKA S.A. may weaken, which would translate into a smaller number or volume of contracts awarded to the Company and adversely affect the Company's financial performance.

Risk of Unfavourable Changes in Tax Regulations

Tax regulations are frequently amended in Poland. In addition, many regulations are imprecise and there are no clear-cut guidelines on their interpretation.

Therefore, a risk exists that the current regulations may change in an unfavourable way, affecting both HBP S.A. and project sponsors, as well as business partners of the Company, which, in consequence, may directly or indirectly adversely affect the Company's financial performance.

Foreign Exchange Risk

The primary market for HYDROBUDOWA POLSKA S.A.'s products and services is Poland, however contracts co-funded by the European Union are denominated in the euro. Since most of the HBP Group's revenue is derived from contracts co-financed by the European Union, the currency risk may adversely affect profitability of the contracts.

The HBP Group has undertaken actions to mitigate this risk through:

- use of financial instruments, in particular hedging transactions (forward),
- conclusion of contracts with vendors and subcontractors which are denominated in the master contract's currency.

In a long term, the risk will be limited as Poland plans to join the Eurozone.

Seasonality Risk

The Company derives most of its sales revenue from construction and assembly operations, which are marked by seasonality, seen across the entire industry. Winter weather has the greatest impact on the seasonality, obstructing the execution of most works in the period.

Extreme weather conditions may adversely affect HBP S.A.'s revenue. For instance, low temperatures persisting over longer periods may disrupt the course of construction and assembly works, leading to carry-overs of the Company's revenue to future periods.

The key measure to mitigate the risk is the investment cycle planning by project sponsors, which involves commencement of projects in the second quarter of the calendar year, and their completion in closing months of the year, that is before the start of the severe weather season. Furthermore, the Company strives to win high-value contracts, which usually involve long completion schedules.

Similarly, investment cycles under future contracts may overlap in a way that would lead to carry-overs of the planned revenue to future periods.

These factors have a bearing on the sales revenue of HYDROBUDOWA POLSKA S.A., which is typically the lowest in Q1 and grows considerably in Q2.

Risk Factors Inherent in the Company's Operations

Risk of Outcome of Tender Procedures

Although the Company is bidding for multiple contracts and is also working on placing further bids for new assignments, the Company may not be awarded contracts for a total value which would allow it to extend the scope of operations in subsequent years as initially planned.

The above may result from non-award of contracts in the tender procedures, from the right to appeal against the award decision exercised by entities whose bids were not successful, or may be due to other formal or legal reasons.

Nevertheless, in the context of the available growth opportunities, the risk of insufficient number and volume of contracts is minor. This claim is based on the history of tender award decisions in tender procedures in which the Company participated as a bidder, combined with the estimated value of contracts which, to the best of the Company's knowledge, are going to be delivered in Poland in the next two years.

Nonetheless, there is a risk of delays in contract award decisions in tender procedures in which the Company acts or intends to act as a bidder. The delays may result from longer-than-planned preparation of tender procedures, as well as other factors and events of formal or legal nature. Such a scenario may result in delayed inflow of planned revenues by the Company, which, in turn, may adversely affect the financial performance.

Risk of Loss of Key Personnel

HYDROBUDOWA POLSKA S.A. relies in its operations on the expertise and experience of highly qualified staff, notably engineers. The primary method for sourcing highly-qualified experts is to offer them competitive salaries and terms of employment.

Considering the labour market situation in Poland, there exists a risk of losing key personnel. Poland's accession to the European Union, and the related opening of the labour market to professionals, represents another material threat. Therefore, there is a risk of losing staff members of key importance to the Company's development, which may adversely affect the quality of services provided by the Company.

The Management Board prioritises protection of key personnel, who are indispensable for the pursuit of the Company's mission and objectives.

In order to mitigate the risk of loss of key personnel, HYDROBUDOWA POLSKA S.A. has taken the following measures:

- labour market monitoring and offering competitive terms of employment,
- launch of appropriate incentive schemes, involving pay schemes combined with the performance bonus system,
- introduction of flexible pay systems, in line with the HBP Group's strategy,
- a continuous training programme,
- building a bond between the Company and its staff, through organisation of meetings and team-building exercises.

Risk of Non-Performance or Improper Performance of Contracts

Construction contracts contain a number of clauses which govern acceptable and timely performance, proper removal of defects, which is linked with the submission by the contractor of performance bonds, or provision of the contract security in the form of a bank or insurance guarantee.

The security is usually deposited on the contract execution date, and settled upon the contract completion. The amount of the security depends on contract type. Typically, it amounts to 10% of the gross contract price.

In the event of non-performance or improper performance of a contract, there is a risk of claims by the contracting party demanding payment of contractual penalties, or seeking withdrawal from the contract.

In the case of disputes with project sponsors regarding the quality or timely delivery of work, the security may remain unsettled until the dispute is resolved. In many cases, such disputes may lead to lengthy litigation.

Furthermore, construction contracts secured with a bank or insurance guarantee, require the contractor to execute remedial works under maintenance bond.

In order to mitigate the risk, HYDROBUDOWA POLSKA S.A.:

- extends insurance cover over contracts, including over subcontractors' actions,
- employs the ISO 9001:2001 quality management system, which enables it to minimise the quality risk,
- continuously monitors the quality and progress of work,
- uses IT tools to manage the projects,
- strives to improve qualifications of staff directly responsible for contract delivery using a certified project manager training programme,
- transfers the risk to cooperation contracts with manufacturers, vendors and subcontractors (liability for product and services, deviation of deliveries from order specifications, price increases, etc.).

Operational Risk

There are risks inherent in the operations of the Company, in particular regarding construction works, which include the potential occurrence of failures leading to loss of life and property.

HYDROBUDOWA POLSKA S.A. counteracts the risk by:

- holding third-party insurance on its operations,
- consistent upgrade and provision of state-of-the-art protective equipment for the personnel,
- staff training and skills improvement,
- continuous health-and-safety-at-work training and oversight.

Risk of Order Book Size

Development of the Company is contingent on the type, number and value of its ongoing projects. Despite favourable prospects for the environmental protection and hydroengineering market in Poland, the Group's subsidiaries have to meet a number of formal requirements to win contracts.

To that end, the Company focuses on:

- identification of market needs by monitoring public contract notices published in *Biuletyn Zamówień Publicznych*, gaining deeper insight into the industry and principles of nationwide and regional environmental protection programmes,
- submission of bids free from formal and legal defects,
- maintaining a database of credentials issued by its clients,
- paying utmost attention to meeting all formal requirements of the Polish Public Procurement Law, which must be fulfilled if the Company is to be eligible to bid in tender procedures.

Liquidity Risk

The complex nature of settlements under long-term high-value projects, combined with the need to commit substantial funds, exposes the Company to the liquidity risk.

A long period of time between the commitment of funds and their recovery in the form of payment for invoiced works often requires using various costly financial products, such as accounts receivable purchasing, factoring or revolving credit facilities.

In order to mitigate the risk, the Company:

- focuses on maintaining the image of a reliable partner in its relations with financial institutions,
- maintains access to credit lines and bank guarantee limits.

XVIII. PROCEEDINGS PENDING BEFORE COURT, ARBITRATION COURT OR PUBLIC ADMINISTRATION AUTHORITIES, INCLUDING THE FOLLOWING INFORMATION:

a) proceedings relating to payables or receivables of the Company or its subsidiary, equalling at least 10% of the Company's equity, specifying: subject matter of the proceedings, value of the claim, date of institution of the proceedings, parties to the proceedings, and the Company's position,

b) two or more proceedings relating to payables or receivables with a total value equalling at least 10% of the Company's equity, specifying the total value of proceedings separately for payables and receivables, as well as the Company's position, and – for the most significant proceedings relating to payables and receivables – specifying the subject matter of the proceedings, value of the claim, date of institution of the proceedings, and parties thereto.

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The value of proceedings instituted both by and against the Company does not exceed 10% of the Company's equity.

XIX. STRATEGY

The strategy of the HYDROBUDOWA POLSKA Group stipulates sustainable growth. The strategy also provides for a gradual expansion of its operations to include new markets, as well as operations in niche segments, where competition is limited due to the stringent requirements for qualifications, experience and credentials.

The purpose of the HBP Group is to maintain a leading position in terms of its capacity, market share, revenues and profitability.

The HYDROBUDOWA POLSKA Group's growth prospects reside in the environmental protection, hydraulic engineering, industrial, road and specialty construction markets.

By its decision of December 7th 2007, the European Commission approved the Infrastructure and Environment Programme for the years 2007-2013. The European Union earmarked nearly **EUR 28bn** for implementation of the Infrastructure and Environment Operational Programme, of which almost **EUR 5bn** is earmarked for environmental protection. The pool of funds increases further if the sponsor's own contribution is considered (at approximately 20% of each planned project).

The purpose of the programme is to improve investment attractiveness of Poland and its regions through the development of technical infrastructure, combined with protection and improvement of the environment and health, fostering cultural identity and developing territorial cohesion. In accordance with the National Strategic Reference Framework (NSRF) approved by the European Commission on May 7th 2007, the Programme represents a primary tool to achieve the objectives set forth in the NSRF, using funding from the Cohesion Fund and the European Regional Development Fund. The Infrastructure and Environment Operational Programme is also a vital tool to pursue the renewed Lisbon Strategy, and expenditures on the EU's priority objectives account for 66.23% of the total EU-funded expenditures of the programme.

Beneficiaries of the EU funding are primarily local governments. Securing the funding by local authorities will lead to a greater demand for services offered by the HBP Group.

The main priority regarding environmental protection is the improvement of flood protection.

Investment projects planned in this area include:

- increasing the holding capacity of floodwater reservoirs by approximately 2 bn m³, to reach 3.3 bn m³, including the planned floodwater reservoir in Racibórz, to cost PLN 1.2bn;
- reconstruction of approximately 1,000 kilometres of flood dykes;
- watercourse regulation over approximately 4,000 kilometres, including the regulation of the Świna river and the Żuławy alluvial plain, totalling PLN 550m.

As estimated by the Ministry of Environment, the total value of works related to hydraulic engineering infrastructure will amount to over **PLN 23bn** until 2020. The total covers both new projects, and upgrade of partially out-of-service facilities.

One of the key projects in the area is the "**Programme for the Oder 2006**".

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The Programme seeks to establish flood protection systems, remedy flood damage and use rivers for power generation. Funds for the related projects will partially come from the EU assistance funding.

According to the Polish Ministry of Environment's financial plans, nearly **PLN 3.1bn** will be spent on flood protection facilities until 2016. Reconstruction and upgrade of dykes will cost **PLN 364.5m**.

Major projects scheduled in this area include:

- Construction of the Racibórz Dolny floodwater reservoir (estimated cost of nearly **PLN 1.2bn**),
- Upgrade of the Wrocław floodwater reservoir (estimated cost of nearly **PLN 1.2bn**),
- Flood protection of the Kłodzko Valley, with a particular focus on the town of Kłodzko (estimated cost of approximately **PLN 1.0 bn**),
- Construction of the Wielowieś-Klasztorna floodwater reservoir (estimated cost of over **PLN 580m**),
- Completion of the Malczyce barrage construction (estimated cost of over **PLN 400m**),
- Upgrade of the Nysa floodwater reservoir on the Nysa Kłodzka, phase I (estimated cost of **PLN 390m**).



Source: Programme for the Oder, update of July 24th 2009

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Projects involving the construction of waste incineration plants in the largest Polish cities may become vitally important for the HBP Group. Such projects are included in the Infrastructure and Environment Operational Programme for the years 2007-2013.

The first waste incineration plant construction projects are to be launched in Poznań, Bydgoszcz, Toruń, Szczecin, Olsztyn and Kraków.

Eighteen uch projects have already been submitted and approved.

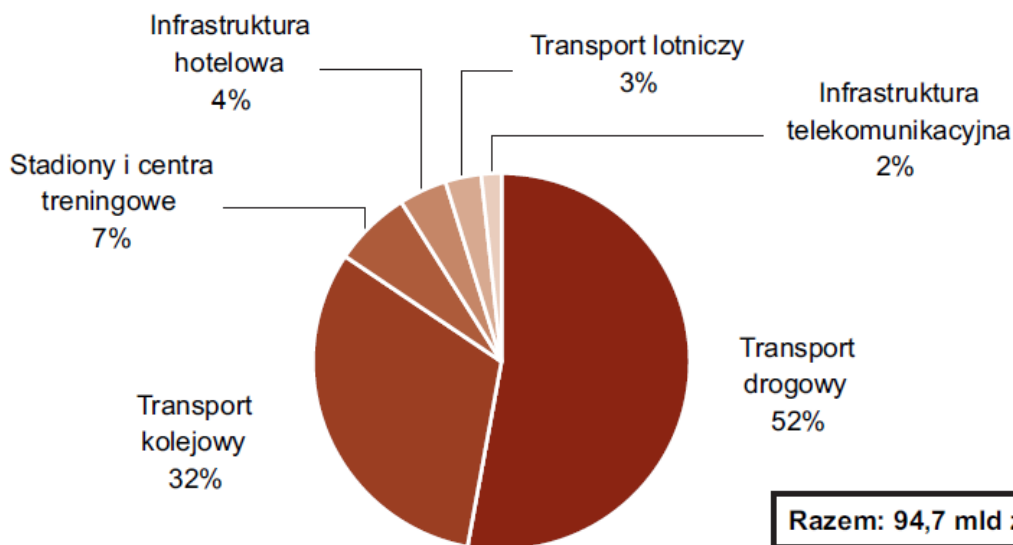
Major ones among them include:

- Waste management system for cities and towns of the Upper Silesia Metropolitan Union, along with construction of a waste incineration plant - **PLN 1.1bn;**
- Municipal waste management in Kraków, along with the construction of a waste incineration plant - **PLN 703m;**
- Municipal waste management in Łódź, along with the construction of a waste incineration plant - **PLN 660m;**
- Waste management system for the city of Poznań - **PLN 640m;**
- Waste management system for the Gdańsk Metropolitan Area - **PLN 539m;**
- Upgrade and extension of a solid waste neutralisation plant in Warsaw - **PLN 533m;**
- Construction of a waste incineration plant in Olsztyn - **PLN 518m;**
- Integrated waste management system for the Białystok metropolitan area - **PLN 414m;**
- Construction of waste incineration plant for the Bydgoszcz-Toruń Metropolitan Area - **PLN 400m;**
- Upgrade of municipal waste management in Gdańsk - **PLN 329m;** the master project's contract, totalling PLN 298.5m and involving construction of a waste processing plant, was already awarded to HYDROBUDOWA POLSKA S.A. in August 2008;
- Construction of a waste incineration plant for the Szczecin Metropolitan Area - **PLN 300m.**

Another opportunity for the HBP Group resides in investments in sports infrastructure in connection with the hosting by Poland of the EURO 2012 European Football Championship finals.

The total value of the projects related to the event is currently estimated at nearly **PLN 95bn**, which is twice the amount to be spent on similar projects in Ukraine, the co-host of the tournament.

Inwestycje związane z organizacją Euro 2012 w Polsce



Source: "Euro 2012 in Poland and Ukraine. Planned construction projects" (Euro2012 w Polsce i na Ukrainie. Planowane inwestycje budowlane) report, PMR Publications, PMR department, 2009

<i>Inwestycje związane z organizacją Euro 2012 w Polsce</i>	<i>EURO 2012-related projects in Poland</i>
<i>infrastruktura hotelowa</i>	<i>Hotel infrastructure</i>
<i>transport lotniczy</i>	<i>Air transport</i>
<i>infrastruktura telekomunikacyjna</i>	<i>Telecommunications infrastructure</i>
<i>stadiony i centra treningowe</i>	<i>Arenas and training centres</i>
<i>transport kolejowy</i>	<i>Railway transport</i>
<i>transport drogowy</i>	<i>Road transport</i>
<i>Razem: 94,7 mld zł</i>	<i>Total: PLN 94.7bn</i>

Following the award to Poland and Ukraine of the right to host the European Football Championships in 2012, a programme was developed for road connections extension between cities-host of the EURO 2012, and for cross-border roads. Activities under the programme were included in the Programme for Construction of National Roads and Motorways for the years 2008-2012.

The programming period covers five years of the current EU financial perspective, under which funds are spent in the years 2007-2015.

The expenditure under the programme totals over **PLN 121bn**, and includes spending on the development of the national roads' network of PLN 104.7bn (including expressways and motorways).

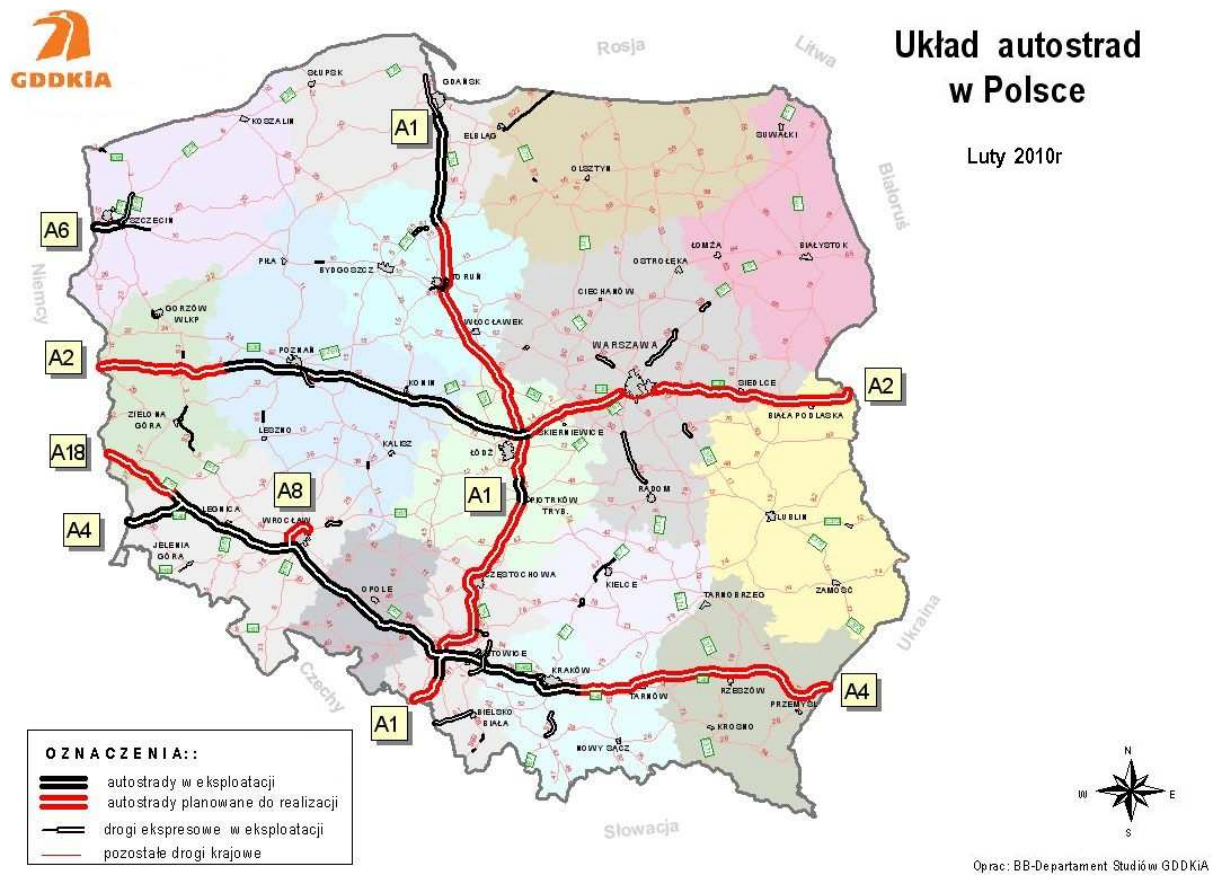
Expenditure on investment projects under the Programme, summarised by types of roads:

- Motorways - total expenditure of **PLN 18.2bn**;

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- Expressways - total expenditure of **PLN 46.9bn**;
- Beltways - total expenditure of **PLN 6.5bn**;
- Heavy maintenance (upgrades) and reconstruction - total expenditure of **PLN 4.8bn**;
- Preliminaries and supervision - total expenditure of **PLN 6.5bn**;
- Other capital expenditure (investment spending on office furnishing, patrol cars) totalling **PLN 1.6bn**;
- Programme reserve, guarantee deposit and litigation provision - **PLN 17.8bn**.

The Programme also itemises "Road maintenance", with the corresponding spending on road maintenance and management in the years 2008-2012 totalling PLN 16.3bn.



Source: General Directorate for National Roads and Motorways, GDDKiA

Układ autostrad w Polsce, luty 2010	Layout of motorways in Poland
OZNACZENIA:	LEGEND:
autostrady w eksploatacji	operational motorways
autostrady planowane do realizacji	motorways to be delivered
drogi ekspresowe w eksploatacji	operational expressways
pozostałe drogi krajowe	other national roads

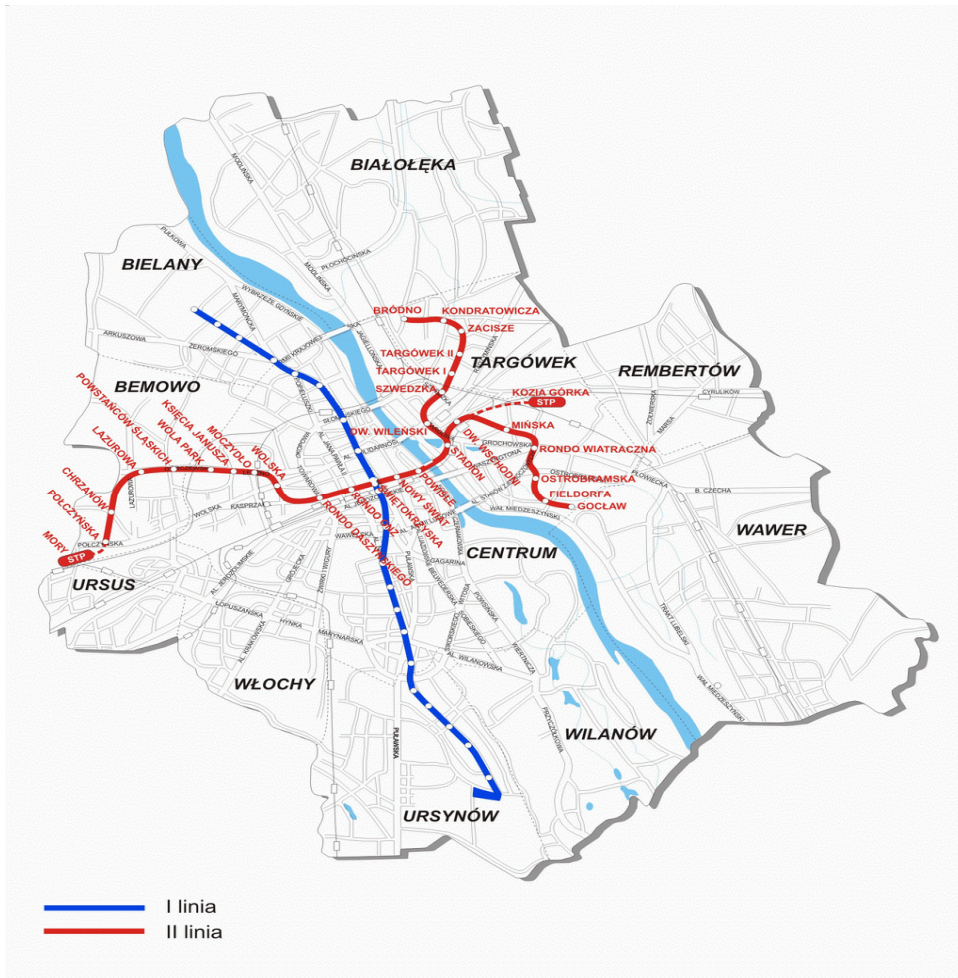
An important project for the HBP Group may become the construction of the 2nd underground line in Warsaw. PRG Metro, a HBP subsidiary and one of primary contractors for

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the 1st line the Warsaw underground) is well into negotiations with the consortium acting as the general contractor for the central section of the 2nd metro line, regarding subcontracting for the project.

The central section of the 2nd line of the Warsaw underground, from Rondo Daszyńskiego to the Warszawa Wileńska station is delivered by the consortium (acting as the general contractor) formed by Astaldi (Italy, leader), Gulermak (Turkey) and Przedsiębiorstwo Budowy Dróg i Mostów of Mińsk Mazowiecki, Poland. The contract price is **PLN 4.1bn, VAT inclusive** (PLN 3.4bn VAT exclusive).

The length of the central section is to be approximately 6 kilometres. Seven stations are to be constructed along the route: Rondo Daszyńskiego, Rondo ONZ, Świętokrzyska, Nowy Świat, Powiśle, Stadion and Dworzec Wileński.



VIII. MAJOR ACHIEVEMENTS IN RESEARCH AND DEVELOPMENT

In the current reporting period, HYDROBUDOWA POLSKA S.A. did not record any achievements in research and development which would materially impact its profit or loss.

IX. PRESENT FINANCIAL POSITION AND FINANCIAL OUTLOOK

All financial ratios and data presented in this section are based on or sourced from the financial statements prepared in accordance with the International Accounting Standards.

Sales Revenue

In H1 2010, HYDROBUDOWA POLSKA S.A. recorded a 29.8% year-on-year increase in sales revenue, from PLN 391.3m in H1 2009 to PLN 508.0m.

The **residential and industrial construction segment** contributed the largest proportion of sales revenue (88.1%), followed by the **water segment** with a 10.1% share in sales revenue.

The table below presents contracts generating the largest sales revenues in H1 2010, broken down by operating segment:

Water segment:

Contract	Sales revenue recognised in H1 2010 (PLN'000)
Combined stormwater and domestic sewage system in the Wilkowyje and Mąkołowiec districts (executed under the project <i>Wastewater Management in the Town of Tychy</i>)	13,583
Modernisation and extension of wastewater treatment plant in Starachowice	13,228
Construction of the sewage system in the districts: Ligota-Ligocka, Kuźnia, Gotartowice i Boguszowice Stare in Rybnik	5,798

Industrial and residential construction segment:

Contract	Sales revenue recognised in H1 2010 (PLN'000)
Construction of multi-purpose National Stadium in Warsaw and auxiliary infrastructure	252,321
Extension of City Stadium at ul. Bułgarska 5/7 in Poznań for EURO 2012 – construction of spectator stands I and III, and roofing over spectator stands I, II	81,666

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and III

Construction of <i>Arena Bałtycka</i> football stadium in Gdańsk Letnica	69,804
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Design and construction of waste neutralisation facility in Gdańsk-Szadółki (construction and assembly work)	40,746
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Cost of Sales

In H1 2010, cost of sales was PLN 476.2m, up by 31.2% relative to the corresponding period of the previous year.

General and Administrative Expenses

In H1 2010, general and administrative expenses totalled PLN 14.9m, up by 20.5% year on year. The share of general and administrative expenses in sales revenue decreased from 3.2% in H1 2009 to 2.9%.

Other Operating Income

In H1 2010, other operating income totalled PLN 17.4m, with the largest shares attributable to the reversal of impairment losses on assets, mainly receivables (PLN 15.4m) and damages received (PLN 1.5m). In the discussed period, other operating income amounted to PLN 1.8m.

Other Operating Expenses

In H1 2010, other operating expenses totalled PLN 28.4m, compared with PLN 3.0m in H1 2009. Key items of other operating expenses include penalties and damages paid and impairment losses on assets, mainly receivables.

EBIT

In H1 2010, HYDROBUDOWA POLSKA S.A. recorded a year-on-year decrease in EBIT, from PLN 14.7m to PLN 5.9m (down by 60%).

Finance Income

In H1 2010, finance income totalled PLN 5.4m, having fallen by 39.2% on H1 2009. Key component of finance income is interest income on loans advanced and on bank deposits (PLN 4.5m)

Finance Expenses

In H1 2010, finance expenses totalled PLN 8.4m, which represents a 24.6% increase on H1 2009. Interest on bank loans account for the largest share of finance expenses (PLN 4.9m).

Order Book

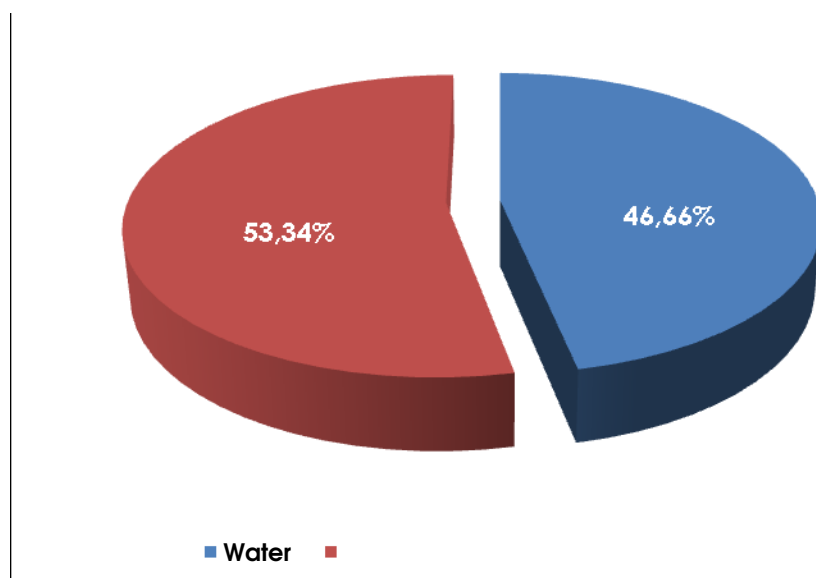
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As at June 30th 2010, the value of HYDROBUDOWA POLSKA S.A.'s order book was more than PLN 1.6bn. The largest items of the order book are contracts in the residential and industrial construction segment, notably projects involving modernisation and construction of sports stadiums in Warsaw, Poznań and Gdańsk.

Structure of order book as at June 30th 2010	Share (%)
Natural gas, crude oil and fuels	0.00%
Water	46.66%
<i>Water and sewage infrastructure</i>	33.16%
<i>Hydraulic engineering</i>	13.50%
<i>Modernisation</i>	0.00%
Industrial and residential construction	53.34%
Roads	0.00%
Total	100.00%

Contracts for the construction of sections of A1 and A4 motorways and S5 expressway are not included in the order book data. Following execution of the contract for construction of the Bojanowo and Rawicz beltway, the total value of road construction orders, to be executed jointly by HYDROBUDOWA POLSKA, other PBG Group companies and their foreign partners, has grown to approximately PLN 3.7bn (VAT exclusive, i.e. almost PLN 4.5bn VAT inclusive).

Structure of the HBP Group's order book as at June 30th 2010



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The Company's financial ratios and a detailed explanation of the figures disclosed in the financial statements.

Selected profitability ratios:

The following financial ratios were used to assess the Group's profitability:

- **Sales margin** – profit on sales / sales revenue,
- **Operating margin** – operating profit / sales revenue,
- **Net margin** – net profit / sales revenue,
- **Return on assets (ROA)** – net profit / assets,
- **Return on equity (ROE)** – net profit / equity,
- **Return on non-current assets** – net profit / non-current assets.

Ratio	H1 2009	H1 2010
Gross margin	7.2%	6.3%
Operating margin	3.8%	1.2%
Net margin	3.6%	0.2%
ROA	1.1%	0.1%
ROE	1.8%	0.1%
Return on non-current assets	3.0%	0.2%

In H1 2010, gross margin recorded by HYDROBUDOWA POLSKA S.A. was 6.3% (7.2% in H1 2009), while operating margin was 1.2% (3.8% in H1 2009), and net margin 0.2% (3.6% in H1 2009).

The following financial ratios were used to assess the Group's equity and indebtedness:

- **Debt ratio** – total debt / total assets,
- **Long-term debt ratio** – (long-term debt + non-current provisions + non-current accruals and deferred income) / total assets,
- **Short-term debt ratio** – (current liabilities + current provisions + current accruals and deferred income) / total assets,
- **Debt-to-equity ratio** – equity / total debt.

Ratio	H1 2009	H1 2010
Debt ratio	39.8%	39.3%
Long-term debt ratio	2.7%	1.6%

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Short-term debt ratio	37.1%	37.7%
Debt-to-equity ratio	151.3%	154.3%

The following financial ratios were used to assess the Company's liquidity:

- **Current ratio** – current assets / (current liabilities + current provisions + current accruals and deferred income),
- **Quick ratio** – (current assets – inventories – receivables under construction contracts) / (current liabilities + current provisions + current accruals and deferred income),
- **Cash ratio** – (cash + short-term securities) / (current liabilities + current provisions + current accruals and deferred income).

Ratio	H1 2009		H1 2010	
	2009	2010	2009	2010
Current ratio	1.69	1.66	1.69	1.66
Quick ratio	0.98	0.90	0.98	0.90
Cash ratio	0.09	0.09	0.09	0.09

Financial Outlook for the Company

In 2010, the Company plans to maintain its financial ratios at a level ensuring stable operations. Current operations and projects will be financed using internally generated funds, short-term facilities and investment loans. It is possible that the Company may change its financing arrangements by increasing the amount of credit facilities and long-term bonds if this proves necessary to implement the Company's strategic objectives, such as acquisition of major contracts or implementation of its projects.

X. MANAGEMENT BOARD'S DISCUSSION OF THE HYDROBUDOWA POLSKA GROUP'S FINANCIAL PERFORMANCE IN Q2 2010

I. Important Events and Factors with a Bearing on Financial Performance of the HBP Group (Data for Q2 2010)

In Q2 2010, HYDROBUDOWA POLSKA S.A. recorded a 34.8% increase in **sales revenue**, from **PLN 231.2m** to **PLN 311.6m**. **Gross profit on sales** amounted to **PLN 21.6m**, having grown by 34.4% relative to Q2 2009. **Operating profit** decreased from PLN 9.3m to PLN **3.1m**, which represented a 66.9% decrease, while **net profit** has gone down by 95.7%, from PLN 9.8m to **PLN 0.4m**.

In Q2 2010, the following contracts were the main sources of revenue from the core business of the Company:

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Water segment:

Contract	Sales revenue generated in Q2 2010 (PLN'000)
Combined stormwater and domestic sewage system in the Wilkowyje and Mąkołowiec districts (executed under the project <i>Wastewater Management in the Town of Tychy</i>)	10,742
Modernisation and extension of sewage treatment plant in Starachowice	9,061

Industrial and residential construction segment:

Contract	Sales revenue generated in Q2 2010 (PLN'000)
Construction of multi-purpose National Stadium in Warsaw, with auxiliary infrastructure	184,584
Construction of <i>Arena Bałtycka</i> football stadium in Gdańsk Letnica	47,574
Extension of City Stadium at ul. Bułgarska 5/7 in Poznań for EURO 2012 — construction of spectator stands I and III, and roofing over spectator stands I, II and III	26,262
Design and Construction of Waste Neutralisation Facility in Gdańsk Szadółki (construction and assembly works)	14,002

HBP S.A.'s income statement	for the period	for the period	Growth rate
	Apr 1 – Jun 30 2010	Apr 1 – Jun 30 2009	Q2 2010/ Q2 2009
Sales revenue	311,568	231,206	134.8%
Cost of sales	(289,920)	(215,101)	134.8%
Gross profit/(loss)	21,648	16,105	134.4%

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Selling costs	-	-	
General and administrative expenses	(10,383)	(6,867)	151.2%
Profit on sales	11,265	9,238	121.9%
Other operating income	1,728	1,413	122.3%
Other operating expenses	(9,920)	(1,382)	717.8%
Operating profit/(loss)	3,073	9,269	33.2%
Finance income	1,511	2,575	58.7%
Finance expenses	(3,147)	(1,169)	269.2%
Other gains/(losses) on investments	-	950	0.0%
Pre-tax profit/(loss)	1,437	11,625	12.4%
Income tax	(1,019)	(1,802)	56.5%
Net profit/(loss)	418	9,823	4.3%

II. Discussion of Revenue, Income, Costs and Expenses

1. Sales Revenue

In Q2 2010, HYDROBUDOWA POLSKA S.A.'s revenue amounted to **PLN 311.6m**, which represented a 34.8% growth.

2. Cost of Sales

In Q2 2010, cost of sales reached PLN 289.9m, having grown by 34.8% relative to the corresponding period of the previous year.

3. General and Administrative Expenses

General and administrative expenses in Q2 2010 amounted to PLN 10.4m, representing a 51.2% year-on-year increase. The share of general and administrative expenses in sales revenue went up by 0.3pp in the period, from 3.0% to 3.3% relative to Q2 2009.

4. Other Operating Income

Other operating income in Q2 2010 was PLN 1.7m, having grown by 22.2% year on year.

5. Other Operating Expenses

In Q2 2010, other operating expenses totalled PLN 9.9m and were 618.3% higher than in Q2 2009.

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6. Finance Income

Year on year, 2010 saw a 41.3% decrease in finance income, which stood at PLN 1.5m.

7. Finance Expenses

In Q2 2010, finance expenses amounted to PLN 3.1m, which represents a 269.2% increase on Q2 2009.

III. Discussion of the Financial Result

1. Items of the Income Statement

In Q2 2010, the Company posted net profit of PLN 0.4m, representing a 95.7% decrease relative to Q2 2009.

Profitability Ratios	Q2 2009	Q2 2010
Gross sales margin ¹	7.0%	7.0%
Operating margin ²	4.0%	1.0%
Net margin ³	4.2%	0.1%

¹gross profit on sales / sales revenue*100

² operating profit / sales revenue*100

³ net profit/sales revenue*100

In Q2 2010, sales revenue increase was identical with the growth of cost of sales. This allowed the Company to maintain its gross margin at the level recorded in Q2 2009.

Operating margin was 1.0%, having fallen by 3pp quarter on quarter. **Net margin** also decreased, to 0.1%, down by 4.1pp over the year.

XI. MATERIAL OFF-BALANCE-SHEET ITEMS BY COUNTERPARTY, SUBJECT MATTER AND VALUE

Information on the values of off-balance-sheet items (sureties and guarantees) is presented in the Notes to the financial statements under "Contingent liabilities under guarantees and sureties granted, as at June 30th 2010".

XII. CHANGES IN SIGNIFICANT MANAGEMENT POLICIES

In the period covered by this Report, the Company did not make any major changes in its significant management policies.

XIII. AGREEMENTS WHICH MAY RESULT IN CHANGE IN SHAREHOLDINGS

As at the date of filing this Report, the Management Board is not aware of any agreements which may result in changes in the shareholdings.

XIV. AUDITOR OF THE FINANCIAL STATEMENTS

HYDROBUDOWA POLSKA S.A.'s Management Board represents that under the regulations currently in effect, the Supervisory Board decided, by way a resolution dated July 19th 2010, to appoint Grant Thornton Frąckowiak Sp. z o.o. (formerly: HLB Frąckowiak i Wspólnicy Sp. z o.o.) of Poznań, registered office at Plac Wiosny Ludów 2, 61-831 Poznań, Poland, a company entered in the list of entities qualified to audit financial statements maintained by the National Board of Chartered Auditors under Entry No. 238, as the company qualified to review the interim separate and consolidated financial statements as at June 30th 2010, as well as to audit the annual separate financial statements of HYDROBUDOWA POLSKA S.A. and consolidated financial statements of the HYDROBUDOWA Group for 2010.

1. Contract Date

HYDROBUDOWA POLSKA S.A. and Grant Thornton Frąckowiak Sp. z o.o. (formerly: HLB Frąckowiak i Wspólnicy Sp. z o.o.) concluded an agreement for the review of the separate financial statements of HYDROBUDOWA POLSKA S.A. for the period January 1st – June 30th 2010 and the report on the review on July 19th 2010.

2. Total Fees

Total remuneration payable to Grant Thornton Frąckowiak Sp. z o.o. (formerly: HLB Frąckowiak i Wspólnicy Sp. z o.o.), for the review of the interim separate financial statements of HYDROBUDOWA POLSKA S.A. for the period January 1st – June 30th 2010 is PLN 20,800.00 (exclusive of VAT).

3. Other Fees

Furthermore, the Company agreed to cover costs and expenses related to the review of the financial statements (e.g. hotel expenses, meals, travel expenses, courier costs).

XV. AGREEMENTS BETWEEN THE COMPANY AND ITS MANAGEMENT STAFF PROVIDING FOR COMPENSATION IN THE EVENT OF A GIVEN PERSON RESIGNING OR BEING REMOVED FROM OFFICE

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As at the balance-sheet date, there were no agreements between HYDROBUDOWA POLSKA S.A. and its management staff, which would provide for compensation in the event of a given person resigning or being removed from office.

XVI. CONTROL SYSTEMS FOR EMPLOYEE PLANS

No employee plans are in operation at HYDROBUDOWA POLSKA S.A.

XVII. RESTRICTIONS ON TRANSFER OF HYDROBUDOWA POLSKA S.A. SECURITIES AND LIMITATIONS ON THE VOTING RIGHTS

All Company shares are bearer shares. There are no restrictions on the transfer of title to the Company shares or any other limitations on the exercise of voting rights attached to the shares.

Signatures of all Members of the Management Board:

Date	Name and surname	Position / Function	Signature
August 20th 2010	Jerzy Ciechanowski	President of the Management Board	
August 20th 2010	Edward Kasprzak	Vice-President of the Management Board	
August 20th 2010	Jarosław Duśiło	Vice-President of the Management Board	
August 20th 2010	Szymon Tamborski	Vice-President of the Management Board	
August 20th 2010	Rafał Damasiewicz	Member of the Management Board	
August 20th 2010	Andrzej Zwierzchowski	Member of the Management Board	