



**The Report of the Management Board from the activity of the Company HYDROBUDOWA
POLSKA S.A.**

for the period from 1st January, 2008 until 31st December, 2008

Wysogotowo, 27th April, 2009

I. THE OVERALL VIEW OF THE ACTIVITY OF THE COMPANY HYDROBUDOWA POLSKA

1. General information

HYDROBUDOWA POLSKA S.A. with the seat in Wysogotowo, address: Skórzewska 35; 62-081 Przeźmierowo is a company operating in the building sector, specializing in constructing buildings in civil engineering structures, performing engineering and hydro-technical works for general construction.

On 27th August 2007 the District Court in Poznań registered a merger of the Company with the Company "Hydrobudowa Śląsk" S.A. and on 7th January 2008 the change of the name of the Company was registered from HYDROBUDOWA Włocławek S.A. to HYDROBUDOWA POLSKA S.A. Presently the registration documents are held by the District Court of Poznań – Nowe Miasto and Wilda, VIII Economic Division of the National Court Register

Information about the Company: HYDROBUDOWA POLSKA Spółka Akcyjna

Seat: 62-081 Przeźmierowo, Wysogotowo k/Poznań

Contact data: Tel.: 61 664 19 50

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www.hbp-sa.pl

e-mail: polska@hbp-sa.pl

The Company has Branches:

1. Branch in Włocławek with the seat in Włocławek

Address: Płocka 164

87-800 Włocławek

Phone: 54 230 32 00

fax.: 54 230 32 02

e-mail: wloclawek@hbp-sa.pl

2. Branch Śląsk with the seat in Mikołów

Address: Żwirki i Wigury 58

43-190 Mikołów

Phone: 32 78 31 100

Main Office: 32 78 31 200

Fax. 32 78 31 201

e-mail: slask@hbp-sa.pl

The Central Statistical Office classification: 4221Z (PKD 2007)

VAT ID number: 888-020-59-44

Enterprise ID [REGON]: 910097080

2. The staff, the changes which occurred among the staff managing and supervision the Issuer as well as the description of activities of entities managing and supervising the Issuer

In the structure of the authorities of the Company there is the Management Board as the managing authority and the Supervisory Board as the supervising authority. Besides the Management Board and the Supervisory Board there are no other administrative authorities. The managing staff of a higher rank are the proxies of the Issue

The Supervisory Board of the Company

A of the day 31st December 2008 the Supervisory Board consisted of the following persons:

Name and surname	Function
Małgorzata Wiśniewska	Chairperson of the Supervisory Board

Andrzej Wilczyński Vice-Chairperson of the Supervisory Board

Grzegorz Wojtkowiak Member of the Supervisory Board

Marcin Idziorek Member of the Supervisory Board

Przemysław Szkudlarczyk Member of the Supervisory Board

Piotr Stobiecki Secretary of the Supervisory Board

Until the day of preparing this report the contents of the Supervisory Board has not changed.

The Management Board of the Company

In the period from 1st January 2008 until 31st December 2008 the following changes took place in the contents of the Management Board of the Company:

- on 30th June 2008 M Krzysztof Diduch resigned from the function of the Member of the Management Board;
- on 30th October 2008 the President of the Management Board of the Company M Tomasz Woroch and the Vice-President of the Management Board, M Tomasz Starzak, resigned from their functions in the Management Board of the Company. The reason for the resignation of the President of the Management Board – M Tomasz Wołoch was the completion of the mission connected with the merger of HYDROBUDOWA POLSKA S.A. with HYDROBUDOWA 9 P.I-B. S.A. The reason for the resignation of the Vice-President of the Management Board – M Tomasz Starzak, on the other hand, were family reasons,
- As of 30th October 2008 the Supervisory Board of the Company while exercising its statutory rights appointed to the position of the President of the Management Board M Jerzy Ciechanowski, and gave to M Jarosław Dusiło, until then a Member of the

Management Board of the Company, the position of the Vice-President of the
Management Board of the Company.

Con the above, as of 31st December 2008 the composition of the Management Board of the Company
was the following:

Name and surname	Function
Jerzy Ciechanowski	President of the Management Board
Edward Kasprzak	Vice-President of the Management Board
Jarosław Dusiło	Vice-President of the Management Board
Andrzej Zwierzchowski	Member of the Management Board
Rafał Damasiewicz	Member of the Management Board
Joanna Zwolak	Member of the Management Board

Until the day of preparing this report the composition of the Management Board of the Company has
not changed.

Proxies of the Company

In the period from 1st January 2008 until 31st December 2008 the following changes took place among the proxies of the Company:

- As of 18th July 2008 the Management Board of the Company called off as of the day 31st July 2008 the joint commercial proxy granted to Ms. Małgorzata Jankowska, leading to restricting her tasks to the Włocławek Division of the Company.
- As of 27th February 2009 the Management Board of the Company withdrew the independent proxy granted to M Paweł Kujawa.

In view of the above, until the day of drawing this report the only Proxy of the Company was M Andrzej Szultka, who has the function of an independent Proxy.

II. INFORMATION ABOUT THE BASIC GROUPS OF PRODUCTS

The Company distinguishes four main elements within which it runs its operating activity:

- **water,**
- **fuels,**
- **housing and industrial building engineering,**
- **roads.**

Within specific segments the following range of services are distinguished:

• Water includes:

- technological and sanitary installations for water and sewage systems, such as:
 - water lines,
 - sewage systems,
 - water mains and collectors,
 - water intakes,
 - sewage treatment plants,
- hydro-technical facilities, such as:
 - dams,
 - storage reservoirs,
 - river embankments,
 - refurbishments of water and sewage systems.

- Fuels include:

- fuels warehouses,
- underground gas storerooms,
- LNG warehousing stations and evaporation stations.

- Housing and industrial building engineering includes:

- general building engineering,
- industrial infrastructure.

- Roads include:

- highway engineering.

The column "Other" shows incomes and costs not assigned to any of the segments, i.e.:

- the construction of sport facilities,
- the construction of facilities connected with waste utilization,
- the sale of goods and materials,
- incomes from other business activities than the construction.

Basic groups of products of the Company for the last two years are presented in the following table:

Total net revenue from sales of products (types of activities)	2008	2007	Difference	
	(in thousand PLN)	(in thousand PLN)	(in thousand PLN)	Difference (in %)
water				
(hydraulic engineering and environment protection)	569 675	440 687	128 988	129,27%
fuels				
(storing fuels)	96 260	55 315	40 945	174,02%

Housing and industrial building engineering	19 167		19 167	
Roads	1 891		1 891	
other	106 958	86 298	20 660	123,94%
Total net revenue from sales of products	793 951	582 300	211 328	136,35%

The sales of HYDROBUDOWA POLSKA S.A. is generated only on a local market. This tendency is caused above all by the character of the activity of the Company as well as extremely prospective investment market in Poland, which is the effect of Poland's accessing the European Union. The orders constitute the orders for constructing specialized facilities which the Company acquires mainly from local entities and self-governing bodies.

III. INFORMATION ABOUT THE SALES MARKET

The main orderers of the Company are entities of the self-governing bodies and enterprises carrying out business activity within the water-sewage management, including entities belonging to self-governing units.

The chief customers of construction services in 2008.

Investor's name	Participation in incomes in 2008
1. Municipality of Wrocław	13,61%
2. Municipality of Piaseczno	12,17%
3. PBG S.A.	10,34%
4. Zabrzeńskie Przedsiębiorstwo Wodociągów i Kanalizacji	9,88%
5. Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji - Wrocław	7,17%
6. Sewage-Gas company with the seat in Luboń	3,33%

Sources of supplies

Due to the character of business activity – i.e. providing specialist construction assembly services, among many other in the form of the general contracts, the suppliers of services are mainly local companies active on the same market as HYDROBUDOWA POLSKA S.A.

The table below presents the greatest suppliers of the Company according to the state as of 31st December 2008 on the basis of the value of contracts concluded with specific contractors.

Contractor's name

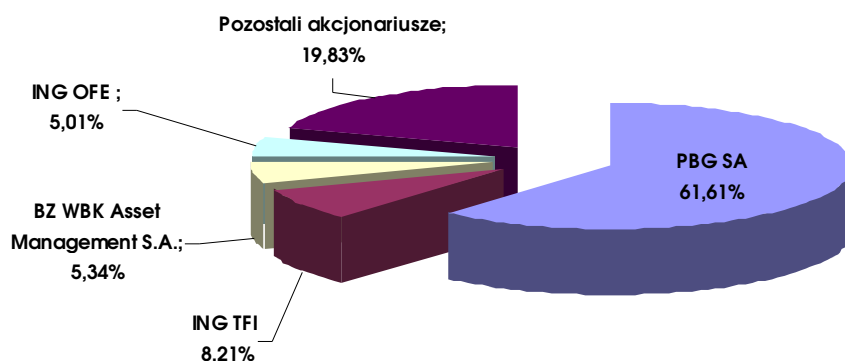
1. **SOBET**
 2. KAN - GAZ
 3. TRAKT SYSTEM WROCLAW
 4. ECOSERVICE
 5. NURT WROCLAW
-

The share of none of the above mentioned contractors exceeded 10% of total sales income of the Company.

IV. The stockholders having at least 5% of votes in the total number of votes at the General Shareholders' Meeting and the changes in the ownership structure of major packages of the Issuer' stocks.

The equity of the Company according to the day of 31st December 2008 was 210 558 445 PLN and was divided into 210 558 445 ordinary bearer shares of the face value of 1.00 PLN each.

The structure of the shareholders of the Company



Below is the Structure of the Shareholders of the Company in votes at the General Meeting of the company as of the day of passing this report.

Po s.	Stockholder	Number of shares	Number of votes	Share in equity of the Issuer	Share in the total number of votes at the General Meeting of the Issuer
1.	PBG S.A.	129 726 808	129 726 808	61,61%	61,61%
2.	ING TFI S.A. in Warsaw	17 282 900	17 282 900	8,21%	8,21%
3.	BZ WBK Asset Management S.A.	11 233 756	11 233 756	5,34%	5,34%
4.	ING OFE in Warsaw	10 550 000	10 550 000	5,01%	5,01%
5.	Other stockholders	41 764 981	41 764 981	19,83%	19,83%
TOTAL		210 558 445	210 558 445	100,00%	100,00%

The announcement about changes in the assets:

The notification from BZ WBK Towrzystwo Funduszy Inwestycyjnych S.A.

As of 6th May 2008 the Issuer informs that he received dated for the day 29th April 2008 a notice from BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. with the seat in Poznań, acting on behalf of Arka BZ WBK Shares of the Investment Open Fund, Arka BZ WBK Rozwoju Nowej Europy Investment

Open Fund, Arka BZ WBK Stabilnego Wzrostu Investment Open Fund, Arka BZ WBK Zrównoważony Investment Open Fund as well as Lukas Investment Open Fund, about the change of the assets of shares of HYDROBUDOWA POLSKA S.A., which is the result of assigning the shares of K series made on 28th April 2008. As the result of the assignation of the K series shares, the above listed Funds became the owners of shares ensuring more than 5% of the total number of votes at the General Meeting of Shareholders of the Company HYDROBUDOWA POLSKA S.A.

Before increasing the shares on the accounts of the Funds there were 477 472 shares of the company HYDROBUDOWA POLSKA S.A., what constituted 0.34% in the equity of the company HYDROBUDOWA POLSKA S.A. These shares allowed for 477 472 votes at the General Meeting of Shareholders, what constituted 0.34% of the share in the total number of votes at the General Meeting of the Company HYDROBUDOWA POLSKA S.A.

As the result of the assignation made on 28th April 2008, the Funds became the owners of totally 11 177 472 shares, what constitutes 6.44% in the equity. These shares allow for 11 177 472 votes what constitutes 6.44% of the share in the total number of votes at the General Meeting of Shareholders of the Company HYDROBUDOWA POLSKA S.A.

At the same time BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. informed that it ordered managing investment portfolios of the Funds to the company BZ WBK AIB Asset Management S.A. with the seat in Poznań, having the information obligation connected with the assignment of shares mentioned in this report.

The notice from BZ WBK Asset Management S.A.

As of 6th May 2008 the Issuer received a notice dated 29th April 2008 from BZ WBK AIB Asset Management S.A. with the seat in Poznań concerning the change of the status of the ownership of shares of HYDROBUDOWA POLSKA S.A. as the result of the transaction of purchasing the shares settled on 28th April 2008 and the assignation of shares of the K series carried out as of 28th April 2008.

As the result of the transaction of the purchase of sales and the assignation of K series shares, the Customers of BZ WBK AIB Asset Management S.A. became the owners of shares ensuring more than 5% of the total number of votes at the General Meeting of the Company HYDROBUDOWA POLSKA S.A.

Before increasing the shares the Customers of BZ WBK AIB Assets Management S.A. on the accounts under the management contracts had 505 601 shares of the company HYDROBUDOWA POLSKA S.A., what constituted 0.36% in the equity of the company HYDROBUDOWA POLSKA S.A. These shares allowed for 505 601 votes at the General Meeting of Shareholders, what constituted 0.36% of the share in the total number of votes at the General Meeting of the Company HYDROBUDOWA POLSKA S.A.

As of 28th April 2008 as the result of settling the transaction and assignation of the K series shares, the Customers of BZ WBK AIB Asset Management S.A. became the owners of totally 11 233 756 shares, what constitutes 6.47% in the equity. These shares allow for 11 233 756 votes what constitutes 6.47% of the share in the total number of votes at the General Meeting of Shareholders of the Company HYDROBUDOWA POLSKA S.A.

At the same time BZ WBK AIB Asset Management S.A. informed that BZ WBK AIB TFI S.A. ordered the management of investment portfolios of the investment funds, of which the entity is the Association at the company BZ WBK AIB Asset Management S.A. Due to the above in the case of having by the Funds the shares of the Company HYDROBUDOWA POLSKA S.A., BZ WBK AIB Asset Management S.A. is obliged to consider it in the notice.

The notice from ING OFE

As of 9th May 2008 the Issuer received a notice of 8th May 2008 informing that as the result of obtaining the rights to the K series shares of the Company HYDROBUDOWA POLSKA S.A., settled on 6th May 2008, ING Open Pension Fund became the owner of 350 000 shares of the Company and 10 200 000 rights to shares of the Company, constituting more than 5% of votes at the General Meeting of Shareholders of HYDROBUDOWA POLSKA S.A.

Before purchasing the shares the Fund owned 350 000 shares of the Company, constituting 0.25% of equity of the Company and was entitled to 350 000 votes at the General Meeting of Shareholders of the Company, what constituted 0.25% of share in the total number of votes at the General Meeting of Shareholders of the Company HYDROBUDOWA POLSKA S.A.

Due to the above, at the moment of the change of ownership to the shares for the shares of the Company at the account of securities of the Fund, there will be 10 550 000 shares of the Company, and the share of the Fund in the equity of the Company will be 6.07% of the equity of the Company. These shares will entitle to 10 550 000 votes at the General Meeting of Shareholders of the Company HYDROBUDOWA POLSKA S.A., what will constitute 6.07% of the total number of votes.

The notification from ING TFI S.A.

As of 11th July 2008 a notification was received from ING Towarzystwo Funduszy Inwestycyjnych S.A. that as the result of selling the shares of the Company HYDROBUDOWA POLSKA S.A. as of 8th July 2008, the total number of votes at the General Meeting of Shareholders of this Company owned by all the funds associated by ING Towarzystwo Funduszy Inwestycyjnych S.A. decreased below the threshold of 10% of the total number of votes.

ING Towarzystwo Funduszy Inwestycyjnych SA acts on behalf of:

1. ING Funduszu Inwestycyjnego Otwartego Średnich i Małych Spółek [ING Open Investment Fund of Middle-size and Small Companies],
2. ING Funduszu Inwestycyjnego Otwartego Stabilnego Wzrostu [ING Open Investment Fund of the Stable Growth],
3. ING Funduszu Inwestycyjnego Otwartego Akcji [ING Shares Open Investment Fund],
4. ING Funduszu Inwestycyjnego Otwartego Akcji [ING Balanced Open Investment Fund],
5. ING Funduszu Inwestycyjnego Otwartego Akcji [ING Shares Open Investment Fund 2],
6. ING Parasol Specjalistycznego Funduszu inwestycyjnego Otwartego [ING Umbrella Specialist Open Investment Fund].

Before the change of the share, investment funds managed by ING Towarzystwo Funduszy Inwestycyjnych S.A. had altogether 17 382 900 shares of HYDROBUDOWA POLSKA S.A. what constituted 10.01% of the equity of the Issuer and entitled to exercise 17 382 900 votes constituting 10.01% of the total number of votes at the General Meeting of Shareholders of HYDROBUDOWA POLSKA S.A.

According to the state as of 8th July 2008 and of the day of drawing this notice, the funds managed by ING Towarzystwo Funduszy Inwestycyjnych S.A. own in total 17 282 900 shares of HYDROBUDOWA S.A. what constitutes 9.95% of the equity of the Issuer and entitles to exercise 17 282 900 votes at the General Shareholders' Meeting of the Issuer, what constitutes 9.95% of the total number of votes at the General Meeting of Shareholders of the Company.

V. DEFINING THE TOTAL NUMBER AND FACE VALUE OF ALL SHARES OF THE COMPANY OWNED BY MANAGING AND SUPERVISING STAFF AT THE END OF 2008

As of 31st December 2008 the managing and supervising staff of HYDROBUDOWA S.A. owned the shares of the Company as follows:

The Management Board of the Company	Number of owned shares /pcs./
Jerzy Ciechanowski	-
Edward Kasprzak	438 100
Joanna Zwolak	50
Jarosław Dusiło	150

Andrzej Zwierzchowski	4 850
Rafał Damasiewicz	-

The Supervisory Board	Number of owned shares /pcs./
Małgorzata Wiśniewska	-
Andrzej Wilczyński	-
Grzegorz Wojtkowiak	-
Piotr Stobiecki	1 000
Marcin Idziorek	-
Przemysław Szkudlarczyk	-

Proxies of the Company	Number of owned shares /pcs./
Andrzej Szultka	-
Paweł Kujawa	-

VI. THE INFORMATION ABOUT ORGANIZATIONAL AND CAPITAL CONNECTIONS OF THE COMPANY WITH OTHER ENTITIES AS WELL AS DEFINING CHIEF INVESTMENTS, INCLUDING CAPITAL INVESTMENTS PERFORMED OUTSIDE ITS GROUP OF JOINT ENTITIES IN 2008

As of 31st December 2008 the Issuer owned stocks and shares in other entities, i.e.

- HYDROBUDOWA POLSKA KONSTRUKCJE Sp. z o.o., with the seat in Mikołów;
- HYDROBUDOWA 9 S.A. with the seat in Poznań,
- Przedsiębiorstwo Robót Górniczych „Metro” Sp. z o.o., with the seat in Warsaw,
- Drogowa Trasa Średnicowa S.A. with the seat in Katowice,
- Konsorcjum Autostrada „Śląsk” S.A. with the seat in Katowice,
- Mikołowski Bank Spółdzielczy with the seat in Mikołów,

- Centrozap S.A. with the seat in Katowice.

Stocks and shares of HYDROBUDOWA POLSKA S.A. in other business entities according to the state as of 31st December 2008.

Company name	Balance itet value (in thousand PLN)
HYDROBUDOWA POLSKA KONSTRUKCJE Sp. z o.o., with the seat in Mikołów	8 050,0
HYDROBUDOWA 9 S.A.	325 696,7
Przedsiębiorstwo Robót Górniczych „Metro” Sp. z o.o., with the seat in Warsaw	40 367,9
Drogowa Trasa Średnicowa S.A. with the seat in Katowice	22,0
Konsorcjum Autostrada „Śląsk” S.A. with the seat in Katowice	4,0
Mikołowski Bank Spółdzielczy with the seat in Mikołów	0,5
Centrozap S.A. with the seat in Katowice	290
TOTAL ASSETS	374 431,1

The total booking value of the above assets is 374 431.1 thousand PLN.

Except for HYDROBUDOWA POLSKA KONSTRUKCJE Sp. z o.o., P.G. „METRO” Sp. z o.o. and HYDROBUDOWA 9 P S.A., the remaining entities are not subsidiaries of the Issue

The value of stocks and shares owned by the Issuer in other than HYDROBUDOWA POLSKA KONSTRUKCJE Sp. z o.o., P.G. “METRO” Sp. z o.o. and HYDROBUDOWA 9 Przedsiębiorstwo Inżynieryjno-Budowlane S.A., do not significantly affect the evaluation of assets and liabilities of the Issuer, his financial situation and profit and loss.

Shares in HYDROBUDOWA POLSKA KONSTRUKCJE Sp. z o.o.

HYDROBUDOWA POLSKA KONSTRUKCJE Sp. z o.o. with the seat in Mikołów was set up by a notarial deed on 16th May 2008.

The subject of business activity of HYDROBUDOWA POLSKA KONSTRUKCJE Sp. z o.o. is production and assembly works in the sphere of:

- 1) production and assembly of steel structures,
- 2) production and assembly of devices and installations,
- 3) production and assembly of steel tanks,
- 4) realization of complex installation projects for industry, especially for petrochemical industry.

The equity of HYDROBUDOWA POLSKA KONSTRUKCJE Sp. z o.o. is 8,050,000.00 PLN and is divided into 16 100 shares of the face value 500.00 PLN each.

HYDROBUDOWA POLSKA S.A. took all 16 100 shares at 500.00 PLN each for the total value of 8,050,000.00 PLN.

The taken shares were paid by cash.

The shares in Przedsiębiorstwo Robót Górniczych „METRO” Sp. z o.o. („Metro” Mining Works)

Przedsiębiorstwo Robót Górniczych „Metro” Sp. z o.o., with the seat in Warsaw was set up in 1984.

Przedsiębiorstwo Robót Górniczych "METRO" Sp. z o.o. provides services in the sphere of constructing tunnels, including underground tunnels, road and railway tunnels, ventilation tunnels and tunnels for pedestrians. It also specializes in the realization of underground and ground-based reinforced concrete structures, such as water and sewage systems.

The equity of Przedsiębiorstwo Robót Górniczych „METRO” Sp. z o.o. with the seat in Warsaw as of 31st December 2008 was 555,000.00 PLN and is divided into 555 shares of the face value of 1,000.00 PLN each.

HYDROBUDOWA POLSKA S.A. had 465 shares at 1,000.00 PLN each for the total value of 465,000.00 PLN.

On 9th January 2009 the increase of the equity of Przedsiębiorstwo Robót Górniczych "METRO" Sp. z o.o. was registered.

The increase of the equity concerns 78 shares of the face value of 1,000.00 PLN each in total paid by HYDROBUDOWA POLSKA S.A.

By this the equity of the Company P.G. „METRO” Sp. z o.o. was increased from the amount 550,000.00 PLN up to the amount 628,000.00 PLN and is divided into 628 shares of the face value of 1,000.00 PLN per share. The shares were paid up by HYDROBUDOWA POLSKA S.A. by the cash contribution in the total amount of 4,963,631.40 PLN.

After registering the increase of equity from all issued 628 shares result 628 votes at the Meeting of Shareholders of the Company P.G. "METRO" Sp. z o.o.

After registering the increase of equity HYDROBUDOWA POLSKA S.A. owns 543 shares in the Company P.G."METRO" Sp. z o.o. what constitutes 86.46% of share in votes and in equity of P.G. "METRO" Sp. z o.o.

The stocks of HYDROBUDOWA 9 S.A.

HYDROBUDOWA 9 S.A. was set up in 1991.

The subject of business activity of HYDROBUDOWA 9 S.A. is carrying out activity in the sphere of:

- **Construction in the sphere of environmental protection and hydraulic engineering.** The basic direction of business activity of HB9 are the realizations connected with the construction, development, reconstruction and modernization of such facilities as: water intakes, water purification plants, big and middle diameter water-pipe networks in pit technologies as well as non-pit ones, sanitary and rain sewage systems, pumping and gravitational in pit and non-pit

technologies, sewage treatment plants, sewage intermediate pumping stations, storage reservoirs, waste disposal grounds.

- **Engineering facilities of a specialized character** Within this sphere of business activity, the Company realizes projects connected with construction, development, reconstruction and modernization of such facilities as: bridges, railway over-bridges, indirect foundations – piles, wells, installations of underground infrastructure performed in non-excavation technologies (horizontal directional drilling HDD and micro-tunneling).
- **Public use facilities.** This group includes all enterprises connected with the construction of public use facilities: schools, hospitals, health centers, sports facilities.
- **Other cubature constructions.** Apart from the sectors listed above, the Company also realizes investments in the sphere of widely understood cubature construction, i.e. housing construction (single facilities, as well as housing complexes), production facilities (warehouse halls, production halls, production plants).
- **The remaining production.** The Company deals with the production of elements and devices for the needs of the realized investments in the sphere of housing construction for environmental protection, hydro-technical and specialized construction. The production activity is carried out within the executor powers as well as at the orders of external entities.
- **Services connected with offering devices and transport.** The chief task of the device-transport base is to provide devices and transport for the Realization Centers of the Company, realizing construction projects on the territory of the whole country. The Company also provides device-transport services externally.
- **The sale of goods and materials.** The Company also sells goods and materials, mostly for sub-contractors of services with which the Company cooperates at the realization of construction contracts.

The equity of HYDROBUDOWA 9 S.A. is 1,453,668.50 PLN and is divided into 14,536,685 shares of the face value 0.10 PLN each. HYDROBUDOWA POLSKA 9 S.A. has 14,536,685 shares at 0.10 PLN each for the total value of 1,453,668.50 PLN. The shares of the company HYDROBUDOWA 9 S.A. at the face value of 0.10 PLN each and the total face value of 1,453,668.60 PLN were purchased in return for 36,885,245 ordinary bearer shares of the L series of the Issuer, at the face value of 1.00 (one) PLN each.

VII. AN ESSENTIAL EVEN AFFECTING BUSINESS ACTIVITY OF AN ENTITY, WHICH TOOK PLACE IN 2008 AND AFTER ITS END UNTIL THE DAY OF APPROVING THE FINANCIAL STATEMENT.

1. The registration of the name of the Company to HYDROBUDOWA POLSKA S.A.

On 7th January 2008 by the resolution of the District Court in Poznań, there was registered the change of the name of the Company from HYDROBUDOWA Włocławek S.A. to HYDROBUDOWA POLSKA S.A. The resolution of the District Court about the change of the name formally ended the process of organizational changes in the Company connected with joining with the Company "Hydrobudowa Śląsk" S.A.

Presently the Management Board of HYDROBUDOWA POLSKA S.A. has its seat in Wysogotowo near Poznań, whereas the seats of the joined Companies were transformed into Branch offices: Włocławek and Mikołów.

2. The split of shares in the ratio 1:50

By the resolution of the Management Board KDPW S.A. no. 34/08 of 22nd January 2008, for the day 31st January 2008 there was announced the split of 2,773,464 shares of the Company marked with the code PLHDRWL00010 to 138,673,200 shares of the face value of 1.00 PLN each.

As the result of the split of shares, each shares of the face value 50.00 PLN was divided into 50 shares of the value 1.00 PLN what signifies that the equity of the Company has not changed but only the number of shares constituting the equity increased. The chief aim of the split of shares was to increase their liquidity at the stock exchange.

3. The public offer of 35,000,000 of the K series

Within the Public Offer carried out in April 2008 there were 35,000,000 shares offered at the face value of 1.00 PLN each of the K series:

- with the exclusion of the rights issue for the present Shareholders,
- with the preference of assignation for the present Shareholders in relation to one Share of the K series for two owned shares of the Issuer of any of the series; the preference of assignation does not include PBG S.A.

The shares were offered in the following tranches:

- Institutional Tranche, in which 33,250,000 (thirty three million two hundred and fifty thousand) Shares of the K series were offered,
- Individual Tranche, in which 1,750,000 (one million seven hundred and fifty thousand) Shares of the K series were offered.

The opening of the subscription and the sale of shares took place 16th April 2008 and closing it 26th April 2008. The stocks were assigned on 28th April 2008.

The rate of issue price of the stock was settled on the level 8,80 zloty for one stock.

The day 28 April 2008 in relationship with the accomplishment of the allotment of the stock of the series K, the of the stock of the series K of the Company HYDROBUDOWA issue POLSKA S.A. it materialized. All stocks offered by the company were assigned in the result of the subscription, 35.000.000 stock. Influences from the title of the issue were 308 000 000 zloty.

It happened the day 05 May 2008 in the registering and sign through the National Deposit Papers Valuable code PLHDRWL00028 35.000.000 rights to usual stocks on the bearer of the series K. it Resolution Board Exchange Papers Valuable in the Warsaw S.A in the day 12 of the May 2008 of the year of introduced stayed to the stock turn on the market basic 35.000.000 of rights to the stock of the series K.

With the day 17 June 2008 of the year the Board Exchange Papers Valuable in the Warsaw S.A. he introduced in the usual mode to the stock turn on the market basic 35 000 000 of usual stocks on the bearer of the series K. At the same time on 17 of the June 2008 of the year, the registration happened in the National Deposit Papers Valuable 35 000 000 stock of the series K. himself, PLHDRWL00010 registered became under the code 173 673 200 papers valuable.

The Company is go to intend the centres from the issue of the stock on :

- Funding new contracts**
- Canvassings**

Purchase of supervisory packets or the organized guided parts of enterprise at companies having of the experience in the realization of engineer objects and leading the activity in the range of the building of engineer objects, steel and concrete constructions and underground objects;

- Investments in the durable centres**

Purchase of specialist machines and devices and execution of works and extension of possessed properties;

- Computerization**

The implementation of the integrated system of the management ORACLE.

4.. Tying the dependent Company - HYDROBUDOWA POLSKA CONSTRUCTIONS Sp. Ltd. and the rise of the institutional capital the day 16 May 2008

in the HYDROBUDOWA Company POLSKA CONSTRUCTIONS Company Ltd. was tied stay with the seat in Mikołów.

The institutional capital of the Company carried out the day 16 May 2008 on 50.000,00 zlotys and every one divided on 100 parts about the nominal value for 500,00

HYDROBUDOWA POLSKA S.A. it covered all 100 parts for 500,00 zlotys every about the total value 50 000, 00 of

Parts were covered become the money contribution - cash.

The aim of the rise of the company HYDROBUDOWA POLSKA THE CONSTRUCTIONS Sp. emission from the range of the activity of the company is Ltd. HYDROBUDOWA POLSKA S.A. the activity the assembly in the range:

a) productions and the assembly of the construction steel,

b) production and the assembly of devices and installation,

c) productions and the assembly of reservoirs steel,

d) the realization of the complex projects of the installation for the industry, and in the peculiarity for the petrochemical industry.

The decision of the District Court Katowice - East in Katowice Department VIII Economic National Judicial Register the day 30 May 2008 in the HYDROBUDOWA company POLSKA was registered become THE CONSTRUCTIONS Sp. Ltd. the day 12 August 2008

In the decision given by the District Court Katowice - East in Katowice Department VIII Economic National Judicial Register the rise of the institutional capital of the dependent Company was registered - HYDROBUDOWA POLSKA CONSTRUCTIONS Sp. the

Rise of the capital Ltd. concerned 16 000 parts about the nominal value 500,00 zloty. the every covered in the whole by HYDROBUDOWA POLSKA S.A. he

The same grew up the institutional capital from the sum 50 000, 00 of the zloty. (resulting from 100 parts) to the sum 8 050 000, 00 zloty.

After registers the rise of the institutional capital the HYDROBUDOWA POLSKA S.A. in voices and in the capital institutional HYDROBUDOWA POLSKA THE CONSTRUCTIONS Sp. 100% Ltd. carry out.

5. The rise of the institutional capital of the Company HYDROBUDOWA POLSKA S.A.

21 May 2008 of the year the decision of the District Court in Poznań, VIII the Economic Department National Register Judicial, the entry of the rise of the capital was executed become institutional Company from the sum 138 673 200 to the sum 173 673 200 in the relationship with the public offer 35 000 000 stock of the series K about the value nominal 1,00 of the zloty.

General numerous voices from all emitted by the company HYDROBUDOWA POLSKA S.A. it carried out stock after the registering the change of the height of the capital institutional 173 673 200.

6. Repurchase the bond of the series and B the day 30 June 2008

In Company executed the ransom 200 pcs. the bond of the series and emitted the day 27 March 2007 in and 300 pcs. the bonds of the series B emitted the day 31 October 2007 in about the total sum of the ransom 52.720.785 zloty.

The rate of issue value of the repurchased bonds of both series carried out 50.000.000,00 zloty.

Dematerializes, unprotected bonds were offered in the mode of the unpublic issue on the bearer and acquired in the whole by the Company PBG S.A.

1. The canvassing of the Company P.G. THE „UNDERGROUND” Sp. Ltd. the day 12 September

In 2008 It HYDROBUDOWA POLSKA S.A. executed the pay the price purchase of the parts of the Company the Enterprise Works Mining „UNDERGROUND” Sp. Ltd. with the seat in the Warsaw. They the same were transferred stay on HYDROBUDOWA POLSKA S.A. all rights resulting from the acquired parts of the Company P.G. THE "UNDERGROUND" Sp. Ltd.

Parts Company P.G. THE „UNDERGROUND” Sp. they Ltd. were acquired stay by HYDROBUDOWA POLSKA S.A. from the hitherto existing shareholders of the Company being natural persons.

Parts were purchased in period the day 26 June 2008 from the day 28 July 2008 to.

HYDROBUDOWA POLSKA S.A. it purchased 465 parts about the value of nominal 1.000,00 of the zloty every making up 84,55 % in the capital institutional the Company P.G. THE „UNDERGROUND” Sp. Ltd. and letting the right to made 84,55 % voices on the meeting of the partners of this Company.

Total value of contained the day 28 July 2008 to of contracts was 29.590.879,50 zloty. and it was funded by HYDROBUDOWA POLSKA S.A. from the centres coming from the issue of the stock of the series K. 09 January 2009 of the year was registered become the rise of the capital

In the day the institutional Company of dependent - the Enterprise Works Mining "UNDERGROUND" Sp. Ltd. with the seat in the Warsaw. The rise of the capital relates to 78 parts about the nominal value 1 000, 00 zloty. the every covered in the whole by HYDROBUDOWA POLSKA S.A. The same the institutional capital of the Company P.G. THE „UNDERGROUND” Sp. he Ltd. was raised from the sum 550 000, 00 zloty. to the sum 628 000, 00 zloty. and 1 000 zloty divide on 628 parts about the nominal value. for every part. After registering the rise of the institutional capital HYDROBUDOWA POLSKA S.A. he possesses 543 the parts at the Company P.G. THE „UNDERGROUND” Sp. what Ltd. makes up 86,46 % the part in voices and in the institutional capital P.G. THE „UNDERGROUND” Sp. the Parts Ltd. were covered by HYDROBUDOWA POLSKA S.A. money contribution in the total height 4 963 631, 40 of the zloty,

Inclusion of the Company P.G. THE „UNDERGROUND” Sp. Ltd. to HYDROBUDOWAPOLSKA S.A. he will let to enlarge the potential executive and he will make possible the diversification of the areas of the activity about new areas.

HYDROBUDOWA POLSKA S.A. he obliges oneself to the supporting hitherto existing activity of the Company and he foresees more far her the development in the range of the realization of tasks in the area of specialist works of building, in this making the tunnels, the tunnels of the metre and objects they concurrent.

The development of Company within the of the Group Capital HBP will be possible through more effective utilization of her potential, enlargement the possibility of over cheaper funding and enlargement of the possibility of the logging of contracts about the considerable isolated value.

2.. The issue of the stock of the series L

Debating the General Meeting Company undertook the day 18 August 2008 Extraordinary in unanimously the resolution about the issue 36 885 245 stock of series L.

All stocks of the series L were offered the companies to stockholders HYDROBUDOWA 9 S.A. with the seat in Poznań, in the mode of the subscription of private. In the result of the issue of the stock of the series L the institutional capital of the company HYDROBUDOWA POLSKA S.A. he became raised about the sum 36 885 245, 00 of the zloty. to the sum 210.558.445,00 zloty.

24.329.508,00 stock hit to the Company PBG from among all offered stocks S.A., which he is the significant stockholder of the Company HYDROBUDOWA POLSKA S.A. 10,8 million of new values (5,13 PC)

Almost covered six managers of the taken over company, and more less than 1,76 million of stock (0,83 PC) - the Bank Western WBK.

The stocks of the series L were covered for the contribution in the figure 14.536.685 in the full moon the paid for stocks of the company HYDROBUDOWA 9 S.A., about the value nominal 0,10 of the zloty every one the stock and about the total value nominal 1.453.668,50 of the zloty. making up 100% stock of the company HYDROBUDOWA 9 S.A. the Total value of the contribution of 100% stock of the company HYDROBUDOWA 9 S.A., on the basis of the pricing of the value of the company HYDROBUDOWA 9 S.A. it was priced stay on the sum 326.381.000,00 zlotys, in this 22,45 zloty for one the stock of the company HYDROBUDOWA 9 S.A.

In the day 24 November 2008 of the year HYDROBUDOWA POLSKA S.A. it put to the Committee Supervision Financial the information, about which speech in art. 38 of 1 of the law from the day 29 of the July 2005 about the public offer and the conditions of introducing financial instruments to the organized guided system of the turn and about public companies enclosing to him the memorandum informative.

The Informative memorandum was prepared in the relationship with applying about admittance to the turn on market regulated 36.885.245 (thirty six millions eight hundred eighty five thousands two hundred forty five) the Stock Series L of the company HYDROBUDOWA POLSKA S.A., about the value nominal 1,00 of the zloty every one.

The Company received the day 22 December 2008 in writing informing, that the Committee Supervision Financial did not express the about which speech in art. 38 2 the law the day 29 July 2005 from about the public offer and the conditions introduces financial instruments to the organized guided system of the turn and about public companies in the face of applies about admittance 36.885.245 usual stocks on the bearer of the series L about the nominal value 1,00 zloty every one, to the turn on the market regulated emitted in the road of the private subscription on the basis of the informative

memorandum submitted by the Committee Supervision Financial the day 24 November 2008 in the day 13 January 2009

in the conclusion about the introduction to the turn on the Exchange Papers Valuable in the Warsaw was submitted S.A. in the after-effect of the registration in KDPW 36 885 245 usual stocks on the bearer of the series L about the value nominal 1,00 of the zloty. appointed the code PLHDRWL00010. The resolution of the Board Exchange Papers of Valuable in the Warsaw S.A. 21 January 2009 of the year introduced stayed in the usual mode to the stock turn on the market in the day basic 36 885 245 of usual stocks on the bearer of the series L.

210 558 445 valuable papers of the Company became the day 21 January 2009 in, the registration happened 36 885 245 stock of the series L. National Deposit Papers Valuable, under the code PLHDRWL00010 registered simultaneously.

3.. The registration of the rise of the institutional capital HYDROBUDOWAPOLSKA S.A., the inclusion of the Company HYDROBUDOWA 9 S.A. to the Group Capital HBP

In the day 30 of the September 2008 of the year the decision given by the Court District Poznań New City and Wilda in Poznań, Department VIII Economic National Register Judicial the rise of the capital was registered become the institutional Company HYDROBUDOWA POLSKA S.A. from the sum 173 673 200, 00 of the zloty. to the sum 210 558 445, 00 zloty. in the relationship with the issue 36 885 245 stock of the series L about the nominal value 1,00 zloty.

210 558 445 usual stocks consist on the bearer about the nominal value 1,00 zloty after registering the rise of the institutional capital on the capital institutional

In relationship with registering the rise of the institutional capital of the Company HYDROBUDOWA POLSKA S.A., HYDROBUDOWA 9 P.I.-B. S.A. it was turned on stay to the Capital Group HYDROBUDOWA POLSKA.

HYDROBUDOWA POLSKA S.A. it stood oneself the only stockholder of the company HYDROBUDOWA 9 S.A. and he is entitle to her 100% voices on the general meeting of the company HYDROBUDOWA 9 S.A.

4. President and Vice-chairman Board Company resignation the day 30 October 2008

in the President Board Company - Thomas Woroch and Vice-chairman Board Company - the Thomas Starzak they submitted the resignation from fulfilling their functions at the Board Company. The prosecution of the composition of the resignation by the President Board - the end of the mission connected with joining was the Thomas Wołoch HYDROBUDOWAPOLSKA S.A. with HYDROBUDOWĄ 9

P.I.-B. S.A. the prosecution of the Vice-chairman Board resignation - they were the Thomas Starzak however family matters.

5.. President Board Company, change at the Board Company calling executing her statutory authorizations the Board Of directors Company established the day 30 October 2008

in, that the Board of the company HYDROBUDOWA POLSKA SA consists of 6 members.

The Board Of directors appointed the session on position of the Jerzy Ciechanowski President Board on the same, and it Strangled the it charged the Vice-chairman Board Company position to the hitherto existing Member Board Company.

6.. Enlargement of the height of the limit within the of the contract about the credit line with the Bank Economy Food S.A. 30 December 2008 of the year on the power of the contained appendix was enlarged become the height of the admitted credit limit from the sum

In the day 85 000 000, 00 of the zloty. to the sum 100 000 000, 00 zloty. within the of contract about the credit line of contained the day 27 April 2007 in by Companies from GK PBG and Bank Economy Food S.A.

7.. Enlargement of the height of the limit within the of the frame contract with Bank Silesian ING S.A.

In the day 06 January 2009 of the year on the power of the contained appendix by Companies from GK PBG and ING the Silesian Bank S.A. the height of the credit limit was raised stay from the sum 150 000 000, 00 of the zloty. to the sum 220 000 000, 00 zloty. within the of the frame contract contained the day 06 September 2007 in

8.. The introduction of the stock of the series L to the stock turn

Resolution Board Exchange Papers Valuable the day 21 January 2009 in to the stock turn 36 885 245 usual stocks on the bearer of the series L of the Company HYDROBUDOWA POLSKA S.A. about the value nominal 1,00 of the zloty. every appointed the code PLHDRWL00010. The stocks of the series L were covered for the non-cash contribution in the figure 14.536.685 in the full moon the paid for stocks of the company under firm house HYDROBUDOWA 9 S.A., about the value nominal 0,10 of the zloty every one the stock and about the total value nominal 1.453.668,50 of the zloty. making up 100% stock of the company HYDROBUDOWA 9 S.A. he Together stock finds in the turn oneself 210 558 445 usual stocks on the bearer about the value nominal 1,00 of the zloty.

9.. Enlargement of the height of the limit within the of the renewable limit from TuiR Euler Hermes S.A.

In the day 04 February 2009 of year on the power of the contained appendix with the Company Insurances Euler Hermes S.A. the height of the renewable limit was enlarged stay from the sum with the seat in the Warsaw 80 000 000, 00 of the zloty. to the sum 100 000 000, 00 zloty., and the maximum height of single guarantee given within the of the present limit was enlarged stay from the sum 8 000 000, 00 zloty. to the sum 10 000 000, 00 zloty.

10.. The sale of parts at the dependent company the day 02 April 2009

in it was contained stay with the Company PBG S.A. the contract of the sale of all possessed parts at the company HYDROBUDOWA POLSKA THE CONSTRUCTIONS Sp. Ltd. with the seat in Mikołów. In the realization of the above mentioned contract HYDROBUDOWA POLSKA S.A. it disposed 16 100 parts about nominal value for 500,00 zlotys every one the part, about the total height 8 050 000, 00 of the zloty., making up 100% voices on the General Meeting Partners and so many HYDROBUDOWA POLSKA THE CONSTRUCTIONS Sp alone in the institutional capital of the Company. Ltd. for price carrying out 9 000 000, 00 zloty.

11.. The choice of offer on the realization of the National Stadium the day 15 April 2009

Alpine Construction Poland Sp. Ltd. and HYDROBUDOWA POLSKA SA from PBG S.A. it became the winner of the auction on second the stage of the building of the Stadium National. The value of the submitted offer by the Consortium carries out **1 252 755 008, 64 zloty net.**

The decision was made after sits the Tender Committee, which took cognizance with the details of the offer and her regularity estimated under in relation to legal. Six consortia, all classified to the auction submitted offers on the realization of second stage of the building of the National Stadium.

I. INFORMATION ABOUT CONTAINED SIGNIFICANT AND ESSENTIAL CONTRACTS

Contract on the extension of the stadium in Poznań the day 22 January 2008

in HYDROBUDOWA POLSKA S.A., it contained with the Poznań Centres Sport as the Leader Consortium and the Recreation the contract on the realization of works building consisting in III level of audience on II the tribune of the Municipal Stadium in Poznań near the Bulgarian St. The value of the contract carries out **14 081 965, 03 zloty. net.**

HYDROBUDOWA POLSKA S.A. - the Leader Consortium as the General Contractor will execute and he will be responsible for 50% range of works connected with the realization of the task.

The whole of works was realized the day 10 September 2008 to.

The contract with Bytom Enterprise Municipal Sp. Ltd. the day 29 January 2008

In HYDROBUDOWA POLSKA S.A. it contained from Bytom the Enterprise as the Leader Consortium Municipal Sp. Ltd. contract on the realization of the task „THE IMPROVEMENT ECONOMY WATER-SEWER ON THE TERRAIN POPULACES EXISTENCES (2004 / PL / 16 / C / PE / 004) TASK NO. 3..

The value of the contained contract carries out: **3.224.792,31 EUR net.**

HYDROBUDOWA POLSKA S.A. - the Leader Consortium as the General Contractor will execute and he will be responsible for 50% range of works connected with the realization of the task.

The parties established, that the contract will be finished in deadline the day 30 June 2009 to this

Is next contract what the Company it contained with Ordering within the realized on the terrain city the Existences of the project „the Improvement of the water-sewer economy on the terrain of the commune the Existences”. Earlier, contained on the sum 7 980 000 EUR net in 2006 the contract, 1 project concerned the realization of the task of no. „the Improvement of the sewer economy on the terrain of the commune the Existences”.

The contract with Institutions Water-pipes and Sewage system Sp. Ltd. the day 19 February 2008

In HYDROBUDOWA POLSKA S.A. it contained the contract with Institutions Water-pipes as the Partner Consortium and Sewage system Sp. Ltd. with seat in the Szczecin on the realization of the task „the Realization of works of the existing case of fertilize of the water on the Station Fertilize of the Water Miedwie”.

The value of the contained contract carries out: **8.170.228,29 EUR net.**

The parties established, that the work is the object of the order 18 months will be finished in the deadline from the date of the beginning.

HYDROBUDOWA POLSKA S.A. - the Partner Consortium will execute and he will be responsible for 25% range of works connected with the realization of the task.

Contract and appendix to the contract Wisła the day 21 February 2008

in HYDROBUDOWA POLSKA S.A. it contained with the Central Center Sport in the Warsaw the contract about building works on the realization of works of repair and works related consisting in removal of the results of slumping oneself the ground and on the protection of the slope before more far sliding oneself the ground on the jump down of modernized ski - jump of the ski „Malinka” in Wisła.

They contained the appendix to significant contract the day 22 October 2004 from in the same day of the Party. They established on the power of the present appendix of the party, that HYDROBUDOWA POLSKA S.A. he will execute works relating to works on the jump down of ski - jump of the ski after the repair of jump down immediately „Malinka” in Wisła and works with them related.

Works on jump down and works were related become finished the day 15 September 2008 to

For the realization of works captured in the contract and in the appendix to the contract with them HYDROBUDOWA POLSKA S.A. the reward will receive in the height 14.138.713,35 zloty gross.

The inclusion of appendix and significant contract with the Company „Wiertmar” Sp. z o.o.

I.

Appendix to contract the day 20 August 2007 from the day 28 March 2008 with was contained become the object which the realization of construction-assembly works is in the range water-supply and distributive net within the of the task under the name the „Modernization of the distributional sewage net in the Łódź”.

The range of works was enlarged stay to the realization by the Company on the power of the contained appendix and the sum of the reward from 25.119.084,40 zloty net to the sum 28.763.943,07 zloty net. Deadline of end of works the day 30 June 2008 from also underwent the day 30 August 2008

The day 28 March 2008 with HYDROBUDOWA POLSKA S.A. contained the contract on the realization of construction-assembly works in the range the water-supply and net of distributive, within the of the task under the name the „Modernization of the distributional water-sewage net in the Łódź”.

The value of the reward carries out 22.032.620,59 zloty net.

The deadline of the end of works became qualified the day 31 March 2009 on

Contract with MWiK in Bydgoszcz the day 03 April 2008

in HYDROBUDOWA POLSKA S.A. it signed the contract with the Company as the Partner Consortium Municipal Water-pipes and Sewage system Sp. Ltd. („Ordering”) with seat in Bydgoszcz on the realization of the task „Accompanies rainy sewages from the areas of the zones of the protective formulations of waters GDAŃSKI FOREST and CZYŻKÓWKO and the extension of the net of rainy sewage system in Bydgoszcz”

Value of the contained contract carries out: **30.809.573,57 EUR**

Parties established **net** that the contract will be finished in the deadline 31 months from the date of the beginning.

HYDROBUDOWA POLSKA S.A. - the Partner Consortium will execute and he will be responsible for 20% range of works connected with the realization of the task.

The contract with Commune Rewal the day 29 April 2008

In HYDROBUDOWA POLSKA S.A as the Leader Consortium signed the contract **with** the Rewal („Ordering”) Commune on the realization of the task „Extension and the modernization of the sewage treatment plant of sewages in Pobierowo, commune Rewal ”.

The object of the order hugs the realization of extension and the modernization of the sewage treatment plant of sewages about the capacity the average of the hour in the season = 13.451 m³ / d together with the obtainment of the permission water - legal on accompanying sewages cleaned to receiver set and the legally valid decision of permission on the use.

The value of the contained contract carries out: **22.947.142,00 the zloty net.**

The contract will be finished in deadline the day 15 December 2009 to.

HYDROBUDOWA POLSKA S.A. he will execute as the General Contractor and he will be responsible for 43,35 % the range of works connected with the realization of the task.

The contract with Polimex - Mostostal S.A.

In 11 June 2008 HYDROBUDOWA POLSKA S.A. Polimex signed the contract with the Company - Mostostal S.A. with seat in the Warsaw on the realization of works construction - assembly connected with the realization of the project the „Building Factory Acid Tereftalowego (PTA)” in Włocławku.

The value of the contained contract carries out: **22.942.145,87 the zloty**. Parties established **net**, that the contract will be finished in the deadline till the day 31.10.2009 of the year

Contract with Company day 17 June 2008

In HYDROBUDOWA POLSKA S.A. signed the contract with Lodź the Company as the Leader Consortium Sp. Ltd. with seat in the Łódź on the realization of the task „Modernization of the system of the power supply the Łódź in water” of the realized in frames Project „Water-pipes and the sewage treatment plant of sewages in the Łódź II” Fund Cohesion Project of no. 2004 / PL / 16 / C / PE / 010, Part 2 - the Contract of no. 02B „the Modernization of the system of the power supply the Łódź in water - the System Tomaszów - the Łódź ”

Within of task covered the Part 2 - he the Contract of no. 02B will execute :

System Tomaszów - Łódź

- Section And - the Modernization of the station of fertilize of superficial water „TOMASZÓW”
- Section II - the Modernization STROKE of depth water in Rokiciny

Value of the contained contract carries out: **4.112.290 eur**

Parties established **net** that the contract will be finished in the deadline 380 days from the date of the signature of the contract.

HYDROBUDOWA POLSKA S.A. he will execute as the General Contractor and he will be responsible for 50% range of works connected with the realization of the task,

Contract with PWiK Sp. it Ltd. in the day 30 June 2008

In HYDROBUDOWA **Starachowice** S.A as the Leader Consortium contained the contract with the Enterprise Water-pipes and the Sewage system Company Ltd. with seat in Starachowice on the realization of the task „Modernization and the extension of the sewage treatment plant of sewages in Starachowice” - part I.

The complex modernization of sewage treatment plant is the object of the order, near maximally possible utilization of existing objects and with the simultaneous optimization of costs.

The order hugs designs and realizes the modernization, the obtainment required (efficiency, the parameters of the quality of water) peaceable effects with the Programme Usable (PFU) and delivery to the exploitation of the modernized object.

The value of the contained contract carries out: **13.330.509,40 EUR**

Contract will be finished in the deadline 26 months from the signature of the contract **net**.

HYDROBUDOWA POLSKA S.A. he will execute as the General Contractor and he will be responsible for 50% range of works connected **with** the realization of the task,

Contract with the Institution Sp. o.o in the Gdańsk the day 06 August 2008 HYDROBUDOWA in POLSKA S.A. it contained the contract with the Institution as the Leader Consortium the Company Ltd. with the seat in the Gdańsk („Ordering”) on the realization of the task „Projecting and the building the institution neutralizes the wastes in the Gdańsk Szadółki, work construction - the assembly”.

He is the object of the order designing and the building of the institution of neutralizing the wastes, the fulfilling requirement of the Best Accessible Technique (WHIP), on the base of the existing. He will operate the institution of Neutralizing the Wastes the whole terrain of the city of Gdańsk and commune Żukowo and Kolbudy in the reference to neutralizing municipal wastes. The present order is the component part of the undertaking under the name the „Modernization Economy Wastes Municipal in the Gdańsk”.

The value of the contained contract carries out: **299 001 006**, Contract will be finiitd **00 zloty** in the deadline **net** 24 months from the date of the signature of the contract.

HYDROBUDOWA POLSKA S.A. he will execute as the General Contractor and he will be responsible for 21% range of works connected with the realization of the task,

Contract with the Company INFRA S.A. 20 August 2008 of the year Issuer contained as the Contractor the contract with the Company from the Group In the day Capital PBG - INFRA S.A. the ("Customer").

The realization of works construction is the object of the contained contract - assembly within the of the contract Task 03 „the Modernization of the distributional net water - sewage in the Łódź” co-financed from the public centres, in this from the centres of the Fund Cohesion.

The value of the contained contract carries out: 48 677 887,

Parties establiitd 28 zloty net the deadline of the end of the realization of the object of the contract on the day 30.11.2009

Contract with „WORTH” TUiR S.A.

In the day 29 August 2008 of the year among the Company Insurances and Reinsurance „WORTH” S.A. with the seat in the Warsaw and Companies from the Group Capital PBG („Mover”) i.e.:

1. PBG S.A.
2. HYDROBUDOWA POLSKA S.A.
3. INFRA S.A.
4. HYDROBUDOWA - 9 S.A. contract about the giving insurance contracted guarantees within of the definite limit of the guarantee .

On the power of the present contract „WORTH” TUiR S.A. it admitted the guarantee limit to the height to Movers which they will be exposed for converted above the Company from the Group Capital PBG contracted guarantees about the period of validity not longer than:

- and) tender guarantees and return of payment on account 3 years,
- b) guarantees of the appropriate realization 4 years (plus 30 of days on the relaxation of the protection),
- c) guarantees of the proper removal of the defects 5 of years (plus 15 of days on the relaxation of the protection),

near what, the total maximum period of the guarantee contracted relating the one contract (with behaviour above mentioned limitations) he carries out 6 years. In the case guarantees connected with building contracts co-financed from the centres of UE, contained in frames public auctions and the period carries out 7 years (plus 45 days on the relaxation of the protection) on public Incumbents thing. The parties of the contract established, that maximum guarantee limit from the title of all Guarantees on the display on the basis of the present contract and different, from which „WORTH” TUIR S.A. the responsibility bears in the period of being in force the present contract, he will not cross in no time of the sum 150.000.000,00 of the zloty. The limit has the renewable character which means that next can be given in the period of being in force the contract about the limit, in the place of extinct Guarantees.

The present contract was contained on period the day 29 August from 2008 the day 28 August 2009 to with the possibility of her solution in the road of written pronouncement by every one from parties with the behaviour of the period of the pronouncement.

Contract with the Company „Euro Poznań 2012” the day 15 December 2008

In HYDROBUDOWA POLSKA S.A. it contained the contract with the Company as the Leader Consortium „Euro Poznań 2012” Sp. Ltd. with seat in („Ordering”) Poznań on the realization of the task „Extension Stadium Municipal near the Bulgarian St 5/7 in Poznań for the needs of EURO 2012 in the range of the realization and III tribune together with roofing the tribunes And, II and III”.

The modernization of the Municipal Stadium is the object of the contract in Poznań so, he fulfilled requirements placed by UEFA stadiums classes Elite, on which playing the games of football within the of Championships Europe EURO 2012. possible is.

The stadium with roofed tribunes, full infrastructure and subsidiaries is projected commercially- the service and social- technical.

The object of the order also hugs the realization of electric and sanitary installations in the range and III tribune together with hyphens, roofing and infrastructure concurrent and adaptation II and IV tribune.

The value of the contained contract carries out: **398 400 000,**

Contract will be finished **00 zloty** in the deadline **net** 17 months from the date of the inclusion of the contract, not later however than the end of the reinforced the concrete construction the day 31 May 2010 to near what should happen 10 months in draughts from the date of the inclusion of the contract HYDROBUDOWA POLSKA S.A. - the Leader Consortium as the General Contractor will execute and he will be responsible for 60% range of works connected with the realization of the task,

Contract with the Company PBG S.A.

In the day 21 January 2009 of the year HYDROBUDOWA POLSKA S.A. PBG contained the significant contract with the Company as the Contractor S.A. the ("Customer")

Object of the contained contract is the complex realization of the specialist installations of storing the fuels, building of subsidiaries of social and technical and nets of the external infrastructure of the underground connected with the farm implementing the deposits of oil and earth gas in the region .

The value of the contained contract carries out: **82.500.000,00 PLN**

Parties established **net**, that the contract will be finished in deadline the day 10 April 2013.

Contract with the dependent Company - HYDROBUDOWA POLSKA CONSTRUCTIONS Sp. from o.o the day 24 March 2009

In HYDROBUDOWA POLSKA S.A. it contained the significant contract with the Company as Ordering dependent - HYDROBUDOWA POLSKA CONSTRUCTIONS Sp. Ltd. with the seat in Mikołów ("Contractor").

The realization is the object of the contained contract in deadline the day 30 April 2010 to of the steel construction of the roof on the Municipal Stadium in Poznań near the Bulgarian St.

The value of the contained contract carries out 107 664 862, 98 zloty. net

Contract on the realization of the Baltic Arena - it the soccer stadium in the Gdańsk Holiday-makers contained the day 10 April 2009

in HYDROBUDOWA POLSKA S.A. as the Leader Consortium with the Commune City of the Gdańsk to represented through the Office Investment Euro Gdańsk 2012 Sp. Ltd. contract on the realization of second stage of building works relating to the buildings of the Baltic Arena - the soccer stadium in the Gdańsk Holiday-makers.

The building of the Baltic Arena is the object of the order - the soccer stadium in the Gdańsk Holiday-makers on about 40 000 places sitting together with the infrastructure concurrent indispensable to correct functioning the stadium on the area about 34ha, enabling playing team and quarter-final games within the of games UEFA EURO 2012..

The value of the contained contract carries out: 427 700 000, Contract will be finished 00 zloty in the deadline net 20 months from the date of delivery of the Contractor of the terrain of the building.

II. INFORMATION ABOUT CHANGES IN ORGANIZATIONAL POWIĄZANIACH TILL THE COMPOSITION REPORTS FINANCIAL DAY

In the period covered report and following changes had the place in organizational after the balance date.

Assumption of parts at the Company HYDROBUDOWA POLSKA THE CONSTRUCTIONS Sp. Ltd.

In 2008 HYDROBUDOWA POLSKA S.A. it tied and it covered all 16 100 of parts at the Company THE HYDROBUDOWA POLSKA CONSTRUCTION Sp. Ltd. with the seat in Mikołów about the nominal value 500 zloty every about the total value 8 050 000, 00 zloty.

The assumption of parts at the company P.G. THE „UNDERGROUND” Sp. Ltd.

In 2008 HYDROBUDOWA POLSKA S.A. it covered together 465 parts of the Company the Enterprise Works Mining „UNDERGROUND” Sp. the Ltd. with the seat in the Warsaw every about the nominal value 1.000,00 zlotys making up together 84,55 % part in the institutional capital of the Company purchased.

Transfer of all rights resulting from acquired parts happened the day 12 September 2008 in the day 09 January 2009

in the rise of the institutional capital of the Company Enterprise Works was registered become Mining THE "UNDERGROUND" Sp. the Rise of the capital Ltd. concerned 78 parts about the nominal value 1 000, 00 zloty. the every covered in the whole by HYDROBUDOWA POLSKA S.A. The same the institutional capital of the Company P.G. THE „UNDERGROUND” Sp. he Ltd. was raised from the sum 550 000, 00 zloty. to the sum 628 000, 00 zloty. and 1 000 zloty divide on 628 parts about the nominal value. for every part.

After registering the rise of the institutional capital HYDROBUDOWA POLSKA S.A. he possesses 543 the parts at the Company P.G. THE „UNDERGROUND” Sp. what Ltd. makes up 86,46 % the part in voices and in the institutional capital P.G. THE „UNDERGROUND” Sp. Ltd.

Parts at the Company P.G. THE „UNDERGROUND” Sp. they Ltd. were funded stay by HYDROBUDOWA POLSKA S.A. from the centres coming from the issue of the stock of the series K.

Assumption of the stock at the company HYDROBUDOWA 9 S.A.

Stocks of the company HYDROBUDOWA 9 S.A., about the value nominal 0,10 of zloty for every one the stock and nominal 1.453.668,50 of the zloty them left has about the total value acquired in instead for 36.885.245 usual stocks on the bearer of the series HYDROBUDOWAL POLSKA S.A. about the value nominal 1,00 gold every one.

All stocks of the series L were offered the companies to stockholders HYDROBUDOWA 9 S.A., in the mode of the subscription of private.

In the result of the issue of the stock of the series L the institutional capital of the company HYDROBUDOWA POLSKA S.A. he became raised about the sum 36 885 245, 00 of the zloty. to the sum 210.558.445,00 zloty.

The stocks of the series L were covered for the non-cash contribution in the figure 14.536.685 in the full moon the paid for stocks of the company under firm house HYDROBUDOWA 9 S.A., about the value nominal 0,10 of the zloty every one the stock and about the total value nominal 1.453.668,50 of

the zloty. making up 100% stock of the company HYDROBUDOWA 9 S.A. the Total value of the contribution of i.e. 100% stock of the company under firm house HYDROBUDOWA 9 S.A., on the basis of the pricing of the value of the company under firm house HYDROBUDOWA 9 S.A. it was priced stay on the sum 326.381.000,00 zlotys, in this 22,45 zloty for one the stock of the company HYDROBUDOWA 9 S.A.

Sale of parts at the company HYDROBUDOWA POLSKA THE CONSTRUCTIONS Sp. Ltd. the day
02 April 2009

In it was contained stay with the Company PBG S.A. the contract of the sale of all possessed parts at the company HYDROBUDOWA POLSKA THE CONSTRUCTIONS Sp. Ltd. with the seat in Mikołów.
In the realization of the above mentioned contract HYDROBUDOWA POLSKA S.A. it disposed 16 100 parts about nominal value for 500,00 zlotys every one the part, about the total height 8 050 000, 00 of the zloty., making up 100% voices on the General Meeting Partners and so many HYDROBUDOWA POLSKA THE CONSTRUCTIONS Sp alone in the institutional capital of the Company. Ltd. for price carrying out 9 000 000, 00 zloty.

III. INFORMATION ABOUT THE PURCHASE OF OWN STOCKS

In the period the covered report HYDROBUDOWA POLSKA S.A. it did not purchase the stock own.

IV. THE DESCRIPTION OF THE TRANSACTION WITH SUBJECTS RELATED

In the period the place the transactions **WITH** subjects related, which the value crossed the expressed in gold equivalent 500.000 EU These transactions had the typical character resulting from the current operating activity led by HYDROBUDOWA POLSKA S.A. and they became contained on marketable conditions.

The part of contained transactions moreover results from existing contracts from Financial Institutions, which there are the warranty one of protections or the mutual guarantees of subjects from GK PBG being the parties of individual Contracts.

Approach such results from the received strategy funds GK PBG to which belong the Company they are happened the most

Often types of the transaction:

- contract about building works,*
- contract of the loan,*
- contract of the warranty:*
- credit limits*
- guarantee limits,*

guarantee

V. INFORMATION ABOUT DRAGGED CREDITS, CONTRACTS LOANS

Information about dragged credits and the contracts of loans in the period covered report, they are contained in additional notes explanatory to financial reports under the number 11.

VI. INFORMATION ABOUT GIVEN LOANS

Information about loans given in the period covered report, they are contained in notes explanatory to financial reports under no. 10

VII. WAY OF UTILIZATION OF THE INFLUENCES FROM ISSUE STOCK SERIES K

1.. Specify the cells of the Issue Stock of the series K

In the table the sum, Issuer which planned to spend in years 2008 - 2009 and which spent in only 2008 on the realization of the aims of the issue of the stock of the series K.

Aims of the issue.....	Sum Planned (2008 - 2009)	Sum spent in 2008
1Computerization	5 000 000 of the zloty	-
2 Canvassings	50 000 000 of the zloty	
48 417 894, 90 of the zloty		
3 Investments in the centres durable	55 000 000 of the zloty	
35 000 000, 00 of the zloty		
4.... Funding the realization of contracts.....	183 000 000 of the zloty	
..... 130 000 000, 00 of the zloty.		
Influences from the issue net	293 000 000 zloty..	213 417 894, 90 zloty.

2.. Utilization of the centres from the issue of the stock of series K

In the result of the issue 35 000 000 stock of series K without the right recruitment, after the rate of issue price even 8,80 zloty, HYDROBUDOWA company POLSKA S.A. it gained over 308 million of the zloty which were designed among others on:

Funded the of contracts: 130 000 000, 00 zloty.

The canvassings:

- **Assumption of parts** at the company HYDROBUDOWA POLSKA THE CONSTRUCTIONS Sp. Ltd. (the HYDROBUDOWA company POLSKA S.A. it covered 16 100 parts about the value nominal 500 of the zloty every for the total sum 8 050 000, 00 of the zloty);
- **assumption of parts at the Company P.G. THE „UNDERGROUND” Sp. from o.o -** HYDROBUDOWA POLSKA S.A. it covered 543 parts about the value nominal 1 000 of the zloty every for the total sum 40 367 894, 90 of the zloty;

Investments in the durable centres:

Expense in the height 35 000 000, 00 zloty in specialist building equipment to the realization of contracts.

VIII. EXPLANATION OF THE DIFFERENCES AMONG FINANCIAL RESULTS AND PROGNOSSES

In relation to publiitd the day 02 April 2008 in of the prognosis of financial results lodging the achievement in the year 2008 profit net in the height 53,6 million of zlotys near incomes from the sale net in the height 748,9 million of zlotys for 2008 year HYDROBUDOWA POLSKA S.A. it realized the profit net in the height 53,6 million of zlotys near receipts from the sale net in the height 793,6 of the million of zlotys (i.e. about above 44 million PLN more than the value prognosis).

IX. THE OPINION OF THE MANAGEMENT SUPPLIES

Important event 2008 year having of the significant influence on the financial situation **FINANCIAL** the issue of the Stock Series K thanks to whose company it enlarged own capitals about 292 227 thousand of the zloty.

Influences from the issue were 308 000 thousand of the zloty.(net: 292 227 the thousand of the zloty.).

The basic aims of the issue focus on the more far growth of the potential of company and her development.

Realizing the aims of the issue the company bore together above 41 million of the zloty of investment expenditures funding them the own centres and investment credits. 2008 were given back in the December to use the administrative building near the street Żwirki I Wigury in the Mikołów whose building began in 2007. The Company bore in the relationship with the end of the investment of the building of this building 11,9 million of the zloty in 2008.

The financial centres were gain over from the issue of Stock Series K until bearing individual expenses connected with the realization of the aims of the issue invested in financial instruments about the

limited risk, in the peculiarity bank investments and bonds within the of by companies from the capital group with the Bank Western WBK SA signed programmes. Company within the of the programme purchased the bonds about the value 30 million of the zloty. Having on the regard the business of the Company and her stockholders, in the peculiarity the optimization of the economic bill, the Company paid off: debts from the title of renewable credit limits showing negative balances in the day of the influence of the centres from the issue of the Stock Series K and the bonds of the series and the series b.

In 2009 will be continued the realization of the aims of the issue contributing oneself to basis of the position of the company in the area of the protection of the environment and hydraulic engineering and growth her the marketable value.

General one can recognise financial situation of Company in 2008 as good. The outflow of the centres from the operating and investment activity was covered influences from the financial activity. The risk fluencies consisting in occurrence of long trade cycles among the moment of commitment of the centres in the realization of contracts and the moment of recovery their in the form of the pay of works he is mineralized through the support bank limits, however the risk of the of year - old credit limits to longer cycles is eliminated through the diversification of limits at several banks. The specific of for tong - terms contracts about the considerable isolated value in connection with the necessity of the commitment of the considerable money centres inflicts that the Company can be subject on the loss of financial fluency. The board of the Company lies down the pressure on applying the appropriate attention to for credibility in reports with financial institutions.

The pronouncement of the financial crisis in the world economy carries with oneself the risk of the limitations in the sources of funding. The Board is sentences that financial institutions will not lower bank and insurance limits in the relation to the Company in spite this fact. In the opinion of the Board the structure the aged and qualitative charge he does not threaten the fluency of the company.

The HYDROBUDOWAboard POLSKA SA having on the regard above mentioned, he lodges that the Company will keep ability to the repayment of it.

The board perceives however the negative influence of the crisis on the growth of interest costs in the relationship with the growth margins of the financial institutions which however can partly or entirely be surveyed the reductions of proportional feet by the National Bank of Poland which have the place last months.

X. APPLIED BY THE COMPANY FINANCIAL INSTRUMENTS:

In the year 2008 in the face of falling constantly market price of EURO / PLN in first half-year, protecting herself in this way from losses from the title of receipts from contracts co-financed from the funds of European Union the Company secured open monetary expositions. In relationship with the pronouncement of worldwide crisis on financial markets and the violent growth of the market price of EURO / PLN, in IV the quarter negative pricings stepped out on transactions securing. The

HYDROBUDOWAboard POLSKA SA assesses, that in relationship with the high market price of EURO / PLN Company gets at present higher receipts what compensates the influence of negative pricings captured in result reached in year 2008. in PLN from the title of the realization of building contracts. Contained or account for by the Company monetary contracts have on the aim the limitation of the negative influence of the changes of the market prices of currencies on the led by companies operating activity, i.e. the protection of operating margin of profit calculated in the budget of the contract.

The company did not contain instruments in speculating aims. All transactions were contained to the received politics of protections in the reference to the portfolio of existing contracts in the Euro currency according. The company applied the instruments of the type forward, NDF.

Information about open positions securing is contained in financial the Company for 2008 the year in notes explanatory to the balance - the note n-r 10..

XI. THE MAIN FACTUAL AND CAPITAL INVESTMENTS AND OPINION POSSIBILITY REALIACJI INTENTIONS INVESTMENT

1.. The main factual investments HYDROBUDOWA POLSKA S.A. the

Largest investments factual Companies HYDROBUDOWA POLSKA in 2008

No.	The description of the investment	Value	(in the thousand of the zloty)
1	Building of the administrative building in Mikołów	11 920	
2	Purchase of weight and personal cars	8 446	
3	the cranes	Purchase ...	7 007
4	Purchase of excavators - 12 pcs	5 934	
5	Purchase of the casing of the excavations of the line	1 770	
6	...Purchase	1 187	

Investments capital Companies in 2008

No.	Specification	the	Sum (the thousand of the zloty.)
1	.. the	Assumption of parts at the Company HYDROBUDOWA POLSKA THE CONSTRUCTIONS Sp. Ltd. with the seat in Mikołów	8 050
2	Expense on the assumption of parts at the Company P.G. THE „UNDERGROUND” Sp. from o.o with the seat in the Warsaw		40 368
3	Purchase of 100% stock HYDROBUDOWA building Enterprise S.A. about the total value nominal 1 454 of the thousand of the zloty, priced by the fluent auditor on the sum 326 381 of		

the thousand of the zloty which became paid for the Stocks Series L about the total value of nominal 36 885 of the thousand of the zloty.

2.. The opinion the possibilities of the realization of investment intentions

Possessed by POLSKA HYDROBUDOWĘ S.A. the money centres coming from the issue of the stock of the series K conducted in the April 2008 of the year and undersigned contracts credit secure planned expenses connected with the realization of led at present tasks of investment.

XII. THE OPINION OF FACTORS AND THE ATYPICAL EVENTS

Ransom of the bond of the series and B

In the presented period the atypical event having of the influence on reached results was executed the day 30 June 2008 in ransom 200 pcs. the bond of the series and emitted the day 27 March 2007 in and 300 pcs. the bonds of the series B emitted the day 31 October 2007 in about the total the rate of issue value in the height 50.000.000,00 zloty.

The total sum of the ransom was 52.720.785 zloty.

Dematerializes, unprotected bonds were offered in the mode of the unpublic issue on the bearer and acquired in the whole by the Company PBG S.A.

Influence of the protections of the market prices of currencies on results achieved by the Group Capital HBP

In the year circulating 2008 the HYDROBUDOWA company POLSKA SA and dependent contained her the company transactions securing relating exclusively future planned monetary expositions with the utilization standard instrument of the financial type forward. The companies from the Group HBP did not contain any financial instruments of the type monetary options. Transactions securing were executed to the valid politics of protections according and related to signed contracts with investors (nominated in EUR mainly). They did not have the speculating character, because they were contained within the of the led politics of protections, in the aim of the assurance of the future level of money flows from the title of receipts from the sale (from realized tong - terms building contracts). The Group Capital HBP stays as a result of open positions on the monetary market safe for the part of money flows (relating receipts from the sale) falling on 2009 in the sum 211 million of EUR (from this 91 the million in and half-year 2009) and on the year 2010 in the sum 67 million of EUR (from this 37 the million in and half-year 2010). The balance pricing of open positions on instruments securing the type forward the day 31 December 2008 on was on the basis of the data received from banks minus 173 million PLN, capture the sum in this, in relationship with the pronouncement of ineffective instruments securing and incomes secured in the result of the Group minus 48 million PLN, remaining part, i.e. minus 125 million PLN was captured in the capital. Result on realized (account for) in 2008 in time contracts was however 4 million PLN, what it was brought back and enter in the books stay in the consolidated bill of the profit and losses.

The SA desires simultaneously to turn the attention, that he gets at present higher incomes what compensates the influence of negative pricings captured in result reached in year 2008. in PLN from the title of the realization of building contracts in relationship with the high market price of EUR Group Capital HBP. Contained or account for by the Group HBP monetary contracts have on the aim the limitation of the negative influence of the changes of the market prices of currencies on the led by companies operating activity, i.e. the protection of operating margin of profit calculated in the budget of the contract.

Contracts securing are contained to the valid in the Group HBP strategy of securing the economic activity before the course risk according.

Adjustment of instruments securing to the planned transactions of the secured contract with regard net, market price, temporary horizon, the quantitative schedule of monetary receipts in quarters of to the exposition is the basis of the strategy. Accepting the approach of the maximum limitation of the influence of course risk on the operating result of companies in the Group it was accepted, that to apply they will be the in time transactions of the type forward. The group Capital HBP leads the accountancy of protections what requires making in the individual quarterly periods of the measurement of the efficiency of protections.

The efficiency of the protection is verified on the basis of coefficient being the quotient of the change of the decent value of the instrument securing and the change of the decent value of the secured position (income or cost). The change of the value of the instrument be subject to booking in the period from the date of the inclusion till the balance day.

In dependence from the value the above-mentioned quotient (coefficient), we have to deal with following possibilities:

a) when he carries out 100% we recognise that the protection the effective the and change pricings of the instrument securing is brought back in the full moon he is on the capital - it does not influence the financial result till the moment of the realizes of the position secured (income or cost) ;

b) if the coefficient is comprises in the compartment 80% - the recognized protection also becomes 100% for effective then - the introduction is such alone as in the point „and” (in the capital of firm house);

c) if the coefficient finds oneself in the compartment from 100% to 125%, so-called effective part (equivalent 100%)steps out in forwards, captured in the capital of firm house and ineffective part (above 100% but below 125%), burdening the result of the company;

d) if the coefficient is smaller from 80% or larger from 125% - the protection is in the wholes recognised for ineffective - brought back becomes the change of the pricing of the instrument securing to the result of the company.

In the moment of the lock of the position secured (i.e. the realizing the income or bearing the cost) one steps out from two situations:

a) if the instrument was recognised for effective, enter in the books earlier changes of the value forwarded reentered become from the capital on the result and the realized income in the strange currency is booked after current market price corrected about the difference between current market price from the day of the lock forward and the market price forward. Receipts in the strange currency is presented in the bill of profits and losses according to market price forward in the consequence (or the

market price to him approximate - if the date of the lock forward is not ideally convergent with the date of the realization of the income),

b) if the instrument was ineffective losses or profits from the title of the change of his value burden earlier the result of the company then - before the realization of the income. The income in the moment his pronouncement he is booked after current market price.

Because of the dynamic changes of the market prices of currencies in fourth quarter 2008, the part of the transaction lost the efficiency (the case „b” above). This caused, that the pricing of the transaction which lost efficiency (and which the deadline of the realization falls on the year 2009) they had to find oneself in the result without the income from the contract to which they relate. 2009 receipts now will be counted up after current market price in the year, however the negative pricing from forward will not be captured in the year 2008 any more it had the influence on the income which would have to secure. The flow will happen only from the title of the lock of the instrument.

Summing up: transactions securing have on the aim the protection of margin of profit on contracts in the whole period his of duration. Presented above received way of the measurement of efficiency in the politics of protections and formulation of pricing of transactions securing to the politics of protections (these ineffective) according can cause the shift of the effect of the protection for the earlier period than appears in the result the position secures what there is the income. You should however remember about this that the balance moves to the market price of the protection after the realization of the whole contract. Therefore, if the pricing has the negative influence on the financial result in one quarter result this is „done” this in next quarters in the figure the profit what moves to this that the balance of incomes on the whole contract peaceable is with the market price of the protection.

The board once again desires to underline their applied politics of protections gives the certainty of the realization of contracts near lodged earlier margins of profit, independently from the hesitations of the market prices of currencies and there is no influence on the fundamental pricing of the Company.

Applied simultaneously protections let estimate in the precise way it came periodical profits from contracts and none of contained transactions does not have the speculating character.

The Board desires to inform in relationship with appearing in media recently information relating to the problem of applying by companies on the wide scale of the transaction of the type swap on the proportional foot (so-called CIRS) , that the company HBP SA neither no from the companies of the Capital Group applied this type of instruments.

XIII. THE DESCRIPTION OF RISKS AND THREATS. FACTORS HAVING OF THE INFLUENCE ON THE HYDROBUDOWADEVELOPMENT POLSKA S.A.

Risk of the competition

HYDROBUDOWA POLSKA S.A. the activity leads on the market the specialist services in the range of the execution, modernization and the exploitation of objects water -supply -and -savage, building of the engineer and specialist building from the range of the building of roads and bridges. Market this is characterizes large competitiveness among working on him subjects, which they are, both national firm houses, how and foreign. The largest rivals possess high own capitals, they administer the also

high quality equipment to the realization of the investment. Particularly essential becomes this in the connection with the high requirements which are placed firm houses participating in auctions on building works.

They are essential factors decisive about the competitive superiority of the given subject - except the high level of the capital, assessed by potential investors as the guarantee of the realization of the order - also offered price of services, possessed experience in undertaking and the realization of specialist undertakings, high quality of testified services, efficient organization enabling the in the time executing of gain over contracts and financial abilities enabling the in the time realization of contracts.

The strategy of working and Company focuses on the strengthening hitherto existing marketable position and competitive superiority through the politics of the solid lifting of the quality of testified services, offering complex solutions, the elasticity of the offer and broadening possessed and building new competences.

The realization of the risk of the competition will cause the necessity of the adaptation of prices of testified services to marketable conditions. He will be the essential element of the strategy, so as and at present, the care about as the best quality of offers and the continuous case of the optimization of the costs of the activity. Indispensable there will also be maintenance of the executive potential, i.e. the suitable supplies of equipment and workers, on level assuring the in the time service of the high quality of services, according to the investors.

The risk of the unreliable tradesmen of the materials and associate contractors

To the closest surroundings in which he works HYDROBUDOWA POLSKA S.A. they number oneself the tradesman of services and materials. The of the co-operation between HYDROBUDOWA POLSKA quality S.A. and he sails her tradesmen and associate contractors directly on the level of realized undertakings. From this just the regard important he is so that co-operation this lies as the best.

HYDROBUDOWA POLSKA S.A. the risk limits unreliable associate contractors and the tradesmen through:

- the co-operation with firm houses about the grounded position on the market, possessing the references on offered services,
- the tradesmen diversification,
- profitable for the Company the conditions of negotiated contracts.

The risk connected with economic situation in the Poland

On the realization of lodged by POLSKA HYDROBUDOWE S.A. strategic aims and achieved by her financial results affect among others the factors. One can number to these factors: the growth of the product of national gross, inflation, the general shape of the POLSKA economy, legislative changes. The changes of coefficients can sail the fall of the number of orders realized by HYDROBUDOWA POLSKA S.A., translating oneself on the deterioration of the situation financial.

The risk of the competition can contribute

Presence of the Poland to enlargement of the interest the entry on the POLSKA market of world firm houses testifying services about the similar profile to services testified by Issuer in European structures. To cause this maybe intensification of the competition and fall margins. Issuer prevents

above mentioned threats through the European level of management and quality of offered services confirmed the instituted norms of ISO 9001:2000, AQAP 2120, ISO 14001:2004 and PN-EN ISO 9001:2001, and also through the co-operation with foreign firm houses from the trade, acting on European stew-pans, stepping out with them together in projects as the leader or the partner of the consortium.

They risk connected with accessibility to the centres of the funds of European Union

Order on the realization of services offered by HYDROBUDOWA POLSKA S.A. are in the significant measure funded from the union centres. The risk exists so, that in the case of the changes of the principles of granting the these centres, both on the level of European Union, how and POLSKA executive recipes, the stream of the centres dedicated the funding the investment he whose realizes deals with HYDROBUDOWA POLSKA S.A., he will become reduced or they will appear oneself difficulty in their logging. The decrease of the demand on services testified by HYDROBUDOWE POLSKA S.A possible is can what shift on the fall of number or size of gain over contracts, and the same contribute to deterioration of the financial results of the Company in such situations.

They have the risk of the unfavorable changes of tax recipes

in the Poland the place the frequent changes of tax recipes. Many of recipes moreover did not become formulated in precise way and lack there is their unambiguous interpretation.

The risk of the change of the present recipes exists in such way that new settlements can turn out unfavorable, both for HBP and her customers, how and firm houses co-operating from HBP, what he can shift in the indirect or direct way on deterioration of the financial results of the Company in the consequence.

The risk of monetary market price is the

Basic market of the sale of products and services HYDROBUDOWAPOLSKA S.A the national market, however orders are co-financed by funds European Union contracted in EURO. In the relationship with the fact, that the majority GK HBP incomes is generated from contracts co-financed by European Union, the risk of the change of monetary market price can have the essential influence on Profitability of the signed of contracts.

GK HBP undertook the working aims to mineralizes the present risk through:

- utilization of financial instruments, particularly by containing transactions securing the type *forward*,
- containing the contracts with tradesmen and the associate contractors of services in the currency of the contract.

Risk this will be limited because of the planned party of the Poland to the zone of EURO in the tong - term perspective.

Risk connected with the temporariness of the trade

Majority of receipts from the HYDROBUDOWA sale POLSKA S.A generates from the activity construction - the assembly in which characteristic for the whole trade temporariness of the sale steps

out. The weather condition the largest influence have in the winter period on the temporariness of the sale, restrictive executing the considerable part of works.

One next years can not exclude the occurrence more difficult than the average weather condition which can have the influence on the decrease of receipts HBP keeping in longer periods e.g. low temperatures can cause difficulties in the realization of works assembly, and in the consequence of the shift in the time of achieved by the Company receipts.

You should recognise the planning by the customers of the majority of the investment cycles in the way which assures their beginning in 2. quarter of the calendar year and finishing in the last months of the year as key protection before this risk i.e. before beginning period making impossible the leadership of works. We aim to the logging additionally what in the measure of possibility, contracts about the high isolated value, is with the long temporary horizon of led works.

One can not similarly exclude such of the investment cycles of the future contracts which can cause the shift of parts planned to the achievement of receipts from the sale on future periods.

Above mentioned factors have the influence on the size achieved by HYDROBUDOWĘ POLSKA S.A receipts from the sale which are the usually lowest in first quarter and their growth follows decided in second half-year doubtless.

The factors he the risk is connected with the activity of the Company

Basic aim of taking over different economic subjects by Issuer the growth of the executive potential **directly**, both in the quantitative aspect, how and qualitative, understood as extension of the area of the activity. The growth of the potential, because of the scale of the activity and the growing complementariness of offered services to contribute owing in the turn to the growth of average margin of profit from the led activity.

He executed taking over two essential subjects from the point of the sight of the led activity in 2008 Issuer - the Enterprise Works Mining „UNDERGROUND” Sp. Ltd. and HYDROBUDOWA 9 building Enterprise S.A.. Possible making the decision about taking over the next subject will be preceded by Issuer the execution of the appropriate legal and financial analysis, and - about how much Issuer will recognise such a one as appropriate - also every different. Issuer can not however exclude, that in spite the behaviour of the highest care in carrying out analyses, how also in the result of the pronouncement of different circumstances, taking over some subject will not bring waited by Issuer advantages in the figure of the growth of receipts and the realization of lodged by Issuer margin of profit.

The risk connected with the results of the auctions in which the part

Possible Issuer takes he is, that Issuer - in spite systematic submitting the row of offers and preparing to the composition of next - he will not receive to the realization of contracts about the total value lets on:

- the realization of prognoses introduced in the Memorandum and
- planned internally growth of the scale of the activity in next years.

Above mentioned can result from lost Issuer in individual auctions, from the possibility of legal action their results by the subjects which offers did not win in auctions how also from different legal causes.

Regarding the possibility of the development of the scale of the activity in next years, Issuer also assesses the risk of the lack of sufficient number and the value of contracts as small. Opinion this is

based on hitherto existing results Issuer in the range of the winning the auctions in whose Issuer the part took in the connection with the estimated value of the contracts which according to the best knowledge Issuer will be realized in the Poland in years 2009-2010.

He exists the risk of delays in deciding contracts from above mentioned independently, applies about realization which Issuer or applies. These delays can be the result, both lengthening the preparations to writing out individual auctions, how also factors and the events of the legal nature. The realization of this risk can be effective planned by Issuer receipts the delay of the obtainment, what one can shift on lower than planned financial results in the turn.

Risk connected with key workers loss

HYDROBUDOWA POLSKA he bases his activity on knowledge and experience qualified Workers' personnel high, in peculiarity. Offering them the competitive conditions of pay and work is qualified experts the main method of the logging.

Taking under the attention the situation on the market of the work in the Poland the risk of the loss of key Workers' personnel exists. The accession of the Poland to European Union, and what he joins the market of the work for professionals with this openly, the essential threat also makes up. The potential risk of departure of workers about the key meaning from the point of the sight of the development HBP exists what could have the negative influence on the level of testified services. The board lodges - as the preference - the most valuable workers protection, indispensable to the realization missions and the aims of firm house.

In the aim of the limitation of risk connected with key workers loss, HYDROBUDOWA POLSKA S.A undertakes the working depends on:

- monitors the market of the work and offering the competitive conditions of the employment,
- through the systems of rewards joint with the suitable system of awarding a the prize to the introduction of the suitable system of the justification too got effects,
- introducing elastic pay systems peaceable with the strategy of the Group Capital HBP,
- the leadership of the programme of systematic trainings,
- detains building among Company and workers through the organization of and departures.

The risk connected with not arising or improper arises from the contracts the conditions

contain

Contracts relating the realization of building contracts the of the regarding appropriate and in the time realization of the contract, the proper removal of the defects and faults, with what bringing in by the Contractor of guarantee bail or the protection of the contract the bank or insurance guarantee is connected.

Usually the protection is brought in the day of the signature of the contract and account for after finishing the realization of the contract. The height of the protection is become addicted from the kind of the contract. Usually his height is shapes on the level 10% value the contract gross.

In the situation of not arising or not the risk of the pronouncement appropriate arising from realized contracts exists by contracting parties with the claims of the pay of conventional penalties or the renouncement from the contract.

In the case of the dispute with the investor, what to quality or the of the realization of works, the sum of the protection can stay account for until his end. In such can lead large many cases to long-lasting judicial cases.

Moreover within the of building contracts secured the bank or insurance guarantee, the Contractor is obliged to the realization of corrective works within the of the guarantee of the removal of the defects and faults.

He undertakes following workings in the aim of the limitation of this risk HYDROBUDOWA POLSKA S.A:

- hugs the insurance protection contracts, in this associate contractors working,
- applies the system of the management the quality of ISO 9001:2001 thanks which he is mineralized the risk of the pronouncement of qualitative problems,
- in the continuous way he monitors quality and the progress of works,
- applies computer tools to the management realized undertakings,
- aims to lifting of directly responsible persons qualification for the realization of contracts through the programme of trainings on certified project manager (the managers of projects),
- transfers risks to contracts about the co-operation contained with manufacturers and the tradesmen of materials, associate contractors (the responsibility for product, responsibility for services, differences between ordered and the delivered assortment, price rises etc.).

The risk connected

with **the led operating activity with** the operating activity especially in the range of building works, the threats join, consisting among others in the possibility pronouncements of the breakdown being effective human and substantive losses.

HYDROBUDOWA POLSKA S.A counteracts this threat through:

- the insurance of activity from civil responsibility,
- in the most modern protective equipment,
- workers systematic the trainings and lifting the workers qualification,
- solid trainings and supervision in the range.

Risk connected with the size of the portfolio of orders

Development Company depends on kind, quantity and value led undertakings in the frames his of the basic activity. They have to fulfill the row of formal conditions despite the wide perspectives of the market of the protection of environment and hydraulic engineering in the Poland, Company, m. in. definite in tender specifications, to over orders.

The Company assembles the attention in this aim on:

- identifies the needs of the market through the of the Bulletin Orders Public monitoring, deepens the acquaintance of the trade and the foundations all-POLSKA and regional programmes from the range of the protection of the environment,
- submits free offers from formal and legal defects,
- the leadership the base the reference exposed by customers, relates to the course of the hitherto existing co-operation,
-

□□□ care about fulfilling all requirements the right public orders, enabling participation in tender procedures to the Company.

Specific of for long - terms contracts about the considerable isolated value in connection **with** the necessity of the commitment of the considerable money centres inflicts that the Company can be subject on the loss of financial fluency **risk connected with the possible lack of financial fluency**.

Long periods among the moment of commitment of the centres in the realizes of contracts and the moment of recovery their in the form of the pay of works extort necessity of using varied expensive financial products, such more than once how the ransom of the liability, factoring and credit.

The Company

- applies the appropriate attention to for credibility in reports with financial institutions in the aim of the limitation of this risk,
- secures oneself through for the access to credit lines and guarantee limits.

XIV. THE INDICATION OF CONDUCTS ROLLING BEFORE THE COURT, PROPER ORGAN FOR THE ARBITRAL CONDUCT OR THE ORGAN OF THE PUBLIC ADMINISTRATION WITH THE REGARD OF THE INFORMATION IN THE RANGE:

- a) the conduct relates the cognizances or the liability issuer or the individual from him the dependent which the value makes up what the least 10% capitals own issuer, with the qualification: the object of conduct , the value of the object of dispute, the date of beginning conduct, the parties of begun conduct and position issuer,
- b) two or more conducts of the relating cognizances and liability which the total value makes up suitably what the least 10% capitals own issuer, with the qualification of the total value of conducts separately in the group of cognizances and liability together with position issuer in this matter and in the reference to the largest conducts in the group of cognizances and the group the liability - with the indication of their object, the value of the object of dispute, the date of beginning conduct and the parties of the begun conduct;

Led conducts from the complaint and they do not cross the value making up against the Company what the least 10% own capitals.

XV. THE COMPANY HYDROBUDOWA STRATEGY POLSKA S.A.

Strategy S.A. he is the strategy the stable growth. Strategy this is bases on gradual expanding the activity on the fields of the building sector bringing the largest profits.

The aim HYDROBUDOWAPOLSKA S.A. there is the maintenance the leading position in the range of parts in the market, height of earnings and profitability.

He at present HYDROBUDOWAPOLSKA S.A. is the leader in two areas :

- 1.. building
- 2.. Building connected with the protection of the environment of

Perspectives of the more far development HYDROBUDOWA POLSKA S.A. he chooses mainly on the leading for the Company of market from the range of the protection of the environment and hydraulic engineering. The Poland becomes it left near 28 milliard of EUR on the realization of the Operating Programme Infrastructure and Environment to 2013 in the budget of European Union admitted, of what on protection of environment near 5 milliard of EU

The improvement of the flood safety the main preference in the range of the protection of the environment was recognised. Planned in this area investments this:

- enlargement of the capacity of reservoirs in the Poland about 2 the milliard m³ to about 3,3 milliard m³,
- reconstruction about 1 000 km of embankments,
- control of rivers on length about 4000 is

One of the most important investments km. „Programme for the Oder 2006”. It is the aim of the programme construction of the systems of flood protections, removal of flood damages and energetic utilization of the rivers. The centres on investments will come from funds of European Union partly.

3,1 milliard of the zloty will hit almost to financial plan of Ministry Environment to 2016 on flood objects according. Reconstruction and the modernization of ramparts 364,5 million of the zloty will cost.

The industrial building is the next area at whose Company he wants to strengthen one's position. Additional investments will be the chance for the Company in the sport infrastructure in the relationship with the organization in the Poland Championships of Europe in Football EURO 2012..

Total value of the investment in the Poland and on the Ukraine in the relationship from EURO 2012 will be near 38 milliard of EUR of what undertakings realized in the Poland will absorb about 60%.

He will be designed near 2,5 milliard of euro on the building of stadiums and infrastructure concurrent. Modernization and the building of airports in cities: Warsaw, Poznań, Wrocław, Gdańsk, Katowice, Cracow, Szczecin, Rzeszów will absorb 396 million of EUR from the budget of UE and 370 million of EUR from the budgets of local powers. 12 milliard of EUR can approx. become on road investments designed.

They will relate the modernization of the main railway lines, building and the modernization of the a dozen or so railway stations to investments, and also the connections of railway airports with the centres of cities.

The modernization of air harbours - beyond six airports in the main cities, also Modlin and Gdynia and in eight harbors on the Ukraine. Together, investments on airports will be near 2 milliard of EUR in both countries.

In the present moment from the attention on the fact, that the POLSKA market is very attractive and the achievement makes possible higher than in the different countries of earnings, HYDROBUDOWA POLSKA S.A. he does not plan the investment beyond her the borders.

XVI. They more **IMPORTANT ACHIEVEMENTS IN FIELD AUDITS AND DEVELOPMENT**

HYDROBUDOWA POLSKA S.A. in the period the covered report, in the field of audits and did not note down the development the achievements which in the way influenced special the reached result.

XVII. **THE CURRENT AND FORESEEN FINANCIAL SITUATION**

All coefficients and given financial they are passed in the support about financial report prepared according to International Standards Accountancy.

It incomes from sale

In 2008 HYDROBUDOWA POLSKA noted down in the comparison with the analogous period of the previous year the growth of receipts from the sale about above 36%. The receipts of the Company increased from the sum 582 300 thousand of the zloty in 2007 to 793 628 thousand of the zloty. in 2008.

The largest part in the sale noted down the segment of the water which made up near 72%. Second what the segment of different services was the segment to the size. His part in incomes from the sale in the discussed period was 13,4 %. The segment of fuels placed oneself on third place and made up above 12%. Fourth what the segment of the industrial building which in the structure of the sale made up 2,4 was the segment to the size %. The smallest part in incomes from the sale the totality noted down the segment of the building of roads and this was just 0,2 %.

Following building

contracts were the largest sources of receipts in 2008:

Name of the contract.....Value of realized receipts in 2008 / in the thousand of the zloty./

The.....	
extension of sewage system settles Ołtaszyn.....	104 474, 7
Extension and the reconstruction of the sewage treatment plant of sewages in Piaseczno	75
988, 2.....	
the.....	
Improvement of the economy water - the sewer on the terrain commune Zabrze - the district	
Grzybowice and Rokitnica - task 1.....	53 157, 1
the.....	
Station Fertilize Waters Królewiecka and the extension of the water-supply net in Elbląg	
35 705, 0	
Sewage.....	
system Strachocin - the value of the portfolio of orders HYDROBUDOWAPOLSKA S.A crossed	
Wojaków.....	33 777, 3

the of orders HYDROBUDOWY

Portfolio POLSKA the day 31 December 2008

On 1,3 billion gold. The contracts make up the largest part in the portfolio of orders from the segment „water”, they in which are realized the investments connected with the protection of the environment, co-financed from the union centres.

EBITDA

In 2008 were expenses on purchase of factual durable active bodies and expenses on the purchase of immaterial values together above 37,1 million of zloty in comparison from 31 million of zloty in 2007. This sailed on the growth the costs the amortization, which in total were near 9,7 million of the zloty in the comparison in 2008 to above 5,1 million of the zloty of the previous yea **The result EBITDA** (EBIT - the profit the operating plus the amortization) **2008 were 68,2 million of the zloty on the end** and he was **about near 16,5 higher million** than his value noted down in 2007, what makes up **32 the proportional growth**.

The operating profit - EBIT

In 2008 HYDROBUDOWA POLSKA S.A noted down in the comparison with 2007 the growth of the operating profit about above 25%. The operating profit of the Company grew up oneself from the sum 46 561 thousand of the zloty to the sum 58 509 thousand of the zloty.

Coefficients financial and additional explanations to sums showed in financial statement.

The chosen groups of financial coefficients: following financial coefficients were used

In the opinion of Profitability:

- the Profitability of the sale** - the profit on the sale / the receipts from the sale,
- the Profitability of the operating activity** - the profit on the operating activity / the receipts from the sale,
- the Profitability net** - the profit net / the receipts from the sale,

- **the Profitability of active bodies (ROA)** - the profit net / the assets,
- **the Profitability of own capitals (ROE)** - the profit net / the own capital,
- **the Profitability of durable active bodies** - the profit net / durable assets.

Coefficients of Profitability For the period

2007	2008.....	
Profitability gross on the sale	11,1 %	11,7 %
Profitability of the operating activity	8,0 %	7,3 %
Profitability net	6,9 %	6,7 %
Profitability of active bodies - ROA	6,9 %	4,6 %
Profitability of the own capital - ROE	28,9 %	7,1 %
Profitability of durable active bodies.....	50,3 %	10,5 %.....

In 2008 HYDROBUDOWA POLSKA 11,7 worked out the margin of profit from the sale on the level gross % in the comparison with 11,1 % reached in 2007, operating margin of profit on the level 7,3 % in comparison with 8% and the margin of profit net on the level 6,7 % in comparison with 6,9 % in 2007.

Following financial coefficients were used in the opinion of the structure of capitals and debts:

- **the Coefficient of the general debts** - the total debts / the assets the totality,
- **the Coefficient of the long - term debts** - (the long - term debts + long - terms reserves + long - terms settlements of accounts) / the assets the totality,
- **the Coefficient of the short-term debts** - (short-term cognizances + short-term reserves + short-term settlements of accounts) / the assets the totality,
- **the Coefficient of the coverage of the debts the own capital** - the own capital / total debts,

Coefficients of the debts..... For the period

2007	2008.....	
Coefficient of the general debts	76,1 %	35,3 %
Coefficient of the long - term debts	13,1 %	3,9 %
Coefficient of the short-term debts	62,9 %	31,5 %

the

Coefficient of the coverage of the debts own capital 31,4 % 182,9 % following financial coefficients were used.....

In the opinion of fluency:

- **the Coefficient of current fluency** - circulating assets / (short-term cognizances + short-term reserves + short-term settlements of accounts),
- **the Coefficient of high fluency** - (circulating assets - the stores - charge from the title of works resulting from contracts about the building service) / (short-term cognizances + short-term reserves + short-term settlements of accounts),
- **the Coefficient of raised fluency** - (the money centres + short-term valuable papers) / (short-term cognizances + short-term reserves + short-term settlements of accounts).

Coefficients of fluency For the period

2007	2008.....	
Coefficient of current fluency	1,37	1,80
Coefficient of high fluency	0,86	0,97
Coefficient of raised fluency	0,13.....	0,13 the

Foreseen financial situation.

The Company 2009 plans in the year maintenance of financial coefficients on the level assuring the stable activity. Conducted in the April 2008 issue of the stock of the series K by the subject predominant assured the centres on the more far development of company and Group Capital HBP.

XVIII. ESSENTIAL POZABILANSOWE POSITIONS IN SUBJECTIVE, OBJECTIVE AND VALUABLE FORMULATION

Information about the value of positions (warranty and guarantees) he is contained in notes explanatory to financial reports „conditional from the title of given guarantees and on the day 31.12.2008 of the year”.

XIX. THE CHANGE IN BASIC PRINCIPLES MANAGEMENT

In the period significant changes were not introduced the covered report in the basic principles of the management.

XX. THE VALUE THE REWARDS, THE PRIZES AND THE ADVANTAGE PAY THE PERSONS MANAGERESS AND SUPERVISES

Information about the value the rewards, prizes and advantages paid persons manageresses and supervising in the period covered report, he is contained in additional notes explanatory to financial reports in tables:

- the Members Board rewards and Glad Supervisory from title of fulfilling the function in the period from 01.01 to the 31.12.2008 of the year to the Company;
- the Members Board rewards and Glad Supervisory from title of fulfilling the function in dependent, correlative and united individuals in the period from 01.01 to the 31.12.2008 of the year.

XXI. INFORMATION ABOUT CONTRACTS, IN THE RESULT WHICH CHANGES CAN HAPPEN POSSESSED STOCKS IN PROPORTIONS

On the day of submitting reports, the Board does not possess information on the subject of contracts, in the result which changes could happen possessed stocks in proportions.

XXII. INFORMATION ABOUT THE JUDGE-ADVOCATE STUDYING REPORT

Board HYDROBUDOWAPOLSKA S.A. he declares that Grant made decisions in the matter of the choice of firm house to the valid recipes, Board Of directors in the road of the resolution according Thornton Frąckowiak Sp. Ltd. (previously HLB Frąckowiak and Partners Sp. Ltd.) with the seat in Poznań, near the Square Springtide Of nations 2 (61-831 Poznań), writes on the list the subjects entitled to the audit of reports financial led through the National Room Fluent Auditors under the number 238, on the subject entitled to:

- the of isolated reports financial audit HYDROBUDOWAPOLSKA S.A. in the year 2008

1.. The of inclusion of the contract

On the audit of financial reports HYDROBUDOWA **date** POLSKA S.A. Thornton contained the contract with Grant Frąckowiak Sp. Ltd. (previously HLB Frąckowiak and Partners Sp. Ltd.) the day 03 July 2008 in.

2.. The total height of the reward

the

Height of the reward, due Grant Thornton Frąckowiak Sp. Ltd. (previously HLB Frąckowiak and Partners Sp. Ltd.), he conducted audit of financial reports prepared for period the day 01 January 2008 from the day 31 December 2008 to carries out 111 600, 00 zloty net from the title .

3.. The remaining value of the contract the Company obliges herself

Additionally to cover costs connected with executing the audit of financial reports in the quoted contract (e.g.: the costs of lodgings, board, rides, mails).

XXIII. CONTAINED CONTRACTS BETWEEN COMPANY AND PERSONS MANAGERESSES, FORESEEING COMPENSATION IN CASE THEIR RESIGNATIONS OR RELAXATION

On the balance day they were not contained by HYDROBUDOWA POLSKA S.A. the contract with persons manageresses, which would foresee compensation in the case them the resignation or the relaxation.

XXIV. ABOUT THE SYSTEM AUDIT PROGRAMMES WORKERS'

HYDROBUDOWA **INFORMATION** POLSKA S.A. he does not lead programmes Workers'.

XXV. THE LIMITATION RELATES TRANSFER THE RIGHT PAPERS VALUABLE COMPANY HYDROBUDOWA PROPERTY POLSKA S.A. AND LIMITATIONS IN THE RANGE EXECUTING FROM THEM RIGHT VOICE

All are the stocks of the Company usual stocks on the bearer. The lack any the limitations relate transfer the right property and all different limitations in the range of executing the right voice of falling on the stocks of the Company.

XXVI. THE ANNOUNCEMENT ABOUT APPLYING THE CORPORATE ORDER AT THE COMPANY HYDROBUDOWA POLSKA S.A.

1.. It the indication of the gathering of the principles of the corporate order received by HYDROBUDOWA POLSKA S.A.

HYDROBUDOWA POLSKA S.A. accepted to applying the principle of the order corporate publiitd in the document „Good practices of companies quoted on GPW” which sound is put on the party < <http://www.corp-gov.gpw.pl> >

2.. Renouncement from the decisions of the gathering of the principles of the corporate order

the HYDROBUDOWA

Board POLSKA S.A. he declares that the Company warned in 2008 present the valid principles of the order of corporate, contained in the document „Good practices of companies quoted on GPW”.

3.. The description of the main features applied at the company of the systems of internal audit and management the risk in the reference to the case of preparing financial reports and

Board **consolidated financial reports** is for the system of the internal audit in the Company and his the effectiveness in the case prepares financial reports and periodical reports prepares and publiitd to the Decree Minister Finances according the day 19 February 2009 from in the matter the current and periodical information of passed on by Issuer valuable papers and the conditions of recognizing for the equivalent information required the recipes right the state the state the membership (Dz. U. 2009, no. 33, p. 259).

The case of preparing financial reports is realized by the Section Book-keeping Company in co-ordination with the different organizational mobile phones of the Company essentially responsible for the data which they do not result from the arithmetic books of the company directly, and make up the part of financial reports.

The Section Controlling the essential part near preparing financial reports has because of the specific of the trade. He is the key for the Company working reducing the risk correct opinion and the analysis of realized building contracts. The basis of the calculation of the receipts and there are the costs of realized contracts, according to MSR 11, the budgets of individual contracts. Budgets are prepared to the best knowledge and the experience of the Company according. During the of preparing as and the realizes of building projects, all budgets are actualized cyclically. Case this is leaning on existing at the Company formalize principles and he be subject to special supervision from the party of the Board.

Presenting given financial the Company applies coherent principles peaceable accountancies with the principles of pricing and introduction applied in the Group Capital PBG.

The Main Book-keeper is the person signatory of financial report as the responsible person for preparing financial reports - the Member Board. The Main Book-keeper is responsible for the organization and the work of the Section Book-keeping which prepares financial report directly - the Member Board. Responsible persons for preparing financial reports, audit and the co-ordination of the case are the experts who administer suitable knowledge and experience in this range.

Every of the members of Board Company during the of preparing financial reports takes cognizance on up to date from given economic and matters put in this and he notifies the possible matters which you should consider preparing this reports. After preparing financial reports, every of the members of the board takes the cognizance with his content and he is it passed on to audit or review, according to valid recipes.

Audit or the review of financial reports he is carried out by subject entitled to the audit of financial reports chosen by Supervisory Advice Company from the team of famous firm houses , guaranteeing the high quality of testified services and required independence.

They ran the auditor while studying financial reports and he the books of the company meets with key persons for the organization of the company, in this the Member of the board individual contained matters in financial . Final financial report after possible co-coordinated corrections brought in by fluent auditor or any of persons preparing this report or manageresses again is read by the person prepares and manageress and signed by these persons.

The board Of directors makes the opinion the examined financial reports of the Company in the range of their agreement with books and documents annually, as and with the actual state, and he informs stockholders in his year -old about the results of this opinion.

The Board moreover subjects the Company by the external subject under the angle of functioning the system of the internal audit periodically to the opinion and to abuse the risk. Grant Thornton Frąckowiak Sp was conducted through firm house in 2007 at the Company. Ltd. (previously HLB Frąckowiak and Partners Sp. Ltd.) the audyt of the system of the internal audit.

The management the risk of Company in reference to the case of preparing financial reports is holds through identification and the opinion of the areas of the risk together with simultaneous defining indispensable workings to his limitation or elimination.

4.. The indication stockholders possessing directly or indirectly considerable packets of the stock together with the indication of the number possess by these the subjects the stock, their the proportional part in the institutional capital, the number the voices from them resulting and their proportional part in the general number of voices on the general meeting following stockholders possess stocks authorizing to what 5% voices on the general meeting the least to information being in the possession of the company

According.

The stockholder the Quantity covered

No.	The stockholder	the	Quantity of the stock	Quantity of voices	Part in capital
	institutional	Issuer	Part in the general number of voices on WZA	Issuer
1..	PBG S.A.	129 726 808	129 726 808	61,61 %	61,61 %
2..	ING TFI S.A. in the Warsaw	17 282 900	17 282 900	8,21 %	8,21 %
3..	BZ WBK Asset Management S.A.		11 233 756	11 233 756	5,34 %
4.....	ING OFE in the Warsaw	10 550 000	10 550 000	5,01 %	5,01 %

5. The indication of the owners of the all valuable papers which give special supervisory authorizations together with the description of these authorizations valuable papers do not exist letting special supervisory authorizations in the relation to the Company.

6.. The indication of all limitations regarding executing the right voice, such as the limitation of executing the right voice by the owners of definite part or the number of voices, temporary limitations relating to executing right of the voice or legacies, peaceably from which, near the co-operation of the company, right capital they are connected with valuable papers separated from the possession of valuable papers

in the Charter Issuer the lack is decisions relating to the limitations of executing right the voice by the owners of definite part or the number of voices.

7.. The indication all limitations relate transfer the right property of papers valuable Issuer no limitations relating to transfer of the rights of the property join

With the stocks of the Company, neither the limitation in executing the right voice. All stocks Issuer are usual stocks on the bearer.

8. The description of principles relating to appointing and dismissing persons manageresses and their authorizations,

Board Issuer

Board **the right of making the decision about issue or the ransom of the stock** works on the basis of the Code Companies of Trade **in the peculiarity**, Charter and Regulations Board resolved by the Board the day 16 January 2009 in and confirmed by the Supervisory Advice

Board is the day 10 March 2009 in the organ Issuer to whose competence all unregistered matters belong by the Code Companies Trade the or Charter Issuer for different organs Issue

According to at present valid decisions of the Charter Issuer (§ 35) the Board Issuer is numerous and consists from the President Board, from one to six Vice-chairmen Board and from one to six Members Board.

Only natural person be can the member of the Board, possessing full ability to legal actions.

Two members of the Board acting together or member of the Board acting together with authorized agent are authorized to representing the Company. The board can give proxies to the working in the name of the Company. The proxies can be general, generic - to making the action of the definite kind and special - to the accomplishment of the individual action.

The board can according appoint authorized agents to the tying in this range recipes of the right. All Members Board agreement is required to the establishment of the proxy.

The board, acting the business of the Company, he defines strategy and the the main aims of the working of the Company and he submits them to the Supervisory Advice for what he is responsible for

their implementation and realization. The board takes the care about transparency and the efficiency of the system of the management the Company and the of her matters peaceable leadership with recipes right the and good practice.

The members of the Board are appointed, dismissed and hung in the realization of their actions by the Supervisory Advice, on definite principles in the Code of trade companies and Charter The proposals of the Members Board candidatures, the President Board represents.

The board Of directors contains and he solves the contracts with the members of the Board, near what in he signs the Glad contract to the name Chairman or Advice Supervisory. He happens different actions connected with the relation of the Member Board work in the same mode.

The board Of directors establiits Members Board reward with the regard his motivational character having on the aim of the assurance of the effective management the Company.

The Member Board mandate expires:

- 1) with the moment of the appeal him from the composition of the Board,
- 2) with day of performance of the General Meeting confirming financial report in last full circulating of fulfilling the Member Board function,
- 3) with the moment of decease,
- 4) with the moment of the composition of the resignation.

In the case of resignation from fulfilling the Member Board function, the resignation should is served the Supervisory Advice, with the copy directed to the Board.

The president of the Board directs the works of the Board and co-ordinates remaining Members Board works. The indicated by him Member Board replaces him in the case of the President temporary absence.

The member of the Board can not without the agreement of the Supervisory Advice:

- 1) with competitive businesses in the relation to Company,
- 2) participate at the competitive company as the partner the civil company, the personal company or as the member of the organ of the capital company or participate in the different competitive legal person as the member of the organ,
- 3) take the part at the competitive capital company, in the case of the possession in her what the least 10% parts or stock or right to appointing what the least one member of the board.

The member of the Board is obliged to inform the Supervisory Advice immediately about appears definite circumstances in above. The member of the Board should keep the full loyalty in the face of the Company and dodge from the workings which could exclusively lead to the realization of own substantive advantages. In the case of obtainment of the information about the possibility of the accomplishment of investment or different profitable transaction relating to the object of the activity of the Company, the Member Board should immediately introduce such information to the Board consider the possibility her of utilization by the Company. Utilization of such information by Member Board or delivery her person third can happen only for the agreement of the Board and only then, when this business of the Company does not violate. The members of the Board should inform the Supervisory Advice about every conflict of businesses in the relationship with the fulfilled function or about the possibility of his rise.

All actions going beyond the usual board require the resolutions of the Board. The matters require in the peculiarity of the resolution of the Board:

- 1) the making the decision relating essential investment projects and the ways their of funding,
- 2) defines the strategic plans of the development of the Company, defining the financial aims of the Company,
- 3) defining the structure of the organizational Company,
- 4) establishing contained norms in regulations and the different internal deeds of the Company,
- 5) establishing the internal division of the competence among Members Board,
- 6) establishing the foundations of the politics the pay, in this foundations to motivational plans.

Too except matters, about whose speech above, are individual Members Board responsible for the independent leadership of matters Companies resulting from the division of duties.

He is in the case of the obstacle in executing duties by the Member Board he obliged immediately to inform the Board about the impossibility of executing one's duties. The president of the Board will decide, which he will execute these duties in the representation from remaining Members Board.

The board Of directors Issuer

Board Of directors works on the basis of the Code Companies of Trade, he Charter and Regulations Advice of Supervisory the day 18 June from 2008

Board Of directors consists of five to nine members of by the General Meeting Stockholders on period three years, with this that mandates of the members of the Supervisory Advice expire just with the day of the performance of the General Meeting Stockholders, confirming financial report in the last full fiscal year fulfilling function of the member of the Supervisory Advice.

The each time General Meeting Stockholders defines Members Advice number the resolution the undertaken ruthless majority of voices. The members of the Advice can be chosen again. Independent members the most at least should make up half of the members of the Supervisory Advice, then he is the persons of who every one fulfils following premises:

Member Advice Supervisory is been careful for independent, if:

- 1) he is not the worker of Company neither Subject Related;
- 2) he is not the member of powers supervisory and manageresses the Subject Related;
- 3) he is not the stockholder administering what the least 5% voices on the General Meeting Company or the general meeting of the Subject Related;
- 5) he is not the member of powers the supervisory and manageresses the or worker subject administering what the least 5% voices on the General Meeting Company or the general meeting of the Subject Related;
- 6) he is not preliminary, husband, brother and sister, the husband parent or person staying in the relation of preparation in the face of any of persons converted in points previous.

Indicated conditions have duration of the mandate above to be fulfilled by the whole period. The given subject is the „Subject Related" in the understanding of the Charter Issuer, if he is Subject Predominant in the face of the Company, Dependent Subject in the face of the Company or Dependent Subject in the face of Subject Predominant in the face of the Company.

In the understanding of the Charter Issuer, the given subject is the „Dependent Subject" of the different subject („Subject Predominant"), if:

- 1) the Subject Predominant possesses the majority of voices at the organs of the different subject (Dependent Subject), also on the basis agreements from different entitled, or
- 2) the Subject Predominant is entitled to appointing or dismissing the members of organs manageresses the different subject (Dependent Subject) to the majority, or
- 3) he is more the than half members of the board of the different subject (Dependent Subject) the members of the board or persons fulfilling the managerial functions of first subject or different subject staying with this first in the relation of dependence simultaneously.

The subject, which is the Dependent Subject of different subject being in the relation of dependence in the face of Subject Predominant in the face of the Company also considers oneself for Dependent Subject in the face of Subject Predominant in the face of the Company.

The board Of directors holds they stood supervision over the activity of the Company in all fields of her activity. Belong to the special duties of the Supervisory Advice the opinion of financial reports and the reports of Board from the activity of Company in the range of their agreement with books and documents, as and the actual state, the opinion of the conclusions of the Board what to the division of profits and the coverage of the loss and submitting the General Meeting of yearly written reports from the results of this opinion.

Belong moreover to the competence of the Supervisory Advice:

- 1) appointing and dismissing the members of the Board and establishing number of the members of the Board,
- 2) suspension because of important in individual actions or all members of the Board;
- 3) delegating the members of the Supervisory Advice, on the period not longer than three months, to the temporary making the members of the Board which they were dismissed, submitted the resignation or can not hold one's actions from different causes; to the action
- 4) establishing reward of the members of the Board;
- 5) the fluent auditor choice;
- 6) confirming the regulations of functioning the Board;
- 7) expression of the agreement on purchase or the disposal of properties, use perpetual or
- 8) the part in properties.

The Board Of directors can study all documents of the Company execute his duties, demand from Board and the workers of reports and explanations and make the revision of the condition of the property of the Company.

The member of the Supervisory Advice should inform remaining Members Advice without the superfluous respite about:

1) the conflict of businesses with the Company. The Member Advice has the duty to resist from taking the voice and from the voted over the party of the resolution in the matter in which the conflict of businesses appeared in such incident. Information about the notified conflict of businesses should be placed in the minutes from the session of the Supervisory Advice.

2) the Member Advice with the definite stockholder personal, actual and organizational especially with the stockholder.

You should understand by the personal connection with the stockholder and the degree of kinship or relation. You should understand staying in solid economic relations by the actual connection with the stockholder. You should understand resulting from contained contracts about works and about the similar character the connection by the organizational connection with the stockholder.

The company has the right to demand in every moment from the member the Glad announcement relating about whose speech above.

8.. The description of the principles of the change of charter or the contract of the Company Issuer,

the

Change of the charter of the Company requires:

- the resolution of the general meeting, undertaken the majority 3/4 devoted voices (art. 415 k.s.h. < a href="http://prawo.panoramainternetu.pl/acms/prawo/materialy/kodeksy/ksh/ksh_t3_d2_r3.php?catid=|2|1|1|1|>">http://prawo.panoramainternetu.pl/acms/prawo/materialy/kodeksy/ksh/ksh_t3_d2_r3.php?catid=|2|1|1|1|>), in the form of notarial deed (the resolution relating of the essential change of the object of the activity requires the resolution undertaken the majority 2/3 voices (art. 416 k.s.h. < a href="http://prawo.panoramainternetu.pl/acms/prawo/materialy/kodeksy/ksh/ksh_t3_d2_r3.php?catid=|2|1|1|1|>">http://prawo.panoramainternetu.pl/acms/prawo/materialy/kodeksy/ksh/ksh_t3_d2_r3.php?catid=|2|1|1|1|>))
- the entry to the National Judicial Register (art. 430 k.s.h. < a href="http://prawo.panoramainternetu.pl/acms/prawo/materialy/kodeksy/ksh/ksh_t3_d2_r4.php?catid=|2|1|1|1|>">http://prawo.panoramainternetu.pl/acms/prawo/materialy/kodeksy/ksh/ksh_t3_d2_r4.php?catid=|2|1|1|1|>)

9.. The way of the working of the General Meeting and his principal authorizations and the description of the stockholders rights and the way their of executing, in the peculiarity principles resulting from the regulations of the general meeting

9. 1.. The way of the working of the General Meeting

General Meeting works on the basis of the Regulations General Meeting Company.

They have in the General Meeting the right participation the stockholders, if they submitted at the Company personal deposit certificates on the display by the subject the leader the bill of valuable

papers according to recipes about the public turn valuable papers, what the least on week before the deadline of the General Meeting and they will not take back these certificates before completion of the this Meeting.

The general Meeting is important if the present on him stockholders represent what the least forty (40) % the institutional capital, he probably the that Code trade companies makes up differently.

The members of Supervisory Advice and Board should participate in the General Meeting. Absence of the member of Supervisory Advice or Board on the General Meeting requires explanations. The explanation introduces on the General Meeting.

They ran the auditor should participate in the Ordinary General Meeting and in the this Extraordinary General Meeting on which matters have to be financial Companies the object of debates.

In the General Meeting or experts and guests invited through the organ assembling the General Meeting can take the part in the appropriate part of his debates, in the peculiarity if their part will be purposeful because of the need of the performance the participants of the General Meeting of the opinion in considered matters.

Presiding to the received order of debates, the recipes of the right, Charter and Regulations with the assurance of respect of rights and all participants of the General Meeting business according directs the course of the General Meeting.

The chairman can not remove matters from the announced order of debates, change the individual orders of his point and introduce under the debates of content-related matters not covered the day order Giving the voice in the order of answering the speaker he after introducing every matter put in the order of debates the Chairman prepares persons applicants to the discussion list, and opens the discussion after her lock. The Chairman decides about the lock of the discussion. The chairman can the members of the Board give beyond the order the voice, Glad Supervisory and invited experts, which voices will not be taking into account establishing list and speakers number One can exclusively take the voice in matters covered the order of debates in the range at present of the considered point of this order Near investigation of every matter of the order of debates in dependence from her subject, the Chairman can mark the time which will be entitle to one speaker on pronouncement and retort. One can not apply not the above mentioned limitation in the face of the member of the Board, Glad of Supervisory the and expert. The Chairman decides about prolongation of the time of the pronouncement or allowing the speaker of the additional voice.

Every participant of the General Meeting has the right of giving questions to Board, Supervisory Advice and fluent auditor in matters covered the order of debates, in the range the considered at present matte The members of the Board, Glad of Supervisory and they ran the auditor of the Company - every in the borders of their competences - they are obliged to allowing the answer on sets questions, in the indispensable range to the decision of matters by the General Meeting. Answers should is made considering the fact that the Company executes informative duties in the peaceable way with controls relating to the turn financial instruments, and allowing the row of information can not be made in the different way than resulting from these controls. The Chairman subjects the formal conclusion under of the General Meeting after the discussion directly. The written announcement

takes root to minutes his on demands of the participant of the General Meeting. Announcement this takes root on the end of debates.

The resolutions of the General Meeting drop the relative (usual) majority of voices, he probably the that Code trade companies requires the majority qualified. Voting in the matters of the choice of powers and there is removal of the members of powers secret.

9.2. The principal authorizations of the General Meeting

Peaceably from § 27 Charter HYDROBUDOWAPOLSKA S.A. the General Meeting to number to principal competences can:

1. investigation and the confirmation of the reports of Board from the activity of the Company and financial reports in the last year circulating and allows the vote of acceptance from the realization by them to the members of the organs of the Company the duties.
2. the decision relates to claims about reparation of damage done the tying the Company or the holding of board or supervision,
3. disposal and leasing enterprise or his organized guided part and establishment on them of the limited factual right,
4. issue of exchangeable bonds or with the right of precedence,
5. purchase of own stocks in the definite case in art. 362 paragraph
6. establishment of the principles of rewarding the members of the Advice of Supervisory,
7. the choice and dismissing the members of the Advice of Supervisory,
8. creates, the utilization and the clearance of capitals of reserve and special funds,
9. resolving the regulations of the working of the Advice of Supervisory,
10. the decision what to applying or about the disconnection of the applying at the Company individual principles of the order of the corporate definite by the Advice and Board Exchange Papers Valuable in the Warsaw S.A,

9.3. Right stockholders together with the way their of executing

According to the Regulations General Meeting HYDROBUDOWAPOLSKA S.A. they are entitle to the stockholder in the peculiarity the following right:

1.. The stockholder can participate in the General Meeting and execute the voice personally or by the proxy.

Proxy to working in the Stockholder name should is given on writing under the discipline of invalidity and added to the minutes of the General Meeting. Different the than proxies persons representing the Stockholder should supply documentary evidence one's right to the working in their name in the

appropriate way (in the peculiarity for the help of copies from proper registers). The members of Board and the employee of the Company be can proxies on the General Meeting.

the stockholder has to be candidate the right on the Chairman General Meeting, or notify to the minutes 2. Każdy one candidature on Chairman General Meeting

3. position. Stockholders representing what they can the least address one tenth part of the institutional capital to the Board Company with the conclusion about the Convention of the Extraordinary General Meeting.

The written demand of the convention of the Extraordinary General Meeting, how also location of definite matters in the order of the debates of the closest General Meeting in the mode of art. 400 § 1 Code of trade companies should contain the reason.

4.. Every participant of the General Meeting has the right of giving questions to Board, Supervisory Advice and fluent auditor in matters covered the order of debates, in the range the considered at present matte

5.. Every participant of the General Meeting can notify the conclusion in the formal matte The Chairman can give the voice beyond the order in formal matters. The written announcement takes root to minutes his on demands of the participant of the General Meeting. Announcement this takes root on the end of debates.

10.. The personal composition and the change, which dropped in within the last fiscal year in him and the description the working organs manageresses, supervising or managing issuer and their committees

10.1. Personal composition and principles of working of Board

in period the day 01 January 2008 from the day 31 December 2008 to had the place following changes in the composition of the Board Company:

- the Christopher Diduch submitted the day 30 June 2008 in the resignation from fulfilling the Member Board Company function,
- the day 30 October 2008 in the President Board Company - Thomas Woroch and Vice-chairman Board Company - the Thomas Starzak they submitted the resignation from fulfilling their functions at the Board Company. The prosecution of the composition of the resignation by the President Board - the end of the mission connected with joining was the Thomas Wołoch HYDROBUDOWAPOLSKA S.A. with HYDROBUDOWĄ 9

P.I-B. S.A. the prosecution of the Vice-chairman Board resignation - they were the Thomas Starzak however family matters,

- In the day 30 October 2008 of the year executing the Board Of directors Company appointed her statutory authorizations on position of the President Board Jerzy Ciechanowski, and it Strangled the Jarosław it charged the Vice-chairman Board Company position

In the face of above mentioned on the day to the hitherto existing Member Board Company 31 December 2008 of the year submitted the Board Company oneself from six Members:

Name and surname theFulfilled function of

Jerzy Ciechanowski	President Board
Eduard Kasprzak	Vice-chairman Board
Jarosław it Strangled	Vice-chairman Board
Andrew Zwierzchowski	Member Board
Rafał Damasiewicz	Member Board
Joanna Zwolak	Member Board the composition of the Board did not undergo the change

To the competence of the Board

Till the day of the publication of the announcement they belong the all matters of the Company not the reserved to the competence of the General Meeting or Glad of Supervisory. Duties and Regulations Board are qualified in the formal document which specifies his part. The individual members of the Board administer the charged them areas of the activity of the Company, and the President Board co-ordinates their work.

10.2. Personal composition and the principles of the working of the Supervisory Advice and her committees the day 31 December 2008 Board Of directors HYDROBUDOWY

On POLSKA S.A. it submitted oneself from six members.

Name and surname theFulfilled function

the

Margaret Wiśniewska < <http://hbp-sa.pl/showpage.php?pageID = 33 & idgtxe10 = 87> > - the Chairwoman Advice Supervisory

Andrew Wilczyński - Wiceprzewodniczący Advice Supervisory < <http://hbp-sa.pl/showpage.php?pageID = 33 & idgtxe10 = 89> >

the

Peter Stobiecki - the Secretary Advice Supervisory

Przemysław Szkudlarczyk < <http://hbp-sa.pl/showpage.php?pageID = 33 & idgtxe10 = 90> > - the
Member Advice Supervisory

Martin Idziorek < <http://hbp-sa.pl/showpage.php?pageID = 33 & idgtxe10 = 91> > - the Member
Advice Supervisory

Gregory Wojtkowiak - the Member Advice of the Supervisory

Till the day publication of the announcement the composition of the Supervisory Advice he did not
undergo the change

Term of office of the members of the Supervisory Advice lasts three years and their reward defines the
General Meeting Stockholders. The board Of directors holds they stood supervision over the activity of
the Company in all fields of her activity. Belong to the special duties of the Supervisory Advice the
opinion of financial reports and the reports of Board from the activity of Company in the range of their
agreement with books and documents, as and the actual state, the opinion of the conclusions of the
Board what to the division of profits and the coverage of the loss and submitting the General Meeting
of yearly written reports from the results of this opinion

To the competence of the Supervisory Advice belongs moreover:

- 1.. Appoints and dismisses the members of the Board and establishing number of the members of the
Board,
- 2.. Suspension because of important in individual actions or all the members of the Board,
- 3.. Delegating the members of the Supervisory Advice, on the period not longer than three months, to
the temporary making the members of the Board which they were dismissed, submitted the
resignation or can not hold one's actions,
4. from different causes to the action. Establishing reward of the members of the Board,
- 5.. The fluent auditor choice,
- 6.. Confirming the regulations of functioning Board,
- 7.. Expression of the agreement on purchase or the disposal of properties, the use perpetual the or
part in properties.

The duties and Regulations Advice of Supervisory are qualified in the formal document which specifies
her part. The board Of directors fulfils his duties but the part of the competence passed on the definite
persons or committees which were described in next points.

Following Committees work near the Supervisory Advice HYDROBUDOWAPOLSKA S.A:

- 1.. Committee of Audit
- 2.. They come in the committee of Rewards

in the composition of the Committee Audit:

- Gregory Wojtkowiak - managing the works of the Committee Audit,
- Peter Stobiecki,

- Przemysław Szkudlarczyk.

The committee of Audit comes together to needs more not seldom however suitably than once on the quarte

Does the committee of Audit answer in the peculiarity too:

1. opinion of the range of the chosen fluent auditor independence and advising the Supervisory Advice in the matter of the fluent auditor choice, and also the conditions of contract contained with the fluent auditor and the height of his reward. Accomplishment by the Supervisory Advice of the choice of different subject fulfilling the fluent auditor function than recommended by the Committee Audit requires the detailed reason,
2. analyzing and the opinion of relations and dependences stepping out at the Company, and also in Supervisory Advice itself and Board Company under the angle of possible to disclosing or the stepping out conflicts of businesses and undertakes workings aiming to elimination of this phenomenon,
3. assuring as the fullest transport among fluent auditor and Board Of directors,
4. investigation of quarterly, half-yearly and year - old reports of the financial members of individuals entering in the composition of the group of the capital Company, and also the quarterly, half-yearly and year - old consolidated financial reports of the group of the capital Company.

They come in the composition of the Committee Rewards:

- the Margaret Wiśniewska - managing the works of the Committee Rewards,
- the Martin Idziorek

Committee Rewards answers too:

1. general monitors the practices in the range the rewards and their the level in the Company,
2. establiits the conditions of employment of Members Board and the personnel of the managerial Company,
3. establishing the plan of awarding a the prize on the fiscal yea

Signatures of all Members of the Management Board of the Company

Date	Name and surname	Position / Function	Signature
27th April 2009	Jerzy Ciechanowski	President of the Management Board	
27th April 2009	Edward Kasprzak	Vice-President of the Management Board	
27th April 2009	Jarosław Duśiło	Vice-President of the Management Board	
27th April 2009	Rafał Damasiewicz	Member of the Management Board	
27th April 2009	Andrzej Zwierzchowski	Member of the Management Board	
27th April 2009	Joanna Zwolak	Member of the Management Board	