

### III. Trading – suppliers of PSB S.A. Group

The previous, still difficult year for the industry, for the PSB Group turned out to be a season of increase in trade with suppliers. Size of revenues from sale of goods of the PSB S.A. Group amounted to 1.3 billion PLN and was 11% higher than the result obtained in the previous season (fig. 8). This positive, considering trade companies, result was caused by several primary factors – a few percent growth in the number of wholesale stores forming the Group and their additional purchases, dynamic growth of Mrówka stores and the increase of prices in some, essential for the Group, product groups. In the described period we have conducted trade with 450 suppliers, offering clients approx. 155 000 assortment items.

That year brought visible changes in participation of some product groups in general Shareholders purchases by the Head Office in relation to the past period. The leader position was strengthened by building chemicals (22,8%), the second spot was occupied by thermal insulations (12%) and the third place was occupied by wall materials (11,8%). The subsequent four spots were occupied by, respectively: waterproof insulations (7%), roofing materials (6,2%), finishing materials (5,7%), cement-lime (4,8%) and openings woodwork (4,6%) – fig. 9.

The highest growth of purchases happened in the assortment offered by Mrówka stores: garden (72%), lighting (53%), installations (35%), decorations (31%), as well as tiles and sanitary ceramics (22%).

In 2010, 5,7% (73 million PLN) of trade with shareholders was conducted by the central warehouse in Welecz, a year before this percentage was 7.2% (fig. 10).

In the last season we continued sales of products under our own brand or the so-called co-brand. The Group has in its offer approximately 160 of such products delivered by over 30 manufacturers. The main partners in this field are: Izolbet, Trzuskawica, Kreisel, Atlas, Foliarex, Rockwool, quick-mix and Selena. Total revenues in 2010 from sales of goods under the brand of the PSB Group and PSB-Mrówka exceeded 36 million PLN.

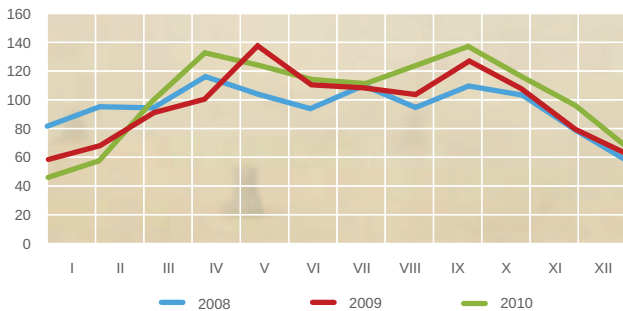


Fig. 8.

Sales revenues of PSB S.A. Group in the years 2008-2010 (million PLN)

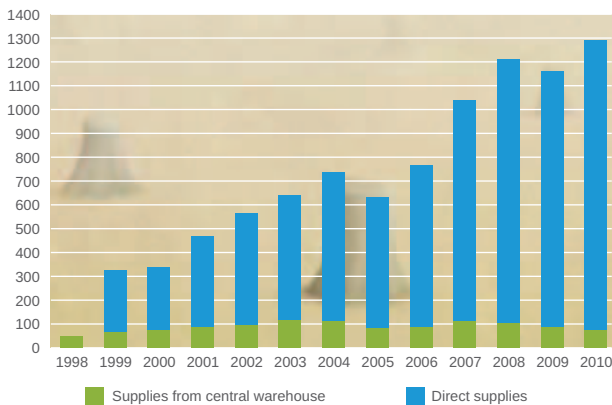


Fig. 10.

Structure of supply of goods to PSB warehouses in the years 1998-2010 (million PLN)



Fig. 9.

Assortment structure of sales of PSB S.A. Group in the year 2010 (%)