

## II. The most important events in the PSB S.A. Group

The PSB S.A. Group entered the year 2010 with initial capital in the amount of PLN 17,602. During the year share capital was increased by PLN 2,704, as a result its state as of 31.12.2010 amounted to PLN 20,306.

	Total number of the Shareholders (commercial entities)	Total number of outlets	Total revenues of the Shareholders (million PLN)	Total number of people employed
Dec 1998	49	92	570	1 080
Dec 1999	139	234	1 160	2 627
Dec 2000	189	390	2400 (2160*)	4 491
Dec 2001	200	394	2500 (2280*)	4 652
Dec 2002	222	415	2700 (2400*)	5 797
Dec 2003	223	349**	2570 (2400*)	5 832
Dec 2004	237	369	2900 (2750*)	6850
Dec 2005	239	369	2770 (2575*)	6930
Dec 2006	234	339	3070 (2800*)	6540
Dec 2007	239	360	4100 (3800*)	7920***
Dec 2008	245	376	4250 (3950*)	8110***
Dec 2009	253	383	4500 (4100*)	8500***
Dec 2010	287	419	5500 (4750*)	9600***

\* revenues from sale of building materials

\*\* licensed outlets

\*\*\* together with employees of the production department and building contracting in trade companies

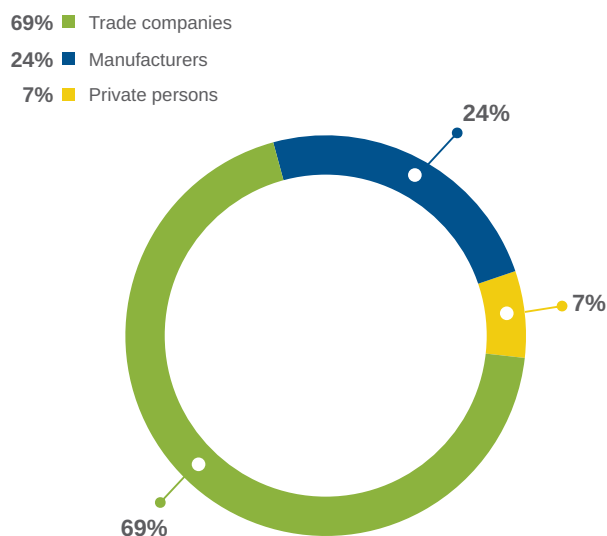
**Table 1.**

PSB Group in numbers in the years 1998-2010

### Changes in the share ownership of the Group

At the end of 2010 shares in the Company were owned by 482 shareholders, including: 1 foreign company, 10 joint stock partnerships, 89 limited liability companies, 2 civil partnerships, 1 cooperative, 78 registered partnerships, 301 natural persons. According to other systematics the shareholder structure can be divided into : trade companies – 69% share in equity and quantity of votes, manufacturers (suppliers of the Company) – 24% share in equity and quantity of votes and natural persons not running businesses – 7% share in equity and quantity of votes (fig. 6).

Indeed, businesses (commercial and marketing) in the PSB Group were conducted, at the end of 2010, by 287 commercial entities. In total they had 419 points of sale licensed by the Company with the total warehouse area of approx. 516 000 m<sup>2</sup>. Cumulated revenues of the Shareholders (commercial companies) in 2010 amounted to 5.5 billion PLN, including these from the sales of building materials – 4.75 billion PLN, the remaining part being revenues earned from production, building works and other business. At the end of 2010, in warehouses and Mrówka stores total number of approx. 9600 people was employed.



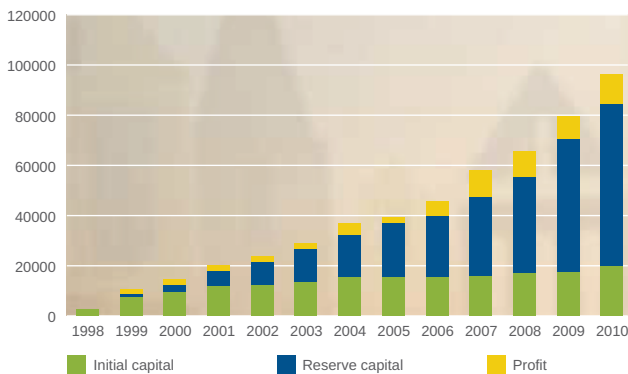
**Fig. 6.**

Shareholder structure of PSB S.A. in 2010

## • Changes in the basic capital

In 2010, increase in basic capital by the amount of PLN 2,704 was made. The above amount consisted of issuance of 353 shares, series S – licensed in the National Court Register in January 2010; issuance of 230 shares, series T – licensed in the National Court Register in February 2010; issuance of 2000 shares, series U and 121 shares, series W – licensed in National Court Register in August 2010.

The Ordinary General Meeting of Shareholders on 9.06.2010 adopted the resolution authorizing the Company's Board of Directors to increase the initial capital pursuant to Article 444–447, 453 and 454 of the Code of Commercial Companies. The authorization is valid until 21.04.2013 and the amount of the target capital of cannot exceed PLN 13,638. The Company's Board of Directors on 18.10.2010 adopted a resolution on increasing the share capital by the amount of PLN 1,000 – issuance of shares of series V. Licensing this increase occurred on 31.01.2011. In addition, the Company's Management Board started collecting offers from shareholders for purchase of shares, series Z (increase adopted on 23.02.2011). On the account of issuance of V and Z series shares the candidates for shareholders paid, in 2010, an advance payment in the total amount of PLN 1,831,000. Despite the lack of licensing the reserve funds were increased by the mentioned payment in the financial statement of the Company (fig. 7).



**Fig. 7.**  
Group in the years 1998-2010  
(thousand PLN)

## • Investments

Total investment expenses of the PSB S.A. Group, in the past year, amounted to 11.2 million PLN. The most important expenses items were: purchases of grounds for the construction of Mrówka stores in Pińczów and Jędrzejów and Logistics Centre in Wełecz - the value of expenses was 3.5 million PLN, construction of the Mrówka market in Pińczów and modernization of its storage facility – the amount of 2.8 million PLN, purchase of machines and devices of general application (i.a. server, computer hardware) – 1.7 million PLN.

## • Changes in employment

In 2010 employment in the Company increased by 20% in comparison to 2009. This change was mainly caused by the opening of "PSB-Mrówka" store in Pińczów, growth of employment in the production department, dynamic development the Retail Sales Network Department and the creation of the Audit Department.

At the end of 2010 in the company 247 people (101 women and 146 men) were employed. More than a half of the employees (52%) had a university degree. Additionally, 29 people were improving their qualifications, continuing studies on higher and postgraduate studies.

The Company finished the program of qualification improvement of its staff, allocating, during the past year, for various trainings of 141 employees, the amount of more than 90 000 PLN. 91 persons participated in these soft skills training sponsored from the EU funds related to management (human resource, time management), negotiations, innovation in business and sales. Other skill trainings were related to finance, labour law, IT, management of sales department.

## • Social Responsibility

Since a long time the Company has remembered about its duties towards the community in which it operates. We support cultural events in the Świętokrzyskie region, offer financial or material support for numerous educational institutions, orphanages, hospitals, charities, associations for aggrieved families. Since 2003, the PSB Group has been sending, free of charge, the bi-monthly magazine "Głos PSB" to 270 construction high schools and more than 100 Practical Education Centres. Per year more than 36 000 magazines, containing the latest construction knowledge, reaches a few dozen thousand of students in the whole country. Total expenses, in 2010, for the aforementioned goals amounted to approx. PLN 200 000.



**Picture 1.**  
Winner of the contest  
of corporate social  
responsibility (CSR) -  
"Well Perceived Company"  
in Świętokrzyskie Province  
Business Centre Club