ERBUD S.A.

Topic:
Signing of a major financial agreement
Legal basis: Article 56 section 1 item 2 of the Bid Law - current and periodic information

Content of report:

The Executive Board of Erbud S.A. reports that on 2 June 2009 an agreement on cooperation No 38/027/09/Z/PX (the "Agreement") was signed signed between the Issuer and BRE Bank Spółka Akcyjna, based in Warsaw.
Under this agreement the bank has provided the Issuer with a line amounted to PLN 30,000,000.00 (say: thirty million zlotys) to finance its current business. Within the framework of this line the Issuer may use the following products:
a/ guarantee for PLN/EUR/USD to the amount of PLN 20,000,000.00 with a maturity of not more than 24 months from the date of issue, but at the latest by 30.04.2012, granted by the Bank at the request of the customer, in accordance with customer's orders approved by the Bank and referred to this agreement, which are drawn up on the Bank-forms and submitted to the Bank by 30.04.2010;
b/ revolving loan in PLN for redemption of invoices with a 12 month drawdown period plus 3 months to repay the drawdown, provided by the Bank at request of the Customer and in accordance with the revolving loan agreement on invoices redemption presented in the annex 1 to this agreement. An application for a loan up to the amount of PLN 10,000,000.00 may be submitted until 30.04.2010 and the validity of the loan is limited till 29.07.2011. The amount of interest will be equal to WIBOR for one-month deposits plus the bank margin.

Due to products provided on basis of this agreement the Issuer will pay to the bank:
a/ a preparatory commission of PLN 80.000 (in words: eighty thousand zlotys) due to the limit granted referred to in paragraph 1, payable once and immediately after the signing of this agreement by debiting the current account of the Issuer; the Bank will receive an non-refundable preparatory commission also in the event of partly use or total unuse of the limit.
b/ Commission of 1.0% (in words: one percent) on the unused limit amount counted from the unused amount of the limit referred to in paragraph 1, within the limit validity defined in § 2, on an annual basis. The fee on credit exposuresis is charged on a monthly basis and payable on the last working day of each month within the validity limit, by debiting the current account of the Issuer.
c / Commitment fee calculated on basis of the amount of unused revolving credit granted for redemption of invoices within the period of the its validity as indicated in the contract on revolving loan for redemption of invoices within the framework of the line to finance current operations, amounting to 1% (say: one percent) per annum. The commission is payable according to the interest payment schedule on the day of final repayment of the loan by debiting the Issuer's current account.
d/ Commission on granting/modification of guarantee - 0.10% (in words: point one percent) from the amount of guarantee, but not less than PLN 500 (in words: five hundred zlotys), payable immediately after giving guarantees, by debiting the current account of the Issuer.
e/ Commitment fee for the guarantee - 2.20% p.a. from the guarantee amount, but not less than PLN 500 (in words: five hundred zloyts), to be charged on the amount of

commitment on the maturity, payable in advance for each new 3-months-period of the guarantee validity from the date of providing it, by debiting the current account of the Issuer.
f / charge on Bank Guarantee Fund (BFG) borne by the bank for the products granted within the limit and paid by debiting the Issuers current account; the fee will be charged as per specified by BFG, from the amount of the Issuer's debt to the Bank as at the date indicated by BFG.

Security of bank claims against the Issuer arising from agreements concluded within the framework of this agreement will be:
a/ blank sole bill of exchange issued by the customer, accompanied by a statement of bill dated 02/06/2009
b/ confirmed debt assignment of contract for the Bank under an assignment agreement of 02/06/2009 - with a total value of contracts to be completed during 9 months or more of not less than PLN 60,000,000 (in words: sixty million zlotys) at a total monthly average turnover (confirmed by the level of inflows to the customer's current account in the bank in the last calendar quarter) of not less than PLN 10,000,000 (in words: ten million zlotys) from the contractors covered by the assignment.

Proceeds from the contractors covered by the assignment to the bank will be book on a separate assignment account. The bank is entitled to settle the deposited funds as a repayment of revolving loan drawdown; the excess will be transferred to the customer's current account at the bank. In case that the value of contractual claims ceded to the bank falls to less than PLN 30,000,000 and the customer does not provide new debts from agreements being a subject to the assignment to the Bank with a total value of not less than PLN 30,000,000, then the receipts on BAFC account (assignment account) will be in full blocked in order to secure bank claims.
The conclusion of this new contract will allow the Issuer to continue active participation both in the private and public tenders where required are financial guarantees.

Just to remind: the Issuer has already open financial lines in three banks: Bank Millennium SA, BGŚ SA and Fortis Bank Polska SA. At present, the Issuer has no debts. However, the lines granted expand the security and strengthen the competitive position of the Issuer.