ERBUD S.A.

Current Report No. 60/2010
Date of Report: 2010-09-21

Topic:
Signing of a significant contract for road-engineering works - construction of the road border crossing in Budomierz
Legal basis: Article 56 section 1 item 2 of the Act on Public Offering - current and periodic information

Content of report:

The Management Board of Erbud SA announces that on 20 September 2010 an agreement was signed to execute road-engineering works associated with building an access road to the border crossing Budomierz and reconstruction of the provincial road No 866, section Dachnów - Lubaczów - Krowica Hołodowska - State Border on the route Lubaczów - Budomierz.

Wojewoda Podkarpacki - Podkarpacki Zarząd Dróg w Rzeszowie [Governor of Podkarpackie province - Podkarpackie Road Management in Rzeszów] is the investor.

The total contract gross value is: PLN 56,014,788.97.
The total net value is: PLN 45,913,761.45.

The project will be implemented in accordance with the following schedule:

- 2010 - with a value of PLN 9,408,915.00 gross and PLN 7,712,225.41 net
- 2011 - with a value of PLN 23,302,936.99 gross and PLN 19,100,768.02 net
- 2012 - with a value of PLN 23,302,936.99 gross and PLN 19,100,768.02 net.

The Contractor granted to the Awarding Entity a performance bond amounting PLN 2,240,591.56, which on 12 December 2012 will be reduced to the amount of PLN 672,177.47, and valid in this volume by 27 December 2017.

The penalties are specified according to the FIDIC 1999 standard (public engineering and construction works designed by the Awarding Entity) - The Awarding Entity may claim compensation up to the value of actual damage incurred.