ERBUD S.A.

Current Report No. 61/2010
Date of Report: 2010-09-21

Topic:
Concluding a significant investment agreement by Budlex Sp. z o.o., a subsidiary of the Issuer
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 it received information about singing by a subsidiary Budlex Sp. z o.o., based in Warsaw (hereinafter referred to as Budlex), of an agreement for the implementation of a project: commercial shopping and office building in Poznan (hereinafter referred to as the project).

By virtue of the above agreement Budlex is committed:
- to provide a loan amounting to EUR 3.5 million to the special-purpose company Deptak Projekt P2 Sp. z o.o. (hereinafter referred to as the P2), within 6 months from the date of signing the investment agreement. Budlex Sp. z o.o. has a 50% stake in the P2. The other 50% is owned by Cofinance Properties Ltd. (hereinafter referred to as the CF), which the company has the same obligation to grant a loan of EUR 3.5 million to the Deptak Projekt P2 Sp. z o.o. Resources coming from shareholders' loans are intended to acquire by P2 plots on which the project will be executed. Currently the land is owned by the CF, a partner of Budlex Sp. z o.o. in this joint venture. The investment agreement obliges the land holder - the company CF - to sale the real estate to the Deptak Projekt P2 Sp. z o.o., provided that the Poznań Municipality do not exercise its right of first refusal. Loans will be granted within 6 months from the date of signing the investment agreement.
- To the optional supplementary financing of the Deptak Projekt P2 Sp. z o.o., with a maximum amount of EUR 3.19 million, providing the P2 will receive an investment credit.

The project involves the construction of a shopping and office centre in Poznan at Krysiewicza and Półwiejska streets, on the passageway called Poznański Deptak (the Poznan's Main Promenade). The Stary Browar shopping mall is located at one of its ends and the said project on the second one.
The facility will have an leasable area of 9,700 m^2, including 6,300 m^2 of retail space and 3,400 m^2 of office space. There will be six floors in the building. 142 parking spaces are planed.

Total estimated project budget is EUR 22.65 million.

The expected date of opening of the facility is the fourth quarter of 2012.

Area of the office, shopping and service part is equal to 13,733 m^2
Parking area - 4,340 m^2 - 142 parking spaces
Total area - 18,073 m^2.

Implementation of this commercial project in Poznań is a part of the Issuer's strategy concerning the diversification of developer's activity to residential and commercial buildings. This will be the first project implemented by the company which is a subsidiary of the Issuer.

The Issuer owns 100% shares in Budlex Sp. z o.o.