ERBUD S.A.

Current Report No. 64/2010
Date of Report: 2010-09-24

Topic:
Signing of a significant contract for road-engineering works - construction of two-level crossings for PKP SA
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 an agreement concerning the execution of two-level crossings in the area of LCS Ciechanów (under tender 2B) has been signed on on 23 September 2010.
PKP Polskie Linie Kolejowe S.A. [Polish Railway Lines] is the investor of the project.

The total contract value amounts to PLN 72,385,066.68 gross and PLN 59,332,021.87 net, of which Erbud SA participates in 39.26%, and Polwar SA, the second consortium member, in 60.74%.

Performance of the above contract will last 18 months from the date of commencement of works.

Contractor has given the Employer a guarantee of due contract execution and removal of defects and faults amounting to PLN 7,238,506.67 and valid to 17 June 2012. From 18 June 2012 this guarantee will be reduced to the amount of PLN 2,171,552.00 and valid to 10 July 2013.

The contract provides for the following penalties:
- 0.05% of the gross contract price for each day of delay;
- penalties for exceeding the closing track time according to notices submitted by the carriers;
The maximum amount of liquidated damages amounts to 10% of the gross contract price.