ERBUD S.A.

Current Report No. 69/2010
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Topic:
Merger of companies: Przedsiębiorstwo Robót Drogowych S.A. and Rembet Plus Sp. z o.o.
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 informs about the planned merger of two companies: Przedsiębiorstwo Robót Drogowych S.A. and Rembet Plus Sp. z o.o., where Erbud SA is the sole shareholder (Przedsiębiorstwo Robót Drogowych S.A.) and the majority shareholder - 75% stake (Rembet Plus Sp. z o.o.).

The merger will be held under Art. 492 § 1 point 1) of the Commercial Companies Code by acquiring assets of Rembet Plus Sp. z o. o. by Przedsiębiorstwo Robót Drogowych S.A. against shares. As a result of the merger, the share capital of the transferee company will be increased by PLN 200.000 through the issuance of 4,000 new ordinary bearer shares of series B with a value of PLN 50 each share, which will be acquired by the shareholders of Rembet Plus Sp. z o.o. in exchange for shares, while the current percentage of shares held in the offeree company will be the same.

A strengthen of the economic and production potential of both entities and creation of a company that using the increased capacity, experience and credentials of the merged companies will be able to play an important role in the market of road-engineering construction is the purpose of the transfer.

The merger of Przedsiębiorstwo Robót Drogowych S.A. and Rembet Plus Sp. z o.o. will allow to take full advantage of the synergies, economies of scale and diversification by region and product and thereby enable a faster development of the merged entity.

It is scheduled that the merger will enter into force on 31 December 2010.