ERBUD S.A.

Current Report No. 70/2010
Date of Report: 2010-10-14

Topic:
Signing of a preliminary contract to purchase real estate in Poznań by a subsidiary of the Issuer.
Legal basis: Article 56 section 1 item 1 of the Act on Public Offering - confidential information

Content of report:

The Management Board of ERBUD SA announces that today it was notified of concluding a preliminary agreement on purchasing the property by its subsidiary - Deptak Projekt P2 Sp. z o.o.
The Issuer informed in the Current Report No. 61/2010 dated 21 September 2010, that its subsidiary - Budlex Sp. z o. o. has entered into an investment contract to implement an commercial project, and namely construction of a shopping and office building in Poznan. Therefore Budlex Sp. z o.o. joint the special purpose company under the name of Deptak Projekt P2 Sp. z o.o. in which it holds a 50% stake and the same percentage of votes at a general meeting of shareholders.

According to the information received on 13 October 2010, the Deptak Projekt P2 Sp. z o.o. has signed a preliminary agreement to purchase the property on which the planned object will be performed.

Key provisions of the Agreement are as follows:
The real estate price - EUR 5 million plus the VAT of 22% (i.e. EUR 6.1 million gross).
Deadline for signing a conditional contract for sale of the property, the parties agreed as of 30.11.2010.
Both the Seller (Deptak Project Sp. z o.o.) and the Buyer (Deptak Projekt P2 Sp. z o.o.) should before signing a conditional contract for sale meet the following conditions:

1. The Seller shall authorised the Buyer to transfer the valid outline planning permission.
2. The Buyer shall provide the Seller with a bank certificate of escrow account (EUR 3.5 m)
3. The city of Poznań shall not exercise its right of first refusal.

The implementation of this agreement is a result of the investment contract concluded by Budlex on 17.09.2010, about which Erbud has informed in the Current Report No. 61/2010.
On the plot being the subject of this agreement, the Deptak Projekt P2 intends to carry out a retail and office building with a leasable area of 9.7 thousand sq. m. The estimated budget is equal to EUR 22.7 million.