ERBUD S.A.

Current Report No. 78/2010
Date of Report: 2010-11-30

Topic:
Concluding a significant contract for the construction of grade-separated rail crossings
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 30 November 2010 the Issuer signed a contract to construct new two-level crossings within the area of LCS (local control centre) Ciechanów, including railway overbridge at 74.417 km together with the detour road in connection with the liquidation of the crossing at 73.031 km; subway at 75.713 km; road overpass at 76.294 km together with the the detour road from 74.417 km to 76.294 km in connection with the liquidation of crossings at 75.150 km and 75.722 km; railway overbridge at 77.400 km - tender 2C performed under the project "Modernization of the E 65/C-E 65 railway line on the section Warsaw-Gdynia – the LCS Ciechanów area", within the framework of the POLiŚ Nr 7.1-1.1. project.

Gross contract value: PLN 54,602,109.40
Net contract value: PLN 44,755,827.38.

The work will take 18 months from its commencement.

The contract provides for the following penalties:
a. 0.05% of the total gross price for each day of delay
b. penalties for exceeding the track closing time according to debit notes submitted by the carriers.
The maximum amount of liquidated damages is 10% of the total gross prices.

In respect to the contract execution, the Contractor will grant the following guarantees:
contract performance bond and repair works guarantee of PLN 2,730,105.47 valid to 27 August 2012; from 28 August 2012 to 19 September 2013 the amount will be reduced to PLN 819,031.64.

The Issuer will perform the contract within a consortium in which the works are divided as follows:
- Erbud SA - 59% - PLN 26,405,938.15 net
- Polwar SA - 41% - PLN 18,349,889.23 net.

This is the fifth agreement signed by the road-engineering division of Erbud SA for the construction of infrastructure.