ERBUD S.A.

Current Report No. 05/2011
Date of Report: 2011-01-17

Topic:
Concluding a significant construction contract
Legal basis: Article 56 section 1 item 2 of the Act on Public Offering - current and periodic information

Content of report:

On 17 January 2011, the Issuer entered into a contract with the West Pomeranian University of Technology, Szczecin to build the Teaching and Research Centre for Nanotechnology.
The net contract value amounts to PLN 29,250,000.00.

The Issuer has granted to the Client the following guarantees:
- performance bond - PLN 1,784,250.00;
- remedying defects guarantee - PLN 537,975.00.

The agreement provides for the following penalties:
a) in the event of failure to timely execution of the works by the Contractor or those working for the Contractor - equal to 0.1% of the agreement price for each day of delay;
b) in the event of failure to timely execution of every-month stages by the Contractor or those working for the Contractor in relation to the Time and Payment Schedule when exceeding 14 days the date on which work had been done - equal to 0.5% of the value of given works specified in the Schedule for each day of delay;
c) in the event of failure to timely remedying defects and faults by the Contractor or those working for the Contractor - equal to 0.05% of the agreement price as referred to in Article 13, item 8 and 9 thereof for each day of delay;
d) in the event of the withdrawal from the agreement or its termination, if it is due to a cause attributable to the Contractor - equal to 15% of the agreement price;

e) the Customer shall pay a contractual penalty to the Contractor in the event of the withdrawal from the agreement or its termination, if it is due to a cause attributable only to the Customer - equal to 15% of the agreement price.