ERBUD S.A.

Current Report No. 16/2011
Date of Report: 2011-05-13

Topic:

Signing of an significant construction agreement
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 13.05.2011 it signed an important agreement for building works on the terms as below:

1. Developer: Dom Development S.A. seated 00-078 Warszawa, Pl. Piłsudskiego 3.
2. Contract value: PLN 19,599,582.00 plus the VAT due.
3. Contract subject: Multifamily residential complex "WILNO stage IIA, phase 1 (building F, G and H)" with services and underground garages, incl. technical infrastructure, installations and necessary devices located in Warsaw at Klukowska St.
4. Duration of works: 16 months after the handing over of the building site; the commencement of work is scheduled for May 2011 and the completion for September 2011.
5. Penalties: the total value of the penalty shall not exceed 10% of contractual remuneration.

Other conditions of this agreement are not differ from the market terms.

Intended volume of works:
in 2011 – PLN 5,000,000
in 2012 – PLN 14,599,582.

This is the third contract for construction works entered in with Dom Development in 2011.