ERBUD S.A.

Current Report No. 41/2011
Date of Report: 2011-08-12

Topic:
Concluding a significant construction contract to erect the Marshal's Office and Regional Council headquarters in Poznań.
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 the Issuers announces that on 12.08.2011 it was concluded a construction contract under the following terms and conditions:

1. Contract concluded on: 12.08.2011
2. Developer: Województwo Wielkopolskie – Urząd Marszałkowski
3. Województwa Wielkopolskiego in Poznań, Al. Niepodległości 18, 61-713 Poznań
4. Contract value: PLN 133,526,923.18 net (164,238,115.51 gross)
5. Contract subject: Building the headquarters for Marshal's Office and Regional Council of Wielkopolska in Poznań at Al. Niepodległości 34.
6. Place of performance: Poznań, Al. Niepodległości 34.
7. Duration of works: 30 months from the contract signing
8. Terms of payment: 30 days
9. Performance bond: 10% of the gross contract value, i.e. PLN 16,423,811.55; expiry date: 14.03.2014
10. Other guarantees:
    a) warranty for structural components - 240 months (at least 120 months),
    b) warranty for the general building works, elevation with the exception of the elements referred to in sub-points a) and c) of this section - 120 months (at least 60 months),
    c) warranty for installation works and their technical facilities - 60 months (at least 36 months),
    d) warranty for telecommunication infrastructure - 36 months (at least 36 months),
    e) warranty for the certified computer network (the manufacturer system warranty) - 25 years (at least 25 years),
    f) warranty for the built-ins furniture - 36 months (at least 36 months).
11. Penalties:
    a) due to a break in the works execution caused by the fault of the Contractor - PLN 30,000 per each day of interruption,
    b) due to the delay in the timely handing over of the contract subject - PLN 30,000 PLN per each day of delay,
    c) due to the delay in remedying defects reported at the final acceptance or during the warranty period - PLN 30,000 per each day of delay starting from the day following the date fixed for defects removal,

d) due to the withdrawal from the contract for reasons attributable to the Contractor - 10% of the contract price,

e) due to the contractual fault for reasons attributable to the Contractor - 10% of the contract price.

Expected volume of works is as follows:

2011 – PLN 13.2 m
2012 – PLN 37.58 m
2013 – PLN 79.89 m
2014 – PLN 2.85 m.