ERBUD S.A.

Current Report No. 47/2011
Date of Report: 2011-09-16

Topic:

Signing of a significant agreement for the construction - construction of a concert hall for the Music Academy in Łódź
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 15.09.2011 it entered into a construction agreement to construction of a concert hall for the Music Academy in Łódź under the following terms and conditions:

1. Contract concluded on: 15.09.2011.
2. Builder: Akademia Muzyczna im. Grażyny i Kiejstuta Bacewiczów w Łodzi.
3. Contract value: PLN 21,943,089.43 net (26,990,000.00 gross).
4. Contract subject: construction of a concert hall at the Lódź Music Academy for teaching purposes at the Music Academy in Lodz.
5. Place of performance: Łódź, crossing of streets Żubardzka and Al. Włókniarzy.
6. Duration of works: within 19 months from the contract signing.
7. Terms of payment: 90 days from the invoice delivery.
8. Performance bond: 10% of the gross contract value, i.e. PLN 2,699,000; expiry date: the performance period plus 30 days from the contract completion.
9. Remedying defects guarantee: 3% of the gross contract value, i.e. PLN 809,700; expiry date: 60 months plus 15 days from the contract completion.
10. Other guarantees: equipment and facilities guarantee -24 months from the contract completion.
11. Penalties:
    a) 0.5% of the gross contract value for each day of delay in completion date;
    b) PLN 5,000 for each day of delay in remedying defects and faults;
    c) 10% of the gross contract value in the event of contract termination due to the reasons attributable to the Contractor.