ERBUD S.A.

Current Report No. 59/2011
Date of Report: 2011-12-22

Topic:

Signing of a significant development agreement by GWI GmbH, a subsidiary of Erbud S.A.
Legal basis: Article 56 section 1 item 1 of the Act on Public Offering - confidential information

Content of report:
The Management Board of ERBUD SA announces that on 19.07.2011 it entered into a construction agreement under the following terms and conditions:

1. Contract concluded on: 26.09.2011.
2. Contract subject: sale of two residential buildings with underground garage - 51 apartments of high-standard and parking spaces in the Pempelfort district of Düsseldorf.
3. Parties to the transaction:
   - as the Seller: PDI Düsseldorf Beuth Lofts & Houses GmbH (special purpose company, in which GWI GmbH holds a 50% stake);
   - as the Buyer: "Aachener" Grundvermögen-Kapitalanlagegesellschaft mit beschränkter Haftung.
4. Transaction value - the maximum price was set at EUR 17,553,390.66 and it represents a multiple of 19.5 net annual rental. The maximum price will be achieved when PDI Düsseldorf Beuth Lofts & Houses GmbH rents a 100% of apartments by 30 June 2013. If this condition is not meet, the price will be adjusted by the let rate. As at the date of publication of this report, 18 flats have already been let.
5. Description of the transaction terms if significantly different from market conditions.