ERBUD S.A.

Current Report No.27/2013
Date of Report: 2013-06-28

Topic:

Signing of a significant contract worth PLN 65.7m to refurbish the cool handling plant for Dalkia Łódź SA.
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 S.A. informs that that on 27 June 2013 signed, in consortium with Zamet Industry S.A., a significant contract to refurbish the cool handling plant under the following terms and conditions:

1. Contract concluded on 27.06.2013.
2. The Investor: Dalkia Łódź Spółka Akcyjna seated in 90-975 Łódź,5 Andrzejewskiej St.
3. Contract value: PLN 65,700,000.00 net, of which ERBUD: PLN 42,789,000.00 and ZAMET: PLN 22,911,000.00.
4. Contract subject: retrofit of the cool handling plant (EC 3) of Dalkia Łódź SA.
5. Site: 90-975 Łódź, 5 Andrzejewskiej St.
6. Completion period: 27.06.2013 - 01.10.2015.
7. Payment terms: 30 days.
8. Performance Bond: 10% of the net contract price, provided for 27.06.2013 - 01.10.2015.
9. Remedying Defects Warranty: 3% of the net contract price, provided for 01.10.2015 - 15.10.2018.
10. Other guarantees: a) 60 months for construction works, anti-corrosion treatment and chemical-resistant flooring; b) 36 months for plant and equipment built in.
11. Penalties:
    "1. In the event of failure to timely achieve the Milestone 5, 8 and 10 amounted to:
        1) Milestone 5 – PLN 25,000 for each day of delay during the first seven days and PLN 50,000.00 for each day of delay of more than 7 days with respect to the contractual time for completion of this Milestone provided in Appendix 4, subject to the conditions referred to in § 2 section 4,
        2) Milestone 8 – PLN 10,000 for each day of delay with respect to the contractual time for completion of this Milestone provided in Appendix 4, subject to the conditions referred to in § 2 item 4,
        3) Milestone 10 – PLN 15,000 for each day of delay with respect to the contractual time for completion of this Milestone provided in Appendix 4, subject to the conditions referred to in § 2 item 4.
    2. In the event of termination of the Contract for reasons attributable to the Contractor - 10% of the net contract price.
    3. The maximum amount of liquidated damages imposed on the Contractor or the Employer under this Contract shall not exceed 20% of the net Contractor's remuneration referred to in § 3 section 1 of this Contract."
12. Comments to "build" include but are not limited to:
    ERBUD SA
    1) Complete construction design and detailed design;
    2) Demolition and strip-out works;
    3) Modernization of rail siding, including the coal unloading system from railway

wagons;
4) Construction works, including replacement of inclined coal conveyor, construction of new buildings, structures, roads along the hardening of land, reinforced concrete tunnels, renewal of coal yard;
5) Mechanical and plumbing systems: water supply and sewerage, sanitation, ventilation, air conditioning, on-site services, etc.;
6) Complete electrical wiring and ICA.

A new company in the ERBUD Group - ENGOREM Sp. z o.o. seated in Łódź will be the Issuer's Subcontractor.
ZAMET INDUSTRY SA
1) Retrofit of coal loaders;
2) Delivery and installation of railcar tippler;
3) Delivery and installation of belt conveyors.