ERBUD S.A.

Current Report No. 28/2013
Date of Report: 2013-07-18

Topic:

Signing of a significant contract for the construction of a multidisciplinary hospital in Katowice valued at PLN 81,599,738.29 net.
Legal basis: Article 56 section 1 item 2 of the Act on Public Offering - current and periodic information

Content of report:

The Management of ERBUDS.A. announces that on 18 July 2013 the Issuer concluded a construction contract under the following terms and conditions:

Contract concluded on 2013.07.18.

The Investor: CMC "Geo Projekt 2" Spółka z ograniczoną odpowiedzialnością spółka komandytowa, 30-085 Kraków, ul.Głowackiego 10.

Net contract value: PLN 81,599,738.39 (Phase I – PLN 50,888,173.62 and Phase II – PLN 30,711,564.77).

Contract subject: construction of a multidisciplinary hospital with operating theatre and underground car park, including in-building service systems.

Site: Katowice, Ceglana Street, corner of Wita Stwosza Street.

Completion period: Phase I from 2013.07.19 to 2014.12.04; Phase II from 2014.10.10 to 2015.12.18.

Payment terms: 30 days against the Interim Payment Certificate and 30 days against Final Payment Certificate.

Performance Bond: 5% of the net contract price provided in the form of bank or insurance guarantee for the entire duration of Works plus 30 days (separately for Phase I and II).

Remedying Defects Warranty: 2.5% of the net contract price, provided in the form of bank/insurance guarantee for the period of 43 weeks from the Acceptance Certificate (separately for Phase I and II).

Penalties: The total amount of liquidated damages shall not exceed 10% of the net contract price (separately for Phase I and II) and 0.08% of the net contract price agreed for particular phase for each day of delay in completion of the Work.

The Employer shall pay the Contractor the following penalties: 0.08% % of the net contract price agreed for particular phase for each day of delay in starting the commissioning of the particular phase for over 3 working days for reasons attributable to Employer.

Remarks: If the Employer fails to lever funds for the project till 30.08.2013, the Employer is entitled to terminate the contract for Phase I (without building substructure) and Phase II.

The value of building substructure works for Phase I is PLN 5,735,685.37 net.

The contract is carried out by the Krakow Branch of ERBUD S.A.