ERBUD S.A.

Current Report No.43/2013
Date of Report: 2013-10-16

Topic:

Signing a significant construction contract by the Issuer's subsidiary - Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A.
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 informs that on 15 October 2013 the company Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A., a subsidiary of the Issuer – entered into a significant contract for construction works under the following terms and conditions:

1. Contract subject: infrastructure works related to the performance of the "Rusiec Wind Farm" project
2. The Investor: VER LS-36 sp. z o.o. seated in Gdańsk, 64D Budowlanych St.
3. Contract value: PLN 23,4 million
4. Completion period: October 2013 - June 2014
5. Penalties:
   a) in the event of a failure to complete the Works within the Time for Completion and Final Inspection – PLN 10,000 for each day of delay,
   b) in the event of a failure to request for Final Inspection or unjustified absence while inspecting – PLN 5,000 each time,
   c) for failure to deliver certificates, photocopies of documents referred to the contract – PLN 5,000 each time,
   d) for failure to deliver as-built documentation, or failure to pre-commissioning testing – PLN 5,000 every time.

   The total of liquidated damages shall not exceed 10% of the gross contract remuneration.
6. Guarantees and Bonds:
   a) Performance Bond - 10% of the gross contract remuneration
   b) Remedying Defects Warranty: 5% of the gross, provided for 60 months.
7. Works output by years:

   2013 – ca. PLN 4.2m
   2014 - ca. PLN 19.2m

Other contract provisions do not differ from the market ones.

This is another contract with the company VER LS-36 sp. z o.o. for execution of construction works at the Rusiec Wind Farm. The value of the previous contract of 01.07.2013 was PLN 8.2 million.

The Issuer holds a 94.27% interest in share capital of Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego SA.