ERBUD S.A.

Current Report No. 32/2014
Date of Report: 2014-07-25

Topic:
Signing of a significant contract for the execution of comprehensive construction works for the Skurpie Wind Farm project with a net value of PLN 26,105,920.01

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 24 July 2014, the Issuer conclude a contract with the PEP Group - Farma Wiatrowa 4 Spółka z o. o. seated in 02-526 Warsaw, 24/26 Krucza St. (the "Builder") to execute comprehensive construction works for the Skurpie Wind Farm, including construction of foundations for wind turbines, adaptation of access roads for oversize hauling, upgrading of existing roads, construction of service roads and assembly platforms.

The Issuer is a partner of the consortium with Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. headquartered in Toruń (consortium leader), a subsidiary owned 94.27% by the Issuer.

The total net value of the contract is 26,105,920.01 (say: twenty-six million, one hundred and five thousand, nine hundred and twenty, point zero one).

The task completion date is scheduled for 31 October 2015.

Payment terms: 30 (thirty) days from the receipt by the Investor of a valid VAT invoice.

Performance Bond: 10% of the contract price in the form of a bank or insurance guarantee for the duration of the contract execution.

Remedying Defects Warranty: 5% of the contract price in the form of a bank or insurance guarantee for a period of 60 months from obtaining the Taking-Over Certificate.

Penalties:
- for the delay in timely achievement of each Milestone if it due to the Contractor's fault, amounting to 0.2% of the Milestone volume for each day of delay in relation to the terms specified in Annex 3;
- in case of failure to timely removing founded defects, in particular defects that make impossible the installation of wind turbines or their start-up and commissioning for reasons attributable to the Contractor, amounting to 0.2% of the value of the defective Scope of Work for each day of delay;
- in case of terminating the Contract for reasons attributable to the Contractor - 10% of the Contract Price;
- the sum of liquidated damages shall not exceed 30% of the Contract Price.

The value of works by years is as follows:
2014 – 19,600,000
2015 - 6,505,920.01.

Other conditions of this contract are at arm's length.

This is the third contract of PBDI SA, a company from the ERBUD Group, signed with the Polish Energy Partners Holding within the last 12 months. The aggregate value of these contracts amounts to PLN 78,047,970.19 million.