ERBUD S.A.

Current Report No. 39/2014
Date of Report: 2014-10-16

Topic:

Conclusion of a significant agreement for the design, plant, construction and commissioning of building and power infrastructure for a wind farm in the towns of Banie i Kozielice

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 (the Issuer) announces that on 15 October 2014 the Issuer entered with Wiatromil Sp. z o.o based in 80-307 Gdansk, 1A Abrahama St. (the Employer) into a contract for the design, plant, construction and commissioning of building and power infrastructure for a wind farm in the towns of of Banie i Kozielice in Poland, consisting of 96 wind turbines, three power stations and connections to the 220 kV transmission grid in Krajnik station.

The Issuer is a Partner of the Consortium formed together with the company PBDI SA seated in Toruń as a Consortium Leader - a subsidiary in which the Issuer owns 94.27% in share capital, and Electrum sp. z o.o. based in Białystok as a Consortium Partner.

The total net contract value is PLN 250,740,540.13 (say: two hundred and fifty million, seven hundred and forty thousand, five hundred and forty point one three).

The range value to be completed by Electrum sp. z o.o. amounts to PLN 136,558,300.00 (say: one hundred and thirty-six million, five hundred and fifty-eight thousand, three hundred) net.

The task should be ended by 12 December 2015.

Performance Bond: 10% of the net contract price in the form of a bank or insurance guarantee for the duration of the commencement until 10 February 2016.

Remedying Defects Warranty: 5% of the net contract price in the form a bank or insurance guarantee for a period of 24 months from the date of completion of the works.

Other terms and conditions of this contract are at arm's length, the same as other market conditions for implementation of such projects.

The essential work shall start only after receiving from the Employer the Instruction to Proceed Commencement of Works, what is determined by granting bank financing for the project and obtaining complete final building permits. The instruction should be submitted by 15 April 2015, with the proviso that if it is filed after 28 February 2015, the duration of the contract will be extended.