ERBUD S.A.

Current Report No.19/2015
Report date: 2015-02-12

Topic:
Signing of a significant contract worth PLN 72.5 million to construct the Mycielin Wind Farm.
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 11 February 2015 the Issuer concluded with the PEP Group - Farma Wiatrowa Mycielin Spółka z ograniczoną odpowiedzialnością. with its registered office in 02-526 Warsaw, 24/26 Krucza St. (the "Builder") a contract to build the Mycielin Wind Farm, including accompanying infrastructure, with a total capacity of 48 MW, located in Niegosławice and Szprotawa Commune, Żagań District, Lubuskie Provinz.

The Issuer is a Partner of a Consortium formed with PBDI SA based in Torun (the "Consortium Leader"), a subsidiary 94.27 percent owned by the Issuer.

The total net Contract value is PLN 72,548,990 (in words: seventy-two million, five hundred and forty-eight thousand, nine hundred and ninety Zlotys).

The project is scheduled to be completed by the Consortium till 3 March 2016.

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

Performance Bond: 10% of the net Contract Price in the form of a bank or insurance guarantee for the duration of the Contract completion, extended by 60 days.

Remedying Defects Warranty: 5% of the Contract Price in the form of a bank or insurance guarantee for a period ending 62 months after the issuance of Commissioning Certificate.

Penalties:
- In case of delay in acceptance of any Construction Phase in relation to the Contract Completion Schedule, the Contractor will pay a penalty amounting to 0.2% of the Contractor's remuneration due to Construction Phase for each day of delay
- In case of delay in the issuance of Commissioning Certificate in relation to the Contract Completion Schedule, the Contractor will pay a penalty amounting to 0.2% of the Contractor's remuneration for each day of delay
- In case of termination of the Contract for reasons attributable to the Contractor - 10% of the Contractor's remuneration
- The sum of liquidated damages shall not exceed 30% of the Contractor's remuneration.

The value of works is as follows:
2015 – PLN 71,098,010.20
2016 – PLN 1,450,979.80

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

This is another contract signed within the last 12 months with the Investor belonging to the Polenergia Capital Group. The aggregate value of those contracts is PLN 102,065,558.37.