ERBUD S.A.

Current Report No.28/2015
Report date: 2015-04-16

Topic:

Conclusion of a significant general contracting contract

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 with its registered office in Warsaw (the "Company"), acting pursuant to § 5 section 1 point 3) and § 9 of the Regulation of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (Dz. U. 2014, pos. 133) announces that on 15 April 2015, the Company entered with Dom Development SA with its registered office in Warsaw into a contract for the construction as prime contractor of a multi-family housing complex located in Warsaw near to the Olbrachta Street.

The remuneration of Erbud SA for the execution of the contract amounts to PLN 63,650,000 (say: sixty-three million, five hundred thousand Zlotys) add VAT.

The total net value of contracts signed with Dom Development SA in the last 12 months is PLN 110,880,000. (say: one hundred and ten million, eight hundred and eighty thousand Zlotys).

The construction works will start on 15 April 2015 with completion scheduled for 15 June 2017.

The sum of penalties shall not exceed 10% (ten percent) of the price provided for by the contract for the execution of the project. The Company is entitled to claim damages in excess of the contractual penalties.

The Prime Contractor is required to provide the Investor with a performance bond covering 10% of the contract price valid for the duration of the task performance and a remedying defects warranty of 2.5% of contract price.

Terms and conditions of the contract do not vary from standards commonly used for this type of agreement.