ERBUD S.A.

Current Report No.05/2016
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Topic:

Erbud S.A. dividend policy

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 S.A. announces that on 26 January 2016 it passed a resolution on adopting dividend policy in Erbud S.A.

The dividend policy in Erbud S.A. provides that the Management Board will recommend to the General Meeting, after that the proposal has been evaluated by the Supervisory Board, to disburse a dividend amounting to 30-50 percent of net profit achieved in the previous financial year, having regard to the current and future financial situation of the Company and the Capital Group.

In the recommendation, the Management Board will in particular take into account investment needs arising from the implementation of the Erbud Group's strategy, the Company's liquidity needs, and current and deferred liabilities. In case the above factors have been exceptionally well rated and the Supervisory Board has given a positive opinion, the Management Board may recommend the payment of a higher dividend.

The dividend policy is part of the strategic management of the company's development, while maintaining a balance between the amounts of dividends paid and opportunities to successfully invest earned funds.

The purpose of this policy is to provide the shareholders the possibility to realize a long-term investment program based on clear and stable criteria for the distribution of earnings.

There are no dividend preferred shares in the Company.

The final decision concerning the amount of dividends to be distributed is made by the General Meeting of Shareholders.