ERBUD S.A.

Current Report No.11/2016
Report date: 2016-03-17

Topic:
Concluding a contract worth PLN 52.8 m to construct a residential complex, buildings A and B in Wrocław on Żegistowska St.

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”) hereby informs that on 16 March 2016 Erbud entered into a contract with VD spółka z ograniczoną odpowiedzialnością MIESZKANIA XII sp. k., seated in Wrocław, to build a residential complex in Wroclaw.

Project name: "Nowy Gaj" - Construction of residential buildings A and located in Wrocław on Żegistowska St.

The total net contract value amounts to PLN 52,792,668.27 (say: fifty-two million, seven hundred and ninety-two thousand, six hundred and sixty-eight point two seven Zlotys). The contract has been concluded as two agreements - one for building B with a value of PLN 23,861,305.41 net and the other for building A with a value of PLN 28,931,362.86 net.

Completion period: 79 weeks form the receiving of Notice to Proceed. A Notice to Proceed for building B shall be issued by 31.03.2016. A Notice to Proceed for building A shall be issued by 31.12.2016.

Performance Bond: 10% of the net contract price in the form of a bank or insurance guarantee issued for completion period and retention of 5%.

Remedying Defects Warranty: bank guarantee amounting 5% of the contract price.

The sum of liquidated damages shall not exceed 15% of the contract price.

Other commercial terms of the contract do not vary from market conditions governing the completion of such projects.

Specific legal basis:
Art. 5 sec. 1 point 3 of the Regulation of the Minister of Finance dated 19 February 2009 on current and periodic information disclosed by issuers of securities and conditions for recognizing as equivalent information required by laws of a non-member state.