ERBUD S.A.

Current Report No.14/2016
Report date: 2016-03-23

Topic:

Signing of a significant contract valued at PLN 25.6m for the construction as General Contractor of an office and retail building for PORTO OFFICE B Sp. o.o. in Kraków

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 22 March 2016 it signed a contract for construction works on the below specified conditions:

1. General Contractor Contract concluded on 22.03.2016.
2. The Investor: PORTO OFFICE B Sp. z o.o., 31-115 Kraków, 3/7 Garncarska St.; NIP (Tax Identification Number): 676-249-10-28.
3. Net contract value: PLN 25,577,000.
4. Contract subject: Execution as general contractor of construction works – Class B office building with underground parking, in-building services: water and sewerage system, mechanical ventilation and air conditioning, electrical wiring, lightning protection system, transformer station, heating system with heat distribution unit, located on plots 606 and 607, cadastral district Podgórze 10 in Kraków on Zielinskiego St., including on-site services and utilities: construction of entry road, reconstruction of pavement, bikepath, external drainage, traffic lights, water supply and sewage services, central heating service.
5. Site location: Kraków.
6. Completion period: commencement of works by 31.03.2016 and completion by 31.03.2017.
7. Payment terms: invoicing on a monthly basis; the first invoice payable within 60 days, the next ones within 30 days.
8. Performance Bond: 5% of net contractual remuneration, i.e. PLN 1,278,850, in the form of a bank guarantee valid until 04.30.2017, and 5% of net contractual remuneration deducted from invoices.
9. Remedying Defects Warranty: 5% of net contractual remuneration, i.e. PLN 1,278,850, in the form of a bank guarantee valid from 01.05.2017 till 31.05.2022.
10. Other guarantees: none.
11. Penalties: in the event of failure to timely complete the Works - 0.08% of net contractual remuneration for each day of delay; in case of the withdrawal from the contract by any Party - 10% of net contractual remuneration; the sum of liquidated damages shall not exceed 10% of net contractual remuneration for any Party.

The contract value exceeds 10% of the equity of the Issuer.

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.