ERBUD S.A.

Current Report No.72/2016
Report date: 2016-10-13

Topic:

Disposal of shares of Budlex SA
Legal basis:
Article 17 section 1 of the MAR – confidential information

Content of report:

With reference to the Current Report No. 48/2016 dated 24 June 2016 on concluding the agreement on the sale of a significant asset in the form of shares of Budlex SA, a company seated in Warsaw ("the Company"), the Management Board of Erbud SA seated in Warsaw (the "Issuer") announces that following the fulfilment of all conditions precedent, of which depended on the disposal of shares of the Company, an agreement to sell 100 percent of its shares through the brokerage house Q Securities based in Warsaw (the "Agreement") has been signed on 13 October 2016 (the "Closing Date").

Under the Agreement, the Issuer sold 100 per cent of the Company's shares (the "Shares") to HOLDINVEST 1 sp. z o.o. headquartered in Warsaw (the "Buyer") for a price of PLN 45 million. Terms and conditions of the transaction described in the Current Report No. 48/2016 of 24 June 2016 have not changed, except that the Parties have agreed that instead of purchase by the Issuer of a developed property located in Toruń at 10 Wapienna St. 10, the Issuer has acquired a 100 percent stake in Budlex Properties sp. o.o. headquartered in Warsaw, which is the owner of the property. Budlex Properties Sp. o.o. conducts no other operating activities than the management of the property possessed.

The first tranche of the price in the amount of PLN 10m was paid prior to the Closing Date. The second tranche in the amount of PLN 35m will be paid within 10 working days from the Closing Date. Until the payment of the second tranche of the price, multiple-share certificates will be deposited. In the event that within 10 days from the Closing Date, the Buyer fails to pay the second tranche, the Issuer is entitled to withdraw from the Agreement.

The Agreement does not contain provisions on contractual penalties.