ERBUD S.A.

Current Report No.86 /2016
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Topic:

Information on the decision of the intended payment of an extraordinary dividend by the Company
Legal basis:
Article 17(1) of the MAR – confidential information

Content of report:

The Management Board of ERBUD SA with its registered office in Warsaw ("the Company") informs that on 25 November 2016 it passed a resolution referring to the recommendation to the General Meeting the payment of an extraordinary dividend (the “Extraordinary Dividend”) to the Company’s shareholders.

The Management Board recommends the payment of the Extraordinary Dividend amounting PLN 14,989,875.03 coming from the existing Company's supplementary capital which was created from profits generated in previous years. The payment of the Extraordinary Dividend will be effected through the reduction (partial release) by PLN 14,989,875.03 of the Company's supplementary capital in part resulting from the Company's profits. Conditions and terms of the dividend payment and its final amount require a resolution on this issue adopted by the General Meeting of the Company.

In order to enable the payment of the Extraordinary Dividend, the Management Board passed a resolution on convening on 22 December 2016 the Extraordinary General Meeting of the Company. According to the proposal of the Management Board, the Extraordinary Dividend per one (1) share will be PLN 1.17. The Extraordinary Dividend Record Date is planned for 9 January 2017, and the Extraordinary Dividend Payment Date for 23 January 2017. The Extraordinary Dividend will cover all shares issued by the Company, i.e. 12,811,859.

This recommendation is justified by the Management Board by a stable financial position of the Company and the whole Capital Group and a satisfactory order portfolio, as well as a positive cash flow of the Company amounting PLN 47.5 million primarily achieved from the sale of Budlex SA shares and the settlement of the transaction that took place in October 2016.