



Warsaw, 2014/03/18

PRESS RELEASE

ERBUD will issue 4-year bonds with a nominal value of up to PLN 52 million

On 18 March 2014, the Management Board ERBUD SA resolved to issue up to **5,200 units of 4-year bearer bonds, dematerialized, unsecured, with a total nominal value of not more than PLN 52 million**. The par value of one bond will be PLN 10,000, and the issue price PLN 9,587.

The bond issue date was set for **26 March 2014 and the date of redemption for 26 March 2018**. The interest rate on bonds will be variable and based on WIBOR 6M plus a margin equal to 3.0 percentage points.

The Issuer will apply for placing bonds on the trading platform for debt financial instruments carried by the Stock Exchange in Warsaw SA in the form of alternative trading system.

ERBUD intends to use the proceeds from the issuance of bonds as follows:

1. Redemption of Series A bonds issued by the Issuer in 2011^{*)}. The Company does not exclude that some of investors holding bonds of Series A bonds will be interested in further supporting the development of the Issuer and may participate in the issuance of new bonds.
2. Financing an increased demand for working capital what is associated with a record backlog of the ERBUD Capital Group. At the end of 2013, the Group had a record order portfolio in its history ever equal to PLN 1.6 billion, which represents an increase of approximately 26% as compared to 2012. Acquiring new measures or extending the maturity for series A bonds will provide funds for the further development of the Group in subsequent years.

The Management expects that the positive sentiment towards construction industry connected with entering a new cycle phase due to inflows of EU-funds in 2014-2020 will ensure the Group ERBUD attractive backlog in following years. Good business outlook in the branch and smaller competition from other construction market players should result in higher margins for the ERBUD Group.

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**) In 2011, ERBUD issued 50,000 bonds in total with a nominal value and issue price equal to PLN 1,000. The maturity date has been fixed for 15 July 2014.*

The ERBUD GROUP is one of the most dynamic developing Polish construction groups providing services in large volume building, public utility, road-engineering and energy sector in Poland and other European countries. With many years' experience gained in the mature markets of Western Europe, the Company competes today with the international branch players in terms of quality and meeting deadlines.

