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**ERBUD SA sells its subsidiary Budlex SA, the real estate developer from Toruń. The Group will focus on its core business, primarily on segments which are of key importance to it, like large volume construction, energy sector, and services and engineering for the industry.**

**Ebud SA, one of the five largest construction groups in Poland, decided to sell all shares held in the real estate developer Budlex SA from Toruń. The deal will be carried out in connection with the decision to focus on the Group's core business, i.e. building projects and services for the industry. The transaction will positively impact cash flows of ERBUD, a company listed on WSE.**

The negotiations concerning the sale of the whole shareholding in Budlex are associated with updating the strategy and with the decision to focus on the core business. The funds raised will be used primarily to strengthen the presence in segments that are of strategic importance for ERBUD, i.e. in large volume construction, energy sector, and services and engineering for the industry. According to the Company, future acquisitions are possible.

*- Our group is the best example of the success of a Polish company operating on the construction market. Twelve recent years that have shaped anew this sector in Poland allowed us to increase the scale of our business for more than 20-fold. In comparison to 2003 we increased the amount of our consolidated revenue from approx. PLN 78 million to more than PLN 1.75 billion earned in the previous year.*

*- Finding a new owner for Budlex is primarily the result of our decision to focus on the core business and vision of its dynamic growth in the coming years. Despite a solid brand position of Budlex on several local markets, we saw in the recent years a large, gradually increasing capital intensity connected with this activity - comments Mr Dariusz Grzeszczak, President of ERBUD S.A. - It was also important that the developers work with individual clients and our Group operates in the Business-to-Business market. We took also in account our idea of development assuming the expansion abroad, as opposed to Budlex, who aspires to work primarily on local markets - adds Mr Dariusz Grzeszczak.*

Following the process of selecting a new owner of Budlex, Holdinvest 1 Sp. z o.o. will be the buyer. The final value of the transaction, which has to be contractual confirmed, will consist of PLN 45m payable for shares, PLN 17m paid in the form of dividends, and on the other hand, the purchase by ERBUD SA from Budlex for ca. PLN 10m of a developed property located in Torun, where are offices of the Shared Services Centre operating within the structure of the Issuer, Torun Erbud SA Branch Office and offices of the subsidiaries of the Issuer: Erbud International Sp. z o.o.; PBDI S.A.; Erbud Industry Sp. z o.o.; Erbud Construction Sp. z o.o., as well as the price for the purchase of Budlex shares held by the minority shareholders.

Such a structure of transaction will allow optimizing the financial benefits for ERBUD. In accounting terms, a loss amounting to PLN 24.5m will be disclosed in the consolidated profit and loss account, but the transaction will not affect the operating profit of the Group. The transaction will not impact on the dividend policy of ERBUD SA.

Under the agreement with the new owner of Budlex, the company from Toruń will continue its development activities. Parties to the transaction plan the cooperation between the companies in the future.

*- We carefully prepared the disinvestment in the housing development sector. As a result of talks and negotiations we managed to get a valuation of PLN 62 million, and after deducting the value of the property that we will buy, it will be a cash flow of approx. PLN 47.5 milion. Given the fact that Budlex was bought during the so-called 2007 boom, the received amount will be lower than the value of Budlex recorded in the accounting books of Erbud. But the most important thing in this deal is that we will raise tens of millions in cash. It will be a key impulse for the increase in goodwill of our Group in the next few years, the crucial period for the development of the market of construction services and services for industry in Poland and in*



several European countries we carefully observe, and on which we want to play an important role - adds Mr Dariusz Grzeszczak.

Currently ERBUD SA studies the market in terms of the feasibility of acquisitions in segments which are of key importance to the business of the company. It is not excluded that the funds will be partly used for the purchase of selected entities, especially those specialized in sectors and industries that are most attractive for the Group.

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*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 industry in Poland and abroad. 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. Yearly, the company carries out projects worth over PLN 1 bn. The most prestigious projects completed recently are Eurocentrum Office Complex in Warsaw, Invasive Medicine Centre of the Medical University of Gdańsk, Magnolia Mall in Zielona Góra, and "Przyłówek Nadziei" Hospital in Rzeszów. In 2015, the company celebrated its 25th anniversary.*