ERBUD S.A.

Topic:
Information about suspension of works on the "Winnica - Stage I" project
Legal basis: Article 56 section 1 item 2 of the Bid Law - current and periodic information

Content of report:

On 30 April 2009, the Issuer was advised by the Investor - Dom Development S.A., headquartered in Warsaw that execution of works under the contract number 20400/2008 dated 07.07.2008 was suspended.

The Issuer announced on 7 July 2008 in the Current Report No. 21/2008 on signing an agreement to construct a housing estate. The net value of the contract amounted to PLN 58,480,000.00. Until the contract suspension i.e. up to 30.04.3009, the Issuer made out invoices for works of PLN 12,233,323.00.

If the suspension of work lasts more than 90 days beyond contractual deadline for completion, in accordance with the contract the investor will revalued costs of the remaining part of works on basis of the growth rate of prices of consumer goods and services in the building & assembly area, published by GUS (Central Statistical Office) for the quarter of the year, in which the completion is planed.

The investor will pay the agreed costs of security of that part of works that were executed till the suspension date.