ERBUD S.A.

Topic:

Suspension of building works within the framework of General Contracting for Multifamily Housing Estate in Wroclaw.
Legal basis: Article 56 section 1 item 1 of the Bid Law - confidential information

Content of the report:

The Executive Board of Erbud SA informs that it has received information from the customer - Dom Development SA, that in accordance with clause 9 item 1 of the agreement No. 20421/2008 of 10 September 2008, contractor works upon this agreement are suspended for six months. (Information on the agreement conclusion was announced in the current report No. 26/2008).

The Issuer fee for performance of the above contract equals to PLN 101,990,000.00 net. Up-to-date, revenue from the work carried out by Erbud SA amounts to around PLN 2.3 million.
In accordance with the agreement the client is obliged to cover the cost of security of executed works.

In case that the suspension lasts longer than 90 days as stipulated deadline for completing the agreement, the Customer will valorize the cost of contractor commitment relating to the rest of the part to be executed, on basis of the growth rate of prices of consumer goods and services of construction and assembly output, published by the Central Statistics Office for the quarter of the year in which there is a deadline for ending works.