ERBUD S.A.

Current Report No. 40/2010
Date of Report: 2010-07-15

Topic:
Submission of an application to the NDS for suspension of payment of dividend for 2009.

Content of report:

The Management Board of ERBUD SA informs that on 15 July 2010 in view of faultiness of the adopted resolution (a formal error in the content of resolution that does not allow to pay all dividends in proportion to the number of shares) it has been submitted a request to the National Depository for Securities to suspend the procedures of dividend payment according to the Resolution No. 6 of 29 June 2010 of the Annual General Meeting of Shareholders of Erbud SA.

On 29 June 2010 the Ordinary General Meeting of Shareholders of Erbud SA passed a resolution concerning the distribution of net profit generated by the Company in 2009.
The resolution provided for that a net profit of PLN 39,495,126.05 shall be divided as follows:
- PLN 524,869.78 to cover losses from previous years,
- PLN 6,000,000.00 for dividends,
- PLN 32,970,256.27 to increase the Company's supplementary capital.

In order to determine the earning attributable to one dividend, the Company converted the dividend per share accurately to four decimal places as announced in the Current Report No. 33/2010 dated 30 June 2010. Under such a conversion the value of dividend per share amounted to PLN 0.4787.

However, the converting system allows only to convert to two decimal places, what has caused, that the Resolution on distribution of profit in the part relating to the profit payment contains an error resulting from incorrect method of conversion used. Therefore, the Management Board of Erbud SA decided to suspend the payment of dividends until the resumption of the resolution previously taken by the Extraordinary General Meeting of Shareholders of Erbud SA.

The Board is guided by the interests of Shareholders, particularly to ensure the payment of dividends in the amount of not less than planned one by the Company.

The Management Board informs also that today will be published a notice on convening the Extraordinary General Meeting, which will decide on changing the Resolution No. 6 of the Annual General Meeting of Erbud SA in a part related to the distribution of the Company's profit for the year 2009 and effecting the dividend payment as soon as possible.