ERBUD S.A.

Current Report No.64/2016
Report date: 2016-09-15

Topic:

Notice to proceed by 1 October 2106 with the works related to the project GALERIA MŁOCINY Retail and Entertainment Centre worth PLN 534.610.239.

Legal basis:
Article 17 section 1 of the MAR – confidential information

Content of report:

The Management Board of Erbud SA (the "Issuer") announces that on 15 September 2016 it received a notice to proceed by 1 October 2106 with the works related to the project GALERIA MŁOCINY Retail and Entertainment Centre.
The Investor also provided documents concerning the financing of the project.
Therefore the condition precedent to the entry into force of the contract has been met.

On 25 May 2016, the Management Board of ERBUD SA informed about the concluding a conditional contract for building the GALERIA MŁOCINY Retail and Entertainment Centre (the "Contract"). The Notice to Proceed submitted by the Investor to the Contractor till 15 July 2016 was the condition under which the Contract became effective.

On 14 July 2016, the Parties signed an Annex to the above-mentioned Contract specifying that the entry into force of the Contract is subject to the joint fulfilment of two following conditions which is expected by no later than 31 August 2016.

a) Delivery to the General Contractor a statement made by Financial Institution on the amount of granted funds, which must be not less than the net Fixed Amount. Any extension of the above term shall require that Parties must make an Annex in writing in order to be valid;

and

b) The Investor shall give the Contractor a notice to take over possession of the construction site and commence the Work within 5 business days from the date of receipt of the Notice.

On 31 August 2016, the Issuer informed in Current Report 60/2016 that the deadline for fulfillment of these conditions has been extended by 15 September 2016.