

Current Report No:	39/2012
Report Date:	2012-11-29
Subject:	Exceeding of the total value of contracts concluded with Przedsiębiorstwo Budowlane "LGB" Ewa Cieślińska – the criterion of 10% of the Issuer's equity
Legal basis:	Art. 56 (1) (2) of the Act on Public Offering – Current and Periodic Information

Contents of the report:

The Management Board of WIKANA S.A. (the Issuer) informs that on the 29th of November 2012, the Issuer's subsidiary, i.e. Wikana Nieruchomości Sp. z o.o. 05 Marina S.K.A. (the Employer), signed with Przedsiębiorstwo Budowlane "LGB" Ewa Cieślińska (the Contractor, LGB) the contract on the execution of construction works under the implementation of the next stage of the project "Osiedle Marina"[The Marina Housing Estate] in Lublin (the Contract).

In connection with the conclusion of the aforementioned Contract, the total value of the contracts concluded by and between the companies belonging to WIKANA Capital Group and LGB in the period of the last 12 months equalled about 9.87 million zlotys net. A contract of the highest value concluded in that period is the Contract referred to hereinabove.

The subject of the Contract is the execution of the construction works consisting in the comprehensive completion of a multi-family building with service outlets and A3 underground garage in the scope of the builder's finish – excluding the improvements of land, the external services and utility connections, with the obligation to obtain the occupancy permit, located in Lublin on Ks. Ludwika Zalewskiego Street. The works shall be completed according to the civil engineering design, material standards, technical documentation and schedule of expenditures and works determined by the Employer.

The Contract stipulates the deadlines for the commencement and the completion of the works in the scope specified hereinabove:

- the works are to commence on the 1st of December 2012,
- the works are to be completed and the occupancy permit obtained by the 15th of November 2013.

In the cases stipulated in the Contract, including the vis major events or acts of nature which the Issuer could neither anticipate nor counteract, the modification of the deadline for the completion of works is possible.

The value of the subject of Contract amounts to 6.2 million zlotys net (the Remuneration). The partial settlement of payments between the parties shall take place against invoices issued monthly upon the determination of the advancement level of the works and upon fulfilment of the conditions agreed in the contract in relation to the evaluation of the pace of works and of the status of commitments towards the subcontractors. The total value of partial invoices may not exceed 90% of the Remuneration. The final settlement of payments shall be effected against the final invoice issued on the basis of the final work acceptance protocol and following the obtainment of the occupancy permit.

The Contract includes the provisions relating to contractual penalties, stating that:

- the Contractor shall pay the Employer the penalties, among the others, for the delay in the completion of the subject matter of the Contract and for the delay in the removal of defects found during the work acceptance or within the warranty and/or guarantee period;

- the Employer shall pay the Contractor the penalty for the delay in the final acceptance activities related to the subject matter of the Contract;

- should one of the parties withdraw from the Contract, the party to blame shall pay the other party (the withdrawing party) the contractual penalty of 10% of the Remuneration;

- the Contractor may claim that the Employer pays statutory interest for each day of delay in the payment of invoices after the payment date for the completion of works specified in the Contract.

The contractual penalties may be calculated jointly for different reasons if the causes for their calculation have been fulfilled in a given scope. Pursuant to the provisions of the Contract, the total amount of all penalties for all reasons may not exceed 10% of the Remuneration.

The executed works are guaranteed by the Contractor for the period of 36 months starting from the day of signing of the final, defect-free acceptance protocol of the subject matter of the Contract. The Issuer was granted by the Contractor the guarantee for the equipment and devices installed in the building which corresponds to the manufacturer's guarantee but with the guarantee period of no less than 24 months.

The remaining terms and conditions of the Contract do not differ from the standard terms and conditions of similar agreements.

The Issuer adopted 10% of its equity as the criterion of considering the total value of contracts concluded with LGB as significant.

Detailed legal basis: § 5 (1) (3) of the Minister of Finance Regulation of 19 February 2009 on current and periodic reporting by issuers of securities [...].

President of the Management Board
Sylwester Bogacki

Vice President of the Management Board
Tomasz Grodzki