



PRESS RELEASE

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Government Property Company "Gibraltar Residential Properties Limited" Sued for £27m for GSD Waterport Terraces Project

- *The action has been commenced in the Madrid "Juzgado de lo Mercantil".*
- *The claims are in addition to the claims filed by the Liquidator of OEM for in excess of £8m.*
- *Gibraltar Residential Properties (GRP) will vigorously contest both the claims and jurisdiction.*

Her Majesty's Government of Gibraltar has been served with fresh proceedings relating to a GSD housing development.

This is the second such set of proceedings served on the Government within the space of a week.

The claim, seeking liquidated damages in the sum of twenty seven million six hundred and eighty eight thousand pounds (£27,688,000.00), and further unliquidated amounts, is in relation to the development of the Waterport Terraces housing estate by the former GSD administration.

The claimant is the liquidator of a subsidiary of Bruesa SA, the first construction company that the GSD administration contracted to build that estate as well as the Mid-Harbours Estate.

The subsidiary of Bruesa, named "Gibralcon 2004 SA" (which had originally been named "Brues y Fernandez Gibraltar SA"), appears to have been created as a special purpose vehicle for the Gibraltar projects that were being undertaken by Bruesa.

The claim has been issued in Madrid in the Spanish "Juzgado de lo Mercantil No 5".

The defendant is the Government affordable property development company, GRP.

GRP will be vigorously defending the action and is contesting that the Court in Spain has no jurisdiction in respect of the alleged claim.

Previous litigation in respect of this matter has been dealt with by the London High Court of Justice, Queens Bench Division (Technology & Construction Court) and also involved



consideration of jurisdictional arguments. In October 2010 the High Court found in favour of GRP. (The reference of that decision is [2010] EWHC 2595 (TCC)).

The Government and GRP have instructed Messrs Triay Stagnetto Neish in Gibraltar. They have in turn instructed lawyers in London and Madrid to deal with aspects of the case that are relevant in each of those jurisdictions.

The Chief Minister, Hon Fabian Picardo QC MP, said: "As we have done successfully in relation to the tunnel litigation and are now engaged in doing in relation to the OEM litigation, we will also vigorously defend these proceedings and work with the directors of GRP to that end. This is the third case which is a hangover from the previous administration that we are left to deal with, but that will not distract us from continuing to deliver on our own manifesto commitments."