

Date of publication: **28 July 2016 at 9:50 AM**

Abbreviated name of the issuer:

**DOM DEVELOPMENT S.A.**

Subject:

**Acquisition of the perpetual usufruct rights to an investment plot in the vicinity of Żwirki i Wigury and Raclawicka streets in Warsaw**

Legal Basis:

**Article 17.1 of the Market Abuse Regulation – inside information**

**The Report:**

The Management Board of Dom Development S.A. with its registered seat in Warsaw (the “Company”) hereby informs that on 28 July 2016 the Company concluded a sales agreement with Qualia Development Sp. z o.o. with its registered seat in Warsaw regarding 100% of shares in Fort Mokotów Inwestycje Sp. z o.o. with its registered seat in Warsaw (“FMI”) for the net price of PLN 133,500,000.00 (one hundred and thirty-three million, five hundred thousand Polish zloty). By the conclusion of the said agreement the Company aimed at acquiring the perpetual usufruct rights to a land plot located in the vicinity of Żwirki i Wigury and Raclawicka streets in the Mokotów district of Warsaw. The Company does not plan to perform any operating activity through the FMI.

The terms and conditions of the said sales agreement do not differ from the generally applied standards for this type of agreement.

The surface area of the said land equals 9.3996 ha, the majority of which is designated for housing development, approx. 20% for green areas and the remainder for a hotel and office and service investment.

On the part of the land designated for a housing development, the Company plans to carry out a multi-phase housing project with approx. 750 units, around 100 of which would be luxury apartments. An action plan towards the remaining part of the land is currently being analysed by the Management Board and includes the sale of the part designated for hotel and office and service investment.

The information about the said sales agreement was qualified by the Management Board as insider information in accordance with the definition in Article 7 Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (Journal of Laws EU L 173 from 12.06.2014, the “MAR”), due to the substantial transaction value, compared to the Company’s scale, and the size and value of the project.

In the assessment of Management Board, the information of FMI’s share purchase became of a precise nature on 21 July 2016 due to the fact of intialling the sales agreement, but taking into consideration the protection of the legitimate interests of the Company, the Management Board decided to delay the disclosure in accordance with Article 17 of MAR.

**Signatures of persons representing the Company:**

Janusz Zalewski – Vice President of the Management Board

Małgorzata Kolarska – Vice President of the Management Board