

Report Date:

**1 December 2016, 3:23 PM**

Abbreviated name of the issuer:

**DOM DEVELOPMENT S.A.**

Subject:

**Resolutions of the Management Board and the Supervisory Board regarding the increase of the share capital through the issuance of 85,830 W series shares within the scope of the authorised capital, and full and complete waiver of the pre-emptive rights of the existing shareholders**

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 1 December 2016 it adopted resolution No. 01/12/16 on acceptance of the draft of the resolution on increasing the share capital by issuing shares of series W within the scope of the authorised capital and depriving existing shareholders of their pre-emptive rights in whole.

According to the above-mentioned resolution, the Company's Management Board proposes to increase the Company's share capital from the existing amount of PLN 24,782,592.00 (twenty four million, seven hundred and eighty two thousand, five hundred and ninety two Polish zloty) up to the amount of PLN 24,868,422.00 (twenty four million, eight hundred and sixty eight thousand, four hundred and twenty two Polish zloty) i.e. by the amount of PLN 85,830.00 (eighty five thousand, eight hundred and thirty Polish zloty) by issuing 85,830 (eighty five thousand, eight hundred and thirty) ordinary bearer shares of series 'W', with a nominal value of PLN 1.00 (one Polish zloty) each, numbered from 1 to 85,830.

The series W shares will be issued by way of private subscription. The Supervisory Board of the Company, pursuant to resolution No. 01/12/16 of 1 December 2016, expressed a positive opinion on the above-mentioned increasing of the share capital and agreed to deprive the previous shareholders of the Company of their pre-emptive rights in whole with respect to 85,830 shares of series W. The objective of the issuance of the series W shares is to allow the Company to comply with its obligations under the Rules of the Dom Development S.A. 726,000 Executive Share Option Scheme II ("Scheme II"). The waiver of the pre-emptive rights of the existing shareholders is justified by the circumstances that the series W shares issue is addressed exclusively to the participants of Scheme II and to allow them to exercise their rights under subscription warrants.

Pursuant to the resolution of the Supervisory Board No. 02/12/16 dated 1 December 2016, the Supervisory Board granted its consent for the Management Board to determine the issue price for the series W shares at PLN 40.64 (forty Polish zloty and sixty four groszy) per share.

At the same time, the Management Board informs that the above-mentioned increase of the share capital will be the last increase within the implementation of Scheme II by the Company, which is the only option scheme in the Company.

**Signatures of persons representing the Company:**

Janusz Zalewski – Vice President of the Management Board

Małgorzata Kolarska – Vice President of the Management Board