

Report Date:

**5 December 2016, 11:12 AM**

Abbreviated name of the issuer:

**DOM DEVELOPMENT S.A.**

Subject:

**Resolution of the Management 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 5 December 2016 it adopted resolution No. 02/12/16 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 (the Company has informed about adoption by the Management Board and the Supervisory Board resolutions regarding that increase of the share capital in the current report no. 35/2016 dated 1 December 2016).

The Company's Management Board, acting on the basis of the authority granted by section 3.2.8 of the Company's Statutes, increased 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 are issued by way of private subscription. Pursuant to the resolution No. 01/12/16 of the Supervisory Board dated 1 December 2016, the Management Board waived the pre-emptive rights of the existing shareholders with respect to the abovementioned 85,830 shares of series W.

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

As the Company has informed in the current report no. 35/2016 dated 1 December 2016, the above-mentioned increase of the share capital is 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