

Current Report No. **25/2014**

Report Date:

28 May 2014

Abbreviated name of the issuer:

DOM DEVELOPMENT S.A.

Subject:

Execution of a material agreement with a general contractor

Legal basis:

Article 56.1.2 of the Public Offering Act – current and interim reports

The Report:

The Management Board of Dom Development S.A. with its registered seat in Warsaw (the “**Company**”), in compliance with §5.1.3) and §9 of the Regulation of the Minister of Finance of 19 February 2009 regarding current and interim reports published by issuers of securities and the conditions of finding as equivalent the information required by laws of a non-member state (Journal of Laws 2009, No. 33, item 259, as amended) hereby informs that, on 28 May 2014, the Company and Unibep S.A. with its registered seat in Bielsk Podlaski entered into an agreement regarding the construction in Warsaw, in the vicinity of ul. Jana Nowaka Jeziorańskiego, on a general contractor basis, of the second stage of the “Saska Apartamenty nad Jeziorem” housing development.

The total value of agreements signed with Unibep S.A. in the period from 28 May 2013 to 28 May 2014 amounts to a net value of PLN 134,662,150 (one hundred and thirty four million, six hundred and sixty two thousand, one hundred and fifty Polish zloty).

The aforementioned agreements satisfy the criteria for a material agreement, as their value exceeds 10% of the Company’s equity. The information below regards the agreement of the highest value concerning the construction, on a general contractor basis, of the second stage of the “Saska Apartamenty nad Jeziorem” housing development. Said agreement was executed by the Company on 28 May 2014.

The net remuneration payable to Unibep S.A. for completion of the above-mentioned agreement amounts to PLN 60,775,400 (sixty million, seven hundred and seventy-five thousand, four hundred Polish zloty) which will be increased by the VAT due with respect thereto.

The construction works commenced on 28 May 2014 and they will be completed, in accordance with the abovementioned agreement, on 15 November 2015.

The total value of contractual penalties cannot exceed 10% (ten percent) of the value of the remuneration payable for the completion of the above-referenced agreement. The Company has the right to seek damages in excess of the reserved contractual penalties.

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