

Current Report No. **20/2015**

Report Date: **25 May 2015**

Abbreviated name of the issuer:

DOM DEVELOPMENT S.A.

Subject:

Dom Development S.A. Management Board's opinion on a planned merger with Divina sp. z o.o.

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**"), acting pursuant to §19.3 of the Regulation of the Minister of Finance dated 19 February 2009 regarding current and interim reports published by issuers of securities, and the terms and conditions of finding as equivalent the information required under laws of a non-member state (Journal of Laws 2014, item 133), in relation to the current reports:

- no. 7/2015 dated 3 March 2015 regarding a decision to merge
- no. 15/2015 dated 23 April 2015 regarding an agreement on a merger plan
- no. 16/2015 dated 23 April 2015 regarding the first notification of the intention to merge Dom Development S.A. and Divina Sp. z o.o.
- no. 18/2015 dated 11 May regarding the second notification of the intention to merge Dom Development S.A. and Divina Sp. z o.o.

Hereby states its positive opinion on a planned merger of the Company and Divina Sp. z o.o. with its registered seat in Warsaw as the acquired company. In the Management Board's opinion, the merger supports the current strategy of the Company, which includes business development on the Warsaw housing market.

Dom Development S.A. performs development activities consisting of the development and sale of housing construction projects. Divina Sp. z o.o. does not perform any operating activities. Divina Sp. z o.o. in the course of liquidation of its dependent company is to become the owner of a land plot located in Warsaw with a development potential of approx. 750 flats. The merger is aimed solely at enabling the Company to develop a project on the above mentioned land plot.

Thereunder, the Management Board of the Company recommends that the General Shareholders' Meeting adopt the resolution concerning the merger of Dom Development S.A. and Divina Sp. z o.o.