

Current Report **No. 7/2015**

Report Date:

3 March 2015

Abbreviated name of the issuer:

DOM DEVELOPMENT S.A.

Subject:

Decision to initiate a merger

Legal basis:

Art. 56 par. 1 item 2 of the Public Offering Act – current and interim reports

The Report:

The Management Board of Dom Development S.A. with its registered office in Warsaw (the “Company”), acting pursuant to § 5 par. 1 item 13) and § 19 par. 1 of the Regulation dated 19 February 2009 on current and interim reports published by issuers of securities, and the terms and conditions of finding as equivalent the information required under the law of a non-member state (Journal of Laws of 2014, item 133), hereby informs that on 3 March 2015 the Management Board of the Company has taken a decision to initiate a merger procedure as an acquiring company with Divina Sp. z o.o. with its registered office in Warsaw as an acquired company.

Dom Development S.A. performs development activities consisting of the realisation 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.

The Company has guaranteed purchase of all of the shares of Divina Sp. z o.o. and due to this, the planned merger will be led under Article 492 § 1 item 1 of the Polish Commercial Companies Code through the transfer to the Company – as the only shareholder – of all of the assets of Divina Sp. z o.o. In compliance with Art. 515 of the Polish Commercial Companies Code the merger will not be followed by a rise in the Company’s share capital, moreover Management Board Reports of the Company and of Divina Sp. z o.o. will not be prepared, nor will an auditor’s opinion on the merger plan, in accordance with the exclusion of said items mentioned in Art. 516 § 6 of the Polish Commercial Companies Code.