

Current Report No. **7/2016**

Report Date:
15 March 2016

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 the laws of a non-member state (Journal of Laws 2014, item 133) hereby informs that, on 15 March 2016, the Company and Unibep S.A. with its registered seat in Bielsk Podlaski entered into two agreements:

- an agreement regarding the construction in Warsaw, in the vicinity of Powązkowska St., on a general contractor basis, of three phases of the Żoliborz Artystyczny housing development;
- an agreement regarding the construction in Warsaw, in the vicinity of Jana Nowaka Jeziorańskiego St., on a general contractor basis, of the Saska III housing development.

The total value of agreements signed with Unibep S.A. from 23 May 2015 to 15 March 2016 amounts to a net value of PLN 219,794,886.50 (two hundred and nineteen million, seven hundred and ninety-four thousand eight hundred and eighty-six Polish zloty and fifty Polish groszy). The aforementioned agreements satisfy the criteria for a material agreement, as their value exceeds 10% of the Company’s equity.

Said agreement was executed by the Company on 10 March 2016.

The net remuneration payable to Unibep S.A. for the construction of the V, VI and VII phases of the Żoliborz Artystyczny project, according to the agreement signed on 15 March 2016, amounts to PLN 86,500,000 (eighty-six million five hundred thousand Polish zloty) which will be increased by VAT due with respect thereto. According to the aforementioned agreement, phases V, VI and VII will comprise of 369 flats and 34 commercial units. The construction works will be commenced on 4 May 2016 and will be completed, on 30 September 2017.

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 net remuneration payable to Unibep S.A. for the construction of the Saska III project, according to the agreement signed on 15 March 2016, amounts to PLN 84,000,000 (eighty-four million Polish zloty) which will be increased by VAT due with respect thereto. The construction works will be commenced on 16 April 2016 and will be completed, on 30 September 2017. According to the aforementioned agreement, the project will comprise of 347 flats and 12 commercial units.

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.

Signatures of persons representing the Company:

Janusz Zalewski – Vice President of the Management Board

Małgorzata Kolarska – Vice President of the Management Board