

Report Date:

17 June 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 17 June 2016, the Company and NDI S.A. with its registered seat in Sopot entered into an agreement regarding the construction in Warsaw, in the vicinity of Malborska St., on a general contractor basis, of phases 2 and 4 of the “Moderna” housing development.

The total value of agreements signed with NDI S.A. in the last 12 months amounts to a net value of PLN 106,193,695 (hundred and six million, one hundred and ninety-three thousand six hundred and ninety-five 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 phases 2 and 4 of the “Moderna” housing development, in the vicinity of Malborska St. in Warsaw. Said agreement was executed by the Company on 17 June 2016.

The net remuneration payable to NDI S.A. for completion of the above-mentioned agreement amounts to PLN 73,693,695 (seventy-three million six hundred and ninety-three thousand six hundred and ninety-five Polish zloty) which will be increased by VAT due with respect thereto. The contract concerns the construction of 383 flats.

The construction works will be commenced on 18 June 2016 and will be completed, in accordance with the abovementioned agreement, on 15 September 2017 (phase 2) and 15 December 2017 (phase 4).

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:

Małgorzata Kolarska – Vice President of the Management Board

Joanna Żak – Commercial Proxy of the Company