

Current Report No. **36/2017**

Report Date:

**27 July 2017, 13:39 PM**

Abbreviated name of the issuer:

DOM DEVELOPMENT S.A.

Subject:

**Execution of a material agreement with a general contractor**

Legal basis:

**Article 17.1 of the Market Abuse Regulation – inside information**

**The Report:**

The Management Board of Dom Development S.A. with its registered seat in Warsaw (the "Company"), hereby informs that, on 27 July 2017, the Company and Erbud S.A. with its registered seat in Warsaw entered an agreement regarding the construction, on a general contractor basis, of three phases of the Białołęka district in Warsaw.

The net remuneration payable to Erbud S.A. for completion of the above-mentioned agreement amounts to PLN 148,335,480.50 (one hundred and forty eight million, three hundred and thirty five thousand, four hundred and eighty Polish zloty and fifty groszy) net which will be increased by VAT due with respect thereto.

The information about the said sales agreement was qualified by the Management Board as insider information due to the substantial transaction value, compared to the Company's scale, and the size and value of the project.

The construction works which will comprise of 843 flats and 1 commercial unit, will be commenced in the third quarter of 2017.

The construction works of the project will be completed in the fourth quarter of 2019.

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 agreements.

At the same time the Management Board of the Company informs that the value of all concluded contracts with Erbud S.A. with its registered office in Warsaw, in the last 12 months is PLN 180 510 480.50 (one hundred and eighty million, five hundred and ten thousand, four hundred and eighty zloty and fifty grosz) net.

**Signatures of persons representing the Company:**

Janusz Zalewski – Vice President of the Management Board

Małgorzata Kolarska – Vice President of the Management Board