

Current Report No. **42/2016**

Report Date:

28 December 2016, 11:06 AM

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 28 December 2016, the Company and Unibep Spółka Akcyjna with its registered seat in Bielsk Podlaski entered an agreement regarding the construction, on a general contractor basis, of three phases of a housing development in Warsaw, in the vicinity of Motorowa St..

491 flats and 16 commercial units will be constructed under the aforementioned agreement.

The net remuneration payable to Unibep S.A. for completion of the above-mentioned agreement amounts to PLN 100,300,000 (one hundred million three hundred thousand Polish zloty)) which will be increased by VAT due with respect thereto. The information about the said sales agreement was qualified by the Company's Management Board as an inside information due to the substantial transaction value, compared to the Company's scale.

The construction works of the phase I will be commenced in the first quarter of 2017, and the construction of the phases named as IIa and IIb will commence on the second and fourth quarter of 2017 accordingly.

The construction works of the phase I will be completed in the second quarter of 2018, phase IIa – in the fourth quarter of 2018, and phase IIb – in the second 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 agreement.

Signatures of persons representing the Company:

Janusz Zalewski – Vice President of the Management Board

Małgorzata Kolarska – Vice President of the Management Board