

Current Report No. **7/2017**

Report Date:

3 March 2017, 2:27 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 3 March 2017, the Company and Fundamental Group S.A. (previously Budner S.A.) with its registered seat in Warsaw entered an agreement regarding the construction, on a general contractor basis, of two phases of the Premium housing development in Warsaw, in the vicinity of Pełczyńskiego St. (phase 4 and 5).

The information about the said sales agreement was qualified as an inside information due to the substantial total value, compared to the Company's scale, of agreements signed with Fundamental Group S.A. in the last 12 months, which amount to PLN 174,990,000 (one hundred and seventy-four million nine hundred and ninety thousand Polish zloty) net.

The information below regards the agreement of the highest value concerning the construction, on a general contractor basis, of phases 4 and 5 the Premium housing development, in the vicinity of Pełczyńskiego St. in Warsaw. Said agreement was executed by the Company on 3 March 2017.

The net remuneration payable to Fundamental Group S.A. for completion of the above-mentioned agreement amounts to PLN 73,990,000 (seventy-three million nine hundred and ninety thousand Polish zloty) net which will be increased by VAT due with respect thereto.

The construction works of the phase 5, which will comprise of 109 flats and 4 commercial units, will be commenced in the first quarter of 2017, and the construction works of the phase 4, which will comprise of 248 flats, will be commenced in the second quarter of 2017.

The construction works of the phase 5 will be completed in the second quarter of 2018 and the phase 4 will be completed in the third quarter of 2018 .

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.

Signatures of persons representing the Company:

Janusz Zalewski – Vice President of the Management Board

Małgorzata Kolarska – Vice President of the Management Board