



# **DOM DEVELOPMENT S.A.**

## **Interim condensed consolidated financial statements for the three-month period ended 31 March 2017**

Prepared in accordance  
with the International Financial Reporting Standards



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## **1. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS BY THE MANAGEMENT BOARD OF THE COMPANY**

These interim condensed consolidated financial statements for the three-month period ended on 31 March 2017, comprising:

- interim condensed consolidated balance sheet prepared as at 31 March 2017 with the balance of assets and liabilities in the amount of 2 039 642 thousand;
- interim condensed consolidated income statement for the three-month period ended 31 March 2017 with a net loss of PLN 1 009 thousand;
- interim condensed consolidated statement of comprehensive income for the three-month periods ended 31 March 2017 with a net comprehensive loss of PLN 1 132 thousand;
- interim condensed statement of changes in consolidated shareholders' equity in the three-month period ended 31 March 2017 with the PLN 931 817 thousand shareholders' equity as at 31 March 2017;
- interim condensed consolidated cash flow statement for the three-month period ended 31 March 2017 with the PLN 374 729 thousand of cash and cash equivalents as at 31 March 2017;
- additional notes to the interim condensed consolidated financial statements,

were prepared and approved by the Management Board of the Company on 25 April 2017.

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Jarosław Szanajca,  
President of the Management Board

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Janusz Zalewski,  
Vice President of the Management Board



## 2. INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

ASSETS	Note	31.03.2017 (unaudited)	31.12.2016
<b>Fixed assets</b>			
Intangible assets		3 647	3 923
Tangible fixed assets		7 393	7 576
Long-term receivables		1 597	1 598
Other long-term assets		7 235	7 413
<b>Total fixed assets</b>		<b>19 872</b>	<b>20 510</b>
<b>Current assets</b>			
Inventory	7.5	1 595 995	1 507 595
Trade and other receivables		9 296	9 347
Income tax receivables		-	-
Other current assets		4 635	2 767
Short-term financial assets	7.6	35 115	22 763
Cash and cash equivalents	7.7	374 729	414 310
<b>Total current assets</b>		<b>2 019 770</b>	<b>1 956 782</b>
<b>Total assets</b>		<b>2 039 642</b>	<b>1 977 292</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	7.8	24 868	24 782
Share premium	7.8	238 388	234 986
Other capital (supplementary capital)		542 696	542 696
Reserve capital from valuation of share options		-	-
Reserve capital from valuation of cash flow hedges		292	415
Reserve capital from reduction of share capital		510	510
Accumulated, unappropriated profit/(loss)		125 110	126 118
<b>Equity attributable to the shareholders of parent company</b>		<b>931 864</b>	<b>929 507</b>
Non-controlling interests		(47)	(46)
<b>Total shareholders' equity</b>		<b>931 817</b>	<b>929 461</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Loans, long-term portion	7.9	-	-
Bonds, long-term portion	7.10	210 000	260 000
Deferred tax provision		3 504	16 594
Long-term provisions		13 569	14 346
Other long-term liabilities		36 255	34 369
<b>Total long-term liabilities</b>		<b>263 328</b>	<b>325 309</b>
<b>Short-term liabilities</b>			
Trade payables, tax and other liabilities		230 500	218 705
Loans, short-term portion	7.9	-	-
Bonds, short-term portion	7.10	50 000	120 000
Accrued interest on loans and bonds	7.11	2 595	3 897
Corporate income tax payables		11 519	23 117
Short-term provisions		7 396	7 696
Deferred income		542 487	349 107
<b>Total short-term liabilities</b>		<b>844 497</b>	<b>722 522</b>
<b>Total liabilities</b>		<b>1 107 825</b>	<b>1 047 831</b>
<b>Total equity and liabilities</b>		<b>2 039 642</b>	<b>1 977 292</b>



## Dom Development S.A.

Interim condensed consolidated income statement  
for the three-month period ended 31 March 2017  
(all amounts in thousands PLN unless stated otherwise)

### 3. INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Three-month period ended	
		31.03.2017 <i>(unaudited)</i>	31.03.2016 <i>(unaudited)</i>
Sales revenue	<b>7.13</b>	113 011	139 058
Cost of sales	<b>7.14</b>	(86 993)	(107 339)
<b>Gross profit on sales</b>		<b>26 018</b>	<b>31 719</b>
Selling costs	<b>7.14</b>	(15 119)	(11 501)
General administrative expenses	<b>7.14</b>	(11 238)	(12 214)
Other operating income		434	860
Other operating expenses		(1 045)	(1 518)
<b>Operating profit</b>		<b>(950)</b>	<b>7 346</b>
Financial income		386	315
Financial costs		(418)	(1 282)
<b>Profit before tax</b>		<b>(982)</b>	<b>6 379</b>
Income tax	<b>7.15</b>	(27)	(1 269)
<b>Net profit</b>		<b>(1 009)</b>	<b>5 110</b>
<b>Net profit attributable to:</b>			
Shareholders of the parent company		(1 008)	5 118
Non-controlling interests		(1)	(8)
<b>Earnings per share:</b>			
Basic, from the profit for the period, attributable to parent company's shareholders (PLN)	<b>7.16</b>	<b>(0.04)</b>	<b>0.21</b>
Diluted, from the profit for the period, attributable to parent company's shareholders (PLN)	<b>7.16</b>	<b>(0.04)</b>	<b>0.21</b>



## Dom Development S.A.

Interim condensed consolidated statement of comprehensive income  
for the three-month period ended 31 March 2017  
(all amounts in thousands PLN unless stated otherwise)

### 4. INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three-month period ended	
	31.03.2017 <i>(unaudited)</i>	31.03.2016 <i>(unaudited)</i>
<b>Net profit</b>	<b>(1 009)</b>	<b>5 110</b>
<b>Other comprehensive income</b>		
Net change to cash flow hedges	(152)	(408)
Income tax	29	77
<b>Other net comprehensive income</b>	<b>(123)</b>	<b>(331)</b>
<b>Total net comprehensive income</b>	<b>(1 132)</b>	<b>4 779</b>
<b>Net comprehensive income attributable to:</b>		
Shareholders of the parent company	(1 131)	4 787
Non-controlling interests	(1)	(8)



## 5. INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Note	Three-month period ended	
		31.03.2017 <i>(unaudited)</i>	31.03.2016 <i>(unaudited)</i>
<b>Cash flow from operating activities</b>			
Profit/(loss) before tax		(982)	6 379
Adjustments:			
Depreciation		1 484	1 251
Profit/loss on foreign exchange differences		2	22
Profit/loss on investments		56	64
Interest cost/income		1 718	2 620
Changes in the operating capital:			
Changes in provisions		(1 077)	(34)
Changes in inventory		(88 146)	(33 089)
Changes in receivables		51	12 321
Changes in short-term liabilities, excluding loans and bonds		4 779	(9 267)
Changes in prepayments and deferred income		191 670	119 080
Other adjustments		(2)	(22)
<b>Cash flow generated from operating activities</b>		<b>109 553</b>	<b>99 325</b>
Interest received		1 363	857
Interest paid		(4 794)	(5 028)
Income tax paid		(24 685)	(3 101)
<b>Net cash flow from operating activities</b>		<b>81 437</b>	<b>92 053</b>
<b>Cash flow from investing activities</b>			
Proceeds from the sale of intangible assets and tangible fixed assets		2	49
Bank deposits with a maturity over three months (made and/or closed)	7.6	-	-
Acquisition of intangible and tangible fixed assets		(1 020)	(1 351)
Acquisition of financial assets		-	-
<b>Net cash flow from investing activities</b>		<b>(1 018)</b>	<b>(1 302)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares (exercise of share options)		-	464
Proceeds from contracted loans	7.9	-	-
Commercial papers issued	7.10	-	-
Repayment of loans and borrowings	7.9	-	(20 000)
Redemption of commercial papers	7.10	(120 000)	-
Dividends paid		-	-
<b>Net cash flow from financing activities</b>		<b>(120 000)</b>	<b>(19 536)</b>
<b>Increase / (decrease) in net cash and cash equivalents</b>		<b>(39 581)</b>	<b>71 215</b>
<b>Cash and cash equivalents – opening balance</b>	7.7	<b>414 310</b>	<b>221 640</b>
<b>Cash and cash equivalents – closing balance</b>	7.7	<b>374 729</b>	<b>292 855</b>



## Dom Development S.A.

Interim condensed statement of changes in consolidated shareholders' equity  
for the three-month period ended 31 March 2017  
(all amounts in thousands PLN unless stated otherwise)

### 6. INTERIM CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Share capital	Share premium less treasury shares	Other capital (supplementary capital)	Reserve capital			Accumulated unappropriated profit (loss)	Equity attributable to the shareholders of parent company	Non-controlling interests	Total shareholders' equity
				from reduction of share capital	from valuation of cash flow hedges	from valuation of share options				
<b>Balance as at 1 January 2017</b>	<b>24 782</b>	<b>234 986</b>	<b>542 696</b>	<b>510</b>	<b>415</b>	<b>-</b>	<b>126 118</b>	<b>929 507</b>	<b>(46)</b>	<b>929 461</b>
Share capital increase by exercising share options (note 7.8)	86	3 402	-	-	-	-	-	3 488	-	3 488
Transfer of profit to supplementary capital	-	-	-	-	-	-	-	-	-	-
Dividends paid to shareholders (note 7.22)	-	-	-	-	-	-	-	-	-	-
Net profit for the reporting period	-	-	-	-	-	-	(1 008)	(1 008)	(1)	(1 009)
Other net comprehensive income for the reporting period	-	-	-	-	(123)	-	-	(123)	-	(123)
<b>Balance as at 31 March 2017</b> <i>(unaudited)</i>	<b>24 868</b>	<b>238 388</b>	<b>542 696</b>	<b>510</b>	<b>292</b>	<b>-</b>	<b>125 110</b>	<b>931 864</b>	<b>(47)</b>	<b>931 817</b>

	Share capital	Share premium less treasury shares	Other capital (supplementary capital)	Reserve capital			Accumulated unappropriated profit (loss)	Equity attributable to the shareholders of parent company	Non-controlling interests	Total shareholders' equity
				from reduction of share capital	from valuation of cash flow hedges	from valuation of share options				
<b>Balance as at 1 January 2016</b>	<b>24 771</b>	<b>234 534</b>	<b>517 466</b>	<b>510</b>	<b>82</b>	<b>25 126</b>	<b>81 115</b>	<b>883 604</b>	<b>(179)</b>	<b>883 425</b>
Share capital increase by exercising share options	-	-	-	-	-	-	-	-	-	-
Transfer of profit to supplementary capital	-	-	-	-	-	-	-	-	-	-
Payment of dividends to shareholders	-	-	-	-	-	-	-	-	-	-
Net profit for the reporting period	-	-	-	-	-	-	5 118	5 118	(8)	5 110
Other net comprehensive income for the reporting period	-	-	-	-	(331)	-	-	(331)	-	(331)
<b>Balance as at 31 March 2016</b> <i>(unaudited)</i>	<b>24 771</b>	<b>234 534</b>	<b>517 466</b>	<b>510</b>	<b>(249)</b>	<b>25 126</b>	<b>86 233</b>	<b>888 391</b>	<b>(187)</b>	<b>888 204</b>





## 7. ADDITIONAL NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 7.1. General information about Dom Development S.A. and the Dom Development S.A. Capital Group

#### General information about the parent company of the Dom Development S.A. Capital Group

The parent company of Dom Development S.A. Capital Group ("the Group") is the public limited company Dom Development S.A. ("the Company" / "the parent company") with its registered office in Warsaw (00-078 Warsaw, Plac Piłsudskiego 3) entered into the National Court Register under number 0000031483, maintained by the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register.

According to the Polish Classification of Business Activity the scope of activity of the companies operating within the Group is the development of building projects – PKD 4110Z (NACE F41.1). The Group conducts its activities mainly in Warsaw and its vicinity, and Wrocław.

The Company is a majority-owned subsidiary of Dom Development B.V. with its registered office in the Netherlands. As at 31 March 2017 the parent company Dom Development S.A. was controlled by Dom Development B.V. which held 59.22% of the Company's shares.

#### General information about the Group and joint ventures

The Group's structure and the parent company interest in the share capital of the entities comprising the Group as at 31 March 2017 is presented in the table below:

Entity	Country of registration	% of the share capital held by the parent company	% of the votes held by the parent company	Consolidation method
<b>Subsidiaries</b>				
Dom Development Morskie Oko sp. z o.o., under liquidation	Poland	100%	100%	full consolidation
Dom Development Grunty sp. z o.o.	Poland	46%	100%	full consolidation
Fort Mokotów Inwestycje sp. z o.o., under liquidation	Poland	100%	100%	full consolidation
Dom Development Wrocław sp. z o.o.	Poland	100%	100%	full consolidation
<b>The Group has been also engaged in the joint venture:</b>				
Fort Mokotów sp. z o.o., under liquidation	Poland	49%	49%	equity method

The main area of activity of the Group is the construction and sale of residential real estate.

The main area of activity of Dom Development Grunty sp. z o.o., a subsidiary is purchase of real estate for development activities of the Group. The Company is fully consolidated as its financial and operational policy is managed by members of the management board nominated by Dom Development S.A.

All companies operating within the Group conduct business activities in the territory of Poland under the Code of Commercial Companies and Partnerships and their term of operation is unlimited, except for Fort Mokotów sp. z o.o., under liquidation, Fort Mokotów Inwestycje sp. z o.o. ("FMI"), under liquidation and Dom Development Morskie Oko sp. z o.o., both under liquidation.



By the purchase of Fort Mokotów Inwestycje spółka z o.o. (now under liquidation) in 2016, the Company indirectly acquired the right of perpetual usufruct to the property owned by FMI. Due to the nature of the transaction, the purchase as described below was considered as purchase of assets rather than purchase of an enterprise.

The Company does not intend to carry out operations through FMI. FMI was put into liquidation on 16 September 2016.

In the three-month period ended 31 March 2017 the Group did not discontinue any of its activities.

**Material changes to the Group structure, including as a result of a merger, acquisition or sale of the companies operating within the capital group, long-term investments, demerger, restructuring or discontinuation of activities.**

In the period from 1 January to 31 March 2017, there were no significant changes in the structure of the Group.

**7.2. Basis for the preparing of the interim condensed consolidated financial statements**

The interim condensed consolidated financial statements have been prepared on a historical cost basis.

Certain information and disclosures, which in accordance with the International Financial Reporting Standards ("IFRS") adopted by the European Union (EU) are normally included in annual consolidated financial statements, have been condensed or omitted in these financial statements pursuant to International Accounting Standard No. 34, "Interim Financial Reporting" (IAS 34).

The interim condensed consolidated financial statements have been prepared on the assumption that the companies operating within the Group will continue as a going concern in the foreseeable future.

The functional currency of the parent company and other companies incorporated in these condensed consolidated financial statements is Polish zloty (PLN). The condensed consolidated financial statements are stated in Polish zloty. Financial data included in the interim condensed consolidated financial statements are expressed in thousands of PLN unless stated otherwise.

The presented interim condensed consolidated balance sheet, interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated cash flow statement and interim condensed statement of changes in consolidated shareholders' equity are unaudited and they have not been the subject of review by an independent certified auditor. These unaudited interim condensed consolidated financial statements do not include all the information and disclosures that are required from annual consolidated financial statements and therefore should be read in conjunction with the audited consolidated financial statements of the Group and the notes thereto for the year ended 31 December 2016.

The Company has also prepared interim condensed financial statements for Dom Development S.A. for the three-month period ended 31 March 2017. These statements were approved by the Management Board of the Company on 25 April 2017.

**7.3. Accounting policies**

Polish law requires the Group to prepare its interim condensed consolidated financial statements in accordance with IFRS, applicable to interim financial reporting as adopted by the European Union (EU) (IAS 34). At this particular time, due to the endorsement of IFRS by the EU and the activities of the Group, there are no differences in the IFRS policies applied by the Group and IFRS that have been endorsed by the EU.

The interim condensed consolidated financial statements have been prepared in accordance with IFRS applicable in the interim financial reporting (IAS 34) and all applicable IFRS that have been adopted by the EU.



These interim condensed consolidated financial statements are prepared based on the same accounting policies as for the consolidated financial statements of the Group for the year ended 31 December 2016.

The Group has not decided for earlier adoption of any standard, interpretation or improvement/amendment, which was published and has not yet come into force.

The following standards, interpretations and amendments issued by the International Accounting Standards Board or the International Financial Reporting Interpretation Committee that have not come into force:

- IFRS 9 *Financial Instruments* (published on 24 July 2014) – effective for annual periods beginning on or after 1 January 2018,
- IFRS 14 *Regulatory Deferral Accounts* (published on 30 January 2014) – the European Commission decided not to propose an interim standard for endorsement before the final standard is released – not endorsed by the EU until the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2016,
- IFRS 15 *Revenue from Contracts with Customers* (published on 28 May 2014) to include amendments to IFRS 15 Effective Date of IFRS 15 (published on 11 September 2015) – effective for annual periods beginning on or after 1 January 2018,
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (published on 11 September 2014) – endorsement of these amendments have been deferred indefinitely by the EU – effective date deferred indefinitely by IASB,
- IFRS 16 *Leases* (published on 13 January 2016) – not endorsed by the EU until the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2019,
- Amendments to IFRS 4 *Application of IFRS 9 Financial Instruments* with IFRS 4 *Insurance contracts* (published on 12 September 2016) – not endorsed by the EU until the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2018,
- Amendments to IAS 12 *Recognition of deferred tax assets for unrealised losses* (published on 19 January 2016) – not endorsed by the EU until the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2017,
- Amendments to IAS 7 *Disclosure Initiative* (published on 29 January 2016) – not endorsed by the EU until the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2017,
- Clarifications to IFRS 15 *Revenue from Contracts with Customers* (published on 12 April 2016) – not endorsed by the EU until the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2018,
- Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions* (published on 20 June 2016) – not endorsed by the EU until the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2018.
- *Improvements resulting from IFRS reviews 2014-2016* (published on 8 December 2016) – not endorsed by the EU until the date of approval of these financial statements – Improvements to IFRS 12 are effective for annual periods beginning on or after 1 January 2017, and Improvements to IFRS 1 and IAS 28 are effective for annual periods beginning on or after 1 January 2018,
- Interpretation IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (published on 8 December 2016) – not endorsed by the EU until the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2018,
- Amendments to IAS 40: *Transfer of Investment Property* (published on 8 December 2016) – not endorsed by the EU until the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2018,

The Management Board is verifying effect of the above standards on the Group's financial position, operating results or the scope of information presented in the financial statements and no significant changes are expected.



#### 7.4. Key figures based on professional judgement and basis for estimates

In addition to the accounting estimations, when applying the accounting policies in relation to the issues described below, the most significant was the professional judgement and the assumptions made by the management.

##### Budgets of the construction projects

The decision to purchase real estate (land) is based upon analysis, where the so called "purchase budget" is the major component. This budget is prepared to assess the future profitability of projects. The budgets for these construction projects are updated based on management's best knowledge and experience from when the real estate is purchased. The budgets for all construction projects are verified and updated when necessary, at least once every three months. Updated project budgets are the basis for:

- ongoing evaluation of the profitability of projects,
- verification of whether to create (or change) a potential inventory impairment write down or not,
- preparation of financial forecasts, annual budgets and medium term plans.

##### Recognition of revenue from the sale of products

The revenue from the sale of real estate (housing units, commercial space, parking places in the garage, etc.) is recognised at the moment when control over the real estate is transferred to the buyer of said real estate together with the transfer of significant risks and rewards typical to the ownership rights. According to the Company's judgement this occurs at the moment of handover of the real estate to the buyer, which is based on a handover document signed by both parties and subject to the condition that the buyer has made 100% payment of the sale price for the real estate.

##### Seasonality

The operating activity of the Group is not subject to any major seasonality.

#### 7.5. Inventory

<b>INVENTORY</b>	<b>31.03.2017</b>	<b>31.12.2016</b>
	<i>(unaudited)</i>	
<b>Advances on deliveries</b>	<b>27 998</b>	<b>27 232</b>
including: at purchase prices/production costs	28 167	27 401
write down to the net realisable value	(169)	(169)
<b>Semi-finished goods and work in progress</b>	<b>1 387 858</b>	<b>1 220 514</b>
including: at purchase prices/production costs	1 409 658	1 242 314
write down to the net realisable value	(21 800)	(21 800)
<b>Finished goods</b>	<b>180 139</b>	<b>259 849</b>
including: at purchase prices/production costs	188 550	268 172
write down to the net realisable value	(8 411)	(8 323)
<b>Total</b>	<b>1 595 995</b>	<b>1 507 595</b>

<b>INVENTORY REVALUATION WRITE DOWNS</b>	<b>01.01 - 31.03.2017</b>	<b>01.01 - 31.03.2016</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Opening balance</b>	<b>30 292</b>	<b>16 760</b>
Increments	172	188
Decrease	(84)	-
<b>Closing balance</b>	<b>30 380</b>	<b>16 948</b>

Write down to the net realisable value have resulted from the impairment tests and analysis performed by the Group.



<b>CARRYING VALUE OF INVENTORY USED TO SECURE THE PAYMENT OF LIABILITIES AND VALUE OF THE MORTGAGES ESTABLISHED</b>	<b>31.03.2017</b> <i>(unaudited)</i>	<b>31.12.2016</b>
Carrying value of inventory used to secure liabilities	225 000	300 000
<b>Mortgages:</b>		
Value of mortgages established to secure real estate purchase agreements	-	-
Value of mortgages established to secure loan agreements (cap)	225 000	300 000

## 7.6. Short-term financial assets

<b>SHORT-TERM FINANCIAL ASSETS</b>	<b>31.03.2017</b> <i>(unaudited)</i>	<b>31.12.2016</b>
Bank deposits with a maturity over three months	49	49
Cash in open-end residential escrow accounts	33 835	21 483
Cash in other escrow accounts	1 231	1 231
<b>Total</b>	<b>35 115</b>	<b>22 763</b>

Bank deposits with a maturity over three months as of the date when they are made are presented in "Bank deposits with a maturity over three months".

The Group makes bank deposits with various maturity based on current analysis of cash needs and realizable rate of return on deposits offered by banks.

Cash received from the Group's customers as advances for the sale of products which is deposited in open-end residential escrow accounts until the relevant requirements specified in the "Act on the Protection of Rights of a Dwelling Unit or House Buyer" are met, is presented in "Cash in open-end residential escrow accounts".

## 7.7. Cash and cash equivalents

Cash and cash equivalents are represented by cash at bank and cash in hand, including short-term bank deposits with up to three months maturity on the date when they are made. The book value of these assets corresponds to their fair value.

<b>CASH AND CASH EQUIVALENTS</b>	<b>31.03.2017</b> <i>(unaudited)</i>	<b>31.12.2016</b>	<b>31.03.2016</b> <i>(unaudited)</i>
Cash in hand and at bank	2 083	5 077	8 072
Bank deposits with a maturity of three months or less	372 585	409 210	284 740
Other	61	23	43
<b>Total</b>	<b>374 729</b>	<b>414 310</b>	<b>292 855</b>

## 7.8. Share capital

### Description of changes to the share capital in the Company in the period from 1 January until 31 March 2017

In the period from 1 January until 31 March 2017 the following change to the share capital in the Company took place:

<b>Change in the reporting period</b>	<b>Share capital</b>		<b>Share premium</b>
	Number of shares	Value at the nominal value	
<b>Balance as at 31.12.2016</b>	<b>24 782 592</b>	<b>24 782</b>	<b>234 986</b>
Change	85 830	86	3 402
<b>Balance as at 31.03.2017</b>	<b>24 868 422</b>	<b>24 868</b>	<b>238 388</b>



## Dom Development S.A.

Additional notes to the interim condensed consolidated financial statements  
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On 5 December 2016 the Management Board of Dom Development S.A. adopted a resolution to increase the share capital by issuing 85 830 W series ordinary bearer shares as a part of the authorised capital from PLN 24 782 592 up to PLN 24 868 422, that is by PLN 85 830. The W series shares were issued in a private placement procedure addressed to participants in Management Share Option Programme II. These shares were registered by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register on 10 January 2017. In the Company balance sheet as at 31 December 2016 these shares were not disclosed in the share capital, and the payments in the amount of PLN 3 488 thousand for the subscription of these shares were disclosed as "short-term liabilities".

SHARE CAPITAL (STRUCTURE) AS AT 31.03.2017								
Series/ issue	Type of share	Type of preference	Limitation of right to shares	Number of shares	Nominal value of series/issue (PLN)	Capital covered with	Registration date	Right to dividends (from)
A	Bearer	-	-	21 344 490	21 344 490	cash	12.09.2006	12.09.2006
F	Bearer	-	-	2 705 882	2 705 882	cash	31.10.2006	31.10.2006
H	Bearer	-	-	172 200	172 200	cash	14.02.2007	14.02.2007
I	Bearer	-	-	92 700	92 700	cash	14.02.2007	14.02.2007
J	Bearer	-	-	96 750	96 750	cash	14.02.2007	14.02.2007
L	Bearer	-	-	148 200	148 200	cash	14.02.2007	14.02.2007
Ł	Bearer	-	-	110 175	110 175	cash	12.03.2012	07.05.2012
M	Bearer	-	-	24 875	24 875	cash	03.10.2012	09.11.2012
N	Bearer	-	-	20 000	20 000	cash	03.10.2012	09.11.2012
O	Bearer	-	-	26 000	26 000	cash	05.03.2013	17.05.2013
P	Bearer	-	-	925	925	cash	31.10.2013	23.12.2013
R	Bearer	-	-	11 000	11 000	cash	31.10.2013	23.12.2013
S	Bearer	-	-	17 075	17 075	cash	20.03.2014	02.05.2014
T	Bearer	-	-	1 000	1 000	cash	14.01.2015	27.03.2015
U	Bearer	-	-	10 320	10 320	cash	17.05.2016	01.06.2016
V	Bearer	-	-	1 000	1 000	cash	17.05.2016	01.06.2016
W	Bearer	-	-	85 830	85 830	cash	10.01.2017	07.03.2017
<b>Total number of shares</b>				<b>24 868 422</b>				
<b>Total share capital</b>					<b>24 868 422</b>			
<b>Nominal value per share = PLN 1</b>								

List of shareholders who hold, directly or indirectly through subsidiaries, at least 5% of the overall number of votes at the General Shareholders Meeting ("GSM") as at the date that these financial statements are prepared and approved by the Company's Management Board.

	Status as at the date of preparing of these financial statements				Change in the period from publication of the quarterly financial statements for the three- month period ended 30.09.2016
	Shares	% of capital	Number of votes at the GSM	% of votes at the GSM	Shares
Dom Development B.V.	14 726 172	59.22	14 726 172	59.22	-
Jarosław Szanajca	1 454 050	5.85	1 454 050	5.85	(80 000)
Aviva Powszechnie Towarzystwo Emerytalne Aviva BZ WBK SA *)	1 313 383	5.28	1 313 383	5.28	no data
Grzegorz Kielpsz	1 280 750	5.15	1 280 750	5.15	-

\*) Shareholding of Aviva Powszechnie Towarzystwo Emerytalne Aviva BZ WBK S.A. (General Pension Society) has been presented as per the latest notice dated 11.07.2011 received by the Company from Aviva PTE Aviva BZ WBK S.A.



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The shares of Dom Development S.A. or rights thereto (options) owned by the persons performing management and supervisory functions at Dom Development S.A. as at the date that these financial statements are prepared and approved by the Company's Management Board.

	Status as at the date of preparing of these financial statements			Change in the period from publication of the quarterly financial statements for the three-month period ended 30.09.2016	
	Shares	Share options	Total	Shares	Share options
<b>The Management Board</b>					
Jarosław Szanajca	1 454 050	-	1 454 050	(80 000)	-
Janusz Zalewski	350 000	-	350 000	39 000	(69 000)
Małgorzata Kolarska	6 500	-	6 500	-	-
Janusz Stolarczyk	122 030	-	122 030	16 830	(16 830)
Terry Roydon	58 500	-	58 500	-	-
<b>The Supervisory Board</b>					
Grzegorz Kiełpsz	1 280 750	-	1 280 750	-	-
Mark Spiteri	900	-	900	-	-

## 7.9. Loans

### Description of material changes in the three-month period ended 31 March 2017

On 3 February 2017 the PLN 50 million revolving loan agreement in the credit facility account between mBank S.A. and Dom Development S.A. expired.

On 31 March 2017 a loan agreement was entered into between mBank S.A. as one party and Dom Development S.A. and Dom Development Wrocław Sp. z o.o. as the other party. The bank has committed to make a PLN 85 million revolving loan available to Dom Development S.A. on the terms and conditions laid down in the agreement, with the funds intended to provide finance for the current operations of the Company. Under the agreement, Dom Development Wrocław Sp. z o.o. will be able to use some (up to PLN 35 million) of the credit limit granted to Dom Development S.A.

The total loan liabilities in the three-month period ended 31 March 2017 have not changed.

As of 31 March 2017 and 31 December 2016 the Company had no loan liabilities.

BANK LOANS AS AT 31.03.2017						
Bank	Registered office	Loan amount and currency as per agreement		Outstanding loan amount (less accrued interest) and currency		Due date
mBank	Warsaw	50 000*)	PLN	-	PLN	21.05.2019
PKO BP SA	Warsaw	100 000*)	PLN	-	PLN	26.07.2019
mBank	Warsaw	85 000**)	PLN	-	PLN	01.03.2021
<b>Total bank loans</b>				<b>- PLN</b>		

\*) Revolving loan in the credit facility account

\*\*\*) Revolving loan in the credit facility account up to PLN 85 million; Dom Development Wrocław Sp. z o.o. may use up to PLN 35 million of this credit limit.

As at 31 March 2017 and 31 December 2016 all the loans taken by the Group were expressed in Polish zloty.



Due to the fact that the interest on the loans is correlated to the WIBOR interest rate, the Company's Management Board estimates that the fair value of the loans taken by the Group approximately equals their book value, including accrued interest.

In the "Loans" item the Group states the nominal value of the loan liabilities, and the interest charged as at the balance sheet date are presented separately in the item "Accrued interest on loans and bonds".

### 7.10. Bonds

<b>BONDS</b>	<b>31.03.2017</b> <i>(unaudited)</i>	<b>31.12.2016</b>
Nominal value of the bonds issued, long-term portion	210 000	260 000
Nominal value of the bonds issued, short-term portion	50 000	120 000
<b>Total nominal value of the bonds issued</b>	<b>260 000</b>	<b>380 000</b>

In the "Bonds" item the Company states the nominal value of the bond liabilities, and the interest charged as at the balance sheet date are presented separately in the item "Accrued interest on loans and bonds".

Due to the fact that the interest on the bonds is correlated to the WIBOR interest rate, the Company's Management Board estimates that the fair value of the bonds issued by the Company approximately equals their book value, including accrued interest.

#### Core details concerning the bonds issued by the Company

On 5 November 2007, the Company and Bank BPH S.A. (currently Bank Pekao S.A.) signed a Bond Issue Programme Agreement, pursuant to which Dom Development S.A. is allowed to issue mid-term bonds (with a maturity over 1 year and under 7 years) with an aggregate value of no more than PLN 400 million, which is to be construed as the nominal value of all issued and unredeemed bonds on any day during the term of the Programme.

On 5 November 2014, the Company and Bank Pekao S.A. signed an Annex to the Bond Issue Programme Agreement dated 5 November 2007, pursuant to which the bond issue period has been extended by 7 years (until 5 November 2021).

#### Description of material changes in the three-month period ended 31 March 2017

On 2 February 2017, the Company redeemed 12 000 bearer bonds with the nominal value of PLN 10 000 each and the aggregate nominal value of PLN 120 million as maturing on this date.

<b>BONDS ISSUED AS AT 31.03.2017</b>				
<b>Series</b>	<b>Issue date</b>	<b>Amount</b>	<b>Currency</b>	<b>Contractual maturity date</b>
IV	26.03.2013	50 000	PLN	26.03.2018
V	12.06.2015	100 000	PLN	12.06.2020
VI	15.11.2016	110 000	PLN	15.11.2021
<b>Total:</b>		<b>260 000</b>	<b>PLN</b>	





### 7.11. Accrued interest on loans and bonds

ACCRUED INTEREST ON LOANS AND BONDS	31.03.2017 <i>(unaudited)</i>	31.12.2016
Accrued interest on bonds	2 595	3 897
Accrued interest on loans	-	-
<b>Total accrued interest on loans and bonds</b>	<b>2 595</b>	<b>3 897</b>

### 7.12. Segment reporting

The Group does not prepare segment reporting as its activities take place within a single segment.

### 7.13. Operating income

REVENUE BREAKDOWN	01.01 - 31.03.2017 <i>(unaudited)</i>	01.01 - 31.03.2016 <i>(unaudited)</i>
Sales of finished goods	108 361	130 165
Sales of services	4 650	3 393
Sales of land	-	5 500
<b>Total</b>	<b>113 011</b>	<b>139 058</b>

### 7.14. Operating costs

OPERATING COSTS	01.01 - 31.03.2017 <i>(unaudited)</i>	01.01 - 31.03.2016 <i>(unaudited)</i>
<b>Cost of sales</b>		
Cost of finished goods sold	(81 511)	(98 074)
Cost of services sold	(5 394)	(4 254)
Cost of land sold	-	(4 823)
Inventory write down to the net realisable value	(88)	(188)
<b>Total cost of sales</b>	<b>(86 993)</b>	<b>(107 339)</b>
<b>Selling costs, and general administrative expenses</b>		
Selling costs	(15 119)	(11 501)
General administrative expenses	(11 238)	(12 214)
<b>Total selling costs, and general administrative expenses</b>	<b>(26 357)</b>	<b>(23 715)</b>
<b>Selling costs, and general administrative expenses by kind</b>		
Depreciation	(1 484)	(1 251)
Cost of materials and energy	(3 635)	(2 861)
External services	(7 518)	(5 595)
Taxes and charges	(50)	(37)
Remuneration	(10 136)	(10 627)
Social security and other benefits	(2 515)	(2 189)
Other prime costs	(1 019)	(1 155)
<b>Total selling costs, and general administrative expenses by kind</b>	<b>(26 357)</b>	<b>(23 715)</b>



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### 7.15. Income tax in the income statement

<b>INCOME TAX</b>	<b>01.01 - 31.03.2017</b> <i>(unaudited)</i>	<b>01.01 - 31.03.2016</b> <i>(unaudited)</i>
Current income tax	(13 087)	(10 516)
Deferred tax in the income statement	13 060	9 247
<b>Total</b>	<b>(27)</b>	<b>(1 269)</b>

### 7.16. Earnings per share

<b>CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE</b>	<b>01.01 - 31.03.2017</b> <i>(unaudited)</i>	<b>01.01 - 31.03.2016</b> <i>(unaudited)</i>
<b>Basic earnings per share</b>		
Profit for calculation of the basic earnings per share	(1 008)	5 118
The weighted average number of ordinary shares of the Company for the calculation of basic earnings per share	24 858 885	24 771 272
<b>Basic earnings per share (PLN)</b>	<b>(0.04)</b>	<b>0.21</b>
<b>Diluted earnings per share</b>		
Profit for calculation of the diluted earnings per share	(1 008)	5 118
Potential diluting shares related to the Management Share Option Programmes	-	27 570
The weighted average number of ordinary shares of the Company for the calculation of diluted earnings per share	24 858 885	24 798 842
<b>Diluted earnings per share (PLN)</b>	<b>(0.04)</b>	<b>0.21</b>

As the Group has no discontinued operations, the earnings/(loss) per share from the continued operations equal the earnings/(loss) per share calculated above.

### 7.17. Transactions with related entities

In the three-month periods ended 31 March 2017 and 2016, the Company was a party to transactions with related entities, as listed below.

<b>Counterparty</b>	<b>Transaction description</b>	<b>01.01- 31.03.2017</b> <i>(unaudited)</i>	<b>01.01- 31.03.2016</b> <i>(unaudited)</i>
<b>DOM DEVELOPMENT S.A. AS A BUYER OF GOODS OR SERVICES:</b>			
Woodsford Consulting Limited	Consulting services as per the agreement dated 27 June 2007 as annexed	420	453
M&M Usługi Doradcze M. Kolarski	Consulting services	14	18
Hansom Property Company Limited	Other	-	250
Hansom Property Company Limited	Consulting services as per the agreement dated 2 January 2001 as annexed	128	69
Kirkley Advisory Limited	Consulting services as per the agreement dated 1 March 2012	-	124
Fort Mokotów Inwestycje sp. z o.o., under liquidation	Other	90	-
Dom Development Wrocław sp. z o.o. (formerly Vratislavia Dom Development sp. z o.o.)	Cooperation Agreements	176	-



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DOM DEVELOPMENT S.A. AS A SELLER OF GOODS OR SERVICES:			
Fort Mokotów sp. z o.o., under liquidation	Repair services as per the agreement dated 22 July 2005	24	24
Dom Development Grunty sp. z o.o.	Other	1	1
Dom Development Morskie Oko sp. z o.o., under liquidation	Other	1	1
Fort Mokotów Inwestycje sp. z o.o., under liquidation	Other	1	-
Dom Development Wrocław sp. z o.o. (formerly Vratislavia Dom Development sp. z o.o.)	Cooperation Agreements	141	-
DOM DEVELOPMENT S.A. AS A LENDER:			
Dom Development Grunty sp. z o.o.	Interest accrued on the borrowing	2	4
DOM DEVELOPMENT S.A. AS A SUBSCRIBER FOR SHARES IN SHARE CAPITAL OF SUBSIDIARIES:			
Dom Development Wrocław sp. z o.o. (formerly Vratislavia Dom Development sp. z o.o.)	Share capital contribution *)	-	4 000
Dom Development Wrocław sp. z o.o. (formerly Vratislavia Dom Development sp. z o.o.)	Additional contribution to the share capital *)	7 000	-
Fort Mokotów Inwestycje sp. z o.o., under liquidation	Additional contribution to the share capital *)	1 200	-
DOM DEVELOPMENT S.A. AS A PAYER OF PREPAYMENT UNDER THE AGENCY AGREEMENT:			
Dom Development Grunty sp. z o.o.	(Net) prepayment transferred for the purchase of land	-	7 507

\*) Share capital contribution and additional contribution to the share capital of the subsidiaries have been recognised in the balance sheet under "Investments in subsidiaries, associates and jointly controlled entities".

BALANCES WITH RELATED ENTITIES – balances as in the books of the Company				
Entity	Receivables from related entities		Liabilities to related entities	
	31.03.2017	31.12.2016	31.03.2017	31.12.2016
<b>Total balance</b>	<b>37 931</b>	<b>29 342</b>	<b>11</b>	<b>2 203</b>
<b>Subsidiaries</b>	<b>37 492</b>	<b>29 332</b>	<b>1</b>	<b>1 988</b>
Dom Development Morskie Oko sp. z o.o., under liquidation additional contributions to the share capital	1 147	1 147	-	-
Dom Development Grunty sp. z o.o.	17 431	17 431	-	-
Dom Development Wrocław sp. z o.o. (formerly Vratislavia Dom Development sp. z o.o.) additional contributions to the share capital	17 645	10 645	-	-
Dom Development Wrocław sp. z o.o. (formerly Vratislavia Dom Development sp. z o.o.) other	56	95	1	1 988
Fort Mokotów Inwestycje sp. z o.o., under liquidation	13	14	-	-
Fort Mokotów Inwestycje sp. z o.o., under liquidation additional contributions to the share capital	1 200	-	-	-
<b>Jointly controlled entities</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>-</b>
Fort Mokotów sp. z o.o., under liquidation	10	10	-	-
<b>Other entities</b>	<b>429</b>	<b>-</b>	<b>10</b>	<b>215</b>
M&M Usługi Doradcze M. Kolarski	-	-	10	5
Woodsford Consulting Limited	-	-	-	210
Hansom Property Company Limited	340	-	-	-
Kirkley Advisory Limited	89	-	-	-



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### DOM DEVELOPMENT S.A. AS A SELLER (PLN)

Transactions with Members of the Management Board	Transaction description	Transaction date	Transaction amount
Małgorzata Kolarska and a person closely related	Agreement on the establishment of a separate ownership title to a non-residential unit, with floor area of 125.52 sq.m., and the sale of the same, and the sale agreement for a parking space in the "Dom pod Zegarem" project.	07.03.2017	1 114 341.36

### REMUNERATION AND FEES OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS OF DOM DEVELOPMENT S.A.

Counterparty	01.01- 31.03.2017 <i>(unaudited)</i>	01.01- 31.03.2016 <i>(unaudited)</i>
The Management Board	4 457	3 380
The Supervisory Board	324	316

Except for as stated above, the Company did not enter into any other transactions with the Management Board or Supervisory Board members.

The transactions with the related entities are based on the arm's length principle.

The transactions stated above also include transactions with subsidiaries that has been eliminated in these consolidated financial statements.

### 7.18. Incentive Plan – Management Option Programmes

As at 31 March 2017 there was no active Management Option Programme at the Company.

#### Exercise of the share options

In the three-month period ended 31 March 2017 no share options were exercised at the Company.

On 5 December 2016, the Management Board of the Company adopted a resolution on the increase of share capital in the Company by issuing 85 830 W series ordinary bearer shares. The shares were issued in a private placement procedure addressed to participants in Management Share Option Programme II. These shares were registered by the District Court for the capital city of Warsaw on 10 January 2017 (this was described in note 7.8).

#### Grant of new share options

In the three-month period ended 31 March 2017 the Company did not grant any new share options.

#### Proposed adoption of a new share option programme

On March 28 2017, the Management Board of the Company adopted a resolution concerning the inclusion on the agenda of the General Shareholders' Meeting of the matter concerning a resolution to be adopted on the approval of Management Share Option Programme IV for Mrs Małgorzata Kolarska, the Vice President of the Management Board and the CEO (hereinafter "Programme IV").

In accordance with the terms of Program IV, Mrs Małgorzata Kolarska would only once receive options authorising her to subscribe for 500 000 shares in Dom Development S.A. for the price of PLN 35.00 per share. The exercise of these



options will be limited to 100,000 shares in any period of consecutive 12 months, and the non-exercised options may be exercised at a later time, however not later than by 31 December 2027.

The Supervisory Board of the Company has decided to give a positive opinion as regards the draft of the above mentioned resolution and to recommended to the General Shareholders' Meeting that this resolution be adopted with the body as proposed by the Management Board.

### 7.19. Contingent liabilities

<b>CONTINGENT LIABILITIES</b>	<b>31.03.2017</b> <i>(unaudited)</i>	<b>31.12.2016</b>
Guarantees	111	111
Sureties	-	-
<b>Total</b>	<b>111</b>	<b>111</b>

Additionally, some liabilities of the companies operating within the Group are secured with promissory notes:

<b>COLLATERALS FOR LIABILITIES</b>	<b>31.03.2017</b> <i>(unaudited)</i>	<b>31.12.2016</b>
Promissory notes, including:		
– promissory notes as an additional guarantee for the PKO BP SA bank in respect of claims arising from the granted loan	100 000	100 000
<b>Total</b>	<b>100 000</b>	<b>100 000</b>

In the three-month period ended 31 March 2017 the companies operating within the Group did not provide any guarantees for loans or borrowings, nor any other guarantees – jointly to one entity or its subsidiary, the value of which would be material for the Group or would amount to at least 10% of the Company's shareholders' equity.

### 7.20. Material court cases

As of 31 March 2017 there was no individual proceeding before any court, authority competent for arbitration or public administration body, concerning the liabilities or receivables of the Company or its subsidiary, the value of which would be at least 10% of the Company's shareholders' equity.

As of 31 March 2017 there were not two or more proceedings before any court, authority competent for arbitration or public administration body, concerning the liabilities or receivables, the value of which would be at least 10% of the Company's shareholders' equity.

As of 31 March 2017, the Company was a party to proceedings concerning liabilities and receivables, the total value of which was approx. PLN 28 383 thousand, including the total value of proceedings concerning liabilities at approx. PLN 25 578 thousand and the total value of proceedings concerning receivables at approx. PLN 2 804 thousand.

The proceedings involving the Company have no significant impact on the Company's activity.

**7.21. Factors and events with significant impact on the condensed consolidated financial statements of the Group**

In the period from 1 January to 31 March 2017 the following material changes in the portfolio of the Group's real estate development projects under construction took place:

**Projects where the construction commenced in the period from 1 January 2017 until 31 March 2017:**

Project	Standard	Number of apartments	Number of commercial units
Premium, phase 5	Popular	109	4
Wilno IV, phase 1	Popular	300	9
Osiedle Forma, phase 1	Popular	89	6
<b>Total:</b>		<b>498</b>	<b>19</b>

**Projects where the construction was completed in the period from 1 January 2017 until 31 March 2017:**

Project	Standard	Number of apartments	Number of commercial units
Premium, phase 1	Popular	191	15
<b>Total:</b>		<b>191</b>	<b>15</b>

**Information on deliveries of residential and commercial units in the reporting period**

Number of residential and commercial units delivered to customers in the three-month period ended 31 March 2017 has been presented in the following table:

Deliveries	01.01 - 31.03.2017 <i>(unaudited)</i>	01.01 - 31.03.2016 <i>(unaudited)</i>
Apartments and commercial units	230	256
<b>Total</b>	<b>230</b>	<b>256</b>

**7.22. Dividends**

On 28 February 2017, the Management Board requested that a part of the Company's net profit for 2016 in the amount of PLN 125 585 531.10, i.e. PLN 5.05 per share, be appropriated for the payment of a dividend to shareholders in Dom Development S.A., and a part of the net profit for 2016 in the amount of PLN 2 155 024.36 be allocated for the increase of supplementary capital of Dom Development S.A.

The Management Board of the Company proposed that the date of record be 26 June 2017 and the dividend payment date be 4 July 2017.

The Supervisory Board of the Company recommended to the General Shareholders' Meeting that the above petition be approved and resolution be adopted in respect of the distribution of profit for 2016 and the fixing of the date of record and the dividend payment date as proposed by the Management Board.

**7.23. Material post-balance sheet events**

No material post-balance sheet events took place at the Company.



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### 7.24. Forecasts

The Management Board of Dom Development S.A. does not publish any financial forecasts concerning the Group.

### 7.25. Selected financial data translated into euro

The following financial data of the Group have been translated into euro:

SELECTED DATA FROM THE BALANCE SHEET	31.03.2017	31.12.2016
	(unaudited)	
	thousand euro	thousand euro
Total current assets	478 641	406 956
Total assets	483 350	411 346
Total shareholders' equity	220 820	207 304
Long-term liabilities	62 403	101 407
Short-term liabilities	200 127	102 635
Total liabilities	262 530	204 042
<b>PLN/EUR exchange rate as at the balance sheet date</b>	<b>4.2198</b>	<b>4.2615</b>

SELECTED DATA FROM THE INCOME STATEMENT	01.01 - 31.03.2017	01.01 - 31.03.2016
	(unaudited)	(unaudited)
	thousand euro	thousand euro
Sales revenue	26 348	31 924
Gross profit on sales	6 066	7 282
Operating profit/(loss)	(221)	1 686
Profit/(loss) before tax	(229)	1 464
Net profit/(loss)	(235)	1 173
<b>Average PLN/EUR exchange rate for the reporting period</b>	<b>4.2891</b>	<b>4.3559</b>