

Dear All,

The year 2015 was an exceptional year for us. Dom Development S.A. has expanded the scale of its operations to a new level with record-setting results. We were able to make the best use of the favourable conditions in the market. Our company has demonstrated its potential by record sales, record land purchases and a record number of new project launches. Our offer has never been so diversified. We have accomplished all of this while continuing the policy of 100% profit distribution as dividends and maintaining a secure level of cash reserves and a very low debt.



The consolidated net profit of Dom Development S.A. Capital Group was PLN 80.8 million in 2015. In the light of the comfortable financial situation and substantial cash reserves, the Board once again is to recommend the distribution of the entire profit in the form of a dividend amounting to PLN 3.25 per share.

In 2015, our company sold 2 383 units, which means a 23% increase when compared to the previous year. We have managed this thanks to the diversification and tailoring of our offer to the market demand. Our customers were able to choose from 13 locations in Warsaw and 3 in Wrocław. We have balanced our offer in Warsaw between projects on both sides of the Vistula, and sales kept increasing each quarter to reach 678 units in the fourth quarter. The fourth quarter of 2015 also saw a record-high 1 019 units handed over to customers. This demonstrates the potential and agility of Dom Development S.A. that is a result of nearly 20 years of market experience.

The increase in sales entails the need to replenish our offer through successive purchases of new land and the efficient implementation of new property development projects. In 2015, we spent PLN 320 million on purchasing land at 12 locations with the potential to develop 4 500 units. Thanks to our large cash reserves, we have been able to purchase land at attractive locations while pursuing conservative purchase criteria. The high attractiveness of the newly acquired land has been confirmed by the fact that we have already started, or intend to start within one year from purchase, the development of 9 out of the 12 locations. All these property development projects have satisfactory profit margins, and those already in progress have been selling very well.

I believe that the market has entered a new phase where long-term and stable growth can be reasonably expected. The Polish economy is built on sound fundamentals, and any significant risks would result from global-scale events. The modern economy is increasingly globalised and new trends have been spreading faster and faster. Poland is approaching the standard of living of Western Europe, and the standard of housing should not be left out here. This can be an important stimulus for demand, especially for companies such as Dom Development S.A., which focuses on apartments built to a high-standard. In terms of organisation, financing and our offer, we are ready for the market to attain a new equilibrium. I certainly believe that the year 2016 will be another strong year for Dom Development S.A. Our offer has never been so varied, we are in a very comfortable financial situation and have the experience that allows us to calmly go through any temporary turmoil and identify well in advance any emerging opportunities.

A handwritten signature in blue ink, reading "Jarosław Szanajca".
Jarosław Szanajca

President of the Management Board, Dom Development S.A.