



Warsaw, 6 July 2015

Dom Development: Trading update Q2 2015

1. Sales

In the second quarter of 2015 our sales increased to 598 units net from 467 in the first quarter. Total H1 2015 sales were 1 065 units net giving a rise of 20% YoY.

In Q2 2015 we achieved the biggest sales volumes on the following projects: Saska, Żoliborz Artystyczny, Wilno, Wille Lazurowa, and Dom Pod Zegarem.

2. Deliveries

In the second quarter of 2015 we delivered 375 units, which along with the 190 units in Q1 2015 gives 565 deliveries for H1 2015 (42% decrease YoY).

The most influential projects in terms of the Q2 2015 financial results were Saska (131 units), Wilno (111), Oaza (50), and Derby (43). The significantly higher than expected share of the Wilno project in total deliveries was caused by the earlier than expected completion of Wilno II ph 1, which was planned for July 2015.

3. Market situation evaluation

The Q2 2015 sales results of Dom Development reflect the many positive factors influencing the primary housing market and the absence of significant demand threats.

In March the reference interest rate fell to a historical low of 1.5%, further supporting the housing market. The low cost of money enhances affordability for mortgage borrowers and incites savers to move their money from low-return bank deposits to real estate. The impact of low interest rates being roughly similar for both of these groups, the proportion of 'cash' and 'credit' purchases remained constant at approx. 30:70 in the context of a significant volume increase.

New flat sales on the Warsaw market in Q2 were yet again supported by the Homes for the Young programme. For Dom Development, around 30% of the offer was eligible for the government grant, from which around 25% of Q2 2015 buyers benefited. From the Company's point of view, the government programme is a significant demand-supporting factor for the Warsaw popular-standard flats market.

Higher-standard flats also have a wide appeal among clients. Whereas small, 'compact' flats were much in demand over the last few years, the market is now demanding bigger, more comfortable flats and apartments. In Dom Development, this segment makes up over half of the sales volume.

Demand is currently supported by many factors, which in our opinion should keep it strong. To take advantage of such favorable conditions, developers need to renew their stock with attractive, competitive and diversified product.

Jarosław Szanajca – President of the Management Board

Janusz Zalewski – Vice President of the Management Board, CFO