



Warsaw, 3 October 2013

Dom Development: Trading update Q3 2013

1. Sales

In Q3 2013 net sales rose to 414 from the 386 in Q2, giving a total year-to-date sales of 1 139 flats. Q3 sales consisted mostly of units from the following projects: Saska, Żoliborz Artystyczny, and Derby.

2. Deliveries

In Q3 2013 we delivered 252 housing units, which with the 814 deliveries in H1 gave a year-to-date 2013 result of 1 066 deliveries.

The financial results of Q3 2013 were mostly influenced by deliveries on the following projects: Oaza (63), Derby (55), Wilno (46).

3. Market situation evaluation

Q3 was characterized by a continuation of trends observed in Q2; higher standard flats and those with finished construction saw more interest from customers, although this trend was not as marked as in the previous quarter.

Notable changes took place in the financing structure of housing purchases. In Q1 and Q2 2013 we observed a significant rise in cash purchases, but in Q3 mortgage-supported transactions rose, approaching the long-term average of 70%. The rise in mortgage transactions was a result of the continuing record low interest rates set by the Polish Monetary Policy Council and market expectations of a housing price rebound.

The market oversupply, which has pressured prices for over a year, is now gradually diminishing. The current level of sales is overtaking the number of flats introduced to the market offer, acting to balance supply and demand.

We believe that Q4 2013 will not bring any significant market changes and expect a possible drop in demand for popular segment flats caused by customers postponing purchases in order to wait for the advent of the governmental support program 'Homes for the Young'.

Jarosław Szanajca – President of the Management Board

Janusz Zalewski – Vice President of the Management Board, CFO