



Warsaw, 8 January 2013

Dom Development Trading update 2012

1. Sales

In 2012 we sold 1 436 housing units, including 334 in the fourth quarter. We have reached the biggest sales volumes on the following projects: Saska (281 flats), Derby (208), Wilno (201), Adria (127), Regaty (111), Klasyków (106), Przy Ratuszu (88), Oaza in Wrocław (77). The 2012 sales volume was lower by 299 than In 2011

2. Deliveries

In the past year we delivered 1 970 housing units, including 549 in the fourth quarter. The most influential in terms of the Q4 2012 financial results were deliveries on the following projects: Wilno (121 flats), Saska (113), Adria (85), Oaza in Wrocław (57), Akropol (56), Derby (35), Przy Ratuszu (34), Grzybowska (7), Opera B (1). 2012 deliveries were higher by 688 units than in 2011.

3. Cash and interest-bearing debt

As of 31.12.2012 cash and cash equivalents equaled PLN 411m, and total interest-bearing debt was PLN 430m, meaning that net interest-bearing debt was PLM 19m. (around 2% of the equity capital). Short term interest-bearing debt was PLN 33m, and long-term was PLN 397m.

4. Market situation evaluation

The conditions on the new apartments market was gradually deteriorating throughout 2012. The more and more difficult economic conditions, the declining labour market, decreasing availability of mortgage loans (Recommendation S), gradual phasing out of the "Rodzina na Swoim" government support programme, high interest rates – are the major reasons for the slow-down. On the other hand, there has been record supply of new apartments on the market which greatly increased competition and resulted in significant decrease of market prices, specifically in the second half of the year.

In such circumstances, the Management Board is of the opinion that the 2012 sales results of Dom Development S.A. were very good. The Company has maintained the position of unquestioned leader on the Warsaw market and achieved high sales, stable in each quarter (with a slight downward trend as of the second quarter). The strategy of protection of the margins was also successfully exercised by granting minor – much lower than those prevailing on the market – price discounts for the apartments subject to sale.

Jarosław Szanajca – President of the Management Board

Janusz Zalewski – Vice President of the Management Board, CFO