

osiedle **espresso** | Wola

NOWY ETAP

233 tys.	267 tys.	377 tys.
1 pokój	2 pokoje	3 pokoje



Osiedle **Sakura** | Mokotów

NOWY ETAP

DWA POKOJE
od **280** tys.



Osiedle **Verdis** | Wola

NOWY ETAP

DWA POKOJE
od **297** tys.



Osiedle **naturalis**
Łomianki | ul. Wiślana

w prezencie **KUCHNIA**



*Investor Presentation (addressing 3Q 2013 results)
6th of November 2013*

Disclaimer

This presentation does not constitute or form any part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Ronson Europe N.V. (the “Company”), nor shall it or any part thereof or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefore.

The information in this presentation is subject to change without notice, its accuracy is not guaranteed and it does not contain all material information concerning the Company. Any forecasts and forward-looking statements contained in this presentation are, by necessity, based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, many of which are beyond the Company’s control, and also upon assumptions with respect to future business decisions that are subject to change. Actual results may differ materially from those projected. Certain numerical information and other amounts and percentages set forth in this presentation may not sum due to rounding. In addition, certain figures herein have been rounded to the nearest whole number.

This presentation may not be directly or indirectly distributed to or within the United States of America, Australia, Canada or Japan.



Company Overview

Experienced residential real estate developer well established in Poland

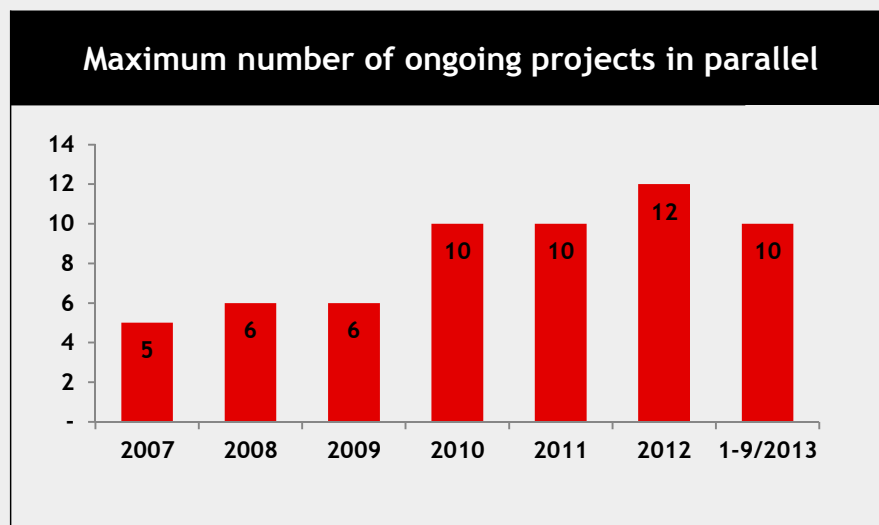
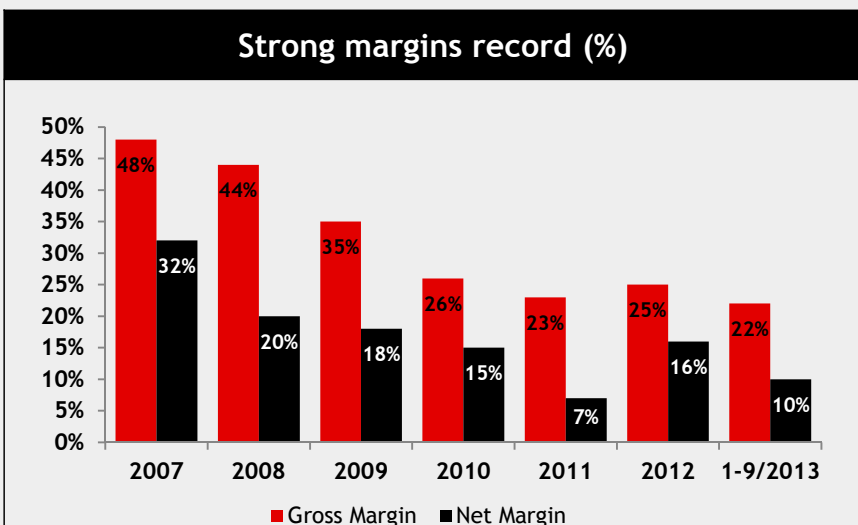
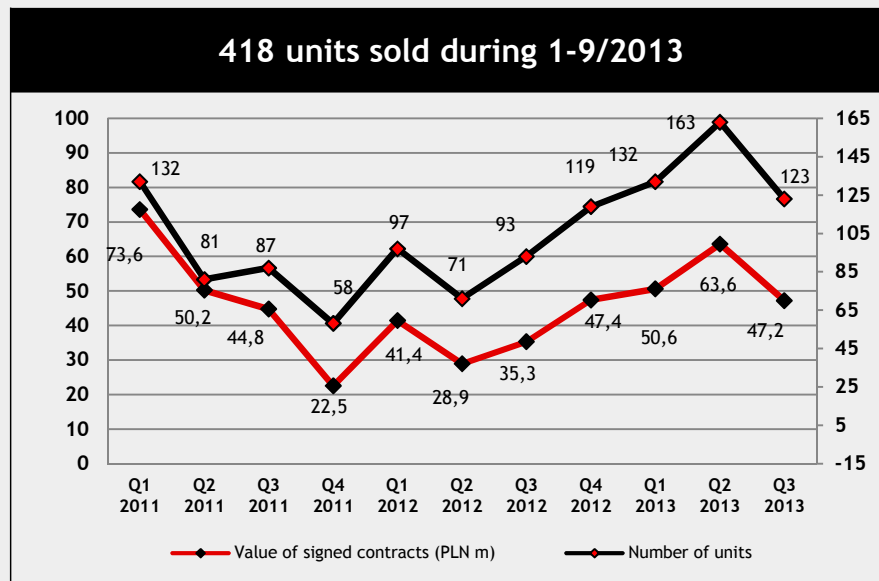
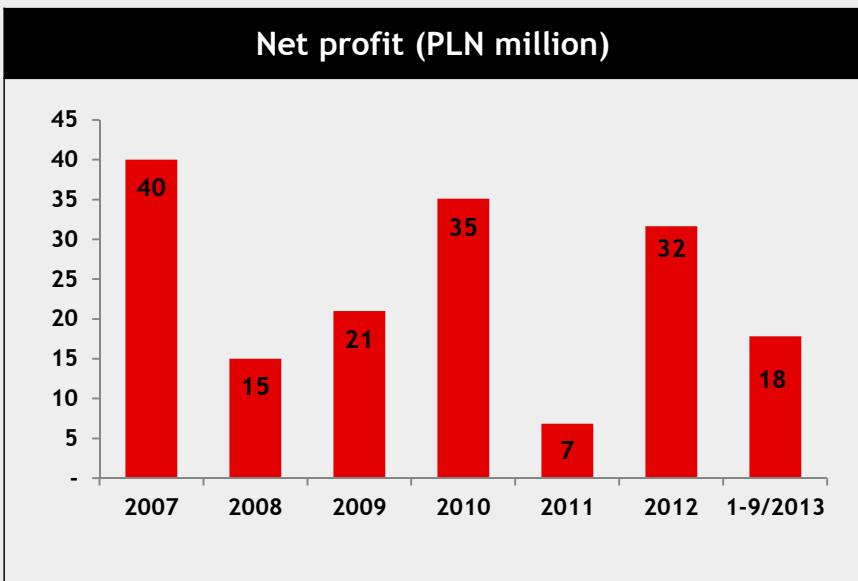
- Present in Poland since 2000
- Focused on mid-class residential projects
- Adequate project mix and size enabling accelerated Company growth
- Internationally recognized shareholders with decades-worth of sector knowledge
- Current operations include:
 - 6 projects ongoing and 8 completed projects offered for sale (as at 30 September 2013 Ronson's offer includes 898 units)
 - 22 further projects (Warsaw, Poznań, Wrocław and Szczecin) in preparation for nearly 5,020 units



Very attractive land bank is Ronson's main advantage deciding about huge growth potential. Very well prepared medium size projects are prepared to start.



Company highlights in charts (based on Company's financials as at 30 September 2013)



More than 1,059 units under preparation with over 56,100 m², of which 731 units are in Warsaw



Sakura III

- Commenced Q3 2013
- Expected completion Q2 2015
- 145 apartments
- Aggregate area 7,300 m²
- Location: Warsaw, Mokotów



Espresso I

- Commenced Q1 2012
- Expected completion Q1 2014
- 204 apartments and 8 commercial units
- Aggregate area 9,500 m²
- Location: Warsaw, Wola



Espresso II

- Commenced Q3 2013
- Expected completion Q2 2015
- 142 apartments and 10 commercial units
- Aggregate area 7,600 m²
- Location: Warsaw, Wola



Verdis II

- Commenced Q3 2012
- Expected completion Q4 2013
- 72 apartments and 6 commercial units
- Aggregate area 4,900 m²
- Location: Warsaw, Wola



Verdis III

- Sales commenced Q2 2013
- Construction commenced in October 2013
- Expected completion Q2 2015
- 140 apartments and 6 commercial units
- Aggregate area 7,700 m²
- Location: Warsaw, Wola

More than 1,059 units under preparation with over 56,100 m², of which 328 are in Poznań and Wrocław



Chilli III

- Commenced Q3 2013
- Expected completion Q3 2014
- 38 units
- Aggregate area 2,200 m²
- Location: Tulce near Poznań



Młody Grunwald I

- Commenced in Q3 2012
- Expected completion Q2 2014
- 136 apartments and 12 commercial units
- Aggregate area 8,500 m²
- Location: Poznań, Grunwald



Impressio II

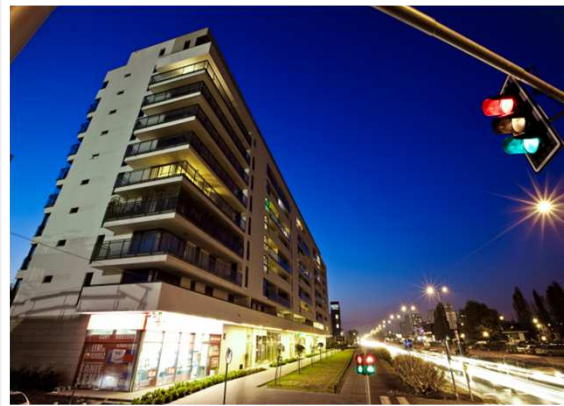
- Sales commenced Q3 2013
- Construction commenced in October 2013
- Expected completion Q2 2015
- 142 apartments
- Aggregate area 8,400 m²
- Location: Wrocław, Grabiszyn

As of 30 September 142 completed units with 9,600 m² were offered for sale in 8 projects (4 cities)



Verdis I

- As at 30 September, 8 units offered for sale
- In total 128 apartments and 11 commercial units
- Location: Warsaw, Wola



Gemini II

- As at 30 September, 2 units offered for sale
- In total 167 apartments and 15 commercial units
- Location: Warsaw, Ursynów



Sakura I and II

- As at 30 September, 21 units offered for sale
- In total 235 apartments and 21 commercial units
- Location: Warsaw, Mokotów



Naturalis I, II and III

- As at 30 September, 79 units offered for sale
- In total 172 apartments
- Location: Łomianki near Warsaw



Constans

- As at 30 September, 1 house offered for sale
- In total 34 houses (17 two-family buildings)
- Location: Konstancin Jeziorna near Warsaw

As of 30 September 142 completed units with 9,600 m² were offered for sale in 8 projects (4 cities)



Impressio I

- As at 30 September, 5 units offered for sale
- In total 70 apartments
- Location: Wrocław, Grabiszyn



Chilli II

- As at 30 September, 3 units offered for sale
- In total 30 units
- Location: Tulce near Poznań

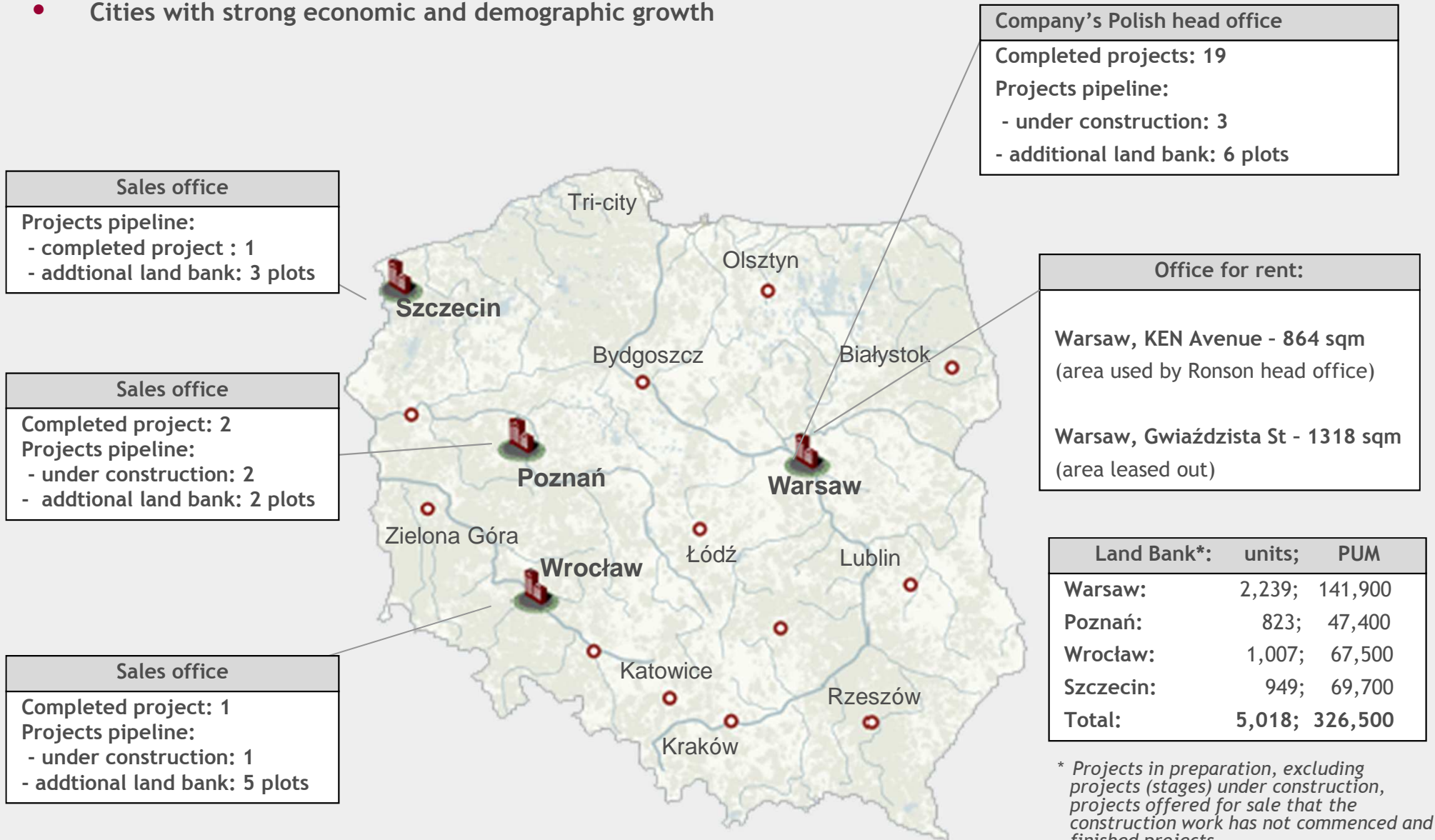


Panoramika I

- As at 30 September, 23 units offered for sale
- In total 90 apartments
- Location: Szczecin, Duńska Street

Selective geographic diversification in Poland:

- Cities with strong economic and demographic growth



* Projects in preparation, excluding projects (stages) under construction, projects offered for sale that the construction work has not commenced and finished projects.

Projects in preparation - Ronson land bank

	Project name	Location	Total no. of units	PUM (m ²)
1	Naturalis - stages in preparation	Warsaw	329	20,600
2	Sakura - stages in preparation	Warsaw	128	7,000
3	Verdis - stages in preparation	Warsaw	78	4,000
4	Panoramika - stages in preparation	Szczecin	484	25,500
5	Chilli - stages in preparation	Poznań	186	12,000
6	Espresso - stages in preparation (*)	Warsaw	307	17,500
7	Młody Grunwald (previously named Eclipse) - stages in preparation	Poznań	280	16,500
	Subtotal - remaining stages of the projects currently under construction/ on sale		1,792	103,100
1	Chopin	Szczecin	390	33,000
2	Copernicus	Poznań	307	15,200
3	Moko	Warsaw	398	23,500
4	Matisse I	Wrocław	373	24,400
5	Matisse II	Wrocław	100	6,000
6	Falenty	Warsaw	160	23,500
7	Picasso	Wrocław	158	8,000
8	Renaissance	Warsaw	224	15,800
9	Sadków	Wrocław	84	12,600
10	Tamka	Warsaw	65	5,500
11	Van Gogh	Wrocław	292	16,500
12	Belchatowska 28	Poznań	50	3,700
13	Vivaldi	Szczecin	75	11,200
14	Skierniewicka (**)	Warsaw	550	24,500
	Subtotal - remaining projects, still in preparation		3,226	223,400
	Total		5,018	326,500

(*) Ronson holds 68% of the project

(**) Ronson holds 50% of the project



Financial Results Review

For the nine months ended 30 September 2013

Nine months ended 30 September 2013, P&L highlights:

- 376 units delivered to the customers; revenues PLN 168.0 million,
- Gross margin of 21.7% and net margin of 10.4%,
- No write-offs, no other one-time events / adjustments,
- Net profit of PLN 17.5 million.

Financial results (PLN m)									
	<u>1-9/2013</u>	<u>1-9/2012</u>	<u>% change</u>	<u>3Q2013</u>	<u>3Q2012</u>	<u>% change</u>	<u>Y2012</u>	<u>Y2011</u>	<u>% change</u>
Revenues	168.0	73.4	129%	57.3	31.6	81%	198.8	96.7	106%
Cost of sales	(131.5)	(61.5)	114%	(46.9)	(28.6)	64%	(148.4)	(74.0)	101%
Gross profit	36.5	11.9	207%	10.4	3.0	247%	50.4	22.7	122%
Changes in the value of investment property	-	-	0%	-	-	0%	(1.0)	-	0%
Selling and marketing expenses	(5.1)	(4.4)	16%	(2.0)	(1.8)	11%	(6.2)	(5.1)	22%
Administrative expenses	(12.0)	(10.7)	12%	(3.9)	(3.4)	15%	(16.0)	(15.2)	5%
Net other income/(expense)	(1.4)	-		(0.4)	(0.1)	300%	(0.9)	(1.6)	-44%
Operating profit	18.0	(3.2)	-663%	4.1	(2.3)	-278%	26.3	0.8	3187%
Net finance income/(expense)	(1.2)	1.9	-163%	-	0.2	-100%	2.0	4.6	-57%
Profit/(loss) before tax	16.8	(1.3)	-1392%	4.1	(2.1)	-295%	28.3	5.4	424%
Income tax benefit	0.7	1.3	-46%	0.4	0.4	0%	3.0	1.3	131%
Net profit/(loss)	17.5	0.0	100%	4.5	(1.7)	-365%	31.3	6.7	367%
Gross margin	21.7%	16.2%		18.2%	9.5%		25.4%	23.5%	
Net Margin	10.4%	0.0%		7.9%	-5.4%		15.7%	6.9%	
EPS (PLN)	0.065	0.001	6400%	0.017	(0.006)	-383%	0.116	0.025	364%

Nine months ended 30 September 2013, P&L highlights, cont.:

- Number of units delivered during 3Q and recognized revenues very similar to 1Q and 2Q results, however based on different mix of projects.
- 3Q results driven mainly by Sakura project (as during 2Q)
- Average (net) price of apartments delivered during first 9 months 2013 amounted to PLN 447 thousand; during entire 2012 it amounted to PLN 505 thousand.

	Units delivered								
	<u>1Q2013</u>		<u>2Q2013</u>		<u>3Q2013</u>		<u>1-9/2013</u>		
<u>Project</u>	<u>Units</u>	<u>PLN million</u>	<u>Units</u>	<u>PLN million</u>	<u>Units</u>	<u>PLN million</u>	<u>Units</u>	<u>PLN million</u>	<u>G. Margin</u>
Gemini II	35	21.6	26	15.8	9	5.9	70	43.3	39.2%
Verdis I	32	16.3	7	3.6	18	9.4	57	29.3	31.8%
Sakura I and II	6	3.2	60	23.6	68	28.4	134	55.2	15.2%
Impressio I	8	2.7	5	2.2	6	2.7	19	7.6	-1.5%
Constans	2	2.0	4	4.2	2	1.9	8	8.1	-3.1%
Naturalis I,II and III	13	3.5	6	1.7	17	4.7	36	9.9	13.2%
Panoramika I	12	3.1	16	4.3	12	3.1	40	10.5	4.8%
Chilli I	6	1.7	3	0.9	3	1.0	12	3.6	6.4%
Other	N.A	0.1	N.A	0.2	N.A	0.2	N.A	0.5	43.3%
Total	114	54.2	127	56.5	135	57.3	376	168.0	21.7%

Balance Sheet / CF data:

- Positive operating CF during first 9 months 2013, i.e. PLN 45m, of which PLN 23m was recorded in 3Q and 20m was recorded in 2Q,
- Stable Net Debt position,
- „Land bank loans” gradually replaced by „construction project loans” and bonds; overall level of banking debt gradually decreasing since 2008.

Balance Sheet data (PLN m)			
	As of 30 September 2013	As of 31 Dec 2012	As of 31 Dec 2011
Equity	465.5	455.9	424.2
Banking debt	50.1	105.2	117.7
Floating rate bond	137.2	88.5	87.8
Loans from third parties (net)	4.7	6.2	-
Cash and cash equivalents	72.8	44.9	94.6
Inventory	617.3	668.1	631.3
Total Assets	765.5	786.5	766.0
Net Debt	119.2	155.0	110.9
Net debt / Equity	25.6%	34.0%	26.1%
Net debt / Total Assets	15.6%	19.7%	14.5%
Net assets per share (PLN)	1.71	1.67	1.56

Inventory as of 30 September 2013 - IAS 18

	PLN million
Finished goods	84.4
Ongoing projects	161.4
Land bank	371.5
Total	617.3

Finished projects

of which finished apartments / houses amount to PLN 76.5m, comprising:

- 226 units
- 16.5 thousand PUM

Attractive bank of lands
 (5,018 units, 326,500 PUM)

Categorised by city:

- Warsaw 2,239 units; 141,900 PUM
- Poznań 823 units; 47,400 PUM
- Wrocław 1,007 units; 67,500 PUM
- Szczecin 949 units; 69,700 PUM

Categorised by book value per PUM:

- Below PLN 1,000 109,700 PUM (34%)
- PLN 1,000 -2,000 192,600PUM (59%)
- Over PLN 2,000 24,200 PUM (7%)

Ongoing projects, of which:
Under construction:

Sakura III, Verdis II ,Verdis III, Espresso I , Espresso II, Chilli III, Impressio II and Młody Grunwald I.

Debt position as of 30 September 2013

	PLN million
Loans from third parties (net)	4.7
Floating rate bond	137.2
Banking debt - Projects under construction and Finished goods	15.4
Banking debt - Projects under preparation	34.7
Total	192.0

**Banking debt
Projects under construction**

Includes loans originally received for land purchases in Młody Grunwald project as well as the construction loan facilities.

Maturity of loans tailored to construction cycle of the projects.

Interest expense with respect to projects under construction are capitalized into inventory.

**Banking debt
Projects under preparation**

Interest expense with respect to non-running projects are capitalized into inventory.

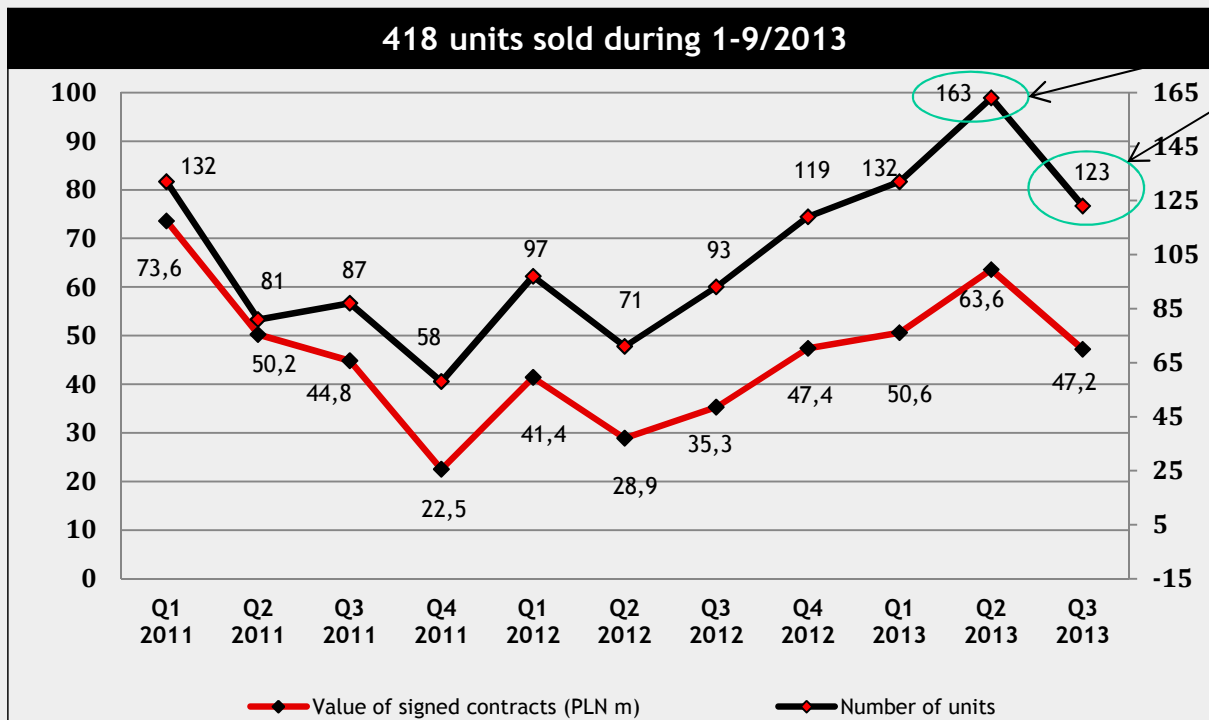
Floating rate bonds

The amount comprising a loan principal amount of:

- PLN 5.0 million tranche A (exp. April 2014)
- PLN 15.7 million tranche B (exp. April 2014)
- PLN 83.5 million tranche C (exp. June 2017)
- PLN 23.5 million tranche D (exp. June 2016)
- plus accrued interest minus one-time costs directly attributed to the bond issuance which are amortized based on the effective interest method.

The tranche C bonds are secured with the mortgage.

Interest expense with respect to the bonds are capitalized into inventory, based on the requirements of IAS 23 as indirect borrowing expenses.

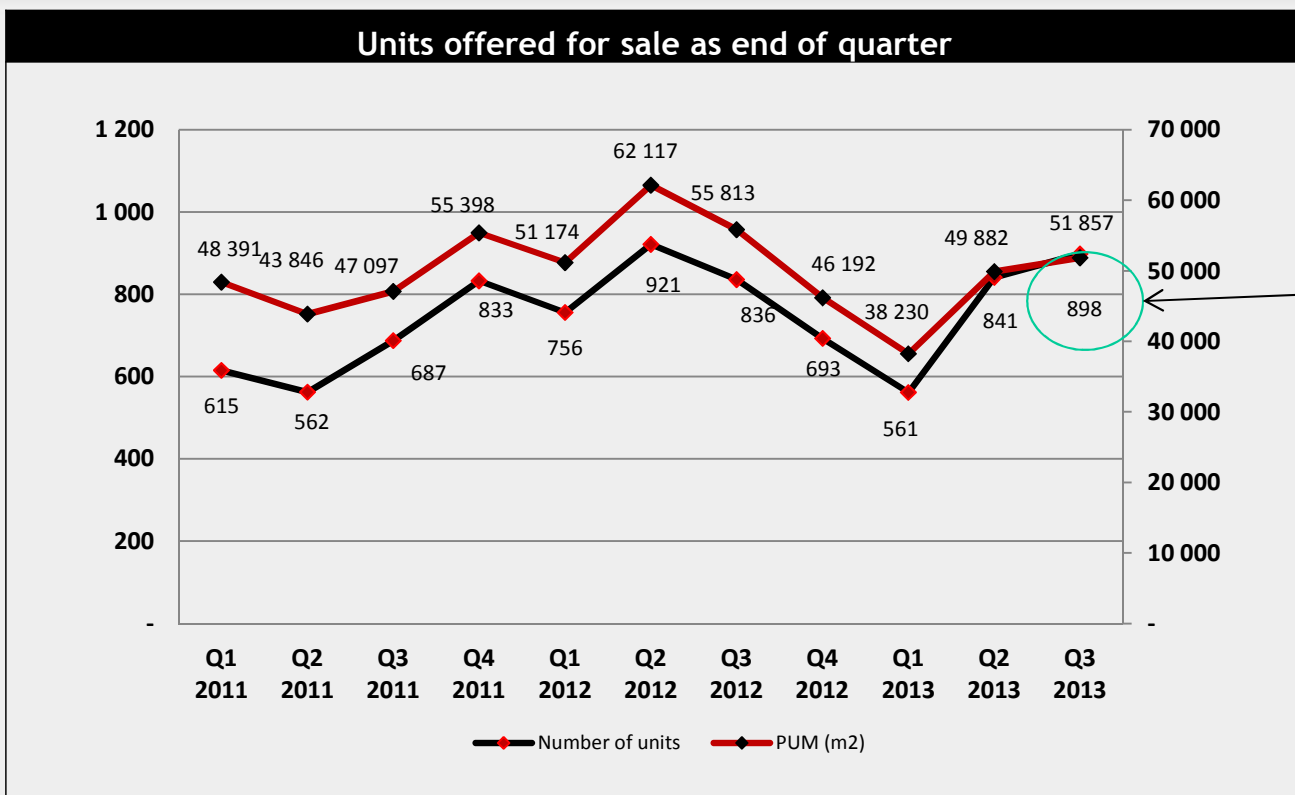


Sales results have been improving since the 3Q of 2012 until 2Q 2013, even despite shrinking offer and increasing competition.

2Q 2013 sales results were additionally boosted by high number of finished units while 3Q sales were more balanced between completed projects and projects under construction newly offered for sale.

Cumulative sales in last 9 months exceeded entire 2012 sales of 380 units, which was - so far - the best Ronson's annual result.

Number of units sold during 1-9/2013 (418 in total)			
Completed projects		Projects under construction	
Constans	12	Verdis II	32
Sakura I + II	94	Espresso I	83
Impressio I	17	Mtody Grunwald I	27
Chilli I + II	26	Sakura III	8
Naturalis I + II + III	32	Verdis III	5
Panoramika I	34	Espresso II	8
Gemini II	14		
Verdis I	26		
Total	255	Total	163



After record high offer exceeding 900 units as end of Q2 2012 the Company's offer declined during II half of 2012 and during I quarter of 2013 falling below 600 units.

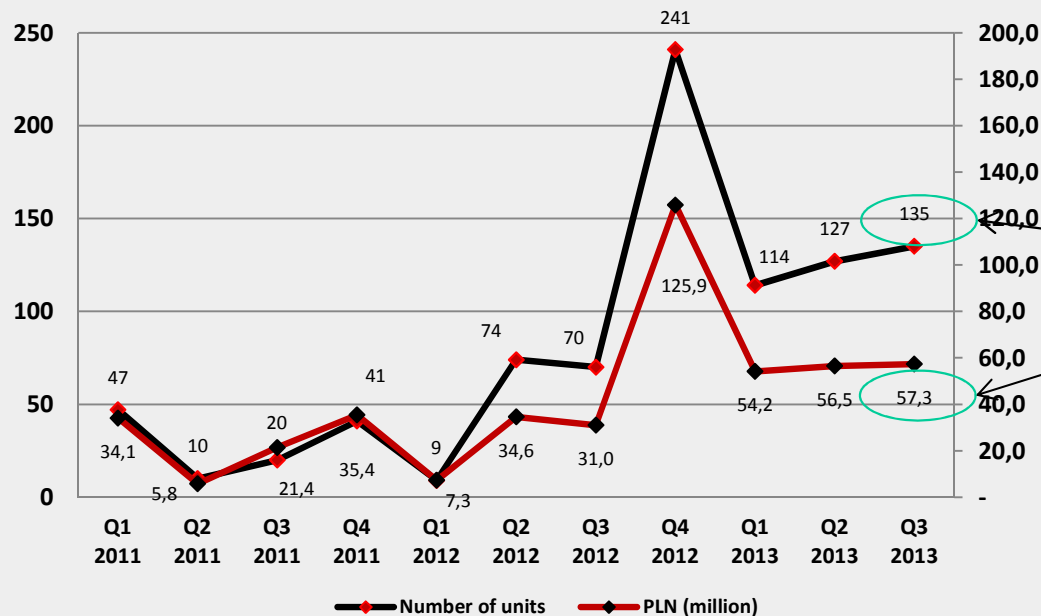
Company's offer substantially increased in 2Q 2013 due to introduction of next stages of such projects like Espresso (II), Sakura (III) and Verdis (III).

Completed units account for only 16% of the Company's offer and are spread in 8 locations (in 4 cities).

Units offered for sale (898 in total)

Completed projects		Projects under construction	
Constans	1	Verdis II	27
Sakura I + II	21	Espresso I	31
Impressio I	5	Mtody Grunwald I	96
Chilli I + II	3	Sakura III	137
Naturalis I + II + III	79	Verdis III	141
Panoramika I	23	Espresso II	144
Gemini II	2	Impressio II	142
Verdis I	8	Chilli III	38
Total	142	Total	756

Quarterly deliveries (revenues recognized in P&L)



Delivery of 135 units during 3Q 2013 and recognition of revenues in the amount of PLN 57.3 million was a very similar result to the ones achieved during previous two quarters.

Units sold but not delivered (387 units and PLN 126.7 million in total)					
Completed projects	Units	PLN million	Projects under construction	Units	PLN million
Constans	6	6.1	Verdis II	51	20.2
Sakura I + II	15	7.6	Espresso I	179	50.5
Impressio I	3	1.1	Mtody Grunwald I	52	13.3
Chilli I + II	21	6.6	Sakura III	8	2.2
Naturalis I + II + III	24	7.3	Verdis III	5	2.0
Panoramika I	4	1.2	Espresso II	8	2.2
Gemini II	4	2.8			
Verdis I	7	3.6			
Total	84	36.3	Total	303	90.4



**Brief summary of Company's achievements during first nine months of 2013
&
Outlook for the remainder of 2013**

The Company's achievements during first nine months of 2013 include:

- Pre-sales of 418 units, i.e. 60% yoy increase and better result than in entire 2012 (380 units sold);
- Issuance of corporate bonds in total amount of PLN 116m (series C, D and E) and repurchase (redemption) of bonds A and B (issued in 2011) in total amount of PLN 66.8m;
- Opening sales of 5 new projects (Verdis III, Sakura III, Espresso II, Impressio II and Chilli III), including 623 units in total;
- Completion of second stage of Sakura project, third stage of Naturalis and second stage of Chilli;
- Delivery of 376 units to our customers (114 in 1Q, 127 in 2Q and 135 in 3Q);
- Healthy margins and satisfactory profits, although average gross margin slightly below 20% during 2Q and 3Q;
- No one-time events nor adjustments;
- Positive operating cash-flow and stable net debt position.

The most recent developments:

- Buyout and redemption of all outstanding bonds series B (in October) in total amount of PLN 15.7m, due to earlier repurchase option utilized by the Company;
- Valid building permits obtained for Tamka (Warsaw) and Copernicus (Poznań at Kościelna Street).

The Company's plans for remainder of 2013 include:

- Further acceleration of pre-sales - to over 500 units during entire 2013;
- Completion of construction works in Verdis 2, comprising 78 units;
- Delivery of 70-150 units to our customers in 4Q and 450-500 units during entire 2013;
- Preparation and commencement of construction of 2 new projects in Warsaw (Tamka and Moko - previous name Magellan), representing a total of 255 units and commencement of construction of second stage of Panoramika project in Szczecin;
- Securing one more new plot in Warsaw;
- Further strengthening of Ronson's brand name.

Two new, attractive locations in Warsaw, including 255 units:



Tamka, Warsaw,
65 units, PUM 5,500 m²



Moko I (previous name Magellan), Warsaw (Magazynowa),
190 units, PUM 11,200 m²

Moreover the Company prepares further stage of Panoramika project in Szczecin (107 units, PUM 5,700m²)

Total number of units completed but not delivered to customers, as of 30 September 2013, amounted to 226, of which 84 were sold and 142 were available for sale.

Moreover the Company plans completion of construction of 78 units during IVQ 2013, of which as of end of September 2013, 51 units were sold and 27 were available for sale.

Projects that may contribute to P&L during the remainder of 2013

<u>Name of project</u>	<u>Completion Date</u>	<u>Signed contracts</u>		<u>Units for sale (no.)</u>	<u>Gross margin (%)</u>
		<u>(PLN million)</u>	<u>Units sold (no.)</u>		
Gemini II	Completed	2.8	4	2	39.2%
Verdis I	Completed	3.6	7	8	31.8%
Sakura I and II	Completed	7.6	15	21	15.2%
Naturalis I, II and III	Completed	7.3	24	79	13.2%
Panoramika I	Completed	1.2	4	23	4.8%
Constans	Completed	6.1	6	1	-3.1%
Impressio I	Completed	1.1	3	5	-1.5%
Chilli I and II	Completed	6.6	21	3	6.4%
Verdis II	2013	20.2	51	27	n/a
Total		56.5	135	169	



Appendix



- Real estate company with nearly 50 years' experience in various housing and commercial projects, listed in Tel-Aviv
- 11,000 apartments, 400,000 sq. m. of offices, 350,000 sq. m. of shopping centres and 1,700 hotel rooms built in the last decade
- Since April 2011, controlled by Gazit Globe - One of the largest owners and operators of supermarket-anchored shopping centers in the world.



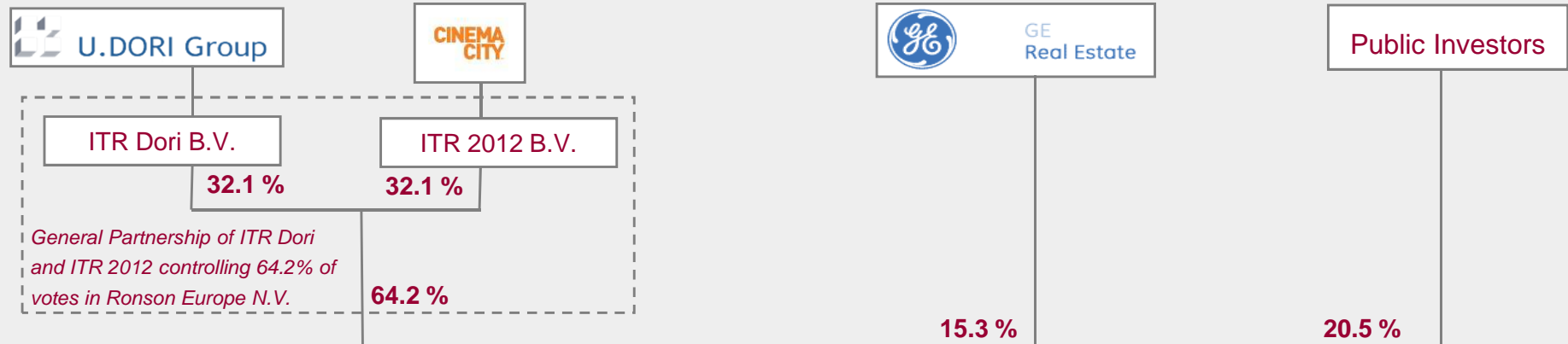
- Cinema City International NV
- the 3rd largest cinema operator in Europe spanning 7 countries. The largest cinema operator in the CEE region and in Israel with 100 multiplexes and 957 screens,
 - substantial expertise in development of commercial real estate projects in Poland and in Bulgaria,
 - developer of successful own large standalone cinema projects.



- A subsidiary of GE Commercial Finance; one of the fastest growing units within the GE group
- A leading source of innovative real estate capital solutions, leveraging on the capital strength, industry knowledge and global expertise of parent

- Public investors include two Polish pension funds:

- Amplico OFE (holding 5-10%)
- ING OFE (holding 5-10%)



- In July 2013, I.T.R. 2012 B.V. and I.T.R. Dori B.V. entered into an agreement with GE Real Estate CE Residential B.V. whereby I.T.R. 2012 B.V. and I.T.R. Dori B.V. shall acquire from GE Real Estate Residential B.V. its 15.3% stake of the shares in the Company. Each of I.T.R. 2012 B.V. and I.T.R. Dori B.V. will acquire 7.65% of shares in the Company. Completion of this transaction is expected to occur in November 2013 subject to the satisfaction of some conditions precedent.



**Shraga Weisman (62)**

- CEO, President of the Management Board
- 1997- 2008 Ashdar Building Company LTD; CEO of the one of largest real-estate development companies in Israel focusing on residential and commercial projects, hotels and protected accommodation projects
- 1990- 1997 - CEO of the company focusing on residential projects in Natanya

**Tomasz Lapinski (37)**

- Chief Financial Officer
- 2000 - 2008 - investment banking division of UniCredit Group (formerly CA IB)
- 1998 - 2000 - Central Europe Trust (consulting)

**Andrzej Gutowski (43)**

- Sales and Marketing Director
- 2003 - present - Ronson Europe N.V. (Sales and Marketing Manager)
- 1994 - 2003 - Emmerson Sp.zo.o. (leading real estate agency & advisory company in the Polish market); Director of Primary Markets; member of the management board

**Israel Greidinger (52)**

- Member of the Management Board
- Chief Financial Officer of Cinema City N.V. since 1995;
- Director of Israel Theatres Limited since 1994
- Since 1985 to 1992 served as Managing Director of C.A.T.S. Limited (Computerised Automatic Ticket Sales), a London Company and since 1992 to 1994 he was President and Chief Executive Officer of Pacer C.A.T.S. Inc.

**Ronen Ashkenazi (51)**

- Member of the Management Board
- CEO of Gazit Globe Israel Development Ltd
- Previously co-owner of „Rokah Ashkenazi Engineers”, Structural Engineering and Project Management Company.

**Pierre Decla (37)**

- Member of the Management Board
- Started his career with Ernst & Young and joined GE in 2001.
- He is currently CFO for GE Real Estate in Germany and Central and Eastern Europe. Mr. Decla has been part of the GE European Real Estate business since 2007.