

Press Release

Warsaw, August 4th, 2016

Ronson Europe improves its financial results Excellent prospects for the 2nd half

- During the first half of 2016 Ronson Europe generated PLN 111.2 million revenue compared to PLN 94.2 million a year earlier, which means an increase of 18.1%:
 - The Company has handed over 276 flats with a total area of 15.9 thousand m², while a year before the Company handed over 270 flats with an area of 14.3 thousand m².
- In the first half of 2016 the gross profit on sales amounted to PLN 19.9 million compared to PLN 16.9 million a year earlier, which means an increase of 17.8%:
 - In the first half year the gross margin on sales amounted to 17.9% and it had been at a similar level a year earlier.
 - The first half results were mainly affected by the Warsaw projects completed in the second quarter, i.e. Moko I and Espresso II.
- The net profit attributable to the parent company shareholders in the first half of 2016 amounted to PLN 0.7 million compared to PLN 2.4 million a year earlier.
- In 2016 Ronson is going to hand over a total of approx. 1000 flats to its customers, which should translate into a significant improvement of its financial results in relation to 2015.

- As previously announced, the second quarter brought an expected improvement, which was possible thanks to completion of the two key projects in Warsaw. However, Ronson's prospects for the second half of 2016 are much better. We assume that over the entire 2016 we can give keys to approx. 1000 flats and thus improve the last year results significantly - Tomasz Łapiński, Ronson Financial Director, has said.

Sale of flats

During the first half of 2016 Ronson sold 362 units compared to 410 units in the same period 2015. The most popular ones were the flats sold in Warsaw projects such as Espresso (89 sold units) and City Link (79 units). The slightly lower sale results in the first half of 2016 were related to the Company's limited offer at that time. Ronson expects a significant improvement in sales during the second half of 2016 as it has expanded its offer greatly with new investments and next stages of the already implemented projects. Ronson's target for 2016 is to sell more than 900 units.

The implemented and planned investments

During the first half of 2016 Ronson started implementation of seven projects comprising a total of 921 flats, including two completely new investments in Warsaw: Nova Królikarnia in the Mokotów District and Miasto Moje in the Białołęka District. Their sale started last July. At the end of June the offer of Ronson included approx.

1130 flats, whereas in July, thanks to the projects specified above, the offer range increased by next 311 flats.

There are three other investments comprising more than 360 flats the sale of which is to start by the end of the year. The company is also planning a new project in Wrocław - Marina Miasto nad Odrą located at Na Grobli Street as well as next stages of the Miasto Moje and Naturalis projects.

Good prospects for the second half of 2016

In respect of the number of handed-over flats and the financial results, this year is going to be even better than 2015.

In 2016 Ronson can hand over a total of approx. 1000 flats (276 have been already handed over during the first six months of 2016). The basis of next hand-overs during the next quarters will be approx. 310 flats in investments that have already been completed as well as flats that should be completed this year. It is a total of more than 1030 flats, and 740 of them were already sold at the end of the first year-half.

The financial results have been presented in the table below

Financial results (in PLN million)	1-st half of 2016	1-st half of 2015	Change	2-nd quarter of 2016	2-nd quarter of 2015	Change
Revenue	111.2	94.2	+18%	69.4	53.8	+29%
Gross profit on sales	19.9	16.8	+18%	15.9	12.2	+30%
Operating profit	4.4	5.3	-17%	8.7	7.7	+8%
Net profit*	0.7	2.4	-30%	5.0	5.2	-4%

* Net profit attributable to parent company shareholders

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