

Record high profits of Ronson Development in 2016

- **The total revenue of Ronson Group for 2016 amounted to nearly PLN 485 million, representing a 72% increase compared to 2015.**
 - The sale of the Nova Królikarnia project for a total of PLN 175 million had a significant impact on the last year results. Without this transaction, the Ronson Group revenue reached nearly PLN 310 million and it was 10% higher than a year before.
 - In 2016 Ronson Development delivered 781 flats, i.e. 12% more than in 2015 when 696 flats were delivered.
- **The gross profit on sales achieved in 2016 amounted to PLN 118.7 million compared to PLN 51.3 million in 2015, representing an increase by 131%.**
 - The sale of the Nova Królikarnia project increased the Ronson Group's gross profit by PLN 57.2 million. If we do not take the Nova Królikarnia's sale into consideration, the gross profit amounted to PLN 61.5 million, i.e. 20% more than in 2015.
 - In 2016 the gross margin on the implemented projects went up to 19.9% in relation to 18.2% a year earlier, and taking the sale of Nova Królikarnia into account, the gross margin reached 24.5% (the gross margin on only the Warsaw project sale transaction amounted to 32.7%).
- **The Ronson Group finished 2016 with net profit attributable to the parent company shareholders of PLN 64.5 million. This result is over three times higher than in 2015 when the net profit amounted to PLN 19.3 million.**

– *The net profit of more than PLN 64 million in 2016 is by far the best result in the history of Ronson Development. The sale of the Nova Królikarnia project last December contributed greatly to this result, enabling us to take a substantial profit from this project immediately and not over the next few years. In this transaction we achieved a very good gross margin of almost 33%. However, what matters is the fact that Ronson Development's last year results were clearly better than the results for 2015, also if we don't take the Nova Królikarnia's sale into consideration. This results both from the increase in the number of the flats delivered, which reached a record level of 781 units, and from the increase in the average margin on these projects from 18.2% to 19.9%. Our Moko and Espresso projects in Warsaw and the Kamienica Jeżyce project in Poznań contributed the most to the results for 2016 - Tomasz Łapiński, Ronson Development Board Member and Financial Director, has said.*

The sale of flats: a slight decrease in numbers, an increase in terms of value

In 2016 Ronson Development sold 821 flats, i.e. slightly below its original assumptions for 2016, however, it is still the second best result in the Company's history (after the record-breaking 2015 when Ronson managed to sell as many as 906 flats). Nevertheless, the total value of the flats sold last year was higher than a year before and it amounted to PLN 365.4 million compared to PLN 338.6 million in 2015, representing an increase by 8%. This results from the fact that the average price of flats sold last year went up to approx. PLN 445 thousand whereas in 2015 the average price amounted to approx. PLN 374 thousand.

Seven projects being prepared for 2017

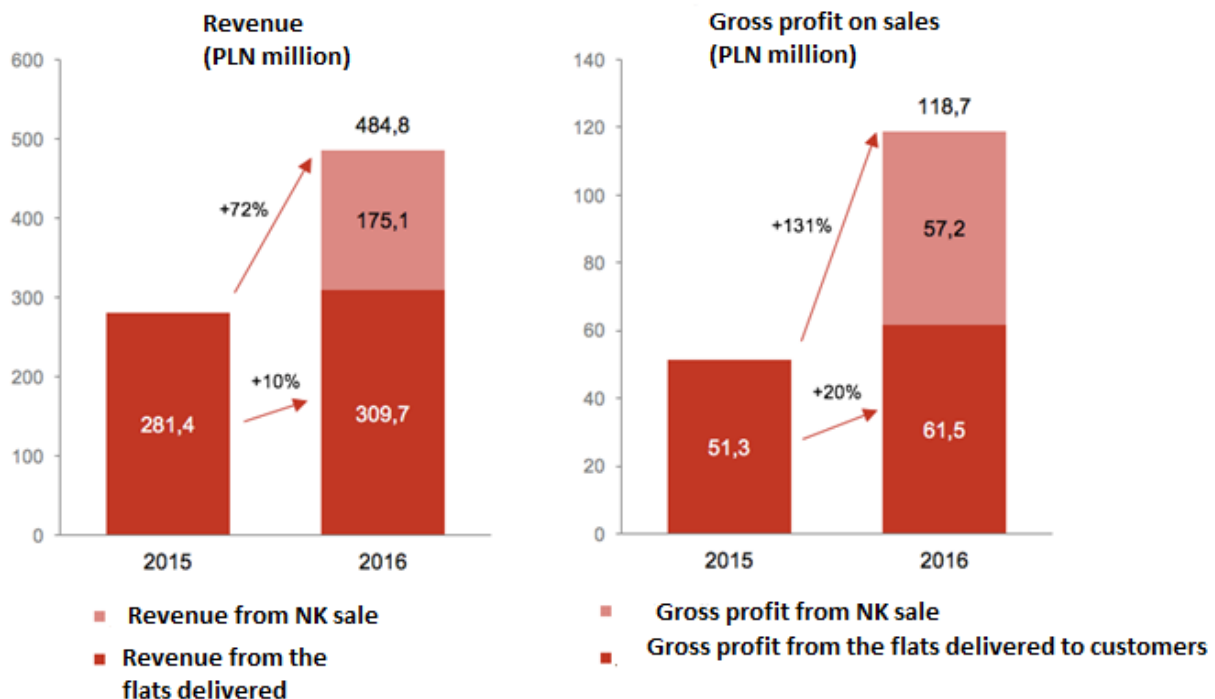
At the end of 2016 the Ronson Development's offer included a total of 930 flats (excluding the units offered for sale in the Nova Królikarnia project which was sold at the end of 2016 but which has still been managed by the Company).

In 2017 Ronson Development is going to enrich its offer by starting seven investments. Four of them are subsequent stages of already implemented projects. They are: the 5th stage of the Chilli estate in Tulce near Poznań (39 houses), the 4th stage of the Panoramika project in Szczecin (107 flats), the second stage of the Miasto Moje residential estate in Warsaw (147 flats) and the second stage of the Vitalia residential estate in Wrocław (84 flats). What is more, this year Ronson Development may start to implement three completely new investments. They are: Marina Miasto in Wrocław (151 flats), the Bułgarska project in Poznań (264 flats) as well as the Skierniewicka bis project in Warsaw (263 flats in the first stage) which is located in the Wola District near the best-selling project named City Link.

A great number of sold flats waiting for their handover

The prospects for 2017 are very good in respect of the expected number of flats delivered to customers, which is going to enable the Company to record the revenue and profits from their sale. At the end of 2016 the already implemented projects comprised 530 flats to be handed over, 332 of which were already sold and they are mostly going to be delivered to their owners in the first quarter of 2017. Furthermore, in 2017 Ronson Development is going to complete its construction of six projects comprising a total of 882 flats, 410 of which were already sold at the end of 2016.

The influence of the Nova Królikarnia project's sale on the results of Ronson Europe



Selected consolidated financial results of Ronson Europe

	4th quarter 2016	4th quarter 2015	Change y/y	2016	2015	Change y/y
Revenue from sales	282.2	118.8	+138%	484.8	281.4	+72%
Gross profit on sales	77.6	27.2	+185%	118.7	51.3	+131%
Net profit ¹⁾	53.7	17.3	+210%	64.5	19.4	+232%

1) Net profit attributable to parent company shareholders

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