Ronson Europe N.V.

Interim Financial Report
for the three months
ended
31 March 2015

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Directors' Report

General

Introduction

Ronson Europe N.V. ('the Company') is a Dutch public company with its statutory seat in Rotterdam, the Netherlands, and was incorporated on 18 June 2007.

The Company (together with its Polish subsidiaries, 'the Group') is active in the development and sale of residential units, primarily apartments, in multi-family residential real-estate projects to individual customers in Poland. For information about companies in the Group whose financial data are included in the Condensed Consolidated Financial Statements see Note 7 of the Condensed Consolidated Financial Statements.

The shares of the Company are traded on the Warsaw Stock Exchange since 5 November 2007. As at 31 March 2015, 39.78% of the outstanding shares are controlled by I.T.R. 2012 B.V., which is an indirect subsidiary of Global City Holdings N.V. ('ITR 2012') (32.11% through a jointly controlled partnership formed under Dutch law between ITR 2012 and ITR Dori B.V. and 7.67% through a jointly controlled company formed under Dutch law between ITR 2012 and U. Dori Group) and 39.78% of the outstanding shares are controlled by U. Dori Group Ltd. ('U Dori Group') (32.11% through a jointly controlled partnership formed under Dutch law between ITR 2012 and ITR Dori B.V. (of which it holds 50% of the shares) and 7.67% through a jointly controlled company formed under Dutch law between ITR 2012 and U. Dori Group). The remaining 20.44% of the outstanding shares are held by other investors including Metlife Otwarty Fundusz Emerytalny holding between 3% and 5% and ING Otwarty Fundusz Emerytalny holding between 5% and 10% of the outstanding shares as of the date of this report. For major shareholders of the Company reference is made to page 20. On 4 May 2015, the market price was PLN 1.49 per share giving the Company a market capitalization of PLN 405.8 million.

Company overview

The Company is an experienced, fast-growing and dynamic residential real estate developer expanding its geographic reach to major metropolitan areas across Poland. Leveraging upon its large portfolio of secured sites, the Company believes it is well positioned to maintain its position as a leading residential development company throughout Poland.

The Company aims to maximize value for its shareholders by a selective geographical expansion in Poland as well as by creation of a portfolio of real estate development properties. Management believes the Company has positioned itself strongly to navigate the volatile economic environment the Company has found itself in over the past several years. On the one hand, the Polish economy appears to remain stable, which potentially bodes well for the Company's prospects. On the other hand, the tenuous European recovery, exacerbated in the last year by the instability in the Ukraine, may continue to have a negative impact on the Polish economy and the Company's overall prospects. As a result, the Company continues to adhere to a development strategy that allows it to adjust quickly to these uncertain conditions by spreading risks through (i) closely monitoring its projects, (ii) potentially modifying the number of projects and their quality and sizes and (iii) maintaining its conservative financial policy compared to other regional residential developers.

As at 31 March 2015, the Group has 991 units available for sale in eleven locations, of which 852 units are available for sale in nine projects that are ongoing as at 31 March 2015 and the remaining 139 units are in completed projects. The nine ongoing projects comprise a total of 1,435 units, with a total area of 86,300 m^2. The constructions of 530 units with a total area of 32,700 m^2 are expected to be completed during the remainder of 2015, while 905 units, with a total area of 53,600 m^2 are expected to be completed during 2016. In addition, the Group has a pipeline of 18 projects in different stages of preparation, representing approximately 4,053 residential units with a total area of approximately 305,800 m^2 for future development in Warsaw, Poznań, Wrocław and Szczecin. During the remainder of 2015, the Group is considering commencement of another five stages of the currently running projects comprising 557 units with a total area of 30,400 m^2, and the first phases of three new projects for one of which also the second phase is being considered to commence in 2015, comprising 524 units with a total area of 28,700 m^2 (in total of 1,081 units with a total area of 59,100 m^2).

During the three months ended 31 March 2015, the Company realized sales of 186 units with the total value PLN 71.9 million which compares to sales of 206 units with a total value of PLN 84.8 million during the three months ended 31 March 2014.

Market overview

The Polish economy has proven to be relatively strong even in the recent turbulent times throughout Europe, which in combination with the general paucity of dwellings in Poland (in comparison to all other European countries) creates, what management believes to be, solid long term prospects for further development of the residential real estate market in spite of the volatility that has characterized the market for the past seven years. Management believes the Company is well positioned to adapt to changing market conditions. The Company's sales results during the past six years seem to confirm that the Company has consistently adapted positively to the volatile market environment.

The trend observed in 2010 and in 2011, when increasing activities of developers resulted in an increased offer of apartments available for sale on the market, slowed down in 2012, as many developers faced difficulties in finding customers for their products. In 2012, the construction of 142 thousand new apartments was commenced in Poland (a decrease of 12% compared to 2011) and during 2013 this number decreased by a further 10%. Even as construction continued to decrease through 2013, the overall market appeared to turn around during that year. Notably, demand in 2013 increased in comparison to 2012. As a result, the number of new construction sites increased during 2014 by 16%. It is important to note that the number of new projects built by developers increased during 2014 by 36%, while the activity of individual investors increased by 2%. The market data suggest that leading residential developers (such as the Company) were able to overcome many factors that otherwise tempered rapid growth in the market during 2013, with the main impediment to growth related to new regulations and banking restrictions that came into effect in 2012 that limited the developers' ability to secure financing for new investments.

Meanwhile, a number of external factors have contributed to recent market growth. First, a governmental program that subsidized young couples purchasing their first apartments, called "Rodzina na Swoim" ("Family on its own") that expired at the end of 2012 was replaced with a new governmental program called "Mieszkanie dla Młodych" ("Apartment for young") that came into effect in the beginning of 2014 and supports the residential market in those cities where the maximum price of apartment qualifying to subsidies is close to the market price. For instance in Gdańsk, Łódź and Poznań nearly 30% of clients buying their first apartments in 2014 were supported by this program, which was also important to the Company, which is active with 3 projects in Poznań. Second, in the last few quarters, the National Bank of Poland has kept interest rates at record low levels (2.5% from July 2013 through September 2014 and lowered to 2.0% in October 2014). These historically low interest rates in 2013 and in 2014 positively impacted the residential market for two reasons. First, mortgage loans became more affordable to the potential residential purchasers and second, more customers are purchasing apartments for cash, as they consider real estate investment as an attractive alternative to the very low interest earned on banking deposits.

Taking into consideration all these factors, the increase in demand for residential units noted in 2013 and in 2014 has caught up with supply. The improving market environment has encouraged developers to expand their residential development activities. During 2014 developers introduced more new apartments in major Polish metropolitan areas to their offer than they were able to sell in this period (47,500 new apartments in six major Polish metropolitan areas, including Warsaw, were added on offer by developers during 2014 which compares to total sales of 43,000 apartments during 2014). The number of total new apartments sold in Warsaw during 2014 amounted to 17,000 which was 16% higher than in 2013. The number of new apartments sold in the five major Polish metropolitan areas (other than Warsaw) increased in 2013 by 16% over 2012, while during 2014 this increase amounted to 22% compared to 2013. The continuing positive market trends in 2014 translated into ongoing improved sales results and an overall increase in market share for the most established Polish residential developers. Specifically, the overall sales results during 2014 reported by the nine largest residential developers listed on the Warsaw Stock Exchange were 35% higher than during 2013.

Market overview (cont'd)

The first quarter of 2015 seems to confirm a continuation of the trends observed during 2014, which are supported by a further decrease of interest rates (from 2.00% to 1.50% in March 2015) and a further stabilization in the Polish economy. Despite the more stringent requirement by the banks offering mortgage loans to private individuals whereby the obligatory equity input by mortgage applicants has been raised to 10% of purchased flat value, the sales results in first quarter of 2015 in all major Polish cities improved when compared to the same period in 2014. Total sales volume in the six major primary housing markets in Poland increased by 2.2% (to 11.500 units) when compared to the first quarter of 2014 (according to REAS – real estate agency analyzing the residential market). Simultaneously, according to the Polish Statistical Office, the number of newly started construction sites by developers increased by 8% year over year. Moreover, the number of building permits obtained by developers in this period was higher by 13% in comparison to the first quarter of 2014.

Management believes that all the above factors, particularly taking into account the significantly improving sales results reported during the last few quarters both for the Company and for the Polish market as a whole, suggest that there is on-going strength in the Polish residential market for at least the following several quarters.

Business highlights during the three months ended 31 March 2015

A. Projects completed

The table below presents information on the projects that were completed (i.e. completing all construction works and receiving occupancy permit) during the three months ended 31 March 2015:

Project name	Location	Number of units	Area of units (m^2)
Verdis III (*)	Warsaw	146	7,700
Sakura III (*)	Warsaw	145	7,300
Total		**291**	**15,000**

(*) For additional information see section 'B. Results breakdown by project' below.

B. Results breakdown by project

Revenue from the sale of residential units is recognized upon the transfer to the buyer of significant risks and rewards of the ownership of the residential unit, i.e. upon signing of the protocol of technical acceptance and the transfer of the key to the buyer of the residential unit. Total revenue of the Group recognized during the three months ended 31 March 2015 amounted to PLN 40.4 million, whereas cost of sales amounted to PLN 35.8 million, which resulted in a gross profit amounting to PLN 4.6 million with a gross margin of 11.4%.

The following table specifies revenue, cost of sales, gross profit and gross margin during the three months ended 31 March 2015 on a project by project basis:

	Information on the delivered units		Revenue (*)		Cost of sales (**)		Gross profit	Gross margin
Project name	**Number of units**	**Area of units (m^2)**	**PLN (thousand)**	**%**	**PLN (thousand)**	**%**	**PLN (thousand)**	**%**
Sakura I & II	2	199	1,576	3.9%	1,416	4.0%	160	10.2%
Sakura III	94	4,451	31,398	77.8%	27,760	77.5%	3,638	11.6%
Verdis I & II	-	-	16	0.0%	11	0.0%	5	31.3%
Verdis III	3	147	972	2.4%	709	2.0%	263	27.1%
Chilli I, II & III	16	1,010	4,131	10.2%	3,973	11.1%	158	3.8%
Naturalis I, II & III	5	294	1,561	3.9%	1,428	4.0%	133	8.5%
Młody Grunwald I	1	54	308	0.8%	296	0.8%	12	3.9%
Espresso I	-	-	51	0.1%	40	0.1%	11	21.6%
Other	N.A	N.A	383	0.9%	169	0.5%	214	55.9%
Total / Average	**121**	**6,155**	**40,396**	**100.0%**	**35,802**	**100.0%**	**4,594**	**11.4%**

(*) Revenue is recognized upon the transfer of significant risks and rewards of the ownership of the residential unit to the buyer, i.e. upon signing of the protocol of technical acceptance and the transfer of the key of the residential unit to the buyer.

(**) Cost of sales allocated to the delivered units proportionally to the expected total value of the project.

Sakura I, II & III

The construction of the Sakura I, Sakura II and Sakura III projects was completed in May 2012, May 2013 and January 2015, respectively. The Sakura I, Sakura II and Sakura III projects were developed on a land strip of 16,300 m^2 located in Warsaw at Kłobucka Street. The Sakura I project comprises an eleven-storey, multi-family residential building with a total of 99 apartments and 21 commercial units and an aggregate floor space of 8,100 m^2. The Sakura II project comprises a seven and eleven-storey, multi-family residential building with a total of 136 apartments and an aggregate floor space of 8,300 m^2. The Sakura III project comprises a six-and-seven-storey, multi-family residential building with a total of 145 apartments and an aggregate floor space of 7,300 m^2.

Business highlights during the three months ended 31 March 2015 (cont'd)

B. Results breakdown by project (cont'd)

Verdis I, II & III

The construction of the Verdis I, Verdis II and III projects was completed in December 2012, December 2013 March 2015, respectively. The Verdis I, Verdis II and Verdis III projects were developed on a land strip of 13,700 m^2 located in the Wola district in Warsaw at Sowińskiego Street. The Verdis I project comprises 3 seven, eight and ten-storey, multi-family residential buildings with a total of 128 apartments and 11 commercial units and an aggregate floor space of 9,400 m^2. The Verdis II project comprises 2 seven-storey, multi-family residential buildings with a total of 72 apartments and 6 commercial units and an aggregate floor space of 4,900 m^2. The Verdis III project comprises 2 seven-and-eleven-storey, multi-family residential buildings with a total of 140 apartments and 6 commercial units and an aggregate floor space of 7,700 m^2.

Chilli I, II & III

The construction of the Chilli I, II and III projects was completed in July 2012, in July 2013 and in November 2014, respectively. The Chilli I, II and III projects were developed on a land strip of 12,360 m^2 located in Tulce near Poznań. The Chilli I, II and III projects comprise 30 units with an aggregate floor space of 2,100 m^2, 20 units with an aggregate floor space of 1,600 m^2 and 38 units with an aggregate floor space of 2,300 m^2, respectively.

Naturalis I, II & III

The construction of the Naturalis I, II and III projects was completed in December 2012, August 2012 and August 2013, respectively. The Naturalis I, II and III projects were developed on a land strip of 11,800 m^2 located in Łomianki near Warsaw. The Naturalis I, II and III projects comprise 1 four-storey, multi-family residential building with a total of 52 apartments and an aggregate floor space of 2,900 m^2 and 2 four-storey, multi-family residential buildings, each with a total of 60 apartments and an aggregate floor space of 3,400 m^2.

Młody Grunwald I

The construction of the Młody Grunwald I project was completed in May 2014. The Młody Grunwald I project was developed on a land strip of 5,600 m^2 located in Grunwald district in Poznań at Jeleniogórska Street. The Młody Grunwald I project comprises 3 six-storey, multi-family residential buildings with a total of 136 apartments and 12 commercial units and an aggregate floor space of 8,500 m^2.

Espresso I

The construction of the Espresso I project was completed in February 2014. The Espresso I project was developed on a land strip of 4,200 m^2 located in Wola district in Warsaw at Jana Kazimierza Street. The Espresso I project comprises 2 seven-eight-nine-and-ten-storey, multi-family residential buildings with a total of 202 apartments and 8 commercial units and an aggregate floor space of 9,500 m^2.

Other

Other revenues are mainly associated with sales of the parking places and storages in other projects that were completed in previous years, as well as rental revenues.

Business highlights during the three months ended 31 March 2015 (cont'd)

C. Units sold during the year

The table below presents information on the total units sold (i.e. total number of units for which the Company signed the preliminary sale agreements with the clients), during the three months ended 31 March 2015:

Project name	**Location**	**Units sold until 31 December 2014**	**Units sold during the three months ended 31 March 2015**	**Units for sale as at 31 March 2015**	**Total**
Verdis I & II (*)	Warsaw	209	-	8	217
Verdis III (*)	Warsaw	135	1	10	146
Verdis IV (**)	Warsaw	41	15	22	78
Sakura I & II (*)	Warsaw	245	3	8	256
Sakura III (*)	Warsaw	101	7	37	145
Sakura IV (**)	Warsaw	46	15	53	114
Naturalis I, II & III (*)	Warsaw	129	3	40	172
Impressio II (**)	Wrocław	38	16	82	136
Chilli I, II & III (*)	Poznań	74	5	9	88
Panoramika II (**)	Szczecin	15	6	86	107
Espresso I (*)	Warsaw	207	-	3	210
Espresso II (**)	Warsaw	74	2	76	152
Espresso III (**)	Warsaw	-	7	148	155
Młody Grunwald I (*)	Poznań	125	4	19	148
Młody Grunwald II (**)	Poznań	35	14	88	137
Tamka (**)	Warsaw	37	2	26	65
Moko I (**)	Warsaw	89	18	71	178
Moko II (**)	Warsaw	-	27	142	169
Kamienica Jeżyce I (**)	Poznań	45	41	58	144
Old projects		-	-	5	5
Total		**1,645**	**186**	**991**	**2,822**

(*) For information on the completed projects see "Business highlights during the three months ended 31 March 2015 – B. Results breakdown by project"(pages 4-5).

(**) For information on current projects under construction and/or on sale, see "Outlook for the remainder of 2015 – B. Current projects under construction and/or on sale" (pages 14-17).

D. Commencements of new projects

The table below presents information on the projects for which the construction and/or sales process commenced during the three months ended 31 March 2015:

Project name	**Location**	**Number of units**	**Area of units (m^2)**
Espresso III (*)	Warsaw	155	8,500
Moko II (*)	Warsaw	169	12,600
Total		**324**	**21,100**

(*) For information on current projects under construction and/or on sale, see "Outlook for the remainder of 2015 – B. Current projects under construction and/or on sale" (pages 14-17).

Financial information

The Interim Condensed Consolidated Financial Statements as included in this Interim Financial Report on pages 22 through 45 have been prepared in accordance with IAS 34 "Interim financial reporting".
The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in annual consolidated financial statements prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS") and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2014 which have been prepared in accordance with IFRS. At the date of authorization of these Interim Condensed Consolidated Financial Statements, in light of the current process of IFRS endorsement in the European Union and the nature of the Group's activities, there is no difference between the full IFRSs and the IFRSs endorsed by the European Union. IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). For additional information, see Note 3 of the Interim Condensed Consolidated Financial Statements.

Overview of results

The net loss attributable to the equity holders of the parent company for the three months ended 31 March 2015 was PLN 2,744 thousand and can be summarized as follows:

	For the three months ended 31 March	
	2015	**2014**
	PLN (thousands, except per share data)	
Revenue	40,396	65,915
Cost of sales	(35,802)	(52,514)
Gross profit	**4,594**	**13,401**
Selling and marketing expenses	(1,695)	(1,908)
Administrative expenses	(4,492)	(5,148)
Share of profit/(loss) of associates	(41)	(134)*
Other expense	(914)	(801)
Other income	194	65
Result from operating activities	**(2,354)**	**5,475**
Finance income	449	529*
Finance expense	(1,551)	(933)
Net finance income/(expense)	**(1,102)**	**(404)**
Profit/(loss) before taxation	**(3,456)**	**5,071**
Income tax benefit/(expenses)	647	(273)
Net profit/(loss) for the period before non-controlling interests	**(2,809)**	**4,798**
Non-controlling interests	65	(632)
Net profit/(loss) for the period attributable to the equity holders of the parent	**(2,744)**	**4,166**
Earnings per share attributable to the equity holders of the parent (basic and diluted)	**(0.010)**	**0.015**

** Reclassified (PLN 136 thousand) offsetting net results of the joint venture with intercompany interest during the period*

Overview of results (cont'd)

Revenue

Total revenue decreased by PLN 25.5 million (38.7%) from PLN 65.9 million during the three months ended 31 March 2014 to PLN 40.4 million during the three months ended 31 March 2015, which is primarily explained by a decrease in apartments delivered to the customers in terms of area size (in m^2). The decrease is offset in part by a slight increase in the average selling price per m^2.

Cost of sales

Cost of sales decreased by PLN 16.7 million (31.8%) from PLN 52.5 million during the three months ended 31 March 2014 to PLN 35.8 million during the three months ended 31 March 2015, which is primarily explained by a decrease in apartments delivered to the customers in terms of area size (in m^2). The decrease is offset in part by a slight increase in the average cost of sale per m^2.

Gross margin

The gross margin during the three months ended 31 March 2015 was 11.4% which compares to a gross margin during the three months ended 31 March 2014 of 20.3%. The majority of revenues and costs of sales (and therefore also gross profit margin) recognized during the three months ended 31 March 2015 was related to Sakura III project which was less profitable than the projects delivered to the customers during three months ended 31 March 2014 (mainly Verdis II and Espresso I).

Selling and marketing expenses

Selling and marketing expenses decreased by PLN 0.2 million (11.2%) from PLN 1.9 million for the three months ended 31 March 2014 to PLN 1.7 million for the three months ended 31 March 2015.

Administrative expenses

Administrative expenses decreased by PLN 0.6 million (12.7%) from PLN 5.1 million for the three months ended 31 March 2014 to PLN 4.5 million for the three months ended 31 March 2015. The decrease is primarily explained by the impact the Company's incentive plan (for additional information see note 12 to the Interim Condensed Consolidated Financial Statements).

Result from operating activities

As a result of the factors described above, the Company's operating result decreased by PLN 7.8 million, from an operating profit of PLN 5.5 million for three months ended 31 March 2014 to an operating loss of PLN 2.3 million for three months ended 31 March 2015.

Overview of results (cont'd)

Net finance income/(expense)

Finance income/(expense) is accrued and capitalized as part of the cost price of inventory to the extent this is directly attributable to the construction of residential units. Unallocated finance income/(expense) not capitalized is recognized in the statement of comprehensive income.

The table below shows the finance income/(expense) before capitalization into inventories and the total finance income/(expenses) capitalized into inventories:

	For the three months ended 31 March 2015		
	PLN (thousands)		
	Total amount	**Amount capitalized**	**Recognized as profit or loss**
Finance income	449	-	449
Finance expense	(4,175)	2,624	(1,551)
Net finance income/(expense)	**(3,726)**	**2,624**	**(1,102)**

	For the three months ended 31 March 2014		
	PLN (thousands)		
	Total amount	**Amount capitalized**	**Recognized as profit or loss**
Finance income	533	(4)	529
Finance expense	(3,554)	2,621	(933)
Net finance income/(expense)	**(3,021)**	**2,617**	**(404)**

Net finance expenses before capitalization increased by PLN 0.7 million (23.3%) from PLN 3.0 million during the three months ended 31 March 2014 to PLN 3.7 million during the three months ended 31 March 2015, which was a result of an increase in the average net debt position during the period from PLN 102.1 million during the three months ended 31 March 2014 to PLN 174.9 million during the three months ended 31 March 2015. The increase is offset in part by a decrease in the reference rates (WIBOR).

Income tax benefit/(expenses)

During the three months ended 31 March 2015 the income tax benefit amounted to PLN 0.6 million, in comparison to income tax expense of PLN 0.3 million for the three months ended 31 March 2014. The low effective tax rate during the three months ended 31 March 2014 is explained by the recognition of tax assets. The recognition of the tax assets took place after an organizational restructuring of the Group, which allowed the Company to utilize certain tax losses that in prior periods were deemed not to be usable.

Non-controlling interests

Non-controlling interests comprise the share of minority shareholders in profit and losses from subsidiaries that are not 100% owned by the Company and amounted to PLN 65 thousand (positive) for the three months ended 31 March 2015, as compared to PLN 632 thousand (negative) for the three months ended 31 March 2014. The change in the non-controlling interest is explained by a decrease in the profit recognized from the Espresso project which is due to a decrease in apartments delivered to the customers.

Overview of selected details from the Interim Condensed Consolidated Statement of Financial Position

The following table presents selected details from the Interim Consolidated Statement of Financial Position in which material changes had occurred.

	As at 31 March 2015	As at 31 December 2014
	PLN (thousands)	
Inventory	724,316	706,501
Advances received	109,325	99,013
Loans and borrowings	237,614	236,190

Inventory

The balance of inventory is PLN 724.3 million as of 31 March 2015 compared to PLN 706.5 million as of 31 December 2014. The increase in inventory is primarily explained by the Group's investments associated with direct construction costs for a total amount of PLN 47.0 million and a net finance expense capitalized for a total amount of PLN 2.6 million. The increase is offset in part by cost of sales recognized for a total amount of PLN 35.6 million.

Advances received

The balance of advances received is PLN 109.3 million as of 31 March 2015 compared to PLN 99.0 million as of 31 December 2014. The increase is a result of advances received from clients regarding sales of residential units for a total amount PLN 50.7 million and is offset in part by revenues recognized from the sale of residential units for a total amount of PLN 40.4 million.

Loans and borrowings

The total of short-term and long-term loans and borrowings is PLN 237.6 million as of 31 March 2015 compared to PLN 236.2 million as of 31 December 2014. The increase in loans and borrowings is primarily explained by the effect of proceeds from bank loans net of bank charges for a total amount of PLN 21.6 million and proceeds from bond loans, net of issue costs for a total amount of PLN 9.8 million. The increase is offset in part by repayment of bank loans for the total amount PLN 32.7 million. Of the mentioned PLN 237.6 million, an amount of PLN 18.5 million comprises facilities maturing no later than 31 March 2016.

The maturity structure of the loans and borrowings reflects the Company's recent activities related to bonds issued in 2013-2015 as well as the maturity of the banking loans that were obtained by the Company to finance construction costs of the projects developed by the Company.

Overview of selected details from the Interim Condensed Consolidated Statement of Financial Position (cont'd)

Loans and borrowings (cont'd)

The balance of loans and borrowings may be split into four categories: 1) floating rate bond loans, 2) banking loans related to residential projects which are completed or under construction, 3) banking loans granted for the financing of land purchases related to projects where the Company has not entered into loan facilities regarding the financing of construction works and 4) loans from third parties.

Floating rate bond loans as at 31 March 2015 amounted to PLN 172.0 million comprising a loan principal amount of PLN 171.3 million plus accrued interest of PLN 3.1 million minus one-time costs directly attributed to the bond issuances which are amortized based on the effective interest method (PLN 2.4 million). For additional information see Note 10 of the Interim Condensed Consolidated Financial Statements.

The bank loans supporting completed projects or projects under construction are tailored to the pace of construction works and of sales. As at 31 March 2015, loans in this category amounted to PLN 52.1 million.

The bank loans granted to finance the land purchases as at 31 March 2015 amounted to PLN 10.8 million in total.

Loans from third parties as at 31 March 2015 amounted to PLN 2.8 million.

Overview of cash flow results

The Group funds its day-to-day operations principally from cash flow provided by its operating activities, loans and borrowings under its loan facilities.

The following table sets forth the cash flow on a consolidated basis:

	For the three months ended 31 March	
	2015	**2014**
	PLN (thousands)	
Cash flow from/(used in) operating activities	(11,847)	21,783
Cash flow from/(used in) investing activities	(4,124)	(44)
Cash flow from/(used in) financing activities	(1,251)	(4,032)

Cash flow from/(used in) operating activities

The Company's net cash outflow used in operating activities for the three months ended 31 March 2015 amounted to PLN 11.9 million which compares to a net cash inflow from operating activities during the three months ended 31 March 2014 amounting to PLN 21.8 million. The decrease is principally explained by:

- a net cash outflow used in inventory amounting to PLN 15.2 million during the three months ended 31 March 2015 compared to a net cash inflow from inventory amounting to PLN 21.0 million during the three months ended 31 March 2014.

This effect was offset in part by:

- a net cash inflow from advances received from clients regarding sales of residential units from cash inflow PLN 50.7 million during the three months ended 31 March 2015, which were offset by revenue recognized for a total amount of PLN 40.4 million, to advances received in the amount of PLN 56.4 million during the three months ended 31 March 2014, which were offset by revenue recognized for a total amount of PLN 65.9 million.

Overview of cash flow results (cont'd)

Cash flow from/(used in) investing activities

The Company's net cash outflow used in investing activities amounting to PLN 4,124 thousand during the three months ended 31 March 2015 compared to a net cash outflow used in investing activities totaling PLN 44 thousand during the three months ended 31 March 2014. The decrease is primarily explained by:

- a net cash outflow used in collateralized short-term bank deposits amounting to PLN 3.8 million during the three months ended 31 March 2015 compared to a net cash inflow from collateralized short-term bank deposits of PLN 0.3 million during the three months ended 31 March 2014.

Cash flow from/(used in) financing activities

The Company's net cash outflow used in financing activities amounted to PLN 1.3 million during the three months ended 31 March 2015 compared to a net cash outflow totaling PLN 4.0 million in the three months ended 31 March 2014. The increase is primarily due to:

- the effects of the proceeds from bank loans net of bank charges amounting to PLN 21.6 million during the three months ended 31 March 2015 compared to PLN 6.1 million during the three months ended 31 March 2014;
- the effects of the proceeds from bond loans, net of issue costs amounting to PLN 9.8 million during the three months ended 31 March 2015 compared to nil during the three months ended 31 March 2014.

This effect was offset in part by:

- a repayment of secured bank loans amounting to PLN 32.7 million during the three months ended 31 March 2015 compared to a repayment of secured bank loans amounting to PLN 10.2 million during the three months ended 31 March 2014.

Quarterly reporting by the Company

As a result of requirements (indirectly) pertaining to I.T.R. Dori B.V., one of the Company's two largest shareholders, whose ultimate parent company is listed on the Tel Aviv stock exchange, the first quarter reports, semi-annual reports and third quarter reports are subject to a full scope review by the Company's auditors. For the Company itself, being domiciled in the Netherlands and listed on the Warsaw stock exchange, only the semi-annual report is subject to a review. The Company has agreed with the ultimate parent company of I.T.R. Dori B.V. that the costs for the first and third quarter review will be fully reimbursed to the Company. The Company considers having its first and third quarter report provided with a review report a benefit to all of its shareholders.

Selected financial data

PLN/EUR	Exchange rate of Euro versus the Polish Zloty: Average exchange rate	Minimum exchange rate	Maximum exchange rate	Period end exchange rate
2015 (3 months)	**4.193**	**4.089**	**4.334**	**4.089**
2014 (3 months)	4.186	4.145	4.238	4.171

Source: National Bank of Poland ("NBP")

Selected financial data	EUR*		PLN	
	(thousands, except per share data and number of shares)			
	For the three months ended 31 March or as at 31 March			
	2015	**2014**	**2015**	**2014**
Revenues	**9,634**	15,747	**40,396**	65,915
Gross profit	**1,096**	3,201	**4,594**	13,401
Profit/(loss) before taxation	**(824)**	1,211	**(3,456)**	5,071
Net profit/(loss) for the period attributable to the equity holders of the parent	**(654)**	995	**(2,744)**	4,166
Cash flows from/(used in) operating activities	**(2,825)**	5,204	**(11,847)**	21,783
Cash flows from/(used in) investing activities	**(984)**	(11)	**(4,124)**	(44)
Cash flows from/(used in) financing activities	**(298)**	(963)	**(1,251)**	(4,032)
Increase/(decrease) in cash and cash equivalents	**(4,107)**	4,230	**(17,222)**	17,707
Inventory	**177,138**	140,590	**724,316**	586,401
Total assets	**209,032**	179,292	**854,731**	747,827
Advances received	**26,736**	14,625	**109,325**	61,000
Long term liabilities	**55,984**	32,119	**228,917**	133,969
Short term liabilities (including advances received)	**43,356**	34,165	**177,282**	142,504
Equity attributable to the equity holders of the parent	**109,195**	112,404	**446,498**	468,839
Share capital	**5,054**	5,054	**20,762**	20,762
Average number of equivalent shares (basic)	**272,360,000**	272,360,000	**272,360,000**	272,360,000
Net earnings per share (basic and diluted)	**(0.002)**	0.004	**(0.010)**	0.015

* *Information is presented in EUR solely for presentation purposes. Due to changes in the Polish Zloty against the Euro exchange rate over the past period, the Statement of Financial Position data may not accurately reflect the actual comparative financial position of the Company. The reader should consider changes in the PLN / EUR exchange rate from 1 January 2014 to 31 March 2015, when reviewing this data.*
Selected financial data were translated from PLN into EUR in the following way:
(i) Statement of financial position data were translated using the period end exchange rate published by the National Bank of Poland for the last day of the period.
(ii) Statement of comprehensive income and cash flows data were translated using the arithmetical average of average exchange rates published by the National Bank of Poland.

Outlook for the remainder of 2015

A. Completed projects

The table below presents information on the total residential units in the completed projects/stages that the Company expects to sell and deliver during the remainder of 2015:

Project name	Location	Number of units delivered (*)			Number of residential units expected to be delivered (*)			
		Until 31 December 2014	During the three months ended 31 March 2015	Total units delivered	Sold until 31 March 2015	Units for sale at 31 March 2015	Total units expected to be delivered	Total project
Młody Grunwald I (**)	Poznań	124	1	125	4	19	23	148
Espresso I (**)	Warsaw	206	-	206	1	3	4	210
Naturalis I,II & III (**)	Warsaw	124	5	129	3	40	43	172
Sakura I & II (**)	Warsaw	244	2	246	2	8	10	256
Sakura III (**)	Warsaw	-	94	94	14	37	51	145
Verdis I & II (**)	Warsaw	208	-	208	1	8	9	217
Verdis III (**)	Warsaw	-	3	3	133	10	143	146
Chilli I, II & III (**)	Poznań	58	16	74	5	9	14	88
Old projects		-	-	-	1	5	6	6
Total		**964**	**121**	**1,085**	**164**	**139**	**303**	**1,388**

(*) *For the purpose of disclosing information related to the particular projects, the word "sell" ("sold") is used, that relates to signing the preliminary sale agreement with the client for the sale of the apartment; whereas the word "deliver" ("delivered") relates to the transferring of significant risks and rewards of the ownership of the residential unit to the client.*

(**) *For information on the completed projects see "Business highlights during the three months ended 31 March 2015 – B. Results breakdown by project" (pages 4-5).*

B. Current projects under construction and/or on sale

The table below presents information on projects for which completion is scheduled in the remainder of 2015 and 2016.

Project name	Location	Units sold until 31 March 2015	Units for sale as at 31 March 2015	Total units	Total area of units (m^2)	Expected completion of construction
Sakura IV	Warsaw	61	53	114	6,600	2015
Verdis IV	Warsaw	56	22	78	4,000	2015
Impressio II	Wrocław	54	82	136	8,400	2015
Młody Grunwald II	Poznań	49	88	137	8,200	2015
Tamka	Warsaw	39	26	65	5,500	2015
Espresso II	Warsaw	76	76	152	7,600	2016
Espresso III	Warsaw	7	148	155	8,500	2016
Panoramika II	Szczecin	21	86	107	5,900	2016
Moko I	Warsaw	107	71	178	11,200	2016
Moko II	Warsaw	27	142	169	12,600	2016
Kamienica Jeżyce I	Poznań	86	58	144	7,800	2016
Total		**583**	**852**	**1,435**	**86,300**	

Outlook for the remainder of 2015 (cont'd)

B. Current projects under construction and/or on sale (cont'd)

Sakura IV

Description of project

The fourth (and last) phase of the Sakura project is being developed on a land strip of 4,700 m^2 located in Warsaw at Kłobucka Street and is a continuation of Sakura I, Sakura II and Sakura III, which were completed during 2012, 2013 and (the first quarter of) 2015, respectively. The fourth phase of this project will comprise a seven-storey, multi-family residential building with a total of 108 apartments and 6 commercial units and an aggregate floor space of 6,600 m^2.

Stage of development

The construction of the Sakura IV project commenced in March 2014, while completion is expected in the third quarter of 2015.

Verdis IV

Description of project

The fourth phase (and last) phase of the Verdis project is being developed on a land strip of 2,700 m^2 located in the Wola district in Warsaw at Sowińskiego Street and is a continuation of Verdis I and Verdis II Verdis III, which were completed during 2012, 2013 and (the first quarter of) 2015. The fourth phase of this project will comprise 1 seven - storey, multi-family residential building with a total of 78 apartments with an aggregate floor space of 4,000 m^2, respectively.

Stage of development

The construction of the Verdis IV project commenced in June 2014, while completion is expected in the fourth quarter of 2015.

Impressio II

Description of project

The second (and last) phase of the Impressio project is being developed on a part of a land strip of 7,800 m^2 located in the Grabiszyn district in Wrocław at Rymarska Street, and is a continuation of Impressio I, which was completed during 2012. The last phase of this project will comprise 5 four-storey, multi-family residential buildings with a total of 136 units with an aggregate floor space of 8,400 m^2.

Stage of development

The construction of the Impressio II project commenced in November 2013, while completion is expected in the second quarter of 2015.

Młody Grunwald II

Description of project

The second phase of the Młody Grunwald project is being developed on a land strip of 5,000 m^2 located in Grunwald district in Poznań at Jeleniogórska Street, and is a continuation of Młody Grunwald I which was completed in May 2014. The second phase of this project will comprise 3 six-storey, multi-family residential buildings with a total of 132 apartments and 5 commercial units and an aggregate floor space of 8,200 m^2.

Stage of development

The construction of the Młody Grunwald II project commenced in April 2014, while completion is expected in the fourth quarter of 2015.

Outlook for the remainder of 2015 (cont'd)

B. Current projects under construction and/or on sale (cont'd)

Tamka

Description of project

The Tamka project is being developed on a land strip of 2,500 m^2 located in the Śródmieście district in Warsaw at Tamka Street (Warsaw city center). The Tamka project will comprise 1 eight-storey, multi-family residential building with a total of 60 apartments and 5 commercial units with an aggregate floor space of 5,500 m^2.

Stage of development

The construction of the Tamka project commenced in November 2013, while completion is expected in the third quarter of 2015.

Espresso II and III

Description of project

The second and the third phase of the Espresso project is being developed on a land strip of 8,400 m^2 located in Wola district in Warsaw at Jana Kazimierza Street, and are a continuation of Espresso I project which was completed in 2014. The second and the third phase of this project will comprise 2 seven-and-eight-storey, multi-family residential buildings with a total of 142 apartments and 10 commercial units and an aggregate floor space of 7,600 m^2 and 1 six-seven-and-eight-storey, multi-family residential building with a total of 147 apartments and 8 commercial units and an aggregate floor space of 8,500 m^2, respectively.

Stage of development

The construction of the Espresso II project commenced in August 2013, while completion is expected in the second quarter of 2016. The construction of the Espresso III project commenced in February 2015, while completion is expected in the fourth quarter of 2016.

Panoramika II

Description of project

The second phase of the Panoramika project is being developed on a land strip of 12,200 m^2 located in Szczecin at Duńska Street, and is a continuation of Panoramika I, which was completed during 2012. The second phase of this project will comprise 1 nine-storey, multi-family residential building with a total of 107 apartments and an aggregate floor space of 5,900 m^2.

Stage of development

The sale of units in the Panoramika II project commenced in June 2014 and the construction work is commenced September 2014, while completion is expected in the second quarter of 2016.

Outlook for the remainder of 2015 (cont'd)

B. Current projects under construction and/or on sale (cont'd)

Moko I and II

Description of project

The first phase and the second (and last) phase of the Moko project are being developed on a land strip of 12,200 m^2 located in Mokotów district in Warsaw at Magazynowa Street. The first and the second phase of this project will comprise 2 seven and eight-storey, multi-family residential buildings with a total of 166 apartments and 12 commercial units and an aggregate floor space of 11,200 m^2 and 2 seven and eight-storey, multi-family residential buildings with a total of 160 apartments and 9 commercial units and an aggregate floor space of 12,600 m^2, respectively.

Stage of development

The construction of the Moko I project commenced in September 2014, while completion is expected in the second quarter of 2016. The construction of the Moko II project commenced in February 2015, while completion is expected in the fourth quarter of 2016.

Kamienica Jeżyce I

Description of project

The first phase of the Kamienica Jeżyce project is being developed on a land strip of 5,650 m^2 located in Jeżyce district in Poznań at Kościelna Street. The first phase of this project will comprise 4 five and six-storey, multi-family residential buildings with a total of 139 apartments and 5 commercial units and an aggregate floor space of 7,800 m^2.

Stage of development

The construction of the Kamienica Jeżyce I project commenced in September 2014, while completion is expected in the second quarter of 2016.

C. Projects for which construction work is planned to commence during the remainder of 2015

As the Company is aware of the increasing competition in the market, the Company has been careful to manage the number of new projects and the makeup of such projects in order to best satisfy consumer demand. During the remainder of 2015, the Company is considering the commencement of development of another five stages of currently running projects and three new projects one of which will be in two phases, which management believes are well-suited to current customer requirements, including smaller apartments at more economical prices. Furthermore, in order to minimize market risk, the Company's management breaks down the new projects into relatively smaller stages. In the event of any market deterioration or difficulties with securing financing by the banks for the considered projects, management may further delay some of those plans.

a) New Projects

Nova Królikarnia I (previously named Jaśminowa)

The Nova Królikarnia project will be developed on a land strip of 82,000 m^2 located in the Mokotów district in Warsaw at Jaśminowa Street. The project will comprise 340 units with an aggregate floor space of 32,000 m^2. The first stage is to comprise 116 units with an aggregate floor space of 10,900 m^2. The Company is considering commencing construction of the first phase of this project during the remainder of 2015.

Outlook for the remainder of 2015 (cont'd)

C. *Projects for which construction work is planned to commence during the remainder of 2015 (cont'd)*

a) New Projects (cont'd)

City Link I and II (previously named Skierniewicka)

The City Link project will be developed on a land strip of 8,893 m^2 located in the Wola district in Warsaw at Skierniewicka Street. The project will comprise 511 units with an aggregate floor space of 24,100 m^2. The first and the second stage are to comprise 135 units with an aggregate floor space of 6,200 m^2 and 178 units with an aggregate floor space of 7,900 m^2, respectively. The Company is considering commencing construction of the first and the second phase of this project during the remainder of 2015.

Picasso I

The Picasso project will be developed on a land strip of 8,121 m^2 located in Wrocław at Na Grobli Street. The project will comprise 151 units with an aggregate floor space of 6,200 m^2. The first stage is to comprise 95 units with an aggregate floor space of 3,700 m^2. The Company is considering commencing construction of the first phase of this project during the remainder of 2015.

b) New stages of running projects

Espresso IV

The Espresso IV project (last stage) is continuation of Espresso I and II projects. The project will comprise 148 units with an aggregate floor space of 8,100 m^2. The Company is considering commencing construction of this project during the remainder of 2015.

Chilli IV

The Chilli IV project is a continuation of Chilli I, II and III projects. The project will comprise 34 units with an aggregate floor space of 2,200 m^2. The Company is considering commencing construction of this project during the remainder of 2015.

Młody Grunwald III

The Młody Grunwald III project (last stage) is a continuation of Młody Grunwald I and II projects. The project will comprise 117 units with an aggregate floor space of 6,800 m^2. The Company is considering commencing construction of this project during the remainder of 2015.

Panoramika III

The Panoramika III project is a continuation of Panoramika I and II projects. The project will comprise 107 units with an aggregate floor space of 5,900 m^2. The Company is considering commencing construction of this project during the remainder of 2015.

Kamienica Jeżyce II

The Kamienica Jeżyce II project (last stage) is a continuation of Kamienica Jeżyce I project. The project will comprise 151 units with an aggregate floor space of 7,400 m^2. The Company is considering commencing construction of this project during the remainder of 2015.

Outlook for the remainder of 2015 (cont'd)

D. Value of the preliminary sales agreements signed with clients for which revenue has not been recognized in the Condensed Consolidated Statement of Comprehensive Income

The current volume and value of the preliminary sales agreements signed with the clients do not impact the Condensed Consolidated Statement of Comprehensive Income account immediately but only after final settlement of the contracts with the customers (for more details see under "A – Completed projects" above on page 14). The table below presents the value of the preliminary sales agreements executed with the Company's clients in particular for units that have not been recognized in the Condensed Consolidated Statement of Comprehensive Income:

Project name	**Location**	**Value of the preliminary sales agreements signed with clients in thousands of PLN**	**Completed / expected completion of construction**
Verdis I & II (*)	Warsaw	476	Completed
Verdis III (*)	Warsaw	46,645	Completed
Sakura I & II (*)	Warsaw	2,128	Completed
Sakura III (*)	Warsaw	4,947	Completed
Naturalis I, III & III (*)	Warsaw	949	Completed
Espresso I (*)	Warsaw	760	Completed
Młody Grunwald I (*)	Poznań	1,787	Completed
Chilli I,II & III (*)	Poznań	1,185	Completed
Old projects		1,087	Completed
Subtotal completed projects		***59,964***	
Młody Grunwald II (**)	Poznań	13,105	2015
Sakura IV (**)	Warsaw	23,936	2015
Verdis IV (**)	Warsaw	19,596	2015
Impressio II (**)	Wrocław	19,531	2015
Tamka (**)	Warsaw	41,966	2015
Espresso II (**)	Warsaw	23,683	2016
Espresso III (**)	Warsaw	3,147	2016
Panoramika II (*)	Szczecin	4,482	2016
Moko I (**)	Warsaw	50,274	2016
Moko II (**)	Warsaw	11,052	2016
Kamienica Jeżyce I (**)	Poznań	24,083	2016
Subtotal ongoing projects		***234,855***	
Total		**294,819**	

(*) *For information on the completed projects see "Business highlights during the three months ended 31 March 2015 – B. Results breakdown by project" (pages 4-5).*

(**) *For information on current projects under construction and/or on sale, see under "B" above (pages 14-17).*

E. Main risks and uncertainties during the remainder of 2015

While the improving market in 2014, that appeared to accelerate in the second half of the year and early in 2015, potentially bodes well for the Company in 2015 and in 2016, the overall economic and geopolitical situation in Europe and in Poland and the ongoing uncertainties in the housing market make it very difficult to predict with precision the anticipated results for the remainder of 2015. The level of development of the Polish economy, the performance of the banking industry and consumers' interest in new housing projects, as well as increasing competition in the market are considered to be the most significant uncertainties for the remainder of the financial year ending 31 December 2015.

Additional information to the report

To the best of the Company's knowledge, as of the date of preparation of this short report for the three months ended 31 March 2015 (5 May 2015), the following shareholders are entitled to exercise over 3% of the voting rights at the General Meeting of Shareholders in the Company:

Shares

	As of 5 May 2015 Number of shares / % of shares	**Change in number of shares**	**As of 31 March 2015 Number of shares / % of shares**	**Change in number of shares**	**As of 31 December 2014 Number of shares / % of shares**
Shares issued	***272,360,000***	**-**	***272,360,000***	**-**	***272,360,000***
Major shareholders:					
I.T.R. 2012 B.V. (*)	87,449,187 32.1%	-	87,449,187 32.1%	-	87,449,187 32.1%
I.T.R. Dori B.V. (*)	87,449,187 32.1%	-	87,449,187 32.1%	-	87,449,187 32.1%
RN Residential B.V. (**)	41,800,000 15.3%	-	41,800,000 15.3%	-	41,800,000 15.3%
Metlife Otwarty Fundusz Emerytalny (***)	N/A Between 3%-5%.	N/A	N/A Between 3%-5%.	N/A	N/A Between 3%-5%.
ING Otwarty Fundusz Emerytalny	N/A Between 5%-10%.	N/A	N/A Between 5%-10%.	N/A	N/A Between 5%-10%.

(*) In December 2012, I.T.R. 2012 B.V. and I.T.R. Dori B.V. entered into a partnership formed under Dutch law, which holds the voting rights attached to 174,898,374 shares in the Company representing 64.2% of the total number of shares in the Company, which were previously held by I.T.R. Dori B.V.
I.T.R. 2012 B.V. is an indirect subsidiary of Global City Holdings N.V. and I.T.R. Dori B.V. is a subsidiary of U. Dori Group Ltd.

(**) On 14 November 2013, the shares in RN Residential B.V. (previously GE Real Estate CE Residential B.V.) were (indirectly, through the acquisition of the shares of RN Development Holding B.V.) acquired by I.T.R. 2012 B.V. and U. Dori Group Ltd., which due to this transaction increased indirect shareholding in Ronson by 7.67% each. As a result of this transaction Global City Holdings N.V. indirectly controls 39.78% of the Company's shares and U. Dori Group Ltd. indirectly controls 39.78% of the Company's shares.

(***) Formerly Amplico Otwarty Fundusz Emerytalny.

Changes in ownership of shares and rights to shares by Management Board members in the three months ended 31 March 2015 and until the date of publication of this report

Shares

The following members of the Management Board own shares in the Company:

- Mr Ronen Ashkenazi as at 31 March 2015 and as at the day of publishing this report, indirectly held a 5.18% interest in the Company.

Changes in ownership of shares and rights to shares by Supervisory Board members in the three months ended 31 March 2015 and until the date of publication of the report

None

Additional information to the report (cont'd)

Other

As of 31 March 2015, the Company has issued guarantees for bank loans granted to subsidiaries amounting to a total of PLN 24,793 thousand.

As of 31 March 2015, the Group had no litigations for claims or liabilities that in total would exceed 10% of the Group's equity.

The following net movements in the Group's main provisions took place during the three months ended 31 March 2015:

- an increase in the provision for deferred tax liabilities of PLN 241 thousand (an increase of PLN 150 thousand during the three months ended 31 March 2014);
- a decrease in the provision for expected necessary costs in respect of guarantees for construction works of PLN 168 thousand (no change during the three months ended 31 March 2014).

Responsibility statement

The Management Board confirms that, to the best of its knowledge, these Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 "Interim financial reporting". At the date of authorization of these Interim Condensed Consolidated Financial Statements, in light of the current process of IFRS endorsement in the European Union and the nature of the Group's activities, there is no difference between the IFRSs applied by the Group and the IFRSs endorsed by the European Union. IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). The Interim Condensed Consolidated Financial Statements give a true and fair view of the state of affairs of the Group at 31 March 2015 and of the net result for the period then ended.

The Directors' report in this Interim Financial Report gives a true and fair view of the situation on the balance sheet date and of developments during the three months period together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year. The three months management board report gives a true and fair view of the important events of the past three-month period and their impact on the interim financial statements, as well as the principal risks and uncertainties for the period to come, and the most important related party transactions.

The Management Board

____
Shraga Weisman
Chief Executive Officer

____
Tomasz Łapiński
Chief Financial Officer

____
Andrzej Gutowski
Sales and Marketing Director

____
Ronen Ashkenazi

____
Peter Dudolenski

Rotterdam, 5 May 2015

Interim Condensed Consolidated Statement of Financial Position

As at *In thousands of Polish Zlotys (PLN)*	***Note***	**31 March 2015 (Reviewed/ Unaudited)**	**31 December 2014 (Audited)**
Assets			
Property and equipment		9,264	9,424
Investment property		9,217	9,217
Loans granted to third parties		934	1,623
Investment in joint ventures		16,716	16,022
Deferred tax assets		14,661	14,213
Total non-current assets		**50,792**	**50,499**
Inventory	*9*	724,316	706,501
Trade and other receivables and prepayments		14,816	8,659
Income tax receivable		464	475
Short-term bank deposits - collateralized		5,880	2,031
Loans granted to third parties		321	-
Other current financial assets		4,774	2,722
Cash and cash equivalents		53,368	70,590
Total current assets		**803,939**	**790,978**
Total assets		**854,731**	**841,477**
Equity			
Share capital		20,762	20,762
Share premium		282,873	282,873
Retained earnings		142,863	145,607
Equity attributable to equity holders of the parent		**446,498**	**449,242**
Non-controlling interests		2,034	2,099
Total equity		**448,532**	**451,341**
Liabilities			
Floating rate bond loans	*10*	169,479	158,825
Secured bank loans	*11*	46,839	73,699
Loans from third parties		2,783	2,737
Share based payment liabilities	*12*	617	702
Deferred tax liability		9,199	9,440
Total non-current liabilities		**228,917**	**245,403**
Trade and other payables and accrued expenses		48,490	43,711
Floating rate bond loans	*10*	2,480	924
Secured bank loans	*11*	16,033	5
Advances received		109,325	99,013
Income tax payable		44	2
Provisions		910	1,078
Total current liabilities		**177,282**	**144,733**
Total liabilities		**406,199**	**390,136**
Total equity and liabilities		**854,731**	**841,477**

The notes included on pages 27 to 45 are an integral part of these interim condensed consolidated financial statements

Interim Condensed Consolidated Statement of Comprehensive Income

PLN (thousands, except per share data and number of shares)	***Note***	**For the 3 months ended 31 March 2015 (Reviewed/ Unaudited)**	**For the 3 months ended 31 March 2014 (Reviewed/ Unaudited)**
Revenue		40,396	65,915
Cost of sales		(35,802)	(52,514)
Gross profit		**4,594**	**13,401**
Selling and marketing expenses		(1,695)	(1,908)
Administrative expenses		(4,492)	(5,148)
Share of profit/(loss) in joint ventures		(41)	(134)*
Other expenses		(914)	(801)
Other income		194	65
Result from operating activities		**(2,354)**	**5,475**
Finance income		449	529*
Finance expense		(1,551)	(933)
Net finance expense		**(1,102)**	**(404)**
Profit/(loss) before taxation		**(3,456)**	**5,071**
Income tax benefit/(expense)	*13*	647	(273)
Profit/(loss) for the period		**(2,809)**	**4,798**
Other comprehensive income		-	-
Total comprehensive income for the period, net of tax		**(2,809)**	**4,798**
Total profit/(loss) for the year attributable to:			
Equity holders of the parent		(2,744)	4,166
Non-controlling interests		(65)	632
Total profit/(loss) for the year		**(2,809)**	**4,798**
Total comprehensive income attributable to:			
Equity holders of the parent		(2,744)	4,166
Non-controlling interests		(65)	632
Total comprehensive income for the period, net of tax		**(2,809)**	**4,798**
Weighted average number of ordinary shares (basic and diluted)		**272,360,000**	**272,360,000**
In Polish Zlotys (PLN)			
Earnings per share attributable to the equity holders of the parent (basic and diluted)		**(0.010)**	**0.015**

** Reclassified (PLN 136 thousand) offsetting net results of the joint venture with intercompany interest during the period*

The notes included on pages 27 to 45 are an integral part of these interim condensed consolidated financial statements

Interim Condensed Consolidated Statement of Changes in Equity

In thousands of Polish Zlotys (PLN)	Attributable to the Equity holders of parent					
	Share capital	**Share premium**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2015	**20,762**	**282,873**	**145,607**	**449,242**	**2,099**	**451,341**
Comprehensive income:						
Loss for the three months ended 31 March 2015	-	-	(2,744)	(2,744)	(65)	(2,809)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**(2,744)**	**(2,744)**	**(65)**	**(2,809)**
Balance at 31 March 2015 (Reviewed/ Unaudited)	**20,762**	**282,873**	**142,863**	**446,498**	**2,034**	**448,532**

In thousands of Polish Zlotys (PLN)	Attributable to the Equity holders of parent					
	Share capital	**Share premium**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2014	**20,762**	**282,873**	**161,038**	**464,673**	**1,883**	**466,556**
Comprehensive income:						
Profit for the three months ended 31 March 2014	-	-	4,166	4,166	632	4,798
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**4,166**	**4,166**	**632**	**4,798**
Balance at 31 March 2014 (Reviewed/ Unaudited)	**20,762**	**282,873**	**165,204**	**468,839**	**2,515**	**471,354**

The notes included on pages 27 to 45 are an integral part of these interim condensed consolidated financial statements

Interim Condensed Consolidated Statement of Cash Flows

In thousands of Polish Zlotys (PLN)		**For the 3 months ended 31 March 2015** (Reviewed) / (unaudited)	**For the 3 months ended 31 March 2014** (Reviewed/ Unaudited) Restated*
Cash flows from/(used in) operating activities			
Profit for the period		(2,809)	4,798
Adjustments to reconcile profit for the period to net cash used in operating activities			
Depreciation		173	152
Finance expense		1,551	933
Finance income		(449)	(665)
Profit on sale of property and equipment		(28)	(38)
Share of loss /(profit) from joint ventures		41	270
Share-based payment	*12*	(85)	660
Income tax benefit/(expense)		(647)	273
Subtotal		***(2,253)***	***6,383***
Decrease/(increase) in inventory		(15,191)	21,006
Decrease/(increase) in trade and other receivables and prepayments		(6,157)	390
Decrease/(increase) in other current financial assets		(2,052)	(3,969)
Increase/(decrease) in trade and other payables and accrued expenses		4,779	8,536
Increase/(decrease) in provisions		(168)	-
Increase/(decrease) in advances received		10,312	(9,565)
Subtotal		***(10,730)***	***22,781***
Interest paid		(1,501)	(1,305)
Interest received		373	359
Income tax received/(paid)		11	(52)
Net cash from/(used in) operating activities		**(11,847)**	**21,783**

The notes included on pages 27 to 45 are an integral part of these interim condensed consolidated financial statements

Interim Condensed Consolidated Statement of Cash Flows (cont'd)

In thousands of Polish Zlotys (PLN)	**For the 3 months ended 31 March 2015** **(Reviewed) / (unaudited)**	**For the 3 months ended 31 March 2014** **(Reviewed/ Unaudited)**
Cash flows from/(used in) investing activities		
Acquisition of property and equipment	(13)	(105)
Proceeds from loans granted to third parties	310	-
Investment in joint ventures	(600)	(245)
Short-term bank deposits – collateralized	(3,849)	268
Proceeds from sale of property and equipment	28	38
Net cash from/(used in) investing activities	**(4,124)**	**(44)**
Cash flows from/(used in) financing activities		
Proceeds from bank loans, net of bank charges	21,636	6,125
Proceeds from bond loans issued, net of issue costs	9,801	-
Repayment of bank loans	(32,688)	(10,157)
Net cash from/(used in) financing activities	**(1,251)**	**(4,032)**
Net change in cash and cash equivalents	**(17,222)**	**17,707**
Cash and cash equivalents at beginning of period	70,590	52,153
Cash and cash equivalents at end of period	**53,368**	**69,860**

The notes included on pages 27 to 45 are an integral part of these interim condensed consolidated financial statements

Notes to the Interim Condensed Consolidated Financial Statements

Note 1 – General and principal activities

Ronson Europe N.V. ('the Company'), a Dutch public company with its statutory seat in Rotterdam, the Netherlands, was incorporated on 18 June 2007. The registered office is located at Weena 210-212, Rotterdam, the Netherlands. The Company (together with its Polish subsidiaries 'the Group'), is active in the development and sale of units, primarily apartments, in multi-family residential real-estate projects to individual customers in Poland.

The shares of the Company are traded on the Warsaw Stock Exchange since 5 November 2007. As at 31 March 2015, 39.78% of the outstanding shares are controlled by I.T.R. 2012 B.V., which is an indirect subsidiary of Global City Holdings N.V. ('ITR 2012') (32.11% through a jointly controlled partnership formed under Dutch law between ITR 2012 and ITR Dori B.V. and 7.67% through a jointly controlled company formed under Dutch law between ITR 2012 and U. Dori Group) and 39.78% of the outstanding shares are controlled by U. Dori Group Ltd ('U Dori Group') (32.11% through a jointly controlled partnership formed under Dutch law between ITR 2012 and ITR Dori B.V. (of which it holds 50% of the shares) and 7.67% through a jointly controlled company formed under Dutch law between ITR 2012 and U. Dori Group). The remaining 20.44% of the outstanding shares are held by other investors including Metlife Otwarty Fundusz Emerytalny holding between 3% and 5% and ING Otwarty Fundusz Emerytalny holding between 5% and 10% of the outstanding shares. The number of shares held by the investors is equal to the number of votes, as there are no privileged shares issued by the Company.

The Interim Condensed Consolidated Financial Statements of the Group have been prepared for the three months ended 31 March 2015 and contain comparative data for the three months ended 31 March 2014 and as at 31 December 2014. The Interim Condensed Consolidated Financial Statements of the Company for the three months ended 31 March 2015 with all its comparative data have been reviewed by the Company's external auditors.

As at 31 March 2015, the Groups' market capitalization was below the value of net assets. The Management took appropriate steps to review the accounts in respect if there is any additional impairment required and found no basis for it. The Management verified that the forecast margin potential in respect of the inventory is significantly positive..

The information about the companies from which the financial data are included in these Interim Condensed Consolidated Financial Statements and the extent of ownership and control are presented in Note 7.

The Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2015 were authorized for issuance by the Management Board on 5 May 2015.

Note 2 – Basis of preparation of Interim Condensed Consolidated Financial Statements

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 "Interim financial reporting".

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2014 prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union. At the date of authorization of these Interim Condensed Consolidated Financial Statements, in light of the current process of IFRS endorsement in the European Union and the nature of the Group's activities, there is no difference between the full IFRSs and the IFRSs endorsed by the European Union. IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). The Consolidated Financial Statements of the Group for the year ended 31 December 2014 are available upon request from the Company's registered office at Weena 210-212, 3012 NJ Rotterdam, the Netherlands or at the Company's website: www.ronson.pl

These Interim Condensed Consolidated Financial Statements have been prepared on the assumption that the Group is a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of its operations.

Notes to the Interim Condensed Consolidated Financial Statements

Note 3 – Summary of significant accounting policies

Except as described below, the accounting policies applied by the Company in these Interim Condensed Consolidated Financial Statements are the same as those applied by the Company in its consolidated financial statements for the year ended 31 December 2014.
The following standards and amendments became effective as of 1 January 2015:

- IAS 19 –*Defined Benefits Plan – Employee Contributions – Amendments to IAS 19*
- IFRIC 21 – *Levies*
- Annual Improvements to IFRSs 2010-2012 *(issued on 12 December 2013)*
- Annual Improvements to IFRSs 2011-2013 *(issued on 12 December 2013)*

The above amendments and improvements to IFRSs do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

Note 4 – The use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates.
In preparing these Interim Condensed Consolidated Financial Statements, the significant judgments made by the Management Board in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2014.

Note 5 – Functional and reporting currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in thousands of Polish Zloty ("PLN"), which is the Group's functional and presentation currency.
Transactions in currencies other than the functional currency are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in currencies other than the functional currency are recognized in the statement of comprehensive income.

Note 6 – Seasonality

The Group's activities are not of a seasonal nature. Therefore, the results presented by the Group do not fluctuate significantly during the year due to the seasonality.

Notes to the Interim Condensed Consolidated Financial Statements

Note 7 – Composition of the Group

The details of the Polish companies whose financial statements have been included in these Consolidated Financial Statements, the year of incorporation and the percentage of ownership and voting rights directly held or indirectly by the Company as at 31 March 2015, are presented below and on the following page.

	Entity name	Year of incorporation	Share of ownership & voting rights at the end of	
			31 March 2015	31 December 2014
a.	**held directly by the Company :**			
1.	Ronson Development Management Sp. z o.o.	1999	100.0%	100.0%
2.	Ronson Development 2000 Sp. z o.o.	2000	100.0%	100.0%
3.	Ronson Development Warsaw Sp. z o.o.	2000	100.0%	100.0%
4.	Ronson Development Investment Sp. z o.o.	2002	100.0%	100.0%
5.	Ronson Development Metropol Sp. z o.o.	2002	100.0%	100.0%
6.	Ronson Development Properties Sp. z o.o.	2002	100.0%	100.0%
7.	Ronson Development Apartments Sp. z o.o.	2003	100.0%	100.0%
8.	Ronson Development Enterprise Sp. z o.o.	2004	100.0%	100.0%
9.	Ronson Development Company Sp. z o.o.	2005	100.0%	100.0%
10.	Ronson Development Creations Sp. z o.o.	2005	100.0%	100.0%
11.	Ronson Development Buildings Sp. z o.o.	2005	100.0%	100.0%
12.	Ronson Development Structure Sp. z o.o.	2005	100.0%	100.0%
13.	Ronson Development Poznań Sp. z o.o.	2005	100.0%	100.0%
14.	E.E.E. Development Sp. z o.o.	2005	100.0%	100.0%
15.	Ronson Development Innovation Sp. z o.o.	2006	100.0%	100.0%
16.	Ronson Development Wrocław Sp. z o.o.	2006	100.0%	100.0%
17.	Ronson Development Capital Sp. z o.o.	2006	100.0%	100.0%
18.	Ronson Development Sp. z o.o.	2006	100.0%	100.0%
19.	Ronson Development Construction Sp. z o.o.	2006	100.0%	100.0%
20.	Ronson Development City Sp. z o.o.	2006	100.0%	100.0%
21.	Ronson Development Village Sp. z o.o. (1)	2007	100.0%	100.0%
22.	Ronson Development Conception Sp. z o.o.	2007	100.0%	100.0%
23.	Ronson Development Architecture Sp. z o.o.	2007	100.0%	100.0%
24.	Ronson Development Skyline Sp. z o.o.	2007	100.0%	100.0%
25.	Ronson Development Continental Sp. z o.o.	2007	100.0%	100.0%
26.	Ronson Development Universal Sp. z o.o. (1)	2007	100.0%	100.0%
27.	Ronson Development Retreat Sp. z o.o.	2007	100.0%	100.0%
28.	Ronson Development South Sp. z o.o.	2007	100.0%	100.0%
29.	Ronson Development West Sp. z o.o.	2007	100.0%	100.0%
30.	Ronson Development Partner 4 Sp. z o.o. (previously named Ronson Development East Sp. z o.o.)	2007	100.0%	100.0%
31.	Ronson Development North Sp. z o.o.	2007	100.0%	100.0%
32.	Ronson Development Providence Sp. z o.o.	2007	100.0%	100.0%
33.	Ronson Development Finco Sp. z o.o.	2009	100.0%	100.0%
34.	Ronson Development Partner 2 sp. z o.o.	2010	100.0%	100.0%
35.	Ronson Development Skyline 2010 Sp. z o.o. w likwidacji	2010	100.0%	100.0%
36.	Ronson Development Partner 3 Sp. z o.o.	2012	100.0%	100.0%
b.	**held indirectly by the Company:**			
37.	AGRT Sp. z o.o.	2007	100.0%	100.0%
38.	Ronson Development Partner 2 Sp. z o.o.- Panoramika Sp.k.	2007	100.0%	100.0%
39.	Ronson Development Sp z o.o. - Estate Sp.k.	2007	100.0%	100.0%
40.	Ronson Development Sp. z o.o. - Home Sp.k.	2007	100.0%	100.0%
41.	Ronson Development Sp z o.o - Horizon Sp.k.	2007	100.0%	100.0%
42.	Ronson Development Partner 3 Sp. z o.o- Sakura Sp.k.	2007	100.0%	100.0%
43.	Ronson Development Sp z o.o -Town Sp.k.	2007	100.0%	100.0%
44.	Destiny Sp. z o.o. (previously named Ronson Development Destiny Sp. z o.o.)	2007	100.0%	100.0%
45.	Ronson Development Millenium Sp. z o.o.	2007	100.0%	100.0%
46.	Ronson Development Sp. z o.o. - EEE 2011 Sp.k.	2009	100.0%	100.0%
47.	Ronson Development Sp. z o.o. - Apartments 2011 Sp.k.	2009	100.0%	100.0%

(1) The Company has the power to govern the financial and operating policies of this entity and to obtain benefits from its activities, whereas Kancelaria Radcy Prawnego Jarosław Zubrzycki holds the legal title to the shares of this entity.

Notes to the Interim Condensed Consolidated Financial Statements

Note 7 – Composition of the Group (cont'd)

Entity name		Year of incorporation	Share of ownership & voting rights at the end of 31 March 2015	31 December 2014
b.	held indirectly by the Company (cont'd):			
48.	Ronson Development Sp. z o.o. - Idea Sp.k.	2009	100.0%	100.0%
49.	Ronson Development Sp. z o.o. - Destiny 2011 Sp.k.	2009	100.0%	100.0%
50.	Ronson Development Partner 2 Sp. z o.o. - Enterprise 2011 Sp.k.	2009	100.0%	100.0%
51.	Ronson Development Partner 2 Sp. z o.o. - Retreat 2011 Sp.k.	2009	100.0%	100.0%
52.	Ronson Development Sp. z o.o. - Wrocław 2011 Sp.k.	2009	100.0%	100.0%
53.	Ronson Development Sp. z o.o. - 2011 Sp.k.	2009	100.0%	100.0%
54.	Ronson Development Sp. z o.o. - Gemini 2 Sp.k.	2009	100.0%	100.0%
55.	Ronson Development Sp. z o.o. - Verdis Sp.k.	2009	100.0%	100.0%
56.	Ronson Espresso Sp. z o.o.	2006	82%	82%
57.	Ronson Development Apartments 2010 Sp. z o.o.	2010	100.0%	100.0%
58.	RD 2010 Sp. z o.o. (previously named Ronson Development 2010 Sp. z o.o.)	2010	100.0%	100.0%
59.	Retreat Sp. z o.o. (previously named Ronson Development Retreat 2010 Sp. z o.o.)	2010	100.0%	100.0%
60.	Ronson Development Enterprise 2010 Sp. z o.o.	2010	100.0%	100.0%
61.	Ronson Development Wrocław 2010 Sp. z o.o.	2010	100.0%	100.0%
62.	E.E.E. Development 2010 Sp. z o.o.	2010	100.0%	100.0%
63.	Ronson Development Nautica 2010 Sp. z o.o.	2010	100.0%	100.0%
64.	Gemini 2010 Sp. z o.o. (previously named Ronson Development Gemini 2010 Sp. z o.o.)	2010	100.0%	100.0%
65.	Ronson Development Sp. z o.o. - Naturalis Sp.k.	2011	100.0%	100.0%
66.	Ronson Development Sp. z o.o. - Impressio Sp.k.	2011	100.0%	100.0%
67.	Ronson Development Sp. z o.o. - Continental 2011 Sp.k.	2011	100.0%	100.0%
68.	Ronson Development Sp. z o.o. - Providence 2011 Sp.k.	2011	100.0%	100.0%
69.	Ronson Development Partner 2 Sp. z o.o. - Capital 2011 Sp. k.	2011	100.0%	100.0%
70.	Ronson Development Sp. z o.o. - Architecture 2011 Sp.k.	2011	100.0%	100.0%
71.	Ronson Development Sp. z o.o. - City 1 Sp.k.	2012	100.0%	100.0%
72.	Ronson Development Sp. z o.o. - City 2 Sp.k.	2012	100.0%	100.0%
73.	Ronson Development Sp. z o.o. - City 3 Sp.k.	2012	100.0%	100.0%

Notes to the Interim Condensed Consolidated Financial Statements

Note 8 – Segment reporting

The Group's operating segments are defined as separate entities developing particular residential projects, which for reporting purposes were aggregated. The aggregation for reporting purpose is based on geographical locations (Warsaw, Poznań, Wrocław and Szczecin) and type of activity (development of apartments, development of houses). Moreover, for two particular assets the reporting was based on type of income: rental income from investment property.

According to the Management Board's assessment, the operating segments identified have similar economic characteristics. Aggregation based on the type of development within the geographical location has been applied since primarily the location and the type of development determine the average margin that can be realized on each project and the project's risk factors. Considering the fact that the production process for apartments is different from that for houses and considering the fact that the characteristics of customers buying apartments slightly differ from those of customers interested in buying houses, aggregation by type of development within the geographical location has been used for segment reporting and disclosure purposes.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated indirectly based on reasonable criteria. The unallocated result (loss) comprises mainly head office expenses. Unallocated assets comprise mainly unallocated cash and cash equivalents and income tax assets. Unallocated liabilities comprise mainly income tax liabilities and floating rate bond loans.
Data presented in the table below are aggregated by type of development within the geographical location:

In thousands of Polish Zlotys (PLN)	**As at 31 March 2015 (Reviewed)/(unaudited)**										
	Warsaw			**Poznań**		**Wrocław**		**Szczecin**		**Unallocated**	**Total**
	Apartments	**Houses**	**Rental**	**Apartments**	**Houses**	**Apartments**	**Houses**	**Apartments**	**Houses**		
Segment assets	465,690	33,479	9,217	120,783	-	101,136	2,603	61,745	7,747	-	802,400
Unallocated assets	-	-	-	-	-	-	-	-	-	52,331	52,331
Total assets	**465,690**	**33,479**	**9,217**	**120,783**	**-**	**101,136**	**2,603**	**61,745**	**7,747**	**52,331**	**854,731**
Segment liabilities	156,336	1,105	-	27,863	-	33,518	-	2,982	-	-	221,804
Unallocated liabilities	-	-	-	-	-	-	-	-	-	184,395	184,395
Total liabilities	**156,336**	**1,105**	**-**	**27,863**	**-**	**33,518**	**-**	**2,982**	**-**	**184,395**	**406,199**

In thousands of Polish Zlotys (PLN)	**As at 31 December 2014 (Audited)**										
	Warsaw			**Poznań**		**Wrocław**		**Szczecin**		**Unallocated**	**Total**
	Apartments	**Houses**	**Rental**	**Apartments**	**Houses**	**Apartments**	**Houses**	**Apartments**	**Houses**		
Segment assets	479,849	33,513	9,217	115,975	-	93,522	2,612	58,293	7,710	-	800,691
Unallocated assets	-	-	-	-	-	-	-	-	-	40,786	40,786
Total assets	**479,849**	**33,513**	**9,217**	**115,975**	**-**	**93,522**	**2,612**	**58,293**	**7,710**	**40,786**	**841,477**
Segment liabilities	162,784	1,134	-	23,436	-	25,622	-	4,758	-	-	217,734
Unallocated liabilities	-	-	-	-	-	-	-	-	-	172,402	172,402
Total liabilities	**162,784**	**1,134**	**-**	**23,436**	**-**	**25,622**	**-**	**4,758**	**-**	**172,402**	**390,136**

Notes to the Interim Condensed Consolidated Financial Statements

Note 8 - Segment reporting (cont'd)

In thousands of Polish Zlotys (PLN) — **For the three months ended 31 March 2015 (Reviewed)/(unaudited)**

	Warsaw			Poznań		Wrocław		Szczecin		Unallocated	Total
	Apartments	Houses	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses		
Revenue	35,738	-	183	4,439	-	4	-	32	-	-	40,396
Segment result	2,788	11	105	(671)	-	(165)	(5)	(36)	(5)	-	2,022
Unallocated result	-	-	-	-	-	-	-	-	-	(4,376)	(4,376)
Result from operating activities *	**2,788**	**11**	**105**	**(671)**	**-**	**(165)**	**(5)**	**(36)**	**(5)**	**(4,376)**	**(2,354)**
Net finance income/(expense)	(83)	(2)	-	2	-	29	-	(4)	-	(1,044)	(1,102)
Profit/(loss) before taxation	**2,705**	**9**	**105**	**(669)**	**-**	**(136)**	**(5)**	**(40)**	**(5)**	**(5,420)**	**(3,456)**
Income tax benefit											647
Profit/(Loss) for the period											**(2,809)**
Capital expenditure	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**13**	**13**

In thousands of Polish Zlotys (PLN) — **For the three months ended 31 March 2014 (Reviewed)/(unaudited)**

	Warsaw			Poznań		Wrocław		Szczecin		Unallocated	Total
	Apartments	Houses	Rental	Apartments	Houses	Apartments	Houses	Apartments	Houses		
Revenue	59,736	1,175	215	673	-	650	-	3,466	-	-	65,915
Segment result	11,106	(105)	126	(287)	-	(174)	(1)	115	(1)	-	10,779
Unallocated result	-	-	-	-	-	-	-	-	-	(5,304)	(5,304)
Result from operating activities *	**11,106**	**(105)**	**126**	**(287)**	**-**	**(174)**	**(1)**	**115**	**(1)**	**(5,304)**	**5,475**
Net finance income/(expense)	53	(132)	-	(87)	-	4	-	-	-	(242)	(404)
Profit/(loss) before taxation	**11,159**	**(237)**	**126**	**(374)**	**-**	**(170)**	**(1)**	**115**	**(1)**	**(5,546)**	**5,071**
Income tax benefit											(273)
Profit/(Loss) for the period											**4,798**
Capital expenditure	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**105**	**105**

* *Results from operating activities including share of loss in joint venture, that amounted to PLN 41 thousands (expenses) during the three months ended 31 March 2015 and PLN 134 thousands (expenses) during the three months ended 31 March 2014 .*

Notes to the Interim Condensed Consolidated Financial Statements

Note 9 – Inventory

Movements in Inventory during the three months ended 31 March 2015 were as follows:

In thousands of Polish Zlotys (PLN)	Opening balance 01 January 2015	Transferred to finished goods	Additions	Closing balance 31 March 2015
Land and related expense	393,499	(18,628)	1,359	376,230
Construction costs	155,134	(53,876)	46,978	148,236
Planning and permits	27,317	(3,182)	1,649	25,784
Borrowing costs (1)	82,639	(6,969)	2,624	78,294
Other	5,381	(1,074)	817	5,124
Work in progress	**663,970**	**(83,729)**	**53,427**	**633,668**

In thousands of Polish Zlotys (PLN)	Opening balance 01 January 2015	Transferred from work in progress	Recognized in the statement of comprehensive income	Closing balance 31 March 2015
Finished goods	**55,209**	**83,729**	**(35,612)**	**103,326**

In thousands of Polish Zlotys (PLN)	Opening balance 01 January 2015	Revaluation write down recognized in statement of comprehensive income		Closing balance 31 March 2015
		Increase	Utilization	
Write-down	**(12,678)**	**-**	**-**	**(12,678)**
Total inventories at the lower of cost or net realizable value	**706,501**			**724,316**

(1) Borrowing costs are capitalized to the value of inventory with 6.43% average effective capitalization interest rate.

Notes to the Interim Condensed Consolidated Financial Statements

Note 9 – Inventory (cont'd)

Movements in Inventory during the year ended 31 December 2014 were as follows:

In thousands of Polish Zlotys (PLN)	Opening balance 01 January 2014	Transferred to finished units	Additions	Closing balance 31 December 2014
Land and related expense	336,695	(22,606)	79,410	393,499
Construction costs	86,733	(74,717)	143,118	155,134
Planning and permits	24,174	(3,244)	6,387	27,317
Borrowing costs (1)	77,502	(5,002)	10,139	82,639
Other	3,772	(1,141)	2,750	5,381
Work in progress	**528,876**	**(106,710)**	**241,804**	**663,970**

In thousands of Polish Zlotys (PLN)	Opening balance 01 January 2014	Transferred from work in progress	Recognized in the statement of comprehensive income	Closing balance 31 December 2014
Finished goods	**76,439**	**106,710**	**(127,940)**	**55,209**

In thousands of Polish Zlotys (PLN)	Opening balance 01 January 2014	Revaluation write down recognized in statement of comprehensive income		Closing balance 31 December 2014
		Increase	Utilization	
Write-down	**(525)**	**(12,471)**	**318**	**(12,678)**
Total inventories at the lower of cost or net realizable value	**604,790**			**706,501**

(1) Borrowing costs were capitalized to the value of inventory with 7.24% average effective capitalization interest rate.

Notes to the Interim Condensed Consolidated Financial Statements

Note 9 – Inventory (cont'd)

Movements in Inventory during the three months ended 31 March 2014 were as follows:

In thousands of Polish Zlotys (PLN)	Opening balance 01 January 2014	Transferred to finished goods	Additions	Closing balance 31 March 2014
Land and related expense	336,695	(8,832)	485	328,348
Construction costs	86,733	(39,628)	29,177	76,282
Planning and permits	24,174	(1,551)	1,368	23,991
Borrowing costs [(1)]	77,502	(1,701)	2,617	78,418
Other	3,772	(442)	316	3,646
Work in progress	**528,876**	**(52,154)**	**33,963**	**510,685**

In thousands of Polish Zlotys (PLN)	Opening balance 01 January 2014	Transferred from work in progress	Recognized in the statement of comprehensive income	Closing balance 31 March 2014
Finished goods	**76,439**	**52,154**	**(52,475)**	**76,118**

In thousands of Polish Zlotys (PLN)	Opening balance 01 January 2014	Revaluation write down recognized in statement of comprehensive income		Closing balance 31 March 2014
		Increase	Utilization	
Write-down	**(525)**	**-**	**123**	**(402)**
Total inventories at the lower of cost or net realizable value	**604,790**			**586,401**

(1) Borrowing costs were capitalized to the value of inventory with 7.84% average effective capitalization interest rate.

Notes to the Interim Condensed Consolidated Financial Statements

Note 10 – Floating rate bond loans

The table below presents the movement in Floating rate bond loans during the three months ended 31 March 2015, during the year ended 31 December 2014 and during the three months ended 31 March 2014:

In thousands of Polish Zlotys (PLN)	**For the three months ended 31 March 2015 (Reviewed/ Unaudited)**	**For the year ended 31 December 2014 (Audited)**	**For the three months ended 31 March 2014 (Reviewed/ Unaudited)**
Opening balance	**159,749**	**119,366**	**119,366**
Repayment of bond loans	-	(5,000)	-
Proceeds from bond loans	10,000	45,000	-
Issue cost	(199)	(882)	-
Issue cost amortization	267	1,013	264
Accrued interest	2,479	9,645	2,001
Interest repayment	(337)	(9,393)	(338)
Total closing balance	**171,959**	**159,749**	**121,293**
Closing balance includes:			
Current liabilities	2,480	924	7,335
Non-current liabilities	169,479	158,825	113,958
Total closing balance	**171,959**	**159,749**	**121,293**

On 23 January 2015, the Company issued 10,000 series I bonds with a total nominal value of PLN 10,000 thousand. The nominal value of one bond amounts to PLN 100 and is equal to its issue price. The series I bonds shall be redeemed on 25 January 2019. The bonds carry an interest rate composed of a base rate equal to 6 months Wibor plus a margin. Interest is payable semi-annually in January and July until redemption date.

The terms and conditions of the issuance of the bonds include provisions regarding early redemption at a bondholder's request to be made prior to 25 January 2019, in case of the occurrence of certain events covering a number of obligations and restrictions applicable to the Company, including the obligation to maintain its financial ratios at certain levels and restrictions on related party transactions.

The series I bonds are not secured.

The maturity dates and the conditions of the floating rate bonds loans series C, D, E, F, G and H have been presented in the annual consolidated financial statements for the year ended 31 December 2014.

The series D, E, G, and H bonds are not secured. The series C bonds are secured by joint mortgage up to PLN 100,200 thousand established by the Company's Polish subsidiaries. Moreover, the ratio between the value of the pledged properties and the total nominal value of the Bonds issued shall not decrease below 90%. The series F bonds are secured by a mortgage up to PLN 42,000 thousand established by one of the Company's Polish subsidiaries on the plots situated in Warsaw at Jaśminowa Street.

Notes to the Interim Condensed Consolidated Financial Statements

Note 10 – Floating rate bond loans (cont'd)

Financial ratio covenants for series C, D and E:

Based on the bonds conditions, in each reporting period the Company shall test the ratio between Net debt to Equity (hereinafter "Ratio" or "Net Indebtedness Ratio"). The Ratio shall not exceed 60% however if during the Reporting Period the Company paid dividend or performed any buy-out of its treasury shares then the Ratio shall not exceed 50%.

The Net Indebtedness Ratio is Non-GAAP Financial Measure and is calculated according to formulas provided below:

Net debt - shall mean the total consolidated balance sheet value of loans and borrowings less the consolidated value of cash and cash equivalents and short-term bank deposits - collateralized.
Equity - shall mean the consolidated balance sheet value of the equity attributable to equity holders of the parent, less the value of the intangible assets (excluding any financial assets and receivables), including specifically (i) the intangible and legal assets, goodwill and (ii) the assets constituting deferred income tax decreased by the value of the provisions created on account of the deferred income tax, however, assuming that the balance of those two values is positive. If the balance of assets and provisions on account of deferred income tax is negative, the adjustment referred to in item (ii) above shall be zero.
Reporting period - shall mean the quarterly reporting period with respect to which the Group Net Indebtedness Ratio will be tested, while a "Reporting period" shall mean a single reporting period, i.e. each calendar quarter.

The table presenting the Net Indebtedness Ratio as at the end of the Reporting period:

As at *In thousands of Polish Zlotys (PLN)*	**31 March 2015** **(Reviewed/ Unaudited)**
Net debt	178,366
Equity	441,036
Net Indebtedness Ratio	**40.4%**

Financial ratio covenants for series F and H:

Based on the conditions of bonds F and H in each reporting period the Company shall test the ratio of Net debt to Equity (hereinafter "Net Indebtedness Ratio"). The Ratio shall not exceed 80% on the Check Date.
The Net Indebtedness Ratio is Non-GAAP Financial Measure and is calculated according to formulas provided below:

Net debt - shall mean the total consolidated balance sheet value of all interest bearing liabilities less the consolidated value of cash and cash equivalents.
Equity - shall mean the consolidated balance sheet value of the equity attributable to equity holders of the parent.
Check date – last day of each calendar quarter.

The table presenting the Net Indebtedness Ratio as at the end of the Reporting period:

As at *In thousands of Polish Zlotys (PLN)*	**31 March 2015** **(Reviewed/ Unaudited)**
Net debt	184,246
Equity	446,498
Net Indebtedness Ratio	**41.3%**

Notes to the Interim Condensed Consolidated Financial Statements

Note 10 – Floating rate bond loans (cont'd)

Financial ratio covenants (cont'd):

Series G and I:

Based on the conditions of bonds G and I in each reporting period the Company shall test the ratio of Net debt to Equity (hereinafter "Net Indebtedness Ratio"). The Ratio shall not exceed 80% on the Check Date.

The Net Indebtedness Ratio is Non-GAAP Financial Measure and is calculated according to formulas provided below:
Net debt - shall mean the total consolidated balance sheet value of all interest bearing liabilities less the consolidated value of cash and cash equivalents and less cash paid by Company's clients blocked temporarily on the escrow accounts servicing ongoing projects that are under construction (presented in the Company's consolidated balance sheet under Other current financial assets).
Equity - shall mean the consolidated balance sheet value of the equity attributable to equity holders of the parent.
Check date – last day of each calendar quarter.

The table presenting the Net Indebtedness Ratio as at the end of the Reporting period:

As at *In thousands of Polish Zlotys (PLN)*	**31 March 2015** **(Reviewed/ Unaudited)**
Net debt	179,472
Equity	446,498
Net Indebtedness Ratio	**40.2%**

In addition to the above, based on the conditions of bonds G, in each reporting period the Company shall test the Net debt to Inventory Ratio (hereinafter "Net Debt to Inventory Ratio"). The Ratio shall not exceed 50% on the Check Date.

The Net Debt to Inventory Ratio is Non-GAAP Financial Measure and is calculated according to formulas provided below:

Net debt - shall mean the total consolidated balance sheet value of all interest bearing liabilities less the consolidated value of cash and cash paid by Company's clients blocked temporarily on the escrow accounts servicing ongoing projects that are under construction (presented in the Company's consolidated balance sheet under Other current financial assets).
Inventory - shall mean the consolidated balance sheet value of the inventory of the Company less advances received from the customers.
Check date – last day of each calendar quarter.

The table presenting the Net Debt to Inventory Ratio as at the end of the Reporting period:

As at *In thousands of Polish Zlotys (PLN)*	**31 March 2015** **(Reviewed/ Unaudited)**
Net debt	179,472
Inventory	614,991
Net Debt to Inventory Ratio	**29.2%**

Notes to the Interim Condensed Consolidated Financial Statements

Note 11 – Secured bank loans

The following non-current and current Secured bank loans were issued and repaid during the three months ended 31 March 2015, during the three months ended 31 March 2014 and during the year ended 31 December 2014:

In thousands of Polish Zlotys (PLN)	For the three months ended 31 March 2015 (Reviewed/ Unaudited)	For the year ended 31 December 2014 (Audited)	For the three months ended 31 March 2014 (Reviewed/ Unaudited)
Opening balance	**73,704**	**41,978**	**41,978**
New bank loan drawdown	21,918	69,819	6,914
Bank loans repayments	(32,688)	(38,413)	(10,157)
Bank charges	(282)	(789)	(789)
Bank charges amortization	178	1,104	288
Accrued interest/(interest repayment) on bank loans, net	42	5	-
Total closing balance	**62,872**	**73,704**	**38,234**
Closing balance includes:			
Current liabilities	16,033	5	32,346
Non-current liabilities	46,839	73,699	5,888
Total closing balance	**62,872**	**73,704**	**38,234**

The maturity dates of the loans have been presented in the annual consolidated financial statements for the year ended 31 December 2014. For more details please see Note 18 Events during the period (Bank Loans) and Note 19 Subsequent events (Bank Loans).
As at 31 March 2015, 31 December 2014 and 31 March 2014, the Company has not breached any loan covenant, which would expose the Company for risk of obligatory and immediate repayment of any loan and has been able to extend all expiring loan facilities.

Notes to the Interim Condensed Consolidated Financial Statements

Note 12 – Share based payments under the Company's employee incentive plan

In February 2014 the Company implemented a long-term incentive plan (the 'Plan'), addressed to selected key employees, which is based on the price performance of the Company's shares (the "Phantom Stock Plan"). The Phantom Stock Plan, which does not assume any new issue of shares and which will not result in any new shares supply is based on the following key assumptions and includes the settlement mechanism. For additional information see note 35 of the Consolidated Financial Statements for the year ended 31 December 2014.

As 31 March 2015, the total number of options granted is 2,705,000, the weighted average fair value of these options using the Black-Scholes valuation model is approximately PLN 0.26 per option. The significant inputs into the model were a weighted average share price of PLN 1.38, the exercise price mentioned above, volatility of 49%, dividend yield of 3%, an option life of 1.75 years and an annual risk free rate of 6%.

The fair value of these options, as at 31 March 2015 and 31 December 2014, amounting to PLN 617 thousand and PLN 702 thousands, respectively, has been included in the Company's consolidated balance sheet under Share based payment liabilities. The change in fair value for the 3 months period ended 31 March 2015 and 2014, resulting from vesting of the subsequent tranches as well as changes in the inputs into the Black-Scholes valuation model , amounting to PLN 85 thousand (negative) and PLN 660 thousand (positive), respectively is recognized in employee benefits expense.

As of 31 March 2015, no options have been exercised.

Note 13 – Income tax

In thousands of Polish Zlotys (PLN)	**For the 3 months ended 31 March 2015 (Reviewed/ Unaudited)**	**For the 3 months ended 31 March 2014 (Reviewed/ Unaudited)**
Current tax expense/(benefit)	**42**	**38**
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	573	2,044
Expense/(benefit) of tax losses recognized	(1,262)	(1,809)
Total deferred tax expense/(benefit)	**(689)**	**235**
Total income tax expense/(benefit)	**(647)**	**273**

The low effective tax rate during the three months ended 31 March 2014 is explained by the recognition of tax assets. The recognition of the tax assets took place after an organizational restructuring of the Group, which allowed the Company to utilize certain tax losses that in prior periods were deemed not to be usable.

Notes to the Interim Condensed Consolidated Financial Statements

Note 14 – Investment commitments, Contracted proceeds not yet received and Contingencies

(i) Investment commitments:

The amounts in the table below present uncharged investment commitments of the Group in respect of construction services to be rendered by the general contractors:

In thousands of Polish Zlotys (PLN)	**As at 31 March 2015 (Reviewed/ Unaudited)**	**As at 31 December 2014 (Audited)**
Moko I	28,162	35,301
Moko II	38,556	-
Kamienica Jeżyce I	24,948	28,109
Panoramika II	17,415	20,280
Tamka	8,275	13,684
Młody Grunwald II	11,378	14,796
Espresso II	18,472	18,472
Espresso III	33,377	-
Impressio II	3,241	9,677
Sakura IV	3,994	7,608
Verdis IV	6,936	9,325
Verdis III	-	3,312
Sakura III	-	937
Total	**194,754**	**161,501**

(ii) Contingent commitments:

In February 2015, the Group entered into a preliminary purchase agreement in respect of plot of land located at Wolska Street in Warsaw with the total area of 7.2 thousand m^2. According to the valid zoning conditions, the plot is dedicated for development of residential multifamily project. The purchase price was agreed at PLN 21.1 million, of which 15% has been already pre-paid in February 2015 and the remaining part of the price (PLN 17.9 million) will be settled on a day of transfer of the ownership of the plot to the buyer. The parties agreed that the transaction shall be settled by the end of 2015.

Notes to the Interim Condensed Consolidated Financial Statements

Note 14 – Investment commitments, Contracted proceeds not yet received and Contingencies (cont'd)

(iii) Contracted proceeds not yet received:

The table below presents amounts to be received from the customers having bought apartments from the Group and which are based on the value of the sale and purchase agreements signed with the clients until 31 March 2015 after deduction of payments received at the reporting date (such payments being presented in the Interim Consolidated Statement of Financial Position as Advances received):

In thousands of Polish Zlotys (PLN)	**As at 31 March 2015 (Reviewed/ Unaudited)**	**As at 31 December 2014 (Audited)**
Moko I	38,314	34,255
Tamka	25,104	26,153
Kamienica Jeżyce I	19,879	10,893
Espresso II	18,017	16,271
Verdis III	13,627	22,045
Sakura IV	14,670	11,017
Verdis IV	12,995	10,747
Moko II	10,477	-
Impressio II	9,510	7,706
Młody Grunwald II	8,899	6,519
Panoramika II	3,762	3,046
Espresso III	2,905	-
Sakura III	1,606	9,098
Sakura I & II	1,587	987
Młody Grunwald I	1,287	28
Chilli I, II & III	867	1,596
Espresso I	647	686
Naturalis I, II & III	582	1,513
Verdis I & II	113	117
Old projects	795	830
Total	**185,643**	**163,507**

(iv) Unutilized construction loans:

The table below presents the list of the construction loan facilities, which the Company arranged for in conjunction with entering into loan agreements with the banks in order to secure financing of the construction and other outstanding costs of the ongoing projects. The amounts presented in the table below include the unutilized part of the construction loans available to the Company:

In thousands of Polish Zlotys (PLN)	**As at 31 March 2015 (Reviewed/ Unaudited)**	**As at 31 December 2014 (Audited)**
Espresso II	22,305	22,305
Sakura III	-	4,415
Sakura IV	10,034	13,012
Impressio II	12,844	20,314
Moko I	36,557	42,450
Młody Grunwald II	11,718	15,142
Kamienica Jeżyce I	28,522	28,671
Panoramika II	20,709	-
Total	**142,689**	**146,309**

Notes to the Interim Condensed Consolidated Financial Statements

Note 15 – Financial risk management

(i) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including real estate market risk and fair value interest rate risk), credit risk and liquidity risk. The Interim Condensed Consolidated Financial Statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual financial statements as at 31 December 2014 (Note 40). There have been no changes in the risk management department since year end or in any risk management policies.

(ii) Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities, except for the assumption of new loans and redemption of existing loans during the three months period ended 31 March 2015 as described in Notes 10 and 11.

(iii) Market (price) risk

The Group's exposure to marketable and non-marketable securities price risk did not exist because the Group had not invested in securities during the three months period ended 31 March 2015.

(iv) Fair value estimation

The Investment property is valued at fair value determined by the Management.
During the three months ended 31 March 2015 there were no significant changes in the business or economic circumstances that affect the fair value of the group's financial assets, investment property and financial liabilities.

(v) Interest rate risk

All the loans and borrowings of the Group are bearing variable interest rate, which creates an exposure to a risk of changes in cash flows due to changes in interest rates.

Note 16 – Related party transactions

There were no transactions and balances with related parties during three months ended 31 March 2015 other than remuneration of Management and Supervisory Board, share based payment (for reference please refer to note 12), loans granted to related parties and reimbursement of audit review costs. All these transactions were already disclosed in the 2014 annual accounts.

Note 17 – Impairment losses and provisions

The following net movements in the Group's main provisions took place during the three months ended 31 March 2015 and during the three months ended 31 March 2014:

- *Provision for deferred tax liabilities:* during the three months ended 31 March 2015 a decrease of PLN 241 thousand (during the three months ended 31 March 2014 an increase of PLN 150 thousand).
- *Provision for expected necessary costs in respect of guarantees for construction works:* during the three months ended 31 March 2015 a decrease of PLN 168 thousand (during the three months ended 31 March 2014 no change).

Notes to the Interim Condensed Consolidated Financial Statements

Note 18 – Events during the period

Bonds loans

On 23 January 2015, the Company issued 10,000 series I bonds with a total nominal value of PLN 10,000 thousand. The nominal value of one bond amounts to PLN 100 and is equal to its issue price. The series I bonds shall be redeemed on 25 January 2019. The bonds carry an interest rate composed of a base rate equal to 6 months Wibor plus a margin. Interest is payable semi-annually in January and July until redemption date.

Bank loans

In March 2015, the Company executed a loan agreement with mBank Hipoteczny S.A. related to the second stage of the Panoramika project in Szczecin. Under this loan agreement mBank Hipoteczny S.A. is to provide financing to cover the costs of construction up to a total amount of PLN 20.7 million. Under the loan agreement, the final repayment date of the loan facility is February 2018.

Commencements of new projects

In February 2015, the Company commenced the construction work of the Espresso III project, which will comprise 155 units with an aggregate floor space of 8,500 m^2.

In February 2015, the Company commenced the construction work of the Moko II project, which will comprise 169 units with an aggregate floor space of 12,600 m^2.

Completions of projects

In January 2015, the Company completed the construction of the Sakura III project comprising 145 units with a total area of 7,300 m^2.

In March 2015, the Company completed the construction of the Verdis III project comprising 146 units with a total area of 7,700 m^2.

Land purchase

In February 2015, the Group entered into a preliminary purchase agreement in respect of plot of land located at Wolska Street in Warsaw with the total area of 7.2 thousand m^2. According to the valid zoning conditions, the plot is dedicated for development of residential multifamily project. The purchase price was agreed at PLN 21.1 million, of which 15% has been already pre-paid in February 2015 and the remaining part of the price will be settled on a day of transfer of the ownership of the plot to the buyer. The parties agreed that the transaction shall be settled by the end of 2015.

Notes to the Interim Condensed Consolidated Financial Statements

Note 19 – Subsequent events

Bond loans

On 21 April 2015, the Company issued 15,500 series J bonds with a total nominal value of PLN 15,500 thousand. The nominal value of one bond amounts to PLN 1000 and is equal to its issue price. The series J bonds shall be redeemed on 19 April 2019. The bonds carry an interest rate composed of a base rate equal to 6 months Wibor plus a margin. Interest is payable semi-annually in April and October until redemption date.

Bank loans

Since 31 March 2015, the Group did not sign, nor amended any loan agreement.

Commencements of new projects

In April 2015, the Company commenced the construction work of the City Link I and City Link II projects, which will comprise 135 units with an aggregate floor space of 6,200 m^2 and 178 units with an aggregate floor space of 7,900 m^2, respectively.

Completions of projects

Since 31 March 2015, the Group did not complete the construction of any project.

The Management Board

Shraga Weisman Chief Executive Officer	**Tomasz Łapiński** Chief Financial Officer	**Andrzej Gutowski** Sales and Marketing Director
Ronen Ashkenazi	**Peter Dudolenski**	

Rotterdam, 5 May 2015

Review report

To: the board of directors, the supervisory board and shareholders of Ronson Europe N.V.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Ronson Europe N.V., Rotterdam (the "Company") as at 31 March 2015, which comprise the interim consolidated statement of financial position as at 31 March 2015 and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the three month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope

We conducted our review in accordance with Dutch law and International Standard on Review Engagements 2410, *Review of interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amsterdam, 5 May 2015

Ernst & Young Accountants LLP

J.H. de Prie