

Current report No. 7/2013

Report date: 15 June 2013

Abbreviated name of the issuer: Ronson Europe N.V.

Subject: Issuance of bonds and the purchase of own bonds

Legal basis: Article 56 section 1.2 of the Public Offering Act – current and interim reports in conjunction with § 5 section 1.6 and § 5 section 1.11 of the Regulation of the Minister of Finance dated 19 February 2009 on current and interim reports published by issuers of securities and the terms of considering information required by any non-member state as equivalent.

The Report:

The management board of Ronson Europe N.V. (the “**Issuer**” or the “**Company**”) announces that on 14 June 2013 the Company issued 83,500 series C bonds (the “**Series C Bonds**”) and 23,550 series D bonds (the “**Series D Bonds**”) (the Series C Bonds and the Series D Bonds are hereinafter jointly referred to as the “**Bonds**”) with an aggregate nominal value and the issue price of PLN 107,050,000.

In view of the foregoing, the Issuer hereby publishes information the disclosure of which is required under § 5 section 1.6 in conjunction with § 12 and pursuant to § 5 section 1.11 in conjunction with § 17 of the Regulation of the Minister of Finance dated 19 February 2009 on current and interim reports published by issuers of securities and the terms of considering information required by any non-member state as equivalent (Journal of Laws No. 33, item 259, as amended). In connection with the Issuer’s intention to seek the admission of the Bonds to trading on the Catalyst trading system, operated by the Warsaw Stock Exchange, this current report contains information required under § 3² section 3 of the Rules of the Alternative Trading System operated by the Warsaw Stock Exchange [*Giełda Papierów Wartościowych w Warszawie S.A.*] (the “**WSE**”), as adopted under Resolution No. 147/2007 of the Management Board of the WSE dated 1 March 2007, as subsequently amended under resolutions of the Management Board of the WSE.

1. Purpose of the issuance

The Bonds are issued in order to enable the Company to refinance, in full or in part, the ordinary bearer series A and series B bonds issued by the Issuer on 18 April 2011, with an aggregate nominal value of PLN 87,500,000 (the “**Existing Bonds**”), through their repurchase from the bondholders holding the Existing Bonds for the purpose of redemption, and in the remaining part, the proceeds from the issuance of the Bonds will be used to finance the Issuer’s development business.

2. Type of Bonds

The Bonds are issued as dematerialized bearer securities. The rights of the bondholders resulting from the Bonds arise upon the first registration of the Bonds on the respective securities accounts of the bondholders. The Bonds are issued in two series:

- 1) Series C Bonds; and
- 2) Series D Bonds.

3. Issue size

83,500 Series C Bonds with an aggregate nominal value of PLN 83,500,000 (*eighty-three million, five hundred thousand zlotys*) and 23,550 Series D Bonds with an aggregate nominal value of PLN 23,550,000 (*twenty-three million, five hundred and fifty thousand zlotys*).

4. Nominal value and issue price

The nominal value of one Bond equals its issue price and amounts to PLN 1,000 (*one thousand zlotys*).

5. Coupon and redemption terms and conditions

The Series C Bonds shall be redeemed by the Issuer on 14 June 2017, whereas the Series D Bonds shall be redeemed by the Issuer on 14 June 2016.

Each Bond shall be redeemed through the payment of an amount equal to its nominal value.

The terms and conditions of the issuance of the Bonds include provisions regarding early redemption of the Bonds at a bondholder's request to be made prior to the redemption date, in the case of the occurrence of certain events as specified in the terms and conditions of the issuance related to a given series of the Bonds and with respect to the majority of the events, upon the adoption by the meeting of the bondholders holding the Bonds of a given series of a resolution granting consent to the bondholders holding the Bonds of a given series to request an early redemption. The list of the events upon the occurrence of which the bondholders are authorised to request an early redemption includes, inter alia, the Issuer's failure to make any of the required payments, the Issuer's failure to pay a material financial debt, the delisting of the Issuer's shares from trading on the WSE, the Issuer's failure to maintain the financial ratios at certain levels, excessive investment in land having an unregulated status and the performance of unauthorised related-party transactions.

The Bonds have a variable coupon determined based on the WIBOR rate for six-month deposits increased by a margin specified in the terms and conditions of the issuance – which is different for the Series C Bonds and the Series D Bonds. In certain events specified in the terms and conditions of the issuance the margin may be increased. Coupons are payable semi-annually in accordance with the Rules of the National Depository for Securities.

6. Security instruments

The Series D Bonds are not secured.

The Series C Bonds were issued as unsecured bonds, whereas prior to the issue date the subsidiaries of the Issuer listed in Schedule No. 1 to this report, made a representation in the form of a notarial deed on the establishment of a joint mortgage up to PLN 100,200,000 (*one hundred million, two hundred thousand zlotys*) to secure the claims resulting from the Bonds, on the real properties listed in Schedule No. 1 to this report, which are owned by or subject to the right of perpetual usufruct of such Issuer's subsidiaries (the "**Mortgage**"). Upon the registration of the Mortgage by the relevant registry courts to the land and mortgage registers, the Series C Bonds will be secured by the Mortgage.

7. Value of liabilities and their projections until the redemption of all of the Bonds

Liabilities: As at 31 March 2013 the total value of Issuer's liabilities, according to the Issuer's stand-alone financial statements, amounted to PLN 94,781,769.

Projections of liabilities contracted by the Issuer until the redemption of all of the Bonds: The sector in which the Issuer and the Issuer's group operate (the "**Group**") is capital-intensive. The Group requires a large amount of funds for expenses connected with the purchase of land, developer's business and for the payment of the costs of construction and research and development-related investments. Additionally, following the completion of the construction phase, certain capital expenditures may be required to maintain the property in good condition. Therefore, the Group needs for its operational activities a large amount of cash, external financing from banks as well as other capital resources (for example from institutional and public investors) to finance its construction projects. At the level of the external financing needs of the Issuer and the Group, the projections of liabilities contracted by the Issuer depend on the projects under construction and their financial capacities. The Issuer expects that until the date on which the Bonds are redeemed, liabilities of the Issuer and of the Group will remain at the level which would enable the Issuer to fully perform its obligations resulting from the Bonds.

8. Information for potential buyers on the undertaking to be funded from the proceeds from the issuance of the Bonds

The proceeds from the issuance of the Bonds will not be used to fund any undertaking within the meaning of Article 10 section 1.8) of the Act on Bonds.

9. The rules of calculation of the value of benefits in kind into cash

The Bonds entitle their holders to monetary benefits only.

10. In the case where any form of a pledge or mortgage is established to secure the repayment of receivables resulting from the Bonds – the valuation of the subject of such pledge or mortgage prepared by an authorised expert

Excerpts from the real estate appraisal reports relating to the properties on which the Mortgage is to be established to secure the claims resulting from the Series C Bonds are attached as Schedule No. 2 to this report.

Additionally, the management board of the Issuer announces that on the same day, 14 June 2013, the Issuer purchased from the respective bondholders, for the purpose of redemption, 4,634 series A bonds (the "**Series A Bonds**") and 2,050 series B bonds (the "**Series B Bonds**") issued by the Issuer on 18 April 2011, with a nominal value of PLN 10,000 each (the issuance of which had been announced by the Issuer in current report No. 5/2011 dated 18 April 2011), and with an aggregate nominal value of PLN 66,840,000 (the "**Purchased Bonds**"). The sale price for 6,684 Existing Bonds payable to the bondholders holding the Purchased Bonds was designated by those bondholders to pay for a portion of the issue price of the Bonds issued on 14 June 2013 and has been set off against the issue price.

1. Legal basis of the purchase of securities

The Purchased Bonds were purchased pursuant to the resolution of the management board of the Issuer dated 22 May 2013.

2. Number of the purchased securities

The Company purchased 6,684 Purchased Bonds, i.e. 4,634 Series A Bonds and 2,050 Series B Bonds.

3. Reasons and purpose of the purchase of securities

The Purchased Bonds were purchased for the purpose of redemption. The Issuer decided to purchase the Purchased Bonds in order to extend the maturity date of its indebtedness (the rolled over debt resulting from the Purchased Bonds) through the issuance of the Bonds.

4. Average unit purchase price of securities

The average unit purchase price of the Purchased Bonds (including also interest accrued on each Purchased Bond from the commencement of the interest period until the day preceding the date on which they were purchased by the Issuer, inclusive) amounted to PLN 10,386.69.

Schedule No. 1:

A list of the subsidiaries of the Issuer establishing the Mortgage and real properties encumbered with the Mortgage.

Schedule No. 2:

Excerpt from the real estate appraisal reports relating to the properties on which the Mortgage is to be established.