

Current Report No. 5 / 2011

Report Date: 18 April 2011

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

Subject: Issuance of bonds

Legal basis: Article 56 section 1.2 of the Public Offering Act – current and interim reports

The Report:

The Board of Managing Directors of Ronson Europe N.V. (the “**Issuer**”), announces that on 18 April 2011 it issued 5,134 series A bonds (the “**Series A Bonds**”) and 3,616 series B bonds (the “**Series B Bonds**”) (the Series A Bonds and the Series B Bonds are hereinafter jointly referred to as the “**Bonds**”) with an aggregate nominal value and issue price of PLN 87,500,000.

In view of the foregoing, the Issuer hereby publishes information the disclosure of which is required under § 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). 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 [*Gięlda 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 purpose of the issuance is to raise funds which the Issuer intends to use to finance its main activity, and in particular to: (i) increase the number of building and other plots held by the Issuer (including any plots held by the subsidiaries controlled or co-controlled by the Issuer) and designated mainly for residential projects; (ii) provide additional financing for special purpose vehicles which conduct or intend to commence construction projects; and (iii) refinance the financial liabilities of the Issuer and its subsidiaries towards banks financing the purchase of real properties by the Issuer.

2. Type of Bonds

The Bonds are issued as dematerialized bearer securities in accordance with Article 5a of the Act on Bonds dated 29 June 1995 (Journal of Laws of 1995 No. 83, item 420, consolidated text: Journal of Laws of 2001 No. 120, item 1300, as amended) (the “**Act on Bonds**”). The rights of the bondholders stemming from the Bonds arise upon the first registration of the Bonds with the National Depository for Securities [*Krajowy Depozyt Papierów Wartościowych*] (the “**NDS**”). The Bonds are issued in two series:

- 1) Series A Bonds; and
- 2) Series B Bonds.

3. Issue size

5,134 Series A Bonds with an aggregate nominal value of PLN 51,340,000 (fifty-one million, three hundred and forty thousand zlotys) and 3,616 Series B Bonds with an aggregate nominal value of PLN 36,160,000 (thirty-six million, one hundred and sixty thousand zlotys).

4. Nominal value and issue price

The nominal value of one bond amounts to PLN 10,000 (ten thousand zlotys) and is equal to its issue price.

5. Coupon and redemption terms and conditions

The Issuer shall redeem the Bonds on the third anniversary of the issue date (18 April 2014). The Bonds shall be redeemed through the payment of an amount equal to the nominal value of the Bonds to be redeemed.

Additionally, the Indenture (the terms and conditions of the issuance of the Bonds) includes provisions regarding early redemption at a bondholder's request to be made prior to 18 April 2014, in the case of the occurrence of certain events as specified in the Indenture. The list of such events covers a number of obligations and restrictions applicable to the Issuer, including the obligation to maintain its financial ratios at certain levels, restrictions on investments in land having an unregulated status and restrictions on 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 Indenture – which is different for the Series A Bonds and the Series B Bonds. Coupons are payable semi-annually in accordance with the NDS Rules.

Under the Indenture applicable to the Series B Bonds the Issuer has the right to demand early redemption of any number of the Series B Bonds to be effected on either of the following two dates: (i) on the coupon payment date falling 12 months prior to the Series B Bonds redemption date; and (ii) on the coupon payment date falling six months prior to the Series B Bonds redemption date. The number of the Series B Bonds held by an investor, which is subject to mandatory early redemption, shall be agreed pursuant to the applicable regulations of the NDS.

6. Security instruments

The Bonds are not secured.

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

Value of the Bonds: According to the Issuer's stand-alone financial statements for the year ended 31 December 2010 the value of liabilities contracted as at 31 December 2010 amounted to PLN 17,939,000 (seventeen million, nine hundred and thirty-nine thousand zlotys), and according to the Issuer's consolidated financial statements for the year ended 31 December 2010 the value of liabilities contracted as at 31 December 2010 amounted to PLN 257,653 thousand (two hundred and fifty-seven million, six hundred and fifty-three thousand zlotys).

Projections of the liabilities contracted by the Issuer until the redemption of all of the Bonds: The Issuer points out that when evaluating the prospective debt level one should take into consideration the fact that, in accordance with the accounting standards applied by the Issuer, the level of liabilities is affected by the balance of liabilities towards customers (i.e. apartment purchasers) accumulating the balance of the funds paid by the purchasers of apartments planned to be handed over. Consequently, the balance of liabilities as at a given balance sheet

date depends, to a large extent, on the status of related building projects (the balance increases proportionally to the progress of a project, reaching its maximum amount at the time when the project is handed over to customers (after obtaining an occupancy permit)). According to the Issuer, the balance of its liabilities until the complete buyout of the Bonds will be at a level not exceeding 75% of the sum of the assets, both in individual and consolidated financial statements.

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

The proceeds 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

The Bonds are not secured.