

4 September 2008

Ronson Europe N.V.

Current Report 35/2008

Termination of employment and management board membership of Dror Kerem, the president of the Company, and the resignation from the management board of Mr. Karim Habra

Legal basis:

Article 56, section 1.2 of the Public Offering Act – current and interim reports

The Report:

The Management Board of Ronson Europe N.V. (the “Company”), listed on the Warsaw Stock Exchange, hereby informs that on 3 September 2008 (a) the Company concluded a Letter of Understanding on Termination of the Consulting Agreement with Elgindat Holdings Ltd., which is a company owned by Mr. Dror Kerem (“Elgindat”), and (b) Ronson Development Management Sp. z o.o., a wholly-owned subsidiary of the Company (“Ronson Management”), concluded a Letter of Understanding on Termination of the Employment Contract with Mr. Kerem (both letters of understanding are hereinafter referred to as the “Termination Letters”).

Pursuant to the Termination Letters the parties mutually agreed to terminate the consulting agreement entered into between the Company and Elgindat on 1 January 2008 and the employment agreement entered into between Mr Dror Kerem and Ronson Management on 1 January 2008. The terminations will be effective as of 31 March 2009. Mr. Kerem agreed to continue to render agreed upon services to the Company during the termination period and to cooperate with the new president of the Company to ensure a smooth transition. Mr. Kerem shall be entitled to receive remuneration as specified in the original employment and consulting agreements.

The conclusion of the Termination Letters followed the adoption of resolutions of the Supervisory Board of the Company on the termination of the existing president of the Company and the recommendation to submit a new president/management board member for required approval of shareholders. The Supervisory Board of the Company designated Mr. Shraga Weisman to act as the new president of the Company commencing on 1 October 2008, subject to the approval of his appointment by the shareholders meeting of the Company.

Mr Weisman served as the chief executive officer of Ashdar Building Company Ltd. from 1997 until May 2008. Ashdar Building Company Ltd., listed on the Tel-Aviv Stock Exchange since May 2007, is one of the largest real estate development companies in Israel focusing on residential and commercial projects, hotels and protected accommodation projects. From 1990 to 1997 Mr. Weisman was the chief executive officer of Natanya Tourism Development Company, which developed residential and infrastructure development projects in Israel. Mr. Weisman holds a BA from Tel-Aviv University, an MSC from Technion – Israel Institute of Technology and is a certified real estate appraiser in Israel.

In addition, in an unrelated matter, the Company has been informed by Mr. Karim Habra that he has resigned from his position as a management board member of the Company. The resignation is connected with the resignation by Mr. Habra from his position as a managing director of GE Real Estate Central and Eastern Europe, which is affiliated with GE Real Estate CE Residential B.V.

The extraordinary shareholders meeting of the Company to appoint new members of the management board shall be called as soon as practicable.

Legal basis: §5, section 1.21 of the Regulation of the Minister of Finance dated 19 October 2005 on current and interim reports published by issuers of securities.