Ronson Europe N.V.

Consolidated Quarterly Report

for the three months ended

31 March 2008

CONTENTS

DIRECTOR'S REPORT

General

Introduction

Ronson Europe N.V. ("the Company"), is a Netherlands limited liability company with its statutory seat in Rotterdam, the Netherlands, and was incorporated on 18 June 2007. For a historical background and restructuring of the Company reference is made to the Notes to the Condensed Consolidated Financial Statements (Note 1 (b) on pages 18 and 19).

The Company (and together with its Polish subsidiaries, "the Ronson Group" or "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 Ronson Group also leases real estate to third parties.

The shares of the Company are traded on the Warsaw Stock Exchange since 5 November 2007. As at 31 March 2008, 63.8% of the outstanding shares are held by I.T.R. Dori B.V. ("ITR Dori"), 18.4% of the outstanding shares are held by GE Real Estate CE Residential B.V. ("GE Real Estate") and the remaining 17.8% of the outstanding shares are held by the public.

Company overview

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

Up to and including the first quarter of 2008, the Group has completed seven projects, having delivered 1,005 units with a total area of 68,221 m^2. The remaining 46 units in these projects, with a total area of 3,525 m^2, are expected to be delivered during the remainder of 2008.

As of the date of this quarterly report, the Group is developing two new projects with a total of 262 residential units, with a total area of approximately 23,885 m^2, of which 234 units, with a total area of approximately 17,537 m^2 are expected to be completed in 2008. In addition, the Group completed the development of one more project with a total of 58 residential units, with a total area of approximately 23,885 m^2.In addition, the Group has 24 projects under difference stages of preparation with approximately 5,776 residential units for future development in Warsaw, Poznań, Wrocław and Szczecin. Moreover, the Group has entered into two preliminary purchase agreements regarding properties in Poznań and Warsaw.

Director's report

Business highlights during the period ended 31 March 2008

Results breakdown by project

Revenue 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 residential unit. Total revenue of the Group during the three months ended 31 March 2008 amounted to PLN 12.7 million, whereas cost of sales amounted to PLN 6.5 million, which resulted in the gross profit amounting to PLN 6.2 million.

The following table specifies revenue, cost of sales and gross profit on a project by project basis:

	Revenue		Cost of sales		Gross profit	
Project	**PLN (thousands)**	**%**	**PLN (thousands)**	**%**	**PLN (thousands)**	**%**
Meridian	9,464	74.6%	4,618	70.6%	4,846	78.8%
Mistral	2,857	22.5%	1,788	27.4%	1,069	17.4%
Other	367	2.9%	133	2.0%	234	3.8%
Total	**12,688**	**100.0%**	**6,539**	**100.0%**	**6,149**	**100.0%**

Meridian

The construction of the Meridian housing estate was completed in October 2007. This project was developed on a land strip of 5,196 m^2 located in the Wola district of Warsaw. The Meridian housing estate comprises three seven and nine-storey buildings with a total of 206 apartments (and 7 commercial units) with an aggregate floor space of 15,000 m^2. The size of the apartments varies from 47 m^2 to 183 m^2.
During the three months ended 31 March 2008, the Group recognized revenue from the sale of 13 apartments (including parking places and storages) and 1 commercial unit.

Mistral

The construction of the Mistral housing estate was completed in December 2007. This project was developed on a land strip of 5,366 m^2 located in the Ursynów district of Warsaw. The Mistral housing estate comprises four two-storey detached houses of 10 to 17 apartments each, with a total of 54 apartments (no commercial units) with an aggregate area of 4,300 m^2. The size of the apartments varies from 51 m^2 to 113 m^2.
During the three months ended 31 March 2008, the Group recognized revenue from the sale of 4 apartments (including parking places and storages).

Land Purchases and Advances for land

A. Land purchases

The table below present's information on the 2 strips of land purchased by the Group during the three months ended 31 March 2008:

Company	Project name	Location	Land strip m^2	Date of the final Notarial Deed	Acquisition price PLN (thousands)
Ronson Development Skyline Sp. z o.o.	Newton	Poznań	10,908	18/01/2008	8,181
Ronson Development Home Sp.k.	Oszedlowa	Warsaw	7,129	31/03/2008	4,300
Total			**18,037**		**12,481**

Newton

On 18 January 2008, Ronson Development Skyline Sp. z o.o. signed the final notarial deed for the purchase of a plot of land with an area of 10,908 m^2 located in Poznań. The Group is planning to build a housing project that will comprise 25 semi-detached units (total 50 apartments) with an aggregate floor space of 5,600 m^2.

Oszedlowa

On 31 March 2008, Ronson Development Home Sp.k. signed the final notarial deed for purchase of a plot of land with an area of 7,129 m^2 located in Warsaw. The Group is planning to build row houses comprising a total of 22 apartments with an aggregate area of 3,900 m^2.

B. Advances for land

The Group had entered into two preliminary purchase agreements in connection with the acquisition of land for the following projects:

Company	Project name	Location	Land strip m^2	Total consideration PLN (thousand)	Advance Payment PLN (thousand)
Ronson Development West Sp. z o.o.	Aurora	Poznań	38,352	62,000	12,400
Ronson Development North Sp. z o.o.	Łomianki	Warsaw	33,488	19,696	8,500
Total			**71,840**	**81,696**	**20,900**

B. Advances for land (cont'd)

Aurora

On 25 June 2007, Ronson Development West Sp. z o.o. concluded a preliminary purchase agreement in connection with the transfer of ownership rights to four plots of land with an aggregate size of 31,933 m^2 and right of perpetual usufruct to a plot of land with a size of 6,419 m^2 in Poznań. The final sale agreement is expected to be executed on or before 30 June 2008 (which may be extended for an additional period of three months if certain conditions are not satisfied) and is subject to the satisfaction or waiver of various conditions precedent including, without limitation, the confirmation that the plots are not subject to any third party rights, the receipt of the required planning decision and the completion of an environmental audit.

Łomianki

On 19 November 2007, Ronson Development North Sp. z o.o. concluded a preliminary purchase agreement in connection with the transfer of ownership rights to a plot of land with an area of 33,488 m^2 in Warsaw. The final sale agreement is expected to be executed on or before 30 June 2008 and is subject to the satisfaction or waiver of various conditions precedent including, without limitation, the confirmation that the plots are not subject to any third party rights, the receipt of the required planning decision and the completion of an environmental audit.

Financial information

The Condensed unaudited Consolidated Financial Statements for the three months ended 31 March 2008 have been prepared by management under International Financial Reporting Standards as adopted by the European Union ("IFRS"), applying the same accounting principles as applied in the 2007 Annual Accounts.

Overview of results

The Company net income for the three months ended 31 March 2008 was PLN 1,545 thousand and can be summarized as follows:

	For the three months ended 31 March	
	2008	**2007[(1)]**
	PLN (thousands, except per share data)	
Revenue	12,688	9,963
Cost of sales	(6,539)	(6,415)
Gross profit	**6,149**	**3,548**
Administrative expenses	(4,106)	(1,968)
Operating profit	**2,043**	**1,580**
Finance income	616	454
Finance expense	(408)	(350)
Net finance income	**208**	**104**
Net income before taxation	**2,251**	**1,684**
Income taxes	(706)	(183)
Net income before minority interests	**1,545**	**1,501**
Minority interests	-	231
Net income attributable to equity holders of the parent company	**1,545**	**1,270**
Net earnings per share of (EUR 0.02) each (basic and diluted)	**0.007**	**-**

[(1)] For the presentation of the combined comparative figures – see note 1(c) to the Condensed Consolidated Financial Statements.

Director's report

Revenue

Total revenue increased by 27.4% from PLN 10.0 million during the three months ended 31 March 2007 to PLN 12.7 million during the three months ended 31 March 2008, which is primarily explained by higher selling prices per m^2 for residential units sold.

Cost of sales

Cost of sales increased by 1.9% from PLN 6.4 million during the three months ended 31 March 2007 to PLN 6.5 million during the three months ended 31 March 2008.

Gross profit

Gross profit increased by 73.3% from PLN 3.5 million during the three months ended 31 March 2007 to PLN 6.1 million during the three months ended 31 March 2008. The relatively high increase is primarily explained by the higher selling prices for residential units sold whereas the cost of sales increased only marginally.

Administrative expenses

Administrative expenses increased by 108.6% from PLN 2.0 million for the three months ended 31 March 2007 to PLN 4.1 million for the three months ended 31 March 2008. The increase is primarily a result of personnel expenses, which increased from PLN 0.6 million for the three months ended 31 March 2007 to PLN 2.6 million for the three months ended 31 March 2008 and which, amongst other items, is explained by the implementation during the fourth quarter of 2007 of the new long-term incentive plan of shares and options to shares for management and key employees. The effect of the long-term incentive plan on the results for the three months period ended 31 March 2008 is an increase in administrative expenses of PLN 1.3 million.

Operating profit

As a result of the factors described above, the Company operating result increased by PLN 0.4 million from an operating profit of PLN 1.6 million for the three months ended 31 March 2007 to an operating profit of PLN 2.0 million for the three months ended 31 March 2008.

Director's report

Net finance income

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. Finance income/(expense) not capitalized is recognized in the income statement.

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

	For the year ended 31 March 2008		
	PLN (thousands)		
	Total amount	Amount capitalized	Recognized as profit or loss
Finance income	728	112	616
Finance expense	(4,524)	(4,116)	(408)
Net finance income/(expense)	**(3,796)**	**(4,004)**	**208**

	For the year ended 31 March 2007		
	PLN (thousands)		
	Total amount	Amount capitalized	Recognized as profit or loss
Finance income	548	94	454
Finance expense	(1,708)	(1,358)	(350)
Net finance income/(expense)	**(1,160)**	**(1,264)**	**104**

Minority interest

Minority interests for the period starting 1 January 2007 and ended 30 March 2007 comprised the share of minority shareholders (20.9%) in profit of subsidiaries that were not 100% owned by the Company.

On 27 September 2007, GE Real Estate (the minority shareholder) assigned and contributed its shares and rights in 34 Polish companies in exchange for 11,890 new shares with a par value of EUR 1 per share that provided GE Real Estate with 20.9% of the Company's total shares. Since that date there is no minority interest remaining in the Company's subsidiaries. For a historical background and restructuring of the Company reference is made to the Notes to the Condensed Consolidated Financial Statements (Note 1 (b) on pages 18 and 19).

Overview of selected details from the consolidated balance sheet

The following table presents selected details from the consolidated balance sheet in which material changes had occurred

	As at 31 March	
	2008	2007 [(1)]
	PLN (thousands)	
Investment property	-	44,300
Loan granted to related party	-	13,732
Inventories of residential units	483,118	197,659
Trade and other receivables	50,860	24,398
Loans and borrowings	249,183	115,577

[(1)] For the presentation of the combined comparative figures – see note 1(c) to the Condensed Consolidated Financial Statements.

Investment property

The balance of investment property is nil on 31 March 2008 as compared to PLN 44.3 million on 31 March 2007. The decrease is a result of the decision in 2007 to develop the Kłobucka property in Mokotów, Warsaw, as a residential project rather than as a commercial real estate project. As a result, this project has been reclassified from investment property to inventories of residential units.

Loan granted to related party

The balance of the Loan granted to related party is nil on 31 March 2008 as compared to PLN 13.7 million on 31 March 2007. Following the incorporation of the Company, the shareholder and founder of the Company, ITR Dori, assigned and contributed to the Company, on 29 June 2007, its interest in 36 Polish companies as well as a liability under a loan agreement between ITR Dori and Ronson Development Residential Sp. z o.o., one of the Polish companies in which the shares were transferred to the Company.

Inventories of residential units

The balance of inventories of residential units is PLN 483.1 million as of 31 March 2008 as compared to PLN 197.7 million as of 31 March 2007. The increase is primarily a result of the Group's investments associated with the purchase of new plots of land for a total amount of PLN 210.2 million.

Trade and other receivables

The balance of trade and other receivables is PLN 50.9 million as of 31 March 2008 as compared to PLN 24.4 million as of 31 March 2007. The increase is primarily a result of an increase in advance payments made by the Group for the acquisition of lands from PLN 8.5 million as at 31 March 2007 to PLN 20.9 million as at 31 March 2008, as well as a result of an increase in value added tax (VAT) receivables from PLN 11.1 million as at 31 March 2007 to PLN 24.8 million as at 31 March 2008.

Loans and borrowings

The balance of loans and borrowings is PLN 249.2 million as of 31 March 2008 as compared to PLN 115.6 million on 31 March 2007. The increase is primarily a result of new bank loans taken by the Group for the purpose of financing new projects.

Overview of cash flows results

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

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

	For the three months ended 31 March	
	2008	2007 [(1)]
	PLN (thousands)	
Cash flows from operating activities	601	4,272
Cash flows used in investing activities	(13)	-
Cash flow from/(used in) financing activities	(3,030)	10,480

[(1)] For the presentation of the combined comparative figures – see note 1(c) to the Condensed Consolidated Financial Statements.

Cash flows from operating activities totaled PLN 0.6 million for the three months ended 31 March 2008 as compared to PLN 4.3 million from the three months ended 31 March 2007. The decrease is principally due to:

- an increase in cash flow used in inventories of residential units from PLN 15.1 million during the three months ended 31 March 2007 to PLN 25.1 million during the three months ended 31 March 2008;
- a decrease in cash flow from deferred income from PLN 15.2 million during the three months ended 31 March 2007 to PLN 6.9 million during the three months ended 31 March 2008.

Cash flows used in investing activities totaled PLN 13 thousand and nil during the three months periods ended 31 March 2008 and 31 March 2007, respectively.

Cash flows used in financing activities totaled PLN 3.0 million during the three months ended 31 March 2008, as compared to cash flow from financing activities of PLN 10.5 million in the three months ended 31 March 2007. The movement is principally due to:

- a decrease in the net amount of loans received from banks from PLN 10.5 million during the three months ended 31 March 2007 to PLN 4.6 million during the three months ended 31 March 2008;
- an increase in repayments of related-party loans from nil during the three months ended 31 March 2007 to PLN 7.6 million during the three months ended 31 March 2008.

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
2008 (3 months)	**3.5762**	**3.5204**	**3.6577**	**3.5258**
2007 (3 months)	3.8864	3.8270	3.9385	3.8695

Source: National Bank of Poland ("NBP")

Selected financial data	EUR		PLN	
	(thousands, except per share data)			
	For the three months ended 31 March			
	2008	2007	2008	2007
Revenues	**3,548**	2,564	**12,688**	9,963
Gross profit	**1,719**	913	**6,149**	3,548
Net income before taxation	**629**	433	**2,251**	1,684
Net income attributable to equity holders of the parent company	**432**	327	**1,545**	1,270
Cash flows from operating activities	**168**	1,099	**601**	4,272
Cash flows used in investment activities	**(4)**	-	**(13)**	-
Cash flows from/(used in) financing activities	**(847)**	2,697	**(3,030)**	10,480
Increase/(decrease) in cash and cash equivalents	**(683)**	3,796	**(2,442)**	14,752
Inventories of residential units	**137,024**	51,081	**483,118**	197,659
Total assets	**171,974**	87,229	**606,345**	337,534
Deferred income	**17,536**	17,143	**61,828**	66,333
Long term liabilities	**49,020**	28,266	**172,833**	109,375
Current liabilities	**45,008**	26,337	**158,690**	101,911
Shareholders' equity	**77,946**	27,731	**274,822**	107,306
Share capital	**4,533**	-	**16,933**	-
Weighted average number of equivalent shares (basic)	**226,666,666**	-	**226,666,666**	-
Weighted average number of equivalent shares (diluted)	**228,866,666**	-	**228,866,666**	-
Net earnings per share (basic and diluted)	**0.002**	-	**0.007**	-

Selected financial data were translated from EUR into PLN in the following way:
(i) Balance sheet data were translated using the average exchange rate published by the National Bank of Poland for the last day of the year / period.
(ii) Income statement and cash flows data were translated using the arithmetical average of average exchange rates published by the National Bank of Poland for the last day of every month within the reporting year / period.

Outlook for 2008

A. Completed projects

The table below presents information on the total residential units in the two completed projects that the Company expects to sell during the year 2008:

Project name	Location	Total units	Number of residential units sold (*) as at 31 March 2008	Number of residential units delivered (*) as at 31 March 2008	Number of residential units assumed to be delivered (*) until 31 December 2008
Meridian	Warsaw	206	187	170	36
Mistral	Warsaw	54	52	44	10
Total		**260**	**239**	**214**	**46**

(*) 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 transferring the key for the apartment to the client, which is the moment of revenue recognition by the Company as stated below:

Revenue 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 residential unit.

Meridian

The Meridian project was completed in October 2007. The Meridian housing estate comprises three seven and nine-storey buildings with a total of 206 apartments and 7 commercial units. Until 31 March 2008, the Company recognized revenue from the sale of 170 apartments (including parking places and storages) and 7 commercial units. The Company expects to sell and to deliver the remaining 36 apartments (including parking places and storages) until 31 December 2008.

Mistral

The Mistral project was completed in December 2007. The Mistral housing estate comprises four two-storey detached houses of 10 to 17 apartments each, with a total of 54 apartments. Until 31 March 2008, the Company recognized revenue from the sale of 44 apartments (including parking places and storages). The Company expects to sell and deliver the remaining 10 apartments (including parking places and storages) until 31 December 2008.

B. *Current projects scheduled to be completed in 2008*

The table below presents information on three projects for which completion is scheduled in 2008. The Company has obtained construction permits for all three projects and has commenced construction:

Project name	Location	Area of plot (m^2)	Total units	Total area of units (m^2)	Number of residential units sold as at 31 March 2008
Imaginarium	Warsaw	10,343	58	4,000	52
Galileo	Poznań	8,598	226	16,100	42
Konstancin	Warsaw	36,377	36	10,000	2
Total		**55,318**	**320**	**30,100**	**96**

Imaginarium

The Imaginarium project was completed in the first Quarter 2008 (the company didn’t received yet the occupancy permit). The project was developed on a land strip of 10,343 m^2 located in the Bielany district in Warsaw. The two apartment buildings are both two-storey buildings with a total of 58 apartments (no commercial units) with an aggregate floor space of 4,000 m^2. The size of the apartments varies from 30 m^2 to 110 m^2. The construction of the Imaginarium project commenced in December 2006.

Galileo

The Galileo project is being developed on a land strip of 8,598 m^2 located in the City Center district of Poznań. The Galileo housing project will comprise 5 six-storey apartment buildings with a total of 226 apartments with an aggregate floor space of 16,100 m^2. The size of the apartments varies from 52 m^2 to 112 m^2. Construction of the Galileo project commenced in February 2007 and the project is expected to be completed in the fourth quarter of 2008.

Konstancin

The Konstancin project is being developed on a land strip of 36,377 m^2 located in the Konstancin district in Warsaw. The Konstancin housing project will comprise 18 semi-detached units (total 36 apartments) with an aggregate floor space of 10,000 m^2. Construction of the project commenced in February 2008 and the project is expected to be completed in the third quarter of 2009, with completion of a number of units by the end of 2008.

Additional information to the report

Major shareholders

To the best of the Company's knowledge, as of the date of publication of this short report for the three months ended 31 March 2008 (13 May 2008), the following shareholders are entitled to exercise over 5% of the voting rights at the General Meeting of Shareholders in the Company:

Shares

	As of 13 May 2008 Number of shares / % of shares	Increase Number of shares	As of 31 March 2008 Number of shares / % of shares	Increase Number of shares	As of 31 December 2007 Number of shares / % of shares
I.T.R Dori B.V.	144,561,115 / 63.8%	139,111	144,422,004 / 63.7%	-	144,422,004 / 63.7%
GE Real Estste CE Residential B.V.	41,800,000 / 18.4%	-	41,800,000 / 18.4%	-	41,800,000 / 18.4%

Changes in ownership of shares and rights to shares by Management Board members in the three months ended 31 March 2008 and until the date of publication of the report

Shares

The members of the Management Board did not individually own or receive shares in the Company during the period from 31 December 2007 until 13 May 2008.

Rights to shares / Options

The members of the Management Board did not individually receive rights to shares or options on shares in the Company during the period from 31 December 2007 until 13 May 2008. Rights to shares that were granted to individual members of the Management Board before 31 December 2007 are as follows:

- Mr. Dror Kerem: a right to obtain 300,000 shares in the capital of the Company with a nominal value of EUR 0.02 each, for nominal value, which right can be exercised as of 24 April 2008;
- Mr. Dror Kerem: a right to subscribe for 240,000 shares in the capital of the Company with a nominal value of EUR 0.02 each, per year annually on the anniversary of the date the Company's shares were admitted to listing on the Warsaw Stock Exchange (the "Admission") for five successive years, being in total 1,200,000 shares, for an issue price per share equal to 5.75 PLN, provided, however, that if the consulting agreement between Mr. Kerem and the Company is terminated (for any reason), Mr. Kerem's entitlement to the vesting of the options on the anniversary date of the year of such termination shall be relative to the proportion of the year (to the anniversary date) he was employed by the Company and, thereafter, any remaining options granted in accordance with the above are automatically cancelled; and
- Mr. Ariel Bouskila: a right to subscribe to a total number of 150,000 shares in the capital of the Company with a nominal value of EUR 0.02 each, for an issue price per share equal to 5.75 PLN, one third per year on the anniversary date of the date of Admission for three successive years.

Director's report

Changes in ownership of shares and rights to shares by Supervisory Board members in the three months ended 31 March 2008 and until the date of publication of the report

The members of the Supervisory Board did not individually own any shares and/or rights to shares in the Company during the period from 31 December 2007 until 13 May 2008.

Other

As of 31 March 2008, the Company has issued guarantees for bank loans granted to subsidiaries amounting to a total of PLN 45,563 thousand.

As of 31 March 2008, the Group has no litigations for claims or liabilities that in total 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 2008:

- a decrease in the provision for deferred tax liabilities of PLN 884 thousand.

The Management Board

Dror Kerem President of the Management Board General Director	Ariel Bouskila Management Board Member Financial Director

Rotterdam, 13 May 2008

CONDENSED CONSOLIDATED BALANCE SHEET

As at *In thousands of Polish Zloty (PLN)*	**31 March 2008 (Unaudited)**	**31 December 2007 (Audited [2])**	**31 March 2007 [1] (Unaudited)**	**31 December 2006 [1] (Audited [2])**
Assets				
Property and equipment	669	741	604	315
Intangible assets	45	66	157	169
Investment property	-	-	44,300	44,300
Long-term finance lease receivable	535	590	698	729
Loan granted to related party	-	-	13,732	13,533
Deferred tax assets	1,731	1,348	2,114	2,750
Total non-current assets	**2,980**	**2,745**	**61,605**	**61,796**
Inventories of residential units	483,118	457,774	197,659	182,920
Trade and other receivables	50,860	66,176	24,398	21,695
Cash and cash equivalents	69,387	71,829	53,872	39,120
Total current assets	**603,365**	**595,779**	**275,929**	**243,735**
Total assets	**606,345**	**598,524**	**337,534**	**305,531**
Shareholders' equity and liabilities				
Shareholders' equity	**274,822**	**271,973**	**107,306**	**106,036**
Minority interests	**-**	**-**	**18,942**	**18,711**
Long-term liabilities				
Loans and borrowings	163,968	145,669	101,112	94,057
Deferred tax liability	8,865	9,749	8,263	8,763
Total long-term liabilities	**172,833**	**155,418**	**109,375**	**102,820**
Current liabilities				
Loans and borrowings	85,215	105,175	14,465	10,085
Trade and other payable	8,869	9,352	17,535	13,392
Tax payable	2,277	1,198	3,077	2,832
Provisions	501	501	501	501
Deferred income	61,828	54,907	66,333	51,154
Total current liabilities	**158,690**	**171,133**	**101,911**	**77,964**
Total Shareholders' equity and liabilities	**606,345**	**598,524**	**337,534**	**305,531**

[1] For the presentation of the combined comparative figures – see note 1(c).
[2] Extracted from the 2007 Annual Accounts.

CONDENSED CONSOLIDATED INCOME STATEMENT

PLN (thousands, except per share data and number of shares)	**For the 3 months ended 31 March 2008 (Unaudited)**	**For the 3 months ended 31 March 2007 [(1)] (Unaudited)**
Revenue	12,688	9,963
Cost of sales	(6,539)	(6,415)
Gross profit	**6,149**	**3,548**
Administrative expenses	(4,106)	(1,968)
Result from operating activities	**2,043**	**1,580**
Finance income	616	454
Finance expense	(408)	(350)
Net finance income	**208**	**104**
Net income before taxation	**2,251**	**1,684**
Income taxes expense	(706)	(183)
Net income before minority interests	**1,545**	**1,501**
Attributable to:		
Owners' net investment	1,545	1,270
Minority interests	-	231
Net income before minority interests	**1,545**	**1,501**
Weighted average number of equivalent shares (basic)	226,666,666	-
Weighted average number of equivalent shares (diluted)	228,866,666	-
Net earnings per share of EUR 0.02 each (basic and diluted)	**0.007**	**-**

(1) For the presentation of the combined comparative figures – see note 1(c).

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In thousands of Polish Zloty (PLN)	For the 3 months ended 31 March 2008 (Unaudited)	For the 3 months ended 31 March 2007 [1] (Unaudited)
Balance as of the beginning of the period	271,973	106,036
Net income for the period	1,545	1,270
Share-based payments (see note 7)	1,304	-
Balance at the end of the period	**274,822**	**107,306**

[1] For the presentation of the combined comparative figures – see note 1(c).

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of Polish Zloty (PLN)	For the 3 months ended 31 March 2008 (Unaudited)	For the 3 months ended 31 March 2007 [1] (Unaudited)
Cash flows from operating activities	601	4,272
Cash flows used in investing activities	(13)	-
Cash flows from/(used in) financing activities	(3,030)	10,480
Increase/(decrease) in cash and cash equivalents	**(2,442)**	**14,752**
Cash and cash equivalents at the beginning of the period	**71,829**	**39,120**
Cash and cash equivalents at the end of the period	**69,387**	**53,872**

[1] For the presentation of the combined comparative figures – see note 1(c).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – General and principal activities

(a) The accompanying Condensed Consolidated Financial Statements present the financial position as at 31 March 2008, results of operations, changes in shareholders' equity, and cash flows for the three months ended 31 March 2008 of Ronson Europe N.V. ("the Company") and its subsidiaries (together referred to as “the Group”). The 31 March 2008 Condensed Consolidated Financial Statements were authorized for issuance by the management board members on 13 May 2008.

(b) Ronson Europe N.V. (“the Company”), a Netherlands limited liability company with its statutory seat in Rotterdam, the Netherlands, was incorporated on 18 June 2007. The Company (and 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 Group also leases real estate to third parties.

The shares of the Company are traded on the Warsaw Stock Exchange since 5 November 2007. As at 31 December 2007, 63.7% of the outstanding shares are held by I.T.R. Dori B.V. (“ITR Dori”), 18.4% of the outstanding shares are held by GE Real Estate CE Residential B.V. (“GE Real Estate”) and the remaining 17.9% of the outstanding shares are held by the public.

The Ronson Group was originally set up in 2000 by a group of investors to develop residential properties in Poland. At the time, Israel Theatres Ltd. and U. Dori Engineering Works Corp Ltd., formed a Dutch holding company called ITR Dori to subscribe for 50% of the Ronson Group. Both Israel Theatres Ltd. and U. Dori Engineering Works Corp Ltd. held 50% of the shares in ITR Dori. Within the Ronson Group, for each project a separate company domiciled in Poland was established. Each of these companies, in which ITR Dori directly owned 50% of the shares, held all the assets and liabilities of the relevant project. The remaining 50% ownership in those companies was held by non-related parties and accordingly, ITR Dori had no control over the Ronson entities.

On 19 January 2006, ITR Dori acquired the remaining 50% of the equity in each of the Polish companies from the other shareholders, after which ITR Dori became the sole shareholder of each Polish company within the Ronson Group.

In November 2006, General Electric Company Inc., through its wholly-owned subsidiary, Gator Investments Sp. z o.o., invested in the Ronson Group in cash for 20.9% of the shares in a number of the Polish companies, specifically in those companies that were directly related to the development of residential projects.

Following the incorporation of the Company, the sole shareholder and founder of the Company, ITR Dori, assigned and contributed to the Company, on 29 June 2007, its shares and rights to shares in 36 Polish companies as well as a liability under a loan agreement between ITR Dori and Ronson Development Residential Sp. z o.o., one of the Polish companies in which the shares were transferred to the Company. The principal amount under the loan agreement of which the liability was contributed plus accrued interest as at 29 June 2007, amounted to PLN 13,932 thousand.

On 26 September 2007, the 20.9% minority interest in the Polish companies was transferred from Gator Investments Sp. z o.o. to GE Real Estate, a Dutch holding company. Both of these companies are wholly owned by General Electric Company Inc.

On 27 September 2007, GE Real Estate contributed its shares in the Polish companies to the Company, in exchange for 11,890 new shares with a par value of EUR 1 per share. Following this contribution, as of 27 September 2007, ITR Dori held 79.1% of the equity in the Company and GE Real Estate the remaining 20.9%.

On 29 September 2007, the General meeting of the shareholders of the Company resolved to split the 56,890 shares with a par value of EUR 1 per share into 2,844,500 shares with a par value of EUR 0.02 per share.

On 10 October 2007, the General meeting of shareholders of the Company resolved to issue 197,155,500 shares with a par value of 0.02 EUR to the existing shareholders in proportion to their individual shareholding. The share capital was paid up through a charge to the available share premium reserve.

On 24 October 2007, the Company completed a successful initial public offering of its shares on the Warsaw Stock Exchange, having sold 26.6 million new shares at an offering price of PLN 5.75 per share, whereas ITR Dori sold 13.7 million existing shares at an offering price of PLN 5.75 per share. Following the initial public offering, the Company had a total market capitalisation of over PLN 1,303 million. The Company’s shares trade under the symbol “RON”.

The net proceeds from the newly issued shares are used for (i) the realization of the Company's development plans throughout Poland, including the building of a portfolio of real estate properties through the purchase of real estate for future projects and (ii) the repayment of a portion of existing bank debt and shareholder loans.

(c) The condensed combined financial statements of the Ronson Group as of and for the three ended 31 March 2007 as well as the condensed combined balance sheet as at 31 December 2006 are presented for comparative purposes and have been prepared by aggregating the individual financial statements of the entities in the Group taking into account minority interests in the individual entities of the Group reflecting the fact that control by the Group and its owners effectively existed as at 31 December 2006 and during the three months ended 31 March 2007. All balances between the entities in the Group as of 31 December 2006 and as of 31 March 2007 as well as all transactions during the three months ended 31 March 2007 have been eliminated. The condensed combined balance sheets of the Ronson Group as at 31 December 2006 and as at 31 March 2007 represent an aggregation of the individual balance sheets of entities in the Group taking into account minority interest in the individual entities of the Group as per these dates.

(d) Brighton Tec Sp. z.o.o. ("Brighton"), a Polish company and a wholly owned subsidiary of ITR Dori B.V., owned the Group’s investment property, was included in the Company’s condensed consolidated financial Statements until 30 June 2007. On 26 September 2007, the transfer of the legal ownership of the investment property from Brighton to Ronson Development Landscape S.k., a limited partnership and part of the Group, was completed. After the sale of assets, Brighton does not perform any operating activity and accordingly is not consolidated in the Consolidated Financial Statements. After the acquisition of this property, the use of this property has changed – Ronson Development Landscape Sp.k. initiated activities aimed at preparing the acquired property for development in a real-estate project.

Note 2 – Summary of significant accounting policies

A. Basis of preparation

The Condensed Consolidated Balance Sheets as of 31 March 2008, the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Changes in Shareholders' Equity and the Condensed Consolidated Statements of Cash Flows for the three months ended 31 March 2008 have not been audited. The Condensed Consolidated Balance Sheet as of 31 December 2007, the Condensed Combined Balance Sheet as of 31 December 2006, the Condensed Consolidated Income Statement, the Consolidated Cash Flow Statement and the Consolidated Combined Statement of Changes in Shareholders' Equity for the year ended 31 December 2007 have been extracted from the 2007 Annual Accounts.

The Condensed Combined Balance Sheet as of 31 March 2007, the Condensed Combined Income Statement, the Condensed Combined Statements of Changes in Shareholders' Equity and the Condensed Combined Statements of Cash Flows for the three months ended 31 March 2007 have not been audited.

The Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. In the preparation of these financial statements, the Company has followed the same accounting policies used in the Company's 2007 Annual Accounts, which financial statements have been prepared in accordance with IFRS adopted by the EU to be used for preparation of consolidated financial reporting. The 31 March 2008 Condensed Consolidated Financial Statements should be read in conjunction with the Company's audited Condensed Consolidated Financial Statements as at 31 December 2007. In addition, the Company has adopted the standards and interpretations with an effective date before 31 March 2008.

B. 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 income statement.

C. Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

D. Inventories of residential units

Inventories consist of multi-family residential real estate projects to individual customers. Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred relating to the construction of a project. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Costs relating to the construction of a project are included in inventories of residential units as follows:

- costs incurred relating to projects or a phase of a project which are not available for sale (work in progress),
- costs incurred relating to units unsold associated with a project or a phase of a project that is available for sale (finished goods).

Project construction costs include:

a) land or leasehold rights for land,
b) construction costs paid to subcontractors for the construction of residential units,
c) planning and design costs,
d) perpetual usufruct fees and real estate taxes incurred during the period of construction,
e) selling expenses to the extent they are reasonably expected to be recovered from the sale of the project or from incidental operations,
f) borrowing costs to the extent they are directly attributable to the development of the project,
g) professional fees attributable to the development of the project,
h) construction overheads and other directly related costs.

E. Revenues and cost of sales of residential units

(i) Revenue from the sale of residential units

Revenues from the sale of residential units are recognized upon transfer to the buyer of the significant risks and rewards of ownership of the residential unit (i.e. upon signing of the protocol of technical acceptance and transfer of the key to the residential unit), providing that a valid building occupancy permit has been obtained by the Group.

Advances received related to pre-sales of residential units, which represent deferred income, are deferred to the extent that they do not meet the criteria to be recognized as revenue.

(ii) Cost of sales of residential units

Cost of sales is recognized as a reduction of total costs capitalized to inventory based on the proportion of residential units sold.

Construction costs relating to unsold units are capitalized as inventory within current assets, either as work in progress or finished goods depending on the stage of completion. Any expected loss on a sale, if any, is recognized as an expense immediately. Inventory relating to units sold is expensed as cost of sales in the same period as the related sale.

F. Principles of consolidation

This Condensed unaudited Consolidated Financial Statements include the accounts of the Company, its subsidiaries. Subsidiaries are those enterprises which are controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control effectively commences until the date that control effectively ceases. The Consolidated Financial Statements include the Company's proportionate share of the enterprises' assets, liabilities, revenues and expenses with items of similar nature on a line-by-line basis, from the date that joint control commences until the date that joint control ceases.

All inter-company accounts and transactions are eliminated when preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A list of the companies whose financial statements are included in these Condensed Consolidated Financial Statements and the extent of ownership and control appear in Note 9.

Note 3 – Changes in Consolidated Entities

A. Changes in consolidated and associated entities during the three months ended 31 March 2008

None

B. Changes in consolidated entities during the year ended 31 December 2007

The table below present the companies that were established during the year ended 31 December 2007:

	Entity name	Consolidation %
1.	Ronson Development Village Sp. z o.o.	100%
2.	Ronson Development Conception Sp. z o.o.	100%
3.	Ronson Development Architecture Sp. z o.o.	100%
4.	Ronson Development Skyline Sp. z o.o.	100%
5.	Ronson Development Continental Sp. z o.o.	100%
6.	Ronson Development Universal Sp. z o.o.	100%
7.	Ronson Development Retreat Sp. z o.o.	100%
8.	Ronson Development South Sp. z o.o.	100%
9.	Ronson Development West Sp. z o.o.	100%
10.	Ronson Development East Sp. z o.o.	100%
11.	Ronson Development North Sp. z o.o.	100%
12.	Ronson Development Providence Sp. z o.o.	100%
13.	Ronson Development Destiny Sp. z o.o.	100%
14.	Ronson Development Millennium Sp. z o.o.	100%
15.	Ronson Development Community Sp.k.	100%
16.	Ronson Development Estate Sp.k.	100%
17.	Ronson Development Home Sp.k.	100%
18.	Ronson Development Horizon Sp.k.	100%
19.	Ronson Development Landscape Sp.k.	100%
20.	Ronson Development Town Sp.k.	100%

Brighton Tec Sp. z.o.o. ("Brighton"), a Polish company and a wholly owned subsidiary of ITR Dori B.V., owned the Group’s investment property, was included in the Company’s Consolidated Financial Statements until 30 June 2007. On 26 September 2007, the transfer of the legal ownership of the investment property from Brighton to Ronson Development Landscape S.k., a limited partnership and part of the Group, was completed. After the sale of assets, Brighton does not perform any operating activity and accordingly is not consolidated in the Consolidated Financial Statements. After the acquisition of this property, the use of this property has changed – Ronson Development Landscape Sp.k. initiated activities aimed at preparing the acquired property for development in a real-estate project.

Note 4 – Share capital

The authorized share capital of the Company consists of 800,000,000 shares of EUR 0.02 par value each. The number of issued and outstanding ordinary shares as at 31 December 2007 and as at 31 March 2008 was 226,666,666 shares of EUR 0.02 par value each. For the incorporation details and further historical background of the Company, reference is made to the Note 1 (b) on pages 18 and 19.

Note 5 – Commitments and contingent liabilities

Contingent commitments relate primarily to contingent consideration for land acquisitions and amounted to PLN 60,796 thousand as at 31 March 2008, the payment of which is contingent upon closing of the final agreements conveying ownership of the land and clearance of the mortgage register. These commitments relate to the following project:

As at 31 March		**2008**
In thousands of Polish Zloty (PLN)		
Company	**Project**	
Ronson Development North Sp. z o.o.	Łomianki	11,196
Ronson Development West Sp. z o.o.	Aurora	49,600
Total		**60,796**

In addition, commitments to the general contractor for construction services to be rendered in the future amount to PLN 55,209 thousand as at 31 March 2008 and relate to the following projects:

As at 31 March		**2008**
In thousands of Polish Zloty (PLN)		
Company	**Project**	
Ronson Development Company Sp. z o.o.	Galileo	23,709
Ronson Development Metropol Sp. z o.o.	Konstancin	31,500
Total		**55,209**

Note 6 - Segment Reporting

Segment information is presented in respect of the Group’s geographical segments (primary segments) and business segments (secondary segments).

Inter-segment pricing is determined on an arm’s-length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise loans and borrowings and related expenses, head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Geographical segments

The Group operates in four geographical segments:

- Warsaw
- Poznań
- Wrocław
- Szczecin

Business segments

The Group operates in two business segments within Poland:

- Development and sale of residential units (“Residential”)
- Rental of office space (“Rental”)

Data presented in the table below is based on the geographical location of the Group's companies and their assets:

In thousands of PLN	For the three months ended 31 March 2008						
	Warsaw	**Poznań**	**Wrocław**	**Szczecin**	**Unallocated**	**Eliminations**	**Total**
Total external revenues							
Residential	12,688	-	-	-	-	-	12,688
Rental	-	-	-	-	-	-	-
		-					
Inter-segment revenue	-	-	-	-	-	-	-
Total segment revenue	**12,688**	**-**	**-**	**-**	**-**	**-**	**12,688**
Segment result							
Residential	3,709	(585)	(34)	(132)	-	-	2,958
Rental	-	-	-	-	-	-	-
Unallocated Expenses	-	-	-	-	(707)	-	(707)
Result from operating activities	**3,709**	**(585)**	**(34)**	**(132)**	**(707)**	**-**	**2,251**
Income tax expense							(706)
Profit for the period							**1,545**

In thousands of PLN	As at 31 March 2008						
	Warsaw	**Poznań**	**Wrocław**	**Szczecin**	**Unallocated**	**Eliminations**	**Total**
Segment assets							
Residential	303,379	133,626	73,949	74,878	-	-	585,832
Rental	-	-	-	-	-	-	-
Unallocated assets	-	-	-	-	20,513	-	20,513
Total assets	**303,379**	**133,626**	**73,949**	**74,878**	**20,513**	**-**	**606,345**
Segment liabilities							
Residential	197,812	85,013	18,142	16,690	-	-	317,657
Rental	-	-	-	-	-	-	-
Unallocated liabilities	-	-	-	-	13,866	-	13,866
Total liabilities	**197,812**	**85,013**	**18,142**	**16,690**	**13,866**	**-**	**331,523**
Capital expenditure	-	-	-	-	13	-	13
Depreciation and amortization	60	-	-	-	62	-	122

In thousands of PLN	For the three months ended 31 March 2007						
	Warsaw	**Poznań**	**Wrocław**	**Szczecin**	**Unallocated**	**Eliminations**	**Total**
Total external revenues							
Residential	9,731	-	-	-	-	-	9,731
Rental	232	-	-	-	-	-	232
		-					
Inter-segment revenue	-	-	-	-	-	-	-
Total segment revenue	**9,963**	**-**	**-**	**-**	**-**	**-**	**9,963**
Segment result							
Residential	1,375	(133)	(80)	-	-	-	1,162
Rental	-	-	-	-	-	-	-
Unallocated Expenses	-	-	-	-	522	-	522
Result from operating activities	**1,375**	**(133)**	**(80)**	**-**	**522**	**-**	**1,684**
Income tax expense							(183)
Profit for the period							**1,501**

In thousands of PLN	As at 31 March 2007						
	Warsaw	**Poznań**	**Wrocław**	**Szczecin**	**Unallocated**	**Eliminations**	**Total**
Segment assets							
Residential	262,952	23,170	23,562	-	-	-	309,684
Rental	-	-	-	-	-	-	-
Unallocated assets	-	-	-	-	27,850	-	27,850
Total assets	**262,952**	**23,170**	**23,562**	**-**	**27,850**	**-**	**337,534**
Segment liabilities							
Residential	172,421	16,334	7,383	-	-	-	196,138
Rental	-	-	-	-	-	-	-
Unallocated liabilities	-	-	-	-	15,148	-	15,148
Total liabilities	**172,421**	**16,334**	**7,383**	**-**	**15,148**	**-**	**211,286**
Capital expenditure	-	-	-	-	-	-	-
Depreciation and amortization	60	-	-	-	93	-	153

Note 7 – Share-based payments

During the fourth quarter of 2007, a new long-term incentive plan (the "Plan") was implemented. The persons eligible for participation in the Plan are the employees of the Group, including the members of the Management Board. Under the Plan, share options are granted to members of the Management Board and selected employees. The exercise price of the granted options determined by the Supervisory Board on the date of granting the share options and shall not be less than the fair market value at the time of the grant of the options. Options are conditional on the employee being employed or Board members being in office at the time the Options are exercisable (vesting period). Options granted shall vest over three and five years, one third and one fifth in each year after one year from the date of granted, respectively.
On 5 November 2007 a total number of 1,900,000 options with an exercise price of PLN 5.75 each, 700,000 options that vest in three years having an option term of five years that granted to selected employees and 1,200,000 options that vest in five years having an option term of seven years that granted to Mr. Dror Kerem the general director of the company. The vesting dates of the options are as follows:

	Number of options		
Vesting dates	**vest over three years**	**vest over five years**	**Total**
5 November 2008	233,333	240,000	473,333
5 November 2009	233,333	240,000	473,333
5 November 2010	233,334	240,000	473,334
5 November 2011	-	240,000	240,000
5 November 2012	-	240,000	240,000
Total	700,000	1,200,000	1,900,000

The weighted average fair value of options granted in 2007 using the Black-Scholes valuation model was approximately PLN 2.75 per option. The significant inputs into the model were a weighted average share price of PLN 5.75 at the grant date, the exercise price mentioned above, volatility of 50%, dividend yield of 0%, an option life of 5 years and seven years, an annual risk free rate of 6% and estimation that 70% from the employed will implement the options.
The costs impact of the share-based payment on the financial statements of the Company was an expense of PLN 442,000 recognized in the income statement with a corresponding increase in equity.
In addition, the President of the Management Board received the right to obtain 300,000 shares in the capital of the Company with a nominal value of EUR 0.02 each, for nominal value, which right can be exercised as from 24 April 2008. This right was granted by the Supervisory Board and measured at fair market value at the time of the grant.
The costs impact of the above on the financial statements of the Company was an expense of PLN 862,000 recognized in the income statement with a corresponding increase in equity.

Note 8 – Related party transactions

During the three months ended 31 March 2008 the Group repaid loans from related parties amounting to PLN 7,857 thousand.

Note 9 - Details of corporations in the Group

Detailed below are 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 by the Company at 31 March 2008.

	Entity name	Year of incorporation	Share of ownership & voting rights (end of year)
A.	**held directly by the company :**		
1.	Ronson Development Management Sp. z o.o.	1999	100.0%
2.	Ronson Development 2000 Sp. z o.o.	2000	100.0%
3.	Ronson Development Warsaw Sp. z o.o.	2000	100.0%
4.	Ronson Development Investments Sp. z o.o.	2002	100.0%
5.	Ronson Development Metropol Sp. z o.o.	2002	100.0%
6.	Ronson Development Residential Sp. z o.o.	2003	100.0%
7.	Ronson Development Apartments Sp. z o.o.	2003	100.0%
8.	Ronson Development Properties Sp. z o.o.	2002	100.0%
9.	Ronson Development Enterprise Sp. z o.o.	2004	100.0%
10.	Ronson Development Company Sp. z o.o.	2005	100.0%
11.	Ronson Development Creations Sp. z o.o.	2005	100.0%
12.	Ronson Development Buildings Sp. z o.o.	2005	100.0%
13.	Ronson Development Structure Sp. z o.o.	2005	100.0%
14.	Ronson Development Poznan Sp. z o.o.	2005	100.0%
15.	Ronson Development Innovation Sp. z o.o. (*)	2006	100.0%
16.	Ronson Development Wroclaw Sp. z o.o.	2006	100.0%
17.	Ronson Development Capital Sp. z o.o.	2006	100.0%
18.	EEE Development Sp. z o.o.	2006	100.0%
19.	Ronson Development Habitat Sp. z o.o.	2006	100.0%
20.	Ronson Development Sp. z o.o.[1]	2006	100.0%
21.	Ronson Development Construction Sp. z o.o.	2006	100.0%
22.	Ronson Development City Sp. z o.o. (no activities at 31 March 2008)	2006	100.0%
23.	Ronson Development Village Sp. z o.o. (*)	2008	100.0%
24.	Ronson Development Conception Sp. z o.o. (*)	2008	100.0%
25.	Ronson Development Architecture Sp. z o.o.	2008	100.0%
26.	Ronson Development Skyline Sp. z o.o. (*)	2008	100.0%
27.	Ronson Development Continental Sp. z o.o. (*)	2008	100.0%
28.	Ronson Development Universal Sp. z o.o. (*)	2008	100.0%
29.	Ronson Development Retreat Sp. z o.o.	2008	100.0%
30.	Ronson Development South Sp. z o.o. (*)	2008	100.0%
31.	Ronson Development West Sp. z o.o. (*)	2008	100.0%
32.	Ronson Development East Sp. z o.o. (no activities at 31 March 2008) (*)	2008	100.0%
33.	Ronson Development North Sp. z o.o. (*)	2008	100.0%
34.	Ronson Development Providence Sp. z o.o. (*)	2008	100.0%
35.	Ronson Development Destiny Sp. z o.o. (no activities at 31 March 2008) (*)	2008	100.0%
36.	Ronson Development Millenium Sp. z o.o. (no activities at 31 March 2008) (*)	2008	100.0%

[1] Changed its name in 2007. Formerly known as Ronson Development Venture Sp. z.o.o.

Note 9 - Details of corporations in the Group (cont'd)

B.	**Held indirectly by the company :**		
1.	Ronson Development Community Sp.k. (**)	2008	100.0%
2.	Ronson Development Estate Sp.k. (no activities at 31 March 2008) (**)	2008	100.0%
3.	Ronson Development Home Sp.k. (**)	2008	100.0%
4.	Ronson Development Horizon Sp.k. (no activities at 31 March 2008) (**)	2008	100.0%
5.	Ronson Development Landscape Sp.k. (**)	2008	100.0%
6.	Ronson Development Town Sp.k. (no activities at 31 March 2008) (**)	2008	100.0%

The projects managed by the above companies are in various stages of development ranging from being in the process of acquiring land for development to projects which are completed or near completion.

(*) 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 Jaroslaw Zubrzycki holds the legal title to the shares of this entity.

(**) The companies above are held by Ronson Development Construction Sp. z o.o a limited partner holding a 99% and Ronson Development Sp. z o.o. General partner holding a 1%.

Note 10 – Impairment losses and provisions

During the three months ended 31 March 2008, no impairment losses were charged.

The net movements in the Group's main provisions took place during the three months ended 31 March 2008 are disclosed in the Directors' report (see in page 14).

Note 11 – Condensed unconsolidated financial statements of Ronson Europe N.V.

Condensed unconsolidated balance sheet

As at *In thousands of Polish Zloty (PLN)*	31 March 2008 (Unaudited)	31 December 2007 (Auduited [1])
Assets		
Investment in subsidiaries	207,649	187,490
Loan granted to subsidiaries	68,519	55,900
Total non-current assets	**276,168**	**243,390**
Trade and other receivables	589	463
Receivable from subsidiaries	17	4
Cash and cash equivalents	13,869	44,809
Total current assets	**14,475**	**45,276**
Total assets	**290,643**	**288,666**
Equity		
Shareholders' equity and liabilities		
Share capital	16,933	16,933
Share premium	215,105	215,105
Retained earnings	42,784	39,935
Total shareholders' equity	**274,822**	**271,973**
Liabilities		
Long-term liabilities		
Loans from subsidiaries	15,189	14,353
Total long-term liabilities	**15,189**	**14,353**
Current liabilities		
Trade and other payable	632	1,457
Credetors from subsidiaries	-	883
Total current liabilities	**632**	**2,340**
Total Shareholders' equity and liabilities	**290,643**	**288,666**

[1] Extracted from the 2007 Annual Accounts.

Condensed unconsolidated income statement

For the three months ended 31 March *In thousands of Polish Zloty (PLN)*	**2008** **(Unaudited)**
Revenue	11
General and administrative cost	(1,657)
Operating Loss	**(1,646)**
Finance income	844
Finance expense	(862)
Net finance expense	**(18)**
Loss before Result from subsidiaries	**(1,664)**
Result from subsidiaries after taxation	**3,209**
Net income	**1,545**

Condensed unconsolidated statement of changes in shareholders' equity

For the three months ended 31 March *In thousands of Polish Zloty (PLN)*	**2008** **(Unaudited)**
Balance as of the beginning of the period	271,973
Net income for the period	1,545
Share-based payments (see note 7)	1,304
Balance at the end of the period	**274,822**

Condensed unconsolidated cash flow statement

For the three months ended 31 March	**2008**
In thousands of Polish Zloty (PLN)	**(Unaudited)**
Cash flows used in operating activities	(1,790)
Cash flows used in investing activities	(29,150)
Cash flows from financing activities	-
Increase / (decrease) in cash and cash equivalents	**(30,940)**
Cash and cash equivalents at the beginning of the period	**44,809**
Cash and cash equivalents at the end of the period	**13,869**

Additional information to the condensed unconsolidated financial statements of Ronson Europe N.V.

The accounting principles and measurement basis of these Condensed Unconsolidated Financial Statements are consistent with those applied with respect to the 2007 Annual Accounts and have remained unchanged. In the preparation of these financial statements, the Company has followed the same accounting policies as used for the Condensed Consolidated Financial Statements as referred to in Note 2A. The Company's 2007 Annual Accounts have been prepared in accordance with IFRS adopted by the EU to be used for preparation of consolidated financial reporting. The 31 March 2008 Condensed Unconsolidated Financial Statements should be read in conjunction with the audited 2007 Annual Accounts. In addition, the Company has adopted the standards and interpretations with an effective date before 31 March 2008.

As the significant event for the Group also apply to the Company on an unconsolidated basis, reference is made to the Directors' Report where the highlights during the three months ended 31 March 2008 are described.