Ronson Europe N.V.

Interim Financial Report

for the three months ended

31 March 2010

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Directors' Report

General

Ronson Europe N.V. (hereinafter "the Company"), a Dutch public company with its registered office located in Rotterdam, the Netherlands, was incorporated on 18 June 2007. The Company through its subsidiaries is active in the development and sale of residential units, primarily apartments, in multi-family residential real-estate projects and single family or semi-detached housing to individual customers in Poland. Moreover, the Group lease 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 2010, 64.2% of the outstanding shares were held by I.T.R. Dori B.V. (hereinafter "ITR Dori"), whereas 15.3% of the outstanding shares are held by GE Real Estate with the remaining 20.5% of the outstanding shares being held by other investors, including Amplico OFE and ING OFE whereby each party is holding and interest of between 5% and 10% of the outstanding shares. For major shareholders of the Company reference is made to page 17. On 12 May 2010, the market price was PLN 1.85 per share giving the Company a market capitalization of PLN 503.9 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 become 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 the creation of a portfolio of real estate development properties. Management believes the Company has positioned itself strongly to navigate the tricky economic environment in which it finds itself. On the one hand, the Polish economy appears to have stabilized and is improving, which potentially bodes well for the Company's prospects. On the other hand, the debt crisis playing out in Europe and its destabilizing impact on the Euro may 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 quickly to adjust to these uncertain conditions by spreading risks through closely monitoring and potentially modifying the number of projects and their quality and sizes as well as through considering various other geographical locations to commence development.

Until 31 March 2010, the Group has completed ten projects comprising 1,406 units with a total area of 97,100 m^2, having delivered to clients 1,312 units with a total area of 89,700 m^2. The remaining 94 units in these completed projects, with a total area of 7,400 m^2, are expected to be delivered during the remainder of 2010 (see page 12).

As of the date of this Interim Financial Report, the Group is in the midst of developing six projects comprising a total of 419 units, with a total area of approximately 42,000 m^2, which are expected to be completed during the remainder of 2010 and 2011. Moreover, the Company plans to commence five additional new projects during the remainder of 2010.

In addition, the Group has a pipeline of 21 projects in different stages of preparation, with approximately 5,300 residential units with a total area of approximately 380,000 m^2 for future development in Warsaw, Poznań, Wrocław and Szczecin.

Company overview (cont'd)

Despite the challenging market conditions, the Company's sales results have been gradually improving since the fourth quarter of 2008, which was the most difficult period for the Company to date - as well as for the entire market. During 2009, the Company sold 263 units, while in the first quarter of 2010, the net sales amounted to 85 units, which management believes was a strong result given the market conditions and the size of the Company's offerings. As the number of units offered by the Company diminishes due to progressing sales, the Company expects to benefit from overall improving markets and has already opened two new projects in the first quarter of 2010 and the Company plans to initiate five more new projects during the remainder of 2010. However, in order to minimize market risk, management is scaling down these new projects into relatively smaller stages. Moreover, the commencement plan assumes gradual openings spread during the coming quarters.

Market overview

The Polish economy has proven to be relatively strong even in the recent turbulent times, which in combination with the general paucity of dwellings in Poland (in comparison to all other European countries) creates, what management believes, solid long term prospects for further development of the residential real estate market in spite of the recent downturn. In the opinion of management, the Company is well positioned to adapt to changing market conditions and is preparing new projects for development, which will be distinguished in the market by their location, quality and attractive pricing. Positive sales results of the Company during the whole of 2009 and during the first quarter of 2010 seem to confirm that the Company has indeed successfully adapted to the changing market environment.

In addition, to further minimize market risk, the Company is now taking a very selective approach when initiating new projects. In the preparation phase of all projects, great emphasis is now put on splitting the projects into smaller parts.

Management is also cognizant of the tightened credit markets. Accordingly, when planning its newest projects, the Company has prepared for increased costs of debt financing as well as for more demanding debt facility structures that are being imposed by the lending banks.

Business highlights during the three months ended 31 March 2010

A. Projects completion

During the three months ended 31 March 2010, the Group did not complete the construction of any project.

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 2010 amounted to PLN 23.9 million, whereas cost of sales amounted to PLN 15.7 million, which resulted in a gross profit amounting to PLN 8.2 million and a gross margin of 34.4%.

The following table specifies revenue, cost of sales and gross profit during the three months ended 31 March 2010 on a project by project basis:

	Information on the delivered units		Revenue		Cost of sales		Gross profit	Gross margin
Project	**Number of units**	**Area of units (m2)**	**PLN (thousands)**	**%**	**PLN (thousands)**	**%**	**PLN (thousands)**	**%**
Galileo	27	2,048	14,231	59.6%	9,253	59.0%	4,978	35.0%
Imaginarium II	12	706	7,356	30.8%	4,960	31.6%	2,396	32.6%
Meridian	1	174	1,466	6.1%	863	5.5%	603	41.1%
Imaginarium I	1	58	499	2.1%	335	2.1%	164	32.9%
Other	N.A	N.A	343	1,4%	269	1,8%	74	21,6%
Total / Average	**41**	**2,986**	**23,895**	**100.0%**	**15,680**	**100.0%**	**8,215**	**34.4%**

Galileo

The construction of the Galileo project was completed in March 2009. The Galileo project was developed on a land strip of 8,598 m^2 located in the city center district of Poznań. The Galileo housing project comprises 5 six-storey apartment buildings with a total of 226 apartments and 6 commercial units with an aggregate floor space of 16,700 m^2.

Imaginarium II

The construction of the Imaginarium II housing estate was completed in August 2009. This project was developed on part of a land strip of 7,042 m^2 located in the Bielany district in Warsaw. The Imaginarium II housing estate comprises 3 multifamily buildings with total 65 apartments with an aggregate usable floor space of 4,700 m^2.

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 3 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.

Business highlights during the three months ended 31 March 2010 (cont'd)

B. Results breakdown by project (cont'd)

Imaginarium I

The construction of the Imaginarium I housing estate was completed in August 2008. This project was developed on part of a land strip of 10,343 m^2 located in the Bielany district in Warsaw. The Imaginarium I housing estate comprises two-storey buildings with a total of 58 apartments with an aggregate floor space of 3,983 m^2.

Other

Other revenues comprise mainly revenues from the sale of the parking places and storages in other projects that were completed in previous years, as well as rental revenues.

C. Units sold during the period

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 2010:

Subsidiary	Project name	Units sold until 31 December 2009	Units sold during the three months ended 31 March 2010	Units for sale as at 31 March 2010	Total
Nautica I (**)	Warsaw	99	28	22	149
Gemini I (**)	Warsaw	92	27	45	164
Galileo (*)	Poznań	148	19	65	232
Imaginarium II (*)	Warsaw	58	5	2	65
Imaginarium III (**)	Warsaw	-	3	42	45
Gardenia (**)	Warsaw	-	2	20	22
Imaginarium I (*)	Warsaw	56	1	1	58
Meridian (*)	Warsaw	205	-	1	206
Constans (**)	Warsaw	2	-	34	36
Nautica II (**)	Warsaw	-	-	3	3
Total		**660**	**85**	**235**	**980**

(*) For information on the completed projects see "Business highlights during the three months ended 31 March 2010 – B. Results breakdown by project" (pages 3 and 4).

(**) For information on current projects under construction, see "Outlook for the remainder of 2010 – B. Current projects under construction" (pages 12-14).

D. Commencements of new projects

During the three months ended 31 March 2010, the Group commenced the construction of two new projects, Imaginarium III and Nautica II, comprising 45 and 3 units with a total area of 3,800 m^2 and 700 m^2, respectively. For additional information see section "Outlook for the remainder of 2010 – B. Current projects under construction" (pages 12-14).

Financial information

The Interim Condensed Consolidated Financial Statements as included in this Interim Financial Report on pages 19 through 35 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), in particular in accordance with IAS 34 and IFRSs endorsed by the European Union. At the date of authorisation 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 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 2009. For additional information see Note 3 of the Interim Condensed Consolidated Financial Statements.

Overview of results

The Company's net income for the three months ended 31 March 2010 was PLN 1,333 thousand and can be summarized as follows:

	For the three months ended 31 March	
	2010	**2009**
	PLN (thousands, except per share data)	
Revenue	23,895	15,156
Cost of sales	(15,680)	(9,407)
Gross profit	**8,215**	**5,749**
Selling and marketing expenses	(947)	(274)
Administrative expenses	(3,207)	(2,757)
Other expenses	(2,920)	(69)
Other income	295	668
Result from operating activities	**1,436**	**3,317**
Finance income	356	398
Finance expense	(117)	(392)
Net finance income	**239**	**6**
Profit before taxation	**1,675**	**3,323**
Income taxes expense	(342)	(765)
Profit for the period	**1,333**	**2,558**
Net earnings per share (basic and diluted)	**0.005**	**0.011**

Overview of results (cont'd)

Revenue

Total revenue increased PLN 8.7 million by (57.7%) from PLN 15.2 million during the three months ended 31 March 2009 to PLN 23.9 million during the three months ended 31 March 2010, which is primarily explained by an increase in apartments delivered to the customers in terms of area size (in m^2).

Cost of sales

Cost of sales increased by PLN 6.3 million (66.7%) from PLN 9.4 million during the three months ended 31 March 2009 to PLN 15.7 million during the three months ended 31 March 2010, which is primarily explained by an increase in apartments delivered to the customers in terms of area size (in m^2).

Selling and marketing expenses

Selling and marketing expenses increased by PLN 0.6 million (245.6%) from PLN 0.3 million for the three months ended 31 March 2009 to PLN 0.9 million for the three months ended 31 March 2010. The Company decided to diminish selling and marketing activities in the first quarter of 2009, which explains the relatively low amount of selling and marketing expenses during that period.

Administrative expenses

Administrative expenses increased by PLN 0.4 million (16.3%) from PLN 2.8 million during the three months ended 31 March 2009 to PLN 3.2 million during the three months ended 31 March 2010. The increase is primarily the net effect of increasing personnel expenses, which reflects the growing scale of the Company's operations (including preparations for new projects to commence in 2010).

Other expenses

Other expenses increased by PLN 2.8 million from PLN 0.1 million for the three months ended 31 March 2009 to PLN 2.9 million for the three months ended 31 March 2010 which is primarily explained by one-time event related to the write-down expense in connection with the aborted Aurora project amounting to PLN 2.5 million. For additional information see "Additional information to the report" (page 17).

Operating profit

As a result of the factors described above, the Company's operating result decreased by PLN 1.9 million (56.7%) from an operating profit of PLN 3.3 million for the three months ended 31 March 2009 to an operating profit of PLN 1.4 million for the three months ended 31 March 2010.

Overview of results (cont'd)

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

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 2010		
	PLN (thousands)		
	Total amount	**Amount capitalized**	**Recognized as profit or loss**
Finance income	376	20	356
Finance expense	(4,479)	(4,362)	(117)
Net finance (expense)/income	**(4,103)**	**(4,342)**	**239**

	For the three months ended 31 March 2009		
	PLN (thousands)		
	Total amount	**Amount capitalized**	**Recognized as profit or loss**
Finance income	398	-	398
Finance expense	(5,550)	(5,158)	(392)
Net finance (expense)/income	**(5,152)**	**(5,158)**	**6**

Net finance expenses before capitalization decreased by PLN 1.1 million 20.4% from PLN 5.2 million during the three months ended 31 March 2009 to PLN 4.1 million during the three months ended 31 March 2010 which is a result of a decrease in loans received from banks.

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

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

	As at 31 March 2010	As at 31 December 2009
	PLN (thousands)	
Inventory	646,753	646,253
Advances received	110,267	73,367
Loans and borrowings	207,880	249,007

Inventory

The balance of inventory is PLN 646.8 million as of 31 March 2010 as compared to PLN 646.3 million as of 31 December 2009. The increase is primarily a result of the Group's investments associated with direct construction costs for a total amount of PLN 10.5 million and a net finance expense capitalized for a total amount of PLN 4.3 million. The increase is mitigated by cost of sales recognized for a total amount of PLN 15.4 million.

Advances received

The balance of advances received is PLN 110.3 million as of 31 March 2010 as compared to PLN 73.4 million as of 31 December 2009. The increase is a result of advances received from clients regarding sales of residential units for a total amount PLN 60.7 million. The increase is mitigated by revenue recognized from sale of residential units for a total amount of PLN 23.8 million.

Loans and borrowings

The total of short-term and long-term loans and borrowings is PLN 207.9 million as of 31 March 2010 compared to PLN 249.0 million as of 31 December 2009. The decrease is primarily the effect of repayments of the bank loans taken by the Group for the purpose of financing construction costs of the projects and acquisition of lands for a total amount of PLN 43.3 million and repayments of accrued interest from shareholders loans amounting to PLN 2.5 million. Of the mentioned PLN 207.9 million, an amount of PLN 134.4 million comprises facilities with maturity dates not later than 31 March 2011.

The maturity structure of the loans and borrowings reflect the Company's activities in the past 3 to 4 years to partially refinance some of its land acquisitions with short-term and medium-term banking facilities. In addition, part of the recent construction work costs were also financed through bank borrowings. The Company intends to repay part of the short-term loans and borrowings.

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

Loans and borrowings (cont'd)

The loans and borrowings may be split into three categories: 1) loans from shareholders, 2) banking loans related to residential projects which are completed or under construction 3) the banking loans granted for financing of land purchases.

The loans from shareholders (related parties) as of end of March 2010 amounted to PLN 58.6 million comprising a loan principal amount of PLN 52.9 million plus accrued interest of PLN 5.7 million. The maturity date of these loans is October 2011.

The bank loans supporting completed projects or projects under construction are tailored to the pace of construction works and of sales. As at the of end of March 2010, loans in this category amounted to PLN 20.6 million and were granted by Bank PKO BP to support the Gemini project. The total book value of the assets underlying the Gemini project as of the end of March 2010 amounted to PLN 82.2 million.

The bank loans granted to finance the land purchases amounted as of end of March 2010 to PLN 128.7 million in total. Despite the fact that the maturity of all loans used to finance the land parcels is short-term, i.e. these loans are all maturing before the end of March 2011, as long as the banks are enjoying at least a 50% loan to value ratio and the Company is servicing loans accordingly to the loan agreements, the Company's management believes that the Company will be able to extend all the short term loans in this category. The total book value of the land parcels which can be used as collateral to the loans granted to finance the investment in land amounted to PLN 411.4 million as of end of March 2010.

Overview of cash flows results

The Group funds its day-to-day operations principally from cash flows provided by its operating activities, 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	
	2010	2009
	PLN (thousands)	
Cash flows from/(used in) operating activities	32,791	(17,139)
Cash flows from investing activities	172	1,329
Cash flow (used in)/from financing activities	(40,184)	4,016

Cash flows from operating activities totaled PLN 32.8 million for the three months ended 31 March 2010 as compared to cash flows used in operating activities totaled PLN 17.1 million during the three months ended 31 March 2009. The increase is principally due to:

- a decrease in cash flow used in inventory work in progress from PLN 43.1 million during the three months ended 31 March 2009 to PLN 20.0 million during the three months ended 31 March 2010;
- an increase in cash flow from advances received from clients regarding sales of residential units from PLN 17.6 million during the three months ended 31 March 2009 which were mitigated by revenue recognized for a total amount of PLN 15.1 million, to advances received in the amount of PLN 60.7 million during the three months ended 31 March 2010 which were mitigated by revenue recognized for a total amount of PLN 23.8 million.

Cash flows used in financing activities totaled PLN 40.2 million during the three months ended 31 March 2010, as compared to cash flows from financing activities totaled PLN 4.0 million in the three months ended 31 March 2009. The decrease is principally due to:

- the repayment of secured bank loans amounting to PLN 43.4 million during the three months ended 31 March 2010 compared to nil during the three months ended 31 March 2009.

Selected financial data

PLN/EUR	Average exchange rate	Minimum exchange rate	Maximum exchange rate	Period end exchange rate
	Exchange rate of Euro versus the Polish Zloty			
2010 (3 months)	**3.987**	**3.862**	**4.111**	**3.862**
2009 (3 months)	4.498	3.917	4.900	4.701

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 30 March			
	2010	**2009**	**2010**	**2009**
Revenues	**5,993**	3,370	**23,895**	15,156
Gross profit	**2,060**	1,278	**8,215**	5,749
Profit before taxation	**420**	739	**1,675**	3,323
Profit for the period	**334**	569	**1,333**	2,558
Cash flows from/(used in) operating activities	**8,224**	(3,811)	**32,791**	(17,139)
Cash flows from investment activities	**43**	295	**172**	1,329
Cash flows from/(used in) financing activities	**(10,079)**	893	**(40,184)**	4,016
Decrease in cash and cash equivalents	**(1,811)**	(2,622)	**(7,221)**	(11,794)
Inventory	**167,466**	130,036	**646,753**	611,336
Total assets	**189,368**	142,681	**731,340**	670,787
Advances received	**28,552**	12,070	**110,267**	56,743
Long term liabilities	**20,337**	16,812	**78,543**	79,036
Short term liabilities (including advances received)	**69,712**	63,746	**269,229**	299,690
Shareholders' equity	**99,318**	62,123	**383,568**	292,061
Share capital	**4,539**	4,539	**16,953**	16,953
Average number of equivalent shares (basic)	**272,360,000**	226,966,667	**272,360,000**	226,966,667
Average number of equivalent shares (diluted)	**272,999,333**	227,616,000	**272,999,333**	227,616,000
Net earnings per share (basic and diluted)	**0.001**	0.003	**0.005**	0.011

**Information is presented in EUR solely for presentation purposes. Due to the devaluation of the Polish Zloty against the Euro over the past year, the Statement of Financial Position data does 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 2009 to 31 March 2010, 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 for the last day of every month within the reporting year / period.*

Outlook for remainder of 2010

A. Completed projects

The table below presents information on the total residential units in the four completed projects that the Company expects to sell and deliver during the remainder of 2010:

			Number of residential units sold (*)			Number of residential units delivered (*)			Number of residential units expected to be delivered (*) until 31 December 2010
Project name	**Location**	**Total units**	**Until 31 December 2009**	**During the three months ended 31 March 2010**	**Total**	**Until 31 December 2009**	**During the three months ended 31 March 2010**	**Total**	
Galileo (**)	Poznań	232	148	19	167	124	27	151	81
Imaginarium II (**)	Warsaw	65	58	5	63	43	12	55	10
Meridian (**)	Warsaw	206	205	-	205	204	1	205	1
Imaginarium I (**)	Warsaw	58	56	1	57	55	1	56	2
Total		**561**	**467**	**25**	**492**	**426**	**41**	**467**	**94**

(*) 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 2010 – B. Results breakdown by project" (pages 3-4).

B. Current projects under construction

The table below presents information on six projects for which completion is scheduled in the remainder of 2010 and 2011. The Company has obtained construction permits for all six projects and has commenced construction.

Project name	**Location**	**Area of plot (m^2)**	**Total area of units (m^2)**	**Total units**	**Units sold until 31 March 2010**	**Expected completion of construction**
Constans	Warsaw	36,377	10,000	36	2	2010
Gardenia	Warsaw	7,129	3,700	22	2	2010
Gemini I	Warsaw	3,929	13,200	164	119	2010
Nautica I	Warsaw	9,698	10,600	149	127	2010
Imaginarium III	Warsaw	7,600	3,800	45	3	2011
Nautica II	Warsaw	1,051	700	3	-	2011
Total		**65,784**	**42,000**	**419**	**253**	

Outlook for remainder of 2010 (cont'd)

B. Current projects under construction (cont'd)

Constans

Description of project

The Constans housing project is being developed on a land strip of 36,377 m^2 located in Konstancin near Warsaw and will comprise 18 semi-detached units (total 36 units) with an aggregate floor space of 10,000 m^2. The project is divided into three phases. The first phase comprises 8 semi-detached units, the second phase comprises 6 semi-detached units and the third phase comprises 4 semi-detached units.

Stage of development

Construction of the Constans project commenced in February 2008, whereby the first phase is expected to be completed in the second quarter of 2010, the second and the third phases are expected to be completed in the second half of 2010.

Gardenia

Description of project

The Gardenia project is being developed on a land strip of 7,129 m^2 located in Józefosław near Warsaw. The Gardenia project, a single family housing (houses in a row) project, will comprise 22 units with an aggregate floor space of 3,700 m^2.

Stage of development

Construction of the Gardenia project commenced in August 2008 and is expected to be completed in the third quarter of 2010.

Gemini I

Description of project

The Gemini I project is being developed on a land strip of 3,929 m^2 located in the Ursynów district in Warsaw (KEN street) situated next to the subway station Imielin. The project will comprise one multifamily building of 11 levels with a total of 156 apartments and 8 commercial units with an aggregate floor space of 13,200 m^2.

Stage of development

Construction of the Gemini I project commenced in October 2008 and is expected to be completed in the second quarter of 2010.

Nautica I

Description of project

The Nautica I project is being developed on a land strip of 9,698 m^2 located in the Ursynów district in Warsaw (Stryjeńskich Street). The project will comprise 4 five-storey, multi-family residential buildings with a total of 148 apartments and 1 commercial unit and an aggregate floor space of 10,600 m^2.

Stage of development

Construction of the Nautica I project commenced in November 2008 and is expected to be completed in the second or third quarter of 2010.

Outlook for remainder of 2010 (cont'd)

B. Current projects under construction (cont'd)

Imaginarium III

Description of project

The Imaginarium III project is being developed on a land strip of 7,600 m^2 located in the Bielany district in Warsaw (Gwiaździsta Street) and is situated next to the Imaginarium I and Imaginarium II projects. The project is a continuation of the Imaginarium I and Imaginarium II concept in terms of quality and design. The Imaginarium III housing estate comprises 2 multifamily buildings with total 45 apartments with an aggregate usable floor space of 3,800 m^2.

Stage of development

The preparation of the construction work commenced in March 2010 and is expected to be completed in the third quarter of 2011.

Nautica II

Description of project

The Nautica II project is being developed on a land strip of 1,051 m^2 located in the Ursynów district in Warsaw (Stryjeńskich Street). The project will comprise one semi-detached unit and one house (in total 3 units) with an aggregate floor space of 700 m^2.

Stage of development

The preparation of the construction work commenced in March 2010 and is expected to be completed in the first quarter of 2011.

Outlook for remainder of 2010 (cont'd)

C. Projects for which construction work is planned to commence during the remainder of 2010

As the number of available apartments diminishes due to progressing sales, the Company expects to benefit from improving market conditions and plans to initiate five new projects during the remainder of 2010. However, in order to minimize the market risk, the management of the Company is scaling down new projects into relatively smaller stages. Moreover, the commencement plan assumes gradual openings spread during the next few quarters and in the event of any market deterioration, management may delay some of those plans.

Impressio (previously named Goya)

The Impressio project will be developed on a land strip of 14,500 m^2 located in the Grabiszyn district in Wrocław. The project will comprise 190 apartments with an aggregate floor space of 12,900 m^2 and will be divided into 2 phases. The Company is considering opening the first phase of this project during the second quarter of 2010. The first stage will comprise of 70 apartments.

Osiedle Wiślane

The Osiedle Wiślane project will be developed on a land strip of 31,800 m^2 located in Łomianki near Warsaw. The project will comprise 604 units with an aggregate floor space of 29,800 m^2 and will be divided into 8 phases. The Company is considering opening the first phase of this project during the third quarter of 2010. The first stage will comprise of 52 units.

Orion

The Orion project will be developed on a land strip of 16,300 m^2 located in the Wola district in Warsaw (Sowińskiego Street). The project will comprise 366 units with an aggregate floor space of 26,200 m^2 and will be divided into 3 or more phases. The Company is considering opening the first phase of this project during the third quarter of 2010. The first stage will comprise of 119 units.

Gemini II

The Gemini II project will be developed on a land strip of 4,700 m^2 located in the Ursynów district in Warsaw (KEN Street) situated next to the subway station Imielin. The project will comprise 182 units with an aggregate floor space of 13,700 m^2. The Company is considering commencing development of this project during the third quarter of 2010.

Kłobucka

The Kłobucka project will be developed on a land strip of 21,000 m^2 located in the Mokotów district in Warsaw (Kłobucka street). The project will comprise 454 units with an aggregate floor space of 28,385 m^2 and will be divided into 4 phases. The Company is considering opening the first phase of this project during the third quarter of 2010. The first stage will comprise of 120 units.

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 2010 (13 May 2010), 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 2010 Number of shares / % of shares	**Increase in number of shares**	**As of 31 March 2010 Number of shares / % of shares**	**Increase in number of shares**	**As of 31 December 2009 Number of shares / % of shares**
Shares issued	***272,360,000***	-	***272,360,000***	-	***272,360,000***
Major shareholders:					
I.T.R. Dori B.V.	174,898,374 64.2%	-	174,898,374 64.2%	-	174,898,374 64.2%
GE Real Estate CE Residential B.V.	41,800,000 15.3%	-	41,800,000 15.3%	-	41,800,000 15.3%
Amplico Otwarty Fundusz Emerytalny	N.A. Between 5%-10%.	N.A.	N.A. Between 5%-10%.	N.A.	N.A. Between 5%-10%.
ING Otwarty Fundusz Emerytalny	N.A. Between 5%-10%.	N.A.	N.A. Between 5%-10%.	N.A.	N.A. Between 5%-10%.

Changes in ownership of shares and rights to shares by Management Board members in the three months ended 31 March 2010 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 1 January 2010 until 13 May 2010, with the exception of Mr David Katz who indirectly holds 5.5% of the shares and voting rights in a 50% shareholder of I.T.R Dori B.V. and, as a result, thus indirectly holds a 1.8% interest in the Company. His indirect ownership in the Company did not change during the period from 1 January 2010 until 13 May 2010.

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 1 January 2010 until 13 May 2010. Rights to shares that were granted to individual members of the Management Board before 1 January 2010 but which have not been exercised as of the date of publication of this report are as follows:

- Mr Andrzej Gutowski: 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 PLN 5.75, one third per year on the anniversary date of the date of 5 November 2007 for three successive years.

Additional information to the report (cont'd)

Changes in ownership of shares and rights to shares by Supervisory Board members in the three months ended 31 March 2010 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 1 January 2010 until 13 May 2010, with the exception of Mr Uri Dori who indirectly holds 31.4% of the shares and voting rights in a 50% shareholder of I.T.R Dori B.V. and, as a result, thus indirectly holds a 10.1% interest in the Company. Mr Dori's indirect ownership in the Company did not change during the period from 1 January 2010 until 13 May 2010.

Other

As of 31 March 2010, the Company has issued guarantees for bank loans granted to subsidiaries amounting to a total of PLN 20,043 thousand.

As of 31 March 2010, 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 2010:

- a decrease in the provision for deferred tax liabilities of PLN 1,395 thousand;

Aurora

In May 2009, the Company entered into a settlement agreement with the seller of a land plot in Poznań (project Aurora), which concluded the dispute between parties that started in September 2008. The seller has confirmed that the original agreement related to acquisition of land has expired and has committed to pay back the advance payment (PLN 12.4 million) upon satisfaction of certain conditions. While the Company decided to enter into this compromise agreement despite the fact that the Management Board was confident about the Company's ultimate success in any court proceeding. The Management Board was of the opinion that entering into a court proceeding would nonetheless be long, expensive and complicated. Based on the compromise agreement reached, the parties agreed to a reduction of the repayment to a final settlement of PLN 9.0 million (plus statutory interest accrued since 1 August 2009 on the unpaid amount) if repaid by end of April 2010.

On 30 of April 2010, the seller repaid the full PLN 9.0 million plus PLN 0.9 million of interest after which all settlements between the Company and the seller were cleared. As a result of the above described settlement, the Company recognized a write-down expense for the aborted project to the amount of PLN 2.5 million. This write-down expense is included in the Interim Consolidated Statement of Comprehensive Income in "Other expenses".

Additional information to the report (cont'd)

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 International Financial Reporting Standards ("IFRS"), in particular in accordance with IAS 34 and IFRSs endorsed by the European Union. At the date of authorisation 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 2010 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 Management Board

Shraga Weisman Chief Executive Officer	**Tomasz Łapiński** Chief Financial Officer	**Andrzej Gutowski** Sales and Marketing Director
Amos Weltsch	**David Katz**	**Karol Pilniewicz**

Rotterdam, 13 May 2010

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of Polish Zlotys (PLN)	*Note*	As at 31 March 2010 (Unaudited/ Unreviewed))	As at 31 December 2009
Assets			
Property and equipment		1,351	1,319
Investment property		8,740	8,740
Deferred tax assets		2,759	3,891
Total non-current assets		**12,850**	**13,950**
Inventory	*9*	646,753	646,253
Trade and other receivables and prepayments		18,569	19,884
Income tax receivable		82	190
Short-term bank deposits - collateralized		2,263	5,070
Cash and cash equivalents		50,823	58,044
Total current assets		**718,490**	**729,441**
Total assets		**731,340**	**743,391**
Equity			
Shareholders' equity			
Share capital		20,762	20,762
Share premium		282,873	282,873
Retained earnings		79,933	78,583
Total shareholders' equity		**383,568**	**382,218**
Liabilities			
Loans from related parties	*11*	52,948	52,948
Secured bank loans	*10*	20,569	54,346
Deferred tax liability		5,026	6,421
Total non-current liabilities		**78,543**	**113,715**
Trade and other payables and accrued expenses		21,204	27,729
Loans from related parties	*11*	5,664	7,381
Secured bank loans	*10*	128,699	134,332
Advances received		110,267	73,367
Income tax payable		309	1,563
Provisions		3,086	3,086
Total current liabilities		**269,229**	**247,458**
Total liabilities		**347,772**	**361,173**
Total equity and liabilities		**731,340**	**743,391**

The notes included on pages 23 to 35 are an integral part of these interim condensed consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PLN (thousands, except per share data and number of shares)	***Note***	**For the 3 months ended 31 March 2010 (Unaudited/ Unreviewed))**	**For the 3 months ended 31 March 2009 (Unaudited/ Unreviewed))**
Revenue		23,895	15,156
Cost of sales		(15,680)	(9,407)
Gross profit		**8,215**	**5,749**
Selling and marketing expenses		(947)	(274)
Administrative expenses		(3,207)	(2,757)
Other expenses		(2,920)	(69)
Other income		295	668
Result from operating activities		**1,436**	**3,317**
Finance income		356	398
Finance expense		(117)	(392)
Net finance income		**239**	**6**
Profit before taxation		**1,675**	**3,323**
Income tax expense	*12*	(342)	(765)
Profit for the period		**1,333**	**2,558**
Other comprehensive income		-	-
Total comprehensive income		**1,333**	**2,558**
Weighted average number of equivalent shares (basic)		**272,360,000**	**226,966,667**
Weighted average number of equivalent shares (diluted)		**272,999,333**	**227,616,000**
Net earnings per share (basic)		**0.005**	**0.011**
Net earnings per share (diluted)		**0.005**	**0.011**

The notes included on pages 23 to 35 are an integral part of these interim condensed consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of Polish Zlotys (PLN)	Share capital	Share premium	Retained earnings	Total equity
Balance at 1 January 2010	**20,762**	**282,873**	**78,583**	**382,218**
Net profit for the three months ended 31 March 2010	-	-	1,333	1,333
Other comprehensive income	-	-	-	-
Total comprehensive income	20,762	282,873	79,916	383,551
Share-based payments (note 13)	-	-	17	17
Balance at 31 March 2010 (Unaudited /Unreviewed)	**20,762**	**282,873**	**79,933**	**383,568**

In thousands of Polish Zlotys (PLN)	Share capital	Share premium	Retained earnings	Total equity
Balance at 1 January 2009	**16,953**	**215,105**	**57,425**	**289,483**
Net profit for the three months ended 31 March 2009	-	-	2,558	2,558
Other comprehensive income	-	-	-	-
Total comprehensive income	16,953	215,105	59,983	292,041
Share-based payments (note 13)	-	-	20	20
Balance at 31 March 2009 (Unaudited /Unreviewed)	**16,953**	**215,105**	**60,003**	**292,061**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of Polish Zlotys (PLN)	**For the 3 months ended 31 March 2010 (Unaudited Unreviewed)**	**For the 3 months ended 31 March 2009 (Unaudited Unreviewed)**
Cash flows from/(used in) operating activities		
Profit for the period	1,333	2,558
Adjustments to reconcile profit for the period to net cash used in operating activities		
Depreciation	103	123
Finance expense	4,479	5,550
Finance income	(376)	(398)
Share-based payment expense	17	20
Income tax expense	342	765
Subtotal	***5,898***	***8,618***
Decrease/(increase) in inventory	(500)	(34,326)
Decrease/(increase) in trade and other receivables and prepayments	1,315	7,188
Increase/(decrease) in trade and other payables and accrued expense	(4,025)	2,986
Increase/(decrease) in provisions	-	700
Increase/(decrease) in advances received	36,900	2,409
Subtotal	***39,588***	***(12,425)***
Interest paid	(5,422)	(4,991)
Interest received	376	398
Income tax paid	(1,751)	(121)
Net cash from/(used in) operating activities	**32,791**	**(17,139)**
Cash flows from investing activities		
Acquisition of property and equipment	(135)	(18)
Acquisition of investment property	(2,500)	-
Short-term bank deposit - collateralized	2,807	1,334
Proceeds from sales of property and equipment	-	13
Net cash from investing activities	**172**	**1,329**
Cash flows (used in)/from financing activities		
Proceeds from secured bank loans, net of bank charges	3,186	4,016
Repayment of secured bank loans	(43,370)	-
Net cash (used in)/from financing activities	**(40,184)**	**4,016**
Net change in cash and cash equivalents	**(7,221)**	**(11,794)**
Cash and cash equivalents at beginning of period	58,044	39,323
Cash and cash equivalents at end of period	**50,823**	**27,529**

The notes included on pages 23 to 35 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. (hereinafter "the Company"), a Dutch public company with its registered office located in Rotterdam, the Netherlands, was incorporated on 18 June 2007. The Company through its subsidiaries is active in the development and sale of residential units, primarily apartments, in multi-family residential real-estate projects and single family or semi-detached housing projects to individual customers in Poland. Moreover the Group lease real estate the third party.
The shares of the Company are traded on the Warsaw Stock Exchange since 5 November 2007. As at 31 March 2010, 64.2% of the outstanding shares are held by ITR Dori, whereas 15.3% of the outstanding shares are held by GE Real Estate with the remaining 20.5% of the outstanding shares being held by other investors, including Amplico OFE and ING OFE whereby each party is holding an interest of between 5% and 10% of the outstanding shares.

The Interim Condensed Consolidated Financial Statements of the Group have been prepared for the three months ended 31 March 2010 and contain comparative data for the three months ended 31 March 2009 and as at 31 December 2009. The Interim Condensed Consolidated Financial Statements of the Company for the three months ended 31 March 2010 comprise the Company and its subsidiaries (together hereinafter "the Group"), and have not been subject to review or audit by an independent auditor.

A list of 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 2010 were authorised for issuance by the Management Board on 13 May 2010.

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

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), in particular in accordance with IAS 34 and IFRSs endorsed by the European Union. At the date of authorisation 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 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 2009.

The Consolidated Financial Statements of the Group for the year ended 31 December 2009 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

Note 2 – Basis of preparation of Interim Condensed Consolidated Financial Statements (cont'd)

These Interim Condensed Consolidated Financial Statements have been prepared based on the assumption that the Group companies will continue as going concern in the foreseeable future. As at the date of authorisation of these Interim Condensed Consolidated Financial Statements, the Company's Management Board is not aware of any facts or circumstances that would indicate a threat to the continued activity of the Group. A separate comment shall be made regarding the maturity structure of the Company's loan facilities, which in majority, are classified as short-term debt. The structure of the debt financing reflects the Company's past transactions involving leveraged land acquisitions and the current practice by the banking sector assuming extension of the maturity of land backed loans for the period of up to 12-18 months only. The Management of the Company is confident about the value of the land which is used as the collateral for the loan facilities as well as about a continued cooperation by the banks and the Company's ability to service its loan obligations in an orderly fashion. Until now, the Company has not breached any loan covenant and has been able to extend all expiring loan facilities.

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 with the same as those applied by the Company in its consolidated financial statements for the year ended 31 December 2009.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010.

- IFRS 3 *Business Combinations* (revised in January 2008) – effective for annual periods beginning on or after 1 July 2009,
- IAS 27 *Consolidated and Separate Financial Statements* (revised in January 2008) – effective for annual periods beginning on or after 1 July 2009,
- IFRS 1 *First-time Adoption of International Financial Reporting Standards* (revised in November 2008) - effective for annual periods beginning on or after 1 July 2009,
- IFRIC 17 *Distributions of Non-cash Assets to Owners* - effective for annual periods beginning on or after 1 July 2009,
- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement: Eligible Hedged Items* (issued in July 2008) - effective for annual periods beginning on or after 1 July 2009.

Adoption of the above new standards and amendments to standards did not have impact on the financial position or performance 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 judgements 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 2009.

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.

Note 7 – Composition of the Group

The Polish companies whose financial data have been included in these Interim Condensed Consolidated Financial Statements, the year of their incorporation and the percentage of ownership and voting rights directly held by the Company as at 31 March 2010 in each entity are presented on the following page.

The projects managed by the 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.

Note 7 – Details of corporations in the Group (cont'd)

	Entity name	Year of incorporation	Share of ownership & voting rights (end of period)
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 Properties Sp. z o.o.	2002	100.0%
7.	Ronson Development Apartments Sp. z o.o.	2003	100.0%
8.	Ronson Development Residential Sp. z o.o.	2003	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 Poznań Sp. z o.o.	2005	100.0%
15.	Ronson Development Innovation Sp. z o.o.	2006	100.0%
16.	Ronson Development Wrocław 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.	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 2010)	2006	100.0%
23.	Ronson Development Village Sp. z o.o. (1)	2007	100.0%
24.	Ronson Development Conception Sp. z o.o.	2007	100.0%
25.	Ronson Development Architecture Sp. z o.o.	2007	100.0%
26.	Ronson Development Skyline Sp. z o.o. (1)	2007	100.0%
27.	Ronson Development Continental Sp. z o.o. (1)	2007	100.0%
28.	Ronson Development Universal Sp. z o.o. (1)	2007	100.0%
29.	Ronson Development Retreat Sp. z o.o.	2007	100.0%
30.	Ronson Development South Sp. z o.o. (1)	2007	100.0%
31.	Ronson Development West Sp. z o.o. (1)	2007	100.0%
32.	Ronson Development East Sp. z o.o. (no activities at 31 March 2010) (1)	2007	100.0%
33.	Ronson Development North Sp. z o.o. (1)	2007	100.0%
34.	Ronson Development Providence Sp. z o.o.	2007	100.0%
35.	Ronson Development Destiny Sp. z o.o. (no activities at 31 March 2010) (1)	2007	100.0%
36.	Ronson Development Millenium Sp. z o.o. (no activities at 31 March 2010) (1)	2007	100.0%
37.	Ronson Development Finco Sp. z o.o.	2009	100.0%
38.	Ronson Development Nautica Sp. z o.o. (no activities at 31 March 2010)	2010	100.0%
39.	Ronson Development Gemini Sp. z o.o. (no activities at 31 March 2010)	2010	100.0%
b.	**held indirectly by the Company :**		
40.	AGRT Sp. z o.o.	2007	100.0%
41.	Ronson Development Community Sp.k.	2007	100.0%
42.	Ronson Development Estate Sp.k.	2007	100.0%
43.	Ronson Development Home Sp.k.	2007	100.0%
44.	Ronson Development Horizon Sp.k.	2007	100.0%
45.	Ronson Development Landscape Sp.k.	2007	100.0%
46.	Ronson Development Town Sp.k. (no activities at 31 March 2010)	2007	100.0%
47.	Ronson Development Eclipse Sp.k. (no activities at 31 March 2010)	2009	100.0%
48.	Ronson Development Magellan Sp.k. (no activities at 31 March 2010)	2009	100.0%
49.	Ronson Development Monet Sp.k. (no activities at 31 March 2010)	2009	100.0%
50.	Ronson Development Orion Sp.k. (no activities at 31 March 2010)	2009	100.0%
51.	Ronson Development Osiedle Hrabskie Sp.k. (no activities at 31 March 2010)	2009	100.0%
52.	Ronson Development Plejada Sp.k. (no activities at 31 March 2010)	2009	100.0%
53.	Ronson Development Renoir Sp.k. (no activities at 31 March 2010)	2009	100.0%
54.	Ronson Development Renaissance Sp.k. (no activities at 31 March 2010)	2009	100.0%
55.	Ronson Development Tamka Sp.k. (no activities at 31 March 2010)	2009	100.0%
56.	Ronson Development Copernicus Sp.k. (no activities at 31 March 2010)	2009	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.

Note 8 - Segment reporting

The Group's operating segments are defined as separate entities developing particular residential projects, which for the 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 one particular entity the reporting was based on type of income: rental income from investment property.

According to 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. Unallocated items comprise head office expenses and income tax assets and liabilities and unallocated cash and cash equivalents.

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 2010 (unaudited/unreveiwed)**										
	Warsaw			**Poznań**		**Wrocław**		**Szczecin**		**Unallocated**	**Total**
	Apartments	**Houses**	**Rental**	**Apartments**	**Houses**	**Apartments**	**Houses**	**Apartments**	**Houses**		
Segment assets	331,848	108,234	8,740	109,522	8,422	69,312	2,357	52,030	7,300	-	697,765
Unallocated assets	-	-	-	-	-	-	-	-		33,575	33,575
Total assets	**331,848**	**108,234**	**8,740**	**109,522**	**8,422**	**69,312**	**2,357**	**52,030**	**7,300**	**33,575**	**731,340**
Segment liabilities	221,485	42,225	-	47,670	46	8,761	-	16,817	-	-	337,004
Unallocated liabilities	-	-	-	-	-	-	-	-	-	10,768	10,768
Total liabilities	**221,485**	**42,225**	**-**	**47,670**	**46**	**8,761**	**-**	**16,817**	**-**	**10,768**	**347,772**

In thousands of Polish Zlotys (PLN)	**As at 31 December 2009**										
	Warsaw			**Poznań**		**Wrocław**		**Szczecin**		**Unallocated**	**Total**
	Apartments	**Houses**	**Rental**	**Apartments**	**Houses**	**Apartments**	**Houses**	**Apartments**	**Houses**		
Segment assets	315,967	108,221	8,740	118,869	8,379	68,758	2,361	51,848	7,318	-	690,461
Unallocated assets	-	-	-	-	-	-	-	-		52,930	52,930
Total assets	**315,967**	**108,221**	**8,740**	**118,869**	**8,379**	**68,758**	**2,361**	**51,848**	**7,318**	**52,930**	**743,391**
Segment liabilities	212,699	50,977	2,500	56,806	42	8,445	-	16,791	1	-	348,261
Unallocated liabilities	-	-	-	-	-	-	-	-	-	12,912	12,912
Total liabilities	**212,699**	**50,977**	**2,500**	**56,806**	**42**	**8,445**	**-**	**16,791**	**1**	**12,912**	**361,173**

Note 8 - Segment reporting (cont'd)

In thousands of Polish Zlotys (PLN) — **For the three months ended 31 March 2010 (Unaudited/Unreviewed)**

	Warsaw			**Poznań**		**Wrocław**		**Szczecin**		**Unallocated**	**Total**
	Apartments	**Houses**	**Rental**	**Apartments**	**Houses**	**Apartments**	**Houses**	**Apartments**	**Houses**		
Revenue	9,560	-	104	14,231	-	-	-	-	-	-	23,895
Segment result	2,521	(77)	-	2,105	(7)	53	-	(2)	-	-	4,593
Unallocated result	-	-	-	-	-	-	-	-	-	(3,157)	(3,157)
Result from operating activities	**2,521**	**(77)**	**-**	**2,105**	**(7)**	**53**	**-**	**(2)**	**-**	**(3,157)**	**1,436**
Net finance income	33	(1)	-	(25)	(1)	(2)	-	(1)	-	236	239
Profit before taxation	**2,554**	**(78)**	**-**	**2,080**	**(8)**	**51**	**-**	**(3)**	**-**	**(2,921)**	**1,675**
Income tax expense											(342)
Profit for the period											**1,333**
Capital expenditure	**109**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**26**	**135**

In thousands of Polish Zlotys (PLN) — **For the three months ended 31 March 2009 (Unaudited/Unreviewed)**

	Warsaw			**Poznań**		**Wrocław**		**Szczecin**		**Unallocated**	**Total**
	Apartments	**Houses**	**Rental**	**Apartments**	**Houses**	**Apartments**	**Houses**	**Apartments**	**Houses**		
Revenue	4,744	-	-	10,412	-	-	-	-	-	-	15,156
Segment result	1,699	147	-	4,008	(3)	80	(2)	(6)	(1)	-	5,922
Unallocated result	-	-	-	-	-	-	-	-	-	(2,605)	(2,605)
Result from operating activities	**1,699**	**147**	**-**	**4,008**	**(3)**	**80**	**(2)**	**(6)**	**(1)**	**(2,605)**	**3,317**
Net finance income	110	(66)	-	24	-	24	(17)	(7)	-	(62)	6
Profit before taxation	**1,809**	**81**	**-**	**4,032**	**(3)**	**104**	**(19)**	**(13)**	**(1)**	**(2,667)**	**3,323**
Income tax expense											(765)
Profit for the period											**2,558**
Capital expenditure	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18**	**18**

Note 9 – Inventory

Movements in Inventory during the three months ended 31 March 2010 and during the year ended 31 December 2009 were as follows:

In thousands of Polish Zlotys (PLN)	**Opening balance 1 January 2010**	**Transferred to finished units**	**Additions**	**Closing Balance 31 March 2010**
		(Unaudited / Unreviewed)	**(Unaudited / Unreviewed)**	**(Unaudited / Unreviewed)**
Land and related expenses	389,730	-	436	390,166
Construction costs	138,448	-	10,534	148,982
Planning and permits	18,984	-	483	19,467
Borrowing costs	40,997	-	4,342	45,339
Other	4,331	-	186	4,517
Work in progress	**592,490**	**-**	**15,981**	**608,471**

In thousands of Polish Zlotys (PLN)	**Opening balance 1 January 2010**	**Transferred from work in progress**	**Recognized in the statement of comprehensive income**	**Closing balance 31 March 2010**
		(Unaudited / Unreviewed)	**(Unaudited / Unreviewed)**	**(Unaudited / Unreviewed)**
Finished goods	**53,763**	**-**	**(15,481)**	**38,282**
Inventories, valued at lower of - cost and net realisable value	**646,253**			**646,753**

In thousands of Polish Zlotys (PLN)	**Opening balance 01 January 2009**	**Transferred to finished units**	**Additions**	**Closing balance 31 December 2009**
Land and related expenses	408,098	(23,837)	5,469	389,730
Construction costs	107,595	(83,638)	114,491	138,448
Planning and permits	13,627	(2,040)	7,397	18,984
Borrowing costs	29,243	(6,170)	17,924	40,997
Other	7,579	(2,983)	(265)	4,331
Work in progress	**566,142**	**(118,668)**	**145,016**	**592,490**

In thousands of Polish Zlotys (PLN)	**Opening balance 01 January 2009**	**Transferred from work in progress**	**Recognized in the statement of comprehensive income**	**Closing balance 31 December 2009**
Finished units	**10,868**	**118,668**	**(75,773)**	**53,763**
Inventories, valued at lower of - costs and net realisable value	**577,010**			**646,253**

Note 10 – Secured bank loans

The following non-current and current Secured bank loans were issued and repaid during the three months ended 31 March 2010 and during the year ended 31 December 2009:

In thousands of Polish Zloty (PLN)	**For the three months ended 31 March 2010** (Unaudited / Unreviewed)	**For the year ended 31 December 2009**
Opening balance	**188,678**	**225,133**
New bank loan drawdown	3,186	24,275
Bank loans repayments	(43,370)	(60,386)
Bank charges	-	(1,884)
Bank charges amortization	473	1,939
Accrued interest/(interest repayment) on bank loans, net	301	(399)
Total closing balance	**149,268**	**188,678**
Closing balance includes:		
Current liabilities	128,699	54,346
Non-current liabilities	20,569	134,332
Total closing balance	**149,268**	**188,678**

Note 11 – Loans from related parties

The following Loans from related parties were issued and repaid during the three months ended 31 March 2010 and during the year ended 31 December 2009:

In thousands of Polish Zloty (PLN)	**For the three months ended 31 March 2010** (Unaudited / Unreviewed)	**For the year ended 31 December 2009**
Opening balance	**60,329**	**57,619**
Accrued interest	783	3,177
Interest repayment	(2,500)	(467)
Total closing balance	**58,612**	**60,329**
Closing balance includes:		
Current liabilities	5,664	7,381
Non-current liabilities	52,948	52,948
Total closing balance	**58,612**	**60,329**

Note 12 – Income tax expense

In thousands of Polish Zlotys (PLN)	For the 3 months ended 31 March 2010 (Unaudited / Unreviewed)	For the 3 months ended 31 March 2009 (Unaudited / Unreviewed)
Current tax expense	**604**	**122**
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	(3,070)	977
Benefit of tax losses recognized	2,808	(334)
Total deferred tax expense/(benefit)	**(262)**	**643**
Total income tax expense	**342**	**765**

Note 13 – Share-based payments

During the fourth quarter of 2007, a 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 is 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) and can only be settled in shares. Options granted shall vest over three and five years, one third and one fifth in each year after one year from the date of grant, respectively.

On 5 November 2007, a total of 1,900,000 options with an exercise price of PLN 5.75 per share were granted to selected employees of the Company. Of the above total, 700,000 options will vest over a three year period having an option term of five years, whereas the remaining 1,200,000 options will vest over five years having an option term of seven years. The latter options were granted to Mr. Dror Kerem, the former President of the Management Board and the former Chief Executive Officer of the Company.

Until 31 March 2010, the selected employees that joined the option programme (granted in 2007) had not exercised any of their options. Following the resignation of key management employees during 2008 and during 2009, a total of 1,260,667 options were cancelled. The details regarding the number of the options outstanding as of 31 March 2010 are provided below:

Note 13 – Share-based payments (cont'd)

	Number of options			
Vesting dates	**Granted**	**Exercised**	**Cancelled**	**Outstanding**
5 November 2008	473,333	-	(50,000)	423,333
5 November 2009	473,333	-	(317,333)	156,000
5 November 2010	473,334	-	(413,334)	60,000
5 November 2011	240,000	-	(240,000)	-
5 November 2012	240,000	-	(240,000)	-
Total	**1,900,000**	**-**	**(1,260,667)**	**639,333**

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 five years and seven years, an annual risk free rate of 6% and estimation that 70% from the employed will implement the options.

The cost impact of the share-based payment on the financial statements of the Company was an expense of PLN 17 thousand for the three months ended 31 March 2010 (three months ended 31 March 2009: PLN 20 thousand) recognized in the statement of comprehensive income with a corresponding increase in equity.

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

(i) Investment commitments:

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

For the period ended *In thousands of Polish Zlotys (PLN)*	**As at 31 March 2010**	**As at 31 December 2009**
	(Unaudited / Unreviewed)	
Gemini I	6,465	11,211
Nautica I	3,847	7,410
Constans	1,060	1,934
Total	**11,372**	**20,555**

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

(ii) 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 2010 after deduction of payments received at the reporting date (such payments being presented in the Interim Consolidated Statement of Financial Position as Advances received):

For the period ended *In thousands of Polish Zlotys (PLN)*	**As at 31 March 2010**	**As at 31 December 2009**
	(Unaudited / Unreviewed)	
Gemini I	30,929	32,003
Nautica I	27,881	31,067
Galileo	6,534	9,043
Imaginarium III	2,953	-
Imaginarium II	2,458	4,772
Gardenia	706	-
Constans	336	336
Meridian	-	7
Total	**71,797**	**77,228**

(iii) Contingencies:

None.

Note 15 – Related party transactions

There were no material transactions and balances with related parties during three months ended 31 March 2010 other than those already disclosed in the 2009 annual accounts. During the three months ended 31 March 2010, the Group paid accrued interest on related party loans amounting to PLN 2.5 million.

Note 16 – Impairment losses and provisions

During the three months ended 31 March 2010, no material impairment losses were charged.

The following net movements in the Group's main provisions took place during the three months ended 31 March 2010:

- a decrease in the provision for deferred tax liabilities of PLN 1,395 thousand.

Note 17 – Events during the period

Bank loans

The Company has signed an annex extending the maturity of a loan facility (PLN 15 million) which was used for the refinancing of the land purchase in respect of the Orion project. The final repayment date has been postponed from January 2010 until December 2010. The Company is involved in the discussions regarding a further extension of this facility together with conditions of the construction facility for this project.
The Company has also repaid the loans used in projects Constans, Imaginarium, Galileo and also the loan which was used for financing land acquisition in project Gemini reducing its banking debt by PLN 43.4 million in total.

Aurora

In May 2009, the Company entered into a settlement agreement with the seller of a land plot in Poznań (project Aurora), which concluded the dispute between parties that started in September 2008. The seller has confirmed that the original agreement related to acquisition of land has expired and has committed to pay back the advance payment (PLN 12.4 million) upon satisfaction of certain conditions. While the Company decided to enter into this compromise agreement despite the fact that the Management Board was confident about the Company's ultimate success in any court proceeding. The Management Board was of the opinion that a court proceeding would nonetheless be long, expensive and complicated. Based on the compromise agreement reached, the parties agreed to a reduction of the repayment to a final settlement of PLN 9.0 million (plus statutory interest accrued since 1 August 2009 on the unpaid amount) if repaid by the end of April 2010.

At 30 April 2010, the seller repaid the full PLN 9.0 million plus PLN 0.9 million of interest, after which all settlements between the Company and the seller were cleared. As a result of the settlement, the Company recognized a write-down expense for the aborted project amounting to PLN 2.5 million which is included in the Interim Consolidated Statement of Comprehensive Income under "Other expenses".

Note 18 – Subsequent events

Bank loans

In May 2010, the Company entered into annexes to certain loan facilities received in the past from BZWBK S.A. for financing land acquisitions for a total amount of PLN 57.4 million. Based on the signed annexes, repayment dates of the loans have been extended from 31 March 2010 to 31 March 2011. In April 2010, the Company has also entered into an annex to a loan facility amounting to PLN 14.7 million received in the past from PKO BP S.A. for financing acquisition of land at Magazynowa Street in Warsaw (project Magellan). Based on this signed annex, the repayment date of the loan has been extended until 31 December 2012.

The Management Board

_______________	_________________	_________________
Shraga Weisman	**Tomasz Łapiński**	**Andrzej Gutowski**
Chief Executive Officer	Chief Financial Officer	Sales and Marketing Director
__________________	__________________	__________________
Amos Weltsch	**David Katz**	**Karol Pilniewicz**

Rotterdam. 13 May 2010