2014

RomReal Limited
Annual 2014 Report
15 April 2015

RomReal is a Company focused on the Romanian real estate market. Established in 2005 it owns a premium portfolio of properties in Constanta and Bucharest.

CEO's Statement

Dear Shareholders,

"2014 was a year where a lot of hard work has gone into improving the marketability of our land bank. We are yet to harvest the full benefits of our actions, but we can see from the gradual sale of plots in Tatar Peninsula, as well as the pre-agreement in selling the Brasov plot, that the real estate market is closely behind the impressive improvement of the Romanian economy. I believe the positive macro trend is set to continue due to improving economy in local and international markets, in particular within the EU.

The year ended 2014 was a year where the Romanian economy grew by 2.6% compared to the same quarter one year earlier, and with EUR 1.3 billion of real estate investments, that being more than three times compared to 2013. The stability in the GDP growth figures is allowing for improved conditions for the housing market, including increased lending flexibility by the banks and witnessing the bottoming out of apartment prices.

Our work is far from over, but we can positively note that we expect further plot divestments during the year, improving the Company's cash position with a medium term goal to fully repay the Alpha Bank loan. Thereafter, the next obvious ambition is to return money to our shareholders. "

Kay T. Thorkildsen
Chief Executive Officer

2014 Highlights

Statutory Net Asset Value (NAV)
Under IFRS, Net Asset Value was EUR 0.48 (NOK 4.04) per share at the end of 2014, a decrease of 7.7% compared to the end of 2013.

Valuation
The Company has commissioned the annual independent valuation by Knight Frank Romania and reflected the results in the financial statements reported at the end of the year. This resulted in a 2% downwards adjustment of the value of its investment property, on a comparable plot basis at the end of 2013.

Financial Results
Pre-tax loss in 2014 of EUR 1.75 million (2013: EUR 2.70 million). Total assets at end of 2014 were EUR 32.45 million compared to EUR 33.85 million at end of 2013.

Plot division and sales
The total number of smaller plots sold during the year remains 4 for a total amount of EUR 164,000. In addition the Company concluded during the year a pre-sale agreement for the sale of its only land plot in Brasov for a gross price of EUR 1.05 million, with a down payment cashed in 2014. The transaction was concluded on the 8th April 2015 with the balance of the amount being paid in full to the Company.

Key Financials

EUR '000	2014	2013
Operating Revenue	420	399
Operating Expenses	(1,217)	(686)
Other operating income/ (expense), net	(588)	(1,265)
Net financial income/(cost)	(360)	(1,144)
Pre-tax result	(1,745)	(2,696)
Result for the period	(1,766)	(2,629)
Total assets	32,449	33,850
Total liabilities	12,534	12,179
Total equity	19,916	21,671
Equity %	61.4%	64.0%
NAV per share (EUR)	0.48	0.52
Cash position	507	973
Available for sale financial assets	734	733

Property Portfolio

Total size of the Company's Property Portfolio ("Land Bank") totalled 1,250,840 sqm at the end of 2014. The Company owns prime location plots in Bucharest, and Constanta:

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	61,029
2 Badulescu plot	Constanta North/Ovidiu	50,000
3 Tatar Peninsula	Constanta North/Ovidiu	4,297
4 Ovidiu Town	Constanta North/Ovidiu	4,641
5 Ovidiu (Oasis)	Constanta North/Ovidiu	25,127
6 Centrepoint	Constanta North/Ovidiu	122,350
7 Gunaydin plot	Constanta North/Ovidiu	15,000
8 Balada Market	Central Constanta	7,188
9 Carrefour plot	Constanta	15,000
10 Morii Lake	Bucharest Sector 6	11,716
11 Hospital plot	Bucharest Sector 5	13,263
12 Brasov plot	Central Brasov	SOLD
13 Un-zoned land	Constanta	865,062
14 Mamaia North plot	Navodari/Mamaia	56,167
Total		1,250,840

For further information on the Company's property portfolio, please visit www.RomReal.com

Romanian Macro development

On April 1st 2015, the Romanian National Bank's (BNR) Board decreased by another quarter point its benchmark interest rate to a record low of 2 percent to enter in force on April 1.

Foreign direct investment (FDI) in Romania amounted to EUR 409 million in the first two months of 2015, up 45 percent against last year's similar period, of which equity (including estimated net profit) amounted to EUR 358 million and inter-company lending to EUR 51 million, according to a press release issued by the National Bank of Romania (BNR).

At the beginning of this year, in February, the annual inflation rate and the average annual inflation rate stayed unchanged versus the previous month at 0.4 percent and 1 percent respectively. The average annual inflation rate based on the Harmonized Index of Consumer Prices, which is relevant for assessing convergence with the European Union, dropped to 1.2 percent, from 1.3 percent in the previous month.

As for the economic activity, national accounts data for the final quarter of 2014 point to real GDP advancing by 2.6 percent in annual terms, backed by further rising final consumption and a positive contribution, for the first time in two years, from gross fixed capital formation. Nearly all monthly indicators for the early months of this year, especially those on retail trade and consumer confidence, hint at the consolidation of the economic growth trend in the period ahead.

Domestic currency loans grew at a swifter pace in annual terms, against the background of the ongoing liquidity surplus in the money market and the passthrough of the successive policy rate cuts onto lending rates on new business to companies and households. On the other hand, forex loans contracted at a slightly faster rate year on year, their share in total credit to the private sector narrowing to 56.1 percent in February, down from 56.4 percent a month ahead. The real annual dynamics of credit to the private sector remained however in negative territory, reducing further the level of financial intermediation.

Looking ahead, evidence so far suggests the annual inflation rate embarking on a slight uptrend reflecting in particular the combined effect of developments in volatile prices and of the narrowing, yet still significant negative output gap. The uncertainty surrounding this outlook arises from both the external environment – mostly from the geopolitical tensions in the region, the situation in Greece and the euro area, and from the growing divergence between the monetary policy stances pursued by major central banks worldwide – and the domestic environment.

Sources: The National Bank of Romania www.bnr.ro

Romanian News Agency www.mediafax.ro/,

Reuters News Agency.

Constanta

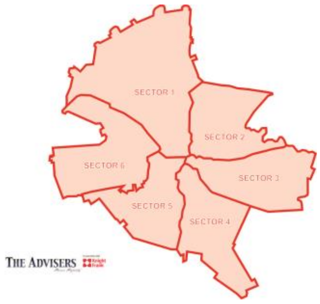
Constanta County is situated in the south-eastern part of Romania, benefiting from opening to the Black Sea, as well as to the Danube River. The county has a 7,071 sq km area and a population of 684,082 inhabitants. The county encompasses 69 administrative units: 3 cities, 9 towns and 57 villages. An additional number of 188 non-administrative small villages are also part of Constanta. Constanta, Ovidiu and Mamaia are neighboring localities. The metropolitan area of Constanta will include Ovidiu area. Therefore, we will consider them in the same region.

Constanta is the residence city of the county that bears the same name. Being situated at a distance of 225 km East from Bucharest and at the same time benefiting from opening to the Black Sea, Constanta is one of the most important commercial junctions in the country. Constanta Harbour, having a total freight capacity of 85 million tones, is the biggest seaport on the Black Sea and one of the largest in Europe. It has connections to every transportation means: railways, roads, air and fluvial.

Mihail Kogalniceanu International Airport is the main airport serving Constanta, having regular charter flights for internal and external routes, with the major links being to: Pisa, Bruxelles, Timisoara, Craiova and Bucharest. In the proximity there is also a utility airport in Tuzla.

Bucharest
Bucharest is Romania's capital city, as well as the most important cultural, financial and industrial centre of the country. The city accounts for around 20% of the country's GDP, while being inhabited by only 9% of the country's population.

The capital city is situated in the southern region of the country, lying on the banks of Dambovita River.



Bucharest is the largest city in Romania, stretching on 238 square kilometers. The city has a population of 1,883,000 inhabitants and a resulting density of 7,912 people/square km. By adding the satellite towns around the city, Bucharest's metropolitan area has a population of 2.25 million people. According to unofficial data though, the population overcomes 3 million inhabitants.

Shareholder Overview

Shareholder	**Holding**	**%**
SIX SIS AG 25PCT ACCOUNT	11,699,278	28.28
THORKILDSEN KAY TØNNES	5,415,756	13.09
GRØNSKAG KJETIL	3,850,307	9.31
SILJAN INDUSTRIER AS	1,600,000	3.87
TONSENHAGEN FORRETNI	1,350,885	3.27
SEB Private Bank S.A	1,323,373	3.20
SAGA EIENDOM AS	1,223,667	2.96
CO/JONAS BJERG NTS TRUSTEES LTD	1,058,306	2.56
SPAR KAPITAL INVESTO	940,236	2.27
ENERGI INVEST A/S	925,802	2.24
Carnegie Investment CLIENT ACCOUNT	851,692	2.06
THORKILDSEN INVEST A	829,478	2.01
ORAKEL AS	781,050	1.89
HOEN ANDERS MYSSEN	689,557	1.67
CLEARSTREAM BANKING	653,181	1.58
PERSSON ARILD	588,000	1.42
Skandinaviska Enskil A/C CLIENTS ACCOUNT	508,384	1.23
KBC SECURITIES NV A/C CLIENTS NON-TREA	477,676	1.15
DANSKE BANK A/S 3887 OPERATIONS SEC.	457,998	1.11
LUNDE DANIEL PETTER	294,100	0.71
TOTAL TOP 20	**35,518,726**	**85.88**

(1) This is the Top 20 Shareholder list as per 31 March 2015.
(2) The total issued number of shares issued at end 2014 was 41,367,783.
(3) Thorkildsen Invest AS is a Company controlled by RomReal CEO Kay Thorkildsen. Altogether RomReal CEO Kay Thorkildsen owns 15.09% of the Company.
(4) RomReal Director Arne Reinemo controls directly or indirectly SILJAN INDUSTRIER AS.
(5) The above list is the 20 largest shareholders according to the VPS print out; please note that shareholders might use different accounts and account names, adding to their total holding.

RomReal Ethical Policy

Introduction
RomReal is presently not involved in any construction or development projects but maintains its principles with regards to Ethical Policy since its listing to the Oslo Stock Exchange. These can be found below:

Energy
From initial site surveys, through to the specification of fixtures and fittings, the Company aims to identify the most energy-efficient solutions. The Company is seeking more intelligent and sustainable approaches to building design, construction and materials.

Water
All of the developments consider ways in which water usage can be reduced, both during construction and occupancy. Where possible, specifying ways of increasing the efficiency of water usage within the infrastructure of our developments, delivering responsibility and cost-efficiency.

Materials
The Company is selecting all construction materials carefully. The aim is to protect natural resources and reduce carbon emissions, thereby contributing to a healthy environment for the residents in all developments.

Waste
RomReal is aware of the need to reduce and manage waste across our operations. It also supports and encourages residents in their own recycling efforts.

Community
From introducing improvements to the local infrastructure to including spaces for socialising and local amenities, the aim is to build sustainable communities for everyone.

Healthy Living
RomReal recognises our responsibility to support healthy lifestyles and meet the needs and aspirations of residents. RomReal seeks to maximise the natural benefits of sunlight, daylight and open space within each development.

Education
RomReal seeks to deliver sustainable development through its ethical policy and working practices. The terms of reference include requirements for economic and social progress at a local level. The Company has supported educational initiatives, both those that spread best practice in sustainable development, and those that enhance the local educational infrastructure in general. The Company aims to evolve as an enduring partner for the region, and wants to create lasting improvements that raise standards of living and employment for the next generation.

Today, the Board of Directors and the Chief Executive Officer reviewed and approved the Board of Directors Report and the RomReal Ltd consolidated and annual financial statements as of 31 December 2014. To the best of our knowledge, we confirm that RomReal Ltd and RomReal Group's consolidated annual financial statements for 2014 have been prepared in accordance with IFRSs and IFRICs as adopted by the European Union (EU), IFRSs as issued by the International Accounting Standards Board (IASB).

The information presented in the financial statements gives a true and fair view of the Company's and the Group's assets, liabilities, financial position and results for the period viewed in their entirety.

DIRECTORS REPORT 2014

RomReal Directors

The Directors are shown below together with their interest in the shares of the Company per 31 December 2014 and per 31 December 2013:

		31 December 2014	31 December 2013
Kjetil Grønskag	Appointed November 2006	3,850,307	3,850,307
Arne Reinemo	Appointed April 2014	1,600,000	Nil
Jonas Bjerg	Appointed September 2008	1,058,306	1,058,306
Arve Nilsson	Appointed September 2008	836,052	836,052
Lacramioara Isarescu	Appointed April 2014	Nil	Nil
Kay Thorkildsen	GROUP CEO	6,245,234	6,245,234
TOTAL		**13,589,899**	**11,989,899**

Operations

RomReal owns a large portfolio of prime location plots in two of the largest Romanian cities: Constanta, and Bucharest. The plots are most suited for residential and commercial developments. RomReal is presently not involved in any construction or development projects.

With regards to the Company's land bank operations, the following developments are ongoing:

Morii Lake - The Bucharest City Hall is in the design phase of an infrastructure project in order to connect the A1 highway to the centre of Bucharest (crossing the Morii Lake area). However, as the expropriation getting exceedingly complicated, due to the number of land owners in the area, the City Hall decided to opt for an underground tunnel of 8 to 14 km.

Hospital plot – The Company has filed a court case against the Hospital's Administration claiming EUR 0.26 million against accrued tenancy costs. A court decision is expected within the year.

Tatar Peninsula – This plot was divided into a total of 15 plots. Until this date, 5 plots have been sold. There are ongoing discussions for further sales of plots.

Lake side Project – The Company has filed an application for changing the zoning and for the approval of 933 housing units, parking spaces, and commercial. The plot size is 61.029 sqm. The Management is aiming to obtain the approvals during the second half of 2015.

Ovidiu plots 12ha, 5ha & 1.5 ha - These properties are included in the new General Urbanism Plan of the Ovidiu town, which is expected to be approved during Q1 2015. This means that once the Plan is approved, the plot will enter into a zone suitable for development.

Mamaia North project - The Management has filed documentation with the City Hall for upgrading the plot's zoning. Currently we are in the process of dividing this plot of 56,617 square meters in two, each with a prospective project plan creating a total number of 1,068 housing units. The Management is optimistic that the current City Hall expropriation will be withdrawn on legal grounds.

During 2014, the Company sold a total of 4 plots on the Tartar Peninsula, and entered a pre-sale agreement for its land plot in Brasov and received a down payment of EUR 157,000. The transaction was concluded on 8th April 2015 with the balance of the amount being paid in full to the Company. As part of the agreement with Alpha Bank, the proceeds will be used to reduce the outstanding bank debt and the cashed down payment has already been utilised to reduce the loan outstanding.

Key features of the market

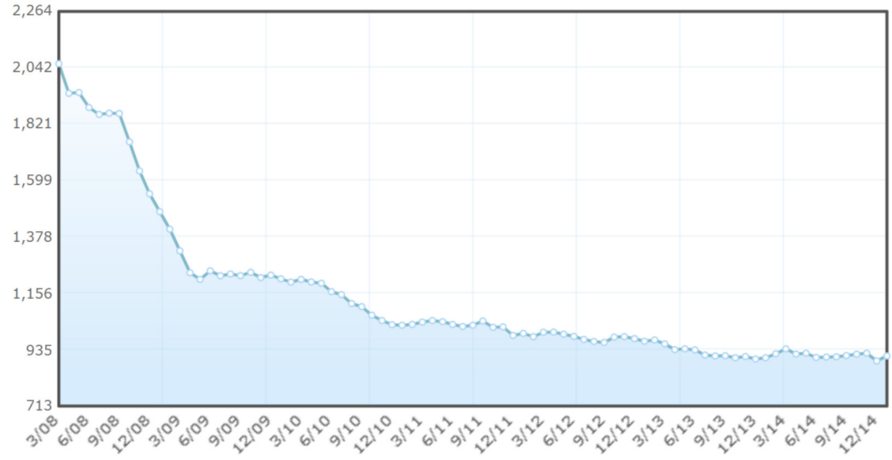
Investments in Real Estate increased dramatically from EUR 300 million in 2013 to EUR 1.3 billion in 2014. According to DTZ's Property Times Romania Investment 2014 report, this is the largest investment volume recorded since 2008 and the second highest ever recorded in Romania. Approximately 70 percent was registered in Bucharest.

Residential market:

Data available for the first three quarters of 2014 indicate a slight increase in terms of number of new housing units delivered to the market (28,500 units, 2,000 units more than the same period of the previous year), according to the National Institute of Statistics. Around half of the new dwellings are located in urban areas.

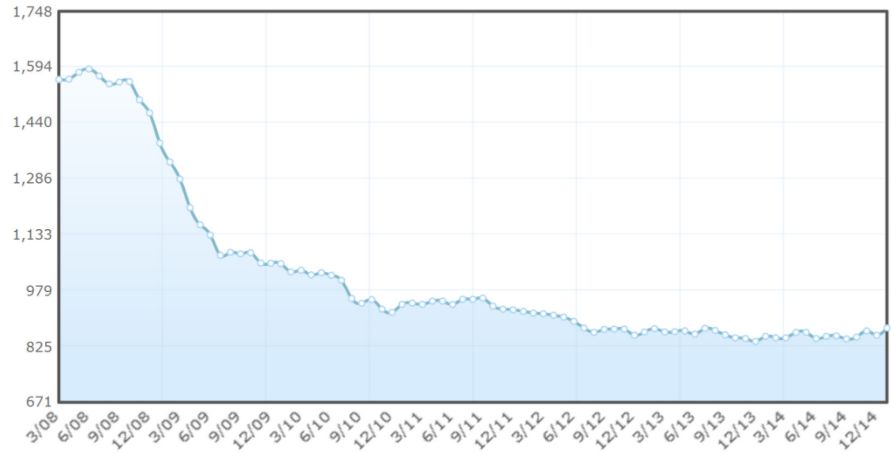
Some of the larger new residential projects announced for 2015 include a residential project to be developed by Lithuanian real estate developer Hanner near Tineretului Park in Bucharest with a total estimated value of EUR 37 million and a EUR 14 million expansion of the Greenfield housing project in northern Bucharest.

However, despite the slightly more active market, average housing prices remained stable in 2014. In 2015 prices are showing an upward trend of about 0.5% compared with the same period last year, currently estimated at an average of EUR 924 per square meter.



Romania

According to the largest online broker in Romania imobiliare.ro, apartment prices in Constanta have increased 2 per cent during 2014. This trend has continued with the current average price increasing 4.2 per cent compared with the same period last year. Prices are currently estimated at an average of EUR 885 per square meter.



Constanta

Housing prices in Bucharest have remained relatively flat over the last year ending December 2014 and are currently estimated at an average of EUR 1,034 per square meter.

Land market:

According to a CRBE report which takes stock of the transactions during H1 2014, number and volume of land transactions are on the rise. 15 major land transactions were counted, in all parts of Romania for a total cumulated surface of 630,000 sqm. The buyers could be split into three major categories: (i) retailers (mainly Lidl, Dedeman, Kaufland, Leroy Merlin) looking to buy properties in secondary cities, (ii) industrial buyers looking for land available to development new manufacturing capacities (e.g. Dr. Oetker, Best Food, Continental) and real-estate developers securing prime properties in some of the larger cities for future developments (of which NEPI and Globalworth being most active). The western part of Romania accounted for almost half of the land transactions, followed by Bucharest, Brasov and a number of smaller cities which presented interest mostly for industrial developments.

Pricing for such land properties varies depending of future use, location and accessibility, availability in the area, with prime properties located in Bucharest or in larger cities suitable for retail or office development priced between EUR 200 - 500 / sqm.

Accounts and financial position

RomReal has prepared the financial statements as of 31 December 2014 on the basis of going concern. While the industry has faced significant challenges in Romania, RomReal actively seeks to improve liquidity, capitalise on its strong assets base, and take advantage of the future developments of the country's economy.

Operating revenues
RomReal had consolidated operating revenues of EUR 0.42 million in 2014 compared to EUR 0.4 million in 2013. The main revenue streams were rental income from the Balada Market and sales from the small plots of Tatar Peninsula.

Operating expenses
Total consolidated operating expenses were EUR 1.2 million in 2014 compared to EUR 0.69 million in 2013. However, 2013 Operating expenses included a one-off reversal of provision in amount of EUR 0.43 million. RomReal (parent Company) operating expenses were EUR 3.34 million in 2014 compared to EUR 3.38 million in 2013.

Profit/Loss

Consolidated loss after tax in 2014 was EUR 1.77 million compared to a loss after tax of EUR 2.63 million in 2013. RomReal (parent Company) loss after tax was EUR 1.76 million in 2014 compared to EUR 2.28 million in 2013.

The end of year 2014 independent land bank portfolio valuation has shown an average decrease of 2% compared to the end of year 2013 valuation representing a decrease in value of EUR 0.56 million. The limited number of comparable transactions in the market still makes it difficult to make precise estimates of market values. This is reflected in the end of year 2014 financial statements.

Dividends
The Directors are not proposing any dividends for the period.

Balance sheet
RomReal had on a consolidated basis a total balance of EUR 32.45 million at 31 December 2014. RomReal (parent Company) had a total balance of EUR 19.94 million. Total consolidated equity at 31 December 2014 amounted to EUR 19.92 million (parent Company EUR 19.92 million) compared with EUR 21.67 million in 2013 (parent Company EUR 21.67 million). The Company has total current liabilities of EUR 12.46 million at 31 December 2014 (parent Company EUR 0.01 million).

Net cash flow from consolidated operations was a negative EUR 0.31 million at December 31 2014 compared to a negative EUR 0.48 million in 2013 (parent Company negative EUR 0.30 compared to negative EUR 0.24 million in 2013). Consolidated liquid assets (cash and bond) were EUR 1.24 million at 31 December 2014 compared to EUR 1.71 million at 31 December 2013 (parent Company EUR 1.08 million in 2014 compared to EUR 1.39 million in 2013). Thus includes a bond issued by Svenska Handelsbanken rated BBB amounting to EUR 0.73 million at 31 December 2014 (EUR 0.73 million at 31 December 2013).

Financial risk
The Group's consolidated interest-bearing debt amounted to EUR 12.23 million representing principal amount of EUR 11.44 million and interest accrued to date of EUR 0.79 million. This is an assets finance facility taken by the Company in December 2007 with Alpha Bank Romania. The loan had an initial term of 3 years which was prolonged for another 2 years during 2010. During the first quarter of 2013, the Company finalised the documentation for the extension of the Alpha Bank loan. As part of the extension, the security was extended to include new real estate mortgage of EUR 6 million plus a corporate guarantee from RomReal Ltd and its subsidiary Westhouse Group SRL. The outstanding of the loan represents 43% of the value of the security, according to the independent valuation.

The loan extension is of 3 years until 28 Nov 2015, with a possibility afterwards for an extra 2 years subject to certain conditions. The extension of the loan bears interest at a rate of EURIBOR+3%, payable bullet on maturity. The Company has the option of extending the loan for an additional two (2) years, in subsequent periods of one (1) year, provided that the interest is paid in advance for each year of extension. For this further extension, the applicable interest rate will be a Fixed Base Rate (to be provided by the Bank at the moment, by reference to 1 year swap rate) + 3.0% per annum.

The Board is of the opinion that there is enough cash available, without any further asset sales, for a further extension of the loan.

Organisation
RomReal Ltd operates in Romania through its fully owned subsidiary S.C. Westhouse Group SRL (WHG). WHG holds an office in Constanta, Romania, and a small team of five employees, head by RomReal CEO Kay Thorkildsen. The employees mainly deal with managing the assets, accounting compliance and reporting, and sales/ marketing.

Working Conditions, Equal Opportunities, Health and Environmental issues
RomReal works continuously on facilitating employee development, good health, enthusiasm and commitment among its employees. The Company also encourages employees to use public transport on travelling to reduce pollution. RomReal has a majority of women in the Company and women and men in comparable jobs receive the same pay.

Corporate Governance

RomReal Ltd (RomReal) is with modest resources trying to focus on practising good corporate governance, which will strengthen confidence in the Group and thereby contribute to the best possible long-term value creation to the benefit of the shareholders, the employees and other stakeholders. The purpose of its principles for corporate governance is to regulate the division of roles between shareholders, the

Board and the Executive Management more comprehensively than is required by legislation.

The Norwegian code of practice for corporate governance (the code) has been issued by the Norwegian Corporate Governance Board (NCGB). It builds on the principle of "comply or explain", whereby companies must either comply with the code or explain why they may have chosen an alternative approach. It also requires the Company's report on its corporate governance to address all 15 sections of the code. The Oslo Stock Exchange stipulates that listed companies must provide an overall presentation of their corporate governance principles in accordance with the applicable code, and that this must be included in their annual report. RomReal's principles for corporate governance are based on the recommendation of 30 October 2014, which can be found at www.nues.no.

1. Implementation and reporting on corporate governance

Confidence in its Management and business are crucial for RomReal's present and future competitiveness. The Group practices open Management, and thereby builds trust both in-house and externally.

The Board of RomReal is responsible for implementing sound corporate governance principles in the Group. RomReal's corporate governance does not deviate from the requirements of the code in any significant way which requires more detailed explanation. Relations between owners and the Group will be characterised by respect for the owners, good and timely information, and equal treatment of shareholders. The ethical guidelines observed by RomReal reflect its values base; please see separate Ethical Policy Section.

2. Business

RomReal owns a large portfolio of prime location plots in two of the major Romanian cities: Constanta, and Bucharest. The plots are well suited for residential and commercial developments. RomReal is not involved in any construction or development projects.

The objective of the Company for 2015-2016 is to:

- Extend the Alpha Bank loan - The cash in hand and the financial bond investment is deemed to be sufficient to extend the Alpha Bank loan in November 2015.
- To divest more land from its portfolio and get into a dividend position
- To improve the marketability of its plots. The Company is seeking to add incremental value to the individual plots during the period in which they are part of the Land Bank up until a potential sale is completed. The various forms of adding value include upgrading of planning permission as well as maintenance of plot surfaces, buildings, and access roads.

3. Equity and dividends

RomReal aims to maintain a solid equity and good liquidity appropriate to its objectives, strategy, and risk profile.

Dividend

When considering its proposal for a dividend, the Executive Management and the Board will take into account meeting the Alpha Bank loan covenants.

The Company is not in a condition to pay dividends due to the bank covenants of the Alpha Bank loan.

Under Bermuda law, a Company's Board of Directors may declare and pay dividends from time to time unless there are reasonable grounds for believing that the Company is, or would after the payment be, unable to pay its liabilities as they become due or that the realisable value of its assets would thereby be less than the aggregate of its liabilities and issued share capital and share premium accounts. Under the Company's Bye-Laws, each share is entitled to dividends if, as and when dividends are declared by the Board, subjects to any preferred divided right of the holders of any preference shares. There are no restrictions on the Company's ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to Norwegian residents who are holders of the Company's Shares. Any dividend unclaimed for a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

4. Equal treatment of shareholders and transactions with close associates

Share Issues
In the Board's view, mandates from the General Meeting to increase the share capital should be flexible in generally meeting defined purposes and remain valid for the period required to address the purposes. The general meeting should therefore consider Board mandates to increase the share capital for each purpose after assessing the requirements set by the Board.

Different Classes of Shares
RomReal has a single share class, and each share carries one vote. Shareholders will be treated equally unless qualified grounds exist for an alternative approach. Efforts will be made to conduct possible transactions by the Company in its own shares through the stock exchange or in others ways at prevailing stock exchange prices.

Transactions with close associates
RomReal's routines specify that, in general, no transactions should be conducted between the Group and its shareholders, Directors, senior executives or their close associates. Should any of these have an interest in a transaction involving the Group, the Board must be informed and take up the matter for consideration if necessary. Unless the transaction is insignificant, the Board will secure third-party assessments of the transaction and otherwise assure itself that no form of unfair treatment of shareholders, elected officers, employees or others is involved. The related parties, including shareholders and close associates, are reported to the stock exchange via www.newspoint.no. During 2014 there were no insider transactions.

5. Freely negotiable shares

RomReal's articles of association place no restrictions on transferability, and its shares are freely negotiable. RomReal received a listing on the Oslo Stock Exchange's Oslo Axess list on 11 June 2007.

6. General Meetings

RomReal facilitates the participation of as many shareholders as possible at the General Meeting, and ensures that it functions as much as possible as an effective meeting place for the shareholders and the Board so that the owners can exercise their rights. Notice of the Meeting and supporting documents are prepared no later than 21 days before the Meeting is to take place, and posted on the Company's website. The documents are sent to all shareholders with a known address in the Norwegian Central Securities Depository (VPS) in good time before the General Meeting takes place. This is facilitated by RomReal's register keeper DNB, which ensures that documents, including proxies and notifications, are carried by email and regular post to all shareholders. The notifications and proxies clearly specify the deadline for returning the proxies which provide the shareholders between 2 to 3 weeks to return their vote depending on their accessibility more i.e. email or post.

The Meeting takes place in our registered office in Bermuda, and it is accessible to all Board members and shareholders. Shareholders unable to attend in person will be given an opportunity to vote by proxy. The Company provides information on the procedure for:
(a) Appointing a proxy (b) appoint a person who can act as proxy for the shareholder (c) allowing separate voting instructions for each matter but not for each one of the candidates nominated. The reason for not allowing separate voting for the Board members is that the number of candidates equal the number of Board Members required.

Representatives of the Board always attend the Annual General Meeting, together with representatives of the Executive Management, and a representative from Ernst Young auditors either in person or via conference calling.

The Board determines the agenda for the General Meeting. The main items on the agenda comply with the requirements of the Public Limited Companies Act as well as the parent Company's articles of association. As recommended by the code, each general meeting appoints a person to act as its independent chair. Minutes of general meetings are published on www.RomReal.com and on the Oslo Stock Exchange website at www.newsweb.no.

For 2015 the Annual General Meeting of the Company will take place on the 24th April at the Company's registered office in Bermuda.

7. Nomination Committee

RomReal has chosen not to comply with the directive 7 for appointing a Nomination Committee due to the fact that most of the Board members have waived their rights to a Director's fee. Furthermore due to the current size and activity of the Company, the Company considers that the cost of running a separate nomination committee should be avoided.

8. Corporate assembly and Board of Directors: composition and independence

RomReal's Board of Directors consisted at 31 December 2014 of five Directors:

Kjetil Gronskag
Jonas Nikolai Bjerg
Arne Reinemo
Lacramioara Isarescu
Arve Nilsson

The Directors have long and varied experience in real estate, banking and finance which ensures that the Board can function effectively as a collegiate body. An overview of the Directors expertise, role and attendance can be found on the Company's website, www.RomReal.com.

The composition of the Board ensures that it serves the common interest and that it can operate as independently as possible of special interests. None of the Directors holds an executive position within the personnel. The chief executive Mr. Kay Tonnes Thorkildsen is not a Director.

The Chairman of the Board, as well as the Vice Chairman, Secretary, and assistant Secretary are elected by the Board of Directors during the first meeting of the newly elected Board. The term office for members of the Board is one year.

9. The work of the Board of Directors

The Board of Directors is the Company's highest body, and answerable only to the general meeting. It has overall responsibility for planning and execution of the Group's strategy and activities, including its organisation, remuneration policy and risk Management.

The Board also has overall responsibility for control and supervision. It produces an annual plan for its work with objectives, strategy and implementation. This is supported by a 3 year forecast plan or budget, which is updated on a quarterly basis during Board meetings. During Board meetings decisions are taken and tasks are delegated to the Executive Management. The Board discusses all matters relating to the Group's activities which are of significant importance or of a special character.

The duties and responsibilities of the Board are dictated by applicable legislation, the parent Company's articles of association, and mandates and instructions adopted by the general meeting.

The Board will exercise supervision to ensure that the Group meets its business goals and manages risk in a wise and satisfactory manner. The Board is responsible for appointing the chief executive.

The Chairman is responsible for ensuring that the work of the Board is conducted in an efficient and proper manner and in compliance with applicable legislation. During 2014 eight (8) Board meetings were conducted.

In addition to the Chairman, the Board has two independent chairs to lead the discussion on issues where the chair has a conflict of interest or is unable to attend.

The Board carries out an annual assessment of its work. Periodic reports which comment on the Group's financial status are received by the Board.

The Board does not hold any independent committees due to the small size and limited activity of the Company. Three out of five Board members are independent therefore their direct judgement and decision making during Board meetings, ensures that the Board is aligned to shareholders value in decisions related to audit and remuneration of the executive personnel.

10. Risk Management and internal control

The Board and Executive Management of RomReal place great emphasis on establishing and maintaining routines for risk Management and internal control. An annual review of the most important risks affecting the business is conducted by the Board.

Economic conditions and Emerging markets risk

The financial market climate and especially the price of property/plots and general rental levels in Romania represents risk, as it will affect the Group's limited rental income. There is risk associated with the general development of lease levels of commercial property for various segments and the locations where the Group owns properties. This especially applies to the market conditions at the expiration of lease contracts on the Group's properties. The Company aims to reduce this type of fluctuations, by holding tenants deposits and/or bank guarantees. If fluctuations occur, it will have a negative impact on the Group's earnings and financial position.

Financial reporting

Quarterly operational and accounting reports are prepared for Board approval using International Financial Reporting Standards.

Counterparty risk

RomReal conducts an annual review of both clients and suppliers to identify counterparty risk. New clients are also subject to a thorough assessment to identify any risk they may present.

Financial risk

At the end of 2014 the Group's consolidated interest-bearing debt amounted to EUR 12.23 representing principal amount of EUR 11.44 and interest accrued to date of EUR 0.79. This is an assets finance facility taken by the Company in December 2007 with Alpha Bank Romania.

Foreign Exchange risk

The Company's main reporting currency is the EUR, which is used to facilitate loans to its subsidiaries. At the subsidiary level in Romania, the operational currency is RON. Due to its operational exposure in Romania, the financial reporting currency used to value the Company's assets is the RON. Due to the difference between reporting and operational currency the Company is exposed to foreign exchange risk. To manage this, the Company holds most of its deposits in EUR.

The average exchange rate during 2014 was 1.00 EUR to 4.4446 RON

Tax risk

Changes in laws and rules regarding tax and duties may involve new and changed parameters for investors and the Company. This may involve a reduction in the profitability of investing in property and the profit after tax for the Company. Tax implications of transactions and dispositions conducted by the Company are to a certain extent based on judgment of applicable tax laws and regulations. Even if the Company is of the opinion that it has assessed tax law in good faith, it could not be ruled out that the authorities are of a different opinion. A change in regulation status in parts or all of the Land Bank may also normally change the applicable tax.

Director's Liability risk

The Company holds a Directors and Officers liability insurance policy with the reputable insurance Company, Chartis.

11. Remuneration of the Board of Directors

The General Meeting determines Directors' fees. The remuneration is not linked to the Company's performance in any way.

During 2014 the Directors received the following remuneration:

Arne Reinemo	EUR 4,000
Lacramioara Isarescu	EUR 4,000

Chairman Kjetil Grønskag, Jonas Bjerg, and Arve Nilsson abstained from receiving any remuneration during the year.

There are no outstanding share options.

North Bridge Group is a Company associated with Chairman Kjetil Grønskag, Director Jonas Bjerg, and CEO Kay Thorkildsen which holds a service contract for Management and a service contract for Investor Relations with RomReal fully disclosed to all Board members and where the remuneration has been approved by the Board members not related to North Bridge.

12. Remuneration of the Executive Management

The Board determines the chief executive's terms of employment. The main principle applied by RomReal for determining the pay of the Chief executive and other senior executives is that these persons will be offered competitive terms. In addition, RomReal will offer terms which encourage value creation for the Group and its shareholders, and which strengthen the loyalty of senior employees to the business.

The Executive Management of RomReal comprises three executives with good knowledge within their job functions and with senior Management experience from across the industry.

The Executive Management of RomReal currently includes the following persons with the yearly outlined remuneration:

Name	Position	Yearly Salary	Benefits/Bonuses
Kay Thorkildsen	CEO	€100,000	2.5% on asset sales *
Nicoleta Ploscaru	Commercial & Development	€21,500	N/A
Claudia Oprisan	Chief Accountant	€21,500	N/A

* The incentive fee is applied on the net proceeds received by RomReal or any of its subsidiaries net of any transactions fees and vat (net proceeds in Euro). These net proceeds have to be minimum 85% of the most recent independent IFRS valuation and a transaction approved by RomReal's Board.

13. Information and communication

RomReal takes the view that objective, detailed and frequent information to the market is essential for a correct valuation of its share, and accordingly pursues a continuous dialogue with analysts and investors.

Information about important events in RomReal as well as its periodic reporting of results is published in accordance with the guidelines to which the Group became subject through its listing on Oslo Axess. RomReal seeks continuously to publish all relevant information to the market in a timely, efficient and non-discriminatory manner. In 2014 the Company improved its Investor Relation material by upgrading its reporting format, content, and website. During the year a physical investor presentation was organised in Oslo following the second quarter results. The Company's ambition as of January 2015 is to hold a physical investor presentation each quarter.

All stock exchange announcements are made available on www.RomReal.com and the Oslo Stock Exchange website, www.newsweb.no. The Group will provide the same information to all shareholders at the same time. To the extent that analysts or shareholders ask for further details, RomReal and the Board will ensure that only information which has already been made public is provided.

The Group holds quarterly presentations. These provide an overview of operational and financial developments in the previous quarter as well as an overview of market prospects and the outlook for the business. Interim reports and presentation materials are made available on the Group's website.

The Board determines the Group's financial calendar, which specifies the dates for publication of interim reports, the annual general meeting and the payment of dividends. This calendar is published by the end of December via the Oslo Stock Exchange's information system and on the RomReal website.

14. Takeovers

In the event of a bid for the parent Company's shares, the Board and the Executive Management will try to ensure that everyone gets access to sufficient information to be able to reach a decision on the offer. Unless otherwise instructed by the general meeting, the Board will not try to deploy defensive mechanisms to prevent the implementation of the bid.

The Board will provide shareholders with its view of the offer and, providing they have reached a decision on this, Directors are duty-bound to inform shareholders whether they personally intend to accept the bid. Should the Board find that it is unable to recommend whether the shareholders should accept the bid, it will explain the reasons why such a recommendation cannot be given. An explanation must be provided if the Board's decision is not unanimous. The Board will consider whether an assessment should be obtained from an independent expert.

15. Auditors and advisors

RomReal is audited by Ernst & Young AS. Ernst & Young AS, registration number 976 389 387, has been the Company's auditor since its incorporation in 2005. The registered business address of Ernst & Young AS is Thormøhlens gate 53 D, NO-5008 Bergen, Norway, and Ernst & Young AS is a member of the Norwegian Institute of Public Accountants (Nw. "Den Norske Revisorforeningen").The Group will not use the auditor as a consultant unless this has been approved in advance by the Board or its chair. A plan for their work is submitted annually by the external auditor to the Board, and this plan will specify planned services other than auditing.

The auditor attends Board meetings which deal with the annual accounts and is also present during the AGM. During these meetings, the auditor will review possible changes to the Company's auditing principles, assessments of significant accounting estimates and all cases where disagreement has arisen between the auditor and the Executive Management.

At least once a year, the auditor will conduct a review of the Company's internal control system and possible weaknesses. The auditor will also propose improvements. In addition, the Board and the auditor will hold at least one meeting a year without the chief executive or other executive personnel being present.

A briefing on the audit work and an assessment of the Group's internal control will be provided by the auditor to the general meeting.

The Board of Director's Reports the auditor remuneration to the general meeting, including details of the fee paid for audit work and any fees paid for other specific assignments.

Prospects

The macroeconomic indicators of Romania continue to improve with the Government's efforts focusing in attracting further foreign direct investments. Recently the Government approved, and sent to parliament for voting, a new set of tax laws aiming at creating a modern and flexible tax framework. These include a reduction to the Value-Added Tax (VAT), cutting the social security contributions, taxing microenterprises stimulatingly, revoking the dividend tax, reducing the flat income tax, cutting excise tax, cancelling the tax on special structures, as well as establishing a framework for local rates and taxes.

Romania's economy reported a 2.9 percent GDP increase during 2014, according to the National Institute of Statistics. One of the main drivers of growth was strong private consumption, supported by the rise in minimum wage by 18 per cent in July 2014. Going forward, GDP is expected to continue its growth at a rate of 2.8-3.0 per cent per year (source: ECB). Recent interest rate cuts and falling inflation will continue to boost domestic demand. Annual average inflation is expected to decline to 1.0 per cent in 2015, whilst on the 31st March 2015 the Romanian National Bank cut the monetary policy rate by 0.25% to 2%.

The real estate market develops positively along with the overall economy and lower interest rates. The transaction volumes are sharply up and the residential market has seen a bottoming out of apartment prices. For the country as a whole, apartment prices shows a slightly positive trend. Several market participants now expect further positive development for 2015. Additionally, during 2014, Romania ranked fourth in terms of deal volumes, after Poland, Russia and the Czech Republic, according to an analysis by CBRE. The analysis shows Romania attracted around EUR 1.3 billion in real estate investments, more than four times compared to 2013 when it attracted around EUR 300 million.

The Company's efforts to improve the marketability of its plots are expected to produce results in the near future as zoning permits, further plot divisions and projects are likely to be approved during 2015-2016. This is expected to lead to further sales of plots, improving the Company's cash position.

With the current cash and cash equivalent in hand, the Board is confident that a loan extension in November 2015 is feasible. In combination with the increased activity in the real estate market, the Company is prioritising the full repayment of the Alpha Bank loan as soon as enough funds are made available from further asset divestments.

Bermuda, 15.04.2015
The Board of Directors of RomReal Ltd

....	....
Kjetil Grønskag (Chairman)	Jonas Bjerg (Director)
....	....
Arne Reinemo (Director)	Lacramioara Isarescu (Director)
....	…………………………………
Arve Nilsson (Director)	Kay Thorkildsen (CEO)

Board of Directors

 **Kjetil Grønskag Chairman of the Board**

Mr. Grønskag holds a master of General Business (siviløkonom) from Handelshøyskolen BI and is a Certified Financial Analyst (CFA) from the Norwegian School of Economics and Business Administration. Mr. Grønskag has a long experience within international banking and Real Estate. Mr Grønskag has significant Directorship experience from both listed and private companies. He is a Norwegian citizen and resides in London, UK.

 **Jonas Bjerg Board Member**

Jonas Bjerg is a partner of North Bridge, the London based Corporate Finance boutique and founder of RomReal. Jonas has 16 years' experience in corporate finance and equity capital markets. He was previously involved in the Management of RomReal during its first year of operation. Previous employers include Alfred Berg ABN Amro where he was Head of Corporate Finance for the London office, and McKinsey & Co. Jonas has an MSc Eng. specialization in Mathematics and Operations Analysis from the Technical University of Denmark and an MBA, from the MIT Sloan School.

 **Arve Nilsson Board member**

Arve Nilsson is an independent investor with extensive international experience in equity capital markets. Arve has over 22 years' experience in equity sales, fund Management and real estate investment. Previous employers include Carnegie both in Copenhagen and in London and Danske Bank in Copenhagen. Arve holds a master of General Business and Administration from Copenhagen Business School.

Lacramioara Isarescu   Board member

Ileana Lacramioara Isarescu is a corporate professional with over 15 years of international experience in business development in real estate, finance and IT. Having worked in Vienna and New York, Ileana is currently the Governmental Programs Executive for IBM South East Europe, and resides in Bucharest, Romania. Ileana holds a MBA degree from Harvard Business School and a MSc in International Economics from the Academy of Economic Studies Bucharest.

Arne Reinemo   Board member

Arne Reinemo is a Partner of Creo Advisors, an advisory firm focusing on corporate finance services and strategic consulting. He has been the Chairman and CEO of Top Temp Holding, a temporary staffing Company, Interim CEO of Trio AB, a public Swedish software firm, Investment Director at Kistefos AS, Engagement Manager at McKinsey & Co, where he focused on Financial Institutions and Corporate Finance, and he has also worked at SBC Warburg, Vital Insurance and Elcon Securities. Arne Reinemo is currently the Chairman of NextGenTel, a Norwegian Broadband Company, and he has previously served as a Board member in several organizations. Arne holds a MBA with Honors from the University of Chicago, Booth School of Business with concentration in Theoretical Finance and Statistics and an MSc (siviløkonom) from the Norwegian School of Economics and Business Administration.

FINANCIAL STATEMENTS AS OF 31 DECEMBER 2014

Income Statement

Figures in EUR		Consolidated		Parent Company	
	Notes	2014	2013	2014	2013
Rent revenue	13	255,348	339,722	-	-
Sales of inventory	5, 13	-	8,476	-	-
Sales of investment property	3,4,5	164,202	50,346	-	-
Operating revenues		**419,550**	**398,544**	**-**	**-**
Payroll and related expenses	14	(212,699)	(251,742)	(99,996)	(99,996)
Depreciation and amortisation expense	3	(13,633)	(16,156)	-	-
Other operating (losses)/gains	16	(236,317)	426,120	(3,048,418)	(3,529,665)
Inventory write off	5	(174,170)	(240,131)		-
General and administrative expenses	15	(579,934)	(603, 986)	(193,832)	(200,972)
Operating expenses		**(1,216,754)**	**(685,895)**	**(3,342,246)**	**(3,830,633)**
Profit/(loss) before other operating items		(797,205)	(287,350)	(3,342,246)	(3,830,633)
Net gain/(loss) from revaluation of investment properties	4	(588,292)	(1,264,882)	-	-
Profit/(loss) from operations		**(1,385,496)**	**(1,552,233)**	**(3,342,246)**	**(3,830,633)**
Interest income	17	2,552	9,859	1,590,056	1,598,778
Interest expense	17	(379,081)	(359,291)	(3,515)	(430)
Foreign exchange, net	17	16,695	(794,841)	-	(44,340)
Profit/(loss) before taxes		**(1,745,331)**	**(2,696,505)**	**(1,755,705)**	**(2,276,625)**
Tax expense	18	(21,274)	66,864	-	-
Result of the period		**(1,766,604)**	**(2,629,641)**	**(1,755,705)**	**(2,276,625)**
Basic earnings/(losses) per share from continuing operations	**24**	**(0.04)**	**(0.11)**	**(0.04)**	**(0.10)**
Basic earnings/(losses) per share from continuing - diluted	**24**	**(0.04)**	**(0.11)**	**(0.04)**	**(0.10)**

Statement of Comprehensive Income

Figures in EUR	Consolidated		Parent Company	
	2014	**2013**	**2014**	**2013**
Profit for the year	**(1,766,604)**	**(2,629,641)**	**(1,755,705)**	**(2,276,625)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign operations	10,730	352,791	-	-
Other comprehensive income for the year, net of tax	**10,730**	**352,791**	**-**	**-**
Total comprehensive income for the year, net of tax	**(1,755,874)**	**(2,276,850)**	**(1,755,705)**	**(2,276,625)**

Statement of Financial Position

Figures in EUR		Consolidated		Parent Company	
ASSETS	**Notes**	**December 31, 2014**	**December 31, 2013**	**December 31, 2014**	**December 31, 2013**
Noncurrent assets					
Property, plant & equipment	3	11,776	22,670	-	-
Investment properties	4	28,439,367	29,304,367	-	-
Software		-	270	-	-
Deferred tax asset	18	126,039	144,002	-	-
Available for sale financial assets	11	734,298	732,648	734,298	732,648
Investments in subsidiaries	1	-	-	18,851,408	20,336,719
Total non current assets		**29,311,480**	**30,203,957**	**19,585,706**	**21,069,367**
Current assets					
Inventories	5	2,387,984	2,544,337	-	-
Trade receivables and other receivables	6	243,352	129,220	7,000	5,875
Cash and cash equivalents	9	507,164	972,718	347,526	654,886
Total current assets		**3,138,499**	**3,646,275**	**354,526**	**660,761**
Total assets		**32,449,979**	**33,850,232**	**19,940,232**	**21,729,804**

Figures in EUR					
LIABILITIES AND EQUITY	**Notes**	**December 31, 2014**	**December 31, 2013**	**December 31, 2014**	**December 31, 2013**
Equity					
Issued share capital	7	103,419	103,419	103,419	103,419
Contributed surplus	7	87,117,249	87,117,249	87,117,249	87,117,249
Retained earnings	8	(68,179,169)	(66,412,735)	(67,304,929)	(65,549,223)
Other Reserves		424,808	424,808	-	-
Translation reserve		449,433	438,703	-	-
Total equity		**19,915,740**	**21,671,444**	**19,915,740**	**21,671,445**
Non-current liabilities					
Non-current debt liabilities	12	-	12,010,606	-	-
Deferred tax liability	18	74,782	81,239	-	-
Total non-current liabilities		**74,782**	**12,091,845**	**-**	**-**
Current liabilities					
Trade and other payables	10	74,402	85,597	24,493	58,360
Current debt liabilities	12	12,229,555	-	-	-
Income tax payable	18	1,426	1,342	-	-
Deferred income	19	154,073	3	-	-
Total current liabilities		**12,459,456**	**86,942**	**24,493**	**58,360**
Total liabilities and equity		**32,449,979**	**33,850,231**	**19,940,232**	**21,729,804**

Signed on behalf of the Board of Directors

....
Kjetil Grønskag (Director)

....
Jonas Bjerg (Director)

....
Arne Reinemo (Director)

……………………………….
Lacramioara Isarescu (Director)

....
Arve Nilsson (Director)

....
Kay Thorkildsen (CEO)

Date: 15/04/2015

Consolidated Statement of Changes in Equity

Figures in EUR

	Share Capital (Note 7)	Contributed Surplus (Note 7)	Share Premium (Note 7)	Retained Earnings (Note 8)	Translation Reserve	Other Reserves	Total
Balance as of 31 December 2012	**4,925**	**85,741,568**	**-**	**(63,783,094)**	**85,910**	**424,808**	**22,474,117**
Profit for the period	-	-	-	(2,629,641)	-	-	(2,629,641)
Other comprehensive income	-	-	-	-	352,791	-	352,791
Total comprehensive income and expense for the year	**-**	**-**	**-**	**(2,629,641)**	**352,791**	**-**	**(2,276,526)**
Share capital issue	98,494	1,375,681					**1,474,175**
Balance as of 31 December 2013	**103,419**	**87,117,249**	**-**	**(66,412,734)**	**438,702**	**424,808**	**21,671,444**
Profit for the period	-	-	-	(1,766,604)	-	-	(1,766,604)
Other comprehensive income	-	-	-	-	10,730	-	10,730
Total comprehensive income and expense for the year	**-**	**-**	**-**	**(1,766,604)**	**10,730**	**-**	**(1,755,874)**
Balance as of 31 December 2014	**103,419**	**87,117,249**	**-**	**(68,179,168)**	**438,702**	**424,808**	**19,915,740**

Parent Company's Statement of Changes in Equity

Figures in EUR

	Share Capital (Note 7)	Contributed Surplus (Note 7)	Retained Earnings (Note 8)	Total
Balance as of 31 December 2012	**4,925**	**85,741,568**	**(63,272,376)**	**22,474,117**
Profit for the period	-	-	(2,276,625)	(2,276,625)
Other comprehensive income	-	-	-	-
Total comprehensive income and expense for the year	**-**	**-**	**(2,276,625)**	**(2,276,625)**
Share capital issue	98,494	1,375,681		**1,474,175**
Balance as of 31 December 2013	**103,419**	**87,117,249**	**(65,549,223)**	**21,671,445**
Profit for the period	-	-	(1,755,705))	(1,755,705))
Other comprehensive income	-	-	-	-
Total comprehensive income and expense for the year	**-**	**-**	**(1,755,705))**	**(1,755,705))**
Balance as of 31 December 2014	**103,419**	**87,117,249**	**(67,304,928)**	**19,915,740**

Statement of Cash Flows

Figures in EUR		Consolidated		Parent Company	
	Notes	**2014**	**2013**	**2014**	**2013**
CASH FLOW FROM OPERATING ACTIVITIES:					
Net profit/(loss)		**(1,766,604)**	**(2,629,641)**	**(1,755,705)**	**(2,276,625)**
Adjustments for:					
- Income tax expense/(profit)	18	21,274	(66,864)	-	-
-Net (gain)/loss from revaluation of investment properties	4	588,292	1,264,882	-	-
-Expenses/(gain) on disposal of investment property	4	236,317	(13,785)	-	-
- Depreciation and amortization	3	13,633	16,156	-	-
- Interest Income	17	(2,552)	(9,859)	-	-
- Interest expense	17	379,081	359,291	3,515	44,770
-Unrealised foreign exchange (gain) / loss	17	(16,695)	794,841	-	-
-Other non-cash expenses/(revenues)		62,190	(51,163)		
-Other operating expenses	16	-	-	1,479,822	1,992,874
Decrease/(increase) in trade and other receivables		(114,132)	79,354	(1,125)	745
(Decrease)/increase in current payables		142,872	(513,622)	(33,867)	(5,953)
Decrease/(increase) in inventories		156,354	313,378	-	-
Cash generated from operations		(362,161)	(405,868)	(306,930)	(289,388)
Income tax paid		(9,547)	(16,218)	-	-
Net cash flow from operating activities		**(309,518)**	**(481,265)**	**(307,360)**	**(244,188)**
CASH FLOWS FROM INVESTING ACTIVITIES:					
Sales/(purchase) of financial assets, net		-	(732,648)	-	(732,648)
Sales of investment property, net		(2,088)	(7,257)	-	-
Capital expenditure on investment property		-	759	-	-
Net cash flow used in investing activities		**(2,088)**	**(739,146)**		
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from issue of share capital		-	1,559,744	-	1,559,744
Payment of issue costs		-	(85,569)	-	(85,569)
Repayment of borrowings		(156,500)	-	-	-
Interest paid	17	-	(539)	-	(430)
Interest received		2,552	9,859	-	-
Net cash from financing activities		**(153,948)**	**1,483,496**	**-**	**1,473,745**
Net change in cash and cash equivalents		**(465,554)**	**271,101**	**(307,360)**	**496,909**
Cash and cash equivalents, beginning of period		972,718	701,617	654,866	157,977
Cash and cash equivalents, end of period		**507,164**	**972,718**	**347,526**	**654,886**

Notes to the Financial Statements

Note 1 ORGANIZATION AND OPERATIONS

The consolidated financial statements of RomReal Limited (the “Group” or the “Company”) for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the Directors on the [15] April 2015.

These financial statements cover RomReal Ltd. and its subsidiaries. RomReal Ltd. is incorporated in Bermuda whereas the subsidiaries Westhouse Group SRL, Concorde Group SRL, Investate SRL, Rofrench Connection SRL, Magic Sail SRL, Westhouse Invest SRL, Westhouse One SRL, West Feriae SRL, West Limen SRL, Terra del Sol SRL, Hars SRL are incorporated in Romania. RomReal Ltd and its subsidiaries (the Group) are principally engaged in property investments and development in Romania. The table below lists all subsidiaries.

Also, for reference, single financial statements of the parent Company, RomReal Ltd. have been prepared. As a general rule, all comments refer to the consolidated financial statements of the Group, unless specifically mentioned otherwise.

Both consolidated financial statements and those of the parent have been prepared on a going concern basis.

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Entity	Country of business	Owner’s share	Number of shares
Westhouse Group SRL	Romania	100%	19,392,043
Concorde Group SRL	Romania	100%	222,020
Rofrench Connection SRL	Romania	100%	100
Investate SRL	Romania	100%	351,300
Magic Sail SRL	Romania	100%	20
Westhouse Invest SRL	Romania	100%	68,000
Westhouse One SRL	Romania	100%	3,200
West Feriae SRL	Romania	100%	100
Terra del Sol SRL	Romania	100%	15,020
Hars SRL	Romania	100%	20

The registered office address of RomReal Ltd is located at Burnaby Building, 16 Burnaby street, Hamilton HM11, Bermuda.

* During 2013, the Group decided to close West Limen SRL on the basis that the Company no longer owned any assets and no operational activity any longer took place. Consequently, the liquidation of the Company did not have any material adverse effects on the Group or its consolidated financial statements.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation

The consolidated financial statements of the RomReal Group and the parent Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), adopted by the EU. All IFRS standards adopted have effective date 1 January 2015 or earlier. The consolidated financial statements are presented in euros.

The financial statements have been prepared on the basis of historical cost except for Investment Properties which is presented at fair value.

2.2 Consolidation

The consolidated financial statements comprise the financial statements of RomReal Ltd. and its subsidiaries as of 31 December 2014 and 31 December 2013; the Group was established in the autumn 2005. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies. All intra-Group balances, transactions, income and expenses and profits and losses resulting from intra-Group transactions are eliminated in full.

A subsidiary is a Company which the Company controls. The control is typically evidenced if an only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Classification of property
The Group determines whether a property is classified as investment property or inventory:

-Investment property comprises land and buildings which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

-Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction.

Estimate of fair value of investment properties
Fair values are determined based on an annual evaluation performed by an accredited external, independent evaluator that is certified by the Romanian Institute of Evaluators. The determined fair value of the investment properties is most sensitive to the degree to which comparable transactions are available, including the degree of judgement and adjustments necessary to make such market transactions comparable to the investment property being valued. The determination of the fair value of investment property may also require the use of estimates such as future cash flows from assets and discount rates applicable to those assets. In addition, development risks (such as construction and letting risks) are also taken into consideration when determining the fair value of investment properties under construction. These estimates are based on local market conditions existing at reporting date.

Volatility in the global financial system is reflected in commercial real estate markets. There was a reduced volume of transaction in 2013 and 2014. Therefore, in arriving at their estimates of market values as at 31 December 2014 and 31 December 2013, the valuators used their market knowledge and professional judgement especially since they were not able to rely on recent transactional comparable. In these circumstances, there is a great degree of uncertainty than would exist in a more active market in estimating the market values of investment property.

The Management believes that the valuation assumptions used reflect the best estimate of the investment properties' fair value at the date of the balance sheet. The key assumptions used to determine the fair value of the investment properties are further explained in Note 4.

Estimation of net realisable value for inventory
Inventory is stated at the lower of cost and net realisable value (NRV). NRV for completed inventory property is assessed with reference to market conditions and prices existing at the reporting date. NRV in respect of inventory

property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less the estimated costs to make the sale.
NRV is determined by the Group based on an annual evaluation performed by an accredited external, independent evaluator. However, given the limited liquidity of the market, there is a significant degree of uncertainty in estimating the NRV.

Recognition of the deferred tax asset
When determining the deferred tax liabilities and deferred tax assets, the Group considers, at the balance sheet date, the manner in which it expects to recover or settle the carrying amount of its assets and liabilities. A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Where the Group considered that it is not probable enough future taxable profits will be available within the legal time framework of five years to utilise the tax losses against, the Group has not recognised such deferred tax assets.

Capitalised costs
Costs are capitalised in when future cash generation is expected. Such costs include the construction costs of the inventories. See note 2.9.

2.4 Property, plant and equipment

Plant and equipment is stated at cost net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met. Depreciation is calculated on a straight-line basis over the useful life of the assets. The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may be impaired.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

IT equipment	Motor vehicles	Other fixtures and fittings
2-4 years	4 years	3-9 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

2.5 Investment properties
Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property comprises freehold land and freehold buildings.

Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at fair value which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values are included in the income statement in the year in which they arise. Please see 2.3 above for details about fair values estimations.

Investment properties are derecognised when they have been disposed of or permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of de-recognition.

Subsequent expenditure is charged to the asset’s carrying amount only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

If an item of property, plant and equipment becomes an investment property because its use has changed, any differences resulting between the carrying value and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

2.6 Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible

assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. The amortisation expense on intangible assets with finite lives is recognised in the income statement. Depreciation is calculated on a straight-line basis over the useful life of the assets.

2.7 Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be converted into cash within three months and to a known amount, and which contain insignificant risk elements.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

2.8 Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Available for Sale (AFS) financial investments include equity investments and debt securities. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions. Interest earned whilst holding AFS financial investments is reported as interest income using the effective interest rate method. The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate.

2.9 Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete development and selling expenses. The cost of inventory recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.10 Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured using the effective interest rate method, less an allowance for any uncollectible amounts. This is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. Allowance is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

2.11 Provisions

Provisions are recognised when, and only when, the Company has a valid liability (legal or constructive) as a result of past events and it can be proven probable (more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and that the size of the amount can be measured reliably. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability.

2.12 Equity

Transaction costs relating to equity transactions are recognised directly in equity.

2.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements

Revenue includes rental income, service charges and Management charges from properties, and income from property trading.

Rental income: Rental income is recognised over the life of the rental period. Rental income related to rent yielding assets of the Group in respect of properties let to third parties.

Other income: Other income is recognised as it is earned.

Income from sales of apartments: Deposits cashed by the Group for the sale of apartments are not recognised as revenue until the Group has transferred to the buyer the significant risks and rewards of ownership of the apartments.

2.13 Foreign currency translation

The consolidated financial statements are presented in euros, which is the parent Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

i) Transactions and balances
Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the income statement. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

ii) Group companies
The assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

The functional currency of the Romanian operations is the Romanian New Leu. As at the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of RomReal Ltd. Group (the euro) at the rate of exchange ruling at the balance sheet date and, their income statements are translated at the average exchange rates for each month unless there have been significant fluctuations in the exchange rate over the applicable period, in which case the exchange rate at each transaction date is applied.

The exchange differences arising on the translation are recognised in other comprehensive income.

	December 31, 2014	December 31, 2013
Closing	4.4821	4.4287

2.14 Taxes

RomReal Ltd. is incorporated in the Islands of Bermuda so is not subject to any income, withholding or capital gains taxes under current Bermuda law. In the event that there is a change such that these taxes are imposed, the Company would be exempted from any such tax until March 2016 pursuant to the Bermuda Exempted Undertakings Tax Protection Act of 1966, and amended Act of 1987. The subsidiaries are registered in Romania and are subject to Romanian taxation rules.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.15 Loans and Borrowings

Borrowing costs generally are expensed as incurred. Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Loan is accounted for at fair value, at the time of disbursement, reduced for any transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance cost in the income statement.

2.16 Operating segments

For Management purposes, the Group is organised into a single business unit and consequently has only one operating segment which the Management monitors in terms of performance assessment.

2.17 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the standards which became effective 1 January 2014, but of which none had any impact on the Group. These standards include: Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32, Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39 and IFRIC 21 Levies.

2.18 Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. The Group intends to adopt these standards when they become effective. These improvements are effective for annual periods beginning on or after 1 January 2015. Except for the effects of IFRS 9, as described below, the new standards of IFRS 14 Regulatory Deferral Accounts as well as the Amendments to IAS 19 Defined Benefit Plans: Employee Contributions are not expected to have any impact on the Group.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Note 3 PROPERTY, PLANT AND EQUIPMENT

Figures in EUR

	IT equipment	Other fixtures and fittings	Total
Gross book value as at December 31, 2013	**54,035**	**233,121**	**349,529**
Additions in period	2,088	-	-
Disposals in period	(1,302)	(1,390)	(25,652)
Translation difference	-	-	-
Gross book value as at December 31, 2014	**54,846**	**231,876**	**326,371**
Accumulated Depreciation as at December 31, 2013	**(46,019)**	**(218,467)**	**(326,859)**
Charge for the period	(7,378)	(5,982)	(13,360)
Disposals in the period	1,302	1,390	25,652
Translation difference	25	185	(28)
Accumulated Depreciation as at December 31, 2014	**(52,070)**	**(222,874)**	**(314,596)**
Net book Value as at December 31, 2013	**8,016**	**14,654**	**22,669**
Net book Value as at December 31, 2014	**2,776**	**9,002**	**11,775**
Depreciation method	Linear	Linear	
Depreciation period (Years)	2-4	3-9	

There were no impairment charges in 2014 and 2013. Motor vehicles with a gross book value of EUR 39,650 at 31 December 2014 are still in use, however they are completely amortised.

Note 4 INVESTMENTS PROPERTIES

Figures in EUR

	2014	2013
Opening balance as at January 1	29,304,367	30,949,958
Additions in period	--	-
Disposals	(301,944)	(36,561)
Fair value adjustment during the period	(588,292)	(1,264,882)
Translation differences	25,236	(343,389)
Carrying amount as at December 31	**28,439,367**	**29,304,367**

Investment properties consist of land and buildings at various locations in Romania. The fair value of investment property as at 31 December 2014 is based on a valuation by an independent valuator who holds a recognised and relevant professional qualification in Romania and who has recent experience in the location and categories of the investment property being valued.

Valuation has been made such, in accordance with the International Valuation Standards, to reflect market value of the properties, namely "The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties, in an arm's length transaction". No account has been taken of any additional prospective purchaser with a special interest. No allowance has been made with regard to any expenses of realization, or for any taxation arising in case of disposal.

With regard to the valuation methodology, two approaches were used: (i) the direct market comparison approach and (ii) the residual approach. Both approaches were utilised, and the degree to which either, or both, are relevant depended upon the nature of the specific land plot and the availability of information. When data is available, the market comparison approach is the most direct and systematic approach as it recognizes that property prices are determined by the market. Valuation by comparison is essentially objective since it is based on an analysis of the price achieved or offered for sites with broadly similar development characteristics with the land being valued. The residual approach estimates the land value considering the value of the proposed project upon completion and the deduction of the development costs, including the developer's profit. This method requires the input of a large amount of data and involves a large number of assumptions. Even small changes in any of the inputs can cumulatively lead to a large change in the land value. Thus, the application of this method requires a high level of expertise, being mainly used as an alternative approach when there are no or limited comparable to apply the direct market comparison approach. In line with the market practice, the valuation of assets is determined and quoted in EUR. While the basis for preparation of accounting records is RON the EUR/RON exchange rate movements result into currency differences which are reflected as an adjustment to the carrying value of the investment property.

Taking into account the characteristics of the Group's properties, as well as the features of the local market, the market comparison approach was considered in these circumstances as the most suitable in estimating the market value of the properties. However, there are limitations to this approach as there was a limited number of transactions in 2014 and 2013. For each property three comparable were selected and the following elements of comparison were considered: price, real property rights transferred, financing terms, conditions of sale, expenditures made immediately after the purchase, location, area, visibility and frontage, utilities, access, public transportation, existing buildings, existing potential building permitting and best use.
The properties have been inspected along with the surrounding neighbourhood and location from which comparable data was drawn where possible. The limited liquidity of the market has resulted in comparable being mainly based on the most recent asking prices. In such cases, several adjustments ranging on average between 10-30% were applied to the asking prices to adjust for reduced liquidity, difference in size, accessibility, permitting, etc.

Within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement the above described valuation of investment properties is categorised as Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. In arriving at their estimates of market values the valuators used their market knowledge and professional judgement and did not rely solely on historical transactional comparable. In these circumstances, there was a greater degree of uncertainty than which exists in a more active market in estimating the market values of investment property. Furthermore, given the rapid change on the market, significant alterations of value can be encountered within short periods of time. Unforeseen macroeconomic or political crises can have a sudden and dramatic effect on markets. This could manifest itself by either panic buying or selling, or simply disinclination to trade until it is clear how prices in the market will be affected in the longer term. There have been no transfers between Levels in the hierarchy as compared to the previous reporting period.

Disposals to investment properties during 2014 relate to both the sale of 4 plots of land and the donation of 3,255 sqm to the city hall, with a carrying value of EUR 301,944. The 3,255 sqm were donated so that the city hall does all the infrastructure works and its subsequent maintenance with no cost to RomReal.

Note 5 INVENTORIES

Figures in EUR

	Inventories
Balance as at December 31, 2013	**2,544,337**
Additions	171
Disposals	-
Write offs	(174,170)
F/X reserve	17,646
Balance as at December 31, 2014	**2,387,984**

Inventories consist of the development projects of the Group. These are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs to make the sale. At year-end 2014, inventories relate to the Oasis project (EUR 2.4 million) and the unsold parking spaces of the Corallia project. The net realisable value test resulted in a write-off for the Oasis project.

Within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement the above described estimate of net realisable value is categorised as Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. In arriving at their estimates of market values the valuators used their market knowledge and professional judgement. The net realisable value was assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less the estimated costs to make the sale. There have been no transfers between Levels in the hierarchy as compared to the previous reporting period.

Note 6 TRADE RECEIVABLES AND OTHER RECEIVABLES

Figures in EUR	**Consolidated**		**Parent Company**	
	2014	**2013**	**2014**	**2013**
Trade receivables	194,609	83,030	-	-
VAT receivable	29,096	28,537	-	-
Other prepayments	7,733	6,582	7,000	5,875
Other short-term receivables	11,914	11,071		-
Total	**243,352**	**129,220**	**7,000**	**5,875**

Trade receivables include mainly receivables related to the sales of plots for which an instalments payment schedule has been agreed by the Group and other receivables resulting in the ordinary course of business in respect of the lease agreements for some of the rent yielding investment properties and the rest in sundry debtors. As of 31 December the analysis of trade receivables that are past due is set out below:

	Total	**Neither past due nor impaired**	**Past due but not impaired**				
			<30 days	**30-60 days**	**60-90 days**	**90-120 days**	**>120 days**
2014	243,352	231,305	12,047	-	-	-	-
2013	129,220	118,729	10,491	-	-	-	-

Note 7 SHARE CAPITAL AND PAID-IN CAPITAL

Figures in EUR	Number of shares	Share capital	Contributed Surplus	Paid in share capital
Total share capital January 1, 2013	**4,924,736**	**4,925**	**85,741,588**	**85,746,493**
New issues in the period	98,494,720	98,494	1,375,661	1,474,155
Reduction in par value of shares	(62,051,583)	-	-	-
Total share capital December 31, 2013	**41,367,783**	**103,419**	**87,117,249**	**87,220,668**
New issues in the period				
Reduction in par value of shares				
Total share capital December 31, 2014	**41,367,783**	**103,419**	**87,117,249**	**87,220,668**

Following the increase in share capital registered on 11 July 2013, the number of issued shares changed from 4,924,736 to 103,419,456 each with a par value of EUR 0.001.

In a Shareholder Meeting held on the 27 December 2013 the Company's shareholders approved a reverse share split which had as a result that the total number of shares in the Company being reduced from 103,419,456 to 41,367,783 and the nominal value of each share changed from €0.001 to €0.0025. The reverse share split did not change the value of the Company's share capital, which remains at €103,419.

Shareholders rights

There are no restrictions on voting rights or the transferability of shares in RomReal Ltd. The below summarised the largest shareholder with shareholdings in excess of 1% as of 31 March 2015.

Shareholder	Holding	%
SIX SIS AG 25PCT ACCOUNT	11,699,278	28.28
THORKILDSEN KAY TØNNES	5,415,756	13.09
GRØNSKAG KJETIL	3,850,307	9.31
SILJAN INDUSTRIER AS	1,600,000	3.87
TONSENHAGEN FORRETNI	1,350,885	3.27
SEB Private Bank S.A	1,323,373	3.20
SAGA EIENDOM AS	1,223,667	2.96
CO/JONAS BJERG NTS TRUSTEES LTD	1,058,306	2.56
SPAR KAPITAL INVESTO	940,236	2.27
ENERGI INVEST A/S	925,802	2.24
Carnegie Investment CLIENT ACCOUNT	851,692	2.06
THORKILDSEN INVEST A	829,478	2.01
ORAKEL AS	781,050	1.89
HOEN ANDERS MYSSEN	689,557	1.67
CLEARSTREAM BANKING	653,181	1.58
PERSSON ARILD	588,000	1.42
Skandinaviska Enskil A/C CLIENTS ACCOUNT	508,384	1.23
KBC SECURITIES NV A/C CLIENTS NON-TREA	477,676	1.15
DANSKE BANK A/S 3887 OPERATIONS SEC.	457,998	1.11
LUNDE DANIEL PETTER	294,100	0.71
TOTAL TOP 20	**35,518,726**	**85.88**

Note 8 RETAINED EARNINGS

Movements in retained earnings for the Group can be analysed as follows:

Figures in EUR	Consolidated	Parent Company
Retained earnings as of December 31, 2013	**(66,412,735)**	**(65,549,324)**
Net profit in the period	(1,766,604)	(1,755,705)
Retained earnings as of December 31, 2014	**(68,179,168)**	**(67,304,928)**

No dividends will be distributed by the Group in respect of 2014.

Note 9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to EUR 507,164 at 31 December 2014 (EUR 972,718 at 31 December 2013). At parent Company level, cash and cash equivalents amount to EUR 347,526 at 31 December 2014 (EUR 654,886 at 31 December 2013). None of the Group's cash balance is restricted at 31 December 2014.

Note 10 TRADE AND OTHER PAYABLES

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Figures in EUR	Consolidated		Parent Company	
	2014	2013	2014	2013
Trade payables	21,747	22,488		-
Employee taxes		-		-
Other payables	52,656	63,110	24,492	58,359
Trade payables	**74,402**	**85,598**	**24,492**	**58,359**

At 31 December 2014, the balance of EUR 52,656 Other payables for the Group as well as the balance of Other payables of EUR 24,492 for the parent Company, include EUR 24,492 accrued expenses related to the 2014 audit fees.

Note 11 AVAILABLE FOR SALE FINANCIAL ASSETS

Following the finalisation of the rights issue exercise aimed at consolidating the cash position of the Group, it decided to place part of the collected proceeds into a financial asset. The Group invested in a bond issued by Svenska Handelsbanken. The bond is issued in perpetuity but the issuer has a call option for 16 December 2015. The bond is BBB+ rated and carries a coupon of 4.194%. The effective interest rate calculated until the call date is 3.01%.

Within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement the above described estimate of net realisable value is categorised as Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. The bond is traded over the counter.

Note 12 INTEREST-BEARING LOAN

As at 31 December 2014 the Group consolidated net interest-bearing debt amounted to EUR 12,229,555, including EUR 11,442,439 principal amount and EUR 787,116 accrued interest (2013: EUR 12,010,606, including EUR 11,600,000 principal amount and EUR 410,606 accrued interest).

This is an assets finance facility taken by the Group in December 2007 with Alpha Bank Romania. The loan had an initial term of 3 years which was prolonged for another 2 years during Q4 2010. On 28 February 2013, the Group extended the maturity for another 3 years until 30 Nov 2015, with a possibility afterwards for an extra 2 years subject to certain conditions. The extension of the loan bears interest at a rate of EURIBOR+3%, payable bullet on maturity. The Group has the option of extending the loan for an additional two (2) years, in subsequent periods of one (1) year, if the interest is paid in advance for each year of extension and the outstanding of the loan not exceeding 65% of the collateral value. For further extension the applicable interest rate will be Fixed Base Rate (to be provided by the Bank at the moment, by reference to 1 year swap rate) + 3.0% per annum. As part of the extension, the security was extended to include new real estate mortgage of EUR 6 million. The book value of the security EUR 17.5 million.

As of 31 December 2014, the above mentioned loan, with a total balance including accrued interest of EUR 12,229,555, was classified as short term due to the fact that the contractual maturity of the loan is less than one year after the balance sheet date. Nevertheless, the Group has meets all the conditions to use the extension option and deems the cash situation to be sufficient to service the due payments in order to extend the maturity of the Alpha Bank loan (see also note 25 Subsequent Events).

Note 13 OPERATING REVENUE

Figures in EUR

	2014	2013
Rent revenue	255,348	339,722
Sales of inventory	-	8,476
Sales of investment property	164,202	50,436
Total	**419,550**	**398,544**

The Group owned during the period two rent generating investment properties. These were Balada market which is the main rent generating property and the Mamaia plot which hosts small accommodation units mostly occupied during summer periods. Total rent amount generated by the two properties amounted to EUR 255,348 (2013: 339,722). The Sales of investment property during 2014 relate to the sale of 4 small plots of land the Group owns in north Constanta.

Note 14 PAYROLL EXPENSES AND NUMBER OF EMPLOYEES

The key Management (which includes the executive officer of the Group and its Directors) received remuneration in amount of EUR 99,996 (2013: EUR 99,996)

The Directors are shown in the following page together with their interest in the shares of the Company per 31 December 2014 and per 31 December 2013:

		31 December 2014	31 December 2013
Kjetil Grønskag	Appointed November 2006	3,850,307	3,850,307
Arne Reinemo	Appointed April 2014	1,600,000	Nil
Lacramioara Isarescu	Appointed April 2014	Nil	Nil
Jonas Bjerg	Appointed September 2008	1,058,306	1,058,306
Arve Nilsson	Appointed September 2008	836,052	836,052
Kay Thorkildsen	Group CEO	6,245,234	6,245,234
TOTAL		**13,589,899**	**11,989,899**

The average number of employees in Westhouse Group during 2014 was 5. Payroll expenses related to these employees amounted to EUR 112,704 as of December 31, 2014 (2013: 151,746). The Group does not offer a pension plan or other employee benefits to its employees as of December 31, nor are there any post-employment benefits.

Note 15 GENERAL AND ADMINISTRATIVE EXPENSES

Figures in EUR	**Consolidated**		**Parent Company**	
	2014	**2013**	**2014**	**2013**
Management fee	(64,000)	(69,778)	(64,000)	(69,778)
Legal expenses	(23,844)	(45,207)	(1,860)	(9,345)
Rent expenses	(18,201)	(28,964)	-	-
Travel expenses	(6,217)	(5,706)	-	-
Professional services	(125,777)	(121,850)	(121,958)	(121,175)
Land and other taxes	(44,071)	(59,585)	-	-
Other expenses	(297,824)	(272,896)	(6,013)	(674)
Total	**(579,934)**	**(603,986)**	**(193,831)**	**(200,972)**

Professional services expenses for 2014 include audit fees accrual amounting to EUR 44,496. The audit fees are all charged at RomReal Ltd level.

Note 16 OTHER OPERATING EXPENSES

"Other operating (expenses)/gains" in 2014 include the disposal cost for the plots of land the Group sold during the year as well as that of the donation the Group made to the city hall in order to receive free access to infrastructure and increase the saleability of its land.

"Other operating (expenses)/gains" in 2013 includes the reversal of a provision made in 2010 related to a dispute with the Romanian VAT authorities in respect of the sale to third parties of the Central Apartments development project. The authorities claimed that the Group should have collected (and paid) VAT at a value higher than the selling price of the development, despite being settled in an arm's length transaction with an independent party. As of 31 December 2012, the provision amounted to EUR 363,075. Considering no other business was conducted by the respective SPV, a decision was made by the Group to close it during 2013, therefore the potential liability no longer exists and the provision was reversed.

For RomReal (the parent Company) "Other operating (expenses)/gains" of EUR 3.05 million in 2014 relates mainly to an impairment of the investment in subsidiaries as a direct result of the mentioned write-down of investment properties made in the subsidiaries. For 2013 "Other operating expenses" amounted to EUR 3.53 million.

Note 17 FINANCIAL INCOME AND EXPENSE

Figures in EUR	Consolidated		Parent Company	
	2014	2013	2015	2013
Interest income from subsidiaries	-	-	1,590,056	1,598,778
Interest income from banks	2,552	9,859	-	-
Total financial income	**2,552**	**9,859**	**1,590,056**	**1,598,778**
Interest expense and other bank fees	(379,081)	(359,291)	(812)	(430)
Foreign exchange gain	3,531,752	7,475,226		-
Foreign exchange loss	(3,515,057)	(8,270,067)	(2,703)	(44,340)
Total Financial expense	**(362,387)**	**(1,154,132)**	**(3,515)**	**(44,770)**

During 2014 the RON has fluctuated against the EUR, but ended the year close to the initial rate. All the inter-company loans taken by the Romanian subsidiaries from RomReal Ltd as well as the loan from Alpha Bank were revalued at the closing rate resulting in a net unrealised foreign exchange loss of EUR 16,695.

The interest expense in 2014 and 2013 relates mainly to the interest costs in respect of the Alpha Bank loan (please see note 12).

Note 18 TAXATION

RomReal Ltd. is registered in Bermuda and is consequently not subject to taxation.

The subsidiaries are subject to taxation in Romania. The applicable tax rate in Romania is 16 %. The applicable tax rate is the same whether any profits are paid out as dividends or retained in the Company. There have not been any changes to the applicable tax rates in 2014.

Current income tax expense for 2014 was EUR 9,631 (2013: 12,956) and it is in respect of the taxable rental revenue on the Balada market and Investate. The major components of the income tax expense for the periods ended December 31, 2014 and December 31, 2013 are:

Figures in EUR	2014	2013
Current income tax charge	9,631	12,956
Deferred income tax movement in the period	11,642	(79,821)
Income tax expense/(gain) in the consolidated income statement	**21,274**	**(66,864)**

The table below shows the composition of the deferred tax assets and deferred tax liability in the balance sheet:

Figures in EUR	2014	2013
Fair value adjustments of Investment property resulting in deferred tax asset	126,039	144,002
Fair value adjustments of Investment property resulting in deferred tax liability	74,782	81,239

The small difference between the changes in the deferred tax balances during the year and the deferred tax gain reflected in the income statement is related to the foreign currency translation result.

The following table shows the composition of the deferred tax asset per each Company:

	2014	2013
Westhouse SRL	126,039	144,002
TOTAL	**126,039**	**144,002**

The deferred tax liability relates to the following:

	2014	2013
Carried forward fiscal losses	126,039	144,002
TOTAL	**126,039**	**144,002**

The following table shows the composition of the deferred tax liability per each Company:

	2014	2013
Concorde SRL	70,936	77,387
Investate SRL	3,822	3,852
TOTAL	**74,782**	**81,239**

The deferred tax liability relates to the following:

	2014	2013
Revaluation of investment properties to fair value	74,782	81,239
TOTAL	**74,782**	**81,239**

The Group measures the deferred tax liabilities and deferred tax assets in order to reflect the tax consequences that would follow from the manner in which the entity expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities. Consequently, where the Group had transactions which are not expected to carry a deferred tax liability or the deferred tax asset, the Group has not recognised such deferred tax.

The Group used its judgement to determine whether there will be enough taxable income in the foreseeable future to offset the deferred tax asset against. Where there was not enough conclusive evidence to support that, such deferred tax asset was not recognised/written off.

The following shows a numerical reconciliation between the tax expense and the accounting profit.

	2014	2013
Accounting taxable profits/(loss)	(1,745,331)	(2,696,505)
Tax at applicable rate of 16%	279,253	431,441
Tax effect of (expenses)/income that are not (deductible)/taxable in determining taxable profit	(300,526)	(364,576)
Tax (expense)/income	**(21,274)**	**66,864**

The Company has not recognised any deferred tax assets in respect of the carried forward tax losses for which there were not enough evidence to support future taxable income to offset them against. Starting with 2009, the Group can carry forward the tax losses for a period of 7 years.

Note 19 DEFERRED INCOME

Deferred income at the end of 2014 included the down payment the Group received for the entering in a pre-sale agreement for its plot of land in Brasov.

Note 20 TRANSACTIONS WITH RELATED PARTIES

Transactions with subsidiary

RomReal Ltd. has granted its subsidiary Westhouse Group SRL loans amounting to a total of EUR 48,854,117, interest to 31 December 2014 included. Inter-Group loans bear an interest rate of 5.5% and are for a term of 11 months. The loan has been entirely provisioned in the stand alone financial statements of the parent. The subsidiary Westhouse Group SRL has further granted RomReal Ltd. a loan of EUR 116,262 in connection with the purchase of 5% of the shares in Concorde Group SRL, 5% of shares in Investate SRL, 5% of Magic Sail Club SRL, 1% of the shares in Rofrench Connection SRL. These loans are not secured and are interest free.

Transactions with other related parties

On 30 March 2007, the Group entered into an amended Management Support Agreement with North Bridge Group Ltd ("North Bridge Group"). North Bridge Group is controlled by the five shareholders of North Bridge, which include Mr. Jonas Bjerg, Mr. Kjetil Grønskag and Mr. Kay Thorkildsen. Pursuant to the Management Support Agreement, North Bridge Group is retained as an advisor to the Group, and will be responsible for making available resources to support the Group in continuing to develop its real estate portfolio, including North Bridge Group's principals and recommending to the Group specialists, including seconders where appropriate. For these services North Bridge Group received an annual fee of EUR 64,000 during the year ended 31 December 2014 (2013: EUR 64,000). In addition, North Bridge Group is entitled to reimbursement of travelling and other reasonable out-of pocket expenses incurred by it with the prior agreement of the Group's Board of Directors. The terms of the Management Support Agreement were renewed on 10 October 2010 and the level of fees was revised to EUR 64,000 per annum, effective January 2012. The Group may engage the manager or its associates to provide other services outside the scope of this agreement. Such services will be subject to a separate mandate agreement.

The Group's Investors Relation responsible during 2014, Mr. Harris Palaondas, was seconded to the Group from North Bridge Group pursuant to a secondment letter dated 01 November 2008. Following the above, the Group's Board approved a fee payable to North Bridge of EUR 2,000 per month plus reasonable out-of-pocket expenses for travelling. During the period North Bridge charged EUR 0 (2013: EUR 16,000) in secondment fees and recharged EUR 1,354 (2013: EUR 1,022) of costs directly attributable to these services. The outstanding balance due to North Bridge Capital Partners at 31 December 2014 was nil (2013: EUR 0).

All transactions with related parties have been conducted following the principle of arm's length.

Note 21 FINANCIAL RISK

The Group's principal financial liabilities comprise of borrowings, trade and other payables, and financial guarantee contracts.

The loan from Alpha Bank is secured with mortgage over some of the Group's assets plus a corporate guarantee from RomReal Ltd and its subsidiary Westhouse Group SRL. The value of the security, according to the independent valuation, is about 43% higher than the outstanding loan amount.

Fair value

The fair value of the financial assets and liabilities are the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of borrowings is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities. The fair value approximates their carrying values gross of unamortised transaction costs.

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements.

Figures in EUR	Carrying amount		Fair value	
ASSETS	**December 31, 2014**	**December 31, 2014**	**December 31, 2013**	**December 31, 2013**
Trade receivables and other receivables	243,352	129,220	243,352	129,220
Cash and cash equivalents	507,164	972,718	507,164	972,718
Total	**750,516**	**1,101,937**	**750,516**	**1,101,937**
Borrowings	12,299,555	12,010,606	12,299,555	12,010,606
Trade and other payables	74,402	86,942	74,402	86,942
Total	**12,303,957**	**12,097,548**	**12,303,957**	**12,097,548**

Credit risk

Credit risk is the risk that any counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, from its financial investments and from its deposits with banks.

The carrying amounts of the Group's cash and cash equivalents, other current assets and receivables represented the maximum exposure to credit risk in relation to financial assets. Cash is placed with reputable banks, while the bond in which the Company invested carries an investment grade rating.

As of 31 December 2014, no trade and other receivables were impaired (see note 6).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates in respect of the EUR 11,442,439 loan from Alpha Bank. The loan carries a margin of 3% on EURIBOR up until 27 November 2015. Each 10 basis points change in the interest rate results in a EUR 11,442 change in interest costs for the Group.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans. The objective of the Group is to ensure that sufficient cash is maintained to cover the operating costs until the market recovers. Equally, the Group is actively looking to divest some of smaller plots in order to strengthen its cash position.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Year ended 31 December 2014	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest bearing loans	-	-	12,299,555	-	-	12,299,555
Other payables	-	74,402	-	-	-	74,402
Deferred income	-	-	154,073	-	-	154,073
Tax payable	-	1,426	-	-	-	1,426
Total	**-**	**75,828**	**12,383,628**	**-**	**-**	**12,459,456**

Year ended 31 December 2013	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest bearing loans	-	-	-	12,010,606	-	12,010,606
Other payables	-	85,597	-	-	-	85,597
Deferred income	-	-	-	-	-	-
Tax payable	-	1,342	-	-	-	1,342
Total	**-**	**86,939**	**-**	**12,010,606**	**-**	**12,097,545**

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is subject to foreign exchange risk as the Romanian subsidiaries have business activities denominated in RON, which is different from the functional currency of the parent Company and the Group's presentation currency, EUR. All investment properties are owned by the Romanian subsidiaries and thus denominated in RON. However, it is the market practice that investment properties are valued with reference to EUR denominated values, thus minimising the cash foreign exchange risk of the Group. From an operational point of view, the Group's policy is to mitigate these effects by retaining as much cash in EUR as possible and also by denominating receivables in EUR. The Group's interest bearing loans are also denominated in EUR. The Group perceives the risk as moderate on a Group-wide basis and has not entered into any foreign exchange forward contracts to hedge against foreign currency fluctuation. A 10% depreciation of the RON against EUR, with all other variables held constant, would result in a EUR 2 million negative impact in the profit before tax and a EUR 0.2 million decrease in equity. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities of the subsidiaries before they get translated into the functional currency of the Group. The impact on the Group's equity is due to the translation reserves.

Capital Management

The primary objective of the Group's capital Management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The Group monitors capital primarily using a loan to value ratio, which is calculated as the amount of outstanding debt divided by the valuation of the investment property portfolio. The Group's policy is to keep a low average loan to value ratio of the Group and in any event not higher than 70%. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group complies with its target loan to value ratio and no changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 31 December 2013.

As at year end 2013, the Group's equity represents 61% of the total assets, while financial debt taken from credit institutions represented 43% of the investment properties value.

	2014	2013
Interest bearing loans	12,299,555	12,010,606
External valuation of investment property	28,439,367	29,304,367
Loan to value ratio	43%	41%

During the period, the Group maintained the asset finance facility with Alpha Bank in Romania. The outstanding EUR 11.6 million has been prolonged for a term of 3 years, maturing on November 30, 2015. During the period, the Group made a principal prepayment of EUR 0.16 million, following the cashing of the down payment related to the sale of the Brasov plot. The Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements. As of 31 December 2014, the loan was classified as current liability.

Note 22 CONTINGENT LIABILITIES

As of December 31, 2014 the Group had no other significant contingent liabilities or commitments which are not reflected in the accounts, nor had it recorded any significant subsequent events.

Note 23 GUARANTEE OBLIGATIONS

The Group has not issued any guarantees on behalf of external parties. The Parent company has issued a corporate guarantee as part of the security package in connection with Alpha Bank loan described in Note 12.

Note 24 EARNINGS PER SHARE

Basis for calculation of earnings per share

	2014	2013	2014	2013
The year's earnings from continuing operations	(1,766,604)	(2,629,641)	(1,755,705)	(2,276,948)
No. of shares at the balance sheet date	41,367,782	41,367,782	41,367,782	41,367,782
Average of no. of shares	41,367,782	23,146,260	41,367,782	23,146,260
Earnings per share	**(0.04)**	**(0.11)**	**(0.04)**	**(0.10)**
Adjusted Earnings per share	**(0.04)**	**(0.11)**	**(0.04)**	**(0.10)**

During 2013, the Company issues 98,494,720 new shares as part of the share capital increase. Furthermore, the Company also proceeded with a reverse share split with ex date 27 December 2013, where 2.5 old shares gave 1 new share. The reverse share split had as a result that the total number of shares in the Company was reduced from 103,419,456 to 41,367,783, and the nominal value of each share will change from EUR 0.001 to EUR 0.0025. The 2012 earnings per share above were adjusted to reflect the change in the number of shares.

Note 25 SUBSEQUENT EVENTS

At the end of the second quarter of 2014, the Group has entered into a pre-sale agreement for the sale of its only land plot in Brasov for a price of EUR 1,050,000. On the 6th of April 2015, the Group closed the sale and collected the balance of the selling price. The amount was used to reduce the outstanding loan balance with Alpha Bank.

Statement

Pursuant to Section 5-5 of the Securities Trading Act,

We hereby confirm that the annual accounts for the Group and the Company for 2014 to the best of our knowledge have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit t or loss of the Group and the Company taken as a whole.

The Directors' report gives a true and fair view of the development and performance of the business and the position of the Group and the Company, as well as a description of the principal risks and uncertainties facing the Group.

Bermuda, 15.04.2015
The Board of Directors of RomReal Ltd

....
Kjetil Grønskag (Director)

....
Jonas Bjerg (Director)

....
Arne Reinemo (Director)

………………………………
Lacramioara Isarescu (Director)

....
Arve Nilsson (Director)

....
Kay Thorkildsen (CEO)

Company Addresses

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RomReal Ltd	Burnaby Building, 16 Burnaby Street, Hamilton, HM11, Bermuda
Auditors	Ernst & Young SRL, Premium Plaza Building, 3rd Floor, 63-69 Dr. Iacob Felix Street, Sector 1, 011033, Bucharest, Romania
Auditors	Ernst & Young, Thormøhlens gate 53 D, PO Box 6163, Postterminalen, Bergen, N5892, Norway
Legal Advisors	Wakefield Quin Limited, Victoria Place, 31 Victoria Street, Hamilton, HM10, Bermuda
Bank in Norway	Nordea Bank Norge ASA, Olav Tryggvasons gt. 39/4, 7005 Trondheim, Norway
Bank in Romania	Alpha Bank Constanta, 175 Mamaia Boulevard, 900540, Constanta, Romania

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For further information on RomReal, including presentation material relating to this interim report and financial information, please visit www.RomReal.com

DISCLAIMER

The information included in this Report contains certain forward-looking statements that address activities, events or developments that RomReal Limited ("the Company") expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to economic and market conditions in the geographic areas and markets in which RomReal is or will be operating, counterparty risk, interest rates, access to financing, fluctuations in currency exchange rates, and changes in governmental regulations. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and RomReal disclaims any and all liability in this respect.