2015

RomReal Limited
Annual 2015 Report
15 April 2016

romreal

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.

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CEO's Statement

Dear Shareholders,

"It saddens me deeply that the Company's valuable and esteemed CEO and founder Mr. Kay Thorkildsen passed away in October 2015. His effort, loyalty and contribution will always be highly appreciated and valued.

Over the last couple of years, Mr. Thorkildsen and the Westhouse Group team have done a lot of work in improving the marketability of the Company's plots. We aim at continuing to improve the marketability in 2016 with a focus on the current needs of the market.

The Romanian economy is growing and there is an increasing demand for residential plots (for building houses and apartments) as well as for warehouses and industrial projects. I fully believe that the current positive macro economical trend will continue to improve the local economy and attract additional foreign direct investment. For 2016 we intend to focus on improving the land bank's marketing including selling some of the larger plots), which will improve the cash position of the Company.

We will also continue the hard work on the planning process of the plots situated around Ovidiu Lake in order to meet the requirements of the local authorities as well the Company's marketing objectives.

We remain focused, cost conscious, prioritizing the divestments of mature plots, with a goal of meeting the financial obligation to Alpha Bank and to maximize shareholder returns.

Adrian Cristea
Chief Executive Officer

2015 Highlights

Net Asset Value (NAV)

Net Asset value was EUR 0.44 (NOK 4.10) per share at the end of 2015, a 8.3% decrease compared to the end of 2014.

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 this quarter. This resulted in a 3.1% downwards adjustment of the value of its investment property on a comparable plot basis at the end of 2015

Operational highlights

The Company completed the sale of the Brasov plot for euro 850,000 and also sold 6 more plots in Tatar Peninsula for a total consideration of circa EUR 225,000. The proceeds were used to pay down the Alpha Bank debt. The Company has now sold 12 out of the 15 plots at Tatar Peninsula and continues to collect as scheduled on those plots where payment was agreed in instalments. On 10 July 2015, RomReal announced the approval of a partial and conditional sale of 1,956 sqm of the Balada market plot, for a net price of EUR 537,900. During March 2016 this agreement was converted into a conditional guarantee. All concluded or pending asset sales are done about or above the carrying IFRS value.

The Company continues to upgrade its land bank with new permits and project plans and has reviewed and restructured its land bank marketing policy. The Company finalised the 1 year extension of the Alpha Bank loan, currently due on 29 November 2016. The Company holds the right to extend the loan for another year.

Key Financials

EUR '000	2015	2014
Operating Revenue	1,488	420
Operating Expenses	(775)	(1,217)
Other operating income/ (expense), net	(2,030)	(588)
Net financial income/(cost)	(909)	(360)
Pre-tax result	(2,226)	(1,745)
Result for the period	(2,214)	(1,766)
Total assets	29,921	32,449
Total liabilities	11,876	12,534
Total equity	18,044	19,916
Equity %	60.3%	61.4%
NAV per share (EUR)	0.44	0.48
Cash position	541	507
Available for sale financial assets	0	734

Property Portfolio

Total size of the Company's Property Portfolio ("Land Bank") totalled 1,248,552 sqm at the end of 2015. 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	2,485
4 Ovidiu Town	Constanta North/Ovidiu	4,641
5 Ovidiu (Oasis)	Constanta North/Ovidiu	24,651
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 Alexandriei plot	Bucharest Sector 5	13,263
12 Un-zoned land	Constanta	865,062
13 Mamaia North plot	Navodari/Mamaia	56,167
Total		1,248,552

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

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 around 7,071 sq km area and a population of about 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.

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: London, Pisa, Bruxelles, Timisoara, Craiova and Bucharest. In the proximity there is also a utility airport in Tuzla.

The Company keeps the majority of its land bank in Constanta county i.e. 11 out of the 13 plots suitable for residential and industrial developments.

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 about 1.9 million inhabitants and a resulting density of about 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.

The Company holds two strategic plots in Bucharest, mostly suitable for residential projects.

Romanian Macro development

Romania's GDP economic growth reached 3.7 per cent in 2015. The main driver of growth was private consumption, on the back of higher disposable income, enhanced by a rise in wages and low inflation. Following NBR's policy rate cut in May to a historically low level of 1.75 per cent, and improved investor confidence, investments in the economy also rose fuelled by the lower cost of funding, Inflation remained below central bank's target of 1.5-3.5 per cent throughout the year, on the back of declining food and energy prices, reduction in VAT on food products in June 2015, and lower inflation expectations.

Government debt is low by regional standards, at almost 41 per cent of GDP, while the budget is likely to remain below the budget deficit target of 1.85 percent of GDP in 2015.

For the full year 2015, has reached 3.7 per cent and is expected to remain to 3.7 per cent in 2016. While on the short term, downside risks include a weakness in the Eurozone, medium-term, growth prospects in Romania are favourable, reflecting the diversified economy, large market size and significant scope for convergence within the EU. Romania already meets all the Maastricht criteria for entry into the Exchange Rate Mechanism.

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

Romanian News Agency www.mediafax.ro/,

Reuters News Agency.

Shareholder Overview

Shareholder	Holding	%
SIX SIS AG 25PCT ACCOUNT	11,699,278	28.30
THORKILDSEN KAY TØNNES	5,415,756	13.10
GRØNSKAG KJETIL	3,850,307	9.30
TONSENHAGEN FORRETNINGSSENTRUM 2 A	1,614,444	3.90
SILJAN INDUSTRIER AS	1,600,000	3.90
SKANDINAVISKA ENSKILDA BANKEN S.A	1,323,372	3.20
SAGA EIENDOM AS	1,223,667	3.00
CO/JONAS BJERG NTS TRUSTEES LTD	1,058,306	2.60
ENERGI INVEST A/S	1,000,000	2.40
SPAR KAPITAL INVESTO	940,236	2.30
CARNEGIE INVESTMENT BANK DK BRANK	851,692	2.10
THORKILDSEN INVEST A	829,478	2.00
ORAKEL AS	800,000	1.90
HOEN ANDERS MYSSEN	689,557	1.70
CLEARSTREAM BANKING	649,417	1.60
PERSSON ARILD	588,000	1.40
LOHNE PER OVE	508,500	1.20
SKANDINAVISKA ENSKILDA BANKEN AB	508,384	1.20
KBC SECURITIES NV	477,676	1.20
DANSKE BANK A/S	457,998	1.10
TOTAL TOP 20	**36,086,068**	**87.20**

(1) This is the Top 20 Shareholder list as per 31 March 2016.
(2) The total issued number of shares issued at end 2015 was 41,367,783.
(3) RomReal Director Arne Reinemo controls directly or indirectly SILJAN INDUSTRIER AS.
(4) The above list is the 20 largest shareholders according to the VPS print out; please not that shareholders might use different accounts and account names, adding to their totc 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 2015. To the best of our knowledge, we confirm that RomReal Ltd and RomReal Group's consolidated annual financial statements for 2015 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 2015

RomReal Directors
The Directors are shown below together with their interest in the number of shares in the Company per 31 December 2015 and per 31 December 2014:

		31 December 2015	31 December 2014
Kjetil Grønskag	Appointed November 2006	3,850,307	3,850,307
Arne Reinemo	Appointed April 2014	1,600,000	1,600,000
Jonas Bjerg	Appointed September 2008	1,157,197	1,157,197
Arve Nilsson	Appointed September 2008	836,052	836,052
Lacramioara Isarescu	Appointed April 2014	Nil	Nil
Adrian Cristea	CEO - Appointed October 2015	Nil	Nil
TOTAL		**7,344,665**	**7,344,665**

Operations
RomReal owns a large portfolio of prime location plots in two of the largest Romanian cities: Constanta, and Bucharest. The plots are 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 Company is currently in negotiation with interested buyers for selling this plot.

Alexandriei plot – The Company is currently in negotiation with interested buyers for selling this plot.

Tatar Peninsula – The Company has now sold 12 of 15 plots at Tatar Peninsula and continues to collect as scheduled on those plots where the buyer agreed to pay in instalments.

Lake side Project – For Lakeside, a new approach to marketing is currently developed, by which the plot will be split in small plots suitable for house building and small blocks.

Ovidiu Town plot - the Company will pursue a similar strategy to split it into smaller plots, in this case suitable for warehouses and industrial use due to the attractive commercial location of this plot.

Mamaia North project – For Mamaia North, the Company is pursuing the Zonal Planning approval. All documents and licences have been presented to the County Council for authorisation. It is expected that the final approval is expected to be delivered during first half 2016.

Ovidiu Oasis plot – The plot will be split in smaller plots suitable for house building and small blocks following the new planning permit that the Company has applied for. Road access has been provided by the municipality during the year. The Company is planning to improve the plot, refurbish the existing villas and put them up for sale.

Balada Market plot – Currently an income contributor to the Company due to the marketplace rented out to retailers. On 10 July 2015, RomReal announced the approval of a partial and conditional sale of 1,956 sqm of the Balada market plot, for a net price of EUR 537,900. While the transaction has not yet been completed, in March 2016 this agreement has been converted in a conditional guarantee, which give the Group the option to call on the buyer to execute the transaction. The buyer of the partial sale is the Thorkildsen family.

Un-zoned agricultural land - Currently a modest income contributor to the Company as the plots are rented to farmers.

Other plots - The new fiscal code applied in 2016 added taxes for unclean plots. The Management will proceed with the cleaning of the idle plots.

All concluded or pending asset sales are done about or above the carrying IFRS value.

Overall the Management is receiving an increased number of enquiries on the Company's land bank.

Key features of the real estate market

Commercial market:
Overall 80 percent of the EUR 650 million (45% down of 2014) worth of real estate transactions closed in 2015 involved five local players – CTP, GLL, P3, NEPI and Globalworth, according to data from commercial real estate services firm JLL Romania.

The industrial segment accounted for the largest share – 41 per cent – of the total EUR 650 million. Indeed, the largest two transactions last year involved two industrial properties – P3 buying the Europolis Park from CA Immo and CTP taking over Bucharest West from Portland Trust. Office came second with 38 per cent. The only large retail transaction last year was NEPi buying Iris Titan from Scottish Company Aberdeen.
Overall, 80 per cent of the EUR 650 million worth of transaction closed last year involved properties located in Bucharest.

Office market:
German real estate fund GLL resumed acquisitions on the local market after six years and bought the Floreasca Park from Portland Trust and Victoria Center from Skanska office projects in Bucharest for close to EUR 130 million.

Retail market:
South-African investment fund NEPI bought the shopping center Iris Titan from the German group Aberdeen Asset Management, for EUR 86 million. The Iris Shopping Center, also known as Auchan Titan, is one of the busiest shopping centers in Bucharest with over 33,000 visitors each day. It serves one of the city's densely populated areas, with over 370,000 residents.

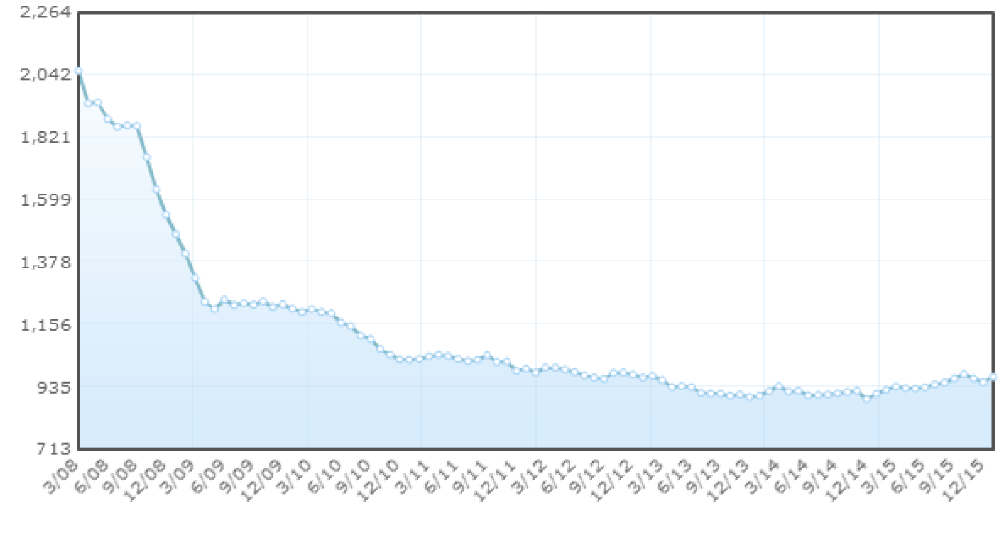
Industrial developments market:
Dutch CTP was by far the most active real estate investor in 2015 buying 6 industrial properties worth about EUR 130 million, according to JLL data. Czech industrial developer P3 ranked third for the acquisition of the Europolis Park industrial project from CA Immo.

Residential market:
2015 can be regarded as one of the best in the last few years, especially when it comes to newly built apartments. This is also reflected in the start of 2016, where according to imobiliare.ro, there is an increased demand. However, the currently discussed "giving in payment" law poses a potential major threat to this recovery. The draft law allows mortgage debtors who can't repay their loans to give the mortgaged assets to the bank and stop paying back the loans.

According to local banks, this will if implemented change their decision making process when granting mortgage loans. The lenders will no longer decide only based on a borrower's capacity to repay the loan, but will also have to think about the potential loss of value of the mortgaged property.

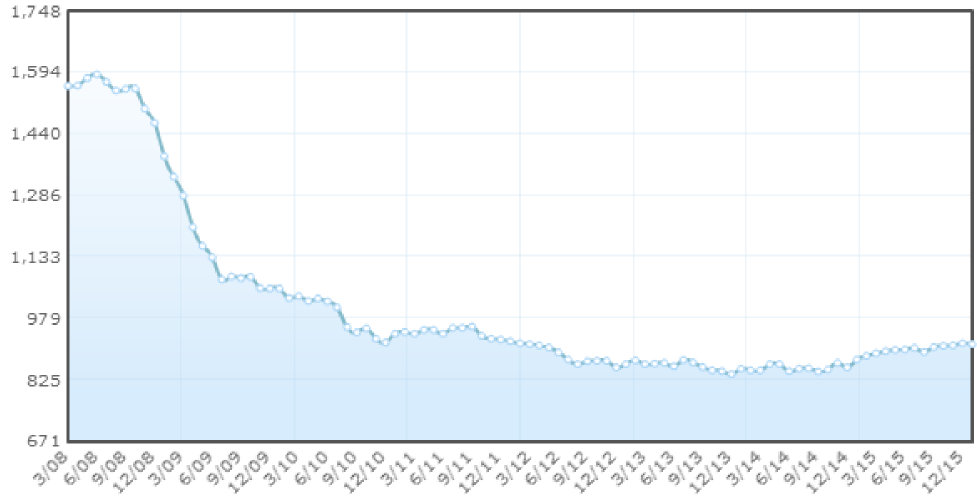
A recently voted EU directive (Directive 17/2014) has concluded that the debtor returning its property to the lender should maintain the responsibility to repay the balance. In addition, the bank should approve returning the property by the debtors. The Romanian draft law mentioned above is still under discussion in Romania and not implemented.

The following graphs indicate the apartment prices trend in Romania and Constanta:



Romania

According to the largest online broker in Romania imobiliare.ro, apartment prices in Constanta have increased 7% during 2015. Prices are currently estimated at an average of EUR 917 per square meter.



Constanta

Housing prices in Bucharest have remained relatively flat over the last year ending December 2015 and are currently estimated at an average of EUR 1,069 per square meter.

Land market:
The first half of 2015 maintained momentum of year start with strong interest of small developers for plots of 500-1,500 sqm located in prime locations or slightly larger ones in peripheral areas. There was also a notable change in supply as banks have put up for sale substantial distressed properties. Notably, largest transactions with land plots were made by large retailers (Ikea, Dedeman, Lidl). Prices generally remained constant despite a small increase in demand for residential plots. Depending on location, prices vary from EUR 200-250/sqm in peripheral areas to EUR 1,000-1,200/sqm in prime locations.

Accounts and financial position

RomReal has prepared the financial statements as of 31 December 2015 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 1.488 million in 2015 compared to EUR 0.452 million in 2014. The main revenue streams were rental income from the Balada Market and sales of Brasov plot and the small plots of Tatar Peninsula.

Operating expenses
Total consolidated operating expenses were EUR 2.036 million in 2015 compared to EUR 1.216 million in 2014. RomReal (parent Company) operating expenses were EUR 3.480 million in 2015 compared to EUR 3.342 million in 2014.

Profit/Loss
Consolidated loss after tax in 2015 was EUR 2.213 million compared to a loss after tax of EUR 1.766 million in 2014. RomReal (parent Company) loss after tax was EUR 1.870 million in 2015 compared to EUR 1.755 million in 2014.

The end of year 2015 independent land bank portfolio valuation has shown an average decrease of 3.1% compared to the end of year 2014 valuation representing a decrease in value of EUR 0.769 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 2015 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 29.921 million at 31 December 2015. RomReal (parent Company) had a total balance of EUR 29.921million. Total consolidated equity at 31 December 2015 amounted to EUR 18.044 million (parent Company EUR 18.044 million) compared with EUR 19.915 million in 2014 (parent Company EUR 19.915 million). The Company has total current liabilities of EUR 11.817 million at 31 December 2015 (parent Company EUR 0.048 million).

Net cash flow from consolidated operations was a negative EUR 0.455 million at December 31 2015 compared to a negative EUR 0.309 million in 2014 (parent Company negative EUR 0.315 compared to negative EUR 0.307 million in 2014). Consolidated liquid assets were EUR 0.541 million at 31 December 2015 compared to EUR 0.507 million at 31 December 2014 (parent Company EUR 0.360 million in 2015 compared to EUR 0.347million in 2014).

Financial risk
The Group's consolidated interest-bearing debt amounted to EUR 11.6 million representing principal amount of EUR 11.6 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 62% 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 Company finalised the 1 year extension of the Alpha Bank loan, currently due on 29 November 2016, and has the right to extend the loan for 1 more year provided the interest of 1 year is paid in advance and a loan to value ratio of maximum 65% is observed. The Board is of the opinion that considering the current cash position and the partial and conditional sale commitment on the Balada Market there will be enough cash available, 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 Adrian Cristea. 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 2016-2017 is to:

- Extend the Alpha Bank loan if necessary - The cash in hand and the commitment on the Balada Market is deemed to be sufficient to extend the Alpha Bank loan in November 2016.
- To divest more plots from its portfolio, comply with bank obligations and return money to our shareholders.
- 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 as well as to consider other ways of returning liquidity to its shareholder.

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 2015 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 2016 the Annual General Meeting of the Company will take place on the 22nd 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 2015 of five Directors:

Kjetil Grønskag
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. Adrian Cristea 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. On October 20th, 2015, Mr. Adrian Cristea was appointed CEO of RomReal Group. Mr. Cristea has been RomReal's legal advisor since its formation in 2005.

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 2015 seven (7) 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

RomReal holds a finance facility with Alpha Bank Romania. The loan has been extended for a period of one year with the interest paid in advance and currently expires on the 29 November 2016, and has the right to extend the loan for 1 more year, provided the interest of 1 year is paid in advance. The Board is of the opinion that considering the current cash position and the partial and conditional sale commitment on the Balada Market there will be enough cash available, for a further extension of the loan.

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 2015 was 1.00 EUR to 4.4450 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.

The Company is required to calculate its current income tax at a flat rate of 16%. Starting 2013, the companies in the Group with turnover below a EUR 65,000 threshold are subject to a 3% tax calculated on total revenue. This is the case for 7 of the Group companies while 3 of them are subject to 16% on taxable profits.

The new fiscal code implemented 01 Jan 2016 has applied a land tax increase of 500% on idle plots that lack cleaning. The Board has allocated a budget for the Management to maintain all of the Company's idle plots in a clean condition.

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 2015 the Directors received the following remuneration:

Arne Reinemo	EUR 4,500
Lacramioara Isarescu	EUR 4,500
Arve Nilsson	EUR 1,500

Chairman Kjetil Grønskag, and Director Jonas Bjerg, 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, and Director Jonas Bjerg, 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 fees	Benefits/Bonuses
Adrian Cristea	CEO	€36,000*	2% on asset sales *
Claudia Oprisan	Chief Accountant	€21,500	N/A

* The incentive lawyer 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 approved by RomReal's Board of Directors and paid by RomReal Ltd.
*CEO has concluded legal assistance contracts with the Romanian companies and he receives a monthly consultancy fee.

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. The Company constantly improves its Investor Relation material by upgrading its reporting format, content, and website. During the year physical investor presentations were organised in Oslo for every 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.

2016 Financial Calendar includes the following dates:

Q4 2015 Reporting and Investor Presentation	**26 FEB 2016**
2016 Annual General Meeting	**22 APR 2016**
Q1 2016 Reporting and Investor Presentation	**27 MAY 2016**
Q2 2016 Reporting and Investor Presentation	**26 AUG 2016**
Q3 2016 Reporting and Investor Presentation	**25 NOV 2016**

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

Romania's economic growth reached at 3.7 per cent in 2015. Private consumption appeared as the main driver of growth, on the back of higher disposable income, boosted by a rise in wages and low inflation. GDP growth is expected 3.7 per cent in 2016, on the back of strong domestic demand and an export improvement.

Following NBR's policy rate cut in May to a historically low level of 1.75 per cent, the low level of interest rates will continue to bolster domestic demand in 2016. While a deterioration of global investor sentiment may hinder growth prospects in the near term, medium-term growth prospects in Romania are favourable, reflecting the diversified economy, large market size and significant scope for convergence within the EU.

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 2016. This is expected to lead to further sales of plots, improving the Company's cash position.

With the current cash and the partial and conditional sale of the Balada Market plot, the Board is confident that a loan extension in November 2016 is feasible with Alpha Bank. In combination with the increased activity in the real estate market, the Company is prioritising the repayment of the Alpha Bank loan as soon as enough funds are made available from further asset divestments.

Bermuda, 15.04.2016
The Board of Directors of RomReal Ltd

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

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 the CEO of Siljan Industrier, an investment firm. He has previously been Partner of Creo Advisors, an advisory firm focusing on corporate finance services and strategic consulting, 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 has 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 2015

Figures in EUR		Consolidated		Parent Company	
	Notes	2015	2014	2015	2014
Rent revenue	**13**	**271,789**	**255,348**	**-**	**-**
Sales of investment property		1,216,042	164,202		
Cost of sales- investment property	4	(1,147,448)	(301,944)	-	-
Profit / (loss) on sales of investment property		**68,594**	**(137,742)**	**-**	**-**
Total income		**340,383**	**117,606**	**-**	**-**
Payroll and related expenses	14	(239,387)	(212,699)	(85,497)	(99,996)
Depreciation and amortisation expense	3	(663)	(13,633)	-	-
Other operating (losses)/gains	16	(113,622)	65,627	(3,160,098)	(3,048,418)
Inventory (write off)/ reversal	5	26,981	(174,170)		
General and administrative expenses	15	(561,555)	(579,934)	(234,488)	(193,832)
Operating expenses		**(888,246)**	**(914,809)**	**(3,480,083)**	**(3,342,246)**
Profit/(loss) before other operating items		(547,863)	(797,205)	(3,480,083)	(3,342,246)
Net gain/(loss) from revaluation of investment properties	4	(769,161)	(588,292)	-	-
Profit/(loss) from operations		**(1,317,024)**	**(1,385,496)**	**(3480,083)**	**(3,342,246)**
Interest income	17	22,451	2,552	1,617,590	1,590,056
Interest expense	17	(338,547)	(379,081)	(8,327)	(3,515)
Foreign exchange, net	17	(592,812)	16,695	-	-
Profit/(loss) before taxes		**(2,225,959)**	**(1,745,331)**	**(1,870,820)**	**(1,755,705)**
Tax expense	18	12,168	(21,274)	-	-
Result of the period		**(2,213,791)**	**(1,766,604)**	**(1,870,820)**	**(1,755,705)**
Attributable to:					
-Equity holders of the parent		(2,213,791)	(1,766,604)	(1,870,820)	(1,755,705)
Basic earnings/(losses) per share from continuing operations	**24**	**(0.05)**	**(0.04)**	**(0.05)**	**(0.04)**
Basic earnings/(losses) per share from continuing - diluted	**24**	**(0.05)**	**(0.04)**	**(0.05)**	**(0.04)**

Statement of Comprehensive Income

Figures in EUR	Consolidated		Parent Company	
	2015	2014	2015	2014
Profit for the year	**(2,213,791**	**(1,766,604)**	**(1,870,820)**	**(1,755,705)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign operations	343,140	10,730	-	-
Other comprehensive income for the year, net of tax	**343,140**	**10,730**	**-**	**-**
Total comprehensive income for the year, net of tax	**(1,870,651)**	**(1,755,874)**	**(1,870,820)**	**(1,755,705)**
Attributable to equity holders of the parent:	(1,870,651)	(1,755,874)	(1,870,820)	(1,755,705)

Statement of Financial Position

Figures in EUR		Consolidated		Parent Company	
ASSETS	**Notes**	**December 31, 2015**	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**
Noncurrent assets					
Property, plant & equipment	3	13,384	11,776	-	-
Investment properties	4	26,406,570	28,439,367	-	-
Deferred tax asset	18	124,858	126,039	-	-
Available for sale financial assets	11	-	734,298	-	734,298
Investments in subsidiaries	1	-	-	17,725,211	18,851,408
Total non current assets		**26,544,812**	**29,311,480**	**17,725,211**	**19,585,706**
Current assets					
Inventories	5	2,285,915	2,387,984	-	-
Trade receivables and other receivables	6	549,296	243,352	7,000	7,000
Cash and cash equivalents	9	541,160	507,164	360,832	347,526
Total current assets		**3,376,371**	**3,138,499**	**367,832**	**354,526**
Total assets		**29,921,183**	**32,449,979**	**18,093,042**	**19,940,232**

Figures in EUR					
LIABILITIES AND EQUITY	**Notes**	**December 31, 2015**	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**
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	(70,393,130)	(68,179,338)	(69,175,749)	(67,304,929)
Other Reserves		424,808	424,808	-	-
Translation reserve		791,788	449,433	-	-
Total equity		**18,044,919**	**19,915,740**	**18,044,919**	**19,915,740**
Non current liabilities					
Non current debt liabilities	12			-	-
Deferred tax liability	18	58,581	74,782	-	-
Total non current liabilities		**58,581**	**74,782**	**-**	**-**
Current liabilities					
Trade and other payables	10	147,501	74,402	48,124	24,493
Current debt liabilities	12	11,600,000	12,229,555	-	-
Income tax payable	18	49	1,426	-	-
Deferred income	19	70,324	154,073	-	-
Total current liabilities		**11,817,784**	**12,459,456**	**48,124**	**24,493**
Total liabilities and equity		**29,921,374**	**32,449,979**	**18,093,043**	**19,940,232**

Signed on behalf of the Board of Directors

....
Kjetil Grønskag (Director)

....
Jonas Bjerg (Director)

....
Arne Reinemo (Director)

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

....
Adrian Cristea (CEO)

....
Arve Nilsson (Director)

Date: 15/04/2016

Consolidated Statement of Changes in Equity

Figures in EUR	Attributable to equity holders of the parent					
	Share Capital (Note 7)	Contributed Surplus (Note 7)	Retained Earnings (Note 8)	Translation Reserve	Other Reserves	Total
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)**
Share capital issue	98,494	1,375,681				**1,474,175**
Balance as of 31 December 2014	**103,419**	**87,117,249**	**(68,179,168)**	**438,702**	**424,808**	**19,915,740**
Profit for the period	-	-	(2,213,791)	-	-	(2,213,791)
Other comprehensive income	-	-	-	343,140	-	343,140
Total comprehensive income and expense for the year	**-**	**-**	**(2,213,791)**	**343,140**	**-**	**(1,870,652)**
Balance as of 31 December 2015	**103,419**	**87,117,249**	**(70,393,129)**	**792,572**	**424,808**	**18,044,918**

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 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**
Profit for the period	-	-	(1,870,820)	(1,870,820)
Other comprehensive income	-	-	-	-
Total comprehensive income and expense for the year	**-**	**-**	**(1,870,820)**	**(1,870,820)**
Balance as of 31 December 2015	**103,419**	**87,117,249**	**(69,175,749)**	**18,044,919**

Statement of Cash Flows

Figures in EUR		Consolidated		Parent Company	
	Notes	2015	2014	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES:					
Net profit/(loss)		**(2,213,791)**	**(1,766,604)**	**(1,870,820)**	**(1,755,705)**
Adjustments for:					
- Income tax expense/(profit)	18	(12,168)	21,274	-	-
-Net (gain)/loss from revaluation of investment properties	4	769,161	588,292	-	-
-Expenses/(gain) on disposal of investment property	4	45,028	236,317	-	-
- Depreciation and amortization	3	633	13,633	-	-
- Interest Income	17	(22,451)	(2,552)	(21,913)	-
- Interest expense	17	338,574	379,081	8,327	3,515
-Unrealised foreign exchange (gain) / loss	17	592,812	(16,695)	-	-
-Other operating expenses	16	-	-	1,542,613	1,479,822
Decrease/(increase) in trade and other receivables		52,773	(114,132)	-	(1,125)
(Decrease)/increase in current payables		(8,650)	142,872	25,826	(33,867)
Decrease/(increase) in inventories		102,069	156,354	-	-
Cash generated from operations		(450,597)	(362,161)	(315,967)	(306,930)
Income tax paid		(4,987)	(9,547)	-	-
Net cash flow from operating activities		**(360,968)**	**(371,708)**	**(315,967)**	**(307,360)**
CASH FLOWS FROM INVESTING ACTIVITIES:					
Sales of financial assets		726,077	-	-	-
Purchases of property plant and equipment		(2,413)	(2,088)		
Sales of investment property		1,176,804	-	-	-
Capital expenditure on investment property		(92,823)	-	-	-
Net cash flow used in investing activities		**1,807,645**	**(2,088)**	**-**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from issue of share capital		-	-	-	-
Payment of issue costs		-	-	-	-
Repayment of borrowings		(927,450)	(156,500)	-	-
Interest paid	17	(391,300)	-	21,913	-
Interest received		685	2,552	-	-
Net cash from financing activities		**(1,318,065)**	**(153,948)**	**21,913**	**-**
Other non-cash expenses/(revenues)		(94,616)	62,190		
Net change in cash and cash equivalents		**33,996**	**(465,554)**	**(294,054)**	**(307,360)**
Cash and cash equivalents, beginning of period		507,164	972,718	654,866	654,866
Cash and cash equivalents, end of period		**541,160**	**507,164**	**360,832**	**347,526**

Note 1 ORGANIZATION AND OPERATIONS

The consolidated financial statements of RomReal Limited (the "Group" or the "Company") for the year ended 31 December 2015 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, 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. .

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

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

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 2015 and 31 December 2014; 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.

Judgements

In the process of applying the Group's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

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.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimate of fair value of investment properties

Fair values are determined based on an annual evaluation performed by an accredited external, independent valuer that is certified by the Romanian Institute of Valuers. 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 2014 and 2015. Therefore, in arriving at their estimates of market values as at 31 December 2015 and 31 December 2014, the valuators used their market knowledge and professional judgement especially since they were not able to rely on recent transactional comparables. 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 valuer. 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 seven years to utilise the tax losses against, the group has not recognised such deferred tax assets.

Capitalised costs
Costs are capitalised 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 derecognition 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 derecognition.

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. Property being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV).

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 it is a fair value gain, such is recognised in the income statement.

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 Equity

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

2.12 Operating lease contracts – the Group as a lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements (such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property), that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

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.

2.14 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.

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. 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. 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, 2015	December 31, 2014
Closing	4.5245	4.4821

2.15 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.

2.16 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.

2.17 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.

2.18 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for amendments to standards which became effective 1 January 2015, but of which none had any impact on the group. These standards include: IAS 19 Defined benefits plans, IFRS 2 Share based payments, IFRS 8 Operating segments, IAS 16 Property plant and equipment, IAS 38 Intangible Assets, IAS 24 related Party Disclosures, IFRS 13 Fair value measurement and IAS 40 Investment property.

2.19 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting and is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Group plans to adopt the new standard on the effective date. Overall, the Group expects no significant impact on its balance sheet and equity.

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 2018 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.

IFRS 16 Leases

It replaces existing IFRS leases requirements, IAS 17. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). The new leases standard requires lessees to recognise assets and liabilities for most leases, which is a significant change from current requirements. For lessor, IFRS 16 substantially carries forward the accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Note 3 PROPERTY, PLANT AND EQUIPMENT

Figures in EUR - Consolidated

	IT equipment	Other fixtures and fittings	Total
Gross book value as at December 31, 2014	**54,846**	**231,876**	**326,371**
Additions in period	-	2,413	2,413
Disposals in period	-	-	-
Translation difference	(514)	(2,188)	(2,702)
Gross book value as at December 31, 2015	**54,332**	**232,101**	**326,083**
Accumulated Depreciation as at December 31, 2014	**(52,070)**	**(222,874)**	**(314,596)**
Charge for the period	(136)	(527)	(663)
Disposals in the period	-	-	-
Translation difference	486	2,073	(28)
Accumulated Depreciation as at December 31, 2015	**(51,720)**	**(221,328)**	**(312,699)**
Net book Value as at December 31, 2014	**2,776**	**9,002**	**11,776**
Net book Value as at December 31, 2015	**2,612**	**10,773**	**13,384**
Depreciation method	Linear	Linear	
Depreciation period (Years)	2-4	3-9	

There were no impairment charges in 2015 and 2014. Motor vehicles with a gross book value of EUR 39,650 at 31 December 2015 are still in use, however they are completely amortised.

Note 4 INVESTMENTS PROPERTIES

Figures in EUR - Consolidated

	2015	2014
Opening balance as at January 1	28,439,367	29,304,367
Additions in period	92,823	--
Disposals	(1,147,448)	(301,944)
Fair value adjustment during the period	(769,161)	(588,292)
Translation differences	(209,012)	25,236
Carrying amount as at December 31	**26,406,570**	**28,439,367**

Investment properties consist of land and buildings at various locations in Romania. The fair value of investment property as at 31 December 2015 is based on a valuation by an independent valuer who holds a recognized 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 comparables 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 2015 and 2014. For each property three comparables 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. Land price varies depending on the size of the plot. In case of development sites, the larger the plot, the lower the price per square meter. In terms of size, based on market evidence, land plots were grouped in several intervals, as follows: smaller than 1,000 sq m, between 1,000 and 5,000 sq m, between 5,000 and 10,000 sq m, between 10,000 and 50,000 sq m and larger than 50,000 sq m. If comparison was made with sites that are in different size intervals, a 5% adjustment was applied.

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 comparables 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 comparables. 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 2015 relate to the sale of a plot of land in Brasov and the sale of smaller plots of land in Tatar Peninsula, all with a total carrying value of EUR 1,147,448. These disposals have been made at a selling price slightly higher than the carrying amount resulting in a profit of EUR 68,594.

Note 5 INVENTORIES

Figures in EUR - Consolidated

	2015	2014
Opening balance	**2,387,984**	**2,544,337**
Additions	4,550	171
Disposals	(112,776)	-
Change in provisions	26,981	(174,170)
F/X reserve	(20,824)	17,646
Balance as at December 31	**2,285,915**	**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 2015, inventories relate to the Oasis project (EUR 2.26 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**	
	2015	**2014**	**2015**	**2014**
Trade receivables	116,787	194,609	-	-
VAT receivable	38,506	29,096	-	-
Other prepayments	381,833	7,733	7,000	7,000
Other short-term receivables	12,079	11,914		
Total	**549,296**	**243,352**	**7,000**	**7,000**

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. The prepayments include mainly the amount of interest paid in advance (EUR 358,426) to Alpha Bank in order to extend the maturity of the loan. 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
2015	549,296	531,422	17,874	-	-	-	-
2014	243,352	231,305	12,047	-	-	-	-

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, 2014	**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**
New issues in the period	-	-	-	-
Reduction in par value of shares	-	-	-	-
Total share capital December 31, 2015	**41,367,783**	**103,419**	**87,117,249**	**87,220,668**

There were no changes to the share capital or the number of shares during 2014 and 2015.

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 2016

Shareholder	Holding	%
SIX SIS AG 25PCT ACCOUNT	11,699,278	28.30
THORKILDSEN KAY TØNNES	5,415,756	13.10
GRØNSKAG KJETIL	3,850,307	9.30
TONSENHAGEN FORRETNINGSSENTRUM 2 A	1,614,444	3.90
SILJAN INDUSTRIER AS	1,600,000	3.90
SKANDINAVISKA ENSKILDA BANKEN S.A	1,323,372	3.20
SAGA EIENDOM AS	1,223,667	3.00
CO/JONAS BJERG NTS TRUSTEES LTD	1,058,306	2.60
ENERGI INVEST A/S	1,000,000	2.40
SPAR KAPITAL INVESTO	940,236	2.30
CARNEGIE INVESTMENT BANK DK BRANK	851,692	2.10
THORKILDSEN INVEST A	829,478	2.00
ORAKEL AS	800,000	1.90
HOEN ANDERS MYSSEN	689,557	1.70
CLEARSTREAM BANKING	649,417	1.60
PERSSON ARILD	588,000	1.40
LOHNE PER OVE	508,500	1.20
SKANDINAVISKA ENSKILDA BANKEN AB	508,384	1.20
KBC SECURITIES NV	477,676	1.20
DANSKE BANK A/S	457,998	1.10
TOTAL TOP 20	**36,086,068**	**87.20**

(1) This is the Top 20 Shareholder list as per 31 March 2016.
(2) The total issued number of shares issued at end 2015 was 41,367,783.
(3) RomReal Director Arne Reinemo controls directly or indirectly SILJAN INDUSTRIER AS.
(4) The above list is the 20 largest shareholders according to the VPS print out; please note th shareholders might use different accounts and account names, adding to their total holding.

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, 2014	**(68,179,338)**	**(67,304,929)**
Net profit in the period	(2,213,791)	(1,870,820)
Retained earnings as of December 31, 2015	**(70,393,130)**	**(69,175,749)**

No dividends will be distributed by the Group in respect of 2015.

Note 9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to EUR 541,160 at 31 December 2015 (EUR 507,164 at 31 December 2014). At parent Company level, cash and cash equivalents amount to EUR 360,832 at 31 December 2015 (EUR 347,526 at 31 December 2014). None of the Group's cash balance is restricted at 31 December 2015.

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	
	2015	**2014**	**2015**	**2014**
Trade payables	83,464	21,747	-	
Employee taxes	3,531	-	-	
Other payables	60,506	52,656	50,318	24,492
Trade payables	**147,501**	**74,402**	**24,492**	**24,492**

At 31 December 2015, the balance of EUR 60,506 Other payables for the group as well as the balance of Other payables of EUR 50,318 for the parent Company, include EUR 44,488 accrued expenses related to the 2015 audit fees.

Note 11 AVAILABLE FOR SALE FINANCIAL ASSETS

The Group invested in 2013 in in a bond issued by Svenska Handelsbanken. The bond was issued in perpetuity with a call option for the issuer 16 December 2015. The Company sold the bond on Q3 2015.

As of end 2015, within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement the estimate of net realisable value was 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.

Note 12 INTEREST-BEARING LOAN

As at 31 December 2015 the Group consolidated net interest-bearing debt amounted to EUR 11,600,000, principal amount only as interest has been paid in advance for the whole period until maturity (2014: EUR 12,229,555, including EUR 11,442,439 principal amount and EUR 787,116 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 Group exercised the option to extend by 1 year until 29 Nov 2016. The extension of the loan bears interest at a rate of EURIBOR+3% and was paid in advance. 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. The book value of the security EUR 18.1 million which implies a loan to value ratio of 62%.

As of 31 December 2015, the above mentioned loan, with a total balance including accrued interest of EUR 11,600,000, 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. In order to exercise a new extension option, the key conditions are related to the prepayment of interest for the new extension period and a loan to value ratio of maximum 65% based on an external valuation at the time of extension. Nevertheless, the Group 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.

Note 13 OPERATING INCOME

Figures in EUR - Consolidated

		2015	2014
Rent revenue		271,789	255,348
Sales of investment property		1,216,043	164,202
Cost of sales- investment property	4	(1,147,448)	(301,944)
Total operating income		**340,383**	**117,606**

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 271,789 (2014: 255,348). Future minimum rentals receivable under non-cancellable operating leases as at 31 December are, as follows:

Figures in EUR - Consolidated

	2015	2014
Within 1 year	271,789	341,838
After 1 year	-	-
Total operating income	**271,789**	**341,838**

The Sales of investment property during 2015 relate to the sale of the Brasov plot and 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 85,497 (2014: EUR 99,996)

The Directors are shown below together with their interest in the shares of the Company per 31 December 2015 and per 31 December 2014:

		31 December 2015	31 December 2014
Kjetil Grønskag	Appointed November 2006	3,850,307	3,850,307
Arne Reinemo	Appointed April 2014	1,600,000	1,600,000
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
Adrian Cristea	CEO - Appointed October 2015	Nil	Nil
TOTAL		**7,344,665**	**7,344,665**

The average number of employees in Westhouse Group during 2015 was 5. Payroll expenses related to these employees amounted to EUR 153,890 as of December 31, 2015 (2014: 112,704). All compensations offered by the Group are short term benefits. The Group does not offer a pension plan or other long term 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**	
	2015	**2014**	**2015**	**2014**
Management fee	(64,000)	(64,000)	(64,000)	(64,000)
Legal expenses	(23,764)	(23,844)	-	(1,860)
Rent expenses	(18,098)	(18,201)	-	-
Travel expenses	(10,527)	(6,217)	-	-
Professional services	(163,868)	(125,777)	(132,618)	(121,958)
Land and other taxes	(56,339)	(44,071)	-	-
Other expenses	(224,959)	(297,824)	(37,868)	(6,013)
Total	**(561,555)**	**(579,934)**	**(234,488)**	**(193,831)**

Professional services expenses for 2015 include audit fees accrual amounting to EUR 44,488. The audit fees are all charged at RomReal Ltd level.

Note 16 OTHER OPERATING EXPENSES

For RomReal (the parent Company) "Other operating (expenses)/gains" of EUR 3.1 million in 2015 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 2014 "Other operating expenses" amounted to EUR 3.05 million.

Note 17 FINANCIAL INCOME AND EXPENSE

The fair value of investment property as at 31 December 2007 is based on a valuation by an independent valuer.

Figures in EUR	**Consolidated**		**Parent Company**	
	2015	**2014**	**2015**	**2014**
Interest income from subsidiaries	-	-	1,595,677	1,590,056
Interest income from banks	22,451	2,552	21,913	-
Total financial income	**22,451**	**2,552**	**1,617,590**	**1,590,056**
Interest expense and other bank fees	(338,574)	(379,081)	(603)	(812)
Foreign exchange gain	5,863,202	3,531,752		

Foreign exchange loss	(6,456,014)	(3,515,057)	(7,724)	(2,703)
Total Financial expense	**(908,935)**	**(362,387)**	**(8,327)**	**(3,515)**

During 2015 the RON has fluctuated against the EUR and at year end was almost 1% weaker against the EUR. All interCompany 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 592,812.

The interest expense in 2015 and 2014 relates 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 2015.

Current income tax expense for 2015 was EUR 3,610 (2014: 9,631) 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, 2015 and December 31, 2014 are:

Figures in EUR - Consolidated

	2015	2014
Current income tax charge	3,610	9,631
Deferred income tax movement in the period	(15,778)	11,642
Income tax expense/(income) in the consolidated income statement	**(12,168)**	**21,274**

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

Figures in EUR - Consolidated

	2015	2014
Losses carried forward resulting in deferred tax asset	124,858	126,039
Fair value adjustments of Investment property resulting in deferred tax liability	58,581	74,782

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:

	2015	2014
Westhouse SRL	124,858	126,039
TOTAL	**124,858**	**126,039**

The deferred tax asset relates to the following:

	2015	2014
Carried forward fiscal losses	124,858	126,039
TOTAL	**124,858**	**126,039**

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

	2015	2014
Concorde SRL	47,395	70,936
Investate SRL	11,185	3,822
TOTAL	**58,581**	**74,782**

The deferred tax liability relates to the following:

	2015	2014
Revaluation of investment properties to fair value	58,581	74,782
TOTAL	**58,581**	**74,782**

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.

	2015	2014
Accounting taxable profits/(loss)	(2,225,959)	(1,745,331)
Tax at applicable rate of 16%	356,153	279,253
Tax effect of (expenses)/income that are not (deductible)/taxable in determining taxable profit	(343,986)	(300,526)
Tax (expense)/income	**12,168**	**(21,274)**

The Company has not recognised a deferred tax assets in respect of the carried forward tax losses for which there was not enough evidence to support future taxable income to offset them against. The Group can carry forward the tax losses for a period of 7 years on a rolling basis.

Note 19 DEFERRED INCOME

Deferred income at the end of 2015 included the down payment the Group received for the entering in a pre-sale agreement for some of the small plots sold out of Tatar Peninsula plot.

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 50,875,284, interest to 31 December 2015 included. Intergroup 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 four shareholders of North Bridge, which include Mr. Jonas Bjerg and Mr. Kjetil Grønskag. 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 secondees where appropriate. For these services North Bridge Group received an annual fee of EUR [64,000] during the year ended 31 December 2015 (2014: 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 2015, 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 (2014: EUR 0) in secondment fees and recharged EUR 2,776 (2014: EUR 1,354) of costs directly attributable to these services. The outstanding balance due to North Bridge Capital Partners at 31 December 2015 was nil (2014: EUR 0).

On 10 July 2015, RomReal announced the approval of a partial and conditional sale of 1,956 sqm of the Balada market plot, for a net price of EUR 537,900. While the transaction has not yet been completed, in March 2016 this agreement has been converted in a conditional guarantee, which give the Group the option to call on the buyer to execute the transaction. The buyer of the plot includes a member of the Thorkildsen family alongside other investors.

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 62% 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.

The fair value of the Group's financial assets and liabilities is equal to the carrying amount.

Credit risk
Credit risk is the risk that 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.

As of 31 December 2015, 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 11,600,000 loan from Alpha Bank. The loan carries a margin of 3% on EURIBOR up until 29 November 2016. Each 10 basis points change in the interest rate results in a EUR 11,600 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 2015	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest bearing loans	-	-	11,600,000	-	-	11,600,000
Other payables	-	147,501	-	-	-	147,501
Deferred income	-	-	70,133	-	-	70,133
Tax payable	-	49	-	-	-	49
Total	**-**	**147,550**	**11,670,133**	**-**	**-**	**11,817,683**

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**

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 currency of the parent Company and the one in which loans are denominated, 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 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 2015 and 31 December 2014.

As at year end 2015, the Group's equity represents 60% of the total assets, while financial debt taken from credit institutions represented 44% of the investment properties value.

	2015	2014
Interest bearing loans	11,600,000	12,299,555
External valuation of investment property	26,406,570	28,439,367
Loan to value ratio	44%	43%

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 1 years, maturing on November 29, 2016. During the period, the Group made a prepayment of EUR 1.3 million, mainly following the cashing of the payment related to the sale of the Brasov plot and some additional sales. 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 2015, the loan was classified as current liability.

Note 22 CONTINGENT LIABILITIES

As of December 31, 2015 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	Consolidated		Parent Company	
	2015	**2014**	**2015**	**2014**
The year's earnings from continuing operations	(2,213,791)	(1,766,604)	(1,870,820)	(1,755,705)
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	41,367,782	41,367,782	41,367,782
Earnings per share	**(0.05)**	**(0.04)**	**(0.05)**	**(0.04)**
Adjusted Earnings per share	**(0.05)**	**(0.04)**	**(0.05)**	**(0.04)**

Note 25 SUBSEQUENT EVENTS

None.

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 2015 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, 15.04.2016
The Board of Directors of RomReal Ltd

....
Kjetil Grønskag (Chairman)

....
Jonas Bjerg (Director)

....
Arne Reinemo (Director)

....
Arve Nilsson (Director)

....
Lacramioara Isarescu (Director)

………………………………
Adrian Cristea (CEO)

Company Addresses

Westhouse Group srl	Westhouse Group SRL, 208 Mamaia Boulevard, 900540, Constanta, Romania
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

IR
Harris Palaondas +40 731123037 | investors@RomReal.com

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

DISCLAIMER
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