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# RomReal Limited

## Investor presentation Q1 2016 results

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DnB Markets Event

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Mamaia Nord Plot



Lake Morii Plot - Bucharest



Alexandriei Plot - Bucharest

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# Highlights of the Q1 2016 results

## **Net Asset Value (NAV)**

- Net Asset value was EUR 0.44 (NOK 4.17) per share at the end of Q1 2016, unchanged from Q4 2015

## **Operational highlights**

- The Company sees increasing interest for its land bank, and it has several on-going discussions. The Company did not sell any plots during the quarter, but after the end of the quarter, RomReal has sold two plots on Tartar Peninsula close to the IFRS value and it has entered into a conditional agreement to sell 100% percent of Balada Market at slightly below IFRS value

## **Financial Results**

- Net Result for the quarter was EUR 425,000 compared to EUR 295, 000 in 1Q 2015. The profit is mainly explained by currency effects, with RON strengthening by 1.1% against the EUR. During the quarter, operating cash flow was almost neutral with minus EUR 87,000 compared to minus EUR 197,000 in the same period last year

## **Macro highlights**

- Romanian economy has the highest growth rate in EU in first quarter with 4.2%. The real estate market developed favorably in the quarter with increasing apartment prices, increased number of transactions, higher building permits and after the close of the quarter, the Prima Casa program was increased by RON 500 million

## NAV movement in Q1 2016

Asset base	Q1 2016			Q4 2015		
	EUR '000	EUR/share	NOK/share	EUR '000	EUR/share	NOK/share
Investment property	26,454	0.64	6.10	26,450	0.64	6.14
Inventories	2,287	0.06	0.53	2,286	0.06	0.55
Cash	454	0.01	0.10	541	0.01	0.12
Other assets/(liabilities)	(11,101)	(0.27)	(2.56)	(11,189)	(0.27)	(2.59)
Net asset value	18,093			18,089		
NAV/Share		0.44	4.17		0.44	4.22
Change in NAV	0%			-5.8%		

The total issued number of shares issued at end Q1 2016 was 41,367,783

## Financial highlights - IFRS

<b>EUR '000</b>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>2015</b>
Operating Revenue	74	66	1,488
Operating Expenses	(246)	(263)	(774)
Other operating income/ (expense), net	(187)	(485)	(1,986)
Net financial income/(cost)	802	971	(909)
Pre-tax result	444	289	(2,181)
Result for the period	425	295	(2,170)
Total assets	29,806	32,313	29,965
Total liabilities	11,713	12,630	11,876
Total equity	18,093	19,684	18,089
Equity %	60.7%	60.9%	60.4%
NAV per share (EUR)	0.44	0.48	0.44
Cash position	454	310	541

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## RomReal Properties Q1 2016

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	1,266
4 Ovidiu Town	Constanta North/Ovidiu	4,641
5 Ovidiu (Oasis)	Constanta North/Ovidiu	24,651
6 Centrepont	Constanta North/Ovidiu	121,673
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
<b>Total</b>		<b>1,246,656</b>

**For more information regarding the Properties of RomReal Ltd, please visit the Company's website [www.romreal.com](http://www.romreal.com)**

## Operational highlights

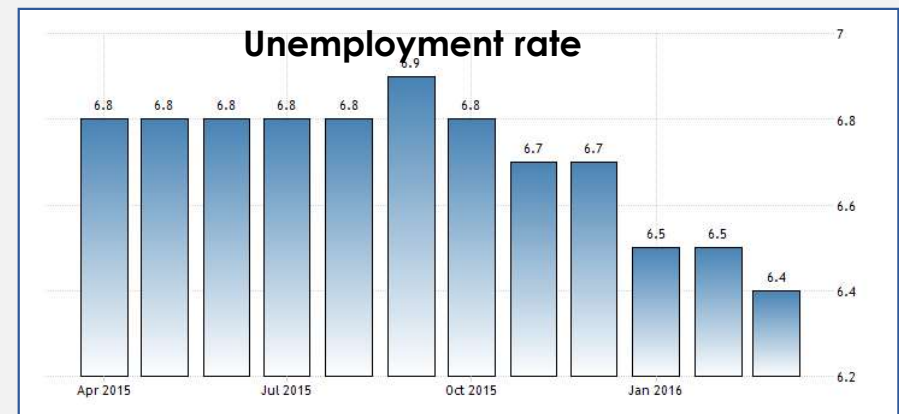


- The residential building market has improved during 2015. The Company has several ongoing discussions but did not manage to agree on any plot sales during the quarter. RomReal did receive serious bids on several of its assets, but no negotiations has so far concluded in a sale
- In April, RomReal entered into a conditional agreement to sell 100% of Balada Market at a price slightly below IFRS value. RomReal expects the transaction to close in the third quarter
- In May, RomReal sold two plots at the Peninsula Plot close to IFRS value. RomReal has now sold 14 out of 15 plots on Tartar Peninsula
- To focus even more on real estate operations, Mr. Adrian Cristea stepped down as the CEO of the holding company RomReal Ltd as of May 26, while remaining CEO of the operational company in Romania. The Chairman of the Board; Mr. Kjetil Grønskag, takes up the role as the holding company CEO



# Romanian Macro development

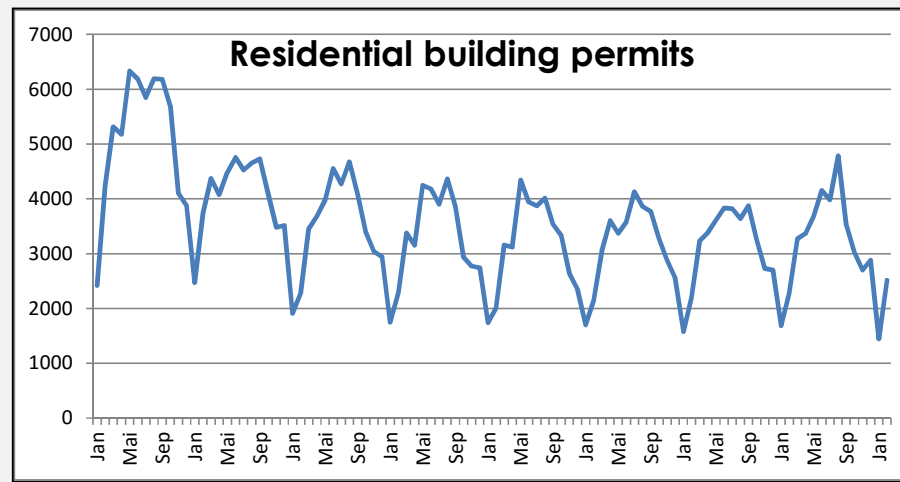
- The overall Romanian economy grew 4.2 percent in the first quarter of 2016, up from 3.8% for 2015. Romania is expected to grow around 4% for 2016, a far higher growth rate than for EU as a whole. The Interbank rate is still at 1.75% - a record low rate





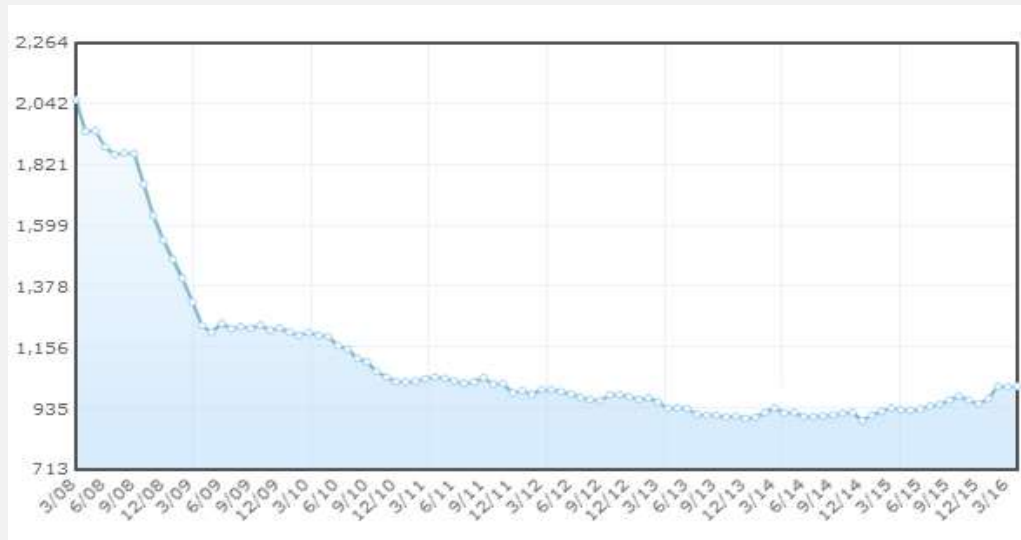
## Romania Real Estate Update

- In the first quarter, land transactions doubled compared to last year, according to DTZ Echinox
- Residential building permits rose 11% in February
- The Prima Casa program was increased in May by RON 500 million to ca. RON 2.1 billion for 2016, a very positive additional funding source for the residential market
- The Debt Discharge law has been active starting with May 2016 and enables mortgage-back loan holders with loans up to EUR 250.000 to transfer their asset to the creditor in exchange for loan write-off. Since the law was proposed, the Prima Casa program has been exempt from the law, an amendment which has reduced fears that the law will stop the current turnaround in the residential market.



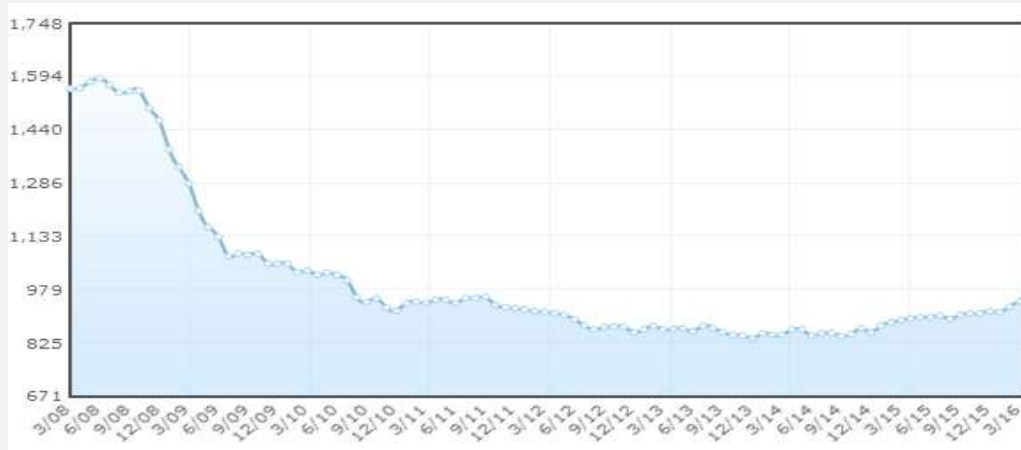
# Apartment Price Development

## Romania



- Apartment prices in Romania have increased 9.2% compared to April 2015

## Constanta



- Apartment prices in Constanta have increased 6.7% compared to April 2015

# Real Estate market examples

## NEPI's **The Park Apartments sales reach EUR 10 mln investment in 2015**

By [Residential](#) February 16, 2016 12:38 | 0 comments



**The Park Apartments, a residential complex near Tineretului Park, has registered sales amounting to EUR 10 million in 2015, with median transactions reaching EUR 85,000, developer Hanner announces.**

The project comprises four buildings totaling 430 apartments and is the result of an investment of EUR 40 million. The first building in the project has reached 100 percent occupancy rate, while the second building is nearing the reception stage.

Lithuanian developer Hanner is working on the remaining buildings in parallel, with people showing interest in The Park 3 and 4 already. According to company representatives, should the sales rate maintain at the same high level, construction works could be advanced by one year, to 2017.

Monthly sales observed a strong advance in the second part of 2015 for the building that has been finished, following a branding campaign done by the company. The most sought after units were two and three bedroom apartments, with the largest transaction standing at EUR 155,000 and the smallest at EUR 59,000.

NEPI had a positive impact on the market according to company representatives.

## RomReal shareholders as at 20/05/2016

Shareholder	Holding	%
SIX SIS AG 25PCT ACCOUNT	11,699,278	28.30
THORKILDSSEN 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
THORKILDSSEN INVEST A	829,478	2.00
ORAKEL AS	800,000	1.90
HOEN ANDERS MYSSSEN	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
<b>TOTAL TOP 20</b>	<b>36,086,068</b>	<b>87.20</b>

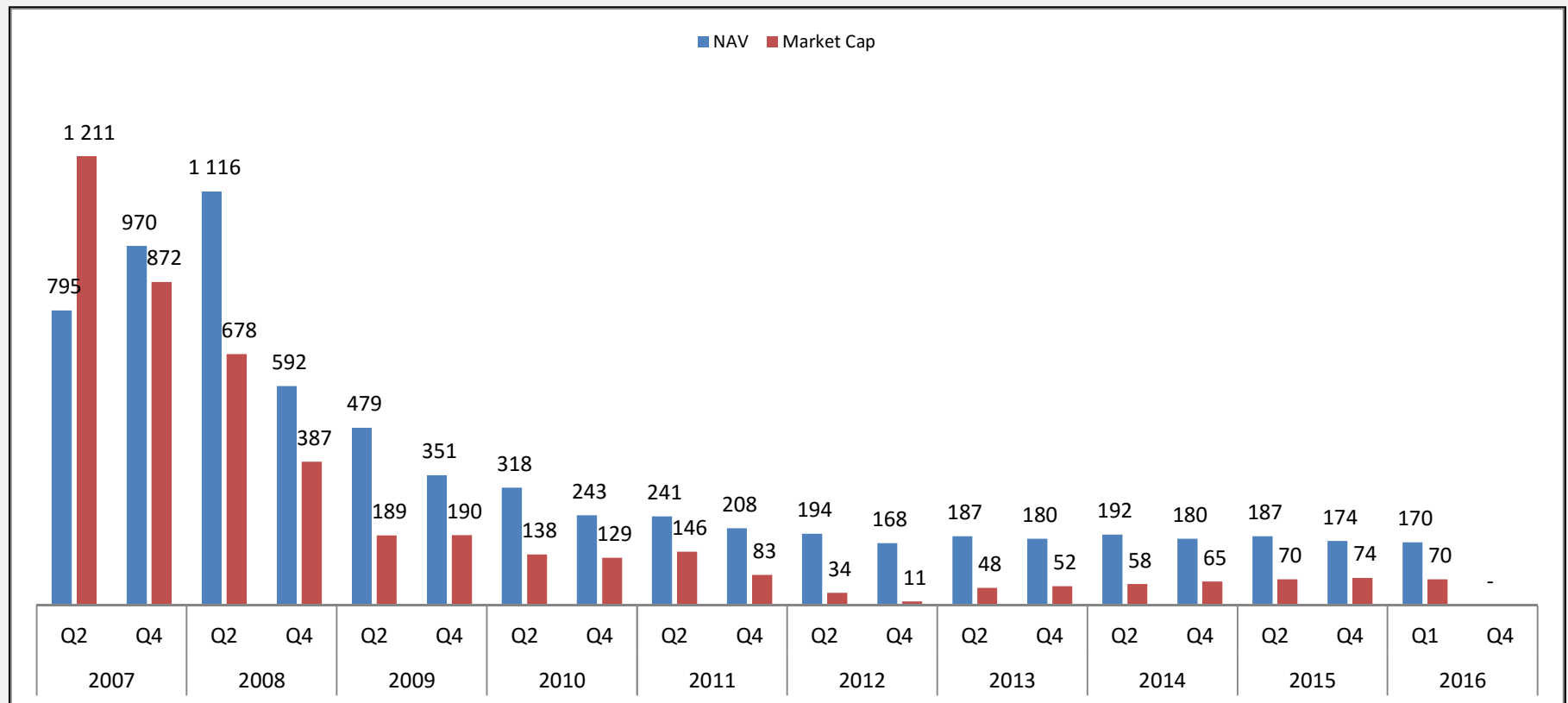
(1) The above list is the 20 largest shareholders according to the VPS print out; please note that shareholders might use different accounts and account names, adding to their total holding.

(2) There are 348 shareholders per 20.05.2016

(3) RomReal Director Arne Reinemo controls directly or indirectly SILJAN INDUSTRIER AS

# Market capitalization and NAV development

NOK million



Source: Company; OSE; Infront; Market capitalization numbers for 2007 and 2008 are Company estimates. Exchange rate YE for both quarters in year .

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## Main focus areas going forward

- The Company work on upgrading the regulatory status on it land bank and to divide plots into smaller units where RomReal believes it will improve the marketability of the assets.
- The Company expects further asset sales during the year.
- Following the Bermuda Holding CEO change, more time and top management resources is available to focus on value enhancing activities in Romania as sales, development and regulation.

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# Thank you

## **Investor Relations**

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For further information on RomReal, including presentation material relating to this interim report and financial information, please visit [www.romreal.com](http://www.romreal.com)

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