

# Q4

**RomReal Limited**  
**Fourth Quarter 2014 Report**  
**27 February 2015**



RomReal is a Company focusing on the Romanian Real Estate market. Established in 2005 it owns premium property in Constanta and Bucharest.

## **Highlights Fourth Quarter 2014**

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

Under IFRS, Net Asset Value was EUR 0.48 (NOK 4.04) per share at the end of Q4 2014, a decrease of 4.9% compared to the end of Q3 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 2% downwards adjustment of the value of its investment property, on a comparable plot basis at the end of 2013.

### **Financial Results**

Pre-tax loss in Q4 2014 of EUR 1.37 million (EUR 2.25 million). Total assets at end of Q4 2014 were EUR 32.5 million compared to EUR 33.85 million at end of Q4 2013.

### **Plot division and sales**

The total number of smaller plots sold during the year remains 5 for a total amount of EUR 164,000. In addition the Company concluded during the year a pre-sale agreement for the sale of its only land plot in Brasov for a gross price of EUR 1.05 million, the remaining due in April 2015.

### **Macro news**

Romania's economy reported a 2.9 percent GDP increase during 2014, after the last quarter of the year saw a 0.5 percent increase against Q3, and 2.6 per cent compared to Q4 2013, according to the National Institute of Statistics. One of the main drivers of growth was strong private consumption, supported by the rise in minimum wage by 18 per cent in July 2014.

Going forward, GDP is expected to continue its growth at a rate of 2.8-3.0 per cent per year (source: ECB). Recent interest rate cuts and falling inflation will continue to boost domestic demand. Annual average inflation is expected to decline to 1.0 per cent in 2015. 4th February 2015 the Romanian National Bank cut the monetary policy rate to 2.25%, and further cuts during this year is expected.

According to the largest online broker in Romania [www.imobiliare.ro](http://www.imobiliare.ro), apartment prices in Constanta have increased 2 per cent during 2014. This trend has continued and the average price increased another 2.4 per cent during January 2015 and are currently estimated at an average of EUR 876 per square meter.

## Key Financial Figures

EUR '000	Q4 2014	Q4 2013	2014	2013
Operating Revenue	57	116	420	399
Operating Expenses	(296)	(447)	(978)	(1,112)
Other operating income/ (expense), net	(122)	(1,496)	(825)	(823)
Net financial income/(cost)	(1,012)	(421)	(360)	(1,144)
Pre-tax result	(1,373)	(2,248)	(1,743)	(2,680)
Result for the period	(1,468)	(2,215)	(1,764)	(2,613)
Total assets	32,454	33,850	32,454	33,850
Total liabilities	12,534	12,179	12,534	12,179
Total equity	19,916	21,671	19,916	21,671
Equity %	61.4%	64.0%	61.4%	64.0%
NAV per share (EUR)	0.48	0.52	0.48	0.52
Cash position	507	973	507	973

### Movement in Net Asset Value

The movement in the Net Asset Value (NAV) in Q4 2014 was negative EUR 1.025 million. This shows a decrease of 4.9% compared to Q3 2014. This is mainly due to the foreign exchange effect resulting from the translation of the financial statements into EUR, the reporting currency of the Group, and as well adjustments based on the year-end independent valuation report by Knight Frank.

Asset base	Q4 2014			Q3 2014		
	EUR '000	EUR/share	NOK/share	EUR '000	EUR/share	NOK/share
Investment property	28,409	0.69	5.85	28,980	0.70	5.85
Inventories	2,388	0.06	0.52	2,563	0.06	0.52
Cash	507	0.01	0.13	652	0.02	0.13
Other assets/(liabilities)	(11,388)	(0.28)	(2.27)	(11,254)	(0.27)	(2.27)
Net asset value	19,916			20,941		
NAV/Share		0.48	4.04		0.51	4.22
Change in NAV	-4.9%			-1.2%		

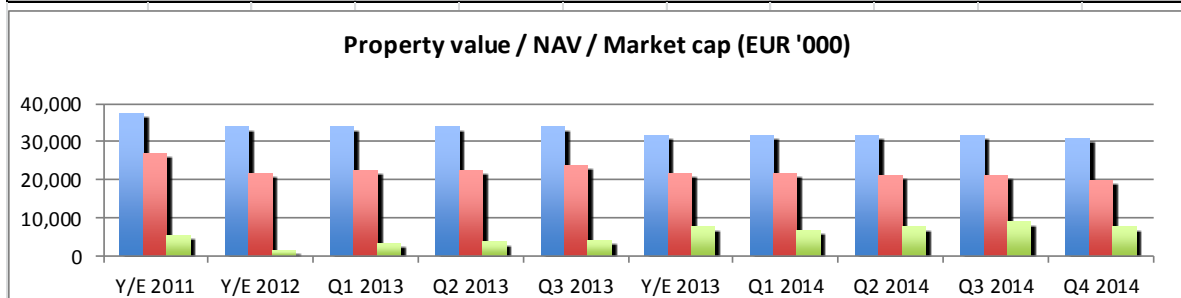
The total issued number of shares at end Q4 2014 was 41,367,783.

## Valuation of Properties

The end of year 2014 independent valuation of the Company's Property was executed by Knight Frank Romania. The Property portfolio was evaluated in accordance with the ANEVAR Valuation Standards 2014, which include the International Valuation Standards, issued by the IVSC in 2011. The valuation also complies with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB); and it is performed in accordance with the RICS Valuation Standards, 8th edition, as published by the Royal Institution of Chartered Surveyors (RICS) in March 2012.

Furthermore, taking into account the characteristics of the analysed properties, as well as the features of the local market, the valuator has considered the market comparison approach as the most suitable in estimating the market value of the properties. Still, in case of the Oasis residential project, the valuator has used the residual technique, taking into account its status. The above resulted in a EUR 30.80 million as sum of the fair values comprised in the analysed portfolio.

	Y/E 2011	Y/E 2012	Q1 2013	Q2 2013	Q3 2013	Y/E 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Property value	37,363	33,842	33,808	33,767	33,769	31,849	31,834	31,569	31,543	30,797
NAV	26,837	21,671	22,247	22,498	23,730	21,671	21,494	21,199	20,941	19,916
Market cap	5,335	1,520	2,864	3,300	3,977	7,623	6,426	7,479	8,974	7,541



## Cash Flow

EUR '000	2014	2013
Net cash flow from operating activities	(466)	(412)
Net cash flow used in investing activities	157	(731)
Net cash flows from financing activities	(157)	1,414
Net cash change during period	(466)	271

The cash flow from investing activities relates to the advance of EUR 157,000 received by the Group under the pre-sale agreements for the Brasov plot in 2014, and has been used entirely to reduce the Alpha Bank loan outstanding balance.

The Cash flow from investing activities EUR 731,000 for the year to date 31 December 2013 refers to a bond acquisition by the Company, with a view to invest the excess liquidity and secure a low risk return. The bond is rated BBB+ and carries a coupon of 4.19%. The bond is expected to be called by its issuer, Svenska Handelsbanken on 16 December 2015.

## Financing

### Overview of the Company's debt financing

As the end of Q4 2014 the Company's consolidated interest-bearing debt amounted to EUR 12.23 million, representing principal amount of EUR 11.442 million and interest accrued to date of EUR 0.788 million. This is an asset-backed 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 Q4 2010. During Q4 2012, the Company achieved an approval from Alpha Bank for a further extension of the loan for a period of 3 years until 30 Nov 2015, with a possibility afterwards for an extra 2 years subject to certain conditions. The extension of the loan bears interest at a rate of EURIBOR+3%, payable bullet on maturity. The Company has the option of extending the loan for an additional two (2) years, in subsequent periods of one (1) year, if the interest is paid in advance for each year of extension. For further extension the applicable interest rate will be Fixed Base Rate (to be provided by the Bank at the moment, by reference to 1 year swap rate) + 3.0% per annum. As part of the extension, the security was extended to include new real estate mortgage of EUR 6 million. The cash at hand and the financial bond investment is deemed to be sufficient to extend the loan in November 2015.

The table below shows the interest bearing debt for RomReal Ltd as at end Q4 2014 and estimated at maturity:

EUR '000	End Q4 2014	30 Nov 2015
Principal (Alpha Bank loan)	11,442	11,442
Accrued Interest	788	1,085*
Total	12,230	12,527

\*Estimated based on current Euribor levels

### Market Facts – Macro

Romania's economy reported a 2.9 percent GDP increase during 2014, after the last quarter of the year saw a 0.5 percent increase against Q3, and 2.6 percent compared to Q4 2013, according to the National Institute of Statistics. One of the main drivers of growth was strong private consumption, supported by the rise in minimum wage by 18 per cent in July 2014.

Going forward, GDP is expected to continue its growth at a rate of 2.8-3.0 per cent per year (source: ECB). Recent interest rate cuts and falling inflation will continue to boost domestic demand. Annual average inflation is expected to decline to 1.0 per cent in 2015. 4th February 2015 the Romanian National Bank cut the monetary policy rate to 2.25%, and further cuts during this year is expected.

On the negative side, for the first time direct foreign investments of EUR 2.1 billion in the first 11 months of last year were lower than the amounts taken out of the country by non-residents of EUR 2.7 billion.

## **Real Estate market facts**

Real estate deals in Central and Eastern Europe dropped 13 per cent year on year in 2014, to EUR 9.8 billion. Romania on the other hand ranked fourth in terms of deal volumes, after Poland, Russia and the Czech Republic, according to an analysis from CBRE. The analysis shows Romania attracted EUR 1.1 billion in investments (office, retail and industrial), more than three times compared to 2013 when it attracted EUR 351 million.

*Office:* Office has been by far the best performing real estate sector but there is good news coming from retail, logistics and industrial and to some extent residential.

According to CRBE, eight new office buildings were delivered in the first 9 months of 2014, representing an additional 4 per cent to Bucharest's office stock to 2.12 million sqm. Another per cent increase of stock was expected in Q4 2014 while projects under construction and planned for the next two years total another 166,000 sqm, according to market estimates.

Office has also reported the largest transactions. In Q4, Globalworth Real Estate Investments alone bought two office projects located in northern Bucharest – the first building of Skanska's Green Court Bucharest office project and the nearby Nusco Tower – for EUR 44 million and EUR 46 million respectively.

*Shopping space:* At the other end, 62,000 sqm of modern shopping space delivered in 2014 is the lowest annual level since 2005, according to JLL. Both the developed projects (Vulcan Centre in south west Bucharest and Shopping City Targu Jiu) were done by NEPI. The largest transaction on this segment this year involved NEPI which paid EUR 148 million for the 35,000 sqm Promenada mall in Bucharest. The seller, Raiffeisen Evolution had delivered the project in October 2013 following a EUR 130 million investment.

*Logistics and industrial space:* The manufacturing industry and retailers have been driving up demand for logistics and industrial space this year both in Bucharest and outside. Developers are expected to invest more in such projects starting 2015. The largest transaction involving logistics space this year was the sell by Austria's CA Immo of 215,000 sqm of warehouse space and 40 ha of land for development in Bucharest to Czech based PointPark Properties (P3).

### Residential market:

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

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

However, despite the slightly more active market, average housing prices remained stable in 2014 and into January 2015.

According to the largest online broker in Romania imobiliare.ro, apartment prices in Constanta have increased 2 per cent during 2014. This trend has continued and the average price increased another 2.4 per cent during January 2015 and are currently estimated at an average of EUR 876 per square meter.

Housing prices in Bucharest have remained flat over the last year ending December 2014 and are currently estimated at an average of EUR 1,061 per square meter.

#### Land market:

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

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

## **Operational Overview**

### **Sales of Plots**

As part of the focus to realize the value locked in its Land Bank, the Management is actively working to improve zoning and plot sizes with the aim to increase the plots' attractiveness. The total number of smaller plots sold during the year remains 5 for a total amount of EUR 0.164 million as no other plot was sold during Q4. During 2014 constructive progress has been achieved in the process of obtaining zoning permits and other authorisations for several of the plots, hopefully improving marketability in the future.

With regards to the pre-sale agreement for the land plot in Brasov, the transaction is expected to close by April 2016 for a selling price marginally above the carrying amount determined based on the independent end of year valuation by Knight Frank. As part of the agreement with Alpha Bank, the proceeds will be used to reduce the outstanding bank debt and the cashed down payment has already been utilised to reduce the loan outstanding.

### **Rental Income**

The main income producing asset of the Company is the Balada market in Constanta. The asset has a total letting area of 1,250 sqm which is leased out to small retail businesses.

Other income producing assets of the Company include the agricultural land in Constanta, which is currently rented out to farmers.

### The Property Portfolio

Total size of the Company's Property Portfolio ("Land Bank") totalled 1,254,967 sqm at the end of Q4 2014.

Plot name	Location	Size (m2)
1 Ovidiu Lakeside	Constanta North/Ovidiu	61,029
2 Badulescu plot	Constanta North/Ovidiu	50,000
3 Tatar Peninsula	Constanta North/Ovidiu	4,297
4 Ovidiu Town	Constanta North/Ovidiu	4,641
5 Ovidiu (Oasis)	Constanta North/Ovidiu	25,127
6 Centrepont	Constanta North/Ovidiu	122,350
7 Gunaydin plot	Constanta North/Ovidiu	15,000
8 Balada Market	Central Constanta	7,188
9 Carrefour plot	Constanta	15,000
10 Morii Lake	Bucharest Sector 6	11,716
11 Hospital plot	Bucharest Sector 5	13,263
12 Brasov plot	Central Brasov	4,127
13 Un-zoned land	Constanta	865,062
14 Mamaia North plot	Navodari/Mamaia	56,167
<b>Total</b>		<b>1,254,967</b>

### Shareholder Information

Please see below the list of the top 20 shareholders in RomReal as of 23 February 2015.

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



Notes:

- (1) This is the Top 20 Shareholder list as per 23 February 2015.
- (2) The total issued number of shares issued at end Q4 2014 was 41,367,783.
- (3) Thorkildsen Invest AS is a company controlled by RomReal CEO Kay Thorkildsen. Altogether RomReal CEO Kay Thorkildsen owns 15.09% of the Company.
- (4) RomReal Director Arne Reinemo controls directly or indirectly SILJAN INDUSTRIER AS.
- (5) The above list is the 20 largest shareholders according to the VPS print out; please note that shareholders might use different accounts and account names, adding to their total holding.

## Prospects

The cash in hand and the financial bond investment is deemed to be sufficient to extend the Alpha Bank loan in November 2015.

The Company targets to create value for its investors by seeking to sell individual plots from its Land Bank at attractive prices. The Management is proactively seeking to procure buyers through its network of contacts in Romania and abroad, and by dealing with incoming requests from interested parties.

In addition to aiming to sell 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, fencing and similar. During 2014 progress has been achieved in several regulation processes, hopefully improving marketability in 2015 and ahead.

Management will also attempt to create income from the plots in its Land Bank by renting out to third parties for commercial use, structured in a way so it does not prevent or interfere with an eventual sale of the plots.

## **INFORMATION ON FINANCIAL CONDITION AND OPERATING RESULTS**

### **Accounting Principles**

The financial statements for the Q4 2014 report have been prepared in accordance with IAS 34 – Interim Financial Reporting. The quarterly result has been prepared in accordance with the current IFRS standards and interpretations. The accounting policies applied in the preparation of the quarterly result are consistent with the principles applied in the financial statements for the year to 31 December 2013.

### **Comparative data for Q4 2014 and Q4 2013**

The interpretations below refer to comparable financial information for Q4 2014 and Q4 2013. They are prepared for RomReal on a consolidated basis and use consistent accounting policies and treatments.

### **Operating Revenue**

The operating revenue during Q4 2014 was EUR 56,000 compared to a total of EUR 116,000 in Q4 2013. The income relates to the rent received on some of the land bank assets awaiting development (EUR 56,000 in Q4 2014 vs EUR 66,000 in Q4 2013). The reduction in rent is related to the incentives granted to tenants with a view to timely meet due rental payments.

### **Operating Expenses**

Total operating expenses amounted to EUR 296,000 in Q4 2014 compared to EUR 447,000 in Q4 2013. Out of these operating expenses, the payroll costs were EUR 58,000, similar to the level registered in Q4 2013. Adjustment for inventories not considered, the total operating expenses of the Company in Q3 2014 were around 13% lower than the ones in the same quarter of 2013. Out of the total operating expenses, the main cost items relate to general and administration costs in connection with the running of the Group.

### **Other operating income/ (expense), net**

The other operating income/(expense) is driven by the change in the value of investment property as a result of the year end independent valuations as well as the effect of the foreign currency exchange rate before translating them into the functional currency of the Group. During Q4 2014, based on the independent valuation report, the Company included an adjustment of the Investment Properties amounting to EUR 560,000. This was partly offset by the currency effect.

The net of Other Operating Income/ (Expense) in Q4 2014 amounted to a net loss of EUR 122,000, compared to a net loss of EUR 1,496,000 in Q4 2013.

### **Profit/ (loss) from operations**

During Q4 2014, RomReal generated an operating loss of EUR 361,000, compared to a loss of EUR 1,827,000 in Q4 2013.

## Financial Income and expense

The interest expense includes the expense accrued for the period with the interest in respect of the Alpha Bank loan in amount of EUR 94,000. Foreign exchange result for Q4 2014 was a loss of EUR 913,000 compared to a net foreign exchange loss of EUR 327,000 in Q4 2013. During the quarter the year the RON depreciated by 1.5% against the EUR.

The main items that generate foreign exchange differences are the inter-Company loans and the loan taken from Alpha Bank in principal amount of EUR 11.4 million plus its accrued interest to date.

The Company's policy is to hedge these effects by retaining most of its cash in Euros and also by denominating all receivables in Euros. Although not reflected from an accounting perspective, practice in real estate is that transactions are denominated in EUR and payments made at the exchange rate ruling at the date of payment, hence reducing the risk of cash losses due to exchange rate movements.

## Result before tax

The result before tax in Q4 2014 was a loss of EUR 1,373,000 compared to a loss before tax of EUR 2,248,000 in Q4 2013.

## Cash and cash equivalents

The Company's cash and cash equivalents position at end of Q4 2014 was EUR 507,000 compared to EUR 652,000 as at end of Q3 2014.

Following the finalisation of the rights issue exercise in 2013 aimed at consolidating the cash position of the Group, it decided to place part of the collected proceeds into a financial asset. The Group invested in a bond issued by Svenska Handelsbanken. The bond is issued in perpetuity but the issuer has a call option for 16 December 2015. The bond was acquired at 102.43% of par and carries a coupon of 4.19%. The bond is expected to be called by its issuer at par and the expected yield to maturity amounts to 3.01%. At the end of Q4 2014, the principal amount placed in the bond and the accrued interest totalled EUR 734,000.

## Taxation

The Company is required to calculate its current income tax at a flat rate of 16%. From 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 Company accounts for deferred tax on all movements in the fair values of its investment properties at a flat rate of 16%. Any change in the deferred tax liability or change in the deferred tax asset is reflected as an element of income tax in the profit and loss statement. The Company recognises deferred tax asset for the amount of carried forward unused tax losses to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

## CONSOLIDATED INCOME STATEMENT (UNAUDITED)

Figures in thousand EUR

	Q4 2014	Q4 2013	2014	2013
Rent revenue	56	66	255	340
Revenue from sale of assets	0	50	164	59
<b>Operating revenue</b>	<b>57</b>	<b>116</b>	<b>420</b>	<b>399</b>
Payroll expenses	(58)	(57)	(213)	(252)
Depreciation and amortization	(6)	(5)	(14)	(16)
Management fees	(16)	(16)	(64)	(70)
Inventory (write off)/reversal	(134)	(260)	(174)	(240)
General and administrative expenses	(83)	(109)	(514)	(534)
<b>Operating expenses</b>	<b>(296)</b>	<b>(447)</b>	<b>(978)</b>	<b>(1,112)</b>
	-	-	-	-
<b>Profit/ (loss) before other operating items</b>	<b>(240)</b>	<b>(331)</b>	<b>(559)</b>	<b>(713)</b>
Other operating income/(expense), net	(122)	(1,496)	(825)	(823)
<b>Profit from operations</b>	<b>(361)</b>	<b>(1,827)</b>	<b>(1,383)</b>	<b>(1,536)</b>
Interest income	(4)	2	(2)	10
Interest costs	(94)	(96)	(379)	(359)
Foreign exchange, net	(913)	(327)	22	(795)
	-	-	-	-
<b>Result before tax</b>	<b>(1,373)</b>	<b>(2,248)</b>	<b>(1,743)</b>	<b>(2,680)</b>
Tax expense	(95)	33	(21)	67
<b>Result of the period</b>	<b>(1,468)</b>	<b>(2,215)</b>	<b>(1,764)</b>	<b>(2,613)</b>

## CONSOLIDATED BALANCE SHEET (UNAUDITED)

Figures in thousand EUR

ASSETS	December 31, 2014	December 31, 2013
<b>Non-current assets</b>		
Intangible fixed assets	-	0
Financial assets	734	733
Investment properties	28,409	29,304
Property, plant and equipment	42	23
Deferred tax asset	126	144
<b>Total non current assets</b>	<b>29,311</b>	<b>30,204</b>
<b>Current assets</b>		
Inventories	2,388	2,544
Other short term receivables	236	123
Prepayments	8	7
Cash and cash equivalents	507	973
<b>Total current assets</b>	<b>3,138</b>	<b>3,646</b>
<b>TOTAL ASSETS</b>	<b>32,450</b>	<b>33,850</b>
<b>EQUITY AND LIABILITIES</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
<b>Equity</b>		
Share capital	103	103
Contributed surplus	87,117	87,117
Other reserves	425	425
Retained earnings	(66,413)	(63,783)
Result of current period	(1,764)	(2,630)
FX reserve	447	439
<b>Total equity</b>	<b>19,916</b>	<b>21,671</b>
<b>Non current liabilities</b>		
Non current debt	12,230	12,011
Deferred income tax	75	81
<b>Total non current liabilities</b>	<b>12,304</b>	<b>12,092</b>
<b>Current Liabilities</b>		
Other payables	74	86
Deferred income	154	0
Tax payable	1	1
<b>Total current liabilities</b>	<b>230</b>	<b>87</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,450</b>	<b>33,850</b>

## STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Figures in thousand EUR

	December 31, 2014	December 31, 2013
<b>Profit for the year</b>	<b>(1,764)</b>	<b>(2,613)</b>
<b>Other comprehensive income</b>		
Exchange differences on translation of foreign operations	9	351
<b>Other comprehensive income for the year, net of tax</b>	<b>9</b>	<b>351</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>(1,756)</b>	<b>(2,262)</b>

## CASH FLOW STATEMENT (UNAUDITED)

Figures in thousand EUR

	December 31, 2014	December 31, 2013
Net cash flow from operating activities	(466)	(412)
Net cash flow used in investing activities	157	(731)
Net cash flows from financing activities	(157)	1,414
<b>Net cash change during period</b>	<b>(466)</b>	<b>271</b>
Cash at beginning of period	973	702
<b>Cash and cash equivalents at end of the period</b>	<b>507</b>	<b>973</b>

## STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Figures in thousand EUR

	December 31, 2014	December 31, 2013
Equity at the beginning of the period	21,671	22,474
Result for the period	(1,764)	(2,630)
Equity increase	-	1,376
Other changes	9	451
<b>Equity at the end of the period</b>	<b>19,916</b>	<b>21,671</b>

## **CONTACT INFORMATION**

RomReal Limited

Postal address: Burnaby Building, 16 Burnaby street, Hamilton HM11, Bermuda Telephone:

Tel- +1-441-293-6268 Fax +1-441-296-3048 | [www.RomReal.com](http://www.RomReal.com)

Visiting address: 208 Mamaia Avenue, Constanța, Romania

Tel: +40-241-551488 Fax: +40-241-551322

## **IR**

Harris Palaondas

+40 731123037 | [investors@RomReal.com](mailto:investors@RomReal.com)

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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