romreal

ANNUAL SHAREHOLDERS REPORT 2007

www.romreal.com

Oasis Residences

Central Apartment

Coralia Residence

RomReal - Developing communities
with unrivaled build quality in Romania

Contents




CHAIRMAN'S STATEMENT

March 2008
Oslo, Norway

Dear Shareholders,

It gives me great pleasure to present the Annual Report and Accounts of RomReal for the year ended 31 December 2007. 2007 has been a milestone year for RomReal; not only has the Company continued to expand its land Bank but it has invested significant resources in expanding its development capability on the ground in Romania.

The Company's listing on the Oslo Stock Exchange (OSE) was completed in June 2007 and represented a significant milestone in RomReal's development. RomReal was the first Eastern European property company to list on the OSE and the first to take advantage of the robust Norwegian economy and investors' eagerness for diversification into eastern European property investments.

The Company has continued to benefit from the strong Romanian economy and the healthy appetite for new residential developments. During 2007 the Company's asset value has grown by EUR 57.8 M to EUR 147.7 M, representing a growth of 64.4 % or EUR 0,7 per share.

In 2007 RomReal commenced its strategy to develop its extensive land bank in Romania. This has only been made possible by the recruitment of some of the best talent. I am very proud of the strong team which RomReal has established in Romania and I am sure that this will reap significant benefits as we push forward with our development schedule.

RomReal has commenced work on its first three developments totalling 530 units during 2007 – the Oasis, Central and Corallia projects. I am pleased to report that we are making good progress with these developments.

We have commenced concept planning on a further 4 developments with a combined Gross Build Area of around 400,000 sqm. We will continue to work with strategic partners in order to support these developments and to ensure the timely delivery of these projects to the Romanian marketplace.

Our focus remains on the Black Sea coastal city of Constanta in Romania. I am pleased to report that the macro economic indicators remain positive for this region – underpinning our long term growth strategy, even though there are some short term uncertainties.

I remain confident in the long term potential of the Romanian economy and that RomReal's land acquisition and development strategy will go on delivering healthy investment returns into 2008.

As ever I would like to thank our dedicated and hard working team and our shareholders for all of their efforts in 2007.

Kjetil GRONSKAG
Chairman

CHIEF EXECUTIVE'S

RomReal has benefited this year from the continued growth in the Romanian Economy. On a like for like basis **RomReal's** land bank has increased by 41% in 2007. Additionally there have been a number of key acquisitions during the year which have also contributed significantly to this growth in asset value.

Profit before tax for the year was EUR 28.2 M compared to EUR 13.5 M for 2006. It is important to remember that this profit figure includes Net Valuation Gains of EUR 42.2 M which have arisen from the increase in the market value of the Company's Investment Property (Land Bank) portfolio.

The Company's investment portfolio was valued by Colliers CRE in Romania at 31 December 2007 and the average increase of the portfolio on an asset-by-asset basis in the year was 41 %.

RomReal has continued to develop its land portfolio during the year. Significant developments during the year have been:

- **Mamaia North** – 56,200 sq m, mixed use development site
- **Bus Station** – additional plot adjacent to development site
- **Balada Market** – additional plot adjacent to development site
- **Centrepoint** – additional plot adjacent to development site

It has been the Company's strategy during the year, with the exception of the Mamaia North plot to focus on acquiring strategically important pieces of land adjacent to existing land plots. Such relatively minor land acquisitions greatly enhance the development potential of the existing plots.

Oasis Residences

REPORT

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CONSTANTA NORD RESIDENCES

Central
Apartments

projects
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OASIS
CONSTANTA NORD RESIDENCES

Corallia
holiday apartments

RomReal has 19 investment properties as at 31 December 2007:

Plot	Location	Description
1. Ovidiu Lakeside	Constanta North/Ovidiu	**Plot size: 61,433 sq m;** • On the shore of Siutghiol Lake • Extraordinary view to Mamaia and the Black Sea • Residential development
2. Badulescu Plot	Constanta North/Ovidiu	**Plot size: 50,000 sq m;** • On Constanta to Bucharest road • Potential for residential or offices development
3. Tatar Peninsula	Constanta North/Ovidiu	**Plot size: 11,489 sq m;** • View towards Mamaia and Siutghiol Lake • Potential for residential development
4. Ovidiu Town	Constanta North/Ovidiu	**Plot size: 4,641 sq m;** • Residential area • Potential for residential development
5. Oasis	Constanta North/Ovidiu	**Plot size: 27,212 sq m;** • Construction Permit and PUD obtained for Oasis Residences • Residential development
6. Centerpoint	Constanta North/Ovidiu	**Plot size: 122,350 sq m;** • Potential for commercial development • Very close to the International Airport of Constanta and Bucharest-Constanta highway
7. Gunaydin Plot	Constanta North/Ovidiu	**Plot size: 15,000 sq m;** • Near to Costanta-Ovidiu ring-road • Potential for commercial development
8. Mamaia Plot	Mamaia Resort	**Plot size: 1,200 sq m;** • Construction Permit obtained for Corallia Holiday Apartments • Residential development
9. Mamaia North Plot	Mamaia Resort	**Plot size: 56,167 sq m** • One of the largest development sites on Black Sea coast • Potential for mixed use development
10. Dacia Plot	Central Constanta	**Plot size: 3,006 sq m;** • Construction permit and PUD obtained for Central Apartments • Residential development
11. Bus Station	Central Constanta	**Plot size: 5,437 sq m;** • Close to a new shopping mall, lake and a beautiful park • Very dynamic area • Potential for mixed use development
12. Balada Market	Central Constanta	**Plot size: 7,188 sq m;** • The plot area is close to the city center • Potential for mixed use development
13. Carrefour Plot	Constanta	**Plot size: 15,000 sq m;** • Industrial and warehouse area • Located near a new retail development
14. Aurel Vlaicu Plot	Constanta	**Plot size 22,500 sq m** • Pre-sale agreement signed January 2008
15. Un-zoned Land	Constanta	**Plot size: 891,801 sq m** • Long-term development opportunity
16. Morii Lake	Bucharest/ District 6	**Plot size: 11,716 sq m plot;** • The plot is opened to Morii Lake • Construction permit and PUD obtained for 50,000 sq m
17. Hospital Plot	Bucharest/ District 5	**Plot size: 13,623 sq m** • Long-term development site
18. Bucharest Office Villa	Bucharest/ District 5	**Plot size: 900 sq m** • Located near Bucharest city-center in a select neighbourhood
19. Brasov Plot	Central Brasov	**Plot size: 4,127 sq m** • Very close to the forest • Potential for residential development

DEVELOPMENTS OVERVIEW

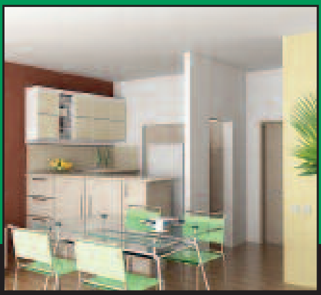
In our goal to develop the northern part of Constanta, transforming the static real estate market into an exciting dynamic one, we've secured important plots of land, three of them currently being developed, ultimately offering residential projects based on comfort, style, accessibility and most important: **sustainability**.

Presently, three residential projects are being developed, each one with a unique characteristic in order to provide a wide selection of residential opportunities. The developments are placed in its natural surroundings, each project being built in perfect conformity with the environment.

The most ambitious of them all is **Oasis Residences**, a 10 building project on the shore of Lake Siutghiol, also being a new concept in Romania, that of aiming to create a community of people with access to many recreational facilities within the area, with very attractive features, thus adding social development to the town in which it's placed. The unique aspect of the project is the close proximity to the lake, offering nautical opportunities, and the generous green space it will be surrounded by.

Central Apartments, another exciting project, is located in the heart of Constanta City, being the first project in the area, offering town citizens a great alternative to their current home, with affordable prices, spacious apartments and unbeatable finishings quality. The third project currently under development is comprised of holiday homes, situated in Constanta's most attractive and dynamic holiday resort. **Corallia Holiday Apartments** offers luxurious and top quality finished apartments, including penthouses with wide terraces.

These three projects are proof of the company's ambition to develop intelligent and sustainable residential projects for the future and to expand the network of developments to more high potential urban areas of Romania.



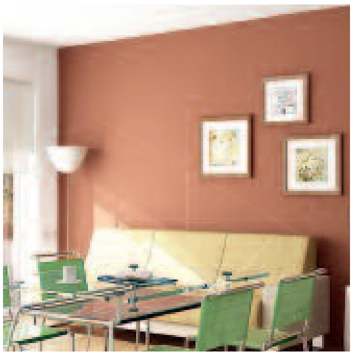
Oasis. Live in harmony!

CURRENT DEVELOPMENTS

OASIS – 409 primary and secondary use homes in Constanta North

Key figures:

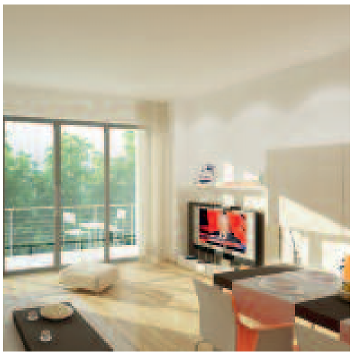
Total Built area: 34,700 sqm
No. of Apts: 409
No of parking spaces: 415
Price range: EUR 64k – 334k +VAT
Average selling price: EUR 1,250*/ sq m excl. VAT
Apts sizes: 48 - 196 sq m



CENTRAL – 89 primary use homes in central Constanta

Key figures:

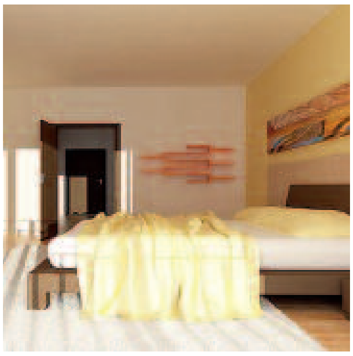
Total Built area: 14,007 sq m
Number of Apartments: 89
No of parking spaces: 89
Price range: EUR 74k – 176k + VAT
Average selling price: EUR 1,330*/ sq m excl. VAT
Apartments' sizes: 49 – 123 sq m



CORALLIA – 36 secondary (holiday) apartments in the Black Sea resort of Mamaia

Key figures:

Total Built area: 4,873 sqm
No. of Apts: 36
No of parking spaces: 43
Price range: EUR 115k – 388k + VAT
Average selling price: EUR 1,683*/ sq m excl. VAT
Apts sizes: 69 – 315 sqm



*Based on sales values to date

OVERVIEW

OASIS RESIDENCES

OASIS

CONSTANTA NORD RESIDENCES

www.oasisresidences.ro

Oasis is the first residential complex that brings life to Constanta North, at only a 5 minute drive from the city. Oasis is close to important commercial centres, in an urban zone in full development process. Situated on the lakeshore of Lake Siutghiol, Oasis offers a dock ideally designed for private boat owners. Besides pleasant walks, jogging, tennis or swimming, one can practice different sports like water skiing or yachting, and by crossing the lake one can get to Mamaia or the old isle of Ovidiu.

Oasis successfully combines nature's wonder and human talent. With a total built area of 34,700 sq m, the residential complex incorporates 10 buildings with intelligent apartments designed according the highest European building qualities, over 8,000 sq m of green space, children playgrounds, tennis court, swimming pools, lakeside boardwalk and boathouse.

This unique residential project doesn't only represent new living spaces in Constanta, but the creation and development of an entire community.

Oasis. Live in harmony!

Features:

- Swimming pool
- Tennis court
- Boathouses
- Playground
- Restaurant
- Building Management System

Agent: COLLIERS INTERNATIONAL

Side view - Oasis Residences

Interior view - Oasis Residences

CENTRAL APARTMENTS

www.centralapartments.ro

Central Apartments will offer a new and improved lifestyle for the residents of downtown Constanta. The inhabitants will live in a modern and spacious apartment, with high quality finishings, in a new, green and safe neighbourhood. They will have their own parking space and quick access to all of the important Constanta boulevards. Living in a central area, they will have the opportunity to go everywhere they will want with ease.

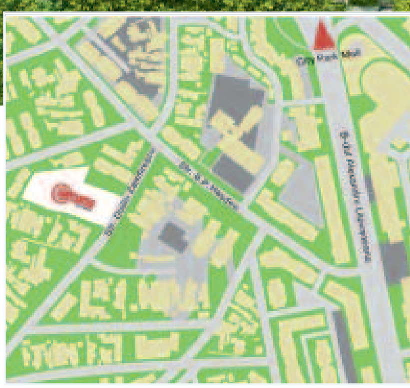
Situated in the Dacia neighbourhood, Central Apartments is the first residential project in the area, offering unbeatable advantages for anyone who wishes to upgrade to a clean, safe area in a large, stylish apartment. Moving up has never been so easy!

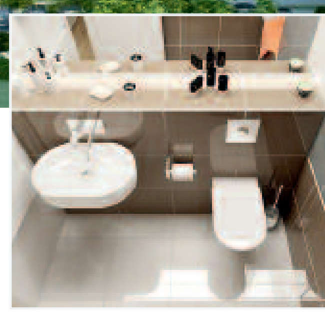
Access-wise, having a home in Central Apartments means being close to many points of interests because it is situated in a central downtown area. The project is very close to the Tomis Boulevard. The Black Sea is 10 minutes away by car and 30 minutes away walking. There are a few banks in the area, Tomis Mall is approximately 4 km away and Kaufland is also nearby. Education institutions are close to Central Apartments: Gulliver kindergarten is 500 m away, on B P Hasdeu Street and School No. 12 on the same street.

Features:

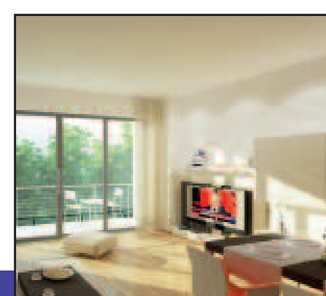
- Prime residential neighborhood
- Secured garden area and playground
- Direct access to main city boulevards
- Variety of transport links in the area
- Close to shopping centers, school, kindergarten

Agent: EUROEST





Aerial view - Central Apartments



Interior view - Central Apartments

CORALLIA

www.corallia.ro

Closer to vibrant beaches, luxurious restaurants, energy-pulsing clubs and extraordinary scenery. Corallia is all about a dream holiday summer resort, designed at state-of-the-art western quality.

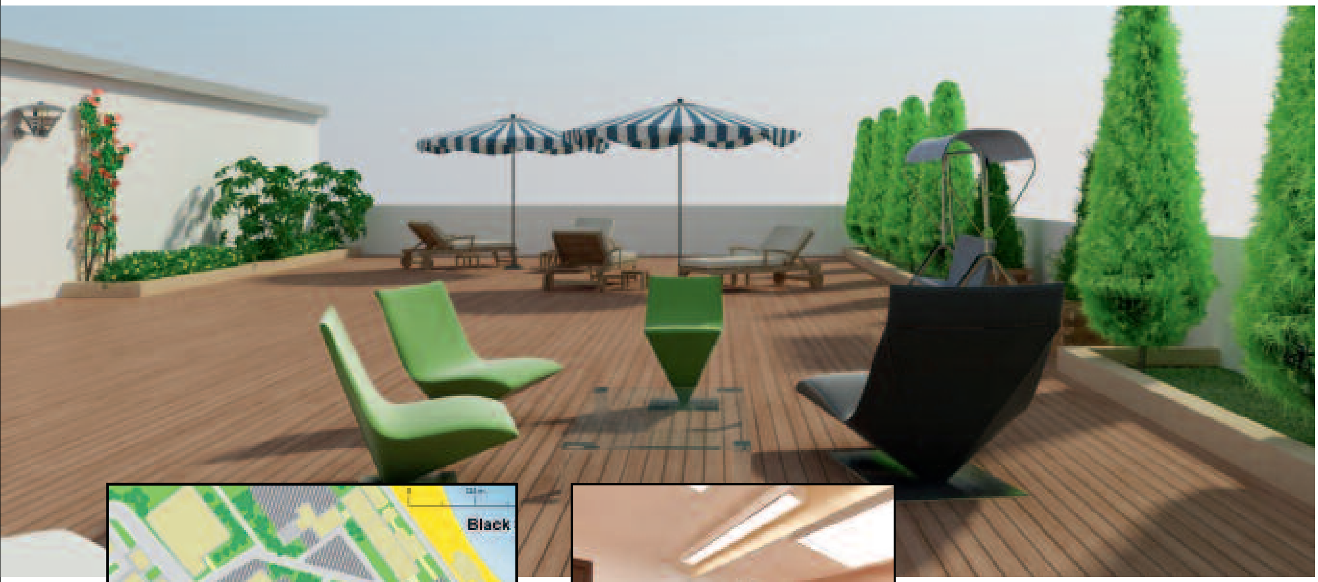
Located in an exclusive and fashionable area at the entrance of Mamaia, opposite to the Holliday Park (Satul de vacanta), Corallia takes you to the core destination in summertime, offering a generous palette of entertainment and relaxation facilities.

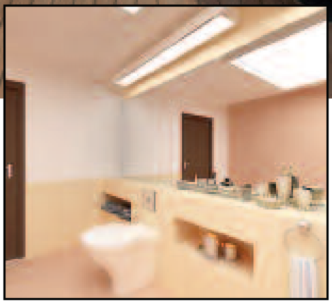
With 36 high quality finished apartments and a few footsteps from the beach Corallia ads style to the Mamaia atmosphere, contributing to the upscale movement of the resort.

Corallia was built on one purpose: to satisfy all your holiday wishes. There are 36 luxurious suites to choose from, offering wide opened terraces to feel that cool morning sea breeze.
To leave extra effort aside, one will have the option of purchasing a fully furnished suite.

Features:

- Restaurant at ground floor
- A 2-minute walk to the beach
- Surrounding green space
- Shopping centers in the area
- Within local area: Holiday Park, Aqua Magic Park, Natural Science Center





Top terrace - Corallia Residence

Interior view - Corallia Residence

FUTURE DEVELOPMENTS

Continuing the line of unique, intelligent real estate developments, RomReal is already planning its future projects with an even greater level of complexity than its first three developments. An exciting project in the northern part of Mamaia, Constanta, Mamaia North will bring a futuristic building design that will take full advantage of the surroundings, combining residential, office and commercial spaces, beautifully blending with the environment. Another fantastic location is Lake Morii, located in the western part of Bucharest, Romania's Capital, soon shaping into a residential and office project because of its unique special location.

The future is an exciting one, as time goes by, more details are being shaped for these projects and well located, strategically important plots of land give vast possibilities for successful developments.

RomReal is currently in the concept planning and pre-development stages of its next 4 development opportunities:

MAMAIA NORTH

- **located in Mamaia, Constanta**
- 150,000 sqm mixed use development (residential, leisure, retail)
- Milestone development for Constanta and Romania
- Concept architect studies underway
- RomReal currently undertaking market study with Cushman & Wakefield to explore development strategies
- RomReal exploring development consortium partners

LAKE MORII

- **located in Bucharest**
- 50,000 sqm mixed use development (residential, office)
- 11,716 sqm. Planning for 50,000sqm Gross build.
- RomReal currently undertaking best use studies to determine optimal mix of offices / residential
- Exploring strategic development opportunities with partners

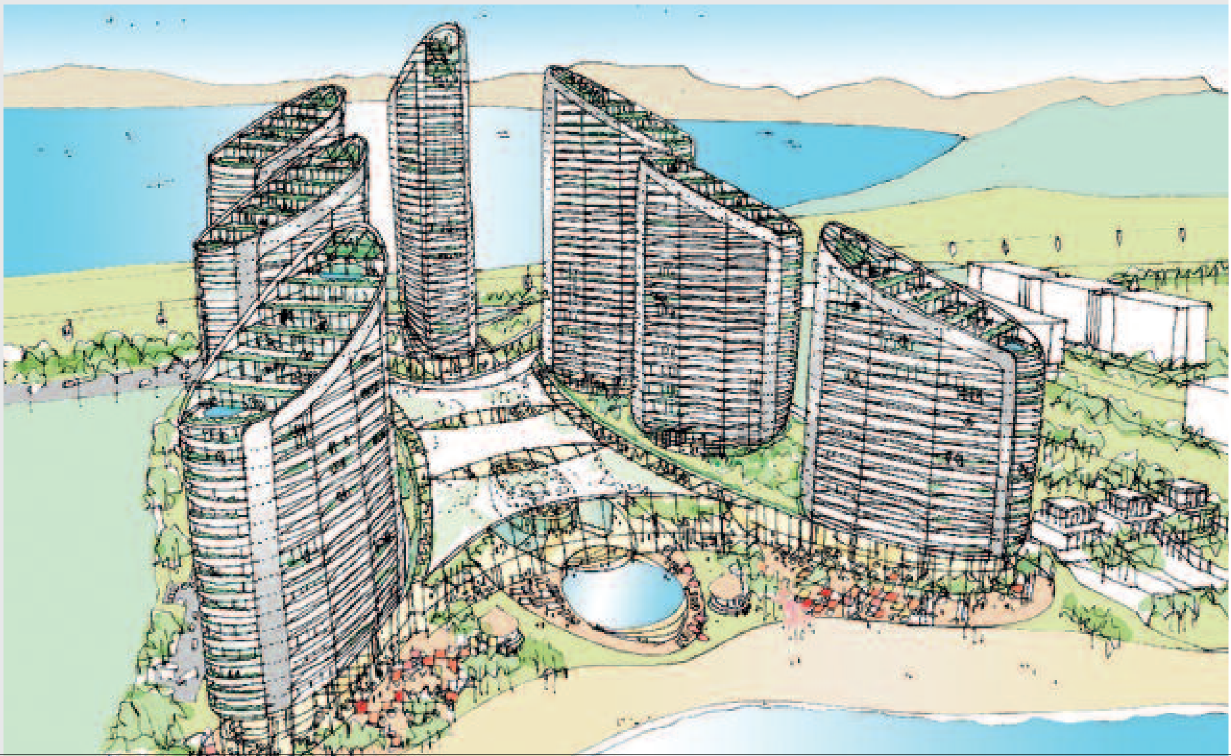
BUS STATION

- **located in Central Constanta**
- 55,000 sqm mixed use development (Residential, commercial and office)
- Prime central mixed use development in Constanta – opposite City Park Mall 23,000 retail development
- Potential 55,000sqm mixed-use complex (residential, commercial and offices)
- RomReal currently undertaking best use studies to determine optimal mix of offices / residential / commercial
- Exploring strategic development opportunities with partners

OVIDIU LAKESIDE

- **located in Constanta North**
- 50,000 sqm residential development
- Lakeside residential development opportunity in popular residential district of Constanta North
- RomReal currently undertaking strategic studies
- RomReal currently exploring strategic options with this development opportunity

Aerial view - Mamaia North



Market overview

The city of Constanta and its satellite areas are on the list of regions with great economic potential in Romania. During the next few years, municipality rehabilitation programs and private investment projects will place the city amongst the references in urban design quality and touristic attractions in South-Eastern Europe.

General data

The Municipality of Constanta is the economic and administrative centre of the county with the same name. It is located in the south-eastern extremity of Romania. The eastern side of the municipality is bathed by the Black Sea, with the Danube River flowing approximately 50 km away from the western extremity of the city. Given its location, Constanta has a multi functional naval port, the largest on the Black Sea, the fourth largest in Europe and a large surface of beach areas paked with touristic facilities that attract both Romanian and foreign tourists each year in the summertime.

There are a number of important infrastructure triggers for Constanta's economic development:

1. Motorway to Bucharest: this key highway is part of the EU's "transport artery" strategy and currently extends from the Bucharest ring road to within 30-40 minutes drive of Constanta, depending on traffic conditions. Once complete the journey between the cities will be reduced to around 2 hours. It will also improve freight transport, as the existing road is particularly limiting for large vehicles.

2. Port development: the EU and other bodies have invested in grain handling and other port facilities and there is a programme of upgrading the Danube links. There is a canal link from Constanta to the Danube which creates a feeder traffic transfer point at the port. Since 2003, when Dubai Ports acquired the main terminal, container volumes have increased five-fold from EUR 206,449 to EUR 1,037,077 in 2006.

3. Railway connections are being upgraded and will provide for a similarly short journey time to the capital. The rail route will also facilitate container and other bulk traffic. The modernisation process was initiated in 2006 and is expected to be completed at a cost of EUR 820m in 2009. Travelling times to Bucharest will then be reduced to around 1.5 hours, as the trains will run at 160-200 kph.

4. Airport: currently served by charter flights. The airport is likely to be developed to host scheduled services and is an important base for US forces. A cargo terminal is planned. The Irish airline Ryanair will commence flights from Italy and UK during the second quarter of 2008.

5. Constanta Ringway: a link road connecting Agigea in the south, the new motorway to Bucharest and Ovidiu north of Constanta in a 23km perimeter road. This is expected to take 3 years to build, funded in part by the EBRD (EUR 145m).

Municipal projects

In 2007 several restoration and development projects have been presented by the City Hall in order to enhance tourism, attract future investments, consolidate the urban infrastructure, ease traffic and overall to transform Constanta into a top European city. An oak-shaped "lake city" on Lake Siutghiol that will represent a main holiday attraction, having docks on the sides, restaurants and bars on land; waterskiing possibility on the same lake, or the Tomis Port development, the building of a naval lock between Lake Siutghiol and the Black sea to enhance naval traffic; these are only a few examples of the future Constanta sustainable development plan.

Real estate market forecast

The real estate market in Constanta is expected to follow the same pattern as the one already established in Bucharest. New residential units will be made at a higher level of quality, respecting the market trend, the same applying for both permanent and secondary homes. Sales prices should continue to rise as a consequence of the increase in land and raw materials price as well as the demand increase.

One of the changes that 2007 brought and 2008 is expected to follow is the arrival of more international developers that until now have been focusing mostly on the Bucharest market, but are already valuing the long term potential of Constanta, searching for land and investment opportunities.

Therefore the next few years expect should bring exciting modifications to the city's characteristics, developing beyond interesting and useful facilities, a sustainable environment for its citizens.

ROMREAL ETHICAL POLICY

Introduction
RomReal's ambition is to bring Western standards of development to the Romanian real estate market. In doing so, we believe we are improving the quality of life for all residents, and delivering a habitat which is both cost and energy efficient to live in. Our ambition is being delivered through a focus on a range of areas, ensuring that Western standards of quality are accompanied by Western standards of sustainability.

Energy
RomReal is very conscious of the impact that energy generation and usage has on our planet. From initial site surveys, through to the specification of fixtures and fittings, we aim to identify the most energy-efficient solutions. We are constantly seeking more intelligent and sustainable approaches to building design, construction and materials. Most importantly, we place great emphasis on creating spaces that are inspiring to live in, and support a low-energy, sustainable lifestyle.

Water
RomReal understands that water is a precious resource. All our developments consider ways in which usage can be reduced, both during construction and occupancy. Where possible, we specify ways of increasing the efficiency of water usage within the infrastructure of our developments, delivering responsibility and cost-efficiency.

Materials
RomReal is aware of the impact that our choice of materials can have. We select all our construction materials very carefully, protecting natural resources, reducing carbon emissions, and providing a safe and healthy environment for the residents in all our developments.

Waste
RomReal is mindful of the need to manage (and wherever possible reduce) waste across the company's operations from all stages of the build process to the use of recycled paper for marketing communications. We also endeavour to support and encourage residents in their own recycling efforts.

Transport
By providing ample car park spaces within each development, RomReal acknowledges the importance of the motor car as a preferred means of transport. However, we also include secure storage facilities for cycles, and when possible, we locate developments close to existing transport networks and local shopping facilities to reduce car-dependency.

Landscaping
As a responsible developer, RomReal is aware of the importance not just of our buildings, but of the micro-environment that surrounds them. From the beginning of every project, we look for ways to create a landscape which uses existing resources intelligently, and offers efficient ongoing maintenance.

We focus on the needs of the existing community, new residents and the bio-diversity of the local environment to shape landscapes that respect nature and add value to our developments.

Community

RomReal is completely dedicated to its communities. Both the existing local residents (where they exist) and the new communities that will inhabit our developments. We work on everyone's behalf to conceive and build developments that facilitate a healthy, enjoyable and sustainable lifestyle. Essentially, from introducing improvements to the local infrastructure, to including spaces for socialising and local amenities, we aim to build sustainable communities for everyone.

Healthy Living

RomReal recognises our responsibility to support healthy lifestyles and meet the needs and aspirations of residents. We seek to maximise the natural benefits of sunlight, daylight and open space within each of our developments. Where possible, we offer on-site leisure and communal facilities and integrate ways of providing residents with access to fresh food produce.

Education

RomReal seeks to deliver sustainable development through its ethical policy and working practices. Our terms of reference include requirements for economic and social progress at a local level. We are proud to support educational initiatives, both those that spread best practice in sustainable development, and those that enhance the local educational infrastructure in general. We see ourselves as an enduring partner for the region, and want to create lasting improvements that raise standards of living and employment for the next generation.

Front view - Central Apartments

CORPORATE GOVERNANCE

Companies listed on the Oslo Stock Exchange are required to provide an annual statement of their principles for corporate governance. Romreal was listed in Summer 2007 and aims to comply with the Norwegian code of practice for corporate governance of 28 November 2006. A presentation of the way the company has organized or plans to organise itself in accordance with this code is shown below.

Romreal owns 11 subsidiaries in Romania. Westhouse Group SRL, the largest subsidiary, was established in 2005. During 2007 the company recruited its local executive management. This team was in full operation together with some key business roles and functions, covering areas like Sales and Marketing, Finance and Accounting or Development.

Values base and ethical guidelines

Romreal respects a strong ethical policy plan by which it wishes to implement certain key principles in business, project development and environment, being the only developer to adopt such actions in Romania via its subsidiary, Westhouse Group SRL.

At a business ethics level, Westhouse Group SRL implies sustainability and unity in the actions it makes and in communication standards. Each product, either of a material or intellectual nature has a backbone identity complied with the **ethical policy.**

At a project level, either residential, office or commercial spaces, the same technical principles are used, keeping the inhabitant's comfort and the space utility as a reference, and an intelligent structure adapted to the surrounding environment. From structures built so as each inhabitant could watch the sunrise, to the **recycling** of reused materials, or internal programs to develop the **civic spirit,** the ultimate objective is that to provide projects with good integration in the contemporary ethical demands.

At an environmental level, the priority consists of **valuing** the land's potential so as to assure the respect of the surrounding environment whilst keeping the maximum **green** space area as possible, protecting it by using environmental friendly materials.

As we develop as an organization, we assure that we can **respect** more and more complex objectives without neglecting the importance of the social environment and define our organizational **identity** as correctly as possible.

Object

The company’s object of activity is the management, acquisition, sale and development of property, including participation in other companies which are related to such.

General meeting

The general meeting is the company's ultimate authority. The board will see to it that general meeting becomes an effective forum for the company's shareholders.
The board sets the agenda for the general meeting. Directors, the chief executive and chief financial officer will also be in attendance.

Board of directors, work of board

The board currently has four non-executive directors, of whom three have interests in the company. The board's composition is intended to ensure a broad business and management background, while its members collectively have an in-depth understanding of the property market, merger and acquisition activities, financing and capital markets. The background and experience of directors is presented on the company's website.

The board has overall responsibility for managing the group and for supervising the executive management and the group's activities. Its principal tasks include determining the company's strategy, monitoring its operational implementation and control functions which ensure acceptable management of the company's assets. The board appoints the CEO and Romanian executive management team.

Risk management and internal controls

Overall goals and strategies are established and further developed through a continous updating of Romreal's strategy. The executive management and the board are currently pursuing a process to establish a values base and ethical guidelines.
On the basis of this strategy instructions have been established for important areas such as finance and accounting, sales and marketing, development. Governing processes have been established on the basis of these policies in important areas. The board will annually review the company's most important risk areas and its internal control.

Auditor

The plan of the board of Romreal is that the auditor will present the main features of the audit work once a year, considers the annual report when significant changes in accounting principles, assessment of significant accounting estimates and possible disagreements between auditor and executive management arise, confirms once a year in writing that the requirements for the auditor's independence are fulfilled, and provides an overview of services other than auditing which have been rendered to the company.

Paul BASHIR
Chief Executive Officer

DIRECTOR'S REPORT 2007

Report of the Directors
The directors present their report and the audited financial statements for the year ended 31 December 2007.

Review of activities
The principle activity of the Company is that of land acquisition and property development.

A review of the activities and strategy of the Company is given in the Chairman's statement and the Chief Executive's review on pages 3 to 4. The Company is required to prepare a business review incorporating comment on key performance indicators and this is covered in the review of activities.

Directors' interests
The directors are shown together with their interest in the shares of the Company at 31 December 2007 and 31 December 2006:

		31 December 2007	31 December 2006
Thor Bjordal	Appointed November 2006	45,450	45,450
Kjetil Gronskag	Appointed November 2006	1,360,200	1,137,000
Mihai Buia	Appointed November 2006	-	-
Egil Bauer- Nilson	Appointed March 2007	-	-
Carine Smith	Appointed March 2007	-	-

Egil Bauer-Nilson has resigned from the board on March 19th 2008

Profit after taxation for the year ended 31 December 2007 was EUR 21,298,571 (2006: EUR 10,042,504).

The Directors have not recommended a dividend for the period.

Creditors
It is Company policy to settle all debts with its creditors in accordance with the individual creditors payment schedule. In general all suppliers are paid by no later than 30 days following the month of receipt of the invoice.

Employees
The Company places considerable value on the involvement of its employees and keeps them informed of all relevant matters on a regular basis.

Charitable Donations
The Company made charitable donations of EUR 49,000 (2006: EUR 2,270). These donations were made to Ramona-Giovanni Bosco Foundation in Constanta, Romania, local volleyball club and the Norwegian Embassy.

Annual General Meeting
The 2007 Annual General Meeting will be held by the Company on April 7th, 2008 in Hamilton, Bermuda.

The company will recommend the re-appointment of Ernst & Young AS in Norway as Group auditors and electing of the board for the forthcoming financial period.

By order of the board

Signed on behalf of the Board of Directors of RomReal Ltd.

Kjetil GRONSKAG
Director

Thor BJORDAL
Director

FINANCIAL STATEMENTS

2007

CONSOLIDATED INCOME STATEMENT

Figures in EUR

	Notes	2007	2006
Rent revenue		424,394	238,618
Other revenue		57,116	9,831
Operating revenues		**481,510**	**248,449**
Payroll and related expenses	14	(1,292,238)	(342,764)
Depreciation and amortisation expense	3, 5	(109,389)	(15,136)
General and administrative expenses	15	(6,113,071)	(7,267,872)
Operating expenses		**(7,514,698)**	**(7,625,722)**
Profit before other operating items		(7,033,188)	(7,377,323)
Gain from revaluation of investment properties	16	42,187,730	20,320,617
Other operating costs		(925,845)	(15,516)
Profit from operations		**34,228,697**	**12,927,778**
Financial income	17	1,269,061	1,926,453
Financial costs	17	(7,246,549)	(1,309,667)
Profit before taxes		**28,251,209**	**13,544,564**
Tax expense	18	(6,952,638)	(3,502,060)
Result of the period		**21,298,571**	**10,042,504**
Earnings per share from continuing operations	**23**	**0.49**	**0.35**
Earnings per share from continuing - diluted	**23**	**0.49**	**0.35**

CONSOLIDATED BALANCE SHEET

Figures in EUR

ASSETS	**Notes**	**December 31, 2007**	**December 31, 2006**
Non current assets			
Property, plant & equipment	3	1,650,014	4,794,245
Investment properties	4	119,032,431	53,760,798
Software	5	26,765	19,061
Deferred tax assets	18	19,615	20,941
Total non current assets		**120,728,825**	**58,595,044**
Current assets			
Inventories	6	10,833,622	443,271
Trade receivables and other receivables	7	942,143	688,690
Cash and cash equivalents	11	15,221,684	30,107,786
Total current assets		**26,997,449**	**31,239,746**
Total assets		**147,726,273**	**89,834,791**

Figures in EUR

LIABILITIES AND EQUITY	**Notes**	**December 31, 2007**	**December 31, 2006**
Equity			
Issued share capital	8	63,827,638	35,769,501
Share premium	8	21,918,855	15,040,592
Retained earnings	9	38,150,571	11,449,542
Reserve	10	562,472	2,134,241
Translation reserve		(2,720,499)	810,776
Total equity		**121,739,037**	**65,204,652**
Non current liabilities			
Non current liabilities	13	1,050,833	-
Long term portion of leasing liability		15,052	158,729
Deferred tax liability	18	10,071,250	4,504,335
Total non current liabilities		**11,137,135**	**4,663,064**
Current liabilities			
Trade and other payables	12	975,356	7,818,465
Interest-bearing loan	13	13,830,000	12,000,000
Short term portion of leasing liability		14,144	13,320
Income tax payable		3,546	116,506
Deferred income		27,055	18,785
Total current liabilities		**14,850,101**	**19,967,076**
Total liabilities and equity		**147,726,273**	**89,834,791**

Signed on behalf of the Board of Directors

Kjetil GRONSKAG
Director

Thor BJORDAL
Director

STATEMENT OF CHANGES IN EQUITY

Figures in EUR

	Share Capital	Share Premium	Retained Earnings	Translation Reserve	Other Reserves	Total
Balance as of 31 December 2006	**18,796,948**	-	**1,407,038**	**(29,161)**	-	**20,173,925**
Profit for the period	-	-	10,042,504	-	-	10,042,504
Currency translation difference	-	-	-	839,937	-	839,937
Share options granted	-	-	-		43,638	43,638
Revaluation of property, plant and equipment	-	-	-	-	2,090,603	2,090,603
Income and expense recognised directly in equity	-	-	-	**839,937**	**2,134,241**	**2,974,178**
Total recognised income and expense for the year	-	-	**10,042,504**	**839,937**	**2,134,241**	**13,016,682**
Issue of share capital	16,973,453	-	-	-	-	16,973,453
Share premium	-	19,030,081	-	-	-	19,030,081
Costs related to capital issue	-	(3,989,489)	-	-	-	(3,989,492)
Total equity from shareholders	**16,973,453**	**15,040,592**	-	-	-	**32,014,045**
Balance as of 31 December 2006	35,769,501	15,040,592	11,449,542	810,776	2,134,241	65,204,652
Profit for the period	-	-	21,298,571	-	-	21,298,571
Revaluation of PPE					3,311,855	3,311,855
Currency translation difference	-	-	-	(3,531,269)	-	(3,531,269)
Share options granted	-	-	-	-	94,026	94,026
Transfer of land from PPE to Inventory	-	-	5,402,458	-	(5,402,458)	0
Other reserves	-	-	-	-	424,808	424,808
Income and expense recognised directly in equity	-	-	**5,402,458**	**(3,531,269)**	**(1,571,769)**	**299,420**
Total recognised income and expense for the year	-	-	**26,701,029**	**(3,531,269)**	**(1,571,769)**	**21,597,991**
Issue of share capital	28,058,137	-	-	-	-	28,058,137
Share premium	-	15,308,381	-	-	-	15,308,381
Costs related to capital issue	-	(8,430,124)	-	-	-	(8,430,124)
Total equity from shareholders	**28,058,137**	**6,878,263**	-	-	-	**34,936,394**
Balance as of 31 December 2007	**63,827,638**	**21,918,855**	**38,150,571**	**(2,720,493)**	**562,472**	**121,739,037**

CASH FLOW STATEMENT

Figures in EUR

	Notes	2007	2006
CASH FLOW FROM OPERATING ACTIVITIES:			
Net profit		**21,298,571**	**10,042,504**
Adjustments for:			
- Income tax expense		6,952,638	3,502,060
- Depreciation of property, plant and equipment		94,662	12,298
- Amortisation of intangible assets		14,727	2,218
- Net gain from fair value adjustment to investment property		(42,187,730)	(20,320,617)
- Interest Income		(796,088)	(148,303)
- Interest expense		741,057	(631,245)
- Foreign exchange gain / (loss)		6,032,519	1,177,768
Net change in working capital		1,890,232	4,923,499
Cash generated from operations		(5,959,412)	(1,439,198)
Income tax paid		(115,833)	(14,451)
Net cash flow from operating activities		**(6,075,245)**	**(1,453,650)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of investment property, net		(33,555,687)	(20,789,034)
Sale of fixed assets		37,190	1,173
Capital expenditure on investment property		(3,502,977)	(395,684)
Purchases of property, plant and equipment		(671,832)	(4,810,823)
Other investments		(1,585,649)	(1,079,522)
Interest received		796,088	148,303
Net cash flow used in investing activities		**(38,482,867)**	**(26,925,587)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of share capital	8	43,366,518	36,003,534
Payment of issue costs		(8,430,124)	(3,370,442)
Proceeds from borrowings		13,700,000	12,000,000
Repayment of borrowings		(12,000,000)	-
Interest paid		(741,057)	(631,245)
Exchange losses on cash and cash equivalents		(6,032,519)	1,177,768
Net cash from financing activities		**29,862,818**	**45,179,615**
Net increase in cash and cash equivalents		**(14,886,102)**	**16,800,379**
Cash and cash equivalents, beginning of period		30,107,786	13,307,407
Cash and cash equivalents, end of period		**15,221,684**	**30,107,786**

Note 1 ORGANIZATION AND OPERATIONS

The consolidated financial statements of RomReal Limited for the year ended 31 December 2007 were authorised for issue in accordance with a resolution of the directors on 19.03.2008

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

The number of employees in the Group was 22 as at December 2007. The registered office address of RomReal Ltd is located at Canon's Court, 22 Victoria Street, Hamilton HM 12 Bermuda.

Figures in EUR

Entity	Country of business	Owner's share	Numberof shares
Westhouse Group SRL	Romania	100%	3,587
Concorde Group SRL	Romania	100%	20
Rofrench Connection SRL	Romania	100%	100
Investate SRL	Romania	100%	20
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
West Limen 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 2007 financial statements of the RomReal Ltd. Group are the second financial statements that the Group has prepared.

The accounting financial statements of the RomReal Ltd. Group have been prepared in accordance with the international accounting standards adopted by the EU (EU-IFRS) and the interpretations adopted and published by the International Accounting Standards Board. All IFRS standards adopted have effective date in 2007 or earlier.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting ploicies.

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

2.2 Consolidation

The consolidated financial statements comprise the financial statements of RomReal Ltd. and its subsidiaries as at 31 December 2007 and 31 December 2006; the Group was established in the autumn 2005. 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. Subsidiaries are fully consolidated from the date of acquisition, being the date on which control is obtained, and continue to be consolidated until the date that such control ceases.

A subsidiary is a company which the Company controls. This control is normally evidenced when the Company owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities.

2.3 Significant accounting estimates and judgements

The key assumptions and judgements concerning the future and other the key sources of estimation uncertainty at the balance sheet date that might impact the carrying amounts of assets and liabilities within within the next financial year are presented below.

Estimate of fair value of investment properties
The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgements, the Group considers information from a variety of sources including:

(a) current prices in an active market for properties of different nature, condition or location, adjsuted to reflect those differenes;

(b) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

Distinction between investment properties and owner-occupied properties
The Group determines whether a property qualifies as investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity.

2.4 Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met. Land and buildings are measured at cost less depreciation on buildings and impairment charged subsequent to the date of the revaluation. 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 not be recoverable.

Land held under a concession agreement is classified and accounted for at fair value in accordance with IAS 16. Changes in fair value are taken directly to revalution reserves in equity. When the land is beeing developed for future sale, it is reclassified as inventory at deemed cost.

The concession agreements are accounted for as finance leases.

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 property is measured initially at cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are reviewed annually by a certified Romanian Institute of Valuers valuation expert in Romania. Investment property that is being redeveloped for continuing use as investment continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions.

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 maintenace are charged to the income statement during the financial period in which they are incurred.

Changes in fair value are recorded in the income statement.

If an investment property becomes owner occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

When the group decides on future use of land, other than long-term capital appreciation, the land is reclassified and accounted for under IAS 2, IAS 16 or IAS 17 accordingly.

If an item of property, plant and equipment becomes an investment property because its use has changed, any differences resulting between the carrying value and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.
Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

2.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

2.7 Cash and cash equivalents

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

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

2.8 Inventories

Investment properties that are being redeveloped for future sale are reclassified as inventories at their deemed cost, which is the carrying value amount at the date of reclassification. They are subsequently 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 cost to complete redevelopment and selling expenses.

2.9 Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. 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 Leases

Operating lease
Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Finance lease
Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitaliesed at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The investment properties which are accounted for as finance leasees are carried at their fair value.

Concession agreements with local municipality give RomReal a right to use a piece of land for a defined number of years, in exchange of an annual fee. In addition the contract provides that if RomReal constructs certain specified buildings on this land, RomReal will have the option to buy the land at a fixed price. Such concession agreements are accounted for as finance lease.

2.12 Equity

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

2.13 Revenue recognition

Revenue includes rental income, service charges and management charges from properties, and income from property trading. Revenue comprises the fair value of the consideration received for the services in the ordinary course of the group's activities. Revenue is shown net of value added tax, rebates and discounts and after eliminating sales within the group.

Rental income
Rental income is recognised over the life of the rental period.

Other income
Other income is recognised as it is earned.

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 in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. 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 was determined.

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 taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation ivs recognised in the income statement.

	December 31 2007	December 31 2006
Closing	3,6102	3,3817

2.15 Taxes

The parent company is registered in Bermuda, and is consequently not subject to taxation. The subsidiaries are registered in Romania and are subject to Romanian taxation rules.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

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. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, 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 Impairment of assets

Other assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an

individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

2.17 Borrowing costs / Loan

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. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

As per IAS 23 the company has the following policy: 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. In following accounting periods, loan is accounted for at amortised cost, estimated by use of effective interest rate.

2.18 Employee benefits

Share options
The employees and management of the Group have been given options to buy shares in the parent company. The fair value of the options is estimated at the grant date and recognised as an expense over the vesting period. A disclosure of the share options is shown in note 15 to the accounts.

2.19 IFRS and IFRIC interpretations not come into force

The Group has not applied the following IFRSs that have been issued but are not yet effective, although they may be applied early.

The new standards and interpretations have been assessed, and those relevant for RomReal are commented below. The standards have not been applied by RomReal as of 31 December 2007.

Arrangements falling under IFRIC 11 are those where a parent company grants rights to its own to its subsidiary and the parent has the obligation to deliver the equity instruments.

Borrowing costs under IAS 23 include interest on bank overdrafts and borrowings ,finance changes on finance bases and exchange differnces on foreign currency borrowings where they are regarded as an adjustment to interest costs.Borrowing costs that are directly attributable to the acquisition ,construction or production of a qualifying asset from part of the cost of the asset and ,therefore,should be capitalised. Other borrowing costs are recognised as expense.

IFRS 8 applies to the consolideted financial statements of a group with a parent whose equity instruments are treated in a public market.This standard requires an entity to report financial and descriptive information about its reportable segments.

Standard or Interpretation	Title	Effective date
IFRS 8	Operating Segments	1 January 2009
IAS 23	Borrowing Costs – Revised	1 January 2009
IFRIC 11	IFRS 2 – Group and Treasury Share Transactions	1 March 2007
IFRIC 12	Service Concession Arrangements	1 January 2008
IFRIC 13	Customer Loyalty Programs	1 July 2008
IFRIC 14	The Limit on a Defined benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2008

romreal

Note 3 PROPERTY, PLANT AND EQUIPMENT

Figures in EUR

	Concession land	Land and buildings	IT equipment	Motor vehicles	Other fixtures and fittings	Total
Gross book value as at December 31, 2006	3,924,000	625,894	38,541	116,030	107,522	4,811,987
Additions in period	-	574,650	-	55,965	41,217	671,832
Transfers to inventory	(3,924,000)	-	-	-	-	(3,924,000)
Disposals in period	-	-	(20,000)	-	(17,190)	(37,190)
Translation difference	-	170,716	26	22,566	47,042	240,350
Gross book value as at December 31, 2007	-	**1,371,260**	**18,567**	**194,561**	**178,591**	**1,762,978**
Accumulated depreciation as at December 31, 2006	-	-	5,194	10,377	2,171	17,742
Charge for the period	-	36,081	2,679	21,283	34,619	94,662
Translation difference	-	(12,160)	(6,651)	21,723	(2,352)	561
Accumulated Depreciation as at December 31, 2007	-	**23,921**	**1,222**	**53,383**	**34,438**	**112,965**
Net Book Value at December 31, 2006	**3,924,000**	**625,894**	**33,346**	**105,653**	**105,351**	**4,794,245**
Net book Value as at December 31, 2007	-	**1,347,338**	**17,345**	**141,178**	**144,152**	**1,650,014**
Depreciation method		Linear	Linear	Linear	Linear	Linear
Depreciation period (Years)		20	2-4	4	3-9	-

There were no impairment charges in 2006 and 2007.

Note 4 INVESTMENTS PROPERTIES

Figures in EUR

	2007	2006
Opening balance as at January 1, 2007	53,760,798	4,289,873
Additions in period	20,949,698	24,805,929
Disposals in period to inventory	(2,394,011)	0
Translation differences	(665,010)	374,731
Purchase price as at December 31, 2006	**71,651,475**	**29,470,533**
Fair value adjustment of opening balance	20,117,988	2,853,336
Fair value adjustment during the period	27,262,968	20,320,617
Translation differences	-	1,116,312
Fair value adjustment as at December 31, 2007	**47,380,956**	**24,290,265**
Carring amount as at December 31, 2006	**53,760,798**	**7,143,209**
Carring amount as at December 31, 2007	**119,032,431**	**53,760,798**

Investment properties consist of land and buildings at various locations in Romania. The fair value of investment property as at 31 December 2007 is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification in Romania and who has recent experience in the location and categories of the investment property being valued. Valuations were based on a market approach which provides for the best estimation of the open market value, using comparative data where applicable.

The Group currently has five revenue generating properties. These have generated revenue of EUR 424,393 in 2007 (EUR 238,618 in 2006). The direct operating expenses of these five properties were EUR 494,587 (EUR 146,000 in 2006) in the same period.

Additions to Investment Property during 2007 relate to the new plots of land and buildings in Romania which have been acquired by the Group during the period in the normal course of business. 3 of the Group's Investment properties are located in Bucharest (including the villa acquired in 2006 and two plots of land, Lake Morii and Hospital, 15 in Constanta and 1 in Brasov, in additon to acquiring additional land adjacent to existing plots.

Disposals in the period refer to the transfer of the land plots related to Oasis , Corallia and Central developments from Investment Properties to Inventories, to the transfer from PPE to Inventories for the concession land and to the transfer of a third of villa in Cotroceni from PPE to Investment Properties, following a relocation of the office villa.

The majority of the analyzed properties are lands for development. Westhouse Group intends to carry out large scale projects on them and has made many steps in order to obtain the necessary approvals. In accordance with the expenses and duration required for the building permits to be approved, adjustments have been made when calculating the market value through the market approach.

Given the rapid change on the real estate market, we must stress that significant alterations of value can be encountered within short periods of time.

The properties have been inspected along with the surrounding neighborhood and location from which comparable data was drawn where possible. Due to the general lack of public information, data sources included, where appropriate, the valuators existing file data, local real estate agents, vendors and purchasers active on the market and in some cases newspaper classified advertising sections.

Note 5 SOFTWARE

Figures in EUR

	2007	**2006**
Gross book value as at December 31, 2006	21,568	1,510
Additions in period	17,466	19,926
Disposals in period	-	-
Translation difference	(1,217)	132
Gross book value as at December 31, 2007	**37,817**	**21,568**
Accumulated amortisation as at December 31, 2006	2,507	-
Charge for the period	14,727	2,218
Translation difference	(5,982)	289
Accumulated amortisation as at December 31, 2007	**11,342**	**2,507**
Carring amount as at December 31, 2006	**19,061**	**1,510**
Carring amount as at December 31, 2007	**26,765**	**19,061**

The intangible assets consist of purchased software and are amortised over 3 years. The amortisation of intangible assets is included in "Depreciation and amortisation expense" in the income statement.

Note 6 INVENTORIES

Figures in EUR

	Inventories
Balance as at December 31, 2006	443,271
Additions (see breakdown below)	5,140,499
Transfer from investment properties and PPE	5,161,851
F/X reserve	88,001
Balance as at December 31, 2007	**10,833,622**

Additions	
Land	3,554,850
Work permits	15,789
Consultants	539,614
Construction works	1,030,246
Total	**5,140,499**

Note 7 TRADE RECEIVABLES AND OTHER RECEIVABLES

Figures in EUR

	2007	2006
Advances for tangible assets	226,633	257,927
Trade receivables	79,947	18,828
VAT receivable	433,461	196,352
Other prepayments	108,743	95,162
Other short-term receivables	93,358	120,421
Total	**942,143**	**688,690**

Note 8 SHARE CAPITAL AND PAID-IN CAPITAL

Figures in EUR

	2007
Total number of shares January 1, 2007	*37,073,453*
New shares issued in capital issue in 2007	*12,173,913*
Total number of shares December 31, 2007	**49,247,366**
Nominal value as of 31.12.07	*1,00*

Total shares capital January 1, 2006	*18,796,048*
Issue of share capital	*36,003,534*
Costs related to capital issue	*(3,989,489)*
Total share capital January 1, 2007	**50,810,093**
Issue of share capital in 2007	*43,366,518*
Costs related to capital issue	*(8,430,124)*
Increase in share capital in 2007	**34,936,394**
Total share capital as of December 31, 2007	**85,746,487**
Paid-in capital	**85,746,487**

A reconciliation of total share capital incuding the share premium account is shown below. The net assets value per share at the issuance of the new shares during 2007 was 16.2 NOK (EUR 2.03 at 7.97 NOK/EUR) and the nominal value of the share was 25 NOK (EUR 3.14). The total amount of proceeds was apportioned using the above key between share capital and share premium (i.e. 1.11:2.03)

	SHARE CAPITAL	SHARE PREMIUM	TOTAL
Share Capital at 31.12.2006	**35,769,501**	**15,040,592**	**50,810,093**
Proceeds	28,058,137	15,308,381	43,366,518
Cost		(8,430,124)	(8,430,124)
Share Capital at 31.12.2007	**63,827,638**	**21,918,855**	**85,746,487**

Issue of shares

An amount of EUR 43,366,518 representing share capital was raised in the Summer 2007. Costs related to the issue of shares amounted to EUR 8,430,121. These costs are accounted for by reducing equity in accordance with IFRS.

Shareholders rights

There are no restrictions on voting rights or the transferability of shares in RomReal Ltd.

Note 9 RETAINED EARNINGS

Figures in EUR

	2007
Retained earnings as of December 31, 2006	11,449,542
Reclassification from Reserves in the period, due to transfer of PPE to Inventory	5,402,458
Net profit in the period	21,298,571
Retained earnings as of December 31, 2007	**38,150,571**

During quarter 3 Investment property with a deemed cost of EUR 8.8 million was transferred from Investment property into inventories in relation to land plots relating to the Oasis, Corallia and Central developments. This is in accordance with the Company's established accounting policies, required under IFRS, as during Q3 the Company made firm commitments towards each development and such initiated a change of use for the purpose of its financial statements. Factors which indicated a change of use include, but are not limited to, items such as board approvals of each development, initiating the sales process, initiating the contract tender process and applying for/receiving building permits. The total amount of 5,402,458 Euro, representing a reclassification from revaluation reserves to retained earnings.

Note 10 RESERVES

Figures in EUR

	2007	2006
Opening balance	2,134,241	-
Share options granted	94,026	43,638
Revaluation reserve	3,311,855	2,090,063
Reclassification to retained earnings	(5,402,458)	-
Change in other reserve	424 808	-
Total reserves	**562,472**	**2,134,241**

The share option schemes are detailed in note 14.

Note 11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to EUR 15,221,684 at 31 December 2007 (EUR 30,107,786 at 31 December 2006).

Note 12 TRADE AND OTHER PAYABLES

Figures in EUR

	2007	2006
Trade payables	369,529	1,344,000
Accruals	27,055	237,159
Employee taxes	391,056	19,500
Short term loan from North Bridge Capital Partners Ltd.	0	6,000,000
Other payables	187,716	217,806
Trade payables	**975,356**	**7,818,465**

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

As of December 31, 2006 the Group had trade payables of EUR 130,000 payment for the acquisition of the Bucharest villa. During January 2007, the initial trade payable amounting to EUR 1.3 M was turned into a 10 year bank borrowing in Westhouse Group SRL with Alpha Bank Romania SA. The bank borrowings equivalent to EUR 1,300,000 bear interest at EURIBOR plus 2.5% margin. The repayment is to be done in 10 equal installments amounting to EUR 130,000.

The bank borrowings were secured by the following assets/companies:

1. Mortgage over the immovable registered with Land Registry of Bucharest number 34885 with cadastre number 12183, owned by the Company, located in Bucharest
2. Real Moveable Security over the future and present credit balances of the current account in RON and foreign currency of the Company opened with Alfa Bank Romania SA;
3. Assignment of the receivables under the Insurance Policy for a total amount of minimum EUR 1,360,000;
4. Assignment of proceeds from existing and future renting contracts as well as from contracts for sale or disposal of (part of) the property located in Bucharest

Note 13 INTEREST-BEARING LOAN

As at 31 December 2007 the group consolidated net interest-bearing debt amounted to EUR 14,880,833, of which EUR 1,050,833 is a non-current liability.

During the period, the Company undertook an asset finance facility with Alpha Bank in Romania. The EUR 13.7 M loan has a term of 3 years and bears interest at a rate of EURIBOR (1 Month) plus 2.5% margin. The loan is secured by the Mamaia North 56,167 sqm development site.

Note 14 PAYROLL EXPENSES AND NUMBER OF EMPLOYEES

The role of Chief Executive Officer of the Romanian entities was performed by an employee of North Bridge Capital Partners as part of the management agreement (Note 20). The role of Chief Financial Officer of RomReal Ltd was performed by an employee of North Bridge Capital Partners on secondment.

In 2007, RomReal incurred expenses of EUR 2,778,423 related to management fees as part of the management agreement with North Bridge Capital Partners. Key management personnel has also received share-based payment in the form of options, see below for further details.

The Group has 22 employees as of December 2007. Payroll expenses related to these employees amounted to EUR 1,292,238 as of December 31, 2007. The Group does not offer a pension plan or other employee benefits to its employees as of December 31, nor are there any post-employment benefits.

Option agreements
During 2007, the group had six option schemes with three individuals in place who are either currently performing a role within senior management or have done so during the year. The details of the arrangements are as follows:

	Scheme 1	Scheme 2	Scheme 3	Scheme 4	Scheme 5	Scheme 6
Nature of arrangement	Grant of share options	Grant of share options	Grant of share options	Grant of share options	Grant of share options	Grant of share options
Date of grant	31 December 2006	31 December 2006	31 December 2007	31 December 2007	31 December 2007	31 December 2007
Number of instruments granted	25,000	20,000	24,000	28,000	125,000	30,000
Exercise price	€ 1.875	€ 2.25	€ 2.25	€ 3	€ 3	€ 2.5
Share price at the date of grant	€ 1.75	€1.75	€2	€ 2	€ 2	€ 3
Contractual life	3 years	3 years	3 years	3 years	3 years	3 years
Vesting conditions	None	None	None	None	None	None
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity

The entity uses a Black-Scholes model to value options with no vesting conditions. In addition to the inputs to the model as described in the table above, the following assumptions have been used to value the options:

Exercise price, X	2.8
S	253.16%
Volatility	0.25
Risk free, Rf	0.0803
Time to maturity, T	3

Expected volatility is determined based on historical volitility determined by the analysis of daily share price movements in Romania over the past 3 years.

The total cost for the group is calculated to 94,026 EUR and has been taken to the P&L in 2007.

No share options were exercised during the period. All of the above share options are outstanding and exercisable at the end of 2007.

The volatility is based on a yearly volatility of 25 % which is the Bucharest stock exchange volatility rating. The risk free element considers the Interbank - BUBOR month average for the month when the call option is considered.

Note 15 GENERAL AND ADMINISTRATIVE EXPENSES

Figures in EUR

	2007	2006
Management fee	(2,778,423)	(607,923)
Legal expenses	(255,375)	(91,985)
Rent expenses	(186,360)	(40,326)
Travel expenses	(44,534)	(63,801)
Professional services	(2,350,891)	(6,000,000)
Other expenses	(497,488)	(463,786)
Total	**(6,113,071)**	**(7,267,821)**

The company incurred expenses of EUR 2,778,423 in relation to the provision of strategic consultancy services provided by North Bridge Group.

Note 16 OTHER OPERATING INCOME

Figures in EUR

	2007	2006
Revaluation of investment properties	42,187,730	20,320,617
Total other operating income	**42,187,730**	**20,320,617**

The fair value of investment property as at 31 December 2007 is based on a valuation by an independent valuer. Valuations were based on a market approach which provide for the best estimation of the open market value using comparative data where applicable.

Note 17 FINANCIAL INCOME, NET

Figures in EUR

	2007	2006
Interest income from banks	796,088	148,303
Other financial income	-	-
Foreign exchange gain	472,973	1,778,150
Total financial income	**1,269,061**	**1,926,453**
Interest expense	(741,057)	(631,245)
Other financial expense	-	(78,040)
Foreign exchange loss	(6,505,492)	(600,382)
Total Financial expense	**(7,246,549)**	**(1,309,667)**

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 has not been any changes to the applicable tax rates in 2007.

The major components of the income tax expense for the periods ended December 31, 2007 and December 31 2006 are:

Figures in EUR

	2007	2006
Current income tax charge	2,873	119,249
Deferred income tax relating to origination and reversal of temporary differences	6,949,765	3,382,811
Income tax expense in the consolidated income statement	**6,952,638**	**3,502,060**

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

Figures in EUR

	2007	2006
Investment property	19,615	20,941
Total	**19,615**	**20,941**
Revaluation of Investment property	10,071,250	3,900,641
Revaluation of Property, plant and equipment	0	398,210
Other differences Property, plant and equipment	0	205,484
	10,071,250	**4,504,335**
Deferred tax liability at 16%	**10,071,250**	**4,504,335**

The table below shows the composition of the deferred tax liability per each company. It does not have the same information for 2006 as this split is made for this report for the first time:

	2007
Revaluation of Investment property in Westhouse SRL	7,236,066
Revaluation of Investment property in Hars SRL	1,511,778
Revaluation of Investment property in Concorde SRL	801,094
Revaluation of Investment property in Terra del Sol SRL	522,312
	10,071,250

The deferred tax liability and the deferred income tax assets have not been offset as deferred tax liability and deferred tax assets within Romania can not be setoff. Deferred income tax assets have been recorded as the company expects to be able to use them to offest taxable profits in the future.

Note 19 TRANSACTIONS WITH RELATED PARTIES

Transactions with subsidiary

RomReal Ltd. has granted its subsidiary Westhouse Group SRL loans amounting to a total of 31,562,692 EUR. Intergroup loans are bear an interest rate of 6% and are for a term of 11 months. The subsidiary Westhouse Group SRL has further granted RomReal Ltd. a short term loan of 101,356 EUR 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 owners

On 30 March 2007, the Company entered into an amended Management Support Agreement with North Bridge Group Ltd ("North Bridge Group"). North Bridge Group. is controlled by the five shareholders of North Bridge, which include Mr. Jonas Bjerg, Mr. Kjetil Grønskag and Mr. Kay Thorkildsen. Pursuant to the Management Support Agreement, North Bridge Group is retained as an advisor to the Company, and will be responsible for making available resources to support the Company in continuing to develop its real estate portfolio, including North Bridge Group's principals and recommending to the Company specialists, including secondees where appropriate. For these services North Bridge Group shall receive an annual fee of EUR 100,000. In addition, North Bridge Group is entitled to reimbursement of travelling and other reasonable out-of pocket expense incurred by it with the prior agreement of the Company's Board of Directors. The term of the Management Support Agreement expires on 10 October 2010, before which it can only be terminated by a party upon the other party's material breach or by the written agreement of the parties. The Company 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 Company's CFO during 2007, Mr. Paul Bashir, has been seconded to the Company from North Bridge Group pursuant to a secondment letter dated 24 October 2006. Mr Bashir performed the role of CFO up until 31 December 2007. Following the Company's public listing on 11 June 2007, the Company's board approved a revised fee for Mr Bashir's payable to

North Bridge of EUR 12,500 per month (2006: EUR 6,667 per month) plus reasonable out-of-pocket expenses for travelling.

During the period North Bridge charged EUR 120,385 (2006: EUR 36,670) in secondment fees and recharged EUR 67,513 (2006: EUR 48,000) of costs directly attributable to these services. The outstanding balance due to North Bridge Capital Partners at 31 December 2007 is 9,370 EUR.

On 31 December 2007, the Company entered into a new secondment arrangement with North Bridge for the services of Mr Bashir as Acting Chief Executive Officer. This secondment arrangement is for a period of 4 months to 30 April 2008. In addtion to the secondment fee payable to North Bridge, the Company will pay GBP 40,000 at the end of the 4 month secondment period.

During the period, the Company had a loan outstanding to North Bridge Group of EUR 6 million. The loan had a maturity date of 31 December 2007, but was repaid by the Company in July 2007. The loan had not accrued any interest. The loan was established through the crystallization of certain options that were issued to North Bridge Group in October 2005. Pursuant to the options, North Bridge Group could acquire 2 million shares in RomReal at EUR 1.50 per share and a further 2 million shares at EUR 1.50 per share if RomReal completes an IPO or trade sale. On 30 March 2007, the Company and North Bridge Group agreed to terminate the options by converting them into a loan from North Bridge Group to the Company in the amount of EUR 6,000,000. The amount of the loan was calculated on the basis of the difference between the minimum expected offering price in the Offering of EUR 3.00 and the exercise price under the options.

During the period, the Company repaid in full a EUR 12,000,000 shareholder loan. The loan was granted in June 2006 by Abraham Odfjell (Abraham Odfjell is the father-in-law of Kjetil Grønskag.), who had a 4% beneficial interest in RomReal. Mr. Kjetil Grønskag, Chairman of RomReal, had also guaranteed for 50% of this loan. All pledges against the Company's assets in relation to this loan have been removed. The balance outstanding of this loan as at 31 December 2007 was nil (2006: EUR 12,000,000).

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

Note 20 FINANCIAL RISK

Fair value

The carrying amounts of the companys's cash and cash equivalents, other current assets and receivables, trade payables and other payables approximate their fair values because of the short maturity of these instruments.

Other non current assets

The fair value of the balance of other non current assets can not be reliably measured and disclosed since the balance due from related companies were non-interest bearing and had not fixed repayment terms.

Credit risk

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.

Regarding the other current assets and receivables and other non-current assets, in the opinion of the directors, there is no credit risk.

Interest rate risk

The Group's exposure to interest rate risk is minimal. The Group has two external loans:

• One loan of EUR 13,700,000 that has a term of 3 years and bears interest at a rate of EURIBOR (1 Month) plus 2.5% margin. The loan is secured by the Mamaia North 56,167 sqm development site.
• One loan of EUR 1,300,000. The interest on this loan is payable monthly and the interest rate is EURIBOR plus 2.5% margin.

Foreign exchange risk

The Group is subject to foreign exchange risk as the Romanian subsidiaries have business activities denominated in RON, which is different from the functional currency of the parent company and the Group's presentation currency, EUR. All investment properties are owned by the Romanain subsidiaries and thus denominated in RON. 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.

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. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years end 31 December 2007 and 31 December 2006.

The company manages as share capital an amount of EUR 63.8 million and EUR 21.9 million as share premium as part of a total equity amount of EUR 121,7 million

Note 21 CONTINGENT LIABILITIES, COMMITMENTS AND SUBSEQUENT EVENTS

The Group has a plot in Constanta which is operated as an indoor fresh food market. The plot was acquired by the Group in November 2005 by way of aquiring Concorde Group SRL. There is a contingent liability whereby if the Group were to change the use of the land from its current purpose, they will have to pay an additional amount to the Local Authority. This contingent liability is both non-quantifiable and remote as the Group does not have any immediate plans to change the use of this plot nor does it have any visibility over the amount which may be due.

Other than disclosed above, as of December 31, 2007 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 22 GUARANTEE OBLIGATIONS

The Group has not issued any guarantees on behalf of external parties.

Note 23 EARNINGS PER SHARE

Basis for calculation of earnings per share

	2007	**2006**
The year's earnings from continuing operations	21,298,571	10,042,504
No. of shares at the balance sheet date	49,247,366	37,073,453
Average of no. of shares	43,160,410	28,586,727
Adjustment for effect of share options	30,000	45,000
Average no. of shares by dilution	43,190,410	28,631,727
Earnings per share	**0.49**	**0.35**
Diluted earnings per share	**0.49**	**0.35**

ERNST & YOUNG

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Medlemmer av Den norske Revisorforening

To the General Meeting of
RomReal Ltd

Independent auditor's report for 2007

We have audited the accompanying financial statements for the Group, which comprise the consolidated balance sheet as at December 31, 2007, and the consolidated income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards adopted by the Norwegian Institute of Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects the financial position of RomReal Ltd as of December 31, 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Bergen, 19 March 2008
ERNST & YOUNG AS

Eirik Moe
State Authorised Public Accountant (Norway)

Arendal, Bergen, Bø, Drammen, Fosnavåg, Fredrikstad, Holmestrand, Horten, Hønefoss, Kongsberg, Kragerø, Kristiansand, Larvik, Levanger, Lillehammer, Moss, Måløy, Notodden, Oslo, Otta, Porsgrunn/Skien, Sandefjord, Sortland, Stavanger, Steinkjer, Tromsø, Trondheim, Tønsberg, Vikersund, Ålesund

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