



REPORT FOR THE FIRST QUARTER 2007

(COMBINED HISTORICAL INFORMATION)

RomReal Ltd

Highlights as per 1Q 2007

- Rental income amounted to €97,000. Operating loss was €759,000 and total assets were €89,527,000.
- Other operating income of €2,431,563 was realised in the quarter as a result of the increase in the fair value of Investment Properties owned.
- One new plot was purchased in the period:
 - 4,641 sqm in Ovidiu purchased for €350,000 – suitable for residential development
- Additional agricultural land has been acquired:
 - 195,305 sqm of agricultural land purchased in Ovidiu for €330,000
- Pre-sale agreement signed for 30,000 sqm plot on Mamaia beach, Constanta
- CEO of RomReal and Westhouse Group, Petter Salomonsen recruited during the period with start date May 2007
- The development team was greatly enhanced by the recruitment of a Head of Development for Westhouse Group, Andrei Popovici and Theodor Raducan, a UK RIBA-qualified architect, together with 3 other experienced individuals
- Process ongoing to source strategic yielding assets in Bucharest
- Continual discussions with a number of vendors regarding plots of land in Constanta and Bucharest
- Due diligence procedures are ongoing to prepare the Company for a listing on the Oslo Bors
- RomReal Invest Ltd changed its name to RomReal Ltd

EUR thousand	As per 31 March 2007	As per 31 March 2006	As per 31 December 2006
Total operating income	2,545	2,582	20,569
Total operating expenses	(3,305)	(163)	(7,641)
Operating profit/(loss) (EBIT)	(759)	2,419	12,928
Profit/(Loss) before tax (EBT)	(887)	2,624	13,545
Total assets	91,940	21,362	89,835
Total liabilities	27,551	118	24,630
Total equity	64,389	21,245	65,205
Equity %	70.0%	99.4%	72.6%
Net cashflow from operating activities	(2,411)	(105)	(1,454)
Number of plots	18	8	17
Land Bank (Thousand square metres)	772	166	572
Number of employees	19	2	16

CONSOLIDATED FINANCIAL INFORMATION

The consolidated financial information in the table below is prepared in accordance with IFRS.

EUR thousand	Year to 31 March 2007	Year to 31 March 2006	Full year 2006
Revenue	114	53	248
Total revenue	114	53	248
Cost of sales	-	-	-
Gross profit	114	53	248
Depreciation	(24)	(2)	(15)
Management fees	(2,700)	(56)	(6,608)
General and administrative expenses	(422)	(59)	(660)
Payroll expenses	(159)	(49)	(343)
Loss before other operating items	(3,191)	(114)	(7,377)
Other operating income	2,432	2,529	20,321
Other operating costs	-	4	(16)
Operating Profit / (Loss)	(759)	2,419	12,928
Financial income	187	335	1,926
Financial costs	(315)	(130)	(1,310)
Result before tax	(887)	2,624	13,545
Tax on the profit of the year	(347)	(4)	(3,502)
Retained Profit / (Loss) for the year	(1,234)	2,619	10,043
Earnings per share from continuing operations	(0.08)	0.00	0.35
Earnings per share continuing - diluted	(0.08)	0.00	0.35

CONDENSED AND CONSOLIDATED BALANCE SHEET

EUR thousand	As per 31 March 2007	As per 31 March 2006	As per 31 December 2006
ASSETS			
Non-current assets			
Intangible fixed assets	20	4	19
Investment properties	57,037	8,790	53,761
Other fixtures and operating equipment	5,211	23	4,794
Deferred tax asset	21	-	21
Total non current assets	62,288	8,817	58,595
Current assets			
Other short term receivables	1,831	1,012	594
Prepayments	158	2	95
Inventories	664	-	443
Cash and cash equivalents	26,998	11,531	30,108
Total current assets	29,651	12,545	31,240
TOTAL ASSETS	91,940	21,362	89,835
EQUITIES AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	50,808	18,785	50,810
Other reserves	2,342	-	2,134
Retained earnings	11,587	(153)	1,345
Result of current period	(1,234)	2,619	10,104
FX reserve	885	(7)	811
Total equity	64,389	21,245	65,205
Non current liabilities			
Non current liabilities	1,148	-	-
Long term portion of leasing	164	-	159
Deferred income tax	4,927	11	4,504
Total non current liabilities	6,239	11	4,663
Current Liabilities			
Bank debt	130	-	-
Other debt	18,017	-	18,013
Other payables	3,033	99	1,818
Accruals	17	-	19
Tax payable	114	7	117
Total current liabilities	21,312	106	19,967
TOTAL LIABILITIES	91,940	21,362	89,835

Cash flow statement

EUR thousand	Year to 31 March 2007	Year to 31 March 2006	Full year 2006
Profit before tax	(887)	2,624	13,545
Net cash flow from operating activities	(2,096)	(105)	(1,454)
Net cash flow used in investing activities	(698)	(1,672)	(26,926)
Net cash flows from financing activities	(315)	-	45,180
Net cash change during period	(3,109)	(1,777)	16,800
Cash at beginning of period	30,108	13,307	13,307
Cash and cash equivalents at end of the period	26,998	11,531	30,108

Actual historic combined and consolidated changes in equity statements for RomReal Ltd

EUR thousand	As per 31 March 2007	As per 31 March 2006	As per 31 December 2006
Equity as of beginning of period	65,205	20,174	20,174
Result	(1,234)	2,619	10,043
Other changes	418	(1,548)	34,988
Equity at end of period	64,389	21,245	65,205

Basis for preparation

This interim financial report is prepared in compliance with IAS 34 Interim Financial Reporting.

The same accounting policies and methods of computations are followed in these interim financial statements as compared with the 2006 annual financial statements for the RomReal Group.

INFORMATION ON FINANCIAL CONDITION AND OPERATING RESULTS

Comparison for the 3 month interim period ended 31 March 2007 and 2006

The discussions below refer to the three month period ended 31 March 2007 for RomReal Ltd (RomReal) on a consolidated basis compared to the same period in 2006.

Operating revenues

Operating revenues in the 3 months to March 2007 were EUR 114,000 compared to EUR 53,000 in the same period 2006.

The increase is primarily due to RomReal having purchased a number of revenue generating assets in the period since March 2006, such as the Bus Station in Constanta and the Office Villa in Bucharest. Collectively the Group generates approximately EUR 30,000 per month in rental income as at 31 March 2007.

Other income in the 3 months ended 31 March 2007 of EUR 2,432,000 related to the increase in the fair value of investments property in the period, compared to EUR 2,529,000 in the same period in 2006.

Operating expenses

The group continues to grow its operations in Romania and incurred one-off costs; as such total operating expenses increased to EUR 3,305,000 in the 3 months to March 2006 from EUR 163,000 in the same period in 2007. The significant factors which have caused this increase are:

- Increase in headcount from 2 in March 2006 to 19 at 31 March 2007
- The opening of a second office in Bucharest in November 2006 which was not fully operational until January 2007
- A number of one-off exceptional costs in relation to the listing process in Norway (approximately EUR 150,000 in the 3 months to 31 March 2007)
- A growing infrastructure of support services and ancillary expenses in relation to the increased trading activities
- The Management agreement with North Bridge Group was terminated on 31 March 2007 and replaced with a revised management agreement with a much more limited scope of services. As such a one-off termination fee of EUR 2,700,000 was paid to North Bridge Group. This fee was the net present value of the future management fees that would have been payable under the old agreement.

Operating profit

Operating loss for the 3 months to March 2007 was EUR 759,000 compared to a profit of EUR 2,419,000 in the comparative period 2006. The significant

increase in the operating loss being explained by the increase in the scale of the operations in Romania together with a number of one-off non recurring items as described above.

Profit before tax

The loss before tax as per 31 March 2007 was EUR 887,000 compared to a profit of EUR 2,624,000 in the same period in 2006.

Cash and cash equivalents

Cash and cash equivalents at 31 March 2007 was EUR 26,998,000 compared to EUR 11,531,000 as at 31 March 2006. The increase is due to the share capital increase in December 2006.

Consolidated debt

As at 31 March 2007 the group consolidated debt amounted to EUR 19,299,000 compared to nil for the same period in 2006. Net interest bearing debt for the Company as at 31 March 2007 was EUR 13,299,000.

Overview of the Company's debt

The table below shows the total debt for RomReal Ltd as at 31 March 2007:

EUR thousand	End 1Q 2007	2007	2008	2009	2010	2011	After 2011
Alpha Bank Shareholder loan	1,299	(97)	(130)	(130)	(130)	(130)	(682)
North Bridge Group	12,000	(12,000)	-	-	-	-	-
	6,000	(6,000)	-	-	-	-	-
	19,299	(18,097)	(130)	(130)	(130)	(130)	(682)

Total equity

The Company's total equity as at 31 March 2007 was EUR 64.4 million, representing 70.0% at the end of the period, compared to EUR 21.2 million (99.4%) at the end of the same period 2006.

INDEPENDENT AUDITOR



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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 31 MARCH 2007

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of RomReal Ltd (the "Company") as at 31 March 2007 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the three-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Without qualifying our conclusion above, we draw attention to the fact that the comparative interim financial information as of 31 March 2006 has not been subject to any review or audit.

Bergen, 23 April 2007
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, Tjønsberg, Vikersund, Ålesund