



8 April 2008

Dear Investors,

This is the first RomReal news letter which I intend to distribute to update investors, analysts and the media on the activities of RomReal but also on the movements in the Romanian real estate market on a regular basis – in addition to our quarterly stock exchange reporting.

Company Update

We continue to make progress on the first three developments. Sales activity is progressing as reported in our Q4 report and we fully expect this process to gather momentum in the next few months as spring arrives in Constanta. The main development which we have started is the Oasis development and you can view pictures at

<http://www.westhousegroup.ro/en/developments/oasis/apartments/oasis-construction-status/>.

Investors who wish to discuss the possibilities of purchasing a property from RomReal can contact Nicoleta Radu, our Commercial Director directly at nicoleta.radu@westhousegroup.ro.

Our 100% subsidiary Westhouse Group – the main operating entity in Romania, has launched its website www.westhousegroup.ro. This is an important start of the scaling up of sales activity. Expect to see additional features added to this site over coming weeks as movies of the developments and CGI images of apartments are added to the site. As we make progress on the other developments we will add more pictures.

RomReal is an ethical developer in Romania and is at the forefront of utilising sustainable development techniques and ensuring that corporate objectives are maximised whilst carefully managing our impact on the environment. We have published our ethical policy at http://www.romreal.com/ethical_policy.html.

Romanian Real Estate Market

There continues to be pressure on developers in Romania through the increasing construction costs – namely through raw material costs (cement and steel up around 10-12% since the beginning of the year) and wage inflation (around 15% in 2007).

RomReal, like every other developer in Europe we are not immune to these cost increases, however we are fortunate to be operating in a market such as Constanta, Romania. Apartment sales prices continue to rise (average increase in 2007 of around 20% with a more moderate increase

The information above has been prepared as a summary to investors in making their own assessment of RomReal Ltd (the “Company”) and does not purport to contain all information that such investors may desire. In all cases, investors or potential investors should conduct their own independent investigation and analysis of the Company, its business, its prospects, results of operation and financial condition. Neither the Company nor its Board makes any representation, warranty or undertaking, express or implied, as to the accuracy or completeness of the above information or of the information contained herein, and neither of such parties shall have any liability for the information contained in, or any omissions from, the above information, nor for any of the written, electronic or oral communication made to the recipient in the course of the recipient’s own investigation and assessment of the Company.



forecast in 2008 of 10-15%). Consequently, we are able to maintain our margin forecasts on all of our developments of around 30%.

Additionally we secure fixed price construction contracts where possible, thereby limiting our exposure to such price increases. We are also fortunate to have a low historical cost of land on all of our developments reflecting our well executed acquisition strategy.

As such RomReal is in a very fortunate position of being able to sustain construction cost increases whilst still maintaining forecast margins. We will continue to monitor the situation closely and adjust our pricing appropriately.

Realisation of investment land bank

As disclosed in our Q4 report, we have initiated a process of disposing of certain assets. Assets such as our Bucharest Office which we have now vacated and also plots which do not represent strategically important locations for RomReal but which are extremely valuable development sites – such as our Brasov plot.

Additionally we have a signed pre-sale agreement on a 22,500 sqm plot in Constanta. Whilst we did not develop this site we were able to sell the site at our year end IFRS value - a 50% margin over historical cost.

Not only do these disposals release value locked up in RomReal's balance sheet, they further strengthen RomReal's cash position to ensure we are in a financially sound position moving forward.

In the next news letter I will provide a brief analysis of the Constanta housing market and outline what the forecast is for 2008/2009.

In the meantime – should you have any questions please do not hesitate to contact me directly.

Yours sincerely

Paul Bashir
Chief Executive Officer