Reinhold

YEAR END REPORT, JANUARY 1 – 31 DECEMBER, 2009

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Fourth quarter, October-December 2009

- Net sales amounted to 1 778 815 Euro
- Operating loss amounted to 1 824 491 Euro
- Loss after taxes amounted to 1 161 640 Euro
- Earnings per share amounted to -0.166 Euro
- Cash flow for the period amounted to -1 379 088 Euro

Reinhold Polska AB Group 12 months 2009

- Net sales amounted to 2 436 731 Euro
- Operating loss amounted to -3 445 552 Euro
- Loss after taxes amounted to -2 847 354 Euro
- Earnings per share amounted to -0.41 Euro
- Cash flow for the period amounted to 2 482 227 Euro

Comments by CEO Gösta Gustafsson

“Due to the prevailing market situation during the year, we lowered the prices on our projects Karpacka and Terrenowa. This strategy has proven itself very successful as Terrenowa are 100% sold and Karpacka to 95%. As these two projects are reaching their end our focus now turns to our other projects. Besides this all loans on our residential project are repaid.

We are now in the process of selling the Lipinski project giving us resources to finish all phases of the Reinhold Center project which will be our main focus. We believe that the timing to sell now is good since the Warsaw market is going up which will reflect the selling price. Our judgment is that the best value from Reinhold Center is achieved if it’s fully finished when sold. We are also in final stages of negotiations with the first tenants for Reinhold Center.

During January 2009 we down-sized our organization and thereby adjusted it for the new economic reality and the revised project structure. Our 18 people organization is working with project management, sales, finance and support. Of our staff 5 persons are in house sales representatives and 4 persons are working 100% with letting. All-in-all over half of our staff are working with revenue creating activities. In my view Reinhold Polska now stands strong with the possibility to take our projects to a profitable closure.”

Investments

During 2009 21.1 million Euro has been invested in the projects. No new project has started.

Project portfolio

The strategy of the company is to have a risk split project portfolio. That is why we have purchased projects on different local markets and in different types.

Organization

We currently have 18 persons employed in our Warsaw office. 5 of those are in house sales representatives that get paid almost to a 100 % on commission from the deals they make. Besides the sales representatives, we have 4 persons working with letting. To meet the slowing market the company has reduced its staff in January 2009 which had immediate effect on the costs.

The Polish real estate market

The current economic crisis has had a negative effect on the market. During the autumn of 2008 a significant slow-down occurred which continued through out 2009. It is expected that Poland's economy will grow slightly in 2009 and start to recover significantly from 2010, the GDP is expected to grow with 2.5%. Unemployment is expected to stay just below 10%. The country is now really starting to enjoy economic acceleration from the selection as host for 2012 Euro Cup, mainly shown in the area of infrastructure investments.

The transaction volume is very low which makes it hard to predict future development. The next 6-12 months will probably be a bit difficult in the residential sector but lower interest rates may offer some relief. The capital available for real-estate investments is slightly starting to increase. A positive factor for a company like Reinhold Polska with ongoing projects is that few new developments are starting.

Future plans

In accordance with the company's strategy we will focus on bringing the highest value to the shareholders through carrying out projects on existing buildings and new ones in different parts of the real estate market for example: retail, office and residential on all main local markets in central and south Poland. Currently focus is on developing the existing projects.

Operations

Operations according to the strategy have started on all projects, although the work has reached different levels. Please see table below for the status of each project.

Project Name	Location	Type	Status
Reinhold Przyjaźni	Wrocław	Residential	Design phase
Reinhold Terenowa	Wrocław	Residential	Fully sold out
Reinhold Lipiński	Warsaw	Retail / Office	Construction process
Reinhold Center	Katowice	Office	Construction process
Reinhold Lipiński Passage	Warsaw	Retail / Office	Construction process
Reinhold Pulaskiego	Katowice	Residential	Building permit obtained
Reinhold Plaza	Kraków	Office / Retail	Building permit pending
Reinhold Karpacka	Wrocław	Residential	Sales process (95 % sold)

Updated information about the projects can be found on the groups website www.reinholdpolska.com.

Financial position - Group

Group sales amounts to 2 436 731 (387 376) Euro and the net result is –2 847 354 (-8 133 040) Euro. Liquid assets amounts to 4 038 221 (1 476 337) Euro.

The equity ratio is 24,04 % (34,8 %). The effective solidity is higher on group level since all loans are backed up with liquid funds in the parent company. If they would be netted against each other the solidity would be around 35 %.

The main source for financing in the group is the funds obtained in the new share issue in 2006. These funds have stayed in the mother company. The liquid funds used to secure the external loans are accounted for as other short-term receivables in the Group accounts. This means that all long-term loans have a 100% security in form of the liquid assets in the parent company.

Financial position - Parent company

Sales in the parent company amounts to 84 799 Euro and net result for the year is 435 369 Euro. The net result in the parent company mainly relates to interest income from the pledged assets and invoicing of costs to group companies.

Significant risks and uncertainty factors

Through its business operations, Reinhold is exposed to various risks, both financial and operational. Operational risks relate to Reinhold's day-to-day business and the financials risks relate to the capital requirements of Reinhold's different operations

Operational risks

For a building contractor the risk-limitation-phase is during the contract-tendering process. The strategy of Reinhold is to adopt a selective approach to tendering in order to reduce unprofitable projects. When selecting suitable contracts, Reinhold prefers projects whose risks are identified, and thus manageable and calculable.

Development risks

Proprietary project development in commercial properties includes a contract risk and a development risk. Every project concept must be adapted to local market preferences and the planning requirements imposed by public authorities. State-of-the-art skills are required to optimize the timing of projects that have to be processed by local municipalities and possibly have to pass an appeals process. To reduce these risks, Reinhold is developing primarily in large growth communities in Poland. Reinhold has consciously decided to refrain from excessively niche-oriented projects intended for narrow target groups.

Financial risks

Through its business operations Reinhold is exposed to financial risks. The principal risks are interest-rate, currency risks and financing risk.

Interest-rate risk

The interest-rate risk is the risk that changes in interest rates will affect net interest items and cash flow. The projects in Poland are partly financed by interest bearing borrowings, whereby Reinhold is exposed to an interest-rate risk.

Currency risks

The currency risk is the risk that changes in exchange rates will affect the consolidated income statement, balance sheet and cash flow statement. The functional currency of Reinhold Polska Group is euro while the operating currency in projects in Poland are zloty.

Financing risk

The financing risk is the risk that Reinhold Polska will not be able to raise enough funds to finish the projects.

CONSOLIDATED INCOME STATEMENT

Amounts in Euro		Q4 OCT-DEC 2009	Q4 OCT-DEC 2008	JAN-DEC 2009	JAN-DEC 2008
Net sales					
Net sales	1	1 778 815	74 288	2 436 731	405 871
Gross operating income		**1 778 815**	**74 288**	**2 436 731**	**405 871**
Other external costs		-3 408 622	-334 996	-5 104 428	-1 388 571
Personnel costs		-189 470	-416 364	-757 759	-1 069 928
Depreciation and write-downs of tangible and intangible assets		-5 214	-15 594	-20 096	-43 138
Operating income		**-1 824 491**	**-692 666**	**-3 445 552**	**-2 095 766**
Financial items, net		662 851	-6 995 785	598 198	-6 037 273
Income after financial items		**-1 161 640**	**-7 688 451**	**-2 847 354**	**-8 133 039**
Tax		0	0	0	0
Income for the period		**-1 161 640**	**-7 688 451**	**-2 847 354**	**-8 133 039**
Exchange differences on translation of foreign operations		157 578	442 010	-152 084	347 245
Other comprehensive income		157 578	442 010	-152 084	347 245
Total comprehensive income		**-1 004 062**	**-7 246 441**	**-2 999 438**	**-7 785 794**
Attributable to the equity holders of the parent company					
-Income for the period		-1 161 640	-7 688 451	-2 847 354	-8 133 029
-Other comprehensive income		157 578	442 010	-152 084	347 245
Average number of shares		7 000 000	7 000 000	7 000 000	7 000 000
Earnings per share		-0.166	-1.10	-0.41	-1.16

CONSOLIDATED BALANCE SHEET

Amounts in EURO	2009-12-31	2008-12-31
Intangible assets	5 153	11 342
Tangible assets	27 006	41 478
Financial assets	294 630	38 556
Total fixed assets	**326 789**	**91 376**
Properties reported as current assets	56 529 844	39 107 416
Short term receivables	27 261 258	28 795 815
Cash and bank balances	4 038 221	1 476 337
Total current assets	**87 829 323**	**69 379 568**
TOTAL ASSETS	**88 156 112**	**69 470 944**
Equity		
Share capital	370 437	370 437
Other additional capital and retained earnings	23 668 972	31 954 096
Net profit/loss for the period	-2 847 354	-8 133 040
Total equity	**21 192 055**	**24 191 493**
Long term liabilities	1 003 647	24 424 183
Current liabilities	61 313 051	20 035 619
Accrued expenses and deferred income	4 647 359	819 650
Total current liabilities	**65 960 410**	**20 855 268**
TOTAL EQUITY AND LIABILITIES	**88 156 112**	**69 070 945**

Change in consolidated equity

Amounts in Euro	2009	2008
Opening balance	24 191 492	31 977 288
Total comprehensive income for the period	-2 999 437	-7 785 795
Total transactions with equity holders	0	0
Closing balance	21 192 055	24 191 493

CONSOLIDATED CASH FLOW STATEMENT	Oct-Dec 2009	Oct-Dec 2008	Jan-Dec 2009	Jan-Dec 2008
Amounts in Euro				
Operating profit/loss	-1 824 491	-692 666	-3 445 552	-2 095 767
Adjustments for non-cash items	163 357	456 822	-131 423	390 384
Financial Income	188 843	517 984	709 692	1 532 835
Financial costs	-120 497	-20 727	-191 151	-77 061
Income tax paid	0	0	0	0
Cash flow from operating activities before working capital changes	**-1 592 788**	**261 413**	**-3 058 434**	**-249 609**
Changes in properties reported as current assets	-2 343 834	-4 441 551	-17 422 428	12 722 232
Changes in receivables	1 421 753	6 958 831	1 534 558	3 529 999
Changes in liabilities	3 126 144	422 375	21 684 605	6 919 133
Cash flow after working capital changes	**611 275**	**3 201 068**	**2 738 301**	**-2 522 709**
Purchase of/changes in equipment and Property and Other Financial assets	-254 040	457 409	-256 074	157 708
Cash flow after investing activies	**357 235**	**3 658 477**	**2 482 227**	**-2 365 001**
Borrowings/repayment of debt	-1 736 323	1 607 185	0	6 428 741
Cash flow for the period	-1 379 088	5 265 662	2 482 227	4 063 739
Cash and cash equivalent at the beginning of the period	**4 822 802**	**3 703 722**	**1 476 337**	**4 905 644**
Exchange rate differences	594 507	-7 493 047	79 657	-7 493 047
Cash and cash equivalent at the end of the period	**4 038 221**	**1 476 337**	**4 038 221**	**1 476 337**

CONSOLIDATED KEY FIGURES

Amounts in Euro	Q4 2009 Oct-dec	Q3 2009 Jul-Sep	Q2 2009 Apr-Jun	Q1 2009 Jan-Mar	2008 Jan-Dec	2007 Jan-Dec	2006 Jan-Dec
Income statement							
Net sales	1 778 815	209 640	401 652	46 624	405 871	89 117	0
Operating profit/loss	-1 824 491	-413 450	-392 417	-815 868	-2 095 766	-1 714 488	-310 426
Net profit/loss for the period	-1 161 640	1 145 938	554 802	-3 386 456	-8 133 039	-593 863	-130 288
Balance sheet							
Fixed assets	326 789	78 528	78 676	76 623	91 376	292 222	1 693
Current assets	87 829 323	87 691 823	74 993 420	64 578 452	69 379 568	70 230 835	33 790 629
Equity	21 192 055	22 196 115	21 484 400	21 071 466	24 191 493	31 977 287	32 652 964
Interest bearing liabilities	57 992 363	57 102 194	46 391 028	38 551 065	43 403 516	33 931 607	899 209
Non-interest bearing liabilities	7 968 047	8 472 041	7 196 668	8 683 943	1 875 936	4 508 218	240 149
Total assets	88 156 112	87 770 351	75 072 096	64 655 075	69 470 945	70 523 057	33 792 322
Financial ratios							
Equity/assets ratio. %	24.04	25.29	28,67	32,59	34,82	45.3	96.6
Debt/equity ratio	3.16	3.9	2.5	2.0	1.9	1.2	0.0
Profitability ratios							
Return on shareholder's equity. %	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.

Accounting principles, group

This report has been compiled in accordance with IAS 34, Financial Reporting. The report is compiled in accordance with International Financial Reporting Standards (IFRS) and with International Financial Reporting Interpretations Committee (IFRIC), the interpretations of financial standards approved by EU, as well as the Swedish Accounting Standards Council's RFR 1 recommendation, Reporting for Groups, and accompanying references to Chapter 9 of the Annual Accounts Act.

From January 1st 2008 Reinhold Polska Group has changed its reporting currency from SEK to EURO. The exchange rate used where 9.4483 SEK/EURO.

Note 1 Segment reporting

Reinhold is conducting its operations in **one** business segment and **one** geographical area. The business segment is acquiring and developing commercial and residential properties. The geographical area is Poland.

Note 2 Properties reported as current assets

Below is table listing of all on-going projects (Euro).

2009-12-31	**Purchace price**	**Capitalized interest**	**Other costs**	**Total**
All projects	24 058 617	5 386 275	27 084 953	56 529 844

The capitalized interest consists of the interest on the Groups interest bearing liabilities assigned to each project. The rate is WIBOR PLN 1 M +0,47%. During Q4 2009, 885 281 Euro has been capitalized.

Note 3 Short term receivables

95 % of the group's short term receivables are cash deposits in bank left as security for loans.

Note 4 Interest bearing liabilities

Below is a table listing of interest bearing external loans and their maturity (Euro). Since the group has offset 44 % of all interest bearing liabilities in the project companies with liquid funds in the parent company it has the possibility to re-finance internally if the current credit situation makes it unfavorable to borrow.

Due date	Amount
Within 1 to 5 year	1 003 647
Within 12 months	56 988 716
Total	57 992 363

The company auditors have not audited this report.

Warsaw, February 26th 2010

Anders Lettstrom
Chairman of the board

Tevnell Waldemar

Jens Engwall

Stanislav Dudzik

Gosta Gustafsson

Torgny Krook

André Rosberg