



NINE MONTHS REPORT, JANUARY 1 – SEPTEMBER 30, 2010

Third quarter, July - September 2010

- Net sales amounted to 1 379 852 Euro
- Operating loss amounted to -4 052 154 Euro
- Earnings after taxes amounted to -2 727 815 Euro
- Earnings per share amounted to -0.39 Euro
- Cash flow for the period amounted to -1 098 719 Euro

January - September 2010

- Net sales amounted to 44 174 643 Euro
- Operating income amounted to -638 510 Euro
- Earnings after taxes amounted to 700 590 Euro
- Earnings per share amounted to 0,10 Euro
- Cash flow for the period amounted to -4 003 262 Euro

Highlight events in Reinhold Polska AB Group, first 9 months 2010

Comments by CEO Gösta Gustafsson

As communicated earlier in the company's statement on the situation that has occurred with Union Investment Real Estate GmbH (Union) regarding the Lipinski project, the Board of Directors is closely monitoring the development of the situation. The situation did create exposure to Reinhold Polska AB Group and the immediate effect on the net result is approx. – 3 million Euro. Reinhold Polska AB upholds that the termination of the Lipinski development agreement was unlawful. However, Reinhold polska AB is in contact with Union and is undertaking all possible measures to resolve the current situation through negotiations and settlement – therefore, no direct claims have been raised at this stage by the neither of the parties.

Investments

During the first 9 months 2010 1.4 million Euros 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

The company has established a central office in Warsaw and regional offices in Wrocław, Krakow and Katowice. We currently have 13 persons employed.

The Polish real estate market

The economic crisis during 2008-2009 has had a negative effect on the market. However, the market today shows strong signs of recovery. Poland as a country has coped with the crisis much better than others; Poland recorded the best real GDP growth performance among OECD countries in 2009. For 2010 GDP is expected grow 2,5% and 3,1% 2011 according to OECD.

The growing economy has impacted the real estate market; the prices as well the transaction volume are rising. Many foreign funds are showing interest for the growing polish market.

Future plans

In accordance with the company's strategy we will focus 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	Site	Type of project	Status
Reinhold Center	Katowice	Retail / Office	Leased to approx. 90%
Reinhold Pułaskiego	Katowice	Residential	Building permit obtained
Reinhold Plaza	Kraków	Office / Retail	Design phase
Reinhold Przyjaźni	Wrocław	Residential	Design phase

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

Financial position - Group

Group sales amounts to 44 174 643 (657 916) Euro and the net result is 700 590 (-1 685 714) Euro. Liquid assets amounts to 1 068 893 (4 822 802) Euro.

The equity ratio is 27,0% (25,3%). The effective solidity is higher on group level since a major part of all long-term loans are backed up with liquid funds in the parent company.

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.

Financial position - Parent company

Sales in the parent company amounts to 20 020 Euro and net result for the year is 1 486 856 Euro.

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 is 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		Q3	Q3	JAN-SEP	JAN-SEP	JAN-DEC
		JUL-SEP	JUL-SEP	2010	2009	2009
		2010	2009	2010	2009	2009
Net sales						
Net sales	1	1 379 852	209 640	44 174 643	657 916	2 436 731
Gross operating income		1 379 852	209 640	44 174 643	657 916	2 436 731
Cost of goods sold		-5 128 402		-42 652 323		-4 133 651
Other external costs		-195 437	-452 577	-1 776 595	-1 695 806	-970 777
Personnel costs		-105 046	-165 811	-373 063	-568 289	-757 759
Depreciation and write-downs of tangible and intangible assets		-3 121	-4 652	-11 172	-14 882	-20 096
Operating income		-4 052 154	-413 400	-638 510	-1 621 061	-3 445 552
Financial items, net		1 324 339	1 559 339	1 339 100	-64 653	598 198
Income after financial items		-2 727 815	1 145 939	700 590	-1 685 714	-2 847 354
Tax		0		0	0	0
Income for the period		-2 727 815	1 145 939	700 590	-1 685 714	-2 847 354
		0				
Exchange differences on translation of foreign operations		-297 312	-434 222	-169 000	-309 662	-152 084
Other comprehensive income		-297 312	-434 222	-169 000	-309 662	-152 084
Total comprehensive income		-3 025 127	711 717	531 590	-1 995 377	-2 999 438
Attributable to the equity holders of the parent company						
-Income for the period		-2 727 815	1 145 939	700 590	-1 685 714	-2 847 354
-Other comprehensive income		-297 312	-434 222	-169 000	-309 662	-152 084
Average number of shares		7 000 000	7 000 000	7 000 000	7 000 000	7 000 000
Earnings per share		-0,39	1.64	0,10	-0.24	-0,41

CONSOLIDATED BALANCE SHEET

Amounts in Euro		2010-09-30	2009-09-30	2009-12-31
Intangible assets		1 946	6 377	5 153
Tangible assets		20 850	34 107	27 006
Financial assets		977 357	38 044	294 630
Total fixed assets		1 000 153	78 528	326 789
Properties reported as current assets	2	37 643 121	54 186 010	56 529 844
Short term receivables		40 898 240	28 683 011	27 261 258
Cash and bank balances		1 068 893	4 822 802	4 038 221
Total current assets		79 610 254	87 691 823	87 829 323
TOTAL ASSETS		80 610 407	87 770 351	88 156 112
Equity				
Share capital		370 437	370 437	370 437
Other additional capital		32 413 283	32 413 283	32 413 283
Retained earnings and other reserves		-11 060 075	-10 587 605	-11 591 655
Total equity		21 723 645	22 196 115	21 192 055
Long term liabilities		55 475	26 160 506	1 003 647
Current liabilities		43 540 857	34 907 888	61 313 051
Accrued expenses and deferred income		12 458 793	4 505 842	4 647 359
Total current liabilities		58 831 287	39 413 730	65 960 410
TOTAL EQUITY AND LIABILITIES		80 610 407	87 770 351	88 156 112

Change in consolidated equity

Amounts in Euro	2010-09-30	2009-09-30	2009-12-31
Opening balance	21 192 055	24 191 492	24 191 492
Total comprehensive income for the period	531 590	-1 995 377	-2 999 437
Total transactions with equity holders	0	0	0
Closing balance	21 723 645	22 196 115	21 192 055

CONSOLIDATED CASH FLOW STATEMENT

Amounts in Euro	Q3	Q3	JAN-SEP	JAN-SEP	JAN-DEC
	JUL-SEP	JUL-SEP	2010	2009	2009
	2010	2009	2010	2009	2009
Operating profit/loss	-4 052 154	-413 400	-638 510	-1 621 061	-3 445 552
Adjustments for non-cash items	-294 191	-429 569	-157 828	-294 780	-131 423
Interest received	373 648	149 303	873 659	520 849	709 692
Interest paid	-126 443	-23 573	-568 493	-70 654	-191 151
Income tax paid	0	0	0	0	0
Cash flow from operating activities before working capital changes	-4 099 140	-717 239	-491 172	-1 465 646	-3 058 434
Changes in properties reported as current assets	-3 034 401	-9 095 408	18 886 723	-15 078 594	-17 422 428
Changes in receivables	1 752 646	-2 916 638	-13 636 982	112 805	1 534 558
Changes in liabilities	4 719 477	18 359 014	-7 129 123	18 558 461	21 684 605
Cash flow after working capital changes	-661 418	5 629 729	-2 370 554	2 127 026	2 738 301
Purchase of/changes in equipment and property	-649 946	-4 504	-684 536	-2 034	-256 074
Cash flow after investing activities	-1 311 364	5 625 225	-3 055 090	2 124 922	2 482 227
Borrowings/repayment of debt	212 645	-6 372 474	-948 172	1 736 323	0
Cash flow for the period	-1 098 719	-747 249	-4 003 262	3 861 315	2 482 227
Cash and cash equivalent at the beginning of the period	1 090 478	4 136 445	4 038 221	1 476 377	1 476 337
Exchange rate differences	1 077 134	1 433 606	1 033 934	-514 850	79 657
Cash and cash equivalents at the end of the period	1 068 893	4 822 802	1 068 893	4 822 802	4 038 221

CONSOLIDATED KEY FIGURES

	Q3 2010 Jul-Sep	Q2 2010 Apr-Jun	Q1 2010 Jan-Mar	Q4 2009 Oct-dec	Q3 2009 Jul-Sep	Q2 2009 Apr-Jun	Q1 2009 Jan-Mar	2008 Jan-Dec	2007 Jan-Dec
Amounts in Euro									
Income statement									
Net sales	1 379 852	12 895 838	29 898 953	1 778 815	209 640	401 652	46 624	405 871	89 117
Operating profit/loss	-4 052 154	2 902 058	511 585	-1 824 491	-413 450	-392 417	-815 868	-2 095 766	-1 714 488
Net profit/loss for the period	-2 727 815	924 730	2 503 674	-1 161 640	1 145 938	554 802	-3 386 456	-8 133 039	-593 863
Balance sheet									
Fixed assets	1 000 153	963 328	724 741	326 789	78 528	78 676	76 623	91 376	292 222
Current assets	79 610 254	78 350 084	80 199 223	87 829 323	87 691 823	74 993 420	64 578 452	69 379 568	70 230 835
Equity	21 723 645	24 748 772	23 338 386	21 192 055	22 196 115	21 484 400	21 071 466	24 191 493	31 977 287
Interest bearing liabilities	43 409 210	41 489 700	46 455 469	57 992 363	57 102 194	46 391 028	38 551 065	43 403 516	33 931 607
Non-interest bearing liabilities	13 689 451	13 074 940	4 591 373	7 968 047	8 472 041	7 196 668	8 683 943	1 875 936	4 508 218
Total assets	80 610 407	79 313 412	80 923 963	88 156 112	87 770 351	75 072 096	64 655 075	69 470 945	70 523 057
Financial ratios									
Equity/assets ratio. %	26.95	31.2	28.4	24.04	25.29%	28,67%	32,59	34,8	45.3
Debt/equity ratio	2.7	2.2	2.5	3.16	3.9	2.5	2.0	1.9	1.2
Profitability ratios									
Return on shareholder's equity. %	Neg	3,7	10,7	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.

The report has been prepared in accordance with the same accounting principles and methods of calculations as the 2009 Annual Report.

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).

2010-09-30

	Purchase price	Capitalized interest	Other costs	Total
All projects	10 168 059	4 353 807	22 941 834	37 463 700

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 Q3 2010, 639 733 Euro has been capitalized.

The company auditors have not audited this report

Stockholm, 13 November 2010

THE BOARD OF DIRECTORS

If you have any questions, please contact:

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