



YEAR-END REPORT, JANUARY 1 – DECEMBER 31, 2007

Fourth quarter, October - December 2007

- Net sales amounted to 325 KSEK
- Operating loss amounted to –9 215 KSEK
- Loss after taxes amounted to –5 572 KSEK
- Earnings per share amounted to –0.79 SEK
- Cash flow for the period amounted to –22 643 kSEK

Year-end, January - December 2007

- Net sales amounted to 1 150 KSEK
- Operating loss amounted to –16 199 KSEK
- Loss after taxes amounted to –5 635 KSEK
- Earnings per share amounted to –0.79 SEK
- Cash flow for the period amounted to –264 116 KSEK
- Group Equity amounted to 302 133 KSEK, 43,16 SEK per share.

Highlight events in Reinhold Polska AB Group in 2007

Investments

The year 2007 was the first full year of Reinhold Polska AB Group on the Polish real estate market. After a new shares issue of 281 750 KSEK in September 2006, it was a year of projects acquisition. All available funds were invested in ten different projects in Warsaw, Wrocław, Katowice, Kraków and Gliwice /Silesian region/.

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. The actual portfolio is splitted the following way:

Regions:

Katowice and Gliwice /Silesian region/ - 42%

Wrocław – 22%

Warsaw – 20%

Kraków – 16%

Types of properties:

Office – 54%

Residential – 33%

Retail – 13%

Organization

In 2007 we set up the organization and hired employees. The company also established a central office in Warsaw and regional offices in Wrocław, Krakow and Katowice. We currently have a total of 25 persons employed .

Quotation on Warsaw Stock Exchange

On the 13th of December 2007 the company was listed on the Warsaw Stock Exchange. The initial plans including a new share issue of 105 604 KSEK had to be abandoned due to the difficult situation on the capital market caused by subprime mortgage crisis in USA. Finally the company decided to flotat existing shares on the market.

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.

Operations

The group started all activities during 2007 and therefore comparisons with previous periods is not relevant.

The loss before tax for the year is 4 498 KSEK and is in line with the expectations of the board of directors. No projects were finalized during the period and therefore no project income was recorded during the year.

Other operating income is sales of advertising space on the building sites in Poland.

Other operating costs include costs in connection to the flotation on the Warsaw stock exchange amounting to 1 173 KSEK.

During the year investments have been made in totally 10 projects. Building activities have started in two projects, Karpacka and Reinhold Center.

Liquid assets amounts to 46 350 KSEK (310 466 KSEK 2006). During 2007 parts of the liquid assets have been used as collateral for long term debts and is therefore accounted for as short term receivables.

The equity ratio is 45,3 % and is in line with the expectations of the board of directors.

The cash flow is negative due to the fact that no projects have been finalized and sold during the year. Cash flow is mainly generated when projects are sold.

Parent company

Sales in the parent company amounts to 198 KSEK and net result for the year is 2 649 KSEK. No major changes in investments and financing have occurred during the year.

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 financial 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 and currency risks.

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. To reduce currency risks Reinhold raise investment credits in the Polish companies in local currency. As a guarantee for these credits the Parent company are depositing the equity invested in Sweden. Hereby Reinhold are not exposed to any currency risk, since the investment and the credit is in same currency.

CONSOLIDATED INCOME STATEMENT

Amounts in kSEK	Q4		
	OCT-DEC 2007	JAN-DEC 2007	JUN-DEC 2006
Operating income			
Net sales	1 325	842	-
Other operating income	0	309	-
	325	1 150	0
Operating expenses			
Other external costs	-6 513	-10 575	-2 772
Personnel costs	-1 843	-5 077	-157
Depreciation and write-downs of tangible and intangible assets	-358	-432	-4
Other operating expenses	-826	-1 265	-
Operating profit/loss	-9 215	-16 199	-2 933
Result from financial investments			
Other interest income	5 522	12 443	1 704
Interest expense	-681	-717	-2
Profit/loss after financial items	-4 374	-4 498	-1 231
Tax on profit for the period	-1 198	-1 138	-
Net profit/loss for the period	-5 572	-5 635	-1 231
Average number of amounts of share	7 000 000	7 000 000	7 000 000
Earnings per share	-0.79	-0.79	-0.18

CONSOLIDATED BALANCE SHEET

Amounts in kSEK		2007-12-31	2006-12-31
Intangible assets		168	-
Tangible assets		368	16
Financial assets		2 225	
Total fixed assets		2 762	16
Properties reported as current assets		2 311 788	8 376
Short term receivables		305 424	422
Cash and bank balances		46 350	310 466
Total current assets		663 562	319 264
TOTAL ASSETS		666 324	319 280
Equity			
Share capital		3 500	3 500
Other additional capital		306 250	306 250
Other reserves		-751	-4
Retained earnings		-1 231	-
Net profit/loss for the period		-5 635	-1 231
Total equity		302 133	308 515
Long term liabilities		3 298 068	8 496
Current liabilities		63 294	2 054
Accrued expenses and deferred income		2 830	215
Total current liabilities		66 124	2 269
TOTAL EQUITY AND LIABILITIES		666 324	319 280

CHANGES IN SHAREHOLDERS' EQUITY GROUP

Amounts in kSEK	Share capital	Other add capital	Other reserves	Retained earnings	Total equity
Opening balance 2006-06-27	0	0	0	0	0
Formation of company	500				500
New share issue	3 000	281 750			284 750
Shareholder's contribution received		24 500			24 500
Translation difference			-4		-4
Net profit/loss for the period				-1 231	-1 231
Closing balance 2006-12-31	3 500	306 250	-4	-1 231	308 515
Opening balance 2007-01-01	3 500	306 250	-4	-1 231	308 515
Translation difference			4	-751	-747
Net profit/loss for the period				-5 635	-5 635
Closing balance 2007-12-31	3 500	306 250	0	-7 617	302 133

CONSOLIDATED CASH FLOW STATEMENT

Amounts in kSEK	Q4		
	OCT-DEC	JAN-DEC	JUN-DEC
	2007	2007	2006
Operating profit/loss	-9 215	-16 199	-2 933
Adjustments for non-cash items	358	432	4
Interest received	5 522	12 443	1 704
Interest paid	-681	-722	-2
Income tax paid	-1 198	-1 138	-
Cash flow from operating activities before working capital changes	-5 214	-5 504	-1 227
Changes in properties reported as current assets	-98 536	-303 412	-8 376
Changes in receivables	-3 027	-305 002	-422
Changes in liabilities	21 329	63 409	2 265
Cash flow after working capital changes	85 448	-550 509	-7 760
Purchase of equipment and property	3 368	-3 178	-20
Cash flow after investing activities	-82 080	-553 687	-7 780
Formation of company		-	500
New share issue		-	284 750
Borrowings/repayment of debt	59 437	289 571	8 496
Shareholder's contribution received		-	24 500
Cash flow for the period	-22 643	-264 116	310 466
Cash and cash equivalent at the beginning of the period	68 993	310 467	0
Cash and cash equivalent at the end of the period	46 350	46 350	310 466

CONSOLIDATED KEY FIGURES

		Q4	Q3	Q2	Q1	
	2007	2007	2007	2007	2007	2006
Amounts in kSEK	Jan-Dec	Oct-Dec	Jun-Sep	Apr-Jun	Jan-Mar	Jun-Dec
Income statement						
Net sales	1 150	325	335	327	163	-
Operating profit/loss	-16 199	-9 215	-1 637	-3 602	-1 745	-2 933
Net profit/loss for the period	-5 635	-5 572	271	-1 013	679	-1 231
Balance sheet						
Fixed assets	2 762	2 762	6 487	54	162	16
Current assets	663 562	663 562	584 643	517 107	456 198	319 264
Equity	302 132	302 132	308 410	308 135	309 187	308 515
Interest bearing liabilities	320 596	320 596	238 766	196 954	142 800	8 496
Non-interest bearing liabilities	42 595	42 595	43 944	12 071	4 373	2 269
Total assets	666 324	666 324	591 130	517 161	456 360	319 280
Financial ratios						
Equity/assets ratio, %	45,3	45,3	52,2	59,5	67,8	96,6
Debt/equity ratio, times	1,2	1,2	0,9	0,7	0,5	0,0
Profitability ratios						
Return on shareholder's equity, %	Neg.	neg	neg	neg	0,2	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 RR 31 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 2006 Annual Report, except for changes in the accounting for loan costs in accordance with IAS 23. Loan costs are now capitalized; this change does not affect the comparison with previous year since no projects were started then.

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 (KSEK).

Projects	2007-12-31		Total
	Acquisition cost	Capitalized Interest	
Reinhold Polska Services	100	0	100
Project 1	44 257	31	44 288
Project 2	23 428	24	23 452
Project 3	88 446	1 450	89 896
Project 4	63 354	222	63 576
Project 5	40 198	73	40 271
Project 6	12 718	1	12 719
Project 7	4 579	1	4 580
Project 8	10 342	5	10 347
Project 9	659	12	671
Project 10	21 869	18	21 887
	309 951	1 837	311 788

Note 3 Interest bearing liabilities

Below is a table listing of all external loans and their due dates related to the projects (KSEK).

Due date	Amount
2008-09-30	12 659
2008-10-31	19 689
2009-09-30	179
2010-03-31	124 134
2010-04-30	76 923
2010-05-31	22 190
2010-06-30	41 269
2010-08-31	14 661
2010-09-30	8 892
Total	320 596

Stockholm, 26-02-2008

Anders Lettström
Chairman of the Board

Jens Engwall

Gunnar Håkansson

Torgny Krook

Gösta Gustafsson
Chief Executive Officer

If you have any questions, please contact:

Chief Executive Officer Gösta Gustafsson, tel (+46) 8 23 55 25