

Reinhold Polska AB

9 MONTH REPORT

1 JANUARY – 30 SEPTEMBER, 2008

Third quarter, July-September 2008

• Net sales amounted to	54 995 Euro
• Operating loss amounted to	484 633 Euro
• Loss after taxes amounted to	162 321 Euro
• Earnings per share amounted to	-0.02 Euro
• Cash flow for the period amounted to	1 127 972 Euro

Reinhold Polska AB Group 9 months 2008

• Net sales amounted to	317 046 Euro
• Operating loss amounted to	1 403 101 Euro
• Loss after taxes amounted to	444 589 Euro
• Earnings per share amounted to	-0.06 Euro
• Cash flow for the period amounted to	-1 201 922 Euro

Investments

During the first 9 months of 2008 12.2 million Euro has been invested the projects.

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

The company has established a central office in Warsaw and regional offices in Wrocław, Krakow and Katowice. We currently have a total of 36 persons employed.

The Polish real estate market

The current credit crisis has had a negative effect on the market. The first half of 2008 was another year of growth in Poland, the country enjoys economic acceleration from the selection as host for 2012 Euro Cup.

During the autumn of 2008 a significant slow-down has occurred which are likely to continue through 2009. This slow-down will have negative effect on the investment volumes. On the real estate market the outlook differs in the different sectors; in the office sector the market is reaching stabilization from the high growth rates earlier, in the retail market there is still a demand for space as new international brands are moving in, and in the residential market the supply exceeds demand which causes prices to decline.

The next 24 months will probably be a bit difficult in the residential sector but lower interest rates may offer some relief. In the office and retail sector the outlook is brighter but in this current situation this might change. It is the view of the group that the diversification between both sectors and geographically that Reinhold Polska has in its project portfolio will help in this situation and provide a solid base for future profits.

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	Project Name	Location	Type	Status
RPP 1	Reinhold Przyjaźni	Wrocław	Residential	Design phase
RPP 2	Reinhold Terenowa	Wrocław	Residential	Construction process
RPP 3	Reinhold Lipiński	Warsaw	Retail / Office	Demolition process
RPP 4	Reinhold Center	Katowice	Office	Construction process
RPP 5	Reinhold Lipiński Passage	Warszawa	Retail / Office	Construction process
RPP 6	Reinhold Green Valley	Katowice	Residential	Building permit pending
RPP 7	Reinhold Grzegórzecka	Kraków	Residential	Design phase
RPP 8	Reinhold Plaza	Kraków	Office / Retail	Design phase
RPP 10	Reinhold Karpacka	Wrocław	Residential	Construction process

For some of the projects that are in the construction process completion is close and the selling process has begun. Some contracts have been signed, both selling apartments and letting offices and retail areas.

Since 1 January 2008 the functional currency of Reinhold Polska has been changed to Euro. All historical SEK values have been converted to Euro using the rate 9.4483 SEK/Euro.

Financial position – Group

Group sales amounts to 317 046 Euro and the net result is -540 456 Euro.

Liquid assets amounts to 3 703 722 Euro (7 302 124 Euro).

The equity ratio is 36,9 % (45,3 %). The effective solidity is higher on group level since all long-term loans are backed up with liquid funds in the parent company, accounting for this the solidity is around 60 %.

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 but are used as collateral for borrowing in the project companies. This means that all long-term loans have a 100% security in the form of liquid assets.

Financial position - Parent company

Sales in the parent company amounts to 101 345 Euro and net result for the nine months period is 622 259 Euro. 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 financials risks relate to the capital requirements of Reinhold's different operations. For a detailed description of the various risks, please see the 2007 Annual Report.

CONSOLIDATED INCOME STATEMENT

Amounts in Euro		Q3 JUL-SEP 2008	Q3 JUL-SEP 2007	JAN- SEP 2008	JAN-SEP 2007	JAN-DEC 2007
Operating income						
Net sales	1	54 995	44	317 046	92 019	89 117
Other operating income		237	35 451	14 536	50 162	32 598
		55 233	35 495	331 583	142 181	121 715
Operating expenses						
Other external costs		-342 509	-134 659	-1 053 575	-570 047	-1 253 136
Personnel costs		-187 907	-127 683	-653 564	-342 325	-537 345
Depreciation and write-downs of tangible and intangible assets		-9 452	0	-27 545	-7 866	0
Other operating expenses		0	-31 788	0	-46 499	-45 723
Operating profit/loss		-484 633	-258 634	-1 403 101	-824 556	-1 714 489
Result from financial investments						
Other interest income		435 059	291 195	1 189 080	829 070	1 316 956
Interest expense		-23 683	-3 344	-56 334	-3 874	-75 886
Profit/loss after financial items		-73 259	29 217	-270 356	640	-473 418
Tax on profit for the period		-89 062	-535	-174 233	-7 309	-120 445
Net profit/loss for the period		-162 321	28 682	-444 589	-6 669	-593 863
Average number of shares		7 000 000	7 000 000	7 000 000	7 000 000	7 000 000
Earnings per share		-0.02	0.004	-0.06	-0.001	-0.08

CONSOLIDATED BALANCE SHEET

Amounts in EURO		2008-09-30	2007-09-30	2007-12-31
Intangible assets		11 634	15 755	17 781
Tangible assets		59 192	504 138	38 949
Financial assets		492 766	166 660	235 492
Total fixed assets		563 591	686 552	292 222
Properties reported as current assets	2	45 084 255	22 570 560	32 999 376
Short term receivables		35 754 647	32 005 406	32 325 815
Cash and bank balances		3 703 722	7 302 124	4 905 644
Total current assets		84 542 624	61 878 091	70 230 835
TOTAL ASSETS		85 106 215	62 564 643	70 523 057
Equity				
Share capital		370 437	370 437	370 437
Other additional capital and retained earnings		31 512 086	32 278 103	32 200 713
Net profit/loss for the period		-444 589	-6 669	-593 863
Total equity		31 437 934	32 641 871	31 977 287
Long term liabilities	3	35 156 618	25 271 795	31 547 262
Current liabilities		18 431 139	4 618 301	6 698 983
Accrued expenses and deferred income		80 524	32 676	299 525
Total current liabilities		18 511 663	4 650 977	6 998 508
TOTAL EQUITY AND LIABILITIES		85 106 215	62 564 643	70 523 057

CHANGES IN SHAREHOLDERS' EQUITY GROUP

Amounts in Euro	Share capital	Other add capital	Other reserves	Retained earnings	Total equity
Opening balance 2006-06-27	0	0	0	0	0
Formation of company	52 920				52 920
New share issue	317 517	29 820 179			30 137 697
Shareholder's contribution received		2 593 103			2 593 103
Translation difference			-423		-423
Net profit/loss for the period				-130 288	-130 288
Closing balance 2006-12-31	370 437	32 413 238	-423	-130 288	32 652 964
Opening balance 2007-01-01	370 437	32 413 238	-423	-130 288	32 652 964
Translation difference			423	-79 741	-79 318
Net profit/loss for the period				-596 404	-596 404
Closing balance 2007-12-31	370 437	32 413 283	0	-806 433	31 977 287
Opening balance 2008-01-01	370 437	32 413 283	0	-806 433	31 977 287
Translation difference			0	-94 765	-94 765
Net profit/loss for the period				-444 589	-444 589
Closing balance 2008-09-30	370 437	32 413 283	0	-1 345 786	31 437 934

CONSOLIDATED CASH FLOW STATEMENT	JUL-SEP 2008	JUL-SEP 2007	JAN-SEP 2008	JAN-SEP 2007	JAN-DEC 2007
Amounts in Euro					
Operating profit/loss	-444 589	-258 634	-1 403 101	-824 556	-1 714 488
Adjustments for non-cash items	-9 875	-209 780	-67 219	-157 813	45 723
Interest received	435 058	291 195	1 189 079	829 070	1 316 956
Interest paid	-23 683	-3 344	-56 334	-3 874	-76 416
Income tax paid	-89 062	-535	-174 233	-7 309	-120 445
Cash flow from operating activities before working capital changes	-172 195	-181 098	-511 808	-164 481	-548 670
Changes in properties reported as current assets	-4 708 587	-2 691 854	-12 084 879	-21 684 053	-32 112 867
Changes in receivables	-1 266 455	-29 779 821	-3 428 832	-31 960 742	-32 281 151
Changes in liabilities	2 559 944	3 373 324	11 511 860	4 410 865	6 711 154
Cash flow after working capital changes	-3 587 293	-29 279 449	-4 513 859	-49 398 412	-58 231 534
Purchase of/changes in equipment and property	-270 247	-470 032	-298 915	-526 021	-336 357
Cash flow after investing activities	-3 857 540	-29 749 481	-4 812 774	-49 924 433	-58 567 891
Borrowings/repayment of debt	4 985 512	4 424 978	3 610 852	24 371 212	30 647 947
Cash flow for the period	1 127 972	-25 324 503	-1 201 922	-25 553 221	-27 919 943
Cash and cash equivalent at the beginning of the period	2 575 950	32 625 869	4 905 644	32 859 562	32 859 562
Exchange rate differences	0	758	0	-4 217	-33 975
Cash and cash equivalent at the end of the period	3 703 922	7 302 124	3 703 722	7 302 124	4 905 644

CONSOLIDATED KEY FIGURES

	Q3 2008 JUL-SEP	Q2 2008 APR-JUN	Q1 2008 JAN-MAR	2007 JAN-DEC	2006 JAN-DEC
Amounts in Euro					
Income statement					
Net sales	54 995	242 069	19 982	89 117	0
Operating profit/loss	-484 633	-525 403	-393 063	-1 714 488	-310 426
Net profit/loss for the period	-162 321	-211 936	-70 332	-593 863	-130 288
Balance sheet					
Fixed assets	563 591	302 797	289 007	292 222	1 693
Current assets	84 542 624	77 439 813	73 104 037	70 230 835	33 790 629
Equity	31 437 934	31 619 583	32 167 386	31 977 287	32 652 964
Interest bearing liabilities	51 371 604	44 892 189	39 428 131	33 931 607	899 209
Non-interest bearing liabilities	2 296 677	1 230 837	1 797 527	4 508 218	240 149
Total assets	85 106 215	77 742 610	73 393 044	70 523 057	33 792 322
Financial ratios					
Equity/assets ratio. %	36.9	40.7	43.8	45.3	96.6
Debt/equity ratio. times	1.7	1.4	1.3	1.2	0.0
Profitability ratios					
Return on shareholder's equity. %	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 2007 Annual Report.

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).

2008-09-30

Projects	Purchase price	Capitalized interest	Other costs	Total
All Projects	28 984 200	3 223 117	12 876 940	45 084 255

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 2008, 466 537 Euro has been capitalized.

Note 3 Long term liabilities

Below is a table listing of interest bearing external loans and their maturity (Euro). Since the group has offset all longterm 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	Kwota
Within 12 months	16 213 490
Within 1 to 5 year	35 156 618
Total	51 370 108

The company's auditor has not reviewed this report.

Warsaw, November 14th 2008

Anders Lettström
Chairman of the board

Torgny Krook

Jens Engwall

Hans Gunnar Håkansson

Gösta Gustafsson

If you have any questions, please contact:

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