



Q1- REPORT, JANUARY 1 – MARCH 31, 2009

First quarter, January - March 2009

- Net sales amounted to 46 624 Euro
- Operating loss amounted to 815 244 Euro
- Loss after taxes amounted to 3 386 456 Euro
- Earnings per share amounted to –0,48 Euro
- Cash flow for the period amounted to 448 009 Euro (excluding exchange rate differences)

Highlight events in Reinhold Polska AB Group in Q1 2009

Comments by CEO Gösta Gustafsson

“The selling process is now running in our projects Reinhold Karpacka and Reinhold Terrenowa. Our discounted prices in those projects have resulted in already 50 % of the apartments sold. The buyers are showing great interest in these projects and we expect the selling process to be done by the end of the year. Due to the prevailing market situation we have deemed it appropriate to lower the prices thereby maintaining the pace in the selling process plus the fact that we by doing this are using our sales force of 5 persons.

In our projects Reinhold Lipinski and Lipinski Passage construction work has begun.

During January 2009 we down-sized our organization, adjusting it for the new economic reality and the revised project structure. In my view Reinhold Polska now stands strong with the possibility to take our projects to a profitable closure.”

Investments

During Q1 2009 3.04 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 23 persons employed. To meet the slowing market the company has reduced its staff in January 2009. This will reduce costs with immediate effect.

The Polish real estate market

The current economic 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. Even though the crisis has hit Poland, one evidence of the strength in the economy is that Poland has higher interest rates than in the Euro zone. During the autumn of 2008 a significant slow-down has occurred which are likely to continue through 2009 as it has during Q1.

The transaction volume is very low which makes it hard to predict future development. 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.

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	Sales process
Reinhold Lipiński	Warsaw	Retail / Office	Construction process
Reinhold Center	Katowice	Office	Construction process/Building permit obtained
Reinhold Lipiński Passage	Warsaw	Retail / Office	Building permit pending
Reinhold Pułaskiego	Katowice	Residential	Building permit obtained
Reinhold Plaza	Kraków	Office / Retail	Building permit pending
Reinhold Karpacka	Wrocław	Residential	Sales process

The sale of the apartments in Reinhold Terenowa and Reinhold Karpacka has started with the goal to have the process done by the end of 2009. Updated information about the projects can be found on the groups website www.reinholdpolska.com.

Financial position - Group

Group sales amounts to 46 624 (33 797) Euro and the net result is –3 386 456 (-70 332) Euro. Liquid assets amounts to 1 924 346 (5 586 134) Euro.

The equity ratio is 32,6 % (43,8 %). 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. If they would be netted against each other the solidity would be around 50 %.

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 25 546 Euro and net result for the year is –2 594 952 Euro. Unfavorable exchange rate movements cause the loss. The functional currency of the company is euro and liquid assets placed as collateral are in zloty and when the euro was strengthened the zloty position lost its value.

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, 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		Q1	Q1	
		JAN-MAR	JAN-MAR	JAN-DEC
		Q1-2009	Q1-2008	2008
Net sales				
Net sales	1	46 624	33 797	405 871
Gross operating income		46 624	33 797	405 871
Other external costs		-618 640	-277 544	-1 388 571
Personnel costs		-237 728	-141 959	-1 069 928
Depreciation and write-downs of tangible and intangible assets		-5 500	-7 357	-43 138
Operating income		-815 244	-393 063	-2 095 767
Financial items, net		-2 571 211	366 572	-6 037 273
Income after financial items		-3 386 456	-26 491	-8 133 040
Tax		0	-43 841	0
Income for the period		-3 386 456	-70 332	-8 133 040
Exchange differences on translation of foreign operations		266 429	260 431	347 245
Other comprehensive income		266 429	260 431	347 245
Total comprehensive income		-3 120 027	190 099	-7 785 795
Attributable to the equity holders of the parent company				
-Income for the period		-3 386 456	-70 332	-8 133 040
-Other comprehensive income		266 429	260 431	347 245
Average number of amounts of share		7 000 000	7 000 000	7 000 000
Earnings per share		-0.48	-0.01	-1.16

CONSOLIDATED BALANCE SHEET

Amounts in EURO		2009-03-31	2008-03-31	2008-12-31
Intangible assets		9 097	17 707	11 342
Tangible assets		33 220	51 868	41 478
Financial assets		34 307	219 432	38 556
Total fixed assets		76 623	289 007	91 376
Properties reported as current assets	2	37 734 885	35 683 408	39 107 416
Short term receivables		24 919 221	31 834 495	28 795 815
Cash and bank balances		1 924 346	5 586 134	1 476 337
Total current assets		64 578 452	73 104 037	69 470 944
TOTAL ASSETS		64 655 075	73 393 044	69 470 944
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		- 11 712 254	-616 334	-8 592 228
Total equity		21 071 466	32 167 386	24 191 492
Long term liabilities	3	22 315 787	31 500 663	24 424 183
Current liabilities		20 792 465	9 657 021	20 035 619
Accrued expenses and deferred income		475 357	67 974	819 650
Total current liabilities		21 267 821	9 724 995	20 855 268
TOTAL EQUITY AND LIABILITIES		64 655 075	73 393 044	69 070 945

Change in consolidated equity

	2009-03-31	2008-03-31	2008-12-31
Opening balance	24 191 492	31 977 287	31 977 287
Total comprehensive income for the period	-3 114 761	190 099	-7 785 795
Total transactions with equity holders	0	0	0
Closing balance	21 076 732	32 167 386	24 191 492

CONSOLIDATED CASH FLOW STATEMENT

Amounts in Euro	Q1	Q1	
	JAN-MAR	JAN-MAR	JAN-DEC
	2009	2008	2008
Operating profit/loss	-815 244	-393 065	-2 095 767
Adjustments for non-cash items	276 932	7 357	390 384
Interest received	330 044	381 913	1 532 835
Interest paid	-25 294	-15 341	-77 064
Income tax paid	0	-43 841	0
Cash flow from operating activities before working capital changes	-233 562	-62 977	-249 609
Changes in properties reported as current assets	-3 044 287	-2 229 721	-12 722 232
Changes in receivables	6 447 806	551 073	3 529 999
Changes in liabilities	-317 162	2 828 433	6 919 133
Cash flow after working capital changes	2 852 795	1 086 808	-2 522 709
Purchase of/changes in equipment and property	4 249	7 403	157 708
Cash flow after investing activities	2 857 044	1 094 211	157 708
Borrowings/repayment of debt	466 927	-480 793	6 428 741
Cash flow for the period	3 323 971	613 418	4 063 740
Cash and cash equivalent at the beginning of the period	1 476 337	4 905 644	4 905 644
Exchange rate differences	-2 875 962	67 072	-7 493 047
Cash and cash equivalent at the end of the period	1 924 346	5 586 134	1 476 377

**CONSOLIDATED
KEY FIGURES**

	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	2007	2006
Amounts in Euro	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Jan-Dec	Jan-Dec
Income statement							
Net sales	46 624	70 329	54 995	242 069	19 982	89 117	0
Operating profit/loss	-815 868	-692 666	-484 633	-525 403	-393 063	-1 714 488	-310 426
Net profit/loss for the period	-3 386 456	-7 688 456	-162 321	-211 936	-70 332	-593 863	-130 288
Balance sheet							
Fixed assets	76 623	91 376	563 591	302 797	289 007	292 222	1 693
Current assets	64 578 452	69 379 568	84 542 624	77 439 813	73 104 037	70 230 835	33 790 629
Equity	21 071 466	24 191 493	31 437 934	31 619 583	32 167 386	31 977 287	32 652 964
Interest bearing liabilities	38 551 065	43 403 516	51 371 604	44 892 189	39 428 131	33 931 607	899 209
Non-interest bearing liabilities	8 683 943	1 875 936	2 296 677	1 230 837	1 797 527	4 508 218	240 149
Total assets	64 655 075	69 470 944	85 214 052	77 742 610	73 393 044	70 523 057	33 792 322
Financial ratios							
Equity/assets ratio. %	32,59	34,82	36,9	40,7	43,8	45,3	96,6
Debt/equity ratio. times	2,0	1,9	1,7	1,4	1,3	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.

The report has been prepared in accordance with the same accounting principles and methods of calculations as the 2008 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).

2009-03-31

	Purchase price	Capitalized interest	Other costs	Total
All projects	20 728 541	2 871 552	14 134 792	<u>37 734 885</u>

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 Q1 2009, 174 823 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 long term 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 12 months	16 235 278
Within 1 to 5 year	<u>22 315 787</u>
Total	38 551 065

The company auditors have not audited this report.

Stockholm May 15th 2009

THE BOARD OF DIRECTORS

If you have any questions, please contact:

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