Q1- REPORT

JANUARY 1 – MARCH 31, 2010

First quarter, January - March 2010

- Net sales amounted to 29 898 953 Euro
- Operating profit amounted to 511 585 Euro
- Profit after taxes amounted to 2 503 674 Euro
- Earnings per share amounted to 0.36 Euro
- Cash flow for the period amounted to 3 520 577 Euro (excluding exchange rate differences)

Highlight events in Reinhold Polska AB Group in Q1 2010

Comments by CEO Gösta Gustafsson

"As earlier communicated in our annual report, two projects, Reinhold Lipinski and Reinhold Jerozolimskie 61, were sold to a German real estate fund. The projects were sold with what is known as Forward Funding, which means that the Group completes the building work and cleans up the site before the handover takes place. Our project Reinhold Center has been let to 90%.

Since we see a growing demand for housing as a result of the economic recovery and a more generous borrowing policy by the banks we decided to re-start one of our projects, Reinhold Przyjaźni, that we freezed during the crizis. We are constantly looking at the projects we put on hold to see whether they can be re-started, either by ourselves or together with partners.

The improved credit situation has improved our ability to finance the projects and we have also, as the financial statements show, been able to repay some of our debt.

It is mine and the boards firm belief that we have the worst times behind us and the profits in front of us"

Investments

During Q1 2010 2.9 million Euros have been invested into 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 22 employees.

The Polish real estate market

The current economic crisis has had a negative effect on the market even though strong signs of recovery are shown everyday. 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.

Poland has also shown great political stability after the tragic air accident.

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.

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	Fully sold out
Reinhold Przyjaźni	Wrocław	Residential	Design phase

Updated information about the projects can be found on the group’s website www.reinholdpolska.com.

Financial position - Group

Group sales amounts to 29 898 953 (46 624) Euro and the net result is 2 503 674 (-3 386 456) Euro. Liquid assets amounts to 9 419 582 (1 924 346) Euro.

The equity ratio is 28.8 (32.6 %). 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 45 %.

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 7 639 Euro and net result for the period is 1 999 703 Euro. Favorable exchange rate movements between the zloty and euro have made it possible for the company to regain some of the losses from previous years.

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		Q1 JAN-MAR Q1-2010	Q1 JAN-MAR Q1-2009	JAN-DEC 2009
Net sales				
Net sales	1	29 898 953	46 624	2 436 731
Gross operating income		**29 898 953**	**46 624**	**2 436 731**
Other external costs		-29 253 913	-618 640	-5 104 428
Personnel costs		-129 746	-237 728	-757 759
Depreciation and write-downs of tangible and intangible assets		- 3 708	-5 500	-20 096
Operating income		**511 585**	**-815 244**	**-3 445 552**
Financial items, net		1 992 089	-2 571 211	598 198
Income after financial items		**2 503 674**	**-3 386 456**	**-2 847 354**
Tax		0	0	0
Income for the period		**2 503 674**	**-3 386 456**	**-2 847 354**
Exchange differences on translation of foreign operations		-357 343	266 429	-152 084
Other comprehensive income		-357 343	266 429	-152 084
Total comprehensive income		**2 146 331**	**-3 120 027**	**-2 999 438**
Attributable to the equity holders of the parent company				
-Income for the period		2 503 674	-3 386 456	-2 847 354
-Other comprehensive income		-357 343	266 429	-152 084
Average number of amounts of share		7 000 000	7 000 000	7 000 000
Earnings per share		0.36	-0.48	-0.41

CONSOLIDATED BALANCE SHEET

Amounts in EURO		**2010-03-31**	**2009-03-31**	**2009-12-31**
Intangible assets		4 110	9 097	5 153
Tangible assets		27 072	33 220	27 006
Financial assets		693 559	34 307	294 630
Total fixed assets		**724 741**	**76 623**	**326 789**
Properties reported as current assets	2	35 250 392	37 734 885	56 529 844
Short term receivables		35 529 249	24 919 221	27 261 258
Cash and bank balances		9 419 582	1 924 346	4 038 221
Total current assets		**80 199 223**	**64 578 452**	**87 829 844**
TOTAL ASSETS		**80 923 964**	**64 655 075**	**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		-9 445 334	- 11 712 254	-11 591 665
Total equity		**23 338 386**	**21 071 466**	**21 192 055**
Long term liabilities	3	**3 899 535**	**22 315 787**	**1 003 647**
Current liabilities		49 784 975	20 792 465	61 313 051
Accrued expenses and deferred income		3 901 067	475 357	4 647 359
Total current liabilities		**53 686 042**	**21 267 821**	**65 960 410**
TOTAL EQUITY AND LIABILITIES		**80 923 963**	**64 655 075**	**88 156 112**

Change in consolidated equity

	2010-03-31	**2009-03-31**	**2009-12-31**
Opening balance	21 192 055	24 191 492	24 191 492
Total comprehensive income for the period	2 146 331	-3 120 027	-2 999 437
Total transactions with equity holders	0	0	0
Closing balance	23 338 386	21 071 466	21 192 055

CONSOLIDATED CASH FLOW STATEMENT

Amounts in Euro	Q1 JAN-MAR 2010	Q1 JAN-MAR 2009	JAN-DEC 2009
Operating profit/loss	511 585	-815 244	-3 445 552
Adjustments for non-cash items	-353 635	276 932	-131 423
Interest received	179 309	330 044	709 692
Interest paid	-48 004	-25 294	-191 151
Income tax paid	0	0	0
Cash flow from operating activities before working capital changes	**289 255**	**-233 562**	**-3 058 434**
Changes in properties reported as current assets	21 279 452	-3 044 287	-17 422 428
Changes in receivables	-8 267 991	6 447 806	1 534 558
Changes in liabilities	-12 274 367	-317 162	21 684 605
Cash flow after working capital changes	**1 026 349**	**2 852 795**	**2 738 301**
Purchase of/changes in equipment and property	-401 660	4 249	-256 074
Cash flow after investing activities	**624 689**	**2 857 044**	**2 482 227**
Borrowings/repayment of debt	2 895 888	466 927	0
Cash flow for the period	**3 520 577**	**3 323 971**	**2 482 227**
Cash and cash equivalent at the beginning of the period	4 038 221	1 476 337	1 476 337
Exchange rate differences	1 860 784	-2 875 962	79 657
Cash and cash equivalent at the end of the period	**9 419 582**	**1 924 346**	**4 038 221**

CONSOLIDATED KEY FIGURES

Amounts in Euro	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	2006 Jan-Dec
Income statement								
Net sales	29 898 953	1 778 815	209 640	401 652	46 624	405 871	89 117	0
Operating profit/loss	511 585	-1 824 491	-413 450	-392 417	-815 868	-2 095 766	-1 714 488	-310 426
Net profit/loss for the period	2 503 674	-1 161 640	1 145 938	554 802	-3 386 456	-8 133 039	-593 863	-130 288
Balance sheet								
Fixed assets	724 741	326 789	78 528	78 676	76 623	91 376	292 222	1 693
Current assets	80 199 223	87 829 323	87 691 823	74 993 420	64 578 452	69 379 568	70 230 835	33 790 629
Equity	23 338 386	21 192 055	22 196 115	21 484 400	21 071 466	24 191 493	31 977 287	32 652 964
Interest bearing liabilities	46 455 469	57 992 363	57 102 194	46 391 028	38 551 065	43 403 516	33 931 607	899 209
Non-interest bearing liabilities	4 591 373	7 968 047	8 472 041	7 196 668	8 683 943	1 875 936	4 508 218	240 149
Total assets	80 923 963	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. %	28.4%	24.04	25.29	28,67	32,59	34,82	45.3	96.6
Debt/equity ratio	2.47	3.16	3.9	2.5	2.0	1.9	1.2	0.0
Profitability ratios								
Return on shareholder's equity. %	10.7	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 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).

2010-03-31

	Purchase price	Capitalized interest	Other costs	Total
All projects	10 479 863	3 318 894	21 451 635	35 250 392

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 2010, 720 424 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	42 555 934
Within 1 to 5 year	3 899 535
Total	46 455 469

The company auditors have not audited this report.

Stockholm May 14th 2010

THE BOARD OF DIRECTORS

If you have any questions, please contact:
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