Reinhold Polska AB (publ)

CIN 556706-3713

ANNUAL REPORT FOR THE FINANCIAL YEAR

2011-01-01 – 2011-12-31

The board of Directors and the CEO of Reinhold Polska AB hereby submits the following Annual Report:

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Unless otherwise stated, all amounts are in EUR

Management Report

The business

The management of Reinhold Polska AB hereby submits their management report for the financial year 2011.

Reinhold Polska AB is since December 2007 listed on the Warsaw Stock Exchange, WSE, in Poland. The quotation is a listing on a regulated market in the EU which implies that the company is under the supervision of the Swedish financial supervisory authority. At 31 December 2011 two types of shares were issued, class A and class B shares. Only the company's class B shares are listed on WSE since the WSE does not allow larger vote differences than 1:5. The number of registered ordinary shares amounts to a total of 7.000.000 of which 900.000 of class A and 6.100.000 of class B. Every share of class A has ten votes per share and every share of class B has one vote per share at the shareholders' meetings. The company's accounting currency is Euro and the quota value is 0,53 Euro per share for all shares.

The closing share price was 1,15 PLN (6,05) per share at the end of the accounting period at 31 December 2011. This correspond to a market value of 8 050 000 PLN total (after the assumption that the company's class A shares and class B shares has the same value even if the class A shares had been listed). At the end of the period the number of shareholders amounted to approx. 300 shareholders. At the 31 December 2011 the largest shareholders were as follows:

	Shares	Class	% capital	% votes
ALMC hf.	1 226 100	A	17,52	8,12
Derwen Sp.Z.o.o Marseille S.K.A	1 028 731	A+B	14,69	60,45
SEB-Stiftelsen	445 000	B	6,36	2,95
Jesper Lyckéus	700 000	B	10,00	4,64

From the outset, the goal of the Company is to procure, develop, improve and sell real estate and land in Poland. The company's vision to be one of the largest real estate development companies in Poland has been severely disrupted due to the following issues;

A) The 2008 financial crisis, which led to problems finding funding to commence new projects and to refinancing of existing projects,
B) Litigation between the Group and the German real estate fund Union Investment Fund GmbH resulting form the termination of the development agreement for the Lipinski project in 2012. This led, not only to losses and a missed opportunity to make a profit, but also as a result of a EUR 4 000 000 guarantee from the Parent company, this led to huge uncertainty as to the future of the group as the enforcement of this guarantee wasn't from the Company's position, financially viable.
C) Failure to refinance or restructure the loan with BZ WBK S.A. in respect of the Reinhold Centre office building in Katowice.
D) Too slow reaction to cost cutting in 2010 after it was clear that the company had significant cash flow problems resulting from the above problems

The first six months of 2011 were primarily about addressing the factors above which were within the control of the Group. The Board set out the objectives to stabilize the Group, to ensure its survival and find a path to growth and profitability as follows:

(i) Reduce the cost base as soon as possible. The majority of costs were taken out of the Group in Q1 2011.
(ii) Resolve the dispute between the Group and Union Investment Fund to ensure the best financial result for the Group. The Board after considering all legal and financial considerations, approved the signing of a settlement agreement in June 2011.
(iii) To conclude a sales agreement with the main tenant of Reinhold Centre PKP Cargo S.A. in order to substantially reduce the debt to BZ WBK S.A. In this case an initial sales agreement was signed with PKP Cargo S.A. with conditions to be fulfilled on both sides. However the Board was informed in December 2011 that PKP Cargo was unable to receive permission to acquire the building from its shareholder and therefore sales agreement was unable to be completed. On receiving of this information, The Board immediately began discussions on a restructuring agreement with the bank in order to avoid foreclosure on the loan which again would make the future of the Group unviable. The agreement was approved by the Board in April 2012.
(iv) To bring to the General Meeting of Shareholders a recapitalization plan which would ensure the survival and long term viability of the company. In this regard, the General Meeting of Shareholders approved in August 2011, a plan to recapitalize the Group through the contribution of assets from Handuk Consulting Limited. This contribution was to take place within six months of the approval. As the transaction with PKP Cargo

S.A. was not finalized and therefore the survival of the Group was unclear, the recapitalization did not happen within six months of approval and therefore the permission has now expired.

As of the date of approving these financial statements Handuk Consulting Limited has expressed its willingness to still recapitalize the Group and the Board is on contact with Handuk in order to agree conditions as to how this would happen. The Board is also in contact with other possible investors with the objective to refocus the Group on income generating assets as a base to proceed forward with developing some of the existing assets in the Group and subsequently to acquire future development land.

As of today the company's remaining real estate exists in Krakow (1), Wroclaw (1) and Katowice (2). Depending on the order of disposal of assets resulting from the restructuring agreement signed between the Group and BZ WBK S.A., the land surrounding Reinhold Centre office building in Katowice and the land in Krakow may be sold to reduce the bank debt. If, however, the Group manages to sell Reinhold Centre itself, then the Group will enter into discussions for joint ventures for these projects. Regardless of the order of sale, all these assets have been written down to their disposal value as of 31 December 2011.

The land held on Wroclaw where residential and office is to be developed is the subject of a loan from Pekao S.A. which is also overdue. The Board are in discussions with that bank in order to agree a way forward. The residential land in Katowice has been written down to disposal value as it is expected that any restructuring agreement with Pekao S.A. will, like the agreement with BZ WBK S.A., involve the disposal of property

Going concern

Given the financial situation of the company the question of whether the company is a going concern or not has been addressed by the Board at a number of occasions during the last quarter of 2011 and up to the publishing of this annual report. The going concern basis assumes that the company will stay in business in the foreseeable future. The Reinhold Polska Board has taken several steps since the beginning of 2011 to ensure that the company will continue in the foreseeable future and these have been mentioned in this report elsewhere. Cost reductions, restructuring of debt and cash injections are all steps that have been taken in order for the company to survive. For the company to stay in business in the short to medium term, it has relied on external sources of finance which may not continue into the long term.
At the same time, of the restructuring agreement with BZ WBK is realized, Reinhold Polska AB can conceivably function into the long term, however at a very low level and little or no profitability

The Board of Directors recognized after the transaction with PKP Cargo failed to realize in December 2011 that the contribution of assets into the company which was approved by the General meeting of shareholders in August 2011 was going to be delayed until at least the debt was restructured with BZ WBK. As this is now done, the Board is again actively pursuing opportunities for a large contribution of cash generating assets or assets and cash into the company to assure the long term success of the company.

If it were to be the case that going concern was not the proper basis for prerparation of the accounts, this would mean that a writedown would be required in the valuation of Wroclaw Przyjazni project in the consolidated balance sheet and a write down in the receivables from the Wroclaw project company in the balance sheet of Reinhold Polska AB company balance sheet.

Concerning questions of corporate governance and thereby connected questions they are presented in the corporate governance report which the Board of Directors of Reinhold Polska AB has submitted along with the annual report.

Important events during the financial year

The important events during the financial year were

a) The conclusion of an initial agreement to sell the real estate in Katowice to PKP Cargo S.A. The initial agreement was signed in May 31, 2011 however as mentioned above,. The transaction was not completed due to the buyer being unable to meet all the conditions.
b) The conclusion of an agreement with Union Investment Fund GmbH in June 2011 to settle the dispute between the two companies. According to the agreement the company will pay EUR 300 000 to Union.

The limiting factor for the Group in stabilizing its business and looking forward to expansion has been the risk of insolvency due to the events mentioned above. The Group has not been seen as an attractive, stable and reliable partner due to the events of the period 2008-2010 as mentioned above. The Board has focused on taking the necessary steps to change the situation. Without eliminating the possibility of insolvency, the Group has had no chance to be taken as a serious partner. The failure of the transaction with PKP Cargo meant that the goal of completing the stabilizing of the Group would not be complete in 2011. However, with the restructuring agreement signed in April 2012, the Board now feels that it is a position to re-engage in the property and capital markets with a view to achieving the goals of a return to profitability and growth in the years to come.

Financial position

As of the balance sheet date, the Group had cash and cash equivalents of EUR 22 330 (648 639). The equity ratio was -25,25 % (3,47%). The Group's reported equity amounted to EUR -4 690 657 (1 869 926), which corresponds to EUR -0,67 (0,27) per share. 2011-12-31, the parent company had cash and cash equivalents of EUR 411 (587). Notwithstanding the restructuring agreement signed in April 2012, the Group is still reliant on external sources of finance to manage the day to day operating costs of the company.

Profit (loss)

For 2011, the Group reported a loss before tax of EUR -7 134 613 (-18 976 944). This is a difference from the earlier published quarterly report for the last quarter of 2011. The changes in the result from the Q4 published report are as a result of the agreement in April 2012 between the company and BZ WBK S.A. which require the company to dispose of certain properties by the end of December 2012. Therefore additional reserves are being made in case of the undeveloped land in Katowice (office and residential) and to a lesser extent in Krakow. Write-downs of EUR 3 879 653 were done on these projects. A press release will be published with the publishing of the annual report regarding this.

Investments

During the year, which was the Group's 5th year in business, the Company maintained or invested in the 4 projects which it owns. As mentioned above, some of the projects will be developed and, depending on the sales process, some may have to be sold in 2012.

Information concerning the projects

The table below shows the Group's current projects and which phase they are in.

Project name	City	Type	Status
Reinhold Przyjaźni	Wrocław	Housing/Commercial	Design phase
Reinhold Center	Katowice	Offices	Mainly leased reminder of land for sale/development
Reinhold Pulaskiego	Katowice	Housing	To be disposed
Reinhold Plaza	Kraków	Shops/Offices	To be disposed

Resulting from the signing of the restructuring agreement between Reinhold Polska AB, Reinhold Polska Projekt 4 and BZ WBK S.A. in April 2012, the group has obliged itself to reduce the level of debt owing to BZ WBK S.A by the end of December 2012. The reduction will be caused by a mixture of cash injected into the company as well as asset sales. Accordingly the underlying assumption of the estimate of the value of the assets in Reinhold Centre, Pulaskiego and Plaza is that they will be disposed of in 2012 and the Board of Directors has reflected this in the valuation of these assets at the end of December 2011.

With respect of Reinhold Project Polska 1 (Wroclaw Przyjazni) the assumption is that the project will be developed with in the Reinhold structure and that a profit will be made on the project. The project has two separate parts, a residential apartment development and a medical centre/office part. Both parts can be independently developed. While the residential part can be developed through additional equity or mezzanine loan from a general contractor, the commercial part realistically can only be started after securing a pre-lease for 60% of the space. While the Board of Directors is satisfied that the project will be a success, it is clear that the company itself is not in a position to develop the project independently at the moment.

Personnel

The number of employees during the year was 5, including 3 women. All the employees are based in Poland. Salaries and social security charges for the Group amounted EUR 118 481 (462 469).

The duties of the Board of Directors

The Board of Directors of Reinhold Polska AB consists at the turn of the year of 5 members and asof date of approving the annual report 5 members due to the resignation of Torgny Krook in April 2012. The work conducted by the Board of Directors is regulated by a plan of procedures, which establishes the rules and principles, as how duties are to be delegated between the Board and the CEO.

Important events after the financial year-end

On 24th April, 2012 an agreement was signed between Reinhold Project Polska 4 and BZ WBK S.A. in respect of the restructuring of the loan between the company and the bank. As part of the agreement, the Company is obliged to reduce the loan amount to PLN 40 000 000 (EUR 9 084 000) be the end of Decemebr 2012 through a mixture of cash injected and asset disposals. In return for this, the bank agreed to write off penalty interest in an amount exceeding PLN 14m (EUR 3 179 400).

Expected future developments

The Company will focus in 2012 on delivering the requirement of the restructuring agreement as signed with BZ WBK S.A. as well as positioning the company for a recapitalization through a mixture of cash and assets. The objective of the company will be to sign an agreement with an investor(investors) in the third quarter of 2012 with the objective of seeking approval of any capital increase by the fourth quarter of 2012 at the latest.

Parent Company

The parent company's business consists primarily of providing leadership resources for the rest of the Group. Income amounted to EUR 213 495 EUR (22 731) and the profit (loss) before tax was EUR –21 195 684 EUR (-4 453 103). There was 0 (1) employee in the parent company and the associated costs were 0 (80 025).

Annual General Meeting

The AGM for Reinhold Polska AB is scheduled to be held in Stockholm in June 26, 2012 at noon. The notice of the AGM will be published in a short time.

Information policy

Reinhold Polska AB will provide financial information during 2012 as follows:

- The quarterly report for the period January through March will be presented on 15 May.
- The semi-annual report for the period January Through June will be presented on 29 August.
- The 9-month interim report for the period January through September will be presented on 14 November.
- The Q4/Year-end report for 2012 will be presented on 20 February 2013.
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The company's press releases are available at www.reinholdpolska .com The Company's press releases are also available for downloading on the website of Finansinspektionen, www.fi.se, for market information and at the Polish stock exchange website for market information, www.gpwinfostrefa.pl.

Financial overview

The Group	2011	2010	2009	2008	2007
Earnings per share, EUR	-1,02	-2,71	-0,41	-1,16	-0,08
Net profit (loss) for the year, EUR	-7 134 613	-18 976 944	-2 847 354	-8 133 040	-593 834
Equity per share, EUR	-0,67	0,27	3,03	3,5	4,6
Book value of the project properties, EUR	18 270 398	24 225 109	56 529 844	39 107 416	32 999 376
Equity ratio, %	-25,25	3,47	24,04	34,8	45,3
Quick ratio, %	1,4	59,9	47,5	145	532

Parent company	2011	2010	2009	2008	2007
Equity ratio, %	25,04	71,89	99,08	99,5	98,5

Equity ratio: Average shareholders' equity in relation to average total assets.
Quick ratio: Current assets, excluding inventories, as a percentage of current liabilities.

Proposed allocation of the parent company's profit (loss)

Share premium reserve	32 413 194
Profit (loss) brought forward	-10 342 793
Net profit (loss) for the year	-21 195 684
	874 717

The Board of Directors proposes that the equity at its disposal of EUR 874 717 to be carried forward.

Income statement — The Group

EUR	Note	2011-01-01 2011-12-31	2010-01-01 2010-12-31
Net sales	3	1 090 525	30 762 490
Other operating incomes	4	412 363	436 679
		1 502 888	31 199 169
Operating expenses			
Goods for resale		-601 135	-33 310 962
Write-down projects	15	-3 879 653	-13 270 576
Other external costs	5,23	-832 682	-3 441 414
Personnel costs	2	-118 481	-462 469
Depreciation/amortization of propert, plant and equipment and intangible assets	6	-3 705	-14 299
Total operating expenses		-5 435 656	-50 499 720
Operating profit/loss		-3 932 768	-19 300 551
Financial income and expenses			
Financial income	7	1 161 847	2 204 544
Financial expenses	8	-4 363 691	-1 880 937
Total financial income and expenses		-3 201 845	323 607
Profit before income tax		-7 134 613	-18 976 944
Income tax	9	0	0
Net profit (loss) for the year attributable to the parent com		-7 134 613	-18 976 944
Earnings per share, before dilution (Euro)	25	-1,02	-2,71
Earnings per share, after dilution (Euro)	25	-1,02	-2,71
Everage number of shares			
-Before dilution		7 000 000	7 000 000
-After dilution		7 000 000	7 000 000

The Group's statement of Comprehensive Income	2011-01-01 2011-12-31	2010-01-01 2010-12-31
Income for the period	-7 134 613	-18 976 944
Other comprehensive income		
-Exchange differences on foreign operations	574 029	-345 186
Total comprehensive income	-6 560 584	-19 322 130
of which attributable to the equity holders of the parent company	-6 560 584	-19 322 130

Balance Sheet — Group

EUR

Assets	Note	2011-12-31	2010-12-31
Fixed Assets			
Intangible assets			
Intangible assets	10	296	1 629
		296	1 629
Tangible assets			
Tangible assets - equipment	11	7 872	14 284
		7 872	14 284
Total Fixed Assets		**8 168**	**15 913**
Current Assets			
Inventories			
Real estate developments	15	18 270 398	24 225 109
		18 270 398	24 225 109
Current receivables			
Accounts receivables		157 499	0
Blockedbank deposits	22	0	27 584 240
Other receivables	17	106 646	1 010 889
Depositions	27	0	341 635
Prepaid expenses		15 298	4 934
Cash and bank balances		22 330	648 639
		301 773	29 590 337
Total current assets		**18 572 171**	**53 815 446**
Total assets		**18 580 339**	**53 831 359**

Balance sheet — The Group

EUR

Equity and liabilities	Note	2011-12-31	2010-12-31
Equity			
Equity and reserves attributable to the parent company's shareholders			
Share capital (7 000 000)	18	370 437	370 437
Other contributed capital		32 413 283	32 413 283
Non-restricted reserves		-30 913 793	-11 936 850
Net profit (loss) for the year		-6 560 584	-18 976 944
Total equity		-4 690 657	1 869 926
Provisions and Reserves			
Provision in relation to dispute	26	300 000	400 000
		300 000	400 000
Long-term liabilities			
Loan from Reinhold Group BV		0	2 133 312
		0	2 133 312
Current liabilities			
Accounts payable- trade		1 104 061	1 191 983
Liabilities to credit institutions	19	17 041 566	44 304 548
Other current liabilities	19,21	3 175 370	1 268 900
Accrued expenses ande prepaid income	20	1 649 999	2 662 690
Total current liabilities		22 970 996	49 428 121
Total equity and liabilities		**18 580 339**	**53 831 359**

EUR

The Group

	Share capital	Other contributed capital	Reserves	Result brought forward incl. net profit (loss) for the year	Total Equity
Equity 2010-01-01	**370 437**	**32 413 283**	**113 274**	**-11 704 939**	**21 192 055**
Net profit (loss) for the year				-18 976 944	-18 976 944
Other comprehensive income					
Exchange differences			-345 185		-345 185
Total other comprehensive income			-345 185		-345 185
Total comprehensive income			**-345 185**	**-18 976 944**	**-19 322 129**
Equity 2010-12-31	**370 437**	**32 413 283**	**-231 911**	**-30 681 883**	**1 869 926**
Net profit (loss) for the year				-7 134 613	-7 134 613
Other comprehensive income					
Exchange differences			574 029		574 029
Total other comprehensive income			574 029		574 029
Total comprehensive income			**574 029**	**-7 134 613**	**-6 560 583**
Equity 2011-12-31	**370 437**	**32 413 283**	**342 118**	**-37 816 496**	**-4 690 657**

Reserves consists of exchange rate differences.

Cash flow statement — The Group

EUR

	2011-01-01 2011-12-31	2010-01-01 2010-12-31
Cash flow generated from operating activities		
Operating profit	-3 912 362	-19 300 551
Adjustments for items not included in cash flow		
Depreciation	7 500	14 299
Write-down of projects	3 879 653	13 270 576
Translation difference	395 035	763 527
Interest received	1 161 847	1 052 526
Interest paid	-3 713 541	-1 880 937
Changes in allocations	-100 000	400 000
Cash flow generated from operating acitivities before changes in working caoital	-2 281 869	-5 680 560
Cash flow from changes in working capital:		
Increase (-) / Decrease (+) in development property	0	19 034 159
Increase (-) / Decrease (+) in current receivables	27 108 426	-1 383 269
Increase (+) / Decrease (-) in current liabilities	517 062	-16 532 289
Cash flow from operating activities	**25 343 620**	**-4 561 959**
Cash flow from investment activities		
Amortization of liability	0	-594
Cash flow from investment activities	**0**	**-594**
Cash flow from financing activities		
Assumed loans	453 337	2 107 073
Amortization of liability	-26 406 985	-977 408
Cash flow from financing activities	**-25 953 648**	**1 129 665**
Cash flow for the year	-610 029	-3 432 888
Cash and cash equivalents at the beginning of the year	648 639	4 038 221
Exchange rate difference	-16 281	43 306
Cash and cash equivalents at the year-end	22 330	648 639

Supplementary disclosure to the cash flow statement - Group

Cash and cash equivalents

The following components are included in cash and cash equivalents:

Cash and bank balances	22 330	648 639

Income statement — Parent company

EUR	Note	2011-01-01 2011-12-31	2010-01-01 2010-12-31
Net sales	3	0	0
Other operating incomes	4	213 495	22 731
		213 495	22 731
Operating expenses			
Other operating expenses	5	-863 298	-358 657
Personnel costs	2	0	-80 025
Depreciation/amortization of property, plant and equipment and intangible assets	6	-1 261	-1 695
Operating expenses		-864 559	-440 377
Operating profit/loss		-651 063	-417 646
Financial items			
Allocation uncertain receivable	22	-20 371 805	-5 691 973
Financial income	7	2 985 689	1 694 402
Financial expenses	8	-3 158 505	-37 886
Total financial items		-20 544 621	-4 035 457
Profit before income tax		-21 195 684	-4 453 103
Income tax expenses	9	0	0
Net profit (loss) for the year		-21 195 684	-4 453 103

The parent company's report for the total comprehensive inco	2011-12-31	2010-12-31
Net profit (loss) for the year	-21 195 684	-4 453 103
Other comprehensive income		
-Exchange rate differences	0	0
Total comprehensive income	-21 195 684	-4 453 103

Balance sheet — Parent company

EUR

Assets	Note	2011-12-31	2010-12-31
Fixed assets			
Tangible assets			
Equipment	11	637	1 898
		637	1 898
Financial instruments			
Participations in Group companies	12	17 510	17 510
Other long-term receivables	14	743 226	717 071
		760 736	734 581
Total fixed assets		**761 372**	**736 479**
Current assets			
Current receivables			
Blocked bank deposits		0	27 584 240
Other receivables	17	10 070	23 614
Receivables from Group companies	16,22	4 306 459	2 865 232
Prepaid expenses and accrued income		0	2 575
		4 316 529	30 475 661
Cash and bank balances		411	587
		411	587
Total current assets		**4 316 940**	**30 476 248**
Total assets		**5 078 312**	**31 212 727**

Balance sheet **Parent company**

EUR *Equity and liabilities*	Note	2011-12-31	2010-12-31
Equity			
Restricted capital			
Share capital (7 000 000)	18	370 437	370 437
Unrestricted capital			
Share premium reserve		32 413 194	32 413 194
Profit (loss) brought forward		-10 342 793	-5 889 689
Net profit (loss) for the year		-21 195 684	-4 453 103
Total equity		1 245 154	22 440 839
Allocations			
Other allocation	22	0	5 691 973
Total allocation		0	5 691 973
Long-term liabilities			
Loan from Reinhold Group BV		0	2 107 073
Total long term liabilities		0	2 107 073
Current liabilities			
Accounts payable - trade		343 086	217 735
Liabilities to group companies		0	87 878
Other current liabilities	21	3 263 704	517 386
Accrued expenses and prepaid income	20	226 368	149 843
Total current liabilities		3 833 158	972 842
Total equity and liabilities		**5 078 312**	**31 212 727**

Provided guarantees and contingent liabilities			
Contingent liabilities	22	0	4 756 600
Provided guarantees	22	7 267 200	40 411 240

Changes in equity

EUR	Share capital	Share premium reserve	Result brought forward	Profit (loss) for the year	Total equity
Equity 2010-01-01	**370 437**	**32 413 194**	**-6 325 059**	**435 369**	**26 893 941**
Allocation of net profit (loss) in accordance with the AGM decision	-	-	435 369	-435 369	0
Net profit (loss) for the year	-	-		-4 453 103	-4 453 103
Equity 2010-12-31	**370 437**	**32 413 194**	**-5 889 690**	**-4 453 103**	**22 440 838**
Allocation of net profit (loss) in accordance with the AGM decision	-	-	-4 453 103	4 453 103	0
Net profit (loss) for the year	-	-		-21 195 684	-21 195 684
Equity 2011-12-31	**370 437**	**32 413 194**	**-10 342 793**	**-21 195 684**	**1 245 154**

Cash flow statement — Parent company

EUR

	2011-01-01 2011-12-31	2010-01-01 2010-12-31
Cash flow generated from operating activities		
Operating profit/loss	-651 063	-417 646
Adjustment for items not included in cash flow		
Depreciation	1 261	1 695
Translation differenses	0	1 152 020
Interest received	1 151 720	542 382
Interest paid	0	-37 886
Cash flow generated from operating activities before changes in working capital	501 918	1 240 565
Cash flow from changes in working capital:		
Increase (-) / Decrease (+) in current receivables	27 422 673	-4 396 402
Increase (-) / Decrease (+) in current liabilities	201 877	723 600
Cash flow generated from operating activities	**28 126 468**	**-2 432 237**
Cash flow from investment activities		
Acquisition of subsidary		
Increase (-) / Decrease (+) in long-term receivables	-28 678 010	324 169
Cash flow from investment activities	**-28 678 010**	**324 169**
Cash flow from financing activities		
Formatiopn of limited company		
New issue of shares and shareholders' contribution		
Assumed loans	551 366	2 107 073
Cash flow from financing activities	**551 366**	**2 107 073**
Cash flow of the year	-176	-995
Cash and cash equivalents at the beginning of the year	587	1 582
Cash and cash equivalents at the year-end	411	587

Supplementary disclosure to the cash flow statement - Group

Cash and cash equivalents

The following components are included in cash and cash equivalents:		
Cash and bank balances	411	587

Notes to the financial statements

General information

Reinhold Polska AB (the parent company) and its subsidiaries (together forming the Group) are in the business of real estate development. The business consists of developing and managing real estates projects in Poland.

The parent company is a public limited liability company with its registered office in Stockholm. The address of the head office is, since February 2011, Gamla Brogatan 32, 2 tr, 111 20 Stockholm.

The annual report was approved for publication by the Board of Directors on 11 May 2012. The consolidated income statement and consolidated balance sheet will be brought forth for adoption by the AGM which are planned to be held in Stockholm on 26th June 2012.

The annual report was prepared under the assumption that the company will continue to operate (going concern basis).

Note 1 Accounting and valuation principles

Basis of preparation

The annual report was prepared in accordance with IFRS, *International Financial Reporting Standards,* as adopted by the EU as well as in accordance with the Annual Accounts Act (ÅRL) and the recommendation from the Swedish Financial Reporting Board, RFR 1, *Supplementary Accounting Rules for Groups.*

The parent company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the recommendation from the Swedish Financial Reporting Board RFR 2 *Reporting for Legal Entities.* RFR 2 requires the parent company, as the legal entity, to apply all the EU approved IFRS and statements, to the extent that this is possible within the framework of the Annual Accounts Act, and take into account the correlation between accounting and taxation. This recommendation specifies the exceptions from and additions to IFRS that may be applied. The accounts have been prepared using acquisition values for all items.

The consolidated financial statements have been prepared in accordance with the purchase method.

The Parent company's accounting principles
In creating the parent company's financial reports the Council of financial reporting RFR 2 (*Reporting for Legal Entities)* has been applied. The parent company applies the same accounting principles as the Group except for the events stated below.

Participation in subsidiaries is accounted for in the parent company to acquisition value with deduction for possible accrued write-downs.

Reporting in accordance with IFRS

In order to prepare reports in accordance with IFRS, it is necessary to use some important estimates for reporting purposes. In addition, management must make certain assessments when applying the accounting principles used for the Group. These are described in more detail below.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2011:

- IAS 24 *Related Party Disclosures* (amendment) effective 1 January 2011
- IAS 32 *Financial Instruments: Presentation* (amendment) effective 1 February 2010

- Improvements to IFRSs (May 2010)

IAS 24 *Related Party Transactions* (Amendment)

The IASB has issued an amendment to IAS 24 that clarified the definitions of a related party. The new definitions emphasise a symmetrical view on related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements, for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group but the appropriate disclosures are included in Note 23.

Improvements to IFRSs

In May 2010, the Board issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies , but did not have any impact on the financial position or performance of the Group:

- IFRS 3 *Business Combinations*: The measurement options for non-controlling interest (NCI) have been amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value.

- The amendments to IFRS 3 are affective for annual periods beginning on or after 1 July 2011. The Group however adopted these as of 1 January 2011 and changed its accounting policy accordingly.

- IFRS 7 *Financial Instruments – Disclosures*: The amendment was intended to simplify the disclosures provided, by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information t put the quantitative information in context. The Group reflects the revised disclosure requirements in Note 31.

- IAS 1 *Presentation of Financial Statements* : The amendment provides an option to present an analysis of each component of other comprehensive income maybe either in the statement of changes in equity (SOCIE) pr in the notes to the financial statements. The Group provided this analysis in the SOCIE.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRS 3 *Business Combinations*(Contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008))

- IFRS 3 *Business Combinations* (Un-replaced and voluntarily replaced share-based payment awards)

- IAS 27 *Consolidated and Separate Financial Statements*

- IAS 34 *Interim Financial Statements*

- IFRIC 13 *Customer Loyalty Programme s*(determining the fair value of award credits)

- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*

- IAS 32 *Financial Instruments*: *Presentation* (Amendment)

Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reported date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Write-downs
Assets are tested for write-downs whenever events or circumstances indicate that the carrying amount may not be recoverable. A write-down is made for the amount that the assets reported value exceeds its recoverable amount. The recoverable amount is equal to the asset's fair value less selling costs, or its value in use, depending on which amount is higher. When testing for impairment, assets are grouped together at the lowest level where there are separate, identifiable cash flows (cash generating units).

The term write-downs are also used in connection to revaluations of real estates which is accounted for as current asset. These real estates are valued post by post (real estate by real estate) in accordance with lower of cost or market, which is the lowest of acquisition price or net realizable value. Net realizable value is the appreciated market value in the current business after deductions for appreciated cost for completion and sales costs. Net realizable values for real estate developments are based on external created project estimations where assumptions are made of the projects expected incomes and costs. The projects future cash flows is discounted with a discount factor. Those projects (real estate developments) which shows a negative present value from the discounting becomes an object for write-downs.

Property, plant and equipment
Machinery and equipment
Property, plant and equipment are reported at acquisition cost less accumulated depreciation and any impairment losses. Depreciation is based upon the estimated useful life of the asset. Machinery and equipment is depreciated 20 - 35% per year.

At each balance sheet date, the residual values and estimated useful lives of assets are reassessed and, if necessary, they are adjusted. An asset's reported value is immediately written down to its recoverable amount whenever the reported value exceeds the estimated recoverable amount.

Tax
Immediate tax is tax that is to be paid or received in reference to present year, with application of the tax rates which are decide or nearly decided upon on the accounting year-end. It includes possible adjustments of tax assignable to earlier periods.

Deferred tax is reported in full in the consolidated financial statements in accordance with the balance sheet method for all temporary differences that arise between the tax base of assets and liabilities and their carrying amounts. However, deferred tax is not reported if it is the result of a transaction which represents the first time that the asset or liability is recorded, given that the asset/liability is not the result of a business acquisition. Deferred tax is calculated using tax rates (and tax statutes) that have been established or announced as per the balance sheet date. Furthermore, there must be an expectation that such rates will apply when the deferred tax asset in question is realized or when the deferred tax liability is settled.

Deferred tax assets are reported to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Allocations and contingent liabilities
Allocations are accounted for when the company has an obligation as a result of an incident and it is probable that payments have to be made to fulfill the obligation. A condition is that it is possible to do an appreciation of the amount being paid. Contingent liabilities is possible obligations which derive from occurred incidents and which existence will be confirmed through one or more uncertain future incidents, which is not totally inside the company's control, occurs or not. As contingent liabilities it is accounted for claims deriving from occurred incidents, which is not accounted for as liabilities or allocations since it's not likely that an payment will be needed to adjust the claim or the size of the amount can't be calculated with sufficient accuracy.

Summary of significant accounting policies

The most important accounting principles that were applied in preparing the consolidated financial statements are presented below. Unless otherwise stated, these principles have been applied consistently for all years presented in the reports.

Consolidated financial statements

Subsidiaries are all the companies in which the Group has a controlling interest and is thereby entitled to formulate the financial strategies and operating strategies in a manner that is typically associated with a shareholding of more than half of the voting rights. Subsidiaries are included in the consolidated financial statements as of the date when a controlling influence was transferred to the Group. They are excluded from the consolidated financial statements as of the day when a controlling influence no longer exists.

The Group's acquisitions of subsidiaries are reported in accordance with the purchase accounting method. Acquisition costs are comprised of the fair value of assets provided as payment, newly issued equity instruments and assumed or taken over liabilities as of the date of transfer. Costs that are directly related to the acquisition are accounted for in the result when it arises. Identifiable acquired assets and assumed liabilities, as well as contingent liabilities from the acquisition of a company are initially valued at fair value on the date of acquisition, regardless of the scale of any minority interests. Whenever there is a difference between the cost of acquisition and fair value of the Group's share of identifiable acquired net assets, it is reported as goodwill. If the acquisition cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognized directly in the income statement.

Inter-company transactions and balance sheet items, as well as unrealized gains on transactions between group companies, are eliminated. Unrealized losses are also eliminated, unless the transaction is proof that there is a write-down requirement for the transferred asset.

Segment reporting

The management has set the segment areas based on the information used by the strategic team for strategic decisions. Reinhold Polska 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.

Translation of subsidiaries in foreign currencies

(a) Functional currency and reporting currency
Items included in the financial statements for the different units belonging to the Group are valued in the currency used in the economic environment where each company has its main operations (functional currency). The Euro, which is the parent company's functional currency, is used to prepare the consolidated financial statements. The reporting currency is Euros.

(b) Transactions and balance sheet items
Transactions in foreign currencies are converted to the functional currency using the exchange rate that was applicable on the transaction date. Exchange gains and losses that arise in conjunction with the payment of such transactions and when restating monetary assets and liabilities in foreign currencies at the closing day rate are reported in the income statement.

(c) Group companies
The profit (loss) and financial position for all Group companies that have a different functional currency than performance currency are translated to the Group's performance currency as follows:

1) Assets and liabilities in the balance sheet are translated using the closing day rate,

2) Income and expenses in the income statement are translated using the average exchange rate (provided that the average exchange rate gives a reasonable approximation of the accumulated effect of the rates that were in effect on the transaction dates), and

3) All exchange rate differences that arise from this are reported as a separate part of equity, above other comprehensive income.

Upon consolidation, any exchange rate differences that arise as a consequence of restating net investments in foreign operations, and borrowing transactions and other currency instruments that have been identified as hedges for such investments are transferred to equity. Upon the disposal of foreign operations, any such exchange rate differences are reported in the income statement as part of capital gains/losses.

The following exchange rates have been used when preparing these financial statements:
Average rate 0,2432 EUR/PLN
Closing day rate 0,2271 EUR/PLN

Financial instruments
The Group classifies its financial instruments according to the following categories: loan receivables, accounts receivable and available-for-sale financial assets. Classification is based on the purpose for which the instrument was acquired. Management determines how to classify such instruments when they are initially reported. The classification is reassessed at each reporting occasion.

Loan receivables and accounts receivable
Accounts receivable are non-derivative financial assets with fixed or ascertainable payments that are not listed on an active market. A distinguishing feature is that they arise when the Group provides money, goods or services directly to a customer, without the intention of trading with the receivable that is thus created. Loan receivables and accounts receivable are included in the item “Accounts receivable” in the balance sheet.

Loan receivables and customer receivables are initially recorded at fair value. Afterwards, they are recorded at accrued acquisition cost using the effective interest rate method, less any provision for a decline in value. A provision for a reduction in the value of accounts receivable is made when there is objective evidence that the Group will not be able to collect all amounts that have fallen due in accordance with the original terms. The size of the provision is determined by calculating the difference between the asset's carrying amount and the present value of expected future cash flows, discounted by the effective interest rate. The amount of the provision is reported in the income statement.

Available-for-sale financial instruments
Available-for-sale financial instruments are non-derivative assets which have either been assigned to this category or have not been classified as belonging to any of the other categories. They are included in non-current assets unless management intends to dispose of the asset within 12 months of the balance sheet date.

Purchases and sales of financial instruments are recorded on the transaction date, which is the date when the Group commits itself to purchasing or selling the asset. Financial instruments are initially valued at fair value plus any transaction costs. This applies to all financial assets that are not valued at fair value via the income statement. Financial instruments are removed from the balance sheet when the right to receive the cash flows from the instrument has expired or been transferred and the Group has transferred essentially all of the risks and benefits associated with ownership of the asset. Following the initial valuation at acquisition, available-for-sale financial assets and financial assets valued at fair value via the income statement are reported at fair value. Upon the sale of available-for-sale financial assets, or when the value of such assets has become impaired, the accumulated adjustment of fair value is reported in the income statement, as well as all income from the sale of the financial instrument.

Financial liabilities
In this category it is accounted for interest-bearing and non- interest-bearing liabilities which cannot be hold for trade. Valuations are made of accrued acquisition costs.

Long-term liabilities have a remaining duration of more than one year, while liabilities with shorter duration is accounted for as current. Acounts payable – trade has short expected duration and is therefore valuated to nominal amount without discounting.

Real estate developments
The Group's intention is to develop properties, not to own or manage them long-term. Real estate developments shall be sold upon completion and as such, they are classified as current assets and valued in accordance with IAS 2, Inventories. The production costs for completed developments include both direct costs as well as a reasonable proportion of indirect costs. Interest expenses related to real estate developments are recognized by each respective legal entity. In the consolidated financial statements, the corresponding amounts have been reversed and included in the cost of acquisition. As a rule, real estate developments are reported as assets during the accounting period when a binding agreement regarding acquisition has been made.

Cash and cash equivalents
Cash and cash equivalents includes both cash and bank deposits.

Share capital
Ordinary shares are classified as equity. Any transaction costs that are directly related to the new issue of shares or options are reported (net, after tax) as part of equity. This is shown as a deduction from the proceeds of the issue.

Employee benefits
Pension obligations
During 2007, the companies belonging to the Group entered into a defined benefit pension plan for employees, which have continued according to the plan. Once the pension contributions have been paid, the Group has no further obligations. Pension contributions are reported as employee benefit expenses when payment is due.

Revenue
Other operating income consists in the parent company primarily of service charges invoiced to subsidiaries, and in the group primarily of VAT reclaimed in Poland, as well as income from hiring out advertising space on the group's building sites. Revenue is recognized as follows:

Sale of projects
Revenue from the sale of the company's project properties is recognized when the material risk has been transferred to the purchaser and a binding contract to that effect has been signed.

Sale of services
For the sale of services, revenue is recognized in the period when the service is rendered.

Interest income
For interest income, revenue recognition is split over the duration using the effective interest rate method.

Leases
A lease is classified as an operating lease whenever substantially all of the risks and benefits associated with ownership are retained by the lesser. Leasing payments are recognized in the income statement on a straight-line basis over the course of the leasing period. The Group's leasing agreements relate to renting offices and company cars. All leasing agreements are operational.

Borrowing costs
In the consolidated accounts borrowing costs are included in the acquisition cost for the real estates. Normally the borrowing cost which is added to the acquisition cost is limited to assets which take considerable time to complete. Interest costs are included in the acquisition cost as to the point where the real estate is completed. If special borrowings have been made for the projects the actual borrowing cost is used. In other cases the borrowing cost is calculated out of the Groups average borrowing costs.

Standards issued but not effective

Standards issued but yet not effective up to the date of issuance of the Group's financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective.

IAS 1 *Financial Statement Presentation – Presentation of Items of Other Comprehensive Income*
The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon recognition or settlement) would be presented separately from items which will never be reclassified. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IAS 12 *Income Taxes – Recovery of Underlying Assets*
The amendment clarified the determination of deferred tax in investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on on-depreciable assets measured using the revaluation model in IAS 16 should always be measured on the sale basis of the asset. The amendment becomes effective for annual periods beginning on or after 1 January 2012.

IAS 19 ***Employee Benefits (Amendment)***
The IASB has issued numerous amendments to IAS 19. These range from fundamental changes like removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and rewording. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 27 (as revised in 2011)
As a consequence of the new IFRS 10 and IFRS 12, what remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 Jaunary 2013.

IAS 28 (as revised in 2011)
As a consequence of the new IFRS 10 and IFRS 12. IAS 28 has been renamed IAS 28 *Investements in Associated and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 9 ***Financial instruments: Clasification and Measurment***
IFRS 9 as issued reflects the first phase f the IASB's work on the replacement of IAS 39 and applies to classification and measurment of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual peridos beginning on or after 1 January 2013. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the course of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurment of the Group's financial assets, but will potentially have no impact on classification and measurments of financial liablities. The Group will quantify the effect on conjunction with the other phases, when issued, to present a comprehensive picture.

IFRS 10 ***Consolidated Financial Statements***
IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 *Consolidation – Special Purpose Entities*.

IFRS 10 establishes a single control model that applies to all entities including 'special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to deermine which entities are controlled, and therefore are required to be consolidated by a parent, compard with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 11 ***Joint Arrangements***
IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities – Non-monetary Contributions by Ventures.*

IFRS 11 removes the option to account for jointly controlled antities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.

This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 12 ***Disclosure of Involvement with Other Entities***
IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28 *Investments in Associates.* These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.

This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 13 ***Fair Value Measurement***
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance of how to measure fair value under IFRS when fair value is required or permitted.

This standard becomes effective for annual periods beginning on or after 1 January 2013.

Financial risk management objectives and policies

Typically, a Group is exposed to many different types of financial risks as part of doing business: market risk (including currency risk, interest rate risk, and price risk), credit risk, liquidity risk and risk for bankruptcy.

The Board considers that the liquidity includes net liabilities and equity corresponding to equity in the parent company. The foremost purpose with the Groups handling of liquid resources emanates from the principle of maintaining good relations to the Group's credit granters and stable solidity to promote the Group's business and particularly the liquidity together with the overall purpose of maximize the shareholders' value.

The Group handles its assets from the changes that occur on the market at which the Group is active. To retain or change the structure of equity in purpose of adapting to the new changes which may occur the Group may change dividend principles, repurchase shares, issue shares, company bonds or convertible debt instrument or in other way adjust capital structure after existing need.

The Board oversees the management of these risks to ensure that the Groups' risk taking activities are governed by appropriate strategies and procedures and that financial risks are identified, measured and managed accordingly.

Currency risk
The Group has international business activities. As such, there is currency exposure primarily in the following currencies: Polish Zloty (PLN), Euros (EUR) and Swedish Crowns (SEK). Currency risk arises through future business transactions, reported assets and liabilities and from net investments in foreign operations. At present, the Group has decided not to hedge its currency exposure.

The parent company's holdings in foreign subsidiaries, receivables and liabilities from/to Group companies and cash equivalents are exposed to exchange rate differences.

Interest rate risk
Interest rate risk is the risk that fluctuations in market interest rates will negatively impact the Group's net interest income/expense and cash flow. Today it is not possible managing the interest rate risk due to the financial position of the company. The interest rate risk is usually managed by the group by having a loan portfolio with varying fixed-interest term.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group is exposed to credit risk from its leasing activities and its financing activities, including deposits with banks and financial institutions.

Credit risk is managed by requiring tenants to pay in advance. The credit quality of the tenant is assessed based on the management's internal assessment of its credit rating and any publicly available information at the time of entering into a lease agreement. Outstanding tenants' receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Refinancing risk
Refinancing risk is the risk that it will be difficult or more expensive to refinance a loan. At the moment the Group management is working with restructure the loans by prolonging the duration and secure the repayment of the loans.

A table for current loans with expiration dates is set out in the notes to theis report. The management, subsequent to the closing of the financial year has negotiated with BZ WBK for the possibilities of prolonging the loan and is in discussions with Pekao S.A. to restructure that loan.

Liquidity risk
Liquidity risk means that cash equivalents and marketable securities are insufficient for meeting the liquidity needs created by the business. At the moment the company is without options to answer to the current liquidity need. In case of no obtained funds from the owners the subsidiaries won't be able to go through with their payments.

Another option to obtain funds is to a sale of projects. However the time from identification of buyer to obtaining receiving the purchase sum is considerable.

Since February 2011 the company is depending on loans from external parties outside the existing ägarkrets for the daily operations and if this financial option ceases the company won't be able to fulfill its comittments.

At 31 December 2011 all of the polish subsidiaries in the Group had negative equity. Continous existence without contribution of capital and/or the restructuring of existing loans from the Parent is not possible for the polish subsidiaries.

Note 2 Personnel

Average number of employees	2011	2010
Parent company		
Men	0	1
Women	0	0
Total parent company	0	1
Subsidiaries		
Men	2	8
Women	3	10
Total subsidiaries	5	18
Total Group	5	19

Gender distribution, senior management	2011	2010
	Proportion of women %	Proportion of women i %
The Group		
Proportion of women		
The Board of Directors	0%	0%
Senior management	0%	33%
Parent company		
Proportion of women		
The Board of Directors	0%	0%
Senior management	0%	0%

Salaries, other remuneration and payroll overheads	2011	2010
The Group		
Board, CEO and senior management	0	392 697
(of which variable remuneration)	0	(14 840)
Other employees	101 865	348 450
Total	**101 865**	**741 147**
Social security charges	16 616	33 186
Pension expenses	0	55 429
Total	**16 616**	**88 615**
Parent company		
Board, CEO and senior management	0	65 326
Other employees	0	0
Total	**0**	**65 326**
Social security charges	0	16 971
Pension expenses	0	0
Total	**0**	**16 971**

2011

Amount in EUR	**Salary/remuneration 2011**	**Other benefits and compensations**	**Pension expenses**	**Total remuneration**
Tevnell Waldemar, Chairman of the board	0	0	0	0
Patrick Coll, CEO	0	0	0	0
Stanislav Dudzik, Board member	0	0	0	0
Anders Lettström, Board member	0	0	0	0
Torgny Krook, Board member	0	0	0	0
André Rosberg, Board member	0	0	0	0
Gösta Gustafsson, Board member	0	0	0	0
Marek Tarchalski- Board member	0	0	0	0
Other senior management	0	0	0	0
Total	**0**	**0**	**0**	**0**

2010

Amount in EUR	**Salary/remuneration 2010**	**Other benefits and compensations**	**Pension expenses**	**Total remuneration**
Tevnell Waldemar, Chairman of the board	30 105	0	0	30 105
Patrick Coll, CEO	0	0	0	0
Stanislav Dudzik, Board member	2 000	0	0	2 000
Anders Lettström, Board member	7 296	0	0	7 296
Torgny Krook, Board member	2 000	0	0	2 000
André Rosberg, Board member	82 698	0	0	82 698
Gösta Gustafsson, Board member	54 030	0	0	54 030
Michal Borowski, Ex - Board member	81 194	0	0	81 194
Other senior management	133 374	0	13 086	146 460
Total	**392 697**	**0**	**13 086**	**405 783**

Benefits for senior executives

Principles

Remuneration to the CEO and other officers of the company is in the form of a fixed salary.

Remuneration and benefits for Board members

The amount paid to Board members (excluding the CEO) in accordance with the AGM decision regarding remuneration.

Pension plans

The company has an established pension plan for employees, the pension charge is limited.

Severance

The company has not committed itself to any severance packages. Both the CEO and company are required to give 3 months notice for the termination of employment.

Note 3 Net sales

Amount in EUR	**2011**	**2010**
The Group		
Sale of services	1 090 525	790 698
Sale of projects	0	29 971 792
Total	**1 090 525**	**30 762 490**

Amount in EUR	**2011**	**2010**
Parent company		
Sale of services	0	0
Total	**0**	**0**

Note 4 Other operating income

Amount in EUR	**2011**	**2010**
The Group		
Other operating income	412 363	436 679
Total	**412 363**	**436 679**

Amount in EUR	**2011**	**2010**
Parent company		
Other operating income	213 495	22 731
Total	**213 495**	**22 731**

Other operating income consists in the parent company primarily of service charges invoiced to subsidiaries, and in the group primarily of moms (VAT) reclaimed in Poland, as well as income from hiring out advertising space on the group's building sites.

Note 5 Audit fees

Amount in EUR	**2011**	**2010**
The Group		
Ernst & Young		
Audit assignment	53 964	101 142
Other accounting services	24 800	15 720
Tax consultancy	0	0
Other assignments	9 200	5 240
Total	**87 964**	**122 102**
AT Audit Sp.z.o.o		
Audit assignment	35 945	59 222
Other accounting services	0	0
Tax consultancy	0	0
Other assignments	8 755	0
Total	**44 700**	**59 222**
PwC		
Audit assignment	10 791	0
Other accounting services	0	0
Tax consultancy	0	0
Other assignments	0	0
Total	**10 791**	**0**
Parent company		
Ernst & Young		
Audit assignment	53 964	41 920
Other accounting services	24 800	15 720
Tax consultancy	0	0
Other assignments	9 200	5 240
Total	**53 964**	**62 880**
PwC		
Audit assignment	10 791	0
Other accounting services	0	0
Tax consultancy	0	0
Other assignments	0	0
Total	**10 791**	**0**

Note 6 Depreciation/amortizationof property, plant and equipment and intangible assets

Amount in EUR	**2011**	**2010**
The Group		
Amortization intangible assets	1 254	3 728
Depreciation property, plant and equipment	2 451	10 571
Total depreciation/amortization	3 705	14 299
Parent company		
Depreciation property, plant and equipment	1 261	1 695
Total depreciation/amortization	1 261	1 695

Note 7 Financial income

Amount in EUR	**2011**	**2010**
The Group		
Interest income	1 161 847	937 407
Exchange rate differences	0	1 267 137
Total financial income	**1 161 847**	**2 204 544**
Parent company		
Interest income	2 932 337	491 059
Exchange rate differences	0	1 203 343
Total financial income	**2 932 337**	**1 694 402**

Note 8 Financial expenses

Amount in EUR	**2011**	**2010**
The Group		
Interest expenses	3 955 616	1 880 937
Exchange rate differences	408 075	0
Total financial expenses	**4 363 691**	**1 880 937**
Parent company		
Interest expenses	242 076	37 886
Exchange rate differences	2 863 077	0
Total financial expenses	**3 105 153**	**37 886**

During the financial year 2010 the Group capitalized interest expenses related to real estate development projects in accordance with IAS 23. The amount capitalized was EUR 876 707. During 2011 EUR 0 was capitalized. No interest was capitalized during 2011 since all projects were put on hold during the year.

Note 9 Income tax expenses

Amount in EUR		**2011**		**2010**
The Group				
Profit before income tax		-7 134 613		-18 976 944
Tax according to the applicable tax rate for the group	26,3%	1 876 403	26,3%	4 990 936
Tax effect of				
Differences in tax rate in abroad business		-639 891		-1 462 014
Non-deductible expenses		-552 151		-2 559 299
Non-taxable income		0		150 007
Tax effect of net loss that is not accounted for as deferred tax asset		-684 361		-1 119 630
Accounted tax	**0,0%**	**0**	**0,0%**	**0**

The applicable tax rate for Poland is 19%, for Sweden 26.3%, and 29.6% for the Netherlands. The Group and the parent company have elected not to report deferred tax assets on tax loss carry-forwards, as it is not deemed likely that these can be utilized in the foreseeable future.

Idle fiscal deficit amount on 31 December 2010 in the Group to Euro 14 349 931 of which EUR 5 128 896 is assignable to the Swedish parent company. Idle deficit can, in Poland, be used within five years to 50 percent of the nominal value.

Amount in EUR	**%**	**2011**	**%**	**2010**
Parent company				
Profit before income tax		-21 195 684		-4 453 103
Tax according to the applicable tax rate for the parent company	26,3%	5 574 465	26,3%	1 171 166
Tax effect of				
Non-deductible expenses		-5 357 776		-497
Non-taxable income		0		0
Tax effect of net loss that is not accounted for as deferred tax asset		-216 689		-1 170 669
Accounted tax	**0,0%**	**0**	**0,0%**	**0**

Idle fiscal deficit amount on 31 December 2010 in the parent company to Euro 5 128 896.

Note 10 Intangible assets

Licenses for utilization of computer programs

Amount in EUR	**2011**	**2010**
The Group		
Accumulated acquisition costs		
At the beginning of the year	34 492	55 215
New acquisitions	0	0
Sales and Disposals	-26 042	-22 186
Translation difference	-2 801	1 463
Closing accumulated acquisition costs	**5 649**	**34 492**
Accumulated amortizations		
At the beginning of the year	-32 863	-50 062
Year’s amortizations	-1 254	-3 728
Sales and Disposals	26 042	22 186
Translation difference	-2 722	-1 259
Closing accumulated amortizations	**-5 353**	**-32 863**
Carrying amount at year-end	**296**	**1 629**

Note 11 Machinery and equipment

Amount in EUR	**2011**	**2010**
The Group		
Accumulated acquisition costs		
At the beginning of the year	100 905	122 357
New acquisitions	7 358	594
Sales and Disposals	-83 111	-26 147
Translation difference	-6 641	4 101
Closing accumulated acquisition costs	**18 511**	**100 905**
Accumulated depreciations		
At the beginning of the year	-86 621	-95 351
Year's depreciations	-2 451	-10 571
Sales and Disposals	69 712	22 375
Translation difference	8 721	-3 074
Closing accumulated depreciations	**-10 639**	**-86 621**
Carrying amount at year-end	**7 872**	**14 284**
Parent Company		
Accumulated acquisition costs		
At the beginning of the year	8 478	8 478
New acquisitions	0	0
Sales and Disposals	0	0
Closing accumulated acquisition costs	**8 478**	**8 478**
Accumulated depreciations		
At the beginning of the year	-6 580	-4 885
Sales and Disposals	0	0
Year's depreciations	-1 261	-1 695
Closing accumulated depreciations	**-7 841**	**-6 580**
Carrying amount at year-end	**637**	**1 898**

Note 12 Participations in Group companies

Amount in EUR	**2011**	**2010**
Parent company		
Accumulated acquisition costs		
At the beginning of the year	17 510	17 510
Year's acquisitions	0	0
Closing accumulated acquisition costs	**17 510**	**17 510**

The table below provides a specification of the company's shareholdings and shares in Group companies as of 2011-12-31.

Subsidiary/ CIN /Regd Office	**Number of shares**	**Proportion in %**	**Equity EUR**	**Book value EUR**
Reinhold Polska BV 60586035, the Netherlands	100	100	-824 905	17 510

The Group also consists of the following subsidiaries to till Reinhold Polska BV:

Subsidiary/ CIN /Regd Office	**Number of shares**	**Proportion in %**	**Equity EUR**	**Book value EUR**
Reinhold Polska Services Sp. z.o.o. 000027008, Poland	100	100	-3 140 170	10 203
Reinhold Polska Projekt 1 Sp. z.o.o. 0000269860, Poland	100	100	-2 854 486	10 203
Reinhold Polska Projekt 2 Sp. z.o.o. 0000269837, Poland	100	100	-1 755 805	10 203
Reinhold Polska Projekt 3 Sp. z.o.o. 0000268926, Poland	100	100	-3 158 588	10 203
Reinhold Polska Projekt 4 Sp. z.o.o. 0000268865, Poland	100	100	-14 547 387	10 203
Reinhold Polska Projekt 5 Sp. z.o.o. 0000274418, Poland	100	100	-2 135 221	10 203
Reinhold Polska Projekt 6 Sp. z.o.o. 0000275235, Poland	100	100	-1 737 691	10 203
Reinhold Polska Projekt 7 Sp. z.o.o. 000027497, Poland	100	100	-221 439	10 203
Reinhold Polska Projekt 8 Sp. z.o.o. 0000273715, Poland	100	100	-622 455	10 203
Reinhold Polska Projekt 9 Sp. z.o.o. 0000274260, Poland	100	100	-160 713	10 203
Reinhold Polska Projekt 10 Sp. z.o.o. 0000284950, Poland	100	100	-899 913	10 203
Reinhold Polska Projekt 12 Sp. z.o.o. 0000287696, Poland	100	100	5 576	10 203
Reinhold Polska Projekt 14 Sp. z.o.o. 0000289623, Poland	100	100	5 089	10 203

Note 13 Financial instruments

All financial assets have been classified as receivables, which includes depositions blocked bank deposits, cash and bank balances. All financial liabilities have been classified as other financial liabilities valued to accrued acquisition value, which include depositions, accounts payable – trade, liabilities to credit institutes, part of other short-term liabilities and parts of accrued expenses. The fair value of the financial assets and liabilities is being considered correspond to the book values since the financial assets and liabilities with long durations leaps with market conditions.

Note 14 Depositions

Amount in EUR	2011	2010
The Group		
Accounted value at the beginning of the year	0	0
Newly added	0	0
Accounted value at year-end	**0**	**0**

The Group's receivables consist of depositions made and are without interest. The receivables matured during 2011, see note 26.

Amount in EUR	2011	2010
Parent company		
Accounted value at the beginning of the year	717 701	1 041 240
Newly added / re-paid	26 155	-324 169
Accounted value at year-end	**743 226**	**717 071**

All of the parent company's receivables are with inter-group companies and have an interest of 3,5 % and are payable on demand.

Note 15 Real estate developments

Amount in EUR	2011	2010
The Group		
Accumulated acquisition costs		
At the beginning of the year	24 225 109	56 529 844
Capitalized interest expenses	-2 301 057	876 707
New acquisitions	0	336 044
Disposals	0	-20 246 910
Exchange rate difference	-2 075 058	0
Write-down after valuation	-3 879 653	-13 270 576
Closing accumulated acquisition costs	**18 270 398**	**24 225 109**
Carrying amount at year-end	**18 270 398**	**24 225 109**

Amount in EUR	Purchase price	Write-downs	Capitalized income	Other expenses	Total
All projects					
Total at 2011-12-31	**9 263 091**	**-15 829 486**	**4 506 421**	**20 330 372**	**18 270 398**

The projects in Reinhold Polska Projekt 4, 6 and 8 have been valued at disposal value, which is 14 974 974 EUR.
All properties are pledged assets, see note 22.

Note 16 Receivables group companies

Amounts in EUR	2011	2010
Parent Company		
Reinhold Polska Services	1 490 093	134 851
Reinhold Polska Projekt 1	4 042 680	123 319
Reinhold Polska Projekt 2	2 115 791	14 450
Reinhold Polska Projekt 3	3 589 336	334 860
Reinhold Polska Projekt 4	9 248 050	962 874
Reinhold Polska Projekt 5	4 052 440	1 235 079
Reinhold Polska Projekt 6	2 031 685	15 716
Reinhold Polska Projekt 7	587 141	4 474
Reinhold Polska Projekt 8	1 671 600	12 824
Reinhold Polska Projekt 9	186 228	1 556
Reinhold Polska Projekt 10	1 654 645	23 805
Reinhold Polska Projekt 12	274	0
Reinhold Polska Projekt 14	274	0
Reservation bad debt	-26 363 778	0
Total	4 306 459	2 865 232

Note 17 Other receivables

Amount in EUR	2011	2010
The Group		
VAT recoverable	51 455	206 261
Other items	55 191	804 628
Total	106 646	1 010 889
Parent company		
VAT recoverable	10 070	23 614
Other items	0	0
Total	10 070	23 614

Note 18 Share Capital

The table below shows the changes in Reinhold Polska's share capital. Of the total number of shares, 900,000 are Class A shares entitled to 10 votes each and 6,100,000 are Class B shares, which are entitled to 1 vote each.

Amount in EUR	Transaction	Increase of numbers of shares	Total numbers of shares	Increase of the share capital	Share capital	Quota value
IB 2006		1 000 000	1 000 000		52 920	
2006	New issue of shares	6 000 000	7 000 000	317 517	370 437	0,0529
Total 2011-12-31			**7 000 000**		**370 437**	**0,053**

Note 19 Interest-bearing loans

The Groups interest-bearing loans at credit institutes had as of 2011-12-31 the following amounts in nominal value and with the following maturity schedules;

2010

Amount in EUR	**1-3 months**	**4-6 months**	**7-9 months**	**10-12 months**	**Total**
Short-term bank borrowings	8 881 082	4 567 353	16 546 618	15 312 596	45 307 649
Total	**8 881 082**	**4 567 353**	**16 546 618**	**15 312 596**	**45 307 649**

2011

Amount in EUR	**Overdue**	**1-3 months**	**4-6 months**	**7-12 months**	**Total**
Short-term bank borrowings	17 041 566	0	0	0	17 041 566
Total	**17 041 566**	**0**	**0**	**0**	**17 041 566**

	Interest rate agreements	**Penalty interest rate**
DNB	WIBOR + 1,85 %	18 %
PEKAO S.A.	19,50 %	19,50%
DANSKE	6M WIBOR + 0,25%	18 %
BZ WBK	WIBOR 1M + 2%	18 %

The Group

	Bank	**Loan amount incl. accrued interest at 31 December 2011**		**Maturity date**
		PLN	**EUR**	
Reinhold Polska Services	DnB Nord	10 678	2 425	matured 31.08.2011
Reinhold Polska Projekt 1	DnB Nord	37 049	8 414	matured 31.08.2011
Reinhold Polska Projekt 1	Pekao S.A.	3 728 831	846 818	matured 30.06.2011
Reinhold Polska Projekt 2	DnB Nord	22 476	5 104	matured 31.08.2011
Reinhold Polska Projekt 3	Danske Bank	85 325	19 377	matured 18.03.2011
Reinhold Polska Projekt 3	DnB Nord	4 676	1 062	matured 31.08.2011
Reinhold Polska Projekt 4	DnB Nord	274	62	matured 31.08.2011
Reinhold Polska Projekt 4	BZ WBK	71 068 022	16 139 548	matured 30.10.2010
Reinhold Polska Projekt 5	DnB Nord	24 614	5 590	matured 31.08.2011
Reinhold Polska Projekt 7	DnB Nord	8 024	1 822	matured 31.08.2011
Reinhold Polska Projekt 8	DnB Nord	19 305	4 384	matured 31.08.2011
Reinhold Polska Projekt 9	DnB Nord	5 375	1 221	matured 31.08.2011
Reinhold Polska Projekt 10	DnB Nord	18 149	4 121	matured 31.08.2011
Reinhold Polska Projekt 12	DnB Nord	3 561	809	matured 31.08.2011
Reinhold Polska Projekt 14	DnB Nord	3 561	809	matured 31.08.2011
TOTAL			**17 041 566**	

Note 20 Accrued expenses and prepaid expenses

Amount in EUR	**2011-12-31**	**2010-12-31**
The Group		
Accrued salaries and social security charges	0	39 226
Prepaid income for completed projects	817 808	676 165
Accrued expenses Cushmann case	237 236	522 911
Accrued expenses Enel Med. Case	0	353 080
Accrued expenses City Office, Krakow	317 940	126 100
Accrued architectural expenses	0	226 980
Other items	277 015	718 228
Total	**1 649 999**	**2 662 690**

Amount in EUR	**2011-12-31**	**2010-12-31**
Parent company		
Accrued salaries and social security charges	0	39 226
Accrued interest	87 728	24 596
Annual accounts and audit	53 640	55 000
Other items	85 000	31 021
Total	**226 368**	**149 843**

Note 21 Other current liabilities

Amount in EUR	**2011-12-31**	**2010-12-31**
The Group		
Social security charges	17 964	273 033
Pension premium	0	27 008
Loan from Reinhold Group BV, former closely related, interest 12 %	1 979 501	308 566
Loan from R Gustafsson Byggnads AB, form closely related, interest 12%	335 400	333 240
Loan from RG Byggnadsfirma, former closely related, interest 12 %	185 340	184 146
Loan from IGI Sp z.o.o., closely related party	354 899	0
Loan from Alterco S.A, closely related party	227 812	0
Other items	74 454	142 907
Total	**3 175 370**	**1 268 900**

Amount in EUR	**2011-12-31**	**2010-12-31**
Parent company		
Loan from R Gustafsson Byggnads AB, form closely related, interest 12%	335 400	333 240
Loan from RG Byggnadsfirma, former closely related, interest 12 %	185 340	184 146
Loan from Reinhold Group BV, former closely related, interest 12 %	1 979 501	0
Loan from IGI Sp z.o.o.	354 899	0
Loan from Alterco S.A	227 812	0
Other items	180 752	0
Total	**3 263 704**	**517 386**

Note 22 Contingent liabilities and provided guarantees

Amount in EUR	**2011-12-31**	**2010-12-31**
The Group		
Contingent liabilities		
Union Investment Fund GmbH	0	4 000 000
PekaoBank	0	756 600
Total	0	4 756 600
Provided guarantees		
Parent company guarantee to BZ WBK A.S	7 267 200	8 070 400
Mortgage Pekao S.A	6 353 123	7 055 295
Mortgage BZ WBK A.S	24 345 120	27 035 840
Blocked deposits as security for projects	0	27 584 240
Total	37 965 443	69 745 775
Total contingent liabilities and provided guarantees	**37 965 443**	**74 502 375**

Amount in EUR	**2011-12-31**	**2010-12-31**
Parent company		
Contingent liabilities		
Union Investment Fund GmbH	0	4 000 000
PekaoBank	0	756 600
Total	0	4 756 600
Provided guarantees		
Parent company guarantee to BZ WBK S.A	7 267 200	8 070 400
Blocked deposits as security for projects	0	27 584 240
Total	7 267 200	35 654 640
Total contingent liabilities and provided guarantees	**7 267 200**	**40 411 240**

The provided guarantees in 2010 consist of liabilities to DnBNord regarding project Reinhold Polska services and Reinhold Polska Project 1-10.

Up to August 2011, the Parent company has given the cash deposits it held as collateral for the different polish subsidiaries' liabilities in the same banks. All of these deposits and loans matured in August 2011. As the subsidiaries were unable to repay the obligations, the bank took the deposits held in the Parent company to the maximum that was available. The Parent company therefore has, in its balance sheet, effectively substituted cash deposits with receivables from subsidiaries. As the recoverability of a substantial amount of these receivables can be considered to be doubtful, the parent company's income statement and balance sheet has therefore included a provision of EUR 26 363 778 (2010: 5.691.973) in respect of these receivables.

The guarantee to Union Investment Fund GmbH has been included in the balance sheet of the Group as end December 2011. It relates to payments due in 2012.

The mortgage in favour of Pekao S.A is to secure credit granted to Reinhold Polska Projekt 1.
The mortgage in favour of BZ WBK S.A is to secure credit granted to Reinhold Polska Projekt 4.

Note 23 Operational leasing

Amount in EUR	2011	2010
The Group		
Within 1 year	0	20 324
Within 2-5 years	0	0
After 5 years	0	0
	0	20 324

Leasing fees during 2011 amounted to EUR 2 122 (92 468).

Note 24 Transactions with closely related parties

The transaction parties below are closely related to Reinhold Polska AB (publ). Separate information about the Group in the note below. All the transactions are considered to have been carried out on prevailing market terms.

The Group

	2011		2010	
	Liability to closely related parties at 31 December	Receivable from closely related parties at 31 December	Liability to closely related parties at 31 December	Receivable from closely related parties at 31 December
Closely related parties				
IGI Sp. z.o.o., 11,5% interest, payable 2012	354 899		0	
IGI Torun Sp. z.o.o., 11,5% interest, payable 2012	11 602		0	
Alterco S.A, 11,5% interest, payable 2012	227 812		0	
Castle Carbery Prop. Ltd, 11,5% interest, payable 2012	15 577		0	
Derwent Sp. z.o.o., 15% interest, payable 2012	58 292		0	
Galley Head Inv. Ltd, 6% interest, payable 2012	95 281		0	
Coucal Sp. z.o.o., 11,5% interest, payable 2012	78 821		0	
Padraic Coll, 8% interest, payable 2012	1 137		0	
Total	**843 421**	**0**	**0**	**0**

	2011		2010	
	Sales at 31 December	Purchases at 31 December	Sales at 31 December	Purchases at 31 December
Closely related parties				
Alterco S.A, administrative services		3 922		0
Artur Walczuk, consultancy services		54 538		0
INVEST André Rosberg, consultancy services		28 070		0
WTC Waldemar Tevnell, consultancy services		30 000		0
Total	**0**	**116 530**	**0**	**0**

Parent Company

	2011		2010	
Closely related parties	Liability to closely related parties as of 31 December	Receivable from closely related parties as of 31 December	Liability to closely related parties as of 31 December	Receivable from closely related parties as of 31 December
IGI Sp. z.o.o., 11,5% interest, payable 2012	354 899		0	
IGI Torun Sp. z.o.o., 11,5% interest, payable 2012	11 602		0	
Alterco S.A, 11,5% interest, payable 2012	227 812		0	
Castle Carberry Prop. Ltd, 11,5% interest, payable 2012	15 577		0	
Derwent Sp. z.o.o., 15% interest, payable 2012	58 292		0	
Galley Head Inv. Ltd, 6% interest, payable 2012	95 281		0	
Total	**763 463**	**0**	**0**	**0**

	2011		2010	
Closely related parties	Sales at 31 December	Purchases at 31 December	Sales at 31 December	Purchases at 31 December
INVEST André Rosberg, consultancy services		14 116		
WTC Waldemar Tevnell, consultancy services		27 985		
Total	**0**	**42 101**	**0**	**0**

See also Note 2 personnel, consisting other remunerations to closely related parties.

Note 25 Result per share, before and after dilution

Result per share is calculated by dividing the result attributable to the parent company shareholders with a weighted average of number of outstanding ordinary shares during the period.

Amount in EUR	**2011**	**2010**
The Group		
Net profit (loss) for the year attributable to the parent company's owners	-7 134 613	-18 976944
Weighted average number of outstanding shares	7 000 000	7 000 000
Result per share, before and after dilution	**-1,02**	**-2,71**

Amount in EUR	**2011**	**2010**
Parent company		
Net profit (loss) for the year attributable to the parent company's owners	-21 195 684	-4 453 103
Weighted average number of outstanding shares	7 000 000	7 000 000
Result per share, before and after dilution	**-3,03**	**-0,64**

Note 26 Provisions and Reserves

The provision relates to the agreement signed between the Company and Union Investment Fund GmbH on 27th June 2011 in which the Company undertook to make payments to the amount of EUR 300 000 in 2012 in relation to the settlement of the dispute over the Lipinski project.

Note 27 Depositions current receivables

Amount in EUR	2011	2010
The Group		
Accounted value beginning of the year	341 635	294 630
Amortization	-341 635	47 005
Accounted value at year-end	**0**	**341 635**

The receivable matured during 2011, see, note 14.

The income statements and balance sheets will be submitted for adoption at the Annual General Meeting.

The Board of Directors and the CEO hereby affirm that, to the best of their knowledge, the consolidated annual report has been prepared in accordance with IFRS (the international financial reporting standards), as adopted by the EU, and gives a true and fair view of the Group's position and results. The annual report has been prepared in accordance with generally accepted accounting principles in Sweden, and gives a true and fair view of the parent company's position and results.

The Management Report for the Group and the parent company gives a true and fair view of developments in the Group's and the parent company's business, position, and results, and describes material risks and uncertainties facing the parent company and the companies in the Group.

Stockholm May 2012

Tevnell Waldemar
Chairman of the Board

Stanislaw Dudzik

Marek Tarchalski

Michael Scully

Patrick Coll
CEO

Ryszard Danieliewicz

Our audit report, that differs from the standard text, has been submitted May 2012

Ernst & Young AB

Mikael Ikonen
Authorized public accountant

PwC AB

Helena Ehrenborg
Authorized public accountant