



## Interim report for the period 1 January – 30 September 2010

### Third quarter (1 July – 30 September 2010)

- Net sales during the period were TSEK 16,708 (9,640).
- The operating result before depreciation (EBITDA) was TSEK 9,834 (3,933).
- The operating result (EBIT) was TSEK -603 (-2,029).
- Earnings after tax were TSEK -5,476 (-2,390), which corresponds to SEK -0.18 (-0.14) per share.
- The average income per MWh was SEK 774 (783), of which SEK 444 (491) refers to electricity and SEK 330 (292) to electricity certificates.
- Expansion according to plan

### The first nine months (1 January – 30 September 2010)

- Net sales during the period were TSEK 45,539 (15,504).
- The operating result before depreciation (EBITDA) was TSEK 24,799 (-3,521).
- The operating result (EBIT) was TSEK 95 (-11,986).
- Earnings after tax were TSEK -12,273 (-6,668), which corresponds to SEK -0.48 (-0.38) per share.
- The average income per MWh was SEK 751 (764), of which SEK 429 (503) refers to electricity and SEK 322 (261) to electricity certificates.

### Significant events after the end of the reporting period

- A decision has been taken to start construction of a further 22 MW, which would mean that the expansion target for 2010 has been achieved.

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#### About Arise Windpower

Arise Windpower is one of Sweden's leading companies in onshore wind power. Arise Windpower's business concept is to sell electricity generated at the company's own onshore wind turbines in southern Sweden. The company is aiming to install and put into operation about 300 wind turbines with an annual output of about 2 TWh of green electricity by 2014. Arise Windpower is listed on NASDAQ OMX Stockholm.

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## The CEO's comments on Q3 2010

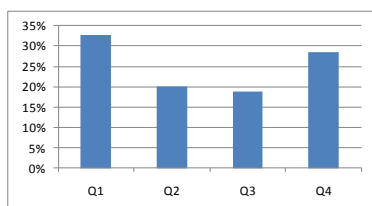
**Work on constructing new wind farms proceeded to plan in the third quarter. After the end of the reporting period decisions have been made to start construction of a further 22 MW, which would mean that the company will have about 125 MW in operation or under construction in autumn 2010.**

The construction projects in Idhult (16 MW), Fröslida (22.5 MW) and Kåphult (17.5 MW) are going to plan, and most of the turbines are scheduled to go into operation before the New Year.

The company's crane was delivered in August and has been used to raise the eight turbines at the Idhult wind farm. The benefits of having our own crane are evident in the form of improved time efficiency and cost efficiency.

A short film showing the crane in operation can be viewed on our website, [www.arisewindpower.se](http://www.arisewindpower.se)

Wind-wise, the third quarter is normally relatively weak, and this proved to be the case this year too. Electricity production was about 95 per cent of a normal wind year. See the following graph, which shows quarterly energy production according to Danish wind energy figures for the years 1979–2009 ([www.vindstat.dk](http://www.vindstat.dk))



The weak wind months also generally coincide with periods when electricity prices are lower, and this was true also in the third quarter of 2010 when the average market price was SEK 661/MWh (electricity + electricity certificates). However, thanks to the company's hedging strategy, Arise Windpower's average income in the three-month period was SEK 774/MWh, which was 17 per cent above the market price.

As the company's costs are relatively constant, earnings will in a normal wind year be higher during the windier first and fourth quarters than in the second and third quarters, when winds are generally weaker.

The Swedish Armed Forces have announced a loosening of the restrictions applying in the vicinity of military airfields, which is positive. The restrictions will remain in place around certain airfields, however, which will affect the company's projects in Blekinge, as announced previously.

The process of obtaining permits for new wind farms from local authorities has proved somewhat slow. The company's strategy is to offset these delays by acquiring projects for which permits have already been obtained. The company may continue to seek to acquire projects with existing permits, provided that the projects meet the company's requirement of a 10 per cent return on invested capital before

tax and that project acquisitions are better than other alternatives.

Arise Windpower has concluded a framework agreement with Svevia regarding civil work related to new wind farms. The agreement marks another step in the effort to improve cost efficiency and speed up the pace of construction in the company's projects.

### *Events after the reporting period:*

A decision to start construction on another two projects with a total output of 22 MW has been made. Construction is scheduled to start in November 2010 and the turbines are scheduled to go into operation in spring 2011. Together with the current ongoing projects the company now has about 125 MW, or 58 turbines, in operation or under construction. When fully operational, these turbines are expected to generate about 320 GWh per year, representing about 13 per cent of Sweden's total wind-generated electricity production in 2009.

We are now focusing on next year's planned expansion, when a further 135 MW will be added to the existing 125 MW. The target is to have 260 MW in operation or under construction by the end of 2011.

The company's finances remain strong and are adapted for the planned expansion in 2011.

*Halmstad, November 2010*

*Peter Nygren*

*CEO, Arise Windpower AB*

## ■ Comments on Q3 2010

### Summary of events

– All turbines in Idhult, with a total output of 16 MW, have been installed and are scheduled to go into operation at the end of November. The nine turbines at the Fröslida wind farm, totaling 22.5 MW, have now largely been installed and are also expected to go into operation at the end of November. In Kåphult construction has proceeded to plan, and the turbines, with a total output of 17.5 MW, are expected to go into operation during December.

– Arise Windpower has concluded an agreement with Ekesjö Windpower AB for the acquisition of Ekesjö's project portfolio, comprising about 30 turbines in Nässjö. Construction of the turbines is expected to begin no earlier than 2011/12.

– An agreement has been signed with Vindshejkerna i Stjups AB that gives Arise the right to acquire a project in Stjups on Gotland. The project comprises existing permits for the erection of six wind turbines with a total output of about 18 MW. It is intended that construction and commissioning of the turbines will take place as soon as a grid connection agreement has been signed, though no earlier than August 2011. The project is Arise Windpower's first in Gotland, where conditions for wind power are especially favourable.

– Arise Windpower has concluded a framework agreement with Svevia regarding civil work for at least half of the company's planned new wind farms.

### Net sales and earnings

Net sales in the second quarter were TSEK 16,708 (9,640). Work performed by the company for its use in the amount of TSEK 3,390 (5,333) was capitalised. Other income was TSEK 6,819 (1,207) and refers mainly to sales income from the crane rental business, which totaled SEK 4.4 million (-), see Note 1 on page 9. The corresponding expenses for the crane rental business are accounted for in Other external expenses.

The operating result before depreciation (EBITDA) was TSEK 9,834 (3,933). The operating result (EBIT) was TSEK -603 (-2,029), which includes scheduled depreciation in the amount of TSEK -10,437 (-5,962).

The net financial expense was TSEK -6,827 (-2,356) and the loss before tax

TSEK -7,430 (-4,385). Earnings after tax were TSEK -5,476 (-2,390), which corresponds to earnings per share of SEK -0.18 (-0.14).

Comprehensive income for the quarter was TSEK -5,494 (2,521) after cash flow hedges of electricity, interest rates and currencies reduced comprehensive income by a net TSEK -18.

### Investments

Investments for the quarter were TSEK 287,548 (54,559), all of which refers to planned construction of wind farms, except TSEK 63,197 (-), which refers to investments in a mobile crane and related equipment.

### Cash flow

Arise Windpower's cash flow from operating activities was TSEK 25,888 (29,400) and cash flow after investing activities was TSEK -264,083 (-25,159). Long-term and current interest-bearing liabilities increased by TSEK 44,853 (-), while interest payments reduced the cash flow by TSEK -3,779 (2,955). TSEK 9,000 (-) has been deposited into frozen accounts, principally as part of agreements on loan funding. The cash flow for the quarter was TSEK -232,009 (288,227), including TSEK 0 (310,431) relating to a share offering.

## ■ Comments on the first nine months

### Summary of events

– The company completed its IPO and has been listed on the main list of NASDAQ OMX Stockholm since 24 March 2010.

– The company has also completed two share offerings, raising approximately SEK 554 million before issue costs.

### Net sales and earnings

Net sales in the first nine months of the year were TSEK 45,539 (15,504). Work performed by the company for its use in the amount of TSEK 12,099 (10,996) was capitalised. Other income was TSEK 16,214 (1,965) and refers mainly to a recognised capital gain of SEK 5.4 million (-) relating to the sale of property, plant and equipment, sales income from the crane rental business in the amount of SEK 4.4 million (-) and a gain of SEK 4.7 million (1.8) relating to power trading, see Note 1 on page 9.

The operating result before depreciation (EBITDA) was TSEK 24,799 (-3,521).

Other external expenses include a one-off loss of approximately SEK 1.6 million relating to power trading, see Note 2 on page 9.

The operating result (EBIT) was TSEK 95 (-11,986), which includes scheduled depreciation in the amount of TSEK -24,704 (-8,465). The net financial expense was TSEK -16,747 (1,797) and the loss before tax TSEK -16,652 (-10,189). Earnings after tax were TSEK -12,273 (-6,668), which corresponds to earnings per share of SEK -0.48 (-0.38).

Comprehensive income for the interim period was a loss of TSEK -23,995 (-2,207) after cash flow hedges of electricity, interest rates and currencies reduced comprehensive income by a net TSEK -11,722.

### Investments

Investments in the first nine months of the year were TSEK 608,059 (387,514), all of which is related to the construction of wind farms, which are proceeding to plan, except TSEK 63,197 (-), which refers to investments in a mobile crane and related equipment. Sales of property, plant and equipment, relating mainly to the electrical installation in Knäred, were TSEK 92,300 (-).

### Cash flow

Arise Windpower's cash flow from operating activities was TSEK 43,251 (-56,575) and cash flow after investing activities was TSEK -474,931 (-444,089). Long-term and current interest-bearing liabilities increased by TSEK 37,603 (180,000). Share offerings raised a net TSEK 525,407 (310,431) for the Group while interest payments reduced cash flow by SEK -19,010 (-5,422). TSEK 22,800 (-) has been deposited into frozen accounts, mainly under agreements on loan funding, resulting in a cash flow of TSEK 46,269 (40,920) for the period.

### Funding and liquidity

Interest-bearing net liabilities were TSEK 637,603, against TSEK 470,000 in the same period last year. The equity/assets ratio at the end of the period was 60.1 per cent (54.5%).

Cash and cash equivalents were TSEK 387,577 (449,842), in addition to which the company had unused credits and grants at the end of the period in the amount of TSEK 397,600 (237,000).

## Taxes

As Arise Windpower only has Swedish subsidiaries, tax has been calculated at the Swedish rate of corporate tax, 26.3 per cent.

## Related-party transactions

During the period one Board Director has worked on a number of clearly specified tasks on a contract basis, receiving a market-based compensation of TSEK 1,323. There have been no other transactions with related parties.

## Contingent liabilities

There have been no changes in the Group's contingent liabilities.

## Outlook

The company's finances remain strong and new construction is slightly ahead

of schedule, which means that 58 turbines, or about 125 MW, are expected to be in operation or under construction by the end of the year. The company's long-term target is to build 300 turbines by 2014, representing a total production capacity of about 700 MW.

## Risks and uncertainties

The IPO in the spring and subsequent share offerings have raised new equity capital for the Group, which together with unused credit facilities and committed lines of credit from banks give the company ample opportunity to achieve its planned expansion until the end of 2011. Any changes in access to new equity and loan capital will need to be continuously monitored and assessed in order to secure the Group's

adopted expansion plan, also after 2011.

Financial risks have also diminished compared with last year in line with the improvement in financial markets. The main focus is on monitoring fluctuations in electricity and certificate prices as well as exchange rates, especially against the euro.

Risks and uncertainties affecting the Group are described on page 16 of the company's 2009 annual report and financial risk management is presented on pages 30–33. No significant changes have taken place that affects the reported risks.

## Project portfolio status at 30 September 2010

	No. of projects	No. of wind turbines	Total capacity (MW)	Average output per turbine (MW)
<b>Farms in operation and under construction</b>				
In operation	3	22	47	2,1
Under construction	3	24	56	2,3
<b>Project portfolio</b>				
Permits received/acquired	6	20	48	2,4
Permits pending	26	197	450	2,3
Project planning completed	21	168	389	2,3
Leases signed	1	4	8	2,0
<b>Total portfolio</b>	<b>60</b>	<b>435</b>	<b>997</b>	<b>2,3</b>

About 15 per cent (approx. 150 MW) of the above project portfolio is affected by the restrictions, which relate to the JAS 39 Gripen fighter aircraft, announced by the Swedish Armed Forces. However, the introduction of such restrictions do not affect the company's expansion plans, as the remaining projects are available for the planned expansion and the lease portfolio is continually replenished. Wind farms in operation or under construction are not affected. The total number of MW in the portfolio has fallen slightly, which is natural as the projects move closer to the construction phase. Poor wind locations are winnowed out, as are locations which suffer from conflicting interests and obstacles. The project portfolio is therefore being expanded at an even pace. An example of this is the agreement concluded with Ekesjö Windpower AB covering about 30 turbines.

## Projects are categorised based on the following criteria

### In operation

Wind power projects where the wind farm has been taken into production after completion of test runs and is generating electricity.

### Under construction

Refers to projects where the requisite permits have been obtained, an investment decision has been made by the company's Board of Directors, equity and loan funding is available and procurements have been made

representing the majority of the project's total investment cost.

### Permits received/acquired

Projects that have received the permits required to start construction but where construction has not yet begun. In some

cases Arise Windpower will wait until sufficient wind data is available.

#### **Permits pending**

The first stage in a permit application process normally starts with a meeting with the relevant regional and local authorities. If the transmission network is to be built by Arise Elnät the company will also apply for a concession to operate the network from the Swedish Energy Markets Inspectorate. This stage is concluded when all requisite permits have been obtained or if a permit application has been rejected.

#### **Project planning completed**

After signing land lease agreements Arise Windpower begins project planning work on the site's precise wind power characteristics. The area is carefully analysed and the exact coordinates of the planned turbines are determined. The initial wind studies are based on theoretical maps but at a later stage actual wind measurements are made using the company's wind measuring equipment.

#### **Leases signed**

Land lease agreements have been signed after negotiations between

landowners and Arise Windpower. Long-term land leases have been concluded for the entire project portfolio, giving the company the right, but not an obligation, to build wind turbines on the leased properties. For most of the projects, project planning has been initiated but has not yet been completed. The feasibility studies performed by the company before a lease is signed result in a preliminary specification of the siting of the new wind turbines.

### **■ Parent company**

In 2010 the parent company continued to build up the Group, performed most of the project planning for suitable wind locations, concluded leases, produced impact assessments and detailed development plans, obtained building permits, procured products and services, handled the Group's power and certificate trading activities, and performed central services in the Group.

The parent company handles the Group's production plans and electricity hedges in accordance with the adopted financial policy. The electricity-producing subsidiaries (the Arise Wind

Farm companies) sell all generated electricity to the parent company at contracted prices. The parent company then sells the electricity to customers based on bilateral agreements or in the spot market, and the net result of the trades is recognised in net sales.

The parent company's gross result, which also comprises expenses billed within the Group, including work performed by the company for its own use and capitalised and other income, was TSEK 17,824 (12,310) in the first nine months. The net result after tax was TSEK -4,371 (-354). The parent company has paid advances for some investments

on behalf of subsidiaries. Net investments in the first nine months were TSEK -33,188 (-20,424). Subsidiaries were capitalised in the amount of TSEK 70,000 (-).

### **■ Ownership structure**

The ownership structure of Arise Windpower is presented on the company's website ([www.arisewindpower.se](http://www.arisewindpower.se)).

### **■ Financial calendar**

- Fourth quarter (1 Oct – 31 Dec):  
18 February 2011.

This interim report has not been audited by the company's auditor.

Halmstad, 17 November 2010  
Arise Windpower AB (publ)

Peter Nygren  
CEO

## CONSOLIDATED INCOME STATEMENT

Amounts in TSEK	2010 Q3	2009 Q3	2010 9 mth	2009 9 mth	2009 12 mth
Net sales	16 708	9 640	45 539	15 504	29 652
Work performed by the company for its own use and capitalised	3 390	5 333	12 099	10 996	13 262
Other operating income Note 1	6 819	1 207	16 214	1 965	554
<b>Total income</b>	<b>26 917</b>	<b>16 180</b>	<b>73 852</b>	<b>28 465</b>	<b>43 468</b>
Staff costs	-6 486	-5 179	-21 498	-16 908	-23 353
Other external expenses Note 2	-10 597	-7 068	-27 555	-15 078	-18 388
<b>Operating result before depreciation (EBITDA)</b>	<b>9 834</b>	<b>3 933</b>	<b>24 799</b>	<b>-3 521</b>	<b>1 727</b>
Depreciation of property, plant and equipment	-10 437	-5 962	-24 704	-8 465	-12 525
<b>Operating result (EBIT)</b>	<b>-603</b>	<b>-2 029</b>	<b>95</b>	<b>-11 986</b>	<b>-10 798</b>
Financial income	469	1 395	1 645	5 666	7 402
Financial expense	-7 296	-3 751	-18 392	-3 869	-8 001
<b>Profit/loss before tax</b>	<b>-7 430</b>	<b>-4 385</b>	<b>-16 652</b>	<b>-10 189</b>	<b>-11 397</b>
Income tax	1 954	1 995	4 379	3 521	3 783
<b>Net result</b>	<b>-5 476</b>	<b>-2 390</b>	<b>-12 273</b>	<b>-6 668</b>	<b>-7 614</b>
Earnings per share before dilution, SEK	-0,18	-0,14	-0,48	-0,38	-0,44
Earnings per share after dilution, SEK	-0,18	-0,14	-0,48	-0,38	-0,44

Treasury shares have not been included in calculating earnings per share.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in TSEK	2010 Q3	2009 Q3	2010 9 mth	2009 9 mth	2009 12 mth
<b>Net result</b>	<b>-5 476</b>	<b>-2 390</b>	<b>-12 273</b>	<b>-6 668</b>	<b>-7 614</b>
<b><u>Other comprehensive income</u></b>					
<b>Income/expenses recognised directly in equity</b>					
Cash flow hedges, unrealised changes in value	-23	6 663	-15 904	6 052	1 012
Income tax attributable to components of other comprehensive income	5	-1 752	4 182	-1 591	-266
<b>Other comprehensive income, net after tax</b>	<b>-18</b>	<b>4 911</b>	<b>-11 722</b>	<b>4 461</b>	<b>746</b>
<b>Total comprehensive income</b>	<b>-5 494</b>	<b>2 521</b>	<b>-23 995</b>	<b>-2 207</b>	<b>-6 868</b>

The comprehensive income is 100 per cent attributable to the shareholders of the parent.

## CONSOLIDATED BALANCE SHEET

	<b>2010</b>	<b>2009</b>	<b>2009</b>
- In summary, amounts in TSEK	<b>30 Sep</b>	<b>30 Sep</b>	<b>31 Dec</b>
Property, plant and equipment	1 396 868	721 995	898 061
Financial assets	60 530	18 550	20 214
Other current assets	135 839	69 013	88 544
Cash and cash equivalents	387 577	449 842	341 308
<b>TOTAL ASSETS</b>	<b>1 980 814</b>	<b>1 259 400</b>	<b>1 348 127</b>
Shareholders' equity	1 189 885	686 555	680 273
Non-current liabilities	608 901	472 400	590 260
Current liabilities	182 028	100 445	77 594
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1 980 814</b>	<b>1 259 400</b>	<b>1 348 127</b>

## CONSOLIDATED CASH FLOW STATEMENT

	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>
- In summary, amounts in TSEK	<b>Q3</b>	<b>Q3</b>	<b>9 mth</b>	<b>9 mth</b>	<b>12 mth</b>
<b>Cash flow from operating activities before changes in working capital</b>	<b>8 117</b>	<b>3 884</b>	<b>16 489</b>	<b>-3 669</b>	<b>1 530</b>
Cash flow from changes in working capital	17 771	25 516	26 762	-52 906	-121 418
<b>Cash flow from operating activities</b>	<b>25 888</b>	<b>29 400</b>	<b>43 251</b>	<b>-56 575</b>	<b>-119 888</b>
Acquisition of property, plant and equipment	-289 971	-54 559	-610 482	-387 514	-567 640
Sale of property, plant and equipment	-	-	92 300	-	-
<b>Cash flow after investing activities</b>	<b>-264 083</b>	<b>-25 159</b>	<b>-474 931</b>	<b>-444 089</b>	<b>-687 528</b>
Change in interest-bearing liabilities	44 853	-	37 603	180 000	310 000
Interest paid and received	-3 779	2 955	-19 010	-5 422	-229
Deposits into frozen accounts	-9 000	-	-22 800	-	-
Issue of new shares	-	310 431	525 407	310 431	310 143
<b>Cash flow from financing activities</b>	<b>32 074</b>	<b>313 386</b>	<b>521 200</b>	<b>485 009</b>	<b>619 914</b>
<b>Cash flow for the period</b>	<b>-232 009</b>	<b>288 227</b>	<b>46 269</b>	<b>40 920</b>	<b>-67 614</b>
Cash and cash equivalents at beginning of period	619 586	161 615	341 308	408 922	408 922
<b>Cash and cash equivalents at end of period</b>	<b>387 577</b>	<b>449 842</b>	<b>387 577</b>	<b>449 842</b>	<b>341 308</b>
Interest-bearing liabilities at end of period	-637 603	-470 000	-637 603	-470 000	-600 000
<b>Interest-bearing net liabilities (-) / assets (+)</b>	<b>-250 026</b>	<b>-20 158</b>	<b>-250 026</b>	<b>-20 158</b>	<b>-258 692</b>



## CONSOLIDATED SHAREHOLDERS' EQUITY

	2010 40451	2009 30 Sep	2009 31 Dec
- In summary, amounts in TSEK			
Opening balance	680 273	373 587	373 587
Total comprehensive income	-23 995	-2 207	-6 868
Issue of new shares incl. income tax	533 007	315 175	313 554
Use of treasury shares in connection with acquisition of assets	600	-	-
<b>Closing balance</b>	<b>1 189 885</b>	<b>686 555</b>	<b>680 273</b>

## KEY RATIOS FOR THE GROUP

	2010 Q3	2009 Q3	2010 9 mth	2009 9 mth	2009 12 mth
<b>Operational key ratios</b>					
Installed capacity at end of period, MW	46,5	24,0	46,5	24,0	30,0
Electricity production during period, GWh	21,6	12,3	60,7	20,3	36,0
No. of employees at end of period	26	18	26	18	21
<b>Financial key ratios</b>					
EBITDA margin, %	58,9%	40,8%	54,5%	neg	5,8%
Operating margin, %	neg	neg	0,2%	neg	neg
Return on capital employed, %	0,8%	0,6%	2,2%	neg	0,3%
Return on equity, %	neg	neg	neg	neg	neg
Capital employed, TSEK	1 439 911	706 713	1 439 911	706 713	938 965
Average capital employed, TSEK	1 233 215	691 979	1 143 485	511 726	597 174
Shareholders' equity, SEK '000	1 189 885	686 555	1 189 885	686 555	680 273
Average shareholders' equity, TSEK	1 197 863	527 707	1 067 845	450 444	496 410
Interest-bearing net liabilities (-) / assets (+)	-250 026	-20 158	-250 026	-20 158	-258 692
Equity/assets ratio, %	60,1%	54,5%	60,1%	54,5%	50,5%
Interest coverage ratio, times	neg	neg	neg	neg	neg
Debt/equity ratio, times	0,7	0,8	0,7	0,8	1,0
Equity per share, SEK	39	39	47	39	39
Equity per share after dilution, SEK	38	36	45	36	36
No. of shares at end of period excl. treasury shares	30 635 570	20 488 570	30 635 570	20 488 570	20 488 570
Average no. of shares	30 635 570	17 502 478	25 562 070	17 502 478	17 502 478
Average no. of shares after dilution	31 548 070	18 952 478	26 535 820	18 952 478	18 832 878

### Definitions

EBITDA margin	Operating result before depreciation (EBITDA) / net sales
Operating margin	Operating result (EBIT) / net sales
Return on capital employed	EBITDA / average capital employed
Return on equity	Net result / average shareholders' equity
Equity per share	Shareholders' equity / average number of shares



## Arise Windpower Interim Report – 1 January – 30 September 2010

Interest-bearing net liabilities	Interest-bearing liabilities less cash
Interest coverage ratio	Result after financial income / financial expense
Debt/equity ratio	Liabilities / shareholders' equity
Equity/assets ratio	Shareholders' equity / total assets
Capital employed	Shareholders' equity plus interest-bearing net liabilities

<b>Note 1: Other operating income</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>
Amounts in TSEK	<b>Q3</b>	<b>Q3</b>	<b>9 mth</b>	<b>9 mth</b>	<b>12 mth</b>
Gain on sale of property, plant and equipment	642	-	5 375	-	355
Power trading	1 365	1 207	4 685	1 830	-
Income from crane rental	4 391	-	4 391	-	-
Other items	421	-	1 763	135	199
	<b>6 819</b>	<b>1 207</b>	<b>16 214</b>	<b>1 965</b>	<b>554</b>

**Note 2:** Other external expenses for 9 mth-10 refer to a one-off loss of SEK 1.6 million (-) on power trading.

## THE GROUP'S SEGMENT REPORTING

<b>Q3</b>	<b>Wind power operations</b>		<b>Wind power development</b>		<b>Eliminations</b>		<b>Group</b>	
Amounts in TSEK	<b>Q3 -10</b>	<b>Q3-09</b>	<b>Q3 -10</b>	<b>Q3-09</b>	<b>Q3 -10</b>	<b>Q3-09</b>	<b>Q3 -10</b>	<b>Q3-09</b>
Net sales, external	16 708	9 640	-	-	-	-	16 708	9 640
Net sales, internal	-	-	6 901	-3 061	-6 901	3 061	-	-
Work performed by the company for its own use and capitalised	-	-	3 390	5 333	-	-	3 390	5 333
Other operating income <b>Note 3</b>	1 742	1 126	5 077	81	-	-	6 819	1 207
<b>Total income</b>	<b>18 450</b>	<b>10 766</b>	<b>15 368</b>	<b>2 353</b>	<b>-6 901</b>	<b>3 061</b>	<b>26 917</b>	<b>16 180</b>
Operational result	14 055	7 141	14 950	1 625	-6 900	4 281	22 104	13 047
Operating result before depreciation (EBITDA)	13 798	6 501	942	-5 355	-4 906	2 787	9 834	3 933
Operating result (EBIT)	4 182	1 064	315	-6 476	-5 100	3 383	-603	-2 029
<b>Assets</b>	<b>1 559 037</b>	<b>414 811</b>	<b>1 178 965</b>	<b>972 284</b>	<b>-757 188</b>	<b>-127 695</b>	<b>1 980 814</b>	<b>1 259 400</b>

### **Note 3: Other operating income**

Gain on sale of property, plant and equipment	-	-	642	-	-	-	642	-
Power trading	1 364	1 126	-	-	-	-	1 364	1 126
Income from crane rental	-	-	4 391	-	-	-	4 391	-
Other items	378	-	44	81	-	-	422	81
	<b>1 742</b>	<b>1 126</b>	<b>5 077</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>6 819</b>	<b>1 207</b>

<b>9 months</b>	<b>Wind power operations</b>		<b>Wind power development</b>		<b>Eliminations</b>		<b>Group</b>	
Amounts in TSEK	<b>Q3 -10</b>	<b>Q3-09</b>	<b>Q3 -10</b>	<b>Q3-09</b>	<b>Q3 -10</b>	<b>Q3-09</b>	<b>Q3 -10</b>	<b>Q3-09</b>
Net sales, external	45 539	15 504	-	-	-	-	45 539	15 504
Net sales, internal	-	-	20 248	4 041	-20 248	-4 041	-	-
Work performed by the company for its own use and capitalised	-	-	12 099	10 996	-	-	12 099	10 996
Other operating income <b>Note 4</b>	6 377	1 830	9 837	135	-	-	16 214	1 965
<b>Total income</b>	<b>51 916</b>	<b>17 334</b>	<b>42 185</b>	<b>15 172</b>	<b>-20 248</b>	<b>-4 041</b>	<b>73 852</b>	<b>28 465</b>
Operational result	38 732	12 030	41 254	14 744	-19 194	-2 821	60 792	23 953
Operating result before depreciation (EBITDA)	37 599	10 882	2 454	-14 593	-15 254	190	24 799	-3 521
Operating result (EBIT)	14 019	3 631	-18	-16 403	-13 907	786	95	-11 986

### **Note 4: Other operating income**

Gain on sale of property, plant and equipment	-	-	5 375	-	-	-	5 375	-
Power trading	4 684	1 830	-	-	-	-	4 684	1 830
Income from crane rental	-	-	4 391	-	-	-	4 391	-
Other items	1 693	-	71	135	-	-	1 764	135
	<b>6 377</b>	<b>1 830</b>	<b>9 837</b>	<b>135</b>	<b>-</b>	<b>-</b>	<b>16 214</b>	<b>1 965</b>

## PARENT COMPANY INCOME STATEMENT

Amounts in TSEK	2010 Q3	2009 Q3	2010 9 mth	2009 9 mth	2009 12 mth
Net sales	4 305	2 542	10 471	9 756	18 086
Work performed by the company for its own use and capitalised	1 264	1 279	4 353	2 554	8 627
Other operating income	-	-	3 000	-	-
<b>Total income</b>	<b>5 569</b>	<b>3 821</b>	<b>17 824</b>	<b>12 310</b>	<b>26 713</b>
Staff costs	-4 781	-3 902	-15 243	-11 310	-15 869
Other external expenses	-2 301	-1 580	-9 534	-6 383	-9 825
<b>Operating result before depreciation (EBITDA)</b>	<b>-1 513</b>	<b>-1 661</b>	<b>-6 953</b>	<b>-5 383</b>	<b>1 019</b>
Depreciation of property, plant and equipment	-153	-70	-405	-173	-260
<b>Operating result (EBIT)</b>	<b>-1 666</b>	<b>-1 731</b>	<b>-7 358</b>	<b>-5 556</b>	<b>759</b>
Financial income	324	1 274	2 982	3 943	5 588
Financial expense	-766	-	-1 555	-9	-9
<b>Profit/loss before tax</b>	<b>-2 108</b>	<b>-457</b>	<b>-5 931</b>	<b>-1 622</b>	<b>6 338</b>
Income tax	555	962	1 560	1 268	-868
<b>Net result and comprehensive income</b>	<b>-1 553</b>	<b>505</b>	<b>-4 371</b>	<b>-354</b>	<b>5 470</b>

## PARENT COMPANY BALANCE SHEET

- In summary, amounts in TSEK	2010 30 Sep	2009 30 Sep	2009 31 Dec
Property, plant and equipment	74 507	33 424	41 724
Financial assets	361 206	317 151	323 041
Other current assets	611 535	27 135	134 747
Cash and cash equivalents	201 666	358 765	234 531
<b>TOTAL ASSETS</b>	<b>1 248 914</b>	<b>736 475</b>	<b>734 043</b>
Restricted equity	2 526	1 715	1 715
Unrestricted equity	1 224 994	690 960	696 564
Current liabilities	21 394	43 800	35 764
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1 248 914</b>	<b>736 475</b>	<b>734 043</b>

## PARENT COMPANY SHAREHOLDERS' EQUITY

- In summary, amounts in TSEK	<b>2010</b> <b>30 Sep</b>	<b>2009</b> <b>30 Sep</b>	<b>2009</b> <b>31 Dec</b>
Opening balance	698 279	377 854	377 854
Total comprehensive income	-4 371	-354	5 470
Issue of new shares	533 012	315 175	314 963
Use of treasury shares in connection with acquisition of assets	600	-	-8
<b>Closing balance</b>	<b>1 227 520</b>	<b>692 675</b>	<b>698 279</b>

## ■ Accounting policies

### Accounting policies

Arise Windpower applies the International Financial Reporting Standards (IFRS), as adopted by the EU, and the interpretations of these (IFRIC). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. Unless otherwise stated, the accounting policies are the same as those applied in the latest annual report.

### New accounting policies in 2010

New and revised IFRS and interpretations from IFRIC that are applicable for the Group as of 1 January 2010 have not had any significant impact on consolidated earnings or on the Group's financial position.

New or revised IFRS and interpretations are not deemed to have had any significant impact on Arise Windpower's

financial statements, with the exception of IFRS 3 Business Combinations, which states that transaction costs incurred in connection with acquisitions should not be included in the cost of the acquisition but should be expensed in the income statement. Additional descriptions of new and amended accounting policies are found in the latest annual report.

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