

Favorable start for Lyrestad wind farm

Interim report January-September 2016 Rabbalshede Kraft AB (publ)

Significant events during the third quarter, July 1, 2016 – September 30, 2016

- Third quarter production totaled 104,775 MWh (113,395)
- Net sales were KSEK 50,364 (51,899)
- EBITDA amounted to KSEK 25,305 (26,903)
- EBIT was KSEK 2,868 (-492)
- Average income for wind power production was SEK 481/MWh (458), of which electricity accounted for SEK 305/MWh (299) and electricity certificates and guarantees of origin for SEK 176/MWh (159)
- During the quarter, the company reduced borrowings for Hud and Töftedal Vind AB

Key figures	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015	Full-year 2015
Electricity production, MWh	104,775	113,395	316,825	406,437	576,412
Net sales, KSEK	50,364	51,899	144,809	185,393	264,204
EBITDA, KSEK	25,305	26,903	65,601	119,112	169,655
Average income, electricity, SEK/MWh	305	299	298	289	288
Average income from electricity certificates and guarantees of origin, SEK/MWh	176	159	160	167	170

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This is Rabbalshede Kraft

Rabbalshede Kraft plans and establishes land-based wind farms for sales of electricity and for sales of entire wind farms or individual wind turbines. The company also offers asset management services, and procures and manages the construction of wind farms. The electricity produced by our own wind farms is sold on the open electricity market, Nord Pool. From when the company was founded in 2005 up until December 2015, a total of approximately SEK 3 billion has been invested in proprietary operational wind farms that together produce some 0.5 TWh of electricity per year. Rabbalshede Kraft is certified in accordance with ISO 9001 and ISO 14001. Follow the company's progress at www.rabbalshedekraft.se

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Rabbalshede Kraft's financial calendar

Year-end report for 2016	February 23, 2017
Annual General Meeting for the 2016 fiscal year	April 27, 2017
Interim report January-March 2017	May 18, 2017
Interim report January-June 2017	August 17, 2017
Interim report January-September 2017	November 23, 2017
Year-end report for 2017	February 28, 2018

Press releases and financial reports can be subscribed to and downloaded on Rabbalshede Kraft's website www.rabbalshedekraft.se.

Annual General Meeting

The Annual General Meeting (AGM) for the 2016 fiscal year will be held on April 27, 2017 in Gothenburg, Sweden. The official notification of the AGM will be published in Post- och Inrikes Tidningar and on

Rabbalshede Kraft's website not later than March 30, 2017. An announcement that notification has been published will be made in *Dagens Industri* and *Göteborgs-Posten*.

The 2016 Annual Report will be published on Rabbalshede Kraft's website on April 6, 2017. The Annual Report will be available at the company's office in Rabbalshede as of April 6, 2017, and be distributed by traditional mail to shareholders on request about one week in advance of the AGM.

Nomination Committee

Shareholders who would like to submit proposals to the Nomination Committee ahead of Rabbalshede Kraft's AGM on April 27, 2017 may do so by e-mail to valberedningen@rabbalshedekraft.se or by traditional mail to Nomination Committee, Rabbalshede Kraft, Marknadsvägen 1, SE-457 55 Rabbalshede, Sweden, not later than March 3, 2016.



The first nine months, January-September 2016

Production from the Group's wind farms in January-September 2016 totaled 316,825 MWh (406,437).

Net sales amounted to KSEK 144,809 (185,393).

EBITDA was KSEK 65,601 (119,112).

Pursuant to IFRIC 21, property tax was expensed for the entire fiscal year at June 30. The effect on the accounts for October–December was KSEK 2 190.

The company posted EBIT of KSEK -1,607 (43,042).

Average income for wind power production was SEK 457/MWh (456), of which electricity accounted for SEK 298/MWh (289) and electricity certificates and guarantees of origin for SEK 160/MWh (167).

Depreciation/amortization was KSEK 67,208 (76,170).

The company's result after tax was KSEK -114,778 (-14,442).

The AGM for the 2015 fiscal year was held on April 1, 2016, in Gothenburg, Sweden.

Significant events

Lyrestad wind farm

Work on the Lyrestad wind farm, situated in Mariestad and Töreboda municipalities, is proceeding as planned and the farm is scheduled to be commissioned during autumn 2017. The first foundation was molded in September and, in this connection, the company held an information meeting at the farm for landowners and local residents.

Financing

During the period, the company reduced borrowings for Hud and Töftedal Vind AB.

Significant events after the end of the period

Financing

In early October, the company reduced borrowings for Årjäng NV Vind AB, Årjäng SV Vind AB and Skaveröd/Gurseröd Vind AB. The company has now reduced its borrowings from banks by around 40%. This has been possible as a result of shareholder loans from the company's principal owner Manor.

On October 20, permits for three 180-meter turbines at the Sköllunga project became legally effective.

CEO's statement

Wind power continues to arouse emotions. During the quarter, a number of prestigious names in the energy industry made their voices heard. In September, warnings were made concerning the impact of the halt in wind power investments and the energy minister responded with a proposal concerning new legislation on subsidies for renewable energy being introduced as early as next year. In October, a proposal was also made concerning an extension of the electricity-certificate system from 2020, the end year at present, to the end of 2030. This is intended to add a further 18 TWh of renewable electricity in addition to the amount under the current system.



The third quarter was characterized by variable winds; July and August were very windy and the company's production exceeded expectations; September was a warm month with high pressure remaining over Sweden, resulting in beautiful weather but weak winds.

Our third-quarter energy production totaled 105.3 GWh, slightly lower year-on-year but higher than the anticipated production. The efficiency of our farms remains high and we can report availability of nearly 99 percent, a best-in-class figure that makes us proud.

Construction of the new farm in Lyrestad outside Mariestad is proceeding as planned; molding of the foundations is under way and Vestas will begin the assembly of the 22 turbines in June 2017. The farm is scheduled to become operational in autumn 2017. We are really looking forward to commissioning an additional 76 MW to reach annual delivery of slightly more than 230 gigawatt hours in our long-term electricity trading contract with Google.

Final assembly of a turbine for Mölndals Energi, for placement in Hällevadsholm, was completed during the period. Trial operation is under way, with takeover scheduled for November.

We are continuing to work on improvements to our service operation. With such newly added customers as PWP and LEVA, we can already note significantly improved performance figures compared with the situation before we became involved. We anticipate major potential for continued growth in this area and look forward to enhancing our position in Sweden.

During the period, we prioritized continued development of our project portfolio, which currently contains some 40 projects representing total output of approximately 700 MW. Discussions are in progress with a number of interested parties from various industries concerning the possibility of investing in new wind farms.

At Rabbalshede Kraft, we are doing what we can to cope with the tough market conditions. In October, negotiations with banks were finalized and we reduced our bank borrowings by some 40%, through both scheduled and extra repayments. This was made possible by a shareholder's loan from the company's principal owner, Manor.

The first nine months of the year generated EBITDA of SEK 65,601. A minus on the last line is due primarily to seasonal variations. This is because the summer months are always slightly weaker than the autumn and winter and the result was also impacted by a reduction in impairment losses, and the fact that non-recurring financial costs arose when paying down the loans.

A positive signal of importance, which facilitates the continued development of the company, arrived on October 17 when the Swedish Energy Agency and NVE (Norwegian Water Resources and Energy Directorate) submitted a proposal to the effect that the electricity certificates system should be extended for an additional 18 TWh of renewable electricity through 2030 and that the certificates should apply until 2045. This proposal entails positive effects on electricity and certificate prices, which have stagnated in the past four to five years.

Rabbalshede Kraft stands on firm ground in this changing world and looks to the future with great confidence.

Håkan Frick

Acting CEO

Production

The annual production capacity of Rabbalshede Kraft's wind farms totals 0.5 TWh of electricity.

Production during the third quarter of the year exceeded expectations. The period started with strong winds, which abated during the month of September.

During the first three quarters of the year, production availability was just over 98%, which shows that the farms generate electricity virtually all the time that winds are blowing.

Wind farms	Wind turbines		Production outcome, MWh						
	No. of turbines	Output (MW)	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015	Full-year 2015	Full-year 2014	Full-year 2013
Hud	6	15	8,067	8,515	23,730	28,783	41,614	36,507	35,691
Kil	4	8	4,691	4,667	13,097	16,096	23,226	19,312	19,835
Brattön	6	15	7,201	7,933	21,342	28,578	40,212	34,925	33,788
Töftedalsfjället	10	23	14,389	14,550	42,566	53,933	75,909	65,453	63,839
Dingle-Skogen	12	28	14,949	15,424	42,023	56,770	81,280	66,376	36,278
Årjäng Nordväst	9	28	15,085	17,131	47,690	61,420	86,679	27,090	-
Årjäng Sydväst	11	33	21,820	24,892	68,219	89,655	126,232	30,908	-
Skaveröd/Gurseröd	13	40	18,573	20,283	57,158	71,202	101,260	34,094	-
Total	71	190	104,775	113,395	316,825	406,437	576,412	314,665	189,431
Price-hedged electricity			71%	77%	77%	71%	71%	71%	63%

Seasonal and annual variations

Wind-power production varies during the year, normally entailing higher electricity production during the winter season. An average wind year, known as a normal year, is based on wind measurements over at least a ten-year period. Deviations from a normal year can be substantial during certain periods, thus impacting income and earnings during a single quarter or year.

Prices for electricity and electricity certificates

The price of electricity has risen slowly since it bottoming out in July 2015, when the average system price (aggregated spot price on the Nord Pool power market) was a very low SEK 89/MWh, meaning just below SEK 00.09 per kWh. During the same month, the system price was SEK 240/MWh and remained around that level in the third quarter in the last week of October the price continue to rise to 360 SEK/MWh, even though the temperature was higher than normal and demand for electricity lower. The price trend in Bidding Area Three, where most of Rabbalshede Kraft's farms are located, have also developed well. Last week in October the spot price in the area amounted to 388 SEK/MWh.

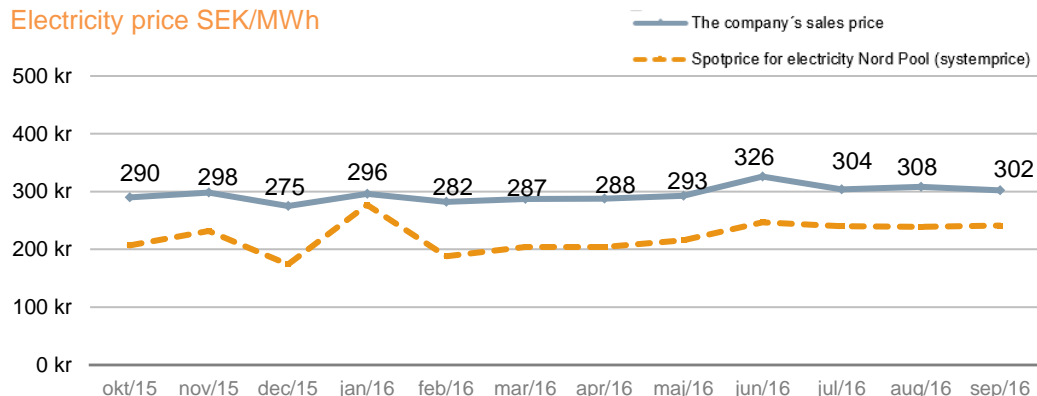
Several forecasts indicate a continued rising electricity price in the forthcoming winter and the system price had risen to SEK 310/MWh in the week of October 10. Two price-impacting factors are the water deficit in Swedish/Norwegian hydroelectric dams and transfer problems in Norway. The ongoing audits of Swedish nuclear power plants and such international factors as a rising price of coal also have an impact. Should the warnings that the coming winter will be very severe come to fruition, this could lead to a few months of significantly higher prices, since Nordic electricity prices are highly weather-dependent.

A series of activities are under way in the EU and Sweden to ensure the continued build-out of renewable energy. The Swedish Energy Agency recently published a proposal concerning a strengthening of the electricity-certificate system. See below. In December, the parliamentary energy commission is expected to submit a proposal regarding the long-term energy supply up to 2050. During the same month, a

sharpened proposal is expected about what is designated the EU Energy Union, meaning intensified energy cooperation among the EU's member countries. There will be cause to return to this matter in forthcoming reports.

The third-quarter spot price for electricity certificates rose to SEK 150/MWh (SEK 00.15/kWh) compared with just over SEK 120/MWh at the end of the second quarter. The futures price has also risen, albeit at a slower rate. The positive trend is due primarily to the system adjustment decided by the Swedish parliament last year, which is leading to a steady reduction in the surplus of certificates, with a continued decrease expected. Expectations based on the government's clear-cut ambition to support the continued build-out of renewable electricity production are also contributing.

Electricity price SEK/MWh



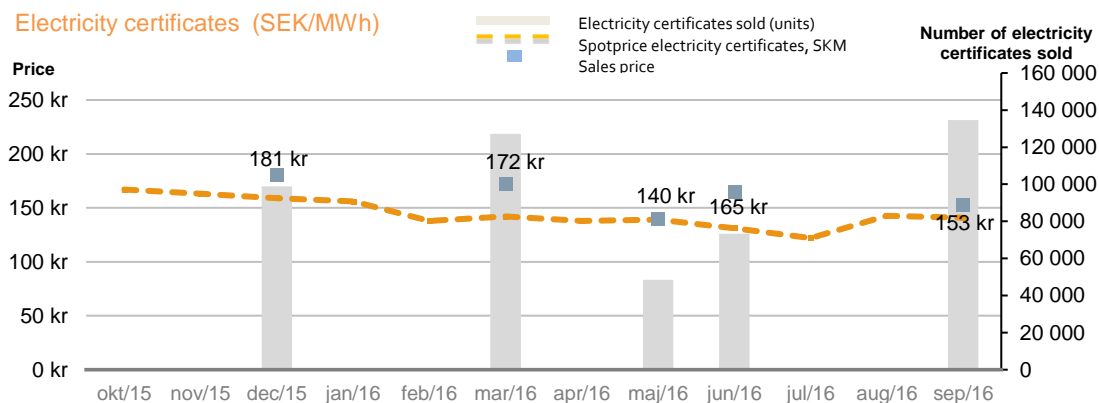
The electricity-certificate system was introduced in Sweden in 2003 to promote the expansion of renewable electricity. The system has been shared with Norway since 2012.

The aim is to extend the electricity-certificate system from 2020, the end year at present, to the end of 2030. This is intended to add production of 18 TWh of renewable electricity in Sweden, in addition to the amount under the current system dating back to 2003 which, as of 2012, also includes Norway. The ambition of today's system is to reach annual production of 26.4 TWh in 2020. On October 17, the Swedish Energy Agency presented a comprehensive proposal concerning how to develop the system in order to achieve the highly ambitious target. The intention is that a continued build-out of renewable energy will be facilitated by more flexible support. The proposal is now under discussion, and the industry organization Swedish Wind Energy requires clarification on several points.

The electricity certificate system should remain technology neutral to favor the most cost-effective electricity production. In 2015 Swedish wind power was awarded about 70 percent of all certificates. The continued development of technology towards cheaper wind favors this type of power and wind can be expected to receive a greater proportion of the certificates.

At September 30, 2016, the company had an inventory of electricity certificates totaling 23,638, valued at KSEK 2,969.

Electricity certificates (SEK/MWh)



Project portfolio – Planning operations

The first step in a successful establishment is to conduct a thorough analysis of the wind power conditions. Experience gained from operational wind farms, ongoing construction and applications provides a strong foundation for future projects. The following sections describe the various phases involved, from preplanning to commissioning.

Preplanning, planning

In the preplanning phase, basic prerequisites are analyzed, such as wind conditions based on wind maps, opposing interests, ground conditions, the feasibility of grid connections and so forth. Most of Sweden's municipalities have established wind-power plans, which indicate areas that may be appropriate for establishing wind-power production. Leaseholds are signed with land owners, which are subject to the condition that wind measurements and other analyses in the next phase remain positive.

In the planning phase, wind measurements begin and the consultation process is initiated with the authorities, organizations and individuals affected by the establishment. At this point an Environmental Impact Assessment (EIA) is prepared, which is submitted to the relevant authority together with the application. An EIA describes the direct and indirect impact of wind power on natural and cultural environments, recreational amenities and public health.

Application

Wind farm applications that are to be assessed under the Environmental Code are submitted to the County Administrative Board where the Environmental Protection Department formulates a decision-making proposal for the operation. The County Administrative Board's environmental testing delegation subsequently reaches a decision. In order for the County Administrative Board to assess an application and decide whether or not to issue a permit, the project must be approved by the municipality. If the municipality rejects the application, the County Administrative Board must also reject the application. This is usually referred to as a municipal veto. Wind farms that are assessed under the Swedish Planning and Building Act are submitted to the relevant municipality for assessment.

Authorization

When all permits have been granted and gained legal force, the focus is on the procurement of turbines, other engineering, electrical and contracting work, as well as financing. Grid connection agreements are also reached with various grid companies. The wind measurements are thoroughly analyzed, which provides the basis for investment and profitability calculations.

Construction

This phase begins with preparatory work on land and the construction of roads. Contractors are appointed for earthworks, while turbine suppliers are responsible for the assembly and commissioning of wind turbines. Grid connections are made by the electricity companies that own the adjacent networks and are paid for by Rabbalshede Kraft.

Operation

A service and maintenance plan is established for each turbine and operational monitoring is performed remotely by both the supplier and Rabbalshede Kraft. The company's internal operational and maintenance organization is considered a core strategic competency and establishes processes certified in accordance with ISO 9001 and ISO 14001. The aim is



to achieve higher operational reliability and availability than the turbine manufacturers are able to offer in their service agreements. Along with the company's suppliers, the operational organization is also responsible for the turbines at wind farms jointly managed by Rabbalshede Kraft and its partners. Töftedalsfjället is the first example of this type of facility.

Project portfolio at September 30, 2016

The company's project portfolio at the end of the period had the following appearance: After the close of the period, the permit for Sköllunga gained legal effect.

Phase	Project name	No. of turbines	Output, total (MW)	Municipality
Construction	Lyrestad	22	76	Mariestad
Total construction		22	76	
Authorized	Brattön Sälelund	14	42	Munkedal
	Sögårdsfjället	14	42	Tanum
	Femstenaberg	15	45	Strömstad
	Lursäng	5	10	Tanum
	Årjäng Nordväst phase II	8	28	Årjäng
	Vetteberget	2	6	Strömstad
Total authorized		58	173	
Authorized projects that have not yet gained legal force	Holmevattnet	6	18	Dals-Eds
	Sköllunga	3	9	Stenungsund
	Lillhärdal Åndberg	57	197	Härjedalen
Total authorized projects not to gain legal force		66	224	
Total applications		57	164	
Total planning		34	105	
Total		237	742	

- 1) Project Lyrestad under construction is owned by 25% by Rabbalshede Kraft, corresponding to 5,5 turbines, Ardian own 75%
- 2) The projects that are planned or are under application are subject to evaluation and assessment by the municipality and/or county administrative board. Accordingly, there may be some uncertainty as to whether or not the company will receive the permits for the projects that are under planning and the projects for which the company has submitted applications. Projects that have not been granted permits are moved down the planning phase for review or are terminated.

Investments

Investments, including paid advances, amounted to SEK 18,652 during January to September 2016. The investments pertain to ongoing planning.

Financing

Bank loans totaled SEK 833,494 (1,255,652) at September 30, 2016. During the period, the company's average interest rate on bank loans raised was 5,88 percent. The equity/assets ratio was 43 percent (45) at September 30, 2016.

During the third quarter, the company's principal owner – Manor Investment S.A Group – granted a shareholder's loan of MSEK 185, a portion of which was used to repay loans for Hud och Töftedal Vind AB.

After the end of the period, additional shareholder's loans were used to reduce borrowings for Skaveröd Gurseröd Vind AB, Årjäng Sydväst Vind AB och Årjäng Nordväst Vind AB.

In connection with the early repayment of bank loans Rabbalshede Kraft has repaid interest hedging by a corresponding amount. This has had a negative effect on the result by SEK -63.5 million.

The company has been granted an overdraft facility of MSEK 30, of which MSEK 20 had been utilized on the balance-sheet date.

Hedging instruments

Rabbalshede Kraft applies hedge accounting of financial instruments in accordance with IAS 39. As a result, value changes in various derivatives acquired to hedge cash flows have to be recognized against shareholders' equity through comprehensive income. At September 30, 2016, the market value of the company's outstanding interest-rate contracts was KSEK 98 797. 100% of the company's interest-rate hedges are effective and 100% of the outstanding loans are hedged.

Risks and uncertainties

Through its operations, Rabbalshede Kraft is exposed to risks. The company is dependent on both the general economic and political climate in its business environment. For a detailed description of risks, refer to the administration report in the Annual Report for the 2015 fiscal year.

In 2008, Rabbalshede Kraft entered into an agreement with a supplier relating to the acquisition of a total of 29 wind turbines. Of these, the company instructed the delivery of 14 wind turbines to the Dingle-Skogen wind farm in February 2012. The advance payment in EUR that had previously been made for the 29 turbines, corresponding to KSEK 39,921 (rate 9.23), was used as an installment payment for 14 turbines. While the remaining agreements for 15 wind turbines stipulate specific delivery dates, the parties intend to sign supplementary agreements specifying new delivery dates for wind farms that are scheduled further down the line. Should the company cancel the remaining 15 wind turbines, this could cost the company EUR 6.7 M, corresponding to SEK 64.5 M at the closing-date rate.

Group key figures	Q3 2016	Q3 2015	Q1-3 2016	Q1-3 2015	Rolling 12 months	Full-year 2015
Installed output at the close of the period, MW	190	190	190	190	190	190
Electricity production during the period, MWh	104,775	113,395	316,825	406,437	486 800	576,412
Average income for electricity, SEK/MWh	305	299	298	289	293	288
Average income from electricity certificates, SEK/MWh	168	176	156	156	163	162
Average income from guarantees of origin, SEK/MWh	8	-17	4	11	3	8
Number of employees at the close of the period	24	24	24	24	24	25
Net sales, KSEK	50,364	51,899	144,809	185,393	223 620	264,204
EBITDA, KSEK	25,305	26,903	65,601	119,212	116 044	169,655
EBITDA ² margin, %	50.2	51.8	45.3	64.3	51.9	64.2
EBIT, KSEK	2,868	-492	-1,607	43 42	-155 318	-110,669
Earnings per share before dilution, SEK	-0.64	-0.22	-0.92	-0.19	-2.41	-2.27
Earnings per share after dilution, SEK	-0.64	-0.22	-0.90	-0.19	-2.39	-2.14
No. of shares at the end of the period, thousands	126,844	74,825	126,844	74,825	126,844	74,825
					Sep 30, 2016	Dec 31, 2015
Total assets, KSEK					2,461,792	2,562,718
Equity/assets ratio, %					43	45
Net debt, KSEK					1,031,778	914,788
Debt/equity ratio, multiple					1.2	1.1
Interest-bearing liabilities, KSEK					1,223,771	1,231,722
Capital employed, KSEK					2,271,358	2 237 868
Shareholders' equity, including non-controlling interests, KSEK					1,047,587	1,145,146
Shareholders' equity per share, KSEK					8.26	15.30

Definitions

EBITDA:	Operating profit before depreciation, amortization and impairments
EBITDA margin:	EBITDA as a percentage of net sales
EBITDA ² margin:	EBITDA as a percentage of net sales excluding non-recurring costs from Vestas
EBIT:	Operating profit before financial items and taxes.
Earnings per share:	Earnings for the period divided by the number of shares
Total assets:	Total value of assets held by the company
Capital employed:	Total assets less non-interest-bearing liabilities
Net debt:	Interest-bearing liabilities less cash and cash equivalents.
Return on equity:	Earnings for the period/average shareholders' equity.
Return on capital employed:	Profit before tax plus financial expenses/average capital employed
Equity/assets ratio:	Shareholders' equity as a percentage of total assets.
Debt/equity ratio:	Interest-bearing liabilities/shareholders' equity
Shareholders' equity per share:	Equity divided by the number of shares

Consolidated income statement

KSEK	Note	Q3 2016	Q3 2015	Q1-3 2016	Q1-3 2015
Net sales		50,364	51,899	144,809	185,393
Other operating revenues		2,461	2,228	5,151	4,665
Total income		52,825	54,127	149,960	190,058
Personnel costs	2	-4,457	-3,975	-13,644	-11,052
Other external costs	2	-23,382	-23,249	-70,702	-59,794
Share of profit/loss of associated companies		319	-	-13	-
Depreciation, amortization and impairment of tangible and intangible fixed assets		-22,437	-27,395	-67,208	-76,170
Operating profit/loss		2,868	-492	-1,607	43,042
Financial income		1,190	10	1,236	146
Financial expenses		-90,642	-20,863	-129,566	-61,704
Loss before tax		-86,584	-21,345	-129,937	-18,516
Tax		5,694	4,696	15,159	4,074
Loss for the period		-80,890	-16,649	-114,778	-14,442
Earnings per share					
Average no. of shares before dilution, thousands		126,844	74,825	125,325	74,825
Average no. of shares after dilution, thousands		126,844	74,825	127,073	74,825
Earnings per share before dilution, SEK		-0.64	-0.22	-0.92	-0.19
Earnings per share after dilution, SEK		-0.64	-0.22	-0.90	-0.19

Consolidated statement of comprehensive income

KSEK	Q3 2016	Q3 2015	Q1-3 2016	Q1-3 2015
Loss for the period	-80,890	-16,649	-114,778	-14,442
Other comprehensive income:				
<i>Items that can be reclassified to profit or loss when specific conditions have been met:</i>				
Cash-flow hedges:				
Change in fair value	-11,509	-22,105	-65,998	-16,232
Reversals against profit or loss	6,848	9,508	25,858	26,067
Reclassification of shareholders' equity	63,502	-	63,502	-
Transferred to cost of hedged item	-	-2,266	-	-2,266
Tax attributable to cash-flow hedges	-12,945	3,270	-5,140	-1,665
Total	45,896	-11,593	18,222	5,904
Total items that will not be reclassified to profit/loss	-	-	-	-
Comprehensive loss for the period	-34,994	-28,242	-96,556	-8,538

Consolidated balance sheet

KSEK	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
Assets			
Intangible fixed assets	33,660	33,808	33,751
Tangible fixed assets	2,006,922	2,288,705	2,088,834
Deferred tax assets	71,687	43,162	61,387
Receivable from associated companies	79,035		
Long-term receivables	15	15	15
Total fixed assets	2,191,319	2,365,690	2,183,987
Intangible current assets	3,221	3,415	7,737
Accounts receivable	13,353	459	1,316
Prepaid costs and accrued income	25,587	27,995	46,010
Other receivables	36,319	2,882	6,734
Blocked bank funds	58,510	89,621	90,190
Cash and cash equivalents	133,483	70,849	226,744
Total current assets	270,473	195,221	378,731
Total assets	2 61,792	2,560,911	2,562,718
Shareholders' equity			
Share capital	761,063	748,249	748,249
Other capital contributions	399,527	399,527	399,527
Ongoing new share issue	-	-	304,665
Reserves	-77,062	-111,139	-95,284
Retained earnings including profit/loss for the period	-35,941	-54,814	-212,019
Shareholders' equity attributable to Parent Company's shareholders	1,047,587	981,823	1,145,138
Non-controlling interests	8	8	8
Total shareholders' equity	1,047,595	981,831	1,145,146
Liabilities			
Provisions – rehabilitation costs for wind turbines	6,887	5,419	6,617
Interest-bearing liabilities	621,129	1,180,607	5,400
Other long-term liabilities	525,025	259,465	122,844
Total long-term liabilities	1,153,041	1,445,491	134,861
Accounts payable	18,248	4,669	5,204
Interest-bearing liabilities	192,248	82,078	1,226,322
Other liabilities	7,254	5,225	5,805
Accrued expenses and deferred income	43,406	41,617	45,380
Total current liabilities	261,156	133,589	1,282,711
Total liabilities	1,414,197	1,579,080	1,417,572
Total shareholders' equity and liabilities	2,461,792	2,560,911	2,562,718
Pledged assets	2,077,282	2,251,034	2,062,593
Contingent liabilities	614,831	342,627	209,205

Condensed consolidated statement of changes in shareholders' equity

Shareholders' equity attributable to the Parent Company's shareholders, KSEK	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
Total shareholders' equity on the opening date	1,145,138	990,361	990,361
Profit/loss for the period	-114,778	-14,442	-171,647
Other comprehensive income	18,222	5,904	21,759
Comprehensive loss for the period	-96,556	-8,538	-149,888
New share issue		-	312,114
Expenses attributable to the new share issue	-1,278	-	-9,551
Tax effect attributable to the new share issue	283	-	2,102
Total shareholders' equity on the closing date	1,047,587	981,823	1,145,138

Consolidated cash-flow statement

Condensed, KSEK	Q3 2016	Q3 2015	Q1-3 2016	Q1-3 2015
Cash flow from operating activities before changes in working capital	-60,183	5,985	-58,866	57,462
Cash flow from changes in working capital	29,708	18,859	-67,827	-49,113
Cash flow from operating activities	-30,475	24,844	-126,693	8,349
Investing activities				
Acquisition of intangible fixed assets, including advances	-	-110	-480	-110
Acquisition of tangible fixed assets, including advances	-582	-2,907	-14 822	-16,246
Divestment of tangible fixed assets	-	-	30,097	-
Cash flow from investing activities	-582	-3,017	14,795	-16,356
Financing activities				
Loans raised	8,097	1,460	430,394	32,914
Amortization of loans	-33,361	-12,394	-442,159	-39,870
Changes in blocked funds	42,681	2,000	31,680	-35,194
Issuance costs	-	-	-1,278	-
Cash flow from financing activities	17,417	-8,934	18,637	-42,150
Cash flow for the period	-13,640	12,893	-93,261	-50,157
Opening cash and cash equivalents	147,123	57,956	226,744	121,006
Closing cash and cash equivalents	133,483	70,849	133,483	70,849
Blocked funds	58,510	89,621	58,510	89,621
Total cash and cash equivalents and blocked funds	191,993	160,470	191,993	160,470

Parent Company

The Parent Company, Rabbalshede Kraft AB (publ.), primarily focuses on the management, coordination and operation of the Hud wind farm and the development of the Group. The Parent Company is responsible for issues related to the equities market, such as preparing consolidated financial statements and equity market information, as well as to the credit market such as matters regarding funding and financial risk management.

Parent Company income statement

KSEK	Q3 2016	Q3 2015	Q1-3 2016	Q1-3 2015
Net sales	5,019	6,478	13,694	21,929
Other operating revenues	2,044	-51	13,008	368
Total income	7,063	6,427	26,702	22,297
Personnel costs	-4,485	-4,131	-13,716	-11,617
Other external costs	-8,877	-3,578	-19,462	-10,824
Depreciation and amortization of tangible and intangible fixed assets	-1,981	-4,954	-5,816	-8,850
Operating loss	-8,280	-6,236	-12,292	-8,994
Interest income and similar items	1,307	34	1,372	85
Interest expense and similar items	-7,241	-1,313	-12,028	-4,040
Loss before tax	-14,214	-7,515	-22,948	-12,949
Appropriations	-	-	-	-
Profit/loss before tax	-14,214	-7,515	-22,948	-12,949
Tax	-1,921	1,655	-	2,850
Loss for the period	-16,135	-5,860	-22,948	-10,099

Parent Company's statement of comprehensive income

KSEK	Q3 2016	Q3 2015	Q1-3 2016	Q1-3 2015
Profit/loss for the period	-16,135	-5,860	-22,948	-10,099
Total other comprehensive income	-	-	-	-
Total comprehensive income/loss for the period	-16,135	-5,860	-22,948	-10,099

Parent Company balance sheet

Condensed, KSEK	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
Intangible fixed assets	17,407	17,990	16,927
Tangible fixed assets	222,245	241,326	234,777
Financial fixed assets	1,055,254	889,691	842,725
Intangible current assets	609	234	561
Current receivables	70,837	28,604	13,446
Cash and bank balances	99,548	22,195	208,341
Total assets	1,465,900	1,200,040	1,316,777
Restricted shareholders' equity	761,063	748,249	748,249
Unrestricted shareholders' equity	419,673	345,935	144,317
Untaxed reserves	500	500	500
Ongoing new share issue	-	-	312,114
Long-term liabilities	247,403	84,458	5,400
Current liabilities	37,261	20,898	106,197
Total shareholders' equity and liabilities	1,465,900	1,200,040	1,316,777

Notes to the condensed financial statements

Note 1 Accounting policies

The consolidated financial statements for 2016 were prepared, similar to the 2015 year-end report, in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Commission for adoption within the EU, and the Swedish Annual Accounts Act.

The interim report for the Group has been prepared in accordance with IAS 34 Interim Reporting. Pertinent provisions of the Annual Accounts Act have also been applied. The same accounting policies and calculation principles have been applied as in the most recent Annual Report.

The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act and the regulations in RFR 2 Accounting for Legal Entities.

Pursuant to IFRIC 21, property tax has been expensed for the entire fiscal year at the start of the year. In the past, property tax was accrued over the year.

Note 2 Personnel costs and other external costs

The company capitalizes all expenses for project-planning personnel. Overhead costs are capitalized at an appropriate percentage for projects in the construction phase and the remaining costs impact earnings. The expenses encompass both personnel expenses and other external expenses.

Group KSEK	Q3 2016	Q3 2015	Q1-3 2016	Q1-3 2015
Personnel costs				
Personnel costs	-5,138	-5,454	-17,232	-15,982
Capitalized planning personnel	395	1,037	2,532	3,602
Capitalized personnel in management and administration	286	442	1,056	1,328
Total	-4,457	-3,975	-13,644	-11,052

Group KSEK	Q3 2016	Q3 2015	Q1-3 2016	Q1-3 2015
Other external costs				
Other external costs	-24,619	-23,788	-73,777	-60,677
Reinvoiced costs	822	-275	1,112	-1,715
Capitalized other external costs	415	814	1,963	2,598
Total	-23,382	-23,249	-70,702	-59,794

Signature/issuer of the report

Rabbalshede, November 17, 2016

Håkan Frick

Acting CEO

Review

This report has not been reviewed by the company's auditors.



Wind farms in Årjäng
Photo www.tocksfors.se