



## Interim report for the period 1 January – 31 December 2010

### Fourth quarter (1 October – 31 December 2010)

- Net sales during the quarter were TSEK 21,205 (11,519).
- The operating result before depreciation (EBITDA) was TSEK 10,302 (5,248).
- The operating result (EBIT) was TSEK -1,709 (1,188).
- Earnings after tax were TSEK -6,060 (-946), which corresponds to SEK -0.20 (-0.05) per share.
- The average income per MWh was SEK 762 (733), of which SEK 431 (384) refers to electricity and SEK 331 (349) to electricity certificates.
- A loan agreement has been concluded with DnB NOR for the funding of the Fröslida wind farm. The company now has loan agreements with three Nordic banks.

### 12 months (1 January – 31 December 2010)

- Net sales during the period were TSEK 66,744 (27,023).
- The operating result before depreciation (EBITDA) was TSEK 35,101 (1,727).
- The operating result (EBIT) was TSEK -1,614 (-10,798).
- Earnings after tax were TSEK -18,333 (-7,614), which corresponds to SEK -0.72 (-0.44) per share.
- The average income per MWh was SEK 754 (751), of which SEK 429 (451) refers to electricity and SEK 325 (299) to electricity certificates.

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

- A decision has been taken to begin construction of a further 12 MW, bringing the total capacity in operation or under construction to 136 MW.
- Arise Windpower has concluded an agreement giving the company the right to acquire a project with existing permits and a total potential capacity of 200 MW. Construction will commence in summer 2011 at the earliest.

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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. The company is aiming to have about 300 wind turbines in operation or under construction by 2014. In a normal wind year these are expected to generate about 2 TWh of green electricity. Arise Windpower is listed on NASDAQ OMX Stockholm.

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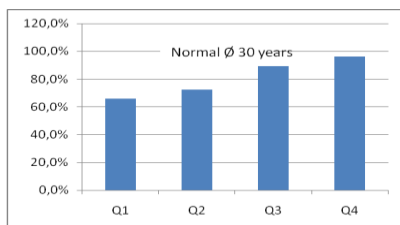
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## The CEO's comments on Q4 2010

**In the fourth quarter Arise Windpower continued to expand its portfolio of wind farms according to plan, although the start of operations was delayed in some cases, mainly due to the early winter, which brought heavy snowfall and cold temperatures. After the end of the reporting period decisions have been taken to begin work on the construction of a further 12 MW, which means that the company now has 136 MW in operation or under construction. The company has also signed an agreement giving it the right to acquire a 200 MW project with existing permits.**

The start of operations at the Idhult (16 MW), Fröslida (22.5 MW) and Kåphult (17.5 MW) projects were delayed due to the early and severe winter. The delay will result in an income shortfall of about SEK 5 million in the fourth quarter.

Wind-wise, the fourth quarter was somewhat weaker than normal, with an electricity production of about 96 per cent of a normal wind year. See the graph below, which shows output percentages in 2010 compared with normal electricity production based on Danish wind energy figures for the years 1979 – 2009 ([www.vindstat.dk](http://www.vindstat.dk)).



Total electricity production in 2010, according to the same index, was 84 per cent of normal, which is equivalent to a production shortfall of 17 GWh. As shown in the graph above, the correlation with the 30-year series gradually improved over the year.

Other positive factors include the further strengthening of the Swed-

ish krona in relation to the euro and that forward electricity prices have remained robust.

The company's investment cost, calculated as SEK per generated kWh, continues to fall, partly on the back of the stronger Swedish currency and partly as a result of technological advances in the industry. Wind turbines are becoming taller and wingspans wider, making it possible to produce more kWh per invested krona. The cost of servicing and maintenance has also fallen following the company's decision to perform some supervisory and servicing activities in-house. These refer mainly to daily supervision and routine tasks, which are best performed by in-house and locally employed staff.

The company has concluded a loan agreement with DnB NOR for funding of the Fröslida wind farm (22.5 MW).

The expansion target (110 MW) for 2010 was achieved (outcome 124 MW).

### Events after the reporting period:

A decision has been taken to begin work on a project comprising 6 wind turbines with a combined capacity of 12 MW. Work on roads etc. is scheduled to begin in March and the turbines are scheduled to be raised and go into operation in summer/autumn 2011.

This will bring the total capacity in operation or under construction to 136 MW. When fully operational in a normal wind year, these turbines will generate about 350 GWh, which is equivalent to about 14 per cent of Sweden's total wind power output in 2009.

Arise Windpower has concluded agreements with Bergvik Skog AB and Ownpower Projects AB giving the company the right to acquire

permits and development rights for the construction of a major wind farm (Jädraås) located on three rock plateaus south of Ockelbo. The permits allow the company to build a wind farm with a total capacity of about 200 MW. An agreement for delivery of turbines, subject to the start of construction, has been concluded with Vestas. The total annual electricity production is estimated at 550 GWh, which is equivalent to about 22 per cent of Sweden's total wind energy output in 2009. The wind farm will be by far the largest onshore wind farm in the Nordic region. The next phases are detailed development planning and assessment of the application for a concession to connect the turbines to the grid. Construction work is expected to commence no earlier than summer 2011 and the turbines are scheduled to be raised and put into operation the following year. The right of acquisition is exclusive and applies during a specified period. Arise may opt to sell parts of the project.

Work on the detailed development plan for the project is expected to take about four months and will tie up some of the company's resources. During that period only a small number of other construction projects will be initiated,

But the company will continue to develop its own project portfolio at the same pace, applying for permits and working on detailed development plans.

The goal of having 260 MW in operation or under construction by the end of 2011 is unchanged. The company's financial capacity remains strong.

*Halmstad, February 2011*

**Peter Nygren**

*CEO Arise Windpower AB (publ)*

## ■ Comments on Q4 2010

### Summary of events

– Winter storms and consequent late deliveries in December delayed the start of operations at the Fröslida and Kåphult wind farms by about one month. Six out of ten turbines are now operational and performance testing and handover from the supplier, GE Energy, will take place in February.

– The turbines at the Idhult farm were put into operation only in the New Year due to the early and severe winter and because of certain delays in connection with voltage testing. All turbines are now in operation, and performance tests and the gradual handover from the supplier, Vestas, are underway.

– A loan agreement has been concluded with DnB NOR for the Fröslida wind farm project in the municipality of Hylte.

– Work has begun on the construction of two new wind farms, Blekhem in the municipality of Västervik and Södra Kärra in the municipality of Askersund. The two farms consist of six Vestas V100 turbines with a combined capacity of about 22 MW. The turbines are expected to go into operation in late spring 2011.

### Net sales and earnings

Net sales in the second quarter were TSEK 21,205 (11,519). Work performed by the company for its use in the amount of TSEK 6,470 (2,266) was capitalised. Other income was TSEK 5,856 (1,218) can refer mainly to sales income from the crane rental business, which totalled SEK 4.9 million (-), and other income relating to electricity and electricity certificates of SEK 0.8 million (-), see Note 1 on page 9. The corresponding expenses for the crane rental business are recognised in Other external expenses.

The operating result before depreciation (EBITDA) was TSEK 10,302 (5,248). The operating result (EBIT) was TSEK -1,709 (1,188), which includes scheduled depreciation in the amount of TSEK -12,011 (-4,060).

The net financial expense was TSEK -5,647 (-2,396) and the loss before tax TSEK -7,356 (-1,208). Earnings after tax were TSEK -6,060 (-946), which corresponds to earnings per share of SEK -0.20 (-0.05).

Comprehensive income for the quarter was TSEK 5,107 (-4,661) after cash flow hedges of electricity, interest rates and currencies increased comprehensive income by a net TSEK 11,167.

### Investments

Net investments for the quarter were TSEK 293,001 (180,126), all of which refers to planned construction of wind farms, except TSEK 60,597 (-), which refers to investments in a mobile crane and related equipment.

### Cash flow

Arise Windpower's cash flow from operating activities was TSEK -13,230 (-63,313). Investments were TSEK -289,120 (-180,126), resulting in a cash flow after investing activities of TSEK -302,350 (-243,439). Long-term and current interest-bearing liabilities increased by 168,322 (130,000), while interest payments reduced the cash flow by TSEK -3,909 (5,193), resulting in a cash flow of TSEK -137,937 (-108,534).

## ■ Comments on the full year 2010

### 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.

– Arise Windpower began work on the construction of wind turbines with a total capacity of 77.6 MW, which means that the company now has 60 turbines with a total capacity of 124.1 MW in operation or under construction.

– Loan agreements were signed with Nordea, DnB NOR and Swedbank.

### Net sales and earnings

Net sales in 2010 were TSEK 66,744 (27,023). The company capitalised work performed for its own use in the amount of TSEK 18,569 (13,262). Other income was TSEK 22,070 (3,183) and refers mainly to sales income from the crane rental business, which totalled SEK 9.3 million (-), and other income relating to electricity and electricity certificates of SEK 7.2 million (2.6) as well as recognised capital gains of SEK 4.7 (-) million on the sale of property, plant and equipment, see Note 1 on page 9.

The operating result before depreciation (EBITDA) was TSEK 35,101 (1,727). Other external expenses include a one-off loss of approximately SEK 2.0 million on power trading.

The operating result (EBIT) was TSEK -1,614 (-10,798), which includes scheduled depreciation in the amount of TSEK -36,715 (-12,525). The net financial expense was TSEK -22,394 (-599) and the loss before tax TSEK -24,008 (-11,397). Earnings after tax were TSEK -18,333 (-7,614), which corresponds to earnings per share of SEK -0.72 (-0.44).

Comprehensive income for the year was a loss of TSEK -18,888 (-6,868) after cash flow hedges of electricity, interest rates and currencies reduced the total result by a net TSEK -555.

### Investments

Net investments in 2010 were TSEK 899,602 (567,640), all of which refers to planned construction of wind farms, except TSEK 60,597 (-), 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 87,800 (-).

### Cash flow

Arise Windpower's cash flow from operating activities was TSEK 32,121 (-119,888). Investments were TSEK -899,602 (-567,640) while sales of property, plant and equipment totalled TSEK 87,800 (-), resulting in a cash flow after investing activities of TSEK -779,681 (-687,528). Long-term and current interest-bearing liabilities increased by TSEK 205,925 (310,000). Share offerings raised a net TSEK 525,407 (310,143) for the Group while interest payments reduced cash flow by TSEK -22,919 (-229). TSEK 20,400 (-) has been paid into frozen accounts, mainly under agreements on loan funding, resulting in a 12-month cash flow of TSEK -91,668 (-67,614).

### Funding and liquidity

Interest-bearing net liabilities were TSEK 556,285, compared with TSEK 258,692 at the same date the year before. The equity/assets ratio at the end of the period was 57.6 per cent (50.5%).

Cash and cash equivalents were TSEK 249,640 (341,308), in addition to which the company had unused credits and grants at the end of the period in the amount of TSEK 387,600 (91,600).

### 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 1,760. There have been no other transactions with related parties.

### Contingent liabilities

There have been no changes in the Group's contingent liabilities. These are described in Note 18 on page 35 of the annual report for 2009.

### Outlook

The company's finances remain strong and the expansion is proceeding according to plan, despite a continued slow permit process, which is due to partly to local authorities' right to veto wind

projects and the restrictions relating to air traffic, radar installations and the JAS fighter aircraft announced by the Swedish Armed Forces. The company has been able to continue its expansion by acquiring wind farms with existing permits, which, through the acquisition and consolidation process, has probably given the company a unique market awareness of factors of material significance for the construction of onshore wind farms. The company's long-term goal is to have 300 turbines under construction or in operation by the end of 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 the resources it requires to achieve its planned expansion. The

target is to take into operation and/or start work on the construction of a further 135 MW in 2011, to be added to the existing 125 MW. 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 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 affect the reported risks.

## Project portfolio status at 31 December 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	5	36	78	2.2
<b>Project portfolio</b>				
Permits received/acquired	5	14	37	2.7
Permits pending	24	161	379	2.4
Project planning completed	22	186	430	2.3
Leases signed	3	25	58	2.3
<b>Total portfolio</b>	<b>62</b>	<b>444</b>	<b>1 029</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 may increase and decrease over time, which is natural as the date for the start of the construction phase approaches and as poor wind locations are winnowed out along with locations where there are conflicting interests and obstacles. New leases are therefore continually added to the project portfolio. It should be noted that the right to acquire the Jädraås project (200 MW) is not included in the above project summary.

## 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. In the first three months the turbines are calibrated and serviced thoroughly for the first time. During this period the output has not yet been optimised. Full and normal production can be expected only after three months, following approval of test runs and handover.

### 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 is a process of consultation where the company applies for permits to build the wind farm from 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 care-

fully 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 gross result in the parent company, which also comprises expenses billed within the Group, including work performed by the company for its own use and capitalised, was TSEK 23,557 (26,713) in 2010. The net result after tax was TSEK -5,447 (5,470). The parent company has paid advances for some investments on behalf of subsidiaries. Net investments during the period were TSEK 213,420 (29,560). Subsidiaries were capitalised in the amount of TSEK 248,400 (32,950).

## ■ Shareholders

A list of major shareholders of Arise Windpower is presented on the company's website ([www.arisewindpower.se](http://www.arisewindpower.se)).

## ■ Annual General Meeting

The company's Annual General Meeting will be held in Halmstad on 27 April 2011. The annual report will be available on the company's website from the middle of April. The Board of Directors and Chief Executive Officer propose that no dividend be paid for 2010 (SEK 0).

## ■ Financial calendar- First quarter

- |                |                                  |   |    |      |
|----------------|----------------------------------|---|----|------|
| (1             | Jan                              | – | 31 | Mar) |
| 9 May 2011.    |                                  |   |    |      |
| -              | Second quarter (1 Apr – 30 Jun): |   |    |      |
| 11 Aug 2011.   |                                  |   |    |      |
| -              | Third quarter (1 Jul – 30 Sep):  |   |    |      |
| 7 Nov 2011.    |                                  |   |    |      |
| -              | Fourth quarter (1 Oct – 31 Dec): |   |    |      |
| February 2012. |                                  |   |    |      |

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

Halmstad, 18 February 2011

Arise Windpower AB (publ)

Peter Nygren  
CEO

## CONSOLIDATED INCOME STATEMENT

Amounts in TSEK	2010 Q4	2009 Q4	2010 12 mth	2009 12 mth
Net sales	21,205	11,519	66,744	27,023
Work performed by the company for its own use and capitalised	6,470	2,266	18,569	13,262
Other operating income Note 1	5,856	1,218	22,070	3,183
<b>Total income</b>	<b>33,531</b>	<b>15,003</b>	<b>107,383</b>	<b>43,468</b>
Staff costs	-9,497	-6,445	-30,995	-23,353
Other external expenses Note 2	-13,732	-3,310	-41,287	-18,388
<b>Operating result before depreciation (EBITDA)</b>	<b>10,302</b>	<b>5,248</b>	<b>35,101</b>	<b>1,727</b>
Depreciation of property, plant and equipment	-12,011	-4,060	-36,715	-12,525
<b>Operating result (EBIT)</b>	<b>-1,709</b>	<b>1,188</b>	<b>-1,614</b>	<b>-10,798</b>
Financial income	499	1,736	2,144	7,402
Financial expense	-6,146	-4,132	-24,538	-8,001
<b>Profit/loss before tax</b>	<b>-7,356</b>	<b>-1,208</b>	<b>-24,008</b>	<b>-11,397</b>
Income tax	1,296	262	5,675	3,783
<b>Net result</b>	<b>-6,060</b>	<b>-946</b>	<b>-18,333</b>	<b>-7,614</b>
Earnings per share before dilution, SEK	-0.20	-0.05	-0.72	-0.44
Earnings per share after dilution, SEK	-0.20	-0.05	-0.72	-0.44

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in TSEK	2010 Q4	2009 Q4	2010 12 mth	2009 12 mth
<b>Net result</b>	<b>-6,060</b>	<b>-946</b>	<b>-18,333</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	15,151	-5,040	-753	1,012
Income tax attributable to components of other comprehensive income	-3,984	1,325	198	-266
<b>Other comprehensive income, net after tax</b>	<b>11,167</b>	<b>-3,715</b>	<b>-555</b>	<b>746</b>
<b>Total comprehensive income</b>	<b>5,107</b>	<b>-4,661</b>	<b>-18,888</b>	<b>-6,868</b>

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



## CONSOLIDATED BALANCE SHEET

	2010 31 Dec	2009 31 Dec
- In summary, amounts in TSEK		
Property, plant and equipment	1,677,858	898,061
Financial assets	56,585	20,214
Other current assets	90,448	88,544
Cash and cash equivalents	249,640	341,308
<b>TOTAL ASSETS</b>	<b>2,074,531</b>	<b>1,348,127</b>
Shareholders' equity	1,194,808	680,273
Non-current liabilities	776,304	590,260
Current liabilities	103,419	77,594
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2,074,531</b>	<b>1,348,127</b>

## CONSOLIDATED CASH FLOW STATEMENT

	2010 Q4	2009 Q4	2010 12 month	2009 12 mth
- In summary, amounts in TSEK				
<b>Cash flow from operating activities before changes in working capital</b>	<b>6 965</b>	<b>5 199</b>	<b>27 954</b>	<b>1 530</b>
Cash flow from changes in working capital	-20,195	-68,512	4,167	-121,418
<b>Cash flow from operating activities</b>	<b>-13,230</b>	<b>-63,313</b>	<b>32,121</b>	<b>-119,888</b>
Acquisition of property, plant and equipment	-289,120	-180,126	-899,602	-567,640
Sale of property, plant and equipment	-	-	87,800	-
<b>Cash flow after investing activities</b>	<b>-302,350</b>	<b>-243,439</b>	<b>-779,681</b>	<b>-687,528</b>
Change in interest-bearing liabilities	168,322	130,000	205,925	310,000
Interest paid and received	-3,909	5,193	-22,919	-229
Deposits into frozen accounts	-	-	-20,400	-
Issue of new shares	-	-288	525,407	310,143
<b>Cash flow from financing activities</b>	<b>164,413</b>	<b>134,905</b>	<b>688,013</b>	<b>619,914</b>
<b>Cash flow for the period</b>	<b>-137,937</b>	<b>-108,534</b>	<b>-91,668</b>	<b>-67,614</b>
Cash and cash equivalents at beginning of period	387,577	449,842	341,308	408,922
<b>Cash and cash equivalents at end of period</b>	<b>249,640</b>	<b>341,308</b>	<b>249,640</b>	<b>341,308</b>
Interest-bearing liabilities at end of period	-805,925	-600,000	-805,925	-600,000
<b>Interest-bearing net liabilities (-) / assets (+)</b>	<b>-556,285</b>	<b>-258,692</b>	<b>-556,285</b>	<b>-258,692</b>

## CONSOLIDATED SHAREHOLDERS' EQUITY

	2010	2009
- In summary, amounts in TSEK	31 Dec	31 Dec
Opening balance	680,273	373,587
Total comprehensive income	-18,888	-6,868
Issue of new shares incl. income tax	532,823	313,554
Use of treasury shares in connection with acquisition of assets	600	-
<b>Closing balance</b>	<b>1,194,808</b>	<b>680,273</b>

## KEY RATIOS FOR THE GROUP

	2010	2009	2010	2009
	Q4	Q4	12 mth	12 mth
<b><u>Operational key ratios</u></b>				
Capacity in operation at end of period, MW	46.5	34.0	46.5	34.0
Electricity production during period, GWh	27.8	15.7	88.5	36.0
No. of employees at end of period	27	21	27	21
<b><u>Financial key ratios</u></b>				
EBITDA margin, %	48.6%	45.6%	52.6%	6.4%
Operating margin, %	neg	10.3%	neg	neg
Return on capital employed, %	2.6%	2.6%	2.8%	0.3%
Return on equity, %	neg	neg	neg	neg
Capital employed, TSEK	1,751,093	938,965	1,751,093	938,965
Average capital employed, TSEK	1,595,502	822,839	1,265,006	597,174
Shareholders' equity, SEK '000	1,194,808	680,273	1,194,808	680,273
Average shareholders' equity, TSEK	1,192,347	683,414	1,093,237	496,410
Interest-bearing net liabilities (-) / assets (+)	-556,285	-258,692	-556,285	-258,692
Equity/assets ratio, %	57.6%	50.5%	57.6%	50.5%
Interest coverage ratio, times	neg	neg	neg	neg
Debt/equity ratio, times	0.7	1.0	0.7	1.0
Equity per share, SEK	39	33	47	39
Equity per share after dilution, SEK	38	31	45	36
No. of shares at end of period excl. treasury shares	30,635,570	20,488,570	30,635,570	20,488,570
Average no. of shares	30,635,570	20,488,570	25,562,070	17,502,478
Average no. of shares after dilution	31,620,570	21,639,570	26,510,820	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 share:
Interest-bearing net liabilities	Interest-bearing liabilities less cash
Interest coverage ratio	Result after financial income / financial expense



Debt/equity ratio  
Equity/assets ratio  
Capital employed

Liabilities / shareholders' equity  
Shareholders' equity / total assets  
Shareholders' equity plus interest-bearing net li

#### Note 1 - Other operating income

	2010	2009	2010	2009
Amounts in TSEK	Q4	Q4	12 mth	12 mth
Other income relating to electricity and certificates	835	799	7,211	2,629
Income from crane rental	4,922	-	9,313	-
Gain on sale of property, plant and equipment	-	-	4,710	-
Other items	99	419	836	554
	<b>5,856</b>	<b>1,218</b>	<b>22,070</b>	<b>3,183</b>

**Note 2** - Other external expenses for 12 mth-10 refer to a net loss of SEK 2.0 million (-) on power trading, of which SEK 0.4 million (-) refers to the fourth quarter.

### THE GROUP'S SEGMENT REPORTING

#### Q4

	Wind power operations		Wind power development		Eliminations		Group	
Amounts in TSEK	Q4 -10	Q4-09	Q4 -10	Q4-09	Q4 -10	Q4-09	Q4 -10	Q4-09
Net sales, external	21,205	11,519	-	-	-	-	21,205	11,519
Net sales, internal	-	-	-2,631	15,466	2,631	-15,466	-	-
Work performed by the company for its own use and capitalised	-	-	6,470	2,266	-	-	6,470	2,266
Other operating income	834	799	5,022	419	-	-	5,856	1,218
Total income	22,039	12,318	8,861	18,151	2,631	-15,466	33,531	15,003
Operational result	17,708	9,832	8,747	18,013	2,630	-14,886	29,085	12,959
Operating result before depreciation (EBITDA)	17,594	9,969	-11,599	10,525	4,306	-15,246	10,301	5,248
Operating result (EBIT)	8,257	5,082	-12,340	9,565	2,373	-13,459	-1,710	1,188
Assets	1,770,941	411,411	971,933	1,163,069	-668,343	-226,353	2,074,531	1,348,127

#### Note 3 - Other operating income

Other income relating to electricity and certificates	834	799	-	-	-	-	834	799
Income from crane rental	-	-	4,922	-	-	-	4,922	-
Gain on sale of property, plant and equipment	-	-	-	-	-	-	-	-
Other items	-	-	100	419	-	-	100	419
	<b>834</b>	<b>799</b>	<b>5,022</b>	<b>419</b>	<b>-</b>	<b>-</b>	<b>5,856</b>	<b>1,218</b>

#### 12 months

	Wind power operations		Wind power development		Eliminations		Group	
Amounts in TSEK	2010	2009	2010	2009	2010	2009	2010	2009
Net sales, external	66,744	27,023	-	-	-	-	66,744	27,023
Net sales, internal	-	-	17,617	19,507	-17,617	-19,507	-	-
Work performed by the company for its own use and capitalised	-	-	18,569	13,262	-	-	18,569	13,262
Other operating income	7,211	2,629	14,860	554	-	-	22,070	3,183
Total income	73,955	29,652	51,046	33,323	-17,617	-19,507	107,383	43,468
Operational result	56,439	21,862	50,001	32,757	-16,563	-17,707	89,876	36,912
Operating result before depreciation (EBITDA)	55,193	20,851	-9,145	-4,068	-10,948	-15,056	35,100	1,727
Operating result (EBIT)	22,275	8,713	-12,357	-6,838	-11,533	-12,673	-1,615	-10,798

#### Note 4 - Other operating income

Other income relating to electricity and certificates	7,211	2,629	-	-	-	-	7,211	2,629
Income from crane rental	-	-	9,313	-	-	-	9,313	-
Gain on sale of property, plant and equipment	-	-	4,710	-	-	-	4,710	-
Other items	-	-	837	554	-	-	837	554
	<b>7,211</b>	<b>2,629</b>	<b>14,860</b>	<b>554</b>	<b>-</b>	<b>-</b>	<b>22,070</b>	<b>3,183</b>

## PARENT COMPANY INCOME STATEMENT

	2010 Q4	2009 Q4	2010 12 mth	2009 12 mth
Amounts in TSEK				
Net sales	945	8,330	10,357	18,086
Work performed by the company for its own use and capitalised	4,788	6,073	13,200	8,627
<b>Total income</b>	<b>5,733</b>	<b>14,403</b>	<b>23,557</b>	<b>26,713</b>
Staff costs	-7,079	-4,559	-22,322	-15,869
Other external expenses	-3,630	-3,442	-13,164	-9,825
<b>Operating result before depreciation (EBITDA)</b>	<b>-4,976</b>	<b>6,402</b>	<b>-11,929</b>	<b>1,019</b>
Depreciation of property, plant and equipment	-558	-87	-963	-260
<b>Operating result (EBIT)</b>	<b>-5,534</b>	<b>6,315</b>	<b>-12,892</b>	<b>759</b>
Financial income	3,108	1,645	6,090	5,588
Financial expense	1,088	-	-467	-9
<b>Profit/loss before tax</b>	<b>-1,338</b>	<b>7,960</b>	<b>-7,269</b>	<b>6,338</b>
Income tax	262	-2,136	1,822	-868
<b>Net result and comprehensive income</b>	<b>-1,076</b>	<b>5,824</b>	<b>-5,447</b>	<b>5,470</b>

## PARENT COMPANY BALANCE SHEET

	2010 31 Dec	2009 31 Dec
- In summary, amounts in TSEK		
Property, plant and equipment	254,181	41,724
Financial assets	539,867	323,041
Other current assets	413,914	134,747
Cash and cash equivalents	37,561	234,531
<b>TOTAL ASSETS</b>	<b>1,245,523</b>	<b>734,043</b>
Restricted equity	2,526	1,715
Unrestricted equity	1,223,918	696,564
Current liabilities	19,079	35,764
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,245,523</b>	<b>734,043</b>

## PARENT COMPANY SHAREHOLDERS' EQUITY

	2010 31 Dec	2009 31 Dec
- In summary, amounts in TSEK		
Opening balance	698,279	377,854
Total comprehensive income	-5,447	5,470
Issue of new shares	533,012	314,963
Use of treasury shares in connection with acquisition of assets	600	-8
<b>Closing balance</b>	<b>1,226,444</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. *The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 of the Swedish Financial Reporting Board.* 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.

### For more information, please contact:

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