



Interim report for the period 1 January – 30 June 2011

Second quarter (1 April – 30 June 2011)

- Net sales during the quarter amounted to MSEK 39.6 (14.5).
- Operating income before depreciation (EBITDA) was MSEK 25.3 (10.8).
- Operating income (EBIT) amounted to MSEK 8.7 (3.1).
- Earnings after tax totalled MSEK 1.3 (-1.9) which corresponds to SEK 0.04 (-0.06) per share.
- Average income per MWh was SEK 823 (725), of which SEK 498 (420) per MWh refers to electricity and SEK 325 (305) per MWh refers to electricity certificates.

First half year (1 January – 30 June 2011)

- Net sales during the period amounted to MSEK 80.9 (28.8).
- Wind power production during the period was approximately 4% greater compared with the last 30 year average according to Danish wind energy statistics.
- Operating income before depreciation (EBITDA) amounted to MSEK 61.8 (15.0).
- Operating income (EBIT) amounted to MSEK 33.1 (0.7).
- Earnings after tax totalled MSEK 14.8 (-6.8) which is equivalent to SEK 0.48 (-0.27) per share.
- Average income amounted to SEK 805 (738) per MWh, of which SEK 490 (420) per MWh refers to electricity and SEK 315 (318) per MWh refers to electricity certificates.

Significant events after the end of the reporting period

- A loan agreement has been signed with DnB NOR regarding financing of the wind farms in Blekhem, Södra Kärna and Gettnabo (a total of 18 Vestas turbines).
- A purchase option for the acquisition of Jädraås Vindkraft AB has been extended whilst awaiting final investment decisions.
- Cooperation has been initiated with Platina Partners LLP which provides Platina with the right to acquire and finance fifty percent of the Jädraås project.

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 by the company's own onshore wind turbines. The company is aiming to have approximately 700 MW (equivalent to approximately 300 wind turbines) in operation or under construction by 2014. In a normal wind year these are expected to generate approximately 2 TWh of green electricity. Arise Windpower is listed on NASDAQ OMX Stockholm.

Arise Windpower AB (publ), Box 808, 301 18 Halmstad, tel. +46 35 20 20 900, Corporate Identity Number 556274-6726
E-mail: info@arisewindpower.se, www.arisewindpower.se

The CEO's comments on Q2 2011

During Q2, the production capacity of the turbines in operation increased further, with positive net income for the quarter of MSEK 1.3 after tax. In particular, the following events which occurred during the quarter can be noted;

- A further wind farm, Kåphultsparken, has been completed, taken over and put into operation, which has implied an increase in capacity from 85 MW to 102.5 MW. Tuning work is under way and the wind farm is expected to reach full production during the autumn of 2011.
- The construction of a further two wind farms, Blekhem and Södra Kärna, with a capacity of 21.6 MW, has progressed according to plan. These wind farms are expected to become provisionally operational during September and to reach full production during the winter of 2011.
- The construction of one wind turbine, Vestas V 112-3 MW, has been initiated in Mönsterås. This wind turbine has a total height of 175 metres and is expected to be in provisional operation by the end of 2011. The aim of the installation is to, partly, obtain operational experience in conjunction with the planned construction of 66 similar turbines in the Jädraås project and, partly, to acquire valuable production information from Mönsterås where some 15 similar turbines are planned to be installed. This single turbine can, however, be sold, as the company is primarily focusing on the operation of larger, connected wind farms.
- The purchase option for the Jädraås project has been extended, initially until the end of August. The aim is to execute the acquisition during the autumn and begin the construction of the wind farm shortly thereafter.
- The organisation has been further strengthened as regards the economy function, finance and permit management functions.
- An additional number of permit applications have been presented for new wind farms in southern Sweden.
- Electricity prices have continued to be relatively normal during the period with an average price of approximately SEK 470 per MWh (system price, ref. NordPool) to be compared with the company's average price during the period which was SEK 498 per MWh.
- Certificate prices have declined further and have been traded during the period at an average price of approxi-

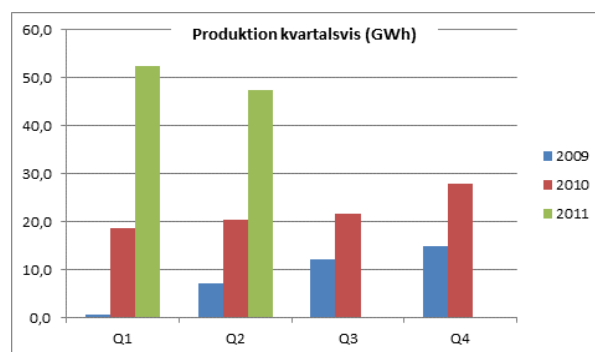
mately SEK 181 per MWh (ref. Tricorona) compared with the company's average price which was SEK 325 per MWh.

- Consequently, the company's average price during the period was SEK 823 per MWh to be compared with the previous year's price in the same quarter of SEK 725 per MWh.

The price development for electricity and electricity certificates has, after the end of the reporting period, declined further as a result of an improved hydrological situation in the Nordic system, and concern for the general financial situation. The company's price hedging, however, and particularly as regards electricity certificates, strengthens the earnings capacity.

Wind power production during the quarter was somewhat better than usual, or equivalent to 104% of the average value during the years 1979 up to and including 2011, according to the Danish wind energy statistics (www.vindstat.dk).

The company produced slightly more than 48 GWh of electricity during the quarter, which is approximately the same as in the previous quarter and represented a strong increase compared with the same quarter in the previous year. The result is positive as the production in Q2 is, usually, significantly weaker compared with Q1 (usually only 2/3's according to the Danish wind index).



Graph above: Quarterly production development

Developments in wind energy have continued to be positive with slightly declining prices for turbines and, at the same time, the machines tend to be more effective. A continued strong krona compared with the Euro also implies that investment costs are held at a continued, positive level.

Halmstad, August 2011
Peter Nygren
CEO, Arise Windpower AB (publ)

■ Comments on Q2 2011

Summary of events

– Commissioning of the turbines in Kåphultparken was initiated during the first quarter and the turbines were taken over from the supplier GE Energy at the end of the second quarter.

– Loan terms have been established with DnB NOR for the wind farm projects Blekhem in the Municipality of Västervik, Södra Kärna in the Municipality of Askersund and Gett-nabo in Torsås Municipality.

– A decision has been made regarding the investment in a wind turbine in Mönsterås with a 3 MW capacity and 175 metre height. Operations are expected to begin at the end of 2011.

– A purchase option for the acquisition of Jädraås Vindkraft AB has been extended to apply, initially, until the end of August whilst waiting for a financial investment decision.

– Cooperation has been initiated with Platina Partners LLP which provides Platina with the right to acquire and finance fifty percent of the Jädraås project.

Net sales and income

Net sales during the quarter amounted to MSEK 39.6 (14.5), an increase of 173%. In addition, MSEK 8.6 (4.6) was capitalised for own account and other operating income amounted to MSEK 6.8 (8.4). This implies that total earnings amounted to MSEK 55.0 (27.6), an increase of 99%.

Seasonally, wind conditions are less favourable during the year's second and third quarter, which implies a relatively lower production compared with the other quarters.

Operating income before depreciation (EBITDA) amounted to MSEK 25.3 (10.8). Operating income (EBIT) amounted to MSEK 8.7 (3.1) and this amounts includes depreciation according to plan totalling MSEK -16.7 (-7.7).

Net financial expenses were MSEK -6.7 (-5.7) and profit/loss before tax amounted to MSEK 1.9 (2.6).

Earnings after tax were MSEK 1.3 (-1.9) which is equivalent to earnings per share of SEK 0.04 (-0.06) both before and after dilution.

Investments

Net investments for the quarter amounted to MSEK 197 (213) and the entire invested amount refers to planned wind farm constructions.

Cash flow

Arise Windpower's cash flow from operating activities before changes in working capital amounted to MSEK 28 (4). Investments have totalled MSEK -197 (-213) and cash flow after investing activities amounted to MSEK -234 (-127). Long-term and current interest-bearing liabilities have been reduced by MSEK -1 (-4) and interest payments decreased the cash flow by MSEK -13 (-11). As a stage of the agreed upon loan financing, MSEK -20 (-14) has been paid in to blocked accounts, and cash flow for the quarter amounted to MSEK -268 (-156).

■ Comments on the first half year

Summary of events

– During the year, the wind farms in Fröslida, Idhult and Kåphult, totalling 56 MW, have been taken over and put into operation. The estimated production level, on a full-year basis, amounts to 138 GWh for all three wind farms.

– The company has executed a new share issue providing approximately MSEK 10 before issue costs.

Net sales and income

Net sales during the first six months amounted to MSEK 80.9 (28.8) and MSEK 17.0 (8.7) has been capitalised for own account. Other operating income amounted to MSEK 16.2 (9.4) which implies that total earn-

ings amounted to MSEK 114.0 (46.9), an increase of 143%.

Operating income before depreciation (EBITDA) amounted to MSEK 61.8 (15.0). Operating income (EBIT) amounted to MSEK 33.1 (0.7) and included depreciation according to plan of MSEK -28.7 (-14.3). Net financial expenses were MSEK -12.8 (-9.9) and earnings before tax amounted to MSEK 20.3 (-9.2). Earnings after tax were MSEK 14.8 (-6.8) which was equivalent to earnings per share of SEK 0.48 (-0.27) both before and after dilution.

Investments

The first half year's investments amounted to MSEK 390 (320) and the entire amount refers to the planned wind farm constructions.

Cash flow

Arise Windpower's cash flow from operating activities before changes in working capital amounted to MSEK 65 (8) and cash flow after investing activities amounted to MSEK -291 (-211). Long-term and current interest-bearing liabilities increased by MSEK 301 (-7). New share issues provided the group, net, with MSEK 10 (525) and interest payment decreased the cash flow by MSEK -27 (-15). Payments to blocked accounts were made in an amount of MSEK -25 (-14) and cash flow for the half year was MSEK -33 (278).

Financing and liquidity

Interest-bearing net liabilities amounted to MSEK 842 compared with interest-bearing net assets of MSEK 43 on the same date in the previous year. The equity/assets ratio at the end of the period was 49.7 (63.4) percent.

Cash and cash equivalents amounted to MSEK 217 (620) and at the end of the period there were also unutilised credits and contributions of MSEK 62 (266), as well as the credits agreed upon with DnB NOR for the three new wind farms.

Taxes

As Arise Windpower only has Swedish subsidiaries, tax has been calculated on the basis of the Swedish tax rate which is 26.3 percent.

Considering the consolidated tax depreciation opportunities, no paid tax is expected to be reported in the next few years.

Related party transactions

During the first quarter, one Board Member worked on a number of specific assignments on a contract basis, receiving market-based compensation of MSEK 0.4. This contract was concluded as at 31 March 2011. There have been no other related party transactions.

Contingent liabilities

There have been no changes in the Group's contingent liabilities. These are described in Note 19 on page 37 of the annual financial statements for 2010.

Events after the end of the reporting period

Of the maximum of 300,000 warrants issued as part of the directed share issue and approved by the annual general meeting, an amount

of 112,000 warrants have been subscribed by senior executives in the company.

Outlook

The company's finances remain strong and the expansion is proceeding according to plan, despite a continued slow permit application process. The company's long-term goal is to have approximately 700 MW (equivalent to approximately 300 wind turbines) in operation or under construction in 2014. The goal for 2011 is to, at the end of the year, have 260 MW in operation or construction, that is, a completed or initiated expansion of 136 MW during 2011.

The Group has received an equity contribution which, together with unutilised credit facilities from banks, provides the premises required to execute the planned expansion during 2011, through which the total capacity of approximately 260 MW will be reached. Continued expansion, with the objective of 700 MW in operation or under construction by the end of 2014, is conditional upon the provision of further capital.

Risks and uncertainties

Significant areas to continually monitor and assess include the manner in which access to new, own and borrowed funds is expected to develop, with the aim of securing the expansion plan followed by the Group, even after 2011.

The financial markets have gradually become unstable during the year and in particular during the summer months. Interest rate levels have increased successively at the same time as electricity prices and, primarily, certificate prices have decreased. The focus of monitoring is mainly directed towards the fluctuations and development of electricity and certificate prices and exchange rates, in particular the Euro.

The Group's risks and uncertainties are described on pages 17-18 in the annual report for 2010 and the financial risk management is presented on pages 32-34. No significant changes have taken place impacting the reported risks.

Status of the project portfolio at 30 June 2011

| | No. of projects | No. of wind turbines | Total capacity (MW) | Average output per turbine (MW) |
|--|-----------------|----------------------|---------------------|---------------------------------|
| Farms in operation and under construction | | | | |
| In operation | 6 | 46 | 103 | 2.2 |
| Under construction | 3 | 18 | 34 | 1.9 |
| Project portfolio | | | | |
| Permits received/acquired | 5 | 14 | 37 | 2.7 |
| Permits pending | 26 | 165 | 387 | 2.3 |
| Project planning completed | 22 | 191 | 440 | 2.3 |
| Leases signed | 4 | 31 | 63 | 2.0 |
| Total portfolio | 66 | 465 | 1,063 | 2.3 |

Approximately 15 percent (approximately 150 MW) of the above project portfolio is impacted by the restrictions relating to JAS. The introduction of such restrictions does not, however, impact the company's expansion plans as the remaining projects are sufficient for the planned expansion and the lease portfolio is continually replenished. Wind farms in operation or under construction are not impacted. The total number of MW in the portfolio can both 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 eliminated, as well as locations where there are conflicting interests and obstacles to the operations. New leases are, therefore, continually added in pace with new leasing agreements. 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 which produce electricity. During the three first months, the turbines are calibrated and serviced thoroughly for the first time. During this period the output has not 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 financing is available and when procurements have been made representing the majority of the project's total investment costs.

Permits received/acquired

Projects which have received the permits required to start construc-

tion but where construction is yet to be initiated. In some cases, Arise Windpower waits until sufficient wind data is available.

Permits pending

The first stage in a permit application is a consultation stage in which the company applies for permits to build the wind farm from 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 of the 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 basis of the site's specific 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.

Signed leases

Land lease agreements have been signed after negotiations between landowners and Arise Windpower. Long-term land leases have been obtained for the entire project portfolio, providing the company with the right, but not the obligation, to construct wind turbines on the leased properties. For the majority of the projects, project planning has been initiated, but is yet to be completed. The feasibility studies performed by the company prior to the signing of a lease provide a preliminary specification of the number and location of the new wind turbines.

■ Parent Company

The parent company has been responsible for the primary activities of identifying suitable wind locations, obtaining leases, producing impact assessments and detailed development plans, obtaining building permits, managing the procurement of products and services, handling the Group's electricity and electricity certificate trading activities and executing administrative services in the Group.

The parent company handles the Group's production plans and electricity hedges in accordance with

the adopted finance policy. The electricity-producing subsidiaries (the Arise Wind Farm companies) sell all electricity production to the parent company at a contracted price.

The parent company then sells on the electricity to customers based on bilateral agreements or in the spot market whereby net income from the trading operations is reported in net sales.

The parent company's gross profit, which also comprises expenses billed within the Group, including

capitalised work on own account, amounted, during the first six months, to MSEK 32.2 (12.3) and net earnings after taxes amounted to MSEK 8.6 (-2.8). The parent company has previously paid, on behalf of the subsidiaries, advances for some of the investments, which have been repaid during the period in an amount of MSEK -132 (82). Subsidiaries have been capitalised in an amount of MSEK 172 (-).

■ Ownership structure

A list specifying the ownership structure is found on the company website (www.arisewindpower.se).

■ **Accounting principles**

Arise Windpower complies with the EU adopted IFRS (International Financial Reporting Standards) and interpretations thereof (IFRIC). The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting". The parent company's reporting has been prepared in accordance with the Swed-

ish Annual Accounts Act and RFR 2. The accounting principles are consistent with those applied in the most recent annual report for 2010, in which they are described in Note 1 on pages 24-27.

■ **Review by the auditor**

This report has been subject to review by the company's auditor.

■ **Financial calendar**

- Third quarter (1 Jul – 30 Sep): 9 Nov 2011.
- Fourth quarter (1 Oct – 31 Dec): 17 Feb 2012.

Board of Directors' assurance

The Board of Directors and CEO hereby confirm that this interim report gives a true and fair view of both the company's and the Group's operations, financial position and results of operations, and also that the report describes significant risks and factors of uncertainty facing the company and the companies included in the Group.

Halmstad, 12 August 2011

Arise Windpower AB (publ)

Pehr G Gyllenhammar
Chairman of the Board

Birger von Hall
Member of the Board

Joachim Gahm
Member of the Board

Jon G Brandsar
Member of the Board

Peter Nygren
CEO and Member of the Board

For further information please contact:

Peter Nygren, CEO, tel. 0706-300 680
Thomas Johansson, CFO, tel. 0768-211 115

Auditors' review report

We have reviewed this report for the six month period from 1 January to 30 June 2011 for Arise Windpower AB (publ). The preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act is the responsibility of the Board of Directors and the CEO. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially smaller in scope than an audit conducted in accordance with ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, a conclusion based on a review does not imply the same level of assurance as an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Gothenburg, 12 August 2011

Öhrlings PricewaterhouseCoopers AB

Bror Frid
Authorised Public Accountant

CONSOLIDATED INCOME STATEMENT

| (Amounts in MSEK) | 2011 Q2 | 2010 Q2 | 2011 Half yr. | 2010 Half yr. | 2010 Full year |
|--|-----------------|-------------|------------------|------------------|-------------------|
| Net sales | 39.6 | 14.5 | 80.9 | 28.8 | 66.7 |
| Capitalised work on own account | 8.6 | 4.6 | 17.0 | 8.7 | 18.6 |
| Other operating income | Note 1 6.8 | 8.4 | 16.2 | 9.4 | 22.1 |
| Total income | 55.0 | 27.6 | 114.0 | 46.9 | 107.4 |
| Staff costs | -11.1 | -8.4 | -20.2 | -15.0 | -31.0 |
| Other external expenses | Note 2 -18.5 | -8.4 | -32.0 | -17.0 | -41.3 |
| Operating income before depreciation (EBITDA) | 25.3 | 10.8 | 61.8 | 15.0 | 35.1 |
| Depreciation of property, plant and equipment | -16.7 | -7.7 | -28.7 | -14.3 | -36.7 |
| Operating income (EBIT) | 8.7 | 3.1 | 33.1 | 0.7 | -1.6 |
| Financial income | 1.3 | 0.9 | 2.1 | 1.2 | 2.1 |
| Financial expenses | -8.0 | -6.6 | -14.9 | -11.1 | -24.5 |
| Profit/loss before tax | 1.9 | -2.6 | 20.3 | -9.2 | -24.0 |
| Income tax | -0.7 | 0.7 | -5.5 | 2.4 | 5.7 |
| Net result for the period | 1.3 | -1.9 | 14.8 | -6.8 | -18.3 |
| Earnings per share before dilution, SEK | 0.04 | -0.06 | 0.48 | -0.27 | -0.72 |
| Earnings per share after dilution, SEK | 0.04 | -0.06 | 0.48 | -0.27 | -0.72 |

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| (Amounts in MSEK) | 2011 Q2 | 2010 Q2 | 2011 Half yr. | 2010 Half yr. | 2010 Full year |
|---|--------------|--------------|------------------|------------------|-------------------|
| Net result for the period | 1.3 | -1.9 | 14.8 | -6.8 | -18.3 |
| <u>Other comprehensive income</u> | | | | | |
| Income/expenses recognised directly in equity | | | | | |
| Cash flow hedges | -27.4 | -12.4 | -19.3 | -15.9 | -0.8 |
| Income tax attributable to components of other comprehensive income | 7.2 | 3.3 | 5.1 | 4.2 | 0.2 |
| Other comprehensive income for the period, net after tax | -20.2 | -9.2 | -14.3 | -11.7 | -0.6 |
| Total comprehensive income | -18.9 | -11.1 | -0.5 | -18.5 | -18.9 |

The comprehensive income is 100% attributable to the shareholders of the Parent Company.

CONSOLIDATED BALANCE SHEET

| - In summary, amounts in MSEK | 2011 | 2010 | 2010 |
|---|----------------|----------------|----------------|
| | 30 Jun | 30 Jun | 31 Dec |
| Property, plant and equipment | 2,039.0 | 1,119.8 | 1,677.9 |
| Financial assets | 80.4 | 50.2 | 56.6 |
| Other current assets | 86.6 | 96.7 | 90.4 |
| Cash and cash equivalents | 216.9 | 619.6 | 249.6 |
| TOTAL ASSETS | 2,422.9 | 1,886.2 | 2,074.5 |
| Shareholders' equity | 1,205.2 | 1,195.4 | 1,194.8 |
| Non-current liabilities | 1,048.9 | 577.1 | 765.5 |
| Current liabilities | 168.8 | 113.7 | 114.2 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 2,422.9 | 1,886.2 | 2,074.5 |

CONSOLIDATED CASH FLOW STATEMENT

| - In summary, amounts in MSEK | 2011 | 2010 | 2011 | 2010 | 2010 |
|--|---------------|---------------|-----------------|-----------------|------------------|
| | Q2 | Q2 | Half yr. | Half yr. | Full year |
| Cash flow from operating activities before changes in working capital | 28.0 | 4.1 | 64.8 | 8.4 | 28.0 |
| Cash flow from changes in working capital | -65.2 | -10.9 | 33.8 | 9.0 | 4.2 |
| Cash flow from operating activities | -37.2 | -6.8 | 98.6 | 17.4 | 32.1 |
| Acquisition of property, plant and equipment | -196.7 | -212.9 | -389.9 | -320.5 | -899.6 |
| Sale of property, plant and equipment | - | 92.3 | - | 92.3 | 87.8 |
| Cash flow after investing activities | -233.9 | -127.4 | -291.3 | -210.8 | -779.7 |
| Change in interest-bearing liabilities | -0.7 | -3.6 | 300.8 | -7.3 | 205.9 |
| Interest paid and received | -13.2 | -11.3 | 27.0 | -15.2 | -22.9 |
| Deposits, blocked accounts | -20.3 | -13.8 | -25.2 | -13.8 | -20.4 |
| New share issue | - | - | 9.9 | 525.4 | 525.4 |
| Cash flow from financing activities | -34.2 | -28.7 | 258.5 | 489.1 | 688.0 |
| Cash flow for the period | -268.1 | -156.1 | -32.8 | 278.3 | -91.7 |
| Cash and cash equivalents at the beginning of the period | 484.9 | 775.7 | 249.6 | 341.3 | 341.3 |
| Cash and cash equivalents at the end of the period | 216.9 | 619.6 | 216.9 | 619.6 | 249.6 |
| Interest-bearing liabilities at the end of the period | -1,106.7 | -592.8 | -1,106.7 | -592.8 | -805.9 |
| Other financial fixed assets at the end of the period | 47.8 | 15.8 | 47.8 | 15.8 | 22.9 |
| Interest-bearing net liabilities (-)/assets (+) | -842.0 | 42.6 | -842.0 | 42.6 | -533.4 |

CONSOLIDATED SHAREHOLDERS' EQUITY

| - In summary, amounts in MSEK | 2011 | 2010 | 2010 |
|--|----------------|----------------|----------------|
| | 30 Jun | 30 Jun | 31 Dec |
| Opening balance | 1,194.8 | 680.3 | 680.3 |
| Total comprehensive income | 0.5 | -18.5 | -18.9 |
| New share issue, incl. Income tax | 9.9 | 533.0 | 532.8 |
| Utilisation of treasury shares in conjunction with the acquisition of assets | - | 0.6 | 0.6 |
| Closing balance | 1,205.2 | 1,195.4 | 1,194.8 |

KEY RATIOS FOR THE GROUP

| | 2011 | 2010 | 2011 | 2010 | 2010 |
|--|-------------|-------------|-----------------|-----------------|-----------------|
| | Q2 | Q2 | Half yr. | Half yr. | Full yr. |
| <u>Operational key ratios</u> | | | | | |
| Installed capacity at the end of the period, MW | 124.1 | 46.5 | 124.1 | 46.5 | 46.5 |
| Electricity production during the period, GWh | 48.1 | 20.3 | 100.4 | 39.1 | 88.5 |
| No. of employees at end of the period | 32 | 23 | 32 | 23 | 27 |
| <u>Financial key ratios</u> | | | | | |
| EBITDA margin, % | 64.0% | 74.4% | 76.4% | 51.9% | 52.6% |
| Operating margin, % | 21.9% | 21.5% | 40.9% | 2.4% | neg. |
| Return on capital employed, % | - | - | - | - | 2.8% |
| Return on equity, % | - | - | - | - | neg. |
| Capital employed, MSEK | 2,047 | 1,153 | 2,047 | 1,153 | 1,728 |
| Average capital employed, MSEK | 1,933 | 1,090 | 1,865 | 1,039 | 1,252 |
| Shareholders' equity, MSEK | 1,205 | 1,195 | 1,205 | 1,195 | 1,195 |
| Average shareholders' equity, MSEK | 1,214 | 1,201 | 1,208 | 1,027 | 1,093 |
| Interest-bearing net liabilities (-)/assets (+) | -842 | 43 | -842 | 43 | -533 |
| Equity/assets ratio, % | 49.7% | 63.4% | 49.7% | 63.4% | 57.6% |
| Interest coverage ratio, times | 1.2 | neg. | 2.4 | neg. | neg. |
| Debt/equity ratio, times | 0.7 | 0.0 | 0.7 | 0.0 | 0.4 |
| Equity per share, SEK | 39 | 39 | 39 | 47 | 47 |
| Equity per share after dilution, SEK | 38 | 38 | 38 | 45 | 45 |
| No. of shares at end of the period excl. Treasury shares | 30,928,070 | 30,635,570 | 30,928,700 | 30,635,570 | 30,635,570 |
| Average no. of shares | 30,928,070 | 30,629,570 | 30,781,820 | 25,562,070 | 25,562,070 |
| Average no. of shares after dilution | 31,553,070 | 31,597,070 | 31,505,987 | 26,574,570 | 26,547,570 |

Definitions

| | |
|----------------------------------|--|
| EBITDA-Margin | Operating income before depreciation (EBITDA) / net sales |
| Operating margin | Operating income (EBIT) / net sales |
| Return on capital employed | EBITDA / average capital employed |
| Return on equity | Net income for the period / average shareholders' equity |
| Equity per share | Shareholders' equity / average number of shares |
| Interest-bearing net liabilities | Interest-bearing liabilities - cash - other financial fixed assets |
| Interest coverage ratio | Income after financial income / financial expenses |
| Debt/equity ratio | Interest-bearing net liabilities / shareholders' equity |

Arise Windpower Interim Report - 1 January – 30 June 2011

Equity/assets ratio

Shareholders' equity/total assets

Capital employed

Shareholders' equity plus interest-bearing net liabilities

| Note 1 – Other operating income | 2011 | 2010 | 2011 | 2010 | 2010 |
|---|-------------|-------------|-----------------|-----------------|------------------|
| (MSEK) | Q2 | Q2 | Half yr. | Half yr. | Full year |
| Other income relating to electricity and certificates | 1.1 | 3.7 | 7.0 | 4.6 | 7.2 |
| Income from crane rental | 5.6 | - | 9.0 | - | 9.3 |
| Gain on sale of property, plant and equipment | - | 4.7 | - | 4.7 | 4.7 |
| Other items | 0.1 | - | 0.2 | - | 0.8 |
| | 6.8 | 8.4 | 16.2 | 9.4 | 22.1 |

Note 2 – Other external expenses include losses on electricity trading, net MSEK 0.0 (-1.6).

GROUP SEGMENT REPORTING

| Q2 | Wind power operations | | Wind power development | | Eliminations | | Group | |
|--|------------------------------|--------------|-------------------------------|--------------|---------------------|--------------|--------------|--------------|
| (MSEK) | Q2-11 | Q2-10 | Q2-11 | Q2-10 | Q2-11 | Q2-10 | Q2-11 | Q2-10 |
| Net sales, external | 39.6 | 14.5 | - | - | - | - | 39.6 | 14.5 |
| Net sales, internal | - | - | 0.6 | 10.3 | -0.6 | -10.3 | - | - |
| Capitalised work for own account | - | - | 8.6 | 4.6 | - | - | 8.6 | 4.6 |
| Other operating income Note 3 | 1.1 | 3.7 | 5.7 | 4.7 | - | - | 6.8 | 8.4 |
| Total income | 40.7 | 18.2 | 14.9 | 19.7 | -0.6 | -10.3 | 55.0 | 27.6 |
| Operating income before depr. (EBITDA) | 32.7 | 13.7 | -8.6 | 5.8 | 1.3 | -8.7 | 25.3 | 10.8 |
| Operating income (EBIT) | 18.7 | 6.1 | -9.5 | 5.0 | -0.5 | -7.9 | 8.7 | 3.1 |
| Assets | 2,056.2 | 1,091.8 | 366.7 | 794.4 | - | - | 2,422.9 | 1,886.2 |

Note 3 – Other operating income

| | | | | | | | | |
|--|------------|------------|------------|------------|----------|----------|------------|------------|
| Other income ref. to electricity and certificates | 1.1 | 3.7 | - | - | - | - | 1.1 | 3.7 |
| Income from crane rental | - | - | 5.6 | - | - | - | 5.6 | - |
| Gains on the sale of property, plant and equipment | - | - | - | 4.7 | - | - | - | 4.7 |
| Other items | - | - | 0.1 | - | - | - | 0.1 | - |
| | 1.1 | 3.7 | 5.7 | 4.7 | - | - | 6.8 | 8.4 |

| 6 months | Wind power operations | | Wind power development | | Eliminations | | Group | |
|--|------------------------------|-------------|-------------------------------|-------------|---------------------|-------------|--------------|-------------|
| (MSEK) | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Net sales, external | 80.9 | 28.8 | - | - | - | - | 80.9 | 28.8 |
| Net sales, internal | - | - | 1.3 | 13.3 | -1.3 | -13.3 | - | - |
| Capitalised work for own account | - | - | 17.0 | 8.7 | - | - | 17.0 | 8.7 |
| Other operating income Note 4 | 7.0 | 4.6 | 9.2 | 4.8 | - | - | 16.2 | 9.4 |
| Total income | 87.9 | 33.5 | 27.5 | 26.8 | -1.3 | -13.3 | 114.0 | 46.9 |
| Operating income before depr. (EBITDA) | 74.6 | 23.8 | -15.5 | 1.5 | 2.7 | -10.3 | 61.8 | 15.0 |
| Operating income (EBIT) | 51.1 | 9.8 | -17.2 | -0.3 | -0.8 | -8.8 | 33.1 | 0.7 |

Note 4 – Other operating income

| | | | | | | | | |
|--|------------|------------|------------|------------|----------|----------|-------------|------------|
| Other income ref. to electricity and certificates | 7.0 | 4.6 | - | - | - | - | 7.0 | 4.6 |
| Income from crane rental | - | - | 9.0 | - | - | - | 9.0 | - |
| Gains on the sale of property, plant and equipment | - | - | - | 4.7 | - | - | - | 4.7 |
| Other items | - | - | 0.2 | - | - | - | 0.2 | - |
| | 7.0 | 4.6 | 9.2 | 4.8 | - | - | 16.2 | 9.4 |

PARENT COMPANY INCOME STATEMENT

| (Amounts in MSEK) | 2011 Q2 | 2010 Q2 | 2011 Half yr. | 2010 Half yr. | 2010 Full year |
|--|-------------|-------------|------------------|------------------|-------------------|
| Net sales | 6.0 | 6.3 | 22.7 | 9.2 | 10.4 |
| Capitalised work on own account | 4.7 | 0.4 | 9.5 | 3.1 | 13.2 |
| Total income | 10.7 | 6.7 | 32.2 | 12.3 | 23.6 |
| Staff costs | -7.0 | -5.7 | -12.8 | -10.5 | -22.3 |
| Other external expenses | -5.1 | -4.0 | -8.8 | -7.2 | -13.2 |
| Operating income before depreciation (EBITDA) | -1.4 | -3.0 | 10.7 | -5.4 | -11.9 |
| Depreciation of property, plant and equipment | -0.7 | -0.1 | -1.3 | -0.3 | -1.0 |
| Operating income (EBIT) | -2.1 | -3.2 | 9.4 | -5.7 | -12.9 |
| Financial income | 2.2 | 1.6 | 2.6 | 2.7 | 6.1 |
| Financial expenses | 0.3 | -0.8 | -0.1 | -0.8 | -0.5 |
| Profit/loss before tax | -0.4 | -2.4 | 11.9 | -3.8 | -7.3 |
| Deferred tax | -0.3 | 0.6 | -3.3 | 1.0 | 1.8 |
| Net result for the period | 0.1 | -1.8 | 8.6 | -2.8 | -5.4 |

PARENT COMPANY BALANCE SHEET

| - In summary, amounts in MSEK | 2011 Half yr. | 2010 Half yr. | 2010 Full year |
|-------------------------------------|------------------|------------------|-------------------|
| Property, plant and equipment | 98.2 | 123.6 | 254.2 |
| Financial assets | 708.5 | 331.7 | 539.9 |
| Other current assets | 365.2 | 405.0 | 413.9 |
| Cash and cash equivalents | 174.8 | 425.6 | 37.6 |
| TOTAL ASSETS | 1,346.7 | 1,285.8 | 1,245.5 |
| Restricted equity | 2.5 | 2.5 | 2.5 |
| Non-restricted equity | 1,242.4 | 1,226.5 | 1,223.9 |
| Current liabilities | 101.8 | 56.8 | 19.1 |
| TOTAL EQUITY AND LIABILITIES | 1,346.7 | 1,285.8 | 1,245.5 |

PARENT COMPANY CHANGES IN EQUITY

| - In summary, amounts in MSEK | 2011 30 Jun | 2010 30 Jun | 2010 31 Dec |
|--|----------------|----------------|----------------|
| Opening balance | 1,226.4 | 698.3 | 698.3 |
| Total comprehensive income for the period | 8.6 | -2.8 | -5.4 |
| New share issue | 9.9 | 533.0 | 533.0 |
| Utilisation of own shares held in conjunction with acquisition of assets | - | 0.6 | 0.6 |
| Closing balance | 1,244.9 | 1,229.1 | 1,226.4 |