



## Interim Report for the period 1 January – 31 March 2010

- Net sales for the period totalled TSEK 14,293 (438).
- Operating result before depreciation (EBITDA) totalled TSEK 4,146 (-4,872).
- Operating result (EBIT) totalled TSEK -2,426 (-5,200).
- Net result was TSEK -4,906 (-3,170), equivalent to a loss per share of SEK 0.19 (0.22).
- Average income was SEK 761 (628) per MWh for electricity and SEK 341 (-) per MWh for electricity certificates.
- The period was characterised by low electricity production levels due to unusually poor winds and extreme electricity prices, a combination that led to a lower result than expected as previously announced.
- The company was admitted to the NASDAQ OMX Stockholm main list on 24 March 2010. A simultaneous new share issue which, along with the exercise of warrants, provided the Company with proceeds of MSEK 554 before issue expenses.

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

- Arise Windpower signed a 10-year co-operation agreement with E.ON Elnät AB covering electrical connection of the wind farms planned by the Company within E.ON's area in southern Sweden. In connection thereto, the electricity grid station in Knäred with appurtenant transmission lines was transferred to E.ON Elnät AB. The agreement is expected to have a positive impact of MSEK 5.2 on this year's earnings, including a nonrecurring effect of MSEK 3.8, and a positive effect on cash flow of MSEK 25.8 during the second quarter of 2010.
- Several new land lease agreements have been signed, amongst other one with particular favourable wind conditions in Skåne.

### About Arise Windpower

Arise Windpower is one of Sweden's leading land-based wind power companies. Arise Windpower's business concept is to sell electricity produced by its own land-based wind turbines in southern Sweden. The company's goal is to commission approximately 300 wind turbines by 2014 which will produce around 2 TWh of environmentally friendly electricity per year. Arise is quoted on NASDAQ OMX Stockholm. [www.arisewindpower.se](http://www.arisewindpower.se)

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## CEO's comments on the first quarter of 2010

**During the first quarter, the Company's wind farm expansion continued as planned – at a pace well in line with the Company's intermediate goals – with the planned construction of a total of 35 turbines in 2010, including Brunsmo. As previously reported, the period was characterised by low wind speeds as compared to normal conditions. The Company has a strong financial position after the new share issue and the introduction of the Company's shares on NASDAQ OMX in March. With cash flow from wind farms in operation covering operating costs, all available capital can be used for the continued wind farm expansion.**

Arise Windpower was listed on the NASDAQ OMX Stockholm during Q1 2010. The listing is an important milestone for the Company and for our continued expansion towards our goal of commissioning approximately 300 wind turbines, with an annual production of around 2 TWh, by the year 2014.

Interest in leasing out land to Arise Windpower for wind farm construction remains strong. The authorisation process has regained momentum as municipalities' plans for wind use take shape. The Kåphult wind farm (20-25 MW) is pending decision, and plans are to commence construction of the farm shortly thereafter.

The wind farm in Brunsmo (12.5 MW) was commissioned in mid-March. The wind farm has been fine-tuned and is now producing according to plan. Investment costs in Råbelöv, Oxhult and Brunsmo are SEK 5.0, 6.7 and 5.9, respectively, per estimated annual kilowatt hour. As previously mentioned, construction was commenced on the Fröslida wind farm in Hylte municipality

(15 MW/SEK 5.4/annual kWh), and the first foundations have been poured.

Construction of the Idhult wind farm (16 MW/SEK 5.6/annual kWh) in Mönsterås municipality was also commenced.

All projects are expected to be in operation by autumn/winter 2010. Taken as a whole, the rate of expansion is well in line with the Company's intermediate goal of building roughly 35 additional turbines during 2010.

The above-mentioned start-up projects fulfil well the Company's required pre-tax return on invested capital of 10 per cent. The Company's wind farm in Oxhult currently yields over 9 per cent at an assumed income of SEK 750/MWh, due primarily to higher investment costs. The wind farm is currently being fine-tuned to increase electricity production and revenues.

The Company's financial position is very strong, with approximately MSEK 775 in cash, unutilised credit and loan commitments.

During the period the Swedish krona strengthened against the euro, a positive development given that a large portion of the Company's investments are made in euro. It is also positive that the interest of banks in providing loan financing for wind power projects has increased, and that borrowing costs are trending downwards.

In terms of results, the period was negatively impacted by unusually poor winds: over 30 per cent weaker than in normal wind years. At the same time, the price of electricity was extremely high during certain hours. As previously mentioned, the combination of these two factors meant that the Company was forced to purchase supplementary

power in order to fulfil its contractual obligations to suppliers. The likelihood of this situation arising again decreases as more wind farms are commissioned and as the allocation of wind-related risks increases accordingly. During the initial part of the second quarter, the wind-related outcome and electricity price have been normalised compared to the first quarter.

### *Events after the reporting period:*

An agreement has been made with E.ON Elnät AB concerning the transfer of electricity grid investments in Knäred. A long-term (10-year) co-operation agreement was also signed, under the terms of which planned wind farms can be connected quickly and efficiently and electricity transmission costs can be reduced. Profit before tax will strengthen by MSEK 5.2 during Q2 2010, including nonrecurring effects of MSEK 3.8. In addition to positive effects of a nonrecurring and long-term nature, the agreement entails a positive effect on cash flow of approximately MSEK 25.8 during Q2 2010.

Arise Windpower's overall plan for 2010 is to continue its fast-paced expansion, develop and extend its project portfolio, further fine-tune investment costs and secure additional bank financing for its continued expansion.

With strong finances, efficient project organisation and reduced investment, operational and maintenance costs, the Company is well-equipped for its current and planned expansion.

*Halmstad, May 2010*

*Peter Nygren*

*CEO, Arise Windpower AB*

## ■ Comments on the first quarter

### Summary of events

- The Company conducted an IPO and has been quoted on NASDAQ OMX main list since 24 March 2010.
- The Company also issued new shares, providing the Company with over MSEK 554 before issue expenses.
- All turbines in Råbelöv – totalling 10 MW – have been commissioned, and four of the five were taken over from the supplier Vestas.
- All turbines in Brunsmo – totalling 12.5 MW – are installed and under commissioning. The takeover from supplier GE Wind remains.
- An additional 15 MW in Fröslida (outside Hylte) and 16 MW in Idhult (outside Mönsterås) are under construction. The farms are expected to be commissioned during the second half of 2010.
- As reported in our 2009 Annual Report, the amount of available wind energy was markedly below normal in early 2010, resulting in lower production forecasts. At the same time, the Company had a higher than normal hedge level. The Company was thus forced to purchase supplemental electricity, sometimes at very high spot prices, at Nord Pool in order to meet delivery commitments.

### Net sales and earnings

Net sales during the quarter totalled TSEK 14,293 (438), including TSEK 4,062 (2,313) for work performed by the Company for its own use and capitalised. Other income totalled TSEK 973 (142), attributable to downtime reimbursements and profits from the sale of externally-purchased electricity certificates.

The operating result before depreciation (EBITDA) totalled TSEK 4,146 (-4,872). Other external costs include a loss of approximately MSEK 1.6 caused by a combination of poor winds and excess hedging; see Note 1, page 6.

The operating result (EBIT) totalled TSEK -2,426 (-5,200), including depreciation according to plan of TSEK -6,572 (-328). Net financial items totalled TSEK -4,231 (899) and earnings

before tax totalled TSEK -6,657 (-4,301). The net result was TSEK -4,906 (-3,170), equivalent to a loss per share of SEK -0.19 (-0.22).

Total comprehensive income during the quarter totalled TSEK -7,439 (-811) after cash flow hedges for electricity, interest rates and currencies reduced total comprehensive income by TSEK -2,533 net as compared with a net increase in total comprehensive income of TSEK 2,359 during the corresponding quarter in 2009.

### Investments

Net investments for the quarter totalled TSEK 104,544 (119,198). The entire investment amount is related to the expansion of electricity production.

### Cash flow

Arise Windpower's cash flow from operating activities totalled TSEK 24,158 (-35,868), and cash flow after investments totalled TSEK -83,470 (-155,066). Long- and short-term interest-bearing liabilities were reduced through amortisation by -3,625 (-). The new share issue provided the Group with a net total of TSEK 525,407 (-) and interest payments reduced cash flow by TSEK -3,923 (637) to a total for the quarter of TSEK 434,389 (-154,429).

### Financing and liquidity

Due to the new share issue, the Group reported interest-bearing net assets of 179,322, as compared to interest-bearing net indebtedness of TSEK -35,507 for the corresponding period last year. The equity/assets ratio at the end of the period was 63.3 per cent (46.3).

Cash and cash equivalents totalled TSEK 775,697 (254,493). There was also unutilised credit at the end of the period totalling TSEK 57,000 (367,000).

### Taxes

Since all of Arise Windpower's subsidiaries are Swedish entities, tax was calculated at the Swedish tax rate of 26.3 per cent.

### Transactions with associated parties

No transactions with associated parties have taken place.

### Contingent liabilities

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

### Outlook

The Company's finances are strong, with approximately MSEK 775 in cash, unutilised credits and loan commitments. The Company's expansion is proceeding according to plan, with planned construction of a total of 35 turbines during 2010, including Brunsmo, which will represent 115 MW under commission or construction by the end of the year. The Company's long-term goal is to build 300 turbines by the year 2014.

## ■ Risks and uncertainty factors

The Group's risks and uncertainty factors are described on page 16 in Arise Windpower's 2009 Annual Report; financial risk management is presented in the same report on pages 30-33. No significant changes affecting the reported risks have occurred.

The economic situation has improved somewhat, meaning that the risks associated with market conditions are expected to decrease. In addition, this spring's IPO and new share issue provided the Group with equity which, along with loan commitments from banks, creates favourable conditions for accomplishing the projected rate of expansion through 2011. In order to ensure the successful achievement of the Group's expansion plan – for the years following 2011 as well – it is essential to constantly monitor and assess anticipated developments in terms of the availability of new equity and borrowed capital.

Financial risks have also been reduced as the financial markets have improved. Monitoring is primarily focused on fluctuations in electricity and certificate prices and on exchange rates, particularly the euro.

## ■ Status of the project portfolio as at 31 March 2010

	Number of projects	Number of wind turbines	Total output (MW)	Average output per turbine (MW)
<b>Wind farms in operation and under construction</b>				
In operation	3	22	46,5	2,1
Under construction	2	14	31,0	2,2
<b>Project portfolio</b>				
Permits received	2	11	22,0	2,0
Permits pending	24	243	525,6	2,2
Project planning completed	15	106	211,1	2,0
Leases signed	3	32	95,0	3,0
<b>Total portfolio</b>	<b>49</b>	<b>428</b>	<b>931</b>	<b>2,2</b>

The projects are categorised according to the following criteria.

### In operation

Wind power projects where the wind farm has been handed over after trial operation and is now producing electricity.

### Under construction

These are projects where the requisite permits have been obtained, an investment decision has been made by the Company's board of directors, financing for equity and loaned capital is available and most of the project's total investment cost has been obtained.

### Permits received

Projects that have been given the permits required in order to begin construction, but where this has not yet been started. In certain cases Arise Windpower is waiting for sufficient wind data to become available.

### Permits pending

A permit application is initiated by the Company applying to the relevant county administrative boards and municipalities for permission to build the wind farm. If Arise Elnät is to establish the electricity grid the Company also applies to the Energy Markets Inspectorate for a concession to operate a grid. This stage ends once all the permits have been obtained or the application has been rejected.

### Project planning completed

Once Arise Windpower has signed a land lease, design work is started on the site's detailed conditions for building a wind farm. The area is analysed in detail and precise coordinates are established for the planned wind turbines. Wind studies are based initially on theoretical charts, with actual wind measurements

carried out later on using the Company's wind-measuring equipment.

### Leases signed

Land leases have been signed following negotiations between landowners and Arise Windpower. Long-term land leases have been signed for the entire project portfolio, giving the Company a right, though not an obligation, to erect wind turbines on the various properties. For most of the projects, design work has started but is not yet complete. The preliminary study carried out by the Company before the land lease was signed generates a preliminary layout for the number of new wind turbines.

### ■ Parent company

During the year the parent company continued to build up the Group, was responsible for the main work involved in prospecting for suitable wind locations, signed lease agreements, produced impact assessments, developed detailed plans and worked on construction permits, carried out procurements, managed the Group's trade in electricity and certificates, and provided group-wide services.

The parent company manages the Group's production plans and electricity hedges in accordance with established financial policy. The electricity-producing subsidiaries (Arise Wind Farm companies) sell all electricity production

to the parent company at an agreed price. The parent company then sells the electricity to customers based on bilateral agreements, or on the spot market; the net result of trade activities is reported in net sales. Due to low production levels, the Company was forced to purchase supplemental electricity in early 2010 in order to fulfil contractual obligations. These purchases were sometimes made at very high spot prices, and this led to a net loss for the parent company of MSEK 2.1, reported in net sales.

The parent company's gross income – which also comprises inter-company invoiced costs including work performed by the company for its own use and

capitalised and other income – totalled TSEK 5,560 (1,148). The net after tax result totalled TSEK -1,058 (-2,283). The parent company did not make any substantial investments during the year.

### ■ Future interim reports

- Second quarter (1 Apr – 30 Jun):  
25 Aug 2010.
- Third quarter (1 Jul – 30 Sep):  
17 Nov 2010.
- Fourth quarter (1 Oct – 31 Dec):  
February 2011.

This Interim Report has not been audited.

Halmstad, 20 May 2010  
Arise Windpower AB (publ)

Peter Nygren  
Chief Executive Officer

## CONSOLIDATED INCOME STATEMENT

Amount in TSEK	2010 Q1	2009 Q1	2009 Full year
Net sales	14 293	438	29 652
Work performed by the company for its own use and capitalised	4 062	2 313	13 262
Other operating results	973	142	554
<b>Total income</b>	<b>19 328</b>	<b>2 893</b>	<b>43 468</b>
Staff costs	-6 659	-4 839	-23 353
Other external expenses Note 1	-8 523	-2 926	-18 388
<b>Operating result before depreciation (EBITDA)</b>	<b>4 146</b>	<b>-4 872</b>	<b>1 727</b>
Depreciation of property, plants and equipment	-6 572	-328	-12 525
<b>Operating result (EBIT)</b>	<b>-2 426</b>	<b>-5 200</b>	<b>-10 798</b>
Financial income	283	953	7 402
Financial expenses	-4 514	-54	-8 001
<b>Profit/loss before tax</b>	<b>-6 657</b>	<b>-4 301</b>	<b>-11 397</b>
Income tax	1 751	1 131	3 783
<b>Net result</b>	<b>-4 906</b>	<b>-3 170</b>	<b>-7 614</b>
Earnings per share before dilution, SEK	-0.19	-0.22	-0.44
Earnings per share after dilution, SEK	-0.19	-0.22	-0.44

The number of shares held by the Company has not been included in the calculation.

## THE GROUP'S STATEMENT OF OTHER COMPREHENSIVE INCOME

Amount in TSEK	2010 Q1	2009 Q1	2009 Full year
<b>Net result</b>	<b>-4 906</b>	<b>-3 170</b>	<b>-7 614</b>
<b><u>Other comprehensive income</u></b>			
Cash flow hedges, unrealised changes in value	-3 436	3 200	1 012
Income tax attributable to components in other comprehensive income	903	-841	-266
<b>Other comprehensive income for the period, net after tax</b>	<b>-2 533</b>	<b>2 359</b>	<b>746</b>
<b>Total comprehensive income for the period</b>	<b>-7 439</b>	<b>-811</b>	<b>-6 868</b>

The comprehensive income is 100 per cent attributable to the parent company's shareholders.

Note 1: Other external expenses include a nonrecurring net loss on electricity sales of MSEK 1.6.

## CONSOLIDATED BALANCE SHEET

- In summary, Amount in TSEK	2010 31-Mar	2009 31-Mar	2009 31-Dec
Property, plant and equipment	996 033	461 816	898 061
Deferred tax assets	30 472	12 166	20 214
Other current receivables	102 457	76 249	88 544
Cash and cash equivalents	775 697	254 493	341 308
<b>TOTAL ASSETS</b>	<b>1 904 659</b>	<b>804 724</b>	<b>1 348 127</b>
Shareholders' equity	1 205 841	372 776	680 273
Non-current liabilities	584 600	292 400	590 260
Current liabilities	114 218	139 548	77 594
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1 904 659</b>	<b>804 724</b>	<b>1 348 127</b>

## CONSOLIDATED CASH FLOW STATEMENT

- In summary, Amount in TSEK	2010 Q1	2009 Q1	2009 Full year
<b>Cash flow from operating activities before changes in working capital</b>	<b>4 256</b>	<b>-4 922</b>	<b>1 530</b>
Cash flow from changes in working capital	19 902	-30 946	-121 418
<b>Cash flow from operating activities</b>	<b>24 158</b>	<b>-35 868</b>	<b>-119 888</b>
Cash flow from investing activities	-107 628	-119 198	-567 640
<b>Cash flow after investing activities</b>	<b>-83 470</b>	<b>-155 066</b>	<b>-687 528</b>
Increase in interest-bearing liabilities	-3 625	-	310 000
Interest paid and received	-3 923	637	-229
New issue, net	525 407	-	310 143
<b>Cash flow from financing activities</b>	<b>517 859</b>	<b>637</b>	<b>619 914</b>
<b>Cash flow for the period</b>	<b>434 389</b>	<b>-154 429</b>	<b>-67 614</b>
Cash and cash equivalents at the beginning of the period	341 308	408 922	408 922
<b>Cash and cash equivalents at the end of the period</b>	<b>775 697</b>	<b>254 493</b>	<b>341 308</b>
Interest-bearing liabilities at the end of the period	-596 375	-290 000	-600 000
<b>Net liabilities / Net interest-bearing assets</b>	<b>179 322</b>	<b>-35 507</b>	<b>-258 692</b>

## CONSOLIDATED SHAREHOLDERS' EQUITY

- In summary, Amount in TSEK	2010 31-Mar	2009 31-Mar	2009 31-Dec
Opening balance	680 273	373 587	373 587
Total of comprehensive income for the period	-7 439	-811	-6 868
New issue, net including income tax	533 007	-	313 554
<b>Closing balance</b>	<b>1 205 841</b>	<b>372 776</b>	<b>680 273</b>

**KEY RATIOS FOR THE GROUP**

	<b>2010</b>	<b>2009</b>	<b>2009</b>
	<b>Q1</b>	<b>Q1</b>	<b>Full year</b>
<b>Operational key ratios</b>			
Installed capacity at the end of the period, MW	46,5	6	34
Electricity production during the period, GWh	18.8	0.7	36.0
No. of employees at the end of the period	23	14	21
<b>Financial key ratios</b>			
EBITDA margin, %	29.0%	neg.	5.8%
Operating margin, %	neg.	neg.	neg.
Return on capital employed, %	0.4%	neg.	0.5%
Return on equity, %	neg.	neg.	neg.
Capital employed, TSEK	1 026 519	408 283	952 105
Average capital employed, TSEK	989 312	331 474	353 802
Equity, KSEK	1 205 841	372 776	680 273
Average equity, TSEK	943 057	373 182	496 410
Interest-bearing net liabilities (-)/assets (+)	179 322	-35 507	-271 832
Equity/assets ratio, %	63.3%	46.3%	50.5%
Interest coverage ratio, %	neg.	neg.	neg.
Debt/equity ratio, %	0.6	1.2	1.0
Equity per share, SEK	47	26	39
Equity per share after dilution, SEK	45	23	36
Number of shares at the beginning of the period, excl. own shares	30 623 570	14 516 385	20 488 570
Average number of shares	25 556 070	14 516 385	17 502 478
Average number of shares after dilution	26 591 070	15 966 385	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 for the period / average equity
Equity per share	Equity / number of shares on average
Interest-bearing net liabilities	Interest-bearing liabilities minus cash
Interest coverage ratio	Result after financial income / financial costs
Debt/equity ratio	Debt/ equity
Equity/assets ratio	Equity / total assets
Capital employed	Equity plus interest-bearing net liabilities



## THE GROUP'S SEGMENT REPORTING

Segment reporting, First Quarter	Windpower operations		Other wind power development		Eliminations		Group	
	Q1-10	Q1-09	Q1-10	Q1-09	Q1-10	Q1-09	Q1-10	Q1-09
Net sales, external	14 293	438	-	-	-	-	14 293	438
Net sales, internal <span style="float: right;">Note 2</span>	-	-	3 001	-	-3 001	-	-	-
Work performed by the Company for its own use and capitalised	-	-	4 062	2 313	-	-	4 062	2 313
Other income	946	88	27	54	-	-	973	142
<b>Total income</b>	<b>15 239</b>	<b>526</b>	<b>7 090</b>	<b>2 367</b>	<b>-3 001</b>	<b>-</b>	<b>19 328</b>	<b>2 893</b>
Operational result	10 430	526	6 618	2 367	-2 465	-	14 583	2 893
Operating result before depreciation (EBITDA)	10 130	526	-4 324	-5 398	-1 660	-	4 146	-4 872
Operating result (EBIT)	3 758	526	-5 323	-5 726	-861	-	-2 426	-5 200
<b>Assets</b>	<b>762 615</b>	<b>356 830</b>	<b>1 341 826</b>	<b>471 350</b>	<b>-199 782</b>	<b>-23 456</b>	<b>1 904 659</b>	<b>804 724</b>

## PARENT COMPANY INCOME STATEMENT

	2010	2009	2009
Amount in SEK thousands	Q 1	Q 1	Full year
Net sales <span style="float: right;">Note 2</span>	2 512	651	18 086
Work performed by the Company for its own use and capitalised	2 676	497	8 627
Other operating results	372	0	0
<b>Total income</b>	<b>5 560</b>	<b>1 148</b>	<b>26 713</b>
Staff costs	-4 726	-2 603	-15 869
Other external expenses	-3 237	-1 743	-9 825
<b>Operating result before depreciation (EBITDA)</b>	<b>-2 403</b>	<b>-3 198</b>	<b>1 019</b>
Depreciation of property, plant and equipment	-114	-56	-260
<b>Operating result (EBIT)</b>	<b>-2 517</b>	<b>-3 254</b>	<b>759</b>
Financial income	1 083	165	5 588
Financial expenses	0	-9	-9
<b>Profit/loss before tax</b>	<b>-1 434</b>	<b>-3 098</b>	<b>6 338</b>
Income tax	376	815	-868
<b>Net result</b>	<b>-1 058</b>	<b>-2 283</b>	<b>5 470</b>
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	<b>-1 058</b>	<b>-2 283</b>	<b>5 470</b>

## PARENT COMPANY BALANCE SHEET

- In summary, Amount in TSEK	<b>2010</b> <b>31 Mar</b>	<b>2009</b> <b>31 Mar</b>	<b>2009</b> <b>Full year</b>
Property, plant and equipment	35 903	14 881	41 724
Financial fixed assets	331 021	236 954	323 041
Other current assets	258 646	96 373	134 747
Cash and cash equivalents	684 671	35 827	234 531
<b>TOTAL ASSETS</b>	<b>1 310 241</b>	<b>384 035</b>	<b>734 043</b>
Restricted equity	2 526	1 237	1 715
Unrestricted equity	1 227 702	374 540	696 564
Total current liabilities	80 013	8 258	35 764
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1 310 241</b>	<b>384 035</b>	<b>734 043</b>

## PARENT COMPANY SHAREHOLDERS' EQUITY

- In summary, Amount in SEK thousands	<b>2010</b> <b>31-mar</b>	<b>2009</b> <b>31-Mar</b>	<b>2009</b> <b>Full year</b>
Opening balance	698 279	377 854	377 854
Net result	-1 058	-2 283	5 470
Merger result			-8
New issue, net including income tax	533 007	206	314 963
<b>Closing balance</b>	<b>1 230 228</b>	<b>375 777</b>	<b>698 279</b>

## ■ Accounting principles

### Accounting principles

Arise Windpower's financial statements adhere to and have been prepared in accordance with the International Financial Reporting Standards (IFRSs) and interpretations thereto (IFRICs). This Interim Report was prepared in accordance with IAS 34, Interim Financial Reporting. These accounting principles conform to those applied in the most recent Annual Report, unless otherwise specified below.

### New accounting principles, 2010

New and revised IFRSs and interpretive statements from IFRIC applicable to the

Group as of 1 January 2010 have not had any material effect on the consolidated result or the Group's financial position with the exception of IFRS 3, Business Combinations, under which transaction costs associated with acquisitions are not included in acquisition value but are treated as overhead expenses and are reported in the income statement. According to RFR 2.3, certain changes to IAS 1 adopted in 2009 and applied in the consolidated financial statements shall also be applied by the parent company. Due to these changes, separate reports for total comprehensive income and changes in equity are

also presented for the parent company in this Interim Report.

Other new or revised IFRSs and interpretive statements are not deemed to have any significant effect on Arise Windpower's financial reports. Further information on new and revised accounting principles can be found in the Company's most recent Annual Report.

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