



Annual General Meeting of Shareholders

27:e April 2011

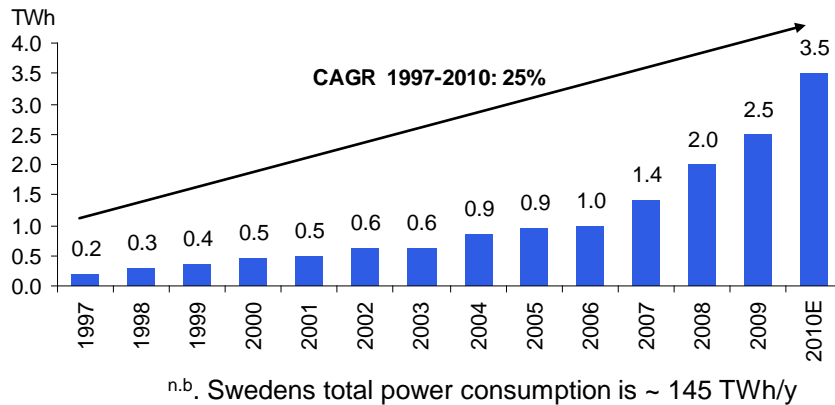
Table of contents



- I. The Swedish wind power market
- II. Year 2010 & action plan 2011

Production and variations in wind energy

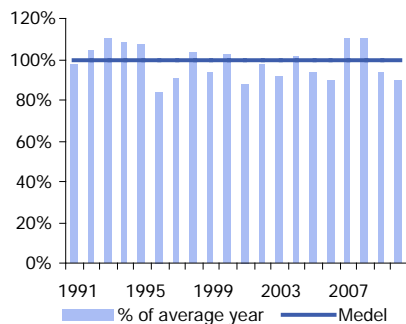
Wind generated electricity, Sweden ^{n.b.}



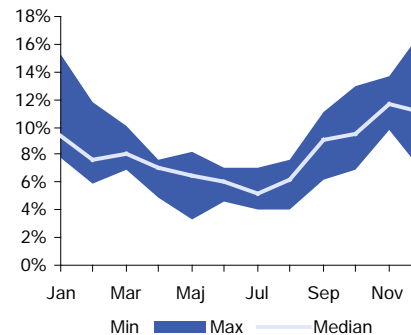
- Sweden is an attractive market for wind power due to the country's size, low population density and, especially, the many good wind locations. In line with the formulation of international agreements and targets, political support systems underpinning wind power have been developed, giving a boost to the expansion of wind power in Sweden
- Installed capacity has more than tripled during the five-year period 2006-2010 and the generated electricity increased from 2.5 TWh to 3.5 TWh during 2010, and now accounts for approximately 2.5% percent of total Swedish power consumption
- The output of wind energy is dependent on the energy content of the wind and how it varies over time. Statistics on the output of all wind turbines that have been officially registered with the Swedish Energy Agency show that between 1991 and 2010 the energy content varied from 84 per cent to 110 percent of an average year with a standard deviation of 8 per cent
- Average monthly production varies from around five per cent of an annual production in July and over 11 per cent in November and December

Annual and monthly variations in wind energy

Energy content of wind

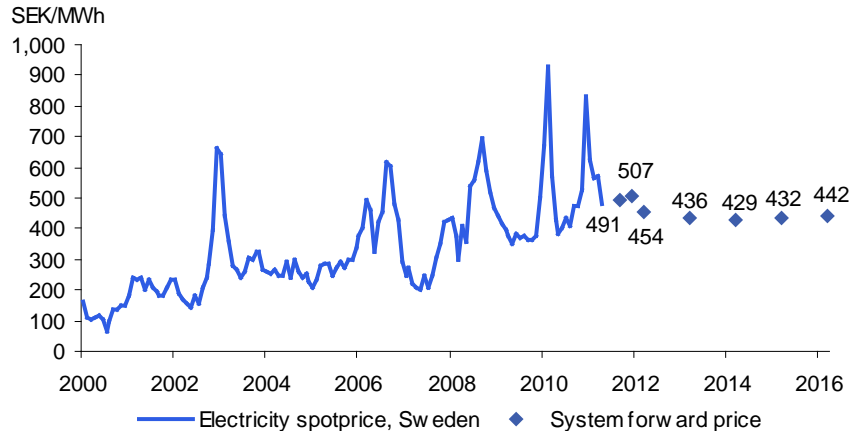


Monthly production data

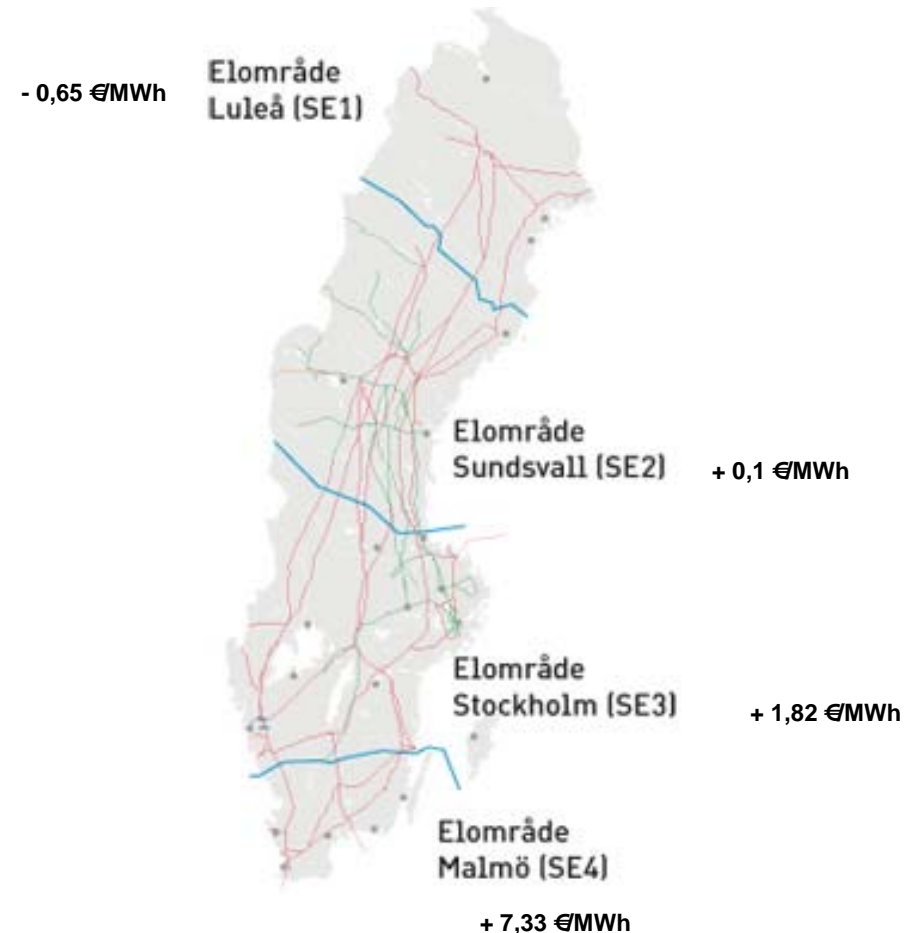


Electricity price development

Electricity prices in Sweden¹



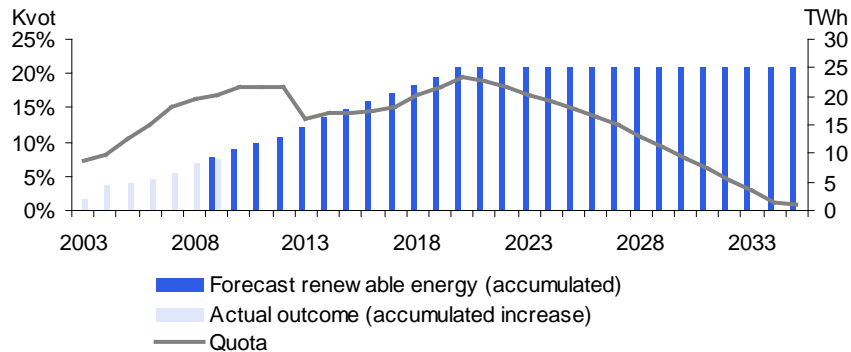
Four new price areas from Nov 2011



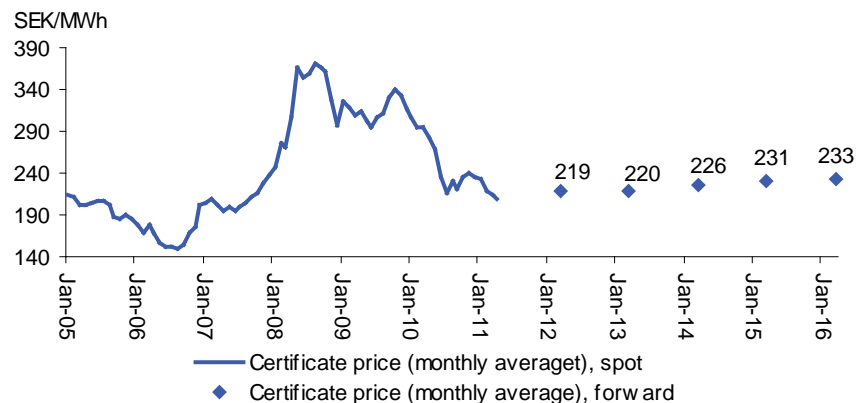
- The electricity price has been rather volatile over time even though a rising long-term trend has been evident the last ten years. On average the electricity spot price has increased with more than 15 per cent annually the last ten years.
- From November 1:st 2011, the price in Sweden will be divided into four different price areas with higher price in the South and lower in the North
- Price difference vs.. system price (average price in the Nordic area) is shown in the graph

Electricity certificate prices

Forecast for renewable power and electricity certificate quotas in Sweden

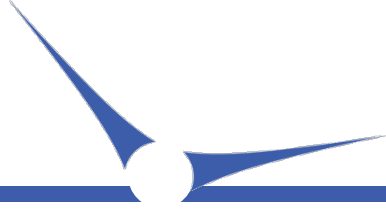


Electricity certificate prices in Sweden

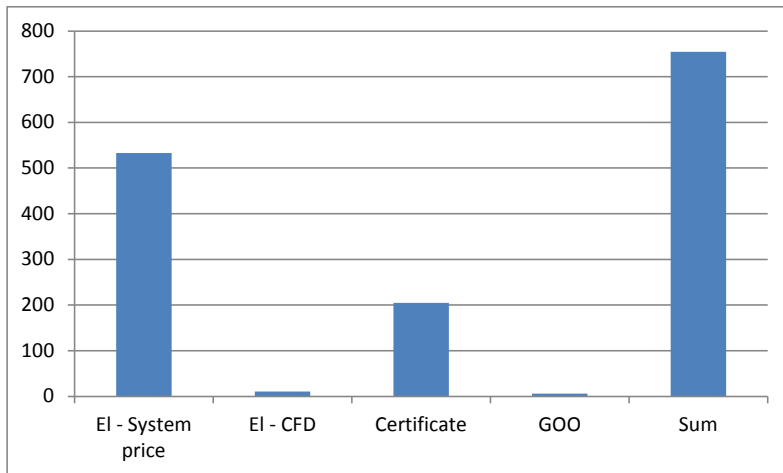


- In addition to the sale of electricity, wind power operators receive electricity certificates for the electricity they produce. The objective with the Swedish electricity certificate system is to achieve an ecologically sustainable energy system in Sweden and thus meet various international goals and agreements
- A certificate is rewarded for each MWh of renewable energy produced for a maximum of 15 years.
- An agreement has been signed between Norway and Sweden regarding a common certificate market
- A common market can be implemented after Stortinget's decision
- The certificate price has dropped the last half year due to an oversupply of certificates in Sweden
- It is likely that a common system (No – SWE) will reduce the oversupply since Norway probably will be net buyer the first year (-s)
- In addition a producer of renewable electricity in Sweden is entitled to a so called GOO
- One MWh produced is equal to one GOO
- The GOO can be sold in the market to a price of 0,6 to 0,7 €/MWh

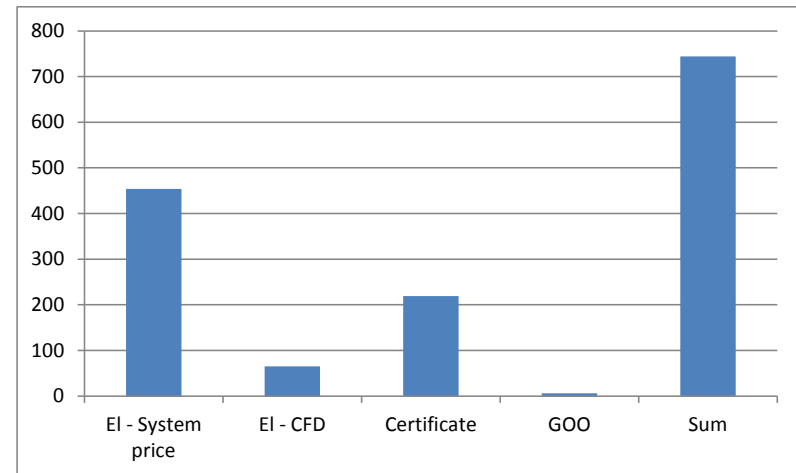
Market price 2011 & 2012 n.b.

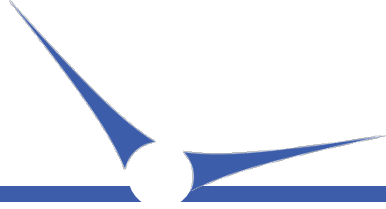


Market price 2011 (SEK/MWh)



Market price 2012 (SEK/MWh)





General trend

- The banks have a general positive attitude to wind power investments
- No real problems to get the projects financed given that the project IRR are above 10 % or better
- Slightly decreasing margins even if the underlying base rate is increasing (Riksbanken)

- As planned Arise also look for other sources as for example bonds, directly into a SPV, or other more capital effective solutions

Bank loan signed up to Q1 2011

- Loan agreements are signed with three banks;
 - DnB Nor
 - Nordea
 - Swedbank
- In total, SEK ~ 1,2 bn in loan
- In average, ~ 70 % in loan of total CAPEX

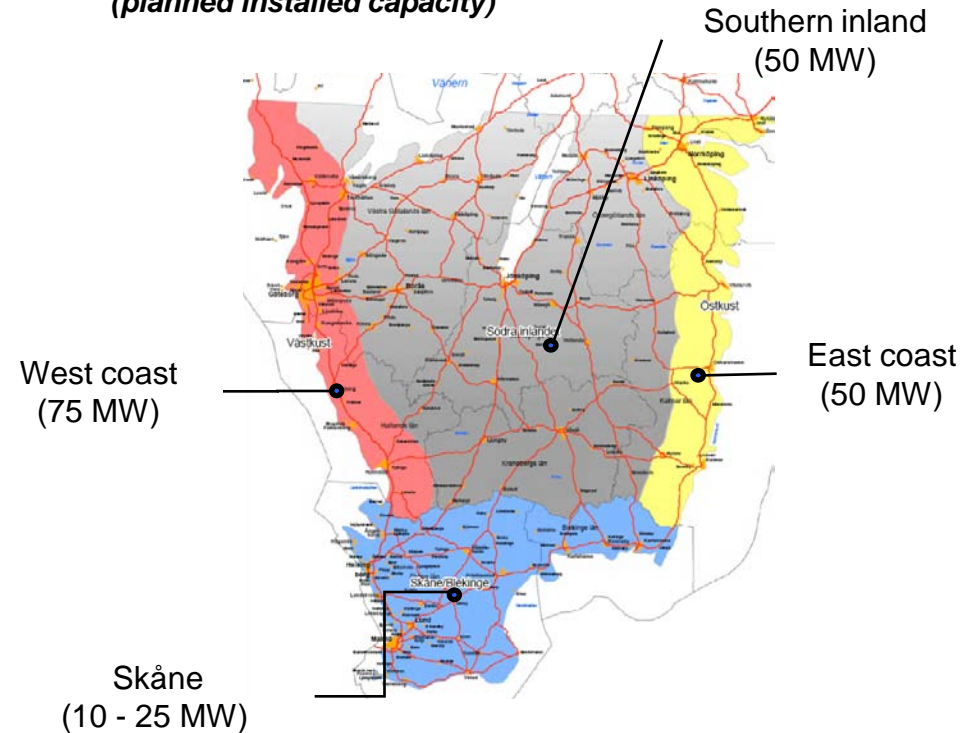
The permit process

The permit process

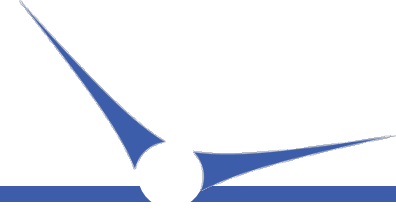
- Still far to slow
 - Appeal, is more or less a general rule
 - It normally takes between 2 to 3 years to have all permits in place for a new wind farm
- Arise expect to have permits in place for approx. 150 to 200 MW during 2011/2012, of which a main part in price area IV
 - Due to low CAPEX and OPEX as well as higher income due to the price area effect, 6,7 m/second is enough in order to reach a project IRR of 12 %
- The strategy to procure some good already permitted projects will continue
- Projects in the Northern part of Sweden are generally larger but also need a stronger average wind in order to reach an acceptable project IRR

Expected permits granted 2011/2012

(planned installed capacity)



Turbine development



Investment cost

- The investment cost has decreased with some 20 % the last years
 - Currency rate SEK/€
 - Oversupply of turbines
 - Competition

- The turbine prices seems to stabilize
- Increased sales in the US market
- Competition from China, India and Korea keep the prices at the “right” level from a byers perspective

Service cost

- The cost for service contracts has decreased as well with some 20 % the last years
- The trend is that the large utilities, to some extent, implement an own service organisation
- This leads to price pressure and further decreasing prices as well as good response for demands regarding higher availability

More efficient turbines, example - 6,7 m/sec, 12 % losses:

Turbine	Blade diameter	Swept area	MW	MWh/y	Full load hours
V 90	90 m	6 360 m ²	2,0	5 284	2 642 h
V 100	100 m	7 850 m ²	1,8	5 986	3 326 h
V 100 v.s. V90		23%	-10%	13%	26%
GE – 1,6 MW	100 m	7 850 m ²	1,6	5 796	3 622 h
GE 1,6 v.s. V90 2,0		23%	-20%	10%	37%

Expected improvements & trends

- Higher towers
- Larger blades
- Lower cost per MWh produced (less than 5 SEK/MWh)
- Improved service cost and availability

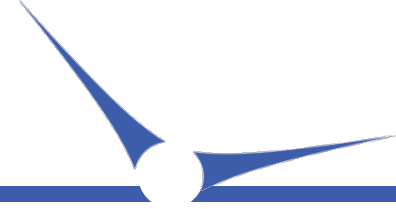
Table of contents



I. The Swedish wind power market

II. Year 2010 & action plan 2011

FY 2010 – highlights



Key figures

- Net sales: MSEK 66.7 (27.0) (Average revenue: 754 SEK/MWh)
- Group EBITDA: MSEK 35.1 (1.7)
- Net income after tax: MSEK -18.3 (-7.6)
- Cash position 31 Dec: MSEK 249.6
- Interest bearing debt 31 Dec: MSEK 805.9
- Capacity year end: 124 MW in operation & under construction

Key events

- Built out phase: According to or better than plan (110 MW)
- CAPEX: According to plan and decreasing
- OPEX: According to plan and decreasing
- Income: According to plan (754 SEK/MWh)
- Wind 2010: 16 % less than normal

Strong track-record of developing wind farms

In full operation

1

Oxhult, 24.0 MW

- Located outside Laholm, Halland
- Operation start in March 2009
- Turbines: 12 Vestas V90 – 2.0 MW
- Est. annual production 62 GWh

2

Råbelöv, 10.0 MW

- Located outside Kristianstad, Skåne
- Operation start in December 2009
- Turbines: 5 Vestas V90 – 2.0 MW
- Est. annual production 28 GWh

3

Brunsmo, 12.5 MW

- Located outside Karlskrona, Blekinge
- Operation start in March 2010
- Turbines: 5 GE – 2.5 MW
- Est. annual production: 30 GWh

In operation ramp-up phase²

4

Fröslida, 22.5 MW

- Located outside Hylte, Halland
- Operation start in December 2010
- In full operation March 2011
- Turbines: 9 GE – 2.5 MW
- Est. annual production: 56 GWh

5

Idhult, 16.0 MW

- Located outside Mönsterås, Småland
- Operation start in December 2010
- In full operation April 2011
- Turbines: 8 Vestas V90 – 2.0 MW
- Est. annual production 35 GWh

6

Kåphult, 17.5 MW

- Located outside Laholm, Halland
- Operation start in December 2010
- In full operation April 2011
- Turbines: 7 GE – 2.5 MW
- Est. annual production: 47 GWh

Under construction

7

Södra Kärra, 10.8 MW

- Located outside Askersund, Närke
- Construction initiated in November 2010
- Operation start in April 2011
- Turbines: 6 Vestas V100 – 1.8 MW
- Est. annual production 32 GWh

8

Blekhem, 10.8 MW

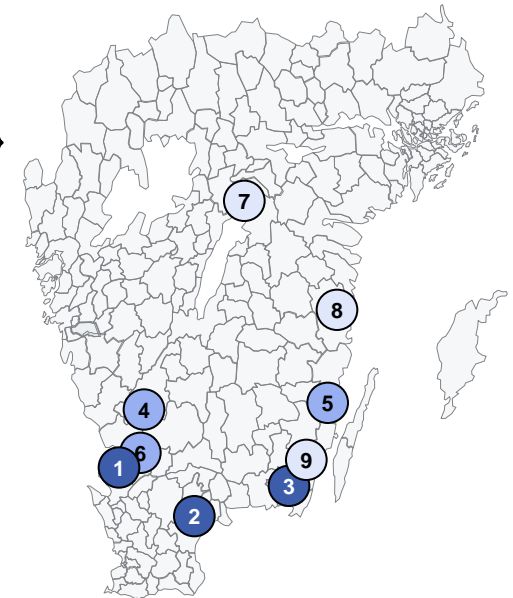
- Located outside Västervik, Småland
- Construction initiated in November 2010
- Operation start in May 2011
- Turbines: 6 Vestas V100 – 1.8 MW
- Est. annual production: 29 GWh

9

Gettnabo, 12.0 MW

- Located outside Torsås, Blekinge
- Construction start in March 2011
- Operation start in September 2011
- Turbines: 6 Vestas V90 – 2.0 MW
- Est. annual production 29 GWh

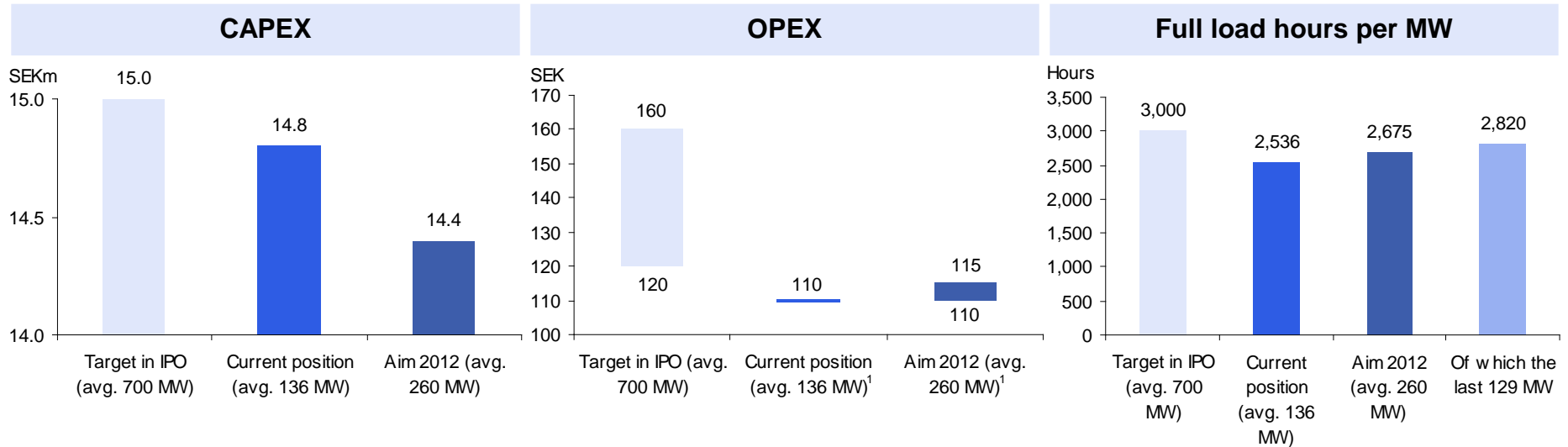
- **Capacity: 136 MW**
- **# of turbines: 64**
- **Annual production: 350 GWh¹**



1) All production figures represent expected production in a full and normal wind year

2) Ramp-up phase normally up to 3 months where after full production can be expected

...with economies of scale driving efficiencies



- Arise Windpower has a professional organisation for installation, operation and administration of wind farms including a completely owned crane for erection of turbines, a group-owned grid company and service capabilities
- The strong in-house capabilities together with continuous renegotiations with suppliers have lowered OPEX costs
- Arise Windpower has succeeded in lowering investment costs through frame agreements (economies of scale), improvements and learning curve and expects the investment costs for new projects to remain at low levels

The Jädraås project – overview

Project

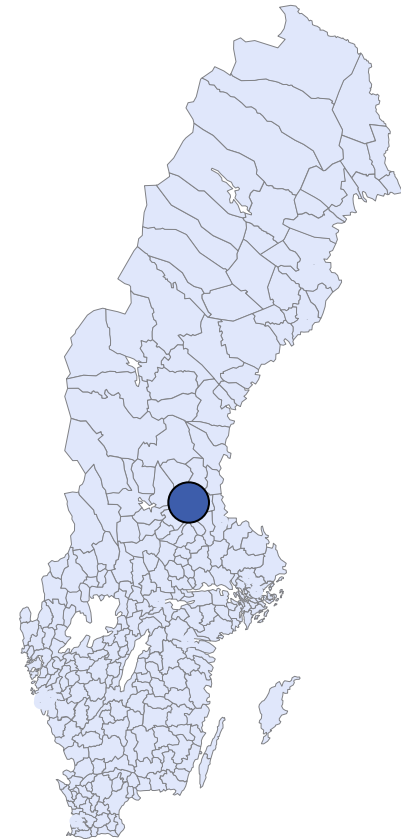
- Located outside Gävle, ~ 30 km from the Swedish East coast
- All permits in place for installation of up to 116 turbines
- Land lease signed for 30 years
- Max height 165 metres
- Expected average wind speed ~ 7.2 - 7.3 m/s
- Wind measurement with several met masts > 1 year

Option

- Arise has signed an agreement that gives the company the right (no obligation) to buy the permits including signed land lease agreements
- Local landowners has the right to buy 9 MW. Arise will keep between 75 to 120 MW. The goal is to find a financial partner interested to buy remaining part of the project.
- The ambition is to exercise this option in June 2011

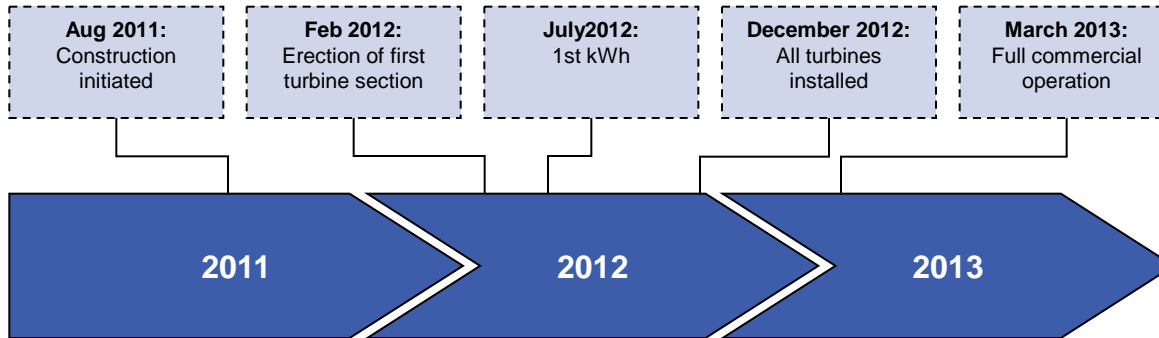
Capacity installed

- The grid connection maximises the project to 200 MW in the first phase. Possibilities to expand the project to low cost in a later phase
- A conditional agreement has been signed with Vestas regarding delivery of 66 V112 turbines, each 3 MW (total 198 MW)
- Vestas also to provide a 15 years service agreement as well as 5 years technical guarantee



The Jädraås project – timing and production

Time table

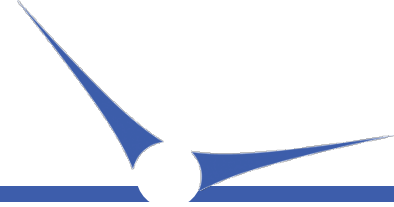


Expected production¹

- Load factor estimated to 33 percent
- Full load hours estimated to 2,900 h/year
- Estimated yearly production, whole project²: ~ 570 GWh/year
- Expected project IRR well in line with Arise's target of 10% pre-tax



Action plan 2011



Q2 - 2011

- Focus on the Jädraås project (pre-planning, financing, financial partner) with expected investment decision mid June
 - In parallel development of projects in own portfolio
 - An eye on the market: M&A and/or permitted projects for sale
 - Preparation for start construction of additional 125 MW Q3 - 2011

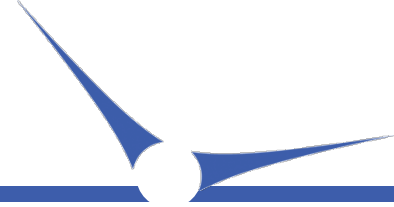
Q3 - 2011

- 136 MW in operation
- Start construction of ~ 125 MW (own portfolio + part of Jädraås)
- Increased project portfolio through acquisition

Q4 - 2011

- 260 MW in operation or under construction

Expected production 136 MW → 260 MW



Currently
136 MW

- Expected production ~ 350 GWh on annual basis (full production from Sept 2011)
 - Total investment ~ SEK 2,1 bn
 - Specific investment cost 5,9 SEK/kWh

Planned
expansion
up to 260 MW

- Expected production ~ 750 GWh on annual basis
 - Total investment ~ SEK 4,0 bn
 - Expected specific investment cost 5,3 SEK/kWh

Goal end
year 2014

- 300 turbines in operation or under construction
- Expected production ~ 2 000 GWh on annual basis
 - Total investment ~ SEK 10 bn
 - Expected specific investment cost 5,0 SEK/kWh

Expected development

