Year-End Report 1 January – 31 December 2014

Fourth quarter (1 October – 31 December 2014)

- Net sales during the quarter amounted to MSEK 83 (88).
- Operating profit before depreciation (EBITDA) amounted to MSEK 86 (78) of which MSEK 9 (19) represented Arise's share of profits in associated companies (after depreciation/amortisation, interest expenses and tax).
- Profit/loss before tax amounted to MSEK 26 (31)
- Profit/loss after tax amounted to MSEK 20 (27) equivalent to SEK 0.60 (0.82) per share.
- Power production amounted to GWh 209 (236), of which the segment Own wind power operations produced 126 (124) GWh and Co-owned wind power operations produced 83 (112) GWh.
- Average income from Own wind power operations amounted to SEK 589 (713) per MWh with SEK 388 (412) per MWh from electricity and SEK 200 (301) per MWh from electricity certificates.
- The construction ready Brotorp wind farm, 46.2 MW, was sold to BlackRock. Construction start followed immediately thereafter with Arise as construction and operations manager.
- The Stjärnarp wind farm was sold for a total consideration of 83 MSEK which generated a profit of MSEK 12.

Full year (1 January – 31 December 2014)

- Net sales for the year amounted to MSEK 254 (260).
- Operating profit before depreciation (EBITDA) amounted to MSEK 197 (211), of which MSEK -1 (32) represented Arise's share of profits in the associated company owning the Jädraås project, (after depreciation/amortisation, interest expenses and tax).
- Profit/loss before tax amounted to MSEK -24 (32) including non-recurring items totalling MSEK -12(-).
- Profit/loss after tax amounted to MSEK -25 (29), equivalent to SEK -0.75 (0.86) per share.
- Power production amounted to 650 (599) GWh, divided between Own wind power operations, 401 (328) GWh and Co-owned wind power operations, 249 (271) GWh.
- Average income from Own wind power operations totalled SEK 611 (711) per MWh, with SEK 396 (421) per MWh from electricity and SEK 215 (290) per MWh from electricity certificates.
- The Company's overriding goal was changed from an expansion target to a profitability target.
- The Company issued two bonds of MSEK 1,100 and MSEK 350, respectively, thus refinancing the majority of the existing wind farms and a previous bond.

About Arise

Arise is one of Sweden´s leading onshore wind power companies. The Company's business concept is to develop, build and manage wind farms for its own account and on behalf of investors, with the aim of selling electricity produced by onshore wind turbines. Arise is listed on NASDAQ OMX Stockholm.

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Comments from the CEO

New deals show the strength of our new business model
As announced earlier during the year, an agreement has been signed with BlackRock regarding the sale of the Brotorp wind farm, which is comprised of 14 turbines with a total output of 46.2 MW. Construction has been initiated and the total value of the project amounts to approximately MEUR 71. The farm is expected to be put into operation during the coming autumn. The deal implies that Arise will be remunerated for the project development, the project management and the management of the operational wind farm. It is anticipated that the deal will generate a profit of between MSEK 40 and MSEK 50, of which MSEK 9 has been accounted for in 2014, with the remainder to be accounted for in 2015.

The Stjärnarp wind farm has been sold to the municipally-owned company KumBro for MSEK 83, and a management agreement has been signed. The deal generated a profit of MSEK 12.

A management agreement was also signed just before Christmas with an Australian fund managed by the company, Whitehelm. The agreement is valid for five years and covers 12 turbines (30 MW). Arise now manages approximately 440 MW which is expected to generate, cumulatively, approximately 1.2 TWh per year, equivalent to 10% of the total Swedish wind power production during the previous year (around 11.5 TWh).

The three deals outlined above represent proof that the changes made to Arise's business model are functioning well and that we are an attractive partner for both Swedish and international investors. In addition to the sale of electricity from our own wind turbines, we now also sell projects, both those already in operation and those where construction can begin, as well as handling the management of these projects.

Electricity production
Production during the quarter was lower than usual, 209 GWh compared with the budgeted 235 GWh, as a result of less beneficial wind conditions. For the full year, the Company's Own and Co-owned wind farms produced 650 GWh, which is approximately 10% under budget.

Production in our farms on the west coast was near usual levels, while the farms on the east coast fell significantly below anticipated levels.

Decreased debt
The sale of the Stjärnarp wind farm reduced the Company's net debt and increased the Company's liquidity. At the beginning of January, a portion of this surplus was utilised to repurchase (MSEK 18) the unsecured bond loan. With this transaction, the Company has now repurchased MSEK 50 of the total MSEK 350 issued. Furthermore, the majority of the Company's project financing was renewed during the spring of 2014, and interest rate hedges were resolved, reducing the Company's borrowings, including interest rate hedges, by approximately MSEK 170. All in all, these measures will lead to improved net interest and cash flows.

Future prospects
The Swedish government has assigned the Swedish Energy Agency with the task of reviewing the possibilities of increasing ambitions in terms of the expansion of renewable energy. The agency is tasked with conducting a study to ascertain the possibility of producing 30 TWh more renewable energy by the year 2020 compared with 2002. This is an increase of 5 TWh compared with the current target. This ambition is both positive and, crucially, possible. The expansion of Swedish wind power can be executed rapidly, and there are substantial opportunities for Sweden, like Norway, to become a net exporter of energy. A proposal for the revision of the electricity certificate system is expected to be presented during the spring and will, according to the Energy Agency, influence the development of electricity certificate prices positively.

Our focus is on increasing the Company's cash flows and net profit. Subsequently, it is not our intention to carry out any significant investments in new Own production capacity during the financial year, with our goal, instead, being to sell a small part (20 MW) of our productive assets (260 MW) and a number of projects which are ready for construction. The aim of this goal is to create substantial liquidity which can then be used to actualise dividends to shareholders, saleable projects, acquisitions or repayments of borrowings.

The Company's financing and its expenses are adapted to the prevailing conditions on the market. The business model has been adjusted and has been proven to work well. We have an interesting portfolio of cost-effective projects offered to potential investors and employ well-developed methods and systems. With these we can build, operate and manage significantly more turbines without needing to strengthen our resources to any large degree.

The foundations we have laid down during the recent year to adapt the Company for new market conditions are now beginning to bear fruit, and we are cautiously optimistic for the financial year 2015.

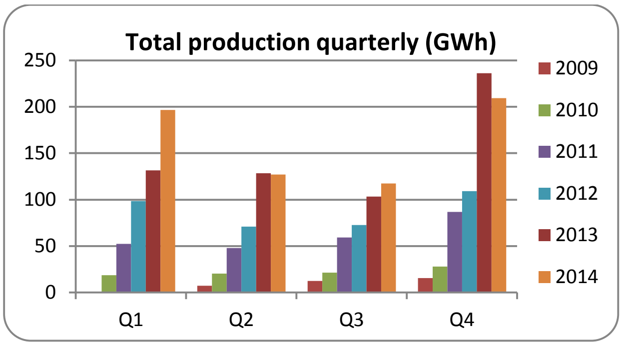
Halmstad, 13 February 2015
Peter Nygren
CEO Arise AB (publ)

Comments on the fourth quarter

The Company has resolved to reclassifiy its income, with the aim of better reflecting the Company's day-to-day operations. Other remuneration from leasing operations was previously reported under Other income, but is now included in electricity income, as this income is directly related to the sale of electricity. Development fees were also previously reported under Other income, but are considered to be an ordinary, repeating source of income, for which reason this item is now reported in the Company's net sales. The comparative figures and key ratios have been translated so as to allow for comparability.

Financial income from the Sirocco Group has also been reclassified. This income stream was previously reported under Financial income, but is now included in the item Share of profits in associated companies. This reclassification has been implemented in order to clarify the level of total profits in associated companies, which was previously comprised of two items in the income statement; Share of profits in associated companies and Financial income from associated companies. The Company's capital injection in the associated company does not constitute a financial investment but is in its entirety an investment in equity in the associated company.

Total electricity production amounted to 209 GWh, which is 11% less than in the previous year (236 GWh). The development of production per quarter is illustrated in the graph below.



Total production includes both Own (including leased farms) and Co-owned production

The segments Own and Co-owned wind power operations are reported exclusive of internal interest expenses on shareholder loans from the owners. The corresponding reduction in interest income in Arise has reduced net financial income in the segment Wind power development. The shareholder loans incur interest of approximately 6% and all relevant figures are reported in Notes 5 and 8.

Own wind power operations

Production from the Company's wholly-owned farms amounted to 125.8 (124.1) GWh during the quarter, an increase of 1%, or 2 GWh. This is mainly due to a combination of comparatively weaker winds which impacted production, but this was compensated for by the greater number of turbines in operation.

The Company's average income for electricity amounted to SEK 388 (412) per MWh, or 32% over market price (SE4, pricearea 4 Nord Pool Spot) for the same period (SEK 294 per MWh). Price hedging further contributed to the Company's average income for certificates amounting to SEK 200 (301) per MWh, or 13% over market price (according to Svensk Kraftmäkling AB) for the same period (SEK 177 per MWh).

The 1% increase in production contributed MSEK 1 to net sales, while the lower average price for electricity negatively implied a reduction in net sales of MSEK 16 compared with the equivalent quarter in 2013. Overall, Own wind power operations generated net sales of MSEK 74 (88) and other income of MSEK 14 (0), primarily through profit on the sale of the Stjärnarp wind farm amounting to MSEK 12, which gave an almost unchanged EBITDA of MSEK 75 (76) compared with the fourth quarter of 2013. Operating expenses for the segment were SEK 108 per MWh, which was marginally higher than the previous year's SEK 102 per MWh during the equivalent quarter. Depreciation and net financial income amounted to MSEK -23 (-21), respective MSEK -21 (-15). The increases in both depreciation and net financial income can be explained by the Company having a greater number of turbines in operation. The increase in net financial income is also due to the fact that net financial income was negatively impacted by a non-cash item of MSEK -4 attributable to the exercise of the swaps reported in the Q2 report. Profit/loss before tax for the quarter was, consequently, MSEK 31, compared with MSEK 40 last year.

Co-owned wind power operations

All figures in the segment reporting refer to Arise's 50% share, or 101.5 MW, in the Jädraås project. Electricity production during the fourth quarter amounted to 83.3 (111.9) GWh, which was all of 26% lower than during the previous year over due to weaker wind levels.

The segment generated net sales of MSEK 47 (60) and EBITDA was MSEK 36 (49). Both deprecation, MSEK -16, and net financial income, MSEK -11 were unchanged compared with the previous year, and profit/loss before tax was MSEK 9 (22). Average income was SEK 564 (533) per MWh, with SEK 380 (350) per MWh for electricity and SEK 183 (183) per MWh for electricity certificates. The decrease in profit/loss was due to lower production levels and relatively higher operating expenses than in the corresponding quarter of 2013.

The chosen form of financing implies that the project's cash flow will accrue to the co-owners through, primarily, interest payments and amortisation prior to any dividends being paid out from the project. During 2014, approximately MSEK 42 was received from the project, of which just MSEK 10 was recorded during the first quarter and MSEK 32 during the third quarter. The next payment is expected to amount to around MSEK 6 and will be received during Q1 2015.

Wind power development

All in all, total income and EBITDA for the quarter for Wind power development amounted to MSEK 15 (5) and MSEK 2 (-17), respectively. The increase is largely due to received development fees of MSEK 9 being included, compared with MSEK 0 during the previous year. Operating expenses were MSEK 12 lower than during the previous year, MSEK -15 compared with MSEK -27, and this is explained by lower personnel costs of MSEK 9 and other expenses of MSEK 3. Net financial income was lower, MSEK -11 (-7), due to, among other things, exchange rate differences of MSEK 3, whereby profit/loss before tax overall improved to MSEK -13 (-28).

Net sales and income

Net sales during the quarter amounted to MSEK 83 (88). Other operating income amounted to MSEK 19 (4) and total income amounted, thereby, to MSEK 102 (93).

Capitalised work on own account amounting to MSEK 2 (4) was reported during the quarter. Operating expenses have decreased from MSEK -39 to MSEK -27, mainly due to a reduction in personnel costs of MSEK 9 but also due to a reduction in other operating expenses of MSEK 3. The Company's share of profits in associated companies amounted to MSEK 9 (19) and refers to the 50 % ownership in the Sirocco Group, as well as to financial income on the capital injection in the associated company (see Note 2).

Operating profit before depreciation (EBITDA) amounted to MSEK 86 (78). The increase is primarily attributable to the profit of MSEK 12 on the sale of the Stjärnarp wind farm and development fees of MSEK 9 received for Brotorp which exceed the lower level of profit totalling MSEK 13 in Co-owned wind power operations. Operating profit (EBIT) amounted to MSEK 58 (53) including depreciation and write-downs of MSEK -28 (-25). Net financial income was MSEK -32 (-22), with the difference being attributable to increased interest expenses of MSEK -2, due to the Company having more turbines in operation, as well as to the fact that net financial income was negatively impacted by a non-cash item of MSEK -4 attributable to the exercise of the swaps reported in the Q2 report, and to exchange rate differences of MSEK -3. Profit/loss before tax consequently amounted to MSEK 26 (31), profit/loss after tax was MSEK 20 (27), equivalent to earnings per share of SEK 0.60 (0.82) before and after dilution

Investments

Net investments in property, plant and equipment for the quarter amounted to MSEK 4 (55); the entire amount refers to wind power development. The Stjärnarp wind farm was sold for MSEK 83. In addition, the sale of the Brotorp project has decreased project assets by MSEK 14.

Cash flow

Cash flow from operating activities before changes in working capital amounted to MSEK 64 (51). Changes in working capital reduced the cash flow by MSEK -18 (23), resulting in a cash flow from operating activities of MSEK 46 (73). Investments in property, plant and equipment totalled MSEK -4 (-55) and sales of MSEK 97 (-) have been made, whereby cash flow after investing activities amounted to MSEK 139 (19). The net amount of non-current and current interest-bearing liabilities decreased cash flow by MSEK -56 (26), attributable to repayments. Interest of MSEK -27 (-24) has been paid and interest of MSEK 1 (2) has been received. Net payments to or from blocked accounts totalled MSEK -7 (0), after which cash flow for the quarter amounted to MSEK 50 (22).

Comments regarding the full year

Own wind power operations

Production from Own wind power operations during the year amounted to 401.4 GWh, compared with 327.6 GWh during the previous year; an increase of 23%, or 74 GWh, due to new turbines being put into operation, and also due to other turbines reporting better production.

The market price (SE4) for electricity was significantly lower during 2014 than in 2013, with an average price of SEK 290 (345) per MWh. Price hedging within the Own wind power operations segment contributed to an average price from electricity of SEK 396 (421) per MWh, exceeding the market average price by approximately 36%. Certificate prices were also lower. Thanks to effective price hedges, the average income within the segment amounted to SEK 215 (290) per MWh during the year, or 20% higher than the market average price of SEK 179 (197) per MWh.

The increase in production of 23% grew net sales by MSEK 52, while the lower average price reduced net sales by MSEK -40 compared with 2013. Other income, comprised primarily of the MSEK 12 profit on the sale of the Stjärnarp wind farm, amounted to MSEK 14 (0). In total, Own wind power operations generated income of MSEK 260 (233) and EBITDA of MSEK 206 (183), implying an increase of 5% to net sales and an increase of 12% to EBITDA compared with 2013. Operating expenses amounted to SEK 135 (152) per MWh, a decrease of 11%, mainly referring to the fact that the Company's fixed costs are spread over a higher level of production. Depreciation and net financial income amounted to MSEK -93

(-83) and MSEK -85 (-61), respectively. The increases in both depreciation and net financial income can be explained by the Company having more turbines in operation. The increase to net financial income is also due to the fact that the Company had previously reported capitalised bank fees as expenses in conjunction with the refinancing of the project loan. The increase was also a result of the fact that increased interest expenses had been reported during the transitional period. These two factors, together, had a combined effect amounting to MSEK -9. In addition, net financial income was negatively impacted by a non-cash item of MSEK -12 attributable to the exercise of the swaps reported in the Q2 report. Profit/loss before tax was, therefore, MSEK 28, compared with MSEK 40 last year.

Co-owned wind power operations

Electricity production amounted to 248.7 (271.5) GWh, which is a decrease of 8%. The segment generated net sales of MSEK 137 (141) and EBITDA of MSEK 101 (115). Operating expenses were SEK 145 per MWh. Depreciation and net financial income amounted to MSEK -63 (-43) and MSEK -46 (-35), respectively, whereby profit/loss before tax was MSEK -8, compared with MSEK 37 during the previous year. The reason for the higher level of expenses during 2014 is that the wind farms were successively put into operation during the first half of 2013, resulting in lower levels of depreciation and incurred interest. Average income was SEK 550 (518) per MWh, with SEK 362 (342) per MWh for electricity and SEK 188 (176) per MWh for electricity certificates.

Wind power development

In total, income in the segment Wind power development amounted to MSEK 36 (57) during the year. The decrease is primarily attributable to the fact that development fees of MSEK 27 were received during 2013 and of MSEK 9 during 2014. Income from capitalised work has decreased from MSEK 20 to MSEK 13, due to a lower volume of internal and external project work than during the previous year. Operating expenses decreased to MSEK -57 (-82), mainly due to a lower level of personnel costs of MSEK 15, as the Company had fewer employees during 2014 following the cutbacks made in 2013 and their associated closing expenses. EBITDA decreased from MSEK -4 to MSEK -8. Depreciation and write-downs increased to MSEK -13 (-11) and net financial income declined somewhat to MSEK -31 (-24), due to higher interest expenses and bank charges, lower interest income and non-recurring items of MSEK -3 arising in conjunction with the refinancing of the unsecured bond loan. As a whole, this implies that profit/loss before tax decreased to MSEK -51 (-40).

Net sales and income

The production volume within Own and Co-owned wind power operations during the period amounted to 650 (599) GWh, an increase of 9%.

Net sales during the period amounted to MSEK 254 (260) and other operating income amounted to MSEK 34 (20). This implies total income of MSEK 288 (280), an increase of 3%.

Capitalised work on own account decreased to MSEK 13 (20) and the share of profit in associated companies amounted to MSEK -1 (32) and refers to the 50 % ownership in the Sirocco Group, as well as to financial income on the capital injection in the associated company (see Note 2).

Operating expenses decreased to MSEK -104 (-121). Expenses for the operation of wind farms increased due to the higher level of production and an increased number of turbines, but this was mainly compensated for by the reduction of MSEK 15 in personnel costs. This meant that operating profit before depreciation (EBITDA) totalled MSEK 197 (211). Operating profit (EBIT) amounted to MSEK 91 (117), including depreciation and write-downs of MSEK -106 (-94). Net financial income decreased to MSEK -115 (-85), including non-recurring items of MSEK -12 and a non-cash item related to interest rate hedges of MSEK -12, as well as higher interest expenses due to the greater number of turbines in operation, for which reason profit/loss before tax amounted to MSEK -24 (32). Profit/loss after tax was MSEK -25 (29), equivalent to an earnings per share of SEK -0.75 (0.86), before and after dilution.

Investments

Net investments in property, plant and equipment amounted to MSEK 118 (292); the entire amount refers to planned wind power development. The Stjärnarp wind farm was sold for MSEK 83 and the sale of the Brotorp project has decreased project assets by MSEK 14.

Cash flow

Cash flow from operating activities before changes in working capital amounted to MSEK 185 (185). Changes in working capital decreased cash flow by MSEK -23 (28), which gave a cash flow from operating activities of MSEK 162 (213). Investments in property, plant and equipment totalled MSEK -118 (-292) and sales amounted to MSEK 97 (-), whereby cash flow after investing activities was MSEK 140 (-79). Non-current and current interest-bearing liabilities decreased by MSEK -101 (27), largely due to the net repayment of borrowings in conjunction with the re-financing of loans. Interest, including bank fees, amounting to MSEK -101 (-96), has been paid, and swaps of MSEK 80 have been redeemed. Interest payments of MSEK 43 (2) have been received, of which MSEK 42 (-) refers to the Sirocco Group. Net payments from blocked accounts in an amount of MSEK 65 (-3) have been made, after which cash flow for the year amounted to MSEK -34 (-150).

Financing and liquidity
Net interest-bearing liabilities amounted to MSEK 1,449 (1,438). The equity/assets ratio at the end of the year was 39.7 (38.4) percent.

Cash and cash equivalents amounted to MSEK 157 (191). No unutilised credit remained at the end of the period (MSEK 112), as the Company has not had any Own construction projects ongoing.

Taxes
As Arise has only Swedish subsidiaries, tax has been calculated on the basis of the Swedish tax rate, 22.0%.

Considering the Group's fiscal write-off possibilities, it is deemed that there will be no tax payments to report in the near future.

Transactions with related parties
No transactions were undertaken with related parties during the period.

Contingent liabilities
No changes have taken place in the Group's reported contingent liabilities. These are described on page 73 under Note 21 of the Annual Report for 2013.

Other events
In the middle of April 2014, the Company issued a five-year, secured green bond loan. The bond amount totalled SEK 1.1 billion and matures in 2019. The bond incurs variable interest of STIBOR (3 months) + 3.00 percent. The bond is listed on the NASDAQ OMX Stockholm.

At the end of September 2014, the Company re-financed the unsecured bond from March 2012 which matures in March 2015. The new bond is for MSEK 350 and matures in 2017. The bond incurs variable interest of STIBOR (3 months) plus 6 percentage points. The bond has been quoted on the NASDAQ OMX Stockholm. The Company has repurchased MSEK 32 of the bond during 2014 and a further MSEK 18 in January 2015.

The expansion of Swedish wind power has generally slowed, primarily as a result of the prevailing low electricity and certificate prices, and Arise is no exception in this context. The Company's stated goal of constructing a further 650 MW of onshore wind power by the end of 2017 has, subsequently, been amended to "*The Company's overriding goal is to provide a good return for shareholders in the form of dividends and capital growth through efficient funding, management, operation and project development in the area of renewable energy*."

The Brotorp wind power project in the Municipality of Mönsterås, comprising 14 wind turbines and a total output of 46.2 MW, has been sold to BlackRock. Pursuant to the agreement, Arise assumes the responsibility for project management during the construction phase and for the management of the farm when it becomes operational. The total investment is budgeted at MSEK 650. This deal implies that Arise will be remunerated for the project development, the project management and the management of the operational wind farm. These are estimated to amount to a total of around MSEK 50. Construction started in November 2014 and Arise's remuneration will be recognised in income in pace with the progress of the project.

An agreement was signed at the end of the year with KumBro Vind AB regarding the sale of the constructed wind farm Stjärnarp for a purchase price of MSEK 83. The farm consists of three turbines with a combined output of 5.4 MW. At the same time, a management agreement was signed between the parties, according to which Arise is responsible for the management and operations of the park on behalf of Kumbro Vind.

Events after the end of the reporting period
Arise has signed a five-year management agreement with Storrun wind farm regarding a total of 30 MW. The agreement has been signed after the acquisition of Storrun wind farm by Prime Super, an Australian fund managed by Whitehelm Capital. With this agreement, Arise now has approximately 450 MW in operation and under management, of which approximately 260 MW comprises Arise's own production portfolio. Estimated production from the total managed production portfolio amounts to approximately 1.1 TWh per year (equivalent to around 10% of Sweden's total wind power production in 2014).

Arise has repurchased further bonds at a nominal value of MSEK 18. The repurchase refers to the Company's unsecured bond of MSEK 350. The purpose of the repurchase is to reduce gross liabilities and improve Arise's net financial income. Following the repurchase, Arise's holding of the aforementioned bond stands at MSEK 50.

Future prospects
The Company will continue its work to expand its range of services, to enhance the efficiency of the operations and to secure opportunities to provide shareholders with a good return in the form of dividends and increased share value. The Company deems that the possibility to further strengthen its position in the Nordic market is good.

Risks and factors of uncertainty
The fourth quarter saw a weak downward trend in the markets for both electricity and certificates. The EUR/SEK exchange rate has continued to improve; however, this compensates only marginally for the depressed electricity prices. Interest rate levels are also at a historically low

level, and the room for further decreases in the interest rate is deemed to be limited. The focus of the Company's monitoring is primarily on the development of electricity and certificate prices, as well as on exchange rates, particularly as regards the EUR.

The Group's risks and factors of uncertainty are described in pages 39-40 in the Annual Report for 2013 and the financial risk management is presented on pages 63-69. No significant changes impacting the reported risks have taken place.

Status of the project portfolio as per 31 December 2014

	No. of projects	No. of wind turbines	Total output (MW)	Average output per turbine (MW)
Wind farms in operation and under construction				
In operation	13	110	261	2.4
Under construction	-	-	-	-
Project portfolio				
Permits received/acquired	9	88	271	3.1
Permits pending	9	156	504	3.2
Project planning completed	1	6	12	2.0
Leases signed	4	51	143	2.8
Total portfolio	**36**	**411**	**1,190**	**2.9**

The projects are categorised according to the following criteria

In operation
Wind power projects where the wind farm has been handed over after completion of test runs and is generating electricity. During the first three months, the turbines are calibrated and a comprehensive first service is performed. The turbines do not reach optimum production during this initial period. Full and normal production can, consequently, be expected three months after the approval of the test runs and take over.

Under construction
Refers to projects for which 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 for which procurements have been made as regards the majority of the project's total investment costs.

Permits received/acquired
Projects which have received the permits required for construction to begin, but where construction has not yet been initiated. In certain cases, Arise is awaiting the availability of sufficient wind data.

Permits pending
The first stage in a permit application is the 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, and 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 upon the rejection of the permit application.

Project planning completed
After signing land lease agreements, the Company 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
Leases are signed after negotiations between landowners and the Company. Long-term land leases have been concluded for the entire project portfolio, giving the Company 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 per-formed by the Company prior to the signing of a lease serve as 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 consequence descriptions, producing zoning plans and obtaining building permits, undertaking negotiations, handling the Group's trading operations in electricity and electricity certificates and carrying out administrative services.

The Parent Company manages the Group's production plans and electricity hedging in accordance with the adopted finance policy. The electricity producing subsidiaries sell their electricity production to clients according to contractually agreed conditions and sell any surplus production to Arise at the spot price. Arise sells on the electricity on the spot market. These intra-Group trading activities are reported at gross value in the income statement.

Since the first quarter of 2013, the Parent Company's operations have increased through the leasing of production plants. Wind turbines are leased from subsidiaries to be subleased to external parties.

The Parent Company's total income during the year amounted to MSEK 321 (310) and purchased electricity and certificates, wind power rental, personnel, other external costs and capitalised work on own account, as well as depreciation of fixed assets, totalled MSEK -352 (-321), whereby operating profit (EBIT) amounted to MSEK -31 (-12). Net financial income of MSEKJ -5 (19) and a Group contribution of MSEK 66 (-5) resulted in profit/loss after tax amounting to MSEK 23 (1). The Parent Company's net investments, including internal restructuring of subsidiaries, amounted to MSEK -1,047 (104).

Ownership structure

A diagram illustrating the Company's ownership structure can be found on the Company's website (www.arise.se).

Accounting principles

Arise follows IFRS (International Financial Reporting Standards) as adopted by the EU and interpretations of such standards (IFRIC). This interim report has been prepared in accordance with IAS 34, "Interim Financial Reporting". The Parent Company's reporting has been pre-pared in accordance with the Annual Accounts Act and RFR2. The ac-counting principles are consistent with those applied in the most re-cent Annual Report for 2013, in which the principles are described in Note 1 on pages 48-55.

The following exceptions from the principles stated above apply:

1. Development fees have been reclassified from other income to net sales and other remuneration from leasing operations has also been reclassified from other income to net sales. These reclassifications are intended to better reflect the Company's operations.
2. Reclassification has been implemented on the fair values of derivative assets and derivative liabilities attributable to the Sirocco Group, which were previously reported at gross value, such that these are now reported at net value in the item Participations in associated companies.
3. Financial income from the Sirocco Group which was previously reported under Financial income has been reclassified and is now included in the item Share of profits in associated companies.

Income from leased production plants is reported in net sales. The leasing income is included in the calculation of electricity and certificate prices and is reported as a hedging of electricity and certificate income.

Review by the auditor

This report has not been subject to review by the Company's auditors.

Dividend

The Board of Directors proposes that no dividend be paid.

Annual General Meeting

The Annual General Meeting will be held in Halmstad on 5 May 2015. The Annual Report will be available on the Company's website from the beginning of April.

Financial calendar

- First quarter (1 January – 31 March): 5 May 2015.
- Second quarter (1 April – 30 June): 17 July 2015.
- Third quarter (1 July – 30 September): 9 November 2015.
- Fourth quarter (1 October– 31 December): 12 February 2016.

Halmstad, 13 February 2015

Arise AB (publ)

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CONSOLIDATED INCOME STATEMENT

(Amounts to the nearest MSEK)		2014 Q4	2013 Q4	2014 Full year	2013 Full year
Net sales		83	88	254	260
Other operating income	Note 1	19	4	34	20
Total income		**102**	**93**	**288**	**280**
Capitalised work on own account		2	4	13	20
Personnel costs		-10	-19	-39	-55
Other external expenses		-18	-20	-64	-66
Share of profits in associated companies	Note 2	9	19	-1	32
Operating profit before depreciation (EBITDA)		**86**	**78**	**197**	**211**
Depreciation of property, plant and equipment	Notes 4,7	-28	-25	-106	-94
Operating profit (EBIT)		**58**	**53**	**91**	**117**
Financial income		1	1	1	7
Financial expenses		-33	-23	-117	-92
Profit/loss before tax		**26**	**31**	**-24**	**32**
Deferred tax		-6	-4	-1	-4
Net profit/loss for the period		**20**	**27**	**-25**	**29**
Earnings per share before dilution. SEK		0.60	0.82	-0.75	0.86
Earnings per share after dilution. SEK		0.60	0.82	-0.75	0.86

Treasury shares held by the Company have not been included in calculating Earnings per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts to the nearest MSEK)	2014 Q4	2013 Q4	2014 Full year	2013 Full year
Net profit/loss for the period	**20**	**27**	**-25**	**29**
Other comprehensive income				
Items which can be reclassified in the income statement				
Cash flow hedges	-14	-8	-70	32
Translation differences	10	10	18	13
Share of other comprehensive income in associated Companies	-9	2	2	33
Income tax attributable to components of other comprehensive income	3	0	12	-17
Other comprehensive income for the period, net after tax	**-10**	**3**	**-38**	**62**
Total comprehensive income for the period	**10**	**30**	**-63**	**90**

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

CONSOLIDATED BALANCE SHEET

(Condensed, amounts to the nearest MSEK)	2014 31 Dec	2013 31 Dec
Property, plant and equipment	2,209	2,360
Financial fixed assets	492	507
Other current assets	109	173
Cash and cash equivalents	157	191
TOTAL ASSETS	**2,967**	**3,231**
Equity	1,178	1,240
Non-current liabilities	1,581	1,632
Current liabilities	208	359
TOTAL EQUITY AND LIABILITIES	**2,967**	**3,231**

CASH FLOW STATEMENT FOR THE GROUP

(Amounts to the nearest MSEK)	2014 Q4	2013 Q4	2014 Full year	2013 Full year
Cash flow from operating activities before changes in working capital	**64**	**51**	**185**	**185**
Cash flow from changes in working capital	-18	23	-23	28
Cash flow from operating activities	**46**	**73**	**162**	**213**
Investments in property, plant and equipment	-4	-55	-118	-292
Sales of property, plant and equipment	97	-	97	-
Cash flow after investing activities	**139**	**19**	**140**	**-79**
Change in interest-bearing liabilities	-56	26	-101	27
Interest paid	-27	-24	-181	-96
Interest received	1	2	43	2
Net payment, blocked accounts	-7	-	65	-3
Cash flow from financing activities	**-89**	**3**	**-175**	**-71**
Cash flow for the period	**50**	**22**	**-34**	**-150**
Cash and cash equivalents at the beginning of the period	108	169	191	341
Cash and cash equivalents at the end of the period	**157**	**191**	**157**	**191**
Interest-bearing liabilities at the end of the period	1,629	1,717	1,629	1,717
Blocked cash at the end of the period	-23	-88	-23	-88
Interest-bearing net liabilities	**1,449**	**1,438**	**1,449**	**1,438**

STATEMENT OF CHANGES IN EQUITY FOR THE GROUP

(Condensed, amounts to the nearest MSEK)	2014 31 Dec	2013 31 Dec
Opening balance	1,240	1,152
Total comprehensive income for the period	-63	90
Value adjustment of issued options	-	-2
Closing balance	**1,178**	**1,240**

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2014 Q4	2013 Q4	2014 Full year	2013 Full year
Operational key performance indicators				
Installed capacity at the end of the period, MW	260.7	253.3	260.7	253.3
Own electricity production during the period, GWh	125.8	124.1	401.4	327.6
Co-owned electricity production during the period, GWh	83.3	111.9	248.7	271.5
Total electricity production during the period, GWh	209.1	236.0	650.1	599.1
Number of employees at the end of the period	31	31	31	31
Financial key ratios				
EBITDA margin, %	103.2%	87.9%	77.6%	81.3%
Operating margin, %	70.0%	60.0%	35.9%	45.2%
Return on capital employed (EBIT), %	3.4%	4.6%	3.4%	4.6%
Return on adjusted capital employed (EBITDA), %	7.3%	8.2%	7.3%	8.2%
Return on equity, %	neg	2.4%	neg	2.4%
Capital employed, MSEK	2,626	2,678	2,626	2,678
Average capital employed, MSEK	2,713	2,573	2,713	2,573
Shareholders' equity, MSEK	1,178	1,240	1,178	1,240
Average shareholders' equity, MSEK	1,216	1,202	1,216	1,202
Interest-bearing net liabilities	1,449	1,438	1,449	1,438
Equity/assets ratio, %	39.7%	38.4%	39.7%	38.4%
Interest coverage ratio	1.8	2.4	neg	1.4
Debt/equity ratio	1.2	1.2	1.2	1.2
Equity per share, SEK	35	37	35	37
Equity per share after dilution, SEK	35	37	35	36
No. of shares at the end of the period, excl. treasury shares	33,373,876	33,373,876	33,373,876	33,373,876
Average number of shares	33,373,876	33,373,876	33,373,876	33,373,876
Average number of shares after dilution	33,909,876	33,909,876	33,909,876	34,086,276

Note 1 - Other operating income	**2014**	**2013**	**2014**	**2013**
(Amounts to the nearest MSEK)	**Q4**	**Q4**	**Full year**	**Full year**
Income from crane rental	3	2	9	7
Project management and administrative services	2	2	9	10
Profits from sale of wind farms	12	-	12	-
Other items	3	1	3	3
	19	**4**	**34**	**20**

Note 2 – Share of profits in associated companies	**2014**	**2013**	**2014**	**2013**
(Amounts to the nearest MSEK)	**Q4**	**Q4**	**Full year**	**Full year**
Share of profits in associated companies (net after tax 22%)	1	13	-27	16
Financial income from associated companies (gross before tax)	8	6	26	16
	9	**19**	**-1**	**32**

Financial income from associated companies is attributable to a shareholder loan granted by the Company, which is considered a long-term investment in an associated company and, therefore, is deemed to have the same characteristics as contributed capital.

GROUP SEGMENT REPORTING

Q4	**Own wind power operations**		**Co-owned wind power operations**		**Wind power development**		**Eliminations**		**Group**	
(Amounts to the nearest MSEK)	**Q4-14**	**Q4-13**	**Q4-14**	**Q4-13**	**Q4-14**	**Q4-13**	**Q4-14**	**Q4-13**	**Q4-14**	**Q4-13**
Net sales, external	74	88	47	60	9	-	-47	-60	83	88
Net sales, internal	-	-	-	-	2	1	-2	-1	-	-
Other operating income Note 3	14	0	-	-	5	4	-	-	19	4
Total income	89	88	47	60	15	5	-49	-60	102	93
Capitalised work on own account	-	-	-	-	2	4	-	-	2	4
Operating expenses	-14	-13	-11	-11	-15	-27	13	11	-27	-39
Share of profits in associated companies	-	-	-	-	-	-	9	19	9	19
Operating profit before depr. (EBITDA)	**75**	**76**	**36**	**49**	**2**	**-17**	**-28**	**-30**	**86**	**78**
Depreciation and write-downs Note 4	-23	-21	-16	-16	-5	-4	16	16	-28	-25
Operating profit (EBIT)	**52**	**55**	**20**	**33**	**-2**	**-21**	**-12**	**-14**	**58**	**53**
Net financial income/expenses Note 5	-21	-15	-11	-11	-11	-7	11	11	-32	-22
Profit/loss before tax (EBT)	**31**	**40**	**9**	**22**	**-13**	**-28**	**0**	**-3**	**26**	**31**
Assets	2,288	2,370	1,611	1,587	679	861	-1,611	-1,587	2,967	3,231

Note 3 - Other operating income										
Income from crane rental	-	-	-	-	3	2	-	-	3	2
Project management and admin. services	-	-	-	-	2	2	-	-	2	2
Profits from sale of wind farms	12	-	-	-	-	-	-	-	12	-
Other items	2	0	-	-	0	0	-	-	3	1
	14	0	-	-	5	4	-	-	19	4

Note 4 - Depreciation and write-downs of property, plant and equipment										
Depreciation	-23	-21	-16	-16	-4	-5	16	16	-27	-26
Write-downs and reversal of write-downs	-	-	-	-	-1	1	-	-	-1	1
Depreciation and write-downs	-23	-21	-16	-16	-5	-4	16	16	-28	-25

Q4	Own wind power operations		Co-owned wind power operations		Wind power development		Eliminations		Group	
Note 5 - Net financial income	**Q4-14**	**Q4-13**	**Q4-14**	**Q4-13**	**Q4-14**	**Q4-13**	**Q4-14**	**Q4-13**	**Q4-14**	**Q4-13**
Total net financial income	-26	-17	-18	-17	1	1	18	17	-25	-16
Adjustment, exchange rate differences	4	-	-	-	-4	-	-	-	-	-
Less interest expenses on shareholder loans	1	2	7	6	-8	-8	-	-	-	-
Net financial income excl. shareholder loans	-21	-15	-11	-11	-11	-7	18	17	-25	-16

Internal interest expenses on shareholder loans are no longer reported in the segments Own and Co-owned wind power operations. The corresponding item has been eliminated from the Wind Power Development segment. Negative exchange rate differences of MSEK -4 were erroneously included in net financial income in the segment Wind power operations and of MSEK +4 in the segment Wind power development in Q3-14. The figures above have been adjusted accordingly.

12 months	Own wind power operations		Co-owned wind power operations		Wind power development		Eliminations		Group	
(Amounts to the nearest MSEK)	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Net sales, external	245	233	137	141	9	27	-137	-141	254	260
Net sales, internal	-	-	-	-	7	11	-7	-11	-	-
Other operating income Note 6	14	0	-	-	20	20	-	-	34	20
Total income	260	233	137	141	36	57	-144	-151	288	280
Capitalised work on own account	-	-	-	-	13	20	-	-	13	20
Operating expenses	-54	-50	-36	-26	-57	-82	43	37	-104	-121
Share of profits in associated companies	-	-	-	-	-	-	-1	32	-1	32
Operating profit before depr. (EBITDA)	**206**	**183**	**101**	**115**	**-8**	**-4**	**-102**	**-82**	**197**	**211**
Depreciation and write-downs Note 7	-93	-83	-63	-43	-13	-11	63	43	-106	-94
Operating profit (EBIT)	**113**	**100**	**38**	**72**	**-21**	**-15**	**-39**	**-40**	**91**	**117**
Net financial income/expenses Note 8	-85	-61	-46	-35	-31	-24	46	35	-115	-85
Profit/loss before tax (EBT)	**28**	**40**	**-8**	**37**	**-51**	**-40**	**8**	**-4**	**-24**	**32**

Note 6 - Other operating income										
Income from crane rental	-	-	-	-	9	7	-	-	9	7
Project management and admin. services	-	-	-	-	9	10	-	-	9	10
Profits from sale of wind farms	12	-	-	-	-	-	-	-	12	-
Other items	2	0	-	-	1	3	-	-	3	3
	14	0	-	-	20	20	-	-	34	20

Note 7 - Depreciation and write-downs of property, plant and equipment										
Depreciation	-93	-83	-63	-43	-11	-9	63	43	-104	-92
Write-downs and reversal of write-downs	-	-	-	-	-2	-2	-	-	-2	-2
Depreciation and write-downs	-93	-83	-63	-43	-13	-11	63	43	-106	-94

Note 8 - Net financial income										
Total net financial income	-93	-67	-72	-52	3	-2	73	52	-89	-69
Less interest expenses on shareholder loans	8	6	26	17	-34	-22	-	-	-	-
Net financial income excl. shareholder loans	-85	-61	-46	-35	-31	-24	73	52	-89	-69

Note 9 - Additional disclosures pursuant to IFRS 13

Fair value hierarchy
All of the financial instruments measured at fair value belong to level 2 in the fair value hierarchy. These derivatives consist of electricity futures, currency futures and interest rate swaps. The valuaton at fair value of the currency futures is based on published forward rates in an active market. The valuation of interest rate swaps is based on forward interest rates taken from observable yield curves. The discounting results in no significant impact on the valuaton of the derivatives at Level 2. The reporting of financial instruments is described on pages 63-69 in the Annual Report for 2013. The Group's financial assets and liabilities measured at fair value as of the balance sheet date are illustrated in the table below.

(Amounts to the nearest MSEK)	**2014 31 Dec**	**2013 31 Dec**
Assets		
Derivatives held for hedging purposes		
- Participations in associated companies	-47	-69
- Derivative assets	0	4
Liabilities		
Derivatives held for hedging purposes		
- Derivative liabilities	-76	-70

PARENT COMPANY INCOME STATEMENT

(Amounts to the nearest MSEK)	**2014 Q4**	**2013 Q4**	**2014 Full year**	**2013 Full year**
Sale of electricity and certificates	36	47	159	187
Leasing of wind farms	42	21	139	32
Sale of services, own employees	3	2	9	13
Development fees	9	-	9	43
Other operating income	2	27	5	35
Total income	**92**	**97**	**321**	**310**
Capitalised work on own account	2	1	9	7
Purchases of electricity and electricity certificates	-32	-50	-160	-211
Rental of wind power facilities	-42	-21	-139	-32
Personnel costs	-6	-12	-22	-35
Other external expenses	-7	-30	-35	-48
Operating profit/loss before depreciation (EBITDA)	**7**	**-15**	**-27**	**-9**
Depreciation of property, plant and equipment	-2	-2	-4	-2
Operating profit/loss	**5**	**-16**	**-31**	**-12**
Financial income	21	22	63	48
Financial expenses	-22	-10	-69	-29
Profit/loss after financial items	**5**	**-4**	**-36**	**7**
Group contribution	66	-5	66	-5
Profit/loss before tax	**71**	**-9**	**29**	**2**
Income tax	-16	2	-7	-1
Net profit/loss and total compr. income for the period	**55**	**-8**	**23**	**1**

PARENT COMPANY BALANCE SHEET

(Condensed, amounts to the nearest MSEK)	2014 Full year	2013 Full year
Property, plant and equipment	90	90
Financial fixed assets	2,565	918
Other current assets	145	610
Cash and cash equivalents	107	85
TOTAL ASSETS	**2,908**	**1,703**
Restricted equity	3	3
Non-restricted equity	1,289	1,266
Non-current liabilities	1,349	350
Current liabilities	267	84
TOTAL EQUITY AND LIABILITIES	**2,908**	**1,703**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

(Condensed, amounts to the nearest MSEK)	2014 31 Dec	2013 31 Dec
Opening balance	1,269	1,268
Total comprehensive income for period	23	1
Closing balance	**1,292**	**1,269**

DEFINITIONS

Capital employed
EBITDA margin
Operating profit before depreciation (EBITDA) as a percentage of total income.

Operating margin
Operating profit (EBIT) as a percentage of total income.

Return on capital employed
Rolling 12 months operating profit before depreciation (EBIT) related to quarterly average capital employed for the period.

Adjusted Return on capital employed
Rolling 12 months operating profit before depreciation (EBITDA) related to quarterly average capital employed for the period.

Return on equity
Rolling 12 months net profit related to quarterly average equity for the period.

Equity per share
Equity divided by the average number of shares.

Interest-bearing net liabilities
Interest-bearing liabilities less cash and blocked accounts.

Interest coverage ratio
Profit before tax plus financial expenses as a percentage of financial expenses.

Debt/equity ratio
Interest-bearing net liabilities as a percentage of equity.

Equity/assets ratio
Equity as a percentage of total assets.

Capital employed
Equity plus interest-bearing net liabilities.