Year-end report 1 January – 31 December 2016

Fourth quarter (1 October – 31 December 2016)

- Net sales for the quarter amounted to MSEK 290 (151).
- Operating profit before depreciation and amortisation (EBITDA) was MSEK 61 (48), of which associates had an impact of MSEK 0 (-19) on the Group. Operating cash flow was MSEK 38 (28).
- Profit/loss before tax totalled MSEK 12 (-4), including non-recurring effects of MSEK 0 (-37).
- Profit/loss after tax totalled MSEK 10 (-4), corresponding to SEK 0.30 (-0.11) per share.
- Production totalled 238 GWh (228), of which 128 GWh (125) pertained to Own wind power operations and 110 GWh (103) to Co-owned wind power operations. Winds were strong in the fourth quarters of both 2016 and 2015.
- Average income from Own wind power operations was SEK 433 per MWh (518), of which SEK 310 per MWh (340) pertained to electricity and SEK 122 (178) per MWh to electricity certificates.
- The sale of Bohult was implemented according to plan and had a positive impact of about MSEK 90 on cash flow after the repayment of project financing loans and the redemption of an interest rate swap. The transaction also had a positive impact on profit for 2016.
- An asset management agreement was signed with Tellenes Vindpark in Norway. The farm is owned by funds managed by BlackRock.

Full-year (1 January – 31 December 2016)

- Net sales for the period amounted to MSEK 594 (487).
- Operating profit before depreciation and amortisation (EBITDA) amounted to MSEK 138 (193), of which associates had an impact of MSEK 0 (-25) on the Group. Operating cash flow was MSEK 182 (170).
- Profit/loss before tax totalled MSEK -52 (-164), including impairment losses of -18 (-213[1]) MSEK.
- Profit/loss after tax totalled MSEK -41 (-156), corresponding to SEK -1.23 (-4.67) per share.
- Production totalled 640 GWh (774), of which 353 GWh (442) pertained to Own wind power operations and 287 GWh (332) to Co-owned wind power operations. The decrease was due to fewer farms in operation and weaker winds.
- Average income from Own wind power operations was SEK 433 per MWh (505), of which SEK 297 per MWh (340) pertained to electricity and SEK 136 (165) per MWh to electricity certificates.

[1] *Includes both impairment losses and other non-recurring items*

Significant events after the end of the reporting period

- In order to proactively develop Arise's position in the market and to strengthen its financial flexibility, a decision was made to issue approx. MSEK 245 of convertibles with preferential rights for shareholders.
- The acquisition of Kraftö's project portfolio of up to 370 MW was completed.
- An option agreement to acquire the project Svartnäs, approx. 100 MW, was entered into.

About Arise

Arise is one of Sweden's leading wind power companies, with the business concept of developing, building and managing onshore proprietary wind farms and on behalf of investors. The company is listed on Nasdaq Stockholm.

Arise AB (publ), Box 808, SE-301 18 Halmstad, Sweden tel. +46 35 20 20, Corporate Identity Number 556274-6726

E-mail: info@arise.se, www.arise.se

Halmstad, 17 February 2017

Daniel Johansson
CEO

"We want to increase our capability and deliver larger farms to our customers."

"When it is time to refinance ourselves, our options will increase and the cost of capital could therefore be lower. That is very satisfying"

CEO's statement

We have left an intense fourth quarter behind us.

Winds were weak up until the final quarter of the year, but we almost achieved our annual budget for production due to unusually strong winds during the last three months. At the same time, the relatively mild weather held back electricity spot prices during the quarter.

We divested the operational Bohult wind farm to Allianz Global Investors and are satisfied with the terms that were achieved. The sale made a strong contribution to reduce our net debt to under SEK 1 billion. The cash position was strengthened by approx. MSEK 90.

We completed both the Mombyåsen and Ryssbol projects during the period with a satisfactory result. We have once again shown that we can deliver projects on time and on or below budget. The sales helped us to deliver profit before tax of MSEK 12 for the fourth quarter.

Arise also signed its first agreement in Norway. BlackRock, a leading global asset manager, has selected us for the technical and commercial management of its Tellenes wind farm, with a capacity of 160 MW. The farm is under construction and our work will commence in spring.

In mid-October, the Swedish Energy Agency presented its recommendation, on behalf of the Swedish government, regarding an extension of the electricity-certificate system. Their proposed quota curve, which refers to the demand for electricity certificates during the 2021-2030 period, is concentrated to the second-half of the ten-year period. Like the rest of our industry, we believe this design unfortunate, and that it could lead to an increased surplus of electricity certificates in the market. The industry's objective is to achieve a better proposal.

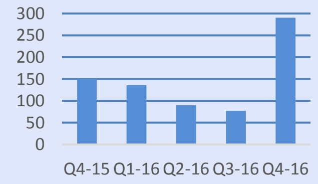
After the end of the period, the Board made a decision to issue convertible bonds with preferential rights for shareholders, and the terms and conditions were announced today. It is very gratifying that several of our major shareholders have chosen to support the transaction. The new issue is supported by subscription undertakings, a letter of intent to subscribe and guarantees covering 100% of the planned issue amount.

We have repeatedly demonstrated that we can create value for our customers, and developed projects at a favourable pace. We want to increase our capability and deliver larger farms to our customers.

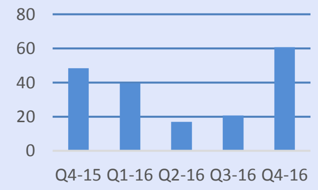
The strengthened capital base that the issue will help us create, will provide new opportunities for growing our business. This will boost our credibility as a partner, and give us greater bargaining strength in attractive business discussions in the future. We believe the wind-power industry is moving towards consolidation and we want to play an active role in such a potential development.

When it is time to refinance ourselves, our options will increase and the cost of capital could therefore be lower. That is very satisfying.

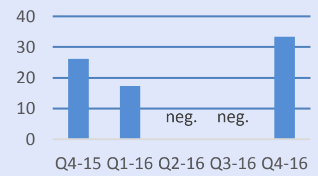
Net sales, MSEK



EBITDA, MSEK



EBIT, MSEK



Net sales and results

MSEK	Q4 2016	Q4 2015	FY 2016	FY 2015
Net sales	290	151	594	487
Operating profit/loss before depreciation (EBITDA)	61	48	138	193
Operating profit/loss (EBIT)	33	26	33	-58
Profit/loss before tax	12	-4	-52	-164

Comments on the fourth quarter

Earnings for the quarter were characterised by stronger winds than normal and sustained low electricity and certificate prices, although electricity prices recovered slightly compared with the beginning of the year. Total production, including the company's share in the Jädraås project, rose to 238 GWh (228). The average price for the company's own production declined SEK 85 to SEK 433 per MWh (518), due to lower market prices and the discontinuation of wind-farm leases during the year. Despite this, net sales rose to MSEK 290 (151), mainly due to the sale of Bohult during the quarter.

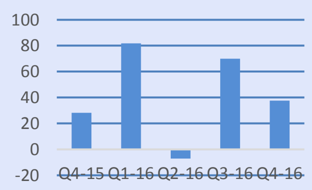
Operating expenses amounted to MSEK 231 (90), of which MSEK 203 (50) was attributable to cost of sold projects and contracts. The remaining MSEK 29 (39) consisted of personnel and other external expenses. Own capitalised work amounted to MSEK 2 (4). Consolidated profit/loss from associates was MSEK 0 (-19), including an impairment loss of MSEK 0 (-32), Note 4. Overall, EBITDA increased MSEK 12 to MSEK 61 (48). EBIT increased to MSEK 33 (26), including impairment losses of MSEK -7 (0). Net financial items improved, partially due to lower borrowings and currency fluctuations. Profit/loss before and after tax totalled MSEK 12 (-4) and MSEK 10 (-4), respectively.

Comments on the full-year

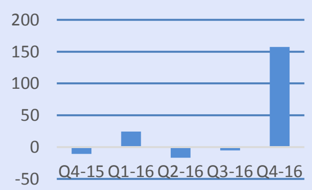
Weaker winds than normal and fewer farms in operation resulted in lower total production, including the Jädraås project, of 640 GWh (774). The average price for the company's own production declined SEK 72 to SEK 433 per MWh (505). Despite this, net sales rose MSEK 107 due to higher development and management income in 2016 compared with 2015. Operating expenses amounted to MSEK 464 (301), of which MSEK 367 (174) was attributable to sales and contracts. The remaining MSEK 97 (127) consisted of personnel and other external expenses. Own capitalised work was MSEK 8 (10). Consolidated profit/loss in associates amounted to MSEK 0 (-25), including an impairment loss of MSEK 0 (-39).

Overall, EBITDA declined MSEK 55, mainly the result of lower production and average prices, but also due to a slightly lower revenue recognition margin in development and management. However, EBIT improved MSEK 91 due to impairment losses of MSEK -18, compared with MSEK -151 in the preceding year. Net financial items improved, partially due to lower borrowings and currency fluctuations, bringing profit/loss before and after tax to MSEK -52 (-164) and MSEK -41 (-156), respectively.

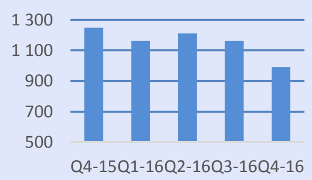
Operating cash flow, MSEK



Investments (-) /disposals (+), MSEK



Net interest-bearing debt, MSEK



Cash flows and investments

Comments on the fourth quarter

Cash flow from operating activities before changes in working capital was MSEK 63 (70). Changes in working capital amounted to MSEK -26 (-42), partly driven by ongoing external projects during the period. Total operating cash flow thereby amounted to MSEK 38 (28). Cash flow from investing activities was MSEK 158 (-11), net, bringing cash flow after investments to MSEK 195 (17). In connection with the sale of Bohult, existing project financing of MSEK 91 was redeemed and restricted funds of MSEK 10 (-3), net, were released. Interest of MSEK -18 (-21) was paid and interest of MSEK 0 (1) was received, bringing cash flow for the quarter to MSEK 96 (-5).

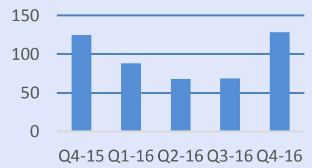
Comments on the full-year

Cash flow from operating activities before changes in working capital was MSEK 139 (218). Changes in working capital amounted to MSEK 43 (-48), partly driven by project settlements during the first quarter, customer advances in the third quarter and the accumulation of working capital in ongoing external projects. Total operating cash flow was therefore MSEK 182 (170). Projects were both acquired and divested during the period, bringing net cash flows from investing activities to MSEK 160 (116). Cash flow after investments therefore amounted to MSEK 342 (287). An overdraft facility was repaid, repayments were made on project loans and annual repayments were made on bond loans during the period. Accordingly, the net of non-current and current interest-bearing liabilities reduced cash flow by MSEK -195 (-156), while interest of MSEK -73 (-92) was paid and interest of MSEK 1 (7) was received. Net payments to or from blocked accounts totalled MSEK 9 (1) and warrants were issued, bringing cash flow for the period to MSEK 84 (46).

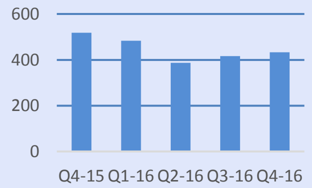
Financing and liquidity

Net interest-bearing debt amounted to MSEK 992 (1,248). Cash and cash equivalents were MSEK 287 (203) and unutilised overdraft facilities amounted to MSEK 50 (18). In addition, Arise has a MSEK 50 holding in the company’s senior unsecured bonds. At the end of the period, the equity/assets ratio was 41% (39).

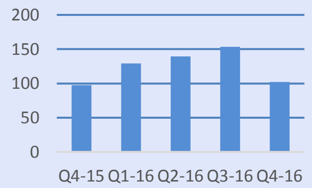
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Own wind power operations

MSEK	Q4 2016	Q4 2015	FY 2016	FY 2015
Income	55	65	153	225
Operating expenses	-13	-12	-44	-52
Operating profit before depreciation (EBITDA)	42	53	109	173
Operating profit/loss (EBIT)	22	31	11	-41
Profit/loss before tax	4	5	-54	-126

Comments on the fourth quarter

Due to stronger than normal winds during the period, production by the company's wholly-owned farms rose to 128 (125) GWh, representing an increase of 3% or about 4 GWh. The reasons for the increase not being greater were stronger than normal winds also in the fourth quarter of 2015, and that the company had fewer farms in operation compared with the same year-earlier period.

Average income for electricity and certificates was SEK 310 per MWh (340) and SEK 122 per MWh (178), respectively. Electricity (SE4) was 15% lower, and certificates (SKM) 9% lower, than the market price for the period, due to among other electricity price hedging in a rising market and changes in the value of certificates stocks.

Net sales rose MSEK 2 due to higher production, but declined MSEK 11 due to a lower average price compared with the year-earlier quarter. As a result, net sales and EBITDA declined MSEK 9 and MSEK 10, respectively, year-on-year. Specific operating expense increased to SEK 102 per MWh (97). EBIT was MSEK 22 (31). Net financial items improved, partially due to currency fluctuations, and profit/loss before tax therefore declined MSEK 1 to MSEK 4 (5).

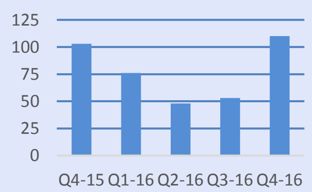
Comments on the full-year

Production in the company's wholly-owned farms decreased to 353 GWh (442), due to weaker than normal winds during the period and stronger than normal winds in the year-earlier period. In addition, there were fewer farms in operation during the year compared with 2015.

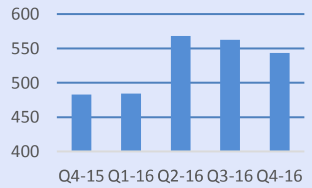
Average income from electricity and certificates was SEK 297 per MWh (340) and SEK 136 per MWh (165), respectively. These figures were 6% higher than the market price for electricity (SE4) and 1% lower than the market price for certificates (SKM) for the period.

Net sales decreased MSEK 45 due to lower production, and MSEK 25 due to a lower average price, year-on-year. Overall, net sales and EBITDA therefore declined MSEK 71 and MSEK 64, respectively, year-on-year. Specific operating expense increased to SEK 126 per MWh (118) due to lower production. EBIT was MSEK 11 (-41), including impairment losses of MSEK -12 (-120). Net financial items strengthened, partly due to currency fluctuations. Overall, profit/loss before tax therefore increased to MSEK -54 (-126).

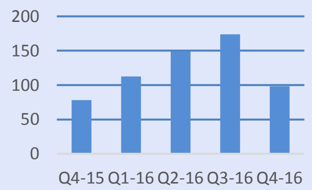
Production, GWh



Average prices, SEK per MWh



Specific operating expense, SEK per MWh



Co-owned wind power operations

MSEK	Q4 2016	Q4 2015	FY 2016	FY 2015
Income	60	50	154	166
Operating expenses	-11	-8	-36	-42
Operating profit before depreciation (EBITDA)	49	42	118	124
Operating profit/loss (EBIT)	32	26	53	21
Profit/loss before tax	21	13	6	-28

Comments on the fourth quarter

The figures presented in the segment reporting refer to Arise's 50% stake, or 101.5 MW, in the Jädraås project. For the consolidated results, refer to Note 4. Electricity production in the fourth quarter amounted to 110 GWh (103), due to stronger winds compared with the year-earlier quarter. Average income was SEK 544 per MWh (483), of which SEK 380 per MWh (310) pertained to electricity and SEK 163 per MWh (173) to electricity certificates.

Net sales rose MSEK 3 due to higher production, and MSEK 7 due to the higher average price, compared with the year-earlier quarter. Overall, the segment's net sales and EBITDA increased MSEK 10 and MSEK 7, respectively. Specific operating expense increased to SEK 98 per MWh (78). EBIT increased to MSEK 32 (26). Net financial items improved slightly and profit/loss before tax therefore increased MSEK 7 to MSEK 21 (13).

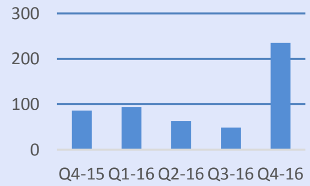
The company intends to continue using the cash flow generated by the Jädraås project to repay the project's external loans.

Comments on the full-year

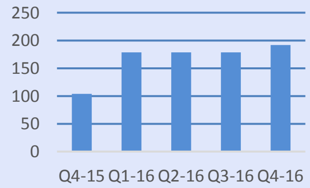
Electricity production during the year amounted to 287 GWh (332) due to weaker than normal winds, compared with stronger than normal winds in the year-earlier period. Average income was SEK 535 per MWh (501), of which SEK 370 per MWh (322) pertained to electricity and SEK 165 per MWh (179) to electricity certificates.

Net sales decreased MSEK 22 due to lower production, but rose MSEK 10 due to the higher average price, compared with the year-earlier period. Overall, the segment's net sales and EBITDA decreased MSEK 13 and MSEK 6, respectively. Despite lower production, specific operating expense declined to SEK 125 per MWh (128). This was mainly attributable to a provision for retroactive property tax in the year-earlier period. EBIT increased to MSEK 53 (21), including impairment losses of MSEK 0 (-39). Net financial items improved slightly and profit/loss before tax therefore increased MSEK 34 to MSEK 6 (-28).

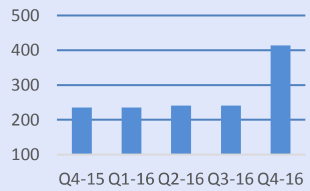
Development and management income, MSEK



Divested projects, accumulated, MW



External management assignments, accumulated, MW



Development and management

MSEK	Q4 2016	Q4 2015	FY 2016	FY 2015
Income	237	90	450	294
Cost of sold projects and contracts	-203	-50	-367	-174
Other operating expenses and capitalised work	-14	-23	-44	-65
Operating profit before depreciation (EBITDA)	21	17	38	55
Operating profit/loss (EBIT)	14	16	30	18
Profit/loss before tax	10	12	10	-4

Comments on the fourth quarter

Construction of the Mombyåsen and Ryssbol projects was completed during the quarter. Ryssbol was settled during the quarter, and the settlement of Mombyåsen is expected to take place in Q1 2017. Both projects were completed on time and on, or under, budget. The construction of Solberg is continuing to run ahead of plan.

During the quarter, Bohult was divested to a fund managed by Allianz Global Investors, which generated approximately MSEK 90 in cash flow and a slight positive earnings effect. Regarding the potential sale of Kölvallen, efforts to obtain the required permits continue. During the quarter, a four-year asset management agreement was signed with Tellenes Vindpark, 160 MW, in Norway. The farm is owned by funds managed by BlackRock.

Development and management income increased to MSEK 237 (90) and the cost of sold projects and contracts rose MSEK 153 to MSEK 203 (50). This was mainly attributable to divestment of the operational Bohult wind farm during the quarter. Other operating expenses declined compared with the preceding year, when this item was charged with restructuring costs. Capitalised work was lower year-on-year. EBITDA therefore increased MSEK 4 to MSEK 21 (17). Depreciation, amortisation and impairment amounted to MSEK -7 (0) and net financial items improved slightly. EBIT and profit before tax therefore declined to MSEK 14 (16) and MSEK 10 (12), respectively.

Comments on the full-year

In addition to activities during the fourth quarter, the Brotorp project was settled during the year. The Solberg project was also divested. Income in the segment therefore rose to MSEK 450 (294), while the cost of sold projects and contracts increased MSEK 193 to MSEK 367 (174). Other operating expenses and capitalised work declined MSEK 20, including a provision of MSEK 0 (-6) and restructuring costs in 2015. EBITDA therefore declined MSEK 17 to MSEK 38 (55). Depreciation, amortisation and impairment amounted to MSEK -8 (-37) and net financial items improved slightly. EBIT and profit before tax therefore increased MSEK 12 and MSEK 14, respectively, to MSEK 30 (18) and MSEK 10 (-4), respectively.

Project portfolio

At the end of the period, the company has an extensive project portfolio of nearly 1,000 MW in Sweden. Fully developed, this would equate to an investment level of more than SEK 10 billion. The pre-planning of a 150 MW project is also underway in Scotland.

Other significant events

There are no other significant events to report.

Related-party transactions

No transactions with related parties took place during the period.

Contingent liabilities

There were no changes to the Group's contingent liabilities. These contingent liabilities are described in more detail on page 81 under Note 21 in the 2015 Annual Report.

Significant events after the end of the period

In order to proactively develop Arise's position in the market and to strengthen its financial flexibility, the Board of Arise has decided, after authorisation by the Annual General Meeting on 3 May 2016, that the company will raise a convertible loan with a maximum nominal amount of approximately MSEK 245 through a new issue of convertibles with preferential rights for the company's existing shareholders.

Arise has completed the previously announced acquisition of Kraftö's project portfolio of up to 370 MW.

An option agreement to acquire the project Svartnäs, approx. 100 MW, was entered into.

Outlook

Due to the low prices for electricity and electricity certificates, maintaining the profitability of the company's own and co-owned wind farms is challenging. Based on fundamental factors, we are cautiously optimistic about the future price trend for electricity. However, the situation surrounding the certificate system is highly uncertain at present, and this is reflected in the historically low market prices. We are following these developments carefully and will take action in the market when we believe we can create value. In regard to the ownership of our wind-power assets, we maintain an opportunistic approach and are continually evaluating different courses of action. We see good opportunities for strengthening our market position in wind farm development and management, primarily in the Swedish market.

Risks and uncertainties

Risks and uncertainties affecting the Group are described on pages 46-47 of the 2015 Annual Report, and financial risk management is presented on pages 71-77. No significant changes have taken place that affect the reported risks.

Ownership structure

A presentation of the company's ownership structure is available on the company's website (www.arise.se)

Parent Company

The Parent Company's operations comprise developing projects (project planning to identify suitable wind locations, signing leasehold agreements, producing impact assessments, preparing detailed development plans and permits), divesting projects to external investors, building new projects, managing projects both internally and externally (technically and financially) and managing the Group's electricity and electricity-certificate trading activities.

The Parent Company manages the Group's production plans and electricity hedges in accordance with the adopted financial policy.

The electricity-generating subsidiaries sell their production to Arise at spot prices, which Arise then sells to the spot market. These intra-Group trading activities are recognised on a gross basis in the income statement.

During the year, the Parent Company's total income amounted to MSEK 409 (369), and the purchase of electricity and certificates, lease of wind power facilities, personnel and other external expenses, capitalised work on own account and depreciation of fixed assets totalled MSEK -434 (-447), resulting in an operating loss (EBIT) of MSEK -25 (-78). A net financial expense of MSEK -96 (-364) and Group contributions of MSEK 119 (138) led to net profit/loss after tax of MSEK -12 (-304). The Parent Company's net investments amounted to MSEK 7 (-6).

Accounting policies

Arise applies the International Financial Reporting Standards (IFRS), as adopted by the EU, and the interpretations of these (IFRIC). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 of the Swedish Financial Reporting Board. The accounting policies are consistent with those applied in the 2015 Annual Report.

Review by the auditor

This report is unaudited.

Dividends

The Board of Directors proposes that no dividends be paid.

Annual General Meeting (AGM)

The AGM will be held in Halmstad on 4 May 2017. The Annual Report will be available on the company's website in early April.

Financial calendar

- First quarter (1 January-31 March) 4 May 2017
- Second quarter (1 April to 30 June) 19 July 2017
- Third quarter (1 July-30 September) 10 November 2017
- Fourth quarter (1 October-31 December) 16 February 2018

Halmstad, 17 February 2017

Daniel Johansson, CEO

For further information, please contact

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Linus Hägg, CFO Tel. +46 (0)702 448 916

CONSOLIDATED INCOME STATEMENT

(Amounts rounded to the nearest MSEK)		2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Net sales	Note 1	290	151	594	487
Other operating income	Note 2	0	2	1	21
Total income		**290**	**153**	**594**	**508**
Capitalised work on own account		2	4	8	10
Personnel costs		-10	-21	-36	-51
Other external expenses	Note 3	-222	-69	-428	-250
Share of profit/loss in associates	Note 4	-	-19	-	-25
Operating profit before depreciation (EBITDA)		**61**	**48**	**138**	**193**
Depreciation and impairment of property, plant and equipment	Note 6,9	-27	-22	-105	-250
Operating profit/loss (EBIT)		**33**	**26**	**33**	**-58**
Financial income		2	1	1	1
Financial expenses		-23	-31	-86	-107
Profit/loss before tax		**12**	**-4**	**-52**	**-164**
Income tax		-2	0	11	8
Net profit/loss for the period		**10**	**-4**	**-41**	**-156**
Earnings per share before dilution, SEK		0.30	-0.11	-1.23	-4.67
Earnings per share after dilution, SEK		0.30	-0.11	-1.23	-4.67

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts rounded to the nearest MSEK)	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Net profit/loss for the period	**10**	**-4**	**-41**	**-156**
Other comprehensive income				
Items that may be reclassified to the income statement				
Translation differences for period	0	1	-1	1
Cash flow hedges	19	9	-18	36
Net investment in foreign currency	-6	-2	3	-5
Share of other comprehensive income in associates	-17	17	-17	57
Income tax attributable to components of other comprehensive income	-3	-6	3	-21
Other comprehensive income for the period, net after tax	**-6**	**20**	**-30**	**69**
Total comprehensive income for the period	**4**	**16**	**-71**	**-87**

Comprehensive income is attributable in its entirety to the Parent Company's shareholders.

CONSOLIDATED BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2016 31 Dec	2015 31 Dec
Property, plant and equipment	1,565	1,836
Non-current financial assets	517	509
Inventories	19	62
Other current assets	72	157
Cash and cash equivalents	287	203
TOTAL ASSETS	**2,460**	**2,767**
Equity	1,020	1,090
Non-current liabilities	962	1,437
Current liabilities	477	240
TOTAL EQUITY AND LIABILITIES	**2,460**	**2,767**

CONSOLIDATED CASH FLOW STATEMENT

(Amounts rounded to the nearest MSEK)		2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Cash flow from operating activities before changes in working capital		**63**	**70**	**139**	**218**
Cash flow from changes in working capital		-26	-42	43	-48
Cash flow from operating activities		**38**	**28**	**182**	**170**
Investments in property, plant and equipment		-9	-11	-43	-28
Sales of property, plant and equipment		167	0	202	145
Cash flow from investing activities		**157**	**-11**	**160**	**116**
Change in interest-bearing liabilities		-91	1	-195	-156
Interest paid		-18	-21	-73	-92
Interest received		0	1	1	7
Net payment to blocked accounts		10	-3	9	1
New issue / warrants		-	-	1	-
Cash flow from financing activities		**-99**	**-22**	**-258**	**-241**
Cash flow for the period		**96**	**-5**	**84**	**46**
Cash and cash equivalents at the beginning of the period		191	208	203	157
Cash and cash equivalents at the end of the period		**287**	**203**	**287**	**203**
Interest-bearing liabilities at the end of the period		1,291	1,474	1,291	1,474
Blocked cash at the end of the period		-12	-22	-12	-22
Net interest-bearing debt	Note 12	**992**	**1,248**	**992**	**1,248**

GROUP EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2016 31 Dec	2015 31 Dec
Opening balance	1,090	1,178
Total comprehensive income for the period	-71	-87
New issue / warrants	1	-
Closing balance	**1,020**	**1,090**

KEY PERFORMANCE INDICATORS FOR THE GROUP

	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Operational key performance indicators				
Installed capacity at the end of the period, MW	240.7	253.5	240.7	253.5
Own electricity production during the period, GWh	128.2	124.5	352.8	442.1
Co-owned electricity production during the period, GWh	110.0	103.1	287.3	331.6
Total electricity production during the period, GWh	238.2	227.6	640.1	773.8
Number of employees at the end of the period	29	31	29	31
Financial key performance indicators				
EBITDA margin, %	20.9%	31.7%	23.2%	37.9%
Operating margin, %	11.5%	17.2%	5.5%	neg
Return on capital employed (EBIT), %	1.6%	neg	1.5%	neg
Return on adjusted capital employed (EBITDA), %	6.6%	8.3%	6.3%	7.7%
Return on equity, %	neg	neg	neg	neg
Capital employed, MSEK	2,013	2,338	2,013	2,338
Average capital employed, MSEK	2,096	2,333	2,203	2,502
Equity, MSEK	1,020	1,090	1,020	1,090
Average equity, MSEK	1,018	1,082	1,048	1,150
Net interest-bearing debt	992	1,248	992	1,248
Equity/assets ratio, %	41.5%	39.4%	41.5%	39.4%
Interest coverage ratio, times	1.5	0.9	0.4	neg
Debt/equity ratio, times	1.0	1.1	1.0	1.1
Equity per share, SEK	31	33	31	33
Equity per share after dilution, SEK	30	33	30	33
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	33,933,876	33,379,876	33,793,876	33,379,876

Note 1 - Net sales	**2016**	**2015**	**2016**	**2015**
(Amounts rounded to the nearest MSEK)	**Q 4**	**Q 4**	**Full year**	**Full year**
Electricity income	40	42	105	150
Certificate income	16	22	48	73
Development income and management fees	235	86	441	264
	290	**151**	**594**	**487**

Note 2 - Other operating income	**2016**	**2015**	**2016**	**2015**
(Amounts rounded to the nearest MSEK)	**Q 4**	**Q 4**	**Full year**	**Full year**
Income from crane rental	-	-	-	7
Profits from sales of non-current assets	-	2	-	11
Other items	0	0	1	4
	0	**2**	**1**	**21**

Note 3 - Other external expenses	**2016**	**2015**	**2016**	**2015**
(Amounts rounded to the nearest MSEK)	**Q 4**	**Q 4**	**Full year**	**Full year**
Cost of sold projects and construction work	203	50	367	174
Other items	19	19	61	76
	222	**69**	**428**	**250**

Note 4 – Share of profits from associates	**2016**	**2015**	**2016**	**2015**
(Amounts rounded to the nearest MSEK)	**Q 4**	**Q 4**	**Full year**	**Full year**
Share of profits in associates (net after tax, 22%)	11	-25	-17	-50
IAS 28 adjustment	-18	-	9	-
Financial income from associates (gross before tax)	7	6	27	26
Less uncapitalised share	0	-	-20	-
	-	**-19**	**-**	**-25**

Financial income from associates is attributable to granted shareholder loans.

GROUP SEGMENT REPORTING

Quarter 4	**Own wind power operations**		**Co-owned wind power operations**		**Development and management**		**Eliminations**		**Group**	
(Amounts rounded to the nearest MSEK)	**Q4-16**	**Q4-15**	**Q4-16**	**Q4-15**	**Q4-16**	**Q4-15**	**Q4-16**	**Q4-15**	**Q4-16**	**Q4-15**
Net sales, external	55	65	60	50	235	86	-60	-50	290	151
Net sales, internal	-	-	-	-	2	2	-2	-2	-	-
Other operating income Note 5	0	0	-	-	0	2	-	-	0	2
Total income	55	65	60	50	237	90	-62	-52	290	153
Capitalised work on own account	-	-	-	-	2	4	-	-	2	4
Operating expenses	-13	-12	-11	-8	-218	-78	11	8	-231	-90
Share of profits from interests in associates	-	-	-	-	-	-	-	-19	-	-19
Operating profit before depr. (EBITDA)	**42**	**53**	**49**	**42**	**21**	**17**	**-51**	**-63**	**61**	**48**
Depreciation and impairment Note 6	-20	-22	-17	-16	-7	0	17	16	-27	-22
Operating profit/loss (EBIT)	**22**	**31**	**32**	**26**	**14**	**16**	**-35**	**-47**	**33**	**26**
Net financial income/expense Note 7	-18	-26	-11	-12	-4	-4	11	12	-22	-30
Profit/loss before tax (EBT)	**4**	**5**	**21**	**13**	**10**	**12**	**-23**	**-34**	**12**	**-4**
Assets	1,841	2,055	1,469	1,518	173	267	-1,023	-1,073	2,460	2,767

Note 5 - **Other operating income**										
Income from crane rental	-	-	-	-	-	-	-	-	-	-
Profit from sale of non-current assets	-	-	-	-	-	2	-	-	-	2
Other items	0	0	-	-	0	0	-	-	0	1
	0	0	-	-	0	2	-	-	0	2

Note 6 - **Depreciation and impairment of property, plant and equipment**										
Depreciation/amortisation	-20	-22	-17	-16	0	0	17	16	-21	-22
Impairment and reversal of impairment	-	-	-	-	-7	-	-	-	-7	-
Depreciation and impairment	-20	-22	-17	-16	-7	0	17	16	-27	-22

Note 7 - **Net financial income/expense**										
Total net financial income	-18	-26	-18	-18	-4	-4	18	18	-22	-30
Less interest expenses on shareholder loans	0	1	7	6	0	-1	-7	-6	-	-
Net financial income/expense excl. shareholder loans	-18	-26	-11	-12	-4	-4	11	12	-22	-30

The Own and Co-owned wind power operations segments are recognised excluding internal interest expenses on shareholder loans. The corresponding item has been eliminated from the Development and management segment.

12 months	**Own wind power operations**		**Co-owned wind power operations**		**Development and management**		**Eliminations**		**Group**	
(Amounts rounded to the nearest MSEK)	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Net sales, external	153	223	154	166	441	264	-154	-166	594	487
Net sales, internal	-	-	-	-	9	10	-9	-10	-	-
Other operating income Note 8	0	1	-	-	0	20	-	-	1	21
Total income	153	225	154	166	450	294	-162	-176	594	508
Capitalised work on own account	-	-	-	-	8	10	-	-	8	10
Operating expenses	-44	-52	-36	-42	-420	-249	36	42	-464	-301
Share of profits from interests in associates	-	-	-	-	-	-	-	-25	-	-25
Operating profit before depr. (EBITDA)	**109**	**173**	**118**	**124**	**38**	**55**	**-127**	**-159**	**138**	**193**
Depreciation and impairment Note 9	-97	-214	-65	-103	-8	-37	65	103	-105	-250
Operating profit/loss (EBIT)	**11**	**-41**	**53**	**21**	**30**	**18**	**-61**	**-55**	**33**	**-58**
Net financial income/expense Note 10	-65	-85	-47	-48	-20	-22	47	48	-85	-106
Profit/loss before tax (EBT)	**-54**	**-126**	**6**	**-28**	**10**	**-4**	**-14**	**-7**	**-52**	**-164**

Note 8 - **Other operating income**										
Income from crane rental	-	-	-	-	-	7	-	-	-	7
Profit from sale of non-current assets	-	-	-	-	-	11	-	-	-	11
Other items	0	1	-	-	0	2	-	-	1	3
	0	1	-	-	0	20	-	-	1	21

Note 9 - **Depreciation and impairment of property, plant and equipment**										
Depreciation/amortisation	-86	-94	-65	-64	-1	-6	65	64	-87	-99
Impairment and reversal of impairment	-12	-120	-	-39	-7	-31	-	39	-18	-152
Depreciation and impairment	-97	-214	-65	-103	-8	-37	65	103	-105	-250

Note 10 - **Net financial income/expense**										
Total net financial income	-67	-87	-74	-74	-18	-19	74	74	-85	-106
Less interest expenses on shareholder loans	2	3	27	26	-2	-3	-27	-26	-	-
Net financial income/expense excl. shareholder loans	-65	-85	-47	-48	-20	-22	47	48	-85	-106

Note 11 - Fair value of financial instruments

Fair value hierarchy

All financial instruments that are measured at fair value belong to Level 2 of the fair value hierarchy. Derivatives comprise electricity futures, currency futures and interest-rate swaps. Measuring the fair value of currency futures is based on published forward rates in an active market. The measurement of interest-rate swaps is based on forward interest rates derived from observable yield curves. The discounting does not have any material impact on the valuation of derivatives in Level 2. The recognition of financial instruments is described on pages 71-77 of the 2015 Annual Report. The table below presents the Group's financial assets and liabilities measured at fair value at the balance-sheet date.

(Amounts rounded to the nearest MSEK)	**2016 31 Dec**	**2015 31 Dec**
Assets		
Derivatives held for hedging purposes		
- Interests in associates	-2	-2
- Derivative assets	1	16
Liabilities		
Derivatives held for hedging purposes		
- Derivative liabilities	-75	-59

Not 12 – Net interest-bearing debt

(Amounts rounded to the nearest MSEK)	**2016 31 Dec**	**2015 31 Dec**
Non-current liabilities	962	1,437
- of which interest-bearing non-current liabilities	943	1,415
Current liabilities	477	240
- of which interest-bearing current liabilities	348	58
Long and short term interest bearing debt	1,291	1,474
Cash and cash equivalents at the end of the period	-287	-203
Blocked cash at the end of the period	-12	-22
Net interest-bearing debt	**992**	**1,248**

PARENT COMPANY INCOME STATEMENT

(Amounts rounded to the nearest MSEK)	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Sales of electricity and electricity certificates	52	19	154	154
Leasing of wind farms	-	36	39	135
Development income and management fees	51	67	215	79
Other operating income	0	0	0	1
Total income	**103**	**122**	**409**	**369**
Capitalised work on own account	0	4	-2	13
Purchases of electricity and electricity certificates	-54	-21	-160	-158
Rental of wind power facilities	-	-36	-39	-135
Cost of sold projects and construction work	-37	-50	-169	-60
Personnel costs	-9	-19	-33	-45
Other external expenses	-6	-10	-22	-28
Operating profit/loss before depreciation (EBITDA)	**-2**	**-10**	**-16**	**-43**
Depreciation and impairment of property, plant and equipment	-7	-1	-10	-35
Operating profit/loss (EBIT)	**-9**	**-11**	**-25**	**-78**
Financial income	34	7	36	29
Financial expenses[1]	-79	-245	-132	-393
Profit/loss after financial items	**-55**	**-249**	**-121**	**-442**
Group contribution	-28	22	119	138
Profit/loss before tax	**-83**	**-227**	**-2**	**-304**
Income tax	12	3	-10	0
Net profit/loss for the period	**-71**	**-225**	**-12**	**-304**

[1] Includes MSEK 89 in impairment of interest in associates in the third quarter 2015 and impairment of interests in subsidiaries of MSEK 208 in the fourth quarter 2015. In 2016 the impairment of interests in subsidiaries amounted to MSEK 29, and shareholder loans of MEUR 2.5, corresponding to MSEK 24 to associated companies were converted to equity in associated companies, which has been adjusted to consolidated value.

PARENT COMPANY BALANCE SHEET

(Condensed, amounts rounded to the nearest MSEK)	2016 31 Dec	2015 31 Dec
Property, plant and equipment	32	55
Non-current financial assets	2,216	2,271
Inventories	7	46
Other current assets	85	99
Cash and cash equivalents	187	154
TOTAL ASSETS	**2,527**	**2,626**
Restricted equity	3	3
Non-restricted equity	973	985
Non-current liabilities	943	1,318
Current liabilities	608	320
TOTAL EQUITY AND LIABILITIES	**2,527**	**2,626**

PARENT COMPANY EQUITY

(Condensed, amounts rounded to the nearest MSEK)	2016 31 Dec	2015 31 Dec
Opening balance	987	1,292
Total comprehensive income for the period	-12	-304
New issue / warrants	1	-
Closing balance	**976**	**987**

DEFINITIONS OF KEY RATIOS

EBITDA margin
EBITDA as a percentage of total income

Operating margin
EBIT as a percentage of total income

Return on capital employed
Rolling 12-month EBIT as a percentage of quarterly average capital employed for the period

Return on adjusted capital employed
Rolling 12-month EBITDA as a percentage of quarterly average capital employed for the period

Return on equity
Rolling 12-month net profit as a percentage of quarterly average equity for the period

Equity per share
Equity divided by the average number of shares

Equity per share after dilution
Equity divided by the average number of shares after dilution

Net financial items
Financial income less financial expenses

Average equity
Quarterly average equity for the period

Average capital employed
Quarterly average capital employed for the period

Operating cash flow
Cash flow from operating activities after changes in working capital

Net interest-bearing debt
Interest-bearing liabilities less cash and blocked cash and cash equivalents

Interest coverage ratio
Operating profit (EBIT) plus financial income in relation to financial expenses

Debt/equity ratio
Net interest-bearing debt as a percentage of equity

Specific operating expenses, SEK per MWh
Operating expenses for electricity production divided by electricity production during the period

Equity/assets ratio
Equity as a percentage of total assets

Capital employed
Equity plus net interest-bearing debt

GENERAL INFORMATION ABOUT KEY FIGURES

In its reporting, Arise applies key ratios based on the company's accounting. The reason that these key ratios are applied in the reporting is that Arise believes that it makes it easier for external stakeholders to analyse the company's performance.