

## The first turbines in the Dingle-Skogen Vind windfarm are in full production

### Year-end report 2012, Rabbalshede Kraft AB (publ)

#### Significant events during the fourth quarter, October 1, 2012 – December 31, 2012

- Production for the fourth quarter amounted to 48,667 MWh (51,505 MWh).
- The average electricity price per presold MWh was SEK 354/MWh (339).
- The average price for electricity certificates and GoO (Guarantee of Origin) was SEK 186/MWh (214).
- The Vindpark Årjäng SV wind farm comprising 13 wind turbines in Årjäng's municipality was granted an environmental permit.
- The Hud and Töftedalsfjället wind farms were refinanced during the fourth quarter.
- The first two wind turbines in the Dingle-Skogen Vind wind farm are in full production

There were no significant events after the close of the period.

Key figures	Q4* 2012	Q4 2011	Q1- 4 2012	Q1-4** 2011
Net sales	26,258	28,446	85,269	91,207
EBITDA	13,185	21,681	43,215	71,617
Operating profit (EBIT)	-3,473	10,030	-7,619	33,318
Earnings/loss per share, SEK	-0.28	0.02	-1.13	0.17
Electricity production, MWh	48,667	51,505	159,785	149,203
Average sales price of electricity, SEK/MWh	354	339	364	411

\*During the fourth quarter of 2012, the value of certain wind-power projects was written down by SEK 5.3 M.

\*\* Includes the sale of wind-power projects totaling SEK 12.6 M (other revenues). It also includes SEK 9.4 M in revenues from the trial commissioning of the Töftedalsfjället wind farm (net sales). No amortization/depreciation was made since the farm was not in commercial operation.

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#### This is Rabbalshede Kraft

*Rabbalshede Kraft AB (publ) is a fast-growing player in wind power. Since being formed in 2005, Rabbalshede Kraft has been involved in the commissioning of 48 wind turbines, of which 26 wind turbines in four wind farms are proprietarily managed. An extensive project portfolio comprises the basis for growth. The Company has another 14 turbines under construction and about 350 wind turbines in the procurement, application or planning phase. Rabbalshede Kraft's overriding objective is to create value growth for the Company's shareholders - proprietary, in partnership with other companies and through divestment - by contributing to the commissioning of 250 turbines by 2015. To guarantee the long-term capital necessitated by the planned build-out, the Company is preparing an application for listing on the NASDAQ OMX Stockholm. Follow the Company's progress at [www.rabbalshedeckraft.se](http://www.rabbalshedeckraft.se)*

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## Rabbalshede Kraft's financial calendar

Annual General Meeting for the 2012 fiscal year	April 25, 2013
Interim report January-March 2013	April 25, 2013
Interim report January-June 2013	August 15, 2013
Interim report January-September 2013	October 24, 2013
Year-end report for 2013	February 27, 2014

Press releases and financial reports can be subscribed to and downloaded on Rabbalshede Kraft's website [www.rabbalshedeckraft.se](http://www.rabbalshedeckraft.se).

## Annual General Meeting

The Annual General Meeting for the 2012 fiscal year will be held at 4:00 p.m. on April 25, 2013, in Gothenburg, Sweden. The official notification of the Annual General Meeting will be published in *Post- och Inrikes Tidningar* and on Rabbalshede Kraft's website not later than March 28, 2013. An announcement that notification has been published will be made in *Dagens Industri* and *Göteborgs-Posten*.

The 2012 Annual Report will be published during the week commencing April 1, 2013, on Rabbalshede Kraft's website. The Annual Report will be available at the Company's office in Rabbalshede as of April 4, 2013, and be distributed by traditional mail to shareholders on request.

## Nomination Committee

Shareholders who would like to submit proposals to the Nomination Committee ahead of Rabbalshede Kraft's Annual General Meeting on April 25, 2013, may do so by e-mail to [valberedningen@rabbalshedeckraft.se](mailto:valberedningen@rabbalshedeckraft.se) or by traditional mail to Nomination Committee, Rabbalshede Kraft, Marknadsvägen 1, SE-457 55 Rabbalshede, Sweden, not later than March 1, 2013.

## Proposal for dividend

The Board has decided to propose to the Annual General Meeting that no dividend be paid.

## **The fiscal year, January-December 2012**

Production from the Group's wind farms from January-December amounted to 159,785 (149,203) MWh.

Net sales totaled KSEK 85,269 (91,207).

The average electricity price per presold MWh from January to December 2012 was SEK 364/MWh (411). Revenues from the sale of electricity certificates averaged SEK 167/certificate (199) from January to December 2012

Operating profit before depreciation/amortization (EBITDA) amounted to KSEK 43,215 (71,617) and the Company posted an operating loss (EBIT) of KSEK 7,619 (profit: 33,318).

Depreciation/amortization totaled KSEK 50,834 (38,299). The Company posted a loss of KSEK 30,200 (profit: 3,895).

During the fourth quarter, The Hud and Töftedalsfjället wind farms were refinanced.

In June 2012, Rabbalshede Kraft completed a new share issue with preferential rights for existing shareholders, which raised SEK 83.6 M for the Company before issuance costs. The issuance proceeds were received by the Company on July 5, 2012. The shares that were subscribed for during the issuance have been registered by the Swedish Companies Registration Office.

In January 2012, Rabbalshede Kraft signed a bank-financing agreement with DNB, which secures the Company's build-out plans for the Dingle-Skogen Vind wind farm in the Municipality of Munkedal, as well as the refinancing of the existing Brattön and Kil wind farms.

In January 2012, an agreement was signed with Enercon concerning the delivery of 14 2.3-MW turbines to the Dingle-Skogen Vind wind farm in the Municipality of Munkedal. In May 2012, Rabbalshede Kraft signed an agreement with the Gothenburg Diocese concerning the sale of two of these wind turbines and received an advance payment of SEK 30 M, which generated a positive impact on cash flow. The first two wind turbines were commissioned in December 2012. The entire wind farm is expected to be ready for production during the second half of 2013, at which time it will annually generate 86,500 MWh, of which Rabbalshede Kraft's share of the farm will account for 74,000 MWh per year.

During the year, the County Administrative Board in the County of Värmland granted an environmental permit for the Årjäng NV wind farm, which comprises nine turbines, and the Årjäng SV wind farm, which comprises 13 turbines, in the Municipality of Årjäng. The permits have gained legal force. Both permits allow wind turbines with a total height of 180 meters to be established.

In August 2012, the Municipality of Härdjedalen approved the Lillhärdal Åndberg Project comprising 101 wind turbines. The municipality's approval was a prerequisite for receiving a permit from the County Administrative Board under the Swedish Environmental Code.

A permit application has been submitted to the County Administrative Board for the Ljungskile Hoven Project, encompassing four turbines, and the Stenshult Project, comprising six turbines, in the Municipality of Uddevalla.

The Annual General Meeting for the 2011 fiscal year was held on May 3, 2012 in Gothenburg.

CFO Fredrik Samuelsson assumed his position in July 2012 at which time he also became a member of the Company's executive management. As of May 2012, Stefan Söderling, Financial and Business Controller, has been a member of the Company's executive management.

**There were no significant events after the close of the period**

## President's statement

2012 was another eventful year in the Swedish wind-power market. Strong growth in the number of wind turbines resulted in production rising by 17 percent to 7.1 TWh, despite winds from the past year being more reminiscent of a normal year than the windy 2011. This contributed to the Swedish power industry producing 161 TWh, which was also a record.

For Rabbalshede Kraft, the past year's production of 159,785 MWh was only marginally higher than in 2011. The rate at which wind farms are built out varies from year to year and thus also the production increase. This is caused by long lead-times, particularly in the permit processes, which can delay certain projects by several years.

The very high level of electricity production in Sweden in 2012 resulted in low electricity prices during the year, of which all of the players in the power industry felt the impact. Rabbalshede Kraft posted an operating loss (EBIT) KSEK 7,616 (33,318). However, the results for 2011 included nonrecurring items for the sale of wind farms and wind turbines. While sales and partnerships are an element of the Company's strategy, no such transactions were made in 2012. During the past year and in 2013, we have and will continue to prioritize efforts to secure permits that have gained legal force for the Company's 14 farms that are currently in the application phase, which is highly time consuming. We are also focusing on further enhancing the operational efficiency of the existing wind turbines; an effort that I will describe in detail below.

For electricity prices to increase, some of the underlying factors, such as the price of coal and emissions rights, must rise. These two factors are largely governed by the global economy, which drives the demand for coal. The mild winter in 2012 caused the hydrological balance to be far above normal, upwards of +10 TWh. As colder and more high-pressure-based weather came to dominate the end of 2012, the hydrological balance declined sharply to -13 TWh, which increases the possibility of prices rising in the near future. In terms of electricity certificates, prices rose during the autumn and continued to increase in early 2013. Older production facilities that were entitled to certificates were phased out after 2012, and the new quotas for 2013 create the possibility of higher prices for electricity certificates in 2013.

Several external factors are facilitating continued investments in new wind farms. The price of wind turbines declined sharply in the 2000s, and they are also becoming increasingly efficient, which generates higher production in relation to the installed output. This trend is expected to continue. The Swedish wind industry is currently also reaping the benefits of advantageous exchange rates since wind turbines are primarily purchased in EUR. Lower investment costs in future farms also result in profitability being achieved even in times of lower energy prices.

We continue to develop our existing farms to maximize production. In 2012, an effort was initiated to optimize each individual wind turbine in relation to the prevailing wind conditions in each location. This work will continue in 2013. The initial results are promising but it is too early to determine exactly how much production has improved. Another goal in the operation of existing farms is for the farms to maintain their very high energy based availability factor. In 2012, the availability factor was 98 percent, which means that the wind turbines were only motionless 2 percent of the time it was windy. This is the result of quality assured processes throughout the chain.

Overall, these actions generate a significant financial impact on margins and provide us with experience to apply in the continued development of the project portfolio.

In early 2012, investments began in the Company's fifth farm, Dingle-Skogen Vind. The first two wind turbines were put into trial commission in November and the farm will be in full production by the autumn of 2013. During the fourth quarter, the Hud and Töftedalsfjället wind farms were refinanced to strengthen the Group's cash flow over time. Årjäng NV and SV were granted environmental permits. Lillhärdal Åndberg, which will comprise up to 101 wind turbines, was approved by the Municipality of Härjedalen.

The production outcome for 2012 shows that thorough planning combined with ambitious operational goals pays dividends. Our wind farms produce electricity on par with expectations in relation to wind conditions. The fact that our production outcome corresponds to or surpasses our calculations is one of the basic prerequisites for the continued expansion of wind farms in the coming years.

Thomas Linnard, President, Rabbalshede, February 28, 2013

## Production

The estimated annual production for the Group's four wind farms is about 150,000 MWh.

The weather in 2012 was characterized by unstable, wet and low-pressure-based weather. The winds and monthly variations in wind energy corresponded well to the Company's estimated production for a normal year. A relatively mild winter resulted in first-quarter production outcome slightly exceeding expectations. During the summer months, wind energy decreased, as did production from the Company's wind farms, although the production outcome remained in line with expectations, except in August when wind strengths and wind energy in the air was lower than normal. In September, the low pressure system recaptured southern Sweden and resulted in healthy winds over the west coast. In September, the wind energy was upwards of 150 percent of a normal September. Average winds were also high in November, without transitioning into gale force winds. These two months contributed to a total wind-energy content and production outcome during the year that was slightly above normal.

Production outcome , MWh	Q4 2012	Q4 2011	Full-year 2012	Full-year 2011	Full-year 2010	Full-year 2009	Full-year 2008
Hud wind farm	11,535	11,505	37,361	38,124	32,790	34,802	20,314
Kil wind farm	6,104	6,085	19,943	20,127	15,281	7,558	-
Brattön wind farm	10,267	11,536	35,167	36,477	17,852	-	-
Töftedalsfjället wind farm	18,884	22,379	65,437	54,475*	-	-	-
Dingle-Skogen Vind wind farm	1,877	-	1,877	-	-	-	-
<b>Total</b>	<b>48,667</b>	<b>51,505</b>	<b>159,785</b>	<b>149,203</b>	<b>65,653</b>	<b>42,360</b>	<b>20,314</b>
Price-hedged electricity	53%	45%	61%	44%	70%	52%	62%

\* The Töftedalsfjället wind farm was successively commissioned during the first quarter of 2011 to subsequently transition into commercial operation during the second quarter of 2011. Accordingly, no comprehensive comparative figures are available for 2012.

## Seasonal variations and annual variations

Wind-power production varies during the year, normally entailing higher electricity production during the winter season. An average wind year, known as a normal year, is based on wind measurements over at least a ten-year period. Deviations from a normal year can be as high as +/- 20 percent, thus impacting revenues and earnings during a single quarter or year.

## Prices for electricity and electricity certificates

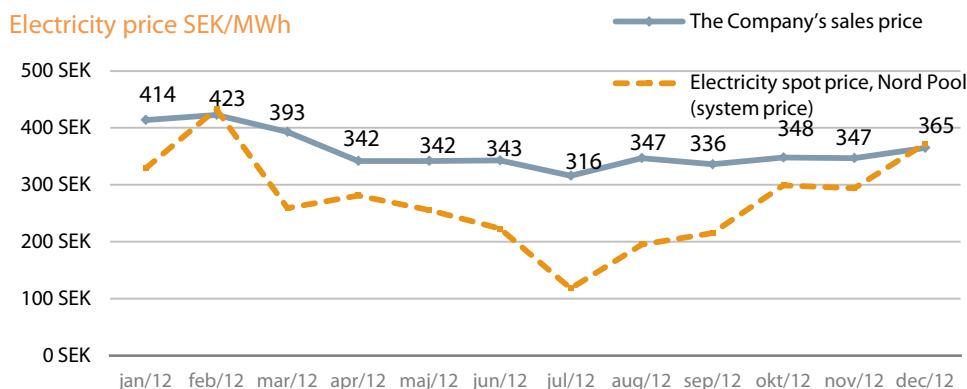
The average price per presold MWh during the fourth quarter was SEK 354/MWh (339). An average of 53 percent of production was hedged. Hedging takes place through contractual sales of electricity for delivery at a later date, which balances earnings over time. As of the second quarter of 2012, the Company price-hedges a predetermined percentage of the production volume, thus eliminating the volume and profile risk.

The Nordic system price was SEK 322/MWh during the fourth quarter of 2012, on the Nord Pool electricity exchange. The spot price in Sweden's four bidding areas was marginally higher during the period. During the full-year, the system price was SEK 272/MWh, compared with SEK 423/MWh in 2011 and SEK 506/MWh in 2010 – two years that were marked by colder winter weather, a low level of precipitation and less electricity production.

The price levels in 2012 were primarily due to continued substantial precipitation, which filled the Nordic hydroelectric power reservoirs well beyond the average level, at the same time as nuclear and wind-power-based electricity production also increased. Electricity futures contracts with both short and long terms declined until the summer from a peak in the spring of 2011. While the price trend stabilized in during the autumn, it continued to decline in early 2013 in anticipation of an EU decision on a system for CO<sub>2</sub> emission rights.

In the short term, the price of electricity in the Nordic region is primarily governed by access to hydroelectric power and winter temperatures, which influence electricity consumption. In the medium term, economic expectations are of greater importance, which affects futures with a longer duration. In

the long term, a number of other factors contribute, including the expected price of coal and of the EU's emission rights up to 2020, both of which are expected to rise in the current decade. Rabbalshede Kraft's Annual Report for 2011 explains what governs the price of electricity over various time horizons.

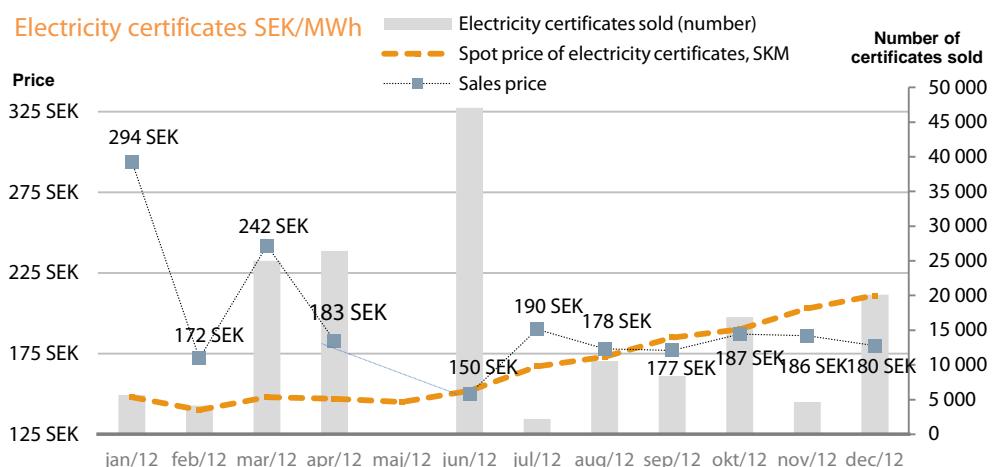


The electricity certificate system was introduced in Sweden in 2003 to promote the expansion of renewable energy. This is a market-based system in which the price of electricity certificates is governed by supply and demand. Producers of electricity from renewable energy receive one certificate for each MWh of renewable electricity delivered during the first 15 years that an approved plant is in commission. Buyers of these certificates are electricity suppliers (electricity vendors) and certain companies that conduct electricity trading, which are obligated to purchase electricity certificates corresponding to a proportion (quota) of their annual sales or consumption.

Since the system was introduced, the spot price has fluctuated between about SEK 150 and 400/MWh, with a clear downward trend from the autumn of 2009 to the summer of 2012. This was caused by a large allocation of electricity certificates in recent years, which led to a surplus of certificates and thus also downward pricing pressure. In the past six months, certificate prices have risen, with a sharp spike since year-end. The futures prices for the week commencing February 4, 2013, were SEK 240-256/MWh for various periods, according to Svensk Kraftmäklning.

As of January 1, 2012, Sweden and Norway have a joint electricity certificate system. At the end of the first joint year, Norwegian facilities only produced the annualized equivalent of 0.2 TWh that was approved for allocation, despite the target for the Norwegian build-out being slightly more than 2.2 TWh in 2012. The sluggish expansion in Norway requires Norwegian electricity traders subject to certificate requirements to purchase from the surplus of Swedish certificates, which contributed to a price increase during the autumn that continued after year-end. Unless the expansion of Norwegian renewable production gains traction, those subject to quota obligations in Norway may be required to continue purchasing Swedish electricity certificates. A control station to monitor the system is planned for 2015.

At December 31, 2012, the Company had an inventory of electricity certificates totaling 125 at a value of KSEK 2,001. This inventory was sold after the close of the period.



## Project portfolio

### Wind farms in operation

Since being formed in 2005, Rabbalshede Kraft has been involved in the commissioning of 48 wind turbines, of which 26 wind turbines in four wind farms are proprietarily managed. Another wind farm comprising 14 wind turbines is under construction, of which two turbines have been commissioned to date. The Company's primary source of revenue is the operation of proprietary wind farms, while an extensive project portfolio comprises the basis for growth. The Company will continue to prioritize efforts to secure permits that have gained legal force for the Company's 14 farms that are currently in the application phase. The Company endeavors to achieve the highest possible availability factor in its production and has thus prioritized the build-out of a proprietary operation and maintenance organization.

### Planning operation

Establishing a wind farm from the initial preliminary study to taking it into operation takes four to seven years. Thorough preparatory work is of decisive importance to the profitability of a wind-power project and to minimize the risks. In 2010, Rabbalshede Kraft secured ISO 9001 quality certification and ISO 14001 environmental certification. The Company has adopted industrial processes in all areas of operation, from the pre-planning of wind farms to the operation and maintenance of farms and wind turbines. The five project phases are described below.

#### Phase 1: Pre-planning

In this phase, basic prerequisites are analyzed, such as wind conditions based on wind maps, counterparty interests, ground conditions and the feasibility of grid connections and so forth. Leaseholds with land owners are also signed, which are subject to the condition that wind measurements and other analyses in the next phase remain positive.

#### Phase 2: Planning

In the planning phase, wind measurements begin and the consultation process is initiated with the authorities, organizations and individuals affected by the establishment. This is when an Environmental Impact Assessment (EIA) is prepared, which is submitted to the relevant authority together with the application. An EIA describes the direct and indirect impact of wind power on natural and cultural environments, recreational amenities and public health.

#### Phase 3: Application

Wind farms that are assessed under the Swedish Environmental Code are submitted to the County Administrative Board where the Environmental Protection Department formulates a decision-making proposal for the operation. The County Administrative Board subsequently reaches a decision. A project cannot secure a permit until the municipality has granted its approval. Wind farms that are assessed under the Swedish Planning and Building Act are submitted to the relevant municipality for assessment.

#### Phase 4: Authorization

All permits have been granted and gained legal force. The focus in this phase is on the procurement of turbines, other engineering, electrical and contracting work, as well as financing. Electricity connection agreements are also reached with various grid companies. The wind measurements are thoroughly analyzed, which provides the basis for investment and profitability calculations.

#### Phase 5: Construction

This phase begins with preparatory work on land and the construction of roads. Contractors are appointed for earthworks, while turbine suppliers are responsible for the assembly and commissioning of wind turbines. Electricity connections are made by the electricity companies that own the adjacent networks and paid for by Rabbalshede Kraft.



## Project portfolio at December 31, 2012

Phase	Project name	Municipality	No. of turbines	Output (MW)	Estimated production, MWh
<b>Operation</b>	Hud	Tanum	6	15	36,000
	Kil	Tanum	4	8	20,000
	Brattön	Munkedal	6	15	34,000
	Töftedalsfjället	Dals-Eds	10	23	61,400
<b>Construction</b>	Dingle-Skogen Vind <sup>1)</sup>	Munkedal	14	32	86,500
<b>Authorization</b>	Årjäng NV	Årjäng	9	28	-
	Årjäng SV	Årjäng	13	40	-
	Sögårdsfjället	Tanum	14	35	-
	Skaveröd/Gurseröd	Tanum	11	33	-
	Brattön II	Munkedal	4	10	-
<b>Authorization</b>	Lursäng	Tanum	5	10	-
<i>Have not gained legal force</i>	Femstenaberg	Strömstad	16	48	-
	Brattön Sälelund	Munkedal	10	30	-
<b>Application*</b>	Årjäng NO	Årjäng	26	78	-
	Kyrkeröd	Orust	2	6	-
	Forshälla <sup>2)</sup>	Uddevalla	13	39	-
	Korpekullen <sup>2)</sup>	Färgelanda	7	14	-
	Hällevadsholm Väster	Tanum	1	2.3	-
	Ulvås	Kungsbacka	7	17	-
	Lillhärdal Åndberg <sup>3)</sup>	Härjedalen	101	303	-
	Mänsemyr	Orust	4	12	-
	Lyrestad	Mariestad	8	24	-
	Vävra Berg	Kungälv	5	15	-
	Ljungskile Norra	Uddevalla	5	15	-
	Ljungskile Hoven	Uddevalla	4	12	-
	Stenshult <sup>2)</sup>	Uddevalla	6	18	-
	Ulvberget	Nordanstig	8	24	-
<b>Planning<sup>4)</sup></b>			66	198	
<b>Pre-planning</b>			41	123	
<b>Total</b>			<b>426</b>	<b>1,227</b>	

\* The projects that are under application are subject to evaluation by the municipality and/or county administrative board. Accordingly, there may be some uncertainty as to whether or not the Company will receive the permits for which it has applied.

1) In May 2012, Rabbalshede Kraft signed an agreement with the Gothenburg Diocese regarding the sale of two of the 14 wind turbines in the wind farm.

2) In October 2010, the Swedish Armed Forces reached a decision concerning new guidelines for the assessment of wind power in the vicinity of military air bases. Sections of the project in the Municipality of Uddevalla and of the Korpekullen Project in the Municipality of Färgelanda are located in what is known as a "stop area" for Såtenäs Airport. Earlier, the projects had received a positive referral from the Swedish Armed Forces. It is unclear whether or not the new guidelines will entail limitations on build-out options.

3) In August 2012, the Municipality of Härjedalen approved the project. The municipality's approval is a prerequisite for receiving a permit from the County Administrative Board under the Swedish Environmental Code.

4) The Municipality of Strömstad used its municipal veto for the Vetteberg Project, which was transferred to the planning phase for a new evaluation.

## Investments

Investments, including paid advances, amounted to KSEK 126,235 in the period from January to December 2012. The investments pertain, in all material respects, to the Dingle Skogen Vind wind farm and ongoing planning efforts.

## Financing

In 2011, a framework agreement was signed with DNB concerning the refinancing of two existing wind farms, Kil and Bratton, and the financing of a third farm, Dingle-Skogen Vind, which is under construction. During the first quarter of 2012, the Kil and Bratton wind farms were refinanced, whereby the loan amount was increased by KSEK 37,299. The loan amount for Dingle-Skogen Vind totals KSEK 375,157, of which KSEK 55,000 had been utilized by year-end 2012.

Bank loans totaled KSEK 576,258 (532,372) at December 31, 2012. The average interest rate on loans for the debt portfolio was 5.88 percent at December 31, 2012. The fixed-interest period at December 31, 2012, was 3.87 years and the capital maturity term was 4.85 years. The equity/assets ratio was 45 percent (48) at December 31, 2012. The Company's cash and cash equivalents amounted to KSEK 146,254 (91,902) at the close of the period. The Group's maturity structure pertaining to loans and interest rates is detailed in the table on the right. In 2012, Rabbalshede Kraft reported a breach of covenant, which is described under the Risks and uncertainties section.

Loan	Capital maturity		Interest-rate maturity		
	Year(s)	KSEK	Percentage	Year(s)	KSEK
1		37,251	6%	148,210	26%
2		27,474	5%	89,158	15%
3		25,107	4%	51,287	9%
4		28,844	5%	87,075	15%
5		254,741	44%	92,949	16%
6-10		202,841	36%	41,012	7%
11-15		0	0%	66,567	12%
<b>Total bank loans</b>		<b>576,258</b>	<b>100%</b>	<b>576,258</b>	<b>100%</b>
Bank fees		-13,289			
<b>Interest-bearing liabilities</b>		<b>562,969</b>			

## Hedging instruments

Rabbalshede Kraft applies hedge accounting of financial instruments in accordance with IAS 39. As a result, value changes in various derivatives acquired to hedge cash flows have to be recognized against shareholders' equity through comprehensive income.

Futures contracts were previously used to hedge the price of electricity and were recognized as hedging. As of the second quarter of 2012, there was a transition to a price-hedging system based on the use of fixed-price agreements, which entails that a portion of the forthcoming production volume will be sold at a predetermined price. Hedge accounting is not applied to fixed-price agreements under IAS 39.

At December 31, 2012, the market value of the Company's outstanding interest-rate and currency contracts represented a liability of KSEK 50,546 and a liability of KSEK 9,520, respectively.

## Quality, the environment and personnel

Rabbalshede Kraft has held ISO 9001 quality certification and ISO 14001 environmental certification since 2010. The Company has implemented industrial processes in all areas, from the pre-planning of wind farms to the operation and maintenance of wind farms and wind turbines.

At December 31, 2012, the Company had 24 employees (24). CFO Fredrik Samuelsson assumed his position in July 2012 at which time he also became a member of the Company's executive management. As of May 2012, Stefan Söderling, Financial and Business Controller, has been a member of the Company's executive management.

## Risks and uncertainties

Through its operations, Rabbalshede Kraft is exposed to risks. The Company is dependent on both the general economic and political climate in its surroundings. For a detailed description of risks, refer to the administration report in the Annual Report for the fiscal year 2011.

In 2008, Rabbalshede Kraft entered into an agreement with a supplier relating to the acquisition of a total of 29 wind turbines. Of these, the Company instructed the delivery of 14 wind turbines to the Dingle-Skogen Vind wind farm in February 2012. The advance payment in EUR that had previously been made for the 29 turbines, corresponding to KSEK 39,921 (rate 9.23), was used as an installment payment for 14 turbines. Two wind turbines have been commissioned and the remaining 12 turbines are expected to be commissioned in 2013. While the remaining agreements for 15 wind turbines stipulate specific delivery dates, the parties intend to sign supplementary agreements specifying new delivery dates for wind farms that are scheduled further down the line. If the Company cancels the remaining 15 wind turbines, this could cost the Company EUR 6.7 M, corresponding to SEK 57.7 M on the balance-sheet date.

The loan agreements for the Group's wind farms include conditions known as covenants, which are related to such aspects as cash flow and must exceed certain key figures. If these covenants are not met, there will be a breach of covenant. Low electricity and certificate prices are the primary reason for the breach of covenant in the accounting for Töftedal Vind AB (which owns the Töftedalsfjället wind farm), and for the Parent Company (which owns the Hud wind farm), which took place on June 30, 2012. Contractual interest-rate and amortization payments were made. Following a discussion with the bank, it was decided that the Company would make an additional amortization payment of SEK 23 M, which was made in October 2012. During 2012, an agreement was reached with a bank concerning the adjustment of future amortization levels and the amortization of an additional SEK 15 M. The agreement facilitates the Company's ability to fulfill the bank's covenants. Forecasts for covenants in 2013 have been established on the basis of the price level of electricity and electricity certificates in late December 2012. The forecasts indicate that the Company will fulfill its covenant requirements for 2013.

## Group key figures

	Q4 2012	Q4 2011	Full-year 2012	Full-year 2011
Installed output at the close of the period, MW	66	61	66	61
Electricity production during the period, MWh	48,667	51,505	159,785	149,203
Average price of electricity, electricity certificates and GoO, SEK	540	552	534	611
Number of employees at the close of the period	24	24	24	24
Net sales, KSEK	26,258	28,446	85,269	91,207
EBITDA, KSEK	13,185	21,681	43,215	71,617
EBITDA <sup>2</sup> , KSEK	13,185	21,681	43,215	58,973
EBITDA <sup>2</sup> margin, %	50.2	76.2	50.7	64.7
EBITDA <sup>2</sup> per produced MWh	271	421	270	395
EBIT, KSEK	-3,473	10,030	-7,619	33,318
EBIT <sup>2</sup> , KSEK	-3,473	10,030	-7,619	20,674
EBIT <sup>2</sup> margin, %	neg	35,3	neg	22,7
EBIT <sup>2</sup> per produced MWh	neg	195	neg	139
Return on capital employed, % (before taxes)			neg	3,6
Return on equity, %			neg	0,7
Earnings per share before dilution, SEK	-0.28	0.02	-1.13	0.17
Earnings per share after dilution, SEK	-0.28	0.02	-1.13	0.17
Average no. of shares before dilution, thousands	31,045	22,688	26,786	22,688
Average no. of shares after dilution, thousands	31,045	22,688	27,336	22,688
No. of shares at the end of the period, thousands	31,045	22,688	31,045	22,688
			Dec 31, 2012	Dec 31, 2011
Total assets			1,277,824	1,139,710
Equity/assets ratio, %			45	48
Net debt, KSEK			416,715	430,921
Debt/equity ratio, multiple			1.0	0.9
Interest-bearing liabilities			562,969	522,823
Capital employed, KSEK			1,136,027	1,073,771
Shareholders' equity, including non-controlling interests, KSEK			573,058	550,948
Shareholders' equity per share, KSEK			18.46	24.28

### Definitions

EBITDA:	Operating profit before depreciation, amortization and impairments
EBITDA <sup>2</sup> :	Operating profit before depreciation, amortization and impairments excl. the sale of projects
EBITDA <sup>2</sup> margin:	EBITDA as a percentage of net sales excl. the sale of projects
EBIT:	Operating profit before financial items and taxes
EBIT <sup>2</sup> :	Operating profit before financial items and taxes excl. the sale of projects
EBIT <sup>2</sup> margin:	EBIT as a percentage of net sales excl. the sale of projects
Earnings per share:	Earnings for the period divided by the number of shares
Total assets:	Total value of assets held by the Company
Capital employed:	Total assets less non-interest-bearing liabilities
Net debt:	Interest-bearing liabilities less cash and cash equivalents
Return on equity:	Earnings for the period/average shareholders' equity
Return on capital employed:	Profit before taxes plus financial expenses/average capital employed
Equity/assets ratio:	Shareholders' equity as a percentage of total assets.
Debt/equity ratio:	Interest-bearing liabilities/shareholders' equity
Equity per share:	Equity divided by the number of shares.

## Consolidated income statement

KSEK	Note	Q 4 2012	Q 4 2011	Q 1-4 2012	Q 1-4 2011
Net sales		26,258	28,446	85,269	91,207
Other operating revenues	2	953	2,043	3,955	26,490
<b>Total revenues</b>		<b>27,211</b>	<b>30,489</b>	<b>89,224</b>	<b>117,697</b>
Personnel costs	3	-3,805	-2,434	-14,113	-11,804
Other external costs	3	-10,221	-6,374	-31,896	-34,276
Depreciation/amortization of tangible and intangible fixed assets		-16,658	-11,651	-50,834	-38,299
<b>Operating profit/loss</b>		<b>-3,473</b>	<b>10,030</b>	<b>-7,619</b>	<b>33,318</b>
Financial income		884	2,463	1,798	2,570
Financial expenses	4	-9,099	-11,801	-35,234	-30,563
<b>Profit/loss before taxes</b>		<b>-11,688</b>	<b>692</b>	<b>-41,055</b>	<b>5,325</b>
Tax		3,132	-212	10,855	-1,430
<b>Profit/loss for the period</b>		<b>-8,556</b>	<b>480</b>	<b>-30,200</b>	<b>3,895</b>
<b>Earnings per share</b>					
Average no. of shares before dilution, thousands		31,045	22,688	26,786	22,688
Average no. of shares after dilution, thousands		31,045	22,688	27,336	22,688
Earnings per share before dilution, SEK		-0.28	0.02	-1.13	0.17
Earnings per share after dilution, SEK		-0.28	0.02	-1.13	0.17

## Consolidated statement of comprehensive income

KSEK	Q 4 2012	Q 4 2011	Q 1-4 2012	Q 1-4 2011
<b>Profit/loss for the period</b>	<b>-8,556</b>	<b>480</b>	<b>-30,200</b>	<b>3,895</b>
Other comprehensive income:				
Cash-flow hedges:				
Change in fair value	213	4,464	-41,356	-6,419
Reversals against profit or loss	1,685	-1,767	2,292	2,118
Transferred to cost of hedged item	1,190	-	1,190	20,359
Tax attributable to cash-flow hedges	-3,396	-709	7,377	-4,223
<b>Comprehensive income/loss for the period</b>	<b>-8,864</b>	<b>2,468</b>	<b>-60,697</b>	<b>15,730</b>

## Consolidated balance sheet

KSEK	Dec 31, 2012	Dec 31, 2011
<b>Assets</b>		
Intangible fixed assets	37,041	37,833
Tangible fixed assets	1,046,602	974,470
Deferred tax assets	9,950	-
Other long-term receivables	1,983	3,152
<b>Total fixed assets</b>	<b>1,095,576</b>	<b>1,015,455</b>
Intangible current assets	2,001	6,047
Accounts receivable	1,975	911
Prepaid costs and accrued income	14,750	17,851
Other receivables	17,268	7,544
Cash and cash equivalents	146,254	91,902
<b>Total current assets</b>	<b>182,248</b>	<b>124,255</b>
<b>Total assets</b>	<b>1,277,824</b>	<b>1,139,710</b>
<b>Shareholders' equity</b>		
Share capital	310,448	226,879
Other capital contributions	324,860	326,179
Reserves	-46,852	-16,355
Profit/loss brought forward including profit/loss for the period	-15,406	14,237
<b>Shareholders' equity attributable to Parent Company's shareholders</b>	<b>573,050</b>	<b>550,940</b>
Shareholders' equity attributable to non-controlling interests	8	8
<b>Total shareholders' equity</b>	<b>573,058</b>	<b>550,948</b>
<b>Liabilities</b>		
Deferred tax assets	-	9,211
Interest-bearing liabilities	525,718	498,578
Other long-term liabilities	52,514	29,313
<b>Total long-term liabilities</b>	<b>578,232</b>	<b>537,102</b>
Accounts payable	26,366	11,107
Current tax liabilities	-	88
Interest-bearing liabilities	37,251	24,245
Other liabilities	20,774	5,549
Accrued expenses and prepaid income	42,143	10,671
<b>Total current liabilities</b>	<b>126,534</b>	<b>51,660</b>
<b>Total liabilities</b>	<b>704,766</b>	<b>588,762</b>
<b>Total shareholders' equity and liabilities</b>	<b>1,277,824</b>	<b>1,139,710</b>
Pledged assets	997,624	836,145
Contingent liabilities	57,731	117,216

## Condensed consolidated statement of changes in shareholders' equity

Shareholders' equity attributable to the Parent Company's shareholders, KSEK	Dec 31, 2012	Dec 31, 2011
<b>Total shareholders' equity on the opening date</b>	<b>550,940</b>	<b>535,209</b>
Profit/loss for the period	-30,200	3,895
Other comprehensive income/loss	-30,497	11,835
<b>Comprehensive income/loss for the period</b>	<b>-60,697</b>	<b>15,730</b>
New share issue	83,568	-
Expenses attributable to the new share issue	-1,319	-
Change in tax rate, untaxed portion of reserve in equity	558	-
<b>Total shareholders' equity on the closing date</b>	<b>573,050</b>	<b>550,940</b>

## Consolidated cash-flow statement

Condensed, KSEK	Q 4 2012	Q 4 2011	Q 1-4 2012	Q 1-4 2011
<b>Cash flow from operating activities before changes in working capital</b>	<b>5,804</b>	<b>14,001</b>	<b>13,506</b>	<b>47,978</b>
Cash flow from changes in working capital	12,499	-3,577	44,811	34,577
<b>Cash flow from operating activities</b>	<b>18,303</b>	<b>10,424</b>	<b>58,317</b>	<b>82,555</b>
<b>Investing activities</b>				
Acquisition of intangible fixed assets	-	-5	-	-7
Divestment of intangible fixed assets	-	122	-	921
Acquisition of tangible fixed assets	-70,543	-29,293	-126,235	-299,847
Divestment of tangible fixed assets	-329	1,397	248	51,421
<b>Cash flow from investing activities</b>	<b>-70,872</b>	<b>-27,779</b>	<b>-125,987</b>	<b>-247,512</b>
<b>Financing activities</b>				
New share issue	-	-	83,568	-
Issue fees	-	-	-1,692	-
Loans raised	55,420	-6,204	245,309	204,348
Amortization of loans	-29,686	-5,188	-205,163	-47,678
<b>Cash flow from financing activities</b>	<b>25,734</b>	<b>-11,392</b>	<b>122,022</b>	<b>156,670</b>
Cash flow for the period	-26,835	-28,747	54,352	-8,287
Cash and cash equivalents on the opening date	173,089	120,649	91,902	100,189
<b>Cash and cash equivalents on the closing date</b>	<b>146,254</b>	<b>91,902</b>	<b>146,254</b>	<b>91,902</b>

## Parent Company

The Parent Company, Rabbalshede Kraft AB (publ.), primarily focuses on the management, coordination and development of the Group. The Parent Company is responsible for issues concerning the equities market, such as consolidated financial statements and equity market information, as well as the credit market with matters regarding borrowing and financial risk management.

## Parent Company income statement

KSEK	Q 4 2012	Q 4 2011	Q 1-4 2012	Q 1-4 2011
Net sales	6,425	7,078	20,713	23,894
Other operating revenues	2,536	3,122	10,967	11,986
<b>Total revenues</b>	<b>8,961</b>	<b>10,200</b>	<b>31,680</b>	<b>35,880</b>
Personnel costs	-4,144	-3,161	-15,766	-14,086
Other external costs	-6,401	-2,747	-15,458	-10,896
Depreciation and amortization of tangible and intangible fixed assets	-7,918	-2,918	-15,951	-11,856
<b>Operating profit/loss</b>	<b>-9,502</b>	<b>1,374</b>	<b>-15,495</b>	<b>-958</b>
Interest income and similar items	480	10,826	1,715	12,218
Interest expense and similar items	-1,800	-5,437	-7,777	-11,537
<b>Profit/loss before taxes</b>	<b>-10,822</b>	<b>6,763</b>	<b>-21,557</b>	<b>-277</b>
Appropriations	34	-	34	-
<b>Profit/loss before taxes</b>	<b>-10,788</b>	<b>6,763</b>	<b>-21,523</b>	<b>-277</b>
Tax	2,649	-1,803	5,472	48
<b>Profit/loss for the period</b>	<b>-8,139</b>	<b>4,960</b>	<b>-16,051</b>	<b>-229</b>

## Statement of Parent Company's comprehensive income

KSEK	Q 4 2012	Q 4 2011	Q 1-4 2012	Q 1-4 2011
Profit/loss for the period	-8,139	4,960	-16,051	-229
Total other comprehensive income	-	-	-	-
<b>Total comprehensive profit/loss for the period</b>	<b>-8,139</b>	<b>4,960</b>	<b>-16,051</b>	<b>-229</b>

## Parent Company balance sheet

Condensed, KSEK	Dec 31, 2012	Dec 31, 2011
Intangible fixed assets	19,601	19,769
Tangible fixed assets	234,095	274,949
Financial fixed assets	382,929	294,697
Intangible current assets	1,030	2,071
Current receivables	43,293	71,339
Cash and bank balances	65,836	35,228
<b>Total assets</b>	<b>746,784</b>	<b>698,053</b>
Restricted shareholders' equity	310,448	226,879
Unrestricted shareholders' equity	297,767	310,899
Untaxed reserves	500	500
Long-term liabilities	110,650	135,884
Current liabilities	27,419	23,891
<b>Total shareholders' equity and liabilities</b>	<b>746,784</b>	<b>698,053</b>

## Notes to the condensed financial statements

### Note 1 Accounting policies

The consolidated financial accounts for 2012 were prepared, similar to the 2011 year-end report, in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Commission for adoption within the EU, and the Swedish Annual Accounts Act.

This interim report for the Group was prepared in accordance with IAS 34 Interim Reporting. Pertinent provisions of the Annual Accounts Act were also applied. The same accounting policies and calculation principles were applied as in the most recent Annual Report.

The interim report for the Parent Company was prepared in accordance with the Annual Accounts Act and the regulations in RFR 2 Accounting for Legal Entities.

### Note 2 Other operating revenues

KSEK	Q 4 2012	Q 4 2011	Q 1-4 2012	Q 1-4 2011
Sale of wind-power projects	-	-	-	12,644
Reinvoiced construction costs	217	444	2,247	12,166
Other	736	1,599	1,708	1,680
<b>Total</b>	<b>953</b>	<b>2,043</b>	<b>3,955</b>	<b>26,490</b>

### Note 3 Personnel costs and other external costs

The Company capitalizes all expenses for project-planning personnel. Overhead costs are capitalized at an appropriate percentage for projects in the construction phase and the remaining costs impact earnings. The costs encompass both personnel costs and other external costs.

Reinvoiced costs pertain to construction services on wind farms in which the Company has been the contractor in charge.

Group KSEK	Q 4 2012	Q 4 2011	Q 1-4 2012	Q 1-4 2011
Personnel costs				
Personnel costs	-5,294	-5,096	-20,042	-18,808
Capitalized planning personnel	1,489	2,697	5,929	6,303
Capitalized personnel in management and administration	-	-35	-	701
<b>Total</b>	<b>-3,805</b>	<b>-2,434</b>	<b>-14,113</b>	<b>-11,804</b>
Group KSEK	Q,4 2012	Q,4 2011	Q,1-4 2012	Q,1-4 2011
Other external costs				
Other external costs	-10,366	-6,657	-31,090	-24,763
Reinvoiced construction costs	-217	-444	-2,247	-12,166
Capitalized other external costs	362	727	1,441	2,653
<b>Total</b>	<b>-10,221</b>	<b>-6,374</b>	<b>-31,896</b>	<b>-34,276</b>



#### Note 4 Related parties

Some 1,500,000 warrants were issued at the Annual General Meeting on October 21, 2008. The remuneration paid during such transfers was calculated using the Black & Scholes measurement method. Rabbalshede Värdepapper AB transferred warrants to three senior executives, seven other employees and one consultant. The warrants could be subscribed for from July 1, 2011 to December 31, 2011. No warrants were exercised. Instead, the holders, who are employed by the Company, were remunerated for a certain portion of the options premium that had been paid for the warrants. For further information, please refer to the issue prospectus published in June 2012, which is available on [www.rabbalshedekraft.se](http://www.rabbalshedekraft.se)

#### Signatures/issuers of the report

Rabbalshede den February 28, 2013



Thomas Linnard, President

#### Review

This report has not been reviewed by the Company's auditors.