Third quarter
2015

Scatec Solar
Improving our future™

About Scatec Solar

Scatec Solar is an integrated independent solar power producer, delivering affordable, rapidly deployable and sustainable source of clean energy worldwide. A long term player, Scatec Solar develops, builds, owns, operates and maintains solar power plants, and already has an installation track record of close to 600 MW.

Currently, the company is producing electricity from 279 MW of solar power plants in the Czech Republic, South Africa, Rwanda and Honduras. Construction of additional 147 MW solar power plants in the USA and Jordan is under way.

With an established global presence, the company is growing briskly with a project backlog and pipeline of more than 1.5 GW under development in the Americas, Africa, Asia and the Middle East. Scatec Solar is headquartered in Oslo, Norway and listed on the Oslo Stock Exchange under the ticker symbol 'SSO'.

To learn more, visit www.scatecsolar.com

SCATEC SOLAR'S VALUE CHAIN

Project development

- Site development
- System design
- Business case
- Permitting
- Grid connection
- PPA negotiation / tender / FiT

Financing

- Detailed design & engineering
- Component tendering
- Debt / Equity structuring
- Due Diligence

Construction

- Project management
- Supplier and construction monitoring
- Quality assurance
- Funding and cash flow management

Operations

- Maximize performance and availability
- Maintenance and repair

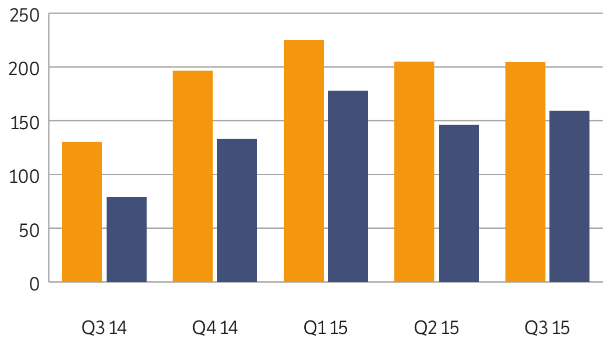
Ownership

- Asset management
- Financial and operational optimization

Highlights

- Revenues of NOK 204 million (130)[1], EBITDA of NOK 159 million (79) and net profit of NOK 8 million (7)
- Power production lower than forecasted in South Africa due to significantly lower irradiation than expected based on historical weather data
- The 60 MW Agua Fria plant grid connected - operating asset portfolio now stands at 279 MW
- The 53 MW Los Prados project entered backlog (344 MW) and good progress in project pipeline (1,287 MW)
- SSO's share of cash flow to equity[2] reached NOK 37 million – continued growth in cash flow from PP and O&M

CONSOLIDATED REVENUES AND EBITDA
NOK MILLION



KEY FIGURES

NOK MILLION	Q3 2015	Q2 2015	Q3 2014	YTD 2015	YTD 2014
Total revenues and other income	**204**	205	130	634	280
EBITDA [2]	**159**	146	79	483	160
Operating profit (EBIT)	**113**	108	51	360	97
Profit before income tax	**26**	30	13	129	54
Profit/(loss) for the period	**8**	21	7	77	44
Profit/(loss) to Scatec Solar	**3**	**19**	**-5**	**41**	**-7**
Profit/(loss) to non-controlling interests	**5**	3	13	35	51
Total Assets	**7,205**	6,937	4,063	7,205	4,063
Equity (%) [3]	**20%**	20%	14%	20%	14%
Net interest bearing debt [2]	**4,091**	3,689	2,429	4,091	2,429
SSO proportionate share of cash flow to equity [2]:					
Power Production	**32**	29	26	92	64
Operation & Maintenance	**9**	7	3	20	6
Development & Construction	**4**	39	12	56	147
Corporate	**-7**	-5	-11	-19	-21
Total	**37**	**71**	**30**	**149**	**196**

Consolidated revenues and profits are mainly generated in the Power Production segment. Activities in Operation & Maintenance and Development & Construction mainly reflect deliveries to other companies controlled by Scatec Solar (with from 39% to 100% ownership), for which revenues and profits are eliminated in the Consolidated Financial Statements.

1 Numbers in brackets refer to comparable information for the corresponding period last year.

2 See appendix for definition of this measure.

3 The book value of consolidated assets reflects eliminations of internal margins generated through project development and construction, operation and maintenance, whereas the consolidated debt includes non-recourse debt in project companies at full amount. This reduces the consolidated equity and equity ratio.

Financial review

SEGMENT REVIEW

Scatec Solar is an integrated independent solar power producer; develops, builds, owns and operates large scale solar power plants.

Scatec Solar reports on three operating business segments; Power Production (PP), Operation & Maintenance (O&M), and Development & Construction (D&C), as well as on Corporate and Eliminations.

Revenues and gross margins related to deliveries of development and construction, and operation and maintenance services to project companies deemed to be controlled by Scatec Solar are eliminated in the Consolidated Group Financial Statements. The underlying value creation in each segment is hence reflected only in the segment reporting.

Power Production (PP)

As per the end of third quarter 2015 the PP segment comprised the Kalkbult (75 MW), Linde (40 MW), and Dreunberg (75 MW) plants in South Africa, the ASYV (9 MW) plant in Rwanda, four plants in the Czech Republic (20 MW), and Agua Fria (60 MW) in Honduras. The plants produce electricity for sale under 20-25 year fixed priced power purchase agreements (PPA) or feed-in tariff (FiT) schemes.

Operation & Maintenance (O&M)

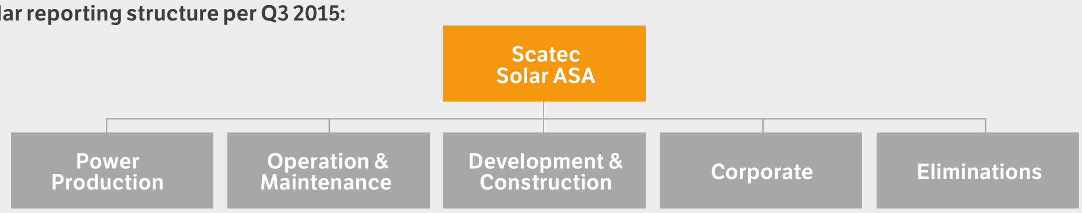
The O&M segment comprises primarily services provided to solar power plants controlled by Scatec Solar. Revenues and profits are typically generated on the basis of fixed service fees with additional profit-sharing arrangements based on plant performance.

Development & Construction (D&C)

The D&C segment comprises development activities in a number of projects globally as well as construction of solar power plants developed by the company. Revenues and profits are recognised based on percentage-of-completion of the construction contracts.

The company commenced construction of 207 MW in the first half of 2015, of which the 60 MW Agua Fria plant in Honduras was completed in the third quarter. The backlog of projects with secured offtake of future power production is currently at 344 MW, while the project pipeline consists of several projects with a combined capacity of 1,287 MW.

Scatec Solar reporting structure per Q3 2015:



	Power Production	Operation & Maintenance	Development & Construction	Corporate	Eliminations
Main activities	• Ownership and management of power producing assets	• Technical and operational services	• Project development • Engineering and Procurement • Construction management • Quality assurance	• Corporate services • Management • Group finance	• Elimination of revenue and profits from internal transactions
Assets / projects with revenues recognized	South Africa (39%): • Kalkbult, 75 MW • Linde, 40 MW • Dreunberg, 75 MW Rwanda (43%): • ASYV, 9 MW Czech Republic (100%): • Sulkov, 10 MW • Svitavy, 4 MW • Hrusovany, 3 MW • Mramotice, 3 MW Honduras: • Agua Fria, 60 MW	South Africa: • Kalkbult, 75 MW • Linde, 40 MW • Dreunberg, 75 MW Rwanda: • ASYV, 9 MW Czech Republic: • Sulkov, 10 MW • Svitavy, 4 MW • Hrusovany, 3 MW • Mramotice, 3 MW Third-party owned: • 17 MW	USA: • Utah Red Hills, 104 MW Jordan: • Oryx, 10 MW • EJRE / GLAE, 33 MW Backlog 344 MW Pipeline ~ 1,287 MW		

Segment financials

SEGMENT FINANCIALS Q3 2015

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	201.5	0.8	2.0	-	-	**204.2**
Internal revenues	-0.7	16.6	139.8	1.7	-157.4	**-**
Net income/(loss) from associates	-	-	-0.1	-	-	**-0.1**
Total revenues and other income	200.7	17.4	141.7	1.7	-157.4	**204.1**
Cost of sales	-	-	-123.9	-	122.0	**-1.9**
Gross profit	200.7	17.4	17.8	1.7	-35.4	**202.3**
Operating expenses	-29.5	-6.0	-13.6	-11.6	17.6	**-43.1**
EBITDA	171.2	11.4	4.2	-9.9	-17.8	**159.2**
Depreciation, amortisation and impairment	-59.8	-0.7	-1.7	-0.1	16.3	**-46.1**
Operating profit (EBIT)	111.4	10.6	2.5	-10.0	-1.5	**113.1**

SEGMENT FINANCIALS Q3 2014

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	129.0	1.6	1.6	-	-	**132.2**
Internal revenues	-	7.7	129.0	2.5	-139.2	**-**
Net income/(loss) from associates	-	-	-1.9	-	-	**-1.9**
Total revenues and other income	129.0	9.3	128.7	2.5	-139.2	**130.2**
Cost of sales	-	-	-90.7	-	89.3	**-1.4**
Gross profit	129.0	9.3	38.0	2.5	-49.9	**128.8**
Operating expenses	-15.4	-4.7	-22.2	-18.0	10.2	**-50.0**
EBITDA	113.5	4.6	15.8	-15.5	-39.7	**78.8**
Depreciation, amortisation and impairment	-33.8	-0.3	-3.4	-0.1	10.1	**-27.4**
Operating profit (EBIT)	79.8	4.3	12.4	-15.5	-29.6	**51.4**

SEGMENT FINANCIALS YTD 2015

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	609.4	2.6	22.6	-	-	**634.6**
Internal revenues	-	41.6	958.0	4.7	-1,004.4	**-**
Net income/(loss) from associates	-	-	-0.9	-	-	**-0.9**
Total revenues and other income	609.4	44.2	979.8	4.7	-1,004.4	**633.7**
Cost of sales	-	-	-852.9	-	833.6	**-19.4**
Gross profit	609.4	44.2	126.8	4.7	-170.8	**614.3**
Operating expenses	-78.2	-16.8	-51.4	-31.1	46.3	**-131.2**
EBITDA	531.2	27.4	75.4	-26.4	-124.5	**483.1**
Depreciation, amortisation and impairment	-165.2	-1.7	-3.6	-0.3	47.6	**-123.1**
Operating profit (EBIT)	366.0	25.7	71.9	-26.7	-76.8	**360.0**

SEGMENT FINANCIALS YTD 2014

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	274.3	5.7	2.1	-	-	**282.1**
Internal revenues	11.4	13.4	851.2	6.8	-882.8	**-**
Net income/(loss) from associates	-	-	-2.2	-	-	**-2.2**
Total revenues and other income	285.7	19.0	851.2	6.8	-882.8	**279.9**
Cost of sales	-	-	-587.6	-	584.6	**-3.0**
Gross profit	285.7	19.0	263.6	6.8	-298.1	**276.9**
Operating expenses	-28.0	-11.2	-62.4	-35.5	20.1	**-117.0**
EBITDA	257.7	7.8	201.1	-28.7	-278.0	**159.9**
Depreciation, amortisation and impairment	-78.4	-0.9	-7.9	-0.4	24.3	**-63.2**
Operating profit (EBIT)	179.3	6.9	193.3	-29.1	-253.7	**96.7**

SEGMENT FINANCIALS FULL YEAR 2014

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	448.1	7.0	22.5	-	-	**477.6**
Internal revenues	11.4	21.6	949.5	6.2	-988.7	**-**
Net income/(loss) from associates	-	-	-1.2	-	-	**-1.2**
Total revenues and other income	459.5	28.7	970.8	6.2	-988.7	**476.4**
Cost of sales	-	-	-639.5	-	634.4	**-5.1**
Gross profit	459.5	28.7	331.3	6.2	-354.3	**471.3**
Operating expenses	-47.2	-15.8	-89.4	-53.8	27.8	**-178.4**
EBITDA	412.2	12.9	241.9	-47.6	-326.5	**292.9**
Depreciation, amortisation and impairment	-122.9	-1.2	-15.4	-0.4	38.1	**-101.9**
Operating profit (EBIT)	289.3	11.7	226.4	-48.0	-288.4	**191.0**

Power Production

Revenues in Power Production reached NOK 201 million (129) in the third quarter.

Power production totalled 107,151 MWh in the quarter, up from 73,736 MWh in the same period last year, and up from 89,686 MWh in the previous quarter. Power production lower than forecasted in South Africa due to significantly lower irradiation than expected based on historical weather data.

The quarter on quarter increase in production volumes and revenues was mainly driven by grid connection of the 60 MW Agua Fria plant. ENEE, the Honduran utility, is currently evaluating which projects that qualify for an additional incentive tariff based on early completion of the power plant. While awaiting confirmation from ENEE, the reported revenues for Agua Fria exclude this additional incentive tariff.

Operating expenses in the segment amounted to NOK 30 million (15) in the third quarter, up from NOK 26 million in the previous quarter.

EBITDA reached NOK 171 million (114) in the third quarter, with an EBITDA margin of 85%.

Depreciation and amortisation amounted to NOK 60 million (34), up from NOK 52 million the second quarter.

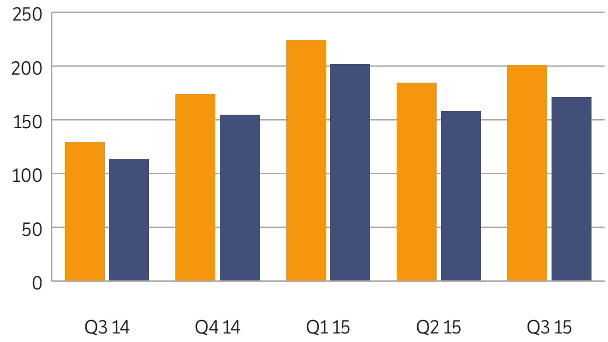
Scatec Solar's proportionate share of cash flow to equity[4] from Power Production was NOK 32 million (26) in the third quarter.

For the first nine months, revenues amounted to NOK 609 million (286), while operating expenses increased to NOK 78 million (28). EBITDA amounted to NOK 531 million (258) for the first nine month, and EBIT to NOK 366 million (179). The proportionate share of cash flow to equity was NOK 92 million (64).

See separate tables for financials for each individual project company.

POWER PRODUCTION – REVENUES AND EBITDA BY QUARTER

NOK MILLION



POWER PRODUCTION – KEY FIGURES

NOK MILLION	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
External revenues	129.0	173.7	224.4	183.6	**201.5**
Internal revenues	-	-	-	0.7	**-0.7**
Total revenues and other income	**129.0**	**173.7**	**224.4**	**184.3**	**200.7**
Operating expenses	-15.4	-19.2	-22.5	-26.2	**-29.5**
EBITDA	**113.6**	**154.5**	**201.9**	**158.1**	**171.2**
D&A and impairment	-33.8	-44.5	-53.1	-52.2	**-59.8**
EBIT	**79.8**	**110.0**	**148.7**	**105.9**	**111.4**

POWER PRODUCTION – KEY RATIOS (%)

	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
EBITDA margin	88%	89%	90%	86%	**85%**
EBIT margin	62%	63%	66%	57%	**56%**

PRODUCTION (MWH)

	MW	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Czech portfolio	20	7,045	1,810	3,628	8,257	**7,962**
Kalkbult	75	36,453	40,494	38,708	33,172	**32,436**
Dreunberg	75	9,610	39,570	46,052	28,719	**31,028**
Linde	40	19,024	28,523	25,943	16,341	**16,424**
ASYV	8.5	1,604	3,415	3,534	3,197	**3,878**
Agua Fria	60	-	-	-	-	**15,424**
MWh produced	279	73,736	113,812	117,865	89,686	**107,152**
- net to SSO		33,119	45,627	48,322	40,110	**46,954**

Scatec Solar directly and/or indirectly owns 100% of the Czech portfolio of solar power plants, 43% of ASYV in Rwanda, 39% of Kalkbult, Linde and Dreunberg in South Africa and 40% of Agua Fria in Honduras.

4 Refer to appendix for definition of project milestones.

PROJECT COMPANIES - KEY FINANCIALS Q3 2015

NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	AGUA FRIA	SEGMENT OVERHEAD	TOTAL SEGMENT	SSO PROP. SHARE [5]
Revenues	30.4	64.8	27.3	53.0	8.2	17.6	-0.4	200.7	97.0
OPEX	-2.4	-8.7	-4.5	-8.5	-1.3	-1.5	-2.5	-29.5	-14.6
EBITDA	27.9	56.1	22.9	44.4	6.8	16.0	-2.9	171.2	82.4
EBITDA margin	92 %	87 %	84 %	84 %	84 %	91 %	N/A	85 %	85 %
Net Interest expenses [5]	-5.3	-29.5	-14.0	-29.8	-3.5	-4.7	1.4	-85.5	-35.9
Normalised loan repayments [5]	-5.4	-3.5	-6.2	-4.3	-1.8	-	-	-21.2	-11.6
Cash flow to equity [5]	14.5	20.2	2.6	11.0	1.2	11.3	-1.0	59.9	31.7
SSO shareholding	100 %	39 %	39 %	39 %	43 %	40 %	-	-	-

PROJECT COMPANIES - KEY FINANCIALS YTD 2015

NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	AGUA FRIA	SEGMENT OVERHEAD	TOTAL SEGMENT	SSO PROP. SHARE [5]
Revenues	76.3	208.7	99.7	184.4	21.6	17.6	1.2	609.4	285.7
OPEX	-6.7	-25.4	-13.1	-20.3	-3.4	-1.5	-7.6	-78.2	-39.4
EBITDA	69.6	183.3	86.5	164.0	18.2	16.0	-6.4	531.2	246.4
EBITDA margin	91 %	88 %	87 %	89 %	84 %	91 %	-528 %	87 %	86 %
Net Interest expenses [5]	-15.4	-89.3	-44.0	-91.1	-10.2	-4.7	2.6	-252.3	-106.7
Normalised loan repayments [5]	-15.1	-11.0	-19.2	-13.2	-5.2	-	-	-63.7	-34.3
Cash flow to equity [5]	33.3	70.8	18.9	53.4	2.3	11.3	-2.5	187.6	92.0
SSO shareholding	100 %	39 %	39 %	39 %	43 %	40 %	-	-	-

PROJECT COMPANIES – FINANCIAL POSITION AND WORKING CAPITAL BREAK-DOWN

AS OF 30 SEPTEMBER 2015

	IN OPERATION						UNDER CONSTRUCTION				
NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	AGUA FRIA	RED HILLS	ORYX	EJRE/ GLAE	D&C, O&M, CORPORATE & ELIMINATIONS [6]	CONSOLI-DATED
Project equity [5]	201.1	314.6	207.3	361.9	26.9	321.8	283.2	65.6	273.2	-625.4	1,430.2
Total assets	663.4	1,408.6	820.7	1,565.0	208.6	943.2	1,394.5	241.4	347.7	-388.1	7,205.0
PP&E [6]	554.2	1,161.9	634.5	1,253.2	173.2	896.2	1,381.3	126.5	224.5	-1,164.4	5,241.1
Cash [7]	61.3	196.0	108.2	168.4	27.2	12.1	-	39.8	33.2	316.7	963.0
Gross debt	414.8	1,005.7	568.1	1,127.3	169.1	440.5	1,032.0	149.3	58.8	-	4,965.7
Net debt	353.5	809.7	459.9	958.9	141.9	428.4	1,032.0	109.5	25.6	-316.7	4,002.7
Net working capital [8]	-22.5	-70.7	-50.2	-80.8	-16.3	-146.1	-66.1	54.1	43.4	368.6	13.4

5 Refer to appendix for definition of this measure.

6 The amount of NOK 1,164 million includes capitalised development spending on projects that have not yet reached construction phase of NOK 72 million.

7 Cash in project companies includes cash in proceeds accounts, debt service reserve accounts and cash available for redistribution to project company shareholders. Cash in D&C, O&M and Corporate include NOK 166 million of restricted cash related to deposits for withholding tax, guarantees, VAT and rent as well as collateralised shareholders financing.

8 Net working capital includes trade and other receivables, other current assets, trade and other payables, income tax payable, other current liabilities and intercompany receivables and payables.

Operation & Maintenance

Revenues in the Operation & Maintenance segment reached NOK 17 million (9) in the third quarter.

The third quarter revenues were recognised based on O&M contracts totalling 236 MW.

Operating expenses reached NOK 6 million (5), broadly in line with previous quarter.

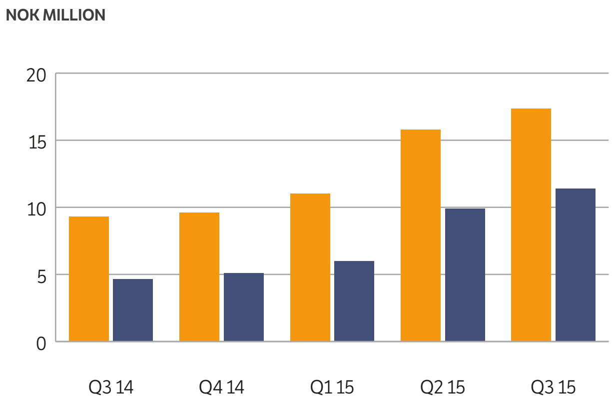
The EBITDA increased to NOK 11 million (5) in the third quarter, corresponding to an EBITDA-margin of 65% (50%). The increased profitability is mainly due to accrual of performance bonuses. The majority of the O&M contracts include performance bonus provisions, securing the company up to 50% of revenues generated above pre-defined performance levels (irrespective of irradiation levels).

Depreciation and amortisation in the quarter amounted to NOK 0.7 million (0.3), and EBIT was NOK 11 million (4).

Scatec Solar's proportionate share of cash flow to equity[9] from Operation & Maintenance was NOK 9 million (3) in the third quarter and NOK 20 million for the first nine months of 2015.

For the first nine months, revenues increased to NOK 44 million (19), while operating expenses increased to NOK 17 million (11). EBITDA amounted to NOK 27 million (8) and EBIT to NOK 26 million (7). Scatec Solar's proportionate share of cash flow to equity was NOK 20 million (6).

OPERATION & MAINTENANCE
– REVENUES AND EBITDA BY QUARTER



OPERATION & MAINTENANCE – KEY FIGURES

NOK MILLION	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
External revenues	1.6	1.4	0.9	0.9	0.8
Internal revenues	7.7	8.2	10.1	14.9	16.6
Total revenues and other income	9.3	9.6	11.0	15.8	17.4
Operating expenses	-4.6	-4.5	-5.0	-5.8	-6.0
EBITDA	4.6	5.1	6.0	9.9	11.4
D&A and impairment	-0.3	-0.3	-0.4	-0.5	-0.7
EBIT	4.3	4.8	5.6	9.4	10.6

OPERATION & MAINTENANCE – KEY RATIOS (%)

	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
EBITDA margin	50%	53%	55%	63%	65 %
EBIT margin	47%	50%	51%	60%	61 %

PORTFOLIO OVERVIEW – MW AT END OF PERIOD

MW	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Portfolio (MW)	167	152	236	236	236
Of which third-party	32	17	17	17	17

O&M-contracts are included at Taking Over Date (TOD).

9 Refer to appendix for definition of project milestones.

Development & Construction

Revenues in the Development & Construction (D&C) segment amounted to NOK 142 million (129) in the third quarter.

Construction of the Agua Fria plant came to completion and commenced power production in the quarter. Some minor construction activities remain before the plant is transferred to the project company at the Taking Over Date.

The Agua Fria, Oryx, and EJRE/GLAE projects generated revenues of NOK 136 million in the quarter. Construction revenues are recognised on a percentage-of-completion (PoC) basis, and defined as cost incurred over total expected cost. At the end of the third quarter PoC for Agua Fria was 99%, Oryx 43%, EJRE 15% and GLAE 16%.

The moderate quarterly revenue recognition in the segment is reflecting challenging logistics in Jordan, however no impact on grid connection dates is expected.

Cost of sales related to both project execution and project development amounted to NOK 124 million (91) in the third quarter, generating a gross margin of 13% (30%). The underlying gross margin is in line with earlier guidance but will normally vary somewhat from quarter to quarter.

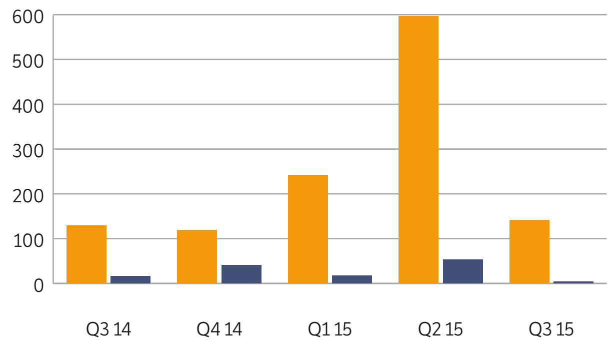
Operating expenses were NOK 14 million (22) in the third quarter. This comprised of approximately NOK 6 million for early stage development of new projects and NOK 8 million related to construction projects.

EBITDA was NOK 4 million (16) in the third quarter. Depreciation, amortisation and impairment amounted to NOK 2 million (3), and EBIT was NOK 3 million (12). The lower EBITDA and EBIT reflect reduced gross margins and reduced economies of scale compared to the previous quarters. Scatec Solar's proportionate share of cash flow to equity from Development & Construction was NOK 4 million (12) in the third quarter.

For the first nine months, revenues amounted to NOK 980 (851), with a gross margin of 13% (31%). Operating expenses decreased to NOK 51 million (62). EBITDA was NOK 75 million (201) and EBIT NOK 72 million (193). Scatec Solar's proportionate share of cash flow to equity was NOK 56 million (147).

DEVELOPMENT & CONSTRUCTION – REVENUES AND EBITDA BY QUARTER

NOK MILLION



DEVELOPMENT & CONSTRUCTION – KEY FIGURES

NOK MILLION	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
External revenues	1.6	20.4	0.1	20.7	**2.0**
Internal revenues	129.0	98.3	242.2	576.0	**139.8**
Net income associated	-1.9	1.0	-0.6	-0.2	**-0.1**
Total revenue and other income	**128.7**	**119.6**	**241.7**	**596.4**	**141.7**
Cost of sales	-90.7	-51.9	-203.6	-525.5	**-123.9**
Gross profit	38.0	67.7	38.1	70.9	**17.8**
Operating expenses	-22.2	-27.0	-20.3	-17.5	**-13.6**
EBITDA	**15.8**	**40.7**	**17.8**	**53.4**	**4.2**
D&A and impairment	-3.4	-7.6	-1.0	-0.9	**-1.7**
EBIT	**12.4**	**33.2**	**16.8**	**52.5**	**2.5**

KEY RATIOS (%)

	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Gross margin	30%	57%	16%	12%	**13%**
EBITDA margin	12%	34%	7%	9%	**3%**
EBIT margin	10%	28%	7%	9%	**2%**

CONSTRUCTION PROJECTS – MILESTONES[10]

	CAPACITY	Q3'15	Q4'15	1H'16
Agua Fria	60 MW	SOP		
Red Hills, Utah	104 MW		SOP	
Oryx	10 MW			SOP
EJRE/GLAE	33 MW			SOP

10 Refer to appendix for definition of project milestone.

Corporate & Eliminations

Corporate activities include corporate services, management and group finance. The net corporate costs amounted to NOK -10 million (-16) in the third quarter 2015.

CORPORATE – KEY FIGURES

NOK MILLION	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Total revenues	2.5	-0.6	1.5	1.5	**1.7**
Operating expenses	-18.0	-18.3	-10.9	-8.6	**-11.6**
D&A and impairment	0.1	0.1	-0.1	-0.1	**-0.1**
EBIT	-15.5	-18.9	-9.5	-7.2	**-10.0**

In the third quarter the corporate segment was charged NOK 2 million relating to management's share incentive plan, which was introduced in the third quarter 2014. In addition another NOK 2 million of the share incentive plan was charged to the Power Production and Development & Construction segments.

For the nine months, the net corporate costs amounted to NOK -27 million (-29).

ELIMINATIONS – KEY FIGURES

NOK MILLION	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Revenues	-139.2	-106.0	-253.8	-593.1	**-157.4**
Cost of sales	89.4	49.8	203.6	508.0	**122.0**
Operating expenses	10.2	7.7	11.6	17.1	**17.6**
EBITDA	-39.7	-48.5	-38.6	-68.0	**-17.8**
D&A	10.1	13.7	15.7	15.6	**16.3**
EBIT	-29.6	-34.7	-22.9	-52.4	**-1.5**

Gross profits (i.e. revenues and expenses) generated in the D&C segments are eliminated in the consolidated income statement and reduces the consolidated book value of the solar power plants. The profits generated through project development and plant construction is hence improving the consolidated operating profit through lower depreciation charges over the economic life of the solar power plants. In the third quarter this effect amounted to NOK 16 million (10) and for the first nine months NOK 48 million (24).

The internal revenues generated in the Corporate and O&M segments are eliminated in the consolidated income statement with corresponding elimination of operating expenses, amounting to NOK 18 million (10) in the third quarter.

CONSOLIDATED INCOME STATEMENT

Revenues

Scatec Solar reported consolidated revenues of NOK 204 million in the third quarter 2015, up from NOK 130 million in the same period last year, with the growth reflecting sales of electricity from the solar power plants Dreunberg (start of production third quarter 2014), ASYV (start of production third quarter 2014) and Agua Fria (start of production third quarter 2015).

For the first nine months, revenues amounted to NOK 634 million (280). Net revenues included NOK -1 million (-2) of income from associated companies in the first nine months.

Operating expenses

Consolidated operating expenses amounted to NOK 43 million (50) in the third quarter. This comprised of approximately NOK 19 million for operation of existing power plants, NOK 6 million for early stage development of new projects, NOK 6 million related to construction of power plants and NOK 12 million of corporate expenses (excluding eliminated intersegment charges).

Included in operating expenses is NOK 4 million related to share-based payment. See note 23 in the annual report and note 12 in the quarterly report for information on the plans.

Personnel expenses amounted to NOK 18 million (20) and other operating expenses to NOK 25 million (30). Third quarter 2014 was impacted by IPO costs of NOK 7 million.

For the first nine months, consolidated operating expenses amounted to NOK 131 million (117). The increase in operating expenses primarily reflects commencement of operations of new solar power plants in South Africa, Rwanda and Honduras.

Operating profit

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to NOK 159 million (79) in the third quarter, and NOK 483 million (160) for the first nine months. The increase primarily reflects commencement of production of new solar power plants.

Depreciation, amortisation and impairment amounted to NOK 46 million (27) in the third quarter and NOK 123 million (63) for the first nine months. The increase is mainly explained by commencement of asset depreciation of new solar power plants.

Operating profit (EBIT) was NOK 113 million (51) in the third quarter and NOK 360 million (97) for the first nine months.

Net financial items

NET FINANCIAL ITEMS – KEY FIGURES

NOK MILLION	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Interest income	7.1	13.5	12.7	15.8	**18.2**
Forward exchange contracts	-	-	-	-	**-**
Other financial income	1.2	1.1	0.2	-	**0.3**
Financial income	8.3	14.6	13.0	15.8	**18.5**
Interest expenses	-49.0	-86.7	-95.8	-94.3	**-98.4**
Forward exchange contracts	-10.7	-0.8	-3.0	-	**-**
Other financial expenses	-5.5	-2.6	-2.4	-1.0	**-2.1**
Financial expenses	-65.3	-90.0	-101.1	-95.3	**100.5**
Foreign exchange gains/(losses)	18.4	-12.8	22.2	1.0	**-4.9**
Net financial expenses	-38.5	-88.2	-66.0	-78.5	**-86.9**

Net financial items amounted to NOK -87 million (-39) in the third quarter and NOK -231 million (-43) for the first nine months. The increase mainly reflects debt financing of the growing asset base as well as lower non-cash foreign exchange gains mainly related to intercompany balances.

Financial income amounted to NOK 19 million (8) in the third quarter and NOK 47 million (40) for the first nine months, including interest income on cash and on collateralised equity commitments for projects under construction.

Financial expenses amounted to NOK 101 million (65) in the third quarter and NOK 297 million (159) for the first nine months. Interest expenses on the operating solar power plants amounted to NOK 97 million (49) in the third quarter and NOK 287 million (104) for the first nine months. The Group incurred losses of NOK 45 million on mark-to-market revaluations of open EUR and USD forward exchange contracts in the first nine months 2014. The foreign exchange contracts expired in the first quarter 2015.

Foreign exchange losses amounted to NOK -5 million (18) in the third quarter and gains of NOK 18 million (75) for the first nine months. These are mainly non-cash and related to intercompany balances.

Profit before tax and net profit

Profit before income tax was NOK 26 million (13) in the third quarter and NOK 129 million (54) for the first nine months.

Income tax expense was NOK 18 million (5) in the third quarter, corresponding to an effective tax rate of 68.0%. For the first nine months, income tax expense was NOK 52 (10), corresponding to an effective tax rate of 40.3%. The underlying tax rates in the countries of operation are in the range of 19%-35%. The effective tax rate is primarily influenced by intercompany transactions subject to different statutory tax rates as well as valuation allowance related to tax losses carried forward. Further, the Group incurred a withholding tax expense of NOK 11 million related to intercompany dividends in third quarter 2015. Net profit was NOK 8 million (7) in the third quarter and NOK 77 million (44) for the first nine months.

A profit of NOK 3 million (-5) was attributable to the equity holders of Scatec Solar for the third quarter and NOK 41 (-7) for the first nine months. A profit of NOK 5 million (13) was attributable to non-controlling interests in the third quarter and NOK 35 (51) for the first nine months.

Non-controlling interests (NCI) represent financial investors in the individual solar power plants, and partners in some development projects. The allocation of profits between NCI and Scatec Solar is generally affected by the fact that NCI only have shareholdings in solar power plants, while Scatec Solar also carries the cost of project development and corporate functions.

CONSOLIDATED CASH FLOW

Net cash flow from consolidated operating activities amounted to NOK 30 million in the third quarter 2015 (-258). Compared to the EBITDA of NOK 159 million, the cash flow is primarily affected by payment of trade payables related to the Agua Fria construction project.

Net cash flow from consolidated investing activities was NOK -194 million (-123), driven by investments in the Red Hills, Agua Fria, Oryx, and EJRE/GLAE solar power plants.

Net cash flow from financing activities was NOK 203 million (147), including net proceeds of NOK 250 million (114) from non-recourse financing. Furthermore NOK 15 million (35) was received in shareholder financing from non-controlling interests. During the third quarter dividends of NOK 67 million were paid to non-controlling interests.

For the first nine months, net cash flow from consolidated operating activities was NOK 584 million (138), while the net cash flow from consolidated investing activities was NOK -2,022 million (-778). Net cash flow from consolidated financing activities amounted to NOK 1,352 million (574), including net proceeds of NOK 1,456 million (557) from non-recourse project financing.

Refer to note 6 for a detailed cash overview.

SCATEC SOLAR PROPORTIONATE SHARE OF CASH FLOW TO EQUITY

"Scatec Solar proportionate share of cash flow to equity", defined as EBITDA minus interest expenses, normalised debt instalments and tax (i.e. before changes in Net Working Capital), is a non-GAAP measure that seeks to estimate the company's ability to generate funds for equity investments in new solar power plant projects and/or for shareholder dividends over time.

NOK MILLION	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Power Production	25.9	22.8	30.8	29.2	31.7
Operation & Maintenance	3.4	3.8	4.5	7.4	8.5
Development & Construction	11.6	31.4	13.3	39.2	3.6
Corporate	-11.3	-13.8	-6.9	-5.1	-7.2
Total	**29.6**	**44.3**	**41.7**	**70.6**	**36.6**
SSO project equity investments	-	-26.2	-262.0	-202.8	-13.5
Distributions to SSO from project companies	10.1	6.2	8.7	48.9	34.2
Dividends to corporate shareholders	-	-	-	-25.3	-

"Scatec Solar proportionate share of cash flow to equity" was NOK 37 million in the third quarter (30) and 149 for the first nine months of 2015 (196). The decrease compared to the second quarter is explained by lower activity in the Development & Construction segment partly offset by increased cash flow from the Power Production and Operation and Maintenance segments.

Scatec Solar invested NOK 14 million in Red Hills during the third quarter. Total equity investments for the first nine months is NOK 478 million related to the solar power plants in US, Honduras and Jordan.

During the third quarter contributions of NOK 34 million was paid from the project entities in the Czech Republic as well as from

Kalkbult. Year to date NOK 92 million has been distributed from the project entities. The first disbursement from the Linde plant of NOK 18 million is expected to be paid in the fourth quarter 2015.

In June 2015 a dividend of NOK 25 million was distributed to the equity holders of Scatec Solar ASA.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In the consolidated statement of financial position, the solar power plant assets are valued at the Group's cost, reflecting elimination of gross margins generated through the project development and construction phase. At the same time, the ring-fenced non-recourse debt held in the entities owning the power producing assets is consolidated at full value. These accounting principles reduce the consolidated equity ratio.

Total equity was NOK 1,430 million (1,416) as of 30 September 2015, representing an increase of NOK 14 million during third quarter and NOK 254 million during the first nine months. The increase year to date is mainly due to capital increase from non-controlling interests in the Agua Fria, Oryx and EJRE/GLAE project companies of NOK 224 million as well as profit and foreign currency translation differences for the period. Dividends to corporate shareholders and non-controlling interests totalling NOK 141 million are partly offsetting the above effects.

As a result of the construction activities in the US, Honduras and Jordan and hence increased total assets, the book equity ratio decreased to 19.8% from 20.4% at the end of the third quarter.

Total assets amounted to NOK 7,205 million (6,937) as of 30 September 2015, an increase of NOK 268 million during the third quarter and NOK 2,193 million during the first nine months. The increase is mainly related to non-current assets, which reflects investments in the US, Honduran and Jordanian projects.

Non-current assets amounted to NOK 5,936 million (5,696) as of 30 September 2015, an increase of NOK 241 million during third quarter and NOK 2,185 during the first nine months. PP&E in project companies accounted for the entire quarter on quarter net increase.

Current assets amounted to NOK 1,269 million (1,242), which was a decrease of NOK 27 million during third quarter and NOK 8 million during the first nine months – mainly explained by decreased cash and cash equivalents and reclassification of non-current assets held for sale (see note 11 for further information).

Of the total cash and cash equivalents of NOK 963 million, NOK 499 million was cash in project companies in operation, and NOK 85 million was cash in project companies under construction. Other restricted cash amounted to NOK 166 million and NOK 213 million was free cash at the corporate level. Per 30 September 2015, the Group had drawn NOK 77 million on the corporate overdraft facility. Refer to Note 6 for definition of cash terms.

Financial assets in the balance sheet primarily comprise interest rate derivatives in the South African project companies.

Total liabilities increased to NOK 5,775 million from NOK 5,521 million at the end of the second quarter.

Total non-current liabilities amounted to NOK 5,018 million at the end of third quarter 2015, compared to NOK 4,738 million at the end of second quarter. NOK 4,847 million of this was non-recourse project financing pledged only to the assets and performance of each individual project, compared to NOK 4,564 million at the end of second quarter.

Total current liabilities decreased to NOK 756 million, from NOK 783 million at the end of the second quarter. The decrease mainly reflects reduced trade payables related to construction projects in the US, Jordan and Honduras.

OUTLOOK

The following targets have been set for Scatec Solar:

- 750 MW of power plants installed by the end of 2016.
- Investments in new solar power plants are expected to yield average equity IRR of 15% nominal after tax. 10% is set as a minimum threshold for new investments.
- Project development & construction (D&C) gross margins are expected to range between 15 and 20%.
- Annual cash flow to Scatec Solar equity is expected to reach NOK 155-175 million from Power Production and Operation & Maintenance based on the installed capacity of 279 MW and based on currency exchange rates as of end of September 2015.

Scatec Solar has not hedged the currency exposure on the expected cash distributions from the project companies.

Based on current project backlog and pipeline, there are significant opportunities to increase yearly growth rates for 2016 and beyond.

As a first step to increase access to debt at the corporate level, the overdraft facility with Nordea Bank will be increased from NOK 100 million to NOK 250 million in the fourth quarter. Preparations for accessing further debt at the corporate level is well progressed and continues in the fourth quarter.

PROJECT BACKLOG, PIPELINE AND OPPORTUNITIES

Refer to the appendix for a description of the criteria for inclusion of projects to the backlog, pipeline and opportunities.

PROJECT STAGE (IN MW)	Q2 2015*	Q3 2015*
In operation	219	279
Under construction	207	147
Project backlog	299	344
Project pipeline	1,172	1,287
Project opportunities	1,200	2,300

*Status per reporting date.

Project backlog

Project backlog is defined as projects with a secure off-take agreement assessed to have more than 90% likelihood of reaching financial close and subsequent realisation.

Waihonu, Hawaii 8 MW

To concentrate our resources on larger scale project opportunities, in the second quarter Scatec Solar decided to initiate a process to sell the 8 MW Waihonu project on Hawaii owned 49% by Scatec Solar.

In October, Scatec Solar concluded the sale of the project. Total cash consideration is approximately NOK 76 million and Scatec Solar's share of the net development margin is estimated to NOK 12 million.

After sale of the 8 MW Hawaii project, Scatec Solar currently holds a project backlog with a gross capacity of 344 MW.

Segou, Mali, 33 MW

In July 2015, Scatec Solar ASA together with its partners International Finance Corporation (IFC) and Power Africa 1, signed a Power Purchase Agreement (PPA) with Electricité du Mali (EDM), the utility of Mali for delivery of solar power over the next 25 years from a 33 MW solar power plant.

Scatec Solar will own 50 percent of the power plant, while IFC and the local project development company, Africa Power 1, will hold 32.5 percent and 17.5 percent respectively. Scatec Solar will construct the plant and in addition provide operations and maintenance services when the plant is grid connected.

Annual production is estimated to 60,000 MWh and annual revenues are expected to be about EUR 8 million (NOK 76 million). The PPA is backed by a concession agreement with the State of Mali.

The gross investment in the plant is expected to total approximately EUR 52 million (NOK 495 million). The project is to be financed through 45% senior project finance debt. IFC will arrange the Senior Debt for a total amount EUR 23 million (NOK 219 million). Further, the project has already been granted a concessional loan that will cover 30% of the total project costs from Climate Investment Fund through the Scaling Up Renewable energy in Low Income Countries Program (SREP).

Final completion of project finance for the project and preparations for construction is progressing well. Financial close and construction start is expected in early 2016.

Upington, South Africa, 258 MW

In April 2015, Scatec Solar was awarded preferred bidder status for three projects with a combined capacity of 258 MW in the fourth bidding round under the REIPPP programme (Renewable Independent Power Producer Programme) in South Africa.

With the award Scatec Solar will sign a 20 year PPA with Eskom, the utility owned by the South African state.

The gross investment in the plants is expected to total approximately ZAR 4,600 million (NOK 2,830 million). The plants are expected to generate 645,000 MWh per year with revenues starting at about ZAR 630 million (NOK 387 million) per year based on a fully inflation adjusted tariff.

The plants are located in Upington in the Northern Cape region, and project financing was already arranged as part of bid preparations. The project is on schedule to reach financial close in late 2015, while construction start is expected in 2017 to align with the timeline of required grid construction activities in the area.

Scatec Solar will build, own and operate the solar power plants with a 42 percent shareholding. Norfund will hold 18 percent of the equity, while the balance will be held by a Trust channelling dividends from the projects to economic development initiatives in the local communities.

Scatec Solar and Norfund will together (70% and 30% respectively) provide the required funding of the trust with return on capital in line with the project equity returns.

Los Prados, Honduras, 53 MW

Scatec Solar and Norfund have signed a share purchase agreement to acquire the 53 MW Los Prados solar project in Honduras. The project have secured 20-year Power Purchase Agreement (PPA) with Empresa nacional de Energía Eléctrica (ENEE), the government-owned utility. Located in the southern Choluteca region close to the Pacific coast, the solar power plant is expected to provide about 110,000 MWh annually to the grid, generating revenues of about USD 15 million (NOK 128 million) per year.

Scatec Solar will build, own and operate the solar power plants with a 70 percent shareholding. Norfund will hold the remaining 30 percent of the equity.

Total capital expenditure is estimated to USD 100 million (NOK 850 million) and will be funded by 75 percent non-recourse project finance debt. The plant is expected to generate 110,000 MWh per year with revenues starting at about USD 15 million per.

Financial close is expected early in 2016 and the plant is expected to be grid connected in Q3 2016.

Pipeline

Project pipeline is defined as projects assessed to have more than 50% likelihood of reaching financial close and subsequent realisation.

Scatec Solar currently has a project pipeline of a number of projects with a gross capacity of 1,287 MW up from 1,172 MW at Q2'15 reporting.

PIPELINE – TARGETED START OF CONSTRUCTION

	CAPACITY (MW)	2016	2017	2018
South Africa	430			430
East Africa	88	88		
West Africa	57	20	37	
Egypt	332	332		
Pakistan	150	150		
Americas	230	230		
Total pipeline	1,287	873	37	430

In South Africa, Scatec Solar is preparing for the expedited bidding round under the REIPPP programme. The bidding due date has been postponed to November 11, 2015. Scatec Solar has secured five projects, which can be bid into this upcoming round, or also in later rounds. These projects have mostly been developed by the same partners as developed the projects Scatec Solar successfully bid into the REIPPP Round 4 tender. Further, Scatec Solar is currently assessing additional project opportunities for the upcoming bidding rounds.

In East and West Africa the pipeline consists of projects across Burkina Faso, Ghana, Ivory Coast, Kenya and Mozambique. Development is progressing well, especially in Kenya and Mozambique.

In Egypt, Scatec Solar has participated and been shortlisted in both the 10x20 MW Kom-Ombo tender program and the 2 GW MERE FiT program for solar. Scatec Solar has secured participation in five projects, each 50 MW (AC) in the FiT program that are all included in the pipeline. Based on current planning, these projects would be built out with a total installed capacity of 332 MWp (DC). One project has been secured with Scatec Solar as lead developer, while Scatec Solar has secured agreements with other developers to participate as equity investor, EPC and O&M contractor and asset manager in the four other projects. Final project documents are expected from the Egyptian government before the end of 2015, the project finance process is well advanced and Scatec Solar is mobilizing locally to prepare for execution.

In Pakistan, Scatec Solar has signed a joint development agreement with Nizam Energy for the development of 300 MW solar power plants. The first 150 MW in under this agreement has been included in pipeline as land has been allocated in the state of Sindh and the process of securing the feed-in tariff is well underway. The joint development agreement was signed on July 7 in the presence of Norwegian Prime Minister Ms. Erna Solberg and Pakistani Prime Minister Mr. Nawaz Sharif.

In Mexico (Americas), Scatec Solar has signed a development agreement with a local project developer. This development agreement includes a 30 MW project in Baja California which is included in the project pipeline.

The pipeline of 200 MW in the US (Americas) consists of one project in Utah and one in Georgia. Development is progressing according to schedule, but it is currently uncertain whether the projects can meet Scatec Solar's return hurdles and the strategy for realizing these projects is therefore currently being evaluated. This includes a potential sale of the projects before start of construction.

Project opportunities

Project opportunities are defined as projects where a feasibility study and a business case evaluation have been made.

Scatec Solar currently holds project opportunities with a combined capacity of 2,300 MW across Americas, Africa and MENA. The increase from Q2 is mostly related to new opportunities being generated in Latin America, Africa and South East Asia.

FOURTH QUARTER GUIDANCE

Power Production (PP)

Power Production revenues are expected to increase from the third quarter to the fourth quarter driven by normalised solar irradiation levels and higher seasonal irradiation in South Africa. In addition, the Aqua Fria project in Honduras will produce a full quarter.

Fourth quarter power production is hence expected to reach 140,000 MWh, up from 107,000 MWh in the third quarter.

Operation and Maintenance (O&M)

O&M revenues and operating profit are expected to remain fairly stable from the third quarter to the fourth quarter 2015.

The majority of the internal O&M contracts include performance bonus provisions, securing the company up to 50% of revenues generated above pre-defined performance levels (irrespective of irradiation levels).

Development & Construction (D&C)

D&C revenues and margins are dependent on timing of commencement and pace of execution of the company's project backlog and pipeline.

D&C revenues are expected to increase in the fourth quarter compared to the third quarter as we will see more progress on the Jordanian projects. No construction revenues are recognised for the Red Hills project.

Total remaining contract value for the projects under construction in Jordan is approximately USD 85 million.

Corporate & Eliminations

Corporate costs are expected to remain fairly stable from the third to the fourth quarter.

Elimination will continue to reflect D&C and O&M revenues and costs related to internal deliveries to project companies managed and consolidated by Scatec Solar.

RISK

Scatec Solar has entered into long-term fixed price contracts for the sale of electricity from all its current solar power plants and the entry into such contracts is a prerequisite for financing and construction of the projects in the backlog and pipeline. All existing electricity sales contracts are entered into with state-owned utilities typically under regulation of various state programs to promote renewable energy. As a consequence, Scatec Solar is to a certain degree subject to political risk in the countries it operates.

The main economic risk going forward relate to operational performance of existing power plants, timely completion of solar plants under construction and progress in the transitioning of projects in backlog through financial close and into construction.

Scatec Solar has established a solid project pipeline, but further growth of the company will depend on a number of factors such as project availability, access to financing, component availability and pricing, price development for alternative sources of energy and the regulatory framework in the relevant markets.

In terms of specific financial risks, Scatec Solar is mainly exposed to currency risk, credit risk, liquidity risk and to some extent interest rate risk. All risks are sought to be mitigated through risk management systems.

For further information refer to the Annual Report 2014.

RELATED PARTIES

Note 24 in the annual report for 2014 provides details of transactions with related parties and the nature of these transactions. Additionally, in 2015 Scatec Solar recognised capital contributions of NOK 224 million from non-controlling interests in project companies. As of 30 September 2015, NOK 111 million of the 2014 capital contributions are not yet received and is presented as receivables on related parties in the statement of financial position. Further, the Group has receivables of NOK 66 million on co-investors related to equity financing of project companies in Jordan. No other significant changes occurred in the nature or presentation of related party transactions during first nine months of 2015.

FORWARD LOOKING STATEMENTS

This condensed interim report contains forward-looking statements based upon various assumptions. These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risk and uncertainties because they relate to events and depend on circumstances that will occur in the future. Although Scatec Solar believes that these assumptions were reasonable when made, the Company cannot assure that the future results, level of activity or performances will meet these expectations.

Condensed interim financial information

Interim consolidated statement of profit or loss

NOK THOUSAND	NOTES	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FULL YEAR 2014
Revenues	2,3	204,205	132,156	634,568	282,139	477,609
Net income/(loss) from associated companies	2	-90	-1,944	-865	-2,193	-1,183
Total revenues and other income		204,115	130,212	633,703	279,945	476,426
Cost of sales	2,3	-1,860	-1,363	-19,385	-3,003	-5,118
Gross profit		202,255	128,849	614,318	276,943	471,308
Personnel expenses	2, 12	-18,000	-20,078	-51,573	-50,354	-69,686
Other operating expenses	2	-25,098	-29,933	-79,616	-66,670	-108,736
Depreciation, amortisation and impairment	2,3	-46,100	-27,417	-123,146	-63,172	-101,859
Operating profit		113,057	51,421	359,983	96,747	191,027
Interest and other financial income	4,5	18,510	8,341	47,186	40,166	54,799
Interest and other financial expenses	4,5	-100,536	-65,293	-296,961	-158,565	-248,557
Net foreign exchange gain/(losses)	4,5	-4,858	18,411	18,329	75,152	62,310
Net financial expenses		-86,884	-38,542	-231,446	-43,247	-131,448
Profit,before income tax		26,173	12,879	128,537	53,500	59,579
Income tax (expense)/benefit	7	-17,803	-5,441	-51,832	-9,838	-11,062
Profit/(loss) for the period		8,370	7,438	76,705	43,661	48,517
Profit/(loss) attributable to:						
Equity holders of the parent		3,253	-5,375	41,338	-6,930	-17,923
Non-controlling interests		5,117	12,814	35,367	50,591	66,440
		8,370	7,438	76,705	43,661	48,517
Basic and diluted earnings per share (NOK)		0.03	-0.08	0.44	-0.11	-0.25
Weighted average no of shares (in thousand)		93,816	67,491	93,816	65,804	72,807

The interim financial information has not been subject to audit.

Interim consolidated statement of comprehensive income

NOK THOUSAND	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FULL YEAR 2014
Profit/(loss) for the period	8,370	7,438	76,705	43,661	48,517
Other comprehensive income:					
Items that may subsequently be reclassified to profit or loss					
Net movement of cash flow hedges	-6,013	-5,733	35,138	-37,391	-86,997
Income tax effect	1,680	1,602	-9,837	10,476	24,359
Foreign currency translation differences	56,914	-10,509	59,194	51,546	117,750
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	52,581	-14,640	84,495	24,631	55,112
Total comprehensive income for the period net of tax	60,951	-7,202	161,200	68,292	103,629
Attributable to:					
Equity holders of the parent	68,488	-17,435	115,334	29,728	74,449
Non-controlling interests	-7,536	10,233	45,866	38,564	29,180
	60,952	-7,202	161,200	68,292	103,629

The interim financial information has not been subject to audit.

Interim consolidated statement of financial position

NOK THOUSAND	NOTES	AS OF 30 SEPTEMBER 2015	AS OF 31 DECEMBER 2014
ASSETS			
Non-current assets			
Deferred tax assets	7	357,172	402,011
Property, plant and equipment – in solar projects	3	5,240,486	3,049,193
Property, plant and equipment – other	3	18,627	13,231
Goodwill		23,364	22,169
Financial assets	4,5	44,447	23,868
Investments in associated companies	11	-	25,841
Other non-current assets	5,9	251,956	214,401
Total non-current assets		5,936,052	3,750,715
Current assets			
Trade and other receivables		126,482	126,122
Other current assets		115,260	82,897
Financial assets	4,5	87	2,946
Cash and cash equivalents	6	963,022	1,049,106
Non-current assets held for sale	11,13	64,047	-
Total current assets		1,268,898	1,261,071
TOTAL ASSETS		7,204,950	5,011,785

The interim financial information has not been subject to audit.

Interim consolidated statement of financial position

NOK THOUSAND	NOTES	AS OF 30 SEPTEMBER 2015	AS OF 31 DECEMBER 2014
EQUITY AND LIABILITIES			
Equity			
Share capital		2,345	2,345
Share premium		804,468	794,142
Total paid in capital		806,813	796,487
Retained earnings		-191,220	-207,227
Other reserves		114,507	40,511
Total other equity		-76,713	-166,716
Non-controlling interests		700,060	546,811
Total equity	8	1,430,160	1,176,582
Non-current liabilities			
Deferred tax liabilities	7	75,809	82,640
Non-recourse project financing	4	4,846,732	3,337,265
Financial liabilities	4,5	-	14,886
Other non-current liabilities	9	95,995	4,646
Total non-current liabilities		5,018,536	3,439,437
Current liabilities			
Trade and other payables	10	232,167	69,947
Income tax payable	7	10,313	41,543
Non-recourse project financing	4	207,087	112,786
Financial liabilities	4,5,6	102,316	25,773
Other current liabilities		204,371	145,717
Total current liabilities		756,254	395,766
Total liabilities		5,774,790	3,835,203
TOTAL EQUITY AND LIABILITIES		7,204,950	5,011,785

The interim financial information has not been subject to audit.

Oslo, 27 October 2015

The Board of Directors of Scatec Solar ASA

Interim consolidated statement of changes in equity

NOK THOUSAND	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	OTHER RESERVES: FOREIGN CURRENCY TRANSLATION	OTHER RESERVES: HEDGING RESERVES	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
At 1 January 2014	1,624	301,286	-147,074	-71,602	19,742	**103,976**	294,640	**398,616**
Profit for the period	-	-	-6,930	-	-	**-6,930**	50,591	**43,661**
Other comprehensive income	-	-	-	47,155	-10,497	**36,658**	-12,028	**24,631**
Total comprehensive income	-	-	-6,930	47,155	-10,497	**29,728**	38,564	**68,292**
Share capital increase	64	-	-	-	-	**64**	-	**64**
Sharebased payment	-	6,095	-	-	-	**6,095**	-	**6,095**
Dividend to equity holders of the company	-	-	-42,230	-	-	**-42,230**	-	**-42,230**
Capital increase from NCI*	-	-	-	-	-	**-**	129,527	**129,527**
At 30 September 2014	1,688	307,381	-196,234	-24,447	9,245	**97,633**	462,730	**560,363**
At 1 October 2014	1,688	307,381	-196,234	-24,447	9,245	**97,633**	462,730	**560,363**
Profit for the period	-	-	-17,923	-	-	**17,923**	66,440	**48,517**
Other comprehensive income	-	-	-	116,801	-24,429	**92,372**	37,260	**55,112**
Total comprehensive income	-	-	-17,923	116,801	-24,429	**74,449**	29,180	**103,629**
Share capital increase	657	498,480	-	-	-	**499,137**	-	**499,137**
Transaction cost, net after tax	-	-14,607	-	-	-	**-14,607**	-	**-14,607**
Share-based payment	-	2,887	-	-	-	**2,887**	-	**2,887**
Dividend to equity holders of the company	-	-	-	-	-	**-**	-	**-**
Capital increase from NCI*	-	-	-	-	-	**-**	93,464	**93,464**
At 31 December 2014	2,345	794,142	-207,227	45,199	-4,688	**629,771**	546,811	**1,176,582**
At 1 January 2015	2,345	794,142	-207,227	45,199	-4,688	**629,771**	546,811	**1,176,582**
Profit for the period	-	-	41,338	-	-	**41,338**	35,367	**76,705**
Other comprehensive income	-	-	-	63,972	10,024	**73,996**	10,499	**84,495**
Total comprehensive income	-	-	41,338	63,972	10,024	**115,334**	45,866	**161,200**
Share-based payment		10,326				**10,326**		**10,326**
Dividend to equity holders of the company			-25,331			**-25,331**	-116,168	**-141,499**
Capital increase from NCI*						**-**	223,551	**223,551**
At 30 September 2015	2,345	804,468	-191,220	109,170	5,336	**730,099**	700,060	**1,430,159**

The interim financial information has not been subject to audit.

*Non-controlling interests.

Interim consolidated statement of cash flow

NOK THOUSAND	NOTES	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FULL YEAR 2014
Cash flow from operating activities						
Profit before taxes		26,173	12,879	128,537	53,500	59,579
Taxes paid	7	-	-2,910	-34,003	-32,582	-100,549
Depreciation and impairment	3	46,100	27,417	123,146	63,172	101,859
Net income from associated companies		-90	1,945	-865	2,193	1,183
Interest and other financial income	4	-18,511	-8,341	-47,187	-40,166	-54,799
Interest and other financial expenses	4	104,003	65,292	294,014	158,565	248,557
Unrealised foreign exchange (gain)/loss	4	-11,770	-17,771	-62,426	-9,159	24,986
(Increase)/decrease in trade and other receivables		-9,439	-25,929	-360	-59,275	-100,650
(Increase)/decrease in other current/non-current assets		-11,912	-8,153	-10,463	-120	22,340
Increase/(decrease) in trade and other payables	10	-183,385	-283,431	162,220	-370,738	-371,864
Increase/(decrease) in current liabilities		10,231	-5,915	6,350	62,709	83,091
Increase/(decrease) in financial assets and other changes	5,9	18,133	-13,475	25,317	34,297	-10,200
Net cash flow from operating activities		-30,467	-258,390	584,280	-137,604	-96,467
Cash flow from investing activities						
Interest received	4	18,511	7,100	47,187	20,468	34,012
Investments in property, plant and equipment	3	-208,858	-129,210	-2,036,913	-786,369	-923,315
Investments in associated companies		-3,484	-465	-32,089	-11,680	-20,489
Net cash flow from investing activities		-193,831	-122,575	-2,021,815	-777,581	-909,792
Cash flow from financing activities						
Proceeds from NCI shareholder financing*		15,097	34,911	216,741	68,784	105,100
Proceeds from share capital increase		-	-	-	-	484,595
Interest paid	4	-10,666	-3,200	-191,016	-52,247	-257,579
Proceeds from non-recourse project financing	4	251,615	160,492	1,507,905	639,452	701,882
Repayment of non-recourse project financing	4	-1,340	-46,583	-51,185	-82,871	-19,780
Proceeds of corporate overdraft facility	4	26,662	43,355	76,689	43,355	43,355
Repayment of corporate overdraft facility	4	-	-	-	-	-43,355
Equity financing of co-investors	9	-10,362	-	-65,848	-	-
Dividends paid to equity holders of the parent company	8	-	-42,230	-25,331	-42,230	-42,230
Dividends paid to non-controlling interest		-67,584	-	-116,168	-	-
Net cash flow from financing activities		203,422	146,745	1,351,787	574,243	971,988
Net increase/(decrease in cash and cash equivalents		-20,875	-234,220	-85,748	-340,942	-34,271
Effect of exchange rate changes on cash and cash equivalents		-18,643	-19,011	-336	-18,322	58,016
Cash and cash equivalents at beginning of the period	6	1,002,540	919,329	1,049,106	1,025,362	1,025,362
Cash and cash equivalents at end of the period	6	963,022	666,098	963,022	666,098	1,049,106
Cash in project companies in operation	6	499,220	341,347	499,220	341,347	527,980
Cash in project companies under construction	6	85,145	40,279	85,145	40,279	1,933
Other restricted cash	6	165,849	173,145	165,849	173,145	115,540
Free cash	6	212,808	111,327	212.808	111,327	403,653
Total cash and cash equivalents	6	963,022	666,098	963,022	919,329	1,049,106

The interim financial information has not been subject to audit.

* Proceeds from non-controlling interest shareholder financing include both equity contributions and shareholder loans.

Notes to the condensed interim consolidated financial statements

Note 1 Organisation and basis for preparation

Corporate information
Scatec Solar ASA is incorporated and domiciled in Norway. The address of its registered office is Karenslyst Allé 49, NO-0279 Oslo, Norway. Scatec Solar was established on 2 February 2007.

Scatec Solar ASA ("the Company"), its subsidiaries and investments in associated companies ("the Group" or "Scatec Solar") is one of the world's leading independent solar power producers. The Company is pursuing an integrated business model across the complete life cycle of utility-scale solar photovoltaic (PV) power plants including project development and design, financing, engineering, procurement, construction management, operation and maintenance, and asset management.

The condensed interim consolidated financial statements were authorised for issue by the Board of Directors on 27 October 2015.

Basis of preparation
These condensed interim consolidated financial statements are prepared in accordance with recognition, measurement and presentation principles consistent with International Financing Reporting Standards as adopted by the European Union ("IFRS") for interim reporting under International Accounting Standard ("IAS") 34 Interim Financial Reporting. These condensed interim consolidated financial statements are unaudited.

These condensed interim consolidated financial statements are condensed and do not include all of the information and notes required by IFRS for a complete set of consolidated financial statements. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements.

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014. Standards and interpretations mentioned in note 27 of the Group's annual report 2014 with effective date from financial year 2015, do not have a significant impact on the Group's condensed interim consolidated financial statements.

The functional currency of the companies in the Group is determined based on the nature of the primary economic environment in which each company operates. The functional currency of the parent company Scatec Solar ASA and the presentation currency of the Group is Norwegian kroner (NOK). All amounts are presented in NOK thousands unless otherwise stated.

As a result of rounding adjustments, the figures in some columns may not add up to the total of that column.

Significant estimates and judgements
The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the condensed interim financial statements:

Consolidation of new project companies
Scatec Solar's value chain comprises all downstream activities such as project development, financing, construction and operations, as well as having an asset management role through ownership of the solar power plants. Normally Scatec Solar enters into partnerships for the shareholding of the project companies owning the power plants. To be able to utilise the business model fully, Scatec Solar seeks to obtain operational control of the project companies. Operational control is obtained through governing bodies, shareholder agreements and other contractual arrangements. Other contractual arrangements may include Scatec Solar's role as the developer of the project, EPC provider (construction), operation and maintenance service provider and asset management service provider.

Scatec Solar would normally seek to undertake the following distinct roles in its projects:

- As the largest shareholder providing equity financing to the project
- As (joint) developer, including obtaining project rights, land permits, off-take agreements and other local approvals
- As EPC supplier, responsible for the construction of the project
- As provider of operation and maintenance services to the projects, responsible for the day-to-day operations of the plant
- As provider of management services to the project companies

During first quarter 2015 the construction of the Agua Fria (Honduras), Oryx (Jordan) and Red Hills (USA) solar power plants commenced. Scatec Solar has a shareholding of 40%, 90% and 100% in the respective project companies. During second quarter 2015 the construction of the EJRE and GLAE (both Jordan) solar power plants commenced. Even though none of the projects Scatec Solar is involved with are identically structured, the five roles/activities described above constitute the main and relevant activities which affect the variable return. When assessing whether Scatec Solar controls a project company as defined by IFRS 10 Consolidated Financial Statements, all of the above agreements are analysed.

For the five project companies referred to above, Scatec Solar has concluded that it through its involvement has the power to control the entities. Furthermore, Scatec Solar is exposed to variable returns and has the ability to affect those returns through its power over the companies. Refer to note 2 of the 2014 annual report for information on other judgements.

Estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis, considering the current and expected future market conditions. Changes in accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Seasonality in operations

Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. The Group's operating results are affected by external factors, such as weather conditions. The power production at the PV solar parks is directly affected by seasonal changes in solar irradiance which is normally at its highest during the summer months. This effect is to a certain degree offset in the consolidated revenues due to the fact that the Group operates PV solar parks on both the northern and southern hemisphere.

Note 2 Operating segments

Operating segments align with internal management reporting to the Group's chief operating decision maker, defined as the Group management team. The operating segments are determined based on differences in the nature of their operations, products and services. Scatec Solar manages its operations in three segments; Power Production (PP), Operation and Maintenance (O&M) and Development and Construction (D&C).

Financing and operation of solar power plants is ring-fenced in project companies with a non-recourse project finance structure - where Scatec Solar contributes with the required equity, either alone or together with co-investors. For companies where Scatec Solar is deemed to have a controlling interest in accordance with IFRS 10, revenues, expenses, assets and liabilities are included on a 100% basis in the condensed interim Financial Statements and presented correspondingly in the Power Production segment reporting.

Power Production

The Power Production segment manages the Group's power producing assets, and derives its revenue from the production and sale of solar generated electricity based on long-term Power Purchase Agreements or Feed-in-Tariffs. Finance and operation of the plants is ring-fenced in project companies with a non-recourse finance structure. This implies that the project debt is only secured and serviced by project assets and the cash flows generated by the project, and that there is no obligation for project equity investors to contribute additional funding in the event of a default. Free cash flows after debt service are distributed from these project companies to Scatec Solar, and any other project equity investors in accordance with the shareholding and the terms of the finance documents.

Operation and Maintenance

The Operation and Maintenance segment delivers services to ensure optimised operations of the Group's solar power producing assets through a complete and comprehensive range of services for technical and operational management. Revenues are based on service agreements with a periodic base fee as well as a potential performance bonus.

Development and Construction

The Development and Construction segment derives its revenue from the sale of development rights and construction services to project companies set up to operate the Group's solar power plants. These transactions are primarily made with companies that are under the control of the Group and hence are being consolidated. Revenues from transfer of development rights are recognised upon the transfer of title. Revenues from construction services are based on fixed price contracts and are accounted for using the percentage of completion method.

Corporate

Corporate consists of the activities of corporate services, management and group finance.

No segments have been aggregated to form these reporting segments. Revenues from transactions between the D&C, O&M and PP segments, where Scatec Solar is deemed to hold a controlling interest, are presented as Internal Revenues in the segment reporting and eliminated in the consolidated statement of profit or loss. These transactions are based on international contract standards and terms negotiated at arm's length with lenders and co-investors in each project company.

The management team assesses the performance of the operating segments based on a measure of gross profit and operating profit. The measurement basis for the segment data follows the accounting policies used in the consolidated financial statement for 2014 as described in Note 27 Summary of significant accounting policies.

Q3 2015

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	201,458	785	1,962	-	-	**204,205**
Internal revenues	-723	16,565	139,823	1,745	-157,410	**-**
Net income/(loss) from associates	-	-	-90	-	-	**-90**
Total revenues and other income	200,735	17,350	141,695	1,745	-157,410	**204,115**
Cost of sales	-	-	-123,858	-	121,998	**-1,860**
Gross profit	200,735	17,350	17,837	1,745	-35,412	**202,255**
Personnel expenses	-2,606	-2,691	-5,850	-6,853	-	**-18,000**
Other operating expenses	-26,880	-3,301	-7,738	-4,766	17,587	**-25,098**
Depreciation and impairment	-59,817	-740	-1,702	-141	16,300	**-46,100**
Operating profit	111,432	10,618	2,547	-10,015	-1,525	**113,057**

Q3 2014

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	128,977	1,574	1,606	-	-	**132,156**
Internal revenues	-	7,724	129,020	2,474	-139,218	**-**
Net income/(loss) from associates	-	-	-1,944	-	-	**-1,944**
Total revenues and other income	128,977	9,298	128,681	2,474	-139,218	**130,212**
Cost of sales	-	-	-90,679	-	89,314	**-1,363**
Gross profit	128,977	9,298	38,003	2,474	-49,903	**128,849**
Personnel expenses	-1,515	-1,677	-9,267	-7,618	-	**-20,078**
Other operating expenses	-13,892	-2,977	-12,924	-10,338	10,198	**-29,933**
Depreciation and impairment	-33,811	-311	-3,370	-55	10,130	**-27,417**
Operating profit	79,759	4,334	12,442	-15,537	-29,575	**51,421**

YTD 2015

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	609,388	2,567	22,613	-	-	**634,568**
Internal revenues	-	41,610	958,027	4,727	-1,004,364	**-**
Net income/(loss) from associates	-	-	-865	-	-	**-865**
Total revenues and other income	609,388	44,177	979,775	4,727	-1,004,364	**633,703**
Cost of sales	-	-	-852,948	-	833,563	**-19,385**
Gross profit	609,388	44,177	126,827	4,727	-170,801	**614,318**
Personnel expenses	-7,159	-7,053	-20,561	-16,800	-	**-51,573**
Other operating expenses	-71,024	-9,764	-30,834	-14,331	46,337	**-79,616**
Depreciation and impairment	-165,156	-1,700	-3,571	-345	47,626	**-123,146**
Operating profit	366,049	25,660	71,861	-26,749	-76,838	**359,983**

YTD 2014

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	274,344	5,654	2,142	-	-	**282,139**
Internal revenues	11,386	13,386	851,233	6,758	-882,762	**-**
Net income/(loss) from associates	-	-	-2,193	-	-	**-2,193**
Total revenues and other income	285,730	19,040	851,181	6,758	-882,762	**279,945**
Cost of sales	-	-	-587,627	-	584,624	**-3,003**
Gross profit	285,730	19,040	263,554	6,758	-298,139	**276,943**
Personnel expenses	-2,409	-4,759	-27,934	-15,252	-	**-50,354**
Other operating expenses	-25,634	-6,480	-34,484	-20,215	20,144	**-66,670**
Depreciation and impairment	-78,426	-866	-7,855	-364	24,340	**-63,172**
Operating profit	179,260	6,934	193,281	-29,073	-253,655	**96,747**

Full year 2014

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	448,064	7,025	22,511	9	-	**477,609**
Internal revenues	11,386	21,630	949,490	6,208	-988,713	**-**
Net income/(loss) from associates	-	-	-1,183	-	-	**-1,183**
Total revenues and other income	459,450	28,654	970,818	6,217	-988,713	**476,426**
Cost of sales	-	-	-639,524	-	634,406	**-5,118**
Gross profit	459,450	28,654	331,294	6,217	-354,307	**471,309**
Personnel expenses	-4,993	-6,590	-37,623	-20,480	-	**-69,686**
Other operating expenses	-42,257	-9,189	-51,798	-33,330	27,838	**-108,736**
Depreciation and impairment	-122,901	-1,180	-15,430	-429	38,081	**-101,859**
Operating profit	289,299	11,695	226,443	-48,022	-288,388	**191,027**

Note 3 Property, plant and equipment

The Group operates solar power plants in Europe, Africa and North America. During 2015, five solar power plants have been under construction (Agua Fria in Honduras, Oryx, EJRE and GLAE in Jordan as well as Red Hills in the US). Power plants which are constructed during one fiscal year are presented as additions to “solar power plants” in the table below. If construction is carried out in two fiscal years, the carrying value of the completed plant is transferred from ‘solar power plants under construction’ to “solar power plants”.

The carrying value of development projects that have not yet reached the construction phase was NOK 72,390 thousand at 30 September 2015 (31 December 2014: NOK 50,666 thousand).

There were no significant impairment losses during first half year 2015. In the third quarter 2015, the Group recognised an impairment loss of NOK 1,443 thousand related to a development in South Africa. During first quarter 2014, the Group incurred impairment losses of NOK 3,201 thousand. The impairment losses relate to two development projects in South Africa. During second quarter 2014, the Group incurred impairment losses of NOK 748 thousand related to the close-down of the German operations. In third quarter 2014, the Group recognized impairment losses of NOK 3,009 thousand related to a development project in France.

All impairment losses are recognized in the Development & Construction segment.

During second quarter 2015 the Group sold its portfolio of projects in the UK. Total consideration received was NOK 20,094 thousand, cost of sales was NOK 17.509 million and the net gain was NOK 2,585 thousand. The transaction was recorded in the Development & Construction segment.

NOK THOUSAND	SOLAR POWER PLANTS	SOLAR POWER PLANTS UNDER CONSTRUCTION	MACHINERY AND EQUIPMENT	TOTAL
Carrying value at 31 December 2014	2,870,939	178,254	13,231	**3,062,424**
Additions	831,859	1,311,382	9,120	**2,152,361**
Disposals	-	-17,509	-392	**-17,901**
Transfers	-4,760	4,760	-	**-**
Depreciation	-117,565	-	-3,362	**-120,928**
Impairment losses	-	-1,861	-357	**-2,218**
Effect of foreign exchange currency translation adjustments	-14,257	199,244	387	**185,375**
Carrying value at 30 September 2015	3,566,216	1,674,270	18,627	**5,259,113**
Estimated useful life (years)	20-25	N/A	3-5	

Note 4 Net financial expenses and liabilities

Scatec Solar uses non-recourse financing for constructing and/or acquiring assets, exclusively using as guarantee the assets and cash flows of the special purpose vehicle carrying out the activities financed. Compared to corporate financing, non-recourse financing has certain key advantages, including a clearly defined and limited risk profile. In this respect, the banks recover the financing solely through the cash flows generated by the projects financed. For four of the five companies operating in the Czech Republic, the non-recourse financing agreements include a cross default clause within the Czech group.

The project companies' assets are pledged as security for the non-recourse financing. The repayment plan for the debt is a sculpted annuity; hence the sum of loan and interest repayments are not stable from year to year. Repayments are normally made twice a year. Refer to note 5 in the 2014 Annual Report for more information. The maturity date for the loans ranges from 2028 to 2036. NOK 207,087 thousand of the Group's total non-recourse debt is due within 12 months and is presented as current in the statement of financial position.

During nine months of 2015, the Group drew down NOK 1,507,905 thousand of non-recourse debt as part of the construction of the solar power plants in the US, Honduras and Jordan.

NOK THOUSAND	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FULL YEAR 2014
Interest income	18,164	7,100	46,661	20,469	34,013
Forward exchange contracts	-	-	-	-	-
Other financial income	346	1,241	525	19,698	20,786
Financial income	18,510	8,341	47,186	40,166	54,799
Interest expenses	-98,396	-49,040	-288,517	-104,151	-190, 802
Forward exchange contracts	-	-10,729	-2,954	-45,989	-46,744
Other financial expenses	-2,140	-5,524	-5,490	-8,425	-11,011
Financial expenses	-100,536	-65,293	-296,961	-158,565	-248,557
Foreign exchange gains/(losses)	-4,858	18,411	18,329	75,152	62,310
Net financial expenses	-86,884	-38,542	-231,446	-43,247	-131,448

Note 5 Significant fair value measurements

Derivative financial instruments (including interest rate swaps and forward exchange contracts) are valued at fair value on Level 2 of the fair value hierarchy, in which the fair value is calculated by comparing the terms agreed under each derivative contract to the market terms for a similar contract on the valuation date. Note 10 in the annual report for 2014 provides details for each class of financial assets and financial liabilities, and how these assets and liabilities are grouped.

There are no significant changes for the presentation of these categories in the period, and there are no significant differences between total carrying value and fair value at reporting date. The presented table below summarises each class of financial instruments recognised in the condensed consolidated statement of financial position, split by the Group's basis for fair value measurement.

30 September 2015 NOK THOUSAND	NON-CURRENT FINANCIAL INVESTMENTS	DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)	TOTAL FAIR VALUE
Fair value based on prices quoted in an active market (Level 1)	-	-	-	-
Fair value based on price inputs other than quoted prices (Level 2)	-	44,534	-25,627	18,907
Fair value based on unobservable inputs (Level 3)	72	-	-	72
Total fair value at 30 September 2015	72	44,534	-25,627	18,979

31 December 2014 NOK THOUSAND	NON-CURRENT FINANCIAL INVESTMENTS	DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)	TOTAL FAIR VALUE
Fair value based on prices quoted in an active market (Level 1)	-	-	-	-
Fair value based on price inputs other than quoted prices (Level 2)	-	26,814	-40,659	-13,845
Fair value based on unobservable inputs (Level 3)	3,120	-	-	3,120
Total fair value at 31 December 2014	3,120	26,814	-40,659	10,725

Note 6 Cash and cash equivalents

NOK THOUSAND	30 SEPTEMBER 2015	31 DECEMBER 2014
Cash in project companies in operation	499,220	527,980
Cash in project companies under construction	85,145	1,933
Other restricted cash	165,849	115,540
Free cash	212,808	403,653
Total cash and cash equivalents	963,022	1,049,106

Cash in project companies in operation includes restricted cash in proceeds accounts, debt service reserve accounts, disbursements accounts, maintenance and insurance reserve accounts and similar. These cash and cash equivalents are only available to the Group through distributions as determined by shareholder and non-recourse financing agreements.

Cash in project companies under construction comprise shareholder financing and draw down on term loan facilities by project companies to settle outstanding external EPC invoices.

Other restricted cash comprises restricted deposits for withholding tax, guarantees, VAT and rent as well as collateralised shareholder financing of project companies not yet distributed to the project companies.

Reconciliation of movement in free cash

NOK THOUSAND	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FULL YEAR 2014
Free cash at beginning of period	222,886	131,964	403,653	296,510	296,510
Net free cash flow from operations outside non-recourse financed companies	-30,758	-30,734	195,749	-190,470	121,916
Equity contributions/collateralised for equity commitments in project companies	-13,543	-	-478,387	-8,847	-35,090
Distributions from project companies	34,223	10,097	91,792	14,134	20,317
Free cash at end of the period	212,808	111,327	212,808	111,327	403,653

In the second quarter of 2014, Scatec Solar entered into an overdraft facility of NOK 100 million with a tenor of 1 year (and rolled forward one year at the time) and a guarantee facility of NOK 150 million with a tenor of 3 years, both with Nordea Bank Norge ASA. Both facilities have a covenant requiring Scatec Solar's equity ratio to be above 30% - where the equity ratio is calculated excluding assets and debt related to non-recourse project company financing.

The term of the facility is NIBOR 7 days plus 2.5% per year. Per 30 Sep 2015, the Group has drawn NOK 77 million in the facility.

Note 7 Income tax expense

For the third quarter and the first nine month of 2015, the effective income tax rate was primarily influenced by withholding taxes on intercompany dividends of NOK 11,306 thousand, intercompany transactions subject to different statutory tax rates as well as valuation allowance related to tax losses carried forward in France.

Effective tax rate

NOK THOUSAND	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FULL YEAR 2014
Profit before income tax	27,076	12,879	129,440	53,500	59,579
Income tax (expense)/benefit	-17,710	-5,441	-51,739	-9,838	-11,062
Equivalent to a tax rate of (%)	65.4	42.2	40.0	18.4	18.6

Movement in deferred tax

NOK THOUSAND	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FULL YEAR 2014
Net deferred tax at beginning of period	287,152	263,011	319,371	232,750	232,750
Recognised in the consolidated statement of profit or loss	-5,986	2,229	-30,747	23,168	30,076
Deferred tax on financial instruments recognised in OCI	1,680	1,602	-9,837	10,476	24,359
Recognised in the consolidated statement of changes in equity	2,328	2,121	6,810	4,205	12,851
Deferred taxes on witholding taxes	949	-	949	-	726
Translation differences	-4,760	2,168	-5,183	533	18,609
Net deferred tax at end of period	281,363	271,131	281,363	271,131	319,371

Note 8 Dividend

For 2014, the Board of Directors proposed a dividend of NOK 0.27 per share, totalling NOK 25,330 thousand. Distribution of dividends is resolved by a majority vote of the Annual General Meeting of the shareholders of the Company, and on the basis of a proposal from the Board of Directors. The Annual General Meeting has the power to reduce, but cannot increase the dividend proposed by the Board of Directors. The share was trading excluding dividend rights (ex-date) on the day following the Annual General Meeting held 7 May 2015. The dividend was paid 15 June 2015.

Note 9 Non-current receivables/liabilities - related parties

As of 30 September 2015, Scatec Solar has receivables on non-controlling interests of NOK 218,777 thousand (124,742). NOK 111,369 thousand of the receivables relates to committed but not paid equity in project companies. Further included in other non-current receivables are loans provided to the equity consolidated company Scatec Energy (US) of NOK 17,795 thousand (17,217). In addition the Group has receivables of NOK 65,848 thousand (12,007) on co-investors related to equity financing of project companies in Jordan. These receivables will be settled through future dividends from the project companies.

As part of the shareholder financing of the Agua Fria project company, the shareholders have issued both equity and shareholder loans. The total shareholder loans from non-controlling interests amounts to NOK 95,305 thousand as of 30 September 2015. The loan carries an interest of 11% and the maturity date is January 2031. The shareholder loans from non-controlling interests for Agua Fria are presented as other non-current liabilities.

Note 10 Trade and other payables

The consolidated trade and other payables are mainly related to construction related supplier credits. Consequently, the balance is affected by the activity level in the Development & Construction segment. The increased payables at 30 September 2015 compared to 31 December 2014, reflects the activity currently ongoing as part of the construction of the Utah Red Hills, Agua Fria, Oryx, and EJRE/GLAE projects.

Note 11 Non-current assets held for sale

The 8 MW Waihonu solar power project in Hawaii, USA is developed and owned jointly by Scatec Solar (49%) and the solar developer Meridian (51%). As communicated in the second quarter 2015, Scatec Solar decided to concentrate resources on larger project opportunities and had initiated a process to sell the Waihonu project. The sales process was concluded in the fourth quarter 2015 and the carrying value, NOK 64,047 thousand, of the equity consolidated investment is presented as held for sale in the consolidated statement of financial position. See note 13 for further information.

Note 12 Share based payment

In September 2015 certain key employees were invited to participate in a one-time personal award program, whereby such key employees were granted 80 thousand synthetic Scatec Solar shares. In addition, the participants will earn a multiplier of between 1 and 2 times the awarded number of synthetic shares, making the total size of the program 160 thousand synthetic shares. The vesting of the shares is conditional upon the participant being employed with the company at year-end 2016. Further, the second tranche of shares is linked to performance conditions that must be satisfied. The value of the synthetic shares will be paid to the participants 28 February 2017 based on the share price on the last day of trading in 2016. The program meets the definition of a cash settled share based payment transaction and is accounted for in accordance with IFRS 2. The estimated total fair value of the plan at grant date was NOK 8,383 thousand and an accrual of NOK 482 thousand has been recognized per 30 September 2015.

The retention and share incentive plan introduced in the second quarter 2014 is not affected by the new program.

Note 13 Subsequent events

In October, Scatec Solar concluded the sale of the 8 MW Waihonu project in the US. Total cash consideration is approximately NOK 76 million and Scatec Solar's share of the net development margin is estimated to approximately NOK 12 million.

Definitions

Backlog
Project backlog is defined as projects with a secure off-take agreement assessed to have more than 90% likelihood of reaching financial close and subsequent realisation.

Pipeline
Project pipeline is defined as projects assessed to have more than 50% likelihood of reaching financial close and subsequent realisation.

Opportunities
Project opportunities are defined as projects that have not yet reached a 50% likelihood of reaching financial close and subsequent realisation. However, the company has verified feasibility and business cases for the projects.

Definition of project milestones
Financial close (FC): The date on which all conditions precedent for drawdown of debt funding has been achieved and equity funding has been subscribed for, including execution of all project agreements. Notice to proceed for commencement of construction of the solar power plant will normally be given directly thereafter. Projects in Scatec Solar defined as "backlog" are classified as "under construction" upon achievement of financial close.

Start of Production (SOP): The first date on which the solar power plant generates revenues through sale of power under the off-take agreement. Production volumes and/or the price of the power may be lower than when commercial operation date (COD) is reached. This milestone is regulated by the off-take agreement with the power off-taker. This milestone may be reached prior to COD if the construction of a power plant is completed earlier than anticipated in the off-take agreement.

Commercial Operation Date (COD): A scheduled date when certain formal key milestones have been reached, typically including grid compliance, approval of metering systems and technical approval of plant by independent engineers. Production volumes have reached normalised levels sold at the agreed off-taker agreement price. This milestone is regulated by the off-taker agreement with the power off-taker.

Take Over Date (TOD): The date on which the EPC contractor hands over the power plant to the project company. COD must have been reached, in addition to delivery of training and all technical documentation before TOD takes place. The responsibility for Operations & Maintenance (O&M) of the plant is handed over from the EPC contractor to the O&M contractor at the TOD. This milestone will normally occur shortly after the COD date.

Definition of Non-IFRS financial measures
Net interest bearing debt (NIBD): is defined as total interest bearing debt, less cash and cash equivalents.

EBITDA: is defined as operating profit adjusted for depreciation, amortisation and impairments.

SSO prop. share: is defined as the equity holders of the parent company's proportionate share of consolidated revenues, expenses, profits and cash flows.

Cash flow to equity: is EBITDA less normalised (i.e. average quarterly) loan and interest repayments, less normalised income tax payments.

Scatec Solar proportionate share of cash flow to equity: is defined as the Company's proportionate share of EBITDA less normalised (i.e. normalised over each calendar year) loan repayments and interest payments, less normalised income tax payments for Power Production. For D&C, O&M and Corporate it is defined as EBITDA less normalised income tax. The definition implies changes in net working capital and investing activities are excluded from the figure.

Project equity: is defined as equity and shareholder loans.

Net interest expense: is defined as interest income less interest expenses.

Normalised loan repayments: are calculated as the annual repayment divided by four quarters for each calendar year. However, loan repayments are normally made bi-annually. Loan repayments will vary from year to year as the payment plan is based on a sculpted annuity.

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