Second quarter and half year report 2015

Scatec Solar
Improving our future™

About Scatec Solar

Scatec Solar is an integrated independent solar power producer, aiming to make solar power a sustainable and affordable source of energy worldwide. Scatec Solar develops, builds, owns and operates solar power plants, and has an installation track record of close to 600 MW.

The company is growing rapidly, and is currently delivering power from 219 MW of solar power plants in the Czech Republic, South Africa and Rwanda. Construction of an additional 207 MW of solar power plants in USA, Honduras and Jordan is well under way.

The company has a global presence with a solid backlog and pipeline of projects under development in Americas, Africa and 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 secured

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

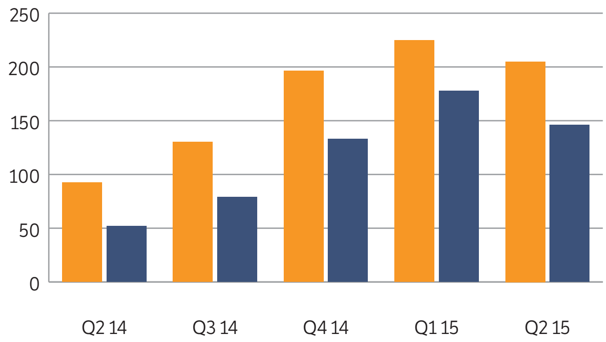
Ownership

- Asset management
- Financial and operational optimization

Highlights

- Revenues of NOK 205 million (93)[1], EBITDA of NOK 146 million (52) and net profit of NOK 21 million (26)
- Very positive developments in backlog and pipeline
  - Backlog increased by 33 MW to 299 MW after securing a new project in Mali
  - Pipeline increased by gross 747 MW to 1,172 MW with project additions in Pakistan, Egypt, Kenya and South Africa
- Power production volumes affected by normal seasonality and by lower irradiation than expected in the quarter
- Scatec Solar's proportionate share of cash flow to equity [2] reached NOK 71 million mainly driven by increased activity in the Development & Construction segment
- Total investments reached NOK 1,159 million across 207 MW in construction – total equity investments of NOK 311 million of which SSO's share was NOK 203 million
- The 60 MW Agua Fria project reached mechanical completion and is expected to start production in the third quarter

CONSOLIDATED REVENUES AND EBITDA
NOK MILLION



KEY FIGURES

NOK MILLION	Q2 2015	Q1 2015	Q2 2014	YTD 2015	YTD 2014
Total revenues and other income	**205**	225	93	430	150
EBITDA [2]	**146**	178	52	324	81
Operating profit (EBIT)	**108**	139	35	247	45
Profit before income tax	**30**	73	31	102	41
Profit/(loss) for the period	**21**	47	26	68	36
Profit/(loss) to Scatec Solar	**19**	**19**	**8**	**38**	**-2**
Profit/(loss) to non-controlling interests	**3**	28	18	30	38
Total Assets	**6,937**	6,142	4,173	6,937	4,173
Equity (%) [3]	**20%**	21%	11%	20%	11%
Net interest bearing debt [2]	**3,689**	2,725	2,022	3,689	2,022
SSO proportionate share of cash flow to equity [2]:					
Power Production	**29**	31	23	60	35
Operation & Maintenance	**7**	5	2	12	2
Development & Construction	**39**	13	79	52	134
Corporate	**-5**	-7	-4	-12	-6
Total	**71**	**42**	**101**	**113**	**165**

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 reflect 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; developing, constructing, operating, maintaining and owning 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 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 second 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, and four plants in the Czech Republic (20 MW). The plants produce electricity for sale under 20-25 year power purchase agreements (PPA) or feed-in tariff (FiT) schemes.

Operation & Maintenance (O&M)

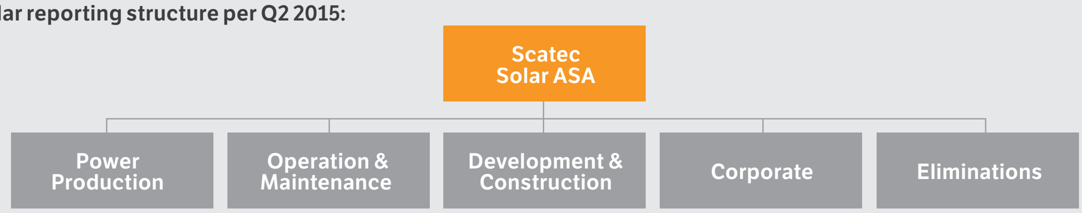
The O&M segment comprises primarily services provided to solar power plants controlled by Scatec Solar. Revenues and profits are typically generated on the basis of fixed service fees with additional profit-sharing arrangements based on plant performance.

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 of power plants in the first half of 2015. The backlog of projects with secured offtake of future power production is currently at 299 MW, while the project pipeline consists of several projects with a combined capacity of about 1,172 MW.

Scatec Solar reporting structure per Q2 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	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 Honduras: • Agua Fria, 60 MW Jordan: • Oryx, 10 MW • EJRE / GLAE, 33 MW Backlog 299 MW Pipeline ~ 1,172 MW		

Segment financials

SEGMENT FINANCIALS Q2 2015

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	183.6	0.9	20.5	-	-	**205.0**
Internal revenues	0.7	14.9	576.0	1.5	-593.1	**-**
Net income/(loss) from associates	-	-	-0.2	-	-	**-0.2**
Total revenues and other income	184.3	15.8	596.4	1.5	-593.1	**204.8**
Cost of sales	-	-	-525.5	-	508.0	**-17.5**
Gross profit	184.3	15.8	70.8	1.5	-85.1	**187.3**
Operating expenses	-26.2	-5.8	-17.5	-8.6	17.1	**-41.1**
EBITDA	158.1	10.0	53.3	-7.1	-68.0	**146.2**
Depreciation, amortisation and impairment	-52.2	-0.5	-0.9	-0.1	15.6	**-38.1**
Operating profit (EBIT)	105.9	9.4	52.5	-7.2	-52.4	**108.1**

SEGMENT FINANCIALS Q2 2014

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	91.2	1.6	0.1	-	-	**92.9**
Internal revenues	1.5	5.0	402.6	3.1	-412.2	**-**
Net income/(loss) from associates	-	-	-0.1	-	-	**-0.1**
Total revenues and other income	92.7	6.5	402.6	3.1	-412.2	**92.7**
Cost of sales	-	-	-266.5	-	265.3	**-1.2**
Gross profit	92.7	6.5	136.1	3.1	-146.9	**91.5**
Operating expenses	-9.0	-3.4	-26.6	-8.5	8.0	**-39.5**
EBITDA	83.6	3.1	109.5	-5.4	-138.8	**52.0**
Depreciation, amortisation and impairment	-23.1	-0.3	-1.1	-0.3	8.0	**-16.7**
Operating profit (EBIT)	60.5	2.8	108.4	-5.7	-130.8	**35.3**

SSEGMENT FINANCIALS YTD 2015

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	407.9	1.8	20.7	-	-	**430.4**
Internal revenues	0.7	25.0	818.2	3.0	-847.0	**-**
Net income/(loss) from associates	-	-	-0.8	-	-	**-0.8**
Total revenues and other income	408.7	26.8	838.1	3.0	-847.0	**429.6**
Cost of sales	-	-	-729.1	-	711.6	**-17.5**
Gross profit	408.7	26.8	109.0	3.0	-135.4	**412.1**
Operating expenses	-48.7	-10.8	-37.8	-19.5	28.8	**-88.1**
EBITDA	360.0	16.0	71.2	-16.5	-106.6	**324.0**
Depreciation, amortisation and impairment	-105.3	-1.0	-1.9	-0.2	31.3	**-77.0**
Operating profit (EBIT)	254.6	15.0	69.3	-16.7	-75.3	**246.9**

SEGMENT FINANCIALS YTD 2014

NOK MILLION	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	145.4	4.1	0.5	-	-	**150.0**
Internal revenues	11.4	5.7	722.2	4.3	-743.5	**-**
Net income/(loss) from associates	-	-	-0.2	-	-	**-0.2**
Total revenues and other income	156.8	9.7	722.5	4.3	-743.5	**149.7**
Cost of sales	-	-	-496.9	-	495.3	**-1.6**
Gross profit	156.8	9.7	225.6	4.3	-248.2	**148.1**
Operating expenses	-12.6	-6.6	-40.2	-17.5	9.9	**-67.0**
EBITDA	144.1	3.2	185.3	-13.2	-238.3	**81.1**
Depreciation, amortisation and impairment	-44.6	-0.6	-4.5	-0.3	14.2	**-35.8**
Operating profit (EBIT)	99.5	2.6	180.8	-13.5	-224.1	**45.3**

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

Operating revenues in Power Production reached NOK 184 million (91) in the second quarter.

Power production totalled 89,686 MWh in the quarter, up from 44,338 MWh in the same period last year, but down from 117,865 MWh in the first quarter of 2015.

The quarter on quarter decrease in production volume and revenues was expected and mainly due to winter season in South Africa, but was also affected by about five percent lower than seasonally normal irradiation (i.e. sun hours). Plant availability remained high during the quarter.

Operating expenses in the segment amounted to NOK 26 million (9) in the second quarter, up from NOK 23 million in the previous quarter.

EBITDA reached NOK 158 million (84) in the second quarter, with an EBITDA margin of 86%.

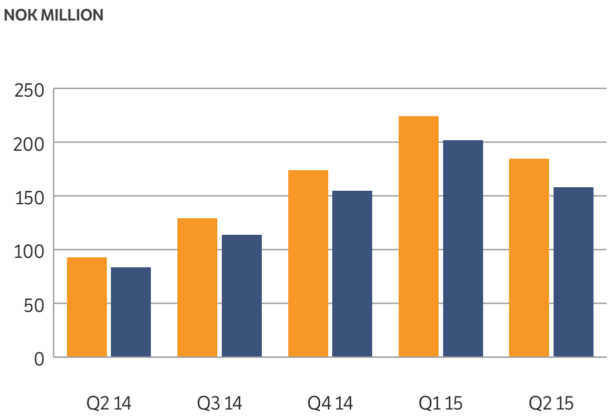
Depreciation and amortisation amounted to NOK 52 million (23), broadly in line with the previous quarter.

Scatec Solar's proportionate share of cash flow to equity [4] from Power Production was NOK 29 million in the second quarter 2015 and NOK 60 million in the first half year 2015.

For the first half year, revenues amounted to NOK 409 million (157), while operating expenses increased to NOK 49 million (13). EBITDA amounted to NOK 360 million (144) for the first half year, and EBIT to NOK 255 million (100).

See separate tables for financials for each individual project company.

POWER RODUCTION – REVENUES AND EBITDA BY QUARTER



POWER PRODUCTION – KEY FIGURES

NOK MILLION	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15
External revenues	91.2	129.0	173.7	224.4	**183.6**
Internal revenues	1.5	0.0	0.0	0.0	**0.7**
Total revenues and other income	**92.7**	**129.0**	**173.7**	**224.4**	**184.3**
Operating expenses	-9.0	-15.4	-19.2	-22.5	**-26.2**
EBITDA	**83.6**	**113.6**	**154.5**	**201.9**	**158.1**
D&A and impairment	-23.1	-33.8	-44.5	-53.1	**-52.2**
EBIT	**60.5**	**79.8**	**110.0**	**148.7**	**105.9**

POWER PRODUCTION – KEY RATIOS (%)

	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15
EBITDA margin	90%	88%	89%	90%	**86%**
EBIT margin	65%	62%	63%	66%	**57%**

PRODUCTION (MWH)

	MW	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15
Czech portfolio	20	8,130	7,045	1,810	3,628	**8,257**
Kalkbult	75	35,341	36,453	40,494	38,708	**33,172**
Dreunberg	75	-	9,610	39,570	46,052	**28,719**
Linde	40	867	19,024	28,523	25,943	**16,341**
ASYV	8.5	-	1,604	3,415	3,534	**3,197**
MWh produced	219	44,338	73,736	113,812	117,865	**89,686**
- net to SSO		22,251	33,119	45,627	48,322	**40,110**

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

4 Refer to appendix for definition of project milestones.

PROJECT COMPANIES - KEY FINANCIALS Q2 2015

NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	SEGMENT OVERHEAD	TOTAL SEGMENT	SSO PROP. SHARE [5]
Revenues	31.8	67.2	27.7	49.9	6.3	1.3	184.3	92.2
OPEX	-2.2	-8.9	-4.9	-6.9	-0.9	-2.4	-26.2	-13.0
EBITDA	29.7	58.3	22.8	43.0	5.4	-1.1	158.1	79.2
EBITDA margin	93%	87%	82%	86%	85%	-80%	86%	86%
Net Interest expenses [5]	-5.0	-30.1	-14.9	-30.3	-2.9	0.7	-82.4	-34.9
Normalised loan repayments [5]	-4.9	-3.7	-6.5	-4.5	-1.7	-	-21.2	11.3
Cash flow to equity [5]	16.6	21.3	1.7	9.4	0.7	-0.2	49.4	29.2
SSO shareholding	100%	39%	39%	39%	43%	-	-	-

PROJECT COMPANIES - KEY FINANCIALS YTD 2015

NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	SEGMENT OVERHEAD	TOTAL SEGMENT	SSO PROP. SHARE [5]
Revenues	45.9	143.9	72.3	131.4	13.5	1.6	408.7	188.7
OPEX	-4.3	-16.7	-8.7	-11.8	-2.1	-5.1	-48.7	-24.8
EBITDA	41.6	127.2	63.7	119.6	11.4	-3.5	360.0	164.0
EBITDA margin	91%	88%	88%	91%	84%	-213%	88%	87%
Net Interest expenses [5]	-10.1	-59.8	-30.1	-61.3	-6.6	1.1	-166.8	-70.8
Normalised loan repayments [5]	-9.7	-7.4	-13.0	-9.0	-3.4	-	-42.5	-22.6
Cash flow to equity [5]	18.8	50.6	16.2	42.4	1.1	-1.5	127.7	60.3
SSO shareholding	100%	39%	39%	39%	43%	-	-	-

PROJECT COMPANIES – FINANCIAL POSITION AND WORKING CAPITAL BREAK-DOWN

AS OF 30 JUNE 2015

	IN OPERATION					UNDER CONSTRUCTION					
NOK MILLION	CZECH REPUBLIC	KALKBULT	LINDE	DREUNBERG	ASYV	RED HILLS	AGUA FRIA	ORYX	EJRE/ GLAE	D&C, O&M, CORPORATE & ELIMINATIONS [6]	CONSOLI- DATED
Project equity [5]	185.0	349.0	216.9	381.3	23.4	249.0	293.6	60.4	249.8	-592.3	1,415.9
Total assets	607.8	1,467.2	844.7	1,611.2	188.2	1,227.1	970.2	132.5	268.0	-379.8	6,937.1
PP&E [6]	518.0	1,235.3	674.2	1,331.4	161.5	1,214.2	808.0	91.8	101.2	-1,199.2	4,936.6
Cash [7]	38.4	180.6	93.0	132.8	19.9	0.7	162.0	9.4	-	365.8	1,002.5
Gross debt	383.3	1,054.6	595.8	1,182.2	154.0	893.3	395.8	25.1	-	-	4,684.1
Net debt	344.9	874.1	502.8	1,049.4	134.0	892.6	233.8	15.7	-	-365.8	3,681.5
Net working capital [8]	-11.2	-23.6	-35.8	-52.1	-15.3	-72.6	-280.6	-15.7	110.6	682.9	286.8

5 Refer to appendix for definition of this measure.

6 The amount of NOK 1,199 million includes capitalised development spending on projects that have not yet reached construction phase of NOK 44 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 133 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 16 million (7) in the second quarter.

The second quarter revenues were recognised based on O&M contracts totalling 236 MW. Scatec Solar did not enter into new O&M contracts in the quarter.

Operating expenses reached NOK 6 million (3), broadly in line with the previous quarter.

The EBITDA increased to NOK 10 million (3) in the second quarter, corresponding to an EBITDA-margin of 63% (47%). The increase from the first quarter 2015 is mainly due to an increased accrual for 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 0.5 million (0.3), and EBIT was NOK 9 million (3).

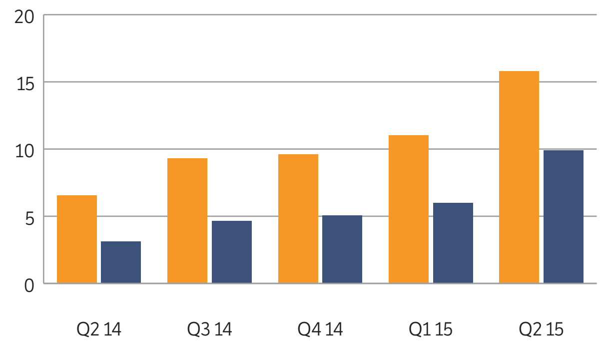
Scatec Solar's proportionate share of cash flow to equity from Operation & Maintenance was NOK 7 million in the second quarter 2015 and NOK 12 million in the first half year 2015.

For the first half year, revenues increased to NOK 27 million (10), while operating expenses increased to NOK 11 million (7). EBITDA amounted to NOK 16 million (3) for the first half year, and EBIT to NOK 15 million (3).

The inclusion of the Agua Fria plant in Honduras expected in the second half of 2015 will increase the O&M portfolio to 296 MW.

OPERATION & MAINTENANCE
– REVENUES AND EBITDA BY QUARTER

NOK MILLION



OPERATION & MAINTENANCE – KEY FIGURES

NOK MILLION	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15
External revenues	1.6	1.6	1.4	0.9	**0.9**
Internal revenues	5.0	7.7	8.2	10.1	**14.9**
Total revenues and other income	**6.5**	**9.3**	**9.6**	**11.0**	**15.8**
Operating expenses	-3.4	-4.6	-4.5	-5.0	**-5.8**
EBITDA	**3.1**	**4.6**	**5.1**	**6.0**	**9.9**
D&A and impairment	-0.3	-0.3	-0.3	-0.4	**-0.5**
EBIT	**2.8**	**4.3**	**4.8**	**5.6**	**9.4**

OPERATION & MAINTENANCE – KEY RATIOS (%)

	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15
EBITDA margin	47%	50%	53%	55%	**63%**
EBIT margin	43%	47%	50%	51%	**60%**

PORTFOLIO OVERVIEW – MW AT END OF PERIOD

MW	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15
Portfolio (MW)	146	167	152	236	**236**
Of which third-party	51	32	17	17	**17**

O&M-contracts are included at Taking Over Date (TOD).
Refer to appendix for definition of project milestones.

Development & Construction

Revenues in the Development & Construction (D&C) segment amounted to NOK 596 million (403) in the second quarter.

During the quarter construction started for the 22 MW EJRE plant and the 11 MW GLAE plant, both located in Jordan.

Scatec Solar has developed the EJRE and GLAE projects together with a local developer. At financial close all rights and permits were transferred to the project company which will own and operate the solar power plant, and this generated total development revenues of NOK 8 million for the D&C segment.

Agua Fria, Oryx, EJRE and GLAE generated revenues of NOK 564 million. 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 second quarter PoC for Agua Fria was 96%, Oryx 31%, EJRE 3% and GLAE 2%.

Cost of sales related to both project execution and project development amounted to NOK 526 million (266) in the second quarter, generating a gross margin of 12% (34%). The underlying gross margin is in line with earlier guidance but will normally vary somewhat from quarter to quarter.

During second quarter 2015 the Group sold its portfolio of projects under development in the UK. Total consideration received was NOK 20 million and the net gain was NOK 3 million. See note 3 for further information.

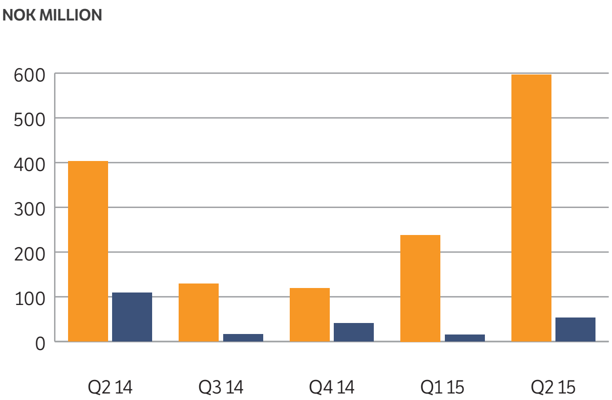
Operating expenses were NOK 18 million (27) in the second quarter. This comprised of approximately NOK 9 million for early stage development of new projects and NOK 9 million related to construction projects.

EBITDA was NOK 53 million (109) in the second quarter. Depreciation, amortisation and impairment amounted to NOK 0.9 million (1.1), and EBIT was NOK 53 million (108). The lower EBITDA and EBIT reflect reduced gross margins compared to the second quarter 2014.

For the first half year, revenues amounted to NOK 838 (723), with a gross margin of 13% (31%). Operating expenses decreased to NOK 38 million (40). EBITDA was NOK 71 million (185) and EBIT NOK 69 million (181).

Scatec Solar's proportionate share of cash flow to equity from Development & Construction was NOK 39 million in the second quarter 2015 and NOK 53 million in the first half year 2015.

DEVELOPMENT & CONSTRUCTION
– REVENUES AND EBITDA BY QUARTER



DEVELOPMENT & CONSTRUCTION – KEY FIGURES

NOK MILLION	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15
External revenues	0.1	1.6	20.4	0.1	20.7
Internal revenues	402.6	129.0	98.3	242.2	576.0
Net income associated	-0.1	-1.9	1.0	-0.6	-0.2
Total revenue and other income	**402.6**	**128.7**	**119.6**	**241.7**	**596.4**
Cost of sales	-266.5	-90.7	-51.9	-203.6	-525.5
Gross profit	136.1	38.0	67.7	38.1	70.9
Operating expenses	-26.6	-22.2	-27.0	-20.3	-17.5
EBITDA	**109.4**	**15.8**	**40.7**	**17.8**	**53.4**
D&A and impairment	-1.1	-3.4	-7.6	-1.0	-0.9
EBIT	**108.3**	**12.4**	**33.2**	**16.8**	**52.5**

KEY RATIOS (%)

	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15
Gross margin	34%	30%	57%	16%	12%
EBITDA margin	27%	12%	34%	7%	9%
EBIT margin	27%	10%	28%	7%	9%

CONSTRUCTION PROJECTS – MILESTONES [10]

	CAPACITY	Q2'15	Q3'15	Q4'15	H1'16
Red Hills, Utah	104 MW				SOP
Agua Fria	60 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 segment reported an operating loss of NOK -7 million (-6) in the second quarter 2015.

CORPORATE – KEY FIGURES

NOK MILLION	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15
Total revenues	3.1	2.5	-0.6	1.5	**1.5**
Operating expenses	-8.5	-18.0	-18.3	-10.9	**-8.6**
D&A and impairment	-0.3	0.1	0.1	-0.1	**-0.1**
EBIT	-5.7	-15.5	-18.9	-9.5	**-7.2**

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

For the first half year, the operating loss amounted to NOK -16.7 million.

ELIMINATIONS – KEY FIGURES

NOK MILLION	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15
Revenues	-412.2	-139.2	-106.0	-253.8	**-593.1**
Cost of sales	265.3	89.4	49.8	203.6	**508.0**
Operating expenses	8.0	10.2	7.7	11.6	**17.1**
EBITDA	-138.8	-39.7	-48.5	-38.6	**-68.0**
D&A	8.0	10.1	13.7	15.7	**15.6**
EBIT	-130.8	-29.6	-34.7	-22.9	**-52.4**

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 second quarter this effect amounted to NOK 16 million (8) and for the first half year NOK 31 million (14).

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 17 million (8) in the second quarter.

CONSOLIDATED INCOME STATEMENT

Revenues

Scatec Solar reported consolidated revenues of NOK 205 million in the second quarter 2015, up from NOK 93 million in the same period last year, with the growth reflecting sales of electricity from new solar power plants in South Africa and Rwanda, as well as NOK 20 million of revenues from the sale of the UK project portfolio.

For the first half year, revenues amounted to NOK 430 million (150). Net revenues included NOK -1 million (0) of income from associated companies in the first half year.

Operating expenses

Consolidated operating expenses amounted to NOK 41 million (40) in the second quarter. This comprised of approximately NOK 17 million for operation of existing power plants, NOK 9 million for early stage development of new projects, NOK 7 million related to construction of power plants and NOK 8 million of corporate expenses (excluding eliminated intersegment charges).

Operating expenses also include NOK 4 million related to share-based payment. See note 23 in the annual report for information on the plan.

Personnel expenses amounted to NOK 15 million (16) and other operating expenses to NOK 26 million (23).

For the first half year, consolidated operating expenses amounted to NOK 88 million (67). The increase in operating expenses primarily reflects commencement of operations of new solar power plants in South Africa and in Rwanda, increased spending on development and construction activities as well as increased capacity and activity at the corporate level.

Operating profit

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to NOK 146 million (52) in the second quarter, and NOK 324 million (81) for the first half year. The increase primarily reflects commencement of production at Linde, Dreunberg and ASYV.

Depreciation, amortisation and impairment amounted to NOK 38 million (17) in the second quarter and NOK 77 million (36) for the first half year. The increase is mainly explained by commencement of asset depreciation of Linde, Dreunberg and ASYV.

Operating profit (EBIT) was NOK 108 million (35) in the second quarter and NOK 247 million (45) for the first half year.

Net financial items

NET FINANCIAL ITEMS – KEY FIGURES

NOK MILLION	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15
Interest income	8.0	7.1	13.5	12.7	**15.8**
Forward exchange contracts	-	-	-	-	**-**
Other financial income	0.3	1.2	1.1	0.2	**-**
Financial income	8.3	8.3	14.6	13.0	**15.8**
Interest expenses	-28.1	-49.0	-86.7	-95.8	**-94.3**
Forward exchange contracts	-7.6	-10.7	-0.8	-3.0	**-**
Other financial expenses	-0.5	-5.5	-2.6	-2.4	**-1.0**
Financial expenses	-36.1	-65.3	-90.0	-101.1	**-95.3**
Foreign exchange gains/(losses)	23.8	18.4	-12.8	22.2	**1.0**
Net financial expenses	-3.9	-38.5	-88.2	-66.0	**-78.5**

Net financial items amounted to NOK -79 million (-4) in the second quarter and NOK -145 million (-5) for the first half year. 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 16 million (8) in the second quarter and NOK 29 million (32) for the first half year, including interest income on cash and on collateralised equity commitments for projects under construction.

Financial expenses amounted to NOK 95 million (36) in the second quarter and NOK 196 million (93) for the first half year. Interest expenses on the Kalkbult, Linde, Dreunberg, ASYV and the Czech plants amounted to NOK 94 million (28) in the second quarter and NOK 189 million (55) for the first half year. The Group incurred losses of NOK 35 million on mark-to-market revaluations of open EUR and USD forward exchange contracts in the first half year 2014. The foreign exchange contracts expired in the first quarter 2015.

Foreign exchange gains amounted to NOK 1 million (24) in the second quarter and NOK 23 million (57) for the first half year. These are mainly non-cash and related to intercompany balances.

Profit before tax and net profit

Profit before income tax was NOK 30 million (31) in the second quarter and NOK 102 million (41) for the first half year.

Income tax expense was NOK 8 million (5) in the second quarter, corresponding to an effective tax rate of 28.0%. For the first half year, income tax expense was NOK 34 (4), corresponding to an effective tax rate of 33.2%. 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. Net profit was NOK 21 million (26) in the second quarter and NOK 68 million (36) for the first half year.

A profit of NOK 19 million (8) was attributable to the equity holders of Scatec Solar for the second quarter and NOK 38 (-2) for the first half year. A profit of NOK 3 million (18) was attributable to non-controlling interests in the second quarter and NOK 30 (38) for the first half year.

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 103 million in the second quarter 2015 (2). Compared to the EBITDA of NOK 146 million, the cash flow is primarily affected by payment of income taxes and partly offset by improved working capital.

Net negative cash flow from consolidated investing activities was NOK -1,143 million (-255), driven by investments in the Red Hills, Agua Fria, Oryx, EJRE and GLAE solar power plants.

Net cash flow from financing activities was NOK 750 million (179), including net proceeds of NOK 843 million (189) from non-recourse financing. Furthermore NOK 108 million (18) was received in shareholder financing from non-controlling interest. During the second quarter dividends of NOK 25 million (0) were paid to the equity holders of the parent company, and dividends of NOK 49 million were paid to non-controlling interests in power plant companies.

For the first half year, net cash flow from consolidated operating activities was NOK 559 million (121), while the net negative cash flow from consolidated investing activities was NOK -1,828 million (-655). Net cash flow from consolidated financing activities amounted to NOK 1,204 million (427), including net proceeds of NOK 1,206 million (449) 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	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Power Production	23.1	25.9	22.8	30.8	29.2
Operation & Maintenance	2.3	3.4	3.8	4.5	7.4
Development & Construction	79.1	11.6	31.4	13.3	39.2
Corporate	-3.8	-11.3	-13.8	-6.9	-5.1
Total	**100.7**	**29.6**	**44.3**	**41.7**	**70.6**
SSO project equity investments	-	-	-26.2	-262.0	-202.8
Distributions to SSO from project companies	3.0	10.1	6.2	8.7	48.9
Dividends to corporate shareholders	-42.3	-	-	-	-25.3

"Scatec Solar proportionate share of cash flow to equity" was NOK 71 million in the second quarter (101) and 112 for the first half of 2015 (165). The decrease compared to the second quarter 2014 is explained by lower gross margins in the Development & Construction segment partly offset by increased cash flow from the Power Production and Operation and Maintenance segments.

Scatec Solar invested NOK 98 million in Red Hills and NOK 106 million in EJRE/GLAE during the second quarter. Total equity investments for the first half year is NOK 465 million related to the solar power plants in US, Honduras and Jordan.

A dividend from Kalkbult of NOK 47 million was distributed in April 2015. This dividend covered earnings from start of production in September 2013 through 2014.

In June 2015 a dividend of NOK 25 million was distributed to the equity holders of the parent company.

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 reduces consolidated equity ratio.

Total equity was NOK 1,416 million (1,310) as of 30 June 2015, representing an increase of NOK 106 million during second quarter and NOK 239 million during the first half year. The increase is mainly due to capital increase from non-controlling interests in the Agua Fria, Oryx, EJRE and GLAE project companies of NOK 206 million as well as profit for the period. Dividends to corporate shareholders and non-controlling interests totalling NOK 74 million are offsetting the above effects to a certain extent.

As a result of the construction activities in the US, Honduras and Jordan and hence increased total assets, the book equity ratio decreased to 20.4% from 21.3% at the end of the first quarter.

Total assets amounted to NOK 6,937 million (6,142) as of 30 June 2015, an increase of NOK 796 million during the second quarter and NOK 1,925 million during the first half year. 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 5,696 million (4,595) as of 30 June 2015, an increase of NOK 1,101 million during second quarter and NOK 1,945 during the first half year. PP&E in project companies accounted for 95% of the quarter on quarter net increase.

Current assets amounted to NOK 1,242 million (1,261), which was an decrease of NOK 304 million during second quarter and a decrease of NOK 19 million during the first half year – mainly explained by decreased cash and cash equivalents.

Of the total cash and cash equivalents of NOK 1,003 million, NOK 448 million was cash in project companies in operation, and NOK 171 million was cash in project companies under construction. The cash in project companies includes restricted cash in proceeds accounts, debt service reserve accounts and cash available for distribution to project company shareholders. The cash in project companies in operations is only available to the Group through distributions as determined by shareholder and non-recourse financing agreements. Other restricted cash amounted to NOK 160 million. NOK 223 million was free cash at the corporate level. Per 30 June 2015, the Group had drawn NOK 50 million on the corporate overdraft facility.

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

Total liabilities increased to NOK 5,521 million from NOK 4,832 million at the end of the first quarter.

Total non-current liabilities amounted to NOK 4,738 million at the end of second quarter 2015, compared to NOK 4,012 million at the end of first quarter. NOK 4,564 million of this was non-recourse project financing pledged only to the assets and performance of each individual project, compared to NOK 3,823 million at the end of first quarter.

Total current liabilities decreased to NOK 783 million, from NOK 820 million at the end of the first quarter. The decrease mainly reflects repayment of non-recourse project financing.

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 be NOK 140-160 million from Power Production and Operation & Maintenance based on the installed capacity of 219 MW and based on currency exchange rates as of end of July 2015.

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

Based on current project backlog and pipeline, there are significant opportunities to increase growth in 2016 and beyond. To fund accelerated growth, alternatives for accessing debt at the corporate level is currently being evaluated.

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)	Q1 2015	Q2 2015*
In operation	219	219
Under construction	207	207
Project backlog	266	299
Project pipeline	468	1,172
Project opportunities	1,700	1,200

*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.

Scatec Solar currently has a project backlog with a gross capacity of 299 MW up from 266 MW at Q1'15 reporting.

Segou, Mali, 33 MW

On July 9, 2015, Scatec Solar ASA together with its partners 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 is expected to be about EUR 8 million. The PPA is backed by a concession agreement with the State of Mali.

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. 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).

Financial close and construction start is expected early in 2016.

Waihonu, USA, 8 MW

The 8 MW Waihonu solar power project in Hawaii, USA is developed and owned jointly by Scatec Solar (49%) and the solar project developer Meridian (51%). Sale of power has been formalised in PPAs with the local utility Hawaiian Electric Company (HECO), based on the Feed in Tariff secured for the projects.

The total gross investment in the plant is expected to be approximately USD 34 million. The plant is expected to generate 12,700 MWh per year with revenues of about USD 3 million per year.

To concentrate our resources on larger scale project opportunities, Scatec Solar has decided to initiate a process to sell the Waihonu project. The sales process is expected to be concluded in the second half of 2015, before construction start.

Upington, South Africa, 258 MW

On April 13 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. The plants are expected to generate 645,000 MWh per year with revenues starting at about ZAR 790 million per year based on a partially 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. Financial close is expected later in 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.

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 1,172 MW up from 468 MW at Q1'15 reporting.

PIPELINE – TARGETED START OF CONSTRUCTION

	CAPACITY (MW)	2016	2017	2018
South Africa	344			344
East Africa	88	88		
West Africa	57	20	37	
Egypt	250	250		
Pakistan	150	150		
Americas	283	283		
Total pipeline	1,172	791	37	344

In South Africa, Scatec Solar is preparing for the expedited bidding round under the REIPPP programme with announced bidding due date on October 6, 2015. Scatec Solar has secured four projects, each of 86 MW, that are expected to be bid into this upcoming round. These projects are included in pipeline and have 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.

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. 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.

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 that has already been allocated in the state of Sindh and the process for securing the feed-in tariff is clear and 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.

Scatec Solar is negotiating an agreement to acquire a project portfolio of 53 MW in Honduras (Americas). The portfolio of projects already has secured PPAs with the ENEE, the national utility company.

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 1,200 MW across Americas, Africa and MENA. The reduction from Q1 is mostly related to the transfer of projects from opportunities to pipeline.

THIRD QUARTER GUIDANCE

Power Production (PP)

Power Production revenues are expected to increase from the second quarter to the third quarter driven by a somewhat higher seasonal solar irradiation in South Africa. In addition, the Aqua Fria project in Honduras is expected to start production during the quarter.

Third quarter power production is hence expected to reach 115,000 MWh, up from 90,000 MWh in the second quarter.

Operation and Maintenance (O&M)

O&M revenues and operating profit are expected to increase slightly from the second quarter to the third quarter 2015, as revenues based on power plants over-performance is expected to increase in the quarter, and as the O&M contract in Aqua Fria becomes effective.

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.

Construction activities commenced for the EJRE/GLAE (33 MW) power plants in the second quarter while construction continued for Red Hills (104 MW), Agua Fria (60 MW) and Oryx (10 MW).

D&C revenues are expected to decrease in the third quarter as the Agua Fria plant is completed with limited incremental revenue contribution while construction of Oryx and EJRE/GLAE will progress throughout the second half of 2015. No construction revenues are recognised for the Red Hills project. Scatec Solar has outsourced most of the EPC services for the Red Hills project but remains construction manager.

Total remaining contract value for the projects under construction (excluding Red Hills) is approximately USD 100 million.

Corporate & Eliminations

Corporate costs are expected to increase somewhat from the second to the third 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 206 million from non-controlling interests in project companies. As of 30 June 2015, NOK 112 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 55 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 half year 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	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FULL YEAR 2014
Revenues	2,3	205,005	92,854	430,363	149,982	477,609
Net income/(loss) from associated companies	2	-188	-140	-775	-249	-1,183
Total revenues and other income		204,817	92,714	429,588	149,734	476,426
Cost of sales	2,3	-17,525	-1,236	-17,525	-1,639	-5,118
Gross profit		187,292	91,477	412,063	148,094	471,308
Personnel expenses	2	-15,116	-16,443	-33,573	-30,277	-69,686
Other operating expenses	2	-25,935	-23,076	-54,518	-36,737	-108,736
Depreciation, amortisation and impairment	2,3	-38,100	-16,705	-77,046	-35,755	-101,859
Operating profit		108,141	35,253	246,926	45,326	191,027
Interest and other financial income	4,5	15,755	8,306	28,676	31,825	54,799
Interest and other financial expenses	4,5	-95,309	-36,079	-196,425	-93,273	-248,557
Net foreign exchange gain/(losses)	4,5	1,016	23,838	23,187	56,742	62,310
Net financial expenses		-78,538	-3,935	-144,562	-4,706	-131,448
Profit before income tax		29,603	31,318	102,364	40,620	59,579
Income tax (expense)/benefit	7	-8,278	-4,884	-34,029	-4,397	-11,062
Profit/(loss) for the period		21,325	26,435	68,335	36,223	48,517
Profit/(loss) attributable to:						
Equity holders of the parent		18,598	8,170	38,085	-1,555	-17,923
Non-controlling interests		2,727	18,265	30,250	37,777	66,440
		21,325	26,435	68,335	36,223	48,517
Basic and diluted earnings per share (NOK)		0.20	0.13	0.41	-0.02	-0.25
Weighted average no of shares (in thousand)		93,816	64,960	93,816	64,960	72,807

The interim financial information has not been subject to audit.

Interim consolidated statement of comprehensive income

NOK THOUSAND	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FULL YEAR 2014
Profit/(loss) for the period	21,325	26,435	68,335	36,223	48,517
Other comprehensive income:					
Items that may subsequently be reclassified to profit or loss					
Net movement of cash flow hedges	69,902	-44,173	41,151	-31,658	-86,997
Income tax effect	-19,570	12,378	-11,517	8,874	24,359
Foreign currency translation differences	-4,728	-595	2,280	62,055	117,750
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	45,604	-32,390	31,914	39,271	55,112
Total comprehensive income for the period net of tax	66,929	-5,955	100,249	75,494	103,629
Attributable to:					
Equity holders of the parent	47,940	-14,218	46,846	47,163	74,449
Non-controlling interests	18,988	8,262	53,402	28,330	29,180
	66,928	-5,955	100,248	75,494	103,629

The interim financial information has not been subject to audit.

Interim consolidated statement of financial position

NOK THOUSAND	NOTES	AS OF 30 JUNE 2015	AS OF 31 DECEMBER 2014
ASSETS			
Non-current assets			
Deferred tax assets	7	368,668	402,011
Property, plant and equipment – in solar projects	3	4,935,952	3,049,193
Property, plant and equipment – other	3	18,460	13,231
Goodwill		21,564	22,169
Financial assets	4,5	50,483	23,868
Investments in associated companies		55,218	25,841
Other non-current assets	5,9	245,189	214,401
Total non-current assets		5,695,534	3,750,715
Current assets			
Trade and other receivables		117,043	126,122
Other current assets		121,850	82,897
Financial assets	4,5	160	2,946
Cash and cash equivalents	6	1,002,539	1,049,106
Total current assets		1,241,592	1,261,071
TOTAL ASSETS		6,937,126	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 JUNE 2015	AS OF 31 DECEMBER 2014
EQUITY AND LIABILITIES			
Equity			
Share capital		2,345	2,345
Share premium		801,032	794,142
Total paid in capital		803,377	796,487
Retained earnings		-194,472	-207,227
Other reserves		49,271	40,511
Total other equity		-145,201	-166,716
Non-controlling interests		757,755	546,811
Total equity	8	1,415,931	1,176,582
Non-current liabilities			
Deferred tax liabilities	7	81,516	82,640
Non-recourse project financing	4	4,563,663	3,337,265
Financial liabilities	4,5	-	14,886
Other non-current liabilities	9	92,614	4,646
Total non-current liabilities		4,737,793	3,439,437
Current liabilities			
Trade and other payables	10	415,552	69,947
Income tax payable	7	9,351	41,543
Non-recourse project financing	4	127,521	112,786
Financial liabilities	4,5,6	74,485	25,773
Other current liabilities		156,493	145,717
Total current liabilities		783,402	395,766
Total liabilities		5,521,195	3,835,203
TOTAL EQUITY AND LIABILITIES		6,937,126	5,011,785

The interim financial information has not been subject to audit.

Oslo, 28 July 2015

The Board of Directors of Scatec Solar ASA

Interim consolidated statement of changes in equity

				OTHER RESERVES				
NOK THOUSAND	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	HEDGING RESERVES	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
At 31 December 2013	1,624	301,286	-147,074	-71,602	19,741	103,976	294,640	398,616
Profit for the period	-	-	-1,555	-	-	1,555	37,777	36,223
Other comprehensive income	-	-	-	57,603	-8,886	48,717	-9,447	39,271
Total comprehensive income	-	-	-1,555	57,603	-8,886	47,163	28,330	75,494
Dividend to equity holders of the company	-	-	-42,230	-	-	-42,230	-	-42,230
Capital increase from NCI*	-	-	-	-	-	-	33,873	33,873
At 30 June 2014	1,624	301,286	-190,858	-11,995	8,852	108,909	356,843	465,752
At 1 July 2014	1,624	301,286	-190,858	-11,995	8,852	108,909	356,843	465,752
Profit for the period	-	-	-16,368	-	-	-19,478	28,663	12,294
Other comprehensive income	-	-	-	59,198	-15,543	43,655	-27,813	15,841
Total comprehensive income	-	-	-16,368	59,198	-15,543	24,177	850	28,135
Share capital increase	721	498,480	-	-	-	499,201	-	499,201
Transaction cost, net after tax	-	-14,607	-	-	-	-14,607	-	-14,607
Share-based payment	-	8,982	-	-	-	8,982	-	8,982
Capital increase from NCI*	-	-	-	-	-	-	189,118	189,118
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	-	-	38,085	-	-	38,085	30,249	68,334
Other comprehensive income	-	-	-	-3,306	12,067	8,761	23,153	31,914
Total comprehensive income	-	-	38,085	-3,306	12,067	46,846	53,402	100,248
Share-based payment	-	6,890	-	-	-	6,890	-	6,890
Dividend to equity holders of the company	-	-	-25,331	-	-	-25,331	-48,584	-73,915
Capital increase from NCI*	-	-	-	-	-	-	206,126	206,126
At 30 June 2015	2,345	801,032	-194,473	41,892	7,379	658,175	757,755	1,415,930

The interim financial information has not been subject to audit.

*Non-controlling interests.

Interim consolidated statement of cash flow

NOK THOUSAND	NOTES	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FULL YEAR 2014
Cash flow from operating activities						
Profit before taxes		29,603	31,318	102,363	40,620	59,579
Taxes paid	7	-34,003	-14,165	-34,003	-29,672	-100,549
Depreciation and impairment	3	38,143	16,705	77,046	35,755	101,859
Net income from associated companies		-188	140	-775	249	1,183
Interest and other financial income	4	-15,755	-8,306	-28,676	-31,825	-54,799
Interest and other financial expenses	4	94,251	36,079	190,011	93,273	248,557
Unrealised foreign exchange (gain)/loss	4	-17,326	-31,290	-50,656	8,611	24,986
(Increase)/decrease in trade and other receivables		40,059	-36,988	9,079	-33,346	-100,650
(Increase)/decrease in other current assets		-43,288	39,620	-54,037	8,032	22,340
Increase/(decrease) in trade and other payables	10	8,040	-91,619	345,605	-87,308	-371,864
Increase/(decrease) in current liabilities		2,448	64,669	-3,881	68,623	83,091
Increase/(decrease) in financial assets and other changes	5,9	729	-4,624	7,184	47,773	-10,200
Net cash flow from operating activities		102,713	1,538	559,260	120,785	-96,467
Cash flow from investing activities						
Interest received	4	15,755	7,987	28,676	13,369	34,012
Investments in property, plant and equipment	3	-1,159,190	-252,154	-1,828,055	-657,159	-923,315
Investments in associated companies		678	-11,215	-28,605	-11,215	-20,489
Net cash flow from investing activities		-1,142,757	-255,382	-1,827,984	-655,005	-909,792
Cash flow from financing activities						
Proceeds from NCI shareholder financing*		107,776	17,952	201,644	33,873	105,100
Proceeds from share capital increase		-	-	-	-	484,595
Interest paid	4	-176,044	-28,058	-180,350	-55,111	-257,579
Proceeds from non-recourse project financing	4	891,433	217,906	1,256,290	478,960	701,882
Repayment of non-recourse project financing	4	-48,464	-29,195	-49,845	-30,224	-19,780
Proceeds of corporate overdraft facility	4	49,904	-	50,027	-	43,355
Repayment of corporate overdraft facility	4	0	-	0	-	-43,355
Dividends paid to equity holders of the parent company		-25,331	-	-25,331	-	-42,230
Dividends paid to non-controlling interest		-48,584	-	-48,584	-	
Net cash flow from financing activities		750,690	178,605	1,203,851	427,498	971,988
Net increase/(decrease in cash and cash equivalents		-289,354	-75,239	-64,873	-106,722	-34,271
Effect of exchange rate changes on cash and cash equivalents		-2,180	23,277	18,307	689	58,016
Cash and cash equivalents at beginning of the period	6	1,294,074	971,291	1,049,106	1,025,362	1,025,362
Cash and cash equivalents at end of the period	6	1,002,539	919,329	1,002,539	919,329	1,049,106
Cash in project companies in operation	6	447,891	235,035	447,891	235,035	527,980
Cash in project companies under construction	6	171,388	278,626	171,388	278,626	1,933
Other restricted cash	6	160,374	273,703	160,374	273,703	115,540
Free cash	6	222,886	131,964	222,886	131,964	403,653
Total cash and cash equivalents	6	1,002,539	919,329	1,002,539	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 29 July 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.

Q2 2015

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	183,578	897	20,530	-	-	**205,005**
Internal revenues	723	14,907	576,015	1,473	-593,118	**-**
Net income/(loss) from associates	-	-	-188	-	-	**-188**
Total revenues and other income	184,301	15,804	596,357	1,473	-593,118	**204,817**
Cost of sales	-	-	-525,509	0	507,984	**-17,525**
Gross profit	184,301	15,804	70,848	1,473	-85,134	**187,292**
Personnel expenses	-1,656	-2,154	-6,988	-4,318	-	**-15,116**
Other operating expenses	-24,574	-3,686	-10,522	-4,256	17,103	**-25,935**
Depreciation and impairment	-52,198	-529	-868	-143	15,638	**-38,100**
Operating profit	105,873	9,435	52,470	-7,244	-52,393	**108,141**

Q2 2014

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	91,136	1,603	115	-	-	**92,854**
Internal revenues	1,511	4,948	402,632	3,131	-412,221	**-**
Net income/(loss) from associates	-	-	-140	-	-	**-140**
Total revenues and other income	92,646	6,551	402,607	3,131	-412,221	**92,714**
Cost of sales	-	-	-266,548	-	265,311	**-1,236**
Gross profit	92,646	6,551	136,059	3,131	-146,910	**91,477**
Personnel expenses	-388	-1,648	-10,903	-3,504	-	**-16,443**
Other operating expenses	-8,673	-1,795	-15,678	-5,011	8,079	**-23,077**
Depreciation and impairment	-23,063	-287	-1,050	-309	8,003	**-16,705**
Operating profit	60,522	2,821	108,429	-5,693	-130,828	**35,253**

YTD 2015

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	407,930	1,782	20,651	-	-	**430,363**
Internal revenues	723	25,045	818,204	2,982	-846,954	**-**
Net income/(loss) from associates	-	-	-775	-	-	**-775**
Total revenues and other income	408,653	26,827	838,080	2,982	-846,954	**429,588**
Cost of sales	-	-	-729,090	-	711,565	**-17,525**
Gross profit	408,653	26,827	108,990	2,982	-135,389	**412,063**
Personnel expenses	-4,553	-4,362	-14,711	-9,947	-	**-33,573**
Other operating expenses	-44,144	-6,463	-23,096	-9,565	28,750	**-54,518**
Depreciation and impairment	-105,339	-960	-1,869	-204	31,326	**-77,046**
Operating profit	254,617	15,042	69,314	-16,734	-75,313	**246,926**

YTD 2014

NOK THOUSAND	POWER PRODUCTION	OPERATION & MAINTENANCE	DEVELOPMENT & CONSTRUCTION	CORPORATE	ELIMINATIONS	TOTAL
External revenues	145,367	4,080	537	-	-	**149,983**
Internal revenues	11,386	5,662	722,213	4,284	-743,544	**-**
Net income/(loss) from associates	-	-	-249	-	-	**-249**
Total revenues and other income	156,752	9,742	722,501	4,284	-743,544	**149,734**
Cost of sales	-	-	-496,949	-	495,309	**-1,640**
Gross profit	156,752	9,742	225,551	4,284	-248,235	**148,094**
Personnel expenses	-894	-3,083	-18,667	-7,633	-	**-30,277**
Other operating expenses	-11,742	-3,503	-21,560	-9,878	9,946	**-36,736**
Depreciation and impairment	-44,615	-556	-4,485	-310	14,209	**-35,756**
Operating profit	99,501	2,600	180,840	-13,537	-224,080	**45,326**

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 first half year 2015, five solar power plants were under construction (Agua Fria in Honduras, Oryx, EJRE and GLAE in Jordan as well as Red Hills in the US). The power plants which are in production at period end, are transferred from 'solar power plants under construction' to 'solar power plants' in the table below.

The carrying value of development projects that have not yet reached the construction phase was NOK 43,689 thousand at 30 June 2015 (31 December 2014: NOK 50,666 thousand).

There were no significant impairment losses during first half year 2015. 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.

All impairment losses are recognized 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	30,786	1,884,714	8,029	**1,923,529**
Disposals	-	-17,509	-331	**-17,840**
Transfers	-4,760	4,760	-	**-**
Depreciation	-73,902	-125	-2,164	-76,191
Impairment losses	-	-458	-397	**-855**
Effect of foreign exchange currency translation adjustments	17,644	45,609	92	**63,345**
Carrying value at 30 June 2015	2,840,707	2,095,245	18,460	**4,954,412**
Estimated useful life (years)	20-25	N/A	3-5	

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.

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 127,521 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 first half of 2015, the Group drew down NOK 1,256,290 thousand of non-recourse debt as part of the construction of the solar power plants in the US, Honduras and Jordan.

NOK THOUSAND	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FULL YEAR 2014
Interest income	15,755	7,987	28,497	13,369	34,013
Forward exchange contracts	-	-	-	-	-
Other financial income	-	319	179	18,456	20,786
Financial income	15,755	8,306	28,676	31,825	54,799
Interest expenses	-94,334	-28,058	-190,121	-55,111	-190, 802
Forward exchange contracts	-	-7,561	-2,954	-35,261	-46,744
Other financial expenses	-975	-460	-3,350	-2,901	-11,011
Financial expenses	-95,309	-36,079	-196,425	-93,273	-248,557
Foreign exchange gains/(losses)	1,016	23,838	23,187	56,742	62,310
Net financial expenses	-78,538	-3,935	-144,562	-4,706	-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.

31 March 2015 NOK THOUSAND	NON-CURRENT FINANCIAL INVESTMENTS	DERIVATIVE FINANCIAL INSTRUMENTS (ASSET)	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITY)	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)	-	50,643	-24,458	**26,185**
Fair value based on unobservable inputs (Level 3)	1,676	-	-	**1,676**
Total fair value at 30 June 2015	1,676	50,643	-24,458	**27,861**

31 December 2014 NOK THOUSAND	NON-CURRENT FINANCIAL INVESTMENTS	DERIVATIVE FINANCIAL INSTRUMENTS (ASSET)	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITY)	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 JUNE 2015	31 DECEMBER 2014
Cash in project companies in operation	447,891	527,980
Cash in project companies under construction	171,388	1,933
Other restricted cash	160,374	115,540
Free cash	222,886	403,653
Total cash and cash equivalents	1,002,539	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	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FULL YEAR 2014
Free cash at beginning of period	479,006	117,634	403,653	296,510	296,510
Net free cash flow from operations outside non-recourse financed companies	-102,164	11,327	226,508	-159,736	121,916
Equity contributions/collateralised for equity commitments in project companies	-202,808	-	-464,843	-8,847	-35,090
Distributions from project companies	48,852	3,003	57,568	4,037	20,317
Free cash at end of the period	222,886	131,964	222,886	131,964	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 June 2015, the Group has drawn NOK 50 million in the facility.

Note 7 Income tax expense

For the second quarter and half year ended 30 June 2015, the effective income tax rate was primarily influenced by 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	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FULL YEAR 2014
Profit before income tax	29,603	31,318	102,364	40,620	59,579
Income tax (expense)/benefit	-8,278	-4,884	-34,029	-4,397	-11,062
Equivalent to a tax rate of (%)	28.0	15.6	33.2	10.8	18.6

Movement in deferred tax

NOK THOUSAND	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FULL YEAR 2014
Net deferred tax at beginning of period	325,562	248,437	319,371	232,750	232,750
Recognised in the consolidated statement of profit or loss	-13,901	3,968	-24,761	20,939	30,076
Deferred tax on financial instruments recognised in OCI	-19,570	12,378	-11,517	8,874	24,359
Recognised in the consolidated statement of changes in equity	2,048	749	4,482	2,084	12,851
Deferred taxes on witholding taxes	-	-	-	-	-
Translation differences	-6,988	-2,520	-423	-1,635	18,609
Net deferred tax at end of period	287,152	263,011	287,152	263,011	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 June 2015, Scatec Solar has receivables on non-controlling interests of NOK 210,865 thousand (28,241). NOK 112,452 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 18,232 thousand (14,226). In addition the Group has receivables of NOK 55,486 thousand on co-investors related to equity financing of project companies in Jordan (0). 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 88,075 thousand as of 30 June 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 June 2015 compared to 31 December 2014, reflects the activity currently ongoing as part of the construction of the Red Hills, Agua Fria, Oryx, EJRE and GLAE projects.

Note 11 Subsequent events

On July 7 2015, Scatec Solar entered into an agreement with Nizam Energy to jointly develop, build, own and operate solar power plants in Pakistan. The development and financing of the 150 Megawatts (MW) solar plants are expected to be completed towards the end of 2015, with construction starting in the first quarter of 2016. Located in Sindh province, the photovoltaic plants involve an initial investment of nearly USD 300 million. An additional 150 MW is planned to be developed in a second stage, bringing the total investment to nearly USD 600 million.

On July 9 2015, Scatec Solar signed a 25 year power purchase agreement with the Malian Ministry of Energy and Water and Electricité du Mali (EDM), the electricity utility of Mali. To be located near the city of Segou in South-East Mali, 240 kms from Bamako, the 33 MW solar project is being developed in partnership with IFC InfraVentures and the local developer Africa Power 1.

Scatec Solar will own 50 percent of the power plant and IFC InfraVentures will hold 32.5 percent, while the local project development company, Africa Power 1, will hold 17.5 percent. Scatec Solar will construct the plant, and provide operation and maintenance services after the plant is connected to the grid. The total cost of the project is estimated at EUR 52 million.

Responsibility statement

We confirm to the best of our knowledge, that the condensed interim financial statements for the period 1 January 2015 to 30 June 2015 has been prepared in accordance with IFRS as adopted by EU, and that the information gives a true and fair view of the Group's assets, liabilities, financial position and result for the period. We also confirm that presented information provides a fair overview of important events that have occurred during the period and their impact on the financial statements, key risk and uncertainty factors that Scatec Solar is facing during the next accounting period.

Oslo, 28 July 2015

The Board of Directors of Scatec Solar ASA

John Andersen jr. (Chairman)

Alf Bjørseth

Mari Thjømøe

Yuji Tachikawa

Cecilie Amdahl

Raymond Carlsen (CEO)

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. 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.

Scatec Solar ASA

Karenslyst Allé 49, 0279 Oslo, Norway
www.scatecsolar.com
Phone: +47 48 08 55 00
Email: post@scatecsolar.com

Artbox AS

Scatec Solar
Improving our future™

www.scatecsolar.com