

PNE WIND AG

German Equity Forum

Frankfurt/Main | November 23, 2010



Buchholz wind farm

Agenda



1. PNE WIND AG at a glance

2. Business model

3. Market and strategy

4. Financials

5. PNE WIND AG share

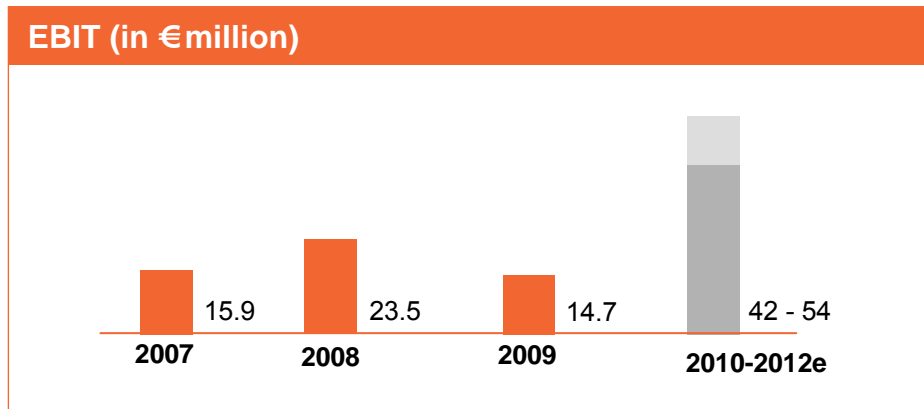
6. Investment highlights



Langwedel wind farm

PNE WIND AG at a glance

Overview



- Development and implementation of wind farm projects in Germany and abroad, both onshore and offshore
- Core competence: development, project planning, implementation and financing of wind farms
- Sale with after-sales technical and commercial support service
- Operation of own wind farms (IPP)*
- Company based in Cuxhaven, 156 employees as at September 30, 2010

* IPP: Independent Power Producer

PNE WIND AG at a glance

Installed capacity



- Since foundation in 1995 development of onshore wind farms
- Reference list: 97 wind farms
- 563 wind turbines (WT) with a total output of 804 MW installed
- PNE WIND AG is therefore one of the most experienced wind farm developers – worldwide!

PNE WIND AG at a glance

Installed wind farms



- Extensive know-how upon site acquisition, wind analysis and erection of wind farms all over Germany
- Long-term partner for wind farm operators with comprehensive network to decision makers
- Trustful cooperation with leading manufacturers such as Siemens, Vestas, Nordex and Enercon

PNE WIND AG at a glance

Wind farm development in Germany (onshore)



Wind farms with total capacity of 877 MW under development

- In the first nine months of 2010, wind farms Görike, Schulenburg, Leddin II and Elze (altogether with a total nominal output of 21.2 MW) completed and handed over to EnBW
- According to contract PNE WIND AG conducts operational management of the wind farms sold to EnBW for next 10 years
- Wind farm Oldendorf with 12 MW completed in November 2010
- Additional approvals for construction of onshore-wind farms in Germany are expected on short notice
- Overall 877 MW under development



PNE WIND AG at a glance

IPP



Company-run wind farm Altenbruch II

- Location: Cuxhaven district, Lower Saxony
- Attractive location, wind speed of 8.0 m/s, hub height 105 m
- Number of turbines/total nominal output:
9 WT/25.8 MW
- Production of sufficient electricity to fulfill energy needs of more than 17,000 private households
- Taken into operation in May 2009
- EBIT contribution in past fiscal year of € 1.7 million



Altenbruch II wind farm

Agenda



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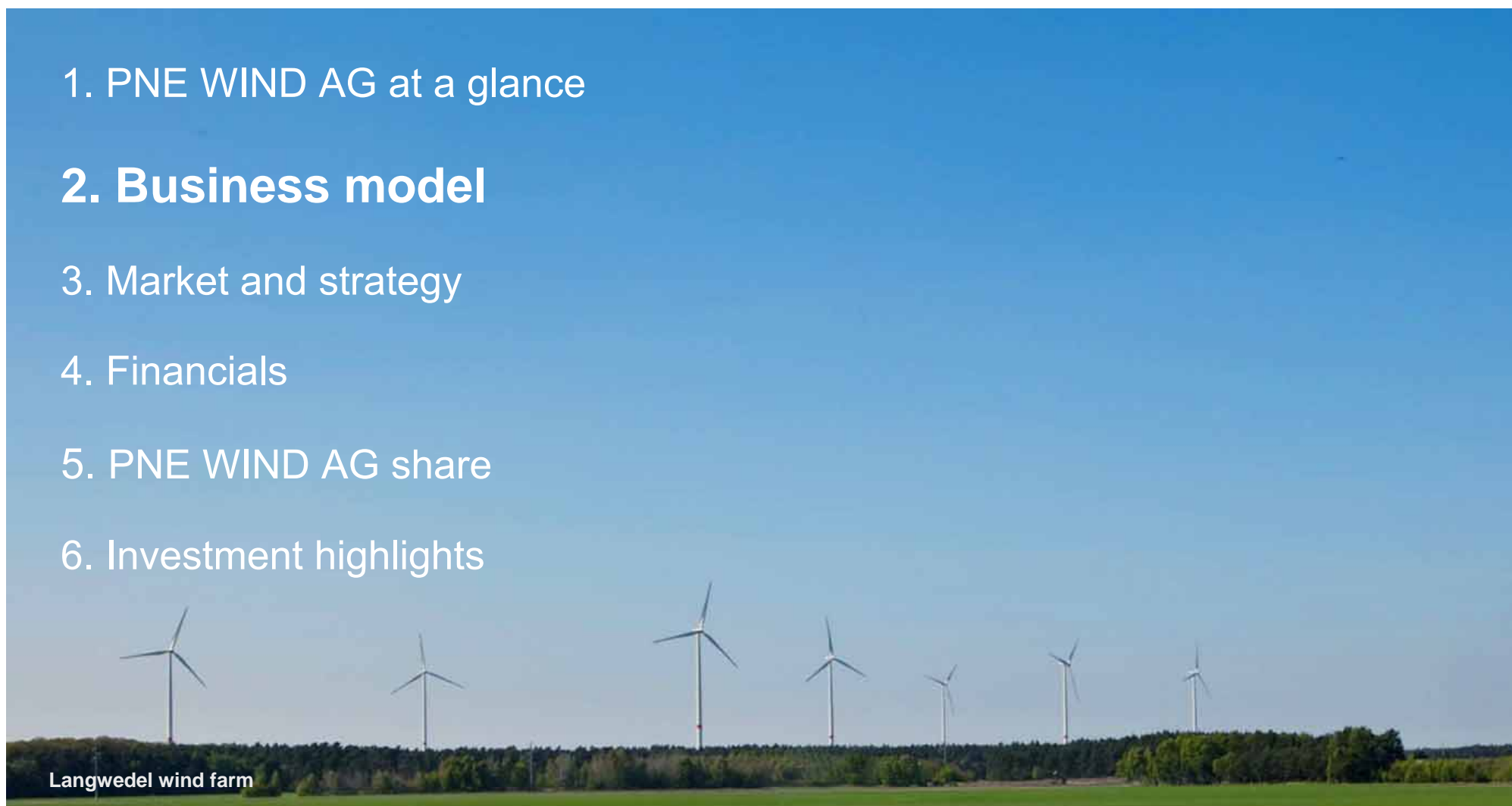
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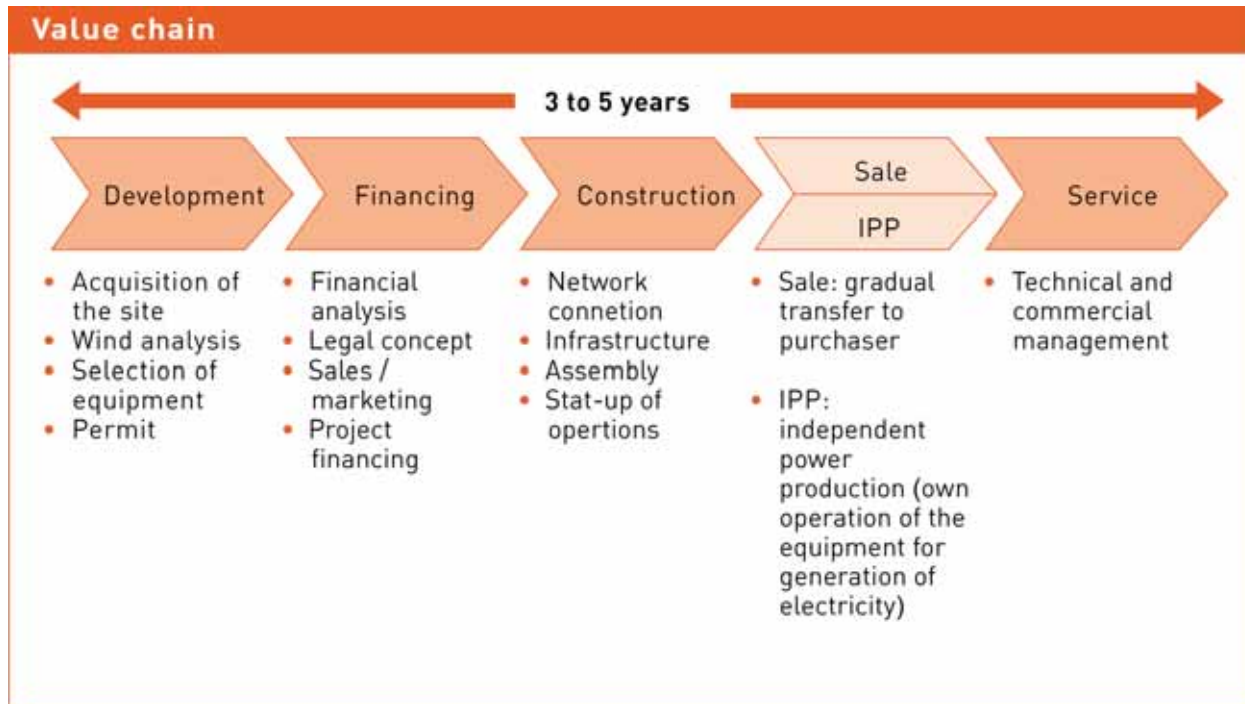
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Langwedel wind farm

Business model

Value chain



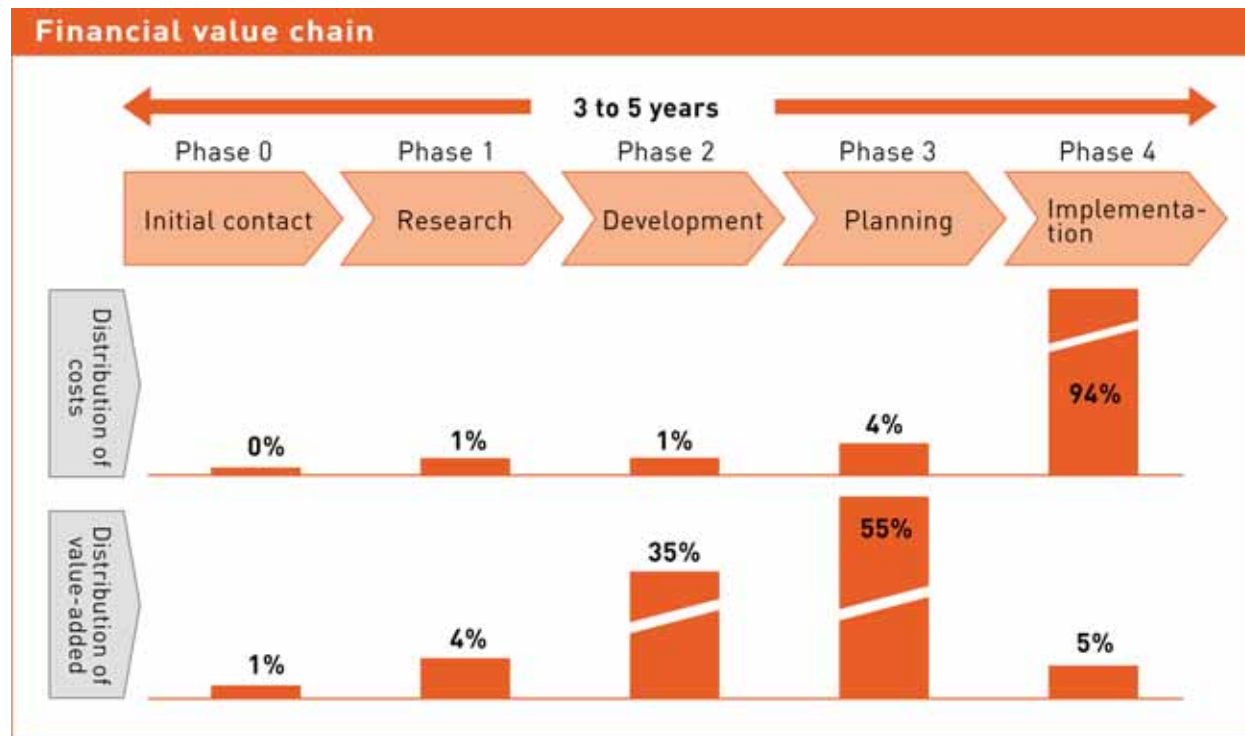
- Development, financing and construction of wind farms through to commissioning
- After completion: complete handover to buyer or takeover for independent power production (IPP)
- After-sales support service ensures customer retention and guarantees recurring revenues
- Full coverage of the entire value chain

Criteria for successful wind farm development:

- Wind in m/sec
- Probability of approval
- Grid connection

Business model

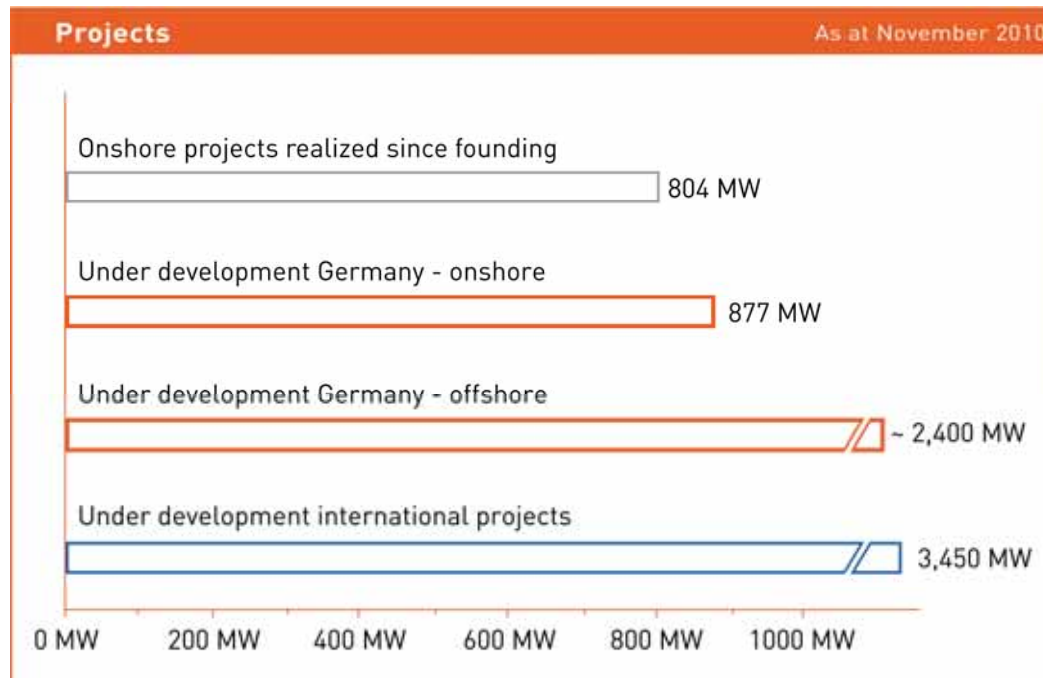
Financial value chain



- PNE WIND AG generates value especially ahead of implementation phase
- When selling the project right after obtaining approval: attractive returns combined with low revenues and very limited capital requirements
- When selling wind farms after completion: attractive returns and high revenues, but yet much higher capital requirements
- Project business: successive invoicing after construction progress (milestone payments)

Business model

Project pipeline



Onshore

- Total of around 4,327 MW under development
- Market value per approved MW: approx. 150,000 €

Offshore

- Projects in North Sea and Baltic Sea with total of around 2,400 MW currently under development
- Approvals have been granted for around 800 MW (market value per MW: approx. 220,000 €)
- Offshore business is growth driver of the future

Business model

Current projects – Germany



Offshore projects – Germany

Project	Phase	Location	WT up to	MW (3 MW/WEA)	MW (3,6 MW/ WEA)	MW (5 MW/WEA)
1*	4	North Sea	77	231	277	385
2*	3	North Sea	96	288	346	480
3	4	North Sea	80	240	288	400
4	4	North Sea	80	240	288	400
5	1	Baltic Sea	76	228	273	380
6	2	North Sea	80	240	288	400
7	2	North Sea	80	240	288	400
8	2	North Sea	80	240	288	400
Total:			649	1,947	2,336	3,245

Phase 1 = Project identification phase

Phase 3 = Application conference held

Phase 2 = Preparation for application conference

Phase 4 = Approval granted

* Projects "Borkum Riffgrund I+II"; PNE WIND AG acts as service provider

Business model

Current projects in Germany



Offshore projects – Germany Gode Wind I + II

- PNE WIND AG holds 100% of interests in both projects
- Building permit granted by German authorities in August 2006 (Gode Wind I) and July 2009 (Gode Wind II)
- Each project has a total nominal output of up to 400 MW
- Ground survey for sites of all planned wind energy turbines and the transformer station of “Gode Wind II” completed in July



Offshore wind farm

Business model

Current projects in Germany: Gode Wind II

- Project Management
 - Green Giraffe Energy Bankers: debt advisors
 - Augusta & Co.: equity placement advisors
 - K2 Management A/S: technical advisors
 - NW Assekuranz: insurance
 - Watson, Farley & Williams: legal advisors
- Development partnerships forged with:
 - Vestas (turbines)
 - Per Aarsleff A/S (foundations)
 - DRAKA Norsk Kabel AS (internal farm cabling)
 - AREVA Energietechnik GmbH (transformer station)



Offshore wind farm

Business model

Current projects – international



Projects – international

Project	Country	Number of projects	Area already secured (in acres)	MW up to
1	USA	7	4,130	274
2	Canada	6	10,378	330
3	UK	23	12,782	786
4	Turkey	5	---	632
5	Hungary	2	1,055	78
6	Romania	11	988	932
7	Bulgaria	10	2,350	418
Total:		64	31,683	3,450

Investment criteria:

- Country credit rating
- Attractive, reliable feed-in system
- Local JV-partner

Business model

Current projects – international



Onshore projects – international



USA

- Foundation of US subsidiary PNE WIND USA, Inc. in October 2008 (based in Chicago)
- Good wind potential and large number of attractive wind farm sites on offer
- Strategy: Greenfield development in close cooperation with local partners
- First joint venture: Renewable Solutions
- Already area of approx. 4,130 acres secured and 274 MW under development
- Objective: medium-term development of up to 2.500 MW wind farm projects

Joint Venture – USA

- September 2009: PNE WIND USA, Inc. and Renewable Solutions sign joint venture agreement
- Objective: Development of wind farms with more than 300 MW in the states of Minnesota, North Dakota and South Dakota (“Saudi-Arabia of windpower”)
- Commissioning of the first wind farm (30 MW) scheduled for 2011
- Sales-options: “Asset Sales Agreement” (“ASA”) or “Build Transfer Agreement” (“BTA”)

Business model

Internationalization



Experienced partners gained in the USA

- Kelly Lloyd appointed General Manager of PNE WIND USA, Inc. in January 2009
 - Expert with more than ten years of experience in US wind market through engagement with enXco, Inc. (today's US-subsiary of EDF Energies Nouvelles)
 - Most recently acted as CFO, assured financing in excess of US\$ 500 million for the development and construction of projects
- Mark Eilers, President of Renewable Solutions
 - Considered one of the pioneers in the US wind industry; 15 years experience; previously President of wind farm developer Clear Wind LLC
 - Former Director of Origination at GE Energy; responsible for the development of regional sales strategies and for the sale of wind and gas turbines (volume of \$ 3 billion successfully managed)

Business model

Current projects – international



Onshore projects – international



- Joint Venture with BCP Renewable Energy Ltd.
- Establishment of a joint venture company in 2010; PNE WIND AG holds 75% of the company's shares
- Canadian wind market at early stage of development, significant growth within next years to be expected
- Participations in requests for tender for wind farms in the Canadian province of Saskatchewan, later nationwide activity planned
- Development and implementation of wind farm projects for up to 330 MW
- Already area of approx. 10,378 acres secured

Onshore projects – international



- Joint Venture with New Energy Developments Limited
- PNE WIND AG holds a majority interest (67.5%) in British joint venture company PNE WIND UK
- Development and implementation of wind farm projects for up to 786 MW
- Already area of approx. 12,782 acres secured

Business model

Current projects – international



Onshore projects – international



- Cooperation with Türkwind Energie Ltd.
- PNE WIND AG holds 99% of interests in Turkish company
- Development and implementation of wind farm projects comprising up to 632 MW
- Area depends on ongoing licensing

Onshore projects – international



- PNE WIND AG holds 100% of interests in Hungarian company
- 2 wind farm projects for implementation by 2012/2013
- Up to 43 WT with up to 78 MW total output
- Already area of approx. 1,055 acres secured

Business model

Current projects – international



Onshore projects – international



Romania

- Joint venture with local partner in Bucharest
- PNE WIND AG holds a majority interest (80%) in Romanian joint venture company
- Development and implementation of wind farm projects comprising up to 932 MW
- Already area of approx. 988 acres secured

Onshore projects – international



Bulgaria

- Joint Venture with several partners
- PNE WIND AG holds a majority interest in each joint venture company
- Development and implementation of wind farm projects comprising up to 418 MW
- Already area of approx. 2,350 acres secured

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Market and strategy

Wind power in Germany: Status quo and forecast



Energy Concept 2050

- The German Federal Government adopted the “Energy Concept 2050” in September 2010
- Key points of the Energy Concept:
 - Promotion of offshore wind energy by special credit program with a volume of € 5 billion
 - Identification of additional sites to be designated for onshore wind farm construction and operation
 - The expansion of onshore wind through adopting more favourable terms for extending the lives of existing wind farms (repowering):
 - Essential factor for the further development of wind energy
 - By the end of 2009, 604 old plants with 233 MW capacity removed and replaced with 335 modern units with a total nominal output of 666 MW
 - Experts predict a potential total installed capacity of around 30,990 MW by 2020

Source: BMU (Energy Concept 2050); DEWI, 2010; KPMG study, 2009

Market and strategy

Global development of wind power



In MW	Capacity			CAGR	
	2009	2012e	2017e	08-12e	12-17e
Germany	25,777	32,247	44,000	7.7%	6.4%
France	4,492	10,354	18,000	32.1%	11.7%
United Kingdom	4,051	10,189	21,000	33.2%	15.6%
Ireland	1,260	2,025	3,000	19.2%	8.2%
Italy	4,850	7,076	10,000	17.3%	7.2%
Portugal	3,535	6,150	9,000	21.1%	7.9%
Spain	19,149	26,345	37,000	12.0%	7.0%
Poland	725	2,996	7,000	58.7%	18.5%
Other	10,928	20,671	28,130	21.2%	6.4%
Total Europe	74,767	118,053	177,130	16.1%	8.5%
India	10,926	20,745	35,000	21.1%	11.0%
China	25,805	36,806	75,000	31.8%	15.3%
Canada	3,319	8,446	12,000	37.4%	7.3%
USA	35,159	57,618	84,000	23.0%	7.8%
Rest of world	8,529	12,002	15,130	16.8%	4.7%
Total world	158,505	253,670	398,260	20.4%	9.4%

Status Quo & Forecast to 2017*

- Scarcity of fossil fuels and the need to reduce CO₂ emissions are leading to a growing demand internationally for renewable energies
- Wind energy is the most technologically advanced of these and the most economically efficient technology
- In future, increased net expansion of installed capacity expected
- Double-digit growth rates forecast until 2012 (CAGR: 20.4%)
- USA one of the strongest growth market worldwide
- Further attractive markets: Germany, UK, France, Spain, China, India

* Sources: EWEA, 2010; GWEC, 2010; Bundesverband WindEnergie e.V., 2010

Market and strategy

Growth strategy PNE WIND AG

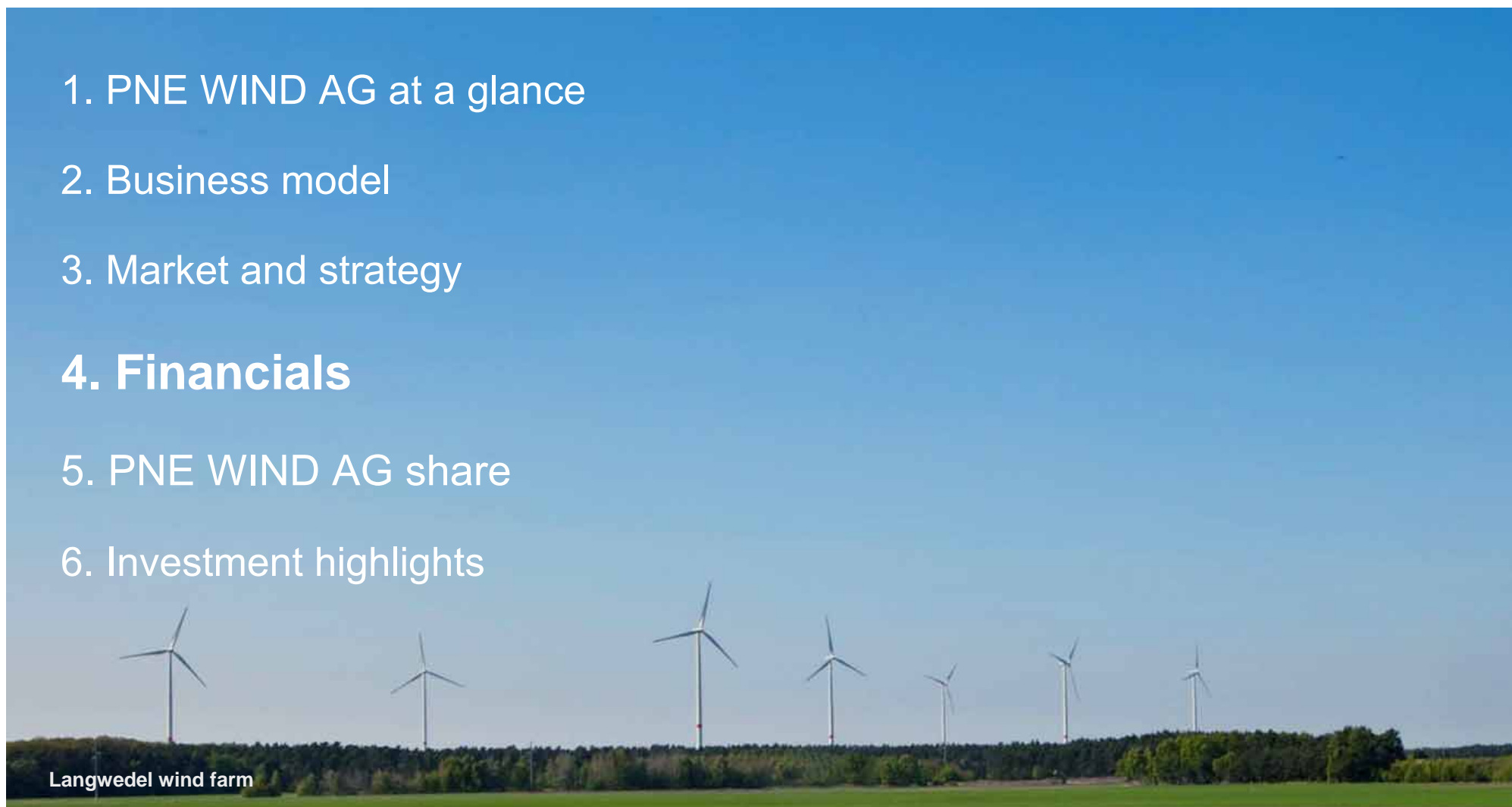


- Growth through development of new markets and new projects
- Expansion abroad into selected countries with a basic legal framework in place (comparable with the EEG) and attractive prospects
- Consistent exploitation of market opportunities in all areas of wind power

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Financials

Key performance indicators



Q1-Q3 2010

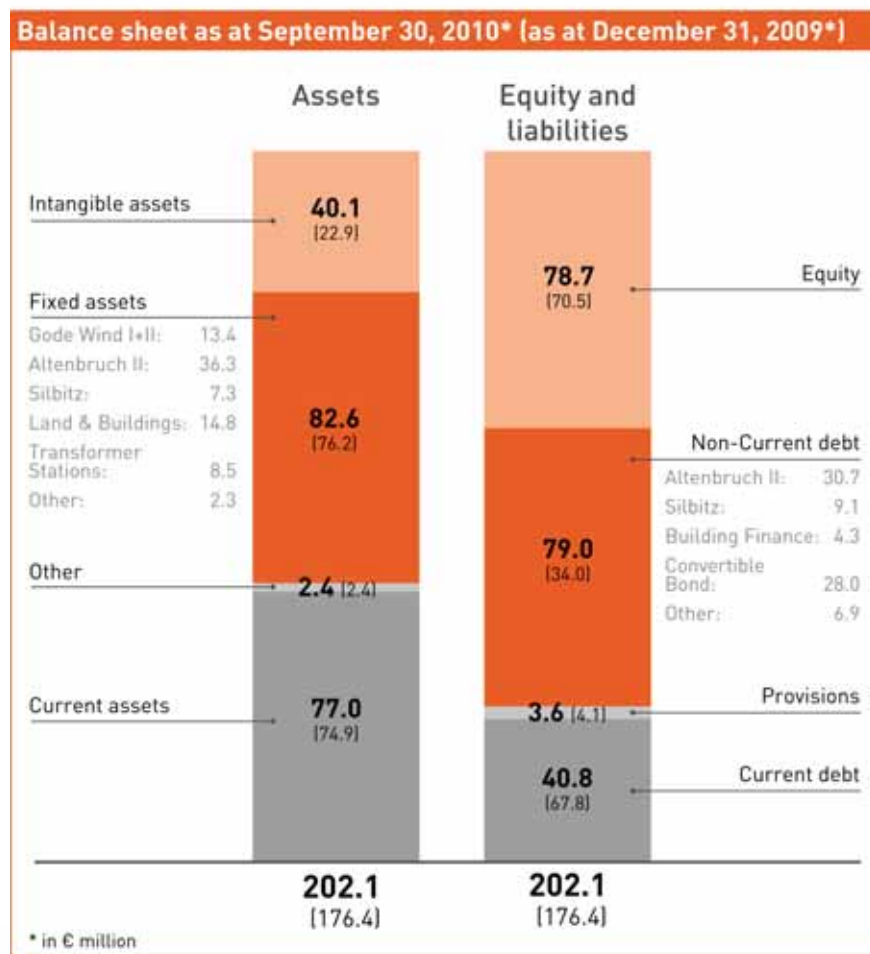
in € million	Jan. 1 to Sep. 30 2010	Jan. 1 to Sep. 30 2009
Revenue	56.2	102.7
Total operating revenue	69.4	100.2
Cost of materials	-43.0	-79.6
Personnel expenses	-7.2	-6.1
Other	-7.7	-6.6
EBIT	7.9	5.1
Interest income	0.2	0.3
Interest and similar expenses	-3.9	-3.2
EBT	4.2	2.2
Net income (cont. operations)	4.1	1.2
EPS* (in €)	0.09	0.03

*undiluted earnings per share from continuing operations

- First nine months of 2010 underline operative success and profitability of business model
- Successful placement of a capital increase and a convertible bond secured € 28.5 million
- Further strengthening of shareholder structure through entry of Luxempart S.A., total amount of investment: € 18.7 million
- Repurchase of offshore-wind farm “Gode Wind I” and handover of four wind farms to EnBW
- Net income of € 4.1 million

Financials

Key balance sheet ratios



- Intangible assets of € 40.1 million mainly consist of company value for the segment wind farm projecting and first consolidation of project right from PNE Gode Wind I GmbH
- Successful capital increase leads to rise in equity
- Equity ratio of about 39% and high degree of cash (€ 43.2 million) form solid foundation for further growth and internationalization

Financials

Cash flow



Cash flow Q1-Q3 2010

in €million	Jan. 1 to Sep. 30 2010	Jan. 1 to Sep. 30 2009
Consolidated net loss/income for the period	4.1	1.2
Amortization/Depreciation	3.7	2.9
Δ Provisions	-0.5	-8.2
Δ Non-cash expenses/income	-10.7	0.0
Δ Working capital	-5.0	83.9
Cash flow from operating activities	-8.4	79.8
Cash flow from investing activities	-12.8	-31.8
Cash flow from financing activities	22.8	-49.2
Cash and cash equivalents – end of period	43.2	29.7

- Operating cash flow characterized by consolidation of PNE Gode Wind I GmbH resulting from income effects of other non-cash expenses of € -10.8 million
- The strong fluctuation in working capital is standard for wind farm developers, it varies in relation to project realization and handover of a completed wind farm
- Investments in the buy-back of the offshore-wind farm “Gode Wind I” and the further development of the other five offshore-projects were financed from PNE WIND AG’s own funds
- Cash flow from financing activities displays successful capital increase and placement of convertible bond
- Cash and cash equivalents remain high

Financials

Forecast 2010 until 2012

Forecast for fiscal years 2010 until 2012

- Sustainable level of EBIT anticipated (most relevant indicator for projecting business)
- EBIT range between € 42 - 54 million expected for fiscal years 2010 to 2012
- Further operational improvement planned in 2010 due to extensive pipeline
- Onshore outlook: overall medium term target of 10,000 MW; 2,500 MW expected medium term from US-Business alone
- Offshore outlook: medium term target 5,000 MW



Buchholz wind farm

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Langwedel wind farm

PNE WIND AG share

Price and key data



Price performance since Jan. 1, 2009



PNE WIND AG is the largest listed wind-farm developer in Germany

Key data

WKN (German Securities Code Number)	AOJBPG
ISIN	DE000A0JBPG2
Number of shares	45,775,826
Market capitalization as at November 9, 2010	€ 73.01 million
Free float	100 %
Market segment	Prime Standard
Indices	HDax, Mid-Cap-Market-Index, CDAX Technology, ÖkoDAX
Designated Sponsors/ Market Maker	Commerzbank VEM Aktienbank Close Brother Seydler Bank
Reuters	PNEGn
Bloomberg	PNE3

Major Shareholder

Luxempart S.A.



- Luxempart S.A. is an investment company listed on the Luxembourg stock exchange
- Partners: institutional and private investors
- Investment strategy: mostly minority interests in national and international (both public and private) companies
- Objective: long-term, cooperative partnerships (lock-up period of up to 3 years)
- Luxempart S.A. invested € 18.7 million into PNE WIND AG (approximately 15% of nominal capital after exercising of the convertible bonds)
- Advantage: Financial resources generated by capital measures enable PNE WIND AG to accelerate growth

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Langwedel wind farm

Investment Highlights

- Comprehensive range of services along entire value chain
- Tried-and-tested business model and many years of experience in wind farm project development
- Successful entry into European growth markets, Canada as well as the US
- Additional field of growth already exploited as IPP
- Comprehensive, personal and international network
- Experienced team with proven industry expertise



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Contact



PNE WIND AG

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