

# PNE WIND AG

Presentation – March 2014



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## HIGHLIGHTS

- PNE WIND greatly expands its operations with the acquisition of wind project developer WKN AG and three offshore projects in the planning stage
- Acquisitions financed through the successful placement of a corporate bond with gross proceeds of €100m
- Operations performed well with the Group completing or beginning construction on 43 MW in Germany
- Successful start to 2014: approx. 100 MW of German projects under construction
- Internationally, the Group sold a 12 MW project in France, received permits for two projects with 20 MW in the UK and a 32 MW project in Poland
- In the offshore sector, €45m payment was received at end of 2013
- Financially, we record our best ever year with an EBIT of €45m and an EPS of €0.86
- With a 3 year cumulative EBIT of €65.5m during the 2011-13 time period, we fulfill our guidance of €60-72million in EBIT
- We propose to share our success with our shareholders and intend to raise the dividend to €0.10 + special dividend of €0.05 per share
- Looking forward, we forecast a 3 year cumulative EBIT of €110-€130m for the 2014-2016 period

## TABLE OF CONTENTS

### PNE WIND GROUP

1. AT A GLANCE
2. CORE COMPETENCIES
3. FINANCIALS

### MARKET & STRATEGY

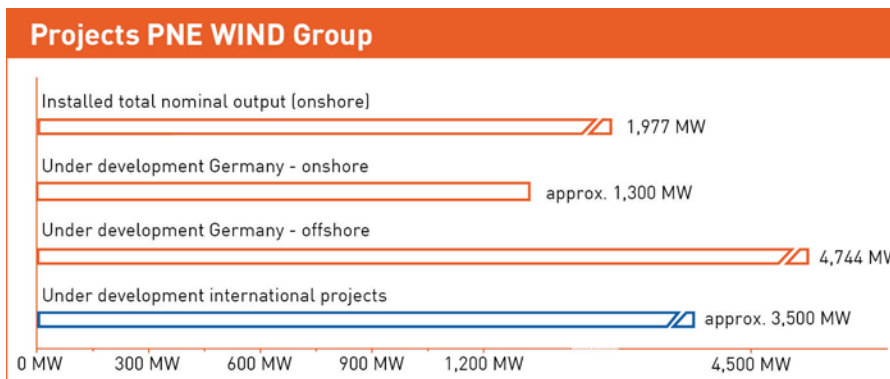
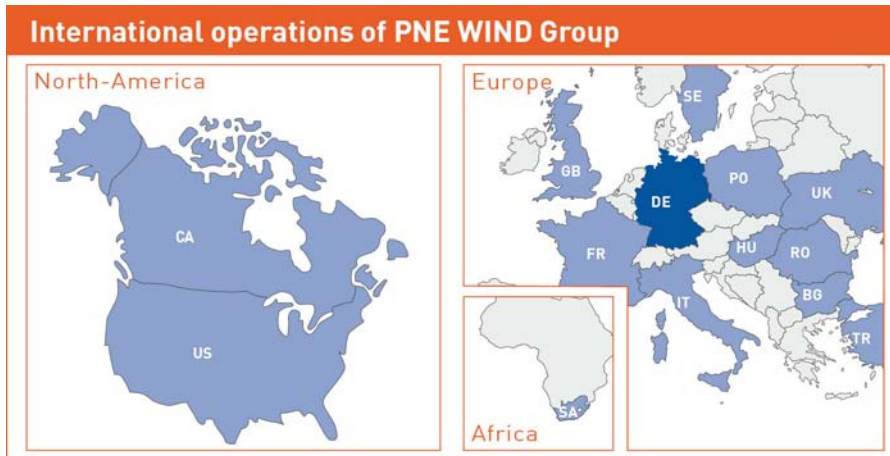
1. WORLD FORECASTS
2. REGULATORY GOALS

### CAPITAL MARKETS & CONTACT

1. STOCK INFORMATION
2. CONTACT



## PNE WIND & WKN



- PNE WIND GROUP consists of the companies PNE WIND AG and WKN AG
- Development and implementation of wind farm projects in Germany and abroad, both onshore and offshore
- Active in 14 different countries
- More than 400 employees
- Onshore: wind farms with a nominal capacity of approx. 4,800 MW in development
- Offshore: 12 projects with a total nominal capacity of approx. 4,744 MW in development / thereof six own projects
- Operation and Maintenance (O&M) services of wind turbines support through commercial and technical management

## MANAGEMENT



**Martin Billhardt**  
Chief Executive  
Officer (CEO)



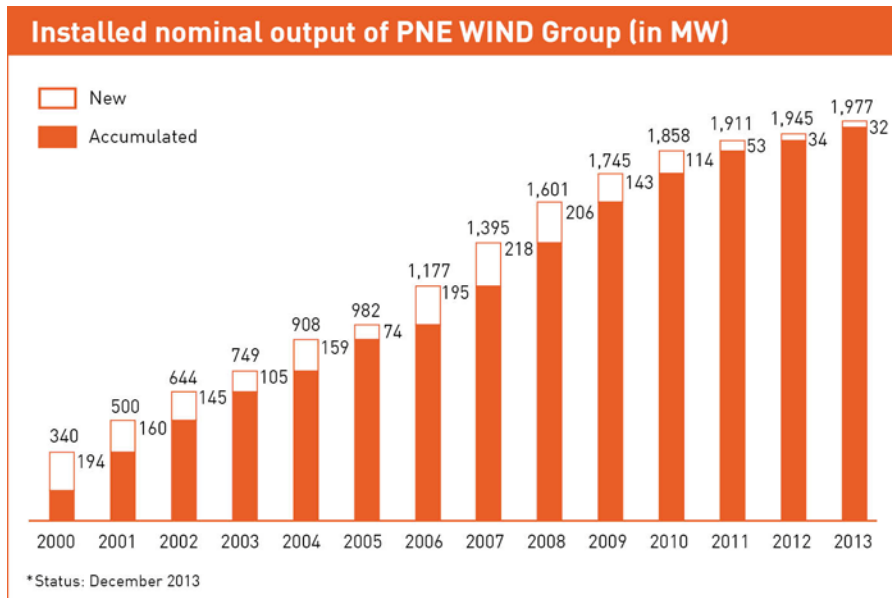
**Jörg Klowat**  
Chief Financial  
Officer (CFO)



**Markus Lesser**  
Chief Operating  
Officer (COO)

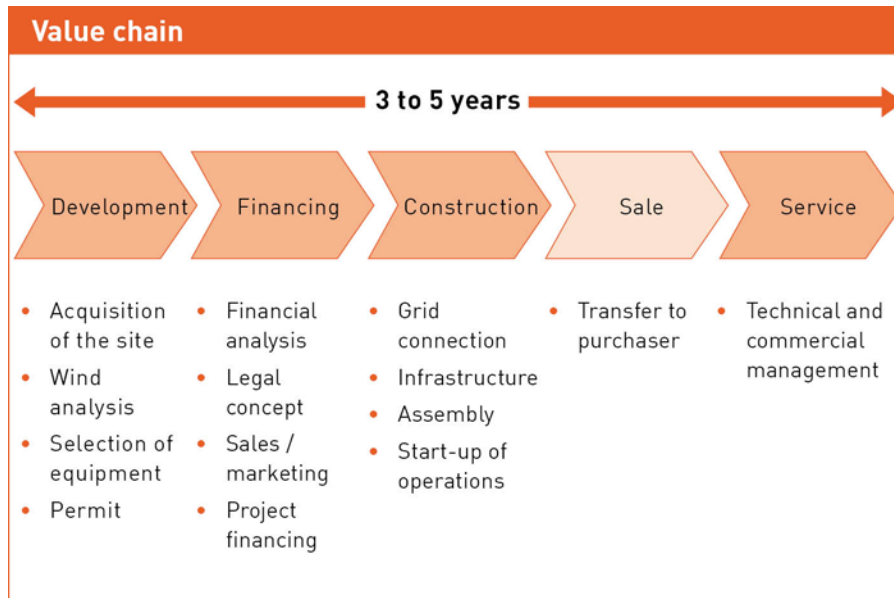
- Experienced management team with more than 45 years of cumulative experience creates a strong foundation for future growth
- Successful track record based on organic and inorganic growth

## REFERENCES



- Onshore wind farms with a nominal capacity of 1,977 MW installed
- Projects successfully completed in Germany, Italy, Poland and France
- 6 offshore projects sold with a total nominal capacity of up to 2,104 MW

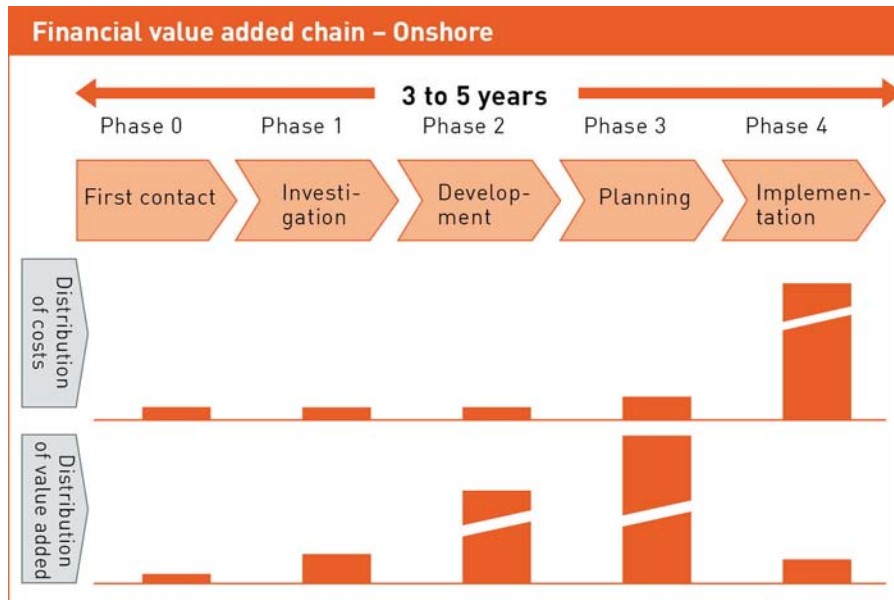
## CORE COMPETENCIES



- Development, financing and construction of wind farms
- After-sales support through commercial and technical management services
- Criteria for wind farm development:
  1. Wind in m/sec
  2. Likelihood for permitting
  3. Grid connection availability
  4. Stable regulatory environment

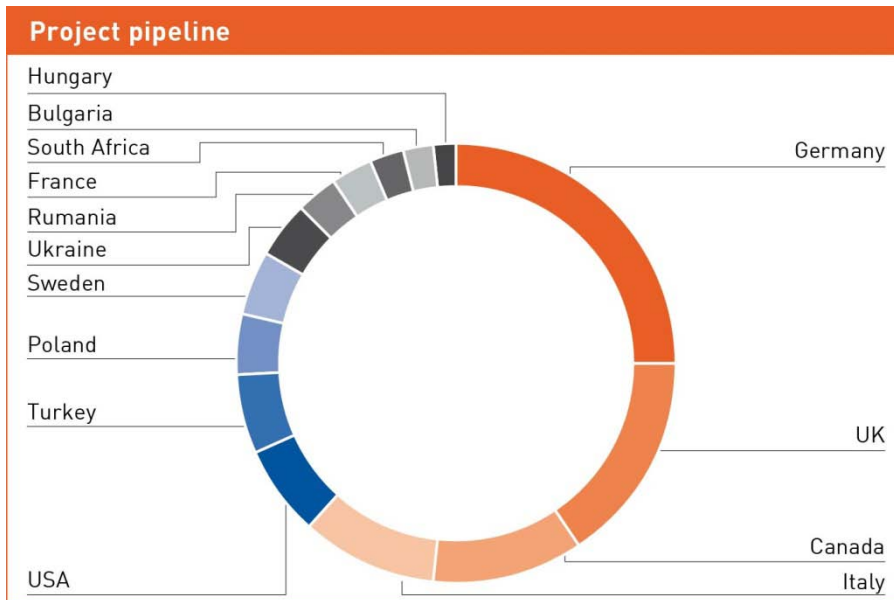


## CORE COMPETENCIES



- PNE WIND generates value especially ahead of implementation phase
- Chance of successful project development increases with each phase of project; capital at risk mirrors this development

## ONSHORE PROJECTS



- With WKN AG transaction, PNE WIND gains access to 6 new markets and is now present 14 different countries
- Of the 35,467 MW of newly installed global capacity, 64% of these installations took place in the markets where the Group is now active

## PNE ONSHORE PIPELINE

Land*	I-II	III	IV	Total MW
Germany	888	193	11	1092
Bulgaria	121	0	0	121
Romania	55	102	0	157
Turkey	300	0	0	300
UK	710	40	0	750
Hungary	0	78	0	78
USA	169	183	0	352
Canada	575	0	0	575
<b>Total</b>	<b>&gt; 2,500</b>	<b>596</b>	<b>11</b>	<b>&gt;3,100</b>

Phase I – II = Exploration & Development    Phase III = Planning  
Phase IV = Implementation

\*Per 31.12.13

- In Germany,
  1. PNE WIND constructed or began construction on 35 MW worth of projects in 2013
  2. Building permits for additional projects with 58 MW of capacity on hand; projects are all under construction as of March 2014
  3. Debt financing has been secured for 160 MW of projects which are permitted or nearly permitted at year end
- In the USA, PNE WIND fulfills requirement to secure PTC by breaking ground on the Chilocco wind farm with up to 153 MW
- In the UK, permits attained for the Tralorg wind farm in 2014 with 20 MW
- In Romania, 2 projects with 102 MW of capacity are in sales process after permits were attained

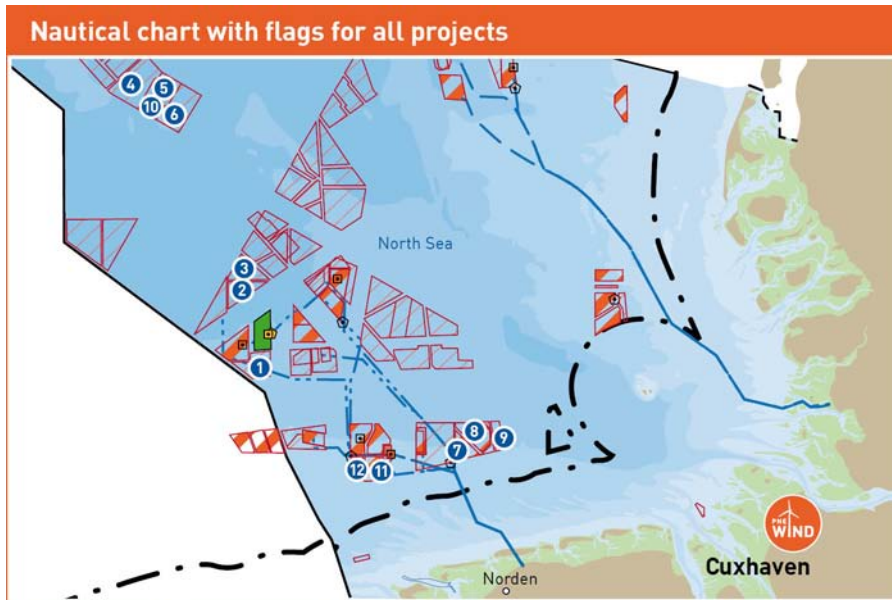
## WKN ONSHORE PIPELINE

Land	I-II	III	IV	Total MW
Germany	140	70	0	210
Italy	480	40	0	520
France	140	10	12	162
Poland	250	32	0	282
UK	0	66	0	66
South Africa	130	0	0	130
Sweden	240	0	0	240
Ukraine	230	0	0	230
USA	78	0	0	78
<b>Total</b>	<b>&gt; 1,500</b>	<b>218</b>	<b>12</b>	<b>&gt; 1,700</b>

Phase I – II = Exploration & Development    Phase III = Planning  
Phase IV = Implementation

- In Germany, 41 MW of projects sold in second half of 2013 – projects to be commissioned in 2014
- WKN AG sold the rights for 12 MW wind farm in France in September 2013
- WKN AG was issued a permit for 32 MW wind farm in Poland
- In the UK, the Highland Council issued a permit for a 66 MW project
- In South Africa, WKN AG is participating in the current tender process

## OFFSHORE PROJECTS



- |                |                  |                         |
|----------------|------------------|-------------------------|
| 1 Atlantis I   | 5 Nautilus I     | 9 Gode Wind III*        |
| 2 Atlantis II  | 6 Jules Verne    | 10 Nautilus II*         |
| 3 Atlantis III | 7 Gode Wind I*   | 11 Borkum Riffgrund I*  |
| 4 Nemo         | 8 Gode Wind II** | 12 Borkum Riffgrund II* |

\* Project sold, PNE WIND acts as service provider

- 6 offshore projects sold with a total nominal capacity of up to 2,104 MW
- Borkum Riffgrund and Gode Wind projects sold to DONG Energy
- Total output of 6 own projects in planning 2,640 MW

## OFFSHORE PROJECTS

Project	Phase	WT	Total MW
Borkum Riffgrund I *	6	77	277
Borkum Riffgrund II *	5	97	349
Gode Wind I *	6	54	324
Gode Wind II *	6	84	504
Gode Wind III *	1	15	90
Nautilus II *	2	80	560
Nemo	2	80	480
Jules Vernes	2	80	480
Nautilus I	2	80	480
Atlantis I	2	80	400
Atlantis II	2	80	400
Atlantis III	2	80	400
<b>Total</b>		<b>887</b>	<b>4,744</b>
Phase 1 = Project identification		Phase 4 = Approval granted	
Phase 2 = Application conference		Phase 5 = Grid connection	
Phase 3 = Hearing		Phase 6 = Investment decision	

\* PNE WIND AG acts as service provider

- “Borkum Riffgrund I” (sold to DONG Energy) under construction since mid 2013
- DONG Energy made Final Investment Decision (FID) for “Gode Wind” I and II
- EUR 129 million, of which EUR 45 million in December 2013, received from “Gode Wind” transaction since August 2012. EUR 25 million in milestone payments due
- "Nautilus II" sold to SSP Technology Holding ApS, a Ventizz portfolio company
- “Atlantis” offshore projects acquired in September 2013
- Total output of 6 own projects in planning 2,640 MW

## O&M SERVICES



- Operation and Maintenance (O&M) services
- Yield optimization and reduction of downtime and operating costs
- Currently 650 wind turbines with 1,070 MW in care (AN Bonus / Siemens, DeWind, Enercon, Fuhrländer, Nordex / Südwind, Vestas)

## PROFIT & LOSS (IFRS)

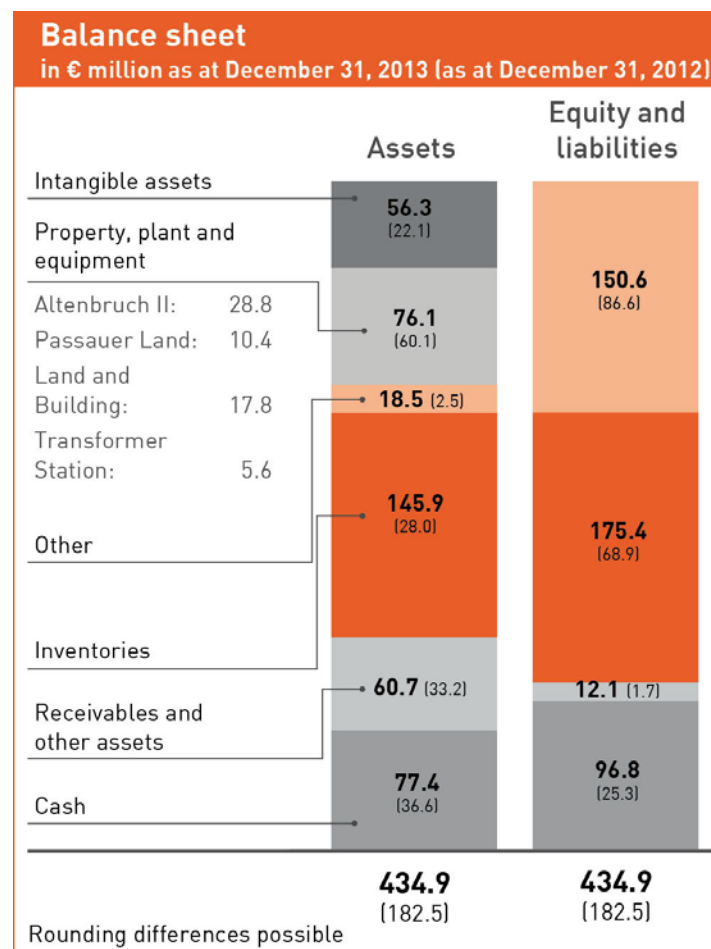
- Sales at PNE WIND AG were mainly attributable to the Zernitz II, Langwedel II, and Calau II onshore projects (€46m), milestone payments from offshore projects (€45m) and electricity sales (€11m)
- WKN AG contributed €30m to Group sales
- Personnel costs rise with 411 employees at year end compared to 186 last year.
- EBIT pegged at €45m, of which €2m is attributable to electricity generation and €1m to WKN AG
- Net interest rises primarily with €100m corporate bond
- Net income of €41m translates into an EPS of €0.86

In €m	2013	2012
<b>Sales</b>	<b>144.0</b>	<b>84.4</b>
Total performance	162.1	94.3
Cost of materials	-71.9	-44.6
Personnel	-21.6	-13.5
Depreciation	-6.2	-5.3
Others	-17.4	-10.3
<b>EBIT</b>	<b>45.0</b>	<b>20.4</b>
Net interest	-9.2	-5.3
EBT	35.8	15.1
<b>Net income</b>	<b>40.7</b>	<b>17.0</b>
EPS ( in €)	0.86	0.37
EPS diluted ( in €)	0.81	0.31



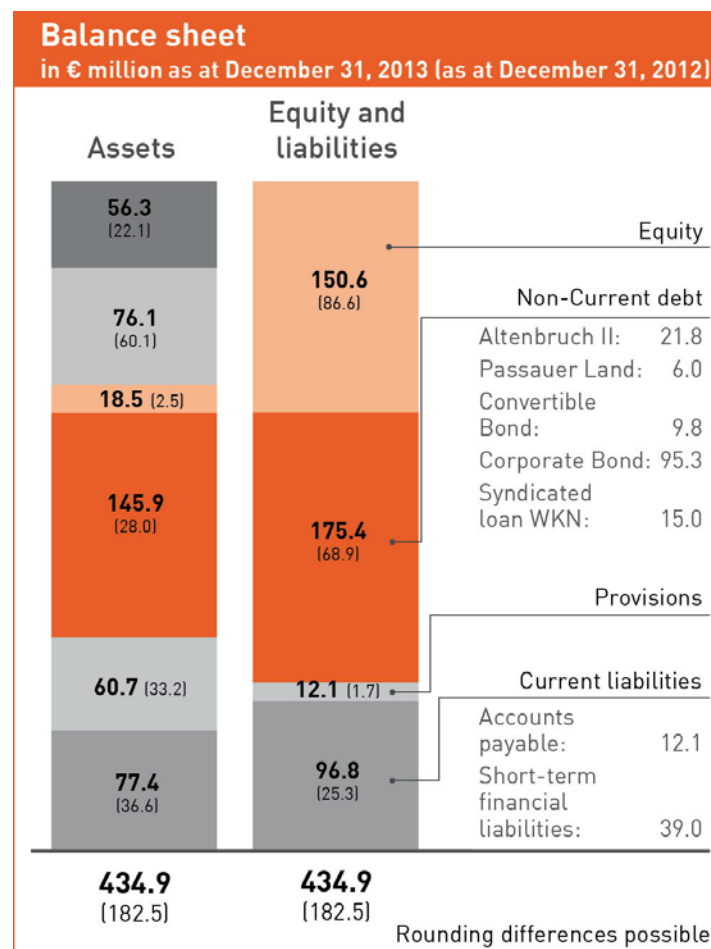
- Record net income, bond placement and inclusion of WKN AG are primary drivers to changes to balance sheet
- The intangible assets rise to €56m, consolidation of WKN AG brings about €32m in goodwill
- Property, Plant and Equipment rises to €76m primarily driven by Passauer Land Solar project (€10m). PP&E is mainly composed of €18m in land and buildings & €52m in technical equipment
- Inventories rise by €118m; driven by acquired offshore projects (€26m), prepayments (€13m) and investments made in projects in development and currently under construction
- Receivables rise on the net effect of receipt of milestone payment (€27m) in 1Q13, increase in long term construction contacts (€21m) & other receivables (€24m)
- Cash position rises to €77m up from €37m last year

## BALANCE SHEET ASSETS (IFRS)



- Equity increases by €64m to €151m with retained earnings up by €35m, conversion of bond into shares (€20m)
- Equity ratio at 35% at year-end
- The long term liabilities increased from €69m at the end of 2012 to €175m mainly due to the corporate bond whilst maintaining scheduled debt repayments
- Net debt rises year on year to €134m up from €39m per year end 2012

## BALANCE SHEET LIABILITIES (IFRS)

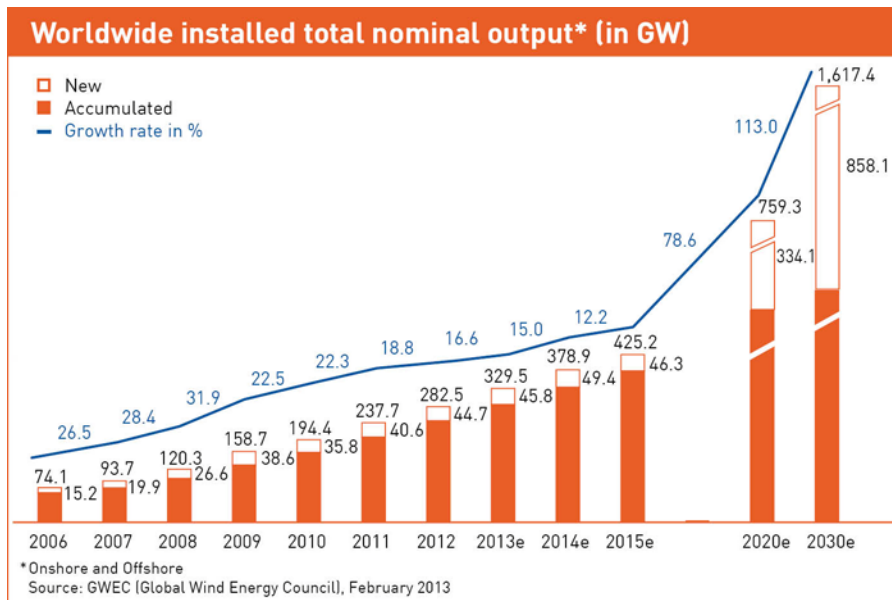


## CASH FLOW (IFRS)

- CF from operating activities at -€1m with positive net income being offset primarily by investments in working capital. Inventories rose by €118m during the year
- Cash flow from investing primarily reflects payments made for WKN AG acquisition
- Cash flow from financing primarily influenced by bond proceeds (€100m less direct costs of €5.1m) dividend payment (€-4.2m) and balance of taking and paying financial loans

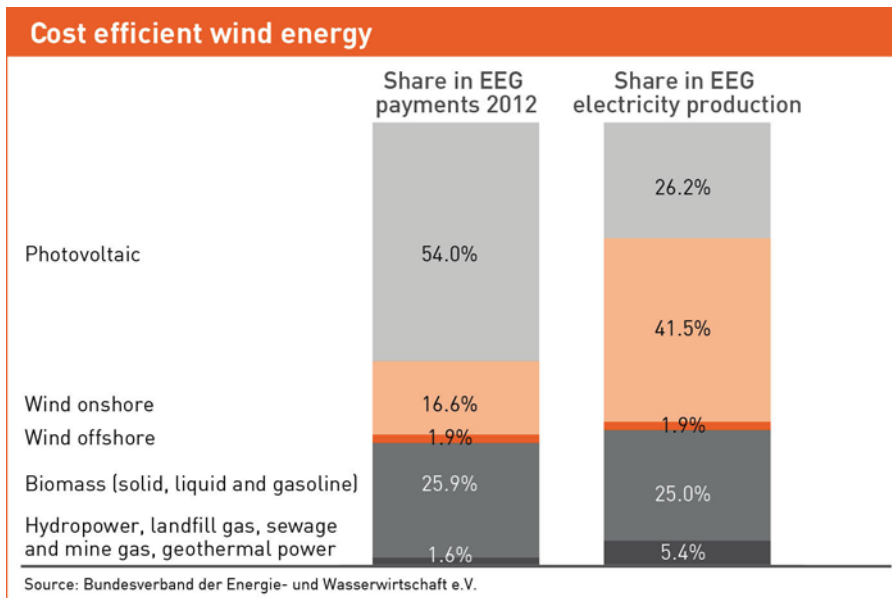
In Mio. €	2013	2012
Net income	38.5	15.2
Interest (net) and tax net	-5.1	2.8
Depreciation and non-cash items	5.7	5.1
Provisions	10.5	0.8
Disposal of assets	0	-18.3
Change in working capital	-50.7	-30.2
<b>CF from operating activities</b>	<b>-1.0</b>	<b>-25.2</b>
<b>CF from the investing activity</b>	<b>-61.3</b>	<b>39.6</b>
<b>CF from financing activities</b>	<b>95.5</b>	<b>2.8</b>
Change in liquid funds from consolidation	7.6	-0.1
Liquid funds end of the period	77.4	36.6

## WORLD INSTALLATION



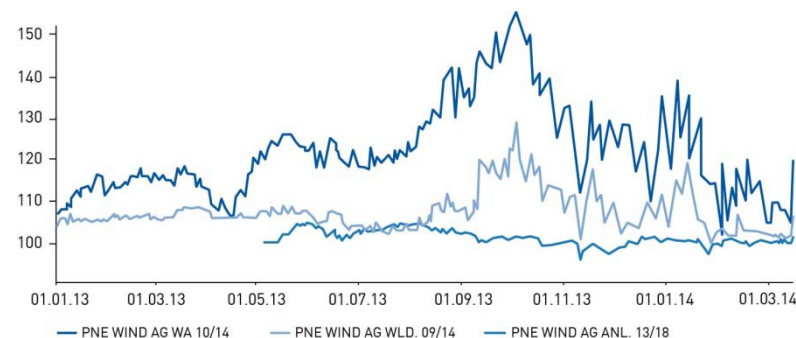
- Demand for renewable energy is based on:
  1. Growing population
  2. Increasing demand for energy
  3. Scarcity of fossil fuels
  4. Lowering CO2 emissions
  5. Energy security
- Double-digit growth rates with a doubling of current installed capacity until 2020

## ENERGY SURCHARGE



- Wind energy is very cost effective compared to other renewable energy sources
- 43% of the electricity generated from renewable energy comes from wind power, but represents only 19% of the EEG costs

## STOCK & BONDS



WKN	AOJBPG / DE000A0JBPG2
Number of shares	54,862,810
Market capitalization (March 21, 2014)	€ 148.1m
Free Float	Approx. 80%
Market segment	Prime Standard
Indices	CDAX Technology, ÖkoDAX
Designated Sponsors / Market Maker	Commerzbank VEM Aktienbank Close Brother Seydler Bank
Reuters / Bloomberg	PNEGn / PNE3

Convertible bond 2009/2014 (WKN: A0Z1MR)  
 Coupon 7.0%, Strike price €2.50, 38,500 bonds placed @ €100  
 a piece (€3.8m open as per December 31, 2013)

Convertible bond 2010/2014 (WKN: A1EMCW)  
 Coupon 6.5%, Strike price €2.20, 260,000 bonds placed @  
 €100 a piece (€6.0m open as per December 31, 2013)

Participation certificate 2004/2014 (WKN: A0B9VG)  
 Coupon 7-10%, (Volume €0.8m as per December 31, 2013)

Corporate bond 2013/2018 (WKN: A1R074)  
 Coupon 8%, Prime Standard, Total volume € 100m.

# THANK YOU

## CONTACT

Rainer Heinsohn  
Head of Communication  
Tel: +49 (0) 47 21 – 7 18 - 453  
Fax: +49 (0) 47 21 – 7 18 - 373  
E-mail: [rainer.heinsohn@pnewind.com](mailto:rainer.heinsohn@pnewind.com)

Scott McCollister  
Head of Investor Relations  
Tel: +49 (0) 47 21 – 7 18 - 454  
Fax: +49 (0) 47 21 – 7 18 - 373  
E-mail: [scott.mccollister@pnewind.com](mailto:scott.mccollister@pnewind.com)

cometis AG  
Ulrich Wiehle / Janis Fischer  
Tel: +49 (0) 611 – 205855 - 64  
Fax: +49 (0) 611 – 205855 - 66  
E-mail: [fischer@cometis.de](mailto:fischer@cometis.de)

