

PNE WIND AG

Presentation | January 2012



Buchholz wind farm

Agenda



1. PNE WIND AG at a glance

2. Business model

3. Market and strategy

4. Financials

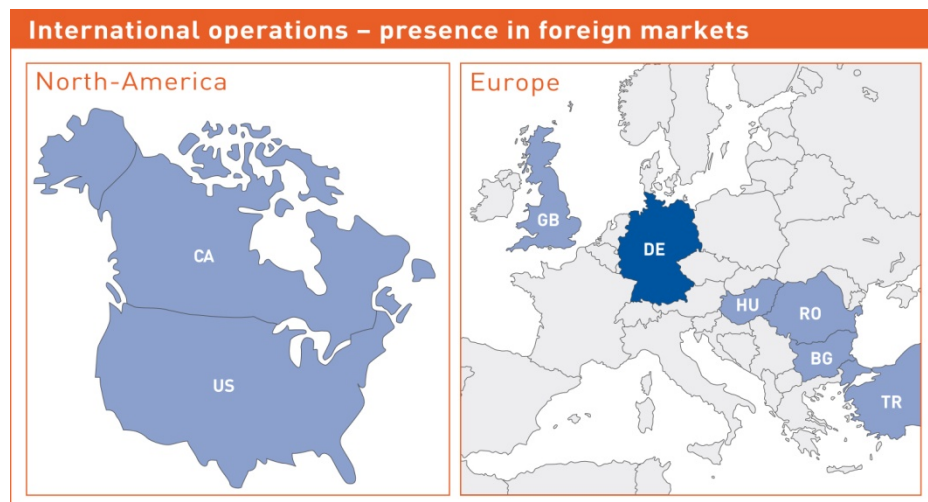
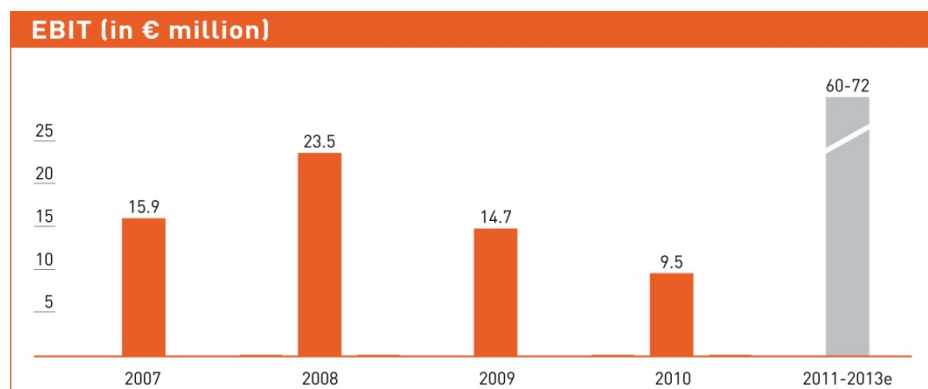
5. PNE WIND AG share

6. Investment highlights



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 of wind farms with after-sales technical and commercial support service
- Company based in Cuxhaven, 175 employees as at September 30, 2011
- Cumulative EBIT guidance at least € 60 to 72 million for fiscal years 2011 to 2013

PNE WIND AG at a glance

Management



Martin Billhardt
Chief Executive Officer (CEO)

- Industry experience since 1995
- CEO since June 2008
- Areas of responsibility: strategy, investor relations, acquisitions, sales, human resources, legal affairs, investment



Jörg Klowat
Chief Financial Officer (CFO)

- Working for PNE WIND AG since 1999
- CFO since April 2011
- Areas of responsibility: finance and accounting, controlling, risk management

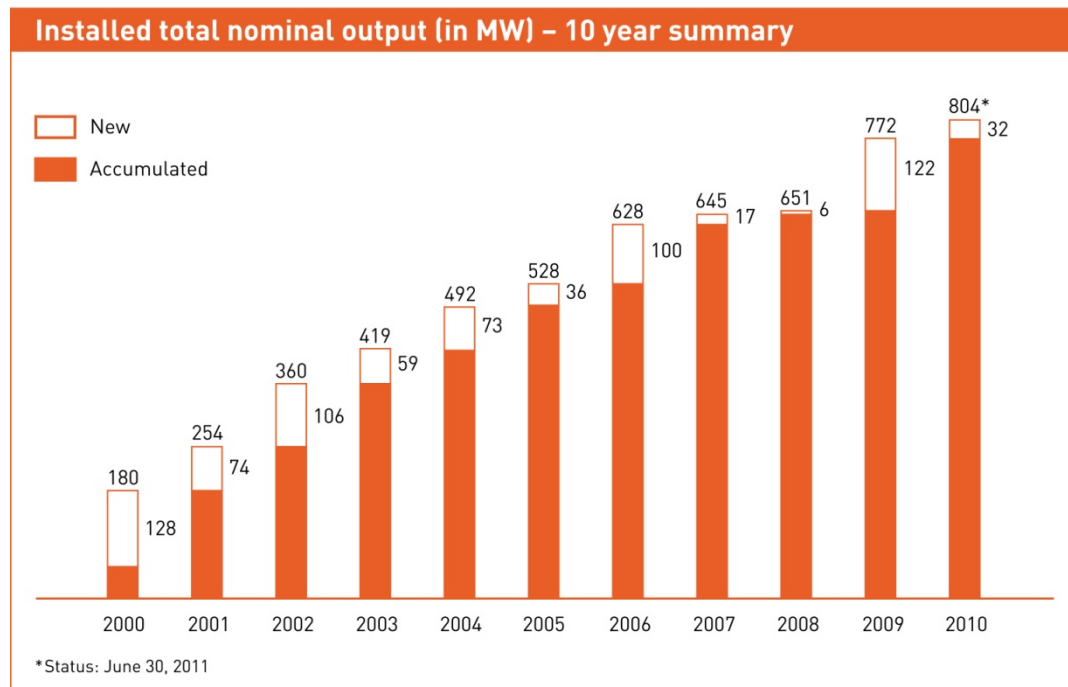


Markus Lesser
Chief Operating Officer (COO)

- Over 10 years experience in the Renewable Energy project planning industry
- COO since May 2011
- Areas of responsibility: project development and wind farm implementation onshore and offshore

PNE WIND AG at a glance

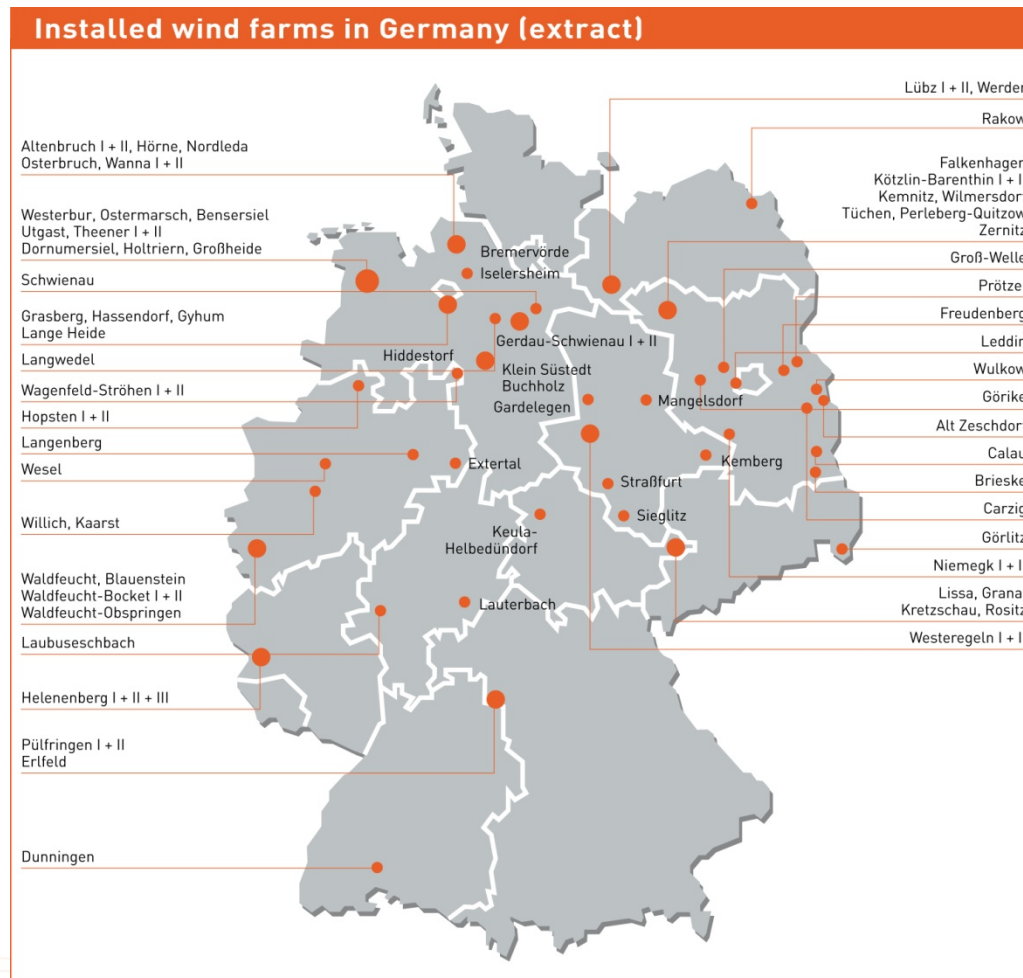
References



- Since foundation in 1995 development of onshore wind farms
- Approvals granted for four offshore projects
- 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

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

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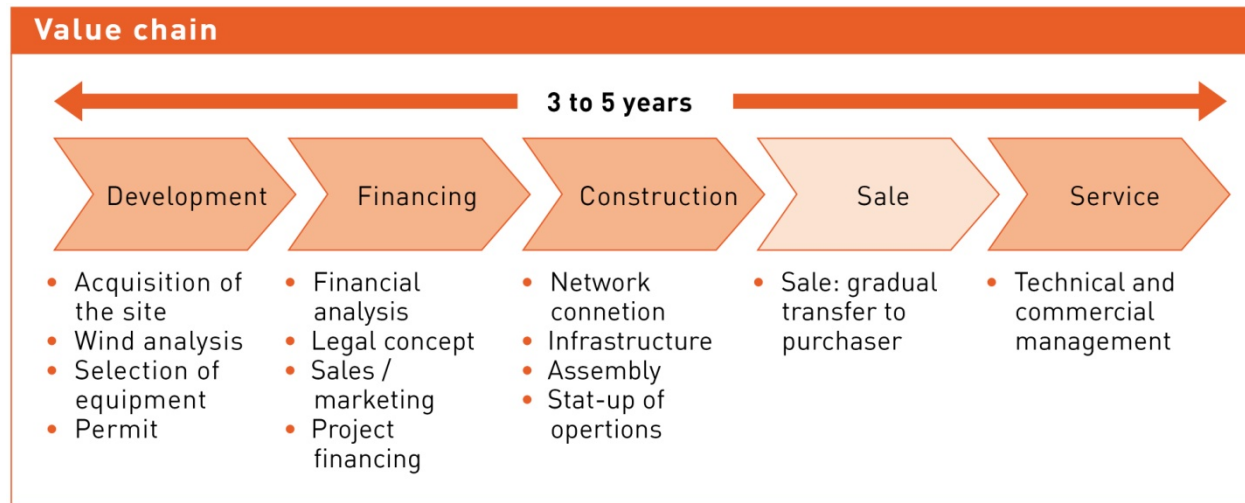
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Langwedel wind farm

Business model

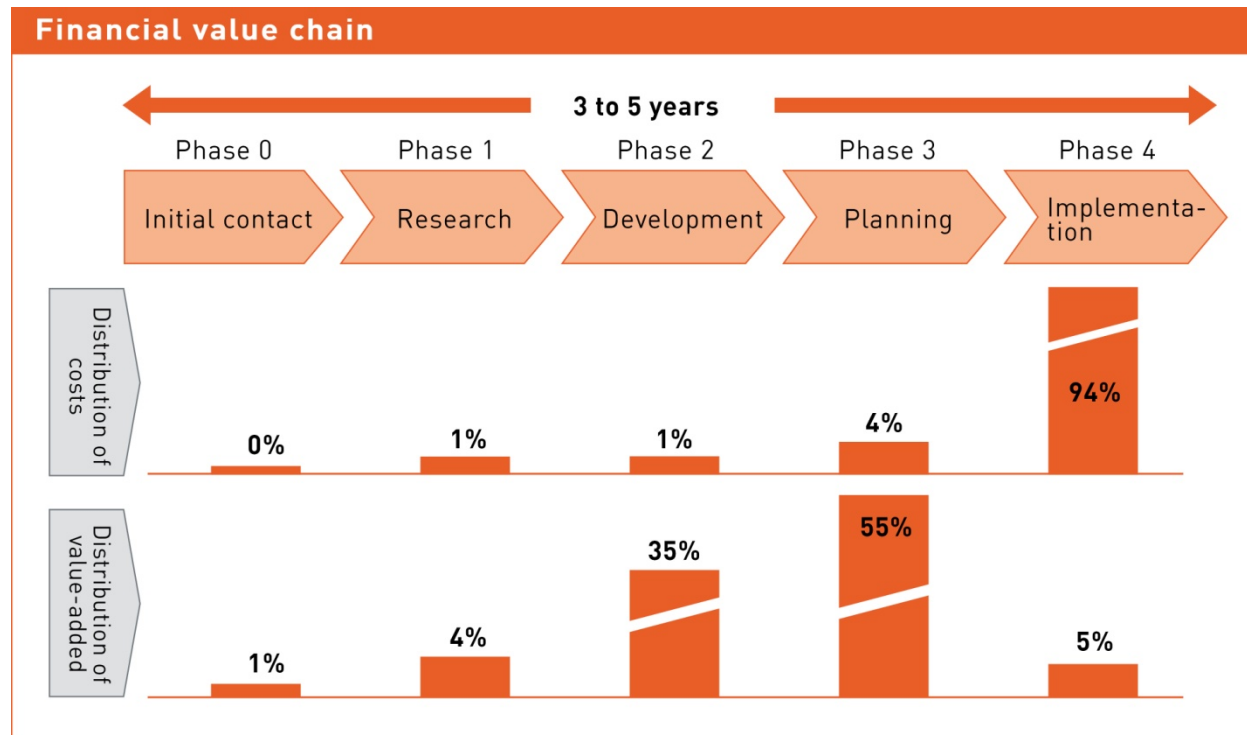
Value chain



- Development, financing and construction of wind farms through to commissioning
- Criteria for wind farm development: Wind in m/sec, probability of approval, assured grid connection
- After completion: complete handover to buyer
- After-sales support service ensures customer retention and guarantees recurring revenues

Business model

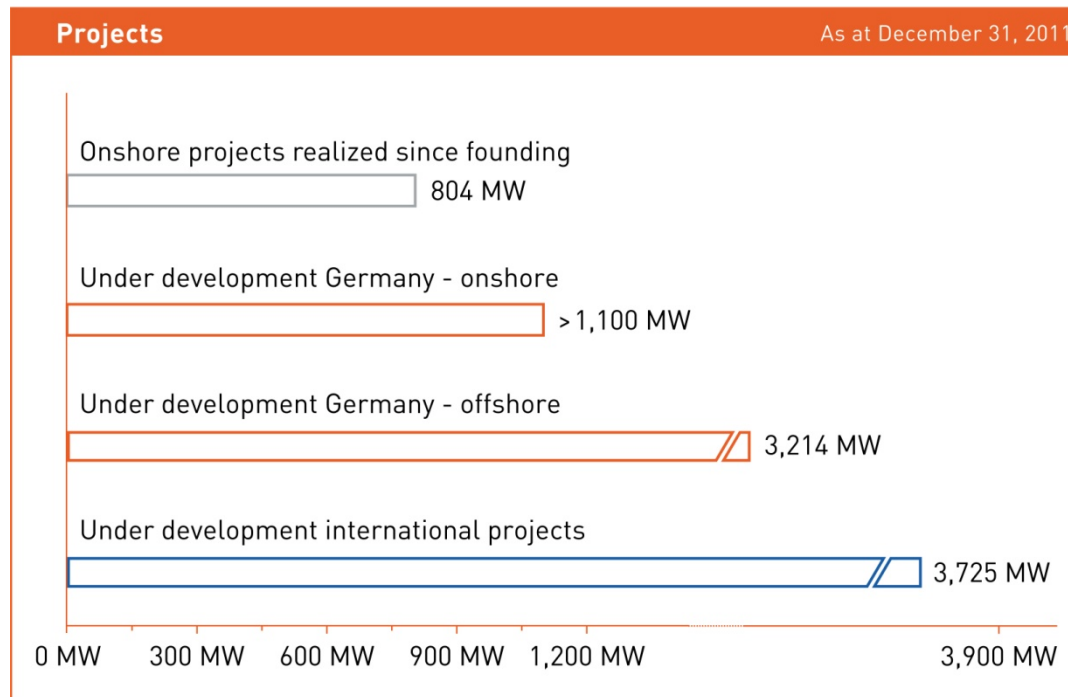
Financial value chain



- 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

- National and international total of around 4,800 MW under development

Offshore

- Projects with total of 3,214 MW currently under development
- Approvals have been granted for four offshore wind farms
- Offshore business is growth driver of the future

PNE WIND AG at a glance

Current onshore projects – Germany



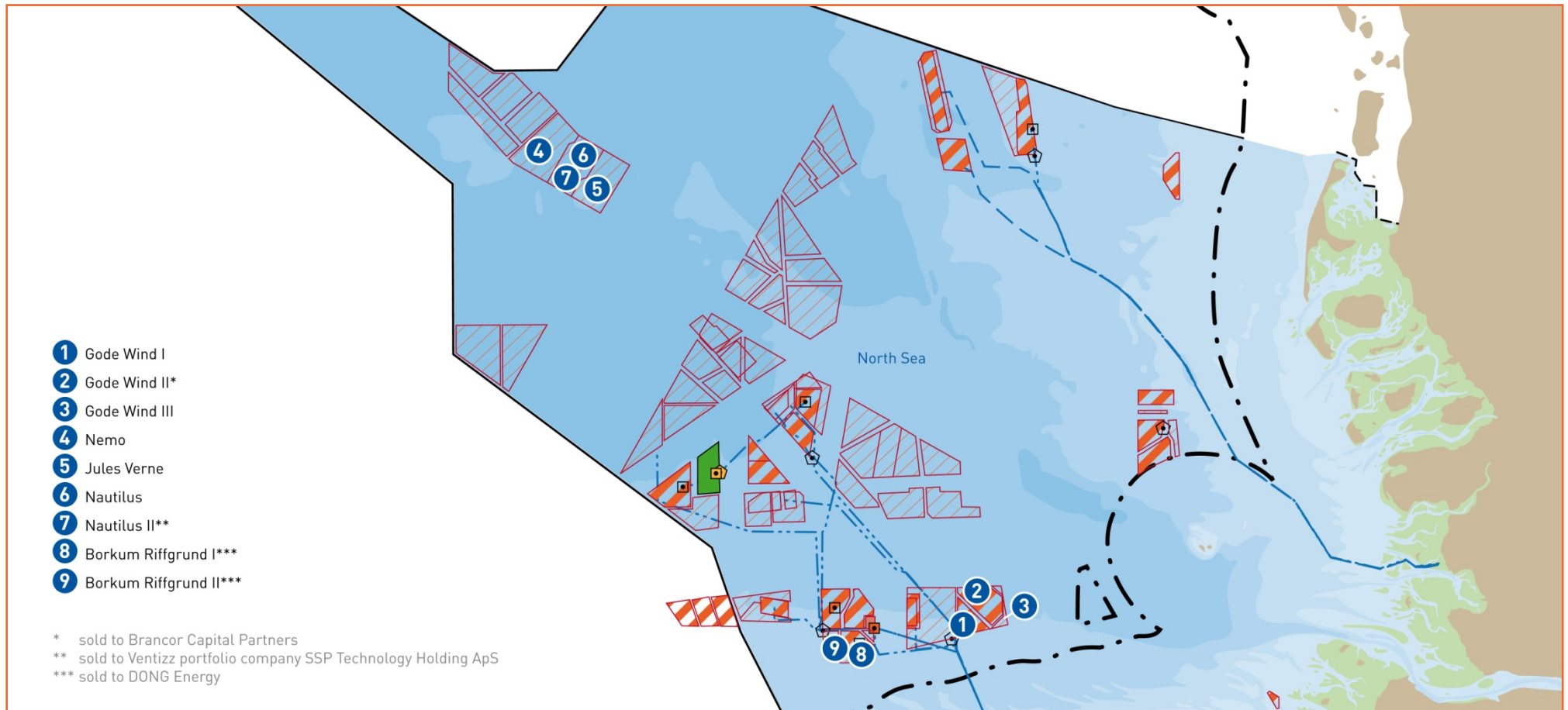
Onshore projects – Germany

- Overall above 1,100 MW under development as at September 30, 2011
- Wind farm “Kemberg II” with 10 MW under construction
- Construction approval for two wind farms with a nominal output of 14 MW obtained
- Additional approvals for construction of onshore wind farms in Germany are expected on short notice



Business model

Current offshore projects – Germany



Business model

Current offshore projects – Germany



Offshore projects – Germany

Project	Phase	Location	WT up to	Total MW (up to)	Nominal capacity per turbine
Gode Wind I	4	North Sea	77 Vestas	231	3.0 MW
Gode Wind II *	4	North Sea	84 Vestas	252	3.0 MW
Gode Wind III	1	North Sea	15 Vestas	105	7.0 MW**
Nemo	2	North Sea	80	480	6.0 MW**
Jules Vernes	2	North Sea	80	480	6.0 MW**
Nautilus I	2	North Sea	80	480	6.0 MW**
Nautilus II *	2	North Sea	80	560	7,0 MW**
Borkum Riffgrund I *	4	North Sea	77 Siemens	277	3.6 MW
Borkum Riffgrund II *	4	North Sea	97 Siemens	349	3.6 MW
Total:			670	3,214	

Phase 1 = Project identification phase

Phase 2 = Application conference held

Phase 3 = Hearing held

Phase 4 = Approval granted

* PNE WIND AG acts as service provider

** expected

Business model

Current offshore projects – Germany

Gode Wind I

- Approval granted
- Project status: Further technical development
- Vestas: wind turbine supplier
- PNE WIND: Components, transformer station, park design, financing strategy

Gode Wind III

- Project identification phase
- Up to 15 wind turbines possible
- Reference area for new Vestas offshore turbine (expected: 7 MW)

Business model

Current offshore projects – Germany

Gode Wind II

- Sales agreement with Brancor Capital Partners / Requirement: Payment of two installments during first quarter 2012
- PNE WIND AG acting as service provider
- “Gode Wind II” will be jointly developed
- Approval granted
- Supply contract for 84 Vestas type V112 wind energy systems
- Preliminary contracts for the supply of 84 monopile foundations, the internal wind farm cabling and the wind farm's transformer station
- Grid connection secured by TenneT
- PNE WIND AG expects further milestone payments regarding this project depending on the projects' progress



Offshore wind farm

Business model

Current offshore projects – Germany

Borkum Riffgrund I + II

- PNE WIND AG acting as service provider for DONG Energy
- Start of construction of “Riffgrund I” expected in 2013
- “Riffgrund II” will be jointly developed
- PNE WIND AG expects further milestone payments depending on the projects’ progress as well as current remuneration for provided services



Offshore wind farm

Business model

Current offshore projects – Germany

Nautilus II

- Project sold to Ventizz portfolio company SSP Technology Holding ApS
- PNE WIND AG acting as service provider
- “Nautilus II” will be jointly developed
- PNE WIND AG expects further milestone payments regarding this project depending on the projects’ progress



Offshore wind farm

Business model

Current projects – international



Onshore projects – international

No.	Country	Number of projects	Area already secured (in ha)	MW up to
1	USA	24	5,671	1,835
2	Canada	7	7,857	525
3	UK	14	5,172	408
4	Turkey	3	---	204
5	Hungary	2	477	84
6	Romania	3	333	244
7	Bulgaria	9	966	425
Total:		62	20,476	3,725

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)
- Progress in the development of wind farms in Belle Fourche (South Dakota); project with 20 MW planned and Austin (Minnesota), project with 30 MW planned
- Further development of plans for 30 MW wind farm in Johnson County (Iowa)
- Already area of approx. 5,671 ha secured and 1,835 MW under development
- Objective: medium-term development of further wind farm projects with up to 1,140 MW

Business model

Current projects – international



Onshore projects – international



- PNE WIND UK founded as Joint Venture with New Energy Developments Limited (PNE WIND AG holds a majority interest of 67.5%)
- Opening of new office in Edinburgh, Scotland
- Appointed as a preferred development partner to the Forestry Commission Scotland
- Wind farm sites on the National Forest Estate in Argyll and Bute, West Dunbartonshire, Stirling, Perth and Kinross as well as Angus with potential of 100-200 MW
- Development and implementation of wind farm projects for up to 408 MW with an area of approx. 5,172 ha already secured

Business model

Current projects – international



Onshore projects – Southeast Europe

Hungary

- PNE WIND AG holds 100% of interests in Hungarian company
- First success: Wind farm with 18 wind power plants and 36 MW approved in May 2011
- 2 wind farm projects for implementation by 2012/2013 with up to 84 MW total output planned
- Already area of approx. 477 ha secured

Bulgaria

- Joint Venture with several partners
- Already area of approx. 966 ha secured

Romania

- Joint venture with local partner in Bucharest
- Already area of approx. 333 ha secured

Turkey

- Cooperation with Türkwind Energie Ltd.
- Development and realization of wind park projects of up to 204 MW planned

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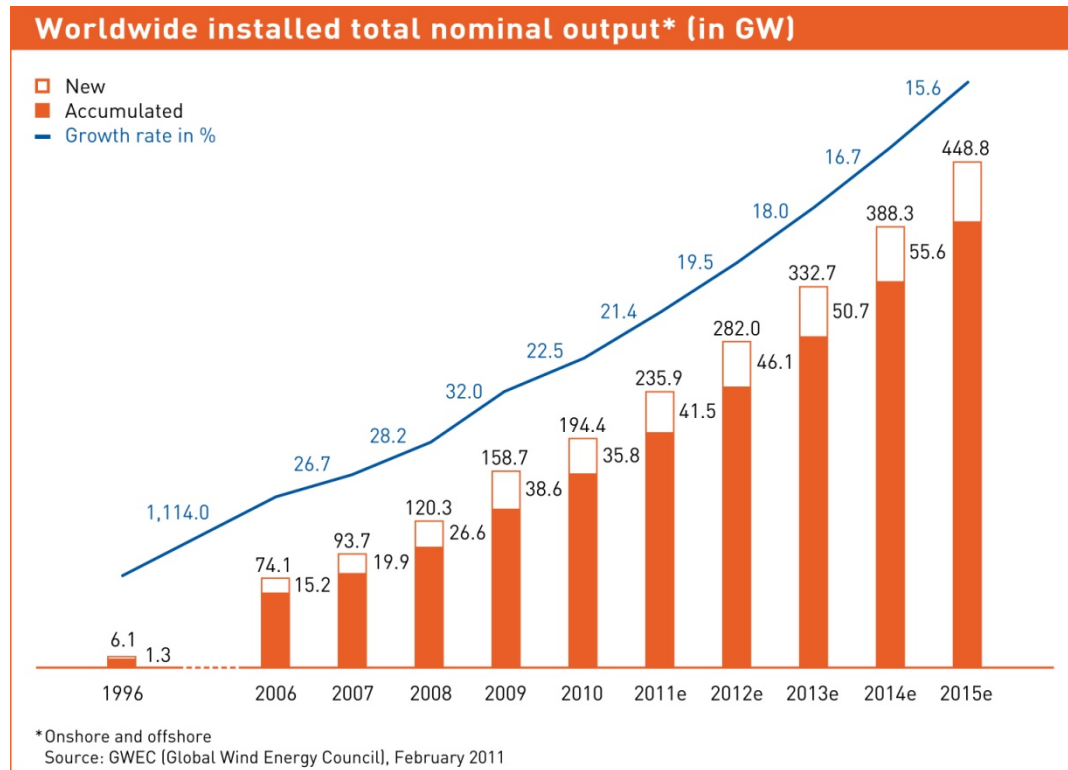
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Market and strategy

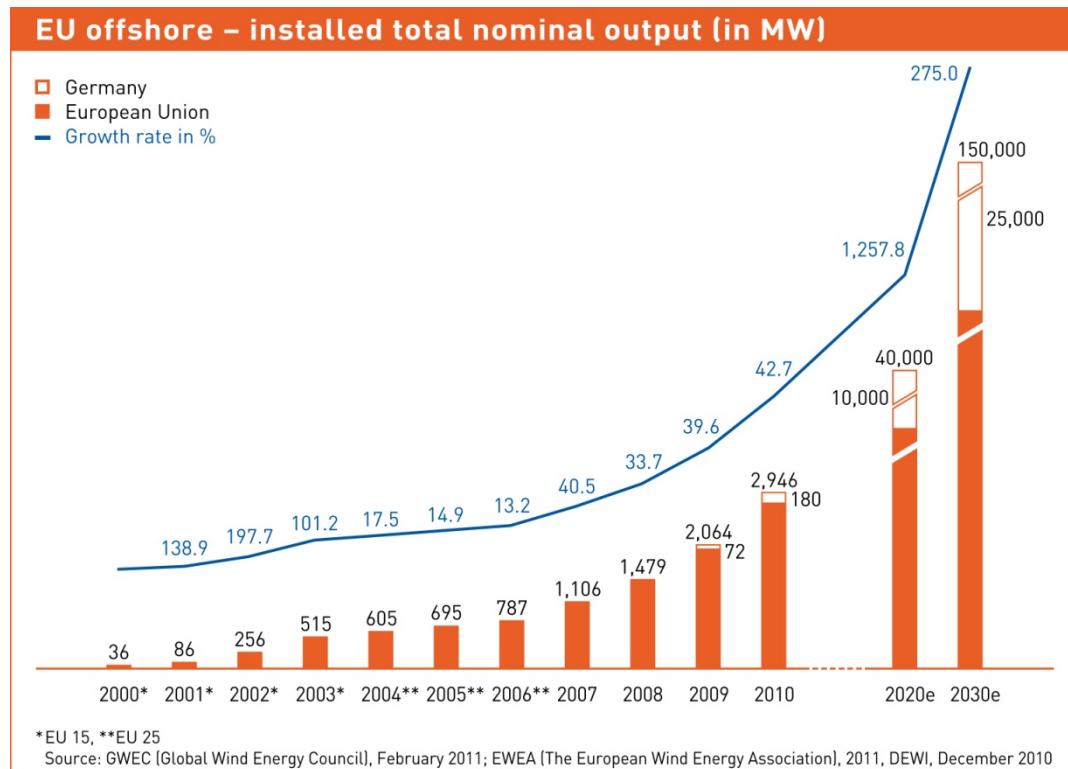
Global development of wind power



- Increased international demand for renewable energy is based on:
 - Growing population = Increasing demand for energy
 - Scarcity of fossil fuels
 - Prevention of CO₂ emissions
 - Security of supply
- Wind energy is the most technologically advanced of these and the most economically efficient technology
- Double-digit growth rates forecasted until 2015 (CAGR 2010-2015: 18.2%)

Market and strategy

Offshore Europe and Germany



- Offshore wind energy as a key growth driver for national and international wind energy markets
- 40,000 MW installed wind power capacity by 2020 as a target to achieve climate objectives of the EU
- Objective of the German Federal Government: installed offshore capacity of 25,000 MW by the year 2030

Market and strategy

Wind power in Germany: Status quo and forecast



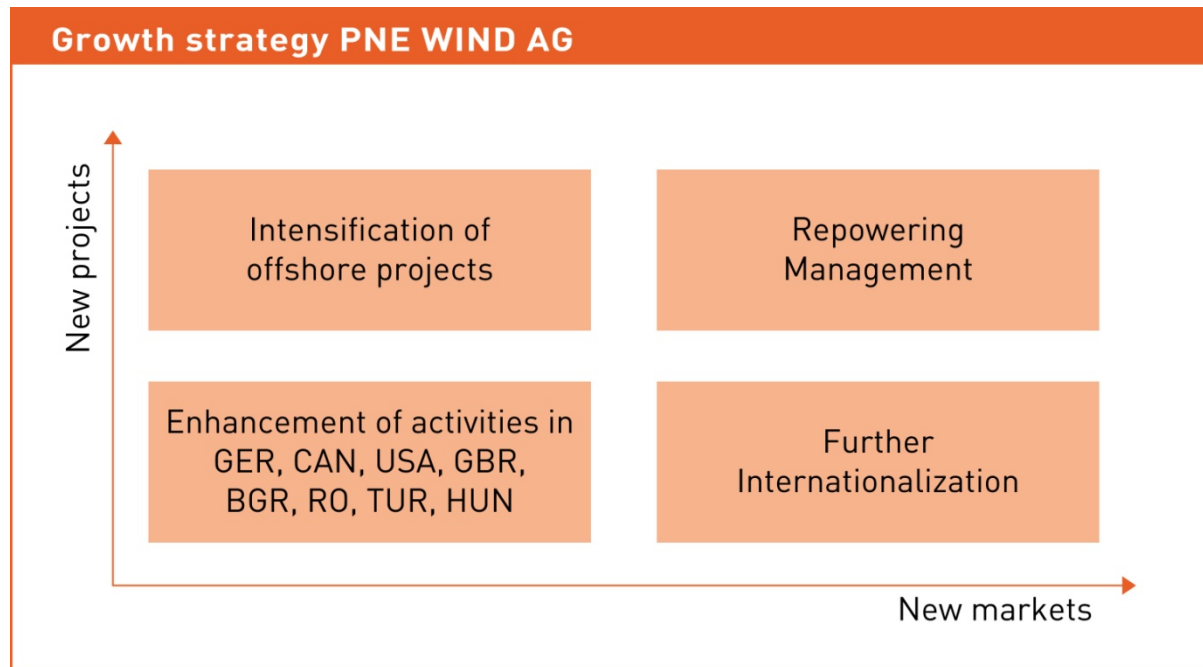
Energy Concept 2050

- The German Federal Government adopted the “Energy Concept 2050” in September 2010
- Key points of the Energy Concept:
 1. Promotion of offshore wind energy by special credit program with a volume of €5 billion
 2. Identification of additional sites to be designated for onshore wind farm construction and operation
 3. 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 2010, 779 old plants with 331 MW capacity were removed and replaced with 431 modern units with a total nominal output of 896 MW, in the first half year 2010 an additional 13 modern plants were installed with a total output of 42 MW
 - For repowering experts predict a potential total installed capacity of around 30,990 MW by 2020

Source: BMU (Energy Concept 2050); DEWI, 2011; KPMG study, 2009

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



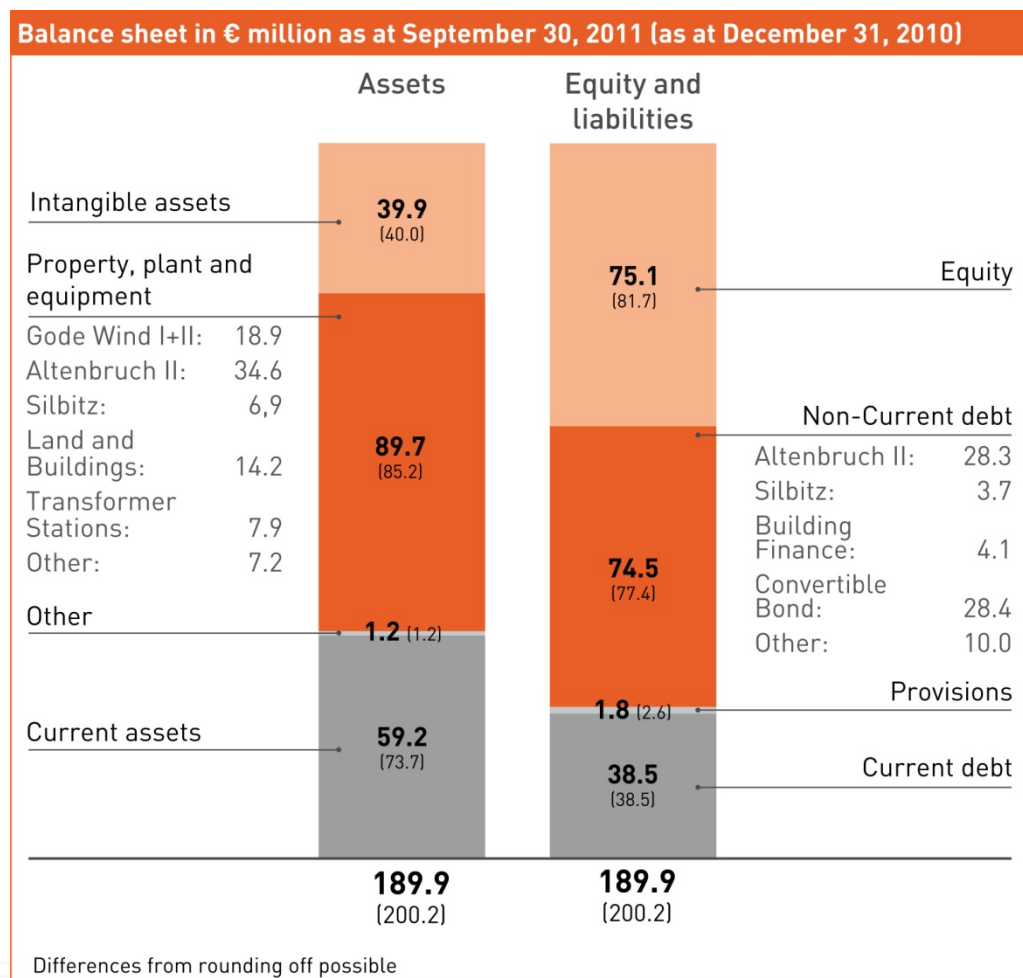
Q1-Q3 2011

in €million	Jan. 1 to Sep. 30, 2011	Jan. 1 to Sep. 30, 2010
Revenue	33.1	56.2
Total operating revenue	36.3	69.4
Cost of materials	-18.1	-43.0
Personnel expenses	-8.7	-7.2
Other	-6.4	-7.7
EBIT	-0.7	7.9
Interest income	0.8	0.2
Interest and similar expenses	-4.6	-4.0
EBT	-4.5	4.2
Net income	-4.0	4.3
EPS (in €)	-0.09	0.09

- EBIT slightly negative due to upfront costs for wind farm projects onshore and offshore in Germany and abroad
- Cost of materials strongly reduced due to lower number of installed wind farms
- Personnel expenses increased due to higher headcount (175 employees)
- Revenues fluctuate in accordance with project implementation
- Onshore and offshore projects are expected to positively contribute to EBIT in short and mid-term

Financials

Key balance sheet ratios



- Intangible assets of € 39.9 million mainly consist of company value for the segment wind farm projecting and project rights from the first consolidation of PNE Gode Wind I GmbH
- Equity ratio of about 40% and strong cash position (€ 26.8 million) form solid foundation for further growth and internationalization

Financials

Cash flow



Q1-Q3 2011

in € million	Jan. 1 to Sep. 30, 2011	Jan. 1 to Sep. 30, 2010
Consolidated net loss/income for the period	-4.7	4.1
Amortization/Depreciation	3.8	3.7
Δ Provisions	-0.8	-0.5
Δ Non-cash expenses/income	-0.1	-10.7
Δ Working capital	4.5	-5.0
Cash flow from operating activities	2.8	-8.4
Cash flow from investing activities	-8.2	-12.8
Cash flow from financing activities	-7.0	22.8
Cash and cash equivalents – end of period	26.8	43.2

- Cash flow from operating activities positively influenced through milestone payment of „Borkum Riffgrund I“
- Strong fluctuation in working capital is typical for wind farm developers, it varies in relation to project realization and handover of a completed wind farm
- Investments in further development of offshore projects were financed from PNE WIND's own funds
- Cash flow from financing activities includes credit redemption as well as dividend payments
- Cash and cash equivalents remain high

Financials

Forecast

Financials

- In the short and medium term, significant income from offshore projects affecting EBIT positively
- Cumulative EBIT of at least € 60 to 72 million expected for fiscal years 2011 to 2013

Operative

- Further operational improvement planned in coming years due to extensive pipeline
- Onshore outlook: National and international medium term target of 10,000 MW
- 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. 4, 2010



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

Key data (as at December 30, 2011)

WKN (German Securities Code Number)	AOJBPG
ISIN	DE000A0JBPG2
Number of shares	45,777,960
Market capitalization	€84.7 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

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Langwedel wind farm

Investment Highlights



- Successful project developer of wind farms onshore and offshore, nationally and internationally
- Attractive growth opportunity through strong starting position taken in the repowering sector as well as excellent positioning in the offshore sector
- Exclusive partnership with Vestas to realize three offshore wind farms
- Increased expansion of international business activities, particularly in Eastern Europe, the UK and North America
- Preferred development partner to the Forestry Commission Scotland for the development of wind power schemes in Central Scotland
- Cumulative EBIT of at least €60 to 72 million expected for fiscal years 2011 to 2013

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