

PNE WIND AG

Presentation | March 2012



Buchholz wind farm

Agenda



1. PNE WIND AG at a glance

2. Business model

3. Market and strategy

4. Financials

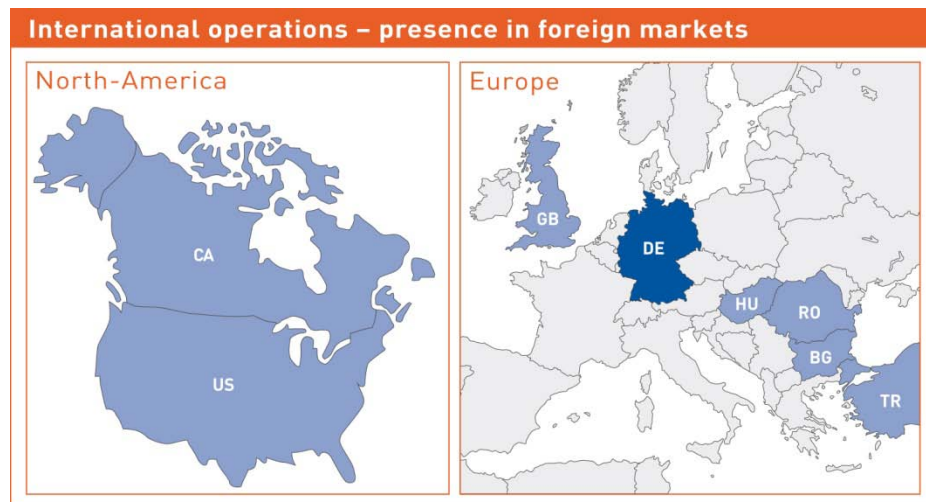
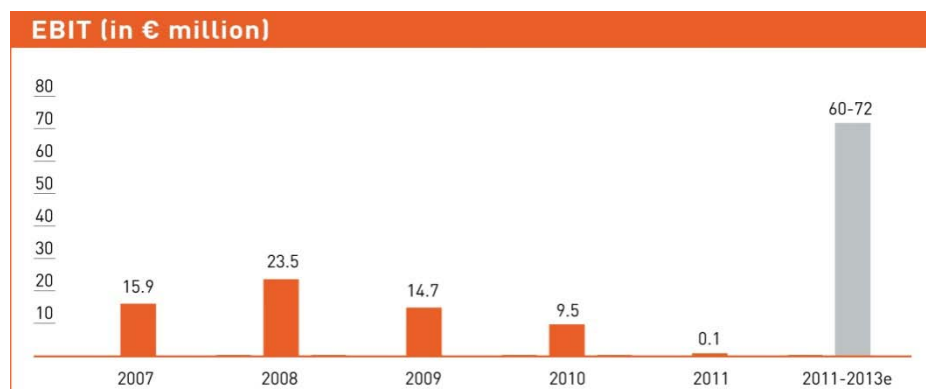
5. PNE WIND AG share

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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, 180 employees as at December 31, 2012
- Guidance: cumulative EBIT of at least €60 to 72 million for fiscal years 2011 to 2013 expected

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

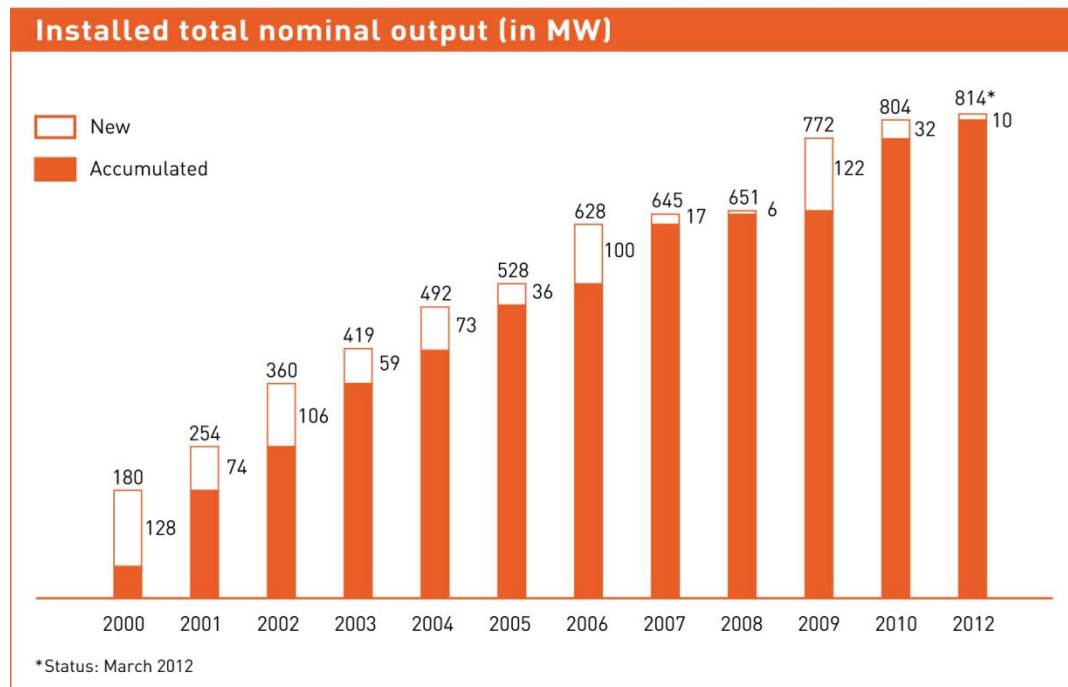


Markus Lesser
Chief Operating Officer (COO)

- 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

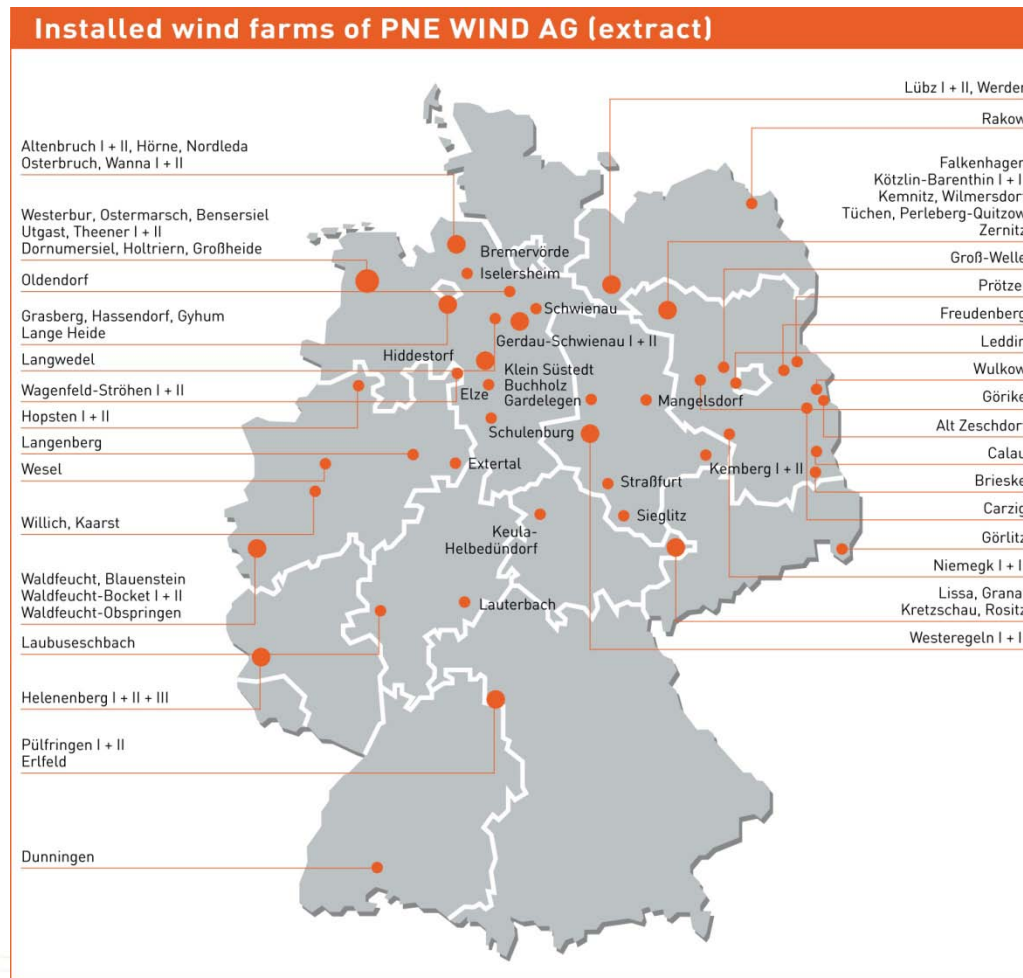
References



- Since foundation in 1995 development of onshore wind farms
- Approvals granted for four offshore projects
- Reference list onshore: 98 wind farms
- 568 wind turbines (WT) with a total output of 814 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, Enercon and REpower

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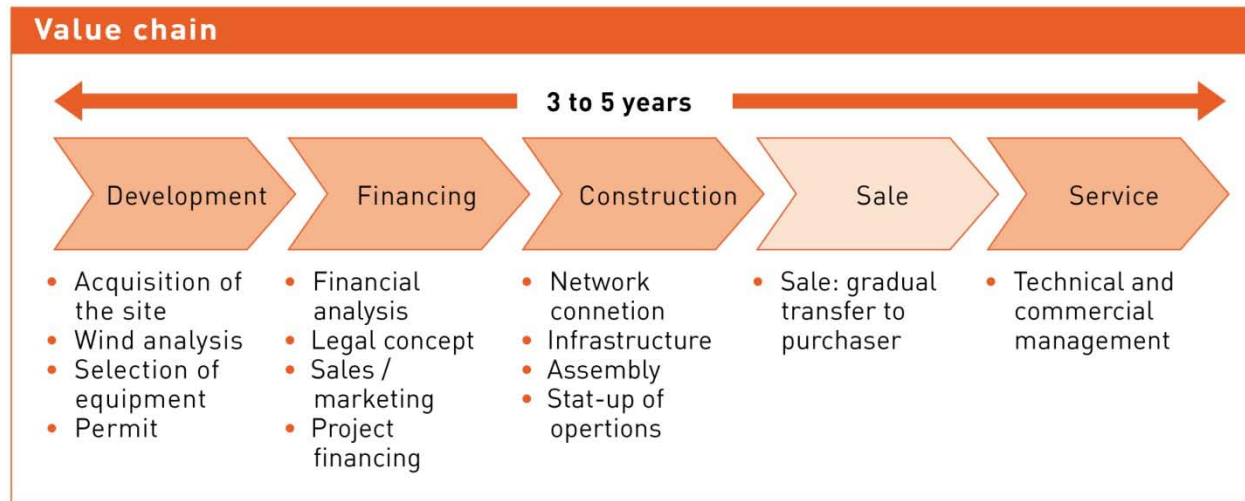
6. Investment highlights



Langwedel wind farm

Business model

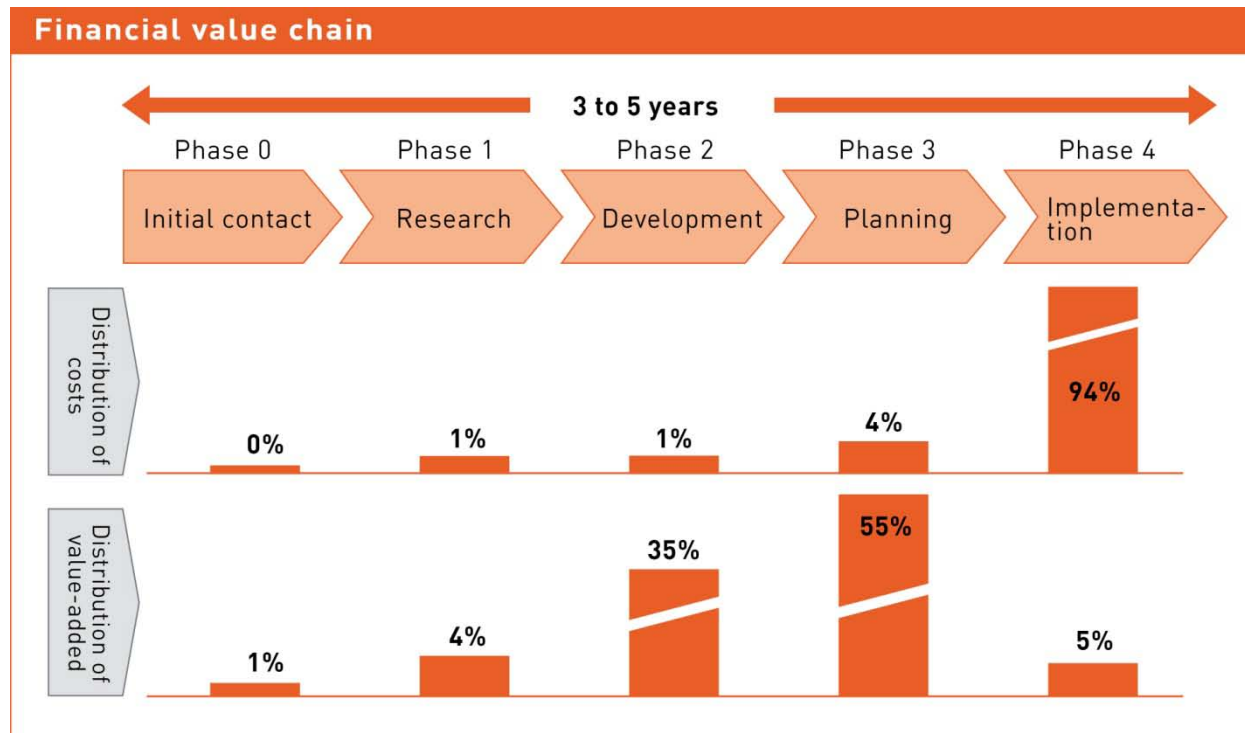
Value chain



- 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

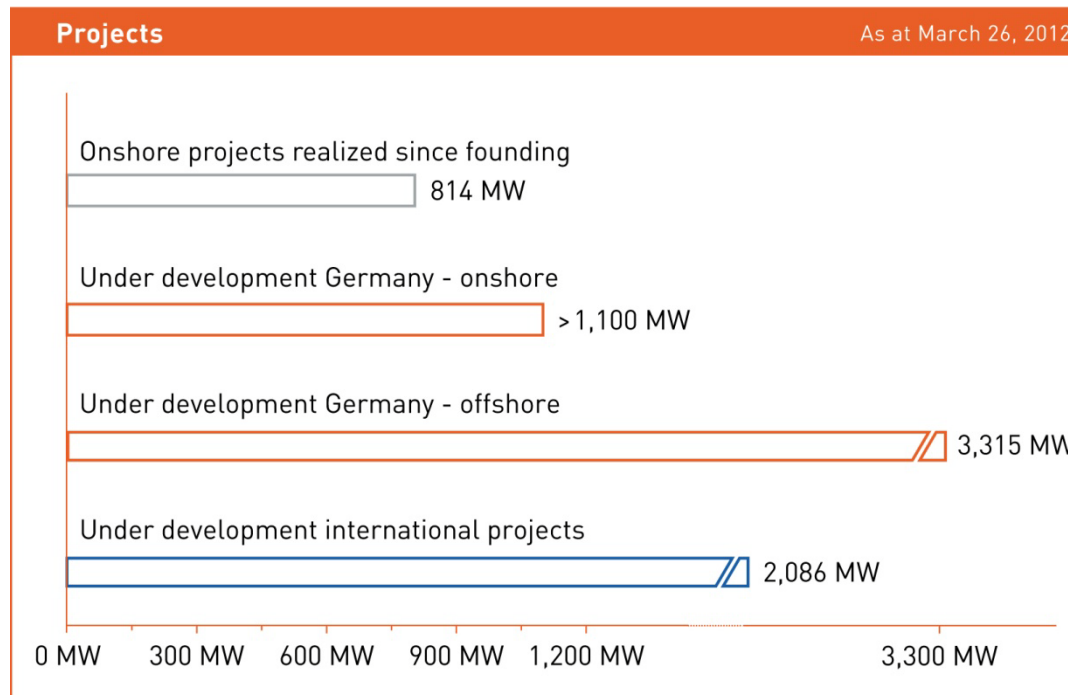
Financial value chain



- 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 3,200 MW under development

Offshore

- Projects with total of 3,315 MW currently under development
- Approvals have been achieved for four offshore wind farms
- Offshore business is growth driver of the future

PNE WIND AG at a glance

Current onshore projects – Germany



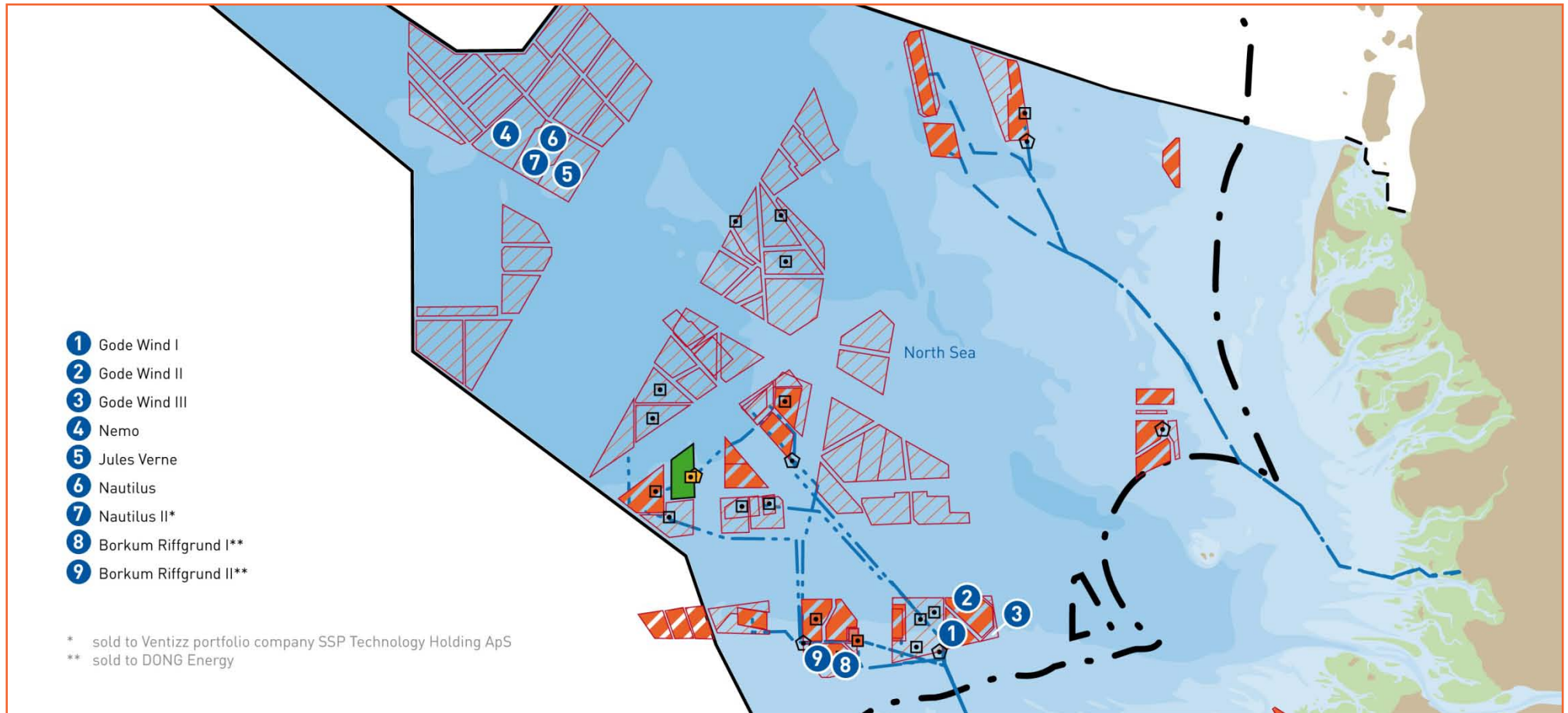
Onshore projects – Germany

- Overall above 1,100 MW under development as at December 31, 2011
- Wind farm “Kemberg II” with 10 MW completed in 2012
- 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	54 REpower	332	6.15 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:			647	3,315	

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 from the BSH
- PNE WIND AG Components, transformer station, park design, financing strategy
- Project status: PNE WIND AG had submitted the necessary documentation and fulfilled all of the four criteria to obtain of the unconditional commitment for the grid network connection. Unconditional grid connection expected in 2012 from TenneT
- Turbines: Repower has been selected to supply 332 MW using 6,15 MW turbines

Gode Wind III

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

Business model

Current offshore projects – Germany

Gode Wind II

- Current negotiations regarding project sale in the near future
- 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 significant contributions to EBIT depending on outcome of the sales negotiations, as well as possible further milestone payments and regular payments for services provided



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: this will be the first offshore wind farms build which was developed by PNE Wind
- “Riffgrund II” received approval by BSH at the end of 2011, which triggered a €6.0m milestone payment due to PNE Wind in 1H12
- 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 project’s progress



Offshore wind farm

Business model

Current projects – international



Onshore projects – international

Country	Number of projects	MW up to
USA	10	352
Canada	7	575
UK	21	591
Turkey	2	93
Hungary	2	78
Romania	2	143
Bulgaria	7	248
Total:	51	2,086

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)
- Currently 352 MW under development
- Objective: active development of further wind farm projects for approval and realization

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 591 MW

Business model

Current projects – international



Onshore projects – Southeast Europe

Hungary

- PNE WIND AG holds 100% of interests in Hungarian company
- First successes: Two wind farms with 32 wind turbines and 78 MW approved
- Both wind farm projects for implementation by 2012/2013 planned

Bulgaria

- Joint Venture with several partners
- Projects with up to 248 MW under development

Romania

- Joint venture with local partner in Bucharest
- Projects with up to 143 MW under development

Turkey

- Cooperation with Türkwind Energie Ltd.
- Development and realization of wind park projects of up to 93 MW planned

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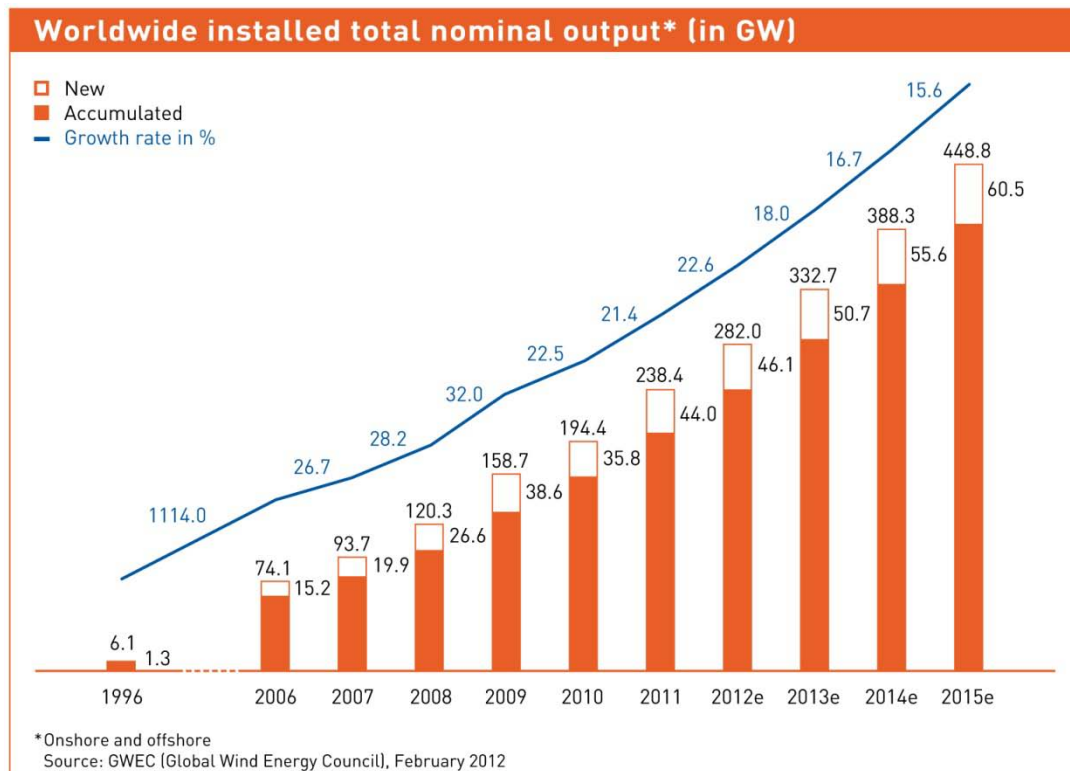
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Market and strategy

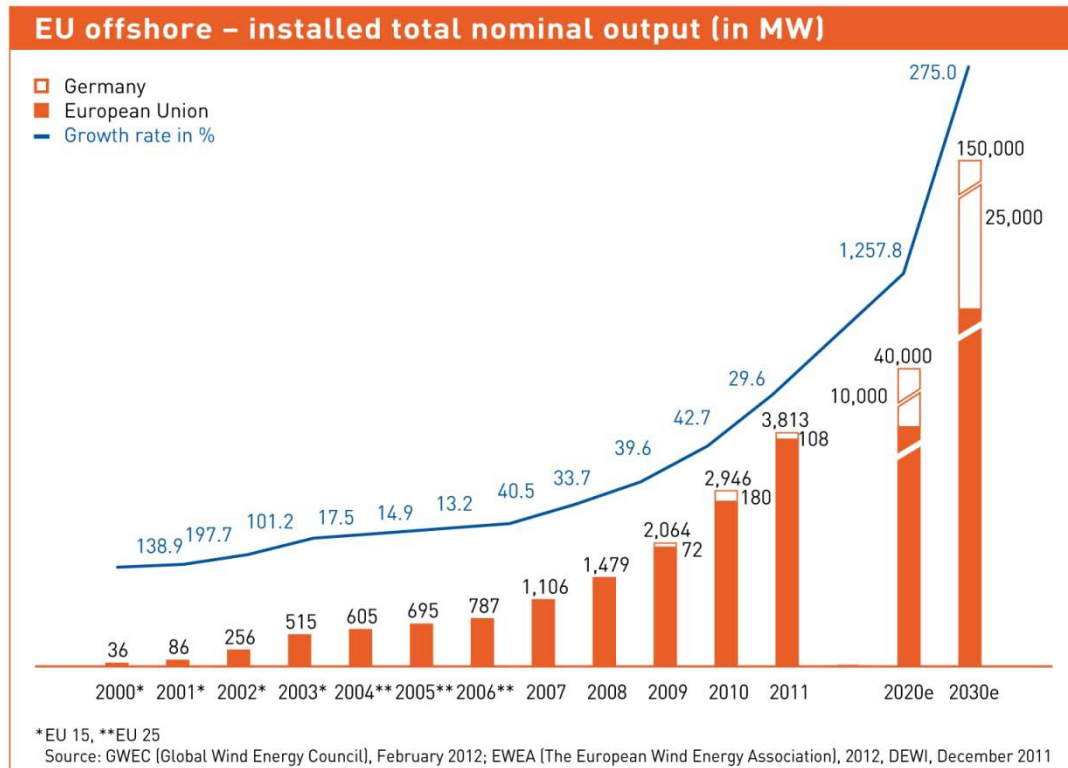
Global development of wind power



- 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 20,000 to 25,000 MW by the year 2030

Market and strategy

Wind power in Germany: Status quo and forecast



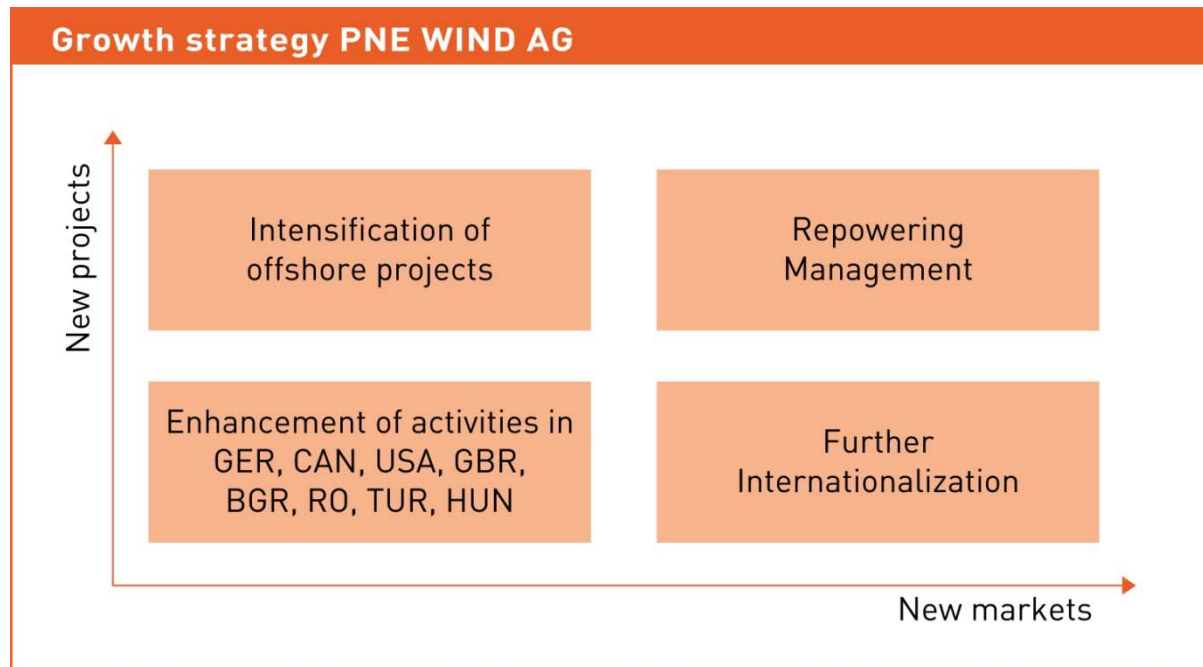
Energy Concept 2050

- 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 and increased energy output
 - By the end of 2011, 979 old plants with 450 MW capacity were removed and replaced with 541 modern units with a total nominal output of 1,163 MW
 - For repowering experts predict a potential total installed capacity of around 30,000 MW by 2020

Source: BMU (Energy Concept 2050); DEWI, 2012; 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



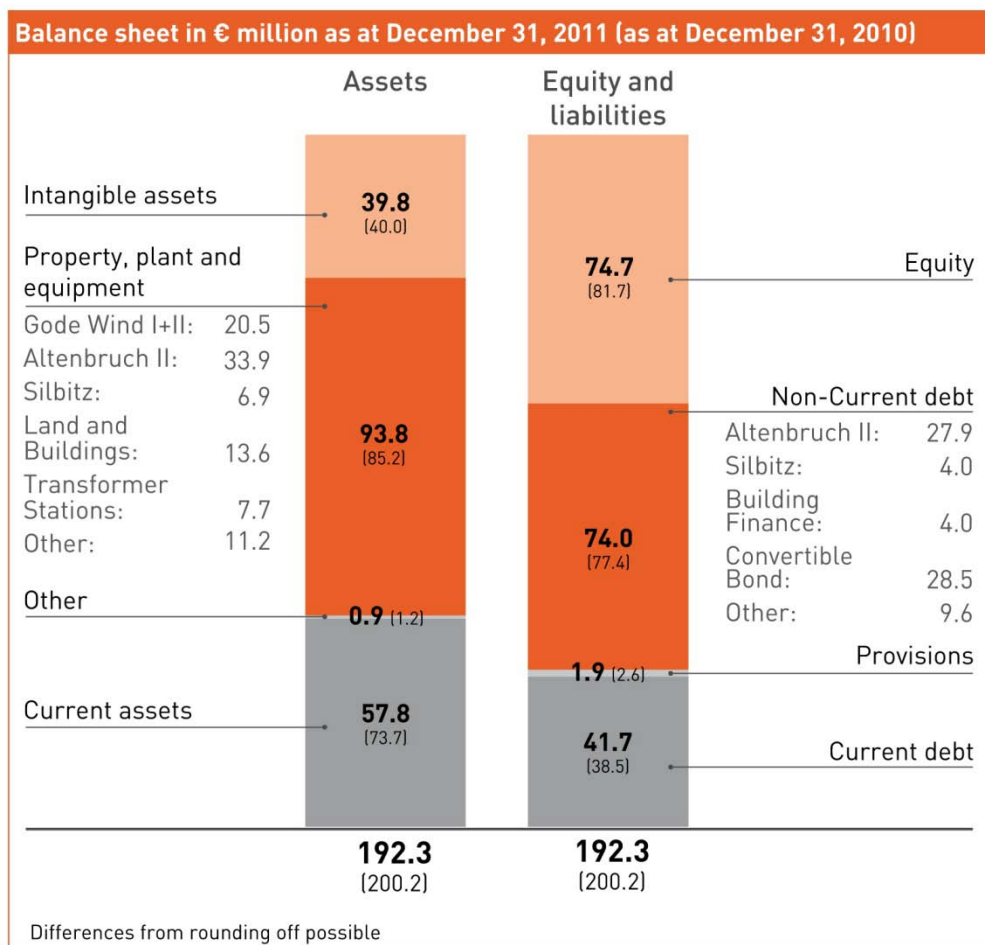
Fiscal Year 2011

in €million	Jan. 1 to Dec. 31, 2011	Jan. 1 to Dec. 31, 2010
Revenue	48.6	65.6
Total operating revenue	53.9	80.0
Cost of materials	-28.7	-42.7
Personnel expenses	-11.5	-10.2
Other	-8.5	-12.7
EBIT	0.1	9.5
Interest income	0.9	0.5
Interest and similar expenses	-5.8	-4.6
EBT	-4.9	5.4
Net income	-3.9	7.9
EPS (in €)	-0.09	0.17

- Revenues from wind farm development lower due to 10 MW under construction in 2011 vs. 32 MW erected in 2010
- Milestone payments of €12.7m booked to “Borkum Riffgrund II” offshore wind project
- High average wind speeds drove electricity sales up by 9.6% y-o-y to €9.1m
- Cost control keeps EBIT positive despite lower revenues
- COGS and other expenses decline with lower number of MWs realised in 2011
- Onshore and offshore projects are expected to positively contribute to EBIT in short and mid-term

Financials

Key balance sheet ratios



- Ample liquidity provides resources to continue to develop projects as well as sufficient time to identify new buyer for “Gode Wind II” project
- Year end cash position of €19.4m and available credit lines bring Group liquidity position to €39.3m
- PP&E primarily represents our existing wind farms and investments in offshore and international projects
- Intangible assets represents wind farm projecting and project rights from the first consolidation of “Gode Wind I”
- Debt to equity ratio of 46.7% remains comfortably below group target of not exceeding 80%

Financials

Cash flow



Fiscal Year 2011

in €million	Jan. 1 to Dec. 31, 2011	Jan. 1 to Dec. 31, 2010
Consolidated net loss/income for the period	-5.1	7.1
Amortization/Depreciation	5.2	5.0
Δ Provisions	-0.6	-1.6
Δ Non-cash expenses/income	0.5	-10.7
Δ Working capital	-1.4	-7.5
Cash flow from operating activities	-1.4	-7.7
Cash flow from investing activities	-14.1	-16.6
Cash flow from financing activities	-4.2	21.9
Cash and cash equivalents – end of period	19.4	39.2

- Cash flow from operations is negative with receipt of payment for a portion of 2011 sales expected in 1H12
- Commissioning of onshore project “Kemberg II” and the milestone payment from DONG Energy to have positive cash effects in 1H12
- Cash flow from investing activities illustrates continued investments in our wind farm activities
- Cash flow from financing activities includes repayment of loans as well as dividend
- Despite net cash outflow, cash position at €19.4m remains high

Financials

Forecast

Financials

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

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

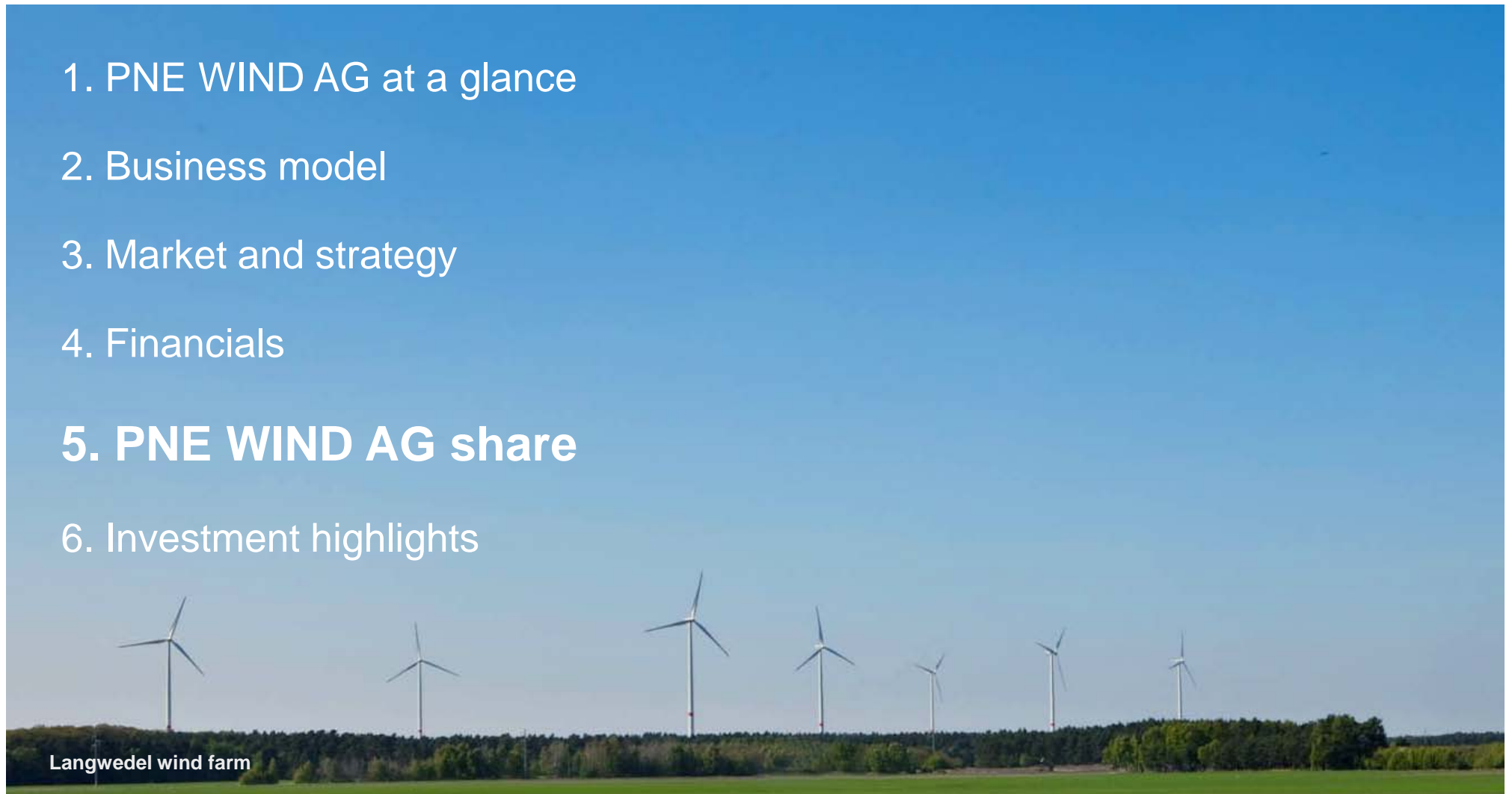


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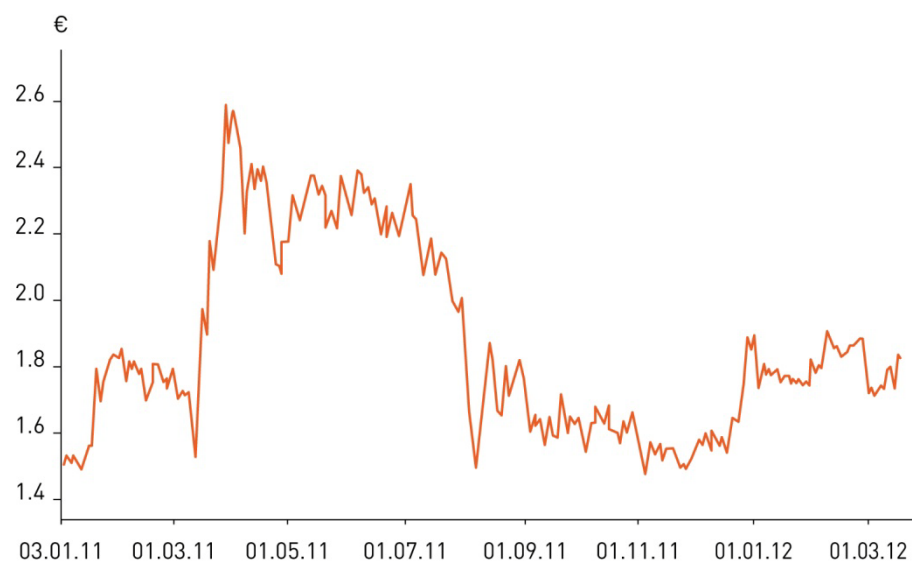
Langwedel wind farm

PNE WIND AG share

Price and key data



Price performance since Jan. 3, 2011



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	45,777,960
Market capitalization as per March 16, 2012	€ 84.2 million
Free float	97%
Market segment	Prime Standard
Indices	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
- Partnership with leading manufacturers of wind energy plants
- 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
- Guidance: cumulative EBIT of at least € 60 to 72 million for fiscal years 2011 to 2013

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