

PNE WIND AG

Presentation | July 2012



Buchholz wind farm

Agenda



1. PNE WIND AG at a glance

2. Business model

3. Market and strategy

4. Financials

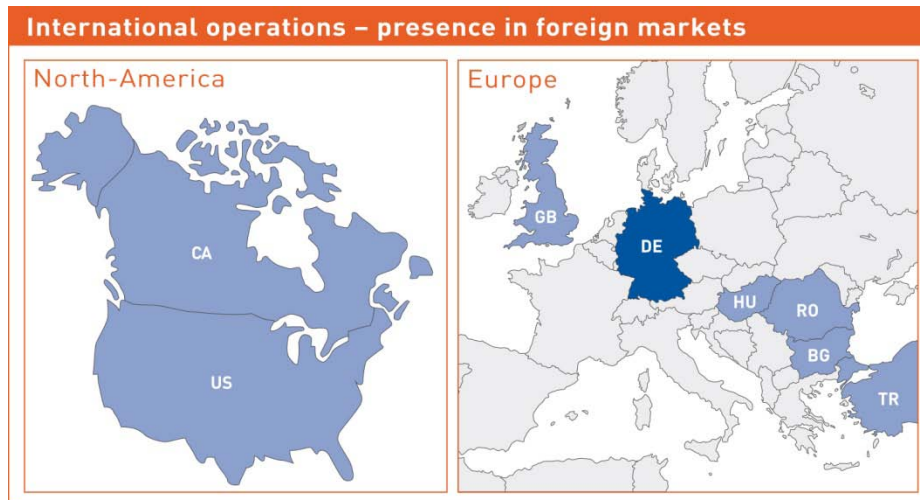
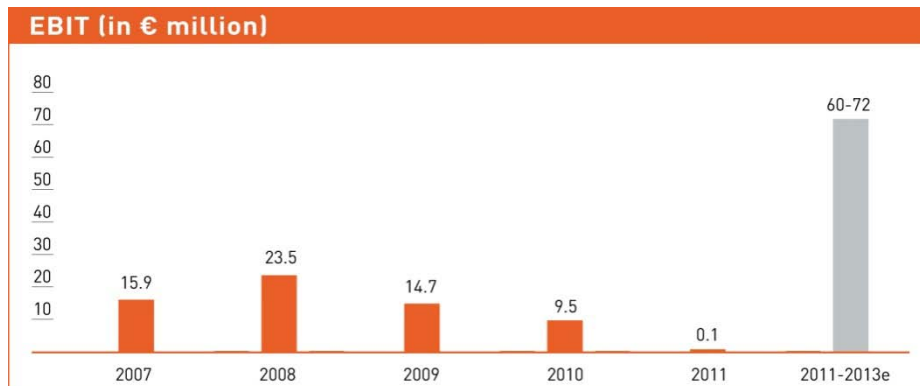
5. PNE WIND AG share

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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, implementation and financing of wind farms
- Sale of wind farms with after sales technical and commercial support services
- Based in Cuxhaven with 180 employees
- Cumulative EBIT guidance of € 60 to 72m for the 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

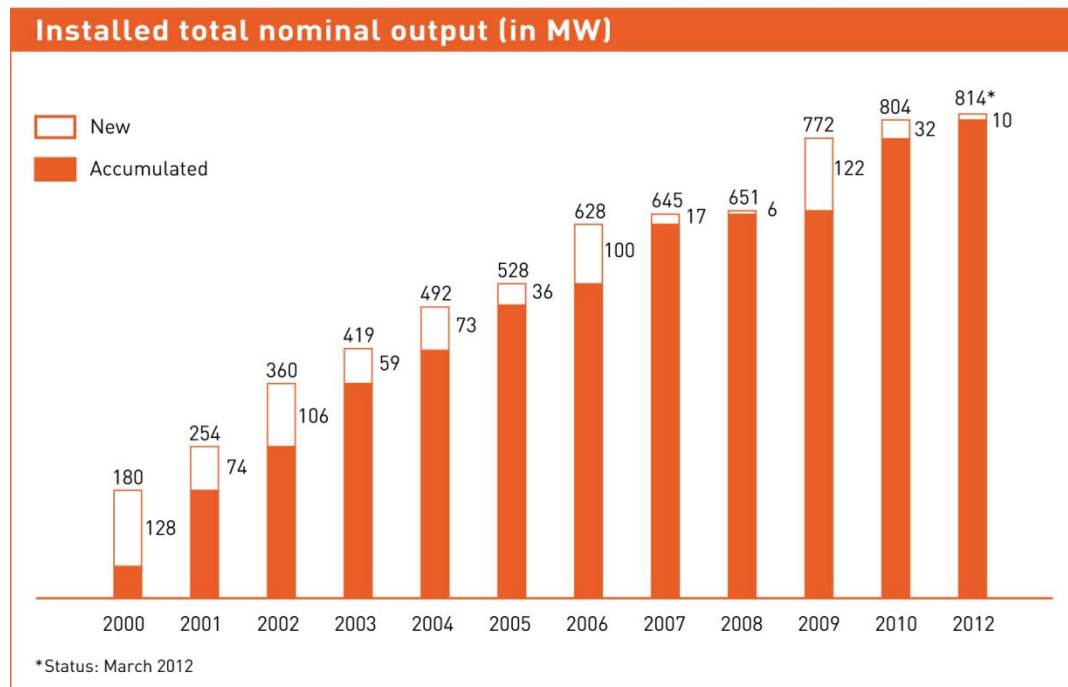


Markus Lesser
Chief Operating Officer (COO)

- Over 10 years experience in the renewable energy sector
- COO since May 2011
- Areas of responsibility: project development and implementation of onshore and offshore wind farms

PNE WIND AG at a glance

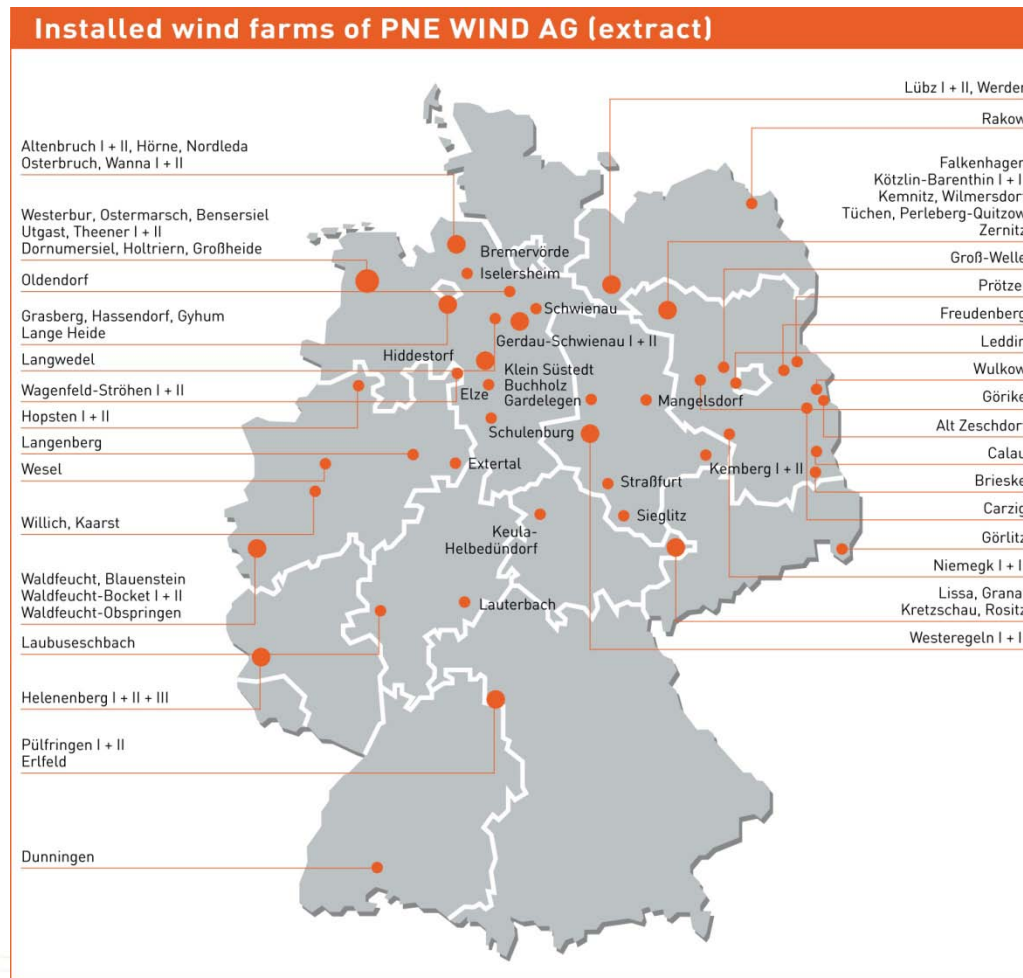
Track record



- Since its foundation in 1995, PNE WIND AG has developed 98 wind farms
- 568 wind turbines with a total output of 814 MW have been installed
- Building permits granted for four offshore projects in the North Sea
- PNE WIND AG is therefore one of the most experienced wind farm developers

PNE WIND AG at a glance

Installed wind farms



- Extensive knowhow gained in site acquisition, wind analysis and construction of wind farms
- Established relationships with Tier 1 manufacturers such as Siemens, Vestas, Nordex, Enercon and REpower
- Long term partner for wind farm owner/operators and established network with decision makers

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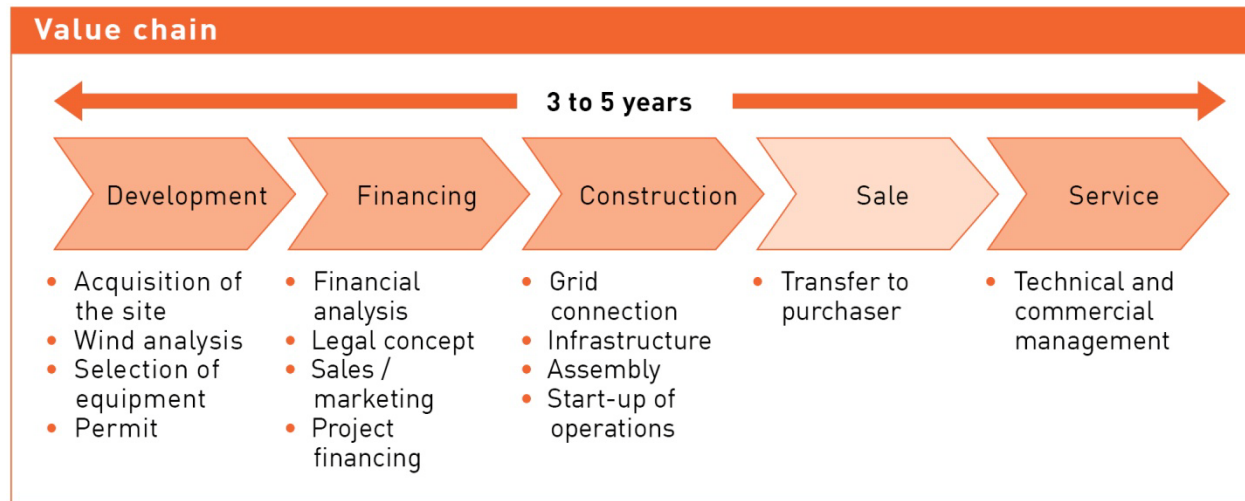
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Langwedel wind farm

Business model

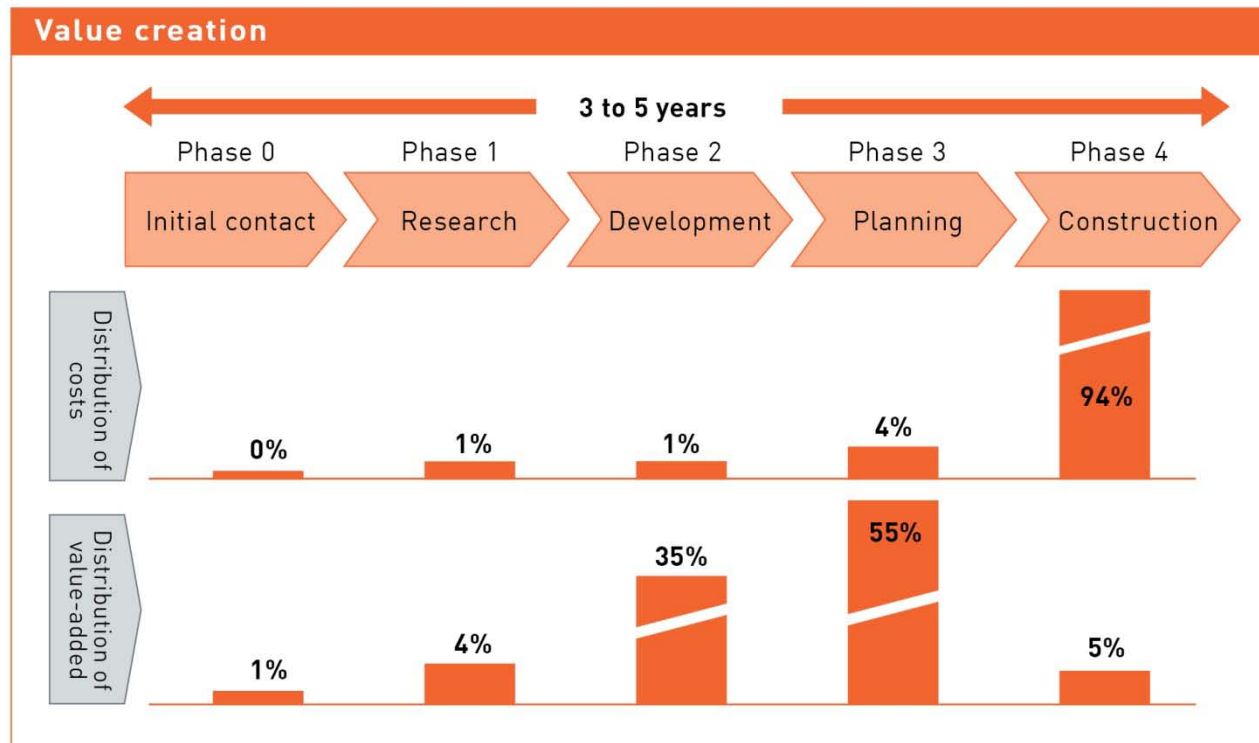
Value chain



- Development, financing, construction and commissioning of wind farms
- Development criteria based on wind resource, probability of gaining necessary permits and grid connection.
- After commissioning, the wind farm is handover to buyer
- After sales support service creates recurring revenues and improves customer retention for future wind farm sales

Business model

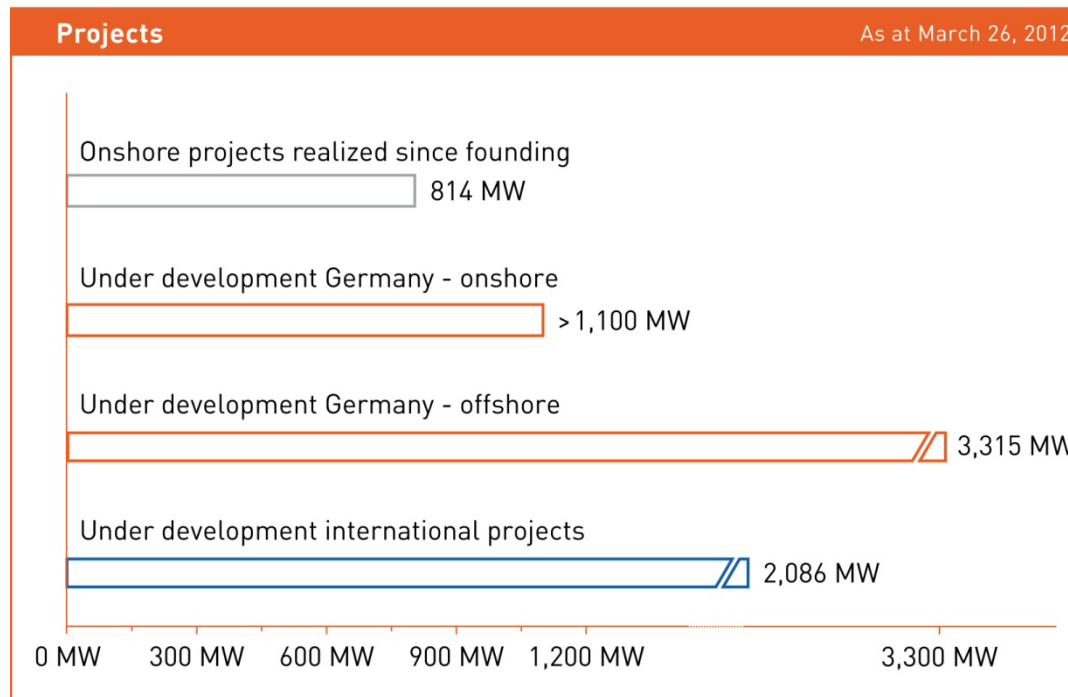
Value creation in project development



- PNE WIND AG generates most of its value ahead of the construction phase
- Sale can take place before or after construction
- Before construction - attractive returns with low revenues and low capital requirements
- After construction - earnings profile similar but much more capital intensive
- Customer prepayments during construction phase possible

Business model

Project pipeline



Onshore

- Projects under development in Germany and abroad total 3,200 MW

Offshore

- Projects with a total of 3,315 MW under development
- Approvals have been granted for four offshore wind farms
- Offshore business is a long term growth driver

Business model

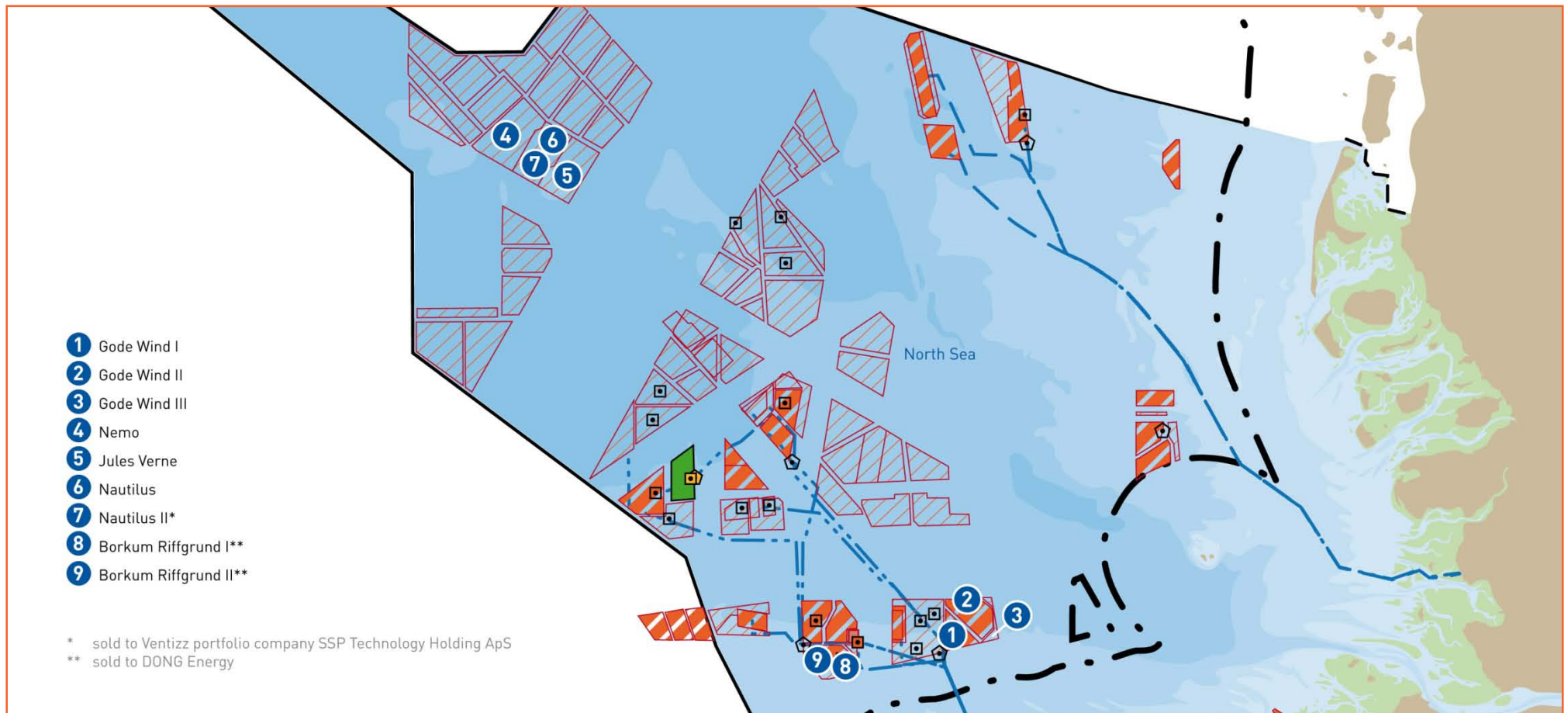
Onshore projects – Germany

- Over 800 MWs completed
- More than 1,100 MW under development
- Wind farm “Kemberg II” with 10 MW completed in 2012
- Construction permits for two wind farms with a nominal output of 14 MW obtained
- Additional permits for the construction of wind farms are expected in the near term



Business model

Offshore projects – Germany



Business model

Offshore projects – Germany



Project	Phase	Location	Turbine model	# of turbines	Total MW
Gode Wind I	4	North Sea	6.15 MW - REpower	54	332
Gode Wind II	4	North Sea	3.0 MW - Vestas	84	252
Gode Wind III	1	North Sea	7.0 MW**	15	105
Nemo	2	North Sea	6.0 MW**	80	480
Jules Vernes	2	North Sea	6.0 MW**	80	480
Nautilus I	2	North Sea	6.0 MW**	80	480
Nautilus II *	2	North Sea	7.0 MW**	80	560
Borkum Riffgrund I *	4	North Sea	3.6 MW - Siemens	77	277
Borkum Riffgrund II *	4	North Sea	3.6 MW - Siemens	97	349
Total:					3,315

Phase 1 = Project identification phase

Phase 3 = Hearing held

Phase 2 = Application conference held

Phase 4 = Approval granted

* PNE WIND AG acts as service provider

** expected

Business model

Offshore projects – Germany

Gode Wind I

- Approval granted from the BSH
- Turbine supply agreement with REpower for the supply of 332 MW using the 6.15 MW turbine
- Majority of seabed floor examination completed
- Unconditional grid connection guarantee granted by TenneT in 2Q12
- PNE WIND AG responsible for transformer station, park design and financing strategy

Gode Wind III

- Project identification phase
- Up to 15 wind turbines possible
- Reference project for the 7 MW Vestas offshore turbine

Business model

Offshore projects – Germany

Gode Wind II

- Approval granted from the BSH
- Turbine supply contract for 84 Vestas V112 – 3.0 MW turbines
- Preliminary supply contracts for the monopile foundations, the internal wind farm cabling and the transformer station
- Grid connection guarantee given by TenneT
- Negotiations regarding project sale are in the late stages; the planned sale will make a significant contributions to EBIT
- Group cash flow will benefit from milestone payments and regular services revenue



Offshore wind farm

Business model

Offshore projects – Germany

Borkum Riffgrund I + II

- Projects sold to DONG Energy but PNE WIND AG remains a service provider and receives milestone payments as the project progresses
- Start of construction of “Riffgrund I” expected in 2013: this will be the first offshore wind farm build which was developed by PNE WIND AG
- “Riffgrund II” received approval by the BSH in Dec. 2011, which triggered a €6.0m milestone payment
- Further milestone payments become due as the project progresses as well as remuneration for services provided



Offshore wind farm

Business model

Offshore projects – Germany

Nautilus II

- Project sold to SSP Technology Holding ApS, a Ventizz portfolio company
- Project will be jointly developed with PNE WIND AG providing services
- Successful development will trigger milestone payments
- Entrance of Private Equity groups into German offshore wind market signals that the market has reached a level of maturity needed to attract new pools of capital



Offshore wind farm

Business model

International projects



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 or other government support mechanism
- Local partner with establish network

Business model

Current projects – international

Onshore projects – USA

- Foundation of Chicago based subsidiary PNE WIND USA, Inc. in October 2008
- Notable progress in the development of the 20 MW Belle Fourche in South Dakota and the 30 MW project in Austin (Minnesota)
- Further planning for a 30 MW wind farm in Johnson County, Iowa
- 352 MW under development
- Further development of wind farm projects for approval und 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%)
- Offices in Brighton and Edinburgh
- Selected as a preferred development partner by the Forestry Commission Scotland
- Wind farm sites on the National Forest Estate in Argyll, Bute, West Dunbartonshire, Stirling, Perth, Kinross and Angus have a total potential of 100-200 MW
- 591 MW under development in the UK

Business model

Current projects – international



Onshore projects – Southeast Europe

Hungary

- 100% owned subsidiary in of Hungary
- Two wind farms for 32 wind turbines with 78 MW approved
- Both wind farms for planned for implementation in 2012/2013

Bulgaria

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

Romania

- Joint Venture with local partner in Bucharest
- Projects with 143 MW under development

Turkey

- Cooperation with Türkwind Energie Ltd.
- Projects with 93 MW under development

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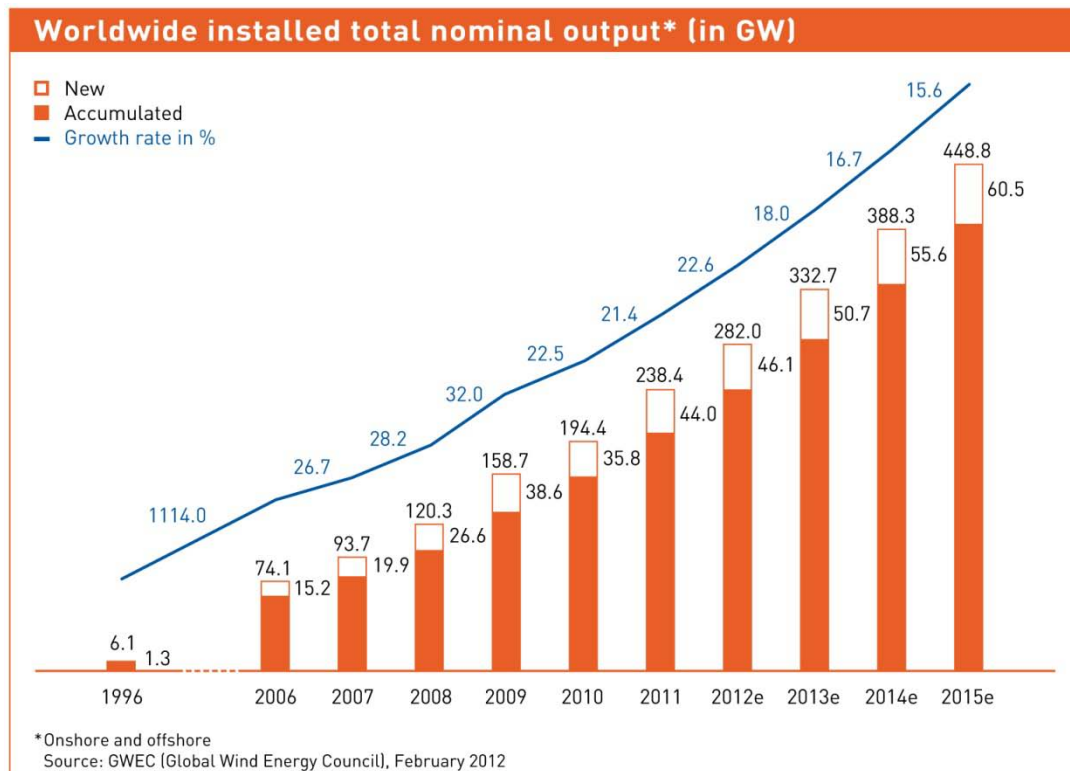
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Market and strategy

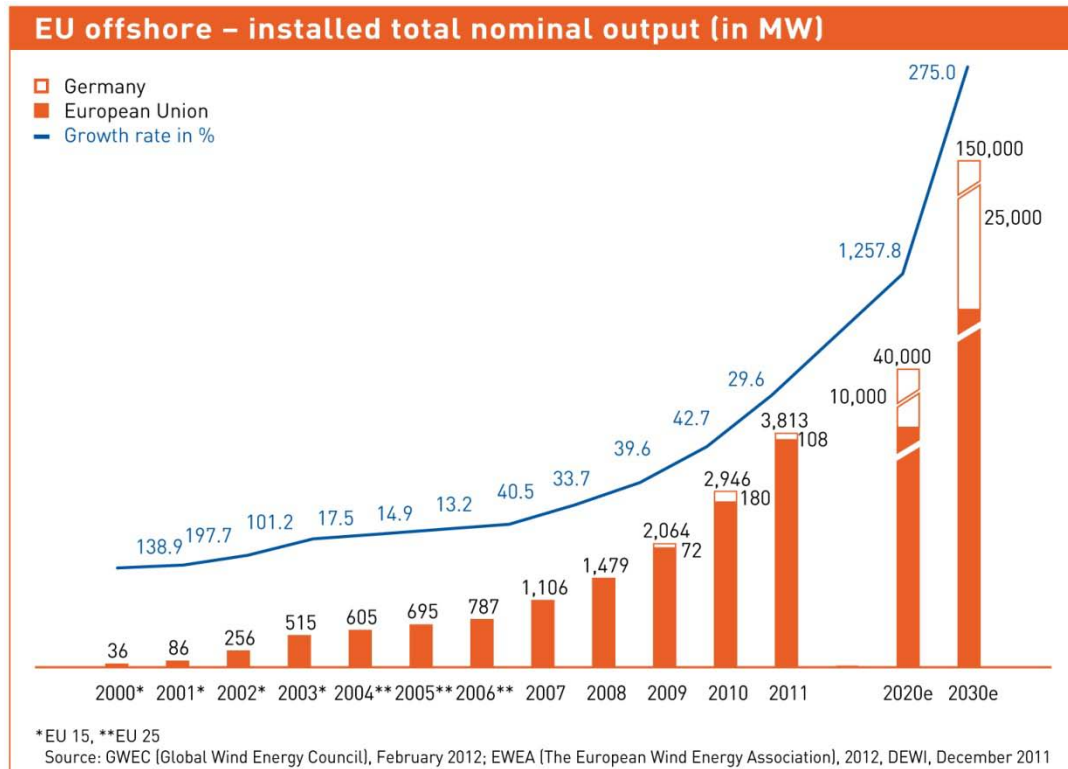
Global development of wind power



- Increased international demand for renewable energy is based on:
 - Growing population
 - Higher energy demands
 - Scarcity of fossil fuels
 - Prevention of CO₂ emissions
 - Security of supply
- Wind power competes on price with conventional sources of energy such as oil and gas
- Double-digit growth rates forecasted until 2015 (CAGR 2010-2015: 18.2%)

Market and strategy

Offshore Europe and Germany



- Offshore wind energy is a key growth driver for the European markets
- EU governments target 40,000 MW of installed wind power offshore by 2020
- German Federal Government targets 20,000 to 25,000 MW by 2030

Market and strategy

Wind power in Germany



Energy Concept 2050

The German Federal Government adopted the “Energy Concept 2050” in September 2010

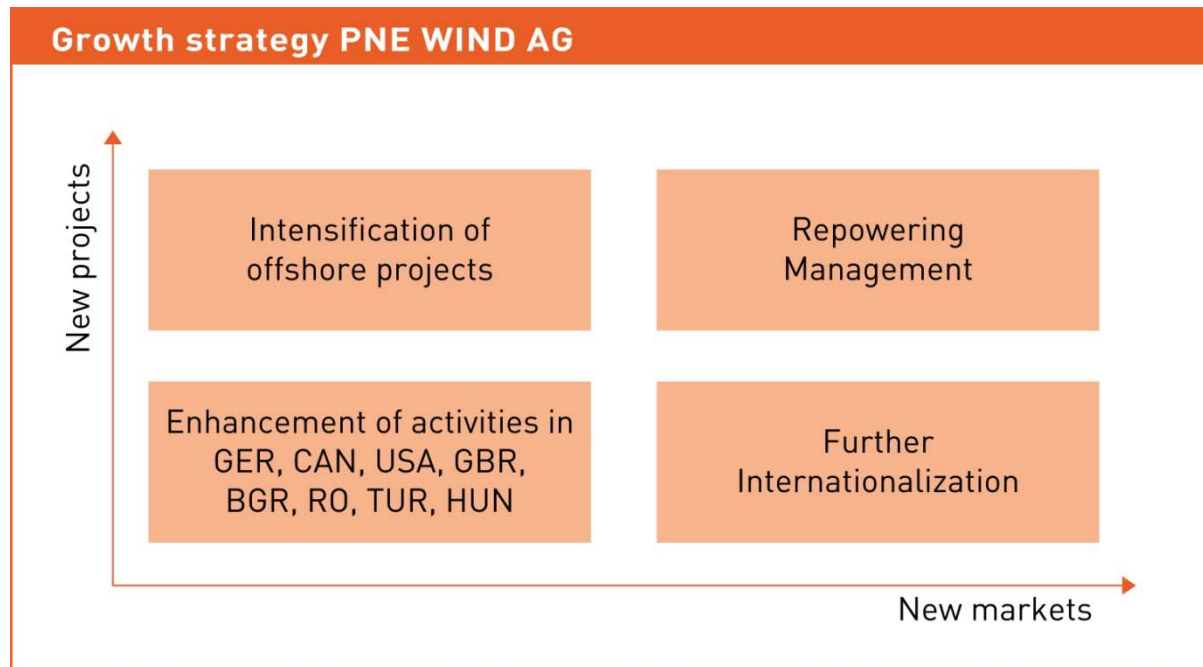
Key points are:

1. Promotion of offshore wind energy with a €5 billion special credit program
2. Identification of new sites to be designated for onshore wind farms
3. Increasing onshore wind capacity through Repowering; the replacement of older turbines with new more powerful models.
 - Repowering is essential to further development of wind energy
 - 979 old turbines with 450 MW have been replaced with 541 turbines with 1,163 MW
 - Massive potential, with 30,000 MW worth of repowering projects possible by 2020

Source: BMU (Energy Concept 2050); DEWI, 2012; KPMG study, 2009

Market and strategy

Growth strategy



- German onshore remains our bread and butter business; Repowering to play an increasing important role
- German offshore provides exciting growth prospects
- Capitalize on opportunities in new markets which have a framework to support wind energy
- Expand presence in our international markets

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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

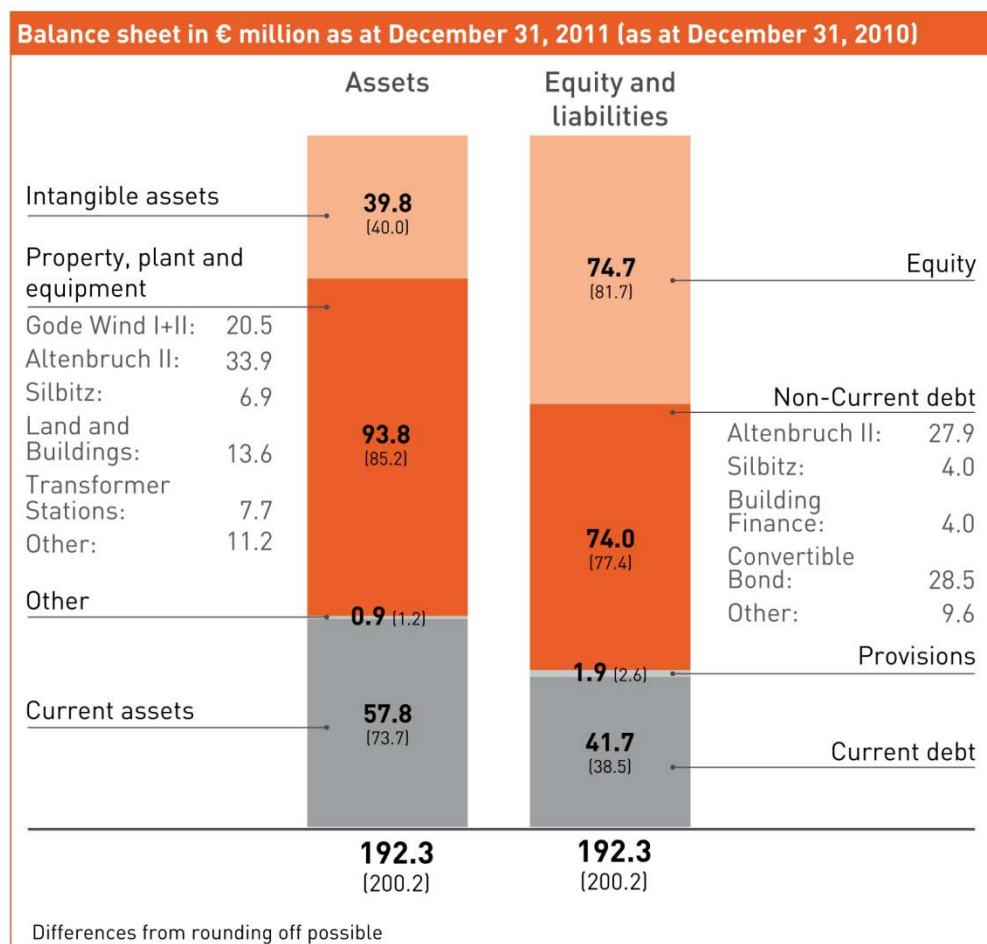
- Revenues from wind farm development lower due to 10 MW under construction in 2011 vs. 32 MW in 2010
- Milestone payments of €12.7m arise from “Borkum Riffgrund” offshore wind project
- High average wind speeds drove electricity sales up by 9.6% y-o-y to €9.1m
- Cost control keeps EBIT positive despite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

Financials

Key balance sheet ratios



Fiscal Year 2011



- Ample liquidity provides resources to develop projects and sufficient time to identify a buyer for “Gode Wind II”
- Cash position of €19.4m and credit lines bring Group liquidity to €39.3m
- PP&E 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 and dividend
- Cash position at €19.4m remains high

Financials

Forecast

Financials

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

Operative

- Further operational improvement planned in coming years due to extensive pipeline
- Onshore outlook: National and international medium term target of 10,000 MW in planning
- Offshore outlook: medium term target 5,000 MW in planning stages



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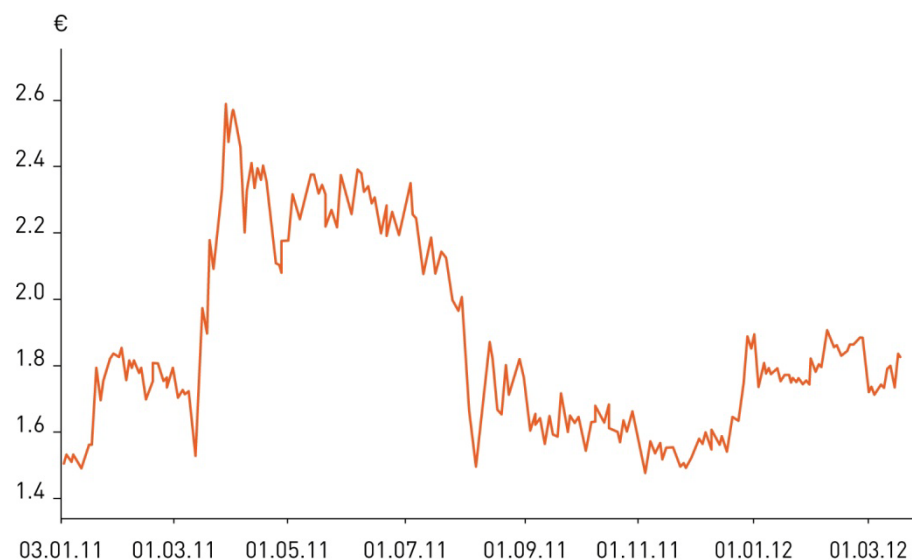
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PNE WIND AG share

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	45,785,869
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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Investment Highlights



- Successful project developer of wind farms onshore and offshore in Germany and abroad
- Attractive domestic growth opportunities in the repowering and offshore markets
- Partnership with leading manufacturers of wind power turbines
- Increased expansion of international business activities, particularly in Eastern Europe, the UK and North America
- Preferred development partner to the Forestry Commission Scotland
- Cumulative EBIT guidance of €60 to 72 million for fiscal years 2011 to 2013

Contact



PNE WIND AG

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

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

Investor Relations

cometis AG

Ulrich Wiehle / Janis Fischer

Tel: +49 (0) 611 – 205855 - 64

Fax: +49 (0) 611 – 205855 - 66

E-mail: fischer@cometis.de



Company headquarters,
Cuxhaven

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