

PNE WIND AG

Presentation | November 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

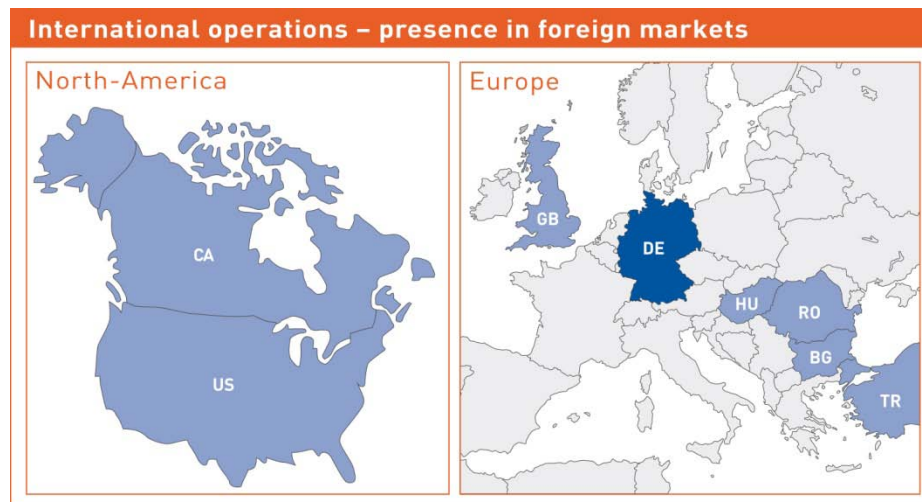
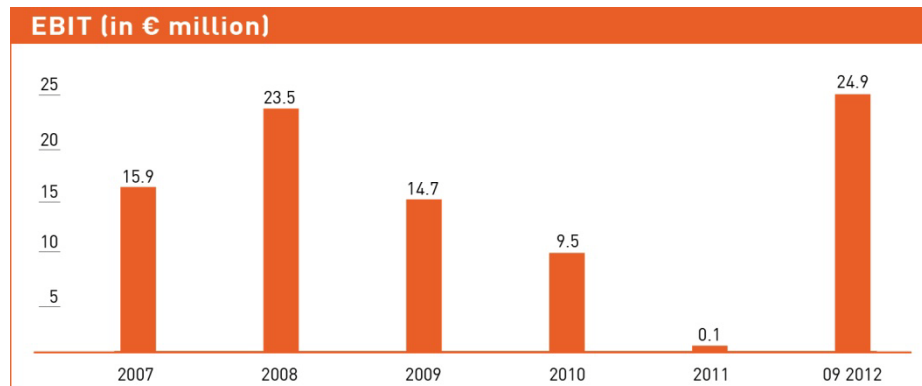
6. Investment highlights



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 of wind farms with after-sales technical and commercial support service
- Company based in Cuxhaven, 186 employees as at September 30, 2012
- Guidance: cumulative EBIT of €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

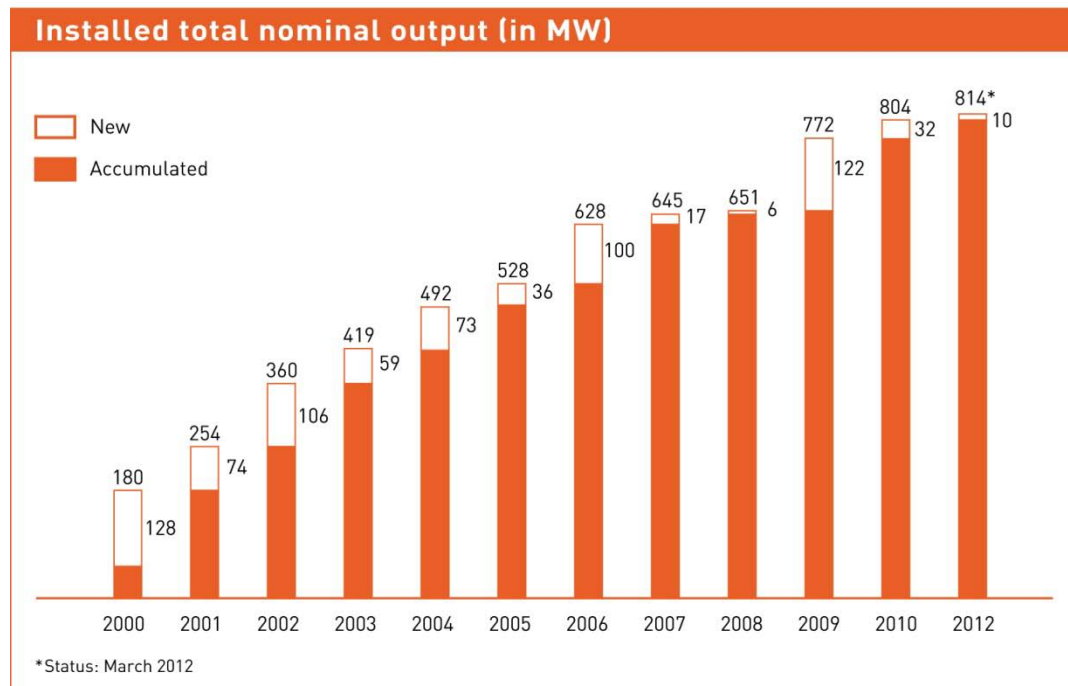


Markus Lesser
Chief Operating Officer (COO)

- 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

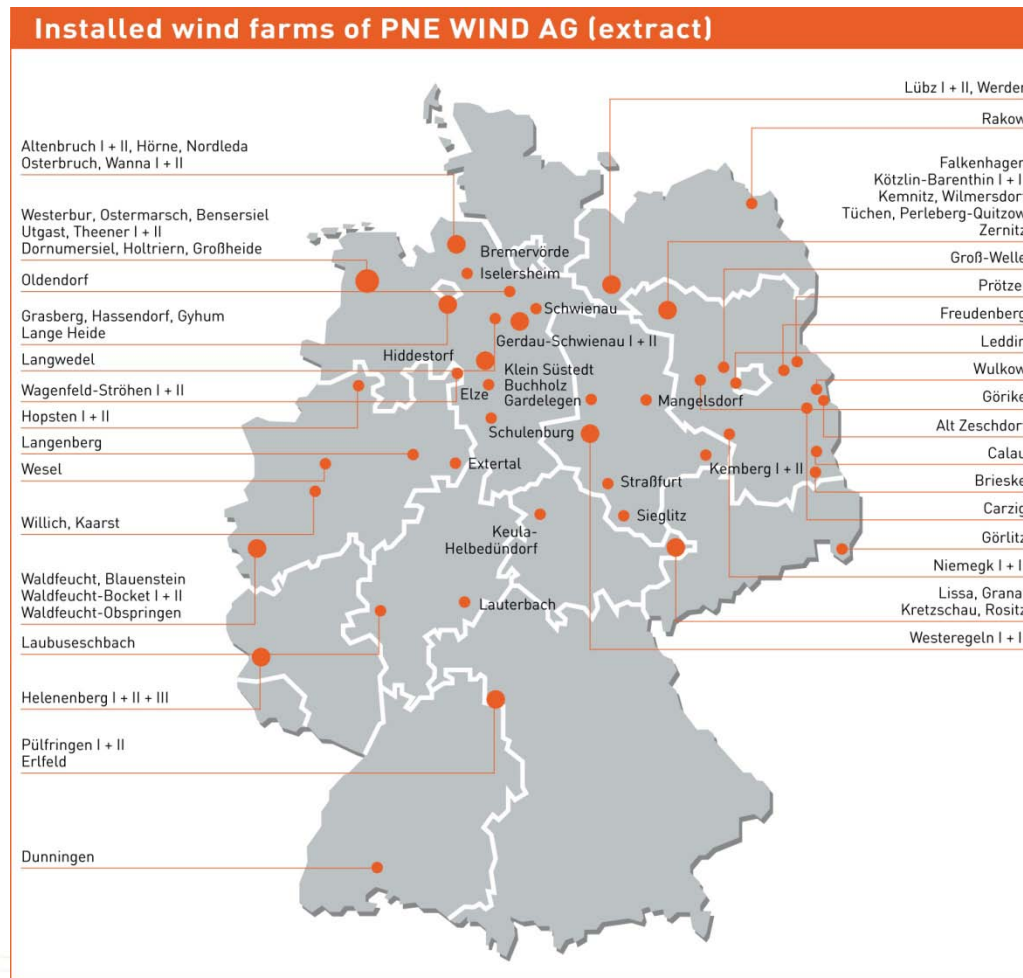
References



- Since foundation in 1995 development of onshore wind farms
- Offshore: Approvals granted for four 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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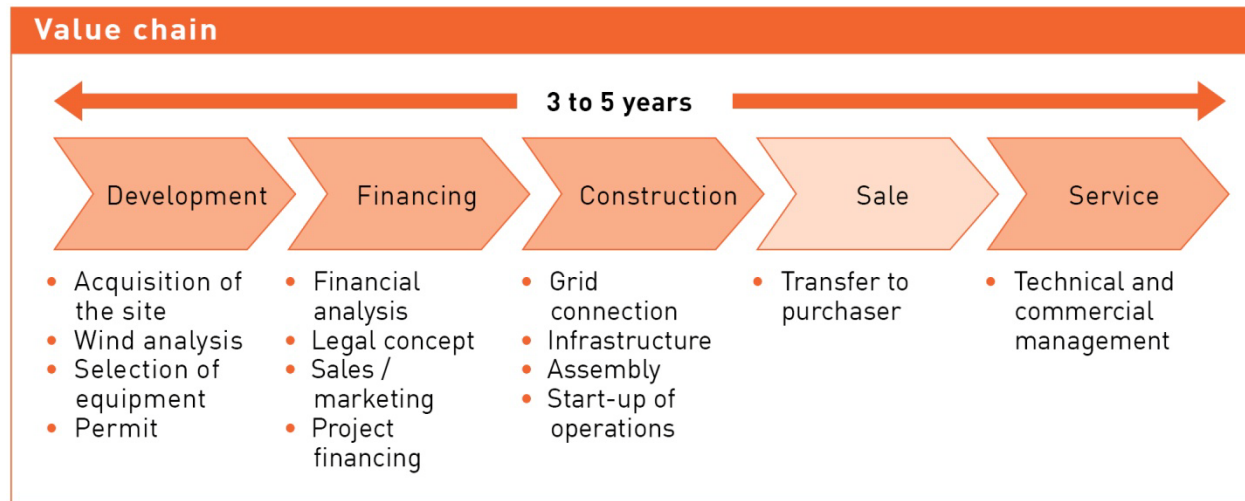
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Langwedel wind farm

Business model

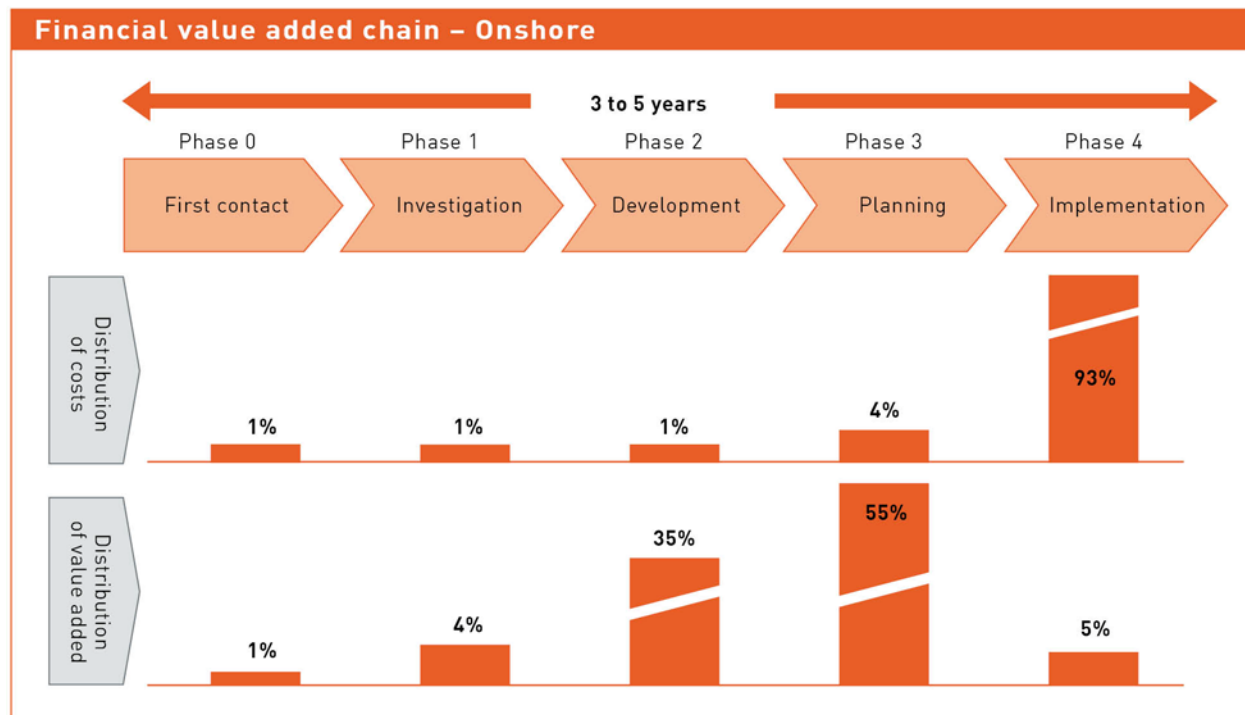
Value chain



- 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 in the management ensures customer retention and guarantees recurring revenues

Business model

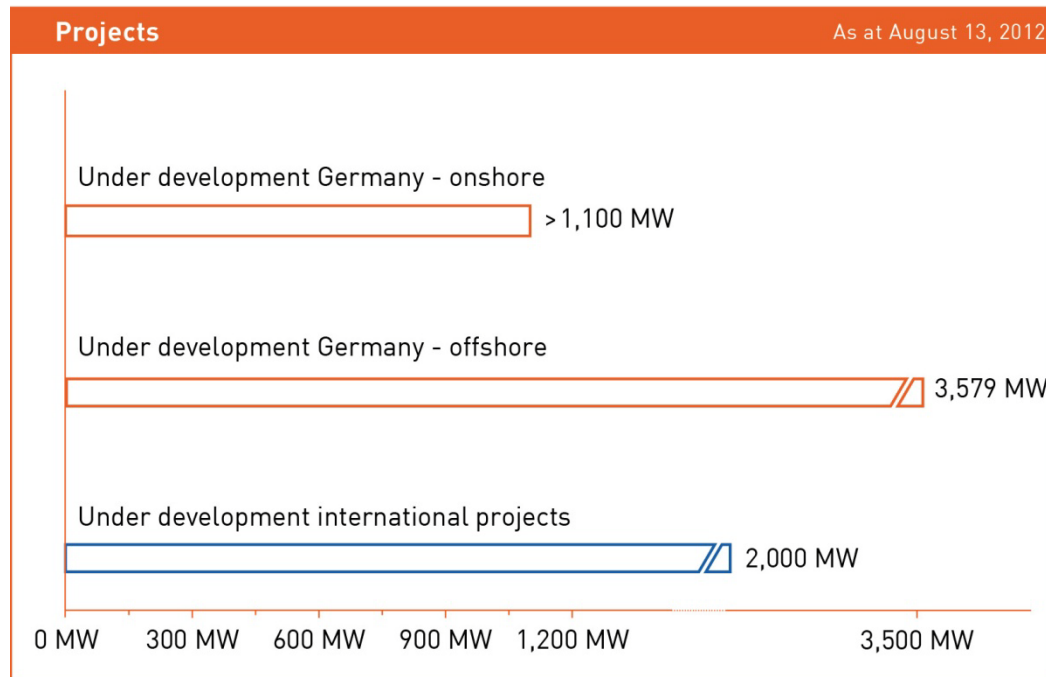
Financial value chain



- 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 3,100 MW under development

Offshore

- Projects with total of 3,579 MW currently under development
- Approvals have been achieved for four offshore wind farms
- Three own offshore projects under development
- Offshore business is growth driver of the future

Business model

Current onshore projects – Germany

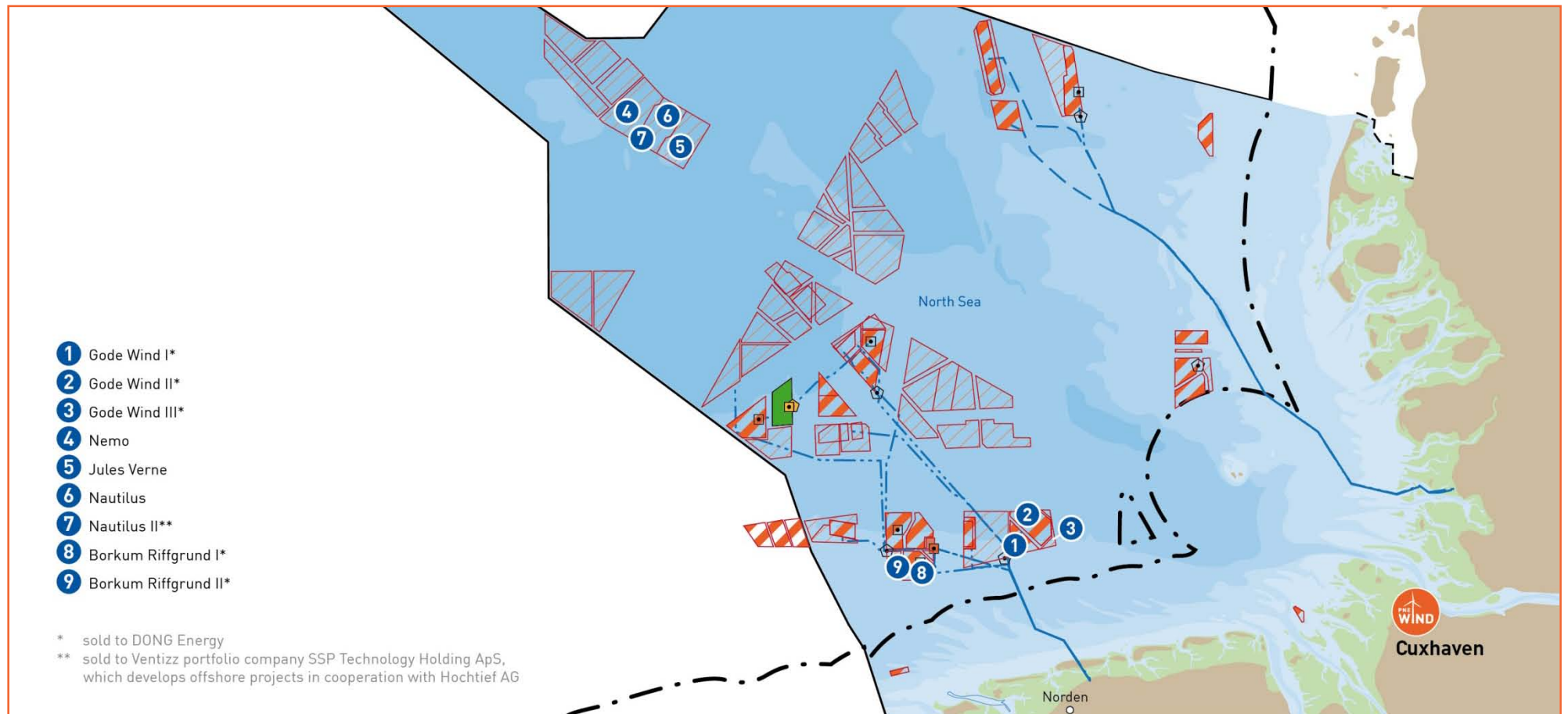
Onshore projects – Germany

- Around 1,100 MW currently under development as at 30 September, 2012
- “Kemberg II” wind farm with 10 MW completed in 2012
- “Zernitz II” wind farm with 6 MW under 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
- Portfolio of wind farm projects in Germany and UK with a nominal output of approx. 180 MW to be offered to investors during first half of 2013



Business model

Current offshore projects – Germany



Business model

Current offshore projects – Germany



Offshore pipeline

Project	Phase	Location	WT up to	Total MW (up to)	Nominal capacity per turbine**
Borkum Riffgrund I *	6	North Sea	77	277	3.6 MW
Borkum Riffgrund II *	4	North Sea	97	349	3.6 MW
Gode Wind I *	5	North Sea	54	332	6.15 MW
Gode Wind II *	5	North Sea	84	516	6.15 MW
Gode Wind III *	1	North Sea	15	105	7.0 MW
Nautilus II *	2	North Sea	80	560	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
Total:			647	3,579	

Phase 1 = Project identification phase

Phase 2 = Application conference held

Phase 3 = Hearing held

Phase 4 = Approval granted

Phase 5 = Grid connection guaranteed

Phase 6 = Final investment decision (FID)

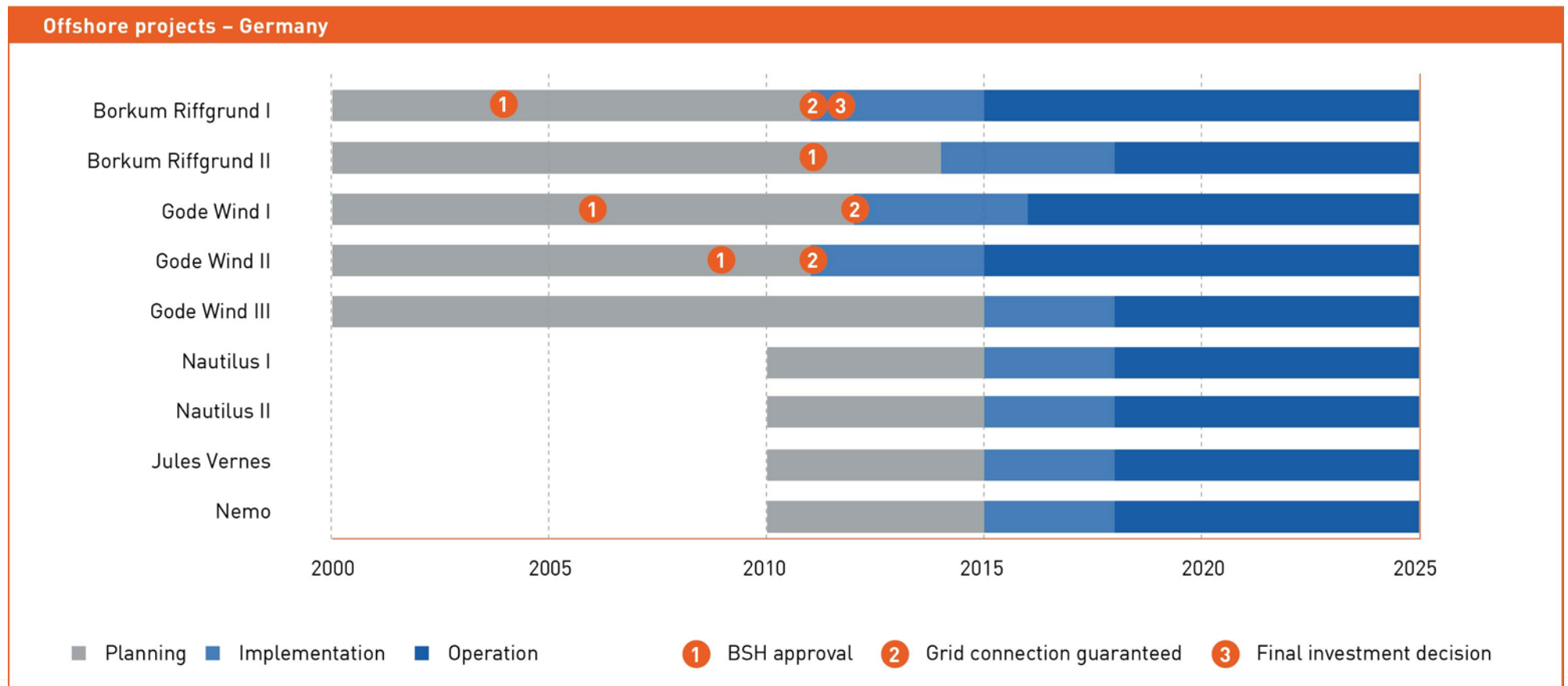
* PNE WIND AG acts as service provider

** expected

Offshore project overview

Offshore timeline – Germany

Planning, implementation and operation overview



Business model

Gode Wind offshore projects



Gode Wind I and II

- Building permits from the Federal Office for Shipping and Hydrographics (BSH) secured
- Unconditional grid connection commitments from the transmission network operator TenneT has been issued
- Grid connection is secured through the 900 MW “DoIWin2” transformer station, which will be delivered by ABB and is scheduled to be commissioned in 2015
- Gode Wind” I and II are now 100% owned by DONG Energy

Gode Wind III

- The project is in the planning and application stage of development
- When successfully completed there will be 15 wind power turbines
- “Gode Wind III” remains in PNE WIND AG ownership until BSH building permit is issued; expected in 2013



Business model

Gode Wind projects sold to DONG Energy

The transaction:

The “Gode Wind” I, II and III projects sold for approximately €157 million

- First payment of euro 57 million already received
- Additional milestones totaling approximately euro 100 million to be received

Main milestones:

- Offshore studies: Payment in beginning of 2013
- Permit Gode Wind III: expected 2013
- FID Gode Wind I: expected 2013/14
- FID Gode Wind II: expected 2013/14
- Service related fees expected during 2012-17 timeframe: €5m up to €8.5m

The deal builds on the excellent relationship which began with our “Borkum Riffgrund” projects



Offshore wind farm

Business model

Borkum Riffgrund projects sold to DONG Energy



Borkum Riffgrund I and II

- DONG Energy has reached final investment decision for “Borkum Riffgrund I” and construction is expected to start in 2013 with the wind farm first supplying power in 2014
- The 800 MW grid transmission link named the “DoWin1”, is being completed by ABB and is expected to be commissioned in 2013
- DONG Energy sold 50 percent of “Borkum Riffgrund I” to KIRKBI A/S, and the Oticon Foundation
- The BSH issued the building permit for “Riffgrund II” in December 2011 which triggered a milestone payment
- DONG Energy put “Riffgrund II” temporarily on hold due to no scheduled grid connection through TenneT
- PNE WIND AG remains active as a service provider and expects further milestone payments in the mid single digit million range



Offshore wind farm

Business model

Other 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 as the project progresses through development stages
- The building permit is expected from the BSH in 2014
- Ventizz and Hochtief’s form a Joint Venture to realise offshore projects

Nautilus I, Nemo & Jules Vernes

- Projects in the building application stage



Offshore wind farm

Business model

Current projects – international

Opportunities in Germany, Eastern Europe, North America and the UK

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	~2,000

Investment criteria:

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

Business model

Current projects – international



Onshore projects USA



- Foundation of US subsidiary PNE WIND USA, Inc. in October 2008 (based in Chicago)
- Significant progress has been made with the 70 MW project Chilocco (Oklahoma)
- Progress in the development of wind farms in Belle Fourche (South Dakota), project with 20 MW planned, Austin (Minnesota), project with 30 MW planned and Johnson County (Iowa), project with 30 MW planned
- Currently 352 MW under development
- Objective: active development of further wind farm projects for approval and realization

Business model

Current projects – international



Onshore projects UK



- 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
- 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 in Scottish national forest with potential of 100-200 MW
- Development and implementation of wind farm projects for up to 591 MW
- Four projects have reached the community information stage: Brunta Hill with 23 MW, Tralorg with 20 MW, Kennoxhead with 50 MW and Hill of Braco with 30 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 or sale planned

Bulgaria

- Joint Venture with several partners
- Projects with up to 121 MW under development

Romania

- Joint venture with local partner in Bucharest
- Projects with up to 160 MW under development

Turkey

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

Agenda



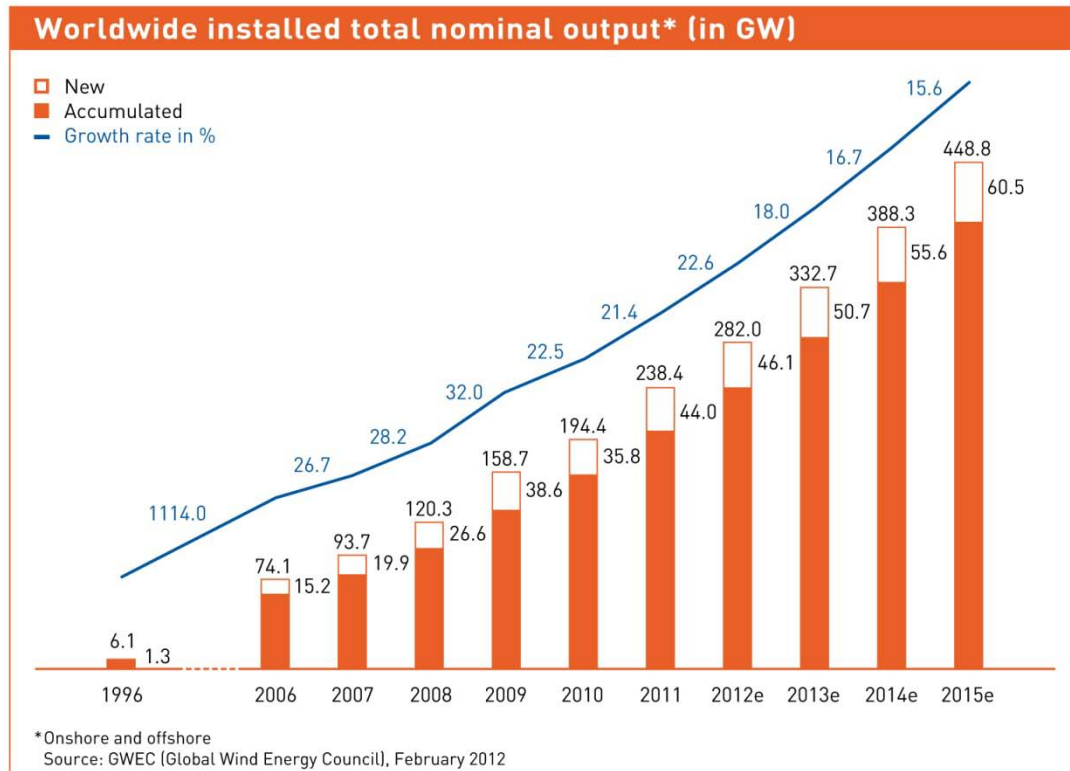
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Market and strategy

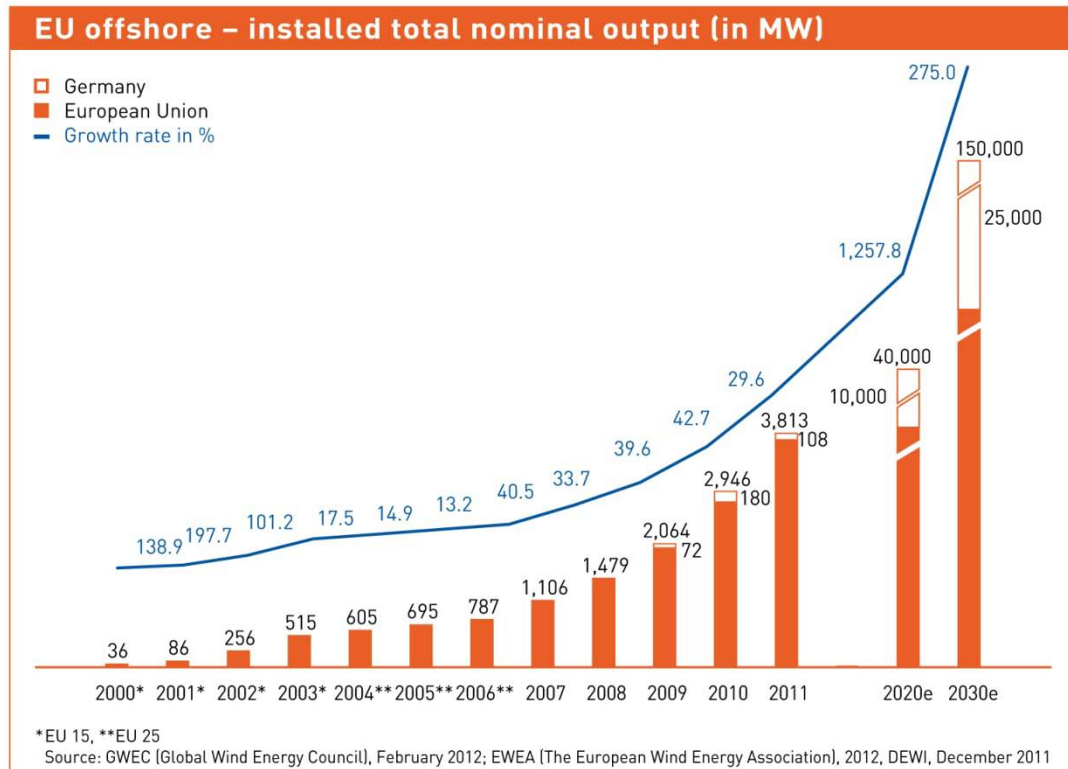
Global development of wind power



- 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



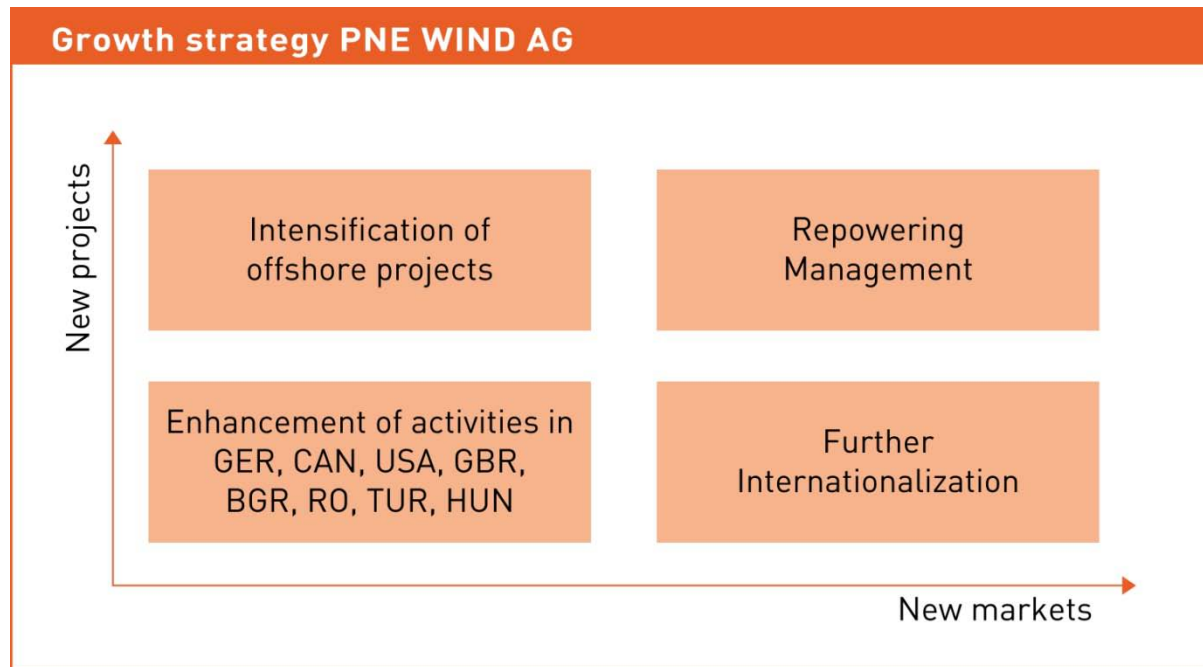
Energy Concept 2050

- 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

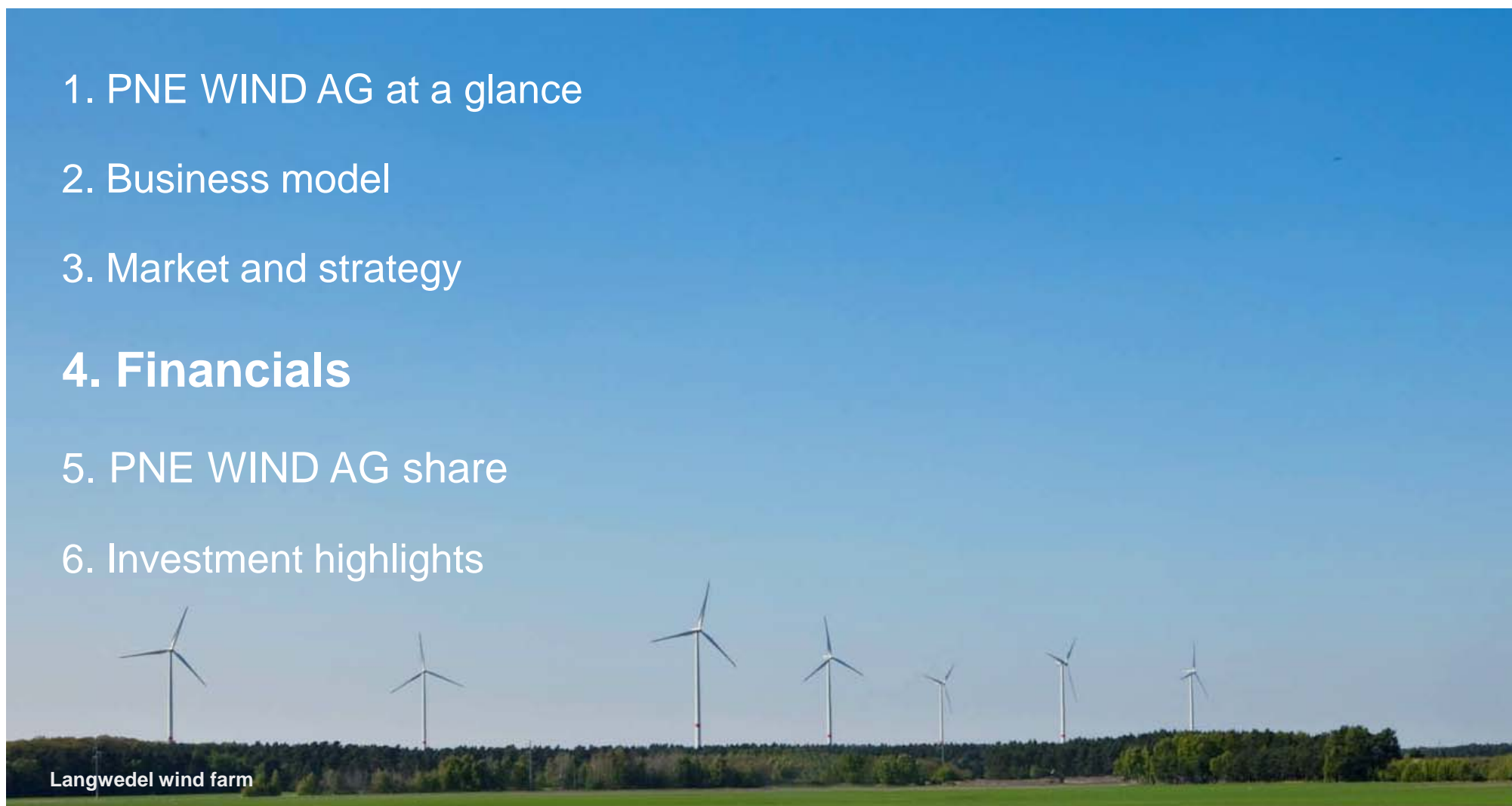


- Growth through development of new markets and new projects
- Expansion abroad into selected countries with a basic legal framework in place (comparable with the EEG) and attractive prospects
- Consistent exploitation of market opportunities in all areas of wind power

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Financials

Key performance indicators



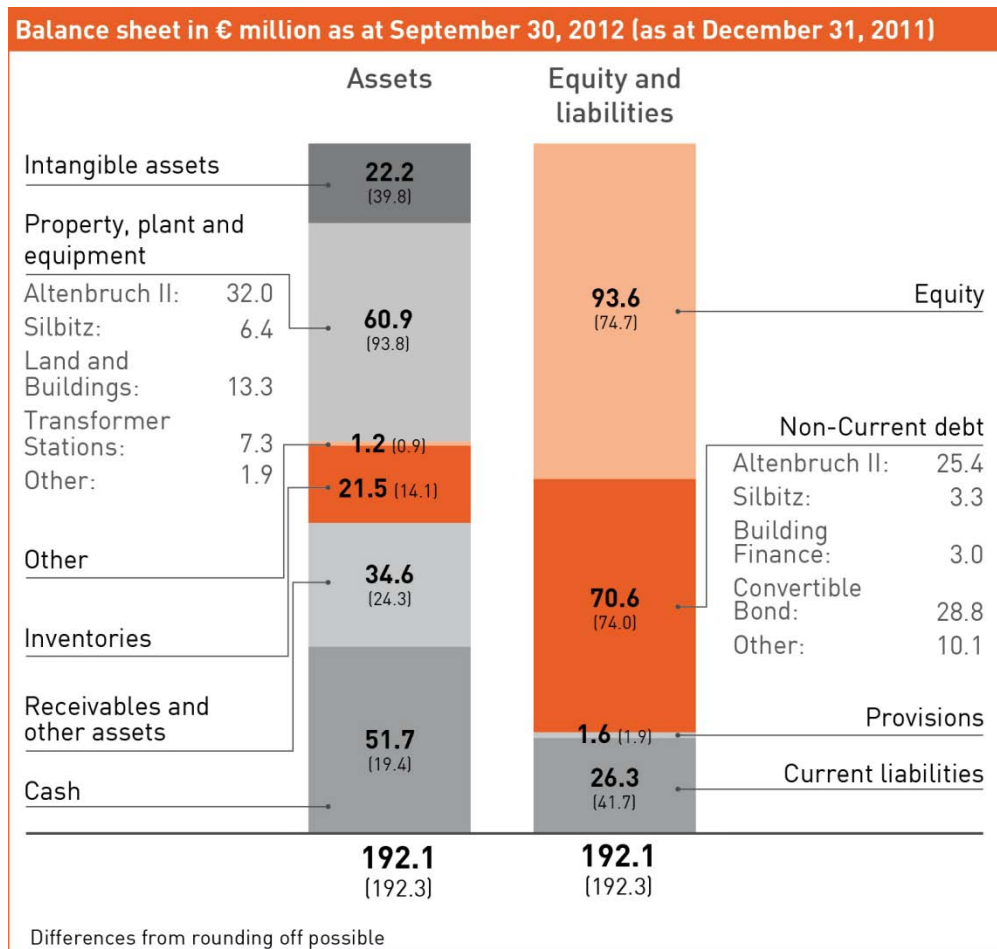
Q1-Q3 2012

in € million	Jan. 1 to Sep. 30, 2012	Jan. 1 to Sep. 30, 2011
Revenue	80.9	33.1
Total operating revenue	86.1	36.3
Cost of materials	-39.6	-18.1
Personnel expenses	-10.0	-8.7
Other	-11.7	-10.2
EBIT	24.9	-0.7
Interest and similar income	0.2	0.8
Interest and similar expenses	-4.1	-4.6
EBT	21.0	-4.5
Net income	22.0	-4.0
EPS (undiluted, in €)	0.48	-0.09

- “Gode Wind” offshore wind farm sets the stage to reach 3 year guidance
- “Gode Wind” drives earnings: third quarter EBIT of €31.1m
- Upfront payment of €57m received and next payment due beginning of 2013
- Tax loss carry forwards reduce tax expense
- Financial position supports expansion of development activities and continuation of dividend policy

Financials

Key balance sheet ratios



- “Gode Wind” deal significantly de-risks balance sheet
- Cash balance rises to €51.7m
- PNE WIND AG’s “Altenbruch II” wind farm generates substantial cash flows
- Equity ratio increased substantially to around 49% from around 39%

Financials

Cash flow



Q1-Q3 2012

in € million	Jan. 1 to Sep. 30, 2012	Jan. 1 to Sep. 30, 2011
Consolidated earnings for the period	20.8	-4.7
Amortization/Depreciation	4.1	3.8
Δ Provisions	-0.1	-0.8
Δ Non-cash effective expenses/income	-0.4	-0.1
Δ Earnings/losses from fixed asset disposals	-18.3	0.0
Δ Working capital	-18.3	4.5
Cash flow from operating activities	-12.1	2.8
Cash flow from investing activities	40.0	-8.2
Cash flow from financing activities	4.4	-7.0
Cash and cash equivalents – end of period	51.7	26.8

- “Kemberg II”, “Riffgrund II” and “Gode Wind” drive cash flow from operations
- Investments in working capital to improve with receipt of next milestone payment
- Cash flow from investing: net effect of “Gode Wind” and “Kemberg II”
- Cash flow from financing: net effect of loans to finance “Kemberg II”, dividend payments and retirement of loans
- Cash balance rises to €51.7m from €26.8m in 2011

Financials

Forecast

Financials

- In the short and medium term, significant income from further milestones of offshore projects as well as sale of onshore 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



Buchholz wind farm

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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	45,785,869
Market capitalization as per November 2, 2012	€92.5 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
- Cooperation with leading manufacturers of wind turbines
- 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
- “Gode Wind” sales transaction generated significant cash inflow resulting in cash balance of €51.7 million and is linked to future milestone payments
- Guidance: cumulative EBIT of at least €60 to 72 million for fiscal years 2011 to 2013

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