

PNE WIND AG

Presentation | April 2013



Buchholz wind farm

Agenda



1. PNE WIND AG

2. Business model

3. Bond overview

4. Market and strategy

5. Financials

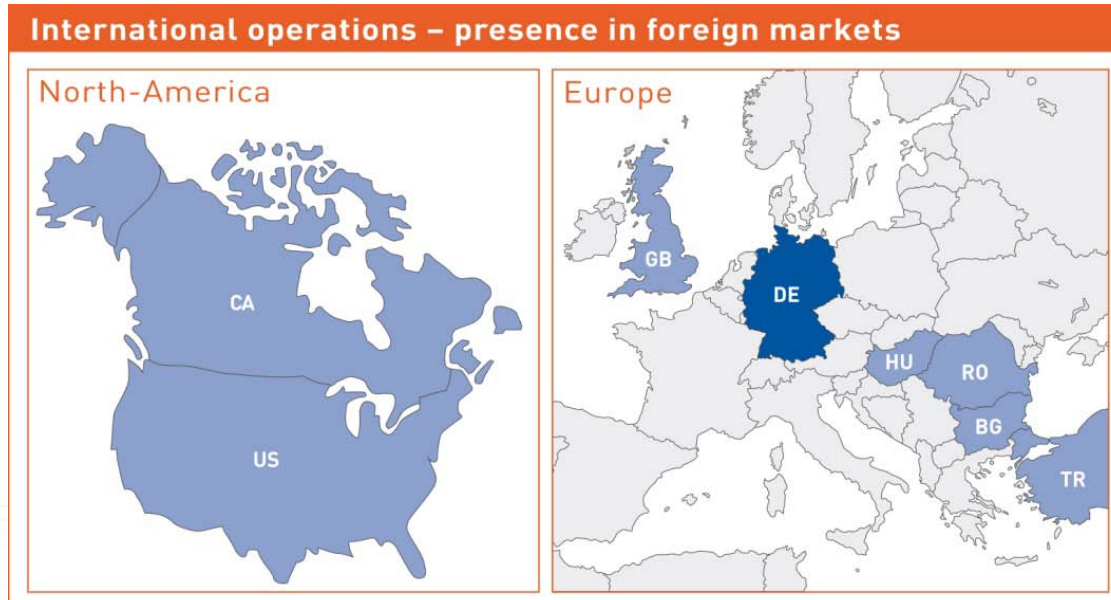
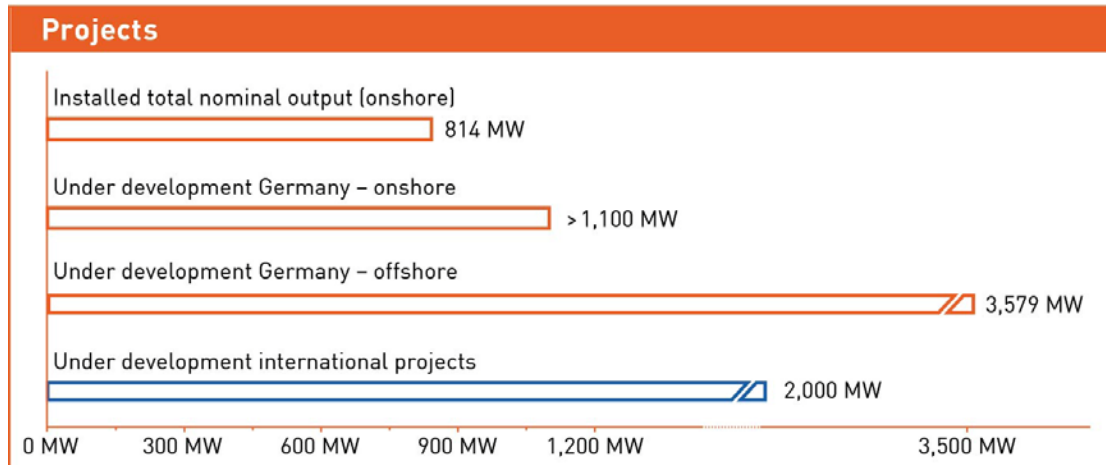
6. PNE WIND AG share

7. Investment highlights

Langwedel wind farm

PNE WIND AG

Overview



- Development and implementation of wind farm projects in Germany and abroad, both onshore and offshore
- Onshore: 568 wind turbines in 98 wind farms with a nominal capacity of 814 MW installed*
- Offshore: 9 projects with a total nominal capacity of 3,579 MW in development of which 6 projects are already sold**
- PNE WIND AG provides commercial and technical service management to approx. 250 wind turbines*
- Headquartered in Cuxhaven, 192 employees in the group*

* As of 31.12.12

** GW III project rights to be transferred after issuance of BSH permit

PNE WIND AG

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

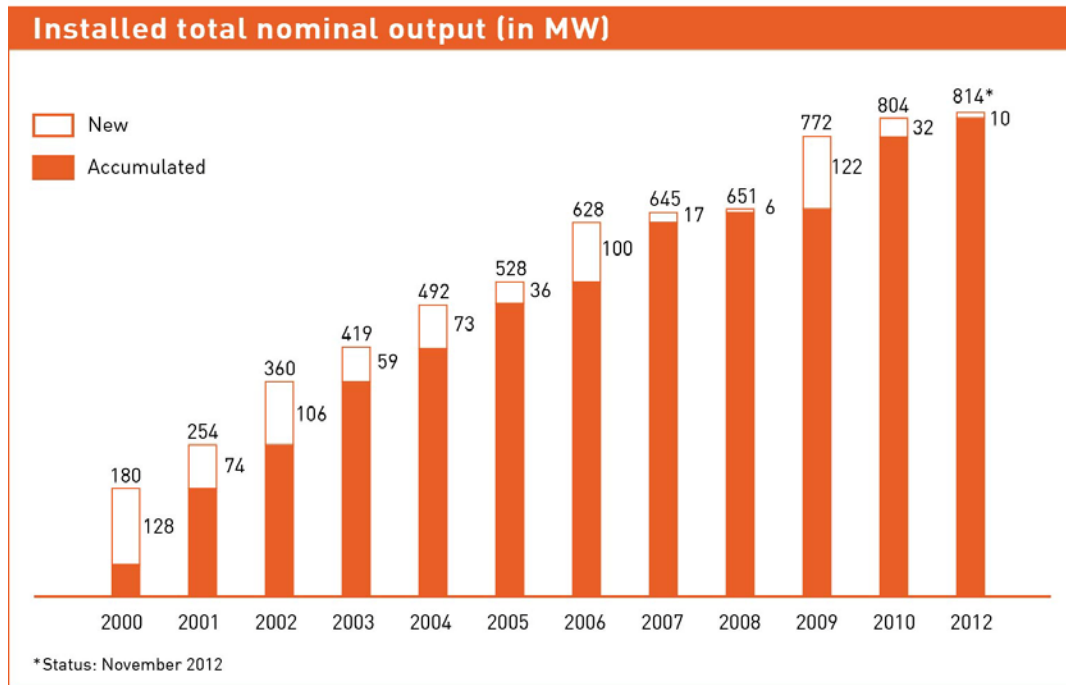


**Markus
Lesser**
Chief Operating
Officer
(COO)

- 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

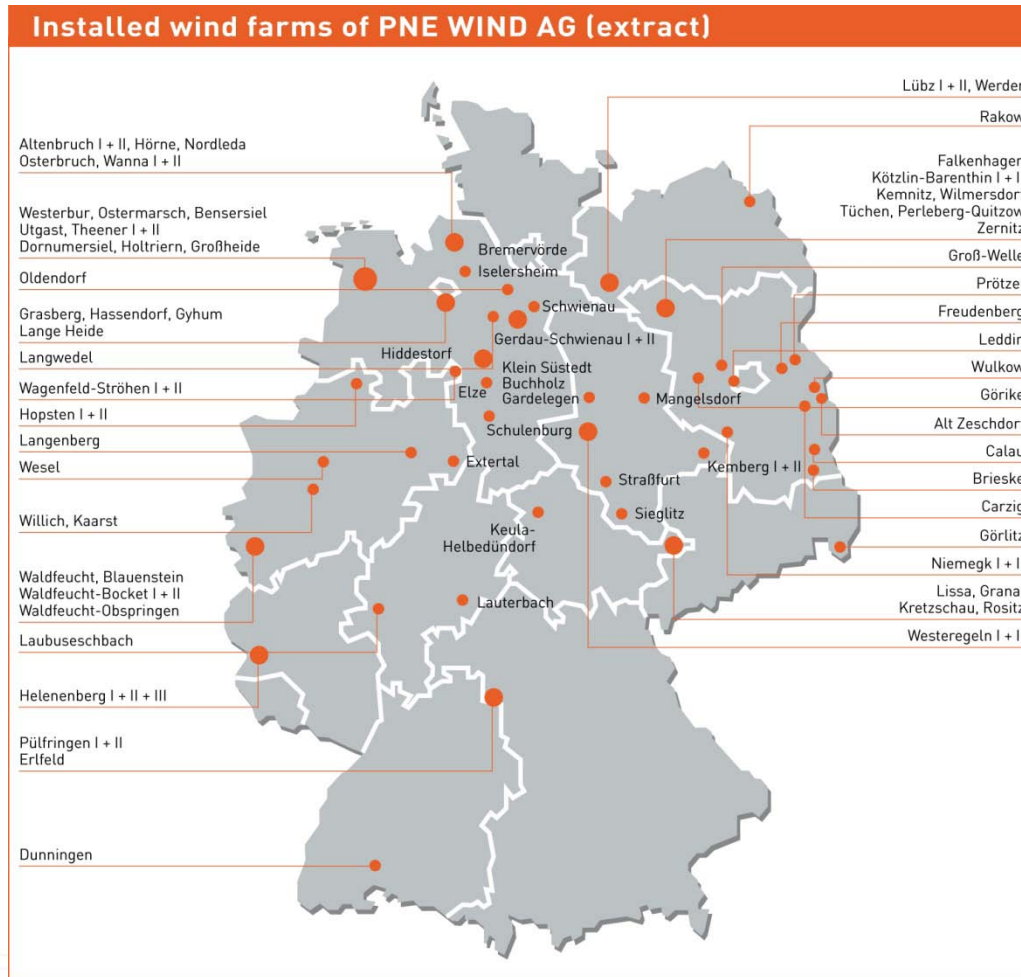
References



- 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

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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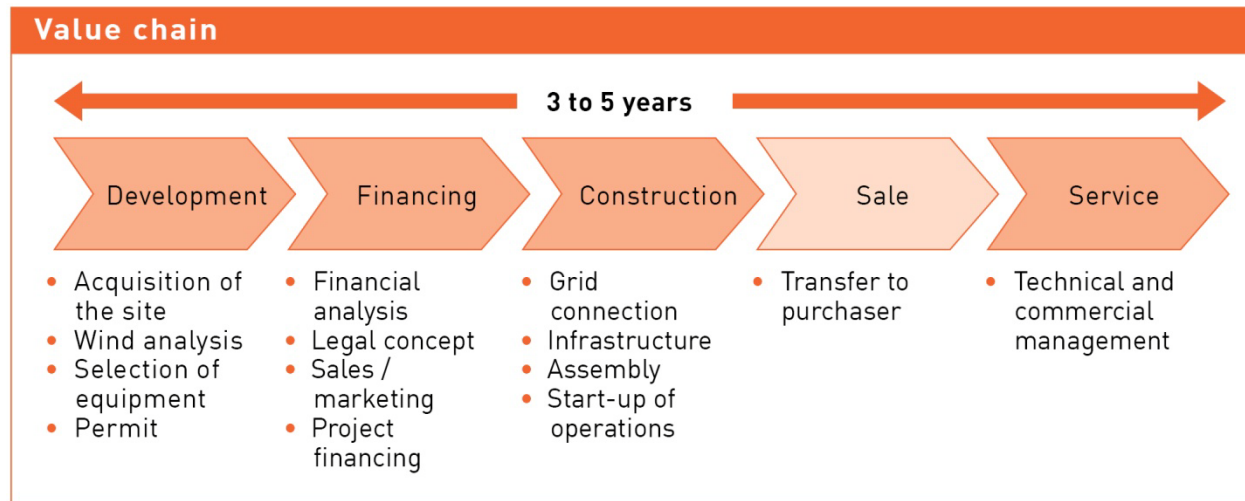
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Langwedel wind farm

Business model

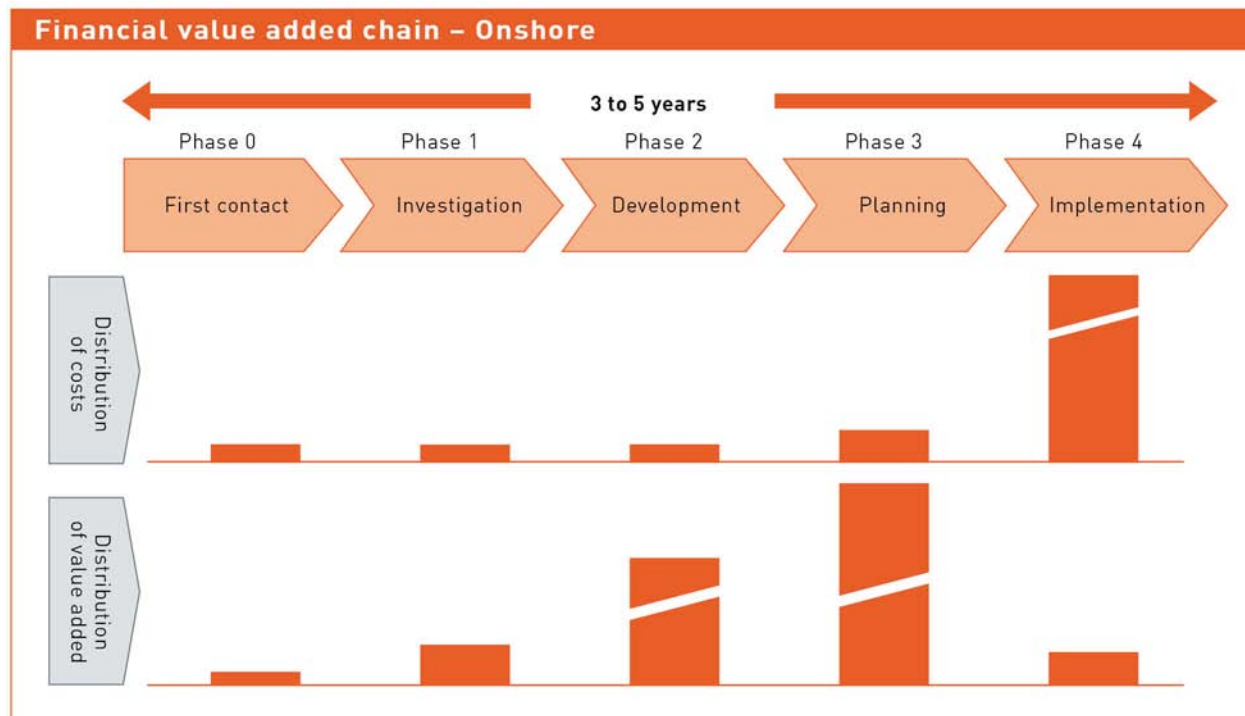
Value chain



- 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

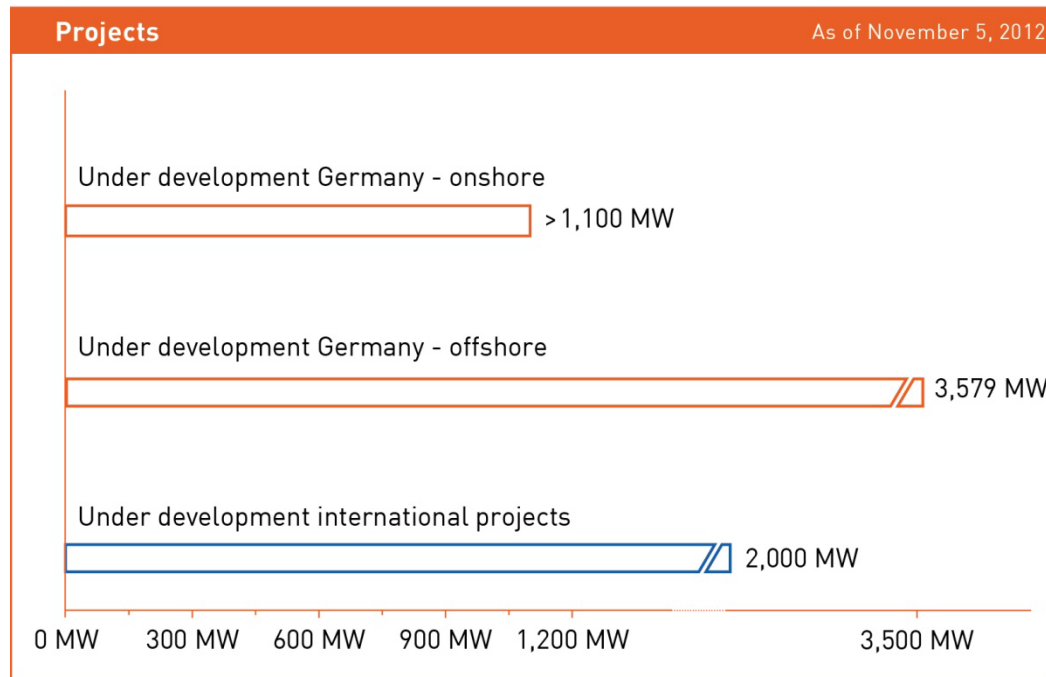
Financial value chain



- PNE WIND AG generates value especially ahead of implementation phase
- Sale of projects can take place before construction or after completion
- 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 much higher capital requirements
- Project business: successive invoicing after construction progress (milestone payments)

Business model

Project pipeline



Onshore

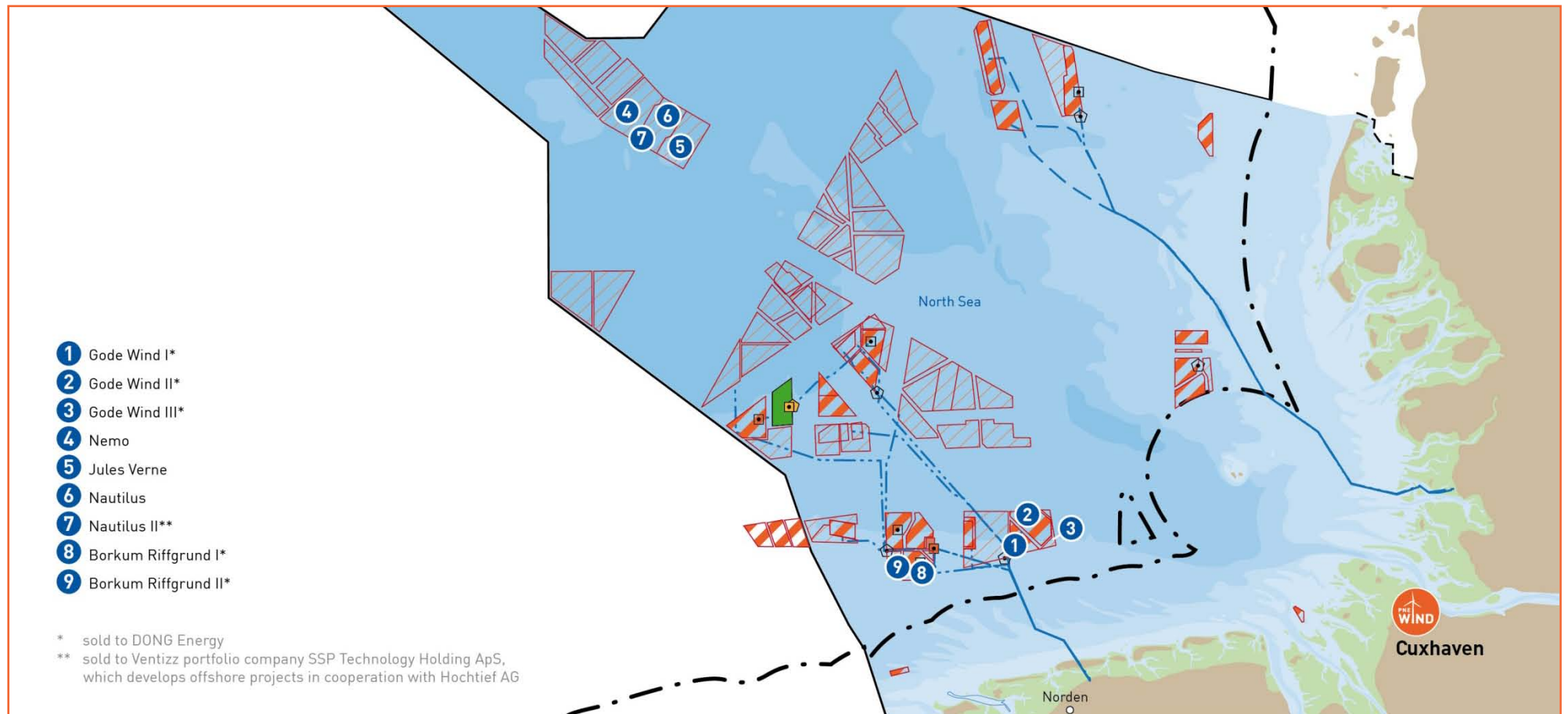
- National and international total of around 3,100 MW under development

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 offshore projects – Germany



Business model

Current offshore projects – Germany



North Sea offshore projects

Project	Phase	WT (up to)	Total MW (up to)**
Borkum Riffgrund I *	6	77	277
Borkum Riffgrund II *	4	97	349
Gode Wind I *	5	54	332
Gode Wind II *	5	84	516
Gode Wind III *	1	15	105
Nautilus II *	2	80	560
Nemo	2	80	480
Jules Vernes	2	80	480
Nautilus I	2	80	480
Total:		647	3,579

Phase 1 = Project identification phase	Phase 4 = Approval granted
Phase 2 = Application conference held	Phase 5 = Grid connection guaranteed
Phase 3 = Hearing held	Phase 6 = Final investment decision (FID)

* PNE WIND AG acts as service provider

** Expected

- 6 offshore projects sold with a total nominal capacity of up to 2,139 MW*: significant milestone payments expected
- Project Families "Borkum Riffgrund" and "Gode Wind" sold to DONG Energy
- "Nautilus II" sold to SSP Technology Holding ApS, a Ventizz portfolio company
- PNE WIND AG active as a service provider
- In total, the likely nominal output of our three own offshore projects in planning is up to 1,440 MW

*GW III project rights to be transferred after issuance of BSH permit

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



Offshore wind farm

Business model

Gode Wind projects sold to DONG Energy

The transaction:

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

- Unconditional grid connection commitment for the “Gode Wind” I and II projects
- Initial payment of 57 Mio. € received in 2012 and first milestone payments of 27 Mio. € received in 2013
- Additional milestone payments totaling 73 Mio. € expected
- Service related fees for the 2012 to 2017 time period of 5 to 8.5 Mio. €

Main milestone payments become due when following steps are reached:

- Expected Permit “Gode Wind III”: 2013E
- Expected Final Investment Decision “Gode Wind I”: 2013/14E
- Expected Final Investment Decision “Gode Wind II”: 2013/14E



Offshore-Windpark

Business model

German offshore wind projects

Borkum Riffgrund I and II

- DONG Energy plans to begin construction on "Borkum Riffgrund I" in 2013
- "Borkum Riffgrund II" received approval from the BSH at the end of 2011
- PNE WIND AG is active as a service provide and expects further milestone payments equal to a single digit million amount

Nautilus II

- Project sold to SSP Technology Holding ApS; a Ventizz portfolio company
- Further milestone payments expected as the project progresses

Nautilus I, Nemo & Jules Vernes

- Application conference held



Offshore-Windpark

Business model

Current projects

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

Country	MW up to
Germany	1,100
USA	352
Canada	575
UK	591
Turkey	93
Hungary	78
Romania	143
Bulgaria	248
Total:	~3,100

Investment criteria:

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

Business model

German onshore projects

- 814 MW have already been successfully realized
- An additional 1,100 MW are currently being developed as at 31.12.2012
- Two wind farms with a capacity of 14 MW with building permits as at 31.12.2012
- Projects with 180 MW currently in the approval process, initial talks with banks to arrange debt financing have taken place
- Construction permits for additional onshore wind farms in Germany are expected in the near future




Business model

International projects: North America and United Kingdom



 USA / Canada (100% participation)

- US subsidiary founded in 2008
- 5 employees
- Planning progress in the following projects made: 70 MW Chilocco, Oklahoma, 20 MW in Belle Fourche, South Dakota
- In the US, the regulatory support mechanisms (PTC and ITC) were recently extended at the national level

 UK (90% participation)

- Joint ventures for projects in the UK since 2008
- 14 employees
- Selected as a preferred partner of the Forestry Commission Scotland (FCS) to develop projects with a nominal output of up to 100 to 200 MW
- Outside of the FCS, four projects have reached the public information and project discussion step: Brunta Hill (20 MW), Tralorg (20 MW), Kennoxhead (60 MW) and Hill of Braco (MW 20)

Business model

International projects: Turkey and Romania



Turkey (100% participation)

- Market entry in 2007
- Cooperation with Türkwind Energie Ltd.
- Development and implementation of wind farm projects with up to 93 MW planned
- Electricity from renewable energy sources promoted by an amended law in December 2010



Romania (80% participation)

- Market entry in 2007
- Joint venture with a local partner in Bucharest
- Projects up to 157 MW in development
- The first project will reach the point of being technically ready for construction in the short term
- Price Waterhouse Coopers has been mandated to sell the wind farm projects

Business model

International projects: Hungary and Bulgaria



Hungary (100% participation)

- Formation of Joint Venture in 2007
- Two wind farms with nominal capacity of 78 MW permitted
- In Hungary, options to expand are limited because of the current regulatory environment
- Projects for sale



Bulgaria (51% to 100% participation)

- Market entry in 2007
- Several joint ventures with different partners
- Projects with a nominal capacity of up to 121 MW are in development
- Project pipeline is currently being examined for their viability and subsequent feasibility

Agenda

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Langwedel wind farm

Bond overview

Bond and use of proceeds

PNE WIND AG intends to place a corporate bond amounting to 100 Mio. € in the first half of 2013, in the Prime Standard of the German stock exchange

Uses of proceeds:

- Expansion of market position through strategic partnerships or acquisitions
- Provide interim financing for the equity proportion of select German wind farm projects in development
- Acquisition of offshore projects in development
- Finance organic and inorganic growth opportunities as well as the expansion of international activities

Bond overview

Acquisition target

- Established wind farm project developer with access to new markets
- Possible acquisition of more than 50% of the shares
- A first price indication for 100% of the shares is estimated to be 100 Mio. €
- The final value of the shares will first be determined upon completion of a detailed due diligence process
- PNE Wind AG stock repurchased under stock buy-back program may be used to finance acquisitions or participations in companies
- Total number of stock repurchased: 4,126,700
- Buy-back program completed on 22.03.2013

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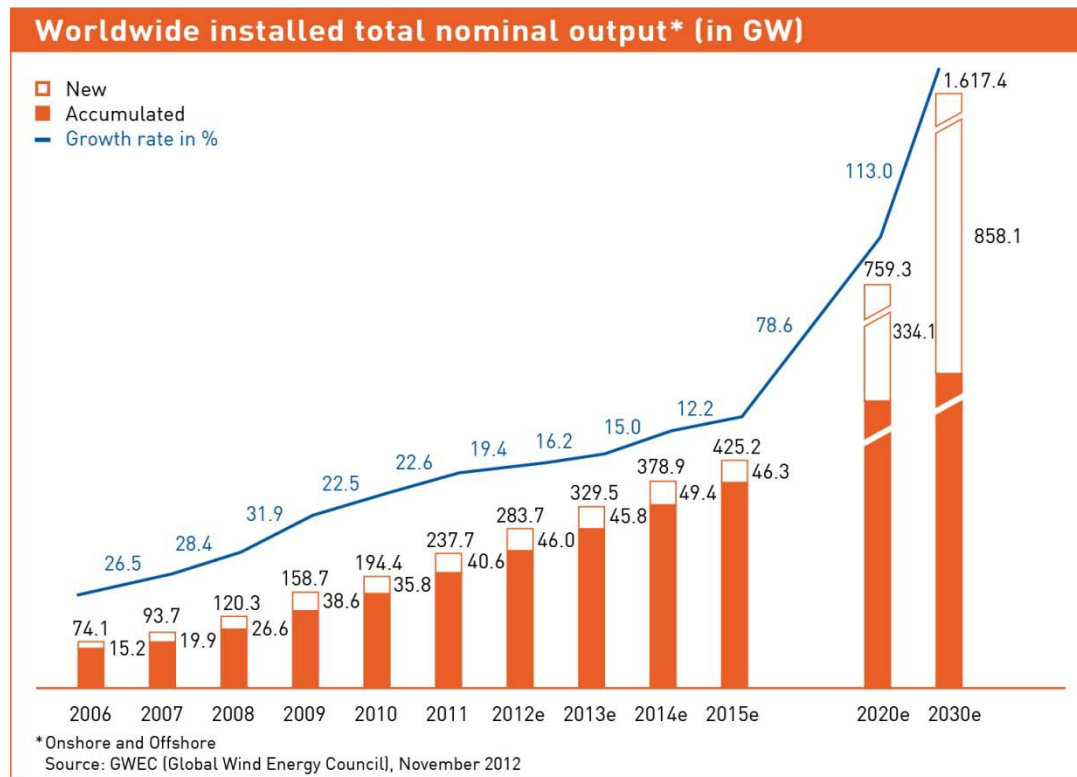
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Langwedel wind farm

Market and strategy

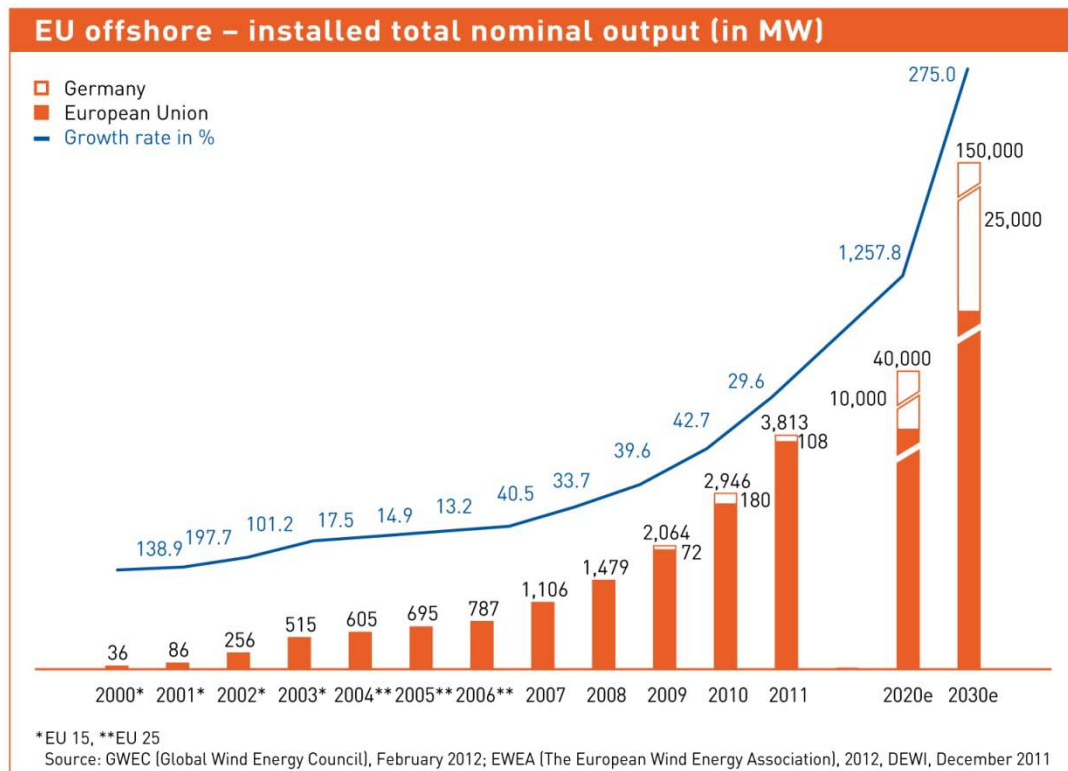
Global development of wind power



- 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
- In 2012 44,711 MW installed bringing total installed capacity to 282,482 MW
- Double-digit growth rates forecasted until 2015 (CAGR 2010-2015: 18.2%)

Market and strategy

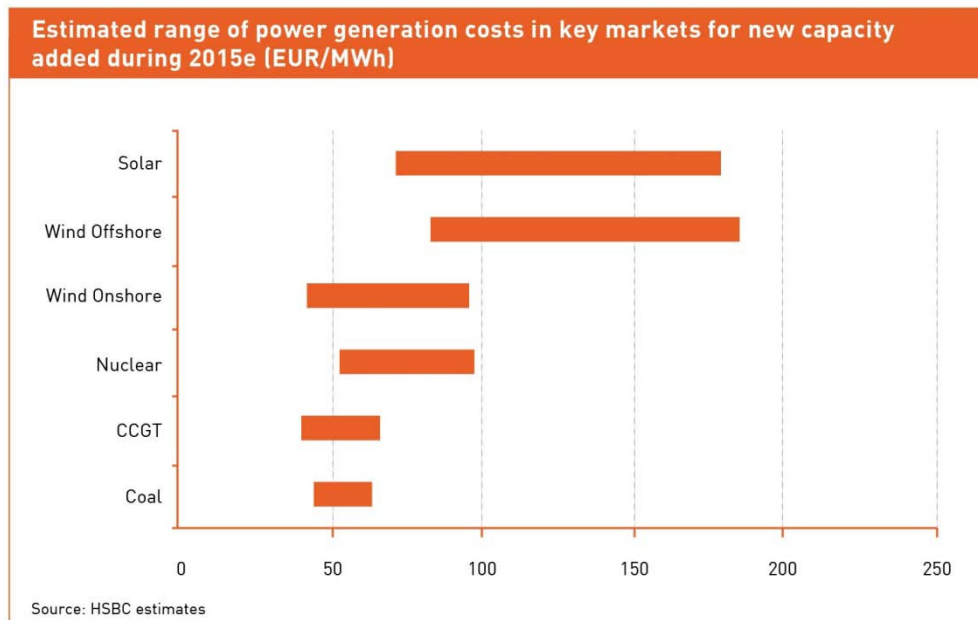
Offshore Europe and Germany



- 2012: 1,166 MW of offshore wind turbines connected to the grid bringing total installed capacity to 4,995 MW in Europe
- An additional 3,300 MW are under construction
- EU climate targets: 40,000 MW by 2020 and 150,000 MW by 2030, the targets are ambitious and actual installation rates are behind schedule
- The German government targets 20,000 to 25,000 MW by 2030
- Offshore wind farms to become a critical supplier of energy following the decision to exit nuclear power

Market and strategy

Wind energy is competitive

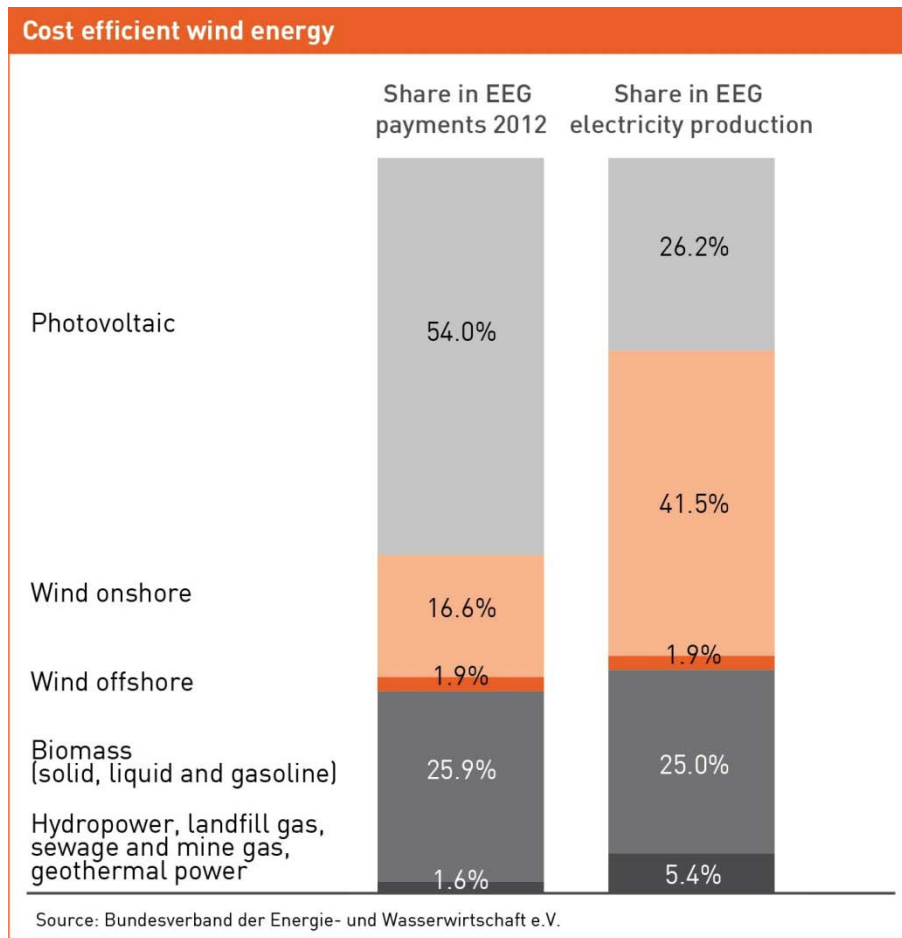


- The price of onshore wind power is already today nearly competitive with generation costs from coal, gas and nuclear power
- By 2020, the price for offshore power is forecasted to fall by 30% to 100 GBP per MWh*
- Lower turbine prices ensure greater competitiveness of wind farms

* Crown Estate's Offshore Wind Cost Reduction Pathways Study

Regulatory environment

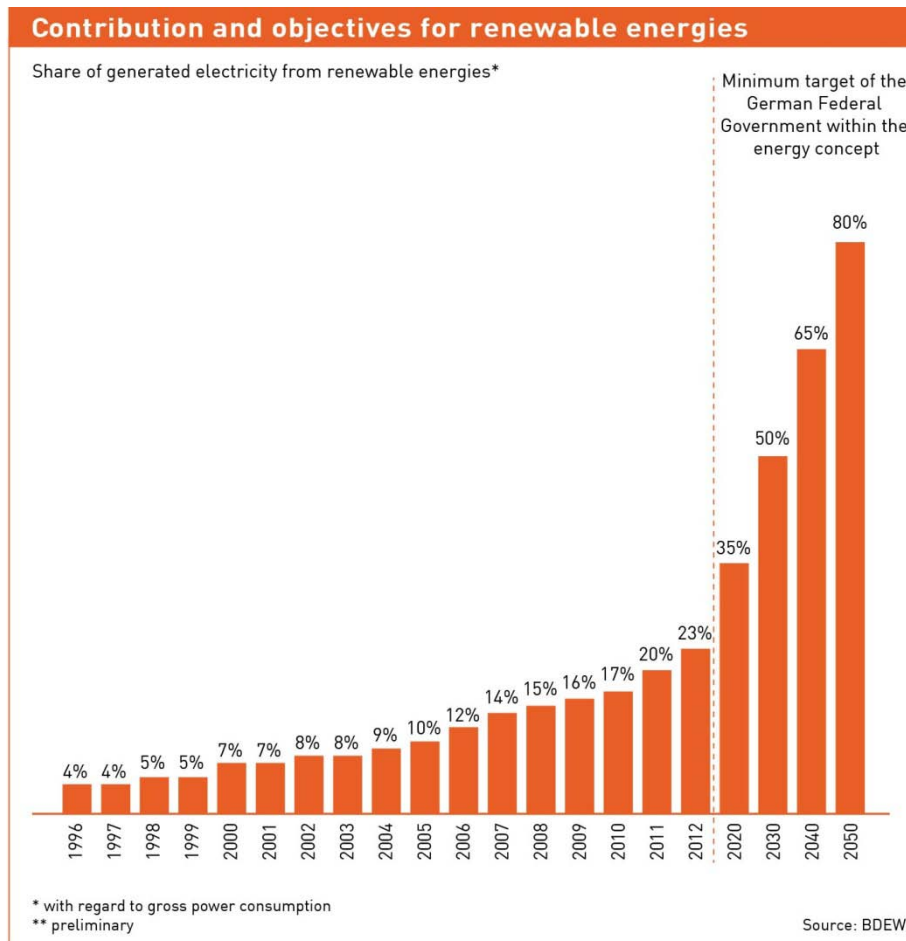
Renewable energy in Germany



- Wind energy is very cost effective compared to other renewable energy sources: 42% of the electricity generated from renewable energy comes from wind power, but represents only 17% of the EEG costs
- Renewable energies enjoy broad support in Germany: 89% of Germans rate the topic as "important" or "very important"

Regulatory environment

Renewable energy in Germany



- German government plans to source at least 80% of electricity from renewable energy by 2050
- The structure of the Renewable Energy Sources Act (EEG) is currently being debated
- The framework for the grid connection of offshore projects in Germany has greatly improved
- All EU member states have committed themselves to increasing the amount of renewable energy, with the goal that by 2020 the EU will source 20% of energy from renewable sources
- The European Commission wants to reduce the amount of CO2 allowances significantly

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Langwedel wind farm

Financial Statements

Profit and loss account



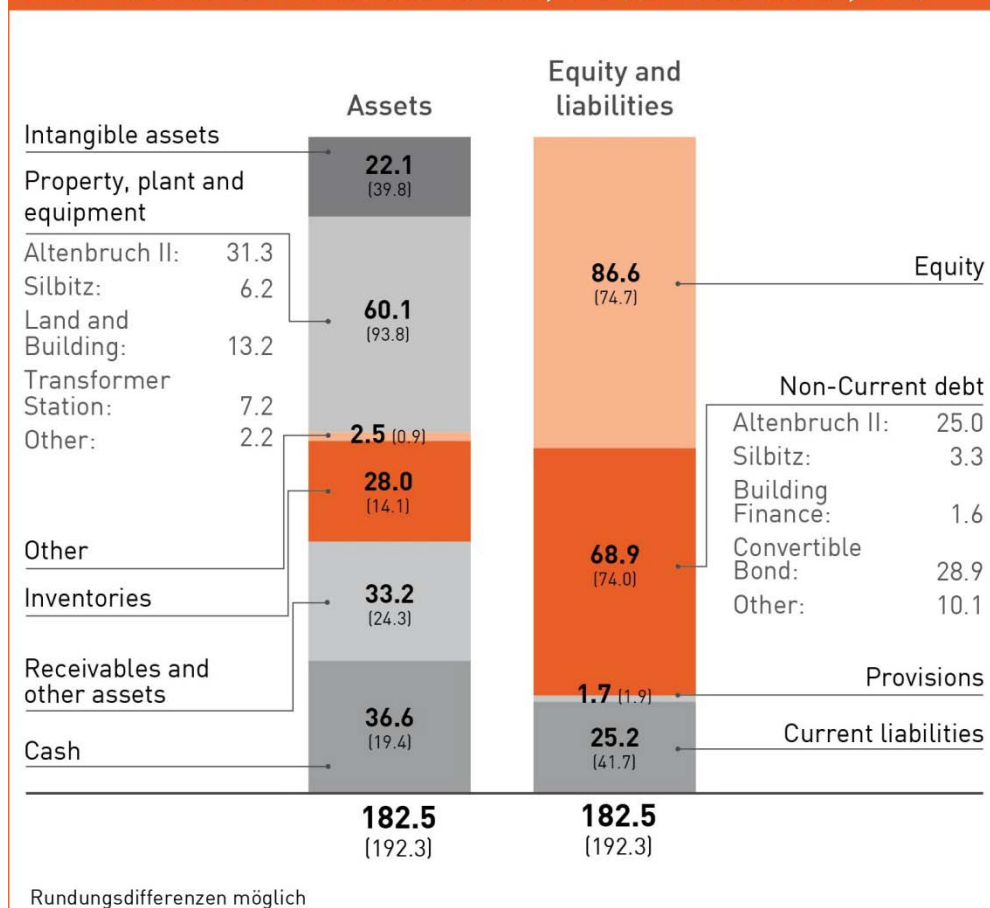
in €million	1. Jan. bis 31. Dec. 2012	1. Jan. bis 31. Dec. 2011
Revenue	84.4	48.6
Total operating revenue	94.3	53.9
Cost of materials	-44.6	-28.7
Personnel expenses	-13.5	-11.5
Other	-15.7	-13.6
EBIT	20.4	0.1
Interest and similar income	0.3	0.9
Interest and similar expenses	-5.7	-5.8
EBT	15.1	-4.9
Net income	17.0	-3.9
EPS (undiluted, in €)	0.37	-0.09

- The "Gode Wind" family sale as well as onshore projects in progress lay the foundation for achieving guidance
- First payments from the "Gode Wind" sale amount to 84 Mio. €, of which 27 Mio. € was received in 2013
- Tax loss carry-forwards in Germany of approx. 109 Mio. € and abroad of approx. 11 Mio. €

Financial Statements

Balance Sheet

Balance sheet in € million as at December 31, 2012 (as at December 31, 2011)



- Own wind farm "Altenbruch II" has a total capacity of 25.8 MW
- Receipt of milestone payments in the amount of 27.0 Mio. € in 2013 from DONG Energy to reduce accounts receivables position
- Inventories reflect investments in the development of our projects
- Net debt amounted to 30.9 Mio. €*
- Equity ratio at approx. 47%

* As at: 31.12.2012

Financial Statements

Cash flow



in €million	1. Jan. bis 31. Dec. 2012	1. Jan. bis 31. Dec. 2011
Consolidated earnings	15.3	-5.1
Amortization/Depreciation	5.4	5.2
Δ Provisions	0.1	-0.6
Δ Non-cash effective expenses/income	-0.3	0.5
Δ Earnings/losses from fixed asset disposals	-18.3	0.0
Δ Working Capital	-27.4	-1.4
Cash flow from operating activities	-25.2	-1.4
Cash flow from investing activities	39.6	-14.1
Cash flow from financing activities	2.8	-4.2
Cash and cash equivalents – end of period	36.6	19.4

- Cash flow from operating activities affected by the "Kemberg II", "Riffgrund II" and "Gode Wind" projects
- Cash flow from investing activities illustrates the net effects of the "Gode Wind" and "Kemberg II" transactions
- Cash flow from financing activities reflects the debt financing for "Kemberg II", the dividend payment and loan repayments

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PNE WIND AG

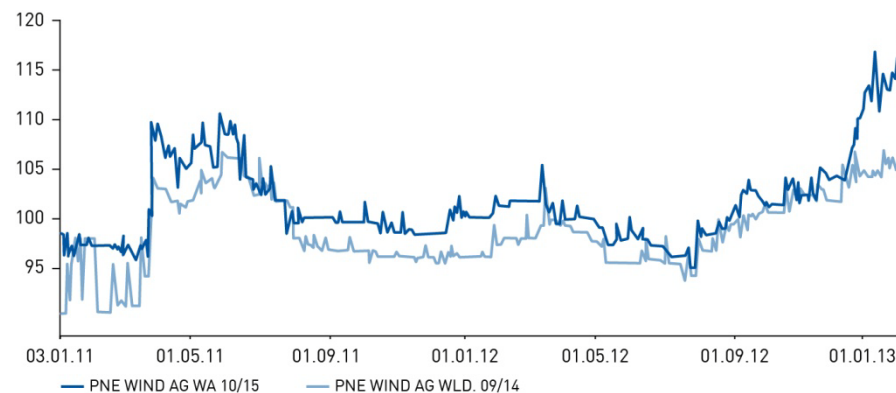
Stock and Convertible bond



The stock



Convertible bonds



WKN / ISIN	AOJBPG / DE000A0JBPG2
Number of shares	46.040.131
Market capitalization 26. March 2013	124.3 Mio. €
Free Float	Approx. 87%
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

Convertible bond 2010/2014 (WKN: A1EMCW), Coupon 6.5%, Strike price 2.20 €, 260,000 bonds placed @ 100 € a piece

Participation certificate 2004/2014, Coupon: 7-10%, Volume 0.8 Mio. € (31.12.12)

Convertible bond 2004/2009, Coupon 6%, Strike price 3.75 €, Total volume 23.5 Mio. €, Repaid

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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
- Guidance: cumulative EBIT of at least € 60 to 72 million for fiscal years 2011 to 2013. For the subsequent two year period from 2014 to 2015, the Board expects a cumulative EBIT of 60 to 72 Mio. €

Contact



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