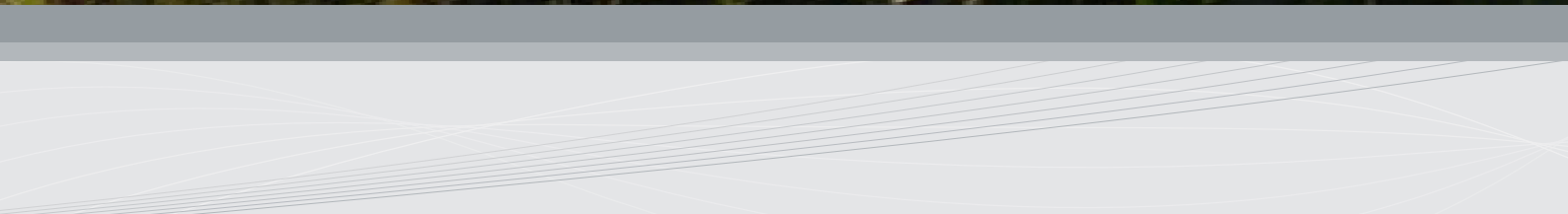


# PNE WIND AG

Financial report on the first three month  
and on the first quarter of 2012



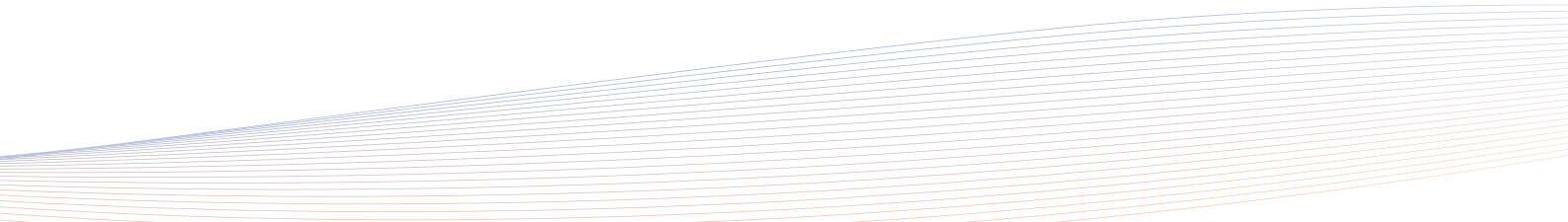
# At a glance

## PNE WIND AG Consolidated key data

All figures in TEUR	01.01. - 31.03. 2012	01.01. - 31.03. 2011	01.01. - 31.03. 2010
Total aggregate output	10,702	12,328	28,614
Revenues	8,972	11,011	16,396
Operating profit (EBIT)	-1,076	2,482	10,228
Result from ordinary activities (EBT)	-2,375	1,770	9,348
Result	-2,408	1,873	9,345
Equity as at March 31	71,923	83,276	79,776
Equity ratio as at March 31, in %	40.71	42.18	43.61
Balance sheet total as at March 31	176,669	197,414	182,924
Earnings per share (undiluted), in EUR	-0.05	0.04	0.21
Average number of shares, in EUR million	45.8	45.8	44.5

Key data (as at March 31, 2012)	
Securities identification code	A0JBPG
ISIN	DE000A0JBPG2
Number of shares	45,777,960
Market capitalisation	78.3 million euro
Market segment	Prime Standard
Indices	CDAX Technology, ÖkoDAX
Designated sponsors	Commerzbank, VEM Aktienbank, Close Brothers Seydler Bank
Reuters	PNEGn
Bloomberg	PNE3

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# Preface

Dear shareholders

The strong wind resource during the first three months was favourable to wind energy production and our project development continues to make steady progress. PNE WIND AG concluded a contract in the first quarter of 2012 with the sale and handover of the onshore wind farm "Kemberg II" to EnBW Energie Baden-Württemberg. In the offshore sector, our team is making further progress and concluding transactions.

For the "Kemberg II" repowering project in Saxony-Anhalt, five older wind energy plants were replaced in recent months by modern and more powerful turbines with hub heights of 150 meters. With a nominal capacity of 10 MW, the wind farm covers the requirements of approximately 6,300 private households and makes a substantial contribution to environmental protection by reducing over 17,000 tons of carbon dioxide emissions per annum. Once the construction and grid connection were completed, the wind farm was handed over to EnBW. The transaction builds on the lasting business relationship between our two firms, which encompasses the completion and sale of 9 wind farms with 54 turbines and an installed capacity of 85.2 MWs since 2009. These wind farms play a meaningful role in EnBW's goal to greatly increase its wind energy capacity. Looking forward, PNE WIND AG will continue to support EnBW with its know-how in operational management.

In the offshore segment, progress is also being made in the search for a new investor for the "Gode Wind II" wind farm. Subsequent to the first purchaser not being able to fulfill its contractual obligations, we have entered new

discussions with several interested parties. In the offshore market we are witnessing a growing interest from numerous companies and investors. In particular, international construction companies as well as institutional investors such as the Danish Pension funds which would normally be classified as risk adverse. This growing interest illustrates to us that our projects have the capability to create substantial value which should make significant contributions to our turnover and profits in the short, medium and long term. We are confident we will be able to present a new purchaser for the "Gode Wind II" wind farm before the end of this year.

Our project development work at home and abroad means that we have to bear development costs sometimes prior to sales generation. This is usual in the project business and only in this way can we create the right opportunities for future business opportunities which will later contribute to earnings. During the first quarter of 2012, development costs weighed on earnings and PNE WIND AG recorded a negative EBIT of EUR 1.1 million. The Board of Directors believes the company is on sound footing and that our project work and market prospects offer diverse opportunities for growth. Therefore, we confirm our EBIT forecast of a cumulative EUR 60 to 72 million for the financial years 2011 to 2013. Our forecast comprises of our expectations for the results of our offshore projects as well as various onshore wind farms at home and abroad.

In light of our earnings outlook we believe our shareholders should participate in the continuing development of PNE WIND AG. Therefore, we would like to maintain a dividend policy and we will propose a euro 0.04 per share dividend for this year at our annual general meeting.

We would like to express our sincere gratitude, also on behalf of our employees, for the confidence you have placed in us. We hope you will continue to accompany us on our exciting path in the future.

With best regards

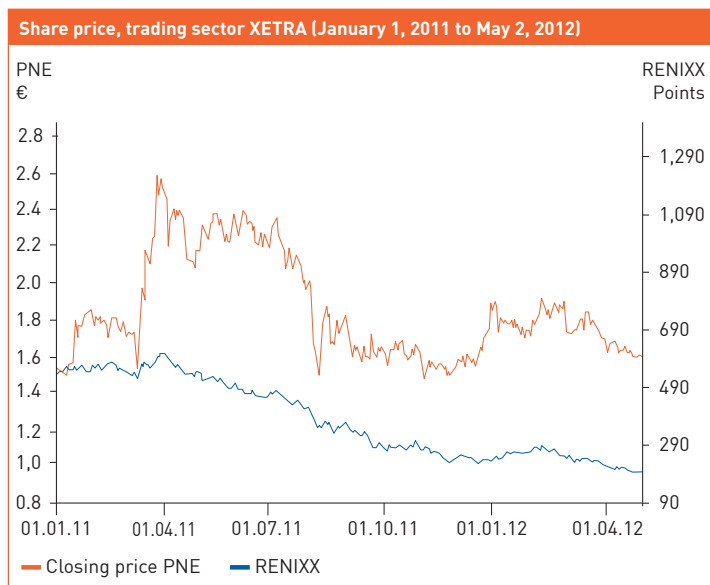


Martin Billhardt  
- Chairman of the Board of Management of  
PNE WIND AG -



Martin Billhardt  
Chairman of the Board of Management PNE WIND AG

# Stock market news of PNE WIND AG



## Share

The PNE WIND AG share began 2012 at an initial price of euro 1.85 after the stock rose sharply during the final trading days of 2011 on the back of the news concerning the planned sale of the “Gode Wind II” offshore project. During the month of January, the stock consolidated these gains and leveled off at euro 1.80. In February the stock was in greater demand again and reached a high of euro 1.91 on February 9, 2012.

On February 29, 2012 news of the delay in payment for the sale of “Gode Wind II” had a negative effect on the PNE WIND AG share price and the stock closed at euro 1.73 on March 1, 2012.

The stock gained support and recouped some of the losses and traded up to euro 1.84. At the end of March, the share price came again under pressure with the news that the “Gode Wind II” sales contract would not be put into force.

On March 30, 2012 the last trading day in the reporting period, the stock closed at its lowest quarterly level of euro 1.71, which is equivalent to a market capitalisation of euro 78.3 million.

## Shareholder structure

At the end of the reporting period on 31 March 2012, the Baden-Württembergischen Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte held through LBBW Asset Management Investmentgesellschaft mbH 3.06 percent of the voting shares in PNE WIND AG. In accordance with the definition of the Deutsche Börse AG, the portion of the shares in PNE WIND AG in free float is currently 96.94 percent.

Due to the two capital measures carried out in May/June 2010, there may be a change in the shareholder structure in the future shares not purchased by the existing shareholders of PNE WIND AG in the context of the capital increase and the convertible loan were offered to Luxempart S.A., a financial investor based in Luxembourg. According to a contractual agreement, Luxempart S.A. had declared itself willing to acquire the shares and partial debentures not purchased by shareholders to a certain degree. Luxempart S.A. subscribed for 927,114 shares of the 1,249,500 shares issued in the capital increase. They also subscribed for partial debentures of the convertible loan to the amount of approx. euro 16.87 million. The total investment volume of Luxempart S.A. was thus approx. euro 18.7 million. There is the option of converting these partial debentures into shares at any time. Following conversion of the loans, and as a result of the shares held by it, Luxempart S.A. would have a stake of approx. 15 percent in PNE WIND AG and thus be the largest single shareholder in the Company.

## Directors' Dealings

As at March 31, 2012, the Chairman of the Board of Management Mr. Martin Billhardt held 400,000 shares, Mr. Jörg Klowat (CFO) held 100,000 shares and Mr. Markus Lesser (COO) held 45,500 shares of PNE WIND AG. The Supervisory Board member Mr. Jacquot Schwertzer held 5,704 shares. Together, the Board of Management and the Supervisory Board hold 1.20 percent of the company's stock.

## Financial calendar 2012

May 15, 2012	General meeting of shareholders
August 6, 2012	Half year financial report 2012
November 5, 2012	Report of the 3rd quarter 2012

## Additional information

On the website [www.pnewind.com](http://www.pnewind.com) you will find full information about PNE WIND AG as well as current data on the shares in the section "Investor Relations". Furthermore, annual and quarterly reports, press announcements and background information on PNE WIND AG can be accessed and downloaded there.

# Condensed interim group management report

## of PNE WIND AG, Cuxhaven, for the first three months of 2012

### 1. Market/overall economic conditions

PNE WIND AG is active as a project developer of wind farms on land (onshore) as well as on the high seas (offshore) in Germany, South-East Europe, the United Kingdom and in North America. In this respect the core competence is based on the development, projecting, financing and realisation of wind farms as well as on their operation. Wind farm projects developed by PNE WIND AG are sold as a general rule either following full completion or already following the receipt of the corresponding building permit. After delivery to the customer, the range of services of PNE WIND AG offers includes the technical and commercial operation which includes regular maintenance. On a selective basis, the Company also operates wind farms for its own account. Such is the position of the Company in the world market for wind power.

During the second half of the fiscal year 2011 the German economy became increasingly burdened by the European government debt crisis. As a result of the growing uncertainties on the financial markets Europe is threatened by a new banking crisis, which could have significant effects on the real economy. According to current figures from the German Federal Office for Statistics, German gross domestic product (GDP) increased by 3.0 percent during the past year. Despite solid full year growth, the first preliminary estimates of the economic development in the fourth quarter 2011 showed a decline of 0.25 percent which indicates a deterioration of the economic situation.<sup>1</sup>

Current figures on the development of the German economy confirm this trend. As a result the Federal Government in its Annual Economic Report 2012 is forecasting for the current year growth of only 0.7 percent. The European debt crisis is becoming noticeable in particular with regard to exports; according to current estimates these will only increase moderately and also remain lower than imports. However, the decisive pre-requisite for these forecasts will be how the EU succeeds in mastering the political and economic challenges of the government debt crisis and in organising effective solutions for the current risks.<sup>2</sup>

During the second half of 2011 the difficult economic environment had an increasing effect on the equity shares in the wind power branch, since the general atmosphere for investment was restrained as a result of the turbulences on the financial markets. Nevertheless, projects in the wind power industry are of a long term nature due to the size of the investment volumes and the assured regular returns, for which reason these are not directly influenced by current movements in the market.

For this reason an upward trend can be observed with regard to the construction of wind farms in Germany. Following a slight decline in newly installed output in 2010, installation rates increased again in 2011. The German Wind Power Institute (DEWI) determined that 895 wind power turbines

<sup>1</sup> Federal Office for Statistics, 2012

<sup>2</sup> Federal Government, Annual Economic Report, 2012



were newly constructed in 2011 with a nominal output of 2,007 MW.<sup>3</sup> Above all, the natural and ensuing nuclear catastrophe in Japan in March led to increased interest in ecological power, and this gave the wind power branch a new dynamic upthrust.

Current figures also prove that the consistent promotion of renewable energies is bearing fruit: according to the Federal Association of Energy and Water Power the share of renewable energies in the German electricity mix in 2011 amounted to approximately 20 percent. It was thus higher than the share of atomic power, which made a contribution of 18 percent to gross German electricity generation. Wind power also continues to be an important pillar within renewable energies: it has expanded its share from 6 to approximately 8 percent.<sup>4</sup>

The construction of offshore wind farms is viewed as a key growth driver for both the national as well as the international wind power market. According to data from the European Wind Power Association (EWEA) the European offshore market registered in 2011 additional growth totaling 866 MW. 235 new offshore wind power turbines were constructed which are distributed in total over nine wind farms. As a result a total of 3,813 MW from 1,371 wind power turbines are already being fed into the European power network. Additional wind farms are currently under construction and the expansion of offshore wind power in Europe is already running at full speed. The German market for offshore wind farms will also grow. In this respect the Wind Power Agency (WAB) expects newly installed output of up to 4,500 MW by 2017.<sup>5</sup> The targets of the Federal Government foresee that in the longer term wind power at sea could assure approximately 15 percent of Germany's electricity consumption. The Federal Government thus expects that by 2030 roughly 20,000 to 25,000 MW of offshore wind power could be constructed. The necessary infrastructure has to a large extent been constructed in the ports. With four permits already issued PNE WIND AG is already one of the leading projector developers in Germany in the offshore sector.

To date only three offshore wind farms are on the network in German waters. Two additional ones are currently under construction in the North Sea and in the Baltic. In addition, 27 projects have been approved by the Federal Office for Shipping and Hydrographics (BSH) as well as by the provincial authorities. Offshore wind power thus has substantial expansion potential in Germany. In this respect an important perspective is constituted by the initiative started at the beginning of 2010 by nine neighboring states to construct a high voltage network in the North Sea. The sustainable use of wind power at sea requires finally a high performance electricity grid network. In the long term this joint initiative represents a substantial support for offshore wind power. Moreover, the expansion of wind power at sea is being supported by a special credit programme of the Kreditanstalt für Wiederaufbau (KfW) in the amount of euro 5 billion. The Federal Government plans to support a total of ten offshore wind farms with this financing.

Perspectives for the development of new wind farm sites on land are arising in respect of re-powering, i.e. the replacement of older low-output wind power turbines with stronger and more efficient new turbines. According to the forecasts of the BWE substantial growth can be expected

<sup>3</sup> DEWI, January, 2012

<sup>4</sup> BWE press announcement, July 2011

<sup>5</sup> WAB, 2011

with repowering in the medium and longer term. According to data from DEWI 170 wind power turbines with a total output of 123 MW were replaced by 95 modern turbines with a total of 238 MW in 2011.<sup>6</sup> BWE is estimating the market for repowering measures at 1,000 MW per annum during the next few decades, i.e. corresponding to annual sales of approximately euro 1.5 billion.<sup>7</sup> PNE WIND AG has also used its own competence successfully already several times in this sector and expects additional positive effects in this business segment in the medium to longer term.

Furthermore the shortage of fossil fuels as well as the ambitious climate targets of the Federal Republic are underpinning the growth of the wind power market. It is thus planned to reduce by 2020 the emission of greenhouse gases by 40 percent in comparison with the year 1990. The Federal Government confirmed this objective in its coalition agreement at the end of 2009 and re-confirmed this in its energy concept, which it submitted in September 2010. In accordance with this the target is maintained to expand the share of renewable energies in the generation of electricity from currently around 20 percent to 35 percent by the year 2020 and to 80 percent by 2050. Currently the technologically most advanced and efficient means of generating electricity is wind power and is thus gaining particular importance. The Government sees enormous growth potential in particular in the offshore sector. Moreover, in a study the Federal Office for the Environment maintains that electricity requirements in Germany can be covered by the year 2050 by up to 100 percent from renewable energies. Wind power also has a key role in this scenario with regard to the energy mix of the future.<sup>8</sup>

In total the market for wind power turbines for the generation of electricity is developing on a sustainable basis. Many established manufacturers of wind power turbines have expanded their production capacities internationally, in order to satisfy growing demand. Simultaneously, new companies are entering the market, above all from India, China and South Korea. As a result, the number of suppliers of wind power turbines is increasing, whereby downward pressure can be expected with regard to price development.

With regard to the future industrial experts expect a continuation of the current growth path. The International Energy Agency (IEA) expects a continuous expansion of wind power during the next few years. By 2035 wind output installed worldwide should increase by up to 400 percent in comparison with 2010.<sup>9</sup> As a result, the general political conditions for PNE WIND AG continue to be viewed overall as positive.

## 2. General political conditions

During the reporting period, there was a change in the general political conditions for the further expansion of renewable energies in Germany. On June 30, 2011 the German Bundestag resolved the amendment of the Renewable Energies Law (EEG). With the amendment to the law, which came into force on January 1, 2012, the conditions are changed for the payment of onshore and

<sup>6</sup> DEWI, January 2012

<sup>7</sup> BWE Repowering, 2012

<sup>8</sup> Energy target 2050: 100 percent electricity from renewable sources/UBA, July 2010

<sup>9</sup> IEA, 2012

offshore wind-generated electricity, but also the guidelines for the repowering of older wind power turbines. The new general conditions assure a continuous development of wind power in Germany both on land and above all at sea.

Following the coming into force of the law the following conditions are valid in respect of electricity from wind power in Germany:

The payment for electricity from newly constructed wind power turbines (WPT) on land amounts as from 2012 to 8.93 cents/KWH. For electricity from wind power turbines, which are equipped with a technology which stabilises the power network, an additional "system service bonus" of 0.48 cents/KWH is paid. Insofar as the wind power turbines are constructed within the context of repowering, i.e. the replacement of old WPT's by modern and more efficient WPT's, a "repowering bonus" of an additional 0.50 cents/KWH is due. Furthermore, the requirements for repowering projects were newly defined. The wind power turbines to be replaced now must have been put into operation prior to January 1, 2002 and the limitation of the nominal output of the new equipment (to date five times greater) has been eliminated. On this basis there is therefore a secure basis for the long term return calculations for wind farm projects in Germany. The depression, i.e. the annual reduction of the feed-in rates for newly constructed wind power turbines, currently amounts to 1 percent and will rise as from 2013 to 1.5 percent.

There are two alternative possibilities for the payment of electricity from offshore wind farms. On the one hand a start-up payment of 15 cents/KWH can be claimed for a period of 12 years. For offshore wind farms, which are put into operation prior to January 1, 2018, the operator can alternatively decide for a payment of 19 cents/KWH for a period of 8 years. In both models the period for the start-up payment depends on the distance of the offshore wind farm from the coastline as well as the depth of the water at the site of the wind farm.

In order to promote in the short term the further expansion of offshore wind farms, an "offshore wind power" credit programme was also introduced with a volume totaling euro 5 billion, which is being put into effect by the Kreditanstalt für Wiederaufbau (KfW).

Furthermore, the EEG also specifies the priority feed-in of electricity from renewable energies and well as the payment to be made for this both for electricity from wind power turbines on land (onshore) as well as at sea (offshore). In order to review regularly and punctually the effects of the law, the Federal Government must in future submit a monitoring report annually and provide the Bundestag by December 31, 2014 the next experience report on the effects of the Renewable Energies Law.

We are observing constantly the general political conditions in all countries in which PNE WIND AG is active in order to be able to react to changes in the short term.

The Board of Management of PNE WIND AG considers the national and international legal bases as the pre-requisites for a continuation of the positive business development during the next few years.

### 3. Corporate structure

The corporate structure changed in the first three months of fiscal year 2012 against December 31, 2011.

In the period under review, the following company was deconsolidated:

- Plambeck Neue Energien Windpark Fonds CV GmbH & Co. KG, Cuxhaven

As a result of the deconsolidation of this company, assets in the total amount of euro 18.3 million and liabilities in the amount of euro 18.6 million were eliminated. Up to the date of the deconsolidation the company had sales in the amount of euro 0.2 million and an EBIT of euro 0.0 million.

### 4. General accounting principles

In the financial report on the first three months of the 2012 fiscal year as of March 31, 2012, the company applied the same accounting and valuation methods as were applied in the consolidated financial statements of December 31, 2011.

The interim financial statements were drawn up in line with the regulations of IAS 34. The tax expenditure of the PNE WIND Group is determined using an estimate of the taxable income of the relevant companies.

### 5. Organisation and employees

On March 31, 2012, the PNE WIND AG Group employed 179 people in total (previous year: 164). The employees of the subsidiaries are included in this number. Of these employees (including the members of the Management Board and trainees), 116 were employed at PNE WIND AG on the reporting date (previous year: 103). 63 people were employed at PNE Biomasse GmbH (16 employees) and PNE WIND Betriebsführungs GmbH (26 employees) as well as foreign companies (21 employees). PNE WIND AG reacted with this moderate increase in the number of employees to the increased business activity and simultaneously formed the human resource basis for the continuation of the previous course of growth.

## 6. Summary of business activity

### Wind power segment

#### *Wind power onshore sub-division*

PNE WIND AG continued its operating business in the sector of onshore wind power in Germany. During the first three months of 2012, the company completed its third repowering project with the commissioning of the 10 MW "Kemberg II" wind farm which comprises of five turbines. The permits required for the start of construction on two projects with a nominal output of 16 MW have been obtained and additional permits for onshore wind farm projects are expected in the short term.

We continue to develop our core project development business in the international markets.

#### United Kingdom:

In anticipation of major investments in Great Britain over the next years, the subsidiary PNE WIND UK opened a new office in Edinburgh, Scotland. One of our major accomplishments to date was being selected by the Scottish Forestry Commission as the preferred partner for the development of wind farms in Central Scotland. PNE WIND UK is identifying suitable sites for this purpose in the Scottish National Forest of the administrative districts of Argyll and Bute, West Dunbartonshire, Stirling, Perth, Kinross and Angus. Afterwards, the Forestry Commission and PNE WIND UK will decide together on how many plants should be designed in the planning process and, in the case of a positive decision for the project, on the construction and operation phases.

The region in Central Scotland which is managed by the Forestry Commission covers an area of about 1,000 square kilometres and provides space for wind farms with an estimated development potential of 100 to 200 MW nominal power. The average annual wind speed in this area is between 6.5 and 8.5 m/s (source: UK Wind Speed Database NOABL at 45 m).

#### USA:

The subsidiary, PNE WIND USA, is amending its marketing strategy in the US as a reaction to its wind market developments, the currently low demand situation for electricity and outstanding questions regarding the prolongation of the tax rules for wind power. Based on our belief that there will be further expansion of wind power in the USA, PNE WIND USA continues to focus on the strengthening of the wind project pipeline. The wind farm projects, on which work has already been carried out, are being developed further intensively and optimized economically, in order to be able to market them profitably as soon as possible. Construction maturity was already achieved for the Belle Fourche project. Significant planning progress was also achieved with regard to other projects.

Hungary:

In Hungary, building permits for two wind farms which we developed with 32 turbines and 78 MW of nominal capacity have been issued to our subsidiary PNE WIND GM Hungary Kft. One of these permits was issued during January 2012. With these approved wind farms PNE WIND GM Hungary Kft, will participate in the next tender offer for network connections to the high voltage network in Hungary.

Other foreign activities:

The development of wind farms was continued in Romania and Bulgaria. However, the general political and economic conditions in these countries are currently not optimal, so that we are aiming at realization in the medium term. In Turkey we are awaiting the next tender offer for wind power projects from the government, which is a pre-requisite for the realization of such projects.

In total, the subsidiaries and joint ventures, with which PNE WIND AG is active on foreign markets, were working as at March 31, 2012 on wind farm projects with a nominal output of more than 2000 MW in various phases of project development. PNE WIND AG continues, despite volatile market conditions to see attractive market and growth opportunities in the onshore sector in Germany as well as in Hungary, Bulgaria, Romania, Turkey, the United Kingdom, Canada and the USA. For this reason the Board of Management is confident to be able to achieve further sustainable growth of the Company through the internationalization of wind farm development.

#### *Wind power offshore subdivision*

During the reporting period offshore wind projects were intensely developed. This was true above all for the "Gode Wind II" project which PNE WIND AG has secured the necessary building permit from the Federal Office for Shipping and Hydrographics (BSH) and negotiated a supply contract for the delivery of 84 offshore wind power turbines with a nominal output of 252 MW. In 2011, PNE WIND AG obtained the unconditional commitment for the network connection from the transmission network operator, TenneT. Following the conclusion of the tender carried out by TenneT for the network connection components the grid connection is currently under construction. Prior to this PNE WIND AG had submitted the necessary documentation and thus fulfilled all of the four criteria from the position paper of the Federal Network Agency for the obtaining of the unconditional commitment of the network connection. With this progress the key prerequisites in the project development were achieved in order to be able to start with the implementation of the "Gode Wind II" offshore wind farm. PNE WIND AG is currently conducting intensive negotiations with interested parties.

For the neighbouring "Gode Wind I" project, the required documents for the issuance of the unconditional grid network connection were submitted. "Gode Wind I" offers space for 54 offshore wind power turbines, which are planned to be provided by Repower Systems AG. PNE WIND AG will

undertake the wind farm design and the financing strategy as well as the inclusion of additional project partners who will among others supply the transformer station, foundations and the wind farm cabling.

“Gode Wind III” is still in an early stage of development and according to our planning there will be 15 wind power turbines erected in the farm when completed. It is planned as a reference project for the 7 MW wind power turbines developed by Vestas.

The “Borkum Riffgrund I and II” offshore wind farm projects also developed positively. These were sold to the Danish energy group, DONG Energy Power A/S in 2009 and PNE WIND AG continues to be active in the development as a service provider company. Following an investment decision for “Borkum Riffgrund I” on the part of DONG Energy Power A/S, preparations have now started for the construction of the offshore wind farm.

The rights to the “Nautilus II” offshore wind farm project were sold in November 2011. The purchaser is SSP Technology Holding ApS). PNE WIND AG will develop further this offshore project as a service provider until the receipt of the permit and participate in the successful achievement of fixed stages in the project development. The “Nautilus II” offshore wind farm project is planned for 80 wind power turbines with a nominal output of up to 7 MW per turbine. The project area is in the North Sea within the Exclusive Economic Zone of the Federal Republic of Germany approximately 180 kilometres north west of Helgoland. It is expected that the building permit from the BSH will be received in 2013.

In total, the offshore sector of PNE WIND AG was working on six own wind farm projects as at March 31, 2012 in various stages of project development and is active as a service provider for further three offshore projects. Its own projects “Gode Wind I and II” have already been approved by the Federal Office for Shipping and Hydrographics (BSH). The other four own offshore projects are in the planning and application stage. According to the current planning status a total of 393 wind power turbines can be constructed in our own wind farms. Decisive for the exact number is inter alia the nominal output of the equipment to be chosen, which can amount to between 3 and 7 MW. In total the planned realistic nominal output of the six own offshore projects can amount to up to 2,141 MW and up to 1,186 MW for the projects where we are acting as a consultant.

### **Electricity generation segment**

All the activities of Group companies which are attributable directly to the production of electricity from renewable energies are combined in the electricity generation division. This division therefore also includes the “Altenbruch II” and “Laubuseschbach” wind farms, which are operated by PNE WIND AG itself, as well as PNE Biomasse GmbH, which, in accordance with the agency

agreement, provides the personnel for the timber-fired power station at Silbitz, which is also included in this segment. In addition, the division includes shares in limited partnerships, which are intended to implement future onshore wind farm projects.

In the context of segment reporting, current revenues of these wind farms are included in the electricity generation segment up to the successful sale of the wind farms and their delivery to the operators.

The power generation segment achieved an EBIT of euro 1.1 million in the first three months of 2012 and was significantly better than the same period last year (EBIT euro 0.4 million). The improved result was primarily driven by our "Altenbruch II" wind farm which delivered an euro 0.6 million higher EBIT year on year.

## 7. Sales and results of operations

The data shown below for the Group was determined and presented in accordance with IFRS.

In the first three months of fiscal year 2012, the PNE WIND AG Group achieved a total performance of euro 10.7 million (previous year: euro 12.3 million). This includes euro 9.0 million in revenue (previous year: euro 11.0 million), euro 0.9 million in inventory changes (previous year: euro 1.1 million) and euro 0.8 million in other operating revenue (previous year: euro 0.2 million).

The level of activity at PNE WIND in onshore project development in Germany and abroad as well as offshore are reflected in expenses. The material expenses increased from euro 2.5 million to euro 4.6 million. Personnel expenses in the first three months of 2012 were euro 3.3 million and were lower than the previous year's period (euro 3.7 million). Although the number of employees increased to 179 as per March 31, 2012 (previous year: 164 employees), personnel expenses decreased year on year due to lower provisions taken in connection to performance based pay during the quarter.

The other operating expenses of euro 2.4 million were line year on year (previous year: euro 2.4 million) and were mainly comprised of legal and consulting fees, advertising and travel costs as well as rental and leasing expenses.

Depreciation increased to euro 1.5 million up year on year from euro 1.2 million. The increase was primarily driven by charges (euro 0.2 million) in association with the first consolidation of the "Kemberg II" wind farm till the end consolidation. The majority of the depreciation charges arise from our wind farm "Altenbruch II" and the timber-fired power station Silbitz GmbH und Co. KG.

At the Group level, PNE WIND AG reported an operating income (EBIT) of euro -1.1 million (previous year: euro 2.5 million) and earnings before tax (EBT) was euro -2.4 million (previous year:



euro 1.8 million) in the first quarter of 2012. Consolidated earnings before minority interests were euro -2.7 million (previous year: euro 1.7 million). After the first three months, consolidated earnings per share were euro -0.05 (previous year: euro 0.04) and diluted net consolidated earnings per share were euro -0.03 (previous year: euro 0.04).

On March 31, 2012, the retained loss was euro -16.4 million (December 31, 2011: euro -14.0 million).

The consolidated results as well as those of PNE WIND AG are impacted by our investments in project development which lay the foundation for our future developments. The results are in line with the Management Board's expectations.

## 8. Financial position/liquidity

The cash flow statement provides information on the liquidity situation and the financial position of the Group. As of March 31, 2012, the Group had available liquidity, including credit lines for project bridge financing of euro 27.0 million, of which euro 0.6 million is pledged to banks (previous year: euro 39.0 million of which euro 0.4 million was pledged).

As of March 31, 2011, no overdraft facilities were taken up by the Group.

The cash flow from operating activities at euro 2.2 million (previous year: euro -6.3 million) was positively influenced by the decrease in long term construction contract receivables in connection with the commissioning and delivery of the "Kemberg II" wind farm.

The cash flow from investment activities was affected in the period under review by investments in Property, Plant and Equipment of euro -14.4 million (previous year: euro 2.4 million). This figure was influenced by the realization of "Kemberg II" project (euro 11.7 million) and the further development of offshore projects in the amount of euro 2.6 million. The "Kemberg II" wind farm was financed using external sources of debt while investments in offshore wind projects were financed with our own resources.

In the period under review, the cash flow from financing activities of euro 8.2 million (previous year: euro -1.8 million) reflects the net effect of the loans taken to finance the "Kemberg II" project (euro 9.8 million) and the redemption and retirement of credit liabilities to the amount of euro -1.6 million.

At the end of the reporting period on March 31, 2012, the Group had cash and equivalents of euro 15.5 million (previous year: euro 28.6 million) and available liquidity of euro 11.5 million (previous year: euro 25.7 million), of which euro 0.6 million is pledged to banks (previous year: euro 0.4 million).

## 9. Net assets

Assets (in EUR million)	31.03.2012	31.12.2011
Intangible assets	39.7	39.8
Property, plant and equipment	90.0	93.8
Long term financial assets	0.3	0.2
Deferred taxes	0.8	0.7
Inventories	15.1	14.1
Receivables and other assets	15.3	24.3
Cash and cash equivalents	15.5	19.4
<b>Total assets</b>	<b>176.7</b>	<b>192.3</b>

At the date of the statement of financial position the consolidated total assets of PNE WIND AG amounted in total to euro 176.7 million, down about 8 percent in comparison with December 31, 2011. Long term assets decreased in total from euro 134.5 million at the end of 2011 to euro 130.8 million. As at March 31, 2012 intangible assets totaled euro 39.7 million and thus changed very little from their amount of euro 39.8 million as at December 31, 2011. By far the most important elements of this item is the goodwill of the wind power projecting segment in the amount of euro 20.0 million and the project rights in the amount of euro 17.4 million included during the fiscal year 2010 with the first consolidation of PNE Gode Wind I GmbH. During the first 3 months of 2012, property, plant and equipment decreased by euro 3.8 million to euro 90.0 million (December 31, 2011: euro 93.8 million). The PPE contains land and buildings (euro 13.5 million), own transformer stations (euro 7.6 million), plants under construction including the "Gode Wind I" project (euro 7.8 million), the "Gode Wind II" project (euro 14.8 million) and the other "Gode Wind III", "Nautilus", "Nemo" and "Jules Verne" offshore projects (euro 4.2 million), as well as the technical equipment of the "Altenbruch II" wind farm project (euro 33.2 million) and the timber biomass power plant in Silbitz (euro 6.7 million including land and buildings in the amount of euro 3.1 million).

During the period under report, short term assets decreased from euro 57.8 million as at December 31, 2011 to euro 45.9 million as at March 31, 2012. Receivables and other assets decreased from euro 24.3 million as at December 31, 2011 to euro 15.3 million. Of these euro 11.1 million are attributable to trade receivables (December 31, 2011: euro 12.2 million).

Inventory is mainly comprised of work in process in our onshore activities and this position increased from euro 12.6 million (December 31, 2011) to euro 13.6 million.

As at March 31, 2012 cash and cash equivalents amounted to 15.5 million (December 31, 2010: euro 19.4 million).

Liabilities (in EUR million)	31.03.2012	31.12.2011
Shareholders' equity	71.9	74.7
Deferred subsidies from public authorities	1.1	1.1
Provisions	1.9	1.9
Long term liabilities	71.9	72.9
Short term liabilities	21.8	34.3
Deferred revenues	8.1	7.4
<b>Total liabilities and shareholders' equity</b>	<b>176.7</b>	<b>192.3</b>

On the liability side consolidated shareholders' equity decreased from euro 74.7 million (December 31, 2011) to euro 71.9 million as at March 31, 2012. The decrease was due to the negative net income of the Group during the quarter. At the end of the reporting period, the equity ratio of the Group amounted to 41 percent (December 31, 2011: 39 percent) and the third party debt ratio decreased to 59 percent (December 31, 2011: 61 percent). This was mainly the result of scheduled repayments of long term liabilities which declined from euro 72.9 million at the end of 2011 to euro 71.9 million. Long term debt includes mainly liabilities in the amount of euro 72.9 million. This position mainly includes of the convertible loan in the amount of euro 28.6 million (a portion of the convertible loan is presented as shareholders' equity in accordance with IFRS) and liabilities to banks in the amount of euro 34.7 million, of which euro 26.7 million arises from the project financing of our "Altenbruch II" wind farm, euro 3.7 million from the timber biomass power plant in Silbitz and euro 4.0 million from the financing of the Company headquarter building in Cuxhaven.

As at March 31, 2012 the total number of shares of PNE WIND AG amounted to 45,777,960 (as at December 31, 2011: 45,777,960).

PNE WIND AG has undertaken in a contract with the limited partners of the operating company of the "Silbitz" power plant that it would acquire their limited partnership shares at the beginning of 2017 at a price of 110 percent of the nominal amount. Due to this undertaking other financial liabilities include a discounted purchase price liability as at March 31, 2012 in the amount of euro 5.1 million. Furthermore, PNE WIND AG has provided the limited partners of HKW Silbitz GmbH & Co. KG a distribution guarantee until 2016, which is included in the provisions at a discounted amount of euro 1.3 million.

During the first quarter of 2012, the short term liabilities decreased from euro 34.3 million (December 31, 2011) to euro 21.8 million. The long term construction projects position which increased from euro 6.5 million at the end of 2011 to euro 6.8 million as at March 31, 2012, but the short term liabilities decreased from euro 6.9 million (December 31, 2011) to euro 0.0 million

with the successful sale of the “Kemberg II” project. Taking cash and equivalents into consideration the net debt thus amounted as at March 31, 2012 to euro 53.7 million (December 31, 2011: euro 54.4 million).

## 10. Transactions with related companies and persons

In the first three months of the 2012 fiscal year, there were the following transactions with related persons:

PNE WIND AG concluded consulting contracts for the provision of EDP services with net.curity InformationsTechnologien GmbH, whose managing shareholder is the member of the Supervisory Board, Mr. Rafael Vazquez Gonzalez. In the first quarter of the fiscal year 2012, transactions were effected in this respect with a net volume of euro 58,691.16. The transactions were based on the arms’ length principle.

## 11. Sales and marketing

The sale of wind farm projects, which are constructed on land, continues to be based on direct sales to individual and large investors. PNE WIND AG has had positive experience with these direct sales in the last few years and will continue to pursue this proven sales channel. The company will continue to cooperate with strong partners in order to realise the offshore wind farm projects.

## 12. Development and innovation

Research and development activities did not take place in the PNE WIND AG Group.

## 13. Major events following the end of the reporting period

There were no major events following the end of the reporting period.

## 14. Report of opportunities and risks

### General factors

As a result of its business activities the Group and the individual consolidated companies are exposed to risks which are inseparable from its entrepreneurial activities. Through our internal risk management system we are minimizing the risks associated with our business activity and invest only if a corresponding value added can be created for the Company while maintaining a

manageable risk. Risk management is a continuous process. An evaluation of the determined risks is made based on the analysis of the core processes. A risk report is submitted regularly to the Board of Management and to the Supervisory Board.

### **Risks from operating activities**

A major risk is the approval risk of projects. In the event of time delays with regard to permits, this can lead to postponements in the flow of liquidity, higher prepayment requirements as well as the loss of the planned recuperation of the funds. Furthermore, projects in such cases can become uneconomical, which can lead to the write-off of work in process which has already been capitalised. Apart from the inventories, this risk can also have an effect on the value of the receivables. Should the offshore projects not be able to be realised, this may result in fixed assets requiring to be written off. The operating opportunities in the projecting of wind farms can, however, only be realised if such entrepreneurial risks are accepted.

Time delays can occur in the implementation of the projects also due to the uncertain date of the issuing of approvals and the commitments for network connections, possible complaints in respect of permits already granted, the availability at the right time of wind power turbines or the availability at the right time of other necessary preconditions and components for the construction of a wind farm. Through comprehensive project controlling we attempt to take these complex requirements into consideration at the right time.

The number of suitable sites in Germany for the construction of wind power turbines is limited. This can result in the future in an increase in the competition for these sites and thus also the acquisition costs for such sites.

Within the context of project realisation the Company must rely on being able to cover its capital requirements resulting from the liabilities arising in the future or which may become due in the future. Furthermore, additional capital requirements might arise if and insofar as PNE WIND AG should be required to honour guarantees which it has granted or other comparable commitments or should any other of the risks described in this paragraph occur.

A risk for the future development is attributable to the areas of financing and the sale of wind farm projects, as is the case with all companies which project wind farms. In order to meet this risk PNE WIND AG has already since several years selected the sales channel of "individual and large investors". Negative effects from rising rates of interest on the project marketing, cannot, however, be excluded, since rising interest rates lead to higher project costs.

Risks in respect of project realisation could result from a financial crisis and the reticence resulting therefrom on the part of the banks with regard to project financing. Nevertheless, the Kredit-

anstalt für Wiederaufbau (KfW) is implementing the programme resolved by the Federal Government whereby euro 5 billion will be made available for the first ten German offshore wind farm projects.

Financing risks also exist on the part of our partner companies with regard to offshore wind farm projects. Depending on the progress of the project, payments are still due to PNE WIND AG for the "Borkum Riffgrund II" and "Nautilus II" projects. The purchasers of the project shares have to date made no decision as to whether they wish to construct the projects. It can therefore not be assumed with certainty that the final decisions will be taken to realise the projects. A failure of one or several projects would have substantial effects on the future asset, financial and earnings situation of PNE WIND AG, since PNE WIND AG would no longer receive planned payments in the future.

For the "Gode Wind I and II" projects, in which PNE WIND AG holds all of the shares, PNE WIND AG will, as with all other wind farm projects, seek a strong financial project partner or create other financing possibilities. Also in this case it cannot be assumed with certainty that the financing will actually be secured.

Due to the improved general legal conditions since 2009 for offshore wind farms in the German Exclusive Economic Zone as well as the favourable location of the projects with regard to the relative distance from land and the depth of the water, PNE WIND AG continues to expect the opportunities for realisation of the approved offshore projects to be high.

For all the offshore wind farms projected by PNE WIND AG in the offshore wind power sector it is of great importance to secure a strong capital investor, since the completion of an offshore wind farm requires high investment costs.

A supplier risk exists in the wind power turbine sector due to the growing worldwide demand in relation to the available capacities. In spite of the swift expansion of capacities at the manufacturers of wind power turbines, delivery bottlenecks cannot be excluded in the event of further increases in international demand. Such delivery bottlenecks could lead to delays in the realisation of wind power projects. The Company therefore places great importance on the conclusion at the earliest possible moment of delivery contracts with reputable manufacturers of wind power turbines as well as with other suppliers (e.g. foundations) and the agreement for delivery on schedule.

Medium or long term currency risks could arise in respect of projects in the international sector. In the operating field foreign currency risks result primarily from the fact that planned transactions are undertaken in a currency other than the euro. With regard to investments, foreign

currency risks may arise mainly from the acquisitions or divestments of foreign companies. It is planned to undertake the hedging of key foreign exchange transactions with third parties outside the Group through currency hedging transactions.

With regard to the risk of long term loan obligations and the interest payments resulting from this, hedging transactions (SWAPs) are concluded in individual cases, which could lead to an additional strain on the liquidity of the Company in the event of negative interest development.

### **Political risks/market risks**

Incalculable risks can also affect the market from outside. These include in particular a sudden change in the general legal conditions in Germany or in the foreign markets. Deterioration is, however, not to be feared in the medium term in Germany, since the Renewable Energies Law (EEG) was amended at the end of June 2011 by the German Parliament and entered into force on January 1, 2012. The next amendment is expected in 2015 on the basis of an experience report, which the Federal German Government must submit to the German Parliament in 2014. Thus there will exist in the next few years planning security for onshore and offshore wind farm projects as well as for the repowering of wind farms.

The political risks and the market risks abroad could have effects on the planned project implementations during the next few years. PNE WIND AG and its subsidiaries are intensively observing the current market developments abroad, in order to recognise at an early stage possible changes in the market situation or the political landscape and to introduce any measures at the right time.

### **Legal risks**

All recognisable risks are reviewed constantly and are taken into consideration in this report as well as in the corporate planning. The Board of Management considers the risks to be fairly clear and thus assumes that they will have no material negative influence on the development of the Company. These include also risks from cases not yet legally concluded.

### **Tax risks**

PNE WIND AG and its subsidiaries are currently active in eight countries in the world and are thus subject to many different tax laws and regulations. Changes in these areas could lead to higher tax expenses and to higher tax payments. Furthermore, changes in the tax laws and regulations could also have an influence on our tax receivables and tax liabilities as well as on deferred taxes carried as assets and liabilities. We are operating in countries with complex tax regulations which could be interpreted in different ways. Future interpretations and development of tax laws and

regulations could have an influence on our tax liabilities, profitability and our business operations. In order to minimise these risks, we are working continuously throughout the Group with specific tax consultants from the relative countries and are analysing the current tax situation.

Currently an external audit of corporation, trade and value added tax of the major domestic companies of the PNE WIND AG Group is covering the tax periods from January 1, 2006 up to and including December 31, 2010. In the case of external audits there is always the risk that the results of the external audit can have effects on the asset, financial and earnings situation of a company in future annual and consolidated accounts.

### **Opportunities**

As projector of onshore and offshore wind farms PNE WIND AG is active in an attractive growth market. Independent studies assume high rates of growth for wind power during the next few years due to the finite state of fossil fuels, the pressure for the reduction of dangerous climate emissions as well as the requirement for secure sources of energy. In this respect PNE WIND AG has available from its many years of activity in the market the pre-requisites in order to benefit in the long term from this development.

The activities abroad offer special opportunities for the Company. PNE WIND AG has thus already expanded its business activity into attractive growth markets. In this respect this expansion has taken place primarily in countries with stable political general conditions and with reliable support regulations comparable with the German Renewable Energies Law (EEG). In order to take into consideration sufficiently the corresponding local conditions, the market introduction always takes place in cooperation with a local partner, whereby PNE WIND assures its necessary management and controlling rights by means of a significant participation. This type of internationalisation has already proven itself during the past few years as a cost-efficient and potentially successful strategy. Joint ventures were therefore established in accordance with this model for wind farm projects in Bulgaria, Turkey, Romania and the United Kingdom. The subsidiary established in the USA and Hungary as well as the joint venture established by this company in Canada is also based on this strategy. In the future PNE WIND AG will thus also pursue this policy for selective foreign expansion and take advantage decisively of existing market opportunities. For this purpose a continuous observation takes place with regard to other wind power markets as well as a careful analysis of corresponding market introduction opportunities.

Apart from the perspectives of internationalisation, the established German market continues to offer a range of opportunities. During the next few years an increased level of replacement can be expected in respect of obsolete wind power turbines by more modern and more efficient equipment (so-called repowering). As a result of this an increase in the market size can be expected for wind power turbines. With the "Alt Zeschdorf", "Görrike" and "Kemberg II" wind farms PNE WIND AG was already able to conclude successfully its first repowering projects. Due to the



many years of experience of PNE WIND AG, its comprehensive network as well as the proven expertise of the employees, the Company is now in a favourable position to participate on a sustainable basis in this process.

In addition, there is the planned expansion of German offshore wind power. In this respect Germany, which otherwise was considered a pioneer with regard to wind power, is still in the initial phase. The ambitious climate objectives of the Federal German Government and the necessity for increasing the security of supply require the accelerated expansion of wind farms on the high seas. In this respect PNE WIND AG is distinguished by the fact that it has already carried out four offshore wind farm projects through the whole approval process by the Federal Office for Shipping and Hydrographics. Two of these approved projects are completely in the ownership of the Company and five others are currently being developed. In view of the stronger increase in importance of offshore wind power, positive effects can be expected also in this respect for the further business development of PNE WIND AG.

Finally, the growth of the wind power sector in Germany offers increased opportunities in the area of the provision of services. PNE WIND AG considers itself to be a reliable partner of the operators of wind farms and often looks after these following the transfer with regard to technical and commercial operating management. As at March 31, 2012, 245 wind power turbines were under management. With the expansion of wind power projecting there is thus the possibility of an increase in the after-sales business, whereby this could lead to correspondingly favourable effects of the sales and earnings situation of the Company.

Overall, a positive development of the Company can thus be expected in the coming fiscal years according to the estimates of the Board of Management.

## 15. Outlook

The projecting and realisation of wind farms is the core business of PNE WIND AG. The Company is active in Germany, the USA, Canada, the United Kingdom, Hungary, Romania, Bulgaria and Turkey. In the international markets we are solely focused on onshore wind farm development while in Germany we develop both onshore and offshore wind farms.

Our corporate goal is to expand the use of wind power for the generation of electricity swiftly. The expansion of renewable energies is a topic discussed worldwide and an increasing number of governments are emphasizing the necessity to incorporate more renewable power into the energy mix. They aim to create general market conditions in which the ecologically correct expansion can also be economically meaningful. Above all wind power is benefiting from this and having benefited from decades of technical development and the technology already effectively contributes in a cost efficient manner to the current as well as the future electricity production.

We are taking this backdrop into consideration when forming our corporate strategy. In the short to medium term we see in the projecting of wind farms in Germany as a major factor for our corporate development with offshore projects being particularly important. Following years of intensive planning and preliminary work the wind farm projects developed by us off the German coast will be realised. This is true above all for the approved "Gode Wind" I and II offshore wind farms, as well as the "Borkum Riffgrund" I and II projects, which we sold to DONG Energy in 2009. DONG Energy intends to start the construction of "Borkum Riffgrund I" wind farm already in 2012. This will likely be the first offshore wind farm developed by PNE WIND AG to be constructed. The offshore sector is a major pillar of our Company and gives meaningful effects for our corporate development.

The large number of projects which we are currently working on is the basis of our future corporate success. Within the next few years projects, which we are developing intensively today in Germany and abroad, will reach construction maturity and will be able to be completed.

In addition to the green field sites which we are developing, we are seeing growing opportunities in the area of repowering. In this context, older wind power turbines are gradually being replaced with more efficient and higher performance equipment. With Germany currently having an installed capacity of more than 29,000 MW, we expect repowering to continually present attractive business opportunities for us. We have already completed three repowering projects. An advantage for PNE WIND AG is the fact that we have remained involved with the wind farms developed by us through our technical and commercial operational service.

Intensive preliminary work is also beginning to come to fruition abroad. Project development is progressing in the USA. In the United Kingdom we are working very closely with the Forestry Commission of Scotland. In Hungary the first two of our wind farms have been approved. In the medium term many other additional projects in these and other countries will also be so far developed that we can start with their construction and marketing. In the future we intend to generate growing sales and cash flow from these activities. Our prudent expansion strategy abroad is therefore starting to bear fruit.

If all of these projects could be constructed in cooperation with investors and partners, this would constitute an investment volume of more than euro 7 billion. This illustrates the size of the potential corporate development. Moreover, we are constantly investigating whether the general conditions for wind farm projects can be structured in other additional markets.

PNE WIND AG is in a good position onshore and offshore as well as nationally and internationally. For this reason we are very confident to be able to realise the opportunities of the growing wind market in the future. The Management Board reconfirms its cumulative EBIT forecast of euro 60 to 72 million for the three year period from 2011 to 2013 based on our conviction that positive developments will continue during the next few years. The outlook for the national and international market onshore and offshore are the basis for our capability to pay dividends and to make

the necessary investments in projects during the next few years. The consolidated EBIT will be driven by revenues arising from offshore projects as well as results from onshore wind farms both in Germany and abroad. Moreover, continuing positive net profits are also expected for PNE WIND during the next few years. It is difficult to provide fixed forecasts for the individual years due to the operating activity of the Company and short term earnings fluctuations related thereto. However, our EBIT forecast till the end of 2013 reflects the reliable expectations for the further positive earnings situation of the Company.

Cuxhaven, May 2, 2012

PNE WIND AG, Board of Management

# Consolidated statement of comprehensive income (IFRS)

of PNE WIND AG, Cuxhaven, for the first three months of 2012

All figures in TEUR (differences due to rounding possible)		I <sup>st</sup> Quarter 01.01.2012 - 31.03.2012	I <sup>st</sup> Quarter 01.01.2011 - 31.03.2011
1.	Revenues	8,972	11,011
2.	Changes in inventories of finished goods and work in process	952	1,095
3.	Other capitalised contributions	0	0
4.	Other operating income	778	222
<b>5.</b>	<b>Total aggregate output</b>	<b>10,702</b>	<b>12,328</b>
6.	Cost of materials/cost of purchased services	-4,585	-2,503
7.	Personnel expenses	-3,310	-3,684
8.	Depreciation of property plant and equipment (and amortization of intangible assets)	-1,488	-1,237
9.	Other operating expenses	-2,395	-2,422
<b>10.</b>	<b>Operating profit (EBIT)</b>	<b>-1,076</b>	<b>2,482</b>
11.	Income from participations	0	0
12.	Other interest and similar income	77	494
13.	Interest and similar expenses	-1,374	-1,203
14.	Expenses for losses absorbed	-2	-3
<b>15.</b>	<b>Result from ordinary activities (EBT)</b>	<b>-2,375</b>	<b>1,770</b>
16.	Taxes on income	-302	-40
17.	Other taxes	-15	-15
<b>18.</b>	<b>Profit/loss before minority interests</b>	<b>-2,692</b>	<b>1,715</b>
19.	Non-controlling interests	-284	-158
<b>20.</b>	<b>Consolidated profit/loss</b>	<b>-2,408</b>	<b>1,873</b>
<b>Other comprehensive income</b>			
21.	Foreign currency translation differences	-87	-127
22.	Others	0	0
<b>23.</b>	<b>Other comprehensive income for the period (net of tax)</b>	<b>-87</b>	<b>-127</b>
<b>24.</b>	<b>Total comprehensive income for the period</b>	<b>-2,780</b>	<b>1,588</b>
<b>Consolidated profit/loss for the period attributable to:</b>			
	Owners of the parent company	-2,692	1,715
	Non-controlling interests	-2,408	1,873
		<b>-284</b>	<b>-158</b>
<b>Total comprehensive income for the period attributable to:</b>			
	Owners of the parent company	-2,780	1,588
	Non-controlling interests	-2,496	1,746
		<b>-284</b>	<b>-158</b>
	Earnings per share (undiluted), in EUR	-0.05	0.04
	Earnings per share (diluted), in EUR	-0.03	0.04
	Average number of shares in circulation (undiluted), in million	45.8	45.8
	Average number of shares in circulation (diluted), in million	59.1	59.1

# Curtailed group balance sheet (IFRS)

## of PNE WIND AG, Cuxhaven, as at March 31, 2012

### Assets

All figures in TEUR (differences from rounding off possible)	as per 31.03.2012	as per 31.12.2011
Intangible assets	39,742	39,797
Property plant and equipment	90,032	93,803
Long term financial assets	247	246
Deferred tax assets	732	652
<b>Long term assets, total</b>	<b>130,753</b>	<b>132,498</b>
Inventories	15,114	14,096
Receivables and other assets	15,258	24,286
Cash and cash equivalents	15,544	19,447
<b>Current assets, total</b>	<b>45,916</b>	<b>57,829</b>
<b>Assets total</b>	<b>176,669</b>	<b>192,327</b>

## Liabilities

All figures in TEUR (differences from rounding off possible)	as per 31.03.2012	as per 31.12.2011
Subscribed capital	45,778	45,778
Capital reserve	44,877	44,877
Retained earnings	51	51
Foreign currency provision	-221	-133
Retained Loss	-16,407	-13,998
Minority interests	-2,156	-1,872
<b>Shareholders equity, total</b>	<b>71,923</b>	<b>74,702</b>
Other provisions	946	933
Deferred subsidies from public authorities	1,125	1,137
Long term financial liabilities	71,195	72,506
Deferred tax liabilities	722	372
<b>Long term liabilities, total</b>	<b>73,988</b>	<b>74,948</b>
Provisions for taxes	216	215
Other provisions	722	791
Short term financial liabilities	6,984	12,255
Trade liabilities	6,841	6,523
Other liabilities	14,866	22,359
Tax liabilities	1,129	534
<b>Short term liabilities, total</b>	<b>30,758</b>	<b>42,677</b>
<b>Liabilities total</b>	<b>176,669</b>	<b>192,327</b>

# Consolidated cash flow statement (IFRS)

## of PNE WIND AG, Cuxhaven, for the first three months of 2012

<b>Consolidated accounts from January 1 until March 31</b>		
<b>All figures in TEUR (differences from rounding off possible)</b>		
	<b>2012</b>	<b>2011</b>
<b>Consolidated net result</b>	<b>-2,692</b>	<b>1,715</b>
+/- Depreciations/write-ups of fixed assets	1,488	1,237
+/- Increase/decrease in provisions	-55	-80
+/- Non-cash effective income and expenses	-320	-102
-/+ Gain/loss from disposal of fixed assets	0	0
+/- Increase/decrease of inventories and other assets	-849	-8,506
+/- Increase/decrease of trade receivables and stage of completion accounting	7,128	1,826
+/- Increase/decrease of trade liabilities and other liabilities	-2,476	-2,420
<b>Cash flow from ongoing business activity</b>	<b>2,224</b>	<b>-6,330</b>
+ Inflow of funds from disposal items of property, plant and equipment	51	40
+ Inflow of funds from intangible assets	0	0
- Outflow of funds for investments in property, plant and equipment	-14,386	-2,417
+ Inflow of funds from disposal financial assets	0	3
+ Inflow of funds from disposal of consolidated units	0	0
- Outflow of funds for investments in consolidated units	0	0
- Outflow of funds from disposal of intangible assets	-15	0
<b>Cash flow from the investing activity</b>	<b>-14,350</b>	<b>-2,374</b>
+ Additional inflow of funds from shareholders	0	0
+ Inflow of funds from minority interests	0	0
+ Inflow of funds from financial loans	9,815	0
+ Inflow of funds from the issue of bonds	0	0
- Outflow of funds from the redemption of financial loans	-1,592	-1,828
- Outflow of funds from the repayment of bonds	0	0
- Outflow of funds for capital increase expenses	0	0
<b>Cash Flow from the financing activity</b>	<b>8,223</b>	<b>-1,828</b>
Cash effective change in liquid funds	-3,903	-10,532
+ Change in liquid funds within the context of merger	0	0
+ Liquid funds at the beginning of the period	19,447	39,176
<b>Liquid funds at the end of the period*</b>	<b>15,544</b>	<b>28,644</b>
* of which are pledged to a bank as security	627	419

Supplementary information: The value of liquid funds corresponds to the "Cash and cash equivalents" item on the balance sheet as per March 31.

# Group equity level (IFRS)

of PNE WIND AG, Cuxhaven, for the first three months of 2012

All figures in TEUR (differences from rounding off possible)	Subscribed capital	Capital reserve	Retained earnings	Foreign currency reserve	Consolidated balance sheet result	Equity before minority	Minority Interests	Total sharehol- ders' equity
<b>Status as per January 1, 2011</b>	<b>45,776</b>	<b>44,874</b>	<b>51</b>	<b>-32</b>	<b>-8,244</b>	<b>82,425</b>	<b>-737</b>	<b>81,688</b>
Group result 01-03/2011	0	0	0	0	1,873	1,873	-158	1,715
Other items	0	0	0	-127	0	-127	0	-127
<b>Status as per March 31, 2011</b>	<b>45,776</b>	<b>44,874</b>	<b>51</b>	<b>-159</b>	<b>-6,732</b>	<b>84,170</b>	<b>-894</b>	<b>83,276</b>
<b>Status as per January 01, 2012</b>	<b>45,778</b>	<b>44,877</b>	<b>51</b>	<b>-133</b>	<b>-13,998</b>	<b>76,574</b>	<b>-1,872</b>	<b>74,702</b>
Group result 01-03/2012	0	0	0	0	-2,408	-2,408	-284	-2,695
Others items	0	0	0	-87	0	-87	0	-87
<b>Status as per March 31, 2012</b>	<b>45,778</b>	<b>44,877</b>	<b>51</b>	<b>-220</b>	<b>-16,407</b>	<b>74,078</b>	<b>-2,156</b>	<b>71,923</b>



# Condensed notes to the consolidated financial statements

## of PNE WIND AG, Cuxhaven, for the first three months of 2012

### 1. Accounting and valuation policies

The financial report on the first three months of the 2012 fiscal year of PNE WIND AG and its subsidiaries is drawn up according to the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB). New standards adopted by the IASB are in principle applied as from the time of their becoming effective as must be taken into consideration in the EU.

In the financial report on the first three months of the 2012 fiscal year as at March 31, 2012, the same accounting and valuation methods were used as in the consolidated financial statements as at December 31, 2011.

The interim financial statements were drawn up in line with the regulations of IAS 34. The tax expenditure of the PNE WIND Group is determined using an estimate of the taxable income of the relevant companies. The diluted consolidated earnings per share take account of the potential shares from convertible bonds in accordance with IAS 33.

### 2. Consolidated group

We refer to the disclosures on the summary of business activity, sales development as well as the results of operations, financial position and net assets in the condensed interim group management report for the first three months of 2012.

### 3. Explanations on significant changes in the balance sheet and the profit and loss account

We refer to the disclosures on the corporate structure in the condensed interim group management report on the first three months of 2012.

### 4. Contingencies

The Company granted the shareholders of the Silbitz timber-fired power station an annual guaranteed dividend of the equity provided up to the year 2016 by way of a contract in the event that the Silbitz power plant is not able to pay relevant dividends from its own funds. Due to the present plans for the Silbitz power station, the Company has formed provisions in the amount of euro 1.3 million. If the present plans are not realized in years 2011 to 2016, this amount might increase to a total of euro 2.1 million.

## Segment reporting pursuant to IFRS 8 according to areas

The internal organisation and management structure as well as internal reporting to the Board of Management and the Supervisory Board form the foundation for determining the operating segments of PNE WIND AG. As a result, a categorisation is made into the two areas of projecting of wind power turbines and electricity generation.

The „Projecting of wind power turbines“ division entails project planning and realisation of wind farms in Germany and abroad („onshore“) and project planning of wind farms on the high seas („offshore“). Alongside this, provision of services in connection with the operation of wind farms and the set-up and operation of transformer stations is part of this business segment. The core of operating activities is the discovery of suitable sites for wind farms and subsequent project planning and realisation thereof.

The „Electricity generation“ segment includes, on the one hand, the operation of the „Laubuschbach“ and „Altenbruch II“ wind farms. On the other, it entails the PNE Biomasse GmbH holding company, which hires employees to the Silbitz timber-fired power station operating company on the basis of a corresponding contract for services and which also controls further contractual obligations of PNE WIND AG with regard to the Silbitz timber-fired power station. This includes, in particular, delivery of fuels to the Silbitz timber-fired power station operating company, which is also allocated to this segment. Finally, the „Electricity generation“ business area also includes the corporations in the legal form of a limited commercial partnership with a limited liability company as its partner (GmbH & Co. KG), which act as supporting companies until the implementation of a wind farm project and are then sold to the investor in question. The assignment of these corporations to the „Electricity generation“ segment is based on the background that they will be active in producing electricity as the future operator of a wind farm - albeit only after they have left the PNE WIND Group.

The assessment of the stated revenue and expense amounts as well as of segment assets and liabilities is based on the regulations for external accounting. A separate transition of individual pieces of segment information to the matching figures in the consolidated financial statements is not necessary for this reason.

As a matter of principle, the business relationships between the companies of the Group are based on prices that are also agreed with third parties.

The figures per March 31, 2012 are compared with the figures per March 31, 2011 or, in the case of segment assets/liabilities, the figures per December 31, 2011.

All figures in TEUR (differences due to rounding possible)	Projecting of wind power turbines	Electricity generation	Consolidation	PNE WIND AG Group
	2012 2011	2012 2011	2012 2011	2012 2011
External sales	<b>5,827</b> 8,868	<b>3,145</b> 2,143	<b>0</b> 0	<b>8,972</b> 11,011
Inter-segment sales	<b>2,515</b> 1,752	<b>140</b> 106	<b>-2,655</b> -1,858	<b>0</b> 0
Change in inventories	<b>952</b> 1,095	<b>0</b> 0	<b>0</b> 0	<b>952</b> 1,095
Other capitalised contributions	<b>0</b> 0	<b>0</b> 0	<b>0</b> 0	<b>0</b> 0
Other income	<b>779</b> 214	<b>0</b> 27	<b>0</b> -19	<b>778</b> 222
<b>Total aggregate output</b>	<b>10,073</b> 11,928	<b>3,285</b> 2,277	<b>-2,655</b> -1,877	<b>10,703</b> 12,328
Depreciations	<b>-397</b> -389	<b>-1,091</b> -847	<b>0</b> 0	<b>-1,488</b> -1,237
Operating result	<b>-2,223</b> 2,098	<b>1,148</b> 383	<b>0</b> 0	<b>-1,076</b> 2,482
Interest and similar income	<b>702</b> 493	<b>9</b> 447	<b>-634</b> -446	<b>77</b> 494
Interest and similar expenses	<b>-1,249</b> -1,024	<b>-759</b> -608	<b>634</b> 446	<b>-1,374</b> -1,185
Taxes	<b>-317</b> 113	<b>15</b> -153	<b>0</b> 0	<b>-302</b> -40
Investments	<b>2,677</b> 2,183	<b>11,724</b> 234	<b>0</b> 0	<b>14,401</b> 2,417
Segment assets	<b>220,777</b> 221,155	<b>51,180</b> 58,270	<b>-95,289</b> -87,097	<b>176,668</b> 192,327
Segment liabilities	<b>183,210</b> 186,319	<b>53,053</b> 60,584	<b>-131,517</b> -129,278	<b>104,746</b> 117,625
<b>Segment shareholders' equity</b>	<b>37,568</b> 34,835	<b>-1,873</b> -2,314	<b>36,228</b> 42,181	<b>71,923</b> 74,702

Segment companies:

**Projecting of wind power turbines:** PNE WIND AG, PNE WIND Betriebsführungs GmbH, PNE WIND Netzprojekt GmbH, PNE Gode Wind I GmbH, PNE Gode Wind II GmbH, PNE Gode Wind III GmbH, PNE WIND Jules Verne GmbH, PNE WIND Nemo GmbH, PNE WIND Nautilus GmbH, PNE WIND GM Hungary Kft., PNE WIND Ausland GmbH, PNE WIND Straldja-Kamenec OOD, PNE WIND Bulgaria EOOD, PNE WIND BE Development OOD, PNE WIND Ventus Praventsi OOD, PNE WIND Yenilenebilir Enerjila Ltd., PNE WIND UK Ltd., NH North Hungarian Windfarm Kft., PNE WIND NEH/I Kft., PNE WIND PARK Dobrudzha OOD, PNE WIND USA Inc., PNE WIND Renewable Solutions LCC, PNE WIND DEVELOPMENT LLC, Underwood Windfarm LCC, Butte Windfarm LCC, PNE-BCP WIND Inc., PNE WIND Romania S.R.L, PNE WIND Pusztahencse Kft., Wind Kapital Invest Verwaltungs GmbH, Wind Kapital Invest GmbH & Co. KG, PNE WIND Nautilus II GmbH (until 07.11.2011)

**Electricity generation:** PNE Biomasse GmbH, PNE WIND Laubuseschbach GmbH & Co. KG, PNE WIND Altenbruch II GmbH & Co. KG, PNE WIND Grundstücks GmbH, Holzheizkraftwerk Silbitz GmbH & Co. KG, Plambeck Neue Energien Windpark Fonds CV GmbH & Co. KG (until 31.03.2012) limited commercial partnerships

Of the figures in the „Projecting of wind power turbines“ segment, a total performance of euro 7.2 million (previous year: euro 2.8 million), revenues of euro 5.4 million (previous year: euro 1.7 million), operating results of euro 1.3 million (previous year: euro -2.3 million), a share of segment assets of euro 141.5 million (as per December 31, 2011: euro 153,8 million) and an equity share of euro 31.1 million (as per December 31, 2011: euro 33.4 million) are to be ascribed to the German wind power onshore sub-division. In addition, onshore wind power abroad accounts for a total of euro 0.6 million (previous year: euro 0.8 million), turnover of euro 0.0 million (previous year: euro 0.0 million), an operating result of euro -3.2 million (previous year: euro -0.9 million), a portion of segment assets of euro 30.2 million (as of December 31, 2011: euro 27.7 million), an equity share of euro -12.8 million (as of 31 December 2011: euro -11.4 million).

Sales revenues with external customers and segment assets of the segments „Projecting of wind power turbines“ and „Electricity generation“ are attributable to Germany. The segment “Projecting of wind power turbines” generates sales revenues with external customers, which account for more than 10 percent of total sales revenues.

The basis of accounting for transactions between reporting segments is in line with the accounting principles applicable to the consolidated financial statements.

Cuxhaven, May 2012  
PNE WIND AG, Board of Management

# Imprint

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This interim report includes statements concerning the future, which are subject to risks and uncertainties. They are estimations of the Board of Management of PNE WIND AG and reflect their current views with regard to future events. Such expressions concerning forecasts can be recognised with terms such as “expect”, “estimate”, “intend”, “can”, “will” and similar terms relating to the Company. Factors, which can have an effect or influence are, for example (without all being included): the development of the wind power market, competitive influences including price changes, regulatory measures and risks with the integration of newly acquired companies and participations. Should these or other risks and uncertainty factors take effect or should the assumptions underlying the forecasts prove to be incorrect, the results of PNE WIND AG could vary from those, which are expressed or implied in these forecasts. The Company assumes no obligation to update such expressions or forecasts.



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