



WINDKRAFT
Report on the first half year
and on the second quarter of 2016

OVERVIEW

The operational business of the PNE WIND Group in the first six months of 2016 was characterised by the realisation and development of onshore projects. In the first six months of the year, the PNE WIND Group commissioned, started construction on or sold wind farms with a total nominal capacity of 97.8 MW.

The Wind Farm-Portfolio of internally held projects, which are under construction or already commissioned, has increased to 142.5 MW. The prerequisites for the upcoming planned sales transaction have therefore now been reached.

Internationally, wind farm projects were also consistently developed and the construction of the first wind farm in France under the John Laing framework contract with an output of 21.6 MW is scheduled to start in 2016.

Offshore, the Group's high level of project development expertise was once again confirmed. DONG Energy decided to construct the "Borkum Riffgrund II" offshore wind farm resulting in a milestone payment becoming due to PNE WIND.

In accordance with the amended EEG 2017 and the new Offshore Wind Energy Act (WindSeeG), wind farms in Germany will first need to be successful in a tender process in order to receive a feed-in tariff in the future. The Group is preparing itself for this change, as well as other market developments, and will adapt its strategy accordingly.

In the first half of 2016, the continued build-out of the Wind Farm-Portfolio had a significant influence on the Group results. Only after these wind farms are sold will the resulting earnings be recognised. Our objectives for the current year are unchanged and our solid equity ratio provides the necessary financial basis to drive our business activities forward.

AT A GLANCE

PNE WIND AG Group figures

In TEUR	01.01. - 30.06.2016	01.01. - 30.06.2015	01.01. - 30.06.2014
Total aggregate output	61,061	89,823	134,667
Revenues	44,804	71,938	117,917
Operating profit (EBIT)	-1,439	24,012	2,804
Result from ordinary activities (EBT)	-9,461	18,140	-2,960
Net income	-7,771	18,444	-2,357
Equity as at June 30	152,765	187,876	142,130
Equity ratio as at June 30 (%)	31.71	37.06	33.83
Total assets as at June 30	481,776	506,981	420,137
Basic earnings per share (euro)	-0.10	0.25	-0.04
Average number of shares (million)	76.6	74.9	55.4

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FOREWORD



Dear Shareholders

The operational business of the PNE WIND Group in the first six months of 2016 was characterised by the realisation and development of onshore projects. In the first six months, the Group commissioned, started construction or sold wind farms with a total nominal capacity of 97.8 MW. The onshore wind farms “Westerengel” and “Apensen II” were completed and commissioned. The wind farms “Köhlen”, “Holzthaleben” and “Altenbruch Repowering” are under construction.

The Wind Farm-Portfolio of internally held projects which are already commissioned or under construction has increased to 142.5 MW. Accordingly, we have reached the prerequisites for the upcoming planned sales transaction.

For the offshore project “Borkum Riffgrund II”, which we continue to support as a service provider, DONG Energy decided in June of this year to finance and construct the project. PNE WIND will not only receive a milestone payment from this, but it also gains a further reference highlighting its expertise in the development of offshore projects. Furthermore, we are preparing the “Atlantis I” project for the upcoming offshore tender in 2017.

We consistently developed our wind farm projects abroad and at the beginning of the year, we concluded a framework agreement with John Laing Investments Limited for wind farms in France and Poland. The construction of the first wind farm under this agreement with a nominal output of 21.6 MW is planned to begin by the end of 2016. With the receipt of an environmental permit for a project in Sweden, a significant step in the development of the wind farm was taken towards its realisation. In France, the objection period for a project with planning permission has ended and the permit is now effective.

The high expenses related to the construction of the wind farms, which first need to be sold before they can be recognized as earnings, had a negative impact on the results during the first six months of the year. When compared to the previous year, which was very successful due to the sale of our UK business, our results are lower. In the first six months of 2016, the Group generated sales of euro 44.8 million (prior year: euro 71.9 million), a total aggregate output of euro 61.1 million (prior year: euro 89.8 million), an operating profit (EBIT) of euro -1.4 million (prior year: euro 24.0) and undiluted earnings per share of euro -0.10 (prior year: euro 0.25).

After the period under review, PNE WIND could benefit from the current low interest rate environment and concluded a new syndicated loan agreement of euro 30.0 million plus a guarantee facility of euro 10 million in July 2016. Our equity ratio of 32 percent provides a solid financial basis to advance our business activities.

To counter market volatility, we aim to stabilise our earnings. To achieve this, we look to keep a stake in the wind farms developed by us and by doing so, take part on the wind farms future results. We will examine the option of co-investing on a project-to-project basis and this approach will also apply to our Wind Farm-Portfolio. We will also expand our Service’s area in order to benefit as much as possible from the entire “Wind energy” value added chain.

In strategic terms, we continue to see wind energy in a strong position. With the resolutions of the Paris Agreement on climate change, countries worldwide have set the goal of keeping global temperatures from rising more than 2°C, compared to pre-industrial levels. This goal can only be achieved with the increased use of wind energy and other renewable energy sources.

At the same time, regulatory frameworks continue to undergo change. With the amendment to the Renewable Energies Act (EEG) and the new Offshore Wind Energy Act (WindSeeG) in Germany, the previous feed-in tariff system for wind power will be replaced by a competitive tender process. Although the market remains attractive with a set number of MWs being auctioned each year, we are critical of the new regulatory framework for both onshore and offshore wind farms. In particular, this applies for offshore projects where project development will be taken over by a government agency, the so called "central model" and the corresponding risks which may arise. This legislative change affects projects in our offshore project pipeline and could affect investments of approx. euro 22 million. We are of the opinion, which is supported inter alia on a legal opinion, that sections of the WindSeeG adopted by the Bundestag (the German lower house of parliament) after June 30, 2016 are unconstitutional. We are examining the possibilities of taking legal action, which can however only be initiated once the legislation has come into force.

In addition, for the offshore energy projects which are located in the zones further from the coast line, we have been considering alternative uses for these projects for some time already.

There were also regulatory changes in Poland where stricter zoning regulations for wind farms have been implemented.

We constantly monitor the developments in all countries in which we are already operating or which are promising for us. If the general conditions for wind energy are positive, we see this as an option to invest in these markets. If the general conditions deteriorate, we check our possibilities

to make adjustments or withdrawing. We do so using reasoned judgement and a strategy geared towards sustainability.

Our strength is to develop high-quality wind farms in Germany and abroad. There are not many companies in the world that are able to do this. It is particularly important to continue to make use of this strength and to enter high-margin markets. We are working on a concept that enables us to start project development in such markets faster and more safely. We call this "Smart Development".

There were also personnel changes at PNE WIND AG in the first half year of 2016. The Annual General Meeting elected Dr. Isabella Niklas as a new member of the Supervisory Board, and Andreas M. Rohardt and Per Hornung Pedersen were re-elected. One day later, Markus Lesser became CEO, and assumed the function from Per Hornung Pedersen, who was once again delegated to the Board of Management until a new COO is appointed.

Our objectives for the current year remain unchanged. As planned, we intend to sell our Wind Farm-Portfolio, which we have built up in the last few years, via an IPO or through a direct sale. In the offshore sector, we look forward to the upcoming tender. And last but not least, we will continue to expand our international activities. Provided that the sale of our Wind Farm-Portfolio can be realised as planned, we confirm the Group EBIT forecast of in the area of up to euro 100 million this year.

We would like to express our very sincere gratitude - also on behalf of our employees - for your support to date.

Please maintain your confidence in us in the future!

PNE WIND AG

The Board of Management



Markus Lesser



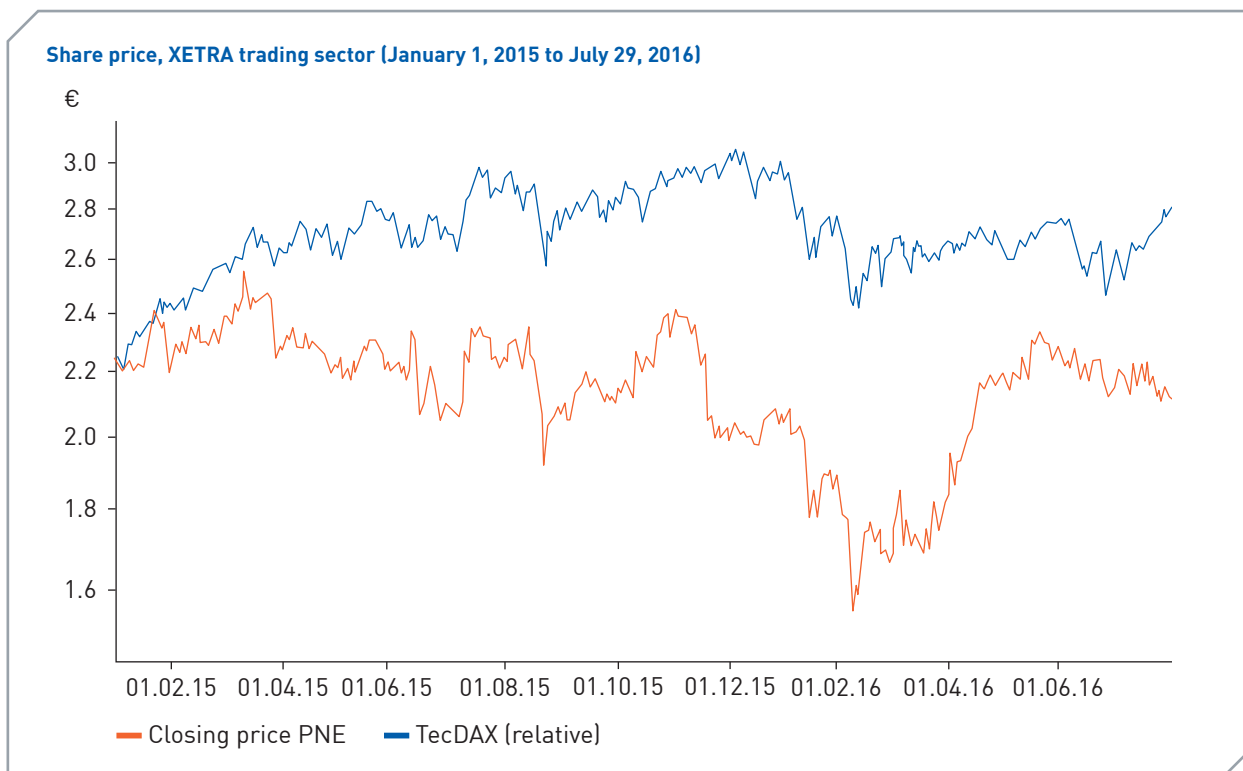
Jörg Klawat



Per Hornung Pedersen

CAPITAL MARKET INFORMATION

Share



The PNE WIND AG shares began the 2016 financial year with a price of euro 2.04. In the first three months of 2016, the PNE WIND shares lost value during a general weak market environment. In the same period, the TecDAX fell by about 12 percent. The concerns regarding the further development of the economy in China burdened the mood in the international financial markets and pulled the important share indices downwards throughout the world. On February 9, the stock reached its lowest level during the period under review at euro 1.55.

Following this difficult start in 2016, the value of the PNE WIND AG stock increased gradually. After the publication of the 2015 annual report and the announcement of the dividend the stock price recovered significantly. On May 23, the highest level of the first six months was achieved at euro 2.34. In the ensuing weeks, the share price fell again slightly. On the last trading day of the period under review, on June 30, 2016, the stock closed at euro 2.14. This corresponds to a market capitalisation of approx. euro 163.8 million.

- | Share
- | Information about bonds
and participation certificates
- | Shareholder structure
- | Key Share Figures

Information about bonds

The 2013/18 corporate bond issued by PNE WIND AG has a volume of euro 100 million and it primarily traded over 100 percent during the reporting period. The equity ratio according to the definition in the 2013 bond prospectus was 35 percent as at June 30, 2016.

The 2014/19 convertible bond had a nominal value of euro 6.6 million as at June 30, 2016. In the reporting period, bonds were converted into 185 shares. As a result of the dividend payment, the conversion price for the convertible bonds has changed. Now, the conversion price is euro 3.18.

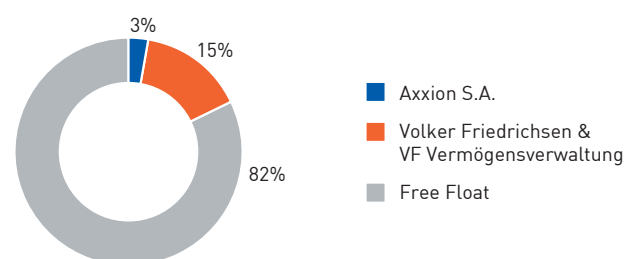
Shareholder structure

At the end of the reporting period on June 30, 2016, the total number of shares issued by PNE WIND AG amounted to 76,555,619. The increase in the number of shares compared to December 31, 2015 (76,555,434) is the result of the conversion of the 2014/19 convertible bonds.

Of the members of the Board of Management, Mr. Jörg Klowat held 100,000 shares and Mr. Markus Lesser held 24,000 shares on June 30, 2016. Of the members of the Supervisory Board, Mr. Wilken Freiherr von Hodenberg held 500 shares and Mr. Andreas Rohardt held one share of the Company on June 30, 2016.

Pursuant to the voting rights notifications, Mr. Volker Friedrichsen, Volker Friedrichsen Beteiligungs-GmbH and VF Vermögensverwaltung held together almost 15 percent of the outstanding shares. Axxion S.A. held more than 3 percent of the outstanding shares. Nearly 82 percent of the outstanding shares were regarded as free float.

Shareholder structure (June 30, 2016)



Key Share Figures (June 30, 2016)

WKN	A0JBPG
ISIN	DE000A0JBPG2
Number of shares	76,555,619
Market capitalisation	163,8 Mio. Euro
Market segment	Prime Standard
Indices	CDAX Technology, ÖkoDAX
Designated Sponsors	Commerzbank, Dero-Bank, Oddo Seydler Bank
Reuters	PNEGn
Bloomberg	PNE3

New Chief Executive Officer

Markus Lesser became the new Chief Executive Officer (CEO) of PNE WIND AG on May 26, 2016. This decision was taken by the Supervisory Board of PNE WIND AG on April 7, 2016. His contract covers the period until December 31, 2019.

Markus Lesser has more than 25 years of experience in the international energy sector. In the course of his various career milestones, he has had development and management responsibilities for wind farm projects in Europe, Asia, South America and Australia. Since May 2011, Markus Lesser has been working at PNE WIND AG as Chief Operating Officer (COO), the Management Board member responsible for operations and project development.

Markus Lesser takes over the position from Per Hornung Pedersen, who held the position of Interim CEO from December 1, 2015 to May 25, 2016. During this period, Per Hornung Pedersen's Supervisory Board mandate was suspended.

Also in the future, the Board of Management should continue to be made up of three persons. At a meeting following the Annual General Meeting on May 25, 2016, the Supervisory Board delegated Per Hornung Pedersen once again to the Board of Management for a temporary period and until a new COO is appointed. Thereafter, Per Hornung Pedersen will return to the Supervisory Board.

Annual General Meeting

The Annual General Meeting of PNE WIND AG on May 25, 2016 elected three members to the Supervisory Board and resolved to pay a dividend.

By a large majority, the shareholders voted in favour of the proposal of the Board of Management and Supervisory Board to distribute a dividend of euro 0.04 per eligible share. The shareholders also voted on the election of the three Supervisory Board members. As proposed by the management, Dr. Isabella Niklas, Andreas M. Rohardt and Per Hornung Pedersen were elected to the Supervisory Board.

The shareholders also agreed to give formal approval of actions to the current members of the Board of Management Per Hornung Pedersen, Markus Lesser and Jörg Klowat. With a clear majority, the shareholders also agreed to give formal approval of actions to the new Supervisory Board members (period of office up to October 23, 2015) and appointed Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft (renamed Deloitte GmbH Wirtschaftsprüfungsgesellschaft on June 15, 2016), Hamburg, as the auditors for the 2016 fiscal year.

- | [New Chief Executive Officer](#)
- | [Annual General Meeting](#)
- | [Financial calendar](#)
- | [Additional information](#)

Financial calendar

November 9, 2016	Publication of financial statement Q3/2016
November 21 - 23, 2016	Analyst conference

Additional information

On the website www.pnewind.com, you will find extensive information on PNE WIND AG and a comprehensive presentation of the business model as well as current data concerning the shares in the section "Investor Relations". Furthermore, annual and quarterly reports, press announcements and background information on PNE WIND AG can be found here.

CONDENSED INTERIM GROUP MANAGEMENT REPORT

of PNE WIND AG, Cuxhaven, for the first six months of 2016

1. General political conditions

Compared to the presentation in the annual report, the general political conditions have changed in the following countries.

GERMANY:

Onshore wind energy (EEG 2017)

In the first half year of 2016, an amendment to the Renewable Energies Act (EEG) was discussed by politicians and it was adopted by the German Parliament after the end of the reporting period on July 8, 2016. Pursuant to EEG 2017, the government aims to expand the amount of electricity produced from renewable energies from the current level of approx. 33 percent to 40-45 percent by 2025 and 55-60 percent by 2035. In 2050, the share of renewable energies in electricity supply shall amount to at least 80 percent.

In the future, renewable energy projects shall be promoted by way of tender processes. According to EEG 2017, 2,800 megawatt (MW) will be tendered in each of the years 2017, 2018 and 2019. Thereafter, the annual tender gross volumes increase to 2,900 MW. Projects which are decommissioned by means of repowering projects will not be netted against this amount.

For wind farms which have obtained a building permit up to the end of 2016 and are commissioned in 2017 or 2018 are still entitled to receive the feed-in tariffs (transitional regulation of EEG 2014). In order to avoid pull forward effects during the transitional period, the feed-in tariff will be reduced by 1.05 percent per month during the period from March to August 2017. If the annual installation target value of 2,500 MW is exceeded, an additional reduction will apply in each quarter.

Due to the lack of necessary investments in the electricity transmission grid, the expansion of wind energy in so-called grid bottleneck areas will be limited. These areas are still to be designated. For projects in these areas, the tender volume will be limited to 58 percent of the average new annual installations in the years 2013 to 2015.

Wind energy offshore - Offshore Wind Energy Act (WindSeeG)

On July 8, 2016, the Offshore Wind Energy Act (WindSeeG) was adopted by the German Parliament.

For offshore wind farm projects, the new WindSeeG reconfirms the target of having 15 GW installed by 2030.

In order to meet this target, 500 MW should be installed each year during 2021 and 2022 and 700 MW per year thereafter up to 2025. Beginning in 2026, the volume will be increased to 840 MW a year. Due to onshore grid bottlenecks, only wind farms in the Baltic Sea should be commissioned in 2021.

Offshore wind farms which are commissioned by the end of 2020 are eligible to receive the feed-in tariff (transitional regulation of EEG 2014).

For offshore wind farms commissioned after this period, the legislation calls for the introduction of a tender system, as in the onshore area. This shall take place in two phases. Eligible offshore wind farms which are scheduled to be commissioned after 2021 have the option to participate on the two upcoming tender rounds (March 2017, March 2018) with volumes of 1,550 MW each. Wind farms which obtained a permit pursuant to the Offshore Installations Ordinance prior to August 1, 2016 or for which a plan approval has been issued and/or a public hearing pursuant to the

Administrative Procedure Act was carried out may participate in the tender. The “Atlantis I” project of PNE WIND AG and the two “Gode Wind 3 and 4” projects, which were already sold and where PNE WIND AG continues to be active as a service provider, meet this criterion.

As at January 1, 2017, all ongoing plan approval and authorization procedures for the erection and operation of offshore wind power turbines will end, insofar as the projects are not covered by the aforementioned scope of tenders for existing projects. This legislative change is expected to affect the projects “Atlantis” II and III, “Jules Verne”, “Nemo” and “Nautilus”. Regarding the effects on the projects, we refer to the explanations in section 10 “Report on opportunities and risks”.

After the end of this transitional system, available offshore wind farm locations will be examined and tendered in the future by the state as part of the conversion to the “centralised model”.

ITALY:

Italy uses a competitive auction system for grid connection capacity. In accordance with a decree of June 2016, 800 MW are to be allocated in the next year following a tender at the end of 2016. The future expansion of renewable energy sources is re-determined by the government in each year by way of a decree.

POLAND:

The Polish Renewable Energies Act was revised in 2016 and a tender procedure was introduced. Pursuant to this, renewable energy companies have to sell their electricity on the electricity exchange and shall receive compensation up to the price offered by them. In addition, a zoning regulation was introduced, which stipulates that the minimum distance between future wind farms and other buildings must be ten times the height of the turbines. This regulatory change impedes wind energy developments in Poland. Regarding the effects on the projects, we refer to the explanations in section 10 “Report on opportunities and risks”.

TURKEY:

The wind energy market in Turkey is based on a state-guaranteed feed-in tariff system. Additionally, there was a licensing procedure for grid capacity introduced in 2013, whereby an auction system is used for individual connection points. The conditions for the procedure are currently being revised. The next auction is expected to take place, at the earliest, at the end of 2016. The political events in the summer of this year currently have no significant impact on the planned expansion of renewable energies in Turkey.

2. Corporate structure

The changes in the companies included in the consolidated financial statements versus December 31, 2015 are presented in the condensed notes to the consolidated financial statements under 3. Scope of consolidation.

3. General accounting principles

In the financial report for the first six months of the 2016 fiscal year as at June 30, 2016, the Company applied the same accounting and valuation methods as for the consolidated financial statements as at December 31, 2015.

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 by using an estimate of the taxable income of the relevant companies.

4. Organisation and employees

On June 30, 2016, PNE WIND AG employed 360 people in total (previous year: 383). The employees of the subsidiaries are included in this number.

5. Summary of business activity

Wind power onshore sub-division

The development and realisation of onshore wind farms have been continued consistently in the first half year of 2016, both in Germany and in the markets abroad.

Overview of the onshore project activities of the PNE WIND Group as at June 30, 2016 in MW:

Country	I-II	III	IV	Total MW
Germany	1,207	94	82	1,383
Bulgaria	121	0	0	121
United Kingdom	43	0	0	43
Italy	242	14	0	256
France	256	123	0	379
Poland	223	42	0	265
Romania	55	102	0	157
South Africa	100	30	0	130
Sweden	99	86	0	185
Turkey	700	0	0	700
Hungary	0	42	0	42
USA	337	180	0	517
Canada	555	0	0	555
Total	3,938	713	82	4,733

Phase I – II = Exploration & Development Phase
Phase III = Planning
Phase IV = Implementation till handover

GERMANY:

At the end of the second quarter of 2016, the PNE WIND Group was working on onshore wind farm projects with a nominal output of 1,383 MW in various phases of project development.

In the first six months of 2016, the PNE WIND Group commissioned, started construction or sold wind farms with a total nominal capacity of 97.8 MW. The wind farms “Westerengel” and “Apensen II” with a total nominal output of 29.1 MW were fully constructed and commissioned. “Westerengel” (23.1 MW) was handed over as a turnkey project to the Beteiligungsgesellschaft CEE, and “Apensen II” (6 MW) was included in the internally held Wind Farm-Portfolio. At present, three wind farms with a total nominal output of 53.1 MW are under construction. These are the projects developed by PNE WIND AG “Köhlen” (21.3 MW), “Holzthaleben” (4.8 MW) and “Altenbruch Repowering” (27 MW, of which 12 MW is transferred to the Wind Farm-Portfolio). These wind farms are expected to be completed in 2016. After the end of the reporting period, a further 6 MW were granted approval for the “Altenbruch Repowering” wind farm.

In addition, project rights for a volume of 15.6 MW were sold to project partners in the first six months of 2016.

Foreign markets

The PNE WIND Group also continued to carry out its core business of project development abroad. Compared to the presentation of activities in the 2015 annual report, there were changes in the following countries.

FRANCE:

At the beginning of the year, the Company concluded a framework agreement regarding the future sale of international wind energy projects with John Laing Investments Limited. The agreement includes wind farms in France with a total volume of more than 50 MW. The start of construction on the first of these wind farms with an output of 21.6 MW is planned for 2016. The other wind farms should be successively ready for construction in the next two years. Each purchase agreement will be subject to the building and operational permit of the projects. WKN AG will be responsible for the construction of the wind farms and will be contracted as the EPC contractor by John Laing Group plc.

In addition, the planning permission for another wind farm with 10.3 MW has become effective following the end of the objection period.

POLAND:

At the beginning of the year, WKN AG concluded an agreement with John Laing regarding a proposed investment in a project in Poland with a total nominal output of approx. 40 MW. The wind farm is scheduled to be included in the next tender for renewable energy projects in Poland. At the end of June 2016, an environmental permit for a further project with 132 MW was granted. These two projects are not affected by the stricter zoning regulations.

SWEDEN:

In Sweden, the environmental permit for a project with 99 MW was issued in June 2016. Since the environmental permit in Sweden corresponds to the operating permit, obtaining the environmental permit is a decisive step in project development.

At the end of the second quarter of 2016, the companies of the PNE WIND Group were developing wind farm projects in various phases of the multiple year development process with approx. 4,733 MW of nominal output, both in Germany and in the international markets.

Compared to December 31, 2015, there were no other significant changes.

Wind Farm-Portfolio

Since 2014, completed wind farms, which reliably produce electricity at various locations and generate sustainable earnings via the guaranteed feed-in tariffs, have been bundled into a portfolio. This portfolio will include mainly German wind farms with a total nominal output of up to 150 MW. It is planned to sell the project portfolio in 2016 - in part or entirely - in the context of an IPO or through a direct sale.

The following table shows the current status of the Wind Farm-Portfolio, which includes projects that are commissioned or are under construction.

Project	Location	Status	Planned nominal output in MW	Completion / scheduled completion*
Altenbruch II	Lower Saxony	Commissioned	25.8	2009
Chransdorf	Brandenburg	Commissioned	57.6	2015
Waldflecht-Selfkant	North Rhine-Westphalia	Commissioned	9.0	2015
Apensen II	Lower Saxony	Commissioned	6.0	2016
Köhlen	Lower Saxony	Under construction	21.3	Second half of 2016*
Holzthaleben	Thuringia	Under construction	4.8	Second half of 2016*
Altenbruch Repowering**	Lower Saxony	Under construction	12	Second half of 2016*
Total			136,5	

** In July 2016, two additional wind turbines for the "Altenbruch Repowering" project with a total nominal output of 6 MW were permitted. The portfolio project will have now 18 MW once completed.

Wind power offshore sub-division

PNE WIND AG: Overview of the offshore project activities as at June 30, 2016:

Own projects

Project	Zone	Phase	#WES	Total MW
Nemo	4	2	80	480
Jules Verne	4	2	80	480
Nautilus I	4	2	80	480
Atlantis I	2	3	73	584
Atlantis II	3	2	80	400
Atlantis III	3	2	80	400
Total			473	2,824

Sold projects

Project	Zone	Phase	#WES	Total MW
Borkum Riffgrund I	1	8	78	312
Borkum Riffgrund II	1	6	56	448
Gode Wind 1 & 2	1	8/8	55 + 42	582
Gode Wind 3 & 4	1	3/4	15 + 42	342
HTOD5 (Nautilus II)	4	2	68	476
Total			356	2,160

Phase 1 = Project identification
Phase 2 = Application conference held
Phase 3 = Hearing held
Phase 4 = Approval granted
Phase 5 = Grid connection
Phase 6 = Investment decision
Phase 7 = Under construction
Phase 8 = In operation

The German Federal Maritime and Hydrographics Agency (BSH) issued the construction permit for the “Borkum Riffgrund II” offshore project in December 2011 and PNE WIND AG continued to work on this project as a service provider. In June 2016, DONG Energy gave notice that it made the Final Investment Decision to construct and finance the “Borkum Riffgrund II” offshore wind farm. This resulted in a milestone payment of euro 3.2 million becoming due. PNE WIND AG will receive a last milestone payment of euro 4.1 million for this project, when the wind farm is put into operation.

For the “Atlantis I” offshore project, the project approval documentation has been reworked by PNE WIND AG and adapted to other application parameters (e.g. turbines and foundation structures) and the current planning procedure requirements. The public hearing for this project took place in 2014. PNE WIND AG intends to participate with this project in the next offshore tender in 2017 together with a strong partner. The project has been expanded to up to 584 MW.

As at June 30, 2016, PNE WIND AG was working on 12 offshore projects in total, of which six are fully owned by the Company. For the remaining six, PNE WIND is active as a service provider. According to the current planning, a total of up to 473 wind power turbines can be constructed in our own offshore wind farms. Decisive for the exact number is the nominal output of the turbines to be selected, which can amount to between 3 and 8 MW. In total, the planned nominal output of our own six offshore projects amounts to up to 2,824 MW.

Compared to December 31, 2015, there were no other significant changes in the area of operations. For changes within the regulatory context, the statements in the section “General political conditions” apply.

Electricity generation segment

The electricity generation segment combines all activities of the Group companies, which are engaged directly in the production of electricity from renewable energy. This sector includes the “Laubuschbach” wind farm operated by PNE WIND AG, the commissioned Wind Farm-Portfolio projects “Altenbruch II”, “Chrandsdorf”, “Apensen II” and “Waldfeucht-Selfkant” as well as PNE Biomasse GmbH, which, in accordance with a business supply contract, provides the personnel for the timber biomass power plant in Silbitz. Furthermore, the segment also includes shares in limited partnerships, in which future onshore wind farm projects are to be implemented.

Until the sale and delivery of wind farms to the operators, the electricity generation segment includes the revenues of these wind farms within the context of segment reporting.

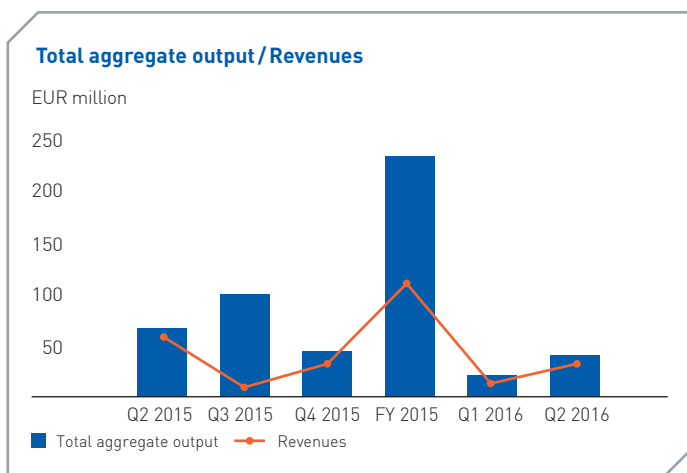
In the first six months of 2016, the electricity generation segment achieved an EBIT of euro 3.8 million (previous year: euro 1.5 million).

6. Economic report

The figures shown below were determined and presented in accordance with IFRS for the Group.

The figures in the text and in the tables were rounded and small rounding differences are possible.

a. Revenues and earnings



In the first six months of 2016, the PNE WIND AG Group achieved a total aggregate output of euro 61.1 million (prior year: euro 89.8 million) in accordance with IFRS. Of this, euro 44.8 million is attributable to revenues (prior year: euro 71.9 million), euro 12.2 million to change in inventories (prior year: euro 15.8 million), and euro 4.1 million to other operating income (prior year: euro 2.0 million). The decline in revenues compared to the previous year period is mainly due to the sale of shares of PNE WIND UK Ltd., which generated revenues of euro 37.4 million during the same period of 2015.

The activities of the Group in project development in Germany and abroad and also both onshore and offshore

are reflected in the expense items. The share of cost of materials in the Group's total aggregate output amounts to euro 32.4 million (prior year: euro 35.6 million). In comparison to the previous year, the cost of materials ratio for the Group is higher due to the sale of PNE WIND UK Ltd. This transaction generated sales which were not accompanied by any, or only a very low cost of materials.

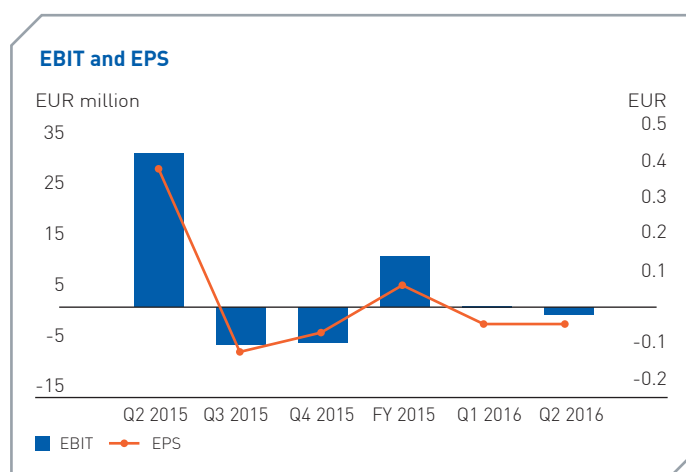
In the period under review, the personnel expenses amounted to euro 13.1 million in the Group and thus declined in comparison to the amount of the prior year period of euro 13.8 million. The number of employees in the Group as at June 30, 2016 amounted to 360 people (as at June 30, 2015, 383 people).

The other operating expenses in the Group totalling euro 11.0 million (prior year: euro 12.5 million) are attributable primarily to impairment losses on receivables or other assets, legal and consulting costs, advertising and travel expenses, insurance and contributions, repair and maintenance expenses, mainly for "Altenbruch II" and "Silbitz" as well as rental and leasing expenses. The higher other operating expenses in the previous year period are mainly attributable to the sale of PNE WIND UK Ltd.

Depreciation increased to euro 6.0 million versus the prior year period (euro 3.9 million). Depreciation was incurred primarily at the "Altenbruch II" wind farm, the "Silbitz" timber biomass power plant and "Chransdorf" and "Waldfeucht-Selfkant" portfolio projects. The increase over the previous year resulted in particular from current depreciation charges arising from the Wind Farm-Portfolio projects, which in 2015, other than in 2016, were incurred only pro-rated in the first 6 months, since they were completed during the year.

Interest expenses in the Group increased from euro 6.6 million in the prior year period to euro 8.4 million. Interest and similar expenses increased primarily due to the project financing of the Group's Wind Farm-Portfolio projects.

In the period under review, the Group generated an operating profit (EBIT) of euro -1.4 million (prior year: euro 24.0 million) and earnings before tax (EBT) in the amount of euro -9.5 million (prior year: euro 18.1 million). In the same period of the previous year, the sale of PNE WIND UK Ltd. generated a contribution to the Group EBIT of approx. euro 35 million. This is the main reason for the change in the Group EBIT versus the prior year. The consolidated net income after minority interests amounted to euro -7.8 million (prior year: euro 18.4 million). The undiluted earnings per share for the Group amounted to euro -0.10 (prior year: euro 0.25) and the diluted earnings per share for the Group amounted to euro -0.10 (prior year: euro 0.24).



Due to the negative business results and the dividend payment made in the reporting period of euro 3.1 million, retained earnings at the Group level declined to euro 0.1 million in the reporting period (December 31, 2015: euro 10.9 million).

With regard to the subsidiaries consolidated in the Group, the major portion of revenues achieved in the period under review was in respect of management remuneration and service payments in the amount of euro 2.7 million (prior year: euro 2.7 million), payments for the use of transformer stations in the amount of euro 1.3 million (prior year: euro 1.3 million) and proceeds from the sale of electricity in the electricity generation segment in the amount of euro 12.2 million (prior year: euro 6.3 million). The subgroup of WKN AG was included in the Group of PNE WIND AG in accordance with IFRS with the following values (before consolidation effects):

WKN sub-group (in EUR million)	01.01.–30.06.2016	01.01.–30.06.2015
Revenues	24.0	19.6
Total aggregate output	29.6	25.8
Personnel expenses	-5.5	-5.3
Other operating expenses	-3.7	-6.2
EBIT	-5.9	-1.3
Employees on June 30, 2016	144 EE	175 EE

The results of the Group reflect, among other things, the continued investments needed to develop the onshore and offshore project pipeline in Germany and abroad. The preliminary work for domestic projects which are at the realisation stage is consolidated within the Group and has not yet delivered results at the Group level. The accrued earnings before tax, which have been eliminated at the Group level, since 2014 to June 30, 2016 amount to euro 33.1 million (of which about euro 2.5 million in 2016).

b. Financial situation/liquidity

The statement of cash flows provides information on the liquidity situation and the financial situation of the Group. As at June 30, 2016, the Group companies had available liquidity in the amount of euro 89.0 million and credit lines for interim project financing, of which an amount of euro 3.9 million is pledged to banks (prior year: euro 197.1 million, of which euro 2.5 million pledged).

The liquidity available is broken down as follows

- cash and cash equivalents in the amount of euro 39.4 million and
- interim project financing available in the amount of euro 49.6 million.

Furthermore, PNE WIND AG has a credit facility available for guarantee and contract fulfilment obligations in the amount of euro 3.0 million (amount drawn: euro 3.0 million).

Explanation:

The WKN Group was financed mainly by a syndicated working capital loan amounting to a total of euro 20 million as well as working capital loans, repayable at maturity, in the amount of euro 6 million as base financing. The syndicated loans and working capital loans had a term to June 30, 2016. The funds were repaid at maturity by WKN AG and are no longer included in the figures due to expiry of the loans on June 30, 2016. During the reporting period, PNE WIND AG and WKN AG conducted negotiations with a banking consortium regarding a new syndicated loan facility, for which a contract was concluded after the end of the reporting period (refer to item 9 of the report "Major events following the end of the reporting period").

The cash flow from ordinary activities shown in the statement of cash flows amounts to euro -40.4 million (prior year: euro -52.8 million) and is primarily attributable to

- the Group result in the reporting period,
- the expenses for the implementation of the portfolio projects, the further development of the project pipeline and the implementation of the wind farm projects, which are reflected in the inventories and were primarily financed by interim project financing (see Cash flow from financing activities) and
- to the profit from the disposal of fixed assets and the deconsolidation of PNE WIND UK Ltd. in the previous year which - in accordance with accounting rules - is not included in the cash flow from operating activities but rather in the cash flow from investing activities.

The cash flow from investing activities in the reporting period includes payments received and payments made for investments in property, plant and equipment of the Group as well as for the sale of consolidated entities totalling euro -0.4 million (prior year: euro 21.6 million). The investments in property, plant and equipment were characterised mainly by investments in transformer stations for the wind farm projects being constructed. In the previous year, the cash flow from investing activities included divestments totalling euro 23.7 million, which were attributable primarily to the sale of the shares of PNE WIND UK Ltd.

During the reporting period, the cash flow from financing activities in the amount of euro -5.8 million (prior year: euro 70.3 million) was influenced primarily by:

- the repayment and disposal of credit liabilities of euro -25.5 million, including the repayment of syndicated credit lines and working capital lines of WKN AG,
- the payment of the dividend in the amount of euro -3.1 million,
- the taking of bank loans in the amount of euro 22.8 million - mainly for the project financing of wind farm projects being constructed and the project financing of the "Köhlen", "Apensen II", "Holzthaleben" and "Altenbruch Repowering" Wind Farm-Portfolio projects.

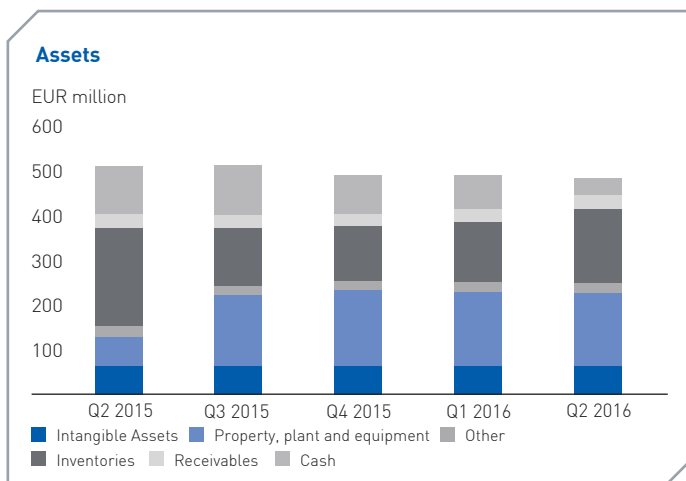
Following the conversion of 2014/2019 convertible bonds, 185 new shares were issued in the reporting period. As at June 30, 2016, the share capital of PNE WIND AG amounted to euro 76,555,619.00.

As at June 30, 2016, the Group had liquid funds in the amount of euro 39.4 million (prior year: euro 105.8 million).

c. Asset situation

Assets (in EUR million)	30.06.2016	31.12.2015
Total long term assets	246.6	251.1
Intangible assets	63.0	63.1
Property, plant and equipment	162.0	167.4
Long-term financial assets	3.2	3.2
Deferred taxes	18.4	17.4
Assets designated for sale	1.2	1.1
Total short term assets	234.0	236.1
Inventories	162.5	121.2
Receivables and other assets	30.9	27.3
Tax receivables	1.2	1.5
Cash and cash equivalents	39.4	86.1
Total assets	481.8	488.3

On the reporting date, the consolidated total assets of PNE WIND AG amounted to euro 481.8 million. This is a decrease of 1.3 percent in comparison with December 31, 2015.



Total long term assets decreased from euro 251.1 million at the end of 2015 to euro 246.6 million on the reporting date. As at June 30, 2016, intangible assets totalled euro 63.0 million, representing a similar amount as recorded on December 31, 2015. The most important element of this item is the goodwill of the segment "Projecting of wind power turbines" in the amount of euro 60.2 million (of which projecting of wind power turbines PNE is valued at euro 20.0 million and projecting of wind power turbines WKN is valued at euro 40.2 million). In the same period, property, plant and equipment decreased by euro 5.4 million to euro 162.0 million (December 31, 2015: euro 167.4 million). This item primarily includes land and buildings (euro 16.3 million without the land and buildings of "Silbitz"),

transformer stations owned or under construction (euro 10.7 million) and the technical equipment and machinery of the commissioned Wind Farm-Portfolio projects "Chrandsdorf" and "Waldfeucht-Selfkant" (euro 104.2 million), the "Altenbruch II" wind farm project (euro 22.4 million) and the Silbitz timber biomass power plant (euro 4.3 million including land and buildings in the amount of euro 2.9 million).

During the period under review, short term assets decreased from euro 236.1 million as at December 31, 2015 to euro 234.0 million on June 30, 2016. This change is mainly attributable to the decrease in cash and cash equivalents (euro -46.7 million) and the increase in inventories (euro +41.3 million). Of the short term assets, euro 8.9 million is attributable to trade receivables (December 31, 2015: euro 8.0 million).

The work in progress shown in the inventories increased from euro 114.2 million as at December 31, 2015 to euro 137.8 million. The increase in work in progress is mainly characterised by the implementation of the onshore projects in Germany and the further development of the onshore and offshore project pipelines in Germany and abroad.

Work in progress is divided as follows:

- offshore projects "Nemo", "Nautilus", "Jules Verne" (euro 10.8 million),
- offshore projects "Atlantis II - III" (euro 11.8 million),
- offshore project "Atlantis I" (euro 21.4 million),
- onshore projects planned for the Wind Farm-Portfolio (euro 23.8 million)
- onshore projects in Germany (euro 22.7 million),
- onshore projects in Poland (euro 11.7 million),
- onshore projects in Italy (euro 14.2 million),
- onshore projects in France (euro 8.8 million),
- onshore projects in Sweden (euro 4.3 million),
- onshore projects in Romania (euro 1.7 million),
- onshore projects in the USA (euro 2.2 million),
- an onshore WKN project in the United Kingdom (euro 2.4 million) and
- onshore projects in South Africa (euro 2.0 million).

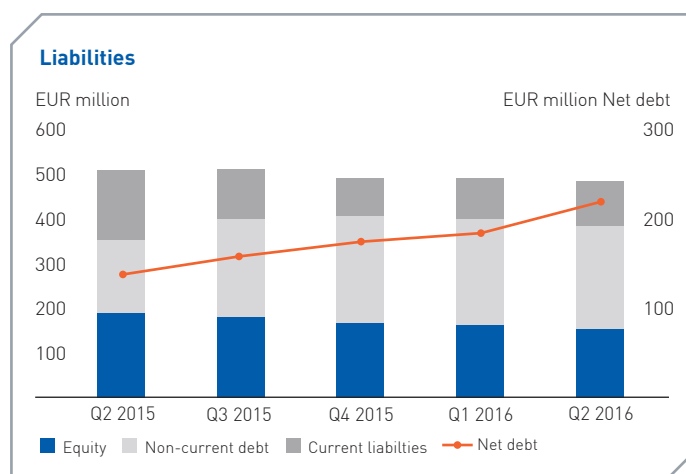
Under the inventories item, advance payments in connection with onshore projects under construction increased by euro 17.8 million from euro 6.9 million to euro 24.7 million.

As at June 2016, cash and cash equivalents amounted to euro 39.4 million (as at December 31, 2015: euro 86.1 million). The change is mainly due to the advance financing of projects and the contractually agreed repayment of the syndicated credit and working capital credit lines of WKN AG.

Liabilities (in EUR million)	30.06.2016	31.12.2015
Shareholders' equity	152.8	165.9
Deferred subsidies from public authorities	0.9	0.9
Provisions	14.3	15.7
Long term liabilities	217.7	227.2
Short term liabilities	85.1	68.3
Deferred revenues	11.0	10.3
Liabilities in connection with assets designated for sale	0.0	0.0
Total liabilities and shareholders' equity	481.8	488.3

On the liability side, consolidated shareholders' equity decreased from euro 165.9 million as at December 31, 2015 to euro 152.8 million as at June 30, 2016. This development was attributable primarily to the result of the Group and the dividend payment in May 2016. The equity ratio of the Group was approx. 32 percent as at June 30, 2016 (December 31, 2015: approx. 34 percent) and the debt ratio was approx. 68 percent (as at December 31, 2015: approx. 66 percent).

The long term liabilities decreased from euro 227.2 million at the end of 2015 to euro 217.7 million. This item consists mainly of financial liabilities totalling euro 213.8 million (as at December 31, 2015: euro 223.7 million). These liabilities include the corporate bond issued in May and September 2013 in the net amount of euro 97.7 million. In addition, the long term financial liabilities include the 2014/2019 convertible bond issued in the 2014 fiscal year in an amount of euro 6.2 million. The item also includes long term liabilities to banks in the amount of euro 109.2 million (as at December 31, 2015: euro 112.5 million).



The short and long term liabilities to banks mainly include:

- the project financing of the “Altenbruch II” wind farm (euro 16.9 million, of which long term euro 13.8 million),
- the project financing of the timber biomass power plant “Silbitz” (euro 1.7 million, of which long term euro 1.0 million),
- the financing of the buildings of the companies of PNE WIND AG at the corporate headquarters in Cuxhaven and of WKN AG in Husum (euro 3.5 million, of which long term euro 3.1 million).
- the project financing of the Wind Farm-Portfolio projects “Chransdorf” and “Waldfeucht-Selkant” (euro 89.6 million, of which long term euro 80.4 million – see explanation 1 below),
- the interim project financing of the “Köhlen” wind farm (euro 11.4 million, of which long term euro 0.0 million – see explanation 2 below),
- the interim project financing of the “Altenbruch Repowering” wind farm (euro 9.1 million, of which long term euro 0.0 million – see explanation 2 below),
- the interim project financing of the “Holzthaleben” wind farm (euro 2.3 million, of which long term euro 0.0 million – see explanation 2 below),
- the project financing of the “Apensen II” wind farm (euro 11.8 million, of which long term euro 11.0 million).

Explanation 1:

The wind farm projects “Chransdorf” and “Waldfeucht-Selkant” were partly financed by public KfW loans, which have an interest rate below the market rate. As at June 30, 2016, the difference between the fair value and the nominal value of the loans amounted to euro 12.3 million. This difference was set off against the acquisition or production costs of the corresponding assets (wind turbines) and is recognised over the useful life of these assets.

Explanation 2:

The project financing for several projects (e.g. the “Köhlen” project) is interim financing and will be converted into long term project financing after the wind farms are completed. Although the long term financing has been secured, the project interim financing will be reported under short term loan liabilities until the point of conversion.

On June 30, 2016, the total number of shares issued by PNE WIND AG amounted to 76,555,619. The increase in the number of shares compared to December 31, 2015 (76,555,434 units) is the result of the issuance of 185 new shares resulting from the conversion of convertible bonds.

PNE WIND AG gave a contractual commitment to the limited partners participating in the operating company of the Silbitz biomass power station to repurchase their limited partnership shares at the beginning of 2017 at a price in the amount of 110 percent of the nominal value. Due to this undertaking, other financial liabilities include a discounted purchase price liability in the amount of euro 7.2 million as at June 30, 2016.

In the first half year of 2016, the short term liabilities increased from euro 68.3 million (December 31, 2015) to euro 85.1 million, mainly due to the fact that the discounted purchase price liability “Silbitz” is no longer recognised under the long term liabilities (maturity at the beginning of 2017). Short term financial liabilities, which include short term credit liabilities, increased from euro 36.6 million (December 31, 2015) to euro 45.1 million. The trade liabilities decreased from euro 16.9 million as at December 31, 2015 to euro 15.7 million.

Taking into consideration the liquid funds, the net debt on June 30, 2016 was euro 219.5 million (December 31, 2015: euro 174.2 million) in accordance with DVFA – German Association for Financial Analysis and Asset Management.

7. Transactions with related companies and persons

Beyond the election Dr. Isabella Niklas to the Supervisory Board, there were no significant changes versus December 31, 2015.

8. Development and innovation

During the reporting period there were no research and development activities in the Group of PNE WIND AG.

9. Major events following the end of the reporting period

On July 8, 2016, the German parliament adopted the amendment to the Renewable Energies Act (EEG) and the Offshore Wind Energy Act (WindSeeG). As a result, the changes in the regulatory conditions for the further expansion of onshore and offshore wind energy in Germany, described in the section “General political conditions”, will come into force.

On July 25, 2016, PNE WIND AG and WKN AG concluded a new syndicated loan agreement with a volume of euro 30 million and a credit guarantee facility with a volume of euro 10 million with a consortium consisting of several banks and an insurance company under the leadership of Commerzbank AG. The syndicated loan agreement provides for a term of the credit lines up to the end of 2017. The agreement includes a reduction of the syndicated credit line by euro 20 million upon the realisation of the Wind Farm-Portfolio, but at the latest as at March 31, 2017.

On July 29, 2016, the Supervisory Board resolved to extend the contract of the Chief Financial Officer Jörg Klowat by three years up to March 31, 2020.

The Federal Financial Supervisory Authority (BaFin) has determined, by decision of July 29, 2016 that the consolidated financial statements of PNE WIND AG on December 31, 2013 and the combined management report for fiscal year 2013 in relation to the purchase price allocation of WKN AG at the time of initial inclusion on July 4, 2013 and the specification of a three-year EBIT forecast without specifying the forecasted EBIT for the following year was incorrect. An official publication of the reported errors will be immediately made following the receipt of BaFin’s instruction.

The percentage-of-completion (PoC) method, which was classified as incorrect by the German Financial Reporting Enforcement Panel (DPR), was not deemed to be incorrect by BaFin. The findings of BaFin have no impact on the Interim Financial Report as of June 30, 2016. PNE WIND AG has already corrected the purchase price allocation of WKN AG in the consolidated financial statements as of December 31, 2014. Also, PNE WIND has provided an EBIT forecast for the following year, since the publication of the Interim Financial Report as of June 30, 2015.

Apart from this, there were no major events affecting the earnings, financial and assets position of the Group after the end of the reporting period.

10. Report on opportunities and risks

For information about the opportunities and risks of PNE WIND AG, refer to the section "Report on opportunities and risks" in the 2015 annual report, which is available on the Company's website at www.pnewind.com.

The following risks have changed significantly compared to the report on opportunities and risks in the 2015 annual report.

The risk "arbitration action against Volker Friedrichsen Beteiligungs-GmbH" no longer exists, since a consensual agreement was reached here.

The legal risk in connection to the DPR/BaFin examination contained in the Annual Report 2015 no longer exists with the judgment dated July 29, 2016.

The risks regarding the offshore projects of PNE WIND AG have increased significantly due to the amendment to the EEG and the new Onshore Wind Energy Act (WindSeeG), which was adopted by the German Government on July 8, 2016. This may have the result that the realisation of the projects is delayed considerably or prevented entirely. PNE WIND AG is currently examining the effects of the legislative changes and the possibilities of a constitutional action against the EEG 2017 or WindSeeG. Pursuant to a legal opinion of Prof. Martin Schulte, University of Dresden, parts of WindSeeG are unconstitutional. In particular, this results in a degradation of a bona fide legal situation and, thus, a so-called "genuine impact" on the projects in the development phase, which leads to "cold expropriation". On the basis of this assessment, the Board of Management of PNE WIND AG, on the date of preparation of this financial report, was of the opinion that the legislation, in the version adopted by the German Parliament, is partly unconstitutional and will not last in the end. In addition, the Board of Management expects that - provided that the Federal President will sign the legislation and signing is not refused due to constitutional objections - a constitutional complaint might very likely result, as a minimum, in the replacement of the damages incurred by PNE WIND AG and, thus, reimbursement of the expenses already incurred.

Independent of the WindSeeG as well as possible claims for damages and the unconstitutionality of the legislation, PNE WIND AG has been developing alternative options for the offshore projects in question.

Due to the possibilities described above, the Board of Management did not make any value adjustments to the assets of the offshore projects ("Nemo", "Nautilus", "Jules Verne", "Atlantis II - III") that may be affected as at June 30, 2016. If it turns out that the Company, contrary to the current opinion of the Board of Management, has no claim for damages for investments already made in these offshore projects and does not receive any other compensation payments, a value adjustment of these assets would be necessary if no other alternative possibilities to realise the projects in some other form is determined. In the consolidated balance sheet as of June 30, 2016, there are assets amounting to euro 22.6 million and provisions amounting to euro 1.1 million in connection to the offshore projects in question.

The Polish parliament adopted a considerably more stringent zoning regulation for wind power systems. The law stipulates the distance required between wind power turbines and residential buildings and protected nature reserves of at least ten times the total height of the turbine (hub height plus length of the rotor). This significantly impedes the development and sale of further wind farms in Poland. As a first step, the Group examined the Polish projects in the development pipeline. Based on the new legislation, two projects were identified which cannot be realised profitably and assets totalling approx. euro 1.4 million were written-off as at June 30, 2016.

During the first six months of the 2016 fiscal year, the Board of Management has not identified any other significant additions or changes to the risks presented in the 2015 annual report.

11. Management declaration (Section 289a of the German Commercial Code (HGB))

The management declaration is published on our internet page www.pnewind.com in the section "Investor Relations" under Corporate Governance and can be downloaded from there.

12. Outlook/Forecast

Since 2014, the PNE WIND Group has taken significant steps into expanding its business model. This includes the bundling of wind farms, which were already commissioned or are under construction, in an internally held Wind Farm-Portfolio. The wind farms with a total nominal capacity of up to 150 MW will be bundled and marketed as a single portfolio. This process should be finalised during the 2016 fiscal year. In parallel, the Company will also develop and construct new wind farms, which are to be sold directly to investors.

However, future developments have been significantly influenced by regulatory changes in several markets. In Germany, these are the EEG 2017 and the new Offshore Wind Energy Act (WindSeeG). The effects from regulatory changes and market changes are being analysed and may lead to consequences. From this, the Group strategy needs to be re-oriented and adapted on a regular basis.

The forecast for the financial result in the 2016 fiscal year has not changed significantly since December 31, 2015. The Group EBIT forecast for 2016 is unchanged and is expected to be in the range of up to euro 100 million. Achievement of this forecast is dependent on the successful sale of the Wind Farm-Portfolio containing onshore projects with up to 150 MW and that the general regulatory conditions in certain markets will have no significant positive or negative effects on the Group's project development and sales activities for onshore and offshore projects.

Cuxhaven, August 11, 2016

PNE WIND AG, Board of Management

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

of PNE WIND AG, Cuxhaven, from 1. January until June 30, 2016

All figures in TEUR (differences due to rounding possible)		Interim Group Management Report	2nd Quarter 01.04.2016 - 30.06.2016	2nd Quarter 01.04.2015 - 30.06.2015	1st Half 01.01.2016 - 30.06.2016	1st Half 01.01.2015 - 30.06.2015
1.	Revenues	6a	32,861	56,746	44,804	71,938
2.	Changes in inventories of finished goods and work in process	6a	6,357	8,145	12,169	15,840
3.	Other operating income		719	1,313	4,088	2,045
4.	Total aggregate output		39,937	66,204	61,061	89,823
5.	Cost of materials / cost of purchased services	6a	-26,895	-20,343	-32,361	-35,605
6.	Personnel expenses	6a	-6,012	-6,730	-13,121	-13,797
7.	Amortisation of intangible assets and depreciation of property, plant and equipment	6a	-2,991	-1,974	-5,989	-3,863
8.	Other operating expenses		-5,701	-7,153	-11,029	-12,546
9.	Operating profit		-1,662	30,004	-1,439	24,012
10.	Income from participations and associated companies		-13	-143	8	-137
11.	Other interest and similar income		251	657	379	860
12.	Expenses from assumption of losses		-23	-5	-52	-10
13.	Interest and similar expenses	6a	-4,384	-3,444	-8,357	-6,585
14.	Result from ordinary activities		-5,831	27,069	-9,461	18,140
15.	Taxes on income		771	-196	16	-38
16.	Other taxes		-38	-23	-81	-48
17.	Profit / loss before minority interests		-5,098	26,850	-9,526	18,054
18.	Non-controlling interests		-998	-777	-1,756	-390
19.	Consolidated profit / loss		-4,100	27,627	-7,770	18,444
	Earnings per share (undiluted), in EUR		-0.05	0.37	-0.10	0.25
	Earnings per share (diluted), in EUR		-0.05	0.36	-0.10	0.24
	Weighted average number of shares in circulation (undiluted) in million		76.6	74.9	76.6	74.9
	Weighted average number of shares in circulation (diluted) in million		78.6	76.9	78.6	76.9

All figures in TEUR (differences due to rounding possible)		Interim Group Management Report	2nd Quarter 01.04.2016 - 30.06.2016	2nd Quarter 01.04.2015 - 30.06.2015	1st Half 01.01.2016 - 30.06.2016	1st Half 01.01.2015 - 30.06.2015
19.	Consolidated profit / loss		-4,100	27,627	-7,770	18,444
	Other income/items that may be reclassified in the future in the profit and loss account					
20.	Foreign currency translation differences		-315	-2,277	-575	-741
21.	Others		0	0	0	0
22.	Other comprehensive income for the period (net of tax)		-315	-2,277	-575	-741
23.	Total comprehensive income for the period		-5,413	24,573	-10,101	17,313
	Consolidated profit / loss for the period attributable to:		-5,098	26,850	-9,526	18,054
	Owners of the parent company		-4,100	27,627	-7,770	18,444
	Non-controlling interests		-998	-777	-1,756	-390
	Total comprehensive income for the period attributable to:		-5,413	24,573	-10,101	17,313
	Owners of the parent company		-4,415	25,350	-8,345	17,703
	Non-controlling interests		-998	-777	-1,756	-390

GROUP BALANCE SHEET (IFRS)

of PNE WIND AG, Cuxhaven, as at June 30, 2016

Assets

All figures in TEUR (differences due to rounding possible)	Interim Group Management Report	per 30.06.2016	per 31.12.2015
Intangible assets		62,958	63,105
Property, plant and equipment	6c	161,988	167,347
Long term financial assets		3,203	3,204
Deferred tax assets		18,396	17,440
Long term assets. total		246,545	251,096
Assets held for sale		1,180	1,135
Inventories	6c	162,526	121,177
Receivables and other assets		32,102	28,779
Cash and cash equivalents	6b, 6c	39,423	86,075
Current assets. total		234,051	236,031
Assets total		481,776	488,262

Liabilities

All figures in TEUR (differences due to rounding possible)	Interim Group Management Report	per 30.06.2016	per 31.12.2015
Subscribed capital		76.556	76.555
Capital reserve		82.287	82.287
Retained earnings		51	51
Foreign currency provision		-1.350	-775
Retained profit/loss	6c	79	10.912
Minority interests		-4.858	-3.102
Shareholders equity total		152.765	165.928
Other provisions		9.490	9.400
Deferred subsidies from public authorities		926	949
Long term financial liabilities	6c	213.826	223.745
Deferred tax liabilities		3.886	3.376
Long term liabilities total		228.128	237.470
Provisions for taxes		2.921	3.815
Other provisions		1.923	2.476
Short term financial liabilities	6c	45.050	36.568
Trade liabilities		15.732	16.852
Other liabilities	6c	35.252	25.148
Short term liabilities total		100.878	84.859
Liabilities held for sale		5	6
Liabilities total		481.776	488.262

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

of PNE WIND AG, Cuxhaven, from 1. January until June 30, 2016

All figures in TEUR (differences due to rounding possible)	2016	2015
Consolidated net result	-9,527	18,054
-/+ Income tax benefit/expense	-16	1,519
-/+ Interest income and expense	-87	-1,342
-/+ Income tax paid/received	7,978	5,725
- Interest paid	-6,587	-5,592
+ Interest received	322	345
+/- Amortisation and depreciation of disposal of fixed assets	5,989	3,863
+/- Increase/decrease in provisions	-1,357	-1,105
+/- Non-cash effective income/expenses	-532	611
- Profit from the disposal of fixed assets and from final consolidation	0	-36,420
+/- Increase of inventories and other assets	-44,828	-50,381
+/- Decrease/increase of trade receivables and stage of completion accounting	-766	10,658
+/- Increase/decrease of trade liabilities and other liabilities	9,034	1,256
Cash flow from operating activities	-40,377	-52,808
+ Inflow of funds from disposal of items of property, plant, equipment	30	19
- Outflow of funds for investments in property, plant, equipment and intangible assets	-514	-2,035
+ Inflow of funds from disposal of financial assets	46	0
- Outflow of funds from disposal of financial assets	-5	-78
+ Inflow of funds from disposal of consolidated entities	0	23,710
Cash flow from investing activities	-444	21,616
+ Additional inflow of funds from shareholders	0	9,455
+ Inflow of funds from financial loans	22,752	68,630
- Outflow of funds for capital increase expenses	0	-397
- Outflow of funds from the redemption of financial loans	-25,522	-5,608
- Outflow of funds from the redemption of bonds	0	-1,825
- Outflow of funds for dividend	-3,062	0
Cash flow from financing activities	-5,832	70,255
Cash effective change in liquid funds	-46,653	39,063
+ Change in liquid funds due to changes in scope of consolidation	0	-5,413
+ Liquid funds at the beginning of the period	86,076	72,175
Liquid funds at the end of the period*	39,423	105,825
* of which are pledged to a bank as security	3,862	2,516

Supplementary information: The value of liquid funds corresponds to the "Cash and cash equivalents" item on the balance sheet as at June 30.

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY (IFRS)

of PNE WIND AG, Cuxhaven, from 1. January until June 30, 2016

All figures in TEUR (differences due to rounding possible)	Capital subscribed	Capital reserve	Profit reserves	Foreign exchange reserve	Retained earnings	Shareholders' equity before minority	Minority interests	Total shareholders' equity
Status as per January 1, 2015	71,975	77,803	51	-347	10,680	160,162	33	160,195
Group result 1-06/2015	0	0	0	0	18,445	18,445	-390	18,055
Capital increase in cash	4,579	4,876	0	0	0	9,455	0	9,455
Capital increase expenses	0	-396	0	0	0	-396	0	-396
Other items	0	0	0	-741	0	-741	1,308	567
Status as per June 30, 2015	76,553	82,283	51	-1,087	29,125	186,925	951	187,876
Status per January 1, 2016	76,555	82,287	51	-775	10,912	169,030	-3,102	165,928
Group result 1-06/2016	0	0	0	0	-7,771	-7,771	-1,756	-9,527
Dividend	0	0	0	0	-3,062	-3,062	0	-3,062
Conversion of convertible 2014/2019	0	0	0	0	0	0	0	0
Other items	0	0	0	-575	0	-575	0	-575
Status as per June 30, 2016	76,556	82,287	51	-1,350	79	157,622	-4,858	152,765

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of PNE WIND AG, Cuxhaven, for the first six months of 2016

1. Accounting and valuation principles

The financial report on the first six months of the 2016 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), as they are applied in the European Union. New standards adopted by the IASB are in principle applied as from the time of their becoming effective, as they must be taken into consideration in the EU.

In the financial report for the first six months ending June 30, 2016, the Company applied the same accounting and valuation methods as for the consolidated financial statements as at December 31, 2015. The changes to standards, which were to be applied mandatorily as of January 1, 2016, did not result in any changes as at June 30, 2016, with one exception. As part of the annual improvement project "Improvements to IFRSs 2012–2014 Cycle" an addition to IAS 34.16A clarified that information is to be disclosed either in the interim financial statements or elsewhere in the interim financial report, but with a corresponding cross reference in the interim financial statements. For this reason, certain sections were deleted from the condensed notes and cross references to the consolidated interim management report added.

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 earnings per share take account of the potential shares from convertible bonds in accordance with IAS 33.

2. Financial assets

The long term financial assets include direct holdings and shares in companies which are not included in the consolidated financial statements in the context of full consolidation, because of their minor importance, as well as credit receivables and loans receivable.

In addition to the cash and cash equivalents, the short-term financial assets primarily include trade accounts receivable and loan receivables.

The fair values of financial instruments were derived from market information available on the reporting date and are to be allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 13.

Level 1 financial instruments are valued on the basis of prices quoted on active markets for identical assets and liabilities. In level 2, financial instruments are valued on the basis of input factors, which can be derived from observable market data, or on the basis of market prices for similar instruments. Level 3 financial instruments are valued on the basis of input factors that cannot be derived from observable market data.

The determination of fair values of all financial instruments included in the consolidated balance sheet and explained in these Notes is based either on quoted prices pursuant to level 1 or on information and input factors. Through the use of observable market parameters, the valuations do not differ from general market assumptions. See the Annual Report 2015 for further details on the fair value assessment.

The following tables show, specifying the categories, the carrying amounts and fair values of financial assets and financial liabilities. The table does not include any fair value information about financial assets and financial liabilities that were not recognised at fair value and whose carrying amounts approximate the fair values due to standard interest rates and/or short-term maturity on the balance sheet date.

	Category per IAS 39	Total TEUR	Fair Value TEUR
Per 30.06.2016			
Short-term financial assets			
Cash and cash equivalents	LaR	39,423	39,423
Receivables from deliveries and services	LaR	8,895	8,895
Other short-term loan receivables	LaR	302	302
Receivables from affiliated companies	LaR	5,224	5,224
Receivables from associated companies and those in which an investment is held	LaR	2,470	2,470
Long term financial assets			
Shares in affiliated companies	AfS	1,332	-
Investments in companies in which an investment is held	AfS	589	-
Other loans	LaR	153	153
Other long-term loans receivable	LaR	521	521
		58,908	56,988
Total loans and receivables		56,988	56,988
Total available for sale financial assets		1,921	-
Per 31.12.2015			
Short-term financial assets			
Cash and cash equivalents	LaR	86,075	86,075
Receivables from deliveries and services	LaR	7,969	7,969
Other short-term loan receivables	LaR	312	312
Receivables from affiliated companies	LaR	5,110	5,110
Receivables from associated companies and those in which an investment is held	LaR	2,239	2,239
Long term financial assets			
Shares in affiliated companies	AfS	1,357	-
Investments in companies in which an investment is held	AfS	604	-
Other loans	LaR	153	153
Other long-term loans receivable	LaR	439	439
		104,258	102,297
Total loans and receivables		102,297	102,297
Total available for sale financial assets		1,961	-

LaR = Loans and receivables

AfS = Available for sale financial assets

The financial assets available for sale include unquoted equity instruments whose fair value cannot be reliably measured and which therefore were measured at cost in the amount of TEUR 1,921 on June 30, 2016 (December 31, 2015: TEUR 1,961). On the reporting date, there was no intention of selling the financial assets.

The financial liabilities relate to convertible bonds, bonds, liabilities to banks and other financial liabilities.

All figures in TEUR	Category per IAS 39	Total	Till 1 Year	1 to 5 Years	More than 5 Years	Fair Value
Per 30.06.2016						
Trade liabilities	FLAC	15,732	15,732	0	0	15,732
Fixed interest						
Bonds	FLAC	103,935	0	103,935	0	105,906
Liabilities to banks	FLAC	145,712	36,476	40,931	68,305	150,099
Other financial liabilities	FLAC	7,315	7,270	45	0	7,397
Liabilities from leasing contracts	FLAC	224	224	0	0	224
Variable interest						
Liabilities to banks	FLAC	500	500	0	0	500
Derivatives						
Interest swaps	FLHFT	1,189	580	609	0	1,189
		274,607	60,782	145,520	68,305	281,047
Per 31.12.2015						
Trade liabilities	FLAC	16,852	16,852	0	0	16,852
Fixed interest						
Bonds	FLAC	103,345	0	103,345	0	110,253
Liabilities to banks	FLAC	131,318	18,858	36,939	75,521	134,341
Other financial liabilities	FLAC	7,036	31	7,005	0	7,199
Liabilities from leasing contracts	FLAC	279	110	169	0	279
Variable interest						
Liabilities to banks	FLAC	17,000	17,000	0	0	17,000
Derivatives						
Interest swaps	FLHFT	1,334	570	764	0	1,334
		277,164	53,421	148,222	75,521	287,258

FLHFT = available for sale

FLAC = financial liabilities at acquisition cost

As at June 30, 2016, financial instruments held for trading in the amount of TEUR 1,189 (as at December 31, 2015: TEUR 1,334) are to be allocated to level 2 of the fair value hierarchy.

3. Scope of consolidation

The scope of consolidation changed in the first six months of the reporting period.

During the period under review, the following companies were first included in the scope of consolidation:

- PNE WIND Park XII GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park XIII GmbH & Co. KG, Cuxhaven (100 percent).

These are project partnerships established recently by the PNE Group. This event did not result in any material effects on the earnings, financial and asset situation as at June 30, 2016.

4. Major events following the end of the reporting period

Regarding major events following the end of the reporting period, we refer to section 9 of the interim Group management report.

| Scope of consolidation
| Major events following the end
of the reporting period
| Segment Reporting

SEGMENT REPORTING (IFRS)

Segment reporting pursuant to IFRS 8 according to areas

The determination and presentation of segment reporting as at June 30, 2016 changed only in respect of the composition of the individual segments. The "Electricity generation" segment was expanded by the initially consolidated companies PNE WIND Park XII GmbH & Co. KG and PNE WIND Park XIII GmbH & Co. KG. For further details on segment reporting see the 2015 annual report.

The figures as at June 30, 2016 are compared with the figures as at June 30, 2015 or, in the case of segment assets/liabilities, with the figures as at December 31, 2015.

All figures in TEUR (differences due to rounding possible)	Projecting of wind power turbines	Electricity generation	Consolidation	PNE WIND AG Group
	2016 2015	2016 2015	2016 2015	2016 2015
External sales	32,888 65,958	11,917 5,980	0 0	44,804 71,938
Sales in other segments	11,842 17,288	281 281	-12,123 -17,569	0 0
Change in inventories	4,124 4,096	0 0	8,045 11,745	12,169 15,840
Other operating income	4,106 2,694	144 44	-162 -693	4,088 2,045
Total aggregate output	52,959 90,035	12,341 6,305	-4,239 -6,517	61,061 89,823
Depreciation	-1,453 -1,590	-4,537 -2,273	0 0	-5,989 -3,863
Operating income	-2,677 28,099	3,754 1,483	-2,516 -5,570	-1,439 24,012
Interest and similar income	2,911 4,330	153 272	-2,685 -3,742	379 860
Interest and similar expenses	-8,321 -9,124	-2,721 -1,203	2,685 3,742	-8,358 -6,585
Taxes	-365 -1,539	-386 -180	767 1,681	16 -38
Investments	516 1,841	4 272	0 0	520 2,113
Segment assets	494,947 489,914	230,815 205,114	-243,986 -206,766	481,776 488,262
Segment liabilities	406,835 384,202	186,845 162,001	-264,669 -223,869	329,011 322,334
Segment shareholders' equity	88,112 105,712	43,970 43,113	20,682 17,103	152,765 165,928

The amounts in the business segment "Projecting of wind power turbines" are attributable as follows:

1. Sub-segment wind power onshore Germany

- total aggregate output of euro 45.5 million (prior year: euro 37.9 million),
- revenues of euro 28.4 million (prior year: euro 21.6 million),
- operating results of euro -1.6 million (prior year: euro -1.8 million),
- a share of segment assets of euro 367.4 million (as at December 31, 2015: euro 367.1 million) and
- an equity share of euro 68.6 million (as at December 31, 2015: euro 84.4 million).

2. Sub-segment wind power onshore international

- total aggregate output of euro 2.6 million (prior year: euro 50.1 million),
- revenues of euro 0.8 million (prior year: euro 43.4 million),
- operating results of euro -4.4 million (prior year: euro 30.1 million),
- a share of segment assets of euro 86.3 million (as at December 31, 2015: euro 84.4 million) and
- an equity share of euro 22.0 million (as at December 31, 2015: euro 23.8 million).

Cuxhaven, August 11, 2016

PNE WIND AG, Board of Management

AUDITORS REPORT

To the PNE WIND AG, Cuxhaven

We have reviewed the condensed interim consolidated financial statements of the PNE WIND AG, Cuxhaven, comprising the condensed statement of comprehensive income, the condensed balance sheet, the condensed cash flow statement, the condensed statement of changes in equity, the condensed segment reporting and the selected explanatory notes, together with the interim group management report of the PNE WIND AG, Cuxhaven, for the period from 1 January to 30 June 2016, that are part of the semi annual financial report pursuant to Section 37w (2) WpHG [Wertpapierhandelsgesetz: German Securities Trading Act]. The preparation of the condensed interim consolidated financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the European Union (EU), and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review such that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Hamburg, 11 August 2016

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

(Bäßler)

Wirtschaftsprüfer

German Public Auditor

(Wendlandt)

Wirtschaftsprüfer

German Public Auditor

STATEMENT MADE BY THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the half year consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

PNE WIND AG, The Board of Management



Markus Lesser



Jörg Klowat



Per Hornung Pedersen

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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