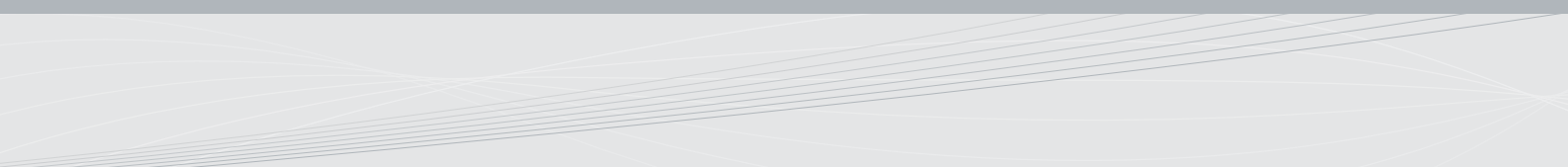


PNE WIND AG

Financial report on the nine months
and on the third quarter of 2011



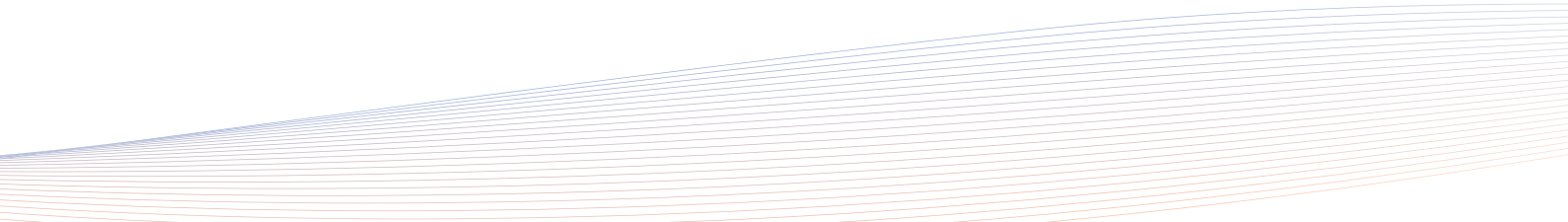
At a glance

PNE WIND AG Group figures

All figures in TEUR	01.01. – 30.09.2011	01.01. – 30.09.2010	01.01. – 30.09.2009
Total aggregate output	36,326	69,402	100,241
Revenues	33,075	56,156	102,657
Operating profit (EBIT)	-742	7,861	5,073
Result from ordinary activities (EBT)	-4,510	4,170	2,183
Result after minorities	-3,996	4,271	1,318
Equity as at September 30	75,055	78,710	61,725
Equity ratio as at September 30, in %	39.52	38.95	39.13
Balance sheet total as at September 30	189,925	202,063	157,734
Earnings per share (undiluted), in EUR	-0.09	0.09	0.03
Average number of shares, in EUR million	45.8	45.0	42.8

Key data (as at September 30, 2011)	
Securities identification code	A0JBPG
ISIN	DE000A0JBPG2
Number of shares	45,777,960
Market capitalisation	EUR 75.5 million
Market segment	Prime Standard
Indices	HDax, Mid-Cap-Market-Index, CDAX Technology, ÖkoDAX
Designated sponsors	Commerzbank, VEM Aktienbank, Close Brothers Seydler Bank
Reuters	PNEGn
Bloomberg	PNE3

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Preface

Dear shareholders

Nowhere does the wind for generating usable wind blow as strongly and constantly as at sea. This is an important reason why offshore wind power is considered by the federal government as a crucial part of the future energy mix. As a project developer, PNE WIND AG is pioneering in this field. We have been involved in wind farm development on the open sea since 1999 and have gained valuable expertise over the last decade. Proof of this can be seen in our six own and two sold wind farm projects in the North Sea.

The most progress has been made in connection with our project "Gode Wind II". The site which is 100% owned by PNE WIND AG has already completed the most important phases of project selection, applications, discussions and approval. The construction of 84 special offshore wind power plants along the German North Sea coast is planned here. With a total target farm output of up to 252 MW, "Gode Wind II" will generate about a quarter of the output of a nuclear power plant. We have already gone a long way towards completion: From the contracts with the wind power plant manufacturer, Vestas, the unconditional approval for the grid connection from the network operator, TenneT, to the contracts for all other components. The construction of "Gode Wind II" is due to begin with the successful completion of current exclusive negotiations with equity investors.

Current developments show that the offshore wind farm – and thus a core area of our business – is an important part of the future energy market. While the project planning, and especially the financing, of these projects used to be reserved for medium-sized enterprises, also because of low levels of experience, larger players have now discovered offshore power generation for themselves: EnBW, Blackstone,

VW and the Spanish energy giant, Iberdrola announced in recent months some billions-worth of investments in power generation on the open sea. In this way, the market is gaining momentum. This is a development from which PNE WIND AG can also profit.

The main reasons for this is that both the project developers and investors find stable conditions for offshore wind farms in Germany. On the one hand, the coast of the German North Sea and Baltic Sea provides the ideal location for the large offshore wind power plants – in terms of both the wind conditions and the water depth. On the other hand, the German federal government and parliament are ensuring constant feed-in rates and reasonable loans for optimum investment conditions. The long-term profit which can be calculated because of this makes offshore business especially interesting, precisely in times of volatile financial markets. Through their accumulated know-how and with the approved offshore wind farm projects in the pipeline, PNE WIND AG can stand up as an experienced project developer in this area and consistently benefit from growth opportunities.

In the onshore area, the construction of the wind farm Kemberg II has started; this will reach a nominal output of 6 MW. In addition, intensive work was done on retrofitting numerous wind power plants so that they can contribute to the stability of the power grid. As an additional system service bonus is paid for such retrofitted plants, this resulted in a positive EBIT figure. Power generation also developed positively again at windy area of the self-operated wind farms of PNE WIND AG. Damage to the turbine and generator at the wood-fired power plant in Silbitz, which led to almost two months of plant downtime, had a negative impact on the EBIT of the third

quarter, whereby the company registered a negative EBIT value of EUR -0.8 million at the end of the third quarter in the Group.

Our other areas of business were also pioneering as we made further progress in Germany and abroad in the further development of our onshore project pipelines. This is currently not reflected in the operating result, as the first projects in the pipeline under development will not be implemented abroad until the year 2012 and will then positively affect EBIT. Therefore, the EBIT is still marked with EUR -0.7 million until the end of the third quarter, due to the current upfront costs at home and abroad for onshore and offshore projects and the shutdown of the timber-fired power station at Silbitz.

Despite the current uncertain market environment, which does not affect our stock, our figures and the outlined potential demonstrate the further growth opportunities of PNE WIND AG. We therefore confirm the published prognosis of accumulated earnings (EBIT) of at least EUR million 60 to 72 for the business years 2011 and 2013.

We thank you, dear shareholders, also on behalf of our employees, for your confidence and hope that you join us on our way.

With best regards

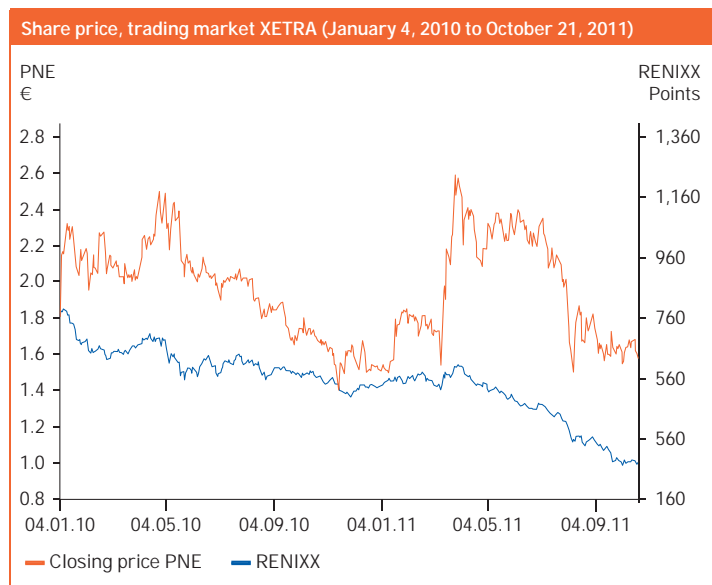


Martin Billhardt
- Chairman of the Management Board -



Martin Billhardt
Chairman of the Management Board

Stock market news of PNE WIND AG



The share

The business year 2011 opened with a PNE WIND AG entry level share price of EUR 1.52. From the middle of January, the share price began rising, resulting in a peak of EUR 1.85. The share price then levelled off, before the dramatic events in Japan connected with the reactor incident at Fukushima put the stock market worldwide, as well as the share price of PNE WIND AG, under pressure.

Due to the subsequent discussion in Germany on phasing out nuclear power and the associated long-term expansion of funding for renewable energy, shares in this segment again moved more into the focus of investors. The share price of PNE WIND AG also benefited considerably

from this development. In less than three weeks, the share price grew by almost 70 percent and reached its year high on March 28 at EUR 2.59. The share price then gave way somewhat.

The debt crisis in some European states and the USA put the share price under pressure several times at the beginning of the third quarter in 2011 and PNE WIND AG was also able to break free from the overall, underlying, negative mood in the international stock markets. The share then reached its quarterly high of EUR 2.36 on July 5. Similar to the global indices, the share price fell sharply in the following weeks and registered its quarterly low on August 9 at EUR 1.50. After a new turnaround when the share price reached around EUR 1.80 again, the share fluctuated from early September in a range of between EUR 1.60 and EUR 1.70.

On the reporting day, September 30, 2011, the share of PNE WIND AG was EUR 1.65. This represents a market capitalisation of EUR 75.53 million. Since the beginning of the business year 2011, the share has increased by 9.3 percent, despite sometimes turbulent framework conditions.

Annual General Meeting

The ordinary Annual General Meeting took place on May 18, 2011 in Cuxhaven. The payment of a EUR 0.04 dividend per voting share was decided on for the business year 2010. The Annual General Meeting also agreed on all further resolutions, including the re-election of previous members of the Supervisory Board, with a majority of 90 percent. The exact voting results are published on the website www.pnewind.com under "Annual General Meetings" in the Investor Relations section.

Shareholder structure

At the end of the reporting period, no investor held more than 3 percent of the voting shares in PNE WIND AG. In accordance with the definition of Deutsche Börse AG, the portion of the shares in PNE WIND AG in free float is currently 100 percent.

However, 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. EUR 16.87 million. The total investment volume of Luxempart S.A. was thus approx. EUR 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

On the reporting day, September 30, 2011, 400,000 shares were attributable to the CEO Mr. Martin Billhardt, 100,000 to the CFO Jörg Klawat, and 45,500 to the COO Markus Lesser. From the Supervisory Board, Mr. Jacquot Schwertzer held 5,704 shares.

Financial calendar 2011

November 21-23, 2011

Analyst Conference / German Equity Forum

Additional information

On the website www.pnewind.com you will find full information about PNE WIND AG as well as current data on the shares in the Investor Relations section. Furthermore, annual and quarterly reports, press announcements and background information on PNE WIND AG can be downloaded from there.

Condensed interim group management report

of PNE WIND AG, Cuxhaven, for the first nine months of 2011

1. Market/overall economic conditions

The German economy was increasingly burdened in the previous quarter due to the European sovereign debt crisis. In addition, a new banking crisis is threatening Europe. According to the community prediction of the leading German institute for economic research, the GDP will still grow by 2.9 percent this year. In 2012, however, GDP should only grow by 0.8 percent. The general economic development in Germany will then be strongly dependent on EU economic policy, which faces the challenge of finding effective solutions for the current risks.¹

The difficult economic environment has also had an effect on shares in the wind sector over the last three months, as the general investment climate was more cautious because of turbulence on the financial markets. However, the projects in the wind sector are of a long-term nature so they are not directly influenced by current movements on the market.

For this reason, there has still been an upward trend in the wind sector since recent years. After newly installed capacity in 2010 still declined slightly, a positive development is expected again for the overall year 2011. The Germany Association of Wind Energy (BWE) expects construction of 1,800 MW: In particular, the nuclear disaster in Japan in March led to a strengthened interest in green energy, giving the wind industry a new dynamic. The exit from nuclear power is now to take place sooner than previously planned. Moreover, the German federal government has set the target of lowering greenhouse emissions by 2050 by 80 percent compared with 1990. The expansion of renewable energy sources is the key instrument for achieving this target.²

A major growth driver for the national and international wind energy market is the construction of offshore wind farms. According to the European Wind Energy Association (EWEA), the European offshore market recorded a growth of 51 percent to a total of 883 MW with the growth in 2010. 308 offshore wind turbines, which were distributed to a total of nine wind farms in five countries in Europe, were built. This illustrates that the expansion of offshore wind energy in Europe is already well under way. For 2011, the European Wind Energy Association (EWEA) forecasts a further extension of 1,000 to 1,500 MW. The German market for offshore wind farms will also grow. The BWE estimates up to 300 MW newly installed capacity. The required infrastructure is largely constructed in the ports. In the offshore segment, PNE WIND AG is one of the leading project developers in Germany. Wind energy at sea could secure about 15 percent of future electricity production in Germany.

So far, only three offshore wind farms from German waters are connected to the grid. There are two additional ones under construction in the North Sea and the Baltic Sea. A further 26 projects have already been approved by the Federal Maritime and Hydrographic Agency (BSH), and the national authorities. Offshore wind energy in Germany thus has considerable potential for expansion. An important perspective is initiative launched at the beginning of 2010 by nine

¹ Ifo, 2011

² BWE, 2011

neighbouring countries to build a high-voltage transmission network in the North Sea. After all, the sustainable use of wind energy at sea requires a powerful power supply. In the long term, this joint initiative is a significant boost for offshore wind energy. In addition, a new special credit programme of the German development bank (KfW) of EUR 5 billion is accelerating the expansion of wind energy at high sea. With this financing, the federal government plans to support a total of ten offshore wind farms.

Perspectives on the development of new wind farm sites on land are being developed in repowering, replacement of older wind power plants with more efficient plants. According to forecasts by the BWE, significant growth is to be expected in the onshore area. The expansion and further technical development of wind energy on land is thus facing major challenges. Experts predict an increasing number of plants in Germany which are over ten years old and thus have to be replaced. In 2010, 116 old plants with a total nominal output of 55.7 MW were already replaced by 80 more modern plants with 183.4 MW output.³ More than an additional 6,000 MW output could be gained by 2020 through repowering measures.⁴ PNE WIND AG has also been able to use their own competence several times in this area, and expects further positive effects in this business segment in the medium and long term.

In addition, the scarcity of fossil fuels, as well as the ambitious climate targets of the Federal Republic, are inspiring the growth of the wind energy market. It is planned to reduce emissions from greenhouse gases by 40 percent by the year 2020, taking 1990 as the base year. The federal government reaffirmed this claim in its coalition agreement at the end of 2009 and was confirmed again in the energy concept, which was submitted in September 2010. Thereafter, the objective was retained to increase the proportion of renewable energies in power generation from the currently approx. 17 percent to 35 percent in 2020 and 80 percent by the year 2050. Wind power, as currently the most technologically advanced and most efficient technology for renewable power generation, plays a special role. The government sees enormous potential for growth in the area of offshore in particular. In addition, the Federal Environment Agency confirmed in a study that electricity demand in Germany can be 100 percent covered by renewable energies by 2050. In this scenario, wind energy will have a major role in the future energy mix.

Overall, the market for wind power plants for power generation is growing sustainably. Many established manufacturers of wind power plants have expanded their capacity internationally in order to meet the growing demand. At the same time, new companies are entering the market, mainly from India, China and South Korea. This increases the number of suppliers of wind power plants, whereby a resulting damping effect on the price development can be expected.

Industry experts assume a continuation of its upward development in the future. The International Energy Agency (IEA) expects continued expansion of wind energy in the coming years. Thus, the economic conditions for PNE WIND AG are classified as overall positive.

³ DEWI, 2011

⁴ KPMG Study, 2010

2. General political conditions

The political environment for the further expansion of renewable energies in Germany has changed in 2011. On June 30, 2011, the German Parliament passed the amendment of the Renewable Energies Law (EEG). With the amendment to the Act, which comes into force on January 1, 2012, the rules will change on the remuneration of both onshore and offshore wind power, as will those on the guidelines for repowering older wind turbines.

Following the enforcement of this law, the following conditions will apply to power from wind energy in Germany.

The compensation for electricity from new wind turbines (WT) on land was 9.02 cents/kWh in 2011 and 8.93 cents/kWh from 2012. For electricity from wind power plants that are equipped with technology which stabilises the power supply, an additional "system service bonus" of 0.49 cents/kWh (0.48 cents/kWh from 2012) is paid. Where the wind power plants are built as part of repowering, i.e. the replacement of old wind turbines with modern, more efficient ones, a "repowering bonus" of 0.49 cents/kWh (0.50 cents/kWh from 2012) is also payable. In addition, the conditions for a repowering project were revised. The replaced wind turbines now have to be put into operation before January 1, 2002, and the limitation on the nominal output of the new facilities (previously up to five times) was lifted. Thus, a secure basis for the long-term return calculation of wind farm projects in Germany is given. The degression, i.e. the annual reduction in tariffs, is currently 1 percent, and will increase to 1.5 percent from 2013.

In future, there will be two alternative possibilities for the payment of power from offshore wind farms. On the one hand, an initial tariff of 15 cents/kWh can be claimed for the period of 12 years. Alternatively, with offshore wind farms which go into operation before January 1, 2018, the operator can opt for 19 cents/kWh for a period of 8 years. In both models, the period for paying the initial fee is extended, depending on the distance from the offshore wind parks to the shoreline, and the water depth in the area of the offshore wind farms.

To promote further short-term expansion of offshore wind farms in particular, a credit programme "Offshore Wind Energy" with a total volume of EUR 5 billion was also put into force, and is facilitated by the German development bank (KfW).

The EEG regulates, among other things, the primary supply of electricity from renewable energy sources and the compensation to be paid, both for electricity from wind power plants on land (onshore) and at sea (offshore). To review the effects of the Act regularly and timely, the Federal Government must continue to submit an annual monitoring report and the next field report upon the effects of EEG by December 31, 2014 to the German Parliament.

The political conditions in other countries wherein PNE WIND AG operates have not changed.

In terms of the national and international legal bases, the Board of Management of PNE WIND AG foresees the conditions for further positive business development in Germany in the coming years.

3. Corporate structure

The corporate structure changed in the first nine months of the business year 2011 versus December 31, 2010.

In the period under review, the following companies were included for the first time in the group:

- PNE WIND Ventus Praventsi OOD, Sofia, Bulgaria (75 percent shareholding through PNE WIND Ausland GmbH, Cuxhaven)
- PNE WIND Nautilus II GmbH, Cuxhaven (100 percent shareholding through PNE WIND AG, Cuxhaven)
- PNE Gode Wind III GmbH, Cuxhaven (100 percent shareholding through PNE WIND AG, Cuxhaven)
- Wind Kapital Invest Verwaltungs GmbH, Cuxhaven (100 percent shareholding through PNE WIND AG, Cuxhaven)
- Wind Kapital Invest GmbH & Co. KG, Cuxhaven (100 percent shareholding through PNE WIND AG, Cuxhaven)
- PNE WIND NEH/I Kft., Gödöllő, Ungarn (100 percent shareholding through NH North Hungarian Windfarm Kft., Gödöllő, Ungarn)
- PNE WIND DEVELOPMENT LLC, Delaware, USA (100 percent shareholding through PNE WIND USA Inc., Delaware, USA)

On January 1, 2011 (0.00 am), PNE Biomasse GmbH (acquired company), Cuxhaven, was merged with PNE Biomasse AG (acquiring company), Cuxhaven. In 2011, PNE Biomasse AG was transformed into PNE Biomasse GmbH, Cuxhaven (trade register entry: March 31, 2011).

This did not lead to any effects on the company's assets, financial and earnings position.

In the reporting period, the following company was renamed from:

- Plambeck GM Windfarm Pusztahencse Kft, to PNE WIND Pusztahencse Kft., Pusztahencse, Hungary

4. General accounting principles

In the financial report on the first nine months of the 2011 business year as of September 30, 2011, the Company applied the same accounting and valuation methods as were applied in the consolidated financial statements of December 31, 2010.

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 September 30, 2011, the PNE WIND AG Group employed 175 people in total (previous year: 156). The employees of the subsidiaries are included in this number. Of these employees (including the members of the Board of Management and trainees), 110 were employed at PNE WIND AG on the reporting day (previous year: 103). 65 people were employed at PNE Biomasse GmbH (17 employees) and PNE WIND Betriebsführungs GmbH (25 employees) as well as at foreign companies (23 employees). PNE WIND AG had responded 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.

There were changes in the Board of Management of PNE WIND AG. At the end of the first quarter, the Board member Bernd Paulsen stepped down. The Supervisory Board appointed Jörg Klawat (CFO) and Mark Lesser (COO) to the Board of Management on April 1, 2011 and May 1, 2011 respectively.

6. Summary of business activity

Wind power segment

Wind power onshore sub-division

In the first nine months of the business year 2011, PNE WIND AG continued its operating business in the sector of wind power onshore in Germany. In total, as of September 30, 2011, PNE WIND AG was working on onshore wind farm projects in Germany, with a total output of over 1,100 MW to be installed, in various phases of project development. As of September 30, 2011 one wind farm project with a total output of 6 MW was under construction. The permits required for the start of construction for two further projects with a nominal output of 14 MW had already been obtained. Additional permits for onshore wind farm projects in Germany are expected in the short term.

In addition, intensive work was done on retrofitting numerous wind power plants so that they can contribute to the stability of the power grid. As an additional system service bonus is paid for such retrofitted plants, this resulted in a positive EBIT figure in the group.

In Great Britain, the USA and Hungary, encouraging progress was made in the development and marketing of wind farm projects.

Great Britain:

PNE WIND UK is planning major investments in Great Britain over the next years. The promising targets of the Scottish Government for the expansion of renewable energy sources prompted PNE WIND UK in 2010 to establish a subsidiary in Scotland. For this purpose, an office was opened in Edinburgh.

Furthermore, PNE WIND UK was selected by the Scottish Forestry Commission as the preferred partner for the development of wind farms in central Scotland. PNE WIND UK will identify 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 area 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 has managed to enter the US wind market for the first developed wind farm by means of an agreement. The cooperation partner of the 20-MW wind farm in Belle Fourche, South Dakota is Black Hills Power, a subsidiary of the American energy provider, Black Hills Corporation. At first an agreement on the absorption of produced electricity is aimed. The project was developed by PNE WIND USA and their joint venture partner, Renewable Solutions. It is the first wind farm in the west of the state of South Dakota and it supports Black Hills Power in achieving the South Dakota's government goal of generating ten percent of the electricity used from renewable, recycled or stored energy resources in 2015. The realisation of the wind farm project is under proviso of a optionally decision of South Dakota Public Utilities Commission.

Progress was also made at a further wind farm project near Austin (Minnesota). In this project, which was planned with 30 MW nominal output, the local authority council approved at the beginning of October 2011 a contractual agreement between PNE WIND USA and the local energy provider. The grid connection of this wind farm is ensured through cooperation with the local energy provider.

Even with another wind farm project near Solon in Johnson County (Iowa) with 30 MW which shall provide about 9,000 households with electricity, there is visible progress in development. The local authority council here generally agrees to the planning and construction of commercial wind farms.

Hungary:

Approval was gained for a first wind farm project in Hungary. The project is located near the Pacs power plant site on the Middle Danube. At this wind farm, 18 wind power plants with a total nominal output of 36 MW can be built. The planning for connecting the wind farm to the grid is also already complete. With this approved wind farm, PNE WIND GM Hungary Kft, a 100 percent subsidiary of PNE WIND AG, will participate in the next tender for renewable energy projects in Hungary.

There are thus attractive market and growth prospects for PNE WIND AG in the onshore area in Germany and also in Hungary, Bulgaria, Romania, Turkey, the United Kingdom, Canada and the USA. Consequently the Board of Management is confident in being able to further the growth of the company through the internationalisation of wind farm projects.

Wind power offshore sub-division

The activities in the offshore sector were also very encouraging in the first nine months of 2011. This applies in particular to the development of the very advanced and by Federal Maritime and Hydrographic Agency (BSH) approved project "Gode Wind II" in which 84 offshore wind energy plants are to be built. For this wind farm PNE WIND AG received the binding commitment for the grid connection in late June 2011 from TenneT, the transmission grid operator responsible, after TenneT's tender for the procurement of network connection components was complete. Now this is ordered by TenneT and under construction. PNE WIND AG had previously submitted the required documents, and thus fulfilled all four criteria of the position paper of the Federal Network Agency for the receipt of unconditional approval for connection to the grid. With these advances in the project development, essential preconditions were created in order to begin with the realization of the offshore wind farm "Gode Wind II" in 2012 as planned.

The following documents have been available since March 2011 for the construction of "Gode Wind II".

- supply contract for 84 Vestas wind power plants of type V112
- preliminary contract for the supply of 84 monopile foundations from the company MT Højgaard A/S
- preliminary contract for the supply of the internal wiring from the company Draka Norsk Kabel AS
- preliminary contract for the supply of the wind farm substation from the firm ALSTOM Grid GmbH

Significant progress was also made in the financing of "Gode Wind II". After a round of introductions at major European banks, there are twelve written expressions of interest (Letters of Support) in financing the wind farms, with an amount of between EUR 50 and 100 million each. In addition, several private equity investors have expressed their interest in investing.

Furthermore, PNE WIND AG established a close and exclusive partnership with the wind power plants manufacturer Vestas for more offshore wind farms in the North Sea. Building on the successful cooperation at "Gode Wind II", the projects "Gode Wind" I and III shall also be jointly developed.

"Gode Wind I" provides space for 77 offshore wind turbines which shall be supplied by Vestas. PNE WIND AG is responsible for the other components such as the substation, the foundations and the cabling. In addition, PNE WIND AG will drive the wind farm design and funding strategy and the involvement of other partners. "Gode Wind I" has already obtained the necessary permits from the German authorities.

"Gode Wind III" is still at an early stage of development. In this project, it will be possible to construct up to 15 wind turbines. It is planned as a reference project for the announced 7 MW wind turbines from Vestas.

There was also positive development at the offshore wind farm projects "Borkum Riffgrund" I and II, which were sold to the Danish energy group DONG Energy Power in 2009. PNE WIND AG continues to be involved in their development. Once DONG Energy Power A/S made an investment decision for "Borkum Riffgrund I", the preparations for the construction of offshore wind farms started. In the first quarter of 2011, PNE WIND AG booked a further milestone payment of about EUR 6.7 million from these projects and received the payment in the second quarter.

As a whole, on the reporting day, September 30, 2011, the offshore division of PNE WIND AG was working on six of its own wind farm projects at different phases of project development, and is active as a service provider at two other offshore projects. Of the own projects, "Gode Wind" I and II have already been approved by the Federal Maritime and Hydrographic Agency (BSH). The other offshore projects are in the planning and application phase. Under the current state of planning, up to a total of 416 wind turbines can be built in these own wind farms. The nominal output of the selected plants, which can be between 3 and 7 MW, is decisive for the exact number. Overall, the proposed realistic nominal output of the offshore projects which we develop and advise on is at around 2,600 MW.

Electricity generation division

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.

In the first nine months of business year 2011, the electricity generation segment registered about 60 percent (approx. EUR 0.7 million) of the previous year's EBIT value (approx. EUR 1.2 million). Downtime at the wood-fired power plant at Silbitz, which was caused by damage to the turbine and generator, and the resulting negative EBIT value of EUR -0.8 million was mainly responsible for the change on the previous year's value. Wind conditions until now in 2011, compared with those of 2010, had a positive impact on the results in the electricity generation segment and at our own operated wind farm "Altenbruch II". Depending on location, the wind conditions in the first nine months of 2011 were between 85 and 95 percent of the long-term average, whereby the wind conditions in the second and third quarters were significantly better than in the first.

7. Sales and results of operations

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

In the first nine months of fiscal year 2011, the PNE WIND AG Group achieved a total capacity of EUR 36.3 million according to IFRS (previous year: EUR 69.4 million). This includes EUR 33.1 million in net revenue (previous year: EUR 56.2 million), EUR 1.9 million in inventory changes (previous year: EUR 1.1 million) and EUR 1.4 million in other operating revenue (previous year: EUR 12.2 million).

Compared to last year, the change reflected in operating activities of the Group was also reflected in the expense items. Due to the lower number of implemented wind farms, material expenses fell from EUR 43.0 million to about EUR 18.1 million. Personnel expenses in the first

nine months of 2011 were EUR 8.7 million and thus increased compared with the previous year's period (EUR 7.2 million). One reason for this is the number of employees at the Group which had increased by September 30, 2011 to 175 people (previous year: 156 employees).

The other operating expenses in the Group of EUR 6.4 million (previous year: EUR 7.7 million) were mainly comprised of legal and consulting fees, advertising and travel costs as well as rental and leasing expenses.

Write-downs remained with EUR 3.8 million on the level of the previous year (previous year: EUR 3.7 million). Write-downs mainly occurred at the own operated wind farm "Altenbruch II" and the timber-fired power station Silbitz GmbH und Co. KG.

As neither electricity nor heat could be generated at the wood-fired power plant in Silbitz over a longer period of time, due to a technical fault, the company burdened the group with an EBIT value of around EUR -0.8 million.

At the Group level, PNE WIND AG made in the first nine months of fiscal year 2011 operating earnings (EBIT) of EUR -0.7 million (previous year: EUR 7.9 million) and earnings from ordinary business activities (EBT) of EUR -4.5 million (previous year: EUR 4.2 million). Consolidated earnings after minority interests were EUR -4.0 million (previous year: EUR 4.3 million). After the first nine months, undiluted consolidated earnings per share were EUR -0.09 (previous year: EUR 0.09) and net consolidated earnings per share were EUR -0.06 (previous year: EUR 0.08).

On September 30, 2011, the cumulated consolidated net result was EUR -14.1 million (previous year: EUR -11.9 million).

The consolidated results as well as those of PNE WIND AG are due to scheduled upfront costs for wind park projects at home and abroad 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 September 30, 2011, the Group companies had available liquidity, including credit lines for project bridge financing of EUR 48.6 million, of which EUR 1.0 million is pledged to banks (previous year: EUR 76.2 million of which EUR 0.2 million was pledged).

As of September 30, 2011, no overdraft facilities were taken up by the Group.

The cash flow from operating activities of EUR 2.8 million (previous year: EUR -8.4 million), which was reported in the cash flow statement, was mainly influenced by the decrease in receivables and other assets, due to the payment of a receivable from DONG from the sale contract "Borkum Riffgrund I" in the Group.

The cash flow from investment activities was affected in the period under review by investments in property of the Group by EUR 8.2 million (previous year: EUR 12.8 million). This figure was attributable primarily to the further development of offshore projects at an amount of EUR 7.1 million. Financing of the investments was made by our own means.

In the period under review, the cash flow from financing activities totalling EUR -7.0 million (previous year: EUR 22.8 million) was characterised mainly by the redemption and retirement of credit liabilities to the amount of EUR 5.1 million and the dividend paid for fiscal year 2010 in the amount of EUR 1.8 million.

On the reporting day of September 30, 2011, the Group had total available liquidity of EUR 26.8 million (previous year: EUR 43.2 million). On September 30, 2011, PNE WIND AG had available liquidity of EUR 23.5 million (previous year: EUR 39.8 million), of which EUR 1.0 million is pledged to banks (previous year: EUR 0.2 million).

9. Net assets

Assets in EUR million (differences due to rounding possible)	30.09.2011	31.12.2010
Intangible assets	39.9	40.0
Property, plant and equipment	89.7	85.2
Long-term financial assets	0.2	0.2
Deferred taxes	1.0	1.0
Inventories	13.7	12.8
Receivables and other assets	18.6	21.7
Cash and cash equivalents	26.8	39.2
Balance sheet total	189.9	200.2

On the balance sheet date, the consolidated balance sheet total of PNE WIND AG Group amounted to EUR 189.9 million. This corresponds to a decrease of about 5.1 percent as compared to December 31, 2010. Non-current assets increased from about EUR 126.4 million at the year end of 2010 to the current level of EUR 130.8 million. On September 30, 2011, intangible assets totalled EUR 39.9 million and remained nearly on the amount of the value on December 31, 2010. By far the largest single item of this position is the EUR 20.0 million goodwill from the wind power project segment, and the project rights of EUR 17.3 million which were introduced with the initial consolidation of PNE Gode Wind I GmbH in 2010. In the first nine months of 2011, tangible assets increased by about EUR 4.5 million to EUR 89.7 million (December 31, 2010: EUR 85.2 million). This mainly includes land and buildings (EUR 14.2 million), substations which are owned or under construction (EUR 7.9 million), plants under construction from the projects "Gode Wind I" (EUR 5.1 million) and "Gode Wind II" (EUR 13.8 million) and the further offshore projects "Nautilus", "Nautilus II", "Nemo" and "Jules Verne" (EUR 5.0 million) as well as the technical plants and machinery of the wind farm project "Altenbruch II" (EUR 34.6 million) and the Silbitz timber-fired power station (EUR 6.9 million including land and buildings of EUR 3.2 million).

In the reporting period, current assets decreased from EUR 73.7 million (December 31, 2010) to EUR 59.1 million on September 30, 2011. Receivables and other assets decreased from about EUR 21.7 million (December 31, 2010) to about EUR 18.6 million. Of this, EUR 5.0 million was from trade receivables (December 31, 2010: EUR 11.7 million). Receivables from long-term contract manufacturing of EUR 10.9 million increased compared with the value on December 31, 2010 (EUR 1.3 million). Other assets decreased from EUR 7.2 million (December 31, 2010) mainly due to the payment in amount of about EUR 6.7 million of per December 31, 2010 reported further purchase price receivable from the sale of a stake in Riff I of EUR 1.2 million on September 30, 2011.

Work in progress which is reported under inventories increased from EUR 10.4 million (December 31, 2010) to EUR 12.2 million.

Cash and cash equivalents were EUR 26.8 million on September 30, 2011 (December 31, 2010: EUR 39.2 million).

Equity and liabilities in EUR million (differences due to rounding possible)	30.09.2011	31.12.2010
Equity	75.1	81.7
Deferred subsidies from public authorities	1.1	1.2
Provisions	1.8	2.6
Long-term liabilities	73.4	76.2
Current liabilities	30.7	30.5
Deferred revenues	7.8	8.0
Balance sheet total	189.9	200.2

Consolidated equity decreased from EUR 81.7 million (December 31, 2010) to EUR 75.1 million on September 30, 2011. This development was due to the Group's negative results and the payment of dividend for fiscal year 2010 in amount of about EUR 1.8 million. On September 30, 2011, the Group's equity ratio was approx. 40 percent (approx. 41 percent on December 31, 2010) and the debt to equity ratio was approx. 60 percent (approx. 59 percent on December 31, 2010). Due to planned repayments of credits, non-current liabilities changed from EUR 76.2 million to about EUR 73.4 million. This item consists mainly of financial liabilities of EUR 72.5 million. This includes liabilities to convertible bond holders in the amount of EUR 28.4 million (some of the convertible bonds will be presented as equity under IFRS) and liabilities to banks with a volume of EUR 36.6 million. Mainly included in the credit liabilities are the project financing of the wind farm "Altenbruch II" (EUR 28.3 million) and the Silbitz timber-fired power station (EUR 3.7 million), as well as financing for the company building at the company headquarters in Cuxhaven (EUR 4.1 million).

On September 30, 2011, the total number of issued PNE WIND AG shares was 45,777,960. The increase from December 31, 2010 (45.775.826 shares) resulted from the conversion of convertible bonds in the first nine months of 2011.

PNE WIND AG has contractually agreed to buy back the limited partner shares of those involved in the operating company of HKW Silbitz at the beginning of 2017 for a price equal to 110 percent of the nominal amount. Because of this pledge, a discounted purchase price liability to the amount of

EUR 4.9 million was reported on September 30, 2011 under other financial liabilities. In addition, PNE WIND AG offered the limited partners of HKW Silbitz GmbH & Co. KG a guaranteed dividend until 2016, which is carried at a discounted value of EUR 1.3 million.

In the reporting period, current liabilities slightly increased from EUR 30.5 million (December 31, 2010) to EUR 30.7 million. Although trade payables were reduced from EUR 8.0 million (December 31, 2010) to EUR 6.3 million, and tax liabilities from EUR 2.4 million (December 31, 2011) to EUR 0.4 million, current liabilities slightly increased, as liabilities arising from long-term contracts grew in the same period from EUR 0.2 million (December 31, 2011) to EUR 6.6 million. Taking cash into account, net debt at the end of the reporting period was EUR 44.3 million (December 31, 2010: EUR 35.8 million).

10. Transactions with related companies and persons

In the first nine months of the 2011 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 nine months of the fiscal year 2011, transactions were effected in this respect with a net volume of EUR 178,428.13. 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, PNE WIND AG is exposed to risks which are inseparable from its entrepreneurial activities. Through its internal risk management system, the Company minimises the risks associated with its business activity and invests only if a corresponding added value 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 key 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 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 receivables. Should the offshore projects, like for example "Gode Wind" I and II, 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, the possible actions against permits already granted, 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, the Company attempts to take these complex requirements into consideration at the right time.

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

Within the framework 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 selected the sales channel of "individual and large investors" since several years. However, negative effects from rising rates of interest on project marketing cannot be excluded, since rising interest rates lead to higher project costs.

Risks to project implementation could arise from a financial crisis and resulting withholding of project financing by banks. However, the German development bank (KfW) is implementing the programme adopted by the German federal government, through which EUR 5 billion will be provided for the first 10 German offshore wind farm projects.

Financing risks exist for the partner companies and for the offshore wind farm projects. Depending on project progress, PNE WIND AG is still due payments for the projects "Borkum Riffgrund" I and II. The buyer of the project share, the Danish DONG Energy Power, has so far only announced plans to build the offshore project "Borkum Riffgrund I". No decision has been made

on plans to build the offshore project "Borkum Riffgrund II". It cannot be safely assumed that the final decision to implement the project "Borkum Riffgrund II" will be made. Aborting the project "Borkum Riffgrund II" would have a significant impact on future assets, financial and earnings position of PNE Wind AG, as the company would no longer receive expected future payments.

As is the case with other wind farm projects, PNE WIND AG will seek a strong financial project partner or create other financing possibilities for the "Gode Wind" I and II projects, in which PNE WIND AG holds all the shares. In this respect, it cannot be assumed with certainty that the financing will actually be secured. However, the Company made significant progress in financing the "Gode Wind II" project in April 2010. PNE WIND AG mandated Green Giraffe Energy Bankers (formerly: Energy Bankers à Paris, EBAP) as financial advisor and Augusta & Co. as equity placement advisor for this project. Since then indications of interest have been received from several European banks with regard to the financing of the wind farm. In February 2011 a delivery contract for 84 wind power turbines could be concluded with Vestas. Furthermore, preliminary contracts were concluded for the delivery of monopile foundations with MT Højgaard A/S, for the delivery of the internal wind farm cabling with Draka Norsk Kabel AS and for the delivery of the wind farm transformer station with ALSTOM Grid GmbH. Additionally, PNE WIND AG has an unconditional approval for the grid connection from the network operator TenneT since June 2011.

In view of this progress and due to the improved general conditions since 2009 for offshore wind farms in the German Exclusive Economic Zone and the favourable location of the projects with regard to their respective distance from the land and the depth of the water, PNE WIND AG still estimates that the opportunities for realisation of the approved offshore projects are high.

For all the offshore wind farm projects planned by PNE WIND AG in the offshore wind power sector, it is of great importance to obtain a strong capital investor, since the completion of an offshore wind farm requires large 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 farm 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 subsuppliers (e.g. foundations) and the agreement for delivery on schedule.

Medium or long term 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 safeguard major external group foreign currency transactions with currency hedging.

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

Unforeseeable risks can also be borne externally in the market. A sudden change in the legal framework in Germany or the markets abroad would especially count here. In Germany a worsening is not to be feared in the medium term, however, the German Parliament passed the amendment of the Renewable Energy Sources Act (EEG) in late June 2011, and this will come into force on January 1, 2012. The next amendment to expect is in 2015, based on the field report which federal government is to submit to the German Parliament in 2014. This provides certainty for the coming years for planning wind farm projects, both onshore and offshore, as well as for the repowering of wind farms.

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

Legal risks

All recognisable risks are reviewed constantly and have been taken into consideration in this report as well as in the corporate planning. At present the Board of Management considers the risks to be fairly clear and thus assumes that they will have no material 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 expenditure and to higher tax payments. Furthermore, changes in the tax laws and regulations could 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 relevant countries and are analysing the current tax situation.

External audits of the corporate income tax, trade tax and sales tax of the major domestic companies of the PNE Wind AG Group is currently ongoing for the assessment periods 1 January 2006 to and including 31 December 2010. With external tax audits, there is always the risk of impacts on the assets, financial and earnings positions of a company in the future annual and consolidated financial statements.

Opportunities

As a project manager 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 substances

harmful to the climate as well as the requirement for secure sources of energy. In this respect, PNE WIND AG, from its many years of activity in the market, has available the prerequisites 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, the 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 AG assures its necessary management and controlling rights by means of 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 Hungary, Bulgaria, Turkey, Romania and the United Kingdom. The subsidiary established in the USA as well as the joint venture established by this company in Canada are 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" and "Görike" wind farms, PNE WIND AG was already able to conclude successfully its first re-powering 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, the country, which otherwise was considered a pioneer with regard to wind power, is still in the initial phase here. 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 three offshore wind farm projects up to the approval by the Federal Maritime and Hydrographic Agency. Two of the approved projects are fully owned by the Company. In view of the stronger increase in importance of offshore wind power, positive effects can be expected also in this respect for the future 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 date of the statement of the financial

position of September 30, 2011, 289 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. Correspondingly, this could lead to favourable effects of the sales and earnings situation of the Company.

Overall, a positive development of the Company can be expected for the following fiscal years according to the estimates of the Board of Management.

15. Outlook

Project planning and implementation of wind farms is the core business of PNE WIND AG. The company is active in Germany, USA, Canada, United Kingdom, Hungary, Romania, Bulgaria and Turkey. While wind farms abroad are developed on land (onshore) only, in Germany they are also developed at sea. The goal is to quickly expand the use of wind energy for power generation. The expansion of renewable energies is a subject which is being discussed worldwide. An increasing number of states are emphasising the urgent necessity of this change in energy supply and are creating general conditions with which the ecologically correct expansion will also become economically meaningful. Wind power is benefiting above all from this, since as a result of many decades of technical development it already contributes particularly effectively and inexpensively to the safeguarding of future electricity production.

We take these perspectives into consideration in our corporate strategy. For the short to medium term we consider that the planning of onshore wind farms in Germany will be a major factor of the company's development. In the near future, offshore projects will be more important. Following years of intensive planning and preliminary work, the offshore projects developed by us off the German coastline will become a reality. This is the case above all for the already approved "Gode Wind" I and II offshore wind farms, and also for the projects which were sold in 2009, "Borkum Riffgrund" I and II. The offshore sector is a mainstay of our company and creates positive effects for the company's development.

The large number of projects, on which we are presently working in Germany and abroad, is the basis of future company success. During the next few years, projects which we are developing intensively today in Germany and abroad will become ready for construction and will be able to be constructed.

We expect a positive and long-term growth effect on our business model from the increasing replacement of small, outdated wind turbines by more powerful and more efficient ones. Older turbines will be gradually replaced as part of "re-powering". With a currently installed nominal output of more than 27,000 MW in Germany, we expect a continued growing market with attractive growth opportunities for our company. We have already successfully completed two first re-powering projects. One advantage for the PNE WIND AG is that we remain connected to many of the wind farms developed by us in the long term, during the operational phase, as well as during the technical and commercial management.

Intensive preparatory work is also starting to pay off for us abroad. Project development in the USA is making further progress. In the United Kingdom, we are working closely with the Scottish

Forestry Commission, among others. The first of our wind farms in Hungary was approved. In the medium term, other projects will also be developed in other countries, so that we can start with their construction and marketing. From this we want to generate growing sales and cash flow in the future.

If all these projects were built in cooperation with investors and partners, it would involve an investment of more than EUR 7 billion. This shows the dimension of the potential company development. In addition, we constantly check if the framework conditions for wind farm projects have been defined in other countries, which would make market entry of PNE WIND AG meaningful. Our cautious expansion strategy abroad is therefore beginning to bear fruit.

PNE WIND AG is very well positioned onshore and offshore, nationally and internationally. We are therefore very confident that we can continue to use the opportunities in the emerging "wind" market. We can therefore reiterate our earnings prognosis. The Board of Management maintains the view that the positive development will continue in the coming years and that EBIT of the Group will accumulate to at least EUR 60 to 72 million in the fiscal years 2011 to 2013 (previous prognosis was EUR 42 to 54 million for the three-year period of the fiscal years from 2010 to 2012). In addition, a continued positive earnings trend is also expected for the annual report of PNE WIND AG in this period. Solid forecasts for individual years are difficult to estimate because of the operational activities of the company and the associated short-term fluctuations in earnings. The three-year EBIT forecast reflects the positive expectations of the Company. The main condition for this further positive development is the planned contributions from the international and offshore business.

Cuxhaven, November 4, 2011

PNE WIND AG, Board of Management

Consolidated statement of comprehensive income (IFRS)

of PNE WIND AG, Cuxhaven, for the first nine months of 2011

All figures in TEUR (differences due to rounding possible)		III rd quarter 01.04.2011 - 30.09.2011	III rd quarter 01.04.2010 - 30.09.2010	Period 01.01.2011 - 30.09.2011	Period 01.01.2010 - 30.09.2010
1.	Revenues	16,483	15,041	33,075	56,156
2.	Changes in inventories of finished goods and work in process	-462	263	1,868	1,092
3.	Other capitalised contributions	0	0	0	0
4.	Other operating income	391	480	1,383	12,154
5.	Total aggregate output	16,412	15,784	36,226	69,402
6.	Cost of materials / cost of purchased services	-12,385	-10,727	-18,104	-43,004
7.	Personnel expenses	-2,487	-2,253	-8,731	-7,158
8.	Depreciation of intangible assets and property plant and equipment	-1,360	-1,228	-3,842	-3,686
9.	Other operating expenses	-1,870	-1,919	-6,390	-7,693
10.	Operating profit (EBIT)	-1,690	-343	-742	7,861
11.	Income from participations	0	0	0	0
12.	Other interest and similar income	157	51	819	226
13.	Interest and similar expenses	-1,914	-1,525	-4,589	-3,914
14.	Expenses for losses absorbed	1	5	2	-3
15.	Result from ordinary activities (EBT)	-3,446	-1,812	-4,509	4,170
16.	Taxes on income	-68	-12	-178	-31
17.	Other taxes	-13	-14	-40	-38
18.	Profit / loss before minority interests	-3,527	-1,838	-4,727	4,101
19.	Non-controlling interests	-299	-113	-730	-170
20.	Consolidated profit / loss	-3,228	-1,725	-3,997	4,271
Other comprehensive income					
21.	Foreign currency translation differences	173	294	-80	3
22.	Others	0	0	0	0
23.	Other comprehensive income for the period (net of tax)	173	294	-80	3
24.	Total comprehensive income for the period	-3,354	-1,544	-4,806	4,104
Consolidated profit / loss for the period attributable to:					
	Owners of the parent company	-3,228	-1,725	-3,997	4,271
	Non-controlling interests	-299	-113	-730	-170
		-3,527	-1,838	-4,727	4,101
Total comprehensive income for the period attributable to:					
	Owners of the parent company	-3,055	-1,431	-4,076	4,274
	Non-controlling interests	-299	-113	-730	-170
		-3,354	-1,544	-4,806	4,104
	Earnings per share (undiluted), in EUR	-0.07	-0.03	-0.09	0.09
	Earnings per share (diluted), in EUR	-0.05	-0.03	-0.06	0.08
	Average number of shares in circulation (undiluted), in EUR million	45.8	45.0	45.8	45.0
	Average number of shares in circulation (diluted), in EUR million	59.1	51.2	59.1	51.2

Curtailed group balance sheet (IFRS)

of PNE WIND AG, Cuxhaven, as at September 30, 2011

Assets

All figures in TEUR (differences due to rounding possible)	as per 30.09.2011	as per 31.12.2010
Intangible assets	39,888	40,024
Property, plant and equipment	89,658	85,211
Long term financial assets	171	186
Deferred tax assets	1,010	1,027
Long term assets, total	130,727	126,448
Inventories	13,716	12,846
Receivables and other assets	17,213	20,181
Tax receivables	1,476	1,502
Cash and cash equivalents	26,793	39,176
Current assets, total	59,198	73,705
Assets total	189,925	200,153

Liabilities

All figures in TEUR (differences due to rounding possible)	as per 30.09.2011	as per 31.12.2010
Subscribed capital	45,778	45,776
Capital reserve	44,877	44,874
Retained earnings	51	51
Foreign currency provision	-112	-32
Retained Loss	-14,072	-8,244
Minority interests	-1,467	-737
Shareholders equity, total	75,055	81,688
Other provisions	1,008	1,300
Deferred subsidies from public authorities	1,149	1,184
Long term financial liabilities	72,508	75,348
Deferred tax liabilities	858	865
Long term liabilities, total	75,523	78,697
Provisions for taxes	109	58
Other provisions	643	1,193
Short term financial liabilities	9,231	10,582
Trade liabilities	6,346	7,989
Other liabilities	22,586	17,585
Tax liabilities	432	2,360
Short term liabilities, total	39,347	39,767
Liabilities total	189,925	200,153

Consolidated cash flow statement (IFRS)

of PNE WIND AG, Cuxhaven, for the first nine months of 2011

All figures in TEUR (differences due to rounding possible)	2011	2010
Consolidated net result	-4,727	4,101
+/- Depreciations/write-ups of fixed assets	3,842	3,686
+/- Increase/decrease in provisions	-790	-548
+/- Non-cash effective income and expenses	-54	-10,702
-/+ Gain/loss from disposal of fixed assets	0	0
+/- Increase/decrease of inventories and other assets	5,066	-1,908
+/- Increase/decrease of trade receivables and stage of completion accounting	-2,913	848
+/- Increase/decrease of trade liabilities and other liabilities	2,339	-3,913
Cash flow from ongoing business activity	2,763	-8,436
+ Inflow of funds from disposal items of property, plant and equipment	16	0
+ Inflow of funds from intangible assets	0	0
- Outflow of funds for investments in property, plant and equipment	-8,196	-7,804
+ Inflow of funds from disposal financial assets	3	0
+ Inflow of funds from disposal of consolidated units	0	0
- Outflow of funds for investments in consolidated units	0	-5,000
- Outflow of funds from disposal of intangible assets	0	0
Cash flow from the investing activity	-8,177	-12,804
+ Additional inflow of funds from shareholders	5	2,499
+ Inflow of funds from minority interests	0	0
+ Inflow of funds from financial loans	0	343
+ Inflow of funds from the issue of bonds	0	26,000
- Payments to shareholders	-1,831	0
- Outflow of funds from the redemption of financial loans	-5,143	-5,837
- Outflow of funds from the repayment of bonds	0	0
- Outflow of funds for capital increase expenses	0	-168
Cash flow from the financing activity	-6,969	22,837
Cash effective change in liquid funds	-12,383	1,597
+ Change in liquid funds within the context of merger	0	86
+ Liquid funds at the beginning of the period	39,176	41,500
Liquid funds at the end of the period*	26,793	43,183
* of which are pledged to a bank as security	1,029	180

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

Group equity level (IFRS)

of PNE WIND AG, Cuxhaven, for the first nine months of 2011

All figures in TEUR (differences due to rounding possible)	Subscribed capital	Capital reserve	Retained earnings	Foreign currency reserve	Consolidated balance sheet result	Equity before minority	Minority interests	Total shareholders' equity
Status as per January 1, 2010	44,525	42,037	51	34	-16,140	70,507	0	70,507
Group result 01-09/2010	0	0	0	0	4,271	4,271	-170	4,101
Capital increase in cash	1,250	1,101	0	0	0	2,351	0	2,351
Equity portion of convertible bond 2010/2014	0	1,745	0	0	0	1,745	0	1,745
Conversion of convertible bond 2009/2014	1	2	0	0	0	3	0	3
Other items	0	0	0	3	0	3	0	3
Status as per September 30, 2010	45,776	44,885	51	37	-11,869	78,880	-170	78,710
Status as per January 1, 2011	45,776	44,874	51	-32	-8,244	82,425	-737	81,688
Group result 01-09/2011	0	0	0	0	-3,997	-3,997	-730	-4,727
Dividend	0	0	0	0	-1,831	-1,831	0	-1,831
Conversion of convertible bond 2010/2014	2	3	0	0	0	5	0	5
Others items	0	0	0	-80	0	-80	0	-80
Status as per September 30, 2011	45,778	44,877	51	-112	-14,072	76,522	-1,467	75,055

Condensed notes to the consolidated financial statements

of PNE WIND AG, Cuxhaven, for the first nine months of 2011

1. Accounting and valuation methods

The financial report on the first nine months of the 2011 business 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 they become effective as must be taken into consideration in the EU.

As the annual improvements to IFRS 2010 and the changes in IAS 24 and IAS 32, as well as to IFRIC 14 and IFRIC 19, do not cause any major changes for the PNE WIND Group, the same accounting and evaluation methods were used in the financial report on the first nine months of the business year 2011 as were used in the consolidated financial statements of 31 December 2010.

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. Consolidated group

We refer to the disclosures on the corporate structure in the condensed interim group management report on the first nine months of 2011. There were no significant effects on the company's earnings, financial and assets position resulting from the initial consolidations in the first nine months of 2011.

3. Explanations on significant changes in the balance sheet and the income statement

As explained in detail in the interim management report, the turnover and other performance indicators are lower than those from the same period of the previous year due to the change in the operational business activities of the Group, which is also reflected in the expense items. Taking certain one-time effects during the same period of the previous year into consideration, the Group developed constantly.

The regulatory changes in the political environment due to the amendment of the Renewable Energies Law (EEG), which are explained in the interim management report, were taken into consideration in the expectations and estimates related to the relevant period. However, these adjustments to the expectations and estimates had no significant influence on the asset, financial and earnings position of the Company.

As part of the further development of the project, a supply contract was concluded for 84 Vestas wind power plants of type V112 for "Gode Wind II", as were a number of other preliminary agreements.

Concerning the detailed explanation, please refer to the information for an overview of the business activity, to the development of revenue, and to the results of the assets, financial and earnings position in the consolidated condensed interim management report for the first nine months of 2011.

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 around EUR 1.3 million. If the present plans are not realized in years 2011 to 2016, this amount might increase to a total of around EUR 2.5 million. Furthermore pledges for several wind farm projects in the amount of around EUR 0.7 million are existing.

5. Dividends

The ordinary general meeting decided on May 18 on a dividend payment for the business year 2010 to the amount of EUR 0.04 per share with voting rights (total EUR 1,831,033.04). The payment was made in May 2011.

Segment reporting

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 segments of projecting of wind power turbines and electricity generation.

The "Projecting of wind power turbines" segment 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 segment 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 September 30, 2011 are compared with the figures per September 30, 2010 or, in the case of segment assets/liabilities, the figures per December 31, 2010.

All figures in TEUR (differences due to rounding possible)	Projecting of wind power turbines	Electricity generation	Consolidation	PNE WIND AG Group
	2011 2010	2011 2010	2011 2010	2011 2010
External sales	27,175 50,017	5,900 6,138	0 0	33,075 56,155
Inter-segment sales	5,940 586	501 319	-6,441 -905	0 0
Change in inventories	1,867 1,092	0 0	0 0	1,867 1,092
Other capitalised contributions	0 0	0 0	0 0	0 0
Other income	1,344 12,127	100 284	-61 -257	1,383 12,154
Total aggregate output	36,326 63,822	6,501 6,741	-6,501 -1,161	36,326 69,402
Depreciations	-1,243 -1,027	-2,599 -2,659	0 0	-3,842 -3,686
Operating result	-1,407 6,640	666 1,222	0 0	-742 7,861
Interest and similar income	1,983 792	645 22	-1,628 -588	819 226
Interest and similar expenses	-3,202 1,910	-3,012 -2,595	1,628 588	-4,587 -3,917
Taxes	-266 -279	89 248	0 0	-178 -31
Investments	7,660 12,802	536 2	0 0	8,196 12,804
Segment assets	215,895 208,800	49,260 53,899	-75,229 -62,547	189,925 200,153
Segment liabilities	178,149 161,155	46,683 50,508	-109,962 -93,198	114,870 118,465
Segment shareholders' equity	37,746 47,645	2,576 3,392	34,733 30,651	75,055 81,688

Segment companies:

Projecting of wind power turbines: PNE WIND AG, PNE WIND Betriebsführungs GmbH, PNE WIND Netzprojekt GmbH, Wind Kapital Invest Verwaltungs GmbH, Wind Kapital Invest GmbH & Co. KG, 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 Nautilus II 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 DEVELOPMENT LLC., PNE WIND Renewable Solutions LCC, Underwood Windfarm LCC, Butte Windfarm LCC, PNE-BCP WIND Inc., PNE WIND Romania S.R.L, PNE WIND Pusztahencse Kft.

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, limited commercial partnerships.

Of the figures in the "Projecting of wind power turbines" segment, a total performance of EUR 21.5 million (previous year: EUR 41.9 million), revenues of EUR 19.0 million (previous year: EUR 42.5 million), operating results of EUR 1.3 million (previous year: EUR -1.7 million), a share of segment assets of EUR 148.7 million (as per December 31, 2010: EUR 153,5 million) and an equity share of EUR 30.0 million (as per December 31, 2010: EUR 33.3 million) are to be ascribed to the German wind power onshore sub-division. In addition, onshore wind power abroad accounts for a total of EUR 2.1 million (previous year: EUR 1.2 million), turnover of EUR 0.3 million (previous year: EUR 0.0 million), an operating result of EUR -3.4 million (previous year: EUR -2.6 million), a portion of segment assets of EUR 24.5 million (as of December 31, 2010: EUR 16.1 million), an equity share of EUR -9.6 million (as of December 31, 2010: EUR -5.8 million).

Sales revenues with external customers and segment assets of the segments "Projecting of wind power turbines" and "Electricity generation" are mainly attributable to Germany. The segment "Projecting of wind power turbines" generates sales revenues with external customers, which account for more than ten 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, November 2011

PNE WIND AG, Board of Management

Statement made by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management interim 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



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Imprint

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Photo: PNE WIND AG

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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