

PNE WIND AG

Financial report on the nine months
and on the third quarter of 2012



At a glance

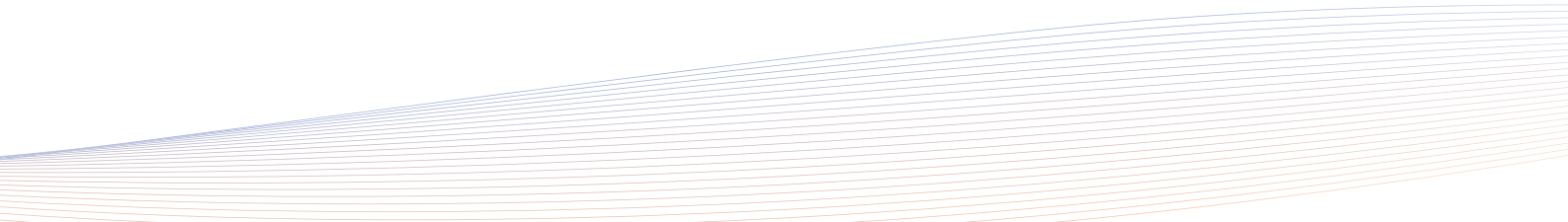
PNE WIND AG Group figures

In TEUR	01.01. – 30.09.2012	01.01. – 30.09.2011	01.01. – 30.09.2010
Total aggregate output	86,133	36,326	69,402
Revenues	80,893	33,075	56,156
Operating profit (EBIT)	24,851	-742	7,861
Result from ordinary activities (EBT)	20,973	-4,509	4,170
Net income	22,030	-3,996	4,271
Shareholder equity	93,610	75,055	78,710
Shareholder equity ratio, in %	48,73	39,52	38,95
Balance sheet total	192,116	189,925	202,063
Earnings per share (undiluted), in EUR	0.48	-0.09	0.09
Average number of shares, in million	45.8	45.8	45.0

Key data (as at 30 September 2012)	
Securities identification code	A0JBPG
ISIN	DE000A0JBPG2
Number of shares	45,785,869
Market capitalisation	93.9 million euro
Market segment	Prime Standard
Indices	CDAX Technology, ÖkoDAX
Designated sponsors	Commerzbank, VEM Aktienbank, Close Brothers Seydler Bank
Reuters	PNEGn
Bloomberg	PNE3

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Preface

Dear shareholders,

since 1999 PNE WIND AG has been developing offshore wind projects in a concentrated and persistent manner and our pioneering work has once again paid off. In August, we completed the sale of our offshore wind projects "Gode Wind" I, II, and III with DONG Energy A/S of Denmark. The sale marked the most substantial business transaction in our corporate history. For the projects "Gode Wind" I and II, inclusive development costs, we have already received euro 57 million as a first payment. With the successful completion of project development steps in the coming two to three years, approximately euro 100 million in additional milestone payments will become due. With this transaction, we have once again proven our ability to develop complex wind farm projects which in turn has strengthened our financial basis and our ability to continue to pay dividends.

The "Gode Wind" I and II projects differ from other offshore projects currently in development in that they have already been issued unconditional grid connection guarantees with a specific completion date.

The remaining milestone payments totalling approximately euro 100 million from the "Gode Wind" projects form the basis for the continued development of our wind project pipeline – onshore as well as offshore. We expect to receive the next contractually agreed milestone payment in the beginning of 2013. When the building permit from the German Federal Maritime and Hydrographic Agency (BSH) for "Gode Wind III" is issued, the project rights will be transferred to DONG Energy and a milestone payment will be triggered. The last milestones for "Gode Wind" I and II are tied to the final investment decisions. For the next five years, PNE WIND AG will be involved in the development of the "Gode Wind" projects as a service provider. The service contract represents additional payments starting at euro 5 million out of a total budgeted amount of euro 8.5 million. The contract underlines the excellent cooperation, which began with the "Borkum Riffgrund" projects, between the two companies.

The offshore project "Borkum Riffgrund I" is developing positively and preparations are being made to begin construction. However, the "Borkum Riffgrund II" is still waiting for the grid connection guarantee with a set completion date. How important this is was recently highlighted by DONG Energy's decision to postpone the project in October. We do not see this decision as an indication that DONG Energy is rethinking its offshore activities, but rather the result of a specific issue with this project. This development however, increases the chances that the "Gode Wind" project will be realised faster because it already has the unconditional grid connection guarantee with a set date.

Tailwinds are not only being experienced offshore but also helping move the onshore sector along. Here, we have begun the construction of a new wind farm in Germany after the successful completion of the "Kemberg II" wind farm repowering project. The implementation of additional projects will follow in the near future.

Developments within our large project portfolio which spans across borders are underway: In Germany and the UK, we are putting together a portfolio of wind farms with a nominal capacity of approximately 180 MW. In the first half of 2013 we intend to begin marketing the project portfolio, which will be realised in the coming years and drive future revenues and earnings.

Positive feedback received from Husum Windenergy, the world's largest wind energy tradeshow, and other meetings convince us that our project pipeline comprised of both onshore and offshore wind farms is extremely attractive to utilities, insurance companies and financial investors. Onshore, we are currently developing projects with a rated power of approximately 1,100 MW in Germany and an additional 2,000 MW in our international markets. Offshore, our three remaining German projects "Nemo", "Nautilus I" und "Jules Verne" (each with 80 sites) are also very promising.

The positive developments in the past months are reflected in our financial results. During the first nine months of 2012 we recorded revenues of euro 80.9 million and an earnings before interest and tax (EBIT) of euro 24.9 million. We created substantial value developing and selling the "Gode Wind" project rights prior to the realisation of the wind farm which clearly illustrates the unique characteristics of our business model.

In light of the "Gode Wind" success and our robust pipeline of projects, which should drive continued earnings, we confirm our cumulative EBIT guidance of euro 60 to 72 million for the fiscal years 2011 to 2013.

We would like to thank you, also in the name of our employees for the confidence which you have placed in us over the past few months. We hope that you will continue to accompany us on our exciting path.

Yours sincerely,



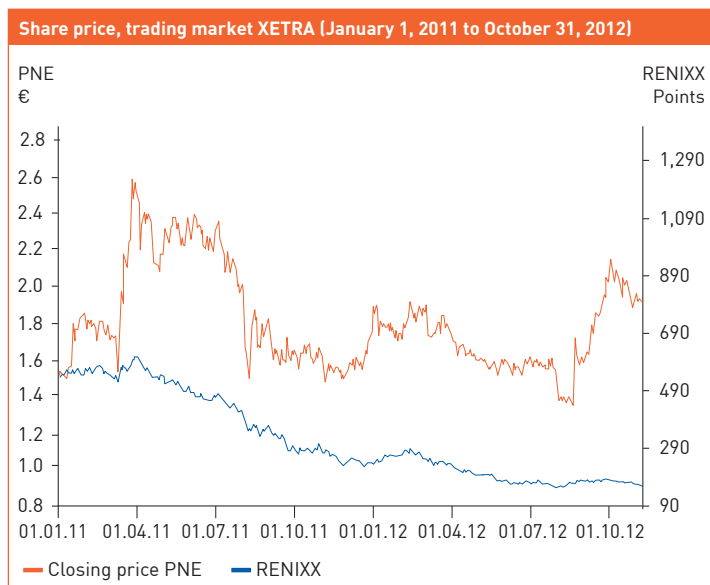
Martin Billhardt

- Chairman of the Board of Directors of PNE WIND AG -



Martin Billhardt
Chairman of the Board of Management
PNE WIND AG

Capital market information



The share

The PNE WIND AG share began 2012 at an initial price of euro 1.85 after the stock rose sharply during the final trading days of 2011 on the back of the news concerning the planned sale of the “Gode Wind II” offshore project. During the month of January, the stock consolidated these gains and levelled off at euro 1.80.

On 29 February 2012 news of the delay in payment for the sale of “Gode Wind II” had a negative effect on the PNE WIND AG share price and the stock closed at euro 1.73 on 1 March 2012. The stock gained support and recouped some of the losses and traded up to euro 1.84. At the end of March, the share price

came again under pressure with the news that the “Gode Wind II” sales contract would not be put into force.

During the summer the PNE WIND AG share traded in the range of euro 1.70 to euro 1.54 and, on a lack of positive catalysts, followed a light downward trend which was similar to that of the entire Frankfurt stock exchange. On 26 July 2012, the stock broke technical support levels at the euro 1.50 level and on 13 August 2012, the PNE WIND AG share reached its lowest point during the reporting period at euro 1.35.

News of the sale of the “Gode Wind” I, II and III projects on DONG Energy was a positive catalyst for the stock and in the following weeks it gained nearly 60 percent in value. On 25 September 2012, the stock reached euro 2.15, which marked the highest point so far this year. Profit taking weighed on the stock and the PNE WIND AG share closed on 28 September 2012 the last trading day during the reporting period at euro 2.05, which represents a 11 percent increase over the begin of the business year and a market capitalisation of euro 93.9 million.

At the end of June, the total number of issued PNE WIND AG shares was 45,785,869 up from 45,777,960 as at 31 December 2011. The increase was due to 7,909 new shares being issued from the conversion of convertible bonds.

Annual General Meeting

The ordinary Annual General Meeting took place on 15 May 2012 in Cuxhaven. The shareholders voted in favour by a large majority for the distribution of a dividend amounting to euro 0.04 for each eligible par value share and therefore approved the proposal made by the Board of Directors and the Supervisory Board.

Also with a considerable majority, the Supervisory Board members up for re-election were approved. Chairman Dieter K. Kuprian, Dr. Peter Fischer and Professor Dr. Reza Abhari were re-elected for a further five years. Their original mandates would have expired in 2013. The elections were held early in order to assure the board's continuity, an aspect which positively supports the company's development.

The shareholders meeting also passed resolutions granting formal approval of actions by the Board of Directors and the Supervisory Board during 2011 by majorities of over 96 percent each. The shareholders also voted in favour of a resolution which authorizes the Management Board to issue until 14 May 2017 with the approval of the Supervisory Board one or more times convertible bonds and/or bonds with warrants in a total nominal amount of up to euro 50,000,000.00 with a maximum term of 20 years. The holders of the convertible bonds and/or bonds with warrants may be granted conversion rights or options to up to 7,750,000 no-par-value registered shares in PNE WIND AG in accordance with their prorated amount in the capital stock of euro 7,750,000.00.

Shareholder structure

At the end of the reporting period on 30 September 2012, the Baden-Württembergischen Versorgungsansalt für Ärzte, Zahnärzte und Tierärzte held through LBBW Asset Management Investmentgesellschaft mbH 3.06 percent of the voting shares in PNE WIND AG. In accordance with the definition of the Deutsche Börse AG, the portion of the shares in PNE WIND AG in free float is currently 96.94 percent.

Due to the two capital measures carried out in May/June 2010, there may be a change in the shareholder structure in the future. Shares not purchased by the existing shareholders of PNE WIND AG in the context of the capital increase and the convertible loan were offered to Luxempart S.A., a financial investor based in Luxembourg. According to a contractual agreement, Luxempart S.A. had declared itself willing to acquire the shares and partial debentures not purchased by shareholders to a certain degree. Luxempart S.A. subscribed for 927,114 shares of the 1,249,500 shares issued in the capital increase. They also subscribed for partial debentures of the convertible loan to the amount of approx. euro 16.87 million. 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 17 September 2012, each member of the Management Board and the Chairman of the Supervisory Board each purchased 10,000 shares at a price of euro 1.899 per share. As at 30 September 2012, the CEO Mr. Martin Billhardt held 410,000 shares, CFO Mr. Jörg Klowat

held 110,000 shares and COO Mr. Markus Lesser held 55,500 shares of PNE WIND AG. From the Supervisory Board, Mr Dieter K. Kuprian held 10,000 shares and Mr. Jacquot Schwertzer held 5,704 shares. Together, the Board of Management and the Supervisory Board hold 1.29 percent of the company's stock.

Financial calendar

12 - 14 November 2012	Analyst's conference/German Equity Forum
27 March 2013	Publication of annual report
13 May 2013	Publication of first quarter results
22 May 2013	Annual General Meeting
12 August 2013	Publication of half yearly results
11 November 2013	Publication of third quarter results
11 - 13 November 2013	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 section "Investor Relations". Furthermore, annual and quarterly reports, press announcements and background information on PNE WIND AG can be accessed and downloaded there.

Condensed Interim Group Management Report

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

1. Market/overall economic conditions

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

The German economy became increasingly burdened over the past few months by the European government debt crisis and growing uncertainties on the financial markets. The difficult economic environment had an increasing effect on the wind power branch, with the general investment atmosphere becoming more restrained due to the turbulent financial markets. Nevertheless, wind farm investments are unique in nature due to the investment size and predictable returns.

Wind farms investments are somewhat shielded from current market movements and an upward trend in the construction of wind farms can be observed in Germany. After the newly installed capacity rose in 2011 over 2010, the German association WindGuard reported that 414 turbines with over 1,000 MW were installed in the first half of 2012.¹

Current figures illustrate that the consistent promotion of renewable energies is bearing fruit. According to the Federal Association of Energy and Water Power, the share of renewable energy in the German electricity mix in the first half of 2012 reached for the first time 25 percent (1H11: approximately 21 percent). Wind power is an important pillar within the renewable energy sector having expanded its share of the electricity generation to 9.2 percent (2011: 7.7 percent).²

The construction of offshore wind farms is viewed as a key growth driver for the national and international wind power market. According to data from the European Wind Energy Association (EWEA), 235 offshore turbines with a nominal capacity of 866 MW were constructed in nine separate wind farms in 2011. As a result, electricity from 1,371 turbines with 3,813 MW is being fed into the European power network. Additional wind farms are currently under construction and the expansion of offshore wind power in Europe is already running at full speed. The German offshore wind market is also growing and the Wind Power Agency (WAB) expects newly installed output of up to 4,500 MW by 2017.³ Furthermore, the German Government is taking steps to ensure that wind power at sea could provide approximately 15 percent of the country's electricity consumption. The German Government expects that by 2030 roughly 20,000 to 25,000 MW of offshore wind power could be constructed. The necessary infrastructure has to a large extent already been constructed in the ports. With four permits already issued from the BSH and additional projects in planning, PNE WIND AG is one of the leading offshore projector developers in Germany.

¹ Deutsche WindGuard, August 2012

² BDEW press announcement, July 2012

³ WAB, 2011

Although only a few German offshore wind farms are connected to the electricity grid, an additional five projects are under construction, according to the BSH. The BSH reports further that numerous projects have their approval as well as that of the provincial authorities. Offshore wind power thus has substantial expansion potential in Germany. In this respect an initiative was started at the beginning of 2010 by nine neighbouring countries to construct a high voltage network in the North Sea. The German government is actively taking steps to support this initiative as the sustainable use of wind power at sea requires an efficient electricity grid network. In the long term this joint initiative represents a substantial support for offshore wind power.

Perspectives for the development of new wind farm sites on land are arising in respect of repowering, i.e. the replacement of older low-output wind power turbines with stronger and more efficient turbines. According to the forecasts of the BWE substantial growth can be expected with repowering in the medium and longer term. According to data from DEWI 170 wind power turbines with a total output of 123 MW were replaced by 95 modern turbines with a total of 238 MW in 2011.⁴ BWE is estimating the market for repowering measures at 1,000 MW per annum during the next few decades, i.e. corresponding to annual sales of approximately euro 1.5 billion.⁵ PNE WIND AG has also used its own competence successfully already several times in this sector and expects additional positive effects in the medium to longer term.

Furthermore the shortages of fossil fuels as well as the ambitious climate targets of the Federal Republic are underpinning the growth of the wind power market. It is thus planned to reduce by 2020 the emission of greenhouse gases by 40 percent in comparison with the year 1990. The German Government confirmed this objective in its coalition agreement at the end of 2009 and re-confirmed this in its energy concept, which it submitted in September 2010. In accordance with this, the target to expand the share of renewable energies in the generation of electricity from currently around 25 percent to 35 percent by the year 2020 and to 80 percent by 2050 is maintained. Currently the technologically most advanced and efficient means of generating electricity is wind power and is thus gaining particular importance. The Government sees enormous growth potential in particular in the offshore sector. The Federal Office for the Environment maintains that electricity requirements in Germany can be covered by the year 2050 by up to 100 percent from renewable energies. Wind power has a key role in this scenario with regard to the energy mix of the future.⁶

The wind power turbine market is developing on a sustainable basis and in September 2012, the World Wide Energy Association (WWEA) reported that the 250 GW mark was surpassed. Of this amount, 100 GW are installed in Europe according to the EWEA and 30 GW in Germany according to WindGuard. In order to satisfy demand, many established wind turbines manufacturers of have expanded production capacities and new companies from India, China and South Korea have entered the market. As a result, the number of suppliers of wind power turbines has increased, which has led to downward price pressure.

⁴ DEWI, January 2012

⁵ BWE Repowering, 2012

⁶ Energy target 2050: 100 percent electricity from renewable sources/UBA, July 2010

2. General political conditions

Wind energy continues to be dependent on government support mechanisms to be competitive with traditional forms of energy production and favourable government policies are therefore instrumental to our ability to implement wind farm projects in Germany and our international markets.

In Germany, the company operates in a stable regulatory environment and the Renewable Energies Law (EEG), amended 1 January 2012 assures continuous development of wind power in Germany both on- and offshore.

The following conditions are valid in respect of electricity from wind power:

The payment for electricity from newly constructed wind power turbines on land amounts as from 2012 to 8.93 cents/KWH. For electricity from wind power turbines, which are equipped with a technology which stabilizes the power network, an additional "system service bonus" of 0.48 cents/KWH is paid. Insofar as the wind power turbines are constructed within the context of repowering, i.e. the replacement of old turbines by modern and more efficient machines, a "repowering bonus" of an additional 0.50 cents/KWH is due. Furthermore, the requirements for repowering projects were newly defined. The wind power turbines to be replaced need to have been put into operation prior to 1 January 2002 and the constraints to the size of the new turbines compared to the older models has been removed. The previous legislation stipulated that the new turbine cannot have capacity of over five times greater than the older turbine. On this basis there is a secure basis for the long term return calculations for wind farm projects in Germany. The annual reduction of the feed-in rates for newly constructed wind power turbines, currently amounts to 1 percent and will rise as from 2013 to 1.5 percent.

For offshore wind farms, the operator can chose between two alternatives with those being either a start-up payment of 15 cents/KWH for a period of 12 years or a start-up payment of 19 cents/KWH for a period of 8 years. In both cases the wind farm needs to be commissioned prior to 1 January 2018 and the length of time which the start-up period is extended is dependent on the distance to the coastline as well as the depth of the water at the wind farm.

To promote offshore wind farm developments, the German government has also established an offshore wind power credit program with a volume totalling euro 5 billion which is made available through the Kreditanstalt für Wiederaufbau (KfW) bank.

In addition to setting the tariff levels, the EEG also provides electricity produced from renewable energy sources including both on and offshore wind farm projects for priority access to the grid system. In order to regularly review the effects of the EEG, the German Government must submit a Monitoring report annually as well as an Experience report on the effects of the legislation by 31 December 2014.

International markets represent our activities in North America, the UK, Bulgaria, Romania, Hungary and Turkey.

In the US, the regulatory outlook is not certain with the Federal support mechanism expiring at the end of 2012. Clarity on an extension is expected only after the Presidential elections in November of this year. Although the mechanism receives support from representatives from two main political parties, efforts to extend the bill which provides tax credits to the owners of wind farms were unsuccessful up to this point.

In the UK and Scotland, energy from wind turbine continues to receive strong support.

In Bulgaria, the government lowered the remuneration for wind power at the end of June 2012. These changes reduce the projected profitability of our projects.

In Romania, the market is benefiting from European Union approved incentives for investment in renewable energy. The approval removes risks associated with the legislation and has cleared the way for continued investment in the market.

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

The Board of Management of PNE WIND AG sees the legal frameworks in the national and international markets as the necessary basis for the continuation of the positive business development during the next few years.

3. Corporate structure

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

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

- PNE WIND Romania Energy Holding SRL Bukarest, Romania (80 percent holding through PNE WIND Ausland GmbH, Cuxhaven),
- S .C. PNE WIND MVI SRL, Bukarest, Romania (99.9 percent holding through PNE WIND Romania Energy Holding SRL, Bukarest, and 0.1 percent through PNE WIND Ausland GmbH, Cuxhaven)

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

In the period under review, the size of the holdings for the following consolidated companies was increased:

- PNE WIND Renewable Solutions LLC, Minnesota, USA (from 75.0 percent to 100 percent, Held through PNE WIND USA Inc., Chicago, USA),
- Underwood Windfarm LLC, Minnesota, USA (from 75.0 percent to 100 percent, Held through PNE WIND Renewable Solutions LLC, Minnesota, USA),
- Butte Windfarm LLC, Minnesota, USA (from 75.0 percent to 100 percent, Held through PNE WIND Renewable Solutions LLC, Minnesota, USA).

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

In the period under review, the following companies were deconsolidated:

- Plambeck Neue Energien Windpark Fonds CV GmbH & Co. KG, Cuxhaven,
- PNE Gode Wind I GmbH, Cuxhaven,
- PNE Gode Wind II GmbH, Cuxhaven.

As a result of the deconsolidation of Plambeck Neue Energien Windpark Fonds CV GmbH & Co. KG, assets in the total amount of euro 18.3 million and liabilities in the amount of euro 18.6 million were eliminated.

As a result of the deconsolidation of PNE Gode Wind I GmbH, assets in the total amount of euro 27.0 million and liabilities in the amount of euro 5 million were eliminated.

As a result of the deconsolidation of PNE Gode Wind II GmbH, assets in the total amount of euro 17.1 million and liabilities in the amount of euro 0.2 million were eliminated.

4. General accounting principles

In the financial report on the first nine months of fiscal year 2012 as of 30 September 2012, the company applied the same accounting and valuation methods as in the consolidated financial statements of 31 December 2011.

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

5. Organisation and employees

On 30 September 2012, PNE WIND AG and its subsidiaries employed 186 people (previous year: 175). Including the Board of Management and trainees, 123 were employed at PNE WIND AG (previous year: 110). The remaining 63 employees were at PNE Biomasse GmbH (16 employees), PNE WIND Betriebsführungs GmbH (24 employees) and our international companies (23 employees). PNE WIND AG reacted to the increasing business activity with a moderate increase in the number of employees which forms the human resource capital needed for the continuation of our growth.

6. Summary of business activity

During the reporting period, PNE WIND AG's offshore wind segment was the primary earnings driver.

In August 2012, the offshore wind parks "Gode Wind" I, II and III were sold to the Danish energy company DONG Energy. PNE WIND AG received an upfront payment of euro 57 million in August and additional milestone payments up to euro 100 million will become due when predetermined project development steps are reached. In addition, PNE WIND AG will continue to

support the development of the three offshore projects as a service provider to DONG Energy for the next five years. The service contact has a value of up to euro 8.5 million.

In the onshore segment, there were also positive developments. In the third quarter, construction began on another wind farm.

The development of individual segments:

Wind power segment

Wind power onshore sub-division

PNE WIND AG continued its German onshore wind power development business and during the first nine months of 2012, the company completed its third repowering project with the commissioning of the 10 MW "Kemberg II" wind farm. In the third quarter, construction began on the "Zernitz II" wind farm with a nominal capacity of 6 MW and the rights to the "Rositz II" wind park were sold. The permits required for the start of construction on two projects with a nominal output of 14 MW are on hand and additional permits for onshore wind farm projects are expected in the short term. In total, PNE WIND AG had 1,100 MW of projects in various stages of development in Germany at the end of the reporting period.

Outside of our domestic market, we continue our international wind project development business.

United Kingdom:

PNE WIND UK Limited plans to make substantial wind farm investments in the UK in the coming years and is currently working on projects with up to 590 MW of capacity. One of our major accomplishments to date was being selected by the Scottish Forestry Commission as the preferred partner for the development of wind farms in Central Scotland. PNE WIND UK is identifying suitable sites in the Argyll and Bute, West Dunbartonshire, Stirling, Perth, Kinross and Angus administrative districts of the Scottish National Forest. Once identified, the Forestry Commission and PNE WIND UK will decide together on the main aspects of the project development including the number of turbines as well as construction and operations details should the project progress to the implementation stage.

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

Outside of the projects with the Forestry Commission, PNE WIND UK is developing additional projects. Four of which, Brunta Hill with 23 MW, Tralorg with 20 MW, Kennoxhead with 50 MW and Hill of Braco with 30 MW have reached the community information stage.

USA:

The subsidiary, PNE WIND USA, is amending its marketing strategy as a reaction to market developments, marked by the current low electricity demand and outstanding questions regarding the prolongation of the tax rules for wind power. Based on our belief that there will be further expansion of wind power in the USA, PNE WIND USA continues to focus on strengthening its wind

project pipeline. The wind farm projects, on which work has already been carried out, are being intensively developed and optimized economically in order to be able to market them profitably as soon as possible. Significant progress has been made with the Chilocco project, a 70 MW wind farm which is being developed in Oklahoma.

Hungary:

In Hungary, building permits for two wind farms with 32 turbines and 78 MW of nominal capacity have been issued to our subsidiary PNE WIND GM Hungary Kft. The most recent permit was issued during January 2012. With these approved wind farms PNE WIND GM Hungary Kft, will participate in the next tender offer for grid connections to the high voltage network or sell the projects before hand to realize the value which has already been created.

Other foreign activities:

In Bulgaria, project development continued during the first half of the year but recent legislative changes greatly reduced the remuneration of wind farms at the end of June 2012. The reduction may make it difficult to develop and operate a wind farm profitably in Bulgaria. We are examining our current pipeline to assess the impact of the legislative change and to determine whether the projects may be developed at a later point in time. To avoid any risks associated with the valuation of these projects, the company has reduced the reported value to a minimum. The cumulative effects have negatively impacted the Groups reported EBIT by euro 1.0 million as at 30 September 2012.

In Romania, the market is benefiting from European Union approved incentives for investment in renewable industry. Installed wind power may rise to 1,500 MW in 2012, according to Association of Electricity Suppliers in Romania. PNE WIND AG is developing wind farms with up to 160 MW. In the near future, one project will have completed the technical aspects of project development to be classified as ready for construction.

In Turkey, we are awaiting the next tender offer for wind power projects from the government, which is a prerequisite for the realization of such projects.

In total our subsidiaries and joint ventures, which represent PNE WIND AG activities in foreign markets, were working on wind farm projects with a nominal output of more than 2000 MW in various phases of development as at 30 September 2012.

PNE WIND AG continues, despite volatile market conditions to see attractive development opportunities in the onshore sector in Germany, the United Kingdom, Canada, the USA and Southeast Europe. The Board of Management is confident to be able to achieve sustainable growth through the diversification and internationalization of wind farm development.

Wind power offshore subdivision

In August 2012, the offshore wind parks "Gode Wind" I, II and III were sold to the Danish energy company DONG Energy. The projects "Gode Wind" I and II are now 100 percent owned by DONG Energy. For the projects, inclusive development costs, PNE WIND AG received an upfront payment of euro 57 million. With the successful completion of predetermined project development steps, approximately euro 100 million in additional milestone payments are expected to become due till 2015. Substantial milestones include the completion of an offshore study, the issuance of

the permit for the "Gode Wind III" project from the German Federal Maritime and Hydrographic Agency and the final investment decisions for the "Gode Wind" I and II projects.

In addition to the above mentioned items, PNE WIND AG will, as part of the transaction, support the projects as a service provider to DONG Energy for the next five years. The service contract has a value of up to euro 8.5 million.

All three of the "Gode Wind" projects are located 38 to 40 kilometres north of the Norderney Island in the North Sea. The "Gode Wind" I and II projects have both been issued building permits from the BSH and brought to the ready-to-build point of development. Furthermore, TenneT has issued an unconditional grid connection guarantee. The "Gode Wind III" project is in an earlier stage of development and current efforts are targeted at obtaining the building permit as quickly as possible.

During the reporting period, PNE WIND AG continued to develop additional offshore projects in the North Sea. Currently the projects, "Nemo", "Nautilus", and "Jules Verne" are in the permitting process. All of these projects are located in the North Sea within the Exclusive Economic Zone of the Federal Republic of Germany approximately 180 kilometres north west of Helgoland. According to current planning, 80 wind power turbines per site could be permitted and installed.

The "Borkum Riffgrund" offshore wind farm projects are also developing positively. Although, these projects have already been sold to the Danish energy group, DONG Energy Power A/S, PNE WIND AG continues to be active in the development as a service provider. DONG Energy has reached final investment decision for "Borkum Riffgrund I" and construction is expected to start in 2013 with the wind farm first supplying power in 2014. The 800 MW transmission linked named the DolWin1, needed for the grid connection, is being completed by ABB and is expected to be commissioned in 2013. For the neighbouring "Borkum Riffgrund II" project, the building permit was awarded from the BSH in Dec 2011. DONG Energy has placed this project on hold because it was unable to get an unconditional grid connection guarantee with a set completion date from the grid network company TenneT. Without this DONG Energy is unable to make the final investment decision for "Riffgrund II".

The "Nautilus II" wind farm project is still in the planning and application stage. Although the project rights were sold in November 2011, PNE WIND AG will act as a service provider until the building permit from the BSH is issued. The offshore wind farm project is planned for 80 wind power turbines with a nominal output of up to 7 MW per turbine. The project area is in the North Sea within the Exclusive Economic Zone of the Federal Republic of Germany approximately 180 kilometres north west of Helgoland. The building permit is expected from the BSH in 2014.

In the total offshore sector, PNE WIND AG was working on three own wind farm projects in various stages of project development and is active as a service provider for a further six offshore projects as at 30 September 2012. According to the current planning, a total of 240 wind power turbines can be constructed in our own wind farms. Decisive for the exact number is inter alia the nominal output of the equipment to be chosen, which can amount to between 3 and 7 MW. In total the planned nominal output of the three own offshore projects can amount up to 1,440 MW.

Electricity generation segment

All activities within the Group which are attributable to the production of electricity from renewable energy are combined in the electricity generation segment. This segment includes the "Altenbruch II" and "Laubuseschbach" wind farms, which are operated by PNE WIND AG, as well as PNE Biomasse GmbH, which, in accordance with the agency agreement, provides the personnel for the timber-fired power station at Silbitz. In addition, the segment 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 their successful sale and delivery to the operators.

The electricity generation segment achieved an EBIT of euro 1.7 million in the first nine months of 2012 and was significantly better than the same period last year (EBIT euro 0.7 million). The improved result was positively influenced by our "Altenbruch II" wind farm which delivered a euro 0.1 million higher EBIT year on year. Depending on location, the wind conditions in the first nine months of 2012 were between 95 and 100 percent of the long-term average.

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 2012, the PNE WIND AG Group achieved a total performance of euro 86.1 million (previous year: euro 36.2 million). This includes euro 80.9 million in revenue (previous year: euro 33.1 million), euro 3.6 million in inventory changes (previous year: euro 1.9 million) and euro 1.6 million in other operating revenue (previous year: euro 1.4 million).

The level of activity at PNE WIND AG in onshore project development in Germany and abroad as well as offshore are reflected in expenses. Personnel expenses in the first nine months of 2012 were euro 10.0 million and were higher than the previous year's period at euro 8.7 million. The number of employees increased to 186 as per 30 September 2012 (previous year: 175 employees).

The other operating expenses of euro 7.6 million (previous year: euro 6.4 million) mainly comprised of legal and consulting fees, advertising and travel costs as well as rental and leasing expenses.

Depreciation increased to euro 4.1 million up year on year from euro 3.8 million. The increase was primarily driven by charges (euro 0.2 million) in association with the first consolidation of the "Kemberg II" wind farm till the end consolidation. The majority of the depreciation charges arise from our wind farm "Altenbruch II" and the timber-fired power station Silbitz GmbH und Co. KG.

The sale and deconsolidation of the "Gode Wind I" and "Gode Wind II" projects generated sales of approximately euro 63 million as of 30 September 2012. Cost of goods sold and other operating expenses totalled approximately euro 29 million (of which the largest component, at approximately euro 17 million, arises from the disposal of activated immaterial assets which resulted from the buy-back and first consolidation of PNE Gode Wind I GmbH) as of 30 September 2012. Considering the above mentioned revenues and expenses, the sales transaction generated a positive EBIT effect at the group level in the amount of approximately euro 34 million.

In the first nine months of 2012, the PNE WIND AG group reported an operating income (EBIT) of euro 24.9 million (previous year: euro -0.7 million) and an earnings before tax (EBT) of euro 21 million (previous year: euro -4.5 million). Consolidated earnings after minority interests were euro 22.0 million (previous year: euro -4.0 million). Consolidated undiluted earnings per share were euro 0.48 (previous year: euro -0.09) and diluted consolidated earnings per share were euro 0.39 (previous year: euro -0.06).

As at 30 September 2012 retained earnings in the balance sheet totalled euro 5.6 million (31 December 2011: euro -14.0 million).

The consolidated results and those of PNE WIND AG are in line with the Management Board's expectations and reflect the investments made in project development which form the basis for the company's future results.

8. Financial position/liquidity

The cash flow statement provides information on the liquidity situation and the financial position of the Group. As of 30 September 2012, the Group had available liquidity, including credit lines for project bridge financing of euro 62.3 million, of which euro 0.5 million is pledged to banks (previous year: euro 48.6 million of which euro 1.0 million was pledged).

As of 30 September 2012, no overdraft facilities were taken up by the Group.

The cash flow from operating activities at euro -12.1 million (previous year: euro 2.8 million) was influenced by the decrease in long term construction contract receivables in connection with the commissioning and delivery of the "Kemberg II" wind farm (euro 8.9 million as at December 31, 2011), an open account receivable position (approximately euro 27 million per 30 September 2012) in connection with the sale of the "Gode Wind I" and "Gode Wind II" projects to DONG Energy and the receipt of payment from the sale of our holdings in PNE2 Riff II GmbH in 2009. The amount (euro 6.0 million) was first recorded as a receivable as at 31 December 2011. Furthermore the cash flow from operating activities is affected by the reclassification of the "earnings from the disposal of fixed assets" (euro -18.3 million) into the cash flow from investments position (payments from the sale of consolidated items).

The cash flow from investment activities was affected by investments in property, plant and equipment of euro 12.1 million (previous year: euro 8.2 million). This figure was influenced by the realization of "Kemberg II" project (euro 11.7 million), which was financed using external sources of debt. Other investments are financed with our own resources. Net payments received of approximately euro 52.1 million resulted from the sale of the "Gode Wind I" and "Gode Wind II" (euro 5 million in follow-up costs were due to the Royal Bank of Scotland resulting from PNE WIND AG buying back of 90 percent of shares in the "Gode Wind I" in 2010).

In the period under review, the cash flow from financing activities of euro 4.4 million (previous year: euro -7.0 million) reflects the net effect of the loans taken to finance the "Kemberg II" project (euro 9.8 million), the redemption and retirement of credit liabilities totalling euro -3.6 million and the dividend payment of euro -1.8 million in May 2012.

At the end of the reporting period on 30 September 2012, the Group had cash and equivalents of euro 51.7 million (previous year: euro 26.8 million). PNE WIND AG had available liquidity of euro 48.0 million (previous year: euro 23.5 million), of which euro 0.5 million is pledged to banks (previous year: euro 1.0 million).

9. Net assets

Assets (in EUR million)	30.09.2012	31.12.2011
Intangible assets	22.2	39.8
Property, plant and equipment	60.9	93.8
Long term financial assets	0.2	0.2
Deferred taxes	0.4	0.7
Assets held for sale	0.6	0.0
Inventories	21.5	14.1
Receivables and other assets	34.6	24.3
Cash and cash equivalents	51.7	19.4
Total assets	192.1	192.3

At the date of the statement of financial position the consolidated total assets of PNE WIND AG amounted to euro 192.1 million, down about 0.1 percent in comparison with 31 December 2011. Long term assets decreased in total from euro 134.5 million at the end of 2011 to euro 83.7 million. The reduction is primarily due to the sale of the projects "Gode Wind I" and "Gode Wind II". The "Gode Wind III" is classified under "Assets held for sale".

As at 30 September 2012, intangible assets totalled euro 22.2 million which is euro 17.6 million lower than euro 39.8 million as at 31 December 2011. The largest position of this item is the goodwill of the wind power projecting segment in the amount of euro 20.0 million. Project rights in the amount of euro 17.4 million which were added during the fiscal year 2010 with the first consolidation of PNE Gode Wind I GmbH exited the balance sheet with the sale of "Gode Wind I".

During the period under review, property, plant and equipment (PPE) decreased by euro 32.9 million to euro 60.9 million (31 December 2011: euro 93.8 million). The PPE position contains land and buildings (euro 13.3 million), transformer stations (euro 7.3 million), technical equipment of the "Altenbruch II" wind farm (euro 32.0 million) and the timber biomass power plant in Silbitz (euro 6.4 million) which includes land and buildings in the amount of euro 3.1 million. The projects "Gode Wind I" and "Gode Wind II", which were listed under plants under construction last year, have exited the balance sheet following their sale. The projects "Nemo", "Nautilus" and "Jules Verne" are listed as inventories. The "Gode Wind III" project (euro 0.5 million), which was previously included in plants under construction is classified as "Asset held for sale".

Short term assets increased from euro 57.8 million as at 31 December 2011 to euro 107.8 million as at 30 September 2012. The primary driver was the sale of the "Gode Wind I" and "Gode Wind II" projects which resulted in the company receiving a euro 57 million payment as well as booking an account receivable position of approximately euro 27 million. This is due in the beginning of 2013. Receivables and other assets increased from euro 24.3 million as at 31 December 2011 to

euro 34.6 million as at 30 September 2012, of which euro 31.3 million are attributable to trade receivables up from euro 12.2 million as at 31 December 2011.

Inventory is mainly comprised of work in progress, which increased from euro 12.6 million as at 31 December 2011 to euro 19.9 million. The offshore projects „Nemo“, „Nautilus“ and „Jules Verne“ are listed as work in progress with 7.8 million euro.

As at 30 September 2012, cash and cash equivalents amounted to euro 51.7 million (31 December 2011: euro 19.4 million).

Liabilities (in EUR million)	30.09.2012	31.12.2011
Shareholder equity	93.6	74.7
Deferred subsidies from public authorities	1.1	1.1
Provisions	1.6	1.9
Long term liabilities	69.5	72.9
Short term liabilities	19.0	34.3
Deferred revenues	7.3	7.4
Liabilities held for sale	0.0	0.0
Total liabilities and shareholder equity	192.1	192.3

On the liability side, consolidated shareholder equity increased from euro 74.7 million as at 31 December 2011 to euro 93.6 million as at 30 September 2012. The increase was due to the positive net income of the Group during the quarter. At the end of the reporting period, the equity ratio of the Group amounted to 49 percent (31 December 2011: 39 percent) and the third party debt ratio amounted to 51 percent (31 December 2011: 61 percent).

Scheduled debt repayments resulted in long term liabilities declining from euro 72.9 million at the end of 2011 to euro 69.5 million, of which euro 69.4 million is financial debt. This position includes the convertible loan in the amount of euro 28.8 million (a portion of the convertible loan is presented as shareholders' equity in accordance with IFRS) and liabilities to banks in the amount of euro 32.0 million, of which euro 25.4 million arises from the project financing of our "Altenbruch II" wind farm, euro 3.3 million from the timber biomass power plant in Silbitz and euro 3.0 million from the financing of the Company headquarter building in Cuxhaven.

As at 30 September 2012 the total number of issued PNE WIND AG shares was 45,785,869. The increase from 31 December 2011 (45,777,960 shares) resulted from the conversion of convertible bonds in the second quarter of 2012.

PNE WIND AG has undertaken in a contract with the limited partners of the operating company of the "Silbitz" power plant that it would acquire their limited partnership shares at the beginning of 2017 at a price of 110 percent of the nominal amount. Due to this undertaking other financial liabilities include a discounted purchase price liability as at 30 September 2012 in the amount of euro 5.3 million. Furthermore, PNE WIND AG has provided the limited partners of HKW Silbitz GmbH & Co. KG a distribution guarantee until 2016, which is included in the provisions at a discounted amount of euro 1.0 million.

During the first nine months of 2012, the short term liabilities decreased from euro 34.3 million as at 31 December 2011 to euro 19.0 million. The accounts payable position increased from euro 6.5 million at the end of 2011 to euro 8.7 million as at 30 September 2012. The long term construction projects position decreased from euro 6.9 million at the end of 2011 to euro 0.0 million with the commissioning and sale of the "Kemberg II" wind farm. Taking cash and equivalents into consideration the net debt amounted as at 30 September 2012 to euro 15.8 million (31 December 2011: euro 54.4 million).

10. Transactions with related companies and persons

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

PNE WIND AG concluded consulting contracts for the provision of EDP services with net.curity Informations Technologien GmbH, whose managing shareholder is the member of the Supervisory Board, Mr. Rafael Vazquez Gonzalez. In the first nine months of 2012, transactions were effected in this respect with a net volume of euro 185,549.24. 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. Research and Development

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

13. Major events following the end of the reporting period

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

14. Report of opportunities and risks

General factors

As a result of its business activities the Group and the individual consolidated companies are exposed to risks which are inseparable from its entrepreneurial activities. Through our internal risk management system we are minimizing the risks associated with our business activity and invest only if a corresponding value added can be created for the Company while maintaining a manageable risk. Risk management is a continuous process. An evaluation of the determined risks is made based on the analysis of the core processes. A risk report is submitted regularly to the Board of Management and to the Supervisory Board.

Risks from operating activities

Permit acquisition presents a substantial risk to operations. Delays experienced in the receipt of permits could impact liquidity, may require higher prepayments and could result in a loss of funds. Permitting delays could result in the project becoming uneconomical, which may lead to the write-off of capitalised work in process. Apart from the inventories, this risk could also impact the value of receivables. In the case of offshore, fixed and intangible assets may need to be written off. The opportunities presented in wind farm development can, however, only be realised if such entrepreneurial risks are taken.

Delays can occur in project implementation due to; timing of approvals, commitments for grid connections, complaints lodged against issued permits, availability of wind power turbines and the necessary equipment and conditions for construction. Through comprehensive project risk controlling we attempt to take these requirements into timely consideration.

The number of suitable sites in Germany for the construction of wind power turbines is limited. This may result in an increased competition and acquisition costs for these sites.

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

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

Risks in respect of project realisation could result from a financial crisis and the reticence resulting there from on the part of the banks with regard to project financing. Nevertheless, the Kreditanstalt für Wiederaufbau (KfW) is implementing the programme resolved by the Federal Government whereby euro 5 billion will be made available for the first ten German offshore wind farm projects.

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

the asset, financial and earnings situation of PNE WIND AG because the planned “Riffgrund II” milestone represents is a single digit million figure and the “Nautilus II” project lies outside of our near and mid-term planning.

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

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

Medium or long term currency risks could arise in respect of projects in the international sector. In the operating field foreign currency risks result primarily from the fact that planned transactions are undertaken in a currency other than the euro. With regard to investments, foreign currency risks may arise mainly from the acquisitions or divestments of foreign companies. It is planned to undertake the hedging of key foreign exchange transactions with third parties outside the Group through currency hedging transactions.

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

Political risks / market risks

Incalculable risks can also arise from external market forces. These include in particular a sudden change in the general legal conditions in Germany or in our foreign markets. From the company’s point of view, deterioration is not to be feared in the medium term in Germany, since the Renewable Energies Law (EEG) was amended at the end of June 2011 by the German Parliament and entered into force on 1 January 2012. The next regular amendment is expected in 2015. Amendments to the legislation take into consideration aspects of an experience report, which the Federal German Government must submit to the German Parliament in 2014.

Political and market risks abroad could have effects on project development during the next few years. PNE WIND AG and its subsidiaries intensively observe market developments abroad, in order to recognise and respond to possible changes in the market situation and/or the political landscape.

Legal risks

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

Tax risks

PNE WIND AG and its subsidiaries are currently active in eight countries in the world and are thus subject to many different tax laws and regulations. Changes in these areas could lead to higher tax expenses and to higher tax payments. Furthermore, changes in the tax laws and regulations could also have an influence on our tax receivables and tax liabilities as well as on deferred taxes carried as assets and liabilities. We are operating in countries with complex tax regulations which could be interpreted in different ways. Future interpretations and development of tax laws and regulations could have an influence on our tax liabilities, profitability and our business operations. In order to minimise these risks, we are working continuously throughout the Group with specific tax consultants from the relative countries and are analysing the current tax situation.

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

Opportunities

As projector of onshore and offshore wind farms, PNE WIND AG is active in an attractive growth market. Independent studies assume high rates of growth for wind power during the next few years due to the finite state of fossil fuels, the pressure for the reduction of dangerous climate emissions as well as the requirement for secure sources of energy. In this respect PNE WIND AG has available from its many years of activity in the market the 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 this expansion has taken place primarily in countries with stable political general conditions and with reliable support regulations comparable with the German Renewable Energies Law (EEG). In order to take into consideration sufficiently the corresponding local conditions, the market introduction always takes place in cooperation with a local partner, whereby PNE WIND AG assures its necessary management and controlling rights by means of a significant participation. This type of internationalisation has already proven itself during the past few years as a cost-efficient and potentially successful strategy. Joint ventures were therefore established in accordance with this model for wind farm projects in Bulgaria, Turkey, Romania and the United Kingdom. The subsidiary established in the USA and Hungary as well as the joint venture established by this company in Canada is also based on this strategy. In the future PNE WIND AG will thus also pursue this policy for selective foreign expansion and take advantage decisively of existing market

opportunities. For this purpose a continuous observation takes place with regard to other wind power markets as well as a careful analysis of corresponding market introduction opportunities.

Apart from the perspectives of internationalisation, the established German market continues to offer a range of opportunities. During the next few years an increased level of replacement can be expected in respect of obsolete wind power turbines by more modern and more efficient equipment (so-called repowering). As a result of this an increase in the market size can be expected for wind power turbines. With the "Alt Zeschdorf", "Görike" and "Kemberg II" wind farms PNE WIND AG was already able to conclude successfully its first repowering projects. Due to the many years of experience of PNE WIND AG, its comprehensive network as well as the proven expertise of the employees, the Company is now in a favourable position to participate on a sustainable basis in this process.

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

Finally, the growth of the wind power sector in Germany offers increased opportunities in the area of the provision of services. PNE WIND AG considers itself to be a reliable partner of the operators of wind farms and often looks after these following the transfer with regard to technical and commercial operating management. As 30 September 2012, 245 wind power turbines were under management. With the expansion of wind power projecting there is thus the possibility of an increase in the after-sales business, whereby this could lead to correspondingly favourable effects of the sales and earnings situation of the Company.

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

15. Outlook

The projecting and realisation of wind farms is the core business of PNE WIND AG. The Company is active in Germany, the USA, Canada, the United Kingdom, Hungary, Romania, Bulgaria and Turkey. Whilst abroad wind farms on land (onshore) are exclusively developed, in Germany they are also developed at sea. The target in this respect is to swiftly expand the use of wind power for the generation of electricity. The expansion of renewable energies is a topic discussed worldwide. An increasing number of governments are emphasising the urgent necessity of a change in energy supply to include more renewable energy and are creating general conditions with which the ecologically correct expansion can also be economically meaningful. Above all wind power is

benefiting from this. Having benefited from decades of technical development wind power already contributes effectively and cheaply to the current and future electricity production.

We are taking this backdrop into consideration when forming our corporate strategy. In the short to medium term we see the projecting of wind farms in Germany as a major factor for our corporate development with offshore projects being particularly important. After years of intensive planning and preparations, we sold the offshore wind farms, "Gode Wind" I to III to the Danish power company DONG Energy on 14 August 2012. The project rights for "Gode Wind" I and II were transferred to DONG Energy with receipt of the first payment of euro 57 million. The proceeds will in part be used to recoup advance payments and loans due to PNE WIND AG. During the coming years, we will also receive milestone payments of approximately euro 100 million upon reaching specified stages in the projects development. An important milestone has been reached with the completion of offshore studies for DONG Energy. The remaining milestones will be triggered when building permit is issued from the BSH for the "Gode Wind III" and when DONG Energy makes its Final Investment Decision for the "Gode Wind" I and II projects. In addition, PNE WIND AG will remain involved in the future development of the "Gode Wind" projects as a service provider for the next five years. The service contract represents a total volume of up to euro 8.5 million.

The PNE WIND AG developed offshore projects "Borkum Riffgrund" I and II, have also made progress. DONG Energy intends to begin with the construction of "Borkum Riffgrund I" 2013. The BSH agency issued a building permit for "Borkum Riffgrund II" at the end of 2011. DONG Energy's strength is illustrated by its leading position in the offshore market, its capacity for developing new financing structures and its ability for bringing new partners into the market. Despite DONG Energy's recent decision to put the project on hold, we remain convinced that the "Borkum Riffgrund II" will be build and that we will receive the remaining milestone payment, albeit later than expected. The offshore sector is a mainstay of our company and provides a positive impetus for our development.

The large number of onshore projects which we are currently developing in Germany and abroad forms the basis for our future company success. Within the next few years projects, which we are developing intensively today in Germany and abroad, will reach construction maturity and be realised, thereby contributing to future revenues and earnings.

Furthermore, we expect a positive long term effect on our business model from the growing exchange of smaller and older wind power turbines with more efficient and higher performance equipment. Older wind power turbines are gradually being replaced within the context of repowering. With a currently installed nominal output of more than 30,000 MW in Germany we expect a continually growing market with attractive opportunities for our Company. We have already successfully completed three repowering projects. An advantage for PNE WIND AG is the fact that we have remained involved with the wind farms developed by us through our technical and commercial operational service.

The success of our international project development is dependent on the respective conditions in each market. In the United Kingdom, we have developed four wind farm projects to the point where they are now at the public hearing stage. We are also continuing to work successfully in close cooperation with the Scottish Forestry Commission. In Hungary, two of our wind farms have

already been approved. In the US, we have adapted our strategy in order to be prepared for possible changes to the subsidy programme. Significant progress has been made with the Chilocco project, a 70 MW wind farm which is being developed in Oklahoma.

PNE WIND AG is currently preparing a portfolio of wind farm projects located in Germany and Great Britain with approx. 180 MW of nominal output to sell. This package will be offered to investors during the first half of 2013 and their realisation over the next few years will generate future revenue and earnings for the group.

In the medium term additional projects will also be developed in these and other countries to such a stage that we can begin construction and marketing. Even though negative market developments, such as the reduction of feed-in tariffs in Bulgaria, cannot be completely excluded, we retain confidence in our foreign activities.

In addition, we are constantly reviewing to see if the framework conditions for wind farm projects in other countries have been formulated in such a way that PNE WIND AGs market entry would also make sense.

PNE WIND AG is in a good position onshore and offshore at home and internationally. For this reason we are very confident to be able to realise the opportunities of the growing wind market in the future. The Management Board reconfirms its cumulative EBIT forecast of euro 60 to 72 million for the three year period from 2011 to 2013 based on our conviction that positive developments will continue during the next few years. The outlook for the national and international markets onshore and offshore is the basis for our capability to pay dividends and to make the necessary investments in projects during the next few years. The consolidated EBIT will be driven by revenues arising from offshore projects as well as results from onshore wind farms both in Germany and abroad. Moreover, continuing positive net profits are also expected for PNE WIND during the next few years. It is difficult to provide fixed forecasts for the individual years due to the operating activity of the Company and short term earnings fluctuations related thereto. However, our EBIT forecast till the end of 2013 reflects our expectations for the further positive earnings situation of the Company.

Cuxhaven, 2 November 2012
PNE WIND AG, Board of Directors

Consolidated interim financial statement (IFRS)

of PNE WIND AG, Cuxhaven, as at September 30, 2012

All figures in TEUR (differences due to rounding possible)		3rd quarter 01.07.2012 – 30.09.2012	3rd quarter 01.07.2011 – 30.09.2011	Period 01.01.2012 – 30.09.2012	Period 01.01.2011 – 30.09.2011
1.	Revenues	68,634	16,483	80,893	33,075
2.	Changes in inventories of finished goods and work in process	1,823	-462	3,619	1,868
3.	Other capitalised contributions	0	0	0	0
4.	Other operating income	681	391	1,621	1,383
5.	Total aggregate output	71,138	16,412	86,133	36,326
6.	Cost of materials/cost of purchased services	-32,555	-12,385	-39,605	-18,104
7.	Personnel expenses	-3,514	-2,487	-9,972	-8,731
8.	Depreciation of property plant and equipment (and amortization of intangible assets)	-1,288	-1,360	-4,118	-3,842
9.	Other operating expenses	-2,643	-1,870	-7,587	-6,390
10.	Operating profit (EBIT)	31,138	-1,690	24,851	-742
11.	Income from participations	0	0	0	0
12.	Other interest and similar income	95	157	241	819
13.	Interest and similar expenses	-1,397	-1,914	-4,115	-4,589
14.	Expenses for losses absorbed	-2	1	-4	2
15.	Result from ordinary activities (EBT)	29,834	-3,446	20,973	-4,509
16.	Taxes on income	-169	-68	-80	-178
17.	Other taxes	-14	-13	-54	-40
18.	Profit/loss before minority interests	29,651	-3,527	20,839	-4,727
19.	Non-controlling interests	-229	-299	-1,191	-730
20.	Consolidated profit/loss	29,880	-3,228	22,030	-3,997
Other comprehensive income					
21.	Foreign currency translation differences	-156	173	-117	-80
22.	Others	0	0	0	0
23.	Other comprehensive income for the period (net of tax)	-156	173	-117	-80
24.	Total comprehensive income for the period	29,495	-3,354	20,722	-4,806
Consolidated profit/loss for the period attributable to					
	Owners of the parent company	29,880	-3,228	22,030	-3,997
	Non-controlling interests	-229	-299	-1,191	-730
		29,651	-3,527	20,839	-4,727
Total comprehensive income for the period attributable to:					
	Owners of the parent company	29,724	-3,055	21,913	-4,076
	Non-controlling interests	-229	-299	-1,191	-730
		29,495	-3,354	20,722	-4,806
	Earnings per share (undiluted), in EUR	0.65	-0.07	0.48	-0.09
	Earnings per share (diluted), in EUR	0.52	-0.05	0.39	-0.06
	Average number of shares in circulation (undiluted), in million	45.8	45.8	45.8	45.8
	Average number of shares in circulation (diluted), in million	59.1	59.1	59.1	59.1

Abbreviated group balance sheet (IFRS)

of PNE WIND AG, Cuxhaven, as at September 30, 2012

Assets

All figures in TEUR (differences due to rounding possible)	as per 30.09.2012	as per 31.12.2011
Intangible assets	22,192	39,797
Property plant and equipment	60,888	93,803
Long term financial assets	248	246
Deferred tax assets	392	652
Long term assets, total	83,720	134,498
Assets held for sale	584	0
Inventories	21,454	14,096
Receivables and other assets	34,690	24,286
Cash and cash equivalents	51,668	19,447
Current assets, total	107,812	57,829
Assets total	192,116	192,327

Liabilities

All figures in TEUR (differences due to rounding possible)	as per 30.09.2012	as per 31.12.2011
Subscribed capital	45,786	45,778
Capital reserve	44,886	44,877
Retained earnings	51	51
Foreign currency provision	-251	-133
Consolidated balance sheet result	5,636	-13,998
Minority interests	-2,498	-1,872
Shareholders equity, total	93,610	74,702
Other provisions	640	933
Deferred subsidies from public authorities	1,102	1,137
Long term financial liabilities	69,390	72,506
Deferred tax liabilities	106	372
Long term liabilities, total	71,238	74,948
Liabilities held for sale	6	0
Provisions for taxes	216	215
Other provisions	747	791
Short term financial liabilities	6,295	12,255
Trade liabilities	8,674	6,523
Other liabilities	10,807	22,359
Tax liabilities	523	534
Short term liabilities, total	27,262	42,677
Liabilities total	192,116	192,327

Consolidated cash flow statement (IFRS)

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

Consolidated accounts from January 1 until September 30		
All figures in TEUR (differences due to rounding possible)		
	2012	2011
Consolidated net income / loss	20,839	-4,727
+/- Depreciations/write-ups of fixed assets	4,118	3,842
+/- Increase/decrease in provisions	-63	-790
+/- Non-cash effective income and expenses	-380	-54
-/+ Gain/loss from disposal of fixed assets	-18,312	0
+/- Increase/decrease of inventories and other assets	-5,018	5,066
+/- Increase/decrease of trade receivables and stage of completion accounting	-11,806	-2,913
+/- Increase/decrease of trade liabilities and other liabilities	-1,469	2,339
Cash flow from ongoing business activity	-12,091	2,763
+ Inflow of funds from disposal items of property, plant and equipment	69	16
+ Inflow of funds from intangible assets	0	0
- Outflow of funds for investments in property, plant and equipment	-12,089	-8,196
+ Inflow of funds from disposal financial assets	1	3
+ Inflow of funds from disposal of consolidated units	52,075	0
- Outflow of funds for investments in consolidated units	0	0
- Outflow of funds from disposal of intangible assets	-15	0
Cash flow from the investing activity	40,040	-8,177
+ Additional inflow of funds from shareholders	17	5
+ Inflow of funds from minority interests	0	0
+ Inflow of funds from financial loans	9,815	0
+ Inflow of funds from the issue of bonds	0	0
- Outflow to share holders	-1,831	-1,831
- Outflow of funds from the redemption of financial loans	-3,588	-5,143
- Outflow of funds from the repayment of bonds	0	0
- Outflow of funds for capital increase expenses	0	0
Cash Flow from the financing activity	4,413	-6,969
Cash effective change in liquid funds	32,362	-12,383
+ Consolidation-related changes in cash and cash equivalents	-141	0
+ Beginning cash position	19,447	39,176
Liquid funds at the end of the period*	51,668	26,793
* of which are pledged to a bank as security	459	1,029

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 2012

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 shareholder equity
Status as per 1 January 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
Dividends	0	0	0	0	-1,831	-1,831	0	-1,831
Converted bonds 2010/2014	2	3	0	0	0	5	0	5
Other items	0	0	0	-80	0	-80	0	-80
Status as per 30 September 2011	45,778	44,877	51	-112	-14,072	76,522	-1,467	75,055
Status as per 1 January 2012	45,778	44,877	51	-133	-13,998	76,574	-1,872	74,702
Group result 01-09/2012	0	0	0	0	22,030	22,030	-1,191	20,839
Dividends	0	0	0	0	-1,831	-1,831	0	-1,831
Convertible bond 2010/2014	8	9	0	0	0	17	0	17
Others items	0	0	0	-117	-564	-681	564	-117
Status as per 30 September 2012	45,786	44,886	51	-250	5,636	96,108	-2,498	93,610

Condensed Notes to the Consolidated Financial Statements

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

1. Accounting and valuation policies

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

In the financial report for the nine months ending 30 September 2012, the Company applied the same accounting and valuation methods as for the consolidated financial statements 31 December 2011 except for the positions "Assets held for sale" and "Liabilities held for sale".

Assets are classified as "Held for sale" if the carrying amounts are primarily to be realized through a sale transaction rather than through continuing use. These assets are measured at the lower of carrying value or fair value less costs to sell, and are no longer systematically depreciated or amortized.

During the first nine months of 2012, inventories totalling euro 1.0 million were included in cost of goods sold.

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

2. Consolidated group

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

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

The main groups of assets and liabilities classified as held for sale are as follows:

All figures in TEUR (differences due to rounding possible)	as per 30.09.2012	as per 31.12.2011
Inventory	566	0
Other assets	3	0
Cash and cash equivalents	14	0
Total Assets	583	0
Reserves	6	0
Total Liabilities	6	0

The assets and liabilities of the 100 percent owned project company Gode Wind III GmbH in the business segment, "Projecting of wind power turbines" were reclassified as "Assets held for sale" and "Liabilities held for sale". Upon assessment of the non-current assets held for sale, based on fair value less cost to sell, no impairment loss will result during the business year.

Work in progress totals euro 19.9 million, of which the offshore projects „Nemo“, „Nautilus“ and „Jules Verne“ account for euro 7.8 million.

Furthermore we refer to the disclosures on the corporate structure in the condensed interim group management report on the first nine months of 2012.

4. Contingencies

The Company granted the shareholders of the Silbitz timber-fired power station an annual guaranteed dividend of the equity provided up to the year 2016 by way of a contract in the event that the Silbitz power plant is not able to pay relevant dividends from its own funds. Due to the present plans for the Silbitz power station, the Company has formed provisions in the amount of euro 1.0 million. If the present plans are not realized in years 2011 to 2016, this amount might increase to a total of euro 1.6 million.

5. Dividends

The ordinary general meeting decided on 15 May 2012 on a dividend payment for the business year 2011 to the amount of euro 0.04 per share with voting rights (total euro 1,831,118.40). The payment was made in May 2012.

6. Major events following the end of the reporting period

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

Segment reporting pursuant to IFRS 8 according to areas

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

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

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

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

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

The figures per 30 September 2012 are compared with the figures per 30 September 2011 or, in the case of segment assets/liabilities, the figures per 31 December 2011.

All figures in TEUR (differences due to rounding possible)	Projecting of wind power turbines	Electricity generation	Consolidation	PNE WIND AG Group
	2012 2011	2012 2011	2012 2011	2012 2011
External sales	73,296 27,175	7,598 5,900	0 0	80,894 33,075
Inter-segment sales	5,419 5,940	421 501	-5,840 -6,441	0 0
Change in inventories	3,619 1,867	0 0	0 0	3,619 1,867
Other capitalised contributions	0 0	0 0	0 0	0 0
Other income	1,615 1,344	7 100	-1 -61	1,621 1,383
Total aggregate output	83,949 36,326	8,026 6,501	-5,841 -6,501	86,134 36,326
Depreciations	-1,220 -1,243	-2,898 -2,599	0 0	-4,118 -3,842
Operating result	23,156 -1,407	1,694 666	0 0	24,851 -742
Interest and similar income	2,068 1,983	24 645	-1,851 -1,628	241 819
Interest and similar expenses	-3,618 -3,202	-2,348 -3,012	1,851 1,628	-4,115 -4,587
Taxes	-164 -266	84 89	0 0	-80 -178
Investments	363 7,660	11,726 536	0 0	12,089 8,196
Segment assets	229,754 221,155	48,513 58,270	-86,151 -87,097	192,116 192,327
Segment liabilities	169,472 186,319	51,353 60,584	-122,319 -129,278	98,506 117,625
Segment shareholders' equity	60,282 34,835	-2,840 -2,314	36,168 42,181	93,610 74,702

Segment companies:

Projecting of wind power turbines: PNE WIND AG, PNE WIND Betriebsführungs GmbH, PNE WIND Netzprojekt GmbH, PNE Gode Wind I GmbH (until 14.08.2012), PNE Gode Wind II GmbH (until 14.08.2012), PNE Gode Wind III GmbH, PNE WIND Jules Verne GmbH, PNE WIND Nemo GmbH, PNE WIND Nautilus GmbH, PNE WIND GM Hungary Kft., PNE WIND Ausland GmbH, PNE WIND Straldja-Kamenec OOD, PNE WIND Bulgaria EOOD, PNE WIND BE Development OOD, PNE WIND Ventus Praventsi OOD, PNE WIND Yenilenebilir Enerjila Ltd., PNE WIND UK Ltd., NH North Hungarian Windfarm Kft., PNE WIND NEH/I Kft., PNE WIND PARK Dobrudzha OOD, PNE WIND USA Inc., PNE WIND Renewable Solutions LCC, PNE WIND DEVELOPMENT LLC, Underwood Windfarm LCC, Butte Windfarm LCC, PNE-BCP WIND Inc., PNE WIND Romania S.R.L., PNE WIND Romania Energy Holding S.R.L., S.C. PNE WIND MVI SRL, PNE WIND Pusztahencse Kft., Wind Kapital Invest Verwaltungs GmbH, Wind Kapital Invest GmbH & Co. KG, PNE WIND Nautilus II GmbH (until 07.11.2011).

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

The Assets and Liabilities classified to be sold are located within the “Projecting of Wind Power Turbines” segment.

Of the figures in the „Projecting of wind power turbines“ segment, a total performance of euro 13.9 million (previous year: euro 21.5 million), revenues of euro 9.0 million (previous year: euro 19.0 million), operating results of euro -1.5 million (previous year: euro 1.3 million), a share of segment assets of euro 156.3 million (as per 31 December 2011: euro 153.8 million) and an equity share of euro 46.3 million (as per 31 December 2011: euro 33.4 million) are to be ascribed to the German wind power onshore sub-division. In addition, onshore wind power abroad accounts for a total of euro 2.9 million (previous year: euro 2.1 million), turnover of euro 0.0 million (previous year: euro 0.0 million), an operating result of euro -4.8 million (previous year: euro -3.4 million), a portion of segment assets of euro 38.1 million (as of 31 December 2011: euro 27.7 million), an equity share of euro -16.5 million (as of 31 December 2011: euro -11.4 million).

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

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

Cuxhaven, 2 November 2012

PNE WIND AG, Board of Management

Imprint

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



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