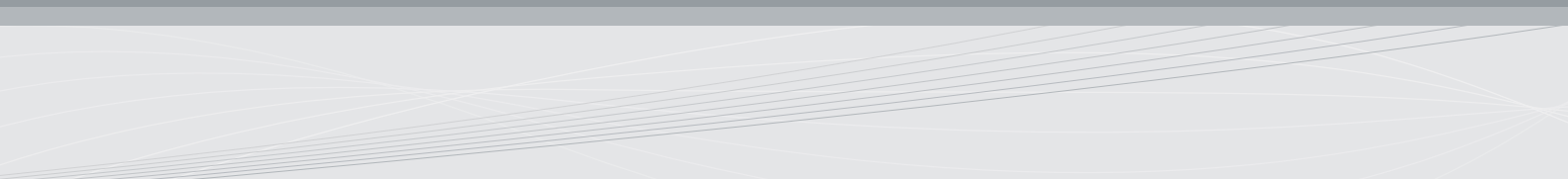


PNE WIND AG

Financial report on the first nine months
and the third quarter of 2013



Summary

The operational business of PNE WIND AG in the first nine months of 2013 was characterized by the development of projects at home and abroad and the acquisition of the wind farm developer WKN AG. The offshore sector was also strengthened through the acquisition of three offshore wind projects.

In Germany onshore, PNE WIND AG developed and sold wind farms with a nominal output of 14 MW. Construction has begun on the 15 MW phase of a 45 MW wind farm which is planned to be build in three phases. Construction has also begun on an additional wind farm with 4 MW. Other projects in Germany and in our international markets should reach the construction stage in the near future.

In France, the WKN AG sold in September 2013 the rights to a wind farm with a rated capacity of 12 MW to KGAL GmbH & Co. KG, an investment manager for long-term real capital investment.

With the goal to finance the acquisition of the majority stake in WKN AG, PNE WIND AG placed a bond with a volume of EUR 66.3 million in the first half of the year. In the third quarter, the bond was filled up to EUR 100.0 million.

Charges arising from the acquisition of WKN AG were additive to the upfront wind farm development costs which negatively affect earnings (EBIT).

With a strong project pipeline as the basis for our future earnings, we confirm our EBIT forecasts for the coming years.

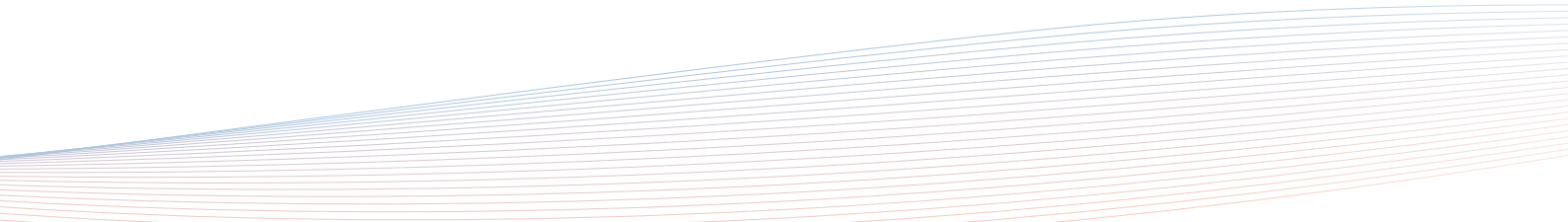
At a glance

PNE WIND AG Group figures

In TEUR	01.01. – 30.09.2013	01.01. – 30.09.2012	01.01. – 30.09.2011
Total aggregate output	60,192	86,133	36,326
Revenues	43,592	80,893	33,075
Operating profit (EBIT)	-6,016	24,851	-742
Result from ordinary activities (EBT)	-12,262	20,973	-4,509
Result	-12,430	22,030	-3,996
Equity as at September 30	98,496	93,610	75,055
Equity ratio as at September 30, in %	26.05	48.73	39.52
Balance sheet total as at September 30	378,141	192,116	189,925
Earnings per share (undiluted), in euro	-0.28	0.48	-0.09
Average number of shares, in euro million	44.8	45.8	45.8

Table of contents

3	Preface
6	Capital market information
10	Condensed Interim Group Management Report
42	Consolidated statement of comprehensive income
46	Condensed notes
56	Imprint





Martin Billhardt
Chairman of the Board of Directors of PNE WIND AG

Preface

Dear Shareholders,

The first nine months of 2013 was a special period in the history of PNE WIND AG and the third quarter held key operational successes. Having focused on developing our financial capabilities, we placed a EUR 100 million corporate bond which marked the largest fund raising in our corporate history. With the majority acquisition of WKN AG (83 percent), PNE WIND AG laid the foundation for strong growth in the future. The PNE WIND Group has now grown into a new business size, which for the first time is presented with the full consolidation of WKN AG and its subsidiaries in the consolidated financial statements.

WKN AG (Husum) has been active for over 20 years as a wind farm developer. The company has developed great expertise and has a project pipeline with 1,700 MW in various stages of development. Combining PNE WIND AG's projects with 3,100 MW, the Group has the potential for significant growth in the future. WKN is primarily active in Germany as well as in France, Italy, Poland, Sweden, South Africa and Ukraine - international markets in which we have not been active before and therefore provide attractive opportunities as well as risk diversification for the PNE WIND Group.

The acquisition of the majority of the WKN shares was financed through a combination of the bond proceeds, shares from our buyback program and our existing cash reserves. In May, private and institutional investors subscribed to EUR 66.3 million of bonds offered in the first tranche. Many of our shareholders subscribed to this issue and have thus shown their continuing trust in us. For this, I would like to thank them very much.

Now, PNE WIND AG holds 83 percent of WKN AG having purchased the shares from the majority shareholder Volker Friedrichsen, whose shares were held over the Volker Friedrichsen Beteiligungs-GmbH, and Siemens Project Ventures GmbH. Consequently, the Volker Friedrichsen Beteiligungs-GmbH purchased PNE WIND AG convertible bonds issued in 2010 and exercised the conversion right. The conversion of the bonds reduced the financial liabilities of PNE WIND AG by EUR 16.9 million and interest payments, which would have been due to their maturity on December 31, 2014, by EUR 1.5 million. More importantly with Volker Friedrichsen, who over his holding company now owns 20 percent of PNE WIND AG, we gained a real wind expert as our main shareholder.

With PNE WIND AG's excellent reputation in the capital markets, which has been strengthened through its strategic and operational development, the company was able to fill-up the corporate bond to EUR 100 million. In a private placement in September, we placed bonds with a volume of EUR 33.7 million with investors. With the total volume reaching EUR 100 million, it is now listed in the Prime Standard for corporate bonds on the Frankfurt Stock Exchange; the segment with the highest transparency requirements. We will use the additional capital to strengthen our on and offshore wind farm development activities.

In Germany alone, we aim to realise wind farms with more than 180 MW. For these projects we have already ordered the turbines and continue to make upfront investments, which have been made possible with the additional funds raised. In the course of this strategy, we significantly increased our offshore pipeline with the acquisition of the „Atlantis“ I to III wind farm projects from BARD Engineering GmbH. Effectively, we have doubled our own offshore development pipeline and we are now able again to profitably apply our know-how gained over the past few years to a larger number of our own projects. According to current planning, up to a total of 240 wind turbines with 5 MW each could be built in the three newly acquired North Sea offshore wind farm projects.

Operationally, we continue to be on the right track during the first nine months of 2013. The „Gode Wind“ I, II and III offshore wind farm sale to DONG Energy Wind Power A/S (Denmark) brought in milestone payments totalling EUR 27 million in 2013. From this sale, we expect up to EUR 70 million in additional milestone payments. According to a joint press release from DONG Energy and Siemens, the Siemens 6 MW turbine was selected for the „Gode Wind“ projects. Just recently, DONG Energy said in an interview they intend to make the decision to finance the „Gode Wind“ projects in 2013. These announcements confirm our expectation that DONG Energy will make a positive investment decision in the fourth quarter of this year, which would trigger the majority of the outstanding milestone payments due to us.

In the onshore area, we have been able to report successes in the preceding months. In Germany, the wind farms „Zernitz II“ with 6 MW and „Langwedel II“ with 8 MW were completed. The „Langwedel II“ project, was our 100th wind farm completed and like „Zernitz II“ was handed over turnkey running to KGAL GmbH & Co. KG, an investment manager for long-term real capital investments. „Calau II“ -Wind farm number 101- with 45 MW is planned to be completed in 3 phases and construction has begun on phase 1 with 15 MW. Construction on „Görike-Söllenthin“ with 4 MW -Wind farm number 102- has also begun.

In the future our pace will continue: Our onshore and offshore development pipeline, which benefits from the WKN acquisition, is well filled and promises with the implementation of additional wind farms continuous returns in the coming years. For the portfolio of onshore wind projects in Germany in which we are currently working with more than 180 MW, the project companies have now been included in the Group structure.

Due to the upfront investments made in our project development business and the additional costs arising from the acquisition of WKN AG, PNE WIND AG reported a negative operating result. In the first nine months of 2013, we achieved, according to IFRS, consolidated sales of EUR 43.6 million with an EBIT of EUR -6.0 million. Shareholder equity amounted to EUR 98.5 million, representing - as a proportion of equity to total assets - an equity ratio of 26.1 percent.

Based on the prospects illustrated above and in particular the expectation of further milestone payments from the offshore area, we reaffirm our current EBIT forecast. We forecast a cumulated EBIT of EUR 60 to 72 million for the years from 2011 to 2013 and, based on our well filled project pipeline, we also anticipate high income levels beyond this time period. Our outlook for the coming

two financial years, 2014 and 2015, represents a cumulated EBIT of EUR 60 to 72 million. The inclusion of WKN projects in our guidance is planned to take place after the 2014 corporate planning is signed off by the Supervisory Board.

We and on behalf of our employees would like to express our very sincere gratitude for your support and hope that you will continue to accompany us on our exciting journey in the future.

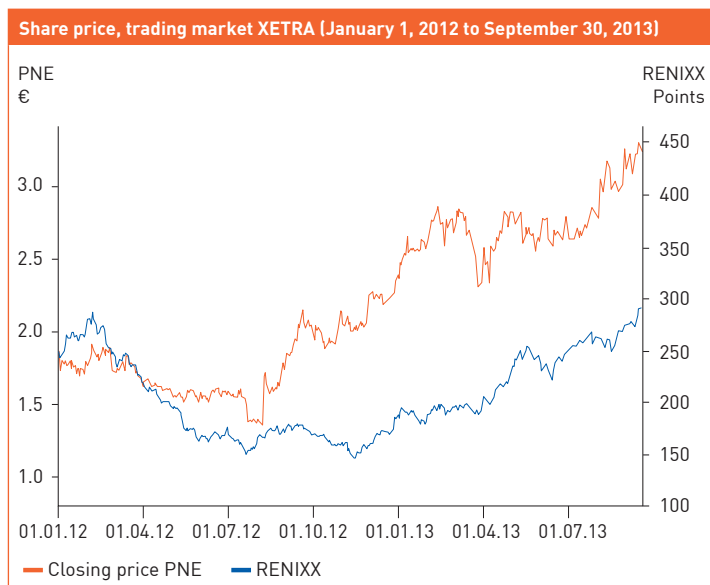
Yours sincerely,



Martin Billhardt

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

Capital market information



The share

The financial year 2013 began with the PNE WIND AG stock opening at a price of EUR 2.24, 21 percent higher than the price on the first day of trading in 2012. Following some profit taking near the end of 2012, the announcement of the share buyback programme on December 3, 2012 acted as a catalyst for the share price to begin to rise again. The stock reached its highest level during the year at EUR 2.28 on December 10, 2012.

Over the first nine months of 2013, the PNE WIND AG share developed very positively. The stock was quoted on January 2, 2013 at the previous year's high of EUR 2.28 and has

continued the upward trend from the previous year.

After a slight pullback in early April, during which the shares traded at EUR 2.32, the stock increased significantly and reached the high of EUR 3.30 during the first nine months on September 27, 2013. On September 30, 2013, the last trading day of the reporting period, the PNE WIND AG shares traded at EUR 3.24. With the increase in the number of shares resulting from the conversion of convertible bonds, the market capitalization equated to EUR 175.9 million.

The larger market capitalization and higher stock liquidity is a reflection of the increasing interest from both investors and the media. In July 2013, the PNE WIND AG stock was included in the RENIXX World, a stock index of the world's leading renewable energy companies. Based on free-float market capitalization, PNE WIND AG belongs to the 30 largest companies in this sector worldwide.

Bond information

PNE WIND AG issued convertible bonds in 2009 and 2010, which expire in July 2014 and the end of December 2014 respectively. Both bonds traded in excess of 100 percent during the reporting period. Bonds from 2009 were converted into 4,160 shares and bonds from 2010 were converted into 8,499,788 shares during the reporting period. As of September 30, 2013 bonds totalling a value of EUR 11.1 million were still outstanding.

In May 2013, PNE WIND AG issued a corporate bond with a volume of EUR 66.3 million and in the third quarter the bond was filled up to EUR 100 million. The bond has traded consistently over 100 percent since its first day of trading till the end of the reporting period on the Frankfurt

Stock Exchange. The equity ratio according to the definition in the 2013 bond prospectus was 30.9 percent as at September 30, 2013.

The PNE WIND AG participation certificates only traded to a very limited extent during the reporting period.

Annual General Meeting

The Annual General Meeting took place on May 22, 2013 in Cuxhaven. The shareholders voted by a large majority to pay a dividend this year and therefore approved the proposal of the Management Board and Supervisory Board to distribute a dividend of EUR 0.08 and a special dividend of EUR 0.02 per ordinary share.

Also having received high levels of support were the current and new Supervisory Board Members. The terms of office of Rafael Vazquez Gonzalez, Jacquot Schwertzer and Alain Huberty ended at the closing of the meeting. Mr. Schwertzer and Mr. Huberty chose not to run for a further term. Their posts were filled by JUDr. Olaf Aden and Dr. Christian Rolfs, who were both elected by a large majority to the Supervisory Board for the period of one year. Also by a large majority, Rafael Vazquez Gonzalez was re-elected to the Supervisory Board.

The AGM approved the actions of the Executive and Supervisory Board with a majority of over 96 percent. The AGM also voted in favour for the resolutions regarding the new remuneration structure for the Supervisory Board, an increase in the authorized share capital up to EUR 22.8 million and an authorization to buy back shares.

Shareholder structure

On September 30, 2013, the total number of issued PNE WIND AG shares was 54,289,817. The increase in the total number of shares compared to December 31, 2012 (45,785,869) resulted from the conversion of convertible bonds during the first nine months of 2013.

The Volker Friedrichsen Beteiligungs-GmbH informed PNE WIND AG that it purchased 168,680 convertible bonds issued in 2010 by PNE WIND AG and exercised the conversion right of these bonds into 7,667,265 shares on August 7, 2013. The conversion of the bonds reduced the financial liabilities of PNE WIND AG by EUR 16.9 million and interest payments due till maturity by EUR 1.5 million. The Volker Friedrichsen Beteiligungs-GmbH holds approx. 20 percent of the PNE WIND AG outstanding shares.

As at September 30, 2013, CEO Martin Billhardt held 410,000 shares, CFO Jörg Klowat held 110,000 shares and COO Markus Lesser held 55,500 shares of PNE WIND AG. From the Supervisory Board, Dieter K. Kuprian held 10,000 shares and Christian Rolfs held 20,000 shares. Together, the Board of Management and the Supervisory Board hold 1.12 percent of the company's stock.

In accordance with the definition of the Deutsche Börse AG all other shares were in free float.

Management Board contracts extended

The Supervisory Board of PNE WIND AG decided on May 22, 2013 to extend the contracts of Chief Financial Officer (CFO) Jörg Klowat and Chief Operational Officer (COO) Markus Lesser for three years each.

Jörg Klowat has been at the PNE WIND AG since 1999 and became CFO on April 1, 2011. He is responsible for finance and accounting, controlling and risk management. His contract has been extended till March 31, 2017.

Markus Lesser has been active in the renewable energy sector since 2000 and became COO at PNE WIND AG on May 1, 2011. He is responsible for project development and the realization of onshore and offshore wind farms in Germany and abroad. His contract has been extended till December 31, 2016.

Key data (as at September 30, 2013)

Securities identification code	A0JBPG
ISIN	DE000A0JBPG2
Number of shares	54.289.817
Market capitalisation	EUR 175.9 million
Market segment	Prime Standard
Indices	CDAX Technology, ÖkoDAX, Renixx World
Designated sponsors	Commerzbank, VEM Aktienbank, Close Brothers Seydler Bank
Reuters	PNEGn
Bloomberg	PNE3

Financial calendar 2013/2014

November 12 – 13, 2013	Analyst conference/German Equity Forum
March 31, 2014	Publication of the 2013 annual report
May 14, 2014	Publication of the first quarter results
June 04, 2014	Annual General Meeting
August 13, 2014	Publication of the half year results
November 12, 2014	Publication of the third quarter results
November 2014	Analyst conference/Frankfurt

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 der PNE WIND AG, Cuxhaven, for the first nine months of 2013

1. Market/overall economic conditions

The PNE WIND Group (PNE WIND AG and WKN AG) is primarily active as a developer of wind farms on land (onshore) as well as at sea (offshore). The group is active in 14 markets including in Germany, France, Sweden, Poland, Italy, Romania, Bulgaria, Hungary, the United Kingdom, the Ukraine, Turkey, South Africa, the USA and Canada. The core competence in this respect is focused on the development, projecting, financing and realisation of wind farms. The wind farm projects are sold as a general rule either following the final completion or already after the issuing of the permit. Following the delivery to the purchasers and the future operators the technical and commercial operations including the regular maintenance are also part of the range of services provided by the PNE WIND group.

Investments continued to be made in the renewable energy sector in spite of the difficult economic environment and a restrained investment climate during the course of 2013, which was triggered by the European governmental debt crisis as well as uncertainty stemming from questions surrounding the US budget. This trend continued during the reporting period. Projects in wind power are of a long term nature due to the size of the investment volumes and the assured regular income streams and were thus for this reason not directly influenced by current market movements.

The German wind power market registered substantial growth in 2012 and according to the German Wind Power Institute (DEWI) 1,008 (2011: 895) wind power turbines with an output of 2,439 MW (2011: 2,007 MW) were installed. In total, 23,040 wind power turbines with a total output of 31,332 MW were in operation in Germany at the end of 2012.

Current data from the Federal Association of Energy and Water power (BDEW) illustrates the consistent support of renewable energies is bearing fruit. The share of renewable energies in German electricity consumption reached 23 percent in 2012 (2011: 21 percent). Within the renewable energy sector, wind power continues to be an important component and it contributed 7.3 percent of electricity production.¹

The construction of offshore wind farms, i.e. wind farms on the open sea, is considered to be an essential growth driver for Germany as well as for the international wind power market. According to the German Wind Guard, 7 offshore wind farms in German waters with a total rated nominal output of 1,979 MW were under construction as at June 30, 2013. Three more wind farms are already fully built. PNE WIND AG is active in the offshore wind energy market and was working on six of its own wind farm projects as well as being active as service provider to six further offshore projects at the end of the reporting period.

An important driver for the future development of offshore wind power is the initiative of nine neighbouring European countries started at the beginning of 2010 for the construction of a high voltage network in the North Sea. This initiative is currently being supported with great effort by

¹ Deutsche WindGuard, January 2013

the German Federal Government, in order to accelerate the construction of the electricity grid connections to the mainland. In the longer term this joint initiative represents a clear support for offshore wind power as the sustainable use of wind power at sea requires a high performance power network. Currently, transmission projects like the „Sued.Link“ are being planned which will transport electricity from wind farms in the North of Germany to Bavaria and Baden-Württemberg. The transmission grid operator TenneT and TransnetBW intend to build the 800 kilometers long DC high voltage line by 2022.

Onshore there are opportunities which go beyond the development of new wind farm sites. Repowering involves replacing older, low performance wind turbines with new high performance equipment. According to estimates of the Federal Association of Wind Power (BWE) a substantial increase in Repowering can be expected in the medium to longer term. BWE estimates the market for Repowering could amount to 1,000 MW per annum during the coming decades.² In addition, PNE WIND AG has already employed its own competence successfully in this area and expects additional positive effects in this business segment in the medium to longer term.

Furthermore, the shortage of fossil fuels as well as the ambitious climate objectives of the Federal Government is also promoting the growth of the wind power market. Up to the year 2020 the emissions of greenhouse gases is thus planned to be 40 percent lower than in 1990. The Federal Government underlined this target in its coalition agreement at the end of 2009 and confirmed this again in its energy concept, which was presented in September 2010. According to this the target will be maintained to expand the share of renewable energies in the production of electricity from the current level of about 23 percent to 35 percent up to the year 2020 and to 80 percent by 2050. Moreover, the Federal Environmental Office has shown in a study that electricity requirements in Germany can be fully covered by renewable energies by the year 2050.³ Wind power is gaining particular importance in this respect as the technologically most advanced and efficient means of renewable electricity generation.

Industry experts expect a continuation of the current growth path in the future. The International Energy Agency (IEA) reckons with a continuous expansion of wind power on a worldwide basis during the coming years. By 2035 the installed wind power output should increase worldwide by up to 400 percent in comparison with 2010.⁴ The targets of the IEA can, however, only be achieved if stable general conditions are assured for the expansion of wind power; this was the case in 2013 in the most important markets of PNE WIND AG.

For this reason the general economic conditions for PNE WIND AG can overall be considered to be positive overall.

² BWE Repowering, 2012

³ Energy target 2050: 100 percent electricity from renewable sources/UBA, July 2010

⁴ IEA, 2012

2. General political conditions

Producing electricity from the wind is based on a relatively young technology and remains dependent on government support to integrate it into the power market and to compete against conventional energy production, whose generation costs are often masked by subsidies. Unlike renewable energy, the actual generation cost of conventional electricity is not directly reflected in its selling price. Therefore continued political support remains a necessary tool to bring about the further realization of wind farms inside and outside of Germany.

Of particular importance for the further development of wind energy in Germany is the legal framework established in the Renewable Energy Law (EEG). The EEG sets the electricity tariff for wind energy and also stipulates that power generated from renewable energy has priority access to the electricity grid. Following the review of the next progress report, the EEG is scheduled to be amended at the end of 2014.

The German Government must present an annual monitoring report in order to examine the effects of the EEG regularly and send the next experience report on the effects of the EEG to the German Parliament in 2014.

During the reporting period, there have been very active political discussions about amending the EEG sooner than originally planned. The discussions have been focused on the level of the surcharge. These public debates can threaten long term wind development investment decisions even when an earlier than expected change in the law is not likely.

According to a study by the German Institute for Economic Research (DIW Berlin), annual private sector investments totalling EUR 31-38 billion during 2014-2020 in renewable energy, electrical grid networks, systems integration and energy efficiency in buildings are necessary in order to realise the growth potential of the energy market and to bring about the energy transformation. A prerequisite for this are reliable investment conditions. DIW also submitted a study on the spending gap in Germany which highlights that the country misses out on economic growth each year in the amount of at least 0.6 percent of the gross domestic product (GDP) due to the lack of investments. The economists call for additional annual public and private investment of EUR 75 billion according to the Renewable Energy Agency (Renews June 2013).

As of September 30, 2013, the PNE WIND Group is active in 14 countries including Germany and International markets. In these markets there are different forms of political support mechanisms.

North America

In the USA the support policy was prolonged at the national level and projects, which are completed in 2013, can claim the so-called Production Tax Credit (PTC) in the amount of USD 0.022 per kilowatt hour for ten years following the coming into operation of the wind farm. For projects, which are still under construction at the end of 2013, transitional rules apply until December 31, 2015. In Canada, there are tenders for wind farms.

EU targets

Support for electricity production from renewable energies is one of the highest priorities in the European Union (EU) for reasons of the security and the diversification of power supply as well as climate protection and the economic and social aspects. The 2009/28/EG guideline on renewable energy includes ambitious targets for all member states so that by 2020 the EU will achieve a share of 20 percent of its power from renewable sources.

United Kingdom

The expansion of wind power continues to be supported strongly in the United Kingdom and thus also in Scotland. In order to achieve the EU targets the United Kingdom has an obligation to produce 15 percent of its energy requirements from renewable energies by 2020. In order to achieve this target, the Government has introduced the „Renewables Obligation“ which applies for projects installed prior to March 2017.

Since the introduction of this programme in 2002 the share of renewable energies has risen from 1.8 percent to 11.3 percent in 2012. In order to achieve the target for 2020, 28,000 MW of wind power must be installed (Target of National Renewable Energy Action Plan (NREAP)). In addition, there have been positive political developments signalling the further development of renewable energy. At the end of June 2013, the Government published a draft on the new funding model. The so called contracts-for-difference (CFD) model dictates the realized selling price for electricity from onshore and offshore wind farms at GBP 100 / MWh and GBP 155 / MWh respectively till the fiscal year 2016/17. The level of remuneration will become less till 2019 as technological advances continue to drive prices lower.

Romania

The Romanian wind power market has benefitted from the European Union directives for investments in renewable energies. Currently within Romania as well as between Romania and the EU Commission there are considerable political discussions about changes in the remuneration system for renewable energy. During the reporting period an Emergency Ordinance was published and entered into force as of July 1, 2013. The Romanian parliament has not yet decided how and in what form the proposed changes will be entered into law.

According to the previous system, wind farm operators sold their electricity at market spot prices and also receive two green certificates for every megawatt hour (MWH) produced for wind farms coming into operation until 2017. As from 2018 only one certificate will be issued per MWH. This certificate has a guaranteed value of between EUR 27 / MWH and EUR 55 / MWH by 2025 (depending on inflation). In order to achieve the EU target of 2020 a total of 4,000 MW of installed output is required. (Target: National Renewable Energy Action Plan (NREAP)).

Hungary

The support of electricity from renewable energies takes place in Hungary through a price regulation in the form of a feed-in payment (FiT). In spite of this FiT the further development of wind power in Hungary is limited by the insufficient feed-in capacity of the electrical grid. The tender offer for 410 MW, which was expected at the beginning of 2012, did not take place. In order

to achieve the EU target for 2020, 750 MW of installed output of wind power is required (Target National Renewable Energy Action Plan (NREAP)).

Bulgaria

In 2012 the Bulgarian Government reduced substantially the feed-in payments for electricity from wind power. This change had a considerable effect on the economic efficiency of wind farm projects. In view of the current Bulgarian laws a fulfilment of the EU directives on climate change is not possible.

Turkey

On December 29, 2010 a new law on renewable energies was passed by the Parliament and signed by the President on January 8, 2011. The feed-in regulations are specified in this law. The target is to increase the proportion of renewable energies within the total electricity production mix from 20 percent to 30 percent by 2023. Total installed wind capacity would then be approx. 10,000 MW.

France

In France, renewable energy is supported through feed-in tariffs and tax benefits. The tariff for onshore wind energy in 2013 is 8.52 cents/kWh for ten years and, dependent on the number of full load hours, between 2.8 to 8.2 cents/kWh for five more years. A decision of the European Court of Justice on the legality of renewable energy subsidies is still pending. The French government aims to increase the share of renewable energy in total electricity production to at least 27 percent in 2020. In order to achieve the EU target for 2020, 19,000 MW of installed output of onshore wind power is required (Target National Renewable Energy Action Plan (NREAPs)).

Italy

In Italy, renewable energy subsidy programs are managed by Gestore dei Servizi Energetici (GSE). A new remuneration system is in place and since July 2012, "Contracts-for-difference" are tendered in an annual competitive bidding process for 500 MW of wind capacity. The winners of the tender sell the electricity which is generated in their wind parks on the exchange and also receive an additional payment calculated as the difference between the electricity market price and the tender price. In order to achieve the EU target for 2020, 12,000 MW of wind power is required (Target National Renewable Energy Action Plan (NREAPs)).

Sweden

In Sweden, wind energy is supported by an existing quota system, green certificates and tax incentives. Since January 1, 2012 there is a common certificate market with Norway. To achieve the 2020 EU target a total of approx. 4,300 MW of installed wind energy capacity are required. (National Renewable Energy Action Plan (NREAPs). The Swedish energy authorities have however set a much higher target with 30 TWh electricity from wind energy, which would equate to approx. 12,000 MW.

Poland

In Poland the number of new wind turbine connected to the grid with 880 MW achieved a new record in 2012. However, due to a revision of the feed-in system, the positive market environment will remain clouded until there is clarity on the future framework.

Renewable energies are supported in Poland through tax incentives and a system of green certificates, which are under strong price pressure due to oversupply. In mid-July a certificate was worth the equivalent of about EUR 40 / MWh. Electricity suppliers are required to purchase electricity at the average price of the previous year, which represents an equivalent of approx. EUR 48 / MWh. Therefore, the total compensation is based upon the price of conventional electricity and a green certificate or substitute payment.

To achieve the 2020 EU target a total of approx. 6,650 MW of installed wind energy capacity are required (National Renewable Energy Action Plan (NREAPs)).

South Africa

The wind energy market in South Africa is relatively young by international standards. The first state-organized tenders with 634 MW of wind power were issued in 2011. By 2014, total capacity representing 3,725 MW is to be tendered. To successfully participate in these tenders, the project developer must deliver a competitive bid price for the energy produced as well as have as much „local content“ as possible. According to the plans of the South African Government, approx. 18,000 MW of renewable energy should be build by 2030. Currently only a minimal amount of wind energy has been installed.

Ukraine

The Energy Strategy of Ukraine Plan aims increase the share of renewable energies in primary energy supply to ten percent in 2030 with wind contributing approx. 4,600 MW by 2030. Funding is provided through a feed-in tariff system, which can however be only applied for after the wind farm is commissioned. The level of remuneration is dependent on the year of commissioning and capacity and ranges from between 7.54 to 11.3 ct/kWh.

We monitor constantly the general political conditions in all countries in which the PNE WIND Group is active in order to be able to react very quickly to changes. The Board of Management of PNE WIND AG considers that the legal prerequisites exist at the national and international level for a continuous positive business development during the coming years. Furthermore, the PNE WIND group is less dependent on individual markets through its country diversification strategy.

3. Corporate structure

The corporate structure changed in the first nine months of fiscal year 2013 against December 31, 2012.

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

- PNE WIND Atlantis I GmbH, Cuxhaven (100 percent),
- PNE WIND Atlantis II GmbH, Cuxhaven (100 percent),
- PNE WIND Atlantis III GmbH, Cuxhaven (100 percent),
- PNE WIND Park I GmbH & Co. KG, Cuxhaven (100 percent),

- PNE WIND Park VI GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park VII GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park Altdöbern A GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park Altdöbern B GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park Altdöbern C GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park Großräschen A GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park Großräschen B GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Infrastruktur Chransdorf-West GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Infrastruktur Chransdorf Verwaltung GmbH, Cuxhaven (100 percent),
- PNE WIND Park Calau II A GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park Calau II B GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park Calau II C GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park Calau II D GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park III GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Infrastruktur Calau II GmbH, Cuxhaven (100 percent),
- PNE WIND Park Köhlen I GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park Köhlen II GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park Kührstedt-Alfstedt A GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park Kührstedt-Alfstedt B GmbH & Co. KG, Cuxhaven (100 percent).

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

On April 19, 2013 PNE WIND AG signed a contract for the purchase of 53.42 percent of the shares in WKN AG, Husum, a company specialising in wind farm development, from the former major shareholder Volker Friedrichsen Beteiligungs-GmbH. The contract was subject to various conditions that were fulfilled in July. Also in July, PNE WIND AG increased its stake in WKN AG to 82.75 percent. The 29.33 percent stake in the WKN shares was acquired from Siemens Project Ventures GmbH as part of a Tag-along sales right (Mitveräußerungsrechts).

The following companies of the WKN AG group were first included in the PNE WIND AG group structure:

- WKN AG, Husum (82.75 percent),
 - Windkraft Nord USA, Inc., San Diego/California, USA (100 percent),
 - WKN Italia S.R.L., Catania/Sizilien, Italy (100 percent),
 - Aero Sol S.R.L., Catania/Sizilien, Italy (90 percent),
 - Aero-Tanna S.R.L., Catania/Sizilien, Italy (100 percent),
 - ATS Energia S.R.L., Torremaggiore/Foggia, Italy (70 percent),
 - WKN Basilicata Development S.R.L., Potenza/Basilicata, Italy (70 percent),
 - WKN France S.A.S.U., Basse-Goulaine, France (100 percent),

- Parc Eolien de Crampon S.A.S.U., Basse-Goulaine, France (100 percent),
- TOV WKN Ukraine, Kiev, Ukraine (100 percent),
- Ukrainische Windenergie Management GmbH, Husum (100 percent),
- New Energy Association International GmbH, Husum (100 percent),
- Sevivon Sp. z o.o., Koszalin, Poland (80 percent),
- VKS Vindkraft Sverige AB, Motala, Schweden (80 percent),
- WKN Windcurrent SA (Pty) Ltd., Wilderness, South Africa (80 percent),
- NordStrom New Energy GmbH, Husum (100 percent),
- BGZ Solarpark Passauer Land GmbH & Co. KG, Husum (100 percent),
- WKN Windkraft Nord GmbH & Co. Windpark Ebersgrün KG, Husum (100 percent),
- NordStrom Solar GmbH, Husum (100 percent),
- NordStrom Bioenergie GmbH, Husum (100 percent),
- BGZ Fondsverwaltung GmbH, Husum (100 percent),
- WKN Picardie Verte II S.A.S.U., Basse-Goulaine, France 100 percent)

With the inclusion of the above companies, two companies were also included „at equity“ for the first time in the Group:

- Innovative Wind Concepts GmbH, Husum, Germany (50 percent),
- Societa' Energetica Sarda s.r.l., Villaurbana/Sardinien, Italy (50 percent).

The impact on the earnings, financial and assets position are described Chapter 7 (Sales and results of operations), Chapter 8 (Financial position/liquidity) and Chapter 9 (Net assets) of the interim group management report and the consolidated financial statements in Chapter 3 (Consolidation).

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

- PNE WIND UK Ltd., Eastbourne, United Kingdom (from 67.5 percent up to 90 percent)
- PNE WIND Straldja-Kamenec EOOD, Bulgaria (from 70 percent to 100 percent)

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

During the reporting period, the following companies were deconsolidated:

- PNE WIND Park II GmbH & Co. KG, Cuxhaven,
- WKN Picardie Verte II S.A.S.U., Basse-Goulaine, France.
- Due to the deconsolidation of PNE WIND Park II GmbH & Co. KG assets totaling EUR 11.8 million and liabilities in the amount of EUR 11.8 million were disposed of.
- Due to the deconsolidation of WKN Picardie Verte II S.A.S.U assets totaling EUR 1.1 million and liabilities of EUR 2.7 million were disposed of.

4. General accounting principles

In the financial report on the first nine months of fiscal year 2013 as of September 30, 2013, the company applied the same accounting and valuation methods, apart from the exceptions described in the notes, as in the consolidated financial statements of December 31, 2012.

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. All numbers in the financial report have been rounded and rounding differences are therefore possible.

5. Organisation and employees

In the PNE WIND AG group as of September 30, 2013 a total of 409 people (previous year: 186) were employed. The employees of the subsidiaries are included in this number. Of these employees (including directors and trainees) 139 (previous year: 123) were employed at the PNE WIND AG. Of the remaining 270 employees, 144 were at WKN AG, 54 were at domestic subsidiaries and 72 were employed at foreign subsidiaries.

With the acquisition of 82.75 percent of WKN AG, Husum, and associated companies, the Group's workforce has nearly doubled in size. The human resource base needed for the continuation of the current growth rate (including the acquisition of WKN AG) should be currently covered with the existing workforce.

6. Summary of business activity

During the first nine months of 2013, The PNE WIND Group (PNE WIND AG and WKN AG) was primarily active as a developer of wind farms on land (onshore) and offshore in Germany as well as international markets.

The development of the individual segments in detail:

Segment: projecting of wind power turbines

Onshore wind power sub-segments

In the „onshore wind power“ sector of PNE WIND AG, the wind farms „Zernitz II“ (Brandenburg) with three wind turbines and a total capacity of 6 MW and the „Langwedel II“ with four wind turbines and a rated capacity of 8 MW were put into operation during the reporting period. In July 2013, the wind farm „Zernitz II“ was sold and transferred to the buyer. Construction has begun on the first 15 MW phase of the „Calau II“ wind farm (Brandenburg), which is being constructed in three phases and should have a total rated output of 45 MW when completed. Construction also began on the wind farm „Görike-Söllenthin“ with a total capacity of 4 MW in the third quarter. PNE WIND AG expects to receive permits for the construction of onshore wind farm projects in Germany in the near future.

In order to be able to realise onshore wind farm projects in Germany as soon as possible after approval, PNE WIND AG placed orders for wind energy systems (WES) with a total nominal of more than 180 MW since the end of 2012. The turbine supply contracts are with well established German manufacturers Enercon, Repower und Nordex and the well established Danish manufacturer Vestas. The turbines will be installed in projects which are already permitted or are in the permitting stage. Long term maintenance contracts have, for the most part, also been concluded with the manufacturers.

In total, PNE WIND AG is currently working on German projects in which more than 1,100 MW could be installed.

Germany remains a core market for the WKN group. In the first nine months of 2013, building permits with the relevant authorities for four wind farms with a total capacity of 60 MW were filed. For a wind farm with a nominal capacity of 7 MW, WKN AG has received the building permit for the project which will be realized jointly with another developer. For three wind farms with a capacity of 51 MW, WKN AG expects to receive the permits (BlmSchG-Genehmigungen) by the end of 2013 or early 2014. The marketing process has begun for these projects. For these projects which are expected to be constructed in 2014, WKN AG has placed a binding order with Vestas Germany GmbH for the wind turbines.

For a partially developed project with 12 MW of nominal capacity, a share purchase agreement was completed with a buyer. According to this agreement, WKN AG will receive milestone payments as the project progresses.

In addition, the WKN group aims to complete a share purchase agreement, which was signed in 2012 with a well-known investor for a wind farm with 8.2 MW. The unit certificate from the turbine manufacturer REpower is still necessary and should be send soon in the EEG-compatible form, according to the manufacturer.

In Germany, the WKN Group has an onshore wind farm pipeline of projects totalling more than 200 MW.

In total, the PNE WIND Group was working on German onshore wind farm projects, which are in various stages of project development, with a nominal output of up to 1,300 MW at the end of the reporting period.

PNE WIND Group continued project development activities in its international markets.

United Kingdom:

During the next few years, PNE WIND UK Limited is planning to make substantial investments in wind farm projects in Great Britain which are currently being developed with a nominal output of up to 750 MW. These projects are located in areas initiated by PNE WIND AG and areas being developed together with the Scottish Forestry Commission.

The collaboration with the Scottish Forestry Commission to develop wind farm areas in central Scotland has been intensively pursued. Areas for up to 13 wind farm projects have been identified in the Scottish National Forest administrative regions of Argyll and Bute, West Dunbartonshire, Stirling, Perth and Kinross and Angus. In January 2013, PNE WIND UK and the Scottish forestry Commission agreed on a contractual structure for their future joint project development and companies. A fixed time scale was determined with the Forestry Commission for the further developments of the selected project planning. In the third quarter, the first project locations reached the next planning stage. Planning is concentrated on the Bachan Burn, Little Rig and Elrick. PNE WIND is developing the projects in close cooperation with the Scottish Forestry Commission and the local communities.

Independent of the cooperation with the Forestry Commission additional wind farm projects are being developed by PNE WIND UK in the United Kingdom. The permit for the Tralorg project (20 MW) from the Scottish Energy Minister has been requested and the decision could take place at the end of 2013 or early 2014.

For a project being developed by WKN with a planned nominal capacity of 66 MW, the approval by the local licensing authority (Highland Council) could be obtained in the second quarter of 2013. In a second step, it is necessary to obtain the approval of the project by the Scottish Energy Minister. The decision could take place in late 2013 or early 2014.

USA:

In the United States electricity prices are very low due to low natural gas prices. Nevertheless, according to estimates by the International Energy Authority (IEA) it can be assumed that electricity prices will rise in the medium term and that a further expansion of wind power is to be expected in the USA. Due to this perspective the focus of PNE WIND USA is being placed increasingly on the development of the existing projects in hand. The wind farm projects already worked on hitherto are being developed further intensively and optimised economically, in order to be able to market them profitably as soon as possible. Key planning progress was achieved with the Chilocco project, which is being developed in Oklahoma with a nominal output of at least 77 MW.

In the United States, the WKN Group has a project in Montana State with a capacity of up to 397 MW. For a small portion of this project with approx. 25 MW, the WKN Group has participated in a tender with the regional energy supplier. The result of the tender is expected late 2013 or early 2014.

Hungary:

In Hungary two of the wind farm projects developed by our subsidiary, PNE WIND GM Hungary Kft, have already been approved. 32 wind power turbines with a nominal output of 78 MW can be constructed in these. With these permitted wind farms PNE WIND GM Hungary Kft will participate in the next tender offer for grid connections to the high voltage network in Hungary or realise the value added already achieved through a sale of the projects.

Bulgaria:

The development of wind farms continued in Bulgaria by PNE WIND AG. However, following a substantial reduction of the feed-in payments in 2012, the general political and economic conditions in Bulgaria are currently poor. This makes it difficult to construct and to operate wind farm projects profitably here. The existing project pipeline in Bulgaria is therefore currently being reanalysed with regard to its profitability and the possibility of its implementation at a later stage.

Romania:

In Romania, the development of wind farms by PNE WIND AG has continued but possible legislative changes to the remuneration system have caused uncertainty. PNE WIND AG is currently working on wind power projects in advanced stages of development with a nominal output of up to 157 MW. For two projects with a total capacity of 102 MW, the permitting and the technical planning steps including confirmation for the grid connection have been concluded.

Turkey:

In Turkey we are waiting for the next government tender offer, which is a prerequisite for the realization of wind projects in this market. PNE WIND AG is currently developing wind farm projects with approx. 300 MW of rated capacity.

France:

The WKN group sold the rights to a wind farm project with a rated capacity of 12 MW to KGAL GmbH & Co. KG, an investment manager for long-term real capital investments in September 2013. The operating company has completed a turbine supply contract with ENERCON and grid connection agreement. On the basis of these contracts, WKN France SAS will be responsible to install the necessary cable infrastructure, including the transfer station, paths and crane pads as well as be responsible to manage the construction of the overall project. The start-up of the wind farm has been contractually agreed to take place by July 31, 2014. In France, WKN is currently developing a project pipeline with over 150 MW.

Italy:

In Italy, the „VIA“ (environmental permit) for a 38 MW project was submitted in September 2013. Once a grid connection is secured and the building permit (Autorisazione Unica) has been issued, WKN AG intends to submit this project in the upcoming 2014 tender. As bureaucratic barriers often delay projects, rather long project development times ranging from five to seven years are anticipated for in Italy. The WKN group has a project pipeline in Italy with approx. 520 MW in development, which will be continuously developed and implemented gradually over the next few years.

Poland:

In August 2013, the building permit for a project with a rated capacity of 32.2 MW was obtained. The marketing of this project will begin as soon as there is regulatory clarity on the feed-in systems which are currently being discussed. In Poland, the WKN group has a project pipeline with approx. 250 MW in development.

Sweden:

In Sweden, the WKN group has a project pipeline containing 4 projects with a total capacity of approx. 240 MW in development, which are in an early stage of development.

South Africa:

In the beginning of 2013, the WKN Group received the building permission for a 100 MW project. On the basis of preliminary agreements with banks and investors, the project was successfully submitted to the tender in August 2013. After the project reaches a „preferred bidder“ status, which may take place till the end of 2013, the final contracts and the power purchase agreement („PPA“) will be negotiated. Afterwards the projected could be marketed. After obtaining a building permit for another project with a capacity of approx. 30 MW, WKN expects to participate in the following tender to be held in 2015. Currently additional areas are being evaluated for the further expansion of the project pipeline.

Ukraine:

In the Ukraine, the WKN Group is currently working on wind farm projects with a capacity of approx. 230 MW, which are in an early stage of development.

The PNE WIND group in total, through its subsidiaries and joint ventures in foreign markets, is developing as at September 30, 2013 approx. 3,500 MW of projects, which are in different stages of the multiple year development cycle. Due to the business's development, the Management Board is confident to be able to drive the company's growth through diversification into international markets.

Offshore wind power sub-segment

The offshore business activities of PNE WIND AG were greatly expanded in the third quarter of 2013. Through its subsidiaries „Atlantis“ I to III, PNE WIND AG acquired three offshore projects in the North Sea from BARD Engineering GmbH to participate in the projected further development of offshore wind energy in Germany. The projects have been developed so far from the previous owner that they are currently in the planning approval process at the Federal Maritime and Hydrographic Agency (BSH). PNE WIND AG intends to develop the acquired projects through the permitting process and up until the point where they are ready to construct. Based on PNE WIND AG's knowhow in the offshore sector, the company has valuable expertise to develop such projects.

The PNE WIND AG subsidiaries agreed to pay EUR 17 million upon completion of the purchase agreement. Additional variable instalment payments, which could amount to significantly more than the fixed payment, will be due to the seller as the projects reach defined points in their development or have been sold.

According to current planning, up to 240 wind turbines with 5 MW of nominal capacity each could be built in the three acquired offshore wind farm projects. The project areas are located in the German Exclusive Economic Zone (EEZ) in the North Sea.

In August 2012, the offshore wind farms, "Gode Wind" I to III, were sold to the Danish energy corporation DONG Energy Power A/S (DONG Energy). 100 percent of the shares in the "Gode Wind" I and II projects were transferred to DONG Energy. In August 2012, PNE WIND AG received an immediate payment amounting to EUR 57 million for the shares and the incurred project development costs. Milestone payments amounting to EUR 27 million were paid on time with the completion and handover of a study during the first quarter of 2013.

Upon reaching predefined project development steps, milestone payments totalling up to EUR 70 million are expected till 2015. Milestone payments will be triggered with the Federal Maritime and Hydrographic Agency approval for the „Gode Wind III“ project as well as DONG Energy reaching the final investment decisions (FID) for the „Gode Wind“ I and II projects. From this transaction with DONG Energy, the only milestone which was linked to a fixed time period was the expected approval for „Gode Wind III“ project from the Federal Maritime and Hydrographic Agency. Since the approval has not yet been granted, the outstanding payments of up to EUR 73 million have been to reduce to up to EUR 70 million. The shares of the „Gode Wind III“ project are held by PNE WIND AG, but will be transferred to the purchaser, DONG Energy, when the BSH permit is granted.

Within the context of the transaction PNE WIND AG will support DONG Energy for at least five years as from the conclusion of the contract as a service provider for the realization of the projects. The volume of this service contract amounts up to EUR 8.5 million from 2012 to 2017.

Work was also carried out continuously on the other PNE WIND AG offshore projects in the North Sea during the reporting period. Currently the „Nemo“, „Nautilus“ and „Jules Verne“ projects are being developed to the point of ready to construction. All these offshore projects are in the North Sea within the German Exclusive Economic Zone (EEZ) about 180 kilometres North West of the island of Helgoland. According to the current state of planning, 80 offshore wind energy turbines can be planned and approved in each of the project areas.

A positive development was also registered by the "Borkum Riffgrund I" offshore wind farm project, which was sold a few years ago to DONG Energy, and in which PNE WIND AG continues to participate as a service provider. Subsequent to DONG Energy taking the investment decision for „Borkum Riffgrund I“, construction started on the offshore wind farm during the reporting period. The start of the construction on the DolWin alpha transformer station required for the grid connection will be designed by ABB on behalf of TenneT. The grid connection with a capacity of 800 MW and should be constructed in 2013. In December 2011, the BSH issued the construction permit for the neighbouring offshore project, "Borkum Riffgrund II". DONG Energy has delayed this project, since the grid operator TenneT had not yet given a specific date for the grid connection. DONG Energy has not yet made a final investment decision for "Borkum Riffgrund II".

The "Nautilus II" offshore project developed by PNE WIND AG is still in the planning and application stage. Following the sale of the project in November 2011, PNE WIND AG remains active as project developer until the permit is issued. The project is planned for up to 80 offshore wind power turbines with a nominal output of up to 7 MW each. The project area is in the North Sea within the Exclusive Economic Zone of the Federal Republic of Germany approximately 180 kilometres Northwest of Helgoland.

In total PNE WIND AG was working as at September 30, 2013 on six wind farm projects in the offshore sector on its own account. According to current planning, a total of up to 480 turbines can be constructed in our own offshore wind farms. Decisive for the exact number is also the nominal output of the turbines to be selected which can amount to between 3 and 7 MW. In total, the realistic nominal output of our own six offshore projects lies at approx. 2,640 MW.

Electricity generation segment

The electricity generation segment combines all activities of the Group companies, which are engaged directly in the production of electricity from renewable sources. This sector includes the wind farms operated by PNE WIND AG "Altenbruch II" and "Laubuseschbach" and the 3.3 MWp solar farm „Passau Land" in Bavaria operated by WKN AG since 2006 as well as the PNE Biomasse AG, which in accordance with a business supply contract provides the personnel for the timber biomass power plant in Silbitz. The segment also includes shares in limited partnerships, in which future onshore wind farm projects should be implemented.

Until the sale and delivery to the buyer is completed, the electricity generated and revenues received are included within electricity generation segment. During the first nine months of 2013, the electricity generation segment realized an EBIT of EUR 1.4 million which is below the prior year at EUR 1.7 million.

7. Sales and results of operations

The following figures were calculated and illustrated for the Group according to IFRS accounting rules.

During the first nine months of the 2013 financial year the PNE WIND AG Group realised a total performance of EUR 60.2 million according to IFRS accounting rules (previous year: EUR 86.1 million). Revenues accounted for EUR 43.6 million (previous year: EUR 80.9 million), changes in inventories accounted for EUR 15.7 million (previous year: EUR 3.6 million) and other operating income accounted for EUR 0.9 million (previous year: EUR 1.6 million) of this figure.

The Group's activities in project development at home and abroad and in offshore and onshore segments are reflected in the expense items. In the first nine months of 2013, the personnel costs amounted to EUR 12.7 million and thus increased in comparison with the previous year's figure (EUR 10.0 million). The change is mainly due to the consolidation of WKN AG (personnel cost since the first consolidation amounting to EUR 2.6 million for 206 employees as at September 30, 2013). The number of Group employees as at September 30, 2013 increased to 409 (as at September 30, 2012: 186 employees).

The Group's other operational expenses amounting to EUR 10.9 million (previous year: EUR 7.6) mainly comprise of expenses for legal and consultancy costs, advertising and travelling costs and rental and leasing expenses. The increase in other operational expenses was mainly driven by legal and consultancy expenses amounting to EUR 1.7 million in connection with the acquisition of the shares in WKN AG. Other operational expenses which are directly connected with the placement of the bond issue (sales commission, legal and consultancy costs etc.) amount to EUR 5.1 million and, in accordance with the IFRS guideline (IAS 39), are offset against the bond liabilities existing in the balance sheet at the time of the inflow of liquidity from the bond issue. It is recorded as an expense over the term of the bond issue as an interest expense (an interest expense of EUR 0.2 million has been recorded since the issue of the bond). An additional reason for the increase in other operating expenses in comparison with the previous year is the inclusion of WKN AG in the Group (in an amount of EUR 2.0 million since the first consolidation).

Depreciation increased to EUR 4.4 million as compared with the same period in the previous year (EUR 4.1 million). The depreciation mainly arises on our own projects the "Altenbruch II" wind farm, the "Passauer Land" solar farm and the Silbitz wood fired power station.

During the first nine months of the 2013 financial year, PNE WIND AG at the Group level realised an operating income (EBIT) of EUR -6.0 million (previous year: EUR 24.9 million), earnings before tax (EBT) of EUR -12.3 million (previous year: EUR 21.0 million) and a net income after minority interests of EUR -12.4 million (previous year: EUR 22.0 million). The undiluted Group earnings per share amounted to EUR -0.28 after the first nine months (previous year: EUR 0.48) and the diluted Group result per share amounted to EUR -0.23 (previous year: EUR 0.39).

The retained earning per September 30, 2013 amounts to EUR -17.9 million (EUR 0.6 million as at December 2012).

The Group's and PNE WIND AGs results are in accordance with the Board of Directors' expectations taking into account the costs associated with the acquisition of the shares in WKN AG and the advance payments for project development, which will pay off in the medium to long term.

8. Financial situation and liquidity

The cash flow calculation illustrates the Group's liquidity and financial situation. As at September 30, 2013, the Group had liquidity resources available, including WKN's working capital credit lines (see the explanation below) and lines of credit for the interim financing of projects, amounting to EUR 88.3 million, of which EUR 0.5 million is pledged to banks (previous year: EUR 62.3 million of which EUR 1.0 million was pledged).

Explanation:

The WKN Group is mainly financed by a syndicated loan for working capital amounting to a total of EUR 29 million and a loan of EUR 6 million for working capital as basic financing. Due to the early prolongation of the syndicated load in September 2013, both financing instruments now have terms until June 30, 2016. In addition, there are further lines of credit for operating resources at WKN AG level amounting to EUR 0.6 million and guaranteed credit facilities for warranty and contract fulfilment guarantees amounting to EUR 10 million.

The cash flow from operations amounting to EUR -11.7 million (previous year: EUR -12.1 million) was essentially due to the negative result and the following

- the decrease in accounts receivables due to the receipt of payment of the EUR 27 million milestone payment from DONG Energy booked in 2012 and the partial realisation of profits through the inclusion of the WKN Group (see Appendix, "Consolidated companies").
- the increase in inventories as a result of expenditure for further development and project acquisition. The inventories changed mainly due to the purchase of offshore project rights to the "Atlantis" I – III offshore projects amounting to EUR 26 million (for purchase price and future purchase price liabilities - see the explanation below) and the inclusion of the WKN Group (see the Appendix: "Consolidated companies").
- the increase in accounts payable and other liabilities. Amongst other things, this item includes provision for future liabilities (see explanation below) amounting to EUR 9.0 million from the acquisition of the "Atlantis" I – III offshore project rights. In addition, the inclusion of the WKN Group had effects on this item (see Appendix: "Consolidated companies").

Explanation:

The value of variable purchase price elements resulting from the acquisition of offshore projects is estimated at the time of the first approach and recorded in the inventories and provisions. Accounting for changes in the fair value of the variable purchase price elements, which does not constitute corrections during the accounting period, must be valued in accordance with IAS 39 Financial Instruments or IAS 37, Provisions, contingent liabilities and contingent receivables. The Group records the change in variable purchase price elements from the acquisition of offshore wind farms correspondingly in inventories.

Cash flow from investing activities includes investments made in the Group's fixed assets during the reporting period amounting to EUR -60.7 million (previous year: EUR -12.1 million). The cash flow was characterised by

- expenditure amounting to EUR -58.8 million for the acquisition of an 82.75 percent shareholding in WKN AG (see Appendix "Consolidated companies");
- expenditure amounting to EUR -0.6 million results from the increase in the shareholding in our subsidiary company, PNE WIND UK Ltd (from 67.5 percent to 90 percent).

Cash flow from financing activities amounting to EUR 85.3 million (previous year: EUR 4.4 million) during the reporting period was mainly characterised by

- the inflow of funds as a result of the bond issue in May and September amounting to EUR 100.0 million less direct transaction costs of EUR -5.1 million;
- the buyback of own shares amounting to EUR -9.2 million and the sale of own shares at a value of about EUR 2.8 million. The transfer of the remaining own shares at a value of EUR 8.2 million which was used as a proportion of the purchase price for the WKN shares is not recorded as a payment flow in accordance with IFRS accounting rules;
- the payment of a shareholder dividend amounting to EUR -4.2 million;

- the repayment and discharge of credit liabilities amounting to EUR -5.6 million and the utilisation of bank loans to finance, amongst other things, the wind farm projects, "Zernitz II" (EUR 6.7 million), "Görike-Söllenthin" (EUR 2.0 million), "Calau II A" (EUR 1.6 million).

As at September 30, 2013, the Group had cash resources amounting to EUR 59.2 million in total (previous year: EUR 51.7 million). PNE WIND AGs total liquidity as at September 30, 2013 amounted to EUR 31.7 million (previous year: EUR 48.0 million) of which EUR 0.5 million (previous year: EUR 0.5 million) has been pledged to banks.

9. Net assets

Assets (in EUR million)	30.09.2013	31.12.2012
Intangible assets	56.9	22.1
Property, plant and equipment	76.0	60.1
Long term financial assets	9.5	0.2
Deferred taxes	7.0	1.0
Assets held for sale	0.7	1.3
Inventories	131.4	28.0
Receivables and other assets	35.6	33.2
Tax receivables	1.9	0.0
Cash and cash equivalents	59.2	36.6
Total assets	378.1	182.5

As at the balance sheet date, the PNE WIND AG Group balance sheet total amounted to about EUR 378.1 million. This represented an increase of 107.2 percent in value as compared with December 31, 2012. The change in the balance sheet total is essentially due to the acquisition of 82.75 percent of the shares in WKN AG and the associated consolidation of the company.

The changes in the long and short term assets are essentially characterised by the inclusion of WKN (see the Appendix "Consolidated companies").

Overall, the long term assets increased from EUR 83.4 million at the end of 2012 to EUR 149.4 million. As at September 30, 2013, the intangible assets amounted to EUR 56.9 million and thus increased by EUR 34.8 million as compared December 31, 2012. By far the largest single item in this entry is goodwill in the Projecting of wind power turbines segment amounting to EUR 51.7 million (thereof EUR 20.0 million for wind power project development and EUR 31.7 million for WKN). During the same period, Property, plant and equipment increased by EUR 15.9 million to EUR 76.0 million (December 31, 2012: EUR 60.1 million). Essentially, this item includes land and buildings (EUR 21.0 million excluding the "Silbitz" land and buildings), own transformer stations (EUR 6.8 million) and the "Altenbruch II" wind farm's technical plant and machines (EUR 29.5 million), the solar farm, "Passauer Land" (EUR 10.5 million) and the wood fired Silbitz power station (EUR 5.8 million including land and buildings at a value of EUR 3.0 million).

The item, "Assets held for sale" includes the "Gode Wind III" offshore project. The change as compared with December 31, 2012 is due to the sale in the first quarter of 2013 the shares in New Energy Developments Ltd, which were held up to the end of 2012.

During the reporting period, current assets increased from EUR 97.8 million as at December 31, 2012 to EUR 228.1 million as at September 30, 2013. This increase is essentially due to the bond issue (EUR 94.9 million net after deduction of the direct costs amounting to EUR 5.1 million) and the resulting increase in inventories of EUR 103.4 million. The expenditure for the purchase of the shares in WKN AG (EUR 66.8 million incl. expenditure amounting to EUR 8.2 million for the acquisition of 3.1 million own shares as a proportion of the purchase price) ran counter to the income received from the bond issue. Of the current assets, EUR 20.5 million are accounts receivables (December 31, 2012: EUR 30.2 million).

Work in progress, included in the inventories increased from EUR 24.6 million (December 31, 2012) to EUR 126.8 million. The work in progress includes the offshore projects, "Nemo", "Nautilus" and "Jules Verne" (totalling EUR 9.3 million) and "Atlantis" I – III (totalling EUR 26 million – see the explanation below) amounting to a total of EUR 35.3 million.

Explanation:

The value of the variable purchase price elements in the acquisition of offshore projects is estimated at the time of the first approach and recorded in inventories and provisions respectively. The accounting for the changes in the fair value of the variable purchase price elements, which does not constitute corrections during the accounting period, must be evaluated in accordance with IAS 39 Financial Instruments or IAS 37 Provisions, contingent liabilities and contingent receivables. The Group will record the change in variable purchase price elements resulting from the acquisition of offshore wind farms correspondingly in inventories.

Cash and cash equivalents amounted to EUR 59.2 million as at September 30, 2013 (December 31, 2012: EUR 36.6 million).

Liabilities (in EUR million)	30.09.2013	31.12.2012
Shareholders' equity	98.5	86.6
Deferred subsidies from public authorities	1.1	1.1
Provisions	14.1	1.7
Long term liabilities	186.1	67.8
Short term liabilities	71.0	18.3
Deferred revenues	7.3	7.0
Liabilities held for sale	0.0	0.0
Total liabilities and shareholders' equity	378.1	182.5

The changes in long and short term liabilities were essentially due the inclusion of WKN (see the Appendix, "Consolidated companies").

On the liabilities side, the Group equity increased from EUR 86.6 million (December 31, 2012) to EUR 98.5 million as at September 30, 2013. This development was primarily due to net effect of the sale of the treasury shares acquired in 2012 (an effect of EUR 1.5 million), the conversion of bonds (third party capital) to equity (an effect of EUR 18.5 million) and the Group's negative result.

The Group's equity ratio as at September 30, 2013 was 26 percent (December 31, 2012: 47 percent) and the debt ratio was 74 percent (December 31, 2012: 53 percent). The long term liabilities increased from EUR 67.8 million at the end of 2012 to EUR 186.1 million mainly due to the issue of the company bonds and scheduled debt repayments.

This item mainly comprises financial liabilities amounting to EUR 180.3 million of which the convertible bond amounts to EUR 10.8 million (a proportion of the convertible bonds is recorded as equity in accordance with IFRS accounting rules) and the company bonds issued in May and September 2013 (see next paragraph) amounting to EUR 95.1 million net.

The gross income from the bonds was EUR 100.0 million - in accordance with IFRS accounting rules, the expenses associated directly with the bonds, amounting to EUR 5.1 million, were offset against the bond liabilities. These expenses will be recorded over the term of the bonds as interest expenses (interest expenses amounting to EUR 0.2 million have been recorded since the bonds were issued). Long term liabilities towards banks amounting to EUR 66.6 million are also included. The long term liabilities towards banks essentially include

- WKNs syndicated working capital line (EUR 20.2 million - of which EUR 20.2 million is long term - see explanation below),
- WKN AGs bullet repayment loan (EUR 6.0 million - of which EUR 6.0 million is long term),
- project financing of the "Passauer Land" solar farm (EUR 6.9 million - of which EUR 6.0 million is long term),
- project financing of the "Altenbruch II" wind farm (EUR 25.9 million of which EUR 22.5 million is long term),
- project financing of Silbitz wood fired power plant (EUR 3.3 million of which EUR 2.7 million is long term),
- the financing of the PNE WIND AG building at its headquarters in Cuxhaven and the WKN AG building in Husum (EUR 5.4 million of which EUR 3.3 million is long term).

Explanation:

Short term loan liabilities resulting from WKN AGs drawdown of EUR 20.2 million from the syndicated working capital credit line that essentially consists of short term money market loans were classified as long term in accordance with IAS 1.73 because, within the framework of a long term syndicated loan, there is a right to refinance such liabilities and the Group intends to make use of this opportunity.

In May 2013, PNE WIND AG issued company bonds with a term of 5 years which were subscribed in a volume of EUR 66.3 million by institutional and private investors. In September 2013, the bond issue was increased to EUR 100.0 million. The bonds (WKN: A1R074/ISIN: DE000A1R0741) have been traded on the regulated market of the Frankfurt Stock Exchange since May 15, 2013.

The total number of PNE WIND AG shares issued was 54,289,817 as at September 30, 2013. The increase since December 31, 2012 (45,785,896) is the result of the conversion of convertible bonds during the first nine months of 2013. After the transfer of shares within the framework of the acquisition of shares in WKN AG, PNE WIND AG sold all of its own treasury shares (1,052,491) on July 12, 2013 to Close Brothers Seydler Bank AG for placement with institutional investors, thereby realising an amount of EUR 2.8 million. The background to the Board of Directors' decision to sell the shares was primarily that the own shares remaining after the acquisition of the majority shareholding in WKN AG would no longer be required as acquisition currency for the foreseeable future.

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 June 30, 2013 in the amount of EUR 5.8 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 EUR 0.7 million.

During the first nine months of 2013 the short term liabilities increased from EUR 18.3 million (December 31, 2012) to EUR 71.0 million. The accounts payable increased from EUR 4.7 million (December 31, 2012) to EUR 22.3 million. The short term liabilities increased primarily due to the change in the short term financial liabilities, which rose from EUR 8.4 million (December 31, 2012) to EUR 37.6 million. Here, the change is primarily due to short term bridge financing with terms less than one year, which are transferred to the investors after the wind farms have been handed over. Taking the liquid funds into account, the net debt (in accordance with DFVA – (German Association for Financial Analysis and Asset Management) as at September 30, 2013 was EUR 158.8 million (December 31, 2012: EUR 39.3 million). For the first time, due to the term of less than one year to be applied as at the balance sheet date, the 2009/14 convertible bond issue (EUR 3.8 million) and the remaining purchase price instalment to be paid to Siemens for the shares in WKN AG (EUR 10 million) are also recorded and thereby contribute to the change in current liabilities as compared with December 31, 2012.

10. Transactions with related companies and persons

In the first nine months of the 2013 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 Rafael Vazquez Gonzalez is also member of the Supervisory Board. In the first nine months of 2013, transactions were effected with a net volume of EUR 184,956.79.

The net.curity Informations Technologien GmbH is responsible to ensure the proper functioning of the electronic data processing of PNE WIND AG. This includes the maintenance and repair of equipment and systems and updating of programs. It also provides server and storage services as well as providing the technical service for the company website and communication facilities.

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 significant events after the end of the reporting period which have an impact on the net assets, financial position and/or results of the company.

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 minimising the risks associated with our business activity and invest only if a corresponding value added can be created for the Company while maintaining a manageable risk. Risk management is a continuous process. An evaluation of the determined risks is made based on the analysis of the core processes. A risk report is submitted regularly to the Board of Management and to the Supervisory Board.

Risks from operating activities

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

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

The number of suitable sites in Germany for the construction of wind power turbines is limited and this could result in an increased level of competition and higher acquisition and operating costs. Higher costs could reduce the margin earned for each site accordingly.

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 direct or indirect guarantees which it has granted or other comparable commitments or should any other of the risks described in this paragraph occur. In addition, higher interest rates could lead to lower selling prices, as the yield requirements of the retail and institutional investors are likely to increase to this case.

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.

The funds available to the WKN AG are in part subject to variable interest rates, which are mainly linked to the 3-month EURIBOR respectively the EONIA. Except for a small amount of EUR 630 thousand from a Payer-swap, WKN AG has not hedged against rising short-term interest rates. WKN AG aims to moderately increase the amount it has hedged for its working capital needs.

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 EUR 5 billion will be made available for the first ten German offshore wind farm projects.

Financing risks also exist on the part of our partner companies with regard to offshore wind farm projects. Depending on the progress of the project, payments are still due to PNE WIND AG for the "Borkum Riffgrund II", "Nautilus II" as well as "Gode Wind" I to III. The purchasers of the project shares have to date made no decision as to whether they wish to construct the projects. It can therefore not be assumed with certainty that the final decisions will be taken to realise the projects. A failure of one or several of the "Gode Wind" I to III would have substantial effects in the future short to medium term on the asset, financial and earnings situation of PNE WIND AG, since PNE WIND AG would no longer receive planned payments in the future. A failure of the "Borkum Riffgrund II" and "Nautilus II" projects would have no material effects on the future asset, financial and earnings situation of PNE WIND AG, even if the planned payments were not to be received, since these represent either an amount of only a few millions ("Borkum Riffgrund II") or are expected beyond the short to medium term planning period ("Nautilus II").

Liquidity risks may arise to finance operations during the year, if the closings of projects should be delayed.

Refinancing risks may arise when taking into account multi-year project development periods and the expiration of the two participation certificates of WKN AG in December 2014 and the KfW loan of WKN AG in June 2016.

Risks could arise from the planned implementation periods for the "Nemo", "Jules Verne", "Nautilus" and "Atlantis" I – III offshore wind farm projects due to time delays in the planning and construction of the electricity grid network connections. A delay or a non-consideration of the projects with regard to the network connections would have effects on the future asset, financial and earnings situation of PNE WIND AG.

For all the offshore wind farms projected by PNE WIND AG in the offshore wind power segment it is of great importance to find a strong capital investor, since the realisation of an offshore wind farm requires very 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, as long as possible and economical to do so, 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.

From the issuance of the bond 2013/2018 and the covenants contained within, there is a right to increased interest payments or termination of the bond if covenants regarding to the equity ratio are not met. Increased interest payments on the bond would not have a material effect on the future operations, financial position and results of PNE WIND AG. A cancelation notice of the bond by the bondholders before the expiry of the bond would have material impact on the future short-and medium-term assets, financial position and results of PNE WIND AG.

Risks from the majority stake in WKN AG

The purchase price paid by PNE WIND AG for the acquisition of the entire stake in WKN AG could prove to be too high and result in high cash outflows as well as negatively affect earnings due to depreciation charges.

The assumptions taken by PNE WIND AG about the conditions and the business development of WKN AG could prove to be too optimistic and/or PNE WIND AG could have assessed the risks associated with the operations of the WKN Group incorrectly or overly optimistic.

The WKN AG is an independent operating company of the PNE WIND Group, whose activities are not directly influence by PNE WIND AG. In this way and by the fact that the WKN AG has outside shareholders, PNE WIND AG may have difficulties in implementing the strategy it set out by the acquisition of the entire stake in WKN AG and this could result in difficulties in achieving synergy effects.

The WKN Group might not be able in the future to meet its financial needs - especially in light of maturity periods of larger debt position. This could result in increased expenses and obligations of PNE WIND AG.

The WKN Group is active in the development of wind and to a lesser extent photovoltaic systems. This has the consequence that PNE WIND is subject to various risks associated with the development and design of photovoltaic parks.

For the WKN Group, risks associated with the operation of the photovoltaic park Passau Land may arise the event that earnings expectations are too high, operating cost estimates are too low which could result in additional cash requirements.

The contract for the syndicated loan valued at EUR 29 million contains covenants concerning the equity ratio of WKN AG which, if not met may result in increased interest charges or a right of termination by the banks before the end of term (2016). Increased interest payment arising from the debt would have no serious effect on the future results of operations, financial position and results of the PNE WIND group. A termination of the syndicated loan by the banks before the expiry date could, dependent on the amount of the syndicated loan drawn at the time of termination could have a significant impact on the future short-and medium-term assets, financial position and results of PNE WIND AG.

Political risks/market risks

Incalculable risks can also affect the market from outside. These include in particular a sudden change in the general legal conditions in Germany or in the foreign markets. Deterioration is, however, to be expected in a limited manner from the point of view of the Company in Germany, since possible changes are being actively discussed in the Federal Republic as a result of the significant increase in the renewable energies reallocation surcharge of the Renewable Energies Law (EEG). The next amendment is expected on the basis of an experience report, which the Federal German Government must submit to the German Parliament in 2014.

The political risks and the market risks abroad could have effects on the planned project implementations during the next few years. PNE WIND AG and its subsidiaries are intensively observing the current market developments abroad, in order to recognise at an early stage possible change in the market situation or the political landscape and to introduce any measures at the right time. Due to the multi-year project development cycles, long transitional arrangements are required for the Group to be able to implement the projects in development to known operating conditions.

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 14 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.

The last external audit of corporation, trade and value added tax of the major domestic companies of the PNE WIND AG Group covered the tax periods from January 1, 2006 up to and including December 31, 2010; for WKN AG and its subsidiaries the period was until December 31, 2006. In the case of external audits there is always the risk that the results of the external audit can have effects on the asset, financial and earnings situation of a company and its future annual consolidated accounts.

Opportunities

As a developer of onshore and offshore wind farms the PNE WIND Group 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 the PNE WIND Group has available from its many years of activity in the market the pre-requisites in order to benefit in the long term from this development.

The activities abroad offer special opportunities for the Company. The PNE WIND Group 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) or in countries with a high market potential. In order to take into consideration sufficiently the corresponding local conditions, the market entrance takes place in cooperation with a local partner, whereby PNE WIND Group assures its necessary management and controlling rights by means of a significant participation and in turn fully funds the project development. This type of internationalization has already proven itself during the past few years as a cost-efficient and potentially successful strategy. Joint ventures were established in accordance with this model for wind farm projects in Bulgaria, Turkey, Romania and the United Kingdom as well as with WKN and with the international markets where it is active. The PNE WIND AG subsidiary established in the USA 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 internationalization, the established German market continues to offer a range of opportunities. During the next few years an increased level of replacement can be expected in respect of obsolete wind power turbines by more modern and more efficient equipment (so-called repowering). As a result of this an increase in the market size can be expected for wind power turbines. With the "Alt Zeschdorf", "Görrike", "Kemberg II" and "Langwedel II" wind farms PNE WIND AG was already able to successfully conclude 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. Repowering of existing wind farms in Germany is also part of WKN's business strategy. In the recent years, WKN repowered three wind farms demonstrating its knowhow in this field of business.

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 process up to the approval by the Federal Office for Shipping and Hydrographics. An additional six own offshore projects as well as

two projects, where PNE WIND AG is active as a service provider, are currently being developed in order to obtain the permits swiftly. 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. 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 project management and realisation of wind farms is the core business of the companies within the PNE WIND group. The Group, represented by PNE WIND AG and WKN AG as well as through subsidiaries and joint ventures, is active in Germany and 13 international markets. Onshore wind farms are developed in Germany and abroad while offshore is exclusively developed in Germany. Our aim is to achieve a rapid expansion in the use of wind energy for electricity generation. Growth in the use of renewable energies is a topic which is being discussed worldwide. Ever more nations are emphasising the urgent need for a change in the energy supply towards renewable energies and are creating framework conditions within which ecologically compatible development also becomes economically viable. Wind energy benefits primarily from these conditions because it is already particularly efficient and cost effective in making its contribution to securing future electricity generation.

We are taking these prospects into account in our company strategy. In so doing, the offshore projects are of particular importance. After years of intensive planning and preliminary work we were able to sell the offshore wind farms, "Gode Wind" I to III to the Danish energy corporation, DONG Energy in 2012. All of the shares in the "Gode Wind" I and II projects have already been transferred to DONG Energy. For these we have received the first payments amounting to EUR 84 million. Upon reaching predefined project development steps, milestone payments totalling up to EUR 70 million are expected in the coming years. Milestone payments will be triggered with the BSH approval for the "Gode Wind III" project as well as DONG Energy reaching the final investment decisions (FID) for the "Gode Wind" I and II projects. From this transaction with DONG Energy, the only milestone which was linked to a time period was the expected approval for "Gode Wind III" from the Federal Maritime and Hydrographic Agency (BSH). Since the approval has not yet been granted, the outstanding payments of up to EUR 73 million have been reduced to up to EUR 70 million. In addition, PNE WIND AG will support DONG Energy as a service provider during the realization of the projects over the 2012-2017 time period. The volume of this service contract amounts up to EUR 8.5 million with a minimum volume of EUR 5 million.

Our offshore wind farm projects, "Borkum Riffgrund" I and II have also made progress. DONG Energy has commenced construction on the "Borkum Riffgrund I" in 2013. DONG Energy's capital strength is illustrated in its leading position in the offshore market, its capacity for developing new financing structures and attracting new partners into the market. We plan on the offshore project, "Borkum Riffgrund II" being constructed despite DONG Energy's initial postponement. This will then provide us with further milestone payments. The offshore segment provides our company with a strong foundation and generates positive effects for our company development.

The large number of onshore projects with a nominal capacity of more than 4,800 MW that the PNE WIND Group are currently developing in Germany and abroad forms the basis for our company's future success. In the coming years, projects which we are developing intensively today will be constructed and thereby contribute to revenues and earnings.

To date, including sales of project rights, WKN AG and PNE WIND AG have realised more than 1,100 MW and 900 MW respectively of onshore wind energy output. WKN AG is currently processing further national and international projects with more than 1,700 MW of nominal output. PNE WIND AG is currently developing onshore projects with more than 3,100 MW of nominal output in Germany and in its foreign markets.

We are working on a portfolio of wind farms in Germany with more than 180 MW of nominal output. These projects which are due to be completed in the coming years may be sold as a package or individually and thereby ensure further contributions to turnover and profits.

We are anticipating further prospects as a result of the majority takeover of WKN AG, Husum. PNE WIND AG and WKN AG have both been active in wind farm project development for about 20 years and conduct their business both in Germany and internationally, whereby the markets for wind farm development complement each other and allow synergies to be realised through joint purchasing and sales activities. While PNE WIND AG is active in Germany, Hungary, Rumania, Bulgaria, Turkey, Great Britain, the USA and Canada, the WKN AG experts develop wind farm projects in Germany, France, Poland, Italy, the USA, Sweden, South Africa, the Ukraine and Great Britain. We are also constantly examining the wind farm framework conditions in additional countries to determine the attractiveness of a market entry by PNE WIND AG.

We anticipate a positive and growing long term effect on our business model from the increasing number of smaller and outdated wind energy turbines being replaced with more powerful and efficient ones in Germany. Older wind turbines are gradually being replaced within the scope of repowering. With an installed nominal capacity of over 30,000 MW in Germany, we anticipate that this market growth will present attractive opportunities. We have carried out different repowering projects successfully and one advantage for the PNE WIND Group is that we remain contacted to many of the wind farms we develop throughout their operational life with our technical and commercial management services.

The PNE WIND AG group is very well positioned, both nationally and internationally. For this reason we are very confident that we will also be able to take advantage of the opportunities in the growth market, “wind”. The Board of Directors reconfirms that the EBIT forecast of EUR 60 to 72 million for the three year period from 2011 to 2013 and EUR 60 to 72 million for the two following years 2014 and 2015 will be achieved and that this positive development will continue in the coming years. The inclusion of WKN projects in our guidance is planned to take place after the 2014 corporate planning is signed off by the Supervisory Board. Prospects in the onshore and offshore national and international markets form the basis for the capacity to pay dividends and to make the necessary investments in projects during the coming years. In the coming years the corporate EBIT will be composed of income from offshore projects and the profits from onshore projects at home and abroad. The EBIT forecast for the coming years is a reflection of the confident expectations in the company’s continuing positive profitability.

Cuxhaven, November 8, 2013
PNE WIND AG, Board of Directors

Consolidated interim financial statement (IFRS)

of PNE WIND AG, Cuxhaven, as at September 30, 2013

All figures in TEUR (differences due to rounding possible)		III. Quarter 01.07.2013 – 30.09.2013	III. Quarter 01.07.2012 – 30.09.2012	Period 01.01.2013 – 30.09.2013	Period 01.01.2012 – 30.09.2012
1.	Revenues	21,855	68,634	43,592	80,893
2.	Changes in inventories of finished goods and work in process	405	1,823	15,704	3,619
3.	Other capitalised contributions	0	0	0	0
4.	Other operating income	522	681	896	1,621
5.	Total aggregate output	22,782	71,138	60,192	86,133
6.	Cost of materials/cost of purchased services	-12,149	-32,555	-38,176	-39,605
7.	Personnel expenses	-5,681	-3,514	-12,731	-9,972
8.	Depreciation of property plant and equipment (and amortization of intangible assets)	-1,856	-1,288	-4,414	-4,118
9.	Other operating expenses	-3,502	-2,643	-10,887	-7,587
10.	Operating profit (EBIT)	-406	31,138	-6,016	24,851
11.	Income from participations	1	0	3	0
12.	Other interest and similar income	77	95	676	241
13.	Interest and similar expenses	-3,466	-1,397	-6,906	-4,115
14.	Expenses for losses absorbed	-19	-2	-19	-4
15.	Result from ordinary activities (EBT)	-3,813	29,834	-12,262	20,973
16.	Taxes on income	161	-169	-421	-80
17.	Other taxes	-25	-14	-55	-54
18.	Profit/loss before minority interests	-3,677	29,651	-12,738	20,839
19.	Non-controlling interests	-57	-229	-308	-1,191
20.	Consolidated profit/loss	-3,620	29,880	-12,430	22,030
Other income / items that may be reclassified in the future in the profit and loss account					
21.	Foreign currency translation differences	235	-156	-76	-117
22.	Others	0	0	0	0
23.	Other comprehensive income for the period (net of tax)	235	-156	-76	-117
24.	Total comprehensive income for the period	-3,442	29,495	-12,814	20,722
Consolidated profit/loss for the period attributable to:					
	Owners of the parent company	-3,620	29,880	-12,430	22,030
	Non-controlling interests	-57	-229	-308	-1,191
		-3,677	29,651	-12,738	20,839
Total comprehensive income for the period attributable to:					
	Owners of the parent company	-3,385	29,724	-12,506	21,913
	Non-controlling interests	-57	-229	-308	-1,191
		-3,442	29,495	-12,814	20,722
	Earnings per share (undiluted) EUR	-0.08	0.65	-0.28	0.48
	Earnings per share (diluted) EUR	-0.06	0.52	-0.23	0.39
	Average number of shares in circulation (undiluted)	44.8	45.8	44.8	45.8
	Average number of shares in circulation (diluted)	49.6	59.1	49.6	59.1

Abbreviated group balance sheet (IFRS)

of PNE WIND AG, Cuxhaven, as at September 30, 2013

Assets

All figures in TEUR (differences due to rounding possible)	as per 30.09.2013	as per 31.12.2012
Intangible assets	56,885	22,118
Property plant and equipment	75,993	60,077
Long term financial assets	9,458	247
Deferred tax assets	7,046	976
Long term assets, total	149,382	83,418
Assets held for sale	703	1,272
Inventories	131,372	28,045
Receivables and other assets	35,648	33,184
Tax receivables	1,864	0
Cash and cash equivalents	59,172	36,586
Current assets, total	228,056	97,815
Assets total	378,141	182,505

Liabilities

All figures in TEUR (differences due to rounding possible)	as per 30.09.2013	as per 31.12.2012
Subscribed capital	54,290	45,786
Capital reserve	54,883	44,886
Treasury shares	0	-1,510
Retained earnings	51	51
Foreign currency provision	-281	-205
Retained Profit / Loss	-17,936	581
Minority interests	7,489	-2,994
Shareholders equity, total	98,496	86,595
Other provisions	9,807	647
Deferred subsidies from public authorities	1,055	1,090
Long term financial liabilities	180,302	67,469
Deferred tax liabilities	5,781	370
Long term liabilities, total	196,945	69,576
Provisions for taxes	239	191
Other provisions	4,074	901
Short term financial liabilities	37,644	8,241
Trade liabilities	22,310	4,696
Other liabilities	18,425	12,296
Tax liabilities	0	0
Short term liabilities, total	82,692	26,325
Liabilities held for sale	8	9
Liabilities total	378,141	182,505

Consolidated cash flow statement (IFRS)

of PNE WIND AG, Cuxhaven, for the first nine months of 2013

Consolidated accounts from 1 January until September 30, 2013		
All figures in TEUR (differences due to rounding possible)		
	2013	2012
Consolidated net loss	-12,738	20,839
-/+ Income tax benefit / expense	421	80
-/+ interest income and expense	6,229	3,874
-/+ Income tax paid/received	-2,022	-43
+/- Depreciations/write-ups of fixed assets	4,414	4,118
+/- Increase/decrease in provisions	6,971	-63
+/- Non-cash effective income and expenses	28	-380
- Gain on disposal and deconsolidation of fixed assets	0	-18,312
+/- Increase/decrease of inventories and other assets	-58,439	-5,018
+/- Increase/decrease of trade receivables and stage of completion accounting	26,374	-11,843
+/- Increase/decrease of trade liabilities and other liabilities	21,261	-2,289
- Interest paid	-4,435	-3,295
+ Interest received	177	241
Cash flow from ongoing business activity	-11,759	-12,091
+ Inflow of funds from disposal items of property, plant and equipment	8	69
+ Inflow of funds from intangible assets	0	0
- Outflow of funds for investments in property, plant and equipment	-1,349	-12,089
+ Inflow of funds from disposal of consolidated units	0	52,075
- Outflow of funds for investments in consolidated units	-59,369	0
+ Proceeds from disposals of financial assets	15	1
- Outflow of funds from disposal of financial assets	-12	-15
Cash flow from the investing activity	-60,707	40,040
+ Additional inflow of funds from shareholders / Proceeds from the sale of treasury shares	2,758	17
+ Inflow of funds from minority interests	0	0
+ Inflow of funds from financial loans	11,704	9,815
+ Inflow of funds from the issue of bonds	100,000	0
- Outflow of funds from bond transaction costs	-5,144	0
- Outflow of funds from the redemption of financial loans	-5,618	-3,588
- Outflow of funds from participation certificates	-5,000	0
- Outflow of funds from the buyback of own shares	-9,241	0
- Outflow of funds for dividend	-4,166	-1,831
Cash Flow from the financing activity	85,293	4,413
Cash effective change in liquid funds	12,827	32,362
+ consolidation-related changes in cash and cash equivalents	9,759	-141
+ beginning cash position	36,586	19,447
Liquid funds at the end of the period*	59,172	51,668
* of which are pledged to a bank as security	476	459

Supplementary information: The value of liquid funds corresponds to the „Cash and cash equivalents“ item on the balance sheet as at September 30, 2013.

Group Equity Level (IFRS)

of PNE WIND AG, Cuxhaven, for the first nine months of 2013

All figures in TEUR (differences due to rounding possible)	Capital subscribed	Capital reserve	Treasury shares	Profit reserves	Foreign exchange reserve	Retained earnings	Equity before minority	Minority Interests	Total sharehol- der equity
Status as per 1 January 2012	45,778	44,877	0	51	-133	-13,998	76,574	-1,872	74,702
Group result 01-09/2012	0	0	0	0	0	22,030	22,030	-1,191	20,839
Dividend	0	0	0	0	0	-1,831	-1,831	0	-1,831
Convertible bond 2010/2014	8	9	0	0	0	0	17	0	17
Other items	0	0	0	0	-117	-564	-681	564	-117
Status as per September 30, 2012	45,786	44,886	0	51	-250	5,636	96,108	-2,498	93,610
Status as per January 1, 2013	45,786	44,886	-1,510	51	-205	581	89,589	-2,994	86,595
Group result 01-09/2013	0	0	0	0	0	-12,430	-12,430	-308	-12,738
Purchase treasury shares	0	0	-9,241	0	0	0	-9,241	0	-9,241
Sale treasury	0	0	10,751	0	0	0	10,751	0	10,751
Dividend	0	0	0	0	0	-4,166	-4,166	0	-4,166
Convertible bond 2009/2014	4	6	0	0	0	0	10	0	10
Convertible bond 2010/2014	8,500	9,991	0	0	0	0	18,491	0	18,491
Minorities arising from the first consolidation of WKN AG	0	0	0	0	0	0	0	9,408	9,408
Other items	0	0	0	0	-76	-1,921	-1,996	1,383	-614
Status as per September 30, 2013	54,290	54,883	0	51	-281	-17,936	91,007	7,489	98,496

Condensed Notes to the Consolidated Financial Statements

of PNE WIND AG, Cuxhaven, for the first nine months of 2013

1. Accounting and valuation policies

The financial report on the first nine months of the 2013 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), like they are applied in the European Union. New standards adopted by the IASB are in principle applied as from the time of their becoming effective as must be taken into consideration in the EU.

In the financial report for the nine months ending September 30, 2013 the Company applied the same accounting and valuation methods as for the consolidated financial statements December 31, 2012 expect for the following described positions.

In May 2011, IFRS 13 was approved by the IASB and endorsed by the EU in December 2012. IFRS 13 "Fair value measurement" is to be applied prospectively for the first time for financial years starting on or after January 1, 2013. The application of the standard will involve additional disclosure obligations of information on financial instruments during the course of the year which until now only had to be reported in the annual financial statements.

With the changes to IAS 1 "Presentation of Financial Statements", a separation of the elements of other earnings in the statement of comprehensive income occurs. Items which may subsequently be reclassified in profit or loss, and items which will not be reclassified in profit or loss, must be recorded separately. The standard, which was approved by the IASB in June 2012, is to be applied for the first time for financial years beginning on or after July 1, 2012.

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.

In the first nine months of 2013, inventories in the amount of EUR 0.1 million were expensed.

The value of variable purchase price elements in the acquisitions of the offshore projects is estimated at the time of the first approach and then recorded in the stocks and provisions. Accounting for changes in the fair value of such variable purchase price elements do not require any adjustment during the valuation period must be carried out in accordance with IAS 39 Financial instruments or IAS 37, provisions, contingent liabilities and contingent assets. The Group records the changes in variable purchase price elements from the purchase of offshore wind farms correspondingly in the inventories.

Within the framework of the agreement on the purchase of offshore projects, the Group is obliged to pay variable purchase price elements dependent on the materialisation of future events. Based on the Board of Directors' evaluation concerning the materialisation of future events, its valuation at the time of acquisition and at the balance sheet date was the estimated fair value of this liability amounting to EUR 8,990 million. The discounting of future payment flows expected during the financial years from 2015 to 2022 was carried out at normal market interest rates in relation to the contract terms.

Affiliated companies, upon which the Group as a rule exercises a significant influence due to its shareholding of between 20 percent and 50 percent, are valued according to the equity method. The book value of investments which are included in the consolidated accounts "at equity" is annually increased or reduced by the Group equity proportion corresponding to the equity changes. At the first inclusion of investments according to the equity method, value differences to the first consolidation are treated in accordance with the principles of full consolidation. The result of changes in the equity ratio which have an effect on the result including unplanned depreciation of the equity proportion of a transaction or goodwill value will be recorded at the level of investments valued at equity. Intercompany profits and losses were insignificant for these companies.

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. Financial Assets

The following are among the group financial assets:

The long-term financial assets include direct holdings and shares of or loans to companies which are not included in the consolidated financial statements because of their minor importance in the context of a full consolidation. The investments in associated companies and holdings are valued at cost.

Accounts receivables and other assets primarily include accounts receivable and loans receivable. These items as well as cash and cash equivalents represent the financial assets, which fall under the loans and receivables category of IAS 39 and are primarily short term in nature. The carrying amounts represent the approximate fair value as at the balance sheet date.

The financial liabilities represent participation rights, convertible bonds, bonds, liabilities to banks and other financial liabilities.

The following table presents the book value and fair value of the financial liabilities:

All figures in TEUR	Category as per IAS 39	Book Value	Fair Value
As at 30.09.2013			
Accounts payable	FLAC	22,310	22,310
Fixed interest			
Participation certificates	FLAC	3,061	3,061
Bonds	FLAC	105,835	116,226
Liabilities to banks	FLAC	57,869	60,266
Other financial liabilities	FLAC	16,695	17,047
Leasing contracts	FLAC	528	528
Variable interest			
Liabilities to banks	FLAC	31,921	31,921
Other financial liabilities	FLAC	0	0
Derivatives			
Interest swaps	FLHfT	2,036	2,036
		240,255	253,395
As at 31.12.2012			
Accounts payable	FLAC	4,696	4,696
Fixed interest			
Participation certificates	FLAC	843	843
Bonds	FLAC	28,898	22,737
Liabilities to banks	FLAC	36,975	38,618
Other financial liabilities	FLAC	5,570	6,103
Leasing contracts	FLAC	608	608
Variable interest			
Liabilities to banks	FLAC	779	779
Other financial liabilities	FLAC	0	0
Derivatives			
Interest swaps	FLHfT	2,171	2,171
		80,540	76,555
FLHfT = available for sale FLAC = financial liabilities at acquisition cost			

The fair values of the financial instruments were mainly determined on the basis of the market information available on the balance sheet date and are to be allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 13.

Level 1 financial instruments are calculated on the basis of prices quoted on active markets for identical assets and liabilities. In Level 2, financial instruments are calculated on the basis of input factors which are derivable from observable market data or on the basis of market prices for similar instruments. Level 3 financial instruments are calculated on the basis of input factors which are not derivable from observable market data.

The determination of fair values in the consolidated balance sheet financial instruments described in the Notes is based on either quoted prices pursuant to Level 1 or based on information and input factors pursuant to level 2. Through the use of observable market parameters, the valuations do not differ from general market assumptions.

As at September 30, 2013 the financial instruments available for sale are valued at TEUR 2,036 pursuant to the Level 2 of the fair value hierarchy.

There are no financial instruments pursuant to the level 3 fair value hierarchy.

3. Consolidated group

In addition to the information given below, we refer to the disclosures on the summary of business activity, the sales development, the results of operations, the financial position and the net assets as well as the corporate structure in the condensed interim group management report for the first nine months of 2013.

The following mergers took place in the 2013 financial year and are explained in greater detail in the following.

With two share purchase agreements, PNE WIND AG acquired a total of 82.75 percent of the shares in WKN AG with its headquarters in Husum, Germany. Control of the company was gained on July 4, 2013 subsequent to the fulfilment of various conditions precedent.

WKN AG is one of the leading developers of turnkey energy projects in Europe and the USA. WKN AG is represented worldwide in more than eight European countries, South Africa and the USA.

PNE WIND AG and WKN AG have each been active in wind farm project development for about 20 years and conduct this business both in Germany and abroad. In so doing, the markets for the development of wind farms complement each other allowing synergies to be achieved through joint purchasing and sales activities.

In total the transaction costs for the acquisition of the shares in WKN AG amounted to TEUR 1,681 during the financial year. The amount of TEUR 1,681 was recorded in the 2013 financial year as an expense in "sonstige betriebliche Aufwendungen (other operational expenses).

The purchase price for the shares in WKN AG amounted to TEUR 76,839 in total. This is composed of cash component 1 amounting to TEUR 41,496, cash component 2 amounting to TEUR 17,267 and cash component 3 amounting to TEUR 9,899. In addition, 3,074,209 treasury shares at a total value of TEUR 8,177 were used.

PNE WIND AG paid a partial amount of TEUR 4,000 from cash component 1 into an escrow account (security reserve). From this amount PNE WIND AG could be entitled to purchase price adjustments should certain events occur. Currently, none of these events are foreseeable.

The nominal value of cash component 3 is TEUR 10,000 is deferred until June 30, 2014. 8,797,500 WKN AG shares have been pledged as a security for this.

The provisional purchase price calculation for the acquisition of the WKN AG shares produced a goodwill value of TEUR 31,707. The calculation is as follows:

	in TEUR
Purchase price for 82.75 % of shares in WKN AG	76,839
Less fair value of the assets and liabilities acquired (100%)	-54,540
Minority interests (17.25 %)	9,408
Business or goodwill value	31,707

The goodwill value is based on synergies which can be achieved through joint purchasing and sales activities. The goodwill value is not tax deductible.

Minority interests are calculated as follows:

	in TEUR
Minority interests (book values transferred)	12,641
Minority interests (adjusted to fair values)	-2,800
Minority interests (deferred tax)	-433
Total	9,408

The following assets and liabilities were assumed with the acquisition of the WKN AG shares. The assets and liabilities acquired have been valued at their fair values at the time of acquisition.

in TEUR	valued at acquisition	book value
Business or company value	0	9,753
Operator contracts	1,524	0
Other assets	20,525	20,525
Financial assets	9,244	9,241
Stock	60,802	67,139
Other current assets	24,921	24,921
Liquid funds	9,768	9,768
Active latent taxes	5,255	4,785
Provisions	5,411	5,411
Liabilities towards financial institutions	59,125	57,453
Other liabilities	8,603	8,603
Deferred tax liability	4,360	1,383
Fair value of net assets / Book value	54,540	73,282

The calculation of fair values was carried out according to capital value oriented procedures. By this means, the present values of future services and cash flows were deduced.

The value of operator contracts was calculated by means of the direct cash flow forecasting method. In the direct cash flow forecasting method, cash flows directly attributable to the asset value are discounted over its useful economic life at the risk adjusted capitalisation interest rate specific to the asset.

The projects included in the stock were calculated using the residual value method. This method calculates the present value of payment surpluses which can be expected to be gained from the asset in future. These payment surpluses are reduced by income taxes and capital costs (turnover based income) on the company "infrastructure" (so-called contributory asset charges) required and discounted at the risk adjusted capitalisation interest rate.

The valuation of the amortised acquisition costs of liabilities towards financial institutions was carried out according to the discounted cash flow of payments to be made.

The first consolidation pursuant to IFRS 3 Business Combinations was carried out as at July 04, 2013 using the acquisition method in accordance with the partial goodwill method.

Since the time of acquisition, the shares acquired in WKN AG have contributed TEUR 8,068 to corporate revenue and TEUR 365 to the corporate result after tax. If the shares would have been acquired at the beginning of the year there would have been a contribution of TEUR 22,086 to turnover and TEUR 4,105 to the corporate result after tax.

The acquisition of the shares in WKN AG has resulted in the following outflow of funds during the financial year:

	in TEUR
Acquisition cost of the shares	76,839
Recording of a short term purchase price liability	-9,899
Fair value of own shares (transferred as purchase price component)	-8,177
From existing cash portion of the purchase price	58,763
Funds acquired with the acquisition of the shares	-9,768
Actual outflow of funds	48,995

The receivables acquired within the scope of this transaction (which are essentially composed of receivables for supplies and services) have a fair value of TEUR 15,997 and gross contract values amounting to TEUR 15,997. The best estimate of the contractual payment flows, made at the time of acquisition and whose collectability is not expected, amounts to EUR 0 million.

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 EUR 0.7 million. If the present plans are not realized in years 2013 to 2016 this amount might increase to a total of EUR 1.2 million.

5. Major events following the end of the reporting period

There were not any major events affecting the financial, assets and earnings of the company after 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 „Laubuseschbach“ and „Altenbruch II“ wind farms. On the other it entails the PNE Biomasse GmbH holding company which hires employees for 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. Furthermore, the operation of the solar BGZ solar park Passau Land GmbH & Co. KG is part of the electricity generation business.

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 September 30, 2013 are compared with the figures per September 30, 2012 or in the case of segment assets/liabilities the figures per December 31, 2012.

All figures in TEUR (differences from rounding off possible)	Projecting of wind power turbines	Electricity generation	Consolidation	PNE WIND AG Group
	2013 2012	2013 2012	2013 2012	2013 2012
External sales	36,200 73,296	7,393 7,598	0 0	43,593 80,894
Inter-segment sales	6,760 5,419	421 421	-7,181 -5,840	0 0
Change in inventories	13,049 3,619	0 0	2,654 0	15,704 3,619
Other capitalised contributions	0 0	0 0	0 0	0 0
Other income	975 1,615	5 7	-84 -1	896 1,621
Total aggregate output	56,984 83,949	7,819 8,026	-4,611 -5,841	60,192 86,134
Depreciations	-1,550 -1,220	-2,864 -2,898	0 0	-4,414 -4,118
Operating result	-5,438 23,156	1,350 1,694	-1,928 0	-6,016 24,851
Interest and similar income	2,304 2,068	535 24	-2,163 -1,851	676 241
Interest and similar expenses	-6,888 -3,618	-2,200 -2,348	2,163 1,851	-6,925 -4,115
Taxes	21 -164	-67 84	-375 0	-421 -80
Investments	1,823 363	131 11,726	0 0	1,954 12,089
Segment assets	440,443 230,329	74,034 51,716	-136,335 -99,540	378,141 182,505
Segment liabilities	404,904 176,319	71,522 54,631	-196,781 -135,040	279,645 95,910
Segment shareholders' equity	35,539 54,010	2,512 -2,915	60,445 35,500	98,496 86,595

Segment companies:

Projecting of wind power turbines: PNE WIND AG, PNE WIND Betriebsführungs GmbH, PNE WIND Netzprojekt GmbH, PNE Gode Wind I GmbH (till 14.08.2012), PNE Gode Wind II GmbH (till 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 Central States LLC (vormals PNE WIND Renewable Solutions LLC), PNE WIND DEVELOPMENT LLC, Underwood Windfarm LLC, Butte Windfarm LLC, Chilocco WIND FARM LLC, PNE-BCP WIND Inc., PNE WIND Romania S.R.L., PNE WIND Romania Energy Holding S.R.L., S.C. PNE WIND MVI SRL, EVN WINDPOWER DEVELOPMENT & CONSTRUCTION S.R.L., PNE WIND Pusztahencse Kft., Wind Kapital Invest Verwaltungs GmbH, Wind Kapital Invest GmbH & Co. KG, PNE WIND Verwaltungs GmbH, PNE WIND Atlantis I GmbH, PNE WIND Atlantis II GmbH, PNE WIND Atlantis III GmbH, WKN AG, Windkraft Nord USA Inc, WKN Italia S.R.L., Aero Sol S.R.L.,

Aero-Tanna S.R.L., ATS Energia S.R.L., WKN Basilicata Development S.R.L., WKN France S.A.S.U., Parc Eolien de Crampon S.A.S.U., TOV WKN Ukraine, Ukrainische Windenergie Management GmbH, New Energy Association International GmbH, Sevivon Sp. z o.o., VKS Vindkraft Sverige AB, WKN Windcurrent SA (Pty) Ltd., NordStrom New Energy GmbH, WKN Windkraft Nord GmbH & Co., WKN Picardie Verte II S.A.S.U. (till 30.09.2013), BGZ Fondsverwaltung GmbH

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, PNE WIND Park II GmbH & Co. KG (till 18.07.13), Plambeck Neue Energien Windpark Fonds CV GmbH & Co. KG (bis 31.03.2012), PNE WIND Park I GmbH & Co. KG, PNE WIND Park VI GmbH & Co. KG, PNE WIND Park VII GmbH & Co. KG, PNE WIND Park Altdöbern A GmbH & Co. KG, PNE WIND Park Altdöbern B GmbH & Co. KG, PNE WIND Park Altdöbern C GmbH & Co. KG, PNE WIND Park Großräschen A GmbH & Co. KG, PNE WIND Park Großräschen B GmbH & Co. KG, PNE WIND Infrastruktur Chransdorf-West GmbH & Co. KG, PNE WIND Infrastruktur Chransdorf Vewaltungs GmbH, PNE WIND Park Calau II A GmbH & Co. KG, PNE WIND Park Calau II B GmbH & Co. KG, PNE WIND Park Calau II C GmbH & Co. KG, PNE WIND Park Calau II D GmbH & Co. KG, PNE WIND Park III GmbH & Co. KG, PNE WIND Infrastruktur Calau II GmbH, PNE WIND Park Köhlen I GmbH & Co. KG, PNE WIND Park Köhlen II GmbH & Co. KG, PNE WIND Park Kührstedt-Alfstedt A GmbH & Co. KG, PNE WIND Park Kührstedt-Alfstedt B GmbH & Co. KG, NordStrom Solar GmbH, NordStrom Bioenergie GmbH, BGZ Solarpark Passauer Land GmbH & Co. KG, 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, total performance of EUR 49.0 million (previous year: EUR 13.9 million), revenues of EUR 34.3 million (previous year: EUR 9.0 million), operating income of EUR 0.0 million (previous year: EUR -1.5 million), a share of segment assets of EUR 265.3 million (as of December 31, 2012: EUR 153.1 million), and an equity share of EUR 59.4 million (as of December 31, 2012: EUR 44.6 million) are allocated to the German wind power onshore subdivision. For the international onshore accounts the following values can be ascribed; total performance of EUR 6.6 million (previous year: EUR 2.9 million), sales of EUR 0.8 million (previous year: EUR 0.0 million), operating income of EUR -3.2 million (previous year: EUR -4.8 million), a portion of segment assets of EUR 121.9 million (as of December 31, 2012 : EUR 41.6 million) and an equity share of EUR -28.3 million (as of December 31, 2012: EUR -20.9 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. In segments „development of wind turbines” and „electricity,” revenues were realized with external customers which accounted for more than 10 percent of total 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 8, 2013

PNE WIND AG, Board of Management

Imprint

PNE WIND AG

Peter-Henlein-Straße 2-4
27472 Cuxhaven
Germany

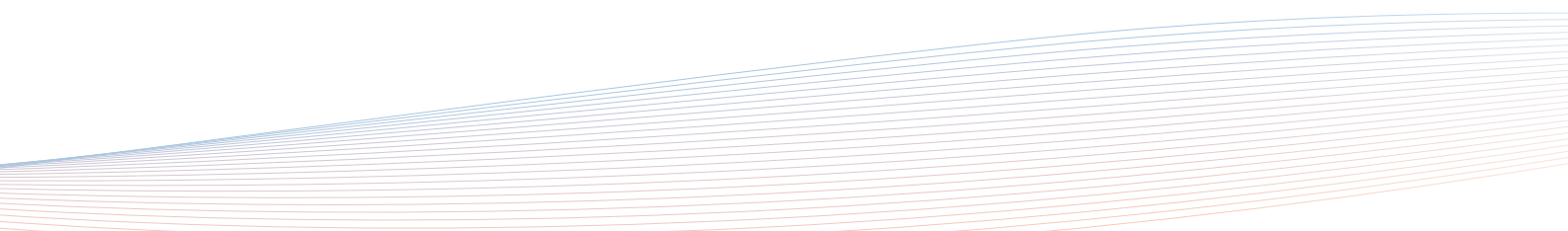
Telephone:: + 49 (0) 47 21-718-06
Fax: + 49 (0) 47 21-718-444
E-Mail: info@pnewind.com

www.pnewind.com

Board of Management: Martin Billhardt (Chairman), Jörg Klowat, Markus Lesser
Court of registry: Tostedt
Registered number: HRB 110360

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cometis AG
Unter den Eichen 7
65195 Wiesbaden

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.





PNE WIND AG
Peter-Henlein-Straße 2-4
27472 Cuxhaven
Germany

Telephone: + 49 (0) 47 21-718-06
Fax: + 49 (0) 47 21-718-444
E-Mail: info@pnewind.com
www.pnewind.com