

WINDPOWER
Annual Report 2014

Overview

The operational business of PNE WIND AG in the 2014 fiscal year was characterised by a substantial increase in the number of wind farm projects realised in Germany and the continued progress in the development of projects in Germany and abroad. In the period under report, the companies of the PNE WIND Group completed and commissioned wind farm projects with a nominal output of 134 MW. Furthermore, wind farm with a nominal output of approx. 77 MW were under construction at the end of the year.

Outside of our domestic German market, permits for wind farms in France, the United Kingdom and Italy were issued and a wind farm in France was completed in the fiscal year 2014.

The offshore sector continued to develop its six in-house projects and was active as a service provider to seven additional projects.

With a capital increase and the issuance of new convertible bonds with gross proceeds of approx. euro 40 million, PNE WIND AG has laid the foundation in the third quarter of 2014 for the expansion of its business model. The Company intends to bundle completed wind farms in a new subsidiary, a so called YieldCo, with the aim of selling this subsidiary wholly or partly to investors by the end of 2016.

As a leading wind farm developer in Germany, the PNE WIND Group with its brands PNE WIND and WKN maintained its strong position in the market in 2014. With our more than 400 highly qualified employees, we offer services covering the entire added value chain ranging from the development, planning, realisation, financing, operation, marketing and repowering of wind farms in Germany and abroad from a single source for more than 25 years.

At a glance

PNE WIND AG group figures

In million EUR	2014	2013	2012
Total aggregate output	233.9	160.6*	94.3
Revenues	211.3	144.0	84.4
Operating profit (EBIT)	2.7	43.6*	20.4
Result from ordinary activities (EBT)	-15.2	34.4*	15.1
Net income for the period	-13.0	37.6*	17.0
Equity	160.2	147.2*	86.6
Equity ratio, in %	38.4	34.1*	47.5
Total assets	416.8	431.6*	182.5
Earnings per share (undiluted), in euro	-0.22	0.80*	0.37
Average number of shares, in euro million	58.6	47.2	45.8

* Adjusted previous year's figures - Please refer to the note „IV. ACCOUNTING and Policies „(1. Changes in IAS 8).

Index

3 PNE WIND close-up

- 5 Foreword
- 8 Report of the Supervisory Board
- 12 Portrait of the PNE WIND Group
- 26 Capital market information

31 Combined management and Group management report

- 32 Market/overall general economic conditions
- 34 General political conditions
- 39 Corporate structure
- 41 Organisation and employees
- 42 Summary of business activity
- 52 Economic report
- 62 Transactions with closely related companies and persons
- 62 Sales and marketing
- 63 Development and innovations
- 63 Major events subsequent to the period under report
- 63 Intangible assets/
sustainable development
- 64 Report of opportunities and risks
- 72 Controlling system
- 73 Description of the key characteristics of ICS / RMS of the parent company and the total Group
- 76 Management declaration (Section 289a of the German Commercial Code (HGB))
- 76 Management report on relations with affiliated companies
- 76 Supplementary information in accordance with Section 289 Paragraph 4 and Section 315 Paragraph 4 of the German Commercial Code (HGB) (Acquisition Guideline law)
- 81 Remuneration report
- 84 Outlook/Forecast

87 Consolidated financial statements

- 89 Consolidated statement of comprehensive income
- 90 Consolidated statement of financial position
- 92 Consolidated statement of cash flows
- 93 Consolidated statement of changes in equity
- 94 Consolidated schedule of fixed assets
- 98 Consolidated segment reporting
- 100 List of the companies included in the consolidated financial statements and list of shareholdings
- 158 Notes to the consolidated financial statements
- 172 Independent Auditors' Report
- 175 Statement made by the legal representatives

177 Financial statements of the AG

- 179 Profit and loss account
- 180 Balance sheet
- 182 Statement of cash flows
- 183 Development of shareholders' equity
- 184 Schedule of fixed assets
- 186 Schedule of liabilities
- 188 Independent Auditors' Report
- 189 Statement made by the legal representatives

190 Glossary

192 Imprint



For us, harnessing the power of the wind means combining ecological responsibility with economic success

Mankind has been using the power of the wind for thousands of years; be that for grinding grain at traditional windmills, for pumping drainage systems or for sailing ships. The industrial revolution and the invention of the electric motor gave rise to the first experiments to generate electricity using wind as a source of power. The development of today's modern wind power turbines however did not gain momentum until the 1970's when an oil crisis at that time acted as a catalyst to intensify research into alternative power generation technologies.

We - representing the PNE WIND Group - have been active in this relatively new industry for more than 25 years now. As an internationally active wind farm pioneer from Germany, we are one of the most experienced wind project developers. With our strong brands - PNE WIND and WKN - we are active in global growth wind markets from our headquarters in Cuxhaven and Husum. Our more than 400 employees at locations worldwide contribute their technical knowledge in the development of on and offshore wind farms and are thus making an active contribution to climate protection worldwide. Having constructed more than 200 onshore wind farms, with approx. 1,300 wind turbines and a total nominal capacity of over 2,100 MW, our track record illustrates that we are a "Made in Germany" wind pioneer.



PNE WIND close-up

5	Foreword
8	Report of the Supervisory Board
12	Portrait of PNE WIND Group
26	Capital market information

Foreword

Dear shareholders,

the 2014 fiscal year was very eventful for the PNE WIND Group and our operations reported many successes. Rarely before in our company history were we able to complete or start construction on such a high volume of onshore wind farms in nominal capacity terms within one year. The past fiscal year was very exciting and eventful for our Group in other respects as well. Completed and newly approved wind farm projects abroad, the discussion on the German Renewable Energies Law (EEG) and its amendment, capital measures and the initiation of a YieldCo business – these are only some of the topics that dominated the 2014 fiscal year.

Our project development teams worked intensely over the course of the year. We erected and commissioned eleven onshore wind farms with approx. 122 MW in Germany alone. A further 77 MW were under construction at the end of the year, including the “Chrandsdorf” wind farm in Brandenburg with a total nominal output of 57.6 MW, representing the largest single onshore project in the history of the PNE WIND Group. This wind farm, which is among the most modern projects in Germany, will be connected to the grid in the coming months and will represent an essential part of the YieldCo’s initial portfolio.

A series of wind farm sales to infrastructure investors over the course of the year illustrates the high quality of the projects developed by us. In 2014, we sold various projects, among others, to the Allianz insurance group, the utility company Energie Baden-Württemberg (EnBW), the holding company CEE and the infrastructure investors KGAL and CHORUS. We intend to continue this proven and successful approach in the future.

We are also expanding our international activities. In France, a 12 MW wind farm was completed and handed over. Further projects in France (10 MW), the United Kingdom (38 MW), USA (183 MW), Romania (102 MW) and Poland (32 MW) are permitted. In Italy and South Africa, for example, we developed projects up to the point of construction maturity and we are now participating in the tender systems. Only after we are awarded a contract, can we start with the realisation of the projects. Turkey also



Martin Billhardt, Chairman of the Board of Management

has a tender system and in order to improve our chances of success and to minimise our risks, we are cooperating with STEAG GmbH, a company which has many years of experience in realising energy projects in this market. We intend to form a similar type of cooperation for our activities in the United Kingdom and we are aiming to partner with a financially strong partner there.

New milestones were achieved within the offshore segment and two of our offshore projects completed important development steps. The hearings for the “Gode Wind III” and “Atlantis I” were successfully completed and completing the next development step should result in the building permits being issued. In a separate project, the first of 78 wind power turbines was installed at the “Borkum Riffgrund I” wind farm in October 2014. The project was developed by PNE WIND AG and sold to the Danish energy group DONG Energy A/S. First power has now been fed into the grid from this offshore wind farm. In the offshore sector, PNE WIND AG is working on six own projects and is active as a service provider to a further seven projects. According to the current plans, wind power turbines with a total nominal capacity of approx. 2,640 MW may be constructed in our own offshore wind farms – these projects represent a substantial growth potential for our enterprise.

Whether in Germany or abroad, onshore or offshore – planning security and reliable framework conditions are a prerequisite for the further expansion of wind power and a sustainable development of the Company. The amendment to the Renewable Energies Law (EEG) came into effect on August 1, 2014. The Federal Government intends to increase

the share of renewable energies in the production of electricity from around 27 percent today to 40 to 45 percent till 2025 and to 80 percent till 2050. At the European level, a new policy framework for climate and energy for the period between 2020 and 2030 was adopted. The essential points set out goals to increase the share of renewable energies in total energy consumption to 27 percent, which would require approx. 45 percent of total gross electricity generation to come from renewable energy. The objectives cannot be achieved without substantial growth of wind power, both onshore and offshore. We expect the global market to expand by over 10 percent in the coming years and with our comprehensive project pipeline, we are well positioned for this development.

A part of our business strategy is to permanently search out new sales channels and investors as well as new approaches to project development, financing and marketing. We are continuing the ongoing development of our business model with the establishment a new YieldCo subsidiary in 2014. We plan to place our onshore wind farms, mainly German, with a total output of up to 150 MW into the YieldCo and then sell - wholly or partly - this portfolio of commissioned wind farms to investors by the end of 2016. The capital measures in October 2014 marked the start of our YieldCo strategy and the proceeds out of the capital increase and convertible bond placement totalled approx. euro 40 million. These funds provide sufficient equity capital to finance the wind farms which will be placed into the YieldCo.

Apart from increasing the earnings potential and strengthening the Group's competitive position, the objectives of the YieldCo business are also to establish a new subsidiary (YieldCo), which offers stable and attractive dividends to its investors. The YieldCo represents a classic win-win situation offering large potential both for PNE WIND and for the investors of the YieldCo.

YieldCo investors will be able to invest directly in commissioned and profitable wind farms. They will benefit not only from attractive dividends but also from a balanced risk profile. With YieldCo investors purchasing completed wind farms with measurable earnings from a diversify

portfolio with risks spread across several wind farms, the PNE WIND Group aims to sell the YieldCo wind farm portfolio under more attractive conditions than would have been achievable under our existing sales model, which currently involves the sale of wind farms on an individual basis.

The YieldCo concept has already been tested successfully in the USA and in the United Kingdom and following in the steps of these first movers, the PNE WIND Group looks to repeat this pioneering work in Germany. By doing so, we are the first German company to adapt this strategy which will expand our business model and provide lasting long term benefits for the Group. While all positive, we have also accepted that this approach leads to higher investments and a delay of our earnings in 2014 and 2015 into 2016. This – as well as the continued upfront investments in the development of the onshore and offshore project pipeline in Germany and abroad – is reflected in the operating results of the year under report.

Our consolidated results were also negatively impacted by extraordinary write-downs on inventories at our subsidiary WKN AG. The write-downs were necessary owing to inaccurate valuations prior to the acquisition of WKN, which only became now visible. To protect the interests of the Group, we are now evaluating all civil and criminal law possibilities. As part of an arbitration claim, PNE WIND AG is claiming damages from the Volker Friedrichsen Beteiligungs-GmbH, the former majority shareholder of WKN AG, in the amount of approx. euro 6.2 million.

The measures that were necessary due to the inaccurate valuations prior to the acquisition of WKN AG led to a subsequent audit of the amended consolidated financial statements of WKN AG as at 31 December 2012. This subsequent audit has not yet been completed and this has an influence on the final opinion of the purchase price allocation and the Independent Auditor's Report 2014. The auditors were unable to evaluate these positions and are therefore only able provide a Group audit with limitation.

The PNE WIND Group achieved an EBIT of euro 2.7 million, with turnover of euro 211.3 million, pursuant to the consolidated financial statements of WKN AG, which have not yet been audited due to the extra time needed for the revaluations at WKN. The Group reported consolidated undiluted earnings per share of -0.22 euro. In 2013, the Group realised revenues of euro 144.0 million, an operating result (EBIT) of euro 43.6 million and undiluted earnings per share of euro 0.80. Although a much higher number of onshore projects were realised in 2014 – 134 MW vs. 32 MW in the previous year – the 2014 results were below those of the prior year owing largely to the results in 2013 being very positively influenced by the receipt of milestone payments from the offshore business totalling euro 45 million.

According to accounting principles of the German Commercial Code (HGB), PNE WIND AG recorded a net income of euro 4.0 million (prior year: euro 36.6 million) and the retained earnings amounted to euro 63.3 million on December 31, 2014.

Despite the unplanned write-down, the PNE WIND Group remains well positioned for the future.

We appreciate the confidence you – our dear shareholders – have placed in us by participating in the capital measures in 2014. As planned, we are investing the funds raised in our YieldCo and we intend to take the YieldCo ahead at full speed as opposed to recommending a dividend again. We have invested the capital that you have provided us with well and we are convinced that we have laid the foundation for significant future earnings growth. It is our intention to distribute a dividend beginning next year again.

Through the establishment of our YieldCo business, we will open up considerable new possibilities for the Group. Our onshore and offshore project development pipelines are well filled and the higher implementation rate of our projects promises continuous returns. Therefore, we confirm our forecast of achieving a cumulative EBIT of euro 110 to 130 million for the 2014 to 2016 financial years and see the prospect of increasing our forecast upon the successful implementation of the YieldCo business.

We would like to express our very sincere gratitude – also on behalf of our employees – for your support in the 2014 fiscal year. Please maintain your confidence in us in the future!

Kind regards



Martin Billhardt
- Chairman of the Board of Management -

Report of the Supervisory Board



Dieter K. Kuprian, Chairman of the Supervisory Board

Dear Shareholders

During the fiscal year 2014, PNE WIND AG paved the way for the further development of the Company and the Group as well as continuing to strengthen its operational business. This included above all a capital increase and issuance of a convertible bond. The proceeds of the capital actions are being used to secure the short- and medium-term equity capital for wind farm projects which will be incorporated into our newly established YieldCo. The YieldCo represents an expansion of our existing business model and here individual wind farms will be bundled into a portfolio, which will be sold, in whole or in part, to investors at a later time. In operational terms, PNE WIND AG and the Group can look back on a highly successful operational year in view of the high number of wind farm projects realised in Germany and France.

During the fiscal year 2014, the Supervisory Board met for a total of six ordinary meetings on March 19, June 3, June 4, September 11, September 16 and December 9, 2014. Furthermore, two telephone conferences were held on October 1 and November 24, 2014 for the adoption of Supervisory Board resolutions by phone. No member of the Supervisory Board participated in less than one half of the meetings.

In accordance with the recommendation of the German Corporate Governance Code (DCGC), the Supervisory Board has a sufficient number of independent members.

Volker Friedrichsen, Astrid Zielke and Peter Baron von le Fort were newly elected to the Supervisory Board by the general meeting of shareholders, held on June 4, 2014. These members have each been elected for the period up to the end of the ordinary general meeting of shareholders, which will resolve the discharge for the 2015 fiscal year.

Rafael Vazquez Gonzalez, JUDr. Olaf Aden and Dr. Christian Rolfs retired from the Supervisory Board at the end of their periods of office, following the end of the ordinary general meeting of shareholders on June 4, 2014. The general meeting of shareholders did not adopt a resolution on the discharge of the Supervisory Board for the fiscal year 2013.

In order to ensure the efficient handling of its tasks, the Supervisory Board has set up a Personnel Committee, an Audit Committee and an Appointments Committee.

During the fiscal year 2014, the Personnel Committee held six meetings on March 18, June 3, September 16, November 5, December 1 and December 8, 2014. The topics of these meetings were the 2014 and 2015 target agreements for the members of the Board of Management.

The Appointments Committee held two meetings in fiscal year 2014 on March 18 and December 10, 2014. The topic of the meeting on March 18 was the election of new Supervisory Board members, since the terms of office of Mr. Vazquez, JUDr. Aden and Dr. Rolfs ended at the end of the general meeting of shareholders of June 4, 2014. The topic of the meeting on December 10 was the appointment of a new Supervisory Board member in the event of the dismissal or retirement of the Supervisory Board member Volker Friedrichsen.

The Audit Committee met in two meetings on March 18 and August 7, 2014. The topics of these meetings were the audit of the annual financial statements as at December 31, 2013, the discussion of the half year annual report and the quarterly reports of 2014 as well as the related recommendations to the Supervisory Board for the adoption of relevant resolutions.

The Supervisory Board undertook the tasks for which it is responsible in accordance with the law, the articles of association and the internal regulations. It regularly advised the Board of Management concerning the management of the Company and supervised its activities. The Supervisory Board was directly included in all decisions of major importance for the Company. The Supervisory Board was punctually and fully informed in writing and at its meetings through written and oral reports of the Board of Management about the current business development and the asset, earnings and financial situation of the Company as well as about the planned business policy and the additional key questions of corporate planning, especially with regard to financial, investment and personnel planning. These various topics were discussed extensively by the Board of Management and the Supervisory Board. Furthermore, the Supervisory Board reviewed and examined the books, documents and the schedules of assets. Special reports were not requested. Moreover, the Supervisory Board was given information regularly by means of individual discussions with the Board of Management.

The Supervisory Board has examined in detail and decided by means of resolutions all business matters and measures of the Board of Management requiring its consent on the basis of the regulations of the law, the articles of association and the internal regulations of the Board of Management.

The main emphases of the activity and subjects treated by the Supervisory Board during the fiscal year 2014 were:

- the reports and discussions concerning the annual and the consolidated financial statements as at December 31, 2013
- the reports on the development of the current and planned business
- the resolutions on the implementation of capital measures and expansion of the business model by establishing a YieldCo
- the reports and discussions concerning the further strategic development of the Company and the analysis of the shareholder structure
- the adoption of resolutions concerning the consent to make claims for damages against Volker Friedrichsen Beteiligungs-GmbH and discussions regarding the handling of the resulting conflict of interest
- the resolution on the issuing of the declaration of compliance with the German Corporate Governance Code.

In the context of these main topics, the Supervisory Board granted the Board of Management of PNE WIND AG its consent to make claims for damages in connection with the WKN AG shareholding acquired from Volker Friedrichsen Beteiligungs-GmbH in 2013. The claims for damages are expected to be in the amount of up to euro 6.2 million. Apart from this, the Company reserves the right to make further claims for additional damages against Volker Friedrichsen Beteiligungs-GmbH.

Furthermore, the Board of Management received the Supervisory Board's consent to pursue these claims against Volker Friedrichsen Beteiligungs-GmbH, if necessary, by way of an arbitration action. In addition, the Company has taken steps to make claims for damages in connection with the WKN AG shareholding acquired from Siemens

Project Ventures GmbH. All of these claims relate mainly to the question of whether individual wind farm projects were overvalued by WKN AG at the time the shareholdings were acquired by PNE WIND AG.

The majority of the Supervisory Board members consider the decision to make claims for damages against Volker Friedrichsen Beteiligungs GmbH as material and not a temporary conflict of interest on the part of the Supervisory Board member Volker Friedrichsen, who is the sole shareholder of Volker Friedrichsen Beteiligungs-GmbH.

Moreover, according to the opinion of the Supervisory Board's majority, another conflict of interest arises from the competing activities of reconcept GmbH, Hamburg, whose sole shareholder is Volker Friedrichsen Beteiligungs-GmbH, according to Section 5.5.3 sentence 2 of the German Corporate Governance Code. For this reason, the Supervisory Board resolved in its meeting of December 9, 2014 on the basis of the recommendations of the German Corporate Governance Code to file an application in accordance with Section 103 para. 3 AktG (Stock Corporation Act) with the competent court for the removal of Mr. Volker Friedrichsen from PNE WIND AG's Supervisory Board, unless he voluntarily gives up his mandate in the short term.

Rejected were the motions of the Supervisory Board to remove Mr. Dieter K. Kuprian as Chairman of the Supervisory Board as well as to send a request to the competent court to remove Mr. Dieter K. Kuprian as a member of the Supervisory Board. The Supervisory Board member Mr. Baron von le Fort then convened an extraordinary meeting of the Supervisory Board in order to again pass a resolution regarding these motions. However, he was prohibited by a court from holding such a meeting by way of a preliminary injunction. In addition, in January 2015, Mr. Baron von le Fort

brought forward an action at the Stade District Court with the goal of determining the nullity of the relevant resolutions adopted or to have the adopted resolutions declared null and void.

The annual financial statements of PNE WIND AG, the consolidated financial statements as well as the management report of PNE WIND AG and of the Group were drawn up on schedule by the Board of Management. These, as well as the accounting system were audited by Deloitte & Touche Wirtschaftsprüfungsgesellschaft GmbH, Hamburg, and the auditors issued an unqualified audit opinion on the financial statements and a limited audit opinion on the consolidated financial statements. Deloitte & Touche were elected as auditors by the general meeting of shareholders on June 4, 2014.

In addition, the Board of Management prepared a report on the Company's relationships with affiliated companies and submitted this report together with the auditors' report to the Supervisory Board. The auditors issued the following note on the report:

"In accordance with our due audit and assessment, we herewith confirm that

1. the disclosures made in the report are correct,
2. regarding the measures set forth in the report, no circumstances exist that support a significantly different assessment than that made by the Board of Management."

The Supervisory Board placed the commission for the audit of the 2014 annual financial statements on August 18, 2014. In accordance with the recommendations of the German Corporate Governance Code, the Supervisory Board obtained, prior to placing this commission, a declaration of the auditors as to which professional, financial or other relationships might exist between

the auditors and the Company, which might indicate doubts regarding their independence. The declaration also included the scope of other consulting services, which were provided to the Company during the past fiscal year. According to the declaration submitted to the Supervisory Board by the auditors, there are no doubts regarding their independence.

For the fiscal year 2014, the Supervisory Board requested the auditors to focus in particular on the subject of "valuation of inventories taking account of the relevant market conditions in Germany and abroad" during the audit of PNE WIND AG.

The financial statements for PNE WIND AG, the consolidated financial statements, the management report of PNE WIND AG, the Group management report and the report on relationships with affiliated companies and the reports of the auditors were made available on schedule to all members of the Supervisory Board prior to the meeting on the financial statements on March 27, 2015. The documents were comprehensively examined and discussed at the meeting of the Audit Committee on March 26, 2015 as well as at the meeting on the financial statements by the members of the Supervisory Board. The Chairman of the Audit Committee gave a report on the treatment of the financial statements and the consolidated financial statements as well as a report on the relationships with affiliated companies, including audit report, by the Audit Committee to the full Supervisory Board at the meeting on the financial statements. Representatives of the auditors participated at the meeting on the financial statements and reported on the key results of the audits. There were no objections. The Supervisory Board, after its own examination of the annual financial statements, the consolidated financial statements, the management report, the Group management report and the report on

relationships with affiliated companies (including the final declaration of the Board of Management) and on the basis of the recommendations of the Audit Committee, consented to the result of the audits by the auditors.

The Supervisory Board thus approved the financial statements of PNE WIND AG drawn up as at December 31, 2014 as well as the consolidated financial statements drawn up as at December 31, 2014. The financial statements were thus adopted. The Supervisory Board, following its own examination, approved the proposal of the Board of Management regarding the appropriation of profit. In addition, the Supervisory Board consents to the final declaration of the Board of Management in the report on the relationships with affiliated companies.

The regulations and obstacles, which could render a take-over and the exercise of control difficult, were reviewed and evaluated by the Supervisory Board. The Supervisory Board considers these to be adequate.

The Supervisory Board wishes to thank the members of the Board of Management as well as all employees of PNE WIND AG for their outstanding commitment and responsible and successful work during the fiscal year 2014.

Cuxhaven, March 27, 2015

Dieter K. Kuprian

Chairman of the Supervisory Board

Portrait of the PNE WIND Group

The PNE WIND Group is one of the leading, listed company's active in the development and realisation of onshore and offshore wind farms. The Group is comprised of PNE WIND AG, Cuxhaven, and WKN AG, Husum, representing two strong partners which both have more than two decades of industry experience. The Group, with its subsidiaries and joint ventures, is currently represented in 14 countries in Central and Southern Europe, Scandinavia, the United Kingdom, South Africa and in North America. Having a broad exposure to the international growth markets, the Group's experienced employees are continuously working on developing and expanding its comprehensive project pipeline.

In addition to project development, the PNE WIND Group offers commercial and technical operating management services for onshore wind farms under the brand "energy consult" – both for wind farms developed by us and for other wind farms.

Whether offshore or onshore, at home or abroad, the PNE WIND Group develops wind power projects out of passion!



Our strategy

The PNE Wind Group is a leading project development company in Germany, offering the entire value added chain ranging from the development, planning, realisation, financing, operation, marketing and repowering of wind farms in Germany and abroad from a single source.

A secure supply of energy is the basic prerequisite for a modern economy. Governments throughout

the world are supporting the expansion of renewable energies which will enable it to become one of the main pillars of the future electricity generation mix. We, the PNE WIND Group with our strong brands, PNE WIND and WKN, have a passion for renewable energies and are dedicated to combining economic success with ecological responsibility.

At present renewable energies are providing over 27 percent of electricity requirements in Germany – of which approximately nine percent is generated by wind power turbines. The PNE Wind Group, as one of the leading German project planning companies for onshore and offshore wind farms, has played a decisive role in this development. Wind energy, in contrast to other energy sources, represents a secure, sustainable and environmentally sound form of electricity generation.

The PNE WIND Group intends to expand its wind farm development activities in the future and by doing so continue to make an important contribution to climate protection as well as create shareholder value. Climate, environmental and nature protection are values that drive us every day. We will continue to focus all of our energy on successful wind farm project development, both offshore and onshore at home and abroad, and to proactively represent these values at the national and international level.

Our long term success record proves we understand our business as a wind farm developer. By the end of the fiscal year 2014, PNE WIND and WKN had realised more than 200 wind farms onshore with a total nominal output of over 2,100 MW. In the offshore sector, we have already sold seven projects, of which three are under construction. With this comprehensive experience, the PNE WIND Group has established itself in the market as one of the most successful wind farm developers.

Our well-filled onshore and offshore project pipeline highlights our successful business activities in the international market and also forms the basis of our future revenues and earnings. With this large number of projects in development, we are well equipped for the coming years. Beyond this, we expect additional potential from our YieldCo business as well as repowering, which will open up new sales opportunities in the long term.

The successful development of our business continues to be dependent on stable economic and political conditions to create the business environment needed by us and our customers. This is the case in many countries around the world and the European Union, in particular, has agreed to a new policy framework for climate and energy for the period up to 2030. This framework builds on the current policy framework adopted for the period up to 2020 and takes into account the European Union's longer term goal of reducing greenhouse gas emissions by 80-95 percent by 2050 compared to 1990. This European Union framework will lead to continuous investments in renewable energies and will lead to a further increase of their share of the total electricity generation mix.

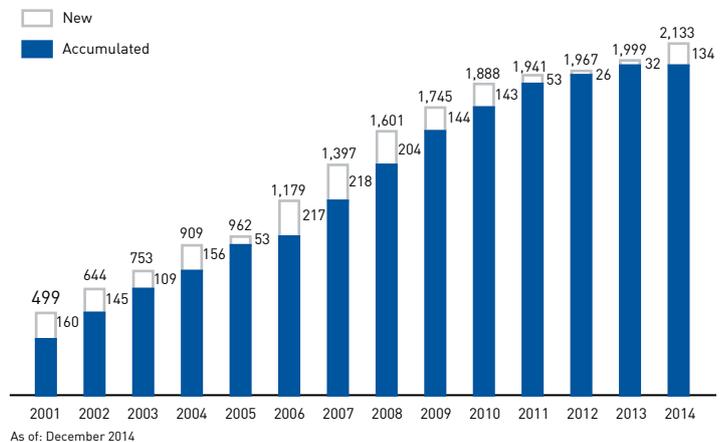
With the German Government aiming to have the share of renewable energy in the electricity mix increasing to 40-45 percent by 2025 and 80 percent by 2050, we are excellently positioned for further the expansion of wind energy. PNE WIND – Passion for Energy!

How does the business of a wind farm developer function?

The PNE WIND Group is a leading project development company in Germany, offering the entire value added chain - ranging from the development, planning, realisation, financing, operation, marketing and repowering of onshore and offshore wind farms in Germany and abroad - from a single source.

As project developers, the committed teams of PNE WIND and WKN are actively involved in all stages of planning, construction and operation of a wind farm. Our services start with the identification of suitable locations and extend through the project development, erection and operation of the commissioned wind power turbines.

Installed nominal output of PNE WIND Group (in MW)



Apart from development activities, we also arrange the financing and the sale of the onshore wind farms. When the end of the technical life of the wind power turbine is reached, the PNE WIND Group also offers repowering services. This requires very extensive planning at the original site and involves replacing the old turbines with the most modern and efficient turbines.

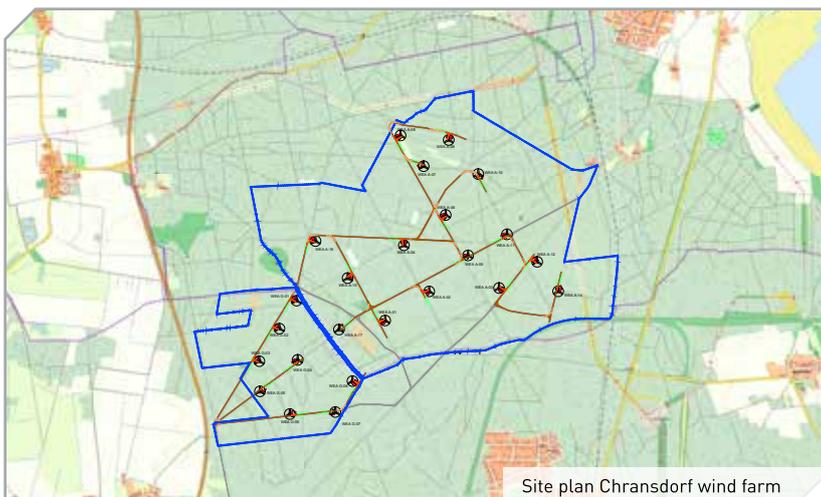
We offer all of these services from a single source and we benefit from the many years of industry experience gained by our employees. Our two brands, PNE WIND and WKN, enjoy a good reputation in the market earned through consistently providing reliable and quality services.

In the offshore segment, we focus on the development of projects up to the point where they are ready to construct. The main reason for this is the substantially higher investment cost and the longer development periods for offshore projects in comparison with onshore wind farm development. When our offshore projects are ready to construct, we sell them to investors who have the expertise needed to realise highly complex wind farms on the high seas. By focussing our offshore activities on the development aspects, we have been able to secure a leading position in the offshore market. Three of the offshore wind farms developed by our experts have been sold and are currently being constructed by our partners.

Dialogue and analyses

The PNE WIND Group has a local presence and is active onsite with its offices in Germany and abroad. We work in close relationship with local communities and offer concrete and tangible services for our customers.

At the beginning of the development stage, our teams are focused on identifying suitable wind farm sites, which have a strong wind resource and are located near electricity transmission lines. Only when there is a grid connection, can it be assured that the power produced at the wind farm can be transported to where it is needed.



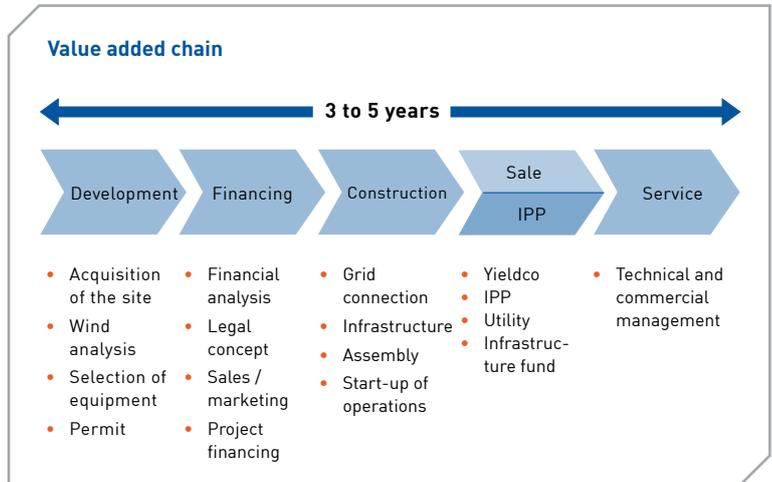
Site plan Chransdorf wind farm

At this stage, we conduct in-depth discussions with local landowners and the success of our site acquisition team is based on the lasting long term relationships with farmers, local officials and business leaders which, in some cases, may span a period of some 20 years. Our objective is to secure an option for a long term lease agreement for a period of up to 25 years. Once this process has been concluded, our experts are able to begin with the site analyses, environmental

studies and financial evaluations. Detailed site analyses and environmental studies need to be completed before a permit to construct the wind farm can be issued. Alongside this, negotiations with wind turbine manufacturers are held to ensure that the right wind turbine can be sourced on attractive conditions at the necessary time. With the inclusion of WKN into the PNE WIND Group, our procurement activities have benefitted from our stronger market position.

Financing, construction, marketing

By the time the financing stage has been reached, the important financial aspects of the project have already been clearly defined. Detailed wind measurements, which are carried out directly on site, allow us to forecast with a high level of certainty the amount of electricity which will be generated by the wind farm. Revenues are based on the amount electricity fed into the grid and the selling price achieved per kWh, as defined in the various regulatory systems.



By taking into account cost estimates submitted from our suppliers, we are able to assess at an early stage whether the wind farm in planning can be operated profitably at that particular site in the chosen configuration. If this is the case, the financial planning can be concluded and the sales and the construction activities can be started.

In the onshore sector, we primarily develop wind farms on a turnkey basis for our customers and hand them over after the projects are fully commissioned. Offshore projects are primarily developed by us up to the ready-to-construct stage and are then sold prior to construction.

An onshore wind farm is constructed fully within a few months and as a general rule is sold after commissioning. Our customers are energy suppliers, infrastructure funds, municipal utilities and insurance companies which have high levels of expertise in the wind sector. Various wind farm sales to infrastructure investors such as the Allianz insurance group, the utility company Energie Baden-Württemberg (EnBW), the holding company CEE and the infrastructure investors KGAL and CHORUS are a proof of the high quality of our projects. We achieve this quality by excellent project management work and using the most modern wind energy turbines which ensure an optimum energy yield. After the wind farm sale, we provide operational and management services for wind farms. Via our energy consult subsidiary, we ensure the smooth operation of the wind farm.

The development of wind power is our passion and the PNE WIND Group's business model is clearly defined from the initial site acquisition to the later sale of the operational onshore wind or - in the case with offshore - the later sale of the pure project rights. Where it makes sense, we explore the possibility of expanding our business model and with the YieldCo; we are seizing a new opportunity!

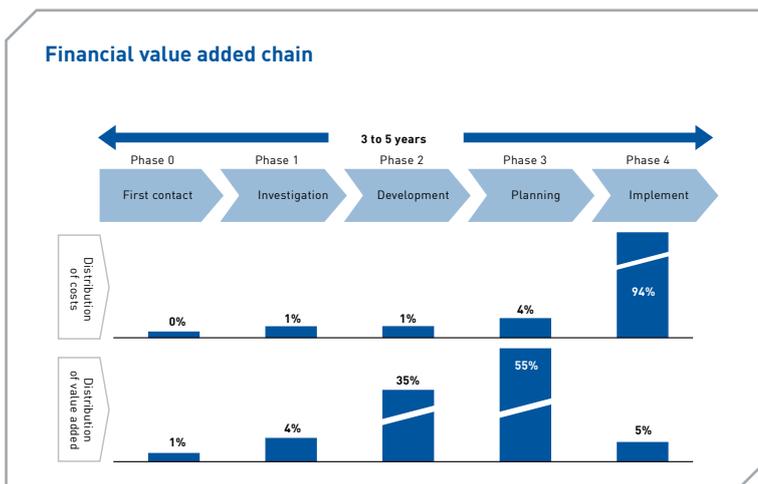
Through the establishment of a YieldCo, we are creating a new sales channel, which will offer advantages to our existing investors and business partners as well as to a new and additional group of investors. We plan to bundle onshore wind farms developed by us in a separate subsidiary and sell this entire portfolio in a single transaction. By doing so, we intend to reach new investor pools, create sales opportunities for follow on wind farm transactions and decrease our dependency on individual wind farm sales. From the perspective of the YieldCo investor, the YieldCo enables investors to participate directly in operational and profitable wind farms.

We stay connected with our wind farms

Following the commissioning of the wind farm, we offer the wind farm owners technical and commercial operational management services. In this respect, the energy consult team assures the smooth operation of the wind farm. Our employees monitor the performance of each turbine to identify problems at an early stage and this helps minimise damage and expensive shutdown times, but also to maximise revenues.

How do we create value and where do costs arise in our business model?

The distribution of the value creation and the costs of our project work illustrate the risk profile of the PNE WIND Group. With the completion of each of the planning phases, the amount of our investment increases and at the same time so does the likelihood that the project in planning will be successfully completed. The amount of capital invested in the project development phases is substantially lower than the amount of capital invested in the construction phases.



Our development activities typically last three to five years and we finance these stages from our own funds. We aim to keep costs as low as possible in the initial planning stages (phases 0 to 2), as there are substantial risks which may prevent the project from being developed successfully. As our wind farm projects move through the development process, the chances of success improve, which in turn enhances the value of the project. Nearly all of the preliminary investigations regarding feasibility and economic viability have been finalised by

the time the project has reached the planning stage (phase 3) and the chances that the project will be successfully realised have improved greatly.

The PNE WIND Group achieves the greatest part of its value creation in the stages of project development through approval and up to the point of being constructed. In the case of an onshore project, approximately 95 percent of the value is created during the first four stages (phases 0 to 3), whilst only about 5 percent is attributable to the actual construction. Lower margins are obtained in the final phase of the development of a wind farm (implementation), and this part contributes only marginally to the value created by the PNE WIND Group, even though this stage requires by far the highest level of investments.

By leveraging our employees' high levels of experience, we are able to continuously review and optimise all steps of project development, thus ensuring the optimum use of resources both for our customers and for us.

Projects of the PNE WIND Group onshore and offshore

Wind power generation on land – in Germany and the world

Onshore wind power has developed into a reliable and efficient source of electricity production over the last few decades. With more than 369,000 MW of total installed output, wind power generated on land represents an important contribution to the worldwide energy mix. Approximately one third of global wind power capacity is located in Europe. These turbines produce enough electricity to cover over ten percent of the European electricity requirements.

Project development

In Germany, more than 38,000 MW of onshore wind power output is in operation. Renewable energies now represent the largest share in the electricity mix in Germany. More than 27 percent of gross electricity consumption was covered by “green energy” in 2014, approx. one third of which comes from wind power.

The PNE Wind Group, which celebrated an outstanding year in 2014 in the realisation of German onshore wind farms, contributed a major part to this development. Since January 2014, we have completed wind farms with a volume of approx. 134 MW and have commenced construction on over 70 MW.

Opportunities to expand the amount of wind power also result from the phased shutdown of German nuclear power stations. In 2014, these had a share of 16.8 percent in electricity production in Germany, which is to be replaced step by step by onshore and offshore wind power amongst other technologies.

Over 20 years' experience in realising wind farms

The PNE WIND Group has been active in the German wind power market for more than 20 years. During this time, we have acquired considerable know-how in all stages of wind farm development, ranging from the identification of new sites through the actual construction of the wind farms. Furthermore, through our extensive contacts we have built up a network, which eases the planning, approval and realisation of our wind farms. Through the integration of WKN AG into the PNE WIND Group, we have been able to further expand our network. In particular, in the areas of purchasing and sales, we work closely together as a team to make the most of the synergies created.



Construction Calau II wind farm

Realised wind farm projects in Germany



Realised wind farm projects – international

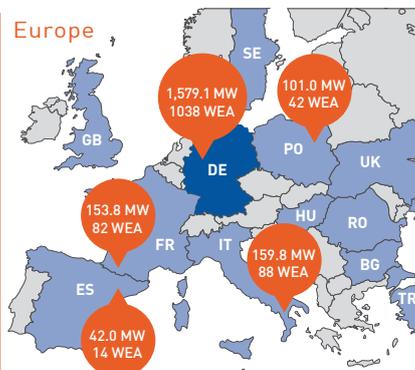
North America



Africa



Europe



The first wind farms developed by the PNE WIND Group are in the North and the centre of Germany. These locations have a stronger wind resource than locations in the South and offered the first opportunities to operate wind farms economically. New turbine designs now enable us to develop sites in areas which would have been unprofitable a few years ago due to the lower prevailing wind conditions. In the North of Germany, some wind power turbines have been operating for many years and this gives rise to new possibilities known as repowering. With repowering, older turbines are dismantled and replaced with modern and efficient systems. This practice is taking place to an ever increasing extent.

Repowering provides further growth opportunities

The PNE WIND Group has already successfully concluded numerous repowering projects. Owing to our extensive experience and the technical and commercial wind farm management services provided by energy consult, which is currently monitoring more than 1,200 MW of nominal output for various customers, we have direct access to this market segment. Current estimates assume that the potential for repowering in Germany will amount to approx. 1,000 MW per annum. This is an opportunity, which we intend to increasingly exploit in the future.

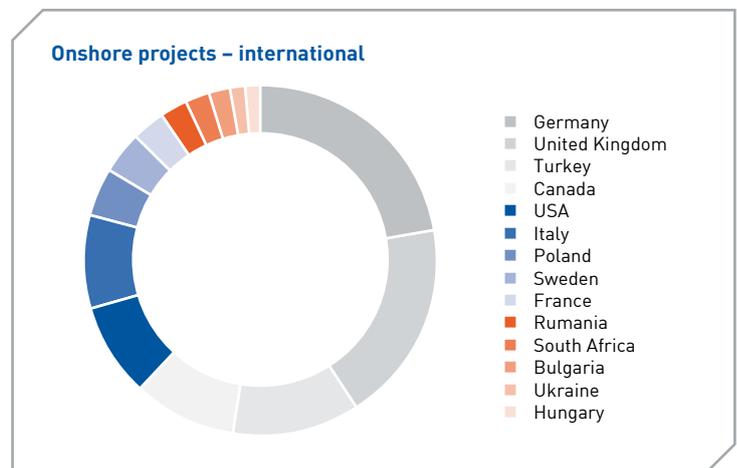
The PNE WIND Group has an excellent position in its domestic market, where it has been firmly rooted in Germany for more than 20 years. Although the German market still offers considerable potential for growth – currently we are working on onshore wind farms with a total nominal output of approx. 1,300 MW at various development stages – we are making use of our in house expertise to be successful abroad as well.

International projects

The PNE WIND Group plans to expand its activities in international and key growth markets through local presence and expertise.

While the development of wind farms was at one time strictly a European matter with Germany taking the lead, markets outside Europe have also developed rapidly in the meantime.

An increasing number of countries have chosen to utilise wind power as a natural energy resource and are relying more and more on German know-how. Today, some 79 countries worldwide have commercial wind power installations, with 24 of them already having more than 1,000 MW of nominal output in operation.



International markets of the PNE WIND Group

We will continue to apply our comprehensive experience gained in our domestic market abroad in order to expand our business success internationally. Through subsidiaries and joint ventures, PNE WIND and WKN are present in Central and Southeast Europe, Scandinavia, North America and South Africa. We are developing wind farm projects in 14 countries.

These countries account for approx. one third of the new wind power capacity installed in 2014, and 44 percent of the total installed capacity worldwide. This is further proof that we have focussed our expansion activities abroad in exactly the right regions of the world.

This not only helps us to capitalise on the potential of these promising markets, but also reduces our dependence on individual regions. As the debates around the German Renewable Energies Act (EEG) 2014 have shown, the government support schemes, which are important and necessary for the development of "green electricity", are often subject to sometimes purely politically motivated amendments. Being active in an ever growing number of markets, reduces the risks which may be faced in individual markets.

Overall, the PNE WIND Group is currently developing onshore projects in its international markets with a nominal capacity of more than 4,600 MW at various stages of development. More than three quarters of these projects are located outside Germany.

We regularly review expansion possibilities into new markets in order to diversify risks and to get exposure to new growth opportunities. To expand abroad, the investment criteria must be clearly defined and fulfilled from the start:

- *Political support of renewable energies*
An investment abroad is always accompanied by a certain degree of risk. The relevant country should have a high political stability to be regarded as a potential location.
- *Local cooperation partners*
Cooperation with local partners who have a good network is a basic prerequisite for us in respect of a successful engagement abroad.

Wind power generation at sea

Our successful offshore track record illustrates the PNE Wind Group's leading market position.

Apart from the construction of onshore wind farms, the development and realisation of offshore projects is becoming increasingly important. As one of the pioneers, PNE WIND has been active in this segment for over 15 years and is one of the leading German developers in the industry.

After years of planning and investments in the necessary infrastructure, the offshore wind energy sector is now well positioned for substantial growth. As at December 31, 2014, 74 offshore wind parks with a total capacity of 8,045 MW were already operational in European waters. Additional wind farms were under construction at year end. These wind farms represent the first of many to come in the European Union (EU) in the next few years.

At the end of 2014, 258 offshore wind power turbines with a total nominal capacity of approximately 1,049 MW were in operation on the high seas off the German coasts. The grid connections for a further 285 offshore wind power turbines with a total output of approx. 1,303 MW were under construction. PNE Wind AG has been successfully engaged in the projecting of offshore wind farms since 1999 and it sees additional perspectives

resulting from this business area. Four of the offshore projects developed by us have already received approval and grid connection guarantees. Three of the four projects are currently under construction.

Work for the "Gode Wind" projects started

The "Gode Wind" 1 and 2 offshore wind farm projects, which were sold to the Danish energy company DONG Energy A/S, are now under construction. According to current plans, the first turbines will produce environmentally friendly power from North Sea winds in 2016.

First turbine installed 2014 in the "Borkum Riffgrund" project

The "Borkum Riffgrund" projects are also being pushed forward by us. Although these projects were sold to DONG Energy A/S several years ago, PNE WIND continues to participate in their further development as a service provider. Construction on the "Borkum Riffgrund I" project was started in the summer of 2013. Following completion of the foundations, the first of a total of 78 wind power turbines was installed in October 2014. Provided that everything progresses as planned, operation will be started in the first half of 2015.

The "Nautilus II/HTOD5" project is currently at the application and planning stage. The project rights were sold in November 2011. PNE WIND is acting as a service provider in the project development on behalf of the owners. The project area is approximately 180 kilometres North West of Helgoland.

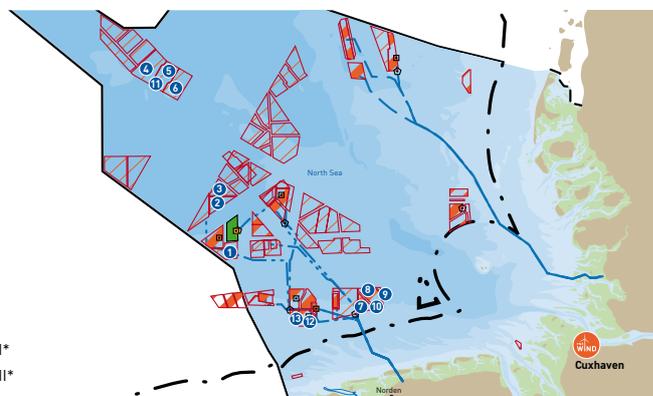
Own offshore projects

PNE WIND is developing additional offshore projects, which have not yet been sold. Currently, the "Atlantis" I-III, "Nemo", "Nautilus I" and "Jules Verne" projects are in the development and approval process. According to current plans, a nominal capacity of up to 480 MW per wind farm may be approved and installed. These projects are also located in the North Sea.

In the offshore sector, PNE WIND is working on six own wind farm projects and is active as a service provider for a further seven projects. According to current plans, wind power turbines with a total nominal capacity of approximately 2,640 MW could be constructed in our own offshore wind farms. PNE WIND intends to benefit in the long term from this considerable potential for growth.

Nautical chart with flags for all projects

- 1 Atlantis I
- 2 Atlantis II
- 3 Atlantis III
- 4 Nemo
- 5 Nautilus I
- 6 Jules Verne
- 7 Gode Wind 1*
- 8 Gode Wind 2*
- 9 Gode Wind 3*
- 10 Gode Wind 4*
- 11 Nautilus II**
- 12 Borkum Riffgrund I*
- 13 Borkum Riffgrund II*



* sold to DONG Energy
 ** sold to Ventizz portfolio company SSP Technology Holding ApS, which develops offshore projects in cooperation with Hochtief AG

Establishment of a YieldCo to expand the business model

YieldCo – ecologically correct and economically sensible

The YieldCo participation model is unique in the German wind energy sector and will promise an investment involving a low risk with stable yield. With our YieldCo, we want to offer investors the option to invest directly in the wind farms developed by us. These investments are ecologically correct and economically sensible.

For the PNE WIND Group, developing wind power projects is our passion and our business activities are focused on everything between the initial acquisition of the wind farm sites through to the sale of operational onshore wind farms on a turnkey basis or, as is the case with offshore, the sale of pure project rights. As a developer, we are constantly exploring opportunities to build upon our proven business model for us and our investors in a sensible manner. Our comprehensive project pipeline is the foundation for our future work and PNE WIND and WKN together have enormous potential with their more than 6,000 MW of onshore projects that are currently in various planning stages. Out of this pipeline comes opportunities which we want to capitalise on by establishing a YieldCo!

Proven model of success as sensible expansion of business

YieldCos are a new business model in Germany. They are companies that hold portfolios of renewable energy projects and distribute the earnings to their owners in the form of dividends. Especially in the United Kingdom and in the USA, they have become a meaningful addition to the core business of project development companies.



Construction Chransdorf wind farm

Bundling of completed wind farms and portfolio sale

With our YieldCo, we want to benefit from this successful business model and at the same time be able to offer new and attractive investment opportunities to our existing investors as well as other investors. We plan to bundle German onshore wind farms with a total nominal capacity of up to 150 MW in our YieldCo as a first step. These projects, which are developed by us, will be constructed in 2015 and 2016 and after commissioning be placed into our YieldCo. Wind farms with a nominal output of approx. 67 MW are already under construction and the

applications for permits for additional wind farms have been submitted.

After the wind farms are fully operational and reliably producing electricity and generating sustainable earnings through the guaranteed feed-in tariffs, we intend to sell the YieldCo in whole or in part by the end of 2016. By doing so, public equity investors will have the opportunity, to date unparalleled in

Germany, to invest directly in the commissioned wind farms. The YieldCo is structured to represent an investment which offers a stable yield with an attractive risk profile. Investors will thus be able to change from being purely providers of capital to actual shareholders in the wind farms.

Attractive conditions and new investor groups

Although we plan to continue to sell completed wind farms or project rights to our existing and new customers in the future, with the YieldCo we intend to open up an additional sales channel which will allow us to benefit from the sale of a bundled portfolio.

We always aim to obtain the best conditions in our transactions and the YieldCo offers a new and interesting potential here arising from fact that the return expectations of YieldCo investors are typically lower than that of traditional infrastructure investors.

The main reasons for this are that YieldCo investors purchase commissioned wind farms with proven operational results and also benefit from portfolio effect and added liquidity. YieldCos represent a diversified portfolio of wind farms and as such the overall risk profile becomes more attractive than that of a single wind farm. Furthermore, investors acknowledge the fact that they can buy or sell shares in a listed YieldCo faster and with lower transaction costs than would be possible with a direct investment into a single wind park. With our YieldCo, we intend to address new long term investors who are more willing to invest in a portfolio of wind farms with its diversified risk structure than in single wind farm projects.

Operational management and sales channel for future projects

By providing the commercial and technical operational management services for the wind farms in the YieldCo, we intend to have lasting benefits. Additionally, the YieldCo will be able to use its own internally produced earnings after dividends have been paid to purchase additional wind farms developed by us and in this regard develop into a lasting sales channel for the Group.

Moreover, the wind farms, which are operated by us up to the sale of the YieldCo, will deliver steady income that will benefit the PNE WIND Group. And finally, by holding a stake in the YieldCo, we intend to take part in the long term success of the YieldCo.

Benefits more than outweigh delay in near term earnings

With the capital measures in 2014, we secured funds to be used as equity capital in wind farms for the YieldCo. With this equity capital, we are able to secure the debt financing needed to construct the projects following approval. Although the YieldCo model will result in external sales to third parties being temporarily postponed - which in turn will affect the Group's consolidated turnover and earnings - the added benefits achieved by selling the portfolio on more attractive terms will more than compensate for this temporary delay in near term reported earnings.

Wind farms for the YieldCo portfolio

The wind farms that we will place in the YieldCo will generate a total nominal output of up to 150 MW. The major share will be attributable to the "Chrandsdorf" project, which is under construction in Brandenburg and will be completed this year. The 24 wind power turbines will have a total nominal output of 57.6 MW. The „Chrandsdorf“ wind farm is the largest individual onshore project in the history of our company and one of

the most modern wind farms in Germany. An additional three turbines with approximately 9 MW from the “Waldfeucht” repowering project in North Rhine-Westphalia will be placed into the YieldCo in 2015 as well. Additional approvals are expected to be issued soon which will allow us to rapidly increase the size of the portfolio.

energy consult as a reliable service provider for the technical and commercial operational management of wind farms

The following applies not only to wind farms that will be managed within the YieldCo: The PNE WIND Group does not run away after the commissioning of a wind farm and the Group prides itself on maintaining a high level of customer satisfaction, which in itself improves customer loyalty and creates repeat sales opportunities in particular with a view on the repowering of future projects, an activity which provides the group with new business opportunities.

For this reason we take care that our wind farms perform. The operations management team of energy consult GmbH currently looks after approx. 700 wind power turbines on behalf of our customers. The objective is to identify problems early on and to avoid or minimise damage and expensive shutdown times.

And of course, maintenance of the equipment must be carried out regularly. Our colleagues at energy consult ensure that these activities are carried out in the best possible manner. The services of energy consult also cover the management of commercial operations. In this context, we offer complete bookkeeping services for wind farm owners. energy consult has many years of experience in this field and our customers can rely on our services to save time and money.



The PNE WIND Group – Passion for Energy

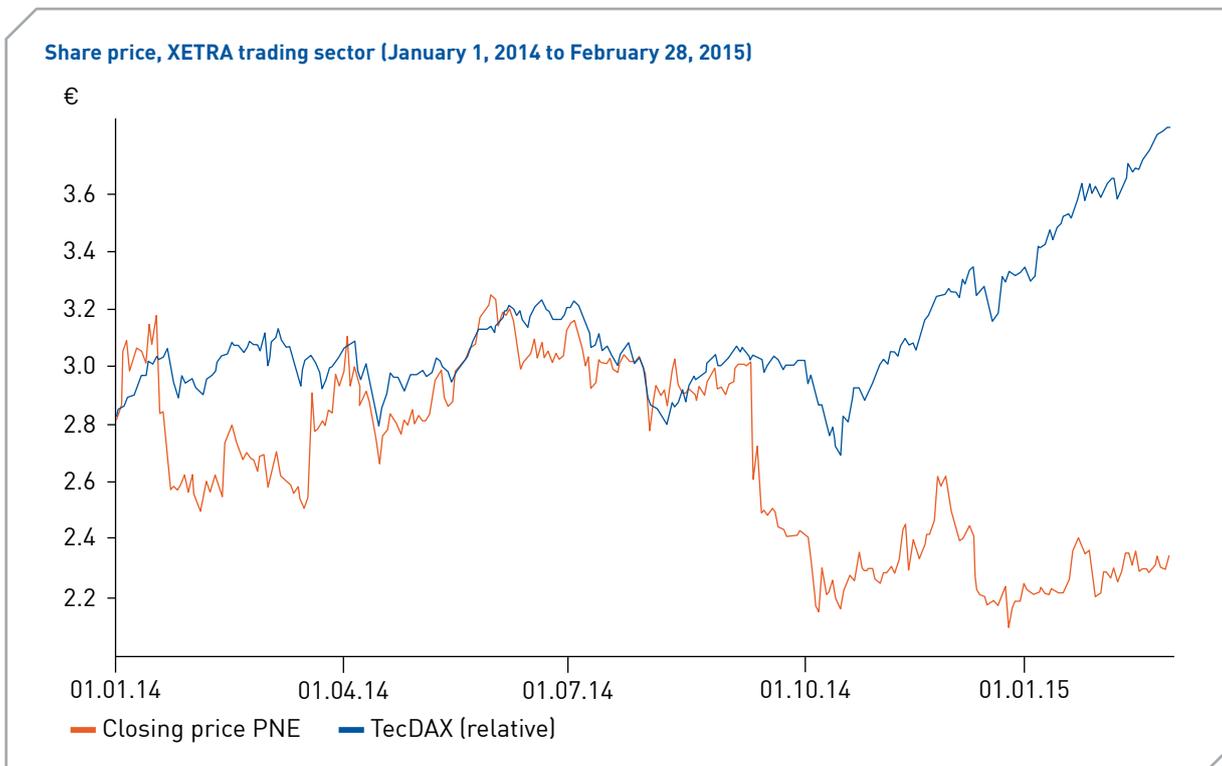
Wind power stands for safe, sustainable and environmentally friendly electricity generation.

As a group of companies with its strong brands PNE WIND and WKN, we are a leading German wind farm developer with international operations. Whether onshore or offshore, at home or abroad: our more than 400 employees supply tailor-made solutions and always aim to satisfy the demands of our business partners. We are present in international growth markets: The global demand for wind energy is expected to rise by at least 15 percent. With our more than 20 years of experience in the industry, our committed and well-established team and our well-filled project pipeline of more than 10,000 MW, the PNE WIND Group is in an excellent position to benefit from the various growth opportunities over the years to come.



Capital market information

Share



The PNE WIND AG shares began the 2014 fiscal year with a price of euro 2.80, representing a 23 percent gain over the closing price on the first trading day of 2013. At the start of the past fiscal year, the PNE WIND AG stock, along with the overall market, increased significantly in value and reached its first interim high of euro 3.09 on January 17, 2014. However, following discussions about possible revisions to the EEG, the price of the PNE WIND shares decreased and fell to euro 2.43 on February 4, 2014.

Spurred by positive corporate events - including news in March on PNE WIND achieving its best annual result in its corporate history combined with a proposal to increase the dividend again - the share price developed again positively. On June 2, 2014 the stock reached its highest point during the 2014 fiscal year at euro 3.16. In the context of renewed EEG discussions, the share price went back slightly and levelled off in a range of between euro 2.80 and euro 3.00.

On September 11, 2014, the news on the planned capital measures - including the announcement of the issuance of new shares at euro 2.40 in the context of a capital increase with subscription rights - resulted in the stock trading significantly lower. On that day, the shares closed, following the subscription right markdown, at euro 2.54. The share price - decoupled from the value of the subscription rights - moved between euro 2.40 and euro 2.50 during the subscription period. Following completion of the

capital measures, the PNE share price declined further and moved in line with the market as a whole. After the share price levelled off near the euro 2.20 level, the PNE shares began to trade higher with increased trading volumes and the stock rebounded to the euro 2.60 level at the end of November 2014. The corporate news announcing PNE WIND's intention to claim damages arising from the WKN takeover triggered a sharp decline in the PNE WIND AG share price. On December 22, 2014, the stock reached its lowest point during the 2014 fiscal year at euro 2.10.

On December 30, 2014, the last trading day of the reporting period, the PNE WIND AG shares traded at euro 2.19. This corresponds to a market capitalisation of euro 157.6 million.

Capital measure information

On September 11, 2014, PNE WIND AG passed a resolution to carry out capital measures in the form of a capital increase and the issuance of a convertible bond, which were finalised on October 1, 2014. 13,931,195 new shares (corresponding to approx. 61.10 percent of the total shares offered) were placed with existing shareholders and other investors at a purchase price of euro 2.40 per share. In addition, convertible bonds totalling a nominal value of euro 6,565,132 were placed, which corresponds to approx. 25.67 percent of the total convertible bonds offered.

PNE WIND AG received total gross proceeds amounting to approx. euro 40 million from the capital measures. PNE WIND AG will use these proceeds to implement the planned strategic expansion of its business model by establishing a YieldCo.

Bond information

PNE WIND AG issued convertible bonds both in 2009 and in 2010. The 2009 bond matured on July 16, 2014 and the 2010 bond matured at the end of December 2014. In the period under report, bonds were converted into 3,185,296 shares.

The corporate bond issued in 2013 with a volume of euro 100 million primarily traded at the 100 percent level during the period under report. The equity ratio according to the definition in the 2013 bond prospectus was 46.5 percent as at December 31, 2014.

The convertible bond issued in 2014 has a total issuance volume of EUR 6,565,132. The bond matures in 2019 and no bonds were converted into shares in 2014.

The PNE WIND AG participation certificates, which matured at the end of 2014 and will be repaid mid 2015, only traded to a very limited extent during the reporting period.

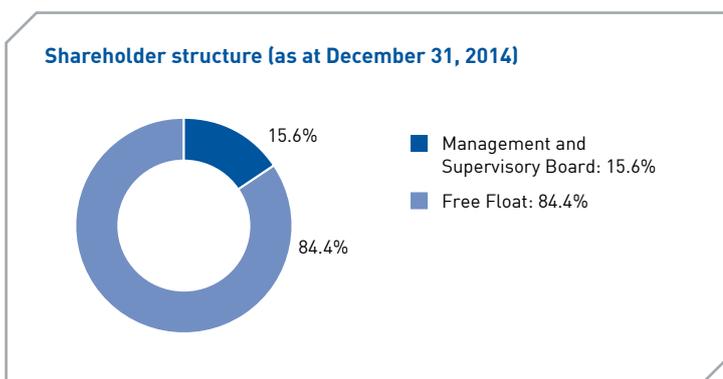
General meeting of shareholders

The ordinary meeting of shareholders, which was held on June 4, 2014 in Cuxhaven, decided to increase the dividend again. The shareholders overwhelmingly voted in favour of the proposal of the Board of Management and Supervisory Board to distribute a dividend of euro 0.10 and a special dividend of euro 0.05 per eligible share.

PNE WIND AG's retained earnings, which are relevant for the basis of the dividend, amounted to euro 67.6 million in the 2013 fiscal year. Of the retained earnings, euro 8.2 million was distributed as a dividend. The remaining amount of euro 59.3 million will be carried forward to the new account.

The terms of office for the Supervisory Board members Rafael Vazquez Gonzalez, JUDr. Olaf Aden and Dr. Christian Rolfs ended at the end of the general meeting. Newly elected to the Supervisory Board were Volker Friedrichsen, Astrid Zielke and Peter Baron von le Fort. The terms of office of the newly elected Supervisory Board members end with the general meeting of shareholders taking place in 2016.

The shareholders also agreed to discharge the Board of Management with a clear majority of over 99 percent. The shareholders voted against discharging the Supervisory Board members.



Shareholder structure

On December 31, 2014, the total number of shares issued by PNE WIND AG amounted to 71,974,939. The increase in the total number of shares against December 31, 2013 (54,858,448 shares) resulted from the conversion of convertible bonds during the fiscal year 2014 and the issuance of new shares in the context of the capital increase during the reporting period.

As at December 31, 2014, the members of the Board of Management held the following shares of the Company: Mr. Martin Billhardt 40,000 shares, Mr. Jörg Klowat 114,000 shares and Mr. Markus Lesser 10,000 shares.

Of the members of the Supervisory Board, Mr. Dieter K. Kuprian held 10,000 shares and Mr. Volker Friedrichsen held - through Volker Friedrichsen Beteiligungs-GmbH and VF Vermögensverwaltung GmbH - 11,078,156 shares.

The members of the Board of Management and the Supervisory Board together held 15.6 percent of PNE WIND's shares as at December 31, 2014.

- | General meeting of shareholders
- | Shareholder structure
- | Key share data
- | Financial calendar
- | Additional information

Key share data (as at December 31, 2014)

WKN	A0JBPG
ISIN	DE000A0JBPG2
Number of shares	71,974,939
Market capitalisation	euro 157.6 million
Market segment	Prime Standard
Indices	CDAX Technology, ÖkoDAX
Designated Sponsors	Commerzbank, VEM Aktienbank, Oddo Seydler Bank
Reuters	PNEGn
Bloomberg	PNE3

Financial calendar

May 11, 2015	Publication of report Q1 2015
June 16, 2015	Annual General Meeting
August 10, 2015	Publication of semi-annual financial report 2015
November 9, 2015	Publication of report Q3 2015
November 2015	Analysts' conference / Frankfurt

Additional information

On the website www.pnewind.com you will find extensive information on PNE WIND AG as well as on current data concerning the share in the section "Investor Relations". Here you can download annual and quarterly reports, press announcements as well as background information on PNE WIND AG.



For us, harnessing the power of the wind means successfully developing wind farms, both on land and on the sea

The power of the wind is truly felt on the open seas and here the strong and constant wind resource offers a great potential. We recognised this early on and have been active in the development of offshore wind farms off the German coast for more than 15 years. Having been issued four building permits, including grid connections and successful project sales totalling some seven offshore projects to date, we are one of the leading German wind project developers. In the first offshore project developed and later sold by us, the first turbines are installed and are already feeding electricity into the grid. Our six own offshore projects currently in development offer us with future growth opportunities in Germany and outside of our domestic market we are continually examining the international markets.

While our offshore projects are typically sold to strong partners prior to the start of construction, in the onshore segment we offer services covering the entire value added chain ranging from the development, planning, realisation, financing, operation, marketing and repowering of wind farms in Germany and abroad. We offer all services from a single source and are a very reliable partner to all municipalities, land owners, investors and other stakeholders.

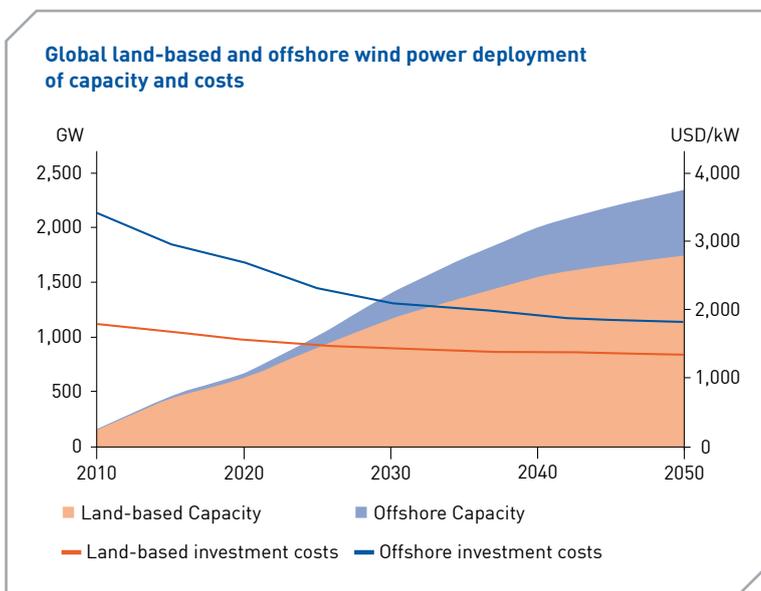


Combined management and Group management report

32	Market/overall general economic conditions	63	Intangible assets/sustainable development
34	General political conditions	64	Report of opportunities and risks
39	Corporate structure	72	Controlling system
41	Organisation and employees	73	Description of the key characteristics of ICS / RMS of the parent company and the total Group
42	Summary of business activity	76	Management declaration (Section 289a of the German Commercial Code (HGB))
52	Economic report	76	Management report on relations with affiliated companies
62	Transactions with closely related companies and persons	76	Supplementary information in accordance with Section 289 Paragraph 4 and Section 315 Paragraph 4 of the German Commercial Code (HGB) (Acquisition Guideline law)
62	Sales and marketing	81	Remuneration report
63	Development and innovations	84	Outlook/Forecast
63	Major events subsequent to the period under report		

Group management report

of PNE WIND AG, Cuxhaven, for the fiscal year 2014



1. Market / overall general economic conditions

Wind power has undergone a major transformation and has emerged as a mainstream power supplier. The amount of new capacity installed each year now ranks at the top for all types of power generation in some of the world's leading economies. Since 2000, cumulative installed capacity has grown at an average rate of 24 percent per year, and in 2014 51,477 MW of wind power capacity was added around the world, bringing total installed capacity to 369,553 MW.¹ Annual investment volumes totalling tens of billions of euros coupled with

a strong growth outlook has beckoned international conglomerates to enter the sector, which in turn drives further innovation. Energy storage solutions and investments in electricity grid systems will further unlock the potential of this industry.

Improvements to the wind turbine technology have boosted energy yields and reduced operation and maintenance (O&M) costs. These developments have lowered the cost of producing energy from wind and in some markets it is already competitive on a stand-alone basis without subsidies.

The International Energy Agency (IEA) has taken technology developments into its forecasts and projects that the amount of wind in the global electricity power mix will rise from about 2.5 percent today to 15-18 percent by 2050. Countries such as Denmark with 39.0 percent, Spain with 20.4 percent, Portugal with 23.7 percent and Germany with about 9 percent illustrate that wind power can make a very substantial contribution to power generation, without triggering supply interruptions as many challengers to the industry have prophesized.

Wind power is no longer relevant to just a single market and to reach the IEA targets approx. 2,300 GW to 2,800 GW will need to be installed worldwide by 2050. These figures illustrate the opportunity which lies before the PNE WIND Group and to be best positioned within the global wind energy market, the Group is focussing its activities on the development, construction and sale of wind farms in Germany, the United Kingdom, France, Poland, Italy, Sweden, Romania, Bulgaria, Hungary, Turkey, Canada, the United States, Ukraine and South Africa.

¹GWEC: Global Wind Statistics 2014

Cumulatively, the 14 countries where the Group is active represented 34 percent of the total newly installed capacity in 2014 and 44 percent of the total installed capacity on a global basis. To meet the demand for wind farms today and in the coming years, the PNE WIND Group invests continuously in its project pipeline, which currently comprises of more than 10,000 MW (onshore: approx. 6,000 MW and offshore: 4,700 MW) of projects in various stages of development.

Country*	New capacity 2012 MW	New capacity 2013 MW	New capacity 2014 MW	Installed nominal output MW
World	44,799	35,467	51,477	369,553
Europe	12,102	11,159	12,820	133,969
Bulgaria	158	7	9	690
France	814	630	1,042	9,285
Germany	2,439	2,998	5,279	39,165
Hungary	0	0	0	329
Italy	1,239	437	107	8,663
Poland	880	894	444	3,833
Romania	923	695	354	2,953
Sweden	846	689	1,050	5,424
United Kingdom	2,064	2,075	1,736	12,440
Turkey	506	646	804	3,762
Ukraine	125	95	126	497
North America				
USA	13,124	1,084	4,854	65,879
Canada	935	1,599	1,871	9,694
Africa				
South Africa	0	10	560	570

*Sources: GWEC Global Wind Statistics 2014 / EWEA "Wind in Power – 2014 European statistics"

The installation rates presented here primarily illustrate onshore wind farms, but offshore installations are making up a growing number of completed projects each year.

The construction of offshore wind farms is considered to be an essential growth driver for the wind power market. According to data from the European Wind Energy Association (EWEA), the European offshore market expanded by 1,483 MW in 2014. With this, a total of 8,045 MW is already connected to the European electricity grid². In the high seas off the German North Sea and Baltic coasts, 258 offshore wind power turbines with a nominal output of approx. 1,049 MW are now in operation at the end of 2014. Grid connections for an additional 285 offshore wind turbines with approx. 1,303 MW of nominal capacity were under construction³. Off the German coastline, 142 offshore wind power turbines with a nominal output of 528.9 MW supplied energy to the grid for the first time in 2014.

²The European offshore wind industry – key trend and statistics 2014

³Deutsche WindGuard: Status of the offshore wind energy development 2013, January 2014

2. General political conditions

In a number of markets in which the PNE WIND Group operates there has been strong growth while others exhibited somewhat of a slowdown due primarily to regulatory uncertainty. Although producing electricity from the wind has matured and costs have fallen, it remains dependent on government policy in many markets to ensure that it has access to the electricity market and to ensure that it is able to compete against conventional energy production, whose generation costs are often masked by subsidies. The total generation cost of conventional electricity – including environmental pollution, storage of nuclear waste and dismantling costs – is not directly reflected in its selling price and continued political support for renewable energy remains necessary to level the playing field.

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 the power supply as well as climate protection and the economic and social aspects. The 2009/28/EC directive on the promotion of the use of energy from renewable sources includes ambitious targets for all member states so that by 2020 the EU will achieve a share of 20 percent of its energy from renewable sources.

In October 2014, the European Union consented to a new policy framework for climate and energy for the period between 2020 and 2030. This framework builds on the current policy framework adopted for the period up to 2020 and takes into account the EU's longer term goal of reducing greenhouse gas emissions by 80-95 percent by 2050 compared to 1990. The key points of the new policy framework are reducing greenhouse gas emissions by at least 40 percent below the 1990 level, increasing the share of renewable energy to 27 percent of energy consumption and increasing energy efficiency by 30 percent by 2030. These EU requirements for the expansion of renewable energy will be connected with continuous investment and will lead to renewable energy increasing its share of the electricity generation mix.

It remains the responsibility of each member state to translate the EU targets into national policy.

Germany:

In 2014, the German wind power market registered the highest growth since the expansion of wind power started. 1,766 wind power turbines with a nominal capacity of 4,750 MW (2013: 2,998 MW) were newly installed onshore and a further 142 turbines with 529 MW nominal capacity were installed offshore. The figures are from the annual study prepared by Deutsche WindGuard on behalf of the German Wind Energy Association (BWE) and the Association of German Machine and Plant Manufacturers (VDMA). 1,147 MW resulted from repowering, and taking into consideration the 364 MW which were dismantled, the total installed capacity in Germany increased to 39,165 MW by the end of 2014.

Of particular importance for the further development of wind energy is the legal framework established in the Renewable Energy Sources Act (EEG). The EEG sets the electricity tariff for wind energy from onshore and offshore wind farms and also stipulates that power generated from renewable energy has priority access to the electricity grid. The EEG was most recently amended in 2014.

According to the new legislation, the government aims to expand the amount of electricity produced from renewable energies from the current level of approx. 25 percent to 40-45 percent by 2025 and 55-60 percent by 2035. These targets are roughly in line with the EU's National Renewable Energy Allocation Plan, which foresees renewable energy making up 38.6 percent of the electricity sector by 2020. The annual expansion target of the government for onshore wind power is within a corridor of 2,400 to 2,600 MW. The nominal capacity of old wind power turbines that are dismantled in the context of repowering is deducted from the gross capacity increase.

Repowering means that older wind power turbines with lower performance are replaced with new and more efficient equipment. According to estimates from the German Wind Power Association (BWE) a substantial increase in repowering can be expected in the medium to longer term. BWE estimates that repowering will represent approx. 1,000 MW of new installations per annum over the coming decades. This installation projection was slightly exceeded for the first time in 2014.

Wind power from offshore installations is expected to rise from the current amount of approx. 1,049 MW of nominal capacity to approx. 6,500 MW by 2020 and 15,000 MW by 2030.

Bulgaria:

In Bulgaria, wind power turbines with a total nominal output of 9 MW were newly installed in 2014. This is a substantial reduction compared to the previous year. At the end of 2014, there were 690 MW installed in Bulgaria (2013: 681 MW).

According to Bulgaria's National Renewable Energy Allocation Plan, the government aims to produce 20.6 percent of the country's electricity requirements from renewable resources by 2020, up from 10.6 percent in 2010. To reach the 2020 target, 1,256 MW of wind power should be installed.

The main policy support mechanism in Bulgaria is based on a feed-in tariff system. In 2012, the Bulgarian government substantially reduced the payments for electricity produced from wind farms under this programme, which impairs the future development of wind power projects.

France:

In France, wind power turbines with a total nominal output of 1,042 MW were newly installed in 2014. This is a significant increase compared to the previous year with a total of 630 MW new wind power capacity installed. At the end of 2014, there were 9,285 MW installed in France.

According to France's National Renewable Energy Allocation Plan, the government aims to produce 27 percent of the country's electricity requirements from renewable resources by 2020, up from 15.5 percent in 2010. To reach the 2020 target, 25,000 MW of wind power should be installed.

The main policy support mechanism for renewable energy is promoted through a price regulation system based on feed-in tariffs. The French parliament passed new legislation on the energy transition in October 2014. The government aims to increase the proportion of renewable energies to 32 percent by 2030 and to reduce the proportion of nuclear energy in electricity consumption from 75 to 50 percent by 2025.

United Kingdom:

The second largest market for wind power in the European Union in 2014 was the United Kingdom with newly installed capacity of 1,736 MW. This is a slight decline compared to the previous year with a total of 2,075 MW new wind power capacity installed. At the end of 2014, there were 12,440 MW installed in the United Kingdom.

According to the UK's National Renewable Energy Allocation Plan, the government aims to produce 30 percent of the country's electricity requirements from renewable resources by 2020, up from 9 percent in 2010. To reach the 2020 target, 28,000 MW of wind power should be installed.

The main policy support mechanism for renewable energy is promoted through the "Renewables Obligation" programme which applies to projects installed prior to the end of March 2017. As part of the Electricity Market Reform a new contracts-for-difference (CfD) model for renewable energy projects was introduced in 2014. CfDs are long-term contracts between the renewable energy generator and a new Government-owned counterparty. Under the CfD system, top-up payments are to be made to electricity producers when the market price for electricity is under the fixed strike price. In this way, the economic viability of the projects should be ensured. The total amount of payments is limited to a sum to be defined every year. If the market price for electricity is over the reference price, a repayment by the electricity producers is to be made. The remuneration period lasts 15 years.

Italy:

In Italy, wind power turbines with a total nominal output of 107 MW were newly installed in 2014. This is a substantial decrease compared to the previous year with a total of 437 MW new wind power capacity installed. At the end of 2014, there were 8,663 MW installed in Italy.

According to Italy's National Renewable Energy Allocation Plan, the government aims to produce 26.4 percent of the country's electricity requirements from renewable resources by 2020, up from 18.7 percent in 2010. To reach the 2020 target, 12,680 MW of wind power should be installed.

The main policy support mechanisms in Italy were changed from a green certificate system to a feed-in tariff system and finally a competitive auction system for grid connection capacity. In accordance with the decree of July 6, 2012 up to 500 MW should be allocated annually. After the government announced in January 2015 that they will make a statement on its plans for the continued expansion of renewable energy sources (2015 - 2018), news on this topic is expected soon.

Poland:

In Poland, wind power turbines with a total nominal output of 444 MW were newly installed in 2014. This is a significant decline compared to the previous year with a total of 894 MW new wind power capacity installed. At the end of 2014, there were 3,833 MW installed in Poland.

According to Poland's National Renewable Energy Allocation Plan, the government aims to produce 15 percent of the country's electricity requirements from renewable resources by 2020. To reach the 2020 target, 6,650 MW of wind power should be installed.

The long-discussed new act on the support of renewable energies was adopted by the Parliament in January 2015 and needs to be confirmed by the Senate. The current version proposes the introduction of an auction mechanism from 2016. Up to its final adoption, the current regulations of the green certificate quota system continue to apply.

Romania:

In Romania, wind power turbines with a total nominal output of 354 MW were newly installed in 2014. This is a significant decline compared to the previous year with a total of 695 MW new wind power capacity installed. At the end of 2014, there were 2,953 MW installed in Romania.

According to Romania's National Renewable Energy Allocation Plan, the government aims to produce 42.6 percent of the country's electricity requirements from renewable resources by 2020, up from 27.5 percent in 2010. To reach the 2020 target, 4,000 MW of wind power should be installed.

The proposed regulatory changes outlined in the "Emergency Ordinance" of July 2013 became law during the first quarter of 2014. The main elements include a reduction in the number of Green Certificates to be issued to the producers of renewable energy. Furthermore, the Romanian government passed draft legislation during the reporting period, which reduces the amount of renewable energy supported by the green certificate mechanism from 15 percent of gross electricity consumption to 11.1 percent in 2014.

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.

Sweden:

In Sweden, wind power turbines with a total nominal output of 1,050 MW were newly installed in 2014. This is a significant increase compared to the previous year with a total of 689 MW new wind power capacity installed. At the end of 2014, there were 5,424 MW installed in Sweden.

According to Sweden's National Renewable Energy Allocation Plan, the government aims to produce 63 percent of the country's electricity requirements from renewable resources by 2020, up from 54.9 percent in 2010. To reach the 2020 target, 4,547 MW of wind power should be installed.

The main policy support mechanism in Sweden is based on a quota system with green certificates, which are tradable in both Sweden and Norway. In its first official declaration, the new Swedish Government formulated the objective of generating 100 percent of Sweden's energy from renewable energy sources in the long term.

South Africa:

In South Africa, wind power turbines with a total nominal output of 10 MW were installed in 2013. As a result of the competitive tender system, the capacity installed increased to 570 MW at the end of 2014.

The South African “Integrated Resource Plan”, promulgated in May 2010 by the national energy authority DoE, calls for an 18 GW renewable energy programme over the next 20 years. Wind energy is targeted to account for 8,400 MW of nominal capacity.

The government has initiated a competitive tender system under the Renewable Energy Independent Power Producer Programme (REIPPP), in which preferred bidders are selected. In the third round, 17 renewable energy projects with 1.5 GW of total capacity were chosen. The projects included seven onshore wind farms totalling 787 MW. The fourth round took place in August 2014. The results of the preferred bidders are now expected to be announced during the first half year of 2015.

Turkey:

In Turkey, wind power turbines with a total nominal output of 804 MW were newly installed in 2014, bringing total installed capacity from 2,958 MW at the end of 2013 to 3,762 MW at the end of 2014.

The Turkish government intends to increase the proportion of renewable energies within the total electricity production mix to 30 percent by 2023 up from 9 percent in 2010. To reach this target, 20,000 MW wind power capacity should be installed by 2023.

The main policy support mechanism in Turkey is based on a feed-in tariff system. Additionally, there was a licensing procedure for grid capacity introduced in 2013, whereby an auction system is used for individual connection points.

Hungary:

The development of the Hungarian wind power market has stagnated since 2012. No new wind power turbines were installed in 2012, 2013 and 2014, leaving total installed capacity unchanged at 329 MW.

According to Hungary’s National Renewable Energy Allocation Plan, the government aims to produce 10.9 percent of the country’s electricity requirements from renewable resources by 2020, up from 6.7 percent in 2010. To reach the 2020 target, 750 MW of wind power should be installed.

The main policy support mechanism in Hungary is based on a feed-in tariff system. In spite of this programme, the development of wind power in Hungary has been limited by insufficient electricity grid capacity.

Ukraine:

Triggered, in particular, by the political crisis in Ukraine, the development of the wind power market in this country has stagnated since the middle of 2014. Nevertheless, projects with a total capacity of 126 MW were completed in 2014, bringing total installed capacity to 497 MW.

The Ukrainian government is aiming to tap its strong potential to develop renewable energy and thereby decrease the country's dependence on imported natural gas and oil. In 2009, a feed-in tariff scheme was introduced by the adoption of the Green Tariff Law, and sets a guaranteed minimum feed-in tariff for electricity produced from wind, small hydro, biomass and solar energy.

The continued development of our activities in Ukraine depends on a future stabilization of the political environment.

USA / Canada:

In the USA, wind power turbines with a total nominal output of 4,854 MW were newly installed in 2014, bringing total installed capacity in the USA to 65,879 MW at the end of 2014.

In the USA, the federal support policy was extended at the end of 2014. Projects which were under construction at the end of 2014 and are completed by the end of 2016 are eligible to claim the Production Tax Credit (PTC). Many individual states have enacted Renewable Portfolio Standards which require a certain percentage of electricity to be sourced from renewable energy plants.

We constantly monitor 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 market diversification and continued regulatory support both in Germany and abroad as the prerequisite for continued positive business developments during the next few years.

3. Corporate structure

During the fiscal year 2014, the corporate structure changed versus December 31, 2013.

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

- PNE WIND Park IX GmbH & Co. KG, Cuxhaven (100 percent),
- PNE WIND Park X GmbH & Co. KG, Cuxhaven (100 percent),
- WKN GmbH & Co. Windpark Looft II KG, Husum (100 percent),
- PNE WIND YieldCo Deutschland GmbH, Cuxhaven (100 percent),
- PNE WIND YieldCo International Ltd., Edinburgh, United Kingdom (100 percent).

These events did not result in any material effects on the earnings, financial and asset situation.

During the reporting period, the shareholdings in the following consolidated Group companies changed:

- PNE WIND Infrastruktur Calau II GmbH, Cuxhaven (from 100 percent to 25 percent),
- PNE WIND Park III GmbH & Co. KG, Cuxhaven (from 100 percent to 25 percent),
- PNE WIND Development EOOD, Sofia, Bulgaria (from 80 percent to 100 percent),
- WKN Basilicata Development S.R.L., Potenza/Basilicata, Italy (from 70 percent to 100 percent),
- WKN AG, Husum (from 82.75 percent to 83.10 percent).

Following the reduction in the shareholdings of PNE WIND Infrastruktur Calau II GmbH and PNE WIND Park III GmbH & Co. KG, these positions are now under affiliated companies and are recorded as “at equity” in the Group.

These events did not have a significant effect on the revenue, financial or asset situation.

During the reporting period, the following companies were sold and have been deconsolidated:

- PNE WIND Park I GmbH & Co. KG, Cuxhaven,
- PNE WIND Park Calau II C GmbH & Co. KG, Cuxhaven,
- PNE WIND Park Calau II D GmbH & Co. KG, Cuxhaven,
- PNE WIND Park VI GmbH & Co. KG, Cuxhaven,
- PNE WIND Park VII GmbH & Co. KG, Cuxhaven,
- PNE WIND Park X GmbH & Co. KG, Cuxhaven,
- WKN Windkraft Nord GmbH & Co. Windpark Ebersgrün KG, Husum,
- Parc Eolien de Crampon S.A.S.U, Basse-Goulaine, France.

Due to the deconsolidation of PNE WIND Park I GmbH & Co. KG, assets amounting to a total of euro 8.2 million, which primarily represent the capitalised services of the project, and debts amounting to euro 8.1 million were eliminated. The payment received for the sale of the company amounted to TEUR 52. The company’s funds removed from the balance sheet as a result of the transaction amounted to euro 0.0 million.

Due to the deconsolidation of PNE WIND Park Calau II C GmbH & Co. KG, assets amounting to a total of euro 35.2 million, which primarily represent the capitalised services of the project, and debts amounting to euro 35.2 million were eliminated. The payment received for the sale of the company amounted to TEUR 6. The company’s funds removed from the balance sheet as a result of the transaction amounted to euro 2.3 million.

Due to the deconsolidation of PNE WIND Park Calau II D GmbH & Co. KG, assets amounting to a total of euro 31.5 million, which primarily represent the capitalised services of the project, and debts amounting to euro 31.5 million were eliminated. The payment received for the sale of the company amounted to TEUR 3. The company’s funds removed from the balance sheet as a result of the transaction amounted to euro 0.0 million.

Due to the deconsolidation of PNE WIND Park VI GmbH & Co. KG, assets amounting to a total of euro 26.4 million, which primarily represent the capitalised services of the project, and debts amounting to euro 26.4 million were eliminated. The payment received for the sale of the company amounted to TEUR 3. The company’s funds removed from the balance sheet as a result of the transaction amounted to euro 0.3 million.

Due to the deconsolidation of PNE WIND Park VII GmbH & Co. KG, assets amounting to a total of euro 32.1 million, which primarily represent the capitalised services of the project, and debts amounting to euro 32.1 million were eliminated. The payment received for the sale of the company amounted to TEUR 3. The company's funds removed from the balance sheet as a result of the transaction amounted to euro 0.2 million.

Due to the deconsolidation of PNE WIND Park X GmbH & Co. KG, assets amounting to a total of euro 0.0 million and debts amounting to euro 0.0 million were eliminated. The payment received for the sale of the company amounted to TEUR 3. The company's funds removed from the balance sheet as a result of the transaction amounted to euro 0.0 million.

Due to the deconsolidation of WKN Windkraft Nord GmbH & Co. KG, assets amounting to a total of euro 18.7 million, which primarily represent the capitalised services of the project, and debts amounting to euro 17.0 million were eliminated. The payment received for the sale of the company amounted to TEUR 1. The company's funds removed from the balance sheet as a result of the transaction amounted to euro 1.6 million.

Due to the deconsolidation of Parc Eolien de Crampon S.A.S.U, assets amounting to a total of euro 0.0 million and debts amounting to euro 0.0 million were eliminated. The payment received for the sale of the company amounted to TEUR 0. The company's funds removed from the balance sheet as a result of the transaction amounted to euro 0.0 million.

The deconsolidation of these companies has no material impact on the Group's results.

4. Organisation und employees

During the fiscal year 2014 there were 413 employees in the PNE WIND Group on an annual average basis including members of the Board of Management (prior year: 303). The employees of the subsidiaries are included in this number. Of these employees (including the members of the Board of Management and trainees) an annual average of 141 (prior year: 135) were working at PNE WIND AG. As at December 31, 2014, 412 persons were employed in the Group including the members of the Board of Management (as at December 31, 2013: 411 persons). A total of 270 employees were active in our German (196 employees) and international subsidiaries (74 employees). The personnel basis needed for the continuation of our growth path has now been attained with the current number of employees.

5. Summary of business activity

During the fiscal year 2014, the PNE WIND Group continued its operational core business of wind farm projecting both onshore and offshore in Germany and abroad.

The development of the individual segments:

Segment: projecting of wind power turbines

Sub-segment onshore wind power

During the fiscal year 2014, the development and realisation of wind farm projects on land (onshore) were carried out continuously both in Germany as well as in the foreign markets in which PNE WIND AG is active through subsidiaries or joint ventures.

PNE WIND AG: Overview of the onshore project activities per December 31, 2014 in MW:

Country*	I-II	III	IV	Total MW
Germany	972	80	70	1,122
Bulgaria	121	0	0	121
Romania	55	102	0	157
Turkey	700	0	0	700
United Kingdom	869	175	0	1,044
Hungary	0	78	0	78
USA	169	183	0	352
Canada	575	0	0	575
Total	3,461	618	70	4,149

WKN AG: Overview of the onshore project activities per December 31, 2014 in MW:

Country	I-II	III	IV	Total MW
Germany	155	54	7	216
Italy	510	0	0	510
France	82	88	0	170
Poland	243	42	0	285
United Kingdom	0	66	0	66
South Africa	130	0	0	130
Sweden	240	0	0	240
Ukraine	80	0	0	80
USA	165	0	0	165
Total	1,605	250	7	1,862

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

Germany:

In the segment of “onshore wind power Germany” PNE WIND AG completed a total of eight wind farm projects with a nominal output of approx. 69.8 MW during the fiscal year 2014. These wind farms include the projects “Calau II” A (6 MW, completed in 2013), C and D (Brandenburg) with a total nominal output of 40 MW as well as the projects “Leddin IV” (Brandenburg, 4 MW), “Kemberg II A” (Saxony-Anhalt, 2 MW), “Görrike-Söllenthin II” (Brandenburg, 2 MW), “Sontra” (Hesse, 12 MW) and “Kemberg III” (Saxony-Anhalt, 9.6 MW). These projects were handed over to their purchasers during the reporting period and are therefore no longer illustrated in the phase model.

Two further PNE WIND AG projects with a total nominal output of 69.6 MW were under construction as at December 31, 2014. These are the wind farm projects “Chrandsdorf” (Brandenburg, 57.6 MW), which is also the largest individual project in PNE WIND AG’s history, and the “Waldfeucht” repowering project (12 MW). In the “Waldfeucht” repowering project, the modern systems will replace old wind power turbines, which were originally commissioned by PNE WIND AG. Projects that were fully constructed or were under construction but not yet handed over to their purchasers by December 31, 2014 are illustrated in phase 4 of the table.

Germany also continues to remain a core market for the WKN Group. WKN AG, which is majority owned by PNE WIND AG, completed and handed over three wind farm projects with a nominal output of 52.2 MW in 2014. These are the wind farms “Kropp” (Schleswig-Holstein, 18.4 MW), “Kastorf” (Schleswig-Holstein, 15.4 MW) and the “Weidehof” repowering project (Schleswig-Holstein, 18.4 MW). The “Nentzelsrode” wind farm (Thuringia) with a capacity of 6.9 MW was under construction as at December 31, 2014 and is thus illustrated in phase 4 of the table.

Furthermore, at the end of the 2014 fiscal year, WKN AG already had construction permits for the wind farms “Looft” (Schleswig-Holstein, 10.15 MW) and “Siebenbäumen” (Schleswig-Holstein, 6.15 MW). The construction of these projects was started after the end of the reporting period in 2015. These projects were sold to investors in 2014.

In total, at the end of the fiscal year 2014, the PNE WIND Group (PNE WIND AG and WKN AG) was working on onshore wind farm projects in Germany with a nominal output of more than 1,300 MW in various stages of project development.

PNE WIND AG maintains close relationships with various renowned manufacturers of wind energy systems in order to be able to realise onshore wind farm projects in Germany promptly after their approval. For projects which have already been constructed, maintenance contracts – some of them long term - were concluded with the manufacturers Enercon, Senvion (formerly Repower) and Nordex as well as Vestas.

The core business of project development was also continuously carried on by the PNE WIND Group abroad.

Bulgaria:

The general political and economic conditions are currently still poor due to a significant reduction in the feed-in payments in 2012. This makes it difficult to construct and operate wind farm projects there profitably. For this reason the existing project pipeline in Bulgaria continues to be analysed with regard to its profitability and thus to its later implementation.

The WKN Group developed projects in Romania and Bulgaria through its joint venture company IWC GmbH, which it holds together with Siemens Project Ventures GmbH. Due to the difficult market environment, the project development activities of the WKN Group in Bulgaria have been stopped for the time being.

France:

In the first quarter of 2014, the WKN Group received the construction and environmental approvals for a project with a nominal output of 10 MW in France. However, before the sales process for this project can be initiated, a decision on an objection filed against the approvals is required. On the basis of the indicative purchase offers submitted to it, the WKN Group decided to continue to develop the disputed project as well as another French project with 19.2 MW of nominal capacity with the aim of achieving a more attractive valuation.

In 2013, the WKN Group sold the rights in the "Dargies" project (Picardie) with a nominal output of 12 MW to KGAL, an investment manager for long term fixed capital investments. On the basis of the contracts which were concluded, WKN France SAS was responsible for the construction management for the whole project including the cabling infrastructure, transformer station, roads and crane sites. The wind farm was, as contractually agreed, put into operation in July 2014 and taken over by the investor in September.

In addition, further projects with approx. 88 MW of total nominal capacity were in the official approval process at the end of 2014.

United Kingdom:

PNE WIND UK Limited is planning substantial investments during the next few years in wind farm projects in the United Kingdom, which are currently being developed with a nominal output in excess of 1,000 MW. These include projects which are being developed independently by PNE WIND AG as well as projects which are being worked on jointly with the Scottish Forestry Commission. The cooperation with the Scottish Forestry Commission was continued for the development of wind farm areas in Central Scotland. Sites for up to 12 wind farm projects have been identified in the Scottish National Forest in the counties of Argyll and Bute, West Dunbartonshire, Stirling, Perth and Kinross as well as Angus.

Independent of the cooperation with the Forestry Commission, PNE WIND UK is also developing additional wind farms in the United Kingdom. The permit for the "Tralorg" project (20 MW) was granted in February 2014 by the Scottish Energy Minister. In June 2014, the "Penbreck" project with 18 MW was also permitted. Once an additional part of the project is permitted with 9 MW, the wind farm is planned

to have a nominal output of 27 MW in total. Furthermore, applications for approvals for 3 projects with a total potential capacity of 63 MW were filed in 2014. In total, applications for 5 projects with a combined capacity of 137 MW are pending approval.

For a project of the WKN Group with 66 MW, the permit from the local planning authority (the Highland Council) was obtained in 2013 and the decision was acknowledged by the Highland Council in November 2014 in accordance with a new planning directive. The second step is to obtain the permit from the Scottish Energy Minister. The project has been named as a showcase example on the basis of its positive cooperation with the municipalities in a study undertaken by the government (Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments).

Italy:

The 30 MW Castelgrande wind farm project in the Basilicata region of southern Italy, which was granted construction approval at the beginning of June 2014, participated in the auction procedure, but did not receive an award. Accordingly, start of construction, which was planned for 2015, has been postponed.

Further projects are being prepared for participation in a potential tendering procedure in 2015 so that companies of the WKN Group can participate with one or more projects in addition to Castelgrande. At present, there is no official confirmation that a tendering procedure for onshore wind energy projects will take place in Italy in 2015.

The Valle project (40 MW) was already granted an environmental approval in the third quarter of 2013. An agreement with the grid network operator and other project developers with regard to the grid connection approval is still outstanding. To date, it has not been possible to come to an agreement so that the project did not participate in the 2014 tendering process.

Poland:

In October 2013, a project company established by the WKN Group received building approval for a project with a nominal output of 32.2 MW. Discussions are currently being held with potential investors with the aim of selling the project. The WKN Group increased its interest in the project company from 40 percent to 100 percent in 2014 to be able to market the project more flexibly. In Poland, projects with approx. 300 MW are currently being developed by WKN. It is expected that the new Polish Renewable Energies legislation will introduce a tendering procedure in 2016. The relevant draft bill is in the process of parliamentary approval.

Romania:

The development of wind farms in Romania was continued by PNE WIND AG. Changes in the feed-in payment system have led to uncertainties in 2013 and 2014. Since the presidential election in November 2014 and the victory of the EU-friendly candidate, a revision of the renewable energies legislation is

expected. In Romania, wind farm projects are currently being developed at an advanced stage by PNE WIND AG with a nominal output of up to 157 MW. For two projects with a total nominal output of 102 MW the permits have been granted. The grid connections have been secured and the technical construction maturity has been achieved. Road construction measures were initiated for both projects.

Sweden:

The WKN Group is currently developing four wind farm projects in Sweden with a nominal output of up to 240 MW. The applications for the environmental permit for these projects were submitted in 2013/14 and are currently being processed by the competent authorities. The first permits are expected to be issued in 2015.

South Africa:

In the 2014 tender, the WKN Group participated with the 30 MW "Banna Ba Pifhu" project. The result of the selected projects (preferred bidder) is expected in the first half of 2015.

The "Ubuntu" project was not awarded the tender in 2013 and preparations are being made to participate in the tender in 2015. Another project with 80 MW is being prepared for the tender in 2016.

Turkey:

In Turkey, PNE WIND AG is currently developing wind farm projects with up to 700 MW of nominal output. At the beginning of April 2014, PNE WIND AG and STEAG GmbH agreed to establish a joint company with the goal to develop wind farm projects together in Turkey going forward. PNE WIND and STEAG will each hold a 50 percent stake in the company. The company intends to apply for a pre-license in April 2015 for up to 8 projects with a maximum output of 300 MW.

Ukraine:

In Ukraine, WKN AG is currently working on several wind farm projects, which are still at an early stage of development. Due to the extremely difficult political situation, project development activities have been stopped for the time being.

Hungary:

In Hungary two wind farm projects developed by PNE WIND AG's subsidiaries have already been approved. 32 wind power turbines with a nominal output of 78 MW can be constructed on these wind farms. However, the Hungarian government has been blocking the further expansion of wind energy for some time now. Therefore, the Hungarian subsidiaries are still waiting to be able to participate with these approved wind farms in tenders for grid connections to the high voltage electricity distribution systems in Hungary.

USA/Canada:

During the fourth quarter of 2013, PNE WIND USA started the construction of the "Chilocco" wind farm project in the US state of Oklahoma. Wind power turbines with a nominal output of up to 153 MW can be constructed in several project phases. The initial construction and development activities were carried out, which means that the tax-related support mechanisms (PTC) should be secured. These are to be granted for projects that were under construction at the end of 2013 and are completed by the end of 2015.

The PTC regulation was extended by a further year at the end of 2014. Accordingly, PNE expects that the completion period for the “Chilocco” project will also be extended to the end of 2016.

Also, with the aim of securing the PTC, PNE started construction of the “Belle Fourche” wind farm project (South Dakota) in December 2014. Wind power turbines with a total nominal capacity of up to 30 MW can be erected in this project.

In the USA, the WKN Group has a project in the state of Montana, where wind energy turbines with a nominal output of up to 165 MW can be erected.

In Canada, PNE WIND AG is currently working on seven wind farm projects, which are in an early stage of development.

Total activities in the international markets:

In total, as at December 31, 2014, the PNE WIND Group, through subsidiaries and joint ventures, was developing international projects in various phases of a multiple year development process with more than 4,000 MW of nominal output. On the basis of the Group’s business development, the Board of Management is confident of achieving further growth and diversification of its business through the internationalisation of its wind farm development activities.

Expansion of the business activity / YieldCo

In 2014, PNE WIND AG completed significant steps in order to expand its business model. This includes the formation of a YieldCo, in which internally developed and completed wind farms are bundled. The objectives of the YieldCo business are to increase the earnings potential and to strengthen the competitive situation of the Group as well as to establish a new company (YieldCo), which provides its investors with stable and attractive dividends. As a result, the YieldCo represents a classical win-win situation, offering large potential both for PNE WIND and for the investors of the YieldCo.

YieldCo – companies which hold portfolios consisting primarily of renewable energy projects and distribute earnings to their owners through dividends – are a proven and successful addition to the core business of project development companies, in particular, in the Anglo-Saxon region. YieldCos have been welcomed in these countries because they enable public equity investors the ability to invest directly in operational renewable assets and thereby have access to an asset class which was previously reserved to utilities and other institutional investors. From PNE WIND’s perspective as the Project developer, the YieldCo represents an attractive way to grow the business by accessing new pools of capital which provide the needed equity on attractive terms to realise new projects.

In the YieldCo of PNE WIND AG, completed wind farms will be bundled into a portfolio of fully operating wind farms, which reliably produce electricity at various sites and generate sustainable earnings through the guaranteed feed-in tariff regulatory framework.

PNE WIND YieldCo Deutschland GmbH will include mainly German wind farms with a total nominal output of up to 150 MW. These will be projects which were developed in the past few years by the PNE WIND Group. Wind farms with a nominal output of approx. 67 MW were already approved and are partially under construction. Permits have been applied for additional projects which will also be included in the YieldCo. Once operational, the wind farms will be placed successively in the German YieldCo company.

Once the initial portfolio has been constructed, PNE WIND plans to sell its holding – wholly or partly – in the YieldCo by the end of 2016. This may take place – as observed in the public markets – via a listing of the YieldCo on the stock exchange or by selling our holdings to an individual investor. Through our Edinburgh-based PNE WIND YieldCo International Limited, established in the United Kingdom, PNE WIND AG has the option to hold the IPO in London.

PNE WIND AG expects to benefit in multiple ways from the expansion of its business model. The Company anticipates that the YieldCo, with its portfolio of commissioned wind farms, can be sold under more attractive conditions than projects that are sold on an individual basis in the context of our previous business model. The reason for this is that investors in portfolios are generally willing to accept lower returns because they benefit from diversification – the portfolio is comprised of many wind farms – as well as not being exposed to construction related risks – the wind farms are fully commissioned at the time of sale. Furthermore, YieldCo investors are able to buy or sell shares in a listed vehicle more efficiently than would be possible when making direct investments into a single wind park. We also plan on generating additional revenue through the management of the YieldCo and by providing long-term commercial and technical management services for the wind parks.

Looking forward, the establishment of our YieldCo will represent a new sales channel for the Group and our future projects. The YieldCo will be able to use its retained earnings from its operational wind farms to acquire new projects from us. If the Group decides to keep a stake in the YieldCo, PNE WIND AG would also participate on the continuing success of the YieldCo.

Due to the initiation of the YieldCo model, the sale of wind farms to external third parties - and accordingly the revenue and earnings out of these projects - will be postponed. We believe that the positive benefits which will be achieved will more than compensate for this postponement. The PNE WIND Group is broadening its foundation for the future and aims to create considerable value with this strategic expansion.

The following table contains wind farm projects which are approved or under construction and will be incorporated into the YieldCo portfolio.

Project	Location	Status	Planned nominal output in MW	Scheduled completion
Chransdorf	Brandenburg	Under construction	57.6	Second half year of 2015
Waldfeucht	North Rhine-Westphalia	Under construction	9.0	Second half year of 2015

Chransdorf wind farm

The “Chransdorf” wind farm is located in a forest area between the municipalities of Großräschen and Altdöbern in Brandenburg.

The project received the construction permit pursuant to the Federal Emission Protection Act (BlmSchG) in 2014 and is currently under construction. 24 wind power turbines (Nordex N117/2400) with hub heights of 141 meters will be erected in this wind farm. The total nominal output of the wind farm is 57.6 MW. Completion of the wind farm is expected for the second half of 2015.

Waldfeucht wind farm

The project received the construction permit pursuant to the Federal Emission Protection Act (BlmSchG) in 2014 and is currently under construction.

In the “Waldfeucht/Selkant” wind farm near Heinsberg (North Rhine-Westphalia), wind power turbines planned by PNE WIND and commissioned in 1999 will be replaced in this repowering project. Four wind power turbines with a total nominal output of 12 MW will be constructed there; three of these turbines will be placed into the YieldCo. Completion of the wind farm is expected for the second half of 2015.

Segment offshore wind power

PNE WIND AG: Overview of the offshore project activities per December 31, 2014:

Project	Phase	WEA	Total MW
Borkum Riffgrund I *	7	78	312
Borkum Riffgrund II *	5	97	349
Gode Wind 1 *	7	55	330
Gode Wind 2 *	7	42	252
Gode Wind 3 *	3	15	90
Gode Wind 4 *	4	42	252
Nautilus II / HTOD5*	2	68	476
Nemo	2	80	480
Jules Verne	2	80	480
Nautilus I	2	80	480
Atlantis I	3	80	400
Atlantis II	2	80	400
Atlantis III	2	80	400
Gesamt		877	4.701

* PNE WIND AG acts as a service provider

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

“Borkum Riffgrund” projects:

The “Borkum Riffgrund I” offshore wind farm project, which was previously sold to DONG Energy, where PNE WIND AG continues to act as a service provider, developed positively. After DONG Energy made its investment decision for the “Borkum Riffgrund I” offshore wind farm, construction has started. The first wind power turbines were installed in 2014. The DolWin alpha transformer station, which is intended for the 800 MW grid connection and designed by ABB on behalf of TenneT, was installed in 2013.

The Bundesamt für Seeschifffahrt und Hydrographie (BSH) granted the construction permit for the neighbouring “Borkum Riffgrund II” offshore project in December 2011. In 2013, the transmission grid operator TenneT awarded the contract for the construction of the DolWin3 transformer station, which will connect the wind farms in the North Sea to the high-voltage grid on land, to Alstom. After completion, Dong Energy can use this grid connection to link the planned offshore wind farm “Borkum-Riffgrund II” to the grid. This connection is expected to be completed in 2017.

On the achievement of predefined project development steps in the offshore wind farm project “Borkum Riffgrund II”, milestone payments from project sales totalling approx. euro 7.0 million will be made by DONG Energy to PNE WIND AG. Further important project phases are the final investment decision and commissioning of the project.

“Gode Wind” projects:

In August 2012 the offshore wind farms “Gode Wind” 1 to 3 were sold to the Danish energy group, DONG - the projects have since been split into “Gode Wind” 1 to 4. The shares in the “Gode Wind” 1, 2 and 4 projects were already transferred 100 percent to DONG Energy. The full commissioning of the “Gode Wind” 1 and 2 projects is expected to be completed in 2016. PNE WIND AG has received payments totalling euro 129 million for the shares in the project companies, the incurred project development costs and the work already completed.

On the achievement of predefined project development steps, milestone payments totalling up to euro 25 million are expected to be received. The next milestone payment will be triggered with the BSH approval for the “Gode Wind 3” project. The hearing for this project took place in September 2014. The project has now reached project development phase 3. A further milestone payment totalling euro 15 million will be due when the decision is taken to construct and finance the second phase of “Gode Wind 2” (current project name: “Gode Wind 4”).

Within the context of the transaction, PNE WIND AG will support DONG Energy as a service provider during realisation of the project till 2017. The volume of this service provider contract amounts to up to euro 8.5 million during the period 2012 to 2017.

“Atlantis” projects:

Three offshore projects were acquired in 2013 from BARD Engineering GmbH through the subsidiaries “Atlantis” I to III, in order to participate in the further expansion of offshore wind power in Germany. The projects were developed to such an extent by the previous owners that they are in the planning permit process at the Federal Office for Shipping and Hydrographics (BSH). PNE WIND AG intends to develop

the acquired projects further through the approval stage up to the point of construction maturity. On the basis of our experience and knowhow in the offshore sector, PNE WIND AG has the proven ability to create and realise the value of such projects.

The PNE WIND subsidiaries “Atlantis” I to III made a first purchase price payment on the conclusion of the purchase contract. Additional variable instalment payments 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.

“Nemo”, “Nautilus I” and “Jules Verne” projects

During the period under report, work was continuously undertaken on the other offshore projects of PNE WIND AG in the North Sea. The “Nemo”, “Nautilus I” and “Jules Verne” projects are currently being developed to the point of “ready to construct”, depending on the grid connection scheme stipulated by the Federal Government. These offshore projects are located 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 planning, 80 offshore wind energy turbines are planned to be approved in each of the project areas.

“HTOD5” project (previously “Nautilus II”)

The “Nautilus II” offshore wind farm project, which is being developed by PNE WIND AG and has in the meantime been renamed “HTOD5”, is still at the planning and application stage. Following the sale of the project in November 2011 to Ventizz/HOCHTIEF, PNE WIND AG will remain active as project developer until the permit is issued. The project is planned for up to 68 offshore wind power turbines with a nominal output of up to 7 MW each, depending on the grid connection scheme stipulated by the Federal Government. The project area is located in the North Sea within the Exclusive Economic Zone of the Federal Republic of Germany about 180 kilometres North West of Helgoland.

Total offshore:

In total, PNE WIND AG was working as at December 31, 2014 on thirteen offshore projects, of which six are fully owned by the Company. For the remaining seven, PNE WIND is active as a service provider. Three of the projects, which were developed and sold by PNE WIND AG, are already under construction: “Borkum Riffgrund I” as well as “Gode Wind” 1 and 2. According to the current planning level, a total of up to 480 wind power turbines can be constructed in our own offshore wind farms. Decisive for the exact number is the nominal output of the turbines to be selected, which can amount to between 3 and 7 MW. In total, the planned nominal output of our six own offshore projects amounts to up to 2,640 MW.

Segment electricity generation

The electricity generation segment combines all activities of the Group companies, which are engaged directly in the production of electricity from renewable energy. This sector includes our “Altenbruch II” and “Laubuseschbach” wind farms operated by PNE WIND AG and the “Passauer Land” solar farm,

which has been operated by the WKN Group since 2006. The solar park is located in Bavaria with a nominal output of 3.3 MWp. The segment also included PNE Biomasse GmbH, which in accordance with a business supply contract provides the personnel for the timber biomass power plant in Silbitz. Furthermore, the segment also includes shares in limited partnerships, in which future onshore wind farm projects are to be implemented.

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

The electricity generation segment achieved in the fiscal year 2014 an EBIT of euro 2.0 million (prior year: euro 2.3 million).

6. Economic report

Changes in previous year's figures

As part of the initial consolidation of the WKN AG subgroup on July 4, 2013, a purchase price allocation was made according to IFRS 3. The purchase price allocation was based on the financial statements of WKN AG as at December 31, 2012 and June 30, 2013. In 2014, it became evident that the valuation of the identifiable assets acquired, the liabilities assumed and the non-controlling interests of the acquired company were based on incorrect information and was not performed correctly according to IFRS 3.18ff. to estimate the fair value at the acquisition date. The incorrect information led to misinterpretations of certain parts of information which were present at the time of the purchase price allocation. It pertains to the above presented situation and an error in accordance with IAS 8.41 ff. which was retrospectively corrected beginning with the acquisition date of July 4, 2013.

The following financial statement items as at December 31, 2013 are affected by the error corrections:

in TEUR	31.12.2013		
	Before adjustment	Changes from adjustment	After adjustment
Group balance sheet			
Intangible assets	56,343	8,663	65,006
Non-current financial assets	8,605	-950	7,655
Inventory	145,860	-9,278	136,582
Receivables and other assets	59,536	-1,581	57,955
Deferred taxes	9,150	-214	8,936
Shareholder equity	150,609	-3,360	147,248
Group income statement			
Changes in inventories	14,789	-1,414	13,376
Taxes on income and earnings	-2,833	141	-2,692
Consolidated net income before minority interests	38,549	-1,554	36,994
Consolidated net income	40,679	-3,100	37,580
Undiluted earnings per share (euro)	0,86	-0,06	0,80
Group changes in shareholder equity			
Consolidated net income	35,173	-3,100	32,073
Shareholder equity before minorities	144,916	-3,100	141,816
Minority interests	5,693	-261	5,432
Total shareholder equity	150,609	-3,360	147,248

In regards to the determination of the corrected values provided, there remains some uncertainty owing to the supplement audit in connection with the amended financial statements of WKN AG as at December 31, 2012 not being completed. As a result, there was no final revised valuation report for the purchase price allocation at the time of preparation of the Group financial statements as at December 31 2014.

a. Revenues and earnings

The figures shown below were determined and presented in accordance with IFRS for the Group and in accordance with the German Commercial Code (HGB) for PNE WIND AG and its subsidiaries.

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

Due to the inclusion of the WKN Group in the consolidation in the previous year, the PNE WIND Group figures are only comparable to a limited extent (the first consolidation of the WKN Group took place on July 4, 2013).

Values with „*“ are adjusted previous year's figures.

In the 2014 fiscal year, the PNE WIND AG Group achieved a total aggregate output of euro 233.9 million (prior year: euro 160.6 million)* in accordance with IFRS. Of this, euro 211.3 million was attributable to revenues (prior year: euro 144.0 million), euro 19.1 million to changes in inventories (prior year: euro 13.4 million)* and euro 3.6 million (prior year: euro 3.2 million)* to other operating income.

Consolidated key data

in euro million	2014	2013
Total aggregate output	233.9	160.6
Revenues	211.3	144.0
Earnings before interest and taxes (EBIT)	2.7	43.6
Earnings before taxes (EBT)	-15.2	34.4
Consolidated net income	-13.0	37.6

Euro 157.2 million (previous year: euro 96.7 million) of the total aggregate output within the Group was attributable to PNE WIND AG. The total aggregate output of PNE WIND AG consists of revenues in the amount of euro 158.2 million (prior year: euro 45.8 million), changes in inventories of euro -1.7 million (prior year: euro 4.6 million) and other operating income in the amount of euro 0.7 million (prior year: euro 46.2 million). At PNE WIND AG, significant revenues resulted from the sale or realisation of the onshore projects "Calau II" A, C and D, "Leddin IV", "Kemberg III" and "Sontra". In the previous year, milestone payments from the sale of offshore projects in the amount of euro 45.0 million were included in the consolidated revenues. The other operating income of PNE WIND AG consisted primarily of the reversal of provisions, rental income and other income such as credit notes, expenses charged on, reversal of the investment subsidy and income from the private use of company cars.

The activities of the Group in project development in Germany and abroad and also both onshore and offshore are reflected in the expense items. Due primarily to the further development of onshore projects and the implementation of onshore projects, the cost of materials in the Group increased from euro 71.9 million to euro 170.5 million in 2014.

In the financial statements of PNE WIND AG, the cost of materials increased from euro 31.3 million in the prior year to euro 124.6 million in the year under report.

In the 2014 fiscal year, the personnel expenses amounted to euro 27.0 million in the Group and thus increased compared to the amount of the prior year period (euro 21.6 million). The change is due primarily to the consolidation (pro rata temporis) of the WKN subgroup within the PNE WIND AG Group. As at December 31, 2014, the number of employees in the Group increased to 412 (December 31, 2013: 411 employees).

In the financial statements of PNE WIND AG, the personnel expenses totalled euro 10.8 million in the 2014 fiscal year (prior year: euro 11.3 million). The number of employees as at December 31, 2014 at PNE WIND AG increased to 142 (December 31, 2013: 139 employees).

The other operating expenses in the Group totalling euro 25.2 million (prior year: euro 17.3 million) are attributable primarily to impairment losses on receivables and other assets of euro 3.3 million (prior year: euro 0.2 million), legal and consulting costs of euro 5.7 million (prior year: euro 4.7 million), advertising and travel expenses of euro 2.8 million (prior year: euro 2.1 million), insurance and contributions of euro 1.1 million (prior year: euro 0.9 million), repair and maintenance expenses mainly for "Altenbruch II" and "Silbitz" of euro 1.4 million (prior year: euro 1.0 million) as well as rental and leasing expenses of euro 1.7 million (prior year: euro 1.5 million).

In the financial statements of PNE WIND AG, the other operating expenses totalled euro 9.5 million in the 2014 fiscal year (prior year: euro 12.7 million).

Depreciation increased to euro 8.5 million versus the prior year period (euro 6.2 million). Depreciation was incurred primarily at the "Altenbruch II" wind farm, which is operated for our own account, the "Passauer Land" solar farm and at the "Silbitz" timber biomass power plant.

Interest expenses in the Group increased from euro 10.6 million in the prior year to euro 14.9 million in the year under report. Interest expenses increased primarily due to the bonds issued in 2013 in two tranches (May and September) totalling euro 100 million (in 2014: interest expense on the total amount for 12 months versus pro-rata interest in 2013).

During the 2014 fiscal year, operating profit (EBIT) amounted to euro 2.7 million (prior year: euro 43.6 million)* and the result from ordinary activities (EBT) amounted to euro -15.2 million (prior year: euro 34.4 million)* at the consolidated level. The consolidated net income after minority interests amounted to euro -13.0 million (prior year: euro 37.6 million)*. The basic earnings per share for the Group amounted to euro -0.22 (prior year: euro 0.80)* and the diluted earnings per share for the Group amounted to euro -0.21 (prior year: euro 0.75)*.

At PNE WIND AG, operating profit (EBIT) amounted to euro 11.6 million (prior year: euro 40.8 million) and the result from ordinary activities (EBT) amounted to euro 6.5 million (prior year: euro 36.7 million) in the 2014 fiscal year.

Due to the negative business results, retained earnings at the Group level decreased to euro 10.7 million in the period under report (prior year: euro 32.1 million)*. As at December 31, 2014, the retained earnings of PNE WIND AG totalled euro 63.3 million (prior year: euro 67.6 million). The net income of PNE WIND AG amounted to euro 4.0 million (prior year: euro 36.6 million). The basic earnings per share of PNE WIND AG amounted to euro 0.07 (prior year: euro 0.78) and the diluted earnings per share amounted to euro 0.07 (prior year: euro 0.73).

With regard to the subsidiaries consolidated in the Group, the major portion of revenues achieved in the 2014 fiscal year was in respect of management remuneration and service payments in the amount of euro 4.9 million (prior year: euro 3.0 million), payments for the use of transformer stations in the amount of euro 1.7 million (prior year: euro 1.3 million) and proceeds from the sale of electricity in the electricity generation segment in the amount of euro 11.0 million (prior year: euro 10.6 million). The subgroup of WKN AG was included in the Group of PNE WIND AG in accordance with IFRS with the following values (before consolidation effects):

WKN subgroup	01.01. - 31.12.2014 Euro million
Revenues	67.7
Total aggregate output	79.3
Personnel expenses	11.7
Other operating expenses	12.0
EBIT	-6.2
Employees on December 31	189 MA

The results of the Group and of PNE WIND AG in the 2014 fiscal year reflect, among other things, the preliminary work for developing the onshore and offshore project pipeline in Germany and abroad, which has not yet led to results. Furthermore, the preliminary work for domestic projects which are at the realisation stage and will be consolidated within the Group and which are to be placed into the planned YieldCo have not yet led to any results at the Group level. The Board of Management confirms its forecast for the cumulative EBIT for the 2014 to 2016 fiscal years of euro 110 to 130 million.

b. Financial situation / liquidity

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

The statement of cash flow gives information on the liquidity situation and the financial situation of the Group. As at December 31, 2014 the Group companies had available liquidity in the amount of euro 209.3 million including the syndicated working capital lines available to WKN AG (see explanation below) and credit lines for interim project financing, of which an amount of euro 2.9 million is pledged to banks (prior year: euro 199.0 million, of which euro 1.1 million pledged).

Cash Flow

in euro million	2014	2013
Cash flow from ordinary business activity	-29.5	-1.0
Cash flow from investing activities	-4.9	-61.3
Cash flow from financing activities	34.0	95.6
Liquid funds at the end of the period	72.2	77.4

The liquidity available is broken down as follows

- cash and cash equivalents in the amount of euro 72.2 million,
- free syndicated working capital lines in the amount of euro 9.6 million and
- interim project financing available in the amount of euro 127.5 million.

Furthermore, PNE WIND AG has available a guarantee credit for guarantee and contract fulfilment obligations in the amount of euro 3 million and WKN AG has such credits in the amount of euro 15 million.

Explanation:

The WKN Group is financed mainly by a syndicated working capital loan amounting to a total of euro 29 million as well as a working capital loan, repayable at maturity, in the amount of euro 6 million as a base financing. The syndicated loans have a term until June 30, 2016. Furthermore, there are additional working capital credit lines in the amount of euro 0.6 million at the level of WKN AG.

The syndicated working capital loan includes requirements to meet financial performance indicators, which, if not adhered to, give the lenders the right to terminate the agreement. As at December 31, 2014, WKN AG had not met all financial performance indicators. There is the possibility that the lenders will terminate the entire credit commitment and claim immediate repayment of the entire loan drawn down. By the date of the audit of PNE WIND AG's consolidated financial statements, the lenders have not exercised their right of termination.

The cash flow from ordinary activities shown in the statement of cash flows in the amount of euro -29.5 million (prior year: euro -1.0 million) was primarily attributable to

- the negative Group result
- the decrease in trade receivables due to incoming payments from wind farm projects realised.
- the expenses for the further development of the project pipeline, which is reflected in the inventories.
- to the disposal of wind farm projects under construction, which were shown under inventories in the prior year and which were completed and handed over to the purchasers in 2014.
- the increase in trade liabilities and other liabilities.

The cash flow from investing activities in the period under report includes payments received and payments made for investments in property, plant and equipment of the Group in the amount of euro -4.9 million (prior year: euro - 61.3 million). The cash flow from investing activities was characterised mainly as follows

- in 2014, by investments in substations for the wind farm projects currently being implemented.
- in 2013, by the purchase of shares in WKN AG.

During the period under report, the cash flow from financing activities in the amount of euro 34.0 million (prior year: euro 95.6 million) was influenced primarily by:

- the capital increase totalling euro 33.4 million and the costs of the capital increase of euro -1.7 million.
- the payment of the dividend in the amount of euro -8.2 million.
- the repayment and disposal of credit liabilities in the amount of euro -7.5 million as well as the taking of bank loans in the amount of euro 12.0 million, including for the interim financing of wind farm projects being implemented.
- in the 2013 period, the inflow of cash from the bond issued in May and in September totalling euro 100.0 million.

Following the conversion of 2009/2014 convertible bonds with a nominal value of euro 3,187,900.00 and 2010/2014 convertible bonds with a nominal value of euro 4,202,500.00, new shares in the amount of 3,185,296 were issued in the period under report. In addition, 13,931,195 new shares were issued in the context of a capital increase. As at December 31, 2014, the share capital of the PNE WIND AG amounted to euro 71,974,939.00.

As at December 31, 2014, the Company had liquid funds in the amount of euro 72.2 million (previous year: euro 77.4 million).

PNE WIND AG had cash in the amount of euro 59.5 million, of which euro 2.9 million was pledged to banks as at December 31, 2014 (prior year: euro 67.2 million, of which euro 1.1 million was pledged).

Additional information on the liquidity situation and the financial position of the Group can be found in the corresponding tables in the statement of cash flows following this management report.

c. Statement of financial position

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

a) Group

Assets (in EUR million)	31.12.2014	31.12.2013
Total long term assets	149.8	157.7*
Intangible assets	63.9	65.0*
Property, plant and equipment	73.6	76.1
Long term financial assets	2.0	7.7*
Deferred taxes	10.3	8.9*
Assets held for sale	1.0	0.8
Total short term assets	266.0	273.1*
Inventories	152.4	136.6*
Receivables and other assets	40.2	57.9*
Tax receivables	1.2	1.2
Cash and cash equivalents	72.2	77.4
Total assets	416.8	431.6*

* Adjusted FY 2013 figures - Please refer to the note „IV. ACCOUNTING and Policies „(1. Changes in IAS 8).

On the reporting date, the consolidated total assets of PNE WIND AG amounted to euro 416.8 million. This is a decrease of 3.4 percent in comparison with December 31, 2013.

Total long term assets decreased from euro 157.7 million at the end of 2013 to euro 149.8 million. As at December 31, 2014, intangible assets totalled euro 63.9 million, representing a decrease of euro -1.1 million compared to the amount recorded on December 31, 2013. The most important element of this item is the goodwill of the wind power projecting segment in the amount of euro 60.2 million (of which projecting of wind power is valued at euro 20.0 million and WKN is valued at euro 40.2 million). In the same period, property, plant and equipment decreased by euro 2.5 million to euro 73.6 million (December 31, 2013: euro 76.1 million). This item primarily includes land and buildings (euro 17.2 million without the land and buildings of "Silbitz"), transformer stations owned or under construction (euro 10.9 million) and the technical equipment and machinery of the "Altenbruch II" wind farm project (euro 26.3 million), the "Passauer Land" solar farm (euro 9.3 million) and the Silbitz timber biomass power plant (euro 5.0 million including land and buildings in the amount of euro 3.0 million).

The item "assets held for sale" includes plant under construction of the "Gode Wind 3" offshore project.

During the period under report, short term assets decreased from euro 273.1 million as at December 31, 2013 to euro 266.0 million on December 31, 2014. This change is mainly attributable to a decrease in trade receivables (euro -14.3 million), a reduction in loans receivables (euro - 6.9 million) and an increase in inventories (euro +15.8 million). Of the short term assets, euro 20.1 million is attributable to trade receivables (December 31, 2013: euro 34.4 million).

The work in progress shown in the inventories increased from euro 136.6 million as at December 31, 2013 to euro 152.4 million. The increase in work in progress is attributable mainly to the onshore projects under construction in Germany and the further development of the onshore and offshore project pipelines in Germany and abroad. The "Nemo", "Nautilus" and "Jules Verne" offshore projects (totaling euro 10.0 million) as well as "Atlantis I – III" (totaling euro 28.9 million) are included in the work in progress at a total amount of euro 38.9 million.

As at December 31, 2014, cash and cash equivalents amounted to euro 72.2 million (as at December 31, 2013: euro 77.4 million).

Liabilities (in EUR million)	31.12.2014	31.12.2013
Shareholders' equity	160.1	147.2*
Deferred subsidies from public authorities	1.0	1.0
Provisions	13.5	12.1
Long term liabilities	151.0	174.4
Short term liabilities	79.4	85.7
Deferred revenues	11.7	11.1
Liabilities in connection with assets held for sale	0.0	0.0
Total liabilities and shareholders' equity	416.8	431.6*

* Adjusted FY 2013 figures - Please refer to the note „IV. ACCOUNTING and Policies „[1. Changes in IAS 8).

On the liability side, consolidated shareholders equity increased from euro 147.2 million (December 31, 2013) to euro 160.2 million as at December 31, 2014. This positive development was due mainly to the capital increase of euro 31.8 million (after deduction of the costs of the capital increase of euro 1.7 million), the conversion of bonds into equity capital (effect: euro 7.4 million) which offset the negative result of the Group. The equity ratio of the Group was approx. 38 percent as at December 31, 2014 (December 31, 2013: approx. 34 percent) and the debt ratio approx. 62 percent (as at December 31, 2013: about 66 percent).

The long term liabilities decreased from euro 174.4 million at the end of 2013 to euro 151.0 million. This item consists mainly of financial liabilities in the amount of euro 148.8 million (as at December 31, 2013: euro 172.5 million). These liabilities include the corporate bond issued in May and September 2013 in the net amount of euro 96.2 million. The gross proceeds from the bond amounted to euro 100.0 million; in accordance with IFRS the expenses directly connected with the bond in the amount of euro 5.1 million were netted with the liability in respect of the bond in the 2013 fiscal year.

These expenses are recognised over the term of the bond in interest expense (since the issue of the bond, interest expense of euro 1.3 million has been recorded, of which euro 0.9 million was recorded during the fiscal year 2014). In addition, the long term financial liabilities include the 2014/2019 convertible bond issued in the 2014 fiscal year in an amount of euro 6.1 million. The expenses of euro 0.3 million related to the issue of this bond were offset against the liabilities in the 2014 fiscal year and are recognised in "interest expense" over the term of the bond. In addition, an amount of euro 0.2 million of the convertible bond was recognised in shareholders' equity. Long term liabilities to banks amounted to euro 38.7 million (as at December 31, 2013: euro 60.8 million).

The liabilities to banks include mainly

- the working capital credit line of WKN AG (euro 20.0 million, of which long term euro 0.0 million – see explanation below),
- working capital loans repayable at maturity of WKN AG (euro 6.0 million, of which long term euro 6.0 million),
- the project financing of the "Passauer Land" solar farm (euro 6.0 million, of which long term euro 5.1 million),
- the project financing of the "Altenbruch II" wind farm (euro 22.5 million, of which long term euro 19.1 million),
- the project financing of the timber biomass power plant "Silbitz" (euro 2.7 million, of which long term euro 2.0 million),
- the financing of the buildings of the companies of PNE WIND AG at the corporate headquarters in Cuxhaven and of WKN AG in Husum (euro 4.5 million, of which long term euro 3.8 million).

Explanation:

In the previous year, loan liabilities due in the short term from the use of the working capital credit lines of WKN AG in the amount of euro 15.0 million (December 31, 2013), which were essentially drawn down as short term money market loans, were classified as long term in accordance with

Development of short and long term liabilities

in euro million	2014	2013	2012
Liabilities			
short term	79.4	85.7	18.3
long term	151.0	174.4	67.8

IAS 1.73, since, in the context of a long term syndicated credit, a claim existed for the refinancing of these liabilities and the Group intended to make use of this possibility. These liabilities were no longer classified as long term loan liabilities as at December 31, 2014, since WKN AG had not met all financial performance indicators on December 31, 2014 so that, in principle, the total credit commitment can be terminated and immediate repayment of the loan drawn down of euro 20.0 million (as at December 31, 2014) can be requested. As of the date of the audit of PNE WIND AG's consolidated financial statements, the lenders have not exercised their right of termination.

In September/October 2014, PNE WIND AG performed capital measures in the form of a capital increase and the issue of a convertible bond. 13,931,195 new shares were placed with existing shareholders and other investors at a purchase price of euro 2.40 per share. In addition, individual convertible bonds at a total nominal value of euro 6,565,132.20 were placed. PNE WIND AG received gross funds amounting to approx. euro 40 million from the capital measures.

On December 31, 2014, the total number of shares issued by PNE WIND AG amounted to 71,974,939. The increase against December 31, 2013 (54,858,448 shares) resulted from the conversion of convertible bonds in the fiscal year 2014 and the issue of 13,931,195 new shares in the context of a capital increase.

PNE WIND AG gave a contractual commitment to the limited partners participating in the operating company of the Silbitz biomass power station to repurchase their limited partnership shares at the beginning of 2017 at a price in the amount of 110 percent of the nominal value. Due to this undertaking other financial liabilities include a discounted purchase price liability in the amount of euro 6.4 million as at December 31, 2014. Furthermore, PNE WIND AG had offered the limited partners of HKW Silbitz GmbH & Co. KG a distribution guarantee until 2016, which is included in the provisions at a discounted amount of euro 0.7 million.

In the 2014 fiscal year, the short term liabilities reduced from euro 85.7 million (December 31, 2013) to euro 79.4 million. This includes the amount owed to convertible bond holders totalling euro 1.8 million, which was previously recognised under the long term liabilities. The term of the 2009/2014 Convertible Bond ended in July 2014. Convertible bonds that were not converted into shares were repaid at their nominal value totalling euro 648,300.00. The term of the 2010/2014 Convertible Bond ended at the end of December 2014. The participation certificates of PNE WIND AG (euro 0.8 million) and WKN AG (euro 2.2 million) are now reported as a current liability and no longer included under long term liabilities. The trade liabilities increased from euro 12.1 million (December 31, 2013) to euro 21.5 million. Short term financial liabilities, which include short term credit liabilities, decreased from euro 39.0 million (December 31, 2013) to euro 38.4 million. This change was mainly attributable to additions and disposals of short term project financing with maturities of less than one year, which are used upon implementation of the project and which are or were transferred to the investors after the wind farms are completed and the inclusion of the working capital credit line of WKN AG (amount drawn: euro 20.0 million) per December 31, 2014

Taking into consideration the liquid funds, the net indebtedness on December 31, 2014 was euro 115.0 million (December 31, 2013: euro 134.1 million) in accordance with DVFA – German Association for Financial Analysis and Asset Management.

b) PNE WIND AG

Assets (in EUR million)	31.12.2014	31.12.2013
Intangible assets	0.1	0.1
Property, plant and equipment	12.6	12.7
Financial assets	100.6	100.2
Inventories	28.7	35.2
Receivables and other assets	152.2	108.9
Liquid funds	59.5	67.2
Total assets	353.7	324.3

The fixed assets consist of intangible assets in the amount of euro 0.1 million (prior year: euro 0.1 million), property, plant and equipment in the amount of euro 12.6 million (prior year: euro 12.7 million) and financial assets of euro 100.6 million (prior year: euro 100.2 million). The changes in property, plant and equipment and in intangible assets are due mainly to scheduled depreciation and amortisation.

The current assets consist of inventories in the amount of euro 28.7 million (prior year: euro 35.2 million), of which work in progress totalling euro 9.3 million (prior year: euro 11.0 million) and prepayments made in the amount of euro 19.3 million (prior year: euro 24.2 million) as well as receivables and other assets of euro 152.2 million (prior year: euro 108.9 million). The receivables and other assets include trade receivables in the amount of euro 9.5 million (prior year: euro 4.2 million), receivables from affiliated companies totalling euro 139.1 million (prior year: euro 100.6 million) and other assets of euro 1.8 million (prior year: euro 2.7 million). The increase in the receivables from affiliated companies is mainly due to loans granted to onshore project companies of the Group for the realisation of wind farm projects.

The liquid funds amounted to euro 59.5 million as at December 31, 2014 (prior year: euro 67.2 million).

Liabilities (in EUR million)	31.12.2014	31.12.2013
Shareholder equity	188.8	153.1
Special item for investment grants	1.0	1.0
Provisions	12.4	7.0
Liabilities	151.4	163.0
Deferred income	0.1	0.2
Total liabilities and shareholder equity	353.7	324.3

The shareholder equity of PNE WIND AG amounted to euro 188.8 million as at December 31, 2014 (prior year: euro 153.1 million). The equity ratio of the PNE WIND AG was approx. 53 percent as at December 31, 2014 (December 31, 2013: 47 percent) and the debt ratio approx. 47 percent (as at December 31, 2013: 53 percent).

On December 31, 2014, the total number of shares issued by PNE WIND AG amounted to 71,974,939. The increase against December 31, 2013 (54,858,448 shares) resulted from the conversion of convertible bonds during the fiscal year 2014 and the issue of 13,931,195 new shares in the context of a capital increase.

The major items on the liability side are the liabilities in the amount of euro 151.4 million (prior year: euro 163.0 million). These are attributable mainly to the corporate bond issued in 2013 in the amount of euro 100.0 million, the 2010/2014 Convertible Bond totalling euro 1.8 million (prior year: euro 6.0 million) and the 2014/2019 Convertible Bond of euro 6.6 million issued in 2014, liabilities to banks of euro 2.9 million (prior year: euro 3.0 million), prepayments received on orders totalling euro 23.1 million (prior year: euro 26.4 million) and the trade liabilities of euro 3.0 million (prior year: euro 2.1 million).

The provisions include a provision for pending losses in the amount of euro 0.7 million (as at December 31, 2013: euro 0.7 million). These were formed for reasons of prudence in respect of a timber supply contract for the Silbitz timber power plant. In this contract, PNE WIND AG had undertaken to supply timber at fixed conditions, which could lead to losses. Other significant provisions relate to outstanding invoices in respect of wind farm projects totalling euro 6.7 million (as at December 31, 2013: euro 1.6 million), a distribution guarantee to the limited partners of HKW Silbitz GmbH & Co. KG, which is recognised at a discounted amount of euro 0.7 million (as at December 31, 2013: euro 0.7 million) as well as provisions for variable remuneration of the members of the Board of Management and senior executives in the amount of euro 1.6 million (as at December 31, 2013: euro 2.1 million).

7. Transactions with closely related companies and persons

During the fiscal year 2014 there were the following transactions with related persons:

PNE WIND AG concluded consulting contracts for the provision of EDP services with net.curity InformationsTechnologien GmbH, whose managing shareholder, Mr. Rafael Vazquez Gonzalez, was a member of PNE WIND AG's Supervisory Board until June 4, 2014. In the period up to the retirement of Mr. Vazquez Gonzalez from the Supervisory Board, transactions were effected in this respect with a net volume of euro 122,884.94 (prior year: euro 310,875.14). These business transactions were undertaken on an arm's length basis.

After the retirement of Mr. Vazquez Gonzalez, net.curity Informations Technologien GmbH continues to be responsible – on almost the same contractual basis - for the functioning of the electronic data processing of PNE WIND AG including maintenance and repair of the equipment as well as for the updating of the programmes. Moreover, it provides the necessary server and infrastructure as well as the technical service for the Company's website and communications capabilities.

8. Sales and marketing

The sale of onshore wind farm projects is based on direct sales to large and individual investors. PNE WIND AG has had positive experience with these direct sales during the past few years and will continue to follow this proven course.

In addition, the Company intends to expand its business model: In future, commissioned wind farms shall be bundled in a new subsidiary, a so-called YieldCo, with the aim of generating additional earnings, both through the management of the YieldCo and by providing commercial and technical operating management services for the wind farms in the portfolio. PNE WIND AG intends to sell this subsidiary in part or completely to investors at a later time.

- | Economic report
- | Transactions with closely related companies and persons
- | Sales and marketing
- | Development and innovations
- | Major events subsequent to the period under report
- | Intangible assets / sustainable development

In addition, it is possible to sell larger project portfolios if investors are interested.

For the realisation of offshore wind farm projects it remains our intention to continue to work with strong partners.

9. Development and innovations

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

10. Major events subsequent to the period under report

No significant events took place since the end of the period under report, which have an effect on the asset, financial and earnings situation.

11. Intangible assets / sustainable development

The successful development of wind farm projects onshore and offshore is based primarily on the knowledge and experience of qualified employees of many years standing as well as on cooperation based on confidence with other participating partners. Creativity and individual approaches are frequently required for the solution of the many complex problems during the development phase of a wind farm. The value of a wind farm project, from which the commercial success of PNE WIND AG depends, is created primarily in the planning phase up to the approval. In this respect, we can rely on the competence and experience of our long-time employees, who do not only have excellent expertise in the branch but also maintain very good professional networks.

Core competences

- Good network in the industry
- Expertise through qualified employees
- Longstanding experience of wind farm project development
- International expansion with experienced local partners
- Promoting young talent with apprenticeships and qualification
- PNE WIND AG as a brand in the core business of wind farm projecting
- Contribution to energy transition and climate protection through sustainable and economical power generation in the future

As a result, it is assured that one can rely on a high degree of professional competence in all phases and areas of the development, realisation and marketing of wind farm projects. Furthermore, we place great importance on the fact that the potential of our employees can be used optimally through an effective internal organisation and a high degree of self-responsibility. Regular evaluations of the employees and their tasks enable us to constantly adjust in a performance-related manner specially tailored requirement profiles to the corresponding tasks. In this way high standards can be achieved and maintained in the most varied areas of tasks. Our expertise in the market is strengthened further through the qualifications of our employees and the constant optimisation of our processes.

From practice, we have implemented many years of experience in project development into processes, which have enabled us to conclude successfully in a specific and intensive manner all phases of projecting from the acquisition of the site up to the turnkey construction.

We value the importance of experienced partners within the context of international expansion. Our policy is to only enter new markets if we can do this jointly with local partners who have good local networks. In this respect, the principle also applies to professionally qualified cooperation based on trust with the project partners and other participants.

It is also important to maintain the network of partners and supporters of our business model, which we have built up over many years. Since wind farm projecting is based on regulatory conditions, these are closely linked with the activities of the industry associations and are used to maintain constant dialogue.

With continuous training and qualification of young people, we are assuring training places and are assuming social responsibilities. As a general rule, the young employees remain with the Company after training.

In order to give proof of the focus on the core business of wind farm projecting and the competence connected with it, the corporate name "PNE WIND" will be developed increasingly into a brand by means of continuous marketing. Our objective is to document nationally and internationally our "passion for energy" even more intensively to the outside world and thus to increase the value of the brand.

We are making a substantial contribution to the reduction of damaging climatic gases with the wind farms projected and operated by us and, thus, to the protection of humanity, the environment and nature. The "Altenbruch II" wind farm alone reduces the annual emission of approximately 38,000 tons of carbon dioxide, 197 tons of sulphur dioxide and 49 tons of nitric oxide. However, the generation of electricity from wind power not only makes positive contributions to the environment but also contributes to saving the limited reserves of fossil fuels, since these are far too valuable just to be burned. From an economic point of view, there is a positive effect in that the generation of electricity is decentralised and thus the import of expensive fuels is reduced and avoided. Value is added where electricity is generated from wind power. As a result the wind farms projected and operated by ourselves are assuring generation of electricity in the future in an ecologically meaningful and economically correct manner.

12. Report of opportunities and risks

General factors

As a result of its business activities, the Group and the individual consolidated companies are exposed to risks which are inseparable from its entrepreneurial activities. Through our internal risk management system, we are minimizing the risks associated with our business activity and invest only if a corresponding added value can be created for the Company while maintaining a manageable risk. Risk management is a continuous process. An evaluation of the 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. Unless otherwise indicated below, the assessment of the risks has not changed compared to 31 December 2013.

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 progress 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 realised, it may result in fixed assets being written off. The operating opportunities in the projecting of onshore and offshore wind farms can, however, only be realised if such entrepreneurial risks are taken.

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

The number of suitable sites in Germany for the construction of wind power turbines is limited. This can result in the future in an increase in the competition for these sites and thus also the acquisition costs for such sites, such as, for example, compensation for use of sites which would reduce the targeted profit contribution.

Within the context of project realisation, the Company must rely on its ability 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 PNE WIND AG should be required to honour guarantees which it has granted or to honour other comparable commitments or should any other of the risks described in this paragraph occur.

A risk to the future development is possible in 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 selected the sales target of "individual and large investors" for several years. Negative effects from rising rates of interest on the project marketing, cannot, however, be excluded, since rising interest rates lead to higher project costs. In addition, rising capital market interest rates can simultaneously lead to declining sales prices, since the requirements of the individual and large investors for a return on the project may increase in this case.

The financing available to WKN AG is subject in part to variable interest rates, which are mainly linked to the 3 month EURIBOR or the EONIA. Apart from a small partial amount, WKN AG has not hedged against rising interest rates.

Risks in respect of project realisation could result from a financial crisis and the reluctance resulting there from on the part of the banks with regard to project financing. However, previous practice has shown that infrastructure funds, insurance companies and pension funds are highly interested in an investment in offshore wind farms.

Financing risks also exist for our partner companies (DONG Energy as well as Ventizz/Hochtief) with regard to offshore wind farm projects. Depending on the progress of the project, payments will still be due to PNE WIND AG for the "Borkum Riffgrund II", "Nautilus II" as well as "Gode Wind" 3 and 4 projects. The purchasers of the project shares have not yet taken a decision to construct the projects. Therefore, it

cannot be assumed with certainty that the projects will be realised. A failure of these projects would have no major effects on the short or medium term 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 or are expected beyond the short to medium term planning period.

Liquidity risks for the financing of the operating business during the course of the year exist in particular if the closing of project sales in the context of direct sales to external investors are delayed. A risk may also occur if the planned YieldCo is not able to take over any projects as is planned or if the shares in the YieldCo cannot be sold wholly or partially. Although these liquidity risks are regarded as low, they would have effects on the future asset, financial and earnings situation of PNE WIND AG and the Group.

Refinancing risks may occur in view of the many years required for project development, when the two participation certificate issues of WKN AG expire in 2015 and the KfW loan to WKN AG in June 2016.

Refinancing risks may arise when the syndicated working capital loan agreement of WKN AG expires in June 2016 or if the syndicated working capital loan can be terminated early by the lenders, because financial performance indicators defined in the agreement are not met. As at December 31, 2014, WKN AG had not met all financial performance indicators so that there is generally the possibility of terminating the entire credit commitment and of claiming immediate repayment of the entire loan drawn down. By the date of the audit of PNE WIND AG's consolidated financial statements, the lenders have not exercised their right of termination.

In respect of wind farms which the PNE WIND Group intends to operate on its own initially, reduced support pursuant to the EEG will lead to lower earnings from the operation of the wind farm for PNE WIND. In addition, the EEG provides for certain reduction criteria, which, when fulfilled, may result in the amount of support being reduced to zero. In the worst case, any delays in the completion of a wind farm or the occurrence of specific events may result in a wind farm being unprofitable and unsellable. This might have significant negative effects on business activity as well as the asset, financial and earnings situation of the PNE WIND Group.

Risks could arise for the planned implementation periods for the "Nemo", "Jules Verne" and "Nautilus" as well as the "Atlantis I – III" offshore wind farm projects due to time delays in the planning and construction of the 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 acquisition or divestment of foreign companies. It is planned to undertake the hedging of key foreign exchange transactions with third parties outside the Group through currency hedging transactions.

There are joint venture companies within the PNE WIND Group, which may represent risks, since they have already started or will start activities abroad in the future. There is the risk that cooperation with partners of existing joint ventures fails, for example, if a joint venture partner withdraws so that the relationships and skills of the joint venture partner regarding the relevant foreign market can no longer be leveraged or that foreign wind farm projects already commenced will come to a halt or will fail. Legal disputes might also arise with the joint venture partner – in particular if the projects managed by the joint venture company cannot be realised as scheduled. This may result in a depreciation of the carrying amount of the inventories of the respective joint venture company in PNE WIND Group's balance sheet. All of this may significantly complicate the activity of the company in the relevant foreign market and, in the worst case, lead to a complete failure of the activity in this country. This in turn may have an effect on the future results of the PNE WIND Group.

The PNE WIND Group plans and develops projects abroad and their respective configurations and projected earnings form part of the Group's planning. Should investors demand fundamental changes (e.g. a change in the number of wind power turbines or in the wind power turbine model) as a condition for their purchase of the project and no other suitable investors are available to the PNE WIND Group, this could lead to adjustments in the value of the project and thereby to adjustments of inventories in the PNE Group's key indicators, which in turn could culminate in unplanned negative results.

With regard to the risk of long term loan obligations and the related interest payments, hedging transactions (SWAPs) are concluded in individual cases, which could lead to an additional strain on the Company's liquidity in case of a negative interest rate trend.

From the issue of the 2013/2018 bond and the covenants concerning the equity ratio included in the bond conditions, increased interest payments could arise or there could be a termination right on the part of the bond holders prior to the scheduled maturity in the event of a breach of the covenant. Increased interest payments on the bond would have no significant effects on the future asset, financial and earnings situation of PNE WIND AG. A termination of the bond by the bond holders prior to the scheduled maturity would have substantial effects on the future short and medium term asset, financial and earnings situation of PNE WIND AG. The credit rating of PNE WIND AG was last renewed in January 2015. For the next twelve months, the rating agency still believes that a credit rating downgrade may be possible. This might have a negative impact on the refinancing costs of the Company in the future.

In case of a change of control, bond holders have the right to early repayment in accordance with the terms and conditions of the PNE WIND AG corporate bond 2013/2018. A change of control is deemed to occur when the Issuer becomes aware that a person or a group of persons is acting in concert, in accordance with § 2 para. 5 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz „WpÜG“) and has become the legal or beneficial owner of more than 30% of the company's voting rights. This would have a significant impact on the future asset, financial and earnings situation of the PNE WIND AG.

Risks from the majority shareholding in WKN AG

The purchase price paid by PNE WIND for the acquisition of the total participation in WKN AG may prove to have been too high and could result in a high outflow of funds as well as downward pressure on results due to write-offs.

The assumptions made by PNE WIND AG regarding the facts and the business development of WKN AG may prove to have been too optimistic and/or PNE WIND AG could have estimated risks in connection with the business activity of the WKN Group wrongly or too optimistically. A detailed examination and project analysis performed by independent auditors revealed inconsistencies in the evaluation of projects of WKN on the date of takeover by PNE WIND. These were detected only after the acquisition and PNE WIND AG is making claims against Volker Friedrichsen Beteiligungs-GmbH, the former main shareholder of WKN AG and current shareholder of PNE WIND AG.

If repayment claims are enforced, this would lead to a reduction in the level of investment made and result in a purchase price reduction. WKN AG is an independent company within the PNE WIND Group, and PNE WIND AG does not have any direct influence over WKN. For this reason, as well as due to the fact that WKN AG has third party shareholders, there could be difficulties with the implementation of the strategy to acquire the total participation in WKN AG and realising positive synergy effects could prove to be difficult.

The WKN Group could, in the future, be unable to cover its financing requirements, in particular in the event of the maturity of larger third party liabilities. This could lead to increased expenses or non-contractual, voluntary support payments on the part of PNE WIND AG. The risk assessment has changed compared to the previous year due to a breach of the covenants described below.

From the drawing down of the syndicated loan in the amount of euro 29 million and also from the covenant included in the loan contract regarding the maintenance of an equity ratio, an interest cover ratio or a gearing factor, there is the risk of increased interest rates in the event of a breach of the covenant or the right of the banks to terminate the syndicated loan prior to scheduled maturity (June 30, 2016). Apart from the working capital base financing of euro 6 million, which is based on the covenants of the syndicated loan agreement, WKN AG's guarantee credit facility totalling euro 15 million is also to be seen in this context. Increased interest payments for the drawing down of the loan would have no significant effects on the future asset, financial and earnings situation of the PNE WIND Group. A termination of the syndicated loan by the banks prior to the scheduled maturity date could have substantial effects on the future short and medium term asset, financial and earnings situation of WKN AG and thus also on PNE WIND AG, depending on the relative amount of the syndicated loan taken down. As at December 31, 2014, WKN AG had not met all financial performance indicators so that there is generally the possibility of terminating

the entire credit commitment and of claiming immediate repayment of the entire loan drawn down. The WKN Group is currently in discussions with the parties of this syndicated loan agreement in order to remedy this first-time non-compliance of a performance indicator of the syndicated loan agreement since implementation of the credit line in 2011. By the date of the audit of PNE WIND AG's consolidated financial statements, the lenders have not exercised their right of termination.

Apart from the projecting of wind power turbines, the WKN Group is also to a small extent active in the area of the projecting of photovoltaic equipment. This results in PNE WIND AG being subject to various risks in connection with the development and projecting of photovoltaic farms.

There are risks for the WKN Group in connection with the operation of the Passauer Land photovoltaic farm, such as too high earnings expectations, too low estimates of the operating costs and thus also a possible additional requirement for liquidity.

Political risks / market risks

Uncalculable 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. In Germany, deterioration from the point of view of the Company is not to be expected, since the amended Renewable Energy Sources Act (EEG) entered into force on August 1, 2014. The Board of Management of PNE WIND AG is of the opinion that wind farms can be economically developed and operated according to the current remuneration and legal framework. The risks related to any tendering procedures for onshore and offshore wind farms cannot yet be assessed at present, since, to date, there is no concrete information about the structure of the wind energy tenders provided in the law.

Political and market risks abroad, such as in the USA and in Romania could affect the planned project implementations during the next few years. PNE WIND AG and its subsidiaries are intensively observing the current developments abroad in order to recognise, as early as possible, changes in the market situation or the political landscape and to introduce any measures at the right time. In the event of sudden changes in the remuneration systems and retrospective intervention by the legislator, risks for the PNE WIND Group may arise due to the project development cycles of several years.

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.

The Financial Reporting Enforcement Panel (FREP) informed the Company in August 2014 that it will examine the consolidated financial statements, the separate financial statements and the combined management and group management report for fiscal 2013 by way of random sampling. The Company declared its readiness to cooperate in the examination and to forward any documents and information requested as well as to respond to questions in connection with random sampling. It cannot be ruled out that the FREP identifies any errors in the context of the random sampling, which may have an impact on the financial figures of PNE WIND AG. This might have significant negative effects on the asset, financial and earnings situation of the PNE WIND Group.

Tax risks

PNE WIND AG and its subsidiaries as well as Group companies 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 tax receivables and tax liabilities as well as on deferred tax assets and deferred tax liabilities. The PNE WIND Group is operating in countries with complex tax regulations, which could be interpreted in different ways. Future interpretations and developments of tax laws and regulations could have an influence on tax liabilities, profitability and 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 and that of WKN AG and its subsidiaries for the period up to December 31, 2006. In the case of external audits there is the risk that the results of the external audit can have effects on the asset, financial and earnings situation of the Company in the future annual and consolidated accounts.

Prospects

- Long-term growth path of renewable energies due to limitation of fossil energy sources
- Developing the business model and diverse opportunities through YieldCo entry
- High growth potential into attractive foreign markets, also: diversification
- Stable conditions in Germany
- Great demand of repowering in the next years
- Offshore wind farms as central pillar of energy transition
- Growing number of wind farms creates additional demand for technical and commercial management

Opportunities

As a developer of onshore and offshore wind farms, the PNE WIND Group is active in an attractive international growth market. Independent studies assume high rates of growth for wind power during the next few years due to the finite availability of fossil fuels, the pressure to reduce dangerous climate emissions as well as the requirement for secure sources of energy. From their many years of activity in the market, the companies of the PNE WIND Group may have available the prerequisites and experience needed to benefit over the long term from this development.

PNE WIND AG is continuing its ongoing further development of the business model by establishing a so-called YieldCo. The Company's completed and commissioned onshore wind farms in Germany with a

total output of up to 150 MW will be bundled in this subsidiary, before being sold wholly or partly to investors, if possible, by the end of 2016.

The Company intends to benefit in multiple ways from this strategy, which has proven to be successful in the USA and the United Kingdom: We anticipate that a portfolio of already commissioned wind farms can be sold under better conditions than the sale of individual projects. The reason is that YieldCo investors, mainly major infrastructure and sustainability funds, generally have lower yield expectations than purchasers of wind farms which are not yet commissioned. This is also due to the fact that, when selling a portfolio, purchasers acknowledge that they do not face any construction risks and that they can invest in various sites, which means diversification. Furthermore, PNE WIND AG plans on generating

additional revenue through the management of the YieldCo and by providing, insofar as possible, long-term commercial and technical operating management services for the wind farms. Finally, PNE WIND may also benefit from the fact that the YieldCo – also after its sale – will provide an additional sales channel for other wind farm projects.

The activities abroad offer special opportunities for the Company. The PNE WIND Group has already expanded its business activity into attractive growth markets and the expansion is taking place primarily in countries with generally stable political conditions with reliable feed-in and promotion regulations and with comparably high market potential. In order to sufficiently take into consideration the corresponding local conditions, the market introduction mostly takes place in cooperation with a local partner, whereby the companies of the PNE WIND Group secure their necessary management and controlling rights by means of a significant participation and, in turn, finance almost completely the project development work. This type of internationalisation has proved itself to be a cost-efficient and promising strategy. Joint ventures were therefore established in accordance with this model in several countries. In the future PNE WIND AG will also pursue this policy for selective foreign expansion and take advantage decisively of existing market opportunities. Continuous observation takes place regarding other wind power markets as well as a careful analysis of corresponding market introduction opportunities.

In addition to the perspectives of internationalisation, the established German market continues to offer a range of opportunities. Apart from the proposed annual expansion corridor of 2,400-2,600 MW in the coming years, an increase in the replacement rate of obsolete wind turbines with more modern and efficient equipment (so-called repowering) is expected. The German Wind Energy Association (BWE) estimates an annual volume of around 1,000 MW. Generally speaking, wind farms which are suitable for repowering are located in areas prioritised for wind power, which eases planning and acceptance.

In addition, there is the planned expansion of German offshore wind power, which is already gaining momentum. The ambitious climate objectives of the Federal Government and the necessity for increasing the security of supply require the accelerated expansion of offshore wind farms. In this respect PNE WIND AG is distinguished by the fact that it has already carried out five offshore wind farm projects through the whole process up to approval by the Federal Office for Shipping and Hydrographics, of which three have unconditional grid connection guarantees from TenneT and are currently under construction. Six further own offshore projects as well as two additional 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 major 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 with respect to the sales and earnings situation of the Company. The Group repositioned itself in the Operations and Management service area with the merger of PNE WIND AG and WKN AG activities into

energy consult GmbH. The new company serves 650 wind turbines with more than 1,080 MW of rated power as well as photovoltaic systems. With its headquarters in Cuxhaven and offices in Husum, energy consult GmbH offers technical management services in the German and international markets.

Overall, the scope and potential of risks have not changed significantly versus the previous year in the opinion of the Board of Management. However, the future outlook for the Company's developments has improved through the establishment of a YieldCo from the Board of Management's perspective. A positive development of the Company can thus be expected in the coming fiscal years according to the estimates of the Board of Management.

13. Controlling system

The control of the PNE WIND Group is based on regular discussions between the Board of Management and the corporate units; meetings of the Board of Management take place regularly. The internal controlling system covers all areas of the Company. As a result, short reaction times to changes in all areas and at all decision levels of the PNE WIND Group can be guaranteed. Any changes with a significant effect on the results are reported immediately to the Board of Management.

The starting point for the controlling of the overall Group and the corporate units is the targets set by the Board of Management, which are derived from the vision, mission and the overall strategy of the PNE WIND Group. A key instrument for the implementation of the targets and objectives is the totality of the internal regulations of the PNE WIND Group.

The corporate units report monthly on the current developments and deviations from the targets. Moreover, early operating indicators are continuously analysed.

A regular exchange takes place between the Board of Management and the business divisions, in which an overview is given of the corresponding market situation. Furthermore, during the course of the year, major topics are also discussed such as the determination of the strategy and its systematic implementation within the context of the annual and medium term planning as well as the target agreements and their achievement.

The controlling of the activities of our operating units takes place on the basis of the stated controlling key data; in this respect the EBIT result is given high importance, since this is in our opinion the appropriate data for the judgement of the earnings power of the PNE WIND Group. In addition, the onshore and offshore projecting volume in Germany and abroad is used as a non-financial controlling figure. On the basis of the controlling EBIT data and project development volumes, a comparison is made in the PNE WIND Group between the annual and the forecasted development of the business.

14. Description of the key characteristics of the ICS/RMS of the parent company and the total Group

Internal control system (ICS)

The goal of the methods and measures set up by us is to secure the assets of the Company and to increase the operating efficiency. The reliability of the accounting and reporting systems as well as the compliance with the internal guidelines and legal regulations should be guaranteed by the internal control system (ICS) in place.

Within the context of the implementation of the ICS, we have subjected the individual functional departments of the Company and of the Group to a detailed analysis and evaluated accordingly the probability and the possibility of the occurrence of any damage.

We have organised the structure of the individual units based on the knowledge gained and on the evaluations made. Moreover, we have adapted the work processes to the findings obtained. For example, we pay attention to a consistent separation of incompatible activities and in addition we have introduced appropriate control ranges. Furthermore, we place a high value on the non-overlapping of responsibilities, with the stipulation that tasks, competence and responsibility are combined. Simultaneously, we have integrated controls into the work processes.

The above-mentioned key characteristics of the ICS are applied in all functional areas of the parent company and the total Group. The implementation of the organisational structural and process controls in the area of the internal control system ensures the integrity of the data in the accounting process which are included in the financial reports.

Apart from the controls implemented in the system, the individual functional departments are also monitored by managers.

Key characteristics of the accounting related internal control and risk management system

The objective of the internal control and risk management system with regard to the (Group) accounting process is to assure that the accounting is carried out in a standard manner and in compliance with the legal regulations, the principles of orderly accounting as well as in accordance with the International Financial Reporting Standards (IFRS) and Group internal guidelines, so that the recipients of the consolidated and individual financial statements have at their disposal pertinent and reliable information. PNE has set up an accounting related internal control and risk management system for this, which comprises all relevant guidelines, processes and measures.

The internal control system consists of the control and audit departments.

The Board of Management and the Supervisory Board (in this respect in particular the Audit Committee) are an integral part of the internal monitoring system with audit measures independent of the process.

The Group accounting department serves as the central contact point for special technical questions and complex reporting matters. If necessary, external experts (auditors, qualified actuaries, etc.) will be consulted.

Moreover, the accounting related controls are carried out by the Group controlling department. All items and key accounts of the statement of comprehensive income and the statement of financial position of the consolidated accounts and the companies included in the scope of consolidation are monitored at regular intervals with regard to their correctness and plausibility. The controls are carried out either monthly or on a quarterly basis, depending on how the accounting related data are drawn up by the accounting department.

The accounting related risk management system is an integral part of the risk management of the Group. The risks relevant for the correctness of the accounting related data are monitored by the person responsible for risks for the risk area of finance and are identified, documented and assessed quarterly by the risk management committee. Suitable measures have been set up by the risk management of the Group for the monitoring and risk optimisation of accounting related risks.

Risk management (RMS)

The risk policy of the Group and of the Company forms part of the corporate strategy and is aimed at securing the substance of the Group as well as the Company and simultaneously at increasing their value systematically and continuously.

The risk strategy is based on a valuation of the risks as well as the opportunities related thereto. In the areas of key competence of the Group and of the Company we focus on appropriate, visible and controllable risks if they simultaneously lead to an appropriate income or are unavoidable. In certain cases we transfer risks in supporting processes to other risk areas. Other risks, which have no connection with key and/or support processes, are on the other hand avoided insofar as this may be possible.

The Group has formulated the general conditions for a qualified and future orientated risk management in the "Risk Management Handbook". This handbook regulates the specific processes in risk management. It aims for the systematic identification, evaluation, control and documentation of risks. In this respect and taking into consideration clearly defined categories, it identifies the risks of the divisions, the operating units, the important associated companies as well as the central departments and evaluates them with regard to the likelihood of their occurring and the possible level of damage. The reporting is controlled by value limits defined by the management.

The individual risks are classified as part of internal risk reporting within the Group on the basis of the likelihood and potential impact.

The key classification of probability

Probability	Description
0% to 5%	Very low
6% to 20%	Low
21% to 50%	Middle
51% to 100%	High

Classification according to the degree of influence

Expected impact in TEUR	Degree of impact
TEUR 0 to TEUR 250	Low
>TEUR 250 to TEUR 1,000	Moderate
>TEUR 1,000 to TEUR 2,000	Considerable
>TEUR 2,000 to TEUR 40,000	Very high

The risk classification of High, Middle and Low results from the combination of the expected probability and the degree of influence.

Impact				
Very high	Middle	High	High	High
Considerable	Middle	Middle	High	High
Moderate	Low	Middle	Middle	High
Low	Low	Low	Middle	Middle
Probability	Very low	Low	Middle	High

It is the task of the persons responsible to develop and possibly to initiate measures for the avoidance, reduction and securing of risks. The key risks as well as the counter-measures introduced are monitored at regular intervals. The central risk management reports regularly on the identified risks to the Board of Management and the Supervisory Board. In addition to the regular reporting there is also an obligation for spontaneous internal Group reporting for risks which arise unexpectedly. The risk management enables the Board of Management to recognise risks at an early stage and to introduce counter-measures.

The key characteristics of the risk management system described above are applied throughout the Group. With regard to the processes in the consolidated accounting this means that the identified risks are examined and evaluated in the corresponding financial reports especially with regard to their possible effects on the reporting. Through this, important information is generated at an early stage about potentially possible fair value changes of assets and liabilities, pending losses of value are identified and important information is gained for the assessment of the necessity for the setting up/release of provisions.

The appropriateness and the efficiency of the risk management as well as the control systems pertaining thereto are controlled and amended accordingly at the level of the Board of Management at regular intervals. Due to the particular importance of exemplary action in all business areas, executive employees are trained specifically with regard to questions of compliance.

Finally it should be noted that neither the ICS nor the RMS can give absolute security with regard to the achievement of the corresponding objectives. Like all discretionary decisions, also those for the development of appropriate systems can in principle be wrong. Controls can be ineffectual as a result of simple mistakes or errors in individual cases, or changes of environmental variables can be recognised at a late stage in spite of corresponding monitoring.

In particular the following individual risks are currently being monitored intensively within the context of the risk management process:

- Possible claims from the financing and prospectus liability of older wind farm projects for which the maturities have not yet expired.
- Possible technical risks may arise from our own operation of wind farms and which could negatively influence the results.
- Possible risks which could arise from changes in laws and regulations for our operating business in wind farm projecting.
- Possible risks which may arise from the lack of electricity transmission capacities in foreign markets, e.g. in Romania.
- Particular importance is given to the compliance with the regulations of the German Corporate Governance Code in its relevant valid version. Risks could also arise, however, from non-compliance with the regulations and the internal guidelines by individuals. Possible risks relating to the "Law on the Appropriateness of Remuneration of the Board of Management (VorstAG)" are regularly monitored in this connection.

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

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

16. Management report on relations with affiliated companies

Pursuant to § 312 AktG, a report on relations with affiliated companies, the Board made the following declaration, "We declare that PNE WIND AG was neither advantaged nor disadvantaged by those listed in this report on relations with affiliated companies in fiscal 2014, according to the circumstances known to us at the time at which the measures were taken. Transactions with the controlling company or a related company or on behalf or in the interest of these companies were not made in the 2014 financial year."

17. Supplementary information in accordance with Section 289 Paragraph 4 and Section 315 Paragraph 4 of the German Commercial Code (HGB) (Takeover Directive Implementation Act)

Capital situation

As at December 31, 2014, PNE WIND AG had issued 71,974,939 registered shares with a nominal share in the share capital of euro 1.00 each. As at December 31, 2014, free float shares (holdings of less than 3 percent of the share capital) amounted to approximately 84.6 percent. A direct participation, which exceeded the amount of 10 percent of the voting shares, was reported by the Supervisory Board member Volker-Friedrichsen via Volker Friedrichsen Beteiligungs-GmbH, Schwabstedt, and VF Vermögensverwaltung GmbH, Schwabstedt, with approximately 15.4 percent.

- | Description of the key characteristics of the ICS/RMS of the parent company and the total Group
- | Management declaration [Section 289a of the German Commercial Code (HGB)]
- | Management report on relations with affiliated companies
- | Supplementary information in accordance with Section 289 Paragraph 4 and Section 315 Paragraph 4 of the German Commercial Code (HGB)

Other direct or indirect participations exceeding the value of 10 percent of the voting shares were not disclosed.

Restrictions concerning the voting rights or the transfer of shares are not specified in the articles of association and exist only in legally determined cases. Shares with special rights giving a controlling function do not exist. There is no control of voting rights through the participation of employees in the capital.

Shareholders' rights and obligations

Shareholders have pecuniary and administrative rights.

The pecuniary rights include the right to participate in profits in accordance with Section 58 (4) of the German Stock Corporation Act (AktG), to participate in liquidation proceeds in accordance with Section 271 AktG and the subscription rights on shares in the event of capital increases in accordance with Section 186 AktG.

Administrative rights include the right to attend the general meeting of shareholders and the right to speak there, to ask questions, to propose motions and to exercise voting rights.

Each share grants the holder one vote at the general meeting of shareholders. The general meeting of shareholders appoints and elects the members of the Supervisory Board and elects the auditors; it resolves the discharge of the members of the Board of Management and the Supervisory Board, resolves amendments to the articles of association and capital measures, authorisations to purchase treasury shares and, if required, the conduct of special audits; it also resolves premature removal of Supervisory Board members and the winding-up of the Company.

Statutory regulations and provisions of the articles of association with regard to the appointment and removal of members of the Board of Management and amendments to the articles of association

The appointment and removal of members of the Board of Management are governed by Sections 84 and 85 AktG. In accordance with these provisions, the members of the Board of Management are elected by the Supervisory Board for a maximum of five years. Re-election is permissible for a maximum of five years in each case. In accordance with Section 6, paragraph 1 of the articles of association, the Supervisory Board determines the number of the members of the Board of Management. In addition, it may appoint a Chairman of the Board of Management and a deputy.

An amendment to the articles of association requires a resolution of the general meeting of shareholders in accordance with Section 179 AktG. Pursuant to Section 15 paragraph 2 of the articles of association, resolutions of the general meeting of shareholders are adopted with a simple majority of votes cast, unless otherwise stipulated by law, and in cases where a majority of capital is required by law in addition to a majority of votes, with a simple majority of the share capital represented during the vote. In accordance with Section 179 (2) AktG, a resolution of the general meeting of shareholders concerning an amendment to the articles of association requires a majority of at least three quarters of the share capital represented during the vote. The articles of association may specify a different capital majority; however, only a greater capital majority for an amendment to the purpose of the Company.

In accordance with Section 10, paragraph 7 of the articles of association, the Supervisory Board is authorised to make amendments to the articles of association that relate solely to their wording. Furthermore, the Supervisory Board is authorised to amend Section 5 of the articles of association in line with the relevant utilisation of a conditional capital and to amend the articles of association in line with a capital increase implemented and, if the authorised capital has not been utilised in full by May 21, 2018, after the end of the relevant authorisation period.

Authorisation of the Board of Management, in particular in respect of the possibility of issuing or repurchasing shares

The annual meeting of shareholders of May 22, 2013 authorised the Company's Board of Management to purchase up to May 21, 2018 own shares in a volume of up to 10 percent of the share capital existing at the time of the resolution. The acquisition shall take place at the discretion of the Board of Management either via the stock market or via a public purchase offer or via a public invitation to the shareholders to submit offers for sale. In the case of acquisition via the stock market, the acquisition price per share may not be more or less than 10 percent of the average XETRA closing price on the Frankfurt Stock Exchange during the five trading days preceding the acquisition (or, provided that this authorisation is based on the XETRA closing price, the closing price determined in a successor system replacing the XETRA system).

The Board of Management is authorised to call in, in whole or in part, the Company's own shares acquired under this authorisation without any further resolution by the general meeting of shareholders. The Board of Management is furthermore authorised to sell the Company's own shares acquired in a way other than through a sale on the stock market or through an offer to all shareholders, provided that the shares are transferred to third parties as a payment as part of the acquisition of companies or of participations in companies or provided that the shares are transferred to third parties as a payment for the acquisition of sites for the expansion of the business activity. The Company's own shares acquired can also be transferred in a way other than through a sale on the stock market or through an offer to all shareholders, provided that the shares are transferred to third parties against payment in cash at a selling price per share that is not substantially less than the average XETRA closing price at the Frankfurt Stock Exchange during the five trading days preceding the relevant sale.

Up to December 31, 2014, the Company made no use of the authorisation to acquire its own shares which was granted by the resolution of the general meeting of shareholders of May 22, 2013.

The Board of Management is also authorised by a resolution of the general meeting of shareholders of May 14, 2009 to issue up to May 13, 2014, with the approval of the Supervisory Board, convertible and/or option bonds on one or several occasions in a total nominal amount of up to euro 100,000,000.00 with a maximum term of 20 years. At the same time, the Company's share capital was increased conditionally by up to euro 15,000,000.00 (Conditional Capital 2009/I). The Board of Management has made use of this authorisation twice to date.

On June 18, 2009, the Board of Management, with the approval of the Supervisory Board, resolved to issue a convertible bond in a total nominal amount of up to euro 37,500,000.00 (2009/2014 Convertible Bond). On the basis of this resolution, an aggregate of 38,500 individual pari passu bearer bonds at a nominal value of euro 100.00 each were issued, which grant conversion rights for a total of up to 1,540,000 no-par value registered shares of the Company. By the end of the term of the 2009/2014 Convertible Bond on

July 16, 2014, 32,017 bonds in the total nominal amount of euro 3,201,700.00 were converted into shares of the Company. Of the converted amount, 31,879 bonds in the total nominal amount of euro 3,187,900.00 were converted in fiscal 2014,

By means of a further use of this authorisation of May 14, 2009, the Board of Management, with the approval of the Supervisory Board, also resolved on May 18, 2010 to issue a convertible bond in an aggregate nominal amount of up to euro 29,500,000.00 (2010/2014 Convertible Bond). On the basis of this resolution, an aggregate of 260,000 individual bearer bonds at a nominal value of euro 100.00 each were issued. The individual bearer bonds issued under the 2010/2014 Convertible Bond grant conversion rights for an aggregate of up to 11,818,181 no-par value registered shares of the Company. No use was made during the year under report. By the end of the term of the 2010/2014 Convertible Bond on December 31, 2014, 241,752 individual bonds in the total nominal amount of euro 24,175,200.00 were converted into shares of the Company. Of the converted amount, 42,025 bonds in the total nominal amount of euro 4,202,500.00 were converted in fiscal 2014,

Including the shares issued under the 2009/2014 Convertible Bond, the Conditional Capital 2009/I was partially used in the amount of up to euro 13,358,181.00 by December 31, 2014. In respect of the remaining Conditional Capital 2009/I in the amount of up to euro 1,641,819.00, the authorisation of the general meeting of shareholders expired on May 13, 2014, which means that no more option or conversion rights for new shares can be granted from Conditional Capital 2009/I.

Furthermore, the Board of Management is authorised by a resolution of the general meeting of shareholders of May 15, 2012 to issue up to May 14, 2017, with the approval of the Supervisory Board, convertible and/or option bonds on one or several occasions in a total nominal amount of up to euro 50,000,000.00 with a maximum term of 20 years. At the same time, the Company's share capital was increased conditionally by up to a further euro 7,750,000.00 (Conditional Capital II/2012).

On September 11, 2014, the Board of Management, with the approval of the Supervisory Board of the same day, resolved to issue a convertible bond with a total nominal amount of up to euro 25,757,000.00 (2014/2019 Convertible Bond) under the authorisation granted on May 15, 2012. On the basis of this resolution, an aggregate of 1,989,434 individual pari passu bearer bonds at a nominal value of euro 3.30 each were issued, which grant conversion rights for a total of up to 1,989,434 no-par value registered shares of the Company. No conversion rights were exercised in the year under report. Taking the subscription rights granted under the 2014/2019 Convertible Bond into account, the Conditional Capital II/2012 was partially used in the amount of up to euro 1,989,434.00 by December 31, 2014. Thus, the Conditional Capital II/2012 in the remaining amount of up to euro 5,760,566.00 was still available for the issuance of more convertible bonds on December 31, 2014.

Furthermore, by a resolution of the general meeting of shareholders of May 22, 2013, the Board of Management was authorised to increase the Company's share capital, with the approval of the Supervisory Board, in the period up to May 21, 2018, on one or several occasions to a total of up to euro 22,800,000.00 (Authorised Capital) by issuing new no-par value registered shares against contributions in kind or in cash.

On September 11, 2014, the Board of Management, with the approval of the Supervisory Board of the same day, resolved to increase the Company's share capital, through the use of Authorised Capital, by up to euro 22,800,000.00 by issuing up to 22,800,000 new no-par value registered shares with a notional share in the share capital of euro 1.00 each and with a profit participation right from January 1, 2014 against a contribution in cash. A total of 13,931,195 new shares were issued on the basis of this resolution.

As at December 31, 2014, the Authorised Capital following the partial utilisation amounted to euro 8,868,805.00.

Key agreements prevailing under the condition of a change of control resulting from a takeover offer as well as compensation agreements of the Company, which have been concluded for the event of a takeover offer with the members of the Board of Management or employees

Corporate bond 2013/2018

If there is a change of control, each bond creditor has the right in accordance with the bond terms and conditions to demand early redemption of his/her/its bonds from PNE WIND AG as the issuer. A change of control is deemed to occur in this connection, if the issuer becomes aware that a person or group of persons acting in concert in the sense of Section 2 (5) of the German Securities Acquisition and Takeover Act (WpÜG) has become the legal or beneficial owner of such a number of the issuer's shares, which represent 30 percent or more of the issuer's voting rights.

2014/2019 Convertible Bond

If there is a change of control, each creditor of a convertible bond has the right in accordance with the bond terms and conditions to demand early redemption of his/her/its convertible bonds from PNE WIND AG as the bond debtor, for which the conversion right was not exercised and which were not due for early redemption. In this connection, a change of control is deemed to occur if a person or a group of persons acting in concert has gained or will gain control over the bond debtor, control meaning (i) the direct or indirect (in the sense of Section 22 of the German Securities Trading Act (WpHG)) legal or beneficial ownership of more than 30 percent of the voting rights of the bond debtor or (ii) regarding a public offering for shares of the bond debtor the case that the shares already under control of the bidder and the shares for which the offering has been accepted, grant in aggregate more than 30 percent of the voting rights of the bond debtor or (iii) the sale or the transfer of all or substantially all of the assets of the bond debtor by the latter to any other person or persons.

In the event of a change of control, the conversion price for exercising the conversion rights will be adjusted within a specific period in accordance with the bond terms and conditions.

Other agreements

Apart from that, neither PNE WIND AG nor the companies included in the consolidated financial statements have concluded any other significant agreements which are subject to the condition of a change of control as a result of a takeover offer. In the event of a change of control at the Company, the members of the Board of Management have a special right of termination, which they can exercise during the two months following the occurrence of the change of control (excluding the month in which the change of control occurred), with a notice period of fourteen days to the end of the corresponding

month. A change of control event granting a special right of termination occurs, if a third party notifies the Company in accordance with Section 21 WpHG that it has reached or exceeded a participation of 50 percent of the voting shares of the Company. If the special right of termination is exercised, the Board of Management members are entitled to their fixed salary pursuant to § 5 (1) of the relevant employment contract for the remainder of the contract term; this is to be paid out at the end of the contract in one amount, which shall not be discounted. In the event that the change of control occurs in the context of a public offering, the members of the Board of Management, should they exercise their special right of termination, are also entitled to a special bonus of 50 percent of the management bonus which would have been expected up to the end of the contract. Depending in each case on the market capitalisation, the increase in value in this respect must be calculated on the basis of the difference between the acquisition price first offered by the bidder and the possibly higher acquisition price decisive for the implementation of the offer; in total, however, the special bonus may not be higher than the fixed annual salary in accordance with § 5 (1) of the relevant employment contract.

18. Remuneration report

The remuneration of the Board of Management and the Supervisory Board amounted together to TEUR 3,415 (prior year: TEUR 3,696).

The fixed remuneration paid to the Supervisory Board during the fiscal year 2014 amounted to TEUR 219 (prior year: TEUR 241). The Chairman receives TEUR 21, the Deputy Chairman TEUR 15.8 and the other members of the Supervisory Board TEUR 10.5 as fixed remuneration. In addition, each member of the Supervisory Board receives TEUR 2.5 per meeting. A provision of TEUR 667 (prior year: TEUR 655) for variable remuneration was formed in the year under report. The variable remuneration specified in the articles of association is calculated for the fiscal year 2014 on the basis of the average Group EBIT for the years 2012 to 2014. An average EBIT of approx. TEUR 22,232 was achieved for the years 2012 to 2014. As variable remuneration, the Chairman of the Supervisory Board receives 0.8 percent, the Deputy Chairman of the Supervisory Board 0.6 percent and each other member of the Supervisory Board 0.4 percent of this average EBIT.

The total remuneration of the Supervisory Board in the 2014 fiscal year amounted to TEUR 886 (prior year: TEUR 896). In addition, the Company bears the cost of directors' and officers' liability insurance for all members of the Supervisory Board.

in TEUR	Fixed remuneration 2014	Variable remuneration 2014	Attendance fee 2014	Total remuneration 2014
Herr Kuprian	21.0	177.9	30.0	228.9
Herr Dr. Fischer	15.8	133.4	27.5	176.7
Herr Prof. Abhari	10.5	88.9	22.5	121.9
Frau Zielke	6.1	51.3	17.5	74.9
Herr Friedrichsen	6.1	51.3	10.0	67.4
Herr Baron von le Fort	6.1	51.3	12.5	69.9
Herr Vazquez	4.4	37.6	5.0	47.0
Herr JUDr. Aden	4.4	37.6	7.5	49.5
Herr Rolfs	4.4	37.6	7.5	49.5
	78.8	666.9	140.0	885.7

For their activity during the fiscal year 2014, the members of the Board of Management received total remuneration, or corresponding provisions were formed, in the amount of TEUR 2,529 (prior year: TEUR 2,800):

in TEUR	Benefits granted Total Management Board				Allocation Total Management Board	
	2013	2014	2014 (Min)	2014 (Max)	2013	2014
Fixed remuneration	803	885	885	885	803	885
Fringe benefits	91	93	93	93	91	93
Total	894	978	978	978	894	978
One-year variable remuneration	549	472	0	576	444	549
Multi-year variable compensation*	671	577	0	704	568	671
Service costs	686	502	0	502	686	502
Total	1,906	1,551	0	1,782	1,698	1,722
Pension payments	0	0	0	0	0	0
Total compensation	2,800	2,529	978	2,760	2,592	2,700

* The multi-year variable remuneration relates to the period 2012 – 2014. There were no other multi-year remuneration agreements in the 2013 and 2014 fiscal years.

The remuneration of the members of the Board of Management is composed of a fixed and a variable salary portion. The fixed portion consists of the fixed salary and ancillary benefits (contributions to health insurance and pension fund contributions) as well as monetary benefits in kind from the use of a company car. This portion is paid monthly. The variable portion of the salary of Board of Management members is divided into short-term and long-term parts. The short-term part is based on the attainment of certain targets in the current fiscal year, and the long-term part is based on the attainment of targets over several years. The long-term part of variable remuneration amounts to 55 percent and the short-term part to 45 percent of the possible variable salary. The Supervisory Board agrees the short- and long-term targets with the Board of Management. The short-term targets are based on key planning data for the next fiscal year, such as the implementation of the planned wind farm projects during the fiscal year. Should a short-term target not be achieved 100 percent, the share of this target is not paid out with regard to the short-term variable remuneration or only in part in relationship with the degree of attainment of such target. The long-term objectives should support the future economic development of the Company; currently, only one long-term target has been defined, which is based in the expected EBIT to be earned over a three year period. The variable salary portion linked to the targets covering several years is paid out at the end of a fiscal year; however, it is subject to repayment in the event of the long-term target not being attained over several years or it will be offset against other claims due. In the event of particularly outstanding performance in respect of a past fiscal year, the Supervisory Board may also grant a bonus payment, for which there is no contractual claim. No stock options were granted to the members of the Board of Management.

The distribution of remuneration of the individual members of the Board of Management pursuant to the Corporate Governance Code is shown in the following tables.

in TEUR	Benefits granted Martin Billhardt Chief Executive Officer (CEO)			Allocation Martin Billhardt Chief Executive Officer (CEO)		
	2013	2014	2014 (Min)	2014 (Max)	2013	2014
Fixed remuneration	360	360	360	360	360	360
Fringe benefits	42	43	43	43	42	43
Total	402	403	403	403	402	403
One-year variable remuneration	324	275	0	324	324	324
Multi-year variable compensation*	396	337	0	396	396	396
Service costs	315	240	0	240	315	240
Total	1,035	852	0	960	1,035	960
Pension payments	0	0	0	0	0	0
Total compensation	1,437	1,255	403	1,363	1,437	1,363

* The multi-year variable remuneration relates to the period 2012 – 2014. There were no other multi-year remuneration agreements in the 2013 and 2014 fiscal years.

in TEUR	Benefits granted Jörg Klowat Chief Financial Officer (CFO)			Allocation Jörg Klowat Chief Financial Officer (CFO)		
	2013	2014	2014 (Min)	2014 (Max)	2013	2014
Fixed remuneration	219	285	285	285	219	285
Fringe benefits	27	28	28	28	27	28
Total	246	313	313	313	246	313
One-year variable remuneration	108	115	0	135	79	108
Multi-year variable compensation*	132	140	0	165	96	132
Service costs	188	133	0	133	188	133
Total	428	388	0	433	363	373
Pension payments	0	0	0	0	0	0
Total compensation	674	701	313	746	609	686

* The multi-year variable remuneration relates to the period 2012 – 2014. There were no other multi-year remuneration agreements in the 2013 and 2014 fiscal years.

in TEUR	Benefits granted Markus Lesser Chief Operating Officer (COO)				Allocation Markus Lesser Chief Operating Officer (COO)	
	2013	2014	2014 (Min)	2014 (Max)	2013	2014
Fixed remuneration	224	240	240	240	224	240
Fringe benefits	22	22	22	22	22	22
Total	246	262	262	262	246	262
One-year variable remuneration	117	82	0	117	41	117
Multi-year variable compensation*	143	100	0	143	76	143
Service costs	183	129	0	129	183	129
Total	443	311	0	389	300	389
Pension payments	0	0	0	0	0	0
Total compensation	689	573	262	651	546	651

* The multi-year variable remuneration relates to the period 2012 – 2014. There were no other multi-year remuneration agreements in the 2013 and 2014 fiscal years.

Outlook

- Wind farm projecting on- and offshore is central to company development in Germany and abroad
- Worldwide wind energy market is growing at about 15 percent per year
- Reliable framework in Germany and the EU
- Additional growth potential through YieldCo business
- National and international development pipeline as a basis for future business success
- Cumulative EBIT forecast for the fiscal years 2011 to 2013 of euro 60 to 72 million reached
- Current group forecast confirmed: cumulative EBIT 2014-2016 of euro 110 to 130 million
- Prospect to increase the forecast upon the successful implementation of the YieldCo concept

19. Outlook / Forecast

The PNE Wind Group is an internationally operating wind power pioneer from Germany and one of the most experienced developers of onshore and offshore wind farms. The enterprise combines economic success with ecological responsibility and offers services covering the entire value-added chain, ranging from the development, planning, realisation, financing, operation, marketing and repowering of onshore and offshore wind farms in Germany and abroad from a single source.

The project development and realisation of wind farms are and will remain the core business of the companies in the PNE WIND Group. The Group is active in Germany and 13 international markets through PNE WIND AG and WKN AG as well as subsidiary companies and joint ventures.

The expansion of renewable energies is a topic which is being discussed throughout the world. The PNE WIND Group is active in a market that is growing by about 15 percent per annum throughout the world. The Company is in an optimum position at the international level to benefit from the huge growth potential of the wind power market. More and more countries are stressing the urgent need to change the energy mix in favour of renewable energies and are creating framework conditions to allow the expansion to take place on both ecologically and economically sensible terms. Wind energy benefits from this trend, since it contributes to securing future power generation in a highly effective and economical way owing to the technical developments.

Europe remains one of our core markets and we welcome the new European policy framework for climate and energy for the period between 2020 and 2030. These EU stipulations regarding targeted expansion of renewable energies will lead to continuous investment and an increase of their share in electricity generation. In 2014 as well, the German Federal Government, Bundestag and Bundesrat defined in the amended Renewable Energy Sources Act (EEG) that renewable energies should represent 55 to 60 percent

of total electricity production by 2035 and at least 80 percent by 2050. This will require a more or less doubling of the presently installed capacity by 2035 and a continued expansion thereafter. Onshore and offshore wind power farms are the supporting pillars of the expansion needed to achieve these targets.

In 2014, PNE WIND AG made significant steps to expand its business model. One of them is the formation of YieldCo companies, where completed, internally developed wind farms are bundled. Apart from increasing the earnings potential and strengthening the Group's competitive position, the main objectives of the YieldCo business are the establishment of a new subsidiary (YieldCo), which offers stable and attractive dividends to its investors. The YieldCo represents a typical win-win situation offering large potential both for PNE WIND and for the investors of the YieldCo. The Company's commissioned onshore wind farms, mainly in Germany, with a total output of up to 150 MW will be bundled in this subsidiary, before it is sold wholly or partly to investors, if possible, by the end of 2016.

Due to the initiation of the YieldCo model, the sale of wind farms to external third parties - and accordingly the revenue and earnings out of these projects - will be postponed. We believe that the positive benefits which will be achieved will more than compensate for this postponement.

The internationalisation of our activities opens up additional growth opportunities and also means that we can spread risks more effectively. Geographic diversification gives the PNE WIND Group access to the global wind energy market as well as the opportunity to minimise risks related to individual markets. While our list of references already shows successfully realised projects in the Group with more than 2,000 MW of nominal output, our expansive onshore and offshore project pipeline, national and international, which is in various phases of project development, is the basis for our future growth.

Our passion for renewable energies and technology as well as our aim to combine economic success with ecological responsibility is what characterises the employees of the PNE WIND Group - from our trainees to the Board of Management. The PNE WIND Group is in a very good position on this basis and we are very confident of being able to exploit the opportunities in the growing „wind“ market in the future.

During the 2014 fiscal year, wind farms with about 210 MW were under construction and wind power turbines with a nominal output of 134 MW were fully erected 76 MW were under construction at the end of 2014. Further German wind farms were approved and will be completed in the short term.

Abroad, projects in the United Kingdom, France, Italy, Poland, Romania and the USA have been approved and can be realised or sold.

Our forecast of a cumulative EBIT of euro 60 to 72 million for the financial years 2011 to 2013 was met with a cumulative EBIT of euro 64.0 million. The forecasts and other statements concerning the expected development of the Group for the fiscal years 2014 to 2016 have not changed. PNE WIND AG expects to realise continued positive EBIT results from its operational business in the three fiscal years from 2014 to 2016. Together with our domestic and foreign investment results, this will constitute the major part of our cumulative Group EBIT. At the Group level, we expect a cumulative EBIT of euro 110 to 130 million for the 2014 to 2016 fiscal years and see the prospect of increasing this forecast upon implementation of the YieldCo concept.

Cuxhaven, March 26, 2015

PNE WIND AG, Board of Management



For us, harnessing the power of the wind means developing tailor-made solutions and integrating all stakeholders into this process

The acceptance and support of our projects is of crucial importance to our business. For this reason, we engage early and rely on an active dialogue with all stakeholders and we aim to set a new path together with our project partners. Our employees have a passion for renewable energy technology and have the freedom to find the creative solutions needed to develop and realise wind farms. Wind power in forested areas is an example of how protecting the climate, the environment and nature can be aligned to the interests of residents and municipalities.

Owing to the increasing height of wind turbine towers, many forested areas have now become suitable locations to produce

environmentally friendly power for wind farms. The rotor blades reach almost 200 metres into the sky and tower above the tops of the trees. Although some trees are felled during the process, no valuable forest areas are lost through reforestation and an optimum solution can be found for all stakeholders!

With the establishment of our YieldCo, we are developing a new approach to offer ours as well as new investors the ability to invest directly in ecologically sustainable projects with an attractive dividend yield and balanced risk profile. This will be a first for the German wind energy industry and it represents for us an opportunity to make the most of new sales and financing options.



Consolidated financial statements

89	Consolidated statement of comprehensive income
90	Consolidated statement of financial position
92	Consolidated statement of cash flows
93	Consolidated statement of changes in equity
94	Consolidated schedule of fixed assets
98	Consolidated segment reporting
100	List of the companies included in the consolidated financial statements and list of shareholdings
158	Notes to the consolidated financial statements
172	Independent Auditors' Report
175	Statement made by the legal representatives

Consolidated statement of comprehensive income (IFRS) of PNE WIND AG for the period from January 1 to December 31, 2014

All figures in TEUR (differences due to rounding possible)		Notes	2014	2013
1.	Revenues	VI.1.	211,268	144,040
2.	Increase in finished goods and work in process		19,078	13,376*
3.	Other operating income	VII.2.	3,603	3,223
4.	Total aggregate output		233,949	160,639*
5.	Cost of materials		-170,496	-71,895
6.	Personnel expenses	VI.3.	-27,041	-21,615
7.	Amortisation of intangible assets and depreciation of property, plant and equipment	IV.3./V.1./V.2.	-8,526	-6,196
8.	Other operating expenses	VI.4.	-25,178	-17,336
9.	Impairment expense - goodwill	IV.3./V.1.	-28	-28
10.	Operating result		2,681	43,569*
11.	Income from participations		77	202
12.	Other interest and similar income	VI.5.	2,422	1,283
13.	Expenses from assumption of losses of associates		-5,412	-42
14.	Interest and similar expenses	VI.6.	-14,934	-10,617
15.	Result of ordinary operations		-15,166	34,394*
16.	Taxes on income	VI.7.	-3,024	2,692*
17.	Other taxes		-108	-92
18.	Consolidated net loss/income before minority interests		-18,297	36,994*
19.	Minority interests	V.8.	-5,305	-585
20.	Consolidated net loss/income		-12,992	37,580*
Other comprehensive income / items that may be reclassified in the future in the profit and loss account				
21.	Foreign currency translation differences		365	-507
22.	Others		0	0
23.	Other comprehensive income for the period (net of tax)		365	-507
24.	Total comprehensive income for the period		-17,932	36,487*
Consolidated profit/loss for the period attributable to:				
	Owners of the parent company		-12,992	37,580*
	Non-controlling interests		-5,305	-585*
			-18,297	36,994*
Total comprehensive income for the period attributable to:				
	Owners of the parent company		-12,626	37,072*
	Non-controlling interests		-5,305	-585*
			-17,932	36,487*
	Weighted average of shares in circulation (undiluted) (in thousands)	VI.8	58,627	47,201
	Undiluted earnings per share from continuing operations in EUR		-0.22	0.80*
	Weighted average of shares in circulation (diluted) (in thousands)	VI.8	61,611	51,476
	Diluted earnings per share from continuing operations in EUR		-0.21	0.75*

* Previous year figures restated. We refer to the item „IV. Accounting and valuation principles“(1. Changes in IAS 8) in the notes.

Consolidated statement of financial position (IFRS)

of PNE WIND AG, Cuxhaven, as at December 31, 2014

Assets

All figures in TEUR (differences due to rounding possible)		Notes	Status as at 31.12.2014	Status as at 31.12.2013
A.	Long term assets			
I.	Intangible assets	IV.1./IV.3./V.1.		
	1. Franchises, trademarks, licences and other similar rights as well as licences from such rights		3,493	4,545
	2. Goodwill		60,433	60,461*
			63,926	65,006*
II.	Property, plant and equipment	IV.2./IV.3./V.2.		
	1. Land and buildings including buildings on third-party land		20,225	20,849
	2. Technical equipment and machinery		49,533	52,124
	3. Other plant and machinery, fixtures and fittings		2,927	2,865
	4. Prepayments and plant under construction		970	251
			73,655	76,089
III.	Long term financial assets	IV.4./V.3.		
	1. Shares in affiliated companies		1,083	999*
	2. Shares in associates		8	5,092*
	3. Participations		604	613*
	4. Other loans		153	712*
	5. Other long term loan receivables		138	238
			1,986	7,655*
IV.	Deferred tax assets	IV.5./VI.7.	10,318	8,936*
B.	Assets held for sale	IV.6./V.4.	1,015	753
C.	Current assets			
I.	Inventories	IV.7./V.5.	152,389	136,582*
II.	Receivables and other assets	IV.9./V.6.		
	1. Trade receivables		20,098	34,371
	2. Other short term loan receivables		1,777	8,638
	3. Receivables from affiliated companies		5,392	3,410*
	4. Receivables from associated companies and from other investments		1,872	1,844*
	5. Other assets		11,034	9,692
			40,173	57,955*
III.	Tax receivables		1,198	1,202
IV.	Cash and cash equivalents	IV.10.	72,175	77,402
			416,834	431,581*

* Previous year figures restated. We refer to the item „IV. Accounting and valuation principles“ (1. Changes in IAS 8) in the notes.

Liabilities

All figures in TEUR (differences due to rounding possible)		Notes	Status as at 31.12.2014	Status as at 31.12.2013
A.	Shareholders' equity	V.7.		
I.	Capital subscribed		71,975	54,858
II.	Capital reserve		77,803	55,546
III.	Retained earnings			
	1. Legal reserve		5	5
	2. Other retained earnings		46	46
			51	51
IV.	Foreign exchange reserve		-347	-712
V.	Retained consolidated profit		10,680	32,073*
VI.	Minority interests	V.8.	33	5,432*
			160,195	147,248*
B.	Long term liabilities			
I.	Other provisions	IV.12./V.11.	9,561	9,457
II.	Deferred subsidies from public authorities	IV.14./V.9.	996	1,043
III.	Long term financial liabilities	IV.13./V.12.		
	1. Participation certificate capital		0	3,061
	2. Bonds		102,267	101,182
	3. Liabilities to banks		38,661	60,810
	4. Other financial liabilities		7,643	7,028
	5. Liabilities from leasing contracts		279	394
			148,850	172,475
IV.	Deferred tax liabilities	IV.5./VI.7.	2,200	1,913
C.	Current liabilities			
I.	Provisions for taxes	V.10.	3,171	1,919
II.	Other provisions	IV.12./V.11.	737	735
III.	Short term financial liabilities	IV.13./V.12.		
	1. Participation certificate capital		0	0
	2. Bonds		1,825	3,836
	3. Liabilities to banks		33,115	24,529
	4. Other financial liabilities		3,300	10,507
	5. Liabilities from leasing contracts		110	106
			38,351	38,979
IV.	Other liabilities	IV.13./V.13.		
	1. Trade payables		21,476	12,093
	2. Liabilities to affiliated companies		562	539
	3. Liabilities to associated companies and to other investments		467	1,239
	4. Deferred revenues		11,695	11,122
	5. Deferred liabilities		5,532	17,700
	6. Other liabilities		13,036	15,109
			52,768	57,803
V.	Tax liabilities		0	0
D.	Liabilities held for sale		7	8
			416,834	431,581*

* Previous year figures restated. We refer to the item „IV. Accounting and valuation principles“ (1. Changes in IAS 8) in the notes.

Consolidated statement of cash flows (IFRS)

of PNE WIND AG, Cuxhaven, for the fiscal year 2014

All figures in TEUR (differences due to rounding possible)	Notes	2014	2013
Consolidated net result		-18,297	36,994*
-/+ Income tax benefit and expense	VI.7.	3,024	-2,692*
+/- Interest income and expense	VI.5./VI.6.	12,512	9,334
-/+ Income tax received		-2,076	-2,091
+/- Amortisation and depreciation of intangible assets and property, plant and equipment		8,554	6,224
+/- Increase / decrease in provisions	V.11.	1,624	10,535
-/+ Non-cash effective income/expenses		5,386	-556*
+/- Increase of inventories and other assets	IV.7./V.5.	-162,323	-104,635*
+/- Decrease / increase of trade receivables and stage of completion accounting	IV.8./IV.9./V.3./V.6.	13,114	11,839*
+/- Increase / decrease of trade liabilities and other liabilities	IV.13./V.12./V.13.	120,323	43,573
- Interest paid		-12,821	-9,970
+ Interest received		1,484	458
Cash flow from operating activities		-29,496	-987
+ Inflow of funds from intangible assets		0	231
+ Inflow of funds from disposal of items of property, plant, equipment and intangible assets		225	234
- Outflow of funds for investments in property, plant, equipment and intangible assets	V.1.-2.	-4,829	-3,334
+ Inflow of funds from disposal of financial assets		5	1,175
- Outflow of funds from disposal of financial assets		-311	-261
- Outflow of funds for investments in consolidated units		0	-59,369
Cash flow from investing activities		-4,911	-61,323
+ Inflow of funds from shareholders / Proceeds from the sale of treasury shares	V.7.	33,435	2,758
+ Inflow of funds from the issue of bonds		6,565	100,000
+ Inflow of funds from financial loans	V.12.	12,049	31,302
- Outflow of funds from the redemption of financial loans	V.12.	-7,477	-14,956
- Outflow of funds from bond transaction costs		0	-5,144
- Outflow of funds from the buyback of own shares	V.7.	0	-9,241
- Outflow of funds for dividend		-8,229	-4,166
- Outflow of funds for capital increase expenses		-1,654	0
- Outflow of funds from the redemption of bonds and participation certificates		-648	-5,000
Cash flow from financing activities		34,041	95,553
Cash effective change in liquid funds		-366	33,243
+ Change in liquid funds due to changes in scope of consolidation		-4,861	7,574
+ Liquid funds at the beginning of the period	IV.10./VII.1.	77,402	36,586
Liquid funds at the end of the period**	IV.10./VII.1.	72,175	77,402
* Previous year figures restated. We refer to the item „IV. Accounting and valuation principles“(1. Changes in IAS 8) in the notes.			
** of which are pledged to a bank as security guaranteed credit lines	V.12.	2,920	1,052

Consolidated statement of changes in equity (IFRS)

of PNE WIND AG, Cuxhaven, for the fiscal year 2014

All figures in TEUR (differences due to rounding possible)	Capital subscribed	Capital reserve	Treasury shares	Profit reserves	Foreign exchange reserve	Retained profit	Shareholders equity before minority	Minority interests	Total shareholders' equity
Status as at January 1, 2013	45,786	44,886	-1,510	51	-205	581	89,589	-2,994	86,595
Consolidated net result 2013	0	0	0	0	0	37,580*	37,580*	-585	36,995*
Dividend	0	0	0	0	0	-4,166	-4,166	0	-4,166
Purchase of treasury shares	0	0	-9,241	0	0	0	-9,241	0	-9,241
Sale of treasury shares	0	0	10,750	0	0	0	10,750	0	10,750
Conversion of convertible bond 2009/2014	4	6	0	0	0	0	10	0	10
Conversion of convertible bond 2010/2014	9,068	10,654	0	0	0	0	19,722	0	19,722
Minorities arising from the first consolidation of WKN AG	0	0	0	0	0	0	0	7,636*	7,636*
Minorities changes from the investment increase at the PNE WIND UK	0	0	0	0	0	-1,334	-1,334	1,334	0
Other items	0	0	0	0	-507	-587	-1,094	41	-1,053
Status as at December 31, 2013	54,858	55,546	0	51	-712	32,073*	141,816*	5,432*	147,248*
Consolidated net result 2014	0	0	0	0	0	-12,992	-12,992	-5,305	-18,297
Capital increase in cash	13,931	19,504	0	0	0	0	33,435	0	33,435
Capital increase expenses	0	-1,654	0	0	0	0	-1,654	0	-1,654
Equity portion of convertible bond 2014/2019	0	207	0	0	0	0	207	0	207
Dividend	0	0	0	0	0	-8,229	-8,229	0	-8,229
Conversion of convertible bond 2009/2014	1,275	1,906	0	0	0	0	3,181	0	3,181
Conversion of convertible bond 2010/2014	1,910	2,296	0	0	0	0	4,206	0	4,206
Other items	0	0	0	0	365	-173	193	-94	99
Status as at December 31, 2014	71,975	77,803	0	51	-347	10,680	160,162	33	160,195

* Previous year figures restated. We refer to the item „IV. Accounting and valuation principles“ (1. Changes in IAS 8) in the notes.

Consolidated schedule of fixed assets (IFRS)

of PNE WIND AG for the fiscal year 2014

All figures in TEUR (differences due to rounding possible)	Acquisition and manufacturing cost					Status as at 31.12.2014
	Status as at 1.1.2014	Additions	Re- classifica- tions	Disposals	Exchange Differences	
I. Intangible assets						
1. Franchises, trademarks and similar rights as well as licences to such rights	7,288	123	0	106	-1	7,303
2. Goodwill	144,745	0	0	0	-1	144,745
	152,033	123	0	106	-2	152,047
II. Property, plant and equipment						
1. Land and buildings including buildings on third party land	26,477	145	0	0	0	26,622
2. Technical equipment and machinery	84,756	2,873	0	157	19	87,491
3. Other equipment, fixtures and furnishings	4,973	868	134	516	-14	5,445
4. Prepayments and plant under construction	251	985	-134	84	-49	970
	116,456	4,872	0	757	-44	120,527
III. Financial assets						
1. Shares in affiliated companies	7,246	436	5	8	0	7,680
2. Shares in associates	5,955	307	0	5,392	0	870
3. Participations	613	0	-5	4	0	604
4. Other loans	712	0	0	559	0	153
	14,526	744	0	5,962	0	9,307
	283,015	5,738	0	6,826	-46	281,882

* Previous year figures restated. We refer to the item „IV. Accounting and valuation principles“ (1. Changes in IAS 8) in the notes.

	Accumulated amortisation and depreciation				Book values		
	Status as at 1.1.2014	Additions	Disposals	Exchange Differences	Status as at 31.12.2014	Status as at 31.12.2014	Status as at 31.12.2013
	2,742	1,147	79	-1	3,809	3,494	4,546
	84,285	28	0	-1	84,312	60,433	60,460*
	87,027	1,175	79	-2	88,121	63,926	65,006*
	5,628	768	0	0	6,396	20,226	20,849
	32,630	5,344	78	61	37,957	49,534	52,126
	2,108	833	413	-10	2,518	2,927	2,865
	0	0	0	0	0	970	251
	40,365	6,946	491	52	46,872	73,655	76,091
	6,247	433	83	0	6,597	1,083	999*
	862	0	0	0	862	8	5,093*
	0	0	0	0	0	604	613
	0	0	0	0	0	153	712
	7,109	433	83	0	7,459	1,848	7,417*
	134,501	8,554	653	50	142,453	139,429	148,514*

Consolidated schedule of fixed assets (IFRS)

of PNE WIND AG for the fiscal year 2013

	Acquisition and manufacturing cost						Status as at 31.12.2013
	Status as at 1.1.2013	Changes in scope of consolidation	Additions	Re- classifica- tions	Disposals	Exchange Differences	
I. Intangible assets							
1. Franchises, trademarks and similar rights as well as licences to such rights	4,681	3,202	311	0	900	-6	7,288
2. Goodwill	104,540	40,206	0	0	0	-2	144,745
	109,221	43,408	311	0	900	-8	152,033
II. Property, plant and equipment							
1. Land and buildings including buildings on third party land	21,325	4,998	235	0	81	0	26,477
2. Technical equipment and machinery	71,394	10,660	2,400	490	104	-85	84,756
3. Other equipment, fixtures and furnishings	2,391	2,551	413	87	458	-12	4,973
4. Prepayments and plant under construction	20	638	178	-577	0	-7	251
	95,130	18,847	3,226	0	643	-104	116,457
III. Financial assets							
1. Shares in affiliated companies	6,160	1,085	17	0	16	0	7,246
2. Shares in associates	0	5,761	228	0	32	0	5,955
3. Participations	63	1,688	21	0	1,160	0	613
4. Other loans	0	708	3	0	0	0	712
	6,223	9,242	269	0	1,208	0	14,526
	210,574	71,497	3,806	0	2,751	-112	283,016

* Previous year figures restated. We refer to the item „IV. Accounting and valuation principles“ (1. Changes in IAS 8) in the notes.

	Accumulated amortisation and depreciation				Book values		
	Status as at 1.1.2013	Additions	Disposals	Exchange Differences	Status as at 31.12.2013	Status as at 31.12.2013	Status as at 31.12.2012
	2,845	448	545	-6	2,742	4,546	1,836
	84,258	28	0	-2	84,285	60,460*	20,282
	87,103	476	545	-8	87,027	65,006*	22,118
	5,014	614	0	0	5,628	20,849	16,311
	28,109	4,600	36	-43	32,630	52,126	43,285
	1,930	533	350	-6	2,108	2,865	461
	0	0	0	0	0	251	20
	35,053	5,747	386	-49	40,366	76,091	60,077
	6,160	87	0	0	6,247	999*	0
	0	862	0	0	862	5,093*	0
	0	0	0	0	0	613	63
	0	0	0	0	0	712	0
	6,160	949	0	0	7,109	7,417*	63
	128,316	7,172	931	-57	134,502	148,514*	82,258

Consolidated segment reporting (IFRS)

of PNE WIND AG, Cuxhaven, for the fiscal year 2014

All figures in TEUR (differences due to rounding possible)	Projecting of wind power turbines		Electricity generation	
	2014	2013	2014	2013
External sales	200,317	133,427	10,951	10,614
Inter-segment sales	10,234	13,980	743	740
Change in inventories	13,063	7,385*	0	0
Other operating income	3,606	3,308	409	16
Total aggregate output	227,220	158,099*	12,103	11,370
Depreciation and amortisation	-3,991	-2,310	-4,563	-3,913
Operating result	159	46,153*	1,970	2,343
Interest and similar income	8,228	4,045	17	610
Interest and similar expenses	-18,108	-11,370	-2,649	-2,620
Taxes on income	-2,898	-1,873*	35	-275
Investments	5,112	3,945	28	258
Segment assets	580,415	534,489*	97,619	88,247
Segment liabilities ¹⁾	458,524	426,054	95,149	85,150
Segment equity	121,890	108,435*	2,470	3,096

¹⁾ The deferred subsidies from the public authorities were included under segment liabilities.

* Previous year figures restated. We refer to the item „IV. Accounting and valuation principles“ (1. Changes in IAS 8) in the notes.

The following companies are included in the individual segments:

Projecting of wind power turbines: PNE WIND AG, PNE WIND Betriebsführungs GmbH, PNE WIND Verwaltungs GmbH, PNE WIND Netzprojekt GmbH, PNE Gode Wind III GmbH, PNE WIND Nemo GmbH, PNE WIND Jules Verne GmbH, PNE WIND Nautilus GmbH, PNE WIND Atlantis I GmbH, PNE WIND Atlantis II GmbH, PNE WIND Atlantis III GmbH, PNE WIND Ausland GmbH, PNE WIND GM Hungary Kft., PNE WIND Pusztahencse Kft., NH North Hungarian Windfarm Kft., PNE WIND NEH/I Kft., PNE WIND Yenilenebilir Enerjila Ltd., PNE WIND Development EOOD, PNE WIND Straldja-Kamenec OOD, PNE WIND PARK Dobrudzha OOD, PNE WIND Bulgaria EOOD, PNE WIND Ventus Praventsi OOD, PNE WIND Romania S.R.L., PNE WIND Romania Energy Holding S.R.L., EVN WINDPOWER DEVELOPMENT & CONSTRUCTION S.R.L., S.C. PNE WIND MVI SRL, PNE WIND USA Inc., PNE WIND Central States LLC, PNE WIND DEVELOPMENT LLC, Underwood Windfarm LLC, Butte Windfarm LLC, Chilocco WIND FARM LLC, PNE-BCP WIND Inc., PNE WIND UK Ltd., Wind Kapital Invest Verwaltungs GmbH, Wind Kapital Invest GmbH & Co. KG, 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, Sevion 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. (until 30.09.2013), BGZ Fondsverwaltung GmbH, energy consult GmbH

Electricity generation: PNE Biomasse GmbH, PNE WIND Grundstücks GmbH, PNE WIND Laubuseschbach GmbH & Co. KG, PNE WIND Altenbruch II GmbH & Co. KG, Holzheizkraftwerk Silbitz GmbH & Co. KG, PNE WIND Park II GmbH & Co. KG (until 18.07.13), PNE WIND Park I GmbH & Co. KG (until 7.4.14), PNE WIND Park III GmbH & Co. KG (until 3.6.14), PNE WIND Park VI GmbH & Co. KG (until 23.12.14) PNE WIND Park VII GmbH & Co. KG (until 16.12.14), 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 Großbräschen A GmbH & Co. KG, PNE WIND Park Großbräschen B GmbH & Co. KG, PNE WIND Infrastruktur Chransdorf-West GmbH & Co. KG, PNE WIND Infrastruktur Chransdorf Verwaltung GmbH, PNE WIND Park Calau II A GmbH & Co. KG (until 22.12.2013), PNE WIND Park Calau II B GmbH & Co. KG, PNE WIND Park Calau II C GmbH & Co. KG (until 30.06.14), PNE WIND Park Calau II D GmbH & Co. KG (until 30.09.14), 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, PNE WIND Park IX GmbH & Co. KG, PNE WIND Infrastruktur Calau II GmbH (until 30.6.14), NordStrom Solar GmbH, NordStrom Bioenergie GmbH, BGZ Solarpark Passauer Land GmbH & Co. KG, PNE WIND YieldCo Deutschland GmbH, PNE WIND YieldCo International Ltd., PNE Kommanditgesellschaften

	Consolidation		PNE WIND AG Group	
	2014	2013	2014	2013
	0	0	211,268	144,040
	-10,977	-14,720	0	0
	6,015	5,991	19,078	13,376*
	-412	-101	3,603	3,223
	-5,374	-8,831	233,949	160,639*
	0	0	-8,554	-6,224
	551	-4,927	2,681	43,569*
	-5,823	-3,372	2,422	1,283
	5,823	3,372	-14,934	-10,617
	-161	4,841*	-3,024	2,692*
	0	0	5,140	4,203
	-261,200	-191,155*	416,834	431,581*
	-297,035	-226,872*	256,639	284,332*
	35,835	35,717*	160,195	147,248*

List of the companies included in the consolidated financial statements and list of shareholdings

of PNE WIND AG, Cuxhaven as at December 31, 2014

Company	Headquarter	Participation previous year %	Participation %	Equity TEUR	Net income TEUR	Date of first consolidation	
I. List of the companies included in the consolidated financial statements							
1	PNE WIND Betriebsführungs GmbH	Cuxhaven	100.00	100.00	1,458	825 ¹⁾	31.12.1998
2	PNE Biomasse GmbH	Cuxhaven	100.00	100.00	-389	93 ¹⁾	23.04.2000
3	PNE WIND Netzprojekt GmbH	Cuxhaven	100.00	100.00	866	88 ¹⁾	01.01.2002
4	PNE WIND Laubuseschbach GmbH & Co. KG	Cuxhaven	100.00	100.00	35	-99 ¹⁾	29.12.2004
5	PNE WIND Grundstücks GmbH	Cuxhaven	100.00	100.00	95	16 ¹⁾	01.12.2000
6	PNE Gode Wind III GmbH	Cuxhaven	100.00	100.00	408	-23 ¹⁾	07.06.2011
7	PNE WIND Jules Verne GmbH	Cuxhaven	100.00	100.00	1,067	-20 ¹⁾	30.06.2010
8	PNE WIND Nemo GmbH	Cuxhaven	100.00	100.00	1,067	-20 ¹⁾	30.06.2010
9	PNE WIND Nautilus GmbH	Cuxhaven	100.00	100.00	1,066	-20 ¹⁾	30.06.2010
10	PNE WIND Ausland GmbH	Cuxhaven	100.00	100.00	-4,424	-1,337 ¹⁾	16.11.2007
11	PNE WIND Atlantis I GmbH	Cuxhaven	100.00	100.00	-3	-19 ¹⁾	18.06.2013
12	PNE WIND Atlantis II GmbH	Cuxhaven	100.00	100.00	-3	-19 ¹⁾	18.06.2013
13	PNE WIND Atlantis III GmbH	Cuxhaven	100.00	100.00	-3	-19 ¹⁾	18.06.2013
14	Wind Kapital Invest Verwaltungs GmbH	Cuxhaven	100.00	100.00	87	-1 ¹⁾	16.07.2011
15	Wind Kapital Invest GmbH & Co. KG	Cuxhaven	100.00	100.00	1	-6 ¹⁾	16.07.2011
16	PNE WIND Verwaltungs GmbH	Cuxhaven	100.00	100.00	42	10 ¹⁾	21.11.2012
17	energy consult GmbH	Cuxhaven	100.00	100.00	332	311 ¹⁾	11.12.2013
18	PNE WIND Altenbruch II GmbH & Co. KG	Cuxhaven	100.00	100.00	7,570	677 ¹⁾	08.11.2001
19	PNE WIND YieldCo Deutschland GmbH	Cuxhaven	0.00	100.00	94	-6 ¹⁾	01.12.2014
20	PNE WIND YieldCo International Ltd.	Eastbourne, United Kingdom	0.00	100.00	256	0 ²⁾	03.12.2014
21	PNE WIND Park VIII GmbH & Co. KG	Cuxhaven	100.00	100.00	-3	-3 ²⁾	01.04.2013
22	PNE WIND Park Altdöbern A GmbH & Co. KG	Cuxhaven	100.00	100.00	-8	-6 ¹⁾	01.04.2013
23	PNE WIND Park Altdöbern B GmbH & Co. KG	Cuxhaven	100.00	100.00	-5	-5 ¹⁾	01.04.2013
24	PNE WIND Park Altdöbern C GmbH & Co. KG	Cuxhaven	100.00	100.00	-5	-5 ¹⁾	01.04.2013
25	PNE WIND Park Großräschen A GmbH & Co. KG	Cuxhaven	100.00	100.00	-8	-6 ¹⁾	01.04.2013
26	PNE WIND Park Großräschen B GmbH & Co. KG	Cuxhaven	100.00	100.00	-6	-6 ¹⁾	01.04.2013
27	PNE WIND Park Köhlen I GmbH & Co. KG	Cuxhaven	100.00	100.00	-9	-5 ²⁾	01.04.2013
28	PNE WIND Park Köhlen II GmbH & Co. KG	Cuxhaven	100.00	100.00	-9	-5 ²⁾	01.04.2013
29	PNE WIND Park Kührstedt-Alfstedt A GmbH & Co. KG	Cuxhaven	100.00	100.00	-3	-3 ²⁾	01.04.2013
30	PNE WIND Park Kührstedt-Alfstedt B GmbH & Co. KG	Cuxhaven	100.00	100.00	-3	-3 ²⁾	01.04.2013
31	PNE WIND Park Calau II B GmbH & Co. KG	Cuxhaven	100.00	100.00	-3	-3 ²⁾	01.04.2013
32	PNE WIND Park IX GmbH & Co. KG	Cuxhaven	0.00	100.00	0	-2 ¹⁾	26.02.2014
33	PNE WIND Infrastruktur Chransdorf-West GmbH & Co. KG	Cuxhaven	100.00	100.00	-8	-8 ¹⁾	01.04.2013
34	PNE WIND Infrastruktur Chransdorf Verwaltungs GmbH	Cuxhaven	100.00	100.00	23	0 ¹⁾	01.04.2013

| List of the companies included in the consolidated financial statements and list of shareholdings

Company	Headquarter	Participation previous year %	Participation %	Equity TEUR	Net income TEUR	Date of first consolidation
35 PNE WIND USA Inc.	Chicago, USA	100.00	100.00	-5,328	492 ¹⁾	27.10.2008
36 PNE WIND DEVELOPMENT LLC	Chicago, USA	100.00	100.00	-596	-37 ¹⁾	29.07.2011
37 Chilocco WIND FARM LLC	Chicago, USA	100.00	100.00	-446	0 ¹⁾	01.10.2012
38 PNE WIND Central States LLC	Minnesota, USA	100.00	100.00	-1,051	-64 ¹⁾	01.10.2009
39 Underwood Windfarm LLC	Minnesota, USA	100.00	100.00	-252	-11 ¹⁾	01.10.2009
40 Butte Windfarm LLC	Minnesota, USA	100.00	100.00	-937	0 ¹⁾	01.10.2009
41 PNE BCP WIND INC.	Saskatoon, Canada	75.00	75.00	-535	-70 ¹⁾	26.01.2010
42 PNE WIND UK Ltd.	Eastbourne, United Kingdom	90.00	90.00	-14,083	-4,016 ¹⁾	02.07.2008
43 PNE WIND GM Hungary Kft.	Budapest, Hungary	100.00	100.00	-10	-48 ¹⁾	28.09.2007
44 PNE WIND Pusztahencse Kft.	Budapest, Hungary	100.00	100.00	-4	-6 ¹⁾	07.08.2008
45 NH North Hungarian Windfarm Kft.	Budapest, Hungary	100.00	100.00	-59	-64 ¹⁾	07.08.2008
46 PNE WIND NEH/I Windfarm Kft.	Budapest, Hungary	100.00	100.00	-3	-4 ¹⁾	13.09.2011
47 PNE WIND Yenilenebilir Enerjiler Ltd.	Ankara, Turkey	100.00	100.00	-1,933	-589 ¹⁾	27.02.2008
48 S.C. PNE WIND Romania Energy Holding S.R.L	Bucharest, Romania	80.00	80.00	-330	-130 ¹⁾	10.05.2012
49 S.C. PNE WIND Romania S.R.L	Bucharest, Romania	100.00	100.00	-2,030	-290 ¹⁾	27.11.2008
50 S.C. PNE WIND MVI S.R.L	Bucharest, Romania	100.00	100.00	-102	-40 ¹⁾	31.08.2012
51 S.C. EVN WINDPOWER DEVELOPMENT & CONSTRUCTION S.R.L.	Bucharest, Romania	100.00	100.00	-68	-63 ¹⁾	14.11.2012
52 PNE WIND Bulgaria EOOD	Sofia, Bulgaria	100.00	100.00	-257	-30 ¹⁾	09.11.2010
53 PNE WIND Development EOOD	Sofia, Bulgaria	80.00	100.00	-574	-25 ¹⁾	15.08.2008
54 PNE WIND Straldja-Kamenec EOOD	Sofia, Bulgaria	100.00	100.00	-280	-15 ¹⁾	15.08.2008
55 PNE WIND PARK Dobrudzha OOD	Sofia, Bulgaria	51.00	51.00	-1,044	-109 ¹⁾	26.03.2010
56 PNE WIND Ventus Praventsi OOD	Sofia, Bulgaria	75.00	75.00	-477	-69 ¹⁾	21.01.2011
57 HKW Silbitz GmbH & Co. KG	Silbitz	0.00	0.00	-3,147	-590 ¹⁾	01.09.2009
58 WKN AG	Husum	82.75	83.10	75,503	-7,741 ²⁾	04.07.2013
59 Windkraft Nord USA, Inc.	San Diego, USA	100.00	100.00	-349	-133 ¹⁾	04.07.2013
60 WKN Italia s.r.l.	Catania/Sicily, Italy	100.00	100.00	62	-137 ¹⁾	04.07.2013
61 Aero Sol s.r.l.	Catania/Sicily, Italy	89.75	89.75	-177	-921 ¹⁾	04.07.2013
62 Aero-Tanna s.r.l.	Catania/Sicily, Italy	100.00	100.00	730	-47 ¹⁾	04.07.2013
63 ATS Energia s.r.l.	Torremaggiore/Foggia, Italy	70.00	70.00	286	-84 ¹⁾	04.07.2013

(Continued on next page)

Company	Headquarter	Participation previous year %	Participation %	Equity TEUR	Net income TEUR	Date of first consolidation	
64	WKN Basilicata Development s.r.l.	Potenza/ Basilicata, Italy	70.00	100.00	-22	-29 ¹⁾	04.07.2013
65	WKN France S.A.S.U.	Nantes, France	100.00	100.00	-6,390	-1,893 ¹⁾	04.07.2013
66	TOV WKN Ukraine	Kiev, Ukraine	100.00	100.00	-3,891	-3,453 ¹⁾	04.07.2013
67	Ukrainische Windenergie Management GmbH	Husum	100.00	100.00	-155	-17 ¹⁾	04.07.2013
68	New Energy Association International GmbH	Husum	100.00	100.00	-71	-80 ¹⁾	04.07.2013
69	Sevion Sp. z o.o.	Koszalin, Poland	80.00	80.00	-8,639	-5,637 ¹⁾	04.07.2013
70	VKS Vindkraft Sverige AB	Motala, Sweden	80.00	80.00	15	-942 ¹⁾	04.07.2013
71	WKN Windcurrent SA (Pty) Ltd.	Wilderness, South Africa	80.00	80.00	-669	-796 ³⁾	04.07.2013
72	NordStrom New Energy GmbH	Husum	100.00	100.00	823	0 ⁵⁾	04.07.2013
73	BGZ Solarpark Passauer Land GmbH & Co. KG	Husum	100.00	100.00	468	-16 ¹⁾	04.07.2013
74	NordStrom Solar GmbH	Husum	100.00	100.00	730	18 ¹⁾	04.07.2013
75	NordStrom Bioenergie GmbH	Husum	100.00	100.00	-957	-7 ¹⁾	04.07.2013
76	BGZ Fondsverwaltung GmbH	Husum	100.00	100.00	207	0 ⁵⁾	04.07.2013
77	WKN GmbH & Co. Windpark Looft II KG	Husum	100.00	100.00	1	0 ²⁾	30.09.2014

II. List of the associated companies included in the consolidated financial statements

1	Innovative Wind Concepts GmbH	Husum	50.00	50.00	-33	-7,795 ⁴⁾	04.07.2013
2	Societa' Energetica Sarda s.r.l.	Villaurbana/ Sardinia, Italy	50.00	50.00	-3	-13 ¹⁾	04.07.2013
3	PNE WIND Infrastruktur Calau II GmbH	Cuxhaven	100.00	25.00	23	-1 ²⁾	01.04.2013
4	PNE WIND Park III GmbH & Co. KG	Cuxhaven	100.00	25.00	-106	-96 ²⁾	01.04.2013

III. Non-consolidated companies due to minor significance

1	Plambeck Neue Energien Windpark Fonds CIII GmbH & Co. KG	Cuxhaven	100.00	100.00	-11	-2 ²⁾	
2	Pilger Wind Farm Inc.	Saskatoon, Canada	100.00	100.00	0	0 ²⁾	
3	Climax Wind Farm Inc.	Saskatoon, Canada	100.00	100.00	0	0 ²⁾	
4	Watson Wind Farm Inc.	Saskatoon, Canada	100.00	100.00	0	0 ²⁾	
5	Wadena Wind Farm Inc.	Saskatoon, Canada	100.00	100.00	0	0 ²⁾	
6	Eston Wind Farm Inc.	Saskatoon, Canada	100.00	100.00	0	0 ²⁾	
7	Whiska Wind Farm Inc.	Saskatoon, Canada	100.00	100.00	0	0 ²⁾	
8	Altercannoch LLP	Edinburgh, United Kingdom	100.00	100.00	0	0 ²⁾	
9	Polquhairn Wind Farm LLP	Edinburgh, Uni- ted Kingdom	100.00	100.00	0	0 ²⁾	
10	Netzanschluss Genthin GbR	Nielebock	52.00	52.00	8	8 ²⁾	

† List of the companies included in the consolidated financial statements and list of shareholdings

Company		Headquarter	Participation previous year %	Participation %	Equity TEUR	Net income TEUR	Date of first consolidation
11	ATS Energia PE Casalvecchio s.r.l.	Torremaggiore/ Foggia, Italy	70.00	70.00	7	-2 ³¹	
12	ATS Solar Dragonara s.r.l.	Torremaggiore/ Foggia, Italy	70.00	70.00	15	2 ³¹	
13	Santa Maria di Olivola s.r.l.	Torremaggiore/ Foggia, Italy	70.00	70.00	10	0 ³¹	
14	Santa Vittoria s.r.l.	Torremaggiore/ Foggia, Italy	70.00	70.00	9	-1 ³¹	
15	San Cataldo s.r.l.	Torremaggiore/ Foggia, Italy	70.00	70.00	10	0 ³¹	
16	Santa Marta s.r.l.	Torremaggiore/ Foggia, Italy	70.00	70.00	8	-2 ³¹	
17	San Giacomo s.r.l.	Torremaggiore/ Foggia, Italy	70.00	70.00	8	-2 ³¹	
18	San Lorenzo s.r.l.	Torremaggiore/ Foggia, Italy	70.00	70.00	9	-2 ³¹	
19	San Giorgio s.r.l.	Torremaggiore/ Foggia, Italy	70.00	70.00	7	-2 ³¹	
20	ATS 4 s.r.l.	Torremaggiore/ Foggia, Italy	70.00	70.00	9	-2 ³¹	
21	ATS 5 s.r.l.	Torremaggiore/ Foggia, Italy	70.00	70.00	9	0 ³¹	
22	ATS Energia PE Sant'Agata s.r.l.	Torremaggiore/ Foggia, Italy	52.00	52.00	21	11 ³¹	
23	ATS Energia PE Fiorentino s.r.l.	Torremaggiore/ Foggia, Italy	52.00	52.00	19	11 ³¹	
24	ATS Energia PE Florio s.r.l.	Torremaggiore/ Foggia, Italy	52.00	52.00	19	11 ³¹	
25	ATS Energia PE Valle s.r.l.	Torremaggiore/ Foggia, Italy	52.00	52.00	18	10 ³¹	
26	WKN PE Piombino s.r.l.	Catania/Sicily, Italy	74.90	74.90	16	7 ³¹	
27	WKN Solar PE 1 s.r.l.	Catania/Sicily, Italy	100.00	100.00	18	-3 ³¹	
28	WKN PE Uno s.r.l.	Catania/Sicily, Italy	100.00	100.00	16	-3 ³¹	
29	WKN PE Quattro s.r.l.	Catania/Sicily, Italy	100.00	100.00	16	-3 ³¹	
30	WKN Basilicata Development PE1 s.r.l.	Catania/Sicily, Italy	70.00	70.00	19	9 ³¹	
31	WKN Basilicata Development PE2 s.r.l.	Catania/Sicily, Italy	70.00	70.00	19	9 ³¹	
32	WKN Basilicata Development PE3 s.r.l.	Catania/Sicily, Italy	70.00	70.00	18	-2 ³¹	
33	WKN Basilicata Development PE4 s.r.l.	Catania/Sicily, Italy	70.00	70.00	18	-2 ³¹	
34	Parc Eolien de Puchot S.A.S.U.	Nantes, France	100.00	100.00	-43	-15 ³¹	
35	Parc Eolien des Courtibeaux S.A.S.U.	Nantes, France	100.00	100.00	-23	-10 ³¹	
36	Parc Eolien des Grands Champs S.A.S.U.	Nantes, France	100.00	100.00	-25	-9 ³¹	

(Continued on next page)

Company	Headquarter	Participation previous year %	Participation %	Equity TEUR	Net income TEUR	Date of first consolidation
37	SAS la Haie Perron	Nantes, France	100.00	100.00	-20	-7 ³⁾
38	Parc Eolien de Haie de Useroles S.A.S.U.	Nantes, France	100.00	100.00	-14	-7 ³⁾
39	SAS Parc Eolien de la Tardoire	Nantes, France	100.00	100.00	k.A.	k.A. ⁶⁾
40	SAS Parc Eolien d'Ermenonville de la Grande	Nantes, France	0.00	100.00	k.A.	k.A. ⁶⁾
41	SAS Parc Eolien des Tournevents du Cos	Nantes, France	0.00	100.00	k.A.	k.A. ⁶⁾
42	SAS Parc Eolien de Longèves	Nantes, France	0.00	100.00	k.A.	k.A. ⁶⁾
43	Parc Eolien de Riaucourt Darmannes S.A.S.U.	Nantes, France	0.00	100.00	k.A.	k.A. ⁶⁾
44	TOV Perekopaska VES	Filatovka, Autonomous Republic of Crimea, Ukraine	100.00	100.00	k.A.	k.A. ⁶⁾
45	TOV Dzhankoyaska VES	Yasnopolyanske, Ukraine	100.00	100.00	k.A.	k.A. ⁶⁾
46	TOV Tatarbunarska VES	Tatarbunary, Ukraine	100.00	100.00	k.A.	k.A. ⁶⁾
47	TOV Ovid Wind Holding	Kiev, Ukraine	100.00	100.00	k.A.	k.A. ⁶⁾
48	TOV Ovid Wind	Ovidiopol, Ukraine	100.00	100.00	k.A.	k.A. ⁶⁾
49	TOV Ovid Wind II	Ovidiopol, Ukraine	99.00	99.00	k.A.	k.A. ⁶⁾
50	Windfarm Polska III Sp. z o.o.	Koszalin, Poland	60.00	60.00	-466	-182 ³⁾
51	Windfarm Polska IV Sp. z o.o.	Koszalin, Poland	80.00	80.00	-54	-25 ³⁾
52	Windfarm Polska V Sp. z o.o.	Koszalin, Poland	58.00	58.00	-34	-11 ³⁾
53	Windfarm Polska VI Sp. z o.o.	Koszalin, Poland	80.00	80.00	-67	-27 ³⁾
54	Windfarm Polska VII Sp. z o.o.	Koszalin, Poland	80.00	80.00	-30	-9 ³⁾
55	Windfarm Polska VIII Sp. z o.o.	Koszalin, Poland	80.00	80.00	-8	-7 ³⁾
56	Windfarm Polska IX Sp. z o.o.	Koszalin, Poland	80.00	80.00	-11	-11 ³⁾
57	Windfarm Zomar Sp. z o.o.	Koszalin, Poland	57.00	57.00	-14	-10 ³⁾
58	Windfarm Polska II Sp. z o.o.	Koszalin, Poland	40.00	100.00	-199	-71 ³⁾
59	WKN Sallachy Ltd.	Glasgow, United Kingdom	100.00	100.00	-79	-38 ¹³⁾
60	Vindpark Hultema i Motala AB	Motala, Sweden	80.00	80.00	5	0 ¹⁾
61	Vindpark Målarberget i Norberg AB	Motala, Sweden	80.00	80.00	5	0 ¹⁾
62	Vindpark Norrberget i Sala AB	Motala, Sweden	80.00	80.00	5	0 ¹⁾
63	Vindpark Näshult i Högsby AB	Motala, Sweden	80.00	80.00	5	0 ¹⁾

| List of the companies included in the consolidated financial statements and list of shareholdings

Company	Headquarter	Participation previous year %	Participation %	Equity TEUR	Net income TEUR	Date of first consolidation
64	Vindpark Laxåskogen i Låxa AB	Motala, Sweden	80.00	80.00	5	0 ¹¹
65	Banna Ba Pifhu Wind Farm (Pty) Ltd.	Wilderness, South Africa	80.00	80.00	0	0 ³¹
66	Ubuntu Wind Farm (Pty) Ltd.	Wilderness, South Africa	80.00	80.00	-46	-5 ³¹
67	Broadland Solar PV Park (Pty) Ltd.	Wilderness, South Africa	80.00	80.00	k.A.	k.A. ⁶¹
68	Phemba PV (RF) PTY) Ltd.	Wilderness, South Africa	0.00	80.00	k.A.	k.A. ⁶¹
69	WKN Turkey GmbH	Husum	100.00	100.00	10	-4 ¹¹
70	WKN Windkraft Nord Beteiligungs-GmbH	Husum	100.00	100.00	34	9 ³¹
71	Windpark Meerhof Verwaltungsgesellschaft mbH	Husum	100.00	100.00	9	-1 ³¹
72	Zukunftsenergien Beteiligungs-GmbH	Husum	100.00	100.00	8	-1 ³¹
73	WKN Windkraft Nord GmbH & Co. Windpark Daberkow KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
74	WKN Windkraft Nord GmbH & Co. Windpark Steffenhagen KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
75	WKN Windkraft Nord GmbH & Co. Windpark Plauerhagen KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
76	WKN Windkraft Nord GmbH & Co. Windpark Pronsfeld KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
77	WKN Windkraft Nord GmbH & Co. Windpark Fichtenberg KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
78	WKN Windkraft Nord GmbH & Co. Windpark Neuruppin KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
79	WKN Windkraft Nord GmbH & Co. WEA Schönhagen XI KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
80	WKN Windkraft Nord GmbH & Co. Windpark Immenrode KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
81	WKN Windkraft Nord GmbH & Co. Windpark Oelsig II KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
82	WKN Windkraft Nord GmbH & Co. Windpark Weinstraße KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
83	WKN Windkraft Nord GmbH & Co. Windpark Weinstraße II KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
84	Windpark Altenboitzen GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
85	WKN Windpark Beerfelde GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
86	WKN Windpark Kirchheilingen GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
87	WKN Windkraft Nord GmbH & Co. Windpark VIII KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
88	WKN GmbH & Co. Windpark 36, 40-44 KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
89	WKN Windkraft Nord GmbH & Co. Windpark Kleinbüllesheim KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
90	WKN Windkraft Nord GmbH & Co. Windpark Westerengel KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
91	Windpark Rositz GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹
92	WKN Windkraft Nord GmbH & Co. Windpark Kublank KG	Husum	100.00	100.00	k.A.	k.A. ⁶¹

(Continued on next page)

Company		Headquarter	Participation previous year %	Participation %	Equity TEUR	Net income TEUR	Date of first consolidation
93	WKN Windkraft Nord GmbH & Co. Windpark Wipperdorf KG	Husum	100.00	100.00	k.A.	k.A. ⁶⁾	
94	WKN Windpark Hedendorf GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶⁾	
95	WKN Windkraft Nord GmbH & Co. Windpark Kannawurf KG	Husum	100.00	100.00	k.A.	k.A. ⁶⁾	
96	Windpark Brilon GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶⁾	
97	Infrastruktur Engel GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶⁾	
98	WKN Windpark Groß Niendorf GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶⁾	
99	WKN Windpark Groß Oesingen GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶⁾	
100	WKN Windpark Großbrennbach GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶⁾	
101	WKN Windpark Hamwarde GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶⁾	
102	WKN Windpark Lüttau GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶⁾	
103	WKN Windkraft Nord GmbH & Co. Windpark Kirchengel KG	Husum	100.00	100.00	k.A.	k.A. ⁶⁾	
104	Windpark 56-59 GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶⁾	
105	BGZ Solardach 2 GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶⁾	
106	BGZ Solardach 3 GmbH & Co. KG	Husum	100.00	100.00	k.A.	k.A. ⁶⁾	
107	NordStrom Beteiligungsgesellschaft mbH	Husum	100.00	100.00	68	5 ³⁾	
108	NordStrom Bioenergie Beteiligungsgesellschaft mbH	Husum	100.00	100.00	22	0 ³⁾	
109	NordStrom Bioenergie Biokohle Produktionsgesellschaft Dortmund GmbH & Co. KG	Husum	100.00	100.00	-3	0 ³⁾	
110	REE GmbH	Husum	100.00	100.00	90	45 ³⁾	
111	GREENWIND GmbH	Husum	100.00	100.00	54	17 ³⁾	
112	ATS Solar s.r.l.	Torremaggiore/ Foggia, Italy	70.00	70.00	8	-1 ³⁾	
113	ATS Solar Figurella s.r.l.	Torremaggiore/ Foggia, Italy	70.00	70.00	7	-2 ³⁾	
114	WEG Windenergie-Entwicklungsgesellschaft mbH	Husum	100.00	100.00	5	-1 ³⁾	
115	EWEG Europäische Windenergie-Entwicklungsgesellschaft mbH	Husum	100.00	100.00	17	-8 ³⁾	
116	WKN Montana II LLC	San Diego, USA	100.00	100.00	k.A.	k.A. ⁷⁾	

| List of the companies included in the consolidated financial statements and list of shareholdings

Company	Headquarter	Participation previous year %	Participation %	Equity TEUR	Net income TEUR	Date of first consolidation
IV. Non-consolidated associated companies due to minor significance						
1	Windpark Altenbruch GmbH	Cuxhaven	50.00	50.00	145	5 ²⁾
2	Windpark Infrastruktur Kührstedt-Alfstedt GmbH & Co. KG	Kührstedt	50.00	50.00	-14	-3 ²⁾
3	Windpark Köhlen GmbH	Oldenburg	50.00	50.00	-58	-34 ²⁾
4	Elbe-Weser-Windkraft GmbH	Cuxhaven	50.00	50.00	21	2 ²⁾
5	Windkraft Stade GmbH & Co. Frischer Wind KG	Cuxhaven	50.00	50.00	12	-3 ²⁾
6	PNE WIND Park Kührstedt Alfstedt GmbH & Co. KG	Cuxhaven	50.00	50.00	-1	-3 ²⁾
7	UNS-Windpark Kührstedt Alfstedt GmbH & Co. KG	Cuxhaven	50.00	50.00	-2	-3 ²⁾
8	Windpark Infrastruktur Oberndorf Intern GmbH & Co. KG	Oberndorf	50.00	50.00	-23	-13 ²⁾
9	Windpark Infrastrukturu Odisheim GmbH & Co. KG	Cuxhaven	50.00	50.00	-3	-3 ²⁾
10	GOO Infrastruktur GmbH & Co. KG	Cuxhaven	23.08	23.08	17	-16 ²⁾
11	GOO Geschäftsführungs GmbH	Cuxhaven	23.08	23.08	22	-2 ²⁾
12	WKN Windkraft Nord GmbH & Co. Windpark Milda KG	Husum	50.00	50.00	10	-1 ³⁾
13	EVN Energieversorgung Nord GmbH & Co. KG	Husum	50.00	50.00	-219	-15 ³⁾
14	Biomasse Energie Versorgung Ratekau (BEVR) GmbH	Scharbeutz	50.00	50.00	57	3 ³⁾
15	Biomasse Energie Versorgung Ratekau (BEVR) GmbH & Co. KG	Scharbeutz	37.50	37.50	-58	48 ³⁾

1) per the financial statements as at December 31, 2014

2) per the provisional financial statements as at December 31, 2014

3) per the financial statements as at December 31, 2013

4) per the financial statements as at September 30, 2014

5) after profit transfer to WKN AG

6) not have a recording of the operating business

7) included in the result of Windkraft Nord USA Inc.

Notes to the consolidated financial statements of PNE WIND AG, Cuxhaven, for the fiscal year 2014

I. Commercial register and object of the Company

PNE WIND AG (hereinafter also referred to as the "Company") has its registered office at Peter-Henlein-Straße 2-4, Cuxhaven, Germany. The Company is entered under number HRB 110360 in the commercial register at the District Court of Tostedt. The fiscal year is the calendar year.

During the year under report, the business activities of the Company consisted primarily of the projecting, construction and operation of wind farms and transformer stations for the generation of electricity, the servicing of wind power turbines as well as the raising of equity capital for wind farm operating companies.

II. General accounting principles

1. Going concern

The accounting is carried out on a going concern basis. The Group management report of the Company specifies the risks that might endanger the continued existence of the Company.

2. Consolidated financial statements

The consolidated financial statements of PNE WIND AG are prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as they are to be applied in the European Union. New standards adopted by the IASB are in principle applied as from the time of their becoming effective, as they are to be taken into consideration in the EU.

These consolidated financial statements are prepared in euro (EUR) unless otherwise stated and in principle are rounded to thousands of euro (TEUR). Due to this rounding, it is possible that individual figures may not add up exactly to the stated sum in the presentations in these IFRS consolidated financial statements.

The consolidated financial statements correspond to the requirements of Section 315a of the German Commercial Code (HGB).

The consolidated financial statements are based on uniform accounting and valuation principles.

The consolidated financial statements and Group management report, prepared by the Board of Management as at December 31, 2014, were released at the meeting of the Board of Management on March 16, 2015 for submission to the Supervisory Board.

The consolidated financial statements as at December 31, 2014 are filed electronically with the operator of the Federal Gazette (Bundesanzeiger).

During the fiscal year 2014, the Group applied the following new IFRS standards or amendments to IFRS standards for the first time:

Standard/Interpretation	Date of EU endorsement	Application obligation in the EU
IFRS 10: New standard "Consolidated Financial Statements"	December 11, 2012	January 1, 2014
IFRS 11: New standard "Joint Arrangements"	December 11, 2012	January 1, 2014
IFRS 12: New standard "Disclosure of Interests in Other Entities"	December 11, 2012	January 1, 2014
Transition guidance: Consolidated Financial Statements, Joint Arrangements, regarding amendments to IFRS 10, IFRS 11 and IFRS 12	April 4, 2013	January 1, 2014
Investment Companies: amendments to IFRS 10, IFRS 12 and IAS 27	November 20, 2013	January 1, 2014
New standard IAS 28 "Investments in Associates and Joint Ventures"	December 11, 2012	January 1, 2014
Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities	December 13, 2012	January 1, 2014
Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting	December 19, 2013	January 1, 2014

The IASB published a package of five new standards on group accounting; their key contents are described in the following sections.

IFRS 10 „Consolidated Financial Statements“

New standard was adopted on May 12, 2011. The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when a parent entity controls one or more other entities. The standard replaces the consolidation guidelines in previous IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation – Special Purpose Entities".

The application of the new standard has not led to a change in the scope of consolidation of the Group.

IFRS 11 „Joint Arrangements“

New standard, adopted on May 12, 2011. The core principle of IFRS 11 is that a party to a joint arrangement has to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement. The standard replaces IAS 31 „Shares in Joint Ventures“ and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers".

The new standard has not led to a change in the accounting for joint ventures.

IFRS 12 „Disclosure of Interests in Other Entities“

New standard, adopted on May 12, 2011. The objective of IFRS 12 is to require the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities as well as the effects of those interests on its financial position, financial performance and cash flows.

First-time application of IFRS 12 has led to extended disclosures in the notes.

IAS 27 "Separate Financial Statements"

New, revised standard, adopted on May 12, 2011. IAS 27 (as amended in 2011) has the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures and associates when an entity elects, or is required by local regulations, to present separate financial statements (or non-consolidated financial statements). IAS 27 (2011), together with IFRS 10 "Consolidated Financial Statements", replaces the previous version of IAS 27 (2008) "Consolidated and Separate Financial Statements", including the interpretation SIC-12 "Consolidation – Special Purpose Entities".

Since the companies of the Group do not prepare separate financial statements according to IFRS, the revised standard has no impact on accounting.

Transition guidance

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in other Entities" – Transition Guidance. These amendments clarify the transition guidance in IFRS 10 and grant additional simplification in all three standards. As is the case with IFRS 10, IFRS 11 and IFRS 12, these amendments apply to reporting periods beginning on or after January 1, 2014.

There is no impact on the Group's financial reporting.

Investment Companies

An entity may apply the aforementioned standards IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements (as amended in 2011)" and IAS 28 "Investments in Associates and Joint Ventures (as amended in 2011)" to earlier periods, but only if it adopts all standards together.

There is no impact on the Group's financial reporting.

IAS 28 „Investments in Associates and Joint Ventures“

New, revised standard, adopted on May 12, 2011. The objective of IAS 28 (as amended in 2011) is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 (2011), together with IFRS 12 „Disclosure of Interests in Other Entities“, supersedes the previous version IAS 28 (2008) "Shares in Associates".

The new standard has not led to a change in the accounting for joint ventures and associates.

IAS 32 “Financial Instruments: Presentation”

The IASB revised the regulations for offsetting financial assets and financial liabilities and published the results on December 16, 2011 in the form of amendments to IAS 32, Financial Instruments: Presentation, and to IFRS 7, Financial Instruments: Disclosures. The prerequisites for offsetting defined in IAS 32 were largely maintained, but were specified in more detail through additional application guidance. This additional guidance is to be applied retrospectively to fiscal years beginning on or after January 1, 2014.

There is no impact on the Group’s financial reporting.

Amendments to IAS 39, „Financial Instruments: Recognition and Measurement”

IAS 39 was amended in respect of the novation of derivatives and continuation of hedge accounting, stipulating that derivatives, under certain conditions, continue to be designated as hedging instruments in continuing hedging transactions in spite of a novation. It is effective from January 1, 2014, earlier application being permitted.

This amendment does not lead to any effects on the recognition and accounting of derivative financial instruments.

In fiscal year 2014, the following new or amended accounting standards, which have already been adopted by the IASB, but some of them not yet endorsed by the EU, were not taken into account, since there was no obligation to apply them.

Standard/ Interpretation	Date of EU endorsement	Application obligation in the EU
IFRS 9: New standard "Financial Instruments": Classification and Measurement of Financial Instruments	Not yet endorsed	January 1, 2018
Amendments to IFRS 7 and IFRS 9: Mandatory Effective Date and Transition Disclosures	Not yet endorsed	January 1, 2017
Amendments to IFRS 9, IFRS 7 and IAS 39 – Hedge Accounting	Not yet endorsed	January 1, 2017
IFRS 14: New Standard "Regulatory Deferral Accounts"	Not yet endorsed	January 1, 2016
IFRS 15: New Standard "Revenue from Contracts with Customers"	Not yet endorsed	January 1, 2017
Amendments to IAS 1, Disclosure Initiative	Not yet endorsed	January 1, 2016
Amendments to IAS 19: Defined Benefit Plans: Employee Benefits (Amendments to IAS 19 "Employee Benefits")	December 17, 2014	July 1, 2014
Annual Improvements Project: "Improvements to IFRSs 2010-2012 Cycle"	December 17, 2014	July 1, 2014
Annual Improvements Project: "Improvements to IFRSs 2011-2013 Cycle"	December 18, 2014	December 22, 2014
Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations	Not yet endorsed	January 1, 2016
Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	Not yet endorsed	January 1, 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants	Not yet endorsed	January 1, 2016
Amendments to IAS 27 Equity Method in Separate Financial Statements	Not yet endorsed	January 1, 2016
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet endorsed	January 1, 2016
Annual improvements project "Improvements to IFRSs 2012-2014 Cycle"	Not yet endorsed	January 1, 2016
IFRIC 21: New interpretation "Levies"	June 13, 2014	June 17, 2014

The application obligation in the EU shows the date on which the new accounting regulation is expected to be taken into account at PNE WIND AG for the first time.

IFRS 9 "Financial Instruments"

New standard, adopted on November 12, 2009. "Amendments to IFRS 9, IFRS 7 and IAS 39 – Mandatory Effective Date and Transition Disclosures" and "Amendments to IFRS 9, IFRS 7 and IAS 39 – Hedge Accounting" were published in connection with the new standard. The standard and its amendments deal with the classification and measurement of financial instruments and are expected to have an influence on the accounting of the financial assets of the Group. Application of the standard is mandatory as of January 1, 2017. Earlier application is permitted subject to endorsement by the EU.

The Group is currently examining the detailed effects resulting from IFRS 9.

Amendments to IFRS 7 regarding the application of IFRS 9

On December 16, 2011, the IASB issued “Mandatory Effective Date and Transition Disclosures (Amendments to IFRS 9 and IFRS 7)”, which postponed the mandatory effective date of IFRS 9 to reporting periods beginning on or after January 1, 2017 and modified the relief from restating comparative periods and the associated disclosures in IFRS 7. The amendments to IFRS 7 are to be applied when an entity applies IFRS 9 for the first time (January 1, 2017 or earlier in the event of early application of IFRS 9).

It is not expected that there will be any effects on the financial reporting of the Group.

IFRS 14 Regulatory Deferral Accounts

The objective of IFRS 14 is to specify the financial reporting requirements for ‘regulatory deferral account balances’ that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation. The standard permits an entity which is a first-time adopter of IFRS to continue to account, with some limited restrictions, for ‘regulatory deferral account balances’ in accordance with its previous accounting principles. This applies both in the first IFRS financial statements and in subsequent financial statements. Regulatory deferral account balances and movements in them are to be presented separately in the statement of financial position and the statement of profit or loss and other comprehensive income, and specific disclosures are required. The amendments are to be applied to fiscal years beginning on or after January 1, 2016. It has not yet been endorsed by the EU.

No changes within the Group are expected to result from this new standard.

IFRS 15 Revenue

The standard specifies how and when revenue is to be recognised. IFRS 15 supersedes IAS 18 ‘Revenue’, IAS 11 ‘Construction Contracts’ and several revenue-related interpretations. Application of IFRS 15 is mandatory for all IFRS users and applies to almost all contracts with customers – key exceptions are leases, financial instruments and insurance contracts. The amendments are to be applied to fiscal years beginning on or after January 1, 2017. It has not yet been endorsed by the EU.

No changes within the Group are expected to result from this new standard.

Disclosure Initiative – IAS 1 Amendments

The amendments have the objective to eliminate impediments to preparers exercising their judgement in presenting their financial reports. The amendments are effective for fiscal years beginning on or after January 1, 2016; early application is permitted.

No changes within the Group are expected to result from this new standard.

Amendments to IAS 19 „Employee Benefits“

On November 21, 2013, the IASB published further amendments to IAS 19. The amendments clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service. The amendments are effective for fiscal years beginning on or after July 1, 2014; early application is permitted.

It is not expected that there will be any effects on the financial reporting of the Group.

Annual improvement process IFRS 2010-2012

The IASB published amendments in the context of its annual process to make minor improvements to standards and interpretations (Annual Improvements to IFRSs 2010-2012 Cycle). Eight standards (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 38 and IAS 34) are affected by the amendments.

The amendments are to be applied to reporting periods of a fiscal year beginning on or after July 1, 2014 and only have little or no relevance for the Group.

Annual improvement process IFRS 2011-2013

The IASB published amendments in the context of its annual process to make minor improvements to standards and interpretations (Annual Improvements to IFRSs 2011-2013 Cycle). Four standards (IFRS 1, IFRS 3, IFRS 13, IAS 40) are affected by the amendments. The amendments are to be applied mandatorily and retroactively to reporting periods of a fiscal year beginning on or after July 1, 2014 and only have little or no relevance for the Group.

Annual improvement process IFRS 2012-2014

The IASB published amendments in the context of its annual process to make minor improvements to standards and interpretations (Annual Improvements to IFRSs 2012-2014 Cycle). Four standards (IFRS 5, IFRS 7, IAS 19, IAS 34) are affected by the amendments. The amendments are to be applied mandatorily and retroactively to reporting periods of a fiscal year beginning on or after December 22, 2014 and only have little or no relevance for the Group.

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The acquirer of an interest in a joint operation, in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3 and other IFRS with the exception of those principles that conflict with the guidance in IFRS 11.

It is not expected that there will be any effects on the financial reporting of the Group.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments provide guidance on which methods may be used for the depreciation of property, plant and equipment and the amortisation of intangible assets, in particular in relation to revenue-based depreciation and amortisation methods.

There will be no impact on the Group's financial reporting.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments bring bearer plants, which no longer undergo significant biological transformation, into the scope of IAS 16 so that they can be accounted for in the same way as property, plant and equipment.

There will be no impact on the Group's financial reporting.

Amendments to IAS 27 Equity Method in Separate Financial Statements

The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in the separate financial statements of an investor.

It is not expected that there will be any effects on the financial reporting of the Group.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that in transactions involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

It is not expected that there will be any effects on the financial reporting of the Group.

IFRIC 21 "Levies"

The interpretation provides guidance on when to recognise a liability imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The interpretation is to be applied for the first time to reporting periods beginning on or after January 1, 2014.

It is not expected that it will have significant effects on the financial reporting of the Group.

No new standard or interpretation or amendment to a standard was applied early in 2014.

III. Principles of consolidation

1. Scope of consolidation

All companies over which the Group parent company exercises control are included in the consolidated financial statements on the basis of full consolidation. Control over an investment company exists where an investor is exposed to fluctuating yields from its investment in the investment company or has rights to these and is capable of influencing these yields via its control over the investment company. The scope of consolidation also includes wind farm operating companies that are controlled by the parent company or its affiliated companies on the basis of these criteria. The first-time inclusion of the subsidiary HKW Silbitz GmbH & Co. KG on July 1, 2009 was effected in line with IAS 27 and SIC 12, based on the assumption that control by PNE WIND AG exists in view of the opportunities/risks situation, although PNE WIND AG has no voting right majority in that company. The application of IFRS 10 has – according to management – not resulted in a different assessment PNE WIND AG is exposed to variable returns from its involvement in associated investment companies and has the ability to affect those returns through its power over the affiliated companies (see para. 11, distribution guarantees).

During the period under report, the following companies were included for the first time in the consolidated financial statements (in brackets: date of first consolidation and percentage holding):

1. PNE WIND Park IX GmbH & Co. KG, Cuxhaven (100 percent, first consolidation on February 26, 2014) (established),
2. PNE WIND Park X GmbH & Co. KG, Cuxhaven (100 percent, first consolidation on September 30, 2014) (established),
3. WKN GmbH & Co. Windpark Looft II KG, Husum (100 percent, first consolidation on September 30, 2014) (established),
4. PNE WIND YieldCo Deutschland GmbH, Cuxhaven (100 percent, first consolidation an December 4, 2014) (established),
5. PNE WIND YieldCo International Ltd., Edinburgh, United Kingdom (100 percent, first consolidation on December 4, 2014) (established).

The object of companies under points 1-3 is the construction and operation of wind power turbines in the form of wind farms and the sale of the electricity generated.

The object of companies under points 4 and 5 is the acquisition and operation of systems for generating electricity from renewable energies in Germany and abroad, in particular of wind farms, as well as the sale of electricity generated by these systems.

The carrying amounts and fair values of the identifiable assets and liabilities of companies under points 1-5 were insignificant for the asset, financial and earnings position on the date of first-time consolidation.

During the period under report, the shareholdings in the following consolidated Group companies changed:

1. PNE WIND Infrastruktur Calau II GmbH, Cuxhaven, (from 100 percent to 25 percent),
2. PNE WIND Park III GmbH & Co. KG, Cuxhaven, (from 100 percent to 25 percent),
3. PNE WIND Development EOOD, Sofia, Bulgaria (from 80 percent to 100 percent),
4. WKN Basilicata Development S.R.L., Potenza/Basilicata, Italy (from 70 percent to 100 percent),
5. WKN AG, Husum (from 82.75 percent to 83.10 percent).

The companies under points 1 and 2 were included at-equity as a result of the reduced holding as at December 31, 2014.

These events had no significant effect on the earnings, financial or asset situation.

Accordingly, apart from PNE WIND AG, the scope of consolidation as at December 31, 2014 comprised the other companies included under "list of the companies included in the consolidated financial statements" under Point I "list of companies included in the consolidated financial statements" and under Point II "list of associated companies included in the consolidated financial statements".

Companies that were not included in the scope of consolidation as at December 31, 2014 are shown in the "list of companies included in the consolidated financial statements and list of ownership share" under Point III "non-consolidated companies due to minor significance" and under Point IV "non-consolidated associated companies due to minor significance".

2. Disposals of companies

The following companies were deconsolidated in fiscal year 2014:

1. PNE WIND Park I GmbH & Co. KG, Cuxhaven,
2. PNE WIND Park Calau II C GmbH & Co. KG, Cuxhaven,
3. PNE WIND Park Calau II D GmbH & Co. KG, Cuxhaven,
4. PNE WIND Park VI GmbH & Co. KG, Cuxhaven,
5. PNE WIND Park VII GmbH & Co. KG, Cuxhaven,
6. PNE WIND Park X GmbH & Co. KG, Cuxhaven
7. Parc Eolien de Crampon S.A.S.U, Basse-Goulaine, France
8. WKN Windkraft Nord GmbH & Co. Windpark Ebersgrün KG, Husum.

Due to the deconsolidation of PNE WIND Park I GmbH & Co. KG, assets amounting to a total of euro 8.2 million, which primarily represent the capitalised services of the project, and debts amounting to euro 8.1 million were eliminated. The payment received for the sale of the company amounted to TEUR 52. The company's funds removed from the balance sheet as a result of the transaction amounted to euro 0.

Due to the deconsolidation of PNE WIND Park Calau II C GmbH & Co. KG, assets amounting to a total of euro 35.2 million, which primarily represent the capitalised services of the project, and debts amounting to euro 35.2 million were eliminated. The payment received for the sale of the company amounted to TEUR 6. The company's funds removed from the balance sheet as a result of the transaction amounted to euro 2.3 million.

Due to the deconsolidation of PNE WIND Park Calau II D GmbH & Co. KG, assets amounting to a total of euro 31.5 million, which primarily represent the capitalised services of the project, and debts amounting to euro 31.5 million were eliminated. The payment received for the sale of the company amounted to TEUR 3. The company's funds removed from the balance sheet as a result of the transaction amounted to euro 0.

Due to the deconsolidation of PNE WIND Park VI GmbH & Co. KG, assets amounting to a total of euro 26.4 million, which primarily represent the capitalised services of the project, and debts amounting to euro 26.4 million were eliminated. The payment received for the sale of the company amounted to TEUR 3. The company's funds removed from the balance sheet as a result of the transaction amounted to euro 0.3 million.

Due to the deconsolidation of PNE WIND Park VII GmbH & Co. KG, assets amounting to a total of euro 32.1 million, which primarily represent the capitalised services of the project, and debts amounting to euro 32.1 million were eliminated. The payment received for the sale of the company amounted to TEUR 3. The company's funds removed from the balance sheet as a result of the transaction amounted to euro 0.2 million.

Due to the deconsolidation of PNE WIND Park X GmbH & Co. KG, assets amounting to a total of euro 0.0 million and debts amounting to euro 0.0 million were eliminated. The payment received for the sale of the company amounted to TEUR 3. The company's funds removed from the balance sheet as a result of the transaction amounted to euro 0.0 million.

Due to the deconsolidation of Parc Eolien de Crampon S.A.S.U assets amounting to a total of euro 0.0 million and debts amounting to euro 0.0 million were eliminated. The payment received for the sale of the company amounted to TEUR 0. The company's funds removed from the balance sheet as a result of the transaction amounted to euro 0.0 million.

Due to the deconsolidation of WKN Windkraft Nord GmbH & Co. Windpark Ebersgrün KG, assets amounting to a total of euro 18.7 million, which primarily represent the capitalised services of the project, and debts amounting to euro 17.0 million were eliminated. The payment received for the sale of the company amounted to TEUR 1. The company's funds removed from the balance sheet as a result of the transaction amounted to euro 1.6 million.

The deconsolidation of the companies had no material impact on the consolidated financial success.

3. Consolidation methods

The basis of the consolidated financial statements is the separate financial statements of the companies included in the Group, prepared as at December 31, 2014 pursuant to uniform accounting and valuation principles and, in part, audited by the auditors.

The capital consolidation of subsidiaries is performed in accordance with the acquisition method of accounting by offsetting the acquisition costs of the business combination against the proportionate equity capital attributable to the parent company at the acquisition date. The equity capital is determined as the balance of the fair values of assets and liabilities at the acquisition date (full new valuation).

The equity method of accounting is used for associated companies in which the Group exercises significant influence, generally through an ownership interest of between 20 percent and 50 percent. In the case of investments that are included "at equity" in the consolidated financial statements, the book value is increased or decreased annually by the changes in shareholders' equity corresponding to the Group's capital share. Upon the first-time inclusion of investments at equity, differences resulting from initial consolidation are treated in accordance with the principles of full consolidation. The changes in pro-rated equity which are recognised in profit or loss, including impairment losses on goodwill, are shown in the results from at equity investments. Intercompany profits and losses were insignificant in these companies.

Material intragroup sales, expenses and income as well as receivables and liabilities between the companies to be consolidated are eliminated. Intercompany results, provided that they are material, are eliminated and taken into account in deferred taxes.

If the ownership interests in already consolidated companies (without gain or loss of control) increase or decrease, this is effected with no impact on income through a credit or charge to the minority interests within the shareholders' equity.

IV. Accounting and valuation principles

The accounting at all companies of the Group is performed exactly in accordance with national legal regulations as well as the complementary generally accepted accounting principles.

The financial statements of all consolidated companies are included on the basis of uniform accounting and valuation methods. The annual financial statements prepared in line with the applicable national regulations (HB I) are reconciled to annual financial statements in conformity with IFRS (HB II). The accounting and valuation regulations were applied in the same way as in the previous year.

The preparation of the consolidated financial statements in accordance with the pronouncements of the IASB requires that assumptions be made and estimates be used for certain items that affect the amounts and the presentation of assets and liabilities, income and expenses reported as well as of contingent liabilities.

Assumptions and estimates relate in particular to the determination of the useful economic lives of property, plant and equipment, the accounting and valuation of provisions, the possibility of realising future tax benefits for deferred taxes, the determination of the degree of completion for receivables from long term construction contracts and the determination of cash flows, growth rates and discounting factors in connection with impairment tests of goodwill.

The assumptions and estimates used are based on experience gained during the past business activity of the PNE WIND Group and follow relevant expectations publicly available in the corresponding market. Consequently, the assumptions and estimates used, as a rule, cannot deviate from general market expectations and, for forward-looking values, from price developments recognisable in the market. The maximum risk of a full value deviation is represented by the book values of intangible and tangible as well as financial assets shown in the balance sheet. For a presentation of the historical development of asset values resulting from the assumptions and estimates used, please refer to the schedule of fixed assets.

However, the actual values and their development may differ from the assumptions and estimates made. Such changes will be recognised through profit or loss at the time when better knowledge becomes available.

1. Changes in accordance with IAS 8

As part of the initial consolidation of the WKN AG subgroup on July 4, 2013, a purchase price allocation was made according to IFRS 3. The purchase price allocation was based on the financial statements of WKN AG as at December 31, 2012 and June 30, 2013. In 2014, it became evident that the valuation of the identifiable assets acquired, the liabilities assumed and the non-controlling interests of the acquired company were based on incorrect information and was not performed correctly according to IFRS 3.18ff. to estimate the fair value at the acquisition date. The incorrect information led to misinterpretations of certain parts of information which were present at the time of the purchase price allocation. It pertains to the above presented situation and an error in accordance with IAS 8.41 ff. which was retrospectively corrected beginning with the acquisition date of July 4, 2013.

All figures in TEUR	Before correction Recognised upon acquisition	After correction Recognised upon acquisition
Goodwill	0	0
Operating contracts	1,524	1,524
Other property, plant and equipment	20,525	20,525
Financial assets	9,250	8,300
Inventories	61,370	53,506
Other short term assets	24,921	23,340
Liquid funds	9,768	9,768
Deferred tax assets	5,255	5,223
Provisions	5,411	5,411
Liabilities to banks	59,125	59,125
Other liabilities	8,603	8,603
Deferred tax liabilities	4,737	4,779
Fair value/book value of the net assets	54,737	44,268

All figures in TEUR	Before correction	After correction
Purchase price for 82.75% of shares in WKN AG	76,839	76,839
Less fair values of assets and liabilities acquired (100%)	-54,737	-44,268
Minority interests (17.25%)	9,442	7,636
Goodwill	31,544	40,207

All figures in TEUR	Before correction	After correction
Share of minorities (book values retained)	12,641	10,361
Share of minorities (adjustment to fair values)	-2,701	-2,220
Share of minorities (deferred taxes)	-498	-505
Total	9,442	7,636

The information provided above concerns errors according to IAS 8.41 ff, which was corrected retrospectively starting from the date of acquisition on July 4, 2013. Of the following error corrections affected the financial statements as at December 31, 2013:

All figures in TEUR	31.12.2013		
	Before correction	Change from correction	After correction
Statement of financial position			
Intangible assets	56,343	8,663	65,006
Long term financial assets	8,605	-950	7,655
Inventories	145,860	-9,278	136,582
Receivables and other assets	59,536	-1,581	57,955
Deferred taxes	9,150	-214	8,936
Shareholders' equity	150,609	-3,360	147,248
Consolidated statement of comprehensive income			
Changes in inventories	14,789	-1,414	13,376
Taxes on income	-2,833	141	-2,692
Consolidated net income before minority interests	38,549	-1,554	36,994
Consolidated net income	40,679	-3,100	37,580
Basic earnings per share (euro)	0,86	-0,06	0,80
Consolidated statement of changes in equity			
Consolidated net result	35,173	-3,100	32,073
Shareholders' equity before minority interests	144,916	-3,100	141,816
Minority interests	5,693	-261	5,432
Total shareholders' equity	150,609	-3,360	147,248

In regards to the determination of the corrected values provided, there remains some uncertainty owing to the supplement audit in connection with the amended financial statements of WKN AG as at December 31, 2012 not being completed. As a result, there was no final revised valuation report for the purchase price allocation at the time of preparation of the Group financial statements as at December 31, 2014.

2. Intangible assets

Concessions, intellectual property rights and licences are stated at their cost of acquisition and incidental acquisition costs. Based on their definable useful life, they are amortised over the expected useful life using the straight line method. The useful life is usually two to four years. Special write-downs are charged where required, and these are subsequently reversed if the original grounds for the write-down no longer apply. No extraordinary value adjustments (decreases and increases) were required in the year under report.

Pursuant to IFRS 3, goodwill resulting from capital consolidation is no longer amortised over its expected useful life. Where necessary, extraordinary write-downs in accordance with IAS 36 ("impairment only approach") are made.

3. Property, plant and equipment

Property, plant and equipment are recognised at cost of acquisition or production, less scheduled straight-line depreciation, in accordance with IAS 16. No impairment losses pursuant to IAS 36 were to be recognised.

The items of property, plant and equipment are depreciated over their useful lives as follows:

	Years
Buildings, including buildings on third party land	20 to 50
Technical plant and machinery	5 to 20
Other plant and machinery, fixtures and fittings	3 to 10

No material residual values were to be taken into consideration when calculating the depreciation amount.

Rented or leased assets where both the economic risks and the economic rewards are transferred to the relevant Group company ("finance lease") are capitalised in accordance with IAS 17 and reduced by scheduled and, if applicable, unscheduled depreciation over the expected useful life of the leased asset. The payment obligation is recorded as a liability at the lower of the fair value of the asset and the present value of all future lease payments. The lease payments are apportioned between the interest expense and the changes in the liability so as to produce a constant periodic rate of interest on the remaining balance of the liability. Interest expense is included immediately in the statement of comprehensive income.

Lease payments for operating leases are distributed over the lease term on a straight-line basis and recognised in the result for the period.

Borrowing costs are, as a rule, charged to the statement of comprehensive income. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

4. Impairment of intangible assets and property, plant and equipment

At the end of each reporting period, the Group assesses whether there is any indication for a need to recognise an impairment loss on the assets shown in the statement of financial position. If any such indication exists or if an annual impairment test of an asset is required, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to determine the recoverable amount of individual assets, assets used in combination are summarised to cash generating units for which the cash flows can be estimated. The recoverable amount is the higher of the fair value of an asset or a cash generating unit, less costs to sell and value in use. In assessing the value in use, the estimated future cash flows from the asset or the cash generating unit are discounted to their present value using a risk-adjusted pre-tax discount rate. Write-downs of goodwill, recognised in profit or loss, are stated separately in the statement of comprehensive income under the item "Impairment loss goodwill".

A reversal of an impairment loss recognised in profit or loss in prior years for an asset (except for goodwill) is made whenever there is any indication that the impairment no longer exists or might have decreased. The reversal amount is recognised as income in the statement of comprehensive income. The value increase or impairment decrease of an asset is recognised only to the extent that it does not exceed the carrying amount that would have been determined, subject to write-down effects, had no impairment loss been recognised for the asset in prior years. Any impairment loss recognised in the context of impairment tests of goodwill must not be reversed.

Goodwill is tested for impairment at least once a year on December 31 or more frequently when there is any indication that the carrying amount may be impaired. Any impairment loss is recognised directly in profit or loss as a part of write-downs.

To determine the need for impairment of goodwill and of intangible assets with indefinite useful life, the carrying amount of the cash generating unit to which the goodwill is allocated is compared with the recoverable amount of the cash generating unit.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

5. Long term financial assets

Long term financial assets are stated at acquisition cost, if appropriate less extraordinary depreciation to the lower fair value, since they are investments in equity instruments for which no quoted market price exists.

Loans are stated at their acquisition cost and non-interest bearing and low-interest loans are recognised at their cash value.

Shares in associated companies are included at-Equity in the Group.

6. Deferred taxes

Deferred taxes are recognised pursuant to the "liability method" in accordance with IAS 12 on temporary differences between the balance sheet for tax purposes and the consolidated financial statements. No deferred tax liability is recognised for the non-tax-deductible amortisation of goodwill arising from capital consolidation.

Deferred tax assets and deferred tax liabilities are calculated on the basis of the laws and regulations applicable on the reporting date. Deferred taxes on valuation adjustments are determined generally at the national tax rates for the individual group companies.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available for offsetting.

Deferred tax assets and liabilities are netted in the consolidated statement of comprehensive income, provided that an enforceable right exists to offset the actual tax debt and that the deferred taxes relate to the same tax subject and the same tax authority.

7. Assets held for sale and discontinued operations

Items of fixed assets and disposal groups the disposal of which is planned within 12 months are recognised in a separate item in accordance with IFRS 5. They are measured at the lower of amortised cost and fair value less costs to sell.

8. Inventories

Inventories are generally stated at the lower of cost of acquisition or production and net realisable value. The cost of production includes direct material costs, direct production costs and adequate portions of production-related overhead costs. In addition, borrowing costs that are directly attributable to the acquisition or production of a qualifying asset are capitalised. The net realisable value is the estimated selling price that can be obtained in the ordinary course of business, less all estimated costs incurred up to completion and estimated costs necessary to make the sale.

9. Accounting for long term construction contracts

Long term construction contracts for the erection of wind farms are accounted for by reference to the percentage of completion in accordance with the provisions of IAS 11. The profit contribution expected from a construction contract is estimated using the expected revenue and costs of the contract, and the revenue and expenses are recognised in accordance with the stage of completion on the reporting date. The degree of completion of the individual contracts is determined based on the work performed up to the reporting date, which is compared with the entire expected volume of work. Work provided by subcontractors is taken into account in the determination of the degree of completion. The degree of completion is determined for each individual project based on the work provided.

When the sum of contract costs incurred and recognised profits exceeds the down payments, construction contracts are recognised on the assets side as future receivables from long term construction contracts as a component of "Trade receivables". A negative balance is shown under "Trade liabilities".

An expected total loss from a construction contract is recognised as an expense immediately.

10. Receivables and other assets

Receivables and other assets are measured at amortised cost, less any necessary impairment.

Receivables with a remaining term of more than one year are discounted at market conditions.

11. Cash and cash equivalents

Cash and cash equivalents reported in the statement of financial position include cash on hand and in banks and short-term deposits with original maturities of less than three months.

12. Financial assets

Financial assets are classified into the following categories in accordance with IAS 39:

- Financial assets held for trading
- Held-to-maturity investments
- Loans and receivables granted by the Company
- Available-for-sale financial assets

Financial assets with fixed or determinable payments and fixed maturity dates that an entity intends and is able to hold to maturity, except for loans and receivables, are classified as held-to-maturity financial investments. Financial assets that were acquired principally for realising short term profit are classified as financial assets held for trading. Derivative financial instruments are also classified as held for trading if it is a derivative that is not designated and effective as hedging instrument. Profits and losses from financial assets held for trading are recognised in the statement of comprehensive income. All other financial assets, except for loans and receivables granted by the Company, are classified as available-for-sale financial instruments.

Held-to-maturity investments are stated under long term assets, unless they are due within 12 months from the reporting date. Financial assets held for trading are recognised under short term assets. Available-for-sale financial assets are shown as short term assets, provided that the management intends to sell them within 12 months from the reporting date.

Purchases or sales of financial assets are recognised using trade date accounting, i.e. on the day on which the entity assumed the obligation to purchase or to sell.

At initial recognition, a financial asset is stated at acquisition costs. These are made up of the fair value of the consideration and – except for financial assets held for trading – the transaction costs.

Changes in the fair value of financial assets held for trading are recognised through profit or loss. The fair value of a financial asset is the amount that would be received between willing parties in an arm's length transaction under current market conditions. The fair value corresponds to the market or stock price, provided that the relevant financial instruments are traded in an active market. If there is no active market for a financial instrument, the fair value is calculated using appropriate financial-mathematical valuation techniques, such as recognised option pricing models, or by discounting future cash flows at market interest rates.

Held-to-maturity financial investments are measured at their amortised cost using the effective interest method. If it is probable that financial assets carried at amortised cost are impaired, the impairment loss is recognised in the statement of comprehensive income. A previously recognised impairment loss is reversed through profit or loss if the subsequent increase in value (or decrease of impairment) can be related objectively to an event occurring after the impairment was originally recognised. An increase in value is recognised only to the extent that it does not exceed the amount of amortised cost that would have resulted had the impairment not been recognised.

Loans and receivables that are not held for trading are stated at amortised cost. If an impairment exists, the amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Available-for-sale financial assets are generally recognised at market values. Unrealised gains and losses, less a tax portion, are recognised in shareholders' equity in the item "income and expense recognised directly in equity". The item "income and expense recognised directly in equity" is reversed through profit or loss either when it is sold or when an impairment exists. If the fair value of equity instruments that are not quoted at a stock exchange cannot be determined reliably, the interests are valued at cost of acquisition (less impairment losses, if any).

Financial liabilities are recognized when a Group entity becomes the contracting party to the financial instrument. They are classified as either financial assets measured at fair value through profit or loss or as other financial liabilities. Other financial liabilities including bonds, borrowings, trade payables and others are valued at the amortized cost using the effective interest method.

Financial instruments measured at fair value can be classified based on the significance of the input factors and information relevant to their measurements and allocated to (measurement) levels. The allocation of a financial instrument to a level is based on the significance of its input factors for the entire measurement, i.e. the lowest level whose input is relevant for the measurement in its entirety. The measurement levels are divided hierarchically based on their input factors:

Level 1	quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as price) or indirectly (i.e. in derivation from prices)
Level 3	inputs that are not based on observable market data for the measurement of the asset or the liability (unobservable inputs)

The determination of fair values of all financial instruments recognised in the statement of financial position and explained in these notes is based on information and input factors of level 2. Through the use of observable market parameters, the valuation does not differ from general market assumptions.

Other financial instruments recognised have neither prices quoted in markets nor comparable transactions that can be used for a reliable valuation so that they are shown at (historical) cost.

For details we refer to the explanations on the relevant items in the statement of financial position.

13. Provisions

Provisions are formed for all external obligations, if it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the provision. Provisions for imminent losses for onerous contracts are formed in accordance with the regulations of IAS 37.

In measuring the provision, the most probable value and, with a range of varying values, its expected value is used. Determination and measurement are effected, where possible, using contractual agreements; otherwise the calculations are based on past experience and estimates of the Board of Management.

Long term provisions are recognised at their present values; discounting is effected at market interest rates that correspond to the risk and the period up to settlement.

Apart from legal pension obligations, the Group has a very low volume of defined contribution pension plans. Payments for defined contribution plans are recognised as an expense when they are due.

14. Liabilities

Liabilities are generally stated at amortised cost. Liabilities under finance leases are recognised at the inception of the lease at the present value of future leasing payments during the non-terminable basic lease term.

Liabilities with a remaining term of more than one year bear interest at market conditions.

Contingent liabilities are not shown in the statement of comprehensive income. A list of contingent liabilities existing on the reporting date is shown in Section X.1.

15. Deferred government grants

Government grants are recognised at their nominal amount in a separate item on the date they are received, without affecting profit or loss, and they are reversed through profit or loss based on the write-downs of the assets supported.

16. Statement of comprehensive income

The statement of comprehensive income is based on the expenditure type of presentation.

17. Sales revenues / revenue recognition

Sales are recognised as income at the time of delivery or the provision of the service to the customer. Revenue recognition for long term construction contracts is explained in Section V.6.

Interest income is deferred in the corresponding period based on the effective interest method.

18. Foreign currency conversion

The items contained in the separate financial statements of the individual Group companies are valued using the relevant functional currency. The consolidated financial statements are prepared in euro, which is the reporting and the functional currency of the parent company.

Transactions in foreign currencies are converted into the relevant functional currency using the rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate valid on the reporting date. Exchange differences are recognised in profit or loss and stated in the statement of comprehensive income under "Other operating income" or "Other operating expenses". Non-monetary assets and liabilities that were measured at historical cost in a foreign currency are converted at the rate prevailing on the day of the transaction.

Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of a net investment in a foreign operation and which are recognised in the reserve for currency exchange differences are recognised through profit or loss upon disposal of the net investment. Shareholders' equity is converted at historical rates.

For the purpose of preparing consolidated financial statements, the assets and liabilities of the Group's foreign operations are to be converted into Euro (EUR) using exchange rates prevailing on the reporting date. Income and expense items are converted at the average exchange rate for the period. The resulting exchange differences are transferred to the reserve for currency conversion as part of the shareholders' equity. On the disposal of a foreign operation, these amounts are recognised through profit or loss. Shareholders' equity is converted at historical rates.

Goodwill arising from the acquisition of a foreign operation and fair value adjustments are treated as assets or liabilities of the foreign operation and converted at the rate of exchange prevailing on the reporting date.

V. Statement of financial position

With regard to the composition and development of the individual items of fixed assets, we refer to the consolidated schedule of fixed assets. With regard to disposal restrictions of items of fixed assets we refer to the schedule of liabilities.

Values marked with an asterisk (*) are adjusted prior year figures and refer to the item "IV. Accounting and valuation principles" (1. Changes in accordance with IAS 8) in the consolidated financial statements.

1. Intangible assets

The intangible assets in an amount of TEUR 60,433 (prior year: TEUR 60,461)* are attributable to goodwill arising from the initial consolidation of subsidiaries included in the consolidated financial statements.

Impairment of goodwill

Items of goodwill acquired in the context of business combinations are allocated to the cash generating units for the purpose of impairment testing.

The future recoverable amount was defined as the fair value less costs to sell.

For the impairment test of goodwill of the cash generating unit "projecting of wind power turbines WKN", the future cash flows were derived from the detailed plans for the next 3 years (Hierarchy level 2). No growth discount was taken into account for the period thereafter. The weighted average cost of capital before taxes used to discount the forecast cash flows was 13.26 percent (prior year: 9.48 percent) for the detailed planning phase and for the subsequent period.

For the impairment test of goodwill of the cash generating unit "projecting of wind power turbines PNE", the future cash flows were derived from the detailed plans for the next 3 years. No growth discount was taken into account for the period thereafter. The weighted average cost of capital before taxes used to discount the forecast cash flows was 11.84 percent (prior year: 10.63 percent) for the detailed planning phase and for the subsequent period.

For the impairment test of goodwill of the cash generating unit "electricity generation", the future cash flows were derived from the detailed plans for the next 3 years. For the period thereafter, a cumulative planning over the relevant expected remaining useful life up to 2026 was taken as the basis. The weighted average cost of capital before taxes used to discount the forecast cash flows was 5.86 percent (prior year: 6.72 percent) for the detailed planning phase and for the subsequent period.

Key assumptions for the calculation of the fair values less cost to sell of the business units as at December 31, 2014 and December 31, 2013:

Projecting of wind power turbines WKN and PNE

Budgeted gross profit margins: The gross profit margins are determined based on the average gross profit margins achieved in prior fiscal years, increased for expected efficiency improvements.

To establish future cash flows, the expected operating costs are deducted from the gross profits determined in this manner. Financing costs and taxes are not taken into account. The remaining amount forms the basis of discounting.

Weighted average cost of capital: The cost of equity is determined using the Capital Asset Pricing Model (CAPM). The borrowing costs before taxes were stated at an interest rate of 5.0 percent (prior year: 4.1 percent).

Carrying amounts of goodwill allocated to the relevant cash-generating units:

All figures in TEUR	Projecting of wind power turbines PNE		Projecting of wind power turbines WKN		Electricity generation		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Carrying amount of goodwill	20,000	20,000	40,207	40,207*	226	254	60,433	60,461*

* Prior year's figures adjusted. We refer to item „IV. Accounting and valuation principles“ [1. Changes in accordance with IAS 8] in the Notes.

The recoverable amount of the CGU Laubuseschbach (electricity generation) was below the carrying amount of the CGU's assets so that an impairment loss of TEUR 28 was recognised for this wind farm.

2. Property, plant and equipment

Technical equipment and machinery includes a transformer station (Kletzke transformer station) acquired under a finance lease, which is capitalised at an amortised cost of TEUR 707 (prior year: TEUR 788). At the end of the finance lease, the title to the transformer station passes to the Group. The related minimum lease payments and the present values thereof are shown under financial liabilities.

3. Long term financial assets

In addition to the Company's investments in associated companies totalling TEUR 8 (prior year: TEUR 5,092)*, long term financial assets include shares in companies that were not included by way of full consolidation in the consolidated financial statements because of their minor importance amounting to TEUR 1,083 (prior year: TEUR 999)*. The Company does not intend to sell the investments in the long term. Moreover, the item contains loans totalling TEUR 153 (prior year: TEUR 712)* and other loan receivables totalling TEUR 138 (prior year: TEUR 238).

As with the prior year, no impairment losses were recognised on long term financial assets in the 2014 fiscal year.

Please refer to Section V.6 for the categorisation and valuation of financial instruments.

Investments in associated companies are accounted for in the consolidated financial statements using the at-equity method. The reported shares are of minor importance for the Group.

4. Assets and liabilities classified as held for sale

The item includes TEUR 1,015 (prior year: TEUR 753) for project work provided by PNE Gode Wind III GmbH, which was already sold subject to the fulfilment of certain conditions.

5. Inventories

All figures in TEUR	31.12.2014	31.12.2013
Raw materials, consumables and supplies	145	112
Work in progress	130,509	121,017*
Finished goods and merchandise	4	3
Prepayments made	21,731	15,450*
	152,389	136,582*

* Prior year figures adjusted. We refer to item „IV. Accounting and valuation principles“ (1. Changes in accordance with IAS 8) in the Notes.

In the 2014 fiscal year, an amount of TEUR 6,016 (prior year: TEUR 3,704) in respect of write-downs of inventories to the net realisable value was recognised as an expense. The expense is included in the changes in inventories.

The total cost of inventories recognised as an expense was TEUR 19,078 (prior year: TEUR 13,375)*.

Work in progress includes assets of TEUR 83,263 (prior year: TEUR 76,881)*, which are expected to be recovered after more than twelve months.

6. Receivables and other assets

Receivables from long term construction contracts

The receivables from long term construction contracts and trade receivables relate primarily to receivables due from wind farm companies for the construction of wind farms.

Before netting against prepayments received, receivables from long term construction contracts amounted to TEUR 7,018 (prior year: TEUR 38,368). After being netted against prepayments received, the following balance results, which is shown under trade receivables:

All figures in TEUR	31.12.2014	31.12.2013
Accrued cost including stage of completion profits realised	7,018	38,368
Prepayments received	0	-17,063
	7,018	21,305

Trade receivables

In the fiscal year 2014, write-downs of TEUR 929 (prior year: TEUR 126) were made on receivables and other assets. The write-downs are determined individually by reference to past experience in payment transactions with the relevant companies.

The account of write-downs developed as follows (TEUR):

All figures in TEUR	31.12.2014	31.12.2013
1.1.	326	608
Additions	929	126
Utilisation (-)	0	309
Reversals (-)	126	99
31.12.	1,129	326

The total receivables written down amounted to TEUR 1,166 (prior year: TEUR 681) as at December 31, 2014.

Receivables and other assets include no significant amounts that were overdue on the reporting date. Reservation of title was agreed to the customary extent for trade receivables; apart from this, no additional collateral was agreed for receivables and other assets.

Other short term loan receivables

The other short term loan receivables include loans issued by PNE WIND AG and WKN AG to wind farm project companies which have been sold.

Receivables from affiliated companies, associated companies and those in which an investment is held

Receivables from affiliated companies, associated companies and those in which an investment is held include short-term other financial receivables.

The following table of the financial assets shows the carrying amounts and fair values by category:

All figures in TEUR		Total	Fair Value
As per 31.12.2014			
Short term financial assets			
Cash and cash equivalents	LaR	72,175	72,175
Trade receivables	LaR	20,098	20,098
Other short term loan receivables	LaR	1,777	1,777
Receivables from affiliated companies	LaR	5,392	5,392
Receivables from associated companies and those in which an investment is held	LaR	1,872	1,872
Long term financial assets			
Shares in affiliated companies	AfS	1,083	-
Shares in companies in which an investment is held	AfS	604	-
Other loans	LaR	153	153
Other short term loan receivables	LaR	138	138
		103,292	101,605
Total loans and receivables		101,605	101,605
Total financial assets available for sale		1,687	-
As per 31.12.2013			
Short term financial assets			
Cash and cash equivalents	LaR	77,402	77,402
Trade receivables	LaR	34,371	34,371
Other short term loan receivables	LaR	8,638	8,638
Receivables from affiliated companies	LaR	3,410	3,410*
Receivables from associated companies and those in which an investment is held	LaR	1,844	1,844*
Long term financial assets			
Shares in affiliated companies	AfS	999	-*
Shares in companies in which an investment is held	AfS	613	-
Other loans	LaR	712	712*
Other short term loan receivables	LaR	238	238
		128,227	126,615*
Total loans and receivables		126,615	126,615*
Total financial assets available for sale		1,612	-*
LaR = Loans and receivables			
AfS = Available-for-sale financial assets			
*Prior year's figures adjusted. We refer to item „IV. Accounting and valuation principles“ [1. Changes in accordance with IAS 8] in the Notes.			

The available-for-sale financial assets include unquoted equity instruments whose fair value cannot be reliably measured and therefore were measured at cost in the amount of TEUR 1,687 as at December 31, 2014 (December 31, 2013: TEUR 1,612)*. On the reporting date, there was no intention of selling the financial assets. No net gains or losses were attributable to the available-for-sale category.

The carrying amounts of loans and receivables on the reporting date approximate their fair values. The net results in the category "loans and receivables" include TEUR 929 (prior year: TEUR 126) for impairment losses, shown in other operating expenses and income, as well as TEUR 546 (prior year: TEUR 169) for interest income, shown in the financial result.

Other assets

Other assets include primarily value added tax receivables.

7. Shareholders' equity

Subscribed capital

As at January 1, 2014, the Company's share capital amounted to euro 54,858,448.00 (prior year: euro 45,785,869.00), divided into 54,858,448 (prior year: 45,785,869) no par value registered shares with a notional share of euro 1.00 per share in the share capital. The Company's share capital developed as follows in the period under report:

In the 2014 fiscal year, the Company issued 3,185,296 (prior year: 9,072,579) shares from Conditional Capital 2009/I after conversion rights were exercised and 13,931,195 shares from the authorised capital.

On the reporting date, the Company's share capital amounted to euro 71,974,939.000 (prior year: euro 54,858,448.00), divided into 71,974,939 (prior year: 54,858,448) no par value registered shares with a notional share of euro 1.00 per share in the share capital.

Authorised capital

The general meeting of shareholders of May 22, 2013 authorised the Board of Management to increase the Company's share capital, with the approval of the Supervisory Board, in the period up to May 21, 2018, on one or several occasions to a total of up to euro 22,800,000.00 (authorised capital) by issuing new no par value registered shares against contributions in kind or in cash. Moreover, the Board of Management was granted the authorisation, subject to the approval of the Supervisory Board

- to exclude the shareholders' subscription rights up to an amount which does not exceed 10 percent of the share capital existing on the date this authorisation is exercised in order to issue new shares against contributions in kind at a price that is not substantially lower than the stock market price of already listed shares of the same class. This 10 percent limit shall include those shares that are acquired in accordance with Section 71 (1) no. 8 AktG on the basis of an authorisation of the general meeting of shareholders and are sold under exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG. Furthermore, this limit shall include those shares that were or are to be issued to serve convertible and/or option bonds, provided that the bonds were issued under exclusion of subscription rights in corresponding application of Section 186 (3) sentence 4 AktG;
- to exclude the shareholders' subscription rights in a partial amount of up to euro 9,000,000.00 for the purpose of acquiring property, plant and equipment, in particular through the acquisition of companies or investments in companies or the acquisition of other assets, provided that the acquisition or the investment is in the best interests of the Company and will be effected through the issue of shares;

- to exclude the shareholders' subscription rights to the extent necessary to grant the holders of convertible and/or option bonds issued by the Company or its subsidiaries subscription rights for new shares in a volume to which they would be entitled after exercising their conversion and/or option rights.

Should the Board of Management not make use of the aforementioned authorisations, the shareholders' subscription rights can be excluded solely for fractional amounts.

The authorised capital was registered in the commercial register of the Company on July 16, 2013.

In the 2014 fiscal year, the Board of Management, by utilising the authorised capital, increased the Company's share capital by euro 13,931,195.00 through the issue of 13,931,195 shares with a notional share of euro 1.00 per share in the share capital. The authorised capital thus amounted to euro 8,868,805.00 on December 31, 2014.

Conditional Capital 2009/I

The general meeting of shareholders of May 14, 2009 resolved a conditional increase of the Company's share capital by up to euro 15,000,000.00.

The share capital is conditionally increased by a further amount of up to euro 15,000,000.00, divided into up to 15,000,000 no par value registered shares, each representing a pro-rata amount of euro 1.00 of the share capital (Conditional Capital 2009/I). The conditional capital increase will only be implemented to the extent that the holders of option or conversion rights from option or convertible bonds which are issued or guaranteed by the Company or one of its wholly-owned indirect or direct investment companies up to May 13, 2014 on the basis of the authorisation of the annual meeting of shareholders of May 14, 2009 will exercise their option or conversion rights. The new shares are entitled to a share in the profits from the beginning of the fiscal year in which they are created through the exercise of conversion or option rights. The Board of Management is authorised, with the approval of the Supervisory Board, to determine the further details of the execution of the capital increase.

The Board of Management made use of this authorisation for the first time with the resolution of June 18, 2009 and with the approval of the Supervisory Board of June 18, 2009 and resolved to issue a convertible bond (the "2009/2014 Convertible Bond") at a nominal value of up to euro 37.5 million. The convertible bonds were issued at a price of 100 percent. The conversion price amounted to euro 2.50 for each share acquired through exercising the conversion right. The convertible bond was subscribed in a nominal volume of euro 3,850,000. This corresponds to subscription rights for up to 1.54 million new shares with a pro-rata amount of euro 1.00 per share in the share capital. By the end of the term of the 2009/2014 Convertible Bond on July 16, 2014, 32,017 convertible bonds in the total nominal amount of euro 3,201,700.00 were converted into shares of the Company. Of the total amount converted, 31,879 convertible bonds in the total nominal amount of euro 3,187,900 were converted in 2014.

Through another use of this authorisation, the Board of Management, with the approval of the Supervisory Board, resolved on May 18, 2010 to issue a convertible bond in an aggregate nominal amount of up to euro 29.5 million, divided into up to 295,000 individual bearer bonds (the "2010/2014 Convertible Bond"). The individual bonds were issued at an issue price of euro 100.00. In the event of effective exercise of the conversion right, the conversion price amounted to euro 2.20. The convertible bond was subscribed in a nominal volume of euro 26,000,000.00. This corresponds to subscription rights for up to 11,818,181 new shares with a pro-rata amount of euro 1.00 per share in the share capital. By the end of the term of the 2010/2014 Convertible Bond on December 31, 2014, 241,752 convertible bonds in the total nominal amount of euro 24,175,200.00 were converted into shares of the Company. Of the total amount converted, 42,025 convertible bonds in the total nominal amount of euro 4,202,500 were converted in 2014. Including the shares issued under the 2009/2014 Convertible Bond, the Conditional Capital 2009/I was partially used in the amount of up to euro 13,358,181.00 by December 31, 2014. In respect of the remaining Conditional Capital 2009/I in the amount of up to euro 1,641,819.00, the authorisation of the general meeting of shareholders expired on May 13, 2014, which means that no more option or conversion rights for new shares can be granted from Conditional Capital 2009/I.

Conditional Capital II/2012

The general meeting of shareholders of May 15, 2012 resolved a conditional increase of the Company's share capital by a further amount of up to euro 7,750,000.00.

The share capital is conditionally increased by a further amount of up to euro 7,750,000.00, divided into up to 7,750,000 no par value registered shares, each representing a pro-rata amount of euro 1.00 of the share capital (Conditional Capital II/2012). The conditional capital increase will only be implemented to the extent that the holders of option or conversion rights from option or convertible bonds which are issued or guaranteed by the Company or one of its wholly-owned indirect or direct investment companies up to May 14, 2017 on the basis of the authorisation of the annual meeting of shareholders of May 15, 2012 will exercise their option or conversion rights. The new shares are entitled to a share in the profits from the beginning of the fiscal year in which they are created through the exercise of conversion or option rights. The Board of Management is authorised, with the approval of the Supervisory Board, to determine the further details of the execution of the capital increase.

The Board of Management made use of this authorisation with the resolution of September 11, 2014 and with the approval of the Supervisory Board of the same day and resolved to issue a convertible bond (the "2014/2019 Convertible Bond") at a volume of up to euro 25,575,000.00. The individual convertible bonds were issued at a price of 100 percent. The conversion price for each share acquired in the future through exercising the conversion right amounts to euro 3.30, subject to a subsequent adjustment. The convertible bond was subscribed in a volume of euro 6,565,132.20. This corresponds to subscription rights for up to 1,989,434 new shares with a pro-rata amount of euro 1.00 per share in the share capital. No conversion rights were exercised in the year under report. Taking the subscription rights granted under the 2014/2019 Convertible Bond into account, the Conditional Capital II/2012 was partially used in

the amount of up to euro 1,989,434.00 by December 31, 2014. Thus, the Conditional Capital II/2012 in the remaining amount of up to euro 5,760,566.00 was still available for the issuance of additional convertible bonds on December 31, 2014.

Capital reserve

The capital reserve includes the premium paid on the shares issued and the equity share of the convertible bond.

Treasury shares

The Company held no treasury shares on December 31, 2014. The Company did not buy or sell any treasury shares in the year under report.

Foreign currency reserve

Exchange differences relating to the conversion of the functional currency of foreign operations into the Group's presentation currency are included in the foreign currency reserve.

Consolidated retained earnings

Profits and losses are accumulated in the consolidated retained earnings. In the context of the 2014 dividend payment, dividends from the consolidated retained earnings were taken from the retained profits shown in the financial statements of PNE WIND AG prepared pursuant to the German Commercial Code in the amount TEUR 8,229 and distributed to the shareholders (euro 0.10 per share plus special dividend of euro 0.05 per share). The Board of Management proposes to bring the parent company's retained profits totalling 63,288,721.50 forward to a new account.

8. Minority interests

The capital consolidation of WKN AG, of the wind farm operating companies and of the investments abroad as well as the results from current and past fiscal years resulted in negative minority interests totalling TEUR -6,065 (prior year: TEUR -3,613)*. On the reporting date, there was a share of TEUR 33 (prior year: TEUR 5,432)*.

The following table shows details of the Group's non-wholly owned subsidiaries that have material non-controlling interests.

Name of subsidiary	Place of business	Proportion of ownership interest and voting power held by non-controlling interests		Profit/loss attributable to non-controlling interests		Accumulated non-controlling interests	
		31.12.2014	31.12.2013	2014 in TEUR	2013 in TEUR	31.12.2014 in TEUR	31.12.2013 in TEUR
		WKN AG	Germany	16.90%	17.25%	-4,708	172
PNE WIND UK Ltd.	United Kingdom	10.00%	10.00%	-402	-347	-1,342	-940
Others				-195	-410	-1,329	-1,247
Total of non-controlling interests				-5,305	-585	33	5,432*

* Prior year figures adjusted. We refer to item „IV. Accounting and valuation principles“ (1. Changes in accordance with IAS 8) in the Notes.

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information represents amounts before intragroup eliminations.

WKN AG All figures in TEUR	31.12.2014	31.12.2013
Short term assets	84,130	102,060
Long term assets	37,550	45,567
Short term liabilities	53,581	60,467
Long term liabilities	14,907	18,281
Share in equity attributable to the shareholders of the parent company	56,857	70,727
Non-controlling interests	-3,664	-1,849

WKN AG All figures in TEUR	2014	2013
Revenues	79,126	31,561
Expenses	94,343	24,847
Net income	-15,217	6,715
of which.		
Net income attributable to the shareholders of the parent company	-13,323	6,543
Net income attributable to the non-controlling interests	-1,894	172
Other result attributable to the shareholders of the parent company	0	0
Other result attributable to the non-controlling interests	0	0
Other result	0	0
Total result attributable to the shareholders of the parent company	-13,323	6,543
Total result attributable to the non-controlling interests	-1,894	172
Total result	-15,217	6,715

WKN AG All figures in TEUR	31.12.2014	31.12.2013
Dividends paid to non-controlling interests	0	0
Net cash flows from operating activities	-2,605	-8,830
Net cash flows from investing activities	-1,010	4,695
Net cash flows from financing activities	501	0
Total net cash flows	-3,114	-4,136

PNE Wind UK Ltd. All figures in TEUR	31.12.2014	31.12.2013
Short term assets	13,802	9,643
Long term assets	411	305
Short term liabilities	28,297	19,251
Long term liabilities	0	0
Share in equity attributable to the shareholders of the parent company	-12,741	-8,363
Non-controlling interests	-1,342	-940

PNE Wind UK Ltd. All figures in TEUR	2014	2013
Revenues	2,572	4,176
Expenses	7,945	7,487
Net income	-5,373	-3,311
of which:		
Net income attributable to the shareholders of the parent company	-4,971	-2,964
Net income attributable to the non-controlling interests	-402	-347
Other result attributable to the shareholders of the parent company	0	0
Other result attributable to the non-controlling interests	0	0
Other result	0	0
Total result attributable to the shareholders of the parent company	-4,971	-2,964
Total result attributable to the non-controlling interests	-402	-347
Total result	-5,373	-3,311

PNE Wind UK Ltd. All figures in TEUR	31.12.2014	31.12.2013
Dividends paid to non-controlling interests	0	0
Net cash flows from operating activities	454	251
Net cash flows from investing activities	-173	-170
Net cash flows from financing activities	0	0
Total net cash flows	280	81

9. Deferred government grants

Since 2000, the Company has received investment grants in the total amount of TEUR 1,746 for the construction of an office building, the extension of the office building and for fixtures and fittings.

The reversal of the investment grants is based on the useful life of the underlying assets. During the year under report, a total amount of TEUR 47 (prior year: TEUR 47) was reversed.

10. Tax provisions

The tax provisions include current taxes on income, which were set up for past fiscal years and the 2014 fiscal year.

11. Other provisions

The other provisions developed as follows:

All figures in TEUR	1.1.2014	Consumption	Reversal	Addition	31.12.2014
Variable purchase price component Atlantis I - III	9,040	0	0	180	9,220
Distribution guarantees Silbitz	686	373	0	379	692
Legal costs	320	108	36	25	201
Other	147	13	0	50	184
	10,193	494	36	634	10,297

The interest on the distribution guarantee and variable purchase price components Atlantis I-III is included in the additions in an insignificant volume; the other provisions concern short term provisions.

The provision for distribution guarantees in respect of Silbitz relates to a guarantee of PNE WIND AG. PNE WIND AG offered the limited partners of HKW Silbitz GmbH & Co. KG a distribution guarantee, which is included in the provisions at a discounted amount of approximately euro 0.7 million. In addition, PNE WIND AG has undertaken in a contract with the limited partners of the operating company of HKW Silbitz to 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 totalling approx. euro 6.4 million as at December 31, 2014 (prior year: euro 5.9 million).

The amount of variable purchase price components from the acquisition of offshore projects is estimated upon initial recognition and recognised in inventories as well as provisions. Changes in the fair values of variable purchase price components, which represent no corrections during the valuation period, are to be accounted for in accordance with IAS 39 Financial Instruments or IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The Group recognises the change in the variable purchase price components from the acquisition of offshore wind farms in the corresponding amount in the inventories. As at December 31, 2014, a discounted purchase price liability of approx. euro 9.2 million (prior year: 9.0 million) is recorded.

12. Financial liabilities

The financial liabilities are attributable to capital issued under profit participation certificates, convertible bonds, liabilities to banks, other financial liabilities and liabilities from leasing contracts.

The financial liabilities have the following remaining terms to maturity and are structured as follows based on interest rate agreements:

All figures in TEUR	Category as per IAS 39	Total	Up to 1 year	1 to 5 years	More than 5 years	Fair value
As per 31.12.2014						
Trade liabilities	FLAC	21,476	21,476	0	0	21,476
Fixed interest						
Participation certificates	FLAC	0	0	0	0	0
Bonds	FLAC	104,092	1,825	102,267	0	109,634
Liabilities to banks	FLAC	51,775	13,115	26,074	12,586	55,830
Other financial liabilities	FLAC	8,903	2,502	6,401	0	9,209
Liabilities under leases	FLAC	390	110	280	0	390
Variable interest						
Liabilities to banks	FLAC	20,000	20,000	0	0	20,000
Other financial liabilities	FLAC	0	0	0	0	0
Derivatives						
Interest swaps	FLHFT	2,040	798	1,242	0	2,040
		208,676	59,826	136,264	12,586	218,579
As per 31.12.2013						
Trade liabilities	FLAC	12,093	12,093	0	0	12,093
Fixed interest						
Participation certificates	FLAC	3,061	0	3,061	0	3,061
Bonds	FLAC	105,018	3,836	101,182	0	114,513
Liabilities to banks	FLAC	70,326	24,529	30,904	14,893	78,089
Other financial liabilities	FLAC	15,575	9,921	5,654	0	16,601
Liabilities under leases	FLAC	500	106	394	0	500
Variable interest						
Liabilities to banks	FLAC	15,013	0	15,013	0	15,215
Other financial liabilities	FLAC	0	0	0	0	0
Derivatives						
Interest swaps	FLHFT	1,960	586	1,374	0	1,960
		223,546	51,071	157,582	14,893	242,032
<small>FLHFT = Financial liabilities held for trading FLAC = Financial liabilities at amortised cost</small>						

The fair values of financial instruments listed in the tables were derived from market information available on the reporting date and the methods and assumptions presented below. The fair value is

determined in line with generally accepted pricing models based on discounted cash flow analyses and using observable current market prices for similar instruments (level 2). As with last year, there were no transfers between the hierarchy levels in the current fiscal year.

The fair values of liabilities to banks and other financial liabilities are determined using current interest rates at which similar loans with identical maturities could have been taken out on the reporting date.

The determination of the fair values of bonds is based on the price quotations as at the reporting date.

The valuation of trade liabilities and other financial liabilities is based on the assumption that the fair values correspond to the carrying amounts of these financial instruments in view of their short remaining terms. The carrying amounts of profit participation capital and liabilities under leases also roughly correspond to their fair values in view of their short-term maturities or overall insignificant amounts.

Net results from financial liabilities carried at amortised cost consist exclusively of interest totalling TEUR 11,591 (prior year: TEUR 8,444), which is included in financial expenses.

The net result from liabilities held for trading is derived from the subsequent measurement at fair value in the amount of TEUR 80 (prior year: TEUR 616).

Participation certificates

Based on the resolution of the general meeting of shareholders of November 4, 2003, the Board of Management was authorised, subject to the approval of the Supervisory Board, to issue participation certificates on one or several occasions up to September 30, 2008. The participation certificates may have a term of up to 20 years. The total nominal amount of the participation rights granted may not exceed EUR 100,000,000.00. The participation certificates issued on the basis of this authorisation may not include conversion or option rights for shares of PNE WIND AG. The participation certificates may only be issued in euro. The shareholders are granted the statutory subscription right. The participation certificates may also be acquired by a third party, in particular a bank or banking syndicate, subject to the obligation to offer them to the shareholders for subscription. However, the Board of Management was authorised, with the approval of the Supervisory Board, to exclude the shareholders' subscription rights for fractional amounts.

The Board of Management has partially used this authorisation and issued participation certificates on March 18, 2004 with the approval of the Supervisory Board of March 24, 2004. No participation certificates were issued in the period under report.

The participation certificates had the following key features: The participation certificates issued were bearer certificates and divided into pari passu participation certificates with a nominal value of euro 100.00 each. The holders of the participation certificates received a dividend having priority over the profit share of the issuer's shareholders for each fiscal year within the term; the dividend was computed as follows: a) Dividend amount of 7 percent of the nominal amount of the participation certificates and b) profit-based interest of up to 3 percent of the nominal amount of the participation certificates. Through

the profit-based interest, the dividend may increase, depending on the amount of the issuer's earnings, to up to 10 percent of the nominal amount of the participation certificates. The basis for calculating the profit-based interest was the net profit pursuant to Section 275 (2) no. 20 of the German Commercial Code (HGB) plus taxes on income (Section 275 (2) no. 18 HGB) as reported in PNE WIND AG's annual financial statements prepared in accordance with the provisions of the Commercial Code for each past fiscal year.

The participation certificate holders were not entitled to dividends if the net income of the issuer earned in the preceding fiscal year, increased by profit carry-forwards and decreased by loss carry-forwards and transfers to statutory reserves, was not sufficient for this purpose. If the net income was not sufficient, the dividends of the following year or years were increased by the deficit amounts, provided that the net income of the following year or years, adjusted in accordance with sentence 1, was sufficient. The duty to make subsequent payments only existed during the term of the participation certificates. The holders of participation certificates were entitled to dividends from April 1, 2004.

The term of the participation certificates ended on December 31, 2014 and they are due and payable pursuant to the terms and conditions on July 1, 2015 after the final adoption of the financial statements for the previous year. By the end of their term on December 31, 2014, the Company repurchased 567 participation certificates at a total nominal amount of euro 56,700.00.

The number of participation certificates outstanding as at December 31, 2014 amounted to 8,428 (prior year: 8,428).

Bonds

The bonds developed as follows:

All figures in TEUR	31.12.2014	31.12.2013
Convertible bond 2009:		
- Status as at January 1	3,810	3,769
- Accrued interest	20	51
- Converted	3,182	10
- Repaid	648	
- Status as at December 31	0	3,810
Convertible bond 2010:		
- Status as at January 1	5,923	25,129
- Accrued interest	107	745
- Converted	4,206	19,951
- Status as at December 31	1,824	5,923
Convertible bond 2014:		
- Status as at January 1	0	0
- Issued	6,055	0
- Accrued interest	20	0
- Status as at December 31	6,075	0
Bond 2013:		
- Status as at January 1	95,285	0
- Issued	0	94,856
- Accrued interest	908	429
- Status as at December 31	96,163	95,285
Total	104,092	105,018

2009/2014 Convertible Bond

Based on the authorisation resolution of the general meeting of shareholders of May 14, 2009, the Board of Management resolved on June 18, 2009, with the approval of the Supervisory Board of the same day, to issue up to 375,000 individual pari passu bearer bonds at a nominal value of euro 100.00 each, corresponding to a total nominal value of up to euro 37,500,000.00. Thereafter, on the basis of the resolution of the Board of Management of July 10, 2009, the Company issued an aggregate of 38,500 individual pari passu bearer bonds at a nominal value of euro 100.00 each, corresponding to a total nominal amount of euro 3,850,000.00. The 2009 convertible bond was included on July 17, 2009 in the over-the-counter market at the Frankfurt Stock Exchange. The individual bonds were evidenced for their entire term by a permanent global bearer certificate. The term of the individual bonds began on July 17, 2009 and ended on July 17, 2014. The nominal amount of the bonds carried interest of 7 percent p.a. for the entire term of the individual bonds, unless they were redeemed early or unless the conversion right was exercised in a legally effective manner. In accordance with the bond terms and conditions, each bondholder had the irrevocable right to exchange the individual bonds for no par value registered shares carrying voting rights of PNE WIND AG. Subject to any adjustment to the conversion price, each individual bond granted the right for exchange into 40 no par value registered shares of the Company. The conversion rights were

secured by Conditional Capital I/2009 (see above point 7.). The conversion right could be exercised within specified exercise periods, which in each case followed the ordinary meeting of shareholders. An exercise period also existed at the end of the term. In addition, the bond terms and conditions contained provisions regarding an adjustment of the conversion price in the event of capital increases and anti-dilutive clauses.

During the year under report, holders of a total of 31,879 individual bonds (prior year: 104) in the total nominal amount of euro 3,187,900.00 (prior year: euro 10,400.00) exercised their conversion rights so that 1,275,160 (prior year: 4,160) new no par value registered shares of PNE WIND AG were issued.

2010/2014 Convertible Bond

Based on the authorisation resolution of the general meeting of shareholders of May 14, 2009, the Board of Management resolved on May 18, 2010, with the approval of the Supervisory Board of the same day, to issue up to 295,000 individual pari passu bearer bonds at a nominal value of euro 100.00 each, corresponding to a total nominal value of up to euro 29,500,000.00. Thereafter, on the basis of the resolution of the Board of Management of June 14, 2010, the Company issued an aggregate of 260,000 individual pari passu bearer bonds at a nominal value of euro 100.00 each, corresponding to a total nominal amount of euro 26,000,000.00. The 2010/2014 convertible bond was included on June 16, 2010 in the over-the-counter market at the Frankfurt Stock Exchange. The individual bonds were evidenced for their entire term by a permanent global bearer certificate. The term of the convertible bond began on June 16, 2010 and ended on December 31, 2014. The nominal amount of the bonds carried interest of 6.5 percent p.a. for the entire term of the individual bonds, unless they were redeemed early or unless the conversion right was exercised in a legally effective manner. In accordance with the bond terms and conditions, each bondholder had the irrevocable right to exchange the individual bonds for no par value registered shares carrying voting rights of PNE WIND AG. Subject to any adjustment of the conversion price, each individual bond granted the right for exchange into 45.4545 no par value registered shares of the Company. The conversion rights were secured by Conditional Capital I/2009 (see above point 7.). The conversion right could be exercised at any time. In addition, the bond terms and conditions contained provisions regarding an adjustment of the conversion price in the event of capital increases, anti-dilutive clauses and amendments to the bond terms and conditions by way of bondholder resolutions.

During the year under report, holders of a total of 42,025 individual bonds (prior year: 199,506) in the total nominal amount of euro 4,202,500.00 (prior year: euro 19,950,600.00) exercised their conversion rights so that 1,910,136 (prior year: 9,068,419) new no par value registered shares of PNE WIND AG were issued.

2014/2019 Convertible Bond

Based on the authorisation resolution of the general meeting of shareholders of May 15, 2012, the Board of Management resolved on September 11, 2014, with the approval of the Supervisory Board of the same day, to issue up to 7,750,000 individual pari passu convertible bonds at a nominal value of euro 3.30 each, corresponding to a total nominal value of up to euro 25,575,000.00. Thereafter, on the basis of the resolution of the Board of Management of October 1, 2014, the Company issued an aggregate of 1,989,434 individual pari passu convertible bonds at a nominal value of euro 3.30 each, corresponding to a total nominal amount of euro 6,565,132.20. The 2014/2019 convertible bond was included on October 9, 2014 in the regulated market of the Frankfurt Stock Exchange. The individual convertible bonds are evidenced for their entire term by a permanent global bearer certificate. The term of the convertible bond began on October 10, 2014

and ends on October 10, 2019. The nominal amount of the individual convertible bonds bears interest of 3.75 percent p.a. for the entire term of the bonds, unless they are redeemed early or unless the conversion right is exercised in a legally effective manner. Interest is due in arrears every quarter on January 10, April 10, June 10 and October 10 of each year, for the first time on January 10, 2015. In accordance with the bond terms and conditions, each bondholder has the irrevocable right to exchange the individual convertible bonds for no par value registered shares carrying voting rights of PNE WIND AG. Subject to any adjustment of the conversion price, each individual convertible bond grants the right for exchange into one no par value registered share of the Company. The conversion rights were secured by Conditional Capital II/2012 (see above point 7.). The conversion right can be exercised at any time, but not within certain non-exercise periods specified in the bond terms and conditions. In addition, the bond terms and conditions contain rights of termination, provisions regarding an adjustment of the conversion price in the event of mergers and a change of control, anti-dilutive clauses and amendments to the bond terms and conditions by way of bondholder resolutions.

No conversion rights were exercised by the bondholders in the year under report.

The 2014/2019 Convertible Bond is fully convertible.

2013/2018 Corporate Bond

In May 2013, PNE WIND AG issued a corporate bond totalling euro 66,338,000.00 in order to finance measures for external and internal growth, in particular to finance the acquisition of the investment in WKN AG, Husum, and for general business purposes. In the context of a private placement, this corporate bond was increased in September 2013 to a volume of euro 100 million. The bonds from the 2013/2018 Corporate Bond are admitted to the regulated market of the Frankfurt Stock Exchange and have been included since September 2013 in the Prime Standard for corporate bonds.

The bonds bear interest of 8 percent from May 14, 2013 (including) up to June 1, 2018 (excluding). Except for the first interest period, interest is due in arrears every half year on June 1 and December 1 of each year. The first interest payment was due on December 1, 2013 and covered the period from May 14, 2013 to December 1, 2013.

PNE WIND AG is obliged to repay the bonds on June 1, 2018 at the nominal amount, insofar as they have not been fully or partially repaid or bought back and invalidated.

If there is a change of control, each bond creditor has the right in accordance with the bond terms and conditions to demand early redemption of his/her/its bonds from PNE WIND AG as the issuer. A change of control is deemed to occur in this connection, if the issuer becomes aware that a person or group of persons acting in concert in the sense of Section 2 (5) of the German Securities Acquisition and Takeover Act (WpÜG) has become the legal or beneficial owner of such a number of the issuer's shares, which represent 30 percent or more of the issuer's voting rights.

Liabilities to banks

The interest rates for fixed interest liabilities to banks range between 1.40 percent and 6.55 percent. The Company is exposed to an interest rate risk in respect of its variable interest liabilities to banks. Both in 2014 and in 2013, the relevant interest rates amounted to up to 14.00 percent (overdraft interest rate). Variable interest rates are adjusted at intervals of less than one year. The liabilities to banks have terms to maturity up to 2029.

An amount of TEUR 45,758 (prior year: TEUR 53,409) of the liabilities to banks is secured by:

1. Registered mortgage of TEUR 3,170 on the property at Peter-Henlein-Str. 2-4, Cuxhaven (amount drawn down TEUR 2,878) (prior year TEUR 3,000)
2. Assignment of rental income from the property Peter-Henlein-Str. 2 - 4, Cuxhaven
3. Assignment as security of the Laubuschbach wind farm (amount drawn down TEUR 44) (prior year: TEUR 218) and assignment of all receivables from this wind farm
4. Assignment as security of all rights under contracts in connection with the Altenbruch II project (amount drawn down TEUR 22,466) (prior year: TEUR 25,610) and assignment of all receivables from this wind farm
5. Assignment as security of all rights under contracts in connection with the Silbitz timber power station and assignment of all receivables from this wind farm (amount drawn down TEUR 2,707) (prior year: TEUR 3,384)
6. Assignment as security of all rights under contracts in connection with the Chransdorf Altdöbern A project and assignment of all receivables from this wind farm (amount drawn down TEUR 1,018) (prior year: TEUR 0)
7. Assignment as security of all rights under contracts in connection with the Chransdorf Altdöbern C project and assignment of all receivables from this wind farm (amount drawn down TEUR 948) (prior year: TEUR 0)
8. Assignment as security of all rights under contracts in connection with the Chransdorf Großräschen A project and assignment of all receivables from this wind farm (amount drawn down TEUR 1,526) (prior year: TEUR 0)
9. Assignment as security of all rights under contracts in connection with the Chransdorf Großräschen B project and assignment of all receivables from this wind farm (amount drawn down TEUR 1,662) (prior year: TEUR 0)
10. Assignment as security of all rights under contracts in connection with the Looft II project and assignment of all receivables from this wind farm (amount drawn down TEUR 1,636) (prior year: TEUR 0)
11. Assignment as security of all rights under contracts in connection with the Passauer Land project and assignment of all receivables from this solar plant (amount drawn down TEUR 5,998) (prior year: TEUR 6,855)

12. Assignment as security of limited partnership interests in the amount of TEUR 4,699 in connection with current wind farm projects (amount drawn down TEUR 3,015) (prior year: TEUR 3,915)
13. Registered mortgage of TEUR 4,697 on the property at Otto-Hahn-Str. 12-16, Husum (amount drawn down TEUR 1,647) (prior year: TEUR 2,260)
14. Assignment as security of all rights under contracts in connection with the solar plant 2 + 3 projects and assignment of all receivables from these solar plants (amount drawn down TEUR 150) (prior year: TEUR 150)

As at December 31, 2014, the Group had available credit lines for interim project financing of euro 127.5 million (prior year: euro 107.0 million).

There were no defaults or other performance failures regarding interest or redemption on the reporting date.

Other financial liabilities

The other financial liabilities include a contractual commitment of PNE WIND AG vis-à-vis the limited partners of the operating company HKW Silbitz to repurchase their limited partnership shares at the beginning of 2017 at a price of 110 percent of the nominal amount. Due to this commitment, other financial liabilities include a discounted purchase price liability totalling approximately euro 6.4 million as at December 31, 2014.

There were no defaults or other performance failures regarding interest or redemption on the reporting date.

Lease liabilities

The Group concluded finance leases and lease purchase agreements for various items of equipment, fixtures and fittings. The agreements do not include renewal options, purchase options or price adjustment clauses.

The net book values of the assets under finance leases totalling TEUR 707 (prior year: TEUR 788) are fully attributable to technical equipment and machinery.

The future minimum lease payments under finance leases and lease purchase agreements can be reconciled to their present values as follows:

All figures in TEUR	Minimum lease payments		Present value of minimum lease	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Liabilities from finance leases:				
With a remaining term of up to one year	172	172	110	106
With a remaining term of one year up to five years	360	532	279	394
With a remaining term of more than five years	0	0	0	0
	532	704	389	500
Less:				
Future financing costs	-143	-204		
Present value of leasing obligations	389	500		
Amount due for repayment within twelve months (shown under short term liabilities)			106	106
Amount due for repayment after more than twelve months			279	394

An amount of TEUR 390 (prior year: TEUR 500) of the liabilities to leasing companies is secured through the assignment of the legal ownership in the Kletzke transformer station.

13. Other liabilities

Deferred revenues

The item of TEUR 11,695 (prior year: TEUR 11,122) is attributable primarily to prepayments from wind farm operating companies for the use of transformer stations. The amount is released to income over the term of the contracts of use (20 to 25 years).

Other liabilities

The other liabilities include mainly value added tax liabilities of approx. euro 4 million (prior year: approx. euro 10 million).

14. Financial instruments and principles of risk management

Apart from default risks and liquidity risks, the Group's assets, liabilities and planned transactions are exposed to risks from changing exchange rates and interest rates. The objective of financial risk management is to limit these risks through ongoing activities at the operational and financial level.

In respect of the market price risks, the Group uses derivative hedging instruments depending on the assessment of risk. Derivative financial instruments are used solely as hedging instruments, i.e. they are not used for trading or other speculative purposes.

The main elements of financial policy are determined by the Board of Management and are monitored by the Supervisory Board. The Finance and Controlling department is responsible for implementing financial policy and ongoing risk management. Certain transactions require the prior approval of the

Board of Management, which is kept informed at regular intervals about the scope and the amount of the current risk exposure. The principles of risk management have not changed compared to the previous year.

Risk categories within the meaning of IFRS 7

Credit risk

The Group is exposed to a counterparty default risk from its operating business and certain financing activities. The default risk arising from financial assets is recognised through appropriate valuation adjustments, taking existing collateral into account. In order to reduce the default risk relating to non-derivative financial instruments, the Group takes various precautionary measures, such as obtaining collateral or guarantees where it appears appropriate as a result of creditworthiness checks. The default risk is considered minimal for the past due and the impaired financial assets.

The maximum default risk is reflected primarily by the carrying amounts of the financial assets stated in the statement of financial position (including derivative financial instruments with a positive market value). On the reporting date, there were no material agreements reducing the maximum default risk (e.g. netting arrangements).

Interest rate risk

At present, the interest rate risk regarding changes in the market interest level is hedged for interest payments for existing and expected variable interest bearing liabilities to banks within PNE WIND Altenbruch II GmbH & Co. KG, for which this company is liable due to a loan agreement in the context of a commitment of a KfW support credit. The fair value of these earning relevant derivatives is included under other financial obligations in an amount of TEUR 1,740 (prior year: TEUR 1,636). Furthermore, an interest rate hedging transactions exists to hedge against interest rate risks at WKN AG. The derivative instrument serves to hedge against interest rate risks in the 3-month EURIBOR and to secure variable interest loans, and it is used for hedging against the interest rate risks resulting from WKN AG's variable interest working capital requirements. The fair values of these earnings relevant derivatives are included under other financial obligations in an amount of TEUR 300 (prior year TEUR 324). Since, otherwise, only fixed interest financial instruments in the form of project funding are used to finance business operations, there are no further material interest rate risks.

Liquidity risk

In order to guarantee the Group's ability to pay its debts at any time and its financial flexibility, revolving liquidity plans are prepared, which show the inflow and outflow of liquidity both in the short term and in the medium and long terms.

The analysis of maturities of financial liabilities with contractual terms to maturity is shown under "12. Financial liabilities".

Market risk

In the area of market price risks, the Group is exposed to currency risks, interest rate risks and other price risks.

Currency risks

The Group's currency risks result primarily from its operating activity and investments. Risks from foreign exchange rates are hedged insofar as they have a material influence on the cash flows of the Group.

In the operating area, the foreign exchange risks are attributable primarily to the fact that transactions recognised in the statement of financial position and planned transactions are processed in a currency other than the functional currency (EUR).

Foreign exchange risks in the financing area are attributable to financial liabilities in foreign currency and loans in foreign currency, which are granted to Group companies for financing purposes. At the end of the year, the Group had short term trade liabilities denominated in foreign currencies, which do not result in a material risk from the viewpoint of the Company.

In the investment area, foreign currency risks arise mainly from the acquisition or disposal of investments in foreign companies.

To hedge against material foreign exchange risks, the Group uses currency derivatives in the form of forward exchange transactions and foreign currency option contracts. These currency derivatives secure the payments up to a maximum of one year in advance. On the reporting date, the Group was not exposed to significant foreign exchange risks in the operating area. For this reason no hedging transactions had been concluded as at the reporting date.

In accordance with IFRS 7, the Group prepares sensitivity analyses in respect of market price risks in order to establish the effects of hypothetical changes of relevant risk variables on profit or loss and shareholders' equity. The periodic effects are determined by relating the hypothetical changes in the risk variables to the volume of the financial instruments on the reporting date. It is assumed that the volume of the financial instruments on the reporting date is representative for the year as a whole.

Due to the low level of assets and liabilities in foreign currency, the Group is not exposed to a material currency risk. Currencies other than the euro which are relevant for the Group were the British pound and the US dollar on the reporting date.

Interest risks

The Group is exposed to interest risks mainly in the Euro zone. Taking the actual and the planned debt structure into account, the Group uses generally interest derivatives (interest swaps, interest caps) to counteract interest rate risks.

In accordance with IFRS 7, interest rate risks are presented by means of sensitivity analyses. These show the effects of changes in market interest rates on interest payments, interest income and expense, other items included in the results and, if applicable, on the shareholders' equity. Interest rate sensitivity analyses are based on the following assumptions:

- Changes in the interest rate of non-derivative fixed interest bearing financial instruments affect profit or loss only if these instruments are measured at fair value. Accordingly, all fixed interest financial instruments carried at amortised cost are not exposed to interest rate risks within the meaning of IFRS 7.
- Changes in market interest rates have an effect on the interest result of non-derivative variable-interest financial instruments whose interest payments are not designated as underlying transactions in the context of cash flow hedges hedging against interest rate changes, and they are therefore taken into account in sensitivity analyses relating to the results.
- Changes in market interest rates of interest derivatives which are not integrated into a hedging relationship pursuant to IAS 39 have an effect on the interest result (valuation result from the adjustment of the financial assets to the fair value) and are therefore taken into account in sensitivity calculations relating to the results.

If the market interest level on December 31, 2014 had been higher (lower) by 100 basis points, no effects would have occurred with regard to a revaluation reserve in the shareholders' equity. Beyond this, the interest result would have been TEUR 220 (prior year TEUR 170) lower/higher.

Other price risks

In order to represent market risks, IFRS 7 also requires information on how hypothetical changes in other price risk variables can have an effect on the prices of financial instruments. In particular stock market prices or indices are relevant risk variables.

On December 31, 2014 and on December 31, 2013, the Company had no material financial instruments in its portfolio that were exposed to other price risks.

Risk concentration

Beyond the general (capital) market risks, there is no significant risk concentration from the management's point of view.

Fair values

The Group's financial instruments which are not carried at fair value include mainly cash equivalents, trade receivables, trade liabilities and other liabilities, overdrafts and long term loans.

The book value of cash equivalents and overdrafts is very close to their market value due to the short term of these financial instruments. As regards receivables and liabilities which are based on standard trade credit conditions, the book value based on historical cost is also very close to the market value.

The fair value of long term liabilities is based on the currently available interest rates for outside capital borrowed with the same maturity and credit rating profile.

Depending on the market value on the reporting date, derivative financial instruments are reported as other asset (with positive market value) or other liability (with negative market value).

Capital management

The objectives of the Company's capital management are

- ensuring the continued existence of the Company,
- guaranteeing adequate interest yield on shareholders' equity and
- maintaining an optimum capital structure that minimises capital costs as much as possible.

In order to maintain or to modify the capital structure, the Company issues new shares as required, assumes liabilities or disposes of assets to redeem liabilities.

The capital structure is monitored using the debt/equity ratio, which is calculated from the ratio of net borrowed capital to total capital. The net borrowed capital consists of short- and long-term financial liabilities (liabilities to banks, participation certificates/convertible bonds, liabilities to leasing companies, other financial liabilities) less cash and cash equivalents. The total capital consists of shareholders' equity plus net borrowed capital.

Individual companies of the power generation segment are subject to liquidity reserve requirements from banks, which are taken into account in monitoring the capital structure, but which in total have no significant effects on the capital structure and its availability at the Group level.

The strategy of the Company is to maintain a debt/equity ratio of 70 percent in order to ensure continued access to borrowed capital at reasonable cost by maintaining a good credit rating.

All figures in TEUR	31.12.2014	31.12.2013
Financial liabilities	187,200	211,453
./. Cash and cash equivalents	72,175	77,402
= Net borrowed capital	115,025	134,051
+ Shareholders' equity	160,195	147,248*
= Total capital	275,220	281,299*
Debt ratio	41.79%	47.65%*

* Prior year's figures adjusted. We refer to item „IV. Accounting and valuation principles“ [1. Changes in accordance with IAS 8] in the Notes.

The strategy, unchanged in comparison with the previous year, for monitoring the capital structure has again achieved its objectives insofar as both the debt/equity ratio and all external requirements for securing liquidity were met.

VI. Statement of comprehensive income

1. Revenues

Revenues are broken down according to product and service areas within the Group. In the period under report, revenues were generated primarily from the projecting of wind power turbines segment, management and servicing of wind power turbines as well as from transformer station usage fees. In the electricity generation segment, revenues related primarily to the sale of electricity from current operations of the Altenbruch II wind farm, the Passauer Land solar farm and the Silbitz biomass power station.

The revenues from long term construction contracts in the fiscal year 2014 result from one project (see Sections IV No. 8 and V No. 6).

All figures in TEUR	2014	2013
Revenues before HB II reconciliation	229,369	118,921
Revenues from stage of completion accounting	7,018	25,119
Reverse effect from stage of completion accounting	-25,119	0
Share of revenues from stage of completion accounting	-18,101	25,119
	211,268	144,040

The revenue shares from percentage of completion accounting are linked to contract costs of TEUR 2,809 (prior year: TEUR 23,870) so that the percentage of completion profit in 2014 increased by TEUR 2,960 versus the percentage of completion profit of the prior year TEUR 1,249.

2. Other operating income

Other operating income includes mainly the following one-off effects:

- The reversal of impairment losses on receivables and other assets contributed TEUR 127 (prior year: TEUR 326) to other operating income.
- Due to unfulfilled contractual commitments, the Company received a compensation payment of TEUR 0 (prior year: TEUR 500) in the 2014 fiscal year.
- In fiscal 2014, provisions of TEUR 554 (prior year: TEUR 442) were released, since the reasons for such provisions were no longer applicable.

3. Personnel expenses

Personnel expenses are made up as follows:

All figures in TEUR	2014	2013
Wages and salaries	23,396	18,976
Social security and pension expenses	3,645	2,639
	27,041	21,615
Average annual number of employees	413	303
Personnel expenses per employee	65	71

In the fiscal year 2014, an amount of TEUR 145 (prior year: TEUR 100) was included as pension cost (defined contribution plans).

The expenses for defined contribution plans pursuant to IAS 19 amounted to TEUR 908 (prior year: TEUR 753) in the 2014 fiscal year.

4. Other operating expenses

Other operating expenses include mainly the following items:

- Legal and consulting costs TEUR 5,660 (prior year: TEUR 4,731)
- Rental and lease costs TEUR 1,746 (prior year: TEUR 1,493)
- Value adjustments on receivables or loss of receivables TEUR 3,288 (prior year: TEUR 200)
- Advertising and travel expenses TEUR 2,769 (prior year: TEUR 2,054)
- Vehicle costs TEUR 1,947 (prior year: TEUR 1,331)
- EDP costs TEUR 386 (prior year: TEUR 372)
- Insurance and contributions TEUR 1,084 (prior year: TEUR 870)
- Repair/maintenance costs (mainly "Silbitz" and "Altenbruch") TEUR 1,381 (prior year: TEUR 1,013)

5. Other interest and similar income

Interest income includes loans and overdrafts of TEUR 546 (prior year: TEUR 169) and the change in value of derivative financial instruments of TEUR 28 (prior year: TEUR 683).

6. Interest and similar expenses

Interest and similar expenses include mainly interest on the 2013/18 loan of TEUR 8,000 (prior year: TEUR 4,131), convertible bonds of TEUR 454 (prior year: TEUR 1,435), interests on loans and overdrafts of TEUR 3,137 (prior year: TEUR 2,878) as well as the change in value of derivative financial instruments of TEUR 100 (prior year: TEUR 67). During the fiscal year 2014, interest on borrowed capital in an amount of TEUR 204 (prior year: TEUR 175) was capitalised at a capitalisation rate of 3.18 percent (prior year: 3.23 percent) and in an amount of TEUR 1,447 (prior year: TEUR 361) at a capitalisation rate of 8.0 percent (prior year: 8.0 percent).

7. Taxes on income

The income tax expense is made up as follows:

All figures in TEUR	2014	2013
Current taxes	4,119	3,281
Deferred taxes		
- from consolidation effects and HBII adjustments	-496	-3,417
- from individual financial statements	-599	-2,556*
	-1,095	-5,973*
	3,024	-2,692*

* Prior year's figures adjusted. We refer to the item „IV. Accounting and valuation principles“ (1. Changes in accordance with IAS 8) in the Notes.

Current taxes include corporation tax plus solidarity surcharge and trade tax for the domestic companies and comparable taxes on income for the foreign companies.

For the domestic companies, the corporation tax amounted to 15 percent, the solidarity surcharge remained unchanged at 5.5 percent. Including the trade tax, the total tax liability of the domestic companies was approximately 30 percent.

The individual tax rates for the relevant countries provide the basis for the foreign companies.

There were no major changes in tax expense due to changes in the relevant national tax rates.

On the reporting date, the Group had estimated domestic tax loss carry-forwards of approximately euro 105 million (prior year: approx. EUR 110 million) and of approx. euro 14 million abroad (prior year: approx. EUR 18 million), which can be offset against future profits. A deferred tax claim of TEUR 1,389 was recognised for these losses (prior year: TEUR 1,389)* and was netted fully against deferred tax liabilities. In view of the loss situation in the past (abroad) and the – almost full – tax exemption of disposals of shares in corporations in Germany, the Group only capitalises deferred tax claims on loss carry-forwards in an amount that can be realised in the future with certainty through positive taxable differences in results. Domestic losses can be carried forward for an indefinite period. In respect of the substantial losses in the USA and in the UK, the use of losses in the USA is limited to 20 years, whilst in the UK they can be used for an unlimited period. No deferred tax has been recognized on the loss carry forwards in Germany totaling euro 100 million (prior year: euro 105 million) and abroad totaling euro 14 million (prior year euro 18 million).

The following table shows the reconciliation from the calculated tax expenses to those reported in the consolidated statement of comprehensive income:

All figures in TEUR	2014	2013
Consolidated earnings before taxes	-15,274	34,302*
Tax rate	30.0 %	30.0 %
Income tax expense - calculated	-4,582	10,291*
Difference in tax rate	554	86
Amortisation of non-tax deductible goodwill	0	-184
Tax refund from loss carry-back	0	10
Non-recognition of deferred taxes	9,125	3,299
Use of loss carry-forwards	-1,866	-10
Tax free gains on disposals and other tax free income	-223	-18,870
Permanent differences	-494	386
Tax expense/income not related to the period	35	39
Non-deductible expenses	666	1,362
Other consolidation effects	-191	899*
Reported tax expense	3,024	-2,692*

* Prior year's figures adjusted. We refer to item „IV. Accounting and valuation principles“ (1. Changes in accordance with IAS 8) in the Notes.

Deferred taxes on valuation adjustments are determined generally on the basis of specific national tax rates. Since all items involving deferred taxes are domestic, an average tax rate of 30.0 percent (prior year: 30.0 percent) was applied.

Deferred taxes resulting from valuation differences arose in the following items of the statement of financial position:

All figures in TEUR	Deferred tax assets		Deferred tax liabilities	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Receivables and other assets	1,469	0	5,327	1,667
Inventories	653	0	5,363*	1,092
Property, plant and equipment	168	1,587	2,444	0
Intangible assets	6,753	578	455	1,305
Other assets	0	0	0	0
Financial assets	0	0	0	0
Liabilities	215	1,289	184	6,572
Other provisions	410	0	2,479	0
	9,668	3,454	16,252*	10,636
Losses carried forward	1,389	0	1,389	0
Other consolidation effects incl. value adjustments	1,081	566	636	618
	12,138	4,020	18,277*	11,254
Offsettable share	-1,820	-1,820	-9,341	-9,341
Deferred taxes	10,318	2,200	8,936*	1,913

* Prior year's figures adjusted. We refer to item „IV. Accounting and valuation principles“ (1. Changes in accordance with IAS 8) in the Notes.

8. Earnings per share

Basic earnings per share

In 2014, the annual average number of registered shares amounted to 58,627 thousand (prior year: 47,201).

The basic earnings per share thus amounted to EUR -0.22 per share (prior year: EUR 0.80 per share)*.

	2014	2013
Consolidated net income (TEUR)	-12,992	37,580*
Weighted average number of shares (000)	58,627	47,201
Earnings per share (EUR)	-0.22	0.80*

* Prior year's figures adjusted. We refer to item „IV. Accounting and valuation principles“ [1. Changes in accordance with IAS 8] in the Notes.

Diluted earnings per share

The diluted earnings per share are calculated as follows:

	2014	2013
Consolidated net income before elimination of dilution effects (TEUR)	-12,992	37,580*
- Interest expense on convertible bond (TEUR)	318	1,005
Result after elimination (TEUR)	-12,674	38,585*
Weighted average number of shares (undiluted) (000)	58,627	47,201
+ weighted average of convertible shares (000)	2,984	4,275
Weighted average number of shares (diluted) (000)	61,611	51,476
Diluted earnings per share (EUR)	-0.21	0.75*

* Prior year figures adjusted. We refer to item „IV. Accounting and valuation principles“ [1. Changes in accordance with IAS 8] in the Notes.

VII. Statement of cash flows

The statement of cash flows was prepared using the indirect method of reporting cash flows.

1. Liquid funds

The liquid funds correspond to the item „cash and cash equivalents“ in the statement of financial position.

2. Reconciliation between amounts in the statement of cash flows and the statement of financial position

The statement of cash flows presents the change in cash and cash equivalents during the year under report due to the inflow and outflow of funds. In accordance with IAS 7, cash flows are classified as cash flows from operating, investing and financing activities. The effects of changes in the scope of consolidation have been eliminated.

VIII. Statement of changes in equity

Transaction costs

In the fiscal year 2014, transaction costs of TEUR 1,654 (prior year: TEUR 0) (after deferred taxes) were deducted directly from equity (capital reserve).

IX. Segment reporting

During the year under report, the operating business activities of the Company consisted primarily of the projecting, construction and operation of wind farms and transformer stations for the generation of electricity, the servicing of wind power turbines as well as the raising of equity capital for wind farm operating companies. Another area of activity is the environmentally friendly production of electricity under economically sustainable conditions.

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 segment reporting format of PNE WIND AG. As a result a categorisation is made into the two areas of projecting of wind power turbines and electricity generation.

As a matter of principle the business relationships between the companies of the PNE WIND AG Group are based on prices that are also agreed with third parties. The internal reporting, which is underlying the segment reporting, is based exclusively on data of the IFRS accounting, which is explained in these consolidated financial statements. Both onshore and offshore wind power turbines are projected in accordance with a standardised process.

The amounts in the business segment „Projecting of wind power turbines“ include total aggregate performance of euro 207.9 million (prior year: euro 100.9 million)*, revenues of euro 205.0 million (prior year: euro 98.7 million), operating results of euro 10.9 million (prior year: euro 21.1 million)*, a share of segment assets of euro 401.5 million (prior year: euro 386.5 million)* and an equity share of euro 104.1 million (prior year: euro 87.1 million)* in the sub-segment wind power onshore Germany. In addition, wind power onshore international accounts for total aggregate performance of euro 15.2 million (prior year: euro 9.8 million), revenues of euro 2.9 million (prior year: euro 1.9 million), operating results of euro -9.9 million (prior year: euro -15.8 million), a share of segment assets of euro 146.3 million (prior year: euro 120.2 million) and an equity share of euro 22.5 million (prior year: euro 26.5 million).

The revenues with external customers and the segment assets of the „Projecting of wind power turbines“ and „Electricity generation“ segments are attributable mainly to Germany. In the “Projecting of wind power turbines” segment, revenues were realised with external customers, which amounted to more than 10 percent of total revenues. During the year under report, sales of approx. euro 53 million were generated from a customer, sales of approx. euro 52 million were generated from another customer and sales of approx. euro 44 million were generated from another customer. No other single customers contributed 10 percent or more of consolidated sales. In the prior year, sales of approx. euro 43 million were generated from one customer and approx. euro 28 million with another customer.

Long term assets are attributable to the following regions:

All figures in TEUR	31.12.2014	31.12.2013
Germany	136,267	145,974*
Other countries	3,299	2,776
	139,566	148,750*

* Prior year's figures adjusted. We refer to item „IV. Accounting and valuation principles“ [1. Changes in accordance with IAS 8] in the Notes.

In the segment of projecting of wind power turbines, a major part of all external sales is attributable to customers with whom the Group has maintained long term and sustainable business relationships. The electricity produced in the electricity generation segment is fed into the public grid.

The share of the result for the period of the associated companies that are included at equity, totalling TEUR -5,412 (prior year: TEUR -32), is included in the expenses from absorption of losses of the wind power segment.

X. Other disclosures

1. Contingent liabilities and other financial obligations

On the reporting date, there were contingent liabilities arising from the provision of guarantees for:

All figures in TEUR	31.12.2014	31.12.2013
Various wind farm projects	17,996	16,814
Other	138	68
	18,134	16,882

Other financial obligations exist from rental and leasing contracts and amount to TEUR 1,626 (prior year: TEUR 1,516). The maturities of rental and leasing obligations are structured as follows:

Rental and leasing obligations	2014	2013
Remaining term of up to 1 year	752	597
Remaining term of 1-5 years	762	919
Remaining term of more than 5 years	112	0
	1,626	1,516

Moreover, there are obligations from order commitments for wind power turbines in the net amount of TEUR 183,060 (prior year: TEUR 195,696). The obligations under order commitments are fully due within one year.

Other financial obligations of TEUR 284 (prior year: TEUR 405) arise from cooperation in respect of project development abroad.

2. Assumptions of the management concerning future developments and other valuation uncertainties

The companies of the PNE WIND Group are developing projects in 14 countries. The MW capacities of projects that are developed up to construction maturity are attributable as follows: 20-25 percent to the Germany market and 75-80 percent to the other 13 foreign markets. The PNE WIND Group has thus achieved broad diversification. The dependence on developments in individual markets has been reduced. Potential negative changes resulting in individual countries can be balanced by other markets. The realisation of onshore projects in Germany should achieve around 100 MW in 2015. Corresponding permits for wind farm projects have been obtained and several wind farm projects are already in the construction phase. The German wind farm projects have been adapted to the changing framework conditions of the Renewable Energies Law (EEG). Onshore wind farm projects have also been approved abroad, including in the United Kingdom, the USA, France, Italy and Poland. In the offshore sector, PNE WIND AG is working on six in-house projects and is active as a service provider to a further seven projects. The development of its in-house projects up to the approval stage and the unconditional grid connection commitment is connected with substantial expenses for numerous ecological studies and safety analyses. However, without this preliminary work, it is not possible to obtain a permit from the Federal Office for Shipping and Hydrographics (BSH). After the granting of the permits, additional cost-intensive studies, such as the examination of the sea bed floor at the relevant site of an offshore wind power turbine, are necessary to reach the point of being ready to construct. If an offshore wind farm project cannot be sold or realised, this would have effects on the asset, financial and earnings situation of the Group. Should projects in which PNE WIND AG is acting as a service provider for project development not be realised, the risk arises that agreed milestone payments are not made. These risks are being assessed constantly, but they cannot be ruled out entirely.

3. Notifications in accordance with Section 21 (1) Securities Trading Act (WpHG)

During the fiscal year 2014, the following notifications in accordance with Section 21 (1) Securities Trading Act (WpHG) concerning the Company were received:

Notified by Close Brothers Seydler Bank AG:

1. Close Brothers Seydler Bank AG (Germany), Frankfurt, notified us in accordance with Section 21 (1) WpHG that its percentage of voting rights in PNE WIND AG, Cuxhaven, exceeded the thresholds of 3, 5, 10 and 15 percent of the voting rights on October 6, 2014 and, as per this date, amounted to 19.83 percent (13,931,195 voting rights).
2. Close Securities (Germany) Limited, London, United Kingdom, notified us in accordance with Section 21 (1) WpHG that its percentage of voting rights in PNE WIND AG, Cuxhaven, exceeded the thresholds of 3, 5, 10 and 15 percent of the voting rights on October 6, 2014 and, as per this date, amounted to 19.83 percent (13,931,195 voting rights). This 19.83 percent (13,931,195 voting rights) is to be attributed to Close Securities (Germany) Limited pursuant to Section 22 (1) sentence 1 no. 1 WpHG. The attributed voting rights are held via the following companies, which are controlled by Close Securities (Germany) Limited and whose holdings of voting rights amount to 3 percent each or more in PNE Wind AG:
 - Close Brothers Seydler Bank AG

3. Close Securities Holdings Limited, London, United Kingdom, notified us in accordance with Section 21 (1) WpHG that its percentage of voting rights in PNE WIND AG, Cuxhaven, exceeded the thresholds of 3, 5, 10 and 15 percent of the voting rights on October 6, 2014 and, as per this date, amounted to 19.83 percent (13,931,195 voting rights). This 19.83 percent (13,931,195 voting rights) is to be attributed to Close Securities Holdings Limited pursuant to Section 22 (1) sentence 1 no. 1 WpHG. The attributed voting rights are held via the following companies, which are controlled by Close Securities Holdings Limited and whose holdings of voting rights amount to 3 percent each or more in PNE Wind AG:

- Close Securities (Germany) Limited
- Close Brothers Seydler Bank AG

4. Close Brothers Holdings Limited, London, United Kingdom, notified us in accordance with Section 21 (1) WpHG that its percentage of voting rights in PNE WIND AG, Cuxhaven, exceeded the thresholds of 3, 5, 10 and 15 percent of the voting rights on October 6, 2014 and, as per this date, amounted to 19.83 percent (13,931,195 voting rights). This 19.83 percent (13,931,195 voting rights) is to be attributed to Close Brothers Holdings Limited pursuant to Section 22 (1) sentence 1 no. 1 WpHG. The attributed voting rights are held via the following companies, which are controlled by Close Brothers Holdings Limited and whose holdings of voting rights amount to 3 percent each or more in PNE Wind AG:

- Close Securities Holdings Limited
- Close Securities (Germany) Limited
- Close Brothers Seydler Bank AG

5. Close Brothers Group plc., London, United Kingdom, notified us in accordance with Section 21 (1) WpHG that its percentage of voting rights in PNE WIND AG, Cuxhaven, exceeded the thresholds of 3, 5, 10 and 15 percent of the voting rights on October 6, 2014 and, as per this date, amounted to 19.83 percent (13,931,195 voting rights). This 19.83 percent (13,931,195 voting rights) is to be attributed to Close Brothers Group plc. pursuant to Section 22 (1) sentence 1 no. 1 WpHG. The attributed voting rights are held via the following companies, which are controlled by Close Brothers Group plc. and whose holdings of voting rights amount to 3 percent each or more in PNE Wind AG:

- Close Brothers Holdings Limited
- Close Securities Holdings Limited
- Close Securities (Germany) Limited
- Close Brothers Seydler Bank AG

Cuxhaven, October 9, 2014

Notified by Close Brothers Seydler Bank AG::

1. Close Brothers Seydler Bank AG, Frankfurt, Germany, notified us in accordance with Section 21 (1) WpHG that its percentage of voting rights in PNE WIND AG, Cuxhaven, fell below the thresholds of 15, 10, 5 and 3 percent of the voting rights on October 13, 2014 and, as per this date, amounted to 0.00 percent (0 voting rights).

2. Close Securities (Germany) Limited, London, United Kingdom, notified us in accordance with Section 21 (1) WpHG that its percentage of voting rights in PNE WIND AG, Cuxhaven, fell below the thresholds of 15, 10, 5 and 3 percent of the voting rights on October 13, 2014 and, as per this date, amounted to 0.00 percent (0 voting rights).
3. Close Securities Holdings Limited, London, United Kingdom, notified us in accordance with Section 21 (1) WpHG that its percentage of voting rights in PNE WIND AG, Cuxhaven, fell below the thresholds of 15, 10, 5 and 3 percent of the voting rights on October 13, 2014 and, as per this date, amounted to 0.00 percent (0 voting rights).
4. Close Brothers Holdings Limited, London, United Kingdom, notified us in accordance with Section 21 (1) WpHG that its percentage of voting rights in PNE WIND AG, Cuxhaven, fell below the thresholds of 15, 10, 5 and 3 percent of the voting rights on October 13, 2014 and, as per this date, amounted to 0.00 percent (0 voting rights).
5. Close Brothers Group plc., London, United Kingdom, notified us in accordance with Section 21 (1) WpHG that its percentage of voting rights in PNE WIND AG, Cuxhaven, fell below the thresholds of 15, 10, 5 and 3 percent of the voting rights on October 13, 2014 and, as per this date, amounted to 0.00 percent (0 voting rights).

Cuxhaven, October 15, 2014

In addition, the following notifications in accordance with Section 21 (1) WpHG are still applicable:

Notified by Mr. Volker Friedrichsen:

Mr. Volker Friedrichsen, Germany, notified us in accordance with Section 21 (1) WpHG that his percentage of voting rights in PNE WIND AG exceeded the thresholds of 10 and 15 percent of the voting rights on August 6, 2013 and, as per this date, amounted to 19.81 percent (10,741,474 voting rights) of the voting rights that are attributable to him via Volker Friedrichsen Beteiligungs-GmbH in accordance with Section 22 (1) sentence 1 no. 1.

Furthermore, Volker Friedrichsen Beteiligungs-GmbH, Schwabstedt, Germany, notified us that its percentage of voting rights in PNE WIND AG exceeded the thresholds of 10 and 15 percent on August 5, 2013 and, as per this date, amounted to 19.81 percent (10,741,474 voting rights) of the voting rights.

Cuxhaven, August 8, 2013

Notified by Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte and LBBW Asset Management Investmentgesellschaft mbH:

Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte, Tübingen, Germany, notified us in accordance with Section 21 (1) WpHG that the percentage of Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte of the voting rights of PNE WIND AG fell below the threshold of 3 percent on August 8, 2013 and, as per this date, amounted to 2.95 percent (1,600,000 voting rights) of the voting rights.

In addition, LBBW Asset Management Investmentgesellschaft mbH, Stuttgart, Germany, notified us in accordance with Section 21 (1) WpHG, that the percentage of LBBW Asset Management Investmentgesellschaft mbH in the voting rights of PNE WIND AG fell below the threshold of 3 percent on August 8, 2013 and, as per this date, amounted to 2.95 percent (1,600,000 voting rights) of the voting rights that are attributable to it pursuant to Section 22 (1) sentence 1 no. 6 WpHG. These are the voting rights of Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte.

Cuxhaven, August 12, 2013

4. Transactions with related parties

With regard to the financial statements of PNE WIND AG and its subsidiaries included in the consolidated financial statements, please consult the list of shareholdings.

During the fiscal year 2014 there were the following transactions with related parties:

- PNE WIND AG concluded consulting contracts for the provision of EDP services with net.curiry InformationsTechnologien GmbH, whose managing shareholder, Mr. Rafael Vazquez Gonzalez, was a member of PNE WIND AG's Supervisory Board. In the period up to the retirement of Mr. Vazquez Gonzalez from the Supervisory Board, transactions were effected in this respect with a net volume of euro 122,884.94 (prior year: euro 310,875.14). These business transactions were undertaken on an arm's length basis.

The remuneration and the shareholdings of the Supervisory Board and of the Board of Management are explained in Section X.5.

5. Information on the Supervisory Board and the Board of Management

Supervisory Board

- Mr. Dieter K. Kuprian, Berlin, corporate consultant/general manager of 2D Holding GmbH, Laichingen
- Dr. Peter Fischer, Cuxhaven, independent management consultant, (Deputy Chairman)
- Professor Reza Abhari, Zurich, Switzerland, university professor at ETH Zurich
- Mr. Rafael Vazquez Gonzalez, Cuxhaven, general manager of net.curiry InformationsTechnologien GmbH, Cuxhaven (up to June 4, 2014)
- JUDr. Olaf Aden, Wiesmoor, lawyer at the partnership Aden & Kleemann, Wiesmoor (up to June 4, 2014)
- Dr. Christian Rolfs, Weilheim an der Teck, Chairman of the Management Board of TTS Tooltechnic Systems Holding AG, Wendlingen (up to June 4, 2014)
- Mrs. Astrid Zielke, Hamburg, lawyer and partner at the law firm Buse Heberer Fromm, Hamburg (since June 4, 2014)
- Mr. Volker Friedrichsen, Schwabstedt, merchant and general manager of Volker Friedrichsen Beteiligungs-GmbH, Schwabstedt (since June 4, 2014)
- Mr. Peter Baron von le Fort, Hamburg, self-employed auditor (since June 4, 2014)

Mr. Dieter K. Kuprian is or was a member of the Supervisory Board or another controlling body of the following companies within the meaning of Section 125 (1) sentence 3 of the German Stock Corporation Act (AktG):

- WKN AG, Husum,
- ERLAU AG, Aalen/Unterkochen
- Intersoft Consulting Services AG, Hamburg
- RUD Ketten Rieger & Dietz GmbH & Co. KG, Aalen/Unterkochen

Dr. Peter Fischer is or was a member of the Supervisory Board or another controlling body of the following companies within the meaning of Section 125 (1) sentence 3 of the German Stock Corporation Act (AktG):

- WKN AG, Husum

Mr. Peter Baron von le Fort is or was a member of the Supervisory Board or another controlling body of the following companies within the meaning of Section 125 (1) sentence 3 of the German Stock Corporation Act (AktG):

- Mack & Schühle AG, Owen/Teck
- Ecoroll AG, Celle
- Markenfilm GmbH & Co. KG, Wedel Holstein

The fixed remuneration paid to the Supervisory Board during the fiscal year 2014 amounted to TEUR 219 (prior year: TEUR 241). The Chairman receives TEUR 21, the Deputy Chairman TEUR 15.8 and the other members of the Supervisory Board TEUR 10.5 as fixed remuneration. In addition, each member of the Supervisory Board receives TEUR 2.5 per meeting. A provision of TEUR 667 (prior year: TEUR 655) for variable remuneration was formed in the year under report. The variable remuneration specified in the articles of association is calculated for the fiscal year 2014 on the basis of the average Group EBIT for the years 2012 to 2014. An average EBIT of approx. TEUR 22,232 for the years 2012 to 2014 was achieved. As variable remuneration, the Chairman of the Supervisory Board receives 0.8 percent, the Deputy Chairman of the Supervisory Board 0.6 percent and each other member of the Supervisory Board 0.4 percent of this average EBIT. The total remuneration of the Supervisory Board in the 2014 fiscal year amounted to TEUR 886 (prior year: TEUR 896). In addition, the Company bears the costs of Directors' and Officers' Liability Insurance for all members of the Supervisory Board.

All figures in TEUR	Fixed remuneration 2014	Variable remuneration 2014	Attendance fees 2014	Total remuneration 2014
Mr. Kuprian	21.0	177.9	30.0	228.9
Dr. Fischer	15.8	133.4	27.5	176.7
Prof. Abhari	10.5	88.9	22.5	121.9
Mrs. Zielke	6.1	51.3	17.5	74.9
Mr. Friedrichsen	6.1	51.3	10.0	67.4
Mr. Baron von le Fort	6.1	51.3	12.5	69.9
Mr. Vazquez	4.4	37.6	5.0	47.0
JUDr. Aden	4.4	37.6	7.5	49.5
Mr. Rolfs	4.4	37.6	7.5	49.5
	78.8	666.9	140.0	885.7

Of the members of the Supervisory Board, Mr. Dieter K. Kuprian held 10,000 shares (prior year: 10,000 shares), Mr. Volker Friedrichsen, via Volker Friedrichsens Beteiligungs-GmbH 10,828,156 shares and VF Vermögensverwaltung GmbH 250,000 shares. This corresponds to a total of 11,078.156 shares of the Company as at December 31, 2014.

Board of Management

- Herr Martin Billhardt, Cuxhaven, (CEO)
- Herr Jörg Klowat, Cuxhaven, (CFO)
- Herr Markus Lesser, Kaarst, (COO)

Mr. Martin Billhardt is or was a member of the Supervisory Board or another controlling body of the following companies within the meaning of Section 125 (1) sentence 3 of the German Stock Corporation Act (AktG):

- WKN AG, Husum
- Deutsche Rohstoff AG, Heidelberg
- Cub Creek Energy LLC, Islands Range, Colorado, USA (since December 12, 2014)

Mr. Markus Lesser is or was a member of the Supervisory Board or another controlling body of the following companies within the meaning of Section 125 (1) sentence 3 of the German Stock Corporation Act (AktG):

- RenCon GmbH, Kaarst

For their activity during the fiscal year 2014, the members of the Board of Management received total remuneration in the amount of TEUR 2,529 (prior year: TEUR 2,800), which is distributed as follows:

in TEUR	Benefits granted Total Management Board				Allocation Total Management Board	
	2013	2014	2014 (Min)	2014 (Max)	2013	2014
Fixed remuneration	803	885	885	885	803	885
Fringe benefits	91	93	93	93	91	93
Total	894	978	978	978	894	978
One-year variable remuneration	549	472	0	576	444	549
Multi-year variable compensation*	671	577	0	704	568	671
Service costs	686	502	0	502	686	502
Total	1,906	1,551	0	1,782	1,698	1,722
Pension payments	0	0	0	0	0	0
Total compensation	2,800	2,529	978	2,760	2,592	2,700

* The multi-year variable remuneration relates to the period 2012 – 2014. There were no other multi-year remuneration agreements in the 2013 and 2014 fiscal years.

The remuneration of the members of the Board of Management is composed of a fixed and a variable salary portion. The fixed portion consists of the fixed salary and ancillary benefits (contributions to health insurance and pension fund contributions) as well as benefits in kind from the use of a company car. This portion is paid monthly. The variable portion of the salary of Board of Management members is divided

into short-term and long-term parts. The short-term part is based on the attainment of certain targets in the current fiscal year, and the long-term part is based on the attainment of targets over several years. The long-term part of variable remuneration amounts to 55 percent and the short-term part to 45 percent of the possible variable salary. The Supervisory Board agrees the short- and long-term targets with the Board of Management. The short-term targets are based on key planning data for the next fiscal year, such as the implementation of the planned wind farm projects during the fiscal year. Should a short-term target not be achieved 100 percent, the share of this target is not paid out with regard to the short-term variable remuneration or only in part in relationship with the degree of attainment of such target. The long-term objectives should support the future economic development of the Company; currently, only one long-term target has been defined, which is based on the expected EBIT to be earned during the next three years. The variable salary portion linked to the targets covering several years is paid out at the end of a fiscal year; however, it is subject to repayment in the event of the long-term target not being attained over several years or it will be offset against other claims due. In the event of particularly outstanding performance in respect of a past fiscal year, the Supervisory Board may also grant a bonus payment, for which there is no contractual claim. No stock options were granted to the members of the Board of Management.

In addition, the Company bears the costs of Directors' and Officers' Liability Insurance for all members of the Board of Management.

The distribution of remuneration of the individual members of the Board of Management pursuant to the Corporate Governance Code is shown in the following tables.

in TEUR	Benefits granted Martin Billhardt Chief Executive Officer (CEO)				Allocation Martin Billhardt Chief Executive Officer (CEO)	
	2013	2014	2014 (Min)	2014 (Max)	2013	2014
Fixed remuneration	360	360	360	360	360	360
Fringe benefits	42	43	43	43	42	43
Total	402	403	403	403	402	403
One-year variable remuneration	324	275	0	324	324	324
Multi-year variable compensation*	396	337	0	396	396	396
Service costs	315	240	0	240	315	240
Total	1,035	852	0	960	1,035	960
Pension payments	0	0	0	0	0	0
Total compensation	1,437	1,255	403	1,363	1,437	1,363

* The multi-year variable remuneration relates to the period 2012 – 2014. There were no other multi-year remuneration agreements in the 2013 and 2014 fiscal years.

in TEUR	Benefits granted Jörg Klowat Chief Financial Officer (CFO)				Allocation (in TEUR) Jörg Klowat Chief Financial Officer (CFO)	
	2013	2014	2014 (Min)	2014 (Max)	2013	2014
Fixed remuneration	219	285	285	285	219	285
Fringe benefits	27	28	28	28	27	28
Total	246	313	313	313	246	313
One-year variable remuneration	108	115	0	135	79	108
Multi-year variable compensation*	132	140	0	165	96	132
Service costs	188	133	0	133	188	133
Total	428	388	0	433	363	373
Pension payments	0	0	0	0	0	0
Total compensation	674	701	313	746	609	686

* The multi-year variable remuneration relates to the period 2012 – 2014. There were no other multi-year remuneration agreements in the 2013 and 2014 fiscal years.

in TEUR	Benefits granted Markus Lesser Chief Operating Officer (COO)				Allocation Markus Lesser Chief Operating Officer (COO)	
	2013	2014	2014 (Min)	2014 (Max)	2013	2014
Fixed remuneration	224	240	240	240	224	240
Fringe benefits	22	22	22	22	22	22
Total	246	262	262	262	246	262
One-year variable remuneration	117	82	0	117	41	117
Multi-year variable compensation*	143	100	0	143	76	143
Service costs	183	129	0	129	183	129
Total	443	311	0	389	300	389
Pension payments	0	0	0	0	0	0
Total compensation	689	573	262	651	546	651

* The multi-year variable remuneration relates to the period 2012 – 2014. There were no other multi-year remuneration agreements in the 2013 and 2014 fiscal years.

Of the members of the Board of Management of the Company, 40,000 shares (prior year: 410,000 shares) were attributable to Mr. Martin Billhardt as at December 31, 2014; furthermore, Mr. Jörg Klowat held 114,000 shares (prior year: 110,000 shares) and Mr. Markus Lesser 10,000 shares (prior year: 55,500 shares) of the Company.

Additional disclosures for German parent companies in the IFRS consolidated financial statements in accordance with Section 315a of the German Commercial Code (HGB)

6. Group auditors' fees

During the fiscal year 2014, the following fees were charged by the group auditors:

Audit of annual financial statements (separate and consolidated)	TEUR 344 ¹⁾
Other auditor services	TEUR 419 ²⁾
Other services	TEUR 46
	TEUR 809

¹⁾ Of which for the prior fiscal year: TEUR 5

²⁾ The other services include fees in connection with the capital measures and insurance fees of TEUR 117.

7. German Corporate Governance Code

The German Corporate Governance Code is a legal guideline for the monitoring and supervision of listed companies in Germany. It summarises the international and national recognised standards for responsible business management. The objective of the guideline is to support the confidence of investors, customers, employees and the general public in German business management. Once every year, the Board of Management and the Supervisory Board must issue a declaration, in which they declare to what extent they have complied with the German Corporate Governance Code.

The last declaration of compliance was issued in September 2014 with the following text:

“Declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (AktG)

The Board of Management and the Supervisory Board of PNE WIND AG declare that they have complied and will comply with the recommendations of the Government Commission of the German Corporate Governance Code, which was announced by the Federal Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger), with the exception of the following recommendations listed below. The basis of this declaration for the period from August 22, 2013 (the date of the last declaration of compliance) is the German Corporate Governance Code in the version of May 13, 2013, which was published on June 10, 2013 in the Federal Gazette and has not been amended since then:

1. Consideration of the relationship between the remuneration of the members of the Board of Management and the remuneration of the senior executives and the personnel (No. 4.2.2. of the Code)

In the new version of the Code of May 13, 2013 the recommendation is included that the Supervisory Board should take into consideration the relationship between the remuneration of the members of the Board of Management and that of the senior executives and the personnel overall, particularly in terms of its development over time. With regard to the conclusion of current Board of Management contracts finalised prior to the coming into force of this recommendation in accordance with the specifications of the German Stock Corporation Act (AktG), the Supervisory Board should ensure that the total remuneration granted to the members of the Board of Management does not exceed the usual remuneration level without good cause. In this respect it should also examine the “vertical” appropriateness of the remuneration of the members of the Board of Management insofar as it also takes into consideration the wage and salary structure within the PNE WIND Group when determining the level of the remuneration of the Board of Management. Insofar as the Code in its new version of May 13, 2013 specifies the examination of the vertical appropriateness of the remuneration of the Board of Management, which is already required by the German Stock Corporation Act, and defines in greater detail the comparison of significant comparative groups as well as the historical standard of the comparison, a deviation must nevertheless be declared for reasons of prudence. In examining the vertical appropriateness the Supervisory Board made no differentiation between the comparative groups of the Code recommendation (which at the time had not yet come into force) and also carried out no analysis of the historical development of the wage and salary structure. The Supervisory Board intends with regard to the drafting of a new contract for a member of the Board of Management to examine the vertical appropriateness of the remuneration of the Board of Management on the basis of the intrinsic and historical criteria specified by the new recommendation of the Code.

2. Agreement of maximum monetary limits (No. 4.2.3 of the Code)

The new version of the Code of May 13, 2013 includes the recommendation that the remuneration of the members of the Board of Management in total and also with regard to their variable remuneration components should comply with maximum monetary limits. The current contracts with the members of the Board of Management of PNE WIND AG were all concluded prior to this recommendation taking effect. The contracts of the members of the Board of Management do in fact include maximum monetary limits for the fixed and variable remuneration as well as possibilities for limitations in the event of extraordinary developments. However, a fixed upper limit for the total remuneration of the Board of Management has not yet been included in the management contracts. Nevertheless, the Supervisory Board intends to agree in the event of drafting a new contract for a member of the Board of Management to maximum monetary limits in accordance with No. 4.2.3. of the Code recommendation.

Cuxhaven, in September 2014

The Corporate Governance report is included in the annual report and published on the homepage of PNE WIND AG at www.pnewind.com in the section on Investor Relations under Corporate Governance.

8. Information on employees

Average annual number of employees

	2014	2013
Wage earners	26	27
Salaried employees	328	230
Executives (excluding Board of Management of PNE WIND AG)	56	44
	410	301

9. Events after reporting date

No events have occurred since the end of the period under report which have significant effects on the earnings, financial and asset situation.

Cuxhaven, March 26, 2015

PNE WIND AG



Martin Billhardt
Chairman of the
Board of Management



Jörg Klowat
Board of Management



Markus Lesser
Board of Management

Independent Auditors' Report

We have audited the consolidated financial statements prepared by PNE WIND AG, Cuxhaven/Germany, – comprising the statement of comprehensive income, the statement of financial position, the cash flow statement, the statement of changes in equity, the segment reporting as well as the notes to the consolidated financial statements – and the group management report for the financial year from 1 January to 31 December 2014. The preparation of the consolidated financial statements and the group management report in accordance with IFRS, as adopted by the EU, as well as the regulations under German commercial law complementarily applicable under Sec. 315a (1) German Commercial Code (HGB) are the responsibility of the parent company's Board of Management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

With the exception of the scope limitation presented in the following paragraph, we conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB („German Commercial Code“) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Executive Board, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

With the exception of the following qualification, our audit has not led to any reservations:

The expert opinion underlying the purchase price allocation conducted as part of the capital consolidation concerning the shares in WKN AG as of 4 July 2013 is based on the consolidated financial statements of WKN AG for the periods ended 31 December 2012 and 30 June 2013, which have been changed in the meantime. The changes concern impairments, which primarily relate to inventories (about mEUR -9.3) and non-current financial assets, receivables and other assets (about mEUR -2.5). The subsequent audit of the changed consolidated financial statements of WKN AG for the period ended 31 December 2012 has not yet been finished. There is, consequently, no finally revised expert opinion available. Thus, we are currently not able to make a final judgement about the corrections of the purchase price allocation of WKN AG concerning inventories, long-term financial assets and receivables and other assets as well as goodwill and the related

items of the consolidated statement of comprehensive income made in the consolidated financial statements of PNE WIND AG as of 31 December 2014 in accordance with IAS 8.41 et seq. Consequently, it cannot be excluded that the consolidated financial statements are incorrect.

With this qualification and our opinion, based on the findings of our audit, the consolidated financial statements of PNE WIND AG, Cuxhaven/Germany, comply with IFRS, as adopted by the EU, as well as the regulations under German commercial law complementarily applicable under Sec. 315a (1) German Commercial Code (HGB) and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. With the above qualification the group management report is consistent with consolidated financial statements that comply with the legal requirements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hamburg/Germany, 26 March 2015

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Bäßler)	(ppa. Wendlandt)
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Statement made by the legal representatives

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

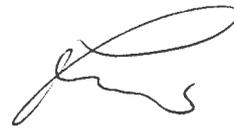
PNE WIND AG, The Board of Management



Martin Billhardt



Jörg Klowat



Markus Lesser



For us, harnessing the power of the wind means capturing the opportunities of the expanding global wind market

Wind power has undergone a major transformation and has emerged as a mainstream power supplier. At the same time, decentralised wind power is playing an instrumental role in climate protection. The amount of new wind power capacity installed each year now ranks at the top for all types of power generation in some of the world's leading economies. The share of wind power in the worldwide production of electricity is forecasted to increase from around 2.5 percent today to approx. 15 to 18 percent by 2050. The PNE WIND Group is in an optimum position to benefit from this long term growth trend.

We are active with our teams in 14 countries on three continents, from Central and Southern Europe to Scandinavia, the United Kingdom and South Africa to North America. These countries make up about 44 percent of wind power capacity installed worldwide – proof that we are represented in exactly the right markets with our strong brands PNE WIND and WKN. We have a well filled international onshore project pipeline of wind farm sites where a nominal capacity of approx. 5,200 MW can be erected. With our "Passion for Energy" we want to realise these and other projects on a consistent and continual basis in the years to come.



Financial statements of the AG

179	Profit and loss account
180	Balance sheet
182	Statement of cash flows
183	Development of shareholders' equity
184	Schedule of fixed assets
186	Schedule of liabilities
188	Independent Auditors' Report
189	Statement made by the legal representatives

Profit and loss account (HGB)

of PNE WIND AG, Cuxhaven, for the period from January 1 to December 31, 2014

(differences from rounding off possible)		2014 EUR	2013 TEUR
1.	Revenues	158,200,476.56	45,844
2.	Decrease/Increase in work in process	-1,698,531.07	4,619
3.	Other operating income	660,855.68	46,189
4.	Total aggregate output	157,162,801.17	96,653
5.	Cost of purchased materials		
	a) Cost of raw materials, supplies and purchased materials	-104,311,710.96	-18,282
	b) Cost of purchased services	-20,302,772.01	-12,990
		-124,614,482.97	-31,272
6.	Personnel expenses		
	a) Wages and salaries	-9,738,147.63	-10,236
	b) Social security contributions	-1,079,567.45	-1,019
		-10,817,715.08	-11,255
7.	Amortisation and depreciation of intangible assets and items of property, plant and equipment	-614,066.82	-670
8.	Other operating expenses	-9,487,550.38	-12,653
9.	Operating result	11,628,985.92	40,803
10.	Income from participations	0.00	16
11.	Other interest and similar income	4,675,472.49	2,337
12.	Amortisation of financial assets	-28,000.00	-56
13.	Interest and similar expenses	-9,748,925.97	-6,397
14.	Profit from ordinary operations	6,527,532.44	36,703
15.	Extraordinary income	0.00	43
16.	Extraordinary expenses	-1,654,438.63	-110
17.	Extraordinary result	-1,654,438.63	-67
18.	Taxes on income	-865,273.28	0
19.	Other taxes	-52,647.04	-52
20.	Net income	3,955,173.49	36,585
21.	Profit carried forward	67,562,315.21	34,307
22.	Dividend	-8,228,767.20	-4,166
23.	Take out for repurchase of treasury shares	0.00	837
24.	Retained earnings	63,288,721.50	67,562
	Earnings per share (undiluted)	0.07 €	0.78 €
	Average number of shares in circulation (undiluted) (in thousands)	58,627	47,201
	Earnings per share (diluted)	0.07 €	0.73 €
	Average number of shares in circulation (diluted) (in thousands)	61,611	51,476

Balance sheet (HGB)

of PNE WIND AG, Cuxhaven, as at December 31, 2014

Assets

(differences from rounding off possible)		2014 EUR	2013 TEUR
A. Fixed assets			
I.	Intangible assets		
	Acquire by purchase franchises, trademarks, licences and other similar rights as well as licences from such rights	57,727.01	86
		57,727.01	86
II.	Property, plant and equipment		
	1. Land and buildings including buildings on third-party land	11,759,072.66	12,173
	2. Technical equipment and machinery	361,307.45	210
	3. Other plant and machinery, fixtures and fittings	432,860.11	272
	4. Prepayments and plant under construction	85,012.50	0
		12,638,252.72	12,655
III.	Financial assets		
	1. Participations in associated companies	99,053,262.98	98,667
	2. Loans to associated companies	1,451,089.53	1,452
	3. Participations	69,825.78	70
		100,574,178.29	100,189
	Total fixed assets	113,270,158.02	112,930
B. Current assets			
I.	Inventories		
	1. Work in process	9,341,851.25	11,040
	2. Finished goods	2,550.90	2
	3. Prepayments	19,313,260.27	24,208
		28,657,662.42	35,250
II.	Receivables and other assets		
	1. Trade receivables	9,469,098.10	4,196
	2. Receivables from associated companies	139,122,465.85	100,568
	3. Receivables from participations	1,535,079.01	1,215
	4. Other assets	1,842,067.45	2,720
		151,968,710.41	108,699
III.	Cash on hand and cash in banks	59,548,491.45	67,236
	Total current assets	240,174,864.28	211,185
	C. Deferred charges	207,400.99	196
	Total assets	353,652,423.29	324,311

Liabilities

(differences from rounding off possible)		2014 EUR	2013 TEUR
A. Shareholders' equity			
I.	Capital issued / subscribed	71,974,939.00	54,858
	Conditional capital EUR 7,750,000.00		
II.	Capital reserves	53,548,115.83	29,840
III.	Retained earnings	63,288,721.50	67,562
IV.	Participation certificate capital	0.00	843
Total shareholders' equity		188,811,776.33	153,103
B. Special items for investment grants			
		996,083.43	1,043
C. Provisions			
1.	Provision for taxes	845,773.93	0
2.	Other taxes	11,511,923.48	7,029
		12,357,697.41	7,029
D. Liabilities			
1.	Bonds	108,389,932.20	109,863
2.	Liabilities to banks	2,878,057.36	3,000
3.	Prepayments received on orders	23,061,662.10	26,432
4.	Trade payables	3,021,175.03	2,113
5.	Liabilities to associated companies	6,741,717.33	3,542
6.	Liabilities to participations	71.40	0
7.	Other liabilities	7,304,199.70	18,088
Total liabilities		151,396,815.12	163,038
E. Deferred income			
		90,051.00	98
Total liabilities and shareholders' equity		353,652,423.29	324,311

Statement of cash flows (HGB)

of PNE WIND AG, Cuxhaven, for the period
from January 1 to December 31, 2014

All figures in TEUR (differences from rounding off possible)	2014	2013
Net income	3,955	36,584
+ Amortisation and depreciation of intangible assets and items of property, plant and equipment	614	670
+ Amortisation of financial assets	28	56
+/- Decrease / Increase in provisions	5,328	707
+/- Other non-cash effective expenses and income	-3	-183
+/- Decrease / increase of inventories and other assets	-31,414	-63,093
-/+ Decrease / increase in trade receivables	-5,275	-3,134
-/+ Decrease / Increase in trade payables and other liabilities	-10,944	44,257
Cash flow from operating activities	-37,711	15,864
+ Inflow of funds from disposal of items of property, plant and equipment	0	8
- Outflow of funds for investments in intangible assets and property, plant and equipment	-569	-220
- Outflow of funds for investments in financial assets	-414	-70,317
Cash flow from investing activities	-983	-70,529
+ Inflow of funds from additions to shareholders' equity / sale of treasury shares	33,435	2,758
+ Inflow of funds from issue of bonds	6,565	100,000
+ Inflow of funds from financial loans	0	3,000
- Payments to shareholder	-8,229	-4,166
- Outflow of funds from the repayment of bonds	-648	0
- Outflow of funds from the repurchase of treasury shares	0	-9,241
- Outflow of funds from the repayment of financial loans	-117	-3,214
Cash flow from financing activities	31,006	89,137
Cash effective change in liquid funds (<= 3 months)	-7,688	34,472
+ Cash beginning of period (<= 3 months)	67,236	32,764
Liquid funds (<= 3 months as at the end of the period*	59,548	67,236
Supplementary note: the value of the liquid funds as at 31.12 corresponds to the balance sheet item „cash on hand and cash in banks, etc.“		
* of which are pledged to a bank as security guaranteed credit lines	2,920	1,052

Development of shareholders' equity (HGB) of PNE WIND AG, Cuxhaven, for the fiscal year from January 1 to December 31, 2014

All figures in TEUR (differences from rounding off possible)	Capital issued / subscribed	Capital reserve	Participation certificate capital	Retained earnings / loss	Total shareholders equity
Status as at January 1, 2013	45,112,914.00	18,746,135.48	842,800.00	34,306,577.94	99,008,427.42
Convertible bond 2010/2014	9,068,419.00	10,882,102.80	0.00	0.00	19,950,521.80
Convertible bond 2009/2014	4,160.00	6,240.00	0.00	0.00	10,400.00
Dividend	0.00	0.00	0.00	-4,165,916.90	-4,165,916.90
Purchase of treasury shares	-3,453,745.00	0.00	0.00	-5,787,006.12	-9,240,751.12
Sale of treasury shares	4,126,700.00	205,061.35	0.00	6,623,769.82	10,955,531.17
Net income 2013	0.00	0.00	0.00	36,584,890.47	36,584,890.47
Status as at December 31, 2013	54,858,448.00	29,839,539.63	842,800.00	67,562,315.21	153,103,102.84
Convertible bond 2009/2014	1,275,160.00	1,912,740.00	0.00	0.00	3,187,900.00
Convertible bond 2010/2014	1,910,136.00	2,292,163.20	0.00	0.00	4,202,299.20
Capital increase in cash	13,931,195.00	19,503,673.00	0.00	0.00	33,434,868.00
Reclassification of participation certificate capital	0.00	0.00	-842,800.00	0.00	-842,800.00
Dividend	0.00	0.00	0.00	-8,228,767.20	-8,228,767.20
Net income 2014	0.00	0.00	0.00	3,955,173.49	3,955,173.49
Status as at December 31, 2014	71,974,939.00	53,548,115.83	0.00	63,288,721.50	188,811,776.33

Schedule of fixed assets (HGB)

of PNE WIND AG, Cuxhaven, for the fiscal year 2014

All figures in TEUR (differences from rounding off possible)	Acquisition and manufacturing cost			
	Status as at 1.1.2014	Additions	Disposals	Status as at 31.12.2014
I. Intangible assets				
Acquire by purchase franchises, trademarks and similar rights as well as licences to such rights	471,222.73	15,646.19	16,480.32	470,388.60
	471,222.73	15,646.19	16,480.32	470,388.60
II. Property, plant and equipment				
1. Land and buildings including buildings on third party land	16,978,788.52	0.00	0.00	16,978,788.52
2. Technical equipment and machinery	310,954.51	175,707.80	0.00	486,662.31
3. Other plant and machinery, fixtures and fittings	1,708,061.62	293,123.01	41,611.85	1,959,572.78
4. Prepayments and plant under construction	0.00	85,012.50	0.00	85,012.50
	18,997,804.65	553,843.31	41,611.85	19,510,036.11
III. Financial assets				
1. Shares in associated companies	101,586,538.29	413,680.00	0.00	102,000,218.29
2. Loans to associated companies	1,451,677.90	0.00	588.37	1,451,089.53
3. Participations	69,825.78	0.00	0.00	69,825.78
	103,108,041.97	413,680.00	588.37	103,521,133.60
	122,577,069.35	983,169.50	58,680.54	123,501,558.31

	Accumulated amortisation and depreciation			Book values		
	Status as at 1.1.2014	Additions	Disposals	Status as at 31.12.2014	Status as at 31.12.2013	
	385,144.00	43,997.91	16,480.32	412,661.59	57,727.01	86,078.73
	385,144.00	43,997.91	16,480.32	412,661.59	57,727.01	86,078.73
	4,805,705.84	414,010.02	0.00	5,219,715.86	11,759,072.66	12,173,082.68
	101,197.74	24,157.12	0.00	125,354.86	361,307.45	209,756.77
	1,436,168.08	131,901.77	41,357.18	1,526,712.67	432,860.11	271,893.54
	0.00	0.00	0.00	0.00	85,012.50	0.00
	6,343,071.66	570,068.91	41,357.18	6,871,783.39	12,638,252.72	12,654,732.99
	2,918,955.31	28,000.00	0.00	2,946,955.31	99,053,262.98	98,667,582.98
	0.00	0.00	0.00	0.00	1,451,089.53	1,451,677.90
	0.00	0.00	0.00	0.00	69,825.78	69,825.78
	2,918,955.31	28,000.00	0.00	2,946,955.31	100,574,178.29	100,189,086.66
	9,647,170.97	642,066.82	57,837.50	10,231,400.29	113,270,158.02	112,929,898.38

Schedule of liabilities (HGB)

of PNE WIND AG, Cuxhaven, as at December 31, 2014

All figures in EUR (differences from rounding off possible) (Prior years in brackets)		Maturities			Total amount
		Up to one year	One to five years	More than five years	
Art der Verbindlichkeiten					
1.	Bonds	1,824,800.00 (3,836,200.00)	106,565,132.20 (106,027,300.00)	0.00 (0.00)	108,389,932.20 (109,863,500.00)
2.	Liabilities to banks	126,282.21 (121,943.84)	551,664.42 (532,717.29)	2,200,110.73 (2,345,338.87)	2,878,057.36 (3,000,000.00)
3.	Prepayments received on orders	23,061,662.10 (26,432,000.00)	0.00 (0.00)	0.00 (0.00)	23,061,662.10 (26,432,000.00)
4.	Trade liabilities	3,021,175.03 (2,112,970.57)	0.00 (0.00)	0.00 (0.00)	3,021,175.03 (2,112,970.57)
5.	Liabilities to participations	6,741,717.33 (3,541,525.83)	0.00 (0.00)	0.00 (0.00)	6,741,717.33 (3,541,525.83)
6.	Liabilities to associated companies	71.40 (0.00)	0.00 (0.00)	0.00 (0.00)	71.40 (0.00)
7.	Other liabilities	7,304,199.70 (18,087,889.65)	0.00 (0.00)	0.00 (0.00)	7,304,199.70 (18,087,889.65)
	of which from taxes: EUR 5,601,787.48 (prior year: TEUR 6,742)				
	of which for social security EUR 0.00 (prior year: TEUR 6)				
Total		42,079,907.77 (54,132,529.89)	107,116,796.62 (106,560,017.29)	2,200,110.73 (2,345,338.87)	151,396,815.12 (163,037,886.05)

Securities

None

1. Registered mortgage of TEUR 3,170 on the property at Peter-Henlein-Str. 2-4, Cuxhaven. As at 31.12.2014 TEUR 2,878 had been drawn down.
2. Assignment of the rental income from the property at Peter-Henlein-Str. 2 - 4, Cuxhaven.

None

As is usual in the branch, retention of title exists with regard to items delivered.

None

None

Independent Auditors' Report

We have audited the annual financial statements - comprising the balance sheet, the income statement and the notes to the financial statements - together with the bookkeeping system, and the management report of PNE WIND AG, Cuxhaven/Germany, for the business year from 1 January to 31 December 2014. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's Board of Management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and on the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB („German Commercial Code“) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Board of Management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements of PNE WIND AG, Cuxhaven/Germany, comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Hamburg/Germany, 26 March 2015

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Bäbler)	(ppa. Wendlandt)
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Statement made by the legal representatives

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

PNE WIND AG, The Board of Management



Martin Billhardt



Jörg Klowat



Markus Lesser

Glossary

Bonds	Bonds which are divided into many individual securities by the issuer on placement in the market and can thus be subscribed to by a large number of market participants.
BSH	Federal Office for Shipping and Hydrographics, a German Federal authority, which is part of the Federal Ministry of Transport, Construction and Urban Development with offices in Hamburg and Rostock; this office is responsible inter alia for tasks such as environmental protection in maritime transport, surveys in the North Sea and the Baltic, development in the German Exclusive Economic Zone as well as approval processes for offshore wind farms and pipelines.
Convertible bond	An interest-bearing security which gives the holder the right to convert such securities into shares at a previously determined price during the conversion period.
Corporate bond	Mostly publicly traded security with a limited duration and a fixed rate which guarantees regular interest payments for the holder. At the end of the term the corporate bond is repaid at par.
Covenants	Mostly describe investor protection clauses in loan agreements or indentures. Covenants are contractually binding undertakings by the borrower or loan debtor during the term of the contract.
EBIT	Earnings Before Interest and Taxes, a key economic performance figure, which represents the profit before taxes, interest and extraordinary result (also known as operating profit) and which shows the profitability of a company independent of its capital structure.
EEG	Renewable Energies Law, which determines the extent and promotion of regenerative energies.
EEZ	Exclusive Economic Zone: the area beyond the coastal sea, the extent of which is up to 200 nautical miles from the basic line of the coastal sea (so-called 200 nautical mile zone).
EURIBOR	Euro Interbank Offered Rate (EURIBOR), a reference interest rate on time deposits in Euro in the interbank market. The interest rates on the debt financing of companies often bases on EURIBOR.
Federal Immission Control Act (Bundes-Immissions-schutzgesetz)	Law on protection against harmful effects of air pollution, noise, vibration and similar phenomena. It provides for the protection of people, animals, plants, soils, water, atmosphere and cultural goods. In the course of the construction of new wind farms, a filing according the Federal Immission Control Act is necessary.
HGB	German Commercial Code, which specifies the German accounting regulations; decisive for the capability of capital market companies in Germany to pay dividends.
Independent Power Producer (IPP)	An independent producer of electricity. Refers to those operators of power plants and power generation plants, which do not have an own power grid (eg. Independent operators of wind turbines).

International Financial Reporting Standards (IFRS)	International accounting regulations, the objective of which is the make comparable the financial statements of (mainly capital market) companies.
Joint Venture	When two or more companies join forces for a joint project, then one talks of a joint venture.
KfW	Kreditanstalt für Wiederaufbau, a support bank of the German economy, the task of which is the realisation of public contracts (financing of energy saving technologies and communal infrastructures, the support of medium-sized industry and entrepreneurs, the granting of loans to small and medium-sized companies as well as financing of infrastructure projects.
Limited Partner	Shareholder of a limited partnership (KG), whose liability is linked only to his investment in contrast with the general partner.
Market Value	The price which can be currently achieved on the market for a (tangible or intangible) asset, subject to the free effect of supply and demand.
Megawatt (MW)	The performance unit named after James Watt (W). A million watts correspond to a megawatt (MW). A watt is generally the physical unit for the output of energy in time.
Offshore	“Offshore” is the term used for electricity generation from wind power at sea.
Onshore	“Onshore” is the term used for the generation of electricity at wind farms on land.
Prime Standard	Stock market segment of the Frankfurt Stock Exchange with the highest transparency standards.
Repowering	The replacement of older wind power turbines with low performance by modern and more efficient equipment is known a repowering. This exchange opens up new perspectives for the use of wind energy on land. For example, the landscape benefits from the reduction in the number if turbines, improved technologies increase the energy efficiency and positive value added and employment effects can also be achieved.
VorstAG	Law for the Appropriateness of the Remuneration of Members of the Board of Management, which includes clear standards for the Supervisory Board for the determination of the remuneration of the Board of Management and strengthens the incentives for the sustainable development of the company.
WPT	Wind power turbine, which converts the kinetic energy of the wind into electrical energy and feeds it into the electricity network.
YieldCo	An often listed company, which bundles and manages completed projects of renewable energy and pays dividends to its shareholders.

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

March 2015

Typesetting and layout:
cometis AG
Unter den Eichen 7
65195 Wiesbaden

Photos: Peter Sierigk, Andreas Birresborn, Airpix-nord-Elbing, PNE WIND AG
Shutterstock: 161527772 (Cover), 167879174 (p. 2-3), 166988363 (p. 30-31), 124993154
(p. 86-87), 77725282 (p. 176-177)

This annual 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
Deutschland

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