

PNE WIND AG

Second Quarter 2014 Webcast Presentation –



Windpark Buchholz

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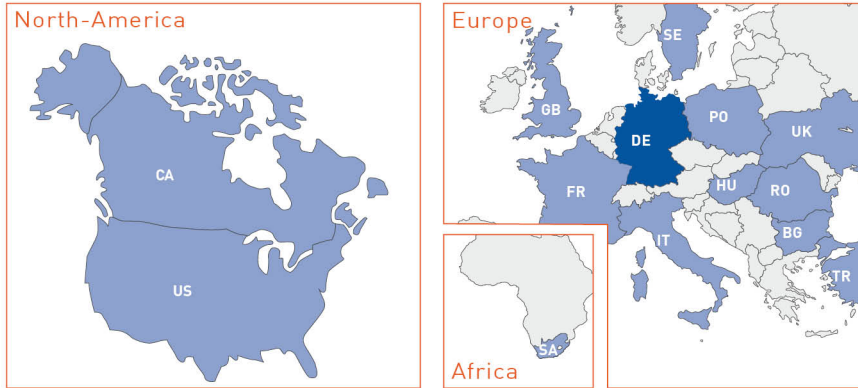
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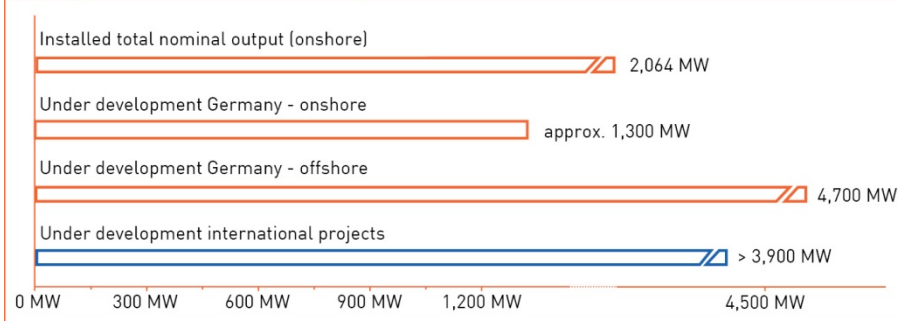
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SNAP SHOT

International operations of PNE WIND Group



Projects PNE WIND Group



- Development and implementation of wind farm projects in Germany and abroad, both onshore and offshore
- Active in 14 different countries
- More than 400 employees
- Onshore: wind farms with a nominal capacity of approx. 5,200 MW in development
- Offshore: 13 projects with a total nominal capacity of approx. 4,700 MW in development / thereof six own projects
- Operation and Maintenance (O&M) services including commercial and technical management – 714 turbines with 1,147 MW

1H - HIGHLIGHTS

- **The first half of 2014 is characterized by**
 - 1) the continuation of our onshore development activities in Germany and abroad,
 - 2) an amendment of EEG in Germany - results better than feared & framework now in place as of August 1
 - 3) a development agreement with STEAG for the Turkish market
- **128 MW of projects in Germany constructed or under construction** – Permits on hand for additional projects with 70 MW of nominal capacity , of which Chransdorf with 57 MW is our largest ever German onshore project
- **International activities well underway** – New projects permitted in the UK, France and Italy
- **Sales during 1H14 climb to EUR 118 million vs. EUR 22 million** - primary driven by 45 MW of projects sold in 1H14
- **EBIT at EUR 2.8 million during 1H14 vs. EUR -5.6 million during 1H13** – 2Q14 net income comes in at EUR 2.8 million up from EUR -4.9 million in 2Q13
- **Cash flow turns positive in 2Q14 on project sales** – CF from operating activities in 2Q14 positive at EUR 4.6 million bringing cash flow at end of 1H14 to –EUR 15.3 million
- **Guidance confirmed** – We expect to achieve a cumulative EBIT of EUR 110-130 million during the 2014-2016 period

PNE ONSHORE PIPELINE

Land*	I-II	III	IV	Total MW
Germany	903	152	45	1.100
Bulgaria	121	0	0	121
Romania	55	102	0	157
Turkey	700	0	0	700
UK	690	67	0	757
Hungary	0	78	0	78
USA	169	183	0	352
Canada	575	0	0	575
Total	> 3.000	582	45	>3.500
Phase I – II = Exploration & Development Phase III = Planning Phase IV = Implementation				

*Per 30.06.14

- In Germany - 69 MW under construction during 1H14
 1. Calau II A (15.4 MW) handed over to infrastructure investor CEE
 2. Görike-Söllenthin (6 MW) sold to EnBW
 3. Calau II C & D (30.8 MW) sold to Allianz
 4. Leddin IV (4 MW) handed over to KGAL in August
 5. Sontra & Kemberg III (21.6 MW) sold to CHORUS in July
 6. 70 MW permitted in Phase III - construction to begin in 2H14
- In the UK, permits attained for the Tralorg wind farm (20 MW) and Penbreck (18 MW) + 9 MW in second half expected
- Turkey - Joint development agreement signed with STEAG in April

WKN ONSHORE PIPELINE

Land	I-II	III	IV	Total MW
Germany	122	29	50	201
Italy	450	70	0	520
France	140	10	12	162
Poland	250	32	0	282
UK	0	66	0	66
South Africa	130	0	0	130
Sweden	240	0	0	240
Ukraine	230	0	0	230
USA	78	0	0	78
Total	> 1.500	207	62	> 1.700
Phase I – II = Exploration & Development Phase III = Planning Phase IV = Implementation				

*Per 30.06.14

- In Germany 59 MW under construction in 1H14
 1. 41 MWs of projects sold in 2013 are under construction or commissioned
 2. Construction began on new 18 MW repowering project
 3. 8 MW Ebersgrün project handed over to KGAL
- In France,
 1. 12 MW wind farm sold to KGAL in 2013 & commissioned in July 2014
 2. Permit received for new 10 MW project
- In the UK, a 66 MW project permitted from Highland Council is awaiting final permit
- In Poland, a 32 MW project can now being marketed following legislative developments
- Projects being prepared for tenders in Italy (30 MW) and South Africa (30 MW)

OFFSHORE PROJECTS

Project	Phase	WT	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 *	1	15	90
Gode Wind 4 *	4	42	252
Nautilus II *	2	68	476
Nemo	2	80	480
Jules Vernes	2	80	480
Nautilus I	2	80	480
Atlantis I	2	80	400
Atlantis II	2	80	400
Atlantis III	2	80	400
Total		877	4,700
Phase 1 = Project identification		Phase 5 = Grid connection	
Phase 2 = Application conference		Phase 6 = Investment decision	
Phase 3 = Hearing		Phase 7 = Under construction	
Phase 4 = Approval granted		* PNE WIND as service provider	

- Borkum Riffgrund and Gode Wind sold to DONG Energy
 1. Borkum Riffgrund I & Gode Wind 1 & 2 are under construction
 2. From Gode transaction, EUR 129 million received since August 2012 - EUR 25 million in milestone payments still due
 3. Borkum Riffgrund II restarted – grid connection awarded to Alstrom
- Nautilus II sold to SSP Technology Holding ApS, a Ventizz portfolio company
- Total output of 6 own projects in planning 2,640 MW
 1. Atlantis offshore projects acquired in September 2013
 2. Amended EEG provides planning visibility till end of 2019

PROFIT & LOSS (IFRS)

- Group sales were primarily generated at the onshore projects Calau, Görike-Söllenthin, Kastorf and Kropp in Germany as well as Dargies in France
- Personnel costs rise to EUR 13.3 million - 411 employees in the Group compared to 196 last year
- EBIT at EUR 2.8 million up from –EUR 5.6 million last year – increased onshore activities drive positive results
- Net interest expense rises primarily with EUR 100 million corporate bond placed in 2013 (8% coupon)
- Net income of EUR -2.4 million translates into an EPS of EUR - 0.04
- On a quarterly basis, EBIT came in at EUR 3.6 million with a net income of EUR 2.8 million in 2Q14

In €m	1H14	1H13	2013
Sales	117.9	21.7	144.0
Total performance	134.7	37.4	162.1
Cost of materials	-105.4	-26.0	-71.9
Personnel	-13.3	-7.1	-21.6
Depreciation	-3.7	-2.6	-6.2
Others	-9.4	-7.4	-17.4
EBIT	2.8	-5.6	45.0
Net interest	-5.8	-2.8	-9.2
EBT	-3.0	-8.4	35.8
Net income	-2.4	-8.8	40.7
EPS (in €)	-0.04	-0.21	0.86
EPS diluted (in €)	-0.04	-0.15	0.81

- Property, Plant and Equipment amounts to EUR 75.4 million; main items include technical equipment (wind and solar projects) and land and buildings
- Inventories of EUR 155.0 million reflect investments made in onshore projects in development and currently under construction EUR 15.3 million and offshore projects EUR 37.5 million
- Accounts Receivables of EUR 47.1 million include construction contracts for projects under construction of approx. EUR 29 million
- Cash position of EUR 46.6 million underlines strong liquidity basis of the Group

BALANCE SHEET ASSETS (IFRS)

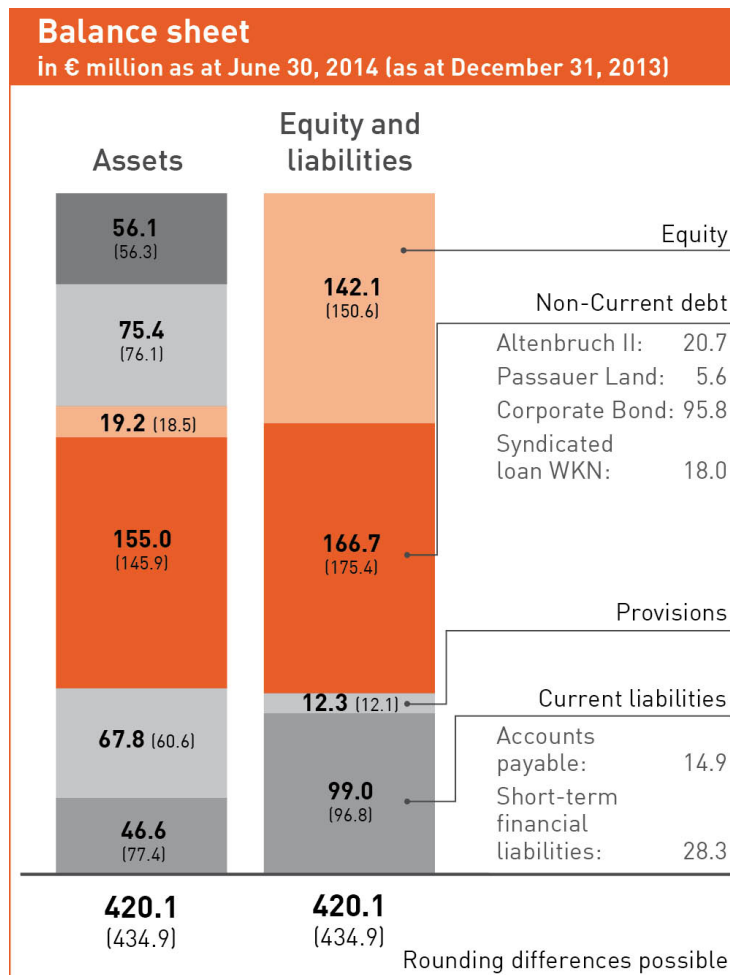
Balance sheet

in € million as at June 30, 2014 (as at December 31, 2013)

	Assets	Equity and liabilities
Intangible assets		
Property, plant and equipment	56.1 (56.3)	
Altenbruch II: 27.5		
Passauer Land: 9.9	75.4 (76.1)	142.1 (150.6)
Land and Building: 17.6		
Transformer Station: 9.8	19.2 (18.5)	
Other	155.0 (145.9)	166.7 (175.4)
Inventories		
Receivables and other assets	67.8 (60.6)	12.3 (12.1)
Cash	46.6 (77.4)	99.0 (96.8)
	420.1 (434.9)	420.1 (434.9)
Rounding differences possible		

BALANCE SHEET LIABILITIES (IFRS)

- Equity at EUR 142.1 million representing an equity ratio of 33.8% - Decrease in equity primarily driven by dividend payment of EUR 8.2 million
- The long term liabilities of EUR 166.7 million primarily represent corporate bond 2013/18 (gross proceeds of EUR 100 million), Project level financing approx. 30 million and Syndicated WKN loan EUR 18.0 million
- Short term liabilities include convertible bonds totaling EUR 7.2 million
- Net debt decreases from EUR 156.1 million at end of 1Q14 to EUR 142.4 million at end of 2Q14

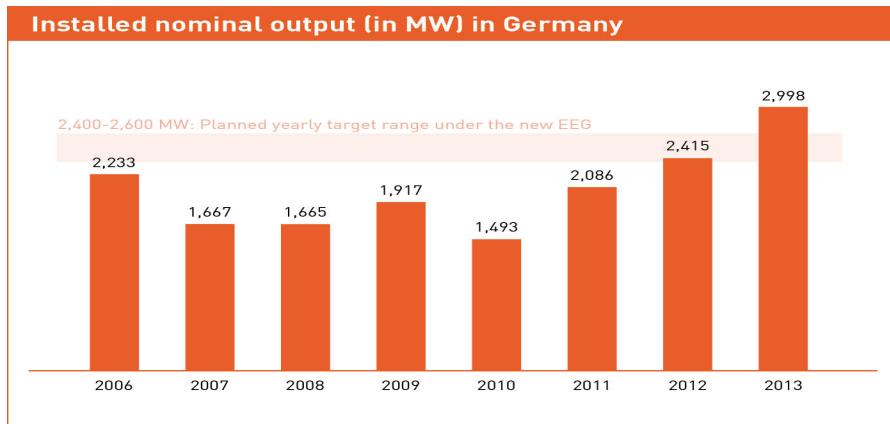


CASH FLOW (IFRS)

- Positive Cash Flow (CF) from operating activities in 2Q14 of EUR 4.6 million brings balance to – EUR 15.3 million at end of 1H14
- Working capital increased in 1H14 primarily due to a rise in long term construction contract receivables and higher inventories levels reflecting continued investments in the project pipeline
- Cash flow from investing primarily reflects investments made in transformer stations for projects under completion
- Cash flow from financing primarily reflects the balance of taking and paying financial loans and dividend payment of EUR 8.2 million

In Mio. €	1H-2014	1H-2013
Net income	-3.0	-9.1
Interest & tax (net)	4.6	0.7
Depreciation	3.7	2.6
Provisions & non-cash items	0.4	-0.3
Change in working capital	-21.1	11.6
CF from operating activities	-15.3	5.5
CF from the investing activities	-3.0	-1.4
CF from financing activities	-8.5	56.7
Change in liquid funds	-26.9	60.8
Liquid funds beginning of period	77.4	36.6
Liquid funds end of the period	46.6	97.4

EEG – MARKET UPDATE



- German government aims to double amount of renewable electricity in the mix – from 25% today to 55-60% in 2035
- Government targets between 2,400 - 2,600 MW per year – this target range has only been exceeded one time in past 8 years
- Capacity removed as part of repowering is netted against new installations
- Offshore framework to be extended through 2019 - providing excellent visibility for some of our projects in development
- Onshore tariff begins at EUR 89 per MWh
 1. Length of initial tariff is based the amount of energy produced in relation to manufacturer reference value
 2. Beginning tariff to be adjusted dependent on installation rates

Ratio to actual production to reference value	Length of beginning period	
	(in Months)	(in Years)
80%	240	20,00
90%	192	16,00
100%	143	11,92
110%	116	9,67
120%	88	7,33
130%	60	5,00
140%	60	5,00
150%	60	5,00

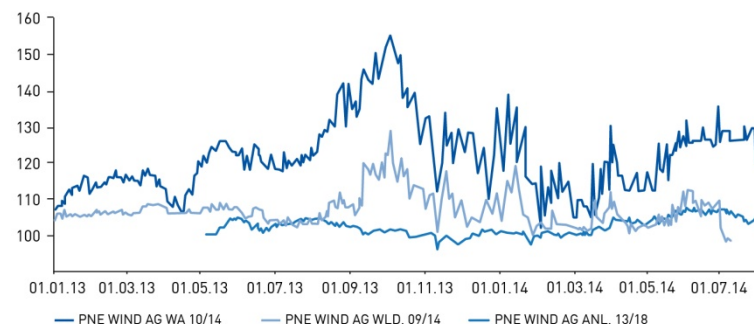
EEG – MARKET UPDATE

Calculation to determine length tariff

1.	Reference value manufacturer	9.508.188	=	100,00%
	Forecasted energy production	8.042.709	=	84,59%
2.	Difference to 130% zu 85%		=	45%
	45 x 1/0,36		=	126,15
2.1	Difference to 100% zu 85%		=	15%
	15 x 1/0,48		=	32,11
3.	158 Months (+) 60 Months		=	218
	Length of beginning tariff		=	18,19
	Maximum length of time of beginning tariff			20 Years

- Effects of new legislation result in approx. 10% reduction in length of time Chransdorf project is eligible for the beginning tariff
 1. Beginning tariff of EUR 89 per MWh to be paid for 18.19 years
 2. After beginning tariff ends, the amount reduces to EUR 49.5 per MWh
- Bonus payments including repowering & technology are no longer in current EEG

STOCK & BONDS



WKN	AOJBPG / DE000AOJBPG2
Number of shares (July 31, 2014)	56,279,318
Market capitalization (August 11, 2014)	164.6
Free Float	Approx. 80%
Market segment	Prime Standard
Indices	CDAX Technology, ÖkoDAX
Designated Sponsors / Market Maker	Commerzbank VEM Aktienbank Close Brother Seydler Bank
Reuters / Bloomberg	PNEGn / PNE3

Convertible bond 2009/2014 (WKN: A0Z1MR)

Coupon 7.0%, Strike price €2.50, 38,500 bonds placed @ €100 a piece (EUR 0.6 million repaid – balance converted into stock)

Convertible bond 2010/2014 (WKN: A1EMCW)

Coupon 6.5%, Strike price €2.20, 260,000 bonds placed @ €100 a piece (€ 5.7m open as per June 30, 2014)

Participation certificate 2004/2014 (WKN: A0B9VG)

Coupon 7-10%, (Volume € 0.8m as per June 30, 2014)

Corporate bond 2013/2018 (WKN: A1R074)

Coupon 8%, Prime Standard, Total volume € 100m.

THANK YOU

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