

PNE WIND AG

Webcast Presentation 3Q14

November 12, 2014



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9M - HIGHLIGHTS

- **The first nine months of 2014 are characterized by –**
 - 1) the continuation of our on and offshore 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) Completion of capital measures to initiate Yieldco - first projects already under construction
- **193 MW of projects in Germany constructed or under construction –** Permits on hand for additional projects with 22 MW of nominal capacity, on which construction is scheduled to start before year end
- **International activities well underway –** 12 MW project in France handed over - new projects permitted in France, the UK, and Italy
- **Sales during 9M14 climb to EUR 184 million vs. EUR 44 million during 9M13 –** primarily driven by 60 MW of projects sold in 2014
- **EBIT at EUR 7.7 million during 9M14 vs. EUR -6.0 million during 9M13 –** 3Q14 net income comes in at EUR 2.3 million up from EUR -3.6 million in 3Q13
- **Guidance confirmed –** We expect to achieve a cumulative EBIT of EUR 110-130 million during the 2014-2016 period - room to increase earnings with realization of YieldCo concept

TABLE OF CONTENTS

PNE WIND GROUP

1. AT A GLANCE
2. CORE COMPETENCIES
3. FINANCIALS

CAPITAL MEASURE OVERVIEW

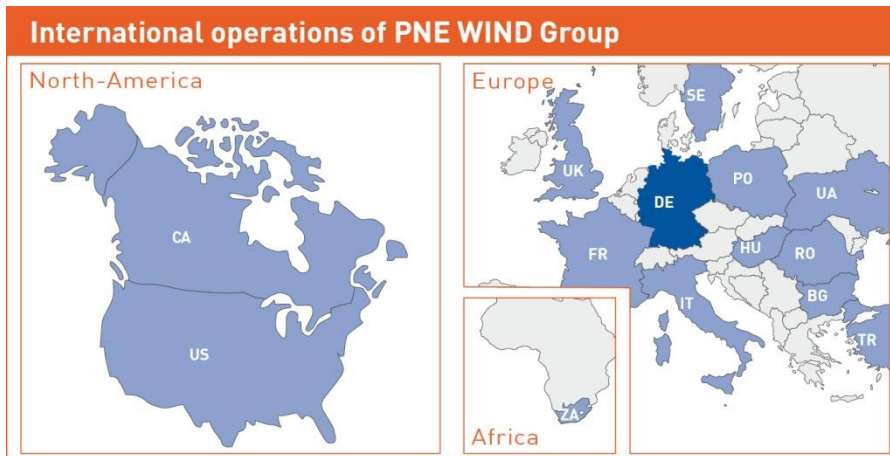
1. USE OF PROCEEDS
2. YIELDCO PEER GROUP

MARKET & STRATEGY

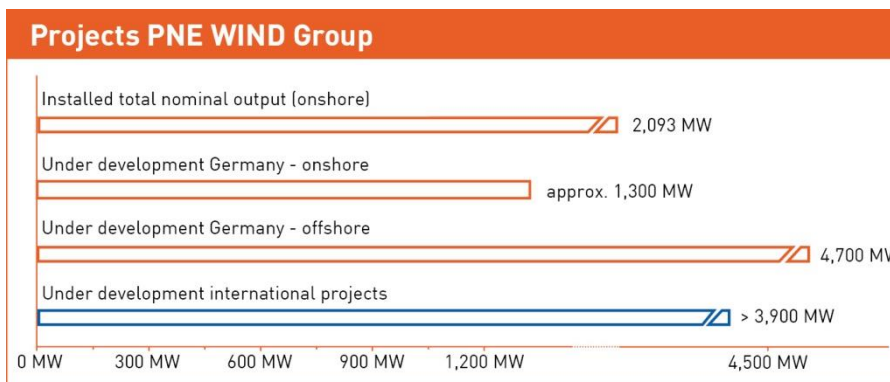
1. EEG LEGISLATION
2. STOCK AND BOND CHARTS



AT A GLANCE



- 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



PNE ONSHORE PIPELINE

Land*	I-II	III	IV	Total MW
Germany	920	92	84	1.096
Bulgaria	121	0	0	121
Romania	55	102	0	157
Turkey	700	0	0	700
UK	783	90	0	873
Hungary	0	78	0	78
USA	169	183	0	352
Canada	575	0	0	575
Total	3,323	545	84	3,952
Phase I – II = Exploration & Development		Phase III = Planning		
Phase IV = Implementation				

* as of 30 September 2014

- In Germany,
 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) sold to KGAL
 5. Sontra & Kemberg III (21.6 MW) sold to CHORUS in July
 6. Chransdorf (57.6 MW) under construction
- In the UK, permits attained for the Tralorg wind farm (20 MW) and Penbreck (18 MW) + 9 MW still to be permitted
- Turkey – Joint development agreement signed with STEAG in April

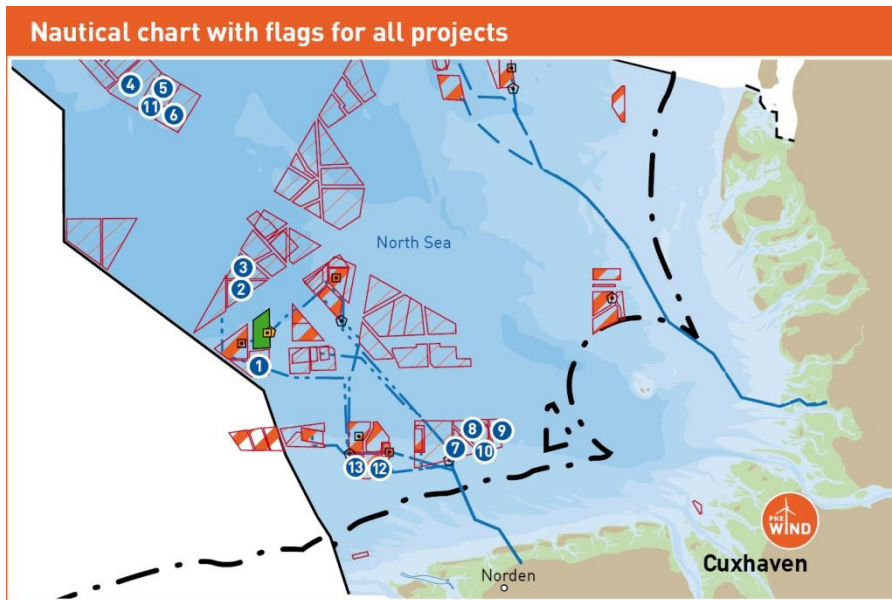
WKN ONSHORE PIPELINE

Land*	I-II	III	IV	Total MW
Germany	152	27	25	206
Italy	450	70	0	520
France	160	10	0	170
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	205	25	> 1,700
Phase I – II = Exploration & Development		Phase III = Planning		
Phase IV = Implementation				

* as of 30 September 2014

- In Germany,
 1. Kropp (18.5), Kastorf (15.4 MW), Ebersgrün (8 MW) handed over
 2. Repowering project Weidehof (18 MW) and Nentzelsrode (6.9 MW) under construction
 3. Permit received for 10 MW project
- In France,
 1. Dargies (12 MW) handed over in September
 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 be marketed following legislative developments
- Projects being prepared for tenders in South Africa (30 MW)

OFFSHORE PROJECTS



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

* Project sold, PNE WIND acts as service provider

- 7 offshore projects sold with a total nominal capacity of up to 2,061 MW
- Borkum Riffgrund and Gode Wind projects sold to DONG Energy – first turbines installed
- Total output of 6 own projects in planning 2,640 MW
- PNE WIND remains as service provider for projects after they have been sold
- Amended EEG provides planning visibility till end of 2019

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 *	3	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. Gode Wind 3 hearing held in September
 4. Borkum Riffgrund II restarted – grid connection awarded to Alstom
- 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

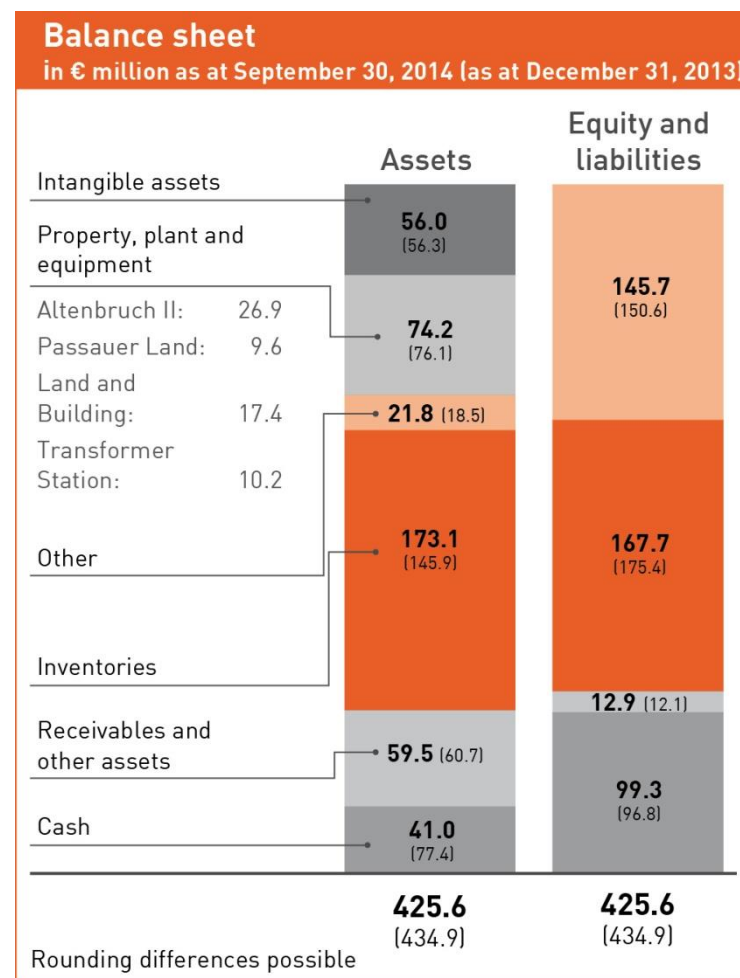
PROFIT & LOSS (IFRS)

- Group sales were primarily generated at the onshore projects Calau II, Görike-Söllenthin, Kastorf, Kropp, Sontra and Kemberg III in Germany as well as Dargies in France
- Personnel costs rise to EUR 19.6 million – number of employees approx. double to 413 employees with inclusion of WKN
- EBIT at EUR 7.7 million up from EUR -6.0 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 -0.1 million up from EUR -12.4 million
EPS of EUR 0.00 up year on year from EUR -0.28
- On a quarterly basis, EBIT came in at EUR 4.9 million with a net income of EUR 2.3 million in 3Q14

In EURm	9M14	9M13	2013
Sales	184.1	43.6	144.0
Total performance	201.5	60.2	162.1
Cost of materials	-152.8	-38.2	-71.9
Personnel	-19.6	-12.7	-21.6
Depreciation	-5.7	-4.4	-6.2
Others	-15.7	-10.9	-17.4
EBIT	7.7	-6.0	45.0
Net interest	-9.0	-6.2	-9.2
EBT	-1.3	-12.3	35.8
Net income	-0.1	-12.4	40.7
EPS (in EUR)	0.00	-0.28	0.86
EPS diluted (in EUR)	0.00	-0.23	0.81

BALANCE SHEET ASSETS (IFRS)

- Property, Plant and Equipment amounts to EUR 74.2 million; main items include technical equipment (wind and solar projects) and land and buildings
- Inventories of EUR 173.1 million reflect investments made in onshore projects in development and currently under construction EUR 30.4 million and offshore projects EUR 38.1 million
- Accounts Receivables of EUR 59.5 million include construction contracts for projects under construction of approx. EUR 23.5 million
- Cash position of EUR 41.0 million will be strengthened by capital increase completed October 2014 (Gross proceeds EUR 40 million)



- Equity at EUR 145.7 million representing an equity ratio of 34% - Decrease in equity primarily driven by dividend payment of EUR 8.2 million
- The long term liabilities of EUR 167.7 million primarily represent corporate bond 2013/18 (gross proceeds of EUR 100 million), project level financing and WKN working capital loans EUR 26.3 million
- Short term liabilities include convertible bonds totaling EUR 5.6 million and project level finance
- Project level (Short & Long Term) financing totals approx. EUR 47.4 million
- Net debt totaled EUR 159.7 million up from EUR 134.1 million as at December 31, 2013

BALANCE SHEET LIABILITIES (IFRS)

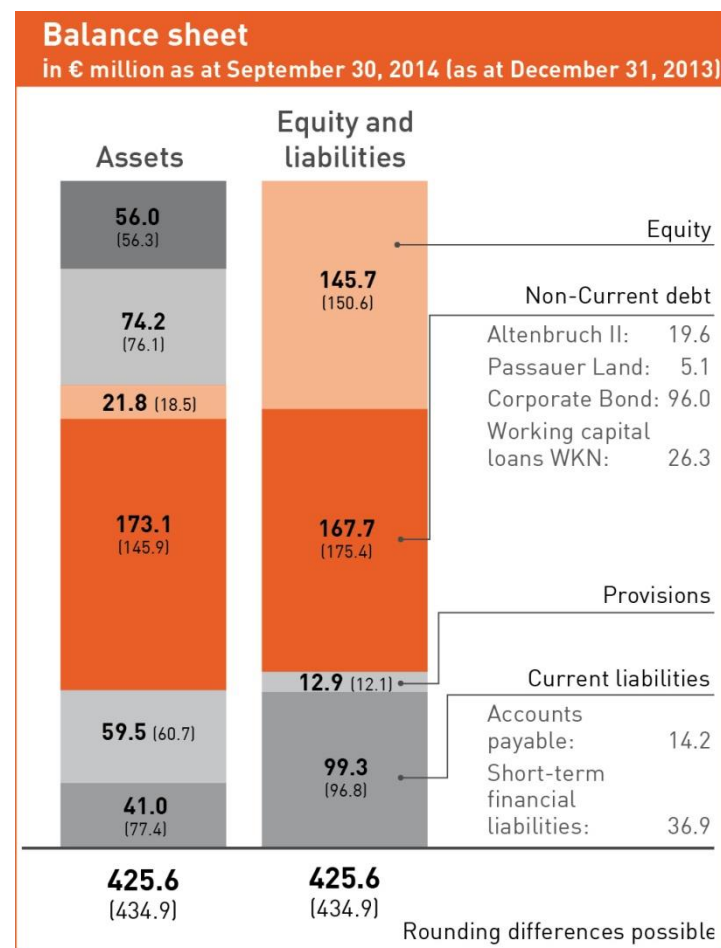


TABLE OF CONTENTS

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1. AT A GLANCE
2. CORE COMPETENCIES
3. FINANCIALS

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USE OF PROCEEDS

The gross proceeds of the combined offering totaled EUR 40 million - 13.9 million shares placed at EUR 2.40 and 2014/19 convertible bond 3.75% (Strike price EUR 3.30, Total volume EUR 6.6 million)

1. The funds will primarily be used to fund the equity requirements of a 150 MW portfolio of wind farms in Germany
2. With this portfolio, management intends to initiate a Yieldco, at which time PNE WIND intends to partly or completely divest its holdings in the company by the end of 2016
3. The Group has 57.6 MW under construction plus 22 MW permitted. An additional 90 MW have been submitted with the planning authorities in Germany
4. YieldCos represent an investment class characterized by stable and predictable cash flows

PNE WIND AG aims to achieve better pricing and improve its competitive positioning through YieldCo

1. A single portfolio sale of commissioned projects should achieve better pricing than individual project sales
2. Key attributes of YieldCo (diversification, liquidity, low transaction costs, no construction risks) compress return expectations of investors behind this sales channel resulting in higher prices to be achieved by PNE WIND Group
3. Expand wind farm management / O&M business

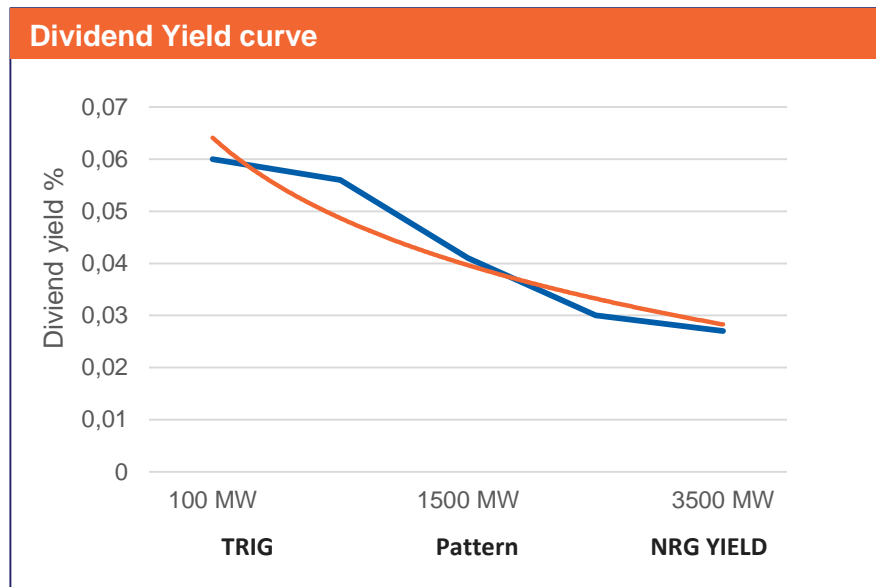
YIELD CO/IPP – PEER GROUP

IPP/Yielco	Funds raised at IPO	Current Dividend Yield*	Assets	Year of IPO	Location
TRIG	£300m	5,8%	276 MW	2013	UK
Green coats	£260m	5,7%	126 MW	2013	UK
NRG Yield	\$468m	2,7%	3,400 MW	2013	US
Pattern	\$352m	4,0%	1,434 MW	2013	US
Foresight	£150m	5,8%	126 MW	2014	UK
Bluefield Solar	£130m	6,7%	0 MW	2013	UK
Capital Stage	€22.7m	3,1%	300 MW	-	GER
NextEra Energy Pa	\$325m	3,0%	989 MW	2014	US

* as of 10 Sept 2014; dividend yield relating to the current FY 2014
 Source: Company announcements, Bloomberg, Thomson Financial

- Investors looking for yield are backing renewable IPPs/Yieldcos with a number of IPO transactions taking place; over £2.0 billion raised (UK; EU; US)
- Recent deals illustrate successful IPOs are achievable when;
 1. backed by a strong development company with proven management
 2. operational assets in regions with low regulatory risk
 3. development portfolio to feed “Newco” with projects to grow business

OPPORTUNITY



- Dividend yields range on publically traded companies range from 2.7% to 7.0%
- Dividend required follows closely with portfolio size and growth prospects
- PNE WINDs closest peers TRIG & Greencoats trade at dividend yields of 5.7% and 5.6% respectively
- This compares to current sales channel which target a return on equity on 10-12%



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3. FINANCIALS

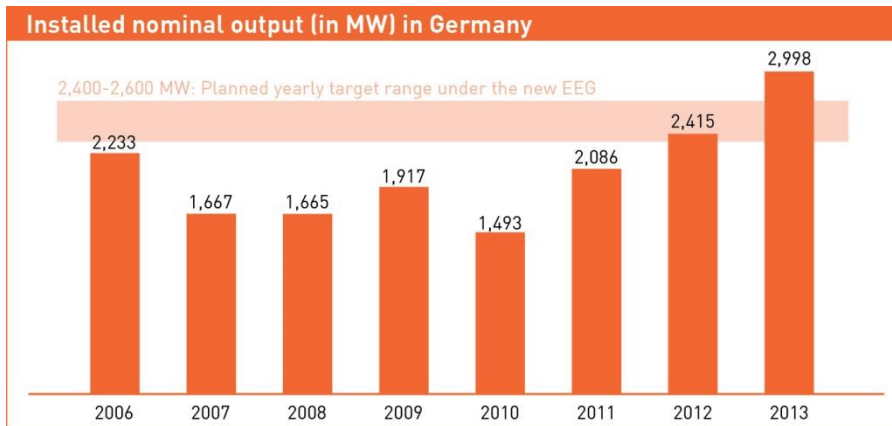
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EEG – MARKET UPDATE



Ratio: actual kWh / reference kWh	Length of beginning period	
	(in Months)	(in Years)
80%	240	20.0
90%	192	16.0
100%	143	11.9
110%	116	9.7
120%	88	7.3
130%	60	5.0
140%	60	5.0
150%	60	5.0

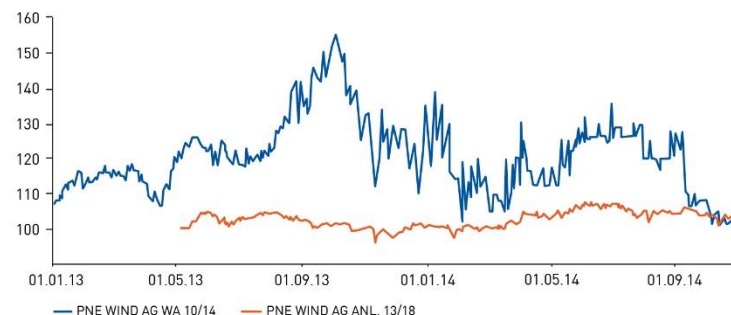
- German government aims to double amount of renewable electricity in the mix – from 25 % today to 55-60 % in 2035
- Government targets between 2,400 - 2,600 MW per year – this target range has only been exceeded one time in past 8 years
- Capacity removed as part of repowering is netted against new 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 on the amount of energy produced in relation to manufacturer reference value
 2. Beginning tariff to be adjusted dependent on installation rates

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 OUTSTANDING



WKN / ISIN	AOJBPG / DE000AOJBPG2
Number of shares (06.10.2014)	70,289,733
Market capitalization (10.November 2014)	EUR 170.6 m
Free Float	Approx. 85%
Market segment	Prime Standard
Indices	CDAX Technology, ÖkoDAX
Designated Sponsors / Market Maker	Commerzbank VEM Aktienbank Close Brother Seydler Bank
Reuters / Bloomberg	PNEGn / PNE3

Corporate bond 2013/2018 (WKN: A1R074)
Coupon 8%, Prime Standard, Total volume EUR 100m

Convertible bond 2014/2019 (WKN: A12UMG)
Coupon 3.75%, Strike price EUR 3.30, Total volume EUR 6.6 m

Convertible bond 2010/2014 (WKN: A1EMCW)
Coupon 6.5%, Strike price EUR 2.20, 260,000 bonds placed @ EUR 100 a piece (EUR 5.6m open as of 30 September 2014)

Participation certificate 2004/2014 (WKN: A0B9VG)
Coupon 7-10%, (Volume EUR 0.8m as of 30 September 2014)

THANK YOU

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