

PNE WIND AG

Webcast

March 31, 2015



2014 - HIGHLIGHTS

- **The financial year 2014 was characterized by –**
 1. the continuation of our on and offshore development activities in Germany and abroad,
 2. the construction of wind parks in Germany and France
 3. the expansion of our business model with the formation of a YieldCo
 4. Equity and convertible bond placement with total proceeds of EUR 40 million
 5. PNE WIND claiming damages from the former majority shareholder of WKN AG
- **134 MW of projects constructed and handed over** – At the end of the year projects with 77 MW were under construction
- **International activities well underway** – 12 MW project in France handed over, additional projects in France, the United Kingdom, Italy, Romania, USA and South Africa permitted
- **Sales during 2014 climb to EUR 211 million vs. EUR 144 million during 2013** – primarily driven by onshore projects sold in 2014 to customers ENBW, Allianz, CEE, CHORUS and KGAL
- **EBIT at EUR 2.7 million in 2014 vs. EUR 43.6 million in 2013** – Diluted earnings per share fell to EUR -0.21 (prior year EUR 0.75)
- **Guidance confirmed** – Cumulative EBIT of EUR 110-130 million during the 2014-2016 period - room to increase earnings with realization of YieldCo concept

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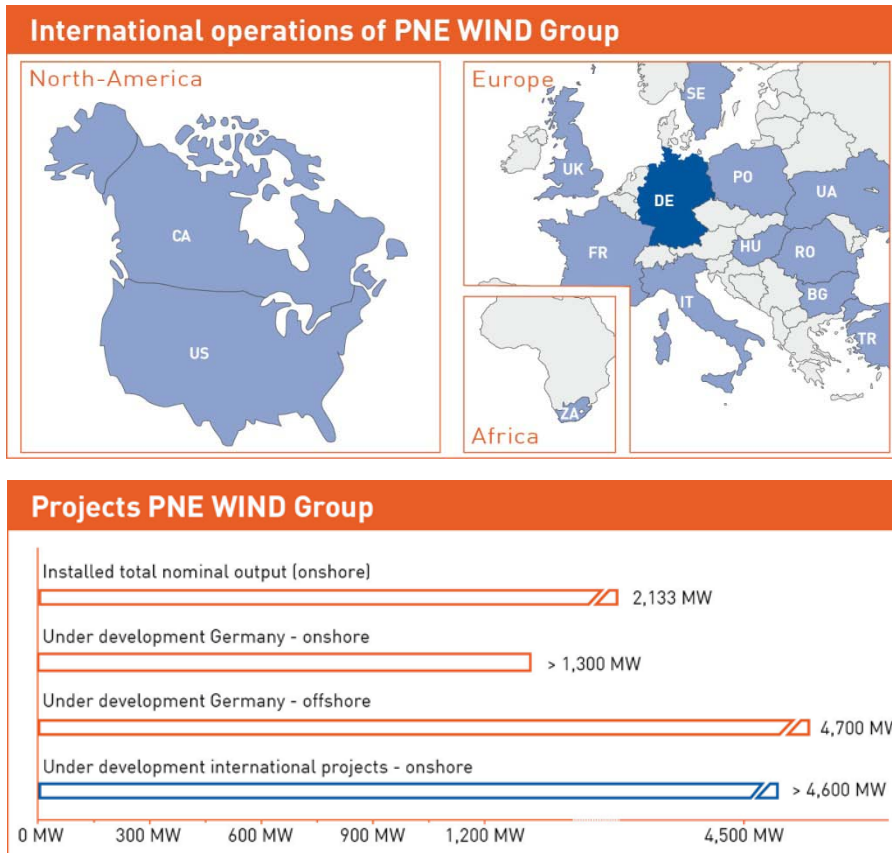
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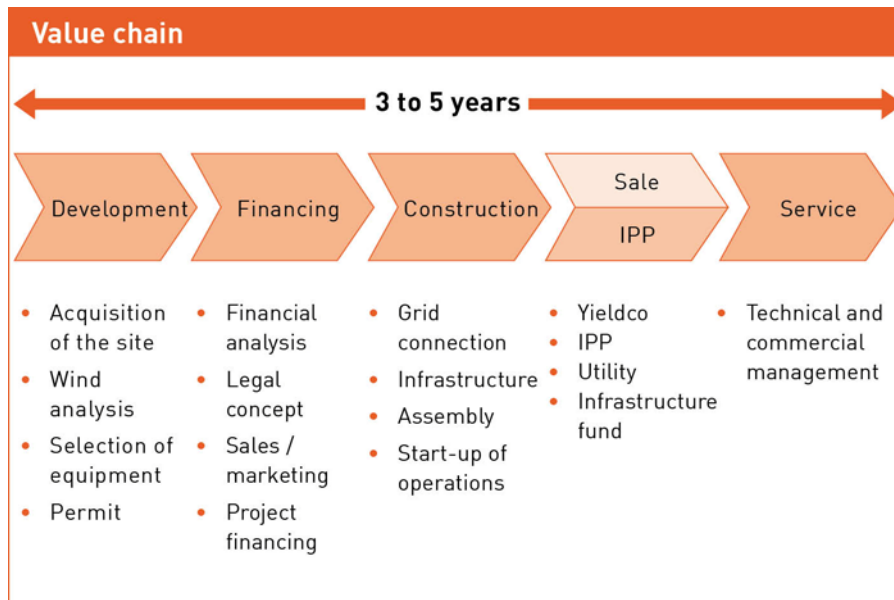


AT A GLANCE



- 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. 6,000 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

CORE COMPETENCIES



* Actual time to develop may take longer, in particular in the international markets

- Development, financing and construction of wind farms
- Direct sales channels to infrastructure funds and utilities
- New sales channel targeted with advent of Yieldcos
- After-sales support through commercial and technical management services

PNE ONSHORE PIPELINE

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
UK	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

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

* as of 31 December 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) and Waldfeucht (12 MW) under construction
- In the UK, permits attained for the Tralorg wind farm (20 MW) and Penbreck (18 MW)
- In the UK, Tralorg project awarded in Tender as part of CfD government program
- Turkey – Joint development agreement signed with STEAG in April 2014

WKN ONSHORE PIPELINE

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
UK	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				

* as of 31 December 2014

- In Germany,
 1. Kropp (18.5), Kastorf (15.4 MW), Ebersgrün (8 MW), Weidehof (18 MW) handed over
 2. Nentzelsrode (6.9 MW) under construction
 3. Permit received for Looft II project (10 MW)
- 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

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
Total		877	4,701

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 Wind 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 – PNE WIND as service provider
- Total output of 6 own projects in planning 2,640 MW
- Atlantis offshore projects acquired in September 2013
 1. Atlantis I hearing held

O&M SERVICES



- Operation and Maintenance (O&M) services organized within energy consult GmbH
- Yield optimization and reduction of downtime and operating costs
- Currently wind turbines from AN Bonus / Siemens, DeWind, Enercon, Fuhrländer, Nordex / Südwind, Vestas in care
- Approx. 700 wind turbines with > 1,200 MW of capacity under management

PROFIT & LOSS (IFRS)

- Group sales were primarily generated at the onshore projects Calau II, Görike-Söllenthin, Kastorf, Kropp, Sontra, Kemberg III and Weidehof in Germany as well as Dargies in France
- Personnel costs rise to EUR 27.0 million – representing first full year of WKN following first consolidation in July 2013
- EBIT at EUR 2.7 million down from EUR 43.6 million last year – Offshore milestone payment of EUR 45 million drove positive results in 2013 while 2014 figure affected by earnings delay out of YieldCo and write-offs in connection WKN
- Net interest expense rises primarily with EUR 100 million corporate bond placed in 2013 (8% coupon)
- Net income of EUR -13.0 million down from EUR 37.6 million. EPS of EUR -0.21 down year on year from EUR 0.75

In EURm	2014	2013
Sales	211.3	144.0
Total performance	233.9	160.6
Cost of materials	-170.5	-71.9
Personnel	-27.0	-21.6
Depreciation	-8.5	-6.2
Others	-25.2	-17.4
EBIT	2.7	43.6
Net interest	-12.5	-9.3
Participations	-5.3	0.2
EBT	-15.2	34.4
Net income	-13.0	37.6
EPS (in EUR)	-0.22	0.80
EPS diluted (in EUR)	-0.21	0.75

- Property, Plant and Equipment of EUR 73.6 million - main items include technical equipment (wind and solar projects) and land and buildings
- Inventories of EUR 152.4 million include - onshore projects in development, projects currently under construction EUR 28.5 million and offshore projects EUR 38.9 million
- Accounts Receivables of EUR 40.2 million include - construction contracts for projects under construction EUR 7.0 million and receivables of EUR 13.1 million
- Cash position of EUR 72.2 million at year end

BALANCE SHEET ASSETS (IFRS)

Balance sheet		in € million as at December 31, 2014 (as at December 31, 2013)	
	Assets	Equity and liabilities	
Intangible assets	63.9 (65.0)		
Property, plant and equipment		160.1 (147.2)	
Altenbruch II: 26.3	73.6 (76.1)		
Passauer Land: 9.3			
Land and Building: 17.2	14.5 (18.6)		
Transformer Station: 10.9			
Other	152.4 (136.6)	152.0 (175.4)	
Inventories			
Receivables and other assets	40.2 (57.9)	13.5 (12.1)	
Cash	72.2 (77.4)	91.1 (96.8)	
	416.8 (431.6)	416.8 (431.6)	
Rounding differences possible			

BALANCE SHEET LIABILITIES (IFRS)

- Equity at EUR 160.1 million representing an equity ratio of 38% - Increase in equity results from conversion of bonds (EUR 7.4 million), issuance of new shares (EUR 31.8 million net), dividend payment (EUR - 8.2 million) and net loss (EUR -13.0 million)
- The long term liabilities of EUR 152.0 million primarily represent corporate bond 2013/18 (EUR 96.2 million), convertible bond (EUR 6.1 million), project level financing of EUR 24.2 million and WKN working capital loans of EUR 6.3 million
- Short term liabilities include financial liabilities EUR 38.4 million of which EUR 20 million is WKN credit line
- Total project level financing of EUR 43.1 million
- Net debt totaled EUR 115.0 million down from EUR 134.1 million as at December 31, 2013

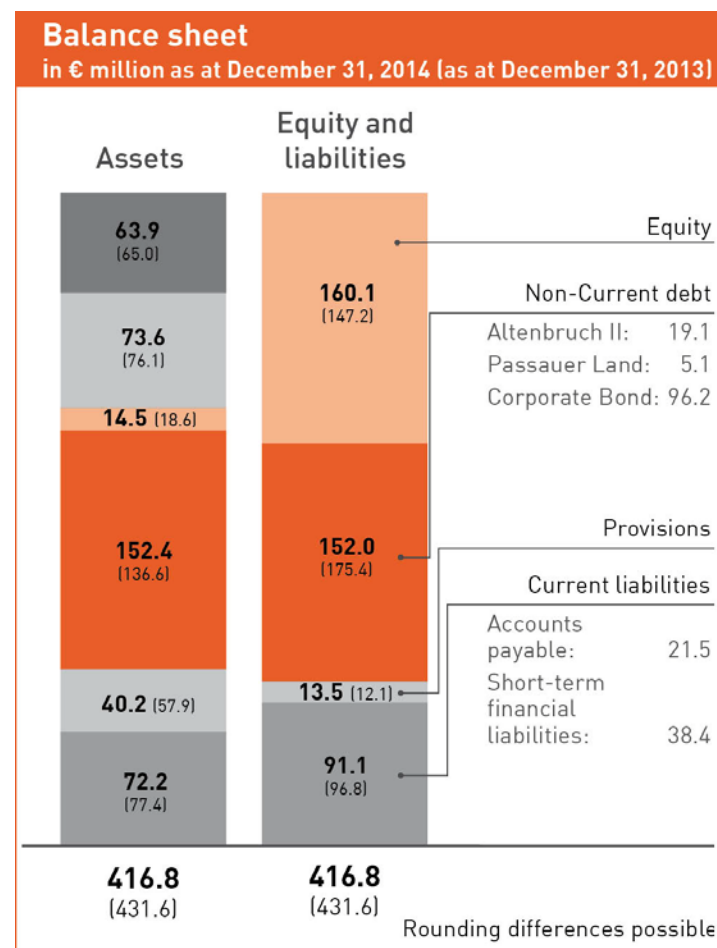


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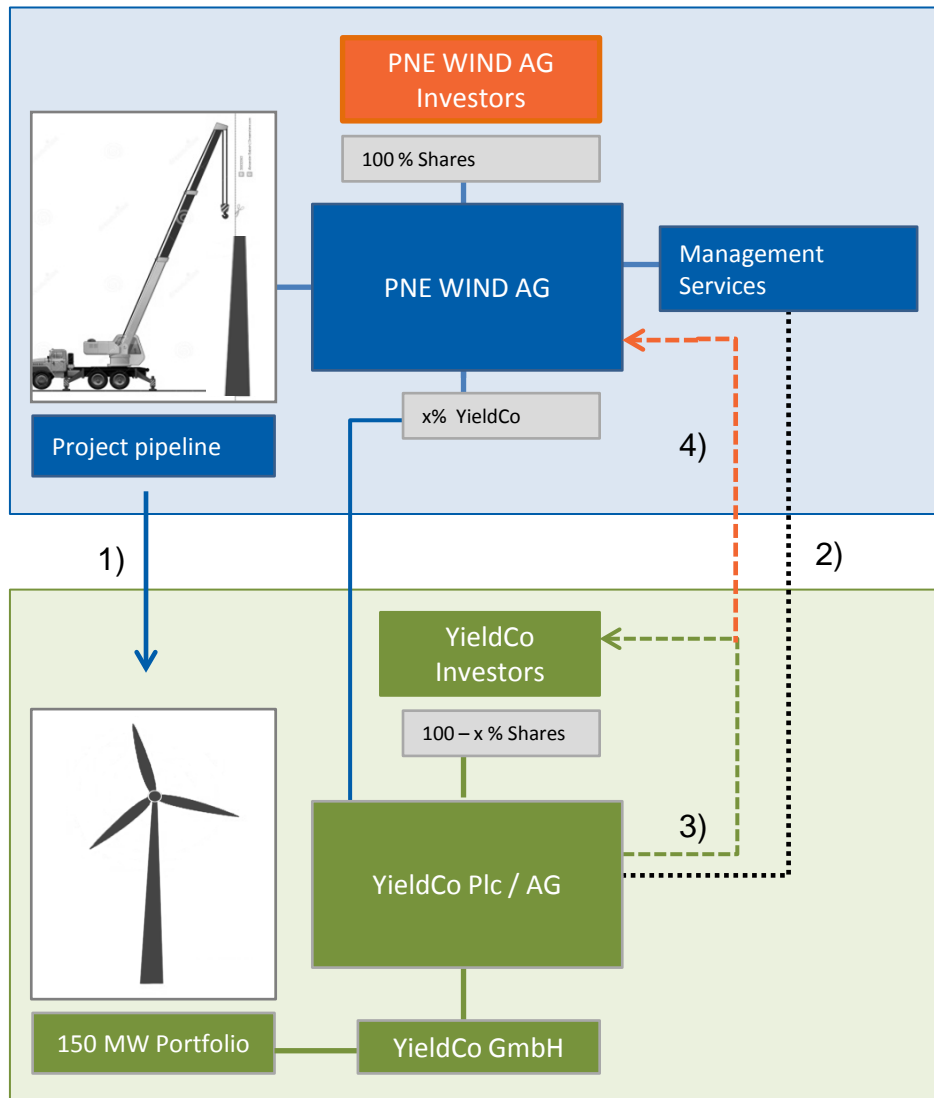
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YIELDCO STRUCTURE

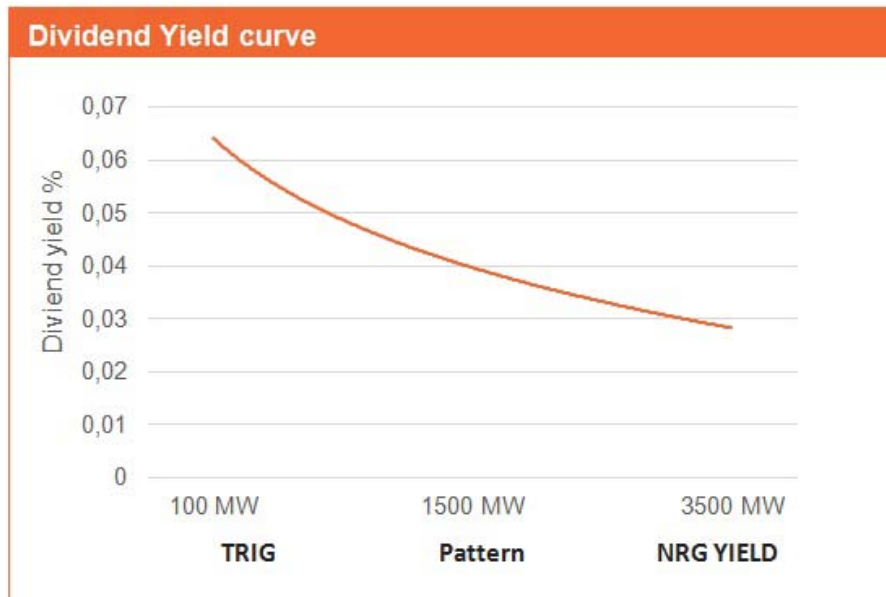
- PNE WIND AG and YieldCo represent two separate business –
 - PNE WIND focused on wind farm development and O&M
 - YieldCo is asset manager– earnings from wind farms distributed to its investors via dividends
- 1) Projects sold to YieldCo use same quality criteria as with sales to external customers -
 - Projects in pipeline available for additional project acquisitions
 - 2) PNE WIND AG provides management services to YieldCo and O&M services to wind parks
 - 3) Dividend distributions YieldCo investors
 - 4) Dividend distributions to PNE WIND AG

YIELD CO/IPP – PEER GROUP

	Funds raised	Assets	Development partner	Management Team
TRIG	£300m	276 MW	RES	InfraRed
Green coats	£260m	126 MW	None	Climate C. Capital
NRG Yield	\$468m	2,000 MW	NRG	NRG
Nextera E.P.	\$438m	989 MW	NEE	NEE
Pattern	\$352m	1,040 MW	PEG LP	PEG LP
Foresight	£150m	126 MW	None	Foresight
Terraform	\$533m	808 MW	SunEdision	SunEdision
Capital Stage	€22.7m	280 MW	None	Established
Saeta	€435 m	689 MW	ACS	ACS

- Investors looking for yield are backing renewable IPPs/Yieldcos with a number of IPO transactions taking place; over £2.5 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

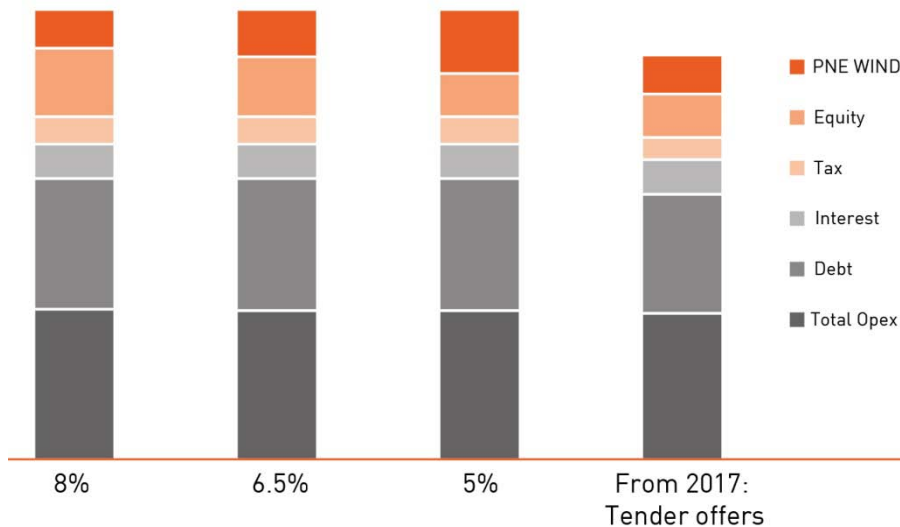
OPPORTUNITY



- Dividend yields range on publically traded companies range from 2.6% to 7.0%
- Dividend required follows closely with portfolio size and growth prospects
- This compares to current sales channel which target a return on equity on 10-12%

PERSPECTIVES

Cash profile of wind farm - IRR on equity



- As return expectation (IRR on equity) contracts from 8% to 5%, PNE WIND's earnings potential climbs in stable price per MWh environment
- Beginning in 2017, the introduction of the tender system will likely result in lower prices per MWh
- YieldCo should enable PNE WIND to maintain historical earnings profile despite lower feed-in-tariffs

STOCK & BONDS OUTSTANDING



WKN / ISIN	AOJBPG / DE000AOJBPG2
Number of shares (26.01.2015)	71,974,939
Market capitalization (27 March 2015)	EUR 161.9 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

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