

# PNE WIND AG

2013 Results Presentation – March 20, 2014



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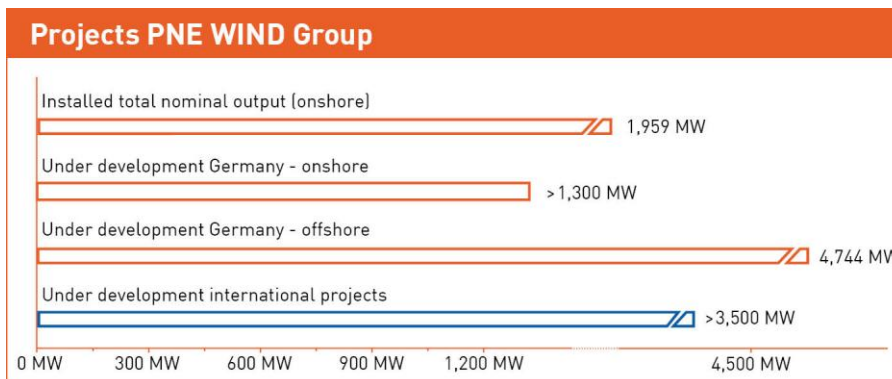
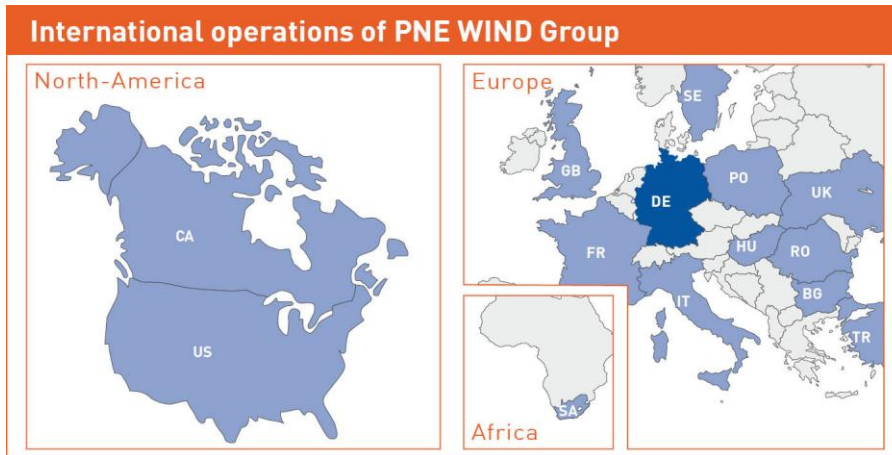
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## 2013 HIGHLIGHTS

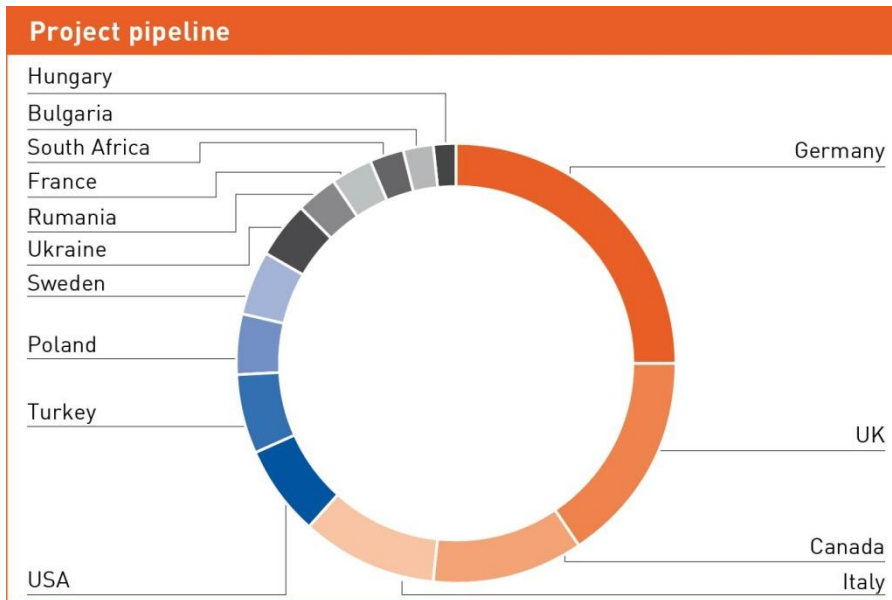
- PNE WIND greatly expands its operations with the acquisition of wind project developer WKN AG and three offshore projects in the planning stage
- Acquisitions financed through the successful placement of a corporate bond with gross proceeds of €100m
- Operations performed well with the Group completing or beginning construction on 43 MW in Germany
- We started 2014 with nearly 100 MW of permitted German projects which are scheduled to be completed in the coming months.
- Internationally, the Group sold a 12 MW project in France, received permits for a 66 MW project in the UK and a 32 MW project in Poland
- In the offshore sector, €45m payment was received at end of 2013
- Financially, we record our best ever year with an EBIT of €45m and an EPS of €0.86
- With a 3 year cumulative EBIT of €65.5m during the 2011-13 time period, we fulfill our guidance of €60-72million in EBIT
- We propose to share our success with our shareholders and intend to raise the dividend to €0.10 + special dividend of €0.05 per share
- Looking forward, we forecast a 3 year cumulative EBIT of €110-€130m for the 2014-2016 period

## PNE WIND & WKN



- PNE WIND GROUP consists of the companies PNE WIND AG and WKN AG
- Development and implementation of wind farm projects in Germany and abroad, both onshore and offshore
- More than 400 employees
- Onshore: wind farms with a nominal capacity of more than 4,800 MW in development
- Offshore: 12 projects with a total nominal capacity of approx. 4,744 MW in development / thereof six own projects
- Operation and Maintenance (O&M) services of wind turbines support through commercial and technical management

## ONSHORE PROJECTS



- With WKN AG transaction, PNE WIND gains access to 6 new markets and is now present 14 different countries
- Of the 35,467 MW of newly installed global capacity, 64% of these installations took place in the markets were the Group is now active

## PNE ONSHORE PIPELINE

Land*	I-II	III	IV	Total MW
Germany	888	193	11	1092
Bulgaria	121	0	0	121
Romania	55	102	0	157
Turkey	300	0	0	300
UK	710	40	0	750
Hungary	0	78	0	78
USA	169	183	0	352
Canada	575	0	0	575
<b>Total</b>	<b>&gt; 2,500</b>	<b>596</b>	<b>11</b>	<b>&gt;3,100</b>

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

\*Per 31.12.13

- In Germany,
  1. PNE WIND constructed or began construction on 35 MW worth of projects in 2013
  2. Building permits for additional projects with 58 MW of capacity on hand of which 30 MW are now under construction in March 2014
  3. Debt financing has been secured for 160 MW of projects which are permitted or nearly permitted at year end
- In the USA, PNE WIND fulfills requirement to secure PTC by breaking ground on the Chilocco wind farm with up to 153 MW
- In the UK, permits attained for the Tralorg wind farm in 2014 with 20 MW
- In Romania, 2 projects with 102 MW of capacity are in sales process after permits were attained

## WKN ONSHORE PIPELINE

Land	I-II	III	IV	Total MW
Germany	140	70	0	210
Italy	480	40	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
<b>Total</b>	<b>&gt; 1,500</b>	<b>218</b>	<b>12</b>	<b>&gt; 1,700</b>

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

Phase IV = Implementation

- In Germany, 41 MW of projects sold in 2H13 and to be commissioned in 1H14
- WKN AG sold the rights for 12 MW wind farm in France in September 2013
- WKN AG was issued a permit for 32 MW wind farm in Poland
- In the UK, the Highland Council issued a permit for a 66 MW project
- In South Africa, WKN AG is participating in the current tender process

## OFFSHORE PROJECTS

Project	Phase	WT	Total MW
Borkum Riffgrund I *	6	77	277
Borkum Riffgrund II *	5	97	349
Gode Wind I *	6	54	324
Gode Wind II *	6	84	504
Gode Wind III *	1	15	90
Nautilus II *	2	80	560
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
<b>Total</b>		<b>887</b>	<b>4,744</b>
Phase 1 = Project identification		Phase 4 = Approval granted	
Phase 2 = Application conference		Phase 5 = Grid connection	
Phase 3 = Hearing		Phase 6 = Investment decision	

\* PNE WIND AG acts as service provider

- 6 offshore projects already sold with a total nominal capacity of up to 2,104 MW
  1. Borkum Riffgrund I (sold to DONG Energy) under construction since mid 2013
  2. Final Investment Decision (FID) taken by DONG for Gode Wind I and II
  3. €45m milestone payment received in December 2013
- Atlantis offshore projects acquired in September 2013, bringing total planned output of our 6 own projects to 2,640 MW



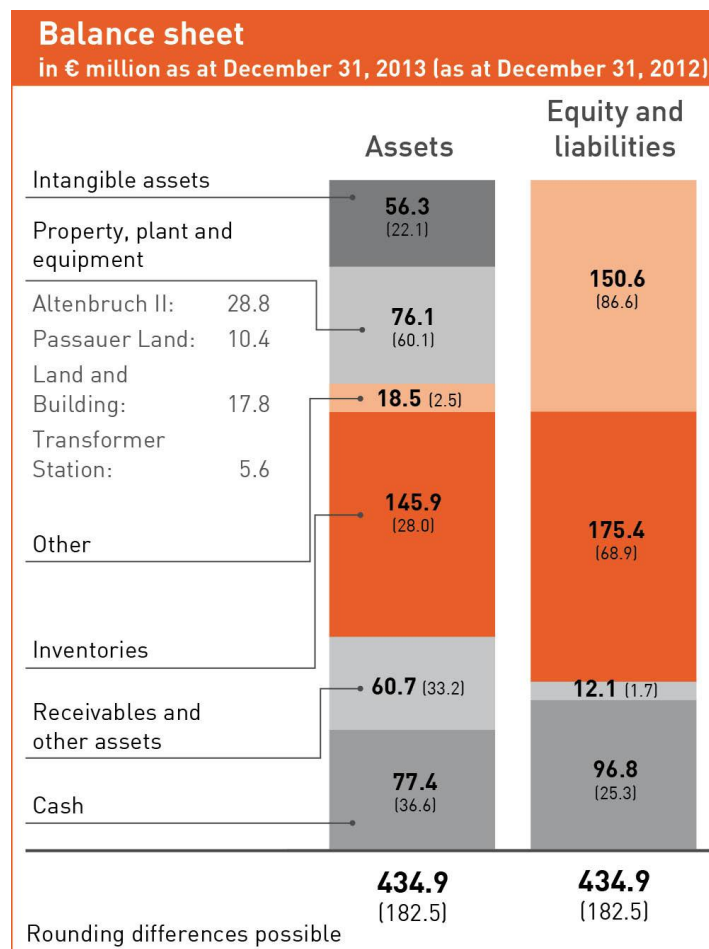
## PROFIT & LOSS (IFRS)

- Sales at PNE WIND AG were mainly attributable to the Zernitz II, Langwedel II, and Calau II onshore projects (€46m), milestone payments from offshore projects (€45m) and electricity sales (€11m).
- WKN AG contributed €30m to Group sales
- Personnel costs rise with 411 employees at year end compared to 186 last year.
- EBIT pegged at €45m, of which €2m is attributable to electricity generation and €1m to WKN AG
- Net interest rises primarily with €100m corporate bond
- Net income of €41m translates into an EPS of €0.86

In €m	2013	2012
<b>Sales</b>	<b>144.0</b>	<b>84.4</b>
Total performance	162.1	94.3
Cost of materials	-71.9	-44.6
Personnel	-21.6	-13.5
Depreciation	-6.2	-5.3
Others	-17.4	-10.3
<b>EBIT</b>	<b>45.0</b>	<b>20.4</b>
Net interest	-9.2	-5.3
EBT	35.8	15.1
<b>Net income</b>	<b>40.7</b>	<b>17.0</b>
EPS ( in €)	0.86	0.37
EPS diluted ( in €)	0.81	0.31

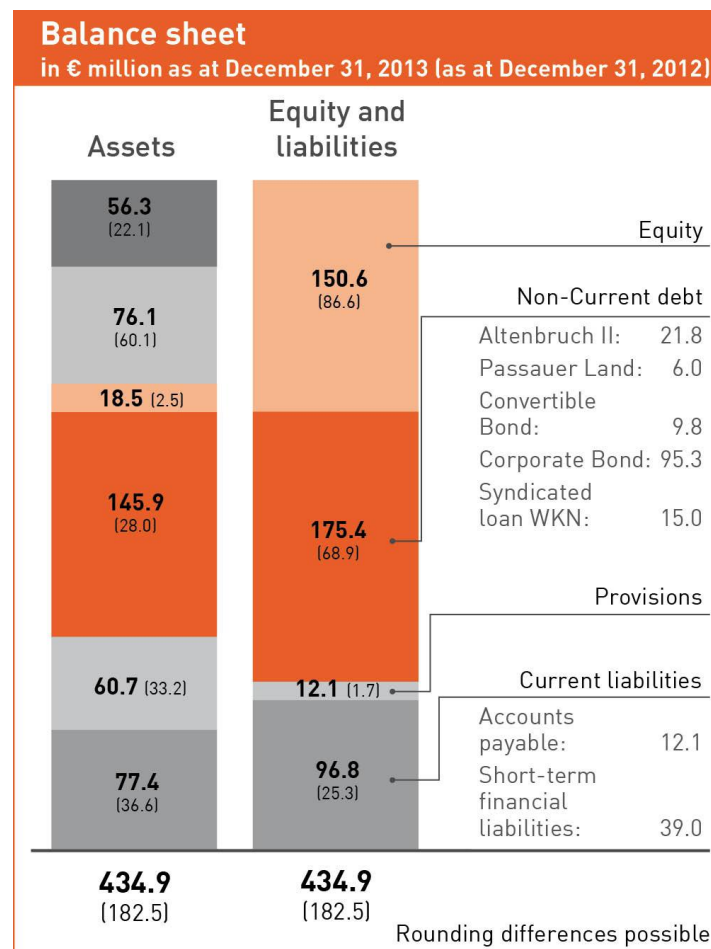
- Record net income, bond placement and inclusion of WKN AG are primary drivers to changes to balance sheet
- The intangible assets rise to €56m, consolidation of WKN AG brings about €32m in goodwill
- Property, Plant and Equipment rises to €76m primarily driven by Passauer Land Solar project (€10m). PP&E is mainly composed of €18m in land and buildings & €52m in technical equipment
- Inventories rise by €118m; driven by acquired offshore projects (€26m), prepayments (€13m) and investments made in projects in development and currently under construction
- Receivables rise on the net effect of receipt of milestone payment (€27m) in 1Q13, increase in long term construction contacts (€21m) & other receivables (€24m)
- Cash position rises to €77m up from €37m last year.

## BALANCE SHEET ASSETS (IFRS)



## BALANCE SHEET LIABILITES (IFRS)

- Equity increases by €64m to €151m with retained earnings up by €35m, conversion of bond into shares (€20m)
- Equity ratio at 35% at year-end
- The long term liabilities increased from €69m at the end of 2012 to €175m mainly due to the corporate bond whilst maintaining scheduled debt repayments
- Net debt rises year on year to €134m up from €39m per year end 2012

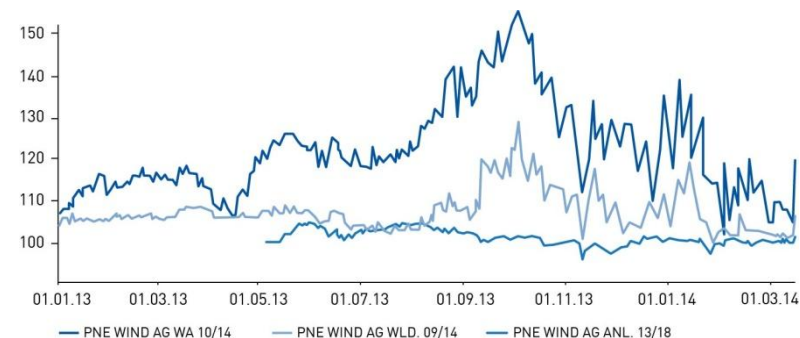
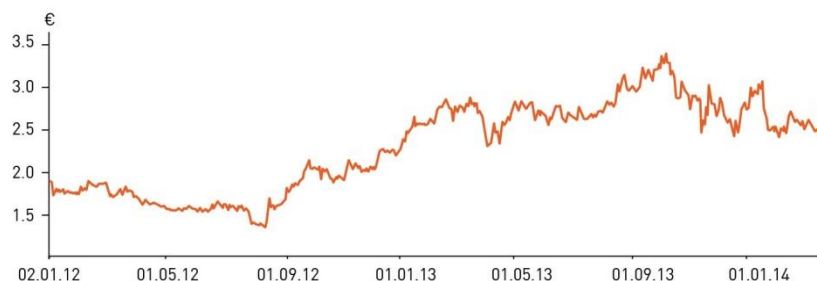


## CASH FLOW (IFRS)

In Mio. €	2013	2012
Net income	38.5	15.2
Interest (net) and tax net	-5.1	2.8
Depreciation and non-cash items	5.7	5.1
Provisions	10.5	0.8
Disposal of assets	0	-18.3
Change in working capital	-50.7	-30.2
<b>CF from operating activities</b>	<b>-1.0</b>	<b>-25.2</b>
<b>CF from the investing activity</b>	<b>-61.3</b>	<b>39.6</b>
<b>CF from financing activities</b>	<b>95.5</b>	<b>2.8</b>
Change in liquid funds from consolidation	7.6	-0.1
Liquid funds end of the period	77.4	36.6

- CF from operating activities at -€1m with positive net income being offset primarily by investments in working capital. Inventories rose by €118m during the year.
- Cash flow from investing primarily reflects payments made for WKN AG acquisition
- Cash flow from financing primarily influenced by bond proceeds (€100m less direct costs of €5.1m) dividend payment (€-4.2m) and balance of taking and paying financial loans

## STOCK & BONDS



WKN	AOJBPG / DE000A0JBPG2
Number of shares (December 31, 2013)	54,858,448
Market capitalization (December 31, 2013)	€ 153.6m
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 (€ 3.8m open as per December 31, 2013)

Convertible bond 2010/2014 (WKN: A1EMCW)  
 Coupon 6.5%, Strike price €2.20, 260,000 bonds placed @ €100 a piece (€ 6.0m open as per December 31, 2013)

Participation certificate 2004/2014 (WKN: A0B9VG)  
 Coupon 7-10%, (Volume € 0.8m as per December 31, 2013)

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

# THANK YOU

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