



PNE WIND AG

Webcast Presentation | 1H-2016

August 11, 2016

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Wind – a domestic energy source
generating value locally

1H - 2016 HIGHLIGHTS

OPERATIONAL AND FINANCIAL

Project implementation according to plan

- 97.8 MW completed, sold or under construction

142.5 MW of own wind farms

- 98.4 MW commissioned, 38.1 MW under construction and 6 MW permitted in July
- Electricity generation segment EBITDA doubles to € 8.3m

Milestone payment of € 3.2m to be received

- DONG reached FID for offshore project Borkum Riffgrund II

Wind Farm-Portfolio build-out affects EBIT

- EBIT at - € 1.4m down from € 24.0m in 1H-2015
- Results in 1H-2015 driven by UK pipeline transaction

WKN's working capital credit line repaid

- New credit line of € 30m secured in July + €10m guarantee

Annual General Meeting

- Dividend of € 0.04 per eligible share distributed
- Three members elected to board

CEO elected to Management board

- Markus Lesser became CEO on May 26, 2016

ONSHORE PIPELINE

Country	I-II	III	IV	Total MW
Germany	1,207	94	82	1,383
Bulgaria	121	0	0	121
United Kingdom	43	0	0	43
Italy	242	14	0	256
France	256	123	0	379
Poland	223	42	0	265
Romania	55	102	0	157
South Africa	100	30	0	130
Sweden	99	86	0	185
Turkey	700	0	0	700
Hungary	0	42	0	42
USA	337	180	0	517
Canada	555	0	0	555
Total	3,938	713	82	4,733

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

Phase IV = Implementation till handover

82 MW in operation or under construction

- Köhlen 21.3 MW
- Holzthaleben 4.8 MW
- Altenbruch-Repowering 27 MW
- Westerengel 23.1 MW
- Apensen 6.0 MW

New permits received or finalized

- Germany, 12 MW of which 6 MW sold as project rights
- France, 2 projects with 31.9 MW
- Poland 132 MW, environmental permit
- Sweden 99 MW, environmental permit

Framework deal with John Laing

- France 21.6 MW, construction expected to start in 2016
- Poland 42 MW, project being prepared for tender

Ongoing tenders and preparation for

- South Africa, Poland, Turkey, Italy

WIND FARM-PORTFOLIO

Project	Location	Status	MW	Scheduled completion
Altenbruch II	Lower Saxony	Commissioned	25.8	2009
Chransdorf	Brandenburg	Commissioned	57.6	2015
Waldfeucht	North Rhine-Westphalia	Commissioned	9.0	2015
Apensen II	Lower Saxony	Commissioned	6.0	2016
Köhlen	Lower Saxony	Under construction	21.3	Second half 2016
Holzthaleben	Thüringen	Under construction	4.8	Second half 2016
Altenbruch Repowering	Lower Saxony	Under construction	12.0	Second half 2016
Total			136.5	

As at 30 June 2016

Wind Farm-Portfolio Strategy

- Started in 2014, realization planned for end of 2016

136.5 MW + 6 MW internally held

- 98.4 MW commissioned, 38.1 MW under construction
- In July, 6 MW were permitted for Altenbruch Repowering

Energy segment EBITDA up to € 8.3m

- From € 3.8m in 1H-2015

Structured process underway

- IPO listing or direct sale to an investor

OFFSHORE PROJECTS

Own Projects	Zone	Phase	# WTG	Total MW
Nemo	4	2	80	480
Jules Verne	4	2	80	480
Nautilus I	4	2	80	480
Atlantis I	2	3	73	584
Atlantis II	3	2	80	400
Atlantis III	3	2	80	400
Total			473	2,824

Sold Projects	Zone	Phase	# WTG	Total MW
Borkum Riffgrund I	1	8	78	312
Borkum Riffgrund II	1	6	56	448
Gode Wind 1 & 2	1	8 / 8	55 + 42	582
Gode Wind 3 & 4	1	3 / 4	15 + 42	342
HTOD5 (<i>Nautilus II</i>)	4	2	68	476
Total			356	2,160

Phase 2 = Application conference held
 Phase 3 = Hearing held
 Phase 4 = Approval granted
 Phase 5 = Grid connection

Phase 6 = Investment decision
 Phase 7 = Under construction
 Phase 8 = In operation

Milestone payment of € 3.2m to be received

- DONG reached FID for offshore project Borkum Riffgrund II

Up to € 29m in milestones expected

- From Borkum Riffgrund II and Gode Wind 3 and 4

Atlantis I being prepared for tender in 2017

- Project size increased to 584 MW from 400 MW

Regulatory Changes

- Options for projects in Zone 3 and 4 are being evaluated

INCOME STATEMENT (IFRS)

Build-out of Wind Farm-Portfolio is main factor behind results during 1H-2016

- Total output and sales driven by stage of completion of wind farms and timing of sales
- Total output in 1H-2016 at € 61.1m vs. € 89.8m last year
- Sale of UK pipeline in 2Q-2015 drives sales and earning with transaction generating € 35m in EBIT

EBIT at - € 1.4m (€ 24.0m in 1H-2015)

- Build-out of Wind Farm-Portfolio leads to deferral of sales and higher depreciation

Net income at - € 7.8m (€ 18.4m in 1H-2015)

- EPS of - € 0.10 down from € 0.25 last year

Full year guidance of up to € 100m confirmed

- Earnings generated from Wind Farm-Portfolio, but eliminated within the scope of consolidation, total € 33.1m since 2014

In EURm	1H 2016	1H 2015	2015
Sales	44.8	71.9	109.5
Work in progress	12.2	15.8	116.1
Other income	4.1	2.0	7.7
Total output	61.1	89.8	233.3
Cost of materials	-32.4	-35.6	-154.9
Personnel	-13.1	-13.8	-29.3
Depreciation	-6.0	-3.9	-9.9
Others	-11.0	-12.5	-29.5
EBIT	-1.4	24.0	9.8
Net interest	-8.0	-5.7	-14.6
Participations	0.0	-0.1	-0.2
EBT	-9.5	18.1	-5.0
Taxes	-0.1	-0.1	3.6
Minorities	-1.8	-0.4	-4.9
Net income	-7.8	18.4	3.5
EPS (in €)	-0.10	0.25	0.05
EPS (in €) Diluted	-0.10	0.24	0.05

BALANCE SHEET ASSETS (IFRS)

Balance sheet developments primarily driven by investments in Wind Farm-Portfolio

Property, Plant and Equipment at € 162.0m

- Commissioned wind farms € 126.6m
- Transformer stations € 10.7m
- Building and property € 16.3m

Inventories at € 162.5m

- Offshore € 44.0m
- Onshore Germany € 46.5m
- Onshore International € 47.3m
- Prepayments € 24.7m

Good liquidity position to fund future developments

- Cash position at € 39.4m

Balance sheet

in € million as at June 30, 2016 (as at December 31, 2015)

	Assets	Equity and liabilities
Intangible assets	63.0 (63.1)	152.8 (165.9)
Property, plant and equipment	162.0 (167.4)	
Windfarms: 126.6		
Land and Building: 16.3		
Transformer Station: 10.7		
Silbitz: 4.3		
Other	22.8 (21.7)	228.1 (237.5)
Inventories	162.5 (121.2)	
Receivables and other assets	32.1 (28.8)	
Cash	39.4 (86.1)	100.9 (84.9)
Rounding differences possible	481.8 (488.3)	481.8 (488.3)

BALANCE SHEET LIABILITIES (IFRS)

Build-out of Wind Farm-Portfolio leads to deferral in earnings

- Equity at € 152.8m, equating to an Equity ratio of 32%

Non-current debt at € 228.1m

- Project financing totals € 106.2m
- 2013/18 corporate bond € 97.7m
- 2014/19 convertible bond € 6.2m

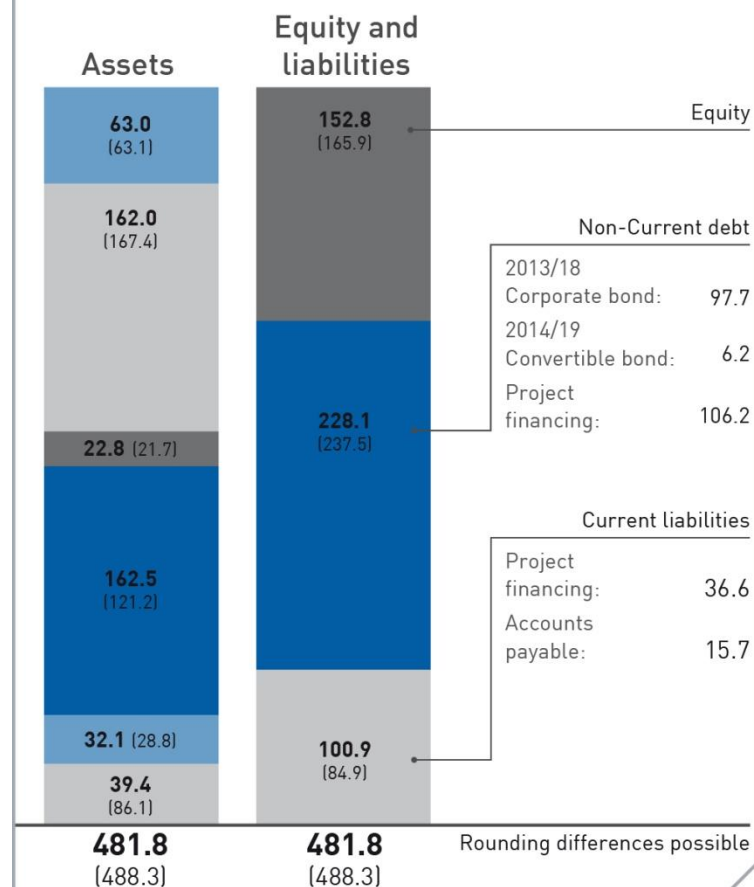
Current liabilities at € 100.9m

- Construction financing converted into long term debt once project is commissioned
- Interim project financing of € 36.6m
- WKN working capital line repaid at end of June, new credit line of € 30m + € 10m guarantee in July

Net debt at € 219.5m

- Total project level financing totals € 142.8m

Balance sheet
in € million as at June 30, 2016 (as at December 31, 2015)



REGULATORY TRENDS

International operations of the PNE WIND Group



COP21 Paris Agreement

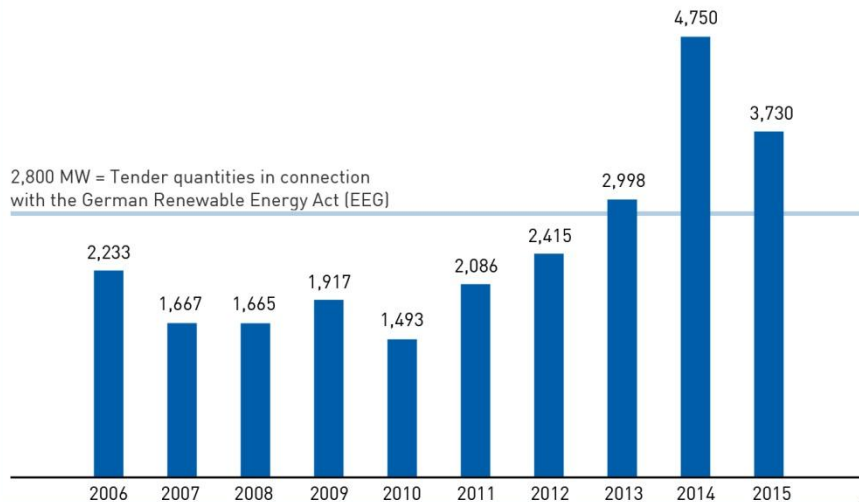
- All necessary measures should be taken to keep global temperatures from rising more than 2 °C

Legislation passed to support agreement

- Germany, renewable energy in el. mix should nearly double to 55-60 percent by 2035 from 34 percent in 2015
- France, renewable energy in el. mix should climb to 40 percent by 2030 from 15 percent in 2015
- USA , Production Tax Credits extended to end of 2019 and covers projects completed prior to end of 2021

EEG 2017 - ONSHORE

Total installed capacity (in MW) in Germany



Tenders beginning in 2017

- 2,800 MW will be allocated per year during 2017-19

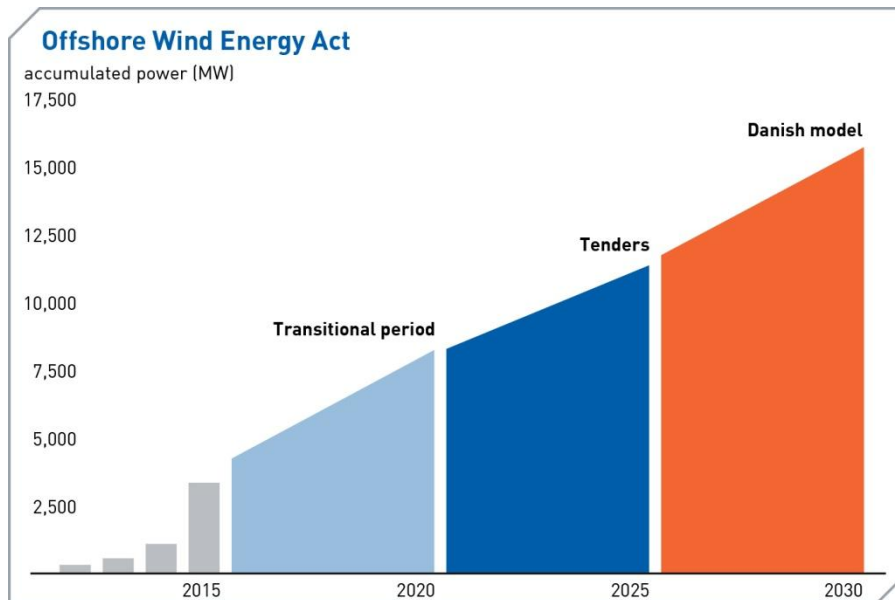
Transitional period

- Projects with planning permission before Jan 1, 2017 and commissioned before Jan 1, 2019 may choose between feed-in-tariff regime and tender

Limited grid capacity regions

- Due to underinvestment in the grid, new wind build will be limited in these areas to 58% of the amount installed during the 2013-15 time period

EEG 2017 - OFFSHORE



Germany targets 15,000 MW offshore

- By 2030, up from 3,295 MW in 2015

Transitional period

- Offshore wind farms, which are commissioned before the end of 2020, fall under previous fixed feed-in-tariff regime

Two tenders totaling 3,100 MW

- In March 2017 and 2018, tenders with 1,550 MW each will be held for projects to be completed during 2021-25
 - Atlantis I is being prepared for the tenders

Danish Model

- After the two tender rounds, a government body (BSH) will takeover the development of future offshore projects. These areas will then be auctioned off for the period after 2025
 - If there are no changes to the legislation, the projects Atlantis II and III, Jules Verne, Nemo and Nautilus may be negatively affected

OUTLOOK



EBIT in 2016 up to € 100m

- Based primarily on Wind Farm-Portfolio transaction

Wind Farm-Portfolio grows to 142.5 MW

- Conditions necessary for sale / placement are met

Atlantis I is being prepared for upcoming tender in 2017

- Offshore project size has been increased to 584 MW

Good relationship with banks

- New line of credit totaling € 30m secured in July + €10m guarantee facility

CFO board position reconfirmed

- Jörg Klawat's contract has been extended till March 31, 2020

Q&A

THANK YOU

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Harnessing the power of the wind means for us
connecting environmental responsibility with
corporate success