


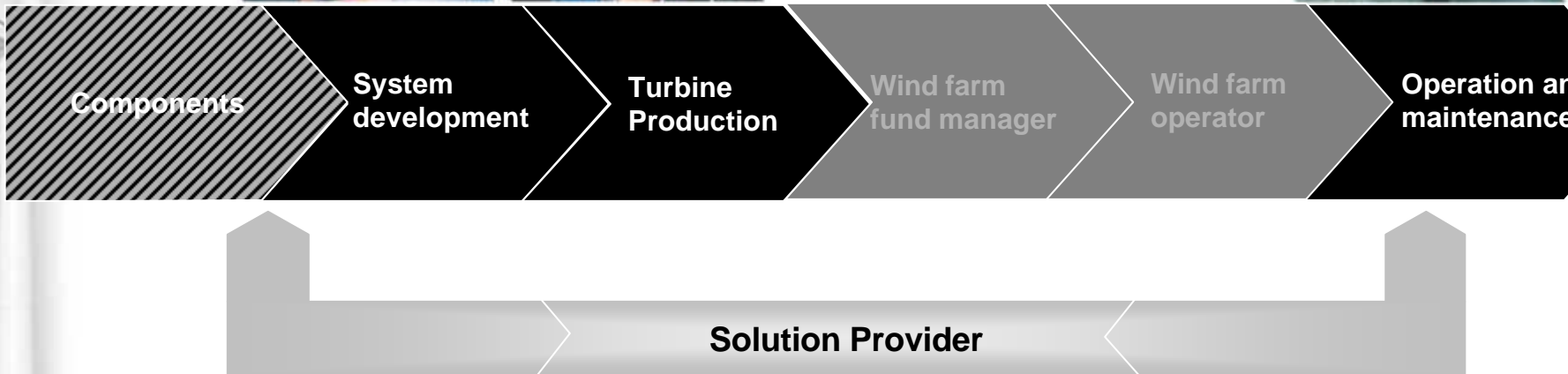


All Energy Conference
21st May 2008

The skills gap and what the industry is doing about it

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REpower UK Ltd;
BWEA chair of Skills & Education Strategy Group

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- Who is REpower (and why it matters)
 - What is the challenge
 - What other industries have done
 - What the BWEA plans to do
 - What you can do



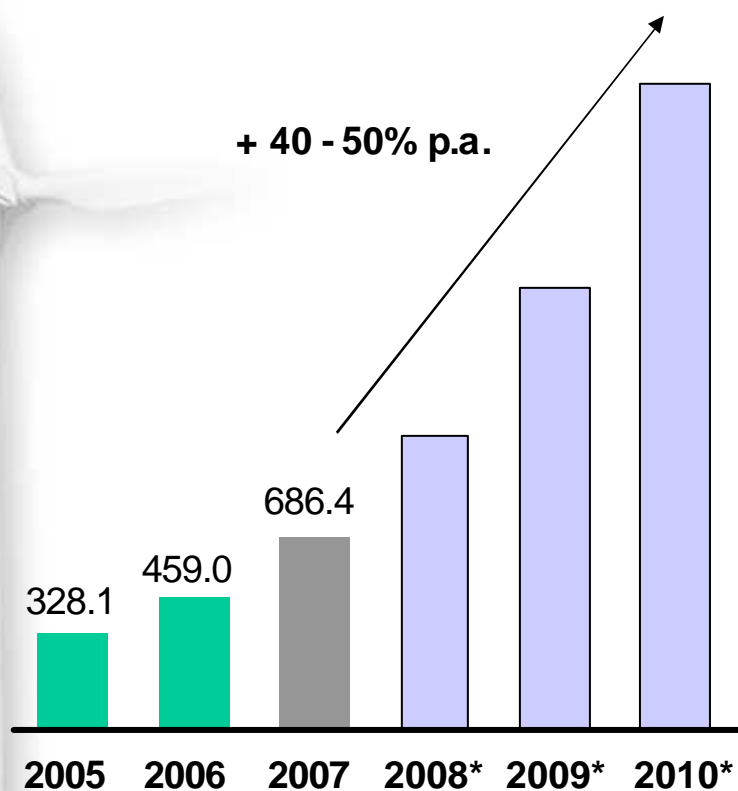
Grid Integration

- New or improved REpower products by understanding customer requests

Software

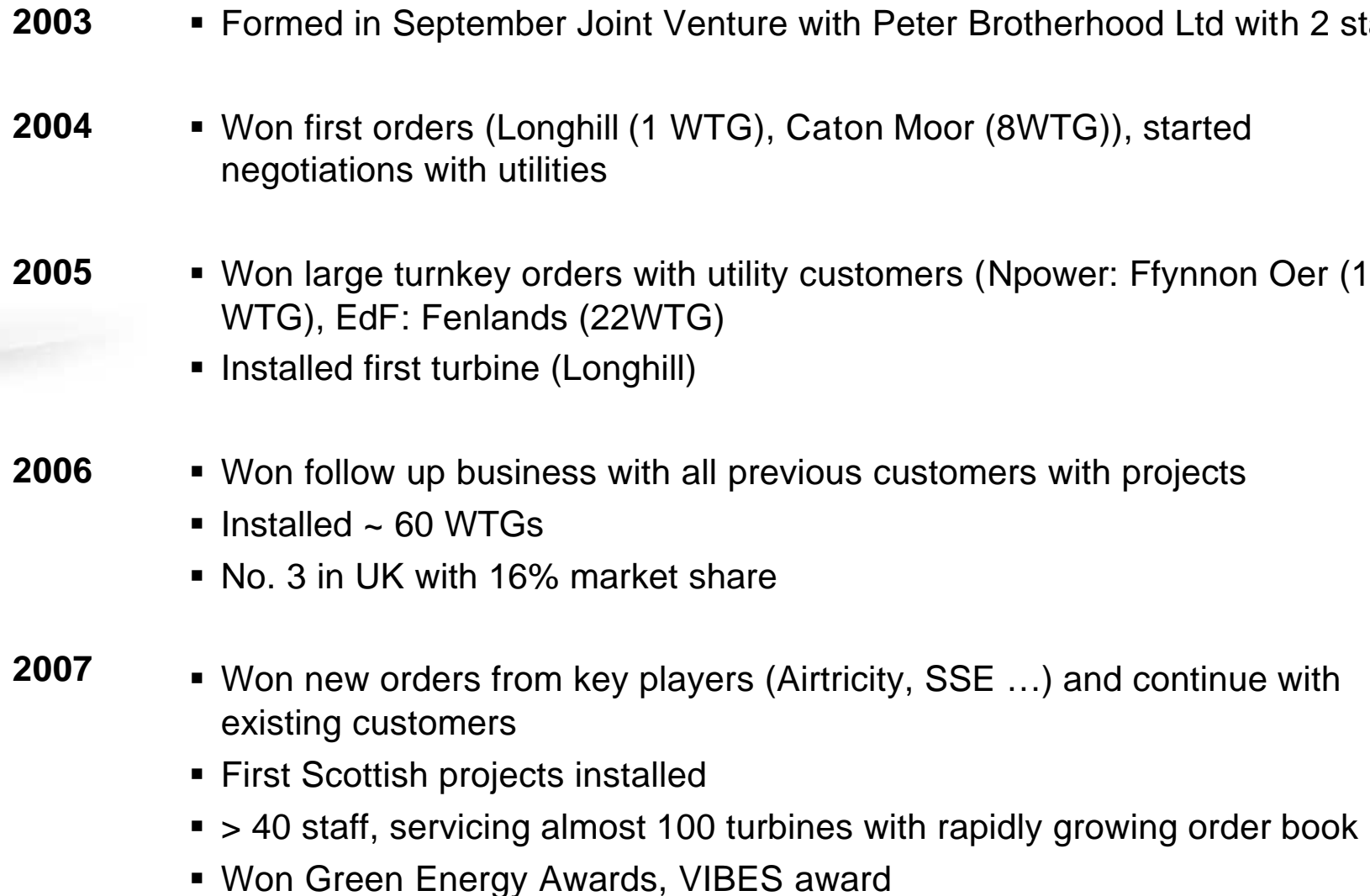
- Integration Farm management and Grid Codes
- Integration Grid Monitoring
- Integration CMS
- Comfortable performance analysis

Revenue Forecast REpower Systems AG

m EURO

Outlook

- REpower expects further strong growth on the global wind energy market in the next years initiated primarily from Europe and America.
- Over the next few years, the offshore business to play a key role. REpower considers 1,500 megawatts a realistic figure for wind power output installed on the sea to 2011.
- For 2008, REpower expects to increase sales at least EUR 1.1 bn with an EBIT-margin of 5.5% to 6.5%.

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- 2003**
 - Formed in September Joint Venture with Peter Brotherhood Ltd with 2 st
 - 2004**
 - Won first orders (Longhill (1 WTG), Caton Moor (8WTG)), started negotiations with utilities
 - 2005**
 - Won large turnkey orders with utility customers (Npower: Ffynnon Oer (1 WTG), EdF: Fenlands (22WTG))
 - Installed first turbine (Longhill)
 - 2006**
 - Won follow up business with all previous customers with projects
 - Installed ~ 60 WTGs
 - No. 3 in UK with 16% market share
 - 2007**
 - Won new orders from key players (Airtricity, SSE ...) and continue with existing customers
 - First Scottish projects installed
 - > 40 staff, servicing almost 100 turbines with rapidly growing order book
 - Won Green Energy Awards, VIBES award

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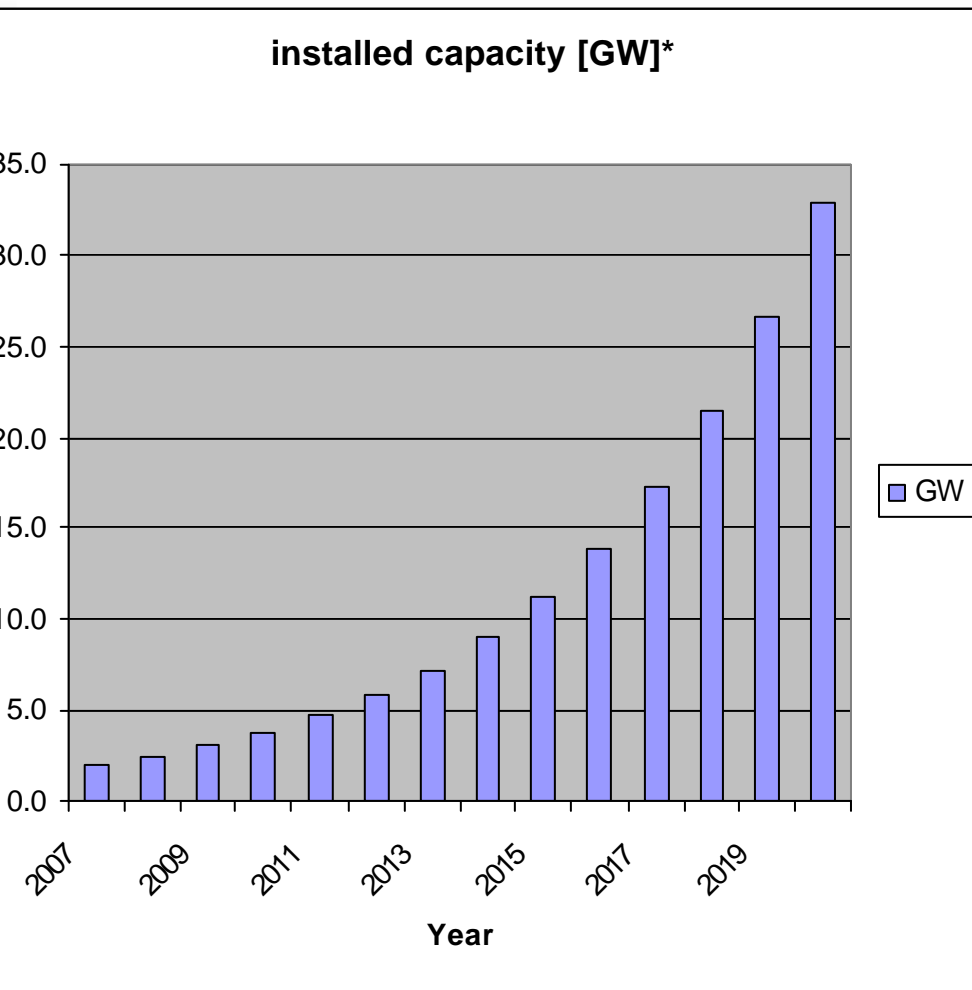
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The short term problem

- Recruitment is currently a bottleneck for the Renewables Industry
- Lack of talent
 - unemployment 5.2% in UK, 4.9% in Scotland, reducing
 - 74.7% in employment in the UK, 76.5% in Scotland, increasing
 - open jobs 677,400 in Scotland, increasing
- Lack of engineering talent even more pronounced
- REpower UK could not fill a sales position for almost a year, approximately 30 turbines not sold in the UK (gone to subsidiaries in other countries)



- To achieve the UK 15% renewable energy target by 2020, approx. 33GW wind (onshore + offshore) will be required
- The Government has set this 33GW target
- Growth implications:
 - **factor 16.5 from 2007 to 2020**
 - **24% year on year**


* Assuming 24% growth year on year

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Other industries such as nuclear, oil & gas have faced similar challenges

What have they done

- Set up industry run skills academies
- Engage with government
- Contribute to industry skills councils
- Design tailor made training
- Engage with the general public to make them aware of opportunities
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While the challenge to attract the right skills is significant, the context is as good as it gets:

What do people want of a job*

- Interesting job
- Career progression/opportunities
- Job security
- Good reward & recognition
- Strong organisation
- A meaningful job/contribute to society

What renewables offer

- ✓ Growth!
- ✓ Growth!
- ✓ Growth!
- ✓ profitable industry
- ? Challenging in rapid growth
- ✓ What better industry to be in?

* Based on REpower job interviews

For the first time, the BWEA has set up a strategy group to address the skills gap

Key objectives for BWEA Skills working group:

1. Proving, then communicating the employment benefits of renewables and the skills gap to politicians, media and the public
Measures:
 - Gap analysis for wind and marine industry (how many, what talent, what industries; where are the bottlenecks/where is recruiting easy) for 2010, 2015 and 2020; establish current employment levels
2. BWEA to be a catalyst to improve the supply and training of competent people to meet the needs of the renewables industry
Measures:
 - Attract candidates from other industries to trade shows etc to fill current vacancies
 - Use BWEA website as recruiting portal
 - Creating awareness with the target audience/candidates (age groups and qualification levels)
 - Contributing to developing appropriate training courses
 - Linking between universities/colleges and industry
 - Share best practices amongst interested member companies to make the renewables industry an attractive employer

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What has this got to do with you?

- This challenge can only be addressed if the industry works together
- Your contribution is important; please think about what you can do to support
 - Engage with your HR department to think about future needs based on your growth plans
 - Funding will be needed for gap analysis
 - How can your training experience be of use to wider training programmes
 - Please provide information on current employment levels and future needs when contacted