

Investor Teleconference Q3 2011 Results

November 4, 2011



 **Broadwind**[™]
ENERGY

Industry Data and Forward-Looking Statements



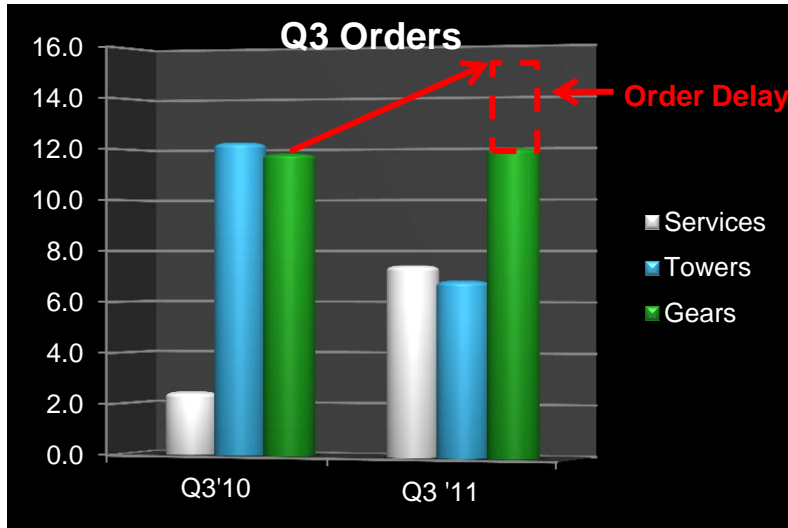
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- **Revenue growth of 41% over Q3 2010**
 - Robust revenue growth in Towers and Services
 - Services revenue up 82% from Q3 2010
 - Gearing revenue mix: industrial revenue 63%; wind revenue 37%
 - 22% increase vs. Q2
- **Operating Performance**
 - Transition to a new tower design caused \$650K of additional costs in the quarter and delayed the recognition of \$6.5M of revenue
 - The company incurred additional legal costs in the quarter of \$600K
 - \$ 12.0M improvement in the 9 months adj. EBITDA over 2010
- **Customer diversification gaining traction**
 - Landed a new customer for towers (36 firm with option for 25 more)
 - Expanding in other parts of the business
 - Added one large mining customer in both gearing and weldments
- **Market Outlook**
 - Anticipating strong demand for wind towers in 2012
 - Strong demand in O&G and Mining gearing market
 - Aging fleet continues to drive tech services, drivetrain and blade programs
 - Continue to win industrial gearing customers

Sources: AWEA, I.H.S. Global Insight, MAKE Consulting



Business	Orders	Book to Bill
Services	7.4	1.12
Towers	6.8	.23
Gearing	12.0	.95

Services

- Strong order activity in blades and tech services
- Starting to see results from new sales staff

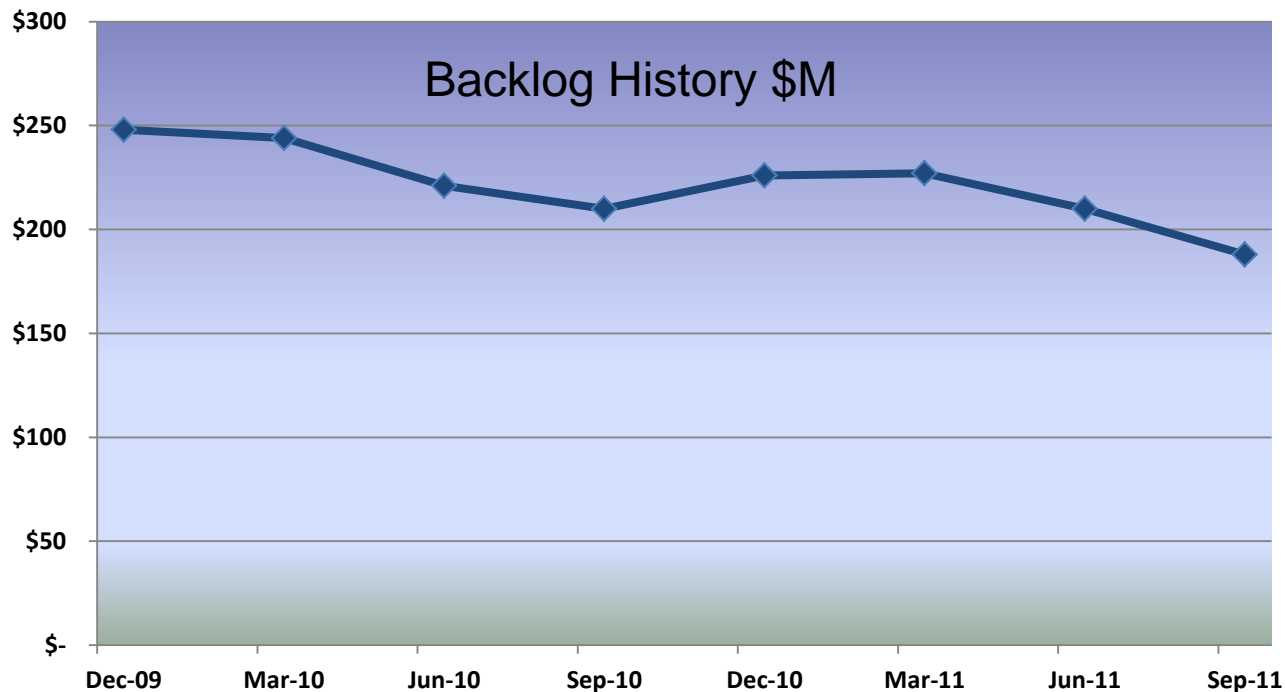
Towers

- Orders are typically lumpy; Q4 & Q1 strongest
- New tower order is not reflected until Q4
- Quoting/customer engagement highest since 2008

Gearing

- ~\$3.0M of customary orders delayed in Q3 due to a price increase put in effect for 2012 deliveries ... subsequently received PO's in Q4
- Strong activity in Oil & Gas and Mining
- \$5.9M order received for 2012 wind gearing production

Order and Backlog History



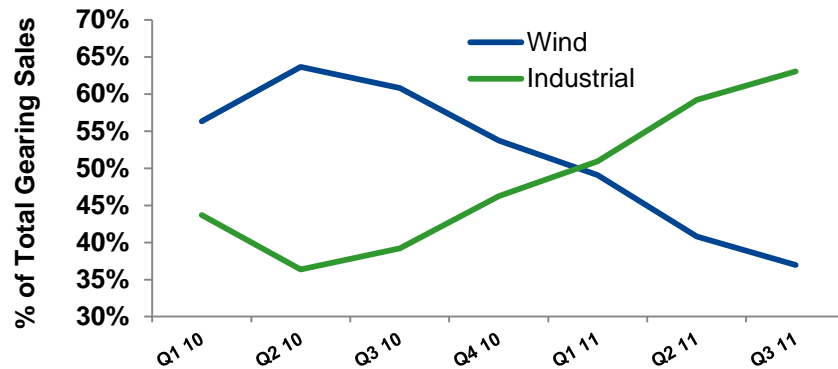
	Orders*	
	Q3	YTD
2011	\$26M	\$93M
2010	\$27M	\$51M

*Net of Cancellation and Discontinued Operations

Broadwind's Business Mix

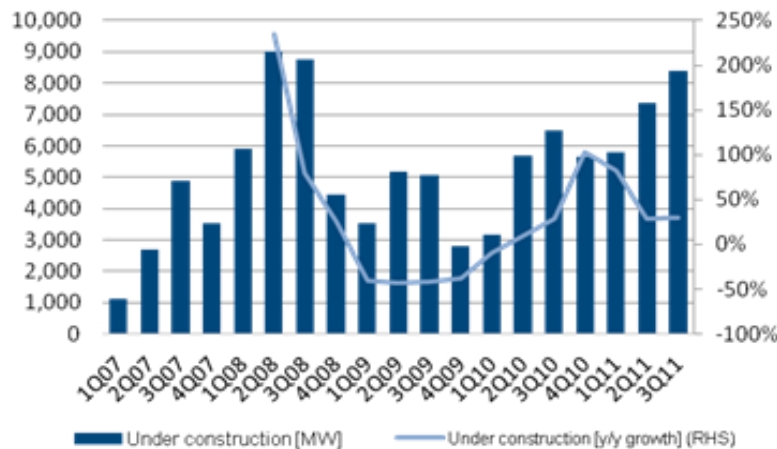


Wind vs. Industrial Gearing Sales



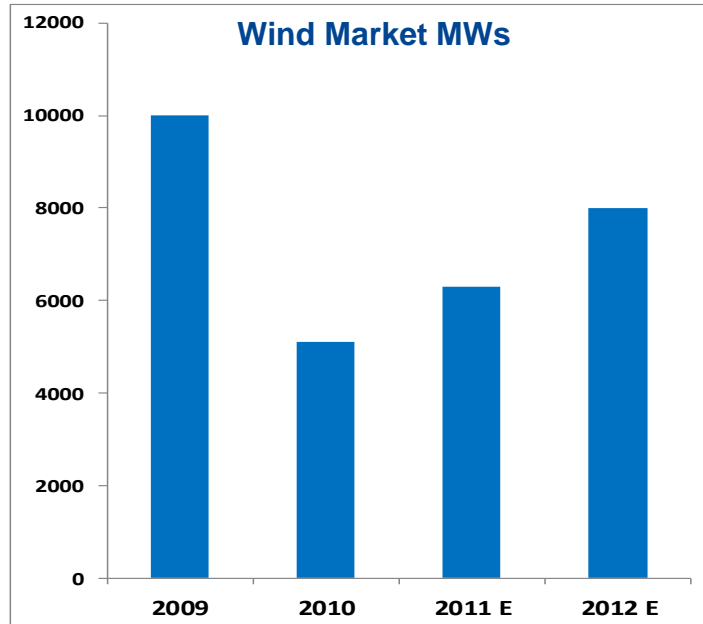
- Continued strong growth in industrial gearing, which is offsetting the decline in wind gearing
- Industrial margins improving over wind
- Retooling business to deal with greater variety
- Increase in gearing sales to Broadwind Services associated with remanufactured boxes

Projects In Construction – U.S. Wind



- Significant uptick in projects under construction
- Activities support Towers and Services
- Seeing Texas pick up in the level of activity, which helps load our Abilene tower facility

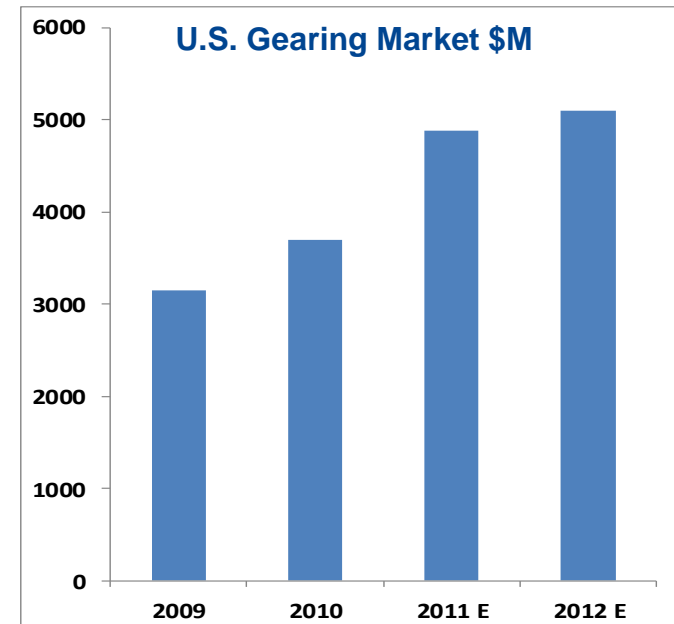
Sources: AWEA



Source : MAKE Consulting

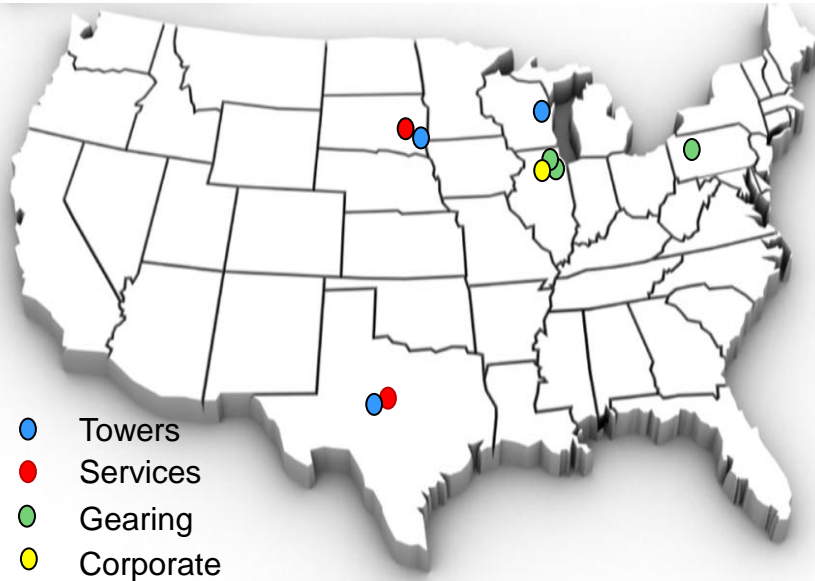
- Wind market recovering from credit crisis
- Risk of PTC expiration pulling activity into 2012
- Larger rotors, cost reductions and higher towers are driving down the cost of electricity closer to grid parity
- State RPS requirements driving some of the demand
- Some bipartisan support for 4 year PTC extension

Sources: AWEA reports and conferences, Bryan Garnier & Co., MAKE Consulting, AGMA, I.H.S. Global Insight



Source : IHS Global

- Strong growth across Oil & Gas and Mining markets for gearing
- Drilling and Mining markets are driven by increasing need for energy and commodities
- U.S. has increased its competitiveness in the international gearing market
- Gearing market getting tight based on Order-to-Delivery time ... leveraging to gain customers

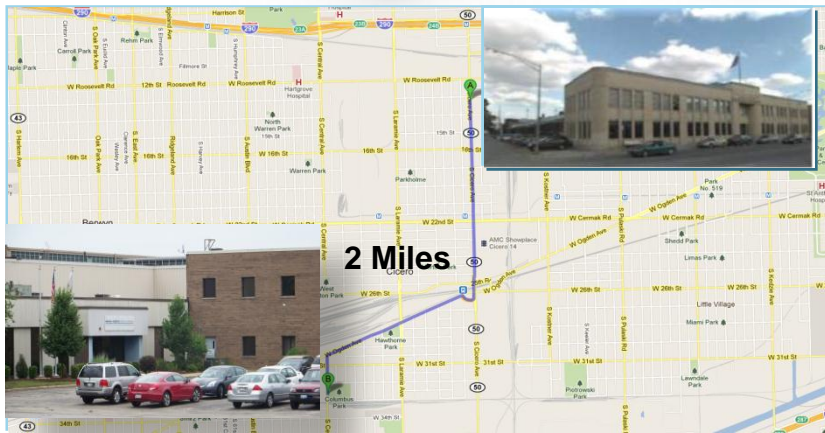


Facility Consolidation

- 1.5M Sq. Ft. across all facilities
- Reduce ~400K Sq. Ft.
 - Sell Brandon, SD tower facility
 - Consolidate Chicago gearing facilities
 - Close German office
 - Consolidate Corporate office with Gearing
- Consolidation will save ~\$6M per year

Gearing Facility Consolidation

- Two facilities in Chicago totaling 500K Sq. Ft.
- Consolidate into one facility with enough capacity for \$150M of revenue
- Eliminates ~17,000 miles of annual shipping between facilities
- Anticipated savings of \$3-4M per year



Source: Google Maps

Consolidated Results



	Q3		September YTD	
	2011	2010	2011	2010
Revenue-\$M	47.9	34.0	130.8	89.3
Gross Profit-\$M	0.7	(0.2)	6.2	(3.5)
Adjusted EBITDA-\$M	(1.5)	(2.8)	(1.2)	(13.1)
Operating Income-\$M	(6.2)	(7.8)	(14.5)	(32.1)
EPS Continuing- \$	(0.06)	(0.07)	(0.14)	(0.31)
Operating Leverage (YOY)	10%		29%	

- 9 month sales up 46%
- YTD \$41M increase in sales drives \$12M improvement in adj. EBITDA
- Q3 operating leverage (increase in adj. EBITDA as % of increase in revenue) low due to sales mix, production problems and increased legal expense

Third Quarter 2011

- MW production flat with prior year and down ~40% from first half
- Revenue increase reflects full steel content on all Q3 production
- Adj. EBITDA margin lower due to new tower introduction, lower margin mix

(\$ in Millions)

	Q3		YTD	
	2011	2010	2011	2010
MW-Wind	133	129	593	277
Revenue-\$M	29.7	17.3	82.4	45.9
Op Income-\$M	-	(0.3)	5.2	(2.2)
Adj. EBITDA-\$M	1.1	0.8	8.8	1.2
	%	3.7%	4.6%	10.7%
			2.6%	

Strategic Focus

- Increase capacity utilization and new tower production excellence
- Diversify customer base
- Grow Specialty Weldment product line to reduce wind industry policy risk

Third Quarter 2011

- Operating loss benefitted from a more favorable customer mix—less wind gearing, more energy & mining
- Production difficulties limited Q3 shipments—shift in customer base complicates manufacturing flow
- Results flat with prior year despite \$0.6M higher legal fees

Strategic Focus

- Growth in non-wind markets
- Improve capacity utilization
- Leverage gearing expertise in drivetrain services
- Improve margins

(\$ in Millions)

	Q3		YTD	
	2011	2010	2011	2010
Revenue-\$M	12.6	13.1	38.7	35.1
Op Income-\$M	(3.3)	(3.5)	(8.5)	(11.5)
Adj. EBITDA-\$M	(0.7)	(0.9)	(0.9)	(4.3)
	%			
		-5.6%	-6.9%	-2.3%
				-12.3%

Third Quarter 2011

- Q3 orders of \$7.4M, book-to-bill 112%
- Revenue rebounds—up 83% from 2010 and sharply higher than first half
- Tech service and blade repair activity strong

(\$ in Millions)

	Q3		YTD	
	2011	2010	2011	2010
Revenue-\$M	6.6	3.6	10.8	8.5
Op Income-\$M	(0.4)	(2.1)	(3.9)	(11.1)
Adj. EBITDA-\$M	(0.1)	(1.0)	(3.0)	(3.5)
	%			
	-1.5%	-27.8%	-27.8%	-41.2%

Strategic Focus

- Shift focus from a turbine installation revenue stream to maintenance of installed base
- Expand O&M contract baseload
- Improve margins

Operating Working Capital



	9/30/11	6/30/11	12/31/10
Accounts Receivable, net	23,471	27,240	21,427
Inventories, net	31,283	22,443	17,739
Accounts Payable	(23,193)	(18,383)	(22,342)
Customer Deposits	<u>(15,705)</u>	<u>(21,038)</u>	<u>(8,881)</u>
Operating Working Capital	15,856	10,262	7,943
<i>% Quarter Revenue Annualized</i>	8.3%	6.5%	4.1%

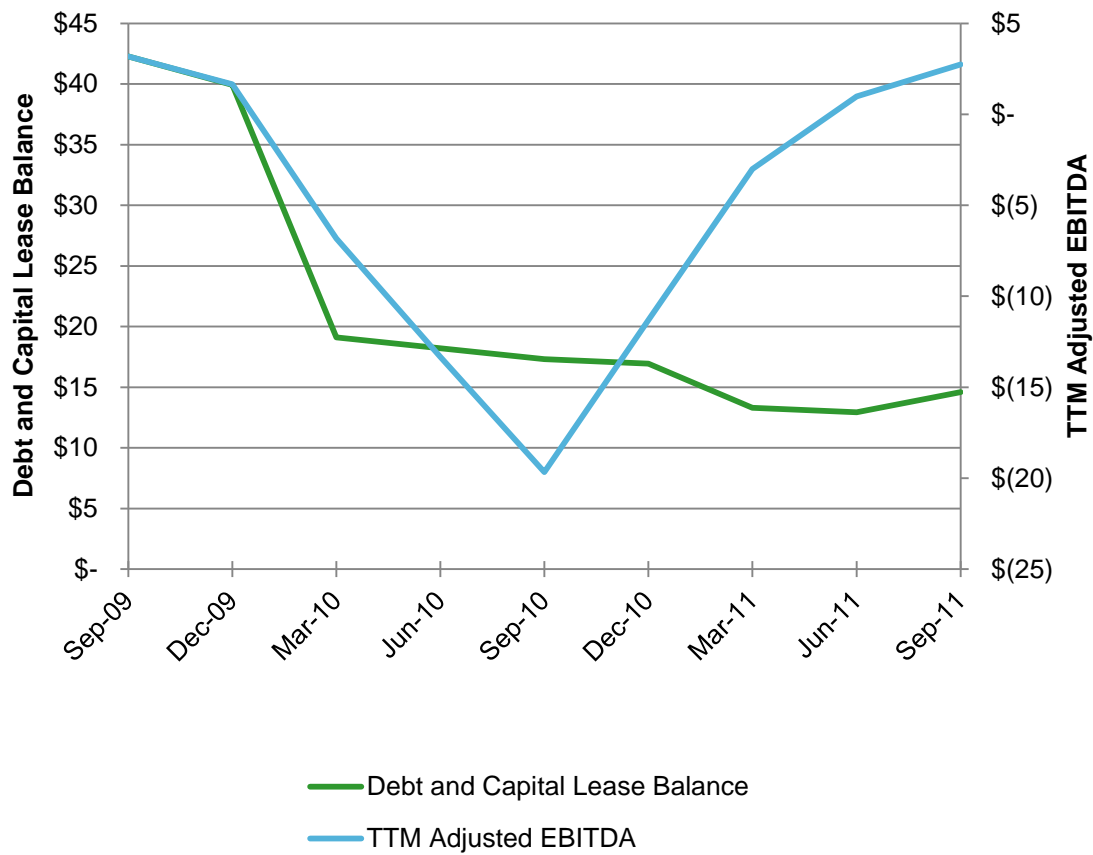
- Sharp increase in inventories due to slower than planned tower throughput, which increased both raw materials and WIP significantly.
- YE working capital forecast at ~\$17M, lower inventories and lower deposits

Liquidity



	9/30/11	6/30/11	12/31/10
Lines of credit, notes payable	1,687	1,463	140
Long-term debt	5,730	9,119	11,108
Liabilities held for sale	5,083	-	4,221
Capital leases	<u>2,094</u>	<u>2,344</u>	<u>2,768</u>
Debt and capital lease	14,594	12,926	18,237
Cash and related assets	<u>14,421</u>	<u>10,477</u>	<u>15,501</u>
Net debt	173	2,449	2,736
Memo: available line of credit	9,877	10,000	10,000

Debt vs. TTM EBITDA (millions)



Broadwind Energy is committed to helping customers maximize performance of their energy and infrastructure investments — quicker, easier and smarter.

