



For Immediate Release

CLIPPER WINDPOWER PLC ANNOUNCES RESULTS FOR THE YEAR ENDED DECEMBER 31, 2008

London, (UK), Carpinteria, CA (USA) – May 15, 2009 -- Clipper Windpower Plc (London Stock Exchange: AIM-CWP) and its subsidiaries (together “Clipper”, “Clipper Windpower,” or “the Group”), a leading manufacturer of advanced wind turbines and developer of wind energy projects, is pleased to announce its results for the year ended December 31, 2008.

Highlights:

- Dramatic revenue growth to \$737.3 million vs. 2007 revenues of \$23.8 million. Sales of 248 Liberty turbines (620 MW) in 2008 vs. 9 turbines in 2007 (23 MW).
- Cash balance of \$209.0 million at December 31, 2008 vs. \$114.4 million at December 31, 2007. Net cash outflow to date is in line with expectations and reflects remediation activities and certain customer order deferrals to 2010. Current cash balance approximates \$80.0 million, which has been trending upwards, and is anticipated to be higher at the end of 2009 due to expected net cash inflows in the second half of year.

Although not required, alternatives are under review to further strengthen the balance sheet and an application has been submitted to U.S. Department of Energy for loan guaranty support.

- Successfully ramped up production: 289 turbines (723 MW) were produced and 324 turbines (810 MW) installed in 2008.
- Operational milestones achieved: as of April 2009, over 335 turbines (838 MW) commissioned and 178 turbines exceeded 1,000 operating hours threshold.
- Net loss for 2008 of \$313.3 million vs. \$192.5 million loss in 2007. Loss reflects \$235.0 million of charges primarily incurred for remediation activity and lower than expected revenues from turbine sales due to late grid interconnections at customers' sites.
- Blade skin remediation over 50% complete and expected to be fully completed in Q3 2009. All expected remediation costs are provided for in 2008 financials.
- Expect to deliver approximately 300 to 325 turbines (750 MW to 813 MW) in 2009. 84 turbines commissioned through April 2009 are in line with expectations.
- Reduced costs in line with lower production levels: total operating costs expected to be reduced by at least 15% in 2009 (excluding fleet services) including 11% headcount reduction.

- 2009 cash flow savings target of \$125 million from lower component costs and implementation of new working capital model.
- 2009 full year EBIT margins expected to benefit from lower component, manufacturing and remediation costs, offset somewhat by higher steel costs in first half of 2009 and lower production volumes during the year.
- Clipper's 50% stake in 5,050 MW Titan wind project as of October 2008 includes a turbine supply agreement of up to 2,020 Liberty turbines.
- Clipper's current 10,000 MW development asset portfolio includes 800 MW of advance stage projects. Doug Pertz, Clipper's Chief Executive Officer and President, commented:

"Clipper's tremendous revenue growth in 2008 highlights our important transition from a technology development company to the delivery of industrial-scale production of the 2.5 MW Liberty turbine. We are aggressively meeting the challenges presented by the current difficult market conditions, while ensuring we retain the flexibility to scale up the business when growth returns. The Obama Administration has set a goal of doubling U.S. wind generating capacity within three years and has approved legislation to support technologies essential to accelerating wind deployment."

Clipper's management will host a conference call for analysts and shareholders today at 09:00 hrs (London time). To join the conference call, please dial +44 (0) 20 7784 1036 (U.K. Local) or +1 718 354 1152 (U.S. Local), participation code: 8096624 (listen only). Presentation slides will be available for viewing on Clipper's website at <http://www.clipperwind.com> during the conference call.

Forward Looking Statements

Statements contained in this press release and the conference call, particularly those regarding the possible or assumed future performance of the Company, industry growth or other trend projections and any estimated company earnings are, or may be, forward looking statements and, as such, involve risks and uncertainties. Any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those expressed or implied by these statements.

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This announcement was approved by the Board of Directors on May 14, 2009. A copy of this announcement and the Annual Report for the year ended December 31, 2008, including a Notice of Annual General Meeting, will be available for review on Clipper's website at <http://www.clipperwind.com>.

The ordinary shares of Clipper Windpower Plc are traded on the Alternative Investment Market of the London Stock Exchange and are not registered under the U.S. Securities Act 1933, as amended. Such shares may not be offered or sold to residents of the United States or to persons acting on their behalf, or to other persons who are "United States Persons" within the meaning of Regulation S as promulgated under the Securities Act of 1933, unless such shares have been registered under the Securities Act or there is an available exemption from registration.

JOINT STATEMENT BY THE CHAIRMAN AND THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

2008 was one of the most volatile years ever experienced with the global economy shifting from rapid growth to sharp contraction in the fourth quarter and continuing into 2009. Debt markets froze, consumer spending declined and corporate capital investments came to a halt. Clipper and the U.S. wind market have been profoundly impacted by the dramatic dislocation of the debt markets limiting our customers' ability to finance wind projects and turbine purchases. While Clipper aggressively addressed the rapidly deteriorating market, it also met the challenges of transitioning from early stages of technology adoption to delivery of industrial-scale production and high-volume commissioning of the 2.5 MW Liberty turbine. The Group, in only its second year of production, met the rigorous demands of rapidly expanding manufacturing activities with 289 turbines (722 MW) completed at its facility in Cedar Rapids, Iowa, compared to total US turbine installations of approximately 8,400 MW. Revenue in 2008 was \$737 million compared with \$24 million in 2007, reflecting sales of 248 turbines (620 MW) in 2008 compared to 9 turbines (23 MW) in 2007. Net losses of \$313.3 million and \$192.5 million were incurred in 2008 and 2007 respectively, primarily attributable to the significant costs in ramping up all facets of the Group's operations, along with the remediation of early stage technology adoption issues, including design-related and supply chain/production refinements. The net loss in 2008 is higher than was anticipated at mid-year due to increased provisions for remediation activities and lower than expected revenues from turbine sales due to late grid interconnections at customers' sites. Net losses for 2008 and 2007 include provisions for turbine remediation related expenses, loss making contracts, inventory obsolescence and other non-recurring expenses of \$235.0 million and \$107.1 million, respectively.

Key operational milestones for the Liberty turbine were achieved: the full International Electrotechnical Commission power curve validation and the drivetrain test validating the Clipper gearbox design's capability to withstand the 20-year life. As of April 2009, over 335 Liberty turbines (838 MW) have been

commissioned and 178 have exceeded the 1,000 operating hours threshold. The average availability of new turbines coming online free of remediation are well ahead of the industry standard for new wind turbine introductions.

While significantly stepping up production during the year, the Group also successfully completed the remediation of turbine drivetrains and blades at customers' sites identified during 2007. In September 2008, the Group detected a limited number of additional blade skin defects during routine turbine service inspections. Engineering analysis determined the root cause to be a deficient manufacturing process at the blade supplier, which, by October 2008, was rectified for all new blade production. Concurrently, the Group implemented a field remediation program for all previously produced blades, which is expected to be completed by the end of the third quarter of 2009. As of April 2009, approximately 50% of the blades have been repaired in line with the estimated costs which have been provided for in the 2008 financial statements.

These remediation programs, while common in the early stages of deployment and operational shakedown of wind turbines, have been very expensive and disruptive to the Group's operations. The direct and indirect costs of all remediation programs comprise over \$300 million of the operating losses recorded for 2007 and 2008. While these costs are large, Clipper has pursued long term solutions to remediate issues in both manufacturing and operations. Clipper has worked with its customers in a straightforward, open manner to develop agreed solutions, and has thus earned their confidence in Clipper as a trusted supplier.

With 178 units in the field with a range of 1,000 to 8,000 hours of operation the Liberty turbine's major components have now undergone extensive technical vetting, along with refinements in quality processes, component and full system testing, and exposure to extreme operating conditions. This is providing increasing confidence that the adoption issues are rapidly diminishing.

Responding to the Economic Downturn

Reducing Costs, Managing Cash and Working Capital

The current severe global economic and credit dislocations, combined with lower energy prices, are presenting new challenges for the wind industry and Clipper. After the strong U.S. Market growth in 2007 and 2008 of 114% and 49%, respectively, the global financial turmoil has affected the Group's customers and the entire wind industry. The constrained credit markets and reduced availability of financing for wind projects have markedly slowed activity in U.S. wind deployment. Customers have responded by reducing capital expenditures and delaying the timing of turbine deliveries, which have resulted in significantly fewer installations planned for 2009 and 2010. Clipper is responding aggressively to the current difficult economic conditions, working closely with our customers, and proactively managing to align with current

demand. The Group has taken swift measures to improve results and conserve cash through reductions in operating expenses and product costs, combined with improvements in working capital management.

In response to the current extraordinary economic and market conditions, Clipper has implemented a series of initiatives to reduce costs, improve cash flow and profitability while also reducing production to match reduced firm order levels in 2009. Steps have been taken to lower the Group's fixed costs and ensure efficient utilization of the Cedar Rapid's manufacturing plant, further enhancing Clipper's variable cost business model.

Due to customer deferrals of some projects in 2009, and the ensuing lower number of turbines ordered and shipped, Clipper reduced its workforce by 90 employees in early 2009, representing 11% of the total employee base and 30% of production-related areas. This action and other cost savings implemented in 2009 are expected to reduce operating costs by approximately 15%, excluding activities at customer sites. Clipper has also implemented a new working capital model which enhances the efficiency of the Group's cash cycle by negotiating favorable supplier payment terms and substantially reducing down payments on certain key components. In addition, significant efforts have been made to reduce inventory and match component purchases to 2009 business levels to improve utilization of working capital. This new working capital model should enable the Group to save over \$125.0 million in cash flow in 2009 and position it to leverage greater future cash flow and profitability.

2009 Objectives and Outlook

In 2009, Clipper expects continued dislocation of the debt markets resulting in a continued unfavorable impact on our current customers and the wind market. Given these extraordinary challenges, management is focused on three priorities:

- Increase cash flow to offset the impact of deferred and reduced orders;
 - Reduce operating and component costs to improve margins; and
 - Prove turbine design and operation.
- Successfully complete remediation activities
 - Improve turbine availability to exceed industry averages
 - Continue to qualify the Liberty turbine for third party financing

Clipper has aligned both internal programs and management incentives to achieve these three objectives and establish the Clipper Liberty as a leading wind turbine with advanced and efficient technology for multi-megawatt power generation.

The Group expects to achieve improved operating results in 2009 despite a difficult and challenging year for the wind industry. Clipper anticipates the sale of approximately 300 to 325 Liberty turbines in 2009 based on the Company's current order book and customer project schedules. Although margin improvement is anticipated, margin growth will be constrained by lower than market legacy pricing on contracts entered during the Liberty introduction phase. After 2009, legacy pricing will have less of a negative impact on Clipper margins. Margins are also expected to benefit from lower component and manufacturing costs, though the benefit will be somewhat offset in the first half of 2009 by higher steel prices for longer lead time components such as towers that were contracted in 2008.

Strong Wind Support by the Obama Administration

Despite the current slowdown, the renewable sector and particularly wind energy is gaining significant public and regulatory support that should accelerate wind turbine production and project development to much greater long-term growth rates, well beyond those envisioned just a few years ago. The Obama Administration has set a goal of doubling wind generating capacity within three years. Despite the dramatic market slowdown in the last quarter of the year, approximately 8,400 MW of wind capacity was added in 2008 making the U.S. the largest wind market in the world with installed capacity of 25,400 MW.

The approval of the American Recovery and Reinvestment Act (the "Stimulus Bill") by the U.S. legislature in February 2009 is based on three core initiatives – education, health care and renewable energy. Pursuant to the latter, new Department of Energy (DOE) support programs should lead to large-scale capital formation for viable renewable energy technologies and transmission projects essential to accelerating wind deployment. Furthermore, the three-year extension of the Production Tax Credit (PTC) and the option to elect a 30% Investment Tax Credit or cash grant in place of the PTC are also potent drivers to the financing of wind industry projects and meeting the Administration's goal of adding 25,000 MW over the next three years.

A federal Renewable Portfolio Standard (RPS) has also been introduced and, if passed as legislation later in 2009, will be another significant driver of long-term demand for wind energy and growth of installed wind capacity in the U.S.

Titan Partnership Formed

In October 2008, Clipper completed a joint venture agreement with BP Wind Energy with their investment in a 50% stake in the 5,050 MW Titan Wind Project in South Dakota. Known for its outstanding wind resource, the Titan Project is positioned to become one of the leading large-scale suppliers of wind energy from the Dakotas to the broader US electric power market. The joint venture includes a Master Turbine Sale Agreement for the supply of up to 2,020 Clipper Liberty turbines to the project as it is built out. Together, Clipper and BP represent a formidable development team to advance a project of this

scale, including long-standing experience in wind turbine technology, wind project development, and large-scale infrastructure development.

One of the key success factors for the development of the Titan Project is the build-out of transmission capability to a major electric power market. The Obama Administration has recognized the need for substantial transmission build-out to support the current national renewable energy initiatives and has included transmission as a priority element of the \$30 billion portion of the stimulus package directed to renewable energy. In addition, legislation has been proposed to empower the Department of Interior and the Federal Energy Regulatory Commission (“FERC”) with interstate transmission siting authority, and the subject of rate basing transmission for renewables is being debated for the first time. Titan is well situated to participate in federal support for transmission as substantial transmission feasibility work has already been conducted for Titan, and other key project elements are progressing.

Pressing Ahead on the Technology Front

Clipper is also working toward the future. We believe that wind turbines will become larger and that the vast offshore wind resource will be harnessed, particularly in Europe where land for wind farms is in short supply. Clipper’s offshore 10 MW turbine development project made considerable progress in 2008 with the Crown Estate’s commitment to purchase the first commercial prototype, in addition to major planned investment by the U.K. Government’s New and Renewable Energy Center (“NaREC”) and One Northeast for development of a major campus for advanced wind power testing facilities adjacent to Clipper’s engineering center in Blyth Harbor. These test facilities will replicate the rigorous loads experienced by offshore turbine operation, and should provide high technical confidence in the 10 MW turbine before its planned 2012-2013 deployment timeframe. The engineering and design work is progressing on a now extended schedule which reflects a more conservative budget due to current economic conditions. So far, this effort has yielded significant new technology and patent filings, further strengthening the potential for product line extensions and confirming Clipper’s continuing technology leadership in the industry.

Clipper is undertaking these efforts in light of the U.K. government’s 2008 announced goal for 25,000 MW of wind energy by 2020 (about 20% of the present world total wind capacity), along with significant new incentives in the pricing for offshore wind power delivery. Additionally, the US is now making steady progress for initiating offshore wind energy development under direction of the FERC rather than individual state regulatory authorities.

Clipper Growth Prospects and Drivers

Clipper is well positioned in the manufacturing sector of the wind industry with its proprietary and proven 2.5 MW technology. The U.S. Department of Energy in 2007 described the Liberty turbine as “the most advanced and efficient technology in the wind industry.” Customers have begun to appreciate that the

Liberty modular design and proprietary drivetrain technology should lead to overall lower cost of energy over the life of the turbine compared to existing conventional turbine designs. As a result, there has been a steady adoption of the Liberty by some of the most sophisticated buyers in the U.S.

Clipper also offers a geographically diversified development portfolio within the U.S. with over 10,000 MW under development, including over 800 MW of advanced-stage projects. The company's strategy is to use these developments assets in combination with the Liberty turbine, creating, in effect, a one-stop shop for customers seeking to introduce renewable power generating capability.

The combination of Clipper's advanced stage development assets with the Liberty turbine is particularly attractive to new entrants to wind energy generation - utilities incentivized by the new federal regulations coming online to meet state and national renewable power generation standards.

Looking Ahead

Clipper is now firmly beyond the start-up phase and positioned for long-term expansion and improved profitability. Having just completed its second full year of turbine production, the 722 MW of wind capacity we produced for the year represented a healthy 8% share of the U.S. market in 2008. As we weather the current downturn and turbine demand recovers, the prospect for resuming a strong long-term growth trend is very bright. The U.S. general public is becoming much more apprehensive of the risk of energy supply interruptions and price volatility to the economy, as well as, the environmental damage of fossil fuels, therefore becoming much more committed to renewable energy sources. The new U.S. administration has recognized this, responding with directives for strong renewable support, adding further momentum to the wind industry.

The Liberty turbine's technological and operational advantages should gain broadening acceptance as the remaining start-up issues fade, a pattern which has been experienced by key members of our management and engineering teams on earlier generations of turbines which, once past the initial adoption stage, reached highly successful and profitable volumes. Accordingly, we believe Clipper is well positioned to further strengthen its US market share and should also benefit from planned entry into the U.K. and other markets in 2010.

Many new challenges and opportunities will undoubtedly arise as we move ahead, and we are confident that our talented and committed Clipper team will manage these effectively, lifting the Group to increasingly greater share of the global wind market and enhancing greater shareholder value in 2009 and beyond. We are deeply appreciative of the exceptional effort, dedication and commitment of our employees, shareholders and fellow Directors, which have made Clipper's great progress possible.

James G.P. Dehlsen
Chairman of the Board of Directors

Douglas A. Pertz
President and Chief Executive Officer

Management and Board Changes

By James G.P. Dehlsen:

Since Clipper's founding in 2001, I have served as Chairman and Chief Executive Officer. During 2009, I transitioned from the Chief Executive Officer position, while continuing to serve as Chairman of the Board of Directors.

In September 2008, the Group announced the appointment of Doug Pertz as President and Chief Executive Officer of Clipper. I have worked closely with Doug since he joined from One Equity Partners in May 2008 as interim Chief Operating Officer, and have gained high confidence in his ability to manage Clipper toward strong future growth. Doug's effective and energetic leadership is exemplified in how the Clipper team has responded positively to the current challenging environment.

In May and November, respectively, Clipper welcomed the appointments of Dr. Joseph Michels and Mr. Kenneth C. Brown to the Board of Directors (the "Board"). Dr. Michels and Mr. Brown are Managing Directors of One Equity Partners, and have brought valuable operating and energy industry perspectives to the Board.

The Group also announced in September 2008 the appointment of Michael Keane as Chief Financial Officer and Senior Vice President. Michael's proven abilities with technology and manufacturing public companies are a great asset as the scale of Clipper's operations continues to grow.

FINANCIAL REVIEW

The results for the Group for 2008 and the comparative year have been stated in accordance with International Financial Reporting Standards ("IFRS").

Summary Financial Results

2008 was the second year of production and the first year of recognizing substantial revenue from sales of Clipper's Liberty 2.5 MW wind turbines. Revenue in 2008 was \$737.3 million primarily from sales of 248 turbines compared to \$23.9 million from sales of 9 turbines in 2007. Net loss in 2008 was \$313.3 million or \$2.56 loss per share compared to \$192.5 million or \$1.79 loss per share in 2007. The loss in 2008 includes \$235.0 million of provisions for turbine remediation related expenses, loss making contracts,

inventory obsolescence and other non-recurring expenses, compared to \$107.1 million of such expenses in 2007.

Income Statement

Revenue

Revenue for the year ended December 31, 2008 was \$737.3 million from delivery and installation of 248 2.5 MW Liberty turbines compared to \$23.9 million from delivery and installation of 9 turbines in 2007. Revenue in 2008 includes \$140.2 million from the completion of one turn-key wind development project, including 40 turbines, that was constructed in 2007 – 2008 by Clipper and delivered to the customer in 2008. Customer delays in obtaining connections to the grid deferred completion of several projects at the end of 2008 resulting in lower than expected turbine commissionings and, thus, deferral of revenue recognition until early 2009.

Gross loss

Gross loss for the year ended December 31, 2008 was \$250.8 million compared to \$146.4 million in 2007. The gross loss includes provisions for turbine remediation related expenses, loss making contracts, inventory obsolescence and other non-recurring expenses of \$222.0 million compared to \$107.1 million in 2007. All remediation work relating to the drivetrain and blade design upgrades identified in 2007 were completed by the third quarter of 2008. In addition, work relating to a non-structural blade skin defect identified in the third quarter of 2008 is ongoing and is expected to be completed in the third quarter of 2009; however, the expected costs to complete the project have been provided in 2008. The blade supplier's manufacturing process, which was identified as the cause of the defect, was corrected in October of 2008.

Project development expenses

Project development expenses, which primarily include costs associated with identification of potential wind project sites, securing land rights, and pursuing various permits and studies, increased from \$9.9 million in 2007 to \$15.7 million in 2008. The increase reflects the continued strategic emphasis by the Company to identify and develop locations for future wind projects. As of December 31, 2008, the Company had a project development portfolio, at various stages, approximating 10,000 MW.

Research and development expenses

Research and development expenses, which include engineering costs for both advanced technology activities such as the 10 MW Britannia project in Blyth Harbour, England and support of ongoing operations, increased from \$10.5 million in 2007 to \$21.1 million in 2008. The increase reflects additional staffing in 2008 for these initiatives.

Administrative expenses

Administrative expenses increased from \$29.8 million in 2007 to \$55.7 million in 2008 primarily from increased staffing to strengthen the infrastructure to and support the Group's growth, initial cost to implement a new ERP system, increased sales commission and a \$13.0 million provision related to a litigation matter.

Profit from sale of subsidiary undertakings

Profit from sale of subsidiary undertakings increased from \$2.0 million in 2007 to \$30.9 million in 2008, primarily from sale of a 50% interest in an early stage development project to BP Alternative Energy. The project, referred to as the Titan Wind Project, is located in South Dakota and has the potential to become a 5,050 MW wind facility.

Balance Sheet***Non-current assets***

Non-current assets increased from \$41.9 million at the end of 2007 to \$79.0 million at the end of 2008, primarily due to a \$10.0 million long-term receivable from the sale of an interest in an early stage development project, increased investments in joint ventures to fund project site build-outs and investments made in equipment and IT hardware.

Inventories

Inventories increased from \$523.2 million at the end of 2007 to \$557.4 million at the end of 2008. The composition of gross inventories remained relatively consistent between the two periods with raw material and component inventory comprising approximately one-third of the total, while inventories at project sites comprise the other two-thirds. At the end of 2007, there was a significant build up of inventory reflecting the increased production activity combined with some delays in commissioning similar to what was experienced at the end of 2008.

Trade and other receivables

Trade receivables increased from \$3.6 million at the end of 2007 to \$97.9 million at the end of 2008 reflecting the increased sales volumes and invoicing relative to meeting various production and delivery milestones on customer projects. In addition, the credit period was in some cases extended while remediation was ongoing. Trade receivables are expected to decrease toward the end of 2009 as remediation activities complete and the project delivery schedule is lower.

Cash

Cash and cash equivalents increased from \$114.4 million at the end of 2007 to \$209.0 million at the end of 2008. The increase is primarily a result of additional customer deposits in addition to \$200.0 million of equity capital infusions (\$150.0 million from One Equity Partners, a private equity firm affiliated with JPMorgan Chase, and \$50.0 million from existing institutional investors), partly offset by negative cash flows from operations and remediation activities.

Deferred revenue

Deferred revenue (i.e., customer deposits), increased from \$623.4 million at the end of 2007 to \$802.5 million at the end of 2008, reflecting the increased progress payments from Clipper's order book and the more advanced stage of completions of ongoing projects. This is reflected on the balance sheet in both current and non-current liabilities.

Cash Flows

Cash outflows from operating activities increased from \$87.8 million in 2007 to \$102.3 million in 2008 reflecting the increased net operating loss, mostly as a result of various remediation activities and associated expenditures. The negative cash flow from operating activities was primarily due to the operating loss of \$312.0 million, increase in receivables and inventories of \$96.0 million and \$34.3 million, respectively, partly offset by \$179.5 million increase to customer deposits and \$138.8 million in additional provisions.

On May 13, 2009, the Group entered into an arrangement for a \$20.0 million secured loan funded by a customer associated with the deferral of certain 2009 committed turbine deliveries into 2010. The secured loan will mature on March 31, 2011.

Despite this negative cash flow, the Directors have a reasonable expectation that the Group has and will continue to have adequate resources to ensure that future cash flow will be sufficiently positive to enable the Group to continue to operate as a going concern for the foreseeable future.

CONSOLIDATED INCOME STATEMENT

	Year ended December 31,	
	2008	2007
	(Dollars in thousands, except per share amount)	
Revenue	737,326	23,869
Cost of sales	(988,109)	(170,221)
Gross loss	(250,783)	(146,352)
Project development	(15,735)	(9,896)
Research and development	(21,064)	(10,456)

Administrative expense	(55,720)	(29,770)
Other operating expense	(207)	(2,066)
Share of profit/(loss) from joint ventures	601	(324)
Profit on sale of subsidiary undertakings	30,908	2,027
Operating loss	(312,000)	(196,837)
Investment revenue	3,119	7,145
Finance costs	(4,358)	(2,180)
Loss before tax	(313,239)	(191,872)
Tax on loss	(57)	(608)
Loss for the period attributable to equity holders of the parent	(313,296)	(192,480)
Loss per share (\$/share) - basic and diluted	\$ (2.56)	\$ (1.79)

CONSOLIDATED BALANCE SHEET

	As of December 31,	
	2008	2007
	(Dollars in thousands)	
Non-current assets		
Intangible assets	1,179	710
Property, plant & equipment	40,871	32,889
Other investments	15,789	7,744
Investments in joint ventures	4,546	33
Other assets	16,604	548
Non-current assets	78,989	41,924
Current assets		
Inventories, net	557,446	523,195
Prepaid inventories	32,951	52,493
Trade and other receivables, net	97,940	3,566
Other current assets	12,874	8,055
Cash and cash equivalents	208,988	114,420
Current assets	910,199	701,729
Total assets	989,188	743,653
Current liabilities		
Deferred revenue	668,085	531,652
Trade and other payables	140,580	88,553
Provisions	117,817	4,044
Income tax payable	2,467	402
Obligations under finance leases	243	250
Total current liabilities	929,192	624,901
Non-current liabilities		
Deferred revenue	134,458	91,715
Provisions	23,924	13,341
Obligations under finance leases	240	482
Other non-current liabilities	734	902

Total liabilities	1,088,548	731,341
Net (liabilities) / assets	(99,360)	12,312
(Deficit) / Equity		
Share capital	24,076	19,772
Share premium account	374,655	188,982
Other reserves	62,832	51,739
Retained loss	(560,923)	(248,181)
Total (deficit) / equity	(99,360)	12,312

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended December 31,	
	2008	2007
	(Dollars in thousands)	
Operating activities		
Loss before tax	(313,239)	(191,872)
Add back:		
Finance income	(3,119)	(7,145)
Finance costs	4,636	1,844
Foreign exchange (gain)/loss	(278)	336
Operating loss	(312,000)	(196,837)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortization	12,936	9,148
Loss on disposal of fixed assets	116	363
Share-based payments	3,166	3,915
Loss from investment in joint ventures	(601)	64
Gain from sale of subsidiary undertakings	(30,908)	(636)
(Increase)/decrease in receivables	(95,998)	8,547
Increase in inventories	(34,251)	(393,408)
Decrease/(increase) in other current assets	13,715	(20,924)
Increase in trade and other payables	34,811	35,999
Increase in provisions for liabilities and charges	138,776	16,572
Increase/(decrease) in income taxes payable	2,467	(33)
Increase/(decrease) in other non-current liabilities	677	(874)
Increase in other assets	(16,075)	(348)
Increase in deferred revenue	179,473	444,219
Income taxes paid	(221)	(301)
Interest paid	(895)	(119)
Interest received	2,519	6,901
Net cash flow from operating activities	(102,293)	(87,752)
Cash flows from investing activities		
Investment in subsidiaries and joint ventures	(11,958)	(5,863)
Proceeds from sale of subsidiary undertakings	30,908	636
Purchase of property, plant & equipment	(20,232)	(12,487)
Additions to intangible assets	(539)	(271)
Net cash flow from investing activities	(1,821)	(17,985)

Cash flows from financing activities

Capital element of finance lease payments	(235)	(213)
Proceeds from exercise of share options and warrants	1,082	1,715
Proceeds from issuance of share capital	200,000	-
Costs associated with issue of share capital	(3,329)	-
Net cash flow from financing activities	197,518	1,502

Net increase/(decrease) in cash and cash equivalents

	93,404	(104,235)
Cash and cash equivalents at beginning of period	114,420	218,814
Effect of changes in foreign exchange rates	1,164	(159)
Cash and cash equivalents at end of period	208,988	114,420

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Revaluation reserve	Other reserves	Foreign currency reserve	Retained earnings	Total equity
	(Dollars in thousands)						
Balance at January 1, 2007	19,526	187,513	265	48,215	(32)	(56,533)	198,954
Net loss for the period	-	-	-	-	-	(192,480)	(192,480)
Exchange differences arising on translation of foreign currency recognized directly in equity	-	-	-	-	(99)	-	(99)
Reversal of tax on warrants	-	-	-	307	-	-	307
Employee share option scheme:							
<i>Exercise of options</i>	246	1,469	-	(832)	-	832	1,715
<i>Issuance of options</i>	-	-	-	3,915	-	-	3,915
Balance at December 31, 2007	19,772	188,982	265	51,605	(131)	(248,181)	12,312
Net loss for the period	-	-	-	-	-	(313,296)	(313,296)
Exchange differences arising on translation of foreign currency recognized directly in equity	-	-	-	-	1,005	-	1,005
Issuances of shares from private placement	4,083	186,619	-	-	-	-	190,702
Offering cost	-	(1,807)	-	-	-	-	(1,807)
Warrants issued	-	-	-	10,768	-	-	10,768
Tax on Warrants	-	-	-	(3,015)	-	-	(3,015)
Employee share option scheme:							
<i>Exercise of options</i>	221	861	-	(554)	-	554	1,082
<i>Issuance of options</i>	-	-	-	2,889	-	-	2,889
Balance at December 31, 2008	24,076	374,655	265	61,693	874	(560,923)	(99,360)

Notes to Financial Statements**1. Announcement based on audited accounts**

The financial information set out in this announcement does not constitute the Company's statutory accounts for the year ended 31 December 2008, but is derived from those accounts. Statutory accounts for 2007 have been delivered to the Registrar of Companies and those for 2008 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified and did not contain statements under s. 237(2) or (3) of the Companies Act 1985.

While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), this announcement does not itself contain sufficient information to comply with IFRS. The Company expects to publish full financial statements that comply with IFRS in May 2009, and those accounts will contain full accounting policies under IFRS.

2. Critical accounting judgments and key sources of estimation uncertainty

In applying the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying the Group's accounting policies

The following are the critical judgments that the Directors have made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognized in financial statements.

Revenue recognition

Turbine revenue is recognized when the turbines have been commissioned or contractual obligations are considered complete such that the Group has transferred the risks and rewards of ownership. In making its judgment, the Directors considered the detailed criteria for the recognition of revenue from the sale of turbines set out in IAS 18 *Revenue* and, in particular, whether the Group had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the Group's liability in respect to certain remediation work, the Group was able to satisfy itself that the risk and reward had passed on \$737.3 million of sales in the year ended December 31, 2008 (2007: \$23.9 million).

Key sources of estimation uncertainty

The following are the key assumptions concerning the future values, and other key sources of estimation uncertainty, at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Inventory provisions

The carrying value of inventory has been reduced by \$50.0 million in the year ended December 31, 2008 (2007: \$83.5 million) reflecting the estimated future costs of remediating certain components, estimated loss on future contracts and excess and obsolete inventory.

Included within the calculation of the provision for remediation are estimates of labor costs, crane costs, transportation costs, material costs, and time to complete, which is in itself dependent upon a number of unknown and uncontrollable factors such as the weather. The Group conducted a detailed study of the estimated costs to remediate the turbine components and continues to monitor the program closely but could be required to make positive or negative adjustments to the provision in future periods.

If it is determined that the costs of meeting contractual obligations exceed the economic benefit arising under such contracts, the resulting net loss under the contract is recognized immediately. The calculation to determine the loss includes an estimate of the cost to complete a project and the cost of other associated and unavoidable obligations such as late delivery payments, which are dependent on an estimate of the time to complete. The Group provided \$2.9 million (2007:\$30.5 million) against inventory work in progress in the current period relating to projects on which the estimated contractual obligations exceeds the estimated economic benefits. Such losses have arisen chiefly as a result of the delays and issues associated with turbine remediation (see above).

Warranty provisions

The Group has established provisions for the future costs estimated under standard turbine warranties. These provisions are based on estimates of future costs to repair the turbines and involve substantial levels of judgment due to the limited operating history of the Group. In 2008, due to the need to remediate certain turbine components, the Group estimated that on a number of projects the costs related to the future warranties, including standard warranty, remediation and liquidated damages, totaled \$126.7 million (2007: \$20.1 million). In coming to this conclusion the Group carried out a detailed project by project study of all warranties; however, given the uncertainties in the calculation, the Company could be required to adjust the provision either in the Company's favor or to its detriment in future periods.

Recoverability of development projects held for sale

The Group tests for recoverability of costs compared with the carrying value of development projects held for sale using relevant facts and circumstances to create an estimate of future cash flows to determine the appropriate carrying values of development projects. Where costs exceed the carrying value of the project value, a net realizable value adjustment is booked to the carrying value of the work in progress recognized to ensure the value is accurately reflected at the recoverable amount of the asset. Adjustments will be made in future periods if future market activity indicates that the net resalable value of the projects is lower than the value of the asset recognized.

Share-based payments

The Group uses the Black-Scholes option pricing model to determine the fair value of options granted to employees and non-employees under the Group's equity-based compensation plan. The Company recognized an expense of \$3.2 million in 2008 (2007: \$3.9 million) on the options, however the model incorporates various assumptions, the alteration of which would lead to a different charge. Key assumptions include the volatility of the Company's share price, the rate of forfeiture of options, the vesting period of the share options, dividend yield, risk-free interest rate and expected life.

3. Segment information

The following is an analysis of the Group's revenue and results by operating segment for the periods under review. For management purposes, the Group is currently organized into two operating divisions - wind project development, and turbine technology and manufacturing. These divisions are the basis on which the Group reports its primary segment information. The Directors believe that for 2008 and 2007 the Group's only material geographic segment was North America.

Wind project development includes activities associated with developing wind energy facilities, including identifying and acquiring rights to potential wind sites, engineering, construction, project financing, project management and ownership. Turbine technology and manufacturing includes designing, engineering, manufacturing and the sale and servicing of wind turbines. Corporate pertains to administrative functions that support but are not specifically attributable to the Group's operating segments.

Year ended December 31, 2008	Wind project development	Turbine technology and manufacturing	Corporate	Total
	(Dollars in thousands)			
<i>Income statement</i>				
- Revenue	140,197	597,129	-	737,326
- Net loss after tax	(20,017)	(235,716)	(57,563)	(313,296)
- Inventory, warranty, and other provisions included in net loss	(28,733)	(193,217)	(13,000)	(234,950)
<i>Balance sheet</i>				
- Assets	44,097	726,046	219,045	989,188
- Liabilities	(24,918)	(1,037,101)	(26,529)	(1,088,548)

Capital expenditures	582	15,770	3,880	20,232
<i>Non-cash items:</i>				
- Depreciation and amortization	811	11,322	790	12,923
- Share based payments	98	539	2,529	3,166
Year ended 31 December 2007				
<i>Income statement</i>				
- Revenue	429	23,440	-	23,869
- Net loss after tax	(44,714)	(123,035)	(24,731)	(192,480)
- Inventory, warranty, and other provisions included in net loss	(33,021)	(69,746)	-	(102,767)
<i>Balance sheet</i>				
- Assets	50,628	563,006	130,019	743,653
- Liabilities	(34,816)	(687,698)	(8,827)	(731,341)
Capital expenditures	1,906	13,394	1,432	16,732
<i>Non-cash items:</i>				
- Depreciation and amortization	763	7,733	652	9,148
- Share based payments	89	564	3,262	3,915

The revenue recorded in the wind project development and turbine technology and manufacturing segments was generated from external customers located in North America. Three customers accounted for 57%, 20% and 12% of revenue for the year ended December 31, 2008 (2007 – one customer: 85.8%), respectively.

Segment assets consist primarily of operating and invested cash, inventories, property, plant and equipment, intangible assets and investments at fair value. Segment liabilities consist largely of receipts from customers for future turbine deliveries. Inventory provisions reduce the carrying value of inventory for the estimated future costs of wind turbine blade and gearbox remediation, loss-making contracts, and excess and obsolete inventory.

Corporate assets consist primarily of cash and cash equivalents, while corporate liabilities primarily consist of various accruals and legal provisions.

4. Provision for remediation related expenses and other unusual transactions

In 2007 and 2008 provisions were made for remediation of turbines arising primarily from supplier quality issues and blade design. This has resulted in significant remediation work and associated costs in both 2007 and 2008. Of the \$313.3 million loss in 2008 (2007: \$192.5 million) approximately \$222.0 million (2007: \$107.1 million) is directly or indirectly attributable to the significant gearbox and turbine blade activities that occurred through 2007 and 2008 and continue into 2009. The remediation costs include direct costs to devise and implement repair solutions, costs to mobilize the workforce and equipment to perform the repairs, inventory obsolescence and liquidated damages to compensate customers for delays in power generation. The costs provided in 2007 and 2008 are summarized below:

	Year Ended December 31,	
	2008	2007
	(Dollars in thousands)	
Provision for remediation related expenses		
- Inventory write down for loss making contracts	2,866	30,540
-Provision for turbine and blade remediation	134,588	69,907
-Provision for inventory obsolescence	32,385	-
-Provision for liquidated damages	52,111	6,673
	<u>221,950</u>	<u>107,120</u>
Provisions for litigation related matters	13,000	-
	<u>234,950</u>	<u>107,120</u>

5. Inventories

	As of December 31,	
	2008	2007
	(Dollars in thousands)	
Raw materials and components	205,410	196,469
Less reserves	(46,999)	(10,794)
<i>Net</i>	<u>158,411</u>	<u>185,675</u>
Completed assembly	81,149	12,284
Less reserves	-	-
<i>Net</i>	<u>81,149</u>	<u>12,284</u>
Inventory at project sites	320,841	397,901
Less reserves	(2,955)	(72,665)
<i>Net</i>	<u>317,886</u>	<u>325,236</u>
Total net inventory	<u>557,446</u>	<u>523,195</u>

6. Trade and other receivables

	As of December 31,	
	2008	2007
	(Dollars in thousands)	
Trade receivables	97,559	1,698
Other receivables	431	398
U.K. income tax refund receivable	-	1,598
Receivable from joint venture partner	-	62
Amounts owed by related parties	15	4
Less: allowance for doubtful accounts	(65)	(194)
	<u>97,940</u>	<u>3,566</u>

No interest is charged on current or past due trade or other receivables. Included in the balance shown above are debtors with a carrying amount of \$26.1 million (2007:\$1.2 million) which are past due at the reporting date for which the Group has provided an allowance of \$65,000 (2007: \$194,000). The Group does not hold any collateral over these balances. The credit period was in some cases extended while remediation was ongoing; however, the Directors believe full recovery will be made of the carrying value of trade receivables once the remediation work is complete. The average age of these receivables is 44 days (2007: 127 days).

Aging of past due receivables at estimated fair value:

	As of December 31,	
	2008	2007
	(Dollars in thousands)	
60-90 days	17,811	19
Over 90 days	8,292	1,182
	26,103	1,201

7. Deferred revenue

	Current	Non-current	Total
	(Dollars in thousands)		
At January 1, 2007	157,218	21,930	179,148
Customer deposits received	397,141	69,785	466,926
Recognized as revenue in the period	(22,707)	-	(22,707)
At January 1, 2008	531,652	91,715	623,367
Customer deposits received	802,348	42,743	845,091
Recognized as revenue in the period	(665,915)	-	(665,915)
At December 31, 2008	668,085	134,458	802,543

Deferred revenue reflects consideration received from customers for manufacture and delivery of wind turbines.

8. Provisions

	Warranty	Remediation	Liquidated	Other	Total
			Damages		
<i>Current</i>	(Dollars in thousands)				
At January 1, 2007	-	-	-	-	-
Charged in the year	567	6,631	-	-	7,198
Utilization of provision	(200)	(2,654)	-	-	(2,854)
At December 31, 2007	367	3,977	-	-	4,344
<i>Non current</i>					
At January 1, 2007	-	-	-	-	-
Charged in the year	12,863	-	-	451	13,314
Utilization of provision	-	-	-	-	-
Amortization of discount	-	-	-	27	27

At December 31, 2007	12,863	-	-	478	13,341
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	Warranty	Remediation	Liquidated Damages	Other	Total
(Dollars in thousands)					
<i>Current</i>					
At January 1, 2008	367	3,677	-	-	4,044
Charged in the year	9,045	77,508	25,113	13,000	124,666
Reclassification	2,773	-	10,595	-	13,368
Utilization of provision	(3,352)	(19,409)	(1,500)	-	(24,261)
At December 31, 2008	8,833	61,776	34,208	13,000	117,817
<i>Non current</i>					
At January 1, 2008	12,863	-	-	478	13,341
Charged in the year	13,331	-	-	-	13,331
Reclassification	(2,773)	-	-	-	(2,773)
Utilization of provision	-	-	-	-	-
Unwinding of discount	-	-	-	25	25
At December 31, 2008	23,421	-	-	503	23,924

The provision for warranty claims represents the present value of the Directors' best estimate of the future cost that will be required under the Group's turbine warranty agreements. Actual outflows may vary based on the result of new materials, altered manufacturing processes or other events affecting product quality. These amounts are expected to be utilized from 2009 through 2014. Remediation represents accruals for estimated costs to repair and replace gearboxes and blades on completed turbines. Liquidated damages represent estimates of contractual obligations to compensate customers for project delays or lost power generation as a result of not meeting guaranteed turbine performance, power curve or noise. Other primarily relates to legal claims against the Group.

9. Contingencies

Contingent asset

In 2006, the Group sold a 50% membership interest in four project limited liability companies ("LLCs") and an 85% membership interest in one project LLC. In the event certain notice-to-proceed conditions in the contracts are satisfied, the Group will receive additional contingent purchase price consideration for the project companies up to a maximum of \$33.3 million (2007: \$33.3 million) for the first four project companies with payments for the fifth based on the final generation capacity of the site. During the period, no additional contingent purchase price consideration was received or receivable.

Contingent liability

In 2006, the Group sold part of its investment in five subsidiary undertakings. It has retained an interest, either as a joint venture partner or investor in each of these wind farm development projects. Each project was sold on the basis that on completion, it would achieve a contractually-agreed capacity. If one of the Group's projects has a lower capacity upon completion than that anticipated at commencement, or falls short of other contractually-agreed commitments, the Group is required to transfer a new project in its place or, failing that, the Group is responsible for reimbursing its joint venture partner for any amounts paid plus interest at LIBOR plus 2% up to a maximum of \$4 million. The Directors consider it remote that any payments will arise under this arrangement and, accordingly, have recognized revenue based on their view of the probable outcome of this transaction.

In September 2007, the Group entered into an industrial jobs training agreement with the State of Iowa. Under the agreement, Clipper will receive reimbursement of payroll taxes paid in exchange for hiring and training a defined number of new employees through 2010. In the event the Group does not fulfill this quota, the Group is liable to pay the State up to \$2.6 million. The Group does not believe that any such payments are probable and accordingly has not recorded a liability related to this agreement.

10. Events subsequent to the balance sheet date

On May 13, 2009, the Group entered into an arrangement for a \$20.0 million secured loan funded by a customer associated with the deferral of certain 2009 committed turbine deliveries into 2010. The secured loan will mature on March 31, 2011.