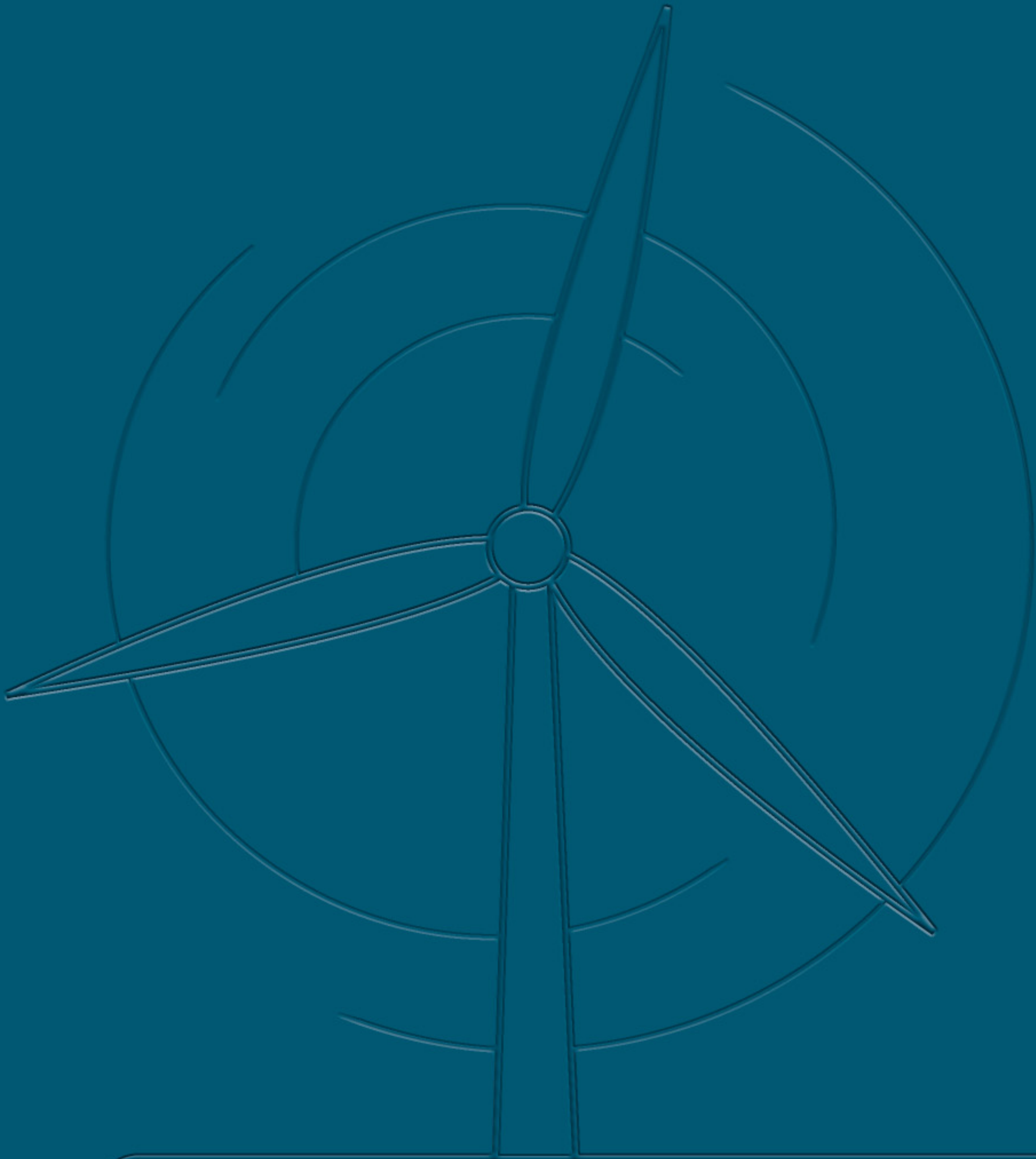
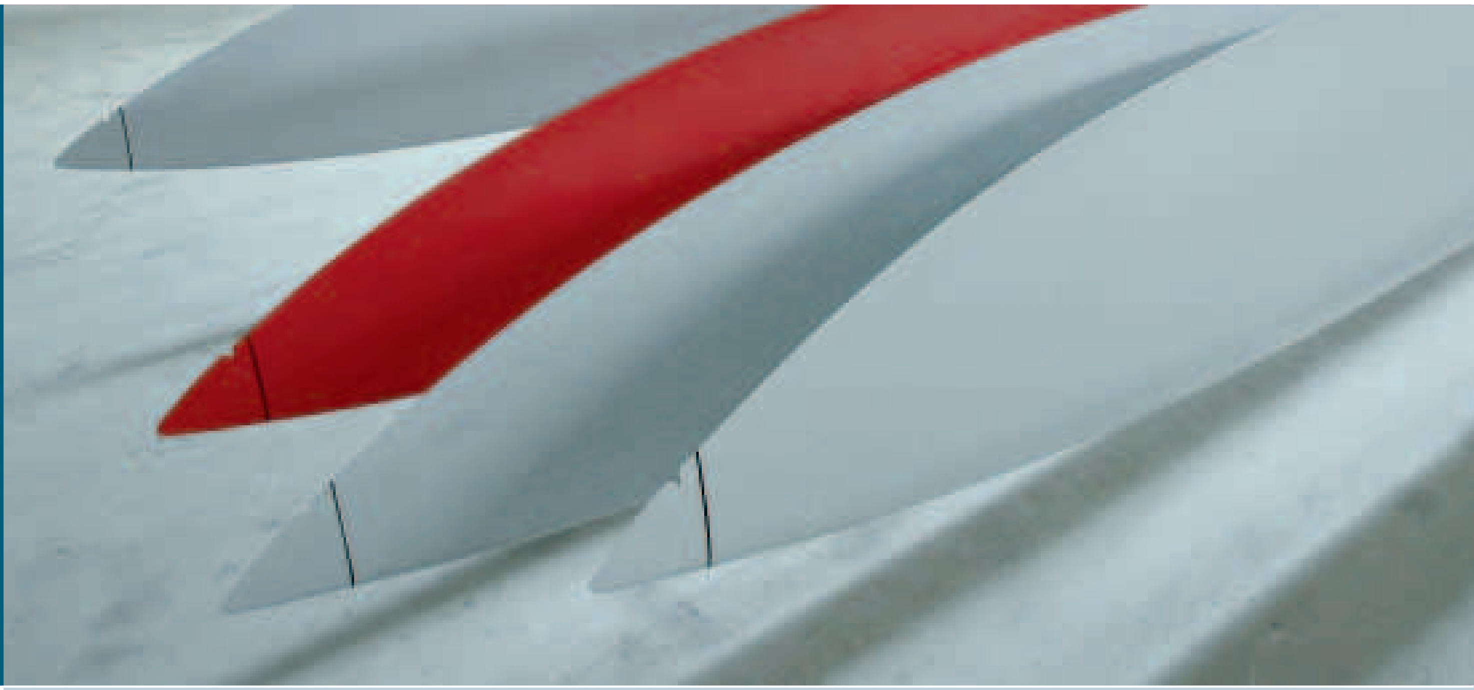


ANNUAL REPORT 2007

www.nordex-online.com

NORDEX

We've got the power.



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THE NORDEX GROUP

Nordex Aktiengesellschaft

Nordex Energy GmbH 100 %

- Nordex (Baoding) Wind Power Co. Ltd., VR China (100 %)
- Nordex (Dongying) Wind Power Equipment Manufacturing Co. Ltd., VR China (100 %)
- Nordex (Yinchuan) Wind Power Equipment Manufacturing Co. Ltd., VR China (50 %)
- Nordex Hellas Monoprosopi EPE, Griechenland (100 %)
- Xi'an Nordex Wind Turbine Co. Ltd., VR China (40 %)
- Qingdao Huawei Wind Power Co. Ltd., VR China (66,6 %)
- Atria Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Rostock KG (94 %)

- Nordex Windpark Beteiligung GmbH (100 %)
- Nordex Windpark Verwaltung GmbH (100 %)
- Nordex Grundstücksverwaltung GmbH (100 %)
- natcon7 GmbH (75 %)

Nordex Energy B.V. 100 %

- Nordex UK Limited (100 %)
- Nordex France S.A.S. (100 %)
- Nordex Energy Ibérica S. A. (100 %)
- Nordex USA Inc. (100 %)
- Nordex Italia Srl. (100 %)

PERFORMANCE INDICATORS AT A GLANCE

		2004[3]	2005	2006	2007
Order receipts	€ mn	237	395	767	1.220
Sales	€ mn	214	309	514	747
Turbine construction Foreign business	%	n.a.	55	75	89
Total revenues	€ mn	217	319	552	807
EBITDA[1]	€ mn	–9.7	11.8	29.6	54.2
EBIT[1]	€ mn	–21.7	0,1	16.6	40.1
Cash flow[2]	€ mn	–4.6	9,9	112.4	80.3
Capital spending	€ mn	12.4	9,0	19.2	28.7
Earnings per share	€	–0.62	–0.15	0.21	0.74
Employees	ø	689	721	814	1,304

[1] After adjustment for exceptional charges in fiscal 2004 and 2005
[2] Change in cash and cash equivalents
[3] Pro forma for fiscal 2004 (annual financial statements not audited)

THE MANAGEMENT BOARD

Thomas Richterich *Chief Executive Officer*
Responsible for finance, controlling, engineering, personnel, legal, communications, IT.
Born in 1960, studied business administration, 1989 joined MAN Group, 1994–1999 various management functions held at MAN Gutehoffnungshütte AG, 1998–2000 commercial director at Ferrostaal Industrial Plant Services GmbH, 2000–2002 Babcock Borsig AG various management functions, 2002 commercial director at Babcock Borsig Power GmbH, since 2002 member of the Management Board of Nordex AG, since 2003 spokesman of the Management Board, since August 2005 chairman of the Management Board (CEO).

Ulric Bernard Schäferbarthold *Chief Financial Officer*
Responsible for finance and accounting.
Born in 1970, studied economies, 1996–2005 auditor and tax consultant at Warth & Klein, 2005–2007, head of finance and accounting at Nordex AG, since April 2007 CFO at Nordex AG

Carsten Risvig Pedersen *COO Sales and Marketing*
Responsible for sales and marketing, tender management and non-domestic companies.
Born in 1963, studied economics, 1987–2000 executive shareholder of Nordex GmbH, Management Board member of Nordex AG since 2001

Dr. Hansjörg Müller *COO Operations*
Responsible for production, procurement, project management, service and quality.
Born in 1966, studied technical business administration, 1993 joined the Siemens Group, where he held various management positions at the Siemens Nixdorf Group, 1998–2000 head of "Government/Public Sector Clients" at Siemens Business Services, 2001–2004 project manager at Roland Berger Strategy Consultants in the restructuring competence center for mechanical and plant engineering clients, member of the Nordex AG Management Board since 2004.

The Nordex Management Board (from left):
Dr. Hansjörg Müller, Thomas Richterich,
Carsten Pedersen, Bernhard Schäferbarthold.

LETTER TO THE SHAREHOLDERS

Ladies and Gentlemen,

Today we can look back on one of the most successful years in the history of our Company. In the period under review Nordex outgrew the market for the third year in succession. Average annual revenue growth has stood at around 51 percent since 2004. In the year under revue sales increased to EUR 747 million with our business increasingly moving abroad. Exports contributed almost 90 per cent. This involved considerable effort in setting up corporate structures in the new growth markets. This was the case, for example, in China, where Nordex has established two new factories. Today a good 400 employees work for the Group in the Far East. And we have also considerably enlarged our teams in the UK and Italy, where we have gained a market share of 34 and 14 percent, respectively.

However, we do not measure success by sales growth alone. A key factor for me is that we must also improve the profitability. And in this we have been successful. For instance, in fiscal 2007 we improved our operating profit by 142 percent to more than EUR 40 million and increased return on sales from 3.2 to 5.4 percent. Here we were helped by the situation on the market, in which we concentrated on the more profitable projects. On the other hand, Nordex was able to realize economies of scale.

In my view, the low level of capital employed to finance this strong growth in operations is particularly gratifying. The so-called working capital ratio remained steady at the low level of 2.3 percent. This is principally due to large advance payments for orders for short-term delivery. In addition to this, Nordex received some EUR 121 million in reservation fees for master contracts over the next few years. This meant that net liquidity increased to EUR 212 million. The large amount of cash in hand also reflects the increase in capital successfully concluded in July, where we realized issue net proceeds of some EUR 74 million.

This means that we are ideally equipped to grow profitably this year, too. The benchmark remains "plus 50 %". The projects for this are secured by our order backlog of almost EUR 3 billion until the end of 2009. However, it is difficult to give a precise projection because of uncertainties surrounding final building permits for some projects. Our sales target for 2008 is between EUR 1.2 and 1.0 billion. Depending on whether we reach the upper or lower end of this bandwidth, we anticipate return on sales of between six and eight percent.

For 2011 management is sticking with its target margin of nine to twelve per cent and a sales level of between EUR 2.5 and 4.0 billion. With this growth outlook in mind, in January 2008 we launched the expansion of our factories in Rostock. This will be followed by new buildings and extensions in China and the United States. By 2011 we plan to approximately quadruple our capacity to 4,500 MW per annum and push further into the new growth regions of North America and China.

Sincerely
yours,

Thomas Richterich
Chief Executive Officer

THE SUPERVISORY BOARD

Yves Schmitt, *Berlin*
Chairman of the Supervisory Board
Chairman of the Management Committee and member of the Audit Committee
CMP Capital Management-Partners GmbH (executive shareholder)
CMP Fonds I GmbH (managing director)
TAP Management GmbH (managing director)
Turn-Around Partners GmbH & Co. KGaA (member of the Management Board)
Schmitt Vermögensverwaltungs-und Beteiligungs GmbH (executive shareholder)

Jens-Peter Schmitt, *Haan*
Deputy Chairman of the Supervisory Board
Member of the Management Committee and Audit Committee
Attorney

Dr.-Ing. Hans Fechner, *Düsseldorf*
Chairman of the "Strategy and Technology" Committee
Spokesman of the Management Board of G. Siempelkamp GmbH & Co. KG
Spokesman for the management of Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG

Martin Rey, *Weßling*
Chairman of the Audit Committee and member of the Management Committee
Managing director of Babcock & Brown GmbH
Executive director of Babcock & Brown Ltd.

Jan Klatten, *Munich*
Member of the "Strategy and Technology" Committee
Executive shareholder of momentum Beteiligungsgesellschaft mbH

Dr.-Ing. Hans Seifert, *Krailling*
Member of the "Strategy and Technology" Committee
Managing Director of Vinco Beteiligungs GmbH

The supervisory board (from left):
Dr.-Ing. Hans Seifert, Jan Klatten, Yves Schmitt, Dr.-Ing. Hans Fechner, Jens-Peter Schmitt, Martin Rey

REPORT OF THE SUPERVISORY BOARD

During the period under report the Supervisory Board fulfilled the obligations required of it by law. It regularly advised the Management Board on matters relating to the management of the Company and monitored management operations. The Supervisory Board was directly involved in all decisions of fundamental importance for the Company. The Management Board informed the Supervisory Board about the situation of Nordex AG and its subsidiaries, business trends and all material business transactions in the form of regular written and oral reports.

In the course of 2007, the Supervisory Board held four ordinary meetings on a joint basis as well as on repeated occasions in its committees (Management Committee, Audit Committee, Strategy and Technology Committee). Further resolutions were passed by written vote. The reports and consultations entailed all material business transactions, particularly financial planning, the cost and earnings situation, order risks, the performance of the individual subsidiaries, capital spending planning, the Company's international expansion into new markets as well as key personnel decisions.

MAIN TOPICS OF DISCUSSION BY THE SUPERVISORY BOARD

At its **26th ordinary meeting of March 30, 2007,** the Supervisory Board primarily discussed Nordex AG's parent-company financial statements and consolidated financial statements for fiscal 2006. This meeting was also attended by the financial-statement auditor, who particularly went into detail on the main aspects of the audit. This related to guarantee provisions, the situation of material procurement and delivery obligations undertaken vis-à-vis customers. In this connection the measures necessary for the planned expansion of capacity were also discussed. Subsequently the Management Board reported on trends in order intake, progress made in localizing activities in China and current financial planning. The topics here were also long-term financing requirements with regard to working capital, capital spending and guarantee requirements. The Supervisory Board then appointed the former Head of the Finance division, Mr. Schäferbarthold, as CFO. Hitherto the Chairman of the Management Board had performed this office in addition to acting a Chairman.

Ahead of the annual general meeting on **May 15, 2007,** the Supervisory Board held its **27th ordinary meeting,** Here the Management Board explained the business trend in the first quarter of 2007, which was slightly above target in terms of new business and earnings. The quarter was characterised in turn by large advance payments received and reservation fees. Regarding the situation on the buy-side markets the Management Board referred to plans by suppliers to expand their capacity. Following approval of major orders subject to approval requirements, the financing concept for the extension of the Rostock facility was discussed. In the view of the Management Board this should be accompanied by an increase in capital. Subsequently the introduction of a new bonus system for management staff was discussed and approved. The aim of this measure is to bind important staff to the company in the long term.

At the **28th ordinary meeting on September 11, 2007,** the Management Board initially reported on the business performance in the second quarter of 2007. Order receipts increased to some EUR 700 million in this period. New business was characterised by increasing margin contributions. As production capacity was not able to keep up with demand, some inquiries then had to be turned down. The equity ratio increased to 48 per cent in the wake of the successful increase in capital. On the other hand, working capital increased as a result of larger inventories for short-term orders. Pressure was put on earnings as a result of the postponement of projects and start-up costs in new markets. Regarding activities in China the Management Board presented the latest report on the status of local procurement. This was followed by a discussion of the external procurement of bottleneck components for the whole Group. In addition to this, the Management Board reported on the status of negotiations on extended credit lines, mainly in the area of guarantees for the long-term hedging of the growing business volume.

On **November 27, 2007,** the Supervisory Board held its **29th ordinary meeting.** Here the Management Board initially reported on current business performance in the third quarter of 2007. New business increased further to EUR 963 million as at October 2007 with margin contributions by projects above target. In terms of sales, it was pointed out that postponed projects would have to be processed in the fourth quarter and that if winter started early, the risk would lie primarily in the areas of transport and installation. Furthermore, provisioning requirements for potential project and product risks were discussed. The subsequent item on the agenda related to the budget for fiscal 2008. Here the focus was on the capital spending budget. Further topics were the development of activities in China and the extension of the Rostock facility. In this connection a resolution was passed to purchase the real estate for the first building phase. Next the Supervisory Board and Management Board discussed options for extending the internal value chain. The Supervisory Board decided that the focus of the audit of financial statements for fiscal 2007 should be on Nordex UK Limited, among others.

Composition of the Supervisory Board

There were no changes to the composition of the Supervisory Board in the year under review.

Disclosures pursuant to Section 171 (2) Sentence 2 in connection with Sections 289 (4); 315 (4) of the German Stock Corporation Act (new version).

The Supervisory Board deliberated with the Management Board on disclosures in accordance with Sections 289 (4); 315 (4) of the German Commercial Code (new version) It came to the conclusion that these disclosures are true and complete.

Audit of the Group financial statements

The financial statements of Nordex AG and the consolidated financial statements for the Nordex Group for the year ending December 31, 2007 as well as the combined management report for Nordex AG and the Nordex Group for fiscal 2007 including the bookkeeping were audited and granted an unqualified auditor's certificate by auditing company Ernst & Young AG, Wirtschaftsprüfungsgesellschaft, which had been appointed at the annual general meeting on May 15, 2007 and engaged by the Supervisory Board. Similarly, the auditor examined the dependant parties report and approved it without any complaints.

The financial statements, the consolidated financial statements and the combined management report for Nordex AG and the Nordex Group, the annual report, the dependant parties report and the auditors' report concerning the financial statements and the dependant parties report were presented to all members of the Supervisory Board in good time prior to the meeting of April 07, 2008 at which the financial statements were was approved. The documents were discussed at length at the meeting, which was also attended by the auditors signing the auditors' report, who were also available to answer questions. The Supervisory Board and its Audit Committee approved the findings of the audit.

The Supervisory Board examined the financial statements of Nordex AG and the consolidated financial statements as well as the combined management report for Nordex AG and the Nordex Group and the dependant parties report. No objections were raised on the basis of the final results of its audit. The Supervisory Board approved the parent-company financial statements and consolidated financial statements prepared by the Management Board for the year ending December 31, 2007. Accordingly, these have been duly adopted.

The Supervisory Board wishes to express its gratitude and acknowledgement for the work performed by the Management Board, other management staff, all employees as well as the employee representatives.

Norderstedt, April 7, 2008
The Supervisory Board

Yves Schmitt
Chairman

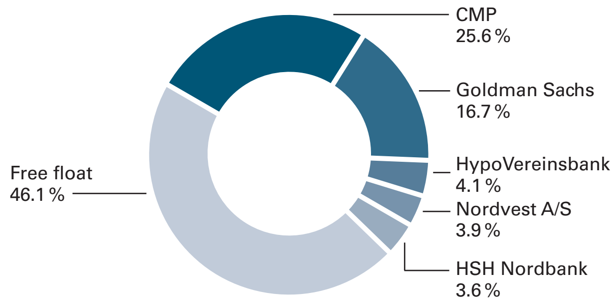
THE STOCK

In the year under review, Nordex stock (ISIN: DE000A0D6554) advanced by 133 %, rising from EUR 13.52 to EUR 31.55 and thus substantially outperforming the TecDAX, which gained around 30 % in fiscal 2007. The Nordex stock price also performed better than average compared to the five other listed turbine manufacturers. Only one Danish competitor was able to boast a comparable gain in value.

The stock hit a high of almost EUR 39 on November 7, 2007. Nordex securities came under above-average pressure as a result of the subprime crisis in North America. This high level of volatility was already a feature of the stock when the price rose at the beginning of the year.

Nordex's overall positive performance was driven principally by the profitable growth of its operative business. For instance, in the course of the year Nordex increased new business and sales by a high double-digit figure while at the same time raising profitability. In addition to this, market prospects brightened thanks to new national and international targets for the development of renewables. Analysts also attribute the performance of the share partly to speculation about an imminent consolidation of the sector following the takeover battle for a competitor. In May Nordex had reported that its main shareholders, Goldman Sachs und CMP Capital Management-Partners, were looking into a possible sale of their shares.

NORDEX AG SHAREHOLDER STRUCTURE



Total number of share: 66,845,000

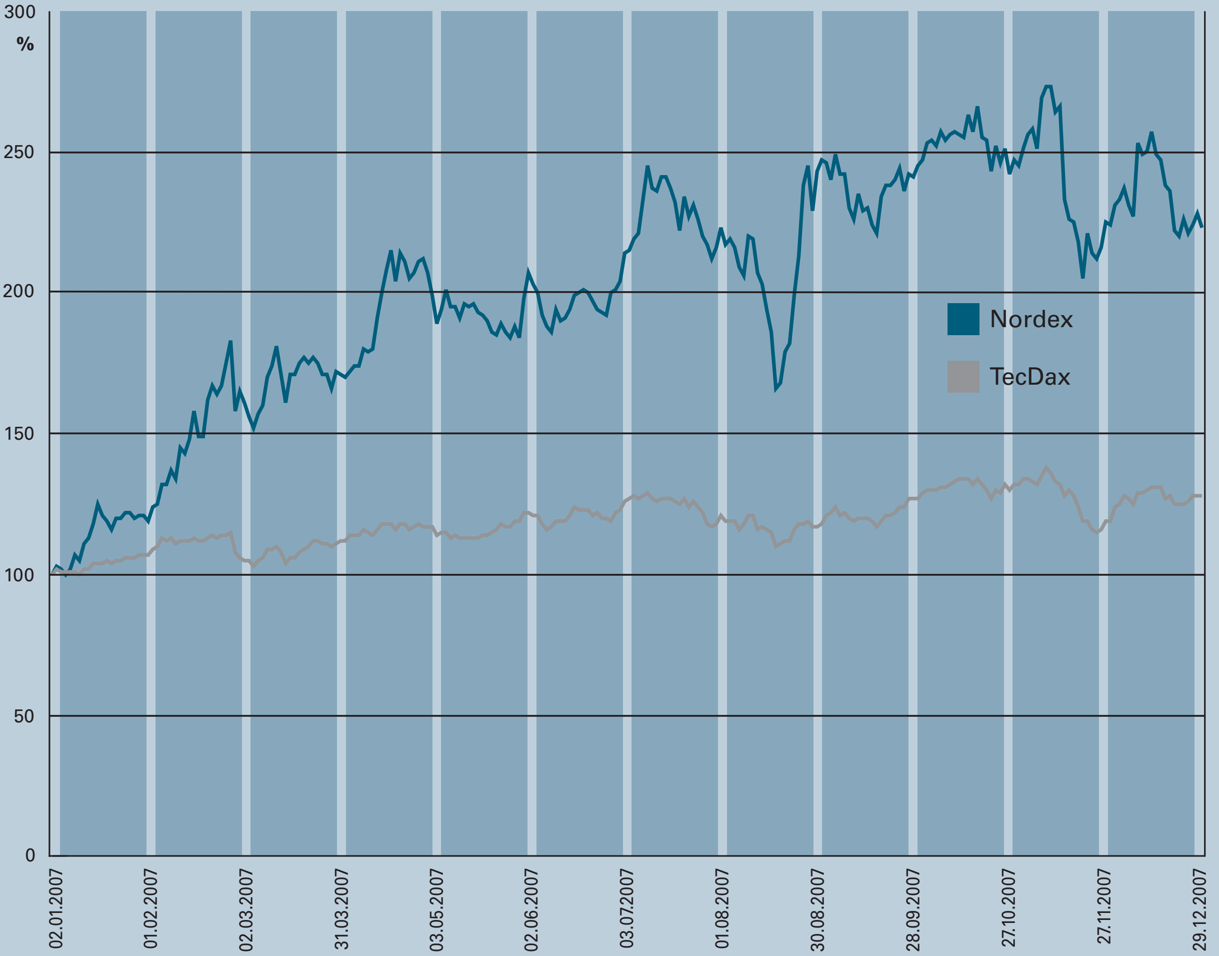
The above disclosures are based on the most recent notifications submitted by shareholders in accordance with the German Securities Trading Act. Under this Act, changes in the holdings of shareholders are not subject to compulsory reporting after the execution of transactions causing the reporting thresholds to be exceeded or dropped below (following the Transparency Guideline Ratification Act (TUG) taking effect on January 20, 2007: 3, 5, 10, 15, 20, 25, 30, 50, 75 %). Accordingly, the actual number of shares held by the Company's shareholders may differ from the figures stated in the above table. Most recent notifications of shares under the reporting threshold of 3% are not shown separately but are assigned to free float.

In fiscal 2007 a total of four major investment banks started coverage of Nordex. These were Lehman Brothers, Crédit Agricole Cheuvreux, Goldman Sachs and Merrill Lynch. This increased attention on the international financial markets. Nordex reacted to the increased interest of potential investors by taking part in investor conferences at financial centers in Europe and overseas. Investor Relations also informed private investors about the company's performance in many one-to-one discussions and via specific PR work. Shareholders took a positive view of these activities. As an example of this, in a survey of readers conducted by the investor magazine "Börse Online" Nordex came in second on the subject of "Best Investor Relations 2007".

The brisk demand for shares in the renewables sector induced the Deutsche Börse to launch the ÖkoDax in the late summer. This index covers the ten German industrial companies in this segment with the highest market value – and Nordex is the only representative of the wind industry. Various banks have already issued index certificates and further increased sales of the stock.

On July 19, 2007, Nordex issued 2.5 million new shares within the framework of an increase in capital. The issue was oversubscribed within a short period of time. Nordex plans to use the net proceeds of around EUR 74 million to extend its factories.

NORDEX VS. TECDAX



THE FISCAL YEAR AT A GLANCE

January 2007

Nordex starts the new year with a large order from Scotland worth EUR 60 million. On January 24 the Company opens a new facility in Dongying, China. Here rotor blades for the 1.5 MW machines are manufactured over an area of 8,400 square metres.

The French power plant group Areva submits a takeover bid for the wind turbine manufacturer Repower. At this time Areva is already Repower's largest shareholder with a stake of 30 %.

February 2007

Suzlon and Matifer, the second largest Repower shareholders, outbid Areva with a counterbid for Repower.

March 2007

Nordex signs further large orders in England, Italy and, for the first time, in Turkey. Overall, this means new contracts for projects worth more than EUR 200 million.

The countries of the European Union decide to reduce their greenhouse gas emissions by 20 % by the year 2020 based on 1990 as the reference year. This is intended as a follow-up arrangement to the Kyoto Protocol. The protocol stipulates an 8 % reduction by the year 2012. At the same time the share of renewables in the EU is to rise to 20 % of total energy volume.

Effective April 1, 2007, Nordex AG's Supervisory Board appoints Bernard Schäferbarthold to the position of Chief Financial Officer (CFO) of the Company. Up until that date, CEO Thomas Richterich had additionally been acting as the Company's CFO.

April 2007

In the first quarter of 2007 sales increased by 20 %, as planned, and net profit rose by 80 %. Nordex signs its largest ever master contract. Projects with a total capacity of 640 megawatts are to be supplied for its key account Babcock & Brown.

May 2007

Nordex returns to Sweden in triumph and obtains two orders worth a total of almost EUR 50 million. The two principal Nordex shareholders, Goldman Sachs and CMP Capital Management-Partners, mandated an investment bank to investigate a possible sale of the Company's shares.

June 2007

In order to re-enter the North American market Nordex installs an N90/2500 US in Hewitt, Minnesota, which is adapted to American climate and grid conditions. The first larger projects are to be agreed on following successful tests. In 2009 the construction of factories in the United States is on the agenda. Together with the regional government, Nordex announces capital spending of some EUR 86 million at the Rostock headquarters. Here capacity is to be approximately trebled.

July 2007

In the first half of 2007 Nordex raised sales by some 30 % and doubled pre-tax earnings to EUR 15.3 million. Nordex completes an increase in capital of 2.5 million new shares. This generates proceeds of around EUR 74 million, which the Company plans to use primarily to finance factory extension.

August 2007

Nordex presents its latest turbine development at the sector's trade fair "Husum Wind". The so-called N100/2500 is a 2.5 MW turbine that has been optimized for inland locations with a rotor sweep 23 % larger than the N90.

The French power station group Alstom acquires the Spanish wind turbine manufacturer Ecotécnia.

September 2007

Further major international orders for Nordex: customers from Italy and China order wind turbines with a capacity of 80 MW.

Areva, the loser in the battle for Repower, takes over Multibrid, the developer of an offshore machine.

October 2007

A further large order worth more than EUR 100 million comes from Italy.

The Chinese government announces wide-ranging measures to promote an environment-friendly growth course. Energy savings and modernisation of its power plants (also using renewables) are on the agenda. The utility RWE announces plans to invest at least one billion euros in renewables as of 2008.

November 2007

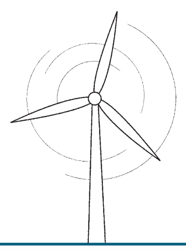
The demand from China continues to grow for Nordex: regional utilities sign contracts with the Company for the construction of two 50 MW wind farms. The Company announces further capital spending at the "Windpower Shanghai" trade fair. Following successful tests of the US-N90, Nordex signs a major order with BP Alternative Energy for a 150 MW wind farm, to be installed in the United States in 2009.

December 2007

The United States postpone the decision on prolonging the PTC (tax credit for producers of renewables, which is limited until December 31, 2008). The German government presents a cabinet bill for an amended Renewable Energies Act. According to this, the offshore remuneration rate is to be raised to 14 cents per kWh. Operators of modern onshore turbines are to receive up to 8.7 cents/kWh.

At the same time Nordex receives an undertaking for delivery of the first commercial offshore wind farm in Germany. For the first time, Nordex installs a 120 meter hybrid tower (concrete/steel) especially for inland wind farms. The largest operator of wind farms Iberdrola floats its wind subsidiary Renovables in order to generate further capital for growth. The issue is oversubscribed many times over. Hansen Transmissions, the second largest manufacturer of wind gearboxes, conducts an IPO with the same aim in mind.

NUMBER OF NORDEX TURBINES WORLDWIDE: 3,270. TOTAL NOMINAL OUTPUT: 3,900 MW. VOLUME OF CO_2 EMISSIONS AVOIDED: AROUND 7 MILLION TONS A YEAR. UTILIZING THE AIR AND KEEPING IT CLEAN IS ALSO A WISE “RETURN ON INVESTMENT”.



NORDEX

We’ve got the power.


NORDEX

NORDEX AKTIENGESELLSCHAFT, ROSTOCK

COMBINED MANAGEMENT REPORT FOR NORDEX AG AND THE NORDEX GROUP FOR 2007

1. ECONOMIC CONDITIONS

In the year under review the global economy remained stable, international gross domestic product (GDP) rising by 5.2 % in fiscal 2007 according to preliminary VDMA figures. This favorable performance is due above all to above-average economic growth in emerging markets such as China (up 11 %), India (up 9 %) and Russia (up 7.5 %) Against this backdrop the developed economies in the EU (up 2.9 %) and the United States (up 1.9 %) formed a solid basis.

A moderate rise in interest rates on the financial markets did not have any noticeable negative impact on the economy. Even the American subprime crisis, which put the capital market under pressure in the fourth quarter of 2007, has not (yet) reached the non-monetary economy. However, at the moment it is not clear whether further depreciation will put a brake on growth. So far banks have written down some USD 100 billion in this connection. According to Standard & Poor´s, further losses of up to USD 165 billion are possible.

The wind industry also continued to record a robust demand. According to preliminary surveys by the Global Wind Energy Council (GWEC), in 2007 some 20,000 megawatts (MW) in new capacity were installed worldwide (2006: 15,000 MW), equivalent to 33 % growth. Many of the projects completed in the year under review were already ordered from the manufacturers in 2006.

REGION	2007 GDP
EU	2.9 %
Germany	2.6 %
North America	1.9 %
China	11.0 %
India	9.0 %
World	5.2 %

VDMA 12/2007

MARKET DEVELOPMENT BY REGION IN 2007

COUNTRY	NEW MW IN 2007	NEW MW IN 2006	CHANGE	CUMULATIVE MW
North America	5,244	2,450	+114 %	16,800
China	3,500	1,330	+163 %	6,000
EU 27	8,554	7,580	+13 %	56,500
Others	2,800	3,640	– 23 %	14,700
Total	**20,098**	**15,000**	**+34 %**	**94,000**
of which:				
Spain	3,515	1,600	+120 %	14,800
Germany	1,667	2,230	– 25 %	22,300
France	888	810	+10 %	2,500
Italy	603	417	+45 %	2,720
UK	427	630	– 32 %	2,330
offshore	210	200	+5 %	1,090

(Source: GWEC 2008)

The strong demand, which continues to outstrip new building capacity, increased massively, basically for the following reasons:

- The cost of producing electricity by power stations driven by fossil fuels has risen dramatically due to an increase in the cost of fuel. For instance, since 2004 the price of crude oil has increased by a factor of 3.2, from USD 29.6 to USD 100. This was brought about by a drop in oil reserves, a surge in demand in the emerging markets of China and India and concern about a shorter supply against the backdrop of increasing political tensions in the production regions.

- An increasing number of countries are imposing strict conditions on the emission of greenhouse gases. For instance, in the coming allocation round for the European Emission Trading Scheme (ETS) the member states of the European Union plan to issue many fewer emission rights – and, above all, no longer free of charge. If rights trading become obligatory worldwide and the price per ton of CO_2 emitted rose to around EUR 30, electricity from wind energy would have lower production costs than coal and gas-fired power stations (source: EER). The certificate price on the electricity exchange currently stands at EUR 19 per ton (source: EEX, February 2008). The governments of more than 20 US states have set clear targets for the amount of energy fed in from regenerative sources. However, as yet these so-called Renewable Portfolio Standards (RPS) do not included any sanctions for exceeding targets or, for instance, the purchase of emission certificates. Comparable instruments also exist in China, where the government plans to cover some 10 % of electricity demand using regenerative sources in 2010 and 15 % in 2020. At the moment the figure stands at 8 % (including hydroelectricity). However, the effect of controls is greater in China as the utilities are state-owned.

- The remuneration structure for the statutory feed-in systems in force in Germany and France, for example, were adjusted last year.

The 33 % increase in new turbine construction in the wind industry exceeded the expectations of market observers, whose projections of power station expansion were more conservative. This is particularly in case for North America, China and Spain. Business in the **United States** is dominated principally by utilities and other major power station operators. Although the so-called PTC (Production Tax Credit) for producers of green electricity is currently in force until the end of 2008, at the moment there are no indications of a drop in the demand for new wind farms. For one thing, many market observers expect the scheme to be continued in some form and a decision on this could still be taken in the first half of 2008. For another, most of the project plans should still turn a profit even without the tax credit. The capacity of newly installed turbines in United States stood at an average of 1.65 MW in the year under review. For Nordex this opens up good opportunities for selling its 2.5 MW technology to American customers in large numbers.

The demand in **China** is being driven mainly by the enormous growth of the economy. The country is trying to meet the demand for additional sources of electricity as far as possible on the basis of domestic energy sources. These are primarily coal-driven and hydroelectric power stations. However, the government is also increasingly drawing on wind energy. According to the National Development and Reform Commission, NDRC, the highest state planning authority, the government has to invest around USD 280 billion by 2020 on developing “green” power stations in order to meet its target of increasing the share of renewables to 15 % by the year 2020. The state utilities are already acting on the basis of this target. For foreign suppliers local value-added structures are essential in order to have a chance in NDRC tenders.

With the exception of Spain, the markets in **Europe** developed as expected. The strong growth in **Spain** (up 120 %) was triggered by an amendment to the electricity feed-in rates (Decree 661/2007) in May 2007. As the new arrangements did not take effect until January 2008, project developers brought their investments forward and implemented as many mature projects as possible in the year under review. Whereas new construction in **Germany**, at a high level, declined again (down 25 %), new installations in **Italy** rose sharply (up 45 %). The key to this contrary trend was the market price level in the respective countries. Feed-in prices for green electricity were high in Italy (electricity market price plus green certificates) while the rates in Germany dropped. The German government has recognized this and plans

N90 wind farm assembled by the market leader in France.

"Huitengxile" wind farm, Inner Mongolia, top growth region in China.

to increase tariffs in the EEG amendment. Offshore the rate is to increase from 9.1 ct/kWh initially to 14 ct/kWh and onshore for modern machines from 8.1 ct/kWh to 8.7 ct/kWh. Parliament still has to approve the amendment before the law can come into effect from 2009. **France** has established itself as the third largest market in Europe. A higher capacity factor compared to Germany (full-load ratio of a power station per annum) of 25 % on average and higher reimbursements for feeding in renewable electricity make France an attractive market for the coming years, too. The decline in the **UK** (down 32 %) is due mainly to uncertainties on possible changes in the rate of reimbursement for on shore wind farms, which are resolved in the second half of 2007.

In 2007 the positive economic trend led to a considerable boom in the manufacturing industry. Thus the VDMA projected 8 % real sales growth for the mechanical engineering sector in the European Union and an increase of as much as approx. 11 % in Germany. As a result of the strong demand, this was reflected in increasing commodity prices. For instance, the price of heavy plate rose by some 15 % in 2007, which was also evident among suppliers of tower plates, who increased their prices by between 8 and 28 %. At year's end prices stabilised at a high level.

The procurement costs for core components of wind energy systems, for example gearboxes, also increased further. Apart from the cost of raw materials, this was also attributable to the huge increase in demand. The investments made by sub-suppliers also had an impact. For instance, the specialist service BTM Consult projects that capacity for wind gearboxes will treble over the coming three years. The second-largest gearbox manufacturer alone plans to spend up to EUR 650 million on extending its facilities in this period.

Thanks to higher prices for renewable generated electricity the situation on the markets improved for turbine manufacturers in the year under review. However, manufacturers had to compensate for the increased costs of raw material and components.

2. BUSINESS PERFORMANCE

As the parent company of the Nordex Group, Nordex AG functions as a holding company. One key task of Nordex AG is to finance the Group members by providing cash and guarantees. In addition to this, Nordex AG provides management services for various subsidiaries, above all in the areas of financing, law and IT. Nordex AG has entered into profit transfer agreements with Nordex Energy GmbH as the main German Group company as well as Nordex Grundstücksverwaltung GmbH as a further German Group member.

Nordex AG's 80 percent increase in sales to EUR 19.5 million (2006: EUR 10.8 million) is primarily due to higher Group transfer payments to foreign subsidiaries in consideration of the provision of Group management services and the granting of contractual performance guarantees. In fiscal 2007, Nordex AG recorded a substantial improvement in earnings, with net profit for the year amounting to EUR 9.4 million (2006: net loss of EUR 0.9 million), of which EUR 9.3 million were accounted for by the profit transfer from Nordex Energy GmbH and Nordex Grundstücksverwaltung GmbH in 2007. Apart from increased sales and the EUR 7.8 million higher profit transfer compared to the previous year, the improvement in Nordex AG earnings is due principally to the below-average increase in personnel costs (32 %) and the 261 percent rise in net interest income. Other operating expenditure also increased by a disproportionate 68 percent in relation to sales, to EUR 16.1 million, (2006: EUR 9.6 million). The provisions for income taxes to be formed on Nordex AG net profit resulted in tax expenses of around EUR 2 million for the Company in the past fiscal year.

Nordex AG's equity rose by around 64 percent to EUR 217.5 million (December 31, 2006: EUR 132.4 million). One principal effect here was the placement of 2.5 million new shares at a price of EUR 30.30 per share and the resulting issue net proceeds of some EUR 74 million. With total assets climbing to EUR 233.2 million (December 31, 2006: EUR 150.9 million), Nordex AG's equity ratio widened to 93.3 percent (December 31, 2006: 87.7 percent).

In the period under review, the Nordex Group's new business rose by some 60 percent to EUR 1,220 million (2006: EUR 767 million). The book-to-bill ratio rose to 1.6 in relation to annual sales (2006: 1.5). In other words, demand grew faster than Nordex was able to raise output. As in the previous year, the Company applies strict criteria for booking orders. These five criteria are:

- a binding delivery contract exists,
- building permission has been obtained,
- grid connection has been secured,
- financing has been secured and
- Nordex has received an advance payment of around 20 % of the order value.

At the same time, the Company signed master contracts with some key accounts for supply quotas that are not included in the above order intake. For these contracts Nordex generally receives a reservation fee of 5 to 10 % (see Cash and cash equivalents). One example of this is the master contract signed with Babcock & Brown in April 2007 for up to 640 MW. The delivery period runs from mid-2008 to 2011.

In 2007, the share of foreign activities in new business widened to around 94 percent (2006: 86 %). The bulk of Nordex's new contracts were signed with customers from Europe. In Italy the volume increased dramatically to EUR 440 million (2006: EUR 73 million). With new orders worth EUR 257 million, business in the UK also performed very well (2006: EUR 224 million). In France new business went down to the still high level of EUR 123 million (2006: EUR 293 million). This is due, among other reasons, to the fact that Nordex France has not yet signed any final delivery contracts for some of the projects it developed itself in 2007. Overall, these covered six wind farms with a total output of almost 70 MW. Furthermore, in Europe Nordex signed its first major orders from Sweden, Poland and Turkey. Overall, there is a trend towards new business in markets where the power plant operators are able to accept higher turbine prices as they in turn are in a position to sell the "green" electricity at a higher price.

The widening of new business in the growth market of China is of strategic importance. Here, order intake rose by a factor of 7 to EUR 122 million (2006: EUR 18 million). Within the framework of the planned return to the US market, in November 2007 Nordex signed a major contract for 150 MW from the United States. This project is not reflected in the order intake for the year under review in spite of the advance payment received as final building permission has not yet been granted. The project is due to be implemented in 2009.

ORDER RECEIDTS BY REGION

in EUR million	2006	2007
Germany	106	74
France	293	123
UK/Ireland	224	257
Italy	73	440
Rest of Europe	36	204
China	18	122
Rest of world	17	0
Total	**767**	**1,220**

Most of the new business (80 %) relates to orders for the large turbine family N80/N90/N100 (2300/2500 KW). This figure includes the first orders for the N100, which Nordex launched in autumn 2007 as a further development of the N90. The return to popularity of the S70/S77 (1,500 kW) can be attributed to its sales success in China. Its share increased from 11 % to 15 %. Since mid-2007 Nordex has been distributing and producing this turbine category only in Asia. The Company has already removed the N60/1300 kW, the oldest product in the programme, from active sales. Projects from the UK, Bulgaria and China are still to be supplied with this system.

ORDER RECEIPTS BY TURBINE

in EUR million	2006	2007
N80/N90/N100	648	976
S70/S77	83	183
N60	36	61
Total	**767**	**1,220**

The order backlog rose by 142% year-on-year to EUR 2.9 billion (2006: EUR 1.2 billion) and comprises firm orders of EUR 1.0 billion (2006: EUR 513 million) and conditional orders of EUR 1.9 billion (2006: EUR 674 million). The latter are generally master contracts for which Nordex has already received a reservation fee. The Company signed contracts for further orders worth EUR 130 million as at the balance sheet date.

Strong forays into the Eastern European market.
This picture shows the “Troyan” wind farm in Bulgaria.

Output substantially raised

In the year under review Nordex increased its output significantly compared to the previous year. In turbine assembly output was up some 37 % to 800 MW (2006: 584 MW). The performance of rotor blade production was even better. Here output by megawatt capacity increased by 68% to 368 MW. At the same time, the share of Group’s own content in rotor blades increased to 46% (2006: 38%). In Europe the share of Group’s own content came to 35%.

At 65 MW, the output of the turbine assembly plant in China fell short of target and contributed around 8% to the Group. By contrast, the plant in Rostock produced more turbines than planned. In the area of rotor blades China met production targets and was able to completely supply the locally produced turbines with their own rotor blades. In Europe too, it is planned to significantly increase the share of Group’s own content. Nordex is currently extending its plant in Rostock and plans to approximately treble capacity for rotor blades this year.

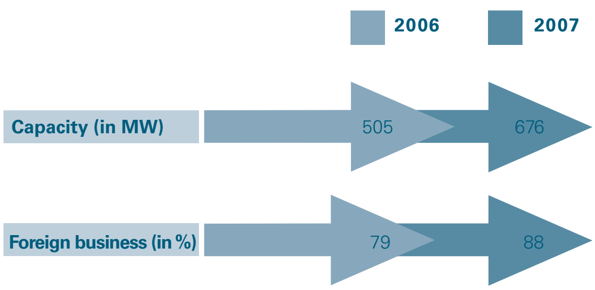
PRODUCTION OUTPUT

(IN MW)	2006	2007
Turbines	584	800
of which China		65 (8 %)
Rotor blades	219	368
of which China		114 (31 %)
Own production of rotor blades	38 %	46 %

Installed capacity increased

The supply and installation of new systems also rose sharply again. In 2007 Nordex supplied its customers with turbines with a total of 676 MW capacity (2006: 505 MW), equivalent to 34% growth. Foreign orders widened from 79 to 88 percent. In its core sales regions the Company gained double-digit market shares: UK 34% (143.4 MW), France 21% (190.5 MW), Italy 14% (85.5 MW).

NORDEX DELIVERIES/INSTALLATIONS



Sales raised

In the year under review the Nordex Group raised sales by around 45% to EUR 747 million (2006: EUR 514 million). The Company was able to complete projects postponed mainly in the fourth quarter. This is shown in the sharp increase in quarterly sales of EUR 254 million. However, some projects were postponed until January 2008 as installation was no longer possible due to extreme weather conditions. This affected some 2% of sales projected for 2007, which is also reflected in the increase in changes in inventories to EUR 47.3 million (2006: EUR 32 million). Thus, total revenues rose to EUR 806 million (2006: EUR 552 million).

SALES BY QUARTER IN 2007

(IN EUR MN)	QUARTERLY SALES
Q1/2007	151
Q2/2007	172
Q3/2007	170
Q4/2007	254

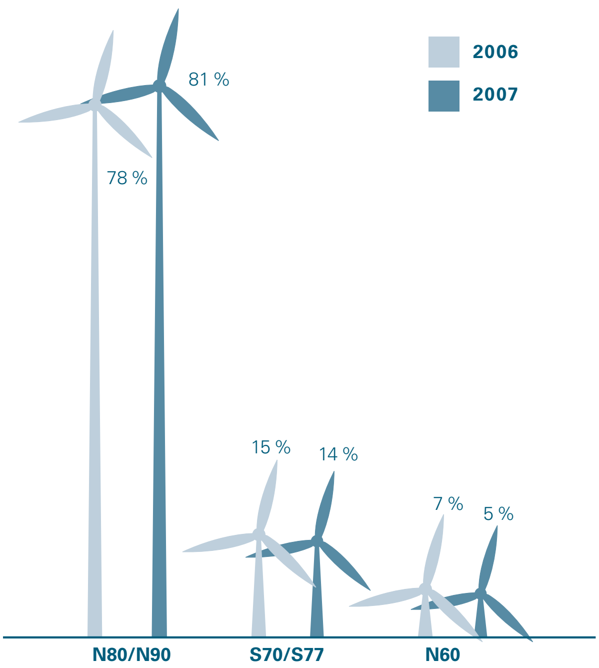
Roughly 95 percent of sales were generated by new turbine production and the remaining around 5 percent by service business. In new turbine production Nordex profited above all from the strong demand for power stations in Europe and China with around 89 percent of sales generated by foreign projects (previous year: 75%). The most important regions here were France (EUR 215 million), the United Kingdom (EUR 157 million) and Italy (EUR 134 million). In the United States only one small project was completed in 2007.

TURBINE ENGINEERING SALES BY REGION

	2006	2007
Europe	95 %	97 %
Rest of World	5 %	3 %

A continuing trend toward larger wind power systems was registered in Nordex's main markets. In line with this trend, the share of N80/N90 (2,300/2,500 kW) turbines continued to widen from 78 to 81 percent of consolidated sales at the expense of smaller units which – aside from a few exceptions – will be primarily assembled in Asia and other new markets in the future. Production of the S70/77 has now been fully relocated to China. In Europe and in the future in the United States the Company will be focusing on the sale and production on turbines in the upper power class.

TURBINE ENGINEERING SALES BY TURBINE



Supply markets still tight

In 2007 too, bottlenecks in the procurement of core components (gearbox, bearings) were repeatedly noted in the wind industry as suppliers' capacity was almost completely utilised. Thanks to close cooperation with its suppliers, combined with timely and continuous quota coordination, Nordex was able to obtain sufficient components. In principle, Nordex secures its long-term procurement requirements by means of master contracts with the relevant suppliers. On this basis the Company calls in specific quantities as soon as it receives firm orders itself. Overall, this system is based on a "2+1 supplier strategy". In addition to two main suppliers at least one more partner must be in a position to make up for any shortages.

Nordex assumes that its suppliers will create new capacity this year – especially the gearbox suppliers are currently spending large amounts on new facilities. Nevertheless, the supply of core components remains problematic for all turbine manufacturers in the medium term given the current strong demand. This is why Nordex is grooming new suppliers. One principal focus here is setting up structures in China and the United States in conjunction with the extension and establishment of the Company's own facilities.

EARNINGS SITUATION

The Nordex Group's earnings before interest and tax (EBIT) improved by 142% to EUR 40.1 million (2006: EUR 16.6 million), raising return on sales to 5.4% (2006: 3.2%). The main reasons for the higher earnings were economies of scale with the personnel cost ratio improving from 7.6% to 6.8% and the depreciation ratio from 2.4% to 1.7%. The balance of other operating income and expenditure relative to total output increased slightly from 6.2% to 7.0%.

Further positive effects on profitability were felt as a result of higher margin contributions for projects completed in the year under review. In other words, Nordex was able to more than offset the increased costs of material in the course of the year. Consequently, the cost of materials ratio dropped slightly from 80.9% to 79.5%, raising gross profit by 56% to EUR 165.7 million (2006: EUR 105.7 million).

Consolidated net profit was reduced by EUR 4.9 million in the year under review due to the start-up losses incurred by the Chinese Group companies. This was primarily due to the still ongoing efforts to localize sourcing operations. On the other hand, production capacity had already been configured in 2007 for a volume which is not likely to be reached until 2009.

Cash and cash equivalents as at the balance sheet date increased by 61% to EUR 212 million (2006: EUR132 million). Thus Nordex further improved its financial result to EUR -1.1 million (2006: EUR -3.9 million). Net financial result materially came under pressure from an impairment loss of EUR 1.0 million on the shares in Windpark Qingdao Huawei Wind Power Co. Ltd., Qingdao. Interest expenditure resulted primarily from the use of guarantee facilities for advance payments on projects and contractual performance guarantees. In fiscal 2007, Nordex AG set aside deferred taxes of an additional EUR 18.4 million on tax losses on account of the improved earnings outlook. Including current and deferred taxes, tax income came to EUR 8.9 million (2006: EUR -0.1 million).

Consolidated net income for the period ending December 31, 2007 rose by EUR 35.4 million to EUR 48.0 million (2006: EUR 12.6 million). This net profit includes minority interests of EUR 0.9 million. Accordingly, the net income attributable to the shareholders stands at EUR 48.9 million, equivalent to a 252% improvement in earnings per share to EUR 0.74 (2006: EUR 0.21).

ASSETS AND FINANCIAL CONDITION

Nordex Group equity rose by 83% to EUR 271.8 million (December 31, 2006: EUR 148.5 million). The successful increase in capital of EUR 75.8 million in July 2007 contributed to this performance. A further EUR 48.9 million came from net earnings in fiscal 2007. On the basis of total assets, which increased to EUR 703.8 million (2006: EUR 457.4), the equity ratio as at the balance sheet date worked out to 38.6% (December 31, 2006: 32.5%).

As already mentioned, cash and cash equivalents as of the balance sheet date increased by 61% to EUR 212 million (2006: EUR 132 million). In addition to the proceeds from the increase in capital, this was primarily due to the high advance payments received for current and future projects. Generally speaking, Nordex is able to demand a reservation fee for future projects. Reservation fees as at the balance sheet date increased by 157% to EUR 120.9 million (2006: EUR 47.1 million). Relative to gross PoC receivables, the overall advance payment rate (advance payments form projects and reservation fees) improved to 138% (2006: 135%). This was also reflected in the working capital ratio, which, in spite of strong growth, remained steady at last year's level of 2.3%. Before reservation fees, at 17.2% the ratio lay within the target corridor.

Bank liabilities amounted to EUR 1.1 million (12/31/2006: EUR 1.2 million) and comprise cash facilities utilized. As of December 31, 2007, the Group had unutilized cash and guarantee facilities of EUR 37.5 million (December 31, 2006: EUR 18.4 million).

The cash credit facilities provided by the creditor banks are subject to a uniform interest rate of EURIBOR plus 150 basis points up to a maximum of 7% p.a. The guarantee facilities used by the Nordex Group are subject to a uniform rate of 1.5% p.a. The guarantee facilities of EUR 255.5 million and the combined cash and guarantee facilities of EUR 48.6 million, which were increased as of May 18, 2007, expire on April 3, 2009. Notwithstanding this, the guarantee facilities granted by Euler Hermes Kreditversicherungs AG and Zürich Versicherung AG (Deutschland) totaling EUR 45 million initially expire on Monday, April 7, 2008 and are subject to annual renewal. The guarantee facility of EUR 25 million granted by KfW is initially limited until June 30, 2008. Commerzbank AG granted a guarantee facility of EUR 20 million and a combined cash/guarantee facility of EUR 10 million initially expiring on April 30, 2008. Following the expiry of this period, Commerzbank AG intends to consider renewing the cash and guarantee facilities granted. Otherwise, these cash and guarantee facilities may only be terminated for good cause (non-compliance with the agreed covenants).

Due to the growing volume of business and the difficult situation on the supply market, Nordex continuously increased its inventories in the course of the year. As at the balance sheet date, inventories were up 64 percent, climbing to EUR 231.8 million (2006: EUR 141.2 million). Receivables and future receivables from construction contracts increased by 28% to EUR 99.2 million (2006: EUR 77.6 million) also as a result of the increase in business volumes. Trade payables rose by 19% to EUR 78.9 million (2006: EUR 66.5 million). As the interest effect of cash discounts is generally higher than interest on short-term cash at banks, Nordex did not seek any increase in trade credit terms. Non-current assets increased by 38 percent to EUR 124.5 million (2006: EUR 90.4 million). The principal reasons for the year-on-year change here were spending on property, plant and equipment and capitalised development expenses. As at the balance sheet date non-current assets were covered to a level of some 218% by equity (2006: 164%).

Despite the increase in inventories, the Nordex Group achieved a net cash inflow from operating activities of EUR 29.1 million (2006: EUR 65.3 million). Net cash used for investing activities came to EUR 24.5 million (2006: EUR 18.8 million). At EUR 75.7 million, cash flow from financing activities is positive (2006: EUR 66.0 million).

CAPITAL SPENDING

In fiscal 2007 the Group increased its capital spending by 49 percent to EUR 28.7 million (previous year: EUR 19.2 million). Of this amount, additions to property, plant and equipment accounted for around EUR 15.3 million. In detail this amount was made up of around EUR 7 million for operating and business equipment, EUR 3.4 million for technical equipment and machinery, EUR 2.7 million for advance payments and assets under construction and EUR 2.3 million for land and similar rights. Key aspects here were additions in the area of software and licenses for Group-wide process integration, tools for the production of large rotor blades in Rostock and new rotor blade moulds for the plant in China. The extensions of around EUR 1.3 billion to the production facility in Rostock did not have any material effect on additions to property, plant and equipment or advance payments made and assets under construction as construction work did not commence until January 2008.

Additions to intangible assets came to EUR 13.1 million. Here the focus was on capitalised developed expenses, which increased by 51% to EUR 10.4 million (2006: EUR 6.8 million). Additions to other intangible assets came to EUR 2.9 million.

RESEARCH AND DEVELOPMENT

In the year under review development work on new products concentrated on engineering extensions to the 2.5 MW platform (N80/N90). With the N100/2500 (100 meter rotor diameter) in autumn 2007 Nordex launched an extension to the N80/90 series, which is suitable for lower wind locations. In this way, Nordex will be able to cover all typical location types (IEC 1 to 3) with a single family of turbines. In the course of this work the 2.5 MW platform was further extended. This included work on the rotor blades, rotor hub and machine bearer as well as the pitch and azimuth system and operations management. A 120-meter hybrid (concrete/steel) tower was developed for non-coastal regions in particular, with preliminary prototypes installed. The US version of the N90 installed in the United States in June 2007 was thoroughly measured and tested. For work on the next generation of turbines in the power class above a nominal capacity of 3 MW the focus was on the overall design of the system and looking into options in the sub-systems.

Product development activities at Nordex focused on adjustments to turbines to meet further international grid requirements. In this context, new operation management software was also developed.

In 2007, Nordex increased the number of patent applications (national preliminary patents), to 31 (2006: 19).

QUALITY ASSURANCE

Nordex has been using ISO 9001 for improving its internal business processes and quality management system since 1992. In the year under review Veritas Quality International (BVQI) recertified the Company according to ISO 9001. A scheduled review of the quality management system according to DIN ISO 9001 will be conducted by the "BVC" certification company in spring 2008. A further focal area of quality assurance related to various localisation projects in China. New suppliers were trained with a view to procuring the majority of components for Chinese production locally. Comparable products were implemented in Europe to ensure reliable supplies. 68 suggestions were received in the in-company suggestion system (2006: 39).

New heights reached away from the coast.
N90 on a 120 meter hybrid tower (steel-reinforced concrete).

EMPLOYEES

The number of employees at Group level increased by 59% to 1,597 as at balance sheet date (December 31, 2006: 1005). In addition to this, the Group engaged 193 temporary workers (December 31, 2006: 182), who were primarily used in the Production and Service departments. The increase in the Company's own personnel affected principally the foreign companies and operative units. In China, the number of employees rose to 401 (December 31, 2006: 44). In the two new factories alone a total of 333 staff were employed at the end of 2007. In France the number of employees increased by 27 to 101 and in the UK by 22 to 39 persons. Some 700 of the Company's own employees were working in the Production division (incl. China) as at the balance sheet date (December 31 2006: 284). Project management also increased its workforce to an above average degree of some 62%. This year, the percentage of temporary workers is to be reduced in favor of the Company's own staff.

In the year under review the Group further extended its staff training programmes. In 2007 the management training programme was conducted for the third time, a programme that some 100 members of staff have now participated in. In addition to this, a second trainee course was started with six new university graduates. At the beginning of 2008 the "Nordex Academy" moved into new and larger premises that also include a workshop of its own for teaching in production. The first modules for an eLearning were implemented in order to make it possible for decentralised training courses to be held in accordance with a uniform standard. Further specific training and qualification measures were conducted at the Company's other facilities.

EMPLOYEES (%) BY SEGMENT (INCLUDING AFFILIATED COMPANIES)

Departments	2006	2007
Administration	11	11
Project Management	7	7
Engeneering	11	10
Service	16	14
Abroad/Sales (2007 excl. Prod.)	29	16
Production (2007 incl. China)	26	42

Focus on internal training: New Nordex Academy in Rerik, Germany.

REMUNERATION SYSTEM

The employees of the Nordex Group receive an annual salary which is paid in twelve monthly instalments; technical employees receive a basic monthly wage plus overtime, night, weekend and public-holiday bonuses. These bonuses have been fixed in a company agreement entered into with the employee representatives. At the same time, flexible work time models in the form of work time accounts are possible, meaning that overtime bonuses are the exception rather than the rule. The service contracts for management staff provide for a basic salary and generally also performance-tied variable components based on target agreements. In individual cases, Nordex grants non-cash benefits to employees in the form of company car arrangements, food advances and training assistance. A staff stock option programme is currently being prepared by management and is to be implemented in the course of the year. With this in mind, in May 2008 management will be submitting a proposal for an increase in Contingent Capital at the annual general meeting.

For the employees of its German facilities, Nordex agreed on a new remuneration system with the employee representative council. This system no longer differentiates between Eastern or Western Germany or between office and technical staff. Instead, remuneration is based solely on the specific profile of requirements for the position in question. All positions are assigned to ten categories. In this way, Nordex wants to enhance transparency and strengthen staff motivation. Nordex offers its employees a company pension in the form of remuneration conversion to which it adds a maximum of ten percent to the converted amount. The compensation paid to the Management Board comprises fixed and performance-tied variable components. The variable components are calculated on the basis of the Group's net earnings. The variable component comprises 40% and 50% of the total compensation. In addition to a company car, which may also be used privately, contributions to pension savings schemes are also provided up to the maximum amount permitted under the statutory pension system. Other than this, there are no material fringe benefits. The Management Board contracts have a term of between three and five years. One contract may be terminated at the end of any calendar year subject to six months' notice.

Rostock, February 2006:
Putting the finishing touches to the first offshore turbine in Germany

OUTLOOK

In its economic forecast for fiscal 2008 the VDMA projects a slight downturn in growth momentum in GDP to 4.8 percent (2007: 5.2%) For the euro zone the association sees an increase of two percent. It states that developments in the United States are facing higher risks due to the threat of consumer restraint on the part of private households. The VDMA takes a more optimistic view of the prospects for international mechanical engineering with experts projecting a real increase in sales of some 5 percent for the sector as a whole. For China estimates assume growth in the high double-digit range and these have also been confirmed by the Centre for European Economic Research. The economic prospects for Germany improved substantially in February 2008. The international mechanical engineering segment gives an upbeat assessment of its situation in the survey.

As a sub-segment of mechanical engineering, especially the wind industry is looking to further years of growth. Some analysts have made a further upward adjustment in their forecasts, which were anyway good. To give just one example, MAKE Consulting projects average annual growth for new installations of more than 11 percent by 2012 and in its latest study (February 2008) forecasts that individual markets will grow much faster. Some instances of this are Ireland (up 47%), Canada (up 31%), UK (up 27%), Portugal (up 22%), Poland (up 20%) and China (up 16%). But entering volume markets like the USA also offers Nordex sales potential in areas without great growth momentum. Overall, in this context it should be noted that studies on the wind industry market do not generally reflect the demand, but expected new installations, which thus already allow for potential supply bottlenecks.

Nordex also plans to continue growing more quickly than the market in the medium term. Given stable market conditions, management believes that annual growth of 50 percent on average by 2011 is possible. On this basis the growth of the group beyond 2009 is sufficiently secured in the form of orders. However, in the case of some of the projects planned for this year and beyond there may be postponements if there are delays, for instance in obtaining final building permits or with the grid connection. This may affect the so-called conditional orders. Against the backdrop of these uncertainties, a sales bandwidth of EUR 1.2 to 1.0 billion is possible in fiscal 2008.

Operating profit (EBIT) is set to improve further thanks to higher margin contributions for projects already booked and yet to be realized this year. Secondly, the profitability improved due to economies of scale attributable, among other things, to the below-average increase in personnel expenditure. For this reason profitability is linked directly to sales. If Nordex achieves the upper end of the bandwidth, a margin of up to eight percent is possible. Sales at the lower end would equate to an EBIT margin of around 6 percent as the structures for the higher sales volume will already have been set up.

This year capital spending will increase substantially in particular as a result of the extension of the Rostock facility commenced in January 2008. Nordex plans to invest a total of EUR 86 million at this location alone by the year 2010. A further capital spending programme is planned from mid-2008 in order to extend the plant in China. Overall, investments of around EUR 50 million are planned for China over the coming years. The target is to extend capacity to 2500 MW p.a. (Rostock plant) and 800 MW p.a. (plants in China).

With respect to Nordex AG's future development, the Management Board expects a further improvement in earnings thanks to the favorable business prospects for Nordex Energy GmbH, with which a profit transfer agreement is in force.

Given the uncertainty inherent in forward-looking statements, it should be noted that actual events may vary considerably from expectations if the assumptions underlying the forward-looking statements prove to be incorrect.

RISKS AND OPPORTUNITIES

In their commercial activities companies are exposed to risks. Given the conditions of a complex environment and the need to make rapid decisions in order to take advantage of entrepreneurial opportunities, it is not possible to completely pre-empt all potential risks. However, early-warning systems can encourage risk-conscious action and reduce the likelihood of risks occurring. This is also a requirement of the "Act on Corporate Controlling and Transparency" (KonTraG).

Nordex AG has such a system in place, which tracks all discernible risks to the Group and classifies them according to likelihood and loss potential. Risk officers from the central and strategic departments are responsible for continuous monitoring and initiating suitable countermeasures. Risk management has been implemented as an integral part of the core processes. This ensures the continuous supervision of risks from the offer to the service process. Particular focuses in this connection are concomitant calculation while projects are being processed and risk monitoring in the guarantee period. Furthermore, every six months extensive risk reviews are conducted in order to be able to constantly assess the risk situation in the Company.

General risks

Liquidity risk

The liquidity risk, i.e. the risk of not being able to meet current or future payment obligations due to a lack of funds, is controlled by the Treasury department at Nordex AG. In order to ensure the ability to pay at any time, liquid funds are kept available with a view to being able to fulfil all planned payment obligations as they fall due throughout the Group. For this the Group members report their medium-term planned incoming and outgoing payments on a weekly basis. In addition, a liquidity reserve is maintained for any unplanned revenue shortfalls or additional expenditure. Liquidity is checked regularly and adjusted in line with the actual situation as and when required. Excess funds are mainly invested in the form of sight or term deposits. On top of this, bank facilities are available and member companies provide the Nordex AG Treasury department with details of expected guarantee requirements on the basis of current sales plans. The central department compares guarantee requirements with the available guarantee facilities and centrally issues any guarantees required for Group companies via the banks.

Exchange-rate risks

Payment flows in foreign currencies are generally recorded as risk items. The Group members report their currency exposure centrally to Nordex AG. All hedging of foreign currency transactions is transacted by Nordex AG's Treasury department to ensure that all current foreign-currency items and, thus potential risk, can be monitored on an ongoing basis.

In some cases, derivative financial instruments are used to limit exchange-rate risks. It is not permissible for such instruments to be held for speculative purposes. Hedges are transacted only if there is a corresponding host contract. These transactions are executed on a central basis by Nordex AG as the parent company.

All of Nordex AG's counterparties in contracts for derivative financial instruments are domestic and foreign banks with investment-grade ratings. This requirement ensures that default risks with respect to counterparties' payment obligations are largely secured.

All transactions involving derivative financial instruments are subject to strict monitoring, which is particularly ensured by a strict separation of trading, back-office and supervisory functions.

Credit risks

The Group only does business with creditworthy third parties. All principal new customers that wish to do business with the Group on a credit basis are subjected to a credit check. Furthermore, the receivables are regularly checked with the result that the Group is not exposed to any major default risks. There are no substantial concentrations of default risks in the Group. The maximum default risk is limited to the carrying amount of the receivables in question. In the case of the Group's other financial assets, such as cash and cash equivalents, the maximum credit risk in the event of a counterparty default corresponds to the book value of these instruments.

Material risks

The material risks to which the Group is exposed are described in the following sections. The order in which they are presented should not be construed as indicating the probability of occurrence or the extent of potential loss.

Industrial property rights

The main risks to the Company's status as a going concern include the alleged breach of industrial property rights held by a competitor in connection with general compliance with the grid connection conditions for wind energy systems. Nordex, some competitors and one utility have lodged objections to these industrial property rights. If these property rights were to prove valid, manufacturers of systems that fulfil these conditions would, if appropriate, have to pay license fees to the holder of the patent.

Risk of supply and raw materials

The second group of material risks relates to the current tight situation in the procurement market. Delivery shortfalls may disrupt the production process and result in delays in the completion of wind farms. As a result, Nordex may be subject to penalties and also fail to achieve its growth targets. Nordex has addressed this problem by adopting a multi-supplier strategy, early ordering of requirements and the qualification of new partners. This is linked to the further risk of quality problems from procuring components from new, less experienced suppliers. The Quality Assurance and Engineering departments are responsible for training new suppliers according to a predefined process.

In connection with the strong growth in demand Nordex has signed delivery contracts up to the year 2010. In this connection, there are price risks with respect to steel and copper in particular. For selling purposes, assumptions have been made with respect to possible price increases. There is a risk that the anticipated increase in the cost of materials may have been underestimated in the sales calculation as the sales organisation is still being restructured and expanded in order to meet these new challenges. To date, Nordex has been able to deal with the risk involved in the cost of materials by indexing delivery contracts and raising selling prices.

Personnel risks

In order to handle the rapidly growing volume of business, above all in the operating divisions, Nordex has to set up new personnel structures, find qualified specialists to fill new positions and introduce them to the Company's operating procedures. Here there are risks that insufficient qualified staff can be recruited and that delays occur in training for the specific position. Nordex has set up a personnel marketing system, engaged external consultants and extended its own training academy in order to handle these tasks.

Localization risks

The fifth risk relates to the subsidiaries in China. If the localisation projects are postponed, the expected margin contributions from ongoing projects might be lower than planned.

Risks of grid compliance

The Company sees the sixth risk as failure to observe grid connection guidelines, which could lead to a sales risk. If existing farms are only permitted to be operated at a lower output, Nordex would have to make up for any earnings losses. The solution of this technical topic is currently one of the principal focuses of work in the Engineering department.

A further material risk relates to the effects of a possible sale of shares by the current major shareholders on capitalised deferred taxes on losses carried forward. The previous rules for the purchase of shell companies in § 8 Abs. 4 of the Corporate Tax Act has been replaced by a new regulation in § 8 c of the Corporate Tax Act. This will mean that in future a change in shareholders will be able to restrict the deduction of losses.

Risk of limited scope for utilizing tax losses

A further material risk relates to the effects of a possible sale of shares by the current major shareholders on deferred tax assets tax losses. The previous rules for the purchase of shell companies in Section 8 Abs. 4 of the Corporate Tax Act have been replaced by a new regulation in Section 8 c of the Corporate Tax Act. This will mean that in future a change in shareholders may restrict the scope for utilizing tax losses.

The new arrangement includes a two-stage restriction of losses:

- pro rata decrease in the loss deducted in the case of a transfer of shares or voting rights of more than 25% to 50% to one purchaser or a related party or to a group of purchasers with similar interests (pro rata decrease in loss for the amount of the prejudicial acquisition of shares).
- In the case of transfer of more than 50% of shares or voting rights: complete extinguishment of the loss deduction.

According to § 34 (7 b) of the Corporate Tax Act the new restriction of loss deduction applies for the first time for share transfers after December 31, 2007.

In the case of a share transfer of more than 50% to a purchaser after January 01, 2008 the use of tax carryforwards disappears without any further check. In the case of a share transfer of more than 25% to 50% the losses disappear on a pro rata basis.

Opportunities

The growing attention in public debate being paid to climate change has precipitated extensive political decisions in the OECD countries and a number of emerging markets in favor of the greater use of renewable energies. This could result in a further improvement in the sales situation. For instance binding targets for electricity from renewable sources might increase the demand for wind turbines as electricity from wind energy is one of the most inexpensive methods of generation.

The higher reimbursement for electricity from offshore wind farms could give a boost to this demand segment. As the supplier of the first commercial farm in German waters, Nordex is already well qualified.

International trade in CO_2 certificates is relevant particularly for countries which currently do not have effective systems for promoting the use of renewable energies. If the climate debate leads to reasonable prices for these certificates, this could allow new markets to be entered.

Extending activities in project development in Sweden, Poland and Turkey offers additional opportunities in terms of business volume and project profitability. Improved references in the area of service could mean that this division will be engaged to look after other companies' systems.

Deviations of a positive or negative type in all of the opportunities and risks presented here must be expected in view of the inherent uncertainty of all forward-looking statements.

Management Board report on relations with affiliated companies

No transactions and measures were implemented or omitted by the Company at the behest or in the interest of the controlling company (or with this associated company) during the period under review of fiscal 2007.

Disclosures in accordance with Sections 289 (4); 315 (4) of the German Commercial Code (new version)

In accordance with the amendments to Sections 289 (4) and 315 (4) of the German Commercial Code taking effect on January 1, 2007, the following further mandatory disclosures are made:

- In the period under review, the Company's fully paid up share capital of EUR 64,345,000, divided into 64,345,000 bearer shares, was increased by EUR 2,500,000 to EUR 66,845,000 through the issue of 2,500,000 new bearer shares using part of the Authorised Capital I available as of the date of this issue. To each share is attached one voting right. As at December 31, 2007, the Company had Authorised Capital I of EUR 13,586,250, equivalent to 13,586,250 shares, Contingent Capital I of EUR 15,086,250, equivalent to 15,086,250 shares, as well as Contingent Capital II of EUR 1,000,000, equivalent to 1,000,000 shares, each with a notional value of EUR 1.00 per share.
- The notifications submitted by shareholders of the Company in accordance with the German Securities Trading Act indicate that some of Nordex AG's financial investors have entered into agreements to pool voting rights. The underlying agreements are not known to the Company.
- As of the balance sheet date, the following companies held more than 10 percent of the voting rights with respect to Nordex AG. CMP Fonds I GmbH, Berlin, held 17,092,529 shares and, thus, 25.57 percent of the voting rights. Stichting Administratiekantoor GS NDX Investment Trust, Amsterdam, held 11,185,879 shares and, thus, 16.73 percent of the voting rights.
- The appointment and dismissal of members of the Management Board is governed by Sections 84 and 85 of the German Stock Corporation Act; Section 7 of the Company's bylaws corresponds to the statutory provisions.

In accordance with Section 179 of the German Stock Corporation Act, the Company's bylaws may only be amended with a resolution passed by the shareholders. Contrary to the statutory provisions, Section 19 of the Company's bylaws stipulates that a simple majority of the votes cast and a simple majority of the capital represented are sufficient for passing a resolution to amend the bylaws unless a higher qualified majority of the votes cast and/or capital represented is mandated by law. Section 25

of the Company's bylaws makes use of the statutory option of authorising the Supervisory Board to make amendments to the version of the bylaws.

- Although the Management Board is permitted to issue new shares using the Authorised Capital I and the Contingent Capital I and II, Contingent Capital I having been established by the shareholders at the annual general meeting held on May 15, 2007, this was not taken advantage of in the period under review (with the exception of the use of Authorised Capital I in fiscal 2007 for the purpose of the cash equity issue of 2,500,000 new shares). In accordance with the statutory provisions in connection with Section 4 of the Company's bylaws, this permission granted to the Management Board entails the following:

Authorised Capital I

In accordance with Section 4 (2) of the Company's bylaws, the Management Board is authorized with the Supervisory Board's approval to raise the Company's capital once or repeatedly by up to EUR 16,086,250 by issuing new bearer shares on a cash or non-cash basis up until April 30, 2011 (Authorized Capital I); following the cash equity issue conducted in the period under review, this authorization also includes the possibility if increasing capital from Authorised Capital I by up to a total of EUR 13,586,250.-.

The Management Board is additionally authorised with the Supervisory Board's approval to exclude the shareholders' pre-emptive subscription rights including but not limited to in the following cases:

- in the event of cash equity issues particularly for the purpose of acquiring companies, parts of companies or equity interests;
- if, in the case of a cash equity issue for which the pre-emptive subscription rights are excluded, the total share of the capital does not exceed 10% of the share capital in existence on the date on which the resolution to utilize Authorised Capital I is passed and the issue price of the new shares is less than the market price of the shares of the same class and rights already listed as of the date on which the final issue price is determined by the Management Board as defined in Section 203 (1) and (2) in connection with Section 186 (3) 4 of the German Stock Corporation Action, and
- fractional amounts.

The Management Board is authorized with the Supervisory Board's approval to determine the details of the execution of the equity issue using Authorised Capital I including but not limited to the specific rights attached to the shares and the other conditions of the issue.

Contingent Capital I

The Management Board is authorised with the Supervisory Board's approval to grant once or repeatedly bearer debentures with conversion rights and/or obligations (convertible bonds) as well as option bonds (together and separately also "debentures") and to grant the holders or creditors of these debentures conversion and/or option rights on the Company's bearer shares with a pro rata share of the Company's share capital of a total of EUR 15,086,250 by April 30, 2011 pursuant to conditions for convertible bonds and option bonds (together and separately also "bond terms and conditions). The total nominal amount of the debentures granted may not exceed an amount of EUR 300,000,000.– and their term may not exceed twenty years.

The shareholders have a right to subscribe to the debentures. The debentures may also be transferred to one or more financial institutes with the obligation to offer them to the shareholders. The Management Board is authorised with the Supervisory Board's approval to exclude the shareholders' subscription rights in order to

- offer the debentures for subscription to individual investors or strategic partners provided that the volume of shares to be issued upon conversion of the debentures does not exceed 10% of the share capital in existence on the date on which the resolution to utilize this authorization is passed in accordance with Sections 221 (4) Sentence 2; 186 (3) Sentence 4 of the German Stock Corporation Act and the issue price does not exceed the theoretical market price of the debentures calculated using acknowledged methods of financial mathematics. That amount is to be added to the amount of 10% of share capital accounted for by equity issued and/or sold in accordance with an authorisation excluding the shareholders' pre-emptive subscription rights applying Section 186 (3) Sentence 4 of the German Stock Corporation issued and/or sold over the previous 12 months; and
- the shareholders' subscription rights shall be excluded for fractional amounts arising from the fixing of the subscription ratio.

The exchange ratio to be fixed is calculated by dividing the nominal amount of any lower issue price for an individual debenture by the conversion or option price stipulated and may be rounded up or down to form a full figure. The exchange ratio and the conversion or option price for a share may be variably fixed, i.e. depending on the performance of the trading price during its lifetime. However, the conversion or option price must amount to at least 95% of the average closing price of the Company's shares ("minimum price") determined on the Frankfurt stock exchange in Xetra trading (or a replacement system with comparable functions) on the last ten trading days prior to the date of the resolution by the Supervisory Board on approval of the issue of debentures or in the event of subscription rights for the debentures during the days on which the subscription rights may be exercised (with the exception of the last five calendar day prior to expiry of the subscription period).

The exchange ratio and the conversion or option price may be reduced in accordance with a non-dilution clause after the conditions of the convertible bond or option have been determined if during the option or conversion period the Company increases its share capital, issues further bonds with warrants or convertible bonds or grants or warrants and the holders of existing option or conversion rights are not granted any subscription rights of the type to which they would be entitled after exercise of the option and conversion rights and the Company does so by granting exclusive subscription rights to its shareholders or by means of an equity issue using the Company's own funds. In addition, the bond terms and conditions may provide for an adjustment in the option and conversion rights and duties in the event of a cut in the Company's capital.

The bond terms and conditions may also give the Company the right to grant the bond creditors shares in the Company instead of paying the amount of money due, wholly or in part, when the bonds mature (this also includes maturity due to cancellation). In this case the conversion or option price pursuant to the bond terms and conditions may equal the average closing price of the Company's shares determined on the Frankfurt stock exchange in Xetra trading (or a replacement system with comparable functions) on the last ten trading days before or after the date of maturity even if this average price is lower than the aforementioned minimum price.

The Management Board is authorised with the Supervisory Board's approval to determine the further details of the issue and rights attaching to the debentures including but not limited to the interest rate, additions, dilution protection, duration, issue price and exercise periods, denomination, conversion or option price, types of performance and termination of the debentures; this does not prejudice Section 9 (1) of the German Stock Corporation Act. The bond terms and conditions may provide for the Company to grant the entitled party its own shares instead of new shares using Contingent Capital I in the exercise of the conversion or option rights. Furthermore, it may also be stipulated that the Company may grant the party with conversion and option rights the equivalent in cash instead of shares in the Company.

Contingent Capital II

The Management Board is authorised with the Supervisory Board's approval to issue up to 1,000,000 subscription rights for shares in Nordex AG in accordance with the following terms ("stock option plan") on or by December 31, 2008. The main elements of the stock option plan are as follows:

(1) Eligible persons

Under the stock option plan, rights to subscribe to bearer shares issued by the Company ("subscription rights") are granted to members of the management of affiliated companies in which the Company holds a majority interest as defined in Sections 15 et seq. of the German Stock Corporation Act and which themselves are not listed ("Nordex Group") as well as to the executives and other staff of the Company provided that such persons are not members of the Company's Management Board. A total of 1,000,000 subscription rights ("total volume") may be issued to all eligible persons in their entirety during the term of the stock option plan until April 30, 2011. The subscription rights are assigned to the individual groups of the eligible persons as follows:

(a) up to 700,000 to members of the management of German and non-German Nordex Group companies,

(b) up to 300,000 to executives and employees of the Company.

The precise number of eligible persons in these two groups and the volume of the stock options which they are to be offered are determined by the Management Board in the light of the individual performance and capabilities of the eligible persons.

(2) Grant periods

The grant of subscription rights is confined to four periods per year ("grant periods"). Subscription rights may be granted within 21 (twenty one) days after the announcement of the results for the previous fiscal year or within 21 (twenty one) days after the announcement of the results for the applicable quarter of the current fiscal year provided that this is no later than two weeks prior to the end of the current quarter and, for the final time, in the grant period following the day on which the results for the second quarter of the 2008 fiscal year are announced. For this purpose, the results are deemed to have been announced on the date of first publication of the final results for the quarter or fiscal year in question.

The day on which the subscription rights are allocated ("allocation day") is determined by the Management Board with the approval of the Supervisory Board.

(3) Term of subscription rights, vesting period exercise periods.

The subscription rights have a maximum term of four years as of the allocation day but may not be exercised until the vesting period has expired. The vesting period expires two years after the allocation day.

The exercise of subscription rights is confined to two periods per year ("exercise periods"). The subscription rights may be exercised (i) within 28 (twenty eight) days after the announcement of the results for the previous fiscal year or (ii) within 28 (twenty eight) days after the announcement of the results of the second quarter of the current fiscal year and for the final time in the exercise period following the day on which the results for the 2010 fiscal year are announced. The subscription rights may not be exercised outside these exercise periods.

In addition, the bearers of subscription rights are bound by the restrictions arising from general legal stipulations, e.g. the Securities Trading Act (insider provisions).

(4) Content of subscription rights, target and exercise price

(a) Content and target

The subscription rights may only be exercised within their terms in accordance with (3) above provided that the price of the Company's ordinary shares in Xetra trading (or a replacement system with comparable functions) on the Frankfurt Stock Exchange exceeds the base price by at least 20% on ten trading days preceding the day on which the subscription rights are exercised. The option rights may only be exercised as long as the holder's employment contract with the Nordex Group company remains non-terminated. Special rules may be adopted to provide for death, invalidity, pension or the non-terminated expiry of the employment contract.

(b) Exercise price

The subscription rights are granted free of any consideration. Upon exercise of the subscription rights, an exercise price must be paid for each subscription right exercised. For the purpose of the exercise of the subscription rights, the exercise price for an ordinary share issued by the Company is the base price. The base price is defined as the arithmetic mean of the closing price of the Company's shares determined on the Frankfurt stock exchange in Xetra trading (or a replacement system with comparable functions) on the last ten trading days prior to the date on which the subscription rights are allocated. This does not prejudice Section 9 (1) of the German Stock Corporation Act.

(5) Settlement of subscription rights

Subscription rights may also be settled in the form of treasury stock or in cash in lieu of new shares using Contingent Capital II, which has been established for this purpose, provided that the conditions for this are met.

The conditions for the stock option plan should be such that this choice is available to the Company. A cash settlement should equal the difference between the exercise price and the opening price of the Company's ordinary shares in Xetra trading (or a replacement system with comparable functions) on the Frankfurt Stock Exchange on the day on which the subscription right is exercised.

(6) Further rules

The Management Board is authorised with the Supervisory Board's approval to determine further option conditions including details of the grant, the form and the settlement of subscription rights as well as the conditions for exercise. This also applies to the provision for dilution protection in the event of any changes to the Company's capital. The dilution protection is to comply with the usual practices of the capital markets unless an adjustment mechanism is provided for by law.

(7) Tax

All taxes in connection with the exercise of the subscription rights or the sale of the shares in the company by the eligible persons are to be borne by such eligible persons.

(8) Reporting duty

The Management Board and the Supervisory Board will report to the shareholders at the annual general meeting on each utilisation of the stock option plan and the subscription rights granted to the eligible persons.

- Nordex Energie GmbH has entered into a license contract with pro+pro Energiesysteme GmbH & Co. KG, which has since been amalgamated by REpower Systems AG, under the terms of which Nordex may produce and distribute S70 and S77 type wind power systems and work on further developments to such systems free of any restrictions for an unlimited period of time.

The licensor may terminate the license contract for good cause if a direct competitor of the licensor acquires either directly or indirectly a share of at least 25% of the voting capital of the licensee or the entity which controls it, i.e. Nordex AG. In the event of an extraordinary termination of the license contract, however, the Company assumes that it would be possible to use the new and further developments embodied in the systems without utilising the licensed expertise by means of technical modifications which would be possible at reasonable expense and to continue producing and distributing these wind power systems.

- An agreement has been entered into with one member of the Management Board under which, in the event of a takeover offer, his basic salary as well as the variable performance-tied remuneration will be paid until June 30, 2008 without any check of performance and without netting any other remuneration.

Events after conclusion of the period under review

The Nordex Group's new business has also continued to develop gratifyingly this year. In January 2008, it received new contracts for volumes of 150 MW and 65 MW from China and the United States, respectively. This was followed in February 2008 by major contracts for 330 MW and 215 MW from Italy and Spain. In addition, Nordex has been able to enter the Polish market via four contracts, the largest one of which entails a wind farm with a nominal output of 50 MW.

The North American government has not yet extended the PTC beyond the year 2008. In February a corresponding initiative by Congress came to nothing in the Senate. The aim was to extend the PTC within the framework of the economic stimulus pakkage. The point of conflict at the moment is the counter-financing model.

In spring 2008 the "Nordex Academy" moved into new premises. The more than 1,000 square meters of space will make it possible to offer many more advanced training courses for staff in the future.

Branches

The head offices of Nordex Aktiengesellschaft are located in Rostock. The Company maintains a branch in Norderstedt, which is the seat of Nordex AG's main administration.

Rostock, March 2008

T. Richterich	C. Pedersen	H. Müller	B. Schäferbarthold
Chief Executive Officer	*Management Board*	*Management Board*	*Management Board*

CORPORATE GOVERNANCE REPORT

On August 08, 2002, the Corporate Transparency and Disclosure Act (§ 161 German Public Companies Act) came into effect, imposing on the Management Board and the Supervisory Board of listed companies the obligation to state once a year whether the recommendations contained in the German Corporate Governance Code were or will be conformed to and to specify the recommendations that are not being applied. The Code sets out the main statutory rules for the governance and supervision of listed companies as well as internationally recognised standards of good and responsible corporate management. This "corporate constitution" is deliberately flexible in nature in order to accommodate specific sector and company requirements. On the one hand, this is done by means of optional and advisable recommendations. On the other, companies may also deviate from mandatory recommendations in justifiable cases. As a result of the amendments to the Code of June 2, 2005, Nordex is now disclosing details of the recommendations not adopted (see Point 2.3.4), sets out the compensation paid to the Supervisory Board in the corporate governance report and has published the declarations of conformance for the past five years.

Nordex AG welcomes the introduction of the Corporate Governance Code as a transparent and generally acknowledged set of rules. The Declaration of Conformance has also been published on the Internet under: www.nordex-online.com/investor-relations.

Declaration of Conformance by the Management and Supervisory Board on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act

The recommendations set out in the German Corporate Governance Code as amended on June 14, 2007 were conformed to in fiscal 2007 save for the following exceptions. This will also continue to be the case in the future.

2.3.4. Transmission of the annual general meeting

Nordex has so far not transmitted its annual general meeting using modern communication facilities (e.g. the Internet). It has not adopted this recommendation as it takes the view that the costs are not justified given the small interest expressed by its shareholders to date. Moreover, only a small number of shareholders have the technology to watch the annual general meeting on a streamed basis. At the moment Nordex considers press work to be a more suitable method of communicating the details of the debate conducted at the annual general meeting.

3.8 D&O insurance

Nordex has waived a deductible on the D&O insurance (directors and officers third party liability insurance) for members of the Management Board and Supervisory Board. This is because it is convinced that the members of these two bodies are doing everything to avert potential harm to the Company. Responsibility towards the Company and a sense of motivation are not encouraged by imposing a deductible on D&O cover. In addition, the inclusion of a reasonable deductible would not have any effect on the insurance premium.

4.2.3 + 4.2.4 + 4.2.5. Individual breakdown of Management Board compensation

As the Company's shareholders have made use of their right under Section 286 (5) of the German Commercial Code and passed a resolution dispensing with the individualized disclosure required by Section 285 (1) No. 9 lit. a Sentence 5 - 9 and Section 314 (1) No. 6 lit. a) Sentence 5 and 9 of the German Commercial Code of the total compensation paid to the members of the Company's Management Board for a period of five years commencing on January 1, 2006, i.e. up to and including the 2010 fiscal year, Nordex continues to refrain from individualizing the compensation paid to members of the Management Board including benefits received by third parties in consideration of the performance of their duties in this capacity. The Company does not believe that the details of the remuneration system constitute information of central importance for the capital markets. However, the Company wishes to state that all members of the Management Board hold shares in Nordex AG: Thomas Richterich (Chairman) and Dr. Hansjörg Müller (Operations) hold 206,143 and 164,915 shares respectively via dormant sub-participations (excluding voting and selling rights) and are thus exposed to the stock. Carsten Pedersen (Sales and Marketing) holds 99,000 shares directly and 2,612,551 million shares indirectly via his 50% stake in Nordvest A/S. In addition Thomas Richterich (CEO) and Dr. Hansjörg Müller (Operations) are entitled to a share of the proceeds from any sale of the shares held in the Company by CMP Capital Management Partners and Goldman Sachs (excess profit participation).

5.4.5 Compensation of the Supervisory Board

The Supervisory Board currently does not receive any performance-tied remuneration. A resolution to reorganise compensation arrangements is to be passed at the annual general meeting in May 2008. The individualised compensation paid to members of the Supervisory Board is set out in the Company's bylaws (www.nordex-online.com/online-service). This amount equals EUR 15,000 per year for each member of the Supervisory Board. The chairman receives double and his deputy one-and-a-half times this amount.

4.3.2. + 5.5.2 Potential conflicts of interest

In two cases members of the Nordex AG Supervisory Board hold management functions with the Company's business partners. In one case, a member of the Management Board holds shares in a business partner. There were no material conflicts of interest in any of the three cases. The details are as follows:

Siempelkamp Gießerei GmbH & Co. KG supplies Nordex with cast parts for wind turbines. As the parent company of the Siempelkamp Group, G. Siempelkamp GmbH & Co. KG is the sole shareholder of Siempelkamp Gießerei GmbH & Co. KG. In his capacity as the spokesman of the management board of G. Siempelkamp GmbH & Co. KG, Dr. Hans Fechner, who is a member of Nordex AG's Supervisory Board, is not involved in the operative decisions of Siempelkamp Gießerei GmbH & Co. KG and does not exert any specific influence on these business relations.

Martin Rey, who is a member of Nordex's Supervisory Board, is executive director of Babcock & Brown Ltd., Sydney, and managing director of Babcock & Brown GmbH, Munich. In 2007 companies in the Babcock & Brown Group purchased wind turbines from Nordex. Mr. Rey was not personally involved in contractual negotiations between Nordex and Babcock & Brown and did not exert any material influence on these.

Management Board member Carsten Pedersen holds a share in Welcon A/S. In the year under review, Welcon was a supplier of towers to the Nordex Group. The purchasing relations with Welcon are strictly in line with the market standard. Orders are placed only after intensive comparisons of prices and services. Mr. Pedersen in his capacity as COO Sales and Marketing is not involved in these decisions. As Welcon is one of the most efficient producers of towers in Northern Europe, it has been one of Nordex's suppliers for many years.

In addition, Nordex's COO Sales and Marketing Carsten Pedersen is a member of the Supervisory Board of the Danish project developer Greentech Energy A/S, which ordered wind power systems from Nordex in 2007. Mr. Pedersen was not directly or materially involved in negotiations for the delivery contracts for either company.

Finally, it should be noted that the members of the Supervisory Board hold personal mandates with duties of confidentiality.

7.1.2 Reporting dates

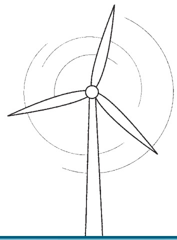
Nordex complies with the follow-up admission rules stipulated for the Prime Standard. These transparency standards formulated by Deutsche Börse are among the strictest in Europe. Among other things, the stock-market rules stipulate that annual reports must be published within four months and quarterly reports within two months of the end of the period to which they refer. Nordex believes that the 90/45-day rule provided for in the Code does not necessarily heighten transparency. Moreover, the billing practices in the mechanical and plant-engineering sector make it difficult to comply with shorter reporting deadlines. The Company will continue to publish its quarterly reports within the usual period of 60 days after the end of the period in question.

Director´s dealings

In the period under review members of the Management Board and the Supervisory Board engaged in the following transactions with Nordex stock of which they informed Nordex immediately.

DATE	PERSON	POSITION	NUMBER OF SHARES	MARKET	PRICE PER SHARE	TOTAL
23.11.2007	Dr. Hansjörg Müller	COO Operations	4,500 Sales	Xetra	30.52 €	137,340 €
23.08.2007	Jens-Peter Schmitt	Supervisory Board	5,280 Purchase	Xetra	29.93 €	158,030 €
16.08.2007	Jens-Peter Schmitt	Supervisory Board	11,250 Sales	Xetra	24.60 €	276,750 €
13.04.2007	Nordvest A/S	Legal entity in relation with member of Management Board	40,171 Sales	Xetra	27.03 €	1,081,200 €

SOUTH FRANCE, IN IDYLLIC SURROUNDINGS. CLEAN WATER, CLEAR AIR. ON THE HORIZON, A WIND TURBINE IS TURNING. IT'S NICE TO SEE HOW WELL MODERN TECHNOLOGY CAN BE INTEGRATED INTO THE COUNTRYSIDE.



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (IFRS)

AS OF DECEMBER 31, 2007

	(Notes)	Dec. 31, 2007 EUR 000s	Dec. 31, 2006 EUR 000s
Cash and cash equivalents	(1)	212,187	131,909
Trade receivables and future receivables from construction contracts	(2)	99,158	77,606
Inventories	(3)	231,828	141,197
Current financial assets	(4)	9,528	6,447
Other current assets	(5)	26,544	9,924
Current assets		**579,245**	**367,083**
Property, plant and equipment	(6)	35,236	27,837
Goodwill	(7)	9,960	9,960
Capitalized development costs	(8)	15,379	11,731
Other intangible assets	(9)	3,417	876
Non-current financial assets	(10)	3,854	7,156
Non-current assets	(11)	702	757
Other non-current assets	(12)	5,694	320
Deferred tax assets	(13)	50,282	31,721
Non-current assets		**124,524**	**90,358**
Assets		**703,769**	**457,441**
Trade payables	(14)	78,884	66,480
Provisions for income tax	(15)	2,612	1,209
Other provisions	(16)	34,352	31,690
current financial liabilities	(17)	6,863	954
Other current liabilities	(18)	279,232	185,100
Current assets		**401,943**	**285,433**
Non-current financial liabilities	(19)	1,124	1,199
Pensions and similar liabilities	(20)	486	262
Other non-current provisions	(21)	2,326	2,621
other non-current liabilities	(22)	7,811	7,953
Deferred tax liabilities	(13)	18,232	11,260
Non-current liabilities		**29,979**	**23,482**
Subscribed capital		66,845	64,345
Share premium account		156,010	82,760
Other equity components		–15,706	–14,770
Foreign currency adjustment items		824	324
Minority interests		1,439	2,291
Consolidated earnings brought forward		13,576	786
Consolidated earnings		48,859	12,790
Equity	**(23)**	**271,847**	**148,526**
Liabilities		**703,769**	**457,441**

CONSOLIDATED INCOME STATEMENT

(IFRS) 2007

	(Notes)	Jan. 1, 2007 – Dec. 31, 2007 EUR 000s	Jan. 1, 2006 – Dec. 31, 2006 EUR 000s
Sales	(25)	747,456	513,649
Changes in inventories and other own work capitalised	(26)	59,319	38,604
Total revenues		**806,775**	**552,253**
Other operating income	(27)	10,302	8,460
Cost of materials	(28)	–641,089	–446,527
Personnel costs	(29)	–54,986	–41,782
Depreciation	(30)	–14,022	–13,019
Other operating expenses	(31)	–66,846	–42,828
Earnings before interest and tax (EBIT)		**40,134**	**16,557**
Depreciation on investments	(32)	–1,000	–1,845
Interest and similar income	(32)	5,249	1,755
Interest and similar expenses	(32)	–5,317	–3,778
Financial result	(32)	–1,068	–3,868
Profit from ordinary activities before tax		**39,066**	**12,689**
Income taxes	(33)	8,941	–101
Net profit for the year		**48,007**	**12,588**
Minority interests	(34)	–852	–202
Earnings attributable to equity holders		**48,859**	**12,790**
undeluted / deluted earnings per share*)	(35)	0.74	0.21

*) on the basis in average: 65,595 mn shares (in the previous year 62,042 mn shares)

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

		Jan. 1, 2007 – Dec. 31, 2007 EUR 000s	Jan. 1, 2006 – Dec. 31, 2006 EUR 000s
Operating activities:			
Net profit/loss for the year		48,007	12,588
+	Depreciation on non-current assets	15,022	14,864
–/+	Decrease/increase in pension provisions	37	45
–/+	Decrease/increase in other provisions and tax provisions	3,770	– 19,881
+	Loss from disposal of non-current assets	226	40
–/+	Increase in inventories	– 90,631	– 70,146
+/–	Increase/decrease in trade receivables and future receivables from construction contracts as well as other assets not assigned to investing or financing activities	– 47,638	– 34,375
–/+	Increase/decrease in trade payables and other liabilities not allocated to investing or financing activities	111,875	163,439
+/–	Changes in deferred taxes	– 11,589	– 1,307
=	Cash flow from operating activities	**29,079**	**65,267**
Investing activities:			
+	Payments received from the disposal of property, plant and equipment/intangible assets	637	210
+	Payments received from the disposal of financial assets	3,559	157
–	Payments made for investments in property plant and equipment/intangible assets	– 28,473	– 19,075
–	Payments made for investments in financial assets	–188	–126
=	Cash flow from investing activities	**– 24,465**	**– 18,834**
Financing activities:			
+	Payments received on account of capital increase	75,750	71,840
+	Change in current bank loans	– 75	– 5,858
=	Cash flow from financing activities	**75,675**	**65,982**
Cash change in liquidity		80,289	112,415
+	Cash and cash equivalents at the beginning of the period	131,909	19,493
+	Changes due to extensions to companies consolidated	0	4
+	Exchange rate-induced change in cash and cash equivalents	– 11	– 3
=	Cash and cash equivalents at the end of the period (Cash and cash equivalants according to the consolidated balance sheet)	212,187	131,909

The net profit/loss for the year includes interest and similar expenditure of EUR 5,317,000 (previous year: EUR 3,778,000) as well as interest and similar income of EUR 5,249,000 (previous year: EUR 1,755,000).
Cash flows from income taxes come to EUR 111,000 (previous year EUR 90,000)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS) FOR 2007

	Subscribed Capital EUR 000s	Share premium EUR 000s	Other equity components EUR 000s	Foreign currency adjustment items EUR 000s	Minority interests EUR 000s	Consoli-dated net profit/carried forward EUR 000s	Consoli-dated net profit/loss EUR 000s	Total equity EUR 000s
January 01 2007	64.345	82.760	–14.770	324	2.291	786	12.790	148.526
Allocation of consolidated net income for fiscal 2006 to consolidated earnings brought forward	0	0	0	0	0	12.790	–12.790	0
Cash equity issue	2.500	73.250	0	0	0	0	0	75.750
Netting of cash equity issue costs	0	0	–1.269	0	0	0	0	–1.269
Valuation of financial instruments	0	0	333	0	0	0	0	333
Price differences Earings attributed to equity	0	0	0	500	0	0	0	500
Total earnings contributed to equity	2.500	73.250	–936	500	0	12.790	–12.790	75.314
Earnings attributable to shareholders in 2007 (excluding minority interests)	0	0	0	0	0	0	48.859	48.859
Minority interests 2007	0	0	0	0	–852	0	0	–852
Earnings of the year	0	0	0	0	–852	0	48.859	48.007
December 31, 2007	66.845	156.010	–15.706	824	1.439	13.576	48.859	271.847

	Subscribed Capital EUR 000s	Share premium EUR 000s	Other equity components EUR 000s	Foreign currency adjustment items EUR 000s	Minority interests EUR 000s	Consoli-dated net profit/carried forward EUR 000s	Consoli-dated net profit/loss EUR 000s	Total equity EUR 000s
January 01 2006	58.819	16.446	–13.025	427	0	9.003	–8.217	63.453
Allocation of consolidated net loss for fiscal 2005 to consolidated earnings brought forward	0	0	0	0	0	–8.217	8.217	0
Cash equity issue	5.526	66.314	0	0	0	0	0	71.840
Netting of cash equity issue costs	0	0	–900	0	0	0	0	–900
Difference value of first-time consolidation	0	0	–512	0	0	0	0	–512
Valuation of financial instruments	0	0	–333	0	0	0	0	–333
Price differences Earings attributed to equity	0	0	0	–103	0	0	0	–103
Total earnings contributed to equity	5.526	66.314	–1.745	–103	0	–8.217	8.217	69.992
Earnings attributable to shareholders in 2006 (excluding minority interests)	0	0	0	0	0	0	12.790	12.790
Minority interests	0	0	0	0	2.291	0	0	2.291
Earnings of the year	0	0	0	0	2.291	0	12.790	15.081
December 31, 2006	64.345	82.760	–14.770	324	2.291	786	12.790	148.526

NOTES ON THE CONSOLIDATED ANNUAL FINANCIAL STATEMENT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Nordex Aktiengesellschaft (Nordex AG), a listed stock corporation incorporated in accordance with German law, and its subsidiaries develop, manufacture and distribute wind power systems, particularly multi-megawatt turbines. Nordex Aktiengesellschaft is domiciled in Rostock, Germany. However, its headquarters are located in Bornbarch 2, 22848 Norderstedt, Germany.

Nordex AG stock is admitted to regulated trading subject to the advanced admission duties (Tec Dax) stipulated by Deutsche Börse. Its nominal capital as of December 31, 2007 stands at EUR 66,845,000.00 (December 31, 2006: EUR 64,345,000.00) and is divided into 66,845,000 (December 31, 2006: 64,345,000) no-par-value shares with a notional value of EUR 1.00 each.

Nordex AG's consolidated financial statements for the year ending December 31, 2007 were approved for publication in a resolution passed by the Management Board on March 13, 2008. The consolidated financial statements had not yet been approved in accordance with Section 170 et seq. of the German Stock Corporation Act.

The consolidated financial statements of Nordex AG and its subsidiaries were prepared in accordance with Section 315a of the German Commercial Code using the International Financial Reporting Standards (IFRS) as they are to be applied in the European Union. In this connection, all International Financial Reporting Standards and interpretations of the International Financial Reporting Interpretations Committee binding as of December 31, 2007 were applied.

The consolidated financial statements were prepared using the historical cost method. The consolidated financial statements are prepared in millions of euros.

In fiscal 2007, Nordex applied the current/non-current distinction provided for in IAS 1 for accounting for assets and liabilities.

At Nordex AG and all its consolidated companies, the fiscal year is identical to the calendar year. Other than this, there are no changes in the accounting and measurement methods used compared with the previous year.

Effects of new accounting standards
Standards applied for the first time in the year under review

In the year under review, the Group applied the following new and revised IFRS standards and interpretations for the first time. None of the new accounting rules had any material effect on the Group's net assets, financial position or results of operations. However, they did necessitate the inclusion of additional disclosures in some cases:

IAS 1 Presentation of Financial Statements

In August 2005, the IASB released a revised version of IAS 1 (Presentation of Financial Statements) providing guidance on disclosures concerning the Company's capital. Under these new rules, the notes to the annual financial statements prepared for years beginning on or after January 1, 2007 must include details of the Company's capital management. These modifications to IAS 1 (Presentation of Financial Statements) were necessary as a result of the introduction of IFRS 7.

IFRS 7 Financial Instruments: Disclosures

This standard calls for disclosures allowing the user of the financial statements to assess the significance of the financial instruments for the Company's financial position and profitability as well as the type and extent of the risks arising from such financial instruments. The resultant new disclosures affect the entire financial statements. The comparative figures for the previous year have been restated accordingly.

IFRIC 8 Scope of IFRS 2

This interpretation requires the application of IFRS 2 to all transactions in which a company cannot specifically identify some or all goods or services received. This particularly applies if the consideration for the equity instruments rendered by the entity appears to be less than its fair value. The application of this interpretation did not have any effect on its net assets, financial position or results of operations.

IFRIC 9 Reassessment of Embedded Derivatives

IFRIC 9 stipulates that a company must always assess a contract for a structured instrument as of the date on which the contract is signed to determine whether it contains an embedded derivative. It may only be remeasured in the event of a considerable change in the terms of the contract if this results in a significant change in the payment flows. As the Group does not have any embedded derivatives which need to be separated from the host contract, this interpretation did not have any effect on its net assets, financial condition and results of earnings.

IFRIC 10 Interim Financial Reporting and Impairment

The interpretation states that impairment losses on goodwill, equity instruments and financial assets measured at cost recognized in the interim financial report must not be reversed in the following financial statements. This interpretation did not have any effect on the Group's net assets, financial condition or results of operations.

Newly issued standards and interpretations

IFRS 8 Operating Segments

The IASB released IFRS 8 (Operating Segments) in November 2006 to replace IAS 14 (Segment Reporting). This standard was endorsed by the European Union in November 2007. IFRS 8 stipulates that the segment information to be disclosed must be derived from the information which management uses internally to identify individual segments and to assess their performance. IFRS 8 must be applied for the first time to fiscal years commencing on or after January 1, 2009. The Nordex Group decided against early adoption of IFRS 8 and has therefore continued to apply IAS 14 (Segment Reporting). The application of IFRS 8 is not expected to have any material effect on the consolidated financial statements. The new standard will not have any material influence on the manner in which the Group publishes information on its segments for the financial market.

IFRIC 11 IFRS 2 – Group and Treasury Share Transactions

IFRIC 11 was released in November 2006 and must be applied for the first time as of financial years commencing on or after March 1, 2007. Under this interpretation, agreements granting employees rights to the entity's own equity instruments must be recognized as share-based payments to be settled by means of equity instruments if the entity acquires the instruments from third parties or the shareholders provide the necessary equity instruments. As the consolidated companies do not grant any share-based payments settled by equity instruments, this interpretation does not have any effect on the consolidated financial statements.

IFRIC 13 Customer Bonus Programs

IFRIC 13 was released in June 2007 and must be applied for the first time as of financial years commencing on or after July 1, 2008. This interpretation stipulates that loyalty award credits to customers are to be reported as revenue separately from the transaction under which they were granted.

As the Nordex Group currently does not have any customer loyalty programs, this interpretation is not expected to exert any effect on the consolidated financial statements.

IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction

IFRIC 14 was released in July 2007 and must be applied for the first time as of financial years commencing on or after January 1, 2008. This interpretation provides guidance on determining the limit placed by IAS 19 on the amount of a surplus in a defined-benefit pension plan that can be recognized as an asset. Given the small volume of the Nordex Group's defined benefit obligations, the first-time application of this interpretation is not expected to exert any material influence on the consolidated financial statements in the future.

IAS 23 Borrowing costs

In March 2007, the IASB released the revised IAS 23. This revised standard must be applied for the first time to fiscal years commencing on or after January 1, 2009 and calls for the capitalization of borrowing costs that are attributable to qualifying assets. The option of taking such borrowing costs directly to the income statement has been abolished. A qualifying asset is defined as an asset that necessarily takes a ?substantial period of time to get ready for its intended use or sale. The Group will apply this standard on an anticipatory basis in accordance with the transition rules contained in it. Accordingly, borrowing costs for qualifying assets will be capitalized as of January 1, 2009. This does not give rise to any changes to previous borrowing costs which were taken to the income statement. The application of this revised standard will not exert any material influence on the consolidated financial statements due to the small volume of debt capital which will be raised in the first year of application.

Companies consolidated

The consolidated financial statements for the year ending December 31, 2007 include Nordex as well as all material related companies. The financial statements of the subsidiaries were prepared using uniform accounting and measurement methods with the same balance sheet date as that applied for the parent company's financial statements. A related company is defined as one on whose business and financial policy Nordex is able to exercise dominant control either directly or indirectly.

The following companies are consolidated:

Name	Share in capital/voting rights Dec. 31, 2007 %	Share in capital/voting rights Dec. 31, 2006 %	Equity Single-entity accounts (IFRS) Dec. 31, 2007 EUR millions	Equity Single-entity accounts (IFRS) Dec. 31, 2006 EUR millions
Nordex AG, Rostock (Parent company)*	–	–	217,382	138,929
Nordex Energy GmbH, Norderstedt*	100.0	100.0	40,290	18,861
Nordex Grundstücksverwaltung GmbH, Norderstedt*	100.0	100.0	52	52
Nordex Energy B.V., Rotterdam, Netherlands	100.0	100.0	–655	–412
Nordex Energy Ibérica S.A., Barcelona, Spain	100.0	100.0	–1,756	–1,188
Nordex USA Inc., Arlington, Texas, United States	100.0	100.0	–1,769	–1.485
Nordex UK Limited, Didsbury, United Kingdom	100.0	100.0	–1,588	–3,810
Nordex France S.A.S., Saint-Denis La Plaine, France	100.0	100.0	–1,151	–2,440
Nordex (Baoding) Wind Power Co. Ltd., Baoding, China	100.0	100.0	346	1,453
Nordex Italia Srl., Milan, Italy	100.0	100.0	606	–987
Nordex (Dongying) Wind Power Equipment Manufacturing Co., Ltd., Dongying, China	100.0	100.0	–185	1,491
Nordex (Yinchuan) Wind Power Equipment Manufacturing Co. Ltd., Ningxia, China	50.0**	50.0**	2,533***	4,269***

*) Equity after profit/loss transfer
**) In the event of a parity of votes cast by the shareholders, Nordex Energy GmbH exercises the casting vote on the Board of Directors, which is the company's highest governance body.
***) Equivalent to 100% of capital

There are management and profit-transfer agreements in force between Nordex AG and its consolidated domestic companies with a corresponding effect on the Group's tax situation. A tax unity for corporate, trade and value added tax is in force with Nordex AG for the domestic subsidiaries.

In addition, reference is made to the list of shareholdings as of December 31, 2007 attached as Appendix B.

Acquisition accounting

Subsidiaries consolidated for the first time were recognized using the purchase method of accounting as of the date of acquisition (IFRS 3). In accordance with IFRS 3.25, the date of acquisition was defined as the day on which control of the net assets and operations of the consolidated company is effectively transferred to Nordex AG. For the purpose of acquisition accounting, the cost of acquisition was netted against the pro-rated equity of the subsidiary in question. For the purposes of acquisition accounting, the cost of acquisition of the shares acquired by the Group is netted with the fair value of the acquiree's identifiable assets, liabilities and contingencies. Any goodwill arising on consolidation is recognized as an intangible asset and included in non-current assets. Goodwill was recognized in accordance with the limited retrospective application rules in IFRS 3.85 for the first time in the financial statements for the stub fiscal year ending December 31, 2004. Accordingly, as of October 1, 2004, goodwill is no longer written down over its economic life of 15 years as in previous years but undergoes annual impairment testing.

Other consolidation measures

As part of liability consolidation, all receivables and liabilities between consolidated companies of EUR 142.306 million (December 31, 2006: EUR 57.445 million) are netted against each other.

Internal Group transactions as well as unrealized gains and losses from internal Group transactions were eliminated. In connection with the consolidation of expenses and income, internal Group deliveries of services and goods as well as expenses and income arising from transfer transactions of EUR 345.173 million (January 1 – December 31, 2006: EUR 180.818 million) were netted against each other.

Principles of currency translation

The assets and liabilities of foreign consolidated companies whose functional currency is not the euro are translated to euro at the exchange rate prevailing on the balance sheet date. Expenses and income are translated at annual average exchange rates. All cumulative differences arising from the translation of the equity capital of foreign subsidiaries arising from changes in exchange rates are shown separately under equity.

The foreign-currency receivables from and liabilities to non-consolidated companies are converted at the end-of-year rate. Any differences resulting from currency translation are taken to the income statement.

The following table sets out the main exchange rates against the euro of importance to the Group:

Exchange rate EUR 1.00 equals	Average rates for the year		Exchange rates on December 31	
	2007	2006	2007	2006
USD	1.3719	1.2557	1.4721	1.3218
GBP	0.6856	0.6818	0.7334	0.6729
Chinese CNY	10.4196	10.0037	10.7524	10.3356

NOTES ON THE BALANCE SHEET AND THE INCOME STATEMENT

General notes on accounting and valuation methods

Cash and cash equivalents

Cash and cash equivalents include cash in hand and short-term bank deposits with terms of up to three months.

Goodwill, capitalized development expenses and other intangible assets

Intangible assets include licenses acquired, software and the development costs for new and further-developed wind turbines. In addition, they include material goodwill arising from acquisition accounting.

Intangible assets (with the exception of goodwill) are recorded at cost and written down on a scheduled straight-line basis over their expected useful lives or, if earlier, until the license expires.

Development costs are capitalized if the technical feasibility of completing the intangible asset so that it is available for use or sale and the intention for the intangible asset to be completed, used or sold can be demonstrated. In addition, Nordex AG must be able to demonstrate the generation of a future economic benefit as a result of the asset and the availability of the resources to complete the asset and reliably measure the expenditure attributable to the intangible asset during its development. The cost of production for such assets includes all costs directly attributable to the production process as well as the production-related overheads. Financing costs are not capitalized. Capitalized development costs are written down on a straight line over the period in which the project is expected to generate sales, however no longer than five years.

The following useful lives are assumed for the purpose of writing down intangible assets:

	Useful life	Depreciation rate
Capitalised development costs	5 years	20 %
Licenses, software and similar rights	2–5 years	20–50 %

If there is any evidence pointing to impairment in the value of the asset and the realizable amount is below the amortized acquisition or production costs, the asset is written down on a non-scheduled basis. If the reasons for the impairment no longer apply, the impairment loss is reversed. Evidence of impairment may include age, damage, price erosion or changes in market interest rates.

Goodwill was written down on a scheduled basis for a final time in fiscal 2003/2004 in accordance with IFRS 3.79. As of the stub fiscal year ending December 31, 2004, an annual impairment test is conducted pursuant to IAS 36. No impairment losses were recorded in 2007 as the recoverable value of the European segment was higher than the carrying value of the segment's assets plus the carrying value of the goodwill.

The recoverable value of the European segment was calculated on the basis of the value in use. The value in use in this segment is calculated by reference to the budget for 2008 as well as the following two years derived from the Company's medium-term forecasts. Cash flows beyond the three-year period were extrapolated using a consistent growth rate of 1 % p.a. The discount rate applied to the income stands at 10.6 % and is based on a risk-free interest rate of 4.75 %, a market risk premium of 5 % and a beta factor of 1.16.

The budgets take account of improvements in EBIT which can be achieved as a result of economies of scale derived from larger business volumes.

The segment report for the year under review was changed compared with the previous year. In 2007, the Germany and Europe (excluding Germany) segments were combined to form the Europe segment. This revised segmentation reflects Nordex's strategy of localizing production in Nordex's individual sales regions. On the basis of the existing European production in Rostock, the production activities established in Asia in the previous year and the construction of production capacity in the US market planned for 2009, the Nordex Group will have production facilities in each of its main markets, namely Europe, Asia and North America. As the separate disclosure of income, segment earnings and assets in 2007 for the US segment would not provide any additional information, the inclusion of individual details for this segment was dispensed with in 2007 in accordance with IAS 14.35. Instead the US and Asian segments have been combined to form a segment entitled "Rest of the World".

Property, plant and equipment

Property, plant and equipment are reported at cost and, where subject to wear and tear, written down on a scheduled basis. Depreciation charges are taken on the basis of their expected useful lives on a straight-line basis.

Economic ownership of leased assets is assigned to the lessee pursuant to IAS 17 if it bears materially all of the opportunities and risks related to the leased assets. In cases in which the material opportunities and risks rest with Nordex AG, the leased assets are recognized as of the date on which the lease is signed in an amount equaling the fair value of the leased asset or the present value of the minimum lease payments, whichever is the lower. The leased asset is written down on a straight-line basis over its assumed life expectancy or the term of the lease, whichever is the shorter (IAS 17).

In accordance with IAS 20.24, government grants and assistance received for the purposes of acquiring assets are deducted from the acquisition/production costs.

The following useful lives are assumed for the purpose of writing down property, plant and equipment:

	Useful life	Depreciation rate
Properties, property-like rights and buildings (depreciation calculated for buildings only)	10–33 years	3–10 %
Technical equipment and machinery	3–16 years	6.25–33.33 %
Office and business equipment	2–18 years	5.56–50 %

If there is any evidence indicating impairment in the value of the asset and the realizable amount is less than the amortized acquisition or production costs, the asset is written down on a non-scheduled basis. If the reasons for the impairment no longer apply, the impairment loss is reversed.

Repair and maintenance costs are expensed upon arising. Material additions and improvements are capitalized.

Borrowing costs

Borrowing costs are recognized as expense in the period in which they are incurred.

Financial assets

The equity instruments carried as financial assets are measured at their cost less impairment as there is no active market for them and their fair value cannot be reliably determined.

Loans are recognized at their settlement amount.

Inventories

Inventories are reported at their cost of acquisition or production. Generally speaking, averages are used to calculate the cost of acquisition or production. The production costs include full costs (IAS 2) and are calculated on the basis of normal capacity utilization. Specifically, the production costs include directly attributable costs as well as material and production overheads including production-related charges and pension expenses. In addition, production-related administrative overheads are assigned to production costs. Borrowing costs are not capitalized as part of the cost of acquisition or production (IAS 23).

Suitable adjustments are made to allow for any inventory risks in connection with reduced merchantability. If the net recoverable amount of the inventories on the balance-sheet date is less than their book value, they are written down accordingly. If the net recoverable amount of inventories previously written down rises, the resultant reversal is recorded as a reduction in the cost of materials (raw materials and supplies) or an increase in inventories (finished goods and work in progress).

Trade receivables and future receivables from construction contracts

Trade receivables are carried at their nominal value less reasonable adjustments to allow for discernible risks calculated on the basis of individual risk estimates and historical values.

Future receivables from construction contracts are measured using the percentage-of-completion method provided for in IAS 11 in cases in which a specific order has been received from the customer. For this purpose, profit is recognized on a prorated basis in accordance with the stage of completion provided that the stage of completion, total costs and total revenues from the orders in question can be reliably calculated pursuant to IAS 11. The stage of completion of the individual contracts is calculated using the cost-to-cost method (IAS 11.30a). Total revenues from the contract are carried in accordance with the stage of completion provided that the above-mentioned conditions are met. Contract costs entail the costs directly attributable to the order and a share of the overheads. Please refer to our notes on the recognition of revenues for further details of the percentage-of-completion method.

Income taxes/deferred taxes

Income taxes are calculated in accordance with the tax rules of the countries in which the Group operates.

Deferred taxes arise from differences in the measurement of assets and liabilities in the consolidated balance sheet and the tax balance sheets of the individual companies in cases where such measurement differences result in higher or lower taxable income than would be the case if the measurement principles applying to the consolidated balance sheet were used (temporary valuation differences).

Deferred tax assets also include tax reimbursement claims arising from the expected future utilization of existing tax losses and there is reasonable certainty that they will be realized. Deferred taxes were measured on the basis of the tax rates applicable or expected to be applicable in the individual countries on the date on which they are realized.

A tax rate of 30.0 % (31.12.2006: 40.0 %) was applied to various assets and liabilities for the purpose of calculating domestic deferred tax. Deferred tax assets for domestic tax losses were calculated using a tax rate of 15.83 % (31.12.2006: 26.38 %) in the case of corporate tax including the solidarity surcharge and 14.0 % (31.12.2006: 16.67 %) in the case of trade tax.

Deferred tax assets for tax losses for the European subsidiaries were recognized on the basis of national tax rates and, where applicable, take account of any restrictions in the length of time in which they may be utilized. Deferred tax assets are calculated on the basis of the medium term forecasts for the subsidiary in question.

In the case of the non-European Group companies, no deferred tax assets were recognized for tax losses due to the future uncertainty as to their availability.

Pensions and similar obligations

Provisions for pensions and similar commitments are calculated using the projected unit credit method pursuant to IAS 19, according to which the commitments are calculated on the basis of expected future salary and pension increases as well as other actuarial assumptions. Actuarial gains and losses are amortized using the corridor method. They are not accounted for if they do not exceed ten percent of the obligation. The amount exceeding the corridor is spread over the average remaining service period of the active staff and charged to the income statement.

Provisions for tax and other provisions

Income tax provisions and other provisions are set aside to allow for all discernible risks and contingent liabilities up to an amount commensurate with their likelihood of occurring. Values are calculated on the basis of prudent estimates. Non-current provisions with respect to which the date of the cash outflow is known were discounted.

Liabilities

As a general rule, liabilities are carried at their settlement amount. Liabilities under financial leases are recognized at the present value of the lease payments.

Derivative financial instruments

The Nordex Group endeavors to net foreign-currency deliveries within the Group on a matching currencies and maturities basis. If this is not possible, the foreign-currency items or resultant differences are sold to or bought from domestic and foreign banks. If the derivative is used to hedge expected future incoming or outgoing foreign-currency payments and if the conditions for hedge accounting are not met, changes in the fair value of the derivative are recognized in profit and loss. If, on the other hand, the conditions for hedge accounting (cash flow hedge) are met, changes in the fair value of the derivative are recognized under other equity components (reserves for cash flow hedges) pursuant to IAS 39.

The Company has issued loans and accepted liabilities at fixed contractual interest rates. The Group does not use separate instruments for managing interest risks.

Recognition of sales

Sales comprise revenues from the sale of wind power systems, the completion of construction contracts for customers as well as revenues from service contracts. In the case of construction contracts for customers, revenues are generally recognized in accordance with the percentage-of-completion method, when a) a legally binding contract has arisen, b) all necessary building permits have been issued, c) a grid connection or a contract providing for a grid connection is in existence, d) customer finance is assured and e) the customer has paid the agreed installment. Revenues from service contracts are recognized upon the service being provided.

Operating expenses and income

Operating expenses are taken to the income statement upon the service in question being used or as of the date on which they occur. Flat-rate provisions are set aside to cover guarantee claims after the final invoice for the wind power projects has been issued. Development expenses are recognized in the year in which they arise unless they are capitalized pursuant to IAS 38. Interest income and expenses are recognized in the period in which they arise.

Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make critical accounting estimates and judgements which may have an impact on the amounts reported and related disclosures. Although these estimates are made with management's best knowledge based on current events and activities, deviations between actual events and these estimates may arise.

The most important assumptions concerning the future and other key sources of estimation uncertainty as of the balance sheet date giving rise to a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year concern the following items:

The Group submits goodwill to an impairment test at least once a year. This necessitates an estimate of the value in use of the cash generating units to which the goodwill has been assigned. To estimate the value in use, the Group must estimate the likely future cash flows from the cash generating unit and additionally select an appropriate discount rate to calculate the present value of this cash flow. As of December 31, 2007 goodwill valued at EUR 10 million. Further details can be found in the section discussing the recognition and measurement methods applied to intangible assets.

The Group reviews the fair value of the capitalized development costs at least once a year. In doing so, the Management Board assumes a useful life of 5 years for the purpose of calculating depreciation expense on capitalized development costs. In addition, the likely economic benefit of the development is determined by estimating the values in use of the cash generating units to which capitalized development costs are allocated. Past development costs which have become technically antiquated are written off. As of December 31, 2007, the Group capitalized development costs with a residual book value of EUR 15.379 million (December 31, 2006: EUR 11.731 million). In the year under review, development costs with historical costs of EUR 4.956 million (December 31, 2006: EUR 3.591 million) were reported as disposals. In 2007, capitalized development costs from earlier years with a residual carrying value of EUR 0.034 million (December 31, 2006: EUR 0.051 million) were derecognized on account of technical adjustments.

Nordex AG capitalizes deferred tax on the tax losses of the parent company. Deferred tax assets are calculated on the basis of a medium-term forecast for the German part of the Nordex Group. As at December 31, 2007, the deferred taxes on tax losses stood at EUR 49.000 million (December 31, 2006: EUR 31.700 million). As a result of the 2008 corporate tax reform, there have been changes to the income tax rates used as a basis for calculating deferred tax assets. Deferred tax assets for domestic tax losses were calculated using a tax rate of 15.83 % (previous year 26.38 %) in the case of corporate tax including the solidarity surcharge and 14.00 % (previous year 16.67 %) in the case of trade tax. If the income tax rates used in 2006 and the tax legislation in force as of December 31, 2006 had continued to apply, the deferred tax assets on domestic tax losses would have come to EUR 60.400 million.

The European subsidiaries recognize deferred tax assets for tax losses in the light of the national tax rates and take account of any restrictions in the length of time in which they may be utilized in value of EUR 1.1 million (December 31, 2006: EUR 0). Deferred tax assets are calculated on the basis of the medium term forecasts for the subsidiary in question. In the case of the non-European Group companies, no deferred tax assets were recognized for tax losses due to the future uncertainty as to their availability.

NOTES ON THE BALANCE SHEET

(1) Cash and cash equivalents

This item comprises almost exclusively bank balances. Of this sum, EUR 0.413 million (December 31, 2006: EUR 0.738 million) has been deposited in a trust account with a bank subject to withdrawal restrictions.

Cash at banks is subject to variable interest rates for accounts available on call. Short-term deposits have been made for different periods depending on the Group's short-term liquidity requirements. They are subject to interest at the applicable rates for short-term deposits.

(2) Trade receivables and future receivables from construction contracts

Trade receivables break down as follows:

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Gross trade payables	54,234	36,419
less adjustments	– 5,608	– 7,089
Trade receivables (net)	48,626	29,330
Future receivables from construction contracts	50,532	48,276
	99,158	**77,606**

Trade receivables are not subject to interest and are generally due for settlement within 30 to 90 days. Adjustments on trade receivables were as follows in the year under review as well as in the previous year.

	2007 EUR millions	2006 EUR millions
Adjustments on January 1	7,089	6,481
Additions recognized as expense	1,769	3,192
Utilization	– 2,492	– 2,474
Release	– 758	– 110
Adjustments on December 31	5,608	7,089

As of December 31, 2007, trade receivables had the following age structure:

	2007 EUR millions	2006 EUR millions
Receivables not overdue or adjusted	6,475	4,974
Receivables overdue but not adjusted		
Less than 30 days	20,081	13,337
30-90 days	6,127	4,008
90-360 days	13,864	3,990
360 days and more	1,394	1,351
Total	41,466	22,686
Partially adjusted receivables	685	1,670
Carrying value	48,626	29,330

In the year under review, receivables of a total of EUR 0.346 million (2006: EUR 0.475 million) which had not been adjusted were derecognized.

Further information on the treatment of financial risks can be found in the comments under miscellaneous explanations in the section entitled credit risks.

Future receivables from construction contracts also comprise unfinished orders recognized in accordance with the percentage-of-completion method provided for in IAS 11. The item comprises the order costs incurred as of the balance sheet date and the prorated profit on orders realized in accordance with the cost-to-cost method. Part payments received were deducted. Allowance is made in accordance with loss-free valuation for orders which on balance produce a loss.

For the purpose of loss-free valuation, adjustments of EUR 4.589 million (December 31, 2006: EUR 1.202 million) were taken on future receivables from construction contracts in fiscal 2007.

Receivables from construction contracts broke down as follows:

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Accrued contract costs	426,886	241,507
Prorated realized profits on contracts including bringing-forward effects	54,117	20,879
Subtotal	481,003	262,386
less part payments received	–430,471	–214,110
	50,532	**48,276**

(3) Inventories

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Raw materials and supplies	119,295	82,791
Unfinished goods and services	95,128	47,796
Advance payments made	17,405	10,610
	231,828	**141,197**

Raw materials and supplies primarily comprise production and service material. Unfinished goods and services relate to wind power systems under construction as well as advance outlays for project development, licenses and infrastructure.

The carrying value of the receivables includes depreciation of EUR 5.898 million (December 31, 2006: EUR 5.646 million). The adjustments to inventories of EUR 1.283 million recorded in the year under review (December 31, 2006: EUR 2.318 million) were taken to the income statement. A sum of EUR 1.030 million (2006: EUR 1.677 million) was due to the utilization or reversal of adjustments made in previous periods.

(4) Current financial assets

Current financial assets break down as follows as of the balance sheet date:

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Receivables from non-consolidated related companies and associates	7,944	3,553
Bonus claims against suppliers	125	600
Deposits	37	529
Creditors with debit accounts	1,937	1,403
Other loans	60	1,117
Loans to non-consolidated affiliated companies	169	181
Currency forwards	499	0
Adjustments	–1,243	–936
	9,528	**6,447**

Receivables from affiliated companies entail the delivery of goods and services as well as finance to non-consolidated subsidiaries. As in the previous year, they are due in less than one year.

Nordex has extended the current financial assets to include receivables from non-consolidated affiliated companies and associates, bonus claims, deposits, creditors with debit accounts and related adjustments. In the previous year, these items had been reported within other current assets. The amount of the current financial assets arising in the previous year stands at EUR 5.149 million. The figures for the previous year have been restated accordingly.

(5) Other current assets

Other current assets break down as follows:

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Deferred income	1,410	637
Tax reimbursement claims	17,524	5,013
Insurance claims	420	785
Transportation equipment	1,734	0
Claims against suppliers	2,320	1,500
Other	3,391	3,792
Adjustments	–255	–1,803
	26,544	**9,924**

Prepaid expenses primarily comprise advance payments for guarantees and insurance policies. As in the previous year, the residual terms are less than one year.

The claims against suppliers of EUR 2.320 million include an amount of EUR 1.471 million related to advance payments in connection with the purchase of rotor blades which are expected to be delivered next year. In connection with this, a sum of a further EUR 4.528 million is reported within non-current assets for the purchase of rotor blades in 2009 and 2010 (see Note 12). The payments made are safeguarded by guarantees provided by the suppliers.

In contrast to the previous year, receivables from non-consolidated affiliated companies and associates, bonus claims, deposits, creditors with debit accounts and related adjustments are reported within current financial assets. The figures for the previous year have been restated accordingly.

(6) Property, plant and equipment

Property, plant and equipment including finance leases recognized break down as follows:

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Properties, property-like rights and buildings	14,216	12,529
Technical equipment and machinery	6,030	5,568
Other equipment, operating and business equipment	9,519	6,015
Part payments made and assets under construction	5,471	3,725
	35,236	**27,837**

On December 3/December 5, 2001, Nordex Energy GmbH signed a contract with Atria Grundstückverwaltungsgesellschaft mbH & Co. Objekt Rostock KG concerning the lease of a production hall and administration building. In addition, the parties entered into an option contract dated December 6, 2001 providing for a call option to be exercised at the end of the rental period or the end of the 15th year of the rental period. This contract is classified as a finance lease. The production hall and administrative building reported as non-current assets (net carrying value on December 31, 2007: EUR 7.152 million) is subject to obligations under future lease payments of EUR 7.953 million carried as other liabilities. The following lease payments for the production hall and administrative building are due for future periods:

Lease payments in future years	< 1 year EUR millions	1-5 years EUR millions	> 5 years EUR millions
Lease payments	673	2,690	6,053
Previous year	673	2,690	6,726
Discount amounts	21	432	2,542
Previous year	21	432	2,926
Present values	652	2,258	3,511
Previous year	652	2,258	3,800

Covenants on the property, plant and equipment in the year under review comprised a land charge of EUR 11.2 million (previous year: EUR 11.2 million) on properties in Rostock at which the nacelle production facility is located. In addition to the capitalized real property, the leases primarily comprise motor vehicles (operating leases). As of the balance sheet date, the Nordex Group had not accepted any obligations for the acquisition of property, plant or equipment.

(7) Goodwill

Goodwill is explained in connection with the accounting policies for intangible assets. It is unchanged over the previous year at EUR 9.960 million.

(8) Capitalized development costs

As of the balance sheet date, development costs of EUR 15.379 million (December 31, 2006: EUR 11.731 million) are capitalized in accordance with IAS 38. In fiscal 2007, development expenses of EUR 10.252 million were capitalized for the first time. Further development expenses of EUR 6.987 million (December 31, 2006: EUR 4.428 million) also arising in the year under review did not meet the criteria for capitalization.

(9) Other intangible assets

Other intangible assets break down as follows:

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Concessions, trade and similar rights	14,077	10,861
Cumulative depreciation	– 10,660	– 9,985
	3,417	876

Amortization calculated for other intangible assets came to EUR 0.779 million in the year under review (December 31, 2006: EUR 1.745 million). Amortization of intangible assets is included in depreciation/amortization in the income statement. Reference should be made to Note 30 in his connection.

The Nordex Group has not accepted any obligation for the acquisition of intangible assets as of the balance sheet date.

(10) Non-current financial assets

Non-current financial assets break down as follows:

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Investments in associates	2,766	3,796
Loans to associates	1,088	1,148
Other loans	0	2,212
	3,854	**7,156**

Investments in associates break down as follows:

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Nordex Energy Equipment Services (Shanghai) Co. Ltd.	0	188
Nordex Windpark Beteiligung GmbH	25	25
Nordex Windpark Verwaltung GmbH	25	25
natcon7 GmbH	21	21
Quingdao Huawei Wind Power Co. Ltd.	2,506	3,506
Nordex Hellas Monoprosopi EPE	18	18
Komplementarselskabet Whitewater Invest I	91	0
Komplementarselskabet Whitewater Invest VII	37	0
Komplementarselskabet Whitewater Invest VIII	31	0
Atria Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Rostock KG	5	5
Others	7	8
	2,766	**3,796**

In addition, reference is made to the list of shareholdings as of December 31, 2007 attached as Appendix B.

Nordex Energy Equipment Services Co. Ltd, Shanghai, was liquidated in the year under review. The carrying value of the investment of EUR 0.188 million was removed from financial assets.

The share in Qingdao Huawei Wind Power Co. Ltd. was written down in the year under review by EUR 1.000 million to EUR 2.506 million to reflect the reduced earnings expectations for this company.

Additions include the acquisition and additional acquisition costs of shares in three project companies which are involved in three N54 power station systems in the United States. The capital measure resulted from an integrated finance agreement entered into in 2007 with investors in a US wind farm in Palm Springs. Of the related other borrowings (current and non-current amount of EUR 3.272 million as of December 31, 2006) an amount of EUR 1.537 million was repaid to the Nordex Group in the year under review. The remaining difference of EUR 1.735 million was taken to the income statement in 2007.

Loans to associates concern a loan to Atria Grundstückverwaltungsgesellschaft mbH & Co. Objekt Rostock KG in connection with the lease for a production hall and administrative building.

(11) Non-current financial assets

Non-current financial assets break down as follows:

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Other non-current receivables	565	620
Deposits	137	137
	702	**757**

As of the balance sheet date in 2007, Nordex has reported the non-current financial assets separately from other non-current assets and restated the figures for the previous year accordingly.

(12) Other non-current assets

Other non-current assets break down as follows:

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Other non-current receivables from customers	1,166	320
Other non-current receivables from suppliers	4,528	0
	5,694	**320**

Other non-current receivables of EUR 4.528 million relate to advance payments made for the delivery of rotor blades in 2009 and 2010.

(13) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are described in Note 33 “Income taxes”

(14) Trade payables

As in the previous year, trade payables have a residual term of less than one year.

(15) Provisions for income tax

Of the provisions for income tax of EUR 2.612 million, an amount of EUR 2.570 million is attributable to the domestic tax unity which includes Nordex AG, Nordex Energy GmbH und Nordex Grundstücksverwaltung GmbH. They comprise provisions of EUR 2.000 million for income tax expense for 2007 and a sum of EUR 0.570 million expected in connection with the external tax audit of Nordex AG as well as the consolidated German companies for 1999, 2000 and 2001. The additional provisions of EUR 0.041 million relate to UK income tax.

(16) Other current provisions

Movements in other current provisions break down as follows:

	Jan. 1, 2007 EUR millions	Consumption EUR millions	Reversal EUR millions	Additionsk EUR millions	Dec. 31, 2007 EUR millions
Individual guarantees	12,343	7,025	3,199	12,358	14,477
General guarantees, service, maintenance	16,053	9,571	19	11,454	17,917
Other	3,294	2,367	806	1,837	1,958
	31,690	**18,963**	**4,024**	**25,649**	**34,352**

Other provisions are set aside in accordance with IAS 37 to allow for legal or commercial obligations whose settlement is likely to result in an outflow of resources embodying economic benefits and whose amount can be estimated reliably.

Other provisions have been set aside for the cost of the annual general meeting, the cost of having the parent-company and consolidated financial statements prepared and audited as well as litigation risks, among other things.

In contrast to the previous year, other provisions of EUR 2.326 million are included in other non-current provisions (see Note 21). The amount of the other non-current provisions arising in the previous year stands at EUR 2.621 million. The figures for the previous year have been restated accordingly.

(17) Current financial liabilities

Current financial liabilities break down as follows:

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Liabilities to non-consolidated related companies	703	14
Accruals	1,044	422
Other	5,116	518
	6,863	**954**

In contrast to the previous year, liabilities to non-consolidated related companies, accruals and other liabilities are reported within current financial liabilities. The accruals are made up of liabilities for outstanding invoices, while other current financial liabilities are primarily made up of debtors with credit accounts. The figures for the previous year have been restated accordingly.

(18) Other current liabilities

Other current liabilities break down as follows:

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Deferred income	2,136	1,693
Other tax liabilities	8,574	15,708
Social security liabilities	60	1,725
Advance payments received	233,874	139,411
Accruals	31,171	23,421
Other	3,417	3,142
	279,232	**185,100**

Deferred income primarily comprises income received in advance under service contracts entered into with customers.

Accruals primarily comprise project-related post-completion costs of EUR 24.771 million (December 31, 2006: EUR 18.022 million) and personnel liabilities of EUR 6.387 million (December 31, 2006: EUR 5.399 million).

Liabilities to non-consolidated related companies, accruals and part of the other current liabilities were reclassified as current financial liabilities in 2007 and the previous year's figures stated accordingly.

(19) Non-current liabilities to banks

Liabilities to banks (EUR 1.124 million; December 31, 2006: EUR 1.199 million) relate to cash credit facilities utilized. As of December 31, 2007, the Group had unutilized cash and guarantee facility of EUR 37.582 million (December 31, 2006: EUR 18.354 million).

The cash credit facilities provided by the creditor banks are subject to a uniform interest rate of EURIBOR plus 150 basis points up to a maximum of 7% p.a. The guarantee facilities used by the Nordex Group are subject to a uniform rate of 1.5 % p.a. The guarantee facilities of EUR 255.5 million and the combined cash and guarantee facilities of EUR 48.6 million, which were granted as of May 18, 2007, expire on April 3, 2009. Notwithstanding this, the guarantee facilities granted by Euler Hermes Kreditversicherungs AG and Zürich Versicherung AG (Deutschland) totaling EUR 45 million initially expire on Monday, April 7, 2008 and are subject to annual renewal. The guarantee facility of EUR 25 million granted by KfW is initially limited until June 30, 2008. Commerzbank AG granted a guarantee facility of EUR 20 million and a combined cash/guarantee facility of EUR 10 million initially expiring on April 30, 2008. Following the expiry of this period, Commerzbank AG intends to consider renewing the cash and guarantee facilities granted.

Otherwise, these cash and guarantee facilities may only be terminated for good cause (non-compliance with the agreed covenants).

Nordex AG and its consolidated German subsidiaries have entered into a collateral pool agreement with the creditor banks. The collateral furnished comprises the global assignment of all trade receivables, the pledge of the inventories, the shares held in Nordex Energy GmbH, Nordex Grundstücksverwaltung GmbH, Nordex Windpark Beteiligung GmbH and Nordex Energy B.V., the pledge of account balances, the assignment of licenses, expertise, utility models, patents and other industrial rights and insurance claims under guarantee and building insurance policies as well as land charges. Pursuant to the terms of the collateral pooling agreement, all on and off-balance sheet assets are effectively pledged as collateral for existing bank facilities.

(20) Pensions and similar obligations

Pension provisions are set aside to cover performance-tied commitments to eligible active and former employees at Nordex AG (two former members of the Management) and Nordex Energy GmbH. The benefits are based on individual commitments generally calculated according to the length of service and remuneration of the employees concerned; staff are not required to make any contributions of their own.

The calculations are based on the following assumptions:

Nominal interest rate	5.25 % (12/31/2006: 4.25 %)
Pension trend	1.75% (12/31/2006: 1.5 %)

The statistical probability data set out in the Prof. Dr. Heubeck 2005 G mortality tables was used as the biometric basis for calculations.

Actuarial gains and losses are amortized using the corridor method. They are not accounted for if they do not exceed ten percent of the obligation. The amount exceeding the corridor is spread over the average remaining service period of the active staff and charged to the income statement. The pension provisions carried on the balance sheet are lower than the present value of the pension obligations on account of unrecognized actuarial losses.

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Present value of defined benefit obligations	571	610
Non-amortized actuarial gains (-)/losses (+)	–85	–161
Amount shown on balance sheet	486	449

Total pension expenses comprise the following components:

	Fiscal year 2007 EUR millions	Fiscal year 2006 EUR millions
Current service cost	17	19
Interest expense	26	25
Amortization of actuarial gains/losses	16	19
	59	**63**

Movements in net obligations carried on the balance sheet are as follows:

	Fiscal year 2007 EUR millions	Fiscal year 2006 EUR millions
Amount carried on balance sheet on December 1	449	404
Pension expenses	59	63
Pension payments	–22	–18
Amount carried on balance sheet on December 31	486	449

(21) Other non-current provisions

Other non-current provisions of EUR 2.664 million (December 31, 2006: EUR 3.057 million) for specific payment plans were discounted at a rate of 4%. The present value of the discounted provisions stood at EUR 2.326 million as of December 31, 2007 (December 31, 2006: EUR 2.621 million).

(22) Other non-current financial liabilities

Other non-current financial liabilities relate to liabilities under leases. Of these, a sum of EUR 7.050 million has a residual term of over five years (December 31, 2006: EUR 7.274 million) and a sum of EUR 0.761 million a term of between one and five years (December 31, 2006: EUR 0.679 million).

(23) Shareholders' equity

	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Issued capital	66,845	64,345
Share premium account	156,010	82,760
Other equity components	–15,706	–14,770
Foreign-currency translation	824	324
Minority interests	1,439	2,291
Consolidated profit carried forward	13,576	786
Consolidated net profit	48,859	12,790
	271,847	**148,526**

The Company's fully paid up share capital of EUR 64,345,000, divided into 64,345,000 bearer shares, was increased by EUR 2,500,000 to EUR 66,845,000 through the issue of 2,500,000 new bearer shares using part of the Authorized Capital I of EUR 16,086,250 available as of the date of this issue.

Share capital and the number of shares outstanding changed in the year under review as follows:

ISSUED SHARE CAPITAL	2007 EUR	2006 EUR
Amount on January 1	64,345,000	58,818,818
Equity issue in the year under review	2,500,000	5,526,182
Amount on December 31	66,845,000	64,345,000

NORDEX AG SHARES OUTSTANDING	Number	Number
Amount on January 1	64,345,000	58,818,818
Cash issue of new shares	2,500,000	5,526,182
Amount on December 31	66,845,000	64,345,000

As of December 31, 2007, the Company had Authorized Capital I of EUR 13,586,250, equivalent to 13,586,250 shares, Contingent Capital I of EUR 15,086,250, equivalent to 15,086,250 shares, and Contingent Capital II of EUR 1,000,000, equivalent to 1,000,000 shares, each with a notional value of EUR 1 per share.

In the year under review, Authorized Capital I dropped by EUR 2,500,000 to EUR 13,586,250 as a result of the issue of 2,500,000 bearer shares.

Contingent Capital I was replenished in the year under review by a resolution passed by the shareholders at the annual general meeting.

The **share premium account** of EUR 156.010 million (December 31, 2006: EUR 82.760 million) comprises the additional paid-in capital of EUR 73.250 million in connection with the aforementioned cash equity issue.

Other equity components of EUR -15.706 million (December 31, 2006: EUR -14.770 million) comprise the netted equity issue costs of EUR -1.812 million, for which deferred taxes of EUR 0.543 million have been recognized. Moreover, equity includes changes in the fair value of financial instruments used as hedges (cash-flow hedge) of EUR 0.333 million.

Minority interests include the capital contribution of EUR 2.291 million and prorated share in net profit/loss in 2007 of EUR -0.852 million in the fully consolidated company Nordex (Yinchuan) Wind Power Equipment Manufacturing Co. Ltd. attributable to third parties.

(24) Additional disclosures on financial instruments

The following table sets out the carrying values and fair values of the individual financial assets and liabilities for each financial instrument category:

	Dec. 31, 2007 EUR millions CARRYING AMOUNT	Dec. 31, 2007 EUR millions FAIR VALUE	Dec. 31, 2006 EUR millions CARRYING AMOUNT	Dec. 31, 2006 EUR millions FAIR VALUE
Financial assets				
Financial assets recognized at cost or amortized cost				
1. Trade receivables	48,626	48,626	29,330	29,330
2. Current financial assets - receivables	9,029	9,029	6,477	6,477
3. Non-current financial assets	3,854	3,854	7,156	7,156
4. Non-current financial assets - receivables	702	702	757	757
5. Cash and cash equivalents	212,187	212,187	131,909	131,909
Financial assets measured at fair value				
1. Current financial assets - derivatives	499	499	0	0
Financial liabilities				
Financial liabilities recognized at cost or amortized cost				
1. Trade payables	78,884	78,884	66,480	66,480
2. Non-current liabilities to banks	1,124	1,124	1,199	1,199
3. Current financial liabilities	6,863	6,863	621	621
4. Other non-current financial liabilities	7,811	7,811	7,953	7,953
Financial liabilities measured at fair value				
1. Current financial liabilities - derivatives	0	0	333	333

Cash and cash equivalents, trade receivables and other receivables have short settlement periods. Their carrying amounts as of December 31, 2007 correspond to their fair values.

Trade payables and other liabilities have short settlement periods. The carrying amounts correspond to their fair values. The finance lease liabilities included in other liabilities are measured at the present amount of the future lease payments as of the balance sheet date.

Derivative financial instruments are calculated on the basis of the fair value of the hedge.

NOTES ON THE INCOME STATEMENT

(25) Sales

Sales break down by region as follows:

	Fiscal 2007 EUR millions	Fiscal 2006 EUR millions
Europe	721.9	486.0
Rest of the world	25.6	27.6
	747.5	**513.6**

Of this item, sales of EUR 453.7 million (2006: EUR 268.3 million) arose from the application of the percentage-of-completion method for construction contracts provided for in IAS 11.

Sales break down by categy as follows:

	Fiscal 2007 EUR millions	Fiscal 2006 EUR millions
Sales of new wind power systems	709.2	479.6
Service	32.1	24.6
Other	6.2	9.4
	747.5	**513.6**

(26) Changes in inventories and other own work capitalized

Own work capitalized in the year under review is valued at EUR 11.987 million (2006: EUR 7.056 million), of which EUR 10.252 million (2006: EUR 6.820 million) relates to expenses for developing and enhancing new and existing wind turbines. Changes in inventories in 2007 equal EUR 47.332 million (2006: EUR 31.548 million).

(27) Other operating income

Other operating income breaks down as follows:

	Fiscal 2007 EUR millions	Fiscal 2006 EUR millions
Insurance claims indemnified	1,965	1,050
Income from currency translation gains	2,519	450
Grants received	1,146	905
Income from settlements	885	153
Other	3,787	5,902
	10,302	**8,460**

Of the grants received, a sum of EUR 0.589 million is for the extensions to the rotor blade production facility in Rostock completed in the previous year and TEUR 0.526 million for advances granted in China.

(28) Cost of materials

The cost of materials breaks down as follows:

	Fiscal 2007 EUR millions	Fiscal 2006 EUR millions
Cost of raw materials and supplies	516,398	351,987
Cost of services bought	124,691	94,540
	641,089	**446,527**

The cost of services bought results from external freight, changes in order provisions, commission and externally sourced order-handling services.

(29) Personnel costs

	Fiscal 2007 EUR millions	Fiscal 2006 EUR millions
Wages and salaries	46,243	35,217
Social security and pension and support expenses	8,743	6,565
	54,986	**41,782**

Group employee numbers were as follows:

Fiscal year	Average	Balance sheet date
2007	1,304	1,597
Office staff	657	849
Technical staff	647	748
2006	814	1,005
Office staff	416	503
Technical staff	398	502
Change compared with Fiscal 2006	490	592
Office staff	241	346
Technical staff	249	246

(30) Depreciation/amortization

Depreciation/amortization breaks down as follows:

	Fiscal 2007 EUR millions	Fiscal 2006 EUR millions
Depreciation charges on property, plant and equipment	6,673	4,963
Amortization of capitalized development expenditure	6,570	6,311
Amortization of other intangible assets	779	1,745
	14,022	**13,019**

The amortization of capitalized development expenditure includes impairment losses of EUR 0.034 million (2006: EUR 0.051 million) in accordance with IAS 36 on account of technical adjustments,

(31) Other operating expenses

Other operating expenses break down as follows:

	Fiscal 2007 EUR millions	Fiscal 2006 EUR millions
External services	16,002	8,734
Travel expenses	7,270	4,696
Rental and lease expenses	7,145	5,787
Legal and consulting costs	6,480	3,277
IT costs	3,432	1,835
Maintenance	2,741	1,188
Advertising	2,723	1,286
Telecommunications	1,847	1,386
Insurance	1,363	704
Training	1,095	448
Other	16,748	13,487
	66,846	**42,828**

(32) Net financial result

	Fiscal 2007 EUR millions	Fiscal 2006 EUR millions
Depreciation on financial assets	–1,000	–1,845
Other interest and similar income	5,249	1,755
Interest and similar expenses	–5,317	–3,778
Net financial result	–1,068	–3,868

In the period under review, the shares in Windpark Qingdao Huawei Wind Power Co. Ltd., Qingdao, China, were written down.

(33) Income taxes

Income taxes include the current income taxes (paid or owed) in the individual countries as well as deferred taxes. The Nordex Group's current income tax expense was calculated on the basis of tax rates applicable or announced as of the balance sheet date. Deferred taxes were measured on the basis of the tax rates applicable or expected to be applicable in the individual countries on the date on which they are realized.

A tax rate of 30.0% (December 31, 2006: 40.0%) was applied to domestic deferred tax as of December 31, 2007. Deferred tax assets for domestic tax losses were calculated using a tax rate of 15.83% (previous year 26.38%) in the case of corporate tax including the solidarity surcharge and 14.0% (December 31, 2006: 16.67%) in the case of trade tax.

The European subsidiaries recognize deferred tax assets for tax losses in the light of the national tax rates and take account of any restrictions in the length of time in which they may be utilized. Deferred tax assets are calculated on the basis of the medium term forecasts for the subsidiary in question.

In the case of the non-European Group companies, no deferred tax assets were recognized for tax losses due to the future uncertainty as to their availability.

Income taxes break down as follows:

	Fiscal 2007 EUR millions	Fiscal 2006 EUR millions
Current tax expense		
Tax refund for previous years	15	3
Adjustments to provisions for income taxes for 2007	−2,000	0
Income tax expense of branches	−91	−76
Capital gains tax	−29	−9
French income taxes	0	−715
Chinese income taxes	0	−8
UK income taxes	−44	0
Total	**−2,149**	**−805**
Deferred taxes		
From the reconciliation of the tax bases in the single-entity financial statements with IFRS	−5,864	−2,445
From consolidation	−908	−1,945
On tax losses carry-forward	18,377	5,700
From the cost of the equity issue	−543	−600
Other	28	−6
Total	11,090	704
Net tax income (+)/expenditure (-)	8,941	−101

The Management Board currently assumes that of the existing corporate tax losses of EUR 186 million (December 31, 2006: EUR 194 million) and trade tax losses of EUR 197 million (December 31, 2006: EUR 204 million), a figure of EUR 164 million (December 31, 2006: EUR 80 million) and EUR 165 million (December 31, 2006: EUR 86 million) should be available for utilization at the level of Nordex AG.

This assessment and the calculation of the deferred tax assets on tax losses is based on the medium-term forecasts for the German part of the Nordex Group based on a medium-term forecast including adjustments to allow for future uncertainties. The relevant legislation does not stipulate any maximum period in which tax losses must be utilized.

As of December 31, 2007, the consolidated foreign companies had the following accounting loss carry-forwards which largely match the tax losses:

	Currency	Loss carryforwards
Nordex Energy B.V.	EUR	−680
Nordex Energy Iberica S.A.	EUR	−1,817
Nordex USA Inc.	EUR	−2,536
Nordex UK Limited	EUR	−1,712
Nordex France S.A.S.	EUR	−1,191
Nordex Italia Srl.	EUR	−2,004
Nordex (Baoding) Wind Power Co. Ltd.	EUR	−1,326
Nordex (Dongying) Wind Power Equipment Manufacturing Co. Ltd.	EUR	−2,900
Nordex (Yinchuan) Wind Power Manufacturing Co. Ltd.	EUR	−2,108

The deferred tax assets and liabilities arising in connection with recognition and measurement differences as well as the tax losses break down as follows:

	Deferred tax assets		Deferred tax liabilities	
	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions	Dec. 31, 2007 EUR millions	Dec. 31, 2006 EUR millions
Non-current assets (less other liabilities classed as finance leases)	0	0	4,374	4,421
Receivables from construction contracts	0	0	13,751	6,792
Tax losses	50,077	31,700	0	0
Other	205	21	107	47
	50,282	**31,721**	**18,232**	**11,260**

The following table reconciles the tax expense/income expected for the year in question with actual tax expense/income reported. For the purposes of calculating the expected tax expense/income, the Group tax rate of 40.0 % for 2007 is multiplied by earnings before tax as defined in IFRS.

The causes of the differences between expected and actual tax expense at the Group level can be seen from the following table:

	Fiscal 2007 EUR millions	Fiscal 2006 EUR millions
Loss before tax	39,066	12,689
Expected tax expense(-)/ income (+) at a rate of 40%	–15,626	–5,076
Other tax effects from change in tax rate	2,945	0
Tax increase due to non-deductible expenses	–433	–20
Adjustments to actual income taxes paid in earlier years	0	–81
Change in deferred tax assets on losses from earlier years	18,377	5,700
Utilization (+)/non-utilization (-) of tax losses	2,103	–632
Other tax effects	–1,575	8
Actual net tax income(+)/expense (-)	8,941	–101
Effective tax rate (%)	22.9 %	–0.8 %

(34) Minority interests

Minority interests in consolidated net profit stand at EUR –0.852 million (2006: EUR –0.202 million) and are due solely to third-party interests in Nordex Yinchuan in China (nacelle production).

(35) Earnings per share

Earnings per share (EPS) are calculated by taking the quotient of the consolidated net loss and the weighted average number of shares outstanding in the fiscal year. There were no shares outstanding capable of diluting earnings per share either on December 31, 2007 or on December 31, 2006.

	2007	2006
Net profit	EUR millions 48,007	EUR millions 12,588
Of which minority interests	EUR millions –852	EUR millions –202
Net profit excluding minority interests	EUR millions 48,859	EUR millions 12,790
Weighted average number of shares	65,595,000	62,042,424
Earnings per share	EUR 0.74	EUR 0.21

OTHER DISCLOSURES

Financial risk management - purposes and methods

As an enterprise acting on an international level, Nordex AG is exposed to financial risks in its operating business and financial transactions. These particularly entail risks arising from exchange-rate fluctuations. The purpose of financial risk management is to limit these market risks by means of ongoing operating and finance-oriented activities. For this purpose, derivative and non-derivative hedges are used. Derivative financial instruments are used solely for hedging purposes and are not utilized for trading or other speculative purposes. These transactions are executed on a central basis by Nordex AG as the parent company.

All transactions involving derivative financial instruments are subject to strict monitoring, which is particularly ensured by a strict separation of trading, back-office and supervisory functions. The basic elements of the financial strategy are defined by the Management Board on an annual basis and monitored by the Supervisory Board. The Treasury department is responsible for implementing the financial strategy and for ongoing risk management. Certain transactions require the prior approval of the Management Board, which is additionally kept regularly informed of the extent and value of the outstanding risk positions.

All of Nordex AG's counterparties in contracts for derivative financial instruments are domestic and foreign banks with investment-grade ratings. This requirement ensures that default risks with respect to counterparties' payment obligations are secured.

The main financial liabilities held by the Group - with the exception of derivative financial instruments - comprise bank overdraft facilities, finance leases, and trade payables. The main purpose of these financial liabilities is to finance the Group's business operations. The Group has various financial assets such as trade receivables, cash and cash equivalents and current deposits generated directly as a result of its business activity.

Interest risk

Nordex AG is not exposed to any material interest risks as it does not have any assets or liabilities which are sensitive to changes in interest rates.

Exchange rate risk

The Group's business is exposed to fluctuations in exchange rates as a result of its international orientation. The main risks are primarily to be found in the exchange rate between the euro on the one hand and the US dollar, pound sterling and the Chinese renminbi on the other.

The Group's foreign currency exposure primarily arises in its operating business in cases in which the individual Group companies do not conduct their activities in their respective functional currencies. In some cases, foreign-currency forwards and options are used to hedge these risks. Nordex's operating activities were not exposed to any material foreign currency exposure as of the balance sheet date.

For the purpose of describing market risks, IFRS 7 stipulates a currency sensitivity analysis showing the effects of hypothetical changes in relevant risk variables on the Company's earnings and equity. Currency risks arise as a result of financial instruments denominated in a currency other than the Group's functional currency and of a monetary nature; differences as a result of exchange rates in the translation of single-entity financial statements for inclusion in the consolidated financial statements are ignored. As a matter of principle, the relevant risk variables comprise all non-functional currencies in which the Nordex Group transactions financial instruments.

The exchange rate sensitivity of the originated monetary financial instruments (cash and cash equivalents, trade receivables and liabilities) is calculated by simulating ten-percent appreciation (depreciation) in all foreign currencies relative to the functional currency. As of December 31, 2007, this simulated appreciation (depreciation) would have resulted in an increase (decrease) in the equivalent amounts in euros and thus affected profit and loss or equity by EUR +8.0 million and EUR -9.7 million, respectively (December 31, 2006: EUR +1.9 million and EUR -1.7 million, respectively).

Foreign currency forwards and options are used to hedge exchange rate risks. Any changes in the exchanges rates underlying such financial instruments impact other operating result.

If the foreign currency had appreciated (depreciated) against the functional currency by 10% as of December 31, 2007, the effects on profit and loss or equity from the remeasurement of the foreign-currency forwards and options would have been EUR 2.4 million lower and EUR 2.7 million higher, respectively (December 31, 2006: EUR 1.0 million lower and EUR 0.4 million higher, respectively, reported in equity only).

Credit risk

The Group enters into business solely with investment-grade rated third parties. All main new customers wishing to enter into business with the Group on credit terms undergo a credit check. Default risks or the risk of counterparties failing to comply with their payment obligations are hedged as a matter of principle ahead of acceptance of the order by means of a standardized approval procedure. In particular, the order is not accepted unless the project finance is guaranteed by a bank and/or a bank guarantee or group bond has been issued. In addition, the contracts provide for payment to be made upon certain milestones being reached. In addition, receivables are monitored on an ongoing basis to avert all material risks of default. The maximum default risk is limited to the carrying amount in question. There is no pronounced clustering of default risks within the Group. In the case of the Group's other financial assets such as cash and cash equivalents, the maximum credit risk in the event of any default on the part of the counterparty is limited to the carrying amount of these instruments.

Liquidity risk

The Group uses a liquidity planning program to monitor the risk of a liquidity shortfall on an ongoing basis. This program tracks payments made and received in the light of the settlement periods of the financial investments and assets (e.g. receivables, other financial assets) as well as expected payment flows from operating activities.

The Group seeks to achieve a balance between current incoming and outgoing payments. If necessary, temporary liquidity peaks are offset by short-term deposits or the use of overdraft facilities, as the case may be.

As of December 31, 2007, the Group's financial liabilities broke down by maturity as follows:

Year ending December 31, 2007 (December 21, 2006)	Less than 3 months EUR millions	3–12 months EUR millions	1–5 years EUR millions	> 5 years EUR millions	Total EUR millions
Non-current liabilities to banks	0 (0)	0 (0)	1,124 (1,199)	0 (0)	1,124 (1,199)
Trade payables	76,223 (64,957)	2,661 (1,523)	0 (0)	0 (0)	78,884 (66,480)
Other financial liabilities	6,754 (858)	109 (96)	761 (679)	7,050 (7,274)	14,674 (8,907)

Capital management

Equity stood at EUR 271.874 million as of December 31, 2007. The main aims of financial management are to ensure sustained growth in enterprise value and to safeguard the Group's liquidity and credit rating. The Group monitors its capital by reference to the work capital employed. Working capital is defined as the sum total of inventories, receivables under construction contracts and trade receivables less advance payments received and trade payables. Nordex seeks to keep its working capital ratio (i.e. ratio of working capital to total revenues) to less than 20%.

Consolidated cash flow statement

The consolidated cash flow statement shows movements in the Nordex Group's cash and cash equivalents in the course of the year as a result of inflows and outflows. In accordance with IAS 7, cash flows are broken down into those from operating activities, those from investing activities and those from financing activities. The cash and cash equivalents reported in the consolidated cash flow statement include cash in hand and at banks less current bank liabilities. Cash in hand and at banks are due for settlement in less than three months. The changes in the items of the balance sheet used for determining movements in the cash flow statement cannot be directly derived from the balance sheet as non-cash currency effects are eliminated.

Cash flow from operating activities is calculated using the indirect method, i.e. earnings before tax are not adjusted for cash expenses and income. Cash flow from operating activities allow for changes in working capital.

Cash flow from operating activities was a positive EUR 29.079 million despite the increase in business volumes and the related increase in inventories. The increase in net cash used in inventories from EUR 20.485 million to EUR 90.631 million. At the same time, net cash used in trade receivables and receivables from construction contracts widened by EUR 13.263 million to EUR 47.638 million.

Cash flow used in investing activities increased by EUR 5.631 million over the previous year from EUR 18.834 million to EUR 24.465 million reflecting the increased business volumes as well as the investments in the Nordex Group's future growth.

The cash flow from financing activities of EUR 75.675 million was materially influenced by the July 2007 equity issue. As a result of the issue of 2,500,000 new shares, the Company received proceeds net of issuing costs of around EUR 74.000 million, which are to be primarily to be used for extending the production facilities in Rostock.

Cash and cash equivalents include cash in hand and at banks due in less than three months and stands as of December 31, 2007 at EUR 212.187 million.

Leases

In the year under review, lease payments of EUR 2.873 million (December 31, 2006: EUR 2.348 million) were made. These were primarily for leased passenger vehicles.

Other financial obligations

Other financial obligations relate to operating lease and rental obligations of EUR 8.197 million (December 31, 2006: EUR 7.917 million) with the following terms:

Fiscal year	Due in less than 1 year EUR millions	Due in 1–5 years EUR millions	Due in more than 5 years EUR millions
Dec. 31, 2007	2,474	5,448	275
Dec. 31, 2006	2,277	4,984	656

The operating lease and rental obligations primarily relate to leased motor vehicles.

Notes on related parties

In four cases, Parties related to the Nordex Group as defined in IAS 24.9 exercised management functions for business partners in 2007. However, there is no evidence of any conflict of interests.

The details are as follows:

Siempelkamp Gießerei GmbH & Co. KG supplies Nordex with cast parts for wind turbines. As the parent company of the Siempelkamp Group, G. Siempelkamp GmbH & Co. KG is the sole shareholder of Siempelkamp Gießerei GmbH & Co. KG. In his capacity as the spokesman of the management board of G. Siempelkamp GmbH & Co. KG, Dr. Hans Fechner, who is a member of Nordex AG's Supervisory Board, is not involved in the operative decisions of Siempelkamp Gießerei GmbH & Co. KG and does not exert any specific influence on these business relations.

Martin Rey, who is a member of Nordex's Supervisory Board, is executive director of Babcock & Brown Ltd., Sydney and managing director of Babcock & Brown GmbH, Munich. In 2007, companies in the Babcock & Brown Group acquired wind turbines from Nordex. Mr. Rey was not personally involved in the contractual negotiations between Nordex and Babcock & Brown and did not exercise any material influence on these.

Management Board member Carsten Pedersen holds a share in Welcon A/S. In the year under review, Welcon was a supplier of towers to the Nordex Group. The purchasing relations with Welcon comply strictly with arms-length requirements. Orders are placed only after intensive comparisons of prices and services. Mr. Pedersen in his capacity as COO Sales and Marketing is not involved in these decisions. As Welcon is one of the most efficient producers of towers in Northern Europe, it has been one of Nordex's suppliers for many years. In addition, Nordex's COO Sales and Marketing Carsten Pedersen is a member of the supervisory board of the Danish project developer Greentech Energy A/S, which ordered windpower systems from Nordex in 2007. Mr. Pedersen was not directly or materially involved in negotiations for the delivery contracts for either company.

Transactions with related parties as at December 31, 2007

Related person	Company	Transaction	Receivables Dec. 31, 2007 EUR millions	Receivables Dec. 31, 2006 EUR millions	Sales 2007 EUR millions	Sales 2006 EUR millions
Dr. Hans Fechner	G. Siempelkamp GmbH & Co. KG	Supplier of cast parts	0	0	21	2,676
Martin Rey	Babcock & Brown Ltd.	Sale of wind power systems including project companies	1,881	6,424	82,389	61,409
Carsten Pedersen	Welcon A/S	Supplier of towers	3,535	–1,288	36,947	22,609
Carsten Pedersen	Greentech Energy Systems A/S	Sale of wind power systems	771	0	40,131	3,9

As collateral for receivables, the Nordex Group received guarantees in its favor from related parties of TEUR 8.680 as of December 31, 2007 (2006: EUR 26 million), comprising bank guarantees of EUR 0.348 million (2006: EUR 26 million) and letters of comfort of EUR 8.332 million (2006: EUR 0). On the other hand, the provision of collateral in favor of related parties gave rise to contingent liabilities of EUR 189.5 million, comprising bank guarantees of EUR 16.736 million (2006: EUR 25.548 million) and letters of comfort of EUR 172.7 million as December 31, 2007 (2006: EUR 58.3 million).

In 2007, CMP-Fonds 1 GmbH, Berlin, hereinafter referred to as "CMP", and GS Equity Markets, L.P. (Bermuda), hereinafter referred to as "GS", as well as further shareholders held shares in the Company via a voting pool.

Up until July 22, 2007 inclusive, CMP held 26.65 percent and GS 17.44 percent of the Company's shares in a pool comprising a total of 47.88 percent of the shares under the management of CMP. Following an equity issue, CMP held 25.57 percent and GS 16.73 percent of the Company's shares, equivalent to 45.94 percent in the pool.

The sole voting rights within the pool throughout the entire period were held by CMP, meaning that CMP was the sole controlling party for the purposes of Section 17 of the German Stock Corporations Act.

In 2007, no transactions or actions subject to compulsory disclosure were executed or omitted in the interests or at the instigation of the controlling company CMP-Fonds 1 GmbH, Berlin or any entities related to it.

Events after the balance sheet date

Any events occurring after the balance sheet date caused by economic factors arising prior to December 31, 2007 are included in the consolidated financial statements as of December 31, 2007.

Corporate Governance Code declaration pursuant to Section 161 of the German Stock Corporation Act

The declaration stipulated by Section 161 of the German Stock Corporation Act has been issued for fiscal 2007 and made available to the shareholders.

Usage of easing code

The Nordex Energy GmbH, Norderstedt, and the Nordex Grundstückverwaltung GmbH, Norderstedt, are exempted from disclosure by Section 325 & 264 of the German Commercial Code.

Nordex AG Management Board and Supervisory Board

The Supervisory Board comprised the following members in fiscal 2007:

Yves Schmitt (Chairman of the Supervisory board)

CMP Capital Management-Partners GmbH (executive shareholder)
CMP Fonds I GmbH (managing director)
TAP Management GmbH (managing director)
Turn-Around Partners GmbH & Co. KGaA (member of the Management Board)
Schmitt Vermögensverwaltungs-und Beteiligungs GmbH (executive shareholder)
Flemming Dental AG (member of the supervisory board)
Lucia AG (member of the supervisory board)

Jens-Peter Schmitt (Deputy Chairman of the Supervisory Board)

Attorney

Dr.-Ing Hans Fechner

Spokesman of the Management Board of G. Siempelkamp GmbH & Co. KG
Spokesman of the management of Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG
Managing director of Siempelkamp Verwaltungs GmbH
Chairman of the advisory board of ATR Industrie-Elektronik GmbH & Co. KG*
Chairman of the advisory board of W. Strothmann GmbH*
Chairman of the advisory board of Siempelkamp Handling Systeme GmbH*
Member of the advisory board of Sicoplan N.V., Belgium*
Chairman of the advisory board of Siempelkamp Limited Partnership, United States*
Chairman of the advisory board of Siempelkamp srl, Italy*
Member of the advisory board of RWTÜV e.V.
Member of the advisory board of MEP Management + Equity Partners AG
Member of the advisory board of Deutsche Bank AG

* affiliated company

Jan Klatten

Managing shareholder of momentum Beteiligungsgesellschaft mbH

Martin Rey

Managing director of Babcock & Brown Ltd.
Executive director of Babcock & Brown Ltd.
Renerco AG (chairman of the supervisory board)
ZAAB Energy AG (member of the supervisory board)
Brisa Auto-estradas de Portugal, S.A., Portugal (member of the supervisory board)

Dr.-Ing. Hans Seifert

Managing director of Vinco Beteiligungs GmbH
Blue Cap AG (chairman of the supervisory board)
EmQtec AG (member of the supervisory board)
Hallufix AG (member of the supervisory board)

The members of the Management Board in 2007 were:

- Thomas Richterich, Hamburg (CEO)
- Carsten Risvig Pedersen, Hamburg (COO Sales and Marketing)
- Hansjörg Müller, Munich (COO Operations)
- Ulric Bernard Schäferbarthold, Cologne (CFO), as of April 2007

Nordex´s COO Sales and Marketing Carsten Pedersen is furthermore member of the supervisory board with the danisch project development company Greentech Energy A/S.

The members of the Supervisory Board and the Management Board held the following shares in the Company as of December 31, 2007

		Shares
Carsten Pedersen	COO Sales and Marketing	99,000 and a further 2,612,551 via a 50% holding in Nordvest A/S
Thomas Richterich	CEO	206,143*
Dr. Hansjörg Müller	COO Operations	164,915*
Yves Schmitt	Chairman of the Supervisory Board	148,470**
Jan Klatten	Supervisory Board	1,240,973***
Jens-Peter Schmitt	Supervisory Board	5,280
Dr. Hans Seifert	Supervisory Board	50,000

* dormant holding with the financial instors
** indirectly via the share held in CMP Fonds I GmbH
*** via a sub-participation held by momentum-capital Beteiligungsgesellschaft GmbH in CMP Fonds I GmbH

Thomas Richterich (CEO) and Dr. Hansjörg Müller (COO Operations) hold 206,143 and 164,915 shares, respectively, via dormant sub-participations (excluding voting and selling rights) and are thus exposed to the stock. Carsten Pedersen (COO Sales and Marketing) holds 99,000 shares directly and 2,612,551 million shares indirectly via his 50 percent stake in Nordvest A/S. In addition Thomas Richterich and Dr. Hansjörg Müller are entitled to a share of the proceeds from any sale of the shares held in the Company by CMP Capital Management Partners and Goldman Sachs (excess profit participation).

Remuneration paid to the members of the Supervisory Board and Management Board of Nordex AG

	Fiscal year 2007 EUR	Fiscal year 2006 EUR
Supervisory Boar	118,785	115,706
Management Board	1,687,610	1,539,970

The compensation paid to the Management Board comprises fixed and performance-tied variable components.

In accordance with the sub-participation agreements in force between the principal financial investors and individual members of the Management Board, profit-participation bonuses totaling EUR 1.680 million were paid in 2006.

The shareholders passed a resolution at the annual general meting of May 15, 2006 dispensing with the individualization of the remuneration paid to individual members of the Management Board. The individualized compensation paid to members of the Supervisory Board is set out in the Company’s bylaws (). This amount equals EUR 15,000 per year for each member of the Supervisory Board. The chairman receives double and the deputy chairman one-and-a-half times this amount. In addition, the members of the Supervisory Board are entitled to claim reimbursement of expenses incurred.

Benefits / pension provisions for former members of the Management Board

Pension provisions of EUR 0.169 million had been set aside as of December 31, 2007 (December 31, 2006: EUR 0.110 million) to cover entitlement vesting to two former members of the Management Board.

Auditor's fee

The fees payable to the auditors in 2007 came to EUR 0.159 million (2006: EUR 0.145 million) for auditing the financial statements and EUR 0.012 million (2006: EUR 0.044 million) for other services in total EUR 0.03 million (2006: EUR 0).

Rostock, March 2008

T. Richterich
Chief Executive Officer

C. Pedersen
Management Board

H. Müller
Management Board

B. Schäferbarthold
Management Board

MOVEMENTS IN NON-CURRENT ASSETS IN THE GROUP EXCLUDING DEFERRED TAXES

in EUR 000s

	Acquisition and production costs				
	Commencing balance Jan. 1, 2007 EUR 000s	Additions EUR 000s	First-time consolidation EUR 000s	Disposals EUR 000s	Reclassification EUR 000s
Property, plant and equipment					
Land, similar rights and buildings	16,554	2,300	0	0	188
Technical equipment and machinery	17,706	3,386	0	1,569	–228
Other plant, operating and business equipment	18,769	6,945	0	299	70
Advance payments and assets under construction	3,725	2,703	0	562	–395
Total property, plant and equipment	**56,754**	**15,334**	**0**	**2,430**	**–365**
Intangible assets					
Goodwill	14,461	0	0	0	0
Capitalized development expenses	24,726	10,252	0	4,956	0
Other intangible assets	10,831	2,887	0	6	365
Total intangible assets	**50,018**	**13,139**	**0**	**4,962**	**365**
Non-current financial assets					
Equity interests	5,642	160	0	191	0
Loans to companies with which a shareholding relationship exists	1,148	0	0	60	0
Other loans	2,211	28	0	2,239	0
Total non-current financial assets	**9,001**	**188**	**0**	**2,490**	**0**
Non-current financial assets	**757**	**0**	**0**	**55**	**0**
Other non-current assets	**320**	**5,374**	**0**	**0**	**0**
Total non-current assets excluding deferred taxes	**116,850**	**34,035**	**0**	**9,937**	**0**

	Acquisition and production costs				
	Commencing balance Jan. 1, 2006 EUR 000s	Additions EUR 000s	First-time consolidation EUR 000s	Disposals EUR 000s	Reclassification EUR 000s
Property, plant and equipment					
Land, similar rights and buildings	16,237	482	0	165	0
Technical equipment and machinery	14,508	2,250	2,086	1,024	–114
Other plant, operating and business equipment	16,062	3,178	161	746	114
Advance payments and assets under construction	65	3,544	181	65	0
Total property, plant and equipment	**46,872**	**9,454**	**2,428**	**2,000**	**0**
Intangible assets					
Goodwill	14,461	0	0	0	0
Capitalized development expenses	21,497	6,820	0	3,591	0
Other intangible assets	10,533	373	0	75	0
Total intangible assets	**46,491**	**7,193**	**0**	**3,666**	**0**
Non-current financial assets					
Equity interests	5,666	7	0	31	0
Loans to companies with which a shareholding relationship exists	1,153	0	0	5	0
Other loans	2,954	119	0	862	0
Total non-current financial assets	**9,773**	**126**	**0**	**898**	**0**
Non-current financial assets	**757**	**0**	**0**	**0**	**0**
Other non-current assets	**110**	**210**	**0**	**0**	**0**
Total non-current assets excluding deferred taxes	**104,003**	**16,983**	**2,428**	**6,564**	**0**

Closing balance Dec. 31, 2007 EUR 000s	Depreciation Commencing balance Jan. 1, 2007 EUR 000s	Additions EUR 000s	First-time consolidation EUR 000s	Disposals EUR 000s	Reclassifi-cation EUR 000s	Closing balance Dec. 31, 2007 EUR 000s	Book value Dec. 31, 2007 EUR 000s	Book value Dec. 31, 2006 EUR 000s
19,042	4,025	727	0	0	74	4,826	14,216	12,529
19,295	12,138	2,507	0	1,380	0	13,265	6,030	5,568
25,485	12,754	3,439	0	227	0	15,966	9,519	6,015
5,471	0	0	0	0	0	0	5,471	3,725
69,293	**28,917**	**6,673**	**0**	**1,607**	**74**	**34,057**	**35,236**	**27,837**
14,461	4,501	0	0	0	0	4,501	9,960	9,960
30,022	12,995	6,570	0	4,922	0	14,643	15,379	11,731
14,077	9,955	779	0	0	– 74	10,660	3,417	876
58,560	**27,451**	**7,349**	**0**	**4,922**	**– 74**	**29,804**	**28,756**	**22,567**
5,611	1,845	1,000	0	0	0	2,845	2,766	3,797
1,088	0	0	0	0	0	0	1,088	1,148
0	0	0	0	0	0	0	0	2,211
6,699	**1,845**	**1,000**	**0**	**0**	**0**	**2,845**	**3,854**	**7,156**
702	**0**	**0**	**0**	**0**	**0**	**0**	**702**	**757**
5,694	**0**	**0**	**0**	**0**	**0**	**0**	**5,694**	**320**
140,948	**58,213**	**15,022**	**0**	**6,529**	**0**	**66,706**	**74,242**	**58,637**

Closing balance Dec. 31, 2006 EUR 000s	Depreciation Commencing balance Jan. 1, 2006 EUR 000s	Additions EUR 000s	First-time consolidation EUR 000s	Disposals EUR 000s	Reclassifi-cation EUR 000s	Closing balance Dec. 31, 2006 EUR 000s	Book value Dec. 31, 2006 EUR 000s	Book value Dec. 31, 2005 EUR 000s
16,554	3,421	714	0	110	0	4,025	12,529	12,816
17,706	10,922	1,996	11	791	0	12,138	5,568	3,586
18,769	11,148	2,235	7	636	0	12,754	6,015	4,914
3,725	0	0	0	0	0	0	3,725	65
56,754	**25,491**	**4,945**	**18**	**1,537**	**0**	**28,917**	**27,837**	**21,381**
14,461	4,501	0	0	0	0	4,501	9,960	9,960
24,726	10,224	6,311	0	3,540	0	12,995	11,731	11,273
10,831	8,210	1,745	0	0	0	9,955	876	2,323
50,018	**22,935**	**8,056**	**0**	**3,540**	**0**	**27,451**	**22,567**	**23,556**
5,642	0	1,845	0	0	0	1,845	3,797	5,666
1,148	0	0	0	0	0	0	1,148	1,153
2,211	0	0	0	0	0	0	2,211	2,954
9,001	**0**	**1,845**	**0**	**0**	**0**	**1,845**	**7,156**	**9,773**
757	**0**	**0**	**0**	**0**	**0**	**0**	**757**	**757**
320	**0**	**0**	**0**	**0**	**0**	**0**	**320**	**110**
116,850	**48,426**	**14,846**	**18**	**5,077**	**0**	**58,213**	**58,637**	**55,577**

SEGMENT REPORTING

The Nordex Group is engaged in the development, production, servicing and marketing of wind power systems. In addition to development and production, it provides preliminary project development services to support marketing, acquires rights and creates the infrastructure required to construct wind power systems at suitable locations. The Nordex Group is essentially a single-product company, meaning that secondary segment reporting can be dispensed with. In fiscal 2007 the breakdown into geographical segments was changed compared to the previous year. In this fiscal year the segments of Germany and Europe (excluding Germany) were merged to form the Europe segment. The reorganisation of the segments is based on the strategy of localising production in Nordex's respective sales regions. In addition to the existing European production facility in Rostock, the production facility set up in Asia in the previous year and the expansion of production capacity on the North American market planned for 2009, Nordex will also be represented with production facilities on the markets that are central for the Company, namely Europe, Asia and North America. As presenting the proceeds, segment earnings and assets in the region of North America in 2007 does not yet provide any additional information, this has not been done for 2007, and instead this region was put together with Asia in the Rest of World segment. Nordex AG operates solely as a holding company and can therefore not be allocated to either of the two segments. The comparative figures for the previous year have been restated accordingly.

The Europe segment (especially France, UK and Italy) is currently the segment with the greatest sales for Nordex. Against the backdrop of the EU's harmonisation efforts, the members of the European Union are converging in both political and economic terms. In the medium to long term, there is expected to be demand for electricity produced from wind power in EU countries. Accordingly, Nordex plans to widen its market share step by step in Europe as well. Asia as well as the United States must be viewed in terms of the potential for growth. The strong growth in demand in Asia prompted Nordex to establish nacelle and rotor blade production operations for the S70/S77 wind power system in China in 2006 with the aim of supplying the Asian market from that base. Demand in the United States is also expected to be strong. Localisation of production is scheduled for 2009.

Segment sales comprise sales with third parties (external sales) as well as internal segment sales between the individual regions. The prices of deliveries between the individual segments are determined on an arm's length basis. External sales are assigned in accordance with the sales destination. Segment earnings are consolidated on the basis of external sales. The following table reconciles segment earnings with earnings before interest and tax (EBIT), segment assets with consolidated assets and segment liabilities with consolidated liabilities:

Segment earnings before interest and tax (EBIT) comprise the segment income less allocated expenses. Segment assets include all current and non-current assets with the exception of income tax claims, deferred tax assets and interest-bearing assets.

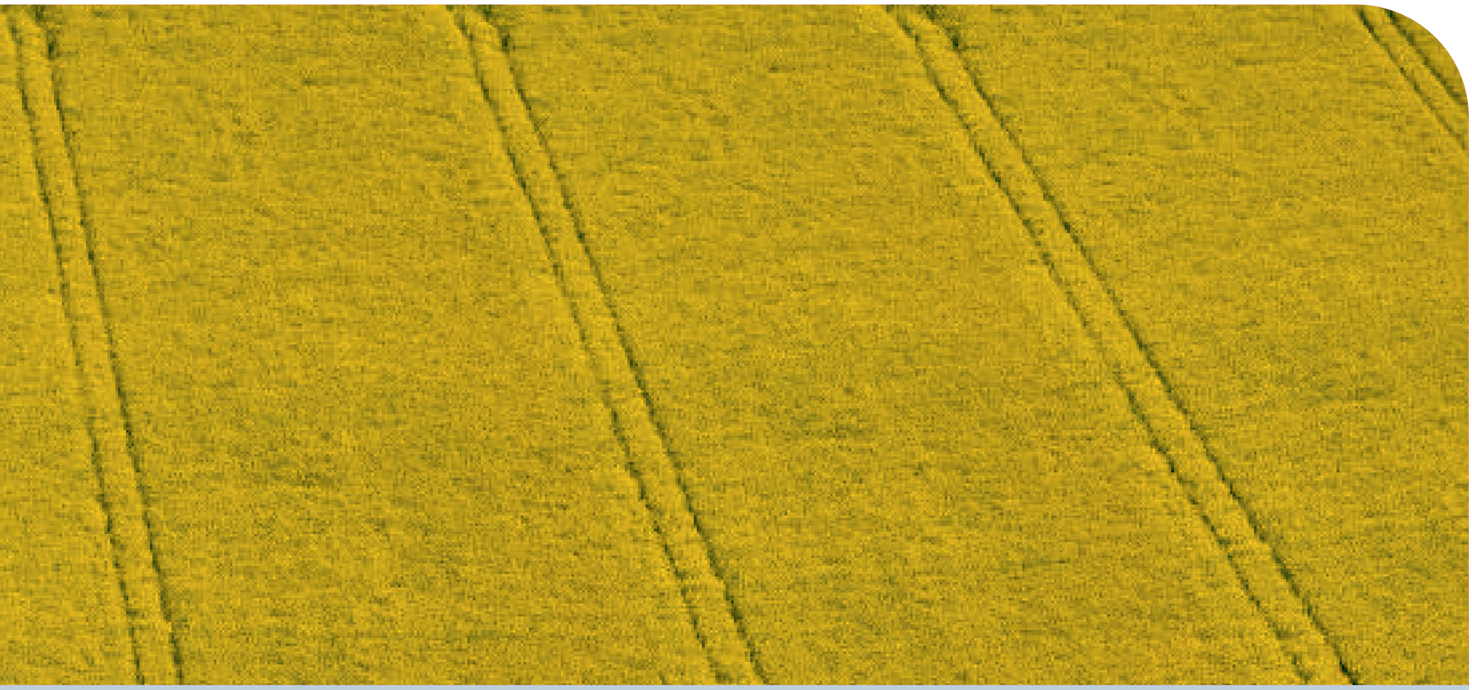
Segment liabilities contain all liabilities with the exception of income tax liabilities, deferred tax liabilities, liabilities subject to interest and finance lease liabilities.

The impairment loss pursuant to IAS 36 in the year under review related to the holding in Qingdao Huawei Wind Power Co. Ltd., China. In the previous year EUR 758,000 related to the full writedown of the 40 % stake in Xi'an Nordex Wind Turbine Co. Ltd., China, and EUR 1,087,000 to the writedown on the holding in Qingdao Huawei Wind Power Co. Ltd., China. The figures for the previous year have been restated accordingly.

EUR 000s	Europe		Rest of World	
	2007	2006 adjusted	2007	2006 adjusted
Sales				
External sales	724,412	486,065	23,044	27,547
Sales between segments	0	0	36,672	9,807
Total	**724,412**	**486,065**	**59,716**	**37,354**
EBIT	**66,374**	**30,526**	**–5,458**	**1,152**
Other information				
Segment assets	369,928	262,900	106,184	30,404
Interest-bearing assets	101,777	32,169	17,335	5,531
Income tax claims/Deferred tax assets	1,268	1,520	0	0
Group assets	**472,973**	**296,589**	**123,519**	**35,935**
Segment liabilities	326,058	270,490	118,258	22,316
Income tax liabilities/Deferred tax liabilities	18,273	10,706	0	554
Liabilities subject to interest	1,124	1,192	0	0
Liabilities under financial leases	7,811	7,953	0	0
Consolidated liabilities	**353,266**	**290,341**	**118,258**	**22,870**
Capital spending*	19,176	12,658	3,957	5,689
Depreciation/amortisation*	11,803	12,500	813	43
Impairment losses IAS 36	0	0	1,000	1,845

* The Europe segment includes the capital spending and depreciation on capitalised development costs. The figures for the previous year have been restated accordingly.

** For the Group holding company operating assets and liabilities are reported before capital and debt consolidation. The figures for the previous year have been restated accordingly.



Total (regions)		Consolidation		Total (excl. Group holding company)		Group holding company**		Total Group	
2007	2006 adjusted	2007	2006 adjusted	2007	2006 adjusted	2007	2006 adjusted	2007	2006 adjusted
747,456	513,612	0	0	747,456	513,612	0	37	747,456	513,649
36,672	9,807	−36,672	−9,807	0	0	0	0	0	0
784,128	**523,419**	**−36,672**	**−9,807**	**747,456**	**513,612**	**0**	**37**	**747,456**	**513,649**
60,916	**31,678**	**0**	**0**	**60,916**	**31,678**	**−20,782**	**−15,121**	**40,134**	**16,556**
476,112	293,304	−55,467	−8,314	420,645	284,990	20,655	8,821	441,300	293,811
119,112	37,700	0	0	119,112	37,700	93,075	94,209	212,187	131,909
1,268	1,520	0	0	1,268	1,520	49,014	30,201	50,282	31,721
596,492	**332,524**	**−55,467**	**−8,314**	**541,025**	**324,210**	**162,744**	**133,231**	**703,769**	**457,441**
444,316	292,806	−55,467	−8,314	388,849	284,492	13,294	2,802	402,143	287,294
18,273	11,260	0	0	18,273	11,260	2,571	1,209	20,844	12,469
1,124	1,192	0	0	1,124	1,192	0	7	1,124	1,199
7,811	7,953	0	0	7,811	7,953	0	0	7,811	7,953
471,524	**313,211**	**−55,467**	**−8,314**	**416,057**	**304,897**	**15,865**	**4,018**	**431,922**	**308,915**
23,133	18,347	0	0	23,133	18,347	5,528	854	28,661	19,201
12,616	12,543	0	0	12,616	12,543	1,406	476	14,022	13,019
1,000	1,845	0	0	1,000	1,845	0	0	1,000	1,845

LIST OF SHAREHOLDERS AS OF DECEMBER 31, 2007

	Currency	Share in in capital %
Consolidated related companies (Consolidated related companies)		
Nordex AG, Rostock (parent company)*	EUR	–
Nordex Energy B.V., Rotterdam, Netherlands	EUR	100
Nordex Grundstücksverwaltung GmbH, Norderstedt, Germany*	EUR	100
Nordex Energy GmbH, Norderstedt, Germany*	EUR	100
Nordex UK Limited, Didsbury, United Kingdom	EUR	100
Nordex USA Inc., Arlington, United States	EUR	100
Nordex France SAS, La Plaine Saint-Denis, France	EUR	100
Nordex Energy Ibérica S.A., Barcelona, Spain	EUR	100
Nordex Italia Srl., Milan, Italy	EUR	100
Nordex (Baoding) Wind Power Co. Ltd., Baoding, China	EUR	100
Nordex (Yinchuan) Wind Power Equipment Manufacturing Co. Ltd., Ningxia, China	EUR	50
Nordex (Dongying) Wind Power Equipment Manufacturing Co. Ltd., Dongying, China	EUR	100
Non consolidated related companies (values taken from local GAAP statements)		
Nordex Windpark Verwaltung GmbH, Norderstedt, Germany	EUR	100
natcon7 GmbH, Norderstedt, Germany***	EUR	75
Nordex Windpark Beteiligung GmbH, Norderstedt, Germany	EUR	100
Esquennois Energie EURL*****	EUR	100
Parc Éolien d`Auneau SAS, Paris, France***	EUR	100
Parc Éolien Harbonnieres/Framerville-Rainecourt, SAS, Paris, France***	EUR	100
Parc Éolien des Caulieres Eplessier Lamaronde S.A.S., Paris, France***	EUR	100
Parc Éolien de Fresnes-en-Saulnois, SAS, Paris, France***	EUR	100
Parc Éolien de Dehlingen, SAS, Paris, France***	EUR	100
Parc Éolien du Fouy, SAS, Paris, France***	EUR	100
Parc Éolien des Crêtes, SAS, Paris, France***	EUR	100
Parc Éolien des Joyeuses, SAS, Paris, France***	EUR	100
Parc Éolien des Barbes d'Or, SAS, Paris, France***	EUR	100
Parc Éolien du Chemin de Serrouville, SAS, Paris, France***	EUR	100
Parc Éolien de Mazeray et de Bignay, SAS, Paris, France***	EUR	100
Parc Éolien des Mistandines, SAS, Paris, France***	EUR	100
Parc Éolien des Croquettes, SAS, Paris, France***	EUR	100
Parc Éolien de l'Alizier, SAS, Paris, France***	EUR	100
Parc Éolien de la Chaussée de César Nord, SAS, Paris, France***	EUR	100
Parc Éolien Affluent de la Canche, S.A.S, Paris, France****	EUR	100
Parc Éolien de Fillières, S.A.S, Paris, France****	EUR	100
Parc Éolien de Kerbach, S.A.S, Paris, France****	EUR	100
Parc Éolien de la Côte de Repy S.A.S, Paris, France****	EUR	100
Parc Éolien de Laborde S.A.S, Paris, France****	EUR	100
Parc Éolien de Landelles S.A.S, Paris, France****	EUR	100
Parc Éolien de l'Artois S.A.S, Paris, France****	EUR	100
Parc Éolien de Marage-Zondrange S.A.S, Paris, France****	EUR	100
Parc Éolien de Point de Vue S.A.S, Paris, France****	EUR	100
Parc Éolien de Rimling-Erching S.A.S, Paris, France****	EUR	100
Parc Éolien de Grivaudines S.A.S, Paris, France****	EUR	100
Parc Éolien des Pelures Blances S.A.S, Paris, France****	EUR	100
Parc Éolien du Bois Maurepas S.A.S, Paris, France****	EUR	100
Parc Éolien d'Oberdorff S.A.S, Paris, France****	EUR	100
Parc Éolien de Campagne S.A.S, Paris, France****	EUR	100
Parc Éolien Nordex I S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex II S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex III S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex IV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex V S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex VI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex VII S.A.S., Paris, France****	EUR	100

Net profit/loss Jan. 1, 2007 – Dec. 31, 2007	Shareholders' equity Dec. 31, 2007	Share held via
9,351,872.78	217,461,796.24	–
– 243,246.07	– 655,075.46	Nordex Aktiengesellschaft
0.00	52,000.00	Nordex Aktiengesellschaft
0.00	6,254,049.08	Nordex Aktiengesellschaft
2,388,005.15	– 1,588,433.25	Nordex Energy B. V.
– 468,920.60	– 1,769,110.12	Nordex Energy B. V.
– 425,735.16	– 1,151,047.21	Nordex Energy B. V.
– 568,016.28	– 1,755,758.57	Nordex Energy B. V.
– 969,607.42	606,430.75	Nordex Energy B. V.
–1,028,271.60	456,390.67	Nordex Energy GmbH
–458,068.52	3,745,249.75	Nordex Energy GmbH
–2,790,435.47	– 88,956.06	Nordex Energy GmbH
– 815.28	15,542.24	Nordex Aktiengesellschaft
751,720.95	1,156,032.46	Nordex Aktiengesellschaft
– 112,534.45	–275,174.88	Nordex Aktiengesellschaft
420.97	37,176.97	Nordex Windpark Beteiligung GmbH
–15,486.79	–2,174.39	Nordex Windpark Beteiligung GmbH
–3,803.58	23,397.77	Nordex Windpark Beteiligung GmbH
–3,996.03	22,892.19	Nordex Windpark Beteiligung GmbH
–44,621.83	–23,644.42	Nordex Windpark Beteiligung GmbH
–2,693.96	30,712.34	Nordex Windpark Beteiligung GmbH
–39,678.68	–6,276.75	Nordex Windpark Beteiligung GmbH
–30,814.53	2,542.40	Nordex Windpark Beteiligung GmbH
–11,391.94	21,958.37	Nordex Windpark Beteiligung GmbH
–43,652.41	–10,302.10	Nordex Windpark Beteiligung GmbH
–2,580.58	30,785.66	Nordex Windpark Beteiligung GmbH
–2,475.27	30,926.42	Nordex Windpark Beteiligung GmbH
–3,199.11	30,147.86	Nordex Windpark Beteiligung GmbH
–3,050.97	30,377.54	Nordex Windpark Beteiligung GmbH
–2,693.44	30,718.99	Nordex Windpark Beteiligung GmbH
–2,693.44	30,740.61	Nordex Windpark Beteiligung GmbH
–3,256.61	33,743.39	Nordex Windpark Beteiligung GmbH
–3,083.24	33,916.76	Nordex Windpark Beteiligung GmbH
–3,226.52	33,773.48	Nordex Windpark Beteiligung GmbH
–3,346.44	33,653.56	Nordex Windpark Beteiligung GmbH
–3,421.71	33,578.29	Nordex Windpark Beteiligung GmbH
–3,389.84	33,610.16	Nordex Windpark Beteiligung GmbH
–3,532.86	33,467.14	Nordex Windpark Beteiligung GmbH
–3,497.22	33,502.78	Nordex Windpark Beteiligung GmbH
–3,328.96	33,671.04	Nordex Windpark Beteiligung GmbH
–3,139.27	33,860.73	Nordex Windpark Beteiligung GmbH
–3,072.29	33,927.71	Nordex Windpark Beteiligung GmbH
–3,076.82	33,923.18	Nordex Windpark Beteiligung GmbH
–3,631.41	33,368.59	Nordex Windpark Beteiligung GmbH
–3,072.59	33,927.41	Nordex Windpark Beteiligung GmbH
–3,076.82	33,923.18	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
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Parc Éolien Nordex VIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex IX S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex X S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XIV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XVII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XVIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XIX S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XX S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXIV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXVI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXVII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXVIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXIX S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXX S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXIV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXVI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXVII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXVIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXIX S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XL S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLIV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLVI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLVII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLVIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLIX S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex L S.A.S., Paris, France****	EUR	100
NPV Dritte Windpark GmbH & Co. KG, Norderstedt, Germany	EUR	100
Sechste Windpark Support GmbH & Co. KG, Osnabrück, Germany	EUR	100
Nordex Hellas Monoprosopi EPE, Kifissia, Greece**	EUR	100
Qingdao Huawei Wind Power Co. Ltd., Qingdao, China**	EUR	67
Investments (not consolidated) (values taken from local GAAP statements)		
Atria Grundstücksverwaltungsgesellschaft GmbH & Co. Objekt Rostock KG (limited partner share)**	EUR	94
Xi´an Nordex Wind Turbine Co. Ltd., Xi´an, China	EUR	40
Catalana D´Energies Renovables, S. L., Reus, Spain	EUR	33
Société d'Energie Éolienne de Cambon Sarl, La Martyre France***	EUR	50
Parc d' Energie de Conlie P.E.C., Sarl, La Martyre, France***	EUR	50
Société èolienne de Rouessè-Vassè S.E.R.V Sarl, Rouessè Vassè FR****	EUR	50
Société Bretonne d'Energie d'Armorique SBEA Sarl, Pleyber Christ FR***	EUR	50
K/S Whitewater Wind Power Invest I, Komplementarselskabet Whitewater Invest I ApS******	EUR	30/90
K/S Whitewater Wind Power Invest VII, Komplementarselskabet Whitewater Invest VII ApS******	EUR	10/90
K/S Whitewater Wind Power Invest VIII, Komplementarselskabet Whitewater Invest VIII ApS******	EUR	10/90

*) Profit transfer agreement; net profit/loss and equity after profit transfer
**) Annual financial statements as of December 31, 2006 (fiscal year from January 1, 2006 until December 31, 2006)
***) Preliminary financial statements as of December 31, 2007
****) Companies established in 2007; preliminary financial statements
*****) Companies acquired in 2007; preliminary financial statements
******) Stake acquired in 2007; preliminary financial statements

–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
0.00	37,000.00	Nordex Windpark Beteiligung GmbH
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0.00	37,000.00	Nordex Windpark Beteiligung GmbH
0.00	37,000.00	Nordex Windpark Beteiligung GmbH
–416.23	46,139.64	Nordex Grundstücksverwaltung GmbH
–1,040.22	–4,012.51	Nordex Grundstücksverwaltung GmbH
–296,640.93	–3,455,194.75	Nordex Energy GmbH
–500,813.16	3,855,441.29	Nordex Energy GmbH
–8,249.46	–247,339.81	Nordex Energy GmbH
–875,734.48	764,321.80	Nordex Energy GmbH
–1,332.29	10,312.79	Nordex Energy Ibérica S. A.
–3,485.81	–2,809.13	Nordex France SAS
0.55	1,058.97	Nordex France SAS
–119.88	–1,447.04	Nordex France SAS
–25,756.99	–24,889.11	Nordex France SAS
–72,646.96	231,683.49	Nordex Energy GmbH
–28,506.88	242,028.96	Nordex Energy GmbH
–181,280.55	18,020.03	Nordex Energy GmbH

AUDITOR'S REPORT

"We have audited the consolidated financial statements prepared by Nordex Aktiengesellschaft, Rostock, comprising the consolidated balance sheet, consolidated income statement, consolidated cash flow statement, consolidated statement of changes in equity and notes to the consolidated financial statements as well as the management report of the Company and the Group for the year commencing on January 1, and ending on December 31, 2007. The preparation of the consolidated financial statements and the management report of the Company and the Group in accordance with the International Financial Reporting Standards (IFRS), as they are to be applied in the EU, and the additional accounting provisions in accordance with Section 315a (1) HGB is the responsibility of the Company's statutory representatives. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and the management report of the Company and the Group based on our audit.

We conducted our audit of the Group financial statements in accordance with Section 317 of the German Commercial Code and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that material misstatements affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements and the management report of the Company and the Group in accordance with the applicable accounting principles are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and evaluations of possible misstatements are taken into account in the determination of audit proceduresThe effectiveness of the internal control system and the evidence supporting disclosures in the books and records as well as the consolidated financial statements and the management report of the Company and the Group are examined primarily on a random-sample basis within the framework of the audit. The audit includes an assessment of the financial statements of the companies included in the Group, the definition of the consolidation perimeter, the accounting and consolidation principles applied and the significant estimates made by the statutory representatives as well as an appraisal of the overall situation presented by the consolidated financial statements and the Group management report, which has been combined with the parent company management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the results of our audit, the consolidated financial statements comply with IFRS as they are to be applied in the EU, the supplementary provisions of German commercial law in accordance with Section 315a (1) of the German Commercial Code and in the light of these provisions give a true and fair view of the net assets, financial position and results of operations of the Group. The management report of the Company and the Group is consistent with the consolidated financial statements and on the whole provides a suitable understanding of the Group's position and suitably presents the risks to future development."

Hamburg, March 14, 2008.
Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Götze	Lüdemann
Wirtschaftsprüfer	*Wirtschaftsprüfer*
(German Public Auditor)	*(German Public Auditor)*

Responsibility statement
in accordance with Sections 297 (2) 4 and 315 (1) 6 of the German Commercial Code

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Rostock, March 2008

T. Richterich	C. Pedersen	H. Müller	B. Schäferbarthold
Chief Executive Officer	*Management Board*	*Management Board*	*Management Board*


CHINA'S APPETITE FOR ENERGY IS GROWING.
SO IS NORDEX. VERY SOON, THE ROUGHLY 1,600 EMPLOYEES IN THE FAR EAST WILL BE PRODUCING CAPACITY OF 800 MW A YEAR. THIS IS A NATURAL IMPETUS FOR NORDEX AND ALSO PROVIDES PLENTY OF TAIL WIND FOR CHINA'S ECONOMY AND THE ENVIRONMENT.
NORDEX
We've got the power.

ANNUAL FINANCIAL STATEMENTS OF NORDEX AG FOR THE FISCAL YEAR FROM JANUARY 1, 2007 UNTIL DECEMBER 31, 2007

BALANCE SHEET

as of December 31, 2007

ASSETS		
	Dec. 31, 2007 EUR	Dec. 31, 2006 EUR
A. Non-current assets		
I. Intangible assets		
Concessions, industrial property rights and similar rights and assets	3,200,494.40	308,511.07
II. Property, plant and equipment		
Other equipment, operating and business equipment	1,630,573.76	446,527.90
III. Financial assets		
Shares in affiliated companies	32,481,929.01	32,481,929.01
	37,312,997.17	**33,236,967.98**
B. Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	90,996,542,98	17,385,391.51
2. Other assets	11,579,333.17	6,030,366.04
	102,575,876.15	**23,415,757.55**
II. Cash in hand, bank balances	93,075,993.20	94,208,760.16
	195,651,869.35	**117,624,517.71**
C. Prepaid expenses	266,646.81	0.00
	233,231,513.33	**150,861,485.69**

LIABILITIES AND SHAREHOLDERS' EQUITY		
	Dec. 31, 2007 EUR	Dec. 31, 2006 EUR
A. Shareholders' equity		
I. Issued share capital	66,845,000.00	64,345,000.00
II. Share premium account	156,009,866.00	82,759,866.00
III. Accumulated deficits	– 5,393,069.76	– 14,744,897.54
	217,461,796.24	**132,359,968.46**
B. Provisions		
1. Provisions for pensions and similar obligations	121,033.00	110,339.00
2. Tax provisions	2,523,913.00	570,159.00
3. Other provisions	2,888,867.39	1,591,654.15
	5,533,813,39	**2,272,152.15**
C. Liabilities		
1. Liabilities to banks	15.88	6,850.44
2. Advance payments received	7,500,000.00	0.00
3. Trade payables	1,939,730.93	722,610.55
4. Liabilities to affiliated companies	485,800.44	15,232,012.38
5. Other liabilities	310,356.45	267,891.71
– of which tax EUR 116,281.76 (previous year: EUR 107,863.78)		
– of which for social security EUR 5,571.20 (previous year: EUR 22.37)		
	10,235,903.70	**16,229,365.08**
	233,231,513.33	**150,861,485.69**

INCOME STATEMENT

from January 1, 2007 until December 31, 2007

	Jan. 1, 2007 – Dec. 31, 2007 EUR	Jan. 1, 2006 – Dec. 31, 2006 EUR
1. Sales	19,547,520.34	10,816,789.02
2. Other operating income	1,369,764.47	613,065.33
3. Personnel costs		
a.) Wages and salaries	– 6,233,069.80	– 4,703,981.45
b.) Social security and pension and support expenses	– 701,454.28	– 540,543.23
– of which for pensions EUR 39,009.85 (previous year: EUR 39,845.02)		
4. Amortization/depreciation charges on intangible assets and tangible assets	– 1,443,257.31	– 475,777.21
5. Other operating expenses	– 16,086,931.16	– 9,587,641.37
6. Income from profit transfer agreements	9,270,752.62	1,416,235.00
7. Other interest and similar income	6,321,328.20	2,252,048.90
– of which from affiliated companies EUR 3,694,980.09 (previous year: EUR 1,172,635.25)		
8. Interest and similar expenses	– 723,649.32	– 699,779.59
– of which from affiliated companies EUR 343,765.27 (previous year: EUR 6,078.81)		
9. Profit/loss from ordinary activity	– 11,321,003.76	– 909,584.60
10. Income taxes	– 1,967,574.98	– 6,251.61
11. Other taxes	– 1,601.00	– 791.42
12. Net profit (previous year net loss) for the year	**9,351,827.78**	**– 916,627.63**
13. Loss carried forward	– 14,744,897.54	– 13,828,269.91
14. Accumulated deficit	– 5,393,069.76	– 14,744,897.54

ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR FROM JANUARY 1, 2007 UNTIL DECEMBER 31, 2007

I. GENERAL NOTES ON THE ANNUAL FINANCIAL STATEMENTS

The financial statements of Nordex Aktiengesellschaft for the fiscal year commencing January 1, 2007 and ending December 31, 2007 were prepared in accordance with the provisions of the German Commercial Code for large companies and the relevant provisions of the German Stock Corporations Act. The previous year's figures set out in the balance sheet and the income statement have not been changed.

The income statement has been compiled using the cost of production method.

The financial statements for 2007 of Nordex Aktiengesellschaft have been published in the electronic Bundesanzeiger and the companies register at www.ebundesanzeiger.de and www.unternehmensregister.de respectively.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Intangible assets

Intangible assets acquired for valuable consideration are recognized at cost less straight-line amortization covering a likely life expectancy of three to five years.

Property, plant and equipment

Property, plant and equipment are carried at their cost of acquisition including ancillary acquisition costs. They are written down on a straight-line basis over their usual life expectancy. Minor-value assets (under EUR 410.00) are written off in full in their year of acquisition and carried as disposals.

Financial assets

Financial assets are shown at their cost of acquisition. Non-scheduled depreciation charges are taken in the event of any protracted impairment.

Receivables and other assets

Receivables and other assets as well as bank balances are shown at their nominal value. Reasonable adjustments are made for discernible individual risks.

Provisions and liabilities

Pension provisions are calculated in accordance with Section 6 a of the Income Tax Act. Other provisions have been set aside for all risks and contingent liabilities discernible on the day on which the balance sheet was prepared up to an amount considered reasonable in the light of sound commercial judgment. Liabilities are shown at their settlement amount.

Currency translation

Foreign-currency amounts are translated using the lower exchange rate prevailing on the balance-sheet date. Foreign-currency receivables and liabilities are recognized on the date on which they arise subject to any losses as a result of exchange-rate changes.

III. NOTES ON THE BALANCE SHEET

(1) Intangible assets and property, plant and equipment

The structure of and movements in assets as well as cumulative depreciation/amortization are set out in the statement of asset movements, which is attached as Appendix A. Intangible assets comprise software programs and licenses. The item "Other Operating and Business Equipment" primarily relates to office equipment.

(2) Shares in affiliated companies

This includes the following direct affiliated companies:

	Carrying value Dec. 31, 2007 EUR millions
Nordex Energy GmbH, Norderstedt	31,632
natcon7 GmbH	750
Nordex Windpark Beteiligung GmbH, Norderstedt	25
Nordex Energy B.V., Rotterdam	25
Nordex Grundstücksverwaltung GmbH, Norderstedt	25
Nordex Windpark Verwaltung GmbH	25
	32,482

(3) Receivables and other assets

As in the previous year, receivables and other assets have a residual term of less than one year.

Receivables from affiliated companies primarily relate to clearing accounts via which all the companies of the Nordex Group receive the liquidity they require for continued growth.

(4) Bank balances

On the balance sheet date, cash and cash equivalents comprise solely bank balances.

(5) Shareholders' equity

The Company's fully paid up share capital of EUR 64,345,000, divided into 64,345,000 bearer shares, was increased by EUR 2,500,000 to EUR 66,845,000 through the issue of 2,500,000 new bearer shares using part of the Authorized Capital I of EUR 16,086,250 available as of the date of this issue.

The number of shares outstanding changed in the year under review as follows:

Issued share capital	EUR millions
Balance on January 1, 2007	64,345
Capital increase in fiscal 2007	2,500
	66,845
Share premium account	
Balance on January 1, 2007	82,760
Capital increase in fiscal 2007	73,250
	156,010
Accumulated deficit	
Loss carried forward	– 14,745
Net profit for the year	9,352
	–5,393
Shareholders' equity on December 31, 2007	**217,462**

As at December 31, 2007, the Company had Authorized Capital I of EUR 13,586,250, equivalent to 13,586,250 shares, Contingent Capital I of EUR 15,086,250, equivalent to 15,086,250 shares, and Contingent Capital II of EUR 1,000,000, equivalent to 1,000,000 shares, each with a notional value of EUR 1.00 per share.

In the year under review, Authorized Capital I dropped by EUR 2,500,000 to EUR 13,586,250 as a result of the issue of 2,500,000 bearer shares.

In the year under review, the Company received the following notifications in accordance with Section 21 (1) of the German Securities Trading Act and disclosed them in accordance with Section 26 (1) Sentence 1 of that Act:

a) The share of voting rights held by DWS Investment GmbH, Frankfurt am Main, Germany, as a subsidiary of Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany, in the Company dropped below the threshold of 5 percent on January 22, 2007, coming to 4.71 percent.

b) The share of voting rights held by DWS Investment GmbH, Frankfurt am Main, Germany, as a subsidiary of Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany, in the Company dropped below the threshold of 3 percent on January 22, 2007, coming to 2.81 percent.

c) The share of voting rights held by Morgan Stanley & Co. International Limited, Wilmington, United States in the Company dropped below the threshold of 3 percent on March 29, 2007, coming to 2.22 percent.

At the same time, the share in voting rights held by the following companies dropped below the threshold of 3 percent, coming to 2.22 percent. In this connection, the aforementioned voting rights, all of which are held directly by Morgan Stanley & Co. International Limited are attributable in accordance with Section 22 (1) No. 1 of the German Securities Trading Act to the following companies via the company specified below the company in question:

(i) Morgan Stanley, The Corporation Trust Company, Wilmington, United States
(ii) Morgan Stanley International Holdings Inc., The Corporation Trust Company Corporation, Wilmington, United States
(iii) Morgan Stanley International Limited, London, United Kingdom
(iv) Morgan Stanley Group (Europe), London, United Kingdom
(v) Morgan Stanley UK Group, London, United Kingdom

d) The share of voting rights held by DWS Investment GmbH, Frankfurt am Main, Germany, as a subsidiary of Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany, in the Company exceeded the threshold of 3 percent on December 31, 2007, coming to 3.01 percent.

STATEMENT OF ASSET MOVEMENTS

of December 31, 2007

	Gross values		
	Cost of acquisition or production Jan. 1, 2007 EUR	Additions EUR	Disposals EUR
Intangible assets			
Concessions, industrial property rights and similar rights and assets	684,984.11	3,328,147.59	5,226.65
	684,984.11	3,328,147.59	5,226.65
Property, plant and equipment			
Other equipment, operating and business equipment	1,012,201.23	2,199,837.43	14,543.00
	1,012,201.23	2,199,837.43	14,543.00
Financial assets			
Shares in affiliated companies	38,405,106.08		0.00
	38,405,106.08	0.00	0.00
	40,102,291.42	5,527,985.02	19,769.65

(6) Provisions

Other provisions primarily relate to personnel provisions (EUR 1.928 million) particularly for bonuses and accrued vacation pay as well as costs in connection with the annual general meeting, the preparation and audit of the financial statements (EUR 0.328 million) and provisions for interest arising from the external tax audit (EUR 0.232 million).

(7) Liabilities

As of the balance sheet date, there were no liabilities to banks of EUR 15.8 (2006: EUR 0.007 million).

Collateral for cash and guarantee facilities

Nordex Aktiengesellschaft has entered into a collateral pool agreement with the banks providing the Nordex Group with guarantee facilities. The collateral furnished comprises the global assignment of all trade receivables, the pledge of the inventories, the shares held in Nordex Energy GmbH, Nordex Grundstücksverwaltung GmbH, Nordex Windpark Beteiligung GmbH and Nordex Energy B.V., the pledge of account balances, the assignment of licenses, expertise, utility models, patents and other industrial rights and insurance claims under guarantee and building insurance policies as well as land charges. Pursuant to the terms of the collateral pooling agreement, all on and off-balance sheet assets are effectively pledged as collateral for existing bank facilities.

As in the previous year, the other liabilities have a residual term of less than one year.

	Depreciation				Net values	
Cost of acquisition or production Dec. 31, 2007 EUR	Depreciation Jan. 1, 2007 EUR	Additions EUR	Disposals EUR	Depreciation Dec. 31, 2007 EUR	Carrying value Dec. 31, 2007 EUR	Carrying value Dec. 31, 2006 EUR
4,007,905.05	376,473.04	431,082.81	145.20	807,410.65	3,200,494.40	308,511.07
4,007,905.05	376,473.04	431,082.81	145.20	807,410.65	3,200,494.40	308,511.07
3,197,495.66	565,673.33	1,012,174.50	10,925.93	1,566,921.90	1,630,573.76	446,527.90
3,197,495.66	565,673.33	1,012,174.50	10,925.93	1,566,921.90	1,630,573.76	446,527.90
38,405,106.08	5,923,177.07		0.00	5,923,177.07	32,481,929.01	32,481,929.01
38,405,106.08	5,923,177.07	0.00	0.00	5,923,177.07	32,481,929.01	32,481,929.01
45,610,506.79	6,865,323.44	1,443,257.31	11,071.13	8,297,509.62	37,312,997.17	33,236,967.98

Contingent liabilities and other financial obligations

Nordex AG has contingent liabilities of EUR 2,5 billion (December 31, 2006: EUR 855.8 million) arising from the provision of collateral in favor of third parties for consolidated and non-consolidated related companies. The provision of collateral by the Company reflects the obligations which the subsidiaries have assumed towards third parties. The joint and several liability for the liabilities of affiliated companies to banks in connection with bank guarantees accounts for EUR 266.6 million (December 31, 2006: EUR 221.8 million). The collateral provided and the joint and several liability under bank guarantees is offset by a portfolio of firm and conditional customer orders of EUR 2.9 billion. Provisions have been set aside in cases in which guarantees given are expected to give rise to a payment obligation.

As of the balance sheet date, total other financial obligations from rental contracts and leases stood at EUR 0.955 million (2006: EUR 0.827 million) and break down by year as follows:

2008 EUR millions (PY)	2009–2012 EUR millions (PY)	after 2012 EUR millions (PY)	Total EUR millions (PY)
339 (194)	616 (633)	0 (0)	955 (827)

IV. NOTES ON THE INCOME STATEMENT

(1) Sales

Sales comprise group transfer payments received for services (EUR 14.043 million) as well as commission on contract performance bonds issued for Group companies (EUR 5.450 million).

(2) Other operating income

Other operating income primarily comprises VAT reimbursements for earlier years (EUR 0.362 million) and income from exchange rate differences (EUR 0.675 million).

(3) Personnel costs

Employee numbers at Nordex (excluding members of the Management Board) were as follows:

Fiscal year	Average	Balance sheet date
2007	80	95
2006	55	66

(4) Depreciation/amortization

The depreciation/amortization charges taken in the fiscal year are set out in the statement of asset movements.

(5) Other operating expenses

This primarily includes legal and consulting expenses of EUR 5.617 million, insurance costs of EUR 0.746 million, rental and lease payments of EUR 0.580 million, advertising expenses of EUR 2.159 million and IT costs of EUR 2.840 million.

(6) Income from profit transfer agreements

Income from profit transfer agreements relates to Nordex Energy GmbH (EUR 9.254 million) and Nordex Grundstücksverwaltung GmbH (EUR 0.017 million), with which profit transfer agreements are in force.

(7) Other interest and similar income

In year under review, other interest and similar income primarily comprises interest income on bank balances and interest income of EUR 2.498 million and interest income of EUR 3.695 million from affiliated companies.

(8) Interest and similar expenses

Interest expense primarily comprises the interest expense of affiliated companies (EUR 0.344 million) and guarantee commission.

V. OTHER DISCLOSURES

(1) Shareholdings

The full list of shareholdings is attached to these Notes.

(2) Corporate governance declaration

The declaration stipulated by Section 161 of the German Stock Corporation Act has been issued for fiscal 2007 and made available to the shareholders on the companies web page (www.nordex-online.com/investor-relations).

(3) Disclosures relating to Nordex Aktiengesellschaft's Management Board and Supervisory Board

The Supervisory Board comprised the following members in fiscal 2007:

Yves Schmitt (Chairman of the Supervisory board)
CMP Capital Management-Partners GmbH (executive shareholder)
CMP Fonds I GmbH (managing director)
TAP Management GmbH (managing director)
Turn-Around Partners GmbH & Co. KGaA (member of the Management Board)
Schmitt Vermögensverwaltungs-und Beteiligungs GmbH (executive shareholder)
Flemming Dental AG (chairman of the supervisory board)
Lucia AG (member of the supervisory board)

Jens-Peter Schmitt (Deputy Chairman of the Supervisory Board)
Attorney

Dr.-Ing Hans Fechner
Spokesman of the Management Board of G. Siempelkamp GmbH & Co. KG
Spokesman of the management of Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG
Manding Director of Simpelkamp Verwaltung GmbH
Chairman of the advisory board of ATR Industrie-Elektronik GmbH & Co. KG*
Chairman of the advisory board of W. Strothmann GmbH*
Chairman of the advisory board of Siempelkamp Handling Systeme GmbH*
Member of the advisory board of Sicoplan N.V., Belgium*
Chairman of the advisory board of Siempelkamp Limited Partnership, United States*
Chairman of the advisory board of Siempelkamp srl, Italy*
Member of the advisory board of RWTÜV e.V.
Member of the advisory board of MEP Management + Equity Partners AG
Member of the advisory board of Deutsche Bank AG

* Affiliated companies

Jan Klatten
Managing shareholder of momentum Beteiligungsgesellschaft mbH

Martin Rey
Managing director of Babcock & Brown Ltd.
Executive director of Babcock & Brown Ltd.
Renerco AG (chairman of the supervisory board)
ZAAB Energy AG (member of the supervisory board)
Brisa Auto-estradas de Portugal, S.A., Portugal (member of the supervisory board)

Dr.-Ing. Hans Seifert
Managing director of Vinco Beteiligungs GmbH
Blue Cap AG (chairman of the supervisory board)
EmQtec AG (member of the supervisory board)
Hallufix AG (member of the supervisory board)

The members of the Management Board in 2007 were:

- Thomas Richterich, Hamburg (CEO)
- Carsten Risvig Pedersen, Brande (COO Sales and Marketing)
- Dr. Hansjörg Müller, Hamburg (COO Operations)
- Ulric Bernard Schäferbarthold, Cologne (CFO), since April 2007

Nordex´s COO Sales and Marketing Carsten Pedersen is furthermore member of the supervisory board with the danish project development company Greentech Energy A/S.

The members of the Supervisory Board and the Management Board held the following shares in the Company as of December 31, 2007

		Shares
Carsten Pedersen	COO Sales and Marketing	99,000 and a further 2,612,551 via a 50% holding in Nordvest A/S
Thomas Richterich	CEO	206,143*
Dr. Hansjörg Müller	COO Operations	164,915*
Yves Schmitt	Chairman of the Supervisory Board	148,470**
Jan Klatten	Supervisory Board	1,240,973***
Jens-Peter Schmitt	Supervisory Board	5,280
Dr. Hans Seifert	Supervisory Board	50,000

* dormant holding with the financial instors
** indirekt über eine Beteiligung an der CMP Fonds I GmbH
*** über eine Unterbeteiligung der momentum-capital Vermögensverwaltungsgesellschaft mbH an der CMP Fonds I GmbH

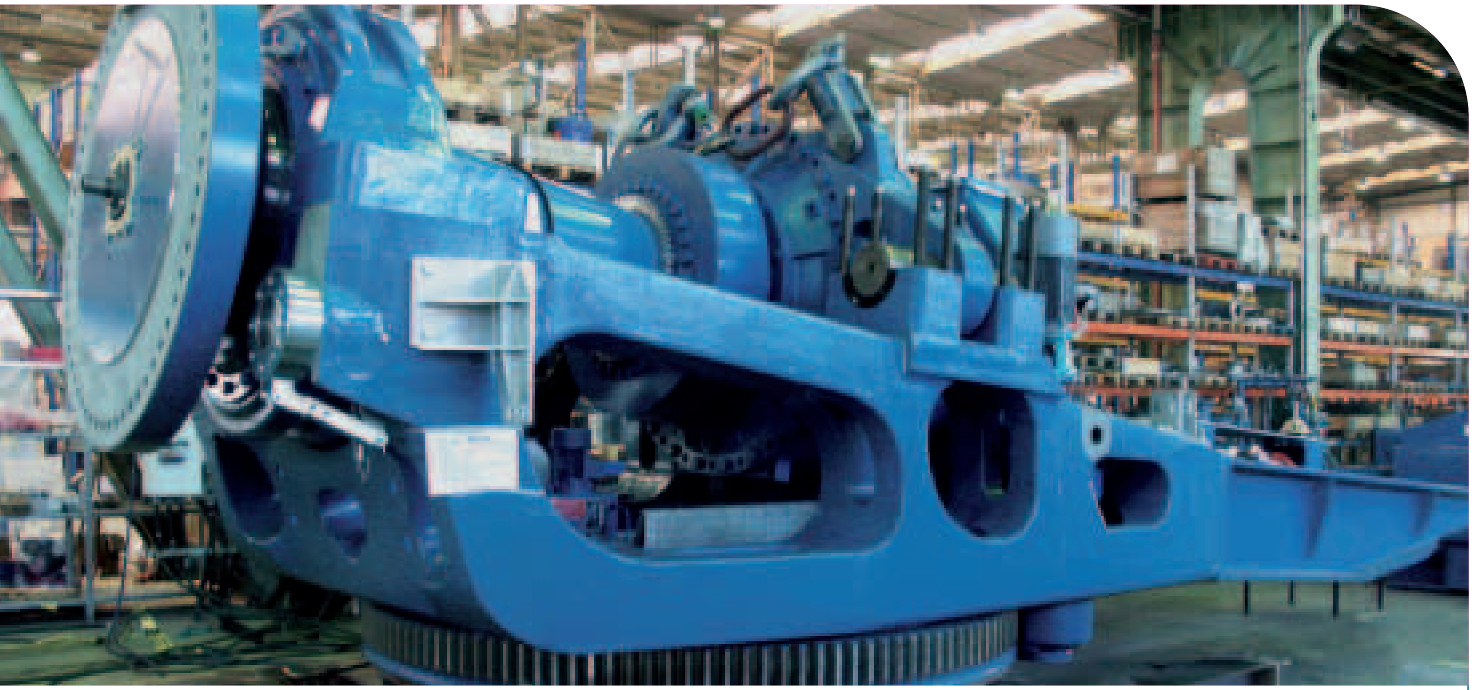
Thomas Richterich (CEO) and Dr. Hansjörg Müller (COO Operations) hold 206,143 and 164,915 shares, respectively, via dormant sub-participations (excluding voting and selling rights) and are thus exposed to the stock. Carsten Pedersen (COO Sales and Marketing) holds 99,000 shares directly and 2,612,551 million shares indirectly via his 50 percent stake in Nordvest A/S. In addition Thomas Richterich and Dr. Hansjörg Müller are entitled to a share of the proceeds from any sale of the shares held in the Company by CMP Capital Management Partners and Goldman Sachs (excess profit participation).

(4) Remuneration paid to the members of the Supervisory Board and Management Board of Nordex Aktiengesellschaft

	Fiscal year 2007 EUR	Fiscal year 2006 EUR
Supervisory Board	118,785	115,706
Management Board	1,687,610	1,539,970

The compensation paid to the Management Board comprises fixed and performance-tied variable components. The shareholders passed a resolution at the annual general meting of May 15, 2006 dispensing with the individualization of the remuneration paid to individual members of the Management Board.

The individualized compensation paid to members of the Supervisory Board is set out in the Company's bylaws (www.nordex-online.com/online-service). This amount equals EUR 15,000 per year for each member of the Supervisory Board. The chairman shall receive double and the deputy chairman one-and-a-half times this amount. In addition, the members of the Supervisory Board are entitled to claim reimbursement of expenses incurred.



(5) Benefits / pension provisions for former members of the Management Board

Pension provisions of EUR 0.121 million (previous year: EUR 0.110 million) had been set aside as of December 31, 2007 to cover entitlement vesting to two former members of the Management Board.

(6) Auditor's fee

The fees payable to the auditors in 2007 came to EUR 0.081 million (previous year EUR 0.075 million) for tax consulting EUR 0.013 million (previous year EUR 0.044 million) for other services.

(7) Utilization of Nordex Aktiengesellschaft's unappropriated result

Nordex Aktiengesellschaft's unappropriated net loss is to be carried forward.

(8) Foreign currency forwards/swaps

No foreign currency forwards were outstanding as of the balance sheet date.

Rostock, March 2008

Nordex AG
The Management Board

T. Richterich *Chief Executive Officer*	C. Pedersen *Management Board*	H. Müller *Management Board*	B. Schäferbarthold *Management Board*

LIST OF SHAREHOLDERS AS OF DECEMBER 31, 2007

	Currency	Share in in capital %
Consolidated related companies (Consolidated related companies)		
Nordex AG, Rostock (parent company)*	EUR	–
Nordex Energy B.V., Rotterdam, Netherlands	EUR	100
Nordex Grundstücksverwaltung GmbH, Norderstedt, Germany*	EUR	100
Nordex Energy GmbH, Norderstedt, Germany*	EUR	100
Nordex UK Limited, Didsbury, United Kingdom	EUR	100
Nordex USA Inc., Arlington, United States	EUR	100
Nordex France SAS, La Plaine Saint-Denis, France	EUR	100
Nordex Energy Ibérica S.A., Barcelona, Spain	EUR	100
Nordex Italia Srl., Milan, Italy	EUR	100
Nordex (Baoding) Wind Power Co. Ltd., Baoding, China	EUR	100
Nordex (Yinchuan) Wind Power Equipment Manufacturing Co. Ltd., Ningxia, China	EUR	50
Nordex (Dongying) Wind Power Equipment Manufacturing Co. Ltd., Dongying, China	EUR	100
Non consolidated related companies (values taken from local GAAP statements)		
Nordex Windpark Verwaltung GmbH, Norderstedt, Germany	EUR	100
natcon7 GmbH, Norderstedt, Germany***	EUR	75
Nordex Windpark Beteiligung GmbH, Norderstedt, Germany	EUR	100
Esquennois Energie EURL*****	EUR	100
Parc Éolien d`Auneau SAS, Paris, France***	EUR	100
Parc Éolien Harbonnieres/Framerville-Rainecourt, SAS, Paris, France***	EUR	100
Parc Éolien des Caulieres Eplessier Lamaronde S.A.S., Paris, France***	EUR	100
Parc Éolien de Fresnes-en-Saulnois, SAS, Paris, France***	EUR	100
Parc Éolien de Dehlingen, SAS, Paris, France***	EUR	100
Parc Éolien du Fouy, SAS, Paris, France***	EUR	100
Parc Éolien des Crêtes, SAS, Paris, France***	EUR	100
Parc Éolien des Joyeuses, SAS, Paris, France***	EUR	100
Parc Éolien des Barbes d'Or, SAS, Paris, France***	EUR	100
Parc Éolien du Chemin de Serrouville, SAS, Paris, France***	EUR	100
Parc Éolien de Mazeray et de Bignay, SAS, Paris, France***	EUR	100
Parc Éolien des Mistandines, SAS, Paris, France***	EUR	100
Parc Éolien des Croquettes, SAS, Paris, France***	EUR	100
Parc Éolien de l'Alizier, SAS, Paris, France***	EUR	100
Parc Éolien de la Chaussée de César Nord, SAS, Paris, France***	EUR	100
Parc Éolien Affluent de la Canche, S.A.S, Paris, France****	EUR	100
Parc Éolien de Fillières, S.A.S, Paris, France****	EUR	100
Parc Éolien de Kerbach, S.A.S, Paris, France****	EUR	100
Parc Éolien de la Côte de Repy S.A.S, Paris, France****	EUR	100
Parc Éolien de Laborde S.A.S, Paris, France****	EUR	100
Parc Éolien de Landelles S.A.S, Paris, France****	EUR	100
Parc Éolien de l'Artois S.A.S, Paris, France****	EUR	100
Parc Éolien de Marage-Zondrange S.A.S, Paris, France****	EUR	100
Parc Éolien de Point de Vue S.A.S, Paris, France****	EUR	100
Parc Éolien de Rimling-Erching S.A.S, Paris, France****	EUR	100
Parc Éolien de Grivaudines S.A.S, Paris, France****	EUR	100
Parc Éolien des Pelures Blances S.A.S, Paris, France****	EUR	100
Parc Éolien du Bois Maurepas S.A.S, Paris, France****	EUR	100
Parc Éolien d'Oberdorff S.A.S, Paris, France****	EUR	100
Parc Éolien de Campagne S.A.S, Paris, France****	EUR	100
Parc Éolien Nordex I S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex II S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex III S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex IV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex V S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex VI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex VII S.A.S., Paris, France****	EUR	100

Net profit/loss Jan. 1, 2007 – Dec. 31, 2007	Shareholders' equity Dec. 31, 2007	Share held via
9,351,872.78	217,461,796.24	–
– 243,246.07	– 655,075.46	Nordex Aktiengesellschaft
0.00	52,000.00	Nordex Aktiengesellschaft
0.00	6,254,049.08	Nordex Aktiengesellschaft
2,388,005.15	– 1,588,433.25	Nordex Energy B. V.
– 468,920.60	– 1,769,110.12	Nordex Energy B. V.
– 425,735.16	– 1,151,047.21	Nordex Energy B. V.
– 568,016.28	– 1,755,758.57	Nordex Energy B. V.
– 969,607.42	606,430.75	Nordex Energy B. V.
–1,028,271.60	456,390.67	Nordex Energy GmbH
–458,068.52	3,745,249.75	Nordex Energy GmbH
–2,790,435.47	– 88,956.06	Nordex Energy GmbH
– 815.28	15,542.24	Nordex Aktiengesellschaft
751,720.95	1,156,032.46	Nordex Aktiengesellschaft
– 112,534.45	–275,174.88	Nordex Aktiengesellschaft
420.97	37,176.97	Nordex Windpark Beteiligung GmbH
–15,486.79	–2,174.39	Nordex Windpark Beteiligung GmbH
–3,803.58	23,397.77	Nordex Windpark Beteiligung GmbH
–3,996.03	22,892.19	Nordex Windpark Beteiligung GmbH
–44,621.83	–23,644.42	Nordex Windpark Beteiligung GmbH
–2,693.96	30,712.34	Nordex Windpark Beteiligung GmbH
–39,678.68	–6,276.75	Nordex Windpark Beteiligung GmbH
–30,814.53	2,542.40	Nordex Windpark Beteiligung GmbH
–11,391.94	21,958.37	Nordex Windpark Beteiligung GmbH
–43,652.41	–10,302.10	Nordex Windpark Beteiligung GmbH
–2,580.58	30,785.66	Nordex Windpark Beteiligung GmbH
–2,475.27	30,926.42	Nordex Windpark Beteiligung GmbH
–3,199.11	30,147.86	Nordex Windpark Beteiligung GmbH
–3,050.97	30,377.54	Nordex Windpark Beteiligung GmbH
–2,693.44	30,718.99	Nordex Windpark Beteiligung GmbH
–2,693.44	30,740.61	Nordex Windpark Beteiligung GmbH
–3,256.61	33,743.39	Nordex Windpark Beteiligung GmbH
–3,083.24	33,916.76	Nordex Windpark Beteiligung GmbH
–3,226.52	33,773.48	Nordex Windpark Beteiligung GmbH
–3,346.44	33,653.56	Nordex Windpark Beteiligung GmbH
–3,421.71	33,578.29	Nordex Windpark Beteiligung GmbH
–3,389.84	33,610.16	Nordex Windpark Beteiligung GmbH
–3,532.86	33,467.14	Nordex Windpark Beteiligung GmbH
–3,497.22	33,502.78	Nordex Windpark Beteiligung GmbH
–3,328.96	33,671.04	Nordex Windpark Beteiligung GmbH
–3,139.27	33,860.73	Nordex Windpark Beteiligung GmbH
–3,072.29	33,927.71	Nordex Windpark Beteiligung GmbH
–3,076.82	33,923.18	Nordex Windpark Beteiligung GmbH
–3,631.41	33,368.59	Nordex Windpark Beteiligung GmbH
–3,072.59	33,927.41	Nordex Windpark Beteiligung GmbH
–3,076.82	33,923.18	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH

Parc Éolien Nordex VIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex IX S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex X S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XIV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XVII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XVIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XIX S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XX S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXIV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXVI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXVII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXVIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXIX S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXX S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXIV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXVI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXVII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXVIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XXXIX S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XL S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLIV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLV S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLVI S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLVII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLVIII S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex XLIX S.A.S., Paris, France****	EUR	100
Parc Éolien Nordex L S.A.S., Paris, France****	EUR	100
NPV Dritte Windpark GmbH & Co. KG, Norderstedt, Germany	EUR	100
Sechste Windpark Support GmbH & Co. KG, Osnabrück, Germany	EUR	100
Nordex Hellas Monoprosopi EPE, Kifissia, Greece**	EUR	100
Qingdao Huawei Wind Power Co. Ltd., Qingdao, China**	EUR	67
Investments (not consolidated) (values taken from local GAAP statements)		
Atria Grundstücksverwaltungsgesellschaft GmbH & Co. Objekt Rostock KG (limited partner share)**	EUR	94
Xi´an Nordex Wind Turbine Co. Ltd., Xi´an, China	EUR	40
Catalana D´Energies Renovables, S. L., Reus, Spain	EUR	33
Société d'Energie Éolienne de Cambon Sarl, La Martyre France***	EUR	50
Parc d' Energie de Conlie P.E.C., Sarl, La Martyre, France***	EUR	50
Société èolienne de Rouessè-Vassè S.E.R.V Sarl, Rouessè Vassè FR****	EUR	50
Société Bretonne d'Energie d'Armorique SBEA Sarl, Pleyber Christ FR***	EUR	50
K/S Whitewater Wind Power Invest I, Komplementarselskabet Whitewater Invest I ApS******	EUR	30/90
K/S Whitewater Wind Power Invest VII, Komplementarselskabet Whitewater Invest VII ApS******	EUR	10/90
K/S Whitewater Wind Power Invest VIII, Komplementarselskabet Whitewater Invest VIII ApS******	EUR	10/90

*) Profit transfer agreement; net profit/loss and equity after profit transfer
**) Annual financial statements as of December 31, 2006 (fiscal year from January 1, 2006 until December 31, 2006)
***) Preliminary financial statements as of December 31, 2007
****) Companies established in 2007; preliminary financial statements
*****) Companies acquired in 2007; preliminary financial statements
******) Stake acquired in 2007; preliminary financial statements

–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
–107.43	36,892.57	Nordex Windpark Beteiligung GmbH
0.00	37,000.00	Nordex Windpark Beteiligung GmbH
0.00	37,000.00	Nordex Windpark Beteiligung GmbH
0.00	37,000.00	Nordex Windpark Beteiligung GmbH
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0.00	37,000.00	Nordex Windpark Beteiligung GmbH
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0.00	37,000.00	Nordex Windpark Beteiligung GmbH
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0.00	37,000.00	Nordex Windpark Beteiligung GmbH
0.00	37,000.00	Nordex Windpark Beteiligung GmbH
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0.00	37,000.00	Nordex Windpark Beteiligung GmbH
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0.00	37,000.00	Nordex Windpark Beteiligung GmbH
0.00	37,000.00	Nordex Windpark Beteiligung GmbH
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0.00	37,000.00	Nordex Windpark Beteiligung GmbH
0.00	37,000.00	Nordex Windpark Beteiligung GmbH
0.00	37,000.00	Nordex Windpark Beteiligung GmbH
0.00	37,000.00	Nordex Windpark Beteiligung GmbH
0.00	37,000.00	Nordex Windpark Beteiligung GmbH
0.00	37,000.00	Nordex Windpark Beteiligung GmbH
0.00	37,000.00	Nordex Windpark Beteiligung GmbH
–416.23	46,139.64	Nordex Grundstücksverwaltung GmbH
– 1,040.22	– 4,012.51	Nordex Grundstücksverwaltung GmbH
–296,640.93	– 3,455,194.75	Nordex Energy GmbH
–500,813.16	3,855,441.29	Nordex Energy GmbH
–8,249.46	– 247,339.81	Nordex Energy GmbH
–875,734.48	764,321.80	Nordex Energy GmbH
–1,332.29	10,312.79	Nordex Energy Ibérica S. A.
–3,485.81	– 2,809.13	Nordex France SAS
0.55	1,058.97	Nordex France SAS
–119.88	– 1,447.04	Nordex France SAS
–25,756.99	– 24,889.11	Nordex France SAS
–72,646.96	231,683.49	Nordex Energy GmbH
–28,506.88	242,028.96	Nordex Energy GmbH
–181,280.55	18,020.03	Nordex Energy GmbH

AUDITOR'S REPORT

"We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes, together with the bookkeeping system and the management report of the Company and the Group of Nordex Aktiengesellschaft, Rostock, for the fiscal year from January 1 until December 31, 2007. The maintenance of the books and records and the preparation of the financial statements and management report of the Company and the Group in accordance with German commercial law are the responsibility of the Company's statutory representatives. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and the management report of the Company and the Group based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 of the German Commercial Code and the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that material misstatements affecting the presentation of the net assets, financial position and results of operations in the financial statements and the management report of the Company and the Group in accordance with German accounting principles are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and evaluations of possible misstatements are taken into account in the determination of audit procedures The effectiveness of the internal control system and the evidence supporting disclosures in the books and records as well as the financial statements and the management report of the Company and the Group are examined primarily on a random-sample basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the management report of the Company and the Group. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the results of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with the principles of proper accounting. The management report of the Company and the Group is consistent with the consolidated annual financial statements and on the whole provides a suitable understanding of the Group's position and suitably presents the risks to future development."

Hamburg, March 14, 2008.
Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Götze	Lüdemann
(German Public Auditor)	*(German Public Auditor)*

Responsibility statement
in accordance with Sections 297 (2) 4 and 315 (1) 6 of the German Commercial Code

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Rostock, March 2008

T. Richterich	C. Pedersen	H. Müller	B. Schäferbarthold
Chief Executive Officer	*Management Board*	*Management Board*	*Management Board*

GLOSSAR

Avals	guarantees
Azimuth	horizontal yaw control of the nacelle of a wind turbine
Book-to-bill ratio	Ratio of new orders to sales in a given period. A book-to-bill ratio larger than 1 is considered to be an indicator of increasing capacity utilisation
Capacity factor	Theoretical number of hours per year in which a wind power system is able to operate at full load at a given location
Certification	Wind power systems are certified according to certain guidelines. This ensures that they are constructed correctly and can be operated safely. In Germany, Germanische Lloyd (GL) and TÜV Nord are the certifying agents.
Corporate governance	In 2002 the German government's Corporate Governance Commission drew up a code to regulate nationally and internationally recognised standards for fair and responsible corporate management. According to § 161 of the German Stock Corporation Act, every listed company must publish a "Declaration of Conformance" with the Code.
Coverage	The regular share analysis of an investment bank for a listed company
EBIT	Earnings before Interest and Tax
EEG	Renewable Energies Act. The EEG has regulated the feeding of regenerative energy into the German power grid since April 01, 2000
Equity ratio	Proportion of equity in total assets. Is considered to be the benchmark for determining the intrinsic value of a company's assets in the balance sheet
EUR 000s	1000 euros
Full-load hours	A turbine's yield depends on the wind speed. Turbines achieve their maximum output at wind speeds of between 13 and 15 m/s. The number of theoretical full-load hours per year characterises the quality of wind-farm sites. These range from 1,800 hours (Germany) to 2,900 hours (UK).
Gearbox	The gearbox is located between the slow rotor shaft and the fast generator shaft. It causes the generator shaft to rotate 90 times faster than the rotor shaft.
Generator	The generator of a wind power system converts mechanical energy into electrical energy.
Gross domestic product (GDP)	Benchmark for the economic performance of an economy. The GDP states all newly available goods and services at their current market prices produced in the country by nationals and non-nationals within one year
GWEC	Global Wind Energy Council – international umbrella association for wind energy
Kilowatt (kW)	Output is energy per time unit and is measured in watts. 1 kilowatt equals 1,000 watts

Loss carryforward	A loss carryforward is the total of all losses incurred in past fiscal years and which could not be netted against positive earnings. These losses can be carried forward to later fiscal years. From the point of view of taxation this involves the intention to offset these losses against profits anticipated in the future. Thus in a future assessment period the losses made in earlier assessment periods reduce taxes that would actually be incurred on the profit in this assessment period.
Margin contribution	Value of an order minus costs of materials related to a project
Megawatt (MW)	1 megawatt equals 1,000 kilowatts
New business	Order receipts
Offshore systems	Turbines operated in coastal waters. The use of offshore turbines may make sense due to the stronger and more constant winds over the sea. On the downside, however, the costs for foundations and grid connection are higher.
Onshore systems	Turbines installed on land.
Pitch control	Control of the wind turbine by rotating the rotor blade around the longitudinal axis.
POC	Percentage of completion. The method stipulated by international accounting rules for recognising revenues.
PTC	Production Tax Credit. The PTC guarantees a tax credit on the income tax to be paid in the United States for companies operating wind power systems there. The current PTC stands at 1.9 US cents per kilowatt hour.
Reservation fees	Fees for providing production time windows for projects to be delivered
Rotor	The rotor of a wind turbine comprises the blades and the hub. Nordex wind turbines always have three blades. The rotor is mounted on the main shaft.
TecDAX	Technology index of the Frankfurt stock exchange. Deutsche Börse AG reorganised the German stock market in March 2003, introducing the TecDAX as the new index for the 30 largest technology stocks beneath the DAX 30.
VDMA	Verband Deutscher Maschinen- und Anlagenbau (German Federal Mechanical Engineering Association)
Wind farm	Wind farms comprise of several wind turbines operated in tandem
Working capital	The capital used during the implementation phase of an order

FINANCIAL SCHEDULE

Report on the first quarter of 2008
May 26, 2008

Annual General Meeting in Rostock
May 27, 2008

Report on the first half of 2008 with telephone conference
August 21, 2008

Report on the third quarter of 2008 with telephone conference
November 20, 2008

Stock held by members of the Management Board and the Supervisory Board

		Shares
Carsten Pedersen	COO Sales and Marketing	99.000 sowie weitere 2.612.551 über eine 50%ige Beteiligung an der Nordvest A/S
Thomas Richterich	CEO	206,143*
Dr. Hansjörg Müller	COO Operations	164,915*
Yves Schmitt	Chairman of the Supervisory Board	148,470**
Jan Klatten	Member of the Supervisory Board	1,240,973***
Jens-Peter Schmitt	Member of the Supervisory Board	5,280
Dr. Hans Seifert	Member of the Supervisory Board	50,000

* dormant sub-participations with financial investors
** indirectly via the share held in CMP Fonds I GmbH
*** via a sub-participation held by momentum-capital Vermögensverwaltungsgesellschaft mbH in CMP Fonds I GmbH

Thomas Richterich (CEO) and Dr. Hansjörg Müller (Operations) hold 206,143 and 164,915 shares, respectively, via dormant sub-participations (excluding voting and selling rights) and are thus exposed to the stock. Carsten Pedersen (Sales and Marketing) holds 99,000 shares directly and 2,612,551 million shares indirectly via his 50 percent stake in Nordvest A/S. In addition Thomas Richterich and Dr. Hansjörg Müller are entitled to a share of the proceeds from any sale of the shares held in the Company by CMP Capital Management Partners and Goldman Sachs (excess profit participation).

Impressum:
Nordex AG
Bornbarch 2
22848 Norderstedt
Telephone: +49 40 50098-100
Fax.: +49 40 50098-101

Investor Relations:
Ralf Peters
Telephone: +49 40 50098-522
Fax: +49 40 50098-333
E-mail: rpeters@nordex-online.com

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