

# ANNUAL REPORT 2008

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## GROUP STRUCTURE

### NORDEX AKTIENGESELLSCHAFT

Nordex Windpark Verwaltung GmbH (100 %)
Nordex Windpark Beteiligung GmbH (100 %)
Nordex Grundstückverwaltung GmbH (100 %)
natcon7 GmbH (75 %)

### Nordex Energy GmbH 100%

Nordex (Baoding) Wind Power Co. Ltd. (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 %)
Nordex (Beijing) Wind Power Engineering & Technology Co. Ltd., VR China (100 %)
Qingdao Huawei Wind Power Co. Ltd., VR China (66.6 %)
Atria Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Rostock KG (100 %) Since January 1, 2009 100% (previously 94%); renamed Nordex Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Rostock KG

### Nordex Energy B.V. 100%

Nordex UK Ltd. (100 %)
Nordex France SAS (100 %)
Nordex Energy Iberica S. A. (100 %)
Nordex Italia s.r.l. (100 %)
Nordex USA Inc. (100 %)
Nordex Sverige AB (100 %)
Nordex Polska Sp. z o. o. (99 %)



## CONTENTS

	Performance indicators at a glance	2
	Letter to the shareholders	4
<b>Mission statement</b>		<b>6</b>
	Employees	6
	Economics	10
	Society	14
	Ecology	18
	Technology	22
	The Management Board	27
	The Supervisory Board	28
	Report of the Supervisory Board	31
	Corporate strategy	37
	The fiscal year at a glance	40
	The stock	46
<b>Combined management report for Nordex AG and the Nordex Group</b>		<b>50</b>
	Economic conditions	53
	Business performance	61
	Earnings situation	69
	Financial condition and assets	73
	Capital spending	77
	Research and development	79
	Quality management	85
	Staff and compensation	87
	Outlook	91
	Risk report	97
	Disclosures in accordance with Sections 289 (4); 315 (4) of the German Commercial Code	105
	Events after the conclusion of the period under review	115
	Corporate Governance report	117
<b>Consolidated annual financial statements</b>		<b>124</b>
	Balance sheet	126
	Income statement	127
	Cash flow statement	128
	Statement of changes in equity	129
	Notes on consolidated financial statements	131
	Statement of changes in non-current assets	190
	Segment report	192
	List of equity interests	194
	Auditor's certificate	200
	Responsibility statement	201
<b>Parent company annual financial statements for Nordex AG</b>		<b>202</b>
	Balance sheet	204
	Income statement	205
	Notes on the annual financial statements	207
	Statement of changes in non-current assets	224
	List of equity interests	226
	Auditor's certificate	232
	Responsibility statement	233
	Glossary	234
	Management bodies	240
	Calendar of events/ production credits	241

## KEY FIGURES AT A GLANCE

EARNINGS					
		2006	2007	2008	Δ 08/07
Sales	EUR mn	513.6	747.5	1.135.7	+ 51.9 %
Total revenues	EUR mn	552.3	806.8	1.189.9	+ 47.5 %
EBITDA	EUR mn	29.6	54.2	78.9	+ 45.6 %
EBIT	EUR mn	16.6	40.1	63.0	+ 57.1 %
Cashflow <sup>1</sup>	EUR mn	112.4	80.3	-115.3	> -100 %
Capital spending	EUR mn	19.2	28.5	72.4	> +100 %
Consolidated net profit	EUR mn	12.6	48.0	49.5	+ 3.1 %
Earnings per share <sup>2</sup>	EUR	0.21	0.74	0.71	- 4.1 %
EBIT margin	%	3.0	5.0	5.3	+ 0.3 pp
Return on sales	%	3.2	5.4	5.5	+ 0.1 pp
Working capital ratio	%	2.3	2.3	14.0	+ 11.7 pp

<sup>1</sup> Change in cash and cash equivalents

<sup>2</sup> Unchanged on the basis of the weighted average number of shares in 2008: 66.845 million shares; 2007 65.595 million shares

BALANCE SHEET					
		2006	2007	2008	Δ 08/07
Total assets as of 12/31	EUR mn	457.4	703.8	854.3	+ 21.4 %
Equity as of 12/31	EUR mn	148.5	271.8	324.4	+ 19.4 %
Equity ratio	%	32.5	38.6	38.0	- 0.6 pp

EMPLOYEES					
		2006	2007	2008	Δ 08/07
Headcount	(Ø)	814	1.304	1.885	+ 44.6 %
Staff cost	EUR mn	41.8	55.0	81.7	+ 48.5 %
Sales per employee	EUR 000s	631	573	603	+ 5.2 %
Staff cost ratio	%	7.6	6.8	6.9	+ 0.1 pp

SPECIFIC COMPANY RATIOS					
		2006	2007	2008	Δ 08/07
Order receipts	EUR mn	767	1.220	876	- 28.2 %
Foreign business	%	75	89	96	+ 7.0 pp

## MISSION STATEMENT

*Climate protection and economic prosperity are not contradictory goals. Nordex has been developing competitive wind power systems since 1985 and is committed to the responsible use of the earth's natural resources. Our goal is to achieve progress by linking ecological and economic interests for the benefit of our customers, shareholders and the environment.*

 **WE'VE GOT THE POWER.**



## LETTER TO THE SHAREHOLDERS

### *Dear shareholders and business associates,*

In operating terms, 2008 was another year of records for Nordex. Fueled by the sharp increase in order backlog, the volume of installed capacity increased by almost 60 percent. At the same time, Nordex widened its production output substantially at a double-digit rate, with turbine production in Asia increasing three-fold. Sales and earnings were also up. In the year under review, sales climbed by around 52 percent to EUR 1,136 million, thus slightly exceeding our forecast (EUR 1,100 million). This was accompanied by an increase of around 57 percent in operating earnings to EUR 63 million, i.e. within the expected range of EUR 60 - 66 million. One material reason for this favorable performance was the heightened profitability of the projects executed, something which is reflected in the declining cost-of-materials ratio. Also meriting special mention is the Group's liquidity, which stood at EUR 112 million as of December 31,

2008 and contributed to net financial income. With a tax rate of around 23 percent, earnings per share came to EUR 0.71, i.e. very close to the previous year's level.

In 2008, we were able to maintain or even strengthen our leading position in markets such as the United Kingdom, France and Italy. At the same time, we successfully entered other promising regions including the United States, Sweden and Poland, where new structures were established for our business activities in the year under review.

That said, the slowing momentum of order intake is casting a shadow over the Nordex Group's business. Despite the unabated global demand for wind power systems, less debt capital is being provided for financing new projects. Although financing volumes are still high compared with other industries, they are well below the sector's original expecta-

tions. Against this backdrop, current forecasts assume that global turbine sales will rise only marginally in 2009. This is basically consistent with our own expectations.

We project sales of over EUR 1.2 billion following an increase which will be relatively muted compared with earlier years. Some projects may fail to materialize this year in the event of any further delays in procuring the necessary finance. Still, we expect the wind power industry and, hence, also our own company to return to a strong growth path in the next few years. To be sure, we are preparing for this to avoid missing any opportunities. We will be using 2009 to strengthen our processes and to invest with all due caution in new structures and capacities. In doing so, we will be seeking to keep costs firmly under control to avert all unnecessary strain on the Group. In practical terms, this means that we will be scrutinizing all investment plans and, if necessary, responding with minimum delay. After all, no one can say with any certainty when the financial markets will return to normal.

With stock prices retreating all around the world, 2008 was a disappointing year for all shareholders. Accompanied by particularly pronounced fluctuation, the stocks of companies in the renewable energies sector suffered to a particularly strong degree, a situation from which Nordex was unable to escape, either. I am personally convinced of the favorable medium term outlook for our industry. Accordingly, I see our foremost task in the current environment as steering Nordex safely through the current turbulence and preparing

for the strong growth expected to return in the medium term. At the same time, we are resolutely pursuing a course aimed at enhancing our profitability with the clear goal of unlocking added value for our shareholders. With the staff stock option program implemented last year, more and more of our employees have become shareholders in our Company. In my eyes, this offers a crucial lever for creating a common denominator linking staff motivation and shareholder value. It is our employees with their skills and great dedication who make Nordex a successful company. For this reason, I would like to take this opportunity to thank all of the Nordex team for the work which they performed in 2008.

And to our shareholders I would like to say that our goal is to emerge strengthened from the current turmoil afflicting the markets and to continue the favorable performance of the past few years on an enduring basis. I thank you most sincerely for your confidence and invite you to continue accompanying us on our chosen route.

Yours sincerely,

Thomas Richterich, Chief Executive Officer



**ONLY BY SUPPORTING EACH INDIVIDUAL  
CAN EVERYONE ELSE ADVANCE.**

*We are convinced that only a satisfied team can create value. For this reason, we are committed to offering fair compensation, ensuring pleasant working conditions and providing each employee with an opportunity for developing their own professional skills. This is because we are aware that an individual's personal development is good for the team as a whole.*

 **WE'VE GOT THE PEOPLE.**



## OUR EMPLOYEES ARE OUR MOST VALUABLE SOURCE OF POTENTIAL.

### Fair and transparent remuneration.

Nordex attaches importance to fair and transparent remuneration for all staff. For this reason, we implemented a uniform compensation system for all employees in Germany in September 2007. This system allocates all employees to pay groups in accordance with the specific requirements of their position, thus ensuring that they receive comparable wages and salaries. This creates transparency and also abolishes the distinction between Western and Eastern Germany as well as between technical and office staff. A further key aspect of Nordex's remuneration policy is to provide all Group employees with a share in our profits. This, of course, involves variable components of different proportions depending on employees' position on the hierarchy.

### We give our employees a share of our profit.

We realize that if you expect employees to make a contribution to a company's commercial success, you must give them a share in its profits. Consequently, it was only logical for us to issue stock options to employees in 2008 not only as an expression of our gratitude but also as an incentive for continued good performance. After all, the better we work, the more profitable Nordex can become, something which will ultimately also benefit our stock price. In the medium term, the options also serve to encourage our employees to stay with the Company. And this is precisely our aim, aware as we are that qualified and motivated staff are our greatest assets.

### Top priority given to safety.

Site safety has absolute priority for us – as an employer we take our duty of care towards our employees very seriously not only in Germany but around the world. Our health and safety department ensures strict observance and further development of internationally acknowledged standards. This is because safe and reliable working conditions form the basis for all employees' personal wellbeing and, hence, the Company's success.

### Everything stands and falls with the right qualifications.

As a supplier of complex, high-quality products and services, our success hinges crucially on our employees' qualifications. It was with this in mind that we established the Nordex Academy as an internal training center many years ago. There, our employees receive regular training and tuition from experienced experts. This ongoing sharing of knowledge ensures that Nordex employees are fully qualified, thus ensuring the lead which the Company has gained with its expertise.

 **WE'VE GOT THE PEOPLE.**

**CAREFULLY CONSIDERED ACTION FORMS  
THE BASIS FOR GROWING PROSPERITY.**

*Over the past few years, Nordex has evolved into a growing international group. In this way, we are not only strengthening our German operations but also seizing the opportunity of letting people in the markets we address take part in our growth.*



**WE'VE GOT THE POSSIBILITIES.**

我们蓄势待发



## A SECURE POSITION FOR THE FUTURE.

### The opportunities of a global industry.

We see economic growth as a vehicle for sharing prosperity amongst more and more people - not only in industrialized nations but particularly also in emerging markets. For this reason it is important for us to establish production facilities in our markets benefiting the local people. In this connection, we are committed to high-quality, long-term growth. With our products, we are achieving enduring prospects for broad-based prosperity.

### Rendering environmental protection affordable.

Over the past few years, wind power technology has made enormous advances. As a result, the investment costs have dropped substantially thanks to technological progress, series production and optimized production processes. By developing increasingly efficient multi-megawatt turbines, Nordex is making a crucial contribution to ensuring that clean electricity can be produced at lower cost. In this way, environmental protection is becoming affordable for all nations. Today, the costs of producing electricity from wind power are also comparable to those of conventional power stations. Including the cost of cutting CO<sub>2</sub> emissions, wind power has since become the cheapest way of generating electricity.

### Creating local prospects for prosperity.

Over the past few years, Nordex has evolved into an international group, currently generating 95 percent of its sales outside its domestic German market. Thanks to recent capital spending efforts, we are well poised for the future in Europe as well as in the key volume markets, namely the United States and Asia.

Over a period of four years, we have steered a growth trajectory, increasing our sales by around 50 percent a year and thus becoming one of the most expansionary companies in our industry. At the moment, Nordex is spending on extensions to its facilities in Rostock and China as well as the construction of a new production plant in the United States to create the necessary structures for continued growth. In this way, we are creating employment and new prospects for prosperity in the markets which we address.

 WE'VE GOT THE POSSIBILITIES.





**FOR US EVERYTHING REVOLVES AROUND  
OUR PLANS FOR THE FUTURE.**

*As a producer of wind power systems, we are particularly conscious of our society's obligation towards future generations. That's why we support numerous projects for young people designed to heighten awareness of climate protection and to achieve equal opportunities.*



**WE'VE GOT THE RESPONSIBILITY.**



## KEEPING YOUR EYE ON THE FUTURE.

### Sustainability also includes social responsibility.

In their business activities, companies also hold social responsibility. Companies from the “first world” in particular cannot afford to merely pay lip service to this commitment. We base our activities on the principles set out in “UN Global Impact” not only with respect to our own staff but also in our relations with external parties.

Within our sphere of influence, this entails the principles of human rights and antidiscrimination as well as initiatives to encourage environmental awareness and to create comparable opportunities for education.

### We are placing store by future generations.

As a “green” company, we have a particular commitment to sustainability in connection with energy. If you want to impress this subject on younger generations, you have to do something. Thus, for example, Nordex supported the 2008 Hamburg Climate Protection Conference, which was organized by the State Institute of Teacher Training and School Development. “Experiencing and understanding energy” is the title of a long-term school project that we are implementing in conjunction with Umwelt-Aktion e.V. in Germany.

In addition to efforts aimed at heightening an awareness of ecology, Nordex is fitting out schools in China with modern technology in order to generate greater equality for future generations.

**WHEREVER INVENTIVENESS IS NURTURED, THE HOPE  
OF A CLEAN ENVIRONMENT IS NEVER FAR AWAY.**

*Every megawatt/hour of electricity generated from wind power prevents around one ton of carbon dioxide from being emitted through the avoidance of coal for producing electricity.*

*This means that each one of our turbines already in operation makes a crucial contribution to protecting the climate and thus to preserving the environment.*



**WE'VE GOT THE MISSION.**



## GOOD PROSPECTS FOR THE ENVIRONMENT.

### Clean energy for a future worth living in.

Growing demand for energy around the world has resulted in enormous emissions of greenhouse gases. The consequence of this is that - failing a turnaround in the way that we generate energy - the quality of our lives and those of future generations are at serious risk. Wind energy plays a crucial role in this respect as one megawatt/hour of electricity generated using the wind avoids roughly one ton of the CO<sub>2</sub> emitted when electricity is produced from coal, for example. Last year alone, we were able to prevent emissions of several million tons of harmful gases.

### Our clean energy balance.

Even a single Nordex multi-megawatt turbine can supply enough energy to cover the requirements of up to 3,000 four-person households. Today, some 4,000 Nordex turbines are in operation worldwide, helping to ensure clean and secure energy supplies around the globe. Each turbine recoups the energy spent on producing it after only seven months. This calculation includes the energy used throughout the entire production process as well as transportation to the site of deployment. Once in operation, each turbine provides clean energy for around 20 years.

### Wind energy blends in with the natural surroundings.

Wind turbines have long since become a fixed part of modern landscapes. Despite this, they have only a minimum impact on people and nature. Even WWF, Greenpeace and Robin Wood support further environmentally compatible extensions to wind power and other renewable energies. As a rule, wind power turbines are only built in regions which have been deemed suitable after several examinations. Local authorities are generally able to zone certain regions as suitable for wind farms in order to confine new wind power stations to certain areas.

### Environmental protection starts in the production phase.

In Rostock, we are currently building one of the most modern and environmental-friendly facilities for the production of wind power turbines and rotor blades. These production technologies not only comply with but actually remain well short of the stringent government limits for emissions of dust, solvents, odors and waste water. And as our products are designed to reduce emissions of carbon dioxide, which is so harmful to the climate, we attach key importance to heat conservation and recycling to reduce emissions.



**WE'VE GOT THE MISSION.**



**PROGRESS IS THE ART OF PUTTING  
TECHNICAL VISIONS INTO PRACTICE.**

*A great deal of expertise and technological pioneering go into  
operating wind power systems in extreme locations.*

*And with one hundred N80/N90 wind power systems now in operation,  
we additionally have the necessary experience.*



**WE'VE GOT THE TECHNOLOGY.**

## THE PLEASANT FEELING OF DOING THE RIGHT THING.

### Technology for life.

Not everything that is technologically feasible is necessarily good for society or the environment. The consequences of modern technology must remain manageable and make a positive contribution to our lives. Wind turbines clearly play a key role in achieving greater environmental protection. And to ensure widespread use, they must generate electricity as inexpensively as possible.

It is for this reason that Nordex is developing systems characterized by high efficiency and long life cycles. This calls for turbines which always incorporate the latest technological developments. For us, this entails the ability to be always one step ahead.

### Harnessing resources instead of exploiting them.

We have been building multi-megawatt turbines with a nominal output of 2.5 MW for nine years now. As a result, we figure amongst the producers with the greatest experience in this class. Ongoing technological development ensures that our products remain highly competitive. Specifically, this means setting new standards in terms of safety, availability and economic efficiency. Yet, it also involves utilizing increasingly extreme locations.

As inhospitable as polar regions, deserts or earthquake-prone areas may be, they are frequently attractive locations for harnessing natural energy. Only in this way can we make use of global resources without sacrificing their availability for future generations.

 WE'VE GOT THE TECHNOLOGY.



## MANAGEMENT BOARD

### **Thomas Richterich** *CEO*

Responsible for: Human resources, legal, communications, IT

Born in 1960, Studied business administration, 1989: joined the MAN Group, 1994-1999: held different management positions at MAN Gutehoffnungshütte AG, 1998-2000: commercial director at Ferrostaal Industrial Plant Service GmbH, 2000-2002: held different management positions at Babcock Borsig AG, 2002: commercial director at Babcock Borsig Power GmbH, Since 2002: member of the Nordex AG Management Board; since August 2005: CEO of Nordex AG

### **Dr. Eberhard Voß** *CTO*

Responsible for: Engineering, quality

Born in 1956, Studied engineering, 1982-1987: Research assistant at the University of Rostock, 1987-1990: Department head at the Academy of Science (Energy section), 1997-2000: Head of engineering department at Nordex Energy GmbH, 2001-2003: Managing shareholder of EEG Energie-Expertise GmbH und e.n.o. Wind Energiegesellschaft Nordost mbH, Since 2003: Head of Engineering at Nordex Energy GmbH, Since March 2008: CTO at Nordex AG

### **Dr. Marc Sielemann** *COO Operations*

Responsible for: Production, sourcing, service

Born in 1967, Studied engineering, 1992-1998: Project engineer/research assistant at the Institute of Production Engineering and Machine Tools, University of Hannover, 1981-2001: Group head MAN Nutzfahrzeuge, Munich, 2003-2005: Head of component production at MAN Nutzfahrzeuge AG, Salzgitter, 2006-2007: Head of commercial vehicle production operations in Eastern Europe, 2006-2009: Managing director of MAN Nutzfahrzeuge AG / MAN Trucks Sp. z o.o., Poland, Since April 2009: COO Operations at Nordex AG

Dr. Marc Sielemann was not a member of Nordex AG's Management Board in 2008.

### **Bernard Schäferbarthold** *CFO*

Responsible for: Finance, controlling and accounting

Born in 1970, Studied economics, 1996-2005: Accountant 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, project management and non-domestic companies

Born in 1963, Studied economics, 1985 Founder of Nordex ApS, 1987-2000: Managing shareholder of Nordex GmbH, Since 2001: Member of the Management Board of Nordex AG



## SUPERVISORY BOARD

### **Uwe Lüders** Lübeck

(since February 24, 2009),

Chairman of the Supervisory Board, chairman of the Management Committee, member of the Audit Committee

CEO of L. Possehl & Co. mbH, Lübeck

After graduating with a degree in economics, Uwe Lüders initially worked for a renowned consulting company. This was followed by management positions over several years at GEA AG in Bochum, where most recently he was a member of the management board. He was then appointed chief executive officer at listed company Buderus AG. Since 2004, he has been chief executive officer at L. Possehl & Co. mbH, Lübeck.

### **Jan Klatten** Munich

Deputy chairman of the Supervisory Board

(since September 1, 2008), chairman of the Strategy and Technology Committee

Managing shareholder of momentum Beteiligungsgesellschaft mbH

Jan Klatten studied naval architecture at the University of Hamburg and business economics at the Sloan School of Management of M.I.T. Mr. Klatten had worked in upper management positions in the automobile industry for 14 years before setting up his own business in 1991. Since then he has specialized in turn around cases an acquired distressed or under managed companies in the metal and electronics sector.

### **Martin Rey** Weßling

Chairman of the Audit Committee

Member of the Management Committee

Managing director of Babcock & Brown GmbH

Martin Rey graduated from the University of Bonn with a law degree and also studied business administration at the Hagen Distance Learning University. He held numerous management positions at Bayerische Hypo- und Vereinsbank, most recently as a member of the division board. Since 2003, Mr. Rey has been a member of the management board of Babcock & Brown, a global investment and consulting company, and is responsible for European business.

### **Kai H. Brandes** Berlin

(since September 5, 2008)

Member of the Management Committee

Managing shareholder of CMP Capital Management-Partners GmbH

Kai Brandes is the managing shareholder of CMP Capital Management Partners GmbH, a venture capital company specializing in investments in mid-size companies in special situations. With a degree in business management, he has been involved in venture capital for many years.

### **Dr. Dieter G. Maier** Reutlingen

(since February 28, 2009) Member of the

Strategy and Technology Committee

Dr. Dieter Maier studied at Birmingham University, completing his doctorate at the Max Planck Institute in Stuttgart. He held numerous management positions at Robert Bosch GmbH and Rodenstock GmbH, most recently as a shareholder and COO, and was also a shareholder in the Mohr Group.

### **Dr. Wolfgang Ziebart** Starnberg

(since February 28, 2009) Member of the

Strategy and Technology Committee

Dr. Wolfgang Ziebart studied mechanical engineering, completing his doctorate at the Munich Technical University. He joined BMW AG in 1977, where he held various positions such as head of electronics development and head of body development. Most recently, he was a member of the management board with responsibility for developing and purchasing. In 2000, he was appointed to the management board of Continental AG, where he was responsible for brake and electronics business. He was then named deputy chief executive officer. Between 2004 and 2008, Dr. Ziebart was chief executive officer at Infineon AG and, among other things, oversaw the spin-off of that company's RAM business. He currently holds several supervisory board offices and also engages in consulting.





## REPORT OF THE SUPERVISORY BOARD

The Supervisory Board of Nordex Aktiengesellschaft (Nordex AG) performed the duties imposed on it by statute, the Company's bylaws and the rules of conduct. It regularly advised the Management Board on matters relating to the management of the Company and monitored management operations in compliance with its applicable statutory obligations. The Supervisory Board was directly involved in all decisions of fundamental importance for the Company. For this purpose, it maintained ongoing contact with Nordex AG's Management Board and was briefed regularly, with minimum delay and comprehensively in both written and oral reports on the condition and performance of Nordex AG and its subsidiaries as well as all material business transactions.

As a matter of principle, the Supervisory Board observes the recommendations published by the Government Commission on the German Corporate Governance Code on August 8, 2008 in the official part of the electronic Bundesanzeiger. The declaration of conformance specified in Section 161 of the Stock Corporation Act was issued by the Supervisory Board and the Management Board

on November 27, 2008. Further details can be found in the corporate governance report.

There were changes in the composition of both the Supervisory Board and the Management Board in the year under review. Mr. Jens-Peter Schmitt left the Supervisory Board on August 31, 2008 and Mr. Kai Brandes was appointed to the Supervisory Board pursuant to a court order of September 5, 2008. On March 12, 2008, the Supervisory Board appointed Dr. Eberhard Voß to the Management Board, where he is responsible for technology. Dr. Hansjörg Müller withdrew from the Management Board effective August 4, 2008. The Supervisory Board of Nordex AG wishes to thank Jens-Peter Schmitt and Dr. Hansjörg Müller for their dedication and their contribution to the Company's development.

In the course of 2008, 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). The ordinary meetings of the Supervisory Board were held on March 7, May 27, September 19 and November 27, 2008. Further resolutions were passed by written vote.



The focus of the **30th ordinary meeting of the Supervisory Board of March 7, 2008** was on examining and discussing Nordex AG's annual financial statements and consolidated financial statements for 2007 in the presence of the statutory auditor. A final resolution to adopt the annual financial statements was passed in an extraordinary meeting of the Supervisory Board held over the telephone on April 7, 2008. The Management Board provided its appraisal of the previous financial year, reporting on the current state of business and describing the outlook for 2008. The Supervisory Board renewed the contract with Mr. Ulric Bernard Schäferbarthold (CFO) until June 30, 2012. Dr. Eberhard Voß was appointed to Nordex AG's Management Board for a period expiring on June 30, 2009. A resolution was passed on the profit transfer contract, which was to be presented to the shareholders for approval at the annual general meeting for 2008, between Nordex AG and Nordex Windpark Beteiligung GmbH, which holds the Nordex Group's project company investments. Other main items of the agenda included a resolution outlining the proposals

for the resolutions to be passed by the shareholders at the annual general meeting convened for May 27, 2008, an appraisal of the Nordex Group's current situation in China, discussion of efforts to increase the Nordex Group's profitability as well as a status report on projects in Sweden and Poland.

The **31st ordinary meeting of the Supervisory** took place on **May 27, 2008** ahead of the annual general meeting. At this meeting, the Management Board apprised the Supervisory Board of the current state of the Group's business and reported on its performance in the first quarter of 2008. After approving the major projects and contracts requiring its consent, the Supervisory Board turned its attention to the main item of the agenda, namely the various capital spending projects which the Supervisory Board fundamentally approved - the extensions to the rotor blade production facilities in Rostock, the two production facilities in China and the planned capital spending project in the United States. The Management Board informed the Supervisory Board in detail of the new financing contracts which had been signed with the Nordex Group's banks providing for facilities of EUR 500 million.

At the Supervisory Board's **32nd ordinary meeting held on September 19, 2008**, the Management Board reported on recent business and the Group's performance in the second quarter. As well as this, it briefed the Supervisory Board on the current status of the SAP "Nordex Process Integration" (NPI) project, which aims to incorporate all of Nordex's processes within the SAP system. This is necessary to handle the Nordex Group's growth and to manage it efficiently in the future. The Management Board also reported on the current status of the stock option program executed on September 1, 2008 (allocation date) for 2008 under which stock options were allocated to all members of the Nordex Group in Germany and, with some exceptions, the Nordex companies around the world. The Supervisory Board granted its final approval for the budget for the first stage of the rotor blade production project in Rostock.



**The 33rd ordinary meeting of the Supervisory Board was held on November 27, 2008.**

After describing the current state of the Group's business in the third quarter, the Management Board explained the Nordex Group's position in the light of the financial market crisis at this meeting. Thereafter, the Supervisory Board proceeded to discuss and approve the budget submitted by the Management Board for 2009 and the related corporate and group forecasts. It was agreed that the budget was to be reviewed and, if necessary, adjusted at the beginning of 2009 depending on the magnitude of the financial market crisis and its impact on the Nordex Group's business performance. The Audit Committee notified the Supervisory Board that the statutory audit of the annual financial statements for 2008 would be concentrating on liquidity management including credit management, the system used for checking supplier and creditor ratings and Nordex Italia S.r.l., among other things.

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

The Supervisory Board deliberated with the Management Board on disclosures in accordance with Sections 289 (4); 315 (4) of the German Commercial Code and was satisfied that these disclosures are true and complete.

The financial statements of Nordex AG and the consolidated financial statements for the Nordex Group for the year ending December 31, 2008 as well as the combined management report of Nordex AG and the Nordex Group for fiscal 2008 including the bookkeeping were audited and granted an unqualified auditor's certificate by auditing company PricewaterhouseCoopers Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Hamburg, which had been appointed at the annual general meeting on May 27, 2008 and engaged by the Supervisory Board.

The report on the statutory audit of the annual financial statements confirmed that the Management Board had taken the measures stipulated in Section 91 (2) of the Stock Corporation Act to ensure early detection of risks. Similarly, the statutory auditor did not raise any objections to the related parties report.

The financial statements, the consolidated financial statements and the combined management report for Nordex AG and the Nordex Group, the annual report, the related parties report and the statutory auditor's report concerning the financial statements and the related parties report were presented to all members of the Supervisory Board prior to

the meeting of April 3, 2009 at which the financial statements were to be approved. At this meeting, the Supervisory Board deliberated at length on these documents in the presence of the statutory auditor, who was available to answer any questions. The Supervisory Board and its Audit Committee concurred with the statutory auditor's findings.

The Supervisory Board examined in detail the financial statements of Nordex AG and the consolidated financial statements as well as the combined management report of Nordex AG and the Nordex Group and the related parties report. No objections were raised on the basis of the final results of its examination. The Supervisory Board approved the annual financial statements and the consolidated financial statements prepared by the Management Board as of December 31, 2008. Accordingly, they are deemed to have been duly adopted.

The Supervisory Board of Nordex AG thanks the Management Board for the constructive collaboration and expresses its gratitude to all employees as well as the employee representatives for their strong dedication and the work performed in 2008.

Norderstedt, April 3, 2009

Uwe Lüders  
**Chairman**

## CORPORATE STRATEGY

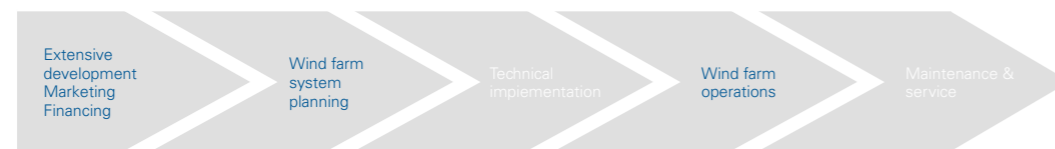
In the past four years, the Nordex Group has grown by an average of over 50 percent per year accompanied by steady improvements in profitability. This above-average expansion forms a key component of its corporate strategy. Thus, looking forward, profitability is to be further heightened by harnessing economies of scale to make Nordex an attractive and enduring investment. At the same time, the Management Board is committed to strengthening the Company's position in the sourcing market over its peers. According to recent surveys, Nordex is the ninth largest operator in term of sales volumes.

### **Market strategy**

Nordex has its own structures in nearly all markets around the world. In the core European, Asian and North American regions, it has independent subsidiaries which manage local operating business. However, Nordex only establishes national companies in markets in which it is confident of being able to achieve sustained high sales. Examples of this include the new subsidiaries in Poland and Sweden, where a selective marketing policy is being pursued. Nordex primarily addresses markets in which it has strong project execution expertise of its own and operates a service network.



**Value strategy**



Nordex produces around 20% of its wind power turbines in its own facilities. As a system integrator, it sources around 80% of the components from its suppliers with whom it develops the necessary system components on the basis of its own specifications in close consultation. As a matter of principle, the Group is committed to maintaining this sourcing ratio in order to retain its continued high growth rate. **Nordex has grown annually by over 50 percent since 2004, thus outpacing its peers.**

However, further vertical integration is possible if Nordex considers this appropriate for setting its technology apart from the competition. The Company took this step with rotor blade production and control systems years ago. Turbine assembly forms a key part of Nordex’s internally sourced activities. In connection with the planned sales growth, Nordex is therefore investing in the establishment of new production facilities and extensions to existing ones in Europe, Asia and America. All told, production capacity is to increase to over 4,000 MW over the next years.

2009/2011ff (in MW)	Europe	Asia	America	Σ
<b>Turbines</b>	1,200 → ~ 2,500	250 → ~ 800	0 → ~ 800	1,450 → > 4,000
<b>Rotor blades</b>	350 → ~ 1,200	250 → ~ 800	0 → ~ 800	600 → > 2,800

In some markets, the Company also operates further upstream, e.g. in wind farm planning. Nordex engages in this business in conjunction with local partners in France, Poland and Scandinavia. It also offers turn-key project management solutions. In this case, the customer receives not only the wind farm but also all the infrastructure required to feed the electricity produced into the high-voltage grid. As a service provider, Nordex offers extensive after-sales service for a period of up to 12 years. After sales service is to be strategically extended.

**Product policy**

Since its establishment some 24 years ago, Nordex has played a key role in forging the trend towards multi-megawatt turbines. In 2000, it launched the N80/2500, the world’s largest turbine at the time. To this very day, this series remains one of the most powerful mass-produced wind power systems. Yet, what has since become even more important is reliability. This is because operators – frequently utilities or other large companies – call for a secure energy yield in conjunction with

low production costs. To achieve this, Nordex has invested heavily in optimizing its 2.5 MW multi-megawatt series (N80, N90, N100), of which over 1,000 have been built and which therefore are amongst the most intensively proven series in this class, ensuring favorable electricity production costs throughout their entire life cycle of at least 20 years. In order to harness economies of scale in production and further development, Nordex has limited its range to two active series, the 1.5 MW class for use in Asia and the 2.5 MW class for deployment in Europe and America. However, Nordex offers different versions featuring various rotor dimensions or optimized for specific climatic conditions to ensure that customers receive the best possible product for the location in question. Further product families are currently being developed or are in the prototype phase (see Research & Development, Management Report).



## THE FISCAL YEAR AT A GLANCE

### January

Nordex entered the new year with a large order from the United States worth around EUR 68 million. In addition, the Group was awarded a contract in China for the delivery of 33 turbines to be produced at the local factory. Work was finally commenced in Rostock on the implementation of an investment program entailing an amount in the high double-digit millions. The planned extensions will enable a three-fold increase in capacity to be achieved for business in Europe.

### February

Nordex signed two new contracts and a master contract worth over EUR 350 million in Italy. The Company finally entered the fast-growing Polish market after being awarded a contract worth around EUR 51 million. In Spain, Nordex entered into a master contract with an investor and developer for the delivery of up to 86 multi-megawatt turbines. It was "back to the roots" for the Nordex Academy, when it moved into the renovated former production facility in Rerik as a basis for ensuring the continuing high quality of training for Nordex staff.

### March

A further major international contract provided for the delivery of up to 100 turbines for wind farms in Europe with a total volume of EUR 280 million. The Nordex Group created the position of Chief Technology Officer on its Management Board and appointed Dr. Eberhard Voß to this post. Operating business is to be transferred to three regional companies in Europe, Asia and North America step by step.

### April

In the first three months of 2008, the Nordex Group grew by 50%, with total revenues rising to EUR 231 million (previous year: EUR 154 million). Thus, sales increased by 32% and turbine assembly output by 59% to 210 MW (previous year: 132 MW).



### May

Good news from Turkey: Nordex received further large-scale contracts for the delivery of wind power system with a total output of up to 210 MW. At the end of May, Nordex informed the public of an important step in its future development: Over the next few years, a sum of around USD 100 million is to be invested in the establishment of production facilities for wind turbines and rotor blades in the United States, with local production to commence at the end of 2009/beginning of 2010.

### June

On June 6, 2008, the German parliament passed the amended Renewable Energies Act, under which the remuneration for wind power produced on shore is to increase to 9.2 euro-cents per kWh and for wind power produced off shore to an initial amount of 15 euro-cents per kWh as of January 1, 2009.

### July

The Nordex Group's sales rose by 44% to EUR 466 million in the first half of 2008 (previous year: EUR 323 million), with total revenues climbing by 46% to EUR 484 million (previous year: EUR 332 million) and turbine assembly output by 48 percent to 490 MW (previous year: 332 MW). The EBIT growth guidance for 2008 was adjusted to 50 percent to allow for the start-up costs which had arisen during the year in connection with the establishment of new structures. Principal shareholders CMP Capital Management and Goldman Sachs sold a package of around 20% to a subsidiary of SKion GmbH, a holding company owned by entrepreneur Susanne Klatten.

### August

The headquarters of Nordex Inc. were opened in Chicago. The office initially has space to 60 employees. Ralf Sigrist, hitherto head of human resources and legal at Nordex AG in Norderstedt, was appointed president of Nordex Inc. At GVZ in Rostock, the external shell of the rotor blade production facility and the finishing hall were completed.



### September

Nordex welcomed its 2,000th employee and attended the "Husum WindEnergy" trade fair under the motto "Planning the future today". A major Danish customer awarded Nordex a contract worth around EUR 500 million for a total of 170 N80/90/100 turbines. The 2.5 MW turbines are to be deployed in projects in eleven countries. Nordex entered the Belgian market for the first time, signing a master contract for the delivery of up to 22 multi-megawatt turbines worth a total of some EUR 73 million.

### October

Nordex announced that it had received a major new contract from France for the delivery and assembly of 30 N100/2500 turbines. A decision was made to construct the new US production facility in Jonesboro, Arkansas. In Rostock, the 1,000th N80/N90 turbine was built, underscoring Nordex's multi-megawatt expertise. In the first nine months of 2008, Nordex increased its sales by 58 percent from EUR 493.2 million to EUR 781.1 million, with total revenues climbing by 56 percent to EUR 784.3 million between January and September (previous year: EUR 504.1 million) and turbine assembly output by 47 percent to 764 megawatts (previous year: 520 megawatts).

### November

The election of Democrat Barack Obama as the next President of the United States was seen as heralding a new era in wind power as Obama had pledged during his election campaign to renew the production tax credit system (PTC) for a total of five years, to achieve a 10 percent share of "green electricity" in the national grid by 2012 (25 percent by 2025) and to step up spending on the electricity grids substantially.

### December

At the beginning of December, the price of oil declined by almost 25% within one week, the sharpest drop since 1991. The world's leading economies substantially shored up their economic stimulus programs to overcome the global financial market crisis; the Fed cut its rates to a historically low range of between zero to 0.25 percent on December 16 in a bid to bolster the reeling US economy. In the year as a whole, Nordex again outpaced the overall with a year-on-year increase in new installed capacity of 59% to 1,075 megawatts (2007: 676 megawatts).



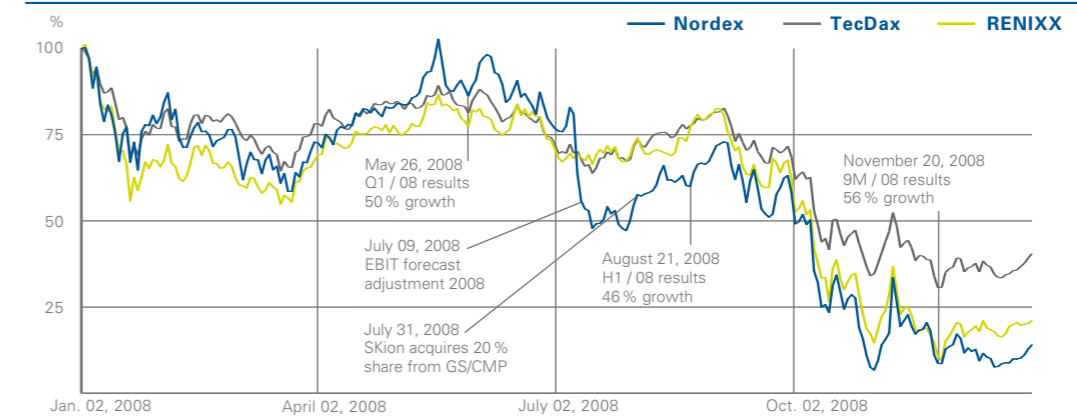


## THE STOCK

In the year under review, the financial markets were dragged down by numerous unfavorable events, as a result of which 2008 entered the annals as one of the worst years in stock market history. Triggered in 2007 by multi-billion-dollar loan losses in the US subprime mortgage market, the real estate crisis spread to the global financial markets, forcing numerous banks to make extensive write-downs, which had reached a total of some USD 1 trillion by early February 2009. Bank insolvencies and high losses on speculative investments additionally caused a considerable loss of confidence both on the investor side and in the interbank market. The resultant liquidity shortfalls increasingly spread to the real economy as sufficient credit was no longer available for general business activity. As the year unfolded, various indicators increasingly pointed to the emergence of a global recession in 2009.

Nearly all stock markets saw prices tumble, accompanied by heavy volatility and massive outflows. Wall Street, for example, experienced the heaviest losses in a single year since 1931 at the height of the Great Depression. After hitting a multiyear high towards the end of 2007, the German benchmark DAX index declined sharply in 2008 in the wake of the financial market as well as the mounting signs of an economic crisis, closing roughly 39 percent down for the year. The TecDAX, which tracks the 30 largest listed technology companies, also shed considerable value in the year under review, declining by just under 48 percent, while the RENIXX, a global index of renewable energy stocks, lost as much as 63 percent during the year.

### DEVELOPMENT NORDEX STOCK PRICE



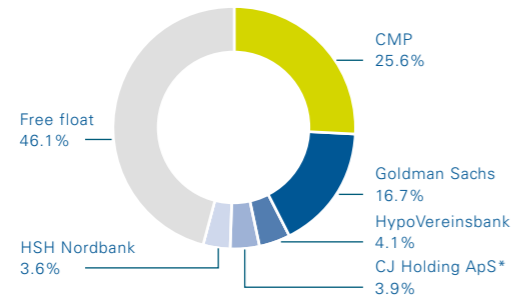
Nordex AG was unable to escape the trends in the market as a whole. After its above-average performance in 2007 with gains of 133 percent, the stock closed 2008 down roughly 69 percent. It advanced up until mid 2008 but retreated to an above-average degree in the second half of the year. The stock closed the year at EUR 10.00, with market capitalization contracting correspondingly from around EUR 2.1 billion to some EUR 670 million. The high

for the year (EUR 32.73) was reached on May 15, 2008, while the low of EUR 8.13 was hit on October 28, 2008. At 592,000 shares, average daily volumes in the XETRA electronic trading system were roughly on a par with the previous year (600,000 shares).

### TRADING VOLUME IN EUR MN (XETRA)

January	468.265
February	282.890
March	219.023
April	177.435
May	250.527
June	277.034
July	497.195
August	175.049
September	307.224
October	264.267
November	157.865
December	81.175

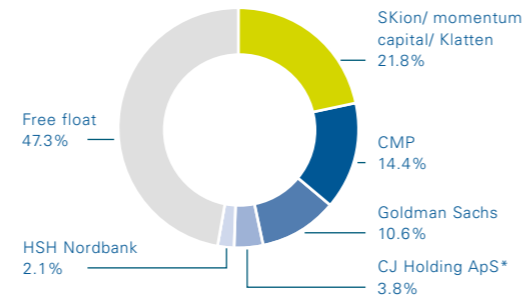
## SHAREHOLDER STRUCTURE AS OF DECEMBER 31, 2007



\* Parent company of the previously reported Nordvest A/S

There were substantial changes in Nordex AG's shareholder structure in 2008. Thus, the Klatten family increased its share in Nordex AG by acquiring a package of 20 percent (13,369,000) shares, as a result of which it now holds 21.8 percent of the voting rights. The sellers of the package in equal parts were the CMP Groups and companies affiliated with Goldman Sachs, which now hold 14.4 percent and 10.6 percent of the voting rights, respectively. Free float widened slightly from 46.1 to 47.3 percent in the year under review. In 2008, Nordex AG established a stock option program for management and employees. Further details are to found in the section entitled "Staff and Compensation System".

## SHAREHOLDER STRUCTURE AS OF DECEMBER 31, 2008



Nordex AG's investor relations activities seek to provide open and active communications with all market participants. Private investors' information requirements are primarily addressed via the Company's website, telephone contact and e-mail. In addition, Nordex intensified contacts with analysts and institutional investors by means of presentations, panel discussions and one-on-ones at national and international capital market conferences. Nordex AG's Management Board and the investor relations team went on road shows through North America and Europe in 2008, backed up by numerous one-on-ones with analysts and investors at the Company's offices. Nordex stock is being regularly covered by 14 analysts at renowned banks and investment companies. In 2008, the Royal Bank of Scotland, DZ Bank, UBS and Nord LB commenced regular coverage of Nordex stock. An updated list of the analysts covering Nordex can be found in the investor relations section of Nordex AG's website.

Nordex AG plans to continue its investor relations activities to the same extent in 2009 by taking part in various investor conferences as well as by means of road shows and one-on-ones. The aim is to gain further investors and to keep the capital markets informed of Nordex AG's activities and performance comprehensively and with minimum delay.

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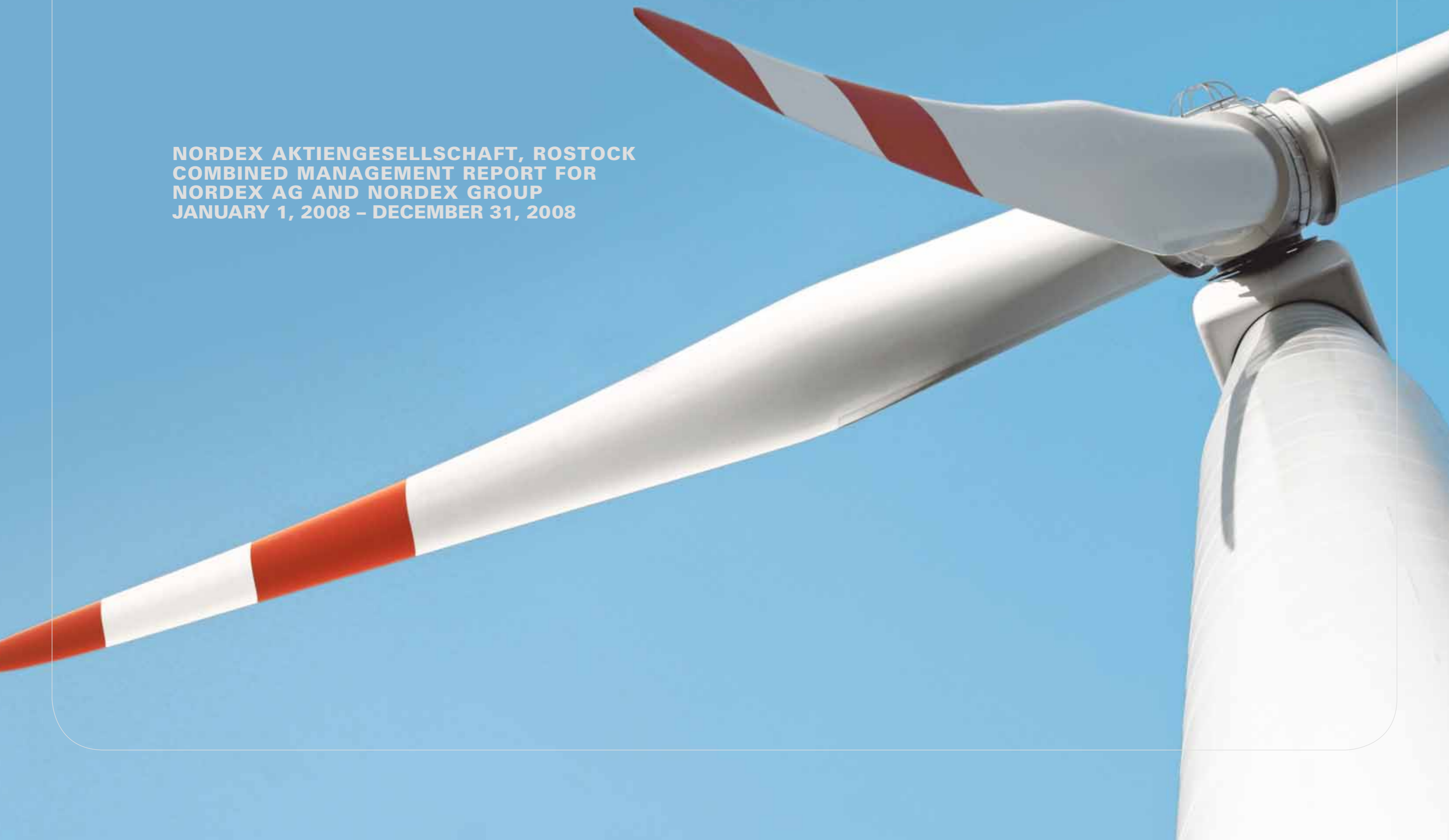
## DATA ON NORDEX STOCK

Stock type	No-par-value ordinary bearer shares
Market segment	Prime Standard/regulated market
Trading venue	Frankfurt stock exchange
Indices	TecDax, HASPAX, Renixx, GCI
ISIN	DE000A0D6554
WKN	A0D655
Ticker	NDX1

## NORDEX STOCK INDICATORS

		2008	2007
Number of shares issued as of Dec. 31	in mn shares	66.845	66.845
Share capital as of Dec. 31	EUR mn	66.845	66.845
Closing price for year in EUR	EUR	10.00	31.55
High for the year in EUR	EUR	32.73	38.61
Low for the year in EUR	EUR	8.13	14.13
Market capitalization as of Dec. 31	EUR mn	668.45	2,108.96
Earnings per share	EUR	0.71	0.74
Price/earnings ratio as of Dec. 31		14	43

**NORDEX AKTIENGESELLSCHAFT, ROSTOCK  
COMBINED MANAGEMENT REPORT FOR  
NORDEX AG AND NORDEX GROUP  
JANUARY 1, 2008 – DECEMBER 31, 2008**





## ECONOMIC CONDITIONS

The global economy cooled substantially in the year under review. After rising by 5.2 percent in 2007, world GDP grew by only 3.4 percent in 2008. The economic downswing triggered by the financial crisis was particularly underpinned by the weakness afflicting mature economies such as the United States (1.1 percent) and Europe (1.0 percent). In Germany, GDP expanded by only a moderate 1.3 percent according to the Federal Bureau of Statistics and actually contracted by 2.1 percent quarter on quarter in the final three months of 2008. Emerging markets such as China (9.0 percent) and India (7.3 percent) exhibited resilient growth compared with the industrialized nations. In the course of the year, however, it became increasingly evident that they, too, would not be able to escape the general downswing.

DEVELOPMENT GDP BY REGION		
	GDP in 2008	GDP in 2007
United States	1.1 %	2.0 %
EU	1.0 %	2.6 %
Germany	1.3 %	2.5 %
China	9.0 %	13.0 %
India	7.3 %	9.3 %
<b>Total</b>	<b>3.4 %</b>	<b>5.2 %</b>

Source: International Monetary Fund, January 2009



The leading central banks lowered their interest rates substantially in 2008, with the US Fed cutting its base rate to a target range of 0.0 - 0.25 percent on December 16, while the ECB also pared its main funding rate substantially to 2 percent in the second half of the year. At the beginning of March 2009, the European Central Bank lowered its base rate to 1.5 percent, i.e. below 2 percent for the first time since the establishment of the euro.

In addition, numerous countries such as the United States, China, Japan and Germany have launched economic stimulus packages worth billions in an effort to spur the economy and to protect important sectors, companies and banks.

The price of crude oil was extraordinarily volatile in the year under review. Up until mid-year, it shot up to around USD 146 a barrel, propelled for the most part by speculation rather than heightened demand. The high price of oil increasingly took its toll on the global economy. At the same time as the collapse of US banks, however, it retreated to well under USD 100 per barrel. This trend was fueled by fears of a global recession; from July to December 2008 alone, it dropped by some 73 percent and was trading at just under USD 40 a barrel at the end of the year.

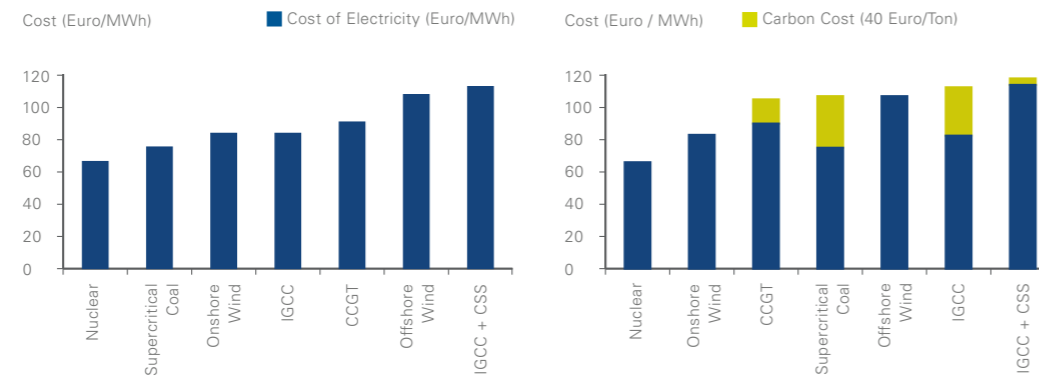
DEVELOPMENT CRUDE OIL (BRENT) (2008 in USD)



Source: Wallstreet online

Over the next few years, the European Union will be imposing strict restrictions on emissions of green-house gases. A climate protection package approved by the heads of government and state in 2008 focuses on emission trading and places on power station operators the obligation to acquire all of their emission certificates by auction as of 2013. In addition, the cost of CO<sub>2</sub> emissions is to be increased by means of the planned straight-line cut in the total volume of emission certificates. At the moment, certificates are trading on the EEX electricity exchange at between EUR 11 and EUR 12 per ton of CO<sub>2</sub> (as of early February 2009). An increase in prices to around EUR 40 per ton of CO<sub>2</sub> emissions will render electricity from wind power cheaper to produce than from coal or gas-fueled power stations. (Source: EER)

**EER'S AVERAGE LEVELIZED COST TO PRODUCE POWER FROM NEW BUILD POWER GENERATION**  
(Chart 2: If a 40 Euro Cost of CO<sub>2</sub>, EER's „Average“ Case Scenario)



Source: Emerging Energy Research (EER)

In the United States, newly elected President Barack Obama's administration plans to reduce the country's emissions of greenhouse gases to 1990 levels by 2020 and to cover around 25 percent of national electricity requirements using regenerative energies. To this end, the US government has assembled an investment package worth around USD 150 billion and is working on a compulsory emission trading system for all companies. The Chinese government has set itself the goal of increasing wind power production to a total installed capacity of 30,000 megawatts by 2012. Meanwhile, the German government is committed to reducing CO<sub>2</sub> emissions by 40 percent compared with 1990 by 2020. In this connection, the German parliament passed the amended Renewable Energies Act on June 6, 2008, under which the remuneration for wind power produced on shore is to increase to 9.2 euro-cents per kWh and for wind power produced off shore to an initial amount of 15 euro-cents per kWh as of 2009. As well as this, repowering, i.e. the replacement of old wind power systems by new ones, is being

encouraged with a higher initial remuneration rate of 0.5 euro-cents per kWh. As wind power systems will have to contribute to grid voltage and frequency control in the future, the legislation provides for a system service bonus of 0.5 euro-cents per kWh on top of the initial remuneration to cover the additional technical efforts required for this.

#### DEVELOPMENT WIND ENERGY MARKET

Country	new MW in 2008	new MW in 2007	Δ
<b>EU 27</b>	8,484	8,554	-0.8 %
<b>United States</b>	8,358	5,244	+59.4 %
<b>China</b>	6,300	3,500	+80.0 %
<b>Others</b>	3,914	2,800	+39.8 %
<b>Total</b>	27,056	20,098	+34.6 %
of which:			
<b>Germany</b>	1,665	1,667	-0.1 %
<b>Spain</b>	1,609	3,515	-54.2 %
<b>Italy</b>	1,010	603	+67.5 %
<b>France</b>	950	888	+7.0 %
<b>UK</b>	836	427	+95.8 %
<b>Offshore</b>	357	210	+70 %

Source: GWEC 2009

#### TOP 5 – NEW CAPACITY IN 2008

Country	Market share
<b>United States</b>	31.0 %
<b>China</b>	23.0 %
<b>India</b>	7.0 %
<b>Germany</b>	6.0 %
<b>Spain</b>	6.0 %

#### TOP 5 – CUMULATIVE CAPACITY AS OF THE END OF 2008

Country	Market share
<b>United States</b>	20.8 %
<b>Germany</b>	19.8 %
<b>Spain</b>	13.9 %
<b>China</b>	10.1 %
<b>India</b>	8.0 %

Source: GWEC 2009

Euro-zone industrial production contracted by 12 percent year on year in December 2008. In the year under review, German mechanical engineering output increased by a real 5.4 percent over the previous year, underpinned in particular by exports (+ 8 percent). The global economic downswing left increasingly deeper traces on German mechanical and plant engineering companies' order books as the year progressed, however. In fact, according to VDMA, the fourth quarter of 2008, in which demand contracted by 29 percent, was the worst since 1958.

Up until August 2008, commodity prices continued to rise substantially before sagging in the second half of the year in the wake of the general economic slowdown. Even so, they remained at a level which was still well up on the previous year.

Within a short space of time, the wind power industry has become an important global operator in the energy market. According to the Global Wind Energy Council (GWEC), new turbine installations in 2008 were valued at a total of some EUR 36.5 billion. Driven by high order backlogs, the wind power market expanded again last year, exceeding the average for the past ten years. In 2008, new global capacity came to 27,056 MW, an increase of 34.6 percent over 2007 (20,098 MW).

The most important wind power markets in 2008 were the United States, Asia and Europe. In terms of new installed capacity, the United States came in first with 31 percent of the market, followed by China (23 percent) and India (7 percent).



In the **United States**, new installed capacity increased by 59.4 percent from 5,244 to 8,358 MW. This disproportionately strong growth is very likely due to delays in the renewal of the production tax credit (PTC) program, which would normally have expired at the end of 2008. Numerous projects were brought forward to benefit from the tax allowances. Wind power production capacity increased by 50 percent in the year under review, with a total of 35,000 new jobs created in this sector (total: approx. 85,000 jobs).

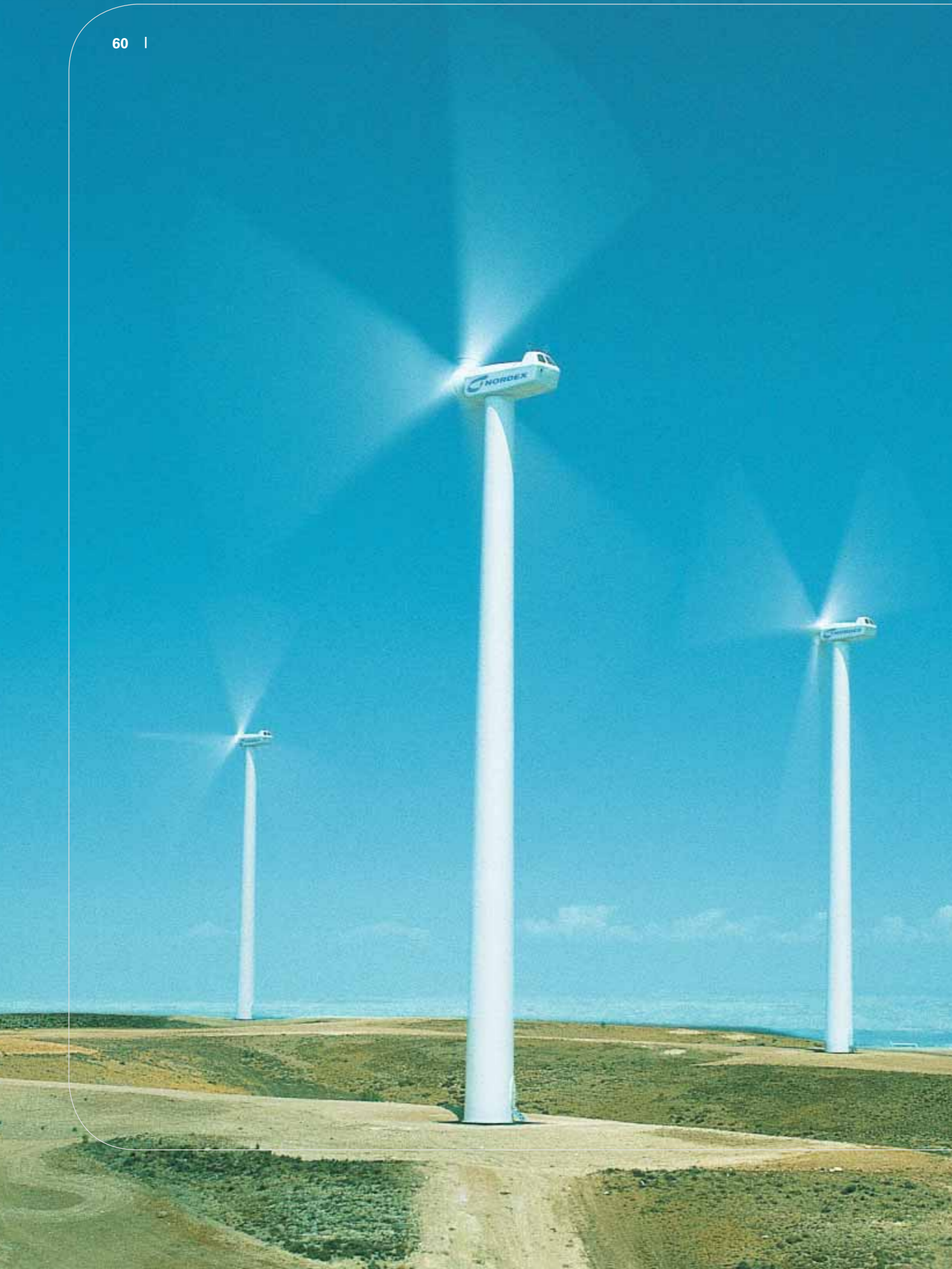
**China** exhibited dynamic growth, advancing at great speed to become one of the top operators of wind power systems. This country ranks fourth in terms of existing capacity and second after the United States with respect to new installed capacity in 2008. New capacity of 6,300 MW was installed last year, an increase of 80 percent over 2007 (3,500 MW). Total capacity doubled in 2008 for the fourth consecutive year and now stands at 12,210 MW.



According to the European Wind Association (EWEA), wind power accounted for roughly 43 percent of new installed energy production capacity in the **European Union** in 2008, thus contributing more new capacity than all other energy sources (including gas, coal and nuclear). With a share of 31.4 percent of new installed capacity (cumulative 53.8 percent) and an investment volume of around EUR 11 billion, Europe is also the largest market for wind power systems. In Germany, new installed capacity came to 1,665 MW in a relatively saturated market, thus maintaining the previous year's high level (-0.1 percent) and pushing Spain (1,609 MW) to second place. The sharp decline (down 54.2 percent) in Spain is primarily due to the absence of spending which had been brought forward into 2007 as the feed-in rate was lowered as of January 1, 2008.

**Italy** (1,010 MW, + 67.5 percent), **France** (950 MW, + 7.0 percent) and the **United Kingdom** (836 MW, + 95.8 percent) as "secondary league" countries all made a material contribution to overall growth in the European market in 2008.

The share of **off-shore wind power systems** rose by 357 MW or 70 percent to a total of 1,471 MW in 2008, thus accounting for around 2.3 percent of total installed capacity in the European Union. This segment contributed 1.3 percent (2007: 1.0 percent) to global new capacity.



## BUSINESS PERFORMANCE

In 2008, the Nordex Group outperformed the market for the fourth consecutive year. Thus, new installed capacity rose by around 58 percent to 1,075 MW (previous year: 680 MW). By contrast, the wind power industry as a whole registered a roughly 35 percent increase in output. Nordex's core markets were the United Kingdom (238 MW), France (187 MW) and Italy (163 MW). In all these countries, the Company achieved double-digit market share. The greatest growth was registered in expan-

sionary markets such as China (+244 percent), Portugal (+128 percent), Sweden and the United States, where Nordex had installed wind farms only sporadically in earlier years. The domestic market's importance for Nordex continued to wane as price levels were now only average by international standards in 2008 on account of the remuneration rates and the quality of the available locations. In the year under review, Germany accounted for some 4 percent of Nordex's output.

### NEW INSTALLATIONS (in MW)

	2008	2007	Δ in %
<b>UK</b>	238	143	66
<b>France</b>	187	191	-2
<b>Italy</b>	163	86	90
<b>China</b>	155	45	>100
<b>Portugal</b>	62	28	>100
<b>Sweden</b>	60	0	n.a.
<b>Spain</b>	55	3	>100
<b>United States</b>	50	3	>100
<b>Germany</b>	37	80	-54
<b>Others</b>	68	101	-33
<b>Total</b>	1,075	680	58



OUTPUT (in MW)			
	2008	2007	Δ in %
<b>Turbine production</b> (of which China)	1,128 (176)	800 (65)	41 (171)
<b>Rotor blades</b> (of which China)	570 (216)	368 (114)	55 (90)
<b>Internally sourced production</b>	51 %	46 %	+ 5 %-P.

This performance was underpinned by the substantial increase in production output. Thus, turbine assembly output rose by 41 percent to 1,128 MW (previous year: 800 MW). Of this, some 16 percent (176 MW) was produced in China. Rotor blade production climbed by 55 percent to 570 MW (previous year: 368 MW) due primarily to heightened production activity in China, which accounted for 38 percent (216 MW) of total output.

SALES (Euro mn)			
	2008	2007	Δ in %
<b>Q1</b>	199	151	32
<b>Q2</b>	267	172	55
<b>Q3</b>	315	170	85
<b>Q4</b>	355	254	40
<b>Total</b>	1,136	747	52

All told, the proportion of internally sourced production expanded to 51 percent (previous year: 46 percent). Consolidated sales rose by 51.9 percent to EUR 1,135.7 million (previous year: EUR 747.5 million), thus slightly less than the increase in volumes, this being primarily due to the large share of business in China where price levels are below the international average. Total revenues climbed by almost the same rate (47.5 percent) to EUR 1,189.9 million (previous year: EUR 806.8 million). At the same time, changes in inventories dropped to EUR 38.9 million (previous year: EUR 47.3 million). Sales during the year were heavily cyclical but rose sequentially from quarter to quarter.



The main growth drivers were export markets in Western Europe and the Far East. In terms of sales, the UK, Italy and France were Nordex's three most important markets. The proportion of sales from non-European markets rose from 3 to 14.4 percent (Asia: 8.4 percent, United States: 6 percent).

Around 95 percent of sales came from new construction and 5 percent from other activities, primarily service business.

SALES BY COUNTRY (in Euro mn)			
	2008	2007	Δ in %
<b>UK</b>	236	157	50
<b>Italy</b>	200	134	49
<b>France</b>	146	215	-32
<b>Portugal</b>	96	30	>100
<b>China</b>	91	8	>100
<b>United States</b>	65	3	>100
<b>Sweden</b>	64	0	n.a.
<b>Spain</b>	48	2	>100
<b>Germany</b>	44	77	-43
<b>Others</b>	146	121	21
<b>Total</b>	1,136	747	52



### New business dragged down by the financial markets in the second half of the year

Up until summer 2008, order receipts were satisfactory, rising by around 5 percent to EUR 717 million as of June 30 (previous year: EUR 683 million). With the deterioration of the financial markets in the late summer, however, banks started restricting lending for project finance. Thus, according to the Royal Bank of Scotland, lending volumes for renewable energy projects contracted by around 24 percent in the third quarter of 2008 to USD 17.8 billion (previous year: USD 23.3 billion). Nordex customers' projects were also affected. Although no contracts were canceled, the finance for expected projects has been delayed. As Nordex does not record projects as order receipts until the customer is able to demonstrate the availability of finance and a 20 percent advance payment has been received, new business came under pressure in the second half of the year. Thus, order intake dropped to EUR 876 million as of December 31, 2008 (previous year: EUR 1,220 million).

In the first half of 2008, Nordex received new contracts from the United States worth an aggregate EUR 232 million, completing them at a rate of around 25 percent in the year under review. In Europe, it was awarded numerous contracts in Portugal (EUR 183 million), Poland (EUR 78 million) and Greece (EUR 71 million). Marketing activities in China are currently additionally focusing on exports to other Asian countries. The trend in favor of multi-megawatt systems continued to be evident in new business, with the share of N80/N90/N100 turbines widening from 80 to 96 percent.

ORDER RECEIPTS BY REGION (in %)		
	2008	2007
Europe	73	90
Rest of World	27	10

### CATALOG OF CRITERIA FOR RECOGNIZING ORDERS (firm vs. contingent)

Firm orders (recognized as orders receipts)	Contingent orders (master contract)
Binding contract in force	Bindender contract in force
Construction permit granted	Advance payment received
Grid connection contract signed	
Finance approved	
20% advance payment received	

Order books climbed in value by around 5 percent to roughly EUR 3,044 million as of December 31, 2008 (previous year: EUR 2,903 million) and comprise firm orders of EUR 824 million as of the balance sheet date (previous year: EUR 1,022 million) and contingent orders of EUR 2,220 million (previous year: EUR 1,881 million). This underscores the fundamentally strong demand on the part of customers on the one hand and the challenge to obtain the necessary project finance on the other hand. The resultant decline in forward visibility has prompted Nordex to scale back its growth forecast for this year to a figure above EUR 1.2 billion in revenues. This is based on the assumption that rising loan volumes will be available for financing wind power projects again as of summer 2009. Against the backdrop of current conditions, finance is being provided for wind farm projects which satisfy the following criteria:

- Relatively high equity component in the financing structure
- Low debt capital component to be provided by only one creditor bank
- Financially stable investor
- Attractive return on the project (quality of the site, regional remuneration)
- Low project risk



**Bit by bit** | 45-meter rotor blades after final finishing.

**Turbine linked to the grid** | grid requirements are becoming increasingly more complex.

#### **Business performance of the Group parent Nordex AG**

As the Group parent, Nordex AG operates as a holding company. One of Nordex AG's key tasks 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 and Nordex Windparkbeteiligung GmbH as further German Group members.



In the period under review, Nordex AG's sales rose by 77 percent to EUR 34.6 million (previous year: EUR 19.5 million). This was primarily due to higher Group transfer payments from foreign subsidiaries in consideration of the provision of Group management services and the grant of contractual performance guarantees. This is also reflected in staff costs, which rose by 52 percent to EUR 10.5 million in 2008 (previous year: EUR 6.9 million). Other operating income net of other operating expenses climbed from EUR 14.7 million to EUR 22.6 million. After tax of EUR 3.1 million (previous year: EUR 2.0 million) and substantial net interest income of EUR 10.8 million (previous year: EUR 14.9 million), Nordex AG recorded net profit of EUR 7.1 million (previous year: EUR 9.4 million)

Nordex AG's equity rose by around 3 percent to EUR 224.6 million (December 31, 2007: EUR 217.5 million). With total assets climbing to EUR 350.7 million (December 31, 2007: EUR 233.2 million), Nordex AG's equity ratio widened to 64.0 percent (December 31, 2007: 93.3 percent).

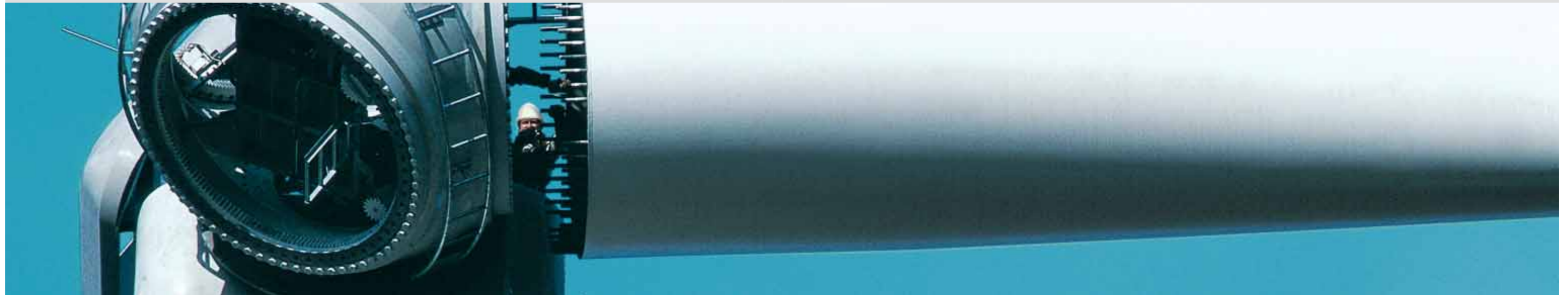
In May 2008, Nordex AG received a syndicated credit facility from a group of 13 banks for a total volume of EUR 500 million covering a period of one to five years (including a one-year renewal option). In this way, the Company was able to almost double its credit volume on improved terms.



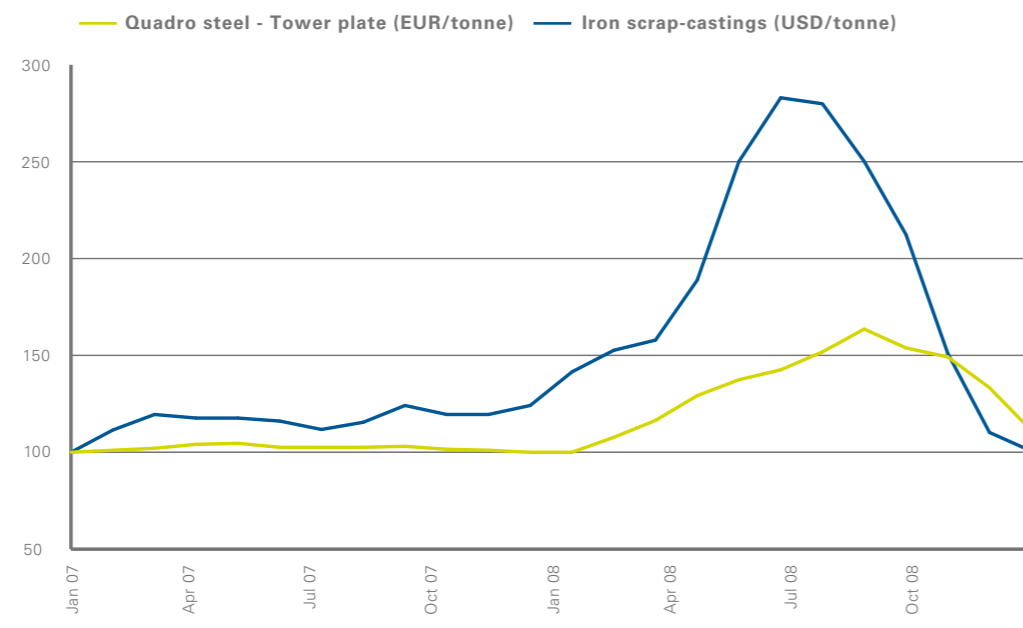
## EARNINGS SITUATION

In line with the forecast, earnings before interest and taxes rose by around 57 percent to EUR 63.0 million in 2008 (previous year: EUR 40.1 million). As a result, the return on sales widened slightly from 5.4 to 5.5 percent. Contracting from 79.5 percent in 2007 to 78.9 percent in 2008, the lower cost of materials ratio had a favorable effect on earnings.

A key determinant here was the heightened profitability of the projects completed. For one thing, these were projects which had been awarded at a time when turbine prices were at a high level and, for another, Nordex was generally able to execute projects within the calculated budget. The heavy fluctuation in commodity prices did not exert any material effect on profitability during the year. As Nordex secures its firm contracts by means of early sourcing and the master contracts include price-adjustment clauses, short-term fluctuation in the price of materials does not have any major impact on project margins.



DEVELOPMENT COMMODITY PRICES 2007-2008 (INDEXED)



By the same token, however, Nordex has not been able to derive any additional margin contributions from ongoing projects as a result of the recent sharp drop in commodity prices. Recent trends in the price of materials are reflected in the cost of metals. Thus, the price of quadro steel increased by over 40 percent

from January through August 2008, dropping back to a level around 10 percent above the initial amount in December 2008. This trend was even more pronounced in iron for castings. The scrap price doubled in the summer before dropping below year-ago levels in November and December.

The personnel expense ratio remained almost unchanged at 6.9 percent. Other operating income net of other operating expenses relative to business volumes widened from 7.0 to 7.6 percent.

Despite the heavy spending on new facilities and development, the depreciation ratio dropped from 1.7 to 1.3 percent. A large part of the investments in 2008 were implemented towards the end of the year and will therefore not be included in depreciation expense until 2009.

Nordex generated almost 60 percent of its full-year sales for 2008 in the second half of the year; the resultant higher coverage of fixed costs led to an increase in operating earnings. The return on sales increased in the course of the year from 3.5 percent to 7.0 percent.

Net financial result improved from minus EUR 1.1 million to plus EUR 1.0 million due to the high average liquidity of EUR 162 million in 2008. Income tax expense rose by EUR 23.3 million to EUR 14.4 million, translating into a tax rate of 22.5 percent. In the previous year, the Group had recognized a tax credit of EUR 8.9 million, which was recognized in profit and loss, through the utilization of tax losses available in Germany.

Consolidated net profit for the year increased by around 3 percent to EUR 49.5 million, thereof 47.6 million applies to the stockholder of the parent company. On the basis of a weighted average of 66.845 million shares outstanding (previous year: 65.595 million), earnings per share dropped slightly to EUR 0.71 (previous year: EUR 0.74).

#### EBIT/RETURN ON SALES by semester

Region	2008	2007
First half	16.2 (3.5%)	15.3 (4.7%)
Second half	46.8 (7.0%)	24.8 (5.8%)
Full year	63.0 (5.5%)	40.1 (5.4%)



## FINANCIAL CONDITION AND NET ASSETS

As of the balance sheet date, consolidated equity stood at EUR 324.4 million, an increase of some 19 percent over the previous year (EUR 271.8 million) thanks primarily to the consolidated profit for 2008 of EUR 49.5 million. The equity ratio remained steady at around 38 percent of total assets, which had risen by 150.5 million.

On the balance sheet date, the Group had liquidity of EUR 111.7 million (December 31, 2007: EUR 212.2 million). The heavy commitment of funds of around EUR 100 million was primarily due to capital spending of EUR 72.4 million and the EUR 148 million increase in working capital. Relative to total revenues, working capital increased to 14.0 percent (December 31, 2007: 2.3 percent) due to reduced prefinancing for customer projects in the form of reservation fees earned in the second half of 2008. Given the changed market conditions, it was almost impossible to collect any further reservation fees from customers. At 114.6 percent, the ratio of advance payments received to future receivables from construction contracts remained high (December 31, 2007: 138.1 percent).

On the other hand, inventories rose in the period under review by around 61 percent to EUR 372.2 million (December 31, 2007: EUR 231.8 million) on account of the prefabrication of turbines for the Group's own wind farms which are to be marketed this year. These turbines are valued at roughly EUR 70 million. In addition, Nordex stockpiled rotor blades in preparation of the planned extensions to the production facilities in 2009 so as to avoid supply shortfalls. Generally speaking, sourcing was adjusted at the middle of 2008 in the light of the reduced requirements for the current year as greater growth had originally been expected. Accordingly, there will be a substantial decline in inventories this year.



Trade receivables and future receivables from construction contracts rose at a lower rate by around 4 percent to EUR 103.4 million (December 31, 2007: EUR 99.2 million).

The increase in non-current assets is primarily due to capital spending on property, plant and equipment, which rose by 123.9 percent to EUR 78.8 million (December 31, 2007: EUR 35.2 million) primarily in connection with the plant extensions.

As of the balance sheet date, trade payables equaled EUR 132.6 million (December 31, 2007: EUR 78.9 million). Other current provisions increased by 123 percent to EUR 44.0 million in connection with rising business volumes as well as one claim (December 31, 2007: EUR 19.7 million). The related compensation claim is reported within other current assets, which climbed from EUR 36.1 million to EUR 82.3 million.

In the year under review, liabilities to banks of EUR 15.8 million rose primarily as a result of the plant extensions in China. As a result, the Group's net liquidity stood at EUR 95.9 million as of the balance sheet date (December 31, 2007: EUR 211.1 million). All told, Nordex utilized around 37 percent of the cash and guarantee facilities totaling EUR 500 million available to it.

A net cash outflow of EUR 59.5 million from operating activities (previous year: net inflow of EUR 29.1 million) arose particularly as a result of the sharp increase in inventories (+ EUR 140.4 million) and the decline in other current liabilities (- EUR 19.5 million).

The cash change in cash and cash equivalents stood at minus EUR 115.3 million (previous year: EUR 80.3 million).

This is also reflected in the working capital ratio, which widened to 14.0 percent (December 31, 2007: 2.3 percent). Up until summer 2008, the liquidity committed for prefinancing customer projects was extraordinarily small due to the reservation fees paid for future binding delivery commitments. In the second half of 2008, market conditions were such that it was not possible to obtain any further reservation fees from customers. At 115.2 percent, the ratio of advance payments received to future receivables from construction contracts remained high (December 31, 2007: 138.1 percent).



1 Tower segments being assembled | staff awaiting the next segment.

## CAPITAL SPENDING

In the year under review, the Nordex Group increased its capital spending by 154.0 percent from EUR 28.5 million to EUR 72.4 million.

The bulk of this was for property, plant and equipment (EUR 52.7 million)

Within property, plant and equipment, spending on land and buildings was the largest item (EUR 31.8 million), followed by other machinery, business and operating equipment (EUR 10.2 million) and technical equipment and machinery (EUR 6.2 million). Advance payments made and assets under construction were valued at EUR 4.5 million. The additions to land and buildings primarily relate to the extensions to the Rostock production facility (rotor blade production: EUR 14.7 million; rotor blade finishing: EUR 12.6 million). By extending its rotor blade production on a budget totaling EUR 27.3 million, Nordex is creating the necessary basis and capacity for producing high-quality rotor blades in the future and to further increase the proportion of internally sourced activities despite the swift rate of growth.

Additions to intangible assets comprise capitalized developments expense of EUR 13.0 million (2007: EUR 10.3 million) and other intangible assets such as software and license of EUR 6.7 million (2007: EUR 2.9 million).

Further disclosures and information on capital spending by the Nordex Group can be found in the notes to the consolidated financial statements.

POSITION Euro million			
	2008	2007	Change in%
Property, plant and equipment	52.7	15.4	242.2
Intangible assets	19.7	13.1	50.4
<b>Total</b>	<b>72.4</b>	<b>28.5</b>	<b>154.0</b>





## RESEARCH AND DEVELOPMENT

Research and development play a crucial role within the Nordex Group as it is primarily by means of ongoing technological enhancements and development that the Company is able to ensure its competitiveness. Two new departments were established in the year under review to additionally reinforce research and development activities at the Nordex Group. The "Product Innovation" department deals with key strategic issues such as research into new materials, generators and theoretical principles. The "International Engineering" department is responsible for management and administrative tasks in connection with the establishment, execution and support of central engineering activities at Nordex's international sites.

As of the balance sheet date (December 31, 2008), Nordex's Central Engineering department employs 213 engineers and technicians as well as 38 other assistants responsible for all aspects of wind power technology from basic research through to product and process development. A total of 22 patents were registered in 2008 (2007: 31)

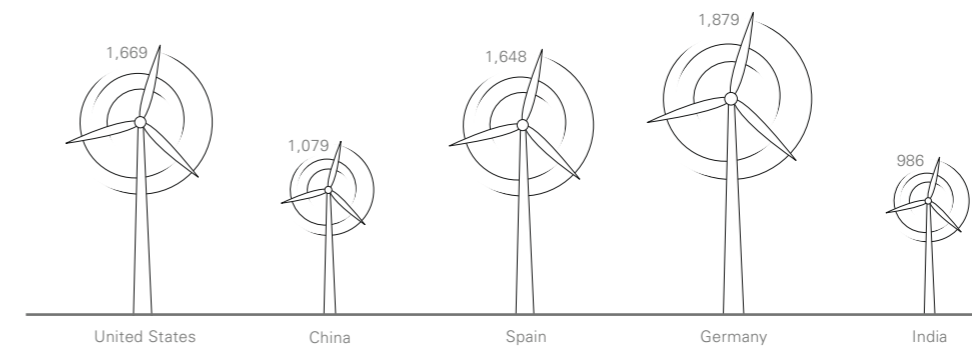
	2008		2007		2006	
	Absolute (Euro mn)	Percentage of sales	Absolute (Euro mn)	Percentage of sales	Absolute (Euro mn)	Percentage of sales
<b>Capitalized R+D expense</b>	13.0	1.1 %	10.3	1.4 %	6.8	1.3 %

#### Main development projects in 2008:

At Nordex, technological development is divided into three main segments: (1) The development of projects to be launched on the market over the next one or two years ("NXT1"), (2) projects which are to be completed over the next three to five years ("NXT2") and (3) basic research into new products ("NXT3"). The aim of the development projects is to create turbine classes which can be produced in large volumes across the entire value chain in the short to medium term. This also includes the availability of core components such as gearboxes and generators as well as transportation and installation logistics.

The current supply chain in the wind power industry is configured for standard turbine classes up to a maximum nominal output of 3 MW. Core components such as gearboxes with an output in excess of this are available in only small quantities. Sales statistics for 2006 and 2007 point to a small shift in favor of larger turbine classes. Thus, the average installed capacity of new turbines installed between 2006 and 2007 increased only by 5 percent from 1,419 to 1,492 kW, with this figure ranging between 986 and 1,879 in the most important volume markets.

#### AVERAGE INSTALLED CAPACITY PER TURBINE IN 2007 (in kW)



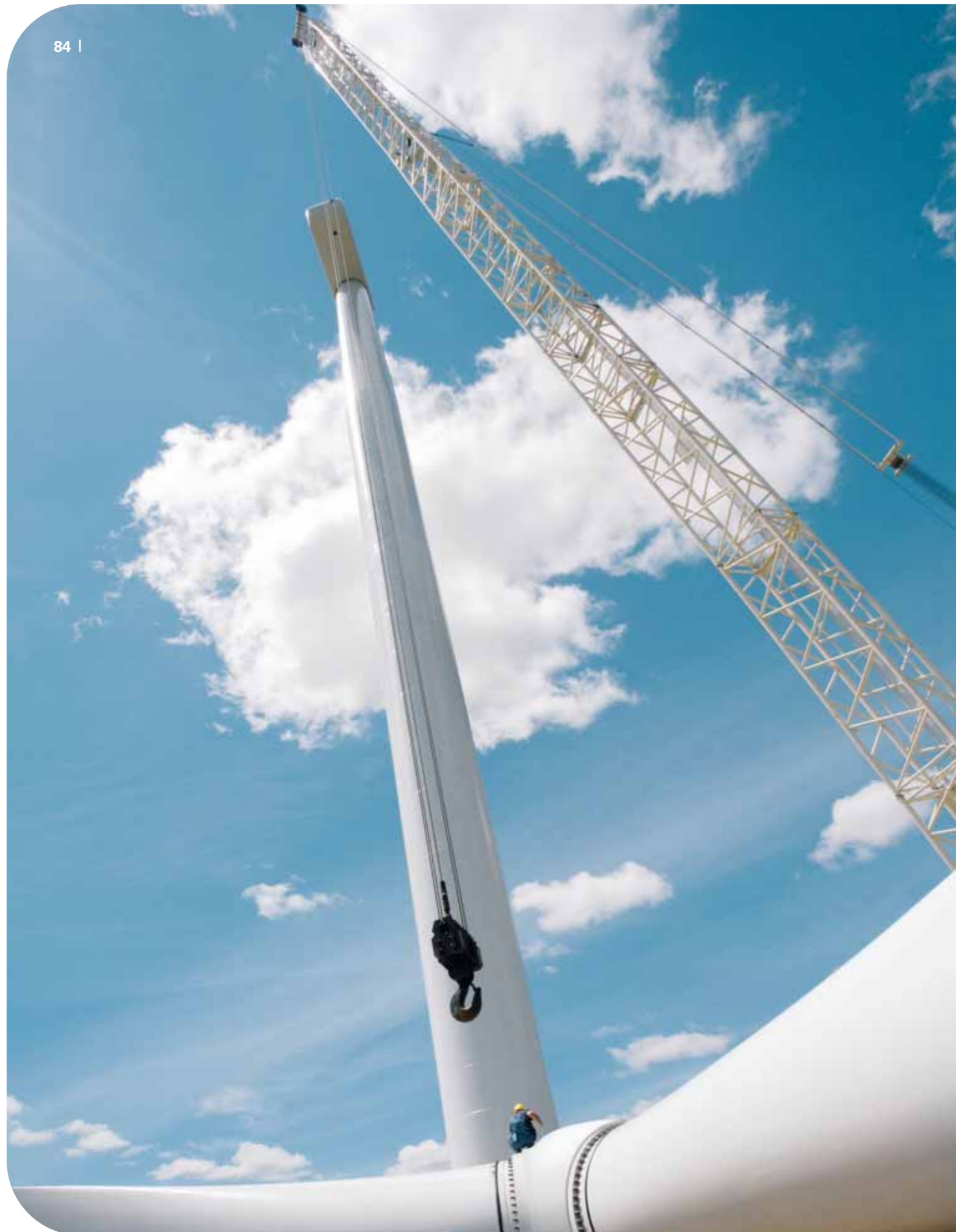
With the imminent emergence of the new generation of 2.5 MW (N80/N90) turbines, Nordex is not only focusing on the launch of a new output class but also on a new dimension in availability, ensuring greater safety and quality standards. Thus, for example, Nordex has reduced the mass of the tower head by redesigning the hub and machine bearer, improved the torque in pitch and azimuth drive and thus optimized the secure running and maintenance of the nacelle. The new rear hub entry, the changed rotor arrester and the integrated crane system ensure heightened safety during service and facilitate entry to the nacelle largely independently of weather conditions. Further advantages arise from the ability to pre-assemble components such as the pitch models or the cooling system in the interests of greater production quality thanks to the modular system.

The change of generation coincides with the new N100, which entails a new version of the 2.5 MW technology for weaker wind conditions. As a result, this range of turbines covers all typical wind conditions. One crucial aspect of development activities concerned the design of the Company's own rotor blades which, with a length of some 50 meters, are to be produced at the new extended facility in Rostock in the future. After extensive testing with the N100/2500 prototype, the new series will be available for commercial use as of the end of 2009.



Nordex's engineering departments in Rostock and Peking are pursuing a similar project with the 1.5 MW series, which is to be offered in three basic versions in the future for wind qualities IEC 1 (strong wind), IEC 2 (medium wind) and IEC 3 (weaker wind). The IEC 3 version will have a rotor blade diameter of over 80 meters. At the same time, all the components will be undergoing a complete changeover to incorporate some of the developments achieved with the 2.5 MW generation. The first prototype is to be installed at the end of 2009/beginning of 2010. The series has been designed for deployment in Asia where there is no reliable supplier structure for multi-megawatt components.

In addition, Nordex has developed a basic model for a large range of turbines with an output in excess of 3.0 MW. At this juncture, a decision has been made to retain the basic mechanical principle after detailed analyses of the possible alternatives. The new range will feature a multi-level planet-gear/helical-gear transmission and a double-feed asynchronous generator with a cascade converter. The innovations entail detail improvements to the components as well as a general cost and load-optimized configuration. This generation is expected to be launched in 2012.



Quiet wind conditions for rotor assembly.

## QUALITY MANAGEMENT

Quality management provides the framework within which high-quality products and services are provided on a systematic basis using qualified and motivated employees and optimized processes. Nordex's quality policy rests on the following pillars:

- encouragement of all employees to develop a keen sense of quality,
- customer-oriented approach determining the activities of each and every employee,
- regular and systematic training and skills development in the light of constantly growing requirements,
- ongoing quality improvements as a key element of day-to-day work,
- production and assembly of Nordex wind power systems in accordance with the highest occupational safety and environmental standards,
- activities within an efficient organization with processes specially tailored in the light of Nordex's requirements.

In 2008, the scheduled audit of the Company's quality management system was performed by Bureau Veritas Certification (BVC) in accordance with ISO 9001:2000.

In the year under review, quality management focuses on process orientation in the light of the Group's growth and the establishment of structures to ensure quality against the backdrop of global growth.

- Specific projects executed in 2008 included
- the establishment and implementation of a central information platform for Nordex AG known as the Quality Information System (QUIS),
  - the structural integration of quality management as part of Nordex AG's international thrust such that it now reports directly to the Management Board so that cross-continental matters can be addressed more efficiently,
  - internal audits to develop specific approaches in corporate segments forming the basis of efficient improvements,
  - the implementation of an enterprise-wide quality key performance indicator (KPI) system,
  - definition of an enterprise-wide process in conjunction with the HSE department for handling hazardous materials and for a uniform registry of hazardous materials,
  - the development and adoption of an integrated global quality management system.



## EMPLOYEES BY DEPARTMENT IN PERCENT

Segment	2008 (% as of Dec. 31)	2007 (% as of Dec. 31)
Production	36	35
Service	20	20
Central engineering	13	11
Project management	13	10
Administration	12	18
Sales	3	4
Purchasing	3	2

## EMPLOYEES BY JOB TENURE IN PERCENT

Service period	Proportion of employees
Less than 1 year	35.5 %
1 – 3 years	38.7 %
3 – 5 years	6.0 %
5 – 10 years	16.4 %
More than 10 years	3.4 %

## STAFF AND COMPENSATION SYSTEM

As of December 31, 2008, Nordex had 2,153 employees, an increase of 34.8 percent over the previous year (1,597). In absolute terms, new recruiting in 2008 concentrated on production, project management and service. In relative terms, however, central engineering, project management and sourcing figured the most strongly. With its enlarged headcount, Nordex has sufficient personnel resources for its future growth as well as its ongoing internationalization. New structures were established in the United States, Sweden and Poland (36 employees as of December 31, 2008). The headcount rose to 119 (December 31, 2007: 101) in France, by 30 to 69 in the UK and by 24 to 425 in China as of December 31, 2008. With general economic conditions increasingly worsening, Nordex engaged in only sporadic recruiting and to a lesser extent than originally planned towards the end of 2008.

The average age within the Nordex Group stood at around 35 years. The Company's youth and the strong growth of the past few years are also reflected in average service periods:

The Nordex Group's appeal as an employer can be seen in the substantial increase in job applicant numbers, which doubled from around 6,000 to roughly 12,000 last year.



#### Non financial performance indicators

Nordex's success hinges to an extraordinary degree on the expertise and innovativeness of its staff. Accordingly, the Company attaches key importance to training and skills development for its employees. As of the end of 2008, the Nordex Group had 58 apprentices and 24 management trainees. The capacity of the Nordex Academy has been systematically extended to ensure continued high-quality training in the future. Around 20 trainers and authors of technical documentation are responsible for preparing and executing the training courses. Following the relocation of the Academy in the former renovated production hall in Rerik at the beginning of 2008, new and more spacious training facilities are now available. 15,246 days of training were offered in 2008.

#### Compensation system

Nordex employees receive an annual salary paid in twelve monthly installments. Technical staff receive a basic wage plus overtime, night, weekend and holiday bonuses. These bonuses have been fixed in an in-company agreement entered into with the employee representatives. In addition, flexible working hour models are possible in the production area, meaning that overtime bonuses arise only in exceptional cases. In addition, Nordex employees receive a performance-tied annual bonus provided that certain predefined enterprise-wide objectives are achieved. 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 may grant non-cash benefits to employees such as a company car or training allowances.

Nordex has implemented a compensation system for the staff at its German facilities which does not make any distinction between Eastern and Western Germany or between technical and administrative staff; instead, it is based on the profile of requirements for the position in question. All positions are assigned to a compensation scale comprising a total of 13 levels plus a further four for executives. In this way, Nordex seeks to enhance transparency and simultaneously strengthen staff motivation. At the same time, it 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.

In the second half of 2008, Nordex employees were given the opportunity of subscribing to stock options at an average price of EUR 23.10 for first-time exercise in 2011. More than half of the employees and some 90 percent of executives made use of this offer.

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 profit. The variable component comprises between 40 and 50 percent of the total compensation. In addition to a company car, which may also be used privately, contributions to pension savings schemes are 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. In one case, the service contract may be terminated at the end of any calendar year subject to six months' notice. Further details on Management Board compensation can be found in the notes to the consolidated financial report.



## OUTLOOK

The International Monetary Fund (IMF) expects growth in the global economy to slow to 0.5 percent in 2009 (2008: 3.4 percent). After expanding by 1.1 percent last year, the US economy is expected to contract by 1.6 percent in 2009, with Europe possibly shrinking by as much as 2 percent (2008: plus 1.0 percent). Turning to the emerging markets, the IMF forecasts that growth will slow to 3.3 percent in 2009, down from 6.3 percent in 2008. Growth in China is expected to come to 6.7 percent (2008: 9.0 percent). According to the German Federal Ministry of Economics and Technology, the German economy faces the greatest challenges in 2009 since re-unification in 1990. The short-term outlook has worsened dramatically: whereas GDP grew by 2.5 percent in 2007, this figure slowed to only around 1.3 percent in 2008. This year, the German government expects price-adjusted contraction of GDP of 2.3 percent. With the "Pact for Employment and Stability in Germany", an economic stimulus package worth around EUR 80 billion has been launched in an effort to overcome the current economic crisis and

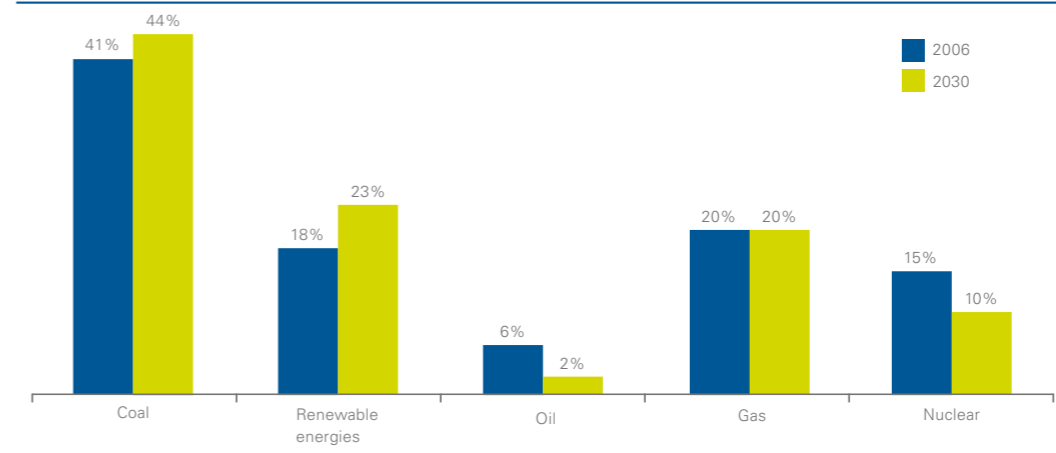
to modernize Germany. The United States wants to launch a spending program worth some USD 790 billion, create 3.5 million jobs and lower taxes for the middle class and low-income groups. More than half of this amount has been earmarked for spending on the infrastructure, renewable energies and the health system. In addition, the US government is expected to provide up to USD 2 trillion to bail out the domestic banks. In fact, China intends to additionally expand its EUR 470 billion economic stimulus package to spur the economy even more effectively.

PERCENTAGE GDP GROWTH/CONTRACTION IN 2009/2010:				
Region		IWF	IWF Kiel	DIW Berlin
United States	2009	-1.6	-1.9	-2.0
	2010	1.6	0.8	1.8
Europe	2009	-2.0	-3.3	-0.8
	2010	0.2	-0.2	0.5
China	2009	6.7	5.6	6.5
	2010	8.0	6.5	8.5
World (total)	2009	0.5	-0.8	1.1
	2010	3.0	2.1	2.5

Assuming that the problems which are currently festering can be overcome swiftly and confidence in the financial and economic system largely restored, the IMF expects the global economy to start recovering in 2010 and expand by some 3 percent. However, such a recovery is possible only if the extensive economic stimulus programs launched by governments unleash the desired effects. However, this is anything but certain as a comparison of the forecasts issued by various renowned economic research institutes show.

After an upswing lasting five years, the German Mechanical and Plant Engineering Association (VDMA) projects a decline in real production of around 7 percent in 2009. To be sure, this forecast is confirmed by January order receipts, which were down 42 percent year on year in the mechanical engineering segment. This heavy decline in order receipts was due to the sharp slowdown afflicting nearly all industrialized nations and emerging markets. With foreign business accounting for well over 70 percent, the export-oriented German mechanical and plant engineering industry is particularly affected by this trend.

DEVELOPMENT ENERGY MIX WORLDWIDE (2006/2030)



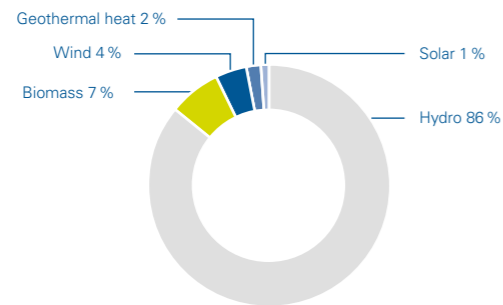
Source: MAKE Consulting

Looking forward, global demand for energy will continue and even grow. The International Energy Agency (IEA) calculates that by 2030 energy requirements in the OECD countries will have risen by 30 percent over 2006 levels, with energy consumption in non-OECD countries set to climb by as much as 145 percent. The reasons for this sharp growth are the rapid increase in population and expected economic expansion. In this connection, experts assume that the energy balance will increasingly shift away from conventional sources (coal, gas, oil, nuclear) in favor of renewable energies (hydro, biomass, solar, geothermal heat). In fact, renewable energies could become the second largest source of energy in 2015.

The long-term growth drivers for electricity for renewable sources include the rising prices of fossil fuels, mounting pollution in connection with the consequences of climatic change and the broad political commitment of numerous governments in industrialized nations and emerging markets alike. Within renewable energies, wind power is playing a dominant role after hydro power thanks to the increasingly more efficient technology being used and the sharp decline in production costs.

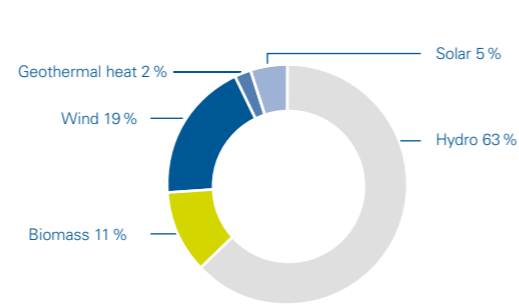


**RENEWABLE ENERGY MIX 2006**



Source: MAKE Consulting

**RENEWABLE ENERGY MIX 2030**



The German Mechanical and Plant Engineering Association (VDMA) expects double-digit growth rates around the world for wind power in the medium to long term. In December 2008, MAKE Consulting forecast annual average growth rates of 16 percent for wind power between now and 2013. Given the currently mute and nervous market conditions, however, the market as a whole will probably only see small growth in new installed wind power capacity in 2009. The US economic stimulus package could prove to be a boon for renewable energies, containing as it does expensive spending plans for this area in the form of loan guarantees, subsidies and allowances. Thus, the US government is planning to further extend the production tax credit program for wind farm operators, offer an investment tax credit of 30 percent for wind farm initiators and provide extensive funding for extensions to the electricity grids.

According to the experts, the markets of the future lie in the United States, China, India, Canada, Spain, Germany, France, Portugal and the United Kingdom. With its technological lead and high export ratio of some 80 percent, Germany will continue to benefit disproportionately from the expansionary wind power segment in the future.

Despite general market trends, Nordex expects to be able to achieve further top-line growth in 2009. That said, however, it currently assumes that the high growth rates of earlier years will slow in 2009 against the backdrop of the reduced availability of finance for wind farm projects. Covert by the current order backlog sales are expected to climb to over EUR 1.2 billion. On the basis of these contracts and given the progress being made with some master contracts, Nordex assumes that US sales will increase threefold from a low level, double in Asia and remain steady in Europe.

	New MW in 2008	Forecast new MW 2009
<b>America</b>	8,975	- 8 %
<b>Asia</b>	9,075	+ 20 %
<b>Europe</b>	8,877	- 7 %
<b>other</b>	129	+ 46 %
<b>Total</b>	27,056	+ 2 %

Source: 2008 - GWEC, estimates for 2009 - MAKE Consulting

Nordex's profitability in 2009 is expected to fall short of the previous year as it will not be possible to harness any economies of scale for growth-related reasons, while spending on new structures will continue unabated to ensure that the Company is positioned for future growth. A decision on the commencement of material capacity extension projects has been postponed until summer 2009 to avoid the risk of excess capacity after the completion of construction. At the same time, however, the approval application process is to be stepped up so that construction can commence at short notice. A fundamental change in strategic business orientation is not planned.

In response to the current adverse economic conditions, Nordex has defined a catalog of some 100 measures aimed at safeguarding earnings and also targeted at strategic aspects to ensure the Company's enduring success. This specifically entails a cost-cutting program designed to reduce other operating expenses and also including measures to reduce the capital tied up in inventories for example.

Assuming that the situation in the global financial markets stabilizes by mid-year and a greater volume of finance is available for power station projects, the wind power industry could recover swiftly. On this basis, analysts expect substantial growth in sales volumes in the double-digit region in 2010. Nordex could benefit from such a development and return to swifter double-digit growth. However, as these forecasts entail considerable uncertainty given the current market conditions and the possibility of the recovery being delayed cannot be ruled out, Nordex has initially postponed part of the medium-term capital spending plans which it adopted in 2007 and will be reacting flexibly to future market developments.

## RISK REPORT

Companies' business activities expose them to a series of risks arising either from their business or external factors. It is not possible to avert all risks in full as companies operate in complex environments and must make decisions relatively quickly to make use of business opportunities. However, early-warning systems can reduce the likelihood of risks occurring and encourage risk-conscious action. In any case, there is a statutory duty in accordance with Section 91 (2) of the German Joint Stock Company Act to install a risk management system.

Nordex has such a system, which monitors all discernible risks to the Group and quantifies them by probability and potential loss. At Nordex, the risk management system has been implemented as an integral part of its core processes; risk officers based in the central operational and strategic departments are responsible for observing identified risks and taking suitable precautions. Project-related task forces comprising specialists from the relevant areas are established to address any problem areas which have been identified. This ensures the continuous supervision of risks from the offer to the service process. Particular focuses in this connection include concurrent project costing 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.

### Economic and social/political risks

The financial market crisis evolved into a general economic crisis in 2008, which is liable to pose a material risk for Nordex's future business performance. Both established economies and emerging markets are feeling the effects of the current slowdown in the global economy. Weaker economic growth in connection with rising inflation, mounting budget deficits and government-sponsored economic stimulus programs may result in the postponement of climate protection goals and thus adversely affect Nordex's business performance. At this stage, Nordex sees only minimum risk for the regenerative energies market in the medium to long term. The governments of leading industrialized nations and emerging markets have confirmed their commitment to climate goals and in individual cases even increased them. The economic stimulus programs released to date expressly provide for spending on regenerative energies.

### Supplier risk

In the wake of the current economic crisis, the situation in the supplier market is easing, with the risk of delivery shortfalls waning. A temporary decline in demand could, in turn, result in heightened stockpiling at Nordex, thus impairing its liquidity. Nordex is therefore endeavoring to seek agreements with suppliers to reduce the amounts to be delivered in 2009. If demand fails to pick up again this year, suppliers, some of whom have spent heavily on extending their capacity, could face the prospect of insolvency, reducing the number of potential suppliers. In this case, a recovery in demand in 2010 could result in delivery shortfalls, leading to delays in the completion of projects.

### Price risk

In the period under review, competition amongst producers of wind power systems has tended to strengthen. The availability of finance for wind farm projects is being curtailed by the current financial and economic crisis, resulting in a decline in available investment volumes. This could result in sell-side price pressure. Nordex has not lowered its price expectations for wind power systems and is additionally attempting to avert the price risk by entering new markets.

### Development risk

The development of new technologies entails considerable monetary risks. At the moment, different technical systems for the conversion of energy are competing in the market, with no clear trend discernible. Over the next few years, Nordex will be enhancing proven technology and observing competitors' new developments closely so that, if necessary, it can make adjustments to its product strategy at short notice. In the event of the swift market success of new technologies, there is a risk of Nordex falling behind its peers with respect to its technology. However, Nordex considers this risk to be a good deal less pronounced than the risk arising from increased research and development efforts together with correspondingly higher costs for technologies which do not provide the desired results or prove to exhibit insufficient viability.

### Legislative risk

Changes to the legislation governing feed-in rates or subsidies for renewable energies may trigger a decline in demand in the short term. The effects are all the greater the less diversified business is across different markets. Nordex's strategy aims at achieving broad sales diversification in Europe, China and the United States to cushion the effects of declines in individual regional markets.

### 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 monitored by the Treasury department at Nordex AG. Sufficient liquidity is held to ensure that all planned payment obligations can be honored on the dates on which they fall due across the entire Group. To this end, the Group members report their medium-term planned incoming and outgoing payments on a weekly basis. In addition, a liquidity reserve is available for any unforeseen curtailments in incoming payments or unexpected additional expense. 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. In addition, the Nordex Group is able to utilize bank facilities. In this connection, Group 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 issues any guarantees required for Group companies via the banks on a central basis.

**Foreign-currency risk**

Payment flows in a foreign currency liable to pose an exchange rate risk are generally recorded as risk items. The Group members report their currency exposure (risk of change in value as a result of exchange rate fluctuation) centrally to Nordex AG. Nordex AG's Treasury department is solely responsible for hedging foreign-currency transactions and monitors all current foreign-currency items and, thus, the potential exchange-rate risk on an ongoing basis. In some cases, derivative financial instruments are used to limit exchange-rate risks. Hedges are transacted only to protect an underlying asset – it is not permissible for such instruments to be held for purely speculative purposes. 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 with which Nordex has maintained business relations over many years. 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 risk**

The Nordex Group enters into business relations solely with favorably rated third parties in order to reduce its credit risk. All main new customers wishing to enter into business with the Group on credit terms undergo a credit check. In addition, receivables are monitored on an ongoing basis to avert all material risks of default. There is no material clustering within the Group of default risks; the maximum risk of default is capped at the carrying amount of the receivable concerned. 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 value of these instruments.

Further information on the Group's exposure to financial risks can be found in the notes to the consolidated financial statements.

**Marketing risk**

The current financial crisis may give rise to a heightened marketing risk if customers of the Nordex Group are unable to gain finance at all or only on less favorable conditions or in a smaller volume for new or existing projects. This may have an adverse effect on the commercial viability of wind power projects and thus constitute a sales risk for Nordex. In this connection, it is possible that there may be a shift in the general customer structure for wind power, resulting in heightened competitive pressure on Nordex and its peers. At the same time, the current weakness of a number of foreign currencies may impair the competitiveness of the Nordex Group's customers and exert pressure on the margins on foreign project business. This risk is averted by localizing purchasing activities.

**Legal risks**

The possibility of risks from legal disputes can never be ruled out. In its operating business, the Nordex Group is exposed to liability risks arising from possible claims under guarantees or the recovery of damages under contracts for the supply of goods and services as well as in other legal areas, e.g. product liability, patent law or tax law as well as the breach of statutory rules. For example, there is a rule in all EU member states stipulating that all technical equipment must comply with the Machinery Directive. Nordex has established appropriate structures to ensure that these requirements are observed. In addition, other internal precautions are taken and processes implemented to avert such legal risks.

**Grid connection risk**

The wind power systems assembled by Nordex must comply with the applicable local grid connection guidelines. Otherwise, the wind farms may only be operated at a lower output, in which case Nordex has a contractual obligation to reimburse the wind farm operator for the resultant loss of income. Accordingly, this poses a sales risk for Nordex. This matter is currently one of the principal focuses of work in the Engineering department.

Moreover, one of Nordex's competitors has obtained industrial property rights for the general compliance with grid connection requirements for wind power systems. Nordex, some competitors and one utility have lodged objections to the acknowledgement of these industrial property rights. If these property rights were to prove valid, manufacturers of systems that fulfill these conditions would have to pay license fees to the holder of the patent.



#### Reputation risk

Among other things, the Nordex Group's success also depends on its reputation and its customers' confidence in the quality of the products and services offered by Nordex. The technical and/or economic failure of individual wind power systems or an entire range could harm the Group's reputation regardless of whether such failure is due to a production error or an unforeseeable change in the underlying business or legal conditions. The Nordex Group addresses these risks by ensuring compliance with high standards of quality in planning and production operations as well as swift and appropriate reaction to any changes in underlying conditions.

#### Personnel risk

In order to handle the rapidly growing volume of business, Nordex must set up new personnel structures, find qualified specialists to fill new positions and introduce them to the Company's operating procedures particularly in the operating divisions. Here there is the risk that insufficient qualified staff can be recruited and that delays may occur in training for the specific position. This may have an adverse effect on the Group's planned growth. Nordex has established an internal personnel marketing system, works closely with external consultants and has extended its own training academy in order to handle these tasks. Fluctuation in middle-management staff may lead to a loss of knowledge in individual key positions as recruiting and training new staff is very time-consuming. Nordex seeks to address the risk of personnel loss by establishing staff loyalty programs.

#### Risk of limited scope for utilizing tax losses

A further material risk relates to the effects on the deferred tax assets recognized for tax losses in the event of a sale by any of the principal shareholders of their holdings. This is because Section 8 c of the Corporate Tax Act stipulates that in the event of a transfer of shares of more than 25 percent and up to 50 percent the tax losses accrue to the acquiring party on a proportionate basis and, in the event of a transfer of over 50%, in full.

#### IT risk

Nordex has taken numerous precautions to minimize the risk of system outage. Among other things, access control systems, encryption software, firewall systems and anti-virus programs are used to protect the IT systems and data.

#### Overall risk

The appraisal of the Nordex Group's overall risk exposure in the year under review did not identify any risks to the Group's going-concern status or capable of exerting any sustained effect on its net assets, financial condition and results of operations. The Management Board regularly reviews the risks to which the Nordex Group is exposed.

➤ NB: The sequence in which the risks are described in this section should not be construed as indicating their probability or the potential loss or damage. Deviations of a positive or negative type in all of the 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 any entities affiliated with it) during the period under review of fiscal 2008 (January 1 – September 26, 2008).

## DISCLOSURES IN ACCORDANCE WITH SECTIONS 289 (4); 315 (4) OF THE GERMAN COMMERCIAL CODE

The following disclosures are required pursuant to Sections 289 (4) and 315 (4) of the German Commercial Code:

➤ The Company's fully paid share capital of EUR 66,845,000 comprises 66,845,000 bearer shares. To each share is attached one voting right. As at December 31, 2008, 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, as well as Contingent Capital II of EUR 1,500,000, equivalent to 1,500,000 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 CMP-Fonds 1 GmbH, Berlin has 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. Ventus Venture Fund GmbH & Co. Beteiligung KG, Bad Homburg v.d.Höhe, held 13,369,000 shares and thus 20 percent of the voting rights. CMP Fonds I GmbH, Berlin, held 9,658,932 shares and, thus, 14.45% percent of the voting rights. Stichting Administratiekantoor GS NDX Investment Trust, Amsterdam, held 7,118,527 shares and, thus, 10.65 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 authorizing the Supervisory Board to make amendments to the version of the bylaws.

➤ The Management Board is permitted to issue new shares using Authorized Capital I and Contingent Capital I and II; in this connection the shareholders passed a resolution at the annual general meeting held on May 27, 2008 with respect to Contingent Capital II. No use of this capital was made in the period under review. In accordance with the statutory provisions in connection with Article 4 of the Company's bylaws, this permission granted to the Management Board entails the following:

#### Authorized Capital I

In accordance with Article 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 13,586,250 by issuing new bearer shares on a cash or non-cash basis on or before April 30, 2011 (Authorized Capital I). The Management Board is additionally authorized 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 Authorized 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 Act, and

➤ for 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 Authorized 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 authorized (see Article 4 (3) of the Company's bylaws) 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 on or before 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 authorized 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 authorization 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 authorized 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 authorized (see Article 4 (4) of the Company's bylaws) with the Supervisory Board's approval to issue up to 1,500,000 subscription rights for shares in Nordex AG in accordance with the following terms ("stock option plan") on or before December 31, 2012.

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 and employees of the Company and its affiliates 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 members of management of Nordex Group companies and to members of the Company's Management Board. A total of 1,500,000 subscription rights ("total volume") may be issued to all eligible persons in their entirety during the term of the stock option plan until December 31, 2012. The subscription rights are assigned to the individual groups of the eligible persons as follows:

(a) up to 550,000 for members of management and employees of the Company and domestic and non-domestic Nordex Group companies who are not members of a management body of the Company or the Nordex Group companies,

(b) up to 100,000 for members of management of domestic and non-domestic Nordex Group companies who are not members of the Company's Management Board, and

(c) up to 850,000 for members of the Company's Management Board

The precise number of eligible persons in the two groups referred to in (a) and (b) above 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. The eligible parties amongst the members of the Company's Management Board and the volume of subscription rights to be offered to them are determined at the due discretion of the Supervisory Board in the light of the eligible parties' individual performance and capabilities and more importantly in the interests of binding such members of the Management Board to the Company who are otherwise not directly or indirectly involved in the Company as a result of third-party services which respect to their activity on the Management Board.

#### (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 2012 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. The Supervisory Board is solely responsible for allocating the subscription rights to the members of the Management Board.

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

The subscription rights have a maximum term of five years as of the allocation day but may not be exercised until the vesting period has expired. The vesting period expires three 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 day of announcement of the results for a previous year, or (ii) within 28 (twenty-eight) days after the day of announcement of the results for the second quarter of the current year. The subscription rights may not be exercised outside these exercise periods. The terms and conditions underlying the stock option program may also provide for longer vesting periods and the exercise of subscription rights in several installments.

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 subscription 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 issued to provide for death, partial or full invalidity, retirement due to old age and the termination of the employment contract. The subscription rights are non-transferrable

##### (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 authorized 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 for the eligible persons coming within No. 1(a) and (b) as well as the issue and structure of the subscribed shares. The further terms and conditions for the grant of options for the group of eligible parties referred to in 1 (c) are determined by the Supervisory Board. 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 utilization 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 utilizing 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.



## EVENTS AFTER THE CONCLUSION OF THE PERIOD UNDER REVIEW

On February 17, 2009, the Supervisory Board passed a resolution to appoint Dr. Marc Sielemann as a deputy member of the Company's Management Board (subject to the condition precedent of his accepting this office by no later than July 1, 2009) for a period commencing with the discharge of this condition precedent and expiring on December 31, 2012. Dr. Sielemann will be taking office on April 1, 2009.

In January 2009, three members of the Company's Supervisory Board, who had been elected at the annual general meeting on May 27, 2008, resigned. These were Dr. Hans. W. Fechner effective February 23, 2009, b) Mr. Yves Schmitt effective February 27, 2009 and c) Dr. Hans Seifert also effective February 27, 2009. Upon the petition by the Management Board dated February 18, 2009, the commercial register of the local court of Rostock provisionally appointed Mr. Uwe Lüders effective February 24, 2009 and Dr. Wolfgang Ziebart and Dr. Dieter G. Maier both effective February 28, 2009 to the Company's Supervisory Board for a period expiring on the date of the Company's next annual general meeting in two rulings dated February 24 and March 2, 2009.

This year, numerous OECD countries and emerging markets have established extensive economic stimulus programs to avert or at least alleviate the threatened recession. Analysts at HSBC estimate that the entire package of tax allowances, loans and advances has a value of some EUR 2.2 trillion. Of this, some EUR 340 billion has been earmarked for renewable energies, particularly in China (approx. EUR 175 billion) and the United States (approx. EUR 90 billion). In Europe, Germany is at the forefront with an amount of around EUR 11 billion. At the beginning of March, the Chinese government announced an increase in the total funding volume, stating that the measures taken had already resulted in stronger domestic demand.

### 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 2009

T. Richterich  
Chief Executive Officer

C. Pedersen  
Management Board

E. Voß  
Management Board

B. Schäferbarthold  
Management Board

## CORPORATE GOVERNANCE REPORT

The Management Board and Supervisory Board of a listed company are required to issue a declaration once a year confirming conformance with the recommendations of the Government Commission on the German Corporate Governance Code issued by the German Federal Ministry of Justice and published in the official part of the electronic Bundesanzeiger and stating which recommendations have not been implemented in the past and are currently not being implemented. This declaration must be made permanently available to the shareholders. Nordex has published its declaration of conformance is published on the Internet at

[www.nordex-online.com/investor-relations](http://www.nordex-online.com/investor-relations)

### **Declaration of conformance by the Management Board and the Supervisory Board in accordance with Section 161 of the German Stock Corporation Act**

The recommendations set out in the German Corporate Governance Code published in the official part of the electronic Bundesanzeiger by the Government Commission on the German Corporate Governance Code as amended on June 6, 2008 were conformed to in 2008 save for the exceptions described below. 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, it should be noted that two members of the Management Board hold shares in Nordex AG: Thomas Richterich (CEO) holds 20,000 shares directly and 206,143 shares via a dormant sub-participation (with and without voting rights) in CMP-Fonds 1 GmbH, Berlin. Carsten Pedersen (COO Sales and Marketing) holds 30,463 shares directly and 2,565,451 shares indirectly via his 50 percent stake in CJ Holding ApS, Denmark (the parent company of Nordvest A/S). In addition, Thomas Richterich (CEO) is 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

Each member of the Supervisory Board is entitled to fixed remuneration of EUR 15,000 in consideration of the performance of their duties for each full year in which they are members of the Supervisory Board plus reimbursement of all costs incurred in the performance of their duties. In addition, each member of the Supervisory Board receives variable compensation calculated according to the proportion of the consolidated net profit less net of net financial result (EBIT) in consolidated sales (EBIT margin) for the year in question. The individualized compensation paid to members of the Supervisory Board is set out in the Company's bylaws (<http://www.nordex-online.com/de/investor-relations/veroeffentlichungen.html>). The chairman of the Supervisory Board receives twice and his deputy one-and-a-half times the sum total of the fixed and variable compensation.

#### 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 a managing director of Babcock & Brown GmbH, Munich. In 2008, 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 was until August 29, 2008 a member of the supervisory board of the Danish project developer Greentech Energy A/S ("Greentech"), which ordered wind power systems from Nordex in 2008. Mr. Pedersen was not directly or materially involved in negotiations for the delivery contracts for either company during his office as member of the Supervisory Board.

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.

### 7.1.3 Disclosures on stock option program

At the annual general meeting held on May 27, 2008 a resolution was passed to create Contingent Capital II in an amount of EUR 1,500,000. It is used solely to settle subscription rights under the stock options granted to executives and employees of the Company and the domestic and non-domestic members of the Nordex Group, members of the management of the Nordex Group companies and members of the Company's Management Board granted on or before December 31, 2012 in accordance with the authorization given by the shareholders at the annual general meeting on May 27, 2008 for the purposes of motivating them and bonding them to Nordex AG and the Nordex Group.

A maximum of 1,500,000 options are to be granted under the option plan. Of these options, (a) a maximum of 550,000 are to be granted to executives and employees of the Company as well as domestic and non-domestic Nordex Group companies who are not members of the management bodies of the Company or any of the Nordex Group companies, (b) a maximum of 100,000 to members of the management of domestic and non-domestic Nordex Group companies who are not members of the Company's Management Board, and (c) a maximum of 850,000 to members of the Company's Management Board.

The individual entitled persons within the above-mentioned groups and the volume of the options to be granted to them are determined by the Management Board of Nordex AG within the scope of the terms and conditions for the grant of options. In doing so, it takes account of the individual performance and capabilities of the individual entitled persons. The eligible persons amongst the members of the Company's Management Board and the volume of subscription rights to be offered to them are determined at the due discretion of the Supervisory Board in the light of the eligible parties' individual performance and capabilities and more importantly in the interests of binding such members of the Management Board to the Company who are otherwise not directly or indirectly involved in the Company as a result of third-party services which respect to their activity on the Management Board. Subject to an adjustment as a result of a capital measure, one option entitles the holder to acquire one bearer share issued by Nordex AG in accordance with terms of the stock option program. When the option is exercised, an exercise price per share is paid unless the Company waives its right to request cash settlement. There is no legal or constructive cash settlement obligation on the part of the Company towards option holders. The exercise price equals the arithmetic mean of the XETRA closing prices over the ten trading days preceding the date on which the subscription right is allocated as quoted on the Frankfurt stock exchange (or any replacement system comparable in terms of its function)

for voting-entitled ordinary voting shares with full participation in the Company's profit and assets. The options vest no earlier than three years upon being granted and are forfeited if the employment contract expires within this period. The options may only be exercised during two windows per year ("exercise period") in the following two years. The exercise periods are as follows:

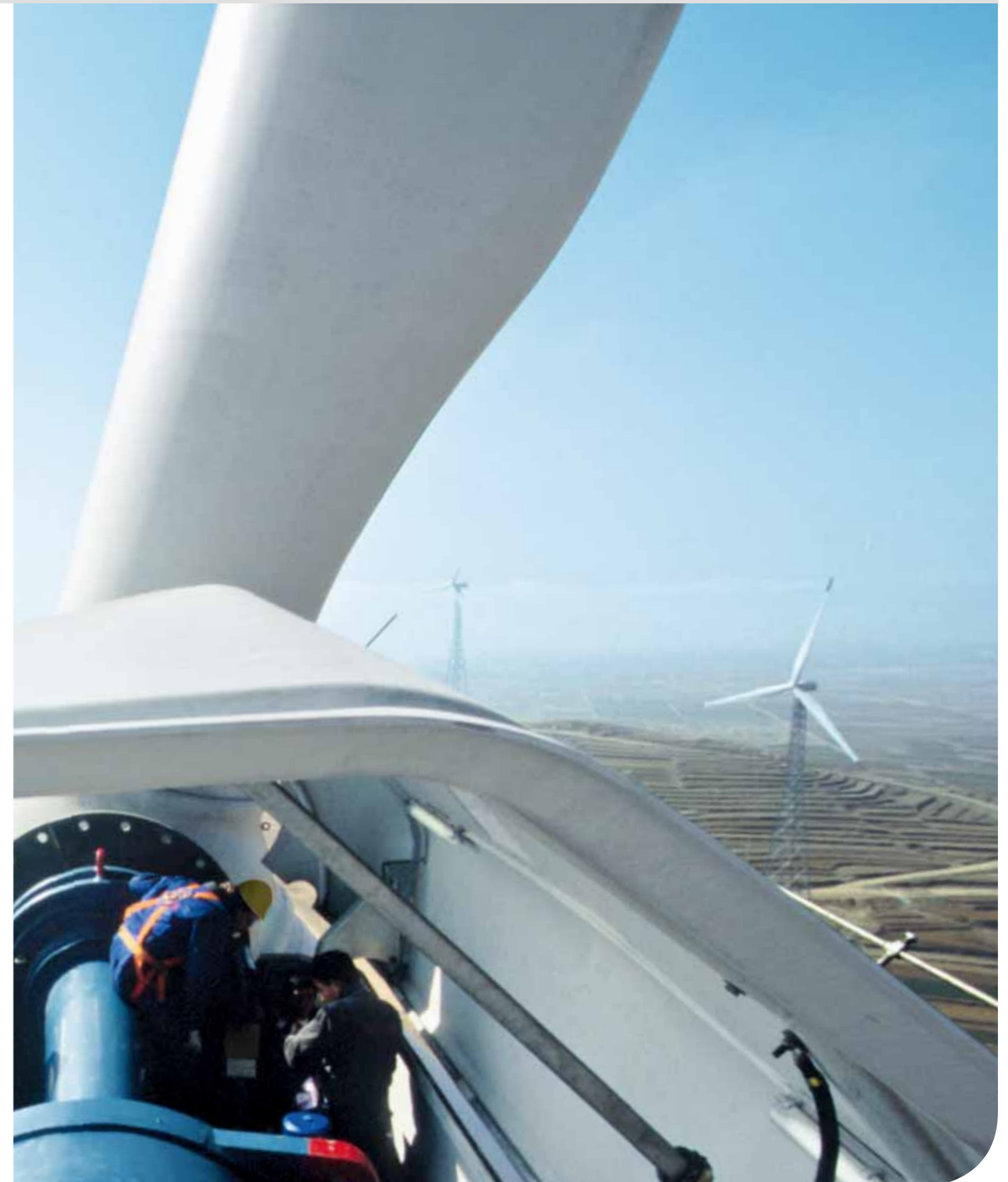
- the first 28 days after the day on which the Company announces its final results for the previous year, and
- the first 28 days after the day on which the Company announces its final results for the second quarter of the current year.

The options may only be exercised if the price of Nordex ordinary shares on the ten trading days preceding the date on which the option is exercised exceeds the exercise price of the option in question by at least 20 percent. In 2008, 989,112 stock options were offered to employees of the Nordex Group. Of these, 813,221 stock options were accepted. To date, none of these options has been forfeited since being granted. The average exercise price stands at EUR 23.10 per share. As of the balance sheet date, none of the options have vested. The average residual period before vesting is 3 years.

### Directors' 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	ISIN Market	Price per share Total volume
12/9/2008	Yves Schmitt Chairman of the Supervisory Board	2,000 bought	DE000A0D6554 Xetra	9.00 Euro 18,000 Euro
12/9/2008	Natural person closely related to a member of the Supervisory Board	1,500 bought	DE000A0D6554 Xetra	8.99146 Euro 13,487.19 Euro
11/3/2008	Natural person closely related to a member of the Supervisory Board	1,500 bought	DE000A0D6554 Xetra	8.9946 Euro 13,491.92 Euro
10/28/2008	Ventus Venture Fund Legal person closely related to a member of the Supervisory Board	5,694 bought	DE000A0D6554 Xetra	10.4986 Euro 59,779 Euro
10/28/2008	Ventus Venture Fund Legal person closely related to a member of the Supervisory Board	55,000 bought	DE000A0D6554 Xetra	8.169 Euro 449,317 Euro
10/28/2008	CJ Holding ApS closely related to a member of the Management Board	34,848 bought	DE000A0D6554 Xetra	8.35 Euro 290,980.8000 Euro
10/27/2008	CJ Holding ApS closely related to a member of the Management Board	165,152 bought	DE000A0D6554 Xetra	8.3487 Euro 1,378,804.5024 Euro
10/24/2008	Thomas Richterich CEO	10,000 bought	DE000A0D6554 Xetra	9.216318 Euro 92,163.18 Euro
10/23/2008	Thomas Richterich CEO	10,000 bought	DE000A0D6554 Xetra	10.44697 Euro 104,469.70 Euro
10/23/2008	Vermögensverwaltungsgesellschaft, Brandes Capital GmbH Legal person closely related to a member of the Supervisory Board	2,000 purchased	DE000A0D6554 Xetra	10.50 Euro 21,000.00 Euro
10/23/2008	Yves Schmitt Chairman of the Supervisory Board	3,000 bought	DE000A0D6554 Xetra	10.30 Euro 30,900.00 Euro
7/30/2008 / Purchase contract subject to anti-trust clearance, condition precedent discharged on 9/28/2008	momentum-capital Vermögensverwaltungs-gesellschaft mbH Legal person closely related to a member of the Supervisory Board	1,222,358 via transfer of dormant interest	DE000A0D6554 OTC	1.735 Euro 2,120,791.13 Euro
7/30/2008 / Purchase contract subject to anti-trust clearance, condition precedent discharged on 9/28/2008	Ventus Venture Fund GmbH & Co. Beteiligungs KG Legal person closely related to a member of the Supervisory Board	13,369,000 bought	DE000A0D6554 OTC	21.00 Euro 280,749,000.00 Euro
7/15/2008	Hansjörg Müller COO Operations	1,500 bought	DE000A0D6554 Xetra	18.70 Euro 28,050.00 Euro
7/10/2008	Hansjörg Müller COO Operations	1,500 purchased	DE000A0D6554 Xetra	20.50 Euro 30,750.00 Euro
6/13/2008	Nordvest A/S Legal person in close relationship with member of Management Board	68,380 sold	DE000A0D6554 Xetra	28.0511 Euro 1,918,134.22 Euro
6/12/2008	Nordvest A/S Legal person in close relationship with member of Management Board	181,620 sold	DE000A0D6554 Xetra	28.0589 Euro 5,096,057.42 Euro
4/23/2008	Carsten Pedersen Member of the Management Board	16,063 sold	DE000A0D6554 Xetra	27.525 Euro 442,134.08 Euro
4/22/2008	Carsten Pedersen Member of the Management Board	18,974 sold	DE000A0D6554 Xetra	27.52 Euro 522,164 Euro
4/21/2008	Carsten Pedersen Member of the Management Board	33,500 sold	DE000A0D6554 Xetra	27.55 Euro 922,925 Euro
1/18/2008	Nordvest A/S Legal person in close relationship with member of Management Board	2,900 bought	DE000A0D6554 Xetra	25.90 Euro 75,110 Euro





**CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (IFRS)  
FOR FISCAL YEAR  
JANUARY 1, 2008 – DECEMBER 31, 2008**



## NORDEX AKTIENGESELLSCHAFT, ROSTOCK

### CONSOLIDATED BALANCE SHEET (IFRS)

	(Notes)	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Cash and cash equivalents	(1)	111,711	212,187
Trade receivables and future receivables from construction contracts	(2)	103,360	99,158
Inventories	(3)	372,189	231,828
Other current financial assets	(4)	32,852	9,528
Other current assets	(5)	49,431	26,544
<b>Current assets</b>		<b>669,543</b>	<b>579,245</b>
Property, plant and equipment	(6)	78,846	35,236
Goodwill	(7)	9,960	9,960
Capitalized development costs	(8)	22,376	15,379
Other intangible assets	(9)	7,327	3,417
Non-current financial assets	(10)	6,670	3,854
Other non-current financial assets	(11)	1,462	1,868
Other non-current assets	(12)	2,264	4,528
Deferred tax assets	(13)	55,832	50,282
<b>Non-current assets</b>		<b>184,737</b>	<b>124,524</b>
<b>Assets</b>		<b>854,280</b>	<b>703,769</b>
Current liabilities to banks	(14)	15,803	0
Trade payables	(15)	132,613	78,884
Income taxes payable	(16)	3,875	2,612
Other current provisions	(17)	44,038	19,689
Other current financial liabilities	(18)	5,011	6,863
Other current liabilities	(19)	261,575	279,232
<b>Current liabilities</b>		<b>462,915</b>	<b>387,280</b>
Non-current liabilities to banks	(20)	0	1,124
Pensions and similar obligations	(21)	519	486
Other non-current provisions	(17)	25,714	16,989
Other non-current financial liabilities	(22)	7,653	7,811
Deferred tax liabilities	(13)	33,038	18,232
<b>Non-current liabilities</b>		<b>66,924</b>	<b>44,642</b>
Issued capital		66,845	66,845
Share premium account		156,650	156,010
Other retained earnings		1,731	0
Other equity components		-10,530	-15,706
Foreign-currency equalization item		3,454	824
Consolidated profit carried forward		62,446	13,576
Consolidated net profit		40,498	48,859
Share in equity attributable to equity holders of parent company		321,094	270,408
Minority shareholders		3,347	1,439
<b>Equity</b>	(23)	<b>324,441</b>	<b>271,847</b>
<b>Equity and liabilities</b>		<b>854,280</b>	<b>703,769</b>

### CONSOLIDATED INCOME STATEMENT (IFRS)

	(Notes)	Jan. 1, 2008 – Dec. 31, 2008 EUR 000s	Jan. 1, 2007 – Dec. 31, 2007 EUR 000s
Sales	(25)	1,135,689	747,456
Changes in inventories and other own work capitalized	(26)	54,227	59,319
<b>Total revenues</b>		<b>1,189,916</b>	<b>806,775</b>
Other operating income	(27)	18,080	10,302
Cost of materials	(28)	-939,148	-641,089
Personnel costs	(29)	-81,712	-54,986
Depreciation	(30)	-15,923	-14,022
Other operating expenses	(31)	-108,256	-66,846
<b>Earnings before interest and tax (EBIT)</b>		<b>62,957</b>	<b>40,134</b>
Depreciation on financial assets		-4	-1,000
Other interest and similar income		6,284	5,249
Interest and similar expenses		-5,260	-5,317
<b>Net financial result</b>	(32)	<b>1,020</b>	<b>-1,068</b>
<b>Earnings from ordinary activity</b>		<b>63,977</b>	<b>39,066</b>
Income taxes	(33)	-14,447	8,941
<b>Consolidated net profit for the year</b>		<b>49,530</b>	<b>48,007</b>
<b>Of which attributable to:</b>			
Equity holders of the parent company		47,622	48,859
Minority shareholders	(34)	1,908	-852
<b>Earnings per share</b>	(35)		
Basic (cents per share)*)		71.24	74.49
Diluted (cents per share)**)		71.24	74.49

\*) on a basis in average: 66.845 mn shares (in the previous year: 65.595 mn shares)

\*\*\*) on a basis in average: 66.845 mn shares (in the previous year: 65.595 mn shares)

## NORDEX AKTIENGESELLSCHAFT, ROSTOCK

### CONSOLIDATED CASH FLOW STATEMENT (IFRS)

	Jan. 1, 2008 – Dec. 31, 2008 EUR 000s	Jan. 1, 2007 – Dec. 31, 2007 EUR 000s
<b>Operating activities:</b>		
Net profit for the year	49,530	48,007
+ Depreciation on non-current assets	15,923	15,022
+ Increase in pension provisions	33	37
+ Increase in other provisions and tax provisions	34,235	3,770
+ Loss from the disposal of assets	71	226
– Increase in inventories	–135,798	–90,631
– Decrease/increase in trade receivables and future receivables from construction contracts as well as other assets not assigned to investing or financing activities	–19,481	–47,638
+/- Increase/decrease in liabilities payables and other liabilities not allocated to investing or financing activities	–13,258	111,875
+ Changes in deferred taxes	9,269	–11,589
<b>= Cash flow from operating activities</b>	<b>–59,476</b>	<b>29,079</b>
<b>Investing activities:</b>		
+ Payments received from the disposal of property, plant and equipment/intangible assets	1,923	637
+ Payments received from the disposal of financial assets	122	3,559
– Payments made for investments in property, plant and equipment/intangible assets	–72,250	–28,473
– Payments made for investments in financial assets	–316	–188
<b>= Cash flow from investing activities</b>	<b>–70,521</b>	<b>–24,465</b>
<b>Financing activities:</b>		
+ Payments received on account of equity issue	0	75,750
+ Current bank loans raised	15,521	0
– Current bank loans repaid	–842	–75
<b>= Cash flow from financing activities</b>	<b>14,679</b>	<b>75,675</b>
<b>Cash change in cash and cash equivalents</b>	<b>–115,318</b>	<b>80,289</b>
+ Cash and cash equivalents at the beginning of the period	212,187	131,909
+ Changes due to extensions to companies consolidated	14,838	0
+ Exchange rate-induced change in cash and cash equivalents	4	–11
<b>Cash and cash equivalents at the end of the period</b>	<b>111,711</b>	<b>212,187</b>
<b>= (Cash and cash equivalents carried on the face of the consolidated balance sheet)</b>	<b>111,711</b>	<b>212,187</b>

The net loss for the year includes interest and similar expenditure of EUR 5.656 million (previous year: EUR 5.317 million) as well as interest and similar income of EUR 1.641 million (previous year: EUR 5.249 million).

Cash flows from income taxes come to EUR 1.133 million (previous year: EUR 0.111 million).

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS) IN EUR 000s

	Issued capital	Share premium	Other retained earnings	Other equity components	Foreign exchange equalization item	Consolidated profit carried forward	Consolidated profit	Equity of the parent company	Minority shareholders	Total equity
<b>January 1, 2007</b>	64,345	82,760	0	–14,770	324	786	12,790	146,235	2,291	148,526
Allocation of consolidated net income for fiscal 2006 to consolidated profit carried forward	0	0	0	0	0	12,790	–12,790	0	0	0
Cash equity issue	2,500	73,250	0	0	0	0	0	75,750	0	75,750
Equity issue costs netted	0	0	0	–1,813	0	0	0	–1,813	0	–1,813
Measurement of financial instruments	0	0	0	333	0	0	0	333	0	333
Differences from translation of separate financial statements prepared in other currencies	0	0	0	0	500	0	0	500	0	500
Applicable income taxes	0	0	0	544	0	0	0	544	0	544
<b>Total result recognized directly under equity</b>	<b>66,845</b>	<b>156,010</b>	<b>0</b>	<b>–15,706</b>	<b>824</b>	<b>13,576</b>	<b>0</b>	<b>221,549</b>	<b>2,291</b>	<b>223,840</b>
Net profit for the year	0	0	0	0	0	0	48,859	48,859	–852	48,007
Net profit for the period	0	0	0	0	0	0	48,859	48,859	–852	48,007
<b>December 31, 2007</b>	<b>66,845</b>	<b>156,010</b>	<b>0</b>	<b>–15,706</b>	<b>824</b>	<b>13,576</b>	<b>48,859</b>	<b>270,408</b>	<b>1,439</b>	<b>271,847</b>

	Issued capital	Share premium	Other retained earnings	Other equity components	Foreign exchange equalization item	Consolidated profit carried forward	Consolidated profit	Equity of the parent company	Minority shareholders	Total equity
<b>January 1, 2008</b>	66,845	156,010	0	–15,706	824	13,576	48,859	270,408	1,439	271,847
Consolidated net profit for fiscal 2006 carried forward	0	0	0	0	0	48,859	–48,859	0	0	0
Reclassification	0	0	0	5,176	0	–5,176	0	0	0	0
Recognition of employee stock program	0	640	0	0	0	0	0	640	0	640
Changes in companies consolidated	0	0	0	0	–54	–206	0	–260	0	–260
Differences from translation of separate financial statements prepared in other currencies	0	0	0	0	2,684	0	0	2,684	0	2,684
<b>Total result recognized directly under equity</b>	<b>0</b>	<b>640</b>	<b>0</b>	<b>5,176</b>	<b>2,630</b>	<b>43,477</b>	<b>48,859</b>	<b>3,064</b>	<b>0</b>	<b>3,064</b>
Net profit for the year	0	0	0	0	0	0	47,622	47,622	1,908	49,530
Net profit for the period	0	0	0	0	0	0	47,622	47,622	1,908	49,530
Profit appropriation	0	0	1,731	0	0	5,393	–7,124	0	0	0
<b>December 31, 2008</b>	<b>66,845</b>	<b>156,650</b>	<b>1,731</b>	<b>–10,530</b>	<b>3,454</b>	<b>62,446</b>	<b>40,498</b>	<b>321,094</b>	<b>3,347</b>	<b>324,441</b>

## NORDEX AKTIENGESELLSCHAFT, ROSTOCK NOTES ON THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (IFRS) FOR THE FISCAL YEAR JANUARY 1, 2008 – DECEMBER 31, 2008

### 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. However, its headquarters are located in Bornbarch 2, 22848 Norderstedt, Germany.

Nordex AG stock is admitted to regulated trading subject to the advanced admission obligations (Tec Dax) stipulated by Deutsche Börse. Its nominal capital as of December 31, 2008 stands at EUR 66,845,000.00 (December 31, 2007: EUR 66,845,000.00) and is divided into 66,845,000 (December 31, 2007: 66,845,000) 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, 2008 were approved for publication in a resolution passed by the Management Board on March 19, 2009. 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, 2008 were applied.

The consolidated financial statements were prepared using the historical cost method. The consolidated financial statements are prepared in EUR 000s.

In fiscal 2008, 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, interpretations and amendments to the International Financial Reporting Standards subject to mandatory application in 2008:

##### Amendments to IAS 39 Financial instruments: Recognition and Measurement and IFRS 7 Financial instruments: Disclosures (to be applied retroactively from July 1, 2008)

Published on October 13, 2008 by the IASB, the amendments to IAS 39 and IFRS 7 permit the reclassification under certain circumstances of assets which are no longer held with the intention of being sold or bought back in the near term (even if they were acquired for that purpose) previously assigned to the „at fair value through profit or loss“ and „available for sale“ categories. These assets may be removed from the „at fair value through profit and loss“ in the following circumstances:

- In the case of financial instruments meeting the definition of „loans and receivables“ as of the date of reclassification (i.e. those which do not need to be initially recognized at fair value through profit and loss), it is only sufficient for the entity to have the intention and the ability to hold the instruments for the foreseeable future or until maturity.
- In the case of all other financial assets (debt or equity instruments traded in an active market) reclassification is possible only under extraordinary circumstances.
- An assessment by the Company's management has revealed that in the year under review there were no transactions rendering the application of the aforementioned rules to the Nordex Group's consolidated financial statements necessary.

##### IFRIC 11 Group and Treasury Share Transactions

This interpretation provides guidance on matters relating to the treatment of share-based compensation agreements in which the entity's own shares or those of other group companies have been granted. It primarily deals with the question as to whether the compensation agreement is to be recognized as an equity-based or a cash-settled transaction. The transition rules in IFRIC 11 provide for entities whose accounting year commences in January or February to apply IFRIC 11 no later than at the beginning of the 2009 financial year. As Nordex's consolidated financial statements do not contain any transactions coming within these rules, this interpretation was not applied in 2008.

#### Standards, interpretations and amendments to published standards which are not yet subject to mandatory application:

The following standards, interpretations and amendments to published standards have already been published but are not subject to mandatory application until reporting periods commencing on or after January 1 (the option of early adoption was waived):

##### IFRS 8 Operating Segments (applicable as of January 1, 2009)

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 accounting periods 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 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 13 Customer Loyalty Programs (to be applied as of July 1, 2008)

IFRIC 13 was released in June 2007 and must be applied for the first time as of accounting periods 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. This interpretation will not have any effect on the Nordex Group's net assets, financial condition and results of operations as it currently does not have any customer loyalty programs.

**Amendments to IAS 23 Borrowing Costs (to be applied as of January 1, 2009)**

The option of either capitalizing borrowing costs arising in close connection with finance for the purchase or production of a qualifying asset or recognizing them immediately in profit and loss has been replaced by the obligation to capitalize them. This does not give rise to any changes to previous borrowing costs which were taken to the income statement. In addition, IAS 23 has been revised such that the previous components of borrowing costs are replaced by an indication of the calculation of interest expense using the effective interest method in accordance with IAS 39. This avoids potential inconsistencies between IAS 23 and IAS 39 with respect to the calculation of borrowing costs. As the Nordex Group primarily funds projects by means of advance payments received from customers, it does not have any material qualifying assets as defined in IAS 23.

**IAS 1 (Revised) Presentation of the Annual Financial Statements (to be applied as of January 1, 2009)**

The revised version of this standard renames the components of financial statements. In addition it draws a clearer distinction between non-owner changes in equity and owner changes in equity. Other comprehensive income (OCI) must therefore be reported in what is known as the „statement of comprehensive income“. It is no longer possible to report it together with owner-related changes in equity in the form of a statement of changes in equity. Dividends are no longer reported in the income statement but solely in the statement of changes in equity as owner-related changes in equity or recorded in the notes. The compulsory presentation of income and expenses recognized directly in equity in the statement of comprehensive income can still take the form of either a single comprehensive statement (statement of all income and expenses with the net profit/loss for the period shown as a subtotal) or in the form of two statements (income statement and a presentation based on the net profit/loss for the period of the income and expenses not included in the income statement). The statement of comprehensive income distinguishes between the individual components of the OCI. However, income tax effects as well as adjustments arising from the reclassification of income and expenses previously recognized directly in equity are reported separately in the income statement upon being realized. In addition, the income tax due on each component must be disclosed. The Nordex Group will be applying the revised version of IAS 1 as of January 1, 2009. The standard will impact the presentation of the Nordex Group's annual financial statements but not its net assets, financial condition and results of operations.

**Amendments to IFRS 2 Share-Based Payments: Vesting Conditions and Cancellations (to be applied as of January 1, 2009)**

The amendments define certain terms more precisely and provide additional guidance on the definition of vesting conditions under share-based payment agreements. Vesting conditions entail conditions answering the question as to whether the entity has received the services granting the counterparty a legal right to obtain cash, other assets or equity instruments issued by the entity. Even so, conditions which do not constitute vesting conditions must also be taken into account in the measurement of equity instruments granted under share-based payment agreements. In addition, the amendments provide guidance on the treatment of cancellations of share-based payment agreements. The Nordex Group will be applying the amendments as of January 1, 2009. However, they are not expected to have any material effect on the Nordex Group's net assets, financial condition or results of operations.

**Amendments to IAS 32 and IAS 1 Puttable Instruments and Obligations Arising on Liquidation (to be applied as of January 1, 2009)**

The revised version of IAS 32 is crucial for determining the distinction between equity and liabilities and permits puttable instruments to be classified as equity in accordance with the entity's articles of incorporation under certain circumstances. The Nordex Group will be applying the amendments as of January 1, 2009. They are not expected to have any effect on the Nordex Group's net assets, financial condition or results of operations as currently only incorporated companies are consolidated in the Group.

**Amendments to IFRS 1 and IAS 27 Cost of a Subsidiary in the Separate Financial Statements of a Parent on First-time Adoption of IFRSs (to be applied as of January 1, 2009)**

IFRS 1 has been amended to allow an entity, in its separate financial statements, to determine the cost of investments in subsidiaries, jointly controlled entities or associates (in its opening IFRS financial statements) as deemed cost being the fair value of the investment in its separate financial statements at the date of transition to IFRS or being the previous GAAP carrying amount of the investment at the date of transition to IFRS. The amendments will not have any effect on the Nordex Group's net assets, financial condition or results of operations as no opening IFRS financial statements are being prepared.

### IAS 27 (Revised) Consolidated and Separate Financial Statements (to be applied as of July 1, 2009)

The revised version of IAS 27 provides for the compulsory utilization of the economic entity approach in the treatment of the purchase or sale of shares in cases in which the possibility for exerting control is retained. Accordingly, such minority transactions are treated as transactions with equity holders and are recognized directly in equity. In the case of transactions resulting in the loss of the possibility for exercising control, the profit or loss from such sale is taken to the income statement. If shares continue to be held after the loss of the possibility for exercising control, these remaining shares are recognized at their fair value. The differences between the previous carrying amount of these remaining shares and their fair value are included in the net profit or loss from the sale and the remeasured fair value of the remaining shares disclosed in the notes. In the case of step acquisition or the partial disposal of an investment in a subsidiary, the standard stipulates remeasurement of the shares already held/retained at their fair value, with any adjustments recognized in profit and loss. In addition, losses attributable to non-controlling interests exceeding their carrying amount are reported as negative carrying amounts in consolidated equity. The Nordex Group will be applying IAS 27 (Revised) to transactions with non-controlling interests as of January 1, 2010. Depending on the type and scope of future transactions, this may impact the Nordex Group's net assets, financial condition and results of operations. However, these effects cannot be determined at the present time.

### IFRS 3 (Revised) Business Combinations (to be applied as of July 1, 2009)

The revised IFRS 3 provides guidance on the area of applicability, purchase price components, the treatment of minority interests and goodwill as well as the extent of the assets, liabilities and contingent liabilities to be recognized. In addition, it contains rules on the recognition of loss carryforwards and the classification of the acquired entity's contracts. The amended standard retains the application of the purchase method for measuring business combinations but introduces material changes with respect to the calculation of the cost of business combinations. For example, if the purchase price agreement is contingent upon future events, the cost of the business combination must be recognized at its fair value as of the date of acquisition regardless of the probability of such events occurring. Later changes to the fair value of contingent purchase price components classified as liabilities must be recognized prospectively in profit and loss. The Nordex Group will be applying IFRS 3 (Revised) to accounting periods commencing on or after January 1, 2010.

### IFRIC 16 Hedges of a Net Investment in a Foreign Operation (to be applied as of October 1, 2008)

IFRIC 16 states that only the risk arising from exchange rate differences between the functional currency of the foreign operation and the functional currency of a parent entity can be hedged. The Nordex Group will be applying this interpretation as of January 1, 2009. It is not expected to have any material effects on Nordex AG's consolidated financial statements. The application of these rules will not exert any influence on the Nordex Group's net assets, financial condition or results of operations.

In May 2008, the IASB released its Improvements to IFRSs, a collection of amendments made in the annual improvements project, which are set out below in the following two tables.

Standard	DATE OF FIRST-TIME APPLICATION/SUBJECT MATTER Date of first time application: accounting periods beginning on or after January 1, 2009; in Nordex's case: first time application as of accounting periods commencing on January 1, 2009
IAS 1	<ul style="list-style-type: none"> <li>Clarification that borrowings are to be recognized in accordance with the general current/non-current distinction. Accordingly, liabilities are non-current if they are due for settlement in more than 12 months and current if they are due for settlement within 12 months of the balance sheet date</li> </ul>
IAS 23	<ul style="list-style-type: none"> <li>Guidance on the calculation of borrowing costs using the effective interest method in accordance with IAS 39 to avoid inconsistencies between IAS 23 and IAS 39</li> </ul>
IAS 27	<ul style="list-style-type: none"> <li>Recognition of shares in available-for-sale subsidiaries at their fair value in accordance with IAS 39 in the separate IFRS financial statements of the parent</li> </ul>
IAS 28	<ul style="list-style-type: none"> <li>If shares in associates and joint ventures are recognized and measured at their fair value in accordance with IAS 39, they do not come within the scope of IAS 28 and IAS 31.</li> </ul>
IAS 36	<ul style="list-style-type: none"> <li>Adjustment of disclosure duties with respect to the parameters and assumptions for the calculation of fair value less cost to sell on the basis of a DCF model</li> </ul>
IAS 38	<ul style="list-style-type: none"> <li>Accounting for advertising and sales promotion</li> <li>Application of a performance-based depreciation method</li> </ul>
IAS 39	<ul style="list-style-type: none"> <li>Reclassification of financials to or from the "at fair value through profit and loss" category</li> <li>Treatment of hedge relationships at the segment level</li> <li>Application of the updated effective interest rates unless liabilities are treated as fair value hedges</li> </ul>
	<b>Date of first time application: accounting periods beginning on or after January 1, 2010; in Nordex's case: first time application as of accounting periods commencing on January 1, 2010</b>
IFRS 5	<ul style="list-style-type: none"> <li>Loss of scope or control with the planned sale of shares with ensuing recognition of the remaining shares in accordance with IAS 28, 31, 39</li> </ul>

Nordex does not expect these amendments to have any material effect on the Group's net assets, financial condition or results of operations.

As the application of the following amended standards is of only subordinate relevance for Nordex, they are not expected to have any influence on the consolidated financial statements.

Standard	DATE OF FIRST-TIME APPLICATION/SUBJECT MATTER
	<b>Date of first time application: accounting periods beginning on or after January 1, 2009; in Nordex's case: of subordinate importance</b>
IAS 16	Property, plant and equipment leased to third parties must be recognized at amortized cost within inventories upon termination of the lease
IAS 19	Treatment of plan adjustments resulting in a reduction in claims Treatment of costs for managing funded pension plans
IAS 20	Treatment non/low-interest bearing loans from the public sector
IAS 29	Description of the basis for preparing the financial statements of entities in hyperinflationary countries
IAS 40	Recognition of investment property during the development/construction phase
IAS 41	Inclusion of an option for utilization of pre-tax or post-tax interest rates to calculate fair value

In addition to the amendments to the standards, some interpretations (IFRIC) were also revised in 2008; however, Nordex does not expect them to have any material effect on its consolidated financial statements:

IFRIC/ Taking effect	DATE OF FIRST-TIME APPLICATION/SUBJECT MATTER
IFRIC 12 expected for 01.01.2010	"Service Concession Agreements" provides guidance on the recognition and measurement of the rights and obligations arising from service concessions
IFRIC 14 Accounting periods commencing on or after December 31, 2008	"The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" provides guidance on how entities should determine the limit placed by IAS 19 on the amount of a surplus in a pension plan they can recognize as an asset and how plan assets and liabilities are to be calculated in the light of any minimum funding requirements.
IFRIC 15 January 1, 2009	"Agreements for the Construction of Real Estate" defines the conditions under which entities involved in the construction of real estate must apply IAS 11 and IAS 18
IFRIC 17 January 1, 2009	"Distribution of Non-Cash Assets to Owners" deals with two matters in this connection. Firstly, the date of recognition and the measurement of the dividend liability Secondly, the recognition in profit and loss of the difference between the carrying amount of the asset distributed and the carrying amount of the dividend liability on the day of distribution.
IFRIC 18 July 1, 2009	"Transfer of assets from customers" provides additional guidance on recognizing the transfer of an asset by a customer and is primarily relevant for utilities.

## Consolidation

Subsidiaries are defined as all entities on whose financial and business policy the Group exerts control. This is generally accompanied by a share of more than 50 percent in voting rights. In determining whether such control exists, allowance is made for the existence and effect of potential voting rights which are currently vested or subject to conversion. Subsidiaries are fully consolidated from the date on which control is transferred to the Group (full consolidation). They are de-consolidated from the date on which control ceases. Subsidiaries acquired are accounted for in accordance with purchase method. The acquisition costs equal the fair value of the assets acquired, equity instruments issued and the liabilities arising or assumed as of the date of exchange plus the costs directly attributable to the acquisition. If the acquisition costs exceed the Group's share in the net assets measured at fair value, this difference is recognized as goodwill and recorded within non-current assets. Goodwill is subject to impairment testing in accordance with IAS 36.

The following companies are consolidated:

Name	Share in capital/ voting rights 31.12.2008 %	Share in capital/ voting rights 31.12.2007 %	Equity-Single- entity accounts (IFRS) 31.12.2008 EUR 000s	Equity-Single- entity accounts (IFRS) 31.12.2007 EUR 000s
Nordex AG, Rostock (Parent company)*	-	-	224,587	217,382
Nordex Energy GmbH, Norderstedt *)	100.0	100.0	74,815	40,290
Nordex Grundstücksverwaltung GmbH, Norderstedt *)	100.0	100.0	52	52
Nordex Windpark Beteiligung GmbH, Norderstedt ****)	100.0	100.0	75	-275
Nordex Energy B.V., Rotterdam/Netherlands	100.0	100.0	5,225	-655
Nordex Energy Ibérica S.A. Barcelona/Spain	100.0	100.0	3,426	-1,756
Nordex UK Limited, Didsbury/United Kingdom	100.0	100.0	5,391	-1,588
Nordex France S.A.S., La Plaine Saint-Denis/France	100.0	100.0	-863	-1,151
Nordex Italia Srl., Rome/Italy	100.0	100.0	1,439	606
Nordex Hellas Monoprosopi EPE, Athens/Greece	100.0	100.0	795	-3,378
Nordex Sverige AB, Uppsala/Sweden	100.0	-	402	-
Nordex Polska Sp. z o.o., Danzig/Poland	100.0	-	-148	-
Nordex USA Inc., Chicago/United States	100.0	100.0	677	-1,769
Nordex (Beijing) Wind Power Engineering & Technology Co. Ltd., Peking/VR China	100.0	-	1,047	-
Nordex (Baoding) Wind Power Co. Ltd., Baoding/VR China	100.0	100.0	-2,508	346
Nordex (Dongying) Wind Power Equipment Manufacturing Co. Ltd., Dongying/VR China	100.0	100.0	11,168	-185
Nordex (Yinchuan) Wind Power Equipment Manufacturing Co. Ltd., Ningxia/VR China	50.0**)	50.0**)	6,972***)	2,533***)

\*) 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 percent of capital

\*\*\*\*\*) Equity in the previous year is reported before profit transfer.



The entities consolidated for the first time in the period under review were as follows: the newly incorporated affiliated companies Nordex Sverige AB, Sweden, and Nordex (Beijing) Wind Power Engineering & Technology Co. Ltd., China, as well as the acquired affiliated company Nordex Polska Sp.zo.o, Poland; also Nordex Hellas Monoprosopi EPE, Greece, and Nordex Windpark Beteiligung GmbH, Germany, which had previously not been consolidated for materiality reasons.

On July 8, 2008, the Group acquired 100 percent of the shares in Nordex Polska Sp.zo.o, a wind power sales company which had been incorporated in 2008. The purchase price stood at EUR 0.062 million.

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 attached list of shareholdings as of December 31, 2008.

As part of liability consolidation, all receivables and liabilities between consolidated companies of EUR 1,108.313 million (December 31, 2007: EUR 570.621 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 313.341 million (January 1 – December 31, 2007: EUR 345.173 million) were netted against each other.

#### Principles of currency translation

As of the balance sheet date, the financial statements prepared in a foreign currency were converted to the Group's functional currency using the modified end-of-year exchange rate method in accordance with IAS 21 „Effect of changes in exchange rates“. Accordingly, assets and liabilities are translated at the end-of-year rate and expenses and income at annual average rates. Any differences arising from currency translation are not taken to profit and loss but recognized as a separate item within equity.

In accordance with IAS 21, monetary items in the separate financial statements of the consolidated companies prepared in a functional currency are translated at the end-of-year exchange rate. Any resultant currency translation differences are recognized in profit and loss. Non-monetary items which are recognized at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

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	
	2008	2007	2008	2007
<b>USD</b>	1.4692	1.3719	1.3917	1.4721
<b>GBP</b>	0.7998	0.6856	0.9525	0.7334
<b>Chinese CNY</b>	10.2136	10.4196	9.4956	10.7524
<b>SEK</b>	9.6653	9.2501	10.8700	9.4319
<b>PLN</b>	3.5345	3.7837	4.1535	3.6015



## NOTES ON THE BALANCE SHEET AND THE CONSOLIDATED INCOME STATEMENT

### General notes on accounting and valuation methods

Recognition and measurement methods are applied uniformly throughout the Nordex Group. In this connection, the separate financial statements prepared in accordance with local GAAP are adjusted in accordance with the Group-wide accounting policies in accordance with IFRS.

### Cash and cash equivalents

Cash and cash equivalents include cash in hand and short-term bank deposits due for settlement in less than three months.

### Trade receivables and future receivables from construction contracts

Trade receivables are recorded at amortized cost 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 comprise the costs directly attributable to the contract as well as production overheads. Please refer to our notes on the recognition of revenues for further details of the percentage-of-completion method.

### 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. In the event of an increase in the net realizable value of inventories for which impairment expense has previously been recognized, the resultant reversal amount is deducted from the cost of materials or recognized as an increase in inventories.

### 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.

Borrowings are recognized at amortized cost.

### 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
<b>Land and buildings (depreciation calculated for buildings only)</b>	10 – 33 years	3% – 10%
<b>Technical equipment and machinery</b>	3 – 16 years	6.25% – 33.33%
<b>Office and business equipment</b>	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.



#### 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 as well as goodwill arising from business combinations.

Intangible assets (with the exception of goodwill) have a definite useful life and 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
Capitalized 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 undergoes annual impairment testing in accordance with IAS 36 (impairment only approach); reversals are not permitted. No impairment losses were recorded in 2008 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 2009 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 1.0 percent p.a. The discount rate applied to cash flows equals 11.3 percent (previous year: 10.6 percent) and is based on a risk-free interest rate of 3.8 percent (previous year: 4.8 percent), a market risk premium of an unchanged 5.0 percent and a beta factor of 1.51 (previous year: 1.16).

### Current 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 percent was again applied to various assets and liabilities for the purpose of calculating domestic deferred tax. Deferred tax assets for domestic unused tax losses were calculated using an unchanged tax rate of 15.83 percent including the solidarity surcharge in the case of corporate tax and 14.0 percent in the case of trade tax.

Deferred tax assets for unused tax losses for Nordex Group companies 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 tax unit in question.

### Liabilities

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

### Other provisions

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.

### 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.

### 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. The instruments used by the Group comprise solely currency forwards, spots and swaps. No other instruments are used. If the derivative is used to hedge the currencies of expected future payment inflows or outflows, it is recognized at fair value through profit and loss. Derivatives are marked to the market.

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 revenues

Revenues are derived from the sale of wind power systems, production in response to orders received from customers, income from service contracts and interest income. 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. Interest income is recorded in the period in which it arises.

### 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. 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 the calculation of the value in use of the cash generating units to which the goodwill has been assigned. To calculate 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, 2008, the carrying amount of the goodwill allocated to the Europe segment came to around EUR 10 million as in the previous year. 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, 2008, the Group capitalized development costs with a residual carrying amount of EUR 22.376 million (December 31, 2007: EUR 15.379 million). In the year under review, development expense with historical costs of EUR 0.223 million (December 31, 2007: EUR 4.956 million) were reported as disposals.

In 2008, capitalized development costs from earlier years with a residual carrying amount of EUR 0.123 million (December 31, 2007: EUR 0.034 million) were derecognized on account of technical adjustments.

Nordex AG capitalizes deferred tax on the unused 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. The forecast period for the probability of unused tax losses being utilized has been increased from three years in the previous year to five in the year under review. As of December 31, 2008, the deferred taxes on unused tax losses within the German part of the Nordex Group came to EUR 51.4 million (December 31, 2007: EUR 49.0 million). Deferred tax assets for domestic unused tax losses were calculated using a tax rate of 15.83 percent including the solidarity surcharge in the case of corporate tax and 14.00 percent in the case of trade tax.

The non-German companies within the Nordex Group recognize deferred taxes on unused tax losses of EUR 3.0 million (December 31, 2007: EUR 1.1 million) on the basis of the prevailing national tax rates and, where applicable, in the light of any limitations on availability. Deferred tax assets are calculated on the basis of the medium term forecasts for the subsidiary in question.

Nordex records receivables under construction contracts in accordance with IAS 11. In this connection, the proceeds from fixed-price contracts are compared with the planned contract costs from the wind farm projects. Nordex has installed a project monitoring system, which reports to project management, to oversee project costs. In addition to initial pricing, this system observes pricing changes during the performance of the contract as well as the final pricing activities. Revenues and margin contributions are recorded in accordance with the percentage of completion of the contract up until final acceptance by the customer.

## NOTES ON THE BALANCE SHEET

### (1) Cash and cash equivalents

This item comprises almost exclusively bank balances. Of this sum, EUR 0.217 million (December 31, 2007: EUR 0.413 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

Receivables break down as follows:

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Gross trade receivables	53,633	54,234
Less adjustments	-5,189	-5,608
Trade receivables (net)	48,444	48,626
Future receivables from construction contracts	54,916	50,532
	<b>103,360</b>	<b>99,158</b>

Trade receivables are not subject to interest and are generally due for settlement within 30 to 90 days.

Adjustments to trade receivables were as follows in the year under review as well as in the previous year.

	2008 EUR 000s	2007 EUR 000s
Adjustments on January 1	5,608	7,089
Additions recognized as expense	1,993	1,769
Utilization	-911	-2,492
Release	-1,501	-758
Adjustments on December 31	<b>5,189</b>	<b>5,608</b>

As of December 31, 2008, trade receivables had the following age structure:

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Receivables not overdue or adjusted	10,321	6,475
Receivables overdue but not adjusted		
Less than 30 days	15,470	20,081
30-90 days	3,187	6,127
90-360 days	13,365	13,864
360 days and more	4,647	1,394
Total of overdue but non-adjusted receivables	36,669	41,466
Partially adjusted receivables	1,454	685
	<b>48,444</b>	<b>48,626</b>

In the year under review, receivables of a total of EUR 0.594 million (December 31, 2007: EUR 0.346 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.

For the purpose of loss-free valuation, adjustments of EUR 8.642 million (December 31, 2007: EUR 4.589 million) were taken on future receivables from construction contracts in 2008.

Receivables from construction contracts broke down as follows in the year under review as well as in the previous year:

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Accrued contract costs	673,618	426,886
Prorated realized profits on contracts including bringing-forward effects	125,589	54,117
Subtotal	799,207	481,003
less part payments received	-744,291	-430,471
	<b>54,916</b>	<b>50,532</b>

### (3) Inventories

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Raw materials and supplies	171,899	107,882
Work in progress	148,452	106,541
Advance payments made	51,838	17,405
	<b>372,189</b>	<b>231,828</b>

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 amount of inventories includes impairment expense of EUR 5.068 million (December 31, 2007: EUR 5.898 million). The impairment expense attributable to the year under review of EUR 1.007 million (December 31, 2007: EUR 1.283 million) was recognized in profit and loss. A sum of EUR 1.699 million (2007: EUR 1.030 million) relates to the utilization of prior-period adjustments recognized in profit and loss. The carrying amount of the impaired inventories came to EUR 9.371 million (December 31, 2007: EUR 10.809 million).

### (4) Other current financial assets

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

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Receivables from non-consolidated related companies and associates	5,505	7,944
Bonus claims against suppliers	307	125
Deposits	395	37
Creditors with debit accounts	3,227	1,937
Other loans	63	60
Loans to non-consolidated affiliated companies	465	169
Insurance claims	19,495	0
Claims against customers	835	0
Currency forwards	1,376	499
Adjustments	-796	-1,243
Miscellaneous	1,980	0
	<b>32,852</b>	<b>9,528</b>

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 for settlement in less than one year.

Insurance claims primarily relate to receivables due under insurance compensation on account of faulty rotor blades. Conversely, an amount covering the cost of replacing the faulty rotor blades has been set aside in the individual guarantee provisions.

Adjustments of EUR 0.500 million were released in the year under review and the proceeds recognized through profit and loss; new adjustments of EUR 0.053 million were made.

#### (5) Other current assets

Other current assets break down as follows:

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Tax reimbursement claims	33,652	17,524
Government grants	4,871	0
Deferred income	4,081	1,410
Claims against suppliers	2,533	2,320
Transportation equipment	1,821	1,734
Adjustments	0	-255
Other	2,473	3,811
	<b>49,431</b>	<b>26,544</b>

Tax reimbursement claims primarily relate to the input tax imbursement claim held by Nordex AG (EUR 19.269 million), Nordex Italia Srl. (EUR 5.223 million), Nordex (Yinchuan) Wind Power Equipment Manufacturing Co. Ltd. (EUR 3.917 million) and Nordex Ibérica S.A. (EUR 1.240 million).

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

The claims against suppliers of EUR 2.533 million relate 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 2.264 million is reported within other non-current financial assets for the purchase of rotor blades in 2010 (see Note (12)). The payments made are safeguarded by guarantees provided by the suppliers.

#### (6) Property, plant and equipment

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

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Properties and buildings	49,393	14,216
Technical equipment and machinery	9,659	6,030
Other equipment, operating and business equipment	14,583	9,519
Advance payments made and assets under construction	5,211	5,471
	<b>78,846</b>	<b>35,236</b>

Expected government grants for the extensions to the Rostock plant as well as expected government grants for the procurement of additional production assets in an amount of EUR 4.871 million have been deducted from the cost of the assets in question in accordance with IAS 20.24.

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 within non-current assets (net carrying amount on December 31, 2008: EUR 6.905 million) is subject to obligations under future lease payments of EUR 7.811 million carried as other financial liabilities. The following lease payments for the production hall and administrative building are due for future periods:

LEASE PAYMENTS IN FUTURE YEARS	< 1year EUR 000s	1-5 years EUR 000s	> 5 years EUR 000s
Lease and remaining payments	673	2,690	8,681
Previous year	673	2,690	9,353
Discount amounts	21	414	3,798
Previous year	21	414	4,328
Present values	652	2,276	4,883
Previous year	652	2,276	5,025

On January 1, 2009, Nordex Energy GmbH acquired 100 percent of the shares of Atria Grundstücksverwaltungsgesellschaft, Wiesbaden. Accordingly, this entity is affiliated with the Nordex Group as of January 1, 2009.

In connection with renegotiations for the syndicated credit facilities in May 2008, applications were lodged for the deletion of the land charges of EUR 11.2 million previously provided on the land on which the nacelle production facility is located as collateral for loans after the year under review.

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 22.376 million (December 31, 2007: EUR 15.379 million) are capitalized in accordance with IAS 38. In 2008, development expenses of EUR 13.011 million were capitalized for the first time. Further development expenses of EUR 7.861 million (December 31, 2007: EUR 6.987 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, 2008 EUR 000s	DEC. 31, 2007 EUR 000s
Concessions, trade and similar rights	19,215	14,077
Cumulative amortization	-11,888	-10,660
	<b>7,327</b>	<b>3,417</b>

Amortization expense calculated for other intangible assets came to EUR 1.322 million in the year under review (December 31, 2007: EUR 0.779 million). Amortization of intangible assets is included in depreciation/amortization in the income statement. Reference should be made to Note (30) in this 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, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Investments in associates	5,645	2,766
Loans to associates	1,025	1,088
	<b>6,670</b>	<b>3,854</b>

Investments in associates break down as follows:

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Project companies of Nordex Windpark Beteiligung GmbH	2,923	0
Qingdao Huawei Wind Power Co. Ltd.	2,506	2,506
Komplementarselskabet Whitewater Invest I ApS	91	91
Komplementarselskabet Whitewater Invest VII ApS	37	37
Komplementarselskabet Whitewater Invest VIII ApS	31	31
Nordex Windpark Verwaltung GmbH	25	25
natcon 7 GmbH	21	21
Atria Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Rostock KG, Wiesbaden	5	5
Nordex Windpark Beteiligung GmbH*	0	25
Nordex Hellas Monoprosopi EPE*	0	18
Others	6	7
	<b>5,645</b>	<b>2,766</b>

\* Consolidated for the first time in 2008

In addition, reference is made to the attached list of shareholdings as of December 31, 2008.

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

**(11) Other non-current financial assets**

Non-current financial assets break down as follows:

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Other non-current receivables	68	565
Deposits	0	137
Other non-current receivables from customers	1,394	1,166
	<b>1,462</b>	<b>1,868</b>

The receivables from customers reported in the previous year within other non-current assets were allocated to other non-current financial assets in the year under review.

**(12) Other non-current assets**

Other non-current receivables of EUR 2.264 million (previous year: EUR 4.528 million) relate to advance payments for the delivery of rotor blades in 2010.

**(13) Deferred tax assets and liabilities**

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

**(14) Current liabilities to banks**

The non-current liabilities to banks of EUR 15.803 million (December 31, 2007: EUR 0) primarily relate to cash credit facilities utilized by subsidiaries in China. Of this, an amount of EUR 5.266 million relates to Nordex (Dongying) Wind Power Equipment Manufacturing Co. Ltd. under the syndicated credit facility (see „other disclosures“). Further liabilities of EUR 10.531 million concern Nordex (Yinchuan) Wind Power Equipment Manufacturing Co. Ltd. and relate to facilities provided by two banks outside the syndicated credit facility.

**(15) Trade payables**

As in the previous year, trade payables are due for settlement in less than one year.

**(16) Income taxes payable**

Of the income taxes payable of EUR 3.875 million, a sum of EUR 2.762 million relates to Nordex AG, Nordex Energy GmbH, Nordex Grundstücksverwaltung GmbH and Nordex Windpark Beteiligung GmbH, which are included in the domestic fiscal unity, and a sum of EUR 1.113 to UK income taxes. Of the domestic tax liabilities, a sum of EUR 0.570 million relates to the tax respite for the fiscal unity in connection with a completed external tax audit for the years 1999, 2000 and 2001 as well as a sum of EUR 2.138 million for the external tax audit for the period 2002 through 2006 still ongoing as of the balance sheet date for the Nordex AG fiscal unity. In addition, income tax liabilities of EUR 0.054 million are attributable to Nordex AG for 2007.

**(17) Other provisions**

Movements in other current provisions break down as follows:

	Jan. 01, 2008 EUR 000s	Consumption EUR 000s	Reversal EUR 000s	Additions EUR 000s	Dec. 31, 2008 EUR 000s
Individual guarantees	16,803	2,315	4,646	26,891	36,733
General guarantees, service, maintenance	17,917	14,842	0	26,485	29,560
Other	1,958	889	208	2,598	3,459
	<b>36,678</b>	<b>18,046</b>	<b>4,854</b>	<b>55,974</b>	<b>69,752</b>

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.

The guarantee provisions are utilized in accordance with statutory or contractual periods.

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.

They include other non-current provisions of EUR 25.714 million (previous year: EUR 16.989 million) which are expected to be utilized in periods after 2009.

**(18) Other current financial liabilities**

Current financial liabilities break down as follows:

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Accruals	2,920	1,044
Liabilities to non-consolidated related companies	953	703
Miscellaneous	1,138	5,116
	<b>5,011</b>	<b>6,863</b>

**(19) Other current liabilities**

Other current liabilities break down as follows:

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Advance payments received	176,635	233,874
Other tax liabilities	46,651	8,574
Accruals	27,222	31,171
Deferred income	3,422	2,136
Social security liabilities	708	60
Miscellaneous	6,937	3,417
	<b>261,575</b>	<b>279,232</b>

The tax liabilities concern value added tax (EUR 45.583 million) and still outstanding payroll and church tax (EUR 1.068 million). Of the VAT liabilities, Nordex UK Limited accounts for EUR 33.579 million, Nordex Energy GmbH EUR 5.570 million and Nordex France S.A.S. EUR 5.247 million.

Accruals primarily comprise project-related post-completion costs of EUR 19.882 million (December 31, 2007: EUR 24.771 million) and personnel liabilities of EUR 6.394 million (December 31, 2007: EUR 6.387 million).

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

**(20) Non-current liabilities to banks**

As of December 31, 2008, there were no non-current liabilities to banks. The non-current liabilities to banks reported in the previous year in an amount of EUR 1.124 million related to cash credit facilities utilized.

**(21) Pensions and similar obligations**

Pension provisions are set aside to cover performance-tied commitments to eligible active and former employees at Nordex AG 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. Pension provisions are not externally funded.

The calculations are based on the following assumptions:

Nominal interest rate	5.75 % (DEC. 31, 2007: 5.25 %)
Wage and salary trend	n/a
Pension trend	2.00 % (DEC. 31, 2007: 1.75 %)

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, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Present value of defined benefit obligations	569	571
Non-amortized actuarial gains (-)/losses (+)	-50	-85
Amount shown on balance sheet	<b>519</b>	<b>486</b>

Total pension expenses comprise the following components:

	2008 EUR 000s	2007 EUR 000s
Current service cost	15	17
Interest expense	30	26
Amortization of actuarial gains/losses	8	16
	<b>53</b>	<b>59</b>

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

	2008 EUR 000s	2007 EUR 000s
Settlement obligation on Jan. 1	571	611
Current service cost	15	17
Interest expense	30	25
Pension payments	-20	-19
Act. gains/losses	-27	-63
Settlement obligation on Dec. 31	<b>569</b>	<b>571</b>

Changes in obligations and adjustments based on historical experience are set out in the following table:

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Settlement obligation on Jan. 1	569	571
Adjustments based on historical experience	-3	3

Pension payments of EUR 0.020 million are expected in the following year.

**(22) Other non-current financial liabilities**

Other non-current financial liabilities relate to liabilities under leases. Of these, a sum of EUR 6.799 million is due for settlement in more than five years (December 31, 2007: EUR 7.050 million) and a sum of EUR 0.854 million is due for settlement between one and five years (December 31, 2007: EUR 0.761 million).

**(23) Equity**

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
Issued capital	66,845	66,845
Share premium account	156,650	156,010
Other retained earnings	1,731	0
Other equity components	-10,530	-15,706
Foreign-currency equalization item	3,454	824
Consolidated profit carried forward	62,446	13,576
Consolidated net profit	40,498	48,859
Equitable attributable to the parent company's equity holders	321,094	270,408
Minority interests	3,347	1,439
	<b>324,441</b>	<b>271,847</b>

The Company's fully paid share capital of EUR 66,845,000 comprises 66,845,000 bearer shares.

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

	2008 EUR	2007 EUR
<b>ISSUED SHARE CAPITAL</b>		
Amount on Jan. 1	66,845,000	64,345,000
Equity issue in the year under review	0	2,500,000
Amount on Dec. 31	66,845,000	66,845,000
<b>NORDEX AG SHARES OUTSTANDING</b>	Shares	Shares
Amount on Jan. 1	66,845,000	64,345,000
Cash issue of new shares	0	2,500,000
Amount on Dec. 31	<b>66,845,000</b>	<b>66,845,000</b>

As of December 31, 2008, 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 1,500,000, equivalent to 1,500,000 shares, each with a notional value of EUR 1 per share.

**Contingent Capital II** in its previous form in an amount of EUR 1,000,000 was canceled in the year under review pursuant to a shareholder resolution and replaced by new contingent capital of EUR 1,500,000. It is used solely to settle subscription rights under the stock options granted to executives and employees of the Company and the domestic and non-domestic members of the Nordex Group, members of the management of the Nordex Group companies and members of the Company's Management Board granted on or before December 31, 2012 in accordance with the authorization given by the shareholders at the annual general meeting on May 27, 2008

The **Share premium account** of EUR 156.650 million (December 31, 2007: EUR 156.010 million) includes an amount of EUR 0.640 million which was added in connection with the recognition of the employee stock option program completed in 2008 (see also Note (29)).

At the level of the Group parent, the net profit for the year established in accordance with German GAAP less the loss carried forward from the previous year in a total amount of EUR 1,731,183.14 was allocated to **other retained earnings** in accordance with Article 23 of Nordex AG's Articles of Incorporation.

In the year under review, **unused loss carryforwards** of EUR 5.176 million from subsidiaries arising from periods prior to consolidation were transferred from other equity components to the consolidated net profit carried forward.

As of the balance sheet date, **minority interests** are valued at EUR 3.347 million. This includes the minority share in the net profit for 2008 of the fully consolidated company Nordex (Yinchuan) Wind Power Equipment Manufacturing Co. Ltd. in an amount of EUR 1.908 million (December 31, 2007: net loss of EUR 0.852 million).

**(24) Additional disclosures on financial instruments**

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

CATEGORY IN ACCORDANCE WITH IAS 39		Dec. 31, 2008 EUR 000s		Dec. 31, 2007 EUR 000s	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>FINANCIAL ASSETS</b>					
Financial liabilities recognized at cost or amortized cost					
1. Receivables from non-current construction contracts	LaR*	54,916	54,916	50,532	50,532
2. Trade receivables	LaR	48,444	48,444	48,626	48,626
3. Other current financial assets - receivables	LaR	31,476	31,476	9,029	9,029
4. Non-current financial assets	AfS**/LaR/n/a	6,670	6,670	3,854	3,854
5. Other non-current financial assets - receivables	LaR	1,462	1,462	1,868	1,868
6. Cash and cash equivalents	LaR	111,711	111,711	212,187	212,187
Financial assets at fair value through profit and loss					
1. Other current financial assets - derivatives	FAHfT***	1,376	1,376	499	499
<b>FINANCIAL LIABILITIES</b>					
Financial liabilities recognized at cost or amortized cost					
1. Liabilities to banks	FLAC****	15,803	15,803	0	0
2. Trade payables	FLAC	132,613	132,613	78,884	78,884
3. Non-current liabilities to banks	FLAC	0	0	1,124	1,124
4. Other current financial liabilities	FLAC	5,011	5,011	6,863	6,863
5. Other non-current financial liabilities	FLAC	7,653	7,653	7,811	7,811

\*Loans and Receivables (LaR)

\*\*Available for Sale (AfS)

\*\*\*Financial Assets Held for Trading (FAHfT)

\*\*\*\*Financial Liabilities measured at amortised Cost (FLAC)



Cash and cash equivalents, trade receivables and other current financial assets have short settlement periods. The carrying amounts on December 31, 2008 therefore come close to equaling the fair values. The carrying amount of the non-current financial assets is close to their fair value on account of the discount taken.

Loans reported within financial assets are recognized at amortized cost and the investments in associates, all of which are categorized as „available for sale“ are measured at amortized cost due to the absence of any reliable market prices. The carrying amounts of the financial assets are assumed to equal their fair value.

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

Trade payables and other liabilities have short settlement periods. The carrying amounts correspond to their fair values. The carrying amount of the liabilities from future lease payments included in other financial liabilities equals their fair value.



## NOTES ON THE INCOME STATEMENT

### (25) Sales

Sales break down by region as follows:

	Fiscal 2008 EUR million	Fiscal 2007 EUR million
Europa	978.3	724.4
Rest of the World	157.4	23.1
	<b>1,135.7</b>	<b>747.5</b>

Of this item, sales of EUR 790.9 million (2007: EUR 453.7 million) arose from the application of the percentage-of-completion method for construction contracts provided for in IAS 11.

Sales break down by category as follows:

	Fiscal 2008 EUR million	Fiscal 2007 EUR million
Sales of new wind power systems	1,085.5	709.2
Service	44.8	32.1
Other	5.4	6.2
	<b>1,135.7</b>	<b>747.5</b>

### (26) Changes in inventories and other own work capitalized

Own work capitalized in the year under review is valued at EUR 15,337 million (2007: EUR 11,987 million), of which EUR 13,011 million (2007: EUR 10,252 million) relates to expenses for developing and enhancing new and existing wind turbines. Changes in inventories in 2008 equal EUR 38,890 million (2007: EUR 47,332 million).

### (27) Other operating income

Other operating income breaks down as follows:

	Fiscal 2008 EUR 000s	Fiscal 2007 EUR 000s
Income from currency translation gains	9,762	2,519
Reversal of adjustments	1,915	758
Currency forwards	1,161	213
Insurance claims indemnified	801	1,965
Income from settlements	791	885
Miscellaneous	3,650	3,962
	<b>18,080</b>	<b>10,302</b>

**(28) Cost of materials**

The cost of materials breaks down as follows:

	Fiscal 2008 EUR 000s	Fiscal 2007 EUR 000s
Cost of raw materials and supplies	766,415	516,398
Cost of services bought	172,733	124,691
	<b>939,148</b>	<b>641,089</b>

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

**(29) Personnel costs**

	Fiscal 2008 EUR 000s	Fiscal 2007 EUR 000s
Wages and salaries	65,827	46,243
Social security and pension and support expenses	15,885	8,743
	<b>81,712</b>	<b>54,986</b>

Group employee numbers were as follows:

	Fiscal 2008	Fiscal 2007	Change
<b>Balance sheet date</b>			
Office staff	1,238	849	389
Technical staff	915	748	167
	<b>2,153</b>	<b>1,597</b>	<b>556</b>
<b>Average</b>			
Office staff	1,034	657	377
Technical staff	851	647	204
	<b>1,885</b>	<b>1,304</b>	<b>581</b>

**Stock option plan**

Nordex Aktiengesellschaft grants selected persons, who are executives or employees of Nordex AG or any companies affiliated with it as defined in Section 15 et seq. of the Stock Corporation Act in which Nordex holds a majority stake and which themselves are not listed, as well as members of the management of companies of the Nordex Group and members of the Management Board of Nordex AG the right free of charge to acquire shares in Nordex AG in order to motivate them and to bind them to Nordex AG or the Nordex Group.

**Maximum number of options granted**

A maximum of 1,500,000 options are to be granted under the option plan. Of these options, (a) a maximum of 550,000 are to be granted to executives and employees of the Company as well as domestic and non-domestic Nordex Group companies who are not members of the management bodies of the Company or any of the Nordex Group companies, (b) a maximum of 100,000 to members of the management of domestic and non-domestic Nordex Group companies who are not members of the Company's Management Board, and (c) a maximum of 850,000 to members of the Company's Management Board. The individual entitled persons within the above-mentioned groups and the volume of the options to be granted to them are determined by the Management Board of Nordex AG within the scope of the terms and conditions for the grant of options. In doing so, it takes account of the individual performance and capabilities of the individual entitled persons. The eligible persons amongst the members of the Company's Management Board and the volume of subscription rights to be offered to them are determined at the due discretion of the Supervisory Board in the light of the eligible parties' individual performance and capabilities and more importantly in the interests of binding such members of the Management Board to the Company who are otherwise not directly or indirectly involved in the Company as a result of third-party services which respect to their activity on the Management Board.

**Vesting conditions**

Subject to an adjustment as a result of a capital measure, one option entitles the holder to acquire one bearer share issued by Nordex AG. When the option is exercised, an exercise price per share is paid unless the Company waives its right to request cash settlement. There is no legal or constructive cash settlement obligation on the part of the Company towards option holders.

The exercise price equals the arithmetic mean of the XETRA closing prices over the ten trading days preceding the date on which the subscription right is allocated as quoted on the Frankfurt stock exchange (or any replacement system comparable in terms of its function) for voting-entitled ordinary voting shares with full participation in the Company's profit and assets.

The options vest no earlier than three years upon being granted and are forfeited if the employment contract expires within this period. The options may only be exercised during two windows per year („exercise period“) in the following two years. The exercise periods are as follows:

- the first 28 days after the day on which the Company announces its final results for the previous year, and
- the first 28 days after the day on which the Company' announces its final results for the year for the second quarter of the current year

The options may only be exercised if the price of Nordex ordinary shares on the ten trading days preceding the date on which the option is exercised exceeds the exercise price of the option in question by at least 20 percent.

#### Calculation of the fair value of stock options

In 2008, 989,112 stock options were offered to employees of the Nordex Group. Of these, 813,221 stock options were accepted. To date, none of these options has been forfeited since being granted. The average exercise price stands at EUR 23,10 per share. As of the balance sheet date, none of the options have vested. The average residual period before vesting is 3 years.

The fair value of the obligations was calculated using a binominal model.

The following parameters were applied:

MEASURE PARAMETERS	AMOUNT
Average stock price	16.52 €
Average fair value per stock option	7.20 €
Allocation date	September 1, 2008
Vesting/expense distribution period	3 years
Term of program commencing with allocation date; all options not exercised automatically forfeited	5 years
Risk-free interest rate	3.20 %
Annual volatility of stock	67.5 %
Suboptimum exercise (risk appetite of option holder)	81 %

The fair value of the stock options was calculated on the basis of an assumed dividend payment of EUR 0. Future volatility was estimated in the light of the historical volatility of comparable periods. In addition to the exercise period, allowance was also made for the exercise threshold of 120 percent of the exercise price in the option model.

The resultant expense of the equity-settled share-based payment transactions came to EUR 0,640 million in the period under review.

#### (30) Depreciation

Depreciation breaks down as follows:

	Fiscal 2008 EUR 000s	Fiscal 2007 EUR 000s
Depreciation charges on property, plant and equipment	8,701	6,673
Amortization charges on capitalized development expenditure	5,890	6,570
Amortization of other intangible assets	1,332	779
	<b>15,923</b>	<b>14,022</b>

The amortization of capitalized development expenditure includes impairment losses of EUR 0.123 million (2007: EUR 0,034 million) in accordance with IAS 36 on account of technical adjustments.

#### (31) Other operating expenses

Other operating expenses break down as follows:

	Fiscal 2008 EUR 000s	Fiscal 2007 EUR 000s
External services	21,675	16,002
Legal and consulting costs	14,357	6,480
Currency translation losses	11,429	3,553
Travel expenses	11,791	7,270
Rental and lease expenses	10,100	7,145
IT costs	4,641	3,432
Other leased personnel services	4,088	1,850
Advertising	3,765	2,723
Maintenance	3,239	2,741
Telecommunications	2,971	1,847
Adjustments to receivables	2,217	1,758
Training	1,758	1,095
Insurance	1,713	1,363
Miscellaneous	14,512	9,587
	<b>108,256</b>	<b>66,846</b>

The net gains or losses from financial assets and liabilities at fair value through profit and loss primarily comprise net losses from currency forwards.

#### (32) Net financial result

	Fiscal 2008 EUR 000s	Fiscal 2007 EUR 000s
Depreciation on financial assets	-4	-1,000
Other interest and similar income	6,284	5,249
Interest and similar expenses	-5,260	-5,317
	<b>1,020</b>	<b>-1,068</b>

Interest income and expense arises solely from deposits with banks and the utilization of cash credit facilities or bank loans, respectively.

#### (33) Income taxes

Current tax expense is calculated on the basis of the tax legislation applicable or enacted in the countries in which the subsidiaries are active and generate taxable income as of the balance sheet date. Management regularly checks tax declarations particularly with respect to matters open to interpretation and, if necessary, sets aside provisions based on the amounts which are likely to be payable in tax.

Income taxes include the 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.

As of December 31, 2008, a tax rate of 30.0 percent was again applied for the purpose of calculating the domestic deferred taxes. Deferred tax assets for domestic unused tax losses were calculated using a tax rate of 15.83 percent including the solidarity surcharge in the case of corporate tax and 14.0 percent in the case of trade tax.

The European subsidiaries recognize deferred tax assets for unused tax losses in the light of the national tax rates and make allowance for 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 tax unit in question.



Income taxes break down as follows:

	Fiscal 2008 EUR 000s	Fiscal 2007 EUR 000s
<b>Current tax expense</b>		
Tax refund for previous years	45	15
Adjustment to income tax provisions	-2,018	-2,000
Domestic income taxes	-1,063	-29
Non-domestic income taxes	-1,932	-135
<b>Total</b>	<b>-4,968</b>	<b>-2,149</b>
Deferred taxes	-9,479	11,090
<b>Tax expense (-)/income (+)</b>	<b>-14,447</b>	<b>8,941</b>

The Management Board currently assumes that of the existing unused corporate tax losses of EUR 173 million (2007: EUR 186 million) and the unused trade tax losses of EUR 183 million (2007: EUR 196 million), a figure of EUR 172 million (2007: EUR 164 million) and EUR 171 million (2007: EUR 165 million), respectively, should be available for utilization at the level of Nordex AG.

This estimate and the calculation of the deferred tax assets on unused tax losses are derived from a medium-term forecast for the German part of the Nordex Group. The relevant legislation does not stipulate any maximum period in which tax losses must be utilized.

As of December 31, 2008, the non-domestic subsidiaries of the Nordex Group for which no deferred tax assets have been recognized for unused tax losses, hold the following statutory losses, which primarily equal the unused tax losses:

	Currency	Unused tax losses
Nordex Energy B.V.	EUR 000s	-1,800
Nordex France S.A.S.	EUR 000s	-6,766
Nordex Hellas Monoprosopi EPE	EUR 000s	-3,123
Nordex Sverige AB	EUR 000s	-28
Nordex Polska Sp. z o.o.	EUR 000s	-219
Nordex (Beijing) Wind Power Engineering & Technology Co. Ltd.	EUR 000s	-238
Nordex (Baoding) Wind Power Co. Ltd.	EUR 000s	-4,445

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

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
<b>Deferred tax assets</b>		
Unused tax losses	54,464	50,077
Miscellaneous	1,368	205
	<b>55,832</b>	<b>50,282</b>
<b>Deferred tax liabilities</b>		
Non-current assets (net of other liabilities under finance leases)	6,441	4,374
Receivables from construction contracts	23,846	13,751
Other assets	412	0
Miscellaneous	2,339	107
	<b>33,038</b>	<b>18,232</b>

The deferred tax assets include non-current deferred tax assets for unused tax losses of EUR 44.2 million. Of the deferred tax liabilities, an amount of EUR 4.6 million is attributable to the non-current portion of the deferred tax liabilities recognized for non-current assets.

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 30 percent for 2008 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 2008 EUR 000s	Fiscal 2007 EUR 000s
<b>Loss before tax</b>	<b>63,977</b>	<b>39,066</b>
Expected tax expense(-)/income (+) at a rate of 30 percent (previous year 40 percent)	-19,193	-15,626
Tax effect of change of tax rate	0	2,945
Tax-free income	2,896	0
Tax increase due to non-deductible expenses	-68	-433
Tax effect of external tax audits within the Nordex AG fiscal unity	-2,018	0
Change in deferred tax assets on losses in previous year	4,197	18,377
Utilization (+)/non-utilization (-) of unused tax losses	-1,451	2,103
Other tax effects	1,190	1,575
<b>Actual net tax income(+)/expense (-)</b>	<b>-14,447</b>	<b>8,941</b>
<b>Effective tax rate (percent)</b>	<b>-22.5 %</b>	<b>22.9 %</b>

### (34) Minority shareholders

Minority interests in consolidated net profit stand at EUR 1.908 million (2007: - EUR 0.852 million). These comprise solely the minority interests in Nordex (Yinchuan) Wind Power Equipment Manufacturing Co. Ltd. (nacelle production) in China.

### (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. The stock options issued as part of the employee option program established in 2008 do not have any dilutory effect on earnings per share as the intrinsic value of the option was not positive (see also details on personnel expense in Note 29).

		2008	2007
<b>Consolidated net profit for the year</b>	EUR 000s	49,530	48,007
<b>of which parent company equity holders</b>	EUR 000s	47,622	48,859
<b>of which minority interests</b>	EUR 000s	1,908	-852
<b>Weighted average number of shares</b>		66,845,000	65,595,000
<b>Earnings per share</b>	EUR	0.71	0.74



## OTHER DISCLOSURES

### Financial risk management – purposes and methods

As an enterprise acting on an international level, the Nordex Group is exposed to financial risks in its operating business and financial transactions. These are primarily liquidity, interest, counterparty and currency risks. 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 hedge instruments 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 moni-

red 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. This requirement ensures that default risks with respect to counterparties' payment obligations are minimized.

The main financial liabilities held by the Group – with the exception of derivative financial instruments – comprise bank loans, 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

As Nordex AG does not hold any material interest-bearing assets or liabilities, consolidated profit and net cash flow from operating activities are very largely shielded from changes in market interest rates. Accordingly, no simulation of changes in interest rates was performed.

### 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. Currency forwards are used only to hedge exchange rate 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, 2008, 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 14.2 million or EUR -12.6 million, respectively (December 31, 2007: EUR +8.0 million or EUR -9.7 million, respectively). With respect to the sensitivity analysis, an appreciation of the foreign currency against the functional currency as of December 31, 2008 primarily affected the euro in an amount of EUR 6.0 million, pound sterling in an amount of EUR 4.2 million and the US Dollar in an amount of EUR 4.0 million. A simulation of a depreciation of the foreign currency against the functional currency produced the following results: the euro EUR -5.2 million, pound sterling EUR -3.9 million and the US Dollar EUR -3.4 million.

Currency forwards are used only to hedge currency risks arising from operating business. As of December 31, 2008, these were primarily US Dollar currency forwards. If the foreign currency had appreciated (depreciated) against the functional currency (euro) by 10 percent as of December 31, 2008, the effects on profit and loss or equity from the remeasurement of the foreign-currency forwards and options would have been EUR -3.1 million lower or EUR 4.2 million higher, respectively (December 31, 2007: EUR -2.4 million lower and EUR 2.7 million higher, respectively).

### 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. As a matter of principle, default risks or the risk of counterparties failing to comply with their payment obligations are addressed 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. Receivables from construction contracts and trade receivables are additionally secured by means of guarantees, finance commitments or in other ways.

### 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. In some cases, Nordex uses cross-border cash pooling mechanisms to enhance the efficiency of liquidity management within the Group. If necessary, temporary liquidity peaks are offset by short-term deposits or the use of overdraft facilities, as the case may be.

As a matter of principle, the Nordex Group is financed by advance project payments made by customers. With all projects, the payments are called down in accordance with the progress of work on the basis of the agreed contractual schedule.

As of December 31, 2008, the Group had unutilized guarantee facilities of EUR 243.426 million and free cash facilities of EUR 69.734 million (December 31, 2007: cash and guarantee facilities of EUR 37.582 million).

On May 7, 2008, the Nordex Group was granted a syndicated multicurrency credit facility of EUR 500 million. Of this, a sum of EUR 425 million is available for covering existing and future guarantee obligations. A sum of EUR 75 million may be used for financing working capital and also for issuing guarantees.



The facility has a term of 4 years plus a renewal option for a further year. This option may be exercised by the Company after the conclusion of the first year. Similarly, it provides for an option for the facility to be increased by a maximum further amount of EUR 300 million, of which a maximum of EUR 42.5 million may be used for cash drawings. All creditor banks will be invited to participate on a pro-rata basis; the creditor banks are under no obligation to renew or increase the facility.

The syndicated credit facility is secured by the patents, industrial property rights and brand names held by the Group. In addition, it is subject to non-financial and financial covenants such as leverage, interest rate cover and net equity.

The banks may only terminate the guarantee and cash facilities for good cause, which includes the breach of the financial covenants.

The ratio of total net debt to consolidated EBITDA equals the Group's leverage, which in turn determines the applicable margin for guarantee and cash loans. Changes in leverage result in quarterly adjustments to the margin, which can be between 0.50 percent and 1.00 percent for guarantee loans. Cash drawings are subject to LIBOR or EURIBOR plus a margin of 0.75 percent to 1.25 percent.

As of December 31, 2008, the Group's financial liabilities broke down by maturity as follows:

Fiscal year ending Dec. 31, 2008 (Dec. 31, 2007)	Less than 3 months EUR 000s	3 - 12 months EUR 000s	1 - 5 years EUR 000s	> 5 years EUR 000s	Total EUR 000s
<b>Current liabilities to banks</b>	7,637 (0)	8,756 (0)	0 (0)	0 (0)	16,393 (0)
<b>Non-current liabilities to banks</b>	0 (0)	0 (0)	0 (1,124)	0 (0)	0 (1,124)
<b>Trade payables</b>	132,510 (76,223)	48 (2,661)	55 (0)	0 (0)	132,613 (78,884)
<b>Other financial liabilities</b>	4,708 (6,754)	817 (109)	2,690 (761)	8,681 (7,050)	16,896 (14,674)

#### Capital management

Equity stood at EUR 324.441 million as of December 31, 2008. 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. The Nordex Group seeks to keep its working capital ratio (i.e. ratio of working capital to total revenues) to less than 20.0 percent.

	Dec. 31, 2008 EUR 000s	Dec. 31, 2007 EUR 000s
<b>Inventories</b>	372,189	231,828
<b>Receivables from construction contracts</b>	54,916	50,532
<b>Trade receivables</b>	48,444	48,626
<b>Advance payments received</b>	- 176,635	- 233,874
<b>Trade payables</b>	- 132,613	- 78,884
	<b>166,301</b>	<b>18,228</b>
<b>Capacity</b>	1,189,916	806,775
<b>Working capital ratio</b>	<b>14.0%</b>	<b>2.3%</b>

### Consolidated cash flow statement

The consolidated cash flow statement analyzes changes in the cash flow in the course of the year as a result of cash 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 changes in the cash flow statement cannot be directly derived from the balance sheet as non-cash currency effects and changes to the companies consolidated 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. After allowing for changes in working capital and additional receivable and liabilities as well as deferred taxes, the net cash outflow from operating activities comes to EUR 59.476 million. This is primarily due to advance payments made towards inventories of EUR 135.798 million (previous year EUR 90.631 million).

Net cash outflow from investing activities increased in the year under review to EUR 70.521 million (previous year EUR 24.465 million). This is chiefly due to payments made for investments in property, plant and equipment of EUR 72.250 million (previous year EUR 28.473 million) in connection with the plant extensions.

Net cash flow from financing activities stands at EUR 14.679 million (previous year EUR 75.675 million). This includes bank loans of EUR 15.521 million (previous year EUR 0) for financing subsidiaries in China.

### Leases

In the year under review, lease payments of EUR 3.869 million (December 31, 2007: EUR 2.873 million) were made. These were primarily for mobile assets.

### Other financial obligations

Other financial obligations relate to operating lease and rental obligations of EUR 14,354 million (December 31, 2007: EUR 8,197 million) with the following terms:

Fiscal year	Due in less than 1 year EUR 000s	Due in 1-5 years EUR 000s	Due in more than 5 years EUR 000s
Dec. 31, 2008	4,700	8,017	1,637
Dec. 31, 2007	2,474	5,448	275

Obligations under lease and rental agreements relate to equipment and machinery (EUR 10,245 million) and real estate (EUR 4,109 million).

### Notes on related parties

In three cases, Parties related to the Nordex Group as defined in IAS 24.9 exercised management functions for business partners in 2008. 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, a member of Nordex AG's Supervisory Board, is managing director of Babcock & Brown GmbH, Munich. In 2008, 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.

TRANSACTIONS WITH RELATED PARTIES AS AT DECEMBER 31.12.2008						
Related Person	Company	Transaction	Outstanding items Dec. 31 2008 EUR 000s	Outstanding items Dec. 31 2007 EUR 000s	Sales 2008 EUR 000s	Sales 2007 EUR 000s
Dr. Hans Fechner	G. Siempelkamp GmbH & Co. KG	Supplier of cast parts	-639	0	1,873	21
Martin Rey	Companies affiliated with Babcock & Brown GmbH	Sale of wind power systems and project companies	3,240	1,881	43,164	82,389
Carsten Pedersen	Welcon A/S	Supplier of towers	10,472	3,535	54,654	36,947

As collateral for receivables, the Nordex Group had guarantees of EUR 191,332 million (previous year EUR 8,680 million) as of December 31, 2008, all of which comprise letters of comfort (previous year EUR 8,332 million).

During 2008, CMP-Fonds 1 GmbH, Berlin (CMP) held 25.57 percent and GS Equity Markets, L.P. (Bermuda) (GS) 16.73 percent of the Company's capital from January 1 until September 26, 2008. Further shareholders as members of a voting pool under the management of CMP held a total of 45.94 percent of the Company's capital from January 1 until September 26, 2008. Up until September 26, 2008, CMP was therefore the sole controlling shareholder as defined in Section 17 of the Stock Corporation Act.

After September 26, 2008, the share in the Company's capital attributable to CMP dropped to 27.25 percent. Accordingly, CMP is no longer the controlling shareholder in the Company as defined in Section 17 of the Stock Corporation Act as of September 26, 2008.

Since September 26, 2008, 21.83 percent of the Company's share capital has been held by holding companies owned by Mr. and Mrs. Klatten. However, the Klatten family do not control the Company in accordance with Section 17 of the Stock Corporation Act and there has been no dependent party status since September 26, 2008.

During the period under review, no transactions were conducted between the Company and the controlling shareholder CMP or any entities related to it; nor were any other measures taken or omitted

#### Events after the balance sheet date

On February 17, 2009, the Supervisory Board passed a resolution to appoint Dr. Marc Sielemann as a deputy member of the Company's Management Board (subject to the condition precedent of his accepting this office by no later than July 1, 2009) for a period commencing with the discharge of this condition precedent and expiring on December 31, 2012. Dr. Sielemann will be taking office on April 1, 2009.

In January 2009, three members of the Company's Supervisory Board who had been elected at the annual general meeting of May 27, 2008 stepped down. They were a) Dr. Hans W. Fechner effective February 23, 2009, b) Mr. Yves Schmitt effective February 27, 2009, and c) Dr. Hans Seifert also effective February 18, 2009. At the request of the Management Board, the commercial register of the local court of Rostock issued rulings dated February 24 and March 2, 2009, initially appointing Mr. Uwe Lüders effective February 24, 2009 and Dr. Wolfgang Ziebart und Dr. Dieter G. Maier effective February 28, 2009 to the Company's Supervisory Board for a term expiring at the end of the Company's next annual general meeting.

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

The Management Board and the Supervisory Board have issued the declaration of conformance for 2008 pursuant to Section 161 of the Stock Corporation Act and made it available for examination by the shareholders on the Internet at [www.nordex-online.de/investor-relations](http://www.nordex-online.de/investor-relations).

#### Utilization of relief provisions

Nordex Energy GmbH, Norderstedt, Nordex Grundstücksverwaltung GmbH, Norderstedt, and Nordex Windpark Beteiligung GmbH, Norderstedt, are exempt from disclosure duties in accordance with Section 325 of the German Commercial Code due to the application of the provisions contained in Section 264 (3) of the German Commercial Code.

### Nordex AG Management Board and Supervisory Board

During 2008 and as of the date on which the financial statements for 2008 were prepared, the Supervisory Board comprised the following members:

**Yves Schmitt**, Berlin (until February 27, 2009), Chairman of the Supervisory Board, chairman of the Management Committee, member of the Audit Committee

Managing shareholder of Schmitt Vermögensverwaltungs-und Beteiligungs GmbH

**Uwe Lüders**, Lübeck, Chairman of the Supervisory Board, chairman of the Management Committee, member of the Audit Committee (since February 24, 2009)

CEO of L. Possehl & Co. mbH, Lübeck

Member of the supervisory board of Drägerwerk AG & Co. KGaA

Member of the supervisory board of Drägerwerk Verwaltungs AG

**Jens-Peter Schmitt**, Haan, Deputy Chairman of the Supervisory Board, member of the Management Committee, member of the Audit Committee (until August 31, 2008), Attorney

**Dr.-Ing. Hans W. Fechner**, Düsseldorf, member of the Strategy and Technology Committee until November 28, 2008 (until February 23, 2009)

Spokesman of the Management Board of G. Siempelkamp GmbH & Co. KG

Spokesman of the management of Siempelkamp Maschinen- und

Anlagenbau GmbH & Co. KG

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 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**, Deputy Chairman of the Supervisory Board, member of the Strategy and Technology Committee (since September 1, 2008)

Managing shareholder of momentum Beteiligungsgesellschaft mbH

Chairman of the Supervisory Board of asturia Automotive AG

**Martin Rey**, Weßling, chairman of the Audit Committee and member of the Management Committee

Managing director of Babcock & Brown GmbH

Member of the board of BRISA Auto-Estradas de Portugal, S.A.

Member of the supervisory board of ZAAB Energy AG

Chairman of the supervisory board of Renerco AG\*

Member of the board of Babcock & Brown European Investments S.a.r.l., Luxembourg\*

Member of the board of Babcock & Brown Z Portfolio S.a.r., Luxembourg\*

\* Associated companies of Babcock & Brown GmbH

**Dr.-Ing. Hans Seifert**, Krailling, member of the Strategy and Technology Committee, (until February 27, 2009)

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)

**Kai H. Brandes**, member of the Audit Committee, (since September 5, 2008)

Managing shareholder of CMP Capital Management-Partners GmbH

Member of the board of Stichting Administratiekantoor GS NDX Investment Trust

**Dr. Wolfgang Ziebart**, Starnberg (since February 28, 2009), Engineer

Member of the supervisory board of Autoliv Inc., Stockholm

**Dr. Dieter G. Maier**, Reutlingen (since February 28, 2009), Physicist

### Management Board

**Thomas Richterich**, Hamburg (CEO)

**Carsten Risvig Pedersen**, Brande (COO Sales and Marketing)

**Dr. Hansjörg Müller**, Hamburg (COO Operations), until August 4, 2008

**Ulric Bernard Schäferbarthold**, Cologne (CFO)

**Dr. Eberhard Voß**, Jönstorf (CTO), since March 12, 2008

**Dr. Marc Sielemann**, Krakau (COO Operations), as of April 1, 2009

On February 17, 2009, the Supervisory Board passed a resolution to appoint Dr. Marc Sielemann as a deputy member of the Company's Management Board (subject to the condition precedent of his accepting this office by no later than July 1, 2009) for a period commencing with the discharge of this condition precedent and expiring on December 31, 2012. Dr. Sielemann will be taking office on April 1, 2009.

**THE MEMBERS OF THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD HELD THE FOLLOWING SHARES IN THE COMPANY AS OF DECEMBER 31, 2008**

Name	Position	Shares
Thomas Richterich	Chief Executive Officer	20,000 directly and 206,143 via a dormant sub-interest in the holdings of CMP-Fonds I GmbH
Carsten Risvig Pedersen	COO Sales and Marketing	30,463 directly and a further 2,565,451 shares via a 50 percent holding in CJ Holding ApS*
Yves Schmitt	Chairman of the Supervisory Board (until February 27, 2009)	8,000 directly (including 3,000 via related parties) and further shares indirectly via an interest in CMP-Fonds I GmbH
Jan Klatten	Supervisory Board	14,652,052 directly via a share in momentum capital Vermögensverwaltungsgesellschaft mbH and Ventus Venture Fund GmbH & Co. Beteiligungs KG
Kai H. Brandes	Supervisory Board	2,000 directly via a share in Brandes Capital GmbH and further shares indirectly via a share in CMP-Fonds I GmbH
Dr. Hans Seifert	Supervisory Board (until February 27, 2009)	50,000 directly

\* CJ Holding ApS is the parent company of Nordvest A/S.

524,080 stock options have been granted to members of the Management Board.

In addition, Thomas Richterich is entitled to a portion of the proceeds from any sale of the shares held in the Company by CMP Capital Management Partners and Goldman Sachs (excess profit participation). Amounts were paid under profit participation arrangements in connection with the sale of shares to Skion GmbH in 2008.

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

	Fiscal 2008 EUR	Fiscal 2007 EUR
Supervisory Board	106,491	118,785
Management Board	1,988,494	1,687,610

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

The shareholders passed a resolution at the annual general meeting 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](http://www.nordex-online.com/online-service)). This amount equals EUR 15,000 per year for each member of the Supervisory Board. The details are as follows:

In addition, each member of the Supervisory Board receives variable compensation calculated according to the proportion of the consolidated net profit less net of net financial result (EBIT) in consolidated sales (EBIT margin) for the year in question.

EBIT margin	Amount of variable compensation in EUR
≥ 5%	5,000.00
≥ 7%	10,000.00
≥ 9%	15,000.00

The EBIT margin is calculated on the basis of EBIT and revenues as stated in the audited financial statements for the year in question. Variable compensation is due for payment at the end of the annual general meeting at which a resolution to accept and approve the annual financial statements for the year in question is passed.

The chairman of the Supervisory Board receives twice and his deputy one-and-a-half times the sum total of the fixed and variable compensation.

Value added tax is paid on the reimbursement of expenses in accordance with Section 17 Articles 1 through 3 of the Articles of Incorporation. The Company pays the premium on liability insurance (D&O insurance) if such cover also includes the members of the Supervisory Board.

**Benefits/pension provisions for former members of the Management Board**

Pension provisions of EUR 0.177 million (December 31, 2007: EUR 0.169 million) had been set aside as of December 31, 2008 to cover entitlement vesting to two former members of the Management Board.

**Auditor's fee**

The fee payable in 2008 for the statutory audit stands at EUR 0.321 million (2007: EUR 0.253 million). In addition, the cost of tax consulting services came to EUR 0.070 million (2007: EUR 0.012 million) and other services EUR 0.017 million (2007: EUR 0.030 million).

Rostock, March 2009



T. Richterich  
Chief Executive Officer



C. Pedersen  
Management Board



E. Voß  
Management Board



B. Schäferbarthold  
Management Board



## CONSOLIDATED STATEMENT OF CHANGES IN NON-CURRENT ASSETS EXCLUDING DEFERRED TAX

	ACQUISITION AND PRODUCTION COSTS						DEPRECIATION/AMORTIZATION						CARRYING AMOUNT	
	Commencing balance Jan. 1, 2008 EUR 000s	Initial consolidation EUR 000s	Additions EUR 000s	Disposals EUR 000s	Reclassification EUR 000s	Closing balance Dec. 31, 2008 EUR 000s	Commencing balance Jan. 1, 2008 EUR 000s	Initial consolidation EUR 000s	Additions EUR 000s	Disposals EUR 000s	Reclassification EUR 000s	Closing balance Dec. 31, 2008 EUR 000s	Carrying amount Dec. 31, 2008 EUR 000s	Carrying amount Dec. 31, 2007 EUR 000s
<b>Property, plant and equipment</b>														
Land, land-like rights and buildings	19,042	0	31,750	12	4,974	55,754	4,826	0	1,415	6	126	6,361	49,393	14,216
Technical equipment and machinery	19,295	43	6,242	203	-137	25,240	13,265	3	2,521	157	-51	15,581	9,659	6,030
Other equipment, operating and business equipment	25,485	50	10,161	2,504	-45	33,147	15,966	49	4,765	2,141	-75	18,564	14,583	9,519
Advance payments made and assets under construction	5,471	0	4,532	0	-4,792	5,211	0	0	0	0	0	5,211	5,471	
<b>Total property, plant and equipment</b>	<b>69,293</b>	<b>93</b>	<b>52,685</b>	<b>2,719</b>	<b>0</b>	<b>119,352</b>	<b>34,057</b>	<b>52</b>	<b>8,701</b>	<b>2,304</b>	<b>0</b>	<b>40,506</b>	<b>78,846</b>	<b>35,236</b>
<b>Intangible assets</b>														
Goodwill	14,461	0	0	0	0	14,461	4,501	0	0	0	0	4,501	9,960	9,960
Capitalized development costs	30,022	0	13,011	223	0	42,810	14,643	0	5,890	99	0	20,434	22,376	15,379
Other intangible assets	14,077	1	6,696	1,559	0	19,215	10,660	0	1,332	104	0	11,888	7,327	3,417
<b>Total intangible assets</b>	<b>58,560</b>	<b>1</b>	<b>19,707</b>	<b>1,782</b>	<b>0</b>	<b>76,486</b>	<b>29,804</b>	<b>0</b>	<b>7,222</b>	<b>203</b>	<b>0</b>	<b>36,823</b>	<b>39,663</b>	<b>28,756</b>

	ACQUISITION AND PRODUCTION COSTS						DEPRECIATION/AMORTIZATION						CARRYING AMOUNT	
	Commencing balance Jan. 1, 2007 EUR 000s	Initial consolidation EUR 000s	Additions EUR 000s	Disposals EUR 000s	Reclassification EUR 000s	Closing balance Dec. 31, 2007 EUR 000s	Commencing balance Jan. 1, 2007 EUR 000s	Initial consolidation EUR 000s	Additions EUR 000s	Disposals EUR 000s	Reclassification EUR 000s	Closing balance Dec. 31, 2007 EUR 000s	Carrying amount Dec. 31, 2007 EUR 000s	Carrying amount Dec. 31, 2006 EUR 000s
<b>Property, plant and equipment</b>														
Land, land-like rights and buildings	16,554	0	2,300	0	188	19,042	4,025	0	727	0	74	4,826	14,216	12,529
Technical equipment and machinery	17,706	0	3,386	1,569	-228	19,295	12,138	0	2,507	1,380	0	13,265	6,030	5,568
Other equipment, operating and business equipment	18,769	0	6,945	299	70	25,485	12,754	0	3,439	227	0	15,966	9,519	6,015
Advance payments made and assets under construction	3,725	0	2,703	562	-395	5,471	0	0	0	0	0	5,471	3,725	
<b>Total property, plant and equipment</b>	<b>56,754</b>	<b>0</b>	<b>15,334</b>	<b>2,430</b>	<b>-365</b>	<b>69,293</b>	<b>28,917</b>	<b>0</b>	<b>6,673</b>	<b>1,607</b>	<b>74</b>	<b>34,057</b>	<b>35,236</b>	<b>27,837</b>
<b>Intangible assets</b>														
Goodwill	14,461	0	0	0	0	14,461	4,501	0	0	0	0	4,501	9,960	9,960
Capitalized development costs	24,726	0	10,252	4,956	0	30,022	12,995	0	6,570	4,922	0	14,643	15,379	11,731
Other intangible assets	10,830	0	2,887	6	365	14,077	9,955	0	779	0	-74	10,660	3,417	876
<b>Total intangible assets</b>	<b>50,018</b>	<b>0</b>	<b>13,139</b>	<b>4,962</b>	<b>365</b>	<b>58,560</b>	<b>27,451</b>	<b>0</b>	<b>7,349</b>	<b>4,922</b>	<b>-74</b>	<b>29,804</b>	<b>28,756</b>	<b>22,567</b>

## SEGMENT REPORT

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. Nordex AG operates solely as a holding company and can therefore not be allocated to either of the two segments.

The Europe segment (particularly the UK and Italy) is currently Nordex's most important source of business. Against the backdrop of the EU's harmonization 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 start

establishing 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. Local production facilities are planned for 2009. As the presentation of the revenues, segment earnings and assets in the region of North America in 2008 does not yet provide any additional information, separate disclosure of this information has been dispensed with for 2008, and instead this region has been combined with Asia in the Rest of the World segment.

Segment sales comprise sales with third parties (external sales) as well as internal 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 REPORT in EUR 000s

	Europe		Rest of the World		Total (Regions)		Consolidation		Group total (excl. holding company)		Group holding company**		Group total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<b>Sales</b>														
External sales	978,291	724,412	157,398	23,044	1,135,689	747,456	0	0	1,135,689	747,456	0	0	1,135,689	747,456
Sales between segments	0	0	32,946	36,672	32,946	36,672	-32,946	-36,672	0	0	0	0	0	0
<b>Total sales</b>	<b>978,291</b>	<b>724,412</b>	<b>190,344</b>	<b>59,716</b>	<b>1,168,635</b>	<b>784,128</b>	<b>-32,946</b>	<b>-36,672</b>	<b>1,135,689</b>	<b>747,456</b>	<b>0</b>	<b>0</b>	<b>1,135,689</b>	<b>747,456</b>
Operating profit (EBIT)	83,774	66,374	12,221	-5,458	95,995	60,916	0	0	95,995	60,916	-33,038	-20,782	62,957	40,134
<b>Other information</b>														
Segment assets	611,857	369,928	159,212	106,184	771,069	476,112	-118,804	-55,467	652,265	420,645	34,472	20,655	686,737	441,300
Interest-bearing assets	52,120	101,777	20,742	17,335	72,862	119,112	0	0	72,862	119,112	38,849	93,075	111,711	212,187
Income tax refund claims/ deferred tax assets	184	1,268	4,248	0	4,432	1,268	0	0	4,432	1,268	51,400	49,014	55,832	50,282
<b>Group assets</b>	<b>664,161</b>	<b>472,973</b>	<b>184,202</b>	<b>123,519</b>	<b>848,363</b>	<b>596,492</b>	<b>-118,804</b>	<b>-55,467</b>	<b>729,559</b>	<b>541,025</b>	<b>124,721</b>	<b>162,744</b>	<b>854,280</b>	<b>703,769</b>
Segment liabilities	364,085	326,058	189,524	118,258	553,609	444,316	-118,804	-55,467	434,805	388,849	34,665	13,294	469,470	402,143
Income taxes payable/ deferred tax liabilities	33,183	18,273	968	0	34,151	18,273	0	0	34,151	18,273	2,762	2,571	36,913	20,844
Interest-bearing liabilities	5	1,124	15,796	0	15,801	1,124	0	0	15,801	1,124	2	0	15,803	1,124
Liabilities from finance leases	7,653	7,811	0	0	7,653	7,811	0	0	7,653	7,811	0	0	7,653	7,811
<b>Group liabilities</b>	<b>404,926</b>	<b>353,266</b>	<b>206,288</b>	<b>118,258</b>	<b>611,214</b>	<b>471,524</b>	<b>-118,804</b>	<b>-55,467</b>	<b>492,410</b>	<b>416,057</b>	<b>37,429</b>	<b>15,865</b>	<b>529,839</b>	<b>431,922</b>
Capital spending*	54,288	19,176	9,995	3,957	64,283	23,133	0	0	64,283	23,133	8,407	5,528	72,690	28,661
Depreciation/amortization*	10,905	11,803	2,886	813	13,791	12,616	0	0	13,791	12,616	2,132	1,406	15,923	14,022
Impairment loss	4	0	0	1,000	4	1,000	0	0	4	1,000	0	0	4	1,000

\*) Capital spending and amortization of capitalized development expenditure is included in the segments.

\*\*) At the level of the Group holding company, operating assets and liabilities are reported after capital and debt consolidation.

Segment earnings before interest and taxes (EBIT) comprise the segment income less allocated expenses. Segment assets include all current and non-current assets with the exception of income tax reimbursement 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 expense recognized in the year under review in accordance with IAS 36 concerns the shares in Catalana D'Energies Renovables, S.L., Reus, Spain.

## LIST OF SHAREHOLDINGS AS OF DECEMBER 31, 2008

	Currency	Share in capital (%)	Net profit/loss Jan. 1 - Dec. 31, 2008	Equity Dec. 31, 2008	Share held via
<b>Consolidated affiliated companies (in accordance with certified financial statements)</b>					
Nordex Aktiengesellschaft, Rostock (parent company)*	EUR	–	7,124,252.90	224,586,049.14	–
Nordex Energy B.V., Rotterdam, Netherlands	EUR	100	1,119,761.35	5,225,163.19	Nordex Aktiengesellschaft
Nordex Grundstücksverwaltung GmbH, Norderstedt, Germany*	EUR	100	0.00	52,000.00	Nordex Aktiengesellschaft
Nordex Energy GmbH, Norderstedt, Germany *	EUR	100	0.00	6,254,049.08	Nordex Aktiengesellschaft
Nordex Windpark Beteiligung GmbH, Norderstedt, Germany*	EUR	100	0.00	74,825.12	Nordex Aktiengesellschaft
Nordex UK Limited, Didsbury, United Kingdom	EUR	100	5,781,896.51	5,325,252.25	Nordex Energy B.V
Nordex USA Inc., Chicago, USA	EUR	100	–1,416,129.73	1,663,524.47	Nordex Energy B.V
Nordex France S.A.S., La Plaine Saint-Denis, France	EUR	100	–5,575,267.71	–863,314.92	Nordex Energy B.V
Nordex Energy Ibérica S.A., Barcelona, Spain	EUR	100	2,831,887.54	3,426,128.97	Nordex Energy B.V
Nordex Italia Srl., Rom, Italy	EUR	100	832,621.49	1,439,052.25	Nordex Energy B.V
Nordex Sverige AB, Uppsala, Sweden****	EUR	100	–31,579.83	402,463.02	Nordex Energy B.V
Nordex Polska Sp. z o.o., Danzig, Poland*****	EUR	100	–216,434.90	–148,067.45	Nordex Energy B.V. / Nordex Energy GmbH
Nordex Hellas Monoprosopi EPE, Athen, Greece	EUR	100	273,250.25	795,194.09	Nordex Energy GmbH
Nordex (Beijing) Wind Power Engineering & Technology Co. Ltd., Peking, China****	EUR	100	–220,877.71	1,048,805.16	Nordex Energy GmbH
Nordex (Baoding) Wind Power Co.Ltd., Baoding, China	EUR	100	–2,811,742.94	–2,507,565.58	Nordex Energy GmbH
Nordex (Yinchuan) Wind Power Equipment Manufacturing Co.Ltd., Ningxia, China	EUR	50	2,557,272.98	6,991,605.92	Nordex Energy GmbH
Nordex (Dongying) Wind Power Equipment Manufacturing Co.Ltd., Dongying, China	EUR	100	9,305,698.54	11,485,527.95	Nordex Energy GmbH
<b>Non-consolidated affiliated companies (in accordance with certified financial statements)</b>					
Nordex Windpark Verwaltung GmbH, Norderstedt, Germany	EUR	100	–3,627.30	11,914.94	Nordex Aktiengesellschaft
natcon7 GmbH, Norderstedt, Germany**	EUR	75	521,307.23	810,618.74	Nordex Aktiengesellschaft
Esquennois Energie EURL***	EUR	100	–24,658.47	12,518.50	Nordex Windpark Beteiligung GmbH
Parc Éolien d'Auneau, S.A.S., Paris, France***	EUR	100	–18,011.40	–13,070.99	Nordex Windpark Beteiligung GmbH
Parc Éolien Harbonnieres/Framerville-Rainecourt, S.A.S., Paris, France***	EUR	100	–3,005.81	20,391.96	Nordex Windpark Beteiligung GmbH
Parc Éolien des Caulieres Eplossier Lamaronde S.A.S., Paris, France***	EUR	100	–3,207.50	19,684.69	Nordex Windpark Beteiligung GmbH
Parc Éolien de Dehlingen, S.A.S., Paris, France***	EUR	100	–7,900.41	22,811.93	Nordex Windpark Beteiligung GmbH
Parc Éolien du Fouy, S.A.S., Paris, France***	EUR	100	–39,892.45	–40,539.20	Nordex Windpark Beteiligung GmbH
Parc Éolien des Crêtes, S.A.S., Paris, France***	EUR	100	29,663.02	32,205.42	Nordex Windpark Beteiligung GmbH
Parc Éolien des Joyeuses, S.A.S., Paris, France***	EUR	100	–41,393.54	–39,203.84	Nordex Windpark Beteiligung GmbH
Parc Éolien des Barbes d'Or, S.A.S., Paris, France***	EUR	100	–68,250.02	–67,195.45	Nordex Windpark Beteiligung GmbH
Parc Éolien du Chemin de Serrouville, S.A.S., Paris, France***	EUR	100	–2,543.30	28,246.80	Nordex Windpark Beteiligung GmbH
Parc Éolien de Mazeray et de Bignay, S.A.S., Paris, France***	EUR	100	–2,731.39	28,195.03	Nordex Windpark Beteiligung GmbH
Parc Éolien des Mistandines, S.A.S., Paris, France***	EUR	100	–5,774.69	24,373.17	Nordex Windpark Beteiligung GmbH
Parc Éolien des Croquettes, S.A.S., Paris, France***	EUR	100	–5,482.54	24,895.00	Nordex Windpark Beteiligung GmbH
Parc Éolien de l'Alizier, S.A.S., Paris, France***	EUR	100	–2,629.88	28,089.11	Nordex Windpark Beteiligung GmbH
Parc Éolien de la Chaussée de César Nord, S.A.S., Paris, France***	EUR	100	–2,543.88	28,196.73	Nordex Windpark Beteiligung GmbH
Parc Éolien Affluent de la Chaussée Brunhaut S.A.S, Paris, France***	EUR	100	–678.05	33,065.34	Nordex Windpark Beteiligung GmbH
Parc Éolien de Fillières S.A.S, Paris, France***	EUR	100	–1,889.33	32,027.43	Nordex Windpark Beteiligung GmbH
Parc Éolien des Hauts de Sarre S.A.S, Paris, France***	EUR	100	–2,169.15	31,604.33	Nordex Windpark Beteiligung GmbH
Parc Éolien de la Côte de Repy S.A.S, Paris, France***	EUR	100	–9,916.75	23,736.81	Nordex Windpark Beteiligung GmbH
Parc Éolien de Laborde S.A.S, Paris, France***	EUR	100	–309.08	33,269.21	Nordex Windpark Beteiligung GmbH
Parc Éolien de Landelles S.A.S, Paris, France***	EUR	100	–1,809.63	31,800.53	Nordex Windpark Beteiligung GmbH
Parc Éolien de l'Artois S.A.S, Paris, France***	EUR	100	–309.24	33,157.90	Nordex Windpark Beteiligung GmbH
Parc Éolien de Marage-Zondrange S.A.S, Paris, France***	EUR	100	–820.18	32,682.60	Nordex Windpark Beteiligung GmbH
Parc Éolien de Point de Vue S.A.S, Paris, France***	EUR	100	–309.24	33,361.80	Nordex Windpark Beteiligung GmbH
Parc Éolien de Rimling-Erching S.A.S, Paris, France***	EUR	100	–309.24	33,551.19	Nordex Windpark Beteiligung GmbH
Parc Éolien de Grivaudines S.A.S, Paris, France***	EUR	100	–1,808.75	32,118.96	Nordex Windpark Beteiligung GmbH
Parc Éolien des Pelures Blanches S.A.S, Paris, France***	EUR	100	–309.08	33,614.10	Nordex Windpark Beteiligung GmbH

## LIST OF SHAREHOLDINGS AS OF DECEMBER 31, 2008

	Currency	Share in capital (%)	Net profit/loss Jan. 1 - Dec. 31, 2008	Equity Dec. 31, 2008	Share held via
Parc Éolien du Bois Maurepas S.A.S. Paris, France***	EUR	100	-941.21	32,427.38	Nordex Windpark Beteiligung GmbH
Parc Éolien d'Oberdorff S.A.S. Paris, France***	EUR	100	-1,808.75	32,118.66	Nordex Windpark Beteiligung GmbH
Parc Éolien de Campagne S.A.S. Paris, France***	EUR	100	-309.24	33,613.94	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex I S.A.S., Paris, France***	EUR	100	-2,706.46	34,186.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex II S.A.S., Paris, France***	EUR	100	-2,706.46	34,186.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex III S.A.S., Paris, France***	EUR	100	-2,706.46	34,186.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex IV S.A.S., Paris, France***	EUR	100	-2,706.46	34,186.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex V S.A.S., Paris, France***	EUR	100	-2,706.46	34,186.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex VI S.A.S., Paris, France***	EUR	100	-2,616.46	34,276.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex VII S.A.S., Paris, France***	EUR	100	-2,616.46	34,276.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex VIII S.A.S., Paris, France***	EUR	100	-2,031.08	34,861.49	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex IX S.A.S., Paris, France***	EUR	100	-2,616.46	34,276.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex X S.A.S., Paris, France***	EUR	100	-2,616.46	34,276.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XI S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XII S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XIII S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XIV S.A.S., Paris, France***	EUR	100	-2,564.10	34,435.90	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XV S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XVI S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XVII S.A.S., Paris, France***	EUR	100	-2,568.33	34,431.67	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XVIII S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XIX S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XX S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXI S.A.S., Paris, France***	EUR	100	-2,564.10	34,435.90	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXII S.A.S., Paris, France***	EUR	100	-2,564.10	34,435.90	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXIII S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXIV S.A.S., Paris, France***	EUR	100	-2,564.10	34,435.90	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXV S.A.S., Paris, France***	EUR	100	-2,568.33	34,431.67	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXVI S.A.S., Paris, France***	EUR	100	-2,568.33	34,431.67	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXVII S.A.S., Paris, France***	EUR	100	-2,568.33	34,431.67	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXVIII S.A.S., Paris, France***	EUR	100	-2,564.10	34,435.90	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXIX S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXX S.A.S., Paris, France***	EUR	100	-2,564.10	34,435.90	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXI S.A.S., Paris, France***	EUR	100	-2,350.69	34,649.31	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXII S.A.S., Paris, France***	EUR	100	-2,350.69	34,674.31	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXIII S.A.S., Paris, France***	EUR	100	-2,352.54	34,647.46	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXIV S.A.S., Paris, France***	EUR	100	-2,373.10	34,626.90	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXV S.A.S., Paris, France***	EUR	100	-2,350.69	34,649.31	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXVI S.A.S., Paris, France***	EUR	100	-2,350.69	34,649.31	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXVII S.A.S., Paris, France***	EUR	100	-2,350.69	34,649.31	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXVIII S.A.S., Paris, France***	EUR	100	-2,352.54	34,647.46	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXIX S.A.S., Paris, France***	EUR	100	-2,350.69	34,649.31	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XL S.A.S., Paris, France***	EUR	100	-2,338.19	34,661.81	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XLI S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XLII S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XLIII S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XLIV S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XLV S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XLVI S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH



## LIST OF SHAREHOLDINGS AS OF DECEMBER 31, 2008

	Currency	Share in capital (%)	Net profit/loss Jan. 1 - Dec. 31, 2008	Equity Dec. 31, 2008	Share held via
Parc Éolien Nordex XLVII S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XLVIII S.A.S., Paris, France***	EUR	100	-2,325.69	34,674.31	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XLIX S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex L S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
NPV Dritte Windpark GmbH & Co. KG, Norderstedt, Germany	EUR	100	-183.46	45,856.18	Nordex Grundstücksverwaltung GmbH
Sechste Windpark Support GmbH & Co. KG, Osnabrück, Germany	EUR	100	0.00	-1,924.54	Nordex Grundstücksverwaltung GmbH
Qingdao Huawei Wind Power Co. Ltd., Qingdao, China**	EUR	67	-115,517.41	4,106,351.42	Nordex Energy GmbH
<b>Associates (not consolidated) (in accordance with certified financial statements)</b>					
Atria Grundstücksverwaltungsgesellschaft GmbH & Co. Objekt Rostock KG (limited partner share)***	EUR	94	-872.83	-253,216.77	Nordex Energy GmbH
Xi'an Nordex Wind Turbine Co. Ltd., Xi'an, China**	EUR	40	-132,584.30	696,124.55	Nordex Energy GmbH
Catalana D'Energies Renovables, S. L., Reus, Spain***	EUR	33	-257.00	10,133.00	Nordex Energy Ibérica S.A.
Société d'Énergie Éolienne de Cambon S.E.E.C. Sarl, La Martyre, France***	EUR	100	-3,142.84	-5,951.97	Nordex France S.A.S.
Parc d'Énergie de Conlie P.E.C., Sarl, La Martyre, France***	EUR	50	-44.10	1,014.87	Nordex France S.A.S.
Société Éolienne de Rouesse-Vasse S.E.R.V Sarl, Rouesse Vasse, France***	EUR	50	-37.80	-1,484.84	Nordex France S.A.S.
Société Bretonne d'Énergie d'Armorique SBEA Sarl, Pleyber Christ, France***	EUR	100	-29,628.40	-54,517.14	Nordex France S.A.S.
Parc Eolien des Vents de la Thierache Sarl, Paris, France****	EUR	100	-721.37	278.63	Nordex France S.A.S.
K/S Whitewater Wind Power Invest I, Komplementarselskabet Whitewater Invest I ApS**	EUR	33	-101,700.21	144,283.82	Nordex Energy GmbH
K/S Whitewater Wind Power Invest VII, Komplementarselskabet Whitewater Invest VII ApS**	EUR	11	-131,599.66	129,294.42	Nordex Energy GmbH
K/S Whitewater Wind Power Invest VIII, Komplementarselskabet Whitewater Invest VIII ApS**	EUR	11	-75,603.97	-39,062.63	Nordex Energy GmbH

\*) Profit transfer agreement; equity and net profit/loss after transfer of profit/loss in accordance with local regulations

\*\*) Annual financial statements as of Dec. 31, 2007 (financial year from Jan. 1, 2007 to Dec. 31, 2007)

\*\*\*) Preliminary financial statements as of December 31, 2008

\*\*\*\*) Incorporated in 2008

\*\*\*\*\*) Acquired in 2008

## AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by the Nordex Aktiengesellschaft, Rostock, comprising the balance sheet, the income statement, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report, which is combined with the management report of the Nordex Aktiengesellschaft for the business year from January 1 to December 31, 2009. The preparation of the consolidated financial statements and the combined management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB („Handelsgesetzbuch“: German Commercial Code) are the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and the combined management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstate-

ments materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the combined 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 findings of our

audit the consolidated financial statements comply with the IFRSs as adopted by the EU [, / and] the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these provisions. The combined management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably

presents the opportunities and risks of future development.

Hamburg, April 2, 2009

PricewaterhouseCoopers Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

  
Niklas Wilke  
German Public Auditor

  
ppa. Joachim Jedner  
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 2009

  
T. Richterich  
Chief Executive Officer

  
C. Pedersen  
Management Board

  
E. Voß  
Management Board

  
B. Schäferbarthold  
Management Board

**PARENT COMPANY ANNUAL FINANCIAL STATEMENTS  
FOR NORDEX AG**

**FOR THE FISCAL YEAR  
JANUARY 1, 2008 - DECEMBER 31, 2008**



## NORDEX AKTIENGESELLSCHAFT, ROSTOCK ANNUAL FINANCIAL STATEMENTS

### BALANCE SHEET

ASSETS			
	(Notes)	Dec. 31, 2008 EUR	Dec. 31, 2007 EUR
<b>A. Non-current assets</b>			
<b>I. Intangible assets</b>			
Concessions, industrial property rights and similar rights and assets	(1)	6,687,108.84	3,200,494.40
<b>II. Property, plant and equipment</b>			
Other equipment, operating and business equipment		2,969,134.61	1,630,573.76
<b>III. Financial assets</b>			
Shares in affiliated companies	(2)	39,831,929.01	32,481,929.01
		<b>49,488,172.46</b>	<b>37,312,997.17</b>
<b>B. Current assets</b>			
<b>I. Receivables and other assets</b>			
1. Receivables from affiliated companies	(3)	237,632,588.04	90,996,542.98
2. Other assets		21,880,104.74	11,579,333.17
		<b>259,512,692.78</b>	<b>102,575,876.15</b>
<b>II. Cash at banks</b>			
	(4)	38,848,715.64	93,075,993.20
		<b>298,361,408.42</b>	<b>195,651,869.35</b>
<b>C. Prepaid expenses</b>			
		2,882,293.84	266,646.81
		<b>350,731,874.72</b>	<b>233,231,513.33</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
	(Notes)	Dec. 31, 2008 EUR	Dec. 31, 2007 EUR
<b>A. Shareholders' equity</b>			
<b>I. Issued share capital</b>			
	(5)	66,845,000.00	66,845,000.00
<b>II. Share premium account</b>			
		156,009,866.00	156,009,866.00
<b>III. Other retained earnings</b>			
		1,731,183.14	0.00
<b>IV. Unappropriated surplus/accumulated deficit</b>			
		0.00	-5,393,069.76
		<b>224,586,049.14</b>	<b>217,461,796.24</b>
<b>B. Provisions</b>			
<b>1. Provisions for pensions and similar obligations</b>			
	(6)	128,223.00	121,033.00
<b>2. Tax provisions</b>			
		2,762,402.97	2,523,913.00
<b>3. Other provisions</b>			
		2,881,139.73	2,888,867.39
		<b>5,771,765.70</b>	<b>5,533,813.39</b>
<b>C. Liabilities</b>			
<b>1. Liabilities to banks</b>			
	(7)	1,985.35	15.88
<b>2. Advance payments received</b>			
		28,300,000.00	7,500,000.00
<b>3. Trade payables</b>			
		2,641,323.78	1,939,730.93
<b>4. Liabilities to affiliated companies</b>			
		88,951,555.41	485,800.44
<b>5. Other liabilities</b>			
		479,195.34	310,356.45
		- of which tax EUR 208,137.36 (previous year: EUR 116,281.76)	
		- of which for social security EUR 62,339.22 (previous year: EUR 5,571.20)	
		<b>120,374,059.88</b>	<b>10,235,903.70</b>
		<b>350,731,874.72</b>	<b>233,231,513.33</b>

## NORDEX AKTIENGESELLSCHAFT, ROSTOCK

### INCOME STATEMENT

	(Notes)	Jan. 1, - Dec. 31, 2008 EUR	Jan. 1, - Dec. 31, 2007 EUR
<b>1. Sales</b>	(1)	34,615,761.03	19,547,520.34
<b>2. Other operating income</b>	(2)	7,658,792.30	1,369,764.47
<b>3. Own work capitalized</b>		18,598.13	0.00
<b>4. Personnel costs</b>	(3)		
a) Wages and salaries		-9,320,952.31	-6,233,069.80
b) Social security and pension and support		-1,212,317.38	-701,454.28
- of which pensions EUR 28,982.89 (previous year: EUR 39,009.85)			
<b>5. Depreciation</b>	(4)	-2,131,913.03	-1,443,257.31
<b>6. Other operating expenses</b>	(5)	-30,209,164.08	-16,086,931.16
<b>7. Income from profit transfer agreements</b>	(6)	1,886,015.60	9,270,752.62
<b>8. Expenditure from the absorption of loss</b>	(7)	-159,253.23	0.00
<b>9. Other interest and similar income</b>	(8)	11,338,201.61	6,321,328.20
- of which from affiliated companies: EUR 8,478,725.45 (previous year: EUR 3,694,980.09)			
<b>10. Interest and similar expenses</b>	(9)	-2,280,509.88	-723,649.32
- of which from affiliated companies: EUR 837,934.90 (previous year: EUR 343,765.27)			
<b>11. Result from ordinary activities</b>		10,203,258.76	11,321,003.76
<b>12. Taxes on income</b>		-3,072,893.10	-1,967,574.98
<b>13. Other taxes</b>		-6,112.76	-1,601.00
<b>14. Net income for the year</b>		<b>7,124,252.90</b>	<b>9,351,827.78</b>
<b>15. Loss carried forward</b>		-5,393,069.76	-14,744,897.54
<b>16. Additions to retained earnings</b>	(10)	-1,731,183.14	0.00
<b>17. Unappropriated surplus/accumulated deficit</b>		<b>0.00</b>	<b>-5,393,069.76</b>





## NORDEX AKTIENGESELLSCHAFT, ROSTOCK ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR FROM JANUARY 1, 2008 – DECEMBER 31, 2008

### NOTES

#### I. GENERAL NOTES ON THE ANNUAL FINANCIAL STATEMENTS

The financial statements of Nordex Aktiengesellschaft (hereinafter referred to as Nordex AG) for the year commencing January 1, 2008 and ending December 31, 2008 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 2008 of Nordex AG have been published in the electronic Bundesanzeiger and the companies register at [www.unternehmensregister.de](http://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 life expectancy of three to five years.

### Property, plant and equipment

Property, plant and equipment are carried at historical cost including ancillary acquisition costs. They are written down on a straight-line basis over their usual life expectancy. Minor value assets with a value of between EUR 150.00 and EUR 1,000.00 are combined in an annual collective item in the year of addition and written down over a period of 5 years.

### Financial assets

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

### Cash and cash equivalents

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

### 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 changes in assets as well as cumulative depreciation/amortization are set out in the enclosed statement of asset movements. 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 directly affiliated companies:

	CARRYING AMOUNT December 31, 2008 EUR 000s
Nordex Energy GmbH, Norderstedt	32,382
Nordex Grundstücksverwaltung GmbH, Norderstedt	25
Nordex Windpark Beteiligung GmbH, Norderstedt	375
Nordex Energy B.V., Rotterdam	7,025
natcon7 GmbH	25
Nordex Windpark Verwaltung GmbH	25
	<b>39,832</b>

### (3) Receivables and other assets

As in the previous year, receivables and other assets are due for settlement in 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) Cash at banks

As of the balance sheet date, this item comprises solely cash at banks.

**(5) Shareholders' equity**

The Company's fully paid share capital of EUR 66,845,000.00 comprises 66,845,000 bearer shares.

The share capital and the number of shares outstanding did not change in the year under review:

ISSUED SHARE CAPITAL	EUR 000s
Balance on January 1, 2008	66,845
Share premium account	66,845
Balance on January 1, 2008	156,010
	<b>156,010</b>
Other retained earnings	
Balance on January 1, 2008	0
Additions	1,731
	<b>1,731</b>
Balance sheet profit	
Net profit for the year	7,124
Loss carried forward	-5,393
Additions to retained earnings	-1,731
	<b>0</b>
Shareholders' equity on December 31, 2008	<b>224,586</b>

As of December 31, 2008, the Company had **Authorized Capital I** of EUR 13,586,250, equivalent to 13,586,250 shares given by the shareholders at the annual general meeting on May 15, 2006, **Contingent Capital I** of EUR 15,086,250, equivalent to 15,086,250 shares given by the shareholders at the annual general meeting on May 15, 2007, and **Contingent Capital II** of EUR 1,500,000, equivalent to 1,500,000 shares given by the shareholders at the annual general on May 27, 2008, each with a notional value of EUR 1 per share.

**Contingent Capital II** in its previous form in an amount of EUR 1,000,000 was canceled in the year under review pursuant to a shareholder resolution and replaced by new contingent capital of EUR 1,500,000. It is used solely to settle subscription rights under the stock options granted to executives and employees of the Company and the domestic and non-domestic members of the Nordex Group, members of the management of the Nordex Group companies and members of the Company's Management Board granted on or before December 31, 2012 in accordance with the authorization given by the shareholders at the annual general meeting on May 27, 2008.

Transfer of the net profit for 2008 of EUR 1,731,183.14 net of the loss carried forward from the previous year to other retained earnings in accordance with Article 23 of Nordex AG's Articles of Incorporation.

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:

- The share of voting rights held by UBS AG Zurich, Switzerland in the Company exceeded the threshold of 3 percent on March 19, 2008, thereupon standing at 3.01 percent.
- The share of voting rights held by UBS AG Zurich, Switzerland in the Company dropped below the threshold of 3 percent on March 21, 2008, thereupon standing at 1.38 percent.
- The share of voting rights held by UBS AG Zurich, Switzerland in the Company exceeded the threshold of 3 percent on March 26, 2008, thereupon standing at 3.45 percent.
- The share of voting rights held by UBS AG Zurich, Switzerland in the Company dropped below the threshold of 3 percent on March 31, 2008, thereupon standing at 1.88 percent.
- The share of voting rights held by BlackRock Investment Management (UK) Limited in London, UK in the Company exceeded the threshold of 3 percent on May 20, 2008, thereupon standing at 3.26 percent. At the same time, the share of voting rights held by the following entities exceeded the threshold of 3 percent, thereupon standing at 3.26 percent. In this connection, all the voting rights were attributable to

- BlackRock Investment Management (UK) Limited  
in accordance with Section 22 (1) Sentence 1 No. 6 of the Securities Trading Act and to
- BlackRock Group Limited, London, UK
- BlackRock International Holdings Inc., New York, USA
- BlackRock Advisors Holdings Inc., New York, USA
- BlackRock Financial Management Inc., New York, USA
- BlackRock Holdco 2 Inc., New York, USA
- BlackRock Holdco 1 LLC, New York, USA
- BlackRock Inc., New York, USA

in accordance with Section 22 (1) Sentence 1 No. 6 of the Securities Trading Act in connection with Section 22 (1) Sentence 2 of the Securities Trading Act. The aforementioned entities are controlled by the respective entity mentioned beneath them. The exceptions provided for in Section 32 (3) and (4) of the Investment Act do not apply to the aforementioned members of the BlackRock Group.

- The share of voting rights held by GSEM (DEL) L.L.C. („GSEM L.L.C.“), Wilmington, Delaware, United States, and GSEM (DEL) Inc. („GSEM, Inc.“), Wilmington, Delaware, United States, in the Company dropped below the threshold of 30 percent on September 26, 2008, thereupon standing at 27.25 percent. Neither GSEM L.L.C. nor GSEM, Inc. themselves held shares in Nordex Aktiengesellschaft. 0.001 percentage points each are attributable to GSEM L.L.C. and GSEM, Inc. in accordance with Section 22 (1) Sentence 1 No. 1 of the Securities Trading Act and 27.25 percentage points each are attributable to GSEM L.L.C. and GSEM, Inc. Section 22 (2) Sentence 1 of the Securities Trading Act. Of the following shareholders whose share in the voting rights of Nordex AG exceeds 3 percent, the voting rights are attributable to GSEM L.L.C. and GSEM, Inc.:

- CMP-Fonds I GmbH
- Stichting Administratiekantoor GS NDX Investment Trust;

➤ The share of voting rights held by GS Equity Markets L.P. („GSEM L.P.“), Hamilton, Bermuda, in the Company dropped below the threshold of 30 percent on September 26, 2008, thereupon standing at 27.25 percent. 27.25 percentage points are attributable to GSEM L.P. in accordance with Section 22 (2) Sentence 1 of the Securities Trading Act. The voting rights held by the following shareholders whose share in the voting rights of Nordex AG exceeds 3 percent are attributable to GSEM L.P.:

- CMP-Fonds I GmbH
- Stichting Administratiekantoor GS NDX Investment Trust;

➤ The share of voting rights held by The Goldman Sachs Group Inc., Wilmington, United States, in the Company dropped below the threshold of 30 percent on September 26, 2008, thereupon standing at 27.25 percent. Goldman Sachs Group, Inc. itself does not hold any shares in Nordex Aktiengesellschaft. 0.001 percentage points of the voting rights are attributable to it in accordance with Section 22 (1) Sentence 1 No. 1 of the Securities Trading Act and 27.25 percentage points in accordance with Section 22 (2) Sentence 1 of the Securities Trading Act. The voting rights held by the following shareholders whose share in the voting rights of Nordex AG exceeds 3 percent are attributable to Goldman Sachs Group Inc.:

- CMP-Fonds I GmbH
- Stichting Administratiekantoor GS NDX Investment Trust;

➤ The share of voting rights held by Stichting Administratiekantoor GS NDX Investment Trust („Stichting“), Amsterdam, Netherlands, in the Company dropped below the threshold of 30 percent on September 26, 2008, thereupon standing at 27.25 percent. 16.60 percentage points are attributable to Stichting in accordance with Section 22 (2) Sentence 1 of the Securities Trading Act. The voting rights held by CMP-Fonds I GmbH, whose share in the voting rights of Nordex AG exceeds 3 percent, are attributable to Stichting;

➤ The share of voting rights held by CMP-Fonds I GmbH, Berlin, Germany, in the Company dropped below the threshold of 30 percent on September 26, 2008, thereupon standing at 27.25 percent. 12.80 percentage points (8,554,956 voting rights) are attributable to CMP in accordance with Section 22 (2) Sentence 1 of the Securities Trading Act. The voting rights held by Stichting Administratiekantoor GS NDX Investment Trust, whose share in Nordex AG exceeds 3 percent, are attributable to CMP;

➤ The share of voting rights held by HSH Nordbank AG („HSH“), Kiel, in the Company dropped below 30 percent on September 26, 2008, thereupon standing at 27.25 percent. 25.10 percentage points are attributable to HSH in accordance with Section 22 (2) Sentence 1 of the Securities Trading Act. The voting rights held by the following shareholders whose share in the voting rights of Nordex AG exceeds 3 percent are attributable to HSH:

- CMP-Fonds I GmbH
- Stichting Administratiekantoor GS NDX Investment Trust.

➤ The share of voting rights held by UniCredit S.p.A., Rome, in the Company exceeded the threshold of 3 percent on September 26, 2008, thereupon standing at 2.44 percent.

These voting rights are attributable to UniCredit S.p.A. 1 via Bayerische Hypo- und Vereinsbank Aktiengesellschaft, Munich, in accordance with Section 22 (1) Sentence 1 No. 1 of the Securities Trading Act.

➤ The share of voting rights held by Bayerische Hypo- und Vereinsbank AG, Munich, Germany, in the Company dropped below the threshold of 3 percent on September 26, 2008, thereupon standing at 2.44 percent.

➤ The share of voting rights held by Ventus Fonds Verwaltungs GmbH, Bad Homburg v.d. Höhe, Germany, in the Company exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent and reached the threshold of 20 percent on September 26, 2008, thereupon standing at 20.00 percent. Of this, 20.0 percent is attributable to Ventus Fonds Verwaltungs GmbH, Bad Homburg v.d. Höhe, Germany, in accordance with Section 22 (1) Sentence 1 No. 1. The voting rights attributable to Ventus Fonds Verwaltungs GmbH GmbH are held by the following entity which it controls and whose share of the voting rights in the Company exceeds 3 percent: Ventus Venture Fund GmbH & Co. Beteiligungs KG.

➤ The share of voting rights held by SKion GmbH, Bad Homburg v.d. Höhe, Germany, in the Company exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent and reached the threshold of 20 percent on September 26, 2008, thereupon standing at 20.00 percent of the voting rights. Of these, 20.00 percent of the voting rights are attributable to SKion GmbH in accordance with Section 22 (1) Sentence 1 No. 1 of the Securities Trading Act. The voting rights attributable to SKion GmbH are held by the following entities which it controls and whose share of the voting rights in the Company exceeds 3 percent:

- Ventus Venture Fund GmbH & Co. Beteiligungs KG,
- Ventus Fonds Verwaltungs GmbH.

➤ The share of voting rights held by Ms. Susanne Klatten, Germany, in the Company exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent and reached the threshold of 20 percent on September 26, 2008, thereupon standing at 20.00 percent as of that date. Of these, 20.00 percent of the voting rights are attributable to Ms. Susanne Klatten in accordance with Section 22 (1) Sentence 1 No. 1 of the Securities Trading Act. The voting rights attributable to Ms. Klatten are held by the following entities which she controls and whose share of the voting rights in the Company exceeds 3 percent:

- Ventus Venture Fund GmbH & Co. Beteiligungs KG,
- Ventus Fonds Verwaltungs GmbH,
- SKion GmbH.

➤ The share of voting rights held by Ventus Venture Fund GmbH & Co. Beteiligungs KG, Bad Homburg v.d. Höhe, Germany, in the Company exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent and reached the threshold of 20 percent on September 26, 2008, thereupon standing at 20.00 percent of the voting rights.

➤ The share of voting rights held by momentum Beteiligungsgesellschaft mbH, Munich, in the Company exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent and reached the threshold of 20 percent on September 26, 2008, thereupon standing at 20.00 percent as of that date. Of these, 20.00 percent of the voting rights are attributable to momentum Beteiligungsgesellschaft mbH, Munich, in accordance with Section 22 (1) Sentence 1 No. 1 of the Securities Trading Act. The voting rights attributable to momentum Beteiligungsgesellschaft mbH, Munich, are held by the following entity which is controlled by momentum Beteiligungsgesellschaft mbH, Munich, and whose share in the Company exceeds 3 percent:

- Ventus Venture Fund GmbH & Co. Beteiligungs KG.

➤ The share of voting rights held by Mr. Jan Klatten, Germany, in the Company exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent and reached the threshold of 20 percent on September 26, 2008, thereupon standing at 21.83 percent as of that date. Of these, 21.83 percent of the voting rights are attributable to Jan Klatten in accordance with Section 22 (1) Sentence 1 No. 1 of the Securities Trading Act. The voting rights attributable to Mr. Klatten are held by the following entities which he controls and whose share of the voting rights in the Company exceeds 3 percent:

- Ventus Venture Fund GmbH & Co. Beteiligungs KG,

- momentum Beteiligungsgesellschaft mbH.

➤ The share of voting rights held by BlackRock Investment Management (UK) Limited in London, UK, in the Company dropped below the threshold of 3 percent on October 27, 2008, thereupon standing at 2.91 percent. Of these, 2.91 percent are attributable to BlackRock Investment Management (UK) Limited in accordance with Section 22 (1) Sentence 1 No. 6 of the Securities Trading Act.

➤ The share of voting rights held by BlackRock Group Limited, London, UK, in the Company dropped below the threshold of 3 percent on October 27, 2008, thereupon standing at 2.92 percent. Of these, 2.92 percent are attributable to BlackRock Group Limited in accordance with Section 22 (1) Sentence 1 No. 6 in connection with Sentence 2 of the Securities Trading Act.

➤ The share of voting rights held by BlackRock International Holdings, Inc, New York, United States, in the Company dropped below the threshold of 3 percent on October 27, 2008, thereupon standing at 2.92 percent. Of these, 2.92 percent are attributable to BlackRock International Holdings, Inc, in accordance with Section 22 (1) Sentence 1 No. 6 in connection with Sentence 2 of the Securities Trading Act.

➤ The share of voting rights held by BlackRock Advisors Holdings, Inc, New York, United States, in the Company dropped below the threshold of 3 percent on October 27, 2008, thereupon standing at 2.95 percent. Of these, 2.95 percent are attributable to BlackRock Advisors Holdings, Inc, in accordance with Section 22 (1) Sentence 1 No. 6 in connection with Sentence 2 of the Securities Trading Act.

➤ The share of voting rights held by BlackRock Financial Management, Inc, New York, United States, in the Company dropped below the threshold of 3 percent on October 27, 2008, thereupon standing at 2.95 percent. Of these, 2.95 percent are attributable to BlackRock Financial Management, Inc, in accordance with Section 22 (1) Sentence 1 No. 6 in connection with Sentence 2 of the Securities Trading Act.

➤ The share of voting rights held by BlackRock Holdco 2, Inc, New York, United States, in the Company dropped below the threshold of 3 percent on October 27, 2008, thereupon standing at 2.95 percent. Of these, 2.95 percent are attributable to BlackRock Holdco 2, Inc, in accordance with Section 22 (1) Sentence 1 No. 6 in connection with Sentence 2 of the Securities Trading Act.

➤ The share of voting rights held by BlackRock, Inc, New York, United States, in the Company dropped below the threshold of 3 percent on October 27, 2008, thereupon standing at 2.95 percent of the voting rights. Of these, 2.95 percent are attributable to BlackRock, Inc, in accordance with Section 22 (1) Sentence 1 No. 6 in connection with Sentence 2 of the Securities Trading Act.

➤ It was also announced that on November 5, 2008 the Company had been informed of a correction to the notification of the change in voting rights published by Nordex AG on May 27, 2008. This notification had stated that the share of voting rights held by BlackRock Holdco 1, LLC, New York, United States, in the Company had exceeded the threshold of 3 percent on May 21, 2008, thereupon standing at 3.26 percent of the voting rights as of that date. This notification was not correct. BlackRock Holdco 1, LLC, New York, United States, had been dissolved effective March 28, 2008.

#### **(6) Provisions**

Other provisions primarily comprise personnel provisions (EUR 1.731 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 0.386 million) and provisions for interest arising from the external tax audit (EUR 0.219 million).

#### **(7) Liabilities**

The liabilities reported as of December 31, 2008 are due for settlement in less than one year.

### Cash and guarantee facilities

On May 7, 2008, the Nordex Group was granted a syndicated multicurrency credit facility of EUR 500 million. Of this, a sum of EUR 425 million is available for covering existing and future guarantee obligations. A sum of EUR 75 million may be used for financing working capital and also for issuing guarantees. Nordex AG is jointly and severally liable for utilization of the credit facility by Group companies.

The facility has a term of 4 years plus a renewal option for a further year. This option may be exercised by the Company after the conclusion of the first year. Similarly, it provides for an option for the facility to be increased by a maximum further amount of EUR 300 million, of which a maximum of EUR 42.5 million may be used for cash drawings. All creditor banks will be invited to participate on a pro-rata basis; the creditor banks have no obligation to renew or increase the facility.

The syndicated credit facility is secured by the patents, industrial property rights and brand names held by the Group. In addition, it is subject to non-financial and financial covenants such as leverage, interest rate cover and net equity. The banks may only terminate the guarantee and cash facilities for good cause, which includes the breach of the financial covenants.

The ratio of total net debt to consolidated EBITDA equals the Group's leverage, which in turn determines the applicable margin for guarantee and cash loans. Changes in leverage result in quarterly adjustments to the margin, which can be between 0.50 and 1.00 percent for guarantee loans. Cash drawings are subject to LIBOR or EURIBOR plus a margin of 0.75 to 1.25 percent.

As of December 31, 2008, the Group had unutilized guarantee facilities of EUR 243.426 million and free cash facilities of EUR 69.734 million (December 31, 2007: cash and guarantee facilities of EUR 37.582 million).

### Commitments under Group guarantees and other financial obligations

The Nordex Group has contingent liabilities of EUR 3,128.467 million (December 31, 2007: EUR 2,498.286 million) arising from the provision of collateral in favor of third parties for consolidated and non-consolidated related companies.

The contingent liabilities primarily relate to guarantees issued to customers as well as letter of comfort. 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 1.541 million (previous year: EUR 0.955 million) and break down by year as follows:

Fiscal year as of Dec. 31, 2008 (Dec. 31, 2007)	2009 EUR 000s (previous year)	2010-2013 EUR 000s (previous year)	After 2013 EUR 000s (previous year)	Total EUR 000s (previous year)
<b>Other financial obligations</b>	789 (339)	752 (616)	0 (0)	1.541 (955)

### IV. Notes on the income statement

#### (1) Sales

Sales (EUR 34.616 million) chiefly comprise group transfer payments received for services (EUR 26.512 million) as well as commission on contract performance bonds issued for Group companies (EUR 7.997 million).

#### (2) Other operating income

Other operating income (EUR 7.659 million) primarily results from transfer costs between affiliated companies (EUR 2.204 million) and income from currency translation (EUR 5.234 million). The income from currency translation is offset by currency translation losses of EUR 7.025 million reported within other operating expenses.

#### (3) Personnel costs

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

Fiscal year	Average	Balance sheet date
<b>2008</b>	131	158
<b>2007</b>	80	95

**(4) Depreciation**

Reference should be made to the statement of changes in assets for details of depreciation expense.

**(5) Other operating expenses**

This primarily includes legal and consulting expenses of EUR 9.233 million, currency translation losses of EUR 7.025 million, insurance costs of EUR 0.600 million, rental and lease payments of EUR 1.239 million, advertising expenses of EUR 3.040 million and IT costs of EUR 3.247 million.

**(6) Income from profit transfer agreements**

Income from profit transfer agreements refers to the profit transferred by Nordex Grundstücksverwaltung GmbH (EUR 1.886 million) pursuant to the profit transfer agreement in force with that company.

**(7) Expenditure on loss absorption**

Expenditure on loss absorption in 2008 referred to the loss absorbed from Nordex Grundstücksverwaltung GmbH (EUR 0.058 million) and Nordex Windpark Beteiligung GmbH (EUR 0.101 million) in accordance with the applicable profit transfer agreements.

**(8) Other interest and similar income**

In the year under review, other interest and similar income primarily comprises interest income on bank balances and interest income of EUR 2.859 million and interest income of EUR 8.479 million from affiliated companies.

**(9) Interest and similar expenses**

Interest expense primarily comprises the interest expense of affiliated companies (EUR 0.838 million) and guarantee commission (EUR 0.779 million).

**(10) Additions to retained earnings**

Reference should be made to the notes on shareholders' equity.

**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 2008 and made available to the shareholders.

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

During 2008 and as of the date on which the financial statements for 2008 were prepared, the Supervisory Board comprised the following members:

**Yves Schmitt**, Berlin, Chairman of the Supervisory Board, chairman of the Management Committee, member of the Audit Committee (until February 27, 2009)

Managing shareholder of Schmitt Vermögensverwaltungs- und Beteiligungs GmbH

**Uwe Lüders**, Chairman of the Supervisory Board, chairman of the Management Committee, member of the Audit Committee (since February 24, 2009)

CEO of L. Possehl & Co. mbH, Lübeck,

Member of the supervisory board of Drägerwerk AG & Co. KGaA

Member of the supervisory board of Drägerwerk Verwaltungs AG

**Jens-Peter Schmitt**, Haan, (Deputy Chairman of the Supervisory Board, member of the Management Committee and of the Audit Committee) (until August 31, 2008)

Attorney

**Dr.-Ing. Hans W. Fechner**, Düsseldorf, member of the Strategy and Technology Committee (until November 28, 2008) (until February 23, 2009)

Spokesman of the Management Board of G. Siempelkamp GmbH & Co. KG

Spokesman of the management of Siempelkamp Maschinen- und

Anlagenbau GmbH & Co. KG

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 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**, Munich (Deputy Chairman of the Supervisory Board, member of the Strategy and Technology Committee (since September 1, 2008))

Managing shareholder of momentum Beteiligungsgesellschaft mbH

Chairman of the supervisory board of asturia Automotive AG

**Martin Rey**, Weßling, chairman of the Audit Committee and member of the Management Committee)

Managing director of Babcock & Brown GmbH

Member of the board of BRISA Auto-Estradas de Portugal, S.A.

Member of the supervisory board of ZAAB Energy AG

Chairman of the Supervisory Board of Renenco AG\*

Member of the board of Babcock & Brown European Investments S.a.r.l, Luxembourg\*

Member of the board of Babcock & Brown Z Portfolio S.a.r., Luxembourg\*

\* Associated companies of Babcock & Brown GmbH

**Dr.-Ing. Hans Seifert**, Krailling, member of the Strategy and Technology Committee (until February 27, 2009)

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)

**Kai H. Brandes**, Berlin, member of the Audit Committee

Managing shareholder of CMP Capital Management-Partners GmbH

(since September 5, 2008)

Member of the board of Stichting Administratiekantoor GS NDX Investment Trust

**Dr. Wolfgang Ziebart**, Starnberg (since February 28, 2009), Engineer

Member of the supervisory board of Autoliv Inc., Stockholm

**Dr. Dieter G. Maier**, Reutlingen (since February 28, 2009), Physicist

## Management Board

**Thomas Richterich**, Hamburg (CEO)

**Carsten Risvig Pedersen**, Brande (COO Sales and Marketing)

**Dr. Hansjörg Müller**, Hamburg (COO Operations), until August 4, 2008

**Ulric Bernard Schäferbarthold**, Köln (CFO)

**Dr. Eberhard Voß**, Jönstorf (CTO), since March 12, 2008

**Dr. Marc Sielemann**, Krakau, (COO Operations), as of April 1, 2009

On February 17, 2009, the Supervisory Board passed a resolution to appoint Dr. Marc Sielemann as a deputy member of the Company's Management Board (subject to the condition precedent of his accepting this office by no later than July 1, 2009) for a period commencing with the discharge of this condition precedent and expiring on December 31, 2012. Dr. Sielemann will be taking office on April 1, 2009.

### THE MEMBERS OF THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD HELD THE FOLLOWING SHARES IN THE COMPANY AS OF DECEMBER 31, 2008:

Name	Position	Shares
<b>Carsten Risvig Pedersen</b>	COO Sales and Marketing	30,463 directly and a further 2,565,451 shares via a 50 percent holding in CJ Holding ApS*
<b>Thomas Richterich</b>	Chief Executive Officer	206,143 via a dormant sub-interest in the holdings of CMP-Fonds I GmbH and 20,000 directly
<b>Yves Schmitt</b>	Chairman of the Supervisory Board (until February 27, 2009)	8,000 directly (including 3,000 via related parties) and further shares indirectly via an interest in CMP-Fonds I GmbH
<b>Jan Klatten</b>	Supervisory Board	14,652,052 directly via a share in momentum capital Vermögens-verwaltungsgesellschaft mbH and Ventus Venture Fund GmbH & Co. Beteiligungs KG
<b>Kai H. Brandes</b>	Supervisory Board	2,000 directly via a share in Brandes Capital GmbH and further shares indirectly via a share in CMP-Fonds 1 GmbH
<b>Dr. Hans Seifert</b>	Supervisory Board (until February 27, 2009)	50,000 directly

\* CJ Holding ApS is the parent company of Nordvest A/S.

524,080 stock options have been granted to members of the Management Board.

In addition, Thomas Richterich is entitled to a portion of the proceeds from any sale of the shares held in the Company by CMP Capital Management Partners and Goldman Sachs (excess profit participation). Amounts were paid under profit participation arrangements in connection with the sale of shares to Skion GmbH in 2008.



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

	Fiscal Year 2008 EUR	Fiscal Year 2007 EUR
Supervisory Board	106,491	118,785
Management Board	1,988,494	1,687,610

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

The shareholders passed a resolution at the annual general meeting 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](http://www.nordex-online.com/online-service)). This amount equals EUR 15,000 per year for each member of the Supervisory Board. In addition, each member of the Supervisory Board receives variable compensation measured as follows on the basis of the ratio of EBIT adjusted for tax and net financial result to consolidated sales (EBIT margin) for the year in question:

EBIT margin	Amount of variable compensation in EUR
≥ 5%	5,000.00
≥ 7%	10,000.00
≥ 9%	15,000.00

The EBIT margin is calculated on the basis of EBIT and revenues as stated in the audited financial statements for the year in question. Variable compensation is due for payment at the end of the annual general meeting at which a resolution to accept and approve the annual financial statements for the year in question is passed.

The chairman of the Supervisory Board receives twice and his deputy one-and-a-half times the sum total of the fixed and variable compensation.

Where applicable, value added tax is paid on the reimbursement of expenses in accordance with Section 17 Articles 1 through 3. The Company pays the premium on liability insurance (D&O insurance) if such cover also includes the members of the Supervisory Board.

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

Pension provisions of EUR 0.128 million (previous year: EUR 0.121 million) had been set aside as of December 31, 2008 to cover entitlement vesting to two former members of the Management Board.

#### (6) Auditor's fee

The fees payable to the auditors in 2008 came to EUR 0.071 million (previous year EUR 0.086 million) for auditing the financial statements and EUR 17 million (previous year EUR 0.00 million) for other services.

#### (7) Auditor's fee

Transfer of the net profit for 2008 of EUR 1,731,183.14 net of the loss carried forward from the previous year to other retained earnings in accordance with Article 23 of Nordex AG's Articles of Incorporation.

#### (8) Currency forwards

As of the balance sheet date, the USD/EUR exchange rate risk was hedged by means of three forward transactions and the PLN/EUR exchange rate risk by means of one forward transaction. With the purchase of EUR against USD, the value in USD as of the date of the forward transaction stood at USD 9.000 million and the value in EUR at EUR 6.416 million. As of the balance sheet date, the value in EUR stood at EUR 6.472 million. An amount of EUR 0.056 million equaling the difference has been included in the other provisions. With the purchase of EUR against PLN, the value in PLN as of the date of the forward transaction stood at PLN 0.950 million and the value in EUR at EUR 0.229 million. As of the balance sheet date, the value in EUR stood at EUR 0.227 million. Derivatives are marked to the market.

Rostock, March 2009



T. Richterich  
Chief Executive Officer



C. Pedersen  
Management Board



E. Voß  
Management Board



B. Schäferbarthold  
Management Board



STATEMENT OF ASSET MOVEMENTS  
FOR FISCAL YEAR 2008

	COSTS OF ACQUISITIONS AND PRODUCTION				DEPRECIATION				CARRYING VALUE	
	Initial inventory Jan. 01, 2008 EUR	Additions EUR	Disposals EUR	Closing inventory Dec. 31, 2008 EUR	Initial inventory Jan. 01, 2008 EUR	Additions EUR	Disposals EUR	Closing inventory Dec. 31, 2008 EUR	Carrying value Dec. 31, 2008 EUR	Carrying value Dec. 31, 2007 EUR
<b>Intangible assets</b>										
Concessions, industrial property rights and similar rights and assets	4,007,905.05	6,049,654.40	1,480,676.50	8,576,882.95	807,410.65	1,113,210.89	30,847.43	1,889,774.11	6,687,108.84	3,200,494.40
	<b>4,007,905.05</b>	<b>6,049,654.40</b>	<b>1,480,676.50</b>	<b>8,576,882.95</b>	<b>807,410.65</b>	<b>1,113,210.89</b>	<b>30,847.43</b>	<b>1,889,774.11</b>	<b>6,687,108.84</b>	<b>3,200,494.40</b>
<b>Property, plant and equipment</b>										
Other equipment, operating and business equipment	3,197,495.66	2,357,636.32	23,085.63	5,532,046.35	1,566,921.90	1,018,702.14	22,712.30	2,562,911.74	2,969,134.61	1,630,573.76
	<b>3,197,495.66</b>	<b>2,357,636.32</b>	<b>23,085.63</b>	<b>5,532,046.35</b>	<b>1,566,921.90</b>	<b>1,018,702.14</b>	<b>22,712.30</b>	<b>2,562,911.74</b>	<b>2,969,134.61</b>	<b>1,630,573.76</b>
<b>Financial assets</b>										
Shares in affiliated companies	38,405,106.08	7,350,000.00	0.00	45,755,106.08	5,923,177.07	0.00	0.00	5,923,177.07	39,831,929.01	32,481,929.01
	<b>38,405,106.08</b>	<b>7,350,000.00</b>	<b>0.00</b>	<b>45,755,106.08</b>	<b>5,923,177.07</b>	<b>0.00</b>	<b>0.00</b>	<b>5,923,177.07</b>	<b>39,831,929.01</b>	<b>32,481,929.01</b>
	<b>45,610,506.79</b>	<b>15,757,290.72</b>	<b>1,503,762.13</b>	<b>59,864,035.38</b>	<b>8,297,509.62</b>	<b>2,131,913.03</b>	<b>53,559.73</b>	<b>10,375,862.92</b>	<b>49,488,172.46</b>	<b>37,312,997.17</b>

## LIST OF SHAREHOLDINGS AS OF DECEMBER 31, 2008

	Currency	Share in capital (%)	Net profit/loss Jan. 1 - Dec. 31, 2008	Equity 31.12.2008	Share held via
<b>Consolidated affiliated companies (in accordance with certified financial statements)</b>					
Nordex Aktiengesellschaft, Rostock (Konzernobergesellschaft)*	EUR	–	7,124,252.90	224,586,049.14	–
Nordex Energy B.V., Rotterdam, Netherlands	EUR	100	1,119,761.35	5,225,163.19	Nordex Aktiengesellschaft
Nordex Grundstücksverwaltung GmbH, Norderstedt, Germany*	EUR	100	0.00	52,000.00	Nordex Aktiengesellschaft
Nordex Energy GmbH, Norderstedt, Germany*	EUR	100	0.00	6,254,049.08	Nordex Aktiengesellschaft
Nordex Windpark Beteiligung GmbH, Norderstedt, Germany*	EUR	100	0.00	74,825.12	Nordex Aktiengesellschaft
Nordex UK Limited, Didsbury, United Kingdom	EUR	100	5,781,896.51	5,325,252.25	Nordex Energy B.V
Nordex USA Inc., Chicago, USA	EUR	100	–1,416,129.73	1,663,524.47	Nordex Energy B.V
Nordex France S.A.S., La Plaine Saint-Denis, France	EUR	100	–5,575,267.71	–863,314.92	Nordex Energy B.V
Nordex Energy Ibérica S.A., Barcelona, Spain	EUR	100	2,831,887.54	3,426,128.97	Nordex Energy B.V
Nordex Italia Srl., Rom, Italy	EUR	100	832,621.49	1,439,052.25	Nordex Energy B.V
Nordex Sverige AB, Uppsala, Sweden****	EUR	100	–31,579.83	402,463.02	Nordex Energy B.V
Nordex Polska Sp. z o.o., Danzig, Poland*****	EUR	100	–216,434.90	–148,067.45	Nordex Energy B.V. / Nordex Energy GmbH
Nordex Hellas Monoprosopi EPE, Athen, Greece	EUR	100	273,250.25	795,194.09	Nordex Energy GmbH
Nordex (Beijing) Wind Power Engineering & Technology Co. Ltd., Peking, China****	EUR	100	–220,877.71	1,048,805.16	Nordex Energy GmbH
Nordex (Baoding) Wind Power Co.Ltd., Baoding, China	EUR	100	–2,811,742.94	–2,507,565.58	Nordex Energy GmbH
Nordex (Yinchuan) Wind Power Equipment Manufacturing Co.Ltd., Ningxia, China	EUR	50	2,557,272.98	6,991,605.92	Nordex Energy GmbH
Nordex (Dongying) Wind Power Equipment Manufacturing Co.Ltd., Dongying, China	EUR	100	9,305,698.54	11,485,527.95	Nordex Energy GmbH
<b>Non-consolidated affiliated companies (in accordance with certified financial statements)</b>					
Nordex Windpark Verwaltung GmbH, Norderstedt, Germany	EUR	100	–3,627.30	11,914.94	Nordex Aktiengesellschaft
natcon7 GmbH, Norderstedt, Germany**	EUR	75	521,307.23	810,618.74	Nordex Aktiengesellschaft
Esquennois Energie EURL***	EUR	100	–24,658.47	12,518.50	Nordex Windpark Beteiligung GmbH
Parc Éolien d'Auneau, S.A.S., Paris, France***	EUR	100	–18,011.40	–13,070.99	Nordex Windpark Beteiligung GmbH
Parc Éolien Harbonnieres/Framerville-Rainecourt, S.A.S., Paris, France***	EUR	100	–3,005.81	20,391.96	Nordex Windpark Beteiligung GmbH
Parc Éolien des Caulières Eplessier Lamaronde S.A.S., Paris, France***	EUR	100	–3,207.50	19,684.69	Nordex Windpark Beteiligung GmbH
Parc Éolien de Dehlingen, S.A.S., Paris, France***	EUR	100	–7,900.41	22,811.93	Nordex Windpark Beteiligung GmbH
Parc Éolien du Fouy, S.A.S., Paris, France***	EUR	100	–39,892.45	–40,539.20	Nordex Windpark Beteiligung GmbH
Parc Éolien des Crêtes, S.A.S., Paris, France***	EUR	100	29,663.02	32,205.42	Nordex Windpark Beteiligung GmbH
Parc Éolien des Joyeuses, S.A.S., Paris, France***	EUR	100	–41,393.54	–39,203.84	Nordex Windpark Beteiligung GmbH
Parc Éolien des Barbes d'Or, S.A.S., Paris, France***	EUR	100	–68,250.02	–67,195.45	Nordex Windpark Beteiligung GmbH
Parc Éolien du Chemin de Serrouville, S.A.S., Paris, France***	EUR	100	–2,543.30	28,246.80	Nordex Windpark Beteiligung GmbH
Parc Éolien de Mazeray et de Bignay, S.A.S., Paris, France***	EUR	100	–2,731.39	28,195.03	Nordex Windpark Beteiligung GmbH
Parc Éolien des Mistandines, S.A.S., Paris, France***	EUR	100	–5,774.69	24,373.17	Nordex Windpark Beteiligung GmbH
Parc Éolien des Croquettes, S.A.S., Paris, France***	EUR	100	–5,482.54	24,895.00	Nordex Windpark Beteiligung GmbH
Parc Éolien de l'Alizier, S.A.S., Paris, France***	EUR	100	–2,629.88	28,089.11	Nordex Windpark Beteiligung GmbH
Parc Éolien de la Chaussée de César Nord, S.A.S., Paris, France***	EUR	100	–2,543.88	28,196.73	Nordex Windpark Beteiligung GmbH
Parc Éolien Affluent de la Chaussée Brunhaut S.A.S, Paris, France***	EUR	100	–678.05	33,065.34	Nordex Windpark Beteiligung GmbH
Parc Éolien de Fillières S.A.S, Paris, France***	EUR	100	–1,889.33	32,027.43	Nordex Windpark Beteiligung GmbH
Parc Éolien des Hauts de Sarre S.A.S, Paris, France***	EUR	100	–2,169.15	31,604.33	Nordex Windpark Beteiligung GmbH
Parc Éolien de la Côte de Repy S.A.S, Paris, France***	EUR	100	–9,916.75	23,736.81	Nordex Windpark Beteiligung GmbH
Parc Éolien de Laborde S.A.S, Paris, France***	EUR	100	–309.08	33,269.21	Nordex Windpark Beteiligung GmbH
Parc Éolien de Landelles S.A.S, Paris, France***	EUR	100	–1,809.63	31,800.53	Nordex Windpark Beteiligung GmbH
Parc Éolien de l'Artois S.A.S, Paris, France***	EUR	100	–309.24	33,157.90	Nordex Windpark Beteiligung GmbH
Parc Éolien de Marage-Zondrange S.A.S, Paris, France***	EUR	100	–820.18	32,682.60	Nordex Windpark Beteiligung GmbH
Parc Éolien de Point de Vue S.A.S, Paris, France***	EUR	100	–309.24	33,361.80	Nordex Windpark Beteiligung GmbH
Parc Éolien de Rimling-Erching S.A.S, Paris, France***	EUR	100	–309.24	33,551.19	Nordex Windpark Beteiligung GmbH
Parc Éolien de Grivaudines S.A.S, Paris, France***	EUR	100	–1,808.75	32,118.96	Nordex Windpark Beteiligung GmbH
Parc Éolien des Pelures Blanches S.A.S, Paris, France***	EUR	100	–309.08	33,614.10	Nordex Windpark Beteiligung GmbH

## LIST OF SHAREHOLDINGS AS OF DECEMBER 31, 2008

	Currency	Share in capital (%)	Net profit/loss Jan. 1 - Dec. 31, 2008	Equity 31.12.2008	Share held via
Parc Éolien du Bois Maurepas S.A.S. Paris, France***	EUR	100	-941.21	32,427.38	Nordex Windpark Beteiligung GmbH
Parc Éolien d'Oberdorff S.A.S. Paris, France***	EUR	100	-1,808.75	32,118.66	Nordex Windpark Beteiligung GmbH
Parc Éolien de Campagne S.A.S. Paris, France***	EUR	100	-309.24	33,613.94	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex I S.A.S., Paris, France***	EUR	100	-2,706.46	34,186.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex II S.A.S., Paris, France***	EUR	100	-2,706.46	34,186.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex III S.A.S., Paris, France***	EUR	100	-2,706.46	34,186.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex IV S.A.S., Paris, France***	EUR	100	-2,706.46	34,186.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex V S.A.S., Paris, France***	EUR	100	-2,706.46	34,186.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex VI S.A.S., Paris, France***	EUR	100	-2,616.46	34,276.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex VII S.A.S., Paris, France***	EUR	100	-2,616.46	34,276.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex VIII S.A.S., Paris, France***	EUR	100	-2,031.08	34,861.49	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex IX S.A.S., Paris, France***	EUR	100	-2,616.46	34,276.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex X S.A.S., Paris, France***	EUR	100	-2,616.46	34,276.11	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XI S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XII S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XIII S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XIV S.A.S., Paris, France***	EUR	100	-2,564.10	34,435.90	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XV S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XVI S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XVII S.A.S., Paris, France***	EUR	100	-2,568.33	34,431.67	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XVIII S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XIX S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XX S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXI S.A.S., Paris, France***	EUR	100	-2,564.10	34,435.90	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXII S.A.S., Paris, France***	EUR	100	-2,564.10	34,435.90	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXIII S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXIV S.A.S., Paris, France***	EUR	100	-2,564.10	34,435.90	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXV S.A.S., Paris, France***	EUR	100	-2,568.33	34,431.67	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXVI S.A.S., Paris, France***	EUR	100	-2,568.33	34,431.67	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXVII S.A.S., Paris, France***	EUR	100	-2,568.33	34,431.67	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXVIII S.A.S., Paris, France***	EUR	100	-2,564.10	34,435.90	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXIX S.A.S., Paris, France***	EUR	100	-2,572.56	34,427.44	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXX S.A.S., Paris, France***	EUR	100	-2,564.10	34,435.90	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXI S.A.S., Paris, France***	EUR	100	-2,350.69	34,649.31	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXII S.A.S., Paris, France***	EUR	100	-2,350.69	34,674.31	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXIII S.A.S., Paris, France***	EUR	100	-2,352.54	34,647.46	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXIV S.A.S., Paris, France***	EUR	100	-2,373.10	34,626.90	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXV S.A.S., Paris, France***	EUR	100	-2,350.69	34,649.31	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXVI S.A.S., Paris, France***	EUR	100	-2,350.69	34,649.31	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXVII S.A.S., Paris, France***	EUR	100	-2,350.69	34,649.31	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXVIII S.A.S., Paris, France***	EUR	100	-2,352.54	34,647.46	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XXXIX S.A.S., Paris, France***	EUR	100	-2,350.69	34,649.31	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XL S.A.S., Paris, France***	EUR	100	-2,338.19	34,661.81	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XLI S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XLII S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XLIII S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XLIV S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XLV S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
Parc Éolien Nordex XLVI S.A.S., Paris, France***	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH

**LIST OF SHAREHOLDINGS AS OF DECEMBER 31, 2008**

	Currency	Share in capital (%)	Net profit/loss Jan. 1 - Dec. 31. 2008	Equity 31.12.2008	Share held via
<b>Parc Éolien Nordex XLVII S.A.S., Paris, France***</b>	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
<b>Parc Éolien Nordex XLVIII S.A.S., Paris, France***</b>	EUR	100	-2,325.69	34,674.31	Nordex Windpark Beteiligung GmbH
<b>Parc Éolien Nordex XLIX S.A.S., Paris, France***</b>	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
<b>Parc Éolien Nordex L S.A.S., Paris, France***</b>	EUR	100	-2,313.19	34,686.81	Nordex Windpark Beteiligung GmbH
<b>NPV Dritte Windpark GmbH &amp; Co. KG, Norderstedt, Germany</b>	EUR	100	-183.46	45,856.18	Nordex Grundstücksverwaltung GmbH
<b>Sechste Windpark Support GmbH &amp; Co. KG, Osnabrück, Germany</b>	EUR	100	0.00	-1,924.54	Nordex Grundstücksverwaltung GmbH
<b>Qingdao Huawei Wind Power Co. Ltd., Qingdao, China**</b>	EUR	67	-115,517.41	4,106.351.42	Nordex Energy GmbH
<b>Associates (not consolidated) (in accordance with certified financial statements)</b>					
<b>Atria Grundstücksverwaltungsgesellschaft GmbH &amp; Co. Objekt Rostock KG (limited partner share)***</b>	EUR	94	-872.83	-253,216.77	Nordex Energy GmbH
<b>Xi'an Nordex Wind Turbine Co. Ltd., Xi'an, China**</b>	EUR	40	-132,584.30	696,124.55	Nordex Energy GmbH
<b>Catalana D'Energies Renovables, S. L., Reus, Spain***</b>	EUR	33	-257.00	10,133.00	Nordex Energy Ibérica S.A.
<b>Société d'Énergie Éolienne de Cambon S.E.E.C. Sarl, La Martyre, France***</b>	EUR	100	-3,142.84	-5,951.97	Nordex France S.A.S.
<b>Parc d'Énergie de Conlie P.E.C., Sarl, La Martyre, France ***</b>	EUR	50	-44.10	1,014.87	Nordex France S.A.S.
<b>Société Éolienne de Rouesse-Vasse S.E.R.V Sarl, Rouesse Vasse, France***</b>	EUR	50	-37.80	-1,484.84	Nordex France S.A.S.
<b>Société Bretonne d'Énergie d'Armorique SBEA Sarl, Pleyber Christ, France***</b>	EUR	100	-29,628.40	-54,517.14	Nordex France S.A.S.
<b>Parc Eolien des Vents de la Thierache Sarl, Paris, France****</b>	EUR	100	-721.37	278.63	Nordex France S.A.S.
<b>K/S Whitewater Wind Power Invest I, Komplementarselskabet Whitewater Invest I ApS**</b>	EUR	33	-101,700.21	144,283.82	Nordex Energy GmbH
<b>K/S Whitewater Wind Power Invest VII, Komplementarselskabet Whitewater Invest VII ApS**</b>	EUR	11	-131,599.66	129,294.42	Nordex Energy GmbH
<b>K/S Whitewater Wind Power Invest VIII, Komplementarselskabet Whitewater Invest VIII ApS**</b>	EUR	11	-75,603.97	-39,062.63	Nordex Energy GmbH

\*) Profit transfer agreement; equity and net profit/loss after transfer of profit/loss in accordance with local regulations

\*\*) Annual financial statements as of Dec. 31, 2007 (financial year from Jan. 1, 2007 to Dec. 31, 2007)

\*\*\*) Preliminary financial statements as of December 31, 2008

\*\*\*\*) Incorporated in 2008

\*\*\*\*\*) Acquired in 2008

## AUDITOR'S REPORT

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report, which is combined with the group management report of the Nordex Aktiengesellschaft, Rostock, for the business year from January 1 to December 31, 2008. The maintenance of the books and records and the preparation of the annual financial statements and the combined management report in accordance with German commercial law and supplementary provisions of the articles of incorporation are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and the combined management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § (Article) 317 HGB („Handelsgesetzbuch“: „German Commercial Code“) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company

and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the annual financial statements and combined 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 findings of our audit, the annual financial statements comply with the legal requirements and supplementary provisions of the articles of incorporation and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The combined management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Hamburg, April 2, 2009

PricewaterhouseCoopers Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

  
Niklas Wilke  
German Public Auditor

  
ppa. Joachim Jedner  
German Public Auditor



## RESPONSIBILITY STATEMENT IN ACCORDANCE WITH SECTIONS 264 (2) 3 AND 289 (1) 5 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 Company, and the management report of the Company includes a fair review of the development and performance of the business and

the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Rostock, March 2009

  
T. Richterich  
Chief Executive Officer

  
C. Pedersen  
Management Board

  
E. Voß  
Management Board

  
B. Schäferbarthold  
Management Board

## GLOSSARY



<b>Azimuth system</b>	Adjustment system to position the nacelle in the horizontal plane to ensure that the rotor is always exactly facing the direction from which the wind is coming.
<b>Capacity factor</b>	Theoretical number of hours per year in which a wind power system is able to operate at full load at a given location
<b>Cash flow</b>	Cash flow is a business parameter defining the net inflow of cash and cash equivalents from sales and other operating activities in a given period. It is used to assess a company's financial health.
<b>Certification</b>	Wind turbines are certified according to certain guidelines to ensure that they are constructed correctly and can be operated safely. In Germany, Germanische Lloyd (GL) and TÜV Nord are the certifying agents.
<b>Corporate governance</b>	The German corporate governance government commission devised a code in 2002 comprising nationally and internationally acknowledged standards for fair and responsible corporate governance. Under Section 161 of the German Stock Corporations Act, all listed companies are required to disclose a declaration of conformity.
<b>EBIT</b>	Earnings before interest and tax.
<b>Emission trade</b>	Trade in certificates permitting the emission of a certain quantity of a hazardous substances (in this case, carbon dioxide). One of the tools of climate policy combining government intervention and market instruments.

<b>Equity ratio</b>	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.
<b>Free float</b>	Refers to all the shares issued by a company which are freely traded in the market and not held by strategic or financial investors on a long-term basis.
<b>Full-load hours</b>	The yield of a turbine 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 characterizes the quality of wind-farm sites. These range from 1,800 (Germany) to 2,900 hours (UK).
<b>Generator</b>	The generator of a wind power system converts mechanical energy into electrical energy.
<b>Gross domestic product (GDP)</b>	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.
<b>GWEC</b>	Global Wind Energy Council
<b>Kilowatt</b>	Measures energy per time unit, expressed in watts. One kilowatt equals 1,000 watts.
<b>Margin contribution</b>	Value of an order minus costs of materials related to a project.
<b>Megawatt</b>	One megawatt equals 1,000 kilowatts



<b>Offshore turbines</b>	Turbines operated in coastal waters. Offshore turbines can make use of stronger and steadier wind conditions. On the downside, however, the bases and connections to the grid are more expensive.
<b>Onshore turbines</b>	Turbines located on the mainland.
<b>Partial frequency converter</b>	The converter transforms an alternating current into a direct current and back again. frequency In the case of a double-feed asynchronous system, it is also known as the partial frequency converter as only part of the output is fed to the converter.
<b>Pitch control</b>	Pitch-controlled turbines ensure that the rotor speed remains the same by allowing the pitch of the blades to be adjusted.
<b>POC</b>	Percentage of completion. The method stipulated by international accounting rules for recognizing revenues.
<b>PTC</b>	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.
<b>REA</b>	German Renewable Energies Act. In force since April 1, 2000, it governs the feeding-in of regenerative energy into the German electricity grid. It was extensively amended on January 1, 2009.
<b>Reservation fee</b>	Fees for providing production time windows for projects to be delivered.

<b>Rotor</b>	The rotor of a wind turbine comprises the blades and the hub. Nordex wind turbines always have three blades. The rotor is linked to the mains shaft.
<b>Stock options</b>	Options are derivative financial instruments which entitle the holder to buy or sell securities at a later date at a predefined price.
<b>Tax loss</b>	A tax loss is the total of all losses incurred in past fiscal years which it is not possible to net against profits. These losses can be carried forward to later fiscal years. In tax terms, this involves the intention to offset these losses against profits expected to arise in the future.
<b>TecDAX</b>	Deutsche Börse AG reorganized the German stock market in March 2003, introducing the TecDAX as the new index for the 30 largest technology stocks beneath the DAX 30.
<b>Transmission</b>	The transmission is located between the slow rotor shaft and the fast generator shaft. It ensures that the generator shaft revolves roughly 70 times more quickly than the rotor shaft.
<b>VDMA</b>	Verband Deutscher Maschinen- und Anlagenbau (German Association of Mechanical and Plant Engineering Companies).
<b>Wind farm</b>	Wind farms comprise several wind turbines operated in tandem.
<b>Working capital</b>	The customer's capital used during the realization phase of an order.

## MANAGEMENT BODIES/ CALENDAR OF EVENTS

### THE MEMBERS OF THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD HELD THE FOLLOWING SHARES AND STOCK OPTIONS IN THE COMPANY AS OF DECEMBER 31, 2008:

Name	Position	Shares
<b>Carsten Risvig Pedersen</b>	COO Sales and Marketing	30,463 directly and a further 2,565,451 shares via a 50 percent holding in CJ Holding ApS*
<b>Thomas Richterich</b>	Chief Executive Officer	206,143 via a dormant sub-interest in the holdings of CMP-Fonds I GmbH and 20,000
<b>Yves Schmitt</b>	Chairman of the Supervisory Board (until February 27, 2009)	8,000 directly (including 3,000 via related parties) and further shares indirectly via an interest in CMP-Fonds I GmbH
<b>Jan Klatten</b>	Supervisory Board	14,652,052 directly via a share in momentum capital Vermögens-verwaltungsgesellschaft mbH and Ventus Venture Fund GmbH & Co. Beteiligungs KG
<b>Kai H. Brandes</b>	Supervisory Board	2,000 directly via a share in Brandes Capital GmbH and further shares indirectly via a share in CMP-Fonds 1 GmbH
<b>Dr. Hans Seifert</b>	Supervisory Board (until February 27, 2009)	50,000 directly

\* CJ Holding ApS is the parent company of Nordvest A/S.

Thomas Richterich (CEO) holds 206,143 shares via a dormant sub-participation (with no voting or selling rights) in the financial investors and is thus exposed to the stock. Carsten Pedersen (COO Sales and Marketing) holds 30,463 shares directly and 2,562,551 million shares indirectly via his 50 percent stake in CJ Holding ApS\*.

In addition, Thomas Richterich is 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). The CEO received corresponding prorated income in connection with the sale of a package of shares by the financial investors.

Nordex AG has established a stock option program. On September 30, 2008, the Management Board accepted a total of 524,080 stock options. The general period for acceptance by all Nordex Group employees expired on October 31, 2008. The related expense was recognized for the first time as of October 1, 2008.

### CALENDER OF EVENTS

Date	Description
<b>April 21, 2009</b>	Press and analyst conference for 2008
<b>May 22, 2009</b>	Report on the first quarter of 2009 with telephone conference
<b>May 26, 2009</b>	Annual General Meeting in Rostock
<b>August 25, 2009</b>	Report on the first half of 2009 with telephone conference
<b>November 24, 2009</b>	Report on the third quarter of 2009

### Production credits

Nordex AG

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