

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
Turbines	1,200 → ~ 2,500	250 → ~ 800	0 → ~ 800	1,450 → > 4,000
Rotor blades	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).