



# Analyst Call Fiscal 2010 and Outlook



Frankfurt,  
March 28th, 2011



- Revenues in line with management forecast, strong order intake development
- EBIT margin increased from 3.5% to 4.0%
- Operating cash flow more than doubled from EUR 9.6 mn to EUR 20.3 mn
  - Improvement due mainly to reduced working capital outflow
- Balance sheet
  - Net cash position EUR 24 mn, gross liquidity EUR 141 mn
  - Equity ratio almost stable at 38% (2009: 41%)

# Income statement 2010

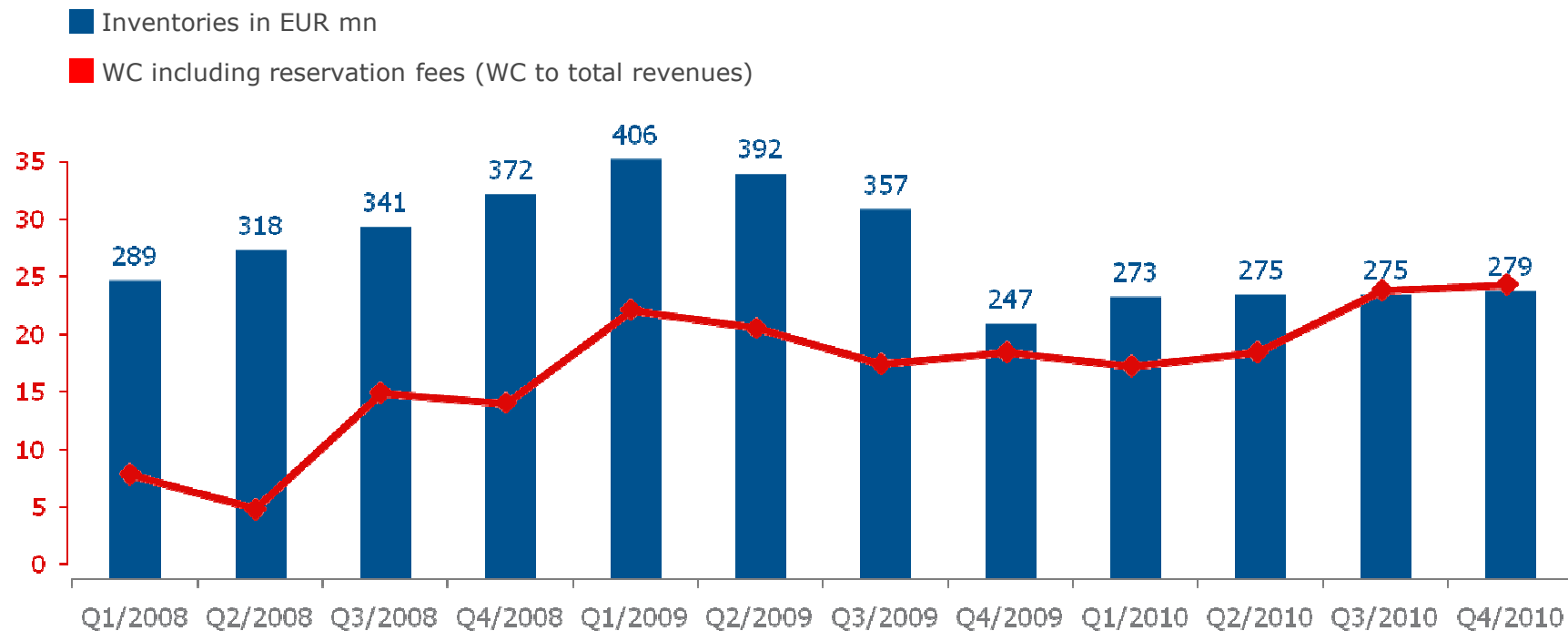


## In EUR mn

	Q4/10	Q4/09	2010	2009	YoY Δ in %
Sales	357.9	368.8	972.0	1,182.8	(17.8)
<b>Total revenues</b>	<b>373.5</b>	<b>341.5</b>	<b>1,007.9</b>	<b>1,144.2</b>	<b>(11.9)</b>
Cost of materials	(283.2)	(260.4)	(748.2)	(883.7)	(15.3)
<b>Gross profit</b>	<b>90.3</b>	<b>81.1</b>	<b>259.7</b>	<b>260.5</b>	<b>(0.3)</b>
Personnel costs	(32.4)	(27.0)	(119.4)	(105.8)	12.9
Depreciation	(7.7)	(4.2)	(22.5)	(18.0)	25.0
Other operating exp./inc.	(27.4)	(31.8)	(77.7)	(96.7)	(19.6)
<b>EBIT</b>	<b>22.8</b>	<b>18.1</b>	<b>40.1</b>	<b>40.0</b>	<b>0.3</b>
Net financial result	(2.1)	(2.1)	(7.3)	(5.2)	40.4
<b>EBT</b>	<b>20.6</b>	<b>18.2</b>	<b>32.8</b>	<b>34.8</b>	<b>(5.7)</b>
Tax	(7.9)	(4.0)	(11.6)	(10.6)	9.4
<b>Net profit</b>	<b>12.7</b>	<b>14.2</b>	<b>21.2</b>	<b>24.2</b>	<b>(12.4)</b>

- Strong Q4 with revenues of EUR 358 mn
- Revenues down 18% in 2010, partly because Nordex decided to decline some very low margin contracts
- Gross margin rose from 22.8% to 25.8%
- EBIT of EUR 40 mn at previous year's level

## Inventories and working capital 2010 vs. 2009



- Stable development of inventories during 2010
- Build-up of working capital compared to previous year primarily a result of preliminary work completed for orders currently under way or for future projects
- Working capital ratio increased to 24.3% (2009: 18.4%), due to lower sales volume

# Cash flow statement 2010



In EUR mn

	2010	2009
Net profit	21.2	24.2
Depreciation	22.5	18.0
Change in provisions	4.8	5.4
Change in working capital	(34.0)	(44.4)
Other cash inflow from operating activities	5.8	6.4
<b>Cash flow from operating activities</b>	<b>20.3</b>	<b>9.6</b>
<b>Cash flow from investing activities</b>	<b>(58.7)</b>	<b>(46.5)</b>
<b>Cash flow from financing activities</b>	<b>16.3</b>	<b>84.6</b>
Change in liquidity from cash flows	(22.1)	47.7
Liquidity beginning of period	159.9	111.7
Other	3.3	0.5
<b>Liquidity end of period</b>	<b>141.1</b>	<b>159.9</b>

- Operating cash flow more than doubled from EUR 9.6 mn to EUR 20.3 mn
- Investments in extension of German and American production facilities completed > no further impact on investing cash flow expected
- Significant investment in product development planned CAPEX around EUR 70 mn

# Balance sheet 2010



In EUR mn

	2010	2009		2010	2009
Liquid funds	141.1	159.9	Current bank borrowings	30.3	22.4
Trade receivables and future receivables	269.5	187.2	Trade payables	177.7	85.7
Net inventories	279.0	247.4	Prepayments received	126.1	138.2
Other current assets	54.4	56.9	Other current liabilities	142.7	140.9
Current assets	744.0	651.4	Current liabilities	476.8	387.2
Deferred tax assets	32.9	34.5	Non-current bank borrowings	86.4	77.9
Other non-current assets	210.1	154.5	Deferred tax liabilities	12.6	11.6
			Other non-current liabilities	40.4	15.9
			Shareholders' equity	370.8	347.8
<b>Total assets</b>	<b>987.0</b>	<b>840.4</b>	<b>Total assets</b>	<b>987.0</b>	<b>840.4</b>

- Net cash position EUR 24 mn, gross liquidity EUR 141 mn
- Equity ratio almost stable at 38% (2009: 41%)



- New IFRS standard for revenue recognition expected in Q2/2011
- Based on draft version of the new standard Nordex has investigated the possible impact of the new standard on the 2010 accounts\* and 2011 guidance:
  - 2010: Very low impact on sales and EBIT
  - 2011: positive impact on sales up to 10%, EBIT up to 50 bps

---

\* Assuming adoption of new standard for the whole of 2011 and restatement for 2010



- New installations decreased slightly
- Tough financing situation and growing budget deficits in individual countries; promising developments in new markets (e.g. Turkey)
- Germany: Accelerated exit from nuclear power being considered; possible increased funding and support for wind power



- Market share in new installations 2010: 14.3% (second largest market)
- Installed capacity decreased from 9,996 MW to 5,115 MW (- 48.8%)
- Lack of long-term, reliable federal policy; low electricity demand from industry and low gas prices



- Market share in new installations 2010: 46.1% (largest market )
- Installed capacity increased from 13,803 MW to app. 16,500 MW (+ 19.5%)
- Market share of non-Chinese producers: 11%
- Shift to cooperation agreements with Chinese partners possible trend

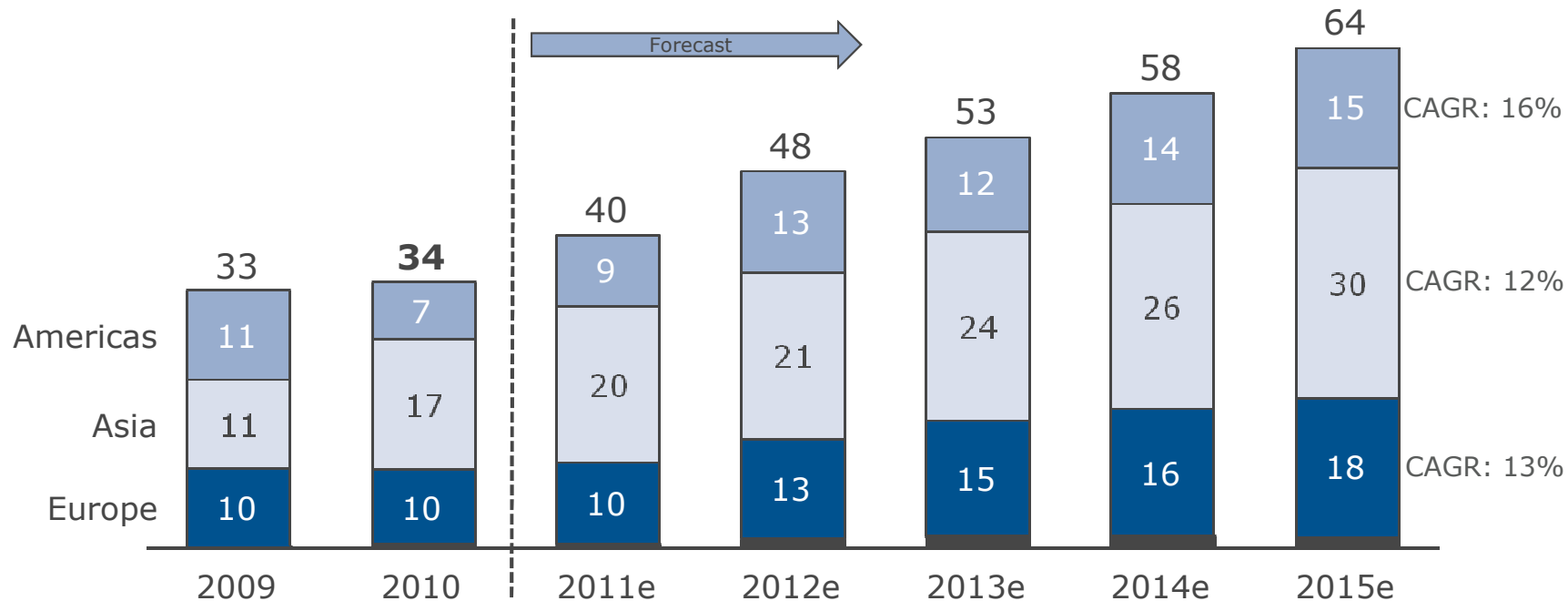
Source: GWEC February 2011



New installed capacity is expected to grow by almost 14% per year until 2015

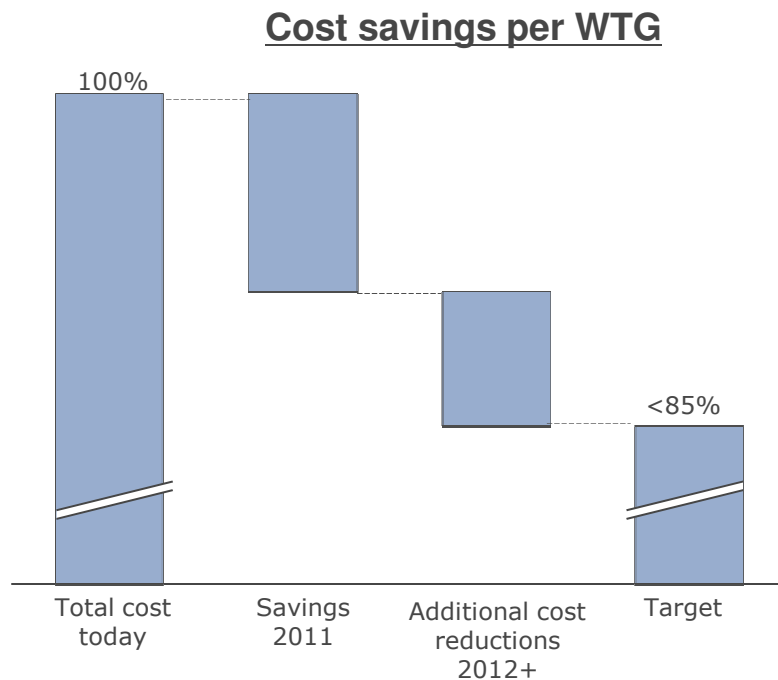


## Market outlook 2011-2015 in GW



Source: MAKE Consulting March 2011; grid-connected capacity; total including RoW

- Overall CAGR 2010-2015: 13.5%
- Recovery of new installations expected in US / Europe from 2011/12 onwards
- Asia-Pacific -mainly China- will account for the largest share of new installations
- The share of offshore installations is expected to rise from 9% in 2010 to 23% in 2015



## **Targets**

- Short-term: Compensate for pricing pressure seen in 2010 and raw material risks
- Mid-term: Improvement of profitability

- Programme to reduce purchasing costs and improve manufacturing efficiency in the 2.5 MW class; estimated 15% reduction in manufacturing and installation cost per turbine by end 2012
- By the end of 2011 Nordex can achieve 2/3 of planned savings

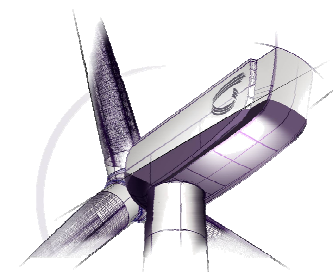
## Further development of the 2.5 MW platform

Efficiency packages (available: 7/2011)	<ul style="list-style-type: none"> <li>+ 3% more yield each for all three WTG of the platform</li> </ul>
Increase in wind class suitability (available: 7/2011)	<ul style="list-style-type: none"> <li>IEC 1*: + 10 meters rotor diameter (N80 → N90) + 17% more yield</li> <li>IEC 2*: + 10 meter rotor diameter (N90 → N100) + 13% more yield</li> </ul>
New N117 WTG (available: 7/2012)	<ul style="list-style-type: none"> <li>+ 17 meters rotor diameter, improved performance on IEC 3* sites, "the most efficient turbine for weak wind conditions currently on the market" + 15% more yield</li> </ul>



## 3-4 MW Onshore turbine

New N1XX WTG	<ul style="list-style-type: none"> <li>New onshore platform mainly for IEC3 &amp; IEC2</li> <li>Drive train concept currently under in early development</li> <li>Prototype H2/2013, serial production start H2/2014</li> </ul>
--------------	---



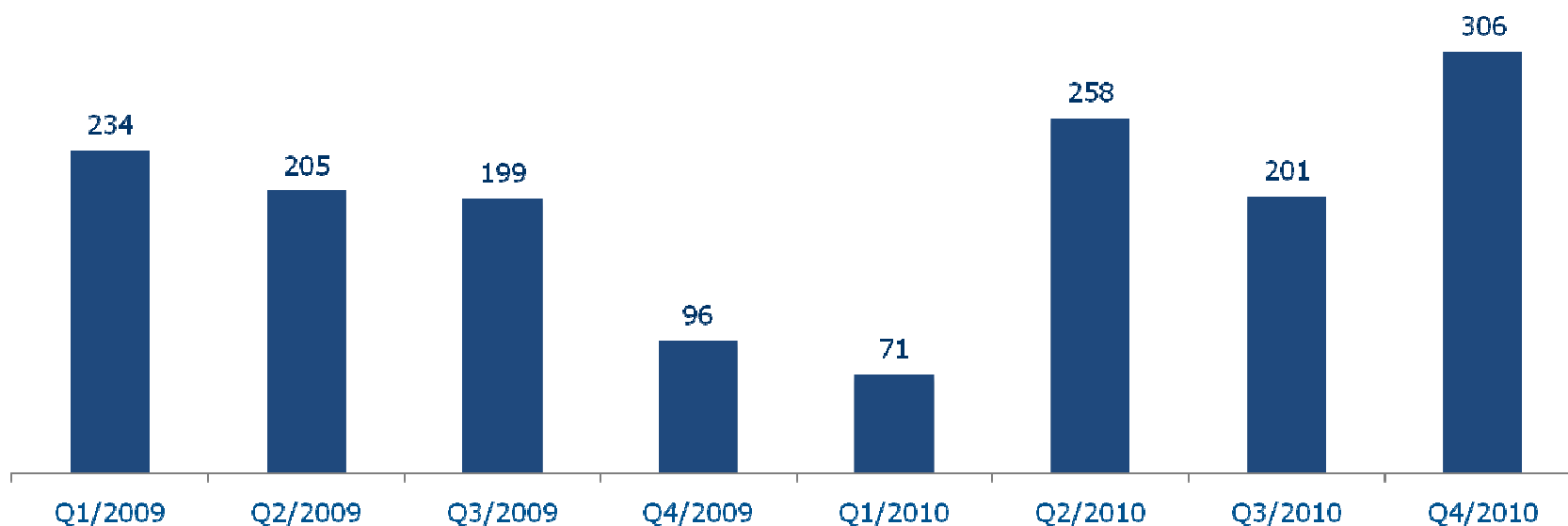
## 6 MW Offshore turbine

New N150/6000 WTG	<ul style="list-style-type: none"> <li>Direct drive permanent magnet synchronous generator for a more efficient and lighter turbine</li> <li>Modular design for serviceability</li> <li>Prototype 2012, serial production start 2014/15</li> </ul>
-------------------	--



\*Note: IEC1: strong wind; IEC2: medium wind; IEC3: low wind

## Development of firm order intake 2009 – 2010 in EUR mn



- Clear upturn in order intake for 2011 in comparison to the previous year (EUR 836 mn) expected > Target: + 20% to app. EUR 1 bn
- Target based on expected sales of N100, on the wind class upgrade of the 2.5 MW turbines and positive effects from the improved sales organisation in Europe and the USA
- Great potential in individual markets such as Sweden and Turkey

- Stable revenues in 2011 and stable to slightly lower profitability; positive operating cashflow
- Full impact of cost-cutting and efficiency measures in 2012
- Recovery in USA from 2011, in European from 2012 onward, possible boost in Germany if funding is increased

## Focus in 2009-2010

### 1. Streamlining and improving the organisation

- Cost-cutting
- Introducing of assembly-line methods in our production process
- More efficient supply chain
- "Efficiency package" and increase in wind class suitability in 2.5 MW class

### 2. Investment in Rostock and Jonesboro

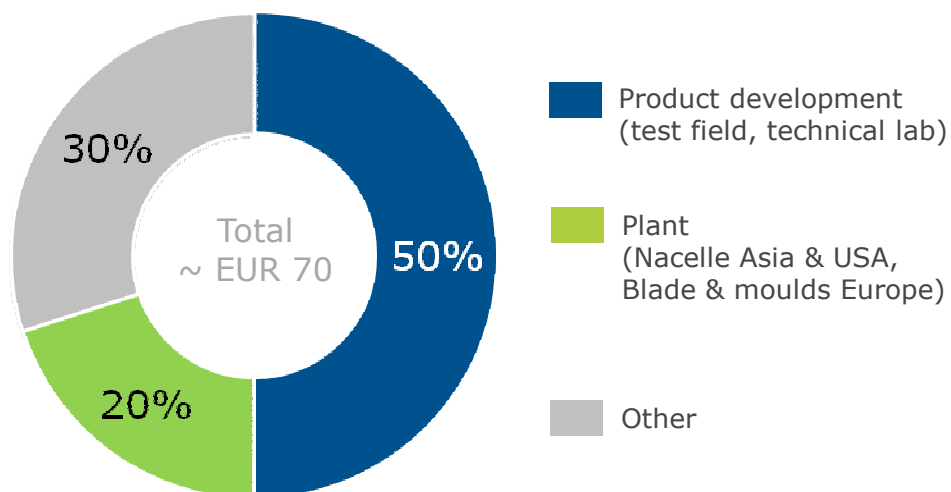
- Manufacturing presence in US helps win business

## Focus in 2011-2013

### Product development

- Two major new products
- Improved testing facilities

## ➤ CAPEX forecast 2011

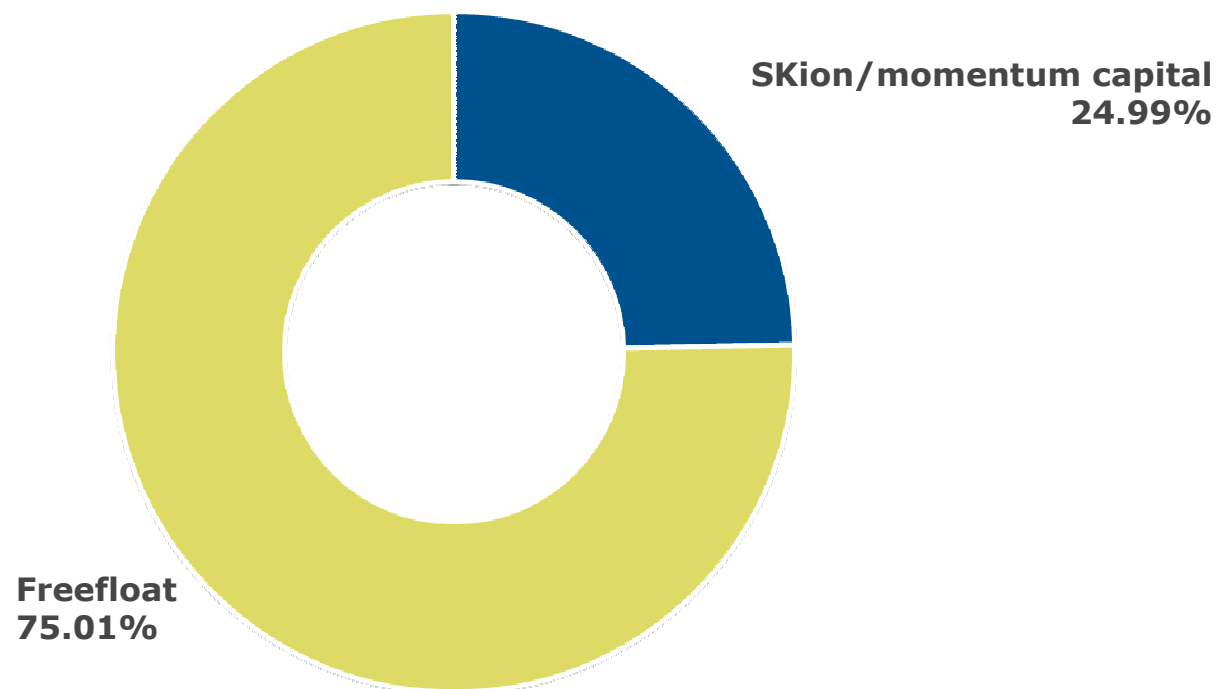


## ➤ CAPEX focus on product development

- Construction of prototype WTGs
- In-house test facilities enable 20 year life time test within three to six months
- Nordex has installed Germany's biggest test bench for rotor blades and will enlarge and optimize its component test facilities







On the basis of 66.845 mn shares, as of March 2011

# Disclaimer



The targeted goals in this document reflect forward looking statements which are based solely on estimates and not on predictable risks.

Should the estimates with regard to the successful integration of acquisitions and the future internal growth of the company not to be realized or if other unpredictable risks should arise, it cannot be ruled out that the actual financial results of the company will differ substantially from the targeted goals as laid out in this document.

In this respect Nordex SE is unable to give a guarantee that the actual financial results of the company will not differ from any forecasts or guidance given.