

New versatile blade

Increased demand for blades for 2.5-3 MW turbines results in a new blade design.

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Transforming to be in touch

New headquarters in Denmark and a business office in Amsterdam ensure that we meet the demands of a global marketplace.

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Special theme about Global Manufacturing

Challenges and opportunities in the wind industry.

4-page special supplement

NewsLetter

SEPTEMBER 2007



The Little Rock, Arkansas cityscape will become a familiar sight when LM Glasfiber opens its new plant in 2008.

New blade plant in Little Rock, Arkansas

In order to deliver on the growing opportunities in the USA, LM Glasfiber will open a new plant in Little Rock, Arkansas. The facility is scheduled to begin operations in the first quarter of 2008 and will employ more than 1,000 people within five years.

"The Little Rock plant is key for us to be able to serve our growing portfolio of customers in North America," said Roland M. Sundén, CEO. "The facility will help secure our cus-

tomers' long-term blade supply thereby strengthening their ambitious growth strategies while at the same time increasing the robustness and visibility of LM Glasfiber's North American sales."

Doubling capacity in North America

The Little Rock plant will be LM Glasfiber's third North American production facility, effectively doubling the capacity of the existing factories in Grand Forks, North Dakota and Gaspé, Québec. This latest capacity

expansion reflects an overall strong market demand coupled with optimism for continued stability in the US market. The US is currently the largest market for new wind projects and the second globally in existing wind project installations.

"We couldn't be happier with the location," Roland Sundén continued. "The site is ideally

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Tapping a fabulous potential

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NewsLetter

In the USA, wind energy is being tagged as ‘an untapped resource’. More than 11,000 MW have been installed to date, yet that pales in comparison to the potential, an estimated 10,777 billion kWh annually – three times the electricity generated in the US today.

US wind power is growing at a rate of 25-30% per year, and accordingly, turbine manufacturers are erecting turbines in record numbers.

In addition, American businesses are reducing their carbon footprint by purchasing wind power. This includes popular companies like Starbucks and Staples as well as ski resorts in New England and the Rocky Mountains.

The American Wind Energy Association (AWEA) estimates that, after installing over 2,400 megawatts (MW) in 2006, the industry will install over 3,000 MW in 2007. About 31 billion kilowatt hours (kWh) will be generated by wind power in the US in 2007, enough electricity to power the equivalent of nearly 3 million average homes.

As a result of the North America boom, LM Glasfiber has expanded its customer portfolio in North America and is working closely with these customers to ensure that blades are available for their projects.

LM Glasfiber has confidence in the North American market that's why we plan to double our capacity in this market during 2008 with the new Little Rock production facility, which joins the existing facilities in Grand Forks, North Dakota and in Gaspé, Canada.

This summer, LM Glasfiber received the AWEA Commercial Achievement Award based on LM Glasfiber's growth and contribution to the increase of the domestic manufacturing base for wind turbines in the US.

“The wind industry has made great strides and is now making an increasingly significant contribution to the electric power industry. LM Glasfiber has helped make this possible,” said Randall Swisher, Executive Director, AWEA.

“LM Glasfiber is the largest rotor blade manufacturer in North America. Thanks to

the confidence of our customers and the hard work and dedication of our people, LM Glasfiber has grown successfully, and we will maintain our firm commitment to serving our customers and to seeing the community move forward,” said Warren Ault, National Account Manager, LM Glasfiber.

US Wind Energy Fast Facts
<ul style="list-style-type: none"> • Wind energy generating capacity installed in the USA: 11,603 MW (end of 2006). • Wind energy generating capacity, worldwide: 74,223 MW (end of 2006, Global Wind Energy Council). • Electricity generated from wind in the USA: 31 billion kWh in 2007 (about 0.7 % of the US electricity supply), enough to serve the equivalent of 3 million average US households. • Amount of carbon dioxide (CO₂) emitted if that amount of power were generated from the average US electricity fuel mix: 19 million tons, according to the US Energy Information Agency. Over 11,000 square miles of forest would be needed to absorb that much CO₂. • US wind energy potential: estimated at 10,777 billion kWh annually – more than twice the electricity generated in the US today (source: Pacific Northwest Laboratory). • Industry growth rate, US: 22 % average over the last five years (year-end 2001-2006).

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New blade plant ...

located to serve some of the central US demands for wind development.”

The site itself offers excellent logistical options, whether by road, rail, air or sea. “And when we considered the kind of amenities that are conducive for LM Glasfiber to attract and retain the people and talent we need, Little Rock was a natural choice for us,” he added.

Little Rock is pleased

Governor Mike Beebe has said that the state should be looking at alternative energy sources as a component of the future. And he didn't mince words in response to the announcement that LM Glasfiber chose Little Rock as home for its newest plant.

“LM Glasfiber adds another industry-leading company to Arkansas, and specifically to

Little Rock,” he said. “Not only does LM Glasfiber offer a global presence, but it will also supply skilled and technical jobs for our citizens. LM Glasfiber also elevates Arkansas' presence among the growing state and national interest in the renewable energy industry. This development is another step forward for our state's economy in today's global marketplace.”

US renewable energy policy blows in the wind



Wind turbine blade installation at Big Spring Texas wind park in the USA.

US President George W. Bush has stated that wind energy can provide as much as 20% of the nation's electricity – it now powers less than 1% – yet industry experts say only a small portion of the country's vast potential will likely be tapped in the near future unless there is a shift in energy policy priorities toward long-term support for renewable energy development.

Some movement in that direction has been seen. Congress is working to rewrite the US energy policy, including an amendment that would require US utilities to generate perhaps 15% of their electricity from renewable sources such as wind and solar energy by 2020.

"It's a historic turn away from a fossil fuel agenda and toward a renewable energy agenda for America. It has been a long time coming," said Rep. Ed Markey, Massachusetts Democrat, when the House of Repre-

sentatives passed a bill in August. That bill needed to be reconciled with a Senate version before the final vote.

What's the law?

Under present law, an income tax credit of 1.5 cents/kilowatt hour (adjusted annually for inflation since 1992) is allowed for the production of electricity from qualified wind energy facilities. The current value of the credit is 2 cents/kilowatt hour of electricity produced. The credit was created under the Energy Policy Act of 1992 and applies to electricity produced by wind facilities after December 31, 1992, and before January 1, 2009.

Current status

In December 2006, Congress passed a tax and trade policy bill that included a one-year extension of the Production Tax Credit (PTC). The PTC, which was scheduled to expire on December 31, 2007, will now expire on December 31, 2008.

This was not the first time Congress approved an extension of the PTC. In the past, Congress' hesitation to extend the credit has caused the wind industry to endure painful job cuts and stalled production.

The continuity in the availability of the PTC has allowed companies to dramatically ramp up installations. As statistics show, though, about eight months before the PTC is about to expire, the wind energy industry will likely significantly slow down.

"The good news is that the 110th Congress has repeatedly stated that an energy bill is a priority. In any case, it's a waiting game – we will need to wait to see what happens," said Warren Ault, National Account Manager, LM Glasfiber.

A new versatile blade meets market demand

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Newsletter



LM Glasfiber engineers have designed a longer, versatile blade to satisfy the fast-growing market of 2.5-3 MW turbines.

Throughout the industry, there's an increased demand for blades for 2.5-3 MW wind turbines as economics push the size of wind turbines upward.

Having fewer, larger turbines reduces the number needed of expensive towers, foundations, erection operations and power collection cables. This is even more evident in the offshore sector, where the largest turbines can be expected.

At LM Glasfiber, our engineers have designed a longer, more versatile blade for the growing market of 2.5-3 MW turbines, LM 48.8P, which is a perfect fit for several different wind turbines. The blade was designed together with the customers using LM Glasfiber's experience and knowledge in aerodynamic design.

"More and more customers have been requesting a 100-meter rotor to be used on a 2.5 MW or 3 MW turbine," said Jeroen F. Kooij, Project Manager, Blade Development. "Other customers have smaller hubs, and they have requested a 48.7-meter long blade instead of a 48.3-meter long one to obtain a 100-meter rotor. For this reason, the LM 48.3 blade was elongated 40 cm to 48.7 m and named LM 48.8P."

Depth and Width

LM Glasfiber engineers are accustomed to designing blades dedicated to specific customers. The LM 48.8P is an example of how LM Glasfiber's product range can include both 'depth' and 'width' – engineers can enter into close cooperation with customers to make integrated designs, or LM Glasfiber can offer a versatile blade type that meets the needs of more customers.

Being able to produce the same high-performance blade type to fit more wind turbines increases the blade producer's flexibility toward customers. They will benefit from the economies of scale that LM Glasfiber will be able to realize in e.g. sourcing of raw materials. But more importantly, large scale production of this blade will enable the optimization of global capacity utilization, which means a more flexible global delivery to the customers.

In September, prototype production will start for four different customers. Soon, several factories around the world will be producing this type of blade for different customers.

The special theme for LM Newsletter in 2007 is Global Manufacturing. In this issue of the magazine, the four-page insert will focus on the challenges and opportunities large-scale global manufacturing presents to businesses in the wind industry.



PULLING TOGETHER TO FOCUS ON QUALITY AND DELIVERY

Growing smoothly

Against the backdrop of a robust wind power market, LM Glasfiber is ramping up operations around the globe in order to meet customer demand.

In 2007 alone, we have opened new production facilities in China, Spain and India, and have created nearly 1,000 new manufacturing jobs around the world. In addition, a new LM Glasfiber plant – the largest ever – is planned to open in Little Rock, Arkansas by mid-2008.

As LM Glasfiber's business continues to grow and scale at an impressive rate, the company's biggest challenge is to ramp up existing and new facilities, perfect the production process and give employees the skills they need.

"LM Glasfiber is committed to excellence. We will make sure we have the right processes in place, follow robust manufacturing proce-

dures and train our people to have the right skills. We will have the most competitive, scalable and reliable blade technology in the wind business. And that is why wind turbine manufacturers will choose to get their blades from us," said Roland Sundén, CEO.

Fortunately, as the largest, truly global blade producer, LM Glasfiber is making great strides to grow smoothly.

International expertise at the local level

When LM Glasfiber's Spanish unit faced the challenge of nearly doubling the production capacity through the start-up of a new factory combined with the aggressive ramp up this year, teams from other LM Glasfiber plants around the world were flown in to lend expertise in specific areas. With a focus on training and controlling production practices, the plant is now nearing its target.

Extreme focus on quality

A comprehensive training and mentoring program has been launched to provide new and existing employees with all the skills and tools they need to perform their jobs at a high level.

With uniform procedures, workers all over the world use the same methods that deliver quality results. This enables us to leverage the skills of our workers internationally.

Taking the structured approach with lean manufacturing

One example is the implementation of increased inspections at crucial stages in the production process to prevent defects from being passed on to subsequent operations or being missed (see page 4 of the insert).



Case Study: Ponferrada plant

At the Ponferrada production facility in Spain, introducing new products while increasing production and lending resources to the newest Spanish factory in Valencia put a strain on the organization.

Yet because LM Glasfiber has facilities around the world, resources to facilitate rapid recovery were available. Specialist teams – from the USA to China – traveled to Spain for extended stays to lend their expertise to the struggling factory.

"We are good at working as one company. We are strong because we are a large company and can pull in resources from other parts of the company," said Ken Kaser, Global Manufacturing Director.

Although the production pace was slowed for a short while, the Ponferrada plant is now getting back on track.

"Now we are on the right track to deliver quality blades on time to our customers. We look forward to living up to our ambitious plans in Spain because we realize the importance of our obligations to our customers," said Søren F. Knudsen, Sales and Marketing Director.

Transferring technology when and where it is needed

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CONTROL FROM THE START

New plants coming online and existing facilities, which are expanding to meet customer demand, means LM Glasfiber is transporting an incredible amount of equipment around the world.

For example, one mould may include up to 300 lines of equipment, materials and documents.

In addition, up to 10 40-foot containers filled with equipment accompany the mould.

In addition to the equipment, and certainly not less important, knowledge and skills are also transferred, so LM Glasfiber employees can make the best use of the equipment.

In order to make sure that the plants receive the equipment and function in a timely manner, LM Glasfiber has done extensive work to refine and perfect the 'technology transfer' process.

Uniform procedures

The key is uniform procedures for the technology transfer to designated production facilities, while also providing the framework for training as well as technical support.

As the transfer of technology encompasses many different components, without rigid procedures something may get left out. A missing set of instructions or a lacking part could be the cause of serious delays at the production facility.

"We are developing and expanding our production, and we need to be organized to be able to transfer technology fast and accurately," said Per Langfeldt, Implementation Manager. "For example, when we start up a blade type at a production facility, the whole purpose is to have a high level of production, on time and of a high quality.

Global coordination

Transfers are coordinated globally from LM

Glasfiber's headquarters and the Implementation Department. The same procedures are followed regardless of where in the world a facility is located. As such, Implementation Department members are ambassadors to the different business units.

"Close communication and coordination within our team at the headquarters is essential, and for instance by providing updated information to our blade managers who are responsible for specifications and procedures for all blades in production, we can establish a smooth transfer process. At the other end – at the plants – it means time

saved. The blade quality will be seen there as well," said Per Langfeldt.

Steen Haugaard Drue, Implementation Project Manager, who works with plant colleagues during transfers, said that centrally managed procedures are important: "We need to retain control. Our job is to provide consistency on a global scale. We ensure delivery of the right equipment at the designated time, that blade managers are informed, and that documentation is available in the appropriate language. Nothing is forgotten – it's our no. 1 responsibility," added Steen Drue.

The mould for a 40-meter blade weighs about 30 tons.



Dedication and pride create results in China

STARTING UP PRODUCTION OF A NEW BLADE

3



Production team members of Mould No. 4 in Tianjin, China celebrate their accomplishment of producing the first 37.3P2 blade.

When the first LM 37.3P2 blade was produced successfully in Tianjin this August, Leon Huang, Production Shift Supervisor, said the entire team of workers forgot all the hard work that had gone into preparing the mould for production and were filled with pride.

The mould has now gone into full production to reach delivery goals that will imply a production increase of one third at the plant.

Preparing a mould requires specific work, including installing the mould, testing equipment and training workers based on the global material supplied by the Implementation Department.

On a personal level, it's a time of anticipation for team workers who put in an extra effort to make everything go according to plan. At

Tianjin, when the production of the actual blade occurred, it was nearly overshadowed by the people factor – the workers' sense of accomplishment and pride inspired and energized the entire production.

This is a clear example of the synergy effect: Motivated workers produce a fine product, which in turn satisfies customers. That is what we aim for in all our factories.

“Obviously, LM Glasfiber is in the business to produce blades. Yet it's important to remem-

ber that it's our workers – the people on the floor – who make this happen. You can never underestimate results when people are motivated and dedicated. The workers in China are a good example,” said Michael Hakes, Global Human Resources Director.

Here's how Leon Huang, Production Shift Supervisor, described the special day:

“At 7:00 on August 1, 2007, the No. 4 mould team in Tianjin started to produce its first 37.3P2 blade.

We relied on the great spirit of devotion and teamwork. We smiled and celebrated and forgot our fatigue when the closure process was completely stable, which meant that we had yet again introduced a new blade successfully.”

GLOBAL INITIATIVES TO STREAMLINE QUALITY AND THROUGHPUT

REACHing further

Expanding production capacity involves the opening of new facilities, but an increase in the throughput at existing facilities will also help LM Glasfiber respond to market growth.

A fast-track project within our internal global change program, REACH, will increase the throughput at our factories. The project is managed by the German consultants, Management Engineers, who will work closely with our global Production Engineering, among other things to reduce equipment breakdowns, improve raw material quality and introduce lean practices. The aim is to implement changes that will result in an improved throughput even by the end of this year – thus expanding capacity without adding to our capital expenditure.

Firewalls in production

In the traditional sense, a firewall is an actual wall constructed to prevent the spread of fire.

LM Glasfiber has developed its own type of firewall to emphasize and optimize quality inspections. The firewalls are additions to our existing extensive quality system and will be performed by senior Quality Control Inspectors.

At specific points in the production process, additional inspections will be conducted to verify that the blades are ready to advance to the next step or to be delivered to the customer as zero-defects blades.

“The firewall program is a formal process that aims to ensure that process issues don’t get passed on to subsequent opera-

tions and/or are missed,” says Yannick Follezou, Global Quality Director. “It is our way of ensuring quality throughout in the production process.”

The program is based on a lean operational system with three firewalls where inspections take place before the blade is allowed to proceed to the next step, firm procedural guidelines, visual management and perfor-

mance measurement to make sure everything is working according to plan.

“During the inspections, deviations are detected and registered. All repairs must be performed and re-inspected before the blade is moved on to the next step,” says Yannick Follezou. “The firewalls will provide us with additional structured control and provide a daily quality management system.”

Quality inspections at key stages of production provide process control and ensure quality throughout.



RotorOpt perfects rotor design

At LM Glasfiber, our specialized team of engineers is always looking for ways to improve blade design. Now, RotorOpt software makes it possible to fully optimize the rotor as a part of an integrated wind turbine design.

LM Glasfiber has produced more than 100,000 blades since 1978. Our blade design is characterized by the integration of research disciplines, including extensive experience in blade design, design for manufacturing in pre-design, airfoil design and testing, and the rotor optimization design tool.

Through RotorOpt, what used to take eight weeks can now be accomplished in one day, yet more importantly, analyses can be done in a controlled manner leading to an improved blade design.

“RotorOpt is a new design tool, yet it has already successfully improved the designs in several turbines. It minimizes the cost of energy by means of integrated design and optimization,” said Lars Fuglsang, Head of Blade Design, LM Glasfiber.

Proven design methodology

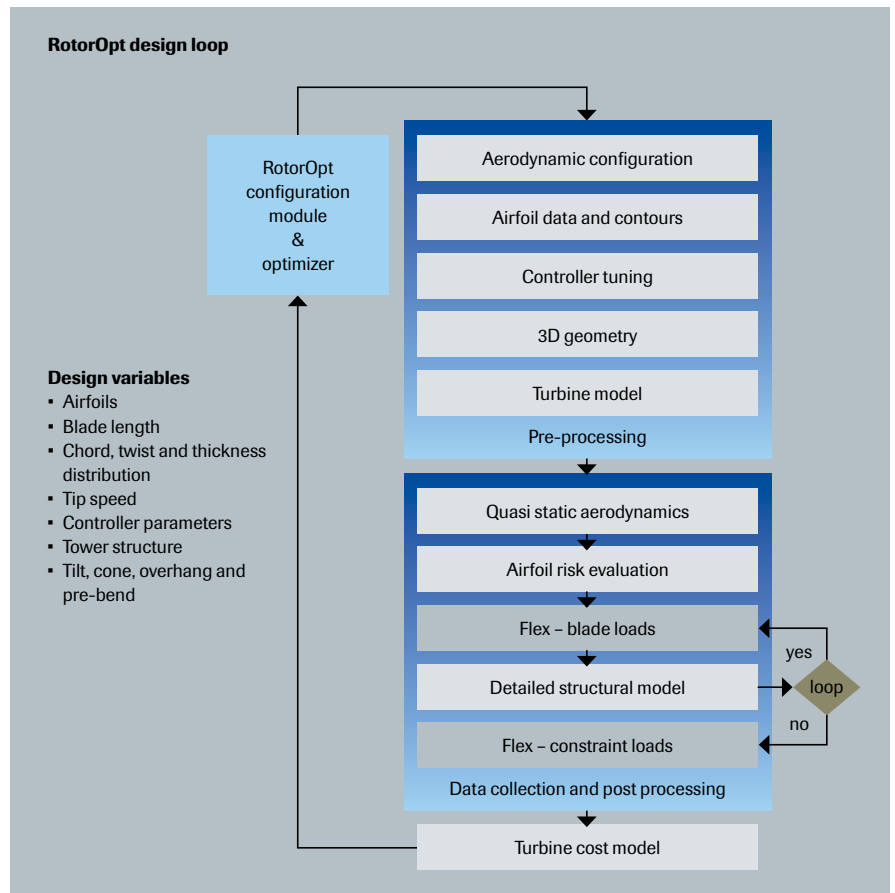
Significant value has been added to blade designs since the tool was launched in 2006. These include:

- Fixed rotor diameter, new airfoils resulting in a 2 % increase in annual energy yield maintaining critical loads.
- Fixed rotor diameter resulting in a 1 % increase in annual energy yield and a 20 % decrease of defined loads.
- Free rotor diameter, fixed tip speed, new airfoils resulting in a 4 % increase in annual energy yield maintaining loads within critical limits.

Front edge technology

RotorOpt is a front edge design tool for integrated design and optimization of rotors. It includes aerodynamic analysis, aeroelastic load calculation, turbine controller tuning and structural design, all set up in an integrated design environment with an optimizer on top.

RotorOpt enables optimization of the rotor, taking into account specified load limits on



turbine components and other relevant constraints restricting the design space. Some of the technologies included are:

3D structural design is fully integrated into the optimization, offering an 80 % production-ready detail level by means of the LM Standard Laminate Plan, which is essential for the coupling between aerodynamics, loads and structure.

Dedicated airfoil design in the optimization scheme facilitates the tailoring of airfoils for the specific turbine, which adds important degrees of freedom to the RotorOpt design environment.

Airfoil application risk analysis provides a method for consistent risk assessment in air-

foil application and a uniform method for comparing airfoils in the design process.

Loop time is enhanced dramatically by optimized processing enabling the practical use of RotorOpt in the design process.

Tailoring for customer needs

LM Glasfiber engineers offer their expertise in the tailoring of blades to meet specific customer needs.

“Our common objective is to find the optimum solution taking all factors into account, and to minimize the cost of wind power. This means that we do not limit ourselves to the design of the actual blade, but we also assess the influence of the blades on the other components of the wind turbine,” said Lars Fuglsang.

ShortNews

Two new General Managers

LM Glasfiber has hired new general managers for our operations in Southern Europe and North America.

Claus-Peter Starey is the new General Manager for Southern Europe and will be based in Madrid.

Claus-Peter Starey was plant manager at Faurecia in Germany that produces and delivers preassembled instrument panels and door panels to the automotive industry. Before that he was the Managing Director and Director of Faurecia's Strategic Business Unit in Mexico.

Across the Atlantic Ocean, **Randy L. Fox** is the General Manager for LM Glasfiber North America. He will be based in Little Rock, Arkansas and responsible for facilities in Grand Forks, Gaspe and the future plant in Little Rock.

Randy was Director of Operations at Danaher Corp. in Arkansas. Danaher designs and manufactures innovative products for hand tools, electronic testing, environmental and medical applications.

It broke ... and that's good

LM Glasfiber's rotor blades are designed to endure 20+ years of operation, regardless of the weather and extreme environmental conditions.

All new blade types go through a dynamic testing program to validate the design, and static tests provide the basis for the formal type approvals by e.g. Germanischer Lloyd.

Through destructive testing, the stability of the blade can be determined by stressing the blade beyond normal capacity – to a breaking point – in order to observe the results.

Our testing center performs 1-2 of these extreme tests a year; the latest was carried out during spring this year. An LM 42.5 blade was subjected to the ultimate stress level by being bent more than 150 % beyond its normal capacity.

With LM Glasfiber engineers and customers looking on from behind the bullet proof windows of the control office, the question on

everyone's mind was when and how would it break?

In the secure confines of the testing facility, a machine gradually pulled the blade until it had an amazing arc of 16 meters before it finally shattered. The blade showed a complete failure, which is a very good sign.

The test provided useful knowledge on the final strength of the blade and its components and will thus contribute to the further optimization of the design of future blades.

"The test was proof of great engineering in terms of both structural design and calculations," said Rene van den Berg, Project Manager of blade development.

Full scale testing

LM Glasfiber's testing center provides our research and development engineers with internal know-how and facilities to perform integrated tests of materials, designs and manufacturing processes.

The center currently holds five test beds for dynamic testing and one for static testing. The largest of these has room for blades up to 80 meters long and holds one of the strongest cast concrete structures in the world – the anchor block.

Static testing

Before obtaining type approval, our blades must undergo static testing, in which they are subjected to extreme loads. A traction rig is attached to the blade by steel wires fixed to carefully selected points. Over a period of 30 to 60 minutes, the blade is then drawn out to the point at which it is subjected to the prescribed maximum load. It must stay in this position for at least 10 seconds without breaking.

Dynamic testing

Dynamic testing aims to subject a blade to fatigue loads corresponding to 20 years of normal wear and tear. This is done by setting the blade into oscillation corresponding to its natural frequency. Five million oscillations edgewise are followed by five million oscillations flapwise.

For a 37.3-meter blade, the test takes around 3.5 months. During testing, an infrared camera is used to check for small breaks or cracks in the laminate, and measurements are taken from strain gauges fitted to the surface of the blade.

Destructive testing

When new materials are used or other significant changes are made to the blade type, a destructive test may be added to the static and dynamic tests. In a crash test, the static test is taken to the extreme – i.e. until the blade breaks. The blade is then cut open at the point of fracture, and the surfaces etc. are investigated in detail.

Transforming to be in touch

In order to meet the demands of doing business in a global marketplace, LM Glasfiber is making a move to be closer to customers and our international production facilities.

In September, LM Glasfiber opened a business office in the World Trade Center at Schiphol Airport in Amsterdam.

The office will allow the company's 'frequent flyers' to work in a location that will reduce travel time and allow them to meet with customers and colleagues around the world more effectively.

Initially, 14 senior managers and executives will be based in Amsterdam and return regularly to Denmark, which will remain LM Glasfiber's headquarters, moving into new facilities by mid-2008.

Getting around in a big global market

Much of the decision to establish a global business office was based on logistics. A few years ago, LM Glasfiber was a strictly Danish company with a smattering of manufacturing sites in Europe and beyond.

In just a few years, its locations have grown and spread as the company has risen to the challenge to thrive in a global marketplace. Currently, LM Glasfiber is developing our business in Asia, North America and Southern Europe, and will be expanding further in the future.

"The new office will ensure that we stay on the right track with our 'one company' agenda to streamline our operations and also extend contact and cooperation with our global customers. It will allow us to continue our transformation from a reactive manufacturing company to a progressive global company," said Roland Sundén, CEO.

New headquarters in Kolding, Denmark

As the company and market grows, the original LM Glasfiber headquarter building is feeling the strain. With more than 300 employees working within different corporate functions and product development and innovation, the existing facility – which dates back to the 1940s and has been expanded through the years – can no longer support the company's continued growth.

As a result, by mid-2008, LM Glasfiber is planning to move its headquarters from Lunderskov to Kolding, Denmark. The move will expand available office space and create a modern and attractive work environment to facilitate future growth in the company and provide a solid future base in Denmark.

The new address for the LM Glasfiber headquarters will be Company Park, Jupitervej 6, 6000 Kolding, Denmark, and it will be found next to the E45 freeway with neighboring hotel facilities, just a 30-minute drive from the nearest international airport.

ShortNews

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Advancing wind industry in the USA: LM Glasfiber earns an award

In recognition of LM Glasfiber's growth and contribution to increase the domestic manufacturing base for wind turbines in the USA, the American Wind Energy Association (AWEA) granted LM Glasfiber the AWEA Commercial Achievement Award for 2007.

Randall Swisher, AWEA's Executive Director said: "The wind industry has made great strides and is now making an increasingly significant contribution to the electric power industry. LM Glasfiber has helped make this possible. This recognition places LM Glasfiber within a select group of individuals and companies who have made an exemplary contribution to the advancement of the wind industry. Thank you for your leadership and dedication to the public interest. Your colleagues and I salute you."

LM Glasfiber is the largest rotor blade manufacturer in North America, with the Grand Forks, North Dakota plant with 700 employees and plant in Gaspé, Quebec. That presence will soon double with the new plant facilities in Little Rock, Arkansas.

"Thanks to the confidence of our customers and the hard work and dedication of our people LM Glasfiber has grown successfully, and we will maintain our firm commitment to serve our customers and the community going forward," said Warren Ault, LM Glasfiber's National Account Manager.



“We want to ensure a consistent, world-class quality of materials supplied from the approved suppliers.”

Raffaele Muscetta

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Focus on global sourcing: Strategies for success

By Raffaele Muscetta, Global Sourcing Director

A focus on a centrally led global sourcing program is paying off at LM Glasfiber.

Global sourcing is an important tool for achieving high quality and delivery performance at the lowest possible cost from our approved worldwide suppliers. It is the essential approach to keeping a continuous competitive advantage in a constantly changing world.

For LM Glasfiber, it is a prerequisite to achieve efficient ways of working internally, providing possibilities to share best practices and improving processes and procedures.

Our global sourcing program is managed centrally, yet we work together across functions and across locations. We maximize our leveraged power by combining requirements across business units, and consider what products are needed from a goods or service design standpoint. This ensures standardization and common use of sourced products. Taking this approach allows us to make global sourcing not an isolated effort, but an effective, strategic and integrated part of overall company operations.

The Global Sourcing Management team is responsible for all global sourcing activities and works in cooperation with the local units. The team I lead includes a hybrid organization composed of Global Commodity Leaders, Supplier's Quality and Development Engineers and locally based purchasing leaders.

There are three essential pillars where the area will focus on continuous improvement, these are: processes and procedures, tools and people. A sourcing policy has been deployed to ensure that common global sourcing processes and procedures are implemented and executed in order to secure future growth.

By establishing common processes and information systems, employees have a clear view of what is being purchased where, from whom, and at what price. This, in turn, helps us make better strategies and decisions about our suppliers and our supply chain. We leverage on our current ERP to reach this step.

It also establishes a reliable network of qualified suppliers to promote global competitiveness, improved supplier performance in quality, cost and delivery. We want to ensure a consistent, world-class quality of materials supplied from the approved suppliers.

People are our main asset, and a formal training program in different areas (negotiation, strategic sourcing, finance, project management etc.) has been initiated in order to strengthen the skills and competencies of our global team.

In order to minimize the financial and supply risk, we have effectively deployed a robust Contract Management approach by securing more than 60 % of our direct spending under contract. At the same time, a periodic auditing program is scheduled with our key main suppliers at a worldwide level.

The bottom line is, that at LM Glasfiber, we want to ensure the quality, delivery and cost of our supplies to our facilities around the world but also to acknowledge that our suppliers are part of our value chain. Through our global sourcing program, we are confident we can deliver with great benefit to our customers.

With regards



Raffaele Muscetta