Vestas

Vestas Wind Systems A/S

Interim financial report Second quarter 2013

Wind. It means the world to us.™

Contents

Press and analyst information meeting

For analysts, investors and the media, an information meeting will be held today, Wednesday, 21 August 2013 at 10 a.m. CEST (9 a.m. BST).

The information meeting can only be attended electronically via vestas.com/investor, and questions may be asked through a conference call. The telephone numbers for the conference call are:

Europe:	+44 208 817 9301
USA:	+1 718 354 1226
Denmark:	+45 7026 5040

A replay of the information meeting will subsequently be available from vestas.com/investor.

Contact details

Vestas Wind Systems A/S, Denmark
Lars Villadsen, Senior Vice President, Investor Relations
Tel.: +45 9730 0000

Vestas Wind Systems A/S
Hedeager 44
8200 Aarhus N
Denmark
Tel.: +45 9730 0000
Fax: +45 9730 0001
vestas@vestas.com

Language

This interim report is available in Danish and English. In case of doubt, the Danish version shall apply.

Summary

Two-year turnaround continues according to plan. Free cash flow improved by EUR 535m and outlook upgraded to at least EUR 200m. Positive EBIT result despite 26 per cent lower revenue. Anders Runevad appointed as new Group President & CEO.

In the second quarter of 2013, Vestas generated revenue of EUR 1,185m – a decrease of 26 per cent to the year-earlier period. EBIT before special items decreased by EUR 28m to EUR 12m. The EBIT margin before special items was 1.0 per cent and the free cash flow increased by EUR 535m to EUR 197m.

The intake of firm and unconditional wind turbine orders was 1,641 MW in the second quarter of 2013. Due to uncertainty surrounding a few customers' ability to comply with the contractual obligations, Vestas has resolved to lower the order backlog value by EUR 0.4bn. Including this adjustment, the value of the wind turbine backlog amounted to EUR 7.1bn at 30 June 2013. In addition to the wind turbine order backlog, Vestas had service agreements with contractual future revenue of EUR 5.9bn at the end of June 2013. Thus the value of the combined backlog of wind turbine orders and service agreements stood at EUR 13bn – an improvement of EUR 600m during the quarter.

Vestas has decided not to sell the tower factory in Pueblo, USA. Consequently, the factory has been reclassified to property, plant and equipment. Vestas' machining and casting units are still expected to be divested; however, based on ongoing negotiations with potential buyers, the units have been further written down.

Today, Vestas has appointed Anders Runevad as new Group President & CEO of Vestas Wind Systems A/S as from 1 September 2013.

Q2 at a glance (against Q2 2012)

- 47%	*Vestas produced and shipped 1,144 MW* *- a decrease of 47 per cent*
- 33%	*Vestas delivered wind power systems with an aggregate capacity of 877 MW* *- a decrease of 33 per cent*
- 26%	*Vestas generated revenue of EUR 1,185m* *- a decrease of 26 per cent*
+ 10%	*Service revenue amounted to EUR 250m* *- an increase of 10 per cent*
- EUR 28m	*EBIT before special items amounted to EUR 12m* *- a decrease of EUR 28m*
- EUR 54m	*Net loss amounted to EUR 62m* *- a decrease of EUR 54m*
+ EUR 535m	*Vestas realised a free cash flow of EUR 197m* *- an increase of EUR 535m*
- 21%	*The number of employees at the end of the quarter was 17,253* *- a decrease of 21 per cent*
- 6% points	*Renewable energy amounted to 46 per cent of total energy consumption* *- a decrease of 6 percentage points*
+ 23%	*Industrial injuries per one million working hours was 3.2* *- an increase of 23 per cent*

Highlights for the Group

mEUR	Q2 2013[1)]	Q2 2012[1)]	H1 2013[1)]	H1 2012[1)]	FY 2012
Financial highlights					
Income statement					
Revenue	1,185	1,611	2,281	2,716	7,216
Gross profit	169	248	227	260	796
Profit/(loss) before financial income and expenses, depreciation and amortisation (EBITDA) before special items	114	161	102	71	473
Operating profit/(loss) (EBIT) before special items	12	40	(96)	(164)	4
Profit/(loss) before financial income and expenses, depreciation and amortisation (EBITDA) after special items	110	135	86	4	299
Operating profit/(loss) (EBIT) after special items	(9)	18	(131)	(227)	(697)
Profit/(loss) of financial items	(29)	(23)	(58)	(3)	(14)
Profit/(loss) before tax	(38)	(5)	(189)	(230)	(713)
Net profit/(loss)	(62)	(8)	(213)	(170)	(963)
Balance sheet					
Balance sheet total	6,040	8,776	6,040	8,776	6,972
Equity	1,375	2,438	1,375	2,438	1,622
Provisions	353	350	353	350	353
Average interest-bearing position (net)	(969)	(1,152)	(1,048)	(1,065)	(1,189)
Net working capital	(56)	330	(56)	330	233
Investments in property, plant and equipment	11	27	18	65	167
Cash flow statement					
Cash flow from operating activities	261	(262)	238	(466)	(73)
Cash flow from investing activities	(64)	(76)	(101)	(167)	(286)
Free cash flow	197	(338)	137	(633)	(359)
Cash flow from financing activities	(274)	521	(583)	763	832
Change in cash at bank and in hand less current portion of bank debt	(77)	183	(446)	130	473
Financial ratios[2)]					
Financial ratios					
Gross margin (%)	14.3	15.4	10.0	9.6	11.0
EBITDA margin before special items (%)	9.6	10.0	4.5	2.6	6.6
EBIT margin before special items (%)	1.0	2.5	(4.2)	(6.0)	0.1
EBITDA margin after special items (%)	9.3	8.4	3.8	0.2	4.1
EBIT margin after special items (%)	(0.8)	1.1	(5.7)	(8.4)	(9.7)
Return on invested capital (ROIC) before special items[3)] (%)	1.6	(2.5)	1.6	(2.5)	0.2
Solvency ratio (%)	22.8	27.8	22.8	27.8	23.3
Net working capital as percentage of revenue (%)	(1.0)[4)]	4.6	(1.0)[4)]	4.6	3.2
Return on equity[3)] (%)	(54.8)	(3.1)	(54.8)	(3.1)	(45.9)
Gearing (%)	85.0	68.9	85.0	68.9	108.0
Share ratios					
Earnings per share[5)] (EUR)	(4.9)	(0.4)	(4.9)	(0.4)	(4.8)
Book value per share (EUR)	6.7	12.0	6.7	12.0	8.0
Price/book value (EUR)	1.6	0.4	1.6	0.4	0.5
Cash flow from operating activities per share (EUR)	1.3	(1.3)	1.2	(2.3)	(0.4)
Dividend per share (EUR)	0.0	0.0	0.0	0.0	0.0
Payout ratio (%)	0.0	0.0	0.0	0.0	0.0
Share price at the end of the period (EUR)	10.9	4.4	10.9	4.4	4.3
Average number of shares	203,704,103	203,704,103	203,704,103	203,704,103	203,704,103
Number of shares at the end of the period	203,704,103	203,704,103	203,704,103	203,704,103	203,704,103

1) Neither audited nor reviewed.
2) The ratios have been calculated in accordance with the guidelines from "Den Danske Finansanalytikerforening" (The Danish Society of Financial Analysts) (Recommendations and Financial ratios 2010).
3) Calculated over a 12-month period.
4) Net working capital as percentage of minimum outlook for revenue.
5) Earnings per share have been calculated over a 12-month period and in accordance with IAS 33 on earnings per share.

	Q2 2013 1)	Q2 2012 1)	H1 2013 1)	H1 2012 1)	FY 2012
Operational key figures					
Order intake (bnEUR)	1.7	0.9	2.4	2.2	3.8
Order intake (MW)	1,641	945	2,285	2,214	3,738
Order backlog – wind turbines (bnEUR)	7.1	9.6	7.1	9.6	7.1
Order backlog – service (bnEUR)	5.9	4.8	5.9	4.8	5.3
Produced and shipped (MW)	1,144	2,160	1,757	3,091	6,171
Produced and shipped (number)	520	964	806	1,413	2,765
Deliveries (MW)	877	1,307	1,696	2,415	6,039
Social and environmental key figures 2)					
Occupational health & safety					
Industrial injuries (number)	26	26	40	56	110
- of which fatal industrial injuries (number)	1	0	1	0	0
Utilisation of resources					
Consumption of metals (1,000 tonnes)	27	68	50	137	192
Consumption of other raw materials, etc. (1,000 tonnes)	23	38	46	72	121
Consumption of energy (GWh)	126	142	292	337	630
- of which renewable energy (GWh)	58	73	154	159	327
- of which renewable electricity (GWh)	55	73	144	149	310
Consumption of fresh water (1,000 m^3)	120	163	219	287	581
Waste disposal					
Volume of waste (1,000 tonnes)	17	26	33	49	87
- of which collected for recycling (1,000 tonnes)	11	13	19	24	44
Emissions					
Direct emission of CO_2 (1,000 tonnes)	12	13	30	33	59
Indirect emission of CO_2 (1,000 tonnes)	10	13	22	29	59
Local community					
Environmental accidents (number)	0	0	0	0	0
Breaches of internal inspection conditions (number)	0	0	0	1	1
Employees					
Average number of employees	17,325	22,187	17,316	22,558	21,033
Number of employees at the end of the period	17,253	21,767	17,253	21,767	17,778
- of which outside Europe	6,272	8,256	6,272	8,256	6,704
Social and environmental indicators 2)					
Occupational health and safety					
Incidence of industrial injuries per one million working hours	3.2	2.6	2.5	2.7	2.8
Absence due to illness among hourly-paid employees (%)	2.8	2.1	2.7	2.4	2.4
Absence due to illness among salaried employees (%)	1.2	1.0	1.3	1.1	1.1
Products					
CO_2 savings over the lifetime on the MW produced and shipped (million tonnes of CO_2)	30	57	46	82	163
Utilisation of resources					
Renewable energy (%)	46	52	53	47	52
Renewable electricity for own activities (%)	78	86	100	87	89
Employees					
Women in Board of Directors 3) and Executive Management (%)	15	9	15	9	8
Women at management level (%)	17	18	17	18	17
Non-Danes at management level (%)	54	55	54	55	56

1) Neither audited nor reviewed.
2) Accounting policies for social and environmental key figures for the Group, see page 36 of the annual report 2012.
3) Only Board members elected by the general meeting are included.

Financial performance

Order backlog and activities – wind turbines

Due to uncertainty surrounding a few customers' ability to comply with the contractual obligations, Vestas has resolved to lower the backlog value by EUR 0.4bn. Approx half of the amount relates to a specific customer in Vestas Central Europe. The decision has no impact on the 2013 and 2014 delivery plans.

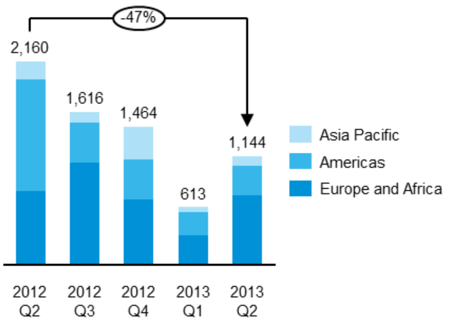
After this adjustment, the value of the order backlog was EUR 7.1bn at the end of June 2013. The backlog value was negatively impacted by currency movements of EUR 0.2bn during the second quarter of 2013.

The order backlog amounted to 7,216 MW at the end of June 2013. Europe and Africa accounted for 61 per cent and Americas and Asia Pacific accounted for 31 and 8 per cent, respectively.

The quarterly order intake was 1,641 MW, of which 79 per cent was publicly announced. This is an improvement of 74 per cent compared to the second quarter of 2012.

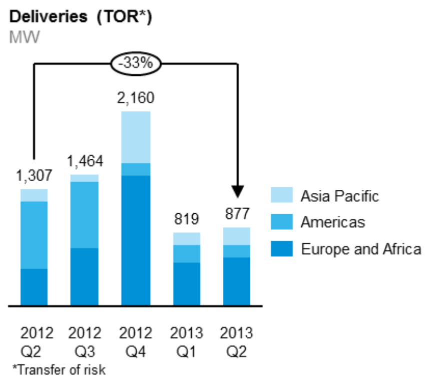
In the second quarter of 2013, Vestas produced and shipped wind turbines with an aggregate output of 1,144 MW (520 wind turbines) against 2,160 MW (964 wind turbines) in the second quarter of 2012.

Produced and shipped
MW



Final capacity delivered to the customers (transfer of risk – TOR) amounted to 877 MW; a decrease of 33 per cent from the second quarter of 2012.

Deliveries (TOR*)
MW



Overview as per Q2 2013
MW

	Europe and Africa	Americas	Asia Pacific	Total
Under completion, 1 April 2013	783	760	204	1,747
Delivered (TOR) to customers during the period	(537)	(140)	(200)	(877)
Produced and shipped during the period	726	317	101	1,144
Under completion, 30 June 2013	**972**	**937**	**105**	**2,014**

At the end of June 2013, wind turbine projects with a total output of 2,014 MW were under completion. This is reflected in the level of prepayments and inventories as a large share of these MW have not yet been recognised as revenue. The revenue recognition of these MW will take place when the projects are finally delivered to the customers.

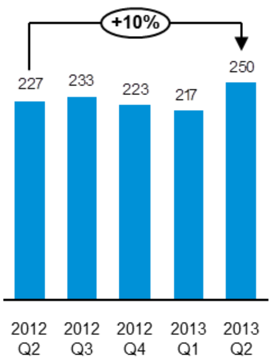
Order backlog and activities – service

At the end of June 2013, Vestas had service agreements with contractual future revenue of EUR 5.9bn – an increase of 23 per cent compared to the end of June 2012.

Service revenue amounted to EUR 250m in the second quarter of 2013 – an increase of 10 per cent compared to the second quarter of 2012. Even though revenue and earnings from the service business are far more stable than from the wind turbine business, the revenue and earnings generating activities in the different service contracts may vary from quarter to quarter.

In the second quarter of 2013, the EBIT margin before allocation of Group costs amounted to 29 per cent. The EBIT margin after allocation of Group costs was 21 per cent which is an increase of 4 percentage points compared to the second quarter of 2012 – driven by an improved service contribution margin and relatively lower Group costs. For the first half of 2013, service revenue amounted to EUR 467m with an EBIT margin before allocation of Group costs of 27 per cent.

Service revenue
mEUR



The service business requires in-depth knowledge about the wind turbines' performance depending on wind conditions and grid types, but only ties up a relatively low amount of capital. Vestas offers an increasingly broader product range covering everything from simple on-call duty to a guaranteed minimum exploitation of the wind.

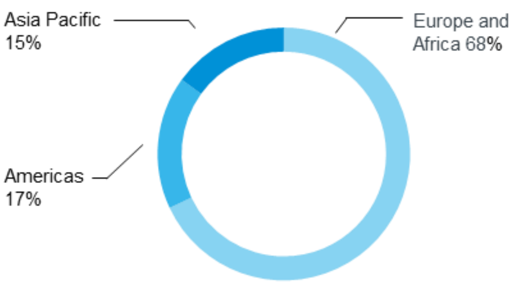
By the end of June 2013, Vestas has installed 57 GW in 73 countries. A high level of installed capacity and carefully planned service visits are key prerequisites for generating profit from the service business. Consequently, close monitoring of more than 25,000 wind turbines equivalent to more than 45 GW is one of the foundations of Vestas' service business' growth strategy.

76 per cent of the expiring service contracts were renewed during the second quarter of 2013.

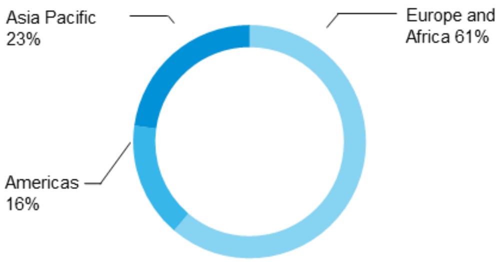
Income statement

In the second quarter of 2013, revenue amounted to EUR 1,185m; a decrease of 26 per cent compared to the year-earlier period. Europe and Africa accounted for 68 per cent of second quarter revenue, whereas Americas and Asia Pacific accounted for 17 and 15 per cent, respectively.

Distribution of revenue Q2 2013
Percentage



Distribution of MW delivered Q2 2013
Percentage

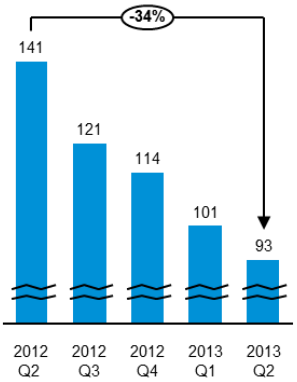


In the second quarter of 2013, the gross margin decreased to 14.3 per cent from 15.4 per cent in the second quarter of 2012. The decrease was primarily driven by lower volume and lower contribution margins compared to the second quarter of 2012, where Vestas handed over a couple of large projects with very high margins. The decrease was partly balanced by lower capacity costs and lower depreciation.

It should be emphasised that quarter-on-quarter developments in gross margins may show substantial fluctuations due to volume and composition relating to countries, project complexity, order and wind turbine types as well as customers' demands for delivery flexibility. Compared to the first quarter of 2013, the gross margin almost tripled – mainly driven by the improved project margins on the delivered projects.

The EBITDA margin before special items amounted to 9.6 per cent – a decrease of 0.4 percentage points compared to the second quarter of 2012 which is explained by the lower gross profit partly balanced by lower fixed costs.

Fixed costs* excluding D&A
mEUR



*R&D, administration and distribution

EBIT before special items amounted to EUR 12m – a decrease of EUR 28m on the second quarter of 2012. The EBIT margin before special items was 1.0 per cent. For the first half of 2013, EBIT before special items amounted to EUR (96)m – an improvement of EUR 68m compared to the first half of 2012.

In the second quarter of 2013, a total of EUR 21m was booked as special items of which EUR 17m relates to adjustments on assets held for sale. Special items of EUR 4m are related to lay-off costs for employees.

EBIT after special items amounted to EUR (9)m in the second quarter of 2013.

In the second quarter of 2013, net financials amounted to EUR (29)m against EUR (23)m in the second quarter of 2012.

The corporation tax expense of EUR 24m in the first half of 2013 is mainly from the writing down of deferred tax assets for the period, in line with the assessment done at the end of December 2012. As a result, the tax asset at the end of June 2013 is in line with the amount at the end of December 2012.

Balance sheet

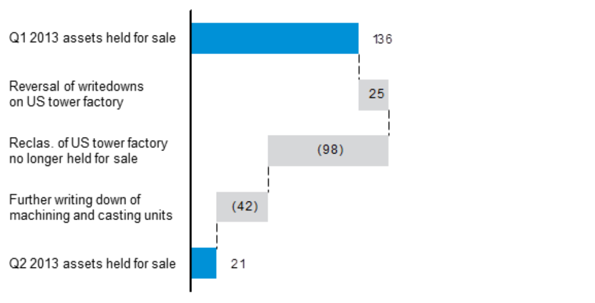
Vestas had total assets of EUR 6,040m at 30 June 2013, against EUR 8,776m the year before. This was partly driven by the writedowns during the last year and the lower level of current assets. At the end of June 2013, Vestas' interest-bearing net position amounted to EUR 779m, representing a decrease of 32 per cent over the last year. During the second quarter, the net debt decreased by EUR 193m.

Assets held for sale

Vestas has decided not to sell the tower factory in Pueblo, Colorado, USA. Consequently, the factory has been reclassified to property, plant and equipment. The writing down of the factory in 2012 was partially reversed by EUR 25m as the activity level in the North American market is expected to result in full capacity utilisation in 2014.

Vestas' machining and casting units are still classified as assets held for sale, but the ongoing negotiations with buyers for these units indicate a lower value. Hence, these units were further written down by EUR 42m in the second quarter of 2013.

Assets held for sale
mEUR



Net working capital

At the end of June 2013, Vestas' net working capital amounted to EUR (56)m, which is a decrease of EUR 386m compared to the end of June 2012. During the quarter, net working capital decreased by EUR 253m. Compared to the end of June 2012, the improvement is mainly driven by lower inventories, but during the quarter, the improvement is mainly driven by lower receivables due to improved cash collection and higher trade payables which more than offset the increase in inventories.

In the second quarter of 2013, the net working capital improved by around EUR 100m through the sale of the Romanian Gebeleisis project, which was co-developed by Vestas. Vestas decided to sell the project as development and ownership of projects is not part of Vestas' regular business model.

The regionalised manufacturing leaves room for further reduction of the inventories in the different regions by decreasing the lead time. An important focus area is to reduce the working capital tied up in "MW under completion" i.e. wind turbines in transport to site, in installation phase and in mechanical completion phase. Vestas aims to reduce the level of MW under completion significantly by decreasing lead time in transportation and construction. At the same time, Vestas focuses on order-to-cash by implementing improvements within contract management and cash collection. MW under completion stood at 2,014 MW by the end of June 2013.

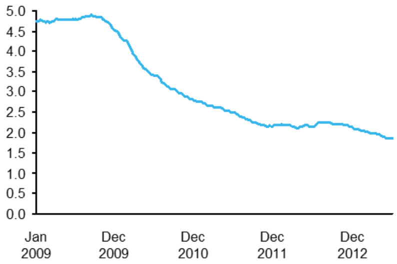
Warranty provisions

In the second quarter of 2013, warranty provisions amounted to EUR 23m, equivalent to 1.9 per cent of revenue. Warranty consumption amounted to EUR 28m – compared to EUR 33m in the second quarter of 2012. Over the last 12 months, warranty consumption as a percentage of revenue was less than 1.5 per cent. The very low level is a result of the continued quality focus and the improved performance of the wind turbines.

In general, provisions are made for all expected costs associated with wind turbine repairs or replacements, and any reimbursement from other involved parties is not offset unless a written agreement has been made to that effect. Provisions are made to cover possible costs of remedy and other costs in accordance with specific agreements. Provisions are based on estimates, and actual costs may deviate substantially from such estimates.

The ongoing improvement of the Lost Production Factor (LPF) on Vestas wind turbines implies that the customers achieve a consistently better return on their investment. At the end of June 2013, all the wind power plants where Vestas guaranteed the performance showed an average LPF of less than 2 per cent.

Lost Production Factor
Percentage



Data calculated across nearly 15,000 Vestas wind turbines under full scope service.

Total equity
Vestas' equity amounted to EUR 1,375m at 30 June 2013; a decrease of EUR 1,063m on 30 June 2012, primarily driven by writing down of non-current assets and tax assets made over the past 12 months.

Cash flow and investments
In the second quarter of 2013, cash flow from operating activities increased by EUR 523m to EUR 261m. Cash flow from investments amounted to EUR 64m, which is 16 per cent lower than the same period last year.

The free cash flow increased by EUR 535m to EUR 197m in the second quarter of 2013. This was driven by the significant improvement in the net working capital.

In the first half of 2013, the free cash flow amounted to EUR 137m; an improvement of EUR 770m compared to the first half of 2012.

Over the last 12 months, Vestas has generated a free cash flow of EUR 411m.

Market development

Deliveries and wind turbine backlog per region
MW

	Europe and Africa	Americas	Asia Pacific	Total
Deliveries Q2 2013	537	140	200	**877**
Backlog as per 30 June 2013	4,383	2,215	618	**7,216**

Europe and Africa

The European market is still characterised by low activity in Southern Europe which is balanced by growth in some Northern and Eastern European markets. In the second quarter of 2013, Vestas strengthened its leading position in the South African market with a 94 MW order.

In the second quarter of 2013, Vestas delivered 537 MW to Europe and Africa and the order backlog amounted to 4,383 MW as of 30 June 2013.

Americas

The activity level in the USA remained low in the second quarter, but Vestas expects a significant US order intake in the second half of 2013. In the second quarter of 2013, Vestas announced orders in Canada, Mexico, Chile and Uruguay.

In the second quarter of 2013, Vestas delivered 140 MW to the markets in Americas and the order backlog amounted to 2,215 MW as of 30 June 2013.

Asia Pacific

While the order intake in China remained low in the second quarter of 2013, Vestas secured orders in both Australia and the Philippines. The Philippine order illustrates the growth potential for wind power in growing economies.

In the second quarter of 2013, Vestas delivered 200 MW to Asia Pacific and the order backlog amounted to 618 MW as of 30 June 2013.

Offshore

Out of the total order backlog of 7,216 MW, the order backlog for Vestas Offshore amounted to 483 MW as of 30 June 2013.

Deliveries (TOR)
MW

	Q2 2013	Q2 2012	FY 2012
Poland	142	18	275
Romania	88	-	56
Germany	54	71	591
United Kingdom	48	22	312
Denmark	45	27	87
France	44	-	168
Italy	30	94	452
Turkey	30	12	48
Ireland	24	-	4
Sweden	19	50	525
Netherlands	6	10	42
Portugal	4	-	6
Czech Republic	2	-	16
Greece	1	-	-
Spain	-	78	290
Norway	-	18	54
Cyprus	-	11	11
Bulgaria	-	4	6
Ukraine	-	-	81
Finland	-	-	33
Belgium	-	-	16
Austria	-	-	14
Cape Verde	-	-	3
Total Europe and Africa	**537**	**415**	**3,090**
Canada	81	156	439
Mexico	50	29	29
USA	9	512	1,313
Netherlands Antilles	-	30	30
Brazil	-	10	88
Nicaragua	-	-	40
Puerto Rico	-	-	23
Chile	-	-	7
Uruguay	-	-	7
Argentina	-	-	2
Total Americas	**140**	**737**	**1,978**
China	99	78	413
Australia	75	-	420
India	26	27	88
Pakistan	-	50	50
Total Asia Pacific	**200**	**155**	**971**
TOTAL WORLD	**877**	**1,307**	**6,039**

Business development

Two-year turnaround plan

Vestas' vision is to ensure that the cost of wind energy becomes on a par with oil and gas by delivering cost effective wind technologies, products and services. Vestas and the wind power industry have come a long way towards realising this vision. Vestas now has the global footprint to manufacture wind turbines and deliver services close to its customers and to ensure cost competitiveness. In fact, the cost of electricity from onshore wind power is expected on average to reach grid parity in Europe by 2015[1]. However, despite the significant improvements in lowering the cost of energy from wind, at the end of 2011, Vestas faced a more conservative near-term market outlook due to declining expectations for energy consumption in key markets.

Consequently, Vestas revised its strategy and realigned its business by initiating a two-year turnaround plan with the objectives of (i) implementing a new operating business model to optimise cash flow and earnings while preserving long-term opportunities and (ii) achieving a leaner and more scalable organisation that is capable of reacting quickly to shifts in market demand.

Since the end of 2011, Vestas has focused on three core areas: (i) reducing costs, (ii) reducing investments through asset-light solutions and through a simplified product roadmap, and (iii) improving capacity utilisation and capital efficiency through divestments, supply to third parties and improved net working capital management.

Reducing costs

By the end of 2013, Vestas will reduce its annualised fixed capacity costs by more than EUR 400m compared to the fixed capacity costs in the fourth quarter of 2011. The primary driver of these cost reductions is the reduction in employee headcount from 22,721 employees at the end of 2011 to the expected level of no more than 16,000 employees at the end of 2013.

Likewise, variable costs were reduced during the course of 2012. When Vestas entered 2012, the product and production costs for the V112 turbine and the GridStreamer™ technology were higher than expected. In order to reduce these and other variable costs, more than 100 product cost-out initiatives were implemented during 2012. Product cost-out initiatives ranged from reducing the selection of bolts and screws to radically streamlining the production of large components for Vestas' wind turbines. Lowering variable costs will continue in 2013 through standardisation and modularisation of the 2 MW and 3 MW platforms.

Reducing investment levels

Vestas has decreased its investment levels in research and development by leveraging on its existing wind turbine platforms instead of developing new platforms, which require significantly more capital investment. Vestas' new onshore product variants i.e. V110-2.0 MW, V112-3.3 MW, V117-3.3 MW and V126-3.3 MW, which enable significantly increased energy capture, are all based on Vestas' proven 2 MW and 3 MW platforms and Vestas will continue to develop capex-light variants based on these platforms. These improvements are focused on providing greater performance and expanded platform ability, enabling customers to benefit from increased annual energy production across low, medium and high wind sites, higher reliability and effective service and spare part operations.

Vestas now has the global footprint to manufacture wind turbines and deliver services close to its customers and ensure cost competitiveness and therefore, Vestas does not plan to invest in new factories.

This shift in Vestas' development programme and the finalisation of the regional manufacturing footprint built-out has allowed Vestas to decrease investments from EUR 761m in 2011 to EUR 286m in 2012.

Improving capacity utilisation and capital efficiency

During 2012, Vestas evaluated its manufacturing footprint based on market demand and closed a number of offices and facilities. The purpose was to improve capacity utilisation and capital efficiency through divestments, supply to third parties and net working capital management. As part of this, Vestas sold its tower factor in Varde, Denmark, as well as closed and merged a number of factories and offices.

To improve its net working capital position, which is primarily driven by inventory and prepayments, Vestas has focused on initiatives to reduce the time from final production to Transfer of Risk (TOR). The time from shipment to TOR i.e. MW under completion, can be decreased by reducing lead time in transportation, installation and commissioning. In addition, Vestas focuses on improving contract management and cash collection.

Vestas achieved an improvement in its net working capital from EUR 233m at the end of 2012 to EUR (56)m at the end of the first half year of 2013, which was mainly driven by improved cash collection. There is, however, still room for improvement in lowering MW under completion.

2013 will mark the end of Vestas' turnaround plan and the beginning of a new strategic direction. Vestas expects to enter this next level in its development with improved earnings margins and strong cash flow generation capabilities. The strategy beyond 2013 will leverage on the implemented operating business model and organisation and will continue to focus on optimising cash flow and earnings while maintaining Vestas' market leadership position.

[1] Source: Make Consulting: Levelized Cost of Energy, February 2013.

Financial priorities

The focus on cost reductions, reduced investments and increased outsourcing, has not changed Vestas' three main financial priorities:

1. EBIT margin
   Vestas has defined a goal of achieving a high single-digit EBIT margin in the medium term subject to a normalised US market. For 2013, the goal is to achieve an EBIT margin before special items of at least 1 per cent.

2. Free cash flow
   In 2013, Vestas now aims to generate a free cash flow of at least EUR 200m and thereby reduce its net debt.

3. Revenue
   Vestas has two revenue streams: Wind turbines and service. Service, which is more profitable, is expected to continue being the fastest growing segment in 2013. For 2013, the target is total revenue of at least EUR 5.5bn of which service constitutes approx EUR 1bn.

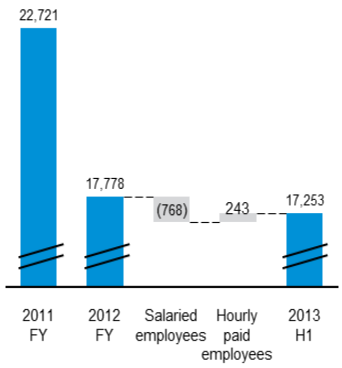
Social and environmental performance

Employees

During the course of 2012, Vestas carried out a comprehensive, global restructuring of the organisation due to an excessive cost base in relation to the activity level. The restructuring continued in 2013, and during the first half of 2013, Vestas reduced the number of employees by 525. The first-half 2013 reduction is driven by salaried employees, which more than offsets insourcing of service technicians in Germany and hiring of employees at the tower factory in Pueblo, Colorado, USA.

Employees, end of period

Number



Despite the decision to keep and ramp up the tower factory in Pueblo, Colorado, USA, Vestas expects to further reduce its headcount during 2013 through divestments of machining and casting units, continuation of hiring freeze and layoffs. This is expected to bring down the number of employees to no more than 16,000 by the end of 2013.

Global bonus programme

For 2013, the Group bonus targets are: a free cash flow of EUR 500m (55 per cent weighting) and an EBIT margin before special items and before provisioning for bonus of 5 per cent (45 per cent weighting). No global bonus will be paid out for 2013 if the following minimum targets are not met: A free cash flow of EUR 220m and an EBIT margin before special items and before provisioning for bonus of 3.7 per cent. If the minimum targets are both just met, provisions for approx EUR 35m will be made in 2013 to be paid out to the Vestas employees in 2014. The bonus disbursement is based on national legislation.

Safety

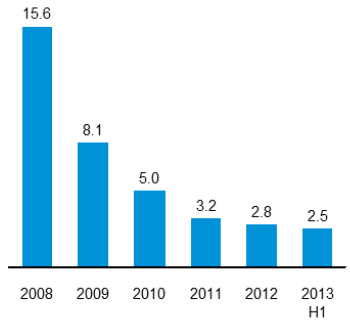
Tragically, a Vestas supervised contractor suffered a fatal accident in Germany in the second quarter of 2013. The root cause of the accident has been identified as human error.

For the first half year of 2013 the incidence of industrial injuries was 2.5 compared to 2.7 in the first half of 2012.

Vestas maintains its target of 2.0 for full-year incidence of injuries, as well as its commitment to further reduction of industrial injuries.

Incidence of industrial injuries

Per one million working hours



Environmental performance

Vestas' environmental impact has decreased from the second quarter of 2012 to the second quarter of 2013. The decrease is linked to a reduced activity level at many of Vestas' factories.

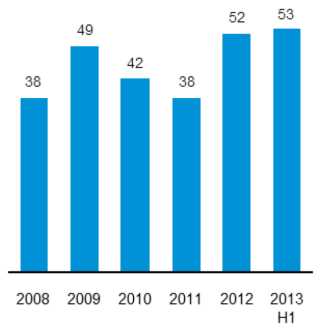
Furthermore, the closure of the factories in Hohhot, China, and Olvega, Spain, and the divestment of the tower factory in Varde, Denmark, are also contributing to the lower consumption of energy and water, as well as the lower amount of waste and reduced emission of CO_2.

Vestas' share of renewable electricity reached 100 per cent already during the first quarter of 2013 and it is still at 100 per cent at half year. In addition to this, Vestas has an amount of renewable electricity generated at own wind power plants not yet utilised. The surplus renewable electricity will be balanced out over the coming quarters.

A lower consumption of energy and a higher proportion of renewable electricity increased Vestas' share of renewable energy consumption by 6 percentage points to 53 per cent in the first half of 2013.

Renewable energy

Percentage of total energy consumption



Outlook 2013

Based on the current activity plan for the second half of 2013 and the related cash inflows and outflows, the free cash flow for 2013 is now expected to be at least EUR 200m compared to the earlier expectation of a positive free cash flow in 2013.

Vestas maintains its full-year guidance of an EBIT margin before special items of at least 1 per cent and revenue of at least EUR 5.5bn, including service revenue, which is expected to amount to approx EUR 1bn. Service EBIT margin before allocation of Group costs is still expected to be approx 17 per cent. Shipments are still expected to be 4-5 GW.

It should be emphasised that Vestas' accounting policies only allow the recognition of supply-only and supply-and-installation projects as income when the risk has finally passed to the customer, irrespective of whether Vestas has already produced, shipped and installed the turbines. Disruptions in production and challenges in relation to wind turbine installation, for example bad weather, lack of grid connections and similar matters may thus cause delays that could affect Vestas' financial results for 2013.

Vestas expects to see deliveries, revenue and earnings peak in the fourth quarter of the year. Based on the current delivery plan, margins on the delivered projects are expected to be higher in the fourth quarter than in the third quarter.

Based on a strong foothold and a pick-up in market growth in the USA, Vestas expects to see a significant US order intake in the second half of 2013.

The development of the V164-8.0 MW turbine continues according to Vestas' plans, with installation of the first prototype expected to take place in the first quarter of 2014. As previously announced, Vestas has received inquiries from potential partners on the V164-8.0 MW turbine.

There are no plans to invest in new production facilities, and thus investments in property, plant and equipment are still expected to be around EUR 150m.

Vestas expects to further reduce the number of employees during 2013 and the year-end number of employees is still expected to be no more than 16,000.

Assumptions and risks

The continued economic downturn as well as an increased emphasis on cost of energy continues to put focus on reducing or even abandoning support schemes for wind power across the globe. Though there are grounds for cautious optimism, the industry must expect a low level of support in the short and medium term. The tendency towards decreasing regulatory financial frameworks for wind power thus continues to add pressure on the industry.

As a consequence the banks have become much more diligent than previously and processing times and documentation requirements have gone up. A further setback in the credit market would adversely affect Vestas' market potential. Similarly, low prices of fossil fuels could postpone demand, and lower energy consumption caused by economic cycles could also affect demand for wind power plants.

The slowdown in market growth has generally triggered component abundance and represents a financial challenge for a number of suppliers. Vestas monitors the risk in relation to component procurement and regularly follows up on the financial standing of existing and potential suppliers.

To minimise the potential impact and reduce risks in connection with fluctuations in prices of commodities such as copper and nickel, Vestas has entered into long-term fixed price agreements with suppliers. In general, however, Vestas seeks to include specific commodity price escalation clauses in its sales contracts. This means that Vestas' earnings on contracts are relatively robust towards fluctuating input prices.

An increase in the price of steel, in particular, may, however, have an adverse impact on project earnings.

Other than the aforementioned, the most important risk factors include additional warranty provisions due to potential quality issues, transport costs, disruptions in production and wind turbine installations and potential patent disputes. The combination of having production facilities in Europe, China and the USA as well as worldwide sales makes Vestas less sensitive to fluctuations in currencies.

Vestas operates with three types of contracts: Supply-only, supply-and-installation and turnkey. Revenue from supply-only and supply-and-installation orders is not recognised until the wind turbines have been finally handed over to the customer. This may cause a time lag concerning the income recognition. The majority of Vestas' revenue derives from these types of contracts. Revenue from turnkey orders is recognised based on the percentage of completion method in line with shipments. There are no differences between the contract types in terms of the payment profile. Payments are typically received when orders are received, as physical shipments are effected and at final transfer of risk.

Along with certain of its present and former members of the Board of Directors and the Executive Management, Vestas has been named as a defendant in a class action lawsuit filed in the United States District Court, District of Oregon, USA, see also company announcement No. 8/2011 of 21 March 2011.

Based on Vestas' broad sales and production platform, Vestas has ongoing tax reviews with focus on transfer pricing. As a consequence of a tax review by the Danish tax authorities focusing on transfer pricing for 2005-2007, in the second quarter of 2013, Vestas has received a tax assessment for 2006-2009 from the Spanish tax authorities increasing the taxable income in Spain. The Danish and Spanish tax reviews are connected and are expected to be resolved by a mutual agreement between the tax authorities. The financial impact, i.e. the taxable income, of such an agreement is expected to be neutral for Vestas, however, the timing of such an agreement is uncertain.

Consolidated accounts – 1 January-30 June 2013

Consolidated income statement

mEUR

	Q2 2013	Q2 2012	H1 2013	H1 2012
Revenue	**1,185**	**1,611**	**2,281**	**2,716**
Cost of sales	(1,016)	(1,363)	(2,054)	(2,456)
Gross profit	**169**	**248**	**227**	**260**
Research and development costs	(51)	(65)	(113)	(125)
Distribution expenses	(43)	(52)	(86)	(108)
Administrative expenses	(63)	(91)	(124)	(191)
Operating profit/(loss) before special items	**12**	**40**	**(96)**	**(164)**
Special items	(21)	(22)	(35)	(63)
Operating profit/(loss) after special items	**(9)**	**18**	**(131)**	**(227)**
Income from investments in associates	0	0	0	0
Net financials	(29)	(23)	(58)	(3)
Profit/(loss) before tax	**(38)**	**(5)**	**(189)**	**(230)**
Corporation tax	(24)	(3)	(24)	60
Net profit/(loss) for the period	**(62)**	**(8)**	**(213)**	**(170)**
Earnings per share (EPS)				
Earnings per share for the period (EUR), basic	(0.31)	(0.04)	(1.05)	(0.83)
Earnings per share for the period (EUR), diluted	(0.31)	(0.04)	(1.05)	(0.83)

Consolidated statement of comprehensive income

mEUR

	H1 2013	H1 2012
Profit/(loss) for the period	**(213)**	**(170)**
Items to be reclassified to the income statement when specific conditions are met:		
Exchange rate adjustments relating to foreign entities	(14)	27
Fair value adjustments of derivative financial instruments for the period	(31)	(23)
Fair value adjustments of derivative financial instruments transferred to the income statement (cost of sales)	0	24
Tax on derivative financial instruments and other comprehensive income	8	0
Other comprehensive income after tax for the period	(37)	28
Total comprehensive income for the period	**(250)**	**(142)**

Consolidated balance sheet – Assets

mEUR

	30 June 2013	30 June 2012	31 December 2012
Goodwill	216	320	216
Completed development projects	409	553	485
Software	52	81	64
Development projects in progress	312	279	251
Total intangible assets	**989**	**1,233**	**1,016**
Land and buildings	858	1,034	785
Plant and machinery	206	404	220
Other fixtures, fittings, tools and equipment	175	314	218
Property, plant and equipment in progress	67	117	63
Total property, plant and equipment	**1,306**	**1,869**	**1,286**
Investments in associates	1	4	1
Other receivables	36	43	32
Deferred tax	150	398	146
Total other non-current assets	**187**	**445**	**179**
Total non-current assets	**2,482**	**3,547**	**2,481**
Inventories	2,176	3,476	2,244
Trade receivables	525	682	792
Construction contracts in progress	46	1	21
Other receivables	331	468	389
Corporation tax	69	68	63
Cash at bank and in hand	390	534	851
Total current assets	**3,537**	**5,229**	**4,360**
Non-current assets held for sale	21	-	131
TOTAL ASSETS	**6,040**	**8,776**	**6,972**

Consolidated balance sheet – Equity and liabilities

mEUR

	30 June 2013	30 June 2012	31 December 2012
Share capital	27	27	27
Other reserves	(32)	35	5
Retained earnings	1,380	2,376	1,590
Total equity	**1,375**	**2,438**	**1,622**
Deferred tax	21	0	17
Provisions	173	161	175
Pension obligations	2	2	2
Financial liabilities	972	1,627	1,458
Total non-current liabilities	**1,168**	**1,790**	**1,652**
Prepayments from customers	1,712	2,394	1,716
Construction contracts in progress	75	28	77
Trade payables	998	1,541	1,008
Provisions	157	187	159
Financial debt	197	54	293
Other liabilities	349	334	412
Corporation tax	9	10	33
Total current liabilities	**3,497**	**4,548**	**3,698**
Total liabilities	**4,665**	**6,338**	**5,350**
TOTAL EQUITY AND LIABILITIES	**6,040**	**8,776**	**6,972**

Consolidated statement of changes in equity – 6 months 2013

mEUR

	Share capital	Translation reserve	Cash flow hedging reserve	-	Retained earnings	Total
Equity at 1 January 2013	**27**	**7**	**(2)**	**32**	**1,590**	**1,622**
Share based payments	-	-	-	-	3	3
Total comprehensive income for the period	-	(14)	(23)	(37)	(213)	(250)
Equity at 30 June 2013	**27**	**(7)**	**(25)**	**(5)**	**1,380**	**1,375**

Consolidated statement of changes in equity – 6 months 2012

mEUR

	Share capital	Translation reserve	Cash flow hedging reserve	-	Retained earnings	Total
Equity at 1 January 2012	**27**	**27**	**(20)**	**34**	**2,542**	**2,576**
Share based payments	-	-	-	-	4	4
Total comprehensive income for the period	-	27	1	28	(170)	(142)
Equity at 30 June 2012	**27**	**54**	**(19)**	**62**	**2,376**	**2,438**

Summarised consolidated cash flow statement

mEUR

	Q2 2013	Q2 2012	H1 2013	H1 2012
Profit/(loss) for the period	(62)	(8)	(213)	(170)
Adjustments for non-cash transactions	127	79	270	162
Corporation tax paid	(28)	(45)	(48)	(77)
Net interest	(30)	22	(61)	20
Cash flow from operating activities before change in net working capital	7	48	(52)	(65)
Change in net working capital	254	(310)	290	(401)
Cash flow from operating activities	**261**	**(262)**	**238**	**(466)**
Net investment in intangible assets	(53)	(48)	(82)	(103)
Net investment in property, plant and equipment	(11)	(27)	(18)	(65)
Other	0	(1)	(1)	1
Cash flow from investing activities	**(64)**	**(76)**	**(101)**	**(167)**
Free cash flow	**197**	**(338)**	**137**	**(633)**
Repayment of non-current liabilities	(274)	0	(583)	0
Raising of non-current liabilities	0	521	0	763
Cash flow from financing activities	**(274)**	**521**	**(583)**	**763**
Change in cash at bank and in hand less current portion of bank debt	**(77)**	**183**	**(446)**	**130**
Cash at bank and in hand less current portion of bank debt at 1 April/1 January	466	307	847	370
Exchange rate adjustments of cash at bank and in hand	(4)	41	(16)	31
Cash at bank and in hand less current portion of bank debt at 30 June	**385**	**531**	**385**	**531**
The amount can be specified as follows:				
Cash at bank and in hand without disposal restrictions	282	517	282	517
Cash at bank and in hand with disposal restrictions	108	17	108	17
Total cash at bank and in hand	390	534	390	534
Current portion of bank debt	(5)	(3)	(5)	(3)
	385	**531**	**385**	**531**

Accounting policies

Basis of Preparation

The interim report comprises a summary of the consolidated financial statements of Vestas Wind Systems A/S.

Accounting Policies

The interim report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

The accounting policies remain unchanged from the annual report for 2012, which is presented under International Financial Reporting Standards (IFRSs) as adopted by the EU. Reference is made to the annual report for 2012, pages 67-72, for a complete description of the accounting policies of the Group.

New IASs/IFRSs and IFRICs implemented in the period

No new standards or interpretations of importance to net profit and equity were implemented in 2013.

For additional information on IASs/IFRSs and IFRICs implemented in the current year or later, reference is made to note 40 on page 108 of the annual report for 2012.

To date, no new IASs/IFRSs or IFRICs have been issued in 2013 which are at this time considered relevant to Vestas.

Special items

In the second quarter of 2013, a total of EUR 21m was booked as special items of which EUR 17m relates to adjustments on assets held for sale. Special items of EUR 4m are related to lay-off costs for employees.

Assets held for sale

Vestas has decided not to sell the tower factory in Pueblo, Colorado, USA. Consequently, the factory has been reclassified to property, plant and equipment. The writing down of the factory in 2012 was partially reversed by EUR 25m as the activity level in the North American market is expected to result in full capacity utilisation in 2014.

Vestas' machining and casting units are still classified as assets held for sale, but the ongoing negotiations with buyers for these units indicate a lower value. Hence, these units were further written down by EUR 42m in the second quarter of 2013.

Overview per quarter 2013

MW

	Europe and Africa	Americas	Asia Pacific	Total
Q1				
Under completion, 1 January 2013	955	709	289	1,953
Delivered (TOR) to customers during the period	(489)	(182)	(148)	(819)
Produced and shipped during the period	317	233	63	613
Under completion, 31 March 2013	**783**	**760**	**204**	**1,747**
Q2				
Under completion, 1 April 2013	783	760	204	1,747
Delivered (TOR) to customers during the period	(537)	(140)	(200)	(877)
Produced and shipped during the period	726	317	101	1,144
Under completion, 30 June 2013	**972**	**937**	**105**	**2,014**

Warranty provisions

mEUR

	30 June 2013	30 June 2012	31 December 2012
Warranty provisions, 1 January	274	249	249
Exchange rate adjustments	0	0	(1)
Provisions for the period	46	95	148
Warranty provisions consumed during the period	(45)	(63)	(119)
Adjustments relating to the change in discounting of warranty provisions	0	0	(3)
Warranty provisions	**275**	**281**	**274**
The provisions are expected to be payable as follows:			
< 1 year	133	155	132
> 1 year	142	126	142

Segment information
mEUR

	Europe and Africa sales units	Americas sales units	Asia Pacific sales units	Production units	Service	Total reportable segments
Q2 2013						
External revenue	664	131	140	0	250	1,185
Internal revenue	86	24	5	860	0	975
Total segment revenue	**750**	**155**	**145**	**860**	**250**	**2,160**
Reportable segments' operating results (EBIT)[1)]	(7)	(3)	6	(38)	53	11
Total assets	**1,376**	**807**	**272**	**1,583**	**402**	**4,440**
Q2 2012						
External revenue	500	812	68	4	227	1,611
Internal revenue	143	32	7	1,623	0	1,805
Total segment revenue	**643**	**844**	**75**	**1,627**	**227**	**3,416**
Reportable segments' operating results (EBIT)	5	62	9	69	38	183
Total assets	**2,083**	**1,345**	**833**	**2,412**	**451**	**7,124**

Reconciliation	**Q2 2013**	**Q2 2012**
Reportable segments' EBIT	11	183
Unallocated net expenses[2)]	(20)	(165)
Consolidated operating profit (EBIT)	**(9)**	**18**

1) Service EBIT of EUR 53m is after allocation of Group costs of EUR 20m. Before allocation of Group costs, service EBIT amounts to EUR 73m (2012: EUR 58m).
2) Inclusive of parent company income (management fee, service, royalty and other rental income from Group companies) reduced by costs related to Turbines R&D and Group staff functions.

Segment information

mEUR

	Europe and Africa sales units	Americas sales units	Asia Pacific sales units	Production units	Service	Total reportable segments
H1 2013						
External revenue	1,138	370	302	4	467	2,281
Internal revenue	196	40	8	1,312	0	1,556
Total segment revenue	**1,334**	**410**	**310**	**1,316**	**467**	**3,837**
Reportable segments' operating results (EBIT)[1)]	(23)	(24)	11	47	85	96
Total assets	**1,376**	**807**	**272**	**1,583**	**402**	**4,440**
H1 2012						
External revenue	1,025	1,099	149	13	430	2,716
Internal revenue	214	66	12	2,399	0	2,691
Total segment revenue	**1,239**	**1,165**	**161**	**2,412**	**430**	**5,407**
Reportable segments' operating results (EBIT)	(51)	3	(12)	23	44	7
Total assets	**2,083**	**1,345**	**833**	**2,412**	**451**	**7,124**

Reconciliation	**H1 2013**	**H1 2012**
Reportable segments' EBIT	96	7
Unallocated net expenses[2)]	(227)	(234)
Consolidated operating profit (EBIT)	**(131)**	**(227)**

1) Service EBIT of EUR 85m is after allocation of Group costs of EUR 40m. Before allocation of Group costs, service EBIT amounts to EUR 125m (2012: EUR 89m).
2) Inclusive of parent company income (management fee, service, royalty and other rental income from Group companies) reduced by costs related to Turbines R&D and Group staff functions.

Company announcements from Vestas Wind Systems A/S

Disclosed during the first quarter of 2013		
03.01.2013	01	Vestas signs 90 MW purchase agreement
11.01.2013	02	Vestas obtains final credit approval of credit facilities
14.01.2013	03	Vestas receives request for scrutiny
16.01.2013	04	Vestas to supply towers for third parties for North American wind power projects
17.01.2013	05	Major shareholder announcement – BlackRock, Inc.
21.01.2013	06	Information in the market regarding Dutch offshore project
06.02.2013	07	Annual report 2012 – Vestas is prepared for a tough 2013
01.03.2013	08	Information in the market regarding project in the Philippines
21.03.2013	09	Vestas Wind Systems A/S' Annual General Meeting on 21 March 2013
22.03.2013	10	Share based incentive programme 2013
29.03.2013	11	Vestas receives 105 MW order in Ukraine
Disclosed during the second quarter of 2013		
05.04.2013	12	Information in the market regarding order in Uruguay
08.04.2013	13	Vestas receives 299 MW order in Canada
08.04.2013	14	Major shareholder announcement – Marathon Asset Management LLP
15.04.2013	15	Vestas appoints new Chief Financial Officer
23.04.2013	16	Vestas receives a 10-year service contract renewal for 120 MW
24.04.2013	17	Vestas receives 110 MW order in Chile
08.05.2013	18	Interim financial report – first quarter 2013
15.05.2013	19	Information in the market regarding delay of Vestas contract in Mexico
22.05.2013	20	Information in the market regarding order in Mexico
23.05.2013	21	Vestas receives 155 MW order in Mexico
24.05.2013	22	Vestas has handed over case concerning former CFO to the Fraud Squad
28.05.2013	23	Information in the market regarding order in Jordan
30.05.2013	24	Vestas receives 90 MW order in Uruguay
11.06.2013	25	Vestas receives 94 MW order in South Africa
21.06.2013	26	Vestas sells two wind power plants in Romania and Bulgaria
23.06.2013	27	Information in the market regarding order in the Philippines
27.06.2013	28	Vestas receives 99 MW order in Sweden
28.06.2013	29	Vestas receives 87 MW order in the Philippines
28.06.2013	30	Vestas receives 107 MW order in Australia
Disclosed during the third quarter of 2013		
03.07.2013	31	Vestas receives 93 MW order in South Africa
01.08.2013	32	Vestas receives 105 MW order in South Africa
02.08.2013	33	Information in the market regarding projects in the USA
06.08.2013	34	Vestas receives notice of potential lawsuit from Deminor
16.08.2013	35	Vestas receives notification in connection with claim from 87 individual investors
21.08.2013	36	Vestas appoints Anders Runevad as Group President & CEO

Management's statement

The Executive Management and the Board of Directors have today discussed and approved the interim financial report of Vestas Wind Systems A/S for the period 1 January to 30 June 2013.

The interim financial report has been prepared in accordance with IAS 34 on interim financial reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies. The interim financial report has neither been audited nor reviewed.

In our opinion the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position at 30 June 2013 and of the results of the Group's operations and cash flow for the period 1 January to 30 June 2013.

Further, in our opinion the management report gives a true and fair review of the development in the Group's operations and financial matters, the results of the Group's operations for the period and the Group's financial position as a whole and describes the significant risks and uncertainties pertaining to the Group.

Aarhus, Denmark, 21 August 2013

Executive Management

Marika Fredriksson
Acting President & CEO
Executive Vice President & CFO

Anders Vedel
Executive Vice President & CTO

Jean-Marc Lechêne
Executive Vice President & COO

Juan Araluce
Executive Vice President & CSO

Board of Directors

Bert Nordberg
Chairman

Lars Josefsson
Deputy Chairman

Carsten Bjerg

Eija Pitkänen

Henrik Andersen

Henry Sténson

Jørgen Huno Rasmussen

Jørn Ankær Thomsen

Kim Hvid Thomsen

Knud Bjarne Hansen

Michael Abildgaard Lisbjerg

Sussie Dvinge Agerbo

Disclaimer and cautionary statement

This document contains forward-looking statements concerning Vestas' financial condition, results of operations and business. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements.

Forward-looking statements include, among other things, statements concerning Vestas' potential exposure to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. There are a number of factors that could affect Vestas' future operations and could cause Vestas' results to differ materially from those expressed in the forward-looking statements included in this document, including (without limitation): (a) changes in demand for Vestas' products; (b) currency and interest rate fluctuations; (c) loss of market share and industry competition; (d) environmental and physical risks; (e) legislative, fiscal and regulatory developments, including changes in tax or accounting policies; (f) economic and financial market conditions in various countries and regions; (g) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, and delays or advancements in the approval of projects; (h) ability to enforce patents; (i) product development risks; (j) cost of commodities; (k) customer credit risks; (l) supply of components from suppliers and vendors; and (m) customer readiness and ability to accept delivery and installation of products and transfer of risk.

All forward-looking statements contained in this document are expressly qualified by the cautionary statements contained or referenced to in this statement. Undue reliance should not be placed on forward-looking statements. Additional factors that may affect future results are contained in Vestas' annual report for the year ended 31 December 2012 (available at vestas.com/investor) and these factors should also be considered. Each forward-looking statement speaks only as of the date of this document. Vestas does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information or future events others than required by Danish law. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this document.

Vestas Wind Systems A/S
Hedeager 44 . 8200 Aarhus N . Denmark
Tel: +45 9730 0000 . Fax: +45 9730 0001
vestas@vestas.com . **vestas.com**