Copenhagen Stock Exchange
Nikolaj Plads 6
1067 Copenhagen K

Randers, 30 March 2005
Stock exchange announcement No. 08/2005

Announcement regarding the Annual Report 2004

Results for 2004

Today, the Board of Directors of Vestas Wind Systems A/S has approved the Vestas Group's Annual Report for 2004 and recommended it for adoption at the General Meeting on 25 April 2005. The accounts show the following:

(mEUR)	2004	2003	2002
Net turnover	2,561	1,653	1,395
Result before financial income and expenses (EBIT)	(9)	74	74
Result after financial income and expenses	(50)	53	60
Result on ordinary activities before tax	(50)	54	60
Net result for the year	(39)	36	45
Equity	1,251	613	596
Balance sheet total	2,924	1,390	1,269

2004 became a year with big changes and exciting challenges for Vestas.

The installed wind power capacity worldwide amounted to approximately 8,000 MW, which is a minor decrease in relation to 2003. The total sales of Vestas Technology from Vestas Group companies and Vestas' associated companies amounted to 2,784 MW, an increase of approximately 4 per cent in relation to 2003. Vestas obtained a global market share of approximately 35 per cent, a rise of approximately 2 percentage points on 2003.

Compared to 2003, the Group's income statement for 2004 and balance sheet at 31 December 2004 are significantly affected by the combination of Vestas and NEG Micon. As described below, the combination has created a stronger well positioned company, however, it has also resulted in one-off costs and general disturbances to the operations, which is a natural effect of a combination of two global groups.

At the beginning of the year and at the time of the approaching combination, a lot of external sources were questioning whether the combined company would be able to keep focus on the order intake and consequently the turnover, which seen in relation to a stagnating world market already was considered ambitious.

Address: Vestas Wind Systems A/S · Alsvej 21 · 8900 Randers · Denmark
Tel: +45 9730 0000 · **Fax:** +45 9730 0001 · **E-mail:** vestas@vestas.com · **Web:** www.vestas.com
Bank: Nordea Bank Danmark A/S 2149 0651 117097
Company reg. no.: 10 40 37 82
Company reg. name: Vestas Wind Systems A/S

It is therefore very satisfactory that the Group in the year of the combination has succeeded in achieving the expected turnover and even increasing the market share by two percentage points. The turnover of the Group in 2004 amounted to mEUR 2,561, of which approximately 66 per cent, equivalent to mEUR 1,687 was realised during the second half of 2004. 34 per cent of the Group's turnover was generated outside Europe. The net result for the year is mEUR -39 and is affected by one-off costs amounting to mEUR 153. The result for the year is not satisfactory.

The Group accounts for 2004 include NEG Micon A/S for 10 months as the combination came into effect as from 1 March 2004. The realised full-year turnover is mEUR 2,633.

With a view to making possible a comparison with the Group's expectations, which have been expressed on the basis of full-year operation of the combined group, the table below presents an unaudited pro forma summary of the income statement and balance sheet for the combined group for full-year 2004. The stated balance sheet figures are from the Group's balance sheet at 31 December 2004.

(mEUR)	2004 (unaudited)	2003 (unaudited)
Pro forma income statement:		
Net turnover	2,633	2,361
Gross profit	270	163
EBITA before one-off costs	146	28
One-off costs	153	0
Result before financial items (EBIT)	-25	28
Balance sheet at 31 December:		
Balance sheet total	2,924	2,216
Equity	1,251	828
Provisions	214	228
Pro forma ratios:		
Net profit ratio (EBITA) (%) [1)]	5.6	1.2
Net profit ratio (EBIT) (%) [2)]	(0.3)	1.2

1) EBITA margin including expense synergies, but before one-off, integration and restructuring expenses as well as amortisation of goodwill in connection with the combination with NEG Micon.
2) EBIT margin before amortisation of goodwill in connection with the combination with NEG Micon.

Due to the combination and the costs in connection with this, the Group decided already at the time of the financial reporting for 2003 to measure the expectations for 2004 not only on EBIT but also on EBITA before one-off costs.

At the beginning of the year, Vestas' financial forecasts for 2004 pointed to a turnover for the year of approximately bnEUR 2.7-2.8 with an EBITA margin[1)] of approximately 7 per cent. Net working capital was expected to amount to around 30-35 per cent of the net turnover for the year. As stated in Vestas' Offering Circular of 12 May 2004, it was expected that the American Production Tax Credit (PTC) would be extended in the summer of 2004, and the Group's expectations for 2004 included deliveries of around 150 MW, which were termed "PTC-dependent". However, the expected extension of the PTC-scheme in summer 2004

Address: Vestas Wind Systems A/S · Alsvej 21 · 8900 Randers · Denmark
Tel: +45 9730 0000 · **Fax:** +45 9730 0001 · **E-mail:** vestas@vestas.com · **Web:** www.vestas.com
Bank: Nordea Bank Danmark A/S 2149 0651 117097
Company reg. no.: 10 40 37 82
Company reg. name: Vestas Wind Systems A/S

failed to materialise. As a result, in August 2004 Vestas reduced its turnover forecast to around bnEUR 2.6 and its EBITA[1)] expectations to 6 per cent, cf. Stock exchange announcement No. 32/2004 of 9 August 2004.

The Group realised the targeted EBITA margin[1)] in spite of the challenges from the combination and the consequent disturbances to the operation, the seasonal distribution of turnover and the consequent demand to planning.

One-off costs amount to approximately mEUR 153, of which mEUR 38 are related to the Horns Reef project and mEUR 115 are related to integration and restructuring costs in relation to the combination.

The Horns Reef project has now been completed, however, negotiations between the parties of the project are still pending.

Integration and restructuring costs comprise as follows:

- Costs in connection with resignation of staff, closing of offices and termination of agency agreements etc. at a total amount of mEUR 31.
- Costs in relation to restructuring of the legal company structure and adaptation of internal working procedures and systems at a total amount of mEUR 60.
- Re-classification of lower margins than expected on sales contracts made in NEG Micon before the combination. This amounts to mEUR 24.

The statement of integration and restructuring costs is a total of directly registered costs and an assessment of defrayed internal costs.

Goodwill at the time of the combination with NEG Micon A/S is at 31 December 2004 assessed to mEUR 286 compared to previously expected and announced in the order of mEUR 200-230. The increased goodwill comprises a re-evaluation of assets and commitments at the time of the combination among others based on the changed market strategies, the product programme etc.

Net capital expenditure in 2004 in tangible fixed assets amounted to mEUR 80, which is below the expected level. This is largely due to postponements until 2005.

In general the intention of the Board of Directors is to recommend a dividend of 25-35 per cent of the net result for the year. However, distribution of dividends will always be decided with due consideration for the Group's plans for growth and liquidity requirements. With reference to the capital increase implemented in 2004, the Board of Directors recommends to the General Meeting that no dividend be paid for the financial year 2004.

Expectations for the future

Vestas has long-term expectations for the continued expansion of wind power and forecasts average annual growth rates in excess of 25 per cent measured in installed MW.

The market for wind power is still politically sensitive. This means that there is still a risk that fluctuations may arise, especially as sales to markets with less stable political climates are to be envisaged in the future. In 2005, Vestas expects the global market to grow by more than 20%.

The extension of the PTC-scheme and the positive development in a number of European and Asian markets have resulted in a satisfactory order backlog at the beginning of 2005. The total backlog of firm and unconditional orders corresponds to approximately 5 months of average production.

The expectations for 2005 are based on firm and unconditional orders, including deliveries for the American projects announced in February and March, a number of conditional orders and planned projects.

The expectations for 2005 are unchanged compared to announcement No. 07/2005 of 21 March 2005 to the Copenhagen Stock Exchange. In 2005, Vestas expects to generate a turnover of bnEUR 3.0-3.2. The EBIT margin for 2005 is expected to total approximately 4 per cent. However, it must be noted that a continuing volatility in markets, exchange rates and finance opportunities may affect turnover and profits.

Investments in 2005 in tangible fixed assets are expected to total mEUR 160-170. Net working capital at the end of the year is expected to amount to 30-35 per cent of the net turnover for the year.

The management expects that the Group’s existing credit and guarantee facilities are sufficient to secure the Group’s operation in 2005. As part of the Group’s financing strategy, it is still under consideration whether the Group’s credit lines during 2005 should be extended also to comprise additional long-term financing concepts.

The business activities of the Vestas Group are subject to a number of risks, which means that a degree of uncertainty is linked to all forecasts. More detailed information concerning the risks is included in Vestas’ Annual Report 2004.

The results of the Vestas Group are subject to seasonal fluctuations, which are generally attributable to the nature of the projects. Historically, turnover tends to be higher in the second half of the financial year. The management thus expects 30-35 per cent of the turnover forecast for 2005 to be generated in the first six months.

For this reason, and on account of the desire to make optimal use of available production capacity, production is expected to balance out over the year as a whole. As a result, the balance sheet totals at 30 June 2005 are likely to show high inventories.

The above-mentioned prognosis for 2005 is based on the Group’s current accounting policies. Vestas expects to inform about the effect of new accounting policies (IFRS) in connection with the publication of the half-year results 2005.

General information

The financial highlights, the income statement and balance sheet are included in the pages attached. More detailed information concerning the company's annual accounts for 2004 and the expectations for 2005 is included in Vestas' Annual Report 2004, which will be sent separately to the Copenhagen Stock Exchange A/S immediately following this announcement.

In connection with the publication of the Annual Report, Vestas will host a presentation meeting (incl. telephone conference and webcast) for investors, analysts and the press in Copenhagen on Wednesday, 30 March 2005 at 3.00 p.m. (CET). The conference will be held in English and it will be possible to attend via Vestas' website www.vestas.com or Copenhagen Stock Exchange A/S' website www.cse.dk.

Interested parties from Denmark, who wish to ask questions during the conference, may call tel. +45 7026 5040, interested parties from the rest of Europe may call tel. +44 20 7769 6432, and interested parties from the US may call tel. +1 877 204 0753. Instant replay will be available via Vestas' website www.vestas.com or Copenhagen Stock Exchange A/S' website www.cse.dk.

This stock exchange announcement has been translated from the Danish language version. In the event of any discrepancies, the Danish language version shall apply.

Any questions may be addressed to the Executive Management at Vestas Wind Systems A/S, telephone +45 9730 0000.

Yours sincerely
Vestas Wind Systems A/S

Bent Carlsen
Chairman of the Board of Directors

Svend Sigaard
President and CEO

Vestas Wind Systems A/S

Extract from Annual report
for the period
1 January 2004 – 31 December 2004

Contents | Page

Address: Vestas Wind Systems A/S · Alsvej 21 · 8900 Randers · Denmark
Tel: +45 9730 0000 · **Fax:** +45 9730 0001 · **E-mail:** vestas@vestas.com · **Web:** www.vestas.com
Bank: Nordea Bank Danmark A/S 2149 0651 117097
Company reg. no.: 10 40 37 82
Company reg. name: Vestas Wind Systems A/S

Financial highlights for the Group

Over a five-year period, the development of the Group can be described through the following financial highlights:

	2004	2003	2002	2001	2000
Key figures in mEUR					
Income statement:					
Net turnover	2,561	1,653	1,395	1,282	869
Gross profit	121	150	142	192	136
Result before financial income and expenses, depreciation and amortisation (EBITDA)	119	142	124	179	122
Result before financial income and expenses (EBIT)	(9)	74	74	143	100
Result after financial income and expenses	(50)	53	60	149	120
Result on ordinary activities before tax	(50)	54	60	392	123
Net result for the year	(39)	36	45	340	81
Balance sheet:					
Balance sheet total	2,924	1,390	1,269	1,009	642
Equity	1,251	613	596	567	243
Provisions	214	166	130	97	59
Interest-bearing liabilities	582	248	265	123	140
NetWorkingCapital	853	603	627	519	215
Cash flows:					
Cash flows from operating activities	(30)	153	(126)	(14)	14
Cash flows from investing activities	(529)	(119)	3	37	(92)
Change for the year in cash and cash equivalents and in short-term bank loans	287	15	(106)	20	(50)
Employees:					
Average number of employees	9,449	6,394	5,974	4,582	3,282
Hereof in Denmark	5,336	4,138	4,635	3,812	2,772
Financial ratios:					
Gross margin (%)	4.7	9.1	10.2	15.0	15.7
EBITDA (%)	4.6	8.6	8.9	13.9	14.0
Net profit ratio (EBIT) (%)	(0.4)	4.5	5.3	11.1	11.5
Return on investment 1 (%)	(0.4)	5.8	7.3	20.3	21.5
Return on investment 2 (ROCE) (%)	0.1	8.9	9.8	31.0	43.4
Solvency ratio (%)	42.8	44.1	47.0	56.1	37.8
Return on equity (%)	(4.2)	5,9	7.8	84.1	39.8
Gearing (%)	46.6	40.4	44.5	21.6	57.5
Share ratios:					
Profit per share	(0.3)	0.3	0.4	3.2	0.8
Growth in profit per share (%)	-	(21.3)	(86.7)	319.3	31.9
Net asset value per share	7.2	5.8	5.7	5.4	2.3
Price/net asset value	1.2	2.2	1.7	5.7	25.5
P/E-value	-	38.6	21.9	9.5	76.4
Cash flows from operations per share	(0.2)	1.5	(1.2)	(0.1)	0.1
Dividend per share	0	0	0.1	0.2	0.1
Payout ratio (%)	0	0	23.5	6.2	17.4
Market price at 31 December	8.8	13.1	9.4	30.9	59.2

The Group's accounts for 2004 include NEG Micon A/S for 10 months as the combination came into effect as from 1 March 2004. The comparative figures for 2000-2003 have not been adjusted in connection with the combination with NEG Micon A/S.

Income statement
1 January– 31 December

Parent company 2003 mEUR	Parent company 2004 mEUR		Group 2004 mEUR	Group 2003 mEUR
1,121.1	**38.9**	**Net turnover**	**2,561.2**	**1,652.5**
1,062.1	159.8	Production costs	2,440.7	1,502.1
59,0	**(120.9)**	**Gross profit**	**120.5**	**150.4**
9.0	4.7	Distribution expenses	42.1	27.8
28.3	33.5	Administration expenses	87.5	48.4
37.3	**38.2**	**Capacity costs**	**129.6**	**76.2**
21.7	**(159.1)**	**Result before financial income and expenses**	**(9.1)**	**74.2**
41.3	105.2	Income from investments in Group companies before tax	0.0	0.0
0.0	0.0	Income from investments in associates before tax	(0.1)	0.0
12.4	35.2	Financial income	10.4	2.7
21.5	32.8	Financial expenses	50.9	24.2
32.2	**107.6**	**Net financial items**	**(40.6)**	**(21.5)**
53.9	**(51.5)**	**Result after financial income and expenses**	**(49.7)**	**52.7**
0.0	0.0	Received on receivable from Vestas RRB India Ltd. written down	0.0	1.2
53.9	**(51.5)**	**Result before tax**	**(49.7)**	**53.9**
18.3	(12.3)	Corporation tax	(11.8)	18.3
35.6	**(39.2)**	**Result before minority interests**	**(37.9)**	**35.6**
0.0	0.0	Minority interests	(1.3)	0.0
35.6	**(39.2)**	**Net result for the year**	**(39.2)**	**35.6**
		Proposed distribution of profit		
(9.1)	80.1	Reserve for net revaluation under the equity method		
44.7	(119.3)	Retained earnings		
35.6	**(39.2)**	**Net result for the year**		

Balance sheet at 31 December
Assets

Parent company 2003	Parent company 2004		Group 2004	Group 2003
mEUR	mEUR		mEUR	mEUR
33.2	38.1	Completed development projects	54.6	34.3
0.0	18.4	Goodwill	308.4	10.7
0.0	0.0	Software	0.9	0.0
14.1	85.4	Development projects in progress	85.4	14.1
47.3	**141.9**	**Intangible assets**	**449.3**	**59.1**
115.4	125.0	Land and buildings	215.0	135.3
82.2	10.6	Plant and machinery	155.0	130.0
21.4	11.9	Others fixtures and fittings, tools and equipment	88.3	37.7
17.6	5.4	Property, plant and equipment in progress	10.6	18.2
236.6	**152.9**	**Property, plant and equipment**	**468.9**	**321.2**
162.5	1,159.2	Investments in Group companies	0.0	0.0
5.3	0.0	Receivables from Group companies	0.0	0.0
0.5	0.5	Investments in associates	2.8	0.5
0.0	0.0	Receivables from associates	0.6	0.0
0.0	0.0	Other receivables	4.5	1.3
2.8	2.4	Others investments, deposits, etc.	4.0	3.0
171.1	**1,162.1**	**Fixed asset investments**	**11.9**	**4.8**
455.0	**1,456.9**	**Fixed assets**	**930.1**	**385.1**
122.9	**1.0**	**Inventories**	**436.0**	**193.1**
6.0	2.3	Trade receivables	507.9	341.1
261.6	0.0	Sales value of orders in progress	585.3	337.5
276.3	406.7	Receivables from Group companies	0.0	0.0
0.1	0.0	Receivables from associates	0.0	7.3
60.1	70.8	Other receivables	157.5	80.6
4.1	1.0	Corporation tax	13.3	8.4
0.0	0.0	Deferred tax asset	75.1	14.9
1.6	14.1	Prepayment	25.6	1.8
609.8	**494.9**	**Receivables**	**1,364.7**	**791.6**
1.1	**108.3**	**Cash at bank and in hand**	**192.7**	**20.4**
733.8	**604.2**	**Current assets**	**1,993.4**	**1,005.1**
1,188.8	**2,061.1**	**Total assets**	**2,923.5**	**1,390.2**

Balance sheet 31 December
Liabilities and equity

Parent company 2003 mEUR	Parent company 2004 mEUR		Group 2004 mEUR	Group 2003 mEUR
14.1	23.5	Share capital	23.5	14.1
40.4	0.0	Share premium account	0.0	40.4
96.1	176.2	Reserve for net revaluation under the equity method	0.0	0.0
462.7	1,051.0	Retained earnings	1,227.2	558.8
0.0	0.0	Proposed dividend for the year	0.0	0.0
613.3	**1,250.7**	**Equity**	**1,250.7**	**613.3**
41.1	3.2	Provision for deferred tax	25.8	50.1
42.8	0.0	Warranty provisions	167.0	97.4
16.8	19.7	Other provisions	19.7	16.8
0.0	0.0	Pension obligations	1.2	1.2
100.7	**22.9**	**Provisions**	**213.7**	**165.5**
52.1	89.5	Mortgage debt	92.9	55.6
48.9	353.3	Credit institutions	379.5	50.0
101.0	**442.8**	**Long-term debt**	**472.4**	**105.6**
7.3	22.9	Short-term share of long-term debt	31.2	9.0
4.3	0.0	Prepayments from customers	226.4	48.8
127.9	0.0	Bank loans	78.7	133.3
123.4	18.1	Trade payables	403.6	212.4
79.2	283.0	Payables to Group companies	0.0	0.0
0.0	0.0	Corporation tax	17.4	5.2
31.7	20.7	Other payables	229.4	97.1
373.8	**344.7**	**Short-term debt**	**986.7**	**505.8**
474.8	**787.5**	**Debt**	**1,459.1**	**611.4**
1,188.8	**2.061.1**	**Liabilities and equity**	**2,923.5**	**1,390.2**

Address: Vestas Wind Systems A/S · Alsvej 21 · 8900 Randers · Denmark
Tel: +45 9730 0000 · **Fax:** +45 9730 0001 · **E-mail:** vestas@vestas.com · **Web:** www.vestas.com
Bank: Nordea Bank Danmark A/S 2149 0651 117097
Company reg. no.: 10 40 37 82
Company reg. name: Vestas Wind Systems A/S