



Copenhagen Stock Exchange
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1067 Copenhagen K

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Strategic plan of action 2005 - 2008

President & CEO, Mr. Ditlev Engel, has presented the frame for a strategic plan of action for Vestas Wind Systems A/S' (Vestas) business development during the period 2005 - 2008, which the Board of Directors has now approved.

The aim of the plan, which has been entitled "The Will to Win", is to strengthen Vestas' financial results and long-term development opportunities considerably within the international wind power sector. The wind power sector offers an appreciable growth potential both short and long-term, but simultaneously the sector sets increased demands on the Group's capability to implement increasingly larger projects for increasingly larger and more professional customers.

"The initiatives presented today are to secure that Vestas also in three years time from now is the world's leading manufacturer of wind power systems – both technologically and market wise. We must prepare for the future customers for our wind power systems being international energy companies. They have high demands for us and for our products.

Many people still regard wind power and thereby Vestas as a 'romantic flirt' with alternative energy sources. It is not. Vestas and wind power is a real and very competitive alternative to oil and gas", says Ditlev Engel.

On the basis of a solid international market position and a competitive technological platform, Vestas' strategy plan includes the following elements:

Prioritisation of long-term targets

Vestas' targets and priorities for the long-term development of profit margin, net working capital and market share are set as follows:

- First priority:
 - Earnings before interest and tax (EBIT-margin) of at least 10 per cent
- Second priority:
 - Net working capital at year end of a maximum of 20-25 per cent of turnover (against previously 25-30 per cent)
- Third priority:
 - A global market share of at least 35 per cent, measured in MW of installed capacity.

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The Group's strategic and commercial development will be planned with a view to primary focus on the realisation of an EBIT-margin of at least 10 per cent in the accounting year 2008. This target consists of the following elements:

Expected EBIT-margin, 2005:	approximately	4 per cent
Reduction of costs related to component failures:		2 per cent
Reduction of fixed costs:		4 per cent
In total		10 per cent

- this does not include possible marginal improvements related to higher sales prices.

"During the coming three years, we will primarily focus on the improvement of the profit margin – no doubt about that. This does not imply that we have rejected growth – it just has to be profitable. If the growth is profitable, we certainly wish to grow on an ongoing basis", Ditlev Engel emphasises.

Initiatives for improved profitability

In order to secure the long-term financial targets, a number of initiatives will be started up to improve Vestas' operational profitability.

The most important initiatives are:

- The direct production costs must be reduced by improving the Group's production processes, production organisation and supplier structure.
- The indirect production costs and capacity costs must be reduced by enhancing the efficiency and simplification of the Group's organisation, by delegation of decision competence and by a clarification of the business responsibility.
- These cost savings will lead to a staff reduction. Over the coming months, Group management will decide on the scope and distribution of this adjustment, which will primarily affect the administrative double functions.
- A considerable increase of the activities within technology development will strengthen Vestas' international competitiveness and re-establish the previous very high level of customer satisfaction.
- The strengthened development activities will also secure reduced costs of warranty repairs among other things via a more close strategic partnership with sub-suppliers who share Vestas' quality perception.

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- The sales unit's competences within sale and delivery of large wind power projects will be strengthened, thus leading to among other things a more even distribution of sales during the year.
- Higher prices on Vestas' products and services.
- Rejection of wind power projects that are deemed not to contribute sufficiently to the Group's overall target for profitability.
- The plans for establishing local manufacture in North America are put on hold.
- Establishment of an incentive program for all employees within the Group in order to further stimulate the employees' commitment to the Group's business development.
- The dialogue with the Group's stake holders must be improved via strengthened communication activities.
- An appreciable upgrade of the investor relations activities.

"These initiatives are aimed for increasing the effectiveness in all areas of Vestas' business. We will professionalism our dialogue with the customers, we will improve the quality of our products and we will be much more effective in all that we do.

By the implementation of 'The Will to Win' we create a new global Vestas. This work will no doubt be exiting and very hard. At the same time, it will require the will to change for all of us and I am confident that we at Vestas can meet this challenge", says Ditlev Engel.

Adjustment of the Group's organisation

Three new operational business units are established in order to further support Vestas' business development:

Offshore

The Group's offshore tasks, including sales, project planning and delivery, has primarily been controlled by Vestas Northern Europe A/S. The size and complexity of the offshore tasks, however, requires a number of specific competences that are now gathered in the business unit Offshore.

The Group has not yet appointed a President for this unit.

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People and Culture

Vestas regards the establishment of a shared company culture within the Group very important. A shared culture can secure a smooth cooperation between units and employees in Denmark and abroad. Therefore, the business unit Vestas People and Culture will be established. The new unit will be responsible for developing programs for recruitment, human resource development and international cooperation.

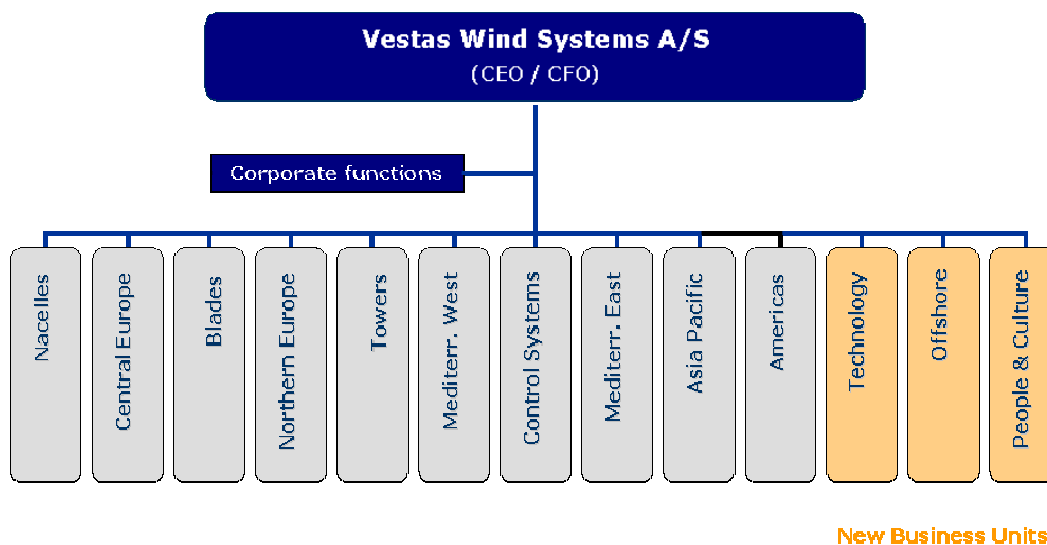
The Group has not yet appointed a President for this unit.

Technology

Vestas' development is dependent upon the Group's ability to maintain, develop and protect its technological advantage compared to its competitors. Therefore, Technology will be established as a business unit, which will be responsible for strengthening the Group's innovative activities considerably. Among other things, the unit will be responsible for the determination of a proactive patent policy for the protection of technologies developed by the Group. The unit will be heading the establishment of two new research and development centres to be placed in Denmark (Aarhus) and Asia, respectively.

The Group has not yet appointed a President for this unit.

Including these three new business units, Vestas will consist of 13 operational units (see chart below).



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Changes to the Group's board of management and management group

In connection with the simplification of Vestas' management structure, Group Executive Vice President & CSO, Mr. Jens Anders Jensen, and Group Executive Vice President & CPO, Mr. Knud Andersen, will leave their positions and Vestas as of today.

Independent of the new strategy plan and on his own initiative, Group Executive Vice President & CTO, Mr. Mogens Filtenborg, has chosen to resign from his position and seek new opportunities outside the Group, including board positions.

As a consequence of the implementation of the new strategy plan "The Will to Win" it is found to be most appropriate that Mogens Filtenborg will not be involved in the daily business of Vestas upon the 31 May 2005. However, Mogens Filtenborg will be available for the Board of Management during resignation period.

Hereafter, the Executive Board of Management consists of President & CEO, Mr. Ditlev Engel, and Executive Vice President & CFO, Mr. Henrik Nørremark.

The new management group consists of the Group Board of Management and the Presidents of the 13 business units.

Expectations for 2005 are maintained

The strategic initiatives included in "The Will to Win" will not affect Vestas' financial development in 2005. Therefore, the Group's expectations for 2005 are maintained compared to Stock Exchange announcement No. 15/2005 of today:

- Turnover: bnEUR 3.0-3.2
- EBIT-margin: approximately 4 per cent
- Investments in tangible fixed assets: mEUR 160-170
- Net working capital, end 2005: 30-35 per cent of the net turnover for the year.

Questions may – after the press- and analyst meeting at 3:00 p.m. today – be addressed to Mr. Ditlev Engel, tel +45 97 30 00 00, mobile +45 23 71 70 98.

Yours sincerely
Vestas Wind Systems A/S

Bent Carlsen
Chairman of the Board of Directors

Ditlev Engel
President and CEO