



The Copenhagen Stock Exchange
Nikolaj Plads 6
1067 Copenhagen K
Denmark

Randers, 29 March 2006
Stock exchange announcement No. 16/2006
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Annual Report 2005

SUMMARY: Vestas reported a pre-tax loss of EUR 158m in 2005 due to poor earnings from North American projects, component shortage and a sharp increase in warranty provisions. However, revenue increased by 52 per cent, and Vestas saw a record growth in profitable orders. With a strong cash flow and a solid liquidity, the forecast of a strong earnings improvement in 2006 is retained. To make room for its strategic development, Vestas will exercise its authority to increase the share capital by up to 5.9 per cent.

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The Board of Directors of Vestas Wind Systems A/S today discussed the Vestas Group's audited annual report for 2005, recommending that it be adopted at the Annual General Meeting to be held on 25 April 2006. The annual report, which is enclosed in its entirety with this announcement, discloses the following figures:

	Actual 2005	Forecast November 2005	Forecast March 2005	Actual 2004
Revenue (EURm)	3,583	approx 3,400	3,000-3,200	2,363
EBIT (EURm)	(116)	-	-	(49)
EBIT margin (%)	(3.2)	approx (3)	approx 4	(2.1)
Loss after tax (EURm)	(192)	-	-	(61)

Group performance in 2005

- In spite of a sharp revenue increase of 52 per cent, Vestas realised an entirely unsatisfactory financial performance in 2005. The Group realised an operating loss (EBIT) of EUR 116m, which translates into an EBIT margin of minus 3.2 per cent.
- The disappointing performance – more than 7 percentage points below the expectations for the year in the Annual Report 2004 from March 2005 – was due primarily to three factors (further details provided on page 7):
 - Earnings on the major projects in North America were much too low
 - Continued component shortage

- Increased warranty provisions.
- Of the total variance between the realised operating loss, EBIT, and the originally expected level in March 2005, EUR 191m is attributable to operational variances whereas EUR 106m is attributable to increased warranty provisions.
- Despite the large shortfall in 2005, the Group nevertheless succeeded in maintaining positive liquidity:
 - Vestas generated a cash inflow from operations of EUR 148m in 2005
 - At the end of the year, net working capital stood at 14 per cent of the revenue for the year, which is a substantial improvement relative to the net working capital of 29 per cent in 2004 and far better than the target defined for 2008.
- Vestas' backlog of firm and unconditional orders increased by 81 per cent during 2005 to an all-time high of EUR 3bn.
- In spite of Vestas' substantial sales increase, the Group saw its market share drop to 28 per cent in 2005. The decline from 2004 represents about 6 percentage points, of which about half is ascribable to accruals.

Financing and capital increase

- The management expects that the Group's existing credit and warranty facilities are sufficient to cover the Group's operations in 2006.
- To create the necessary room to pursue the strategic development efforts, the Board of Directors has resolved to strengthen the Group's capital base.
- Accordingly, the Board of Directors will exercise its authority to raise the company's share capital by up to 10.292.930 shares of DKK 1.00 nominal value, corresponding to 5.88 per cent of the share capital (see stock exchange announcement No. 17 of 29 March 2006 for further information).
- Total proceeds from the capital increase and the estimated transaction costs will be disclosed upon completion of the share capital increase. The final costs incidental to the capital increase will be disclosed in the company's annual report for 2006.
- Proceeds from the capital increase will be used for ongoing capital investments required to continue the strategy development to manufacture cost efficient and technologically outstanding wind turbine solutions.
- The capital increase is expected to be carried out on 29 March 2006.

Plans and outlook for 2006

- In its expectations for the Group's performance in 2006, the Vestas management emphasises in particular the following five key conditions and assumptions:
 - The expanded capital base and the continued positive development in liquidity
 - The many operational initiatives to improve customer satisfaction, product quality, production efficiency and in-house processes

- The prospects that the global market for wind energy will grow substantially also in 2006
- The record-strong backlog of orders with a satisfactory contribution margin
- Dealing of warranty matters in accordance with the provisions made.
- Against this background, the Group projects revenue in 2006 to be in the EUR 3.6 to 3.8bn range. More than 60 per cent of this had already been secured through firm and unconditional orders at the beginning of the year.
- For 2006, an operating margin (EBIT) in the 4-7 per cent range is projected.
- Vestas continues to target an operating margin (EBIT) of at least 10 per cent in 2008, a net working capital of no more than 20 to 25 per cent of revenue and a global market share of at least 35 per cent.
- As part of its strengthened communication initiatives, Vestas will start to issue quarterly financial reports from the first quarter of 2006.

An information meeting will be held today, Wednesday, 29 March 2006 at 3:00 pm (see page 11).

Financial highlights for the Group

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

mEUR	2005	2004	2003 ¹⁾	2002 ¹⁾	2001 ¹⁾
Income statement					
Revenue	3,583	2,363	1,653	1,395	1,282
Gross profit/(loss)	84	120	150	142	192
Profit/(loss) before financial income and expenses, depreciation and amortisation (EBITDA)	9	64	142	124	179
Operating profit/(loss) (EBIT)	(116)	(49)	74	74	143
Profit/(loss) after financial income and expenses	(158)	(89)	53	60	149
Profit/(loss) before tax	(158)	(89)	54	60	392
Net profit/(loss) for the year	(192)	(61)	36	45	340
Balance sheet					
Balance sheet total	3,085	2,881	1,390	1,269	1,009
Equity	962	1,162	613	596	567
Provisions	239	181	166	130	97
Average interest-bearing liabilities (net)	560	625	236	173	107
Net working capital (NWC)	498	686	603	627	519
Cash flow statement					
Cash flow from operating activities	148	(30)	153	(126)	(14)
Cash flow from investing activities	(137)	(201)	(119)	3	37
Change cash and cash equivalents less current portion of bank debt	(35)	227	15	(106)	20
Employees					
Average number of employees	10,300	9,449	6,394	5,974	4,582
Of which in Denmark	5,582	5,336	4,138	4,635	3,812
Financial ratios²⁾					
Gross margin (%)	2.4	5.1	9.1	10.2	15.0
EBITDA (%)	0.3	5.0	8.6	8.9	13.9
Operating profit margin (EBIT) (%)	(3.2)	(2.1)	4.5	5.3	11.1
Return on invested capital (ROIC) (%)	(13.2)	(3.8)	8.1	9.6	30.6
Solvency ratio (%)	31.2	40.3	44.1	47.0	56.1
Return on equity (%)	(18.1)	(6.9)	5.9	7.8	84.1
Gearing (%)	51.2	50.1	40.4	44.5	21.6
Share ratios²⁾					
Earnings per share	(1.1)	(0.5)	0.3	0.4	3.2
Book value per share	5.5	6.6	5.8	5.7	5.4
Price / book value	2.5	1.3	2.2	1.7	5.7
P / E-value	(12.7)	(18.2)	38.6	21.9	9.5
Cash flow from operating activities per share	0.8	(0.2)	1.5	(1.2)	(0.1)
Dividend per share	0.0	0.0	0.0	0.1	0.2
Payout ratio (%)	0.0	0.0	0.0	23.5	6.2
Share price 31 December (EUR)	13.9	8.8	13.1	9.4	30.9
Average number of shares	174,911,173	150,815,322	105,003,966	104,892,414	104,780,861
Number of shares at the end of the period	174,911,173	174,911,173	105,003,966	105,003,966	104,780,861

¹⁾ Financial highlights for 2001-2003 have not been restated to reflect the new accounting policies nor do they contain the figures for NEG Micon A/S and therefore correspond to the financial highlights presented in the Annual Report for 2004. The adjustments which would be necessary, if the comparative figures in the financial highlights for 2001-2003 were to be restated to IFRS, correspond to the adjustments made in the opening balance sheet at 1 January 2004, cf. note 1 in the 2005 Annual Report.

²⁾ The key ratios have been calculated in accordance with the guidelines from "Den Danske Finansanalytikerforening" (The Danish Society of Financial Analysts) (Recommendations and Financial ratios 2005).

Vestas' financial performance in 2005

Income statement

Consolidated revenue

Vestas' revenue increased by EUR 1,220m in 2005 to EUR 3,583m (DKK 26.7bn). This translates into top-line growth of 52 per cent on 2004. The increase in revenue was driven by rising revenue in North America (222 per cent) and Europe (46 per cent), with the markets in Portugal and Greece recording very strong growth.

The Group posted a marginal decline in revenue in Asia/Pacific due to lower sales in South Korea, Japan and New Zealand. By contrast, revenue increased in India and Australia.

In the four year period from 2002 to 2005, Vestas' revenue has grown at a compound annual rate of 29 per cent.

Level of activity, market share and order backlog

In 2005, the Group's companies and associates shipped wind power systems with an aggregate capacity of approx 3,900 MW, an increase of about 32 per cent relative to 2004. Of the total volume shipped, 3,185 MW was delivered to customers, while the remaining part was still under completion at the end of the year.

As in previous years, Vestas' global market share is calculated on the basis of the 3,185 MW (2004: 2,784 MW) delivered to customers before the end of the year. This translates into a market share of approx 28 per cent, a fall of approx 6 percentage points relative to 2004. The reduction should be viewed in light of the fact that the number of turbines under completion at the end of the year was much higher than the year before.

A satisfactory trend was seen in the Group's backlog of orders in 2005. The net backlog of firm and unconditional orders rose by 81 per cent from EUR 1.66bn at 31 December 2004 to EUR 3bn at 31 December 2005.

Gross profit

The gross profit amounted to EUR 84m as compared with EUR 120m in 2004, which corresponds to a reduction of the gross margin from 5.1 per cent in 2004 to 2.4 per cent in 2005. The lower gross margin is primarily attributable to poor profitability on North American projects, increased warranty costs and provisions and additional costs caused by late deliveries by the Group's suppliers.

In addition, an uneven production flow, caused by factors such as insufficient component supplies, resulted in higher-than-anticipated indirect production costs (IPC).

Operating loss

The Group reported an operating loss (EBIT) of EUR 116m in 2005. This represents a deterioration of EUR 67m relative to 2004. The Group's EBIT margin was reduced from minus 2.1 per cent in 2004 to minus 3.2 per cent in 2005.

The Group's overhead costs were higher than expected. This is partly due to the fact that the announced reduction in staff took place later than originally expected and due to an increase in research and development costs. Compared with 2004, research and development costs increased by EUR 23m as a result of the intensified focus on product reliability and quality.

Financial income and expenses and tax

Net financial expenses rose from EUR 40m in 2004 to EUR 42m in 2005.

Tax for the year amounted to EUR 33m and was heavily impacted by the losses incurred in a number of the Group's companies, including the parent company. As a result of these losses, the Group's effective tax rate for 2005 deviates substantially from the Danish corporation tax rate of 28 per cent. The reason is differences in the tax rates of the individual countries, but also the fact that deferred tax assets had not been fully capitalised. Deferred tax assets are not capitalised if there is no sufficient certainty that they will be utilised.

Balance sheet

Non-current assets

The Group's non-current assets amounted to EUR 1,100m at the end of 2005 as compared with EUR 1,051m the year before. The increase was attributable primarily to an increase in deferred tax from EUR 105m to EUR 140m. With the exception of a small adjustment to additions in 2004, goodwill was unchanged from the adjusted figures for 2004, as goodwill is no longer amortised due to the change to IFRS.

Net working capital

Vestas substantially reduced its net working capital in 2005. Net working capital stood at EUR 498m at 31 December 2005, corresponding to about 14 per cent of consolidated revenue as compared with 29 per cent in 2004. In addition to lower inventories, this improvement was attributable to more favourable supply contract terms and conditions and higher prepayments from customers.

Inventories

Inventories amounted to EUR 698m at 31 December 2005 as compared with EUR 826m the year before, a decline of EUR 128m.

Receivables

Trade receivables amounted to EUR 621m at 31 December 2005, up from EUR 499m in 2004. This is attributable to the higher revenue in 2005 coupled with a very high level of activity in the last half of 2005.

Sales orders in progress

Sales orders in progress comprise ongoing installations of wind power plants, for which the risk has not finally been transferred to the customers. At 31 December 2005, sales orders in progress less prepayments from customers amounted to EUR 378m against EUR 169m at 31 December 2004. Part of this increase is explained by large ongoing projects in North America, the United Kingdom and Spain/Portugal as well as projects in Germany, which will not be finalised and handed over to the customers until in the beginning of 2006.

Warranty provisions

In 2005, in addition to the normal increase owing to the rising level of activity, warranty provisions were strongly affected by a greater provisioning requirement for upgrading turbines sold. The greater provisioning requirement was due to insufficient component quality, etc.

The Group's provisions at 31 December 2005 were allocated as follows:

(mEUR)

One-off product faults	38
Type faults	<u>183</u>
Total	221

(See pages 41 and 45 of the annual report for a description of Vestas' warranty provisions).

Movements in equity

The Group's equity amounted to EUR 962m at 31 December 2005. In addition to the loss for the year, equity was significantly affected by the transition to IFRS, which reduced equity by EUR 66m at 1 January 2004 and EUR 89m at 31 December 2004 (for a detailed description of the effect of the transition to IFRS, see note 1 in the annual report).

The solvency ratio was 31 per cent at 31 December 2005, as compared with 40 per cent in 2004.

Cash flow and investments

In spite of the loss for the year, the Group generated a cash inflow from operations of EUR 148m. By comparison, the Group recorded a cash outflow of EUR 30m in 2004. The improved cash flows were primarily attributable to the very positive movements in the Group's net working capital.

Cash flows from investing activities were minus EUR 137m whereas cash flows from financing activities amounted to minus EUR 46m in 2005.

Profit forecasts were not met

Forecast and actual revenue and operating margin 2005

	Actual 2005	Forecast November 2005	Forecast March 2005	Deviation from March 2005 forecast
Revenue (bnEUR)	3.6	approx 3.4	3.0-3.2	Approx. 0.5
Operating margin (%)	(3.2)	approx (3)	approx 4	(7.2)

Surprisingly strong market trends in the spring of 2005 and a resulting higher than anticipated order intake in 2005 resulted in consolidated revenue that was approx EUR 0.5bn higher than the Group's March 2005 forecast and EUR 0.2bn higher than the November 2005 forecast.

However, the realised operating margin was a little more than 7 percentage points lower than projected in last year's annual report, and thus at the level expected in November 2005.

There are three main reasons for the disappointing profitability:

Firstly, the completion of a number of large projects in North America required a disproportionately large volume of resources, which reduced the already unsatisfactorily low profitability of these projects. To this should be added derived impacts of this prioritisation of resources which has caused delayed deliveries of other more profitable projects.

During 2005, Vestas introduced significantly more stringent requirements on prices and conditions in the Group's delivery contracts (see a description of the Contract Review Board on page 45 of the annual report).

Secondly, Vestas' substantial growth in 2005 has resulted in major planning and capacity challenges for Vestas as well as for the Group's suppliers. One of the consequences of this pressure was that a number of suppliers were unable to supply the necessary components in due time, causing delays and extra costs of completing projects in a number of markets.

Vestas has taken a number of steps to intensify collaborations with its suppliers to alleviate the bottleneck problems (see page 45 of the annual report for a further description).

Thirdly, following an extraordinary review of warranty provisions in the autumn of 2005, Vestas resolved to increase its provisions in addition to the original provisions for the year (see pages 41 and 45 of the annual report for a description of the basis and scope of Vestas' warranty provisions).

Of the total variance between the realised operating loss, EBIT, and the originally expected level in March 2005, EUR 191m is attributable to operational variances whereas EUR 106m is attributable to increased warranty provisions.

Management focus

In 2005, Group management focused on deploying and implementing The Will to Win - Vestas' new corporate strategy until the end of 2008. The strategy aims to create value for Vestas' key stakeholders – customers, shareholders and employees – by strengthening profitability and by retaining and expanding Vestas' competitive situation in the global wind energy market and the energy market in general. The strategy builds on the vision that wind should be perceived as an energy source on par with oil and gas.

The Will to Win defines three benchmarks for the Group's results at the end of 2008, set out in order of priority:

1. An EBIT margin of at least 10 per cent
2. A net working capital of maximum 20-25 per cent of revenue
3. A market share of at least 35 per cent

To achieve these targets, Vestas has embarked on a number of initiatives, of which the most important are:

Enhancing efficiency in business processes – The Vestas Constitution

The Vestas Constitution sets out the principles, overall guidelines and business procedures which will come to represent the Group's future decision-making platform.

The Vestas Constitution comprises 13 important in-house development projects that address the strategic focus areas identified in The Will to Win, paying special attention to business understanding, product quality and service/maintenance:

1. Performance communication with organisation
2. Definition of expectations and performance requirements for all employees
3. Competence building programmes for employees
4. Recruitment and training of "Six Sigma Black Belt" skilled personnel (or equivalent)
5. Improvement of quality of delivered components
6. Improvement of the planning and utilisation of production and delivery capacity
7. Building value based risk management skills and behaviour in the organisation
8. Improvement of product and component quality
9. Install global performance reporting system
10. Development of procedures for assuring product life expectancy predictions
11. Establish a Business and Performance Forum with customers
12. Further development of management reporting systems
13. Financial evaluation of long-term service agreements

The Constitution projects are thus on the one hand at the centre of the external, customer-oriented dialogue and on the other the ongoing in-house evaluation and reporting process.

Developing the organisation – three new business units

Vestas' management structure was reorganised in 2005, partly to ensure a more transparent management structure, partly to achieve simplicity, uniformity, quick decision-making procedures and transparency.

At the same time, countering silo-based behaviour has been a goal in itself, as such behaviour is often very common in large enterprises, not only functionally but also in terms of the corporate culture. The purpose of the organisational changes was to create a clear framework and well-defined responsibility for the work performed by the business units.

The organisational changes have brought responsibility and skills out where they are needed the most; in the business units that serve the customers and where the Group's many employees are located.

In addition, Vestas has established three new business units:

Vestas People & Culture

Vestas People & Culture is responsible for creating a shared corporate culture within Vestas – a culture that is to ensure efficient collaboration between business units and employees throughout the Group. In addition, through programmes for recruiting, skills development and international collaboration, the unit is to attract, develop and retain committed, competent and result-oriented employees at all levels of the global organisation.

Vestas Technology R&D

Vestas Technology R&D is to ensure that the Group can maintain its position as the technological leader in the industry, focusing on turbine reliability. The new unit pools the Group's technical competencies and know how with a view to stimulating product development activities, primarily product reliability.

The first priority for this new unit was to obtain a complete overview of potential component problems and product faults and to assume responsibility for these issues.

This specific task has been assigned to the organisational entity named *Continuous Improvement Management*, CIM. Having some 80 engineers at its disposal, the CIM entity is assigned with the handling of all so-called type faults which have caused the very large warranty provisions that Vestas has made.

Vestas Offshore

The Vestas Offshore business unit was set up in recognition of the fact that offshore projects are appreciably more complex than their onshore counterparts. The new business unit will have global responsibility for all offshore projects and will centre on giving priority to risk management in order to better balance contract profitability.

Improved capacity utilisation through more even distribution of activities over the year

To enhance logistics, planning and, not least, utilisation of Vestas' production capacity, a key operational target of The Will to Win is to ensure a more even distribution of production activities over the year.

Vestas has launched a number of initiatives to promote long-term collaboration with a number of large customers. The objective of this collaboration is to ensure a more even distribution of production activity and revenue over the year.

Contract Review Board to ensure better prices and terms of delivery

To ensure acceptable prices and terms of delivery in Vestas' contracts with its customers, the Executive Management set up a Contract Review Board, whose task is to consider the large projects which the sales companies recommend for approval (see *page 45 of the annual report for a description of the Contract Review Board*).

Strengthened supply chain through collaboration with suppliers

In light of the difficult supplier situation, Vestas has strengthened communications with all strategic suppliers to ensure satisfactory deliveries. Focus on these initiatives is ensured primarily through the above-mentioned Constitution projects.

In 2005, Vestas resolved to take over the production of generators and other components from the German manufacturer Weier Electric GmbH, which for more than ten years has supplied high quality advanced generators to Vestas' wind turbines.

Outlook for 2006

Vestas expects to substantially improve its financial performance in 2006. The improved financial performance is expected to be driven primarily by:

- Much better prices and terms of delivery, which should lead to stronger average earnings on projects scheduled for delivery in 2006, cf. Contract Review Board.
- Continuing very strong market growth in most parts of the world on a level with 2005. This is based on an overall rate of increase in the wind turbine market with particularly strong growth in the USA, where growth is driven by the extended Production Tax Credit (PTC) as well as growing interest from US power companies that consider wind power to be a good insurance against high natural gas prices.
- Positive earnings impact of efficiency initiatives and enhanced capacity utilisation, especially the Group-wide Constitution projects launched to boost efficiency and capacity utilisation.

In 2006, revenue is forecast to be in the EUR 3.6-3.8bn range. Of this projected revenue, more than 60 per cent was secured through firm and unconditional orders at the beginning of the year.

The Group forecasts an EBIT margin in the 4-7 per cent range. This EBIT range reflects the risks associated with the global component shortage. Other capacity restraints as well as variations in relation to the expected consumption of warranty provisions have also been considered.

The Group expects that investments in property, plant and equipment will total EUR 160-180m whereas investments in intangible assets are expected to total EUR 40-50m. The net working capital at the end of 2006 is expected to amount to 20-25 per cent of revenue.

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The income statement and balance sheet are included in the pages attached. More detailed information concerning the company's annual accounts for 2005 and the expectations for 2006 is included in Vestas' Annual Report 2005, 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 an information meeting (including conference call and webcast) for investors, analysts and the press at the Copenhagen Marriott Hotel, Kalvebod Brygge 5, 1560 Copenhagen V on Wednesday, 29 March 2006 at 3 p.m. (CET). The information meeting will be held in English and transmitted on the Internet. The transmission can be followed directly via Vestas' Web site www.vestas.com and Copenhagen Stock Exchange A/S' Web site www.cse.dk with the possibility of simultaneous interpretation into Danish.

It will be possible to attend the information meeting via conference call. Interested parties from Denmark, who wish to ask questions during the meeting, may call tel. +45 7026 5040, interested parties from the rest of Europe may call tel. +44 207 769 6432, and interested parties from the US may call tel. +1 877 204 0753.

After the meeting, a replay will be available on Vestas' Web site www.vestas.com.



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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

Ditlev Engel
President and CEO



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The Vestas Group
Extract from Annual report
for the period
1 January 2005 – 31 December 2005

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Income Statement – Vestas Group
1 January – 31 December 2005

mEUR	2005	2004
Revenue	3,582.6	2,363.2
Production costs	(3,498.1)	(2,242.7)
Gross profit	84.5	120.5
Research and development costs	(72.7)	(50.0)
Sales and distribution expenses	(42.7)	(38.4)
Administrative expenses	(84.8)	(81.0)
Operating profit/(loss)	(115.7)	(48.9)
Share of profit/(loss) in associated companies	(0.1)	(0.1)
Financial income	6.0	10.4
Financial expenses	(48.4)	(50.9)
Profit/(loss) before tax	(158.2)	(89.5)
Corporation tax	(33.3)	28.3
Net profit/(loss) for the year	(191.5)	(61.2)
Attributable to:		
Equity holders of Vestas Wind Systems A/S	(191.5)	(62.4)
Minority interests	0.0	1.2
Net profit/(loss) for the year	(191.5)	(61.2)
Earnings per share (EPS)		
Earnings per share (EUR), basic	(1.10)	(0.41)
Earnings per share (EUR), diluted	(1.10)	(0.41)

Balance Sheet - Vestas Group
Assets – 31 December 2005

mEUR	2005	2004
Goodwill	321.5	323.8
Completed development projects	89.2	54.6
Software	1.0	0.9
Development projects in progress	65.6	85.4
Total intangible assets	477.3	464.7
Land and buildings	216.7	215.0
Plant and machinery	139.3	155.0
Other fixtures, fittings, tools and equipment	95.3	88.3
Property, plant and equipment in progress	15.1	10.6
Total property plant and equipment	466.4	468.9
Investments in associated companies	2.9	2.8
Receivables from associated companies	0.4	0.6
Other receivables	4.7	4.5
Investments	9.1	4.0
Deferred tax	139.6	105.2
Total other non-current assets	156.7	117.1
Total non-current assets	1,100.4	1,050.7
Inventories	698.3	826.1
Trade receivables	620.8	499.4
Sales orders in progress	378.3	169.4
Other receivables	161.3	142.7
Cash at bank and in hand	126.3	192.7
Total current assets	1,985.0	1,830.3
Total assets	3,085.4	2,881.0

Balance Sheet - Vestas Group
Equity and liabilities – 31 December 2005

mEUR	2005	2004
Share capital	23.5	23.5
Other reserves	0.3	5.3
Retained earnings	938.0	1,133.0
Shareholders of Vestas Wind Systems A/S	961.8	1,161.8
Minority interests	0.0	0.0
Total equity	961.8	1,161.8
Deferred tax	2.9	11.2
Provisions	88.6	75.8
Pension obligations	2.0	2.3
Financial liabilities	441.1	472.4
Total non-current liabilities	534.6	561.7
Prepayments from customers	488.7	306.7
Trade payables	519.8	403.6
Provisions	145.9	91.6
Financial liabilities	51.1	109.9
Other liabilities	383.5	245.7
Total current liabilities	1,589.0	1,157.5
Total liabilities	2,123.6	1,719.2
Total equity and liabilities	3,085.4	2,881.0