

Vestas[®]

Wind. It means the world to us.[™]



Our focus

by Ditlev Engel, President and CEO

Latest news

Capacity of V164 offshore turbine increased to 8 MW

In short, this means

increased competitiveness

for Vestas and **lower cost of**

energy for the offshore

customers

Vestas.

Company announcement from
Vestas Wind Systems A/S

Aarhus, 2 October 2012
Company announcement No. 37/2012
Page 1 of 1

Capacity of V164 offshore turbine increased to 8 MW

The V164 platform was from the very beginning developed with a possible potential of increasing the turbine size. The progress in the technology development has now shown that an 8 MW version will offer lower cost of energy and at the same time keep the reliability and structural integrity of the turbine unchanged.

The balance of plant will be reduced due to the increased power output per turbine. This means that the cost of energy will be reduced as the number of turbines, foundations, etc., as well as the required number of service visits will also decrease.

The development of the new V164-8.0 MW turbine is progressing according to schedule and several main components are close to completion.

Our focus

Two revenue streams; turbines and services

Scalability

Product cost out

Preparation for a tough 2012 and an even tougher 2013

A scalable organisation and a new management team

Maintain quality and technology leadership

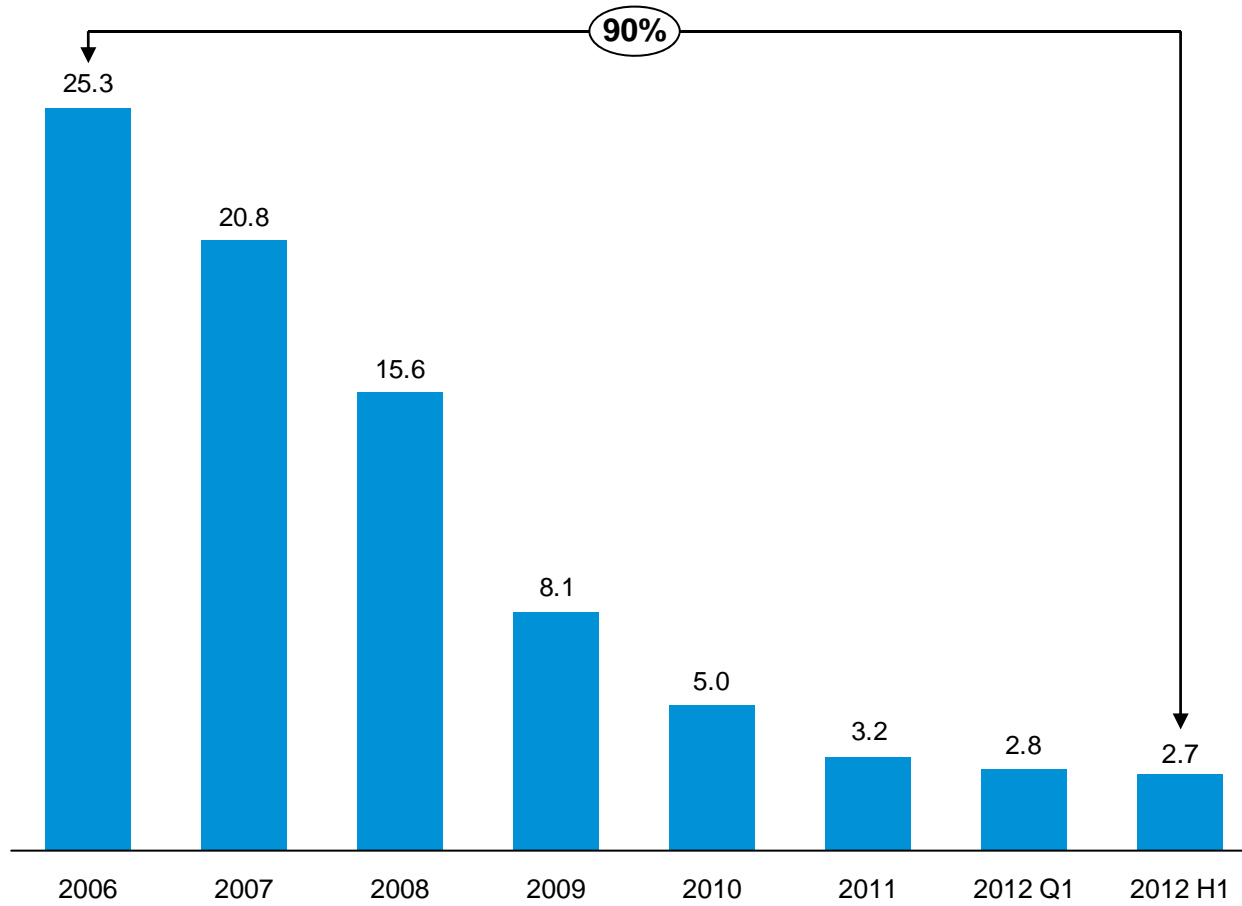
Intensify customer focus

What have we achieved
and what are we doing



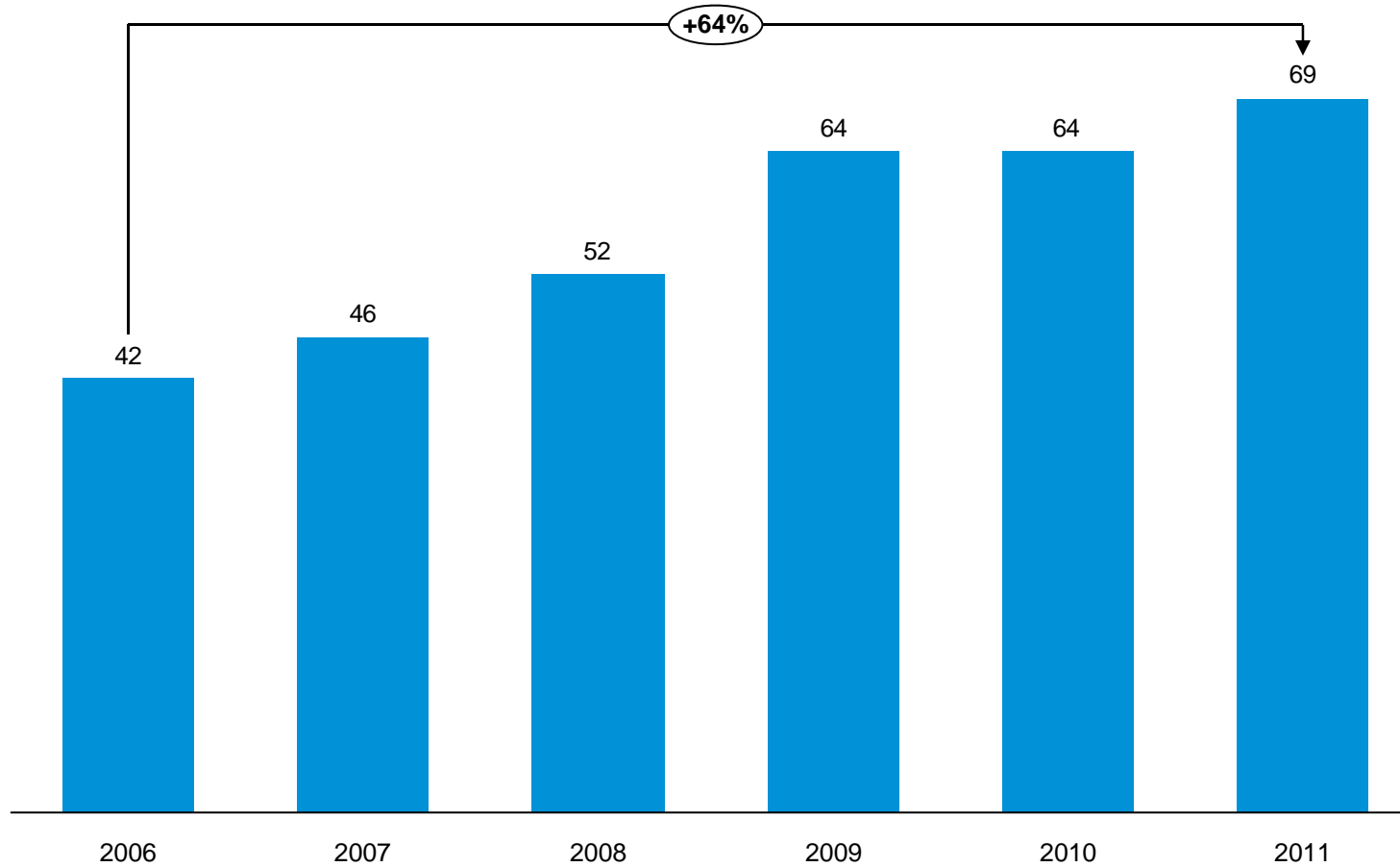
Excellence in: Safety

Lost time injuries per one million working hours



Excellence in: Customer relations

Customer Loyalty Index*

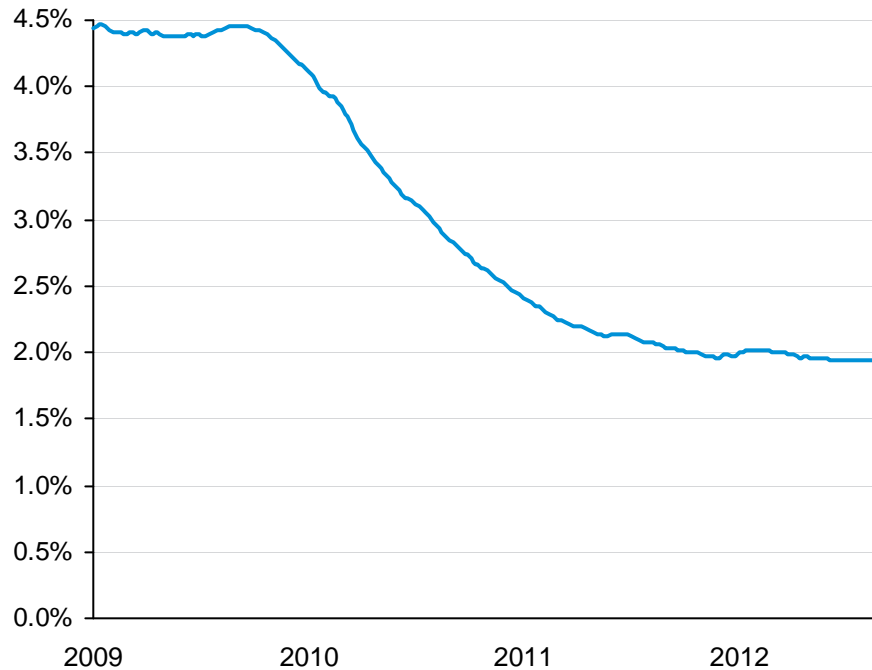


* Sample size: n= 1002 || Global response rate = 48 per cent || Sample size valid in all SBUs

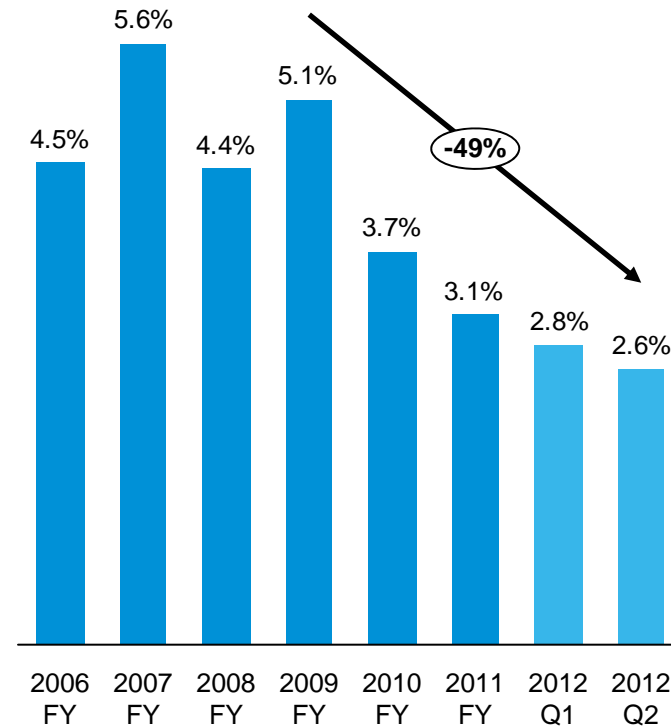
Excellence in: Quality

Predictability and reliability = value enhancement

Lost Production Factor (LPF)
Percentage



Warranty consumption to revenue
Percentage



We have created: Two revenue streams

Turbines and services backlogs



However, the market environment
is changing and so is **Vestas**

Preparing for a tough 2012 and a tougher 2013

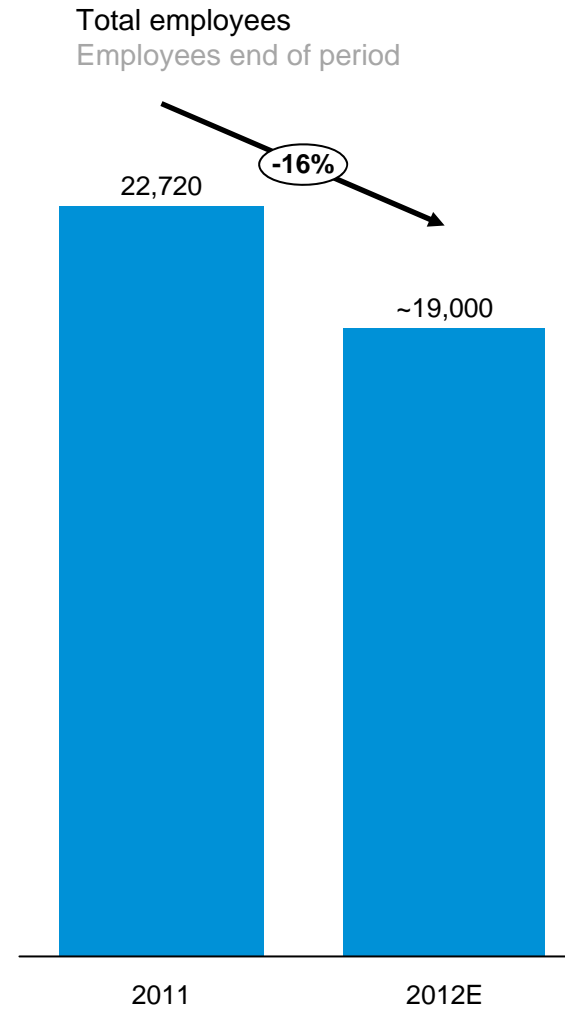
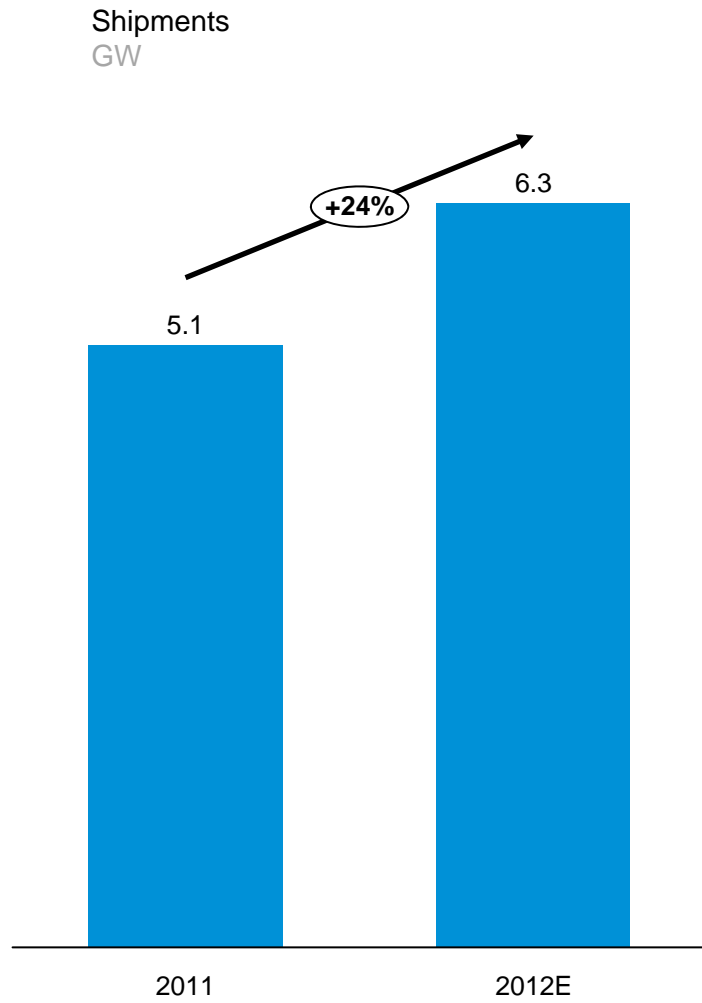
Secure profitability. Secure positive free cash flow. Improve customer relations.

Adjusting in a busy 2012 and preparing for an even tougher 2013.



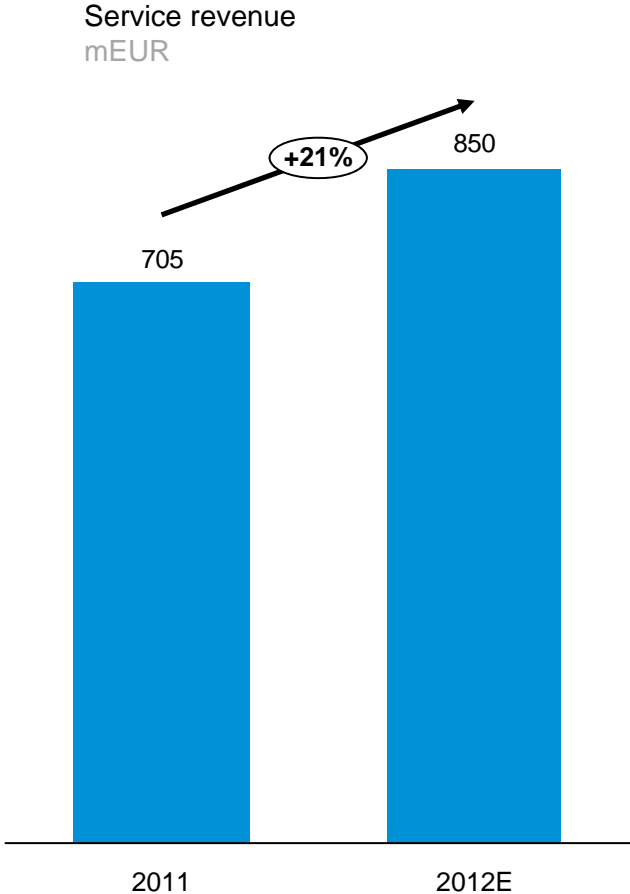
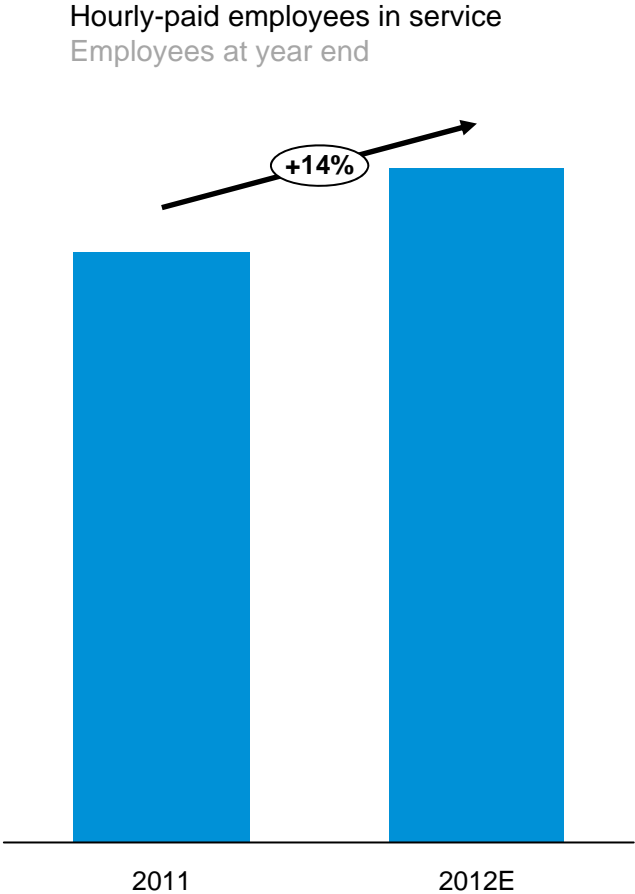
Transition to a leaner and more agile Vestas by changing the organisational structure.

Significant improvement in productivity



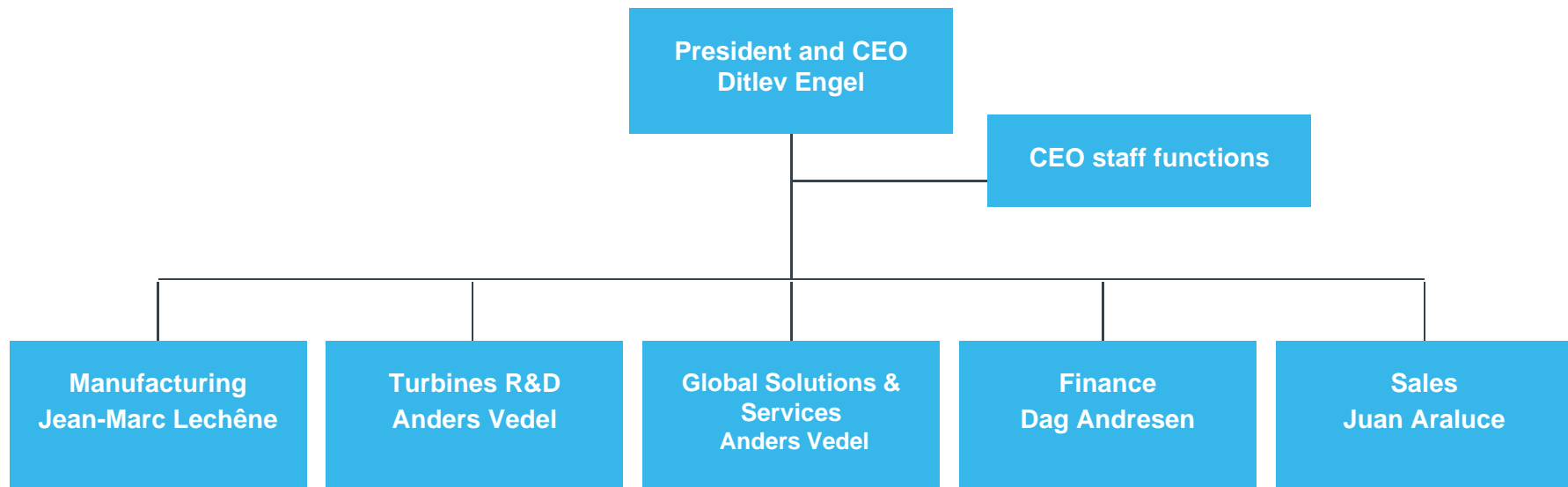
Significant improvement in productivity

Reallocation of resources



Organisation is changing

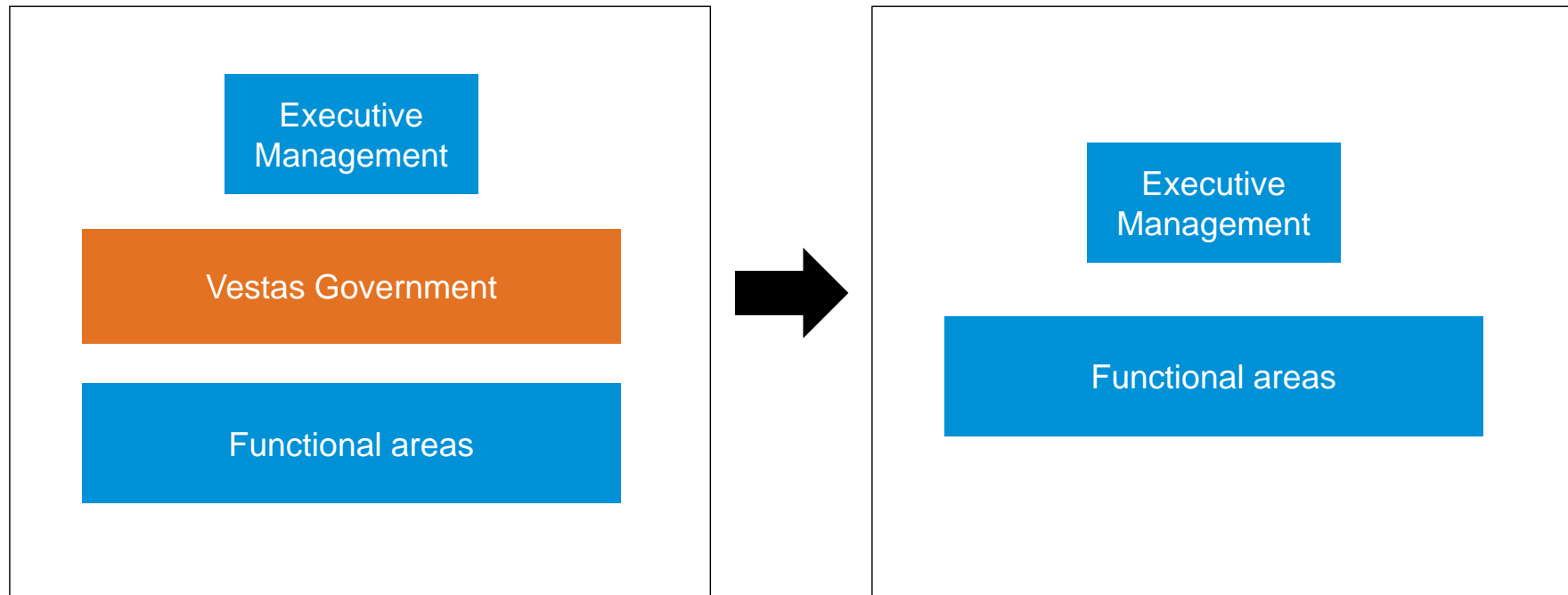
Executive Management in place



A new scalable organisation

Changing and scaling down of the 2nd layer in the organisation

- 2nd layer halved
- 50 per cent of the former top 30 has left Vestas by the beginning of October 2012



Implemented initiatives, YTD

Manufacturing

- **Sold** tower factory in Varde (DK)
- **Closed** factory in Hohhot (CH)
- **Merged** all manufacturing units
- **Reduced** manufacturing workforce at nacelle assembly in Brighton, Colorado (US), and tower factory in Pueblo, Colorado (US)
- **Ceased production** at controls factory in Ólvega (ES)
- **Reduced** production capacity at blade factory in Damiel (ES)

Finance

- **Centralised** Global Finance
- **Moved** Group Treasury back to Aarhus (DK)

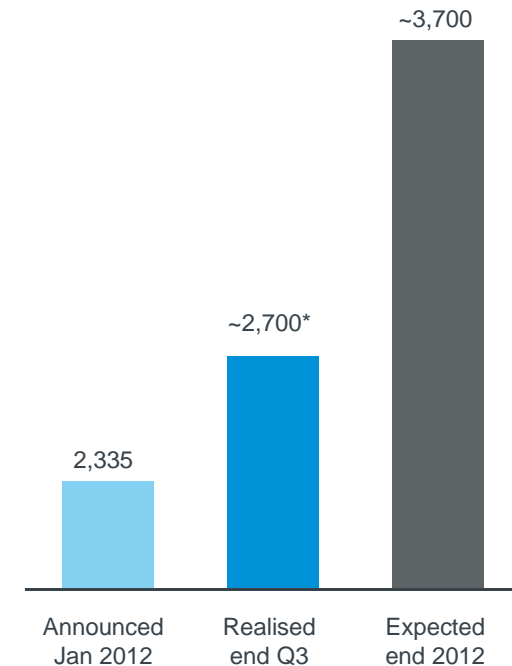
Turbines R&D / Solutions and Services

- **Closed down** Turbines R&D activities in Singapore (SG), Houston, Texas (US), Boston, Massachusetts (US), Risø (DK), Beijing (CH)
- **Scaled down** Turbines R&D in Louisville, Colorado (US), Aarhus and Western Jutland (DK) and Isle of Wight (UK)

Sales

- **Consolidated** China & Asia Pacific SBUs
- **Reorganised** US sales function
- **Centralised** sales back office
- **Transferred** people from South Europe to South America
- **Scaled down** sales activities in India

Total reduction of employees



*Not all these reductions will show up in Q3 employee number as most employees laid off in September will be laid off per 1 October 2012.

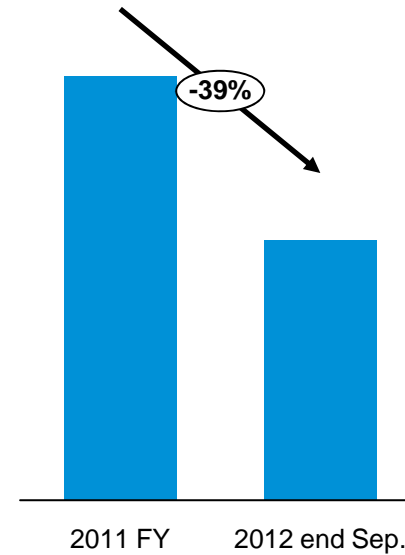
Streamlining of the organisation

CEO area: Reduction of employees and consolidation of functions

Consolidation of functions:



Employees in CEO staff functions
Number of employees



Today, we will elaborate on Vestas' priorities and how we deliver according to plan

What we prioritise...	...where we are today...	...enablers for further improvements.
1. Fixed cost reductions	<ul style="list-style-type: none"> • On track with intensified fixed cost reduction plan • Savings of >EUR 250m 	<ul style="list-style-type: none"> ✓ All positions in Executive Management filled ✓ Centralisation of support functions ✓ Plan to layoff of additional 1000 FTE's before end 2012 ✓ Identifying outsourcing opportunities ✓ Evaluation and decision of manufacturing footprint
2. Customers for two revenue streams	<ul style="list-style-type: none"> • Record high order backlog of EUR 14.4bn • Slower order intake, but better than the market 	<ul style="list-style-type: none"> ✓ Growing service business with higher earnings ✓ Excellence in customer relations ✓ New Turbines (V126 and V164) and solutions and services ✓ Industry leadership
3. Lower capex	<ul style="list-style-type: none"> • Reduced investments in intangible assets to EUR 250m 	<ul style="list-style-type: none"> ✓ More focused R&D investments ✓ Capex light product roadmap ✓ Limited need for production ramp-up ✓ Closure of R&D facilities ✓ Capex light structural shell technology
4. Quality	<ul style="list-style-type: none"> • LPF < 2% 	<ul style="list-style-type: none"> ✓ Excellence in safety ✓ V112 now known technology and >3 GW order intake ✓ World leading testing facilities and performance and diagnostic centres
5. Cost out of products	<ul style="list-style-type: none"> • EUR 30m EBIT effect in 2012 	<ul style="list-style-type: none"> ✓ Impact expected to be significantly higher 2013 ✓ Product cost-out of initiatives in pipeline

The Vestas logo is displayed in a white, italicized sans-serif font. It is positioned in the upper left corner of a blue sky background with wispy white clouds. A semi-transparent blue diagonal shape is visible in the top left corner of the image.

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Thank you for your attention

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