Page 185: On 28 March 2011 at 2:00 pm, Vestas Wind Systems A/S, company reg. no. 10 40 37 82, held its Annual General Meeting at Aarhus Musikhus, Thomas Jensens Allé, DK-8000 Aarhus C, Denmark.

The Chairman of the Board of Directors, Bent Erik Carlsen, welcomed the attendants and said that the Board of Directors had appointed Klaus Søgaard, Lawyer, to act as chairman of the meeting in pursuance of article 7(1) of the articles of association.

A total of 1,417 shareholders had obtained an admission card, and with the addition of advisers and guests admission cards for a total of 2.041 persons had been issued. At the start of the general meeting, 1,359 persons were present, 950 of whom were shareholders or proxies with voting rights. The chairman of the meeting stated that another 1,060 shareholders had issued a proxy to the Board of Directors, and 662 shareholders had voted in advance by submitting completed voting papers/proxy. A total of about 25 per cent of the capital and votes were represented either through personal attendance, through proxy or votes made in advance.

The chairman of the meeting informed the attendants about the rules of section 101 (5 and 6) of the Danish Companies Act, under which shareholders can demand a full report of each vote. Where no such demand is put forward, the chairman of the meeting will merely establish the results of the voting.

The chairman of the meeting reviewed the rules of the Danish Companies Act and the company's articles of association on convening the Annual General Meeting, and declared that the general meeting had been duly convened and formed a quorum.

The general meeting then moved onto the agenda for a combined presentation of items 1-3.

1. Report by the Board of Directors

The Chairman of the Board of Directors, Bent Erik Carlsen, presented the Board of Directors' report.

"2010 was a difficult year for the entire windpower industry. The reason is that we deliver large power plants that require long preparation periods before we are able to sign a contract and because it takes a long time to install the large wind power plants. The results that you can read about in our financial statements for 2010 were achieved on the back of delivery contracts signed both before 2010 and during 2010.

Our industry has been hit by the financial crisis and by the overall economic crisis.

As a result, the industry had historically low order books at the beginning of 2010. Vestas was certainly no exception.

I am quite sure that you remember this from last year's general meeting, when the second slide of Ditlev Engel's presentation read:

"Our key priority: New orders"

Page 185: In 2010, the addition of new orders was at the very top of our agenda and the top priority of all our employees. We wanted to prove that Vestas had built what last year I called 'a foundation for profitable growth'. In other words, a foundation consisting not only of thoroughly tested technology, i.e. the products in demand by the customers, but also of having an actual presence and the necessary organisation in the markets where the demand is. We succeeded in these endeavours in 2010. Not only did we manage to create the biggest order intake ever, we also signed an agreement with one of the world's largest utility companies for the delivery of the world's largest order for onshore turbines to date. The order was for 1,500 megawatt, and our customer – EDPR of Portugal – even asked for an option to expand the order by another 600 megawatt. Unfortunately, we received our orders later than anticipated.

As we could see that economic developments in Europe would weaken in the wake of the financial crisis, we had to make the sad and regrettable announcement that more than 3,000 people had to leave Vestas. Vestas wishes to be characterised by a high degree of responsibility – not only towards our employees but also to the communities all over the world where we have operations. We believe that these factors should be given a big priority. In other words, closing five factories and introducing so-called "Shared Service Centres" was a difficult but, unfortunately, altogether necessary decision for us. More than 2,200 people have left our company, and the remaining 800 will leave us over the coming months. This was a very tough decision to make. Obviously, the decision had a much greater impact on the employees we had to lay off. It wasn't their fault that the markets in our part of the world did not develop the way we had hoped they would. Consequently, I would like to express my deepest respect and gratitude for the way in which everyone at Vestas loyally accepted this decision and subsequently helped to implement it.

I will now revert to our order intake. The key issue to Vestas – in other words what is important for our long-term competitive strength – was that we were able to demonstrate that our foundation enables us to win a large number of orders, including very big orders, in a difficult market. In this context, I refer primarily to our technology, our products and our global presence, both in terms of organisation and production capacity. It is this very foundation that allows us to generate valuable orders for Vestas, even in an extremely competitive environment. The background for Vestas receiving profitable orders is in fact that we have built the proper foundation. This means that we sell products of a quality that our customers are prepared to pay for and that is known to banks all over the world, as a result of which they are prepared to finance our products.

The price per megawatt for our order intake from 2005 until and including 2010 illustrates that we have actually managed to demand the price warranted by the quality of our products. This is in spite of the well-known general excess capacity in our industry, which would lead us to expect falling prices. So, what can we deduce from this? Well, we have succeeded in explaining to our customers that they should look at the return on their investment in wind power plants over the entire life of the power plant instead of merely looking at the immediate costs of installing a wind turbine.

Furthermore, we have managed to convey another very important message; that a Vestas wind turbine is a safe investment, or what we refer to as 'Business Case Certainty'. Business Case Certainty allows our customers to present to their funding sources wind turbines and

Page 185:

projects, in the confidence that they will actually be capable of generating the energy that is a prerequisite for investing throughout the period.

Consequently, I am pleased to say that our order intake for 2010 demonstrated that there is confidence in Vestas' products. What is equally important, though, is that customers are also confident that we can deliver according to their needs.

Owing to the record-high order intake in 2010, at the beginning of 2011 we had an order backlog representing a value of 7.7 billion euros, or approximately 57 billion Danish kroner. However, we will not be delivering the entire order backlog to our customers in 2011. On the other hand, the order backlog makes us confident about the full-year forecast we have announced for 2011. Ditlev Engel will touch upon this a little later when he tells you about our expectations for the future.

Let us now take a look at our financial performance in 2010.

Before we do that, however, I would like to comment on the change of accounting policies that we announced on 22 November 2010. We made the change as a result of new international accounting rules. Accordingly, it was not a question of whether or not the change was opportune for Vestas. The only thing that mattered to us was compliance with applicable accounting standards. We have provided detailed comments on the change in our November company announcement and in our annual report, and it is also described in detail in our most recent Shareholder Information. In spite of this, as you may know last week we were named as a defendant in a class action lawsuit by a US law firm concerning the change of this mandatory accounting policy. This means not only that the matter will lead to a legal dispute. It also means that I and my fellow board members as well as the Executive Management cannot provide further comments on the matter, which I to some extent feel is annoying. We can only refer to what we have already said in last Monday's company announcement.

Allow me to quote a sentence from the announcement:

“The company has reviewed the complaint with its legal and other advisors and believes that the complaint is without merit”.

According to our US counsel, we risk jeopardising our case if we provide new comments on the matter. Obviously, that would not serve Vestas' or our shareholders' interests.

Therefore, my final comment on this matter is what we also describe in our latest Shareholder Information; we are dealing with a change of accounting principles. Not a change in the way in which Vestas operates or is run. It is very important to bear this in mind because the changes do not in any way affect the company's cash flows. As you know, the cash flows are the accounting figures that everyone looks at to evaluate a company's financial performance.

So let us now look at the accounting figures for 2010.

Page 185: For the sake of good order, I wish to emphasise that the figures I am now presenting for comparison with the 2010 figures have of course been calculated according to the new accounting policies.

Vestas generated revenue of nearly 7 billion euros in 2010, equivalent of a little more than 51 billion Danish kroner, against 5 billion euros in 2009, or 37 billion kroner. In other words, an increase. However, the improvement is due to the fact that, as a result of the change in accounting policy, revenue was reclassified from 2009 to 2010 because we can now only recognise income as and when the turbines are delivered.

If the change had not been made, we would have recorded a drop in revenue. Our factories recorded a much lower level of activity in 2010 than they did in 2009.

If we look at 'earnings before interest and tax', or EBIT, we generated operating profit of 468 million euros, or nearly 3.5 billion kroner. This corresponds to 6.8 per cent of revenue. However, the amount is before non-recurring expenses as a result of the organisational changes, factory closures, lay-offs etc. that we announced last autumn. The amount is lower than what we forecast at the beginning of 2010, reflecting market activity and the capacity we have accumulated. Consequently, it is of course important that, in accordance with our expectations, we see a substantial increase in activity at our factories in 2011, leading to higher utilisation of our capacity. Ditlev Engel will revert to that in his review.

We use two EBIT figures for 2010 with consideration to the aforementioned capacity adjustments. These include the 158 million euros, or 1.2 billion kroner, which we spent in 2010 on closing five factories and laying off employees, primarily in northern Europe. The reason we use two different figures for 2010 is that we do not expect to adjust our capacity further in 2011.

Our above-mentioned decision to reduce capacity in Europe was based on three factors:

Firstly, we had completed building up production capacity first and foremost in North America, but also in China. These are the markets where we expect the highest increase in demand. On a different note, we also experienced a substantial slump in expected demand from the markets in Europe. Finally, the third reason is that it is much more expensive to manufacture products in Denmark than it is in Spain. Obviously, the natural consequence of this was for us to reduce capacity in Europe, and in Denmark in particular, which led to the above-mentioned costs.

Our competitive strength is highly dependent on balance between market demand on the one hand and the distribution of our capacity on the other. We have been asked why we did not reduce our capacity in Europe sooner. We didn't do that because on the threshold to 2010 a number of our customers in Europe still had positive expectations for their projects. However, we had to acknowledge that the short-term economic problems affected politician behaviour across Europe. As a result, the politicians failed to consider the huge challenges that persist in respect of climate changes and global warming. In particular, they neglected the challenges in relation to reliability of supply in all the countries that import part of or all of their entire energy consumption. Just think of the impact that the unrest in the Middle East

Page 185: is having on oil prices. For strategic purposes – and fully consistent with our regionalisation strategy – we have created a geographic capacity that matches the expected demand in the markets. Also for the period that lies ahead. A look at the distribution of the orders we received in 2010 and the expectations we have for the years to come reveals a pretty good match with our capacity composition in the three regions.

Let us now turn to our balance sheet, where we will start by looking at the asset side. The increase in intangible assets is the result of our very comprehensive research and development efforts. In this regard, I'm referring especially to our important V112 platform, but certainly also to our future offshore wind turbine. We will present the offshore turbine in a few days' time or, specifically, on Wednesday, in London. The increase in property, plant and equipment is the result of our many new facilities worldwide, especially in the USA. The main reason for the fall in current assets was a reduction in inventories, triggered by the large number of turbines transferred to customers in 2010.

A look at the liabilities side reveals that our deliveries in 2010 also had an effect here. We recorded a decline in prepayments, included in the line item current liabilities. The reason is that the line item 'Prepayments from customers' includes all payments received from our customers. That includes payments from the conclusion of the contract until delivery of the entire project. When a customer has accepted the final takeover of the project, the prepayments are recognised as revenue in the income statement. The increase in non-current liabilities is the result of the successful bond issue we completed in March of last year.

In this context, I would like to add a few more comments on the financing of Vestas' activities. Also in this respect, it is important to have the right foundation. By 'foundation' I mean the 'strength' required for us to undertake ever-larger projects. In fact, the strength required for us to be a trustworthy business partner. Not only for our suppliers and customers, but also to our customers' banks and insurance companies.

In the second quarter, we recorded a substantial increase in net debt. This increase was ascribable both to the low level of activity in the first quarter and to the many ongoing projects. Since then, we have regularly reduced our net debt. As a result, at the end of 2010 we had no other borrowings than the amounts owing under our bond loans. Our solvency ratio of 38 per cent gives us a solid buffer, but that is necessary. Many of our competitors are very large corporations with strong balance sheets. Consequently, it is even more important for Vestas to have a balance sheet that our business partners have confidence in and that allows us the operational necessary freedom to respond in the market we see ahead.

In this connection, I would also like to stress that the Board of Directors pursues a goal of having a net debt which, at the end of the year, is not higher than twice our earnings before interest and tax, or what in accounting terms is referred to as EBITDA. At the end of 2010, this margin was 0.8!

Having reviewed the income statement and the balance sheet, let us now look at cash flows from operating activities.

Cash flows from operating activities were not affected by the change of accounting policies.

Page 185: Here, we clearly see the impact of the financial crisis: cash flows started to decline in 2008 and were largely non-existing in 2009 and 2010. This is also the reason why the Board of Directors proposes to the shareholders that no dividends be paid for 2010. As you can see behind me, for 2011 we expect once again to report strong cash flows.

We have not scaled down our investments over the past few years. The reason is that Vestas is managed with a long-term perspective. We have completed a comprehensive investment programme, and I would like to emphasise that it was with the full backing of a unanimous Board of Directors and Executive Management.

With this programme, we have established the very strong foundation that forms the Vestas, that truly has built such a strong position in the market today. In 2011, we will also invest heavily in realigning our current production platforms to the new products. In particular, we will focus on the V112-3.0 MW turbine, which is a brand new platform we aim to advance over the next few years.

It is paramount that Vestas, being a high-technology business, consistently invests in the development of products and service activities that will allow us to remain the technology leader. Ditlev Engel will also mention this in his review.

In spite of the large-scale investments, for 2011 we expect to generate a positive free cash flow, and it is important for me to emphasise that we do not seek to create a positive cash flow merely by scaling down our investing activities. One of our targets is to retain a positive free cash flow. In other words: We expect to be able to finance our operations and the necessary investments using the capital generated by the Vestas 'business'. Our ability to generate positive cash flows is the foundation of value creation in Vestas. Accordingly, this is the reason why the free cash flow will be given a more prominent position in the calculation of a potential bonus to Vestas' employees. I will get back to that shortly.

That concludes my report on the financial part of the 2010 annual report. However, Vestas does not only provide financial figures. For the first time ever, this year we will publish a combined report of our impact on the external community in what is called a sustainability report. This report is available on our website vestas.com. Allow me to highlight a few things from the report.

Let me start by the positive issues. At Vestas, employee safety comes first. As a result, over the years we have been dedicated to reducing the number of industrial injuries.

We have managed to reduce the number of industrial injuries considerably over the years. In fact, we had defined a goal for 2010 of a maximum of seven industrial injuries per one million working hours, but through a fantastic effort, our managers and employees succeeded in reducing the number to five.

With respect to the proportion of energy generated by green energy sources, we fell short of our target. We failed to reach our target of 55 per cent. In fact, we reduced our share of green energy from 49 to 42 per cent. The reason is that we have established production capacity in territories where there is simply no access to green energy. Obviously, this is not a sustaina-

Page 185: ble situation in the long term, and in relevant areas we therefore aim to gain access to green energy sources. If necessary, we will do so by investing in wind farms in the relevant areas ourselves. Being a leading player in our industry, we must of course take the lead in such situations.

I remain to describe one, not insignificant, part of Vestas' developments and that is how the price of our shares has performed. We recorded a drop of 44 per cent in our share price in 2010. I would like to say in this context that Vestas was not the only share that lost ground in 2010. Cleantech shares in general had a sluggish year. Some lost more than Vestas, other not as much. We believe that some people have lost some of the long-term perspective of the wind power industry and of Vestas.

We also recorded having more than 157,000 shareholders at the end of 2010, which is an increase of 37,670 compared with the year before. With respect to the long-term perspective, later this year we will report on how we aim to accomplish our 'Triple15' targets. These include revenue of 15 billion euros and an EBIT margin of 15 per cent by 2015.

As I mentioned earlier, on Wednesday we will present our new offshore turbine in London. Offshore wind turbines have received a lot of media attention. Especially in Denmark. Therefore, I would like to point out that Vestas handed over three offshore wind power projects in 2010. The reason I mention this is that it made us the largest offshore player in 2010. This clearly shows that Vestas is one of the key players also in this area.

We can only accept the performance of our share price. However, no one should doubt that long-term value creation in Vestas is given top priority by the Board of Directors.

Global warming is a growing problem that must be addressed. Otherwise, our children and grandchildren will face severe problems. In recent years, an increasing number of politicians outside Denmark have found that nuclear power might be the solution. Maybe the reason is that it has been a long time since an accident has occurred at a nuclear power plant. It is correct that the likelihood of accidents is very low, but the consequences of an accident are enormous. The Danish Minister for Climate and Energy, Lykke Friis, wrote a feature article in Danish newspaper Belingske a few weeks ago, in which she highlighted this factor.

However, it is not merely a question of reducing CO_2 emissions. We also need to create reliability of supply in the global energy system. This encompasses reliability of power supplies and certainty with respect to the price of such power. The wind is fully capable of providing such reliability and certainty. Bear in mind that, once a modern wind power plant has been established, there is a high degree of certainty in respect of what the production price of the power will be: the fact is that it will be close to zero kroner per kilowatt hour generated, and the cost of maintaining the wind power plant is its sole component. This is in sharp contrast to conventional sources of energy.

Our own long-term expectations with respect to wind power and green energy as a whole are therefore unchanged as we believe that these energy sources will play a key role in the global energy supply.

Page 185: I have now covered Vestas' financial performance and non-financial figures. These are areas that we can measure and weigh. However, what is most important to our continued progress is of course our 23,000 employees across the group. They have all made a tremendous effort, especially in 2010. From this podium, on behalf of the Board of Directors I would like to convey my profound thanks to you all for your dedication.

At the same time, it is important for me to emphasise that I and my fellow board members have unanimously supported our skilled and competent Executive Management in making key resolutions and decisions. Naturally, we have also made decisions together which we would have liked to do over if only we had known how things would turn out. Things are always much more clear with the benefit of hindsight. Therefore, I would also like to convey my profound thanks to my fellow board members for their dedicated efforts and a fruitful and inspiring collaboration, often under difficult conditions. Even though times have been tough for the entire industry, we have managed to implement our regionalisation strategy and bring new products to the market. In fact, we managed this while at the same time creating a record-high order intake in 2010 – an order intake which is very important for the years ahead. As I said previously: Everyone at Vestas has put in a tremendous effort.

Our many years of focusing on wind turbines and, by extension, on green energy, were also rewarded by external parties: at the beginning of the year, Vestas was awarded the highly prestigious Zayed Future Energy Prize of 1.5 million dollars. The award ceremony was held with the entire world press in attendance at a large fair in Abu Dhabi. The chairman of the jury, former Nobel Prize laureate Dr. Pachauri motivated the selection of Vestas not only by our long-term and persistent efforts. He also highlighted the spate of innovative contributions to renewable energy that Vestas has made over the years. So obviously we are very proud to have received the award.

Focusing on the long-term objective, we pursue a warrant programme for the management, composed with a view to promoting long-term value creation for our shareholders. The programme will run for a number of years. We also have a bonus programme comprising all Vestas employees. In this context, I can start by establishing that no one at Vestas received any bonus for 2010. This is the natural consequence of the fact that we failed to meet our targets. For 2011, we have adjusted the method we use to calculate whether there is a basis for paying a bonus. The adjustments were made not to make it easier to obtain bonus but to make our bonus programme more efficient – the objective once again being long-term value creation. The most significant change is an adjustment of the weighting between financial targets for Vestas and factors that each individual employee can influence in day-to-day operations. If bonus programmes are to impact the efforts made, I sincerely believe, as do my fellow board members, that there must be a direct connection between individual employee performance and the possibility of obtaining bonus. This is why we change the weighting. The factors included in what we call local targets depend on the targets of the individual departments at Vestas.

If we look at the overall targets for Vestas as a whole, we have also changed the contents of what we are measuring. Our intention was to focus more on the free cash flows because cash flows will become a key performance indicator in connection with the changed accounting standard.

Page 185:

The bonus targets defined for 2011 are: An EBIT margin of 8.4 per cent, which has a weighting of 35 per cent, free cash flows of 200 million euros with a weighting of 30 per cent, a customer satisfaction index of 72 with a weighting of 20 per cent and a revenue target of 7 billion euros, which has a weighting of 15 per cent.

The bonus is calculated using the base salary. This means that bonus will account for a growing share of the total remuneration the higher your position at Vestas. If the bonus targets fall short of a certain minimum, the bonus lapses altogether.

We compare the total remuneration within the different job positions to international salaries for a similar position. This is to help ensure that we are able to retain our large group of competent employees. The full wording of the remuneration policy is available in the notice convening the general meeting.

Finally, I would like to say that I hope we will have the opportunity to pay as high a bonus as possible for 2011. For if we do, Vestas will have performed really well!

As a closing remark, allow me to comment on the composition of the Board of Directors. As you can see in the notice convening the general meeting, one member has decided to retire from his position on the board due to a high work pressure in connection with the takeover of a competitor. On behalf of the entire Board of Directors, I would like to thank Ola Rollén for his efforts here at Vestas. I believe that Ola Rollén's retirement from the Board of Directors also demonstrates a clear tendency prevailing in the business community: that CEOs of large enterprises are under an ever-increasing work pressure. Now that I am touching upon the Board of Directors, I would like to say that the chairmanship and the rest of the board have regularly worked with succession planning and will continue to do so. The aim is to ensure a composition of the Board of Directors with the proper competencies to match the challenges facing the company. However, we also need to define requirements for potential candidates.

We aim to recruit – and must have – women or men with in-depth experience from high-technology industrial corporations. Or we will seek persons with other relevant skills that could make the necessary contributions and command respect in the performance of their board duties. As this is a continuous process, we regularly talk to relevant candidates, among other things through leading executive search businesses and headhunters. We intend to replace of board members gradually over the next few years in a well-considered process in order to reduce the average age, while at the same time securing continuity.

Overall, 2010 was a year of opposite trends:

►Record-high order intake

►Adjustment of our capacity in Europe

►Substantial activity in our research and development department

►A mandatory change of accounting policies

Page 185: ►Some degree of negative media coverage in Denmark

We are confident that Vestas is more prepared than ever before to play a leading role in an industry that is bound to play a lead role in establishing the energy supply of the future. Vestas proved its worth under difficult market conditions in 2010."

With these words, the chairman passed the floor to Ditlev Engel.

Ditlev Engel highlighted the fact that Vestas had recorded an increase in deliveries during the four quarters of 2010 and that more deliveries were made in the third and fourth quarters than in the same periods of 2009. The latter part of 2010 was therefore quite a busy period in spite of the fact that the market contracted for the first time in many years. The market size is subject to some degree of uncertainty but is believed to have declined from 38.6 GW in 2009 to 35.8 GW in 2010. Against this background, Vestas increased its market share from 12.3 per cent in 2009 to 16.3 per cent i 2010. This makes Vestas the largest player in the market, and the company is not dependent on any single market.

Management has defined aggressive customer satisfaction targets. For 2010, the target for customer satisfaction was index 70. The customer satisfaction index only stood at 64, which was unchanged from 2009. However, this has not led Vestas to reduce its ambitious targets, and it aims to achieve a customer satisfaction index of 75 in 2012. In 2010, five business units recorded improvements in this area, whereas two did not.

The order intake has represented a major challenge over the past couple of years. It fell by approximately 50 per cent from 2008 to 2009, only to rise sharply in 2010. Conversely, there was a decline in shipments, and since a higher order intake calls for new investments, this is a very difficult situation to handle. For 2011, Vestas expects to strike a better balance between order intake and shipments.

The order intake was achieved through focus on quality, which is key to Vestas' mission. In this connection, we focus on the 6 Sigma concept, which is a rigorous quality standard used in the aviation industry, among others. Vestas is the only player in the market to publish sensitive Lost Production Factor data, which shows the share of the wind not harvested by the turbines. For this factor, Vestas recorded a very good improvement from 2009 to 2010. “LPF” is the abbreviation used for Lost Production Factor.

Ditlev Engel also said that Vestas competes with all other sources of energy, and in this connection he underlined that onshore wind is very competitive, whereas offshore wind farms still involve high marginal costs.

He emphasised that the order intake is created on the back of product development, service and regional presence, and in this context it is important for Vestas to have production, research and sales departments all over the world. Service is also very important for Vestas' customers, and Vestas is currently monitoring more than 31,000 MW. The service department has grown so large that only 78 Danish businesses can match Vestas' service business in terms of revenue.

Page 185: Ditlev Engel explained that Vestas has global research and development capabilities with R&D centres in the USA, Europe and Asia. The business employs 2,160 people, which is an increase of 9 per cent on the preceding year. The total number of employees in this area rose from 519 in 2006 to the aforementioned 2,160 in 2010. To illustrate the technological advancements, Ditlev Engel said that there has been a sharp increase in the number of patent applications filed by Vestas. Vestas filed 227 applications in 2010, against 50 in 2006. The company has the freedom to operate globally and is not involved in any disputes with other businesses concerning rights.

As part of the quality assurance efforts, the wind power plants undergo a comprehensive test before they are sold, and Ditlev Engel underlined the importance of testing blades and gear boxes, stressing that reliability is a key sales parameter. For example, he mentioned that the company's new V112 turbine in principle was sold before the first assembled prototype was available because the turbine was manufactured, tested and sold on the basis of the quality assurance of components.

In relation to the offshore market, a massive expansion and strong growth is projected for the coming years. The market is gaining momentum, and suppliers are facing high demands. Vestas has currently installed 43 per cent of the world's combined offshore capacity. Initially, we experienced a poor performance, but we have learned from our mistakes, and in 2010 alone, Vestas accounted for 63 per cent of the installed capacity. Vestas gained its first offshore experience 16 years ago with its V39 turbine and has since then advanced the technology on the basis of much bigger platforms, culminating with its 6 MW turbine. In this connection, Ditlev Engel also emphasised that it is crucial for the company to identify relevant test sites, and the company believes that test facilities should be available in Denmark. The location of such test sites is a political decision, and Vestas has no intention of interfering with the political process.

In terms of forecasts, Ditlev Engel said that Vestas expects an increase in shipments of about 50 per cent in 2010 from 4,057 MW to about 6,000 MW. The expectations reflect a market emerging from the crisis, and the timing of deliveries is important in volatile markets. The order intake is expected to be in the 7,000-8,000 MW range, revenue is projected at about 7 billion euros, and the EBIT margin is forecast at 7 per cent. Focus will be on maintaining a positive cash flow.

Ditlev Engel said that Vestas aims to be one of the world's most ethical companies, and Vestas is proud of the fact that Ethisphere has included Vestas as the only Danish company on its list of the most ethical companies.

The Danish Wind Industry Association is celebrating its 30-year anniversary, and based on 30 years of hard work the association and Vestas have built a position as competitive players in the energy market. In this context, Ditlev Engel said that wind should be a major player in the energy market, partly on account of its overall competitive strength, partly because of the fact that wind power does not involve any substantial water consumption for the generation of energy. In this area, wind differs from most other sources of energy.

The following contributions were made from the attendants:

Page 185:

Claus Wiinblad, ATP, thanked Vestas for its report, saying that 2010 was a challenging year for the wind turbine industry and Vestas. Vestas has completed a 17 billion kroner investment programme, which has only generated earnings of 2 billion kroner. This is a shortfall totalling 15 billion kroner, which has been funded through the capital increase completed in 2009. We are very pleased to note that the company has conquered market share as described by Ditlev Engel, but market consensus shows a general lack of confidence in the company's ability to achieve a reasonable return on its invested capital and in its ability to accomplish the "Triple15 "targets. Adding to this general scepticism, the company changed its accounting policies at an unfortunate time and in a manner that makes it difficult to see whether Vestas managed to meet the forecasts it had announced. As a result, Vestas' share price dropped 44 per cent. In ATP's opinion, the Board of Directors has a huge responsibility in terms of restoring confidence and demonstrating that Vestas has not assumed unreasonably high risks. ATP has noted that certain new appointments have been made to the Board of Directors but pointed out that half the board members have served since 1996/98, and ATP therefore finds that there is a need for renewal and replacement. ATP noted from the chairman's report that Vestas intends to address this issue.

Morten Rask Nymark, LD, thanked Vestas for its report. Last year, LD praised the financial performance for 2009. This year, we have to acknowledge that the industry has suffered during the financial crisis, and LD has noted that Vestas nevertheless continues to make investments. LD appreciates that long-term investments involve expenses in the near term, but the question is whether Vestas is investing too heavily and whether the cost base has been sufficiently reduced. Confidence in the management team took a blow in connection with the change of accounting policies. LD does not question the change itself, but we do not understand the timing of its implementation. The fact is that the new rules had been described already in the annual report for 2009, and it came as a surprise that the change was effected in November after a statement to this effect in the Q3 report. As a consequence, the usual comparative figures are now not available. It is crucial for the management that confidence in the company and the management is restored, and LD finds that the company's CFO should have a more outgoing role. In relation to the much-discussed test centre at Østerild, LD pointed out that it is necessary to establish a test facility in Denmark. Competition is as tough as ever before, and a further delay in establishing test facilities in Denmark would lead to the relocation of R&D activities to sites outside Denmark. Consequently, LD does not support the proposal put forward by a shareholder under item 7.4, according to which the company should abandon the use of test facilities at Østerild.

Torben Vestergaard Rasmussen, the Danish Shareholders Association (DSA), explained that the DSA is striving to promote shareholding in Denmark, and that the association currently has about 15,000 members. In 2010, Vestas reduced employment in Denmark. This was unfortunate, but the DSA has noted that research activities are still based in Denmark. In relation to the composition of the Board of Directors, Torben Vestergaard Rasmussen referred to page 9 of the annual report, where it says that Vestas should become "less Danish", and he asked whether the same principle should not apply to the composition of the Board. He also said that four board members cannot be considered independent according to the most recent corporate governance recommendations. With reference to the chairman's report, it is possible that the composition of the board will now be changed, and the Danish Shareholders Association finds that the Board of Directors lacks dynamics. Torben Vestergaard Rasmussen

Page 185: said that during the financial crisis other large wind turbine manufacturers have been able to provide financing for their customers and asked how important this is to Vestas, as Vestas does not offer similar financing arrangements. Torben Vestergaard Rasmussen asked about the company's relationship with DONG and about the development of gearless wind turbines. Finally, Torben Vestergaard Rasmussen wanted to know whether Vestas also services turbines from other manufacturers. As a closing remark, he said that Denmark should be proud to be home to a company such as Vestas.

Peter Hansen found it regrettable that board member Håkan Eriksson does not hold any shares in the company.

Sabina Moll noted the fact that two-thirds of the current board members are aged 65 or over. She recommended replacements on the Board of Directors and asked whether it is correct that Ola Rollén will step down as a board member due to disagreements among the members.

Erling Bjerreskov said that there are too many older men on the Board of Directors and that more women should be elected. Erling Bjerreskov also said that a female representation quota has been introduced in Norway, and that a similar arrangement should be considered in Denmark. In this connection, it was put forward that a report by McKinsey shows that higher dividends are paid in companies with female representation in the management team, confirming that women do make a difference. Accordingly, Erling Bjerreskov encouraged the chairman of the board and major shareholders to ensure that replacements will take place in connection with the next annual general meeting.

Henrik Jensen asked who the defendant is in the class action case that has been filed in the USA.

Jens Mogensen Jensen regretted the lack of communication between shareholders and the management. Jens Mogensen Jensen also regretted the fact that the time of the annual general meeting had been moved to 2 pm, which is not a good time for people who go to work. It is mentioned in the report that trading in the company's shares is to some extent driven by rumours. Jens Mogensen Jensen found that the management has a large responsibility in this regard, and he noted that he and the other shareholders had suffered considerable losses on their investment in Vestas in 2010, among other things due to poor communication about the downgrade and the change of accounting policies. The large number of negative headlines in the newspapers are thus often caused by poor planning. It was emphasised that the Executive Management had previously said that they expected to be able to retain the original market share of 35 per cent, but this share has now dropped to less than half that. Is management too optimistic, or is it a question of recklessness? Jens Mogensen Jensen asked about the actual results for 2010 relative to the forecast announced in the company announcement dated 10 February 2010. The financial performance was much lower, and Jens Mogensen Jensen asked for an explanation for the discrepancy. Jens Mogensen Jensen said that the service business accounts for 9 per cent of earnings, whereas Vestas is not making a high enough profit on the actual sale of wind turbines. He said that 83 per cent of the revenue is used for production costs, and that it is not possible to gain relevant insight into this cost item. A look at the cash flow statement for the past five years leads to the conclusion that

Page 185: Vestas is investing heavily but does not generate enough earnings. All earnings are used for investments, but the free cash flow should instead be used to pay creditors and distribute dividends. Finally, Jens Mogensen Jensen stated that the board members hold a total of 96 directorships in other companies. One board member has 41 other directorships, 25 of which are chairmanships. This is not in accordance with the corporate governance recommendations, and it is not possible to hold so many directorships and properly perform the duties involved. Finally, it was put forward that the report and financial statements disclose that a total of 450 million kroner was paid for incentive and bonus schemes, and this should not be possible without a link to dividend payments.

The Chairman of the Board, Bent Erik Carlsen, said that there is a need for a broadly composed Board of Directors with the experience necessary to ensure a competent management team with sufficient decision-making capabilities. As described in the Chairman's report, the Board of Directors is focused on securing the skills necessary and on carrying out a natural generational change. With respect to the comment on dynamics, attention was drawn to the fact that dynamics must be present in the Executive Management, not necessarily on the Board of Directors, whose duty is to monitor and liaise with the Executive Management. In relation to the change of accounting policies, the chairman explained that the Board of Directors has gone to great lengths to explain the change and the necessity thereof. It was not the wish of management to make the change, which was made to comply with the rules and the auditors, and in this regard the chairman read out the auditors' statement about the change in the annual report. With respect to board member shareholdings, the chairman explained that there is no requirement for the board members to own shares in the company, but as described in the annual report, most of the board members hold shares, including the chairman himself. In relation to the question about disagreement among the board members, the chairman clearly denied the rumour. Ola Rollén is stepping down from the Board of Directors due to a heavy workload in the company in which he is the CEO. With respect to the effort put in by the board members, the chairman pointed out that the Board of Directors does not define a maximum number of directorships to be held by its members. Instead, the Board of Directors requires an active and adequate effort of its members. This is decisive factor, and there is no reason to question the effort put in by any of the board members. With respect to female board representation, the chairman said that the Board of Directors is aware of the issue. The Board of Directors does not believe that quotas are a good idea, and all positions should be filled in on the basis of qualifications. Female representation on boards of directors is likely to rise as more and more women hold executive positions, which will enlarge the group of potential female candidates. With respect to bonus, the chairman specified that it is important to provide a foundation for recruitment and retention of the right key employees. Consequently, bonus should be disbursed on the basis of each individual's performance and should not be linked to dividend distribution.

Ditlev Engel, President and CEO, explained that the many large-scale investments obviously reduced the profit for the year. However, these are investments in the future, and it is important to remain competitive and maintain a presence on the markets to be cultivated. Local production presence also helps ensure greater independence of currency fluctuations. Vestas' earnings to a large extent depend on improved utilisation of the production facilities currently in place. With respect to the cost base, Ditlev Engel said that management believes that Vestas has made sufficient staff/capacity reductions for the time being. However, the politi-

Page 185: cal agenda in the individual countries is constantly developing, making it difficult to predict developments. In connection with the reductions, management resolved to close five factories. It should be noted that these factories are interdependent as they manufacture different parts of our end product. In relation to providing financing for Vestas' customers, Ditlev Engel confirmed that this was a challenge in 2009 when customers had difficulty sourcing the necessary financing, putting Vestas at a disadvantage to some of its large foreign competitors. However, funding is now to a greater extent provided on the basis of product quality, typically allowing customers to establish their own funding model once it has been established that the product to be financed delivers as promised. In this context, the LPF statistics reviewed in the report play a major role. In relation to the service department, Ditlev Engel said that the company is currently only providing service for its own products, but it cannot be ruled out that the company will revise this strategy. With respect to the litigation in the USA, Ditlev Engel explained that the defendants are the Danish parent company, the US company, the CEO in the USA, the Executive Management in Denmark and the chairman in Denmark. In relation to the gross margin, Ditlev Engel pointed out that the problem is not earnings from each individual turbine. The problem is that Vestas needs to improve the utilisation of its production apparatus by selling more turbines. The declining market share, from originally 35 per cent, is due to market developments, and especially the emergence of a very large Chinese market and, in that connection, the emergence of major Chinese players.

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The chairman of the meeting then stated that the shareholders had duly noted the management's report.

2. Presentation and adoption of the annual report

Bent Erik Carlsen, Chairman of the Board of Directors, reviewed the main items of the annual report. See above. There were no further questions for the annual report. The chairman of the meeting ascertained that the annual report had been adopted. There were no demands for a vote or a full report.

3. Presentation and adoption of the remuneration of the Board of Directors

3.1 Approval of the Board of Directors' remuneration for the financial year 2010.

The Board of Directors proposed that a total of EUR 1.0m is paid in remuneration for 2010.

There were no questions or comments. There were no demands for a vote or a full report. The chairman of the meeting ascertained that the proposal had been adopted.

3.2 Approval of the Board of Directors' remuneration for the financial year 2011.

The Board of Directors proposed that a total of EUR 1.0m is paid in remuneration for 2011.

There were no questions or comments. There were no demands for a vote or a full report. The chairman of the meeting ascertained that the proposal had been adopted.

Page 185: **4. Resolution for the application of profit**

The Board of Directors proposed that no dividend be paid out for 2010.

There were no questions or comments. There were no demands for a vote or a full report. The chairman of the meeting ascertained that the proposal had been adopted.

5. Election of members to the Board of Directors

The chairman of the meeting stated that, pursuant to article 8 of the articles of association, the company must have not less than three and not more than eight members elected by the general meeting.

The Board of Directors proposed re-election of the following members elected by the general meeting: Bent Erik Carlsen, Torsten Erik Rasmussen, Freddy Frandsen, Håkan Eriksson, Jørgen Huno Rasmussen, Jørn Ankær Thomsen and Kurt Anker Nielsen.

Ola Rollén had notified the company that he does not wish to stand for re-election.

The Board of Directors proposed that Carsten Bjerg be elected to the Board of Directors. The chairman of the Board of Directors explained the reasons for the proposal. Carsten Bjerg is 51 years old and from his background in engineering he has extensive experience in international industrial production and logistics from working with Danfoss A/S and Grundfos A/S. Especially his experience in managing a large international group such as Grundfos, involving worldwide sales and production, makes him a suitable candidate for board membership in Vestas.

There were no questions or comments other than as set out in item 1, and the chairman of the meeting ascertained that Bent Erik Carlsen, Torsten Erik Rasmussen, Freddy Frandsen, Håkan Eriksson, Jørgen Huno Rasmussen, Jørn Ankær Thomsen, Kurt Anker Nielsen and Carsten Bjerg had been elected to the Board of Directors. There were no further proposals and no requests for a full report. However, at the request of the attendants a written vote was held to establish the votes cast for each of the candidates. The following votes were recorded in connection with the count:

Carsten Bjerg	47,817,087
Håkan Eriksson	47,797,564
Freddy Frandsen	47,783,593
Jørgen Huno Rasmussen	47,521,223
Kurt Anker Nielsen	47,158,815
Bent Erik Carlsen	46,993,922
Torsten Erik Rasmussen	46,912,515
Jørn Ankær Thomsen	44,425,679
Blanks	58,388
Not valid	327

Page 185: **6.** **Appointment of auditor**

The Board of Directors proposed the reappointment of PricewaterhouseCoopers, Statsautoriseret Revisionsaktieselskab.

There were no questions or comments. There were no demands for a vote or a full report. The chairman of the meeting ascertained that the proposal had been adopted.

7. **Proposals from the Board of Directors and the shareholders, including proposal for authorisation of the Company to acquire treasury shares**

7.1 Remuneration policy

The Board of Directors proposed that the Annual General Meeting approved the remuneration policy adopted by the Board of Directors for Vestas Wind Systems A/S' Board of Directors and Executive Management. In this connection, reference was made to the remuneration policy, which was enclosed with the notice convening the general meeting and available at the company's website.

There were no questions or comments. There were no demands for a vote or a full report. The chairman of the meeting ascertained that the proposal had been adopted.

7.2.a Amendments to the articles of association:

The Board of Directors proposed that the existing authorisation to the Board of Directors in Article 3(1) to increase the Company's share capital is renewed to apply until 1 May 2015, still allowing an increase of the share capital by a total nominal amount of DKK 20,370,410.

The authorisations in Article 3(2) to issue employee shares and Article 3(3) to issue warrants have expired and are proposed deleted.

Article 3(2) will henceforth have the following wording:

Article 3(1)

"The share capital can be increased at the Board of Directors' discretion in respect of time and terms in one or more issues of new shares up to an amount of DKK 20,370,410 nominal value (20,370,410 shares).

The authority shall remain in force until 1 May 2015, and it may be extended by the General Meeting for one or more periods of up to five years each.

An increase of the share capital may be effected by cash payment as well as in other ways. The increase may be effected without pre-emptive rights to the Company's existing shareholders, provided that the shares are offered for subscription at market price, or as consideration for the Company's takeover of an existing undertaking or certain assets at a value corresponding to the value of the shares issued. In all cases other than those set out in the previous sentence, Page 185: the Company's existing shareholders shall be entitled to subscribe for the new shares on a pro rata basis in proportion to their shareholding."

Article 3(2):

"In the event of capital increases pursuant to Article 3(1), the new shares shall be registered in the name of the shareholder and recorded in the Company's register of shareholders. The shares are negotiable instruments and rank pari passu with the existing shares in all respects, including in respect of redemption and restrictions on transferability. The Board of Directors proposes the following amendments to the Company's Articles of Associations:

The new shares shall carry a right to dividend from such date as may be determined by the Board of Directors, however, not later than from the first financial year following the capital increase.

Any other terms and conditions governing the capital increases effected in accordance with the authorisation laid down in Article 3(1) shall be determined by the Board of Directors."

There were no questions or comments. There were no demands for a vote or a full report. The chairman of the meeting ascertained that the proposal had been adopted.

7.3 Authorisation to acquire treasury shares

The Board of Directors requested that the General Meeting approved an authorisation to the Company to purchase treasury shares in the period until the next Annual General Meeting as the Company's total holding of Vestas shares after the purchase must not exceed 10 per cent of the share capital. The consideration for such shares must not deviate by more than 10 per cent from the closing price quoted by NASDAQ OMX Copenhagen at the time of purchase.

There were no questions or comments. There were no demands for a vote or a full report. The chairman of the meeting ascertained that the proposal had been adopted.

7.4 A shareholder, Delta of Science ApS, represented by Jochum Kirsebom, made the following proposal: The General Meeting decides that Vestas will not use the test centre in Østerild designated by the Danish Government.

<u>Mr. Jochum Kirsebom</u> explained his proposal by referring to the disruption of nature and the political debate and legal uncertainty affiliated with the Government's test facility. The facility will be set up in a forest reserve area, and a large number of trees will be removed. This uncertainty could cause a delay to the facility, which would be to the detriment of Vestas, and Vestas should therefore influence the decision-making process with a view to identifying a different area. In this connection, Jochum Kirsebom challenged the statement in the notice convening the general meeting that the company has already signed an agreement with the Danish Government. Jochum Kirsebom said that the notice was distributed on 1 March 2011, whilst the last signature on the agreement with the government appears to have been added on 3 March 2011.

Page 185: Lene Farup supported Jochum Kirsebom's contribution and proposal. It was submitted that this is a difficult debate since both sides wish to safeguard the environment, but the project involves the erection of 250-metre high turbines in the middle of a forest reserve between two natural parks. Industrial facilities are not appropriate in a natural environment, and there have been flaws in the political process, as determined by the courts of law.

Ditlev Engel, President and CEO, pointed out that the company considers it to be of great importance that test facilities are established in Denmark as soon as possible. Vestas has no intention of interfering with the political decision-making process concerning the location of the test facility. Regardless of the final location, there will be protests.

The chairman of the meeting referred to LD's contribution about the test centre, which was submitted as part of the report. See item 1 on the agenda. No full report was called for, but a written vote was required, and the following number of votes were counted:

For the proposal	737,186
Against the proposal	45,322,155
Blanks	6,106,844
Not valid	286

8. Any other business

As there were no contributions under this item, the chairman of the meeting closed the meeting.

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No other business was transacted.

The meeting was closed.

Chairman of the meeting:

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Klaus Søgaard