Copenhagen Stock Exchange
Nikolaj Plads 6
1067 Copenhagen K

Randers, 26 May 2005
Stock exchange announcement No. 15/2005

Quarterly information – 1st Quarter 2005

Market situation

In 2005, Vestas still expects the global market to grow by more than 20 per cent. Overall the markets are progressing satisfactorily and according to Vestas' expectations, with a positive development in the USA and in a number of European and Asian markets. The total backlog of firm and unconditional orders at the end of the first quarter 2005 is high and corresponds to approximately six months of average production. The strong order backlog is primarily related to orders for a number of large American projects for installation before the Federal Production Tax Credit (PTC) scheme in the United States expires at the end of 2005.

The American market has developed positively and is heading for a new record year in 2005. During the spring of 2005, Vestas has announced four major orders totalling 618 MW for delivery in 2005, cf. Stock Exchange Announcements Nos. 4, 5, 6 and 9/2005. The significant volume of deliveries to the United States represents one of the major challenges in 2005. Vestas has established a project team at group level to coordinate the projects and support a successful execution of the projects.

The present PTC scheme expires at the end of 2005 and it is uncertain if and when the PTC will be extended. This creates a very unstable US market. Against this background, it is positive that Renewable Portfolio Standards at state level and increasing prices on other energy sources in the United States are increasing the non PTC dependent market base. A good order visibility is very important for the long term capacity planning and it is encouraging to note that Vestas already has received a 124 MW order for delivery in 2006 in the United States, cf. Stock Exchange Announcement No. 12/2005.

Vestas has positive expectations for the Canadian market, which is supported by the Canadian government having announced the expansion of the Wind Power Production Incentive (WPPI) from the original target of 1,000 MW to 4,000 MW. The WPPI provides power producers with a one cent per kWh payment over a ten-year period. In addition, the government has released a plan to reduce Canada's greenhouse gases as an effort to achieve its Kyoto Protocol target in 2010. The plan involves a greenhouse gas emission trading system for large industrial polluters and supports financing of domestic investments that reduce greenhouse gas emissions.

Quarterly information – 1st Quarter 2005

In Germany, the order intake has been in accordance with the expectations in the first quarter, and Vestas expects Germany to continue as a large market in 2005. There is high political focus on renewable energy in Germany, and a further move towards renewables and away from conventional energy is being discussed. The offshore market in Germany has a large potential, even though the timing for take-off is still somewhat uncertain. Permission for 10 offshore wind power plants in the North Sea and the Baltic Sea has been granted. Another 32 projects are currently being examined and are waiting for final permission for installation.

The order intake from the Spanish market in the first three months is in line with the expectations. The Spanish government has proposed to increase the target for wind power from 13,000 MW to 20,000 MW and Vestas expects a continued large and stable Spanish market. Vestas continues to have positive expectations for Portugal, where the government during the spring has increased the target for wind energy from 3,750 MW to 4,400 MW by 2010.

In France, an amendment to the French energy law has been proposed, which sets a 20 MW lower limit on the size of wind power projects and limits the installation of wind power to appointed wind development zones. According to the present rules, only projects up to 12 MW qualify for the fixed tariff to wind power. Currently, the final outcome of the political process in France is very uncertain, but the present 12 MW rule will stay in force two years after a possible new law is passed. The future market development in France will depend upon the final content of the new law, but the long-term market outlook is still positive.

In Great Britain, Vestas has started works on the two 90 MW offshore projects, Kentish Flats and Barrows. Both projects include 30 units of the new V90-3.0 MW offshore turbine and a successful execution of these large projects has high focus. Vestas continues to have very positive expectations for the British market, both onshore and offshore. In Ireland, growth prospects have been strengthened by governmental plans to implement a new fixed price support mechanism.

Vestas still has positive expectations for the Dutch market based on a stable permit structure and the Milieukwaliteit Energie Productie (MEP) subsidy. However, the Dutch government has decided to temporarily freeze subsidies to new offshore projects. This creates uncertainty regarding the long-term offshore potential in Holland, however, already approved off-shore projects will not be affected.

A new energy law in Poland was approved in April 2005 and the law is expected to come into force in October 2005. Against this background, there is a high level of activity in the market and several projects are in the pipeline.

In Sweden, the Ministry of Sustainable Development has announced that the implementation of the Green Certificate System will follow the time schedule for implementation of the certificate system in Norway, commencing on 1 January 2007. In spite of the delay, the political signals are positive and Vestas expects the Swedish market to continue as a small but stable market.

In Italy, the order intake has been lower than expected in the first quarter, but expectations for the full year are still positive. The MW-sized turbines receive an increasing degree of interest in Italy and Vestas has received the first Italian orders for the new V90-2.0 MW turbine, which is optimised for sites with low and medium winds. In Greece, the government has made energy an area of priority, which is expected to influence the permitting process positively. On 10 May 2005, Vestas announced a 35 MW order for Greece, cf. Stock Exchange Announcement No. 13/2005.

In March 2005, the Chinese government passed a new law promoting the use of renewable energy in the country. The new law called China's Renewable Energy Promotional act will be effective by 1 January 2006, and is seen as a strong political signal of commitment to renewable energy. The law states that 10 per cent of the electricity production must come from renewable energy by 2020 corresponding to 121,000 MW. Details of the law are to be implemented, but the new law mandates compulsory purchase of renewable electricity by utilities, with extra costs of purchasing renewables being passed on to the customers.

The Australian market is driven by the availability of the Mandatory Renewable Energy Target (MRET). The policy of the present government is to continue with the MRET unchanged. The consequence of this policy is that the long term market potential for wind energy is uncertain. However, at the moment there is strong pressure on the government to prolong and raise the MRET. Furthermore, Vestas still expects that initiatives at state level will ensure that Australia remains an important market for wind power, even if the federal MRET is not extended. The market in New Zealand is expected to expand in the coming years. The market is driven by lack of energy, and the possibility to trade carbon credits.

India emerged as the third largest market in 2004 and Vestas expects continued growth in 2005. The positive development is driven by tax policies and a shortage of energy, which have increased prices and triggered private sector participation in the Indian wind energy sector. The Indian government envisages a need for an additional capacity of 100,000 MW by 2012 to bridge the gap between supply and demand of electrical energy. Ten per cent of this gap is expected to come from renewable energy.

In summary, Vestas continues to have positive expectations for the global market for wind power in 2005. The increase in installations also influences the size of the service business, and during the first quarter of 2005 Vestas has decided to establish local service offices in Austria and South Korea.

Sourcing and production

In March 2005, Vestas announced plans to reorganise production in Denmark in order to create a better exploitation of the production facilities. Assembly activities which at present takes place at the Group's head office in Randers will during 2005 successively be

Address: Vestas Wind Systems A/S · Alsvej 21 · 8900 Randers · Denmark
Tel: +45 9730 0000 · **Fax:** +45 9730 0001 · **E-mail:** vestas@vestas.com · **Web:** www.vestas.com
Bank: Nordea Bank Danmark A/S · Reg. no.: 2100 · Account no.: DKK 0651 117097 - EUR 5005 677997
Company reg. no.: 10 40 37 82
Company reg. name: Vestas Wind Systems A/S

Quarterly information – 1st Quarter 2005

transferred to the assembly facility in Vivero/Galicia, Spain. The assembly of turbines in Denmark is being concentrated in Ringkøbing and Viborg.

The establishment of a blade factory in Portland, Australia, is progressing according to plan. The factory is expected to start production in the second half of 2005 and will initially operate with a capacity of 150-200 MW. Planning regarding the establishment of a blade factory on the east coast of China is moving ahead and Vestas still expects to start up production in the first half of 2006.

Vestas has established a sourcing office in Shanghai, China. The establishment of the sourcing office in China is one of many activities and projects being implemented in order to increase the global sourcing in Vestas. Increased purchasing in China will contribute to increasing Vestas' purchase in USD related currencies. A number of Vestas' most important suppliers are establishing facilities in different parts of the world as well, thereby supporting a more global sourcing within Vestas.

Product development

The overriding concept of Vestas' product development plan is to develop wind power systems that can generate optimal electricity quality at the most competitive price with full consideration for safety and quality. A very important tool in the product development process is integrated product development. The purpose of the process is to make use of all the competences available in connection with product development and to ensure that the final product is optimal in all phases, from production, through installation to operation.

The V100-3.0 MW turbine is a planned development of the V90-3.0 MW model which, with its special construction in which the main axle has been replaced by a giant ring bearing, constitutes a giant technological leap forward for Vestas. The V100-3.0 MW turbine is based on the same technological platform as the V90-3.0 MW model, and extends Vestas' product range with a particularly competitive 3.0 MW turbine for sites with low and moderate winds – both on land an offshore. The test results of the V100-3.0 MW turbine have been positive, and Vestas expects to start serial production in 2006.

The V120-4.5 MW has primarily been developed for offshore operation. One of the factors behind the improved competitiveness is the lighter blades. Moreover, a more intelligent control system contributes to a reduction on the loads on the turbine as a whole. This means that it is possible to use less material to manufacture the tower. At the same time, the amount of material needed for the foundations will also be reduced, thus helping to make the turbine even more competitive. Prototypes and an 0-serie will be tested during 2005-2006 and serial production of the V120-4.5 MW is planned for 2007.

Expectations for the Vestas Group for the full year 2005

Current expectations for 2005 are unchanged compared to Stock Exchange Announcement No. 8/2005 of 30 March 2005. Based on deliveries until the end of the first quarter of 2005, a

Address: Vestas Wind Systems A/S · Alsvej 21 · 8900 Randers · Denmark
Tel: +45 9730 0000 · **Fax:** +45 9730 0001 · **E-mail:** vestas@vestas.com · **Web:** www.vestas.com
Bank: Nordea Bank Danmark A/S · Reg. no.: 2100 · Account no.: DKK 0651 117097 - EUR 5005 677997
Company reg. no.: 10 40 37 82
Company reg. name: Vestas Wind Systems A/S

Quarterly information – 1st Quarter 2005

strong backlog of firm and unconditional orders and a number of conditional orders and planned projects, the turnover for the full year is expected to be in the range of bnEUR 3.0-3.2. The EBIT margin for 2005 is expected to be approximately four per cent. It must be noted that continuing volatility in markets, exchange rates and project finance opportunities may affect turnover and profits. The business activities of the Vestas Group are subject to a number of risks, which means that a degree of uncertainty is linked to all forecasts.

The significant volume of orders for the United States represents a major challenge in 2005. The orders for delivery in the United States must be completed before the end of 2005, where the present PTC scheme expires. The deliveries are compressed within a short time period, which involves a number of risks related to pressure on sea and land transportation, erection and commissioning etc. If the orders are not delivered in due time, the risk of damages can not be ruled out. These projects have high focus and several initiatives have been initiated to secure a successful execution.

Networking capital at the end of the year is still expected to amount to 30-35 per cent of the net turnover for the year.

The management expects 30-35 per cent of the turnover forecast for 2005 to be generated in the first six months. For this reason, and on account of the desire to make optimal use of available production capacity, production is expected to balance out over the year as a whole. As a result, the balance sheet totals at 30 June 2005 are likely to show high inventories.

The above-mentioned prognosis for 2005 is based on the Group's current accounting policies. Vestas expects to inform about the effect of the new accounting policies (IFRS) in connection with the publication of the half-year results 2005. The Vestas Group will publish its interim financial statement for the first half-year of 2005 on 25 August 2005.

Information meeting (incl. telephone conference and webcast) on 26 May 2005 at 3 p.m. (CET)

In connection with the publication of this present quarterly information Vestas will host an information meeting for investors, analysts and the press at Tycho Brahe Planetarium, Gl. Kongevej 10, DK-1610 Copenhagen V. today, Thursday, 26 May 2005 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' website www.vestas.com and Copenhagen Stock Exchange A/S' website www.cse.dk with the possibility of simultaneous translation to Danish.

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

Quarterly information – 1st Quarter 2005

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

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

Yours sincerely
Vestas Wind Systems A/S

Ditlev Engel
President and CEO