Company announcement from Vestas Wind Systems A/S

Randers, 26 October 2010
Interim financial report, third quarter 2010
Company announcement No. 40/2010

Interim financial report, third quarter 2010
Adjustment of capacity, increasing order backlog, positive free cash flow

Summary: Vestas reported a third-quarter profit and a positive free cash flow following the loss in the first half year of 2010. Vestas generated third-quarter revenue of EUR 1,722m against EUR 1,814m in the year-earlier period. EBIT margin was 10.7 per cent, against 13.5 per cent in the third quarter of 2009. Net working capital stood at 25 per cent of expected annual revenue, and the free cash flow was EUR 180m against EUR (203)m in the third quarter of 2009. During the first nine months, Vestas' intake of firm and unconditional orders amounted to 6,567 MW, which is the highest level ever recorded. At the end of the quarter, the order backlog amounted to 5,884 MW with a value of EUR 5.7bn. Safety at Vestas' workplaces was improved further, and green energy accounted for 44 per cent of Vestas' total energy consumption. At the beginning of 2010, Vestas resolved to retain substantial excess capacity in Europe in expectation of an increased demand in 2010 and 2011. In 2011, the European market growth will, however, not live up to Vestas' expectations, which is why Vestas is compelled to adjust its capacity in Europe. To ensure the most efficient production, Vestas has decided to initiate negotiations with the relevant parties in relation to closing down of a number of factories, primarily in Denmark, where costs are highest. In addition to this, a number of administrative functions will be adjusted at several locations in and outside Denmark. In total, around 3,000 jobs will be abolished in connection with the adjustments. In the fourth quarter of 2010, an amount of EUR 140-160m will be expensed as "one-off costs" (exceptional operating items) in the income statement, which primarily will consist of write-downs of property, plant and equipment and costs in relation to lay-offs of employees. Adjusted for the above, Vestas retains its expectations for 2010 as announced in August. For 2011, where market uncertainty and competition are still high, the intake of firm and unconditional orders is expected to amount to 7,000-8,000 MW. The activity level measured in terms of produced and shipped MW is expected to amount to approx 6,000 MW. In 2011, Vestas expects to generate a positive free cash flow after investments of a total of EUR 650m.

Q3 2010 at a glance (against Q3 2009)

- 27%	Vestas shipped a total of 719 wind turbines - a decrease of 27 per cent
- 11%	Vestas shipped wind power systems with an aggregate capacity of 1,456 MW - a decrease of 11 per cent
- 5%	Vestas generated revenue of EUR 1,722m - a decrease of 5 per cent
- 24%	EBIT amounted to EUR 185m - a decrease of 24 per cent

Vestas Wind Systems A/S
Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
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- 24%	Profit after tax amounted to EUR 126m - a decrease of 24 per cent
+ 16%	The number of employees reached 23,443 - an increase of 16 per cent
- 23%	The incidence of industrial injuries per one million working hours was 5.5 - a reduction of 23 per cent
+ 5% points	The share of renewable energy was 44 per cent - an increase of 5 percentage points

The Group's financial performance in Q3 2010

	Q3 2010[1)]	Q3 2009[1)]	9 mths. 2010[1)]	9 mths. 2009[1)]	Full year 2009
Revenue (mEUR)	1,722	1,814	3,484	4,130	6,636
EBIT (mEUR)	185	244	(59)	398	856
EBIT margin (%)	10.7	13.5	(1.7)	9.6	12.9
Profit/(loss) after tax (mEUR)	126	165	(75)	264	579
Net working capital (% of revenue)	25	17	25	17	19
Cash flow from operating activities (mEUR)	362	(5)	(345)	(380)	(34)
Free cash flow (mEUR)	180	(203)	(878)	(1,023)	(842)

1) Neither audited nor reviewed.

During the first nine months of 2010, Vestas recorded a loss due to the very low capacity utilisation in the first half year. During the third quarter, the activity level increased considerably, with revenue amounting to EUR 1,722m, which is a little below the level for the third quarter of 2009. The gross margin increased to 21.1 per cent from 20.8 per cent in the third quarter of 2009 despite the capacity expansion over the period. EBIT margin declined to 10.7 per cent from 13.5 per cent in the year-earlier period, primarily due to increased R&D costs. Cash flows from operating activities amounted to EUR 362m – an increase of EUR 367m compared to the third quarter of 2009. Capacity utilisation and the cash creation will increase during the remainder of 2010.

Accounting policies

After IFRIC 15 coming into force on 1 January 2010, Vestas' Board and auditors have evaluated that the Group should consider changing accounting policies for supply-and-installation contracts so that the treatment of these will be in accordance with the existing draft for IFRS' standard regarding recognition of revenue. This will imply that in future supply-and-installation projects will be recognised as revenue in the income statement when the risk has been transferred to the buyer. Supply-and-installation projects are currently recognised in line with construction based on the rate of completion of each project. Following a potential change in accounting policies, such projects would be recognised in the same way as the Group's supply-only projects. Supply-only projects, which solely include supply of wind turbines, are still recognised at delivery and transfer of risk to the customer.

The consequence of a potential change in accounting policies may be higher fluctuations in profit between the quarters and the years. The projects' underlying cash flow and the physical activities measured in terms of shipments will remain unaffected by any change in policies. The decision regarding change in policies is expected to be taken and announced before the end of 2010. If the change in accounting policies will take place, Vestas will host a conference call to go through the consequences of the change. Any change in accounting policies would entail that Vestas' annual report for 2010 would be prepared in accordance with the new accounting policies.

Outlook for 2010

Adjusted for exceptional operating items of EUR 140-160m in connection with the announced close-downs and lay-offs, Vestas retains the expectations for 2010 as disclosed on 18 August 2010, however, investments will now amount to not more than EUR 900m against previously announced EUR 1bn. The cash flow effect of exceptional operating items is limited.

Order intake is still expected to amount to 8,000-9,000 MW, with an unchanged distribution of about 50 per cent from Europe, 30 per cent from Americas and 20 per cent from Asia/Pacific. Revenue and EBIT margin are expected to amount to EUR 6bn and 5-6 per cent, respectively, before exceptional operating items. Service revenue with an EBIT margin of 15 per cent is still expected to account for 10 per cent of total annual revenue. Net working capital is expected to amount to 15-20 per cent of annual revenue by the end of the year. Financial expenses are projected at EUR 35m, and the effective tax rate is expected to be 28 per cent. Investments in property, plant and equipment for the year are now expected to be not more than EUR 550m against previously announced EUR 650m, and investments in intangible assets, mainly stemming from capitalised development costs, will be in the region of EUR 350m.

Vestas expects to make warranty provisions of 3.0 per cent. In 2010, the customer loyalty index is expected to rise from 64 to 70, and Vestas' consumption of green energy is expected to represent at least 55 per cent of total energy consumption. The incidence of industrial injuries is expected to be 7 or less per one million working hours.

If Vestas changes its accounting policies, the expectations for 2010 will be updated in connection with the announcement of the decision.

Outlook for 2011

Due to high market uncertainty and the potential change in accounting policies, Vestas currently limits its guidance for 2011 to the following items:

In a market characterised by great uncertainty and fierce competition, order intake is expected to amount to 7,000-8,000 MW. In 2011, the level of activity measured in terms of produced and shipped MW is expected to amount to around 6,000 MW. Warranty provisions measured as a percentage of revenue are expected to decline further in 2011 as a consequence of the improved turbine performance.

Cash flows from operating activities after changes in working capital are as a minimum expected to exceed investments in property, plant and equipment of around EUR 400m and investments in intangible assets of around EUR 250m.

Vestas' incidence of industrial injuries is expected to be improved to a maximum of five injuries per one million working hours. The green share of energy consumption is expected to account for at least 55 per cent of total energy consumption, and the customer loyalty index is set to rise to 72.

In connection with the annual report for 2010, due to be disclosed on 9 February 2011, Vestas will announce its expectations for revenue, EBIT margin and free cash flow for 2011.

Assumptions and risks

After the credit crisis, which had a hard impact on Vestas' order intake from the autumn of 2008 to the end of 2009, a number of banks have ventured into project funding, which henceforth will create a more robust financial infrastructure for the industry and its customers. As the banks are now much more critical than they were before the credit crisis, processing times and documentation requirements have gone up. This is to the benefit of the financially strong blue-chip providers, which is clearly reflected in the strong order intake of these companies. A setback in the credit market would adversely affect the wind turbine market. Similarly, low prices of fossil fuels could postpone demand, and lower energy consumption caused by economic trends could also have a negative effect on the demand for wind power plants.

Prices of a number of components have gone up during 2010 – and the trend is expected to continue in 2011, affecting the profitability of new projects. As a general rule, Vestas' contracts take fluctuating input prices into account. However, national budget deficits are hampering sales on several European markets, squeezing absolute earnings. The short-term slowdown in market growth and the credit crisis constitute an increasing challenge in the supply chain.

Other than the aforementioned, the most important risk factors include additional warranty provisions due to quality issues, transport costs, disruptions in production and in wind turbine installations as well as potential patent disputes. Even though the number of providers is expected to decline during the coming years, competition is not expected to weaken as large Asian industrial conglomerates have announced ambitious plans. A certain amount of consolidation is also expected to take place among the sub-suppliers.

Vestas operates with three types of contracts: "Supply-only", "supply-and-installation" and "turnkey". There are no differences between the contract types in terms of payment profiles, but the underlying operating risk is lowest for supply-only orders. Supply-only orders increase quarter-on-quarter fluctuations in revenue and EBIT as these types of orders are only recognised as revenue when the turbines have been delivered according to the contractual terms, and risk has been transferred. In 2009, supply-only orders accounted for 25 per cent of revenue. Several banks now require that one supplier is responsible for the whole project, which is why the more complicated supply-and-installation and turnkey projects are expected to gain more ground. These orders are today recognised successively. The trend towards greater complexity raises the access barriers.

If accounting policies are changed, supply-and-installation orders, which are expected to account for 41 per cent of shipments in 2010, will be recognised as revenue when the final risk is transferred to the customers as is the case for supply-only orders. Turnkey projects will continue to be recognised as income as the work is performed and the projects are completed.

Vestas Wind Systems A/S
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Vestas since 2006:
Improved quality, strengthened R&D efforts and regionalisation

	9 mths. 2010[1)]	Full year 2009	Full year 2008	Full year 2007	Full year 2006
Order intake (bnEUR)	6.0	3.2	6.4	5.5	4.9
Order intake (MW)	6,567	3,072	6,019	5,613	5,559
Revenue (mEUR)	3,484	6,636	6,035	4,861	3,854
Gross margin (%)	12.9	21.7	19.5	17.0	12.0
Warranty provisions (%)	3.5	3.5	4.0	5.0	4.5
EBIT margin (%)	(1.7)	12.9	11.1	9.1	5.2
Net working capital (%)	25	19	5	(1)	3
Return on invested capital (%)[2)]	1.9	23.9	34.1	30.9	11.9
Investments (mEUR)	533	808	680	317	144
Free cash flow (mEUR)[3)]	(878)	(842)	(403)	384	454
Number of employees, end of period	23,443	20,730	20,829	15,305	12,309
- of which, outside Europe	7,967	6,569	5,320	3,232	2,025
Number of R&D employees, end of period	2,152	1,490	1,345	650	519

1) Neither audited nor reviewed.
2) Calculated over a 12-month period.
3) Free cash flow constitutes cash flow from operations after change in net working capital and deducting investments.

Vestas is managed and developed with a long-term perspective with due consideration to the short-term limitations resulting by earnings and cash flow. Accordingly, Vestas should not be judged on the basis of its quarterly results as they reflect capacity utilisation and especially the financial revenue recognition of the activity level. In 2005-2006, Vestas initiated a sharp improvement in prices and contractual conditions including the introduction of advance payments and a reduction of the warranty period to a standard of now two years. Vestas has focused on improving its ability to identify, control and price risks at all project stages and during the operational period of a wind power plant. This means that Vestas is now able to perform more complex assignments than previously and at a lower risk. All projects valued in excess of EUR 15m are reviewed centrally. Small projects are handled in the individual sales business units.

Vestas is in the process of regionalising its production platform under the “in the region for the region” principle, to ensure cheaper production and transportation, shorter distances to its customers and markets as well as a natural currency hedge between income and expenses. Combined with new products and services, a more balanced capacity utilisation over the year, higher productivity and economies of scale, the regionalisation is to help to ensure that Vestas achieves its Triple15 targets – an EBIT margin of 15 per cent and revenue of EUR 15bn no later than in 2015. As part of the No. 1 in Modern Energy strategy, Vestas will continue to invest considerable amounts in production facilities, although financially strong high-quality collaboration partners are expected to handle a number of the

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very capital-intensive investments. Going forward, Vestas expects its headcount to rise at a lower rate than its business volume because of enhanced efficiency, improved turbine performance and economies of scale. A key measure in this context is the alignment of Vestas' organisation, which will facilitate communication and collaboration across the business units. Thus the price of Vestas' growth is expected to decrease in future, ensuring a continuous high return on invested capital.

Adjustment of capacity

During the last five years, Vestas has taken on 2,736 new employees in Denmark, and as per 30 September 2010, total headcount in Denmark amounted to 8,318 employees, of which 2,272 worked in the administration, 4,768 in the production and 1,278 within the development activities. Out of a total headcount of 23,443, Danish employees thus accounted for 35 per cent at the end of September 2010.

As part of the current improvement of efficiency and adjustment of capacity to the European demand, which in the short-term will not materialise as expected, Vestas expects to lay off around 3,000 employees, of which the major part will be in Denmark. Negotiations are now initiated with the involved parties among other things in relation to a close-down of the blade production in Nakskov, Denmark (430 employees), Vestas Nacelles' activities in Skagen, Denmark (130), Viborg, Denmark (343) and Lidköping, Sweden (102) as well as Vestas Towers' activities in Rudkøbing, Denmark (235). The negotiations regarding the major part of the involved positions are expected completed by 21 November 2010.

Furthermore, a number of production and staff functions in Denmark as well as administrative staff at many locations in and outside Denmark will also be affected by the rationalisation measures, which must be completed no later than during the first half year of 2011. A number of shared service centres will be established.

The Danish activities are hardest hit by the adjustment of the European capacity as the cost level is highest in Denmark.

Financial calendar 2011

09.02.2011	Disclosure of annual report 2010 and more detailed guidance for 2011 Press and analyst meeting in London, England
01.03.2011	Convening for annual general meeting
28.03.2011	Annual general meeting in Aarhus, Denmark
04.05.2011	Disclosure of Q1 2011 Press and analyst meeting in New York, USA
17.08.2011	Disclosure of Q2 2011 Press and analyst meeting in London, England
09.11.2011	Disclosure of Q3 2011 Press and analyst meeting in New York, USA

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Press conference in Copenhagen, Denmark
Tuesday, 26 October 2010 at 10-11 a.m. CET/ 9-10 a.m. London time

Due to the planned capacity adjustment which especially will hit Denmark, a press conference will be held today, Tuesday, 26 October 2010 at 10-11 a.m. CET/9-10 a.m. London time at the Radisson Blu Royal Hotel, Hammerichsgade 1 in Copenhagen, Denmark.

Access only with valid press card.

The press conference will be held in Danish and webcast live with simultaneous interpretation into English via vestas.com/media.

Further details and background information can be found on vestas.com/media.

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Press and analyst meeting in Copenhagen, Denmark
Tuesday, 26 October 2010 at 3 p.m. CET/2 p.m. London time

In connection with the disclosure of this interim financial report, it has been decided to move the originally planned financial presentation from New York, USA, to Copenhagen, Denmark. This means that an information meeting will be held today, Tuesday, 26 October at 3 p.m. CET/2 p.m. London time for analysts, investors and the press at the Radisson Blu Royal Hotel, Hammerichsgade 1 in Copenhagen, Denmark. Further details can be found on page 19 or on vestas.com/investor.

Yours sincerely
Vestas Wind Systems A/S

Bent Erik Carlsen *Chairman of the Board of Directors*	Ditlev Engel *President & CEO*

This interim report is available in Danish and English. In case of doubt, the Danish version shall apply.

Financial highlights for the Group

mEUR	Q3 2010[1)]	Q3 2009[1)]	9 months 2010[1)]	9 months 2009[1)]	Full year 2009
Highlights					
Income statement					
Revenue	1,722	1,814	3,484	4,130	6,636
Gross profit	363	377	451	816	1,441
Profit/(loss) before financial income and expenses, depreciation and amortisation (EBITDA)	256	306	143	554	1,074
Operating profit/(loss) (EBIT)	185	244	(59)	398	856
Profit/(loss) of financial items	(10)	(15)	(45)	(32)	(48)
Profit/(loss) before tax	175	229	(104)	366	809
Profit/(loss) for the period	126	165	(75)	264	579
Balance sheet					
Balance sheet total	6,854	6,133	6,854	6,133	6,435
Equity	3,326	3,035	3,326	3,035	3,364
Provisions	145	220	145	220	356
Average interest-bearing position (net)	(752)	33	(516)	(54)	(55)
Net working capital (NWC)	1,490	1,100	1,490	1,100	1,235
Investments in property, plant and equipment	97	140	308	493	606
Cash flow statement					
Cash flow from operating activities	362	(5)	(345)	(380)	(34)
Cash flow from investing activities	(182)	(198)	(533)	(643)	(808)
Free cash flow	180	(203)	(878)	(1,023)	(842)
Cash flow from financing activities	(225)	223	543	1,071	1,075
Change in cash at bank and in hand less current portion of bank debt	(45)	20	(335)	48	233

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Financial highlights for the Group

mEUR	Q3 2010[1)]	Q3 2009[1)]	9 months 2010[1)]	9 months 2009[1)]	Full year 2009
Ratios					
Financial ratios[2)]					
Gross margin (%)	21.1	20.8	12.9	19.8	21.7
EBITDA margin (%)	14.9	16.8	4.1	13.4	16.2
EBIT margin (%)	10.7	13.5	(1.7)	9.6	12.9
Return on invested capital[3)] (ROIC) (%)	1.9	22.5	1.9	22.5	23.9
Solvency ratio (%)	48.5	49.5	48.5	49.5	52.3
Return on equity[3)] (%)	1.8	23.5	1.8	23.5	21.8
Gearing (%)	26.8	11.3	26.8	11.3	10.4
Share ratios[2)]					
Earnings per share[4)] (EUR)	0.3	0.8	0.3	0.8	2.9
Book value per share	16.3	14.9	16.3	15.5	16.5
Price/book value	1.7	3.3	1.7	3.2	2.6
Cash flow from operating activities per share	1.8	0.0	(1.7)	(1.9)	(0.2)
Dividend per share	0.0	0.0	0.0	0.0	0.0
Pay-out ratio (%)	0.0	0.0	0.0	0.0	0.0
Share price at the end of the period (EUR)	27,6	49.4	27,6	49.4	42.6
Average number of shares	203,704,103	203,704,103	203,704,103	195,707,766	197,723,281
Number of shares at the end of the period	203,704,103	203,704,103	203,704,103	203,704,103	203,704,103

1) Neither audited nor reviewed.
2) Ratios have been calculated following the guidelines from "Den Danske Finansanalytikerforening" (The Danish Society of Financial Analysts) (Recommendations and Financial ratios 2005).
3) Calculated over a 12-month period.
4) Earnings per share have been calculated over a 12-month period and in accordance with IAS 33 Earnings per share.

Non-financial highlights for the Group

	Q3 2010[1)]	Q3 2009[1)]	9 months 2010[1)]	9 months 2009[1)]	Full year 2009
Key figures[2)]					
Occupational health & safety					
Industrial injuries (number)	59	62	143	268	306
- of which fatal industrial injuries (number)	0	0	0	0	0
Products					
MW produced and shipped	1,456	1,635	2,431	3,692	6,131
Utilisation of resources					
Consumption of metals (tonnes)	53,820	43,975	120,081	151,548	202,624
Consumption of other raw materials, etc. (tonnes)	27,292	25,552	72,583	97,240	126,600
Consumption of energy (MWh)	133,821	110,014	412,007	378,985	537,165
- of which renewable energy (MWh)	58,226	42,921	186,402	152,290	263,611
- of which renewable electricity (MWh)	57,658	41,585	166,099	136,581	238,462
Consumption of water (m^3)	167,475	160,218	449,438	412,463	521,005
- of which water of non-drinking water quality (m^3)	15,496	38,542	54,463	85,878	102,528
Waste disposal					
Volume of waste (tonnes)	25,974	23,382	61,739	73,960	97,471
- of which collected for recycling (tonnes)	10,057	9,360	24,894	24,860	34,303
Emissions					
Emission of CO_2 (tonnes)	11,386	10,674	38,622	34,673	50,532
Local community					
Environmental accidents (number)	0	1	0	9	10
Breaches of internal inspection conditions (number)	0	1	3	3	3
Employees					
Average number of employees	23,195	20,276	21,832	20,852	20,832
Number of employees at the end of the period	23,443	20,256	23,443	20,256	20,730

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Non-financial highlights for the Group

	Q3 2010[1)]	Q3 2009[1)]	9 months 2010[1)]	9 months 2009[1)]	Full year 2009
Indicators[2)]					
Occupational health and safety					
Incidence of industrial injuries per one million working hours	5.5	7.1	4.9	9.4	8.1
Absence due to illness among hourly-paid employees (%)	2.1	2.4	2.5	2.8	2.8
Absence due to illness among salaried employees (%)	1.0	1.1	1.1	1.2	1.3
Products					
CO_2 savings over 20 years on the MW produced and shipped (million tonnes of CO_2)	39	43	65	98	163
Utilisation of resources					
Renewable energy (%)	44	39	45	40	49
Renewable electricity for own activities (%)	67	62	77	66	85
Employees					
Women at management level (%)	19	18	19	18	19
Non-Danes at management level (%)	49	45	49	45	46
Management system[3)]					
ISO 14001 (%)	100	98	98	98	97
OHSAS 18001 (%)	100	98	98	98	97

1) Neither audited nor reviewed.
2) Accounting policies for non-financial highlights for the Group, see page 60 of the annual report 2009.

Management report

Wind. It means the world to us.

Wind power means the world to us, and as wind power is modern energy, Vestas' strategy is named No. 1 in Modern Energy. To Vestas, being No. 1 means being the best, and being the best means maintaining world class safety standards, having the most satisfied customers, the best performing wind power plants and the most environmentally friendly production. Being the market-leader in wind power, Vestas aims to create the world's strongest energy brand. This is possible because wind power is financially competitive, predictable, independent, fast and clean. Vestas' financial priorities reflect its constant focus on profitability: 1) EBIT margin, 2) Free cash flow, 3) Revenue. Free cash flow has substituted net working capital.

Vestas aims to provide its customers with the lowest cost per MWh produced, "Cost of Energy", and optimum security for the capital invested in a wind power plant, "Business Case Certainty" – Vestas delivers as promised. Under the "Partnership" principle, Vestas also endeavours to become a more flexible and knowledgeable business partner because significantly improved customer loyalty is a prerequisite for Vestas to retain its market-leading position. In 2012, the target is for the customer loyalty index to have risen to index 75, and for 2010, the target is 70. In 2009, it was 64 – a significant increase from index 44 in 2006.

Being the industry's leading player and a pure-play spokesperson, Vestas aims to ensure that wind power remains at the top of the global energy agenda. This is achieved through dialogue with politicians, public servants, interest groups and NGOs the world over and through advice and information to the public about the potential of wind power, both in individual markets and worldwide.

Wind, Oil and Gas

Wind, Oil and Gas is Vestas' vision, which expresses the ambition of making wind an energy source on a par with fossil fuels. At the end of 2009, wind power accounted for less than 2 per cent of the world's combined electricity production. Among renewable sources of energy, wind power is currently the best means of ensuring that the many national climate targets are reached. Vestas expects that, if the necessary political decisions on a national and international level to expand the power grid and appoint sites are made now, wind power can make up at least 10 per cent of total electricity production by 2020. That translates into installed wind power capacity of at least 1,000,000 MW, as compared with around 160,000 MW at the end of 2009. The wind power industry, including the many sub-suppliers, will be able to create more than two million jobs along the way. The key to realising the potential is having long-term, stable national schemes that provide the industry with the necessary opportunities to plan and invest in employees, technology and production facilities. In Europe, wind power accounted for the greatest share of the increase in power capacity both in 2008 and 2009. In the USA, wind power was the largest and second-largest contributor to power capacity growth in 2008 and 2009, respectively.

Long-term national and local climate targets have now been defined by China, the EU and Australia, among others. In the USA, an agreement on federal climate and energy targets is pending which may underpin the green ambitions already defined by more than 30 states. However, the global economic slowdown and credit crisis have made some politicians reluctant to carry out the climate investments, and this gives rise to some concern as the necessity of these targets is clearly underlined by the fact that the first half of 2010, on a global scale, was the warmest first half-year recorded in 130 years.

The climate, the environment and independence of scarce resources such as fresh water will henceforth drive political and economic developments, as exemplified by China's ever-larger investments in green technology. The increasing demand for Business Case Certainty in China entails

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Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
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Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

that Vestas has reserved the capacity at its Chinese factories for the Chinese market for the remainder of the year.

Vestas is confident that a fixed price on CO_2 would promote the necessary climate investments because it would provide industrial and financial investors with a higher degree of predictability than the present quota system, which leads to large fluctuations in the price of CO_2.

At the G20 summit in Seoul, South Korea, in November, Vestas and 11 other global companies will be drawing up proposals for the twenty heads of state and government, recommending how their countries can ensure strong, sustainable and well-balanced growth in the global economy in the years ahead. Vestas will be chairing the working group that will make recommendations on how to create green jobs in the 20 member states, which combined represent 85 per cent of the world economy.

Failure is not an option

Vestas' mission, Failure is not an option, expresses the organisation's commitment to constantly seeking improvements and to consistently following up on and rectifying errors in a structured manner. The mission also mirrors Vestas' uncompromising stance on safety, which is given top priority no matter what the context, because the customers demand it and the employees are entitled to it. Vestas has succeeded in reducing the incidence of industrial injuries from 33.8 per one million working hours in 2005 to 5.5 in the third quarter of 2010.

The ambition to attain a 6 Sigma quality level throughout the value chain not later than in 2015, underlines this commitment to constant improvement. At the end of 2008, Vestas and the vast majority of its suppliers had reached 4 Sigma. The target for the end of 2010 is 5 Sigma, which is one of the prerequisites for the long-term improvement of the EBIT margin. It should be emphasised that Vestas' customers, Vestas' earnings and its reputation continue to suffer from a few suppliers' inadequate production and quality management. Therefore, Vestas regularly establishes relations with new suppliers with a commitment to reach 6 Sigma in a joint effort with Vestas.

Vestas currently monitors more than 16,500 turbines, or 28,500 MW, round the clock, and this opens up for effective maintenance planning and higher uptime and performance for the turbines, benefiting customer earnings and Vestas' expenditure, as Vestas' service technicians are now able to service more than twice as many turbines as they were at the beginning of 2008.

The Willpower

Vestas is driven forward by its employees, whose willpower, imagination and ability to constantly develop the technology and the organisation have made Vestas the industry leader. This is expressed in the sculpture entitled the Willpower, which has been placed at a number of the Group's locations. Reaching for the sky, it symbolises the willpower and passion possessed by the employees. Vestas seeks to promote a culture characterised by independent initiatives and collaboration across professional and organisational boundaries and in which the dynamics and sense of responsibility that usually characterise a small company are retained. The solid foundation of the sculpture reflects the reliability, common sense and trustworthiness that are the cornerstone of all Vestas' activities. Vestas' Code of Conduct is to ensure that all employees and other persons acting on behalf of Vestas know what correct Vestas behaviour is.

Management focus

Vestas' Management's overall focus is on customers, colleagues, Cost of Energy and shareholders. Success in these areas is a prerequisite for retaining the leadership position in competition with some of the world's largest corporations.

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Customers
Wind power is gaining support in more and more countries, with new customers as well as large and well-established international players investing in wind power plants. As wind power comes to represent an ever-growing proportion of the energy supply, considerably larger customers will account for a growing share of demand. In 2009, when energy companies and utilities accounted for 58 per cent of revenue, Vestas' revenue was distributed among 201 customers. The figures for 2008 and 2007 were 228 and 272, respectively. This places heavy and increasing technical demands on the Vestas organisation, which in early 2009 rolled out Key Account Management so that customers with international operations have a permanent contact in the Vestas Government. Vestas also endeavours to become a more flexible and open business partner and is intensifying customer dialogue at all levels. Through much improved turbine reliability and much closer customer relations, Vestas, being a quality supplier, delivers Business Case Certainty to its customers. In this way, an investment in a Vestas wind power plant is comparable to an investment in a "green bond".

Vestas retains its strategy of not relying on any single market or customer.

Colleagues
Since the end of 2005, Vestas has taken on more than 10,000 new employees, net, while at the same time noticeably increasing investments in training to ensure a higher level of safety, quality and productivity. Unfortunately, Vestas now needs to close down a number of factories and implement cost savings in a number of administrative functions due to weaker-than-expected demand in Europe, which will lead to lay-offs of competent colleagues, whose great and long-standing commitment has helped to build progress and a market leadership position for Vestas in fierce competition with the world's largest corporations.

In order to reduce organisational complexity and facilitate communications across the business units and corporate functions, the four production business units were aligned in 2009 and now share the same organisational structure. By the end of 2010, the seven sales business units will also have implemented a restructuring towards a uniform structure, which will help reduce Vestas' response time. The retention of the market leadership position calls for shorter lead and delivery times. Concurrently with the organisational alignment, which significantly increases transparency, Vestas will become more decentralised with more decision-making power and responsibility being assigned to the operating units.

All Vestas employees are covered by a bonus scheme. For employees in the business units, 30 per cent of the bonus depends on targets specific to the business unit, whilst 70 per cent depends on the Group fulfilling announced targets for the year including development in customer satisfaction. For employees in the staff functions, the bonus depends exclusively on the fulfilment of announced targets including improvement in customer satisfaction. The bonus targets for 2011 will be announced at the release of the annual report for 2010 on 9 February 2011.

As part of Triple15, Vestas aims, in terms of cultural versatility, to become a more international business with a much higher proportion of non-Danish and women employees in management positions. At the end of the third quarter of 2010, non-Danes held 49 per cent of the positions in the top 2,500, and 19 per cent were women. Another aim is to have many nationalities represented at all locations.

Cost of Energy
Vestas' wind power plants must have the lowest Cost of Energy, and technological advances will ensure that the price of wind power continues to fall. Conversely, the price of fossil fuels is expected to rise, thus steadily increasing the competitiveness and resulting value of wind turbines. Through large-scale investments in development and test facilities around the world, Vestas consolidates its leadership position within wind power. At the end of the third quarter of 2010, nine per cent of Vestas'

staff was employed with Vestas Technology R&D, which is now organised in specialised centres around the world and managed from Aarhus, Denmark. Recently, a new R&D centre was opened in Beijing, China. In addition to improved design, which also facilitates the work of service technicians, lighter materials and the possibility of recycling all turbine components, Vestas is also investing large resources in optimising the location of each turbine in a wind power plant with a view to fully harnessing the wind. Having opened the Chinese R&D centre, Vestas is now present in all regions with all types of activities and local suppliers, ensuring that 80-90 per cent of a Vestas turbine is manufactured in the region.

In 2009, Vestas started to market its new turbine types, V112-3.0 MW and V100-1.8 MW, and the first orders have been announced. In addition, Vestas is developing a 6.0 MW turbine for offshore operations. All of the new products are designed to provide the customers with Business Case Certainty and the lowest Cost of Energy. In the years ahead, many new products and services will contribute to ensuring that Triple15 is accomplished in fierce competition not least with new manufacturers in Asia.

The motivation behind Vestas' development initiatives is the goal of having increasingly robust turbines and the necessity of increasing output per kilogramme turbine for the benefit of the environment. As part of these initiatives, under the "As green as it gets" principle, Vestas has stepped up its efforts to minimise the consumption of resources and reduce reliance on scarce and expensive raw material components. One result of the intensified efforts is that, from the second quarter of 2009, Vestas has reported on quarterly developments in its non-financial highlights in order to give prominence to the performance in achieving its environmental and safety targets.

Vestas has been nominated as the global sector leader for renewable energy equipment by the renowned Dow Jones Sustainability Index. This year, Dow Jones had nine companies from the sector for renewable energy equipment up for examination. Only two companies passed, with Vestas taking the top spot as sector leader.

Vestas pursues an energy policy, which stipulates that all purchases of electricity must be from renewable energy sources, subject to availability. In the third quarter of 2010, the share of renewable energy was 44 per cent and the share of renewable electricity was 67 per cent. The corresponding figures for the year-earlier period were 39 per cent and 62 per cent. The target is for 55 per cent of Vestas' energy consumption to come from renewable sources by 2010. The precondition is that the proportion of renewable electricity is increased to more than 90 per cent. Vestas will henceforth build turbines for in-house use in order to balance the energy consumption from areas in which it is still not possible to buy green energy. In some of these situations, Vestas may act as co-investor in customer projects.

The incidence of industrial injuries per one million working hours was 5.5 in the third quarter, a drop of 23 per cent relative to the third quarter of 2009. Vestas has taken advantage of the low level of activity in the beginning of 2010 to provide training for a lot of employees in workplace safety, which has already resulted in an improvement in safety levels.

Vestas' overall safety principle is that all industrial injuries can be prevented. The principle is supported by a new safety programme entitled the "Vestas Standard", which has already produced its first results. Vestas Americas is currently implementing the Vestas Standard, and in some areas in this business unit industrial injuries are down by more than 90 per cent from 2009 to 2010. Recent years' sharp improvement of the incidence of industrial injuries has now placed Vestas' safety level on a level with most of Vestas' Key Account customers, which are in the range of 0.5-12 injuries per one million working hours. Vestas further increases its focus on this area by following up on these developments in its quarterly reports. The target for 2010 is to achieve an incidence of seven industrial injuries or less per one million working hours, whilst the target for 2011 is five industrial injuries or less per one million working hours.

Shareholders
At the end of September 2010, Vestas had 151,554 registered shareholders, including custody banks. The registered shareholders held 92 per cent of the company's share capital. At the end of September, 146,717 Danish shareholders owned more than 37 per cent of Vestas, which has a free float of 100 per cent. BlackRock, Inc. and Capital Research and Management Company have reported a shareholding that exceeds five per cent on 6 September and 21 September, respectively. Vestas seeks to have an international group of shareholders and to inform this group openly about the company's long-term targets, priorities and initiatives conducted with due consideration to the short-term opportunities and limitations. The Group presents its interim reports in London and New York as part of roadshows, which will cover more than 25 capitals and financial centres in North America, Europe and Asia in 2010. Vestas also arranges a large number of meetings with private investors in Denmark and Sweden.

Announcement of orders

Vestas currently announces firm and unconditional orders with a value of at least DKK 500m in company announcements. In addition, the individual sales business units may opt to issue a local press release announcing firm and unconditional orders with a value ranging from DKK 250m to DKK 500m.

Going forward, Vestas' company announcements concerning orders will be released in a brief standard announcement containing key details about the order. Company announcements will still be distributed via Vestas' distribution system through GlobeNewswire. However, the individual sales business units may also decide to issue a local press release providing more details about the order. Such announcements will be distributed via the sales business units' distribution system, but they will also be uploaded on vestas.com.

Furthermore, Vestas has resolved in future not to include a standard statement in each company announcement that the announcement in question does not affect the Vestas Group's expectations. Such a statement will only be included in case of changes to the most recently announced expectations

Development, third quarter 2010

Activity and order backlog
In the third quarter of 2010, Vestas shipped wind power systems with an aggregate output of 1,456 MW (719 turbines) against 1,635 MW (979 turbines) in the third quarter of 2009. Final capacity delivered to the customers amounted to 1,688 MW, an increase of 13 per cent from the third quarter of 2009.

	Europe	Americas	Asia/ Pacific	Total
MW under completion, 1 July 2010	2,184	389	574	3,147
MW delivered to customers in the period	(458)	(675)	(555)	(1,688)
MW produced and shipped in the period	481	571	404	1,456
MW under completion, 30 September 2010	**2,207**	**285**	**423**	**2,915**

At the end of the quarter, turbine projects with a total output of 2,915 MW were under completion. The quarterly order intake, of which 92 per cent was publicly announced, was 2,278 MW, which was an increase of 117 per cent relative to the third quarter of 2009. The year's order intake is consequently at the highest level ever. The value of the order backlog was EUR 5.7bn at the end of September 2010 and the order backlog amounted to 5,884 MW. Europe accounted for 58 per cent and the Americas and Asia/Pacific accounted for 22 and 20 per cent, respectively.

Income statement
Europe accounted for 39 per cent of revenue in the third quarter of 2010. The Americas and Asia/Pacific accounted for 44 per cent and 17 per cent of revenue, respectively. Third-quarter revenue amounted to 29 per cent of the expected full-year revenue, against 27 per cent of actual revenue in 2009. Service revenue amounted to EUR 149m. The service business comprises the sale and repair of spare parts, guaranteed uptime for a fixed fee and general service and maintenance work on an hourly basis.

Vestas recorded a gross profit of EUR 363m in the third quarter of 2010, against EUR 377m the year before. The gross margin thus rose to 21.1 per cent from 20.8 cent in the third quarter of 2009 despite the capacity expansion during the period. The gross margin may fluctuate heavily from one quarter to the next, depending on which projects are shipped and how they are recognised in the income statement. Profit before financial items and depreciations (EBITDA) declined by 16 per cent to EUR 256m, and the EBITDA margin fell by 1.9 percentage points to 14.9. The decline is primarily due to higher R&D costs as a result of a significant rise in headcount. The EBIT margin, which was affected by the higher depreciation base, fell to 10.7 per cent from 13.5 per cent in the third quarter of 2009. The year-to-date operating profit still suffers from the very low capacity utilisation in the first half year. Vestas thus recorded an EBIT margin of (1.7) per cent for the first nine months of 2010.

Due to borrowing costs and exchange rate adjustments, financial items amounted to a net expense of EUR 10m, against an expense of EUR 15m in the third quarter of 2009. Vestas' average interest-bearing net position in the third quarter of 2010 amounted to EUR (752)m, against EUR 33m in the year-earlier period.

Balance sheet
Vestas had total assets of EUR 6,854m at 30 September 2010, against EUR 6,133m at 30 September 2009. At the end of September 2010, Vestas' interest-bearing net position had increased by EUR 666m to EUR (727)m relative to the end of September 2009. During the quarter, net debt fell by EUR 169m. Financial debt obligations of EUR (890)m mainly comprise of the EUR-denominated corporate bond of EUR 600m issued in March, EUR 250m from the European Investment Bank and EUR 30m from the Nordic Investment Bank. The latter facility was recently extended by EUR 25m.

Net working capital
At 30 September 2010, Vestas' net working capital amounted to EUR 1,490m against EUR 1,100m at the end of September 2009. The reason was specifically a decline in prepayments during the period and a high level of receivables and work in progress. The decline in prepayments is to a much larger extent due to the fact that Vestas' order backlog now extends further into the future and includes larger contracts than the impacts from the credit crisis. Conversely, the increase in net working capital is dampened by inventories being reduced and higher trade payables compared with the end of September 2009. During the quarter, net working capital was affected specifically by the higher level of activity, which gives rise to higher receivables and trade payables. Growing professionalism among the sup-suppliers and in-house at Vestas has allowed Vestas to restructure its production to "make-to-order", which structurally will entail a reduction of inventories.

Trade receivables and construction contracts
Trade receivables amounted to EUR 791m at 30 September 2010, compared with EUR 543m at 30 September 2009. Construction contracts amounted to EUR 103m, net, against EUR (484)m the year before. Construction contracts comprise projects currently being installed, but for which the risk has not been transferred to the customers.

Warranty provisions
In 2010, Vestas expects to make warranty provisions of 3.0 per cent of annual revenue, against 3.5 per cent in 2009. Provisions are made for all costs associated with turbine repairs, and any reimbursement is not offset unless a written agreement has been made with the supplier to that effect. Warranty provisions of EUR 52m in the third quarter, equivalent to 3.0 per cent of revenue, cover possible costs for remedy and other costs in accordance with specific agreements. Provisions are based on estimates, and actual costs may deviate substantially from such estimates. The typical warranty period is currently two years as opposed to previously, up to five years, and that reduces Vestas' risk exposure.

Changes in equity
Vestas' equity amounted to EUR 3,326m at 30 September 2010, an increase of EUR 291m on 30 September 2009. The solvency ratio was 49 per cent at 30 September 2010.

Cash flow and investments
Cash flows from operating activities after changes in working capital amounted to EUR 362m, against EUR (5)m in the third quarter of 2009, when changes in working capital had a negative impact on cash flows with EUR 296m. The significant improvement in cash flows during the third quarter is also attributable to a positive trend in reversal of non-cash items without a cash effect, including depreciations of EUR 71m, tax of EUR 49m and exchange rate adjustments of EUR 74m. Cash flows from investing activities amounted to EUR (182)m. The investments were made primarily in production equipment and development projects. Vestas thus generated a positive free cash flow of EUR 180m in the third quarter of 2010.

Press conference in Copenhagen, Denmark
Tuesday, 26 October 2010 at 10-11 a.m. CET/ 9-10 a.m. London time

Due to the planned capacity adjustment which especially will hit Denmark, a press conference will be held today, Tuesday, 26 October 2010 at 10-11 a.m. CET/9-10 a.m. London time at the Radisson Blu Royal Hotel, Hammerichsgade 1 in Copenhagen, Denmark.

Access only with valid press card.

Further details and background information can be found at vestas.com/media.

The press conference will be held in Danish and webcast live with simultaneous interpretation into English via vestas.com/media.

A replay of the information meeting will subsequently be available on vestas.com/media.

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Press and analyst meeting in Copenhagen, Denmark
Tuesday, 26 October 2010 at 3 p.m. CET/2 p.m. London time

In connection with the disclosure of this interim financial report, it has been decided to move the originally planned financial presentation from New York, USA, to Copenhagen, Denmark. This means that an information meeting will be held today, Tuesday, 26 October at 3 p.m. CET/2 p.m. London time for analysts, investors and the press at the Radisson Blu Royal Hotel, Hammerichsgade 1 in Copenhagen, Denmark.

The information meeting will be held in English and webcast live with simultaneous interpretation into Danish, German, Italian, Spanish and Mandarin via vestas.com/investor.

The meeting may be attended electronically, and questions may be asked through a conference call. The telephone numbers for the conference call are: +45 7026 5040 (DK), +44 208 817 9301 (UK), +1 718 354 1226 (USA).

A replay of the information meeting will subsequently be available on vestas.com/investor.

The Vestas Group

**Interim financial report for the period
1 January 2010-30 September 2010**

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The interim financial report has neither been audited nor reviewed.

Vestas Wind Systems A/S

Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
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Consolidated income statement

mEUR	Q3 2010	Q3 2009	9 months 2010	9 months 2009
Revenue	**1,722**	**1,814**	**3,484**	**4,130**
Cost of sales	(1,359)	(1,437)	(3,033)	(3,314)
Gross profit	**363**	**377**	**451**	**816**
Research and development costs	(51)	(17)	(113)	(77)
Selling and distribution expenses	(42)	(40)[1)]	(132)	(124)[1)]
Administrative expenses	(85)	(76)[1)]	(265)	(217)[1)]
Operating profit/(loss)	**185**	**244**	**(59)**	**398**
Income from investments in associates	0	0	0	0
Net financials	(10)	(15)	(45)	(32)
Profit/(loss) before tax	**175**	**229**	**(104)**	**366**
Corporation tax	(49)	(64)	29	(102)
Net profit/(loss) for the period	**126**	**165**	**(75)**	**264**
Earnings per share (EPS)				
Earnings per share for the period (EUR), basic	0.62	0.81	(0.37)	1.35
Earnings per share for the period (EUR), diluted	0.62	0.81	(0.37)	1.35

1) Costs amounting to EUR 36m (EUR 13m for Q3) have been re-classified from selling and distribution expenses to administrative expenses for the first nine months of 2009. For full year 2009, the re-classification means that selling and distributions costs are EUR 54m lower than disclosed in the annual report for 2009 and administrative expenses EUR 54m higher.

Consolidated statement of comprehensive income

mEUR	9 months 2010	9 months 2009
Profit/(loss) for the period	**(75)**	**264**
Exchange rate adjustments relating to foreign entities	27	(3)
Fair value adjustments of derivative financial instruments for the period	1	(3)
Fair value adjustments of derivative financial instruments transferred to the income statement (cost of sales)	8	38
Tax on derivative financial instruments	(2)	(8)
Other comprehensive income after tax for the period	34	24
Total comprehensive income for the period	**(41)**	**288**

Consolidated balance sheet – Assets

mEUR	30 September 2010	30 September 2009	31 December 2009
Goodwill	320	320	320
Completed development projects	144	106	99
Software	79	74	73
Development projects in progress	423	255	320
Total intangible assets	**966**	**755**	**812**
Land and buildings	839	554	661
Plant and machinery	300	203	230
Other fixtures, fittings, tools and equipment	245	198	216
Property, plant and equipment in progress	296	449	354
Total property, plant and equipment	**1,680**	**1,404**	**1,461**
Investments in associates	1	1	1
Other receivables	19	19	16
Deferred tax	70	45	110
Total other non-current assets	**90**	**65**	**127**
Total non-current assets	**2,736**	**2,224**	**2,400**
Inventories	1,923	2,256	1,663
Trade receivables	791	543	525
Construction contracts in progress	771	485	1,032
Other receivables	352	244	234
Corporation tax	118	98	93
Cash at bank and in hand	163	283	488
Total current assets	**4,118**	**3,909**	**4,035**
TOTAL ASSETS	**6,854**	**6,133**	**6,435**

Consolidated balance sheet – Equity and liabilities

mEUR	30 September 2010	30 September 2009	31 December 2009
Share capital	27	27	27
Other reserves	(7)	(54)	(41)
Retained earnings	3,306	3,062	3,378
Total equity	**3,326**	**3,035**	**3,364**
Deferred tax	0	9	121
Provisions	52	69	82
Pension obligations	1	2	2
Financial liabilities	884	335	339
Total non-current liabilities	**937**	**415**	**544**
Prepayments from customers	157	124	123
Construction contracts in progress	668	969	598
Trade payables	1,258	937	1,062
Provisions	92	140	151
Financial liabilities	6	9	12
Other liabilities	264	398	436
Corporation tax	146	106	145
Total current liabilities	**2,591**	**2,683**	**2,527**
Total liabilities	**3,528**	**3,098**	**3,071**
TOTAL EQUITY AND LIABILITIES	**6,854**	**6,133**	**6,435**

Consolidated statement of changes in equity – nine months 2010

mEUR	Share capital	Translation reserve	Cash flow hedging reserve	Retained earnings	Total
Equity at 1 January 2010	**27**	**(35)**	**(6)**	**3,378**	**3,364**
Capital increase	0	0	0	0	0
Acquisition of treasury shares	0	0	0	0	0
Share based payments	0	0	0	3	3
Total comprehensive income for the period	0	27	7	(75)	(41)
Equity at 30 September 2010	**27**	**(8)**	**1**	**3,306**	**3,326**

Consolidated statement of changes in equity – nine months 2009

mEUR	Share capital	Translation reserve	Cash flow hedging reserve	Retained earnings	Total
Equity at 1 January 2009	**25**	**(50)**	**(28)**	**2,008**	**1,955**
Capital increase	2	0	0	790	792
Acquisition of treasury shares	0	0	0	(1)	(1)
Share based payments	0	0	0	1	1
Total comprehensive income for the period	0	(3)	27	264	288
Equity at 30 September 2009	**27**	**(53)**	**(1)**	**3,062**	**3,035**

Summarised consolidated cash flow statement

mEUR	Q3 2010	Q3 2009	9 months 2010	9 months 2009
Profit/(loss) for the period	126	165	(75)	264
Adjustments for non-cash transactions	251	132	97	227
Corporation tax paid	(23)	(7)	(79)	(69)
Net interest	(24)	1	(33)	(1)
Cash flow from operating activities before change in working capital	330	291	(90)	421
Change in working capital	32	(296)	(255)	(801)
Cash flow from operating activities	**362**	**(5)**	**(345)**	**(380)**
Net investment in intangible and other non-current assets	(86)	(63)	(222)	(156)
Net investment in property, plant and equipment	(97)	(140)	(308)	(493)
Other	1	5	(3)	6
Cash flow from investing activities	**(182)**	**(198)**	**(533)**	**(643)**
Free cash flow	**180**	**(203)**	**(878)**	**(1,023)**
Capital increase	0	0	0	792
Acquisition of treasury shares	0	0	0	(1)
Repayment of non-current liabilities	(225)	0	0	(252)
Raising of non-current liabilities	0	223	543	532
Cash flow from financing activities	**(225)**	**223**	**543**	**1,071**
Change in cash at bank and in hand less current portion of bank debt	**(45)**	**20**	**(335)**	**48**
Cash at bank and in hand less current portion of bank debt at 1 July/1 January	215	272	479	219
Exchange rate adjustments of cash at bank and in hand	(11)	(14)	15	11
Cash at bank and in hand less current portion of bank debt at 30 September	**159**	**278**	**159**	**278**
The amount can be specified as follows:				
Cash at bank and in hand	149	270	149	270
Cash at bank and in hand with disposal restrictions	14	13	14	13
	163	283	163	283
Current portion of bank debt	(4)	(5)	(4)	(5)
	159	**278**	**159**	**278**

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Accounting policies

Basis of preparation
The interim report comprises a summary of the Consolidated Financial Statements of Vestas Wind Systems A/S.

Accounting policies
The interim financial report has been prepared in accordance with IAS 34 ”Interim Financial Reporting” as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies.

Apart from the effect of new IFRS/IAS implemented in the period, the accounting policies are unchanged from those applied to the annual report for 2009 prepared under the International Financial Reporting Standards (IFRS) approved by the EU. Reference is made to pages 71-77 of the annual report for 2009 for a complete description of the Group’s accounting policies.

There has been a slight change in classification between selling and distribution expenses and administrative expenses.

New IFRS/IAS implemented in the period
With effect from 1 January 2010, Vestas implemented amendments to IAS 27 consolidated and separate financial statements, amendments to IAS 39 financial instruments, recognition and measurement, IFRS 2 share-based payment, IFRS 3 business combinations, IFRIC 12 service concession arrangements and similar constructions contracts, IFRIC 17 distributions of non-cash assets to owners and IFRIC 18 transfer of assets from customers as part of the sales transaction.

New accounting regulations
The International Accounting Standards Board (IASB) has adopted the following standards and new interpretations, not yet approved by the EU, which will take effect at 1 January 2010 or later: Amendment to IFRS 1 first-time adoption of international financial reporting standards.

The changes are not relevant to Vestas at present.

Reference is made to page 112 of the annual report for 2009 for more details of the aforementioned standards and interpretations.

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Management's statement

The Executive Management and the Board of Directors have today discussed and approved the interim financial report of Vestas Wind Systems A/S for the period 1 January to 30 September 2010.

The interim financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies. The interim financial report has neither been audited nor reviewed.

In our opinion the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position at 30 September 2010 and of the results of the Group's operations and cash flow for the period 1 January to 30 September 2010.

Further, in our opinion the Management's review gives a true and fair review of the development in the Group's operations and financial matters, the results of the Group's operations for the period and the Group's financial position as a whole and describes the significant risks and uncertainties pertaining to the Group.

Randers, 26 October 2010

Executive Management

Ditlev Engel
President and CEO

Henrik Nørremark
Executive Vice President and CFO

Board of Directors

Bent Erik Carlsen
Chairman

Torsten Erik Rasmussen
Deputy Chairman

Elly Smedegaard Rex

Freddy Frandsen

Håkan Eriksson

Jørgen Huno Rasmussen

Jørn Ankær Thomsen

Kim Hvid Thomsen

Kurt Anker Nielsen

Michael Abildgaard Lisbjerg

Ola Rollén

Sussie Dvinge Agerbo

Company announcements published by Vestas Wind Systems A/S from 1 January 2010 to 25 October 2010

First quarter 2010		
06.01.2010	01	Vestas receives 80 MW order for Germany
14.01.2010	02	Vestas Wind Systems A/S' Extraordinary General Meeting
10.02.2010	03	Annual report 2009: Strong foundation for Triple15
10.02.2010	04	Vestas receives 99 MW order for the USA
17.02.2010	05	Major shareholder announcement – BlackRock, Inc.
15.03.2010	06	Vestas Wind Systems A/S to issue Eurobonds
15.03.2010	07	Vestas successfully places a EUR 600m Eurobond
17.03.2010	08	Vestas Wind Systems A/S' annual general meeting
23.03.2010	09	Major shareholder announcement – BlackRock, Inc.
24.03.2010	10	Major shareholder announcement – BlackRock, Inc.
25.03.2010	11	Vestas receives 145 MW order for the USA
26.03.2010	12	Major shareholder announcement – BlackRock, Inc.
31.03.2010	13	Vestas receives its largest single order in Australia
Second quarter 2010		
01.04.2010	14	Major shareholder announcement – BlackRock, Inc.
07.04.2010	15	Vestas signs 93 MW contract in Turkey
09.04.2010	16	Major shareholder announcement – BlackRock, Inc.
12.04.2010	17	Major shareholder announcement – BlackRock, Inc.
15.04.2010	18	Major shareholder announcement – BlackRock, Inc.
26.04.2010	19	Vestas signs order for 1,500 MW with an option for an additional 600 MW
27.04.2010	20	Vestas received four orders totalling 198 MW in China
28.04.2010	21	Interim financial report, first quarter 2010
28.05.2010	22	Major shareholder announcement – BlackRock, Inc.
02.06.2010	23	Major shareholder announcement – BlackRock, Inc.
11.06.2010	24	Major shareholder announcement – BlackRock, Inc.
23.06.2010	25	Vestas receives 142 MW order for British Columbia, Canada
30.06.2010	26	Vestas receives 250 MW order for Colorado, USA
Third quarter 2010		
21.07.2010	27	Vestas receives record-setting order — 570 MW in California, USA
12.08.2010	28	Vestas lands order for the largest wind power project in Australia…
18.08.2010	29	Interim financial report, second quarter 2010
31.08.2010	30	Major shareholder announcement – BlackRock, Inc.
01.09.2010	31	Major shareholder announcement – BlackRock, Inc.
08.09.2010	32	Major shareholder announcement – BlackRock, Inc.
09.09.2010	33	Vestas takes note of reprimand concerning lack of comments on rumours…

Company announcements published by Vestas Wind Systems A/S from 1 January 2010 to 25 October 2010

09.09.2010	34	Vestas signs global order for 400 MW with an option for an additional…
10.09.2010	35	Blade incident on V112-3.0 MW prototype in Lem, Denmark
28.09.2010	36	Result from third party, external expert investigation of blade incident…
28.09.2010	37	Major shareholder announcement – Capital Research and Management…

Company announcements disclosed after the interim reporting period

21.10.2010	38	Vestas receives 128 MW order in California, USA
21.10.2010	39	Confirmation of customer behind announced order

Sales (deliveries)

Sales in MW	Q3 2010	Q3 2009	9 months 2010	9 months 2009	Full year 2009
Belgium	0	8	0	48	49
Bulgaria	0	0	217	30	64
Cyprus	56	0	56	0	0
Denmark	17	13	20	16	57
France	36	28	144	90	157
Greece	45	78	95	148	177
The Netherlands	0	14	0	18	26
Ireland	22	36	90	45	45
Italy	27	91	117	219	419
Poland	0	0	87	145	145
Portugal	4	0	4	84	84
Romania	0	0	0	0	43
Spain	94	260	176	422	762
Great Britain	0	29	197	100	122
Sweden	90	17	192	111	144
Czech Republic	0	16	14	20	22
Turkey	6	15	48	75	111
Germany	40	23	180	243	320
Hungary	15	0	19	1	25
Austria	6	0	6	0	0
Total Europe	**458**	**628**	**1,662**	**1,815**	**2,772**
Aruba	0	0	0	0	30
Brazil	0	0	74	38	51
Canada	123	237	171	255	380
Chile	0	0	3	0	94
Uruguay	0	0	10	0	0
USA	552	328	611	673	749
Total Americas	**675**	**565**	**869**	**966**	**1,304**
Azerbaijan	0	0	0	2	2
Australia	126	0	126	0	0
India	108	51	237	97	97
China	321	251	391	465	584
Total Asia/Pacific	**555**	**302**	**754**	**564**	**683**
Kenya	0	0	0	0	5
Total Africa	**0**	**0**	**0**	**0**	**5**
Total world	**1,688**	**1,495**	**3,285**	**3,345**	**4,764**

MW overview per quarter 2010

(MW)	Europe	Americas	Asia/ Pacific	Total
Q1				
MW under completion, 1 January 2010	2,883	315	571	3,769
Delivered to customers during the period	(562)	(131)	(65)	(758)
Produced and shipped during the period	228	60	99	387
MW under completion, 31 March 2010	**2,549**	**244**	**605**	**3,398**
Q2				
MW under completion, 1 April 2010	2,549	244	605	3,398
Delivered to customers during the period	(642)	(63)	(134)	(839)
Produced and shipped during the period	277	208	103	588
MW under completion, 30 June 2010	**2,184**	**389**	**574**	**3,147**
Q3				
MW under completion, 1 July 2010	2,184	389	574	3,147
Delivered to customers during the period	(458)	(675)	(555)	(1,688)
Produced and shipped during the period	481	571	404	1,456
MW under completion, 30 September 2010	**2,207**	**285**	**423**	**2,915**

Vestas Wind Systems A/S

Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, 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

Warranty Provisions

mEUR	30 September 2010	30 September 2009	31 December 2009
Warranty provisions, 1 January	161	183	183
Exchange rate adjustments	0	0	0
Provisions for the period	121	144	233
Warranty provisions used during the period	(197)	(198)	(257)
Adjustments relating to the change in discounting of warranty provisions	0	0	2
Warranty provisions, 30 September/31 December	**85**	**129**	**161**
The provisions are expected to be payable as follows:			
< 1 year	59	90	111
> 1 year	26	39	50

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Segment information

mEUR	Europe sales units	Americas sales units	Asia/Pacific sales units	Production units	Total reportable segments
Q3 2010					
External revenue	678	753	289	2	**1,722**
Internal revenue	143	53	15	1,121	**1,332**
Total segment revenue	**821**	**806**	**304**	**1,123**	**3,054**
Reportable segments' operating results (EBIT)	**13**	**36**	**(21)**	**24**	**52**
Total assets	**1,841**	**569**	**700**	**2,456**	**5,566**
Q3 2009					
External revenue	1,040	545	222	6	**1,813**
Internal revenue	173	101	18	1,334	**1,626**
Total segment revenue	**1,213**	**646**	**240**	**1,340**	**3,439**
Reportable segments' operating results (EBIT)	**99**	**42**	**2**	**94**	**237**
Total assets	**1,552**	**486**	**462**	**2,599**	**5,099**

Reconciliation	**Q3 2010**	**Q3 2009**
Reportable segments' EBIT	52	237
All other operating segments' EBIT*)	133	7
Consolidated operating profit (EBIT)	**185**	**244**

*) Includes parent company income (management fee, service, royalty and other rental income from Group companies) reduced by costs related to Vestas Technology R&D and Group staff functions.

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Segment information

mEUR	Europe sales units	Americas sales units	Asia/Pacific sales units	Production units	Total reportable segments
9 months 2010					
External revenue	1,619	1,309	551	5	**3,484**
Internal revenue	420	109	43	2,081	**2,653**
Total segment revenue	**2,039**	**1,418**	**594**	**2,086**	**6,137**
Reportable segments' operating results (EBIT)	**57**	**35**	**(43)**	**(128)**	**(79)**
Total assets	**1,841**	**569**	**700**	**2,456**	**5,566**
9 months 2009					
External revenue	2,463	1,232	421	13	**4,129**
Internal revenue	435	184	40	2,977	**3,636**
Total segment revenue	**2,898**	**1,416**	**461**	**2,990**	**7,765**
Reportable segments' operating results (EBIT)	**212**	**70**	**(25)**	**84**	**341**
Total assets	**1,552**	**486**	**462**	**2,599**	**5,099**

Reconciliation	**9 mths. 2010**	**9 mths. 2009**
Reportable segments' EBIT	(79)	341
All other operating segments' EBIT*)	20	57
Consolidated operating profit (EBIT)	**(59)**	**398**

*) Includes parent company income (management fee, service, royalty and other rental income from group companies) reduced by costs related to Vestas Technology R&D and Group staff functions.