Third quarter 2012
- Preparation for a profitable 2013 continues

Aarhus, 7 November 2012

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Agenda

1. Introduction	Ditlev Engel	CEO
2. Q3 financials	Dag Andresen	CFO
3. Order intake Q3	Ditlev Engel	CEO
4. Outlook	Ditlev Engel	CEO
5. Questions & answers	Ditlev Engel and Dag Andresen	

1 Introduction

Secure profitability, secure cash flow and improve customer relations

Two revenue streams; wind turbines and service

Scalability and flexibility

Product cost out

Closing a tough 2012 and preparing for an even tougher 2013 market

A scalable organisation and a new management team

Retention of quality and technological leadership

Intensification of customer focus

Closing a tough 2012

Preparing for an even tougher 2013 market

2005-2011
Investing in regionalisation and technology.

Nov 2011
Organisational change process initiated. Focus on flexibility.

Jan 2012
2,335 layoffs during 2012 announced.

Aug 2012
Intensification of cost savings. Further ~1,400 layoffs announced.

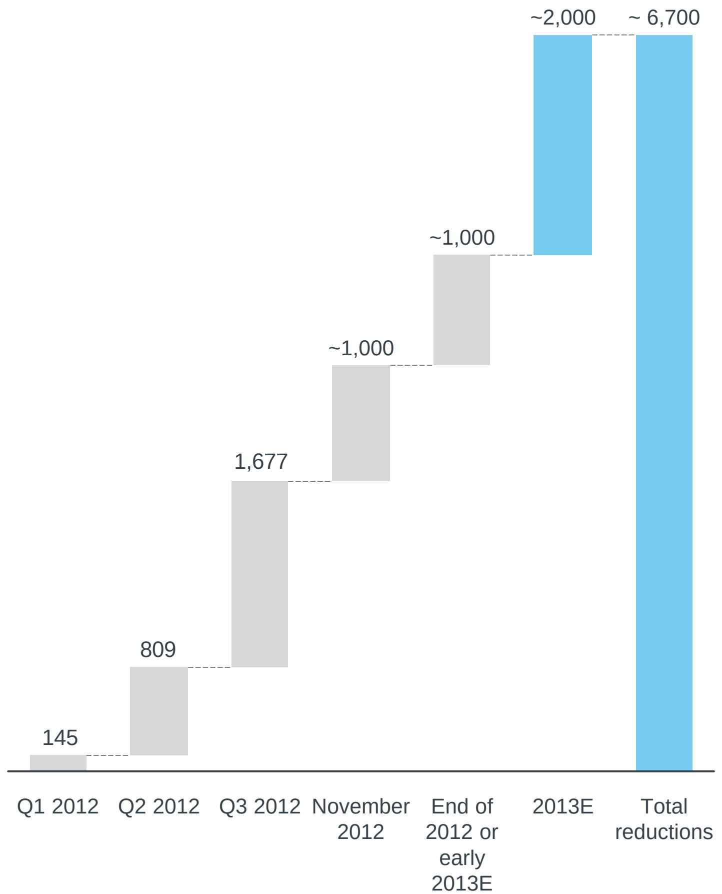
H2 2012
Implementation and execution.

2013
Additional headcount reductions of 2,000. Manufacturing of around 5 GW.

Transition to a more scalable, lean and agile Vestas by changing the organisational structure and operating business model.

Headcount reductions

Headcount reductions
Number of employees

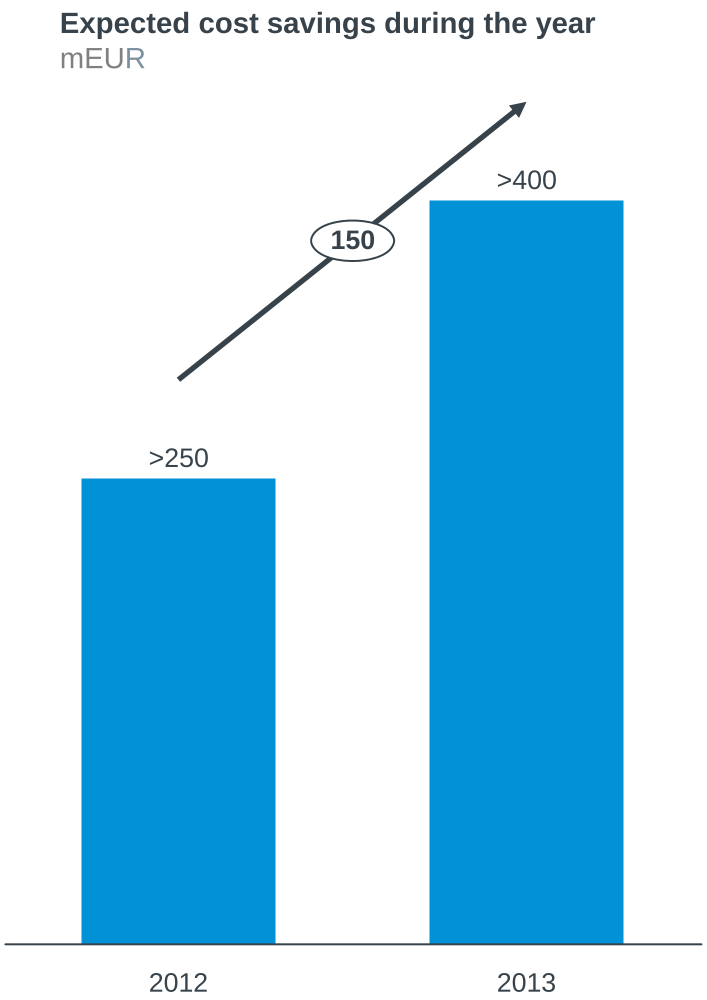


Announced headcount reductions of 3,700 during 2012 realised in November 2012.

Approx 1,000 employees will leave Vestas before the end of 2012 or early 2013, primarily temporary employees, employees working in their termination periods and already planned layoffs.

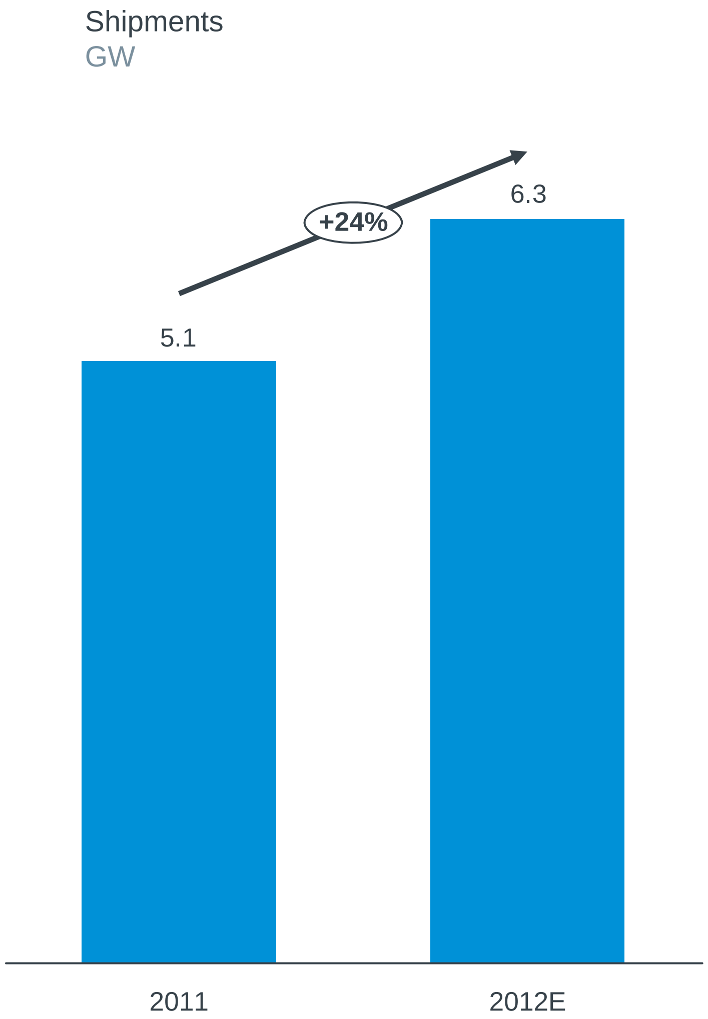
Headcount reductions of 2,000 in 2013 through divestments, continuation of hiring freeze and layoffs.

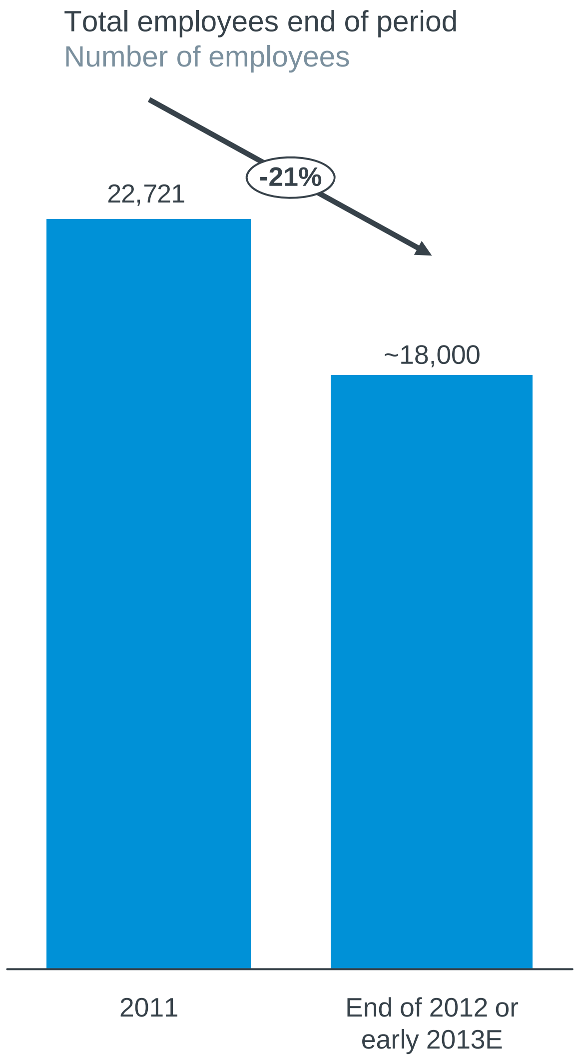
Additional cost savings



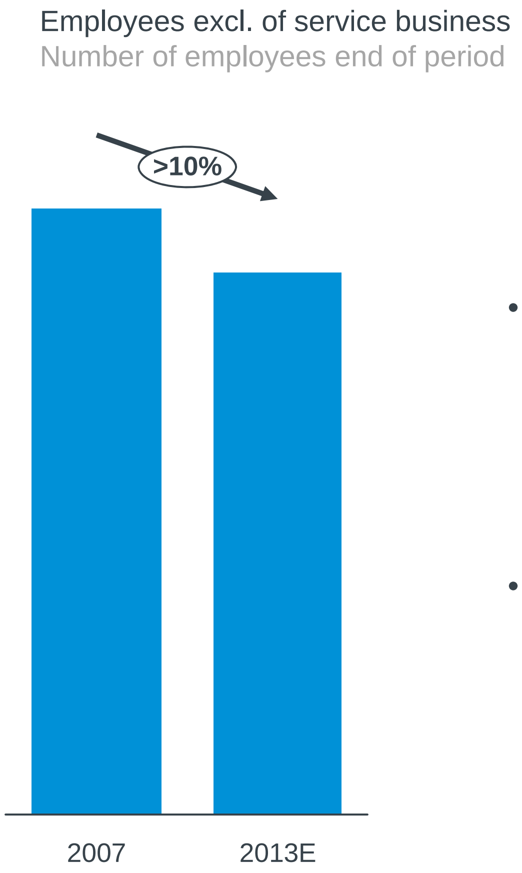
Cost savings of more than EUR 400m expected from end 2011 to end 2013.

Delivering improvement in productivity





Targeting improvement in productivity



- Productivity improvement of at least 10 per cent vs 2007 despite higher insourcing in several areas (e.g. generators and blades).
- Further productivity improvements going forward.

Implemented initiatives, YTD

Manufacturing

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

Turbines R&D / Solutions and Services

- **Closed down** Turbines R&D activities in Houston, Texas (US), Boston, Massachusetts (US), Louisville, Colorado (US), Risø (DK) and Beijing (CH).
- **Scaled down** Turbines R&D (DK) and on the Isle of Wight (UK).

Finance

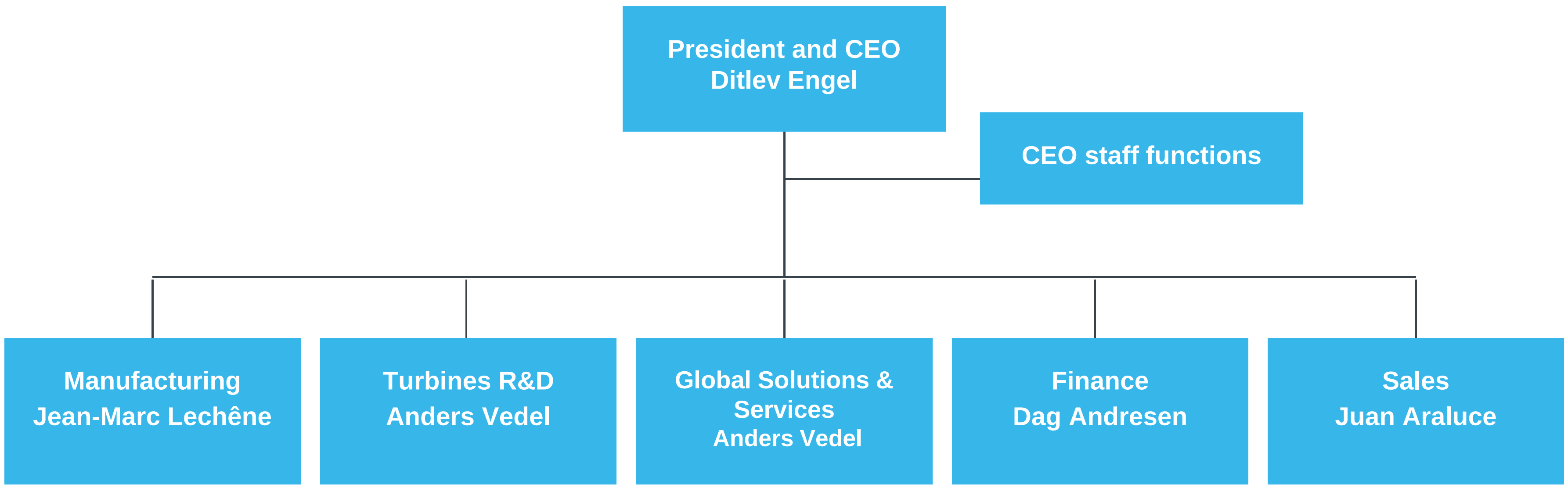
- **Centralised** Global Finance.
- **Moved** Group Treasury back to Aarhus (DK).

Sales

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

Organisation is changing

Executive Management in place

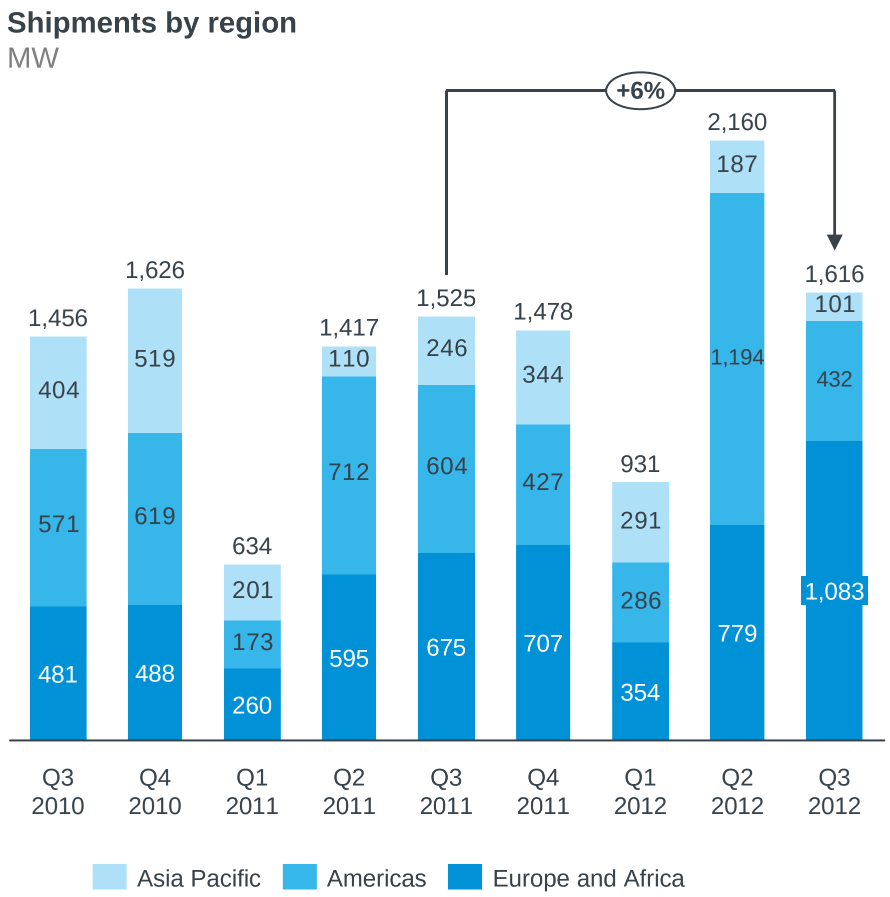


Main events in Q3 report

- Q3 earnings, revenue and cash flow in line with expectations.
- Special items increased due to writedowns.
- Fixed costs and capex continue the downward trend.
- High Q4 volume and uncertainty; FCF guidance lowered to EUR (500)-0m.
- Q4 order intake expected to be largest in the year following a very weak Q3 order intake.
- Additional savings of more than EUR 150m expected during 2013 through further consolidation and headcount reductions.


2
Q3 financials

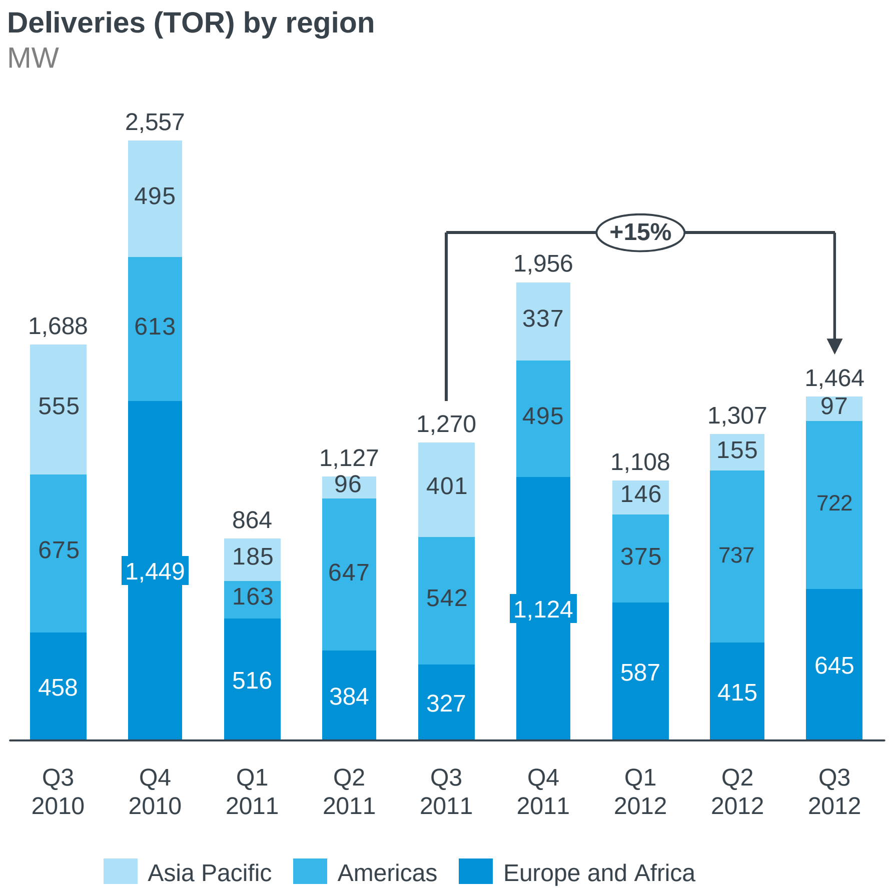
Activity level at factories



- Shipments up by 6 per cent.
- Shipments in the USA now dampening off as PTC expiration gets closer.
- Full-year shipments expected to increase by almost 25 per cent to around 6.3 GW.

Deliveries

Deliveries are the primary revenue driver



- Deliveries in Americas driven by PTC expiration in the USA.
- Deliveries expected to peak in Q4, but uncertainty remains high due to:
  - grid connections,
  - weather and
  - other disruptions.

Income statement

mEUR	Q3 2012	Q3 2011	Change	FY 2011
Revenue	1,988	1,337	49%	5,836
Cost of sales	(1,785)	(1,227)	45%	(5,111)
Gross profit	203	110	85%	725
Fixed costs*	(190)	(202)	(6)%	(763)
Operating profit (EBIT) before special items	13	(92)	-	(38)
Special items	(153)	-	-	(22)
Operating profit after special items	(140)	(92)	52%	(60)
Profit/(loss) after tax	(175)	(60)	192%	(166)

*R&D, administration and distribution

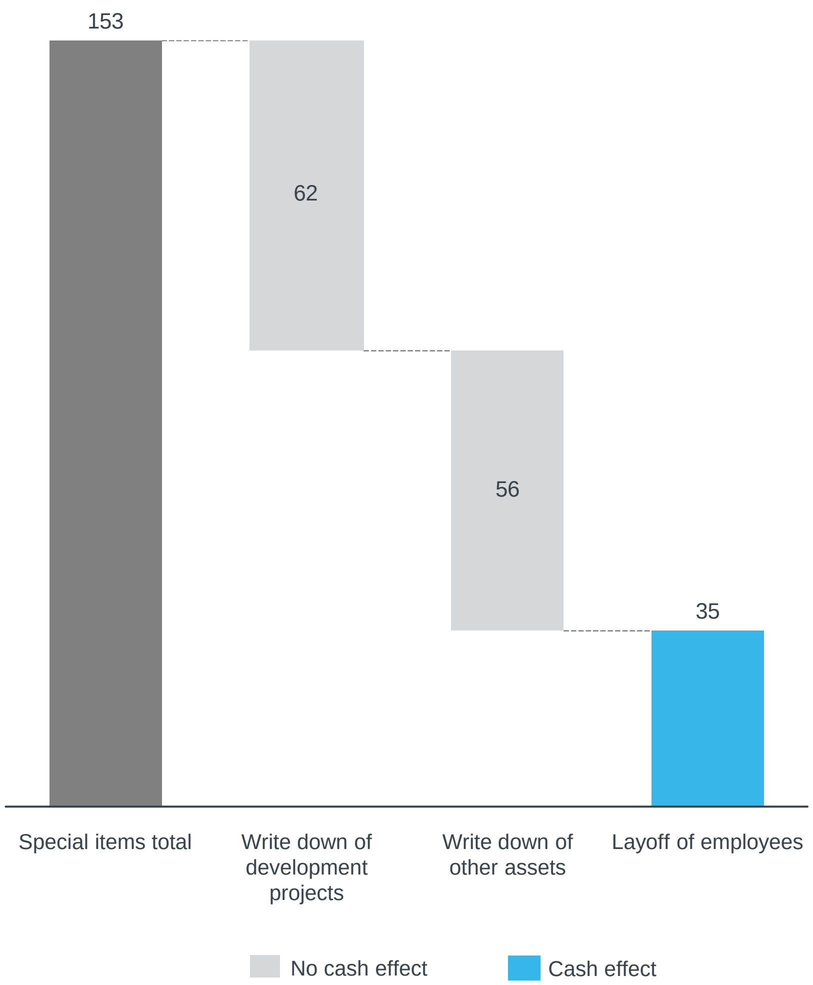
Gross margin	10.2%	8.2%	2.0%-pts	12.4%
EBITDA margin before special items	6.8%	0.1%	6.7%-pts	5.2%
EBIT margin before special items	0.7%	(6.9)%	7.6%-pts	(0.7)%

- Revenue up by 49 per cent.
- Special items – see next slide.
- EBIT breakeven as expected.

*R&D, administration and distribution

Special items

Q3 special items
mEUR



Development projects:
- Mainly blade projects and tower crane.

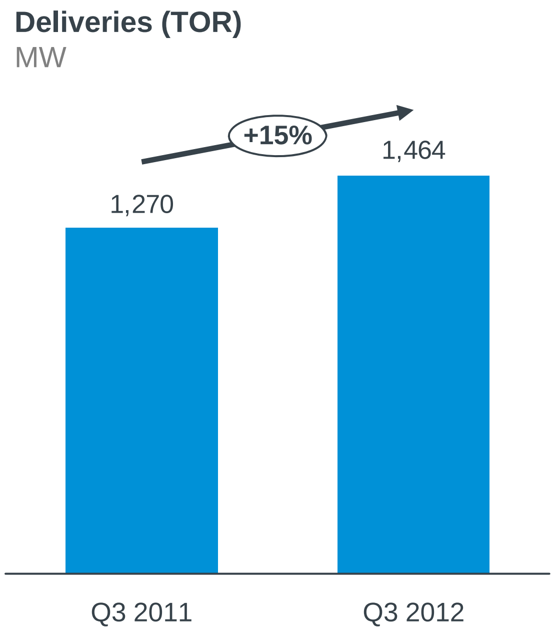
Write down of other assets:
- Closure of R&D facilities, centralisation of Group Treasury and scaling down in India.

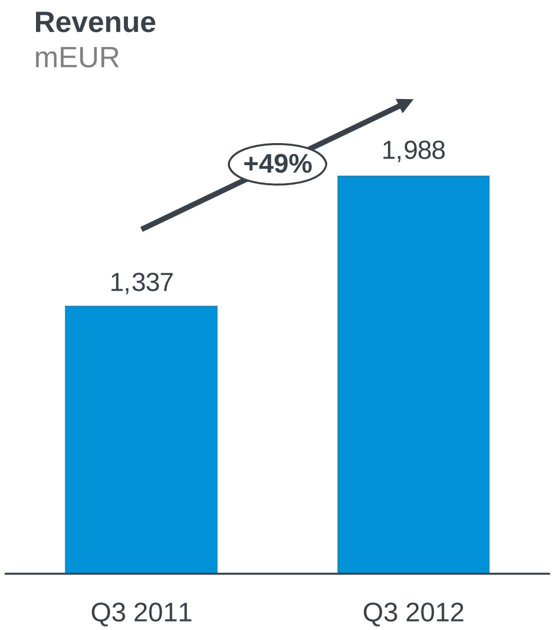
September layoffs of approx 1,000 employees.

Deliveries and revenue in Q3

Q3 revenue grew faster than deliveries due to:

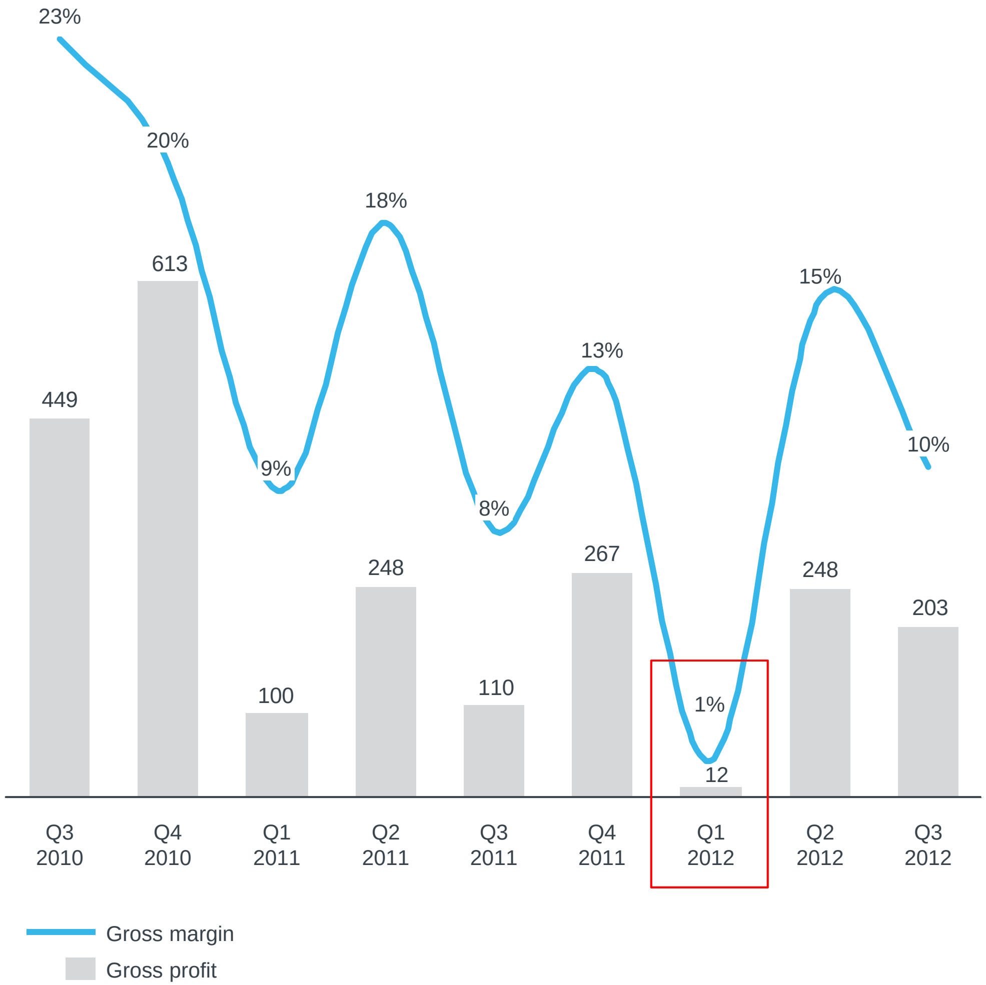
- Higher proportion of delivered MW in Europe and the Americas.
- Higher proportion of V112-deliveries.
- High proportion of turnkey deliveries with low revenue effect in the third quarter of 2011.
- Positive currency effect.





Gross margin

Gross profit and margin
mEUR and percentage

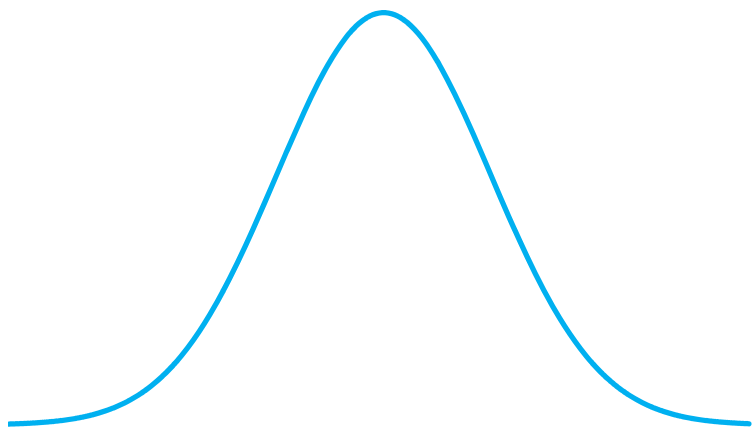


Q3 gross margin at 10.2 per cent

- Quarter-on-quarter developments in project margins may result in substantial fluctuations in earnings.
- YTD gross margin is negatively impacted by too high wind turbine costs on projects, primarily on V112 wind turbines and the GridStreamer™ technology and additional warranty provisions made in Q1.

Quarterly P&L fluctuations driven by contract mix

Distribution of margins
+200 projects a year



Pricing and risk variables
Not exhaustive

1. Scope – type of contract
2. Uniqueness of offering
3. Value of revenue
4. Scale
5. OPEX/CAPEX allocation
6. Design lifetime
7. Cost differentiation
8. Risk allocation
9. Early generation sharing
10. Relationship efficiency

Fixed costs

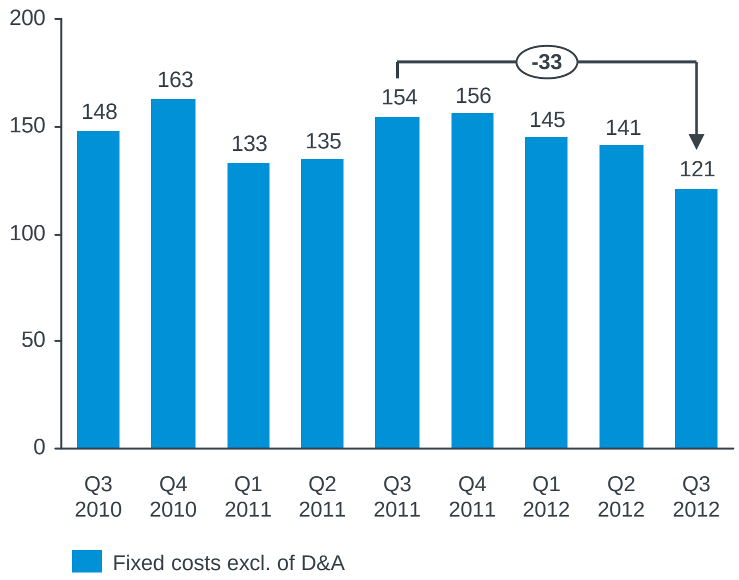
Fixed costs excl. of depreciation and amortisation

- Fixed costs to be further lowered by September layoffs.
- Cost reductions of more than EUR 250m with full effect as from year-end 2012.

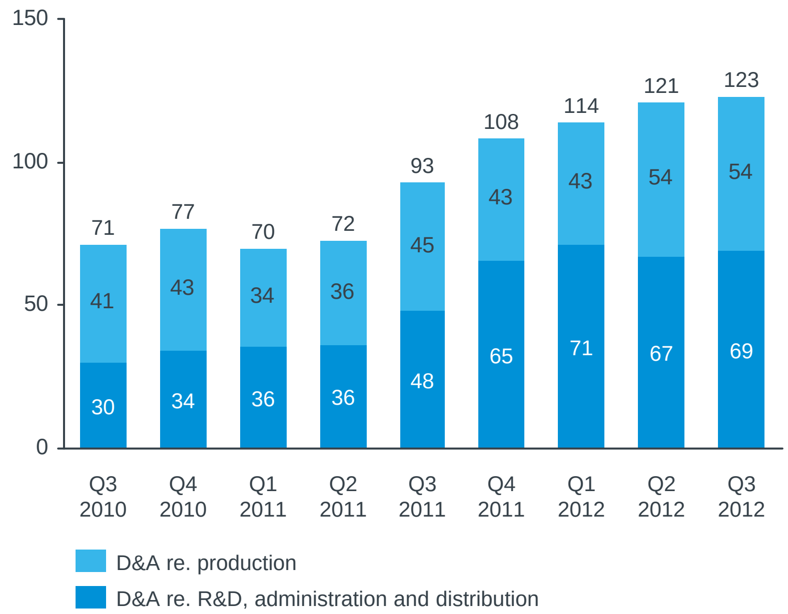
Depreciation and amortisation

- Increase in depreciation and amortisation D&A driven by completion of R&D and start-up of serial production of the V112 and GridStreamer™.

Fixed costs excl. of D&A
mEUR

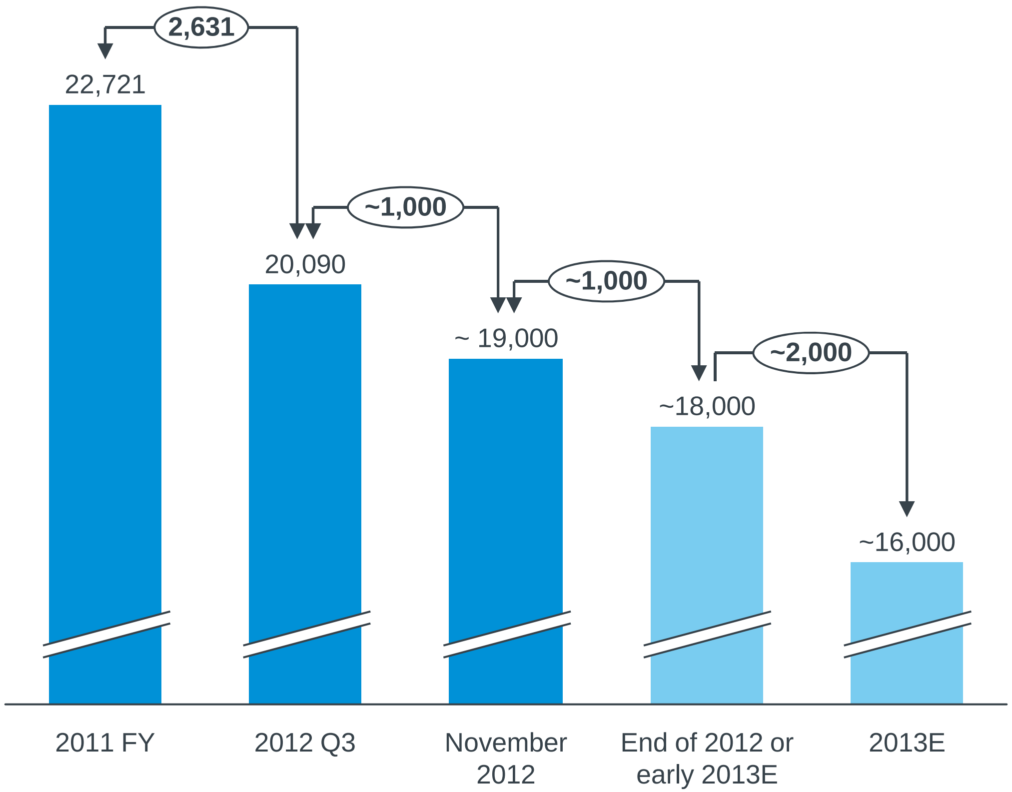


D&A
mEUR



Reduction of employee costs

Employees end of period
Number of employees



Headcount reductions in 2012 and 2013 will contribute to reducing costs by more than EUR 400m with full effect as from the end of 2013.

2012: EBIT development

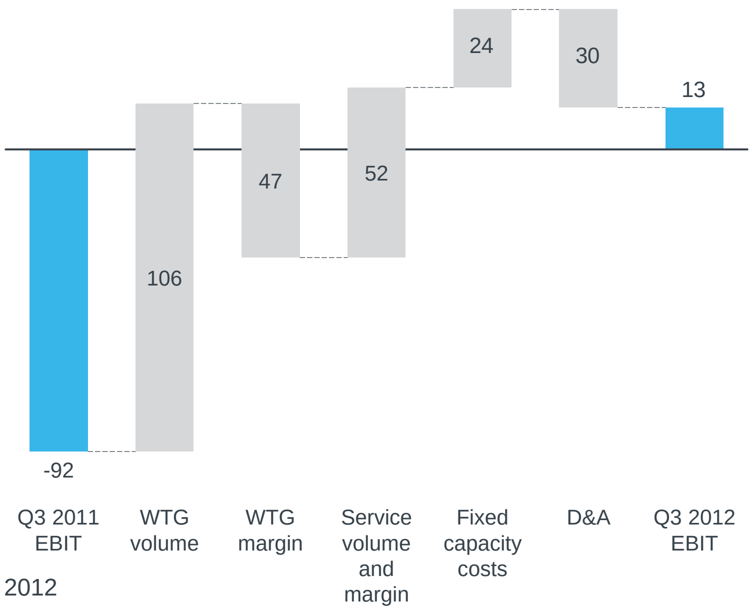
EBIT Q311 vs Q312

- Higher volume and improved service earnings, but lower wind turbine margins on projects delivered and higher D&A.

EBIT Q312 vs Q212

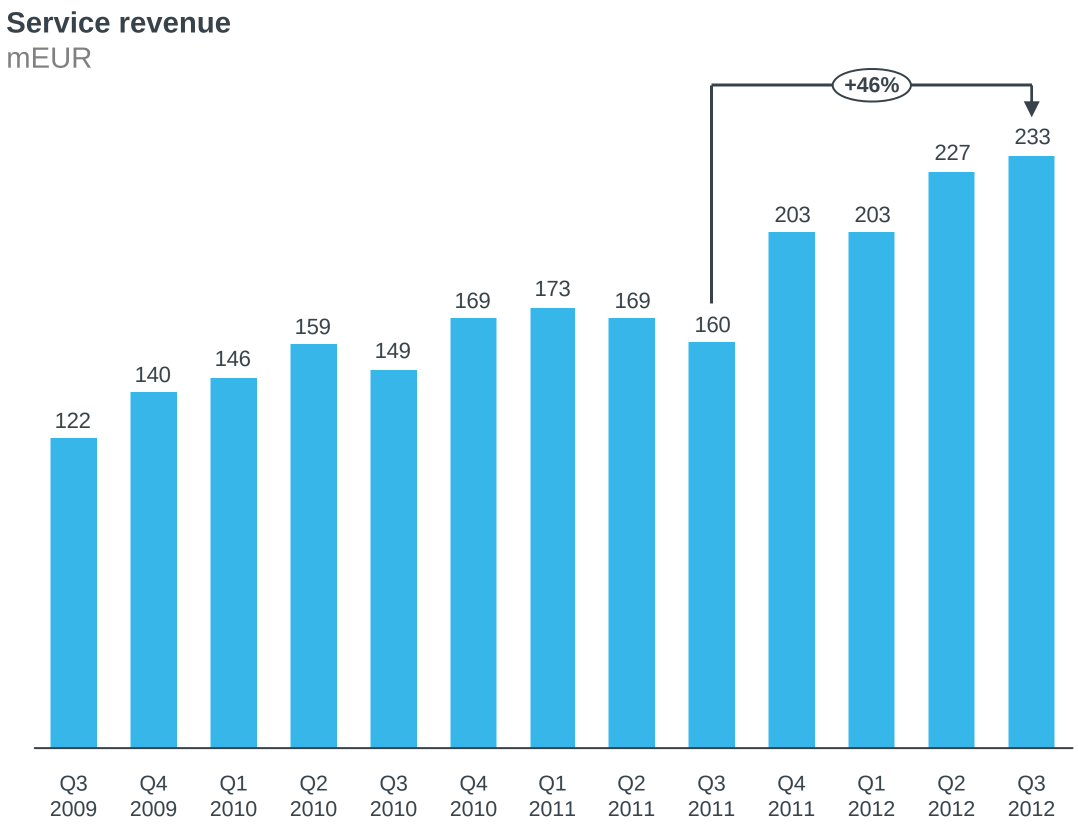
- Higher volume but lower wind turbine margins
- Quarter-on-quarter developments in earnings may show substantial fluctuations due to volume and composition with respect to countries, project complexity, order and wind turbine types as well as customer demands for delivery flexibility.

EBIT Q311 vs Q312
mEUR



EBIT Q312 vs Q212
mEUR

Service revenue



- Service revenue increased by 46 per cent compared to Q3 2011.
- 9M EBIT before allocation of Group costs: EUR 137m. Margin: 20.7 per cent.
- 9M EBIT after allocation of Group costs: EUR 77m. Margin: 11.6 per cent.
- Almost 5,000 employees in the service business. YTD growth of service technicians: ~400 employees.

Balance sheet

Assets (mEUR)	Q3 2012	Q2 2012	Change	Q3 2011	Change
Intangible assets	1,137	1,233	(8)%	1,177	(3)%
Property, plant and equipment	1,799	1,869	(4)%	1,816	(1)%
Other non-current assets	469	445	5%	358	31%
Non-current assets	3,405	3,547	(4)%	3,351	2%
Current assets	5,065	5,229	(3)%	4,099	24%
Total assets	**8,470**	**8,776**	**(3)%**	**7,450**	**14%**

Liabilities (mEUR)					
Equity	2,264	2,438	(7)%	2,618	(14)%
Non-current liabilities	1,870	1,790	4%	1,237	51%
Current liabilities	4,336	4,548	(5)%	3,595	21%
Total equity and liabilities	**8,470**	**8,776**	**(3)%**	**7,450**	**14%**

Net debt	1,287	1,147	12%	834	54%
Net working capital	481	330	46%	400	20%

- Write down of R&D projects and centres.
- Net debt and NWC increase.

Change in net working capital

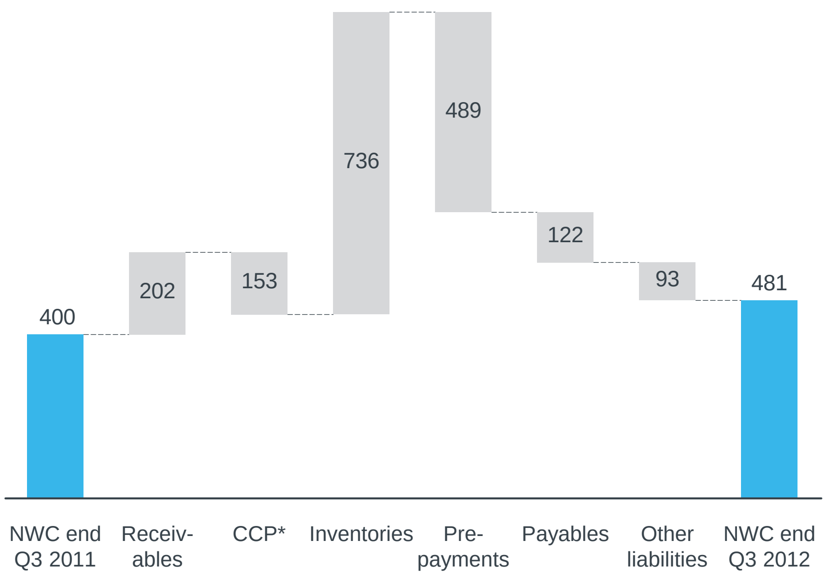
NWC decrease over the last 12 months

- Increase in inventories not balanced by increase in prepayments.

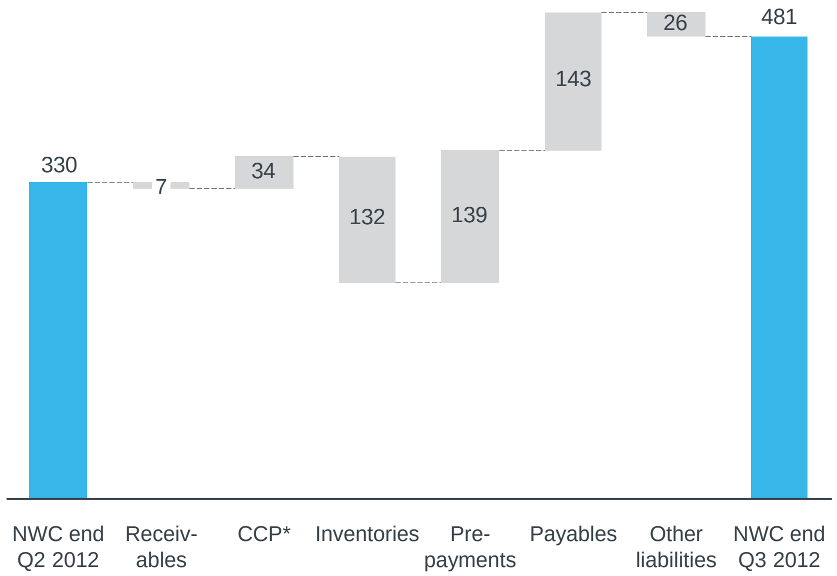
NWC increase during Q3

- Decrease in inventories balanced by decrease in prepayments.
- Trade payables down explaining the increase in NWC.

NWC change over the last 12 months
mEUR



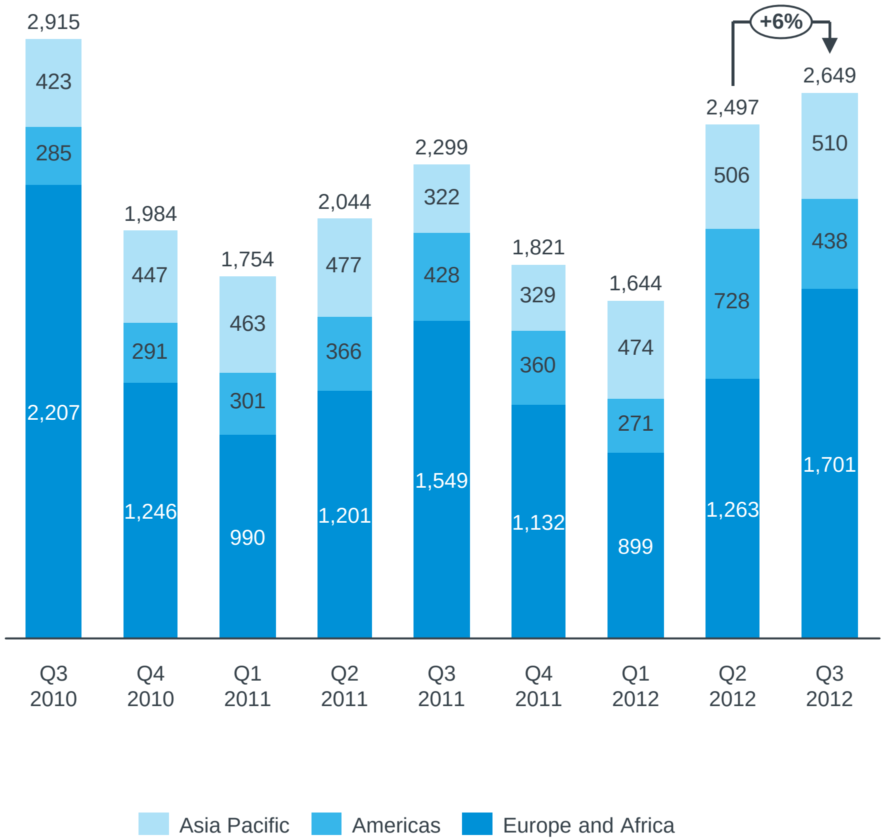
NWC change over the last three months
mEUR



*Construction contracts in progress.

MW under completion

Under completion by region
MW



- MW under completion increased by 6 per cent.
- Planned sale of 90 MW project in Chile will lower MW under completion.
- MW under completion to decrease in Q4.

Better performance of wind turbine fleet

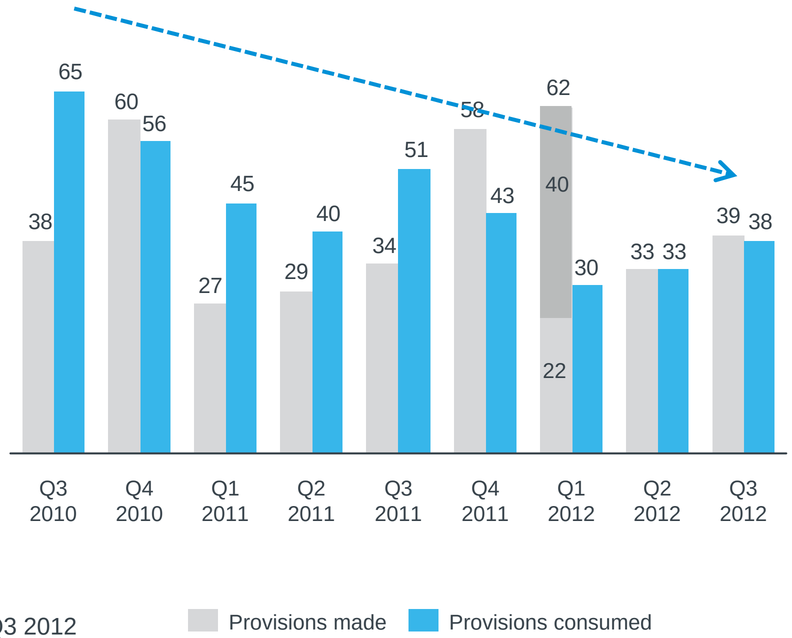
Warranty provisions and consumption

- Low warranty consumptions.
- Warranty consumption was EUR 33m lower than the provisions in the first nine months of 2012.
- Still very limited consumption of the additional warranty provisions of EUR 40m for the V90-3.0 MW gearboxes.

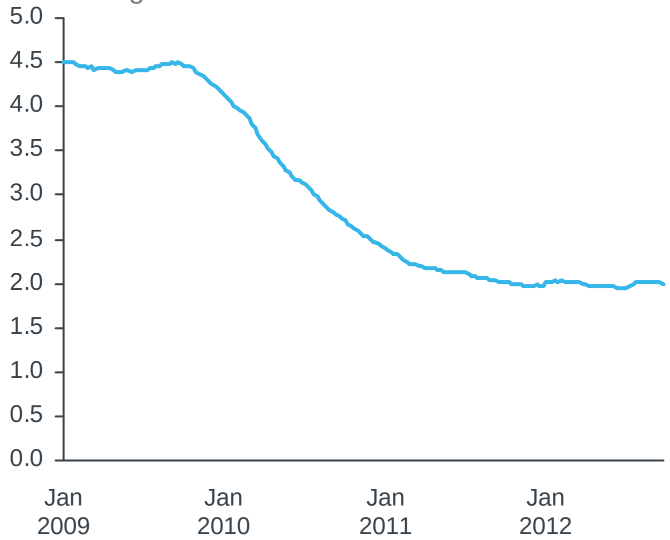
Lost production factor (LPF)

- End Q3: LPF at 2 per cent.
- LPF measures potential energy production not captured by the wind turbines.
- LPF on V112-3.0 MW wind turbines better than expected.

Warranty provisions made and consumed
mEUR



Lost production factor
Percentage



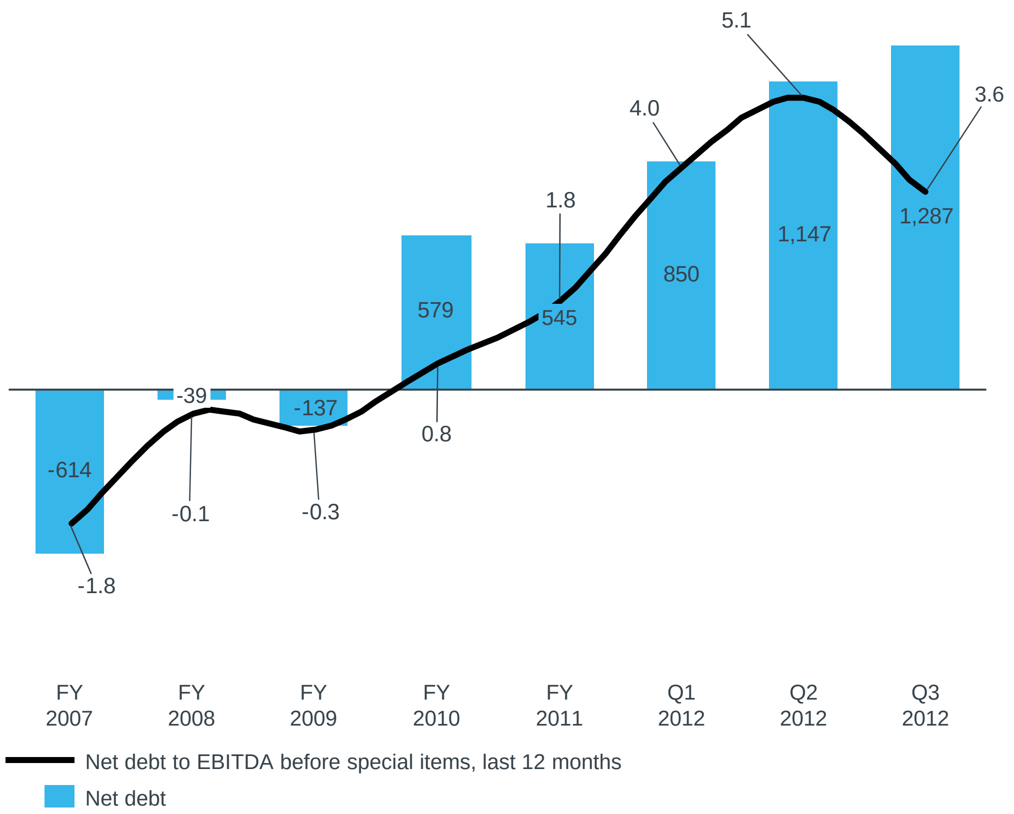
Cash flow statement

mEUR	Q3 2012	Q3 2011	FY 2011
Cash flow from operating activities before change in working capital	49	(65)	93
Change in working capital	(151)	472	747
Cash flow from operating activities	(102)	407	840
Cash flow from investing activities	(40)	(131)	(761)
Free cash flow	(142)	276	79
Cash flow from financing activities	80	(158)	(13)
Change in cash at bank and in hand less current portion of bank debt	(62)	118	66

- Cash flow negatively impacted by change in prepayments and payables.
- 69 per cent lower net capex.
- Net capex lowered by sale of tower factory in Varde (DK).

Net debt to EBITDA to improve further in Q4

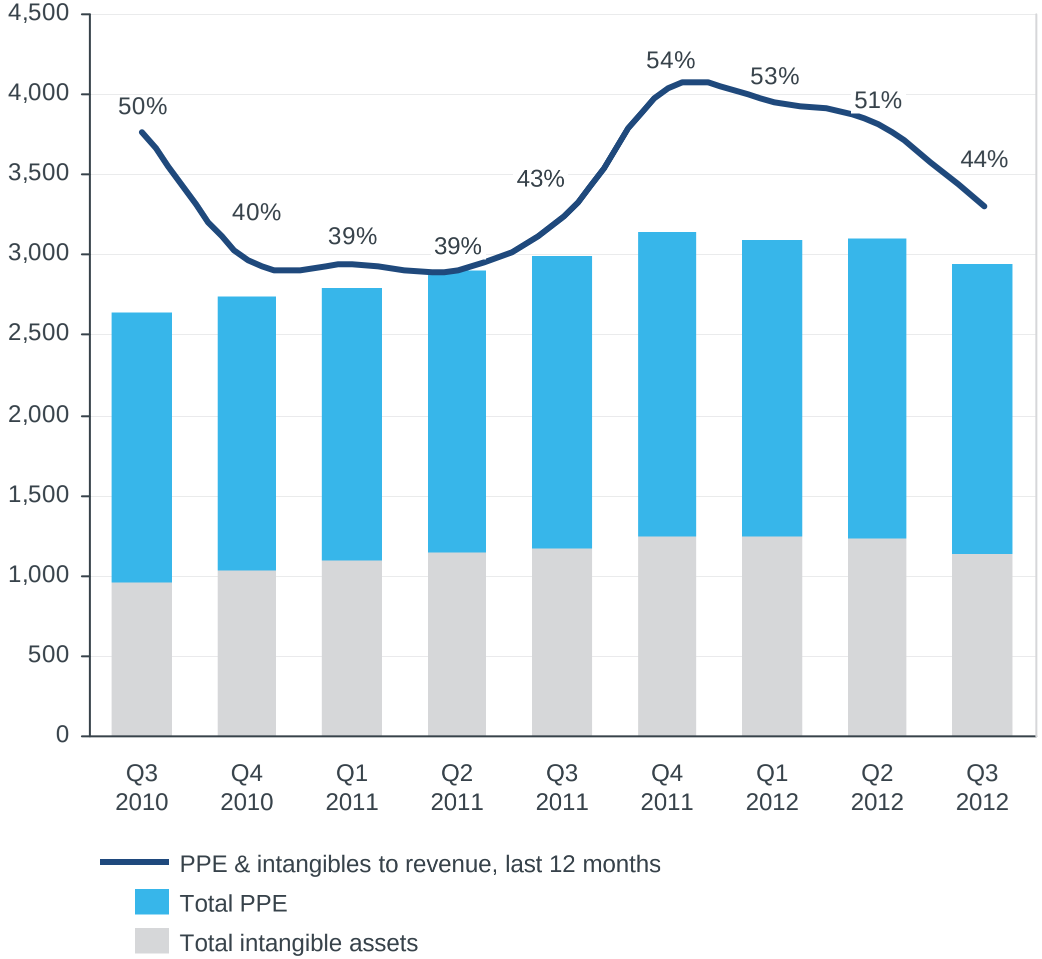
Net debt and debt coverage
mEUR and ×EBITDA



- Net debt expected to be reduced by year-end.
- Q4 2012 earnings expected to be higher than in Q4 2011.

Invested capital

Property plant & equipment (PPE) and intangible assets
mEUR and percentage

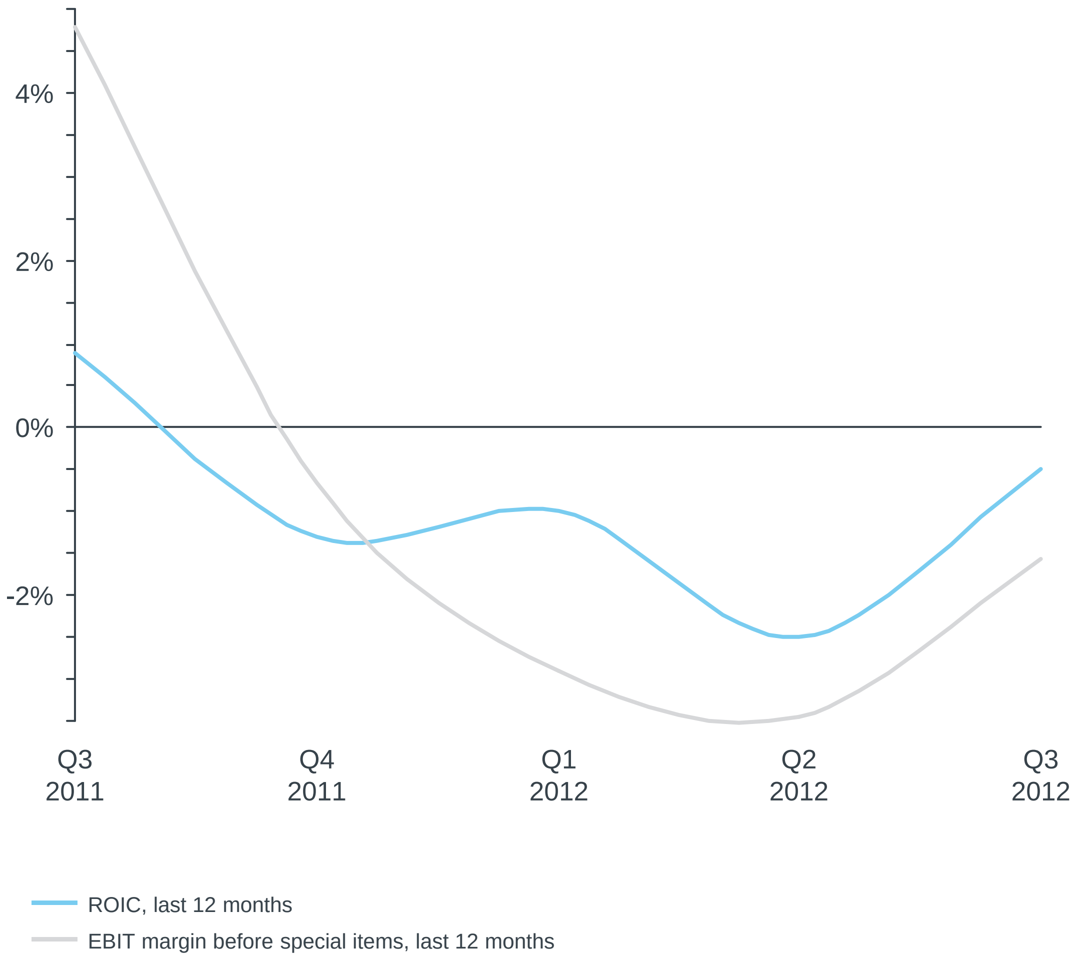


Declining capex – higher D&A

- Capex during the first nine months of 2012 was EUR 151m lower than depreciation and amortisation.
- Vestas has initiated a process to identify outsourcing opportunities.

Return on invested capital

Return on invested capital* (ROIC)
Percentage



* Invested capital includes net working capital, PPE and intangibles.

Improved ROIC, but still at an unacceptable level

- Growing service business increases ROIC.
- Evaluation of and decision on manufacturing footprint including identification of divestment and outsourcing opportunities.

3 Order intake Q3

Wind turbine order intake

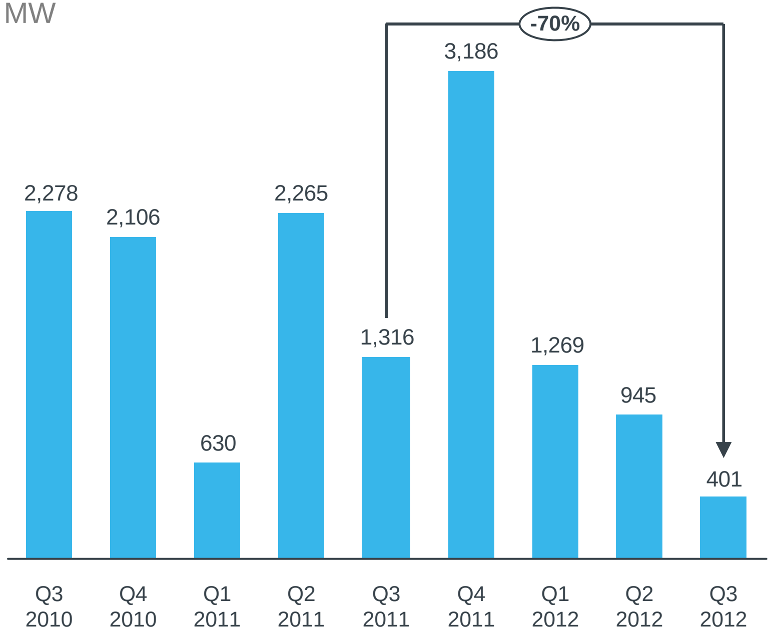
Lower wind turbine order intake

- Global wind market slowdown.
- As usual, Q4 is expected to be the biggest quarter.
- Strict focus on well-balanced projects with respect to profitability, payment terms and risks.

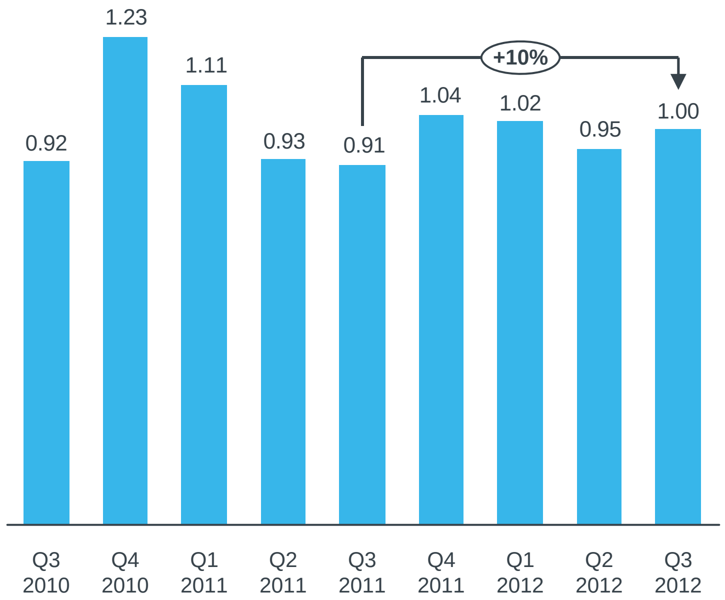
Price per MW

- Price per MW depends on a variety of factors i.e. wind turbine type, geography, scope, uniqueness of offering.
- New products are higher priced per MW, but carry higher costs than more mature products.

Order intake
MW



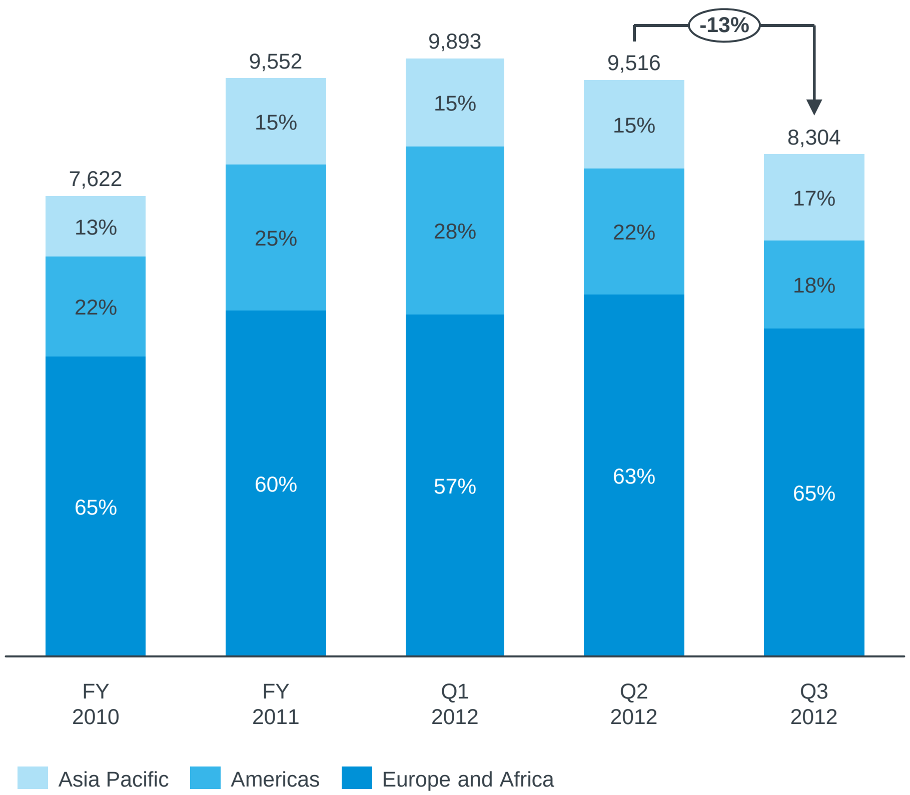
Average selling price of order intake
mEUR per MW



Wind turbine order backlog

Wind turbine order backlog at a high level

Order backlog by region (exclusive of service contracts)
MW

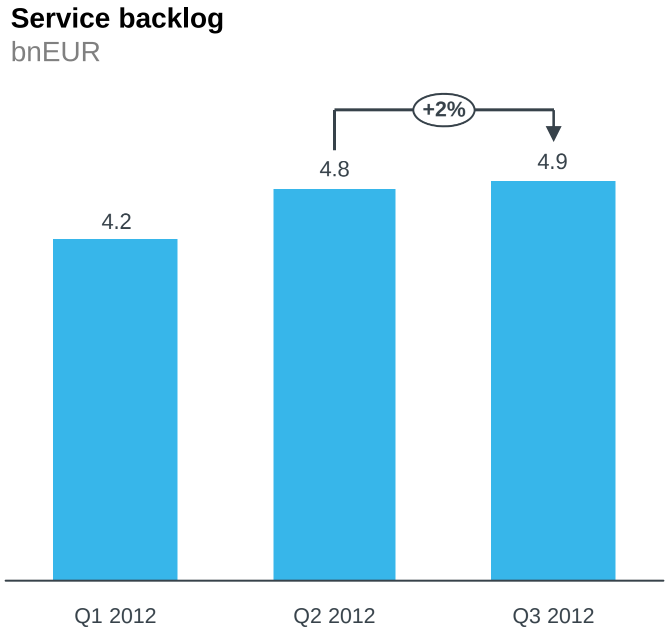


- Value of wind turbine order backlog equals EUR 8.3bn.
- Price per MW in order backlog is EUR 1.00m.

Service backlog and order intake

Service order backlog continues to increase

- The service order backlog increased by 2 per cent during Q3.
- Total service backlog amounts to EUR 4.9bn.
- Average length of contracts is 6-7 years.



94%

Announced orders with service agreement (9M 2012)

89%

Service renewal rate (9M 2012)

Backlog: Wind turbines and service

End Q3 2012: Combined backlog of EUR 13.2bn

Wind turbines:

EUR 8.3bn

Service:

EUR 4.9bn

4 Outlook

Outlook 2012

	November 2012	August 2012
Shipments (GW)	**~6.3**	**~6.3**
Revenue (mEUR)	**6,500-8,000**	**6,500-8,000**
- of which service revenue (mEUR)	**nearly 900**	**850**
EBIT margin before special items (%)	**0-4**	**0-4**
EBIT margin, service* (%)	**~17**	**~17**
Investments (mEUR)	**350**	**450**
- Intangible (mEUR)	**200**	**250**
- Tangible (mEUR)	**150**	**200**
Special items (mEUR)	**225-250**	**75-125**
Free cash flow (mEUR)	**(500)-0**	**> 0**
Warranty provisions (%)	**~ 3**	**~ 3**

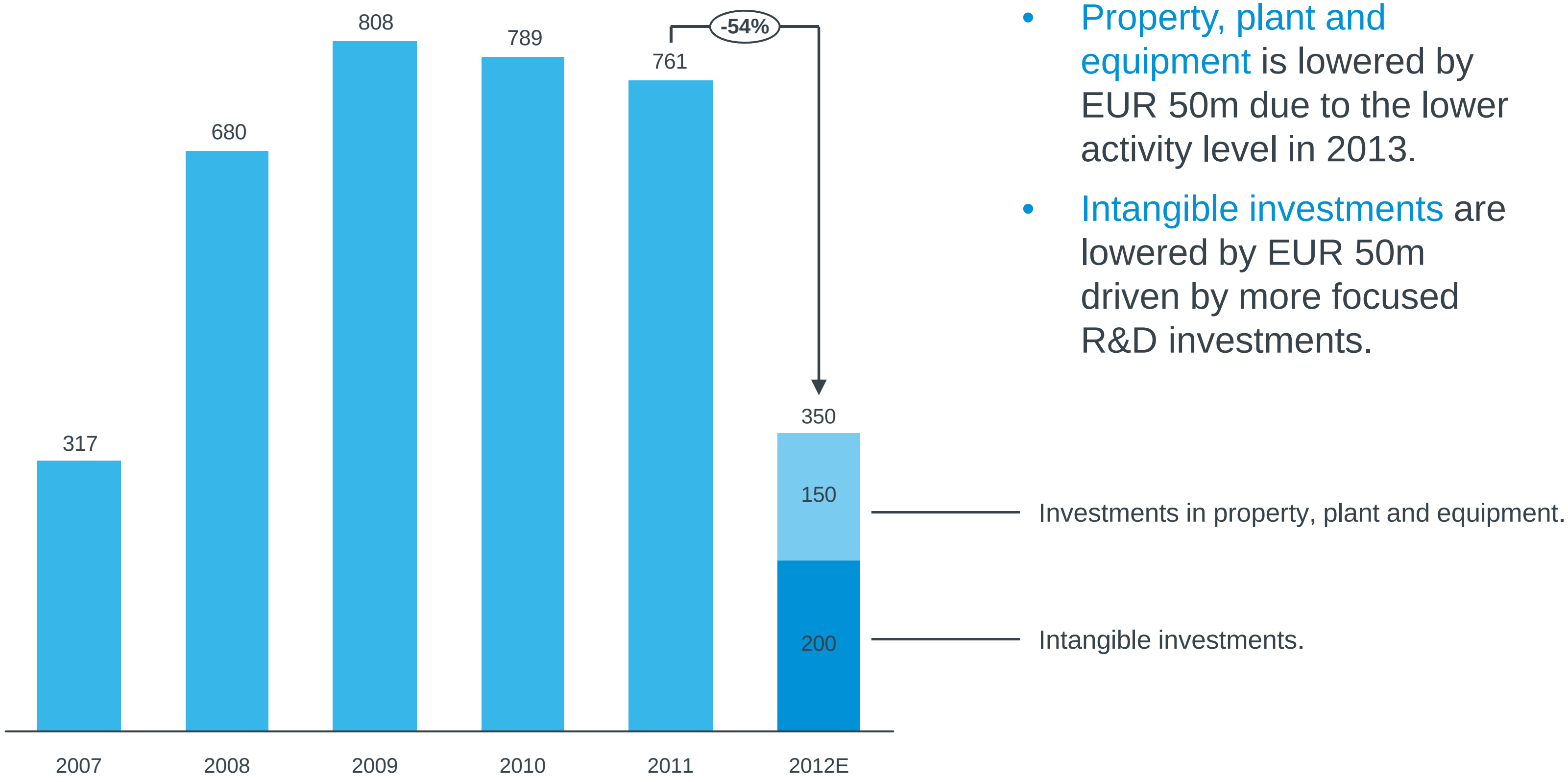
*Before allocation of Group costs

- Expected service revenue of nearly EUR 900m.
- Special items increased due to writedowns.
- FCF expectations lowered due to weaker expectations for the 2012 order intake and uncertainty on the exact timing of cash inflows and outflows during the last weeks of 2012 and the first weeks of 2013.

Investments

Capex declining after years of high investments in regionalisation and technology

Investments
mEUR



- Property, plant and equipment is lowered by EUR 50m due to the lower activity level in 2013.
- Intangible investments are lowered by EUR 50m driven by more focused R&D investments.

Production tax credit or not – Vestas is prepared

Aug 2012
Senate Finance Committee approved a bill including a one-year extension of the PTC*

6 Nov 2012
US election

Nov-Dec 2012
"Lame duck" session

End 2012
Current PTC expires

Vestas believes that the PTC will be extended, most likely during consideration of tax legislation by Congress at the upcoming "lame duck" session.

At the same time, Vestas is prepared to operate based on market conditions and continues to focus on new wind turbine sales in the USA, Canada, Mexico and Central and South America.

* On 2 August 2012, the Senate Finance Committee approved "The Family and Business Tax Cut Certainty Act of 2012" bill. The bill includes a one-year extension of the PTC. In addition, the bill includes a five per cent "under construction" threshold for projects that begin in 2013. The final bipartisan vote in support of reporting the bill was 19-5.

Building blocks for a profitable 2013

- Adjusting operations to shipments of around 5 GW in an uncertain environment while still making a profit.

5 GW

- Approx 18,000 employees end 2012 or early 2013. End 2013 employee target: 16,000.

16,000
employees

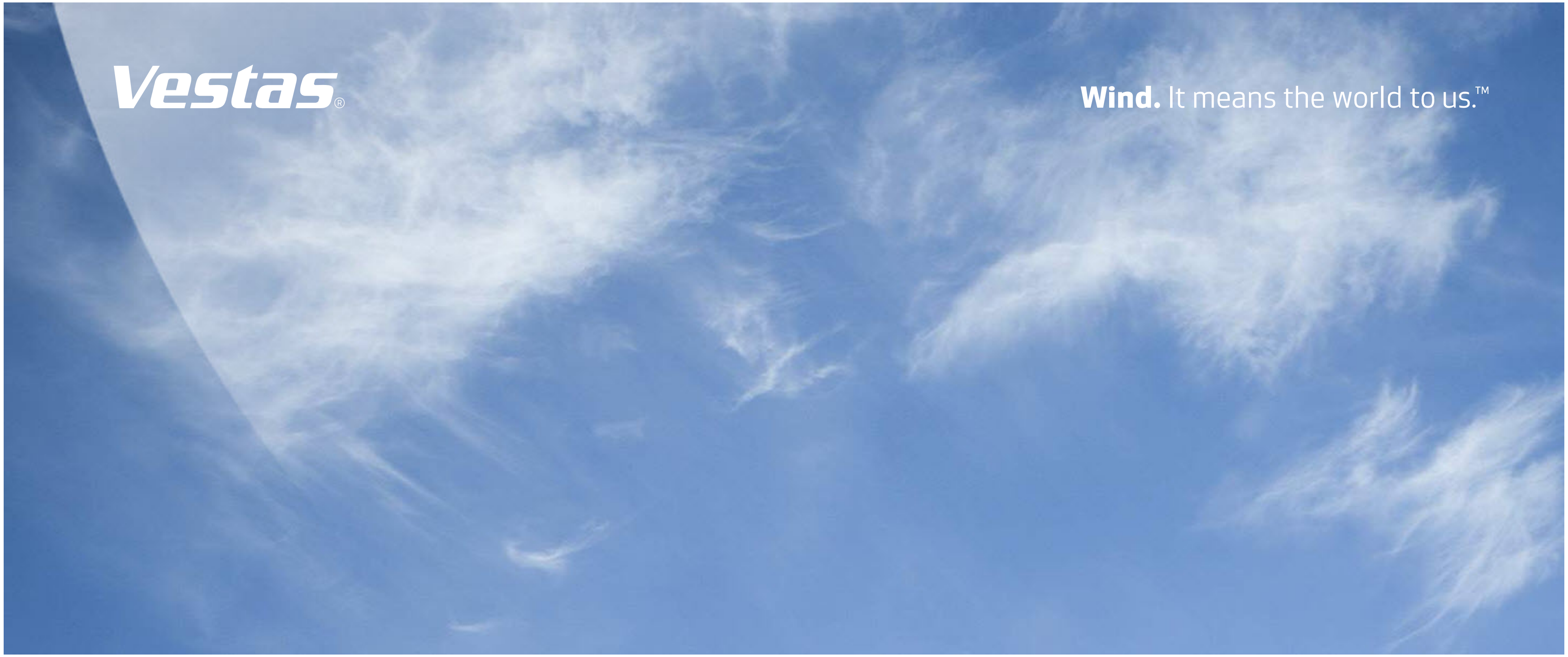
- Cost reductions of more than EUR 400m; EUR 250m during 2012 and EUR 150m during 2013.

EUR >400m

- Product cost out to be intensified in 2013 compared to approx EUR 30m (EBIT impact) to be realised mainly in Q4 2012.

EUR 30m


5 Questions & answers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