New Group President & CEO

Aarhus, 21 August 2013

Agenda

New Group President & CEO as per 1 September 2013	
Introduction	Bert Nordberg
Questions and answers	Bert Nordberg

Second quarter of 2013	
1. Introduction	Marika Fredriksson
2. Financials	Marika Fredriksson
3. Order intake and outlook	Marika Fredriksson
4. Questions and answers	Marika Fredriksson and Lars Villadsen

New Group President & CEO as per 1 September 2013

Anders Runevad

Nationality: Swedish

Education:

1980-1984	Master of Science in Electrical Engineering, University of Lund (Sweden)
1985-1989	MBA studies, University of Lund (Sweden)

Former management positions:

2010-2013	President, Region West & Central Europe, Ericsson (United Kingdom)
2006-2010	Director of the Board and Executive Vice President, Sony Ericsson (United Kingdom)
2004-2006	President, Ericsson Brazil (Brazil)
2000-2004	Vice President, Sales and Marketing, Business unit Networks (Sweden)
1996-2000	President, Ericsson Singapore (Singapore)
1991-1996	Product Manager to Director Product management, Ericsson (Sweden)
1989-1991	Product Manager, Ericsson-General Electric USA (USA)


Questions & answers

Second quarter of 2013

The two-year turnaround continues – free cash flow outlook upgraded to at least EUR 200m

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Second quarter of 2013

1. Introduction	Marika Fredriksson
2. Financials	Marika Fredriksson
3. Order intake and outlook	Marika Fredriksson
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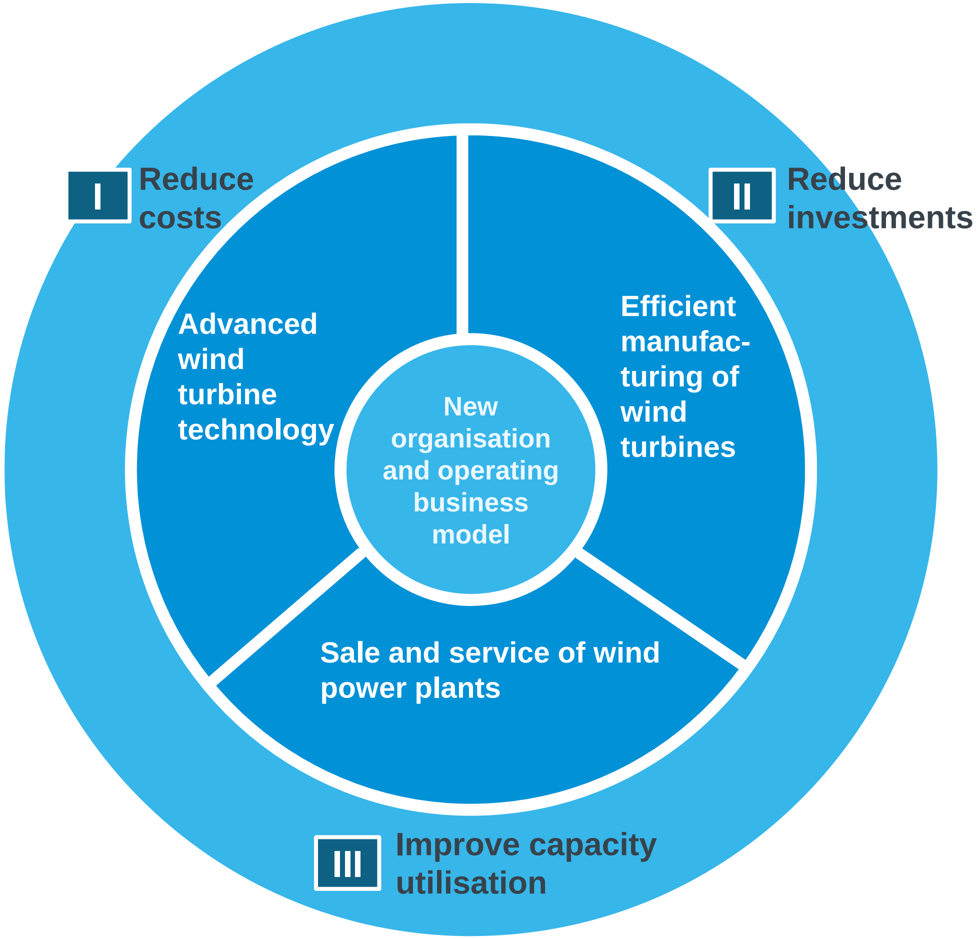
1 Introduction

New organisation and operating business model

Focus on turnaround through the new operating business model continues

Vestas' operating business model



Three core focus areas

I Reduce costs through operational excellence.

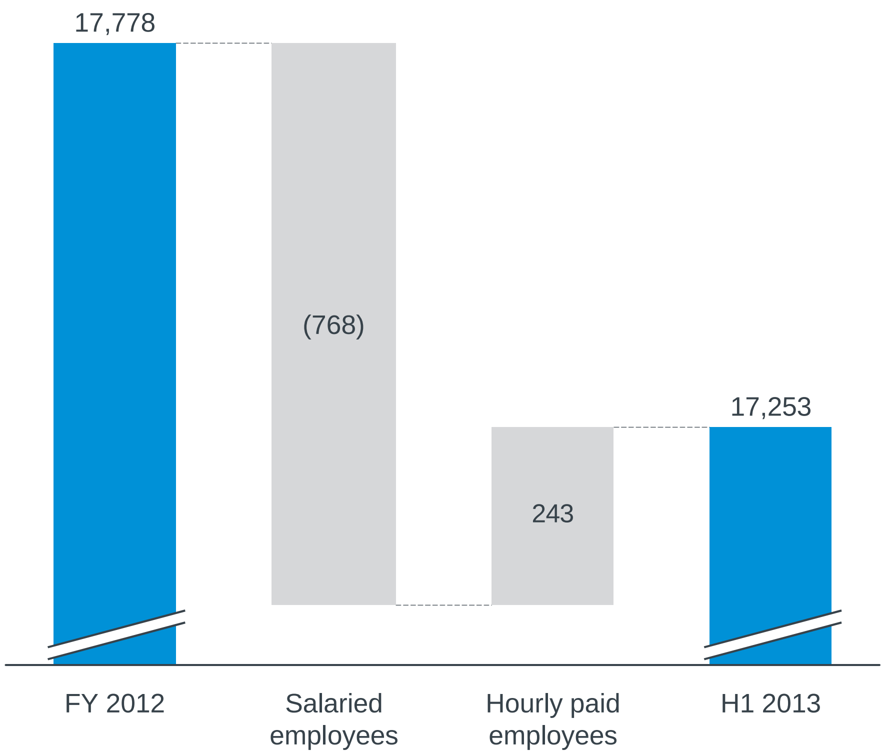
II Reduce investments through asset-light solutions and simplified product roadmap.

III Improve capacity utilisation and capital efficiency through divestments, supply to third parties and NWC management.

Fixed cost savings

First half 2013 reduction of 525 employees

Employees, end of period
Number of employees



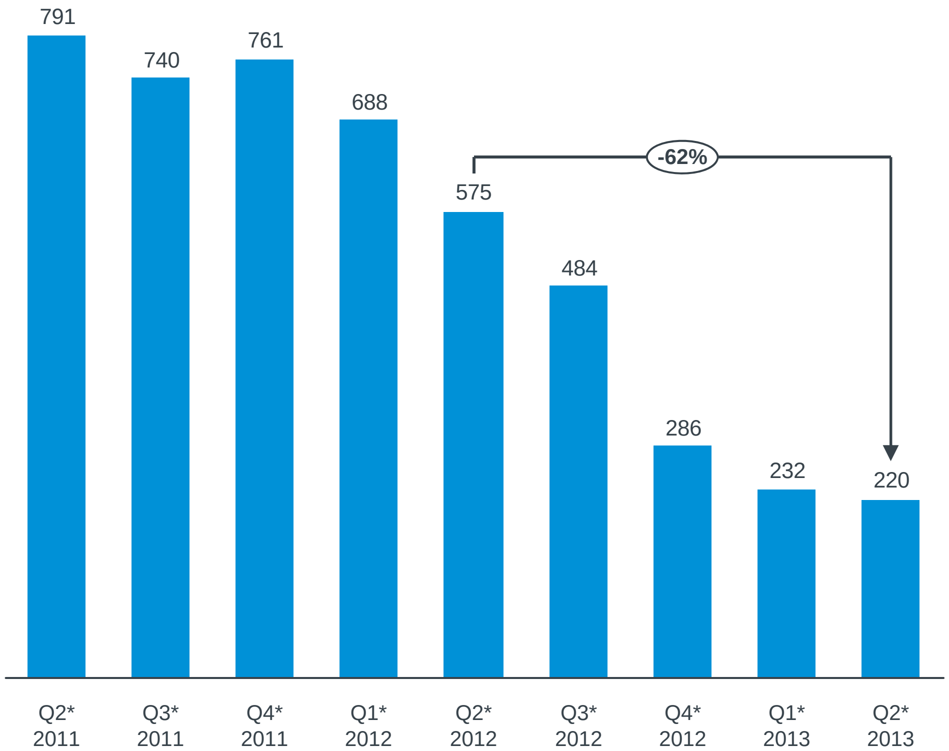
The reduction of salaried employees of 768 in the first half year of 2013 contributes to fixed cost savings.

The increase of 243 hourly paid employees in the first half year of 2013 is activity based and primarily constitutes of insourcing of service technicians in Germany and ramp -up at the tower factory in Pueblo, USA.

Lower capex

Last 12 months' net investments lowered to EUR 220m

Net investments, last 12 months
mEUR



- Last 12 months' net investment have been lowered by 62 per cent compared to one year ago.
- No new factories.
- Low R&D investments despite V164-8.0 MW development and new 3 MW wind turbine variants.

*12-month rolling net investments.

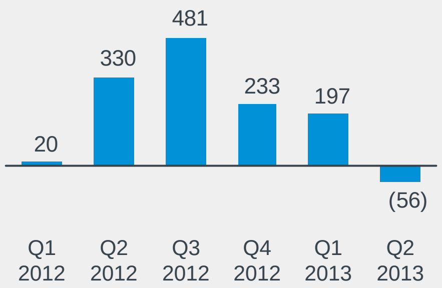
Capital efficiency and capacity utilisation

Improved net working capital during Q2 2013

III

Strategic leavers | Operational drivers

Net working capital



- Improved cash collection has driven down receivables.
- Sale of own wind power plant.
- Still room for improvement in MW under completion. 2,014 MW under completion end Q2 2013.

Assets held for sale

- Tower factory, Pueblo, USA: Activity level in the North American market is expected to result in full capacity utilisation in 2014. Decision to sell has been reversed.
- Machining and casting units: Vestas' ongoing negotiations with potential buyers for machining and casting units classified as assets held for sale indicate a lower value. Hence, these units were further written down in Q2 2013.

2 Financials

Shipments and deliveries

Shipments and deliveries decreased by 47 and 33 per cent, respectively

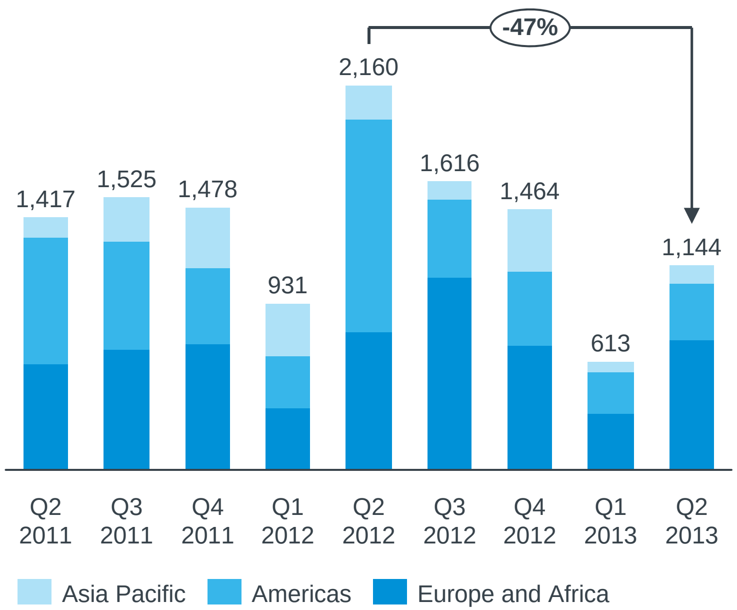
Shipments by region

- Shipments amounted to 1,144 MW in Q2 2013 – a decrease of 47 per cent compared to the very busy Q2 2012.
- The decrease is primarily driven by lower shipments in Americas.

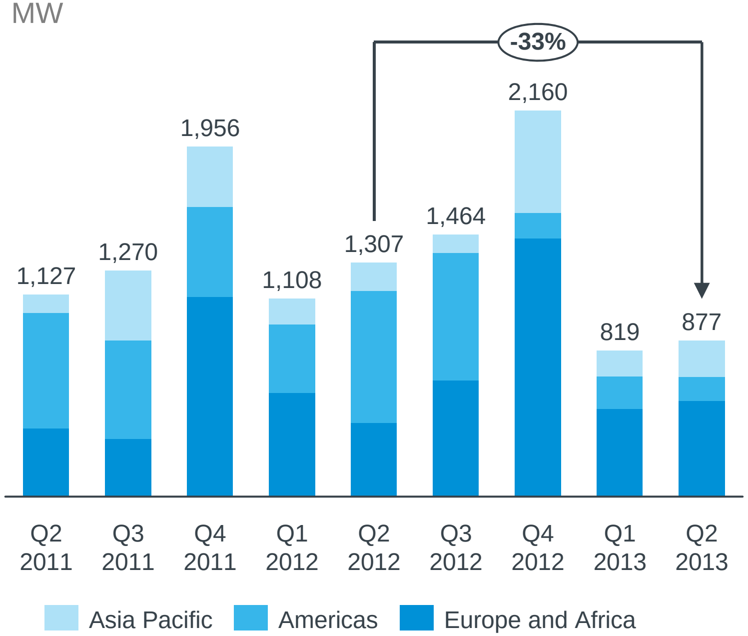
Deliveries (TOR*) by region

- Delivery (TOR*) amounted to 877 MW in Q2 2013 – a decrease of 33 per cent.
- Poland, China, Romania and Canada drove deliveries in Q2 2013.

Produced and shipped
MW



Deliveries (TOR*)
MW



*Transfer of risk.

Income statement
Q2 2013

mEUR	Q2 2013	Q2 2012	Change	FY 2012
Revenue	1,185	1,611	(426)	7,216
Cost of sales	(1,016)	(1,363)	347	(6,420)
Gross profit	169	248	(79)	796
Fixed costs*	(157)	(208)	51	(792)
EBIT before special items	12	40	(28)	4
Special items	(21)	(22)	1	(701)
EBIT after special items	(9)	18	(27)	(697)
Net profit/(loss)	(62)	(8)	(54)	(963)

*R&D, administration and distribution

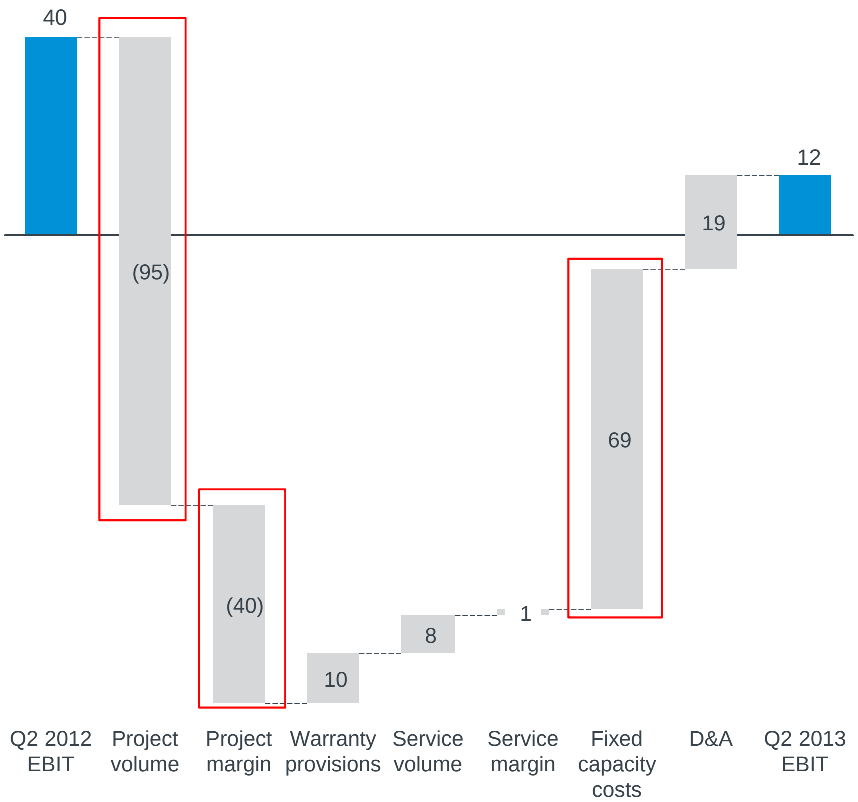
Gross margin	14.3%	15.4%	(1.1)%-pts	11.0%
EBITDA margin before special items	9.6%	10.0%	(0.4)%-pts	6.6%
EBIT margin before special items	1.0%	2.5%	(1.5)%-pts	0.1%

- Gross profit decreased due to lower activity level and lower project margins, partly offset by lower capacity costs and lower depreciation.
- EBIT before special items decreased by EUR 28m.
- Q2 2013 special items driven by writedowns.
- EBIT margin decreased by 1.5 percentage points.

EBIT development Q2 2013 vs Q2 2012

EBIT still positive despite significant decrease in activity

EBIT Q2 2013 vs Q2 2012
mEUR



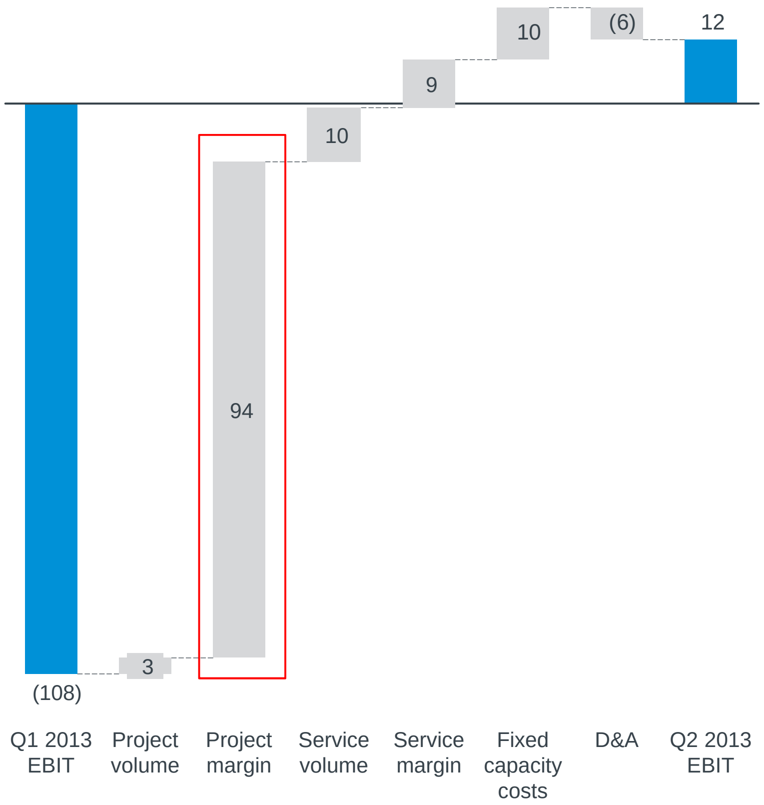
EBIT decreased by EUR 28m in Q2 2013 compared to Q2 2012 driven by:

- Lower project volume and lower project margins compared to the quite strong Q2 2012.
- However, this is partly offset by fixed capacity cost savings, lower depreciation and amortisation and growing service activity.

EBIT development Q2 2013 vs Q1 2013

Project margins improved significantly compared to Q1 2013

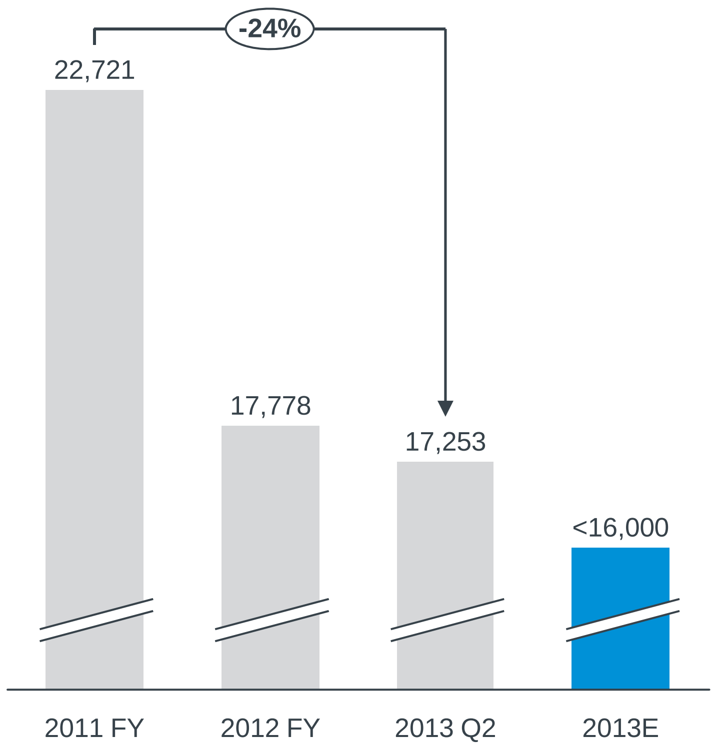
EBIT Q2 2013 vs Q1 2013
mEUR



- EBIT improvement of EUR 120m in Q2 2013 compared to Q1 2013 primarily driven by improved project margins of EUR 94m.

Reduction of employee costs
Employee reductions in 2013 of approx 1,800

Employees, end of period
Number of employees

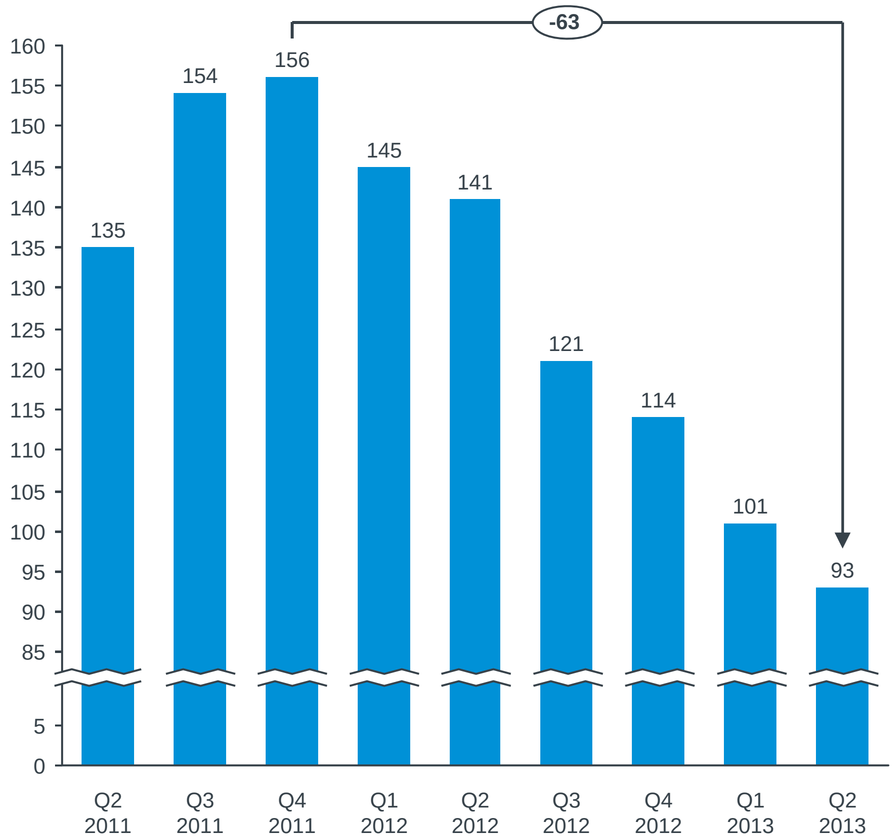


- Maximum 16,000 employees by year-end 2013 despite keeping and ramping-up the US tower factory.
- Employee reductions in H2 2013 of at least 1,253 through divestments of machining and casting (approx 1,000) employees, continuation of hiring freeze and layoffs.
- Number of employees will be scaled up and down depending on activity level.

Fixed costs*

Fixed costs excluding depreciation and amortisation continue to trend down

Fixed costs* excluding D&A
mEUR

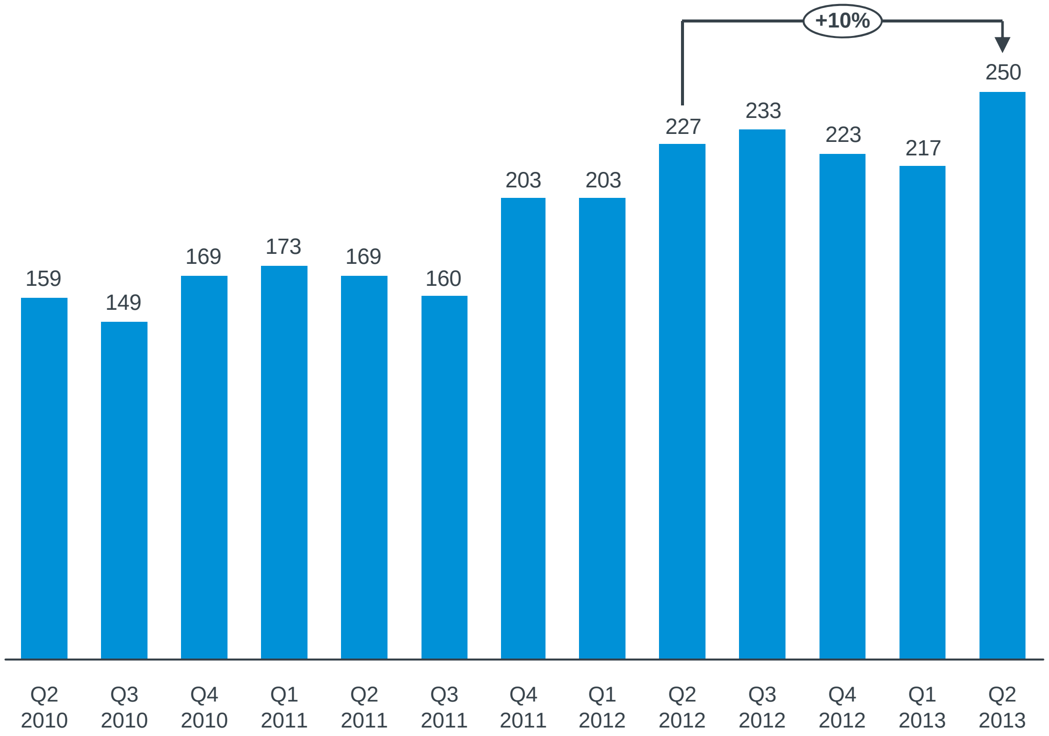


*R&D, administration and distribution.

- Headcount reductions is the major contributor to fixed costs savings.
- Note: Part of the more than EUR 400m of cost savings impacts cost of sales.

Service
Satisfactory development continues

Service revenue
mEUR



- Service revenue increased by 10 per cent compared to Q2 2012.
- Q2 2013 EBIT before allocation of Group costs: EUR 73m. Margin: 29 per cent vs 26 per cent in Q2 2012.
- Q2 2013 EBIT after allocation of Group costs: EUR 53m. Margin: 21 per cent vs 17 per cent in Q2 2012.
- Around 5,000 employees in the service business.

Balance sheet
Q2 2013

Assets (mEUR)	Q2 2013	Q2 2012	Change	FY 2012
Intangible assets	989	1,233	(244)	1,016
Property, plant and equipment	1,306	1,869	(563)	1,286
Other non-current assets	187	445	(258)	179
Non-current assets	2,482	3,547	(1,065)	2,481
Current assets	3,537	5,229	(1,692)	4,360
Non-current assets held for sale	21	0	21	131
Total assets	6,040	8,776	(2,736)	6,972

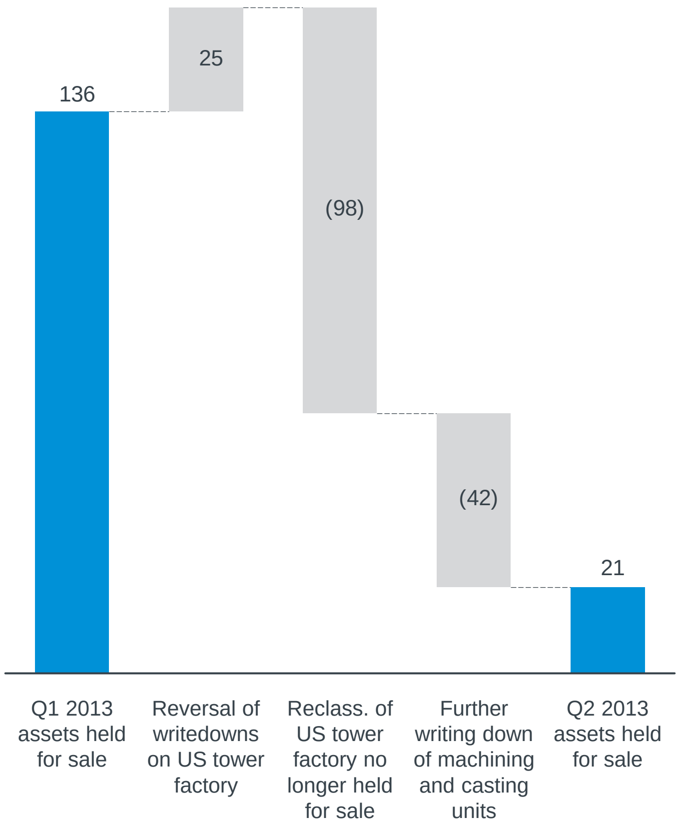
Liabilities (mEUR)	Q2 2013	Q2 2012	Change	FY 2012
Equity	1,375	2,438	(1,063)	1,622
Non-current liabilities	1,168	1,790	(622)	1,652
Current liabilities	3,497	4,548	(1,051)	3,698
Total equity and liabilities	6,040	8,776	(2,736)	6,972
Net debt	779	1,147	(368)	900
Net working capital	(56)	330	(386)	233
Solvency ratio (%)	22.8%	27.8%	(5.0)%-pts	23.3

- Vestas' non-current assets and equity decreased compared to Q2 2012 primarily driven by write-downs recognised over the past 12 months.
- Net debt decreased by EUR 368m over the last year.
- Negative NWC: An improvement of EUR 386m over the last year.

Assets held for sale

Change in the value of assets held for sale

Assets held for sale
mEUR



Sale of tower factory, Pueblo, USA, has been reversed: Due to expected full capacity utilisation in 2014, the writing down of the factory in 2012 was partially reversed by EUR 25m and reclassified to property, plant and equipment.

Machining and casting units: Vestas' ongoing negotiations with potential buyers for machining and casting units classified as assets held for sale indicate a lower value. Hence, these units were further written down by EUR 42m in Q2 2013.

Change in net working capital

Improved net working capital

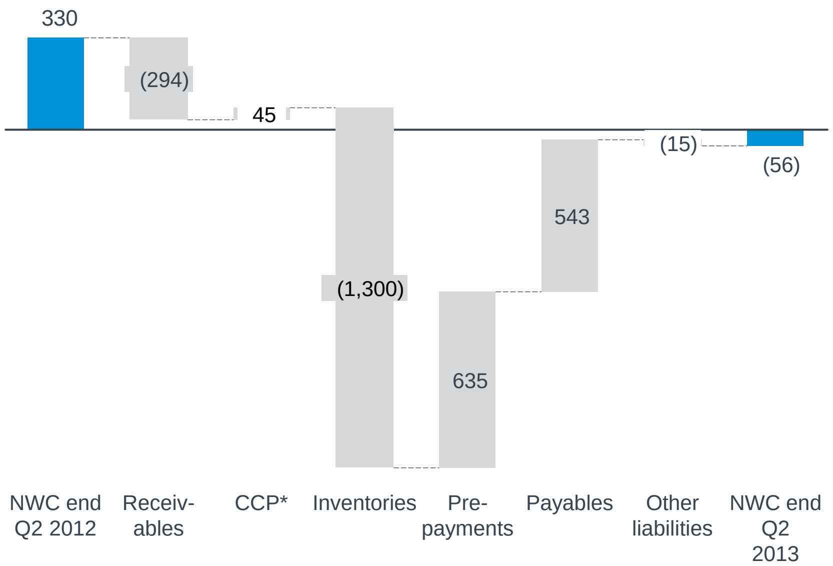
NWC decrease over the last 12 months

- Decrease in inventories partly offset by lower prepayments and payables.
- Prepayments impacted by lower order intake.

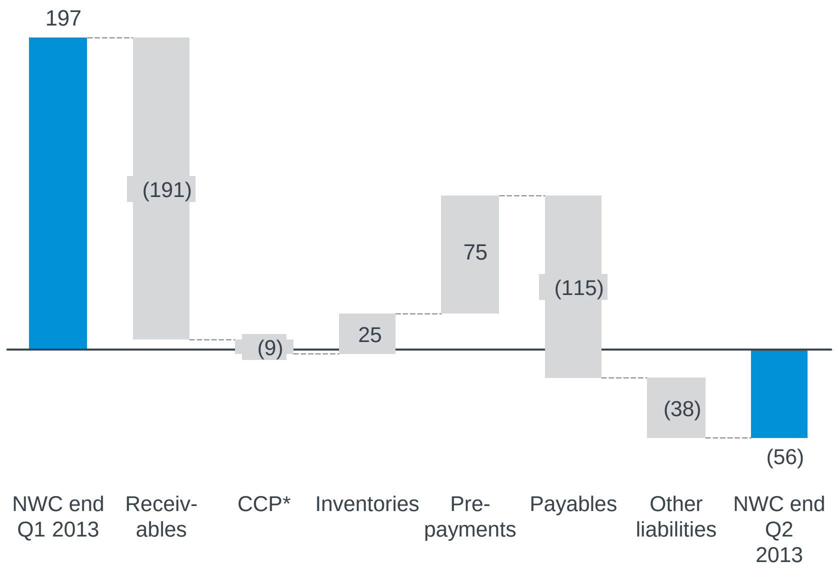
NWC improvement during Q2

- Lower receivables due to improved cash collection.
- Higher payables only partly offset by higher inventories.

NWC change over the last 12 months
mEUR



NWC change over the last three months
mEUR



*Construction contracts in progress.

Warranty provisions and Lost Production Factor

Warranty consumption and LPF continue at a low level

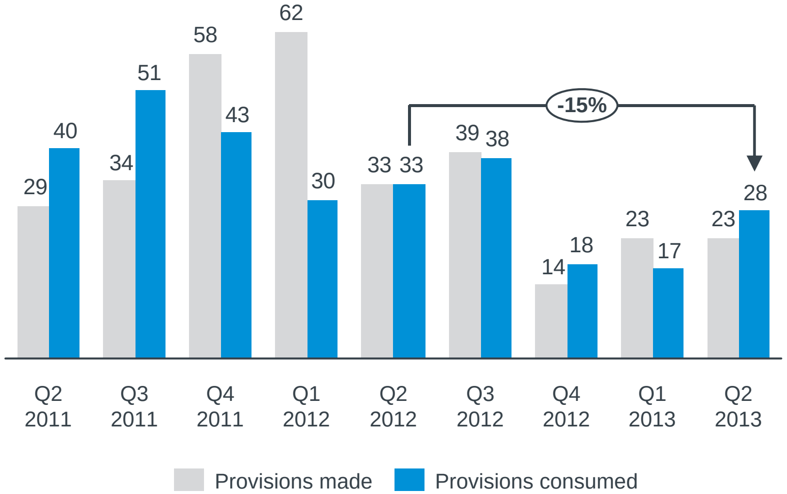
Warranty provisions and consumption

- Warranty provisions made in Q2 2013 amounted to EUR 23m.
- Warranty consumption in Q2 2013 amounted EUR 28m i.e. EUR 5m lower than in Q2 2012.
- Warranty consumption constitutes less than 1.5 per cent of revenue over the last 12 months.

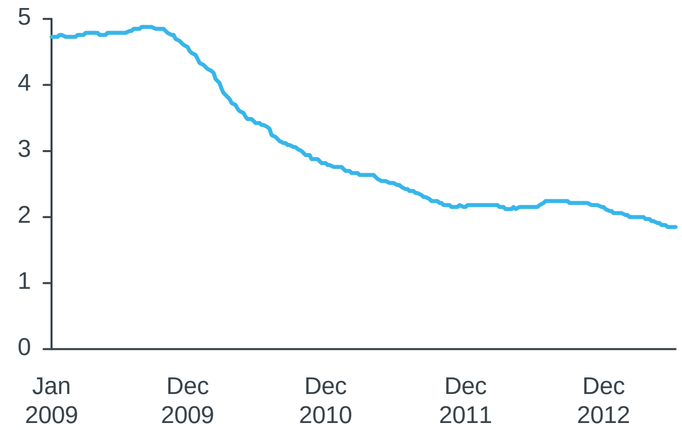
Lost Production Factor (LPF)

- End Q2 2013: LPF remains below 2 per cent.
- LPF measures potential energy production not captured by the wind turbines.

Warranty provisions made and consumed
mEUR



Lost production factor
Percentage



Cash flow statement
Q2 2013

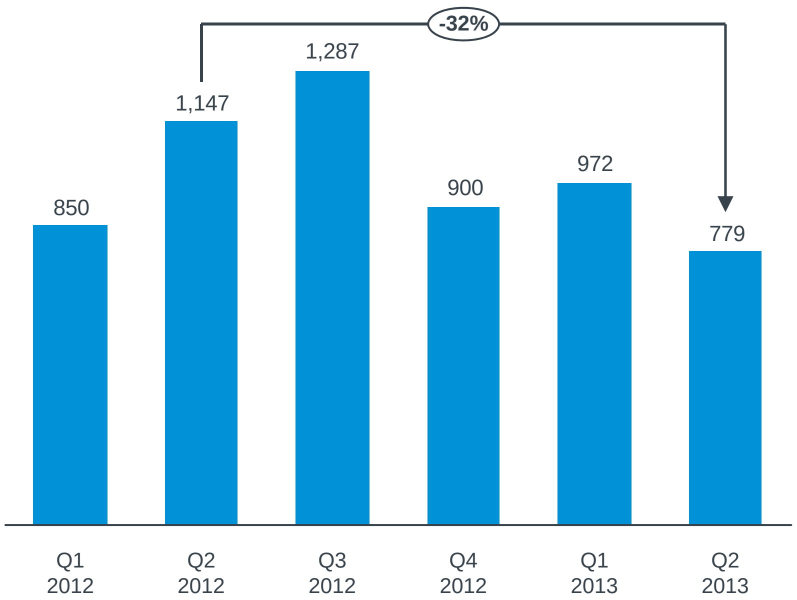
mEUR	Q2 2013	Q2 2012	Change	FY 2012
Cash flow from operating activities before change in working capital	7	48	(41)	231
Change in working capital	254	(310)	564	(304)
Cash flow from operating activities	261	(262)	523	(73)
Cash flow from investing activities	(64)	(76)	12	(286)
Free cash flow	197	(338)	535	(359)
Cash flow from financing activities	(274)	521	(795)	832
Change in cash at bank and in hand less current portion of bank debt	(77)	183	(260)	473

- Free cash flow increased by EUR 535m to EUR 197m in Q2 2013.

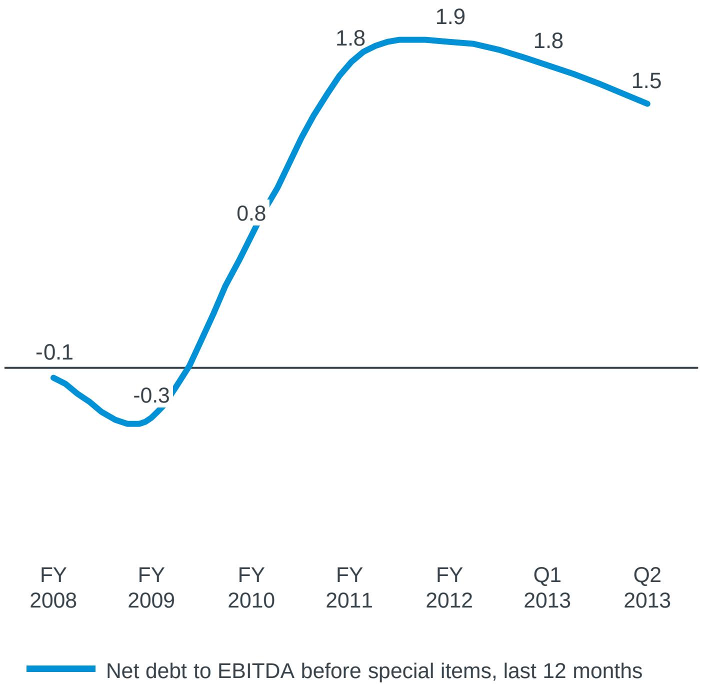
Net debt to EBITDA

Net debt to EBITDA at 1.5 and net debt reduced

Net debt
mEUR



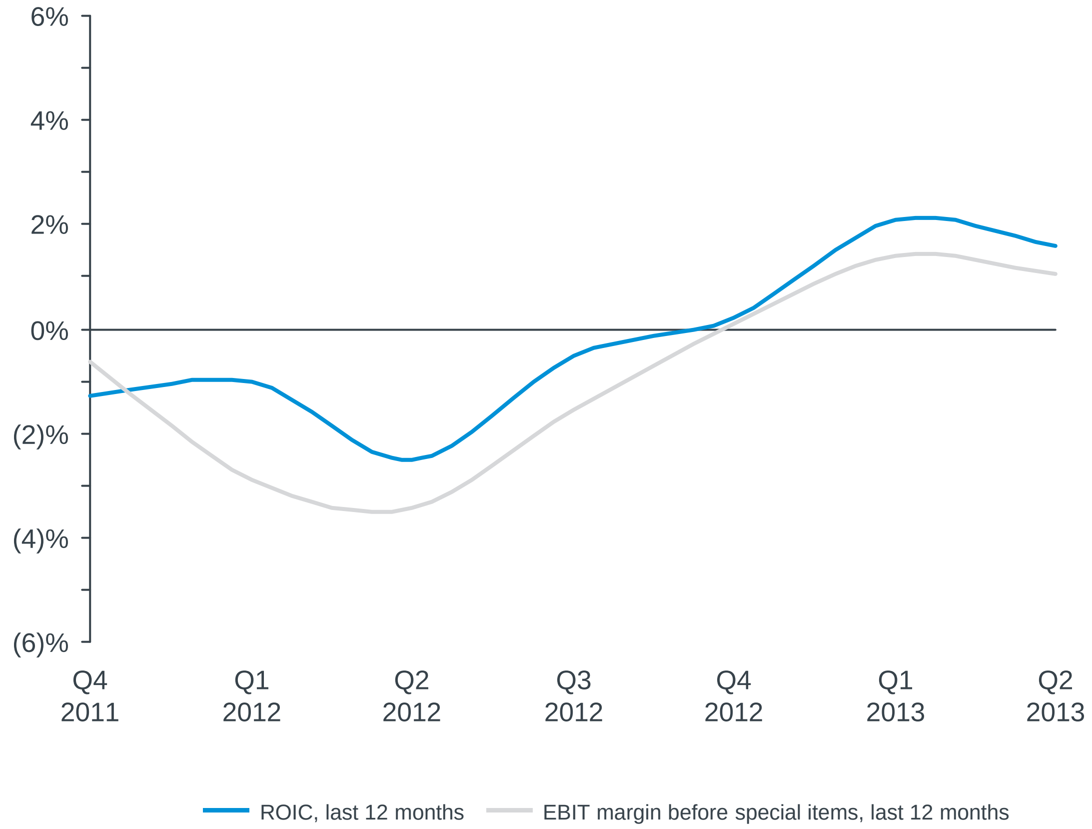
Net debt to EBITDA
×EBITDA



Return on invested capital

ROIC still at an unacceptable level

Return on invested capital* (ROIC)
Percentage



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

ROIC will increase by:

- Improved earnings through cost reductions, growth in service business and higher capacity utilisation.
- Better capital efficiency through capex-light solutions, improved net working capital and expected divestments.

3 Order intake and outlook

Wind turbine order intake

Vestas' global footprint and strong offering secure orders

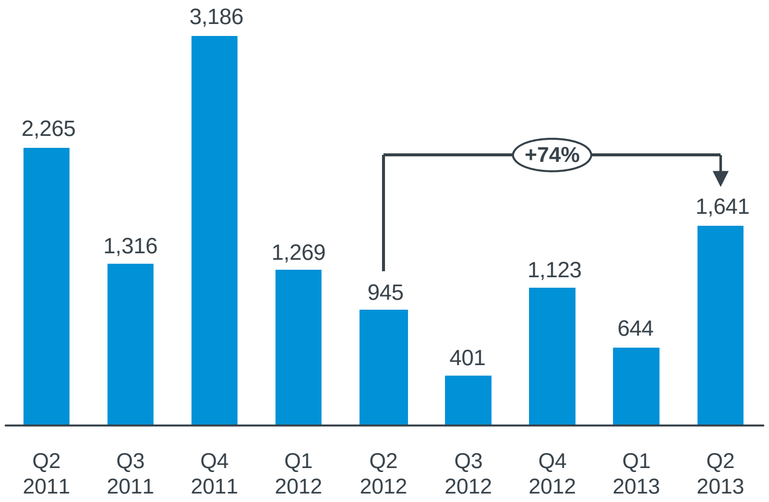
Improved wind turbine order intake

- Q2 2013 order intake was 74 per cent higher than in Q2 2012.
- Global footprint and strong offering secure orders in different markets.

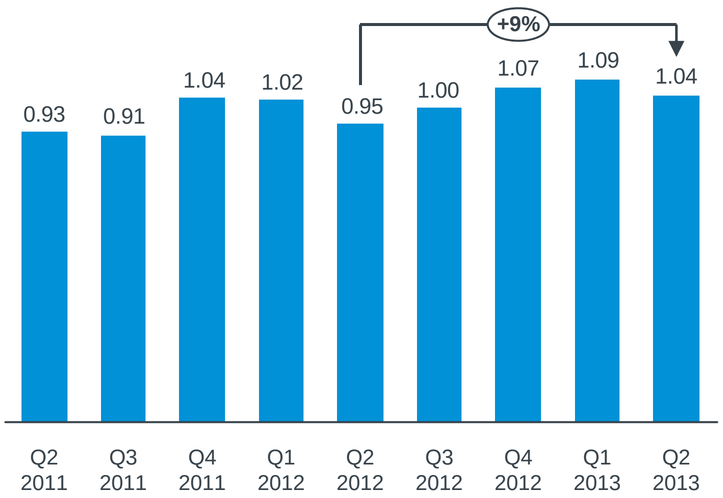
Price per MW

- Price per MW increased by 9 per cent compared to Q2 2012.
- 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



Backlog: Wind turbines

Q2 2013: Wind turbine backlog grew by EUR 0.1bn to EUR 7.1bn

Wind turbines:

EUR 7.1bn

- Due to uncertainty about a few customers' ability to comply with the contractual obligations, Vestas has resolved to lower the backlog value by EUR 0.4bn.
- Approx half of the amount relates to a specific customer in Vestas Central Europe.
- This does not change the 2013 and 2014 delivery plan.
- Furthermore, the order backlog has been negatively impacted by EUR 0.2bn due to currency fluctuations during Q2 2013.

Backlog: Service

Q2 2013: Service backlog grew by EUR 0.5bn to EUR 5.9bn

Service:

EUR 5.9bn

EUR 0.5bn

Growth in service order backlog compared to Q1 2013

>7 years

Average length of service contracts in the backlog

76 %

Renewal rate in Q2 2013

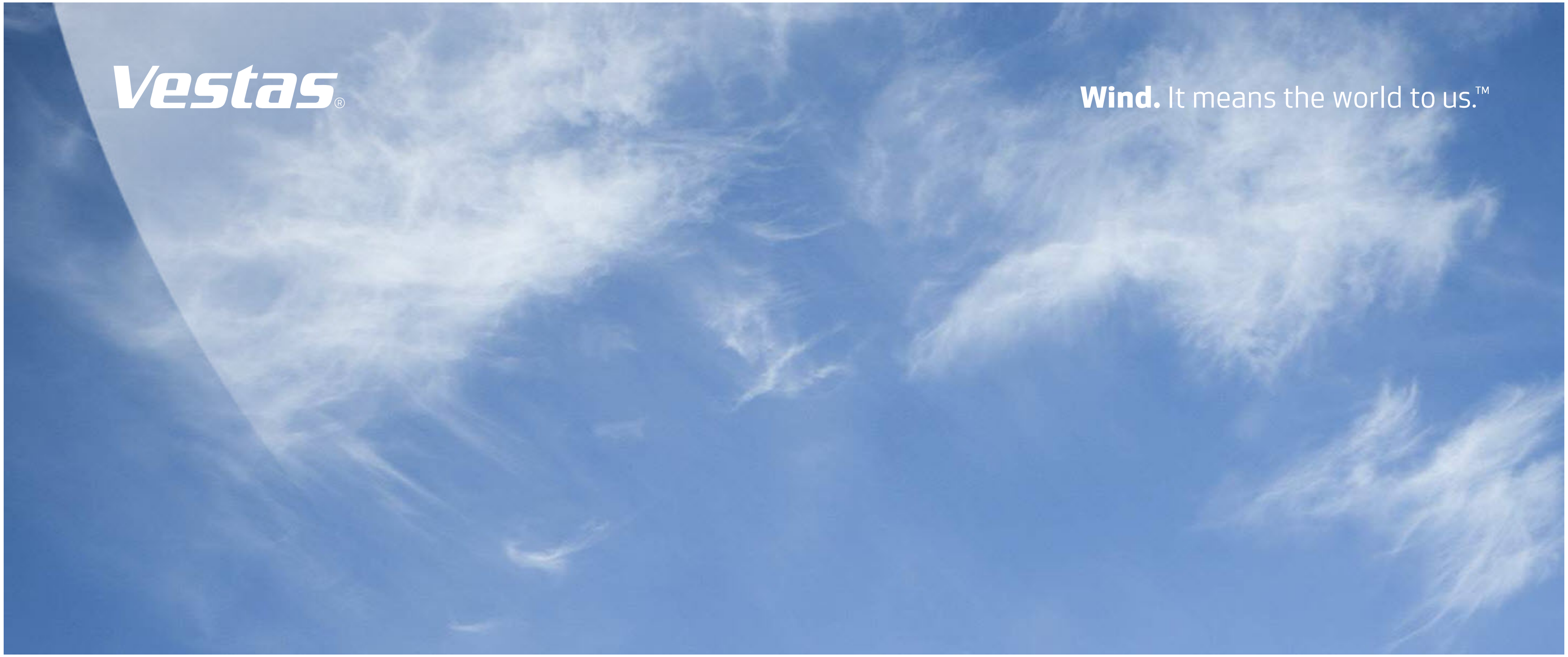
Outlook 2013

Free cash flow upgraded to at least EUR 200m

	Outlook
Shipments (GW)	4-5
Revenue (bnEUR)	Min. 5.5
- of which service revenue (bnEUR)	~1
EBIT margin before special items (%)	Min. 1
EBIT margin, service before allocation of Group costs (%)	~17
Free cash flow (mEUR)	Min. 200

- Vestas expects to see deliveries, revenue and earnings peak in the fourth quarter.
- Based on the current delivery plan, margins on the delivered projects are expected to be higher in the fourth quarter than in the third quarter.
- Based on a strong foothold and a pick-up in market growth in the USA, Vestas expects to see a significant US order intake in the second half of 2013.
- There are no plans to invest in new production facilities, and thus investments in property, plant and equipment are expected to be around EUR 150m.


4 Questions & answers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