

2015 – another step in the right direction



“2015 proved to be another step in the right direction for Vestas. The Board is pleased to observe the profitable growth delivered, which allows the company to continue its track record of providing stable shareholder returns.”

Bert Nordberg
Chairman of the Board of Directors

The future is wind

2015 ended with the historical agreement at the COP21 conference in Paris. While one could always argue that a better deal could have been reached, the broad global backing of the agreement does highlight the fact that climate change is an issue that ranks top of the global agenda. At Vestas, we could not agree more. We have for long been advocating the benefits of renewable energy and wind power specifically. Wind power is a cost-competitive, reliable energy source that is CO₂ neutral and does not pollute and I am as thrilled to chair the wind market leader today as I was when I joined the board three years ago.

The wind power industry has matured in recent years and we are now seen as one of the main contributors to a more sustainable power generation footprint. Some years ago, some people were asking “why should wind power be part of the energy mix?” Today, people are asking “how can we best make use of wind power in the energy mix?” Thus, the outlook for the industry certainly remains positive. The industry now finds itself on a stable trajectory – one that still includes attractive levels of growth as seen in 2015, but which at the same time increasingly has characteristics typically observed in mature, mainstream industries, exemplified by the fact that approx 20 percent of all installed electricity generation in 2015 was coming from wind power.

Strategy on track

For Vestas, 2015 has indeed been a year that has been characterised by growth and improved financial results, and as such continued to bring us closer to realising our vision to be the undisputed global wind leader. More specifically, the aspirations that follow from our vision are to:



- Be the market leader in revenue.
- Deliver best-in-class margins.
- Have the strongest brand in the wind power industry.
- Bring wind on a par with coal and gas.

We continuously work to deliver on all those four aspirations and 2015 was a year in which significant progress was achieved on each one of them. Our mission – to deliver best-in-class wind energy solutions and set the pace in the wind power industry to the benefit of Vestas' customers and the planet – is also more relevant than ever. As the topic of climate change becomes more and more important, Vestas finds itself in a sweet spot as a strong leader in an industry that provides the energy solutions for the future.

Our vision and mission serve as the beacons for executing our strategy, Profitable Growth for Vestas. The year was yet another step in the right direction as we saw significant progress within all the main objectives and targets that define the strategy:

- We have grown profitably in mature and emerging markets;
- the service business has grown well while delivering stable margins;
- our products and technologies continue to lower the cost of energy; and
- the operational efficiency of the company has further improved during the year.

Shareholder value creation continues

The Board and I are pleased to see that the operational results, Vestas has achieved during the year have also manifested themselves into

strong financial performance, allowing us to continue the journey we started last year by paying a dividend for the first time in 12 years. The Board's ambition is to continue to provide value to the shareholders, and it will probably come as no surprise that the Board recommends that dividend payments will continue on the back of the 2015 results. On top of that, we also initiated and completed the first share buy-back programme in the history of the company.

In many ways, the combined dividend and share buy-back structure illustrates the Board's view on how to manage the capital structure of the company. The clear intent of the Board is to adopt a long-term approach to the balance sheet but at the same time ensure that the shareholders benefit from the value a dividend provides. The share buy-back programme then serves as a more flexible tool to adjust the capital structure and further increase the total shareholder return.

In summary, it is the Board's view that Vestas finds itself well positioned for the future. The direction has been set by a clear strategy which, combined with a strong management team and a dedicated group of employees, provides the best thinkable basis for taking a lead role in tomorrow's energy market.

Bert Nordberg
Chairman of the Board of Directors