Disclaimer and cautionary statement

This document contains forward-looking statements concerning Vestas’ financial condition, results of operations and business. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in these statements.

Forward-looking statements include, among other things, statements concerning Vestas’ potential exposure to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. A number of factors that affect Vestas’ future operations and could cause Vestas’ results to differ materially from those expressed in the forward-looking statements included in this document, include (without limitation): (a) changes in demand for Vestas’ products; (b) currency and interest rate fluctuations; (c) loss of market share and industry competition; (d) environmental and physical risks, including adverse weather conditions; (e) legislative, fiscal, and regulatory developments, including changes in tax or accounting policies; (f) economic and financial market conditions in various countries and regions; (g) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, and delays or advancements in the approval of projects; (h) ability to enforce patents; (i) product development risks; (j) cost of commodities; (k) customer credit risks; (l) supply of components; and (m) customer created delays affecting product installation, grid connections and other revenue-recognition factors.

All forward-looking statements contained in this document are expressly qualified by the cautionary statements contained or referenced to in this statement. Undue reliance should not be placed on forward-looking statements. Additional factors that may affect future results are contained in Vestas’ annual report for the year ended 31 December 2016 (available at www.vestas.com/investor) and these factors also should be considered. Each forward-looking statement speaks only as of the date of this document. Vestas does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information or future events other than as required by Danish law. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this document.
Key highlights
Solid performance in Q2.

**Increased order intake**
Order intake in the quarter reached 2,667 MW.

**Revenue of EUR 2,206m**
Revenue in H1 2017 of EUR 4,091m - on par with H1 2016.

**Solid earnings**
EBIT margin at 12.6 percent.

**Strong service performance**
Revenue increased 14 percent with an EBIT margin of 19.4 percent.

**Share buy-back programme**
EUR 600m share buy-back programme launched to adjust the capital structure.
Agenda

1. Orders and markets

2. Financials

3. Outlook and questions & answers
The wind industry is evolving

Market is transitioning to more competitive tenders and auctions.

<table>
<thead>
<tr>
<th>Americas</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PTC timing in USA</strong>…</td>
</tr>
<tr>
<td>• Continued strong US demand driven by current PTC structure and competitiveness of wind energy.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Latin America auctions…</th>
</tr>
</thead>
<tbody>
<tr>
<td>• New auction announced for October in Mexico.</td>
</tr>
<tr>
<td>• Argentina and Bolivia expected to announce auctions.</td>
</tr>
<tr>
<td>• Auction expected in Brazil for Q4.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EMEA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EU moving towards 2020 and 2030 targets by introduction of auctions</strong>…</td>
</tr>
<tr>
<td>• First two auctions held in Germany – one more to come in 2017.</td>
</tr>
<tr>
<td>• RE auctions of 8 GW held in Spain.</td>
</tr>
<tr>
<td>• Auctions in Turkey and Russia.</td>
</tr>
</tbody>
</table>

**Positive signals in MEA**…

| • Steady growth and continued commitment but coming from a low base. |
| • 400 MW wind auction expected in Saudi Arabia in Q4. |

<table>
<thead>
<tr>
<th>Asia Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Continued commitment in China</strong>…</td>
</tr>
<tr>
<td>• 13th 5-year plan wind target of 205 GW cumulative installations by 2020.</td>
</tr>
<tr>
<td>• Curtailment being addressed.</td>
</tr>
<tr>
<td>• Green Certificate system in place since 1 July.</td>
</tr>
</tbody>
</table>

**India remains interesting**…

| • Target of 60 GW by 2022 remains in place, but transition to auctions creating some short-term uncertainty. |

**Broader Asia Pacific region on the move**…

| • Renewable targets in most markets. |

Vestas is maintaining and building its leadership position in the midst of this long-term fundamentally positive market transformation.

Vestas is confident in its strategy and its financial ambitions. Vestas continues to lower the cost of energy and optimize its products and service offerings.
Solid Q2 order intake

Order intake at 2,667 MW. Average selling price of EUR 0.81m per MW in the quarter.

Order intake

<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>MW</td>
<td>1,790</td>
<td>1,769</td>
<td>4,532</td>
<td>2,049</td>
<td>2,667</td>
</tr>
</tbody>
</table>

+877

Average selling price of order intake

<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>mEUR per MW</td>
<td>0.89</td>
<td>0.88</td>
<td>0.95</td>
<td>0.88</td>
<td>0.81</td>
</tr>
</tbody>
</table>

Key takes:

- Q2 2017 order intake was 877 MW higher than in Q2 2016, an increase of 49 percent.
- USA, Sweden, Argentina, Germany, and China were the main contributors to order intake in Q2 2017, accounting for more than 70 percent.

- Selling price in Q2 negatively impacted by exchange rates, high proportion of Chinese orders, absence of turnkey orders, and competitive markets.
- Price per MW depends on a variety of factors, i.e. wind turbine type, geography, scope, and uniqueness of the offering.
Solid order intake across all regions

Order intake in H1 2017 increased 12 percent compared to H1 2016, mainly driven by US, China, Argentina, and Germany.

- Increase primarily driven by strong US order intake.
- Good development in Argentina offsets decline in Canada and Brazil.

- Good activity level across Europe primarily driven by Germany and Sweden.
- Difference mainly driven by the 1 GW Statkraft order in Q1 2016.

- Strong development in China.
- Activity seen in India, Australia, and South Korea.
Further strengthening our two competitive platforms

Vestas is the only company in the industry with significant volume and track record in both 2 and 4 MW segments.

### 2 MW platform

Order intake by region, H1 2017

- **Total 2 MW**: 2,282 MW
  - Americas: 24%
  - EMEA: 9%
  - Asia Pacific: 67%
  - **V90-1.8/2.0 MW**
  - **V110-2.0 MW**
  - **V100-1.8/2.0 MW**
  - **V116-2.0 MW**

**Demand for proven performance remains strong:**
- Two new rotor sizes introduced, increasing AEP by 4-7 percent.
- Continued demand highlights flagship status of the V110-2.0 MW in the US market.

### 4 MW platform

Order intake by region, H1 2017

- **Total 4 MW**: 2,434 MW
  - Americas: 30%
  - EMEA: 4%
  - Asia Pacific: 66%
  - **V105-3.45 MW**
  - **V117-4.0/4.2 MW**
  - **V136-4.0/4.2 MW**
  - **V112-3.45 MW**
  - **V126-3.45 MW**
  - **V150-4.0/4.2 MW**
  - **V117-3.45 MW**
  - **V136-3.45 MW**

**Largest onshore rotor in the market unlocks new opportunities:**
- Upgrading to a 4 MW platform and introduction of V150 rotor. Potential to increase AEP by more than 20 percent.
- Suitable for weather conditions ranging from typhoon to ultra-low wind.
Regional delivery split
Declines mainly seen in Europe and Asia.

- Deliveries primarily driven by strong US market.
- Good activity in Brazil, Uruguay, and Mexico.

- Strong development in UK deliveries.
- Good activity in Germany, France, and Turkey not compensating for drops in South Africa and Sweden.

- China and India stable.
- Low activity in other markets in Asia Pacific.
Combined order backlog at more than EUR 20bn

Combined backlog increased by EUR 200m in the quarter, despite a negative FX impact of approx. EUR 600m.

Wind turbines:
EUR 9.1bn
EUR +0.1bn*

Service:
EUR 11.1bn
EUR +0.1bn*

* Compared to Q1 2017.
JV continues positive development
Burbo Bank Extension fully commissioned, V164-9.5 MW launched.

Since JV formation...

~2.5 GW
Announced FOI

~1.0 GW
Announced conditional & preferred supplier agreements

Manufacturing ramp-up and near-term project execution

- Final installation and commissioning of Nobelwind (BE) and Burbo Bank Extension (UK), the world’s first wind farm with V164-8.0 MW turbines.
- Began construction of state-of-the-art PCM assembly facility at Port of Esbjerg, Denmark.
- Upgraded the V164-8.0 MW platform to reach 9.5 MW at specific site conditions.

Projects currently in progress

- Blyth (UK)
  - 42 MW
  - V164-8.0 MW

- Rampion (UK)
  - 400 MW
  - V112-3.45 MW

- Walney Extension (UK)
  - 330 MW
  - V164-8.0 MW

- Rampion (UK)
  - 400 MW
  - V112-3.45 MW

- Rampion (UK)
  - 400 MW
  - V112-3.45 MW
Agenda

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## Income statement

### EBIT margin at 12.6 percent. Tough comparison to a strong Q2 2016.

<table>
<thead>
<tr>
<th>mEUR</th>
<th>Q2 2017</th>
<th>Q2 2016</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,206</td>
<td>2,557</td>
<td>(14)%</td>
</tr>
<tr>
<td>Production costs</td>
<td>(1,722)</td>
<td>(1,936)</td>
<td>11%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>484</td>
<td>621</td>
<td>(22)%</td>
</tr>
<tr>
<td>SG&amp;A costs*</td>
<td>(205)</td>
<td>(222)</td>
<td>8%</td>
</tr>
<tr>
<td>EBIT</td>
<td>279</td>
<td>399</td>
<td>(30)%</td>
</tr>
<tr>
<td>Income from investments in associates and joint ventures</td>
<td>(21)</td>
<td>(17)</td>
<td>(24)%</td>
</tr>
<tr>
<td>Net profit</td>
<td>186</td>
<td>278</td>
<td>(33)%</td>
</tr>
</tbody>
</table>

**Key takes:**

- Revenue decreased 14 percent, primarily driven by lower MW-deliveries.
- Gross profit down by 2.4 percentage points, mainly driven by the decreased revenue and lower average margins.
- EBIT down by 30 percent mainly driven by the lower gross profit and impact from facility write-down.

* R&D, administration, and distribution.
SG&A costs

SG&A costs continue to be under control, providing leverage YoY.

**Key takes:**

- SG&A costs slightly down YoY.
- Relative to activity levels, SG&A costs amounted to 6.7% - a decrease of 1.1 percentage points compared to Q2 2016.

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*SG&A costs (TTM)*
mEUR and percent of revenue

- Q3 2015: 638 mEUR, 8.1%
- Q4 2015: 645 mEUR, 7.7%
- Q1 2016: 660 mEUR, 7.9%
- Q2 2016: 712 mEUR, 7.8%
- Q3 2016: 713 mEUR, 7.2%
- Q4 2016: 705 mEUR, 6.9%
- Q1 2017: 709 mEUR, 6.6%
- Q2 2017: 692 mEUR, 6.7%

* R&D, administration, and distribution on trailing 12 months basis.
Service

Strong service performance driven by high activity levels.

Key takes:

- Service revenue increased by 14 percent compared to Q2 2016 mainly due to higher activity levels.

- Q2 2017 EBIT: EUR 72m. Q2 2017 EBIT Margin: 19.4 percent.

- Service order backlog growth of EUR 0.1bn compared to Q1 2017, despite FX headwind of approx. EUR 300m.
Balance sheet remains strong.

### Assets (mEUR)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2017</th>
<th>Q2 2016</th>
<th>Abs. change</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>2,799</td>
<td>2,556</td>
<td>243</td>
<td>10%</td>
</tr>
<tr>
<td>Current assets</td>
<td>7,399</td>
<td>7,023</td>
<td>376</td>
<td>5%</td>
</tr>
<tr>
<td>Total assets</td>
<td>10,198</td>
<td>9,579</td>
<td>619</td>
<td>6%</td>
</tr>
</tbody>
</table>

### Liabilities (mEUR)

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>3,142</td>
<td>2,925</td>
<td>217</td>
<td>7%</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,150</td>
<td>959</td>
<td>191</td>
<td>20%</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>5,906</td>
<td>5,695</td>
<td>211</td>
<td>4%</td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td>10,198</td>
<td>9,579</td>
<td>619</td>
<td>6%</td>
</tr>
</tbody>
</table>

### Key figures (mEUR)

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest bearing position (net)</td>
<td>2,636</td>
<td>2,083</td>
<td>553</td>
<td>27%</td>
</tr>
<tr>
<td>Net working capital</td>
<td>(1,225)</td>
<td>(1,016)</td>
<td>(209)</td>
<td>21%</td>
</tr>
<tr>
<td>Solvency ratio (%)</td>
<td>30.8</td>
<td>30.5</td>
<td>-</td>
<td>0.3%-pts</td>
</tr>
</tbody>
</table>

**Key takes:**

- Net cash position increased to EUR 2,636m.
- Positive net working capital development of EUR 209m.
- Solvency ratio at 30.8 percent.
**Change in net working capital**

Satisfactory net working capital management despite impact from high activity levels.

**NWC change over the last 12 months**

<table>
<thead>
<tr>
<th>mEUR</th>
<th>NWC end Q2 2016</th>
<th>Receivables</th>
<th>CCP*</th>
<th>Inventories</th>
<th>Pre-payments</th>
<th>Payables</th>
<th>Other liabilities</th>
<th>NWC end Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,016)</td>
<td></td>
<td>(357)</td>
<td>10</td>
<td>408</td>
<td>(129)</td>
<td>(436)</td>
<td>295</td>
<td>(1,225)</td>
</tr>
</tbody>
</table>

**NWC change over the last 3 months**

<table>
<thead>
<tr>
<th>mEUR</th>
<th>NWC end Q1 2017</th>
<th>Receivables</th>
<th>CCP*</th>
<th>Inventories</th>
<th>Pre-payments</th>
<th>Payables</th>
<th>Other liabilities</th>
<th>NWC end Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,710)</td>
<td></td>
<td>199</td>
<td>15</td>
<td>363</td>
<td>15</td>
<td>(190)</td>
<td>83</td>
<td>(1,225)</td>
</tr>
</tbody>
</table>

**Key takes:**

- Improvement driven by receivables, prepayments, and trade payables mainly offset by higher inventory.

- Net working capital increased by EUR 485m in Q2 2017 due to higher activity levels.

- Development mainly driven by higher inventories and receivables slightly offset by trade payables.

* Construction contracts in progress.
Warranty provisions and Lost Production Factor

Warranty consumption and LPF continue at a low level.

**Warranty provisions made and consumed**

<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisions made</td>
<td>48</td>
<td>52</td>
<td>100</td>
<td>35</td>
<td>41</td>
</tr>
<tr>
<td>Provisions consumed</td>
<td>18</td>
<td>27</td>
<td>26</td>
<td>23</td>
<td>36</td>
</tr>
</tbody>
</table>

**Lost Production Factor (LPF)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5</td>
<td>5.0</td>
<td>4.5</td>
<td>4.0</td>
<td>3.5</td>
<td>3.0</td>
<td>2.5</td>
<td>2.0</td>
<td>1.5</td>
</tr>
</tbody>
</table>

**Key takes:**

- Warranty consumption increased, however in line with past provisions made.
- Warranty provisions made correlates with revenue in the quarter, corresponding to approx. 1.9 percent in Q2 2017.
- LPF continues at a low level below 2.0.
- LPF measures potential energy production not captured by the wind turbines.
### Cash flow statement

Solid underlying cash generation from operating activities. Negative impact from NWC as expected.

<table>
<thead>
<tr>
<th>mEUR</th>
<th>Q2 2017</th>
<th>Q2 2016</th>
<th>Abs. change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities before change in net working capital</td>
<td>411</td>
<td>557</td>
<td>(146)</td>
</tr>
<tr>
<td>Change in net working capital*</td>
<td>(453)</td>
<td>(131)</td>
<td>(322)</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>(42)</td>
<td>426</td>
<td>(468)</td>
</tr>
<tr>
<td>Cash flow from investing activities*</td>
<td>(116)</td>
<td>(96)</td>
<td>(20)</td>
</tr>
<tr>
<td>Free cash flow**</td>
<td>(158)</td>
<td>330</td>
<td>(488)</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>(320)</td>
<td>(222)</td>
<td>(98)</td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalents</td>
<td>(478)</td>
<td>108</td>
<td>(586)</td>
</tr>
</tbody>
</table>

* Change in net working capital in Q2 2017 impacted by non-cash adjustments and exchange rate adjustments with a total amount of EUR (32)m.

** Before investments in marketable securities and short-term financial investments.

### Key takes:

- Free cash flow of EUR (158)m.
- Underlying cash flow from operating activities at EUR 411m, driven by activity levels.
- NWC primarily impacted by inventory build-up.
- Cash flow from financing activities impacted by dividend payment.
Total investments

Total investments in line with expectations.

**Net investments**

<table>
<thead>
<tr>
<th>mEUR</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>96</td>
<td>113</td>
<td>226</td>
<td>87</td>
<td>116</td>
<td></td>
</tr>
<tr>
<td>(99)</td>
<td></td>
<td></td>
<td>(12)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Key takes:

- Investments increased by EUR 20m compared to Q2 2016, primarily driven by tangible blade investments and capitalised R&D.

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* Before investments in marketable securities and short-term financial investments.
Capital structure

Capital structure targets within set boundaries.

Net debt to EBITDA

Net debt to EBITDA, last 12 months

Net debt to EBITDA, financial target

Solvency ratio

Percent

Key takes:

- Net debt to EBITDA of (1.4) in Q2 2017.
- Development primarily driven by lower net cash position.

Key takes:

- Solvency ratio of 30.8 percent in Q2 2017.
- Q2 2017 level remains within the set boundaries and is largely in line with Q2 2016.
Share buy-back programme of up to EUR 600m launched
Adjusting capital structure to address strong cash position, total EUR ~700m buy-backs in 2017.

**Rationale and purpose**
The expected strong 2017 cash flow allows Vestas to continue to adjust its capital structure. Combined with the approx. EUR100m share buy-back programme launched in first quarter 2017, Vestas will return approx. EUR 700m to its shareholders through share buy-backs in 2017, whilst continuing to maintain a strong balance sheet. Additionally, EUR 278m was returned as dividends in Q2.

**Size and timing**
Share buy-back programme of up to DKK 4,460m (EUR 600m) in accordance with the safe harbour rules. Programme launched on 17 August 2017 and running until 30 December 2017.

**Dividend policy**
Dividend policy of 25-30 percent of net profit will remain and not be affected by this share buy-back programme.

**Priorities for capital allocation unchanged**
Focus on organic growth and potentially bolt-on acquisitions. Dividend payment during H1 given AGM approval and share buy-backs in H2 if relevant.
Return on invested capital (ROIC) at very high level of 400.8 percent.

Key takes:

- ROIC increased to 400.8 percent in Q2 2017, an improvement of 252.6 percentage points compared to Q2 2016.

- Development primarily driven by working capital elements as well as the improved operating result after tax.
1. Orders and markets

2. Financials

3. Outlook and questions & answers
Outlook 2017

<table>
<thead>
<tr>
<th></th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue (bnEUR)</strong></td>
<td>9.25-10.25</td>
</tr>
<tr>
<td><strong>EBIT margin before special items (%)</strong></td>
<td>12-14</td>
</tr>
<tr>
<td><strong>Total investments (mEUR)</strong></td>
<td>approx. 350</td>
</tr>
<tr>
<td><em>(Before investments in marketable securities and short-term financial investments, and incl. proceeds of EUR 99m from sale of office building facilities.)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Free cash flow (mEUR)</strong></td>
<td>min. 700</td>
</tr>
<tr>
<td><em>(Before investments in marketable securities and short-term financial investments, and incl. proceeds of EUR 99m from sale of office building facilities.)</em></td>
<td></td>
</tr>
</tbody>
</table>

The 2017 outlook is based on current foreign exchange rates.
Q&A

Financial calendar 2017:

• Disclosure of Q3 2017 (9 November)
Thank you for your attention