Vestas

Vestas Wind Systems A/S

Interim financial report Second quarter 2015

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Contents

Information meeting (audiocast)
On Wednesday 19 August 2015 at 10 a.m. CEST (9 a.m. BST), Vestas will host an information meeting via an audiocast. The audiocast will be accessible via vestas.com/investor.

The meeting will be held in English and questions may be asked through a conference call. The telephone numbers for the conference call are:

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Denmark:	+45 8233 3178

Presentation material for the information meeting will be available approx one hour before the meeting at vestas.com/investor.

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Summary

Revenue, earnings, and free cash flow increased compared to the second quarter of 2014. Outlook for 2015 maintained.

In the second quarter of 2015, Vestas generated revenue of EUR 1,749m – an increase of 30 percent compared to the year-earlier period. EBIT before special items increased by EUR 41m to EUR 145m. The EBIT margin before special items was 8.3 percent and the free cash flow increased by EUR 204m to EUR 183m compared to the second quarter of 2014.

The intake of firm and unconditional wind turbine orders amounted to 3,018 MW in the second quarter of 2015. The value of the wind turbine order backlog amounted to EUR 8.8bn at 30 June 2015. In addition to the wind turbine order backlog, Vestas had service agreements with contractual future revenue of EUR 8.1bn at the end of June 2015. Thus, the value of the combined backlog of wind turbine orders and service agreements stood at EUR 16.9bn – an increase of EUR 3.0bn compared to the year-earlier period.

Vestas maintains its full-year guidance of revenue of minimum EUR 7.5bn, an EBIT margin before special items of minimum 8.5 percent, total investments of approx EUR 350m, and free cash flow of minimum EUR 600m.

Group President & CEO Anders Runevad said*: "Vestas continued to execute well on our strategy in the second quarter of 2015, delivering a strong result on our key financial and operational parameters. Order intake was particularly strong, and with a combined order backlog of EUR 16.9bn we are well-positioned for the future. I am very pleased with our employees' performance across the globe, which secures Vestas' position as the wind industry leader. The profitable growth strategy is firmly on track as we leverage our key strengths – global reach, technology & service leadership, and scale".*

Key highlights

Very strong order intake in the quarter
Order intake in Q2 2015 reached 3,018 MW – up 56 percent.

Largest combined order backlog ever
Wind turbine and service order backlog of EUR 16.9bn.

Return on invested capital (ROIC) remains at record high level
ROIC increased to 55 percent (TTM).

Earnings continue to improve
EBIT before special items of EUR 145m – up 39 percent – equal to a margin of 8.3 percent.

Continued strong cash flow
Free cash flow of EUR 183m strongly impacted by an increase in the cash flow from operating activities.

Highlights for the Group

mEUR	Q2 2015[1)]	Q2 2014[1)]	H1 2015[1)]	H1 2014[1)]	FY 2014
Financial highlights					
Income statement					
Revenue	1,749	1,341	3,268	2,624	6,910
Gross profit	315	260	541	444	1,178
Profit before financial income and expenses, depreciation and amortisation (EBITDA) before special items	230	202	391	330	929
Operating profit (EBIT) before special items	145	104	224	144	559
Profit before financial income and expenses, depreciation and amortisation (EBITDA) after special items	230	252	391	387	977
Operating profit (EBIT) after special items	145	154	224	181	607
Net financial items	(4)	(9)	(11)	(34)	(53)
Profit before tax	168	126	244	128	523
Net profit	125	94	181	96	392
Balance sheet					
Balance sheet total	8,001	6,357	8,001	6,357	6,997
Equity	2,577	2,010	2,577	2,010	2,379
Provisions	409	373	409	373	390
Average interest-bearing position (net)	1,674	374	1,592	269	494
Net working capital	(1,025)	(336)	(1,025)	(336)	(957)
Investments in property, plant and equipment	50	32	90	54	163
Cash flow statement					
Cash flow from operating activities	262	34	471	76	1,126
Cash flow from investing activities	(79)	(55)	(142)	(121)	(285)
Free cash flow	183	(21)	329	(45)	841
Cash flow from financing activities	(111)	(25)	(208)	396	389
Change in cash at bank and in hand less current portion of bank debt	72	(46)	121	351	1,230
Financial ratios[2)]					
Financial ratios					
Gross margin (%)	18.0	19.4	16.6	16.9	17.0
EBITDA margin before special items (%)	13.2	15.1	12.0	12.6	13.4
EBIT margin before special items (%)	8.3	7.8	6.9	5.5	8.1
EBITDA margin after special items (%)	13.2	18.8	12.0	14.7	14.1
EBIT margin after special items (%)	8.3	11.5	6.9	6.9	8.8
Return on invested capital (ROIC) (%) before special items[3)]	54.6	19.0	54.6	19.0	35.3
Solvency ratio (%)	32.2	31.6	32.2	31.6	34.0
Net working capital as percentage of revenue (%)	(13.7)[4)]	(5.6)	(13.7)[4)]	(5.6)	(13.8)
Return on equity[3)] (%)	20.7	14.1	20.7	14.1	20.1
Gearing (%)	19.4	30.8	19.4	30.8	25.5
Share ratios					
Earnings per share[5)] (EUR)	2.2	1.0	2.2	1.0	1.8
Book value per share (EUR)	11.5	9.0	11.5	9.0	10.6
Price/book value (EUR)	3.9	4.1	3.9	4.1	2.9
Cash flow from operating activities per share (EUR)	1.2	0.1	2.1	0.3	5.0
Proposed dividend per share (EUR)	0.0	0.0	0.0	0.0	0.5
Payout ratio (%)	0.0	0.0	0.0	0.0	29.5
Share price at the end of the period (EUR)	44.8	36.8	44.8	36.8	30.4
Average number of outstanding shares[6)] (million)	221	221	221	218	221
Number of shares at the end of the period (million)	224	224	224	224	224

1) Neither audited nor reviewed.
2) The ratios have been calculated in accordance with the guidelines from “Finansforeningen” (The Danish Finance Society) (Recommendations and Financial ratios 2010).
3) Calculated over a 12-month period.
4) Net working capital as percentage of minimum outlook for revenue.
5) Earnings per share has been calculated over a 12-month period and in accordance with IAS 33 on earnings per share.
6) Average number of outstanding shares does not include treasury shares. The number is used for calculation of Earnings per share.

	Q2 2015[1]	Q2 2014[1]	H1 2015[1]	H1 2014[1]	FY 2014
Operational key figures					
Order intake (bnEUR)	2.7	1.7	4.3	2.7	5.8
Order intake (MW)	3,018	1,932	4,768	3,120	6,544
Order backlog – wind turbines (bnEUR)	8.8	7.4	8.8	7.4	6.7
Order backlog – service (bnEUR)	8.1	6.5	8.1	6.5	7.0
Produced and shipped wind turbines (MW)	1,990	1,457	3,321	2,581	6,125
Produced and shipped wind turbines (number)	856	577	1,374	1,040	2,527
Deliveries (MW)	1,601	1,145	2,872	2,133	6,252
Social and environmental key figures[2]					
Occupational health & safety					
Total recordable injuries (number)[3]	72	90	172	166	384
- of which lost time injuries (number)	12	17	29	32	53
- of which fatal injuries (number)	0	0	0	0	0
Consumption of resources					
Consumption of energy (GWh)	111	95	256	233	501
- of which renewable energy (GWh)	69	58	135	121	278
- of which renewable electricity (GWh)	63	54	120	109	255
Consumption of fresh water (1,000 m^3)	94	99	190	178	366
Waste disposal					
Volume of waste (1,000 tonnes)	17	13	31	22	51
- of which collected for recycling (1,000 tonnes)	8	6	15	11	27
Emissions					
Direct emission of CO_2 (1,000 tonnes)	8	8	24	24	50
Indirect emission of CO_2 (1,000 tonnes)	6	6	13	14	29
Local community					
Environmental accidents (number)	0	0	0	0	0
Breaches of internal inspection conditions (number)	0	1	0	2	3
Employees[4]					
Average number of employees	18,575	15,824	18,259	15,612	16,335
Number of employees at the end of the period	18,834	16,078	18,834	16,078	17,598
- of which outside EMEA	8,269	7,162	8,269	7,162	7,441
Social and environmental indicators[2]					
Occupational health and safety					
Incidence of total recordable injuries per one million working hours	7.8	11.0	9.5	10.6	11.8
Incidence of lost time injuries per one million working hours	1.3	2.0	1.6	2.0	1.6
Absence due to illness among hourly-paid employees (%)	1.7	2.3	2.0	2.5	2.3
Absence due to illness among salaried employees (%)	1.1	1.1	1.2	1.2	1.3
Products					
CO_2 savings over the lifetime on the MW produced and shipped (million tonnes of CO_2)	56	41	94	73	173
Utilisation of resources					
Renewable energy (%)	62	60	53	52	56
Renewable electricity for own activities (%)	100	100	100	100	100
Employees					
Women in Board of Directors[5] and Executive Management (%)	23	23	23	23	23
Women at management level (%)[6]	18	18	18	18	18
Non-Danes at management level (%)[6]	54	54	54	54	54

1) Neither audited nor reviewed.
2) Accounting policies for social and environmental key figures for the Group, see page 107-109 of the annual report 2014.
3) Total recordable injuries include fatalities, lost time injuries, restricted work injuries, and medical treatment injuries.
4) The employee counting practice has changed from 1 January 2015. With the new employee counting practice the Group no longer includes external hourly-paid employees working for Vestas. Only employees on Vestas' payroll are counted and reported as Vestas employees. The change has been made to give a direct correlation to staff costs. The Group still keeps track of contractors managed by Vestas to have a measure of the combined workforce and overall safety performance. Comparatives have been changed accordingly.
5) Only Board members elected by the general meeting are included.
6) Employees at management level comprise employees at level IPE54+ according to Mercer's International Position Evaluation System.

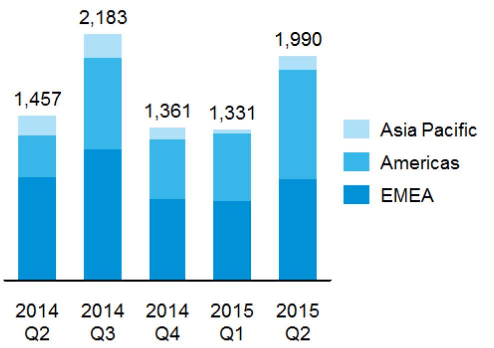
Financial performance

Order backlog and activities – wind turbines

The quarterly order intake was 3,018 MW, of which 82 percent was announced. This is an improvement of 1,086 MW or 56 percent compared to the second quarter of 2014. The strong order intake came from a total of 20 countries.

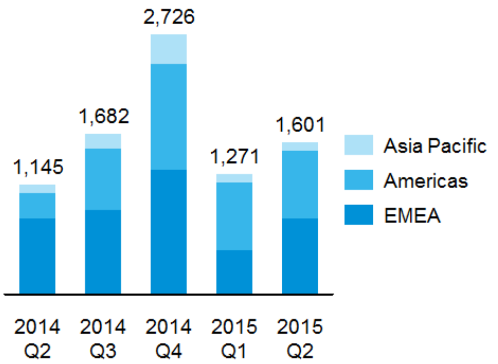
The order backlog amounted to 9,433 MW at the end of June 2015. This is an improvement of 1,102 MW compared to the end of June 2014. Europe, Middle East and Africa (EMEA) accounted for 51 percent of the backlog, and Americas and Asia Pacific accounted for 44 and 5 percent, respectively. The value of the order backlog was EUR 8.8bn at the end of June 2015 compared to EUR 7.4bn at the end of June 2014; an increase of 19 percent.

Produced and shipped
MW



In the second quarter of 2015, Vestas produced and shipped wind turbines with an aggregate output of 1,990 MW (856 wind turbines) against 1,457 MW (577 wind turbines) in the second quarter of 2014.

Deliveries (TOR*)
MW



*Transfer of risk

Final capacity delivered (transfer of risk) to the customers amounted to 1,601 MW; an increase of 40 percent compared to the second quarter of 2014. The improvement was mainly driven by increased deliveries in the USA. Deliveries within the EMEA region were overall stable, with the usual fluctuating delivery mix in individual countries.

Overview per region as per Q2 2015
MW

	EMEA	Ameri-cas	Asia Pacific	Total
Under completion, 1 April 2015	1,197	316	24	1,537
Delivered (TOR) to customers during the period	(787)	(669)	(145)	(1,601)
Produced and shipped during the period	891	972	127	1,990
Under completion, 30 June 2015	**1,301**	**619**	**6**	**1,926**

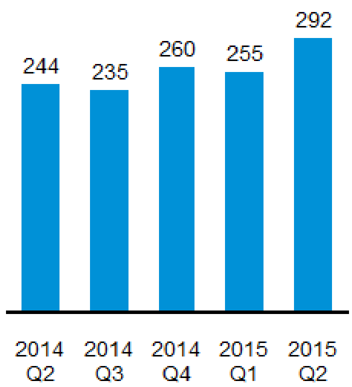
At the end of June 2015, wind turbine projects with a total output of 1,926 MW were under completion as compared to 2,052 MW at the end of June 2014. The amount of MW under completion is reflected in the level of prepayments and inventories as a large share of these MW has not yet been recognised as revenue. The revenue recognition of these MW will take place when the projects are finally delivered to the customers.

Order backlog and activities – service

At the end of June 2015, Vestas had service agreements with contractual future revenue of EUR 8.1bn compared to EUR 6.5bn at the end of June 2014; an increase of 25 percent.

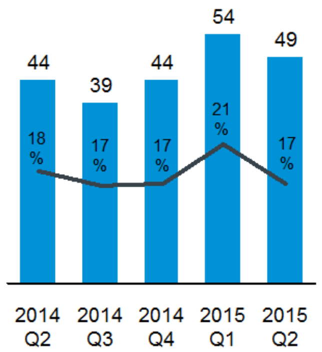
Service revenue amounted to EUR 292m in the second quarter of 2015 – an increase of 20 percent compared to the second quarter of 2014. The increase was mainly driven by organic growth and impact from currency effects. Even though revenue and earnings from the service business are more stable than from the wind turbine business, the activities that generate revenue and earnings in the various types of service contracts may vary from quarter to quarter.

Service revenue
mEUR



In the second quarter of 2015, the EBIT margin before special items amounted to 17 percent which is a decrease of 1 percentage point compared to the second quarter of 2014.

Service EBIT before special items
mEUR and percentage



By the end of June 2015, Vestas has delivered more than 69 GW in 74 countries. A high level of installed capacity and carefully planned service visits are key prerequisites for generating profit from the service business. Consequently, close monitoring of almost 27,000 wind turbines equivalent to more than 49 GW is one of the foundations of Vestas' service business' growth strategy.

At the end of June 2015, the average duration in the service order backlog was approx eight years.

Income statement

In the second quarter of 2015, revenue amounted to EUR 1,749m – an increase of 30 percent compared to the second quarter of 2014. A large part of the increase was driven by higher MW delivery volumes. However, the effect from MW delivery volumes on revenue was partly offset by mix and scope effects in the quarter. Approx EUR 140m of the increase was due to currency effects.

The gross profit amounted to EUR 315m – an increase of 21 percent compared to the second quarter of 2014. The increase in gross profit was mainly driven by high revenue, partly offset by mix effects leading to a gross margin of 18.0 percent – down from 19.4 percent in the previous year.

It should be emphasised that quarter-on-quarter developments in gross margins may show substantial fluctuations due to volume and composition relating to countries, project complexities, orders, and wind turbine types as well as customers' demands for delivery flexibility.

The EBITDA margin before special items amounted to 13.2 percent – a decrease of 1.9 percentage points compared to the second quarter of 2014.

EBIT before special items amounted to EUR 145m – an increase of 39 percent compared to the second quarter of 2014. Despite the lower gross margin in the second quarter of 2015, EBIT margin before special items increased by 0.5 percentage points to 8.3 percent compared to the second quarter of 2014. The EBIT increase was mainly driven by the higher gross profit and lower depreciation and amortisation.

No special items were booked for the second quarter of 2015. EBIT after special items thus amounted to EUR 145m, a decrease of EUR 9m compared to the second quarter of 2014, where a net gain of EUR 50m was booked as special items relating to the preliminary gain from the establishment of the MHI Vestas Offshore Wind joint venture.

In the second quarter of 2015, net financial items amounted to a net loss of EUR 4m against a net loss of EUR 9m in the second quarter of 2014. The development in net financials was positively impacted by higher interest income combined with lower interest expenses and fees, compared to the second quarter of 2014.

The income tax expense amounted to EUR 43m in the second quarter of 2015, and the net result was EUR 125m – an improvement of EUR 31m compared to the second quarter of 2014.

Income from investments accounted for using the equity method amounted to a profit of EUR 27m for the second quarter of 2015. The profit was positively impacted by profit of EUR 36m from sale of wind turbines by MHI Vestas Offshore Wind, partly offset by elimination of internal profit of EUR 15m on sale of wind turbines to the joint venture. Vestas' share of profit from MHI Vestas Offshore Wind on a standalone basis amounts to EUR 6m.

Balance sheet

Vestas had total assets of EUR 8,001m at 30 June 2015, against EUR 6,357m the year before. The increased balance sheet sum was mainly driven by the improved cash position as well as working capital movements attributable to the increased activity level.

At the end of June 2015, Vestas had a net cash position of EUR 1,709m, representing an improvement of EUR 1,259m compared to the end of the second quarter of 2014. This was driven by improved earnings in the period and focus on net working capital optimisation.

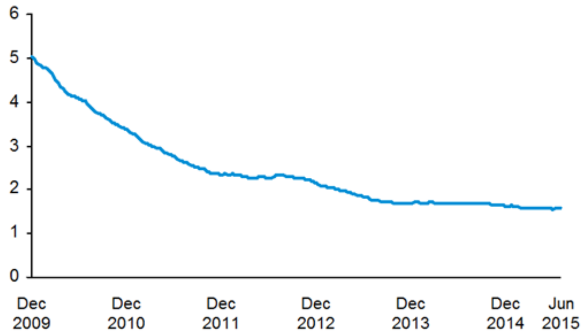
Net working capital

At the end of June 2015, Vestas' net working capital amounted to EUR (1,025)m, which is an improvement of EUR 689m compared to the end of June 2014. The improvement in net working capital is primarily driven by increased prepayments and payables – both attributed to higher activity levels, which also led to partial offsetting increases in inventories and receivables. The development in the net working capital was driven by the operational parameters described above but a part can also be attributed to exchange rate developments.

Warranty provisions
In the second quarter of 2015, warranty provisions charged to the income statement amounted to EUR 33m, equivalent to 1.9 percent of revenue. Warranty consumption amounted to EUR 19m – compared to EUR 34m in the second quarter of 2014. Over the last 12 months, warranty consumption as a percentage of revenue amounted to 1.2 percent.

In general, provisions are made for all expected costs associated with wind turbine repairs or replacements, and any reimbursement from other involved parties is not offset unless a written agreement has been made to that effect. Provisions are made to cover possible costs of remedy and other costs in accordance with specific agreements. Provisions are based on estimates, and actual costs may deviate substantially from such estimates.

Lost Production Factor*
Percentage



* Data calculated across 18,671 Vestas wind turbines under full-scope service.

The ongoing improvement of the Lost Production Factor (LPF) on Vestas wind turbines implies that the customers achieve a consistently better return on their investment. At the end of June 2015, all the wind power plants where Vestas guaranteed the performance had an average LPF lower than 2 percent.

Total equity
Vestas' equity amounted to EUR 2,577m at 30 June 2015 – an increase of EUR 567m compared to 30 June 2014, primarily driven by improved earnings. The solvency ratio increased by 0.6 percentage points to 32.2 percent.

Cash flow and investments
In the second quarter of 2015, cash flow from operating activities increased by EUR 228m to EUR 262m compared to the second quarter of 2014. The increase was mainly driven by improved earnings as well as improvements in net working capital, which was impacted by non-cash adjustments and exchange rate adjustments with a total amount of EUR 178m.

Cash flow used for investments amounted to EUR (79)m in the second quarter of 2015, which is an increase of EUR 24m compared to the same period last year.

In the second quarter of 2015, the free cash flow increased by EUR 204m to EUR 183m compared to the second quarter of 2014.

Market development

Deliveries and backlog per region

During the second quarter of 2015, Vestas' total backlog increased by 1,102 MW compared to the second quarter of 2014.

Order intake and wind turbine backlog per region
MW

	EMEA	Americas	Asia Pacific	Total
Order intake Q2 2015	1,209	1,753	56	**3,018**
Backlog as per 30 June 2015	4,762	4,165	506	**9,433**

Europe, Middle East and Africa (EMEA)

Deliveries in EMEA in the quarter totalled 787 MW compared to 792 MW in the previous year. Deliveries were distributed in several different parts of the region, with Turkey for the first time being the country in the region where most capacity was installed.

The order intake for the region amounted to 1,209 MW, up from 790 MW in the second quarter of 2014. The increase was mainly driven by the 400 MW offshore order placed by Vestas' longstanding customer E.ON with the offshore joint venture, MHI Vestas Offshore Wind. As the order comprises Vestas V112-3.45 MW turbines, it enters into Vestas' backlog and the wind turbines will be produced and sold by Vestas to MHI Vestas Offshore Wind as outlined in the joint venture agreement. The backlog comprised 4,762 MW as of 30 June 2015.

Americas

Vestas received US orders of 1,297 MW in the second quarter of 2015 and had deliveries of 539 MW. Deliveries for the Americas region were strongly impacted by the increased deliveries in the USA.

In the quarter, order intake was also strong in Latin America, where Vestas signed two orders in Mexico totalling 248 MW as well as a 185 MW order for a single project in Chile. The order backlog for the region amounted to 4,165 MW as of 30 June 2015, of which the majority relates to orders in the USA.

Asia Pacific

Vestas received orders for a total of 56 MW for the Asia Pacific region, coming from China and Australia. Deliveries to the markets in Asia Pacific were 145 MW and the order backlog amounted to 506 MW as of 30 June 2015.

Deliveries (TOR)
MW

	Q2 2015	Q2 2014	FY 2014
Turkey	145	63	194
Germany	119	175	1,127
Finland	115	-	89
France	100	88	385
Italy	65	-	82
Poland	51	28	146
United Kingdom	49	132	319
Netherlands	43	18	72
Jordan	27	-	-
South Africa	25	72	158
Denmark	24	27	47
Greece	14	-	15
Romania	8	56	120
Spain	2	-	-
Sweden	-	35	365
Ukraine	-	12	33
Croatia	-	18	42
Austria	-	6	51
Belgium	-	55	114
Czech Republic	-	-	12
Portugal	-	-	7
Kenya	-	7	7
Total EMEA	**787**	**792**	**3,385**
USA	539	105	1,517
Guatemala	53	-	-
Dominican Republic	46	-	-
Uruguay	27	48	175
Chile	4	103	202
Canada	-	9	39
Brazil	-	2	87
Mexico	-	-	170
Peru	-	-	112
Costa Rica	-	-	21
Total Americas	**669**	**267**	**2,323**
China	95	64	310
Australia	50	-	24
India	-	22	22
South Korea	-	-	38
Philippines	-	-	150
Total Asia Pacific	**145**	**86**	**544**
TOTAL WORLD	**1,601**	**1,145**	**6,252**

Strategy and financial and capital structure targets

(*For an extended introduction to the Vestas strategy, please refer to the annual report 2014.*)

Strategic objectives

In the beginning of 2014, Vestas launched its mid-term strategy, Profitable Growth for Vestas and as part of its annual strategy process, the strategic plan has been updated to reflect developments occurring during 2014.

This process confirmed Vestas' strong global reach in both the wind turbine and service segments and also confirmed the relevance of Vestas' ambition to continue to build its strength in those segments in 2015 and beyond.

Thus, the overall strategic ambition to ensure profitable growth for Vestas remains, as does Vestas' ambition to maintain and expand its global leadership and create an even more flexible and robust company, able to consistently deliver best-in-class margins.

To achieve this, Vestas must balance and utilise its three key differentiators:

- Expand global reach (i.e. by increasing market presence and further localising manufacturing).
- Increase technology and service leadership (i.e. by reducing levelised cost of energy across product portfolio and by strengthening product and service offerings).
- Leveraging global scale (i.e. by utilising installed base and sourcing opportunities).

To this end, Vestas has defined four strategic objectives which provide the operational basis for the implementation of the strategy.

1. Grow profitably in mature and emerging markets

Vestas will leverage on its strong position in mature markets such as Europe and North America. These markets have historically been the strongholds of Vestas. The product portfolio has a strong fit for these markets, the brand is well established and recognised, and an experienced sales force is in place.

Simultaneously, Vestas plans to further reduce costs and capital expenditure requirements in these markets by offering tailored, technologically advanced product variants based on innovation of existing wind turbine platforms, targeting an even higher market share.

Vestas has already established a strong track record of winning orders in new wind turbine markets in Eastern Europe, Asia, Africa, and Latin America. Furthermore, Vestas expects to improve its regional competitiveness and presence in the specific markets China, India, and Brazil. Plans have been developed for those markets and are now being implemented.

Building on its global presence, Vestas will also continue to pursue opportunities in markets, where wind energy is set to expand, such as for instance Chile, Costa Rica, Kenya, Slovenia, Vietnam, and Thailand.

Consequently, Vestas will amplify the agility and competencies of its sales organisation and deepen the partnerships with its customers through the expansion of its key account programme. Furthermore, Vestas has established a Customer Advisory Board, involving key customers in the development of new wind power technologies and services.

To win more and larger orders, Vestas seeks to partner with potential customers early in the project development phase. Through advanced services such as SiteHunt® and SiteDesign®, providing transparency and business case certainty for its customers, Vestas is able to unlock value and enhance customer relationships at an early stage of project planning. Thus, Vestas has increasingly become an opportunity originator by helping both established and new customers and investors to step up their commercial focus on wind power as well as enter new and promising wind power markets with a high return on their investments.

Through its unrivalled track record and close customer relationships, Vestas has developed a clear understanding of the customers' requirements and how to optimise projects to maximise value. Combined with Vestas' unparalleled capabilities within siting, operation, and servicing of wind power plants, Vestas has a competitive advantage which will be utilised even further going forward, where the ambition is to grow faster than the market.

2. Capture full potential of the service business

Having delivered an accumulated amount of more than 69 GW of wind power – a significantly higher amount than the closest competitor – Vestas has a unique platform from which to grow its service business, which today, is already the largest in the wind power industry.

As the majority of Vestas' wind turbine contracts are sold with service agreements, typically running for five or ten years, the stable revenue stream from the service business is set to continue its growth as the installed base of wind turbines increases.

In 2014, the service business was established as a separate division and a head of Global Service was appointed. Following this appointment, the global service organisation was implemented later in the year and the division is now set to capture the full potential of the service business.

Vestas intends to expand its service business further by offering new and value-adding service solutions and a variety of upgrades of existing wind power plants to its customers. This is made possible through the use of the wind power industry's most powerful supercomputer and a body of unrivalled wind data.

Vestas aims to increase the value of its customer offerings through further development and upselling of service solutions, product improvements, and services like Vestas PowerPlus™ and VestasOnline®.

Due to its size and global presence, Vestas is well-positioned to offer its customers the most effective service at the lowest cost. It is thus an ongoing and unchanged ambition to continue to reduce the underlying cost structures in the service division. Simultaneously, Vestas intends to improve supply chain delivery performance within the service business through optimisation of distribution networks, better forecasting, and local sourcing.

The ambition to grow the service business by more than 30 percent mid-term remains unchanged.

3. Reduce levelised cost of energy
Based on two wind turbine platforms, Vestas' comprehensive product portfolio will continue to be customer and market driven whilst simultaneously improving cost structures.

An example is the increased integration of standard components and modularisation across Vestas' product platforms which reduces the technical complexity and thereby the cost of the wind turbines.

In addition, the product strategy based on two platforms is designed to accelerate and streamline product development, thereby reducing the time it takes to bring new products to market, while maintaining a broad product offering.

The recent technological improvements to the existing 2 MW and 3 MW wind turbine platforms have resulted in significantly increased Annual Energy Production (AEP), among other things, enabling Vestas to defend its strong position in market segments characterised by constraints in terms of grid compliance, tip-height, and noise. In these often highly complex markets, Vestas will further leverage on its vast expertise within site and power plant optimisation to maintain its already dominant position.

For markets with less challenging requirements, cost per wind turbine is often more of a decisive factor. Consequently, Vestas will further utilise its proven 2 MW platform by developing new variants, targeted at reducing costs by means of design optimisations and sourcing of lower cost components.

Combined with prioritising further development of existing, well-proven wind turbine technology over the costly development of entirely new platforms, Vestas is able to lower the cost of energy for its customers year after year. The intention is to reduce the cost of energy faster than the market.

4. Improve operational excellence
Cost savings remain a priority for Vestas, and Vestas will continue its journey towards lower costs through further site simplification, shared service centres and increased efficiency by leveraging on the scale of its operations. The goal is to achieve cost leadership within the wind power industry.

The size of Vestas provides a competitive foundation for lowering costs at every stage of the value chain. Through the Accelerated Earnings programme, launched at the end of 2012, Vestas has successfully lowered the costs of products delivered and the programme has helped Vestas consolidate its leading position in a competitive market. More value can be captured through further capability building, and the next generation of the programme, Accelerated Earnings Pro, is now in place.

Optimisation of the supply chain and increased use of standard components also decrease Vestas' need for investments, reduce lead time, and keep inventories low. Yet, the growing degree of outsourcing must never compromise Vestas' leading position within the areas of safety, quality, and technology.

Finally, working capital management remains an area of high priority for Vestas. Consequently, the focus remains on improving the cash conversion cycle and lowering the working capital tied up while transporting and installing the wind turbine projects.

Financial and capital structure targets and priorities

Vestas' financial and capital structure targets, as well as related dividend policy, link to the strategic aspirations of the company. Financial stability and structural strength of the balance sheet remain key priorities for the company. Both the Board of Directors as well as Executive Management believe that strong financial performance and stability are prerequisites for delivering excellent commercial results, and therefore adopt a conservative approach to the structure of the company's balance sheet, whilst at the same time ensuring that management focuses on delivering strong financial results.

Mid-term financial targets
By increasing earnings and keeping investment and net working capital requirements low, Vestas aims to generate a double-digit return on invested capital (ROIC) each year over the cycle. Vestas expects to be able to finance its own growth and thus the free cash flow is expected to be positive each financial year.

Capital structure targets
As a player in a market where projects, customers and wind turbine investors become larger, Vestas aims to be a strong financial counterpart. Consequently, the target for the net debt/EBITDA ratio remains unchanged at less than 1 by the end of each financial year, and the solvency ratio target remains a minimum level of 35 percent, in line with the company's prudent balance sheet approach.

Dividend policy and priorities for excess cash allocation
Vestas has the following priorities for excess cash:

1. Repayment of debt if the net debt/EBITDA ratio is above target.
2. Allocation to shareholders if the solvency ratio is above target.

The general intention of the Board of Directors is to recommend a dividend of 25-30 percent of the net result of the year. However, pay-out of dividends will always take into consideration the Group's plans for growth and liquidity requirements.

For the financial year 2014, a dividend payout ratio of 29.5 percent was thus adopted by the annual general meeting on 30 March 2015.

Social and environmental performance

Standards, goals, and priorities

Sustainable products and sustainable operations are integral for Vestas. The standards and goals build on global certificates for the three standards ISO 9001 for quality, ISO 14001 for environment, and OHSAS 18001 for health and safety as well as recognised conventions established by international organisations such as the UN, the International Labour Organization (ILO), and OECD.

The standards and goals are reflected in Vestas' social and environmental priorities:

- The lowest possible incidence of recordable injuries.
- CO_2 impact from wind power must excel against other energy forms.
- The greatest possible recyclability of the wind turbines.

Human rights and labour practices

Vestas recognises its responsibility to respect the Bill of Human Rights. Commitments are outlined in Vestas' Human Right Policy. Through the Social and Environmental Due Diligence process, Vestas initiates actions that either prevent or mitigate adverse human rights and labour impacts.

A recent example of applying this framework is the first wind energy project in Guatemala, where Vestas finished installation of 16 V112-3.3 MW turbines in June this year. The project has been developed in compliance with the IFC (International Finance Corporation) standards, and specific initiatives like social awareness training for everyone involved in the installation were introduced in coordination with the developer and the site social coordinator assigned by Vestas. The efforts resulted in good alignment of expectations with the local community.

Employees

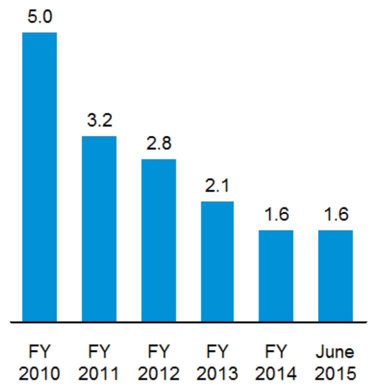
In the second quarter of 2015, Vestas increased the number of employees compared to end of first quarter by 672 to 18,834, mainly driven by ramp-up at the factories in the USA as seen in the preceding quarters. Vestas will continue to scale the organisation according to, among other things, the expected activity level.

Safety

In the second quarter of 2015, the number of lost time injuries decreased to 12 from 17 in same quarter last year, while the incidence of lost time injuries has decreased from 2.0 to 1.3. This brings the year-to-date level down to the overall 2014 rate of 1.6.

Compared to full year 2014, the incidence of total recordable injuries, the new safety KPI introduced this year, has decreased from 11.8 to 9.5 in the first half of 2015. The target for 2015 is 10.1 total recordable injuries per one million working hours.

Incidence of lost time injuries
Per one million working hours



As Vestas' own safety performance has improved strongly over the years, the performance of contractors has become increasingly important to protect both Vestas' and its contractors' employees from potential harm, as well as to live up to customer expectations of safe operations. Tragically, an employee of a Vestas contractor suffered fatal injuries in May 2015. The root causes of the accident have been identified as human errors due to lack of compliance with existing safety processes.

Measures taken to improve contractors' safety performance include pre-qualifications, standardisation of safety requirements, and intensified tracking of safety performance.

Environmental performance

Increased production in the second quarter of 2015 impacted environmental performance compared to the second quarter of 2014. While the relative level of waste generation was more or less in line with the increased production level, the consumption of energy and related carbon dioxide emissions increased less due to higher efficiency usage. Likewise, the relative level of water consumption was lower than the increased production level.

Renewable energy

All electricity consumption in Vestas comes from renewable energy sources. Vestas achieves this, partly by purchasing renewable electricity where available, and partly by compensating for the consumption of non-renewable electricity with Vestas-owned wind power plants. In the second quarter of 2015, 62 percent of all energy consumption came from renewable energy sources, which is a small increase from the year-earlier period.

The decrease in the share of renewable energy for the half year compared to full-year 2014 is attributable to seasonality.

Outlook 2015

Revenue is expected to be minimum EUR 7.5bn including service revenue, which is expected to grow.

Vestas expects to achieve an EBIT margin before special items of minimum 8.5 percent with the service margin remaining stable.

Total investments are expected to amount to approx EUR 350m.

Free cash flow is expected to amount to minimum EUR 600m.

It should be emphasised that Vestas' accounting policies only allow the recognition of supply-only and supply-and-installation projects as income when the risk has finally passed to the customer, irrespective of whether Vestas has already produced, shipped and installed the wind turbines. Disruptions in production and challenges in relation to wind turbine installation, for example bad weather, lack of grid connections, and similar matters may thus cause delays that could affect Vestas' financial results for 2015. Further, movements in exchange rates from current levels may also impact Vestas' financial results for 2015.

Outlook 2015

Revenue (bnEUR)	min. 7.5
EBIT margin before special items (%)	min. 8.5
Total investments (mEUR)	approx 350
Free cash flow (mEUR)	min. 600

Consolidated financial statements 1 January - 30 June

Condensed consolidated income statement 1 January - 30 June

mEUR

	Note	Q2 2015	Q2 2014	H1 2015	H1 2014
Revenue		**1,749**	**1,341**	**3,268**	**2,624**
Cost of sales		(1,434)	(1,081)	(2,727)	(2,180)
Gross profit		**315**	**260**	**541**	**444**
Research and development costs		(58)	(59)	(102)	(112)
Distribution expenses		(49)	(40)	(91)	(78)
Administrative expenses		(63)	(57)	(124)	(110)
Operating profit (EBIT) before special items		**145**	**104**	**224**	**144**
Special items		0	50	0	37
Operating profit (EBIT)		**145**	**154**	**224**	**181**
Income from investments accounted for using the equity method	6	27	(19)	31	(19)
Net financial items		(4)	(9)	(11)	(34)
Profit before tax		**168**	**126**	**244**	**128**
Income tax		(43)	(32)	(63)	(32)
Profit for the period		**125**	**94**	**181**	**96**
Earnings per share (EPS)					
Earnings per share for the period (EUR), basic		0.57	0.43	0.82	0.44
Earnings per share for the period (EUR), diluted		0.56	0.43	0.81	0.44

Condensed consolidated statement of comprehensive income 1 January - 30 June

mEUR	Q2 2015	Q2 2014	H1 2015	H1 2014
Profit for the period	**125**	**94**	**181**	**96**
Items that may be subsequently reclassified to the income statement:				
Exchange rate adjustments relating to foreign entities	(29)	17	64	13
Fair value adjustments of derivative financial instruments for the period	159	(31)	95	(32)
Fair value adjustments of derivative financial instruments transferred to the income statement (cost of sales)	(36)	33	(16)	12
Share of other comprehensive income of joint venture	(5)	1	(4)	1
Tax on items that may be subsequently reclassified to the income statement	(33)	(1)	(22)	5
Other comprehensive income after tax for the period	56	19	117	(1)
Total comprehensive income for the period	**181**	**113**	**298**	**95**

Condensed consolidated balance sheet – Assets

mEUR	Note	30 June 2015	30 June 2014	31 December 2014
Goodwill		215	215	215
Completed development projects		256	304	274
Software		26	36	32
Development projects in progress		129	143	137
Total intangible assets		**626**	**698**	**658**
Land and buildings		722	719	695
Plant and machinery		211	192	211
Other fixtures, fittings, tools and equipment		167	126	168
Property, plant and equipment in progress		86	84	58
Total property, plant and equipment		**1,186**	**1,121**	**1,132**
Investments accounted for using the equity method	6	216	180	188
Other investments		20	0	14
Other receivables		35	35	36
Deferred tax		140	188	170
Total other non-current assets		**411**	**403**	**408**
Total non-current assets		**2,223**	**2,222**	**2,198**
Inventories		2,234	1,942	1,509
Trade receivables		712	483	598
Construction contracts in progress		82	109	104
Other receivables	5	381	440	402
Tax receivables		58	53	65
Cash at bank and in hand		2,208	1,060	2,018
Total current assets		**5,675**	**4,087**	**4,696**
Non-current assets held for sale	7	103	48	103
TOTAL ASSETS		**8,001**	**6,357**	**6,997**

Condensed consolidated balance sheet – Equity and liabilities

mEUR	Note	30 June 2015	30 June 2014	31 December 2014
Share capital		30	30	30
Other reserves		615	428	498
Retained earnings		1,932	1,552	1,851
Total equity		**2,577**	**2,010**	**2,379**
Deferred tax		21	21	17
Provisions	8	240	193	231
Financial debts	5	499	3	3
Other liabilities		10	10	10
Total non-current liabilities		**770**	**227**	**261**
Financial debts		0	607	604
Prepayments from customers		2,597	1,737	2,156
Construction contracts in progress		51	25	12
Trade payables		1,464	1,178	945
Provisions	8	148	159	142
Other liabilities		322	370	457
Tax payables		72	44	41
Total current liabilities		**4,654**	**4,120**	**4,357**
Total liabilities		**5,424**	**4,347**	**4,618**
TOTAL EQUITY AND LIABILITIES		**8,001**	**6,357**	**6,997**

Condensed consolidated statement of changes in equity – 6 months 2015

mEUR	Share capital	Premium	Trans-lation reserve	Cash flow hedging reserve	Other reserves	Total other reserves	Retained earnings	Total
Equity at 1 January 2015	**30**	**439**	**37**	**15**	**7**	**498**	**1,851**	**2,379**
Profit for the year	-	-	-	-	-	-	181	181
Other comprehensive income for the period	-	-	64	57	(4)	117	-	117
Total comprehensive income for the period	-	-	64	57	(4)	117	181	298
Transaction with owners:								
Dividend to shareholders	-	-	-	-	-	-	(116)	(116)
Acquisition(-) /disposal (+) of treasury shares	-	-	-	-	-	-	12	12
Share based payments	-	-	-	-	-	-	4	4
Equity at 30 June 2015	**30**	**439**	**101**	**72**	**3**	**615**	**1,932**	**2,577**

Condensed consolidated statement of changes in equity – 6 months 2014

mEUR	Share capital	Premium	Trans-lation reserve	Cash flow hedging reserve	Other reserves	Total other reserves	Retained earnings	Total
Equity at 1 January 2014	**27**	**-**	**(46)**	**36**	**-**	**(10)**	**1,507**	**1,524**
Profit for the year	-	-	-	-	-	-	96	96
Other comprehensive income for the period	-	-	13	(15)	1	(1)	-	(1)
Total comprehensive income for the period	-	-	13	(15)	1	(1)	96	95
Transaction with owners:								
Capital increase	3	439	-	-	-	439	-	442
Costs of capital increase	-	-	-	-	-	-	(10)	(10)
Acquisition(-) /disposal (+) of treasury shares	-	-	-	-	-	-	(43)	(43)
Share based payments	-	-	-	-	-	-	2	2
Equity at 30 June 2014	**30**	**439**	**(33)**	**21**	**1**	**428**	**1,552**	**2,010**

Condensed consolidated cash flow statement

mEUR	Q2 2015	Q2 2014	H1 2015	H1 2014
Profit for the period	125	94	181	96
Adjustments for non-cash transactions	105	89	221	189
Income tax received/(paid)	(22)	(34)	(6)	(48)
Interest paid	(1)	(15)	(29)	(35)
Cash flow from operating activities before change in net working capital	207	134	367	202
Change in net working capital	55	(100)	104	(126)
Cash flow from operating activities	**262**	**34**	**471**	**76**
Investments in intangible assets	(29)	(20)	(50)	(64)
Investments in property, plant and equipment	(50)	(37)	(90)	(59)
Sale of property, plant and equipment	1	5	1	5
Other	(1)	(3)	(3)	(3)
Cash flow used for investments	**(79)**	**(55)**	**(142)**	**(121)**
Free cash flow	**183**	**(21)**	**329**	**(45)**
Capital increase	0	0	0	432
Disposal/(acquisition) of treasury shares	5	(25)	12	(43)
Dividend paid	(116)	-	(116)	-
Repayment of financial debts	0	0	(600)	7
Raising of financial debts	0	-	496	-
Cash flow from financing activities	**(111)**	**(25)**	**(208)**	**396**
Change in cash at bank and in hand less current portion of bank debt	**72**	**(46)**	**121**	**351**
Cash at bank and in hand less current portion of bank debt at the beginning of period	2,184	1,087	2,014	690
Exchange rate adjustments of cash at bank and in hand	(48)	12	73	12
Cash at bank and in hand less current portion of bank debt at the end of the period	**2,208**	**1,053**	**2,208**	**1,053**
The amount can be specified as follows:				
Cash at bank and in hand without disposal restrictions	2,022	963	2,022	963
Cash at bank and in hand with disposal restrictions	186	97	186	97
Total cash at bank and in hand	2,208	1,060	2,208	1,060
Current portion of bank debt	0	(7)	0	(7)
	2,208	**1,053**	**2,208**	**1,053**

Notes to the consolidated financial statements

Note 1 – Group accounting policies

Basis of preparation
The interim financial report of Vestas Wind Systems A/S comprises a summary of the consolidated financial statements of Vestas Wind Systems A/S and its subsidiaries.

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 reporting of listed companies.

The accounting policies remain unchanged compared to the annual report 2014, to which reference is made. The Group has implemented all new, amended, or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on 1 January 2015. These IFRSs have not had any impact on the Group's interim financial report.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected annual profit or loss.

Changed segment information
With effect from 31 March 2015, segment reporting has changed to reflect the following operating and reportable segments:

- Project
- Service

The changes in the segment information are due to a change in the internal reporting to Executive Management, defined as the Chief Operating Decision Maker. The change in the internal reporting has been made to support Executive Management's increased focus on project and service as communicated in the annual report 2014.

The project segment contains the sales of wind power plants, wind turbines, etc. and the service business contains the sale of service contracts, spare parts and related activity. Costs that are not attributable to any of the reportable segments are presented as 'Not allocated' and consist of headquarter costs.

The service business has in 2014 been segregated from the project business under the name Global Service. In connection with the reorganisation full responsibility for the service business performance has been transferred to the new head of Global Service.

The reporting to Executive Management has been aligned to the new corporate structure – project and service. Prior period segment information has been restated to reflect the new structure.

Profit measure is EBIT and the accounting policies are the same as in the consolidated financial statements.

Critical accounting judgements and estimates
When preparing the interim financial reporting of the Group, management makes a number of accounting estimates and assumptions which form the basis of the recognition and measurement of the Group's assets and liabilities. The estimates and assumptions made are based on experience and other factors that management considers reasonable in the circumstances. Reference is made to the consolidated financial statements in the annual report 2014, note 2, page 58.

Note 2 – Segment information

mEUR	Project	Service	Not allocated	Total Group
Q2 2015				
External revenue	1,457	292	-	1,749
Total revenue	**1,457**	**292**	**-**	**1,749**
Total costs	**(1,316)**	**(243)**	**(45)**	**(1,604)**
Operating profit (EBIT) before special items	**141**	**49**	**(45)**	**145**
Special items				-
Operating profit (EBIT)				**145**
Amortisation, depreciation and impairment losses included in total costs	(76)	(4)	(5)	(85)

mEUR	Project	Service	Not allocated	Total Group
Q2 2014				
External revenue	1,097	244	0	1,341
Total revenue	**1,097**	**244**	**0**	**1,341**
Total costs	**(996)**	**(200)**	**(41)**	**(1,237)**
Operating profit (EBIT) before special items	**101**	**44**	**(41)**	**104**
Special items				50
Operating profit (EBIT)				**154**
Amortisation, depreciation and impairment losses included in total costs	(87)	(5)	(6)	(98)

Note 2 – Segment information (continued)

mEUR	Project	Service	Not allocated	Total Group
H1 2015				
External revenue	2,721	547	-	3,268
Total revenue	**2,721**	**547**	**-**	**3,268**
Total costs	**(2,511)**	**(444)**	**(89)**	**(3,044)**
Operating profit (EBIT) before special items	**210**	**103**	**(89)**	**224**
Special items				-
Operating profit (EBIT)				**224**
Amortisation, depreciation and impairment losses included in total costs	(150)	(8)	(9)	(167)

mEUR	Project	Service	Not allocated	Total Group
H1 2014				
External revenue	2,155	469	-	2,624
Total revenue	**2,156**	**468**	**-**	**2,624**
Total costs	**(2,016)**	**(383)**	**(81)**	**(2,480)**
Operating profit (EBIT) before special items	**139**	**86**	**(81)**	**144**
Special items				37
Operating profit (EBIT)				**181**
Amortisation, depreciation and impairment losses included in total costs	(163)	(10)	(13)	(186)

Note 3 – Key development in the balance sheet since 31 December 2014

Non-current financial debts have increased by EUR 496m. This is due to the successful placing of a new green corporate Eurobond for a principal amount of EUR 500m with a seven-year maturity. This new bond has replaced the previous corporate Eurobond of EUR 600m which was repaid in March 2015. The decrease in current financial debts is primarily due to repayment of the previous bond.

Note 4 – Financial risks

Financial risks and other risks, including liquidity, credit, and market risks are addressed in the notes to the consolidated financial statements in the annual report 2014, note 37, page 94. The risks remain unchanged from 2014.

Note 5 – Financial instruments

There are no material differences between the fair values and book values of financial assets and liabilities apart from the Eurobond, whose book value at 30 June 2015 was EUR 495m with a corresponding fair value of EUR 483m. The fair value of derivative financial instruments at 30 June 2015 amounts to a positive market value of EUR 45m which equals book value.

Note 6 – Investments accounted for using the equity method

Investment in joint venture
As part of the agreement Vestas entered into in 2014 with Mitsubishi Heavy Industries Ltd. (MHI), MHI has to transfer up to EUR 200m to the joint venture MHI Vestas Offshore Wind A/S as milestone payments dependent on certain milestones, which are to be achieved after the closing of the transaction. At the reporting date, the joint venture MHI Vestas Offshore Wind A/S is yet to qualify for milestone payments of EUR 12.5m. It has been assessed that it is highly likely that these milestone payments will be achieved. The estimates and assumptions made to make this assessment are based on experience and other factors that management considers reasonable in the circumstances, but that are inherently uncertain.

The closing balance sheet at 1 April 2014 of Vestas Offshore A/S has been approved by MHI in the first quarter of 2015. The final approval has not had any significant impact on the measurement of the net gain to date.

In the Group's share of profit from the joint venture, income resulting from the sale of wind turbines to the joint venture is recognised in the Group's financial statements only to the extent that the joint venture has sold the wind turbines to unrelated parties. The share of profit from the joint venture on a standalone basis amounts to EUR 8m for the first six months. The Group's share of the joint venture's revenue since 1 January 2015 and aggregated assets and liabilities at the end of the period amounts to: Revenue: EUR 247m, aggregated assets: EUR 360m, and aggregated liabilities: EUR 143m.

Note 7 – Non-current assets held for sale

As part of the ongoing site simplification project, Vestas expects to sell a number of its office facilities, which are classified as held for sale at EUR 103m. The measurement basis is fair value less cost to sell.

Note 8 – Warranty provisions (included in provisions)

mEUR	30 June 2015	30 June 2014	31 December 2014
Warranty provisions, 1 January	321	307	307
Provisions for the period	60	53	122
Warranty provisions consumed during the period	(41)	(62)	(108)
Warranty provisions	**340**	**298**	**321**
The provisions are expected to be payable as follows:			
< 1 year	129	133	122
> 1 year	211	165	199

Note 9 – Related party transactions

No significant changes have occurred to related parties or types and scale of transactions with these parties other than what is disclosed in the consolidated financial statements in the annual report 2014, note 32, page 92.

Note 10 – Contingent assets and liabilities

On 31 March 2015 the Eastern High Court in Denmark ruled in favour of Vestas. The ruling of EUR 24m in favour of Vestas has not had any impact in the second quarter of 2015 as IF Skadesforsikring has appealed the ruling.

No other significant changes have occurred to contingent assets and liabilities other than what is disclosed in the consolidated financial statements in the annual report 2014, note 36, page 94.

Note 11 – Significant events after the reporting period

Between the end of the quarter and the publication of this interim financial report, other than the developments disclosed immediately above and in the interim review, no significant events have occurred which have not been recognised and adequately disclosed and which materially affect the profit for the period or the financial position.

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 June 2015.

The interim financial report has been prepared in accordance with IAS 34 on 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 June 2015 and of the results of the Group's operations and cash flow for the period 1 January to 30 June 2015.

Further, in our opinion the management report 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.

Aarhus, Denmark, 19 August 2015

Executive Management

Anders Runevad
Group President & CEO

Marika Fredriksson
Executive Vice President & CFO

Anders Vedel
Executive Vice President & CTO

Jean-Marc Lechêne
Executive Vice President & COO

Juan Araluce
Executive Vice President & CSO

Board of Directors

Bert Nordberg
Chairman

Lars Josefsson
Deputy Chairman

Carsten Bjerg

Eija Pitkänen

Henrik Andersen

Henry Sténson

Kim Bredo Rahbek

Kim Hvid Thomsen

Lykke Friis

Michael Abildgaard Lisbjerg

Sussie Dvinge Agerbo

Torben Ballegaard Sørensen

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 new potential accounting standards and policies, and Vestas' potential exposure to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections, and assumptions. There are a number of factors that could affect Vestas' future operations and could cause Vestas' results to differ materially from those expressed in the forward-looking statements included in this document, including (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; (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 from suppliers and vendors; and (m) customer readiness and ability to accept delivery and installation of products and transfer of risk.

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 2014 (available at vestas.com/investor) and these factors should also 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 others than 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.

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