

PROSPECTUS DATED 9 MARCH 2015



VESTAS WIND SYSTEMS A/S

(incorporated with limited liability in Denmark, registered with the Danish Business Authority under company registration number 10 40 37 82)

€500,000,000 2.750 per cent. Notes due 11 March 2022

Issue Price: 99.218 per cent.

The €500,000,000 2.750 per cent. Notes due 11 March 2022 (the "**Notes**") are issued by Vestas Wind Systems A/S (the "**Issuer**"). Interest on the Notes will be payable annually in arrear on 11 March of each year, commencing on 11 March 2016. Interest on the Notes will accrue from (and including) 11 March 2015 to (but excluding) 11 March 2022 at the rate of 2.750 per cent. per annum.

The Notes mature on 11 March 2022 (the "**Maturity Date**"). The Issuer, may at its option, redeem all (but not some only) of the Notes at any time at par plus accrued interest, in the event of certain tax changes described in the Conditions. In addition, the Issuer, may at its option, redeem all (but not some only) of the Notes (i) at any time at the Make Whole Redemption Price plus accrued interest as described in the Conditions and (ii) from and including 11 December 2021 to but excluding the Maturity Date at their principal amount plus accrued interest as described in the Conditions. The holder of each Note will have the right to require the Issuer to redeem or purchase (or procure the purchase of) such Note at its principal amount together with accrued interest upon the occurrence of certain events as described in the Conditions.

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading "Risk Factors" on page 3.

This Prospectus has been approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended (the "**Luxembourg Act**"). By approving this Prospectus the CSSF gives no undertaking as to the economic or financial soundness of the transaction or the quality and solvency of the Issuer in line with the provisions of Article 7 (7) of the Luxembourg Act. Application has been made to the Luxembourg Stock Exchange for the listing of the Notes on the Official List of the Luxembourg Stock Exchange and admission to trading on the Luxembourg Stock Exchange's Regulated Market. The Luxembourg Stock Exchange's Regulated Market is a regulated market for the purposes of Directive 2004/39/EC, as amended (the "**Markets in Financial Instruments Directive**") and Directive 2003/71/EC, as amended (the "**Prospectus Directive**").

The Notes will be in bearer form and initially be represented by a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be issued in new global note ("**NGN**") form. The Temporary Global Note will be delivered on or about 11 March 2015 (the "**Closing Date**") to a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") (together the "**ICSDs**"). The Temporary Global Note will be exchangeable, in whole or in part, for interests recorded in the records of Euroclear and Clearstream, Luxembourg in a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**"), without interest coupons, on or after 20 April 2015 (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances, in whole but not in part, for Notes in definitive form with interest coupons attached.

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper but this does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are subject to U.S. tax law requirements. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to certain persons in offshore transactions in reliance on Regulation S under the Securities Act ("**Regulation S**"). For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this document, see "*Subscription and Sale*" below.

JOINT LEAD MANAGERS

CITIGROUP
NORDEA BANK DANMARK A/S

HSBC
SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT
BANKING

JOINT LEAD MANAGERS (NO BOOKS)

DNB MARKETS

UNICREDIT BANK

IMPORTANT NOTICES

This Prospectus comprises a prospectus for the purposes of Article 5.3 of the Prospectus Directive.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated by reference herein (see "*Documents Incorporated by Reference*"). This Prospectus should be read and construed on the basis that such documents are incorporated by reference in and form part of the Prospectus.

The Issuer has confirmed to the Joint Lead Managers named under "*Subscription and Sale*" below (the "**Joint Lead Managers**") that all statements of fact contained in this Prospectus are on the date hereof true and accurate in all material respects and that there are no other facts which are not disclosed in this Prospectus as at the date hereof, the omission of which (in the context of the issue and offering of the Notes) make any statement herein misleading in any material respect. In particular, the Issuer has confirmed to the Joint Lead Managers that this Prospectus contains, as at the date hereof, all such information with respect to the Issuer, the Issuer and its consolidated subsidiaries (the "**Group**") and the Notes required under applicable regulations and contains all information (according to the particular nature of the Issuer, the Group and the Notes) that is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attaching to the Notes; the statements of opinion and intentions in this Prospectus are honestly made and based on reasonable assumptions; and all reasonable enquiries have been made by the Issuer to ascertain such facts, information and statements in this Prospectus and to verify the accuracy of all such facts, information and statements.

Neither the Joint Lead Managers nor any of their respective affiliates have authorised the whole or any part of this Prospectus. No representation, warranty or undertaking, express or implied, is made and to the fullest extent permitted by law, no responsibility or liability is accepted by the Joint Lead Managers or any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the offering of the Notes. No Joint Lead Manager accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the offering of the Notes or their distribution.

No person is or has been authorised by the Issuer or the Joint Lead Managers to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Joint Lead Managers.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Joint Lead Managers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus, that the information contained herein concerning the Issuer or the Group is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The

distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer or the Joint Lead Managers represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which is intended to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the United Kingdom and Denmark, see "*Subscription and Sale*".

Unless a specific source is identified, all information regarding market and other operating and statistical data provided in this document is based on the Group's own estimates. In making estimates, the Group relies on data produced internally and, where appropriate, external sources, including information made public by other market participants or associations, such as Navigant Research, IHS Emerging Energy Research and Global Wind Energy Council. Where information has been sourced from third party external sources, as far as the Issuer is aware and is able to ascertain from such third party external sources, no facts have been omitted which would render any such information or data presented in this document inaccurate or misleading. However, although publications prepared by other market participants or associations generally state that the information they contain has been obtained from sources believed to be reliable, the accuracy and completeness of such information is not guaranteed and neither the Issuer nor any other member of the Group has independently verified such information.

IN CONNECTION WITH THE ISSUE OF THE NOTES, HSBC BANK PLC AS STABILISING MANAGER (THE "STABILISING MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

All references in this document to (i) "EUR", "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended and (ii) to "DKK" refers to the lawful currency of Denmark.

Forward Looking Statements

Certain statements contained in this Prospectus constitute "forward looking statements". These forward looking statements can be identified by the use of forward looking terminology, including the terms "believe", "estimate", "anticipate", "intend", "may", "will" or "should" or in each case their negative, or other variations or comparable terminology. Such forward looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other factors include, among others, general economic and business conditions, industry trends, competition, changes in government regulation, currency fluctuations, changes in business strategy or development, political and economic uncertainty and other risks described in "*Risk Factors*". There can be no assurance that the results and events contemplated by the forward looking statements contained in this Prospectus will, in fact, occur.

These forward looking statements speak only as at the date of this Prospectus. The Issuer will not undertake any obligation to release publicly any revisions to these forward looking statements to reflect events, circumstances or unanticipated events occurring after the date of this Prospectus except as required by law or by any appropriate regulatory authority.

No Profit Forecast

No statement in this document is intended as a profit forecast and no statement in this document should be interpreted to mean that the financial performance of the Issuer for the current or future financial years would necessarily match or exceed the historical published financial performance of the Issuer.

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GENERAL DESCRIPTION OF THE NOTES

This following general description of the Notes must be read as an introduction to the more detailed information appearing elsewhere in this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference, and not solely on this overview information. Words and expressions defined in the Conditions below or elsewhere in this Prospectus have the same meanings in this overview.

The Issuer:	Vestas Wind Systems A/S
	<p>The Issuer is a limited liability company incorporated under Danish law. Its registered office is located at Hedeager 44, 8200 Aarhus N, Denmark and its telephone number is +45 9730 0000. It is registered with the Danish Business Authority under company registration number 10 40 37 82.</p> <p>The Issuer is a manufacturer of wind turbines. Its core business comprises the development, manufacture, sale and maintenance of wind technology that uses the energy of the wind to generate electricity. The Issuer specialises in the planning, installation, operation and maintenance of wind turbine technology and has competencies that cover everything from site studies to service and maintenance.</p> <p>The Issuer's shares are listed on the NASDAQ OMX Copenhagen A/S.</p>
Joint Lead Managers:	Citigroup Global Markets Limited, HSBC Bank plc, Nordea Bank Danmark A/S and Société Générale.
Joint Lead Managers (No Books):	DNB Bank ASA and UniCredit Bank AG.
Fiscal Agent and Principal Paying Agent:	Deutsche Bank AG, London Branch.
The Notes:	€500,000,000 2.750 per cent. Notes due 11 March 2022.
Issue Price:	99.218 per cent. of the principal amount of the Notes.
Issue Date:	11 March 2015.
Use of Proceeds:	The net proceeds of the issue of the Notes will be applied by the Issuer for general financing purposes and general corporate purposes (including the production and sale of wind turbines, after sales service solutions and services to the wind energy sector).
Interest:	The Notes will bear interest from (and including) 11 March 2015 at a rate of 2.750 per cent. per annum payable annually in arrear on 11 March in each year commencing 11 March 2016.
Status:	The Notes are direct, unconditional, unsecured (subject to the provisions of Condition 3 (<i>Negative Pledge</i>)) and unsubordinated obligations of the Issuer and will at all times rank <i>pari passu</i> with all present and future unsecured (subject as aforesaid) and unsubordinated obligations of the Issuer, except for obligations given priority by law.
Form and Denomination:	The Notes will be issued in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000. The Temporary Global Note and the Permanent Global Note will be issued in NGN form.

Maturity date:	11 March 2022.
Optional Redemption:	<p>The Notes may be redeemed at any time prior to the Maturity Date at the option of the Issuer (in whole but not in part) at the Make Whole Redemption Price, as described in Condition 5(c) (<i>Redemption at the option of the Issuer (Make Whole)</i>).</p> <p>The Notes may also be redeemed from and including 11 December 2021 to but excluding the Maturity Date at the option of the Issuer (in whole but not in part) at their principal amount, as described in Condition 5(d) (<i>Redemption at the option of the Issuer (Issuer Call)</i>).</p> <p>The Notes may be redeemed prior to the Maturity Date at the option of the Noteholders at the principal amount together with accrued interest following a Change of Control Put Event, as described in Condition 5(e) (<i>Redemption at the option of Noteholders</i>).</p>
Tax Redemption:	The Notes may be redeemed at any time prior to the Maturity Date, at the option of the Issuer (in whole but not in part) at the principal amount together with accrued interest, for tax reasons, as described in Condition 5(b) (<i>Redemption for taxation reasons</i>).
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 3 (<i>Negative Pledge</i>).
Cross Default:	The Notes will have the benefit of a cross default, among other events of default, as described in Condition 8 (<i>Events of Default</i>).
Withholding Tax:	All payments in respect of the Notes and the Coupons will be made free and clear of withholding taxes of Denmark, unless the withholding is required by law. In that event the Issuer will pay such additional amounts as will result in the Noteholders and the Couponholders receiving such amounts as would have been received by them had no such withholding been required, subject to certain exceptions as described in Condition 7 (<i>Taxation</i>).
Governing Law:	The Notes, the Fiscal Agency Agreement, the Subscription Agreement, and any non-contractual obligations arising out of or in connection with them, will be governed by English law.
Listing and Trading:	Application has been made for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Regulated Market.
Clearing Systems:	Euroclear and Clearstream, Luxembourg.
Selling Restrictions:	United States, United Kingdom and Denmark. See " <i>Subscription and Sale</i> ".
Risk Factors:	Investing in the Notes involves risks. See " <i>Risk Factors</i> ".
Financial Information:	See " <i>Documents Incorporated by Reference</i> " and " <i>Overview Consolidated Financial Information</i> ".

RISK FACTORS

Prior to making any investment decisions, prospective purchasers of the Notes should carefully consider all the information contained in this Prospectus as a whole, including the matters set out below which the Issuer, based on the information available to it at the time of this Prospectus, or of which the Issuer is otherwise aware, considers to be the principal material risks with respect to the Notes. The prospective purchaser should take into account that matters which may not be considered material by the Issuer but become material or factors of which the Issuer is not currently aware but may become material later may impact on the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes. The Issuer believes that should any of the risks described below occur, this could have a material adverse effect on the Issuer's business, financial condition, results of operations, future prospects or the price of the Notes. In addition, the risks below are not the only risks to which the Issuer may be subject. Similarly, the sequence in which the risk factors below are presented is not indicative of their importance ranking, likelihood of occurrence or the scope of their financial impact. Prospective investors should reach their own views based on an appropriate analysis prior to making any investment decisions. Terms defined in the Conditions shall have the same meaning when used below.

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes

Risks relating to the Group's industry

1. ***The Group's Order Intake, revenue, cash flow and profits from the sale of its goods and services are impacted by the general economic environment and economic factors affecting it and its customers.***

A wind power project typically represents a substantial investment for which the Group's customers are generally required to obtain project finance or other financing. The financing terms available to the Issuer's customers, including, in particular, interest rates for such financing, have a significant influence on whether (and when) the Issuer's customers and their lending banks will proceed with the development of various wind power plant projects, thus utilising the Issuer's products and services. For example, difficult credit conditions and uncertainty with respect to incentives in the United States and the general economic slowdown in different regions have historically impacted the Group's Order Intake ('Order Intake' represents firm and unconditional orders), with subsequent impact on the Group's revenue, cash flow and profits. Furthermore, banks retracting their global activities, weakness in the balance sheets of and capital requirements for lending banks has led to a retraction from the project finance market, which in turn has made it more difficult for the Group's customers to get financing for their projects.

If the credit and liquidity conditions worsen, customers may reduce, delay or forgo orders, which could materially adversely affect the Group's business, results of operations, financial condition or prospects, particularly in worsening or volatile market conditions.

Continued adverse financial market conditions may have a follow-on effect on the assessment of the creditworthiness of the Group's customers, either by rating agencies, who may downgrade such customers, and thus reduce the probability of such customers obtaining financing on sufficiently attractive terms to facilitate wind project developments utilising the Group's products, or by the Issuer itself, who may elect not to contract with a particular counterparty if it does not consider it prudent to do so, particularly without full payment security in such instances. Likewise, the impact of adverse financial market conditions on the Group's credit can decrease the Group's competitiveness for new orders and could have a material adverse effect on the Group's business, results of operations, financial position or prospects. See "*—The Group's operations, particularly its ability to secure new orders, are dependent on its brand and reputation and may be affected by its credit risk.*"

2. ***Fluctuations in the prices of other sources of energy could impact the cost competitiveness of the Group's products.***

The demand for wind power equipment is affected by the cost of wind-generated electricity compared to the cost of electricity generated from other sources of energy. In addition to energy produced from other renewable energy sources, principally solar and hydroelectric power, the main competition to wind power is gas, coal and nuclear-fuelled power generation.

Even though the cost of wind-generated electricity is decreasing as wind turbine design and production continues to make improvements in efficiency, output and reliability, and the lifetime cost of wind-

generated electricity on regional levels in some instances, according to Bloomberg New Energy Finance (source: H1 2014 Clean Energy Policy & Market Briefing), is already lower than the lifetime cost of coal and gas generated electricity, a significant drop in the cost of competing sources of energy would have an adverse impact on the competitiveness of wind-generated electricity. Such drops may occur if, for instance, known reserves of oil increase significantly, or a leap in technology such as that being experienced with respect to shale gas and its impact on natural gas price occurs. A worsening in wind power's cost competitiveness relative to other sources of energy could result in lower demand for wind power equipment and could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

3. ***To the extent that governmental support in relation to renewable energy changes, is not renewed at the same level, or at all, the Group's profitability may decline.***

The sustained international attention being paid to reducing CO₂ emissions and the opportunity to trade CO₂ quotas directly and indirectly support the expansion of wind power and, in turn, the wind power industry in general. Governments in many countries support the expansion of wind power and such support has been a significant contributing factor in the growth of the industry. Support for investments in wind power is typically provided through financial incentive schemes or public grants to the owners of wind power systems, for example through subsidising tariffs on power generated by wind turbines or tax incentives promoting investments in wind power.

In the past, the decrease or elimination of direct or indirect government support schemes in a country or state has had a negative impact on the market for wind power in that country or state. In recent years in particular, these government support schemes have been under pressure from government budget austerity measures. Disruptions in and a lack of clarity with respect to government support have occurred in recent years in a number of the Group's key markets, including the European Union, the United States and Australia. For example, the Issuer believes that certain of the Group's customers delayed placing orders in 2012 due to a lack of clarity regarding the extension of the U.S. Federal Production Tax Credit (the "PTC") in the United States that resulted in a substantial decrease in the Group's wind turbines business' Order Intake. The PTC was extended until 1 January 2014 with a new start construction provision. In December 2014, the PTC was extended again with the deadline for starting construction in order to qualify for PTC being 31 December 2014 (the extension allows U.S. projects that began construction activities in 2014 to apply for the credit). As at the date of this Prospectus, the United States Congress has not yet begun consideration of expired tax credits. Furthermore, as a result of continuing fiscal concerns, some governments (including those in Spain, Romania and Bulgaria) have applied retrospective tariff measures in the renewable energy sector, which have negatively affected the level of wind power installations. Should government austerity measures, retrospective cuts on remuneration affecting the wind power industry, or other uncertainty around incentives continue where already adopted or be imposed in other countries, the Group could experience decreases in its Order Intake or its Order Intake could fail to meet expectations.

The Issuer expects governments to gradually reduce and withdraw support as the cost of wind power approaches the costs of other forms of energy. No forecasts can be made as to when this will be reached in each country or state. While the Group's established presence in a number of markets around the world minimises the cumulative impact that such reductions or withdrawals may have on the Group's operations, a decrease or elimination of government support could reduce the demand for the Group's wind power equipment, and its revenues from sales, which in turn could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

With increased focus on climate change, there is now a much greater public and political interest in a far broader range of renewable energy sources, going beyond the traditional "renewables", such as solar, wind or hydro. Furthermore, with a drive in many countries for diversification of energy sources, modern biomass, geothermal, tidal and biofuels, as well as nuclear power, all compete for governmental support and a prioritised focus. This may have an adverse impact on the level of funding or subsidy allocation that may have otherwise been available to wind energy, which may have a negative effect on the demand for wind generation equipment, which in turn may have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Risks relating to the Group's financing facilities

4. *The terms of the Group's indebtedness, including its borrowings and project-related guarantees may limit its financial flexibility.*

The Group's credit facilities contain financial ratio covenants and operating covenants which must be complied with in order for the credit facilities to remain available to the Group. The operating covenants under the Group's credit facilities restrict certain activities, subject to certain permitted exceptions.

The Group's financial ratio covenants are tested quarterly. In the event of non-compliance with any of its operating or financial ratio covenants, the Group may be required to repay its credit facilities. The Group may be unable to finance such a repayment or renegotiate other terms.

Failure to comply with an obligation to repay the credit facilities would result in an event of default, in full or in part, which may have a material adverse effect on the Group's business, cash flows, operational results, financial condition and prospects.

The covenants could restrict the Issuer's flexibility in planning for, or reacting to, changes in the Issuer's business and industry and increase the Issuer's vulnerability to adverse economic and industry conditions. The Group may enter into additional financing arrangements in the future, which could further restrict the Group's financial flexibility.

Risks relating to the Group's operations

5. *The Group's operations, particularly its ability to secure new orders, are dependent on its brand and reputation and may be affected by its credit risk.*

The Group enters into long-term contracts with its customers to produce wind turbine systems and to service wind turbine systems. These contracts generally represent significant investments over long periods of time for the Group's customers, and customers and their banks closely evaluate the credit risk of their providers. In 2012, the Group experienced financial difficulties and this brought the Group negative attention, contributed to declines in its share price and was challenging from a management perspective. A restructuring of the Group's credit facilities and the Two-year Turnaround Plan (see "*The Issuer – History*") were implemented to address weaknesses in the Group's financial position. The Group successfully completed the Two-year Turnaround Plan in 2012 and 2013 but while the Issuer believes the Group is well-positioned to win and execute contracts for its target customers, the Group's credit position may nevertheless make it less competitive in comparison to certain of its competitors who are a stronger credit or have stronger balance sheets. These factors may cause the Group to be less successful in attracting new contracts or may result in different requests for third party guarantees (bank or surety) in connection with some contracts which could continue to increase the Group's costs, and decrease margins earned on contracts. In addition, unfavourable media coverage of the Group, whether justified or not, could result in a decrease in demand and a decline in the Group's revenue. Any of the above could have a material adverse effect on the Group's operating results, financial condition or prospects.

6. *Deviations from or delays in the Order Backlog may impact the year's revenue, earnings and cash flows.*

The Group's order backlog represents expected future revenue based on the uncompleted portion of contracts awarded ("**Order Backlog**"). Completion of any such project at the value reflected in the Order Backlog is subject to a number of assumptions, risks, and estimates, and there can be no assurance that such projects will be completed or that all the revenue anticipated in the Order Backlog will be realised, or will be realised in the timeframe expected or result in profits.

Contract delays and adjustments to the scope of work occur from time to time for a number of reasons, including factors outside of the Group's control such as weather, customer credit issues, delayed financing, political pressure and budget constraints. If disputes with customers arise due to problems with executing contracts, the Group may negotiate variations to the contract with its customers to reach a mutually acceptable solution. Terminations, delays or variations can impact the Group's Order Backlog, can reduce or defer the Group's revenues and margins and can, in the case of high-value

contracts or large numbers of smaller contracts, have a material adverse effect on the Group's business, results of operations and financial condition or prospects.

7. ***The Group's revenues and cash flows are subject to fluctuations during the year and project delays may result in material timing deviations that could materially affect the Group's expected revenue, profitability and cash flows.***

The Group's revenues, cash flows and results from operations fluctuate during the year and will continue to vary due to a number of factors, such as fluctuations in incoming orders, the timing of receipt of necessary permits or reaching other key milestones, the timing of delivery of large projects, delay in financing, the launch of new products and weather conditions that may delay the erection of wind power plants. The Group recognises revenue when it transfers risk to the customer for its supply-only and for its supply-and-installation contracts and on the percentage of completion method for its turnkey projects 90 per cent. of the Group's revenue from sale of wind turbines and wind power plants in 2014 was generated from supply-only and supply-and-installation projects and was recognised upon transfer of risk to the customer.

The Group's cash flows fluctuate in line with cash payments made at particular milestones. Delays in the completion of milestones and/or mechanical completion due to project delays, irrespective of whether any such delays are within the Group's control, can cause revenue, the related profit margins on projects and cash inflows to be deferred from one year to the next year and can have a material adverse effect on the Group's business, results of operations and financial condition.

A large portion of the Group's operating expenses are fixed costs which cannot be adjusted according to short-term fluctuations in business activities. As a result, a decrease in revenues in a given period could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

8. ***The Group may experience difficulties or deficiencies with regards to its financial projections, reporting and financial controls.***

The Issuer releases projections to the market with respect to certain of its operating and financial measures, including revenue, operating profit (EBIT) margin before special items, total investments and free cash flow. This projected operating and financial information is based on forward looking information and estimates prepared by the Issuer which are based on a number of assumptions. At times, the Group's projections have differed materially from actual results. If the Issuer's projected operating and/or financial information were to materially differ from its actual results in the future, then it may become more difficult to obtain financing.

The Group's financial results are also dependent on judgements made as part of the Group's revenue recognition policies, which have given rise to disputes. See "*The Issuer—Legal and arbitration proceedings.*"

The Group's Global Finance function has policies and procedures meant to ensure that the Group's financial reporting process is sound. Failures or deficiencies in these processes can cause the Group to fail to adequately assess and address risk, detect fraud and/or to correctly report the Group's financial accounts.

Failures in the Group's financial controls can result in losses. Any of the above may have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

9. ***The Group is subject to changes in environmental, health and safety and other laws and regulations.***

Many countries have introduced legislation governing the production, erection, operation and decommissioning of wind turbines, including the duty to obtain approvals before commencing a project to obtain the optimal benefits from using wind power. To the extent that individual countries may introduce and/or change legislation, this could result in changes to the technical requirements for wind power equipment and the methods used to manufacture them.

Such changes may extend to permitted noise levels of wind turbine generators, the prescribed distance to be maintained between wind generation power plants and urban areas, the height of wind turbines in a given area or impose similar restrictions on wind power plant developments. This may impose

significant constraints on the growth of the wind power industry as a whole and require the Group to incur additional costs in order to comply with these laws or regulations, including the development of legally compliant products, which may have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Furthermore, while the Issuer believes it complies with all applicable health and safety laws and regulations, safety incidents at the Group's production sites may lead to business interruptions, loss of assets, harm to employees and the public, as well as adverse publicity. The cost of complying with any changes to safety laws and regulations, the imposition of civil or criminal liability for violations and/or liability for damages arising under personal injury or other legal actions could have a material adverse effect on the Group's business, results of operations, financial conditions or prospects.

10. ***The Group could be affected by increasing competition from new and existing industry participants and pressures on pricing of the Group's products.***

The markets in which the Group operates are competitive and any failure on the Group's part to compete effectively on an ongoing basis could materially affect the Group's business, results of operations or financial condition. The key factors affecting competition in the wind power industry are the capacity and quality of products, technology, price, the ability to fulfil local market requirements and the scope, cost and quality of maintenance services, training and support.

Competition in the wind power industry has intensified as a result of a number of factors, including international expansion by existing industry participants exploiting new markets, and increasing pressure from Asian manufacturers who strive to improve the quality and reliability of their technologies and move out of their local markets. In addition, in certain markets where customers introduce selection criteria which are primarily focused on price per MW, such as China, India, Brazil and Turkey, domestic manufacturers have driven competition on cost rather than the more individualised and long-term criteria on which the Group is able to compete more successfully.

Market entry by certain large industrial groups, including those previously unconnected to wind, through acquisitions and licence agreements and numerous greenfield establishments in certain markets, also poses a competition risk.

The competitive environment in the industry may become more challenging in the years ahead, particularly with greater consolidation in the industry, leading to greater market power and "economies of scale" by such market players, which translates into being able to offer greater "Cost of Energy" savings to wind power plant customers. The Group's current market position could be undermined by product innovation, changes in pricing and similar factors implemented by competitors. The increased use of competitive bidding processes for contracts with public utility companies may mean that those of the Group's competitors with greater financial resources are able to accept lower bids. Such events could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

11. ***The Group may not be able to maintain its competitiveness in new product development.***

The key trend in the wind power industry is the move to more technically advanced and larger wind turbines. Cognisant of the reliance of the wind industry on the cost competitiveness of wind power plants, the new materials, manufacturing processes and transport and erection solutions that the Group utilises form an integral part of the Group's product development. This integrated product development concept is being applied with a view to lowering the cost of energy for the Group's customers by ensuring that all aspects are considered in the effort to increase the performance of the wind power plants. In addition, the Group has shifted to product development strategy that builds on current proven technologies and allows for product development that is less capital expenditure intensive. Despite efforts to conduct thorough product and concept development procedures, the use and pricing of new materials, manufacturing processes and transport and erection solutions always involves a risk of defects, development delays, additional costs or of problems that have not been seen previously or were unforeseen during the development phase.

The Group has made significant investments in the development of the V164-8.0MW wind turbine, the new 3MW platform, new blade technology and upgrades of the 2MW wind turbine. Although the Issuer believes that the Group dedicates the resources necessary to refining and developing current and new

technologies and products, including the V164 wind turbine which is now part of the joint venture with Mitsubishi Heavy Industries Ltd., due to uncertainty in assessing future technological developments, it is not certain whether the development and implementation of such technologies and delivery of such products will be successful. The successful marketing of products can be a challenge in markets where the customers' primary buying criteria is price per MW, as is prevalent in much of the Chinese and Indian markets, rather than price per MW per hour in other markets.

If the Group is unable to develop and implement new technologies that are competitive, this may have a material adverse effect on the Group's business, financial condition and results of operations.

There can be no assurance that in an ever changing market, the Group will succeed in launching new products in a timely manner, and that the new products launched will be accepted in their respective markets, or that such acceptance will endure. A substantial delay in launching new products could significantly impact the ultimate success of a product and other related products, and also impede the further sale of predecessor products. Further, any delay in bringing new products on line on schedule may impact the Group's revenue, associated margins and cash flow. For example, in 2011, the introduction of the V112-3MW wind turbine was delayed due to problems with the generator factory in Travemünde, Germany, which led to a profit warning issued by the Issuer on 30 October 2011.

Despite the Group's initiatives in integrated product development and extensive testing of technology and wind turbines, there is also a risk that the pressure to develop more advanced wind turbines could put a strain on technological capabilities and increase exposure to design defects in the turbines. Each of these circumstances could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

12. ***The Group's reliance on large projects leads to exposure to the risk of its project partners and execution risk.***

A substantial part of the Group's revenue is generated by the supply and installation of wind turbine generators at large wind power plants, and the Group expects this trend to continue, particularly as part of a more complex framework of contracts with key customers. The risks facing the Group as a supplier of larger projects typically differ from the risks the Group faces when supplying a small number of turbines. When executing larger projects, the Group would typically be responsible to the project owner for a number of sub-contractors. This is particularly the case on Engineering Procurement and Construction ("**EPC**") projects where the Group would take the responsibility as EPC contractor. Any of the above could result in delays to project completion schedules, cost overruns and breach of contract claims that could have a material adverse effect on the Group's business.

Larger projects, in particular EPC contracts, may also be structured as consortium contracts, where the Group acts in an EPC co-operation with other contractors. In this case, the Group will incur a risk in respect of the consortium partners fulfilling their respective technical or commercial obligations. In the onshore market, generally the Group is the main supplier to such consortiums and thus the other consortium partners deliver a limited part of the total supply. The risk of the other consortium partners not fulfilling their obligations can be compared with the risk of sub-suppliers not fulfilling their obligations towards the Group, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

13. ***The Group is exposed to liabilities pursuant to contractual warranty commitments and the up to 20 year limitation period in respect of latent product defects which may not be covered by insurance or provisioning.***

As with any supply and installation of power plants, wind turbine generators are supplied with a defect liability period, in most cases between 24-60 months post project completion, during which period the Group is required, at its cost, to rectify any mechanical or other faulty components. Furthermore, wind turbine generators supplied by the Group are supported by certain warranties with respect to certain performance criteria such as noise, the power curve and the availability of the turbines throughout the year.

In certain countries in which the Group operates, statutes of limitation or specific construction legislation contain provisions permitting, in certain types of contracts, a right to bring claims for periods of up to 20 years in respect of latent defects that exist at the time of delivery.

Although it is the Group's general practice not to offer "serial defects" warranties or any uncertain liability exposure beyond the initial defect liability period, in certain jurisdictions the Group is obliged to provide such commitments. The Group may also decide to offer such commitments for commercial reasons, subject to internal approval and so long as the terms of such commitments meet detailed requirements. For instance, the Group commits to its wind turbines achieving certain availability ratios for an extended period of time, in addition to providing maintenance and repair services. Some of these projects are backed by insurance policies for a portion of the operating period. The insurance policies cover some, but not all, potential costs related to component damage and the loss of production caused by any such defects. In the event of serial defects, the insurer may also exclude certain claims from coverage in whole or in part.

The quality assurance systems used by the Group and most of the Group's principal suppliers comply with the ISO 9001 standard and applicable design standards and the Group continuously focuses on quality control in its product development, manufacturing and component sourcing operations, particularly with respect to the development and production of its wind turbine blades. While the Group has developed its newer wind turbine blades and other components by building on existing proven technologies, product development and the appreciable growth in volume may involve a risk that the wind turbine blades and other components produced contain defects that have not been detected in the usual test procedures, which could result in liability, and disputes may arise from time to time between the Group and its customers based on actual or alleged product defects.

The Group evaluates reported defects on a regular basis and has procedures for handling such defects. Despite the Group's quality assurance systems and its efforts to carry out product development in a way that reduces the risk of defects, major or minor defects in the wind turbines are discovered from time to time. Accordingly, there can be no assurance that, in the future, defects will not be discovered in already delivered wind turbines and the costs related to defects may have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

In order to cover the above-mentioned commitments and other risks, the Group makes systematic provisions for each product sold and the Group endeavours to maintain service contracts on wind power plants during the warranty period. The size of provisions depends mainly on the type of product and the duration of the warranty period. Additional provisions are made as and when required on the basis of specific assessments. The Issuer believes that the provisions made by the Group are adequate. However, if in the future such provisions prove to be insufficient to cover warranty claims and other risks, or if the Group has misjudged the risk, this could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

14. ***The Group is dependent on key suppliers and is subject to suppliers' credit risk and supply chain risks which may affect the timely delivery and quality of raw materials and components.***

Outside suppliers, particularly suppliers of gearboxes, transformers and blades, but also selected suppliers of raw materials, are important to the Group. In respect of components supplied from outside the Group, the Group primarily uses large and internationally reputable suppliers and its policy is, wherever possible, to have a minimum of two to three suppliers for each component to minimise the risk of component shortages. Although the Issuer believes that the Group is not generally dependent upon any single supplier, replacing certain of the most important component suppliers would be difficult within a short period. Any loss of such a supplier or inability of such supplier to fulfil its obligations to the Group, due to bankruptcy, financial weakness, or other reasons, would have a material adverse effect on the Group's business, results of operations, financial condition or prospects. For projects where Vestas has entered into an EPC contract, the Group is also exposed to risks around the other contractors whose services are part of the EPC obligations. These contractors could be part of a consortium with the Group. See *"The Group's reliance on large projects leads to exposure to the risk of its project partners and execution risk."*

Although the Issuer has centralised procurement functions and appropriate contractual frameworks are in place, there is no assurance that third parties with whom the Group has such contracts will deliver the goods and services on time and of required quality. For instance, the Issuer has made significant sales commitments which subjects the supply chain to pressure with regard to delivering according to agreements. Any delay in the provision of parts or components may delay construction or service of the wind power plants utilising the Group's products, attracting contractual penalties, including liquidated

damages, which may in turn have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

In addition, the Group's operations are reliant on its internal ability to produce certain components, including blades. Some of these components are produced or assembled at a single facility, including nacelle and hub assembly, control panels, converters and PM generators. Should the Group be unable to continue to produce or assemble these components internally, due to disturbances at a certain production location or for any other reason, the Group may be forced to seek an external supplier which could lead to delays, quality control issues or additional costs, which may in turn have a material adverse effect on the Group's business, results of operations, financial condition or prospects. The above is particularly relevant where support schemes, e.g. a renewal of the U.S. PTC support scheme, leads to a short term material increase in the demand for wind turbines for delivery into the U.S. market, with the increased strains on the local supply chain following from such industry wide increase in demand.

15. ***The Group is exposed to credit risk in association with its customers.***

The Group is exposed to credit risks in connection with deliveries to customers. The Group's outstandings with main debtors are covered by different instruments to secure payments, such as letters of credit, bank guarantees, credit insurance, third party guarantees (e.g. parent company guarantees), retention of title and documentary evidence confirming financing for the projects being available or in place (e.g. via project finance letters). In addition, the Group attempts to structure project payments to match the obligations that the Group undertakes in accordance with the milestone plan agreed for the project in question.

Although the Group seeks to limit its credit risks, there can be no assurance that losses will not occur that could influence the Group's financial results, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

16. ***The Group's hedging may not be successful or sufficiently comprehensive.***

The Group may from time to time use foreign exchange, interest rate and commodity based hedging instruments to manage certain foreign exchange, interest rate and raw material exposures.

The Group's borrowings and lease obligations are subject to movements in interest rates. In addition, interest rate fluctuations will affect the return on the Group's cash investments. Movements in interest rates could have an adverse effect on any unhedged borrowing exposure or on the returns generated by the Group's investments.

The Group is exposed to commodity risk with respect to its raw materials requirements, primarily steel, purchased from a range of suppliers around the world, and carbon fibre. Although the Group has long-term cooperation and price arrangements with specific sub-suppliers, implements escalation clauses with customers to the extent possible and designs its products to use less steel, the Group is still exposed to price fluctuations for key raw materials. This risk is heightened with respect to contracts that have long lead times between the signing of the contract and procurement of raw materials, some of which extend to more than 24 months as with wind turbines for major offshore projects.

There can be no assurance that the Group's hedging arrangements will be effective or that all of the Group's interest rate, commodity or foreign exchange risk exposure can or will be hedged. Any hedging instrument will expose the Group to the risk that the counterparty will be unable to meet its obligations, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

17. ***The Group is exposed to currency risk associated with the non-euro currencies. Disruptions or fluctuations in exchange rates could expose the Group to currency translation or transaction losses.***

The Group's reporting currency for its financial statements is the euro. However, due to the multi-jurisdictional nature of the Group's business, it generates substantial revenues and expenses outside the Eurozone (including Denmark), related to the purchase and sale of goods and services that are hedged primarily through the use of foreign exchange forward contracts. To the extent that some of the Group's foreign currency risk remains unhedged, it is exposed to adverse movements in the foreign currency exchange rates. Additionally, the Group's foreign exchange risk arises from the translation of overseas

trading performance and overseas assets and liabilities from foreign currencies into euro. Any material unhedged assets or liabilities denominated in a foreign currency, combined with adverse movements in such exchange rates, could have a material adverse effect on the Group's business, results of operations, financial condition or prospects. See "*The Group's hedging may not be successful or sufficiently comprehensive*".

18. ***The Group is exposed to the risk of competing intellectual property claims and possible inability to patent proprietary technologies material to the business.***

The Group currently has patents and systems in place to protect its own intellectual property rights and other confidential information and to avoid infringing the rights of third parties. Market participants in the wind turbine industry make extensive use of patents to protect their technologies, but there can be no assurance that the Group will always be in a position to patent its proprietary technologies, which could have a material adverse impact on the Group's business, results of operations, financial condition or prospects.

In addition, there is no assurance that competitors will not claim that certain of the Group's wind turbines represent an infringement of the competitors' proprietary and protected technology and thereby reduces the Issuer's freedom to operate. The Issuer believes that none of the wind turbines in the Group's current product programme infringe valid patents or other proprietary rights of any third party to the extent that it would be material to the Group's operations; however there is a risk that any such dispute if tried before a court of law would be decided contrary to the belief of the Issuer.

Competitors might in the future be successful in developing technology that could be patented and could represent material hindrances for the Group's future business opportunities which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

As part of the Two-year Turnaround Plan, the Group has increased its use of third party suppliers, divested certain parts of its business and reduced its employee headcount significantly, which has increased the risk of the Group's confidential information being shared outside of the Group. Any of the above could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

19. ***The Group is exposed to the risk of losing key employees or senior management and the risk related to the significant management changes and other changes which the Group has undertaken in recent years.***

As with any business, particularly one which is focused on technology, research and product development, the Group places great reliance on its key employees, who are considered critical to the Group's continued financial and market success and the maintenance of its competitive advantage. Competition for senior management and key personnel is high, while the pool of qualified candidates is limited, and the Group may not be able to retain the services of its senior executives or key employees, or attract and retain high-quality new senior executives or key employees. In order to avoid the loss of senior management and key employees to competitors, the Group seeks to ensure its compensation structures remain competitive and to incorporate non-competition clauses in employment contracts entered into with managers and other key employees, which are expected to restrict their ability to use their knowledge for the benefit of competitors.

The loss of key employees could result in loss of knowledge as well as decreases in employee morale, production and sales. If the Group is unable to hire and retain suitably qualified replacements, the Group's ability to execute its business plan and achieve its objectives could be impaired. Any of the above could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Furthermore, the Group underwent a period of substantial change in its management in 2012 and 2013. These management changes included, *inter alia*, a new five member executive management team, including a new Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Sales Officer and Chief Technology Officer. There can be no assurance that the Issuer's current and planned personnel will be adequate to support the Issuer's future operations, that the Issuer will be able to hire, train, retain, motivate and manage required personnel, or that the Issuer will be able to successfully

identify, manage and exploit existing and potential market opportunities, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

20. ***The Group is exposed to the risk of failure to deliver according to the strategic direction of the Issuer***

2013 marked the completion of the Two-year Turnaround Plan of the Issuer. During this period, comprehensive cost savings were carried out together with divestment and outsourcing of non-core activities. The strategic direction which has subsequently been set for the Issuer is based on four focus areas – see "*The Issuer – Strategy*". The failure to deliver according to the strategic direction may result in significant on-going disruption and other unanticipated impacts on the Group's business. For instance, a key strategic objective is to capture the full potential of the service business, but there is a risk that identified initiatives will not be implemented as planned and that these initiatives will not be sufficient to reach strategic targets for the service business. Furthermore, the Group may fail to implement its strategic target of growing profitably in mature and emerging markets such as China, India and Brazil. Furthermore, if the turnaround does not sustain the expected cost-cutting and efficiency effects, or if the costs incurred in implementing the turnaround (such as redundancy pay compensation) outweigh the ultimate benefits, the Group's cost structure and competitive position could deteriorate.

Any of the foregoing factors could have a material adverse effect on the Group's business, results of operations, financial condition or prospects. See "*The Issuer – History*."

21. ***The Group has operations in a number of different countries, including emerging markets and is subject to the risks inherent in international operations.***

The Group trades in many countries and has, since beginning of its operations, installed turbines in 73 countries. In 2014, Order Intake was received across 31 countries, and today the service organisation operates in more than 50 countries. This implies that a significant and increasing amount of the Group's revenue is generated outside Denmark and the rest of Europe from suppliers and customers located in the Americas and Asia Pacific. In order to achieve widespread acceptance in each country that the Group enters, it must tailor its products and services to the customs and cultures of that country and the time required to achieve widespread acceptance for those products and services may be longer than anticipated by the Group. Failure by the Group to learn the customs and cultures of various countries, particularly with respect to customer preferences, could slow its growth in international markets.

In addition, the Group is subject to certain risks as a result of having international operations and from having operations in multiple countries generally, including:

- difficulties in staffing and managing operations due to physical distance, time zones, language and cultural differences, including issues associated with establishing management systems infrastructure in various countries, including political or economic instability or unrest;
- community opposition, which can cause delays and/or blockage of projects as well as comprehensive damage to the reputation of the Group;
- differences in, and changes to, regulatory and design requirements as well as to political and economic conditions;
- compliance with international export control regulations and restrictions;
- preference of local customers for local providers;
- local content requirements (which are increasing in many emerging and established markets), tariffs or other protectionist policies;
- restrictions on the withdrawal of non-Danish investments and earnings, including potential tax liabilities if the Group repatriates back to Denmark any of the cash generated by its international operations;
- nationalisation or expropriation of assets;

- diminished ability to enforce the Group's contractual rights legally in less developed legal systems;
- currency exchange and cash repatriation restrictions; and
- exposure to corruption that is more prevalent in the construction and energy industries than in many other industries due to significant levels of government interaction and large, complex contracts.

The ability of the Group to grow its operations in any country may be impacted by these and other factors which can increase the cost and complexity of a project. One or more of these factors could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

22. ***The Group may be subject to an increased tax burden due to new laws or new interpretations of laws and its use of transfer pricing might be challenged by local tax authorities.***

The Group is subject to the tax laws in all countries in which it operates. Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to an additional tax charge. It could also lead to a financial penalty for failure to comply with required tax procedures or other aspects of tax law. If, as a result of a particular tax risk materialising, the tax costs associated with particular transactions are greater than anticipated, it could affect the profitability of those transactions.

In addition, the Group uses a transfer pricing system as part of its operations. The Group follows the OECD Transfer Pricing Guidelines. Furthermore, the Group has a transfer price agreement with respect to its operations in China and Australia, respectively. In particular, disagreements between the Danish tax authorities and local tax authorities with respect to the Group's interpretation of international guidelines, could lead to the Group being required to pay a higher tax rate with respect to its profits in relevant jurisdictions. Additionally, any such challenges could expose the Group to reputational risk in the current political environment in certain jurisdictions in which the Group operates. Any of the above could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

23. ***The Group's operations and finances may be adversely affected by litigation, and community or government responses.***

In the ordinary course of the Group's business, legal actions, claims against and by the Group and arbitration proceedings involving the Group arise. The Group and its activities are subject to both Danish and foreign laws and regulations, many of which include legal standards, which are subject to interpretation. Thus the entities within the Group may be parties to agreements and transactions involving matters which require interpretation of the underlying contractual rights and obligations. Furthermore, the Group and its activities may be subject to the jurisdiction of courts or arbitration tribunals in many different jurisdictions.

The Group's counterparties and other stakeholders or authorities may dispute the Group's compliance with laws, regulations or contractual undertakings, or the assessments made by the Group in connection with its business and the entry into agreements or transactions. The outcome of any such dispute or legal proceedings is inherently uncertain, and may include payment of substantial amounts in legal fees and damages and such proceedings or decisions could have a material adverse effect on the Group's business, results of operations, cash flows and financial condition or prospects. See "*The Issuer – Legal and arbitration proceedings*".

The Issuer is continuously monitoring pending disputes and believes that adequate provisions have been made to cover such claims. In a few cases, the gross claim may be for an amount much greater than the provision made. If publicity associated with, and the outcome of, one or more of these proceedings is significantly different than the Issuer expects, this could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

24. ***The Group's operations expose it to risks associated with dealing with governments and public officials.***

The provision of products and services to public sector customers, or for projects that require extensive government permitting or approvals, is subject to procurement regulations, requirements and limitations relating to the conduct of business relationships, including prohibitions on certain business practices that could be construed as bribery, public corruption or unfair competitive practices. The exact nature of these requirements and limitations varies across jurisdictions. For example, the public sector procurement process in Denmark is governed by Executive Order no. 712 dated 15 June 2011 and Executive Order no. 936 dated 16 September 2004 which implements into the law of Denmark the EU Directives on public procurement, EU Directive 2004/18/EC and EU Directive 2004/17/EC, respectively. While the Group's customers are generally responsible for compliance with procurement regulations with respect to their projects, there can be no assurance, however, that the Group's employees, contractors, agents, and the partners with whom they contract will not violate such policies and/or applicable laws and regulations. Further, if one of the public sector customers with whom the Group contracts or partners were to violate applicable procurement laws in connection with services provided by the Group or the Group's marketing activities, the relevant tender or approval could be compromised and a contract or approval that had been awarded to a Group customer could be rescinded. In addition, any such violation by a Group employee, contractor or agent, even if prohibited by the Group's policies, could result in civil or criminal penalties, loss of business or harm to the Group's reputation and accordingly, have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

In many countries, particularly those with developing economies, the Group's competitors may engage in business customs and practices that are acceptable in the local area, but that are prohibited by laws and regulations applicable to the Group and by the Group's corporate procedures and policies. There can be no assurance that the Group will not be competitively disadvantaged by practices engaged in by competitors or that the Group's reputation will not be harmed by possible unauthorised actions by third parties.

As the Group continues to expand globally, it will encounter and seek to adapt to jurisdiction-specific tender process rules and regulations that may be substantively different than those in effect in the EU, but there can be no assurance that the Group will not face difficulties in complying with jurisdiction-specific tender process rules and regulations or that the Group will not be impacted by possible unauthorised actions by third parties. Any of the above could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Risks related to the offering of the Notes

Risk related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk and interest rate risk.

25. ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

26. ***The secondary market generally***

Application has been made to admit the Notes to the Official List of the Luxembourg Stock Exchange and to trading on the Regulated Market of the Luxembourg Stock Exchange ("**Admission**"). There can be no assurance, however, that an active trading market in the Notes will develop upon or following Admission. The Notes may have no established trading market when issued, and one may never develop. If an active trading market in the Notes does develop, it may not be very liquid. If an active trading market in the Notes does not develop, the limited liquidity may have an adverse effect on their market price. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

27. ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the Issuer's ability to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

28. ***Interest rate risks***

The Notes will bear interest at a fixed rate and therefore investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect their value.

Risk related to the Notes generally

Set out below is a brief description of certain risk relating to the Notes generally:

29. ***Trading in the clearing systems***

The Notes are issued in the denominations of €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000. Accordingly, the Notes may be traded in amounts in excess of €100,000 that are not integral multiples of €100,000. In such a case a holder who, as a result of trading such amounts, holds a principal amount of less than €100,000 in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to at least €100,000 in order to receive a definitive Note.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

30. ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws, regulations and restrictions, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the

Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

31. ***EU Savings Directive***

Under European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**EU Savings Directive**"), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending the EU Savings Directive (the "**Amending Directive**") and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period Austria may (unless during that period Austria elects otherwise) operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Investors who are in any doubt as to their position should consult their professional advisers.

32. ***The Notes are subject to optional redemption by the Issuer***

The Notes contain an optional redemption feature, which is likely to limit their market value. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

33. ***Modification***

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

34. ***The value of the Notes could be adversely affected by a change in English law or administrative practice***

The Conditions are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

DOCUMENTS INCORPORATED BY REFERENCE

The following information contained in documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the CSSF shall be incorporated by reference in, and form part of, this Prospectus:

- (a) the information on the following pages of the Annual Report 2014 of the Issuer for the financial year ended 31 December 2014:

Consolidated Income Statement	Page 48
Consolidated Statement of Comprehensive Income	Page 49
Consolidated Balance Sheet	Pages 50 to 51
Consolidated Statement of Changes in Equity	Page 52
Consolidated Cash Flow Statement	Page 53
Notes to the Consolidated Accounts	Pages 54 to 103
Independent Auditors' Report	Page 105

Any information not listed above but included in the Annual Report 2014 of the Issuer is not incorporated by reference in this Prospectus and is therefore not relevant in connection with the offering, sale, issue or delivery of the Notes or in connection with the listing of the Notes on the Official List of the Luxembourg Stock Exchange or admission to trading of the Notes on the Luxembourg Stock Exchange's Regulated Market;

- (b) the information on the following pages of the Annual Report 2013 of the Issuer for the financial year ended 31 December 2013:

Consolidated Income Statement	Page 42
Consolidated Statement of Comprehensive Income	Page 43
Consolidated Balance Sheet	Pages 44 to 45
Consolidated Statement of Changes in Equity	Page 46
Consolidated Cash Flow Statement	Page 47
Notes to the Consolidated Accounts	Pages 48 to 96
Independent Auditors' Report	Page 101

Any information not listed above but included in the Annual Report 2013 of the Issuer is not incorporated by reference in this Prospectus and is therefore not relevant in connection with the offering, sale, issue or delivery of the Notes or in connection with the listing of the Notes on the Official List of the Luxembourg Stock Exchange or admission to trading of the Notes on the Luxembourg Stock Exchange's Regulated Market;

Any statement contained in any document incorporated by reference in, and forming part of, the Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such statement.

In addition, a copy of each document incorporated by reference is available on the Luxembourg Stock Exchange's website at www.bourse.lu.

TERMS AND CONDITIONS OF THE NOTES

The issue of the €500,000,000 2.750 per cent. Notes due 11 March 2022 (the "Notes", which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 12 and forming a single series with the Notes) of Vestas Wind Systems A/S (the "Issuer") was authorised by a resolution of the Board of Directors of the Issuer passed on 17 February 2015. Copies of the fiscal agency agreement dated 11 March 2015 (as amended or supplemented from time to time, the "Fiscal Agency Agreement") entered into in relation to the Notes between the Issuer, Deutsche Bank AG, London Branch as fiscal agent and the paying agents named in it are available for inspection during normal business hours by Noteholders (as defined below) and Couponholders (as defined below) at the specified offices of the Paying Agents (as defined below). The fiscal agent and the paying agents for the time being are referred to below respectively as the "Fiscal Agent" and the "Paying Agents" (which expression shall include the Fiscal Agent). Certain provisions of these Conditions are summaries of the Fiscal Agency Agreement and subject to its detailed provisions. The Fiscal Agency Agreement includes the form of the Notes and the coupons relating to them (the "Coupons"). The holders of the Notes (the "Noteholders") and the holders of the Coupons (whether or not attached to them) (the "Couponholders") are deemed to have notice of all the provisions of the Fiscal Agency Agreement applicable to them.

1. **Form, Denomination and Title**

(a) ***Form and denomination***

The Notes are serially numbered and in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000, with Coupons attached on issue.

(b) ***Title***

Title to the Notes and Coupons passes by delivery. The holder of any Note or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

2. **Status**

The Notes and Coupons constitute direct, unconditional, unsecured (subject to the provisions of Condition 3) and unsubordinated obligations of the Issuer and will at all times rank *pari passu* with all present and future unsecured (subject as aforesaid) and unsubordinated obligations of the Issuer, except for obligations given priority by law.

3. **Negative Pledge**

So long as any Note or Coupon remains outstanding (as such term is defined in the Fiscal Agency Agreement), the Issuer will not, and will ensure that none of its Subsidiaries will, create or have outstanding any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction ("**Security**") other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled share capital) to secure any Relevant Debt (as defined below), or payment under any guarantee or indemnity granted by the Issuer or any Subsidiary in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer's obligations under the Notes and Coupons (i) are secured equally and rateably therewith, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution of the Noteholders.

In these Conditions (the "**Conditions**"):

"**Extraordinary Resolution**" means (i) a resolution passed at a meeting of Noteholders (whether originally convened or resumed following an adjournment) duly convened and held in accordance with the Fiscal Agency Agreement by a majority of at least 75 per cent. of the votes cast or (ii) a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. of the outstanding (as such term is defined in the Fiscal Agency Agreement) Notes;

"**Group**" means the Issuer and its Subsidiaries for the time being;

"**Non-Recourse Debt**" means any Relevant Debt incurred by a project company in connection with a project where the relevant project assets comprise all of the business of that project company, where the holders of the Relevant Debt have no recourse against any member of the Group or its assets except for recourse to:

- (a) the project assets;
- (b) the project company for the purpose of enforcing Security against it, so long as the recourse is limited to recoveries in respect of the project assets;
- (c) a member of the Group to the extent of its shareholding or other interest in the relevant project company,

and for the purposes of this definition: "**project**" means any particular project of a member of the Group for the ownership, creation, development or exploitation of any of its assets; "**project assets**" means any assets used in connection with that project; and "**project company**" means the member of the Group which owns the project assets;

"**Permitted Security Interest**" means:

- (a) any Security over or affecting any asset of any company which becomes a member of the Group after 9 March 2015, where the Security is created prior to the date on which that company becomes a member of the Group, if:
 - (i) the Security was not created in contemplation of the acquisition of that company;
 - (ii) the principal amount secured has not increased in contemplation of, or since the acquisition of, that company; and
 - (iii) the market value of that asset so acquired in a financial year of the Group (when aggregated with the market value of all other assets (if any) so acquired (and which are so affected by Security) in that same financial year by all members of the Group) does not exceed in aggregate €150,000,000 (or its equivalent in another currency or currencies) in that financial year; or
- (b) any Security over or affecting any asset the subject of any Security referred to in sub-paragraph (a) of this definition ("**Existing Security**") for the purpose of and to the extent of any refinancing of the Relevant Debt secured by such Existing Security, provided that the principal amount secured has not increased; or
- (c) any Security over project assets or a project company securing Non-Recourse Debt;

"**Relevant Debt**" means any present or future indebtedness for moneys borrowed or raised in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which are, or are intended by the Issuer to be, or are with the consent of the Issuer or any Subsidiary, for the time being quoted, listed or traded on any stock exchange or other centrally organised or regulated securities market (including any over-the-counter market); and

"**Subsidiary**" means any company where the Issuer:

- (a) holds a majority of the voting rights in the company; or
- (b) is a member of the company and has the right to appoint or remove a majority of its board of directors; or
- (c) is a member of the company and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it,

or if the company is a subsidiary of a company that is itself a subsidiary of the Issuer; and a company shall be treated, for the purposes only of the membership requirement contained in (b) and (c) above, as a member of another company even if its shares in that other company are registered in the name of (i)

another person (or its nominee), whether by way of security or in connection with the taking of security, or (ii) its nominee, and "**Subsidiaries**" shall be construed accordingly.

4. **Interest**

(a) ***Interest Rate and Interest Payment Dates***

The Notes bear interest from (and including) 11 March 2015 at the rate of 2.750 per cent. per annum, payable annually in arrear on 11 March in each year (each an "**Interest Payment Date**"). Interest in respect of any Note shall be calculated per €1,000 in principal amount of the Notes (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall be €27.50 per Calculation Amount payable annually in arrear on each Interest Payment Date.

(b) ***Interest Accrual***

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal in respect of the Note is improperly withheld or refused. In such event each Note shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Fiscal Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(c) ***Calculation of Broken Interest***

Where interest is to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of (i) the actual number of days in the period from and including the date from which interest begins to accrue (the "**Accrual Date**") to (but excluding) the date on which it falls due divided by (ii) the actual number of days from (and including) the Accrual Date to (but excluding) the next following Interest Payment Date, rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and without any further rounding.

5. **Redemption and Purchase**

(a) ***Final redemption***

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 11 March 2022 (the "**Maturity Date**"). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 5.

(b) ***Redemption for taxation reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable), at their principal amount, (together with interest accrued to (but excluding) the date fixed for redemption), if the Issuer on the occasion of the next payment due under the Notes (i) has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of Denmark or any political subdivision or any authority thereof or therein having power to tax, or any change in the published application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 9 March 2015, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has

or will become obliged to pay such additional amounts as a result of such change or amendment.

(c) ***Redemption at the option of the Issuer (Make Whole)***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on a date specified by the Issuer (the "**Optional Redemption Date**") on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable), at a Make Whole Redemption Price. The "**Make Whole Redemption Price**" shall be the higher of (i) par, and (ii) the present value (as determined by the Calculation Agent) of the remaining scheduled payments of principal and interest on the Notes to be redeemed (but not including any portion of such payments of interest accrued to the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis at the Reference Rate plus 0.45 per cent. together (in either case) with interest accrued to (but excluding) the Optional Redemption Date.

For the purposes of this Condition:

"**Business Day**" means a day on which commercial banks are open for business in the city in which the Calculation Agent has its specified office;

"**Calculation Agent**" means a leading investment, merchant or commercial bank appointed by the Issuer for the purposes of calculating the Make Whole Redemption Price;

"**Reference Bond**" means the German Bundesobligationen selected by the Calculation Agent as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes;

"**Reference Bond Price**" means (i) the average of five Reference Market Maker Quotations for the relevant Optional Redemption Date, after excluding the highest and lowest Reference Market Maker Quotations, or (ii) if the Calculation Agent obtains fewer than five such Reference Market Maker Quotations, the average of all such quotations;

"**Reference Market Maker Quotations**" means, with respect to each Reference Market Maker and any Optional Redemption Date, the average, as determined by the Calculation Agent, of the bid and asked prices for the Reference Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Calculation Agent at 5.00 p.m., CET, on the third Business Day preceding such Optional Redemption Date;

"**Reference Market Makers**" means five brokers or market makers of bunds selected by the Calculation Agent or such other five persons operating in the bunds market as are selected by the Calculation Agent in consultation with the Issuer; and

"**Reference Rate**" means, with respect to any Optional Redemption Date, the rate per annum equal to the equivalent yield to maturity of the Reference Bond, calculated using a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Optional Redemption Date. The Reference Rate will be calculated on the third Business Day preceding the Optional Redemption Date.

(d) ***Redemption at the option of the Issuer (Issuer Call)***

The Notes may be redeemed at the option of the Issuer, in whole, but not in part, at any time from and including 11 December 2021 to but excluding the Maturity Date, on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable), at their principal amount together with interest accrued to (but excluding) the date of redemption.

(e) **Redemption at the option of Noteholders**

- (A) If a Change of Control Put Event occurs, the Issuer will within 30 days issue a Change of Control Put Event Notice and the holder of each Note will during the Change of Control Put Period, have the option (unless prior to the giving of the relevant Change of Control Put Event Notice the Issuer has given notice of redemption of the Notes), by giving notice in writing to the Fiscal Agent at its specified office, to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Change of Control Optional Redemption Date at its principal amount (the "**Change of Control Optional Redemption Amount**") together with interest accrued to (but excluding) the Change of Control Optional Redemption Date (the "**Change of Control Put Option**").

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to the Change of Control Put Option, the Issuer may subsequently, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (such notice being given within 30 days after the Change of Control Optional Redemption Date), redeem or purchase (or procure the purchase of) at its option, all but not some only of the remaining outstanding Notes at the Change of Control Optional Redemption Amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

A "**Change of Control**" shall occur if any person or group of persons acting in concert gains Control of the Issuer;

"**Control**" means:

- (a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
- (i) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the Issuer; or
 - (ii) appoint or remove all, or the majority, of the members of the board of directors of the Issuer; or
- (b) the holding of more than one-half of the issued share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); and

"**acting in concert**" means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in the Issuer, to obtain or consolidate control of the Issuer.

A "**Change of Control Put Event**" will be deemed to occur if while any of the Notes remain outstanding a Change of Control has occurred;

"**Change of Control Put Event Notice**" means a notice to be given pursuant to the Change of Control Put Option by the Issuer to the Noteholders stating:

- (a) that a Change of Control Put Event has occurred and that each Noteholder is entitled to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) the Notes of such holder pursuant to the Change of Control Put Option;
- (b) the circumstances and relevant facts regarding such Change of Control Put Event;

- (c) the Change of Control Optional Redemption Amount and the redemption or purchase date (which shall be the date falling seven days after the expiry of the Change of Control Put Period (the "**Change of Control Optional Redemption Date**")); and
- (d) the procedures for exercising the Change of Control Put Option; and

"**Change of Control Put Period**" means the period of 45 days after a Change of Control Put Event Notice is given.

- (B) If it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes (a "**Relevant Event**"), the Issuer will within 30 days of becoming aware thereof issue a notice of such Relevant Event (a "**Relevant Event Notice**") and the holder of any Note may, following the giving of such Relevant Event Notice, by notice in writing given to the Fiscal Agent at its specified office, require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on such date being not earlier than 5 business days and not later than 30 business days after the date of such Relevant Event Notice at its principal amount together with interest accrued to (but excluding) the date of redemption or purchase.

(f) ***Notice of redemption***

All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.

(g) ***Purchase***

The Issuer and any of its Subsidiaries may at any time purchase Notes in the open market or otherwise at any price (**provided that** they are purchased together with all unmatured Coupons relating to them). Such Notes may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 11(a).

(h) ***Cancellation***

All Notes so redeemed and any unmatured Coupons attached to or surrendered with them will be cancelled and may not be re-issued or resold.

6. **Payments**

(a) ***Method of Payment***

- (i) Payments of principal will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Notes at the specified office of any Paying Agent by euro cheque drawn on, or by transfer to a euro account maintained by the payee with, a bank in a city with access to the TARGET System (as defined below).
- (ii) Payments of interest due in respect of any Note shall be made only against presentation and surrender (or, in the case of a partial payment, endorsement) of the appropriate Coupons at the specified office of any Paying Agent in the manner described in sub-paragraph (a)(i) of this Condition 6.

(b) ***Payments subject to laws***

All payments are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official

interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) ***Surrender of unmatured Coupons***

Each Note should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned in Condition 6(a) above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (as defined in Condition 7) for the relevant payment of principal.

(d) ***Payments on business days***

A Note or Coupon may only be presented for payment on a day which is a business day in the place of presentation. If such a date would otherwise fall on a day that is not a business day, then that date shall be postponed to the first following day that is a business day. No further interest or other payment will be made as a consequence of the day on which the relevant Note or Coupon may be presented for payment under this paragraph failing after the due date. In this Condition "**business day**" means a day on which commercial banks and foreign exchange markets are open in the place of presentation and which is a day on which the Trans-European Automated Real-Time Gross Settlement Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto (the "**TARGET System**") is operating.

(e) ***Paying Agents***

The initial Paying Agents and their initial specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, **provided that** they will maintain (i) a Fiscal Agent, (ii) a Paying Agent (which may be the Fiscal Agent) having a specified office in at least one major European city, and (iii) a Paying Agent with a specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any change in the Paying Agents or their specified offices will promptly be given to the Noteholders.

7. **Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed, in each case, by or within Denmark or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(a) ***Other connection***

by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with Denmark other than the mere holding of the Note or Coupon; or

(b) ***Presentation more than 30 days after the Relevant Date***

more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or

(c) ***Payment to individuals***

where such withholding or deduction is imposed on a payment to or for an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced to conform to, such Directive; or

(d) ***Payment by another Paying Agent***

by or on behalf of a Noteholder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

"Relevant Date" means, in respect of any payment, whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders. Any reference in these Conditions to **"principal"** and/or **"interest"** shall be deemed to include any additional amounts which may be payable under this Condition.

8. **Events of Default**

If any one or more of the following events (each an **"Event of Default"**) shall occur:

- (i) default is made in the payment of any principal or interest due in respect of the Notes or any of them and such default continues for a period of seven days; or
- (ii) the Issuer fails to perform or observe in any respect any of its other obligations in respect of the Notes which default is incapable of remedy or is not remedied within the period of 30 days after notice thereof has been given to the Issuer or the Fiscal Agent requiring the same to be remedied; or
- (iii) any Financial Indebtedness (as defined below) of the Issuer or any Material Subsidiary shall be or be declared due and payable prior to the date on which the same would otherwise become due and payable by reason of the occurrence of an event of default (howsoever described) in relation thereto or the Issuer or any Material Subsidiary defaults in the repayment of any Financial Indebtedness on the due date for payment thereof or at the expiry of any applicable grace period or any guarantee or indemnity in respect of any such Financial Indebtedness given by the Issuer or any Material Subsidiary shall not be paid when due and called upon or at the expiry of any applicable grace period, save in any such case where there is a *bona fide* dispute as to whether payment or repayment is due, **provided that** no Event of Default will occur if the aggregate amount of Financial Indebtedness referred to above is less than an amount equal to three (3) per cent. of the Issuer's total equity as specified in the Issuer's then latest published financial statements; or
- (iv) any order shall be made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any Material Subsidiary or an administration order is made in relation to the Issuer or any Material Subsidiary (other than for the purpose of (a) an amalgamation, merger or reconstruction approved by an Extraordinary Resolution of the Noteholders or (b) a voluntary solvent winding up of any Material Subsidiary); or
- (v) the Issuer or any Material Subsidiary shall cease to carry on the whole or substantially the whole of its business (other than a cessation in the circumstances referred to in the exception to paragraph (iv) of this Condition 8 or in connection with the transfer of all or a major part of the business, undertaking and assets of any Material Subsidiary to the Issuer or another of its Subsidiaries); or
- (vi) the Issuer or any Material Subsidiary shall stop payment or shall be unable to, or shall admit inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent by a court of competent jurisdiction or shall make a conveyance or assignment for the benefit of, or shall enter into any composition or other arrangement with, its creditors generally; or

- (vii) a receiver, trustee, administrator or liquidator or other similar official shall be appointed in relation to the Issuer or any Material Subsidiary or in relation to the whole or a substantial part of the undertaking, revenue or assets of any of them or an encumbrancer shall take possession of the whole or a substantial part of the undertaking, revenue or assets of the Issuer or any Material Subsidiary, or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or a substantial part of the undertaking, revenue or assets of any of them and in any of the foregoing cases it or he shall not be discharged within 45 days; or
- (viii) any event occurs which under the laws of Denmark has an analogous effect to any of the events referred to in paragraphs (vi) or (vii) above,

then any Note may, by notice in writing given to the Fiscal Agent at its specified office by the holder, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further formality.

Notice of any Event of Default will promptly be given to the Noteholders by the Issuer.

For the purposes of these Conditions:

"**EBITDA**" means, in respect of any 12-month period ending on 30 June or 31 December (each a "**Relevant Period**"), the consolidated operating profit of the Group before taxation (including the results from discontinued operations):

- (a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any member of the Group (calculated on a consolidated basis) in respect of that Relevant Period;
- (b) not including any accrued interest owing to any member of the Group;
- (c) after adding back any amount attributable to the amortisation, depreciation or impairment of assets of members of the Group (and taking no account of the reversal of any previous impairment charge made in that Relevant Period);
- (d) before taking into account any Exceptional Items;
- (e) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (f) after deducting the amount of any profit of any Non-Group Entity to the extent that the amount of the profit included in the financial statements of the Group exceeds the amount actually received in cash by members of the Group through dividends or other distributions by the Non-Group Entity; and
- (g) before taking into account any unrealised gains or losses on any financial instrument,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Group before taxation;

"**Exceptional Items**" means any material items of an unusual or non-recurring nature which represent gains or losses including those arising on:

- (a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;
- (b) disposals, revaluations, write downs or impairment of non-current assets or any reversal of any write down or impairment;
- (c) disposals of assets associated with discontinued operations; and
- (d) any other examples of "exceptional items";

"**Financial Indebtedness**" means any indebtedness for or in respect of moneys borrowed;

"Joint Venture" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity which is not a member of the Group in which a member of the Group has or will have (directly or indirectly) an equity interest;

a **"Material Subsidiary"** means, at any time, any Subsidiary of the Issuer whose gross assets then equal or exceed 15 per cent. of the gross assets of the Group, or which has earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA representing 15 per cent. or more of EBITDA, but excluding any Subsidiary that is a single- purpose company whose principal assets are constituted by one or more projects or contracts, none of whose Financial Indebtedness is the subject of security, a guarantee or indemnity from the Issuer or any Material Subsidiary, and which the Issuer has designated as such for the time-being by written notice to the Fiscal Agent;

For this purpose:

- (a) the gross assets of a Subsidiary of the Issuer or, as applicable, the earnings before interest, tax, depreciation and amortisation of a Subsidiary of the Issuer will be determined from its financial statements (unconsolidated if it has Subsidiaries) upon which the latest audited financial statements of the Group have been based;
- (b) if a Subsidiary of the Issuer becomes a member of the Group after the date on which the latest audited financial statements of the Group have been prepared, the gross assets or, as applicable, the earnings before interest, tax, depreciation and amortisation of that Subsidiary will be determined from its latest financial statements;
- (c) the gross assets of the Group or EBITDA will be determined from the Group's latest audited financial statements, adjusted (where appropriate) to reflect the gross assets or, as applicable, the earnings before interest, tax, depreciation and amortisation of any company or business subsequently acquired or disposed of; and
- (d) if a Material Subsidiary disposes of all or substantially all of its assets to another Subsidiary of the Issuer, it will immediately cease to be a Material Subsidiary and the other Subsidiary (if it is not already) will immediately become a Material Subsidiary; the subsequent financial statements of those Subsidiaries and the Group will be used to determine whether those Subsidiaries are Material Subsidiaries or not.

If there is a dispute as to whether or not a member of the Group is a Material Subsidiary, a certificate of two directors of the Issuer will be, in the absence of manifest error, conclusive; and

"Non-Group Entity" means any investment or entity (which is not itself a member of the Group (including associates and Joint Ventures)) in which any member of the Group has an ownership interest.

9. **Prescription**

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 6 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

10. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (**provided that** the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

11. **Meetings of Noteholders and Modification/Modification and Substitution**

(a) ***Meetings of Noteholders***

The Fiscal Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution

of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of, or interest on, the Notes, (iii) to change the currency of payment of the Notes or the Coupons, or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

In addition, a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. of the outstanding (as such term is defined in the Fiscal Agent Agreement) Notes, the holders of which are for the time being entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) ***Modification of Notes and Conditions and Fiscal Agency Agreement***

The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders. In addition, the parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

(c) ***Substitution***

The Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons such company (the "**Substitute**") as is specified in the Fiscal Agency Agreement, **provided that** no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form exhibited to the Fiscal Agency Agreement, and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to be bound by the terms of the Conditions, the Notes and the Coupons, (ii) the obligations of the Substitute under the Deed Poll, the Notes and the Coupons shall be unconditionally guaranteed by the Issuer by means of the Deed Poll, (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes and Coupons represent valid, legally binding and enforceable obligations of the Substitute and in the case of the Deed Poll of the Issuer have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Fiscal Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it (including, where the Substitute is incorporated, domiciled or resident in, or subject to the taxing jurisdiction of a territory other than or in addition to Denmark or any authority therein or thereof having power to tax, undertakings or covenants shall be given by the Substitute in terms corresponding (where applicable) to the provisions of Conditions 5(b) and 7 with the substitution for (or, as the case may be, the addition to) the references to Denmark of references to that additional territory in which the Substitute is incorporated, domiciled or resident or to whose taxing authority it is subject) and, (v) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a

leading securities practice in each jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation and in England as to the fulfilment of the preceding conditions of this paragraph (c) and the other matters specified in the Deed Poll and (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or pending execution, the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents. References in Condition 8 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and the events listed in Condition 8 shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect.

(d) ***Requirements of Luxembourg Stock Exchange***

In the case of substitution pursuant to this Condition, the Substitute shall comply (for so long as the Notes are listed on the Luxembourg Stock Exchange with the then prevailing requirements of the Luxembourg Stock Exchange in connection with any such substitution.

12. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further securities shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes.

13. **Notices**

Notices to Noteholders will be valid if published in a leading newspaper having general circulation in London (which is expected to be the Financial Times) and (so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require) published either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if such publication shall not be practicable, in an English language newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

14. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

15. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

16. **Governing Law**

(a) ***Governing Law***

The Fiscal Agency Agreement, the Notes and the Coupons, and any non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with English law.

(b) ***Jurisdiction***

Subject to the following paragraph, the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Fiscal Agency Agreement, the Notes or the Coupons (including any non-contractual obligations arising out of or in connection with the Fiscal Agency Agreement, the Notes or the Coupons) and accordingly the Issuer has submitted to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

The Noteholders and the Couponholders may take any suit, action or proceeding arising out of or in connection with the Fiscal Agency Agreement, the Notes or the Coupons (including any non-contractual obligations arising out of or in connection with the Fiscal Agency Agreement, the Notes or the Coupons) (together referred to as "**Proceedings**") against the Issuer in any other court of competent jurisdiction and, to the extent permitted by law, concurrent Proceedings in any number of jurisdictions.

(c) ***Agent for Service of Process***

The Issuer has appointed Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for receipt of process on its behalf and has agreed that, in the event of Law Debenture Corporate Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings.

OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the Closing Date with a common safekeeper for the ICSDs. The Notes will be issued in NGN form and are intended to be held in a manner which will allow Eurosystem eligibility. This does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

So long as the Notes are represented by the Temporary Global Note or the Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in a minimum authorised denomination of €100,000 and higher integral multiples of €1,000, notwithstanding that no Notes in definitive form ("**Definitive Notes**") will be issued with a denomination above €199,000.

The Temporary Global Note and the Permanent Global Note contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the Conditions of the Notes set out in this document. The following is an overview of certain of those provisions:

1. **Principal Amount and Exchange**

The principal amount of the Notes represented by the Global Notes shall be the aggregate amount from time to time entered in the records of Euroclear and Clearstream, Luxembourg or, in the case of the Permanent Global Note, any permitted alternative clearing system (each a "**relevant Clearing System**"). The records of the relevant Clearing Systems (which expression means the records that each relevant Clearing System holds for its accountholders which reflect the amount of such accountholders' interests in the Notes) shall be conclusive evidence of the principal amount of Notes represented by the Global Notes and a statement issued by a relevant Clearing System stating the principal amount of Notes represented by the Global Notes at any time shall be conclusive evidence of the records of that relevant Clearing System at that time.

The Temporary Global Note is exchangeable in whole or in part for interests recorded in the records of the relevant Clearing System in the Permanent Global Note on or after a date which is expected to be 20 April 2015 upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note is exchangeable in whole but not, except as provided in the next paragraph, in part (free of charge to the holder) for the Definitive Notes described below (i) if the Permanent Global Note is held on behalf of a relevant Clearing System and any such relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, (ii) if principal in respect of any Notes is not paid when due and payable under Condition 8; or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. Thereupon (in the case of (i) or (ii) above) the holder may give notice to the Fiscal Agent, and (in the case of (iii) above) the Issuer may give notice to the Fiscal Agent and the Noteholders, of its intention to exchange the Permanent Global Note for Definitive Notes on or after the Exchange Date specified in the notice.

If the principal in respect of any Note is not paid when due and payable under Condition 8 the holder of the Permanent Global Note may by notice to the Fiscal Agent (which may but need not be the default notice referred to in "Default" below) require the exchange of a specified principal amount of the Permanent Global Note (which may be equal to or (provided that, if the Permanent Global Note is held by or on behalf of a relevant Clearing System, that relevant Clearing System agrees) less than the outstanding principal amount of Notes represented thereby) for Definitive Notes on or after the Exchange Date (as defined below) specified in such notice.

On or after any Exchange Date (as defined below) the holder of the Permanent Global Note may, or in the case of paragraph (iii) above shall, surrender the Permanent Global Note or present it for endorsement to or to the order of the Fiscal Agent. In exchange for the Permanent Global Note or, the part thereof to be exchanged, the Issuer shall promptly deliver, or procure the prompt delivery of (free

of charge to the bearer), an equal aggregate principal amount of duly executed and authenticated Definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Fiscal Agency Agreement. On exchange in full of the Permanent Global Note, the Issuer will if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant Definitive Notes.

"**Exchange Date**" means a day specified in the notice requiring exchange falling not less than 60 days, or in the case of exchange pursuant to (ii) above, 30 days, after that on which the notice requiring exchange is given and being a day on which banks are open for general business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (i) above, in the place in which the relevant Clearing System is located.

2. **Payments**

No payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by the Permanent Global Note will be made to its holder. The Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant Clearing System and, in the case of payments of principal, the principal amount of the Notes will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant Clearing System shall not affect such discharge.

3. **Notices**

So long as the Notes are represented by a Global Note and such Global Note is held on behalf of a relevant Clearing System, notices to Noteholders may be given by delivery of the relevant notice to that relevant Clearing System for communication by it to entitled accountholders in substitution for publication as required by the Conditions except that, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Exchange so require, notices shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

4. **Prescription**

Claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by the Permanent Global Note will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

5. **Meetings**

The holder of the Permanent Global Note will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each €1,000 in principal amount of Notes for which the Permanent Global Note may be exchanged.

6. **Cancellation**

On cancellation of any Note required by the Conditions to be cancelled following its redemption, or if the Issuer requires any Notes represented by a Global Note to be cancelled following purchase, the Issuer shall procure that details of such cancellation shall be entered pro rata in the records of the relevant Clearing Systems and, upon any such entry being made, the principal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by such Global Note shall be reduced by the aggregate principal amount of the Notes so cancelled.

7. **Default**

The Permanent Global Note provides that the holder may cause the Permanent Global Note to become due and payable in the circumstances described in Condition 8 by stating in the notice to the Fiscal Agent the principal amount of Notes which is being declared due and payable. If principal in respect of any Note is not paid when due and payable, the holder of the Permanent Global Note shall elect that the Permanent Global Note becomes void as to a specified portion and that the persons entitled to such

portion as accountholders with a relevant Clearing System acquire direct enforcement rights against the Issuer under further provisions of the Permanent Global Note executed by the Issuer as a deed poll.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be applied by the Issuer for general financing purposes and general corporate purposes (including the production and sale of wind turbines, after sales service solutions and services to the wind energy sector).

THE ISSUER

Corporate Information

Vestas Wind Systems A/S (the "**Issuer**" or "**Vestas**") is a public limited liability company incorporated under Danish law on 1 September 1986 for an unlimited duration. The registered office of the Issuer is located at Hedeager 44, DK-8200 Aarhus N, Denmark. The telephone number of the Issuer is +45 97 30 00 00. The Issuer is registered with the Danish Business Authority under company reg. no. 10 40 37 82.

Overview

The Issuer has been active in the wind turbine industry for over 35 years and is a global energy company dedicated exclusively to wind energy.

Vestas is a leading manufacturer of wind turbines in terms of installed capacity, having installed (the "**Installed Base**") in excess of 66 gigawatt ("**GW**") in 73 countries at the end of 2014. Vestas has a comprehensive wind turbine offering supplemented by a full-scale global service offering, and through its global network, the Group delivers its products to its extensive customer base.

Vestas produced and shipped 6,125 megawatt ("**MW**") of wind turbine capacity in 2014, an increase of 36 per cent. compared to 2013. The Group's revenue was €6,910 million in 2014, comprising €5,839 million from sale of wind turbines and wind power plants, €964 million from services, and €107 million from other. The Group's Order Backlog – contractual future revenue (see "*Order Backlog*" below) – was €13.7 billion as at 31 December 2014, comprising €6.7 billion of wind turbine revenue and €7.0 billion of service revenue.

The following table sets out the key performance indicators of the Group.

	<u>As at and for the year ended 31 Dec 2014</u>	<u>As at and for the year ended 31 Dec 2013</u>
Order Intake (<i>€ billion</i>).....	5.8	5.8
– Wind turbines (<i>MW</i>).....	6,544	5,964
Order Backlog (<i>€ billion</i>).....	13.7	13.5
– Wind turbines (<i>€ billion</i>).....	6.7	6.8
– Service (<i>€ billion</i>).....	7.0	6.7
Revenue (<i>€ million</i>).....	6,910	6,084
– Wind turbines and wind power plants (<i>€ million</i>).....	5,839	5,082
– Service (<i>€ million</i>).....	964	954
– Other (<i>€ million</i>).....	107	48
Delivered capacity (<i>MW</i>).....	6,252	4,862
Gross profit (<i>€ million</i>).....	1,178	896
- Gross profit margin (%).....	17.0	14.7
Operating profit (EBIT) before special items (<i>€ million</i>).....	559	211
– operating profit (EBIT) before special items margin (%).....	8.1	3.5
Net working capital (<i>€ million</i>).....	(957)	(596)
Cash flow from investment activities (<i>€ million</i>).....	(285)	(239)
Free cash flow (<i>€ million</i>).....	841	1,009

History

Vestas was listed on NASDAQ OMX Copenhagen A/S (previously known as the Copenhagen Stock Exchange) in 1998 in order to capitalise on the significant growth opportunities in the wind power market. Vestas has played a major role in the wind power industry, and the expansion of Vestas has been achieved through organic as well as acquisitive growth. Through the 2004 merger with another Danish wind turbine manufacturer, NEG Micon, Vestas continued to significantly expand and develop its business.

In the years 2005 to 2008, Vestas went through a gradual transformation as part of the implementation of its strategic plan. Vestas began building an organisation and production capabilities with global reach. The objective was to manufacture products regionally at local costs, to reduce transport costs both financially and in

terms of environmental footprint, to strengthen relations with local, regional and global customers and to shorten delivery times.

Following the completion of the 2005 to 2008 strategic plan, the positive outlook for the wind power industry remained, despite the overall decline to the global economy that occurred as a result of the financial crisis. Therefore Vestas continued its development towards becoming a company with global reach in the years 2009 and 2010, building on the changes that the previous strategy had delivered.

At the end of 2011, Vestas faced a significantly declining near-term market outlook due to lower energy consumption in key markets. Consequently, Vestas revised its strategy for 2012–2013 and realigned its business by initiating a two-year turnaround plan (the "**Two-year Turnaround Plan**").

The major achievements of the Two-year Turnaround Plan were:

- The Vestas organisation was scaled down from approximately 23,000 to around 16,000 employees which, combined with factory closures, have secured fixed capacity cost savings. Following an increase in activity levels throughout 2014, the number of employees as of 31 December 2014 was approximately 19,700.
- The turbine road map was focused on improving the existing 2MW and the new 3MW turbine platforms providing economies of scale in both production and sourcing due to shared production backbone and stability in the supply chain. Further, the establishment on 1 April 2014 of the offshore joint venture ("**JV**") with Mitsubishi Heavy Industries Ltd. ("**MHI**") has greatly reduced Vestas' product development cost as continued development and commercialisation of the V164 offshore turbine is done at the cost of the JV. See "*MHI Vestas Offshore Wind A/S*" for a description of the JV.
- The reorganisation of Vestas' sourcing and manufacturing setup, including the divestment of the machining and casting units, has ensured a more asset light and scalable manufacturing setup that can adapt more easily to fluctuations in demand while at the same time securing high factory utilisation. Vestas has 19 production sites today compared to 31 in 2011.
- An equity raise on 4 February 2014 of €442 million and the completion on 31 March 2014 of Vestas' five-year revolving credit facility; the combination of the revolving credit facility and the equity raise provides additional liquidity and a stable, long-term financing platform.

Essentially, the Two-year Turnaround Plan has resulted in a much leaner organisation with stronger capabilities and profitability potential.

Strategy

Following the completion of the Two-year Turnaround Plan in 2013, the year 2014 marked the beginning of a new strategy with a longer term view. This strategy, named "Profitable growth for Vestas", is divided into four main areas, as set out below:

1. Profitable growth 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.

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 long-standing global presence, Vestas will also continue to pursue opportunities in markets where wind energy is set to expand, such as Chile, Costa Rica, Turkey, Poland, Slovenia, Vietnam and Thailand.

2. *Capture the full potential of the service business*

Having delivered an accumulated amount in excess of 66 GW of wind power, Vestas has a unique platform from which to grow its service business.

In 2014, the service business was carved out as a separate division, known as 'Global Service', 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 fulfil the strategic objective 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. Further, it is an ongoing and unchanged ambition of Vestas to continue to reduce the underlying cost structures in the service division.

3. *Reduce levelised cost of energy ("LCOE")*

Recent technological improvements to the existing 2MW and 3MW wind turbine platforms have resulted in significantly increased annual energy production, 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.

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.

Vestas will continue to leverage its cost structure by simplifying both its global manufacturing footprint as well as its products. An example of this 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.

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 the scale of its operations.

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 planned for 2015-2017.

In addition, optimisation of the supply chain and increased use of standard components also decreases Vestas' need for investments, reduces lead time and keeps inventories low. Finally, working capital management remains an area of high priority for Vestas. Consequently, the focus remains on improving the cash conversion cycle and efficiently managing the amount of working capital that is tied up while transporting and installing the wind turbine projects.

Vestas' Principal Business

Vestas operates through two principal businesses: manufacturing and sale of wind turbines, and services. The activities are described below. As the competitive environment in the industry may become more challenging in the years ahead, particularly as a result of greater consolidation in the industry (leading to greater market power and "economies of scale" by such players), the Group remains open to opportunistic acquisitions and mergers as part of its ongoing strategy.

Manufacturing and sale of wind turbines

The Group produces turbines which are suited to a broad range of wind speeds, a full spectrum of weather conditions, and are capable of fulfilling tailored local requirements. Vestas has a broad product portfolio, which

it regularly evaluates to ensure that its products maximise output and return from wind turbines under various wind and transmission conditions.

Vestas has a strong presence in all key geographic areas. In 2014, 57 per cent. of Vestas' wind turbines (measured in MW) were produced and shipped to Europe and Africa, 34 per cent. to Americas and 9 per cent. to Asia Pacific.

Product platforms and variants

In 2012 a new product market strategy and revised product roadmap was introduced to reflect a revised research and development ("**R&D**") approach. The objectives were to lower time-to-market and investments for new wind turbine variants, to outsource a larger part of the production and to increase the use of standard components to reduce manufacturing costs as well as the cost of energy for Vestas' customers.

Vestas' current product platforms comprise the 2MW and 3MW platforms, each with strong track records, and the MHI Vestas' V164 offshore platform of 8MW. Based on these wind turbine platforms, Vestas' comprehensive product portfolio will continue to be customer and market driven.

Product enhancements

By adding larger rotors and increasing the nominal power output, Vestas is able to optimise power production for specific site conditions across low, medium and high wind sites, thereby delivering even more competitive business cases for its customers. As an example, the power output of the new V112 has been increased to 3.3 MW. All things being equal, such a 10 per cent. increase in rated power output lowers the cost of energy by 3 per cent. Another example is adding longer blades to existing platforms which increases the rotor diameter of the V117-3.3 MW and the V126-3.3 MW by 4.5 per cent. and 12.5 per cent., respectively, compared to the V112-3.3 MW.

In 2014, Vestas also optimised the 3 MW platform by introducing new product solutions, such as the Large Diameter Steel Tower and a de-icing system to improve energy production and help customers boost their business cases on sites with specific requirements.

In 2013, the 2 MW platform was upgraded with the V110-2.0 MW. By increasing blade length and power output, the V110-2.0 MW turbine enhances the annual power production by around 13 per cent. compared to the V110-1.8 MW turbine.

Structural shell design

To further improve Vestas' competitiveness, new wind turbines such as the V110-2.0 MW and the V126-3.3 MW are equipped with blades made using structural shell technology. This design requires significantly lower investments to manufacture and are easier to outsource for third-party production, e.g. in markets that require a degree of local content. The utilisation of structural shell design contributes to Vestas becoming a more flexible company that can better adapt to various market conditions.

Optimise wind turbine performance

Vestas regularly evaluates its product portfolio. In 2012, the kilowatt wind turbines were phased out and in 2014 the 8MW platform was transferred to the joint venture with MHI. Based on ongoing analyses of customer needs and market outlook, Vestas will continue to optimise wind turbine performance for specific markets and wind conditions. Vestas will base its future development on innovation of the 2MW and 3MW platforms.

The following table sets out the characteristics of the Group's wind turbine products:

Product platform	IEC III Low wind	IEC II Medium wind	IEC I High wind
2 MW platform			
V110-2.0MW.....	X		
V100-1.8/2.0MW.....	X	X	
V90-1.8/2.0MW.....		X	
3 MW platform			
V126-3.3MW.....	X		
V117-3.3MW.....		X	
V112-3.3MW.....		X	X
V105-3.3MW.....			X

Types of contracts

The services that Vestas' provides during the construction phase will differ based on the individual customer's risk profile and scope of supply. Vestas offers three different types of scope of supply: supply-only, supply-and-installation and turnkey projects.

Supply-only

For supply-only projects, Vestas supplies the wind turbines (with or without transportation and supervision during installation). The Group receives pre-payment for a portion of the project costs at the outset of the contract and receives further cash payments based on specified milestones, e.g. at shipment.

The Group's sale of supply-only projects is recognised in the income statement provided that risk has been transferred to the buyer ("**Transfer of Risk**"), which typically happens upon supply of the turbines at the agreed site.

Supply-and-installation

For supply-and-installation projects Vestas supplies the wind turbines and installs them and also hires cranes, provides manpower, and provides transportation. The Group receives pre-payment for a portion of the project costs at the outset of the project and receives further cash payments based on specified milestones, e.g. at shipment and mechanical completion. The Group's revenue recognition for supply-and-installation is, like supply-only projects, based on Transfer of Risk, but the difference is that Transfer of Risk typically does not happen before installation of the turbines at the agreed site is completed.

Turnkey

For turnkey projects Vestas designs, supplies and installs the project. The scope can include internal road construction, cabling, substations, static compensators, site buildings, earthing, and fibre cables between the turbines. Cash payments are made based on pre-determined milestones set out in the contract and revenue is recognised in accordance with the percentage of completion method.

Level of activity

In 2014, Vestas delivered 3,385 MW to the markets in Europe and Africa and the Order Backlog amounted to 4,002 MW as of 31 December 2014. The European onshore wind turbine market continued to be stable in 2014. Despite shifting political regimes, Europe is expected to remain Vestas' largest market. Although renewable energy policies and support schemes remain discussed in several European markets, the EU agreed on a 27 per cent renewable energy target by 2030, thereby signalling its continued commitment towards renewable energy build-out (source: European Council: European Council – conclusions, October 2014). This policy decision, although not yet fully implemented into legislation, should provide the wind turbine market with a basis of policy stability and growth prospects.

In 2014, Vestas delivered 2,323 MW to the markets in the Americas and the Order Backlog amounted to 3,106 MW as of 31 December 2014. In terms of order intake, the U.S. was, outside of Europe, again Vestas' largest single country market with 2,167 MW, corresponding to 33 per cent of total order intake in 2014. Furthermore, Vestas has entered into master supply agreements or similar constructs with a potential of up to approximately 3 GW under the 2013 and 2014 PTC schemes (the federal incentive that provides financial support for the development of renewable energy facilities). Market activity in the U.S. is heavily correlated with the PTC. In 2014, the market was characterised by continued PTC-related demand, as customers utilised the PTC based on

certain conditions being met. Vestas experienced solid activity in Latin America with orders in countries such as Uruguay, Guatemala and Costa Rica. Markets such as Chile, Mexico and Peru continue to show increased activity levels with deliveries of 202 MW, 170 MW and 112 MW in 2014, respectively.

In 2014, Vestas delivered 544 MW to the markets in Asia Pacific. Vestas had an order intake of 377 MW in the markets in Asia Pacific, while the Order Backlog amounted to 405 MW, as of 31 December 2014.

Order Intake

Vestas' turbine Order Intake represents firm and unconditional orders.

The Group experiences fluctuations in Order Intake in its different geographic areas as the political environments and regulatory regimes dominant in those geographies change. The Group's worldwide geographic reach mitigates changes in regulatory regimes in local markets. Customer demand and Order Intake also fluctuate in line with the relative attractiveness of wind power in comparison to other conventional and renewable power generation technologies and the financial strength of customers' and their access to financing.

The following table details Vestas' global Order Intake for 2014, 2013 and 2012:

	For the year ended 31 December		
	2014	2013	2012
Order Intake (MW).....	6,544	5,964	3,738
– Europe and Africa (MW).....	3,560	3,070	2,280
– Americas (MW)	2,607	2,321	972
– Asia Pacific (MW)	377	573	486
Order Intake (€ billions).....	5.8	5.8	3.8

In 2014, Vestas' Order Intake, measured in MW, increased for the second year in a row with Vestas' Order Intake being particularly strong in the U.S. market. In 2014, as a percentage of total MW Order Intake from Europe and Africa accounted for 54 per cent., the Americas accounted for 40 per cent., and Asia Pacific accounted for 6 per cent.

Shipments and deliveries

In 2014, Vestas produced and shipped 2,527 wind turbines with an aggregate capacity of 6,125 MW, which (as measured in MW) was a 36 per cent. increase compared to 2013, when Vestas produced and shipped 2,025 wind turbines totalling 4,513 MW. In 2014, final capacity delivered to customers amounted to 6,252 MW, an increase of 29 per cent compared to 2013. The increase was in particular driven by increased deliveries to the U.S. where deliveries totalled 1,517 MW in 2014 compared to 102 MW in 2013. Deliveries in Europe and Africa also increased from 2,971 MW in 2013 to 3,385 MW in 2014.

The following table details Vestas' level of activity, measured by the cumulative effect (MW) of wind turbines produced and shipped, delivered and otherwise under completion from 2012 to 2014:

	Europe and Africa (MW)	Americas (MW)	Asia Pacific (MW)	Total (MW)
Under completion, 1 January 2012.....	1,132	360	329	1,821
Delivered to customers during 2012.....	(3,090)	(1,978)	(971)	(6,039)
Produced and shipped during 2012.....	2,913	2,327	931	6,171
Under completion, 31 December 2012.....	955	709	289	1,953
Delivered to customers during 2013.....	(2,971)	(1,209)	(682)	(4,862)
Produced and shipped during 2013.....	2,869	1,190	454	4,513
Under completion, 31 December 2013.....	853	690	61	1,604
Delivered to customers during 2014.....	(3,385)	(2,323)	(544)	(6,252)
Produced and shipped during 2014.....	3,477	2,079	569	6,125
Under completion, 31 December 2014.....	945	446	86	1,477

MW under completion is the amount of MW capacity produced and shipped, but not yet delivered to the customer. Delivery is defined by Transfer of Risk from the Group to the customer. As at 31 December 2014, the Group had delivered 66 GW worldwide. Vestas' total deliveries for 2014, 2013 and 2012 were as follows:

	For the year ended 31 December (MW)		
	2014	2013	2012
Germany.....	1,127	616	591
Sweden.....	365	235	525
Italy.....	82	199	452
United Kingdom.....	319	243	312
Spain.....	-	-	290
Poland.....	146	301	275
France.....	385	257	168
Denmark.....	47	233	87
Ukraine.....	33	111	81
Romania.....	120	324	56
Norway.....	-	-	54
Turkey.....	194	36	48
Netherlands.....	72	21	42
Finland.....	89	40	33
Czech Republic.....	12	2	16
Belgium.....	114	134	16
Austria.....	51	35	14
Cyprus.....	-	-	11
Portugal.....	7	7	6
Bulgaria.....	-	14	6
Ireland.....	-	68	4
Croatia.....	42	-	-
Cape Verde.....	-	-	3
Greece.....	15	19	-
Switzerland.....	-	11	-
Kenya.....	7	-	-
South Africa.....	158	65	-
Total Europe and Africa.....	3,385	2,971	3,090
United States.....	1,517	102	1,313
Canada.....	39	421	439
Brazil.....	87	334	88
Nicaragua.....	-	40	40
Netherlands Antilles.....	-	-	30
Mexico.....	170	104	29
Puerto Rico.....	-	-	23
Chile.....	202	180	7
Uruguay.....	175	28	7
Argentina.....	-	-	2
Peru.....	112	-	-
Costa Rica.....	21	-	-
Total Americas.....	2,323	1,209	1,978
Australia.....	24	168	420
China.....	310	434	413
India.....	22	80	88
Pakistan.....	-	-	50
Philippines.....	150	-	-
South Korea.....	38	-	-
Total Asia Pacific.....	544	682	971
Total.....	6,252	4,862	6,039

Order Backlog

Vestas' turbine Order Backlog is defined as the total amount of capacity (MW) and/or the aggregate amount (€ million) of contracts that are firm and unconditional, but not yet delivered, or in the case of turnkey contracts, contract amounts not yet recognised as revenue at the end of the period.

The following table sets out Vestas' wind turbine Order Backlog as at 31 December 2014, 31 December 2013 and 31 December 2012, respectively.

	As at 31 December (MW)		
	2014	2013	2012
Europe and Africa	4,002	3,924	4,750
Americas	3,106	2,841	1,456
Asia Pacific	405	652	950
Total	7,513	7,417	7,156

Average selling price

Vestas offers tailored solutions to meet a wide variety of customer requirements across many different markets and geographies. As each project has specific requirements, there is a wide range of selling prices per MW due to a variety of factors including wind turbine type, geography, scope, and uniqueness of offering. New product variants are typically higher priced per MW.

The average selling price per MW was €0.89 million in 2014 and decreased by 8 per cent., from €0.97 million in 2013. Although selling prices have remained fairly stable, the lower average selling price per MW was mainly driven by a change in the mix of project type to more supply-only orders.

Manufacturing

The main components of a Vestas wind turbine are displayed in the illustration on page 45.

The Group manufactures its wind turbines at its facilities in Europe, in the U.S. and in Asia using raw materials and components provided by a variety of suppliers. The Group manufactures its wind turbines using a range of factories, as described below:

Blade factories

Blade factories produce the entire blade for a wind turbine. Vestas currently applies two different blade technologies in production – pre-preg production and structural shell production. In pre-preg production, a blade consists of a spar glued between two shell sections. Pre-preg production allows for lighter blades through the use of fibreglass mesh impregnated with epoxy, which enables the production of long blade lengths and more efficient turbine results. This process sometimes integrates carbon fibre technology in order to ensure blade strength and a light weight.

Structural shell production is highly flexible, because the infrastructure is non-product specific, making rapid product changes possible, and it results in products that are lightweight. The use of structural shells also requires lower start-up costs and employs improved carbon technology. These features make structural shells suitable for the largest blades Vestas produces.

The Group's blade factories are located in Lem, Denmark; Lauchhammer, Germany; Taranto, Italy; Daimiel, Spain; Windsor, Colorado, United States; Brighton, Colorado, United States; and Tianjin, China.

Controller and electronics factories

Controller and electronic factories produce control devices handling all the electrical functions of the wind turbines, for example in relation to safety, cooling, yawing and pitch systems.

The Group's controller and electronics factories are located in Hammel, Denmark; and Tianjin, China.

Generator factories

Generator factories produce the generator transforming the rotation energy to electricity.

The Group's generator factories are located in Viveiro, Spain; Travemünde, Germany; and Tianjin, China. In addition a generator repair plant is located in Lübeck, Germany.

Nacelle assembly factories

Nacelle assembly factories assemble the nacelle for the wind turbine. The nacelle is the structure placed upon the tower, housing the gearbox, generator, transformer, electronics and other components. Attached to the nacelle is the rotor consisting of a hub and three blades.

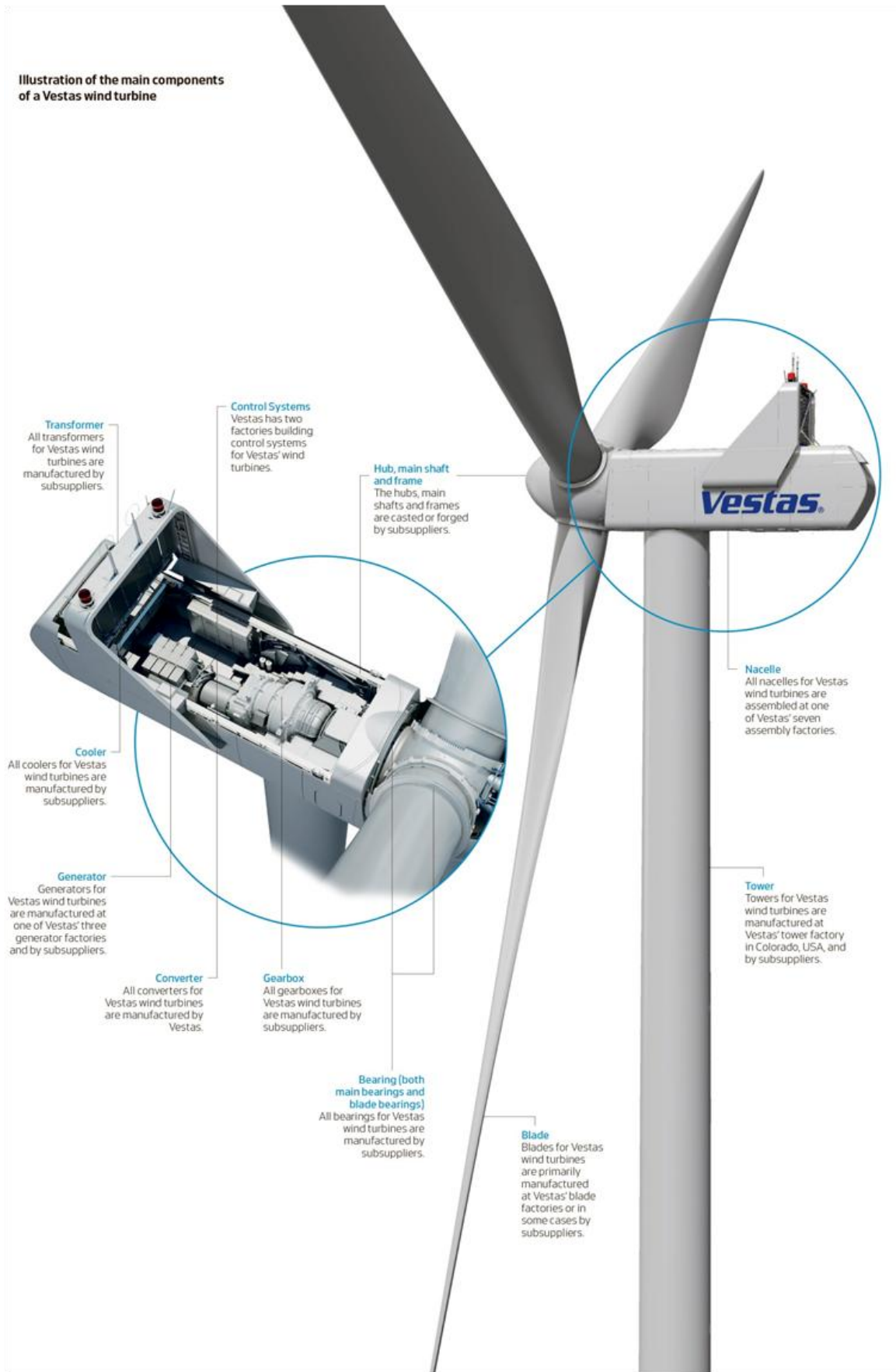
The Group's nacelle assembly factories are located in Brighton, Colorado, United States; Ringkøbing, Denmark; Lübeck, Germany; Leon, Spain; Tianjin, China; Chennai, India; and Fortaleza, Brazil.

Tower factory

Tower factories produce the tower for the wind turbine. Steel used in the factories is delivered as raw plates, which upon incoming control are cleaned, bevelled, cut, rolled and welded into shells.

The Group's only tower factory is located in Pueblo, Colorado, United States.

Illustration of the main components of a Vestas wind turbine



Transformer
All transformers for Vestas wind turbines are manufactured by subsuppliers.

Control Systems
Vestas has two factories building control systems for Vestas' wind turbines.

Hub, main shaft and frame
The hubs, main shafts and frames are casted or forged by subsuppliers.

Nacelle
All nacelles for Vestas wind turbines are assembled at one of Vestas' seven assembly factories.

Cooler
All coolers for Vestas wind turbines are manufactured by subsuppliers.

Generator
Generators for Vestas wind turbines are manufactured at one of Vestas' three generator factories and by subsuppliers.

Converter
All converters for Vestas wind turbines are manufactured by Vestas.

Gearbox
All gearboxes for Vestas wind turbines are manufactured by subsuppliers.

Tower
Towers for Vestas wind turbines are manufactured at Vestas' tower factory in Colorado, USA, and by subsuppliers.

Bearing (both main bearings and blade bearings)
All bearings for Vestas wind turbines are manufactured by subsuppliers.

Blade
Blades for Vestas wind turbines are primarily manufactured at Vestas' blade factories or in some cases by subsuppliers.

Current production facilities

The following table sets out the location of the Group's facilities.

<u>Segment</u>	<u>City</u>	<u>Country</u>
Assembly.....	Chennai	India
	Leon	Spain
	Tianjin	China
	Brighton	Colorado, United States
	Ringkøbing	Denmark
	Lubeck	Germany
	Fortaleza	Brazil
Generators	Viveiro	Spain
	Tianjin	China
	Travemünde	Germany
Blades.....	Lem	Denmark
	Lauchhammer	Germany
	Taranto	Italy
	Daimiel	Spain
	Windsor	Colorado, United States
	Brighton	Colorado, United States
	Tianjin	China
Towers	Pueblo	Colorado, United States
Controller and electronics.....	Hammel	Denmark
	Tianjin	China

Research and development

Historically, the Group developed and manufactured most of the main components of its products. This strategy has been changed as the industry has matured in recent years and the Group's suppliers have become more technologically advanced and now have the skills and capabilities to handle the Group's expanded outsourcing needs with respect to manufacturing standard high quality components. The Group intends to focus on the know-how and expertise for further development of special components and crucial technologies, while at the same time reducing capital expenditures and improving Vestas' short- and long-term profitability through outsourcing. The Group believes that the time-to-market for new products must be reduced in order to be able to adapt to near-term challenges. Improvements in these areas are expected to drive down the cost of energy from wind power. Vestas has consolidated its research and development facilities, mainly in Denmark, and continuously develops existing and proven products.

Suppliers

As a result of the Two-year Turnaround Plan, the Group increased outsourcing and increased its use of standard components to realise economies of scale rather than using more bespoke components produced in-house. The Group has worked closely with its suppliers to standardise its collaborations with them and to increase the local content of its products as Vestas expects this to become a prerequisite for selling wind turbines in many markets in the future.

Thorough supplier assessments are carried out globally with a central approval function to ensure a global standard of compliance. A supplier assessment tool ensures that suppliers meet Vestas' requirements for safety, quality, and delivery, and enables high product reliability for customers.

The Group has a general policy of dual sourcing in order to have security of supply.

Raw materials

The primary raw materials in Vestas' wind turbines are steel, iron, aluminium, copper, polymer and carbon/fibreglass composites, purchased from a range of suppliers around the world. The Group reduces its commodity risk with respect to these raw materials, particularly steel, by including escalation clauses in its

agreements, when possible. Furthermore, the Group has long-term cooperation and price arrangements with certain suppliers for the supply of raw materials and monitors the raw material price development.

Components

The Group relies on suppliers for certain key components, e.g. mainly for gearboxes, generators and blade bearings. As part of the Two-year Turnaround Plan, the Group has increased its outsourcing of production of certain components that it previously produced itself.

Vestas places significant emphasis on quality during the supply process, with a single standardised approach to quality built upon best practices and quality assurance. A variety of quality improvement initiatives across the value chain supports the certified 20 year product design life time as well as a lower lost production factor ("**LPF**"), improved customer output, and cost savings for Vestas. Ensuring the quality of Vestas' products and incoming supplies both improves customers' output and saves Vestas costs through lower warranty consumption.

Sales and services

The Group has business units that carry out the sales and service of Vestas' wind turbines. For each market, a specific sales and service unit has been established. There are five such business units globally – Vestas Americas, Vestas Asia Pacific, Vestas Central Europe, Vestas Mediterranean and Vestas Northern Europe – covering a larger number of countries where sales and service is performed by local legal entities, typically one subsidiary per country.

Delivery and installation

Vestas' construction teams collaborate with subcontractors in order to install wind turbines as part of the Group's supply and installation contracts and for its turnkey contracts. These construction teams are responsible for the project from shipment until Transfer of Risk. Vestas' wind turbine parts are generally transported by truck, but can also be transported by rail or ship.

Services

The ability to plan, build, operate and service complete wind power plants for its customers is increasingly important for Vestas. The service business is the fastest growing part of the Group and provides a predictable revenue stream that is strongly linked to the Installed Base of the Group.

Vestas' Installed Base provides an advantageous starting point from which to grow the service business. Key offerings comprise plant-operation services as well as pre-sales services and solutions.

The service business generated €964 million, corresponding to 14 per cent. of the Group's revenue in 2014, an increase of 1 per cent. from 2013. The increased revenue in the service business should be seen in the context of Vestas carving out the offshore service business in 2014 as part of setting up the offshore joint venture with Mitsubishi Heavy Industries Ltd. Thus, on a like-for-like basis, the development of the service business would have been even stronger with onshore service revenue growing by 7 per cent from 2013 to 2014. The services Order Backlog was €7.0 billion, corresponding to 51 per cent. of the Group's total Order Backlog as at 31 December 2014.

Service agreements

Customers are increasingly demanding individualised solutions that provide maximum output and involve minimum risk when they invest in wind turbines and associated products. Vestas monitors and analyses data from more than 27,000 wind turbines all over the globe through its Performance & Diagnostics Centre, compiling data ranging from weather forecasts to technical alerts, which enables Vestas to plan and carry out service inspections and reduce wind turbine down-time to a minimum through the Active Output Management ("**AOM**") service partnerships with customers. AOM is tailored to desired customer risk profiles and consists of five concepts (as described below). Almost all new orders for wind turbines are combined with a service agreement, typically with a duration of five to ten years. This increases the Group's revenue visibility. During 2014, Vestas renewed 72 per cent. of the service agreements that were due to expire.

Services are provided through contracts based on the AOM and Power Plant Solutions described below.

Active Output Management

AOM is the Group's service concept. AOM concepts are tailored to customer's desired risk profiles. AOM consists of the following five concepts:

Concept	Services
AOM 1000.....	Range of services offered on a pay as you go basis (no basic fee).
AOM 2000.....	The wind turbine is regularly serviced and the customer has an option to buy additional services.
AOM 3000.....	Full service solution, including spare parts and labour. Turbine reliability is maximised through both scheduled and unscheduled service.
AOM 4000.....	Full service solution aimed at maximising output and uptime, including all required components and a guarantee of traditional time based availability. Service contracts typically run for up to ten years and may be extended for up to five years at a time.
AOM 5000.....	Full service solution designed to minimise production loss. The Group guarantees a minimum exploitation of the available wind. Using detailed weather forecasts Vestas optimises the customer's power production and ensures the lowest possible LPF. Service contracts typically run for up to ten years and may be extended for up to five years at a time.

By continuously developing new tools, solutions and services, Vestas intends to expand its service-offerings to match more diverse customer requirements in order to further grow its service business.

Power Plant Solutions

Power Plant Solutions is the collective term for the Group's planning, projecting, operations, servicing and optimisation of complete wind turbines. In its Power Plant Solutions initiative, Vestas aims to transform its experience in monitoring wind turbines into services that improve the profitability of the customers' investments and thereby monetising the Group's experience in monitoring wind turbines.

Solutions

SiteHunt®.....	Based on input from approximately 35,000 meteorological stations and a comprehensive wind data library, wind resources around the globe are mapped out and the best sites are selected.
SiteDesign®.....	Once the site has been selected, Vestas helps its customers identify the most suitable wind turbines and the best on-site position.
Electrical Pre-Design.....	Vestas ensures that electricity generated by the wind power plant constantly delivers the maximum output, meeting the requirements and codes of the local power grid.
Power Plant Controller	Real-time wind turbine control enhances production and increases the level of reliability. This allows the customer to control production and to meet the requirements of the local power grid. The Power Plant Controller is customisable so that customers can meet the specific needs of their sites and projects.
Vestas Performance Manager.....	Online or via a smartphone application, the customer gets an overview of how the wind turbines are performing and when they are scheduled for service.

Solutions

- PowerForecast Comprehensive historical data for weather conditions and power production are used to calculate the future power production, allowing customers to fulfil grid requirements all across the globe and enhance revenues on the energy markets. In order to make power generation forecasts more precise, Vestas began using the "Firestorm" super computer in the summer of 2011, at that time the world's third fastest commercially-owned computer.
- PowerPlus™ Optimises the performance and increases the power output on existing wind power plants by up to 5 per cent. The Vestas PowerPlus™ technology solutions are a direct response to a strong customer demand to increase power output while maintaining high reliability.

Customers and relationships

Vestas' customers can be divided into three main categories:

- major utility companies;
- power plant and energy developers; and
- Independent Power Producers ("**IPP**").

As the customer landscape is changing, the Group's strategic accounts are becoming increasingly important. Since 2009, Vestas has established a number of long-term framework agreements with key customers, which are characterised by orders for large numbers of wind turbines that are delivered in stages and often lead to repeat orders.

Early partnering in the project development phase

In order to win more and larger orders, Vestas seeks to partner with potential customers early in the project development phase. Thus, Vestas is increasingly 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.

In the future, it is expected that an increasing share of the annual wind power installations will be in new wind turbine markets. Vestas is already present in many of these markets, helping its customers capture new opportunities by creating the right conditions for investments in wind power. This includes engaging with policy makers and financial communities at an early stage, creating partnerships with developers and designing new products targeted at specific markets. Going forward, Vestas will continue its efforts to develop the account management structure, but with greater focus moving towards strategic relationships with fewer global players.

Customer loyalty

Vestas measures its customer relationships through a rigorous annual survey. The most recent survey took place from 7 January to 27 January 2015, and included 837 respondents in 46 countries representing 416 customers. Overall, the customers' perception of Vestas slightly decreased from 2013 to 2014. Overall satisfaction decreased from index 71 to 70, overall reputation index decreased from index 77 to 75, while the net promoter score increased from index 38 to 39 on a scale from -100 to +100. The survey also showed that the share of Vestas' customers who prefer Vestas as one of their top two partners increased from 85 per cent to 89 per cent.

Competitive strengths

Vestas believes that the Group benefits from the following key competitive strengths:

1. *Value differentiation*

(a) *Two revenue streams*

Vestas is well positioned to benefit from two separate revenue streams (manufacturing and sale of wind turbines, and services). The Group's extensive global reach coupled with its technological expertise and broad wind turbine product portfolio, ensure that it is well

positioned to take advantage of future growth in global wind turbine demand in a cost-competitive manner.

Vestas has the largest Installed Base of wind turbines in the world, more than 55 per cent. greater than its nearest competitor at the end of 2013 (source: Navigant). Given the historic correlation between service revenue and Installed Base, the Group has a unique platform from which to grow its service business.

(b) *Technical expertise and performance*

Vestas' technological expertise in developing and delivering reliable, high-quality turbines ensures that it is able to compete in markets across the globe. The recent technological improvements to the 2MW and 3MW turbine platforms, resulting in increased annual energy production, are intended to enable Vestas to defend its position in market segments characterised by constraints such as grid compliance, tip-height and noise. For markets with less challenging requirements, Vestas will further utilise its 2 MW turbine platform by developing new variants, targeted at reducing costs by means of design optimisations and sourcing of lower cost components.

(c) *Wind knowledge – wind farm optimisation and operations excellence*

Vestas' expertise in relation to wind farm optimisation is another key factor that enables it to add value for its customers. Supported by a range of diagnostic data arising from its extensive wind turbine Installed Base, the Group is able to identify the optimal site for a wind project, and design the configuration of wind turbines within the site to maximise energy production. The Group also has extensive experience in optimising wind turbine selection and construction schedules.

Furthermore, Vestas' full-scope AOM service packages, backed by performance guarantees, provide business case certainty to customers with respect to economic performance over the lifetime of their wind projects. Through elevated turbine quality, combined with optimised servicing post-installation, Vestas has achieved a significant reduction in the LPF of its wind turbines. In 2014, the LPF was down to 1.7 per cent. measured across all the Vestas wind turbines with a performance guarantee, which includes more than 19,500 wind turbines.

By combining its expertise in identifying optimal wind project sites with its post-sale service offering, Vestas is able to increase business case certainty and maximise energy production throughout the lifetime of a project, thus enabling substantial value creation for its customers.

(d) *Performance upgrades and after sales solutions*

Vestas currently offers a number of after sales solutions to increase the electricity production and lower the cost of servicing the wind turbines, for example a condition monitoring system to provide early warnings and advice and to lower maintenance cost.

2. **Competitive cost base**

(a) *Reducing the cost of wind turbines while maintaining a broad offering*

Vestas is constantly focused on bringing its cost base down where appropriate. To this end, the Group has initiated and is proceeding with product cost reduction initiatives focused on R&D, manufacturing and sourcing. By applying technological enhancements to existing turbine models, Vestas is able to minimise capital expenditure both in the development and the production phase while maintaining technological standards and a broad product offering.

(b) *Leveraging on geographic footprint and size*

As a leading wind turbine manufacturer in terms of installed capacity, Vestas has a very broad geographic footprint and is present in key geographic areas. The Group is able to leverage off this geographic reach to generate economies of scale on new projects and ensure that its manufacturing, transportation and sourcing costs are optimised. Vestas' global presence is a key competitive strength that allows it to address demand in a cost competitive manner.

3. *Attractive offerings*

(a) *Strong understanding of customer requirements*

Through its long track record of manufacturing wind turbines globally, and its close customer relationships, Vestas has developed a clear understanding of customers' requirements and how to optimise projects to maximise value. The Group has the capabilities and experience to successfully tailor a wind project to meet its customers' requirements with respect to wind turbine selection (including factors such as hub height, rotor speed and grid requirements), construction schedule and post-sale services offering, amongst other value-critical aspects of a wind turbine project. Vestas' extensive range of diagnostic data is a key competitive strength enabling the Group to optimise projects to meet customer requirements.

(b) *Early project involvement and value-added services to customers*

By partnering with customers through the early stages of project development, the Group is able to unlock value for its customers and further enhance customer relationships.

The Group uses its proprietary analytical tool, SiteHunt®, to undertake in-depth topographical analysis in order to determine the optimal site for a project in accordance with customer requirements. Once a suitable site location has been chosen, Vestas' SiteDesign® service enables customers to assess and configure the site to maximise output and value based on optimising the relationship between long-term operational costs as well as the value of estimated energy production.

Vestas' comprehensive product offering enables it to offer tailored solutions anywhere in the world and the solutions can be optimised for various wind segments and market requirements, as well as site-specific topographical nuances in order to maximise energy production.

(c) *Finance facilitation*

The Group provides advisory services that enable its customers to access project financing for development of wind projects. Vestas has a strong track record of successfully enabling projects by leveraging its relationships with utilities, IPPs, banks, debt and equity investors and export credit agencies in order to assist its customers in raising project financing.

Competitors

The demand for renewable energy is strong in both mature and emerging markets, and amongst renewable energy sources, wind energy is commonly regarded as the most competitive.

In general, Vestas' competitors could be divided into three categories. Conglomerates, including Siemens and GE, pure play (meaning companies that have, or are close to having, a single business focus) non-Chinese wind turbine manufacturers, such as Enercon, Gamesa, Nordex, Suzlon and Senvion, and Chinese competitors, such as Goldwind, United Power and Mingyang.

Most of Vestas' main competitors operate globally, save that the Chinese players are still predominantly focused on their home market.

In 2013, Vestas was the largest supplier of wind turbines followed by Goldwind and Enercon and, in terms of accumulated installed base, Vestas was number one with GE and Enercon being number two and three, respectively (source: Navigant).

Regulation

Public policies that have supported renewable energy's growth continue to evolve. Currently, investments in wind power are typically supported through financial incentive schemes remunerating the power production from renewable energy sources such as wind energy. Incentives take different forms, although mainly through so-called fixed feed-in tariffs ("**FiT**") guaranteeing a certain price, premium feed-in tariffs added on top of the market price, green certificates (which other sectors are obliged to purchase a certain amount of), or through tax

incentives. Policy changes are common in most markets and the trend in more mature markets is towards more competitive support schemes. Governments are demanding that wind energy will increasingly have to compete on its own merits and economics, evidencing the increasing demands on the industry's ability to continue to lower the cost of energy. However, as wind becomes even more competitive and increases its share in the energy mix, the precise nature of energy market reforms will be integral as to how the market will develop in more mature countries. In emerging markets, emerging legislation and incentives are also playing a key role.

The following is an overview of the policy and regulatory frameworks with respect to wind power in Vestas' strategic markets:

- *EU:* Europe has been at the forefront of policies promoting renewable energy and, despite changes, Europe as a whole will continue to do so to improve security of supply and sustainability. Even though energy policy is a national prerogative, the EU currently promotes renewables through the 2009 renewable energy directive, aiming to raise the share of EU energy consumption produced from renewable resources to 20 per cent. by 2020. In October 2014, the European Council decided to set the target for the EU's energy consumption produced from renewable resources at 27 per cent. by 2030. Regarding incentive schemes, the new EU State Aid Guidelines will increasingly move member states towards market-based support schemes, favoring premium FiT with auction/tenders and green certificate markets.
- *Germany:* In Germany the renewable energy market is driven by the overall transition of the German power system – also called the Energiewende. Germany has implemented a number of laws and programs for its energy transition. For wind, the Renewable Energy Act ("**EEG**") specifies that renewables have priority on the grid and that investors in renewables must receive sufficient compensation to provide a return on their investment irrespective of electricity prices on the power exchange. Recent changes to the EEG entered into force on 1 August 2014 and include, from today's system with FiT guaranteeing prices, a transition to a feed-in-premium system attached to the market price and, from 2017, to auctions and tenders.
- *United States:* The PTC has been an important element for the wind industry in the U.S. The PTC was extended in the middle of December 2014 thus allowing customers a two-week window to place orders in order for them to be eligible for the PTC. The extension is similar to the 2013-extension passed a year earlier, which continued to drive new capacity installations in 2014-2015. However, new guidance from the IRS is still pending for the 2014-extension.
- *China:* The Chinese market is currently driven by the 12th Five-Year Plan for renewable energy running from 2011 to 2015 with a target of having at least 100 GW grid connected wind capacity by the end of 2015. In January 2015 new feed-in-tariffs were announced with reductions in the range of 3-4 per cent. – however, the FiT for low wind sites was not reduced. Moving towards 2020, the government aims to reach 200 GW of total installed capacity.
- *Brazil:* Brazil is one of the markets that is expected to drive worldwide wind energy growth in the coming years. Electricity consumption is expected to grow consistently as the economy continues to grow. Extremely wind rich areas, specifically in the Northeastern edge of the country, with high speeds and low turbulence, allied with strong government support for renewables are the main drivers attracting foreign and local investments into the wind energy industry in Brazil. The wind market is driven by government auctions, where producers of energy present their offers of quantities of energy and prices and only those most competitive are awarded the 20-year contracts. As in other markets, the auction system has driven prices down. With the intention of establishing a strong local industry and supply chain, the Brazilian Development Bank, BNDES, offers attractive financing for projects at discounted interest rates to the market. Developers who want to benefit from this need to comply with a set of local content rules named FINAME.
- *India:* In India, the market is driven by two national incentives, AD and GBI (as defined below), which are supplemented by state specific feed-in-tariffs. The Accelerated Depreciation ("**AD**") incentive allows up to 80 per cent. depreciation in the first year of the wind projects operation. The Generation Based Incentive ("**GBI**") provides INR 0.5/kWh. In addition to AD and GBI, key Indian states with wind potential have set fixed FiT for wind projects. Overall, the different revenue streams and power pool prices generate a market for wind, which is expected to grow over the next years.

Vestas continues to counterbalance local political uncertainties through a strong global footprint and presence in a large number of markets. Furthermore, Vestas continues to focus on LCOE reductions in order to decrease dependence on financial support for wind energy.

MHI Vestas Offshore Wind A/S

On 27 September 2013, Vestas and MHI agreed to form a joint venture dedicated to offshore wind energy, and following the approval from all relevant entities and authorities, MHI Vestas Offshore Wind A/S was formally established as a joint venture company on 1 April 2014. The JV is owned 50 per cent. by Vestas and 50 per cent. by MHI with an option for MHI to change the ownership ratio to 51 per cent. for MHI and 49 per cent. for Vestas in April 2016.

The head office of the joint venture is located in Aarhus, Denmark. The joint venture has a board of directors consisting of six directors of whom three directors are elected by Vestas and MHI, respectively. Masafumi Wani (chairman of Mitsubishi Heavy Industries Europe, Ltd.) is chairman of the board of directors, and Anders Runevad is vice chairman. Jens Tommerup is Chief Executive Officer of the JV.

The JV combines Vestas' and MHI's respective capabilities within the offshore wind turbine industry and has exclusivity to the offshore wind turbine market for both Vestas and MHI. Vestas and MHI have transferred a total of 380 employees to the new entity.

The JV started its business with Vestas' 3 MW offshore turbine. As part of the joint venture agreement, Vestas will continue to manufacture and supply the 3 MW turbines which the JV markets and sells in the offshore wind turbine market.

Furthermore, Vestas has transferred the development of the V164-8.0 MW turbine, the V112 offshore Order Backlog, and existing offshore service contracts to the JV. The JV has in turn contracted Vestas to provide agreed development work for the V164-8.0 MW turbine. Since 1 April 2014, all offshore installation activities have been and will be handled by the JV. With the V164-8.0 MW turbine successfully commissioned, the JV is expected to be an effective vehicle for winning an expanding share of the global offshore market.

In the Group's share of profit from the JV, income resulting from the sale of wind turbines to the JV is recognised in the Group's financial statements only to the extent that the JV has sold the wind turbines to unrelated parties.

Divestments

In October 2013, Vestas sold its machining and casting units to the German industrial group VTC Partners GmbH ("VTC"). VTC is the owner of the Silbitz Group, a leading German-based casting group with an existing and proven supplier relationship with Vestas.

Vestas' main priority in the divestment of its machining and casting units was to increase the flexibility of Vestas' supply chain and to secure a buyer that will ensure supply at the required quality and offer competitive prices for casted components going forward. Additionally, the divestment confirms Vestas' strategy to further concentrate on the core competences of its business.

The divestment of its machining and casting units has resulted in increased flexibility of sourcing and in cost savings on casted components.

Intellectual property

Protecting the technologies developed by Vestas is paramount for Vestas. Vestas files patents, and where appropriate designs, across the full range of technologies it develops. Vestas filed almost 500 patent families between 2011 and 2014. The high number of patents filed in the last few years has resulted in a large number of granted patents worldwide, including over 80 patents granted in the United States in 2014 alone. Recent years have seen particular focus on patent filings in the areas of blade structure and manufacturing technology and test systems, pitch systems, sensor systems, control methodologies and power production systems.

Moreover, Vestas undertakes extensive clearance investigations for all new product offerings.

Vestas is the owner of trademark registrations for the Vestas name in over 100 countries, and has numerous registrations for its tagline 'Wind. It means the world to us.' as well as various product-specific trademarks. In

addition, Vestas is the owner of several top-level domain names corresponding to the Vestas trademarks, including vestas.com, -.org and -.net and country-code top level domains in over 100 countries.

The joint venture with MHI requires that Vestas contributes (i) the development activities pertaining to the V164-8.0 MW wind turbine and (ii) intellectual property rights pertaining specifically to offshore wind turbines.

Insurance

The Group has valid insurance cover up to a level that the Group considers to be reasonable against the types of risks usually insured by companies carrying on the same or similar types of business as Vestas. Vestas' policies cover, among other things, property damage, business interruption, terrorism, construction and erection risks, third party and product liability, environmental liabilities, marine transport and business travel.

Financing

On 31 March 2014, Vestas completed a five-year Revolving Credit Facility with a total amount of €1.0 billion. The facility provides for both cash drawings, with a sub-limit of €500 million, and issuance of project-related guarantees. The credit facility provides a stable, long-term financing platform with further project guarantee capacity relevant especially for securing large orders in markets where issuance of a project guarantee is the normal standard and, further, generally enables more attractive terms with customers and suppliers.

Credit and counterparty risk

The Group is exposed to credit and counterparty risks in its daily business and undertakes a thorough assessment of its customers and counterparties to reduce or eliminate payment risks. Where a counterparty does not meet Vestas' credit standards, different instruments to secure payments are obtained whenever possible. The payment securities acceptable to Vestas must generally be issued by a bank or surety with a senior unsecured credit rating of at least A- (S&P or Fitch) or A3 (Moody's).

Warranty policies

The Group commits to its wind turbines achieving certain availability ratios for a period of time, in addition to providing maintenance and repair services. 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.

Health and Safety

Vestas places a high priority on personal safety, and its objective is to reduce the number of industrial injuries to zero. The Group has developed a safety roadmap to methodically approach safety challenges. The initiatives identified are split into yearly business plans to ensure that all activities and objectives are rolled out in a coordinated manner across the Group.

Through increased focus, intensive training and the dedicated efforts of its employees, the Group has significantly improved the incident rate for seven years in a row. To emphasise the priority given to safety, the incidence of industrial injuries is included as an element in the global employee bonus scheme.

Corporate Social Responsibility and Sustainability

Corporate social responsibility refers to Vestas' obligations to manage the social impacts of its business, as well as its relationship with employees, suppliers, customers and other relevant parties. Vestas has global policies concerning human rights and freedom of association that apply throughout the Group. Likewise, Vestas expects all of its business partners to respect these.

In connection with the entry into new wind turbine markets, a social and environmental due diligence process has been developed and used for applicable wind turbine projects to allow for identification of risks and planning of mitigation activities early in the sales phase.

Human rights and labour practices

Vestas' two global policies concerning human rights and freedom of association and collective bargaining outline Vestas' commitments and basic approaches. These apply to Vestas' global operations, and cover both Vestas' business as well as its approach to business partners.

The policies are communicated to relevant stakeholders by providing all employees with access to the policies and related Vestas standards and processes, and by communicating internally and externally on progress in implementing these commitments. Complaints by employees and business partners about breaches of the policies can be submitted via the Vestas EthicsLine, as further described below.

Vestas recognises its responsibility to respect the International Bill of Human Rights. Vestas' commitments, including expectations relating to Vestas' business partners, are outlined in its Human Rights Policy, which is implemented across the organisation.

One of the latest initiatives is the Social and Environmental Due Diligence process. Under this initiative, information is collected through a due diligence process which enables Vestas to assess the likelihood of a project materialising and allows it to initiate actions that either prevent or mitigate adverse human rights and labour impacts. The due diligence process is integrated into project plans to ensure integrity throughout the execution of the relevant project.

In the initial phase of rolling out the due diligence process, focus has been directed on turnkey projects in emerging markets. Going forward, Vestas aims to strengthen the due diligence processes and tools in order to integrate this process into even more activities.

Environmental sustainability

The long-term environmental impact of a wind turbine over its life cycle of 20 years is minimal when compared to that of average European electricity production by other means.

The energy balance of a wind power plant shows the relationship between the energy required over the entire life cycle of such wind power plant (i.e. to manufacture, transport, install, service and dispose it) and the energy generated by such wind power plant. For Vestas wind turbines, the breakeven period generally ranges from around 5 to 12 months. For instance, a V112-3.3 MW turbine is energy neutral after approximately 6½ months of operation. A single Vestas wind turbine will generate more than 25 times the energy that it uses over its entire lifecycle and will only emit around 1 per cent. of the CO₂ emitted by a coal power plant.

Vestas has installed more than 53,000 turbines on six continents, which generate more than 130 million MWh of electricity per year, which is enough electricity to supply all households in the United Kingdom, and reduces carbon emissions by more than 68 million tonnes of CO₂. In 2014, 96 per cent. of the turbines delivered by Vestas was covered by a publicly available, full ISO 14040/44 life cycle assessment. Vestas has defined a target for 2015 that a Vestas wind turbine, over its lifetime, must be at least 15 per cent. more CO₂ efficient than a turbine produced in 2010. The results released in 2014 show that the carbon footprint of the V112-3.3 MW turbine has been reduced by approximately 12 per cent. to 6.1 grams of CO₂ per kWh.

Currently about 5 per cent. of the total CO₂ emissions for a V112-3.3 MW turbine is attributable to Vestas. 5 to 10 per cent. is emitted during transport undertaken in connection with the construction, dismantling and recycling of the wind turbine, whilst the remaining volume of CO₂ (80 to 90 per cent.) derives from suppliers' materials and component production. In order to further reduce its carbon footprint, Vestas intends to continue improving wind turbine performance and lowering energy consumption in the Group's factories and within its supply chain.

Recycling in Vestas' production and recycling of components in decommissioned wind turbines are other important way to improve CO₂ efficiency. In 2014, 83 per cent. of a V112-3.0 MW turbine could be recycled, Vestas' target for the recycling of components for the V112-3.0 MW turbine is to reach 85 per cent.

Renewable energy in production

Vestas aims to decrease its overall use of energy, increase its use of renewable energy, and use less carbon-intensive energy forms, and has identified as one of its objectives that all electricity used by it is to come from renewable energy sources. In 2014 Vestas reached this goal, and currently still sources 100 per cent. of its electricity from renewable energy sources.

Sustainability initiatives

Vestas is rated by a number of sustainability indices each year. These indices consist of the top performing sustainability companies across industries. Currently Vestas is listed on the FTSE4Good, MSCI Global Alternative Energy Index, EPCI Thematic Indices (Carbon, Climate Change and Renewable Energy) and Global Challenges Indices.

Vestas actively supports partnerships and collaborative efforts intended to advance the sustainability agenda. One of Vestas' partnerships is with the UN as a member of the Global Compact and as a supporter of the UN Caring for Climate initiative. Furthermore, Vestas is a contributor to the sustainable energy for all initiative through our Wind for Prosperity business model, and is currently a member of more than 25 renewable energy associations around the world, including the following:

- WindMade
- Global Wind Energy Council
- World Economic Forum
- American Wind Wildlife Institute
- Global Green Growth Forum

Vestas is committed to reporting on sustainability, and further information can be found at: www.vestas.com/en/about/sustainability.

Code of Conduct

Since 2009, Vestas has been part of the UN Global Compact initiative and supports the Compact's ten principles for human rights, labour rights, the environment and anti-corruption. Vestas' Code of Conduct sets the framework for supporting the principles of the UN Global Compact.

Vestas strives to be fully compliant with its Code of Conduct and all employees are expected to act in accordance with the Code of Conduct. All new employees are being introduced to the Vestas Code of Conduct as part of their induction. They also take part in compulsory e-learning, some of which is tailored for particular roles.

To enhance awareness of the Code of Conduct and to track compliance, all employees at IPE Level 54+ (Specialist/Manager and above) must acknowledge on an annual basis that they understand the Code of Conduct and are not aware of any unaddressed violations of the Code of Conduct (the Code of Conduct is available at www.vestas.com).

In 2013 detailed instructions for avoiding conflicts of interest in connection with employees' investments in Vestas wind turbines were implemented and an integrity committee was established.

Anti-corruption initiative

Since 2010, Vestas has been a signatory to the Partnering Against Corruption Initiative ("**PACI**"). PACI is a business-driven global anti-corruption initiative within the World Economic Forum. One of the objectives of the signatories to PACI is to address corruption through leadership and commitment from senior management.

Vestas' Code of Conduct sets forth a zero tolerance policy towards any form of bribery, as required under PACI. Since becoming a signatory to PACI, Vestas has developed further supporting guidelines and procedures to implement PACI.

As part of Vestas' anti-corruption initiatives and Vestas' Code of Conduct, a process for registering gifts, entertainment and hospitality has been established. All Vestas employees are obliged to register gifts, entertainment and hospitality when certain criteria are met.

EthicsLine

Vestas attaches great importance to ensuring its operations are undertaken in an ethical environment. As part of this, Vestas introduced its whistle blower system, EthicsLine, in 2007. EthicsLine is open to both employees and external business partners and can be used to report violations of the Code of Conduct as well as to ask questions about ethical issues or dilemmas. In 2014, Vestas received a total of 46 inquiries through EthicsLine against 52 inquiries in 2013.

Group structure

Vestas Wind Systems A/S is the parent company of the Group.

The following table sets forth the main subsidiaries of Vestas (being the subsidiaries that are the main holding companies and/or main operating companies within the Group):

Name	Place of registered office	Ownership
Vestas Manufacturing A/S	Aarhus, Denmark	100%
Vestas Americas A/S	Aarhus, Denmark	100%
Vestas Asia Pacific A/S	Aarhus, Denmark	100%
Vestas Central Europe A/S	Aarhus, Denmark	100%
Vestas Mediterranean A/S	Aarhus, Denmark	100%
Vestas Northern Europe A/S	Aarhus, Denmark	100%

In addition, the joint venture MHI Vestas Offshore Wind A/S (place of registered office: Aarhus, Denmark) is owned 50 per cent. by Vestas and 50 per cent. by MHI with an option for MHI to change the ownership ratio to 51 per cent. for MHI and 49 per cent. for Vestas in April 2016.

A more extensive list of Vestas' subsidiaries and associates is set out in Note 39 (Legal entities) of the Annual Report 2014.

Vestas' business unit structure consists of both production business units and sales business units. The production business units are structured in accordance with the main components of a wind turbine; blades, controls, nacelles and towers. The sales business units resemble the geographical split of sales and services and represent the different regions in which Vestas operates.

Property, plant and equipment

The Group's property, plant and equipment consist of land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment. Such assets are measured at cost less accumulated depreciation and impairment losses. The Group's portfolio of property, plant and equipment typically consists of office buildings, blades, nacelles, generator, controller and electronics and tower factories, as well as associated machinery, fixtures and fittings.

The carrying amount for the Group's land and buildings as at 31 December 2014 was €695 million and the carrying amount for plant and machinery was €211 million. The carrying amount for other fixtures and fittings, tools and equipment as at 31 December 2014 was €168 million. The carrying amount for property, plant and equipment in progress was €58 million. The total carrying amount for property, plant and equipment was €1,132 million.

Management

The Board of Directors is, together with the Executive Management, responsible for the management of Vestas' affairs and must ensure proper organisation of Vestas' business in accordance with Vestas' articles of association and applicable law.

The division of responsibilities between the Board of Directors and the Executive Management must be effected in accordance with Section 7 of the Danish Companies Act. The Board of Directors has established necessary guidelines for the division of responsibilities between the Board of Directors and the Executive Management in the rules of procedure for the Board of Directors and the Executive Management, respectively, including procedures, powers and instructions.

Board of Directors

Pursuant to the articles of association of Vestas, the Board of Directors shall consist of five to ten members elected at the general meeting for a term of one year. In addition, the Board of Directors shall include such members as are elected by the employees under the relevant provisions of the Danish Companies Act. Employees of limited liability companies are entitled to elect members to the Board of Directors provided that the company has employed an average of at least 35 employees for the preceding three years. If this condition is fulfilled, the employees are entitled to elect members to the Board of Directors corresponding to half the members elected by the general meeting. Board members elected by the employees are elected for a term of four years, and they are subject to the same rights and obligations as any member of the Board of Directors elected by the shareholders. The Board of Directors currently consists of four members who have been elected by the employees and eight members who have been elected by the shareholders at the general meeting.

The present members of the Board of Directors and their principal positions outside Vestas are as follows:

Name	Principal position outside Vestas	First elected to the Board of Directors	Expiration of current term
Bert Nordberg, Chairman	Director	2012	2015
Lars Josefsson, Deputy Chairman	Independent consultant	2012	2015
Henrik Andersen	Group Chief Operating Officer, EMEA, ISS A/S	2013	2015
Carsten Bjerg	Director	2011	2015
Eija Pitkänen	Sustainability and Compliance Officer, Sonera	2012	2015
Henry Örjan Sténson	Executive Vice President of Corporate Communication & Sustainability Affairs for the Volvo Group	2013	2015
Jørn Anker Thomsen	Attorney-at-Law (H), Gorrissen Federspiel	2004	2015
Lykke Friis	Prorector for Education, University of Copenhagen	2014	2015
Kim Bredo Rahbek ¹	Chief Specialist, Technology & Service Solutions, Vestas Wind Systems A/S	2014	2016
Sussie Dvinge Agerbo ¹	Management Assistant, Technology & Service Solutions, Vestas Wind Systems A/S	2005	2016
Michael Abildgaard Lisbjerg ²	Skilled worker – Production and Shop Steward, Vestas Manufacturing A/S	2008	2016
Kim Hvid Thomsen ²	Senior Shop Steward, Vestas Wind Systems A/S	1996	2016

¹ Elected by Vestas' employees.

² Elected by the Group's employees.

The business address for the current members of the Board of Directors is Vestas Wind Systems A/S, Hedeager 44, 8200, Aarhus N, Denmark.

Bert Nordberg has been a member of the Board of Directors as well as Chairman of the Board of Directors since 2012. Mr. Nordberg is currently a member of the board of directors of AB Electrolux, Sigma Connectivity AB and Svenska Cellulosa Aktiebolaget SCA. Within the last five years, Mr. Nordberg has held positions as President & Chief Executive Officer of Sony Mobile Communications AB and Head of Ericsson Silicon Valley, Telefonaktiebolaget LM Ericsson.

Lars Josefsson has been a member of the Board of Directors as well as Deputy Chairman of the Board of Directors since 2012. Mr. Josefsson is currently Chairman of the board of directors of Driconeq AB, Ouman Oy (FI) and TimeZynk AB, as well as member of the board of directors of Metso Oyj. Within the last five years, Mr. Josefsson has held positions as Chief Executive Officer of Micronic Mydata AB, Chief Executive Officer of Alimak Hek AB and President of Sandvik Mining and Construction.

Henrik Andersen has been a member of the Board of Directors since 2013. Mr. Andersen is currently Group Chief Operating Officer, EMEA of ISS A/S, as well as member of the board of directors of ISS Global A/S. Within the last five years, Mr. Andersen has held positions as Group Chief Financial Officer of ISS A/S, Country Manager of ISS A/S and Chief Financial Officer of ISS A/S.

Carsten Bjerg has been a member of the Board of Directors since 2011. Mr. Bjerg is currently Deputy Chairman of the board of directors of Højgaard Holding A/S and Rockwool International A/S, as well as member of the board of directors of MT Højgaard A/S. Within the last five years, Mr. Berg has held positions as Group President of Grundfos Group and Managing Director of Grundfos Holding A/S.

Eija Pitkänen has been a member of the Board of Directors since 2012. Ms. Pitkänen is currently Sustainability and Compliance Officer, Sonera. Within the last five years, Ms. Pitkänen has held positions as Senior Vice President of Sustainability in Stora Enso and Vice President of Sustainability Communications and CSR in Stora Enso.

Henry Örjan Sténson has been a member of the Board of Directors since 2013. Mr. Sténson is currently Executive Vice President of Corporate Communication & Sustainability Affairs for the Volvo Group, as well as Chairman of the board of directors of Dagens Samhälle and member of the board of directors of Sodexo AB and Stronghold Invest AB. Within the last five years, Mr. Sténson has held a position as Senior Vice President of Corporate Communication in LM Ericsson Group.

Jørn Ankær Thomsen has been a member of the Board of Directors since 2004. Mr. Thomsen is currently Attorney at Law, Gorrissen Federspiel, as well as Chairman of the board of directors of Aida A/S, Aktieselskabet Schouw & Co., Carlsen Byggecenter Løgten A/S, Carlsen Supermarked Løgten A/S, Danish Industrial Equipment A/S, Ejendomsselskabet FMJ A/S, F.M.J. A/S, Fibertex Nonwovens A/S, Fibertex Personal Care A/S, GAM Holding A/S, GAM Wood A/S, Givesco A/S, Investeringsforeningen Danske Invest, Investeringsforeningen Danske Invest Select, Investeringsforeningen Profil Invest, Kapitalforeningen Danske Invest Institutional, Kildebjerg Ry A/S, Løgten Midt A/S, Niels Bohrs Vej A/S, Schouw & Co. Finans A/S, Søndergaard Give A/S and Th. C. Carlsen, Løgten A/S. Further, Mr. Ankær Thomsen is currently member of the boards of Biomar Group A/S, Carletti A/S, Dan Cake A/S, Danske Invest Management A/S, Ejendomsselskabet Blomstervej 16 A/S, Galten Midtpunkt A/S, Givesco Bakery A/S and Hydra-Grene A/S. He will not stand for re-election.

Lykke Friis has been a member of the Board of Directors since 2014. Ms. Friis is currently Prorector for Education of University of Copenhagen, as well as member of the board of directors of European Council of Foreign Relations, (UK), Rockwool Foundation, European Institute of Innovation and Technology (EIT) (EU) and VELUX A/S (DK). Within the last five years, Ms. Friis has held a position as Member of the Danish Parliament, Minister for Gender Equality and Minister for Climate and Energy.

Kim Bredo Rahbek is elected by Vestas' employees and has been a member of the Board of Directors since 2014. Mr. Rahbek is currently Chief Specialist, Technology & Service Solutions at Vestas Wind Systems A/S. Within the last five years, Mr. Rahbek has held a position as Vice President of Transport & Handling in Vestas Wind Systems A/S.

Sussie Dvinge Agerbo is elected by Vestas' employees and has been a member of the Board of Directors since 2005. Ms. Agerbo is currently Management Assistant, Technology & Service Solutions at Vestas Wind Systems A/S.

Michael Abildgaard Lisbjerg is elected by the Group's employees and has been a member of the Board of Directors since 2008. Mr. Lisbjerg is currently Skilled Worker - Production and Shop Steward at Vestas Manufacturing A/S.

Kim Hvid Thomsen is elected by the Group's employees and has been a member of the Board of Directors since 1996. Mr. Thomsen is currently Senior Shop Steward at Vestas Wind Systems A/S, as well as Deputy Chairman of the board of Metal Skjern-Ringkøbing. Within the last five years, Mr. Thomsen has held a position as Industry technician at Vestas Manufacturing A/S.

Executive Management

The Executive Management is in charge of the day-to-day management of Vestas, observing the guidelines and recommendations issued by the Board of Directors. The Executive Management is responsible for presenting proposals for Vestas' overall objective, strategies and action plans as well as proposals for the overall operating, investment, financing and liquidity budgets to the Board of Directors.

According to the articles of association, the Board of Directors shall appoint an Executive Management consisting of one to six members, to be in charge of the day-to-day operations of Vestas. The Board of Directors

shall specify the terms and conditions of their employment and the specific requirements to their qualifications. One member of the Executive Management shall be appointed managing director.

The present members of the Executive Management are as follows:

Name	Position	Year of birth	Employed by the Group	Appointed to the Executive Management
Anders Runevad.....	Group President & Chief Executive Officer	1960	2013	2013
Eva Marika Fredriksson	Executive Vice President & Chief Financial Officer	1963	2013	2013
Jean-Marc Lechêne	Executive Vice President & Chief Operating Officer	1958	2012	2012
Juan Araluce.....	Executive Vice President & Chief Sales Officer	1963	2007	2012
Anders Vedel.....	Executive Vice President & Chief Technology Officer	1957	1995	2012

The business address for the current members of the Executive Management is Vestas Wind Systems A/S, Hedeager 44, 8200, Aarhus N, Denmark.

Anders Runevad joined the Executive Management on 1 September 2013 and is Group President & Chief Executive Officer. Within the last five years, Mr. Runevad has held positions as President of Region West & Central Europe in Ericsson Ltd. and Executive Vice President of Sony Ericsson. Mr. Runevad is currently the deputy chairman of the board of directors of MHI Vestas Offshore Wind A/S.

Marika Fredriksson joined the Executive Management on 1 May 2013 and is Executive Vice President & Chief Financial Officer. Ms. Fredriksson is currently member of the board of directors of Ferronordic Machines AB and ÅF AB. Within the last five years, Ms. Fredriksson has held positions as Senior Vice President & Chief Financial Officer of Gambro AB and Senior Vice President Finance & Chief Financial Officer of Autoliv, Inc.

Jean-Marc Lechêne joined the Executive Management on 1 August 2012 and is Executive Vice President & Chief Operating Officer. Within the last five years, Mr. Lechêne has held positions as President of Lechene Consulting and Executive Vice President of Truck Tires Europe, Michelin.

Juan Araluce joined the Executive Management on 1 November 2012 and is Executive Vice President & Chief Sales Officer. Within the last five years, Mr. Araluce has held a position as President of Vestas Mediterranean and Vestas Eólica SAU. Mr. Araluce is currently a member of the board of directors of MHI Vestas Offshore Wind A/S.

Anders Vedel joined the Executive Management on 18 December 2012 and is Executive Vice President & Chief Technology Officer. Within the last five years, Mr. Vedel has held positions as Managing Director, Vestas Technology R&D of Vestas Technology R&D Chennai Pte. Ltd. and Senior Vice President, Vestas Technology R&D of Vestas Wind Systems A/S. Mr. Vedel is currently a member of the board of directors of MHI Vestas Offshore Wind A/S.

No actual or potential conflict of interests exists between any of the duties of the members of the Board of Directors and the Executive Management and their private interests or other duties. The following transactions with the Board of Directors and Executive Management exist: purchase of normal legal services from the law firm Gorrissen Federspiel, where Jørn Ankær Thomsen is Attorney at law, and purchase of normal consultancy services from the communications firm Brunswick Group, where Henry Sténson is partner. Furthermore, Anders Vedel has full and part ownerships of wind turbines where the Group performs service work.

Board Committees

The Board of Directors has decided to establish three board committees; (i) an Audit Committee, (ii) a Technology & Manufacturing Committee and (iii) a Nomination & Compensation Committee. A set of rules of procedure for each committee has been prepared. The Board of Directors shall on an ongoing basis assess the need for such committees and potentially the establishment of additional committees.

The purpose of the board committees is to prepare decisions and recommendations for evaluation and approval by the Board of Directors. The board committees are not authorised to make independent decisions on the

matters covered by the individual committee's purpose, and the work of the committees' are thus only of a preparatory nature.

Each of the three board committees established by the Board of Directors consists of at least three members elected for a term of one year by and among the members of the Board of Directors. The election usually takes place at the board meeting held after the annual general meeting.

Audit Committee

The Audit Committee supports the Board of Directors in assessments and controls relating to auditing, accounting policies, systems of internal controls, financial reporting, procedures for handling complaints regarding accounting and auditing, the need for an internal audit function and Vestas' ethics and anti-corruption programmes.

Nomination & Compensation Committee

The Nomination & Compensation Committee supports the Board of Directors in overall staff-related topics, including assessment of remuneration. The Nomination & Compensation Committee submits proposals concerning the remuneration of the Executive Management and ensures that the remuneration is in line with the conditions in comparable companies.

Technology & Manufacturing Committee

The Technology & Manufacturing Committee assists the Board of Directors in assessing technological matters, IPR strategy and product development plans. The committee also supports the Board of Directors in matters concerning production, monitors and evaluates the short and long-term manufacturing footprint, evaluates sustainability performance and gives support to forums such as Vestas' innovation portfolio council, product portfolio council and product operation council.

Major Shareholders

At the end of 2014, Vestas had 159,162 shareholders registered by name, including custodian banks. The registered shareholders held 94 per cent. of Vestas' share capital. At the end of the year, 154,440 Danish shareholders held 45 per cent. of Vestas' share capital. The number of shareholders registered by name decreased by approximately 2 per cent. from 31 December 2013 to 31 December 2014.

In accordance with Section 55 of the Danish Companies Act, Marathon Asset Management LLP, UK has informed Vestas it owns more than 5 per cent. of Vestas' share capital. The notification was received in April 2013.

Control

Vestas is not aware of being owned or controlled, directly or indirectly, by others, and Vestas is not aware of any arrangements, that could later result in others taking over the control of Vestas.

Legal and arbitration proceedings

Vestas is currently, and from time to time, involved in legal proceedings, including governmental, arbitration, employment matters, disputes with customers, as well as general commercial disputes that arise from time to time in the ordinary course of business. Neither the Issuer nor any other member of the Group is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), in the 12 months prior to the date of this Prospectus which may have, or have had in the recent past, a significant effect on the Issuer's and/or the Group's financial position or profitability. The below mentioned cases have primarily been selected due to their extraordinary nature, media attention and their potential implications on Vestas' general reputation. The cases are therefore not considered to have any material financial implications.

Sterling Heights General Employees' Retirement System v. Vestas

In 2011, Sterling Heights General Employees' Retirement System ("**Sterling**"), a U.S. pension fund which owned American Depositary Receipts ("**ADRs**") in Vestas, filed a class action suit on behalf of Sterling and other ADR holders against Vestas and former executives of Vestas: Bent Carlsen, the former Chairman of the

Board of Directors, Ditlev Engel, the former Chief Executive Officer, Henrik Nørremark, the former Chief Financial Officer and Martha Wyrsh, the former President of Vestas America Holding, Inc. Sterling has alleged that between October 2009 and February 2012 Vestas and its management (i) deliberately gave overly optimistic information to the market concerning Vestas' operations; (ii) withheld negative information to the market concerning Vestas' operations; and (iii) failed to timely incorporate the Group's adoption of International Financial Reporting Interpretations Committee interpretation no. 15 on Agreements for the Construction of Real Estate ("**IFRIC 15**"), all with the intention of artificially inflating the Vestas stock price. As a result, the plaintiffs alleged that they had purchased Vestas stock at higher prices than would otherwise have been the case and ultimately lost money on their investments when stock prices fell.

Vestas has been of the opinion that its position is strong as it believes it acted prudently and in accordance with the law.

On 26 June 2014, a contingent settlement agreement was signed by all relevant parties. According to this agreement, Vestas' D&O insurer, AIG, will pay a lump sum of USD 5 million to the class members, which shall also cover legal costs and expenses before being distributed to the class members.

On 9 December 2014, the District Court of Oregon approved the settlement agreement. Subsequently, a 30-day appeal period passed without any of the affected class members filing an appeal. Consequently the settlement agreement has become final and can be executed.

Danish Shareholder Lawsuit

On 15 August 2013, 87 former or existing shareholders filed a writ of summons against three former executives of Vestas: Bent Carlsen, the former Chairman of the Board of Directors, Ditlev Engel, the former Chief Executive Officer and Henrik Nørremark, the former Chief Financial Officer. Vestas is currently not a formal party in the suit but is on legal notice that it could become a formal party.

The plaintiffs allege that between October 2009 and November 2010 Vestas and its management (i) deliberately gave overly optimistic information to the market concerning Vestas' operations; (ii) withheld negative information to the market concerning Vestas' operations; and (iii) failed to timely incorporate the Group's adoption of IFRIC 15, all with the intention of artificially inflating the Vestas stock price. As a result, the plaintiffs allege that they purchased Vestas stock at higher prices than would otherwise have been the case and ultimately lost money on their investments when stock prices fell. The plaintiffs claim an amount of DKK 80 million in damages and have reserved the right to increase the claim.

Vestas is of the opinion that its position is strong as it believes it acted prudently and in accordance with the law. Furthermore, Vestas is covered by directors' and officers' liability insurance and, as a result, Vestas believes its financial exposure to the claim is minimal.

As of January 2015, the case is still in its early stages where a lot of attention is still on the plaintiffs and their ability to act as parties under the Danish civil law procedures. The defendants have requested that a large portion of the claims alleged by the plaintiffs be rejected on several grounds. The City Court of Aarhus is expected to decide which of the legal questions are to be separated from the law suit and are to be subject of an individual hearing in early 2015.

Henrik Nørremark v. Vestas

Upon his dismissal in February 2012, the former Chief Financial Officer of Vestas, Mr Henrik Nørremark, signed a severance agreement with Vestas entitling him to receive one year's salary and a one-time payment. Vestas terminated the severance agreement in September 2012. Thereafter, Mr Nørremark filed suit against Vestas alleging Vestas wrongfully terminated his severance agreement and claiming the payments remaining under the severance agreement, which amount to DKK 8 million.

Vestas terminated the severance agreement after discovering that Mr. Nørremark had exceeded his authority as Chief Financial Officer by entering into certain agreements on behalf of Vestas with a former Indian cooperation partner, the RRB Group. Vestas believes the financial transactions pursuant to these unauthorised agreements cost Vestas up to approximately €24 million. Vestas is of the opinion that it was entitled to terminate the severance agreement as a result of Mr Nørremark's breach of his managerial duties.

The Danish State Prosecutor is conducting criminal investigations into Mr Nørremark's actions as Chief Financial Officer.

OVERVIEW CONSOLIDATED FINANCIAL INFORMATION

The following tables summarise the Group's results of operations and balance sheet for the periods indicated. For further information on the consolidated financial information of the Group, see the consolidated financial statements of Vestas as at and for the years ended 31 December 2013 and 2014, in each case incorporated by reference in this Prospectus. The offshore business was transferred to the MHI Vestas Offshore Wind A/S joint venture as of April 2014 and therefore is fully included in the Group's financials for 2013 and the first three months of 2014. For the remaining nine months of 2014 MHI Vestas Offshore Wind A/S is included as a one-line consolidation.

Consolidated income statement

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	<i>(€ million)</i>	
Revenue	6,910	6,084
Cost of sales	(5,732)	(5,188)
Gross profit	1,178	896
– Research and development costs	(213)	(246)
– Distribution expenses	(158)	(195)
– Administrative expenses	(248)	(244)
Operating profit (EBIT) before special items	559	211
Special items	48	(109)
Operating profit (EBIT)	607	102
Income/(loss) from investments accounted for using the equity method	(31)	0
Financial income	50	5
Financial expenses	(103)	(143)
Profit/(loss) before tax	523	(36)
Income tax	(131)	(46)
Profit/(loss) for the year	392	(82)

Consolidated cash flow statement

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	<i>(€ million)</i>	
Cash flow from operating activities	1,126	1,248
Cash flow from investing activities	(285)	(239)
Free cash flow	841	1,009
Cash flow from financing activities	389	(1,150)
Change in cash at bank and in hand less current portion of bank debt	1,230	(141)
Cash at bank and in hand less current portion of bank debt at 1 January	690	847
Exchange rate adjustments on cash at bank and in hand	94	(16)
Cash at bank and in hand less current portion of bank debt at 31 December	2,014	690

Consolidated balance sheet - Assets

	As at 31 Dec 2014	As at 31 Dec 2013
	<i>(€ million)</i>	
Goodwill	215	215
Completed development projects	274	331
Software	32	42
Development projects in progress	137	153
Total intangible assets	658	741
Land and buildings	695	803
Plant and machinery	211	219
Other fixtures and fittings, tools and equipment	168	151
Property, plant and equipment in progress	58	48
Total property, plant and equipment	1,132	1,221
Investment accounted for using the equity method	188	1
Other investments	14	0
Other receivables	36	34
Deferred tax	170	155
Total other non-current assets	408	190
Total non-current assets	2,198	2,152
Inventories	1,509	1,425
Trade receivables	598	626
Construction contracts in progress	104	47
Other receivables	402	307
Tax receivables	65	57
Cash at bank and in hand	2,018	694
Total current assets	4,696	3,156
Current and non-current assets held for sale	103	332
Total assets	6,997	5,640

Consolidated balance sheet - Equity and liabilities

	As at 31 Dec 2014	As at 31 Dec 2013
	<i>(€ million)</i>	
Share capital.....	30	27
Other reserves	498	(10)
Retained earnings	1,851	1,507
Total equity	2,379	1,524
Deferred tax.....	17	21
Provisions.....	231	200
Financial debts	3	604
Other liabilities.....	10	2
Total non-current liabilities	261	827
Financial debts	604	4
Prepayments from customers	2,156	1,568
Construction contracts in progress.....	12	12
Trade payables	945	832
Provisions.....	142	165
Other liabilities.....	457	426
Tax payables	41	39
Total current liabilities	4,357	3,046
Liabilities directly associated with current and non-current assets held for sale	0	243
Total liabilities	4,618	4,116
Total equity and liabilities	6,997	5,640

TAXATION

EU Savings Directive

Under the EU Savings Directive, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted the Amending Directive which broadens the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria may (unless during that period Austria elects otherwise) operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

Investors who are in any doubt as to their position should consult their professional advisers.

Denmark

Danish Taxation

The following is an overview description of the taxation in Denmark of the Notes according to the Danish tax laws in force at the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following overview does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional securities traders) may be subject to special rules.

Potential investors are under all circumstances strongly recommended to contact their own tax adviser to clarify the individual consequences of their investment, holding and disposal of the Notes. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Notes.

Taxation at source

Under existing Danish tax laws, no withholding tax or coupon tax will apply to payments of interest or principal or other amounts due on the Notes, other than in certain cases in respect of controlled debt in relation to payment to the Issuer as referred to in consolidated Act No. 1082 of 14 November 2012 on corporate taxation as amended from time to time. This will not have any impact on Noteholders who are not in a relationship whereby they control, or are controlled by, the Issuer, or where the Noteholders and the Issuer are not controlled by the same group of shareholders.

Resident Noteholders

Private individuals, including individuals who are engaged in financial trade, companies and similar enterprises resident in Denmark for tax purposes, or entities receiving interest on the Notes through their permanent establishment in Denmark, are liable to pay tax in Denmark on such interest.

Capital gains and losses on the Notes are taxable for individuals and corporate entities in accordance with consolidated Act No. 1113 of 18 September 2013 on Danish Capital and Exchange Gains (in Danish: "*Kursgevinstloven*") as set out below.

Corporate Entities

As a general rule, gains and losses on Notes issued to corporate entities are included in the taxable income in accordance with a mark-to-market principle (in Danish: "*lagerprincippet*"), i.e. on an unrealised basis. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the Notes at the beginning and at end of each tax year. Thus, taxation occurs on an accrual basis even if no Notes have been disposed of and no gains or losses have been realised. If the Notes are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the Notes at the beginning of the income year and the value of the Notes at realisation. If the Notes have been acquired and realised in the same income year, the taxable income equals the difference between the acquisition sum and the realisation sum. If the Notes are acquired in the income year and not realised in the same income year, the taxable income equals the difference between the acquisition sum and the value of the Notes at the end of the income year. As to whether a corporate entity may deduct losses on Notes in connection with calculation of the taxable income under the mark-to-market principle, certain exemptions apply to debt claims between group companies and debt claims which should not be included in the corporate entities' taxable income pursuant to a double taxation treaty between the issuer and the Noteholder.

Net gains for corporate entities are taxed on a yearly basis at the corporate income tax rate of 23.5 per cent. in 2015, reduced to 22 per cent. in 2016 and onwards. This applies to both gains on sale or disposal of the Notes and interest derived from the Notes.

Individuals

Gains and losses on Notes issued to individuals are generally included in the individual's taxable income on a realisation basis. Thus, gains and losses on the sale or disposal of Notes are calculated as the difference between the acquisition price and the sales price.

The net gains are taxed as capital income at a rate of up to 42 per cent. in 2015. However, this tax rate does not apply if the individual is engaged in financial trade and considered a professional trader. The gain or loss will only be included in the taxable income when the net gain or loss for the year on all debt claims, debt denominated in foreign currency and investment certificates in bond-based investment funds subject to the minimum taxation exceeding a total of DKK 2,000.

Pension Funds

Pension funds and other entities governed by the Consolidated Act No. 1126 of 10 October 2014 on Taxation of Pension Investments Returns (in Danish "*Pensionsafkastbeskatningsloven*"), as amended from time to time, would, irrespective of realisation, be taxed on annual value increase or decrease in the fair market value of the Notes according to a mark-to-market principle (in Danish "*lagerprincippet*") as specifically laid down in the act. Such net return is generally taxed at a flat rate of 15.3 per cent.

Non-Resident Noteholders

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident Noteholders are not subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under "*Taxation at source*" above. Thus, no Danish withholding tax will be payable with respect to such payments and any capital gain realised upon the sale, exchange or retirement of a Note will not be subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under "*Taxation at source*" above.

This tax treatment applies solely to Noteholders who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

Transfer Tax and Stamp Duties

No Danish transfer tax or stamp duties are payable on transfer or purchase of the Notes.

Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective

investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding Tax

Non-resident holders of Notes

Under Luxembourg general tax laws currently in force there is no withholding tax on payments of principal, premium or interest made to non-resident holders of the Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the "**Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing the EU Savings Directive and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of Member States (the "**Territories**")) established in a Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth.

Responsibility for the withholding of the tax in application of the Law will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law will be subject to a withholding tax at a rate of 10 per cent.

In addition, pursuant to the Law, Luxembourg resident individuals can opt to self-declare and pay a 10 per cent. tax on payment of interest or similar incomes made or ascribed by paying agents located in a Member State of the European Union other than Luxembourg, a Member State of the European Economic Area or in a State or territory which has concluded an agreement directly relating to the EU Savings Directive on the taxation of savings income. The 10 per cent. tax is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016. However, the FTT proposals remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Citigroup Global Markets Limited, HSBC Bank plc, Nordea Bank Danmark A/S, Société Générale, DNB Bank ASA and UniCredit Bank AG (together the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement dated 9 March 2015, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Notes at an issue price of 99.218 per cent. of their principal amount less a combined management and underwriting commission. The Issuer has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Notes and has also agreed to indemnify the Joint Lead Managers against certain liabilities. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Joint Lead Managers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Issuer and its affiliates in the ordinary course of business, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Lead Manager has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

1. it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
2. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Denmark

Each Joint Lead Manager has represented and agreed that it has not offered or sold and will not offer, sell or deliver any of the Notes directly or indirectly in Denmark by way of a public offering, unless in compliance with the Danish Securities Trading Act, Consolidation Act no. 831 of 12 June 2014, as amended and Executive Orders issued thereunder and in compliance with Executive Order no. 928 of 28 June 2013 and the Danish Financial Business Act to the extent applicable.

General

No action has been taken by the Issuer or any of the Joint Lead Managers that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

GENERAL INFORMATION

Listing and admission to trading

1. Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's Regulated Market. The Luxembourg Stock Exchange's Regulated Market is a regulated market for the purposes of the Markets in Financial Instruments Directive and the Prospectus Directive.

Relevant Approvals

2. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the creation, issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer passed on 17 February 2015.

Clearing Systems

3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number ("**ISIN**") for the Notes is XS1197336263 and the Common Code is 119733626.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, *société anonyme*, 42 Avenue JF Kennedy, L-1855 Luxembourg.

No significant or material adverse change

4. There has been no significant change in the financial or trading position of the Issuer or of the Group and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2014.

Litigation

5. Neither the Issuer nor any other member of the Group is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), in the 12 months prior to the date of this Prospectus which may have, or have had in the recent past, a significant effect on the Issuer's and/or the Group's financial position or profitability.

Auditors

6. The auditors of the Issuer are PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, State Authorised Public Accountants (a member of FSR – Danish Auditors), whose registered address is at Jens Chr. Skous Vej 1, 8000 Aarhus C, Denmark, who have audited the Issuer's consolidated financial statements, without qualification, in accordance with International Financial Reporting Standards as adopted by the EU for each of the two financial years ended on 31 December 2014 and 31 December 2013.

U.S. tax

7. The Notes and Coupons will contain the following legend: "Any United States person (as defined in the United States Internal Revenue Code of 1986, as amended (the "**Code**") who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Code."

Material Contracts

8. There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's results, financial condition, operations or ability to meet its obligations to Noteholders in respect of the Notes being issued.

Yield

9. The yield of the Notes is 2.875 per cent. on an annual basis. The yield is calculated at 11 March 2015 on the basis of the issue price. It is not an indication of future yield.

Miscellaneous

10. The total expenses related to the admission to trading of the Notes are estimated to be €4,880.

DNV GL Opinion

11. DNV GL AS ("**DNV GL**") has been commissioned by the Issuer to provide an opinion on the Notes. It is DNV GL's opinion that (although the Notes are not fully aligned with the 'Green Bond Principles', since the Notes are not linked to specific assets or projects), the Notes are in line with the stated definition of green bonds within the Green Bond Principles which is to enable capital-raising and investment for new and existing projects with environmental benefits.

Documents Available

12. For the period of 12 months following the date of this Prospectus, electronic copies of the following documents will be available for inspection from the registered office of the Issuer:
 - (a) this Prospectus and any supplements hereto;
 - (b) the Articles of Association of the Issuer;
 - (c) the Annual Report 2014 of the Issuer in respect of the financial year ended 31 December 2014 (including the auditors' report in connection with the audited consolidated financial statements of the Issuer in respect of the financial year ended 31 December 2014);
 - (d) the Annual Report 2013 of the Issuer in respect of the financial year ended 31 December 2013 (including the auditors' report in connection with the audited consolidated financial statements of the Issuer in respect of the financial year ended 31 December 2013); and
 - (e) the Fiscal Agency Agreement in draft form and then in final form when available.

The Issuer currently prepares audited consolidated accounts on an annual basis and unaudited consolidated interim accounts on a quarterly basis.

In addition, copies of this Prospectus, any supplements hereto and each document incorporated by reference are available on the Luxembourg Stock Exchange's website at www.bourse.lu.

REGISTERED OFFICE OF THE ISSUER

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