Vestas

Company announcement from Vestas Wind Systems A/S

Randers, 17 August 2011
Interim financial report, first half year 2011
Company announcement No. 37/2011

Interim financial report, first half year 2011
Outlook maintained - profit in line with expectations - safety improved once again.

Summary: Vestas generated first half-year revenue of EUR 2,461m; an increase of 31 per cent on the first half of 2010. EBIT amounted to EUR 8m, against a loss of EUR 219m in the first half of 2010. The EBIT margin thus rose to 0.3 per cent from (11.6) per cent. The free cash flow improved significantly to EUR (494)m from EUR (1,058)m in the first half of 2010. The half-year intake of firm and unconditional orders was 2,895 MW, and the backlog of firm and unconditional orders amounted to EUR 8.0bn at 30 June 2011. Safety at Vestas' workplaces was higher than ever before with an incidence of industrial injuries of 3.2. Renewable energy accounted for 32 per cent of Vestas' total energy consumption in the half-year. Firm and unconditional orders covering almost all the expected revenue of EUR 7bn for 2011 have already been secured, which is why the outlook for revenue, EBIT margin and the free cash flow is maintained at EUR 7bn, 7 per cent and a minimum of EUR 0, respectively. In spite of the macro-economic and financial uncertainty, Vestas still expects an intake of firm and unconditional orders of 7,000-8,000 MW in a market that remains fiercely competitive.

H1 2011 at a glance (against H1 2010)

+ 38%	Vestas delivered a total of 1,062 wind turbines to its customers - an increase of 38 per cent
+ 25%	Vestas delivered wind power systems with an aggregate capacity of 1,991 MW - an increase of 25 per cent
+ 31%	Vestas generated revenue of EUR 2,461m - an increase of 31 per cent
+ EUR 227m	EBIT amounted to EUR 8m - an increase of EUR 227m
+ EUR 152m	Profit after tax amounted to EUR (30)m - an increase of EUR 152m
- 3%	The number of employees at the end of the quarter was 21,700 - a decrease of 3 per cent

Vestas Wind Systems A/S
Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

- 29% Industrial injuries per one million working hours was 3.2 - a reduction of 29 per cent

- 14% points The share of renewable energy amounted to 32 per cent - a decrease of 14 percentage points

The Group's financial performance in the first half year 2011

	Q2 2011 1)	Q2 2010 1)	H1 2011 1)	H1 2010 1)	Full year 2010
Revenue (mEUR)	1,401	1,032	2,461	1,881	6,920
EBIT before one-off costs (mEUR)	77	(180)	8	(219)	468
EBIT margin before one-off costs (%)	5.5	(17.4)	0.3	(11.6)	6.8
Profit after tax (mEUR)	55	(143)	(30)	(182)	156
Cash flow from operating activities (mEUR)	126	(309)	(141)	(707)	56
Free cash flow (mEUR)	(63)	(511)	(494)	(1,058)	(733)

1) Neither audited nor reviewed.

Revenue for the first half year amounted to EUR 2,461m, resulting in an EBIT margin of 0.3 per cent, which is in line with expectations. Cash flow from operating activities amounted to EUR (141)m, and the free cash flow amounted to EUR (494)m in the first half of 2011.

Second-quarter revenue amounted to EUR 1,401m, and EBIT stood at EUR 77m, which translates into an EBIT margin of 5.5 per cent. The development confirms that revenue and especially earnings may show major quarter-on-quarter fluctuations depending on capacity utilisation and the type of projects handed over. Cash flow from operating activities amounted to EUR 126m, and the free cash flow amounted to EUR (63)m in the second quarter of 2011. Capacity utilisation and cash generation are expected to increase during the remainder of 2011.

Outlook for 2011

In spite of the macro-economic uncertainty and the turmoil in the financial markets Vestas still expects an intake of firm and unconditional orders of 7,000-8,000 MW. Europe and Africa are still expected to contribute about 50 per cent, the Americas about 25 per cent and Asia Pacific about 25 per cent. As expected, competition remains fierce, but a strong product platform, advanced service solutions and regional production capacity allow Vestas to offer its customers the most competitive solutions. The majority of the orders are expected to include short-term or longer-term service contracts with varying scope. Shipments are expected to rise from 4,057 MW in 2010 to 6,000 MW in 2011.

In 2011, Vestas still expects to achieve an EBIT margin of 7 per cent and revenue of EUR 7bn. Revenue in the service business is expected to amount to EUR 700m with an EBIT margin of 15 per cent. Vestas expects a positive free cash flow, equivalent to an improvement of more than EUR 700m compared to 2010. Inventory reductions will help to achieve this improvement. The expected revenue of EUR 7bn for 2011 has almost been secured by signed firm and unconditional orders. The risk thus primarily lies in the practical challenges and risks of disruptions in production and in relation to installations of new turbine types in a year, in which a large proportion of revenue, earnings, and cash flow will be generated in the latter part of the year. Revenue for the fourth quarter of 2011 is thus expected to be on a level with that achieved in the fourth quarter of 2010.

Investments in property, plant and equipment and intangible assets are expected to amount to EUR 550m and EUR 300m, respectively. Investments will, however, materialise later in the year than earlier announced, which means that the expected increase in depreciations and amortisations compared to 2010 will be around EUR 70m against the earlier announced increase of about EUR 100m.

Financial expenses and the corporate tax rate are expected to be EUR (60)m and 28 per cent, respectively. Total warranty and product provisions are expected to account for less than 3 per cent of the expected revenue for the year, as the performance of the wind power plants is constantly improved to the benefit of customer earnings and Vestas' costs.

The aim is to keep the incidence of industrial injuries at no more than 5.0 industrial injuries per one million working hours. The green proportion of Vestas' energy consumption is expected to be 40 per cent. The decline relative to 2010 is due to the increase in production outside Europe, where access to green electricity is often limited. The target for the customer loyalty index is 72, and the Sigma level must be at least 5.

Assumptions and risks

As the banks have become much more critical than previously, processing times and documentation requirements have gone up. This is clearly to the benefit of the financially strong blue-chip providers. A setback in the credit market would adversely affect the wind turbine market. Similarly, low prices of fossil fuels could postpone demand, and lower energy consumption caused by economic cycles could also affect demand for wind power plants.

Prices of a number of components are rising. As a general rule, Vestas' contracts take such price increases into account so that the final price of the projects will reflect developments in input prices. This means that Vestas' margin is relatively robust towards fluctuating input prices of contracts signed. Consequently, rising raw materials prices would seem to represent a larger challenge when signing new contracts. Large-scale investments throughout the supply chain have eliminated most of the immediate risk of bottlenecks and, by extension, Vestas' need for buffer stocks, which will be reduced in the course of 2011.

Other than the aforementioned, the most important risk factors include additional warranty provisions due to potential quality issues, transport costs, disruptions in production and wind turbine installations as well as potential patent disputes. The regionalisation of Vestas' production and procurement has reduced its exchange rate risk, but the risk has not been eliminated.

Vestas operates with three types of contracts: supply-only, supply-and-installation and turnkey. Revenue from supply-only and supply-and-installation orders is not recognised until the projects have been finally handed over to the customer. This may cause a time lag concerning the final income recognition. Revenue from turnkey orders is recognised after the percentage of completion method. There are no differences between the contract types in terms of the payment profile. Payments are typically received when orders are received and as physical shipments are effected.

Along with certain of its directors and officers, Vestas has been named as a defendant in a class action lawsuit filed in the United States District Court, District of Oregon, USA, see also company announcement No. 8/2011 of 21 March 2011.

Vestas Wind Systems A/S
Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

Vestas since 2006:
Improved quality, strengthened R&D efforts and increased regionalisation

	H1 2011[1)]	Full year 2010	Full year 2009	Full year 2008	Full year 2007	Full year 2006
Order intake (bnEUR)	2.8	8.6	3.2	6.4	5.5	4.9
Order intake (MW)	2,895	8,673	3,072	6,019	5,613	5,559
Revenue (mEUR)	2,461	6,920	5,079	5,904	3,828	4,179
Gross margin (%)	14.1	17.0	16.5	19.1	15.3	11.1
Warranty provisions (%)	2.3	2.8	5.8	4.5	6.6	3.6
EBIT margin before one-off costs (%)	0.3	6.8	4.9	10.4	5.3	4.9
Free cash flow	(494)	(733)	(842)	(403)	384	454
Return on invested capital before one-off costs (%)[2)]	2.7	10.8	9.5	43.4	21.3	14.4
Investments in property, plant and equipment (mEUR)	201	458	606	509	265	153
Number of employees, end of period	21,700	23,252	20,730	20,829	15,305	12,309
- of which outside Europe	8,054	8,127	6,569	5,320	3,232	2,025
Number of R&D employees, end of period	2,052	2,277	1,490	1,345	650	519

1) Neither audited nor reviewed.
2) Calculated over a 12-month period.

Vestas is managed and developed with a long-term perspective. Accordingly, Vestas should not be judged on the basis of its quarterly results as they may reflect fluctuations in the level of activity and capacity utilisation as well as changes in projects handed over. A key factor in Vestas' further progress is the improved ability to identify, control and price risks at all project stages and during the operational period of a wind power plant. This work is organised under a Contract Review function, which reports to the CFO. Together with the CEO, the Contract Review function reviews all projects in excess of EUR 15m. Smaller projects are handled in the individual sales business units.

New products, such as the V112-3.0 MW, the V100-2.6 MW, the V100-2.0 MW and the V100-1.8 MW turbines and services like the AOM 5000 (Active Output Management) will together with ever-improving productivity and quality, regionalisation and more balanced output be the drivers behind the improved competitive strength. The regionalisation, most recently exemplified by Vestas' investment in an assembly facility in Brazil, also brings Vestas closer to its customers, allowing it to make faster deliveries. Vestas will continue to invest large amounts in production facilities, but the investments will be relatively smaller as the business volume is expected to rise and the sub-contractors will make a larger proportion of the investments. Going forward, Vestas also expects its headcount to rise at a significantly lower rate than its business volume because of enhanced efficiency, improved turbine performance and economies of scale. Vestas will therefore be able to maintain a competitive return on invested capital.

In connection with the disclosure of the third-quarter results for 2011, Vestas will provide the promised elaboration of the Triple15 targets.

– o –

Press and analyst meeting in London, UK
Wednesday, 17 August 2011 at 2 p.m. London time/3 p.m. CET

In connection with the disclosure of this interim financial report, an information meeting will be held today, Wednesday, at 2 p.m. London time/3 p.m. CET for analysts, investors and the press at

The London Marriott West India Quay Hotel
22 Hertsmere Rd
Canary Wharf
London, E14 4ED
England.

The information meeting will be held in English and webcast live with simultaneous interpretation into Danish, German, Italian, Spanish and Mandarin via vestas.com/investor.

The meeting may be attended electronically, and questions may be asked through a conference call. The telephone numbers for the conference call are +44 208 817 9301 (UK), +1 718 354 1226 (USA), +45 7026 5040 (DK).

A replay of the information meeting will subsequently be available on vestas.com/investor.

The presentation of the financial results for the third quarter on 9 November will be held at Vestas' newly built headquarters in Aarhus, Denmark, and not as previously announced in New York, USA.

Yours sincerely
Vestas Wind Systems A/S

Bent Erik Carlsen
Chairman of the Board of Directors

Ditlev Engel
President & CEO

This interim report is available in Danish and English. In case of doubt, the Danish version shall apply.

Financial highlights for the Group

mEUR	Q2 2011 1)	Q2 2010 1)	1 half year 2011 1)	1 half year 2010 1)	Full year 2010
Highlights					
Income statement					
Revenue	1,401	1,032	2,461	1,881	6,920
Gross profit	248	12	348	113	1,175
Profit/(loss) before financial income and expenses, depreciation and amortisation (EBITDA) before one-off costs	150	(101)	150	(88)	747
Operating profit/(loss) (EBIT) before one-off costs	77	(180)	8	(219)	468
Profit/(loss) before financial income and expenses, depreciation and amortisation (EBITDA)	150	(101)	150	(88)	684
Operating profit/(loss) (EBIT)	77	(180)	8	(219)	310
Profit/(loss) of financial items	(1)	(17)	(50)	(35)	(72)
Profit/(loss) before tax	76	(197)	(42)	(254)	238
Profit/(loss) for the period	55	(143)	(30)	(182)	156
Balance sheet					
Balance sheet total	7,144	8,332	7,144	8,332	7,066
Equity	2,707	2,372	2,707	2,372	2,754
Provisions	314	359	314	359	370
Average interest-bearing position (net)	(1,075)	(637)	(966)	(436)	(593)
Net working capital	872	655	872	655	672
Investments in property, plant and equipment	110	129	201	211	458
Cash flow statement					
Cash flow from operating activities	126	(309)	(141)	(707)	56
Cash flow from investing activities	(189)	(202)	(353)	(351)	(789)
Free cash flow	(63)	(511)	(494)	(1,058)	(733)
Cash flow from financing activities	63	248	346	768	568
Change in cash at bank and in hand less current portion of bank debt	0	(263)	(148)	(290)	(165)

Financial highlights for the Group

mEUR	Q2 2011[1)]	Q2 2010[1)]	1 half year 2011[1)]	1 half year 2010[1)]	Full year 2010
Ratios					
Financial ratios[2)]					
Gross margin (%)	17.7	1.2	14.1	6.0	17.0
EBITDA margin before one-off costs (%)	10.7	(9.8)	6.1	(4.7)	10.8
EBIT margin before one-off costs (%)	5.5	(17.4)	0.3	(11.6)	6.8
EBITDA margin (%)	10.7	(9.8)	6.1	(4.7)	9.9
EBIT margin (%)	5.5	(17.4)	0.3	(11.6)	4.5
Return on invested capital[3)] (ROIC) before one-off costs (%)	2.7	0.4	2.7	0.4	10.8
Solvency ratio (%)	37.9	28.5	37.9	28.5	39.0
Return on equity[3)] (%)	2.9	(0.1)	2.9	(0.1)	5.9
Gearing (%)	47.2	47.0	47.2	47.0	33.2
Share ratios[2)]					
Earnings per share[4)] (EUR)	0.4	0.0	0.4	0.0	0.8
Book value per share (EUR)	13.3	11.6	13.3	11.6	13.5
Price/book value	1.2	2.9	1.2	2.9	1.7
Cash flow from operating activities per share (EUR)	0.6	(1.5)	(0.7)	(3.5)	0.3
Dividend per share (EUR)	0.0	0.0	0.0	0.0	0.0
Payout ratio (%)	0.0	0.0	0.0	0.0	0.0
Share price at the end of the period (EUR)	16.0	34.3	16.0	34.3	23.6
Average number of shares	203,704,103	203,704,103	203,704,103	203,704,103	203,704,103
Number of shares at the end of the period	203,704,103	203,704,103	203,704,103	203,704,103	203,704,103

1) Neither audited nor reviewed.
2) The ratios have been calculated in accordance with the guidelines from “Den Danske Finansanalytikerforening” (The Danish Society of Financial Analysts) (Recommendations and Financial ratios 2010).
3) Calculated over a 12-month period.
4) Earnings per share have been calculated over a 12-month period and in accordance with IAS 33 on earnings per share.

Non-financial highlights for the Group

	Q2 2011[1)]	Q2 2010[1)]	1 half year 2011[1)]	1 half year 2010[1)]	Full year 2010
Key figures[2)]					
Occupational health & safety					
Industrial injuries (number)	26	45	63	84	201
- of which fatal industrial injuries (number)	0	0	1	0	0
Products					
MW produced and shipped	1,417	588	2,051	975	4,057
Number of turbines produced and shipped	722	283	1,080	461	2,025
Utilisation of resources					
Consumption of metals (tonnes)	49,962	38,025	90,509	66,261	171,024
Consumption of other raw materials, etc. (tonnes)	23,819	27,059	52,654	45,291	107,485
Consumption of energy (MWh)	136,461	128,754	294,181	278,186	578,063
- of which renewable energy (MWh)	45,674	63,624	94,904	128,176	241,930
- of which renewable electricity (MWh)	44,191	57,794	86,376	108,441	209,351
Consumption of fresh water (m^3)	138,236	160,748	241,009	281,963	598,258
Waste disposal					
Volume of waste (tonnes)	24,079	19,528	41,784	35,765	88,663
- of which collected for recycling (tonnes)	14,543	7,988	23,955	14,837	35,410
Emissions					
Emission of CO_2 (tonnes)	14,340	11,340	33,330	27,236	56,547
Local community					
Environmental accidents (number)	0	0	0	0	0
Breaches of internal inspection conditions (number)	0	0	2	3	3
Employees					
Average number of employees	21,717	21,650	22,167	21,149	22,216
Number of employees at the end of the period	21,700	22,392	21,700	22,392	23,252

Non-financial highlights for the Group

	Q2 2011[1)]	Q2 2010[1)]	1 half year 2011[1)]	1 half year 2010[1)]	Full year 2010
Indicators[2)]					
Occupational health and safety					
Incidence of industrial injuries per one million working hours	2.6	4.6	3.2	4.5	5.0
Absence due to illness among hourly-paid employees (%)	2.2	2.4	2.5	2.8	2.6
Absence due to illness among salaried employees (%)	1.3	1.0	1.5	1.2	1.3
Products					
CO_2 savings over the lifetime on the MW produced and shipped (million tonnes of CO_2)	37	16	54	26	108
Utilisation of resources					
Renewable energy (%)	34	49	32	46	42
Renewable electricity for own activities (%)	61	78	65	84	74
Employees					
Women at management level (%)	18	19	18	19	19
Non-Danes at management level (%)	52	47	52	47	49
Management system					
OHSAS 18001 - occupational health and safety (%)[3)]	97	97	97	97	98
ISO 14001 - environment (%)[3)]	97	97	97	97	98
ISO 9001 - quality (%)	97	98	97	98	98

1) Neither audited nor reviewed.
2) Accounting policies for non-financial highlights for the Group, see page 74 of the annual report 2010.
3) OHSAS 18001 and ISO 14001 certification audit took place at the production facilities in Xuzhou, China, in June 2011. Final certificate is expected within the second half of 2011.

Management report

Wind. It means the world to us.
In order to emphasise its position in wind power, Vestas sharpened its profile in 2010. This emphasis is expressed by “Wind. It means the world to us.”, which conveys to the world that wind means everything to Vestas because Vestas deals exclusively with wind power, thereby ensuring clean energy for its customers. Vestas believes that wind power is the best supplement to oil, gas and other conventional energy sources currently employed.

To retain its leadership position, Vestas must be the best, and being the best means maintaining world class safety standards at all Vestas’ locations, having the most satisfied customers, the best performing wind power plants and the most environment-friendly production. In other words: Safety & Citizenship, Business Case Certainty, Partnership and the lowest Cost of Energy. Being the market-leader within wind power and the leading green energy brand, Vestas aims to create the world’s strongest energy brand.

Wind power is gaining ground because it is cost competitive, predictable, independent, fast and clean. Being the industry’s leading player and a pure-play spokesperson, Vestas aims to ensure that wind power remains at the top of the global energy agenda. This is among other things achieved through dialogue with politicians, public servants, interest groups and NGOs the world over and through advice and information to the public about the potential of wind power, both in individual markets and worldwide. Vestas’ long-term financial priorities reflect its focus on profitability: 1. EBIT margin, 2. free cash flow and 3. revenue.

Wind, Oil and Gas
Wind, Oil and Gas is Vestas’ vision, which expresses the ambition of making wind an energy source on a par with fossil fuels. Wind power accounted for the largest, second-largest or third-largest share of new power capacity in the EU and the USA in 2008, 2009 and 2010. Wind power has thus become a natural part of the modern energy supply because, among renewable sources of energy, wind power is currently the best means of ensuring that the many national climate targets are reached. Vestas expects that, if the necessary political decisions on a national and international level to expand the power grid and appoint appropriate locations are made now, the share of wind power relative to the total electricity production can be increased from about 2 per cent today to at least 10 per cent by 2020. This translates into an installed wind power capacity of at least 1,000,000 MW, as compared to nearly 200,000 MW at the end of 2010, of which Vestas had installed a total of 44,114 MW. At 30 June 2011, Vestas had installed a total of 46,105 MW, ref. Vestas' Track record for the first half of 2011, vestas.com/investor. The key to realising the potential of wind power is having long-term, national schemes that provide the industry with the necessary opportunities to plan and invest in employees, technology and production facilities. Along the way, the wind power industry, including the many suppliers, will be able to create more than two million jobs.

National and local climate targets have now been defined by China, the EU and Australia, among others. In the USA, there is still a need for a long-term agreement on federal climate and energy targets to complement the green ambitions already defined by more than 30 states. However, the US subsidy scheme, the Investment Tax Credit, has been extended until the end of 2011. Nevertheless, the global economic slowdown and the credit crisis have made some politicians reluctant to go through with climate investments. This gives rise to some concern as the necessity of action is clearly underlined by the fact that 2010, according to NASA, was the warmest year recorded in 130 years. The climate, the environment and the independence of scarce resources such as fresh water will henceforth drive political and economic developments, as exemplified by China’s ever-larger investments in green technology. COP16 in Cancun, Mexico, was another step in the right direction. Vestas is confident that a fixed price for CO_2 would promote the necessary climate investments because it would provide industrial and financial investors with a higher degree of predictability than the present quota system, which leads to large fluctuations in the price of CO_2.

Still more people are giving high priority to sustainability. Consequently, Vestas has taken the initiative to launch the WindMade™ consumer label, which allows consumers to choose products manufactured using wind. On the global wind day on 15 June 2011, the first criterion for WindMade™ was announced. Participating companies must cover a minimum of 25 per cent of their electricity consumption using wind power. The standard has been submitted for a public hearing and is expected to be finalised during the third quarter of 2011.

Failure is not an option

Vestas' mission, Failure is not an option, expresses the organisation's commitment to constantly seeking improvements and to constantly following up on and rectifying errors in a structured manner.

The mission also mirrors Vestas' uncompromising stance on safety, which is given top priority no matter what the context, because the customers demand it and the employees are entitled to it. Vestas has thus succeeded in reducing the incidence of industrial injuries from 25.3 per one million working hours in 2006 to 2.6 in the second quarter of 2011.

The ambition to attain a 6 Sigma quality level throughout the value chain no later than in 2015 underlines Vestas' commitment to constant improvement. At the end of 2010, Vestas and the vast majority of its suppliers had reached 5 Sigma, against 4 Sigma in 2008, which is one of the prerequisites for the long-term improvement of profitability. Vestas regularly establishes relations with new suppliers with a commitment to reach 6 Sigma in a joint effort with Vestas.

Vestas currently monitors more than 20,000 turbines, or more than 34,000 MW, round the clock, and this opens up for effective maintenance planning, higher uptime and performance for the turbines. This benefits customer earnings and Vestas' expenditure, as Vestas' service technicians are now able to service more than twice as many turbines as they were at the beginning of 2008. Knowledge about the yield and general maintenance condition of each turbine is the cornerstone of Vestas' future growth.

"Lost Production Factor", which is the share of the potential wind not harvested by the turbines, has been substantially reduced in recent years. Measured over the past 12 months, the average Lost Production Factor has dropped to less than 2.5 per cent.

The Willpower

Vestas is driven forward by its employees, whose willpower, imagination and ability to constantly develop the technology and the organisation have made Vestas the industry leader. This is expressed in the sculpture entitled the Willpower, which has been placed at a number of the Group's locations. Reaching for the sky, it symbolises the willpower and passion possessed by the employees. Vestas seeks to promote a culture characterised by independent initiatives and collaboration across professional and organisational boundaries in which the dynamics and sense of responsibility that usually characterise a small company are retained. The solid foundation of the sculpture reflects the reliability, common sense and trustworthiness that is the cornerstone of all Vestas' activities.

Vestas' Code of Conduct is to ensure that all employees and other persons acting on behalf of Vestas know what is correct Vestas behaviour. In the second quarter, Vestas was granted permission from the relevant authorities to extend the existing EthicsLine so that the company's business partners can also use the system to ask questions and to report any suspicions about violations of Vestas' Code of Conduct. Vestas' standards and goals build on recognised framework agreements established by international organisations such as the UN, ILO and OECD. In 2009, Vestas joined the UN Global Compact initiative and follows the ten generally recognised principles in respect of human rights, labour rights, the environment and anti-corruption. In January 2011, Vestas became one of about 50 elite companies in the Global Compact LEAD. The companies in the global Compact LEAD have committed themselves to leading the way within sustainability, and being the leading company within renewable energy and one of the originators behind WindMade™, Vestas is ready to assume this responsibility.

Every year, Vestas issues a progress report on its Global Compact performance in the form of a sustainability report, which is published on vestas.com. The sustainability report also serves as Vestas' statutory statement on corporate social responsibility.

Management focus

Vestas' Management's overall focus is on customers, colleagues, Cost of Energy and shareholders. Success in these areas is a prerequisite for retaining the leadership position in competition with a number of the world's largest industrial conglomerates.

Customers

Wind power is gaining support in more and more countries, with new customers as well as large international players investing in wind power plants. As wind power comes to represent an ever-growing proportion of the energy supply, considerably larger customers will account for a growing share of demand. In 2010, when energy companies and utilities accounted for 46 per cent of revenue compared with 58 per cent in 2009 and 45 per cent in 2008, Vestas' revenue was distributed among 212 customers. The figures for 2009 and 2008 were 201 and 228, respectively. In the past, Vestas was better organised to serve small, local customers, but in recent years the company has made adjustments so that it now also cooperates with large utilities with international operations. One of the initiatives at Vestas is the introduction of Key Account Management, which is intended to improve services provided to the largest customers by offering them direct and swift access to Vestas through a central Key Account Manager. The EDPR order in 2010, the framework agreement with ENEL Green Power in 2010 and the EDF EN agreement in 2011 are results of the ever-closer relations with the customers across Vestas.

Vestas aims to provide its customers with the lowest cost per MWh produced and optimum security for the capital invested in a wind power plant – Vestas delivers as promised. Vestas also endeavours to become a more flexible and knowledgeable business partner because significantly improved customer satisfaction is a prerequisite for Vestas to retain its market-leading position.

The customer loyalty index for 2010 was unchanged at 64, after a large improvement in 2009. The improvement in 2009 was due to much better turbine performance and sharply intensified collaboration with customers, improvements of a number of in-house processes and the launch of new products and services. All of these measures have helped build the foundation for the necessary increase in revenue and profitability in the years ahead. The target for 2012 is an index of at least 75, which matches the level of the best in the world.

Vestas retains its strategy of not relying on any single market or customer.

Colleagues

At the end of the second quarter of 2011, Vestas had 21,700 employees. Vestas will continue to apply the "people before megawatt" principle, because the costs of well-educated excess capacity are lower than the costs of remedying faults due to a rushed staff inflow caused by strong MW growth. Lay-offs will be a measure of last resort for Vestas due to the substantial loss of know-how and experience associated with such lay-offs.

Due to enhanced efficiency, improved turbine performance and economies of scale, going forward Vestas expects its headcount to rise at a significantly lower rate than its business volume. This also

Vestas Wind Systems A/S
Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

applies to investments in new production capacity as Vestas regularly increases factory output. In addition, the suppliers will henceforth account for a larger part of the production than is the case today.

All Vestas employees are covered by a bonus scheme. For employees in the business units, 70 per cent of the bonus depends on targets specific to the business unit, whilst 30 per cent depends on the Group fulfilling announced targets for the year, including developments in customer satisfaction. For employees in the Group staff functions, bonus depends exclusively on the fulfilment of announced targets. When calculating the bonus for 2011, each component is weighted as follows: An EBIT margin of 8.4 per cent (35 per cent weighting), a free cash flow of EUR 200m (30 per cent weighting), revenue of EUR 7bn (15 per cent weighting) and a customer loyalty index of 72 (20 per cent weighting). In the longer term, bonus payments will be more closely linked to the day-to-day performance of each employee. Vestas' global bonus scheme did not lead to disbursements for 2010.

As part of Triple15, Vestas aims, in terms of cultural versatility, to become a more international business with a much higher proportion of both non-Danish nationals and women employed in management positions. At the end of the second quarter, non-Danish nationals held 52 per cent of the positions in the upper management level, and 18 per cent were women. Another aim is to have many nationalities represented at all locations.

Cost of Energy
Vestas' wind power plants must have the lowest Cost of Energy and ensure that the price of wind power continues to fall. Conversely, the price of fossil fuels is expected to rise, thus steadily increasing the competitiveness and resulting value of wind turbines. Through large-scale investments in development and test facilities around the world, Vestas will seek to consolidate its leadership position within wind power. At the end of the second quarter of 2011, 9 per cent of Vestas' staff were employed with Vestas Technology R&D, which is now organised in specialised centres around the world and managed from Aarhus, Denmark. In addition to improved design, which also facilitates the work of service technicians, lighter materials and the possibility of recycling all turbine components, Vestas is also investing large resources in optimising the location of each turbine in a wind power plant with a view to fully harnessing the wind.

In the years ahead, many new products and services will contribute to ensuring that Vestas accomplishes Triple15. All of the new products are designed to provide the customers with Business Case Certainty and the lowest Cost of Energy. On 30 March 2011, Vestas announced the specifications for its V164-7.0 MW turbine. It is the first dedicated offshore turbine in Vestas' product range and will become the largest single investment ever in Vestas Technology R&D. If demand for the turbine leads to a sufficient order intake in the coming years, Vestas will commence serial production in 2015. For this purpose, Vestas has secured an option for 70 hectares of land at the Port of Sheerness in Kent, UK. The first prototype will be built towards the end of 2012. Accordingly, the V164-7.0 MW turbine will not have a positive earnings impact until after 2015.

During the first half of the year, Vestas also launched its V100-2.6 MW turbine based on the thoroughly tested 3 MW platform and a V100-2.0 MW turbine to complement the 2 MW platform. This represents a further expansion of Vestas' broad product range, which in recent years has been expanded also by the V112-3.0 MW, V100-1.8 MW and V60-850 kW turbines.

The motivation behind Vestas' development initiatives is the goal of having increasingly robust wind power plants built by easily accessible and environmentally friendly materials and the necessity of increasing output per kilogramme turbine for the benefit of the environment. As part of these initiatives, under the "As green as it gets" principle, Vestas has stepped up its efforts to minimise the consumption of resources. One result of the intensified efforts is that, from the second quarter of 2009, Vestas has reported on quarterly developments in its non-financial highlights in order to give prominence to the performance in achieving its environmental and safety targets.

In the second quarter of 2011, consumption of raw materials rose by 13 per cent, and waste generation was up by 23 per cent relative to the second quarter of 2010 due to the higher level of activity, especially in the USA. The proportion of recycled waste rose sharply to 60 per cent from 41 per cent in the second quarter of 2010. Contributing to this increase was Vestas' new foundry in Xuzhou, China, where an efficient internal recycling facility helps ensure that the foundry consumes a minimum of new moulding sand. Furthermore, the moulding sand is sold for recycling after it has been used. Consumption of energy rose by 6 per cent. Energy consumption increases less than the consumption of raw materials because energy consumption is linked to capacity rather than actual production.

Vestas has implemented a green building policy, which will contribute substantially to reducing energy consumption from Vestas' buildings in the years ahead. The extension of the development centres on the Isle of Wight, UK, and at Lem, Denmark, as well as the establishment of the new headquarters for Vestas Americas in Portland, USA, and for the Vestas Group, in Aarhus, Denmark, respectively will all live up to the new green building policy. The annual CO_2 emissions at the new headquarters in Aarhus will be significantly reduced compared with a similar building, among other things owing to the installation of Denmark's largest geothermal heating plant.

Vestas' energy policy stipulates that all electricity must be from renewable energy sources, subject to availability. The target is for 40 per cent of Vestas' energy consumption to come from renewable sources by 2011. The precondition is that the proportion of renewable electricity is increased to more than 95 per cent by 2011.

In the second quarter of 2011, the share of renewable energy was 34 per cent and the share of renewable electricity was 61 per cent. The corresponding figures for the year-earlier period were 49 per cent and 78 per cent, respectively. For the half-year period, the figures were 32 per cent and 65 per cent, respectively, which is below the target for the full-year 2011. As announced in the third quarter of 2010, Vestas has closed a total of five factories in Denmark and Sweden, all of which had a high share of renewable energy, and at the same time Vestas has increased its capacity in Asia and the USA, where access to renewable energy in certain regions is limited. Vestas will henceforth build turbines for in-house use in order to balance the energy consumption. In some cases, Vestas may also in this connection act as co-investor in customer projects, and Vestas is currently involved in a couple of projects under construction in Eastern Europe.

The positive development in the incidence of industrial injuries per one million working hours continued. In the second quarter, it improved to 2.6. This represents a reduction of 43 per cent relative to the second quarter of 2010 and is the lowest level in Vestas' history.

Safety comes first at Vestas. The ultimate goal is zero accidents, and constant improvements over the past five years prove that Vestas is on the right track. Thus, the incidence of industrial injuries per one million working hours was 5.0 in 2010, declining from 8.1 in 2009. The aim for 2011 is to maintain a maximum incidence of 5.0 industrial injuries per one million working hours, and with an incidence rate of 3.2 for the first half-year, Vestas is well underway. The target for 2012 is a maximum of 3. The target for 2015 is a maximum of 0.5. Vestas has joined a joint global safety educational programme for the entire industry to further improve safety.

Shareholders
At the end of June 2011, Vestas had 162,720 registered shareholders, including custodian banks. The registered shareholders held 91 per cent of the company's share capital. At the end of June, 157,738 Danish shareholders owned about 44 per cent of Vestas, which has a free float of 100 per cent. BlackRock Inc., USA, and Capital Research and Management Company, USA, have both reported a shareholding that exceeds five per cent. Vestas seeks to have an international group of shareholders and to inform this group openly about the company's long-term targets, priorities and initiatives

conducted with due consideration to the short-term opportunities and limitations. The Group most often presents its interim reports in London, UK, and New York, USA, as part of roadshows, which cover more than 25 capitals and financial centres in North America, Europe, the Middle East and Asia in 2011. In addition, Vestas arranges a large number of meetings with private investors in Denmark.

Development, second quarter 2011

Activities and order backlog

In the second quarter of 2011, Vestas produced and shipped wind power systems with an aggregate output of 1,417 MW (722 turbines) against 588 MW (283 turbines) in the second quarter of 2010. Final capacity delivered to the customers amounted to 1,127 MW, an increase of 34 per cent from the second quarter of 2010.

	Europe and Africa	Americas	Asia Pacific	Total
MW under completion, 1 April 2011	990	301	463	1,754
MW delivered to customers in the period	(384)	(647)	(96)	(1,127)
MW produced and shipped in the period	595	712	110	1,417
MW under completion, 30 June 2011	1,201	366	477	2,044

At the end of the quarter, turbine projects with a total output of 2,044 MW were under completion. The quarterly order intake was 2,265 MW, of which 65 per cent has been announced publicly. For the first half-year, the order intake was 2,895 MW, of which more than 25 per cent were for V100 or V112 turbines. The order backlog amounted to 8,306 MW at the end of June 2011. Europe and Africa accounted for 55 per cent and the Americas and Asia Pacific accounted for 31 and 14 per cent, respectively. The value of the order backlog was EUR 8.0bn at the end of June 2011.

Income statement

Europe and Africa accounted for 45 per cent of revenue in the second quarter of 2011. The Americas and Asia Pacific accounted for 46 per cent and 9 per cent of revenue, respectively. Second-quarter revenue amounted to 20 per cent of the expected full-year revenue, against 15 per cent of actual revenue in 2010. Service revenue amounted to EUR 169m, an increase of 6 per cent on the second quarter of 2010. Service revenue for the first half-year amounted to EUR 342m. The service business comprises among other things the sale of spare parts and repair, guaranteed uptime for a fixed fee and general service and maintenance work on an hourly basis.

Vestas recorded a gross profit of EUR 248m in the second quarter of 2011, against EUR 12m the year before. The gross margin thus rose to 17.7 per cent from 1.2 per cent, reflecting the projects handed over and the improved capacity utilisation. Revenue and earnings may show major quarter-on-quarter fluctuations depending on the type of projects handed over and therefore recognised as income. EBITDA was EUR 150m and EBIT amounted to EUR 77m, equal to an EBITDA margin of 10.7 per cent and an EBIT margin of 5.5 per cent.

Positively affected by exchange rate adjustments, but adversely impacted by a higher net interest-bearing debt, financial items amounted to a net expense of EUR 1m, against an expense of EUR 17m in the second quarter of 2010. Vestas' average interest-bearing net position in the second quarter of 2011 amounted to EUR (1,075)m, against EUR (637)m in the year-earlier period.

The net profit has increased to EUR 55m, against a loss of EUR 143m in the second quarter of 2010.

Balance sheet
Vestas had total assets of EUR 7,144m at 30 June 2011, against EUR 8,332m the year before. At the end of June 2011, Vestas' interest-bearing net position amounted to EUR (1,071)m. On 22 June, Vestas signed a EUR 1.3bn revolving credit facility with nine international banks. In addition, Vestas has substantial bilateral facilities, a EUR-denominated corporate bond with a principal amount of EUR 600m, a loan for EUR 250m with the European Investment Bank and a loan for EUR 55m with the Nordic Investment Bank. Financial debt obligations rose by EUR 163m to EUR 1,277m relative to 30 June 2010.

Net working capital
Vestas' net working capital at 30 June 2011 amounted to EUR 872m, against EUR 655m at the end of June 2010. Prepayments, which include payments on account for turbine projects that have not yet been recognised and prepayments on orders, declined in step with the inventories as a number of projects were handed over. Trade payables and trade receivables rose relative to 30 June 2010. During the second quarter, net working capital fell by EUR 38m, driven primarily by an increase in trade payables, whilst the decline in prepayments is offset by a corresponding drop in inventories. Vestas is working structurally to further reduce its inventories.

Trade receivables and construction contracts
Trade receivables amounted to EUR 629m at 30 June 2011, compared with EUR 470m at 30 June 2010. Construction contracts amounted to EUR 98m, net, against EUR 136m the year before. Construction contracts comprise projects in progress, for which income is recognised in step with the completion of the projects.

Warranty provisions
In 2011, Vestas expects to make warranty provisions of less than 3 per cent of annual revenue. Provisions are made for all costs associated with turbine repairs, and any reimbursement is not offset unless a written agreement has been made with the supplier to that effect. Warranty provisions of EUR 29m in the second quarter, equivalent to 2.1 per cent of revenue, cover possible costs for remedy and other costs in accordance with specific agreements. Provisions are based on estimates, and actual costs may deviate substantially from such estimates.

Changes in equity
Vestas' equity amounted to EUR 2,707m at 30 June 2011, an increase of EUR 335m on 30 June 2010.

Cash flow and investments
As a result of the slowing order intake from the autumn of 2008 to the end of 2009 and the timing profile of the orders received, Vestas draws on its credit facilities. Longer term, Vestas will to be able to finance its organic growth through operations. Cash flow from operating activities before changes in working capital rose to EUR 88m in the second quarter of 2011 from EUR (247)m in the second quarter of 2010. Cash flow from operating activities including costs for warranty commitments amounted to EUR 126m, against EUR (309)m in the second quarter of 2010. Cash flow from investing activities amounted to EUR (189)m. The investments were made primarily in buildings, plants and development projects.

Disclaimer and cautionary statement

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

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

All forward-looking statements contained in this document are expressly qualified by the cautionary statements contained or referenced to in this statement. Undue reliance should not be placed on forward-looking statements. Additional factors that may affect future results are contained in Vestas' annual report for the year ended 31 December 2010 (available at www.vestas.com/investor) and these factors also should be considered. Each forward-looking statement speaks only as of the date of this document. Vestas does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information or future events others than required by Danish law. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this document.

Vestas Wind Systems A/S
Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

The Vestas Group
Interim financial report for the period
1 January 2011-30 June 2011

Contents — Page

The interim financial report has neither been audited nor reviewed.

Consolidated income statement

mEUR	Q2 2011	Q2 2010	1 half year 2011	1 half year 2010
Revenue	**1,401**	**1,032**	**2,461**	**1,881**
Cost of sales	(1,153)	(1,020)	(2,113)	(1,768)
Gross profit	**248**	**12**	**348**	**113**
Research and development costs	(39)	(44)	(72)	(62)
Selling and distribution expenses	(50)	(46)	(101)	(90)
Administrative expenses	(82)	(102)	(167)	(180)
Operating profit/(loss)	**77**	**(180)**	**8**	**(219)**
Income from investments in associates	0	0	0	0
Net financials	(1)	(17)	(50)	(35)
Profit/(loss) before tax	**76**	**(197)**	**(42)**	**(254)**
Corporation tax	(21)	54	12	72
Net profit/(loss) for the period	**55**	**(143)**	**(30)**	**(182)**
Earnings per share (EPS)				
Earnings per share for the period (EUR), basic	0.27	(0.70)	(0.15)	(0.89)
Earnings per share for the period (EUR), diluted	0.27	(0.70)	(0.15)	(0.89)

Consolidated statement of comprehensive income

mEUR	1 half year 2011	1 half year 2010
Profit/(loss) for the period	**(30)**	**(182)**
Exchange rate adjustments relating to foreign entities	(13)	37
Fair value adjustments of derivative financial instruments for the period	18	(41)
Fair value adjustments of derivative financial instruments transferred to the income statement (cost of sales)	(6)	8
Tax on derivative financial instruments	(3)	8
Other comprehensive income after tax for the period	(4)	12
Total comprehensive income for the period	**(34)**	**(170)**

Vestas Wind Systems A/S
Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

Consolidated balance sheet – Assets

mEUR	30 June 2011	30 June 2010	31 December 2010
Goodwill	320	320	320
Completed development projects	170	128	169
Software	87	73	88
Development projects in progress	568	379	457
Total intangible assets	**1,145**	**900**	**1,034**
Land and buildings	904	747	867
Plant and machinery	314	262	304
Other fixtures, fittings, tools and equipment	235	240	248
Property, plant and equipment in progress	302	456	285
Total property, plant and equipment	**1,755**	**1,705**	**1,704**
Investments in associates	4	1	4
Other receivables	18	20	25
Deferred tax	268	393	224
Total other non-current assets	**290**	**414**	**253**
Total non-current assets	**3,190**	**3,019**	**2,991**
Inventories	2,545	4,135	2,735
Trade receivables	629	470	624
Construction contracts in progress	113	136	40
Other receivables	379	238	277
Corporation tax	82	116	64
Cash at bank and in hand	206	218	335
Total current assets	**3,954**	**5,313**	**4,075**
TOTAL ASSETS	**7,144**	**8,332**	**7,066**

Vestas Wind Systems A/S
Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

Consolidated balance sheet – Equity and liabilities

mEUR	30 June 2011	30 June 2010	31 December 2010
Share capital	27	27	27
Other reserves	5	(29)	9
Retained earnings	2,675	2,374	2,718
Total equity	**2,707**	**2,372**	**2,754**
Deferred tax	0	0	6
Provisions	121	117	139
Pension obligations	2	2	2
Financial liabilities	1,273	1,109	910
Total non-current liabilities	**1,396**	**1,228**	**1,057**
Prepayments from customers	1,437	3,137	1,546
Construction contracts in progress	15	0	15
Trade payables	1,090	873	1,120
Provisions	191	240	223
Financial liabilities	4	5	4
Other liabilities	252	314	323
Corporation tax	52	163	24
Total current liabilities	**3,041**	**4,732**	**3,255**
Total liabilities	**4,437**	**5,960**	**4,312**
TOTAL EQUITY AND LIABILITIES	**7,144**	**8,332**	**7,066**

Consolidated statement of changes in equity – six months 2011

mEUR	Share capital	Translation reserve	Cash flow hedging reserve	Retained earnings	Total
Equity at 1 January 2011	**27**	**3**	**6**	**2,718**	**2,754**
Acquisition of treasury shares	-	-	-	(17)	(17)
Share based payments	-	-	-	4	4
Total comprehensive income for the period	-	(13)	9	(30)	(34)
Equity at 30 June 2011	**27**	**(10)**	**15**	**2,675**	**2,707**

Consolidated statement of changes in equity – six months 2010

mEUR	Share capital	Translation reserve	Cash flow hedging reserve	Retained earnings	Total
Equity at 1 January 2010	**27**	**(35)**	**(6)**	**2,556**	**2,542**
Acquisition of treasury shares	-	-	-	-	-
Share based payments	-	-	-	0	0
Total comprehensive income for the period	-	37	(25)	(182)	(170)
Equity at 30 June 2010	**27**	**2**	**(31)**	**2,374**	**2,372**

Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

Summarised consolidated cash flow statement

mEUR	Q2 2011	Q2 2010	1 half year 2011	1 half year 2010
Profit/(loss) for the period	55	(143)	(30)	(182)
Adjustments for non-cash transactions	69	(128)	146	(122)
Corporation tax paid	(25)	33	(32)	(56)
Net interest	(11)	(9)	(25)	(9)
Cash flow from operating activities before change in working capital	88	(247)	59	(369)
Change in working capital	38	(62)	(200)	(338)
Cash flow from operating activities	**126**	**(309)**	**(141)**	**(707)**
Net investment in intangible assets	(78)	(70)	(159)	(136)
Net investment in property, plant and equipment	(110)	(129)	(201)	(211)
Other	(1)	(3)	7	(4)
Cash flow from investing activities	**(189)**	**(202)**	**(353)**	**(351)**
Free cash flow	**(63)**	**(511)**	**(494)**	**(1,058)**
Acquisition of treasury shares	(10)	0	(17)	0
Raising of non-current liabilities	73	248	363	768
Cash flow from financing activities	**63**	**248**	**346**	**768**
Change in cash at bank and in hand less current portion of bank debt	**0**	**(263)**	**(148)**	**(290)**
Cash at bank and in hand less current portion of bank debt at 1 April/1 January	201	459	332	479
Exchange rate adjustments of cash at bank and in hand	2	19	19	26
Cash at bank and in hand less current portion of bank debt at 30 June	**203**	**215**	**203**	**215**
The amount can be specified as follows:				
Cash at bank and in hand without disposal restrictions	173	200	173	200
Cash at bank and in hand with disposal restrictions	33	18	33	18
Total cash at bank and in hand	206	218	206	218
Current portion of bank debt	(3)	(3)	(3)	(3)
	203	**215**	**203**	**215**

Vestas Wind Systems A/S

Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

Accounting policies

Basis of preparation

The interim report comprises a summary of the Consolidated Financial Statements of Vestas Wind Systems A/S.

Accounting policies

The interim financial report has been prepared in accordance with IAS 34 ”Interim Financial Reporting” as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies.

Apart from the effect of new IFRS/IAS implemented in the period, the accounting policies are unchanged from those applied to the annual report for 2010 prepared under the International Financial Reporting Standards (IFRS) approved by the EU. Reference is made to pages 85-91 of the annual report for 2010 for a complete description of the Group’s accounting policies.

New IASs/IFRSs implemented in the period

With effect from 1 January 2011, Vestas implemented amendments to IAS 24 regarding related party disclosures, to IAS 32 regarding financial instruments presentation, to IFRIC 14 regarding the limit on a defined benefit asset and to IFRIC 19 regarding extinguishing financial liabilities with equity instruments.

Vestas evaluates the changes and interpretations not to have any material impact on Vestas at present.

Reference is made to page 132 of the annual report for 2010 for more details of the aforementioned standards and interpretations.

New IAS/IFRSs issued in 2011 to be implemented in future accounting periods

In 2011, the following new standards or amendments to standards have been issued:

- IFRS 10 Consolidated Financial Statement
- IFRS 11 Joint Ventures/Joint arrangements
- IFRS 12 Disclosures of Interests in Other Entities
- IFRS 13 Fair value measurement
- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures
- IAS 19 Employee Benefits
- IAS 1 Presentation of Items of Other Comprehensive Income

The standards have not yet been approved by the EU. Vestas is at the moment evaluating the impact to the financial statements.

Management's statement

The Executive Management and the Board of Directors have today discussed and approved the interim financial report of Vestas Wind Systems A/S for the period 1 January to 30 June 2011.

The interim financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies. The interim financial report has neither been audited nor reviewed.

In our opinion the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position at 30 June 2011 and of the results of the Group's operations and cash flow for the period 1 January to 30 June 2011.

Further, in our opinion the Management's review gives a true and fair review of the development in the Group's operations and financial matters, the results of the Group's operations for the period and the Group's financial position as a whole and describes the significant risks and uncertainties pertaining to the Group.

Randers, 17 August 2011

Executive Management

Ditlev Engel
President and CEO

Henrik Nørremark
Executive Vice President and CFO

Board of Directors

Bent Erik Carlsen
Chairman

Torsten Erik Rasmussen
Deputy Chairman

Carsten Bjerg

Elly Smedegaard Rex

Freddy Frandsen

Håkan Eriksson

Jørgen Huno Rasmussen

Jørn Ankær Thomsen

Kim Hvid Thomsen

Kurt Anker Nielsen

Michael Abildgaard Lisbjerg

Sussie Dvinge Agerbo

Company announcements from Vestas Wind Systems A/S

Disclosed during the first quarter of 2011

17.01.2011	01	Major Shareholder announcement – Central Bank of Norway
09.02.2011	02	Annual report 2010
10.02.2011	03	Major Shareholder announcement – Central Bank of Norway
11.02.2011	04	Rumours in the market regarding order in Sweden
28.02.2011	05	Rumours in the market regarding offshore order from PNE WIND AG in Germany
28.02.2011		Convening for Vestas Wind Systems A/S' Annual General Meeting
02.03.2011	06	Share based incentive programme 2011
18.03.2011	07	Rumours in the market regarding a wind farm project in Mexico
21.03.2011	08	Vestas named as a defendant in a lawsuit in the USA
28.03.2011	09	Vestas Wind Systems A/S' Annual General Meeting on 28.03.2011
30.03.2011	10	Vestas launches next generation offshore turbine
31.03.2011	11	Vestas receives 150 MW order in Brazil

Disclosed during the second quarter of 2011

08.04.2011	12	Rumours in the market regarding offshore project in Belgium
14.04.2011	13	Major shareholder announcement – Central Bank of Norway
18.04.2011	14	Major shareholder announcement – Central Bank of Norway
20.04.2011	15	Vestas receives 104 MW order in Canada
26.04.2011	16	Major shareholder announcement – Central Bank of Norway
03.05.2011	17	Vestas receives 100 MW order for China
04.05.2011	18	Interim financial report, first quarter 2011
06.05.2011	19	Vestas receives 102 MW order in California, USA
11.05.2011	20	Vestas receives 72 MW order in Turkey
13.05.2011	21	Vestas receives 80 MW order in Brazil
18.05.2011	22	Vestas receives 200 MW order in USA
24.05.2011	23	Rumours in the market regarding order in India
27.05.2011	24	Vestas receives 219 MW order in California, USA
30.05.2011	25	Vestas receives 149 MW order in Canada
09.06.2011	26	Rumours in the market regarding order in Canada
20.06.2011	27	Vestas receives 78 MW order in Sweden
22.06.2011	28	New syndicated facility well received by the loan market
30.06.2011	29	EDF Energies Nouvelles will purchase a minimum of 50 per cent of all its future onshore wind installations in Europe and a minimum of 30 per cent of all its future onshore wind installations in the US from Vestas for deliveries in 2012 to 2014

Vestas Wind Systems A/S

Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

Company announcements from Vestas Wind Systems A/S

Disclosed after the interim reporting period

01.07.2011	30	Vestas receives 60 MW order in Brazil
05.07.2011	31	Information in the market regarding 180 MW frame agreement in Sweden
08.07.2011	32	Information in the market regarding order in the USA
15.07.2011	33	Vestas receives 90 MW order in Brazil
26.07.2011	34	Vestas receives 92 MW order in Asia Pacific
09.08.2011	35	Vestas receives 92 MW order in Spain
15.08.2011	36	Vestas receives 202 MW order in the USA

Vestas Wind Systems A/S
Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

Sales (deliveries)

Sales in MW	Q2 2011	Q2 2010	1 half year 2011	1 half year 2010	Full year 2010
Germany	87	66	238	140	261
France	56	66	148	108	212
Romania	55	0	57	0	228
Great Britain	45	183	49	197	533
Italy	44	44	78	90	248
Sweden	29	26	75	102	358
Greece	29	30	37	50	155
Ireland	28	68	28	68	118
Portugal	6	0	6	0	10
Poland	4	85	4	87	87
The Netherlands	1	0	10	0	6
Turkey	0	15	98	42	96
Spain	0	0	60	82	179
Bulgaria	0	40	11	217	219
Denmark	0	3	1	3	77
Belgium	0	0	0	0	183
Cyprus	0	0	0	0	82
Hungary	0	4	0	4	21
Switzerland	0	0	0	0	16
Czech Republic	0	12	0	14	14
Austria	0	0	0	0	6
South Africa	0	0	0	0	2
Total Europe and Africa	**384**	**642**	**900**	**1,204**	**3,111**
USA	647	2	784	59	1,093
Canada	0	48	26	48	172
Mexico	0	0	0	0	102
Brazil	0	0	0	74	74
Uruguay	0	10	0	10	20
Jamaica	0	0	0	0	18
Chile	0	3	0	3	3
Total Americas	**647**	**63**	**810**	**194**	**1,482**
China	65	70	160	70	857
India	28	64	85	129	242
New Zealand	3	0	36	0	0
Australia	0	0	0	0	150
Total Asia Pacific	**96**	**134**	**281**	**199**	**1,249**
Total world	**1,127**	**839**	**1,991**	**1,597**	**5,842**

Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

MW overview per quarter 2011

MW	Europe and Africa	Americas	Asia Pacific	Total
Q1				
MW under completion, 1 January 2011	1,246	291	447	1,984
MW delivered to customers during the period	(516)	(163)	(185)	(864)
MW produced and shipped during the period	260	173	201	634
MW under completion, 31 March 2011	**990**	**301**	**463**	**1,754**
Q2				
MW under completion, 1 April 2011	990	301	463	1,754
MW delivered to customers during the period	(384)	(647)	(96)	(1,127)
MW produced and shipped during the period	595	712	110	1,417
MW under completion, 30 June 2011	**1,201**	**366**	**477**	**2,044**

Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

Warranty Provisions

mEUR	30 June 2011	30 June 2010	31 December 2010
Warranty provisions, 1 January	283	339	339
Exchange rate adjustments	0	0	0
Provisions for the period	56	96	194
Warranty provisions used during the period	(85)	(132)	(253)
Adjustments relating to the change in discounting of warranty provisions	0	0	3
Warranty provisions, 30 June/31 December	**254**	**303**	**283**
The provisions are expected to be payable as follows:			
< 1 year	152	209	171
> 1 year	102	94	112

Vestas Wind Systems A/S

Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

Segment information

mEUR	Europe and Africa sales units	Americas sales units	Asia Pacific sales units	Production units	Total reportable segments
Q2 2011					
External revenue	627	646	125	3	**1,401**
Internal revenue	52	19	6	1,163	**1,240**
Total segment revenue	**679**	**665**	**131**	**1,166**	**2,641**
Reportable segments' operating results (EBIT)	**(18)**	**(61)**	**(41)**	**82**	**(38)**
Total assets	**1,952**	**732**	**560**	**2,325**	**5,569**
Q2 2010					
External revenue	628	109	292	3	**1,032**
Internal revenue	124	27	16	640	**807**
Total segment revenue	**752**	**136**	**308**	**643**	**1,839**
Reportable segments' operating results (EBIT)	**123**	**3**	**(12)**	**(139)**	**(25)**
Total assets	**2,693**	**721**	**991**	**2,515**	**6,920**

Reconciliation	**Q2 2011**	**Q2 2010**
Reportable segments' EBIT	(38)	(25)
All other operating segments' EBIT*)	115	(155)
Consolidated operating profit (EBIT)	**77**	**(180)**

*) Includes parent company income (management fee, service, royalty and other rental income from group companies) reduced by costs related to Vestas Technology R&D and Group staff functions.

Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S

Segment information

mEUR	Europe and Africa sales units	Americas sales units	Asia Pacific sales units	Production units	Total reportable segments
H1 2011					
External revenue	1,289	835	333	4	**2,461**
Internal revenue	183	35	10	1,529	**1,757**
Total segment revenue	**1,472**	**870**	**343**	**1,533**	**4,218**
Reportable segments' operating results (EBIT)	**(21)**	**(66)**	**(30)**	**37**	**(80)**
Total assets	**1,952**	**732**	**560**	**2,325**	**5,569**
H1 2010					
External revenue	1,377	195	306	3	**1,881**
Internal revenue	277	56	28	960	**1,321**
Total segment revenue	**1,654**	**251**	**334**	**963**	**3,202**
Reportable segments' operating results (EBIT)	**142**	**0**	**(23)**	**(199)**	**(80)**
Total assets	**2,693**	**721**	**991**	**2,515**	**6,920**

Reconciliation	**H1 2011**	**H1 2010**
Reportable segments' EBIT	(80)	(80)
All other operating segments' EBIT*)	88	(139)
Consolidated operating profit (EBIT)	**8**	**(219)**

*) Includes parent company income (management fee, service, royalty and other rental income from group companies) reduced by costs related to Vestas Technology R&D and Group staff functions.

Vestas Wind Systems A/S

Alsvej 21, 8940 Randers SV, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001, vestas@vestas.com, www.vestas.com
Bank: Nordea Bank Danmark A/S, Reg. No.: 2100, Account No.: DKK 0651 117097 - EUR 5005 677997
Company Reg. No.: 10 40 37 82
Company Reg. Name: Vestas Wind Systems A/S