Vestas Wind Systems A/S

Interim financial report First quarter 2012

Company announcement of 2 May 2012

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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; (l) supply of components from suppliers and vendors; and (m) customer readiness and ability to accept delivery and installation of products and transfer of risk.

All forward-looking statements contained in this document are expressly qualified by the cautionary statements contained or referenced to in this statement. Undue reliance should not be placed on forward-looking statements. Additional factors that may affect future results are contained in Vestas' annual report for the year ended 31 December 2011 (available at vestas.com/investor) and these factors should also be considered. Each forward-looking statement speaks only as of the date of this document. Vestas does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information or future events others than required by Danish law. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this document.

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

Summary

Outlook for EBIT, cash flow and revenue retained. Disappointing first quarter revenue and earnings due to low level of deliveries, too high turbine costs and additional unexpected warranty provisions of EUR 40m.

Vestas generated revenue of EUR 1,105m in the first quarter of 2012 – an increase of 4 per cent to the year-earlier period. EBIT before special items declined by EUR 135m to EUR (204)m. The EBIT margin before special items was (18.5) per cent. After special items of EUR 41m, EBIT was EUR (245)m. The free cash flow improved to EUR (295)m from EUR (431)m in the first quarter of 2011. The net debt at 31 March 2012 amounted to EUR 850m; an increase of EUR 305m during the quarter. The intake of firm and unconditional orders was 1,269 MW in the first quarter of 2012 and the backlog of firm and unconditional orders amounted to EUR 10.0bn at 31 March 2012 – which is the highest level ever recorded. In addition to the order backlog, Vestas had service agreements with contractual future revenue of EUR 4.2bn at the end of March 2012. Safety at Vestas' workplaces improved once again and the share of renewable energy increased to 44 per cent.

Monitoring data from Vestas' Performance and Diagnostics centres have shown that 376 V90-3.0 MW gearboxes delivered to Vestas from June 2009 to September 2011 may potentially need additional maintenance, repair or replacement due to malfunctioning bearings. Thus, additional provisions of EUR 40m have been made in the quarter. Vestas will pursue all relevant actions with regards to potential compensation from the suppliers.

Vestas retains its full-year guidance of an EBIT margin of 0-4 per cent, revenue of EUR 6,500-8,000m, a positive free cash flow, shipments of approx 7 GW and investments of EUR 550m. Due to the additional provisions made for the V90-3.0 MW gearboxes, warranty provisions for the year are now expected to be around 3 per cent of the expected full-year revenue, against the previous guidance of less than 3 per cent of full-year revenue.

Vestas continues the adjustment of the organisation and still expects the number of employees at year-end to be around 20,400. This will contribute to a fixed cost reduction of more than EUR 150m with full effect as from the end of 2012. During the third quarter of 2012, Vestas will make a decision on its future footprint in the US market in case the PTC scheme is not extended.

The development of the potentially leading offshore platform, the V164-7.0 MW turbine, continues; however, to align the expected serial production date with Vestas' current offshore market outlook, Vestas has reduced the pace of development. The prototype is now expected to be installed in Denmark during 2014.

Vestas has received inquiries from potential partners on the further development of the V164-7.0 MW turbine.

Q1 2012 at a glance (against Q1 2011)

+ EUR 136m	Vestas realised a free cash flow of EUR (295)m - an increase of EUR 136m
+ 47%	Vestas produced and shipped 931 MW - an increase of 47 per cent
+ 28%	Vestas delivered wind power systems with an aggregate capacity of 1,108 MW - an increase of 28 per cent
+ 4%	Vestas generated revenue of EUR 1,105m - an increase of 4 per cent
- EUR 135m	EBIT before special items amounted to EUR (204)m - a decrease of EUR 135m
- EUR 77m	Net profit amounted to EUR (162)m - a decrease of EUR 77m
+ 2%	The number of employees at the end of the quarter was 22,576 - an increase of 2 per cent
+ 13% points	Renewable energy amounted to 44 per cent of total energy consumption - an increase of 13 percentage points
- 36%	Industrial injuries per one million working hours was 2.8 - a reduction of 36 per cent

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Financial highlights for the Group

mEUR	Q1 2012 1)	Q1 2011 1)	Full year 2011
Highlights			
Income statement			
Revenue	1,105	1,060	5,836
Gross profit	12	100	725
Profit before financial income and expenses, depreciation and amortisation (EBITDA) before special items	(90)	0	305
Operating profit/(loss) (EBIT) before special items	(204)	(69)	(38)
Profit before financial income and expenses, depreciation and amortisation (EBITDA)	(131)	0	305
Operating profit/(loss) (EBIT)	(245)	(69)	(60)
Profit/(loss) of financial items	20	(49)	(93)
Profit/(loss) before tax	(225)	(118)	(153)
Profit/(loss) for the period	(162)	(85)	(166)
Balance sheet			
Balance sheet total	7,969	7,009	7,689
Equity	2,378	2,677	2,576
Provisions	352	339	329
Average interest-bearing position (net)	(920)	(866)	(990)
Net working capital	20	910	(71)
Investments in property, plant and equipment	38	91	406
Cash flow statement			
Cash flow from operating activities	(204)	(267)	840
Cash flow from investing activities	(91)	(164)	(761)
Free cash flow	(295)	(431)	79
Cash flow from financing activities	242	283	(13)
Change in cash at bank and in hand less current portion of bank debt	(53)	(148)	66

Financial highlights for the Group

mEUR	Q1 2012[1)]	Q1 2011[1)]	Full year 2011
Ratios[2)]			
Financial ratios			
Gross margin (%)	1.1	9.4	12.4
EBITDA margin before special items (%)	(8.1)	0.0	5.2
EBIT margin before special items (%)	(18.5)	(6.5)	(0.7)
EBITDA margin (%)	(11.9)	0.0	5.2
EBIT margin (%)	(22.2)	(6.5)	(1.0)
Return on invested capital (ROIC) before special items[3)] (%)	(1.2)	1.5	(1.3)
Solvency ratio (%)	29.8	38.2	33.5
Return on equity[3)] (%)	(2.2)	1.1	(6.2)
Gearing (%)	48.8	45.0	35.7
Share ratios			
Earnings per share[4)] (EUR)	(0.3)	0.1	(0.8)
Book value per share (EUR)	11.7	13.1	12.6
Price/book value	0.7	2.3	0.7
Cash flow from operating activities per share (EUR)	(1.0)	(1.3)	4.1
Dividend per share (EUR)	0.0	0.0	0.0
Payout ratio (%)	0.0	0.0	0.0
Share price at the end of the period (EUR)	7.6	30.6	8.3
Average number of shares	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

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

	Q1 2012[1)]	Q1 2011[1)]	Full year 2011
Key figures[2)]			
Occupational health & safety			
Industrial injuries (number)	30	37	132
- of which fatal industrial injuries (number)	0	1	1
Products			
MW produced and shipped	931	634	5,054
Number of turbines produced and shipped	449	358	2,571
Utilisation of resources			
Consumption of metals (tonnes)	69,042	40,547	211,754
Consumption of other raw materials, etc. (tonnes)	33,457	28,835	105,031
Consumption of energy (MWh)	195,122	157,720	585,560
- of which renewable energy (MWh)	85,848	49,230	222,694
- of which renewable electricity (MWh)	76,148	42,185	207,534
Consumption of fresh water (m^3)	124,490	102,773	562,308
Waste disposal			
Volume of waste (tonnes)	23,330	17,705	89,051
- of which collected for recycling (tonnes)	11,830	9,412	48,178
Emissions			
Direct emission of CO_2 (tonnes)	20,406	18,990	58,444
Local community			
Environmental accidents (number)	0	0	0
Breaches of internal inspection conditions (number)	1	2	3
Employees			
Average number of employees	22,929	22,617	22,926
Number of employees at the end of the period	22,576	22,216	22,721

Non-financial highlights for the Group

	Q1 2012[1)]	Q1 2011[1)]	Full year 2011
Indicators[2)]			
Occupational health and safety			
Incidence of industrial injuries per one million working hours	2.8	3.8	3.2
Absence due to illness among hourly-paid employees (%)	2.8	2.9	2.3
Absence due to illness among salaried employees (%)	1.1	1.7	1.3
Products			
CO_2 savings over the lifetime on the MW produced and shipped (million tonnes of CO_2)	25	17	133
Utilisation of resources			
Renewable energy (%)	44	31	38
Renewable electricity for own activities (%)	89	70	68
Employees			
Women at management level (%)	18	18	18
Non-Danes at management level (%)	53	51	53
Management system[3)]			
OHSAS 18001 - occupational health and safety (%)	97	97	97
ISO 14001 - environment (%)	96	97	96
ISO 9001 - quality (%)	94	97	94

1) Neither audited nor reviewed.
2) Accounting policies for non-financial highlights for the Group, see page 32 of the annual report 2011.
3) The technology centres in Singapore and the USA as well as the sales and service organisations in Canada and Vestas Offshore, UK, have not yet been certified against OHSAS 18001 and ISO 14001. The production facilities in Xuzhou, China, have not yet been certified against ISO 14001. Vestas' aim is for all new units to be certified within six months after commencing operations.

Development, first quarter 2012

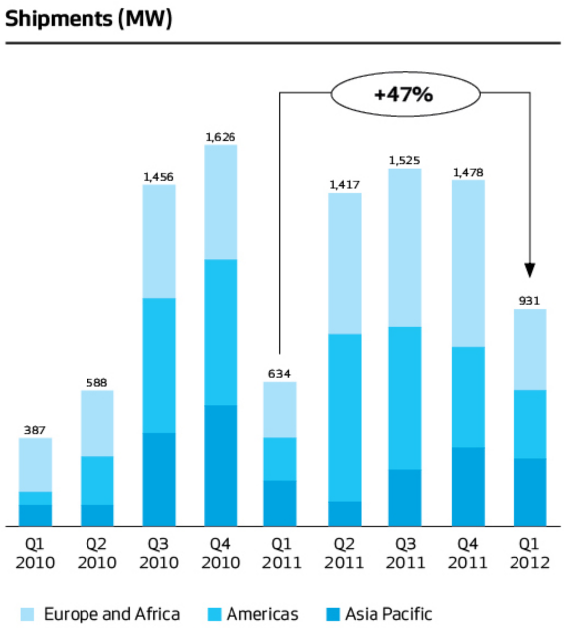
Order backlog and activities

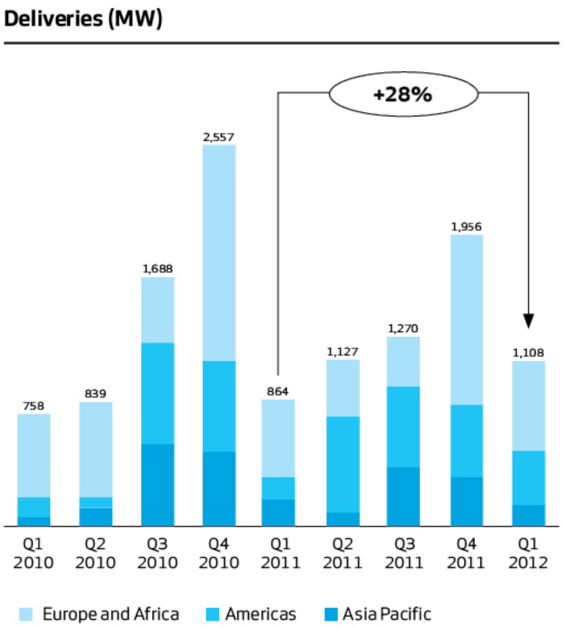
The quarterly order intake was 1,269 MW, of which 72 per cent was publicly announced. The order backlog amounted to 9,893 MW at the end of March 2012. Europe and Africa accounted for 57 per cent and Americas and Asia Pacific accounted for 28 and 15 per cent, respectively. The value of the order backlog was EUR 10.0bn at the end of March 2012, which is the largest level ever recorded.

In the first quarter of 2012, Vestas produced and shipped wind power systems with an aggregate output of 931 MW (449 turbines) against 634 MW (358 turbines) in the first quarter of 2011. Final capacity delivered to the customers amounted to 1,108 MW; an increase of 28 per cent from the first quarter of 2011.

MW	Europe and Africa	Americas	Asia Pacific	Total
MW under completion, 1 January 2012	1,132	360	329	1,821
MW delivered to customers during the period	(587)	(375)	(146)	(1,108)
MW produced and shipped during the period	354	286	291	931
MW under completion, 31 March 2012	**899**	**271**	**474**	**1,644**

At the end of the quarter, turbine projects with a total output of 1,644 MW were under completion. This is reflected in the level of inventories and prepayments as a large share of these MW still has not been recognised as revenue. The revenue recognition of these MW will take place when the projects are finally handed over.

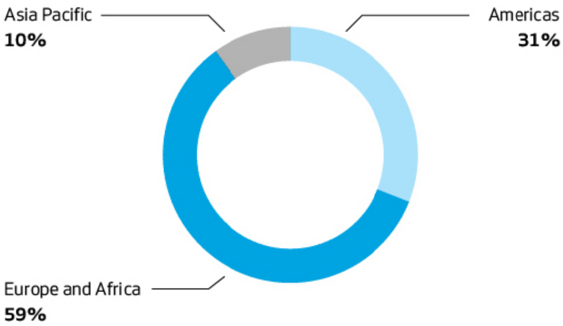




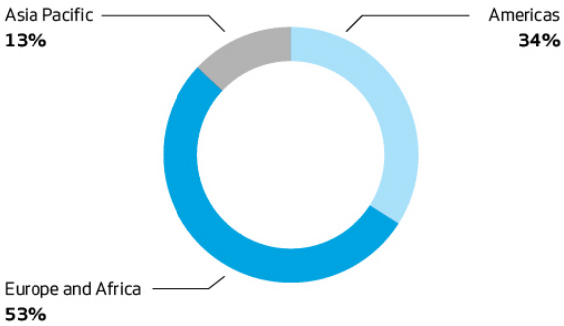
Income statement

In the first quarter of 2012, revenue amounted to EUR 1,105m; an increase of 4 per cent compared to the year-earlier period. Europe and Africa accounted for 59 per cent of first-quarter revenue, whereas Americas and Asia Pacific accounted for 31 and 10 per cent, respectively. The revenue for the first quarter of 2012 was lower than expected as Vestas realised some, but not all of the deferred revenue from December 2011 as announced on 3 January. The remainder is still expected to be realised during 2012. The difference between the growth in deliveries of 28 per cent and revenue growth of 4 per cent primarily derives from a larger proportion of turnkey projects being delivered in the first quarter of 2012 for which the far majority of revenue was recognised in 2011.

Revenue Q1 2012



MW delivered Q1 2012

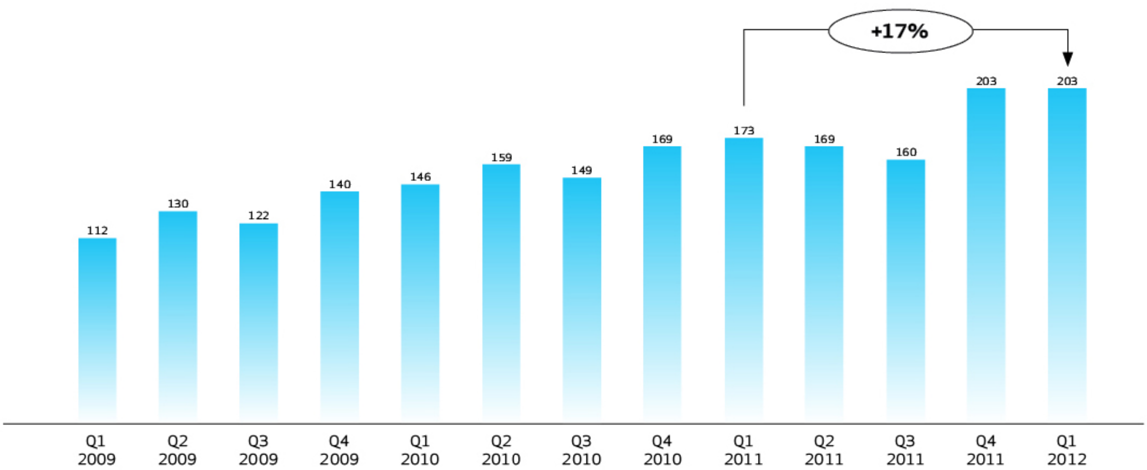


Service revenue amounted to EUR 203m in the first quarter of 2012 – an increase of 17 per cent compared to the first quarter of 2011. The service business requires only a small amount of capital, but in-depth knowledge about the turbines' performance in different wind and grid regimes. Vestas offers an increasingly broader product range covering everything from simple on-call duty to a guaranteed minimum exploitation of the wind.

During the first quarter of 2012, Vestas crossed the 50 GW milestone of installed capacity. A high level of installed capacity and carefully planned service visits are key prerequisites for generating profit on the service business. Consequently, close monitoring of almost 22,000 turbines equivalent to 37.5 GW is the cornerstone of Vestas' growth strategy.

As Vestas expects further growth in the service business, the number of employees in the service area has been increased during the first quarter. At the end of March 2012, Vestas had service agreements with contractual future revenue of EUR 4.2bn.

Service revenue (mEUR)



The gross margin in the first quarter of 2012 decreased to 1.1 per cent from 9.4 per cent in the first quarter of 2011. The gross margin was negatively impacted by additional warranty provisions of EUR 40m, higher depreciation and too high production costs primarily for the V112 turbines and the GridStreamer™ technology.

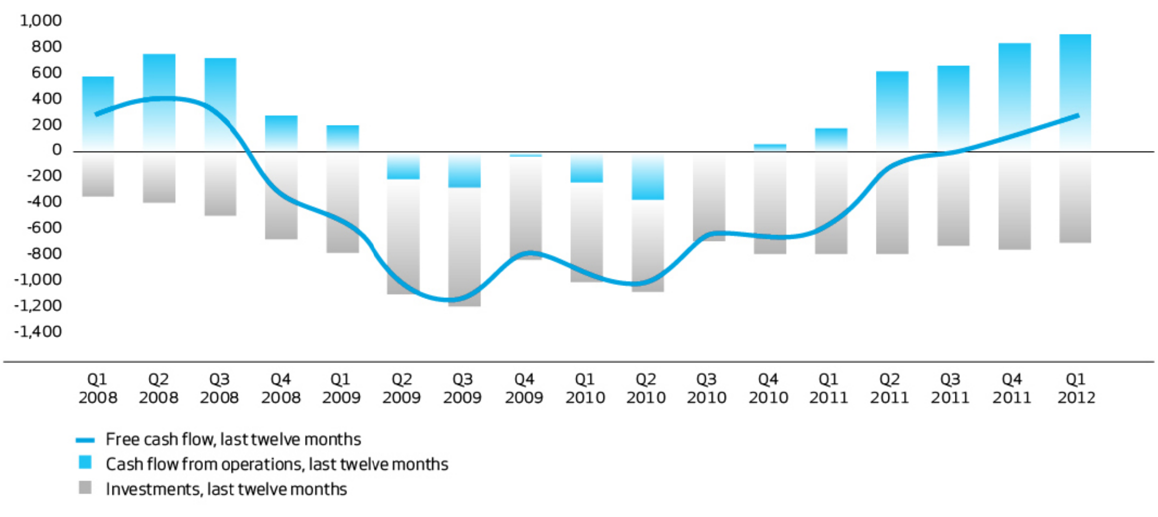
EBITDA before special items amounted to EUR (90)m in the first quarter of 2012 against EUR 0m in the first quarter of 2011.

EBIT before special items amounted to EUR (204)m – a decrease of EUR 135m on the first quarter of 2011. The EBIT margin before special items thus decreased to (18.5) per cent from (6.5) per cent in the first quarter of 2011. Higher administration costs and an increase of EUR 34m in amortisation of completed development projects were contributing factors to the EBIT margin decline. A total of EUR 41m was booked as special items in the quarter relating to the lay-off of employees.

Quarter-on-quarter developments show a substantial fluctuation in earnings due to volume and composition with respect to countries, project complexity, order and turbine types as well as customer demands for delivery flexibility. In addition to the above-mentioned differences, quarterly results for individual periods will reflect the final number of orders handed over, which may deviate significantly from the scheduled.

The free cash flow improved to EUR (295)m from EUR (431)m in the first quarter of 2011. The improvement was primarily driven by an improvement in the net working capital and a lower investment level. From the end of the first quarter of 2011 to the end of the first quarter of 2012 (last twelve months), Vestas has generated a free cash flow of EUR 215m.

Cash flow from operations and investments (mEUR)



Balance sheet

Vestas had total assets of EUR 7,969m at 31 March 2012, against EUR 7,009m the year before. At the end of March 2012, Vestas' interest-bearing net position amounted to EUR 850m. This is an increase of EUR 305m compared to the end of 2011, but a decrease of EUR 150m compared to 31 March 2011.

Net working capital

At the end of March 2012, Vestas' net working capital amounted to EUR 20m, which is a decrease of EUR 890m compared to the end of March 2011. During the quarter, net working capital increased by

EUR 91m, primarily due to an increase in inventories. This increase reflects that Vestas is preparing for a mid-year production peak, in a year in which shipments are expected to be record-high. The major drop in the net working capital compared to the first quarter of 2011 is primarily driven by an increase in prepayments, which also comprise payments on account for turbine projects which have not yet been recognised. The ”Make to order” implementation and the initiatives to reduce inventories are still progressing. Vestas is working structurally to further reduce its inventories and the regionalised manufacturing leaves room for further reduction of the inventories in the different regions by decreasing the lead-time.

Warranty provisions

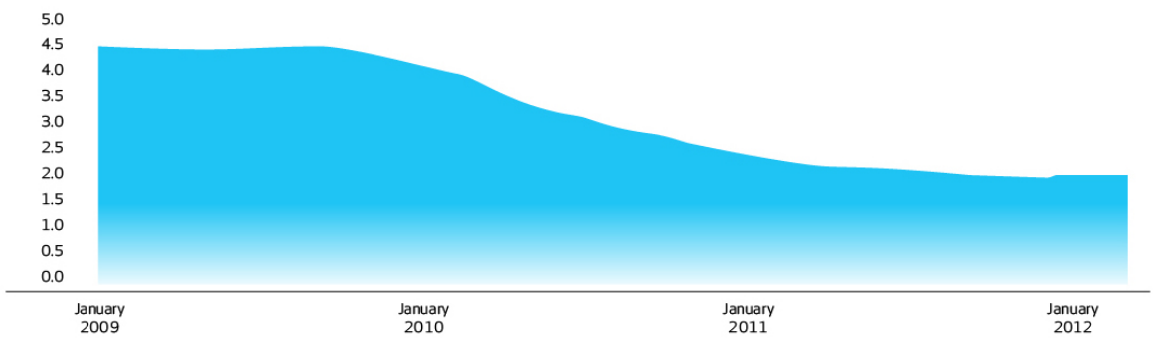
Monitoring data from Vestas' Performance and Diagnostics centres have shown that 376 V90-3.0 MW gearboxes delivered to Vestas from June 2009 to September 2011 by ZF Wind Power Antwerpen NV (previously Hansen Transmissions) may potentially need additional maintenance, repair or replacement due to malfunctioning bearings. Thus, Vestas has now decided to make an additional provision of EUR 40m in the first quarter. The affected turbines – of which 36 are offshore turbines – are currently running at a Lost Production Factor (LPF) of 3.6. Vestas will pursue all relevant actions with regards to potential compensation from ZF and the bearing manufacturer in question for any losses suffered from problems with the gearboxes. As a consequence of this, Vestas now expects to make warranty provisions of around 3 per cent of the expected full-year revenue for 2012. The previous guidance was less than 3 per cent of full-year revenue.

Provisions are in general made for all expected costs associated with 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 for remedy and other costs in accordance with specific agreements. Provisions are based on estimates, and actual costs may deviate substantially from such estimates.

Including the aforementioned provision of EUR 40m, warranty provisions of EUR 62m were made in the first quarter of 2012, equivalent to 5.6 per cent of revenue. In the first quarter of 2012, EUR 30m was consumed.

The ongoing improvement of the LPF on Vestas turbines implies that the customers achieve a consistently better return on their investment. At the end of March 2012, the wind power plants where Vestas are guaranteeing the performance showed an average LPF of 2. During 2012, Vestas expects to reach an average LPF lower than 2.

Lost Production Factor



Changes in equity

Vestas' equity amounted to EUR 2,378m at 31 March 2012; a decrease of EUR 299m on 31 March 2011.

Cash flow and investments

In the first quarter of the year, cash flow from operating activities rose to EUR (204)m from EUR (267)m in the same period of 2011 – positively affected by the reduced net working capital. Cash flow from investments amounted to EUR 91m. The investments were primarily made in buildings, plants and development projects. The free cash flow was improved to EUR (295)m from EUR (431)m in the first quarter of 2011.

Business priorities

In 2006, Vestas began to build an international reach in its organisation and production. The objective has been to be able to manufacture regionally at local costs, to reduce transport costs both financially and in terms of environmental footprint, to improve relations with local, regional and global customers and in that way shorten delivery times.

Increased regionalisation, improved quality and growing service revenue

	Q1 2012[1)]	Full year 2011	Full year 2010	Full year 2009	Full year 2008	Full year 2007
Order intake (bnEUR)	1.3	7.3	8.6	3.2	6.4	5.5
Order intake (MW)	1,269	7,397	8,673	3,072	6,019	5,613
Produced and shipped (MW)	931	5,054	4,057	6,131	6,160	4,974
Deliveries (MW)	1,108	5,217	5,842	4,764	5,580	4,502
Revenue (mEUR)	1,105	5,836	6,920	5,079	5,904	3,828
- of which service	203	705	623	504	396	298
Gross margin (%)	1.1	12.4	17.0	16.5	19.1	15.3
Warranty provisions (%)	5.6	2.5	2.8	5.8	4.5	6.6
EBIT margin before special items (%)	(18.5)	(0.7)	6.8	4.9	10.4	5.3
Net working capital as percentage of revenue (mid-point)	0.3	(1.2)	9.7	6.2	(1.2)	(10.7)
Return on invested capital before special items[2)] (%)	(1.0)	(1.3)	10.8	9.5	43.4	21.3
Investments (mEUR)	(91)	(761)	(789)	(808)	(680)	(317)
Free cash flow (mEUR)	(295)	79	(733)	(842)	(403)	384
Number of employees, end of period	22,576	22,721	23,252	20,730	20,829	15,305
- of which outside Europe	8,633	8,603	8,127	6,569	5,320	3,232

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

The new organisational structure, announced on 12 January, is designed to maintain Vestas' global footprint and increase customer proximity, while at the same time reducing costs and the relative capital requirement. Vestas' business, financial, social and environmental priorities reflect the company's overall targets and define the framework for how to accomplish them.

By consistently prioritising its key stakeholders; customers, shareholders, employees and the surrounding society, respectively, Vestas aims to maintain and if possible to consolidate its market-leading position.

Financial priorities

Vestas has the following financial priorities:

1. EBIT margin
   Vestas has defined a goal of achieving a high single-digit EBIT margin in the medium term, subject to a normalised US market.
2. Free cash flow
   Vestas expects to be able to finance its own growth and generally aims to generate a positive free cash flow in each financial year. Launching new platforms such as the 7 MW platform, however, is an investment-intensive process. Accordingly, Vestas may experience a negative free cash flow in specific years.
3. Revenue
   Vestas expects to be able to increase its market share, and the service business, which is more profitable than the sale of wind turbines, is expected to be the fastest growing segment.

Products

The development of the potentially leading offshore turbine, the V164-7.0 MW, continues; however, to align the expected serial production date with Vestas' current offshore market outlook, Vestas has reduced the pace of development. The prototype is now expected to be installed in Denmark during 2014.

Vestas has received inquiries from potential partners on the further development of the V164-7.0 MW turbine.

Colleagues

Due to an excessive cost base in relation to the expected activity level in 2012 and 2013 and in order to allocate more resources to direct customer-oriented activities, in January 2012, Vestas announced an organisational restructuring of its business.

Vestas needs to reduce its fixed costs, including fixed capacity costs, by more than EUR 150m – with full effect as from the end of 2012, primarily through streamlining of support functions and closing of factories to align capacity with market demand. This means redundancies of 2,335 employees, and Vestas thus expects to have approx 20,400 employees by the end of 2012.

At the end of March 2012, non-Danish nationals held 53 per cent of the positions in the top management layers, and 18 per cent were women. Vestas aims to increase the number of nationalities at all locations without jeopardising the local roots. Going forward, the intention is for the proportion of women managers to rise and to increase the share of non-Danish nationals in management positions.

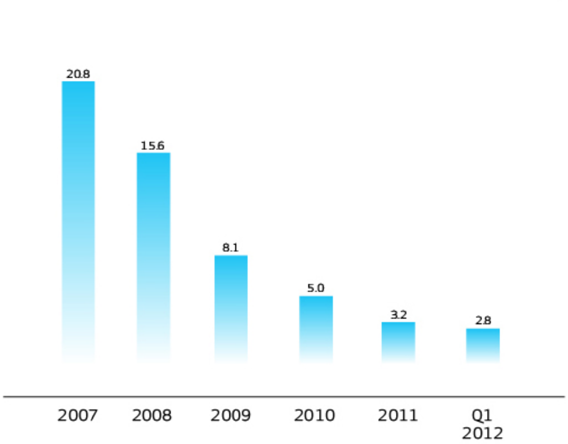
Sustainability

The safety performance for the first quarter of 2012 has improved significantly against the first quarter of 2011; the incidence of injuries has decreased from 3.8 injuries per one million working hours to 2.8. The target for 2012 is 3.0.

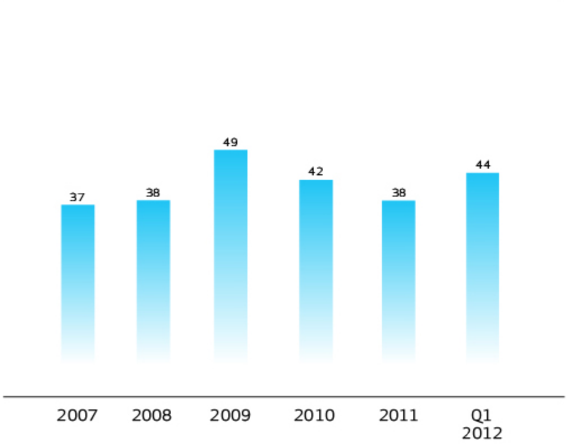
In the first quarter of 2012, energy consumption increased by 24 per cent compared to the first quarter of 2011, mainly due to increased production at the foundries and the blades factories. Relative to the production output, however, the energy trend is positive as the better utilisation of Vestas' factories gives a better ratio of the energy spent per produced unit. During the first quarter of 2012, the share of renewable electricity increased to 89 per cent compared to 70 per cent in the first quarter of 2011. The increase primarily derives from the production of electricity from Vestas' own wind power plants in Eastern Europe. The share of renewable energy was 44 per cent – an increase of 13 percentage points compared to the first quarter of 2011.

Vestas will apply for a 50 per cent WindMade™ certificate for the first quarter of 2012.

Incidence of industrial injuries (per one million working hours)



Renewable energy (%)



Shareholders

At the end of March 2012, Vestas had 181,132 registered shareholders, including custodian banks. The registered shareholders held 92.2 per cent of the company's share capital. At the end of March, 175,838 Danish shareholders owned about 54 per cent of Vestas, which has a free float of 100 per cent. BlackRock Inc., USA, has 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.

Outlook 2012

Vestas retains its full-year guidance of an EBIT margin 0-4 per cent and revenue of EUR 6,500-8,000m, including service revenue, which is expected to rise to approx EUR 850m with an EBIT margin of around 14 per cent before allocation of Group costs.

Due to the additional provisions of EUR 40m made for the V90-3.0 MW gearbox, warranty provisions for the year are now expected to be around 3 per cent of the expected full-year revenue, against the previous guidance of less than 3 per cent of revenue.

The ranges on revenue and EBIT expectations take into account the heavy fluctuations characterising these items depending on timing of order intake, production, shipments and final deliveries to the customers.

The full-year EBIT margin is adversely affected by too high production costs for the V112-3.0 MW turbine and the GridStreamer™ technology, which are expected to be reduced in the course of the year, and by an expected increase in depreciation and amortisation charges of approx EUR 100m.

Shipments, which are expected to increase to approx 7 GW with the present production plans, will peak in the middle of the year, while deliveries are expected to increase over the year, but may fluctuate heavily over the quarters. It should be emphasised that Vestas' accounting policies allow the company to recognise supply-only and supply-and-installation projects as income only when the risk has finally passed to the customer, irrespective of whether Vestas has already produced, shipped and installed the turbines. Disruptions in production and challenges in relation to wind turbine installation, for example bad weather, lack of grid connections and similar matters may thus cause delays that could affect Vestas' financial results for 2012.

Total investments are still expected to be EUR 550m, of which investments in intangible assets are expected to amount to EUR 350m, reflecting higher investments in the development of the V164-7.0 MW offshore turbine. Total research and development expenditure is still expected to amount to EUR 450m in 2012.

Special items in 2012, relative to layoff of 2,335 employees during 2012, as announced on 12 January 2012, are now expected to amount to between EUR 50-100m with full cash effect against the previous guidance of approx EUR 50m. Vestas expects to reduce fixed costs by more than EUR 150m with full effect as from the end of 2012.

The free cash flow is still expected to be positive in 2012.

Vestas aims to reduce the incidence of industrial injuries to no more than 3.0 industrial injuries per one million working hours.

Assumptions and risks

As the banks have become much more diligent than previously, processing times and documentation requirements have gone up. A setback in the credit market would adversely affect Vestas' market potential. 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.

The slowdown in market growth has generally triggered component abundance and represents a financial challenge to a number of suppliers. Vestas monitors the risk in relation to component procurement and regularly follows up on the financial standing of existing and potential suppliers.

The financial and economic crisis has added substantial pressure on a number of heavily indebted European countries, which are facing considerable demands for conducting a tight fiscal policy. Although only very few subsidy schemes for wind power represent a public expenditure as they are mainly financed by the power consumers, short-term considerations may have an adverse impact on the expansion of renewable energy, including wind power.

A large number of subsidy schemes are being reconsidered. This involves a risk of a wait-and-see stance among some of Vestas' customers.

To minimise the potential impact and reduce risks in connection with fluctuations in prices of commodities such as copper and nickel, Vestas has entered into long-term agreements with fixed prices covering parts of Vestas' needs. In general, however, Vestas seeks to incorporate commodity price developments into its sales contracts. This means that Vestas' earnings on contracts are relatively robust towards fluctuating input prices.

An increase in the price of steel, in particular, may, however, have an adverse impact on project earnings.

Consequently, rising prices on raw materials and components 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.

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 and 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 turbines have been finally handed over to the customer. This may cause a time lag concerning the income recognition. Revenue from turnkey orders is recognised based on the percentage of completion method in line with shipments. 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.

Press and analyst meeting

For analysts, investors and the media, an information meeting will be held today,

Wednesday, at 10 a.m. CEST (9 a.m. London time) at Vestas' Headquarters at
Hedeager 44, 8200 Aarhus N, Denmark.

The information meeting will be held in English and webcast live with simultaneous interpretation into Danish 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:

Europe:	+44 208 817 9301
USA:	+1 718 354 1226
Denmark:	+45 7026 5040

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

Contact details
Vestas Wind Systems A/S, Denmark
Lars Villadsen, Senior Vice President, Investor Relations
Tel.: +45 9730 0000

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 31 March 2012.

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

In our opinion the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2012 and of the results of the Group's operations and cash flow for the period 1 January to 31 March 2012.

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

Aarhus, 2 May 2012

Executive Management

Ditlev Engel
President and CEO

Anders Vedel
Chief Turbines R&D Officer (CTO)

Juan Araluce
Chief Sales Officer (CSO)

Board of Directors

Bert Nordberg
Chairman

Lars Josefsson
Deputy Chairman

Carsten Bjerg

Eija Pitkänen

Elly Smedegaard Rex

Håkan Eriksson

Jørgen Huno Rasmussen

Jørn Ankær Thomsen

Kim Hvid Thomsen

Kurt Anker Nielsen

Michael Abildgaard Lisbjerg

Sussie Dvinge Agerbo

Consolidated accounts – 1 January to 31 March 2012

Consolidated income statement

mEUR	Q1 2012	Q1 2011
Revenue	**1,105**	**1,060**
Cost of sales	(1,093)	(960)
Gross profit	**12**	**100**
Research and development costs	(60)	(33)
Distribution expenses	(56)	(51)
Administrative expenses	(100)	(85)
Operating profit/(loss) before special items	**(204)**	**(69)**
Special items	(41)	0
Operating profit/(loss)	**(245)**	**(69)**
Income from investments in associates	0	0
Net financials	20	(49)
Profit/(loss) before tax	**(225)**	**(118)**
Corporation tax	63	33
Net profit/(loss) for the period	**(162)**	**(85)**
Earnings per share (EPS)		
Earnings per share for the period (EUR), basic	(0.80)	(0.42)
Earnings per share for the period (EUR), diluted	(0.80)	(0.42)

Consolidated statement of comprehensive income

mEUR	Q1 2012	Q1 2011
Profit/(loss) for the period	**(162)**	**(85)**
Exchange rate adjustments relating to foreign entities	(26)	(12)
Fair value adjustments of derivative financial instruments for the period	(40)	40
Fair value adjustments of derivative financial instruments transferred to the income statement (cost of sales)	24	(6)
Tax on derivative financial instruments	4	(9)
Other comprehensive income after tax for the period	(38)	13
Total comprehensive income for the period	**(200)**	**(72)**

Consolidated balance sheet – Assets

mEUR	31 March 2012	31 March 2011	31 December 2011
Goodwill	320	320	320
Completed development projects	572	170	577
Software	87	88	90
Development projects in progress	264	517	256
Total intangible assets	**1,243**	**1,095**	**1,243**
Land and buildings	1,007	839	1,020
Plant and machinery	378	307	387
Other fixtures, fittings, tools and equipment	324	230	326
Property, plant and equipment in progress	142	325	165
Total property, plant and equipment	**1,851**	**1,701**	**1,898**
Investments in associates	4	4	4
Other receivables	42	17	44
Deferred tax	387	268	333
Total other non-current assets	**433**	**289**	**381**
Total non-current assets	**3,527**	**3,085**	**3,522**
Inventories	3,018	2,619	2,546
Trade receivables	631	568	663
Construction contracts in progress	34	49	147
Other receivables	378	353	395
Corporation tax	71	130	41
Cash at bank and in hand	310	205	375
Total current assets	**4,442**	**3,924**	**4,167**
TOTAL ASSETS	**7,969**	**7,009**	**7,689**

Consolidated balance sheet – Equity and liabilities

mEUR	31 March 2012	31 March 20110	31 December 2011
Share capital	27	27	27
Other reserves	(31)	22	7
Retained earnings	2,382	2,628	2,542
Total equity	**2,378**	**2,677**	**2,576**
Deferred tax	0	0	12
Provisions	162	130	145
Pension obligations	2	2	2
Financial liabilities	1,156	1,200	914
Total non-current liabilities	**1,320**	**1,332**	**1,073**
Prepayments from customers	2,175	1,439	1,865
Construction contracts in progress	95	18	38
Trade payables	1,428	936	1,563
Provisions	188	207	170
Financial debt	4	5	6
Other liabilities	343	286	356
Corporation tax	38	109	42
Total current liabilities	**4,271**	**3,000**	**4,040**
Total liabilities	**5,591**	**4,332**	**5,113**
TOTAL EQUITY AND LIABILITIES	**7,969**	**7,009**	**7,689**

Consolidated statement of changes in equity – 3 months 2012

mEUR	Share capital	Translation reserve	Cash flow hedging reserve	Retained earnings	Total
Equity at 1 January 2012	**27**	**27**	**(20)**	**2,542**	**2,576**
Acquisition of treasury shares	0	-	-	0	0
Share based payments	-	-	-	2	2
Total comprehensive income for the period	-	(26)	(12)	(162)	(200)
Equity at 31 March 2012	**27**	**1**	**(32)**	**2,382**	**2,378**

Consolidated statement of changes in equity – 3 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	0	-	-	(7)	(7)
Share based payments	-	-	-	2	2
Total comprehensive income for the period	-	(12)	25	(85)	(72)
Equity at 31 March 2011	**27**	**(9)**	**31**	**2,628**	**2,677**

Summarised consolidated cash flow statement

mEUR	Q1 2012	Q1 2011
Profit/(loss) for the period	(162)	(85)
Adjustments for non-cash transactions	83	77
Corporation tax paid	(32)	(7)
Net interest	(2)	(14)
Cash flow from operating activities before change in working capital	(113)	(29)
Change in working capital	(91)	(238)
Cash flow from operating activities	**(204)**	**(267)**
Net investment in intangible assets	(55)	(81)
Net investment in property, plant and equipment	(38)	(91)
Other	2	8
Cash flow from investing activities	**(91)**	**(164)**
Free cash flow	**(295)**	**(431)**
Acquisition of treasury shares	0	(7)
Raising of non-current liabilities	242	290
Cash flow from financing activities	**242**	**283**
Change in cash at bank and in hand less current portion of bank debt	**(53)**	**(148)**
Cash at bank and in hand less current portion of bank debt at 1 January	370	332
Exchange rate adjustments of cash at bank and in hand	(10)	17
Cash at bank and in hand less current portion of bank debt at 31 March	**307**	**201**
The amount can be specified as follows:		
Cash at bank and in hand without disposal restrictions	294	160
Cash at bank and in hand with disposal restrictions	16	45
Total cash at bank and in hand	310	205
Current portion of bank debt	(3)	(4)
	307	**201**

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 2011 prepared under the International Financial Reporting Standards (IFRS) approved by the EU. Reference is made to pages 61-69 of the annual report for 2011 for a complete description of the Group’s accounting policies.

New IASs/IFRSs implemented in the period
No new standards or interpretations have been adopted in 2012.

Reference is made to page 104 of the annual report for 2011 for more details of the new IAS/IFRS standards awaiting EU approval.

No new IAS/IFRS standards or interpretations have been issued so far in 2012.

MW delivered

	Q1 2012	Q1 2011	Full year 2011
Germany	191	151	390
Poland	108	0	72
Spain	92	60	161
Italy	54	34	178
Sweden	50	46	309
United Kingdom	46	4	106
Turkey	24	98	180
Finland	9	0	9
Netherlands	4	9	41
Czech Republic	4	0	4
Cape Verde	3	0	23
Portugal	2	0	35
France	0	92	287
Romania	0	2	216
Denmark	0	1	130
Greece	0	8	100
Austria	0	0	46
Ireland	0	0	30
Belgium	0	0	20
Bulgaria	0	11	11
Ukraine	0	0	3
Total Europe and Africa	**587**	**516**	**2,351**
USA	297	137	1,552
Brazil	76	0	0
Argentina	2	0	76
Canada	0	26	192
Dominican Republic	0	0	25
Uruguay	0	0	2
Total Americas	**375**	**163**	**1,847**
China	92	95	501
India	54	57	276
Australia	0	0	200
New Zealand	0	33	36
Vietnam	0	0	6
Total Asia Pacific	**146**	**185**	**1,019**
Total world	**1,108**	**864**	**5,217**

MW overview per quarter 2012

MW	Europe and Africa	Americas	Asia Pacific	Total
Q1				
MW under completion, 1 January 2012	1,132	360	329	1,821
MW delivered to customers during the period	(587)	(375)	(146)	(1,108)
MW produced and shipped during the period	354	286	291	931
MW under completion, 31 March 2012	**899**	**271**	**474**	**1,644**

Warranty provisions

mEUR	31 March 2012	31 March 2011	31 December 2011
Warranty provisions, 1 January	249	283	283
Exchange rate adjustments	0	0	1
Provisions for the period	62	27	148
Warranty provisions used during the period	(30)	(45)	(179)
Adjustments relating to the change in discounting of warranty provisions	0	0	(4)
Warranty provisions	**281**	**265**	**249**
The provisions are expected to be payable as follows:			
< 1 year	155	159	138
> 1 year	126	106	111

Segment information

mEUR	Europe and Africa sales units	Americas sales units	Asia Pacific sales units	Production units	Service	Total reportable segments
Q1 2012						
External revenue	525	287	81	9	203	**1,105**
Internal revenue	71	34	5	776	0	**886**
Total segment revenue	**596**	**321**	**86**	**785**	**203**	**1,991**
Reportable segments' operating results (EBIT) *)	**(56)**	**(59)**	**(21)**	**(46)**	**6**	**(176)**
Total assets	**1,792**	**1,112**	**741**	**2,634**	**11**	**6,290**
Q1 2011						
External revenue	540	158	188	1	173	**1,060**
Internal revenue	131	16	4	366	0	**517**
Total segment revenue	**671**	**174**	**192**	**367**	**173**	**1,577**
Reportable segments' operating results (EBIT)	**(2)**	**(4)**	**10**	**(45)**	**(1)**	**(42)**
Total assets	**1,709**	**645**	**700**	**2,470**	**15**	**5,539**

Reconciliation	**Q1 2012**	**Q1 2011**
Reportable segments' EBIT	(176)	(42)
All other operating segments' EBIT **)	(69)	(27)
Consolidated operating profit (EBIT)	**(245)**	**(69)**

*) Service EBIT 2012 before allocation of Group costs of EUR 31m (2011: EUR 19m)
**) Inclusive of parent company income (management fee, service, royalty and other rental income from Group companies) reduced by costs related to Vestas Turbines R&D and Group staff functions.

Company announcements from Vestas Wind Systems A/S

Disclosed during the first quarter of 2012

03.01.2012	01	Preliminary financial highlights for the financial year 2011
06.01.2012	02	Information in the market regarding project in Kenya
12.01.2012	03	Vestas reorganises to increase customer focus and earnings and to reduce investments required for future growth
16.01.2012	04	Information in the market regarding offshore project in Belgium
07.02.2012	05	Major shareholder announcement – Capital Research and Management Company
07.02.2012	06	Change in the Executive Management of Vestas
08.02.2012	07	Election of members to the Board of Directors of Vestas Wind Systems A/S
08.02.2012	08	Annual report 2011 – 2011 was a tough year with two profit warnings
16.02.2012	09	Election of members to the Board of Directors
21.02.2012	10	Vestas receives 150 MW order in the USA
27.02.2012	11	Vestas receives 102 MW order in the USA
01.03.2012		Convening for Vestas Wind Systems A/S' Annual General Meeting
07.03.2012	12	Vestas receives 82 MW order in Poland
09.03.2012	13	Share based incentive programme 2012
12.03.2012	14	Vestas receives 396 MW order in Mexico
29.03.2012	15	Vestas Wind Systems A/S' Annual General Meeting on 29 March 2012

Disclosed during the second quarter of 2012

19.04.2012	16	Information in the market regarding order in Ukraine
27.04.2012	17	Vestas appoints new Chief Financial Officer (CFO)
27.04.2012	18	Vestas receives 90 MW order in Ukraine

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