

## Company announcement from Vestas Wind Systems A/S

Randers, 27 February 2008  
Company announcement No. 13/2008  
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### Annual report 2007 - From The Will to Win to No. 1 in Modern Energy

*Vestas continued to improve its performance in 2007. Revenue increased by EUR 1,007m to EUR 4,861m. EBIT improved by EUR 242m to EUR 443m (EBIT margin: 9.1 per cent) from EUR 201m (5.2 per cent) in 2006. Net working capital declined over the course of the year by EUR 190m to EUR (68)m at 31 December, contributing to a EUR 103m improvement in cash flows from operations, which rose to EUR 701m. The progress is expected to continue into 2008.*

The internally focused 'The Will to Win' strategy has been replaced by the externally focused strategy 'No. 1 in Modern Energy', which puts wind power at the top of the global energy agenda. Vestas expects the installed wind power capacity to grow by 20 to 25 per cent per year over the next ten years among other things due to the fact that wind power does not use water for generation of electricity.

	Full year 2007	Full year 2006
Revenue (mEUR)	4,861	3,854
EBIT (mEUR)	443	201
EBIT margin (%)	9.1	5.2
Profit for the year (mEUR)	291	111
Net working capital (%)	(1)	3
Financial items, net (mEUR)	0	(40)
Tax rate (%)	34	31
Investments		
- property, plant and equipment (m EUR)	265	153
- intangible assets (mEUR)	82	35

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**Company reg. No.:** 10 40 37 82

**Company reg. name:** Vestas Wind Systems A/S

## The year 2007 at a glance

Revenue rose to EUR 4,861m in 2007, which was slightly ahead of expectations.

Net working capital fell from EUR 122m to EUR (68)m due to an increase in customer prepayments, which stood at EUR 1,092m at the end of the year, compared with EUR 926m at year-end 2006.

The strongly improved cash flow pushed up the interest-bearing net position to EUR 614m at 31 December 2007, against EUR 271m at the end of 2006.

In 2007, Vestas shipped wind power systems with an aggregate capacity of 4,974 MW and handed over wind turbines with a capacity of 4,502 MW to its customers, as a result of which Vestas' market share is estimated to have declined to 23 per cent from 28 per cent. The lower market share is due to new Chinese market players and an increase in work in progress. Again in 2007, Vestas had unutilised internal capacity when looking at the year as a whole. The order backlog increased by 20 per cent over the course of the year to EUR 4.8bn at 31 December 2007.

Vestas improved its interaction with many sub-suppliers during 2007, but late deliveries, component shortages as well as poor quality continue to cost Vestas and its suppliers money. By the end of 2008, Vestas and all of its suppliers must be at a quality level corresponding to 4 Sigma, which is a prerequisite for continuing the improvements in profitability and competitive strength.

It is Vestas' assessment that it will take several years for the supply of wind turbines to match demand.

In 2007, the number of employees rose from 12,309 to 15,305, of whom 12,017 work in Europe, 1,022 in the Americas and 2,266 in Asia/Pacific. In 2008, Vestas will increase its employee headcount by approx 2,700, especially outside Europe. The large number of new employees will be recruited under the 'People before megawatt' principle, which aims to ensure that the necessary skills are in place before Vestas expands its business volume. This is an investment in flawless execution.

Vestas works from the principle 'Safety first', and based on the latest wind turbine accidents, Vestas will now carry out an extraordinary inspection of selected turbines installed closed to residential areas, roads, etc.

Vestas is expanding its production capacity in the principal markets in an ongoing process. 2008 will see the completion of facilities that will increase in-house capacity by about 3,000 MW in the fourth quarter. In 2008, Vestas will commence construction of new factories, including a foundry in China and a tower plant in the USA, which will form part of a capacity expansion of more than 2,500 MW at the beginning of 2010 compared with capacity at the beginning of 2009. In the longer term, the expansion outside the eurozone will contribute to ensuring improved currency equilibrium between Vestas' income and expenses.

## Outlook for 2008

Revenue is forecast to rise to EUR 5.7bn, and EBIT margin is expected to increase to 10-12 per cent. Net financial items are expected to remain unchanged at EUR 0, and the tax rate will fall to approx 28 per cent.

Total investments are expected to amount to EUR 620m, and net working capital will not exceed 15 per cent. Vestas expects to increase its market share to approx 25 per cent.

## Press and analyst meeting in London

**Wednesday, 27 February 2008 at 2 p.m. (London time)/3 p.m. (CET)**

In connection with the publication of the annual 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 Landmark London  
222 Marylebone Road  
London NW1 6JQ  
England

Further details at [www.vestas.com](http://www.vestas.com).

Any questions may be addressed to Ditlev Engel, President and CEO of Vestas Wind Systems A/S, or to Peter Wenzel Kruse, Senior Vice President of Group Communications at Vestas Wind Systems A/S, both on telephone +45 9730 0000.

Yours sincerely  
**Vestas Wind Systems A/S**

Bent Carlsen  
*Chairman of the Board of Directors*

Ditlev Engel  
*President and CEO*

## Financial highlights for the Group

mEUR	2007	2006	2005	2004	2003 <sup>1)</sup>
<b>Highlights</b>					
<b>Income statement</b>					
Revenue	4,861	3,854	3,583	2,363	1,653
Gross profit	825	461	84	120	150
Profit before financial income and expenses, depreciation and amortisation (EBITDA)	579	328	9	64	142
Operating profit/(loss) (EBIT)	443	201	(116)	(49)	74
Profit/(loss) of financial items	0	(40)	(42)	(41)	(22)
Profit/(loss) before tax	443	161	(158)	(89)	54
Profit/(loss) for the year	291	111	(192)	(61)	36
<b>Balance sheet</b>					
Balance sheet total	4,296	3,654	3,085	2,881	1,390
Equity	1,516	1,262	962	1,162	613
Provisions	305	265	239	181	166
Average interest-bearing position (net)	179	(299)	(560)	(625)	(236)
Net working capital	(68)	122	498	686	603
Investments in property, plant and equipment	265	153	95	89	85
<b>Cash flow statement</b>					
Cash flow from operating activities	701	598	148	(30)	153
Cash flow from investing activities	(317)	(144)	(137)	(201)	(119)
Cash flow from financing activities	(54)	(101)	(46)	458	(19)
Change in cash at bank and in hand less current portion of bank debt	330	353	(35)	227	15
<b>Employees</b>					
Average number of employees	13,820	11,334	10,300	9,449	6,394
Number of employees at the end of the year	15,305	12,309	10,618	9,594	6,525
<b>Ratios</b>					
<b>Financial ratios<sup>2)</sup></b>					
Gross margin (%)	17.0	12.0	2.4	5.1	9.1
EBITDA (%)	11.9	8.5	0.3	5.0	8.6
Operating profit margin (EBIT) (%)	9.1	5.2	(3.2)	(2.1)	4.5
Return on invested capital (ROIC) (%)	30.9	11.9	(13.2)	(3.8)	8.1
Solvency ratio (%)	35.3	34.5	31.2	40.3	44.1
Return on equity (%)	21.0	10.0	(18.1)	(6.9)	5.9
Gearing (%)	9.9	13.8	51.2	50.1	40.4
<b>Share ratios<sup>2)</sup></b>					
Earnings per share	1.6	0.6	(1.1)	(0.5)	0.3
Book value per share	8.2	6.8	5.5	6.6	5.8
Price / book value	9.0	4.7	2.5	1.3	2.2
P / E-value	47.1	52.8	(12.7)	(18.2)	38.6
Cash flow from operating activities per share	3.8	3.2	0.8	(0.2)	1.5
Dividend per share	0.0	0.0	0.0	0.0	0.0
Payout ratio (%)	0.0	0.0	0.0	0.0	0.0
Share price 31 December (EUR)	74.0	32.0	13.9	8.8	13.1
Average number of shares	185,204,103	182,722,520	174,911,173	150,815,322	105,003,966
Number of shares at the end of the year	185,204,103	185,204,103	174,911,173	174,911,173	105,003,966

<sup>1)</sup> Financial highlights for 2003 have not been restated to reflect the new accounting policies nor do they contain the figures for NEG Micon A/S and therefore correspond to the financial highlights presented in the annual report for 2004. The adjustments which would be necessary if the comparative figures in the financial highlights for 2003 were to be restated to IFRS correspond to the adjustments made in the opening balance sheet at 1 January 2004.

<sup>2)</sup> The key ratios have been calculated in accordance with the guidelines from "Den Danske Finansanalytikerforening" (The Danish Society of Financial Analysts) (Recommendations and Financial ratios 2007), see note 1 to the consolidated accounts.