Company announcement from Vestas Wind Systems A/S

Randers, 30 October 2011
Company announcement No. 44/2011

Vestas issues profit warning due to delayed commissioning of new generator factory

The commissioning of Vestas' new generator factory in Travemünde, Germany, is not progressing as planned. In order not to compromise on safety and quality in an already very busy fourth quarter, Vestas has chosen to postpone the handing over of a number of projects, primarily in Europe.

The changed delivery plans for the remaining part of 2011 imply that the expectations for revenue and EBIT margin are reduced to approx EUR 6,400m and approx 4 per cent, respectively, against the previous expectations of EUR 7,000m and 7 per cent, respectively. The downward adjustment of the EBIT margin is primarily related to the lower volume and consequently the changed product mix as well as consequential costs corresponding to approx EUR 35m in 2011. The consequential costs are primarily attributable to liquidated damages as well as agreements already made in relation to production, transportation and installation.

For 2011, Vestas still expects an order intake of 7,000-8,000 MW, a positive free cash flow and investments of EUR 850m.

The aforementioned risks of disruptions in production and not least the practical challenges in relation to installation of turbines during the last months of the year, like for instance weather risks, lack of grid connections and corresponding incidences, may still cause further delays affecting Vestas' results for 2011.

Ditlev Engel, President and CEO of Vestas Winds Systems A/S says:
"Even though we have previously emphasised the risks involved in the fact that a large proportion of revenue is generated in the latter part of the year, I deeply regret that we have been compelled to take this unsatisfactory decision. I want to stress that safety and quality has top priority in Vestas and a decision to speed up the projects in question would have been irresponsible. The projects will of course be completed during 2012, and it is important also to point out that earnings on the individual projects are still satisfactory."

Due to the changed expectations for the full year of 2011, Vestas will hereby exceptionally disclose the preliminary financial highlights for the first nine months of 2011.

Vestas Wind Systems A/S

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Preliminary financial highlights for the first nine months of 2011

	Q3 2011[1)]	Q3 2010[1)]	9 months 2011[1)]	9 months 2010[1)]	Full year 2010
Revenue (mEUR)	1,337	1,916	3,798	3,797	6,920
EBIT before one-off costs (mEUR)	(92)	271	(84)	52	468
EBIT margin before one-off costs (%)	(6.9)	14.1	(2.2)	1.4	6.8
Profit after tax (mEUR)	(60)	187	(90)	5	156
Cash flow from operating activities (mEUR)	407	362	266	(345)	56
Free cash flow (m EUR)	276	180	(218)	(878)	(733)

1) Neither audited nor reviewed.

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