



January - June 2014
Results

Improved short-, medium- and long-term
growth prospects

Zamudio, 24 July 2014



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Period highlights

Gamesa strengthens growth prospects, profitability improvement and access to funding

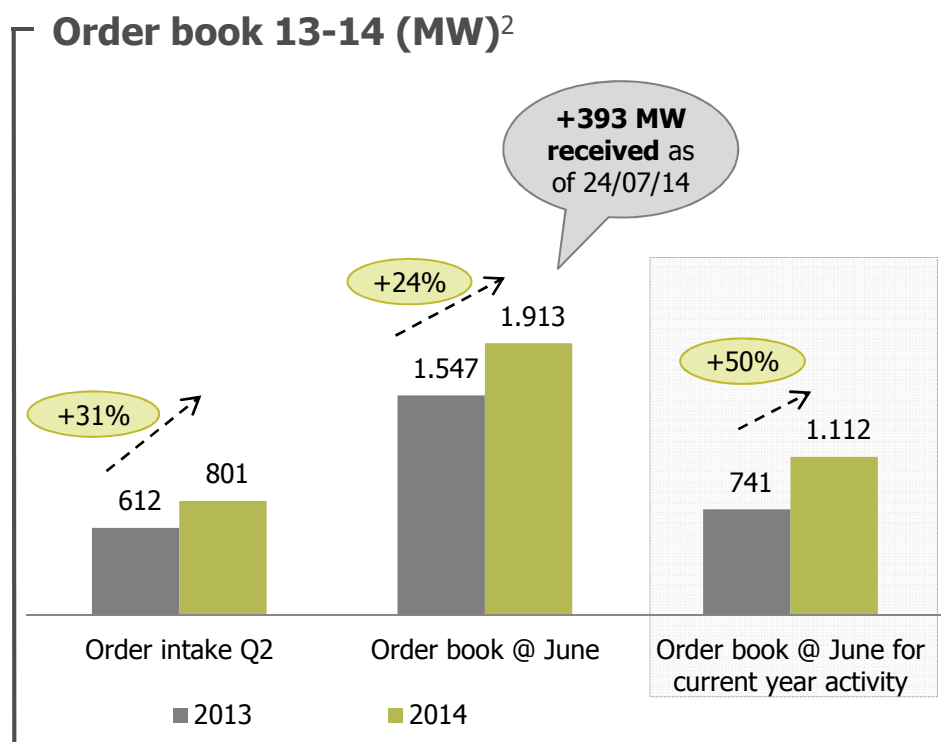


- ▶ **801 MW¹ in new orders in Q2 14 and 100% coverage² of volume guidance for 2014**
- ▶ **13% annual sales growth, 21% at constant currency³**
- ▶ **6.5% EBIT margin H1 14, 7.7% at constant currency³**
- ▶ **Debt under control and new syndicated loan**
- ▶ **Binding agreements signed with Areva for offshore**

1. Firm orders and confirmation of framework agreements for delivery in the current and subsequent years. Includes orders signed through June 2014 and announced in July 2014 (100 MW in México, 177 MW in India and 214 MW in Brazil)
2. Calculation of coverage: orders for delivery in 2014 with respect to mid-point of 2014 guidance volume (2,200 MWe-2,400 MWe)
3. At average constant exchange rate of H1 13

100% coverage¹ of 2014 sales guidance (MW)

Due to solid sales positioning

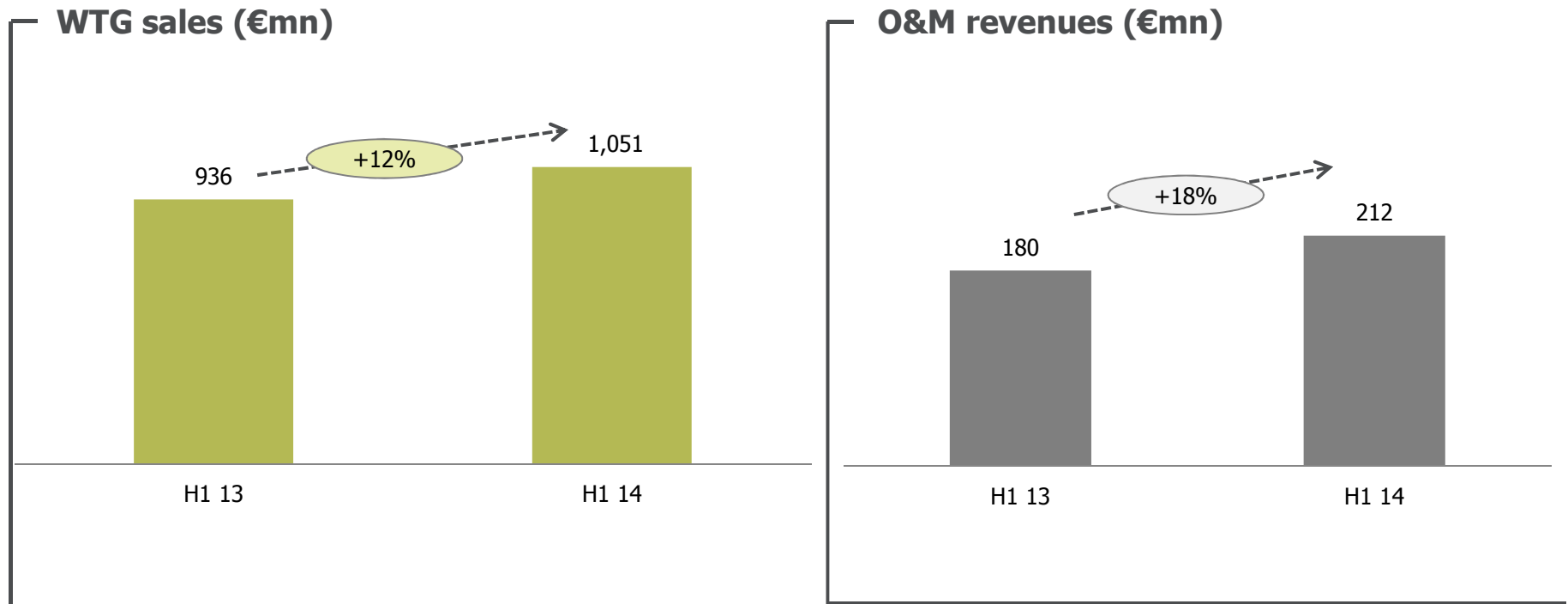


- ▶ **Order intake Q2 14 (MW): +31% y/y**
 - **801 MW² in Q2 14** vs. 612 MW in Q2 13
- ▶ **Order book end-June 2014: +24% y/y**
 - **100% coverage¹** of volume guidance for **2014e** vs. c. 90% in H1 13
- ▶ **393 MW in additional orders** signed in the first three weeks of July 2014
 - **Order book @ July 24, 2014 of 2,306 MW³**

1. Coverage based on total order intake through 30 June 2014 for production in 2014 with respect to mid-point of volume guidance for 2014 (2,200 MWe-2,400 MWe)
 2. Firm orders and confirmation of framework agreements for delivery in the current and subsequent years. Includes contracts signed through June 2014 and announced in July (100 MW in México, 177 MW in India and 214 MW in Brazil)
 3. Order book before accounting for July 2014 activity

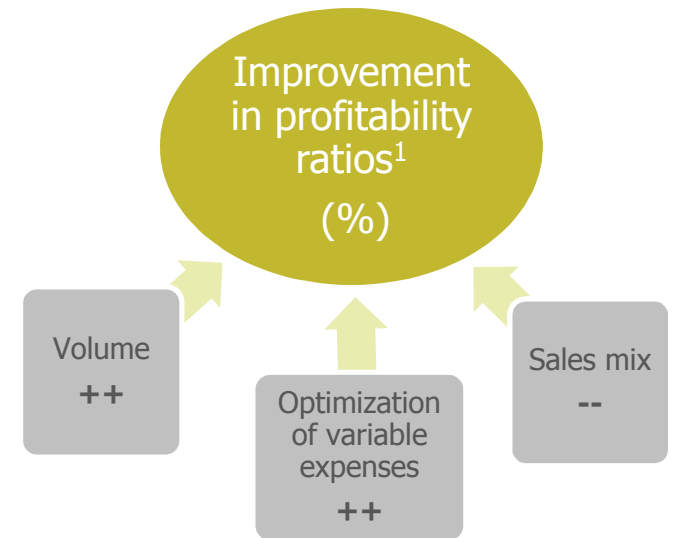
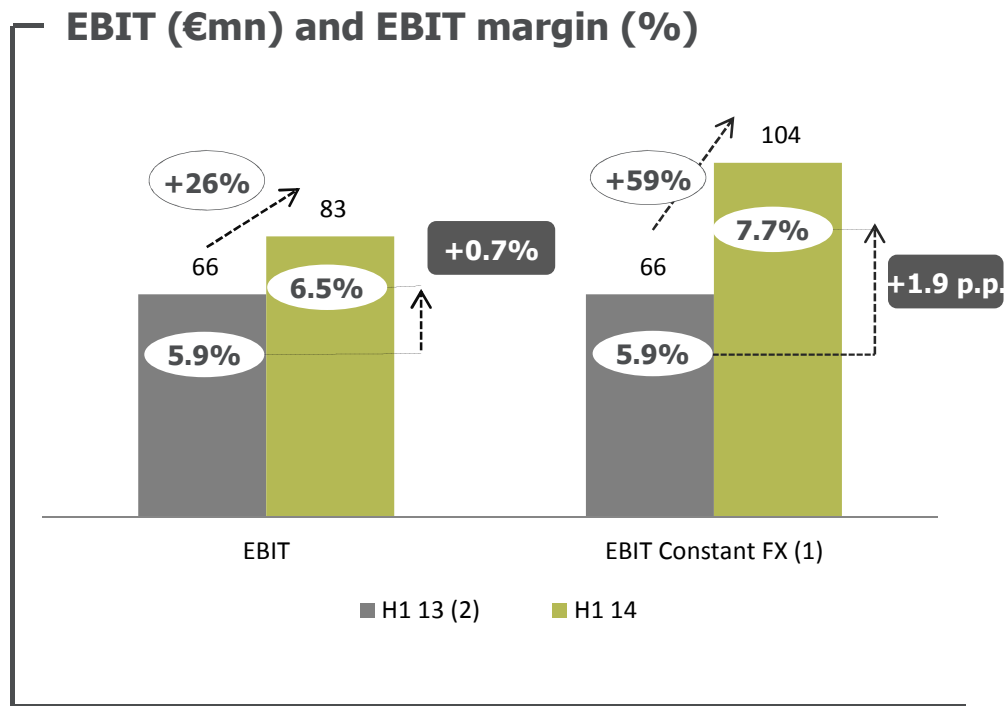
Revenues up 13% y/y, 21% at constant exchange rates¹

Revenues of €1,262 MM supported by growth in WTG sales (+12% y/y) and sales of O&M services (+18% y/y)



1. Revenues at H1 13 average exchange rate

Profitability up 1.9 p.p., with the margin reaching 8% at constant exchange rates¹



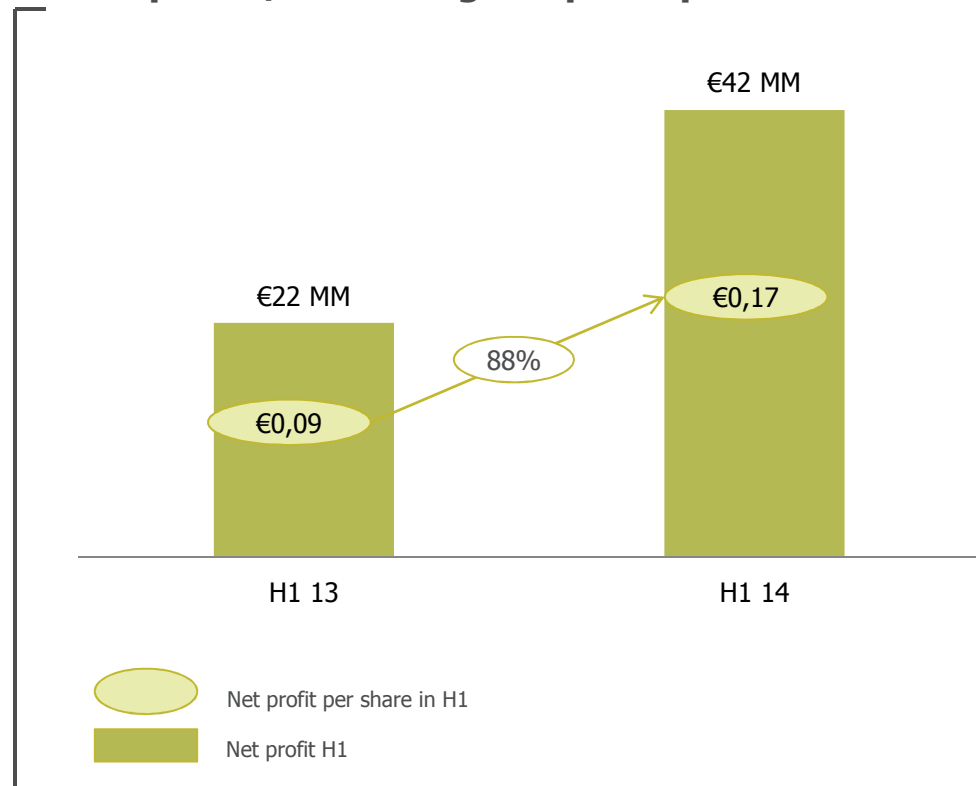
1. EBIT margin at H1 13 average exchange rate
 2. EBIT margin including non-recurring provisions (€3.9mn)

Net profit in H1 2014 up 88% y/y

Net profit per share amounted to 0.17 € in H1 14

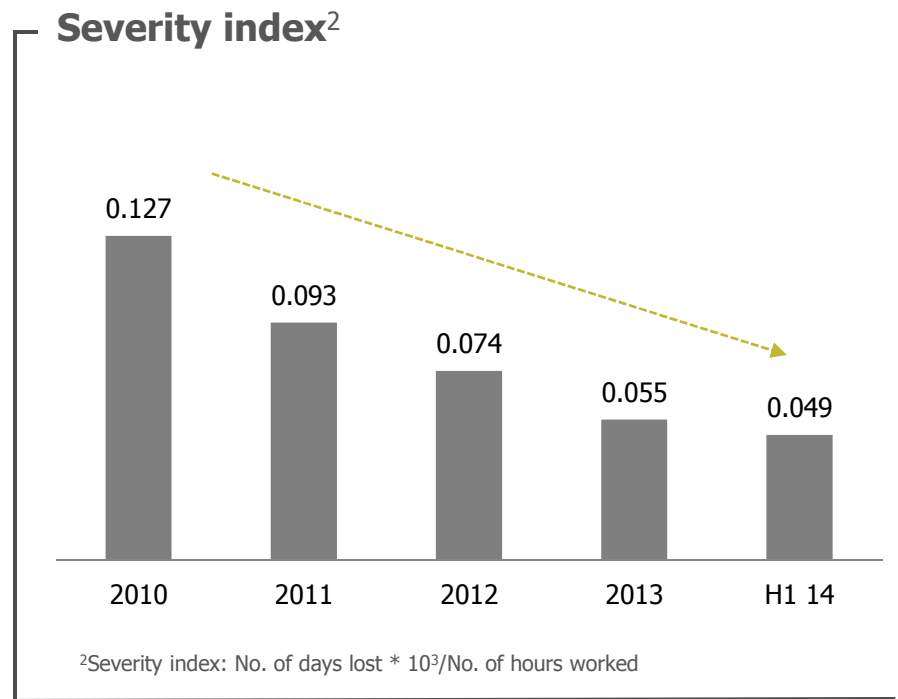
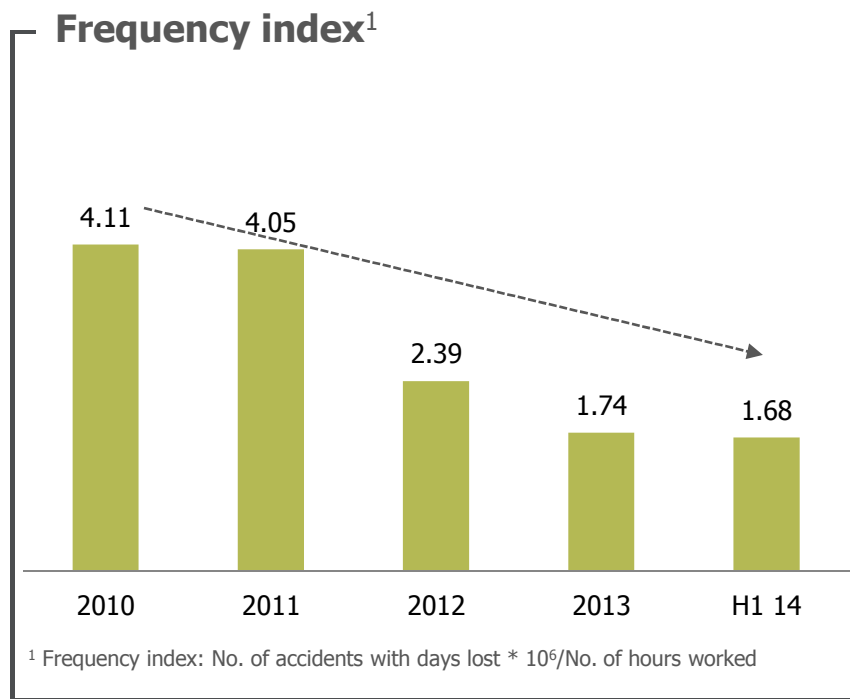


Net profit / Recurring net profit per share



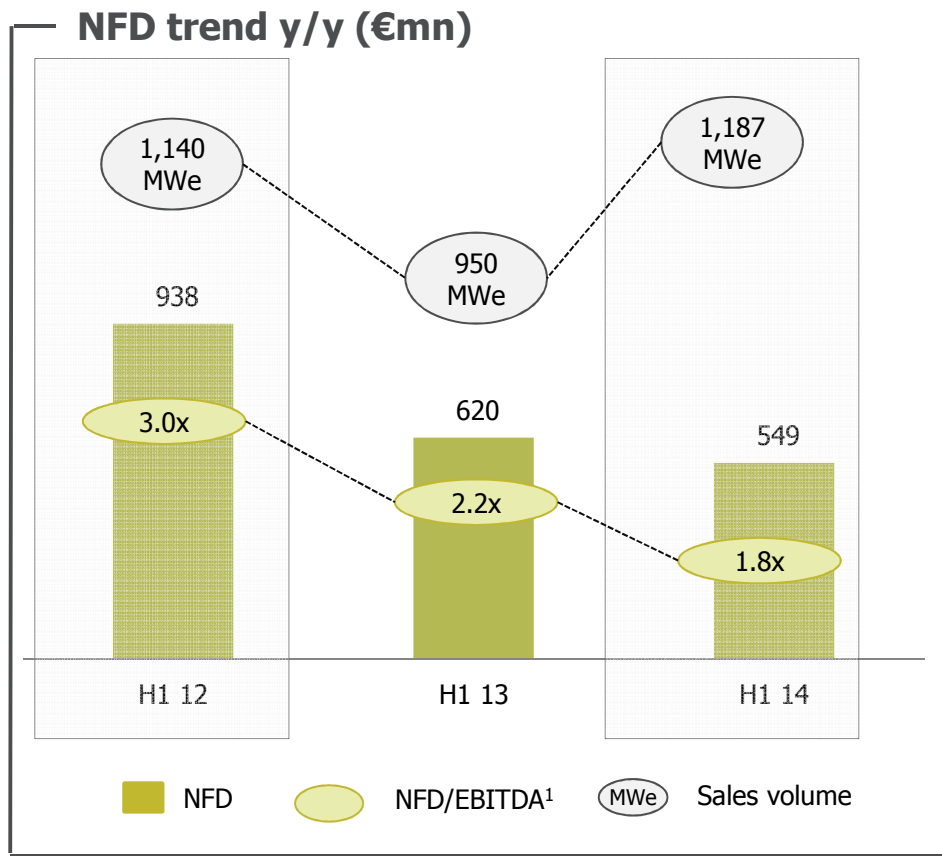
Improving health and safety indicators

Safety indexes developing in line with targets, in terms of frequency and severity



NFD trending in line with balance sheet strengthening goal in the BP 13-15

Regaining H1 12 production levels while reducing NFD by 41%



- ▶ Activity (MWe): +25% y/y
- ▶ NFD: -€71 mn vs. H1 13 (-11% y/y)
- ▶ NFD/EBITDA¹ :-0.4x

Supported by

- ▶ **Growing profitability**
- ▶ **Control of working capital**, including new wind farm development model
- ▶ **Focused capex**
- ▶ **Divestments**

1. EBITDA LTM, excluding non-recurring items

New syndicated loan for 350 €mn

Access to financing up to €1,800 mn, optimising the cost and extending average maturity

Credit lines

M€	Principal	Maturity
2011 syndicated loan	533	2014-15 (€33 mn); 2016 (€500 mn)
2014 syndicated loan	350	2018
EIB	200	2018 (€150 mn); 2019 (€10 mn); 2020 (€40 mn)
EIB	260	2019
Other long-term loans	98	>12 months
Bilateral	354	Tacit annual roll-over
Credit lines	1,795	

The funding is appropriate for the BP 13-15 in a situation of growing cash flow generation capability

✓ **Optimisation of cost and extension of average maturity**

- Repayment of tranches A and B in June 2014 (583 €mn)
- Arrangement of syndicated loan for 350 €mn (bullet in 2018)



January-June 2014 Results and KPIs

Consolidated group - Key figures

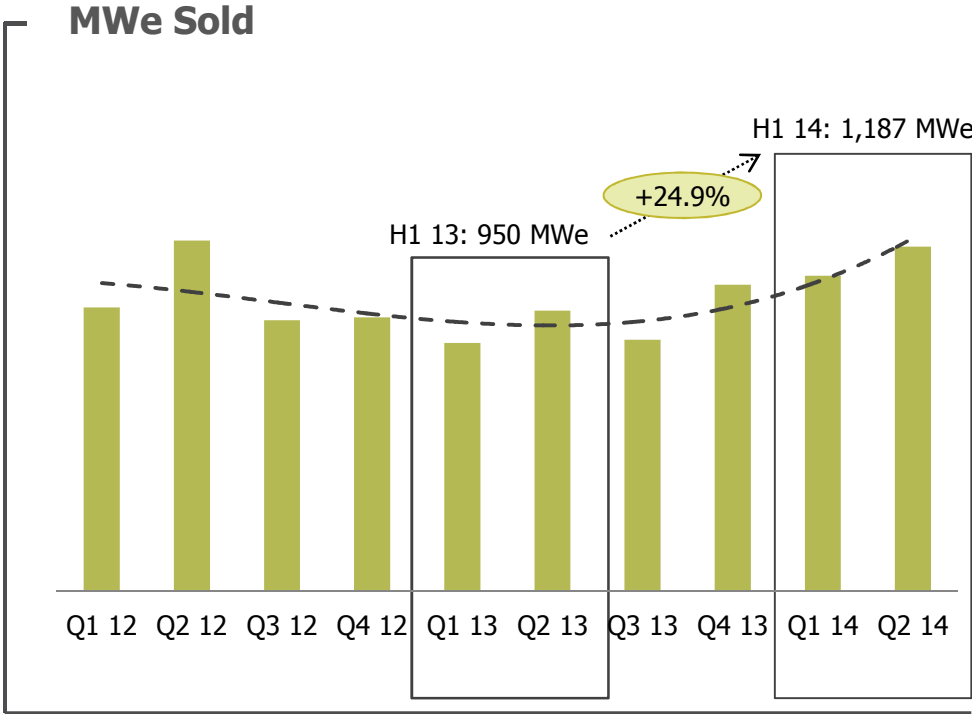
€mn	H1 2013	H1 2014	Chg. %	Q2 2014
Revenues	1,116	1,262	+13.1%	689
MWe	950	1,187	+24.9%	620
O&M revenues	180	212	+17.8%	107
EBIT	66 ¹	83	+26.1%	48
EBIT margin	5.9%	6.5%	+0.7 p.p.	7.0%
O&M EBIT margin	12.9%	12.3%	-0.6 p.p.	11.7%
Net profit	22 ¹	42	+87.9%	25
Net earnings per share (€)	0.09 ¹	0.17	+87.9%	0.10
Working capital	494	418	-15,4%	418
WC/sales LTM	22%	17%	-5.0 p.p.	17%
Capex	51	56	10.9%	29
NFD	620	549	-11.4%	549
NFD/EBITDA LTM ²	2.2x	1.8x	-0.4x	1.8x

1. EBIT and NP 1H 2013 include non-recurring provisions (3.9 €mn)

2. NFD/EBITDA LTM calculated by excluding non-recurring items (amounting to 24.6 €mn in the twelve months through June 2013 and 3.4 €mn in the twelve months through June 2014)

Activity. Wind turbines

Growth in production is firming up



Production in the first half of 2014 is on track to meet the upper range of the guidance¹ for 2014, which is fully covered² by the order book through end-June

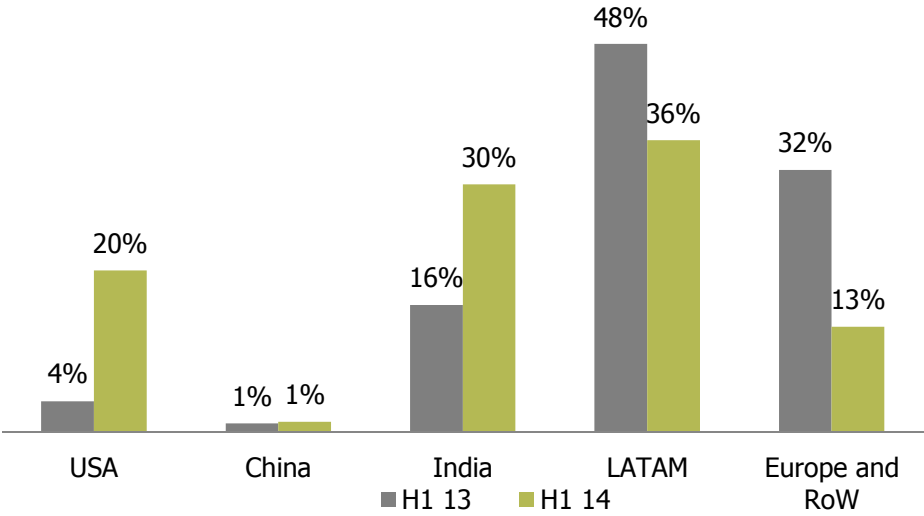
1. Volume guidance for 2014: 2,200 MWe-2,400 MWe
 2. Calculation of coverage: orders for production in 2014 with respect to mid-point of volume guidance for 2014 (2,200 MWe-2,400 MWe)

Activity. Wind turbines

Sales diversification (country/customer), with a predominance of growth markets. Europe and RoW will continue to increase contribution to sales in H2 14

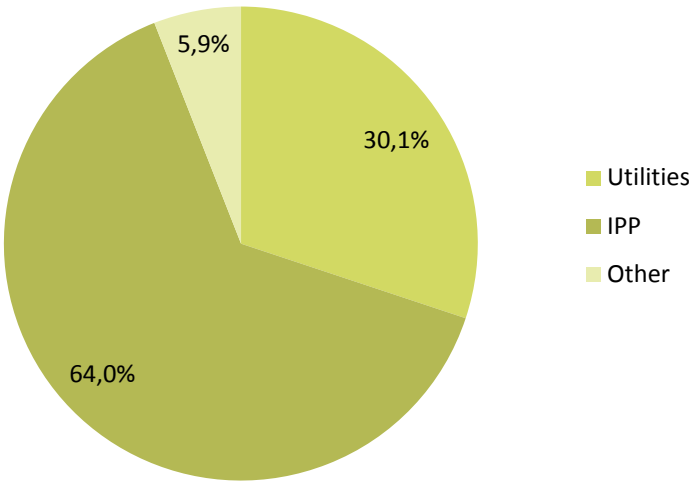
- ✓ Commercial presence in 18 countries
- ✓ 29,980 MW installed in 45 countries
- ✓ Relations with over 200 customers (utilities, IPPs, financial investors, IPPs and self-providers)

Geographic mix (MWe sold)



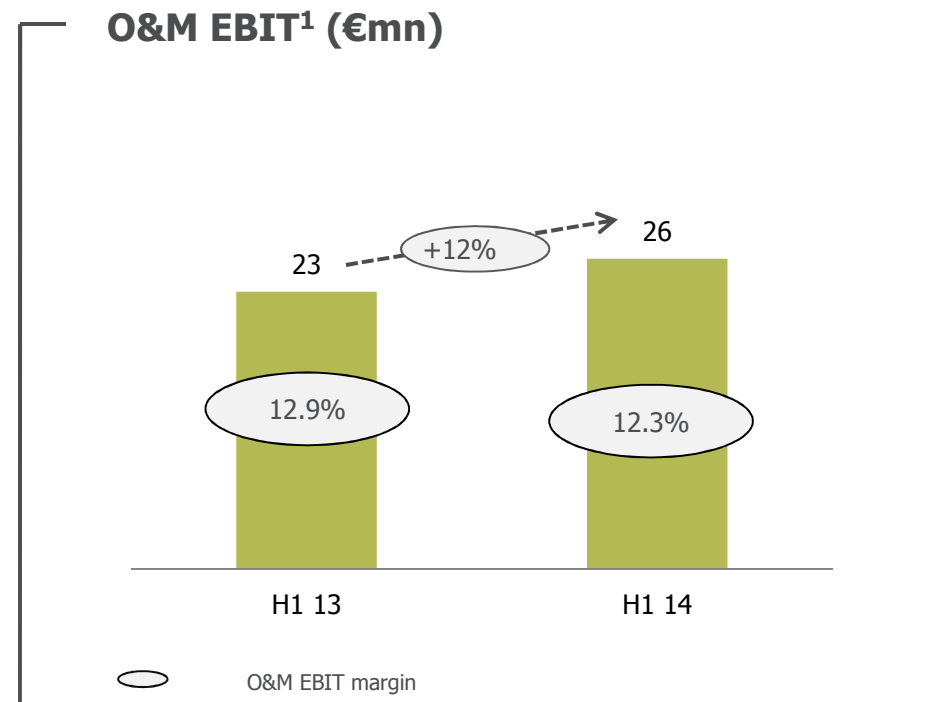
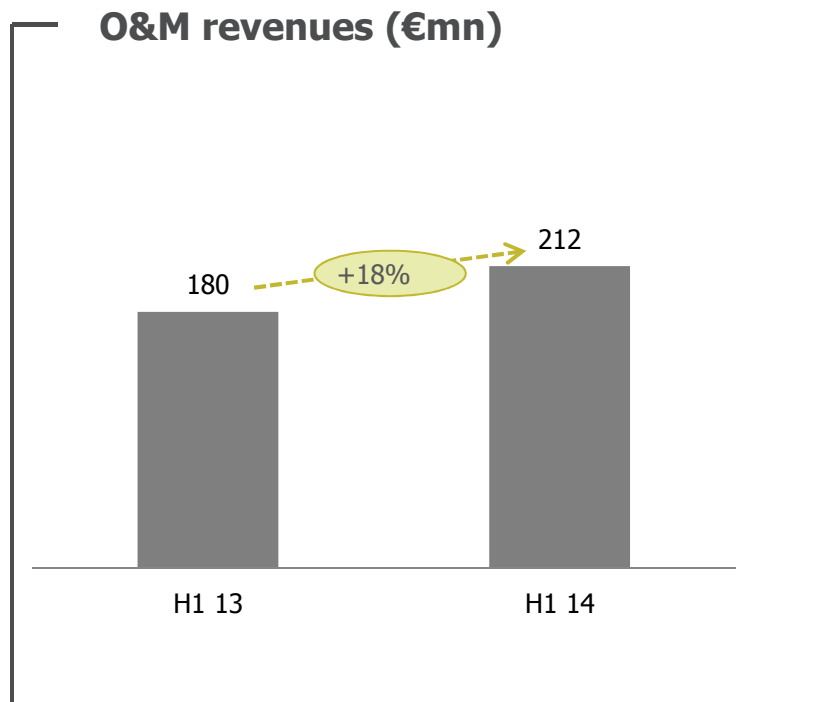
Expected trend in contribution to 2014 sales according to order intake

Breakdown of MWe sold, by customer type



Production. Operation and maintenance

Sustained growth in services revenues (+18% y/y), with double-digit margins (>12%), aligned with the BP 13-15

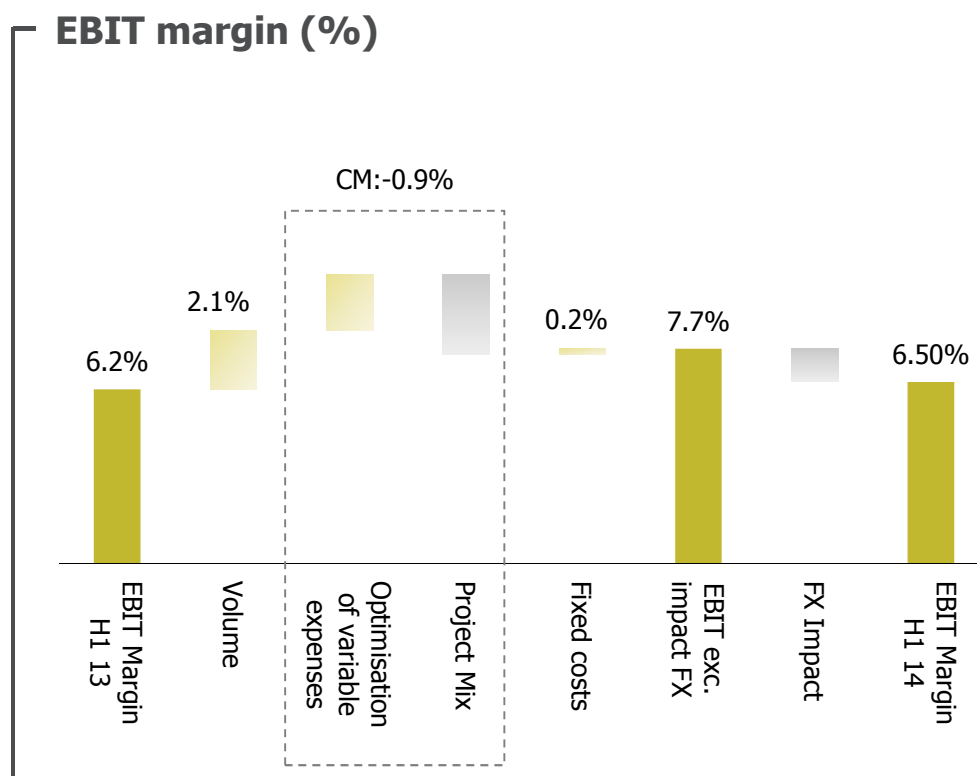


- Average post-warranty fleet under maintenance: +14% y/y

1. EBIT including parent company and structural expenses

Profitability - EBIT

Rising volumes, lower structural costs and ongoing optimisation of variable costs are the main factors driving the improvement in EBIT margin in H1 2014



Levers for improving the margin aligned with 2014 projections

- ▶ Strong impact of the **recovery in volumes**
- ▶ **Variable cost optimisation programmes**
 - 6.6% impact on variable cost from the 9/15 programme since launch
- ▶ **Steady improvement in fixed costs** (net of increase in D&A)

Partly offset by:

- ▶ **Project mix**
- ▶ **FX effect**

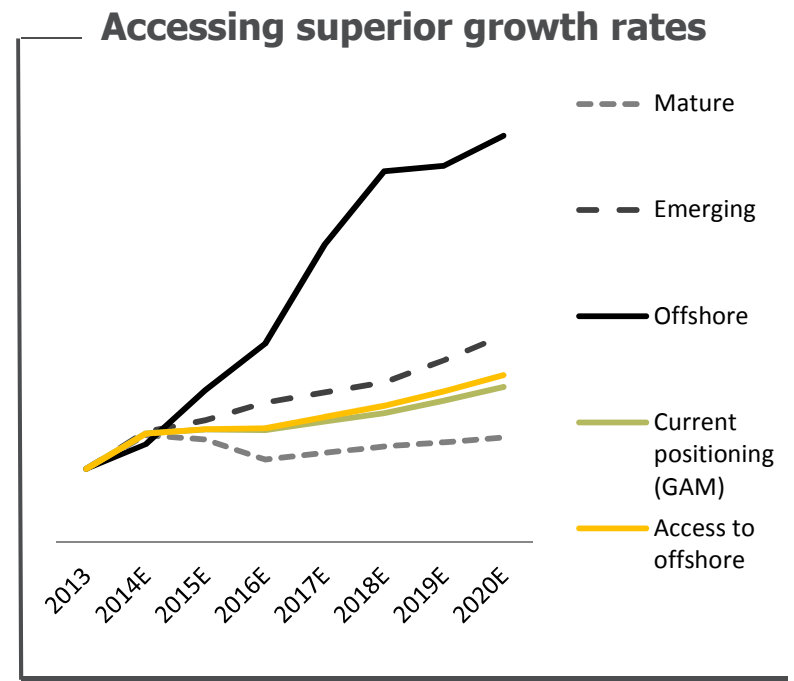
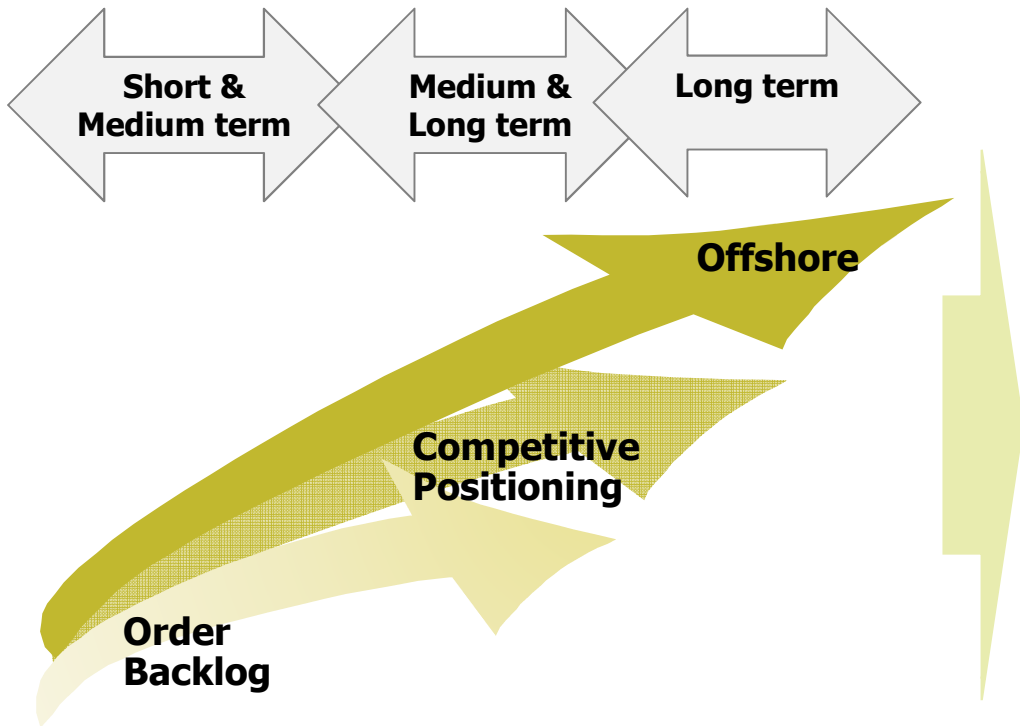
1. EBIT margin in 1H 2013 excludes impact of non-recurring provisions (€3.9mn). Including those provisions, the margin was 5.9%.

Outlook



Profitable growth in the short, medium and long term supported by 3 pillars

Access to increasing growth rates with respect to the 2015 vision

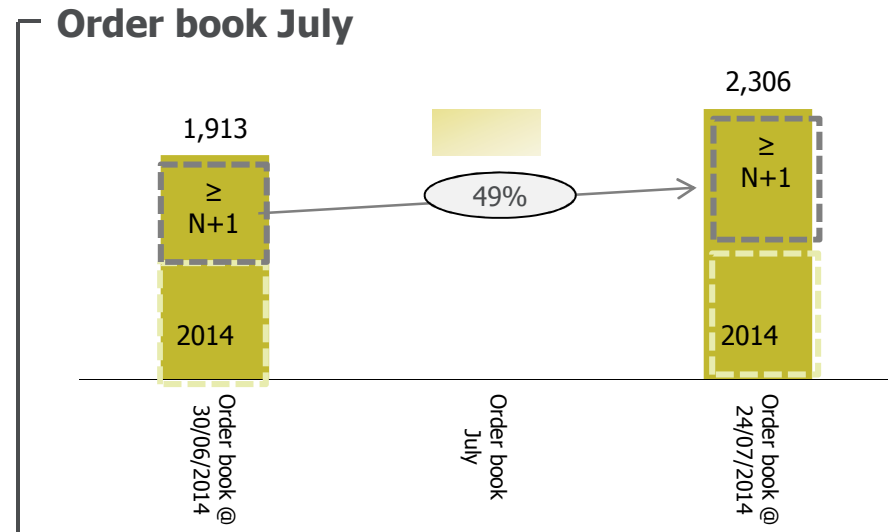
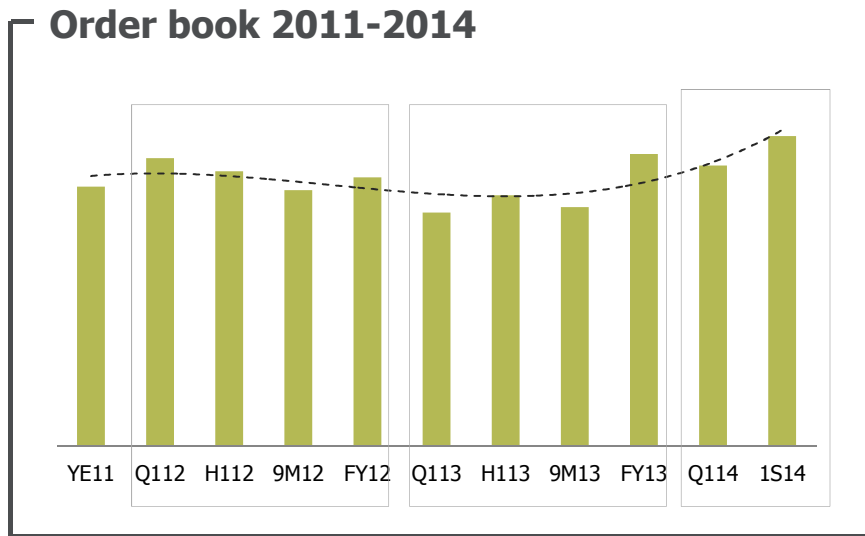


1. Source: BTM and company estimates

Based on *continuous improvement* of product costs and the organisation structure

Accompanied by greater visibility of the regulatory environment in key countries

Order intake in July 2014 corroborates strengthening sales activity



Sales are firming up

- ✓ **Order book @June (1,913 MW): +24% y/y**
 - **100% coverage of volume guidance for 2014¹**

Strong support for the 2015 vision

- ✓ **Order book for production $\geq N+1$ @24/07/2013 of 1,194: +49% vs. June 14 (801MW)**
 - **another 393 MW signed in July for production $\geq N+1$**

1. Calculation of coverage: orders for production in 2014 with respect to mid-point of volume guidance for 2014 (2,200 MWe-2,400 MWe)

Competitive positioning (countries, clients, products & development activity) supports growth in the m/t

Diversification with strong growth drivers

Competitive positioning supported by 3 main elements

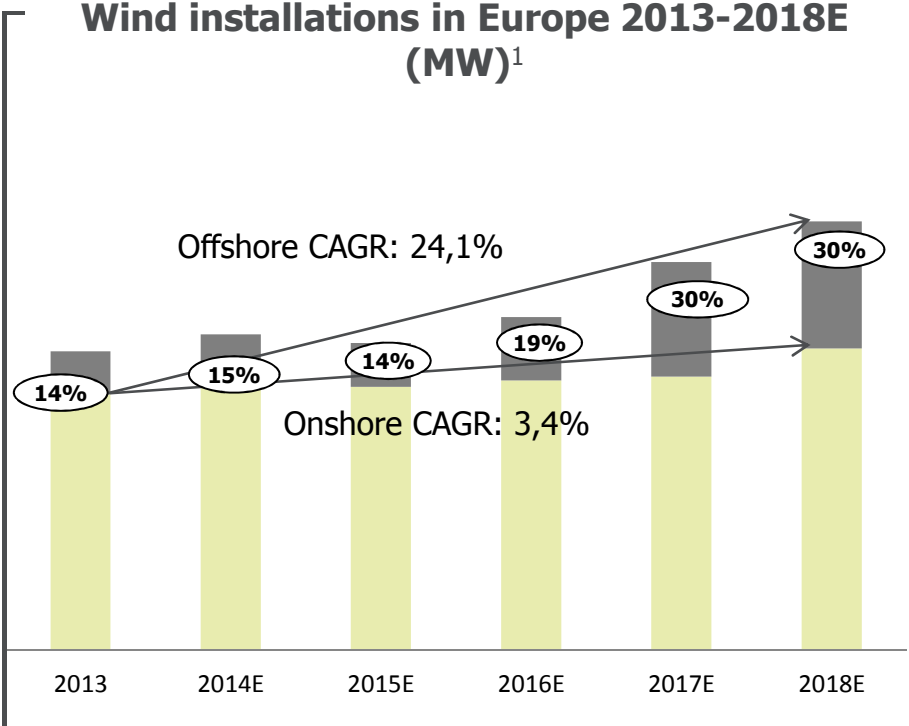
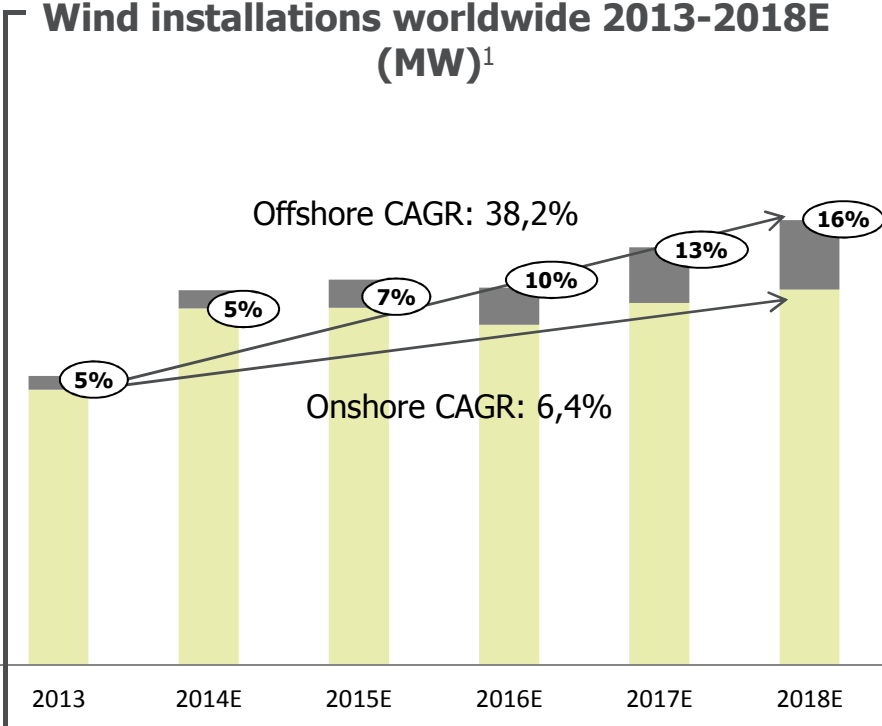
- **Product** (Gamesa 2.0-2.5 MW and Gamesa 5.0 MW)
- **O&M services** (20 GW under maintenance worldwide)
 - **Fleet availability > 98%**
- **Knowledge of market and customer needs**

Together with differentiating characteristics according to region

- ✓ **Local teams**
- ✓ **Local manufacturing / supply chain** according to competitiveness or client financing requirements
- ✓ **Product fully adapted** to market/site
 - ✓ Niche products with high value added
- ✓ **Promotion activity**
- ✓ **EPC capabilities**

The offshore segment offers an opportunity for complementary growth in the long term...

Offshore will triple its contribution to global installations in the next 5 years, to account for 1/3 of total wind demand in Europe



% Contribution of offshore installations to total wind installations (annually)

1. Source: BTM «World Market Update» March 2014

...where we enter in a leading position

JV with Areva: Accelerating opportunities, limiting risks

Synergetic contributions

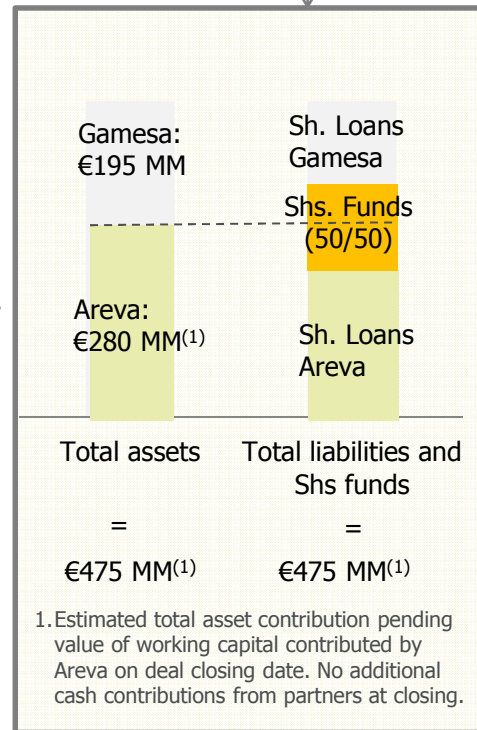


- Bankable M5000 product
- Second largest offshore pipeline (2.8GW)
- Fully operational business with manufacturing capacity in place (blades and nacelles)

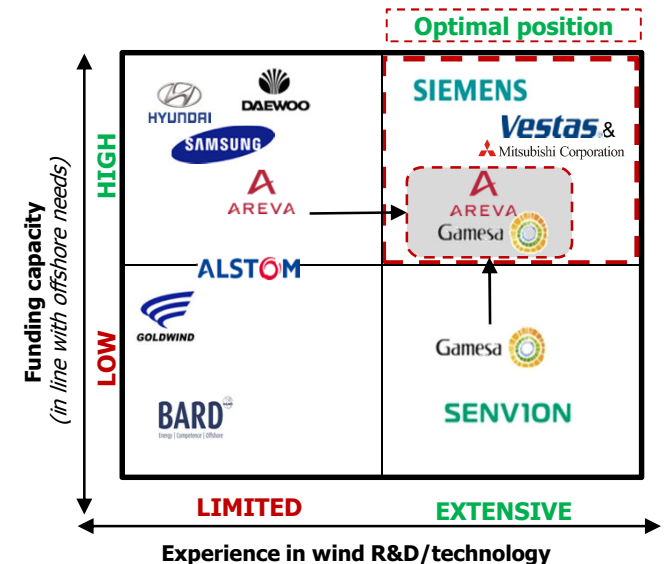
Partners with extensive technological know-how, R&D capabilities and an 8 MW platform being develop



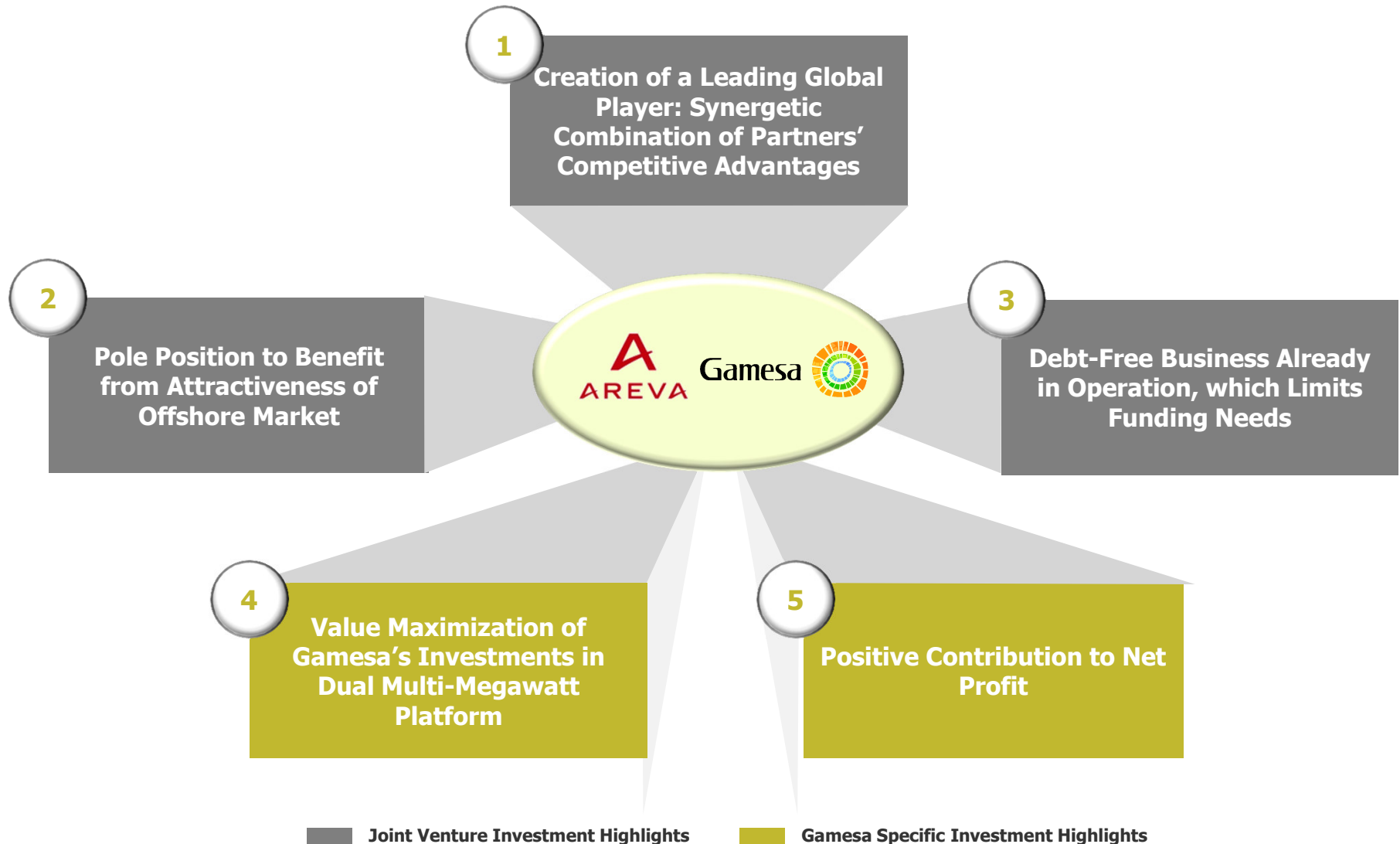
- 5 MW offshore platform fully certified and ready to be commercialized
- Best-in-class wind know-how in cost optimization and long-standing operation & maintenance expertise
- Access to component supply platform



Positioned for leadership



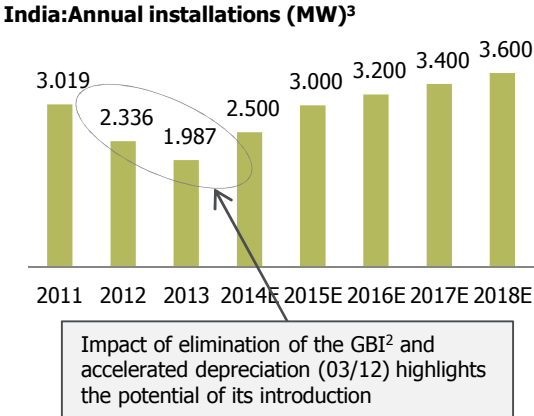
With a sound strategic rationale



Accompanied by greater regulatory visibility

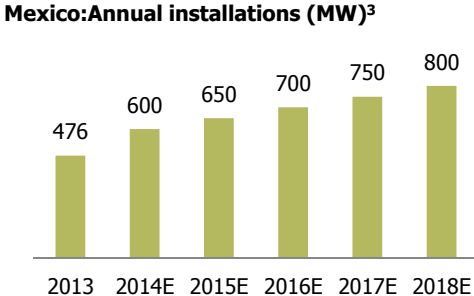
India: additional support for renewable energy in the 2015 budget

- **Accelerated depreciation re-introduced** when calculating the tax base of investments in wind projects
 - Up to 80% of the investemnt in a single year
- **Fiscal holiday extension for wind generation** (till march 2017)
 - 100% tax benefit for 10 years
- **Investment (>INR25 Crores) tax allowance (15%)** for WTG manufacturers extended until March 2017
- **Reducción de impuestos a la importación** de componentes



México: Constitutional reform of the energy market opens the door to a renewable support system

- A number of mechanisms are being debated:
 - Imposing clean energy obligations on energy market players (Green Certificates)
 - Competitive tenders to enable renewable energy to provide a target share of national energy consumption
- Creation of a national carbon market: CO2 emission caps for government agencies and certain industries
 - Possibility of offsetting emissions with carbon credits from renewable energy projects (an additional revenue source for wind farms)
- Draft renewable energy plan (PEAER¹) targets 9 GW of installed wind capacity by 2018 (from 2 GW in 2013)



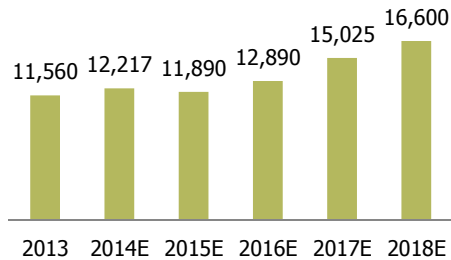
1. PEAER: Programa Especial para el Aprovechamiento de las Energías Renovables
 2. GBI (Generation Based Incentive) re-introduced in April 2013
 3. BTM "World Market Outlook" March 2013

Accompanied by greater regulatory visibility

Europe: Steady process of presentation and approval of energy market regulations in Europe eliminates regulatory uncertainty

- **Germany:** Energy Reform Bill approved in July 2014:
 - **Target renewable contribution raised from 40% to 45% for 2025, and from 55% to 60% for 2035; 6.5 GW offshore by 2020**
 - Decreasing tariffs (onshore and offshore) over project lifetime and competitive auction system for onshore projects from 2017 onwards
- **France:** New Energy Model Bill
 - **Target: 40% renewable by 2030**
 - 2025: 50% reduction in nuclear contribution to total energy mix
 - 2030: 40% reduction in CO2 emissions (1990 baseline) and 30% reduction in fossil fuel consumption
 - 2050: 50% reduction in energy consumption

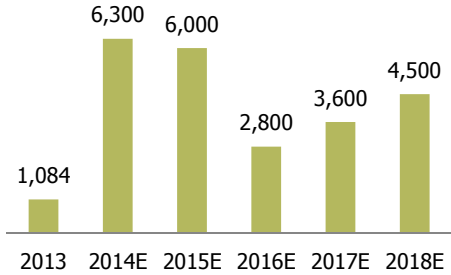
Europe: Annual installations (MW)¹



USA: Growing support for measures to combat climate change

- The Environmental Protection Agency (EPA) published the Clean Energy Plan targeting a reduction of CO2 emissions from fossil fuels based generation of up to 30% in 2030 with respect to the 2005 level. It proposes a **renewable energy contribution to total generation of 13% in 2030.**

USA: Annual installations (MW)¹



1. BTM "World Market Outlook" March 2013

All aligned with the 2014 guidance

	2014 Guidance	H1 2014	H1 2013	FY 2013
Volume (MWe)	2,200-2,400	1,187	950	1,953
EBIT margin at constant exchange rates ¹	>7%	7.7% ¹		
EBIT margin	>6%	6.5%	5.9%	5.5%
WC/revenues ²	<10%	17%	22%	8.3%
Capex (€mn)	<110	56	51	110
NFD/EBITDA ²	<1.5x	1.8x	2.2x	1.5x
Net free cash flow (€mn)	>0	-129	-124	75
ROCE ³	8.5%-10%	7.5%	5.3%	7.6%

1. EBIT margin at average exchange rates of 1H 2013
2. LTM, excluding impact on EBITDA of non-recurring items
3. ROCE calculated with EBIT net of taxes (marginal tax rate applicable in the period)



Conclusions

Growth and profitability trends are firming up, and future prospects are improving

- ▶ **Strong order** intake reflects sales positioning
 - 100% coverage of sales guidance for 2014¹

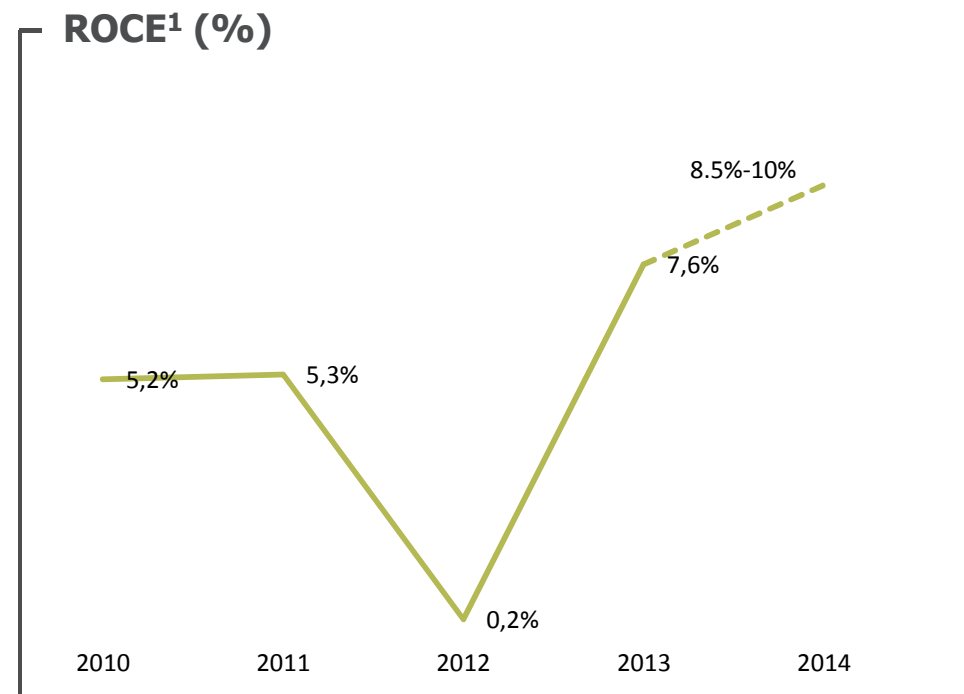
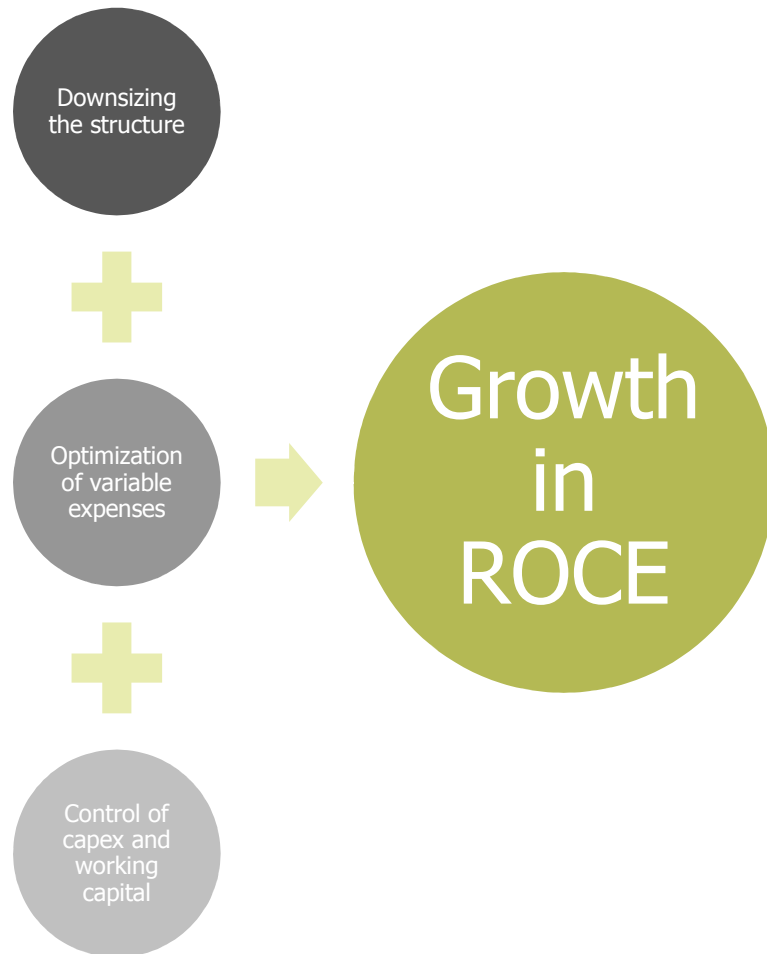
- ▶ **Rising activity and profitability**, in line with the 2014 targets and the 2015 vision
 - 2015 volume vision reached ahead of expectations while gaining access to above 2015 vision growth in the medium term

- ▶ **Sound finances with which to undertake the BP 2013-2015**
 - Access to 1,800 €mn in funding, and a stronger balance sheet

- ▶ **Moving into offshore**, which will drive complementary growth **in the medium and long term**

1. Calculation of coverage: orders for production in 2014 with respect to mid-point of volume guidance for 2014 (2,200-2,400 MWe)

Creating value once again



1. ROCE calculated with EBIT net of taxes (marginal tax rate applicable in the period)

Aligned with the main international ethical corporate principles

Committed to respecting human rights and the environment



Red Pacto Mundial España
WE SUPPORT



WE SUPPORT
Caring for Climate



We form part of the main sustainability and corporate responsibility indices



S&P Global Clean Energy Index

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Questions & Answers

Muchas Gracias

Obrigado

Thank you

谢谢！