



## GAMESA CORPORACIÓN TECNOLÓGICA, S.A. - SIGNIFICANT EVENT

As per section 228 of the restated text of the Securities Market Law approved by the Royal Legislative Decree 4/2015, of 23 October (*texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) and related provisions, and further to the communications of significant event dated 29 January and 15 and 17 June 2016 (with numbers 234,425, 234,437, 239,763 and 239.852 of the official records, respectively) and in relation to those dated 7 July 2014 and 9 March 2015 (with numbers 208,151 and 219,885 of the official records, respectively), the Company announces the following statement:

### 1. Integration of the wind power business of Siemens in Gamesa

Today, Gamesa Corporación Tecnológica, S.A. ("**Gamesa**" or the "**Company**") and Siemens Aktiengesellschaft ("**Siemens**") have signed a merger agreement pursuant to which the business of the Company and the wind power business of Siemens will be combined by way of a statutory merger by absorption (*fusion por absorción*) of a Spanish subsidiary of Siemens (as absorbed entity) into Gamesa (as absorbing company).

Siemens will receive, pursuant to the exchange ratio, shares in Gamesa representing 59% of its share capital after the consummation of the merger, whereas Gamesa's existing shareholders will hold the remaining 41%. Based on the market price of the Gamesa shares as of 28 January 2016, and on the agreed exchange ratio, the equity value of Gamesa and of the Siemens' wind power business would be € 4,021 and € 5,787 million, respectively.

Additionally, as part of the merger, Siemens will fund a cash payment of € 3.75 per share, which will be distributed by Gamesa to its shareholders (excluding Siemens) following the completion of the merger (net of any ordinary dividends paid until completion of the merger).

Gamesa and Siemens expect significant synergy potentials in a combined setup. In total, annual EBIT synergies of € 230 million are expected in year four post-closing.

As a consequence of the merger, Gamesa (as combined company) will have its legal domicile and global headquarters in Spain and will remain listed in Spain. The onshore headquarters will be located in Spain, while the offshore headquarters will reside in Hamburg, Germany, and Vejle, Denmark.

The supervision of the merger process from today until its effective date (which shall take place upon registration of the public deed of merger with the Commercial Registry) has been entrusted by Gamesa to a Merger Committee created *ad hoc*, which will be made up exclusively of independent directors.

In this respect, Siemens and Iberdrola, S.A. and Iberdrola Participaciones, S.A. (Sociedad Unipersonal) (jointly, "**Iberdrola**") have entered into an agreement pursuant to which (i) Iberdrola has undertaken to support and vote in favour of the

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merger, and (ii) the rights and obligations of Siemens and Iberdrola from the signing date of the agreement onwards are regulated.

The merger is subject to the approval by Gamesa's shareholders and to other customary conditions such as merger control clearances and Siemens obtaining the exemption from the Spanish stock market regulator (CNMV) contemplated in Article 8 g) of Royal Decree 1066/2007, of July 27, so it is not required to launch a mandatory takeover bid following completion of the merger.

Closing is expected in the first quarter of calendar year 2017.

## **2. Agreements with Areva SA in respect of Adwen Offshore, S.L.**

Additionally, on the date hereof, Gamesa and Areva SA –in alignment with Siemens– have entered into contractual agreements whereby Gamesa Energía, S.A. (Sociedad Unipersonal) ("**Gamesa Energía**") has granted to Areva Energies Renouvelables SAS ("**AER**") a put option for AER's 50 % stake and a call option for Gamesa Energía's 50 % stake in their offshore wind joint venture Adwen Offshore, S.L. ("**Adwen**"). Both options expire in three months. Alternatively, AER can in this time divest 100% of Adwen to a third party, being Gamesa Energía obliged to sell its stake in the terms agreed with said third party.

These agreements waive as from their signing date existing contractual restrictions in Adwen, simplifying the merger between Gamesa and the wind power business of Siemens.

The impact in the consolidated financial statements of Gamesa of the transaction that is finally carried out, if any, pursuant to the options and the right granted to AER will be communicated to the market when it is consummated.

Attached is a joint press release of Gamesa and Siemens with further details on the merger agreement.

In Zamudio, 17 June 2016

Ignacio Martín San Vicente  
Executive Chairman

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## **IMPORTANT INFORMATION**

This communication does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities. The shares of Gamesa may not be offered or sold in the United States of America except pursuant to an effective registration statement under the Securities Act or pursuant to a valid exemption from registration.

This announcement includes forward-looking statements, such as Gamesa's and Siemens's beliefs and expectations regarding the proposed combination of the Combined Business. These statements are based on certain assumptions and reflect Gamesa's and Siemens's current expectations.

Forward looking statements also include statements about Gamesa's and Siemens's beliefs and expectations related to the proposed Transaction, benefits that would be afforded to customers, benefits to the Combined Business that are expected to be obtained as a result of the proposed merger, as well as the parties' ability to enhance shareholder value through, among other things, the delivery of expected synergies.

There can be no assurance that the proposed merger will be consummated or that the anticipated benefits will be realised. The proposed merger is subject to various regulatory approvals and the fulfilment of certain conditions, and there can be no assurance that any such approvals will be obtained and/or such conditions will be met. All forward-looking statements in this announcement are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. These risks and uncertainties include: the ability to achieve the cost savings and synergies contemplated through the merger; the failure of Gamesa shareholders to approve the proposed merger; the effect of regulatory conditions, if any, imposed by regulatory authorities; the reaction of Gamesa's and Siemens's customers, employees and suppliers to the proposed merger; the ability to promptly and effectively integrate the businesses of Gamesa and Siemens; and the diversion of management time on merger-related issues.

Any forward-looking statements made by or on behalf of Gamesa or Siemens speak only as of the date they are made. Gamesa and Siemens each disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise

This document contains statements related to our future business and financial performance and future events or developments involving Siemens and Gamesa that

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may constitute forward-looking statements. These statements may be identified by words such as “expect,” “look forward to,” “anticipate” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “project” or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens’ and Gamesa’s management, of which many are beyond Siemens’ and/or Gamesa’s control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Risks in the respective Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Siemens and/or Gamesa may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

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Joint Press Release

Press

by Gamesa & Siemens

June 17<sup>th</sup>, 2016

## Siemens and Gamesa to merge wind businesses to create a leading wind power player

- **Siemens and Gamesa have signed binding agreements to merge Siemens' wind business with Gamesa**
- **Businesses are highly complementary with regard to markets, products and technology and will create great value to customers and shareholders**
- **Siemens to hold a 59 percent stake and consolidate the merged company and existing Gamesa shareholders to hold 41 percent**
- **Gamesa shareholders to receive a cash payment of €3.75 per share funded by Siemens**
- **Annual EBIT synergies of around €230 million expected**
- **The combined company will have its legal domicile and global headquarters in Spain and will remain listed in Spain; headquarters for the onshore division will be in Spain and for the offshore division will be in Germany and Denmark**
- **Merged company will maintain its strong presence in current markets**

Siemens and Gamesa have signed binding agreements to merge Siemens' wind power business, including wind services, with Gamesa to create a leading global wind power player. Siemens will receive newly issued shares of the combined company and will hold 59 percent of the share capital while Gamesa's existing shareholders will hold 41 percent. As part of the merger, Siemens will fund a cash payment of €3.75 per share, which will be distributed to Gamesa's shareholders (excluding Siemens) immediately following the completion of the merger (net of any ordinary dividends paid until completion of the merger). The cash payment represents 26 percent of Gamesa's unaffected share price at market close on January 28, 2016.

Additionally, Gamesa and Areva have entered into contractual agreements whereby Areva waives existing contractual restrictions in Gamesa's and Areva's offshore wind joint venture Adwen,

Joint Press Release  
**by Gamesa & Siemens**

simplifying the merger between Gamesa and Siemens. As part of these agreements, Gamesa – in alignment with Siemens – grants Areva a put option for Areva's 50 percent stake and a call option for Gamesa's 50 percent stake in Adwen. Both options expire in three months. Alternatively, Areva can in this time divest 100 percent of Adwen to a third party via a drag-along right for Gamesa's stake.

The new company, which will be consolidated in Siemens' financial statements, is expected to have on a pro forma basis (last twelve months as of March 2016) a 69 GW installed base worldwide, an order backlog of around €20 billion, revenue of €9.3 billion and an adjusted EBIT of €839 million. The combined company will have its legal domicile and global headquarters in Spain and will remain listed in Spain. The onshore headquarters will be located in Spain, while the offshore headquarters will reside in Hamburg, Germany, and Vejle, Denmark.

The two businesses are highly complementary in terms of global footprint, existing product portfolios and technologies. The combined business will have a global reach across all important regions, and manufacturing footprints in all continents. Siemens' wind power business has a strong foothold in North America and Northern Europe, and Gamesa is well positioned in fast-growing emerging markets, such as India and Latin America, and in Southern Europe. Further, the transaction will result in a product offering covering all wind classes and addressing all key market segments to better serve our customer's needs.

"The merger with Siemens constitutes recognition for the work performed by the company in recent years and evidences our commitment to generating value in the long term by creating significant synergies and extending the horizon of our profitable growth. Today, we are embarking on a new era, creating, alongside Siemens, a world-leading wind player. We will continue to work as before, albeit as part of a stronger company and with an enhanced ability to offer all of our customers end-to-end solutions," said Ignacio Martín, Executive Chairman and CEO of Gamesa.

"The combination of our wind business with Gamesa follows a clear and compelling industrial logic in an attractive growth industry, in which scale is a key to making renewable energy more cost-effective. With this business combination, we can provide even greater opportunities to the customers and value to the shareholders of the new company. The combined business will fit right into our Siemens Vision 2020 and underlines our commitment to affordable, reliable and sustainable energy supply," said Joe Kaeser, President and CEO of Siemens AG.

Siemens and Gamesa expect significant synergy potentials in a combined setup. In total, annual EBIT synergies of €230 million are expected in year four post closing.

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“As a leading wind power player, especially in emerging markets, Gamesa is a perfect partner for us. Teaming up will enable Siemens and Gamesa to offer a much broader range of products, services and solutions to meet customer requirements. The move will put Siemens and Gamesa in the best position to shape the industry for lower cost of renewable energy to the consumers,” said Lisa Davis, member of the Managing Board of Siemens AG.

The envisaged combination is unanimously supported by Gamesa’s Board of Directors and Siemens’ Supervisory Board. Iberdrola has entered into a shareholders agreement with Siemens and will hold around 8 percent in the combined company after closing of the transaction. The transaction is subject to approval by Gamesa’s shareholders and to other customary conditions such as merger control clearances and the confirmation by the Spanish stock market regulator (CNMV) that no mandatory takeover bid has to be launched by Siemens following completion of the merger. Supervision of the merger process has been entrusted by Gamesa to a Merger Committee created ad hoc, which will be made up exclusively of independent directors. Closing is expected in the first quarter of calendar year 2017.

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