

Zamudio, 8 November 2012

January-September 2012 Results

RESULTS IN LINE WITH 2012 GUIDANCE

In a complex economic situation and operating in a highly competitive market, Gamesa Corporación Tecnológica's¹ results for the first nine months of 2012 are in line with annual guidance: 100% coverage² of Wind Turbine sales³ and € 2 million in recurring EBIT in that division. The normal seasonality of the Wind Turbine business and the sizeable volume of deliveries committed by the Wind Farms division⁴ for the fourth quarter of the year temporarily increased working capital with the result that net financial debt with recourse to the group amounted to € 985 million, in line with the company's projections. Additionally, during October, wind farms worth € 100 million have been delivered and collected, in line with cash collection projections for the fourth quarter.

Main consolidated figures⁵ for 9M 2012:

- Sales: € 2.294 billion (14% YoY)
- Recurring EBIT: -€ 5 million
- Recurring Net Income: -€ 49 million
- Net financial debt with recourse: € 985 million

Wind Turbine Division - Main figures 9M 2012

- MWe sold: 1,627 (-17% YoY)
- Recurring EBIT margin: 0.1%
- Order⁶ intake in 3Q 2012: 370 MW
- Order book at 30/09/2012: 1,578 MW

Group sales amounted to € 2.294 billion, i.e. 14% more than in the first nine months of 2011, as a result of robust business at Gamesa Energía, which signed sale agreements for 554 MW in 2012, having delivered 254 MW in the first nine months. This strong performance by Gamesa Energía offset the decline in activity in the Wind Turbine division, which sold 1,627 MWe, 17% less than in the same period of 2011. The reduction in Wind Turbine manufacturing is in response to the strategy of adjusting manufacturing to deliveries and collections in a context of slowing demand. That reduction contrasts with growth in the Operation and Maintenance division, which saw sales rise 4% in the first nine months of 2012, and by 9% in the third quarter alone. At the end of September 2012, Gamesa had 18,368 MW under maintenance. Wind Turbines attained € 1.910 billion in revenues, 5% less than in the same period of 2011.

Despite the decline in Wind Turbine sales year-on-year, **the commercial diversification strategy continues to provide positive results**, and contracts were signed in the third quarter for a total of 370 MW for delivery in 2012 and subsequent years, raising total order intake this year to 1,605 MW. As a result, **volume guidance for the year has been attained ahead of schedule**. The company

¹ Gamesa Corporación Tecnológica engages in wind turbine manufacture (referred to in this document as Wind Turbines) and the development, construction and sale of wind farms (referred to in this document as Wind Farms or Gamesa Energía).

² Sales volume coverage: firm order intake for 2012 sales /2012 sales volume guidance (2,000 MWe)

³ Wind Turbine division + Holding Company.

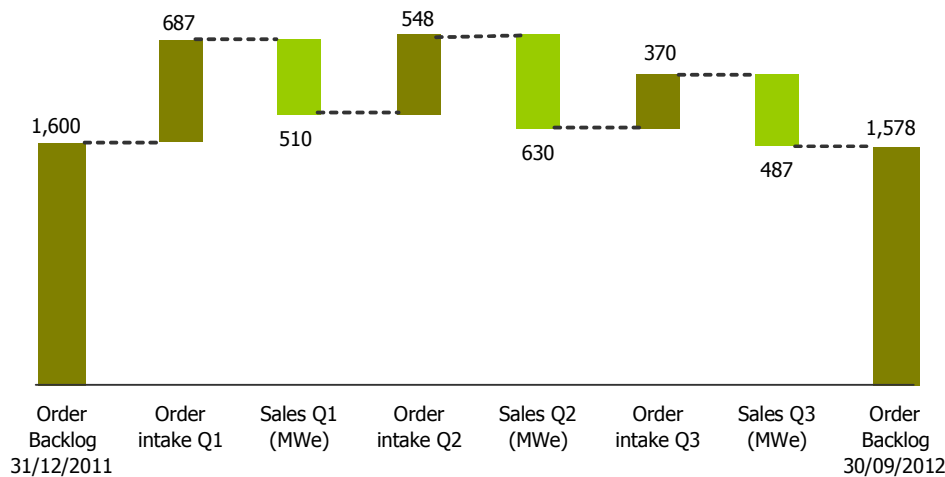
⁴ Gamesa Energía (the Wind Farm division) develops, builds and sells wind farms.

⁵ Consolidated figures are recurrent or normalised (excluding restructuring costs)

⁶ Firm, irrevocable orders and confirmation of framework agreements for delivery in the same year and future years.

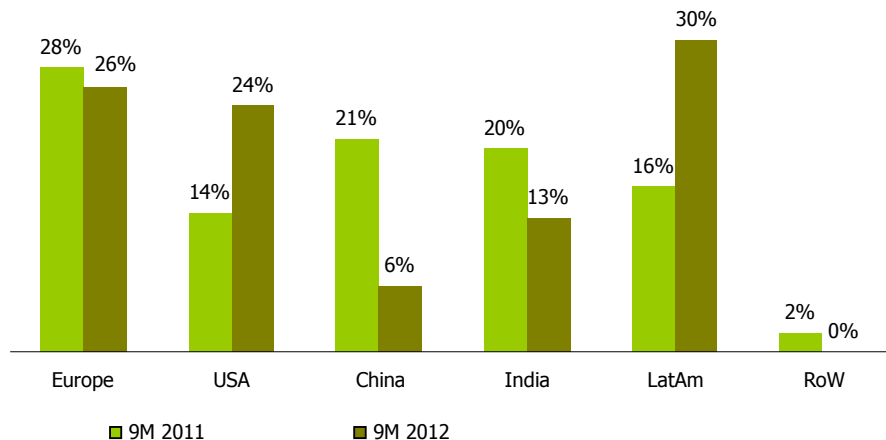
has a solid position in growth markets, particularly Latin America, which accounted for 34% of this year's order intake, and India, which accounted for 16%. This positioning partly offset the decline in orders from markets such as China and Europe, which together accounted for almost 70% of total order intake in the first nine months of 2011.

Order book evolution (MW), 9M 2012



The impact of commercial diversification and the company's positioning in Latin America is evident in the geographical breakdown of Wind Turbine sales in the first nine months of the year in the chart below.

Geographical breakdown of MWe sold - 9M 2012



The first order for the multi-MW platform was signed in the third quarter of 2012: four units of the G128-4.5 MW for the Simo wind farm in Finland. This contract is Gamesa's first sale in Finland and strengthens the company's foothold in northern Europe. The sale also includes a 10-year O&M contract, with scope for a 5-year extension, and a framework agreement was signed for another 117 units of the G128-4.5 MW turbine in the future.

The impact of lower prices and business volume on margins in the Wind Turbine division, coupled with the effect of regulatory uncertainty in key markets such as the USA on Wind Farm returns are reflected in the group's operating results. **Gamesa Corporación Tecnológica reported slightly**

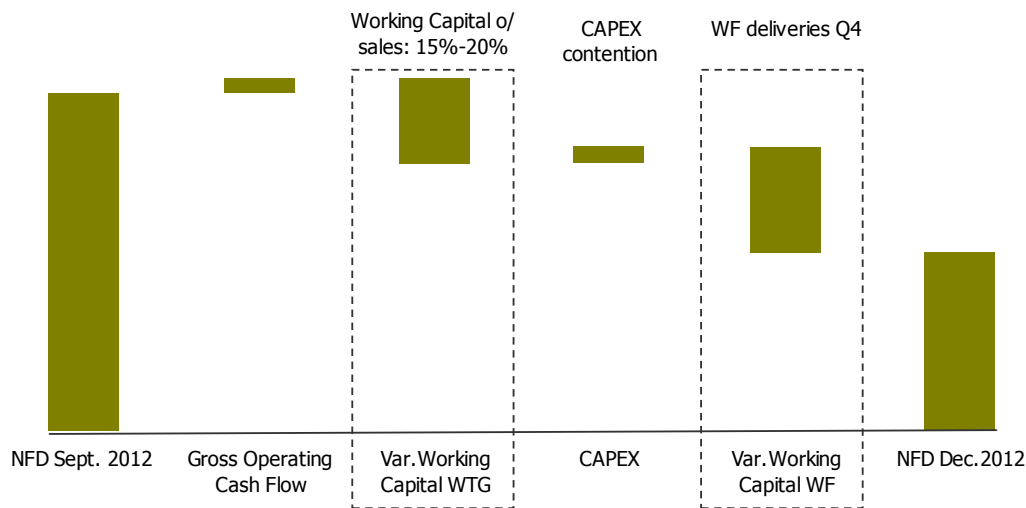
negative EBIT (-€ 5 million) in the first nine months, i.e. an EBIT margin of -0.2%, excluding € 18 million in restructuring costs. However, despite lower absorption of fixed costs as a result of the reduced business volume, the cost of launching and industrialising new products, and pressure on prices, the Wind Turbine division maintained profitability in line with the guidance (EBIT > 0⁷) and ended the first nine months of 2012 with a **recurrent EBIT margin of 0.1%**.

In terms of the balance sheet, the habitual seasonality of the Wind Turbine business and the sizeable volume of Wind Farm deliveries scheduled for the fourth quarter led to a temporary increase in group working capital which is expected to correct in the fourth quarter of 2012. As a result, the ratio of **working capital to sales in the Wind Turbine unit was 27% at the end of September 2012**; that ratio is higher than in the first half of 2012 but is **lower than the ratio of 33% attained at the end of September 2011**. The increase in working capital in this division also reflects the change in customer mix, as IPPs are gaining in importance with respect to large utilities; this change has been accompanied by a reduction in factoring and a consequent increase in customer receivables. During the month of October, wind farm deliveries worth 100 MM € were collected.

In addition to the working capital required to fulfil the deliveries committed for the fourth quarter of 2012, Gamesa continued with its **asset and R&D investment plan for 2012, having expended € 129 million in the first nine months**. The investment plan includes adapting manufacturing capacity to the new 2 MW and 4.5 MW platforms, development of an industrial presence in India and development of the first offshore prototype.

As a result of capex and the temporary investment in working capital, Gamesa Corporación Tecnológica ended September 2012 with **NFD amounting to € 1.185 billion, or € 985 million excluding non-recourse debt**; those figures are in line with the company's projections, as shown in the chart below.

Group NFD projections



In summary, Gamesa Corporación Tecnológica's results in the first nine months of 2012 reflect the difficult economic and industrial climate but they are in line with the company's expectations and with its guidance for 2012.

⁷ Including consolidation adjustments relating to the Wind Turbine business.

Wind Turbines

Key factors

Gamesa's results in the first nine months of 2012 reflect the complex situation of the world economy in general and the wind industry in particular.

Gamesa's Wind Turbine Unit ended 9M 2012 with:

- **1,627 MWe of wind turbines sold**, down -17% with respect to 9M 2011, attributable to lower sales in China and India
- **recurring EBIT amounting to € +2 million, maintaining the level of profitability attained in the first half, but lower than in the first nine months of 2011** as a result of lower activity, pressure on prices, the costs of industrialising new platforms, and the impact of general expenses resulting from rapid internationalisation. Including restructuring costs, EBIT amounted to € -16 million,
- **and working capital was 27% of sales, i.e. below the level reported at the end of September 2011 (33%)** as a result of the reduction in stocks and of cash management.

The Wind Turbine Division's activity during the first nine months of 2012 can be broken down as follows:

(MW)	9M 2011	9M 2012	% chg.	Status
MW delivered to customers	2,244	1,855	-17%	Handover of ownership to customer, in wind farm, or factory; Invoiced.
+ Variation in MWe available Ex Works	-775	-283	N.A.	Variation in stock of WTG available for delivery to customer; Invoiced Ex Works.
+ Variation in MWe Work in Progress	497	54	-89%	Variation in the stock of WTG not available for delivery to customer; Not invoiced.
MWe sold	1,965	1,627	-17%	

The variation in **MW WIP declined by 89% with respect to September 2011**. That reduction is due to greater priority being given to aligning production to deliveries and to project assembly and commissioning milestones.

As a result of the market diversification strategy under the Business Plan 2011-2013, **Latin America and the Southern Cone made a significant contribution, together accounting for 30% of sales in the first nine months of 2012**, due to the contribution by Brazil, Mexico, the Dominican Republic and Nicaragua.

The US accounted for 24% of total sales in the period, mainly as a result of the agreement signed by Gamesa Energía and Algonquin Power & Utilities Corp. for 480 MW.

As discussed in the 1H 2012 earnings presentation, the contribution by China and India to sales in 2012 is being impacted by delays in wind project approvals in China due to grid off-take difficulties and by regulatory uncertainty in India caused by changes in the incentives for wind power and, in particular, the accelerated depreciation method (important for the traditional market). As a result, **China accounted for just 6% of sales, and India for 13%**.

Geographical breakdown of wind turbine sales (MWe) (%)	9M 2011	9M 2012
USA	14%	24%
China	21%	6%
India	20%	13%
Latin America+Southern Cone	16%	30%
Europe and RoW	30%	26%
TOTAL	100%	100%

Additionally, **the Gamesa 2.0 MW segment accounted for 90% of MWe sold in 9M 2012** , compared with 77% in 9M 2011. The Gamesa 850 kW platform accounted for 10% of MWe sold.

Wind Turbine Division Results 9M 2012

Gamesa's Wind Turbine division ended the first nine months of 2012 with **the following results:**

<i>(million euro)</i>	9M 2011	9M 2012	% Chg.	3Q 2012
Sales	2,010	1,910	-5%	565
Recurring EBITDA	238	138	-42%	63
Recurring EBITDA/Sales (%)	11.9%	7.2%		11.2%
EBITDA	238	128	-46%	61
EBITDA/Sales (%)	11.9%	6.7%		10.8%
Recurring EBIT	97	2	-97%	-1
Recurring EBIT/Sales (%)	4.8%	0.1%		-0.1%
EBIT	97	-16	-116%	-10
EBIT/Sales (%)	4.8%	-0.8%		-1.7%
Net Income	55	-53	-197%	-16
Net income/Sales (%)				
Working capital	954	754		754
% Sales	33%	27%	-5pp	27%
NFD	604	565		565

Non-audited figures

Sales in the first nine months declined by 5% year-on-year, with an increase in the average revenues per MW as a result of the geographic mix, the growing importance of Gamesa 2 MW platform, the launch of the G97-2 MW turbine, and the greater proportion of projects with a strong civil engineering component. **The Services unit provided € 227 million in revenues, higher than in the first nine months of 2011 (€ 219 million).**

Gamesa obtained recurring EBIT of € 2 million in the period. EBIT was lower than in the first nine months of 2011 due to the reduction in activity (less absorption of fixed costs), price pressure, the cost of tooling up for new products, and higher general expenses. Including the restructuring costs incurred in the first nine months of 2012, EBIT was € -16 million.

Warranty provisions were stable below 3.5% of Wind Turbine sales despite internationalisation of the manufacturing platform and sales and the expansion of the product offer, revealing the steady improvement in processes, the strength of Gamesa's product platform and the emphasis placed on operational excellence.

Gamesa's working capital/sales ratio was 27% in 9M 2012, i.e. lower than in the same period of 2011 (33%), **due to cutting stocks (finished products, raw materials and services) and managing cash flow in the period.**

Gamesa also maintained strict control over capex to ensure an appropriate return and safeguard the balance sheet. Capex totalled € 129 million, less than in the same period of 2011 (€ 146 million)

Capex in 2012 has focused on:

- R&D for new platforms (G97-2.0 MW, G114-2.0 MW, Gamesa 4.5 MW and offshore).
- A blade plant in India for Games 850 kW and Gamesa 2 MW platforms
- Adaptation of G97-2.0 MW production capacity
- Investment related to manufacturing the new Gamesa 4.5 MW platform.

As a result, **Gamesa's Wind Turbine division ended the first nine months of 2012 with net financial debt of € 565 million**, related to containment of working capital and to capital expenditure in the period.

Wind Farms

Key factors

From January to September 2012, Gamesa delivered 254 MW in Germany, France, Poland, the US and Mexico. The Wind Farm Development and Sales division signed new sale agreements totalling 554 MW in 9M 2012 in the US, Mexico, France, Spain and Germany.

Gamesa's global wind farm pipeline amounted to 23,803 MW at 30 September 2012.

Wind Farm Development Stages (MW)	9M 2011	9M 2012	% Growth
Highly Confident	3,411	3,943	+16%
Total pipeline	24,521	23,803	-3%

The company has 790 MW in the final stages of construction and commissioning, 647 MW of which are covered by sale agreements signed with third parties. Gamesa continues to develop its pipeline of wind farms for delivery in the coming months.

Activity (MW)	9M 2011	9M 2012	% Growth
MW under Construction	473	337	-29%
MW Commissioned	155	453	2.9x
Total	628	790	+26%

Note: does not include MW in joint development agreements in China (in which Gamesa holds a minority stake), or India.

Wind Farm division results for 9M 2012

The Wind Farm division's results for the first nine months of the year reflect intense capital expenditure on the construction of new farms to fulfil sales commitments signed in recent months in Europe and North America.

The Wind Farm Development and Sale division obtained € 825 million in revenues and € -24 million in EBIT in 9M 2012, due to low gas prices and the impact of the sale of the Gamesa Energía USA wind farms to the end buyer.

Accordingly, € 353 million of the working capital at the Wind Farm Development and Sale unit (€ 784 million in total) is linked to farms with sale agreements that are being monetised in the fourth quarter of 2012; the company had already collected more than € 100 million in October.

This division ended the period with financial debt of € 620 million, i.e. exceeding the year-end guidance (€ 250 million), due to the large proportion of MW in the final phases of construction (790 MW), which will be sold in the coming months.

<i>(million euro)</i>	9M 2011	9M 2012	% Chg.	3Q 2012
Sales	234	825	3.5x	184
EBIT	9	-24	N.A.	-23
Net Income	-1	-31	N.A.	-25
NFD	206	620	3x	620

Non-audited figures

Gamesa Corporación Tecnológica Results 9M 2012

The Consolidated Group's main financial figures appear below.

<i>(million euro)</i>	9M 2011 ⁽¹⁾	9M 2012 ⁽¹⁾	% Chg.	3Q 2012
Sales	2,015	2,294	+14%	645
Recurring EBITDA⁽²⁾	223	140	-37%	55
Recurring EBITDA/Sales (%)	11.1%	6.1%	-5,0pp	8.5%
EBITDA	223	130	-42%	53
EBITDA/Sales (%)	11.1%	5.7%	-5.4pp	8.2%
Recurring EBIT⁽²⁾	83	-5	-106%	-17
Recurring EBIT/Sales (%)	4.1%	-0.2%	-4.3pp	-2.6%
EBIT	83	-23	-127%	-26
EBIT/Sales (%)	4.1%	-1.0%	-5.1pp	-4.0%
Recurring Net Income⁽²⁾	30	-49	-267%	-25
Profit (Loss)	30	-67	-328%	-34
NFD with recourse	810	985		985
NFD	810	1,185		1,185

Non-audited figures

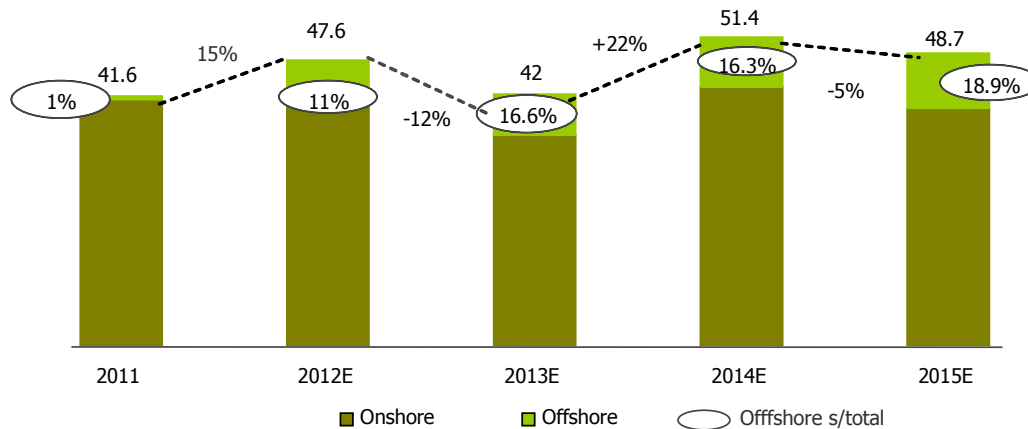
(1) The results of Gamesa Corporación Tecnológica reflect the impact of the consolidation adjustment from eliminating sales (and the corresponding margins) by the Wind Turbine division to the Wind Farm division for which sale agreements were in the final phases of negotiation at the end of the period.

(2) Recurring results do not include the € 18 million impact of restructuring in 9M 2012

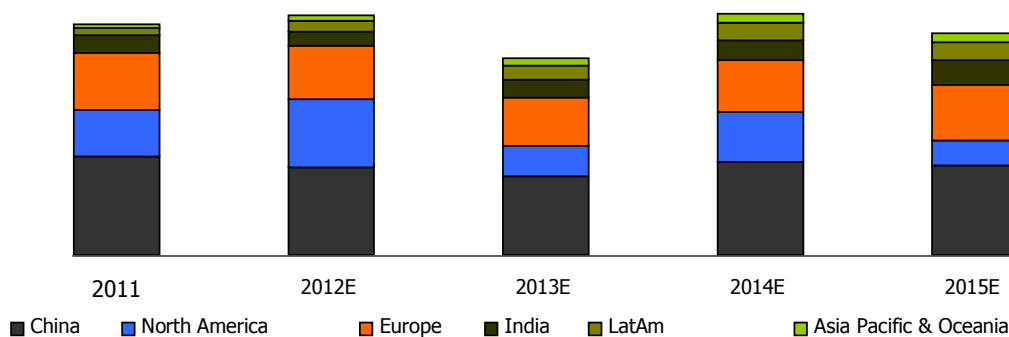
Outlook - 2013-2015 Business Plan

The wind power industry faces slower market growth in the coming years, due to the weak economic situation in developed economies, which has a negative impact on energy demand and, consequently, on the need for new power generation facilities. In this situation, **90% of growth in electricity demand in the next few years is expected to arise in emerging economies, with the demand for new wind energy facilities shifting to those countries.**

Expected wind facility performance 2012E-2015E (GW)



Geographic breakdown of wind facilities 2012E-2015E (GW)



In addition to the weak economic situation, high levels of debt in most developed countries, especially in the US and southern Europe, and the resulting impact on policies to support renewable energies (feed-in tariffs and tax breaks) are also having a negative effect on the industry by reducing wind projects' IRRs. These factors, together with the higher funding costs and lending restrictions, are **driving large utilities to lower their capex plans.**

The expected market performance in the near future is clearly reflected in Gamesa's sales projections for 2013: almost 70% come from emerging markets, such as India and Latin America, with electric utilities declining in importance, giving ground to IPPs, which will account for 50% of total sales volume, compared with 30% on average in the last 6 years.

In addition to the slowdown in global demand, the wind industry will continue to be impacted in the short and medium term by **excess capacity**, especially in the US and China; **capacity adjustment**

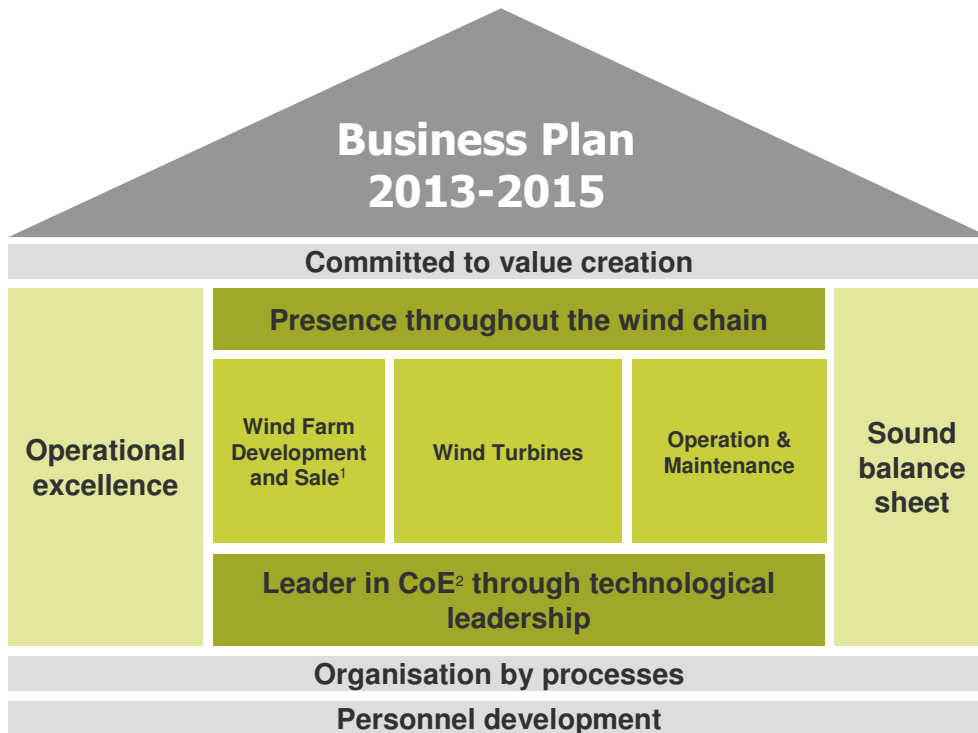
is being hindered by not only lower growth in demand, but also by the global economic situation. In the US, the short term nature of support system for renewable energies favours cycles of expansion and contraction in demand, making it difficult to effectively dimension local manufacturing capacity.

The situation of lower growth and surplus manufacturing capacity requires specific lines of action:

- Rationalisation of the cost structure, both fixed and variable, to **optimise the bottom line**, maintaining flexibility to take advantage of future growth
- **Deleveraging of the balance sheet** by controlling investment in working capital and capital expenditure, where Gamesa Energía's new business model will play an important role
- A family of products focused on meeting market needs and providing a **Cost of Energy (CoE) that is competitive with respect to traditional energy sources**

These lines of action **will enable the company to operate profitably in a context of lower growth while remaining flexible to leverage future growth**, and will support the long-term development of wind energy without the constraints of government support, which is still necessary today. To this end, Gamesa has implemented the **Business Plan 2013-2015**, the main goal of which is to create value for shareholders, clients and employees. The plan is based on three main vectors:

- Operational excellence
- Reducing the Cost of Energy through technological leadership and a presence through the wind value chain
- Sound balance sheet



(1) Wind Farm Development and Sale: Gamesa Energía (Wind Farms)
 (2) CoE: Cost of Energy (MWh)

Operational excellence

Operational excellence is supported by four key factors:

- Prioritising employee health and safety
- Continuous improvement and a constant focus on quality
- An appropriate size for the market situation, and efficient management
- Optimisation of product variable costs

In the last four years, the Wind Turbine manufacturing industry has been dimensioned on the basis of demand projections that exceeded both current realities and projections for the immediate future. This overdimensioning, coupled with price pressure, has depressed returns in the industry, requiring immediate corrective action.

However, it is important to understand that these actions and the need to resize the industry are more than merely an adjustment to the current demand situation; rather, they should lead to an efficient, flexible organisation that can be profitable in the current situation and take advantage of future growth.

Gamesa will achieve this by implementing a process-based organisation focused on ensuring customer satisfaction while maintaining a solid financial structure, with resources assigned mainly to growth areas such as O&M and the interface with customers, while reducing resources assigned to general services and corporate units.

Through this process, Gamesa expects to cut its fixed expenses by over 25% by 2013 with respect to 2011, i.e. by € 100 million. This will be achieved by reducing service outsourcing, cutting general expenses (travel, per diems, rentals), closing offices and service centres (up to 35% of the total), and cutting both internal and agency staff numbers: 2,600 positions between 2011 year-end and 2013, 800 of which have already left the company. There is also a clear commitment to keep the fixed cost structure will not exceed 10% of the group's sales in the future.

Together with resizing the organisation, with the consequent reduction in fixed costs, attaining operational excellence requires optimising variable costs, which will be achieved through:

- Adapting capacity to demand while maintaining a presence in key markets, which will improve both structural and logistics costs.
- A Make and Buy strategy for large components based on ROCE⁸ and a global supply chain, with assignments driven by TCO⁹; this will impact both procurement costs and capital expenditure.
- A best-in-class manufacturing process with quality embedded in the process, which will impact both manufacturing and nonconformity costs (the latter expected to be cut by 25% in the next three years).

As part of the strategy of adapting capacity to demand while maintaining a bridgehead in key markets, Spain and China will become the main manufacturing and supply hubs, since they have the most developed supply chains and the most efficient factories, while nacelle assembly capacity will be maintained in all critical markets. By year-end, Gamesa will have reduced the number of manufacturing plants by 17% by closing five plants, four in China and one in Spain. Thereafter, manufacturing plant closures will be decided on the basis of demand and local content requirements.

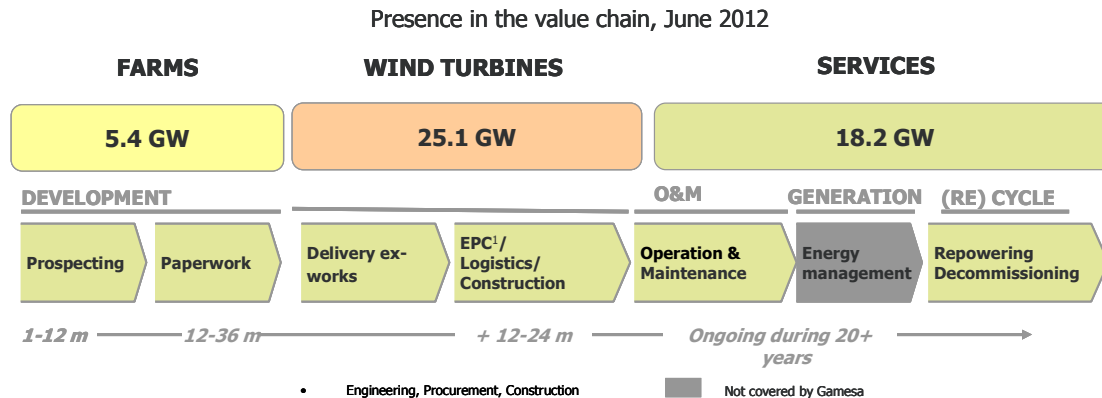
Within the Make & Buy strategy, blade outsourcing will be accelerated increasing the Buy level from 50% (at present) to 65%. Additionally, in order to improve internal efficiency, a new blade manufacturing process—fibreglass infusion—will be implemented; it is expected to reduce in-house manufacturing costs by 25% within three years. Manufacturing of generators and gearboxes will be maintained, but any future growth will be covered by outsourcing.

As a result of the variable cost optimisation, Gamesa expects to improve its contribution margin by 4 percentage points¹⁰ between 2012 and 2015.

⁸ ROCE: Return on Capital Employed

⁹ TCO: Total Cost of Ownership. Includes supply and logistics costs and customs duties.

A presence throughout the value chain and technology leadership in Cost of Energy



A presence throughout the wind value chain remains a key distinguishing feature and a clear competitive advantage for Gamesa. The business plan includes clear changes in operations in the three areas.

Gamesa Energía continues to be a very important sales channel. However, with a view to the future, it is important that Gamesa Energía base its sales, both pipeline and finished farms, on technology leadership and development know-how, **without incurring in market (regulatory) or financing risk.** Accordingly, payment terms in future sales must be similar to those that apply in the Wind Turbine business, or be channelled through finance partners or capital structures without recourse to Gamesa's balance sheet, so that the division does not represent an obstacle to the goal of sound finances.

The Wind Turbine division remains focused on **developing products in line with market needs and a competitive CoE, with R&D expenditure tailored to business size.** In the future, product development—with time to market not exceeding 18 months from prototype assembly—will focus on advancing two existing platforms: **2 MW, which will evolve to 2.5 MW, and the multi-MW¹¹ platform, which will evolve from 4.5 MW to 5.5 MW.** This evolution will maintain **Gamesa's product portfolio among the most competitive in the market (AEP/THM¹²).**

It is important to note the central role of the multi-MW platform in the company's future over the long term, because of its position in the offshore market (common platform for both onshore and offshore) and its competitive advantage in northern Europe, one of the most stable markets, where repowering (particularly in Germany) may gain traction earlier than in other markets. Gamesa expects the multi-MW segment to account for 50% of onshore demand by 2020. In this segment, Gamesa's 5.5 MW machine offers clear advantages for wind farm developers since it optimises the utilisation of common infrastructure, reduces civil engineering costs and the environmental impact, and minimises wake losses. The result is a higher NPV of the investment in markets with space constraints, and a higher IRR in markets where concentrating capacity and high towers offer advantages.

The **Operation & Maintenance area will be particularly important within the business plan in the next 3 years because of its scope for growth** in a context of lower demand for new facilities, **its recurring nature, high cash conversion, and greater profitability.** Business in the next three years will be driven by three key factors:

- **Growth through technology leadership, prioritising returns over volume.** Gamesa will concentrate sales efforts on customers that value our technological capabilities (we expect a greater contribution from IPPs and financial customers) and on Win-Win products that offer greater added value to customers and higher returns for the company.

¹⁰ Improvement in contribution margin (2015E vs. 2012) assuming slightly falling sale prices, constant raw material prices, assuming G97-2.0MW as the standard machine and taking the sales breakdown (by product, market and client) projected for 2013.

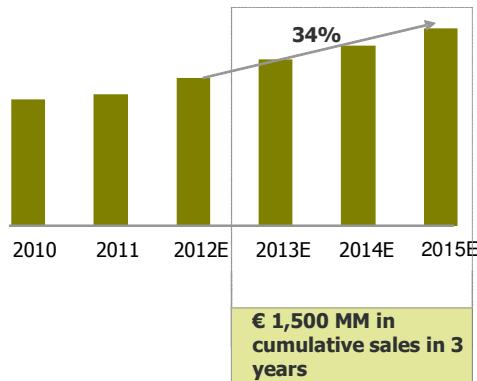
¹¹ Multi-MW segment: >3 MW

¹² AEP/THM: Annual Energy Production/Top Head Mass, as a measure of a product's competitiveness

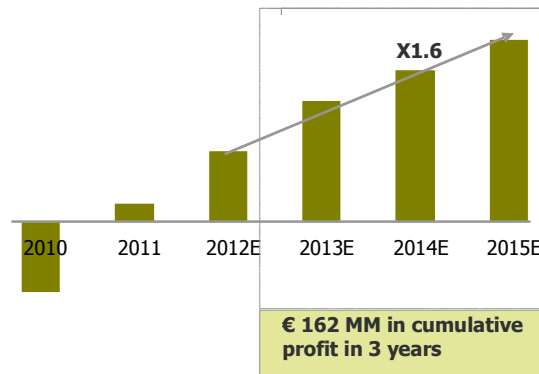
- Optimisation of the division's costs by trimming service centres, staff and warehouses and renegotiating prices and other conditions with suppliers.
- Better working capital management to contribute to a sounder balance sheet at group level.

As a result, Gamesa expects to attain € 1,500 million in revenues and € 162 million in EBIT in the period 2013-2015, with a considerable improvement in the division's profit margins.

O&M revenue evolution € MM (2010-2015E)



O&M EBIT¹ evolution € MM (2010-2015E)



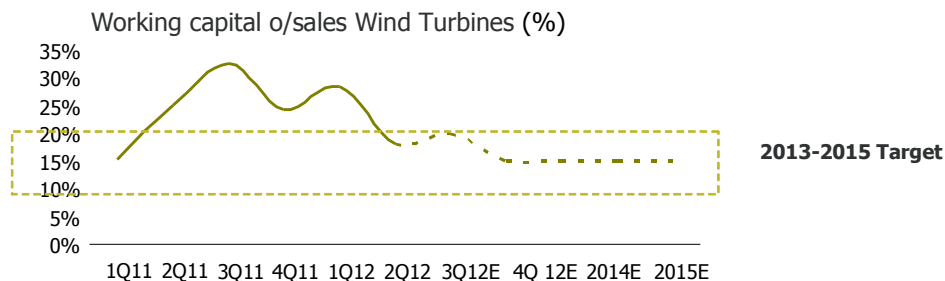
(1) Including structure costs

Sound balance sheet

Maintaining a sound balance sheet is one of the priorities of the 2013-2015 Business Plan, following the sharp increase in working capital required for Gamesa Energía's intense commercial activity in 2012. The plan's target NFD/EBITDA ratio below 2 in 2015 will be achieved by actions basically in two areas: strict control of working capital and a capex plan dimensioned to meet market needs and to the size of the business.

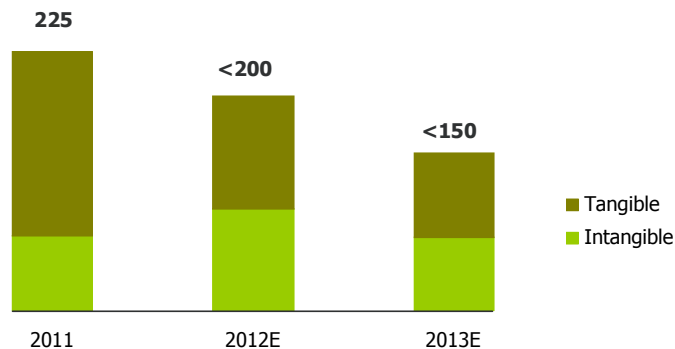
Gamesa Energía's new business model will play a fundamental role in this connection. This model includes milestone payments similar to those in the Wind Turbine division and the search for financial partners and funding structures without recourse to Gamesa's balance sheet.

Gamesa's Wind Turbine division aims to reduce the working capital-to-sales ratio to 15% in 2013, from 27% at the end of 3Q and 15% / 20% expected at 2012 year-end. Working capital will be trimmed by reducing stocks of work in progress and finished products, with deliveries exceeding sales in 2012 (2,700 MW delivered vs. expected sales of 2,000 MW) and in 2013, and by improving management of accounts receivable, raw material stocks, and inventories associated with the O&M division.



As regards capital expenditure on tangible and intangible assets, the increase in outsourcing of capital intensive components such as blades and the concentration on two product platforms that evolve from the 2 MW and 4.5 MW, will enable the company to reduce capex without compromising product quality or future growth. As a result, maintenance capex will account for 0.75% of group sales, and development and industrialisation of new products for 3.75% overall; committed funds will decline, from € 225 million in 2011 to less than € 150 million. This capex programme also maintains the commitment to development of offshore products (5.5 MW platform).

CAPEX plan € MM



These measures to contain working capital and capex, together with access to almost € 2.4 billion in credit lines, will enable Gamesa to implement its business plan organically, without having to tap the capital markets.

Financial outlook

The 2013-2015 Business Plan has a clear objective: to operate profitably in a context of low growth, while maintaining flexibility to grow when market conditions improve, and to create value by optimising the bottom line and deleveraging the balance sheet.

In the first 12 months, Gamesa will reduce operating leverage to 1,300 MW (2,000 MW currently), by reducing fixed costs by more than 25% (2013 vs. 2011). In a second phase, running in parallel during 2013 but continuing in 2014 and 2015, the company will optimise the variable cost of its products to improve the contribution margin by four percentage points. In addition to the optimisation of the P&L, Gamesa will reduce the group's financial leverage, to obtain a NFD/EBITDA below 2. These actions to improve EBITDA and reduce debt will pave the way for a return to value creation,

	2012 E	2013 GUIDANCE	2015 VISION
Volumen (MWe)	c.2,000	1,800 – 2,000	2,200 – 2,400
Contribution Margin	16.5%	17% - 18%	>20%
EBIT margin ⁽¹⁾	0%	3% - 5%	8% - 10%
Working Capital WTG s/ Sales	15% - 20%	c.15%	c.15%
Capex (MM €)	<200	<150	<150
NFD/EBITDA ⁽²⁾	c.2,5x	<2,5x	<2x

(1) Normalised EBIT excluding restructuring costs

(2) NFD including the estimated cash impact of the measures included in the Business Plan 2013-2015. The impact on the balance sheet, with no cash effect, is being analysed

Conclusions

Gamesa Corporación Tecnológica's results for the first nine months of 2012 reflect the weak economic and industrial situation, but are in line with the annual guidance, with a positive recurring margin in Wind Turbines and 100% coverage of sales in the period, due to sales diversification and the Wind Farm business.

The short term increase in debt during the period is due to the strong delivery commitments for the fourth quarter, especially by the Wind Farm unit, and the corresponding increase in working capital. This increase led group net debt with recourse to € 985 million and € 1.185 billion in total. This situation will reverse in the fourth quarter with the delivery of c. 600 MW, reversion which already started in October with the delivery and collection of € 100 million.

In response to the competitive market conditions and lower growth reflected in the 9M 2012 results, Gamesa has implemented a new business plan, the goal of which is to return to value creation by optimising the bottom line and reducing debt while continuing to develop products which achieve a CoE for wind energy that is close to grid parity with traditional sources. That grid parity will guarantee the industry's potential in the long term, eliminating the need for government support.

As a result of this Business Plan, Gamesa expects to return to profitability in 2013, with an EBIT margin between 3% and 5% within stable volumes, and continue generating positive net free cash flow as it meets its objective of reducing the company's financial leverage.

Annex

Financial Statements¹³ January-September 2012

Gamesa Corporación Tecnológica - Consolidated

Profit and Loss Account - Million Euro	9M 2011	9M 2012
Turnover	2,015	2,294
Own work capitalised	66	69
Consumption	-1,333	-1,694
Personnel expenses	-262	-275
Other expenses	-263	-264
EBITDA	223	130
Depreciation	-72	-75
Provisions	-69	-70
Impairments	0	-8
EBIT	83	-23
Financial result	-43	-46
Gains (losses) on disposal of non-current assets	-1	0
Equity method gains (losses)	1	0
Profit before tax (Loss)	39	-68
Taxes	-9	2
Net Profit (Loss)	30	-66
Minority Interest	0	-1
Net Profit (Loss) Parent Company	30	-67

¹³ The financial statements in the annex have not been audited. Subtotals and totals are rounded to the nearest whole number.

Balance Sheet - Million Euro	9M 2011	9M 2012
Goodwill	387	387
Other intangible assets	206	272
Property, plant and equipment	479	525
Shareholdings in associated companies	46	96
Deferred taxes, net	164	189
Working capital	1.395	1.516
Net assets held for sale	0	0
Total	2.678	2.985
Shareholders' Equity	1.675	1.615
Provisions for contingencies and expenses	232	232
Net financial debt	810	1.185
Derivative financial instruments and others	-39	-40
Total	2.678	2.985

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