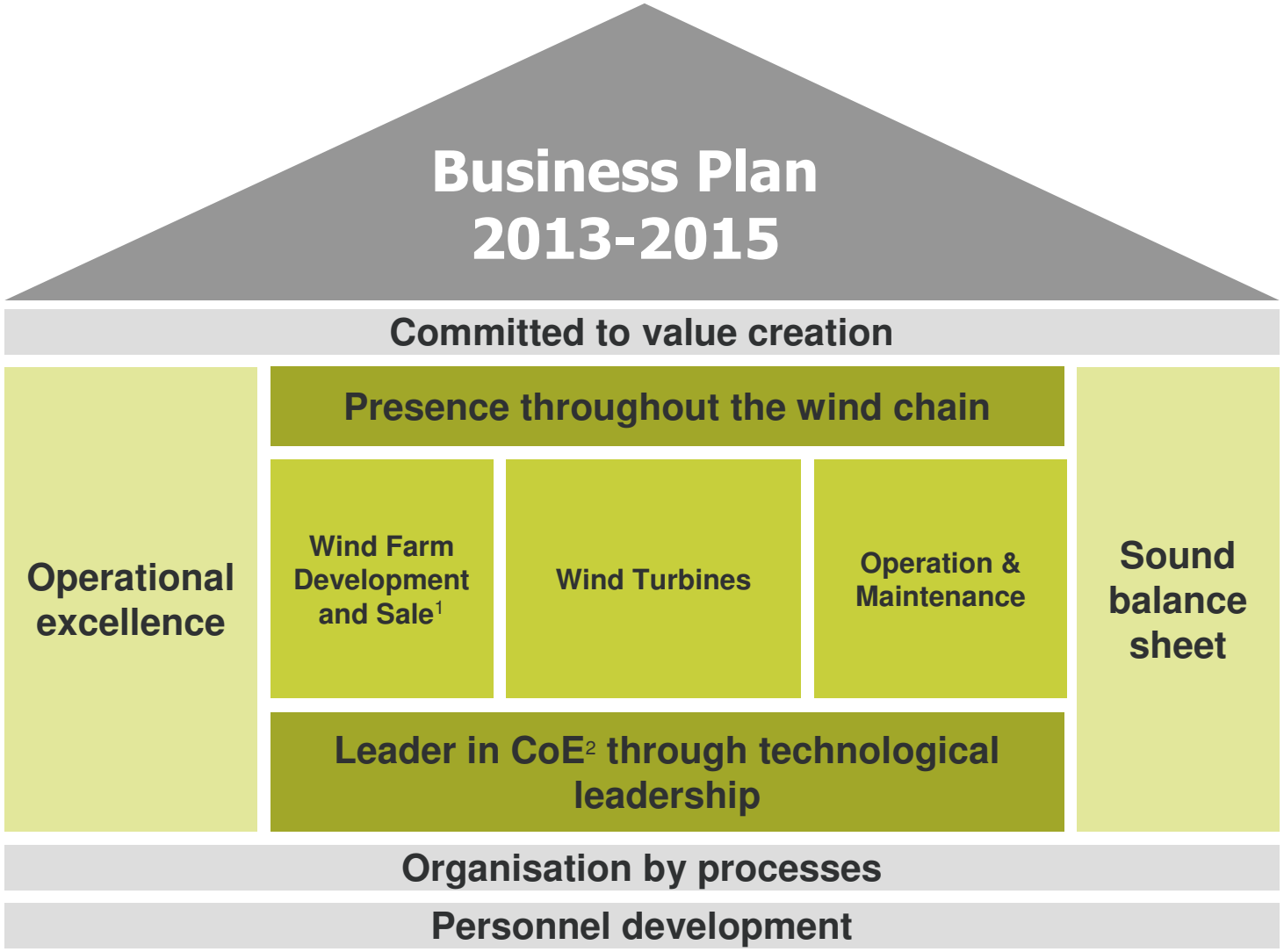
Business Plan 2013-2015

The way forward

Gamesa



(1) Wind Farm Development and Sale: Gamesa Energía (Wind Farms)

(2) CoE: Cost of Energy (MWh)

Contents

Current situation
A context of lower growth

- **Temporary decline in electricity demand** in developed economies **due to the economic slowdown:** installed generation capacity meets short-term energy needs
  - **Contraction in demand** for wind facilities **and shift to emerging markets**
  - Execution time for projects in emerging markets impacted by **grid restrictions**
- **Adjustment in government subsidies** for renewable energies in key markets **due to those economies' large debt burden**
  - The impact on project IRR, together with restrictions and the higher cost of financing, leads to **adjustments in electric utilities' investment plans**
- **Excess industrial capacity** maintains **downward pressure on margins**

Current situation
Lower growth requires

- **Cost reduction**: fixed (structure) and variable (industrial plan, supply chain)

FOCUSED ON OPTIMISING THE BOTTOM LINE

- **Strengthening the balance sheet**: reduction of working capital and CAPEX

FOCUSED ON DEBT REDUCTION

- **Targeting key markets**: Gamesa Energía as a sales channel

WITHOUT USING FUNDING

- A **range of** market-oriented **products**: two basic platforms, design for manufacturing,

FOCUSED ON THE COST OF ENERGY

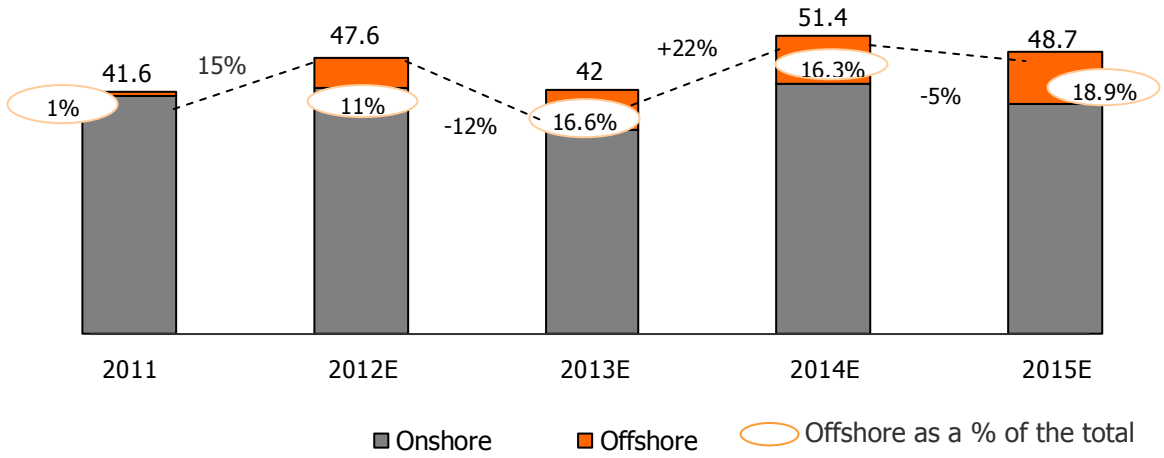
- **Growth in services**, margins and sales, **even during periods of** market **weakness**

BUILD MUSCLE
Generating earnings during the cycle downturn/ Prepared to grow

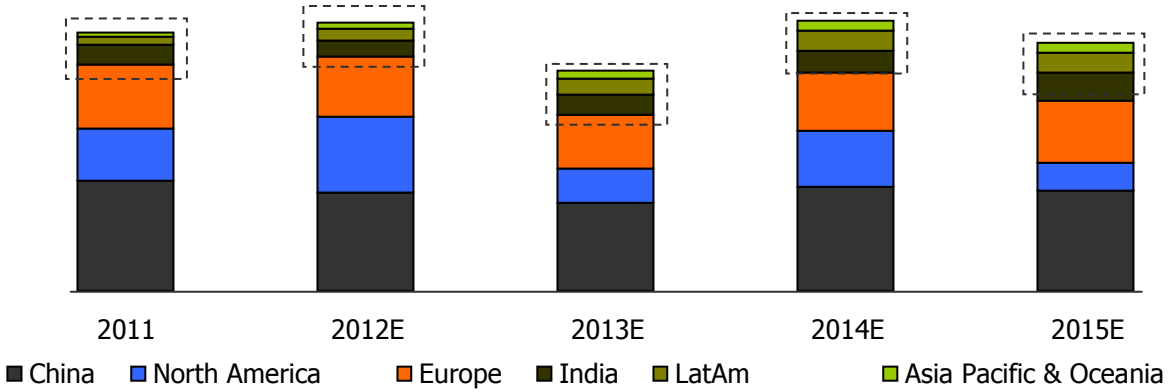
Current situation

Contraction in immediate demand (2013) and shift in growth to new markets

Annual installations (GW)



Geographic breakdown of annual installations (GW)



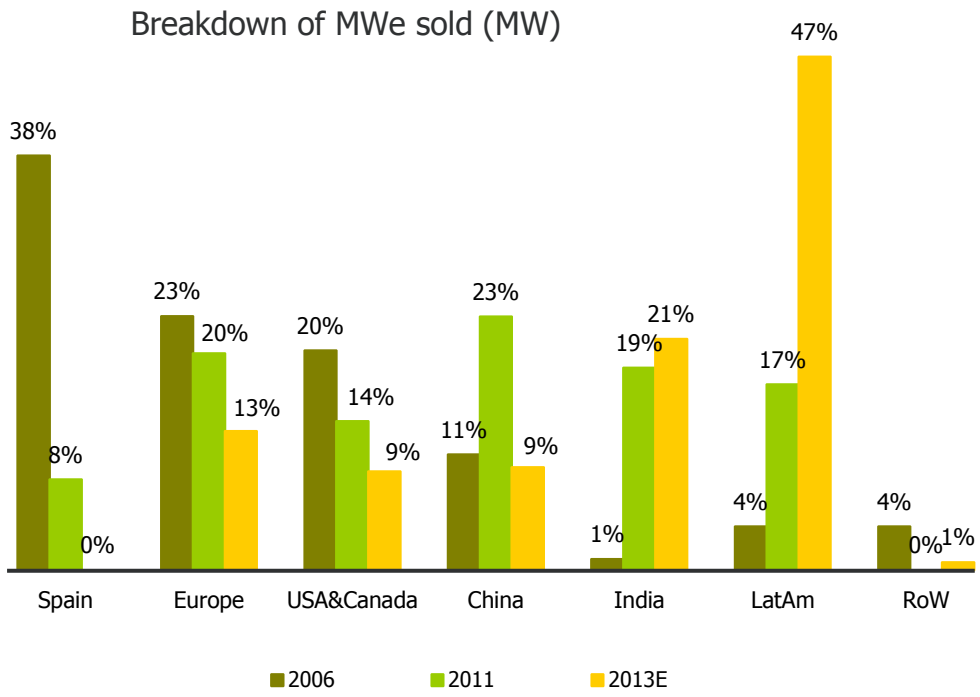
- **USA** (uncertainty about the extension of PTCs), **China** (grid restrictions) **and Europe** (awaiting the economic recovery) **determine the decrease in installations in 2013**
- **India, Latin America and Asia Pacific** are the **new drivers of growth in demand** (CAGR 2011-15E: 15.3%)
- **Offshore** demand **is gaining traction in 2012-2015**

Source: External & Gamesa Market Intelligence

Current situation

As visible in the expected performance of Gamesa[1] sales in 2006-2013E

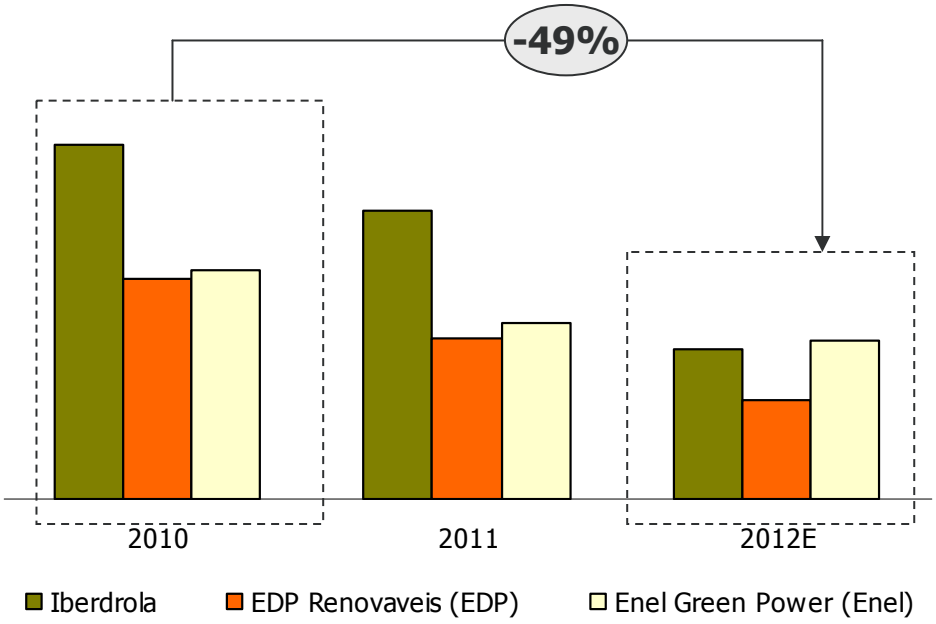
Gamesa's sales in Latin America, Africa and other emerging markets are surpassing those in Europe, and in Spain in particular



(1) MWe sold

Current situation
And to new clients

Large electric utilities in Southern Europe are reducing their investment plans due to the impact of renewable policies and access to financing in the project's IRR



Similar investment level expected in 2013[1]

Source: Operators' public disclosures; BTM "World Market Update 2011" March 2012

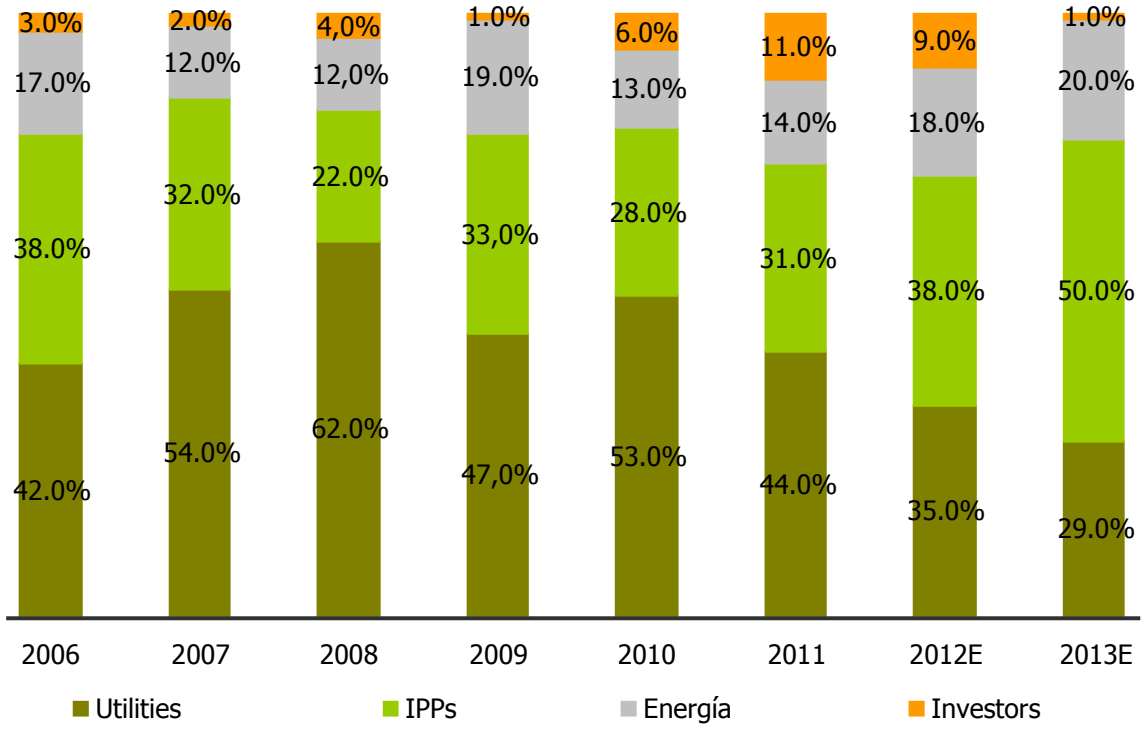
(1) Iberdrola had not provided information on its investment plans beyond 2012 at the closing of the preparation of this document.

Current situation

As visible in the clients' contribution to Gamesa's installations in 2006-2013E

Independent producers are gaining ground over large electric utilities: from 31% in 2011 to 50% in 2013E

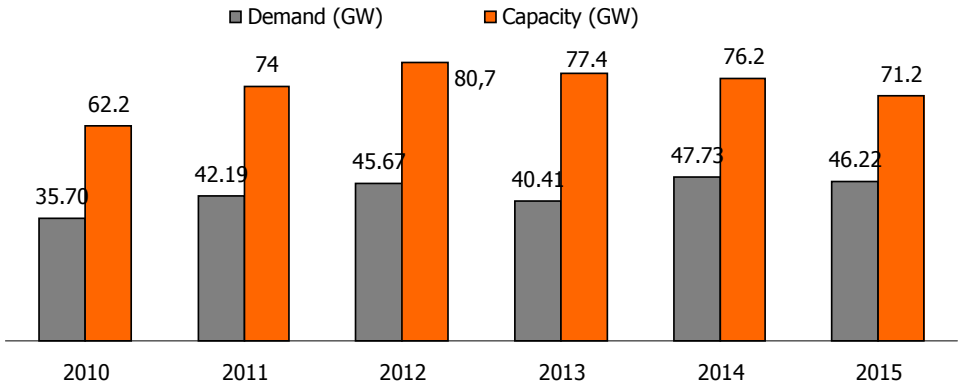
Breakdown of the installed base by client type (MW)



Current situation

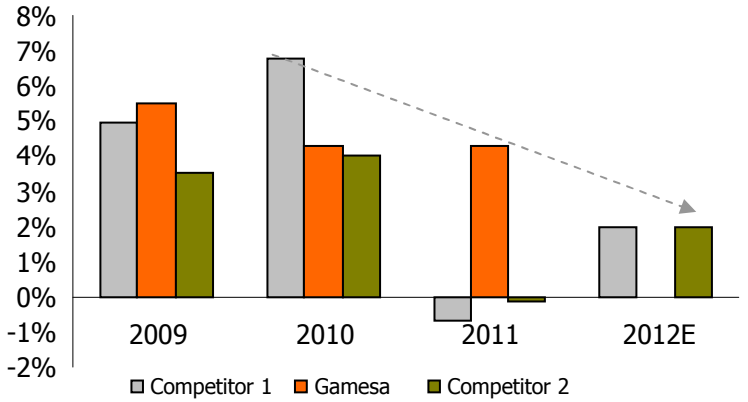
And with ongoing surplus industrial capacity that maintains margins under pressure

Capacity and demand (GW) by geographic area (2010-2015E)



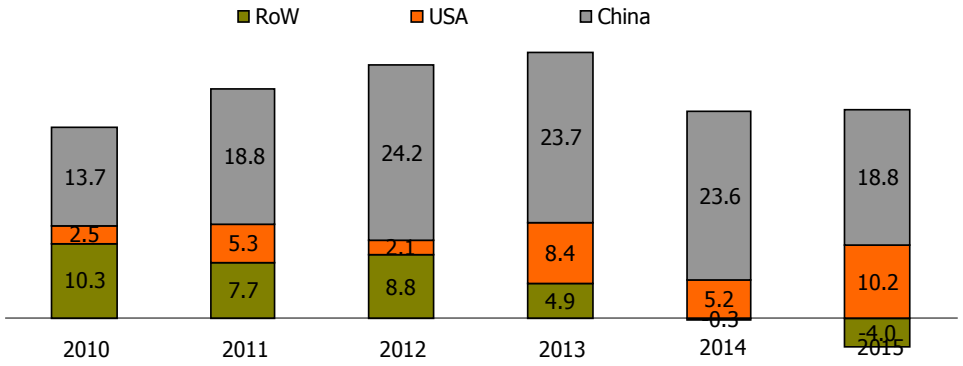
Source: BNEF – Bloomberg New Energy Finance "Q3 Wind Market Outlook", August 2012.

Normalised EBIT margin (2009-2012E)



Source: Manufacturers' public disclosures (2012 estimates based on 2012 average guidance)

Breakdown of surplus capacity (GW) by geographic area (2010-2015E)



- **Capacity reduction** as from 2013, happening mainly **in Europe**
- **Surplus capacity in China will persist** for the entire period of the plan
- **The US renewable model—** contraction/expansion of demand—**makes it difficult to adjust to surplus MW**

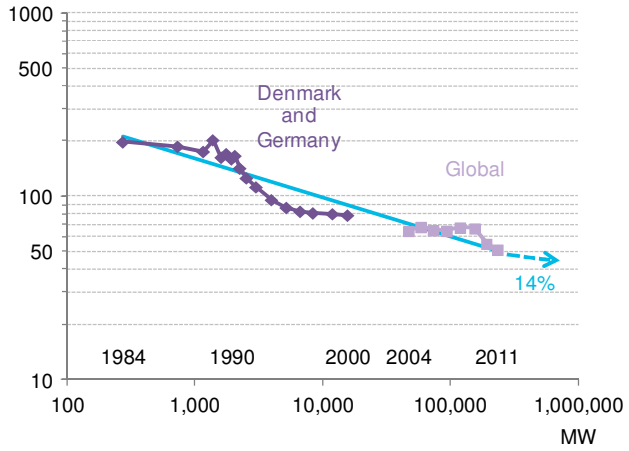
Source: BNEF – Bloomberg New Energy Finance "Q3 Wind Market Outlook" August 2012. The same source (BNEF) is used to maintain uniformity in criteria for installed capacity and demand. Demand estimates do not necessarily coincide with Gamesa's internal market predictions

Current situation

But with a solid long-term future supported by

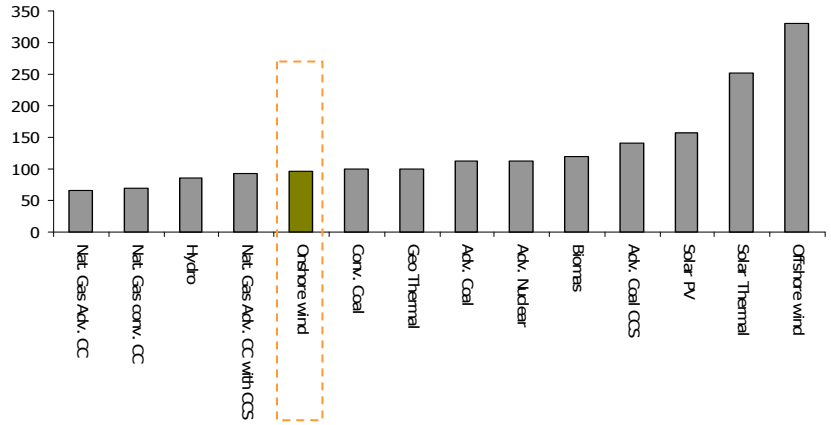
- Its **Efficiency**

Trend in normalised wind CoE 1984-2011 (€/MWh)



Source: BNEF, November 2011 ("Grid Parity for Onshore Wind")

Normalised Cost of Energy (USD/MWh) 2017E: **Third most-efficient source after gas and hydroelectric**



- Its **contribution to solving the structural problems** of today's energy systems: dependence, price volatility, inefficient use of resources and environmental impact
  - Diversification of energy sources and reduction in geopolitical risk at a price that is predictable over the facility's useful life
  - Efficient use of resources: land, construction time and raw materials
  - Without polluting (during operation and disassembly) or consuming water when functioning

Current situation

With three clearly differentiated segments

< MW

- Market niche with mid-level technological content and low costs
- Not a strategic market for Gamesa

MAINSTREAM

- Strategic market due to high technological content and demanding CoE requirements
- Gamesa's excellent positioning, improving clients' IRR with the introduction of the 2.5 MW platform and 114m rotors

MULTI-MW

- Leader in offshore markets and in mature onshore markets
- Gamesa's state-of-the-art technology
- Gamesa's good positioning, with the 5.5 MW platform for Northern European markets (GB, Germany, Sweden, Finland…)

Contents

Health and safety
Drivers 2013-2015

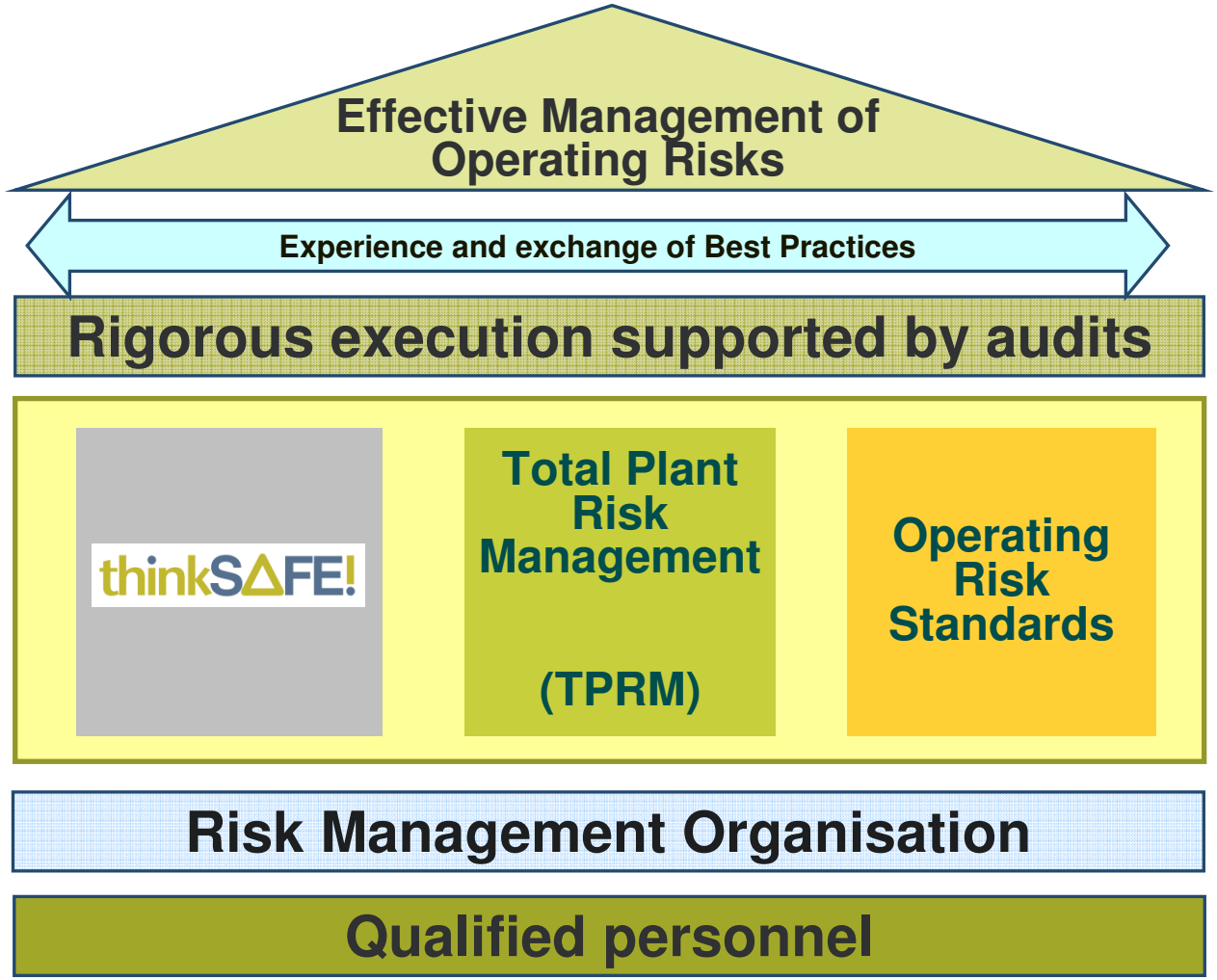
- Extending the culture of Health and Safety to all areas is an issue to which we are all committed➔ **THINK SAFE**
- Comprehensive Management of Operational Risks will be the basis for implementing the strategy ➔ **TPRM**
- The three pillars on which the Comprehensive Risk Management Plan will be based are:

- **THINK SAFE**
- **TPRM (Total Plant Risk Management)**
- **Operating Risk Standards**

The health and safety of our employees are a priority for Gamesa

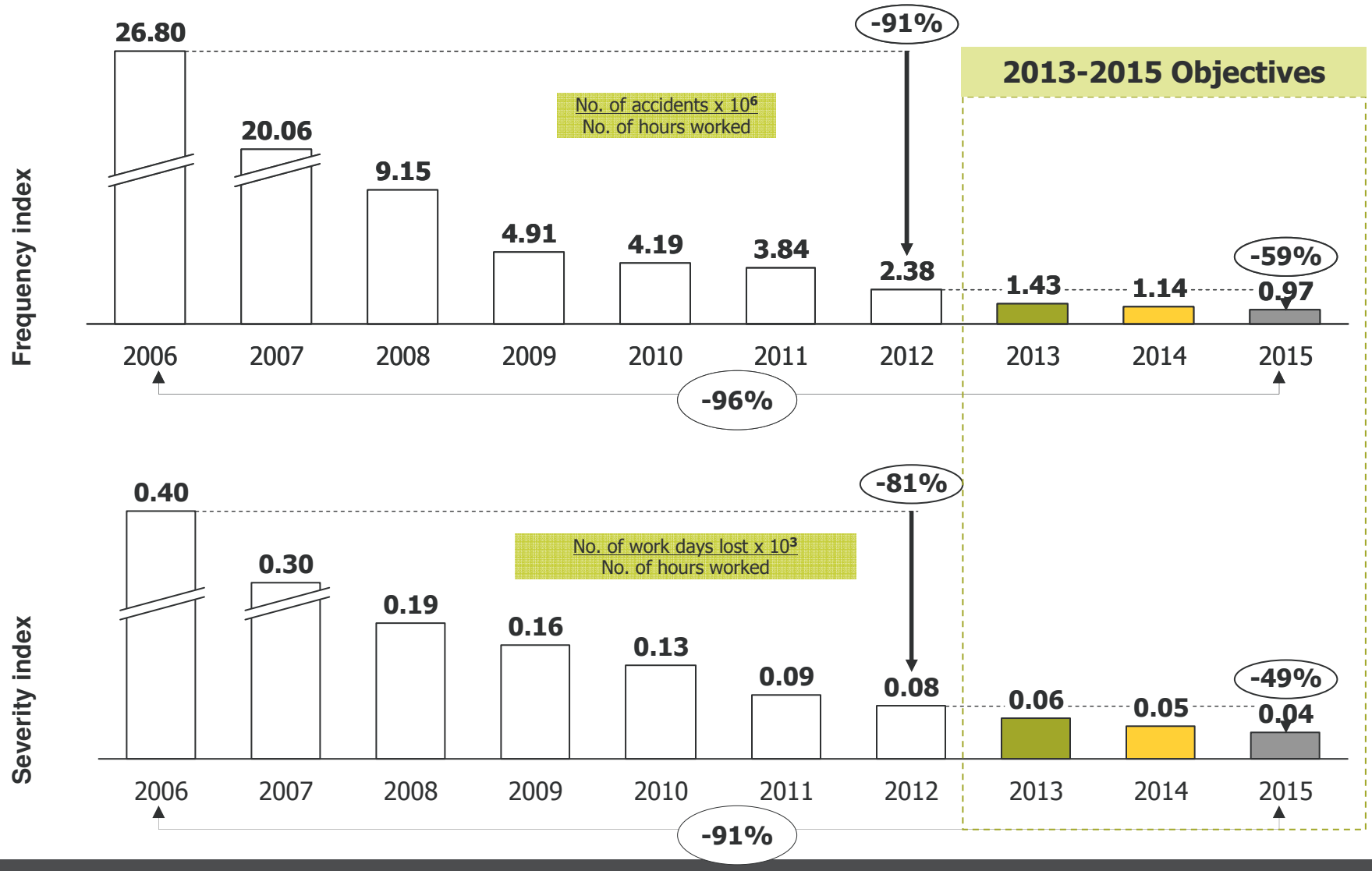
Health and safety

Risk management



Health and safety

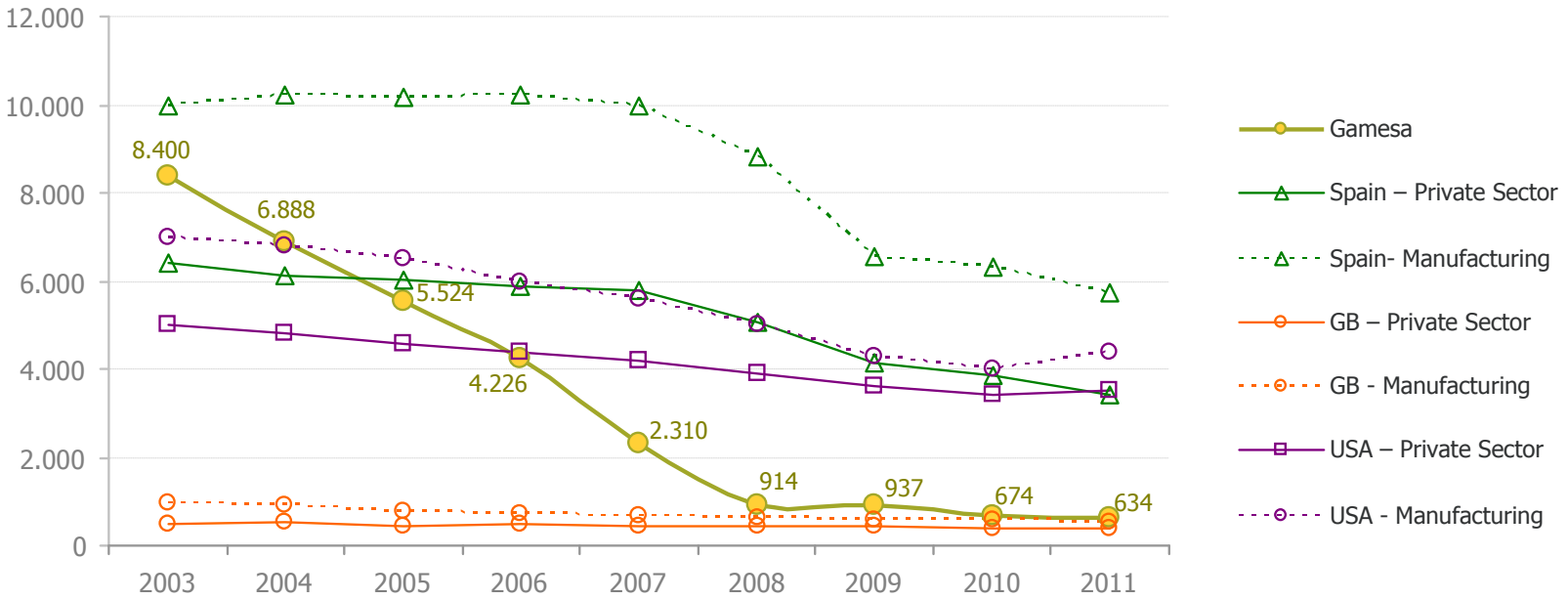
Ongoing reduction in accident frequency and severity



Health and safety

In line with the leading indices

Incidence rate for workplace accidents and illnesses
Gamesa Country & Activity sector Benchmark



Notes:
•The incidence rate of accidents at work represents the number of persons involved in injuries and illnesses at work with more than 3 days' absence per 100,000 persons in employment.
•Industries across the nation are commonly able to calculate and benchmark their injury and illness data; however, up until now, wind energy has been unable to do so as a result of a technical obstacle. According to the North American Industry Classification System (NAICS) codes, the section "Manufacturing" has been used for benchmarking purposes in all countries.
• Data sources:
  - European Union statistics source: Eurostat - Statistical office of the European Union (http://ec.europa.eu/eurostat)
  - UK statistics: HSE national independent watchdog for work-related health, safety and illness (http://www.hse.gov.uk) [RID13] *Reported injuries to employees in manufacturing*
  - US Statistics: U.S. Bureau of Labor Statistics, U.S. Department of Labor (http://www.dol.gov)
  - Spain statistics: Instituto Nacional de Estadística de España (INE) - (http://www.ine.es/); Ministerio de Empleo y Seguridad Social (www.meyss.es); Observatorio Estatal de Condiciones de Trabajo (http://www.oect.es/)
  - Internal (Gamesa CSR)
  - Updated: 1 June 2012

Contents

Operational excellence
Through

- **PRIORITISING HEALTH AND SAFETY**
- **CONTINUOUS IMPROVEMENT AND ATTENTION TO QUALITY**
- **AN ADEQUATE SIZE**
  - For the market situation in the short and medium term
  - For an efficient operating model (structural adjustment)
- **MAINTAINING FLEXIBILITY** to leverage future growth
- **OPTIMISING VARIABLE COSTS**

WHICH ENABLES US TO OPERATE PROFITABLY IN THE SHORT, MEDIUM AND LONG TERM, WITHOUT MISSING OUT ON GROWTH OPPORTUNITIES

Operational excellence

I. **Rationalisation of fixed costs**

II. **Optimisation of variable costs**

Rationalisation of fixed costs

Organisation by processes

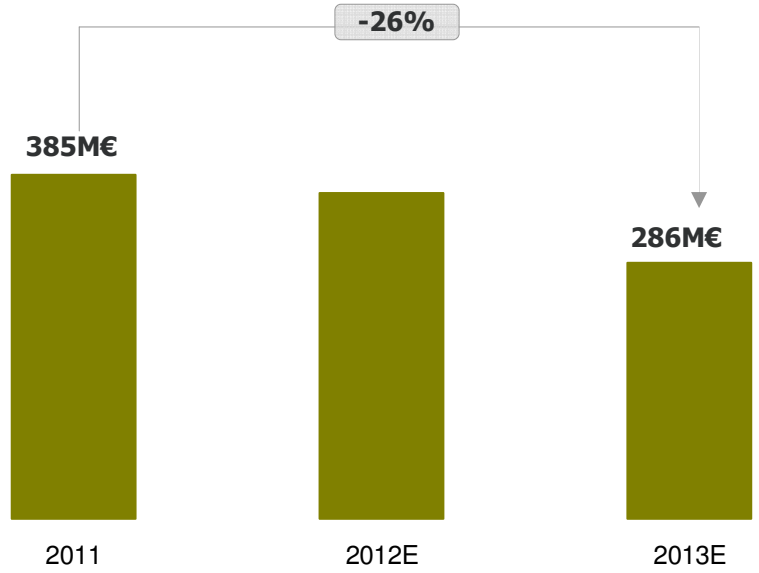
- Focused on **basic business processes (BBP)**
- **Lean organisation**, eliminating overlaps, reducing corporate units, and facilitating quick decision-making
- **Horizontal** and **flexible**, increasing efficiency and reducing fixed costs
- **Appropriate in size** according to the current situation in sales/the market **and prepared to** manage GAMESA's **future growth**
- **Focused on results**, bringing all areas together to improve client satisfaction and GAMESA's financial soundness

Rationalisation of fixed costs

With a lower fixed cost structure

Reduction of fixed costs by 100M€[1], and a target of maintaining structure costs <= 10% of sales throughout the cycle

Expected performance of fixed costs, 2011-2013E

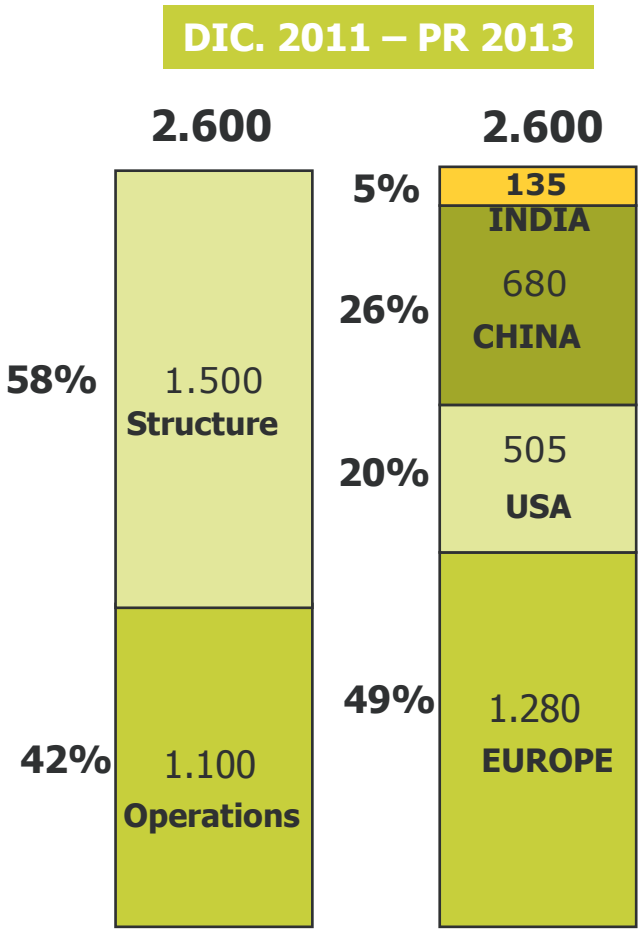


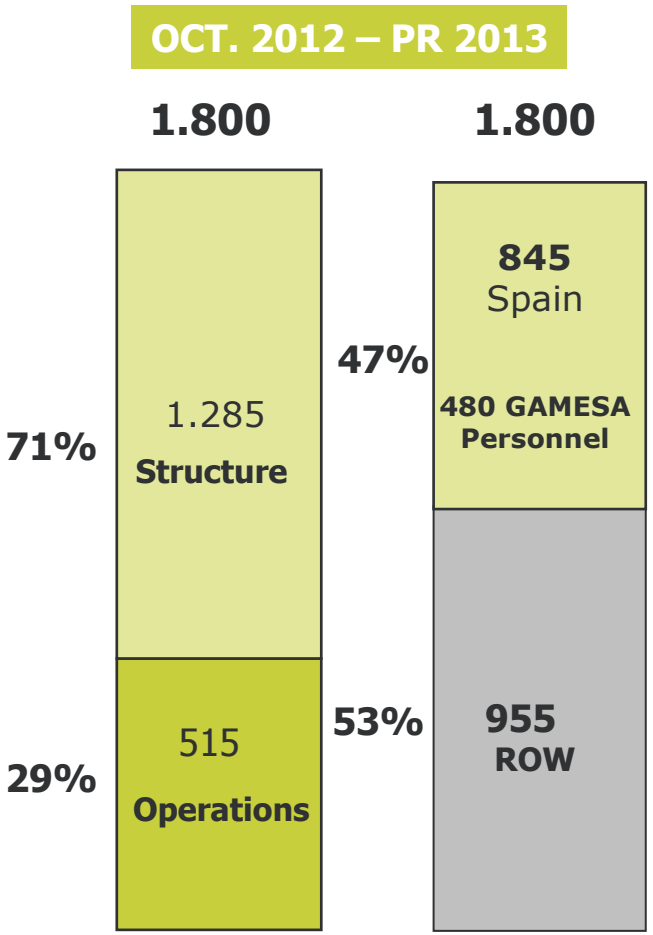
- ✓ **Reduction in service outsourcing**
- ✓ **Reduction in general expenses**
- ✓ **Reduction in personnel**
- ✓ **Closure of offices and service centres**

(1) Fixed costs with an impact on cash flow (excl. depreciation and amortisation). Expenditure reduction 2013E vs. 2011

Rationalisation of fixed costs

Dimensioned in line with market situation and without inefficiencies: Employee reduction plan





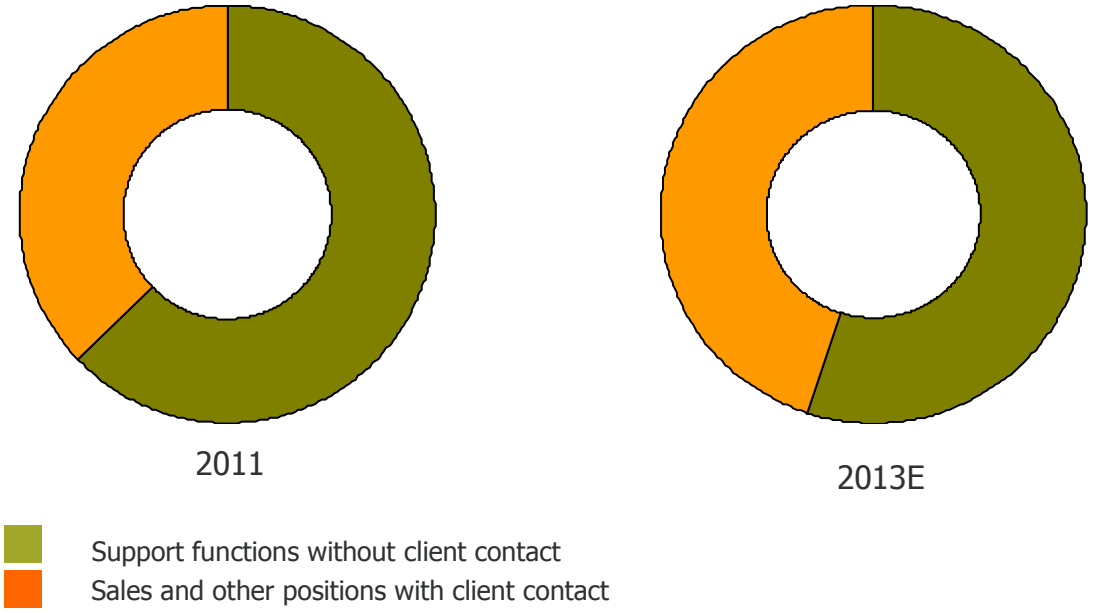
Rationalisation of fixed costs
GAMESA offices

- June 2012 situation
  - More than130 Gamesa offices WW (manufacturing facilities, CROs, PVP offices y and central offices)
  - 59 offices in Spain
- **Estimated closures in 2013: 46 or 35% of the total**

Rationalisation of fixed costs

Flexible to address future growth

Breakdown of workforce by unit



1. **Greater allocation of resources to growth areas and those with direct contact with the client** (O&M and Sales and Projects)
2. Re-allocation of technology and quality resources to manufacturing units to increase **operating excellence**
3. **Concentration of technological resources where the expertise is** (Spain)

Operational excellence

I. Rationalisation of fixed costs

II. Optimisation of variable costs

Optimisation of variable costs

Operational excellence built along three vectors

In an industrial environment that is focused on Continuous Improvement

Organisation by processes

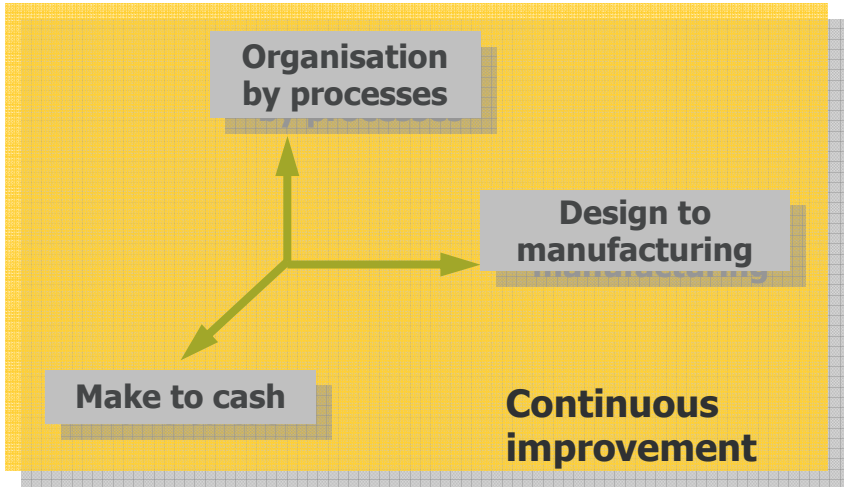
- **Functional concurrency to optimise each industrial process**

Design to manufacturing

- **Design and development focused on efficient manufacturing** both in-house and by suppliers

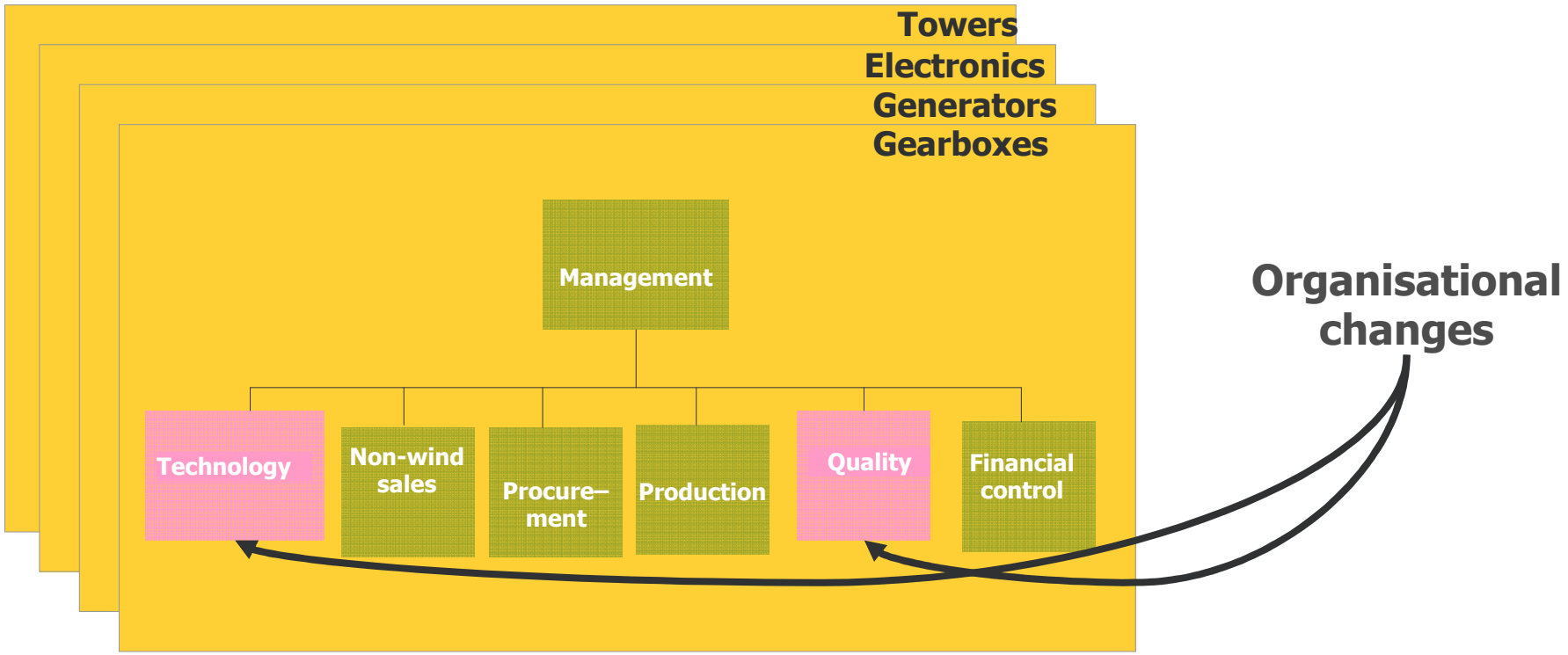
Make to Cash

- **Synchronisation of the production line with each project's cash flow**



Optimisation of variable costs

Provide end-to-end functionality to the component design and manufacturing units



Optimisation of variable costs

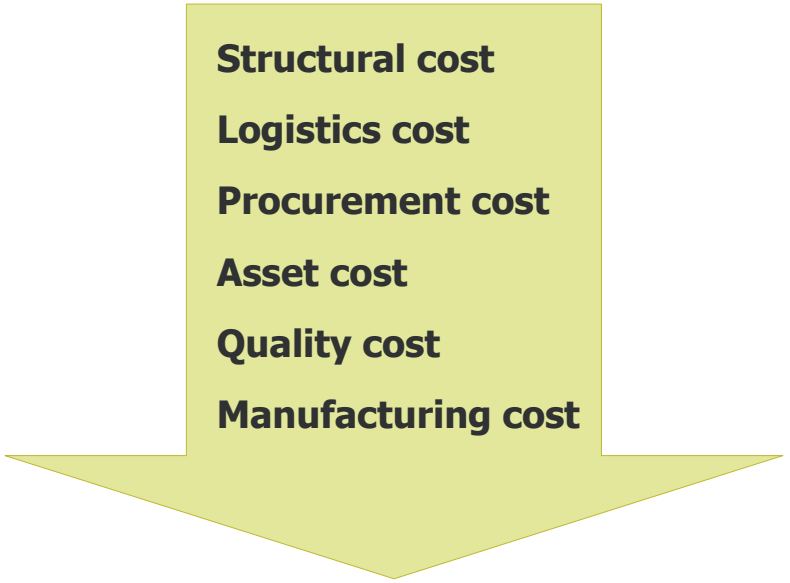
Strategic lines

- **MAKE & BUY** applied to all components as the basis of the industrial strategy
- **REDUCE COMPLEXITY** in plants by standardising components and manufacturing processes
- **MAXIMISE UTILISATION OF INVESTMENTS**: reduce operating CAPEX
- **MAXIMISE UTILISATION OF THE SUPPLY CHAIN** in China and Spain, and promote operational competitiveness in both countries
- **QUALITY, CONTINUOUS IMPROVEMENT AND COST REDUCTION** as basic vectors for attaining operational excellence

Optimisation of variable costs

Drivers 2013-2015

1. **Tailor capacity to demand**
2. **Presence in key markets**
3. **MAKE & BUY approach for strategic components**
4. **Global supply chain**
5. **Quality embedded in the process**
6. **Best-in-class manufacturing processes**



Improve contribution margin by 4 p.p.[1] in the period

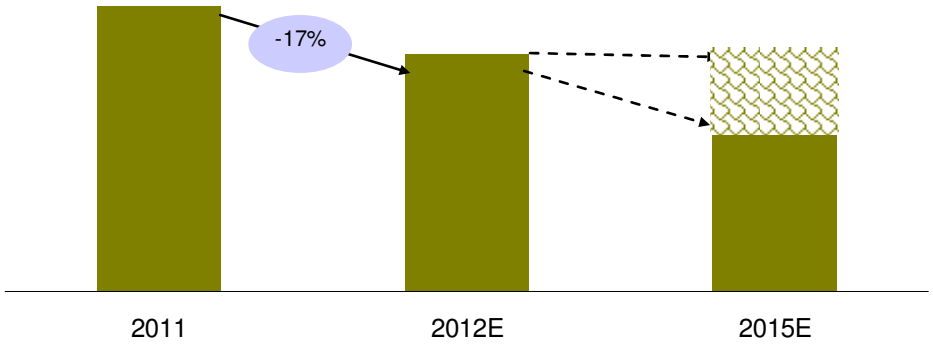
1. Improvement in contribution margin (2015E vs. 2012) assuming slightly falling sale prices, constant raw material prices, assuming G97-2.0MW as the standard machine and taking the sales breakdown (by product, market and client) projected for 2013.

Tailor capacity to demand

Closure of 5 plants in 2012

Beyond 2012, in-house manufacturing capacity will be tailored to demand and to local content requirements

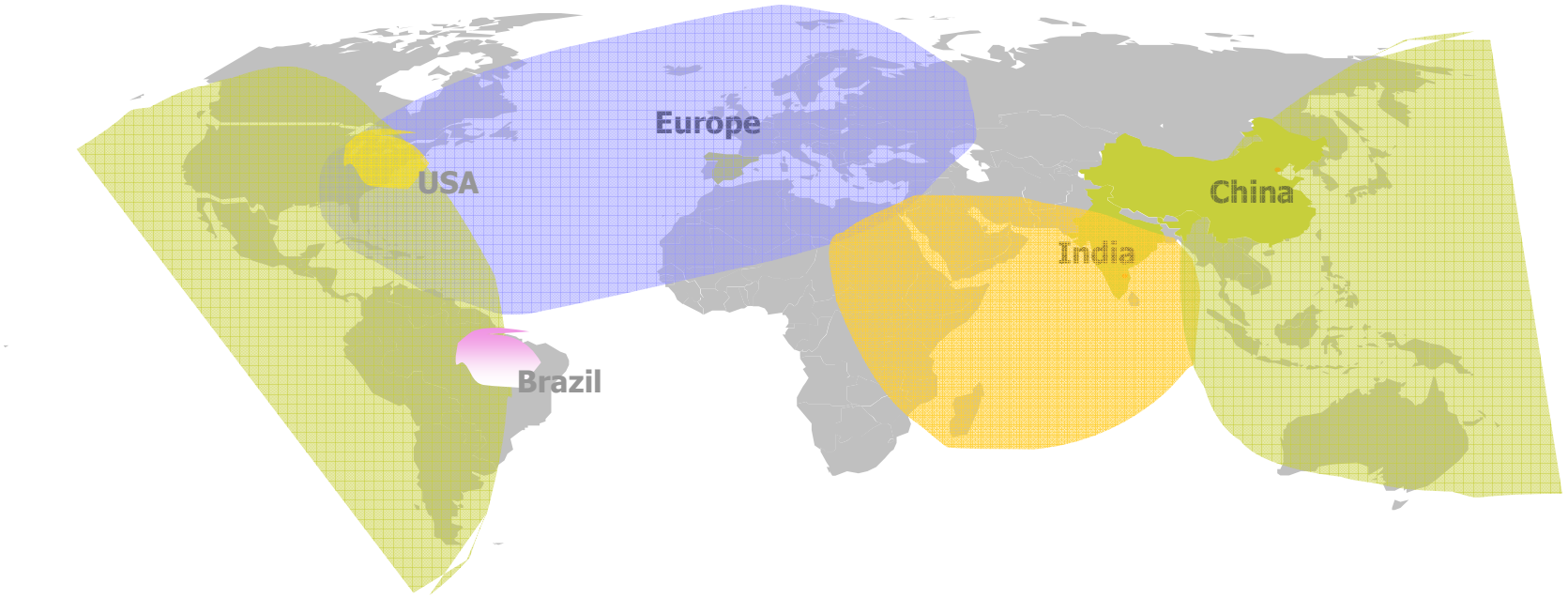
Number of Gamesa manufacturing plants — Trend 2012-2015E



Presence in key markets

Spain and China as production and supply hubs

And a manufacturing presence in emerging markets



Maximise utilisation of the supply chain and manufacturing capacity in Spain and China, focusing constantly on improving the competitiveness of both operations

Nacelle assembly in all key regions

Make & Buy strategy

ROCE-driven, optimising costs and investments

- **Make & Buy strategy supported by a ROCE analysis of each strategic component**: blade, gearbox, generator, power electronics, etc.
  - Maximise utilisation of existing investments: **reduce operating CAPEX**
  - **Optimise procurement costs**
- **Maintain a level of in-house manufacturing capacity** that enables us to:
  - **Rapidly implement cutting-edge technology** in new model designs
  - Efficient procurement due to knowledge of cost levers and structure
  - **Optimise maintenance and repair** of components
- **Assemble nacelles in each region** (Spain, China, India, USA and Brazil)

Make & Buy strategy

Different trends for blades, gearboxes and generators

BLADES

- **Increase external production** to 65%, from 50% at present, due to launching new rotors
- **Introduce fibreglass infusion to reduce MAKE costs**
  - ▼25% MAKE costs by 2015
- **Built-to-Print to** expand BUY base and reduce procurement prices
- **Transportable modularity** to concentrate production volume.

GEARBOXES AND GENERATORS

- **MAKE efficient with respect to BUY**
- The number of **company-owned manufacturing plants maintained in 2013**
- **Focus** on continuing to **improve productivity, quality and costs**
- **Growth** through **BUY**

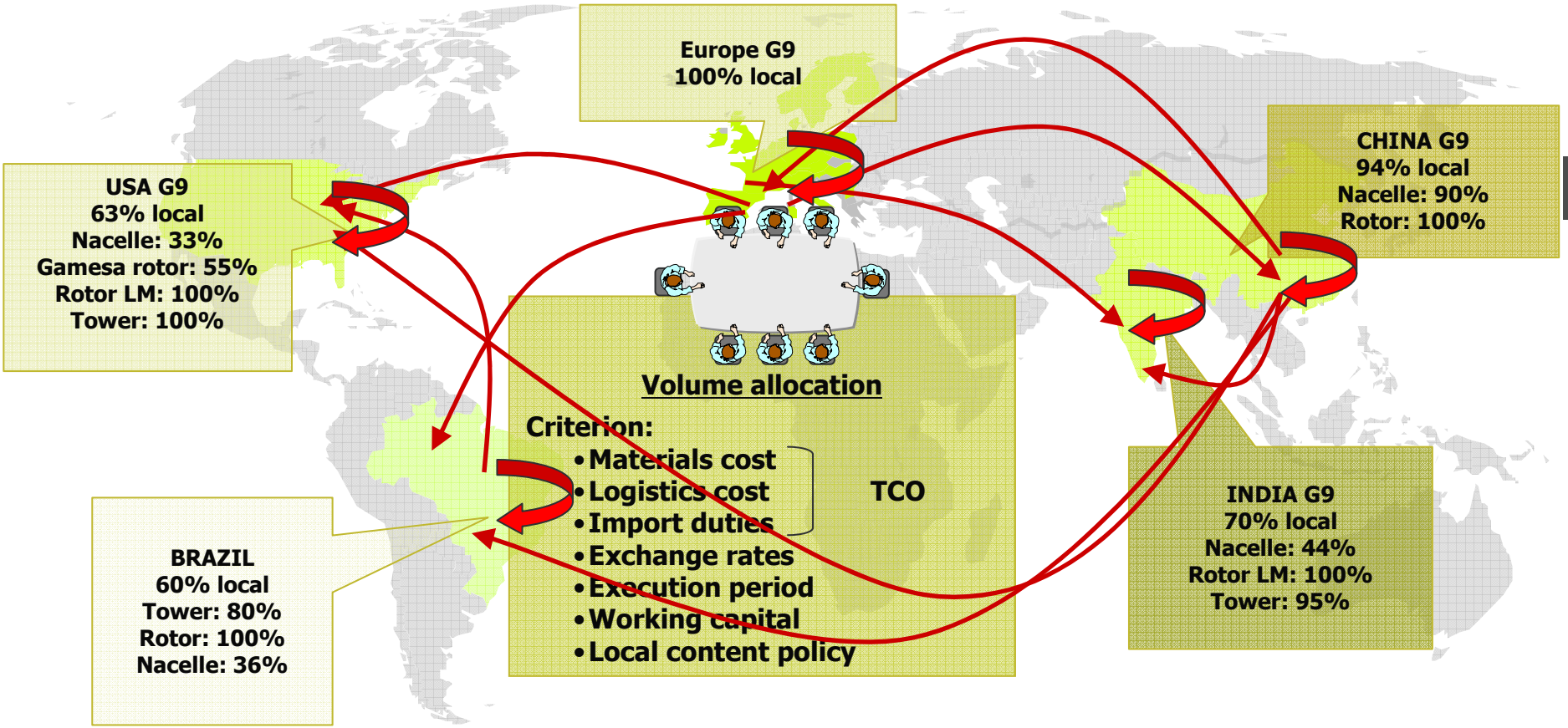
TOWERS

- **Strategic stake in Windar** (32%) enables fast introduction of cost and design improvements
- **Global plate supply chain with local presence**

Global supply chain

Presence in 5 regions, activation driven by TCO[1]

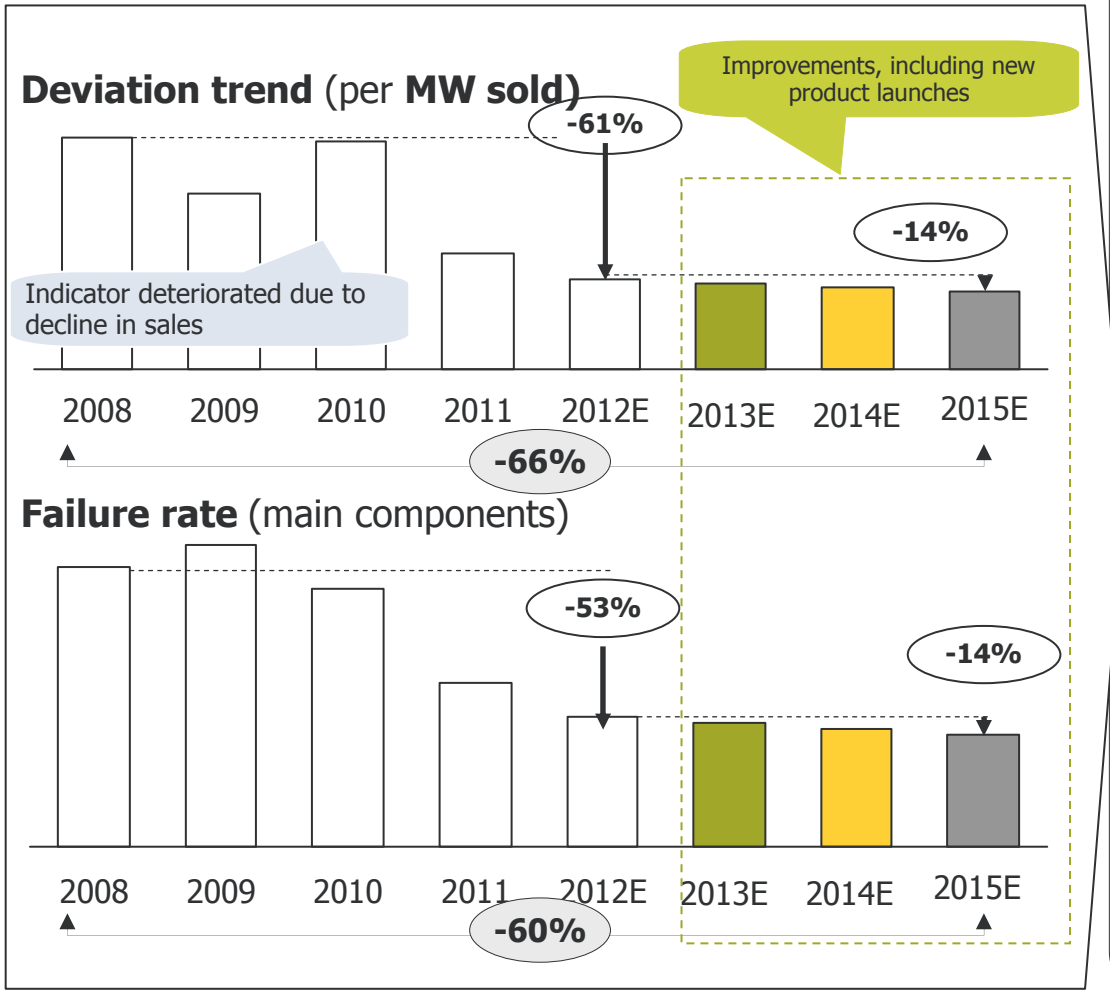
Globalisation of procurement: global suppliers with local presence, new local suppliers, and internationalization of existing suppliers

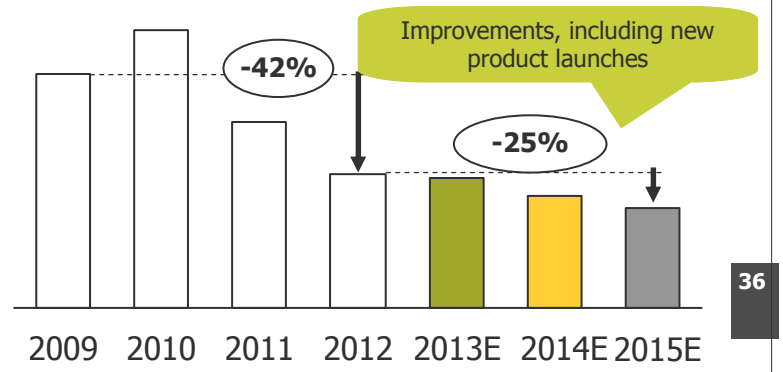


(1) TCO: Total Cost of Ownership: includes material and logistics costs and customs duties

Quality embedded in the process

Continuous improvement based on a preventive approach to quality





- **Prioritise events on the basis of severity, trend and urgency**: **Detection-Optimisation matrix**
- **Focus efforts on external non conformity costs** (with impact on client)
- Implement **problem-solving tools** at global level (8D)
- **Strengthen local teams:** work to **global standards**
- **Transfer knowledge: lessons learned**. Apply solutions worldwide

Operational excellence – Conclusion

Conclusion
Operational excellence

- **Rationalise the structure without losing flexibility**
  - Assign resources to growth areas and in contact with client
  - Transfer quality and technology resources to manufacturing units
  - Eliminate overlaps in corporate resources/central services and finance
- **Tailor capacity to demand**
  - Close 5 plants in 2012 (4 in China, 1 in Spain)
  - Future trend driven by demand and local content requirements
- **Reduction of c. 2,600 jobs at Gamesa** in structure and operations worldwide
- **Make & Buy strategy for large components, supported by ROCE analysis, and global allocation of volumes based on TCO**

100 MM € reduction in fixed costs by December 2013 (vs. 2011) and a **4 percentage points increase in the contribution margin in 2013E-2015E**

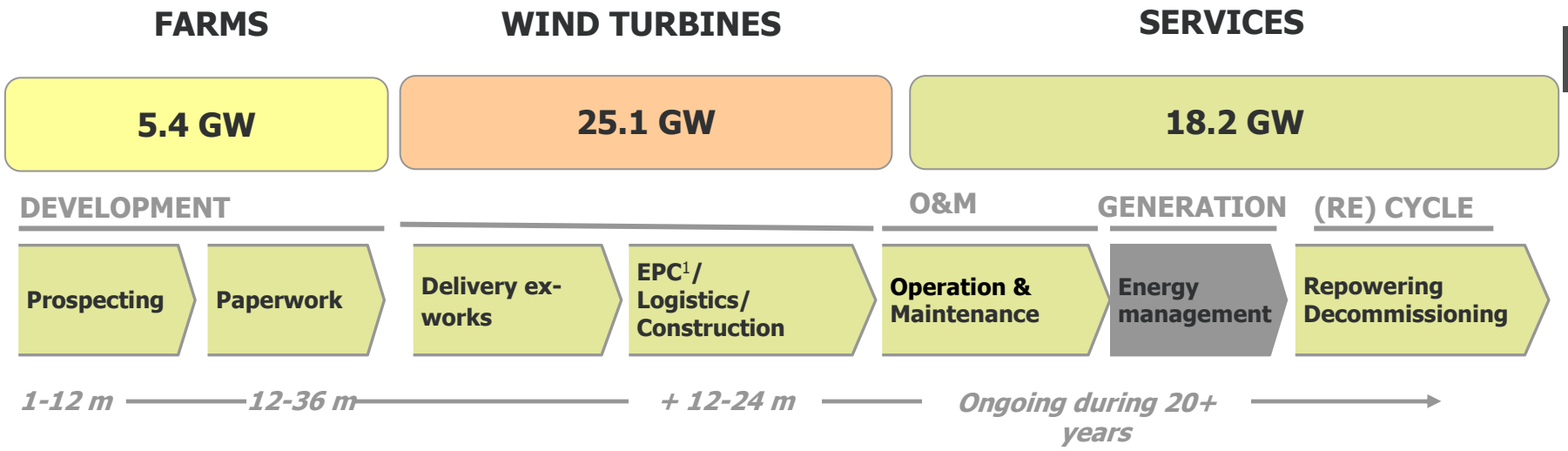
Contents

Presence throughout the wind value chain

Unique competitive position to the benefit of CoE

At the client's service—before, during and after—to provide the best CoE

Presence in the value chain, June 2012



- Engineering, Procurement, Construction

Not covered by Gamesa

Presence throughout the wind value chain

I. **Wind Farm Development and Sales: Gamesa Energía**

II. **WTG**

III. **Operation & Maintenance**

Gamesa Energía

A factor that distinguishes us from the competition

- Wind Farm Development and Sale has proven to be a **superb sales channel** for tapping new businesses: **opening new markets and selling to new clients**
- Gamesa Energía has played a **decisive role in establishing a market position in key geographies for future growth**: Mexico, India and Eastern Europe
- **Average commissioned wind farms sold in 2008-2010 ~500 MW/year**
  - (Eur + ROW: 315 MW/year; USA: 105 MW/year, China: 80 MW/year)

PP.EE. ENTREGADOS/VENDIDOS

2008-2011		2012 (E)		TOTAL (E)	
Parques	MW	Parques	MW	Parques	MW
62	1,489	21	989	83	2,478

Gamesa Energía
Drivers 2013-2015

- **Sale of WTGs based on technology lead and development know-how**
  - Including sale of pipeline in development phase, assuring Gamesa retains technologist role (turbine sale contract)
- **Using external financing vehicles (non-recourse, off-balance sheet, financial partners)** and payment milestones in line with turbine sales.
  - **Significant reduction in net interest-bearing debt and working capital** to support company's sound finances.
- **Prioritise investments that give a rapid return:** optimise resource utilisation in line with expected volumes.
- **Maximise opportunities for growth in emerging markets:** Eastern Europe and Latin America.

Presence throughout the wind value chain

I. Wind Farm Development and Sales: Gamesa Energía

II. WTG

III. Operation & Maintenance

Wind Turbines

Production strategy 2013-2015

2013-2015

142,000 MW to be installed worldwide

< MW (5%)	MAINSTREAM 1-3 MW (75%)	MULTI-MW (20%)
Gamesa 850 kW	***Gamesa 2.0 MW /Gamesa 2.5 MW***	***Gamesa 5- Gamesa 5.5 MW***
• Niche markets • **Harsh environments** • Dust/ Corrosion/ altitude • India, China, South America, North Africa	• Evolution towards higher powered turbines and lower power density • **Evolution towards CoE that is competitive with respect to traditional sources** • Product extremely well adapted to site • Environment kit: High T/Low T/Anti-ice, … • Europe, North America, China, India, South America, North Africa	• Lead by offshore market moving faster to higher powered turbines • Relevant **onshore markets with severe land constrains and extremely demanding grid codes** • Relevant communalities between on-shore and off-shore platforms • **Higher NPV for developer** • Germany, UK, Sweden, Finland, South-east China

Wind Turbines

Key factors in future product development

- **Development in line with market needs and competitive advantages: COE[1] & AEP/THM[2]**
  - Maintain HS-DFIG technologies for Mainstream and MS-PM for Multi-MW
  - Investigate scope for developing products linked to different technologies that are potentially competitive in the medium term: modular blades, Direct Drive, etc.
- **Focus resources on development/evolution of two platforms:**
  - Mainstream 2/2.5 MW
  - Multi-MW 5/5.5 MW (on- and offshore) (7-8 MW platform being developed according to market needs)
- **Dimension technology to Gamesa sales and earnings**
  - 2013 cash out: 70 m€ (-42% vs. 2012)
- **More aggressive Time to market**
  - 18 months to installed prototype
  - 24 months to certification
- **Product development is a key process that requires a multi-functional team**
  - Strict control over all aspects: design, technology cost, industrial cost

(1) CoE: Cost of Energy (per MWh)

(2) AEP/THM: Average Energy Production/Top Head Mass

Wind Turbines

The 2 MW/2.5 MW platform is a solid foundation for sales in 2013-2015

New 2/2,5 MW platform

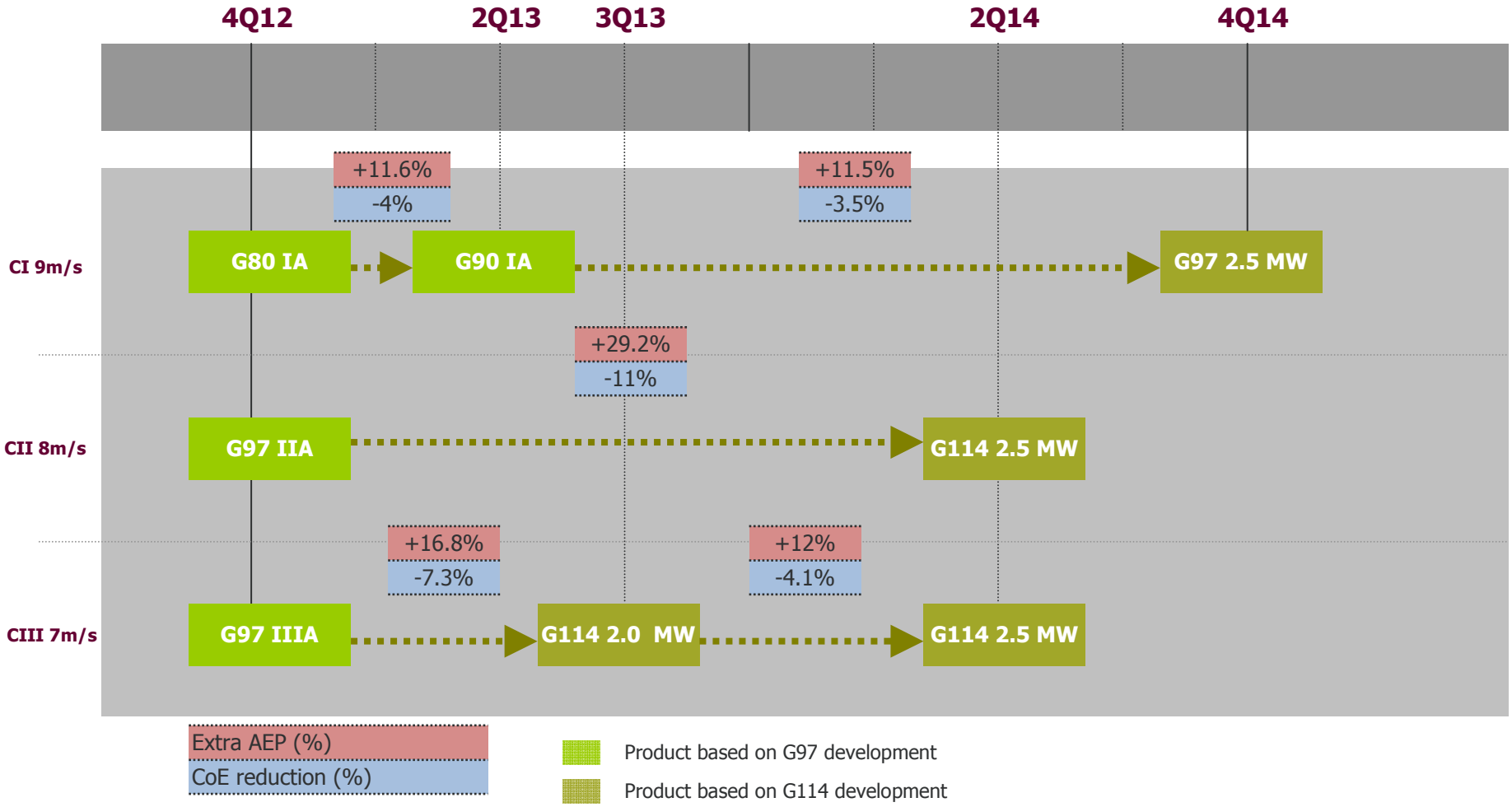
- ✓ Double-digit growth in swept area and AEP[2]
- ✓ New aerodynamic profiles
- ✓ Better grid adaptability
- ✓ Less noise
- ✓ 18 months from project launch to prototype, and 3 months for industrialisation (G97 CIII)

(1) CoE: Cost of Energy (per MWh)

(2) AEP: annual energy production

Wind Turbines

Ex-Works date: 2 MW-2.5 MW platform

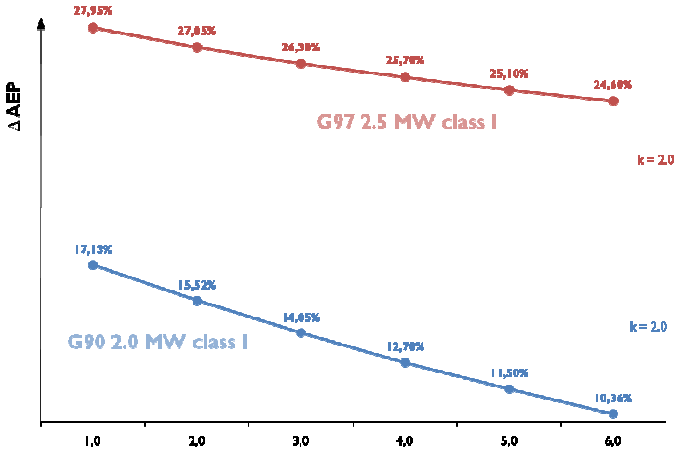


Extra AEP calculated with a Weibull parameter of k=2

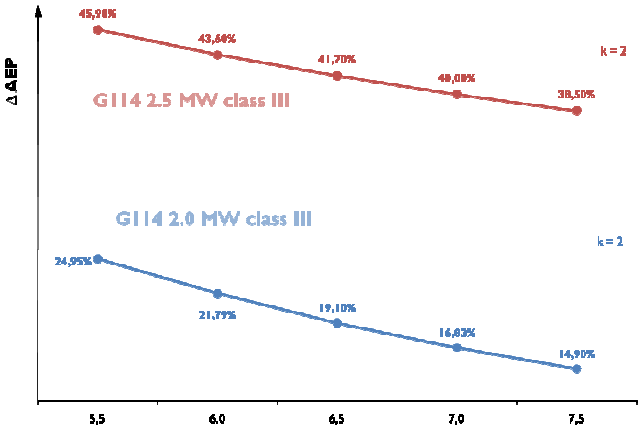
Wind Turbines

2 MW-2.5 MW platform: Best IRR for client

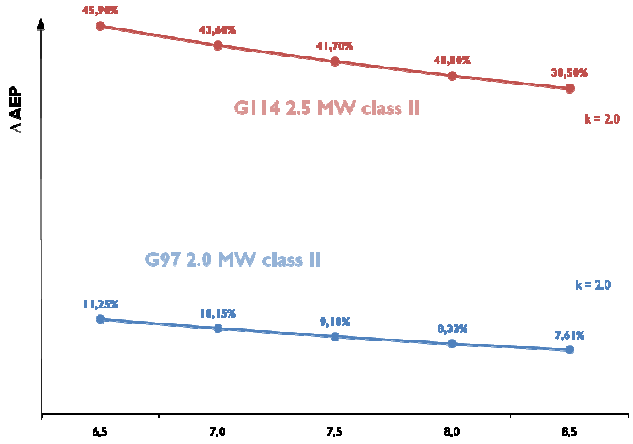
Class I G80 2.0 MW → G90 2.0 MW → G97 2.5 MW



Class II G90 2.0 MW → G97 2.0 MW → G114 2.5 MW



Class III G97 2.0 MW → G114 2.0 MW → G114 2.5 MW



PROFITABILITY vs. G80-2.0 MW	G90-2.0 MW	G97-2.5 MW
Δ IRR [p.p.]	+1.61	+2.13

PROFITABILITY vs. G90-2.0 MW	G97-2.0 MW	G114-2.5 MW
Δ IRR [p.p.]	+0.5	+3.37

PROFITABILITY vs. G97-2.0 MW	G114-2.0 MW	G114-2.5 MW
Δ IRR [p.p.]	+1.57	+2.08

Wind Turbines

2 MW - 3 MW: significant improvement in AEP/THM

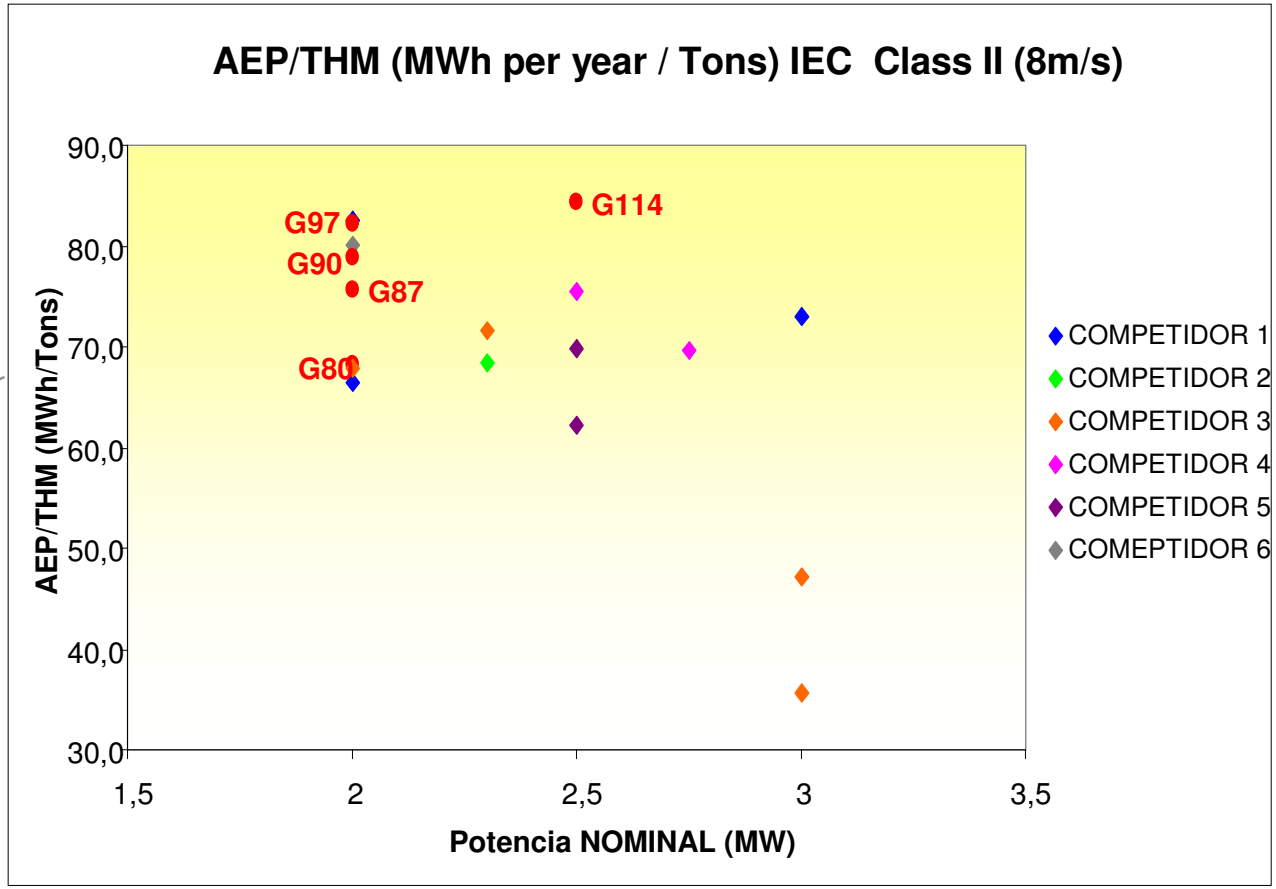
AEP/THM as a key competitive factor for the machine

AEP(▲)/THM(▼)=

Energy production

Lower capex

High production with low CAPEX (higher AEP/THM) is key to attaining optimal CoE[1] on a competitive basis



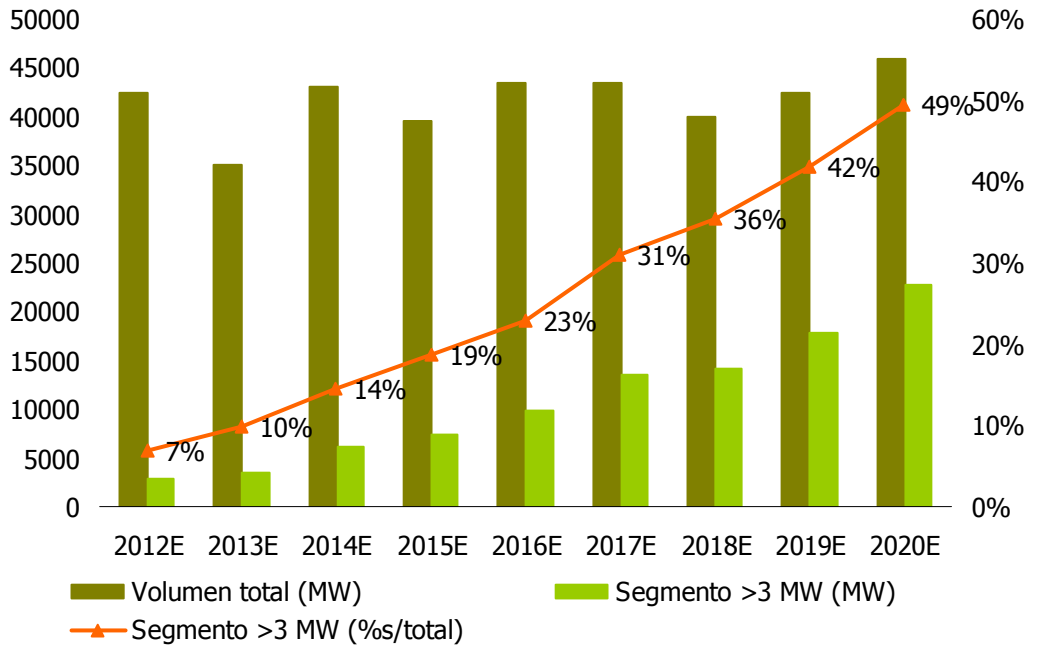
(1) CoE: Cost of Energy MWh

Source: Database of Gamesa Technology Vigilance and Intelligence Project (Technology Department)

Wind Turbines

Multi-MW market an increasingly relevant segment

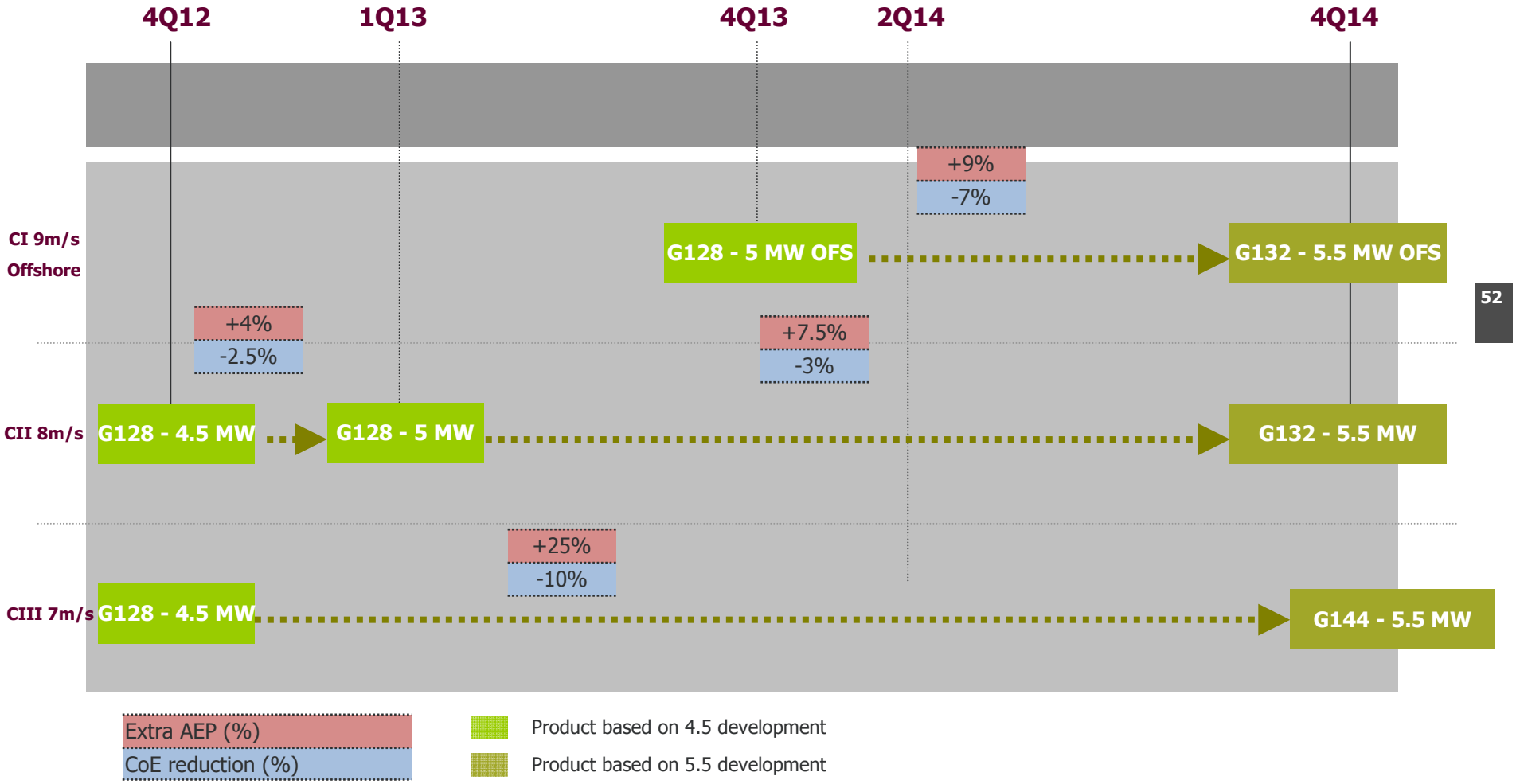
The > 3 MW segment is projected to expand very rapidly, particularly in mature markets



Source: BTM, Make, NEF and Gamesa Marketing Dept.

Wind Turbines

Ex-Works date: 4.5 MW - 5.5 MW platform

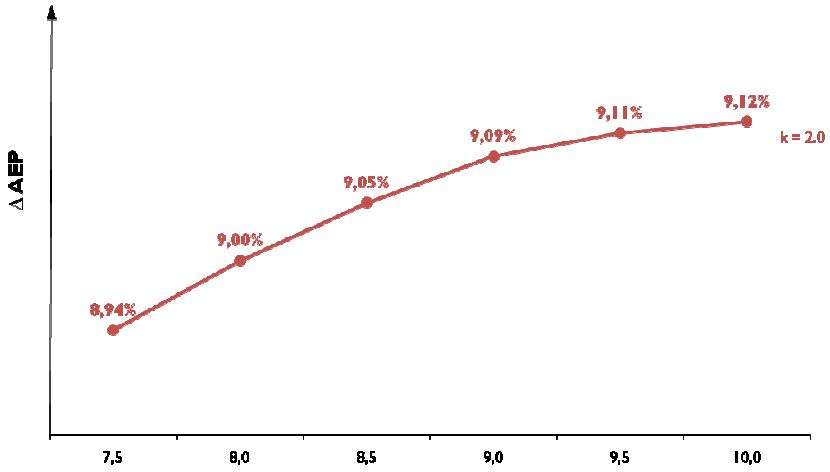


Extra AEP calculated with a Weibull parameter of k=2

Wind Turbines

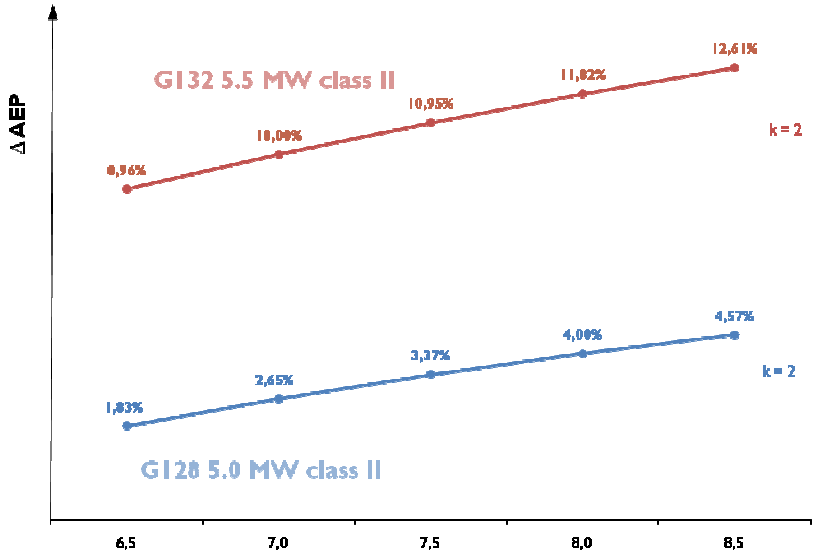
Improved offshore production in the 5.5 MW platform

Class I G128 5.0MW → G132 5.5MW



PROFITABILITY vs. G128-5.0 MW OFFSHORE	G132-5.5 MW*
Δ NPV [%]	+13%

Class II G128 4.5MW → G128 5.0 MW → G132 5.5MW

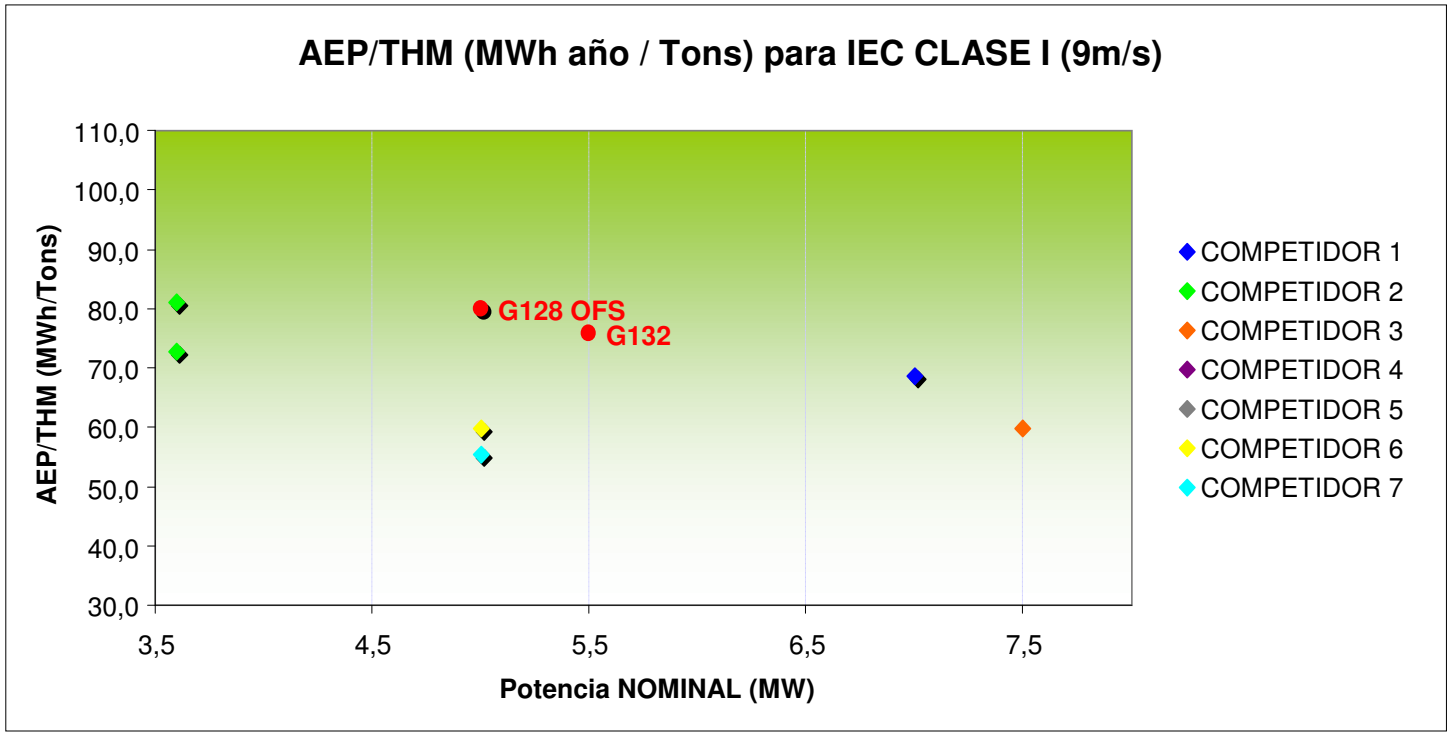


PROFITABILITY vs. G128-4.5 MW	G128-5.0 MW*	G132-5.5 MW**
Δ NPV [%]	+10.5%	+19.5%

Wind Turbines

Multi-MW: significant improvement in AEP/THM

AEP/THM as a key competitive factor for the machine



Source: Database of Gamesa Technology Vigilance and Intelligence Project (Technology Department)

Wind Turbines

Advantages of the 5/5.5 MW platform for developers

TECHNICAL ADVANTAGES:

- **High availability** (power train + full converter)
- **Easy to transport** (similar to the 2 MW turbine)
- Fulfils the most demanding standards for **grid connection** (permanent magnet generator + full converter)
- A **common platform for onshore and offshore**. More operating experience, shared technical development, and safer.

REDUCTION IN THE NUMBER OF POSITIONS FOR A GIVEN CAPACITY:

- **Lower environmental impact** and less paperwork
- **Lower civil engineering cost** (10%-45% per MW)
- Possibility of **concentrating capacity in the positions with the greatest energy**. Reduction of wake losses (up to 10%, depending on the site)

INCREASE IN CAPACITY FOR A GIVEN NUMBER OF POSITIONS (limited sites):

- **Higher NPV of investment**
- **Optimised utilisation of common infrastructure** (accesses, line, substation, etc.)

Wind Turbines

Advantages of the 5/5.5 MW in markets

- **Higher NPV in markets with space limitations** by 2020, particularly in small farms:
  - Germany
  - France (greenfield)
  - Spain
  - Italy
  - UK (greenfield)

- **Higher IRR in markets with the advantage of capacity concentration and high towers**:
  - Sweden
  - Turkey
  - Romania
  - USA (states with high wind shear) & Canada
  - China (provinces with high wind shear)

Presence throughout the wind value chain

I. Wind Farm Development and Sales: Gamesa Energía

II. WTG

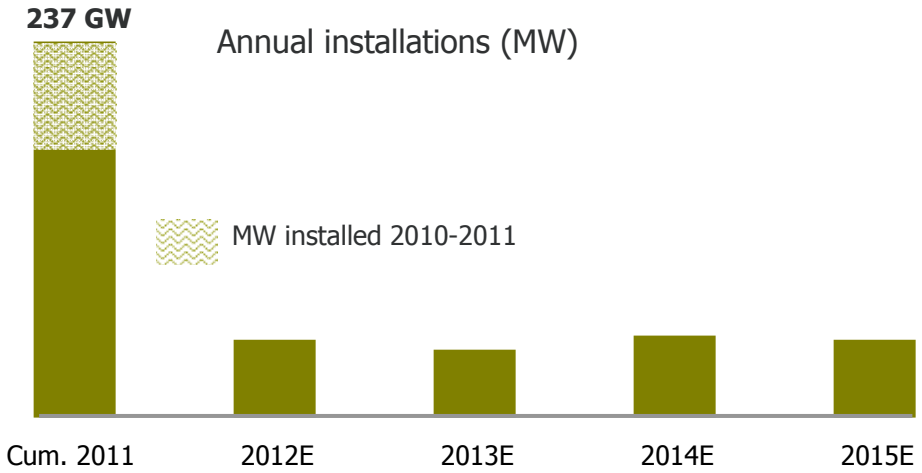
III. Operation & Maintenance

Operation & Maintenance

A market undergoing transformation, with high potential

237 GW installed[1] (79 GW[1] in 2010-2011) and c.160 GW[2] of new installations through 2015

- **IPPs and investment funds gaining ground** over electric utilities
- **New geographies** opening up
- **New opportunities to sell** value-added services



(1) Source: BTM March 2012 (Onshore)

(2) In-house demand estimates (Gamesa Market Intelligence)

Operation & Maintenance
Opportunities and risks

Opportunities

- Installation growth
- Longer average contract terms
- Sale of new higher-margin value-added services (win-win for client and supplier)
- O&M for other technologies/manufacturers
- Reduction of maintenance cost per MWh
- Renewal of contracts out of warranty/service

Challenges

- Competition from other technologies/manufacturers
- Downward pressure on prices
- Electric utilities tending to diversify suppliers, in-source and standardise services

Operation and maintenance

A strength and a tool to increase client loyalty

- **25.1 GW installed, 48 million hours of operation/year**
  - **73%[1] MW installed are under maintenance**
  - 85% in areas of high added value (Risk and Full)
- **c. 100% of wind turbine sales are under service contract[2]**
  - 35% of O&M contracts signed in 2012 have a term of over 5 years
- Post-warranty retention rate c. 76%
- **Supported by a key asset:**
  - **Sales team that is focused on clients** and is aware of their needs.
  - **Powerful Service Engineering** managed by the business in coordination with Technology.
  - Team of **highly-specialised field engineers**.
  - **Continuous improvement of remote operating systems**
  - Service Procurement Team that plays a key role in **outsourcing**

(1) Based on June 2012 figures

(2) Standard 2-year contract

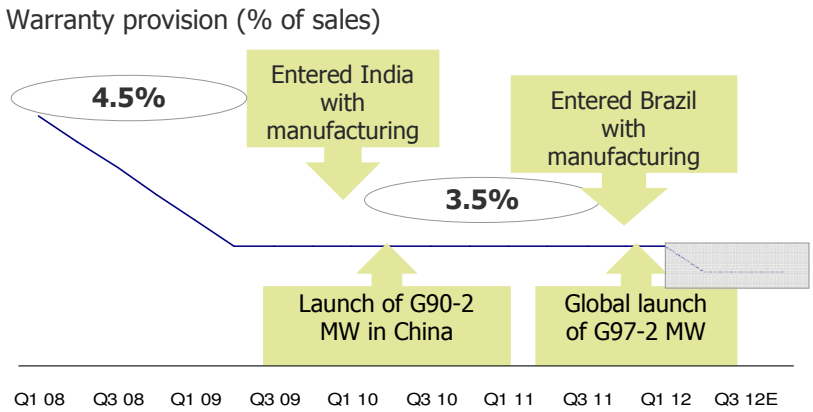
Operation and maintenance

Key for the high availability and reliability of the Gamesa product

Availability in ALL PLATFORMS AND REGIONS

> 98%

Declining warranty provisions despite launching new products and entering new markets



Warranty costs cut by 60% since 2008

Operation and maintenance
Drivers 2013-2015

- **TECHNOLOGY LEADERSHIP AS THE FOUNDATION FOR GROWTH** - **Putting profitability before volume**
  - Improve sales mix towards **value-added/higher margin services**
  - Diversify **client** base towards those who **value technology expertise**
- **IMPROVE COMPETITIVENESS - Optimising costs**
  - Reduce CROs[1], storage facilities and staff
  - Negotiate scopes and prices with suppliers
- **SOUND FINANCES** - **Improving working capital management** and cash conversion

(1) CROs: Regional Operating Centres

Operation and maintenance

Technology leadership as the foundation for growth

Improve the sales mix towards products with greater content/higher margins

- Penetration in post-warranty (MW), **increase contract duration (10+) and content (Full and Risk)**
- Boost **development and sale of advanced solutions** such as programmes to extend useful lives and improve the power curve
- O&M and repairs of **other manufacturers' technology**
- **Large component spares, repairs and upgrades**

"WIN-WIN CONTRACTS" — both client and supplier gain

Operation and maintenance
"WIN-WIN" contracts

Availability improvement	Power curve improvements	Life extension
Description: Process of continuous transformation with improvements to the design (reliability) and service processes (efficacy), reducing O&M costs.	**Description:** Improve efficiency by adaptation to the specific site. Hardware modifications improve wind measures in complex terrain. Software-based adaptation of production to instantaneous temperature, density and turbulence conditions.	**Description;** Extension of the useful life by improving component design with minimal cost/investment by client**.** Efficiency improvements and reduction of O&M costs.
Availability improvement 1% **Net client benefit (over 10 years): 2M€** **NPV: 1.2M€**	**+3%-5% productivity improvement** **6,000 €/MW/year** **Client benefit (over 10 years): 6.6 M €** **NPV: 3.8 M €**	**20-30 years** **Better than repowering** **Net client benefit (over 10 years): c.65M€** **NPV: 32M€**

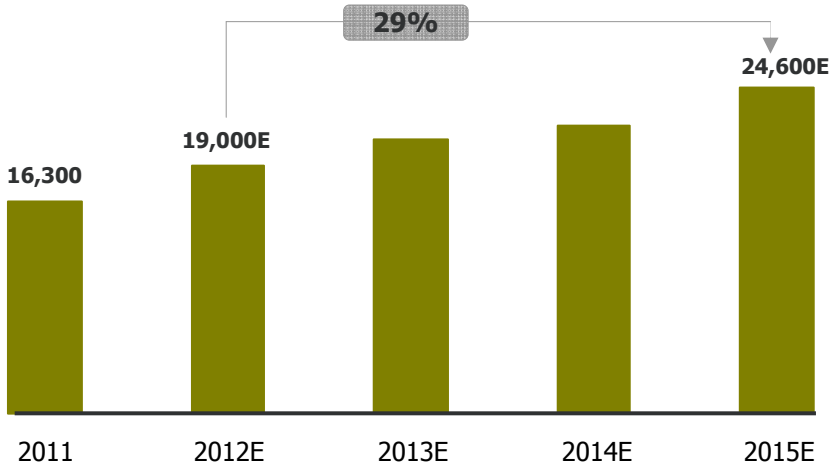
(1) Calculations for a standard 100 MW farm with 2,100 equivalent hours, a feed-in tariff of 81 €/MWh and a pool price of 67 €/MWh for 25+ years in the case of an extension of the useful life. NPV calculated using a 9% discount rate

Operation & Maintenance

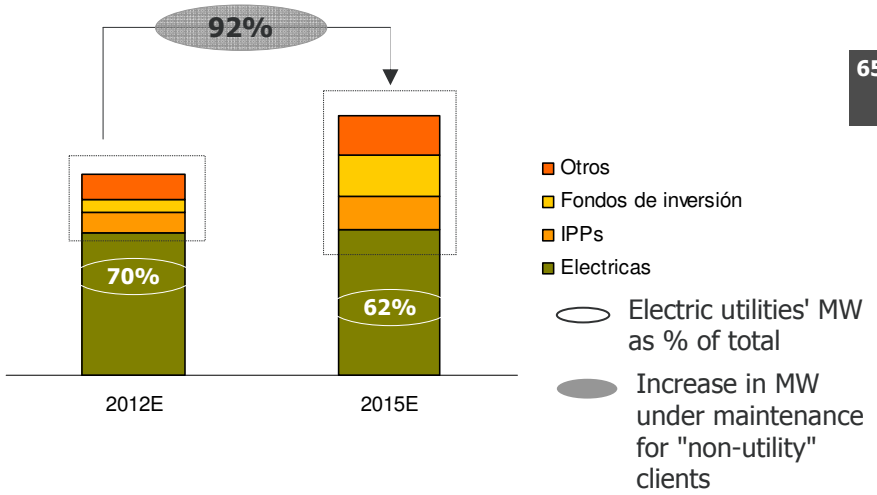
Technology leadership as the foundation for growth

Diversify client base towards those who value technology expertise

MW under maintenance (2011-2015E)



Breakdown by client, MW (2012E-2015E)



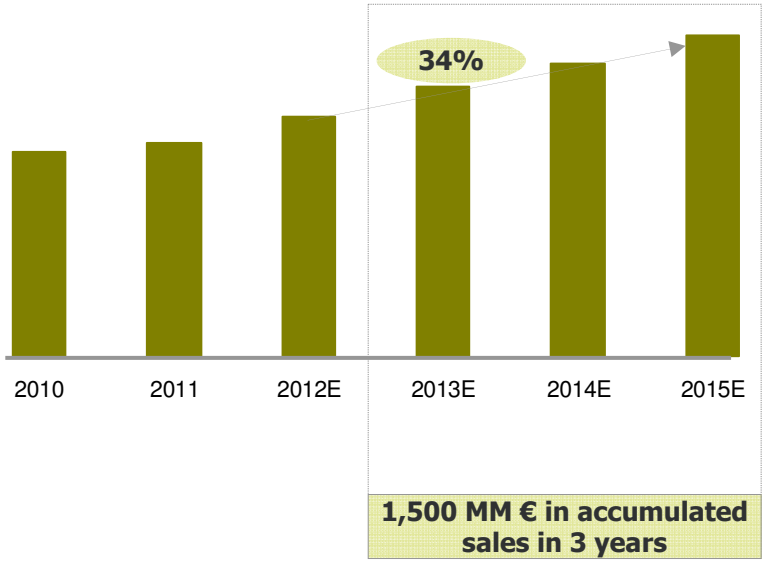
- Electric utilities are declining in importance with respect to new client types: IPPs and investment funds
- Diversification of the client base increases contract profitability

Operation and maintenance

Profitability to double in 2013-2015

Greater visibility of the business, recurrent sales, profitability and cash conversion ratio

O&M sales in M€ (2010-2015E)



O&M EBIT[1] in M€ (2010-2015E)

(1) Including structural costs

Presence throughout the wind value chain - Conclusion

Presence throughout the wind value chain

Conclusion

- **WIND FARMS** - Sale of turbines and pipeline based on technology leadership and development expertise **with a new financing model** (non- recourse/off-balance sheet/financing partners)

OBJETIVE: NOTABLY REDUCE DEBT AND WORKING CAPITAL

- **WIND TURBINES - Product development** : 2 platforms, 2.5 MW and 5.5 MW, in line with **market needs and competitive advantages** (CoE & AEP/THM), with adequate CAPEX and a more aggressive time-to-market

OBJECTIVE: "TIME TO MARKET" & INDUSTRY BENCHMARK FOR COE

- **OPERATION AND MAINTENANCE** - **Putting profitability before volume** by improving the product and client mix in a changing market with great potential

OBJECTIVE: DOUBLING PROFITABILITY IN 2013-2015

Contents

Sound balance sheet
Drivers 2013-2015

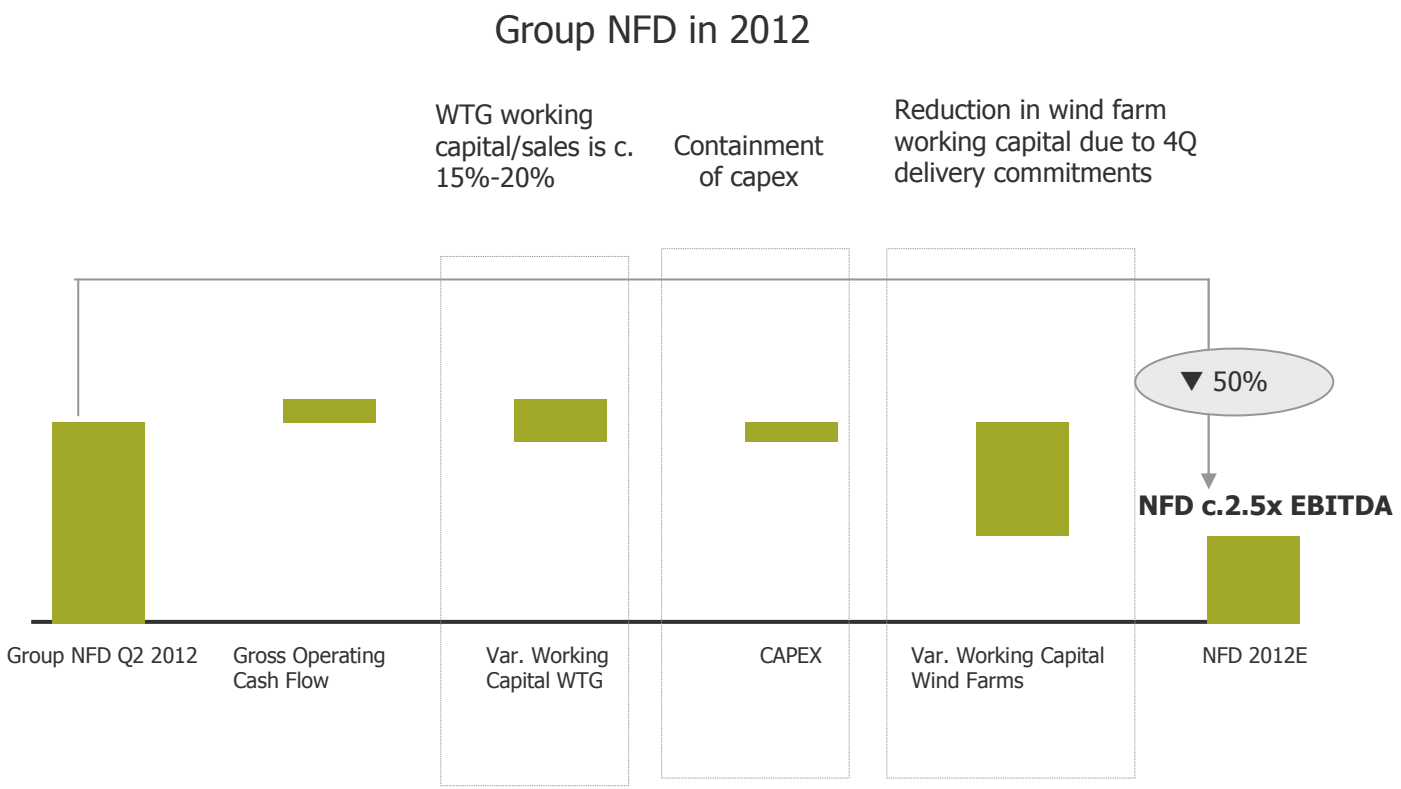
- **Solid starting point: Group NFD/EBITDA 2012E c. 2.5x**
- **c. 2,400 MM € in credit lines**
- **Strict management of working capital**
  - Wind Farm Development and Sale
  - Wind Turbines
  - Operation & Maintenance
- **2013-2015 investment plan focused on customer needs (reducing CoE[1]) and tailored to the size of Gamesa's business**

Net free cash flow in the 2013-2015 period

(1) CoE: Cost of Energy (MWh)

Sound balance sheet

Group NFD/EBITDA c. 2.5 in 2012



Sound balance sheet

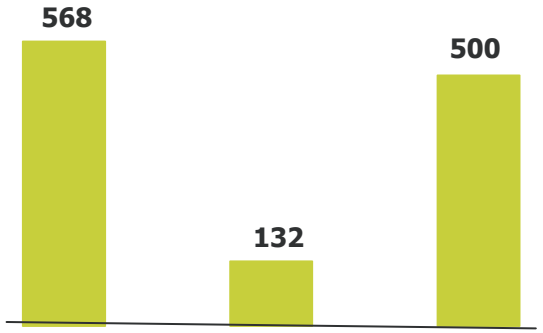
Enough liquidity to finance organic development of the business

Financing with a solid structure and balanced participation by domestic and foreign banks

Credit lines, September 2012

MM €	Amortisation schedule
1,200	2014-2016.
200	2018-20.
299	Long-term loans with varying amortisation periods
670	Bilateral credit lines, renewable annually Increased contribution from non-Spanish entities
c. 2,369	

Amortisation of syndicated loan (1,200 MM €)

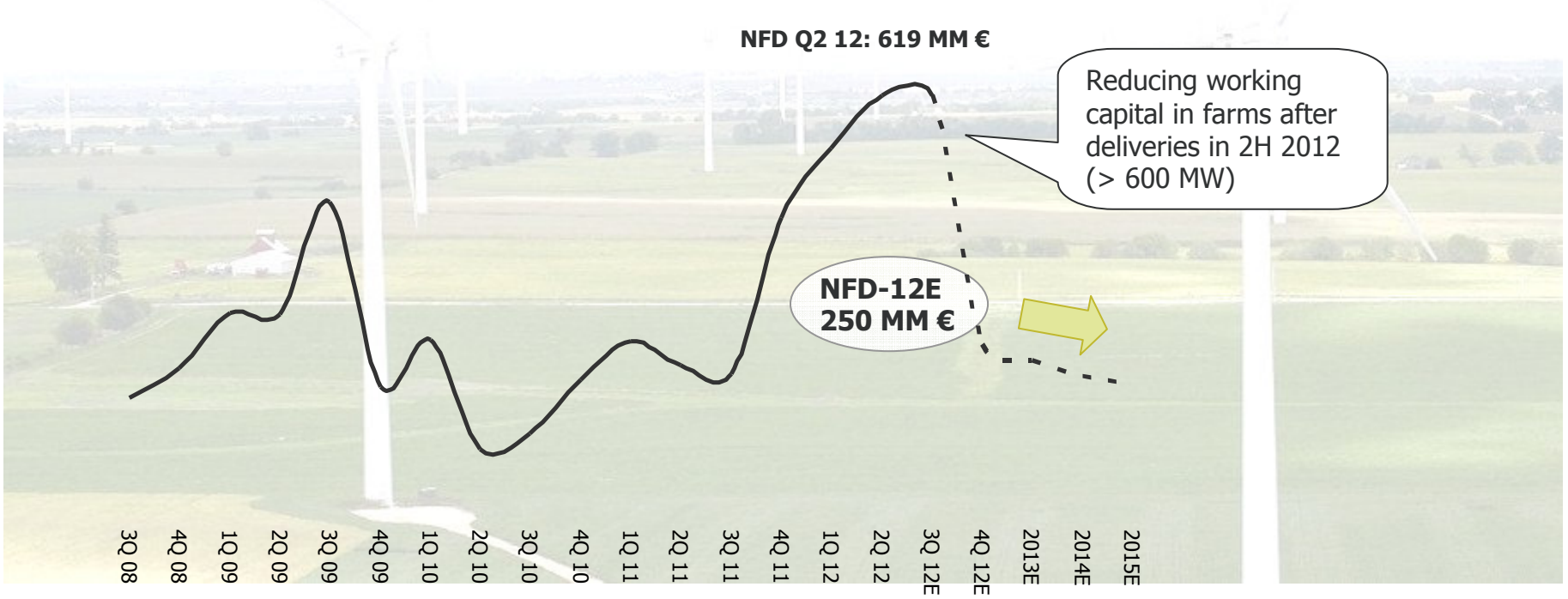


- Amortisation 2014-16.
- Participation by domestic and foreign banks.
- Capital ratios in line with financial covenants

Sound balance sheet

New Wind Farm management model reduces working capital and debt associated with the business unit

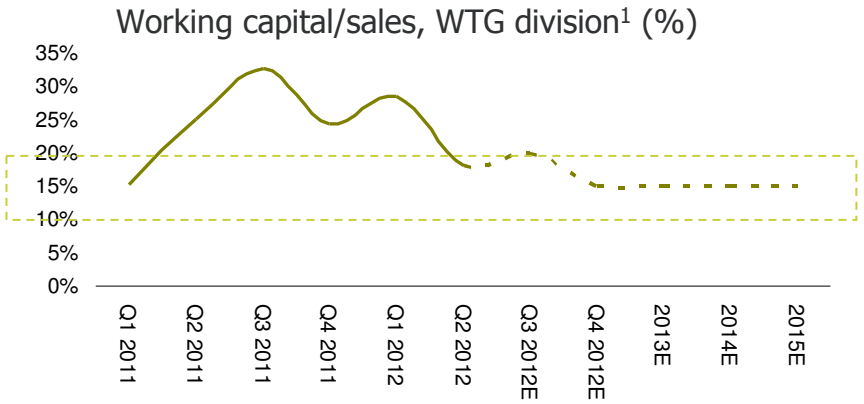
Payment milestones similar to those of turbine sales, and new forms of financing lead to the progressive decline in working capital and debt after 2012



Sound balance sheet

WTG division[1] working capital to sales ratio 2013-2015: c. 15%

- **Deliveries to outstrip production in 2012 (+700 MW) and 2013 and strict alignment of manufacturing, delivery and payment** (Make to cash) under the plan
  - **Notable reduction in inventory of finished products and work in progress** in Europe and China
- Improved management of accounts receivable
- Improved management of raw materials, consumables...
- Improved management of working capital (accounts receivable and inventory) associated with O&M



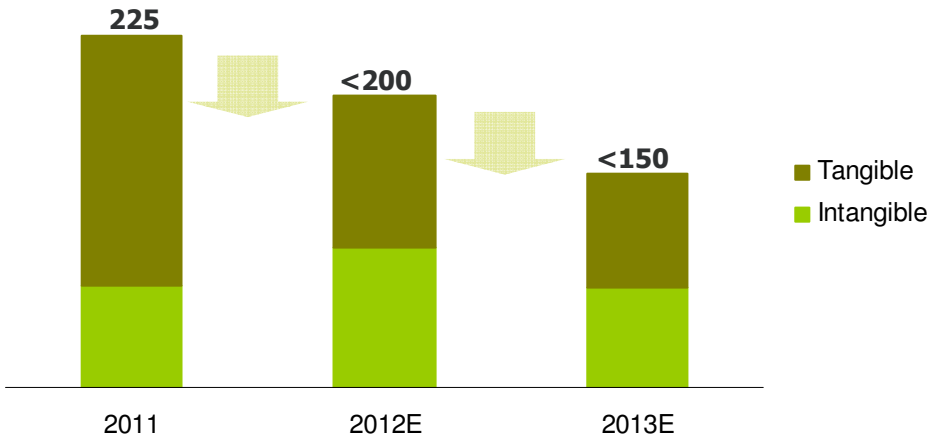
2013-2015 Objective

(1) Wind turbine division (including O&M)

Sound balance sheet

CAPEX plan aligned with clients' needs and size of business

CAPEX plan (M€)[2]



- ✓ **CAPEX level to support future growth**
- ✓ **CAPEX to sales ratio: 4.5%**
  - Development (2.20%) + industrialisation: (1.55%)= 3.75%
  - Maintenance: 0.75%

(1) Group R&D capex/sales

(2) Including the offshore programme

Sound balance sheet
Conclusion

- **Sound starting point (NFD/EBITDA c.2.5x) and credit lines (>2,300 MM €)**

  Organic funding of the plan without tapping the capital markets

- **Strict management of WTG and Wind Farm working capital**

  Deliveries > manufacturing in 2012 and 2013 and Make-to-cash during the plan

- **Capex aligned with the market and with the business size**

  Positive net free cash flow in the period

Contents

Financial outlook

Profitability during the cycle downturn by reducing operating and financial leverage

Resizing the structure and adjusting capacity to reduce operating leverage (▼ fixed costs of c. 100M€[1]), reducing the group break-even point to 1,300 MW.

Group Commitments 2013

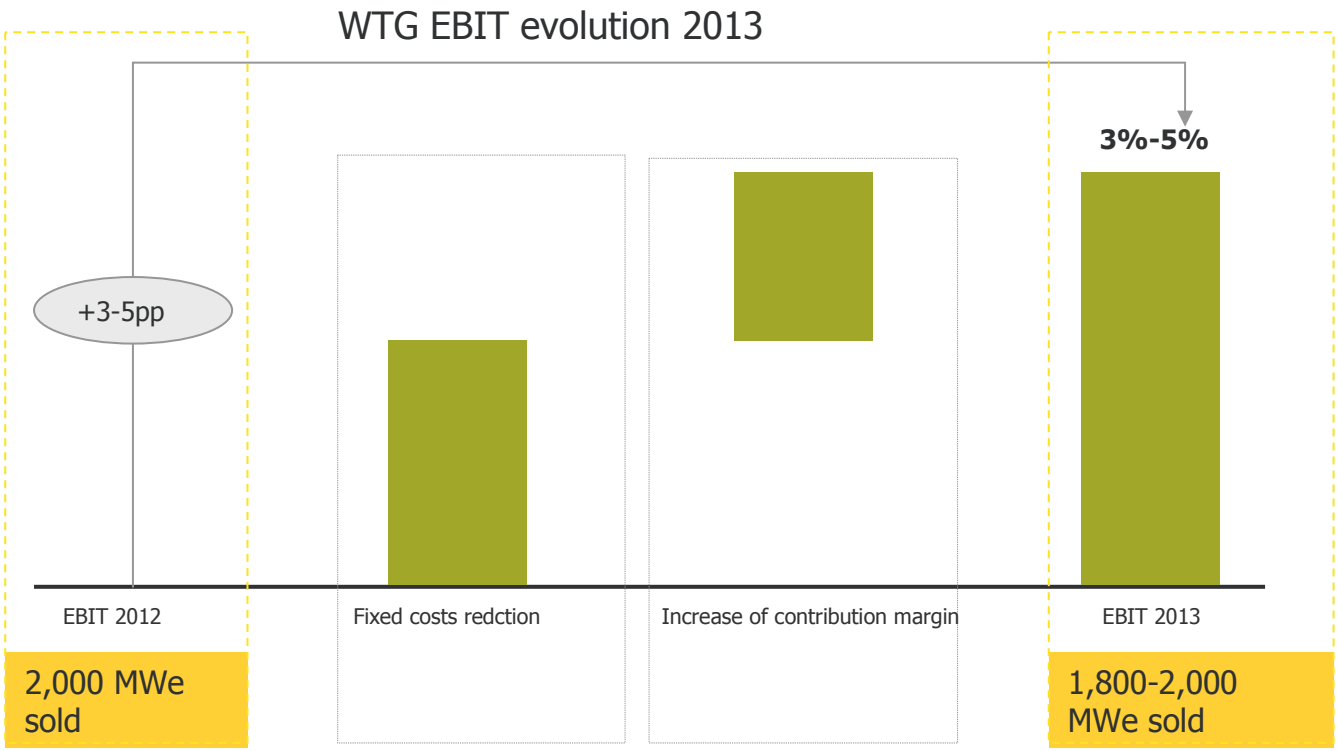
- **1,800-2,000 MWe sold**
- **EBIT margin 3%-5%**
- **Working capital/sales, WTG division: c.15%**
- **CAPEX < 150M€**
- **Group net income > 0M€**
- **Positive net cash flow**
- **NFD <2.5x[2]**

(1) Fixed costs with an impact on cash flow (excl. depreciation and amortisation). Change 2013E vs. 2011

(2) NFD includes the estimated impact of the 2013-2015 Business Plan on cash flow. An analysis of the potential impact on the balance sheet, without impacting cash flow, is under way.

Financial outlook

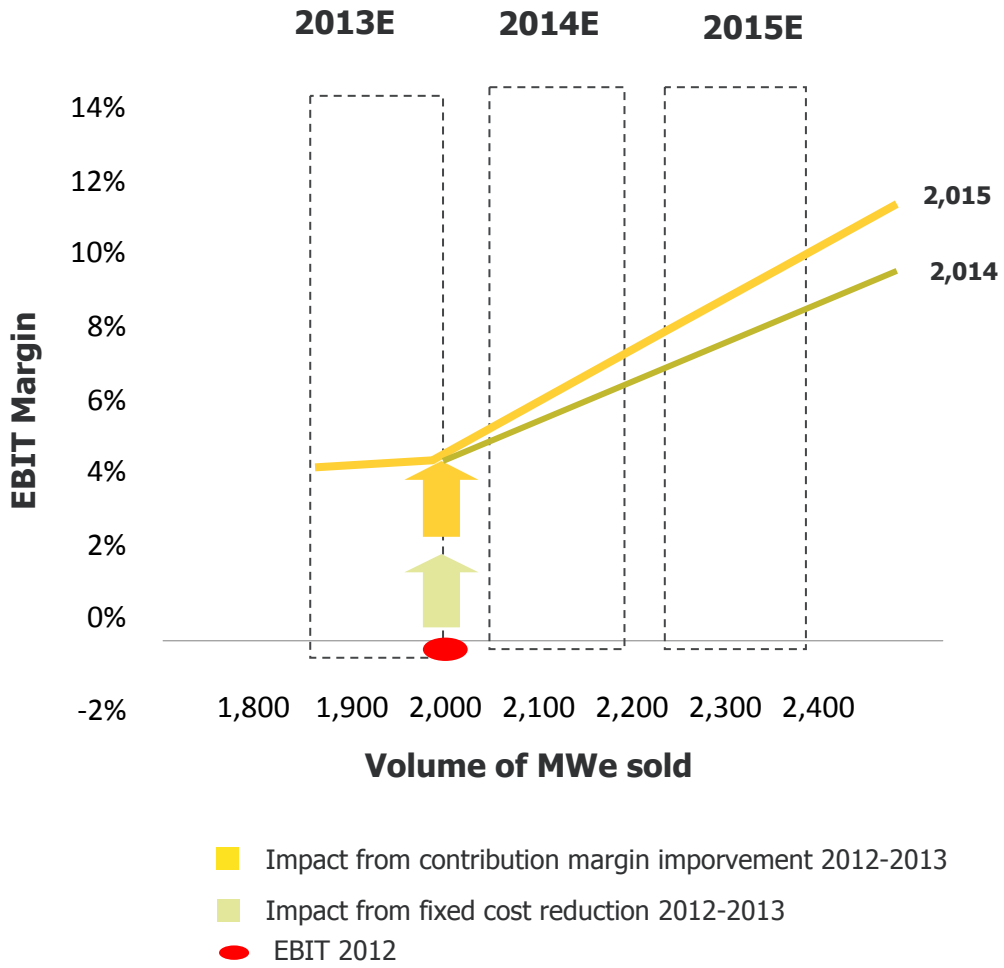
Improvement in EBIT 2013 despite lower volumes and thanks to the cost optimisation exercise



- ✓ Less outsourcing of corporate and general services
- ✓ Closure of offices and CROs
- ✓ Employee reduction
- ✓ Increase of BUY
- ✓ In-house capacity adjustment
- ✓ Supply chain improvements

Financial outlook

Impact of the operating leverage reduction and contribution margin improvement on EBIT



Financial outlook

Expected trends in 2013-2015

Group net free cash flow in 2013-2015

	2012 ESTIMATE	2013 GUIDANCE	2015 VISION
Volume (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%
WC/sales	15%-20%	c.15%	c.15%
Capex (M€)	<200	<150	<150
Group NFD/EBITDA[2]	c.2.5x	<2.5x	<2x

(1) Normalised EBIT: without restructuring costs

(2) NFD including the estimate impact on cash of the measures included in the BP 2013-2015. Impact on Balance Sheet, without impact on cash , being analysed

Financial outlook

Results-driven organisation: EBIT

Gradual recovery in profitability: EBIT

- **Improvement in projects' contribution margin.**
  - Prioritise margins over volume
  - Continuous improvement in variable costs (ExW, logistics, construction)
- **Reduction in fixed costs.** Dimension to core activity volume
  - Restructuring of corporate areas
  - Process simplification
  - Rationalisation of general and administrative costs.
- **Getting it right the first time.** Continuous optimisation of nonconformity costs while launching new products.

Financial outlook

Results-driven organisation: NFD

Rationalisation of balance sheet resources: Net financial debt

- **CAPEX reduction**
  - Product standardisation (mould optimisation).
  - Outsourcing manufacturing of Gamesa products to suppliers (Make & Buy)
- **Monitor working capital**
  - Production vs. Assembly; Just in Time & Make to cash
  - Reduction of finished product stock. Assembly > Manufacturing
  - Advance collection of wind farm sales
  - Tailoring collection and payment conditions
- **Reduction of financial costs by reducing debt**

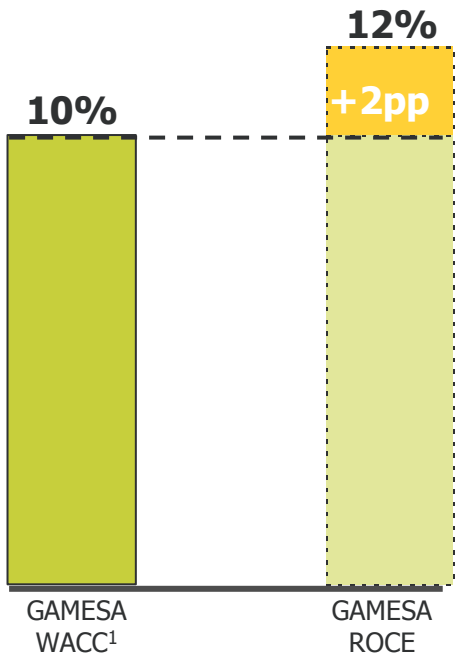
Financial outlook

Outcome: Value creation for the shareholder

ROCE > WACC +2pp

Target ROCE > 12%

Drivers



(1) Source: Internal calculation and analyst consensus

2015 Objective

Group EBIT/Sales	**8%-10%**
NFD/EBITDA …	**< 2x**

Rigorous compliance with covenants

Contents

Conclusions
The way forward

- **Cost reduction, maintaining flexibility**

FOCUSED ON OPTIMISING THE BOTTOM LINE

&

CAPITALISING ON FUTURE GROWTH

- **Strengthening the balance sheet:** reduction in working capital and CAPEX, with an operating model for Gamesa Energía that does not consume funding

FOCUSED ON DEBT REDUCTION

- **Focused on growth segments like O&M and in key markets**
- **A range of market-oriented products**: two basic platforms, development for competitive manufacturing,

FOCUSED ON THE COST OF ENERGY

Market leader prepared to play a key role in the sector consolidation

Conclusions

Keeping our value proposition

TO CLIENTS

- Competitive CoE
- Superior reliability and service offering
- The right products with superior technology
- Extensive geographic footprint
- Flexible response times

Conclusions

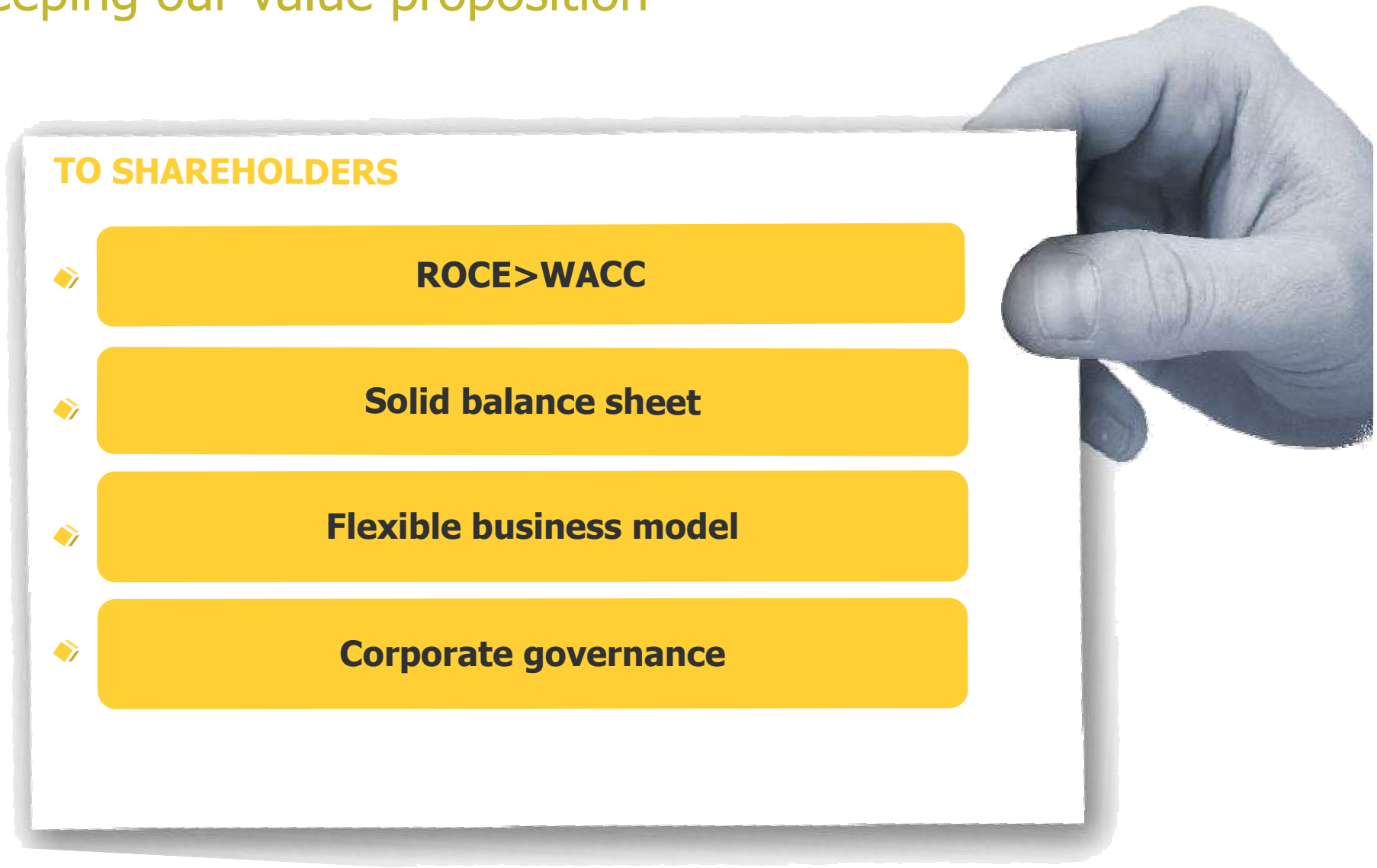
Keeping our value proposition

TO EMPLOYEES

- Identification, assessment and transfer of **knowledge—continuous training**
- **Professional** opportunities **tailored to experience**
- **Identification of** potential **talent and evaluation based on skills and contributions**
- **Skills-based management**
- **Health and safety**

Conclusions

Keeping our value proposition



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Questions & Answers
Muchas gracias
Thank you
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