



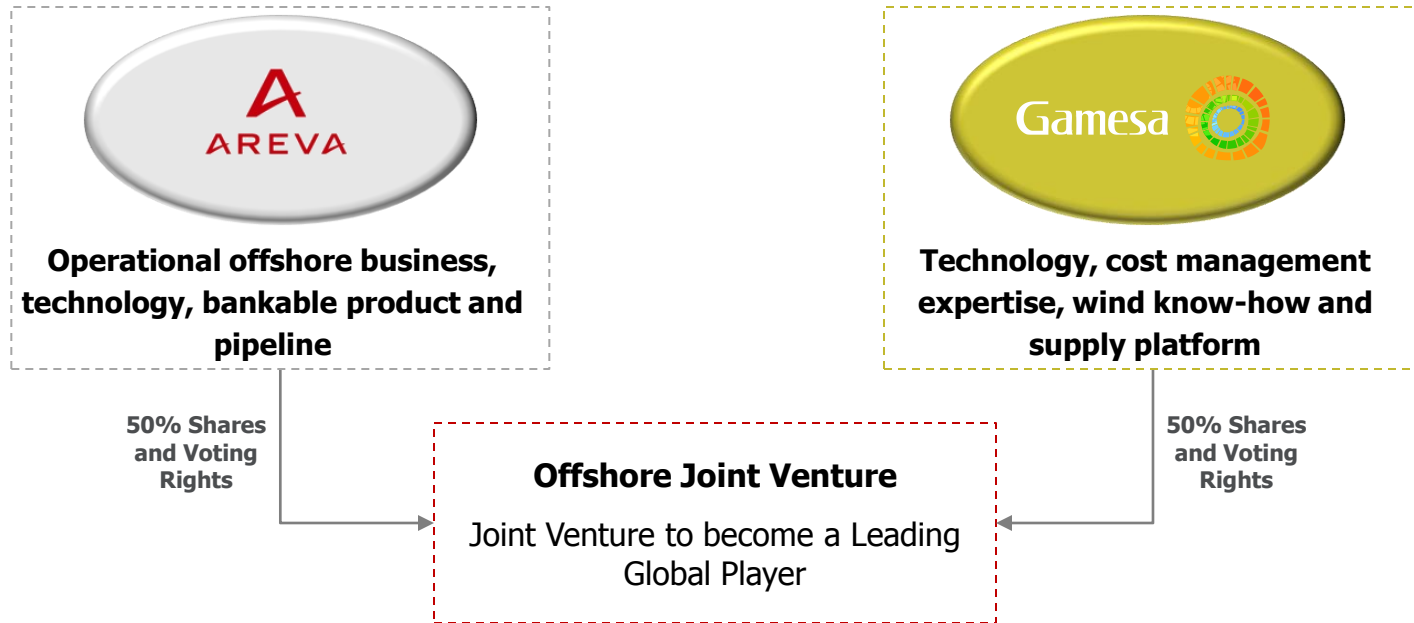
Areva & Gamesa Joint Venture: Creation of an Offshore Wind Leader

7 July 2014

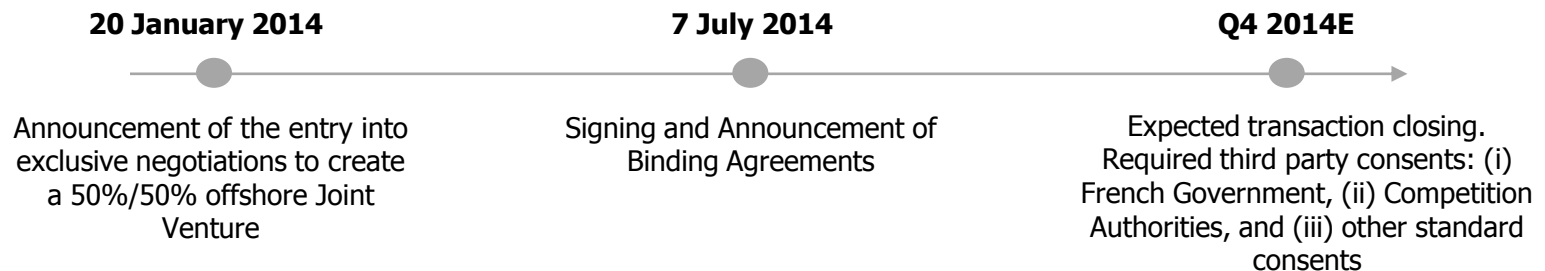
1. Transaction Overview

Summary

➤ **Areva and Gamesa have entered into an agreement to form a 50%/50% Joint Venture, combining their offshore businesses to create a leader in the offshore market**



Key Transaction Milestones



Contributions



Contributions to the Joint Venture

- Bankable M5000 product (30MW in operation and 600MW being installed) and 8 MW platform under development
- Second largest offshore pipeline (2.8GW)
- Offshore R&D and technological know-how
- Fully operational business
- Manufacturing capacity in place (blades and nacelles)



- 5 MW offshore platform fully certified and ready to be commercialized and 8 MW platform under development
- R&D capabilities and onshore licensing technology with offshore application
- Best-in-class wind know-how in cost optimization
- Long-standing operation & maintenance expertise
- Access to component supply platform

Total Valuation of the Contributions ⁽¹⁾

- Assets: €210m +/- Working Capital at closing
(current estimate of working capital at closing of +€70m)

Differences in valuation compensated through Shareholder Loans for 50%/50% ownership

- Assets: €195m

(1) Valuation of contributions validated by independent expert.

Corporate Governance

Board of Directors

- Composition: Eight members, including the Chairman of the Board of Directors
 - Four appointed by Areva
 - Four appointed by Gamesa
- Xabier Etxeberria, Business CEO of Gamesa, as Chairman of the Joint Venture at inception ⁽¹⁾

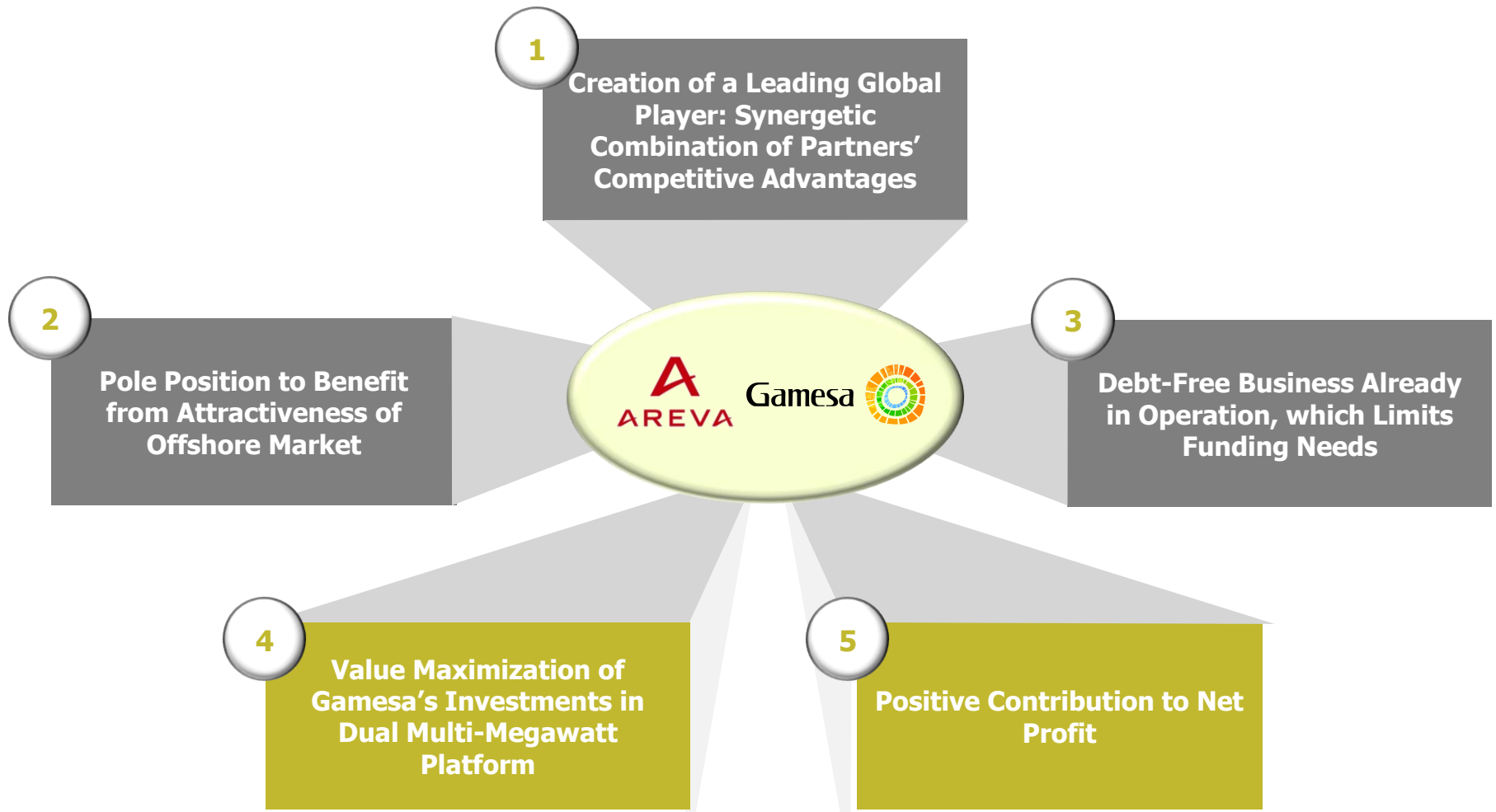
Management Team

- Composition:
 - Four statutory directors named by both companies (two appointed by Areva and two by Gamesa)
 - Additional best-in-class directors chosen by both shareholders and coming from both companies
- Arnaud Bellanger, current CEO of Areva Wind, as CEO of the Joint Venture

(1) Alternate appointment by the partners (first mandate appointed by Gamesa).

2. Strategic Rationale

Sound Strategic Rationale of the Transaction



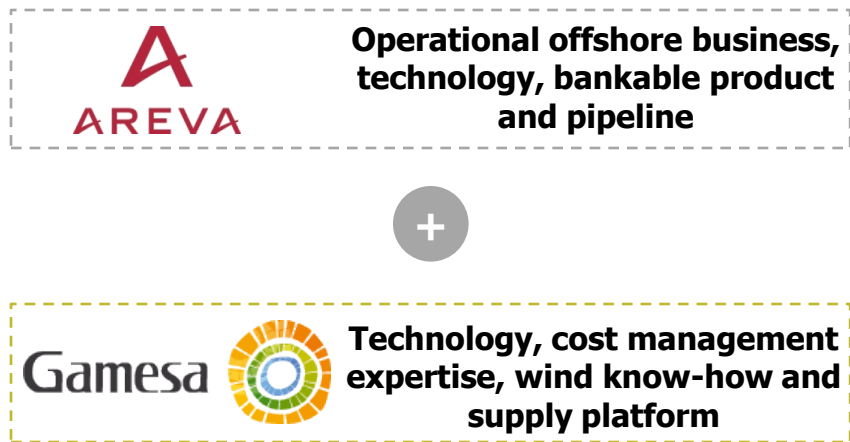
Joint Venture Investment Highlights

Gamesa Specific Investment Highlights

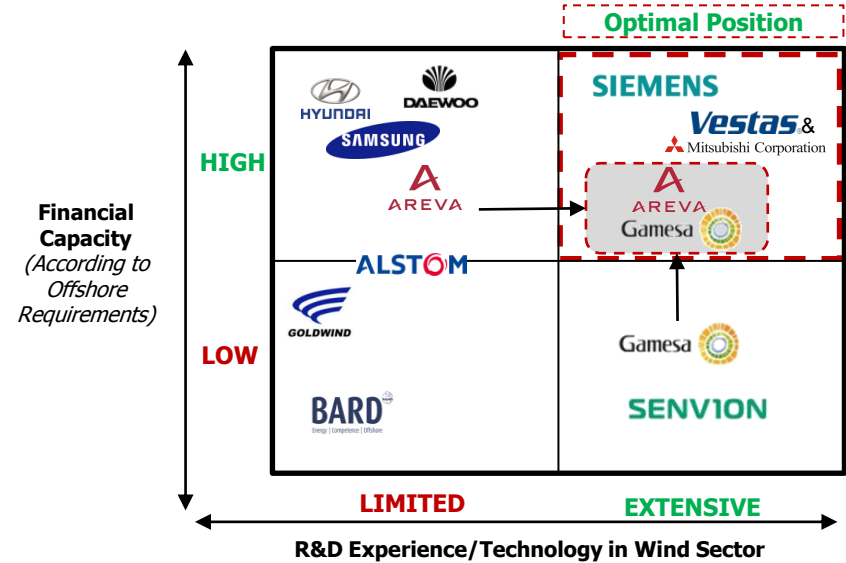
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Creation of a Leading Global Player: Synergetic Combination of Partners' Competitive Advantages

Complementary Contributions



JV Positioned for Leadership – Source: MAKE, January 2014



Timely Product Strategy to Capture Market Growth

5 MW Strategy

- Flexible 5 MW product offering in place to meet customers requirements on a project by project basis
 - Continue marketing Areva's M5000 turbine, which benefits from a strong track-record (350k hours in operation + 600MW being installed)
 - Commercialization of Gamesa 5.0 MW offshore platform, with specific value-added features
 - Joint optimization of 5 MW platform

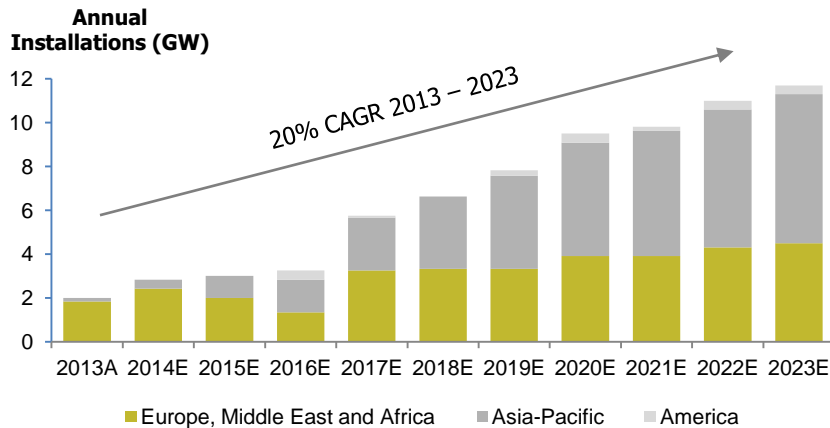
8 MW Strategy

- Joint Venture ready to compete in strategic 8 MW market segment
 - Combination of cutting edge technologies of both Areva and Gamesa
 - Pipeline in place supports platform commercial success

Pole Position to Benefit from Attractiveness of Offshore Market

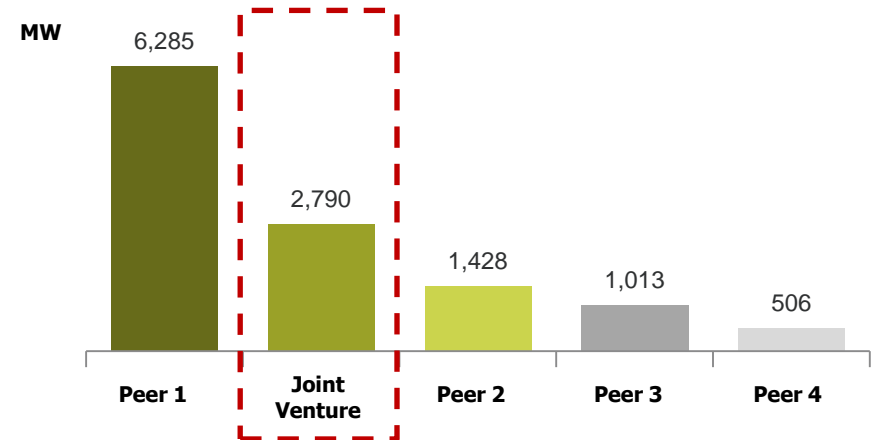
Outstanding Market Prospects in Europe and Asia

Offshore Global Market – Source: MAKE, June 2014



JV with the 2nd Largest Pipeline in the Market

Project Portfolio per Manufacturer (2014-2022) – Source: Bloomberg New Energy Finance, May 2014 ⁽¹⁾



Positioned Since Inception to Become a Leader














- Concentrated market with technology leadership requirements
- 20% target market share in Europe supported by pipeline
- Joint Venture prepared to benefit from the promising potential of the Asia-Pacific market
- Diversified client portfolio

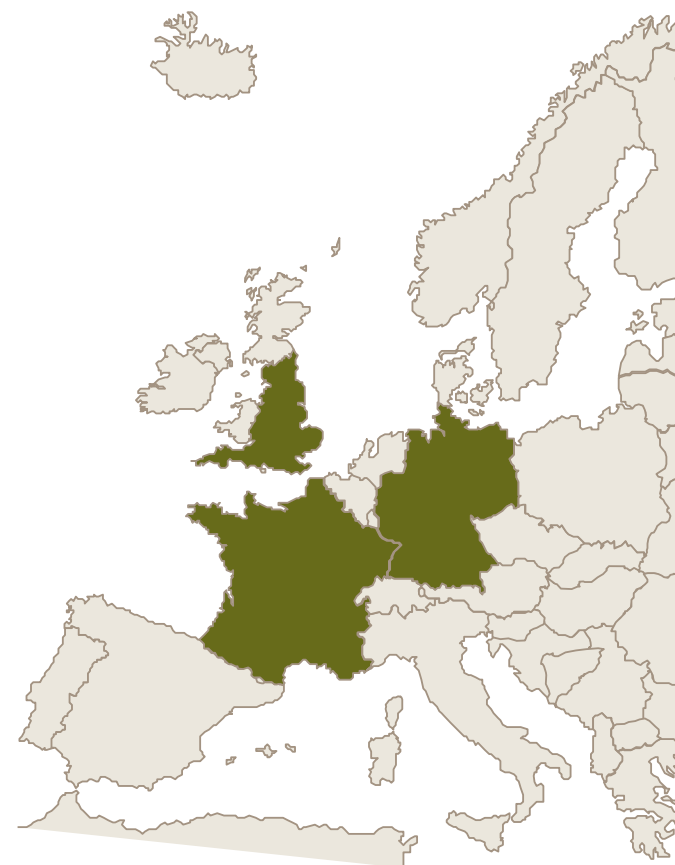
Focus on Margin Optimisation

- Profitability ramp-up in the medium term, through achievement of cost-optimization
- Application of onshore best practices to offshore activities
- Cost reduction potential through improved supply capabilities
- Offshore run-rate margins above onshore's

(1) Based on Bloomberg New Energy Finance estimate for Areva's pipeline of 3.3GW. 2,790MW figure based on pipeline of projects not initiated (i.e.: excluding GT1 and Borkum West II).

Pole Position to Benefit from Attractiveness of Offshore Market (*Cont'd*)

	MW	Clients	Project Status
Current Projects	Alpha Ventus	30   VATTENFALL 	Over 350,000 hours of operation
	Borkum West II	200 Trianel Wind Park Borkum	Commissioning
	GT1	400    	Finalising installation
	5 MW Current Projects	630	
5 MW Pipeline	MEG1	400 Investment Consortium	Supply Agreement signed
	Wikinger	350  IBERDROLA	Preferred Supplier
	Saint Briec	500  IBERDROLA  res	Preferred Supplier
	Two Additional 5 MW Projects	540 <i>Utility /</i> Investment consortium	Preferred Supplier / Supply Agreement signed
	5 MW Pipeline	1,790	
8 MW Pipeline	Tréport	500 	Preferred Supplier
	Yeu and Noirmoutier	500  	
	8 MW Pipeline	1,000	
Summary	5+8 MW Pipeline	2,790	
	Current + Pipeline	3,420	



 JV Projects: Geographical Presence

Debt-Free Business Already in Operation, which Limits Funding Needs

Business in Place Reduces Capex Requirements


- Industrial platform in operation
- Limited investments requirements for 5 MW (both for existing and for optimization of product portfolio)
- 8 MW platform development supported by commercial success in French Tenders

Strong Financial Position of the Joint Venture

- Strong standalone financial position of the Joint Venture
 - Revenue outlook favoured by current pipeline of projects
 - No financial debt with third parties in Joint Venture's balance sheet at inception
 - Scope for third party financing
- Support of shareholders, if needed
- Potential additional funding requirements shared by Areva and Gamesa

Value Maximization of Gamesa's Investments in Dual Multi-Megawatt Platform

Value Maximization in Dual Multi-Megawatt Platform

- Gamesa's strong multi-megawatt know-how:
 - Strong onshore product offering
 - Offshore platform in place
 - Developed technologies applicable to offshore
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- Contribution and licensing of offshore assets and applicable know-how and IP
 - Onshore multi-megawatt will remain in Gamesa
 - Joint Venture as exclusive offshore vehicle
 - Reciprocal transfer of multi-megawatt know-how going forward

Synergies with Onshore Activities

- Gamesa as preferred supplier to the Joint Venture
 - Joint Venture and Gamesa to benefit from best-in-class manufacturing footprint and know-how of Gamesa
 - Joint Venture and Gamesa to benefit from enhanced economies of scales in purchasing of components
- Technology synergies through joint licensing agreements

Positive Contribution to Net Profit

One-off Positive Impact at Closing

- Offshore R&D and multi-megawatt technology with offshore application deconsolidated
- Consolidation of stake in the Joint Venture by equity method
- Potential capital gain derived from asset contributions to the Joint Venture

Expected Recurrent Positive Impact of Transaction Going Forward

- Impact in Gamesa from consolidation of Joint Venture's results:
 - Limited contribution during ramp-up period
 - Expected top-line growth and profitability in the mid term above onshore levels
- P&L enhancement of existing onshore business:
 - Sale of components to the Joint Venture through a Preferred Supplier Agreement
 - Personnel transferred to the Joint Venture

3. Conclusions

Conclusions

- ✓ **Creation of a Leading Global Player: Synergetic Combination of Partners' Competitive Advantages**
- ✓ **Pole Position to Benefit from Attractiveness of Offshore Market**
- ✓ **Debt-Free Business Already in Operation, which Limits Funding Needs**
- ✓ **Value Maximization of Gamesa's Investments in Dual Multi-Megawatt Platform**
- ✓ **Positive Contribution to Net Profit**

**New Driver of Growth for Gamesa with
Investments Adapted to Market Development**

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