



January-March 2017 results fully aligned with standalone guidance

May 10, 2017

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Period highlights

Record sales growth and profitability aligned with FY 2017 standalone guidance

Q1 sales positively impacted by the April 2017 deadline for Safe Harbor deliveries in the US and for the enactment of new regulation in India



- **Record sales and profits:**
 - Q1 17 revenues: €1,546 mn, up 45% y/y
 - Q1 17 underlying EBIT¹: €181 mn, up 53% y/y; underlying EBIT margin of 11.7% in Q1 17
 - Q1 17 underlying net profit: €106 mn, up 47% y/y
- **With a sound balance sheet:**
 - €257 mn in net cash @ March 17
- **Leading to a 28% ROCE, 20 p.p. above WACC²**
- **Commercial activity aligned with WTG sales volume guidance for 2017 of c.5 GW**
 - Q1 order intake, 827 MW, reflects expected phasing of US SH orders in H2 17 and strong Q4 16 order intake
 - LTM @ March 17 order intake: 4,483 MW, up 9% y/y
- **Merger becomes effective on April 3: organization in place, creating a new global leader**
 - No impact of the merger on Q1 17 financial statements
 - 3.6 € cash dividend per share paid to standalone shareholders on April 11

1. Underlying EBIT excludes €8mn in transaction costs (€6 mn at net income level)

2. Analysts' average WACC: 8.2%

Record sales and sales growth: +45% y/y in Q1 17

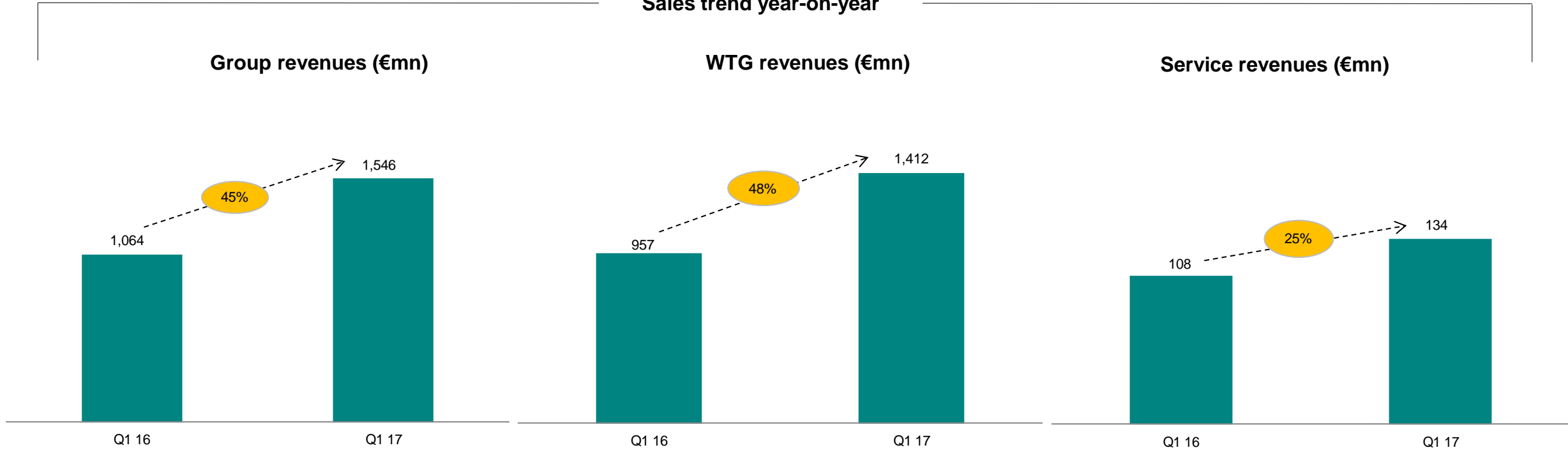
Supported by strong growth in WTG sales, led by India and the US, and the anticipated recovery in O&M sales growth

Sales trend year-on-year

Group revenues (€mn)

WTG revenues (€mn)

Service revenues (€mn)

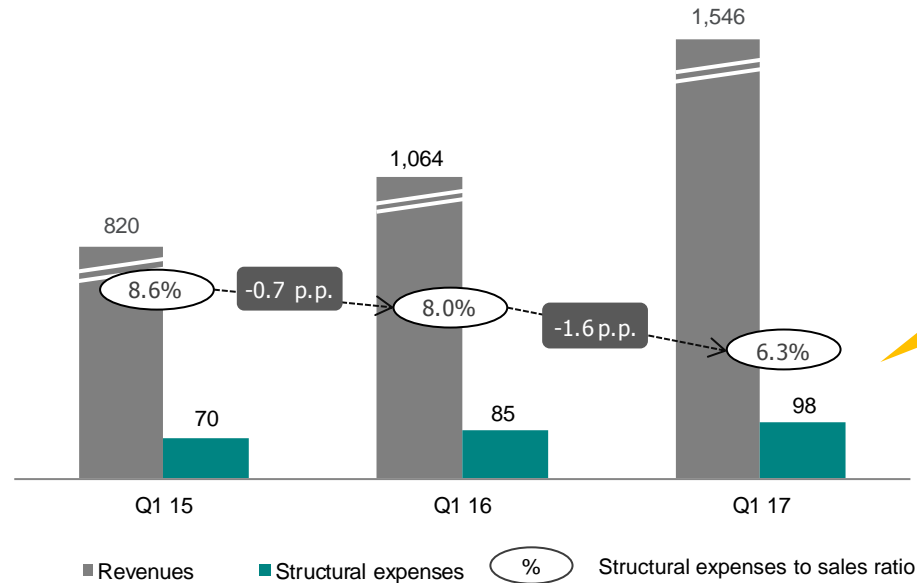


Q1 17 sales include the positive impact of Safe Harbor deliveries in the US (US Q1 17 volumes in MWe up 217% y/y) and the strength of Indian sales ahead of the change in market regulation (India Q1 volumes in MWe up 99% y/y)

Maintaining structural expenses under control

Ongoing focus on operating break-even: structural expenses reduced by 1.6 points y/y to 6.3% of revenues

Revenues and structural expenses¹ (€mn)



Goal of BP2015-17E: structural expenses¹/revenues < 8% in 2017

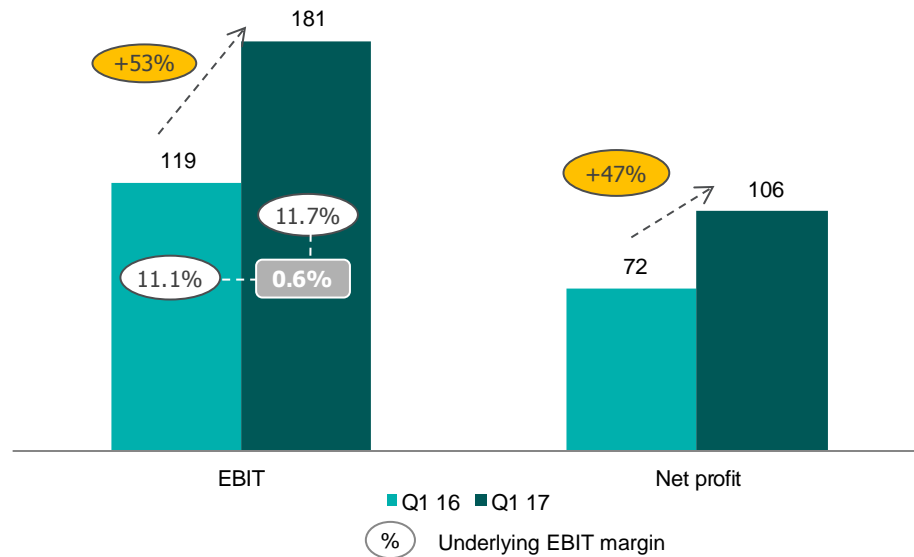
Structural expenses to sales ratio expected to remain below the BP 2015-17E target for FY 2017

1. Cash structural costs (exc. non-cash D&A). Cash structural costs do not include €8 mn in transaction costs.

Leading to record profits

Underlying EBIT¹ up 53% y/y and underlying net profit¹ up 47% y/y. Underlying EBIT margin: +11.7%

Underlying EBIT¹ and underlying net profit¹ (€mn)



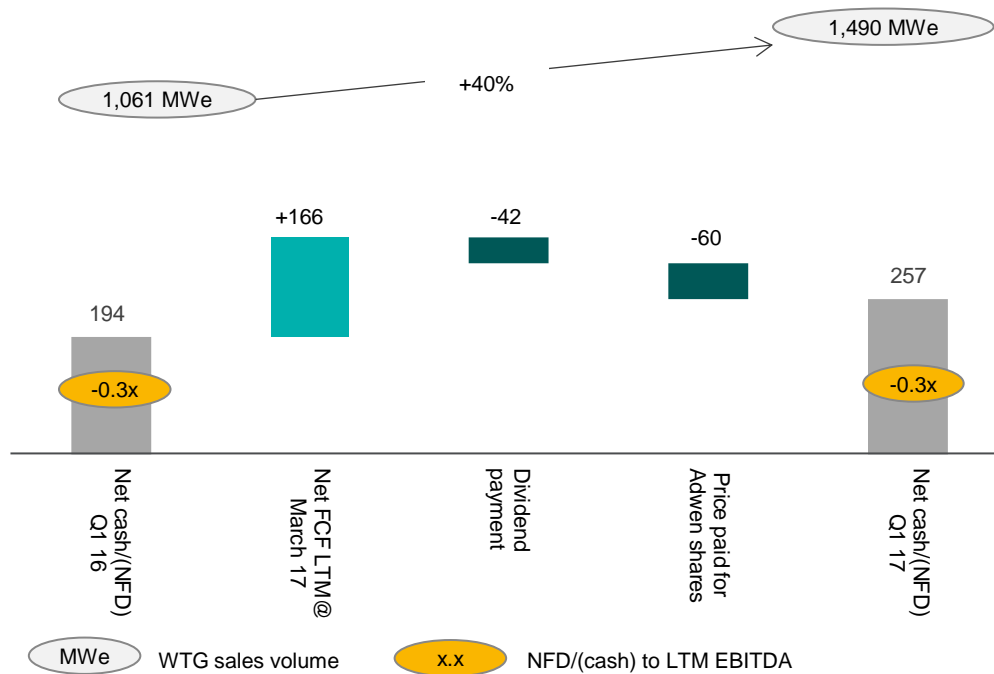
- Rising sales
- Ongoing optimization of variable expenses
- Strict control of structural expenses
- Net profit impacted by the consolidation of Adwen (100% in Q1 17: -€17 mn vs. 50% in Q1 16: -€8 mn)²

Reported EBIT: 173 mn€, up 46% y/y; reported EBIT margin; 11.2%. Reported net profit: €100 mn, up 39% y/y

1. Underlying EBIT excludes €8 mn in transaction costs (€6 mn at net profit level). In Q1 2016 reported and underlying figures (including Adwen in underlying net profit) are the same
 2. Following the merger with Siemens Wind Power, Adwen will be accounted for, in the merged company, using the full consolidation method. Gamesa's underlying pro forma EBIT, fully consolidating Adwen in Q1 17, would amount to €167 mn (Adwen Q1 17 EBIT amounts to -€15 mn), equivalent to an EBIT margin of 10% over pro forma sales of €1,662 mn (Adwen Q1 17 sales amount to €116 mn)

With a sound balance sheet

Evolution of the net cash position y/y (€mn)

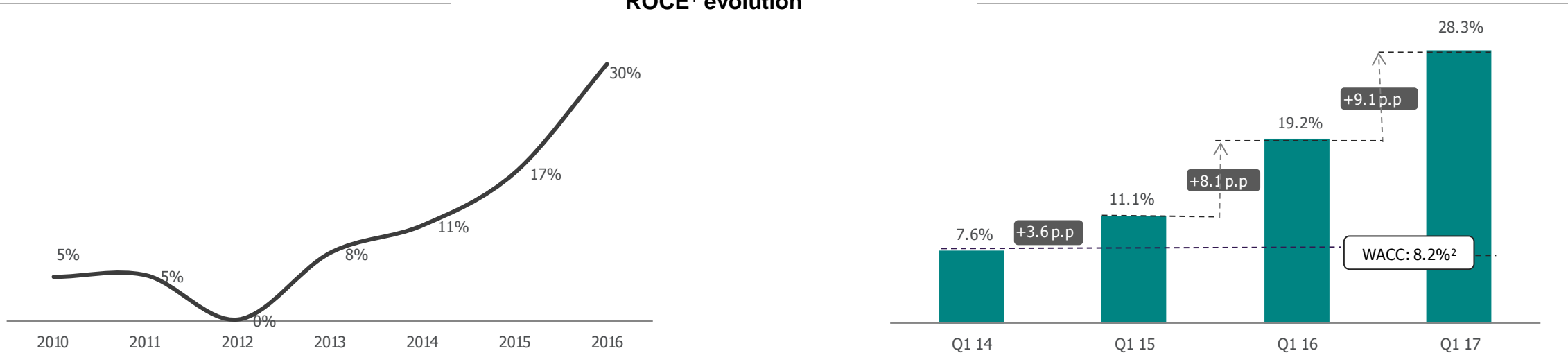


- Balance sheet strength maintained in a context of rising sales
 - Activity (MWe): +40% y/y
 - NFD/LTM EBITDA: -0,3x, flat y/y
- Supported by
 - Rising profitability
 - Control of working capital (5.6% of sales)
 - Focused capex (€35 mn in Q1 17 vs. €33 mn in Q1 16)
- Quarter-on-quarter reduction in the net cash position vs. December 2016 due to normal working capital seasonality additionally impacted by
 - Positive impact from US Safe Harbor contracts on FY 16 net cash position
 - Lower customer advance payments linked to Q1 order intake level
 - Price paid to Areva for the acquisition of 50% of Adwen shares in Q1 2017 (€60 mn)

To sustain shareholder value creation

ROCE: +9 p.p. in Q1 17 vs. Q1 16, 20 p.p. above WACC

ROCE¹ evolution



Through the same value creation pillars

Profitable growth through

- Competitive positioning
- Continuous cost optimization programmes and quality leadership
- Structure cost control and focus on break-even

Strong balance sheet

- By means of working capital control and modular capex focused on assuring expected growth

Cash generation

- During the peak and trough of the cycle

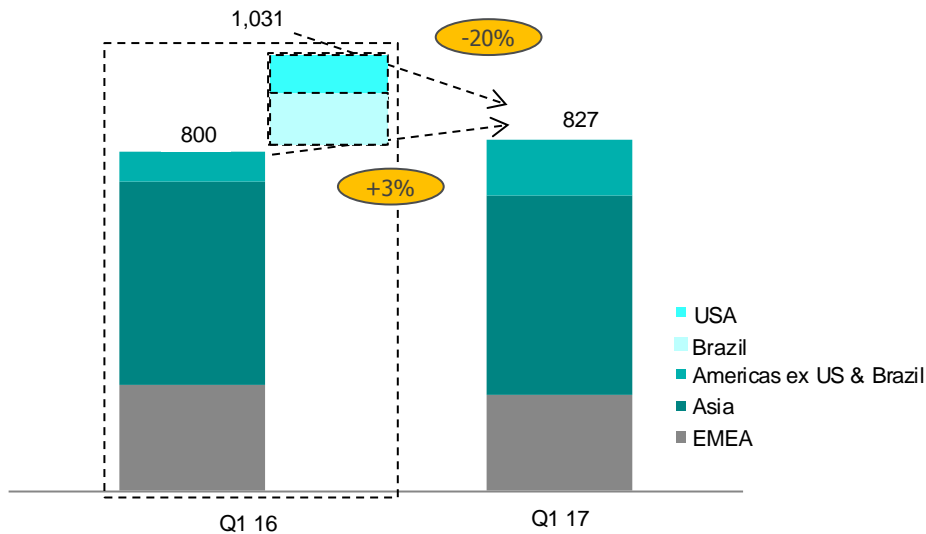
1. ROCE: LTM underlying EBIT*(1-t)/average capital employed. Average capital employed is calculated as the arithmetic mean of capital employed between the beginning of the current year and the end of the period. "t" is the estimated income tax rate for the current year (27,3% in Q1 2016 and 29% in Q1 2017). Detailed performance measures' definitions can be found in the appendix of the earnings release

2. Analysts' average WACC: 8.2%

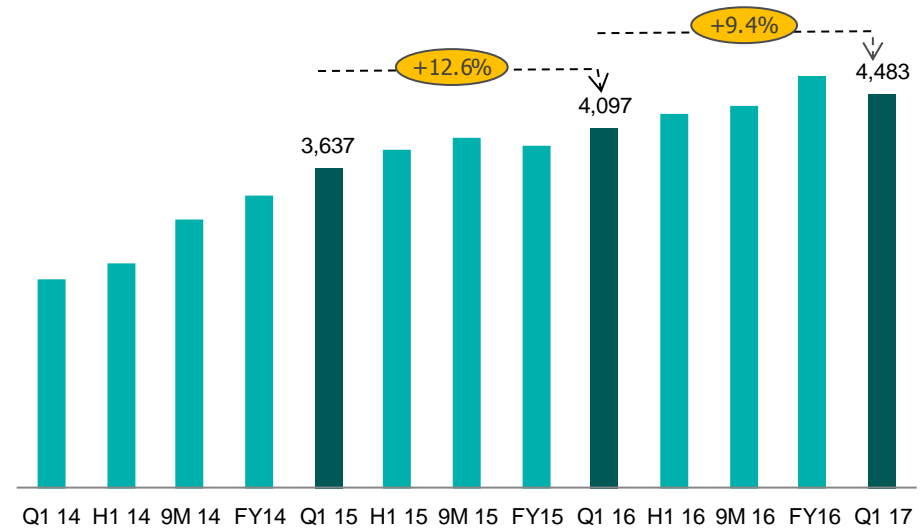
Order intake aligned with FY 17 sales volume guidance of c.5 GW: 74% sales coverage¹ at the end of March

LTM order intake up 9.4% y/y

Year-on-year evolution of Q1 order intake (MW)



Year-on-year evolution of LTM order intake (MW)



Q1 17 order intake reflects phasing of US SH contracts, expected to convert into new order in calendar H2 2017, the cancellation of the Dec. 16 tender in Brazil and the strong Q4 16 order intake. Return to order intake growth expected in the coming quarters

1. Sales coverage calculated as total orders for 2017 sales in MW (including those already delivered in Q1 17) / WTG sales volume guidance for 2017 (c.5,000 MW).

January-March 2017 results and KPIs

Consolidated group – Key figures

P&L (mn€)	Jan-March 2016	Jan-March 2017	Chg. %
Group sales	1,064	1,546	45.3%
MWe	1,061	1,490	40.5%
O&M sales	108	134	24.9%
Underlying EBIT	119	181	52.8%
Underlying EBIT margin	11.1%	11.7%	0.6 p.p.
O&M EBIT margin	13.1%	15.4%	2.3 p.p.
EBIT	119	173	46.0%
Equity method	-8	-16	107.2%
Underlying net profit	72	106	47.4%
Net profit (NP)	72	100	39.4%
Net profit per share (€) ¹	0.26	0.36	38.9%

- Underlying EBIT excludes the impact of €8 mn in transaction costs in Q1 2017.
- The result of companies accounted for using the equity method includes 100% of Adwen in Q1 2017 (-€17 mn) vs. 50% in Q1 2016 (-€8 mn). Following the merger completion, Adwen will be accounted for using the full consolidation method in the combined group.
 - Underlying Q1 17 pro forma EBIT fully consolidating Adwen: €167 mn³; EBIT margin: 10%³
- Tax rate: 29%E, in line with company expectations.

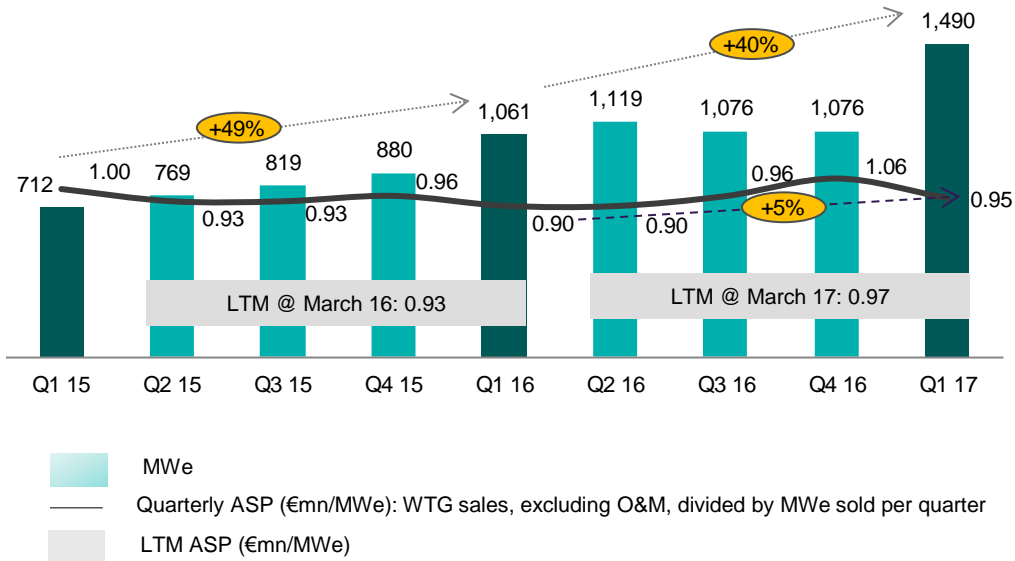
1. Number of shares for EPS calculation: in Q1 2016: 276,132,529 and in Q1 2017: 277,022,643

Balance Sheet (mn€)	March 2016	March 2017	
Working capital (W/C) ²	153	284	131
Working Cap. o/ sales LTM	4.1%	5.6%	1.5 p.p.
Net financial debt (Cash) ²	-194	-257	-64
NFD / EBITDA ² LTM	-0.3x	-0.3x	0.0x

2. See definition of working capital, net financial debt and EBITDA in the glossary of terms that can be found in the Q1 2017 earnings release together with the reconciliation of both items to the Q1 2016 and Q1 2017 consolidated financial statements
3. Following the merger with Siemens Wind Power, Adwen will be accounted for, in the merged company, using the full consolidation method. Gamesa's underlying pro forma EBIT fully consolidating Adwen in Q1 17 would amount to €167 mn (Adwen Q1 17 EBIT amounts to -€14 mn), equivalent to an EBIT margin of 10% over pro forma sales of €1,662 mn (Adwen Q1 17 sales amount to €116 mn)

Activity - WTG

WTG sales volume (MWe) and ASP evolution (€mn /MW)

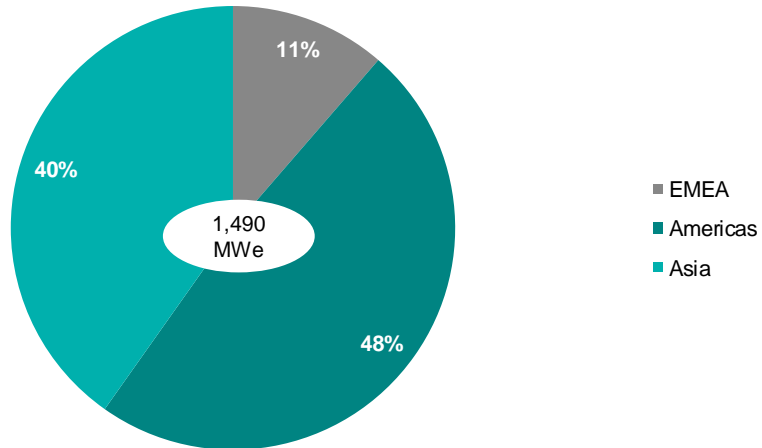


- Activity Q1 17 (1,490 MWe) aligned with 2017 volume guidance and positively impacted by delivery of SH contracts in the US and the acceleration of activity in India before the introduction of new regulation:
 - MWe: +40% y/y in Q1 17
 - MWe USA: +217% y/y in Q1 17
 - MWe India: +99% y/y in Q1 17
- Trend in ASP in Q1 17: including FX, aligned with FY 17 projections.
 - (+) Currency effect
 - (+) Scope of activity
 - (-) Regional mix and pricing pressure

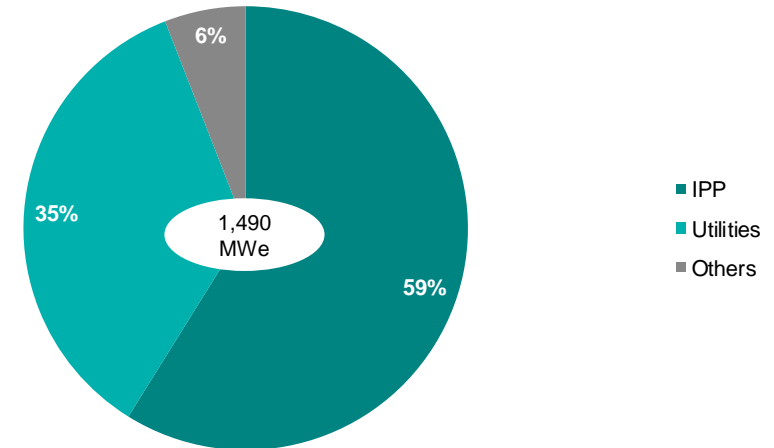
Activity - WTG

Strong presence of WTG volume in Americas and Asia

WTG volume by geography



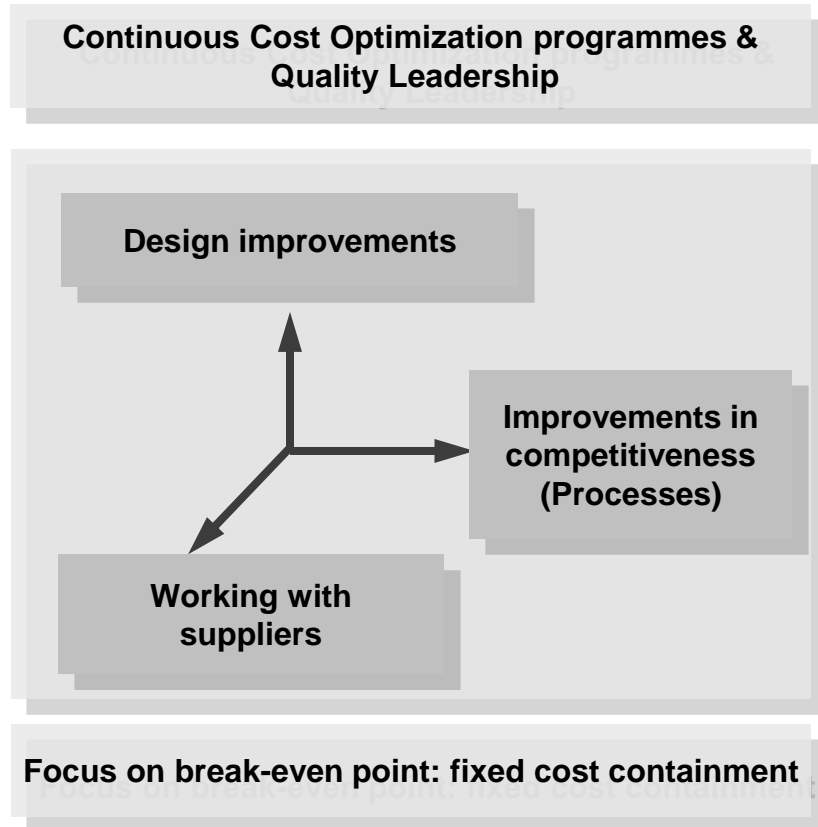
WTG volume by client type



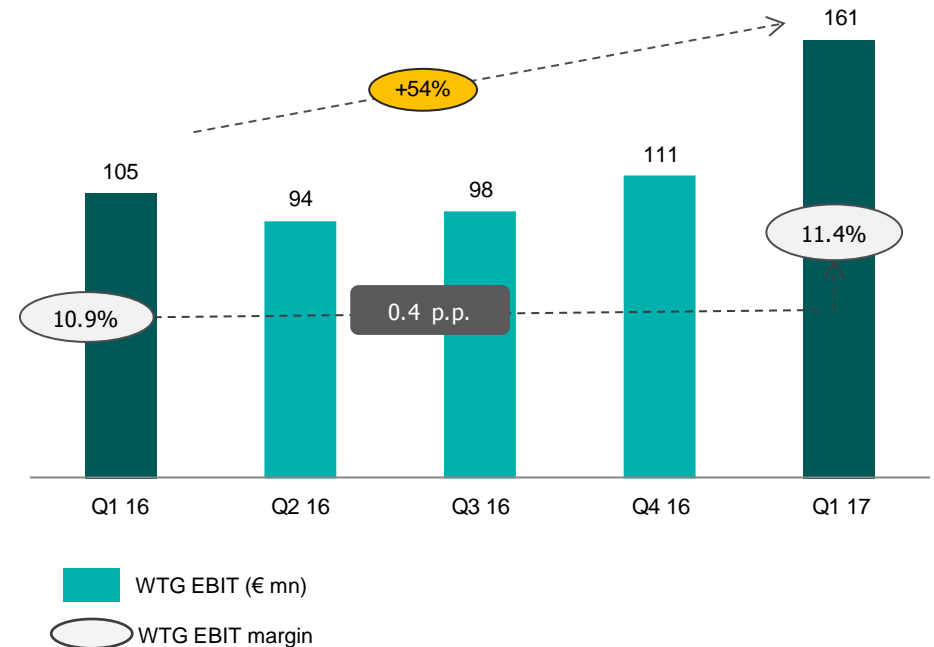
Strong presence of WTG sales volume in Americas and Asia in Q1 17 reflects the Safe Harbor deliveries in the US in Q1 and the anticipated strength of activity in India ahead of regulatory change in April 17

Profitability - WTG

Further profitability improvement supported by sales volume, fixed cost containment and variable costs optimization, partially compensated by pricing pressure



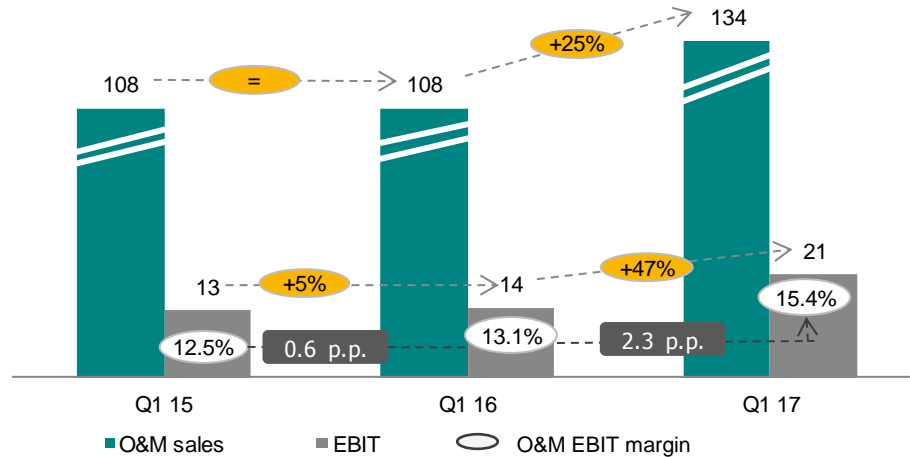
WTG quarterly EBIT (€mn) and EBIT margin (%) evolution



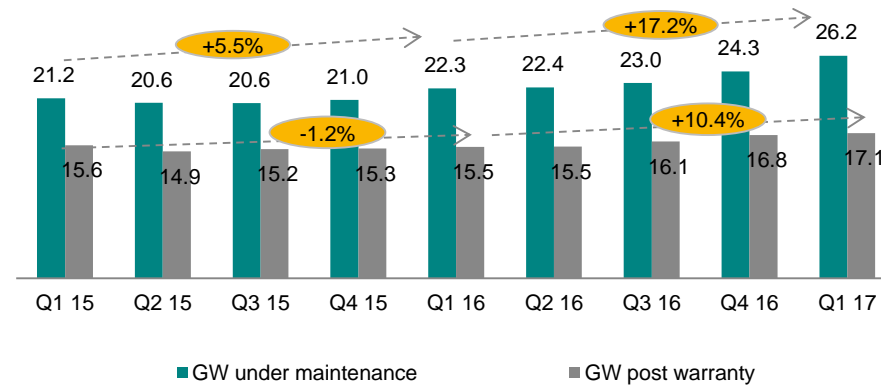
Activity and profitability - Operation and maintenance services

Strong service performance: revenue growth recovery and profitability in line with BP2015-17E targets

O&M revenues and EBIT (mn€)



Fleet under maintenance (GW)

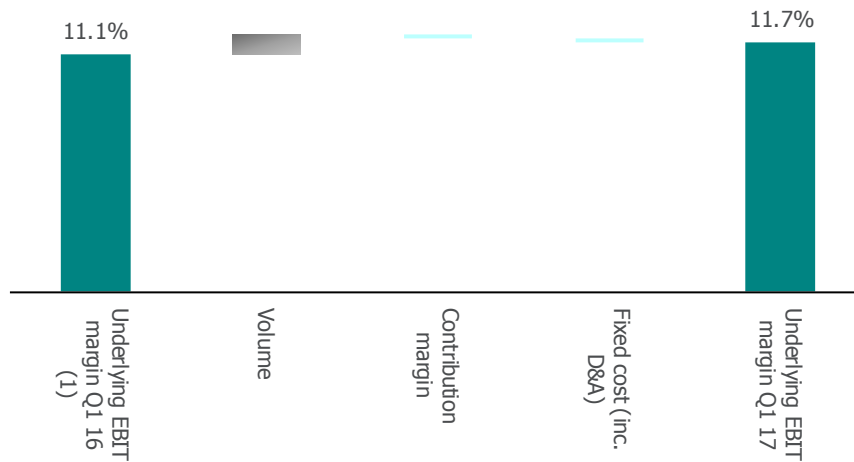


- Return to revenue growth in line with BP 2015-17E: +25% y/y in Q1 17 vs. Q1 16 driven by
 - Recovery of fleet under maintenance
 - Longer contracts in emerging markets
 - Value-added products in mature markets
- EBIT growth, up 47% y/y, supported by the recovery of top line growth and the cost-cutting programmes; EBIT margin: 15.4% up 2.3 p.p. y/y
 - Fixed cost control
 - Variable cost reduction through productivity and organization improvements
 - Variable cost improvement through technology innovation (Diagnostika)
- Sustainable fleet and order book growth
 - MW under maintenance: +17% y/y in Q1
 - MW under maintenance post warranty: +10% y/y in Q1
 - Order Book: 2,448 mn€, +13% y/y

Consolidated group - EBIT

Larger sales volume and continuous cost optimization programmes drive margin increase in a context of pricing pressure and increase competition

Evolution of underlying EBIT margin¹



Margin improvement lever aligned with 2017 projections

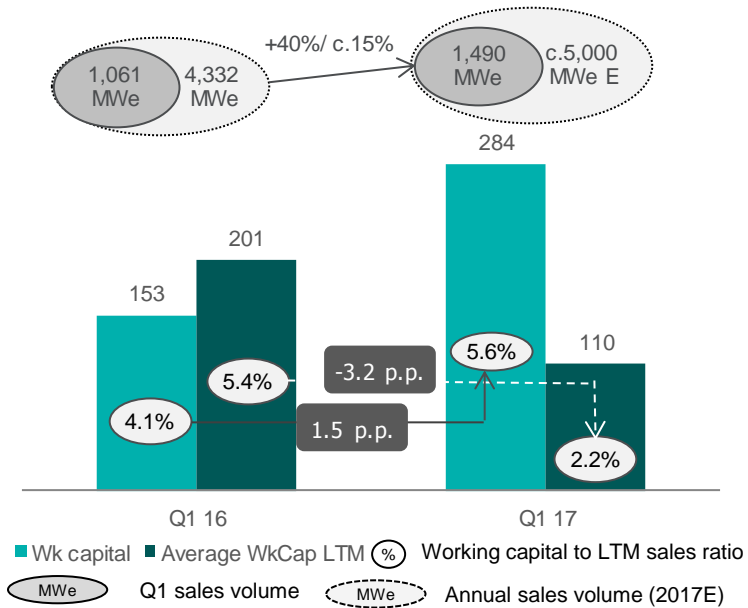
- **Positive impact from**
 - Volume growth
 - Continuous cost optimization programmes
- **Partly offset by**
 - Price pressure
 - Lower contribution of services to the group revenue mix

1. Underlying EBIT excludes €8mn in transaction costs in Q1 17. No difference between underlying and reported EBIT in 2016

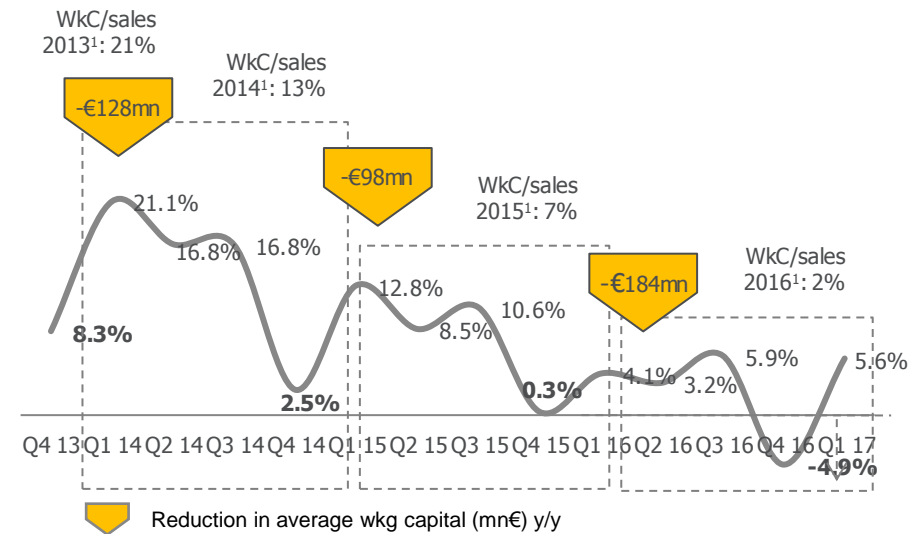
Consolidated group - Working capital

Working capital control in the context of record sales growth in Q1 17

Working capital evolution (mn€)



Working capital/sales evolution (2013-17)



- **Annual increase in quarterly working capital on the back of**
 - Increased activity levels: sales volume up 40% y/y
 - Lower advance payments in line with Q1 17 order intake (to recover in coming quarters)
- **Average working capital (LTM) down 45% y/y: working capital to sales ratio-down 3.2 p.p.**

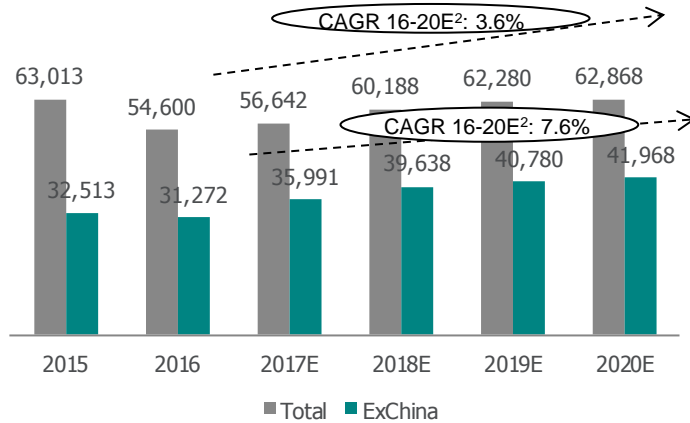
- **Q1 17 vs. Q1 16 evolution aligned with FY 17 guidance (working capital to sales ratio 2017: c.0%)**
 - Reduction in average working capital LTM @ March 17: €91 mn

1. Average working capital/12 month sales

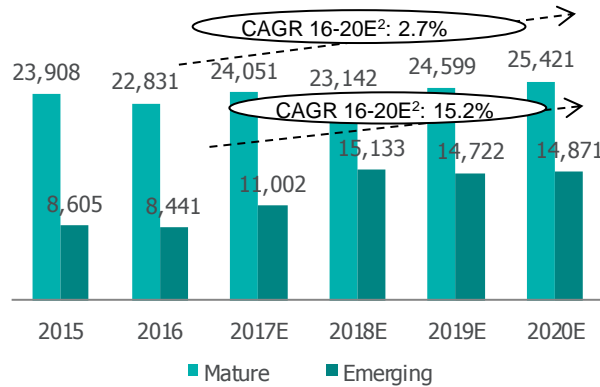
Outlook

In a wind market with a stable demand outlook

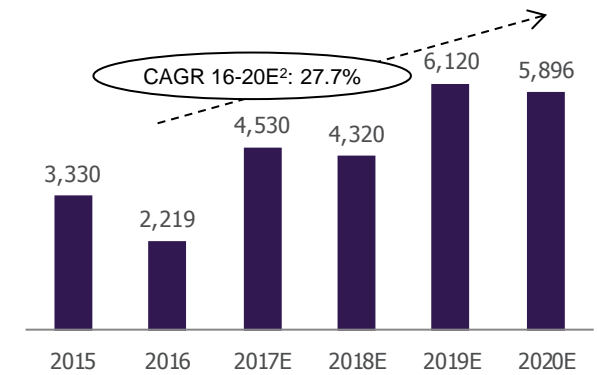
Wind installations 2015-2020E (MW)¹



Wind installation ex China 2015-2020E (MW)¹



Offshore wind installations (MW)¹



Demand prospects supported by increasing energy consumption in emerging markets, commitment to fight climate change in mature markets and increasing competitiveness of wind worldwide

- Global onshore LCoE benchmark: 67 USD/MWh³
 - Expected reduction by 2040: 47%³
- Global offshore LCoE benchmark: 124 USD/MWh³

1. Source: BNEF and MAKE Q1 17 Market Outlook

2. Compound annual growth rate calculated on the basis of BNEF and MAKE estimates of installations at the date of publication of their Q1 17 reports and GWEC reported figures for 2016 reported on February 10. Growth in mature markets includes growth coming from the offshore segment. Previous compounded annual growth rates using BNEF and MAKE 2016 figures would be: 4.2% for global installations, 6.6% for global installations ex-China, 3.1% for mature markets, 11.4% for emerging markets ex-China, and 39.5% for offshore

3. Source: BNEF 1H 2017 Wind LCoE update

With a first quarter performance aligned with FY Dec. 2017 standalone guidance

	Q1 16	Q1 17	Var. Q1 17 vs. Q1 16		Guidance 17 @Feb. 2017	Var. Vs, 2016
Volume (MWe)	1,061	1,490	40%	✓	5,000	15%
Underlying EBIT	119	181	53%	✓	c.550	15%
Underlying EBIT margin	11.1%	11.7%	+0.6 p.p.	✓	10%-11%	flat
WC / revenues	4.1%	5.6%	+1.5 p.p.	✓	c. 0%	+4.9 p.p.
Capex (€ mn)	33	35	7%	✓	4%-5%	flat
ROCE	19.2%	28.3%		✓		

- Strong Q1 17 volume growth impacted by Safe Harbor deliveries in the US and strength of Indian market ahead of regulatory changes in the wind market. Growth will revert to a normalize level, aligned with FY 2017 guidance, in coming quarters
- Q1 17 order intake reflects the phasing of new contract in the US in the second half of the year, the cancellation of the December 2016 tender in Brazil and strong OI in Q4 16. Growth in order entry to resume in the coming quarters
- Increase in working capital to sales ratio aligned with traditional business seasonality, Q1 order entry level and FY 2017 guidance

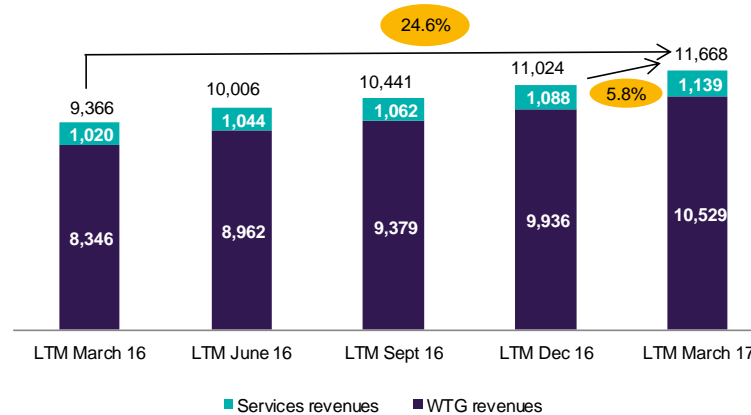
A new global wind leader is born

Merger becomes effective in April 3

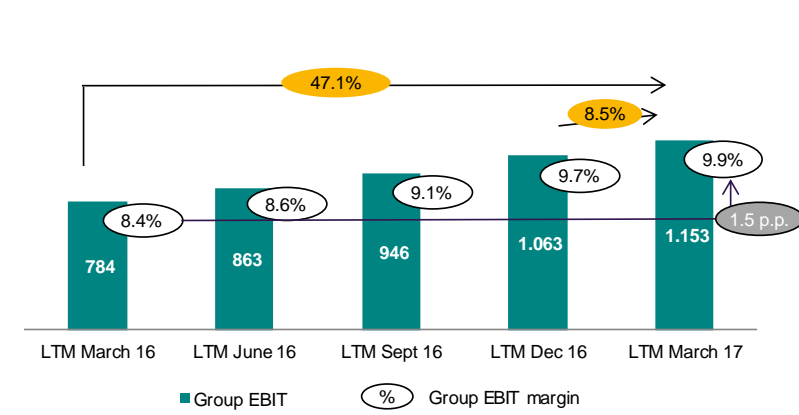
- **LTM pro forma¹ revenues: €11.7 bn and EBIT: €1.2 bn or 9.8% over sales**
- Expected synergies in year 4: €230 mn (50% in year 2)
- Estimated integration costs: c.€210 mn
- **Sound balance sheet with net cash position, as per pro forma December 2016 published accounts: €1.3 bn²**



Non-audited LTM proforma revenues (mn€)



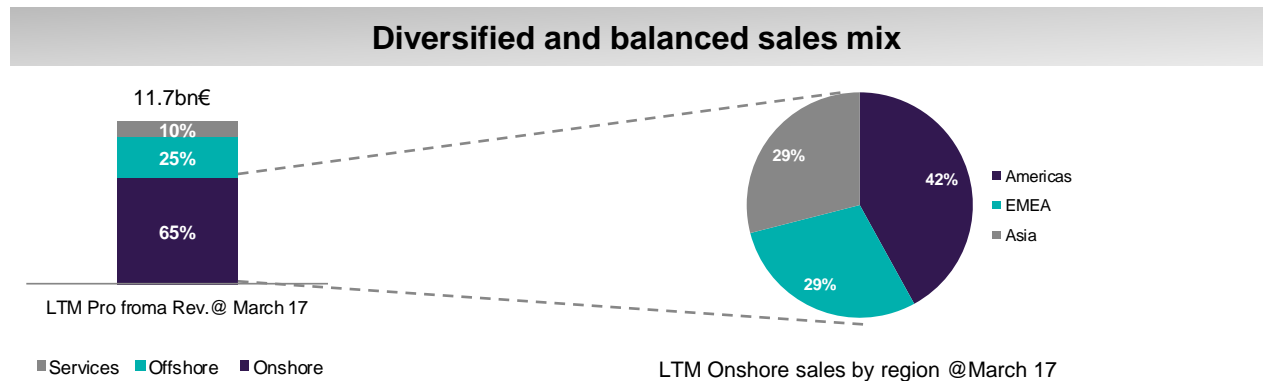
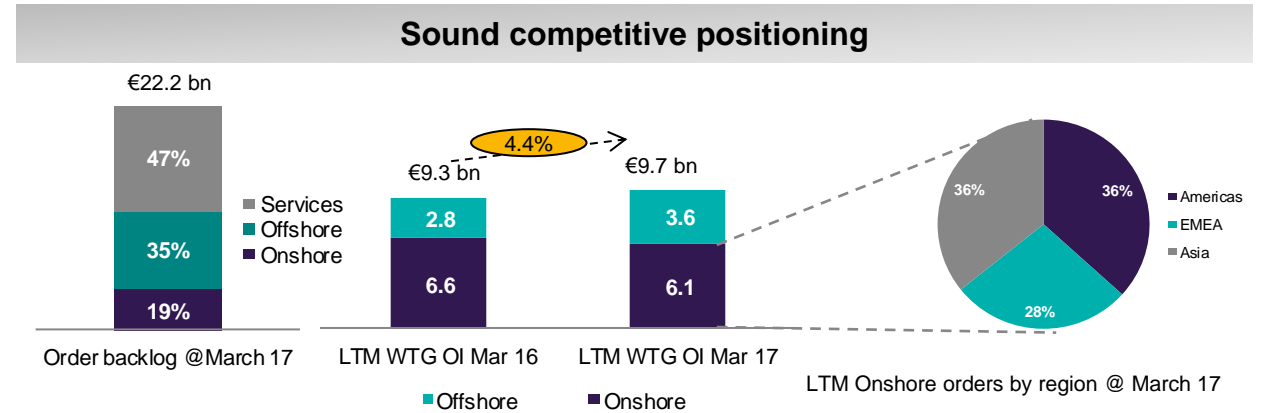
Non-audited LTM proforma EBIT (mn€)¹



1. Pro forma figures excluding transaction costs and PPA impact, and including full consolidation of Adwen, standalone savings and normalization adjustments
 2. Net cash position as per pro forma December 16 published accounts. It includes cash for quality provisions (€286 mn) and excludes Areva loans to Adwen (€210 mn). Net cash position as per pro forma December 16 published accounts defined as cash and cash equivalents less long and short term financial debt

With the scale and diversification required To compete in the new industry environment

- **Backlog: €22.2 bn with LTM order entry of €12.9 bn, +12% y/y**
- **Jan-Mar 17 WTG order entry: €3 bn, up 9.2% y/y**
 - Book to bill >1x
- **76 GW installed in 76 countries and 51 GW under maintenance**
- **Comprehensive product and service portfolio**
- **Organizational structure already in place**
 - Integration process well under way
 - 27,000 employees
- **Strategic agreements with Siemens to explore value enhancing initiatives:**
 - Strategic supply agreements, preferred financing agreements and financial support, Siemens ONE, business cooperation and sales support
- **Sound anchor shareholder base:**
 - Siemens AG (59%) and Iberdrola (8%)
- **Market capitalization @ May 2017: €14 bn**



CEO Markus Tacke



Dr. Ing. Mechanical Engineering (Technical University Darmstadt, Germany)
M.Eng. Combustion & Fluid dynamics (Cornell University, USA)

2014-2017 Siemens Wind Power
CEO

2009-2013 Siemens Oil and Gas
CEO Industrial Power Business Unit.

Bef. 2009:
Head of GZ Industrial Steam Turbines and Head of Manufacturing Industrial Steam Turbines.

CEO WTG Onshore Xabier Etxebarria	CEO WTG Offshore Michael Hannibal	CEO Service Mark Albenze	Chief Financial Officer Andrew Hall	Corporate Development, Strategy and Integration Managing Director David Mesonero	Chief Corporate and General Secretary José Antonio Cortajarena	Internal Audit Director Felix Zarza
<p>Industrial Engineering (University of Bilbao, Spain)</p> <p>2012-2017 Gamesa: Business CEO. 2008-2012 GKN: Chairman Board of Directors of GKN Spain. Chairman GKN Driveline International GmbH. CEO Freight Service division and Global Operations Director for GKN Driveline. Bef. 2008: Global Operations Director; Global Purchasing Director; Global QHS Director, Global Commercial and Industrial director.</p>	<p>BSc in Electrical Engineering (Aarhus School of Engineering). Strategic Management and Market Oriented Business Development (Aarhus Business School)</p> <p>2014-2017 Siemens Wind Power: CEO Offshore, 2011-2014 Siemens Wind Power : CEO, Energy Wind EMEA Offshore 2005-2011 Siemens Wind Power : Vice President, Global Sales, Offshore Before 2005: YIT A/S (former ABB A/S and ABB Electric A/S), Denmark</p> <p>Among other external positions: Vice-Chairman A2Sea</p>	<p>Criminal Justice (Western Michigan University). Master in Management (St Louis University). Master in Government (Troy)</p> <p>2014-2017 Siemens Wind Power: CEO Siemens Wind Services 2011-2014 Siemens Wind power: CEO Siemens WP Americas Bef. 2011: Several positions in sales Siemens Wind Power Americas. Various positions in supply management, business development and marketing at Westinghouse. US army officer.</p>	<p>MSc Electrical & Electronic Engineering (University of Cape Town). MBA (London Business School)</p> <p>2015-2017 Siemens Wind Power CFO 2008-2015 Siemens Regional Clusters CFO North West Europe CFO Africa 2003-2008 Siemens Corporate Accounting & Reporting Vice president, Subsidiaries Controlling Prior to 2003: Siemens Information and Communications: Business Unit CEO; Head of Service Sales; Head of Project Management</p>	<p>Business Administration (ICADE). MBA (IESE)</p> <p>2013-2017 Gamesa: Corporate development Managing Director Member of steering Committee Member of Board of Directors India Member of the Board Adwen Bef.2013: Different positions within Gamesa and Iberdrola. Previously, positions as strategic consultant (Oliver Wyman) and investment banker .</p>	<p>Lawyer (University of Basque Country, Spain) and Master in Legal Business (Instituto de Empresa).</p> <p>2012-2017: Gamesa: Chief Corporate and General Secretary Deputy Secretary non member of the Board. Before 2012: General Secretary and different positions within Gamesa. Member of the State Attorney Corps.</p>	<p>Economics and Business Administration (Universidad Comercial de Deusto) and Certified Public Accountant (CPA) (Spanish Institute of Accounts Auditors)</p> <p>2004-2017 Gamesa: Director of Internal Audit Before 2004: Different positions within Arthur Andersen and Deloitte.</p>

Conclusion

Siemens Gamesa Renewable Energy – Ready for the next phase



- **Jan-March 17 performance fully aligned with standalone FY 17 guidance**
 - Record sales and profits:
 - Q1 sales: €1,546 mn, up 45% y/y,
 - Q1 underlying EBIT: €181 mn, up 53% y/y
 - Q1 underlying net profit: €106 mn, up 47% y/y
 - Sound balance sheet: €257 mn in net cash @ March 2017
 - ROCE: 28%, 20 p.p. above WACC
- **Merger effective on April 3: a new global wind leader is born**
 - New organization, to drive business strategy, already in place
 - LTM Pro forma sales: €11.7 bn and EBIT €1.2 bn¹
 - Order backlog: €22.2 bn and LTM WTG order intake of €9.7 bn
 - Sound balance sheet: €1.3 bn in pro forma net cash @Dec.16²
- **Wind market with a stable demand outlook but increasingly competitive**
 - LCoE remains key to sustain a competitive advantage in the market

1. Pro forma data EBIT excluding integration costs and PPA impact and including the full consolidation of Adwen, standalone savings and normalization adjustments

2. Pro forma net cash figure at Dec.16 defined as cash and cash equivalents, less short and long term financial debt . It includes cash for quality provisions amounting to €286 mn and excludes Areva loans to Adwen for €210 mn at Dec.16

Financial calendar

June	AGM
July	July 27, 2017 First consolidated reporting: Presentation of the January-June 2017 Results FY September 2017 SGRE guidance
October	Final date TBC Capital Markets Day
November	November 7, 2017 Presentation of the FY September 2017 Results Change of fiscal year to YE September to be proposed to the AGM

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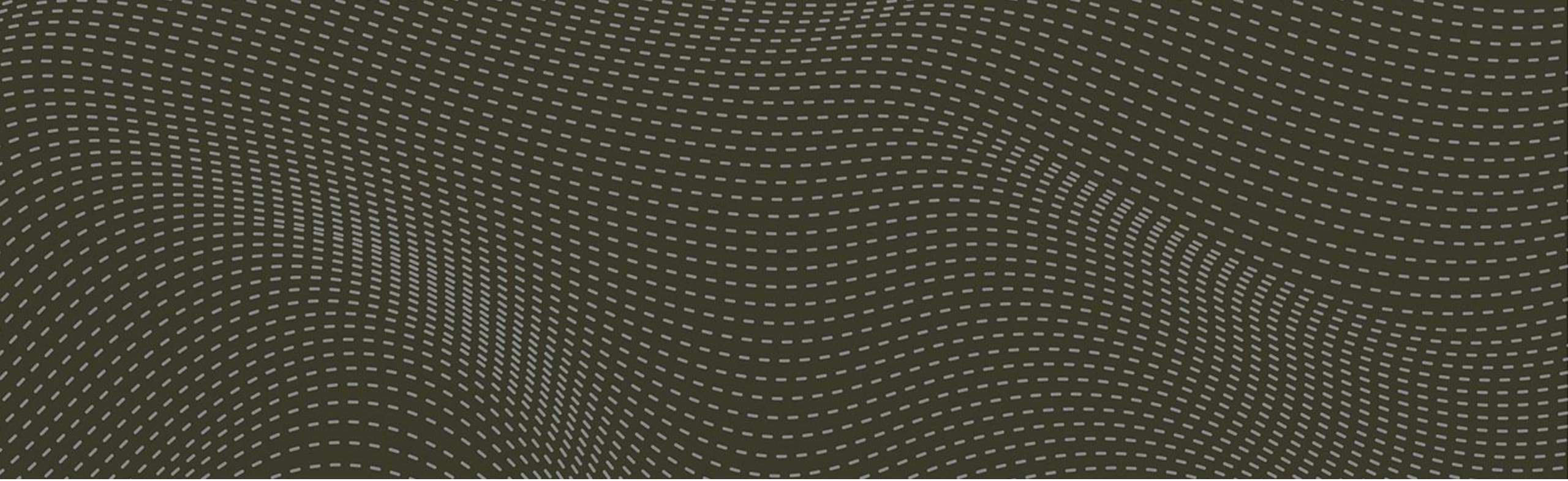
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Thanks

May 10, 2017