Report on Limited Review

SIEMENS GAMESA RENEWABLE ENERGY, S.A.

Interim Condensed Financial Statements and Interim Management Report for the six-month period ended March 31, 2019

(Translation for the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED
FINANCIAL STATEMENTS

To the shareholders of SIEMENS GAMESA RENEWABLE ENERGY, S.A., at the request of the Directors:

Report on the interim condensed financial statements

Introduction

We have carried out a limited review of the accompanying interim condensed financial statements (hereinafter the interim financial statements) of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (herein after the Company), which consists of the balance sheet at March 31, 2019, the income statement, the statement of changes in equity, the cash flow statement and the explanatory notes thereto for the six-month period then ended. The Directors of the Company are responsible for the preparation of said interim financial statements in accordance with the applicable financial reporting framework in Spain, adapted, regarding the information disclosure requirements, the condensed models set out in article 13 of Royal Decree 1362/2007 for the preparation of interim condensed financial statements, and as stated in the article 12 of said Royal Decree and in Circular 3/2018 of the Spanish National Securities Market Commission. Our responsibility is to express a conclusion on said interim financial statements based on our limited review.

Scope of the review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with prevailing audit regulations in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

As a result of our limited review, which under no circumstances should be considered an audit of financial statements, nothing came to our attention that would lead us to conclude that the accompanying interim financial statements for the six-month period ended at March 31, 2019 are not prepared, in all material respects, in accordance with the applicable financial reporting framework in Spain, adapted to the information disclosure requirements, to the condensed models set up in article 13 of Royal Decree 1362/2017, as is stated in the article 12 of said Royal Decree and Circular 3/2018 of the Spanish National Securities Market Commission, for the preparation of interim condensed financial statements.

Emphasis of matter

We draw attention to the matter described in accompanying explanatory note 2.a which indicates that the abovementioned interim condensed financial statements do not include all the information that would be required for complete financial statements prepared in accordance with the applicable financial reporting framework in Spain. Therefore, the accompanying interim condensed financial statements should be read in conjunction with the financial statements of the Company for the year ended September 30, 2018. This matter does not modify our conclusion.

Report on other legal and regulatory reporting requirements

The accompanying interim management report for the six-month period ended March 31, 2019 contains such explanations as the Company´s Directors consider necessary regarding significant events which occurred during this period and their effect on these interim financial statements, of which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the abovementioned management report agrees with the interim financial statements for the six-month period ended on March 31, 2019. Our work is limited to verifying the interim management report in accordance with the scope described in this paragraph, and does not include the review of information other than that obtained from the accounting records of SIEMENS GAMESA RENEWABLE ENERGY, S.A.

Paragraph on other issues

This report has been prepared at the request of management of SIEMENS GAMESA RENEWABLE ENERGY, S.A. with regard to the publication of the semi-annual financial report required by article 119 of Royal Decree Law 4/2015, of October 23, which approves the refunded text of Securities Market Law developed by Royal Decree 1362/2007, of October 19.

ERNST & YOUNG, S.L.

(Signed on original in Spanish)

May 7, 2019

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SIEMENS GAMESA RENEWABLE ENERGY, S.A.

INTERIM CONDENSED BALANCE SHEET AS OF MARCH 31, 2019 AND SEPTEMBER 30, 2018

Thousands of euros

ASSETS	Notes	03.31.2019	09.30.2018 (*)	EQUITY AND LIABILITIES	Notes	03.31.2019	09.30.2018 (*)
NON-CURRENT ASSETS		**9,998,605**	**9,694,333**	**EQUITY**	**Note 9**	**8,166,449**	**8,052,645**
Intangible assets		212	254	Issued capital		115,794	115,794
Software		212	254	Capital reserve		8,613,935	8,613,935
Property, plant and equipment		1,378	1,459	Reserves		1,113,689	1,076,677
Other installations, tooling and fixtures		954	948	Legal and bylaw reserves		4,985	-
Other property, plant and equipment		424	511	Other reserves		1,108,704	1,076,677
Long-term investments in group companies and associates	Note 7	9,995,422	9,690,858	Treasury shares, at cost		(21,694)	(20,343)
Investments in group companies and associates		9,495,422	9,190,858	Prior periods' losses		(1,783,270)	(1,783,270)
Credits to group companies and associates	Note 12	500,000	500,000	Result for the year		127,995	49,852
Long-term financial investments	Note 7	525	523				
Guarantees and deposits given		525	523				
Deferred tax assets		1,068	1,239				
				NON-CURRENT LIABILITIES		**1,094,609**	**693,668**
				Long-term debts	Note 10	1,094,609	693,668
				Debt with financial institutions		1,094,609	693,668
CURRENT ASSETS		**1,505,542**	**2,138,236**	**CURRENT LIABILITIES**		**2,243,089**	**3,086,256**
Trade and other receivables		46,249	41,758	Short-term provisions		170	170
Receivables from group companies and associates	Note 12	36,853	34,682	Short-term debts	Note 10	80,251	488,896
Personnel		40	31	Debt with financial institutions		74,383	484,730
Current tax assets		9,356	7,045	Derivatives	Note 12	108	1,271
Short-term investments in group companies and associates	Note 7	984,564	1,056,299	Other financial liabilities		5,760	2,895
Credits to group companies and associates	Note 12	984,564	1,056,299	Short-term payables to group companies and associates	Note 12	2,112,693	2,520,846
Short-term financial investments	Note 7	751	631	Trade and other payables		49,975	76,344
Derivatives	Note 12	751	631	Suppliers, group companies and associates	Note 12	22,578	44,594
Current accruals		5,171	738	Other payables		8,388	9,143
Cash and cash equivalents	Note 8	468,807	1,038,810	Personnel		8,275	13,531
Cash		468,807	1,038,810	Current tax liabilities		10,734	9,076
TOTAL ASSETS		**11,504,147**	**11,832,569**	**TOTAL EQUITY AND LIABILITIES**		**11,504,147**	**11,832,569**

(*) Presented for comparison purposes only.

The accompanying Notes from 1 to 16 are an integrated part of these Interim Condensed Financial Statements.

Translation of Financial Statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company. In the event of a discrepancy, the Spanish-language version prevails (Note 16).

SIEMENS GAMESA RENEWABLE ENERGY, S.A.

INTERIM CONDENSED STATEMENTS OF PROFIT AND LOSS FOR THE THE 6-MONTH PERIOD ENDED MARCH 31, 2019 AND 2018

Thousands of euros

	Notes	6-month period ended 03.31.2019	6-month period ended 03.31.2018 (*)
CONTINUING OPERATIONS			
Revenue	Note 12	178,769	203,702
Dividends from investments in group companies and associates		161,595	189,583
Income from credits to group companies and associates		17,174	14,119
Other operating income		16,001	20,591
Accessory and other current income		16,001	20,591
Grants incorporated to income		-	-
Staff costs		(17,322)	(25,745)
Wages, salaries and similar expenses		(13,691)	(22,118)
Social security costs		(3,631)	(3,627)
Other operating expenses		(36,656)	(23,581)
External services		(36,626)	(23,622)
Taxes other than income tax		(30)	41
Losses on, impairment of and change in trade provisions		-	-
Depreciation and amortization		(258)	(198)
Impairment and losses on disposals of financial instruments	Note 7	-	(59,115)
Impairment and losses on disposals of group companies investments and associates		-	(59,115)
OPERATING RESULT		**140,534**	**115,654**
Financial expenses		(6,488)	(1,905)
On debts to group companies and associates	Note 12	(1,124)	(625)
On debts to third parties		(5,364)	(1,280)
Exchange differences		(510)	(1,757)
FINANCIAL RESULT		**(6,998)**	**(3,662)**
RESULT BEFORE TAX		**133,536**	**111,992**
Income tax	Note 11	(5,541)	2,123
RESULT FOR THE YEAR FROM CONTINUING OPERATIONS		**127,995**	**114,115**
RESULT FOR THE YEAR		**127,995**	**114,115**

(*) Presented for comparison purposes only.

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SIEMENS GAMESA RENEWABLE ENERGY, S.A.

INTERIM CONDENSED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR
THE 6-MONTH PERIOD ENDED MARCH 31, 2019 AND 2018
Thousands of euros

A) STATEMENTS OF RECOGNIZED INCOME AND EXPENSES

	6-month period ended 03.31.2019	**6-month period ended 03.31.2018 (*)**
Result for the year	127,995	114,115
Income and expenses recognised directly in equity	-	-
Transfers to the Statement of Profit and Loss	-	-
TOTAL INCOME AND EXPENSES RECOGNISED	**127,995**	**114,115**

(*) Presented for comparison purposes only.
The accompanying Notes from 1 to 16 are an integrated part of these Financial Statements.

SIEMENS GAMESA RENEWABLE ENERGY, S.A.

INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE 6-MONTH PERIOD ENDED MARCH 31, 2019 AND 2018

Thousands of euros

B) STATEMENTS OF CHANGES IN TOTAL EQUITY

	Issued capital	Capital reserve	Reserves	Treasury shares, at cost	Prior period's losses	Result for the year	Total
Balances as of October 1, 2017	**115,794**	**8,613,935**	**1,076,666**	**(21,505)**	**(426)**	**(1,782,844)**	**8,001,620**
Total comprehensive income for the 6-month period ended March 31, 2018	-	-	-	-	-	114,115	114,115
Treasury shares transactions (Note 9.B)	-	-	148	299	-	-	447
Incentive Plan (Note 9.C)	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-	(1,782,844)	1,782,844	-
Balances as of March 31, 2018 (*)	**115,794**	**8,613,935**	**1,076,814**	**(21,206)**	**(1,783,270)**	**114,115**	**8,116,182**
Balances as of October 1, 2018	**115,794**	**8,613,935**	**1,076,677**	**(20,343)**	**(1,783,270)**	**49,852**	**8,052,645**
Total comprehensive income for the year ended March 31, 2019	-	-	-	-	-	127,995	127,995
Treasury shares transactions (Note 9.B)	-	-	2,105	(1,351)	-	-	754
Incentive Plan (Note 9.C)	-	-	2,497	-	-	-	2,497
2018 earnings allocation:							
Dividend	-	-	-	-	-	(17,442)	(17,442)
Other changes in equity	-	-	32,410	-	-	(32,410)	-
Balances as of March 31, 2019	**115,794**	**8,613,935**	**1,113,689**	**(21,694)**	**(1,783,270)**	**127,995**	**8,166,449**

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Translation of Interim Condensed Financial Statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company. In the event of a discrepancy, the Spanish-language version prevails (Note 16).

SIEMENS GAMESA RENEWABLE ENERGY, S.A.

INTERIM CONDENSED STATEMENT OF CASH FLOWS

FOR THE 6-MONTH PERIODS ENDED MARCH 31, 2019 AND 2018

Thousands of euros

	Notes	6-month period ended 03.31.2019	6-month period ended 03.31.2018 (*)
CASH FLOW FROM OPERATING ACTIVITIES (I)		**82,447**	**113,198**
Result before tax		133,536	111,992
Adjustments to result:			
- Depreciation and amortization		258	198
- Impairment losses	Note 7	-	59,115
- Changes in provisions		796	(1,288)
- Dividends		(161,595)	(189,583)
- Financial income		(17,174)	(14,119)
- Financial expenses		6,488	1,905
- Exchange differences		510	1,487
Change in working capital			
- Trade and other receivables		(4,491)	(7,779)
- Trade and other payables		(28,167)	(18,530)
- Other current liabilities		-	287
Other cash flows from operating activities			
- Interests paid		(8,561)	(1,546)
- Collection of dividends		151,514	155,460
- Interests collection		13,054	9,059
- Income taxes (payments) returns		(3,721)	7,889
- Other cash inflows/(outflows) from operating activities		-	(1,349)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**(303,000)**	**(56,206)**
Payments due to investments			
- Group companies and associates		(302,863)	(55,725)
- Other financial assets		(2)	(20)
- Investments in intangible assets and property, plant and equipment		(135)	(461)
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**(347,657)**	**(106,005)**
Receipts and payments for equity instruments			
- Purchase / disposal of treasury shares	Note 9.B	754	447
Receipts and payments for financial liability instruments			
- Issue / (amortization) of debts from financial entities and other financial liabilities		(10,183)	410,000
- Issue / (amortization) of debts from group companies and associates		(338,228)	(516,452)
IMPACT OF CHANGES IN EXCHANGE RATE (IV)		**(1,793)**	**(3,602)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**(570,003)**	**(52,615)**
Cash and cash equivalents at the beginning of the year		1,038,810	529,256
Cash and cash equivalents at year end		468,807	476,641

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SIEMENS GAMESA RENEWABLE ENERGY, S.A.

Notes to the Interim Condensed Financial Statements for the 6-month period ended March 31, 2019

1. Activities and corporate purpose

A. GENERAL INFORMATION

Siemens Gamesa Renewable Energy, S.A. (hereinafter, "the Company" or "SIEMENS GAMESA") was incorporated as a public limited liability company on January 28, 1976. Its corporate address is located at Parque Tecnológico de Bizkaia, Building 222, Zamudio (Bizkaia, Spain).

SIEMENS GAMESA specialises in the development and construction of wind farms, as well as the engineering solutions, design, production and sale of wind turbines. The corporate purpose of the Company is to promote and foster companies, and to do so it may carry out the following operations:

a) The subscription and purchase of shares or stocks, or of securities that can be converted into these, or which grant preferential purchase rights of companies whose securities are listed or not in national or foreign stock exchanges;

b) The subscription and purchase of fixed-income securities or any other securities issued by companies in which they hold a stake, as well as the granting of participatory loans or guarantees; and

c) To directly provide advisory services and technical assistance to the companies in which it holds a stake, as well as other similar services related to the management, financial structure, and production or marketing processes of those companies.

These activities will focus on the promotion, design, development, manufacture and supply of products, installations and technologically advanced services in the renewable energy sector.

All the activities comprising the aforementioned corporate purpose can be undertaken both in Spain and abroad and can be carried out completely or partially, in an indirect manner, through the ownership of shares or stocks in companies with the same or similar purpose.

The Company will not undertake any activity for which the laws require specific conditions or legal limitations, unless these conditions or limitations are not exactly fullfilled.

The SIEMENS GAMESA Financial Statements for the year ended September 30, 2018 were issued for approval by the Directors in the Board of Directors held on November 23, 2018 and were approved by the General Shareholders' Meeting held on March 27, 2019.

Additionally, the Company is the parent of a group of subsidiaries and in accordance with current legislation it is required to prepare separate Consolidated Financial Statements. The Consolidated Financial Statements of Siemens Gamesa Renewable Energy, S.A. and subsidiaries (hereinafter, "the Group" or "the SIEMENS GAMESA Group") for the year ended September 30, 2018 were issued for approval by the Directors in the Board of Directors held on November 23, 2018 and were approved by the General Shareholders' Meeting held on March 27, 2019.

The Company's Bylaws and other public information of the Company are available on the website www.siemensgamesa.com and at its corporate address.

SIEMENS GAMESA prepares and reports its Interim Condensed Financial Statements in thousands of euros. Due to rounding, numbers presented may not add up precisely to the provided totals.

B. MERGER OF SIEMENS´S WIND POWER BUSINESS WITH GAMESA

On June 17, as explained in the Note 1.B of the Financial Statements for the year ended 30 September, 2018, 2016 Gamesa Corporación Tecnológica, S.A. (hereinafter, "GAMESA") and SIEMENS AG (hereinafter, "SIEMENS") signed a binding merger agreement whereby both parties agreed on the terms and conditions pursuant to which GAMESA and the SIEMENS´s Wind Power Business (as defined in the agreement) would be combined by way of a statutory merger by absorption of Siemens Wind HoldCo, S.L. (as absorbed entity) by and into GAMESA (as absorbing entity) with the dissolution without liquidation of the former and the en bloc transfer of all of its assets and liabilities to the latter, which would acquire by universal succession all of the rights and obligations of Siemens Wind HoldCo, S.L. (hereinafter, the "Merger").

2. Basis of presentation of the Interim Financial Information

A. FINANCIAL REPORTING LEGISLATION APPLIED

This summarised interim condensed financial information (hereinafter, the "interim financial information") has been prepared in accordance with the accounting principles and standards pursuant to which articles 12 and 13 of Royal Decree 1362/2007, of October 19, whereby Law 24/1988 is enacted, of July 28 on Securities Markets, on transparency requirements in relation to information regarding issuers whose securities are listed in an official secondary market or another market regulated by the European Union (hereinafter, "Royal Decree 1362/2007") and Circular 3/2018 of the Spanish National Securities Market Commision, on periodic reporting by issuers with securities admitted to trading on regulated markets in relation to six-monthly financial reports, interim management statements and, where applicable, quarterly financial reports (hereinafter, "Circular 3/2018").

Circular 3/2018 repeals Circular 1/2008, of January 30, on periodic reporting by issuers of securities admitted to trading on regulated markets, regarding half-yearly financial reports, interim management statements and, where applicable, quarterly financial reports, amended by Circular 5/2015, of October 28, of the Spanish National Securities Market Commission. However, these circumstances have had no significant impact on the comparison of financial information.

This interim financial information does not include all the information required for comprehensive Financial Statements prepared in accordance with the accounting principles and standards generally accepted by the Spanish Law. In particular the interim financial information attached has been prepared included all the content required to comply with the rule four of Circular 3/2018 for Financial Statements. As a result, interim financial information must be read along with SIEMENS GAMESA's Financial Statements for the year ended September 30, 2018 and the SIEMENS GAMESA Group's Interim Condensed Consolidated Financial Statements for the 6-month period ended March 31, 2019 prepared in accordance with International Financial Reporting Standards.

The main figures in those Interim Condensed Financial Statements for the SIEMENS GAMESA Group correspond to the 6-month period ended March 31, 2019 are as follows:

Thousands of euros	03.31.2019	09.30.2018
Total assets	16,026,941	16,152,737
Equity		
Parent Company	6,203,892	5,928,725
Non - controlling interests	2,571	2,226
Thousands of euros	**03.31.2019**	**03.31.2018**
Revenue from continuing operations	4,651,098	4,368,533
Net income for the year		
Parent Company	67,261	334
Non - controlling interests	754	(919)

This interim financial information has been drafted in relation to the half-yearly Financial Statements required by section 119 of Revised Securities Market Law 24/1998 of July 28, enacted by Royal Decree 1362/2007 of October 19.

B. ACCOUNTING PRINCIPLES AND VALUATION STANDARDS

The accounting principles and valuation standards used for this interim financial information are the same as those explained in the Note 3 for SIEMENS GAMESA's Financial Statements for the year ended September 30, 2018, being the ones set out in the Spanish General Accounting Plan (*Plan General de Contabilidad).*

C. COMPARISON OF INFORMATION

In accordance with Article 12 of Royal Decree 1362/2007, enacted by Securities Market Law 24/1988 of July 28, the following information is presented for comparison purposes:

- The Interim Condensed Balance Sheet as of September 30, 2018.
- The Interim Condensed Statement of Profit and Loss, the Interim Condensed Statement of Other Comprehensive Income, the Interim Condensed Statement of Changes in Equity and the Interim Condensed Statement of Cash Flows for the 6-month period ended March 31, 2018.

D. GOING CONCERN ASSUMPTION

As of Mach 31, 2019 the Company has a negative working capital amounting to EUR 737,547 thousands (EUR 948,020 thousands as of September 30, 2018) mainly due to "Short – term payables to group companies and associates" amounting to EUR 2,112,693 thousands and EUR 2,520,846 thousands, respectively (Note 12). Nevertheless, the Company´s liquidity needs are guaranteed at all moments through credit lines (Note 10).

The Company's Directors declare this negative working capital will be offset by the generation of funds from the SIEMENS GAMESA Group business and the dividends to its subsidiaries.

E. SEASONALITY OF THE TRANSACTIONS

On a half-yearly basis, SIEMENS GAMESA's activities show no significant degree of seasonal variation, except for dividends received from subsidiaries, which normally take place in the first half of the year.

F. TRUE AND FAIR VIEW

The accompanying Interim Condensed Financial Statements have been prepared on the basis of the Company's accounting records and are presented in compliance with applicable financial reporting legislation, particularly the accounting standards and policies established therein, so as to provide a true and fair view of the Company's net worth, its financial situation, the results of its operations and cash flows for the 6-month period.

3. Acquisitions, dispositions and discontinued operations

As described in Note 1.B, the Merger qualified for accounting purposes as a reverse acquisition, by which SIEMENS's Wind Power Business is considered as accounting acquirer and GAMESA as accounting acquiree. SIEMENS acquired 59% of GAMESA in exchange for 41% of its Wind Power Business and an Extraordinary Merger Dividend of EUR 998.7 million. As SIEMENS and GAMESA only exchanged equity interests, GAMESA´s market share price at the Merger Effective Date was the best indicator of the consideration paid for GAMESA´s assets and liabilities, which was EUR 22.345 per share (relevant share price as of April 3, 2017). Accordingly, the consideration transferred amounted to EUR 6,203 million.

4. Financial risk management policy

By the nature of its activities, the SIEMENS GAMESA Group is exposed to a variety of financial risks: (i) market risks, in particular foreign exchange risk, market price risk and interest rate risk, (ii) liquidity risk and (iii) credit risk. The aim of the Financial Risk Management is to identify, measure, monitor and mitigate those risks and their potential adverse effects on the Group's operational and financial performance. The general conditions for compliance with the Group's Financial Risk Management process are set out through policies approved by the Senior Management. The identification, assessment and hedging of financial risks lies in the responsibility of each business unit.

Given that the Notes to the Interim Condensed Financial Statements do not include all the information and breakdowns regarding Financial Risk Management that are mandatory for the annual Consolidated Financial Statements, they should be read together with the Note 5 of the Group's Consolidated Financial Statements for the year ended September 30, 2018.

There have been no significant changes in any risk management policy since the closing of the year ended September 30, 2018.

The consideration of the own credit risk in the measurement of derivatives as of March 31, 2019 does not give rise to any significant impact on the measurement of their fair value.

The fair value of the rest of the financial assets and liabilities measured at amortized cost is considered to approximate their carrying value.

5. Key accounting judgments and estimates

The preparation of this Interim Condensed Financial Statements requires management to make judgments and use estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. The main accounting principles and policies and measurement methods applied as well as estimates and sources of uncertainty, coincide with the ones disclosed mainly in Note 2.H of the Financial Statements for the year ended September 30, 2018. Additionally to these, attention should also be drawn to the following:

- Corporate income tax expense is recognised in interim periods based on the best estimate tax rate that the Company expects for the year.

- On March 29, 2017, the UK Government invoked Article 50 of the Treaty of Lisbon, notifying the European Council of its intention to withdraw from the European Union (hereinafter, "the EU"). There was an initial two-year timeframe for the UK and EU to reach an agreement on the withdrawal and the future UK and EU relationship. On March 29, 2019 the UK Parliament voted for a third time against the Prime Minister Brexit deal, which, if passed, would have opened the way to the UK leaving the EU on a revised date of May 22, 2019. As of April 10, the UK Government and the EU agreed an extension for the Brexit until October 31, 2019.

  At the moment of preparation of these interim condensed financial statements, there is still significant uncertainty about the withdrawal process, its timeframe and the outcome of the negotiations about the future arrangements between the UK and the EU. As a result, there is significant uncertainty as to the period for which the existing EU laws for member states will continue to apply to the UK and which laws will apply to the UK after an exit. The consequences derived from it, for any resulting scenario, are still uncertain, affecting, among other factors, the value of the pound against the euro, access to the European single market, in circulation of people and goods, services and capital, or the valuation of investments made in the UK.

  Nowadays the main Group operations related to UK market are the following:

  - Currently there is no pipeline of UK onshore projects due to Government restrictions to the support for the new onshore developments. A number of projects are still in sales phase where Brexit risks can be covered in contract negotiations. Projects in the Republic of Ireland continue, but as Ireland remains in EU no impacts are expected.

  - Much of the Company's current activity in the UK concerns the supply and installation of Offshore

    projects.

  - The SIEMENS GAMESA Group has made a major investment in UK manufacturing with the establishment of primary production of offshore wind turbine blades from a site co-located with the Group's port facility. Now at full output, the Group currently manufactures the current generation 75 meters blades for its offshore projects, to this point used exclusively on UK projects. In summer 2019, the Group will commence an upgrade of the facility to facilitate a switch to the next generation of blade which will be used on both UK and European projects, commencing exports from the factory. The factory currently employs over 800 people.

  - The SIEMENS GAMESA Group also provides warranty services to new projects and service of wind farm fleets in the long term for customers. With a major base in Newcastle upon Tyne, service also operates a widely distributed workforce with satellite locations at offshore wind farms and onshore wind hubs across the UK.

  Below the specific risks that arise from the result of negotiations between the UK and the EU and affect the Group´s activities are presented:

  - It is expected that the custom duties tariffs will be applied to imported equipment that are currently tariff free. However, it is expected that the UK government would set temporary MFN ("Most favoured nation") rates and therefore, presumably, no tariff costs would arise in a post-Brexit situation, at least during the first year following the date of exit.

- The Group imports a significant part of raw materials for production of blades from EU (Denmark and Germany). The Group is currently analysing the supply chain flows and the measures to be implemented oriented to reduce lead-times and mitigate other potential risks from Brexit.

- The status of EU employees working for the SIEMENS GAMESA Group in the UK as residents and also the possibility that UK workers can travel and work freely in other EU countries are being analysed. However, the exposure to these risks are considered low.

The Group has evaluated the possible scenarios derived from the Brexit concluding that it will be able to cover these uncertainties through several risk mitigation measures and therefore no significant risk on the recoverability of assets resulting from past investments in the UK is identified. In any case neither material impact on the Group´s total net assets is expected nor in the book value of the investment portfolio amounting to approximately EUR 202 million as of March 31, 2019. A close analysis and follow-up of the situations that could suppose a significant risk and measures to be taken in this regard are performed on a regular basis through an established Task Force that continuously monitors the exit process.

Although the estimates are done based on the best information available of the analysed facts as of March 31, 2019 and September 30, 2018, future events might make it necessary to modify them (upwards or downwards) in later years, which would be applied prospectively, recognising the change in estmations in future periods.

6. Paid dividends

No dividends have been paid during the 6-month periods ended March 31, 2019 and 2018.

The General Shareholders´ Meeting of SIEMENS GAMESA held on March 27, 2019 approved a dividend amounting to EUR 17.5 million, charged to the results of the annual period ended September 30, 2018.

As of March 31, 2019, this dividend was recognised under the headings “Short-term payables to group companies and associates” and “Other financial liabilities” and was outstanding. This dividend has been paid in April 4, 2019.

7. Financial instruments

The balance under the heading "Investments in group companies and associates" and "Financial investments" as of March 31, 2019 and September 30, 2018 is as follows:

	Long – term financial instruments		
Thousands of euros	Equity instruments	Credits, derivatives and others	Total
Year 2019			
Long- term investments in group companies and associates			
Investments in group companies and associates	9,495,422	-	9,495,422
Credits to group companies and associates (Note 12)	-	500,000	500,000
Long- term financial investments			
Guarantees and deposits given	-	525	525
Total	9,495,422	500,525	9,995,947
Year 2018			
Long- term investments in group companies and associates			
Investments in group companies and associates	9,190,858	-	9,190,858
Credits to group companies and associates (Note 12)	-	500,000	500,000
Long- term financial investments			
Guarantees and deposits given	-	523	523
Total	9,190,858	500,523	9,691,381

	Short – term financial instruments		
Thousands of euros	Equity instruments	Credits, derivatives and others	Total
Year 2019			
Short - term investments in group companies and associates			
Credits to group companies and associates (Note 12)	-	984,564	984,564
Short - term financial investments			
Derivatives (Note 12)	-	751	751
Total	-	985,315	985,315
Year 2018			
Short - term investments in group companies and associates			
Credits to group companies and associates (Note 12)	-	1,056,299	1,056,299
Short - term financial investments			
Derivatives (Note 12)	-	631	631
Total	-	1,056,930	1,056,930

Movement during 2019 and 2018 in "Long-term investments in group companies and associates" is as follows:

	Long – term investments in group companies and associates				
Thousands of euros	09.30.2018	Additions	Disposals	(Impairment) /Reversal	03.31.2019
Investments in group companies and associates	9,190,858	304,564	-	-	9,495,422
Credits to group companies and associates (Note 12)	500,000	-	-	-	500,000
Total	9,690,858	304,564	-	-	9,995,422

	Long – term investments in group companies and associates				
Thousands of euros	09.30.2017	Additions	Disposals	(Impairment) /Reversal	03.31.2018
Investments in group companies and associates	7,814,740	-	-	(59,115)	7,755,625
Total	7,814,740	-	-	(59,115)	7,755,625

The most significant variations during the 6-month period ended as of March 31, 2019 have been the following:

- As of November 7, 2018 SIEMENS GAMESA, as the sole shareholder of Siemens Gamesa Renewable Energy Wind Farms, S.A. (Spain), approved an increase of reserves of such company in cash of EUR 300,000 thousands.

- As of March 14, 2019 the Company as the sole shareholder of Siemens Gamesa Renewable Energy Kft. (Hungary), approved an increase in cash of such company of HUF 900,000 thousands, equivalent to EUR 2,863 thousands, including HUF 7,000 thousands as a capital increase and HUF 893,000 tousands as a reserve increase.

- Additionally, due to the Long Term Incentive (Note 9.C), in the case of Siemens Gamesa Renewable Energy Wind Farms, S.A., Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd., Siemens Gamesa Renewable Energy Limited, Siemens Gamesa Renewable Energy Italia S.r.l., Siemens Gamesa Renewable Energy, Inc., Siemens Gamesa Renewable Energy A/S, Siemens Gamesa Renewable Energy GmbH & Co. KG, SIEMENS GAMESA granted equity instruments to its subsidiaries to make payment of these instruments to beneficiaries, what has resulted in an increase of the "Investments in group companies and associates" amounting to EUR 1,701 thousands for the 6-month period ended March 31, 2019 closing. As the recording of the cost of the plan started in the third quarter of fiscal year 2018, this did not result in any variation for the 6-month period ended March 31, 2018, which still reflects the best estimate based on the currently available information.

The parameters used for the impairmet tests of the inventments have not changed significantly with respect to the ones described in Note 9.A of the Financial Statements for the year ended September 30, 2018. Regarding the investments in USA and Canada, no additional impairment has been detected other than the one registered during the period ended September 30, 2018. For the rest of the investments in group companies and associates, the variations have not been significant.

As explained in Note 2.A, for a better understanding of the variations of the period 2018 under the heading "Investments in group companies and associates", the interim finanacial information should be read along with SIEMENS GAMESA´s Financial Statements for the yea ended September 30, 2018.

8. Cash and cash equivalents

The breakdown of "Cash and cash equivalents" as of March 31, 2019 and September 30, 2018 is as follows:

Thousands of euros	03.31.2019	09.30.2018
Cash in euros	315,930	843,476
Cash in foreign currency	152,877	195,334
Total	**468,807**	**1,038,810**

Cash and cash equivalents accrue market interest rates. There are no restrictions on the use of these balances.

9. Equity

A. ISSUED CAPITAL

SIEMENS GAMESA's issued capital as of March 31, 2019 and September 30, 2018 amounts to EUR 115,794 thousands being composed of 681,143,382 ordinary shares of EUR 0.17 of nominal value each, represented by means of annotations into account, fully subscribed and disbursed.

According to information of the Company, the shareholder structure of SIEMENS GAMESA as of March 31, 2019 and September 30, 2018 is as follows:

	% shareholding	
Shareholders	03.31.2019	09.30.2018
SIEMENS AG (*)	59.000%	59.000%
Iberdrola, S.A.	8.071%	8.071%
Others (**)	32.929%	32.929%
Total	100%	100%

(*) 28.877% by Siemens Beteiligungen Inland GmbH.
(**) Includes all shareholders with an ownership stake of less than 3%, who are not considered as significant shareholders according to the article 32 of the Royal Decree 1362/2007 of October 19 on shareholders required to notify their stake due to the residence in a tax haven or in a country of 0 taxation or with no effective exchange of tax information.

SIEMENS GAMESA's shares are listed on the IBEX 35 through the Automated Quotation System (*Mercado Continuo*) at the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges.

B. TREASURY SHARES, AT COST

The change in the item "Treasury shares, at cost" of "Total equity" as a consequence of the transactions during the 6-month period ended as of March 31, 2019 and 2018, is as follows:

	Number of shares	Thousands of euros
Balance at 10.01.2018	1,698,730	(20,343)
Acquisitions	9,227,105	(109,801)
Disposals	(9,287,771)	108,450
Balance at 03.31.2019	1,638,064	(21,694)

	Number of shares	Thousands of euros
Balance at 10.01.2017	1,707,508	(21,505)
Acquisitions	13,693,876	(163,126)
Disposals	(13,740,385)	163,425
Balance at 03.31.2018	1,660,999	(21,206)

The nominal value of the treasury shares acquired directly or indirectly by SIEMENS GAMESA, together with those already held by the SIEMENS GAMESA Group and its subsidiaries does not exceed 10% of the issued capital neither as of March 31, 2019 nor as of September 30, 2018.

The movements in treasury shares during the 6-month period ended as of March 31, 2019 are related to the liquidity contract with Santander Investment Bolsa signed on July 10, 2017 and explained in the Note 12.D of the Finanacial Statements for the year ended Septemebr 30, 2018.

C. LONG -TERM INCENTIVE

The General Shareholders' Meeting held on March 23, 2018 approved a Long-Term Incentive Plan for the period between 2018 and 2020, which includes the delivery of shares of the Company linked to the achievement of certain

strategic objectives after measurement periods of 3 years. This Long-Term Incentive Plan is addressed to the Chief Executive Officer, Senior Executives, certain Directors and employees of the Company and, where appropriate, of subsidiaries of the SIEMENS GAMESA Group.

The plan has a duration of 5 years divided into three independent cycles with a measurement period of three years each.

First cycle of the Plan

Regarding the first cycle, SIEMENS GAMESA has recorded the rendering of services from the beneficiaries relating to the incentive payable in shares as personnel expenses on an accrual basis, apportioning the estimate of the fair value of the equity instruments assigned over the term of the plan (between October 1, 2017 to October 1, 2020), which have given rise to a dedit amounting to EUR 796 thousands in "Staff costs" in the Statement of Profit and Loss for the 6-month period ended March 31, 2019 crediting the heading "Reserves - Other reserves" under Equity in the accompanying Balance Sheet as of March 31, 2019. The recording of the cost of the plan started in the third quarter of fiscal year 2018, hence, there was no cost recorded in the Interim Condensed Statement of Profit and Loss by nature for the 6-month period ended March 31, 2018.

In thoses cases in which SIEMENS GAMESA granted equity instruments to its subsidiaries to make payment of these instruments to beneficiaries, the Company has recorded EUR 1,701 thousands and EUR 802 thousands, respectively, under the heading "Long-term investments in group companies and associates - Investments in group companies and associates" in the accompanying Balance Sheet as of March 31, 2019 and September 30, 2018 (Note 7), crediting the heading "Reserves - Other reserves" under Equity, equivalent to the services received and accrued by beneficiaries at subsidiaries.

There have been no significant changes regarding the method and valuation models used for the calculation, the Plan's liquidation conditions, and the number of people included with repect to those explained in the Note 12.D of the Financial Statements for the year ended September 30, 2018.

Second and third cycles of the Plan

In the General Shareholders' Meeting held on March 27, 2019, it has been approved a modification of the Long-Term Incentive for the FY2019 and FY2020 cycles.

The objective of this modification is to improve and to better align the Plan with the Company's strategic priorities, like the L3AD2020 program. Finally, these improvements will eliminate the redundancies with the short-term incentive system and will enforce the property culture among the Company.

The number of employees entitled to the Plan's second cycle amounts to 191. The cost of the second cycle will be recorded starting in the third quarter of fiscal year 2019.

10. Current and non-current financial liabilities

The current and non-current financial liabilities as of March 31, 2019 and September 30, 2018 is as follows:

Thousands of euros	03.31.2019	09.30.2018
Long-term debts		
Debt with financial institutions	1,094,609	693,668
Short-term debts		
Debt with financial institutions	74,383	484,730
Derivatives (Note 12)	108	1,271
Other financial liabilities	5,760	2,895
Total	**1,174,860**	**1,182,564**

The amounts of "Debt with financial institutions" included in the Interim Condensed Balance Sheet as of March 31, 2019 and September 30, 2018 relates mainly to the multi-currency term and revolving credit facility signed at May 30, 2018 amounting both to EUR 2,500 million, that replaced the credit line that amounted to EUR 750 milion in 2017. The facility includes a fully drawn term loan tranche of EUR 500 million maturing in 2021 and a revolving credit line tranche of EUR 2,000 million maturing in 2023 with two one-year extension options. As of March 31, 2019 and September 30, 2018 EUR 1,100 million and EUR 700 million have been drawn, repectevely. It may be used for general corporate purposes and to refinance outstanding debt.

During March 2019, SIEMENS GAMESA has signed new bilateral credit lines amounting to EUR 412 million, of which EUR 312 million mature in 2020 and EUR 100 million are extendable by tacit agreement until 2022, accruing an average interest rate of 0.33%. As of March 31, 2019 the Group has not drawn any amount related these credit lines.

As of March 31, 2019 the average cost of the debt is of 1.41% (0.38% as of March 31, 2018). As of March 31, 2019 and 2018 the Company does not have financing debt subject to financial covenants.

11. Taxation

The Income tax expense in this interim period results from multiplying the earnings before tax by the best estimation of rate expected for the year adjusted, if applicable, by the tax effect of those elements to be recognised in whole in the interim period. Subsequently, the effective tax rate used in these Interim Condensed Financial Statements may differ from that estimated by the directors for the tax year.

12. Related party balances and transactions

A. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The balances maintained with group companies and related parties, without considering the investments in Group companies and associates, as of March 31, 2019 and September 30, 2018 are as follow:

Thousands of euros				03.31.2019				
Company	Country	Long-term credits to group companies and associates (Note 7)	Receivables from group companies and associates	Short-term credits to group companies and associates	Derivative assets (Note 7)	Derivative liabilities (Note 10)	Short-term payables to group companies and associates	Suppliers, group companies and associates
Siemens AG	Germany	-	-	-	751	(108)	(133,191)	(4,303)
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	-	-	225,187	-	-	(207,296)	(13,205)
Siemens Gamesa Renewable Energy Pty Ltd	Australia	-	291	3,940	-	-	-	-
Siemens Gamesa Renewable Energy d.o.o.	Croatia	-	125	11,140	-	-	-	-
Siemens Wind Power GmbH	Austria	-	8	9,830	-	-	-	-
Siemens Gamesa Renewable Energy Eólica, S.L.	Spain	380,000	7,917	264,434	-	-	(131)	(711)
Siemens Gamesa Renewable Energy Limited	Canada	-	28	-	-	-	(3,987)	-
Siemens Wind Power (PTY) Ltd	South Africa	-	-	1,962	-	-	-	-
Siemens Wind Power Ruzgar Enerjisi Anonim Sirketi	Turkey	-	238	13,923	-	-	-	-
Siemens Gamesa Renewable Energy Iberica S.L.	Spain	-	4	4,454	-	-	-	-
Siemens Gamesa Renewable Energy S.A.S.	France	-	67	-	-	-	(25,972)	-
Siemens Gamesa Renewable Energy BVBA	Belgium	-	42	10,081	-	-	(42,250)	-
Siemens Gamesa Renewable Energy B.V.	Netherlands	-	-	-	-	-	(93,724)	-
Gamesa Energy Transmission, S.A. Unipersonal	Spain	-	90	-	-	-	(35,376)	(1)
Siemens Gamesa Renewable Energy AB	Sweden	-	-	-	-	-	(32,494)	-
Siemens Gamesa Renewable Energy Limited (Frimley)	UK	-	185	-	-	-	(98,162)	-
Siemens Gamesa Renewable Energy Limited	Ireland	-	24	-	-	-	(8,976)	-
Siemens Gamesa Renewable Energy Italia S.r.l.	Italy	-	37	-	-	-	(3,629)	-
Siemens Gamesa Renewable Energy AS	Norway	-	-	-	-	-	(31,920)	-
Siemens Gamesa Renewable Energy, Inc.	USA	-	1,748	-	-	-	(170,300)	-
Siemens Gamesa Renewable Energy SARL	Morocco	-	58	4,902	-	-	-	-
Siemens Gamesa Renewable Energy A/S	Denmark	-	13,940	-	-	-	(432,717)	(2,308)
Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	120,000	-	248,924	-	-	-	(3)
Siemens Gamesa Renewable Energy Innovation & Technology, S.L.	Spain	-	3,441	-	-	-	-	(1,915)
Adwen Offshore, S.L.	Spain	-	173	-	-	-	(786,445)	-
Siemens Gamesa Renewable Power Private Limited	India	-	871	-	-	-	-	(120)
Gamesa Wind (Tianjin) Co., Ltd.	China	-	5,080	-	-	-	-	-
Siemens Gamesa Renewables Energy Limited (Hull)	UK	-	-	99,397	-	-	-	-
Siemens Gamesa Renewable Energy Blades, SARL AU	Morocco	-	2	82,017	-	-	-	(7)
Other Group companies and associates	-	-	2,484	4,373	-	-	(6,123)	(5)
Total balances, group companies and associates		**500,000**	**36,853**	**984,564**	**751**	**(108)**	**(2,112,693)**	**(22,578)**

Thousands of euros				09.30.2018				
Company	Country	Long-term credits to group companies and associates (Note 7)	Receivables from group companies and associated	Short-term credits to group companies and associates	Derivative assets (Note 7)	Derivative liabilities (Note 10)	Short-term payables to group companies and associates	Suppliers, group companies and associates
Siemens AG	Germany	-	-	-	631	(1,271)	(248,227)	(1,098)
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	-	185	196,376	-	-	(152,116)	(36,462)
Siemens GamesaRenewable Energy Pty Ltd	Australia	-	291	-	-	-	(52,927)	-
Siemens Wind Power GmbH	Austria	-	8	10,138	-	-	-	-
Siemens Gamesa Renewable Energy Eólica, S.L.	Spain	380,000	6,571	288,675	-	-	(131)	(118)
Siemens Wind Power Ruzgar Enerjisi Anonim Sirketi	Turkey	-	238	5,015	-	-	-	-
Siemens Gamesa Renewable Energy S.A.S.	France	-	67	-	-	-	(7,045)	-
Siemens Gamesa Renewable Energy BVBA	Belgium	-	42	-	-	-	(26,220)	-
Siemens Gamesa Renewable Energy B.V.	Netherlands	-	-	-	-	-	(44,856)	-
Gamesa Energy Transmission, S.A. Unipersonal	Spain	-	1	-	-	-	(15,419)	-
Siemens Gamesa Renewable Energy AB	Sweden	-	47	-	-	-	(21,130)	-
Siemens Gamesa Renewable Energy Limited (Frimley)	UK	-	185	-	-	-	(160,970)	-
Siemens Gamesa Renewable Energy Limited	Ireland	-	84	-	-	-	(6,681)	-
Siemens Gamesa Renewable Energy AS	Norway	-	151	-	-	-	(29,893)	-
Siemens Gamesa Renewable Energy, Inc.	USA	-	608	135,379	-	-	-	-
Siemens Gamesa Renewable Energy SARL	Morocco	-	58	3,656	-	-	-	-
Siemens Gamesa Renewable Energy A/S	Denmark	-	10,482	-	-	-	(797,825)	(5,555)
Siemens Gamesa Renewable Energy Wind Farms, S.A.	Spain	120,000	4	243,381	-	-	-	(3)
Adwen Offshore, S.L.	Spain	-	155	-	-	-	(954,363)	-
Siemens Gamesa Renewable Power Private Limited	India	-	7,754	-	-	-	-	(65)
Gamesa Wind (Tianjin) Co., Ltd.	China	-	3,691	-	-	-	-	-
Siemens Gamesa Renewables Energy Limited (Hull)	UK	-	-	100,817	-	-	-	-
Siemens Gamesa Renewable Energy Blades, SARL AU	Morocco	-	2	66,879	-	-	-	-
Other Group companies and associates	-	-	4,058	5,983	-	-	(3,043)	(1,293)
Total balances, group companies and associates		**500,000**	**34,682**	**1,056,299**	**631**	**(1,271)**	**(2,520,846)**	**(44,594)**

B. RELATED-PARTY TRANSACTIONS

The breakdown of the transactions with group, associates and related parties during the 6-month period ended March 31, 2019 and 2018 is as follow:

Thousands euros	Siemens AG	Other Siemens Group companies	SIEMENS GAMESA Group companies	Associates	Total
6-month period ended March 31, 2019					
Dividends from investments in group companies and associates	-	-	161,595	-	**161,595**
Income from credits to group companies and associates	-	-	17,174	-	**17,174**
Accesory and other current revenues	-	-	15,086	-	**15,086**
External services	(2,710)	(1,466)	(15,539)	(318)	**(20,033)**
Financial expenses on debts to group companies and associates	-	-	(1,124)	-	**(1,124)**
Other financial results	(1,170)	-	-	-	**(1,170)**
6-month period ended March 31, 2018					
Dividends from investments in group companies and associates	-	-	189,583	-	**189,583**
Income from credits to group companies and associates	-	-	14,119	-	**14,119**
Accesory and other current revenues	-	-	20,555	-	**20,555**
External services	-	-	(39)	(276)	**(315)**
Financial expenses on debts to group companies and associates	-	-	(625)	-	**(625)**
Other financial results	338	-	-	-	**338**

Dividends from investments in group companies and associates

During the 6-month period ended March 31, 2019 and 2018 the following "Dividends from investments in group companies and associates" have been approved:

Thousands euros			
Company	Country	Dividend	Date of approval
6-month period ended March 31, 2019			
Siemens Gamesa Renewable Energy A / S	Denmark	136,761	January 28, 2019
Siemens Wind Power (PTY) Ltd	South Africa	1,743	December 7, 2018
Siemens Gamesa Renewable Energy S.A.S.	France	2,280	February 28, 2019
Siemens Gamesa Renewable Energy Limited	Thailand	843	January 9, 2019
Siemens Gamesa Renewable Energy BVBA	Belgium	10,081	January 8, 2019
Siemens Gamesa Renewable Energy Italia S.r.l.	Italy	645	January 23, 2019
Siemens Gamesa Renewable Energy Limited	Korea	940	December 28, 2018
Siemens Gamesa Renewable Energy B.V.	Netherlands	8,302	January 1, 2019
Total dividends recognised		**161,595**	
6-month period ended March 31, 2018			
Siemens Gamesa Renewable Energy A / S	Denmark	155,491	January 18, 2018
Siemens Gamesa Renewable Energy GmbH & Co. KG	Germany	28,004	March 7, 2018
Siemens Wind Power (PTY) Ltd	South Africa	2,857	December 4, 2017
Siemens Gamesa Renewable Energy S.A.S.	France	1,560	March 30, 2018
Siemens Gamesa Renewable Energy Limited	Thailand	816	March 25, 2018
Siemens Gamesa Renewable Energy BVBA	Belgium	485	February 13, 2018
Siemens Gamesa Renewable Energy Italia S.r.l.	Italy	370	December 21, 2017
Total dividends recognised		**189,583**	

Main financing arrangements between SIEMENS GAMESA Group companies

During the 6-month period ended March 31, 2019 there have been no significant changes regarding credits to group companies and associates neither in the long-term nor in short-term with repect to those explained in the Note 18.B of the Financial Statements for the year ended September 30, 2018, except for the following:

On January 15, 2018 a credit was granted to Siemens Gamesa Renewable Energy Wind Farms, S.A. (Spain) for an amount of EUR 140,000 thousands. As of January 15, 2019 that credit was amortized and at the moment a new credit was granted to Siemens Gamesa Renewable Energy Wind Farms, S.A. amounting to EUR 142,900 thousands corresponding to the previous credit and the accrued interests as of that date.

On February 20, 2018 a credit was granted to Siemens Gamesa Renewable Energy Eólica S.L. Unipersonal (Spain) for a initial amount of EUR 100,000 thousands and extended on April 3, 2018 to EUR 170,000 thousands and on May 21 to EUR 270,000 thousands. As of March 31, 2019 this credits amounts to EUR 221,400 thousands, because EUR 48,600 thousands have been amortized.

The total amount of financial income accrued and registered under the heading "Income from credits to group companies and associates" the 6-month periods ended March 31, 2019 and 2018 amount to EUR 17,174 thousands and EUR 14,119 thousands, respectively.

Short-term payables to group companies and associates

During the 6-month period ended March 31, 2019 there have been no significant changes regarding Short-term payables to group companies and associates with repect to those explained in the Note 18.B of the Financial Statements for the year ended September 30, 2018.

Interest accrued during the 6-month periods ended March 31, 2019 and 2018 on the project Cash Management System added up EUR 1,124 thousands and EUR 625 thousands, respectively, recognised under "Financial expenses – On debts to group companies and associates" in the Statement of Profit and Loss.

C. TRANSACTIONS WITH THE SIEMENS GROUP

Goods and services purchased

On June 17, 2016, SIEMENS GAMESA and Siemens Aktiengesellschaft (SIEMENS) signed a strategic alliance agreement, featuring a strategic supply contract by virtue of which SIEMENS became the strategic SIEMENS GAMESA supplier of gears, segments, and other products and services offered by the SIEMENS Group. The abovementioned alliance will continue in force during the period in which SIEMENS: (a) directly or indirectly holds more than 50.01% of SIEMENS GAMESA's share capital, or (b) holds representative shares of at least 40% of share capital, as long as it holds the majority of Board of Director voting rights, with no shareholders which individually or jointly hold less than 15% of share capital. Therefore, in cases of change of control, the parties are entitled to terminate the strategic alliance, although the strategic supply contract will have a minimum duration of at least three (3) years (i.e., until April 3, 2020). The award system ensures that the supplies will be carried out under market conditions, as well as the involvement of and access to other suppliers.

On March 31, 2017, SIEMENS GAMESA and Siemens Aktiengesellschaft entered into a licensing agreement by virtue of which SIEMENS GAMESA is entitled to use the SIEMENS brand during the period in which SIEMENS: (a) directly or indirectly holds more than 50.01% of SIEMENS GAMESA's share capital, or (b) holds representative shares of at least 40% of share capital, as long as it holds the majority of Board of Director voting rights, with no shareholders which individually or jointly hold at least 15% of share capital. Accordingly, in the event of change of control, license would expire subject to certain transition period to discontinue the use of the SIEMENS name and trademark.

Dated on April 28, 2017 SIEMENS GAMESA and Siemens Aktiengesellschaft signed a framework agreement over certain information rights and obligations and related matters concerning the relationship between the parties and

certain principles applicable to the rendering of services between the SIEMENS GAMESA Group and the SIEMENS Group, as the main shareholder of SIEMENS GAMESA.

By virtue of certain agreements reached as a result of the Merger between SIEMENS GAMESA and Siemens Wind HoldCo, S.L. (sole shareholder company), the SIEMENS Group will have and grant certain warranties with regard to the business combination. The above agreements may be terminated and their applicable terms granted amended in case of change of control.

On April 10, 2018, SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy GmbH & Co. KG and SIEMENS entered into a contractual agreement by which both parties cooperate in the development and deployment of thermal energy storage systems. The project is co-funded by the Federal Ministry of Economic Affairs and Energy of Germany.

On August 1, 2018, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides procurement services enabling the SIEMENS GAMESA Group to benefit from collective bargaining power. The initial term of the agreement is one year for operational procurement services while the initial term for other procurement services is two years from effective date, both extendable for two additional years. For the approval of this related party transaction, the Audit, Compliance and Related Party Transactions Committee was advised by an independent expert.

On September 3, 2018, SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy LLC, and SIEMENS, through its subsidiary OOO Siemens Gas Turbines Technologies, entered into a contract manufacturing agreement for the assembly of wind turbines for the Russian market. The initial term was set to three years.

On October 1, 2018, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides support on specific accounting related topics.

On January 1, 2019, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides support for administration of Intellectual Property related matters.

On April 1, 2019, SIEMENS GAMESA and SIEMENS entered into a service agreement by which SIEMENS provides additional licenses for Teamcenter software utilized for managing the product development process.

During the last months, the SIEMENS GAMESA Group has purchased supplies for the Wind Turbines construction from SIEMENS Group, mainly from the SIEMENS divisions “Process Industries and Drives” and “Energy Management”. In addition, SIEMENS Group has provided services to SIEMENS GAMESA Group based on transitional service agreements such as tax services, selling support, human resources, legal and treasury services, among others.

Finally, as it is usual for large electricity supply infrastructure projects, there are contracts with clients which regulate a supposed change in control, providing each part reciprocal power to terminate the contract if such situation arises, especially in cases in which the new controlling party is the other party’s competitor.

Guarantees provided between the SIEMENS GAMESA Group and the SIEMENS Group

As of March 31, 2019, the SIEMENS Group has provided guarantees to third parties for the performance of the SIEMENS GAMESA Group amounting to EUR 22,078 million (EUR 20,839 million as of September 30, 2018).

In December 2018, SIEMENS GAMESA and SIEMENS entered into an agreement by which SIEMENS GAMESA issued a technical guarantee to SIEMENS related to several repowering projects in USA involving tax equity investment from SIEMENS.

Share-based payments

Certain employees of the SIEMENS GAMESA Group that have transferred from other SIEMENS Group entities participate in share-based payment awards implemented by SIEMENS. SIEMENS delivers the respective shares on behalf of SIEMENS GAMESA. Due to the limited extent of participation in the share-based programs, the effect on the Consolidated Financial Statements is not significant in the periods presented.

Hedging

The Group's hedging activities are partially performed via SIEMENS and Siemens Capital Company LLC on an arm's length basis. The consideration is based on the market rates. The related receivables and payables are disclosed in the lines "Other financial assets" and "Other financial liabilities".

On February, 2019, SIEMENS GAMESA, has issued a parent company guarantee to SIEMENS regarding the provided Hedging services amounting to approximately 3% of the outstanding hedging volume.

Insurance programme

At the end of September 2017, SIEMENS GAMESA, as a company member of the SIEMENS Group, adhered, with an effective date from October 1, 2017, to a global stand-alone insurance program including all-risk property damages insurance policies, civil liability insurance policies, transport, chartering of ships and all-risk construction insurance policies. Siemens Financial Services acts as insurance broker and service provider for the Global Insurance Program.

D. AGREEMENTS WITH THE IBERDROLA GROUP RELATED TO THE WIND TURBINE AND OPERATIONS AND MAINTENANCE SEGMENTS

The SIEMENS GAMESA Group, through its subsidiary Siemens Gamesa Renewable Energy Eólica, S.L. Unipersonal and Iberdrola, S.A., concluded on December 21, 2011 a framework agreement relating to the supply and maintenance of wind turbines. Under that framework agreement, the SIEMENS GAMESA Group and Iberdrola, S.A assumed the following commitments:

- Iberdrola, S.A. shall acquire from the SIEMENS GAMESA Group a quota of megawatts equivalent to 50% of the total on-shore wind turbine fleet that Iberdrola, S.A. acquires for its Renewables Business Unit during the term of the framework agreement.

  This commitment will be in force between January 1, 2013 and December 31, 2022 or the date on which the number of megawatts acquired by the Iberdrola Group from the SIEMENS GAMESA Group totals 3,800 MW, whichever occurs first.

  During the 6-month period ended March 31, 2019, several sales have been made in the framework of the abovementioned contract amounting to 110 MW (512 MW during the year 2018).

- SIEMENS GAMESA and Iberdrola, S.A. will closely collaborate with new opportunities relating to the offshore wind business.

- SIEMENS GAMESA and Iberdrola, S.A. will collaborate within the area of maintenance services so that Siemens Gamesa Renewable Energy Eólica, S.L. Unipersonal will become a company of reference with respect to wind farm maintenance throughout the Iberdrola Group's business.

- Likewise, during the period different minor components have been delivered, mainly spare parts.

In April 2018 SIEMENS GAMESA, through its subsidiary Siemens Gamesa Renewable Energy Eólica S.L. Unipersonal, closed an agreement with the Iberdrola Group for the maintenance of wind farms in the Iberian Peninsula of about 1,265 MW for a period of two years plus another optional year.

Currently, the total of MW under maintenance in the Iberdrola Group's wind farms approximately amounts to 4,000 MW.

In addition, in October 2015, the SIEMENS GAMESA Group and the Iberdrola Group reached an agreement to implement the product Energy Thrust, aimed to increase the efficiency of the turbines and their production ratios, for a total of 1,602 MW.

At December 2016, a later addendum to the previous contract was signed extending it by additional 612 MW for the 2 MW platform. Moreover, for different companies in the Iberdrola Group an additional 795 MW was negotiated.

In July 2018, an agreement has been reached with the Iberdrola Group for the installation and activation of the Energy Thrust product in 941 wind turbines of the Avangrid Fleet, and in August 2018, for the installation and activation of the same product in part of the Scottish Power's fleet. The former, finalized in December 2018 and the latter is still ongoing in 2019.

In December 2018, SIEMENS GAMESA closed an agreement with the Iberdrola Group for the sale of two special purpose vehicles for two windfarms in Spain with a total of 70 MW.

In January and February 2019, SIEMENS GAMESA closed several long-term service agreements with the Iberdrola Group for several windfarms in Spain with a total of 106 MW.

E. AGREEMENTS BETWEEN THE SIEMENS GAMESA GROUP AND WINDAR RENOVABLES, S.L.

On June 25, 2007 the SIEMENS GAMESA Group (through its subsidiary Siemens Gamesa Renewable Energy Eólica, S.L. Unipersonal) subscribed a tower supply agreement with Windar Renovables, S.L. The conditions for transactions with associates are equivalent to those carried out with independent parties.

F. AGREEMENTS BETWEEN THE SIEMENS GAMESA GROUP AND SCHAEFFLER TECHNOLOGIES AG&CO. KG

On September 28, 2018, the SIEMENS GAMESA Group reached a settlement agreement with Schaeffler Technologies AG & Co. KG regarding a previous supply contract. This agreement consists mainly in a payment to the SIEMENS GAMESA Group in amount of EUR 4,000 thousands.

13. Directors' and Senior Management's remuneration and other compensations

Notes 19 and 20 of the Financial Statements for the year ended September 30, 2018 provide details of the existing agreements regarding compensation for members of Board of Directors and Senior Management, respectively.

A summary of the most significant information regarding the remuneration and benefits for the 6-month periods ended March 31, 2019 and 2018 is set out below:

Thousands of euros	03.31.2019	03.31.2018
Members of the Board of Directors		
Type of remuneration		
Compensation for membership of the Board and/or Board´s Commissions	911	854
Salary	513	529
Variable compensation in cash	189	349
Long-term savings system	83	-
Other concepts	33	31
Total Board of Directors	1,729	1,763
Senior Management		
Compensation received by the Senior Management	3,936	5,332
Total Senior Management	3,936	5,332
Total	5,665	7,095

The amount of "Other concepts" as of March 31, 2019 corresponds to (i) the amount of the premiums paid for the coverage of death and disability insurances amounting to EUR 12 thousands (EUR 11 thousands as of March 31, 2018) and (ii) the allocation of the Group insurance for executives, directors and other employees in amount of EUR 21 thousands (EUR 20 thousands as of March 31, 2018).

No advances or loans were given to current or prior Board members, and there are no pension obligations with them. Only the Chief Executive Officer receives contributions for pensions amounting EUR 83 thousand. This amount is included as long-term savings systems in the table above. As of March 31, 2018 there was no amount recognized for this concept.

Likewise, derived from its previous relationship with the SIEMENS Group and, therefore, without cost for SIEMENS GAMESA (SIEMENS takes care of these concepts), the Chief Executive Officer has recognised rights on shares of SIEMENS derived from incentives granted before the merger to be paid in cash during the next years. During this period the payment amounted to EUR 873 thousands and is not included in the table above since there is no cost for the company.

Also, the remunerations to the Chief Executive Officer do not include, as of March 31, 2019 and September 30, 2018, the provision recorded for the long-term incentive plan 2018-2020 in the amount of EUR 105 thousands and EUR 60 thousands, respectively. Any compensation on this account will be effective once the period of measurement of the plan is completed and whose settlement (when applicable) will depend on the degree of effective fulfilment of the objectives to which it is subject in year 2021. As of March 31, 2018 no provision was made on this account.

Finally, the current Chief Executive Officer has a contractual agreement to receive financial compensation in the event of termination for reasons attributable to the Company. The financial compensation agreed for such termination consists of the payment of a compensation up to a maximum of his annual fixed cash compensation according to the new Board members remuneration policy approved in the General Shareholders meeting of March 27, 2019.

The Senior Management remuneration includes the 50% payment of the incentive for 2016-2017, whose beneficiaries are certain members of the Senior Management in the sum of EUR 450 thousands. The remaining 50% was effective in fiscal year 2018 as provided in the plan's rules. Its accounting accrual, has been produced during the respective periods of accrual amounting EUR 59 thousands during this period (EUR 157 thousands as of March 31, 2018).

Likewise, deriving from its previous relationship with the SIEMENS Group and, therefore, without cost for SIEMENS GAMESA (SIEMENS takes care of these concepts), certain members of the management have recognised rights on shares of SIEMENS derived from incentives granted before the merger to be paid in cash during the next years. During this period the payment amounted to EUR 261 thousands and is not included in the table above since there is no cost for the company.

Equally, the remunerations to the Senior Management, do not include, as of March 31, 2019 and September 30, 2018, the provision recorded for the long-term incentive plan 2018-2020 in the amount of EUR 252 thousands and EUR 185 thousands, respectively. Any compensation on this account will be effective once the period of measurement of the plan is completed and whose settlement (when applicable) will depend on the degree of effective fulfilment of the objectives to which it is subject in the year 2021. As of March 31, 2018 no provision was made on this account.

Pension contributions have been made in the amount of EUR 99 thousands and are included as remuneration in the table above. As of March 31, 2018 there was no amount recognized for this concept.

Dismissal indemnities paid to top management include the payment of a maximum one year fixed remuneration at the date of termination, without prejudice to any pre-existing situations, as well as the amount which might be higher due to the application of prevailing legislation.

In the 6-month periods ended March 31, 2019 and 2018 there are no transactions with Senior Management other than those carried out in the ordinary course of the business.

14. Average number of employees

The average number of employees for the 6-month periods ended March 31, 2019 and 2018 is as follows:

Average number of employees	03.31.2019	03.31.2018
Male	112	157
Female	100	172
Total	212	329

The decrease of the average number of employees from one period to the other is due to the subrogation of workers among the SIEMENS GAMESA Group's companies. The majority of the employees became part of the workforce of Siemens Gamesa Renewable Energy Innovation & Technology, S.L.

15. Subsequent events

At the date of formal preparation of these Interim Condensed Financial Statements no issue has been revealed that might modify them or give rise to disclosures additional to those already included.

16. Explanation added for translation to English

These Financial Statements are presented on the basis of Spanish Accounting Standards. Certain accounting practices applied by the Company that conform to Spanish Accounting Standards may not conform to other generally accepted accounting principles in other countries. Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

MANAGEMENT REPORT

SIEMENS Gamesa
RENEWABLE ENERGY

1. COMPANY'S EVOLUTION DURING THE YEAR

The year 2019 commenced with the energy market continuing its transition towards an affordable, reliable and sustainable model in which renewable energy plays a fundamental role thanks to its growing competitiveness. In this context of rising demand and competitive pricing, Siemens Gamesa Renewable Energy[1] ended the second quarter of fiscal year 2019 (FY 19) with 7% y/y growth in revenue and an EBIT margin pre PPA and integration and restructuring costs of 7.5%. Both variables were in line with the guidance presented for 2019, a year in which the volume of activity is projected to be high, and back-end loaded in the case of Onshore.

The order book stood at €23,579m at 31 March 2019, covering 96%[2] of the mid-point revenue guidance for FY 19 and 100% of the lower end of the range. Order intake amounted to €2,466m in the second quarter of 2019 (Q2 19), driven by Service, where order intake increased by 11% year-on-year. The decline in order intake with respect to the previous year reflects the comparison with a record volume of Onshore orders booked in Q2 18 (2.5 GW). Order intake in the last twelve months (LTM) amounted to €10,924m, 8% more than in the twelve months to March 2018.

Group revenue in Q2 19 amounted to €2,389m (+7% y/y) and EBIT pre PPA and integration and restructuring costs amounted to €178m (-6% y/y). Sales growth was underpinned by strong performance in the Offshore and Service segments, offsetting the slight decline in Onshore revenue, where growth will be concentrated in the latter part of this year. EBIT performance pre PPA and integration and restructuring costs reflects mainly the effect of declining prices in the order book at the beginning of the quarter, partly offset by improvements in productivity, synergies and fixed costs as a result of the L3AD2020 transformation program and the higher volume of activity in Offshore and Service.

The quarter ended with a net debt position on the balance sheet amounting to €118m, i.e. €5m more than the net debt position in the second quarter of 2018 and €733m less than the net cash position booked at the end of the previous year (FY 18). The change in the net cash position since year-end (FY 18) is the result of the increase in working capital required to fund the significant increase in activity planned for FY 19. Working capital increased by €753m since 2018 year-end to a positive €211m, equivalent to +2.2% of LTM revenue.

In the product area, after presenting the SG 10.0-193 DD Offshore wind turbine in January 2019, Siemens Gamesa unveiled the new Onshore platform with the SG 5.8-155 and SG 5.8-170 wind turbines in April 2019, the latter having the largest rotor in the market. The new wind turbines provide an increase in annual energy production (AEP) of 20% and 32%, respectively, compared to the SG 4.5-145 wind turbine.

The company held its Shareholders' Meeting in the second quarter; the shareholders approved a dividend of €0.026 per share, which was paid on 4 April 2019.

[1] Siemens Gamesa Renewable Energy (Siemens Gamesa) is the result of merging Siemens Wind Power, which is the wind power division of Siemens AG, with Gamesa Corporación Tecnológica (Gamesa). The group engages in wind turbine development, manufacture and sale (Wind Turbine business) and provides operation and maintenance services (Service business).

[2] Revenue coverage: total firm orders (€) received through March 2019 for activity in FY 19 (including the part executed in H1 19) / the mid-point of the revenue guidance published for FY 19 (€10,000m-€11,000m).

CONSOLIDATED KEY FIGURES Q2 19

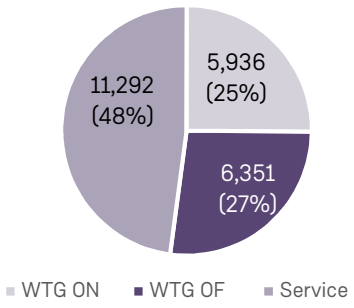
- Revenue: €2,389m (+7% y/y)
- EBIT pre PPA and integration and restructuring costs[3]: €178m (-6% y/y)
- Net profit pre PPA and integration and restructuring costs[4]: €113m (-15% y/y)
- Net profit: €49m (+40% y/y)
- Net financial (debt)/cash-(NFD)[5]: -€118m
- MWe sold: 2,383 MWe (+30% y/y)
- Order book: €23,579m (+7% y/y)
- Firm order intake: €2,466m (-19% y/y)
- Firm order intake in the last twelve months: €10,924m (+8% y/y)
- WTG order intake (MW): 2,206 (-21% y/y)
- Firm WTG order intake in the last twelve months: 10,246 MW (+10% y/y)
- Installed fleet: 92,940 MW
- Fleet under maintenance: 56,875 MW

MARKETS AND ORDERS

In a market with rising demand, solid sales efforts continue to drive the company's performance. In the last twelve months, Siemens Gamesa has signed orders worth €10,924m (+8% y/y) and it ended the second quarter of FY 19 with an order book of €23,579m (+7% y/y), which represents 96%[6] of the mid-point of the revenue guidance for FY 19.

Forty-eight per cent of the order book (€11,292m) is in Service, which has higher returns and expanded by c. 7% year-on-year. The WTG order book is split into €6,351m Offshore (-10% y/y) and €5,936m Onshore (+34% y/y).

Figure 1: Order backlog at end of March 19 (€m)



Order intake in Q2 19 totaled €2,466m, driven by strong performance in Service: €749m (+11% y/y). The 19% y/y decline in order intake at group level is due to comparison with a record Onshore order intake booked in Q2 18 (2.5 GW). The Q2 19 order intake represents a Book-to-Bill ratio of 1 time the quarter revenue[7]. That ratio reflects the combination of a high level of Offshore sales activity with the volatility that characterizes firm order intake in that market (Book-to-Bill: 0.6x), offset by the surge in order intake in Service (Book-to-Bill: 2.3x).

[3] EBIT pre PPA, integration and restructuring costs excludes integration and restructuring costs in the amount of €22m and the impact of fair value amortization of intangible assets as a result of the PPA (purchase price allocation) in the amount of €66m.

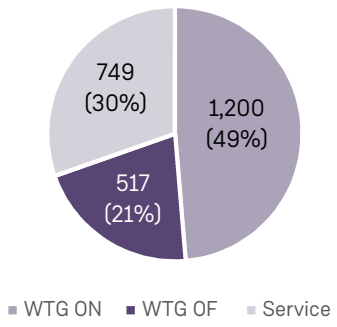
[4] Net profit pre PPA and integration and restructuring costs excludes €64m of integration and restructuring costs and the impact of fair value amortization of intangible assets as a result of the PPA (purchase price allocation), net of taxes.

[5] Net cash / (Net financial debt) is defined as cash and cash equivalents less long-term plus short-term financial debt.

[6] Revenue coverage: total firm orders (€) received through March 2019 for activity in FY 19 (including the part executed in H1 19) / the mid-point of the sales guidance published for FY 19 (€10,000m-€11,000m).

[7] Book-to-Bill (MW or €): order intake in MW/€ divided by activity in MWe or sales in € (applicable at group, business unit and segment level).

Figure 2: Order intake Q2 19 (€m):



The increased commercial activity in Service is in line with plans for the year, following weaker intake in the first quarter. In particular, the company signed a 17-year maintenance contact for the SeaMade offshore wind farm and renewed a contract to maintain 255 MW for Glennmont Partners for 10 years in Italy.

Offshore commercial activity, where orders amounting to €517m were booked, reflects the contract to supply the Seamade offshore wind farm in Belgium: 58 units of the SG 8.0-167 DD turbine. SeaMade is a project combining the Mermaid and Seastar wind farms. Within the Offshore segment but outside the scope of Q2 19, two events in April confirm the company's leadership in this segment:

- Eolien Maritime France selected Siemens Gamesa (SWT-7.0-154 DD) as the preferred supplier for almost 1 GW of Offshore projects in France. The agreement includes a 15-year maintenance deal. The contracts were awarded in France's first Offshore auction (2012).
- Vattenfall is bidding in the Hollandse Kust Zuid III & IV auction with our new Offshore wind turbine, SG 10.0-193 DD.

The recovery in commercial activity Onshore, which was the primary source of order book growth, was in the context of growth in the wind market worldwide. This increase reflects the growing role that renewable energies are playing in the transition to a new energy system, thanks to their competitiveness; specifically, it is supported by the strength of the US market and the reactivation, since FY 17, of major wind markets such as India, South Africa, Brazil and Spain. Within this growing market, the increase in order intake reflects the company's strong competitive position, which has enabled it to capture €6,159m (8,402 MW) in firm orders in the last twelve months, equivalent to a Book-to-Bill ratio of 1.3 times revenue in the period. Orders totaling €1,200m (1,742 MW) were signed in Q2 19, 35% less than in the same period of FY 18, when order intake reached a record high.

Figure 3: Order intake (€m) WTG ON LTM (%)

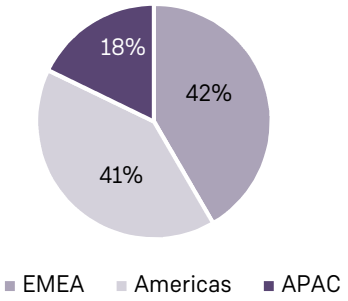
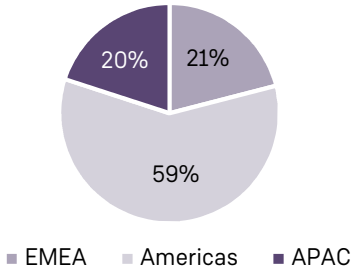


Figure 4: Order intake (€m) WTG ON Q2 19 (%)



Within the 25 countries that contributed to the overall order intake in the last twelve months, the USA and India are the most important for the group, with a total contribution of 28% and 12% each to the overall order intake (MW), followed by Spain and Brazil, both contributing 11% to the overall order intake volume. The main sources of new orders in Q2 19 were the USA, China and Canada with a total contribution to the order intake volume of 70% (44%, 15% and 11% each).

Table 1: Order intake WTG ON (MW)

Order intake WTG ON (MW)	LTM	Q2 19
Americas	3,713	1,035
USA	2,313	762
Brazil	928	80
Mexico	278	0
EMEA	3,232	308
Spain	964	38
APAC	1,458	399
India	1,020	68
China	338	267
Total (MW)	8,402	1,742

Order intake in Q2 19 included notably orders for the SG 4.5-145 wind turbine: 626 MW, 36% of total Onshore order intake. The SG 4.5-145 model offers flexible capacity between 4.2 MW and 4.8 MW depending on site conditions, and has a rotor diameter of 145 meters. Its design is optimized for average wind sites and it maximizes energy production while producing low levels of noise.

Additionally, commercial activity in Canada revived with the signature of an order for 193 MW.

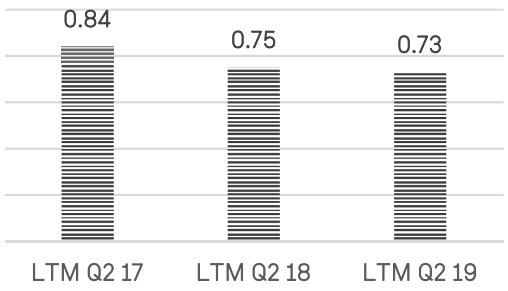
Table 2: Order intake (€m)

Order intake (€m)	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19
WTG	2,313	2,367	2,704	2,093	2,195	1,717
Onshore	1,688	1,834	1,175	1,985	1,799	1,200
Offshore	625	533	1,529	108	396	517
Service	599	676	588	531	346	749
Total Group	2,912	3,043	3,292	2,625	2,541	2,466

The transition towards affordable, reliable and sustainable energy systems is being accompanied not only by better demand prospects for renewable installations but also by the demand for greater competition in the supply chain: more productive wind turbines at better prices. The introduction of auctions as a mechanism for allocating renewable capacity or production in electricity markets, pressure from alternative renewable sources to wind energy, and the competitive pressure among wind turbine manufacturers themselves are the main reasons for the reduction in prices.

This decline in prices, which became particularly visible after the first auctions in Mexico, India and Spain during 2016 and 2017, has gradually stabilized since the beginning of FY 18, and this trend is being maintained in H1 19.

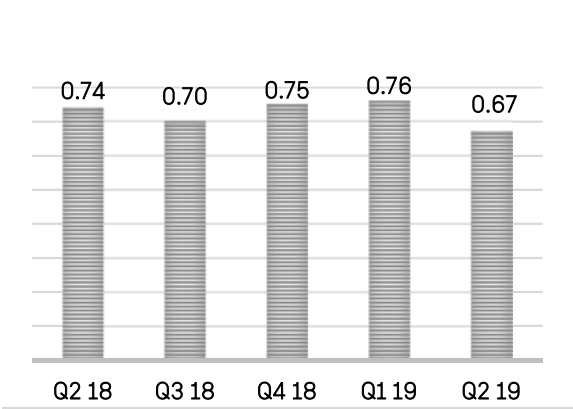
Figure 5: Average Selling Price – Onshore order intake (€m/MW)[8]



Consequently, initial high-single-digit/low-double-digit price cuts have given way to low-single-digit (<5%) cuts, i.e. comparable with the historical price trend associated with productivity improvements in the manufacturing process.

The average selling price in Q2 19 reflects the impact of the geographical mix and the higher contribution by orders from China (15% of Onshore order volume in the quarter), where the product scope and, consequently, the selling prices are lower. Average selling price excluding the impact from Chinese orders amounts to €0.72m/MW[9].

Figure 6: Average Selling Price – Onshore order intake (€m/MW)



[8] LTM Q2 17 and LTM Q2 18 are proforma figures.

[9] WTG ON order intake ASP exc. China in Q2 19: Q2 19 global WTG ON order intake exc. Solar orders (€1,167m) less WTG ON orders from China exc. Solar orders in Q2 19 (€110m) / Volume of order intake exc. Solar in Q2 19 (1,742 MW) less volume of order intake exc. Solar from China (267 MW) in Q2 19.

KEY FINANCIAL PERFORMANCE METRICS

The table below shows the main financial aggregates for the second quarter (January-March) of FY 18 and FY 19 and those for the first half (October-March) of FY 19, and the change with respect to the first half of 2018.

Table 3: Key financial performance metrics

€m	Q2 18	Q2 19	Var. y/y	H1 19	Var. y/y
Group revenue	2,242	2,389	7%	4,651	6%
WTG	1,973	2,060	4%	3,964	4%
Service	268	330	23%	687	24%
WTG volume (MWe)	1,830	2,383	30%	4,513	18%
Onshore	1,397	1,707	22%	3,228	6%
Offshore	432	676	56%	1,285	65%
EBIT pre PPA, I&R costs	189	178	-6%	316	-2%
EBIT margin pre PPA, I&R costs	8.4%	7.5%	-1.0 p.p.	6.8%	-0.6 p.p.
WTG EBIT margin pre PPA, I&R costs	6.5%	5.1%	-1.4 p.p.	3.9%	-1.2 p.p.
Service EBIT margin pre PPA, I&R costs	22.3%	22.0%	-0.3 p.p.	23.2%	0.9 p.p.
PPA amortization[1]	75	66	-11%	133	-16%
Integration & restructuring costs	61	22	-64%	54	-29%
Reported EBIT	54	90	68%	130	46%
Reported Net Income to SGRE shareholders	35	49	40%	67	NA
Net Income per share to SGRE shareholders[2]	0.05	0.07	40%	0.10	NA
CAPEX	84	108	25	189	23
CAPEX to revenue (%)	3.7%	4.5%	0.8 p.p.	4.1%	0.3 p.p.
Working capital	291	211	-80	211	-80
Working capital to LTM revenue (%)	3.1%	2.2%	-0.9 p.p.	2.2%	-0.9 p.p.
Net (debt) / cash	-112	-118	-5	-118	-5
Net (debt) / EBITDA LTM	-0.16	-0.13	0.03	-0.13	0.03

1. Impact of the Purchase Price Allocation (PPA) on amortization of intangibles.
2. Earnings per share calculated using the weighted average of outstanding shares in the period. Q2 18: 679,448,800; Q2 19: 679,481,656; H1 19: 679,465,922.

The group's financial performance in the second quarter was in line with the guidance for FY 19, in a year in which Onshore activity is planned to be strongly back-end loaded, concentrated in the fourth quarter.

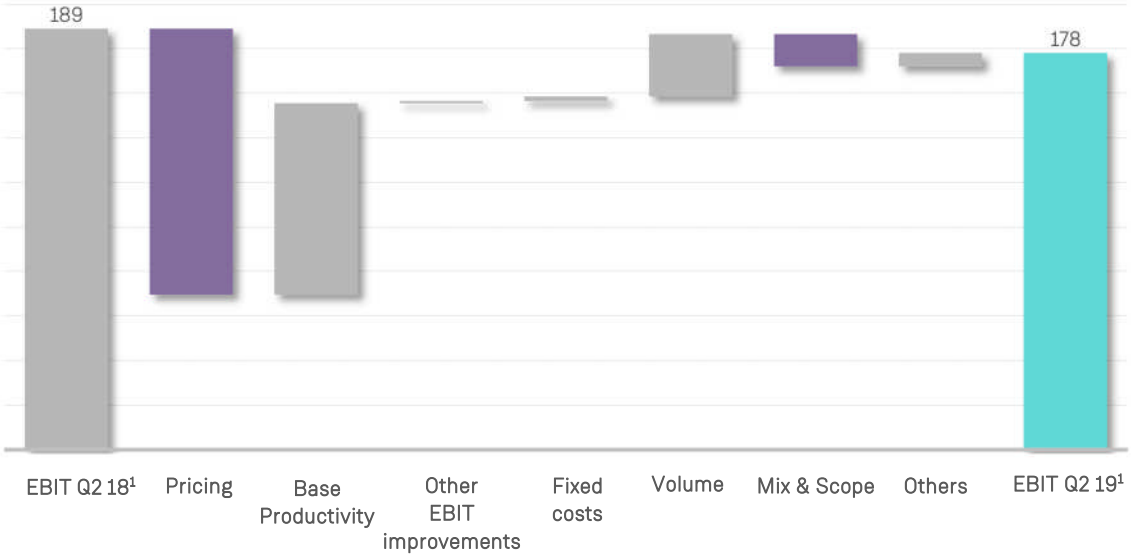
Group revenue amounted to €2,389m, 7% more than in the same period of the previous year. EBIT pre PPA and integration and restructuring costs declined by 6% y/y to €178m, i.e. an EBIT margin pre PPA and integration and restructuring costs of 7.5%, 1.0 p.p. below Q2 18 margin.

The trend in EBIT pre PPA and group integration and restructuring costs reflects the impact of the following factors:

(-) The price cuts incorporated into the order book at the beginning of the year are still the main drag on group profitability.

(+) Improvements in productivity and fixed costs under the L3AD2020 program offset much, but not all, of the impact of lower prices. The savings under the transformation module of L3AD2020 were accompanied by a positive impact from the high volume of revenue in Offshore and Service, which increased by 17% and 23% y/y each in the second quarter.

Figure 7: EBIT pre PPA and I&R costs (€m)



1. EBIT pre PPA and integration and restructuring (I&R) costs.

The quarter-on-quarter change was also impacted by:

(+) the positive impact of better fleet performance and product improvements on ordinary provisions,

(-) the positive one-time impact in Q2 18 of the reversal of a provision for inventory impairment booked in 2017 and of a foreign currency derivative.

Weak Onshore performance in the second quarter was offset again by strong Offshore performance in WTG.

The impact of the PPA on amortization of intangible assets was €66m in the second quarter (€75m in Q2 18), while integration and restructuring expenses amounted to €22m in the same period (€61m in Q2 18).

Net financial expenses amounted to €13m in the second quarter (€10m in Q2 18), while the tax expense amounted to €27m (€11m in Q2 18).

As a result, net profit pre PPA and integration and restructuring costs amounted to €113m in the second quarter. Reported net profit, which includes the impact on amortization of the PPA and integration and restructuring expenses, both net of taxes, totaling €64m in the second quarter, amounted to €49m, contrasting with a profit of €35m reported in the second quarter of 2018. Net profit per share attributable to Siemens Gamesa shareholders was €0.07.

During the second quarter, the company continued to ready itself for the high level of activity planned for this year — projected 15% average growth in revenue — and for Onshore execution concentrated in the second half and particularly in the fourth quarter. This required working capital to increase by €753m with respect to end-September 2018, to €211m at the end of the second quarter. The increase in working capital since the beginning of the year is also driven by a reduction in accounts payable. Working capital amounted to 2.2% of revenue, i.e. 8.2 percentage points more than at the end of September 2018.

The variation in working capital with respect to the second quarter of 2018 amounts to -€80m, while the ratio of working capital to revenue declined by 0.9 percentage point with respect to the second quarter of 2018.

This annual evolution shows the group's effort to maintain a strict control of working capital.

Table 4: Working capital (€m)

Working capital (€m)	Q1 18	Q2 18	Q3 18	Q4 18[1]	Q1 19	Q2 19	Var. y/y
Trade receivables	1,172	1,091	1,158	1,139	1,135	1,171	80
Inventories	1,993	1,805	1,700	1,499	1,925	2,006	201
Contract assets	1,079	1,148	1,311	1,569	2,033	1,771	623
Other current assets	397	404	404	362	417	464	60
Trade payables	-2,204	-1,877	-2,040	-2,758	-2,557	-2,505	-628
Contract liabilities	-1,873	-1,571	-1,570	-1,670	-2,340	-1,991	-419
Other current liabilities	-722	-708	-697	-684	-641	-706	2
Working capital	-157	291	265	-542	-27	211	-80
Var. QoQ		448	-25	-808	515	238	
Working capital to LTM revenue	-1.5%	3.1%	3.0%	-5.9%	-0.3%	2.2%	

1. For the purposes of comparison after the application of IFRS 9, which impacted the opening balance in FY 19: the foregoing table shows a €3m decline in "Trade and other accounts receivable" and a €3m decline in "Contract assets", with a corresponding €4.6m impact on Group equity (including the tax effect).

Capital expenditure amounted to €108m in the quarter, in line with the objectives of the Business Plan 2018-2020. Investment was concentrated in developing new services, Onshore and Offshore platforms, tooling and equipment. In Q2 19, Offshore CAPEX outweighs Onshore CAPEX reflecting the larger growth opportunities of the Offshore market.

As a result of the trend in operating performance, working capital and capital expenditure, the net debt position on the balance sheet stood at €118m at 31 March 2019.

WTG

Table 5: Wind turbines (€m)

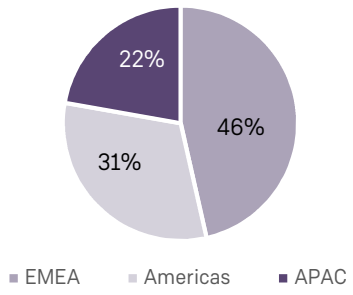
€m	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	Var. y/y
Revenue	1,840	1,973	1,827	2,207	1,904	2,060	4%
Onshore	1,197	1,277	1,052	1,349	1,103	1,243	-3%
Offshore	643	696	775	858	801	817	17%
Volume (MWe)	1,997	1,830	2,137	2,409	2,129	2,383	30%
Onshore	1,651	1,397	1,703	1,926	1,520	1,707	22%
Offshore	346	432	434	483	609	676	56%
EBIT pre-PPA and I&R costs	69	129	86	109	51	106	-18%
EBIT margin pre PPA and I&R costs	3.8%	6.5%	4.7%	4.9%	2.7%	5.1%	-1.4p.p.

WTG division revenue amounted to €2,060m in the second quarter, 4% more than in the same period of 2018. Sales growth was driven by strong Offshore performance, where revenue increased by 17% y/y to €817m, offsetting the decline in Onshore revenue to €1,243m (3% less than in the same period of 2018).

Strong Offshore revenue reflect the high volume of activity planned for the full year and also the strong progress with executing projects in the quarter, representing a total volume of 676 MWe (+56% y/y). The decline in Onshore sales is due mainly to the lower scope of projects executed in the quarter and to the reduction in prices in the order book at the beginning of the period. Activity volume (MWe) increased by 22% to 1,707 MWe.

In the second quarter of FY 19, the main contributors to Onshore sales (in MWe) were the United States (28%) and Spain (20%). They were followed by India (15%) and Norway (11%).

Figure 8: Sales volume (MWe) WTG ON Q2 19 (%)



EBIT pre PPA and integration and restructuring costs declined by 18% to €106m, equivalent to a 5.1% margin on revenue, i.e. 1.4 percentage points below the EBIT margin pre PPA in Q2 18. Once again, this reduction was driven mainly by lower Onshore prices, partly offset by the outcome of the L3AD2020 transformation program.

OPERATION AND MAINTENANCE SERVICE

Table 6: Operation and maintenance (€m)

€m	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	Var. y/y
Revenue	287	268	308	411	358	330	23%
EBIT pre-PPA and I&R costs	64	60	70	106	87	73	21%
EBIT margin pre PPA and I&R costs	22.2%	22.3%	22.8%	25.8%	24.3%	22.0%	-0.3 p.p.
Fleet under maintenance (MW)	55,446	55,454	56,670	56,725	56,828	56,875	3%

The Service business increased revenue by 23% with respect to Q2 18, to €330m. This growth was driven by a significant expansion in maintenance revenue and, again, by the sale of value-added solutions in the second quarter (compared with practically zero sales in Q2 18).

The fleet under maintenance totals 56.9 GW, 3% more than in the second quarter of FY 18. The Offshore fleet, amounting to 10 GW under maintenance, expanded by 12% y/y, while the Onshore fleet was stable in year-on-year terms at 47 GW. The fleet of third-party technologies under maintenance totaled 2,561 MW at the end of the second quarter of 2019, in line with the fleet at end-December 2018.

EBIT pre PPA and integration and restructuring costs amounted to €73m, equivalent to an EBIT margin of 22.0%, practically the same as in the year-ago quarter. Year-on-year margin performance reflects not only the negative effect of the reduction in prices, offset by the positive impact of the transformation exercise, but also the positive effect in Q2 19 of improved fleet performance, offset by the positive impact of a foreign currency derivative in Q2 18.

2. FORECASTED EVOLUTION

LONG-TERM WORLDWIDE PROSPECTS

In 2019 the world energy market continued its transition towards an affordable, reliable and sustainable model in which renewable energy plays a fundamental role thanks to its growing competitiveness. This transition is not simple, nor is it guaranteed to achieve its objective without greater sustained efforts on the part of governments. As indicated in the UN report on the gap between the emission reduction targets and the actual achievements to date[10], governments must triple their efforts and introduce new measures on an urgent basis if they want to achieve their commitments.

The International Energy Agency (IEA) reaches similar conclusions in its last report[11]. The policies and commitments announced to date by the different countries and supra national organizations lead to an exchange of positions in the power generation mix between renewable sources (25% currently) and coal (40% currently) in 2040. In this scenario, accumulated wind capacity at the end of the period (2040) would amount to 1,700 GW[12], which represents a sustained level of average annual installations similar to the average of the last years (2012-

[10] Emissions Gap Report 2018, November 2018

[11] World Energy Outlook 2018, November 2018.

[12] Data source: BNEF comparison between NEO 2018 and WEO 2018.

2018): c. 50 GW per year, for more than 20 years. However, this is not enough to meet the goal of sustainable development that requires greater and faster deployment of renewable generation. A scenario compatible with sustainable growth, within which are included, among others, the commitments to combat climate change, would require to almost triple the weight of renewable sources in the generation mix, from the current 25% to two thirds of the capacity total or almost 70% in 2040. In this scenario, the wind fleet accumulated in 2040 would amount to 2,800 GW[13], 1,000 GW more than in the previous scenario, and the rate of annual installations would rise to an average of 100 GW per year during the next 20 years.

The results of the Bloomberg New Energy Finance report (BNEF) on the global energy outlook published in June 2018 (NEO 2018) also coincide. NEO 2018 foresees an energy transition whose conclusions are similar to the sustainable development scenario of the IEA, in which the competitiveness of renewable energies and the development of an increasingly competitive storage invert the current power mix, with renewables accounting for two-thirds of the power mix (the share currently accounted for by fossil fuels) in 2050. In this scenario, wind energy reaches an accumulated capacity of 2,700 GW in 2040, suggesting installations at an average pace of 90 GW per year over the next 20 years. In this same report, BNEF estimates that USD 11.5 trillion will be invested over the next 33 years, i.e. through 2050, in new power generation assets, and 73% of that (i.e. USD 8.4 trillion) will be in wind and solar facilities. The price of wind power will continue to fall: it will be 40% cheaper in 2030 and nearly 60% cheaper in 2050. Improved productivity in renewables will make it possible to double the capacity per dollar of investment by 2030, and practically quadruple it by 2050. In many countries, it is already cheaper to install wind farms than to build new gas- or coal-fired plants. This will probably be the case worldwide in 2030, and new plants will be increasingly efficient as time advances. Progress with competitive storage/battery systems will round out the potential of renewable sources and the transformation of markets to enable them to operate when there is no wind or sun. The cost of batteries has fallen by 79% since the beginning of the decade and it is expected to fall by another 67% by 2030.

[13] Data source: BNEF comparison between NEO 2018 and WEO 2018.

Figure 9: Wind installed base (GW)

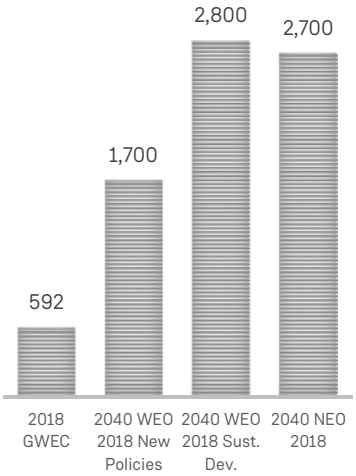
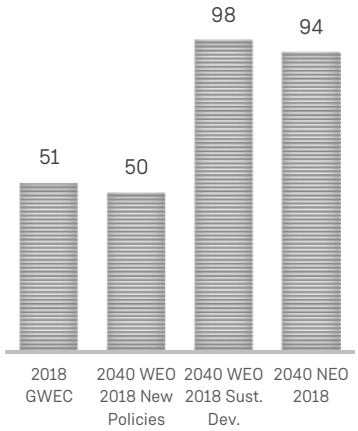


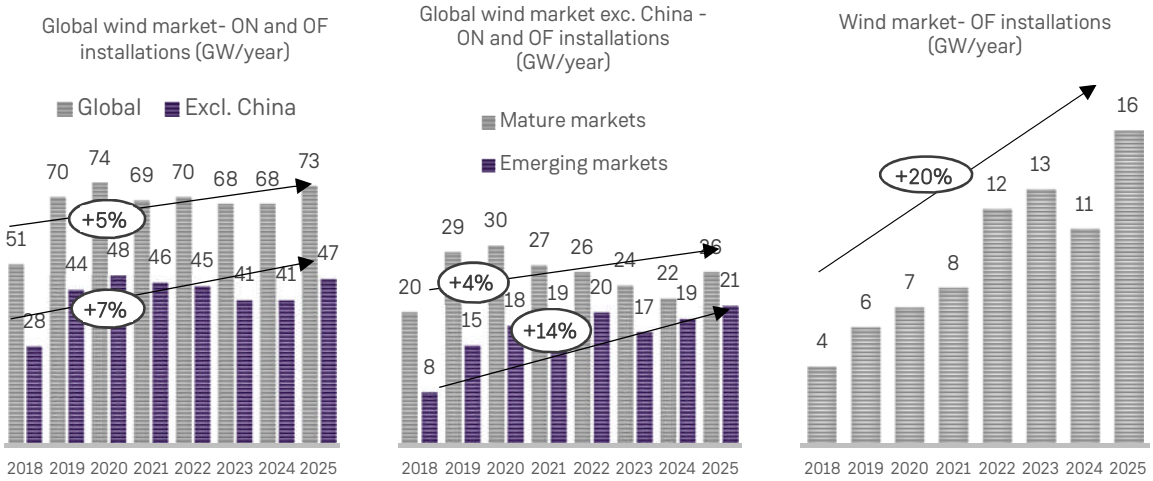
Figure 10: Annual Wind installations 2017-40E (GW/year)



QUARTERLY UPDATE OF SHORT- AND MEDIUM-TERM DEMAND

The figures below show the medium-term installation projections (2019-2025)[14] and final installations reported for 2018 according to the Global Wind Energy Council (GWEC).

Figure 11: Worldwide wind market (GW installed/year)



[14] Source: Wood Mackenzie: Q1 19 Global Wind Power Market Outlook.

2018[15] concluded with an accumulated installed base of 591,730 MW of wind capacity, 51,306 MW having been installed in the year: 46,820 MW onshore, to a cumulative total of 568,590 MW, and 4,486 MW offshore, to a cumulative total of 23,140 MW. The volume of installations in 2018 was 4% less than in 2017. The reduction is due to the decline in two large onshore markets, Germany and India, as a result of the introduction of auctions in 2017. The pace of installations declined in India from 4 GW in 2017 to 2 GW, and in Germany from 5.3 GW to 2.4 GW, in 2018.

The prospects for installations in the period 2019-2025[16] continue to factor in solid demand and are higher than the outlook presented in the fourth quarter of calendar 2018 (both projections by Wood Mackenzie). This 8.5 GW increase in the period 2019-2025 will be attributable almost entirely to the Offshore market (8 GW). In the Onshore market, the increase in installations (0.5 GW in 2019-2025) will partially offset the fact that installations in 2018 fell short of projections.

China (151 GW), USA (46 GW), India (39 GW) and Germany (22 GW) will still be the largest markets in the Onshore segment, accounting for more than 60% of total cumulative installations in 2019-2025. France, Spain, Sweden, Brazil and Australia, with between 8 GW and 11 GW in cumulative installations each in the period 2019-2025, will account for more than 10%.

Despite the appearance of new markets, the Offshore segment is still much more concentrated. China, with 27 GW of installations in 2019-2025, will account for 37% of total installations in the period. Europe, led by the United Kingdom (11 GW of installations in the same period), will install 30 GW, accounting for 41% of the total. It is followed by the United States (6.5 GW) and Taiwan (5.7 GW) in 2019-2025.

The projected growth in Onshore installations will be in the USA, Northern Europe (Norway and Finland) and Australia, offsetting lower expected growth in Mexico and China.

- Projected installations in the United States within the cycle of 100% PTC (Production Tax Credits) will amount to 11.6 GW in 2019 and 13.6 GW in 2020, almost 2 GW higher overall than projected in calendar Q4 18; for the 80% cycle (2021), the projection is for 7.2 GW (0.5 GW more than the previous forecast), while 4 GW are projected in the 60% cycle (0.2 GW more than the previous forecast). Once the system of incentives expires, the US is expected to install 3-3.5 GW per year. This volume of installations is supported by wind energy's growing competitiveness, rising interest on the part of corporations and electric utilities in clean, competitive energy, and the states' targets for renewable energy.
- The increase in projections for Australia with respect to those published in calendar Q4 18 — an additional 2 GW between 2019 and 2025— is based on expectations that the country will adopt new renewable policies. The current policy, based on the Long Renewable Energy Target (LRET) is likely to be exceeded in or after 2020, considering the results of recent auctions such as the one in Victoria state (600 MW awarded) and the commitments that exist to execute several large-scale projects.
- In Northern Europe, after the increase in estimates in Sweden during calendar Q4 18, the projections for Norway and Finland have now been increased, by nearly 3 GW in the period 2019-2025, supported by the execution of commercial projects and corporate Power Purchase Agreements (PPAs). In Finland, the first renewable auction concluded with all the capacity

[15] Source: all installation data for 2018 and 2017 are from the Global Wind Report 2018 (April 2019) by the Global Wind Energy Council (GWEC).

[16] Source: all projections dated calendar Q4 18 and calendar Q1 19 are from the Wood Mackenzie quarterly Global Wind Power Market Outlook.

being awarded to wind projects (around 462 MW).

- In contrast, after the prospects for Brazil were downgraded in calendar Q4 18, those for Mexico have now been ratcheted down by 2 GW in 2019-2025. This reduction is also due to lower visibility and the change in government, which has temporarily halted the planned auctions. The Onshore projections for China have also been reduced, by 3 GW for 2019-2025, due to the progressive elimination of subsidies and the introduction of auctions. Despite this reduction, China is still the world's largest wind market, with an average of over 21 GW of new Onshore wind installations projected per year in 2019-2025.

In the Offshore market, following the upgrade in projections in calendar Q4 18 for the US, Japan and South Korea, China is now the main contributor to the increase in projections, accounting for an additional 6.6 GW of demand in 2019-2025.

Beyond the pace of installations, price dynamics are unchanged with respect to the previous quarter and Onshore prices continue to stabilize, reflecting mainly the stabilization of auction prices but also the commercial dynamic in the US, cost inflation and the pressure on margins in the supply chain. Meanwhile, products of 3 MW and over continue to gain market share.

SUMMARY OF THE MAIN EVENTS RELATING TO WIND POWER IN Q2 19[17]

The following information was published in the second quarter of FY 19 and the following measures were adopted in connection with government commitments and actions aligned with the transition towards a sustainable energy model.

European Union

- According to Eurostat, in 2017, for the first time, wind energy became the largest renewable source of electricity, ahead of hydroelectricity. As the EU pursues the goal that renewables should account for 20% of total energy consumption by 2020, the latest figures show that they contributed 17.5% in 2017. Denmark, Italy, Hungary, Romania and Sweden have already attained the target. Germany, Greece, Spain, Austria and Portugal are moving in the right direction. Belgium, Ireland, France, the Netherlands, Poland and the United Kingdom are far from achieving the target.
- Meanwhile, the national energy and climate plans which the EU Member States had to submit by 31 December 2018 are insufficient to achieve the goal that renewables account for 32% of energy consumption by 2030. Only Germany offers sufficient visibility to encourage investment since it has auctions scheduled up to 2030. The European Commission has until 20 June 2019 to propose changes to those plans in order to achieve the proposed target.

Germany

- The country maintains its plans to expand Offshore auctions by 5 GW to achieve 20 GW by 2030.
- The outcome of the first Onshore wind auction in 2019 was released: 476 MW at an average price of €61/MWh.
- A second Onshore wind auction is scheduled for May: 650 MW at a maximum price of €62/MWh. The plan is to auction a total of 3.8 GW in 2019.

[17] This section is a non-exhaustive list of government commitments and actions aligned with the energy transition towards a sustainable model.

Spain

- The government approved the draft energy plan, which proposes to cover 42% of consumption with renewables by 2030 and 100% by 2050, in line with the European Union's climate change strategy. The objectives for wind under this plan are as follows: 28 GW by 2020, 40.3 GW by 2025, 50.3 GW by 2030; i.e. equivalent to installing 2.2 GW of wind capacity each year in the period 2021-2030. Whether this plan becomes law depends on the outcome of the general election on 28 April 2019.
- Bids are being accepted for the Canary Islands auction (maximum capacity: 217 MW).

France

- Changes were announced to the wind auction dates, volumes and price caps:
    - Rounds III and IV: 500 MW each at a maximum price of €71/MWh; V: 630 MW at a maximum price of €70/MWh; and VI: 752 MW at the same price.
    - Auction III has already been held but the results have not yet been released.

Greece

- The details of the first neutral auction (wind/solar) have been released: 600 MW at most with a maximum price of €64.72/MWh. Eight bids were presented for a total of 637.78 MW, meaning that the final capacity to be awarded will be 456 MW[18].

Italy

- Draft decree on renewables submitted to the European Commission as the first step towards its approval.
- Approval of the decree will trigger a series of auctions in the period 2019-2021 (six, in principle, beginning in 2019) to allocate 5.5 GW of capacity to wind and solar projects.

Portugal

- Existing farms are allowed to increase grid-connected capacity by at most 20% without requiring regulatory permits, with a tariff of €45/MWh for 15 years.

UK

- Government and industry launched a program with auctions every 2 years to attain 30 GW of Offshore capacity and supply 33% of the country's electricity needs by 2030. The UK had 8 GW of installed Offshore capacity at the end of 2018, according to the Global Wind Energy Council (GWEC). The next auction (contracts for differences—CfD) will be held in May 2019, capped at 6 GW of capacity.

Denmark

- Plans have been announced to auction an 800 MW wind farm (Thor). Another two identical auctions are envisaged in order to increase capacity by 2,400 MW by 2030.

Saudi Arabia

- The outcome of the 400 MW Dumat Al Jandal auction was published; the capacity was awarded to a consortium involving EDF and Masdar at USD 21.3/MWh.

[18] The amount required must exceed the volume awarded by 40%.

- Renewable targets have been stepped up to 20 GW of wind and 40 GW of solar capacity by 2030, and the government has announced it will auction 3 GW of renewable capacity in 2019.

South Africa

- The government published the Integrated Resource Plan (IRP) aimed at moving South Africa towards a predominantly renewable model. The draft is expected to be approved by parliament and come into force before the elections in May 2019.
- Under the draft, 1,600 MW of wind capacity are expected to be installed per year between 2022 and 2030.

India

- India announced that it could auction up to 500 GW of renewable capacity to meet the goal of generating 40% of electricity from renewable sources by 2030.
- The outcome of the SECI VI auction was published: 1.2 GW at an average tariff of INR 2.84/kWh (the auction was 1.94 times oversubscribed). The SECI VII auction has commenced to allot 1.2 GW with the price capped at INR 2.83/kWh.
- Gujarat announced an additional 15 GW of renewable capacity by 2022, of which 5 GW will be wind.
- Andhra Pradesh has requested proposals for hybrid projects (wind/solar plus storage) totaling 600 MW.

Taiwan

- The FiT for Offshore projects in 2019 was announced: €156/MWh for 20 years (or €178/MWh in the first 10 years and €118/MWh in the following 10 years).

USA

- The governor of New York expanded the Offshore capacity target to 9 GW by 2035, from the previous target of 2.4 GW by 2030. And the installation of 3 GW of storage was announced.

Canada

- The conditions for Alberta's fourth renewable auction are expected to be announced in mid-2019 (400 MW of renewable capacity).

Argentina

- The government extended the deadline for commissioning the projects awarded under RenovAr 2 (993 MW) due to the impact of the macroeconomic situation on the projects' access to funding. The launch of the RenovAr 3 program — 400 MW of small-scale (up to 50 MW) wind or solar projects — has been postponed for the same reason.

Brazil

- The A-4 and A-6 auctions are expected to be held in 2019, according to EPE, the state-owned energy planning company.

Mexico

- The long-term neutral auction (the fourth since auctions were introduced in 2016) has been cancelled.

Colombia

- Colombia's first renewable auction was declared to be null. Another auction is expected in the second half of calendar 2019.

2019 GUIDANCE

The following table sets out the company's guidance for FY 19.

	H1 18	FY 18	H1 19	FY 19E
Revenue (€M)	4,369	9,122	4,651	10,000-11,000
EBIT margin pre PPA and I&R costs	7.4%	7.6%	6.8%	7.0%-8.5%

In addition to specific targets for group revenue and the EBIT margin pre PPA and integration and restructuring costs, the group maintains the commitments set out in the Business Plan for the other key figures, which are part of the financial framework established for 2018-2020.

Commercial performance in the first half enabled the group to attain 96%[19] of the mid-point of its sales guidance, which enhances the visibility of the growth guidance for the year. The lower end of the sales guidance was fully attained by March 2019. The EBIT margin pre PPA and integration and restructuring costs, 6.8%, is slightly below the guidance for the first half as a result of price pressure (as expected), an effect only partly offset by improvements in productivity and fixed costs under the transformation program, and of Onshore sales that are expected to be concentrated in the second half, particularly the fourth quarter. Accordingly, financial performance is expected improve steadily, culminating in a stronger second half.

The impact of the PPA on amortization of intangible assets was €133m in the first half and €66m in Q2 19 (€250m projected for FY 19), while integration and restructuring costs amounted to €54m in the first half and €22m in Q2 19. The forecast of integration and restructuring costs amounts to €160m (from the initial forecast of €130m) due to the acceleration of measures in the transformation program. The dispersion of the guidance for the EBIT margin pre PPA and integration and restructuring costs is due to:

- Adverse factors such as cost inflation, volatility in emerging markets and macro trends.
- Progress with the transformation program and the speed with which productivity improvements and synergies are achieved in 2019.

This guidance does not include charges for litigation or regulatory issues.

CONCLUSIONS

Siemens Gamesa Renewable Energy ended the first half of FY 19 in an energy market that continued to transition towards an affordable, reliable and sustainable model in which renewable energy plays a fundamental role thanks to its growing competitiveness. The International Energy Agency projects that the relative contributions by fossil fuels and renewables to the energy mix will become inverted in the next 20 years. In this connection, the policies and commitments announced to date will require slightly over 50 GW of wind capacity to be installed per year between now and 2040. That volume would have to be practically doubled if the zero emissions target is to be achieved.

In this context, solid commercial activity enabled the company to attain an order book of €23,579m (+7% y/y) at 31 March 2019 and reach 96%[20] of the mid-point of its sales guidance, i.e. 16 percentage points

[19] Sales coverage: total firm orders (€) received through March 2019 for activity in FY 19 (including the part executed in H1 19) / the mid-point of the sales guidance published for FY 19 (€10,000m-€11,000m).

[20] Sales coverage: total firm orders (€) received through March 2019 for activity in FY 19 (including the part executed in H1 19) / the mid-point of the sales guidance published for FY 19 (€10,000m-€11,000m).

higher than at the beginning of the year, which provides assurance of reaching the growth targets for the year. The low end of the sales guidance range, which is 10% higher than total sales in FY 18, has been fully attained. Order intake amounted to €10,924m in the last twelve months (+8% y/y) and to €2,466m in the quarter (-19%). Growth in order intake in the last twelve months was supported equally by the three business areas (Onshore, Offshore and Service), which expanded by between 7% and 8% y/y. Order intake in Q2 19 was supported by strong commercial activity in Service (+11% y/y) while also reflecting a difficult comparison in Onshore due to the division's all-time record order intake in Q2 18.

The company ended the first half with revenue amounting to €4,651m (€2,389m in Q2 19), i.e. 6% more than in the first half of the previous year (+7% y/y in the quarter) and EBIT pre PPA and integration and restructuring costs of €316m, equivalent to an EBIT margin of 6.8%, 0.6 percentage points lower than in the first half of 2018. The EBIT margin pre PPA and integration and restructuring costs in the second quarter amounted to €178m, equivalent to an EBIT margin of 7.5%, 1 percentage point lower than in the second quarter of 2018.

Group revenue growth was supported by strong performance in Offshore and Service, up 21% y/y and 24% y/y, respectively, in the first half (17% and 23% y/y in the quarter), which offset the slightly lower Onshore revenue. The reduction in Onshore revenue (-5% y/y in the first half and -3% y/y in the second quarter) is in line with the planning of project execution which is concentrated in the second half of the year, particularly in the fourth quarter. Lower sales in the second quarter reflect the impact of prices in the order book at the beginning of the quarter, as well as the scope of projects.

The pricing dynamics of the ongoing transition to a competitive market, which were built into the order book at the beginning of the year, are still the main drag on the group's profitability, though this effect was partly offset by productivity improvements and synergies from the transformation process. Additionally, returns in the second quarter of 2018 were positively impacted by non-recurring effects: the reversal in 2017 of a provision for inventory impairment and a foreign currency derivative. These factors were overcome in Q2 19 by better fleet performance and an improved product portfolio.

Net debt amounted to €118m at 31 March. The change from a net cash position to a net debt position in the quarter is due to the increase in working capital required to undertake the projected strong volume of activity (15% average sales growth projected for the year) and the greater concentration of activity in the second half of the year, as planned. As a result, working capital stood at €211m, equivalent to 2.2% of LTM revenue. Working capital was also affected by the reduction in accounts payable.

It is also important to note the major progress with the product portfolio:

- The SG 10-193 DD wind turbine was presented to the market in January 2019. This wind turbine provides 30% more energy than its predecessor, the SG 8-167 DD, coupled with unparalleled reliability, providing our customers with the best possible solution for offshore projects. During April 2019 Vattenfall announced that the company will bid for the HZK III & IV offshore wind farms with the SG 10-193 DD.
- The new platform for the Onshore market was unveiled during April 2019. The platform, which includes the SG 5.8-155 and SG 5.8-170 wind turbines, provides between 20% and 32% more power than the SG 4.5-145 and enhances Siemens Gamesa's competitive position as LCoE (Levelized Cost of Energy) leader.

3. MAIN BUSINESS RISKS

The SIEMENS GAMESA Group is exposed to certain financial risks that it manages by grouping together risk identification, measurement, concentration limitation and oversight systems. The management and limitation of financial risk is executed in a coordinated manner between SIEMENS GAMESA's Corporate Management and the business units, through the policies approved at the highest executive level, in accordance with the established rules, policies and procedures. The identification,

assessment and hedging of financial risks are responsibility of each business unit, together with the Corporate Management.

The risk associated with changes in exchange rates assumed for SIEMENS GAMESA's transactions involve the purchase and sale of products and services relating to its activity, that are denominated in various currencies.

In order to mitigate this risk, SIEMENS GAMESA has entered into financial hedging instruments with several financial institutions.

4. USE OF FINANCIAL INSTRUMENTS

The SIEMENS GAMESA Group uses financial hedges which allow the Group to mitigate risks involving exchange rates, interest rates, and equity volatility that could affect the Groups' estimated results, based on estimates of expected transactions in its various areas of activity.

5. SUBSEQUENT EVENTS

At the date of formal preparation of the Interim Condensed Consolidated and Individual Financial Statements of SIEMENS GAMESA as of March 31, 2019 no issue has been revealed that might modify them or give rise to disclosures additional to those already included.

6. RESEARCH AND DEVELOPMENT ACTIVITIES

Technological Development is established within a multi-year framework that is rolled out in the annual technological development plan, where activities and deliverables are established for each year, and to which a budget is finally assigned.

During the 6-month periods ended March 31, 2019 and 2018, the main increase under the caption "Internally generated technology" of the Other intangible assets of the consolidated balance sheet of the SIEMENS GAMESA Group is due to the development of new wind turbine models, software and the optimization of the components' performance for an amount of EUR 75 million and EUR 58 million, respectively. During the 6-month periods ended March 31, 2019 and 2018 these additions are mainly in Denmark and in Spain amounting to EUR 59 million and EUR 13 million in 2019, and EUR 45 million and EUR 13 million in 2018, respectively.

7. TREASURY SHARE OPERATIONS

As of March 31, 2019 SIEMENS GAMESA holds a total of 1,638,064 treasury shares, representing 0.24% of share capital.

The total cost for these treasury shares amounts EUR 21,694 thousands, each with a par value of EUR 13.244.

A more detailed explanation of transactions involving treasury shares is set out in Note 15.B of the Interim Condensed Consolidated Financial Statements and Note 9.B to the Interim Condensed Individual Financial Statements as of March 31, 2019.

8. CAPITAL STRUCTURE

THE CAPITAL STRUCTURE, INCLUDING SECURITIES THAT ARE NOT TRADED ON A REGULATED EEC MARKET, THE DIFFERENT CLASSES OF SHARE, THE RIGHTS AND OBLIGATIONS CONFERRED BY EACH AND THE PERCENTAGE OF SHARE CAPITAL REPRESENTED BY EACH CLASS:

In accordance with Article 7 of Siemens Gamesa Renewable Energy, S.A.'s bylaws, reflected in the version approved by the shareholders in general meeting held June 20, 2017, "Share capital amounts to ONE HUNDRED FIFTEEN MILLION SEVEN HUNDRED NINETY FOUR THOUSAND, THREE HUNDRED SEVENTY FOUR EUROS AND NINETY FOUR CENTS (115,794,374.94 EUR), represented by 681,143,382 ordinary shares of seventeen euro cents of nominal value each, in numbers from 1 to 681,143,382, comprised of a sole class and series, all entirely subscribed and paid in."

SIGNIFICANT DIRECT AND INDIRECT SHAREHOLDINGS

According to public information for Siemens Gamesa Renewable Energy, S.A., its share capital structure as of March 31, 2019 is as follows:

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	Number of voting rights linked to the exercise of financial instruments	% of total voting rights
SIEMENS AKTIENGESELLSCHAFT	205,178,132	196,696,463	-	59.00%
IBERDROLA, S.A.	-	54,977,288	-	8.071%

(*) Through:

Name or corporate name of direct shareholder	Number of direct voting rights	% of total voting rights
SIEMENS BETEILIGUNGEN INLAND GMBH	196,696,463	28.877%
IBERDROLA PARTICIPACIONES, S.A. UNIPERSONAL	54,977,288	8.071%

9. RESTRICTIONS ON THE TRANSFER OF SECURITIES

No restrictions on the transfer of securities exist.

10. SIGNIFICANT % OF DIRECT OR INDIRECT OWNERSHIP

See Point 8.

11. RESTRICTIONS ON VOTING RIGHTS

There are no legal or bylaw stipulated restrictions on exercising voting rights.

12. SIDE AGREEMENTS

In fulfillment of article 531 of the restated text of the Corporate Enterprises Act, approved by the RLD 1/2010, of July 2 (the "Capital Companies Law"), IBERDROLA, S.A. ("IBERDROLA") informed Gamesa Corporación Tecnológica, S.A. ("GAMESA") on June 17, 2016 of the signature of a shareholders' agreement between IBERDROLA and Iberdrola Participaciones, S.A. (Sociedad Unipersonal), as shareholders (non-direct and direct, respectively) of GAMESA, on one hand, and Siemens Aktiengesellschaft ("SIEMENS AG"), on the other hand (significant events number 239899 from June 17, 2016, and number 255530 from August 1, 2017). The contract was signed in the context of the process of combination of the wind energy businesses of GAMESA and SIEMENS AG through the merger by absorption of Siemens Wind Holdco, S.L. (Sociedad Unipersonal) by GAMESA ("Merger"). This shareholders' agreement governs, among other matters, the relationships of the parties as future shareholders of GAMESA after the Merger, which became effective on April 3, 2017.

The Shareholders' Agreement includes terms which qualify it as a side agreement under the terms set forth in Article 530 of Capital Companies Law, even when the effectiveness of certain agreements was contingent upon the Merger taking place.

13. RULES GOVERNING THE APPOINTMENT AND REPLACEMENT OF DIRECTORS AND THE AMENDMENT OF THE COMPANY'S BYLAWS

Article 30 of the SIEMENS GAMESA bylaws state that the members of the Board of Directors are *"designated or ratified by the shareholders in general meeting,"* and that *"should during the appointment period any vacancies arise, the Board of Directors may designate any parties having held them until the first general Shareholders Meeting is held,"* in accordance with the terms reflected in Capital Companies Law and bylaws.

In conformity with Article 13.2 of the Board of Directors Regulations, *"the proposals for appointing Directors submitted by the Board of Directors for consideration by the General Shareholders' Meeting and the appointment decisions adopted using the co-option procedure must be preceded by: (a) for Independent Directors, a proposal from the Appointments and Remuneration Committee; and (b) in other cases, a report from the aforementioned committee."* Article 13.3 of the Board of Directors Regulations states that *"when the Board of Directors declines the proposal or the report from the Appointments and Remuneration Committee mentioned in the above section, it must justify doing so and include a record of it in the minutes."*

Article 14 of the same regulations states that *"the Board of Directors and the Appointments and Remuneration Committee shall make an effort, within the sphere of their competencies, to ensure that the proposal and election of candidates falls on individuals of renowned reputation, credibility, solvency, competence and experience.*

Concerning a Legal Entity Director, the natural person representing it in the performance of the duties related to the position will be subject to the conditions included in the previous paragraph."

Finally, Article 7.4 of the Appointments and Remuneration Committee Regulations grant it the responsibility for ensuring *"that the selection procedures are not implicitly biased so as to imply discrimination and that they seek the diversity of the members of the Board of Directors, particularly as regards gender, professional experience, competencies, industry knowledge and geographic origin".*

As regards the reappointment of the Directors, Article 15 of the Board of Directors' Regulations indicates that *"proposals for re-election of Directors submitted by the Board of Directors to the General Shareholders' Meeting must be accompanied by the corresponding explanatory report in the terms set forth by the law. The resolution of the Board of Directors to submit the re-election of Independent Directors to the General Shareholders' Meeting must be adopted upon proposal of the Appointments and Remuneration Committee, while the re-election of other Directors must have a prior favorable report from this committee.*

Directors that are part of the Appointments and Remuneration Committee must abstain from taking part in the deliberations and votes that affect them.

The re-election of a Director who is part of a committee or who holds an internal position on the Board of Directors or one of its committees will determine his/her continuity in this position without requiring express re-election and notwithstanding the power of revocation which corresponds to the Board of Directors.

Board member termination is regulated by Article 16 of the Board of Directors Regulations, which states that *"directors will be removed from their position once the term for which they were appointed has passed, notwithstanding the possibility of being re-elected, and whenever the General Shareholders' Meeting decides to do so as proposed by the Board of Directors or the shareholders, in the terms set forth by law."*

The steps and criteria established in this regard are set forth in Capital Companies Law and the Mercantile Register Regulations.

Article 16.2 of the Board of Directors Regulations states that *"Directors or the natural person*

representing a Legal Entity Director must offer their resignation to the Board of Directors and formalize it, if the Board sees fit, subject to a report provided by the Appointments and Remuneration Committee in the following cases:

a) Concerning Proprietary Directors, whenever these or the shareholder they represent cease to be the owners of significant stocks in the Company, as well as when such shareholders revoke representation.

b) Concerning Executive Directors, when they are removed from the executive positions associated with their appointment as Director and, in all cases, whenever the Board of Directors considers it necessary.

c) Concerning Non-executive Directors, when they join the management of the Company or of any of the companies in the Group.

d) When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards.

e) Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being an administrator, or whenever they are involved in a sanction for a serious or very serious offense brought by supervisory authorities.

f) Whenever they are issued a serious warning by the Board of Directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as Directors in the Company.

g) Whenever their continuity on the Board of Directors could put the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist.

h) When, due to acts attributable to the Director acting in his/her capacity as such, cause significant damage to the Company's assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company."

In accordance with Sections 3, 4, and 5, *"in any of the events indicated in the previous section, the Board of Directors shall require the Director to resign from his/her post, and propose, as appropriate, his/her resignation to the General Shareholders' Meeting. As an exception, the foregoing shall not be applicable in the events of resignation provided in letters a), d), f) and g) above when the Board of Directors considers that reasons exist to justify the continuity of the Director, without prejudice of the occurrence that any new and sudden circumstances may have on his/her qualification.*

The Board of Directors may only propose the removal of an Independent Director before the expiration of the period for which they were appointed when just cause is found by the Board of Directors, based on the proposal from the Appointments and Remuneration Committee. Specifically, for having failed to fulfill the duties inherent to his/her position or have unexpectedly incurred in any of the circumstances established by law as incompatible with assignment to such category.

Directors who resign from their position before the end of their term must send a letter explaining the reasons for the resignation to all the members of the Board of Directors."

RULES GOVERNING BYLAW AMENDMENTS

Amendments made to the Siemens Gamesa bylaws are governed by the terms of Articles 285 to 290 of Capital Companies Law approved by Royal Decree Law 1/2010 of July 2 ("Capital Companies Law").

Additionally, amendments made to the Siemens Gamesa bylaws are covered by the terms outlined in the Company's bylaws and the Regulations of the General Shareholders' Meeting.

As regards the competencies for making amendments, Articles 14. h) of bylaws and 6.1 h) of the Regulations of the General Shareholders' Meeting indicate that this role corresponds to the Siemens Gamesa General Shareholders' Meeting.

Articles 18 of bylaws, and 26 of the Regulations of the General Shareholders' Meeting include the quorum requirements for the General Shareholders Meeting adoption of agreements. Articles 26 of its bylaws, and 32 of the General Shareholders Regulations indicate the necessary majority for these purposes.

Article 31.4 of the General Shareholder's Regulations indicates that in accordance with legislation,*"the Board of Directors*, in accordance with the provisions of the law, shall draw up resolution proposals different in relation to those matters that are essentially independent, so that the shareholders can exercise their voting rights separately." The above is specifically applicable in the case of amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.

In accordance with Article 518 of Capital Companies Law, due to the call for a general Shareholders Meeting devoted to amending bylaws, the Company website will include the complete text of the agreement proposals on the Agenda in which the amendments are proposed, as well as reports from competent bodies in this regard.

14. THE POWERS OF BOARD OF DIRECTORS AND, SPECIFICALLY, POWERS TO ISSUE OR BUY BACK SHARES

POWERS OF BOARD OF DIRECTORS

During its meeting held on June 20, 2017, the Board of Directors of Siemens Gamesa Renewable Energy, S.A. unanimously agreed to reappoint Markus Tacke as the Company's Chief Executive Officer, thereby delegating all the legally and statutory faculties corresponding to the Board, except those which are not covered by Law and the Bylaws, which Mr. Tacke accepted, as reflected in the meeting minutes.

POWERS TO BUY BACK SHARES

At the date of approval of this Report, authorization was still pending from the Company's General Shareholders Meeting held on May 8, 2015, by virtue of which the Board of Directors will be entitled to acquire treasury shares. The following is the literal text of the agreement adopted by the above reflected under point 9 of the Agenda:

"In accordance with Article 146 of Capital Companies Law, with express substitution faculties, authorize the Board of Directors to acquired shares in Gamesa Corporación Tecnológica, Sociedad Anónima ("Gamesa" or "the Company") under the following conditions:

a.- The acquisitions may be made by Gamesa or indirectly through its subsidiaries, on the same terms as described herein.

b.- The share acquisitions will be accomplished by way of sale or exchange transactions or as otherwise permitted by law.

c.- The acquisitions may, from time to time, be made up to the maximum figure permitted by law.

d.- The minimum share price will be their nominal value, with a maximum price not to surpass 110% of their listed value at the date of acquisition.

e.- Shares acquired may be subsequently sold at freely-determined conditions.

f.- This authorization is granted for a maximum period of 5 years, and expressly renders the authorization granted during the General Shareholders Meeting held on May 28, 2010 for the unused portion without effect.

g.- As a result of the acquisition of shares, including those which the Company or party acting in its own name yet on behalf of the Company acquired previously and held in portfolio, the resulting equity may not be reduced to under the amount of share capital plus legal reserves or those restricted, all without prejudice to letter b) of Article 146.1 of Capital Companies Law.

Finally, regarding the contents of the final paragraph of the Article 146.1.a) of the Capital Companies Law, shares acquired as a result of this authorization may be used by the company to deliver to its employees or its directors, either directly or through the exercise of options or other rights contemplated in the incentives plan for owners/beneficiaries as stipulated in legal, statutory, and regulatory guidelines."

15. SIGNIFICANT AGREEMENTS TO WHICH THE COMPANY IS A PARTY AND WHICH TAKE EFFECT, ALTER OR TERMINATE UPON A CHANGE OF CONTROL OF THE COMPANY FOLLOWING A TAKEOVER BID AND THE EFFECTS THEREOF, EXCEPT WHERE DISCLOSURE WOULD SEVERELY PREJUDICE THE COMPANY'S INTERESTS. THIS EXCEPTION IS NOT APPLICABLE WHERE THE COMPANY IS SPECIFICALLY OBLIGED TO DISCLOSE SUCH INFORMATION ON THE BASIS OF OTHER LEGAL REQUIREMENTS

In accordance with the framework agreement dated December 21, 2011 (significant event 155308) between IBERDROLA, S.A. and the subsidiary of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (SIEMENS GAMESA), SIEMENS GAMESA RENEWABLE ENERGY EOLICA, S.L Sole Shareholder Company, the supposed change of control in SIEMENS GAMESA RENEWABLE ENERGY, S.A. will permit IBERDROLA, S.A. to terminate the framework agreement, and neither party may make any claims subsequently.

On December 17, 2015, Siemens Gamesa Renewable Energy Wind Farms, S.A.U. (buyer) and GESTIÓN, ELABORACIÓN DE MANUALES INDUSTRIALES INGENIERÍA Y SERVICIOS COMPLEMENTARIOS, S.L., INVERSIONES EN CONCESIONES FERROVIARIAS, S.A.U., CAF POWER & AUTOMATION, S.L.U. y FUNDACIÓN TECNALIA RESEARCH & INNOVATION (seller) signed a purchase-sale agreement for the shares. On the same date, to oversee the relationship between Siemens Gamesa Renewable Energy Wind Farms, S.A.U. and INVERSIONES EN CONCESIONES FERROVIARIAS, S.A.U. (ICF), as future NEM partners (where applicable), the parties signed the Partners' Agreement. By virtue of the terms established in the abovementioned agreement, should control over Siemens Gamesa subsequently take place, Siemens Gamesa Renewable Energy Wind Farms, S.A.U. must offer the remaining partners direct acquisition of its NEM shares.

On June 17, 2016, effective April 3, 2017, SIEMENS GAMESA and SIEMENS AKTIENGESELLSCHAFT (Siemens) signed a strategic alliance agreement, featuring a strategic supply contract by virtue of which Siemens became the strategic supplier of gears, segments, and other products and services offered by SIEMENS GAMESA group. The abovementioned alliance will continue in force during the period during which Siemens: (a) directly or indirectly holds 50.01% of SIEMENS GAMESA's share capital, or (b) holds representative shares of at least 40% of share capital, as long as it holds the majority of Board of Directors voting rights, with no shareholders which individually or jointly hold at least 15% of share capital. Therefore, in cases of change of control, the parties are entitled to terminate the strategic alliance, although its minimum duration in any case would be three (3) years (i.e., until April 3, 2020).

On March 31, 2017, SIEMENS GAMESA and Siemens entered into a licensing agreement by virtue of which SIEMENS GAMESA is entitled to use the Siemens brand in its company name, corporate brand, and product brands and names. The abovementioned alliance will continue in force during the period in which Siemens: (a) directly or indirectly holds 50.01% of SIEMENS GAMESA's share capital, or (b) holds representative shares of at least 40% of the share capital, as long as it holds the majority of Board of Directors voting rights, with no shareholders which individually or jointly hold at least 15% of share capital. Therefore, a change of control might lead to termination of the licensing agreement.

By virtue of certain agreements reached as a result of the merger between SIEMENS GAMESA and Siemens Wind HoldCo, S.L. (sole shareholder company), the Siemens Group will have and grant certain guarantees with regard to the joint venture.

The above agreements may be terminated and their applicable terms granted may be amended in case a change of control take place.

Likewise, as is customary for large electricity supply infrastructure projects, there are contracts with clients which regulate a supposed change in control, thereby providing each reciprocal power to terminate them should such a situation arise, especially in cases in which the new controlling party is the other party's competitor.

It shall also be pointed out that SIEMENS GAMESA as a Company member of the Siemens AG Group has accessed with effective date of October 1, 2017, to the insurance program of the Siemens Group which includes all risk material damages policy, liability policy, transport, chartering vessels and construction all risk policy. If the Company shall lose the category as member of the Siemens AG Group its right to access the aforementioned insurance program shall be declined.

On August 1, 2018, SIEMENS GAMESA and Siemens entered into an external services agreement for procurement area by virtue of which, during an initial period of 1 year for sourcing services, and 2 years for other procurement services, SIEMENS GAMESA Group shall benefit from the collective negotiation strength. Such agreement will be in force while Siemens remains as mayor shareholder of SIEMENS GAMESA. Therefore, in case of change of control, both parties are entitled to terminate the agreement with a 6 months prior notice.

Finally, it shall be pointed out that on May 30, 2018 SIEMENS GAMESA executed a Syndicated Multi-Currency Term and Revolving Credit Facility with a group of domestic and international banks (Significant Event 266275). In the event that any person or group of persons in a concerted manner (a) hold, directly or indirectly, more than 50% of the share capital of SIEMENS GAMESA; or (b) have the right to appoint the majority of members of the Board of Directors, and therefore exercise control over the Company, each of the participating financial entities may negotiate in good faith for a period of 30 days the maintenance of its commitments derived from the contract. In the event that an agreement is not reached, the financial entity(ies) in question may cancel all or part of the commitments acquired and require full or partial prepayment of their participation in the financing.

16. ANY AGREEMENTS BETWEEN THE COMPANY AND ITS DIRECTORS, OFFICERS OR EMPLOYEES THAT PROVIDE FOR SEVERANCE PAYMENTS IF THEY RESIGN, ARE UNFAIRLY DISMISSED OR IF THEIR EMPLOYMENT CONTRACTS TERMINATE AS A RESULT OF A TAKEOVER BID

The contract of the Chief Executive Officer, according to the Director's remuneration policy approved by the General Meeting of Shareholders on March 27, 2019, recognizes him to receive one year of fixed remuneration for termination of his working relationship

Likewise, for the Top Management and for the termination of the working relationship, the current criterion of the Company is the payment of a maximum of one year of the fixed annual remuneration at the date of termination, without prejudice, in any case, of preexisting situations and that the amount may be higher according to the labour law.

In respect to the rest of managers and non-managers employees, their working relationship, in general, does not include economic compensations in case of its termination, different from the ones established in the current law.

Annex

ALTERNATIVE PERFORMANCE MEASURES

Siemens Gamesa Renewable Energy (SGRE) financial information contains magnitudes and measurements prepared in accordance with the applicable accounting standards and others referred to as Alternative Performance Measures (APMs). The APMs are considered to be adjusted magnitudes with respect to those presented in accordance with EU-IFRS and, consequently, the reader should view them as supplementary to, but not replacements for, the latter.

The APMs are important for users of the financial information since they are the metrics used by SGRE's Management to assess financial performance, cash flows and the financial position for the purposes of the Group's financial, operational and strategic decisions.

The APMs contained in SGRE´s financial disclosures that cannot be directly reconciled with the financial statements in accordance with EU-IFRS are as follows.

Net Financial Debt (NFD)

Net financial debt (NFD) is calculated as the sum of the company's bank borrowings less cash and cash equivalents.

Net financial debt is the main APM used by Siemens Gamesa Renewable Energy's management to measure the Group's indebtedness and leverage.

€m	09.30.2017 (*)	03.31.2018	09.30.2018	09.30.2018 (*)	03.31.2019
Cash and cash equivalents	1,659	1,504	2,429	2,429	1,353
Short-term debt and current maturities of long-term debt	(797)	(1,172)	(991)	(991)	(345)
Long-term debt	(485)	(445)	(823)	(823)	(1,126)
Cash / (Net Financial Debt)	**377**	**(112)**	**615**	**615**	**(118)**

(*) 09.30.2017 comparable for IFRS 15 and Opening Balance Sheet (PPA). 09.30.2018 comparable for IFRS 9. No modification exists in the Net Financial Debt calculation in either case.

Working capital (WC)

Working Capital (WC) is calculated as the difference between current assets and current liabilities. Current assets and liabilities exclude all items classified as Net Financial Debt, such as Cash and cash equivalents.

Working Capital reflects the part of Capital Employed that is invested in net operating assets. Siemens Gamesa Renewable Energy management uses this metric in managing and making decisions with respect to the business's cash conversion cycle, particularly in managing inventory, trade accounts receivable and trade accounts payable. Effective management of working capital involves achieving an optimal amount of working capital without jeopardising the company's ability to honour its obligations in the short term.

€m	09.30.2017 Reported Q4 17	09.30.2017 Reported Q1 18	09.30.2017 Reported Q2 18	09.30.2017 Reported Q3 18 (*)
Trade and other receivables	1,081	1,081	1,081	1,081
Trade receivables from related companies	62	62	62	62
Contract assets	-	1,243	1,241	1,241
Inventories	3,455	2,102	2,096	2,096
Other current assets	341	342	342	342
Trade payables	(2,232)	(2,232)	(2,265)	(2,265)
Trade payables to related companies	(364)	(364)	(364)	(364)
Contract liabilities	-	(1,742)	(1,745)	(1,717)
Other current liabilities	(2,645)	(696)	(696)	(696)
Working Capital	**(300)**	**(203)**	**(248)**	**(220)**

€m	03.31.2018 Reported Q2 18	03.31.2018 Reported Q3 18 (*)	09.30.2018 Reported 4Q 18	09.30.2018 Comp. (**)	03.31.2019
Trade and other receivables	1,050	1,050	1,114	1,111	1,137
Trade receivables from related companies	41	41	28	28	35
Contract assets	1,148	1,148	1,572	1,569	1,771
Inventories	1,805	1,805	1,499	1,499	2,006
Other current assets	404	404	362	362	464
Trade payables	(1,807)	(1,807)	(2,416)	(2,416)	(2,352)
Trade payables to related companies	(71)	(71)	(342)	(342)	(153)
Contract liabilities	(1,599)	(1,571)	(1,670)	(1,670)	(1,991)
Other current liabilities	(708)	(708)	(684)	(684)	(706)
Working Capital	**263**	**291**	**(536)**	**(542)**	**211**

(*) Comparable after the application of IFRS15 and opening balance (PPA). The effects in previous quarters of changes due to the accounting of the Business Combination, as well as to the application of IFRS15, are further disclosed in previously published financial information.

(**) Comparable after the application of IFRS9 starting October 1, 2018, affecting the Opening Balance Sheet of first quarter of FY19: the table above shows a decrease in line item "Trade and other receivables" of €3m and a decrease in line item "Contract assets" of €3m, with the corresponding effect (before taxes) in the group's Equity that decreases €4.6m (including tax effect).

The ratio of working capital to revenue is calculated as working capital at a given date divided by the revenue in the twelve months prior to that date.

Capital Expenditure (CAPEX)

Capital expenditure (CAPEX) refers to investments made in the period in property, plant and equipment and intangible assets to generate future profits (and maintain the current capacity to generate profits, in the case of maintenance CAPEX). This APM does not include the allocation of the purchase price (the PPA exercise) to property, plant and equipment and intangible assets that has been performed in context of the merger transaction of Siemens Wind Power and Gamesa (the business combination).

€m	Q2 18	Q2 19	H1 18	H1 19
Acquisition of intangible assets	(26)	(44)	(59)	(75)
Acquisition of Property, Plant and Equipment	(58)	(64)	(108)	(114)
CAPEX	**(84)**	**(108)**	**(167)**	**(189)**

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

€m	Q3 18	Q4 18	Q1 19	Q2 19	LTM Mar 19
Acquisition of intangible assets	(28)	(42)	(31)	(44)	(145)
Acquisition of Property, Plant and Equipment	(64)	(114)	(50)	(64)	(292)
CAPEX	**(92)**	**(156)**	**(81)**	**(108)**	**(437)**

€m	Q3 17	Q4 17	Q1 18	Q2 18	LTM Mar 18
Acquisition of intangible assets	(59)	(12)	(33)	(26)	(130)
Acquisition of Property, Plant and Equipment	(131)	(95)	(50)	(58)	(334)
CAPEX	**(190)**	**(107)**	**(83)**	**(84)**	**(464)**

Definitions of Cash Flow

Gross operating cash flow: amount of cash generated by the company's ordinary operations, excluding working capital and capital expenditure (CAPEX). SGRE includes the flow of net financial expenses under gross operating cash flow. Gross operating cash flow is obtained by adjusting the reported income for the period, for the ordinary non-cash items (mainly depreciation and amortization and provision charges).

€m	H1 18	H1 19
Net Income before taxes	66	103
Amortization + PPA	317	295
Other P&L (*)	4	(4)
Charge of provisions	131	68
Provision usage (without Adwen usage)	(178)	(186)
Tax payments	(47)	(136)
Gross Operating Cash Flow	**293**	**140**

€m	Q2 18	Q2 19
Net Income before taxes	44	77
Amortization + PPA	157	147
Other P&L (*)	3	(1)
Charge of provisions	84	(4)
Provision usage (without Adwen usage)	(114)	(87)
Tax payments	(40)	(48)
Gross Operating Cash Flow	**134**	**84**

(*) Other non-cash (income) expenses, including results of companies accounted for using the equity method.

Cash flow is calculated as the variation in Net financial debt (NFD) between two closure dates.

Average Selling Price in Order Intake, Onshore (ASP - Order Intake)

Average monetary order intake collected by Onshore WTG division per unit booked (measured in MW). ASP is affected by several factors (project scope, geographical distribution, product, exchange rate, prices, etc.) and does not represent the level or trend of profitability.

	Q2 18	Q3 18 (*)	Q4 18	Q1 19 (*)	Q2 19 (*)
Order Intake Onshore Wind (€m)	1,834	1,166	1,985	1,793	1,167
Order Intake Onshore Wind (MW)	2,464	1,660	2,631	2,370	1,742
ASP Order Intake Wind Onshore	**0.74**	**0.70**	**0.75**	**0.76**	**0.67**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €9m in Q3 18, €6m in Q1 19, €33m in Q2 19.

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

	Q3 16 (Pro-Forma)	Q4 16 (Pro-Forma)	Q1 17 (Pro-Forma)	Q2 17 (Pro-Forma)	LTM Mar 17
Order Intake Onshore Wind (€m)	1,471	1,647	1,491	1,460	6,069
Order Intake Onshore Wind (MW)	1,662	2,063	1,862	1,599	7,186
ASP Order Intake Wind Onshore	**0.89**	**0.80**	**0.80**	**0.91**	**0.84**

	Q3 17	Q4 17	Q1 18 (*)	Q2 18	LTM Mar 18
Order Intake Onshore Wind (€m)	680	1,498	1,600	1,834	5,613
Order Intake Onshore Wind (MW)	693	2,167	2,208	2,464	7,532
ASP Order Intake Wind Onshore	**0.98**	**0.69**	**0.72**	**0.74**	**0.75**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €88m in Q1 18.

	Q3 18 (*)	Q4 18	Q1 19 (*)	Q2 19 (*)	LTM Mar 19
Order Intake Onshore Wind (€m)	1,166	1,985	1,793	1,167	6,112
Order Intake Onshore Wind (MW)	1,660	2,631	2,370	1,742	8,402
ASP Order Intake Wind Onshore	**0.70**	**0.75**	**0.76**	**0.67**	**0.73**

(*) Order intake WTG ON includes only wind orders. No solar orders are included. Solar orders amounted to €9m in Q3 18, €6m in Q1 19, €33m in Q2 19.

The comparable figures corresponding to periods prior to the merger have been calculated on a pro forma basis, as if the merger transaction had occurred before April 17, as appropriate, including the full consolidation of Adwen, standalone savings and normalization adjustments. Further details of this pro forma calculation are as follows:

	Q3 16 (Pro-forma)			
	Siemens Wind Power	Gamesa	Adwen	SGRE (Pro-forma)
Order Intake Onshore Wind (€m)	508	963	-	1,471
Order Intake Onshore Wind (MW)	483	1,180	-	1,662
ASP Order Intake Wind Onshore	**1.05**	**0.82**	**-**	**0.89**

	Q4 16 (Pro-forma)			
	Siemens Wind Power	Gamesa	Adwen	SGRE (Pro-forma)
Order Intake Onshore Wind (€m)	753	894	-	1,647
Order Intake Onshore Wind (MW)	973	1,090	-	2,063
ASP Order Intake Wind Onshore	**0.77**	**0.82**	**-**	**0.80**

	Q1 17 (Pro-forma)			
	Siemens Wind Power	Gamesa	Adwen	SGRE (Pro-forma)
Order Intake Onshore Wind (€m)	439	1,052	-	1,491
Order Intake Onshore Wind (MW)	475	1,386	-	1,862
ASP Order Intake Wind Onshore	**0.92**	**0.76**	**-**	**0.80**

	Q2 17 (Pro-forma)			
	Siemens Wind Power	Gamesa	Adwen	SGRE (Pro-forma)
Order Intake Onshore Wind (€m)	758	702	-	1,460
Order Intake Onshore Wind (MW)	772	827	-	1,599
ASP Order Intake Wind Onshore	**0.98**	**0.85**	**-**	**0.91**

Order Intake, Revenue and EBIT

Order Intake (in €) LTM (Last Twelve Months) is calculated by aggregation of the quarterly order intake (in EUR) for the last four quarters.

€m	Q3 18	Q4 18	Q1 19	Q2 19	LTM Mar 19
Group	3,292	2,625	2,541	2,466	10,924
Of which WTG ON	1,175	1,985	1,799	1,200	6,159

€m	Q3 17	Q4 17	Q1 18	Q2 18	LTM Mar 18
Group	1,398	2,791	2,912	3,043	10,144
Of which WTG ON	680	1,498	1,688	1,834	5,700

Order Intake (in MW) LTM (Last Twelve Months) is calculated by aggregation of the quarterly order intake (in MW) for the last four quarters.

Onshore:

MW	Q3 18	Q4 18	Q1 19	Q2 19	LTM Mar 19
Onshore	1,660	2,631	2,370	1,742	8,402

MW	Q3 17	Q4 17	Q1 18	Q2 18	LTM Mar 18
Onshore	693	2,167	2,208	2,464	7,532

Offshore:

MW	Q3 18	Q4 18	Q1 19	Q2 19	LTM Mar 19
Offshore	1,368	-	12	464	1,844

MW	Q3 17	Q4 17	Q1 18	Q2 18	LTM Mar 18
Offshore	112	752	576	328	1,768

Revenue LTM (Last Twelve Months) is calculated by aggregation of the quarterly revenue for the last four quarters.

€m	Q3 18	Q4 18	Q1 19	Q2 19	LTM Mar 19
WTG	1,827	2,207	1,904	2,060	7,998
Service	308	411	358	330	1,407
TOTAL	**2,135**	**2,619**	**2,262**	**2,389**	**9,405**

€m	Q3 17	Q4 17	Q1 18	Q2 18	LTM Mar 18
WTG	2,393	2,008	1,840	1,973	8,214
Service	300	321	287	268	1,177
TOTAL	**2,693**	**2,329**	**2,127**	**2,242**	**9,390**

EBIT (Earnings Before Interest and Taxes): operating profit as per the consolidated income statement. It is calculated as Income (loss) from continuing operations before income taxes, before 'Income (loss) from investments accounted for using the equity method', interest income and expenses and 'Other financial income (expenses), net'.

EBIT (Earnings Before Interest and Taxes) pre PPA and integration & restructuring costs: EBIT excluding integration and restructuring costs related to the merger transaction and the impact on amortization of intangibles' fair value from the Purchase Price Allocation (PPA).

€m	H1 18	H1 19
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	66	103
(-) Income from investments acc. for using the equity method, net	(1)	-
(-) Interest income	(4)	(6)
(-) Interest expenses	30	23
(-) Other financial income (expenses), net	(3)	9
EBIT	**88**	**130**
(-) Integration and Restructuring costs	75	54
(-) PPA impact	158	133
EBIT pre-PPA and integration & restructuring costs	**322**	**316**

€m	Q2 18	Q2 19
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	44	77
(-) Income from investments acc. for using the equity method, net	-	-
(-) Interest income	-	-
(-) Interest expenses	12	11
(-) Other financial income (expenses), net	(3)	3
EBIT	**54**	**90**
(-) Integration and Restructuring costs	61	22
(-) PPA impact	75	66
EBIT pre-PPA and integration & restructuring costs	**189**	**178**

EBIT margin: ratio of EBIT to Revenue in the period that is equal to the revenue figure in the consolidated Income Statement for the period.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): It is calculated as EBIT before amortization, depreciation and impairments of goodwill, intangible assets and property, plant and equipment.

€m	H1 18	H1 19
EBIT	88	130
Amortization, depreciation and impairment of intangible assets and PP&E	317	295
EBITDA	**406**	**425**

€m	Q2 18	Q2 19
EBIT	54	90
Amortization, depreciation and impairment of intangible assets and PP&E	157	147
EBITDA	**210**	**237**

EBITDA LTM (Last Twelve Months) is calculated by aggregation of the quarterly EBITDA for the last four quarters.

€m	Q3 18	Q4 18	Q1 19	Q2 19	LTM Mar 19
EBIT	50	73	40	90	252
Amortization, depreciation and impairment of intangible assets and PP&E	143	185	148	147	623
EBITDA	**193**	**258**	**188**	**237**	**875**

€m	Q3 17	Q4 17	Q1 18	Q2 18	LTM Mar 18
EBIT	50	(197)	35	54	(58)
Amortization, depreciation and impairment of intangible assets and PP&E	190	238	160	157	745
EBITDA	**240**	**41**	**195**	**210**	**687**

Net income and Net income per share (EPS)

Net income: consolidated profit for the year attributable to the parent company.

Net income per share (EPS): the result of dividing net income by the average number of shares outstanding in the period (excluding treasury shares).

	Q2 18	H1 18	Q2 19	H1 19
Net Income (€m)	35	-	49	67
Number of shares (units)	679,488,800	679,481,738	679,481,656	679,465,922
Earnings Per Share (€/share)	**0.05**	**-**	**0.07**	**0.10**

Other indicators

Revenue coverage: the revenue coverage ratio expresses the degree of achieving the revenue volume targets set by the company for a given year. It is calculated as the revenue booked until one period (including the activity/revenue expected for the rest of the year) divided by the activity/revenue guidance for that year.

€m	09.30.2017	03.31.2018	09.30.2018	03.31.2019
Actual revenue in year N (1)	-	4,369	-	4,651
Order Backlog for delivery in FY (2)	6,049	4,613	8,408	5,428
Average revenue guidance for FY (3) (*)	9,300	9,300	10,500	10,500
Revenue Coverage ([1+2]/3)	**65%**	**97%**	**80%**	**96%**

(*) Note: 2019 revenue guidance range of €10bn to €11bn. As a result, average revenue guidance is €10.5bn. 2018 revenue guidance range of €9bn to €9.6bn. As a result, average revenue guidance was €9.3bn.

Book-to-Bill: ratio of order intake (in EUR) to activity/revenue (in EUR) in the same period. The Book-to-Bill ratio gives an indication of the future trend in revenue volume.

Book-to-Bill LTM (Last Twelve Months): this APM is calculated by aggregation of the quarterly Revenue and Order Intakes for the last four quarters.

€m	Q3 18	Q4 18	Q1 19	Q2 19	LTM Mar 19
Order Intake	3,292	2,625	2,541	2,466	10,924
Revenue	2,135	2,619	2,262	2,389	9,405
Book-to-Bill	**1.5**	**1.0**	**1.1**	**1.0**	**1.2**

€m	Q3 17	Q4 17	Q1 18	Q2 18	LTM Mar 18
Order Intake	1,398	2,791	2,912	3,043	10,144
Revenue	2,693	2,329	2,127	2,242	9,391
Book-to-Bill	**0.5**	**1.2**	**1.4**	**1.4**	**1.1**

Reinvestment Rate: ratio of CAPEX divided by amortization, depreciation and impairments (excluding PPA amortization on intangibles' fair value).

€m	Q3 18	Q4 18	Q1 19	Q2 19	LTM Mar 19
CAPEX (1)	92	156	81	108	437
Amortization depreciation & impairments (a)	143	185	148	147	623
PPA Amortization on Intangibles (b)	82	66	66	66	280
Depreciation & Amortization (excl. PPA) (2=a-b)	61	119	82	80	343
Reinvestment rate (1/2)	**1.5**	**1.3**	**1.0**	**1.4**	**1.3**

€m	Q3 17	Q4 17	Q1 18	Q2 18	LTM Mar 18
CAPEX (1)	190	107	83	84	463
Amortization depreciation & impairments (a)	190	238	160	157	745
PPA Amortization on Intangibles (b)	124	111	83	75	393
Depreciation & Amortization (excl. PPA) (2=a-b)	66	127	77	82	352
Reinvestment rate (1/2)	**2.9**	**0.8**	**1.1**	**1.0**	**1.3**

Gross Profit: the difference between revenue and cost of sales, according to the consolidated statements of profit and loss.

Gross Profit (pre PPA, I&R costs): Gross Profit excluding integration and restructuring costs related to the merger transaction and the impact on amortization of intangibles' fair value from the PPA (purchase price allocation). The result of dividing this indicator by the sales of the period, which are equal to the revenue figure in the consolidated Income Statement for the period, is denominated Gross Margin pre PPA, I&R costs, and it is expressed as a percentage.

€m	H1 18	H1 19
Gross Profit	460	437
PPA amortization on intangibles	86	87
Integration and Restructuring costs	51	31
Gross Profit (pre PPA, I&R costs)	**597**	**555**

€m	Q2 18	Q2 19
Gross Profit	262	237
PPA amortization on intangibles	43	44
Integration and Restructuring costs	43	9
Gross Profit (pre PPA, I&R costs)	**348**	**289**

The calculation of this indicator and its comparable for the last twelve months (LTM) is as follows:

€m	Q3 18	Q4 18	Q1 19	Q2 19	LTM Mar 19
Gross Profit	191	304	200	237	932
PPA amortization on intangibles	80	3	44	44	170
Integration and Restructuring costs	17	41	22	9	89
Gross Profit (pre PPA, I&R costs)	**288**	**348**	**266**	**289**	**1,191**

€m	Q3 17	Q4 17	Q1 18	Q2 18	LTM Mar 18
Gross Profit	307	15	198	262	782
PPA amortization on intangibles	49	38	43	43	174
Integration and Restructuring costs	-	-	8	43	51
Gross Profit (pre PPA, I&R costs)	**357**	**53**	**249**	**348**	**1,006**

MWe: an indicator of activity (a physical unit of sale) used to measure wind turbine generator manufacturing progress. The MWe indicator does not reflect post-manufacturing processes (civil engineering, installation, commissioning, etc.), which also generate monetary revenue.

MWe	Q3 18	Q4 18	Q1 19	Q2 19	LTM Mar 19
Onshore	1,703	1,926	1,520	1,707	6,857

MWe	Q3 17	Q4 17	Q1 18	Q2 18	LTM Mar 18
Onshore	1,488	1,384	1,651	1,397	5,920

Cost of energy (LCOE/COE): the cost of converting an energy source, e.g. wind, into electricity, measured in monetary units per MWh. It is calculated taking in account all costs incurred during asset's life cycle (including construction, financing, fuel, operation and maintenance, taxes and incentives) divided by the total output expected from the asset during its useful life.

Note that due to rounding, numbers presented in this document may not add up exactly to the totals shown and percentages may not exactly replicate the absolute figures presented.

CARLOS RODRÍGUEZ-QUIROGA MENÉNDEZ, WITH NATIONAL IDENTITY CARD NUMBER 276.302-A, SECRETARY OF THE BOARD OF DIRECTORS OF "SIEMENS GAMESA RENEWABLE ENERGY, S.A." WITH REGISTERED OFFICE IN ZAMUDIO (VIZCAYA), AT PARQUE TECNOLÓGICO DE BIZKAIA, BUILDING 222, WITH EMPLOYER IDENTIFICATION NUMBER A -01011253.

HEREBY CERTIFY:

That the text of the interim condensed individual financial statements and the interim individual management report correspond to the first six months of the 2019 financial year of SIEMENS GAMESA RENEWABLE ENERGY, S.A., which have been authorized for issue by the Board of Directors at its meeting held on May 6, 2019, is the content of the preceding 67 sheets of unstamped paper, on the obverse only, and for authentication purposes, bear the signature of the President and the Secretary of the Board of Directors on its first sheet and the stamp of the Company in the total remaining sheets.

The directors listed below hereby so ratify by signing below, in fulfillment of article 11.3 of Royal Decree 1362/2007, of October 9.

Miguel Ángel López Borrego Chairman	Markus Tacke CEO
Carlos Rodríguez-Quiroga Menéndez Secretary of the Board of Directors	Lisa Davis Member of the Board of Directors
Rudolf Krämmer Member of the Board of Directors	Klaus Rosenfeld Member of the Board of Directors
Pedro Azagra Blázquez Member of the Board of Directors	Ralf Thomas Member of the Board of Directors
Mariel von Schumann Member of the Board of Directors	Gloria Hernández García Member of the Board of Directors
Michael Sen Member of the Board of Directors	Andoni Cendoya Aranzamendi Member of the Board of Directors
Alberto Alonso Ureba Member of the Board of Directors	

Statement by the Secretary of the Board of Directors to let the record reflect that:

(i) the Board Member Mr. Michael Sen has not signed on this document as he has not attended the meeting of the Board of Directors due to unavoidable professional commitments, having delegated his representation and vote for the matters included in the agenda by proxy to the Director Mr. Miguel Ángel López Borrego. Mr. Miguel Ángel López Borrego has signed this document on his behalf, under express authorization conferred for that purpose by Mr. Michael Sen;

(ii) the Directors Mrs. Mariel von Schumann, Mr. Ralf Thomas and Mrs. Lisa Davis have attended the meeting of the Board of Directors connected by phone so they do not stamp their signature on this document. Mr. Miguel Ángel López Borrego has signed this document on their behalf, under express authorization conferred for that purpose by each of the aforementioned Directors.

(iii) the Directors Mr. Rudolf Krämmer and Mr. Klaus Rosenfeld have attended the meeting of the Board of Directors connected by phone and videoconference respectively so they do not stamp their signature on this document. Mrs. Gloria Hernández García has signed this document on their behalf, under express authorization conferred for that purpose by each of the aforementioned Directors.

Madrid, May 6, 2019. In witness whereof

Approval of the Chairman

Miguel Ángel López Borrego
Chairman

Carlos Rodríguez-Quiroga Menéndez
Secretary of the Board of Directors