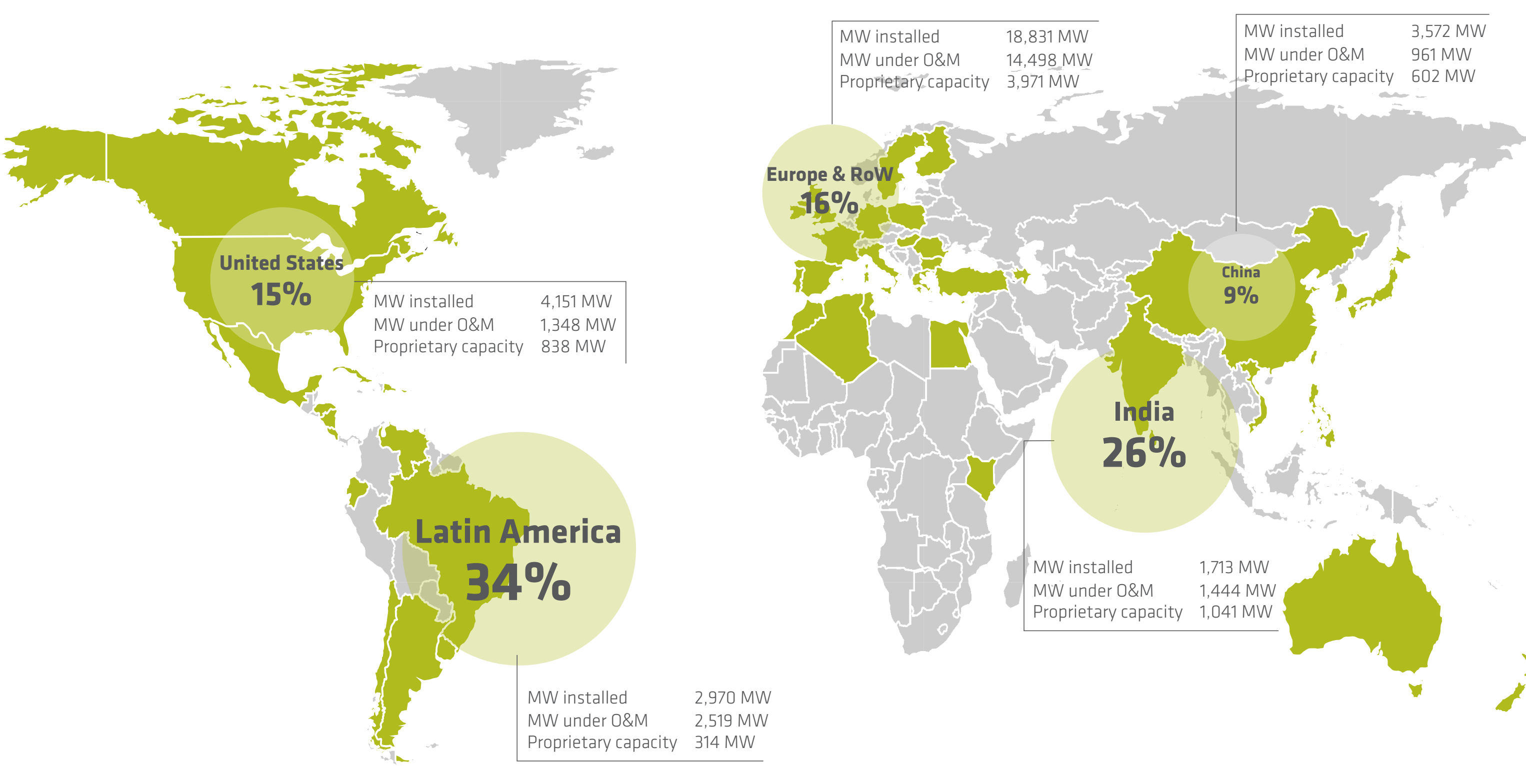
ANNUAL REPORT SUMMARY **2014**

Gamesa

Gamesa in 2014



% MW sold in 2014.

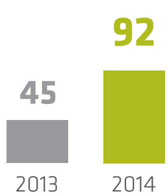
31,237 MW installed

6,766 MW proprietary capacity

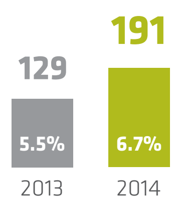
20,770 MW under O&M

Economic indicators

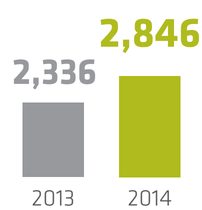
Net profit
MM €



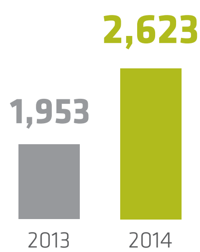
Recurring EBIT and EBIT margin
MM €



Sales
MM €



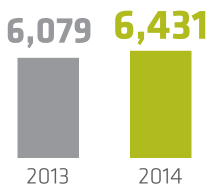
MW sold



Social and environmental indicators

Employees

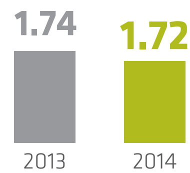
Workforce



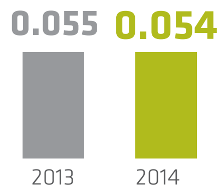
Gender

Health & Safety

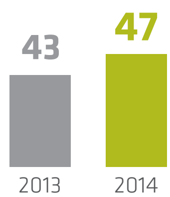
Frequency index



Severity index



CO_2 prevented
MM t



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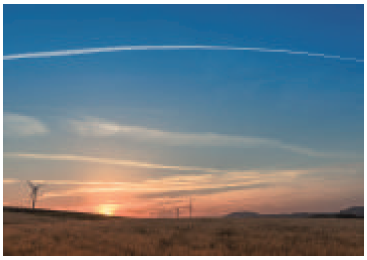
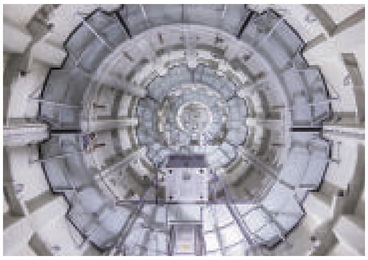
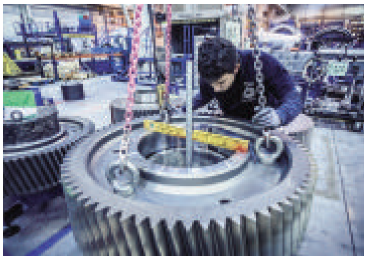
2014 Results







Message from the Chairman

Dear shareholders,

For the past couple of years Gamesa has been focused on executing its 2013-2015 Business Plan, designed with the aim of making the company profitable again and adapting it to the new sector paradigm without sacrificing the flexibility needed to tap potential market opportunities. To this end we have made major changes that have given a new dimension to the company, its technological leadership, its global footprint, its financial health and its corporate culture.

Today, into year three of our Plan, I can say that we have accomplished our guidance ahead of schedule, achieving our vision for 2015 already in 2014. And we have done so while laying the foundations for future growth.

In 2014, thanks to solid management, we topped all of the guidance set for the year: revenue rose 22% to €2.85 billion, with a recurring EBIT margin of 6.7%, driving two-fold growth in net profit to €92 million. During the year, we also took major steps to reinforce our balance sheet, ending 2014 with a net cash position of €143 million. This profitable growth has enabled us to renew dividend payments: we will propose the distribution of 25% of 2014 net profit at the upcoming Shareholders' General Meeting.

The company's strong performance since we rolled out the Plan, coupled with bright growth prospects, was reflected in our share price performance which, despite lingering economic uncertainties, has rallied by over 600% to €12 in the first few months of 2015.

I would like to specially thank the investors that took part in our capital increase last September for their vote of confidence; thanks to that transaction, we were able to reinforce our financial health indicators and raise funds for tapping additional business opportunities to those contemplated in our Business Plan. These new opportunities derive from improved growth prospects in the onshore segment and our entry into the offshore segment via Adwen, the 50/50 joint venture set up with Areva in March 2015.

Our estimates for the onshore market point to sustained growth in the coming years, driven by bright forecasts for demand for wind capacity worldwide, which having dipped to an all-time low of around 35 GW in 2013, rebounded in 2014, when 51.4 GW of new capacity was added globally. The outlook for 2015 is similarly upbeat with forecasts for capacity additions of 55 GW; this momentum is expected to continue in the following years, driven above all by demand in markets in which Gamesa commands a leadership position.

Moreover, we have signed the definitive agreements with French energy group Areva for the creation of Adwen, a joint venture for the development of both companies' offshore businesses, a segment offering significant growth potential. Europe is expected to install 25 GW of offshore capacity by 2020 and Adwen aspires to garner a 20% share of the market. Medium term, Asia is expected to emerge as this segment's growth engine, to put offshore capacity at 10% of total global wind capacity by 2020.

These estimates endorse the undeniable consolidation of wind power as a leading energy source all around the world. Wind power is already a competitive source of energy in countries with high wind resource. Its expansion is underpinned by growing demand for energy, the need to reduce dependence on fossil fuels by relying on home-market sources and the emission-cutting imperative.

Against this backdrop, Gamesa's objective is to reinforce its position as one of the leading players in this industry, by increasing its market share and leadership position in the fastest-growing markets such as India and Latin America. With this endgame in mind, we are steadfastly focused on profitable growth. We have the value-creation drivers needed to do so: cutting-edge technology for the development of premium products and services that help to reduce the cost of energy, a balanced industrial strategy with a local footprint, vertical integration and a competitive supply chain, all of which give us a clear-cut competitive advantage over other OEMs. But above all we boast a top-notch team of professionals who are committed to the Gamesa story, professionals who put end-to-end customer service at the heart of the business model.

A new horizon is looming and we are headed into it with optimism and ambition and the ultimate goal of defending Gamesa's position as one of the leading wind turbine markers in both the onshore and offshore segments, underpinned by the fundamentals of our business model, thanks to which we will continue to grow profitably, creating sustainable value for all our stakeholders.

With the hard work and dedication of over 6,000 professionals, the vote of confidence of our more than 200 customers and the support of all of you, our shareholders, we can do it.

Ignacio Martín
Chairman

Message from the Business CEO

Dear shareholder,

2014 was marked by growth at Gamesa, consolidating the momentum initiated in 2013 and putting us in a position to raise our growth targets for the short and medium term.

This business strength is underpinned by four cornerstones: our technological leadership, evidenced by the launch of products that become benchmarks in their sector; a solid global footprint, with a presence in more than 50 countries and a leadership position in the fastest-growing markets; our vertical integration; and the customer confidence earned thanks to the reliability of our products and efficiency of our services.

The company's effort to boost these growth levers enabled us to achieve several milestones in 2014. In the past year we installed the first G114-2.0 MW turbines in wind farms in Sweden and the US. This product was named best turbine of the year in the up to 2.9 MW category by trade journal Windpower Monthly. We also delivered our first G128-4.5 MW and G128-5.0 MW turbines in Finland and signed agreements for the installation of the maiden G114-2.5 MW models.

In parallel we continued to reinforce our international expansion, consolidating our presence in the markets currently exhibiting the strongest demand, such as India, Brazil and Mexico, while defending our strong positioning in the European and US markets. We also entered new markets such as Jordan, Jamaica, Mauritius and Belgium and strengthened our operations in India, a core region, by installing new line for the production of the G114-2.0 MW turbine at our nacelle plant in Mamandur.

Value creation for our stakeholders

Looking beyond our business performance, in 2014 we continued to work to create value for all our stakeholders, a target intrinsic to the company's culture.

The implementation of the supplier contracting and relations policy and the collaboration agreement reached with IndustriALL Global Union are good examples of how rigorously we upheld this commitment. In addition to these global initiatives, we also rolled out other specific projects in various markets such as India, Mexico and Spain that evidence the crystallisation of the company's ambition of helping to raise living standards in the communities in which it does business.

In tandem we extended our efforts to strengthen relations with our customers by means of a customer pledge underpinned by excellent product and service execution. To this end we launched new projects designed to detect opportunities for improvement that we share with our customers; these initiatives are already delivering very encouraging results.

Finishing up, I would like to single out our employees and their commitment to this great venture we have embarked upon. Aware of the importance of this talent, Gamesa fosters merit-based career development plans at all levels of the organisation, based on ability, equal opportunities and a zero-tolerance stance on discrimination. Our people come first. In this respect I would also like to mention the importance of our policies in the workplace health and safety arena, one of our top corporate priorities. Successful implementation of these policies enabled us to record the lowest rate of workplace accidents in the company's history, a milestone to which I attach great importance. I am confident that these positive results will continue going forward.

This review of 2014 gives us a chance to look back and assess the wisdom of the strategies and initiatives pursued in recent months. Our objective going forward can be none other than continuing to work to make Gamesa ever more competitive, efficient and profitable, placing it in a privileged position to tackle the opportunities and challenges looming.

Xabier Etxeberria

Business CEO

Corporate Governance

Gamesa's Corporate Governance system is structured to ensure excellent management, protect stakeholder interests and earn its shareholders' confidence by upholding the most stringent principles of transparency and independence.

Gamesa's Corporate Governance system is aligned with international best practices and underpinned by the principles of maximum transparency, independence and good governance. The system is designed to deliver excellent management, safeguard the interests of the company's various stakeholders and earn credibility in the eyes of its shareholders.

Gamesa's governance structure is articulated around two bodies: the Board of Directors and the Shareholders' General Meeting.

The Board of Directors is Gamesa's highest decision-making body, except with respect to the matters reserved for shareholder voting. The Board has general oversight duties and sets the firm's general strategies and policies with the overriding goal of upholding Gamesa's interests and creating value on a sustainable basis.

In order to carry out its management and supervisory work, the Board of Directors is assisted by an Executive Committee, which has been vested with general decision-making powers, and two expert committees: the Audit and Compliance Committee and the Appointment and Remuneration Committee.

The Board, made up of expert and renowned professionals, presents a balanced mix of executive and external directors. It currently comprises ten directors, two of whom are executive and the remainder, external. Of these external directors, six are independent and two are proprietary.

The Shareholders' General Meeting is the forum at which the company's shareholders decide by majority vote on the matters falling within their purview. All of the company's shareholders are bound by the resolutions ratified by this body.

Board Committees

Executive Committee	Audit and Compliance Committee	Appointment and Remuneration Committee
Participates in the business management and supports the Board's decision-making work.	An advisory and reporting body tasked with monitoring and controlling the audit systems, preparing the company's financial information and managing its risks.	An advisory and reporting body tasked with participating in the selection and establishing the general principles governing director and executive remuneration.

The 2014 Shareholders' General Meeting, held on May in Zamudio, Spain.

Remuneration policy

Remuneration of Gamesa's directors and executives is regulated in the company's Bylaws and Board Regulations.

The members of Gamesa's Board of Directors receive a fixed annual payment, which depends on their positions and the committees they sit on, plus a fee for every Board and committee meeting they attend. The Chairman & CEO also receives a fixed salary and annual bonus for performing his executive duties, as well as a bonus tied to medium/long-term objectives.

The principles governing remuneration policy at Gamesa are:

> **Transparency:** publication of an Annual report about the remuneration of the members of the Board of Directors disclosing the individual remuneration earned by each director.

> **Moderation:** performance-based pay, i.e., specific targets related to the company's business performance, financial health and health & safety record.

> **Oversight:** all director remuneration must be approved at the Annual General Meeting.

Code of Conduct

One of the Board of Director's duties is to set the company's values and corporate responsibility principles, which are enshrined in Gamesa's Code of Conduct.

This Board-approved Code is reviewed regularly and made available to Gamesa's employees via the corporate website and intranet; for employees without access to the corporate intranet, it is also publicised on noticeboards and by means of specific briefing sessions.

For more information on Gamesa's remuneration policy, see the 2014 Annual Report about the Director's Remuneration and the page 25 of the Annual Corporate Governance Report, both of which are available on Gamesa's corporate website.

Board of Directors

Chairman

Ignacio Martín	Executive

Deputy Chairman

Juan Luis Arregui	Independent

Members

José María Vázquez	Independent
Sonsoles Rubio	Proprietary
Luis Lada[1]	Independent
Ramón Castresana	Proprietary
José María Aldecoa	Independent
José María Aracama	Independent
Francisco Javier Villalba[2]	Proprietary

Secretary

Carlos Rodríguez-Quiroga	Executive

Deputy Secretary, non member

José Antonio Cortajarena

Member of

- Executive Committee
- Audit and Compliance Committee
- Appointment and Remuneration Committee

1. Lead Independent Director
2. He replaced Manuel Moreu in February 2015

For more information on the directors' backgrounds, see page 13 of the 2014 Annual Corporate Governance Report, which can be found on Gamesa's website.

Management

Executive Chairman
Ignacio Martín

Internal Audit
Félix Zarza

Business CEO
Xabier Etxeberria

CEO Europe & RoW
Ricardo Chocarro

CEO India
Ramesh Kymal

CEO USA
Borja Negro

CEO China
Álvaro Bilbao

CEO Latam
José Antonio Miranda

Services Managing Director
Pedro López

Chief Financial Officer
Ignacio Artázcoz

Chief Corporate General Secretary
José Antonio Cortajarena

Corporate Development Managing Director
David Mesonero

Business model

1

Competitive advantages

Gamesa's business model generates value for its shareholders, employees, suppliers, customers and communities, while respecting and caring for the environment.

Commitments

Value creation
In carrying out its business activities, Gamesa generates value for its shareholders, employees, suppliers, customers and communities.

Financial strength and risk control

Solid financial health and risk management
Gamesa has bolstered its financial health readying its capital structure for upcoming growth. Gamesa's risk management model safeguardes the company's performance.

Geographic diversification

Global presence

Gamesa boasts its presence in the most important wind markets - Europe, the US, Latin America, India and China - in which it also commands significant market shares.

Vertical integration

Presence throughout the entire wind value chain

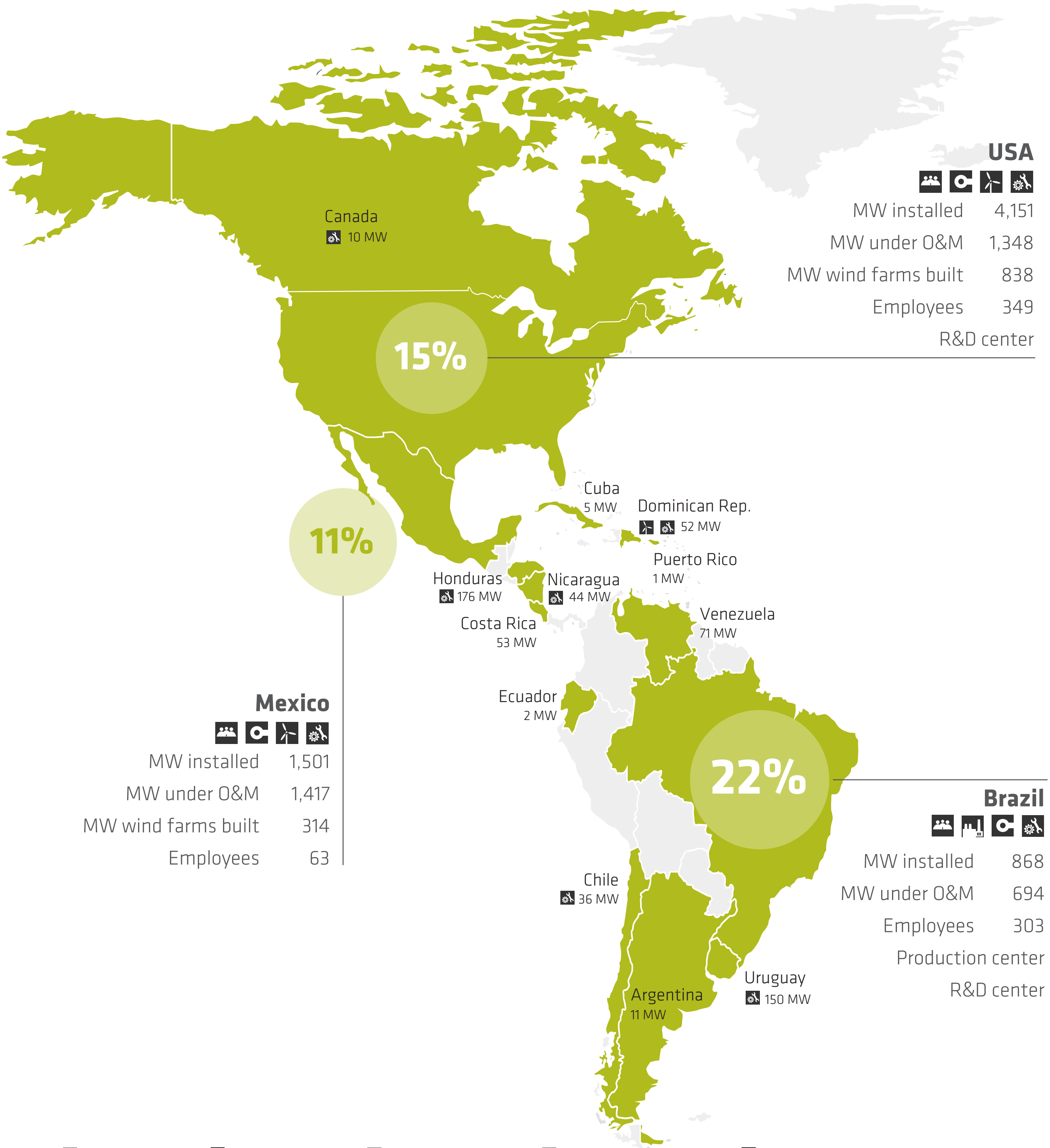
Gamesa offers its customers end-to-end service: from turbine design and manufacture to the development, operation and maintenance of wind farms.

Innovation

R&D targeted at making wind power ever more competitive

Gamesa's innovation effort is focused on the development of products and services that help to reduce the cost of energy.

Geographic diversification

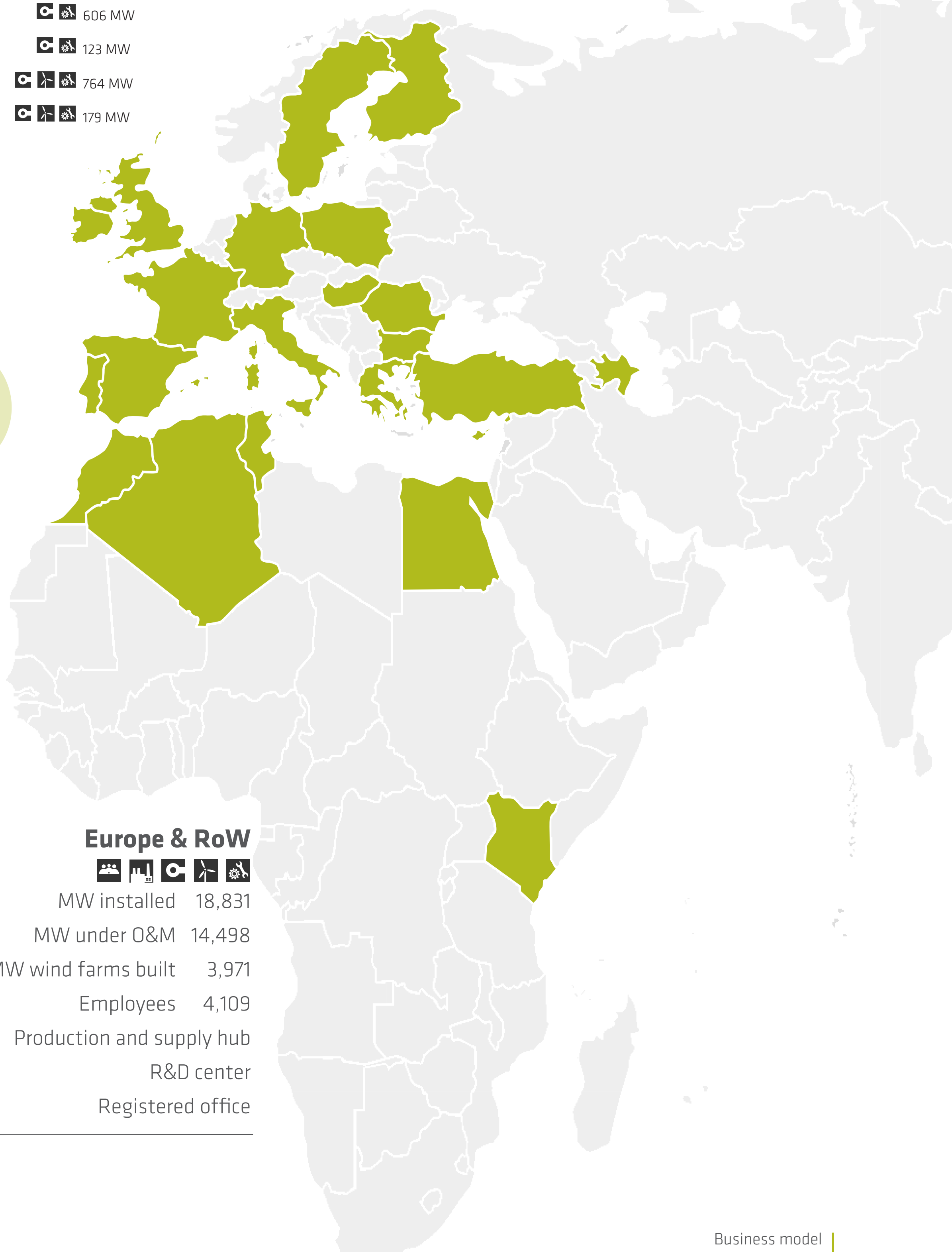


Corporate offices Commercial office Manufacturing plant Wind farm development Operation and Maintenance

MW cumulative installed capacity % MW sold in 2014

Europe & RoW

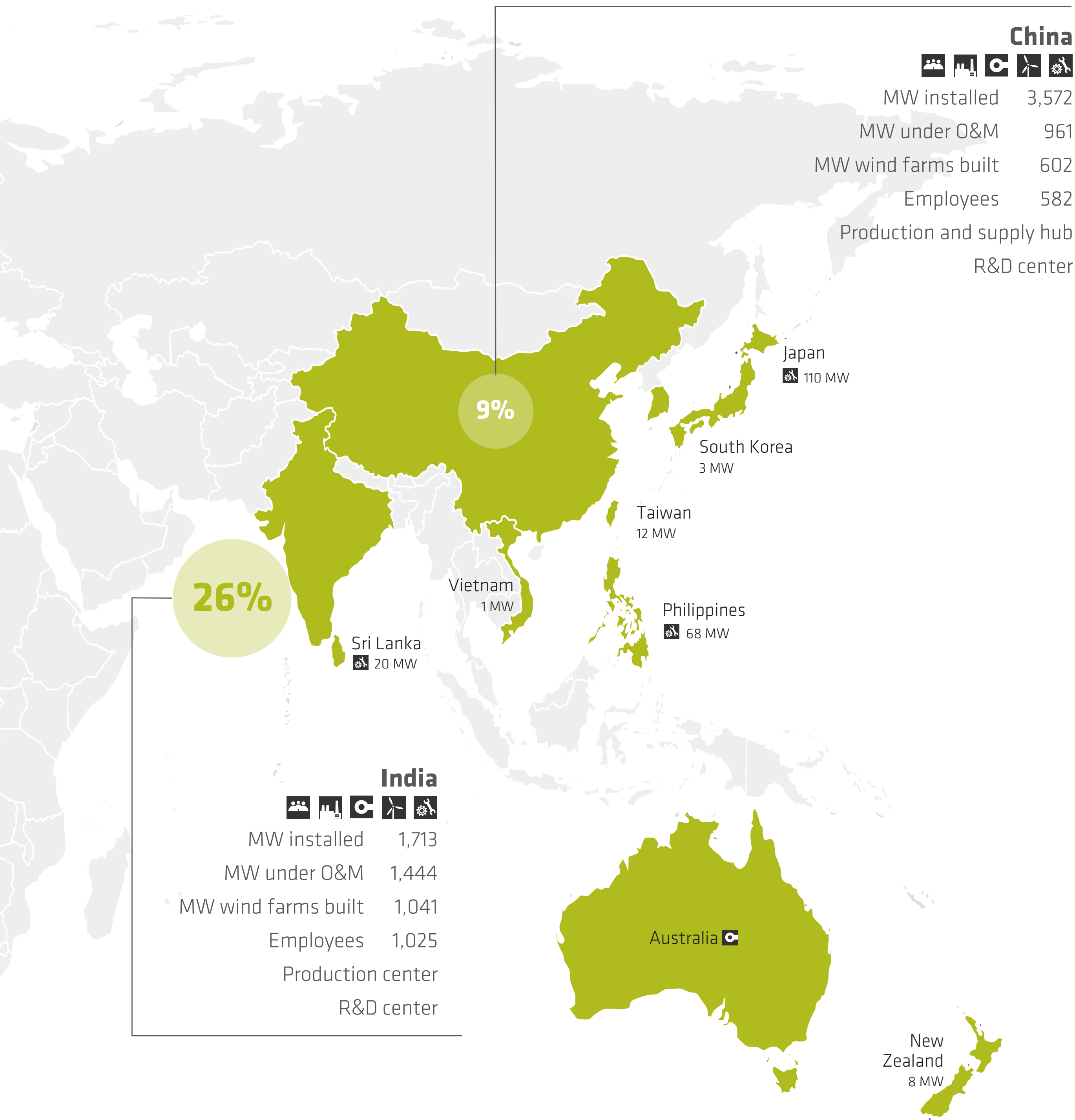
Germany	185 MW	Hungary	182 MW	Portugal	438 MW
Algeria	10 MW	Ireland	54 MW	United Kingdom	475 MW
Azerbaijan	8 MW	Italy	1.669 MW	Romania	284 MW
Bulgaria	90 MW	Kenya	14 MW	Sweden	57 MW
Cyprus	20 MW	Morocco	238 MW	Tunisia	242 MW
Spain	12.208 MW	Poland	685 MW	Turkey	96 MW
Egypt	606 MW				
Finland	123 MW				
France	764 MW				
Greece	179 MW				



16%

Europe & RoW

MW installed	18,831
MW under O&M	14,498
MW wind farms built	3,971
Employees	4,109
Production and supply hub	
R&D center	
Registered office	



Corporate offices Commercial office Manufacturing plant Wind farm development Operation and Maintenance

MW cumulative installed capacity % MW sold in 2014

Vertical integration

Gamesa is present in the entire wind value chain: it designs and manufactures wind turbines, develops and sells wind farms and provides operations and maintenance services.

Gamesa manages the entire wind process end-to-end, from technology research and development, the manufacture and installation of turbines to the operation and maintenance of wind farms. The company's ability to innovate is underpinned by an extensive track record industrialising and producing the key turbine parts. The ability to custom-develop these parts ensures design excellence and the highest standards of quality, while compressing delivery times and enabling quicker technical support during maintenance.

Gamesa has global production centres in Spain and China and a complementary industrial presence in other local markets (India and Brazil), as well as a broad commercial reach with offices in 18 countries, enabling it to respond to its customers' needs on all five continents.

Wind turbines

With 31,237 MW worldwide the company has two product platforms tailored to meet its customers' needs and bring down the cost of energy.

> **Gamesa 2.0 MW-2.5 MW.** This platform, with an installation track record of over 18 GW, is the most versatile in the market: six different rotor sizes (80, 87, 90, 97, 106 and 114 metres), tower heights ranging from 55 to 125 metres and environmental options designed to enable their installation at the most complex sites.

In 2014, the company installed its first G114-2.0 MW turbines at commercial wind farms in Sweden and the US and signed its first orders for the new G114-2.5 MW, which has higher nominal capacity of 2.5 MW, delivering higher output and a lower cost of energy.

> **Gamesa 5.0 MW.** This platform, the evolution of the 4.5 MW, represents the next generation of Gamesa turbines. Its innovative modular design and cutting-edge technology maximise reliability while complying with the most stringent international grid-connection codes and environmental standards.

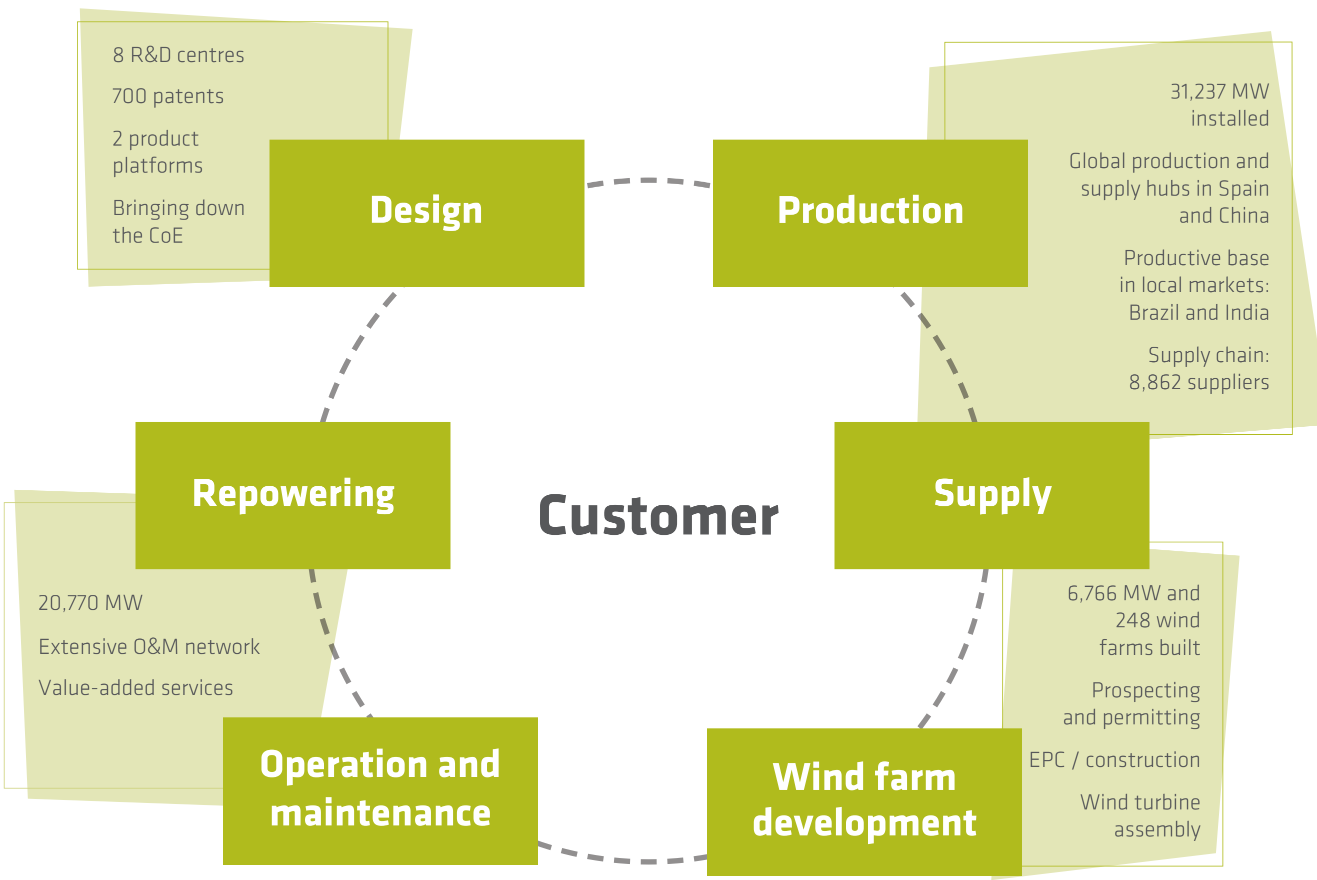
The first wind farm equipped with G128-5.0 MW turbines is already operating at full capacity in Finland.

The ability to develop and build wind farms on a turnkey basis sets Gamesa apart in the marketplace, particularly in markets such as India and Mexico where the company has emerged as a benchmark player in the self-supply segment.

This activity includes all the tasks associated with the development of a wind power generation project: from site identification and permitting to the ultimate sale and maintenance of the facility.

Having developed and built 248 wind farms with aggregate capacity of 6,766 MW worldwide, this area is key to Gamesa's wind value chain as it provides a sales channel and a gateway into new markets and customer accounts.

Wind value chain



Operation and Maintenance
Gamesa's end-to-end service offering is rounded out with an extensive range of operation and maintenance services.

A team of over 840 experts works to optimise the availability and profitability of the 20,700 MW maintained by the company in 32 markets.

As well as predictive, preventative and corrective maintenance, Gamesa has developed a suite of value-added solutions with the goal of reducing its customers' cost of energy. The most notable of these services are:

> **Life extension:** a series of structural reforms designed to prolong the useful lives of turbines made by Gamesa and other manufacturers from 20 to 30 years.

> **Energy Thrust:** by applying the latest software and hardware developments to Gamesa's 660 kW, 850 kW and 2.0 MW turbines, individual turbines can be tailored and upgraded to produce as much as 5% more power every year.

> **Overhaul:** complete reconfiguration of the electric and electronic systems of the turbines to enable application of the life-extension programme features, thereby guaranteeing availability until year 30 of the turbine's useful life.

G128-5.0 MW turbine, installed in the R&D wind farm in Alaiz, Spain.

Technological diversification

Gamesa's technology capabilities and its vertically integrated model fostered the creation of subsidiaries specialised in electric and mechanical equipment designed not only with wind power in mind but also for other markets such as the hydro-electric, industrial and nuclear power segments.

- **Gamesa Electric:** with a 25-year track record, this unit provides end-to-end and flexible electric system solutions using next-generation manufacturing processes; it is capable of mass production as well as tailored ad-hoc solutions for customers worldwide.
- **Gamesa Energy Transmission (GET):** for more than 15 years, this business unit has been designing, manufacturing, selling and repairing gearboxes.

This vertically integrated business, coupled with a track record dating back two decades, has made the company a sector benchmark, known for its ability to tailor its products and solutions to individual customer needs and its commitment to continually reducing their cost of energy.

Innovation

Gamesa targets its R&D effort at continually making wind energy more competitive in order to help reduce its customers' cost of energy.

Gamesa views innovation as a crucial element of its development and sector positioning, which is why it integrates it into its entire value chain, as well as its products and services.

Its R&D activities are focused on the technological development of more efficient processes and products, tailored to multiple markets, with the overriding goal of continually helping to make wind power more competitive with the attendant reduction in its customers' cost of energy (CoE). In 2014, Gamesa earmarked €109 million to new products and platforms designed to reduce the cost of wind energy and to the adaptation of production facilities to these new developments.

Gamesa has been one of the most active industrial wind players on the patent front in recent years, with 184 patent families and a portfolio of 700 patents worldwide. Gamesa ranks ninth among all turbine OEMs worldwide in terms of patents and fourth in Europe.

Aware of the importance of its innovation effort to setting the company's technology offering apart, Gamesa formally acknowledges the invention effort and protects the company technological developments of its employees with its Patents and Inventors Competition, which in 2014 was held for the fourth time.

The company has eight R&D centres, located in Spain, China, India, the US and Brazil, and participates in the leading international, national and regional wind energy projects.

Noteworthy R&D projects

In 2014 Gamesa participated actively in several projects such as:

- **Windtrust,** a full-scale onshore prototype (2 MW) where the company's universe of technologies can be tested to increase turbine reliability.
- **Innwind,** demo small-scale prototypes in an offshore environment, tested for a host of technologies for a turbine size of 10 MW - 20 MW.

In addition to researching and developing wind turbines and services, Gamesa's R&D effort targets innovation in rotors, powertrains, supporting structures, the area of wind farm management, etc.

The Gamesa G97-2.0 MW Class S, custom-designed for the Indian market.

Wind turbines that deliver CoE reductions

In 2014, Gamesa focused its R&D work on developing new turbine models: the G106-2.5 MW, G114-2.5 MW and G97-2.0 MW class S, underpinned by technology proven and validated in Gamesa 2.0-MW platform, of which it has installed over 18,000 MW in 33 countries worldwide.

The first two turbines, designed for high and medium wind speeds, maximise efficiency and profitability, lowering the cost of energy in the 2-3 MW segment. The G106-2.5 MW and G114-2.5 MW produce 30% more power than the G90-2.0 MW and G97-2.0 MW models, respectively, while lowering the cost of energy by 10%.

In developing turbines that help reduce the cost of energy, Gamesa designs models that are tailored for individual market characteristics. In 2014 it unveiled a variant of its G97-2.0 MW turbine, the G97-2.0 MW class S, which, with a tower height of 104 metres, is custom-designed to maximise performance in low-wind sites in India. In India Gamesa also inaugurated a new production line at its nacelle factory in Mamandur, close to Chennai, in order to pave the way for introduction of the G114-2.0 MW. With a rotor spanning 114 metres, this turbine's sweep area is 38% greater than that of the G97-2.0 MW, while it produces 20% more energy a year.

In 2014, Gamesa also launched the G132-5.0 MW offshore: with blades 64.5 metres long and a rotor diameter of 132 metres, it is capable of generating enough power to supply 5,000 households a year. This new model, which is already part of Adwen's product portfolio, incorporates the know-how and experience acquired during the exhaustive 5.0-MW platform validation programme. The turbine is notably lightweight, which reduces the cost of related wind farm civil engineering work

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Gamesa has developed several solutions for minimising the impact of ice on turbines.

Maximising performance in extreme conditions

The Bladeshield anti-freeze system

Gamesa designs and provides specific tailored solutions conceived of to minimise the impact of cold temperatures on turbines. Notably these include an innovative anti-freeze paint designed to optimise blade performance and availability at wind farms located in cold regions. Turbine blades are coated with this innovative solution to prevent the build-up of ice; this solution also makes the paint more durable and resistant to erosion. Bladeshield is apt for application across all of Gamesa's onshore and offshore platforms as well as on other OEMs' blades.

First OEM to certify a wind turbine life extension programme

Gamesa was the first wind turbine manufacturer to manage to certify its life extension programme under the standard issued by certification body, DNV GL. This certification, which was awarded to the G47-660 kW turbine programme, is a testament to the company's technology prowess.

The life extension programme consists of a series of structural upgrades and monitoring features which allow owners to lengthen the useful lives of their turbines from 20 to 30 years of guaranteed safety and availability.

The G114-2.0 MW, best turbine of the year in the up to 2.9 MW category...

The G114-2.0 MW, a model designed to yield more power at lower cost at low and medium wind speed sites, was named the best turbine of the year in the up to 2.9 MW category by trade journal Windpower Monthly. In its appraisal of the winning turbine, the journal highlighted the fact that the rotor diameter guarantees a low power rating, in turn boosting the capacity factor attainable.

...and Gamesa's second eco-designed turbine

This turbine also obtained the eco-design seal awarded by independent certifier TÜV Rheinland. This is the second of the company's turbines to achieve eco-design certification: in June 2012, the G128-4.5 MW became the first turbine in the world to achieve this external validation. This certification accredits the turbine's reduced environmental impact throughout its entire life cycle, enhanced energy efficiency and lower operating costs.

The G114-2.0 MW, whose orderbook stands at over 800 MW, is already up and running in two commercial wind farms, one in Sweden and the other in the US. Its two prototypes, installed in Alaiz (Navarre, Spain) and Texas (US), generated 4.25 GWh in the first six months of 2014, evidencing the robustness, reliability and adaptability of this turbine.

The Gamesa G114-2.0 MW is the company's second eco-design certified turbine.

Financial strength

Gamesa continued to work last year to reinforce its financial and balance-sheet strength in order to ready the company for growth in business volumes.

One of the priorities around which Gamesa's 2013-2015 Business Plan is articulated is efficient management of its balance-sheet resources. To this end, Gamesa has deployed several initiatives that have delivered noteworthy results in the past two years, most important of which, control over capital expenditure and working capital requirements.

Gamesa made further progress on its efforts to focus its capital expenditure and R&D investment efforts around its objective of helping to bring down the cost of energy. More specifically, in the course of 2014, the company earmarked €109 million to the development of new products (the G114-2.0 MW, G114-2.5 MW and G106-2.5 MW) and adaptation of production facilities for making these new turbines.

This focus enables Gamesa to maintain an investment ratio in tangible and intangible assets of less than 4% of revenues in 2014.

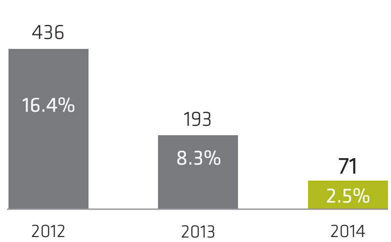
Against the backdrop of growing business volumes, Gamesa kept an iron grip on working capital management by monetising current assets, controlling investment in wind farm developments (focusing only on markets where this line of business is crucial to defending its leadership as OEM, such as India and Mexico) and a manufacturing-to-cash policy. The combination of these strategies drove a reduction in the working capital requirement to €71 million in 2014, just 2.5% of revenue.

Organic debt reduction

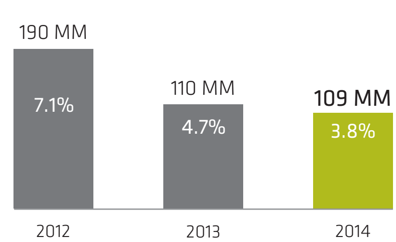
Improved operating profitability > Control over working capital > Prioritisation of capital expenditure

> Cost streamlining programme

> Generation of operating cash flow: +200 MM



WC/revenue, %



Capex/revenue, %

The prioritisation of investments and streamlining of working capital requirements, coupled with the group's profitable growth and proceeds from asset sales of €120 million, enabled Gamesa to generate €330 million of net cash, four times more than in 2013.

In tandem with this organic debt reduction process, in September 2014 Gamesa increased its capital by 10%, raising €236.10 million, to put net cash at €143 million, implying a ratio of net financial debt/EBITDA of -0.4x. (See the Shareholders chapter for more information).

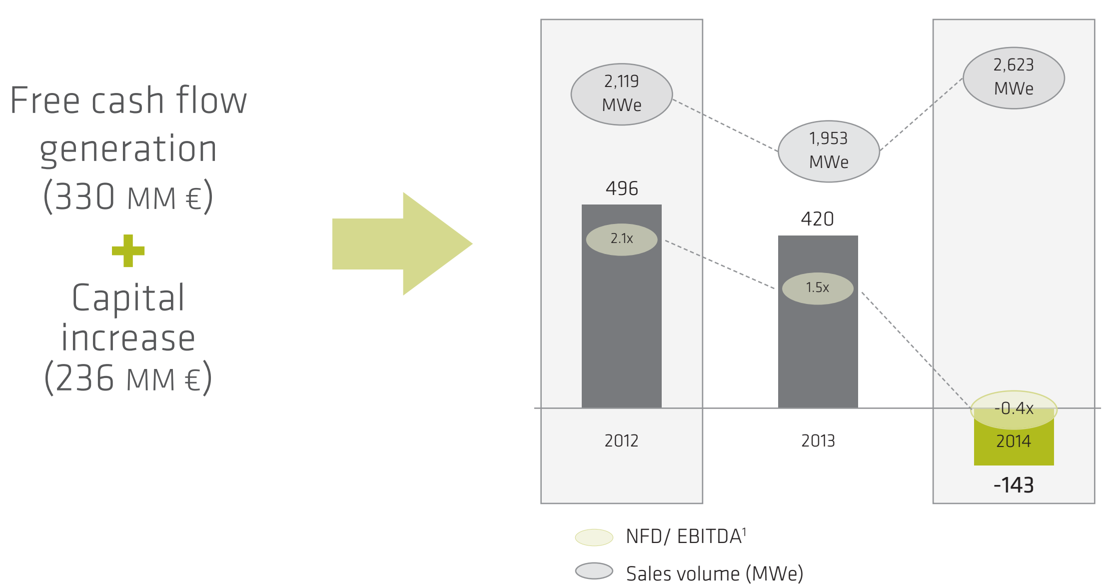
Together, these measures enabled Gamesa make progress on its value creation objectives: in 2014 its return on capital employed (ROCE) exceeded its weighted average cost of capital (WACC) by two percentage points.

Another achievement on the financing front last year was the negotiation of more favourable financing terms. The company signed a new €750 million loan with a syndicate of 15 Spanish and international banks, repayable in a single instalment in December 2019. This new loan structures the two existing syndicated loans, which originally matured in June 2016 and June 2018, respectively, into a single revolving loan, thereby lengthening the average term of the company's borrowings. The new loan also enhances the company's financing terms and conditions and borrowing costs.

This refinancing transaction, coupled with other undrawn credit facilities, leaves Gamesa with total available financing in excess of €1.8 billion. This, coupled with the growing ability to generate free operating cash flow, enhances the company's ability to finance itself in the short, medium and long term.

Trend in net financial debt

MM €



1. LTM EBITDA excluding non-recurring items.

Risk control and management

Gamesa's enterprise risk management model is designed to minimise the risks inherent to its business activities and markets, safeguarding the company's performance.

Gamesa's enterprise risk management model underpins the company's performance on all dimensions - delivery of business objectives, creation of value for the various stakeholders and support for the organisation's sustainable and profitable development -, by minimising the various risks intrinsic to the different countries, sectors and markets in which it operates and the activities it performs.

To this end, it develops internal risk control and management systems that are tied to the company's strategic planning, from a global and comprehensive organisational perspective, and integrated into its strategic and business activities. These systems are applied by means of procedures, IT systems and an organisational structure articulated around four levels of protection and defence designed to tackle and manage the company's significant risks. These systems contemplate the risks mapped in the Board-approved Business Risk Model, these are classified into four key categories which in turn encompass sub-categories, configuring a common language and base for periodically monitoring the lines of protection and defence.

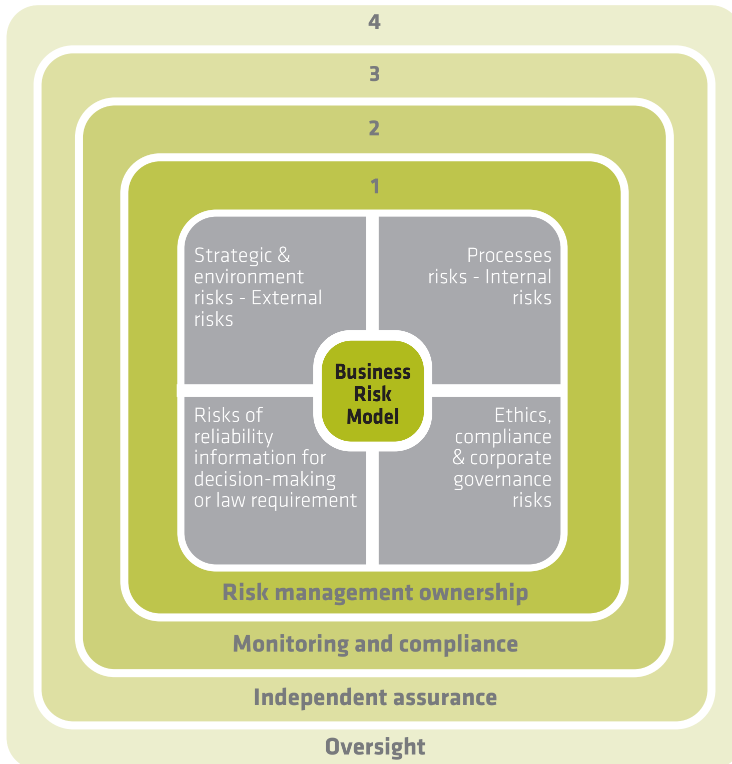
Gamesa combines a general risk management method that aligns criteria and ensures deployment of the general risk management policy with other specific methodologies that may be required under specific laws, regulations or processes, including:

- Proactive contribution by all members to a preventative end-to-end, integrated risk management culture.
- Ongoing identification of significant risks, assessing their impact, probability of occurrence and level of control, in order to take the appropriate action (risk mitigation, transfer, sharing and/or elimination).
- Analysis of the risks associated with new investments as a core component of decision-making in terms of the risk-reward trade-off.
- Regular monitoring and control of earnings-related risks with a view to controlling volatility in annual profits.
- IT, reporting and control systems designed to enable regular and transparent assessment and reporting of performance on risk management.

The company has a corporate risk map which is updated six-monthly and monitored monthly or quarterly. Each year a more comprehensive review is also carried out in conjunction with the process of updating the annual targets. This corporate risk map is rounded out with specific risk maps for the key regions (Europe & RoW, US, China, India and Brazil); in compiling these maps management considers whether it is appropriate to add any of the risks identified in the corporate map.

For more information on risk management, see page 10 and beyond of the 2014 Annual CSR Report and chapter E of the 2014 Annual Corporate Governance Report.

Protection and defence's levels



Level 1 – Risk management ownershi:
The committees (Management, Executive Business and Regional Committees) are responsible for managing and controlling the risks intrinsic to their business and decision-making processes.

Level 2 - Monitoring and compliance:
The risk owners are tasked with the monitoring function, aided, among other things, by risk maps and automated tools. The Corporate Risk Control Department ensures the existence of such risk maps, controls and appropriate key risk indicators in order to facilitate the oversight duties of the Management Committee and Audit and Compliance Committee.

Level 3 - Independent assurance:
The internal audit function is tasked with independent oversight of the risk management and control systems and reports to the Audit and Compliance Committee on balance-sheet risks, risks related to functional activities and the reasonableness and integration of the internal control systems, among other matters.

Level 4 - Oversight:
The Board of Directors and the Audit and Compliance Committee periodically supervise the risk maps and the effectiveness of the internal risk control and management systems, analysing together with the auditor any significant internal control system weaknesses detected in the course of the audit process. They also ensure that the risk management policies duly identify the various types of risk to which Gamesa is exposed, including financial risks, contingent liability related risks and other off-balance sheet risks and check that risk levels fall within those deemed acceptable as per its Corporate Governance rules.

Commitments

Gamesa pursues and fosters ethical and responsible conduct throughout its value chain, adopting measures designed to facilitate the economic and social development of its stakeholders.

Employees

Customers

Shareholders

Suppliers

Environment

Communities

Voluntary commitments

Corporate social responsibility is embedded into Gamesa's corporate culture and as such drives ethical and responsible conduct in all its activities worldwide. The Board of Directors has enshrined this pledge in article 46 of its Regulations.

Gamesa wants its social responsibility to set it apart and increase the company's perceived value by garnering acknowledgement for a distinctive and singular business and management model that is committed to value creation and sustainable development.

In 2010 Gamesa defined a series of values and attitudes with the goal of consolidating a set of business ethics, crystallised in Gamesa's Code of Conduct, which regulate the behaviour of all of the company's employees. These values are: teamwork, innovation, excellence, respect and sustainability. And the attitudes: leadership, global mind-set and passion for the customer.

To endorse this commitment to social responsibility, in 2014 Gamesa signed a framework agreement with IndustriALL Global Union and Spain's most representative unions covering social, labour and environment issues, marking the first global agreement guaranteeing respect for labour rights signed by any company in the renewable energy sector.

Ethics

In order to foster familiarity and compliance with the Code of Conduct, in 2014 Gamesa set up a dedicated Ethics and Compliance Department that will report to the Audit and Compliance Committee twice a year on the degree of compliance with the Code and the company's in-house rules governing securities market dealings.

By means of the Compliance Channel, Gamesa's employees can report confidentially any irregularities detected and submit any queries regarding how to interpret or apply the Code of Conduct.

Human rights

Gamesa has an explicit commitment to upholding human rights, as enshrined in its Corporate Social Responsibility Policy and other complementary rules and regulations such as the Diversity and Inclusion Policy and the Supplier Contracting and Relations Policy. To put this culture into practice, the Code of Conduct regulates specific human rights related behaviour, establishing oversight mechanisms and disciplinary measures.

In parallel, Gamesa fosters equality. To this end it approved its Diversity Policy in 2014 as well as negotiating its second Equality Plan with its employees' representatives. The company has put in place mechanisms for detecting potential incidents of discrimination through its Regulatory Compliance Unit and its Sexual Harassment Prevention Committee in order to thwart gender discrimination, psychological abuse, bullying or mobbing in the workplace in Europe and Asia.

Child and compulsory labour

Gamesa strives to eliminate child labour and all other forms of forced labour. Against this backdrop, one of the items that Gamesa's Global Labour Agreement attempts to formalise in India, taking a precautionary stance, is adaptation to the SA8000 standard, a voluntary certification designed to improve labour conditions by regulating workdays, living wages, discrimination and child or compulsory labour.

Specifically, it has created a Social Accountability Manual encompassing management practices and procedures designed to minimise potential risks in India.

Employees

Gamesa aims to contribute to the professional and personal development of its employees, its most valuable asset and a lynchpin of the organisation's success.

Gamesa believes that its employee's social and career development holds the key to locking in a sustainable and successful future for the organisation. To this end it encourages their ongoing learning by creating job opportunities, rejecting all forms of discrimination, respecting diversity, promoting a safe and healthy workplace, facilitating communication and backing measures designed to enhance their work-life balance.

Against this backdrop, the broad strategic brushstrokes of the firm's HR policy pivot around change management, knowledge and the personal and professional development of its employees.

In 2014, Gamesa continued to fine-tune the cornerstones of its new organisational structure: regionalisation and organisation around processes with the goal of turning the company into a lean, cross-fertilising and flexible organisation articulated around basic business processes, thereby facilitating rapid decision-making.

Gamesa's workforce increased to 6,431 employees worldwide in 2014, mainly due to growth in business volumes in India, China and Latin America.

6,431 employees

23% **77%**

63% university graduates

41% international workforce

36.9 average age

Talent management

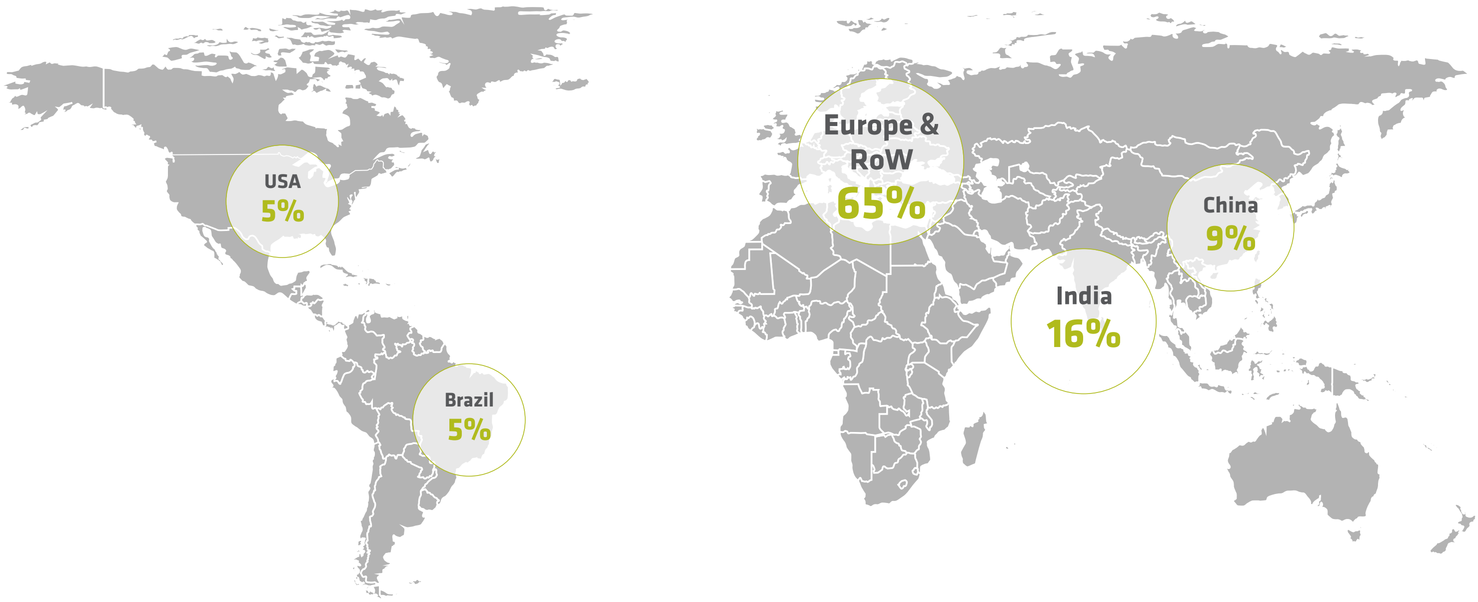
The company's global hiring policies attempt to identify and define all the selection process milestones and guarantee optimal management of this process, from candidate recruitment to evaluation, hiring and subsequent incorporation.

One of Gamesa's HR priorities is the search for local talent in its operating markets. As a result, in China, Spain, India and Brazil, Gamesa's most important markets, most of the local management positions are held by local professionals.

In addition, in response to the firm's decisive international expansion strategy, the company is strategically committed to the international mobility of its professionals, an initiative taken up by 803 employees in 2014, facilitating knowledge-sharing among the various regions.

Gamesa has developed a number of tools for retaining talent and fostering its professionals' career development, including its compensation, training, performance evaluation and internal mobility policies and initiatives.

Headcount: geographic breakdown



Gamesa's people management model targets career development, to which end performance evaluation is key to determining its employees' training needs. To this end, the company revised its performance evaluation process in 2014, cementing the following career development and talent scouting programmes:

> The *High Potential Candidates Programme*, designed to accelerate the development and formation of promising talent.

> The *Gamesa Leadership Programme*, a one-year training and career development programme designed to enhance the skills and attitudes needed to work on complex projects and in international environments, and also to boost and facilitate knowledge-sharing throughout the entire organisation.

> An *internal mentoring programme* targeted at key top-performing and highly-promising personnel.

> The *Gamesa Premium Scholarship*, a new programme designed to get young graduates involved in company projects, giving them responsibility and duties within a multi-disciplinary team and offering them a career plan at the company.

The rollout of these new programmes is complemented by the various training initiatives carried out by Gamesa Faculty, a centre focused on ensuring continual learning by covering the needs created by constant wind energy technological evolution and developments. The Faculty provides service to all Gamesa employees all over the world from a central training centre in Spain and permanent local training centres in the US, China, India and Mexico.

Remuneration and compensation policy are also crucial tools in guaranteeing, attracting and retaining the best professionals. The remuneration system is designed to stimulate individual performance and acknowledge hard work and commitment, while also guaranteeing fair and competitive employee remuneration graded by job categories and prevailing market conditions.

Diversity and equal opportunity

The commitment to equal opportunities, respect for diversity and a zero-tolerance stance on discrimination -expressly enshrined in the company's Code of Conduct -form the foundations of human resource management at Gamesa.

For more information on employees' training, see page 120 of the 2014 Corporate Responsibility Report.

Presentation of the conclusions of the Gamesa Leadership Programme, in Bilbao.

In 2014, Gamesa reinforced these pledges by means of:

> The launch of its *Diversity & Inclusion Policy*, applicable in all of the company's operating markets and to all its employees. This policy, which has been ratified by the Board of Directors and Gamesa's Diversity Committee, is intended to guarantee equality and inclusion and prevent any form of discrimination on the basis of race, gender, marital status, ideology, political convictions, nationality, religion or any other personal, physical or social grounds.

> The *second Equality Plan* in Spain, which reinforces the company's commitment to diversity and equal opportunities for men and women. To this end, a taskforce identified seven areas for improvement on which the firm will work during the next three years in order to ensure its goal of zero discrimination and improve employees' work-life balance.

> Signature of the *Diversity Charter*, promoted by the Diversity Foundation and championed by the European Commission and Spanish Ministry of Equality, thereby committing to compliance with equal opportunities and anti-discrimination legislation.

Gamesa has also written a protocol defining how to act to prevent harassment in the workplace with a view to preventing bullying on account of sexual bias or gender, including psychological harassment.

> Membership of the *Forum for Socially Responsible Hiring* in collaboration with the ONCE Foundation in order to foster the employment of disabled people.

> Execution of an agreement with workers' representatives for the extension of work-life balance measures in Spain.

> Backing for the *Pegasus youth employment campaign* promoted by the Novia Salcedo Foundation. The aim of this initiative is to place youth employment on the Global Human Development Agenda in the wake of the United Nations General Assembly's decision to declare 2019-2028 Youth Employment Decade.

These initiatives come on the heels of Gamesa's signature in 2010 of the *UN Women's Empowerment Principles.*

Workplace health and safety

Gamesa actively promotes a policy and culture of workplace risk prevention in order to guarantee a safe and healthy workplace. The company has promised continual improvement on this front, which is why it does not merely comply with prevailing legislation but attempts to adopt all possible preventative measures.

In recent years, Gamesa has been steadily reducing its accident rates, which hit a record low in 2014. In addition to achieving the health and safety targets set, the lost-time accident frequency rate fell notably last year, while the associated accident severity rate dropped substantially.

The company has an OHSAS 18001-certified Global Workplace Health and Safety Management Programme which is helping to reduce accident rates while boosting productivity and fostering a culture of prevention.

Gamesa has workplace safety committees at each workplace on which 100% of its employees are represented. These committees guarantee employee involvement in health and safety policy-making as well as ensuring employee assistance with the task of identifying the risks that need to be assessed and monitored.

In 2014, Gamesa also began to work on a psychosocial risk action plan in order to improve aspects of job design and structure that may be causing psychological or physical harm to employees. This plan is based on a survey conducted at all of the company's corporate offices in Spain in which 70% of its professionals participated.

Employee communication

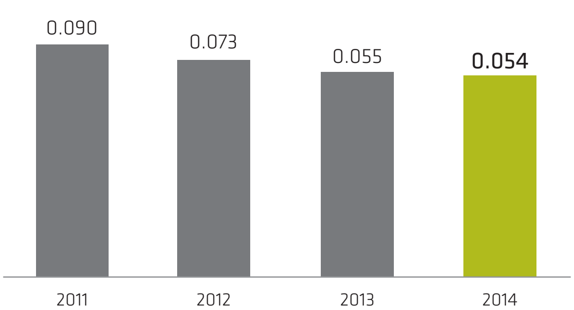
With a view to enhancing internal communication, Gamesa rolled out several new initiatives in 2014:

> Internal communication survey. For the second year in a row the company carried out a survey to assess how its employees rate its communication efforts.

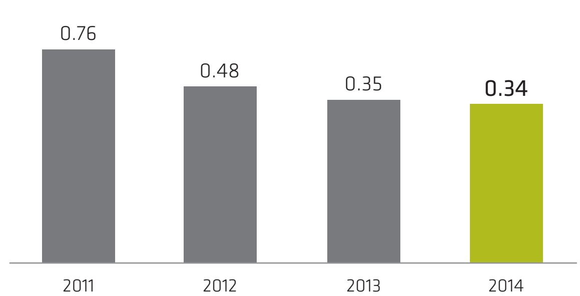
> Breakfast briefing sessions between management and employees. This initiative was designed as a result of the commitment made to improve employee communication, respond to their concerns and provide them with information about key aspects of the company's strategy. In 2014 more than 100 briefing breakfasts took place, meetings between Gamesa employees and executives from the organisation's management and executive committees. Over 10 executives gave these sessions which were attended by 2,101 of the company's professionals.

Health and Safety indicators

Accident severity rate



Frequency rate



Entrance to the Sarriguren I building in Pamplona (Spain).

> Gamesa Planet. The first edition of the in-house newsletter, Gamesa Planet, was distributed by e-mail in February. This monthly publication is also sent in PDF format to Gamesa's factory managers in Brazil, Spain, India and China for printing out and posting on the noticeboards. The 10 editions of the newsletter published to date have been visited 11,684 times and the average viewing time stands at 2.5 minutes.

Labour relations

Relations between Gamesa and its employees are regulated by the labour regulations prevailing in each country and under the collective bargaining agreements entered into with the workers' representatives, as warranted.

In Spain there are 35 employee committees, which meet with management regularly; the company also holds roundtable events to cover specific topics such as the psychosocial risk assessment and the training initiatives launched in 2014.

One of last year's most important milestones in this area was the execution of a global social responsibility agreement with the company's Spanish unions and IndustriALL Global Union. This is the first agreement of its kind in the renewable energy sector and is designed to reinforce the environmental, social and governance (ESG) issues covered by Gamesa's Corporate Social Responsibility Policy and Code of Conduct. The contents of the agreement will apply in all the countries in which Gamesa is present and, by extension, to all of its employees.

It is also worth noting the agreement signed with sector union SUTERM in Mexico, and the two remuneration deals reached in Brazil.

Customers

Passion for its customers is one of Gamesa's key success factors. The company aims to satisfy their needs and expectations by providing great service, generating credibility and adding value.

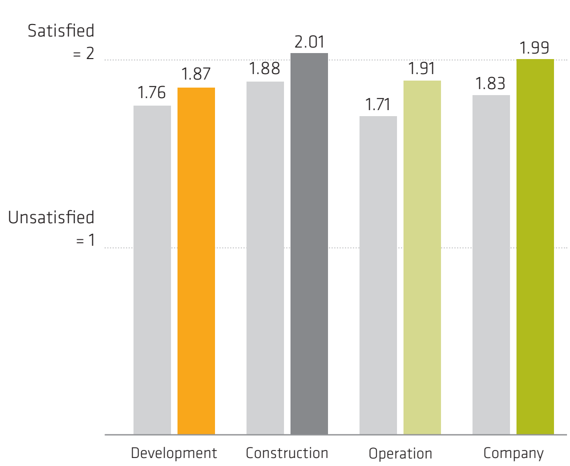
Gamesa works tirelessly to strengthen its relationship with its customers and cater to their full spectrum of needs, developing products and services that surpass their expectations and evidence the company's pledges of honesty, professional responsibility and transparency, areas on which it goes beyond legal requirements.

The company's broad product portfolio was further expanded in 2014 in response to customer demands: last year the company added the G132-5.0 MW Offshore, now part of Adwen's portfolio, the G106-2.5 MW and the G114-2.5 MW, tailored for low wind speed sites. It also developed the G97-2.0 MW class S, custom-designed for the Indian market (See Innovation Chapter).

In order to guarantee customer satisfaction, every two years Gamesa launches its Client Satisfaction Project: an in-person customer survey that enables the company to establish direct dialogue and measure the quality of its products and services by evaluating aspects related to the project development, construction and operation phases. Seventy-one customers from 17 countries participated in the last survey, marking representation of 81%. Gamesa fared better on all the aspects rated. The overall score was 1.90, compared to 1.78 in 2012.

Gamesa also reinforces its commercial relationships by participating in the most important sector trade fairs and organising events with customers, such as conferences and presentations on products and technology services.

2014 Client Satisfaction Project



Development

Gamesa is perceived by its customers as a flexible company, willing to achieve agreements that create value for both parties.

Construction

Lead times, adaptation to complex sites, and technical support during the construction phase is well perceived by its clients.

Operation and Maintenance

Clients are highly satisfied with the reliability of the products. The preventive and corrective maintenance is also well perceived.

Company

Customers see Gamesa as a Tier-1 supplier with a top quality price balance.

Shareholders

Gamesa pays special attention to its shareholders and investors relationship with a view to maximising value creation and reinforcing its credibility in the eyes of this stakeholder group.

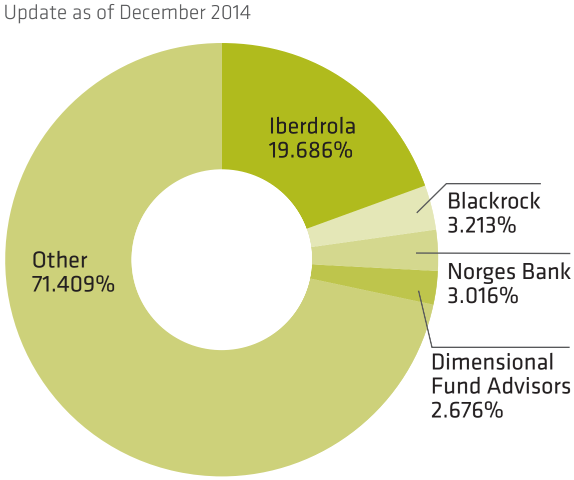
Gamesa strives to create as much value as possible for the investors that have tied their interests with those of the company, to which end it pursued a business model whose hallmarks are profitability, prudent risk management and financial health in 2014.

The company's commitment to its shareholders and the financial community is to provide transparent, accurate and comprehensive information that adequately reflects its situation. Against this backdrop, Gamesa continued to work throughout 2014 to reinforce its investor and shareholder relations channels. The main tools used to engage with this stakeholder group include direct contact via the Investor Relations Department and Shareholders Office, as well as the Annual General Meeting.

In 2014, the Investor Relations Department continued to engage actively with institutional investors and analysts by means of multiple meetings in Europe's main financial centres, as well as organising four roadshows, one after every quarterly earnings presentation.

Significant shareholders

Update as of December 2014



The Shareholders Office is the channel used by Gamesa to provide personal attention to non-institutional shareholders, to which end it offers a dedicated shareholder attention phone line and maintains the corporate website, as well as communicating by e-mail and regular mail. The Shareholders Office also helps with the Annual General Meeting by organising and attending to information requests. The quorum at the last Annual General Meeting, held on 28 May 2014, was 49.22% of the company's share capital.

Gamesa's share price

2014 was marked by a still-weak macroeconomic climate, shaped by uncertainty regarding the strength of the European recovery and growth in certain emerging markets. In this environment, Gamesa's share price intermittently reflected the company's solid performance, ending the year at the same level as it had ended 2013 (€7.56). The high for the year was recorded on 27 August (€9.88), one month after presentation of the first-half results, while the low was reached on 16 October (€6.79).

During the first half of 2014, the share price posted strong gains, in parallel with the company's strong underlying performance, as evidenced by the full-year 2013 and first-quarter 2014 results presentations. In addition to this positive performance, the announcement of a preliminary agreement with Areva for the creation of an offshore alliance, coupled with better financing terms, drove the share price higher, to €9.12 at the end of June.

The first-half results drove the share price to its high for the year (€9.88), as the market verified Gamesa's strength and the prospect of higher-than-forecast growth going forward.

Comparative quote of Gamesa vs Ibex 35

Key stock market indicators

Share capital (€):	Market capitalisation (€):	No. of shares:
47,475,694	**2,110,992,761**	**279,268,787**

However, during the last quarter of the year, weak macroeconomic indicators in some of the world's largest economies, including the US, China, Brazil and several European countries (Germany, France and Italy) drove not only Gamesa's share price but also the RENIXX, the renewable energy industrial stock index, to a low for the year.

The nine-month results once again gave the share price a boost, revealing extension of the profitable growth trend evidenced in the first half and further improvement in the company's financial structure with the company refinancing its existing syndicated loans with a single syndicated loan repayable in 2019. Gamesa's share price ended 2014 at €7.56, in line with the year-end 2013 closing price (€7.58). At year-end 2014, Gamesa's market capitalisation stood at €2.11 billion

.

Share capital

Gamesa's share capital amounted to €47.47 million at 31 December 2014, made up of 279,268,787 ordinary shares with a unit par value of €0.17 and represented by book entries, in the wake of the share capital increase completed during the year.

Capital increase

In September Gamesa carried out an accelerated equity placement, raising €236 million (pre-tax) and increasing its share capital by 9.99%. Specifically, it issued 25,388,070 new shares at a price of €9.30, a premium of 2.02% to the three-month trailing average share price and a discount of 4.66% to the closing price on the day prior to the announcement of the offering. With this transaction, Gamesa increased its shareholder base. The proceeds also enable the company to tap business opportunities in addition to those contemplated in the 2013-2015 Business Plan, while preserving a solid and optimal capital structure.

Suppliers

With almost 9,000 suppliers, Gamesa is working to drive a competitive and sustainable supply chain, with a high percentage of content sourced locally, that contributes to wealth creation in the communities where it does business.

Gamesa aims to establish relations with its suppliers, contractors and professional service providers based on mutual trust, transparent disclosures and the sharing of mutual know-how, experience and skills with a view to nurturing a sustainable and competitive supply chain that generates wealth in the regions in which it does business.

To this end, the company makes sure that its supplier selection processes are impartial and objective and commits to implementing the channels needed to obtain information about its suppliers, contractors and service providers' ethical conduct. In this sense, the company has approved a new Supplier Contracting and Relations Policy, which enshrines the principles and conduct needed to ensure delivery of these commitments.

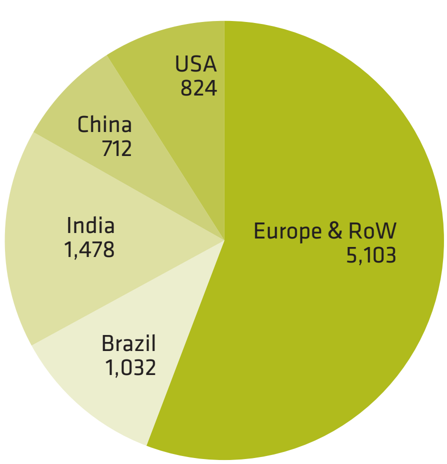
In 2014, Gamesa continued to flesh out development of its supply chains in its regional markets, focusing on their ability not only to supply locally but also to service other geographies. Gamesa increased its network of suppliers to 8,862. In total, the company made purchases valued at €2.2 billion, concentrated mainly in Spain, China, India, the US, Mexico and Brazil.

Gamesa also made further progress on its strategy of combining in-house production with external purchases of core turbine parts in order to maximise operational flexibility and rationalise investment. In this respect it is worth highlighting the outsourcing of blade production to TPI and LM in Mexico and China, respectively. Today, high percentages of the parts used by Gamesa are sourced outside the firm,

Competitive supply chain

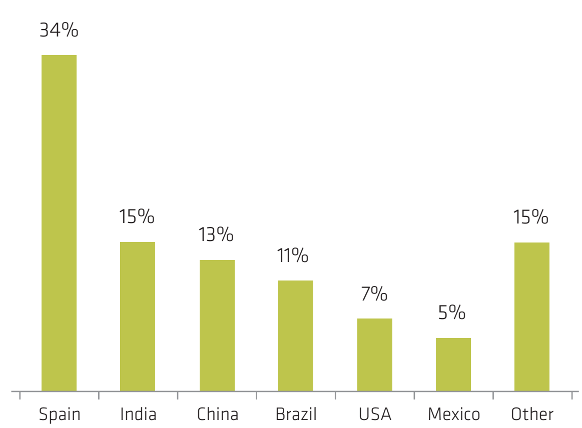
Supplier base

Total: 8,862 suppliers



Geographic breakdown of purchases

Total: 2,242 MM €



Gamesa-designed blade manufactured by a supplier in Mexico.

specifically 86% of its blades, 49% of its gearboxes, 12% of its generators and 24% of its power electronics.

Local supplier development

Gamesa also earmarks its own resources to upgrading its suppliers' facilities in order to boost their technological capabilities and competitiveness:

> In India it continued to foster the development of new local smelters such as Synergy Green Industries and local machining companies such as Premier India Bearings LT.

> In Brazil it developed processes for sharing smelting technology with local suppliers such as BR Metals and Romi, helped with the implementation of Spanish machining player Talleres Almería and developed hydraulic suppliers in order to supply the nacelle factory.

> In China regular deliveries from the new smelter, Nantong, gathered traction and new parts projects were launched with Wilson.

> In Mexico, the company developed a blade supplier that delivers blades finished with the Gamesa design seal.

By developing local supply chains, Gamesa contributes to the various regions' local capabilities.

The percentage of local purchases reached 88% in China, 61% in India and 29% in Brazil in 2014.

Responsible supply chain development

Gamesa's supplier management model attempts to factor in economic, environmental and social criteria with the aim of boosting ethical and responsible behaviours in its value chain. As a result, Gamesa's General Purchasing Terms and Conditions include social responsibility clauses and make explicit reference to the need to respect human rights and labour practices as well as evidencing a clear-cut zero tolerance stance on fraud and corruption.

Acceptance of and compliance with these terms and conditions (in terms of volumes) stands at 100% in the US, 96% in China, 96% in India and 94% in Europe. In Brazil, one of Gamesa's most recently created supplier bases; the compliance level is running at 60%.

Gamesa assesses supply chain compliance with human rights commitments at the global level every two years (supplier CSR assessments). This study analyses Gamesa supplier performance on issues such as regulatory compliance, efforts to fight corruption and bribery, respect for their employees' human rights, workplace health and safety, environmental protection and supply chain traction. The last assessment was carried out in 2013.

Environment

Gamesa is fostering and shaping the transition towards a low-carbon economy and embraces the challenge of defending its competitiveness by facilitating maximum power generation efficiency.

Gamesa takes an end-to-end approach to environmental management and sustainable development, building responsibility criteria into turbine design, production and dismantling. The goal is sustainable business development by adopting benchmark practices aimed at environmental protection and respect for biodiversity and ecosystems.

To this end it follows an integrated Health & Safety, Environment and Quality (HSEQ) Policy with a view to achieving excellence in all its processes and guaranteeing a safe workplace, respecting the environment throughout the product life cycle and implementing a quality management system. Since it is a global company, the existence of unified management processes is a genuine source of added value. Gamesa has made sure that virtually 100% of its productive capacity worldwide has been certified in accordance with international standards.

Gamesa also follows the precautionary principle enshrined in environmental protection legislation and regulation.

Life cycle assessment

The company has developed a Life Cycle Assessment process to evaluate the environmental burdens associated with a given product, process or activity, factoring in the entire life cycle: from creation until ultimate dismantling. Thanks these calculations, the company has observed that during its 20-year useful life, a single Gamesa 2-MW turbine will have prevented the consumption of fossil fuels equivalent to 17,150 tonnes of oil, as well as the emission of 57,900 tonnes of CO_2.

This assessment has also shown that a 2-MW turbine is already a carbon-neutral product just 10 months after installation, by which time it will have prevented as many CO_2 emissions as it will emit itself over its entire life cycle.

Eco-design certification

The Life Cycle Assessment also enables further progress on turbine eco-design, methodology deployed to minimise the product's environmental impact, maximise its energy efficiency and reduce costs. Gamesa has certified two of its newest multi-megawatt turbines under eco-design seals. The G128-4.5 MW was certified by independent organism TÜV Rheinland in 2012, making Gamesa the first OEM to officially eco-design a wind turbine. Two years later, in 2014, Gamesa obtained its second eco-design certification, for the G114-2.0 MW, which has also secured an environmental product declaration, or EPD (Type III eco-label).

As a result, these turbines are more efficient across all indicators: size, weight, visual impact, materials requirement, choice of more environmentally-friendly materials, production streamlining, reusable packaging, civil engineering and installation works required, noise and waste generation under maintenance.

Carbon footprint analysis

Another of the company's environmental initiatives is its carbon footprint analysis, specifically generation of a report detailing the company's GHG emissions.

In 2014 Gamesa worked to reduce the energy consumption and the cost of energy by means of energy-efficiency measures. Moreover, the 2,399 MW installed in 2014 will prevent the emission of 122 times more GHG emissions than the emissions accumulated during their manufacture.

Consumption

Raw materials		Energy		Water	
+8% consumption due to growth in business volumes		**-31%** consumption due to enhanced energy efficiency		**100%** water discharges at Indian factories are recycled for use for irrigation purposes	
112,044 t used	**17 t** employee/year	**695,514 GJ** used	**108.1 GJ** employee/year	**97,341 m³** used	**15 m³** employee/year

Emissions and waste

Waste		Emissions	
+5%		**-24%** due to efficient energy management	
10,841 t generated	**1.6 t** employee/year	**29,879 t** of CO_2 emitted	**46.8 M tonnes of CO_2** and **7 M toe** prevented

Recycling

Over 90% of a wind turbine's parts are made from metal materials apt for recycling. The company's goal is to make virtually 100% of the materials comprising a wind turbine recyclable. To this end it is pursuing several lines of research, most notably the Recyblade project for analysing the scope for recycling fibre glass waste from scrapped blades.

As a result, new items are being made from blade waste. Against this backdrop, Gamesa exported 10 tonnes of carbon fibre prepeg waste in 2014.

Progress made in 2014

Gamesa made substantial progress on improving its environmental performance in 2014. It verified its greenhouse gas emissions under ISO 14064 for the fourth year in a row, had its G114-2.0 MW turbine's eco-design credentials certified, cut hazardous waste by 8% and completed its analysis of ways to recover fibre glass waste from scrapped blades.

Biodiversity

In the course of its business operations, Gamesa interacts with several ecosystems, landscapes and species, mainly during the wind farm construction and operation phases. In order to minimise these impacts, the company carries out its projects in a sustainable manner in order to conserve and protect its natural surroundings.

To this end, Gamesa conducts environmental impact analyses before it builds wind farms and keeps these impacts in check after installation, during operations and throughout the dismantling process.

For more information on materials, consumption, emissions and waste, see page 78 of the 2014 Corporate Responsibility Report.

Communities

Gamesa's goal is to make a contribution to raising living standards in the communities in which it does business. Its influence extends beyond the scope of its direct business operations and materialises in a long-term commitment.

With a presence in 50 countries around the world, Gamesa is committed to upholding its duties as a company, specifically in its capacity as employer, customer, supplier and taxpayer. In parallel, its products and services are part of the answer to the growing need for sustainable energy.

However, Gamesa's commitment to the communities in which it does business extends beyond the scope of its direct business operations, taking the form of a long-term collaboration with governments, institutions and civil society platforms, as well as sponsorship and charitable initiatives.

The company gets involved in its local business communities by means of action plans targeted at generating well-being and local wealth creation and fostering local technology development. 2014 highlights:

India

Vicente Ferrer Foundation. Gamesa has signed a collaboration agreement with the Vicente Ferrer Foundation for the construction of a primary school in the village of Thimmirikuntapalli, in the state of Andhra Pradesh. The project will benefit around 60 Dalit children in the region who will receive schooling from an early age, facilitating their integration into society and access to the labour market. In addition, the school will be used as a meeting place for neighbours and women's and disability-related associations.

Andhra Pradesh is one of India's poorest states: one in five families lacks access to decent housing and most inhabitants lack access to drinking water. Just 67% of its adult population is literate (below the national average of 74%), ranking it 31st of out of the country's 35 states.

Slum Soccer. Gamesa collaborates with Slum Soccer, an organisation that has been working with homeless youths in India for 15 years, using football as the vehicle for introducing change into their lives.

Thanks to this initiative, participating youths attend a training campus where they not only develop their football skills but are also educated on how to care for the environment and eat healthily.

Gamesa Academic Excellence Programme. With over 460 pupils already enrolled, this programme aims to raise student skills in rural regions. The project also encompasses education on hygiene and the construction of sinks in rural schools.

Gamesa Gram Arogya Project. The project focuses on the provision of medical care in the villages located in the vicinity of Gamesa's wind farms, paying special heed to eye care and pregnant women. In 2014 the project attended to nearly 3,000 patients in five rural villages in the states of Andhra Pradesh and Madhya Pradesh.

Gamesa Vocational Training Programme. This programme encompasses two training initiatives. The first is a recycling initiative for the conversion of waste wood into school furniture for schools located close to Gamesa's plants in Chennai. Since it got underway at the start of 2012, the project has trained and employed more than 100 people and recovered 3,100 tonnes of wood for

Slum Soccer uses football to work with homeless children in India.

the construction of 3,058 desks and benches for around 10,000 students. The second initiative is called My Career and provides training on operations and maintenance tasks to youths who are subsequently employed by Gamesa.

Students of Gamesa Academic Excellence Program.

Employee volunteering. The purpose of this programme is to raise the social awareness of the employees of Gamesa India and to provide a platform for facilitating their involvement in community work. A series of events are articulated around this programme, such as Wind Day, international deaf week, blood donation drives and charitable donation campaigns.

Mexico

Promotion of healthy habits among youths. The project being undertaken by Gamesa with NGO CESAL will be carried out in the towns of Juchitán de Zaragoza and Unión Hidalgo, both of which are located in Mexico's Tehuantepec Isthmus. In this region, 30% of the population lives under the food poverty line, which means their income is not enough to buy a basic basket of food items.

The goal of the project is to promote healthy eating habits among children and youths in these communities and to raise awareness of the importance of hygiene. To this end, two educational programmes are being set up. The first, focused on hygiene, will attempt to raise awareness of the importance of proper waste handling by means of drawing competitions and the launch of collective action programmes. The second, which deals with nutrition, will show children how to make easy and healthy recipes and teach them about food properties. Regular medical check-ups will also be carried out with a view to detecting and addressing cases of malnutrition.

Spain

Social inclusion. The purpose of this initiative is to foster the social inclusion, artistic abilities and cultural opportunities of people with intellectual disabilities by means of organised leisure activities. To this end, Gamesa has reached an agreement with ANFAS (the Navarra association for people with intellectual disabilities), an association that has been supporting programmes of this nature for more than 40 years.

For more information on association and communities, see page 33 and 127, respectively, of the 2014 Corporate Responsibility Report.

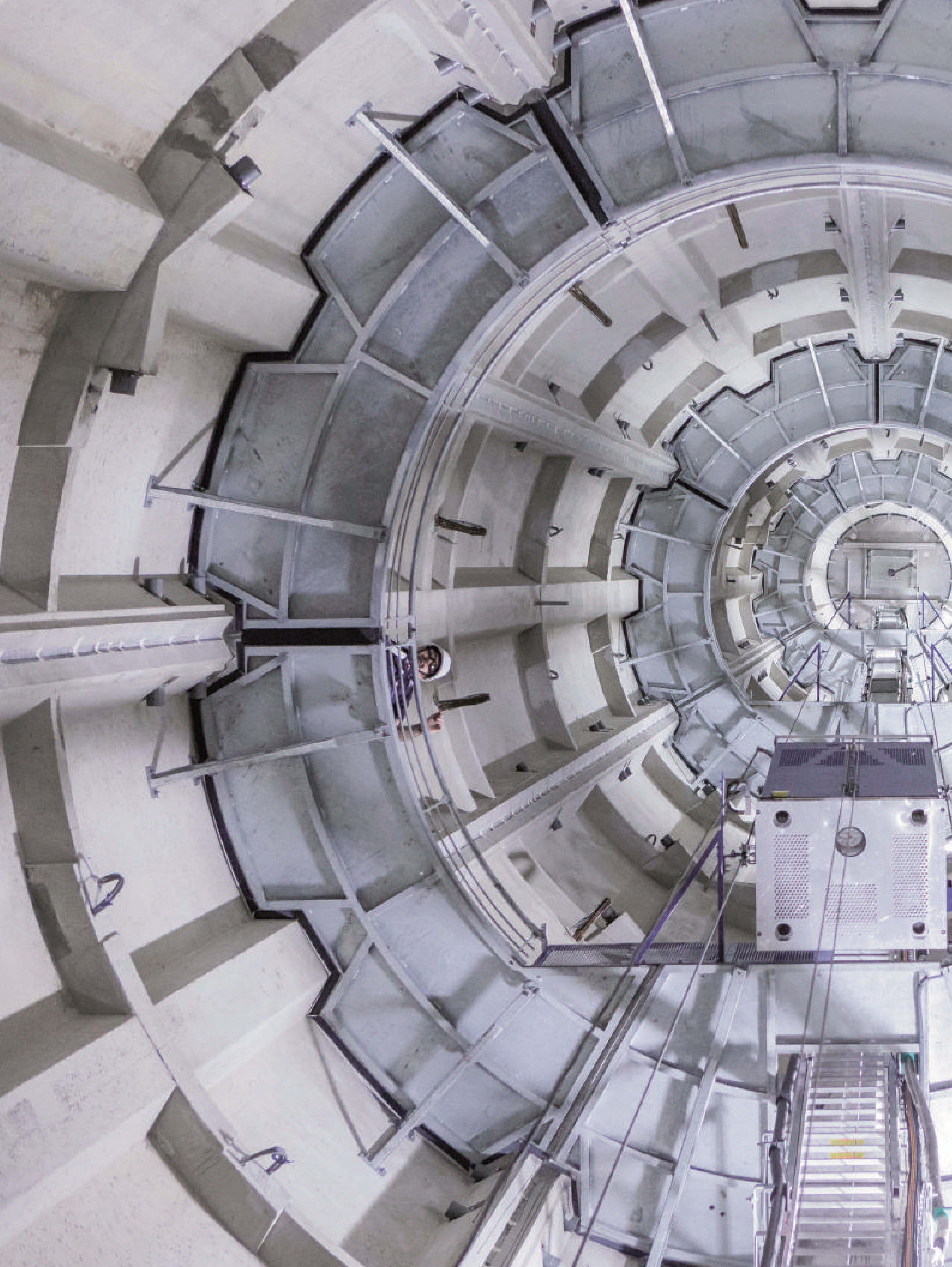
The ANFAS centre organises pottery, dance, drama, make-up, first-aid, painting, sewing, etc. workshops and classes for over 500 people, while group-oriented leisure activities such as cinema outings, excursions and walks are organised at the weekends. In short, activities that address a need as basic as that of interacting with others and building friendships in normalised environments.

Gamesa Scholarship Programme and Pegasus - two initiatives for the promotion of youth employment
In 2014, Gamesa signed up for Pegasus, the youth employment campaign being spearheaded by the Novia Salcedo Foundation. The aim of this initiative is to place youth employment on the Global Human Development Agenda in the wake of the United Nations General Assembly's decision to declare 2019-2028 Youth Employment Decade.

In addition, the company launched the Gamesa Scholarship Programme, an initiative designed to identify and recruit high-potential candidates from Spain's leading universities. The goal is to train talented young people who will go on to develop their careers at the company by offering them 12 to 18-month work placement stints in several of Gamesa's divisions and/or regions.

On the other hand, Gamesa participates actively in sector and business associations and organisations. In 2014, it was an active member of 29 organisations and associations in Spain and 31 associations in the rest of the world, to which it contributed a total of €794,952.

Gamesa Gram Arogya Project attended to nearly 3,000 patients in five rural villages.



2014 Results

2

Market environment and outlook

In 2014 the global wind power market registered sharp growth: cumulative installed capacity neared 370 GW thanks to the addition of more than 51 GW last year, a record high spearheaded by China, India and Brasil.

In 2014 the global wind power market experienced sharp growth (+44%), thanks to the addition of 51.4 GW of new capacity last year, a record high that puts cumulative installed capacity at close to 370 GW, according to Global Wind Energy Council (GWEC) figures.

Growing energy needs, coupled with the need to diversify energy sources in order to reduce dependence on fossil fuels by resorting to native sources and ensure supply stability, have emerged as one of the drivers of the growth. In parallel, other factors such as increased regulatory visibility and wind power's growing competitiveness, with wind energy already competing directly with conventional sources of energy, foreshadow sustained growth in the medium and long term.

By market, the growth in capacity installed in 2014 was driven by recovery in the US and accelerating growth in demand in China, Brazil and India, countries which are working to reduce their energy dependence and cater to growing demand for electricity.

Moreover, these countries are set to remain the industry's growth engine in the medium and long term. According to Bloomberg New Energy Finance, the volume of new installations will increase again in 2015, to 55 GW, half of which concentrated in China, Brazil, India and Mexico. However, the pace of new capacity additions worldwide is expected to ease slightly in 2016 and 2017, due to the forecast slowdown in the European market from 2016 and in the US market in 2017, if production tax credits are not rolled over.

Asia is the world's largest wind energy market, with installed capacity of 142 GW; this market also presents the highest growth prospects in the short, medium and long term, led by China.

China's cumulative installed capacity stands at close to 115 GW, making it the country with the most installed capacity; it is also one of the most promising markets going forward. In 2014, it topped the ranks of new capacity additions for the sixth year in a row, adding 23 GW, 45% of all capacity added worldwide. Current estimates suggest that this growth will continue in the years to come, underpinned by energy needs and a commitment to reducing CO_2 emissions:

- A bilateral agreement with the US to reduce greenhouse gas emissions, specifically a Chinese commitment to peaking its emissions and increasing the share of non-fossil fuels in primary energy to 20% by 2030.
- The five-year plan covering 2016-2020 currently being drafted targets the annual installation of 20 GW of onshore capacity by 2020 to put cumulative capacity at 200 GW; the target proposed for offshore is 10,000 MW.

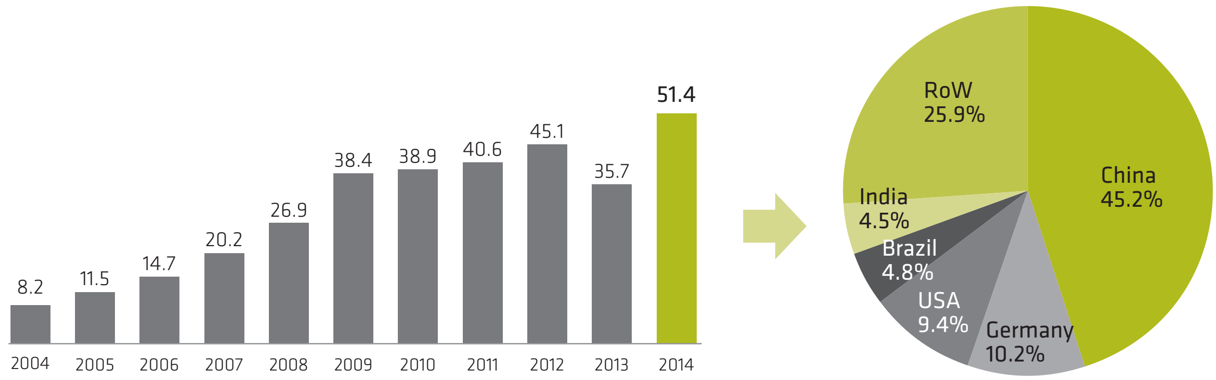
In India, the formation of a new government has triggered major reforms in favour of investment in renewable energy sources. As a result, this country added 2.3 GW to its nationwide wind capacity in 2014, consolidating its position as Asia's number-two wind powerhouse, with cumulative installed capacity of 22 GW.

America

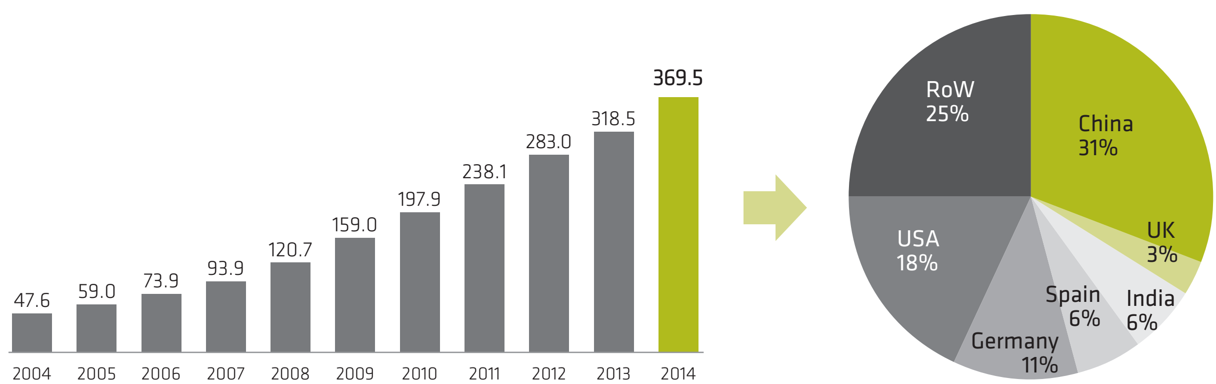
In the US, the extension of the investment and production tax credits (PTCs) was key to fuelling growth in new capacity additions. Against this backdrop, in 2014 new installations multiplied fourfold to 4.8 GW, to put installed capacity at close to 66 GW. However, the recovery in demand fell short of the business volumes witnessed in prior years. The ramp-up in demand recovery

Trend in global wind power capacity

Annual capacity additions
GW



Cumulative capacity
GW



Source: GWEC

is behind forecasts for capacity additions of 8 MW in 2016, similar to the level forecast for 2015.

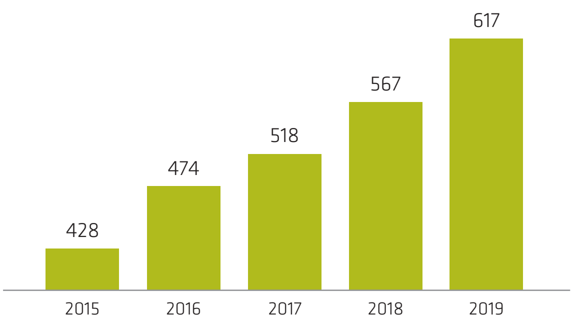
The outlook for 2017, however, will depend on whether these tax credits are rolled over; if not, it is estimated that the pace of capacity additions could fall by over 50%. Elsewhere, the US Environmental Protection Agency has published a Clean Energy Program designed to reduce carbon emissions by 30% below 2005 levels by 2030.

Installed capacity in Latin America stands at 8.5 GW, the largest markets being Brazil (5.9 GW) and Mexico (2.3 GW). Brazil is shaping up to become one of the largest wind power markets medium term. Having added 2.4 GW of new capacity in 2014, due to a higher allocation of power purchase agreements (PPAs), Brazil ended last year as the world's fourth-largest market in terms of installed capacity, behind China, Germany and the US. Mexico, meanwhile, Latin America's other important market, installed 522 MW in 2014.

Demand estimates

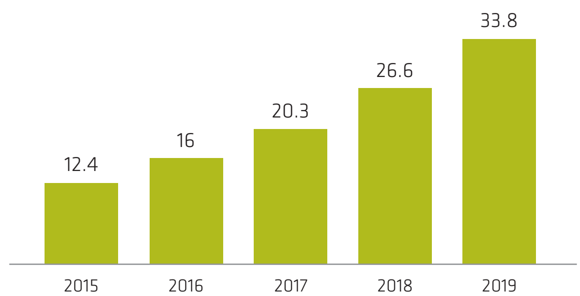
GW cumulative

Onshore



Source: GWEC

Offshore



Source: BTM

Europe

Europe, with installed capacity of almost 134 GW, is the world's second-largest market. However, the growth in this now-mature market in recent years has been hampered by the slowdown in Europe's economies and the paring back of renewable energy investment incentives.

In 2014, Europe added 13 GW of new capacity, led by Germany, which installed a record +5 GW, driven by regulatory changes that prompted developers to accelerate their wind power projects. Germany was followed by the UK (which added 1.7 GW in 2014), Sweden and France (1 GW each) and Turkey (804 MW). Capacity in Spain, however, increased by just 27 MW.

Despite the solid sector pipeline being executed in Europe, forecasts for 2015 point to continued demand stagnation in the onshore segment shaped by gradual adaptation to new regulations. However, the market is expected to recover from 2017, underpinned by two drivers: wind power's increasing competitiveness and a more settled regulatory panorama, facilitating new investment.

Africa, with cumulative installed capacity of 2.5 GW, added 934 MW of new capacity in 2014, driven by Morocco and South Africa which between them accounted for nearly half of new additions (560 MW). Australia, meanwhile, added 567 MW of new capacity last year (cumulative installed capacity in Oceania: 4.4 GW).

Offshore wind power

Offshore wind power promises to be one of the fastest-growing sources of energy in the years to come, according to European Wind Energy Association (EWEA) data. Europe currently boasts installed offshore wind power capacity of 8 GW (74 offshore facilities in 11 countries) led by the UK, Germany and Belgium, countries that are expected to continue to drive sector growth in the short term. Current forecasts point to cumulative installed capacity of 25 GW in Europe by 2020.

Medium term, Asia is expected to drive growth in the offshore segment: forecasts point to installed capacity of 17 GW by 2020, dominated by China. According to the GWEC, the offshore segment will represent 10% of total installed wind power capacity worldwide by 2020.

Financial performance

Gamesa generated a net profit of €92 million in 2014, twice that of 2013. This earnings momentum evidences the company's profitable growth, underpinned by higher revenue and wider margins.

Revenue from sales rose 22% year-on-year to €2.846 billion in 2014, driven by growth in Gamesa's two core businesses: turbine manufacturing (+22%) and operation and maintenance (O&M) services (+19%).

The topline growth sustained in the turbine division (+22%) which reported revenue of €2.41 billion, was underpinned by sharp growth in sales volumes (+34% to 2,623 MWe), in turn shaped by strong contributions by Latin America and India, the recovery in the US and Chinese markets and the role played by emerging markets such as the Philippines, Turkey and Sri Lanka.

By platform, Gamesa's 2.0 MW segment accounted for 97% of the total sales volume in 2014 (by MWe), compared to 93% in 2013.

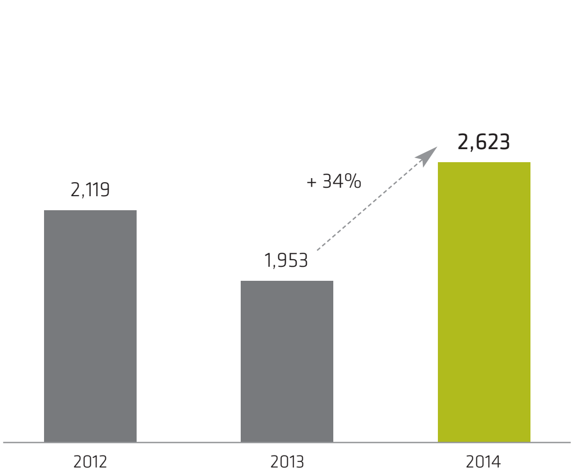
Meanwhile, revenue from O&M services, which account for 15% of the total, rose 19% in 2014 to €435 million and left an EBIT margin of 12.7%.

This growth in sales volumes and revenue was framed by renewed growth in global demand, after the drop sustained in 2013, coupled with Gamesa's strong commercial positioning, marked by geographic and customer diversification, a full product and service range and the vertical integration strategy.

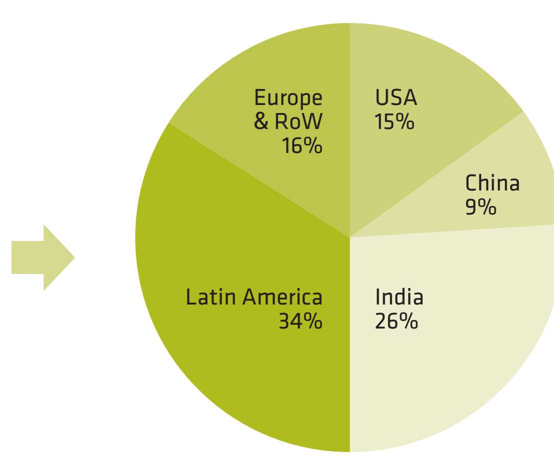
The order intake of 3.3 GW in 2014 - the largest in five years -, evidences this commercial strength and put the orderbook at 2,494 MW (+38%) at year-end: this means that at the start of 2015, Gamesa had already locked in 64% of projected sales volumes for the year and significant volumes for the following years.

Strengthening commercial activity

Sales volume (MW)



Geographic mix



Profitability

This business volume growth, coupled with control over the fixed cost structure and the variable cost streamlining programme, translated into growth in the company's profitability over the course of the year. Gamesa ended 2014 with recurring EBIT of €191 million, up 48% from 2013, which translates into an EBIT margin of 6.7% (vs. 5.5% in 2013). The EBIT margin in constant-currency terms was 7.2%, almost two percentage points above the 2013 level.

The programmes for continually reducing the cost of Gamesa's products are articulated around product design, the supply chain and internal manufacturing processes with the goal of enhancing the company's competitiveness and generating a competitive advantage for the group.

As part of the measures contemplated in the 9/15 cost streamlining programme, the group completed the introduction of infusion mould manufacturing for its blades in India and Europe, an initiative that will deliver the savings forecast for 2015. On the product redesign front, cost savings were eked out in towers, nacelle frames, lifts and cranes. Lastly, the supply base was expanded substantially and the 'build-to-print' model put in place is delivering significant improvements with respect to traditional supply terms.

Balance sheet

Over the course of the year, Gamesa continued to reinforce its financial health, readying its balance sheet for growth in business volumes.

Against the backdrop of growing business volumes, Gamesa cut its working capital requirement by 63% to €71 million, equivalent to 2.5% of revenue. This reduction in working capital needs, coupled with wider margins and control over capital expenditure, which is currently oriented towards driving the cost of energy lower, enabled Gamesa to generate €330 million of net cash in 2014, four times more than it generated in 2013, including proceeds from asset sales of €120 million.

This organic cash flow generation, together with the capital increase carried out in September (when the company issued 25.4 million new shares, equivalent to c.10% of the total outstanding), left the company with net cash of €143 ND/EBITDA ratio: -0.4x).

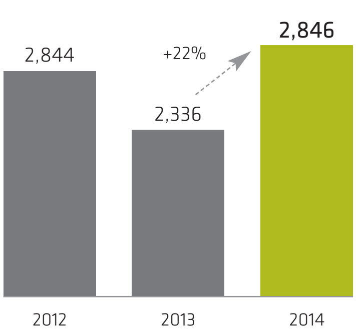
Last year the company also managed to enhance its borrowing terms, having signed a new €750 million syndicated loan repayable in a single bullet payment in 2019.

Higher than forecast sales growth, driven by robust commercial activity, margin expansion and the reduction in debt, enabled Gamesa not only to top its guidance for 2014 but to achieve its 2015 targets ahead of schedule

Profitable growth

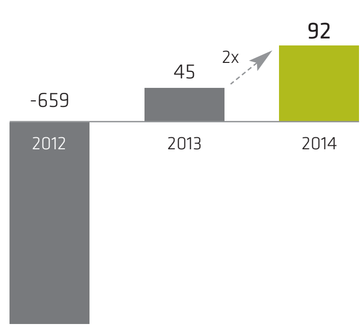
Sales

MM €



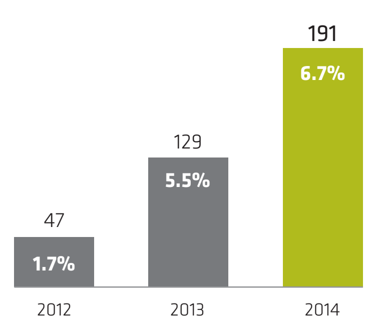
Net profit

MM €



Recurring EBIT and EBIT margin

MM €



2015 value creation

	2015 Guidance		
Volume (MWe)	2,800 - 3,100		
Revenues (€ MM)	3,150 - 3,400	↑	**Additional profitable growth**
EBIT margin[1]	≥ 8%		
WC / sales	< 5%		
Capex / revenues	≤ 4%	↓	**With a significant reduction in capital consumption**
Long-term NFD/EBITDA	< 1.5x		
ROCE	≥ WACC + 4%	↑	**Enhancing capacity to create value**
Dividend policy: Payout[2]	25%		**Resuming dividends**

(1) Average exchange rate in Jan-Feb 2015.

(2) Payout subject to prior approval from the Shareholders' General Meeting.

and implement a new dividend policy consisting of the payout of 25% of net profit (subject to approval at the Shareholders' General Meeting).

2015 guidance

Against the backdrop of anticipated growth in global demand for wind capacity, Gamesa is in a position to raise its guidance for 2015, underpinned by its competitive positioning, the continual improvement in its variable costs and efficient financial structure; moreover, it anticipates growing business volumes and profitability in the following years.

The company is targeting sales volumes in 2015 of between 2,800 MWe and 3,100 MWe, revenue of between €3.15 and €3.4 billion and an EBIT margin of ≥8%.

These targets would translate into enhanced value creation: an increase in the difference between the return on capital employed (ROCE) and the weighted average cost of capital (WACC) from two percentage points to four percentage points. And this momentum won't stop in 2015: Gamesa expects sustained growth in volumes and profitability in the following years which, together with continued effective management of its balance sheet, will deliver additional growth in the return on capital employed beyond 2015.

Results by regions

Latin America

Latin America was Gamesa's most important sales volume growth driver in 2014, accounting for 34% of the total. Specifically, Brazil and Mexico played a leading role, accounting for 22% and 11% of the group's total sales volume, respectively.

Gamesa's firm strategic commitment to this region made it a key force in 2014, shaped by its consolidated supply chain, extensive sales reach and operation and maintenance services. In all, the company is present in 14 countries in this region, Jamaica being the last added to this growing list in the wake of an order for the construction of a 24-MW wind farm under a turnkey contract.

Latin America is one of Gamesa's priority markets in the medium and long term. The outlook for growth in this region is underpinned by a pressing increase in energy requirements, attractive wind resources in Latin America and political interest in diversifying the region's energy mix.

Brazil

The inauguration in 2011 of the nacelle factory in Camaçari in the state of Bahía provided the definitive milestone in establishing an industrial and operating base in Brazil. From this factory Gamesa supplies its turbines not only to Brazil, but also to neighbouring markets such as Argentina, Chile and Uruguay.

Brazil is one of the company's priority markets, having accounted for 22% of Gamesa's total sales volumes in 2014. Moreover, the company took in firm orders for the delivery of over 1,000 MW last year, a record intake for the group in this market. Last year, Gamesa defended its position as the country's number-two OEM by market share in the ranking compiled by BTM. Among the orders secured in 2014, the following stand out:

- 220 MW for CPFL Renováveis: 110 G114-2.0 MW turbines.
- 108 MW for Serveng: 54 G114-2.0 MW turbines.
- 84 MW for the Iberdrola-Neoenergia consortium: 42 G114-2.0 MW turbines.

Mexico

Gamesa has been actively present in this market as OEM and wind farm developer since 1999. Early entry into the Mexican market, coupled with Gamesa's vertical integration strategy, has proven crucial to making it the established leader in this country by market share.

Noteworthy last year was the agreement entered into with Santander for the joint development of several wind farms in Oaxaca with aggregate installed capacity of up to 500 MW over the next three years.

Gamesa's strategic commitment to Mexico will be reinforced in 2015 by the construction of Gamesa's second-largest global operation and maintenance centre in Oaxaca. From this facility, which will encompass offices, a training centre, an operations centre, a repair workshop and warehouse, the company will service all of Latin America.

Assembly of the first Gamesa wind farm equipped with 5-MW turbines (Salo, Finland).

Europe & RoW

Europe & RoW accounted for 16% of the total sales volume in 2014. Throughout the year, Gamesa reached important agreements for the installation of turbines and the turnkey development of wind farms in several countries, including Sweden, Portugal, Belgium, the UK, Poland and Romania.

Europe & RoW continues to play a prominent role in Gamesa's business development, not only on account of the volume of capacity installed but also due to its role as trend-setter in the wind industry. In 2014, the company signed its first contracts for the installation of its new G114-2.5 MW turbine in Sweden and Belgium and completed assembly of its first wind farms equipped with the 5-MW and 2-MW variants of this model, in Salo, Finland and Notasen, Sweden, respectively.

Other aspect of Gamesa's European operations worth highlighting is the momentum in the operation and maintenance services segment, as evidenced by the contracts signed for the maintenance of SER's entire fleet in Italy (245 MW) and the contract to upgrade 19 GDF turbines in southern France.

As for the company's expansion into new markets, in 2014, Gamesa signed its first orders in Jordan, for the supply of 66 MW to Elecnor; Belgium, where it will install seven of its new G114-2.5 MW turbines; and Mauritius, for the supply of nine G58-850 kW turbines.

Key milestones:

- Orders for the supply of the new G114-2.5 MW in Sweden and Belgium placed by John Laing and EDF, respectively.
- Sale to the Greek subsidiary of EREN of two turnkey wind farms with aggregate installed capacity of 82 MW.
- New service contracts: maintenance of 116 MW for Terna Energy in Poland and Bulgaria for five years and of 132 MW for Gestinver in Spain for eight years.
- Turnkey construction of the Pisco wind farm in Portugal for Exus Management Partners.

India

Gamesa's presence in India - as technology provider and wind farm developer - dates back to 2009. Since then the company has emerged as the country's number one OEM by market share, a milestone it achieved for the second year in a row in 2014. To date, Gamesa has installed 1,713 MW and services 1,444 MW under O&M agreements in India.

The strong growth in wind energy in India and Gamesa's strong competitive positioning meant that this market accounted for 26% of the group's total sales volume in 2014, making it one of the company's priority markets alongside Latin America.

Underpinned by deep knowledge of its local markets, its track record developing and selling wind farms and the strength of its supply chain and industrial presence, Gamesa was able to take advantage of the growth opportunities that presented themselves in India: throughout the course of 2014, Gamesa signed orders for the delivery of 840 MW.

> Supply of 220 MW across five wind farms for several independent power providers.

> Contract for the supply of 160 MW (80 G97-2.0 MW Class S turbines) for Greenko, under a 300-MW framework agreement.

> Turnkey construction of a 100-MW wind farm for CLP.

In addition to a blade factory in Halol (Gujarat) and a repair centre in Red Hills (Chennai), the company has a nacelle factory in Mamandur (Chennai) which it recently expanded to add a new production line. Given the 'multi-model' configuration of this new line, the company will be able to manufacture two different turbines at the same time: the G97-2.0 MW (already entrenched in the market, having installed over 700 MW) and the new G114-2.0 MW, which will be introduced into the Indian market in the course of 2015.

Another of Gamesa's key success factors in the Indian market has been its effort to tailor its products to its customers' needs, as illustrated by the development of a new turbine variant, the G97-2.0 MW Class S, with a tower height of 104 metres, which has already been certified by TÜV NORD. This variant, custom-developed for the Indian market, maximises turbine output for this country's low wind speed conditions.

In order to defend its leadership position in India, Gamesa plans to invest €100 million in the next five years to reinforce its local operations, most particularly with the launch of new products such as the G114-2.0 MW, further development of its local supply chain and growth in its wind farm development portfolio, as this capability gives it a strong competitive advantage in India.

United States

Ever since Gamesa inaugurated its first wind farm in the US back in 2004, the company has been cementing its presence in this market, establishing itself as one of the country's leading turbine suppliers. This region accounted for 15% of the company's total sales volume in 2014, compared to just 2% in 2013. Highlights:

> Gamesa was named exporter of the year by Export-Import Bank of the US.

> Commissioning of the first G114-2.0 MW prototype with the 60 Hz electric system in Texas.

> Supply of 95 G114-2.0 MW turbines at the Waverly wind farm for EDPR.

China

China was the first Asian market penetrated by Gamesa 15 years ago, a market in which it makes turbines and develops wind farms. Alongside Spain, China is the company's other manufacturing and supply hub.

2014 was a very good year for Gamesa in this market: China represented 9% of total sales volumes last year. The company took astute advantage of its local presence and the development of a competitive local supply chain (95% of supplies are sourced locally) to gain market share and become the leading non-Chinese OEM.

On top of its compelling competitiveness, the company stands out for its ability to develop products tailored to the Chinese market's needs: Gamesa has installed turbines custom-designed to withstand the low temperatures encountered in north-eastern China, the strong winds typical along the coast of the province of Fujian and the low air density of Yunnan, at 2,000 metres above sea level.

The main contracts entered into in 2014:

> Three contracts for the supply of 214 MW of its G97-2.0 MW turbines to CGN.

> Sale of the Barchín wind farm (28 MW) in Spain to Chinese utility Huadian.

> Contracts with HCIG, Everbright and UPC for the supply of 188 MW of its G97-2.0 MW turbines.

> Supply of 48 MW of the G90-2.0 MW turbine to Fujian Energy.

Advent of Adwen, the joint venture set up by Gamesa and Areva to lead the offshore segment

In March, Gamesa and Areva signed the final agreements creating Adwen, a joint venture dedicated to offshore wind, having 700 employees, 50-50 owned by the two companies, registered in Zamudio, Spain. Adwen has offices in Spain, Germany, France and UK.

Combining both Gamesa and Areva wind expertise and extensive track-record, Adwen is ideally positioned to become a leading player in the offshore wind segment, with a 2.8 GW project pipeline and the objective of garnering a market share of close to 20% in Europe by 2020.

Adwen offers its customers a comprehensive products and services portfolio, providing solutions adapted to project specific requirements with:

> The Adwen 8MW platform, initiated by Areva and further optimized thanks to Gamesa's technological expertise, will reach serial production in 2018. With its 1GW project pipeline and an outstanding energy production, the AD 8 MW is set to be a market frontrunner.

> The Adwen 5MW platform offers two complementary 5 MW turbines available for immediate projects: the AD 5-135 and AD 5-132. The AD 5-135, formerly called M5000-135, is AREVA's 5MW technology with an installed base of 650 MW which will reach 1GW with Wikinger wind farm installation. The AD 5-132, developed by Gamesa and formerly called G132-5.0 MW Offshore, complements the product portfolio with a competitive turbine.

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