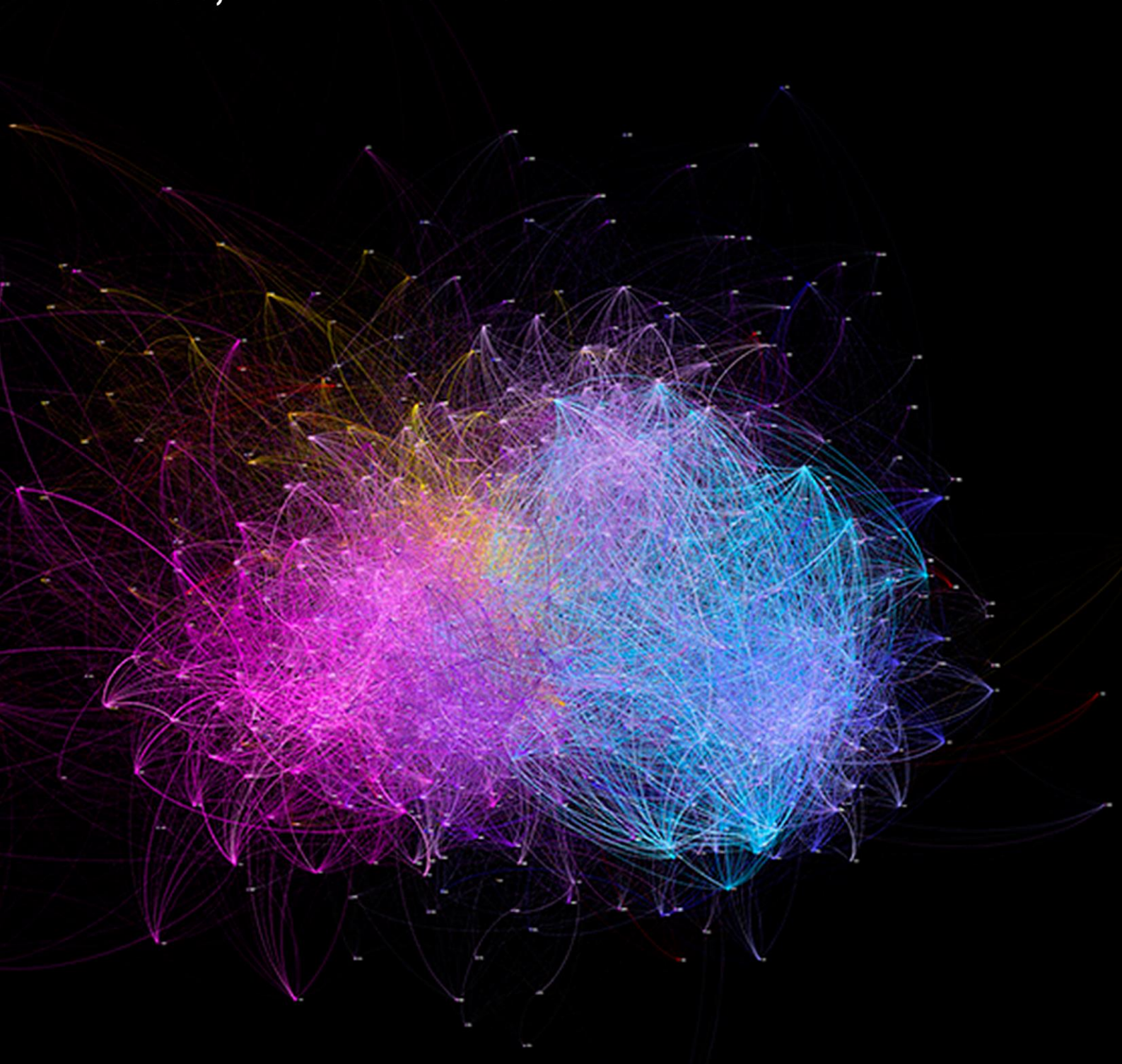


2019 Annual General Meeting of Shareholders

Bilbao, 27th March 2019



Markus Tacke

Chief Executive Officer
at Siemens Gamesa
Renewable Energy



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Speech of Markus Tacke,
Chief Executive Officer at Siemens Gamesa Renewable Energy

Bilbao, 27 March 2019

Buenos días, señoras y señores.

Good morning, ladies and gentlemen.

It is my pleasure to welcome you to this year's Annual General Meeting of Shareholders of Siemens Gamesa Renewable Energy.

Thank you, Miguel Ángel, for your remarks. And thank you also for your tremendous contribution to our company. Our company which is steadily growing.

April 3, one week from today, will mark two years since the merger which created Siemens Gamesa. To say, it has been an eventful two years would be an understatement. To say, it has been a perfect two years – I'm afraid that would be an exaggeration. To say, it has been a thrilling, challenging, inspiring and ultimately successful two years – well, I'd say that is about right.

As you know, I am here this morning to speak to you about our Fiscal Year 2018. The year, our company began taking its place as a leader in the global wind energy industry.

But I am also going to use 2018, and our performance during the past year, as a scene-setter to speak to you about L3AD2020. Our core strategic program, getting Siemens Gamesa fully up to speed by 2020.

By the time I will conclude my speech, I'm convinced you will share my view. We are a strong, vibrant, young company, with the right products, the right plan, and the right

people to take us where we want to go. I certainly hope you will share that view, because we need your support to get there.

WHERE WE STAND TODAY

Looking back on 2018, I can say, it was the year in which we completed the integration process. It was not without challenges, and challenges still remain. I am the first to admit so. I remember last year speaking to you about the reasons the merger makes perfect sense. I did not say it would be without challenges. Today we see the good results, built on the outstanding work that started in 2017.

We entered 2018 knowing the future is bright for the renewable energy industry, fully aware of the high market dynamics.

We knew, with wind power becoming increasingly the mainstream energy source, the market would face changes, such as downward price pressure. The move towards auction systems or other competitive mechanisms in a growing number of countries has been driving prices to new lows.

So, we have our eyes wide open on that front. And we also know, we are selling what the world needs, and will need for years to come to meet growing energy demand driven by the electrification of our society, while at the same time phasing out fossil fuels.

As Miguel Ángel already said, climate change is a big challenge we cannot ignore, no matter how much we might want to. It reminded world leaders that concrete action has to be taken. And it reminded companies like ours, if I may use a dramatic turn of phrase, that we are on the right side of history. Siemens Gamesa is an enabler for this transition, we are selling, manufacturing and installing what the world needs.

WHAT WILL TOMORROW BRING

It is clear, strong growth in wind markets worldwide is something we can count on. The contribution of wind power to the global power generation capacity will double to 14 percent by 2040, according to the International Energy Agency.

China will of course remain a strong market. But even if one excludes China, we see growth in global wind market installations continuing at approximately 5 percent annually between now and 2025. In that period, we anticipate exceptionally strong growth in emerging markets – approximately 11 percent annually.

In Offshore – that highly specialized industry sector in which we remain the leader – we expect particularly robust growth. Measured in market installations, we see growth of more than 27 percent annually between now and 2025. This will be largely driven by new Offshore markets, including Taiwan and – especially promising – the U.S.

Ladies and gentlemen, I truly believe the wind energy industry has only seen its beginning today, compared to the full potential of tomorrow, and I want us to be surfing the crest of that wave.

FINANCIAL REVIEW

So, let us consider our Fiscal Year 2018, from October 1st, 2017 to September 30th, 2018.

Let me start with the order backlog. It stands at an all-time high close to 23 billion euro, which is 10% more than in September 2017, showing a return to growth and the recovery in commercial activity. This was driven by our strong order intake of 12 billion euros over the twelve-month period, which is a 9% increase year-over-year and equivalent to a Book-to-Bill ratio of above 1.3.

Much of it can be attributed to order intake recovery in our Onshore business. The reactivation of markets such as Brazil, Spain, India and South Africa played a significant role in this intake recovery, which our strong regional teams have taken advantage of.

In Offshore, we had another solid year, driven by the signing of two large contracts for the 8 MW direct drive turbine. Hornsea II, our company's largest-ever offshore order – an agreement to supply 165 turbines to the world's biggest offshore wind farm off the coast of the U.K. The second was a contract for the supply of three offshore wind farms off the Danish coast for a total amount of 950 MW.

Finally, in our Service business, the year-end order backlog was close to 11 billion, which accounted for 47% of the company's total backlog. The Service backlog has grown steadily in parallel with the strong order intake for turbines plus unrelated service business.

This diverse and balanced business model is one of our company's key strengths and competitive advantages.

For Fiscal Year 2018, our revenue stands at 9.1 billion euros, with an EBIT margin, pre PPA and Integration and Restructuring costs of 7.6 percent.

So, Siemens Gamesa completed 2018 with a strong financial performance in line with the guidance we had set for Fiscal Year 2018, achieving all the milestones we had set out for this year.

I would also like to mention our net cash position of 615 million euros. The company also arranged a multi-currency revolving credit facility for a total of 2.5 billion euros strengthening our long-term financial structure.

GUIDANCE FOR 2019

Looking ahead, we have presented our guidance for Fiscal Year 2019.

Siemens Gamesa expects revenues to rise to somewhere between 10 and 11 billion euros, based on the strong order backlog, with an EBIT margin pre PPA and Integration and Restructuring costs between 7 and 8.5%. This margin guidance range was set to reflect an expected solid performance of our L3AD2020 program, but also to anticipate headwinds, such as commodity pricing, emerging market volatility, and the high competitiveness of the market environment, particularly in Onshore.

EARLY 2019 RESULTS

And let me tell you, our first quarter's results of the Fiscal Year 2019 confirmed we are on track to meet our goals.

We ended December, having resumed growth in revenue with more than 2 billion euros, up 6 percent year over year.

Revenue growth was underpinned by strong performance in the Offshore and Service businesses, offsetting a minor decline in Onshore, where I'm confident growth will be concentrated later in the year. Our EBIT margin was 6.1 percent, in line with last year after the first quarter, and right where we expected it to be.

Also in quarter 1, we launched our new 10 MW direct drive offshore turbine to the market. The prototype will be erected this year and production is scheduled to start in 2022. It offers 30% more annual energy production than its predecessor and embodies what we are aiming for with our L3AD2020 strategic program: to be the wind industry leader in 2020, and beyond.

L3AD2020

Ladies and gentlemen, speaking of that L3AD2020 strategic program – I provided you with an update as recently as during our 2018 Fiscal Year results presentation last November. We continue to be well underway and I want to share with you how it is progressing, as L3AD2020 is critical to the success of Siemens Gamesa.

We launched that program in February 2018 and our fundamental goal as a company is to be THE global leader in the wind industry by 2020.

L3AD2020 relies on a comprehensive plan that aims to optimize cost of energy from wind, seeking to achieve and maintain leadership through four focus areas: Growth, Transformation, Digitalization, and Change Management.

The program as such is structured in three progressive stages: merge and stabilize, leverage economies of scale, and secure sustainable profitability.

I am very pleased to tell you that at the end of Fiscal Year 2018, Siemens Gamesa has completed all planned milestones of the first phase and we have moved into our second phase "leverage economies of scale".

Let's start with growth.

Growth

Our growth plan is defined by three clear objectives.

Number one, we want to gain market share and outperform by growing faster than the market in Onshore.

Number two, we are going to defend our Offshore market share in core markets, while expanding into emerging markets like Taiwan and the US.

Finally, we will raise our Service portfolio. Our plan is to continuously grow the fleet we have under maintenance. Our goal is to increase our portfolio in this area to further develop our profitable service business using digitalization technologies driven by our strong commitment to innovation. I will provide more details on this fascinating subject in a few minutes.

We, at Siemens Gamesa, are doing our job. We focus on what our customers want. We have regional sales teams to make sure we know what our customers want, and we are introducing focused market strategies tailored to different types of customers so that they get what they want.

As I already said a moment ago, in 2018, the strengthening of our company's competitive position after the merger, together with the recovery in certain wind markets, enabled us to regain growth in commercial activity, with a strong order intake that led to a strong backlog, increasing visibility for this year.

Innovation remains the key to be a market leader. With the rapid development of renewable energy, we have also taken new approaches to power generation. We continue to explore growth opportunities in areas such as hybrid plants and storage solutions.

Now let's talk about transformation.

Transformation

Within transformation, we have set ourselves the ambitious target of 2 billion euro in cost reduction by 2020. The cost reduction will consist of 1.6 billion euro in productivity improvements and 400 million euro in synergies out of the integration. This requires from us to change the way we do things. To transform. As I said a moment ago, to do what we do, differently.

Simplification of our product portfolio is a key enabler for our transformation program. We defined a product strategy based on the principle of "one segment, one technology". We are implementing our 25 to 9 concept in Onshore and expand our platform in Offshore. The focused product portfolio enables us to increase R&D and CAPEX efficiency.

The transformation program completed its first year with recurring productivity improvements totaling more than 700 million euros. This includes synergies above 175 million euros. Additionally, one-time productivities of more than 100 million euros.

Part of those improvements came from optimizing our industrial footprint, from reducing our procurement spends and from optimizing our field service thanks to digitalization technology.

The transformation of Siemens Gamesa is well underway.

Now let's talk about digitalization.

Digitalization

Digitalization is transforming our world, and the L3AD2020 strategic program uses digitalization to give us the tools we need to not only succeed but to excel and lead.

Data. Big data. Raw information that is aggregated, analyzed and deployed at a speed and in a manner, that is unprecedented in history.

Siemens Gamesa maintains the industry's largest amount of historical data – more than 190,000 turbine years' worth of insight. And that number is growing. Over 28,000 turbines around the world, each with more than 400 sensors, transmit more than 200 gigabytes of

data every day to our remote diagnostics centers in Pamplona and Brande.

This data tells us what we need to know about the operations of our fleet. It allows for self-diagnosis and predictive maintenance. It allows us to detect even the smallest deviations indicating potential problems long before they occur. We can predict and prevent unscheduled downtime. And in doing so, we can extend the lifecycle of each turbine to the benefit of our customers.

Siemens Gamesa will lead the industry when it comes to digitalization. We have a talented and experienced team dedicated to developing and implementing digital solutions.

We have been the first manufacturer to have installed remote diagnostics sensors on wind turbine generators and we will continue to lead this effort.

We are committed to winning this race.

Our digitalization area operates on four fronts: Turbine performance, manufacturing, commissioning and service.

-Turbine performance with Edge Computing, which allows us to optimize energy production based on a given asset.

-Manufacturing with Augmented Reality control programs providing technicians with additional information to improve quality control.

-Commissioning with Artificial Intelligence, shortening and optimizing logistics processes.

-And Service with Data Analytics which allows us to detect symptomatic behavior that predicts the eventual failure of wind turbine components in advance.

I have spent the past 15 minutes or so speaking about growth, transformation, digitalization and goals, but I did not mention yet what is the most important in our company. And those are our people.

So, let's talk about change management.

Change Management

Our employees are absolutely critical to the success of our entire company. People make the difference. We have an extraordinary team of people, global and diverse, ready to take Siemens Gamesa forward to 2020 and beyond. Because they are at the core of our success, and we want to retain talent, we have launched a global program of change that encompasses 25 separate change initiatives across the company. Nine of these are designed to streamline our organization, nine are focused on building a baseline for culture, and seven are helping us develop new leadership for this new era. We have options

for working from home. We have open office models. We are encouraging many new working concept initiatives.

In this context, we have also launched our initiative Culture of Trust last year. We aim to be an employer of choice, by pursuing improvements in people's quality of work and life, and by empowering and motivating all employees through continuous learning and development possibilities, in a no-blame environment in which every obstacle is a stepping stone.

And we have health and safety established as a top management item. Health and safety of our employees is just as important as any other aspects of our business. Therefore, we make sure, our people out in the field are trained so that they can work meeting stringent international standards. We will continue to provide this training to our employees and request it of our contractors anywhere in the world, to help reduce risks and create a safer environment for everyone working in our industry.

I also could not end my speech without talking about the changes in our management team.

SGRE has successfully navigated the challenging post-merger period and we are now at the point when we focus our attention on delivering results to our stakeholders. We have clear goals and we are on track to achieve them: to become the industry leader by 2020. Last year, we took an important step to ensure we operate more effectively and efficiently with an increased focus. We made two adjustments to our senior management team; appointing David Mesonero as CFO and Christoph Wollny as COO. I welcome both on

the team and look forward to a continued good cooperation.

This is a time of change and opportunity for our company. It is a time that demands the best from our people, and demands the best people. I am proud to say we have them.

With L3AD2020 we have a strong program in place and I look forward to keeping you informed of our progress.

Ladies and gentlemen, as I wrap up, let me say just a last thing: we are in exactly the right business at exactly the right time.

We are making real what matters – clean energy for generations to come.

Thank you for your support. Let us go forward together.

And don't forget that Wind Europe Conference and Fair, where we will demonstrate our strengths, will be held next week right here, in Bilbao, where our young company has strong roots – a home base it can take pride in and count on. The Basque Country has been that for Siemens Gamesa, and we are very grateful.

Thank you. Muchas gracias.

