



Creating a Global Wind Industry Leader

17 June 2016

Today's Participants

- **Ignacio Martín**
Executive Chairman, Gamesa
- **Lisa Davis**
Managing Board Member, Siemens AG
- **David Mesonero**
Head of Corporate Development, Gamesa
- **Ignacio Artázcoz**
Chief Financial Officer, Gamesa



Agenda

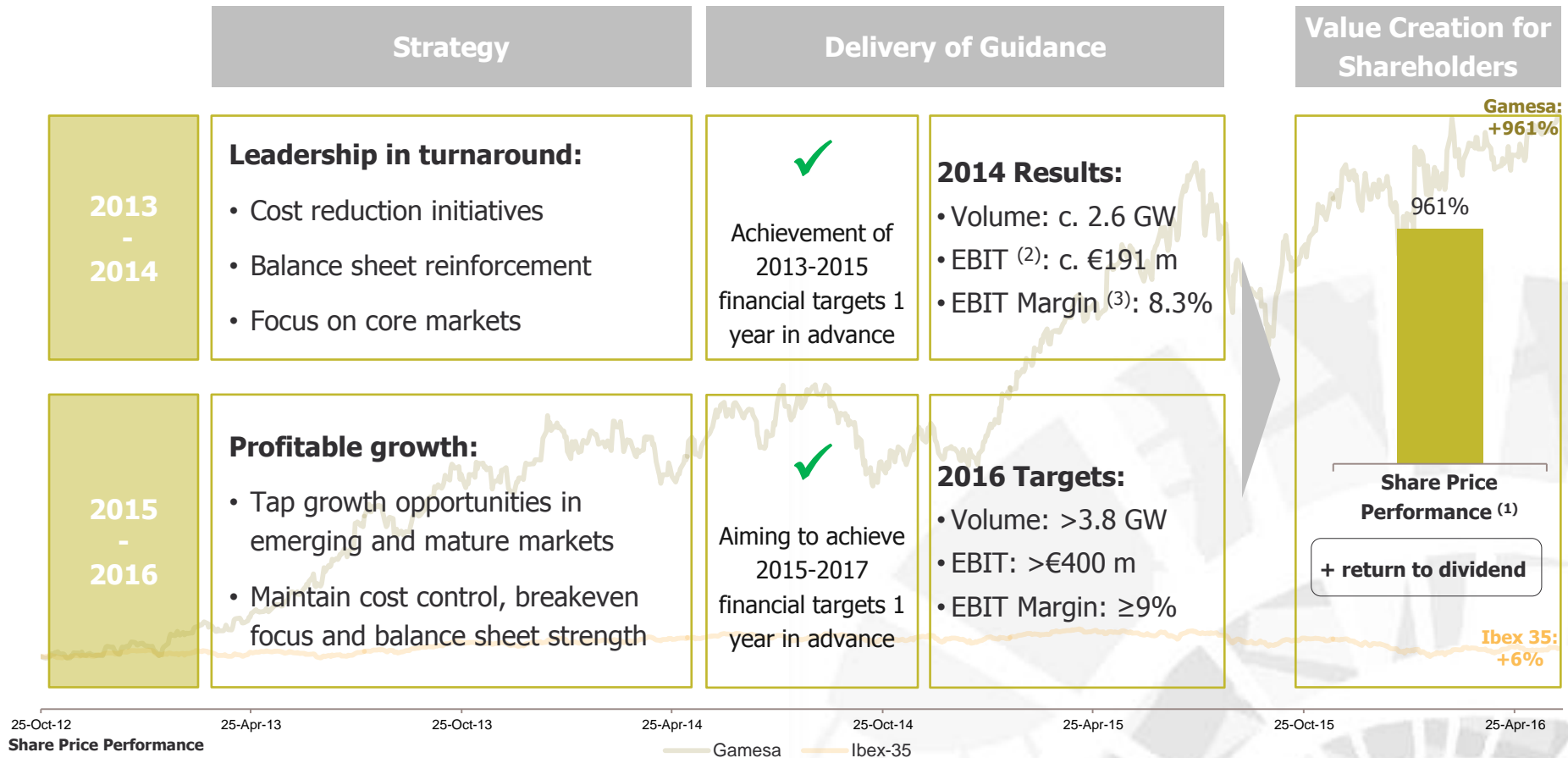
- 1. Introduction**
 - 2. Companies Overview**
 - 3. Transaction Rationale**
 - 4. Transaction Structure**
 - 5. Conclusion**
- Appendix**





1. Introduction

Gamesa: Focus on Value Creation through Profitable Growth and Cash Generation



Prepare Gamesa for beyond 2017

Today

Announcement of merger with Siemens Wind Power to create a sector leader

Note (1): Since the 2012 Capital Markets Day (25 October 2012) until 15 June 2016
 (2): Excluding non-recurring items
 (3): EBIT margin at October 2012 exchange rates

Superior Strategic and Financial Transaction Rationale

Key Transaction Highlights

Strategic

- Creation of a **leading WTG manufacturer in onshore and offshore with true global reach**
 - Complementary growth profiles
- **Diversified and complementary platforms de-risking the business profile**
 - Diversified business profile and geographical positioning
- **Complementary portfolios and operational and management strengths**
- **Combined business better positioned to create value for customers**
 - Enhanced comprehensive global product and service offering focused on LCoE optimization through technology and scale
- **Transaction structured to create value for all stakeholders** (shareholders, clients, employees, suppliers and communities)

Financial

- **€20.2 bn** total combined order **backlog**
- Combined pro-forma LTM Mar-16 **recurrent EBIT of €839 m** ⁽¹⁾
- **~€230 m** cost and revenue annual pre-tax run-rate **synergies** expected by year 4. More than 50% in year 2
- Financial **support from Siemens Group**
- **EPS accretive** for Gamesa shareholders from year 1 ⁽²⁾
- **Sound capital structure** preserved

Note (1): Recurrent EBIT excluding synergies. €347 m for Gamesa and €492 m normalized standalone EBIT scope for Siemens (explained in slide 32)

(2): Including stock and cash terms. Excluding synergies and impacts from purchase accounting

Highly Attractive Friendly Transaction

Key Transaction Highlights

Transaction Structure and Key Terms

- Transaction structure: **Merger**
- Ownership in new company: **Siemens 59% and Gamesa shareholders 41%** ⁽¹⁾
- Additional cash payment: €3.75 / share to Gamesa shareholders** ⁽²⁾
 - 26% of Gamesa's unaffected ⁽³⁾ share price
 - 25% of Gamesa's L3M VWAP until unaffected date ⁽³⁾
- Global headquarters** and public **listing in Spain**
- Onshore** headquarters in **Spain** and **offshore** headquarters in **Germany / Denmark**

Approvals & Timing

- Iberdrola supportive** of proposed transaction
 - Agreement signed between Iberdrola and Siemens
- Transaction subject to the following conditions: **Approval by Gamesa shareholders, mandatory tender offer exemption by CNMV and antitrust authorities approval**
 - Binding agreements reached with Areva waive non-compete/exclusivity restrictions in Adwen
- Expected closing Q1 2017**

Note (1): Iberdrola maintains its equivalent stake of 8.1% in combined entity

(2): As part of the merger, Siemens will make a cash payment of €3.75 per share to Gamesa. Extraordinary dividend to be paid to Gamesa shareholders post merger effectiveness (excluding Siemens) will amount to €3.75 less any ordinary dividends paid between signing of the agreements and completion of the merger to Gamesa's shareholders

(3): As of 28 January 2016

Sound Anchor Shareholder Base Post Transaction

Siemens

- Largest European industrial company
- New Gamesa as platform for wind power activities
- Acts as a strategic partner to the combined business globally
- Continues to provide support for offshore financing
- Key component supplier

Wind Power will remain a fully consolidated business of Siemens' energy portfolio

**Gamesa
+
Siemens
Wind Power**

Iberdrola

- Largest European utility by market capitalisation
- Current world leader in renewable energies
- Further investments in renewables, a core strategic pillar
- Long lasting shareholder of Gamesa
- Key customer of Gamesa and Siemens Wind Power

Continued commitment as shareholder and key customer



2. Companies Overview

Creation of an Operational and Financial Sector Champion

	Gamesa Ending March 2016	Siemens Wind Power Ending March 2016	Pro Forma Entity (Exl. Synergies & Transaction adjustments)
Backlog (WTG and O&M) ⁽¹⁾	€5.4 bn	€14.8 bn	€20.2 bn
LTM Revenues ⁽²⁾	€3.7 bn	€5.5 bn	€9.3 bn
LTM recurrent EBIT ⁽²⁾	€347 m	€492 m ⁽³⁾	€839 m ⁽³⁾
LTM recurrent EBIT Margin ⁽²⁾	9.2%	8.9% ⁽³⁾	9.1% ⁽³⁾
Net Cash Position ⁽¹⁾	€194 m	N.A.	Cash positive
Accumulated Installed Base ⁽¹⁾	35 GW	34 GW	69 GW
LTM GW Installed ⁽²⁾	3.3 GW	5.9 GW ⁽⁴⁾	9.2 GW
GW Under O&M ⁽¹⁾	22.3 GW ⁽⁵⁾	24.6 GW ⁽⁵⁾	46.9 GW

Note (1): As at 31 March 2016

(2): LTM Mar -16

(3): Based on recurrent EBIT. Normalized standalone EBIT scope for Siemens (explained on slide 32)

(4): Based on completed projects LTM Mar -16

(5): Including warranty

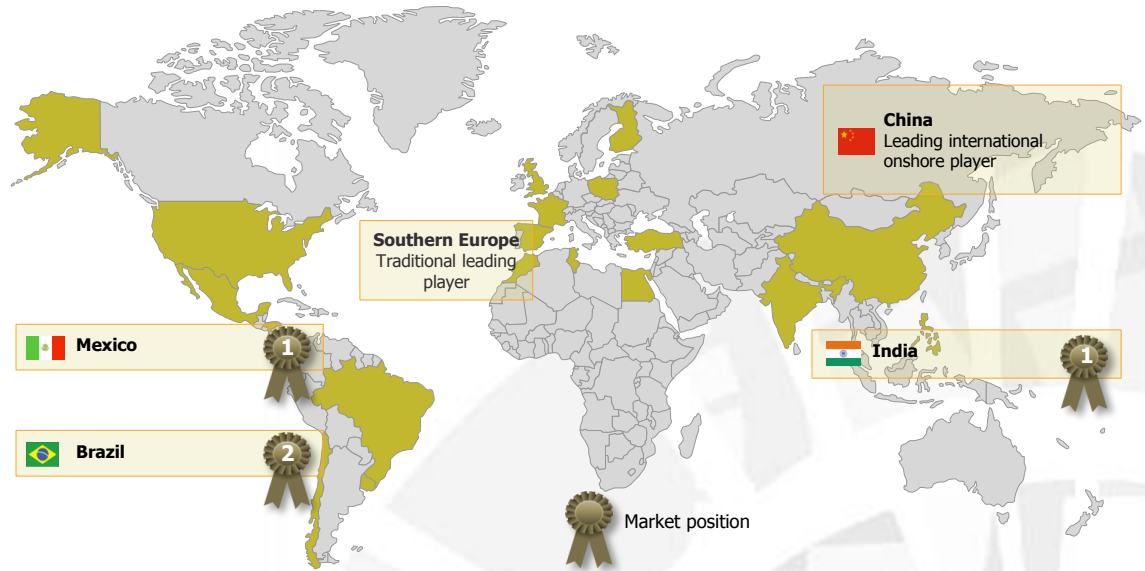
Gamesa among Onshore Leaders Strongly Positioned in Attractive Emerging Markets

Business Overview

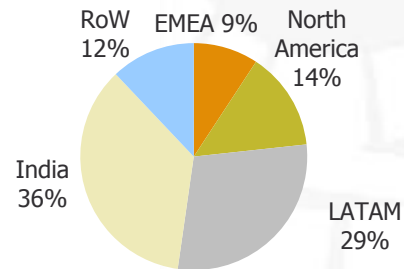
- Headquartered in Spain
- 21 years of experience in wind turbine's operation and maintenance services
- Manufacturing facilities for key components in Spain, China, India and Brazil
- ~ 35 GW installed
- 22.3 GW under service
- Lean and best-in-class operational management practices. Focus on break-even point control and profitable growth

Regional Footprint (1)

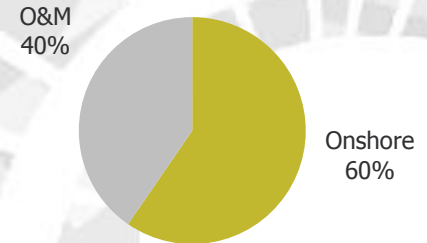
#4 onshore wind turbine manufacturer by 2015 installations



Order Intake by Region (LTM Mar-16)



Backlog by Business Unit (Mar-16)



Source MAKE and company information

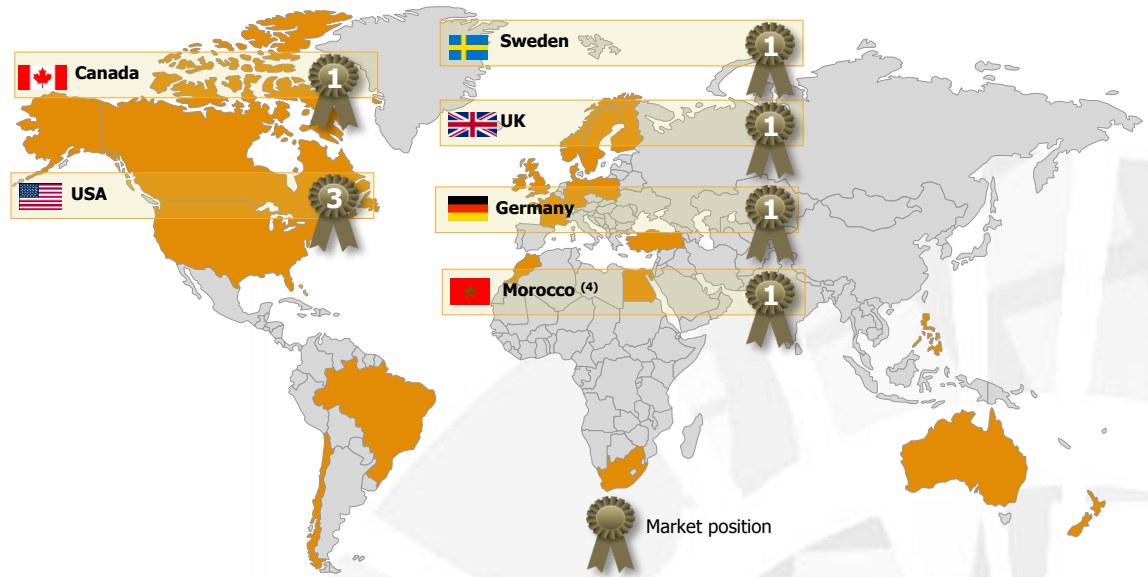
Siemens Wind Power as a Leading Player both in Onshore and Offshore

Business Overview

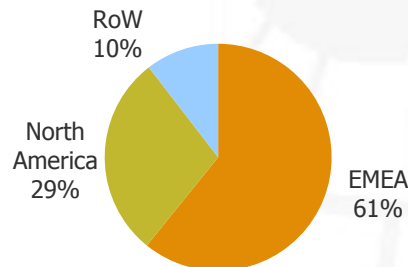
- Siemens Wind Power ⁽²⁾ is a division of Siemens
- Headquartered in Germany / Denmark
- 35 years of wind experience ⁽³⁾
- Nacelles and blades manufacturing facilities in Canada, China, Denmark and USA
- ~34 GW installed
- 24.6 GW under service:
 - Thereof onshore: 17.8 GW
 - Thereof offshore: 6.8 GW
- Global reach and best-in-class O&M platform

Regional Footprint ⁽¹⁾

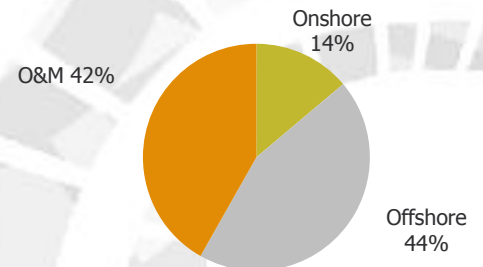
#4 WTG global player and leader in offshore by 2015 installations



Order Intake by Region (LTM Mar-16)



Backlog by Business Unit (Mar-16)



Source MAKE and company information

Note (1): Market position data based on onshore and offshore in 2015 (net additions in MW)

(2): Siemens Wind Power and Renewables businesses not related with wind turbine manufacturing excluded from transaction: Hydro, stake in A2Sea and Gwynt y Môr windfarm

(3): Including Bonus, which was acquired in 2004

(4): Market position in 2014. No MWs were installed in 2015



3. Transaction Rationale

Transaction Rationale



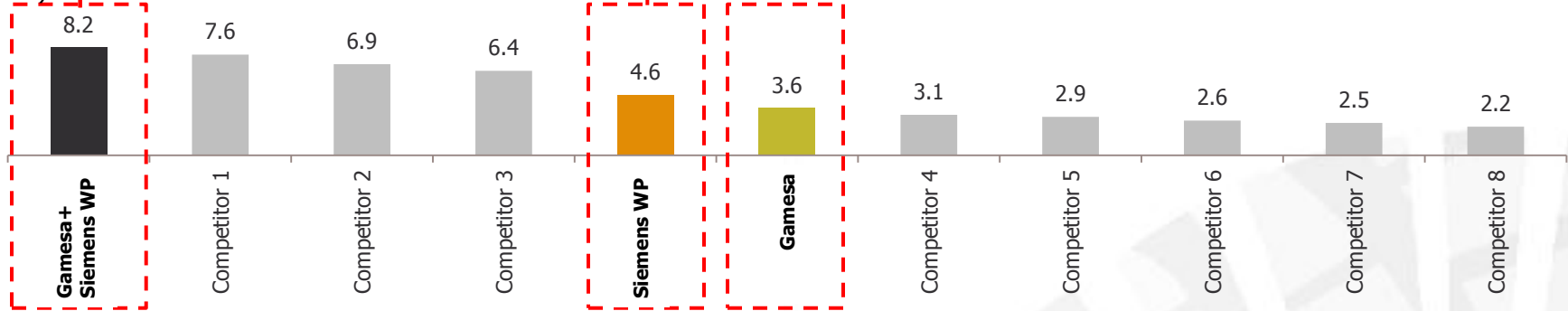
- ✓ Strong synergy potential with complementary operational and management strengths driving up margins and de-risking business profile
- ✓ Significant value creation to stakeholders (shareholders, clients, employees, suppliers and communities)

1 Creating a Leading Wind Turbine Manufacturer Globally to Add Value to Clients

Global Net Capacity Installed

2015A, Based on Net Additions

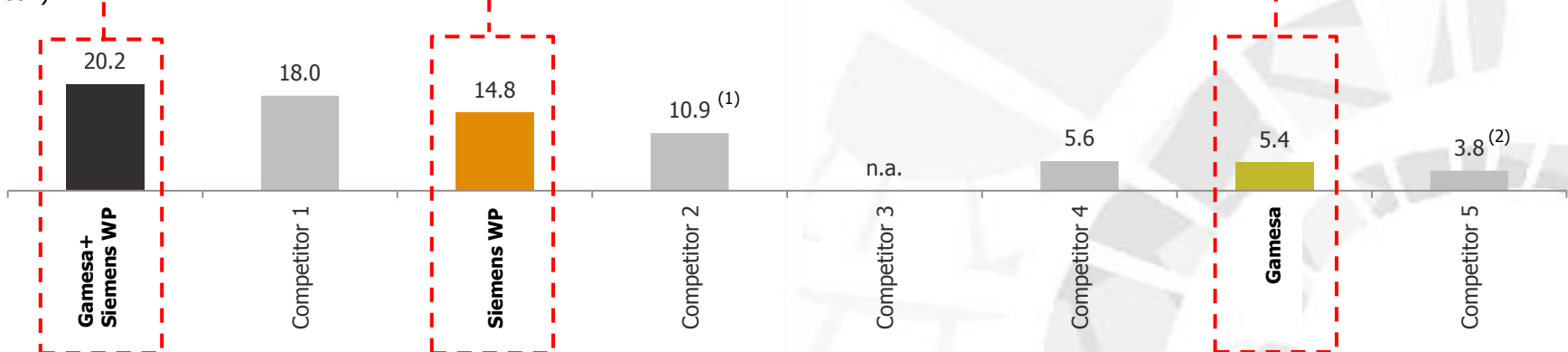
(GW)



Reported Backlog (excl. Chinese Players)

March 2016

(€bn)



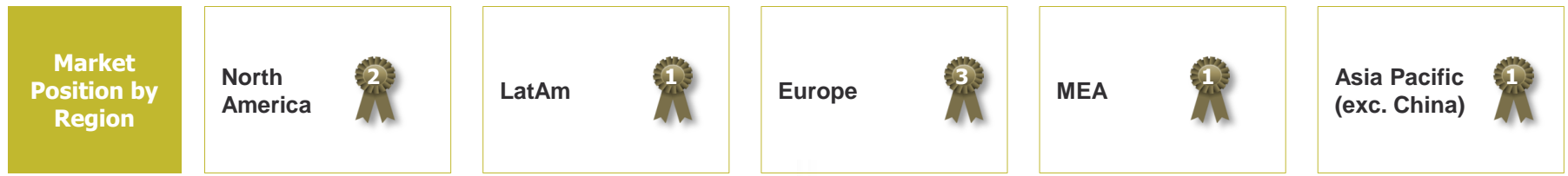
Source MAKE and company information for reported backlog

Note (1): Renewable Energy Division included and considering FX as of 31 March 2016

(2): As of December 2015

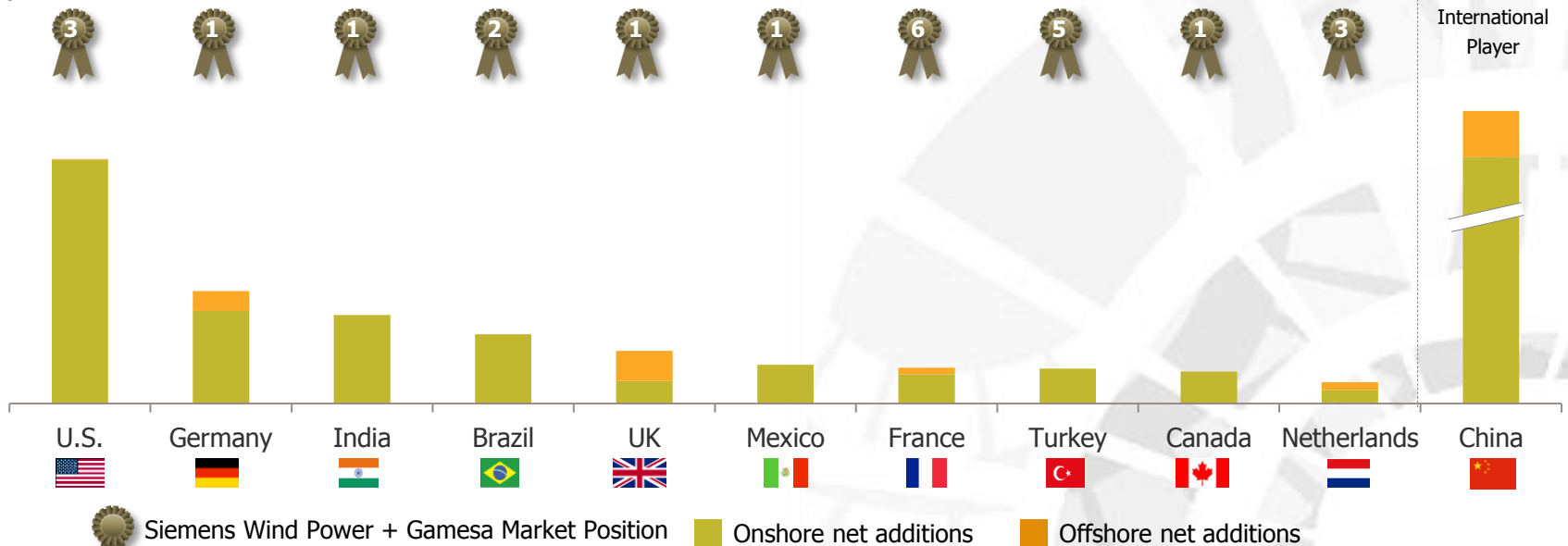
1 Creating a Leading Wind Turbine Manufacturer Globally to Add Value to Clients (cont'd)

Diversified Strong Position Across Different Regions (1)



Through Domestic Leading Positions in Key Wind Markets

Top 10 Markets by Total Cumulative Net Additions, 2016-2020E (2)
(GW)



A Leading International Player

Source MAKE

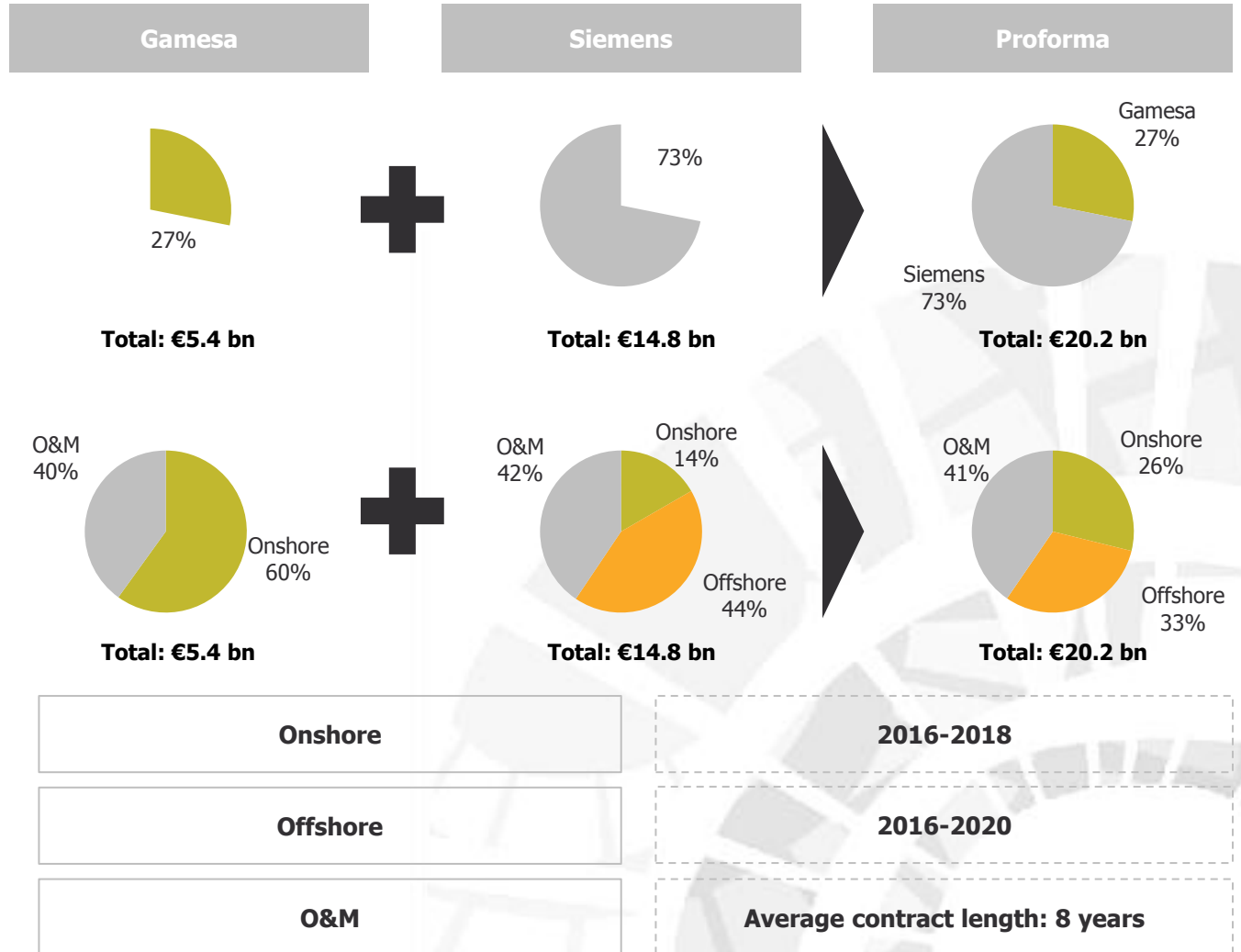
Note (1): Siemens + Gamesa market position data based on onshore and offshore installations in 2014 and 2015
(2): Siemens + Gamesa market position data based on 2015 installations. Source 2016-2020E additions: MAKE

1 Creating a Leading Wind Turbine Manufacturer Globally to Add Value to Clients (cont'd)

Best-in-class Backlog

Providing strong Revenue Potential and Visibility

Backlog Revenue Conversion: Complementary Profiles



2 Leading Complementary Growth Profiles



- ✓ Leading position of Gamesa in key growth Emerging Markets
- ✓ Ability to benefit from Siemens foothold in Developed Markets to increase market share

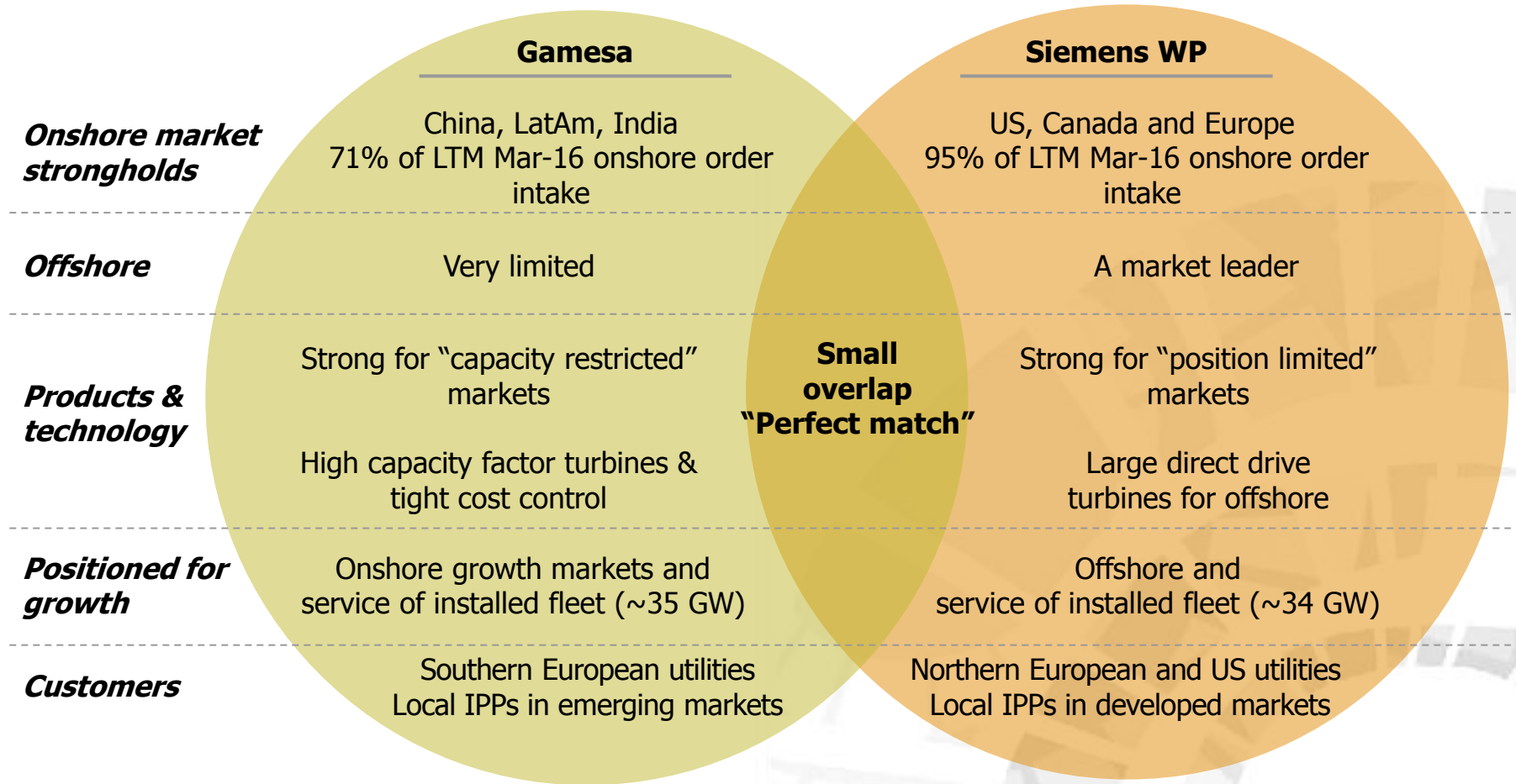


- ✓ Leading market position of Siemens in the segment with better growth prospects
- ✓ Pole-positioning to benefit from attractive prospects of Asian markets

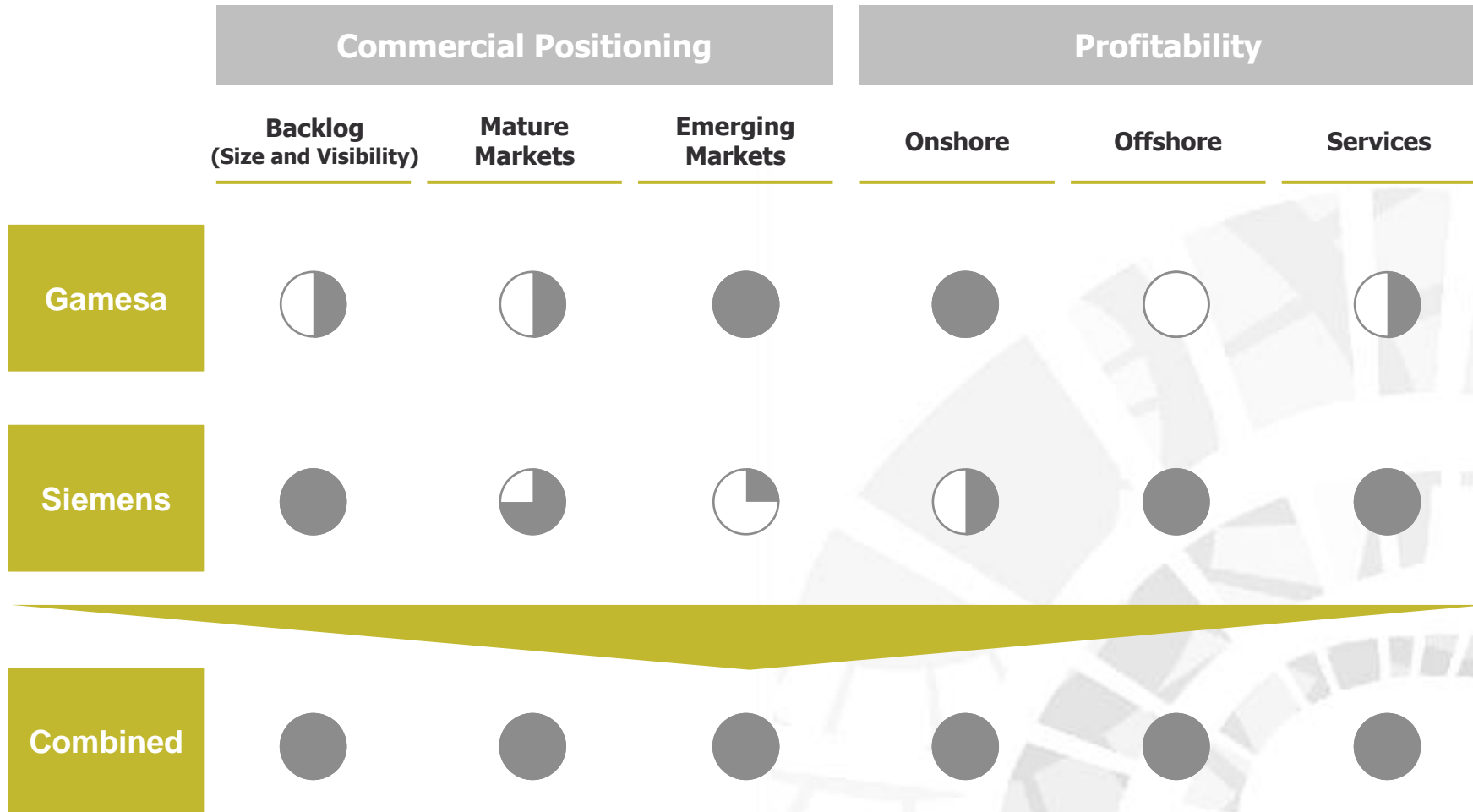


- ✓ Second largest installed base in the world benefiting from long-term contracts
- ✓ Combined installed base providing value added growth opportunities

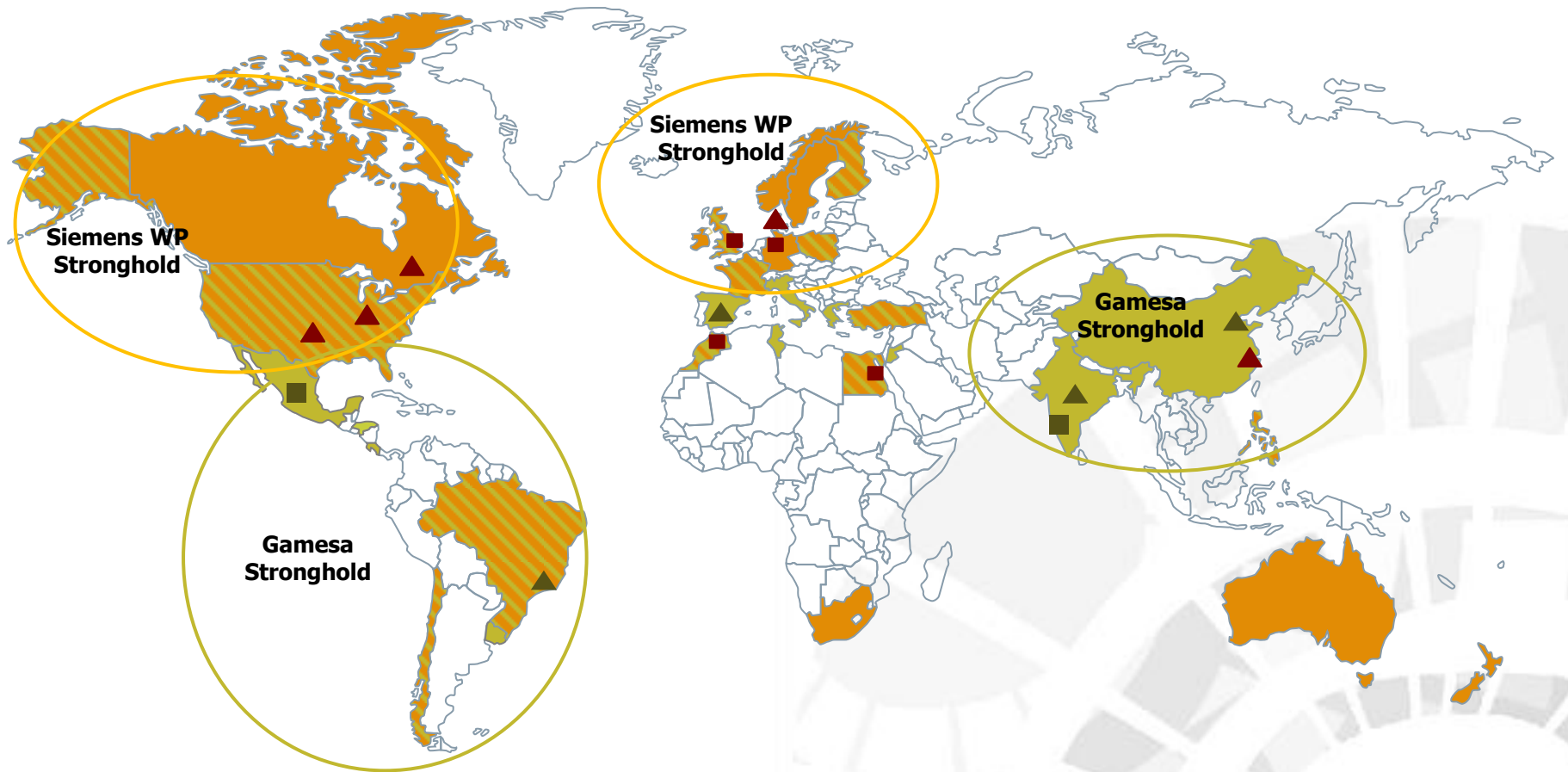
3 Highly Complementary Platforms with Full Market Access



3 Highly Complementary Operational and Management Strengths



4 Diversified, Balanced and Complementary Geographical Footprint



Gamesa key market

Siemens Wind Power key market

Market served by both

▲ Siemens Wind Power existing factory

▲ Gamesa existing factory

■ Siemens Wind Power factory under construction

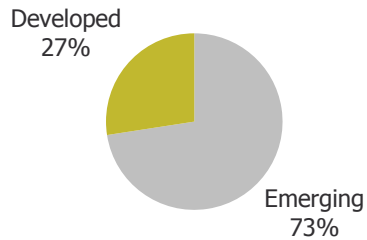
■ Gamesa factory under construction

Source MAKE

4 Diversified, Balanced and Complementary Geographical Footprint (cont'd)

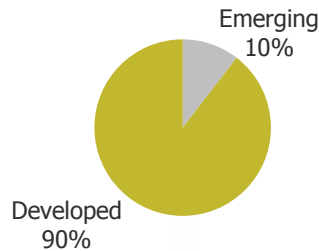
Order Intake Geographic Breakdown (LTM Mar-16)

Gamesa



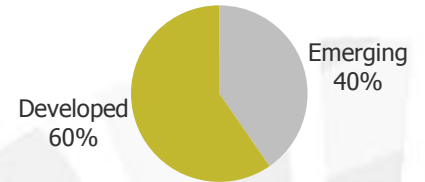
Total: 4,097 MW

Siemens Wind Power



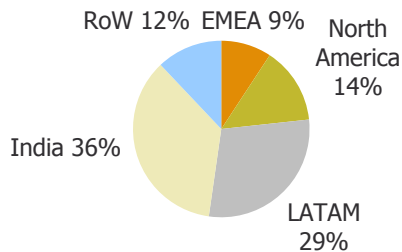
Total: 4,410 MW

Proforma



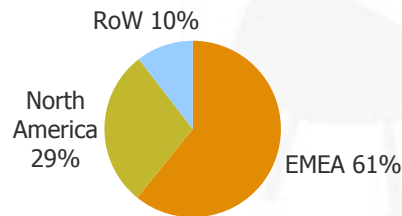
Total: 8,507 MW

Gamesa



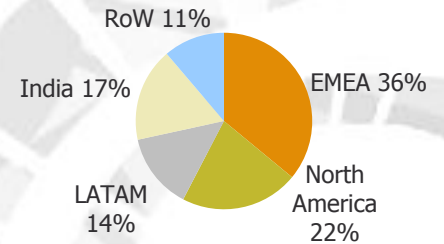
Total: 4,097 MW

Siemens Wind Power



Total: 4,410 MW





Proforma



Total: 8,507 MW

Source Company information

5 Full Range Product Portfolio to Offer Best-in-Class LCoE to Clients

			Turbines with Existing Firm Orders			
			Siemens Wind Power	Gamesa		
Onshore <i>Mainstream</i>	Position limited product	High wind	 D3 SWT-3.3-130			
		Medium wind				
		Low wind				
	Capacity restricted product	High wind	G2	 2.0 + 2.5 G114-2.0 MW		
		Medium wind				
		Low wind				
Offshore		 G4 + D7 SWT-7.0-154	5.0 ⁽¹⁾			
			Siemens platform	Gamesa platform	Adwen platform	 Industry Awards 2014 / 2015 "Wind Power Monthly"

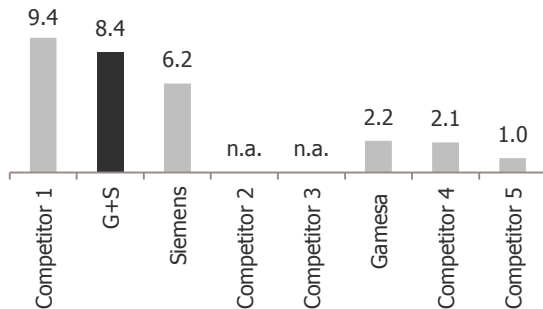
Comprehensive product portfolio

- Award-winning product offering
- Competitive Geared and Direct Drive technologies
- Cover all wind classes
- Address all key market segments
- Meet diversified customer requirements

6 Service Business with Scale, Global Reach and a Comprehensive Offering Portfolio for Clients

Significant Scale ⁽¹⁾

Backlog as of March 2016, €bn



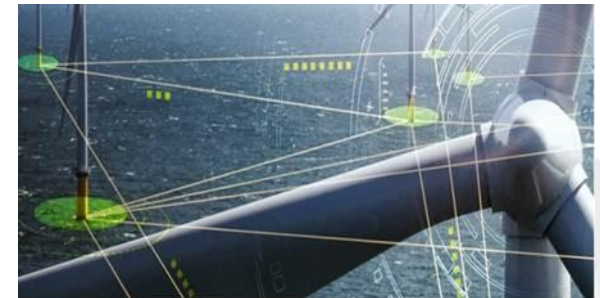
- Benefit from the 2nd largest installed base worldwide
 - » Combined installed base: 69 GW
 - » Fleet under O&M: 47 GW
- Combined service backlog of ~€8.4 bn
- Global service and repair network with c. 5,500 employees

Powerful Combination



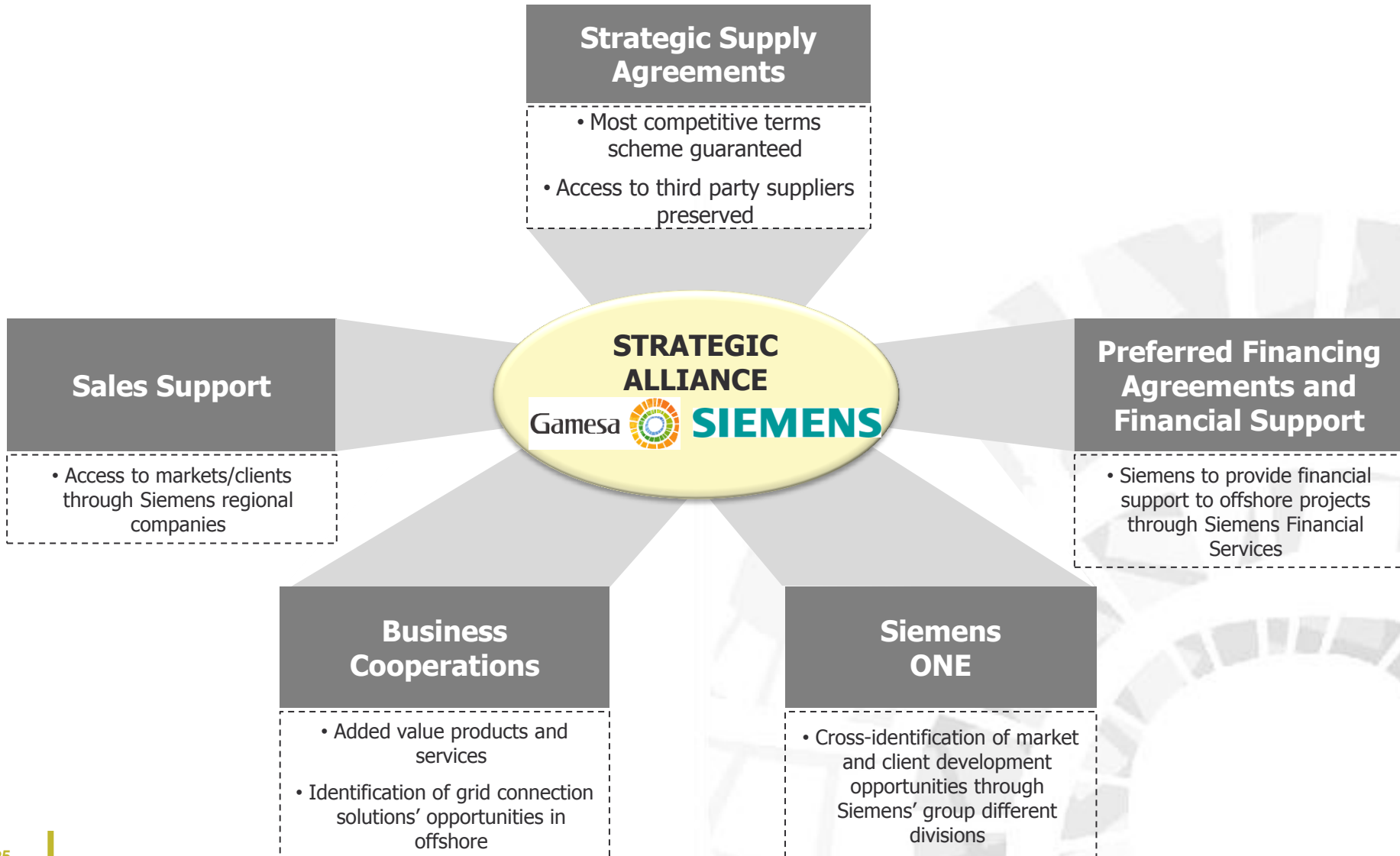
- Combined platform to benefit from scale effects
- Benefit from best-practice sharing
- Utilisation of product enhancements for clients
- Significant synergies through:
 - » Global offering to clients
 - » Consolidation of supply base
 - » Higher utilisation of field service
 - » Potential recovery of MWs lost

Advanced Portfolio



- Adaptive service portfolio tailored to various operating models of clients
- Continuous operational enhancement improving fleet performance beyond 'as built'
- Advanced diagnostics and digitalisation capabilities
- Customized offshore offering including specialized naval solutions

7 Strategic Agreements with Siemens to Explore Differential Value Enhancing Initiatives

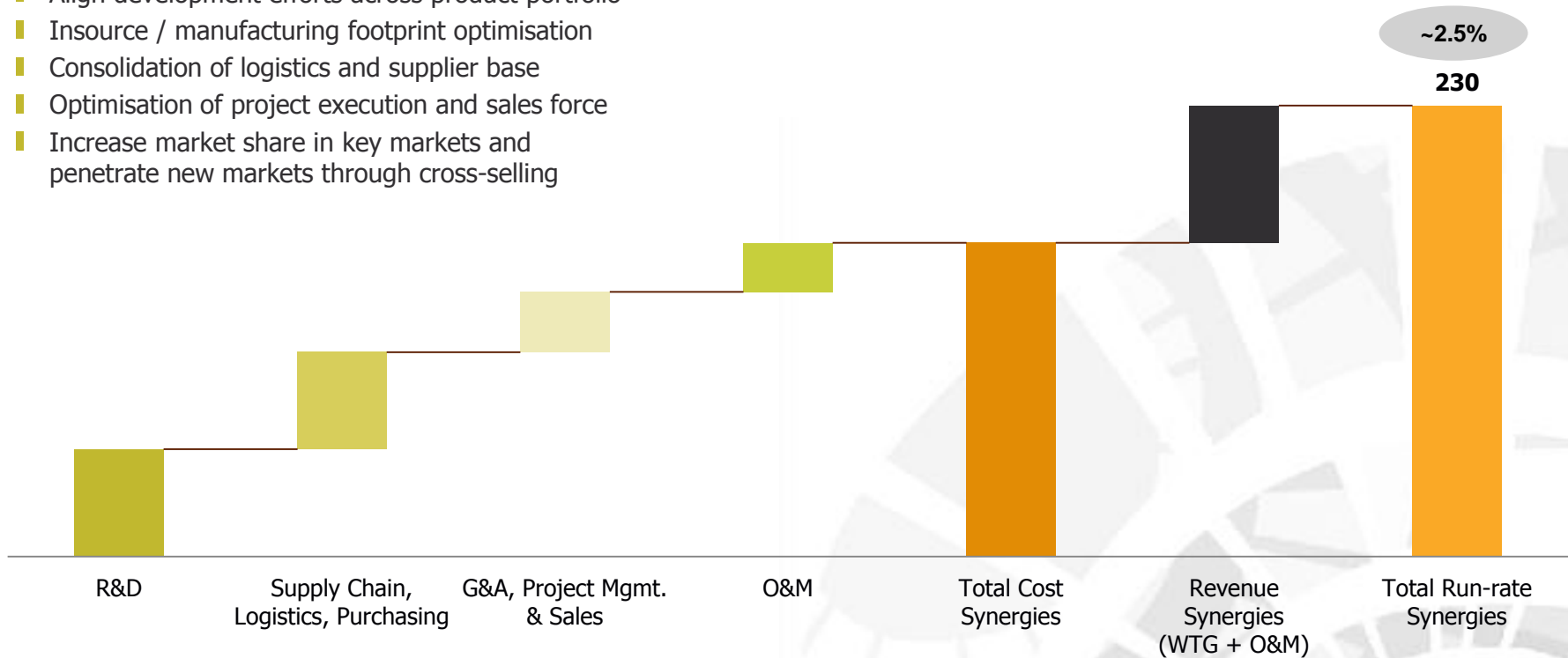


Significant Value Creation through Synergies

Key Measures

- Align development efforts across product portfolio
- Insource / manufacturing footprint optimisation
- Consolidation of logistics and supplier base
- Optimisation of project execution and sales force
- Increase market share in key markets and penetrate new markets through cross-selling

Annual Synergies pre-tax (€m)



of LTM Mar-16 sales

Note: Column size only for illustrative purposes

Full Synergy Potential to be Achieved by Year 4, More Than 50% by Year 2



4. Transaction Structure

Transaction Summary

Structure

- Merger of Gamesa and Siemens Wind Power
- Siemens Wind Power activities to be carved out into Spanish NewCo, which will be merged with Gamesa in exchange for new Gamesa shares
- Combined entity based and listed in Spain

Valuation

- Ownership post merger: 59% Siemens, 41% former Gamesa shareholders
 - » 59% / 41% exchange ratio calculated on a debt and cash-free basis
 - » Closing adjustment: Siemens to contribute additional cash / shareholder loan to preserve 59% / 41% valuation at equity value, based on Gamesa net cash /debt as at 31 December 2016 (and working capital position of both companies)
- Cash payment to Gamesa shareholders of €3.75 / share ⁽¹⁾, funded by Siemens, representing 26% of Gamesa's unaffected ⁽²⁾ share price
 - » Payment within 12 business days from merger completion
- Value creation from substantial and tangible synergies (run-rate of ~€230 m p.a.)

Friendly Transaction

- Transaction agreed between Gamesa and Siemens
- Iberdrola supportive of transaction
 - » Agreement signed between Iberdrola and Siemens

Note (1): As part of the merger, Siemens will make a cash payment of €3.75 per share to Gamesa. Extraordinary dividend to be paid to Gamesa shareholders post merger effectiveness (excluding Siemens) will amount to €3.75 less any ordinary dividends paid between signing of the agreements and completion of the merger to Gamesa's shareholders
(2) : As of 28 January 2016

Transaction Summary (cont'd)

Board Composition

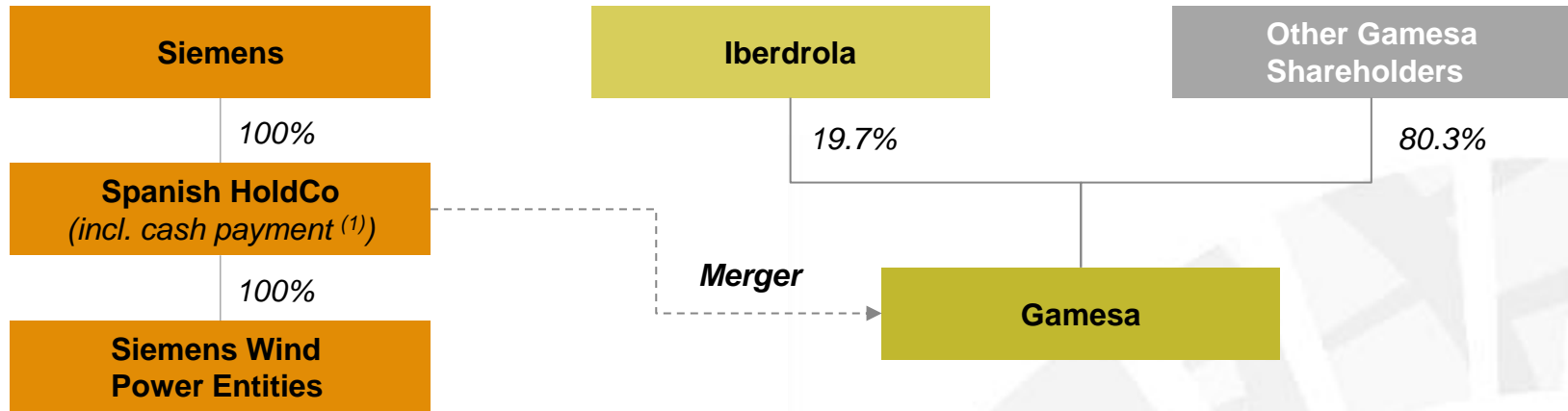
- Board of Directors composed of 13 members: 5 appointed by Siemens (including Chairman), 2 by Iberdrola, 4 independent and 2 executive (the CEO and the Secretary of the Board of Directors)
 - Related transactions subject to the supervision of an independent committee (Audit Committee)

Conditions to Closing & Timing

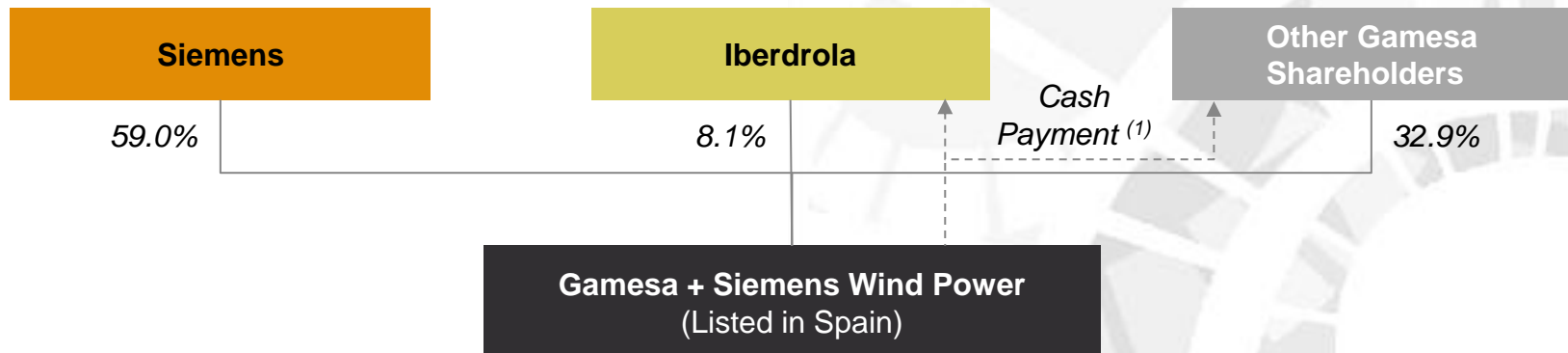
- Conditions:
 - Approval of the transaction and the extraordinary dividend by Gamesa shareholders
 - Approval by antitrust authorities
 - Mandatory tender offer exemption by CNMV
- Binding agreements reached with Areva waive non-compete/exclusivity restrictions in Adwen
- Expected closing Q1 2017

Transaction Structure

Current Structure (as Envisaged Post Carve-out)



Post Transaction Structure



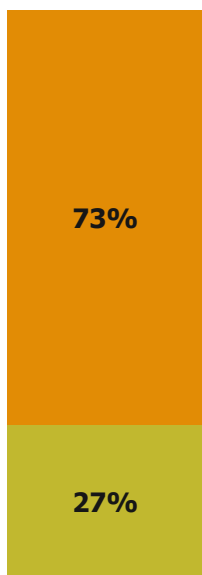
Note (1): As part of the merger, Siemens will make a cash payment of €3.75 per share to Gamesa. Extraordinary dividend to be paid to Gamesa shareholders post merger effectiveness (excluding Siemens) will amount to €3.75 less any ordinary dividends paid between signing of the agreements and completion of the merger to Gamesa's shareholders

Relative Valuation Considerations

Siemens to Own 59% of the Combined Company. Gamesa Shareholders to Own 41% of the Combined Company ⁽¹⁾

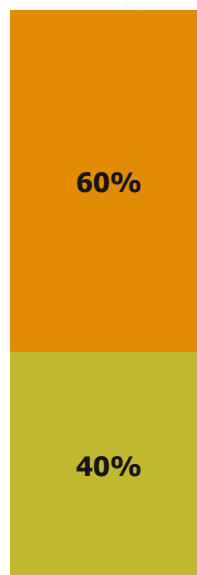
Order Backlog
(Mar-16)

Total: €20.2 bn



2016 Sales
(LTM Mar-16)

Total: €9.3 bn



2016 Recurring EBIT ⁽³⁾
(LTM Mar-16)

Total: €839 m



■ Gamesa ■ Siemens Wind Power

Cash payment of €3.75 per share to be paid to Gamesa shareholders ⁽¹⁾⁽²⁾

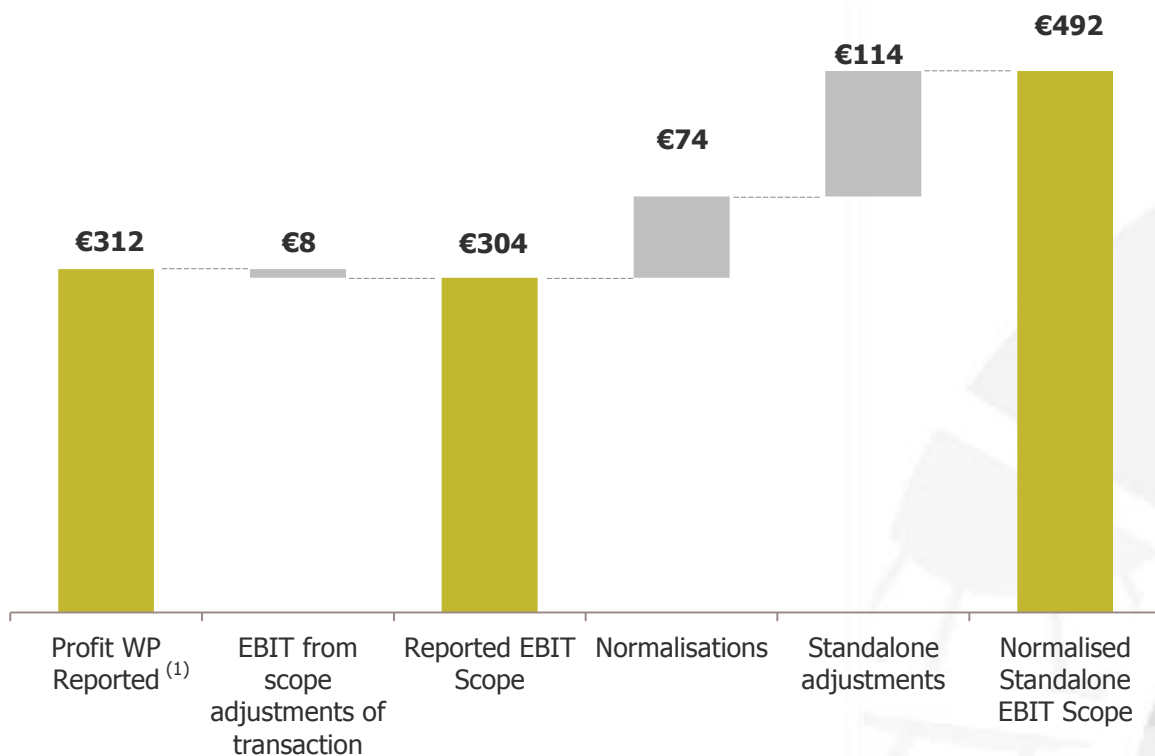
Note (1): Fairness opinion on the consideration being fair provided by Morgan Stanley
 (2): As part of the merger, Siemens will make a cash payment of €3.75 per share to Gamesa. Extraordinary dividend to be paid to Gamesa shareholders post merger effectiveness (excluding Siemens) will amount to €3.75 less any ordinary dividends paid between signing of the agreements and completion of the merger to Gamesa's shareholders
 (3): Based on recurrent EBIT. Normalized standalone EBIT scope for Siemens (explained in slide 32)

Relative Valuation Considerations – Siemens Wind Power Normalised EBIT Post Carve-out

Bridge from Reported EBIT to Normalised EBIT Post carve-out (LTM Mar-16) ⁽²⁾

Margin:
5.6%

Margin:
8.9%



Scope adjustments

- Hydro, A2Sea and Gwynt y Môr not included in perimeter

Normalisation

- Elimination of one-time impacts mainly related to segments
- Stringent measures implemented to fix these issues

Standalone adjustments

- Certain carve-out and pro-forma adjustments resulting from separation of Siemens Wind Power

Note (1): Profit as of LTM Mar -16
(2): Analysis revised and validated by third party expert

Siemens Wind Power Normalised EBIT Post Carve-out: Normalisation Adjustments

EBIT Normalisations (€m)	LTM Mar-16
EBIT, as reported Scope	304
1 Blade Quality	-
2 Main Bearings	79
3 Segments	
Other	(5)
Normalisations	74
Therein: Onshore	~30%
Therein: Offshore	~70%
EBIT, normalised	378

Concepts / Agreements

- Product issues exceptional in nature
- Funded estimated provision of c. €250 m as of March 2017 (covering current best estimate of potential cash out from quality issues)
- An additional indemnity of €250 m by Siemens for potential additional expenses relating to the three identified one-off quality items that resulted in losses in 2014 and 2015

Siemens Wind Power Normalised EBIT Post Carve-out: Standalone Adjustments Mar-16

Key Categories	Description
SG&A	<ul style="list-style-type: none">Leaner setup suited to a single business line vs. existing structureCorporate requirements for Siemens Global support for standardised transactional activities
IT (non-SG&A)	<ul style="list-style-type: none">Reductions mainly on overall IT governance from the group and discontinuation of support for unused business applications
Real Estate (non-SG&A)	<ul style="list-style-type: none">Certain land and building owned by Siemens Group's real estate unitIn the course of the transaction, the respective assets will be transferred to Siemens Wind Power

Total Standalone Savings of €114 m LTM Mar-16

Achievement of Standalone Savings (by Closing) Contractually Agreed

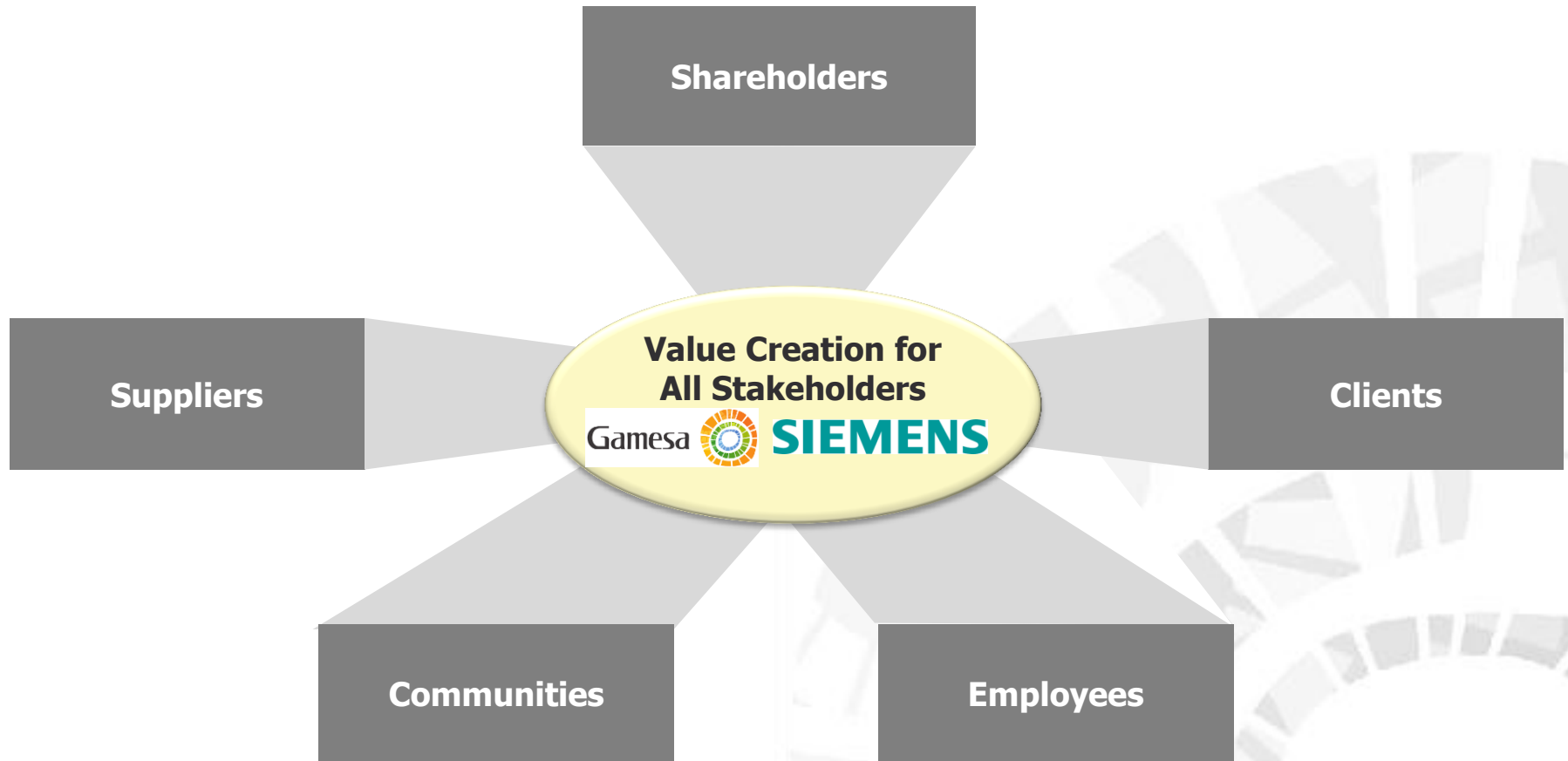
Indicative Timetable

Commencement of the Siemens Wind Power carve-out	Immediately after signing
General shareholder's meeting of Gamesa	Q3 2016
Carve-out completion	Q1 2017
Merger effectiveness	End of Q1 2017
Cash payment to Gamesa shareholders	12 business days after the Merger Effective Date



5. Conclusion

Gamesa Leading the Consolidation in the Wind OEM Sector to Create Value to Stakeholders





Appendix

Agreement with Areva Regarding Adwen

- Gamesa reached binding agreements with Areva related to Adwen on 17 June 2016
- Areva waived existing offshore exclusivity / non-compete and IP restrictions to Gamesa simplifying merger procedures with Siemens
- Gamesa granted Areva a put option for Areva's stake and a call option for Gamesa's stake in Adwen
 - Put / call option expiration: 3 months since 17 June 2016
- Areva allowed during the same period of 3 months to seek for alternative binding proposals for its stake in Adwen
 - Gamesa granted Areva drag-along rights for Gamesa's stake in case it decides to sell to a third party
- Alternatives available for Areva at its own discretion during the three month period:
 - Exercise any of the options granted by Gamesa; or
 - Sell its stake in Adwen to a third party; or
 - Maintain its stake in Adwen
- Binding agreements between Gamesa and Areva endorsed by Siemens

- ✓ **Allows Gamesa to carry-out offshore activities outside Adwen**
- ✓ **Allows to provide shareholder stability to Adwen and its stakeholders**

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