January-June 2010 Results

Profitability and financial soundness

July 29, 2010, Madrid

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Period highlights
Profitability and financial soundness

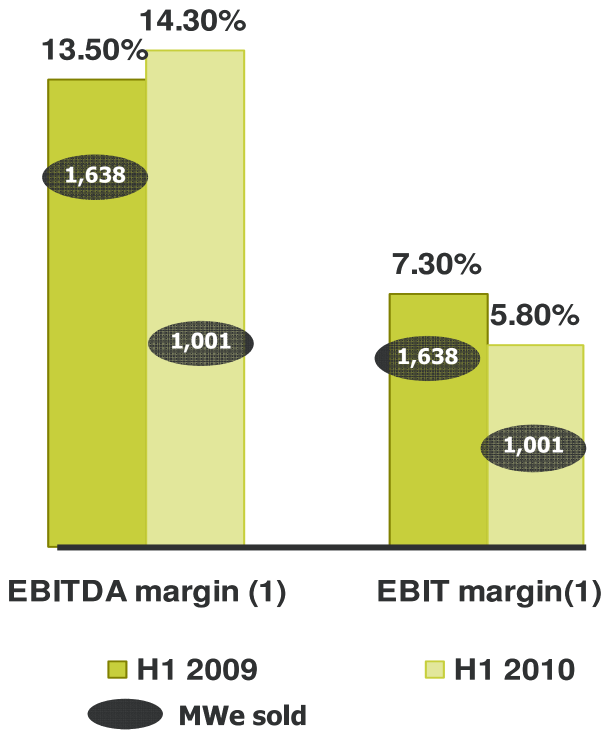
- **Profitability and financial soundness** in a difficult environment
  - **5.8% EBIT margin [1]** supported by strong cost performance
  - 1,001 MWe [1] sold reflect the macroeconomic weakness, regulatory changes and seasonality
  - **70% annual increase in O&M service sales** to EUR145MM in H1 2010 (+ 89% in Q2 2010 vs. Q2 2009)
  - **Group net debt of €345MM** (1.1x EBITDA)
- Q2 order flow (341MW) impacted by regulatory volatility in key markets
- **Regulatory announcements** in Southern Europe in Q3 suggest support for wind. **Order flow recovers in July**

(1) Wind Turbine Division

Period highlights

Ongoing cost optimisation

Strong margin performance supported by the cost optimisation plan

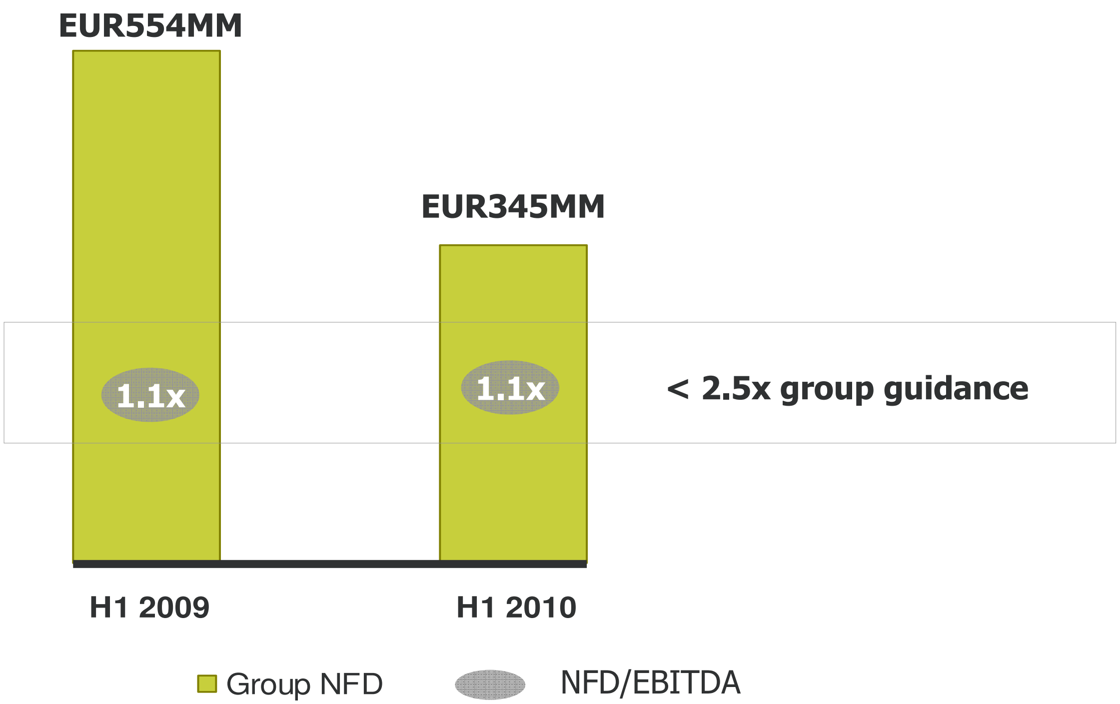


(1) Wind Turbine Division

- **EBITDA margin (1) increases 0.8 p.p**. to 14.3% on the back of strong cost reduction
  - **Over EUR80MM in cost savings in H1 2010**
- **EBIT margin (1) of 5.8% in line with guidance for H1** (c. 6%), down due to lower cost absorption on the back of lower activity levels

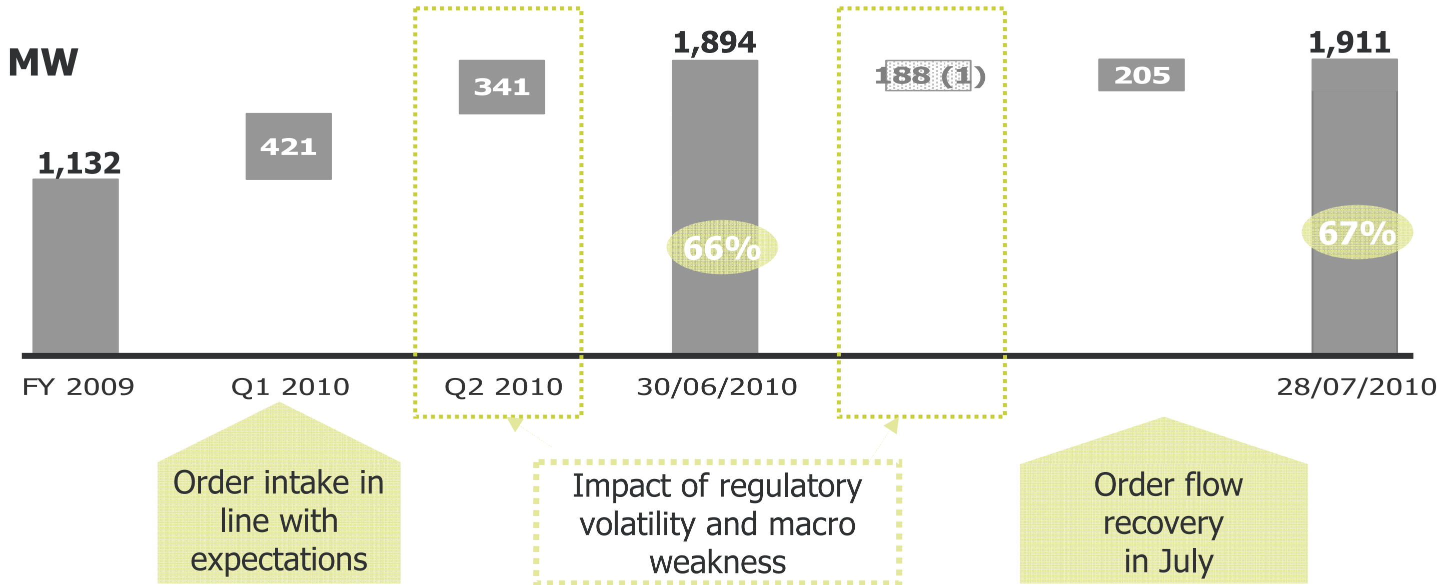
Period highlights
Solid balance sheet

NFD of EUR345MM, down c. EUR200MM year-on-year, on the back of our control of cash costs



Period highlights
Q2 order intake and sales coverage impacted by regulatory volatility

Regulatory uncertainty in key markets slowed down Q2 order intake and reduced our 2010 sales coverage



MW Order intake 2010 sales

% Order intake for 2010 sales o/ February 2010 volume guidance

(1) Delivery of 2010 order postponed due to failure to receive the RD661 tariff

Gamesa

Period highlights

Leading us to re-assess our WTG guidance for H2 2010

	H1 10	Guidance		FY 10 February guidance	FY 10 July guidance
MWe Sold	1,001	c. 35% s/2010	✓	2,700-3,000	2,400-2,500
EBIT Margin	5.8%		✓	6%-7%	4.5% -5.5%
WC/sales	24%		✓	c.20%	c.20%

- **H1 2010 delivery in line**
- **2010 sales coverage** impacted by
  - **Regulatory uncertainty in Southern Europe**
  - **2010 client order delivery postponed** after failing to obtain RD661 (1)

(1) No other Spanish orders pending to receive the RD661 tariff

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Wind Turbine Generator Division

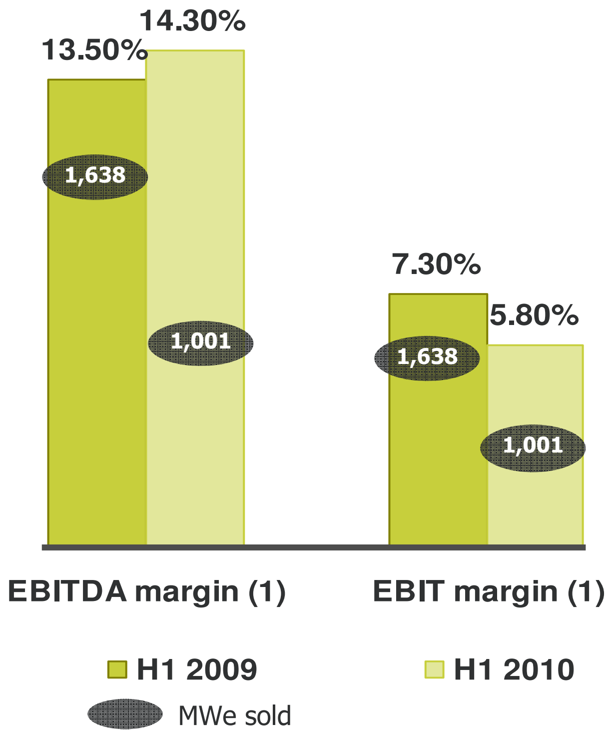
H1 2010 results and KPIs
Financial Statements – Wind Turbine Generators

EUR MM	H1 2009	H1 2010	Var. 10/09	Q2 10
Sales	1,615	963	-40%	512
MWe	1,638	1,001	-39%	533
EBITDA	218	138	-37%	68
EBITDA/Sales	13.5%	14.3%	+0.8p.p.	13.3%
EBIT	118	56	-53%	28
EBIT/Sales	7.3%	5.8%	-1.5p.p.	5.4%
Net Income	79	37	-53%	21
NI/Sales	4.9%	3.8%	-1.1p.p.	4.2%
NFD	261	254		
NFD/EBITDA	0.5x	0.7x	+0.2x	0.7x

Limited review

H1 2010 results and KPIs
Sustained profitability in a low activity environment

The cost improvement programme allows Gamesa to position the EBIT margin at 5.8% in a low activity context

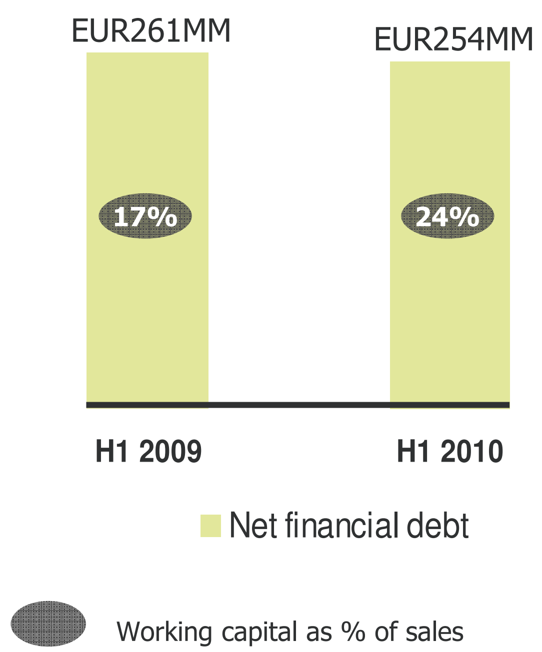


(1) Wind Turbine Division

- Strong cost reduction in H1 2010:
  - Ongoing optimisation of efficiency and productivity ratios
  - Lower logistic and component costs, flow optimization and reduction in construction time
- Warranty provisions stable at 3.5% show the robustness of Gamesa´s product platform and manufacturing processes
- Increasing contribution of O&M sales
- Gross margin improvement compensated by lower absorption of overheads and price declines

H1 2010 results and KPIs
Strong financial performance

Maintaining the leverage levels through working capital management and capex control during H1 10



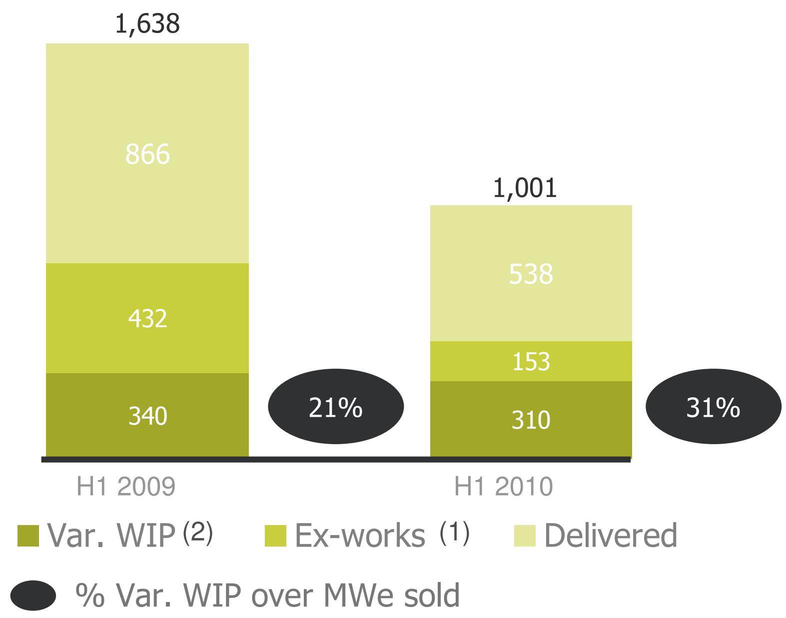
- Working capital stable year-on-year on absolute terms. Increased ratio over sales explained by
  - High seasonality in China mainly and USA
  - Lower prepayments.
- Compensated by better management of leadtimes in sourcing, manufacturing and construction
- Capex of EUR52MM in H1 2010

H1 2010 results and KPIs

WTG Key performance indicators

H1 2010 activity impacted by regulatory uncertainty in Spain and Italy, US seasonality and economic weakness in Europe

Evolution of MWe sold



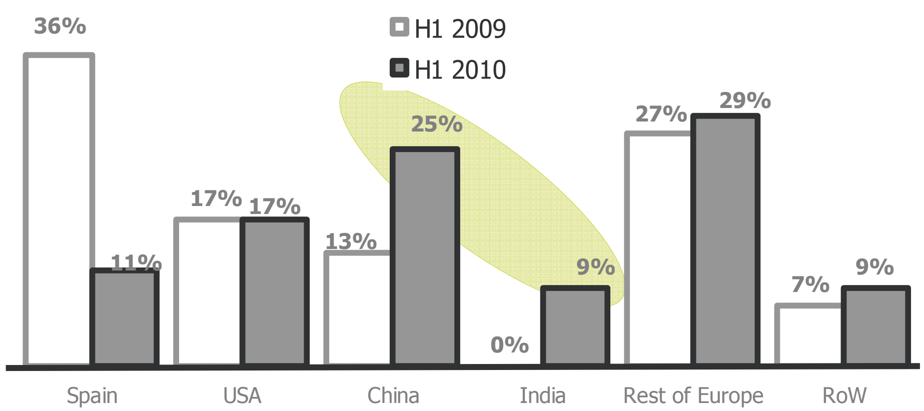
(1) Stock variation of invoiced finished products available for delivery
(2) Stock variation of non-invoiced finished products

- Increase in WIP in H1 2010 required to supply clients demands in H2 2010 in China, mainly, and US

WTG Key performance indicators

Moving abroad to compensate uncertainty in long-term prospects in Spain

Geographic mix (MWe sold)



- Combined contribution from China and India more than doubled to 34% in H1 2010
- The US market starts to show the upward trend expected for the full year 2010
- Strong decline in Spanish sales underline the impact of recent regulatory changes

Wind Farm Division

Gamesa

H1 2010 results and KPIs
Financial Statements – Wind Farms

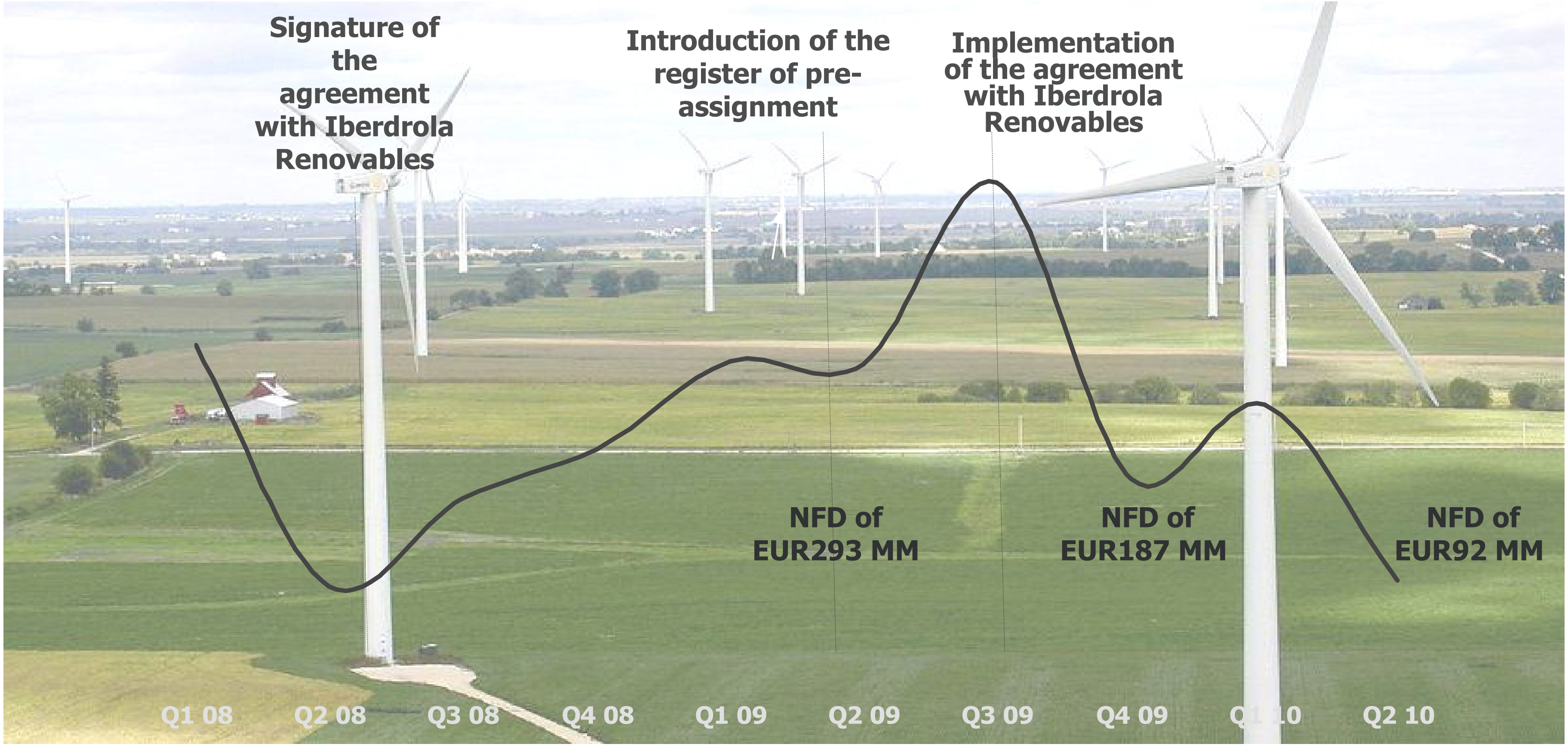
Period focused on the development of the existing pipeline, moving forward in the value realisation plan

EUR MM	H1 2009	H1 2010	Q2 2010
Sales	296	192	70
EBITDA	-17	-9	-3
EBIT	-21	-10	-4
NI	-15	-16	-7
NFD	293	92	92

Limited review

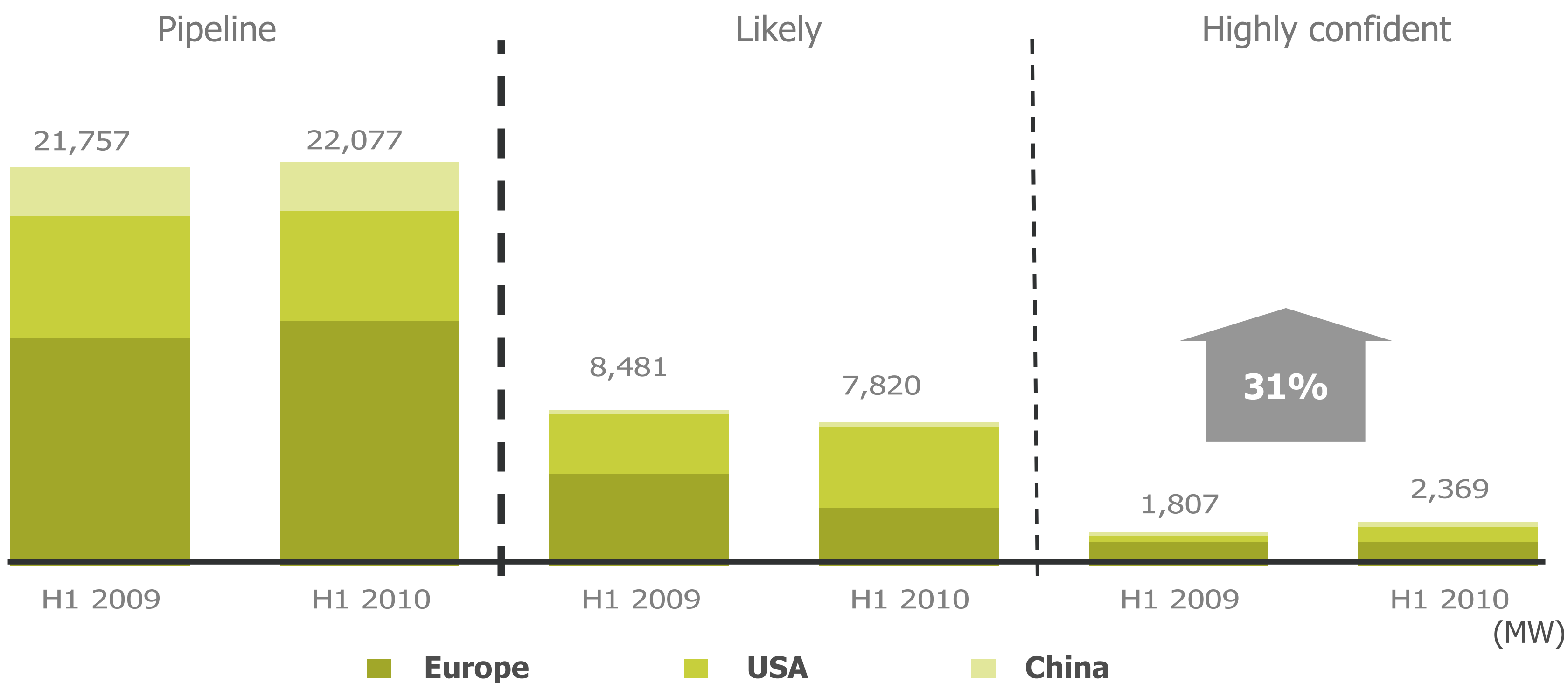
- Regulatory uncertainty in Europe during Q2 2010 had a negative impact on revenues.
- EBIT impacted by
  - Lower construction and sale activity in the US. Recovery in H2: construction of the first wind farm already started after 2 years
  - No margin recognition on commited windfarm sales pending RD661 approval and Chinese wind farm sales
- 376MW delivered since Q2 2009 and advanced payments for new wind farm sale agreements help reduce NFD by EUR200MM

H1 2010 Results and KPIs
Wind Farm NFD evolution



H1 2010 Results and KPIs
Pipeline development

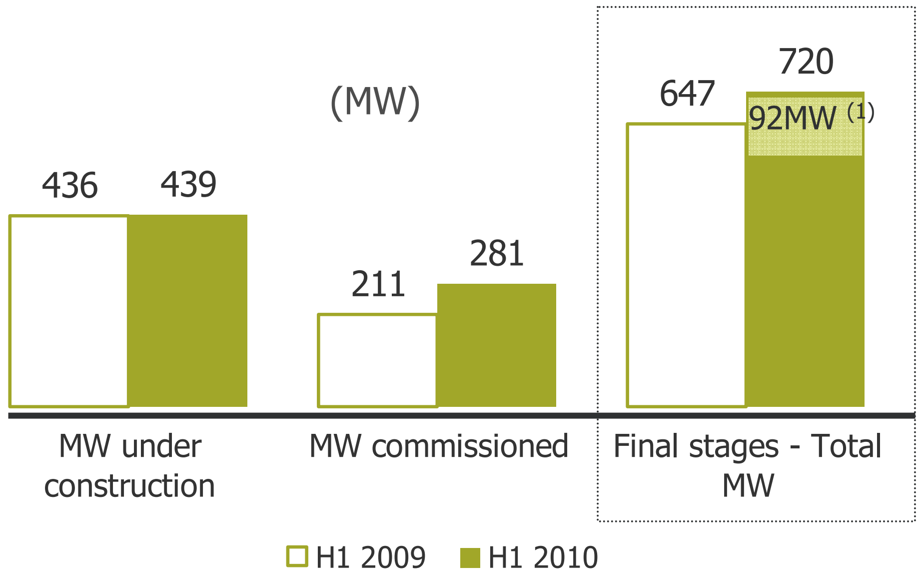
22,077 MW pipeline with significant progress in the last stages of development



H1 2010 Results and KPIs
Key Performance Indicators

c.720 MW in the last stages of construction after delivering 376MW in the last 12 months and 56MW in Q2 2010

Activity progress (2)



- Recovery of construction and sales in H2
  - 26MW sold in Italy to a new Italian customer
  - Sales being negotiated in France, Germany and Poland
  - Reactivation of the construction in the US and beginning in Greece

(1) Payment received in 92MW to be delivered in coming months

(2) Including JVs in China

Consolidated group

Resultados 1T 2010 e indicadores de actividad
Financial Statements – Consolidated group

EUR MM	H1 2009	H1 2010	Q2 2010
Sales	1,772	1,033	560
WTG	1,615	963	512
Wind Farms	296	192	70
Adjustments	(139)	(122)	(22)
EBIT	98	49	25
WTG	118	56	28
EBIT Margin	7.3%	5.8%	5.4%
Wind Farms	(21)	(10)	(4)
Adjustments	1	3	1
Net Income	65	22	15
NFD	554	345	345
NFD/EBITDA	1.1x	1.1x	1.1x
WTG	261	254	254
Wind Farms	293	92	92

Limited review

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Outlook
A time to build a stronger future

- Investing in markets with **long term growth prospects**
  - USA - Consolidation
  - China and India - Ongoing
- Advancing in our **product portfolio optimisation**
  - For low wind classes - G97
  - In multi-MW – G10X-4.5 MW
  - Offshore – G11* OFS
- Positive steps in the **development of our new commercial strategy,** entering new markets and building commercial relationships in new segments

Outlook
Consolidating our US franchise

- **In-house G90 capacity completed**
  - Negotiations with long term strategic partners to increase flexibility
- **Increasing workforce** (+100-200 by YE2010)
- US manufacturing hub to supply to neighbouring markets
  - Supply agreement with Cannon Power for Baja California
  - New order in Costa Rica and first sales agreement in Honduras

Outlook

Further investment in China

- **c. 1,000 additional MW in joint promotion agreements** signed in Q2 for 2011-2013 delivery**, back our investment plan in China**
  - **Total of 1, 850MW in joint promotion agreements at the end of Q2 2010**
- **Additional nacelle assembly capacity ready for 2011**
  - Jilin -500MW
  - Inner Mongolia -500MW
- **Strong ramp up of G8X-2 MW** manufacturing in Q2 2010

Outlook
Doubling capacity in India

- **Market with 2,000 MW expected annual installations in 2010-2015** (1)
- **c.10% market share in our first year** of full operation
- **Doubling capacity** (to 400MW) in 2011
- **Ongoing study** of the implementation **of the 2 MW** product platform

(1) Source: Emerging Energy Research June 2010

Outlook
G97-2 MW, top performance for low wind sites

- **More energy production than the current market leader** in the 2 MW [1] Class III
- C. 14% more energy production than the current G90-2 MW Class III
- **New aerodynamic design, increased swept area (+16%) and reduced noise**
- **Designed for class III** (low wind) where **more than 50% of the demand is expected**
- **In commercial phase** (June 2010) with first deliveries in 2011

(1) 2MW category range: 1.8 MW - 2.2 MW

Outlook

G10X-4.5 MW, the future of wind: minimising the cost of energy

- **Chosen by 18 IPPs** submitting projects in the ongoing regional wind auctions in Spain
- **Second prototype**, incorporating the latest technology, already **operational** (ahead of schedule)
  - Innoblade ®, Compactrain ® and Concretower®
- **Agreement with Texas A&M University** to install the G128-4.5 MW in the US and collaborate in ongoing research and testing projects.

Outlook
Offshore ready by 2014

- Ongoing **organic plan** (G11* OFS) leverages **built-in knowledge of the multi-MW technology**
- **Time to market**
    - Commercialization phase starts in 2011
    - 5MW prototype in 2012 and pre-series in 2013
    - Pre-series of the 6MW-7MW platform in 2015
    - Ready for UK round 3

Outlook

Two offshore turbine platforms designed in partnership with our clients are on track

DESIRED FEATURE	INMEDIATE PRODUCT	LONG TERM PRODUCT
Commercial pre-series	2013	2015
BOP efficiency	5MW	6MW-7MW
WTG reliability	2 stage gearbox	
Grid compliance	Full converter	
Cost efficiency	Permanent magnet generator	
Low maintenance	Redundant monitoring system	

Outlook

Steadily entering new markets and building commercial ties with IPPs

Moving in the right direction with our commercial strategy:
5 new countries in 6 months

Outlook

Guidance 2010: Stronger than expected impact from Spain

WTG Manufacturing

Windfarms Development & Sales

Gamesa

WTG	H12010	Guidance H1 10		Guidance 2010
MWe sold	1,001	945-1,050	✓	2,400-2,500
EBIT Margin	5.8%	c.6%-7%	✓	4.5%-5.5%
WC as % of sales	24%	c.20%	✓	c.20%
Wind Farms				
MW delivered	312		✓	c.300 (1)
EBITDA (MMEUR)	-9		✓	c.0
Net debt (MMEUR)	92		✓	c.300
Group				
WC as % of sales	42%		✓	c.35%-45%
NFD/EBITDA	1.1x		✓	<2.5x

(1) FY 2010 guidance does not include 244MW delivered to Iberdrola in Q1

Outlook
2011 and beyond

Potentially lower demand growth in the next 6 months to recover thereafter: 2011 new volume guidance of 2,700MWe to 3,300MWe to be narrowed in November 2010

- The strength of demand recovery in 2011 depends on the impact in order flow of the
  - Weak economic recovery in Europe
  - Delays in the approval of long term energy regulation in Europe and US
- Recent European announcements suggest support for wind energy
  - Spain maintains the fixed tariff for wind installations and modifies the premium only temporarily, for 2011 and 2012 but keeping the floor (1)
  - Italy maintains the GSE as buyer of last resort for the Green Certificates (1)
  - 14 EU members have already submitted their national renewable plans to reach the 20/20/20 targets

(1) Pending final passage into law

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Conclusions
Getting ready for a different future

- **Profitable and sound business performance** in a difficult environment
  - 5.8% EBIT margin in the WTG division and group net debt to EBITDA of 1.1x, well below our guidance of <2.5x
  - We end the period with a sales coverage ratio of 77% [1]
- Ongoing **macro weakness in Europe and regulatory volatility underline our new expectations** for H2 2010 and beyond
- We continue our investment plan linked to long-term growth markets, the optimisation of our product portfolio and the expansion of our commercial strategy, all of which will **further strengthen our position in the industry**
- Despite the fact that recent government proposals suggest support for wind energy **Gamesa will continue to work on minimising the cost of energy** for our clients through breakthrough technology, first class O&M service and an optimal cost structure

(1) On average point of new sales guidance of 2,400 to 2,500MWe

Conclusions
Socially responsible

Commited with the human rights and the environment

THE GLOBAL COMPACT
WE SUPPORT

We've signed The Copenhagen Communiqué

Included in the leading sustainability indexes

Dow Jones Sustainability Indexes Member 2009/10

FTSE4Good

ETHIBEL MEMBER OF THE ETHIBEL SUSTAINABILITY INDEXES

Member of KLD Global Climate 100 Index 2008

cleantech INDICES LLC

S&P Global Clean Energy Index

Global Challenges Index

SB20 The World's Top Sustainable Stocks

Questions & Answers

Muchas Gracias

Thank you

谢谢！

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ACTIVITY REPORT

Madrid, 29 July 2010

Results Presentation

First half 2010

PROFITABILITY AND ROBUST FINANCIAL POSITION IN A COMPLEX MACROECONOMIC AND REGULATORY ENVIRONMENT, DUE TO COST OPTIMISATION AND DEBT CONTROL

Gamesa Corporación Tecnológica[1] ended the first half of 2010 with an EBITDA margin in the Wind Turbine Division of 14.3%, i.e. an improvement on the 13.5% obtained in the first half of 2009, due to good performance by the cost optimization plan. Cost reduction, which was partially offset by less absorption of structural costs as a result of a lower level of activity, enabled the Wind Turbine Division to obtain an EBIT margin of 5.8%, in line with the guidance for the first half of the year (c. 6%). Gamesa Corporación Tecnológica ended the first half of 2010 with net debt of EUR345 million, i.e. c.EUR200 million less than in mid-2009.

Group sales amounted to EUR1,033 million, i.e. less than in the first half of 2009 due to a lower level of activity, reflecting the impact of the weak macroeconomic situation and the regulatory changes in 2009 on global demand for wind turbines, as well as the high level of seasonality envisioned for the year and the policy of aligning manufacturing with orders and with delivery schedules.

The successful implementation of the Cost Improvement Plan (PMC 500) raised the Wind Turbine Division EBITDA to 14.3% in the first half of 2010**, i.e. 0.8 percentage points higher than in the first half of 2009.** The **division's EBIT margin was 5.8%**, in line with guidance for the first half of the year (c. 6%), despite a lower absorption of structural costs due to less activity than in the first half of 2009. The EBIT margin in the Wind Farm Division during the first half of the year was affected by a slowdown in the US market and by delays in the final approval of the wind energy project quota connected with the Pre-Assignment Register in Spain. As a result, **consolidated EBIT amounted to EUR49 million**, equivalent to 4.7% of the Group's sales.

The strong seasonality expected for activity in 2010 required the company to bring forward project production in China, mainly, and the US with a view to fulfilling client commitments in the year. This increased the working capital/sales ratio to 24% in the Wind Turbine Division and 42% at consolidated group level, within the company's guidance for the year.

Commercial activity during the second quarter of 2010 reflects the impact of the **regulatory uncertainty and volatility that marked the Spanish and Italian markets during the period.** The economic recovery measures proposed in both countries envisage changes to renewable energy legislation in force, including significant reductions in the premiums paid to operating installations. This has led to doubts about the future profitability of those facilities, **paralysing demand for wind turbines for new projects.** Accordingly, **order intake in the second quarter totalled 341 MW[2]** of new orders for 2010, i.e. below company expectations and Q1 10 volume.

In July we reached an agreement with a Spanish customer to convert a delivery contract for 2010 into a framework agreement for delivery in the coming years, since the projects were not included in the Pre-Assignment Register in the first half of 2010.

As a result, and **as part of the policy of aligning manufacturing with deliveries, the company decided to reduce manufacturing by 14%** and adjust the guidance figures provided to the market in February 2010.

[1] Gamesa Corporación Tecnológica manufactures wind turbines and develops, builds and sells wind farms. The wind farm business was recognised as a continuing activity following the implementation of the agreement signed with Iberdrola Renovables on 23 September 2009.

[2] The order confirmation figure includes order confirmations under framework agreements, as well as new orders which do not arise from framework agreements.

	H1 10	Guidance		FY 10 February guidance	FY 10 July guidance
MWe Sold	1,001	c. 35% s/2010	✓	2,700-3,000	2,400-2,500
EBIT Margin	5.8%	c.6%-7%	✓	6%-7%	4.5% -5.5%
WC/sales	24%	c.20%	✓	c.20%	c.20%

The third quarter commenced on a positive note. In July, both the Spanish and Italian governments defined the regulatory measures to be adopted in connection with renewable energy. The measures, which are pending passage into law, guarantee the profitability of existing projects, imply support for renewables, and recognise wind power's greater maturity and efficiency. At the same time demand has revived in July, leading to a total contract volume of 205 MW with delivery in 2010.

Gamesa Corporación Tecnológica **ended the period with a solid financial position**, reflected by **net financial debt of EUR345 million, i.e. 1.1 times consolidated EBITDA**, lower than the company's guidance ceiling (2.5x).

Wind Turbines

Key factors

Gamesa's Wind Turbine Unit ended the first half of 2010 with:

- **1,001 MWe of wind turbines sold**, in line with its target for the first half of the year (35% of total MWe sold in 2010)

- an **EBIT margin** of 5.8%, in line with the guidance (c. 6%) in spite of lower activity levels

- and **a working capital to sales ratio of 24%**, slightly exceeding 2009 year-end guidance (20%) due to seasonality of deliveries this year.

These results demonstrate that, in a context of low activity in the industry (H1 10), Gamesa remains focused on profitability and robust finances.

The Wind Turbine Division's activity during the first quarter of 2010 can be broken down as follows:

(MW)	H1 2009	H1 2010	% chg.	Q2 2010	Status
MW delivered to customers	**866**	**538**	-38%	**330**	Handover of ownership to customer, at wind farm or factory; Invoiced
+ Variation in MWe available Ex Work	**+432**	**+153**	-65%	**+65**	Variation in stock of WTG available for delivery to customer; Invoiced Ex Works
+ Variation of MWe Work in Progress	**+340**	**+310**	-9%	**+138**	Variation in the stock of WTG not available for delivery to customer; Not invoiced
MWe sold	**1,638**	**1,001**	-39%	**533**	

During the first half of the year, Gamesa delivered 538 MW to wind farms, confirming the high seasonality envisioned for 2010 and the reduction in deliveries expected in the first half of this year (38% less than in H1 09) due to fewer new orders in the sector last year.

Work in progress accounted for 31% of sales, compared with 21% in the same period last year; this was due to **bringing production forward with a view to fulfilling agreements signed with customers, primarily in China and also in the US, for the second half of 2010.**

In the second quarter the company increased MWe sales by +14% and MW deliveries by 59% with respect to Q1 10.

The geographical breakdown of sales in the first half of 2010 evidences a greater contribution from the main growth areas. **China and India more than doubled their combined contribution to sales,** accounting for 34% in total, compared with 13% in the first half of 2009.

In Europe, the delay in the definitive approval of the new regulatory framework for renewable energies in Spain **reduced the country's contribution to total sales to 11%** (36% in the same period last year). The May announcement of potential regulatory changes in Italy paralyzed the financing and installation of projects there in the last two months of the quarter.

Seasonality persists in the US, where a recovery is expected in the second half of the year linked to the renewable energy Treasury grants. International sales accounted for 89% of the total, **compared with 64% in the first half of 2009; this trend is expected to continue.**

Geographical breakdown of wind turbine sales (MWe)	H1 2009	%	H1 2010	%
Spain	582	*36%*	109	*11%*
USA	273	*17%*	168	*17%*
China	211	*13%*	245	*25%*
India	-	-	91	*9%*
Rest of Europe	450	*27%*	291	*29%*
Rest of world	122	*7%*	97	*9%*
TOTAL	**1,638**		**1,001**	

Regarding the product mix, the G5x - 0.85 MW wind turbine segment improved its contribution in the first six months of the year, accounting for 32% of MWe sold (vs. 26% in H1 2009), attributable to the introduction of the G5x into India.

The G8X platform was successfully launched in China; **the company sold 88 MWe in the first six months of the year (of which 82 were in the second quarter)** and the G8X-2MW platform is now a reality in China.

Wind Turbine Division: 1st Half 2010 Results

The successful implementation of **the cost improvement plan and a prudent financial policy enabled Gamesa to end the first half of 2010 with an EBIT margin of 5.8% and a working capital/sales ratio of 24%** in a context of less activity (H1 2010), as forecast in the company's plan for the year.

(million euro)	**H1 2009**	**H1 2010**	*% Chg.*	**Q2 2010**
Sales	1,615	963	*-40%*	512
EBITDA	218	138	*-37%*	68
EBITDA/Sales (%)	13.5%	14.3%		13.3%
EBIT	118	56	*-53%*	28
EBIT/Sales (%)	7.3%	5.8%		5.4%
Net profit	79	37	*-53%*	21
Net profit/sales (%)	4.9%	3.8%		4.2%
Working Capital	608	589		589
% Sales	17%	24%	*+7pp*	24%
NFD	261	254		254
NFD/EBITDA	0.5x	0.7x	*+0.2x*	0.7x

Limited review

First half-year sales reflect the decline in activity, already announced, (-39% in MWe sold compared with 2009), which was offset by **sustained growth in the services unit** (EUR145 million, compared with EUR85 million in the same period last year).

Consolidation of measures related to the PMC 500 cost improvement plan enabled Gamesa to attain an **EBIT margin of 5.8% in H1 10 against a backdrop of less activity.** The performance of the EBIT margin was also impacted by price pressure in China (which accounts for 25% of sales) and by the passing on to customers part of the improvement in costs and productivity.

Warranty provisions were maintained at 3.5% of wind turbine sales, reflecting continuous improvement in processes, the strength of Gamesa's product platform and the emphasis placed on operational excellence.

Gamesa continued to focus on financial soundness, despite the increase in the contribution to sales from work in progress in H1 2010 due to bringing forward production, primarily in China and also in the USA, in response to the strong seasonality of commitments to customers in those markets. In a market context of less activity and, therefore, lower order volume, the working capital/sales ratio amounted to 24%.

Gamesa maintained its capex optimisation policy, keeping **capex at EUR52 million**, which includes expenditure linked to building new manufacturing capacity for the G8X-2 MW in China, commencement of construction of two new plants in Inner Mongolia and Jilin, new capacity in India for the G5X turbine, and investment for manufacturing the G10X-4.5 MW wind turbine.

Wind Farms

Key factors

Gamesa's **global wind farm pipeline (22,077 MW)** represents a competitive advantage. The company continues focusing on the development of its wind farm pipeline with a view to advancing implementation of its value creation plan, following the September 2009 signature of the strategic agreement with Iberdrola Renovables with respect to wind farms in Europe. The implementation of this agreement revived wind farm sales and enhanced the Wind Farm Division's role as a creator of value and a driver of wind turbine demand.

Wind Farm Development Stages (MW)	H1 2009	H1 2010	*% Growth*
Probable	11,469	11,888	*+4%*
Likely	8,481	7,820	*-8%*
Highly Confident	1,807	2,369	*+31%*
Total pipeline	**21,757**	**22,077**	***+1%***

The growth in Highly Confident MW is due to **progress on wind farm development in Europe and the recovery of more than 600 MW of USA pipeline during the second half of 2009,** increasing the pipeline's visibility (Likely + Highly Confident) despite the delivery of 376 MW over the last twelve months. Gamesa signed sale agreements for another 92 MW, which were paid for at the end of the second quarter and will be delivered in the coming months.

The company had **720 MW in the final stages of construction and commissioning** as of June 30 2010, evidence that **it continues advancing development of the pipeline scheduled for delivery in H2 10.**

Activity (MW)	H1 2009	H1 2010	*% Growth*
MW under Construction	436	439	*0%*
MW commissioned	211	281	*+33%*
Total	647	720	*+11%*

Note: activity includes MW in joint ventures in China in which Gamesa holds a minority stake

Wind Farm division: 1st Half 2010 Results

The Wind Farm division's results reflect the company's **focus on building out the current pipeline.** The slowdown in construction and sales of new wind farms in the USA and the delays in defining the remuneration system for wind projects in Spain had a negative impact on the recognition of work in progress. Gamesa recognises the investment in construction of wind farms for which there is a sale agreement as revenues; however, **it does not recognize the margin on any wind farms located in Spain which are pending registration with the Pre-Assignment Register.**

The revival in construction and sales of wind farms in Europe since October 2009 has enabled the company to improve management of working capital.

The Wind Farm Development and Sales Division delivered more than 376 MW in the last twelve months, which, together with the confirmed sales of 92 MW which were collected in June 2010 and will be delivered in the coming months, enabled the company to end the half year with an improvement in financial debt with respect to 2009**; this offset the working capital at mid-year associated with the development of the pipeline (720 MW in the final stages of development).**

(million euro)	H1 2009	H1 2010	Q2 2010
Sales	296	192	70
EBIT	-21	-10	-4
Net Profit	-15	-16	-7
NFD	293	92	92

Limited review

Gamesa Corporación Tecnológica Results H1 2010

The Consolidated Group's main financial figures appear below.

(million euro)[3]	H1 2009 (1)	H1 2010	*% Chg.*	Q2 2010
Sales	1,772	1,033	*-42%*	560
EBITDA	202	132	*-35%*	67
EBITDA/Sales (%)	11.4%	12.7%		11.9%
EBIT	98	49	*-50%*	25
EBIT/Sales (%)	5.5%	4.7%		4.5%
Net Profit	65	22	*-65%*	15
NFD	554	345		345
NFD/EBITDA	1.1x	1.1x	-	1.1x

Limited review

[3] Following implementation of the strategic agreement with Iberdrola dated September 23 2009, **Gamesa modified the consolidation scope** in accordance with IFRS 5. Accordingly, the Wind Farm Development and Sales Unit's assets, liabilities and operations appear as continuing operations rather than classifying it as an asset available for sale, with its income under discontinued operations.

Outlook

In a complex **economic and market context, Gamesa continues to strengthen its position going forward through**

- **Investing in manufacturing capacity linked to regions with long-term growth prospects**
- **Improving the product pipeline**
- **Advancing in the development of a new sales strategy**
- **Continuing to optimise the cost structure**

The maturity of the European market and recent regulatory changes in Spain confirm the importance of continuing the internationalization strategy, which has resulted in sales outside Spain increasing from 64% of the total in the first half of 2009 to 89% in the first half of 2010. **This strategy includes investment in markets that have long-term growth potential,** economic stimulus plans linked to the development of wind energy, or regulatory regimes and tariffs which favour the long-term development of wind energy (e.g. China, India and the USA). In the second quarter of 2010, Gamesa completed expansion of production capacity (400 MW) for its G8X-2 MW turbine in **China**, which had commenced in 2009; and it manufactured 88 MW in the first six months of the year. Investment in a new nacelle assembly plant in the province of Jilin commenced in the second quarter of 2010; the plant will have a total estimated capacity of 500 MW with a view to optimising the ability to meet regional demand. A second plant of the same capacity in Inner Mongolia is also scheduled to be operational during 2011.

Gamesa expects to obtain a market share of close to 10% in India during the first year of product sales and to double manufacturing capacity (to 400 MW) in 2011. The company also continues to analyse potential implementation of the G8X platform.

In the first quarter of 2010, the company completed industrialisation of the G90-2 MW turbine in the **US**, and the blade plant in Ebensburg (Pennsylvania) continues operating at full capacity. The company is also expanding G90 production capacity through strategic agreements with suppliers, which will enable Gamesa to fulfil commitments to its customers in the region and advance its sales strategy of landing new customers among independent power producers. In this vein, in the second quarter the company signed an **exclusive supply agreement with Cannon Power** to develop its wind farm pipeline in Baja California (Mexico). The US plants will also supply to Costa Rica and Honduras.

The recent regulatory uncertainty that has affected markets in Spain and Italy, governments' delays in presenting renewable energy plans required for compliance with 20-20-20 targets, and tardy approval of a federal energy law in the US highlight the need to continue working **towards even more efficient wind power.** In this regard **Gamesa continues working on the optimisation of its product portfolio.** In the second half, commercialization of the G97-2 MW turbine, designed for class III, commenced, with a swept area that is 16% greater than that of the G90-2 MW Class III, thereby increasing energy production by almost 14% and also providing a better aerodynamic design and less noise.

Gamesa maintains its **commitment to technological development with a view to reducing the cost of energy (CoE) with its G10X-4.5 MW**, for which it has already completed assembly of the second prototype. That prototype includes split blades (Innoblade®), hybrid towers (Concretower®) and a new compact drive train (CompacTrain®). The G10X-4.5 MW has been chosen by 18 independent developers bidding for wind farm concessions in Spain, while the company is working with various European governments on installing the turbine.

Gamesa is accelerating its organic development plan for the offshore market, which will ensure its ability to meet demand in northern Europe. Using multi-MW technology developed for the G10X-4.5 MW turbine, and incorporating other design details to meet the needs of our customers, Gamesa is working on two product platforms (5 MW and 6MW/7 MW) which will be available for offshore use in the UK in round 3. The first pre-series units (5 MW platform) will be ready in 2013.

Finally, **Gamesa continues to work on its new sales strategy**, opening up new markets and establishing commercial relations with medium-sized independent developers. The company has already entered **five new countries since the beginning of the year**, including Sweden, Turkey and Costa Rica, and it is advancing in obtaining orders from independent developers.

Gamesa's plan to realize value in the development, construction and sale of wind farms continues to advance. Gamesa Energía has taken advantage of the weak US market, driven by low gas prices and delays in the approval of federal energy legislation, to re-launch its wind farm activity**.** In the coming months, the company will continue to focus on building out the current backlog, by developing 38 MW in the second half of the year, and to search for partners with which to realize value. In China, wind farm development linked to wind turbine sales is advancing successfully: agreements have been signed for joint development of 1,850 MW in 2010-2013.

In the short term, Gamesa has adjusted sales estimates for the Wind Turbine Division due to the impact of regulatory uncertainty and volatility (especially in Spain but also in Italy) on its order book in the second quarter, and on certain contracts signed for delivery in 2010 that have not obtained the RD661 tariff. Less activity in the second half of the year compared to initial expectations (within the company´s policy of aligning manufacturing with orders) will also affect the Wind Turbine Division's EBIT margin, due to lower absorption of structure costs.

WTG	H12010	Guidance H1 10		Guidance 2010
MWe sold	1,001	945-1,050	✓	2,400-2,500
EBIT Margin	5.8%	c.6%-7%	✓	4.5%-5.5%
WC as % of sales	24%	c.20%	✓	c.20%
Wind Farms				
MW delivered	312		✓	c.300 (1)
EBITDA (MMEUR)	-9		✓	c.0
Net debt (MMEUR)	92		✓	c.300
Group				
WC as % of sales	42%		✓	c.35%-45%
NFD/EBITDA	1.1x		✓	<2.5x

(1) FY 2010 guidance does not include 244MW delivered to Iberdrola in Q1 2010

The pace of the rebound in demand in the industry, especially in H2 10, may be influenced by the speed at which new renewable energy support plans are presented in Europe and federal energy legislation is passed in the US, and also by the strength of the economic recovery. Accordingly, Gamesa has decided to present a new guidance for 2011 with regard to volume (between 2,700 MW and 3,300 MW), which will be fine-tuned in November with the presentation of the new 2011-2013 strategic plan.

Conclusions

In a context of a global slowdown in demand for wind turbines, driven by both economic and regulatory uncertainty, **Gamesa ended the quarter with solid earnings: the Wind Turbine Division reported an EBIT margin of 5.8%** and an EBITDA margin of 14.3% in H1 10 (compared with 13.5% in H1 09). Moreover, control of costs, working capital and capex enabled the company to end the quarter in a **solid financial position**, with net debt/EBITDA of 1.1x.

The adjustments to our guidance for the second half of 2010 and 2011 are attributable to the relative weakness of the economic recovery (particularly in Europe), regulatory delays in the European Union and the US, and their impact on the industry's current and potential demand.

Against this market backdrop, **Gamesa continues to work on strengthening its position in the industry** with capex plans in areas with long-term growth potential; product optimisation, launching new-generation wind turbines which maximise energy production while reducing the cost of energy; improving the cost structure; and expanding and enhancing its sales efforts.

Recent decisions by the Spanish and Italian governments suggest renewable energy development will continue to be a priority and recognize the greater maturity and efficiency of wind energy compared with other renewables. But regardless of the decisions that may ultimately be taken in Europe and the US to ensure attainment of targets for renewable energy as a percentage of total energy production, **Gamesa will continue to improve wind energy efficiency** through developing technology, cutting manufacturing costs, and improving operating and maintenance services.

Annex

Financial Statements[4] January-June 2010

Gamesa Corporación Tecnológica - Consolidated

Profit and Loss Account – Million Euro	H1 2009	H1 2010
Turnover	1,772	1,033
Own work capitalised	28	32
Consumption	-1,340	-659
Personnel	-147	-136
Other expenses	-112	-138
EBITDA	**202**	**132**
Depreciation	-50	-51
Provisions	-54	-32
EBIT	**98**	**49**
Financial gain/loss	-29	-23
Gains (losses) from disposal of non-current assets	-1	-
Equity method gains (losss)	1	-
Profit before tax	**69**	**26**
Taxes	-4	-4
Net profit	**65**	**22**

[4] The financial statements listed in the annex correspond to figures which have not been audited but have been subject to limited review.

Balance Sheet - Million Euro	H1 2009	H1 2010
Goodwill	387	387
Other intangible assets	141	159
Tangible fixed assets	336	428
Shareholdings in associated companies	52	52
Deferred taxes, net	101	130
Working capital	1,330	1,049
Net assets held for sale	-	-
Total	**2,347**	**2,205**
Shareholders' equity	1,522	1,610
Provisions for contingencies and expenses	256	220
Net financial debt	554	345
Derivative financial instruments and Others	14	29
Total	**2,347**	**2,205**

Cash Flow – Million Euro	H1 2010
Profit	**22**
+ Depreciation	51
+ Provisions	32
- Variation in provisions	-35
- Variation in working capital	-105
Operating cash flow	**-34**
- Investments	-76
- Variation in treasury stock	-2
Cash flow for the period	**-112**
- Dividends paid out	-
- Others	25
Variation in NFD	**86**
Variation in NFD	86
Initial NFD	**259**
Final NFD	**345**

Financial Statements[5] January-June 2010

Wind Turbine Division

Profit and Loss Account - Million Euro	H1 2009	H1 2010
Turnover	1,615	963
Own work capitalized	28	32
Consumption	-1.186	-600
Personnel	-137	-127
Other expenses	-103	-130
EBITDA	**218**	**138**
Depreciation	-49	-50
Provisions	-51	-32
EBIT	**118**	**56**
Financial gains/losses	-28	-13
Gains (losses) from disposal of non-current assets	-1	-
Equity method gains (losses)	1	-
Profit before tax	**90**	**43**
Tax	-10	-6
Net profit	**80**	**37**

[5] The financial statements listed in the annex correspond to figures which have not been audited but have been subject to limited review.

Balance Sheet - Million Euro	H1 2009	H1 2010
Goodwill	311	311
Other intangible assets	141	158
Tangible fixed assets	331	423
Shareholdings in associated companies	52	52
Deferred taxes, net	103	119
Working capital	608	589
Net assets held for sale	-	-
Total	**1,545**	**1,653**
Shareholders' equity	1,168	1,303
Provisions for contingencies and expenses	253	219
Net financial debt	261	254
Derivative financial instruments and others	-137	-122
Total	**1,545**	**1,653**

Cash Flow – Million Euro	H1 2010
Profit	**37**
+ Depreciation	50
+ Provisions	32
- Variation in provisions	-34
- Variation in working capital	-226
Operating cash flow	**-141**
- Investments	-68
- Variation in treasury stock	-2
Cash flow for the period	**-211**
- Dividends paid out	-
- Others	29
Variation in NFD	**182**
Variation in NFD	182
Initial NFD	**72**
Final NFD	**254**

Financial Statements[6] January-June 2010

Wind Farm Unit

Profit and Loss Account - Million Euro	H1 2009	H1 2010
Turnover	296	192
Own work capitalized	-	-
Consumption	-293	-181
Personnel	-10	-9
Other expenses	-11	-11
EBITDA	**-17**	**-9**
Depreciation	-1	-1
Provisions	-3	-
EBIT	**-21**	**-10**
Financial result	-1	-10
Gains (losses) from disposal of non-current assets	-	-
Equity method gains (losses)	-	-
Profit before tax	**-22**	**-19**
Taxes	7	3
Derivative financial instruments and others	**-15**	**-16**
Net profit	**-15**	**-16**

[6] The financial statements listed in the annex correspond to figures which have not been audited but have been subject to limited review.

Balance Sheet - Million Euro	H1 2009	H1 2010
Goodwill	76	76
Other intangible assets	1	1
Tangible fixed assets	5	5
Shareholdings in associated companies	-	-
Deferred taxes, net	-2	6
Working capital	724	476
Net assets held for sale	-	-
Total	**803**	**564**
Shareholders' equity	639	616
Provisions for contingencies and expenses	3	2
Net financial debt	293	92
Derivative financial instruments and Others	-133	-145
Total	**803**	**564**

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