25 February 2016

January-December 2015 Results

HAVING SURPASSED THE 2015 OBJECTIVES, GAMESA IS BRINGING FORWARD AND STEPPING UP ITS COMMITMENTS UNDER THE BUSINESS PLAN 2015-2017E

Gamesa Corporación Tecnológica[1] ended 2015 with sound results, having exceeded its shareholder value creation commitment, which enables it to step up and bring forward the commitments adopted under its business plan 2015-2017E. Commercial activity remained strong, with order intake reaching 3,883 MW in the year, 17% more than in 2014, in line with the upper end of the range committed in the business plan for 2017[2]. The order book stood at 3,197 MW, 28% more than at 2014 year-end, and covered 71% of sales guidance for 2016[3].

Revenues amounted to €3,504 million in 2015, 23% more than in 2014, and underlying EBIT pre-Adwen totalled €294[4] million, a 54% year-on-year increase, while the EBIT margin was 8.4%, i.e. 1.7 percentage points better than in 2014. Underlying net profit pre-Adwen[4] increased by 73% to €175 million.

As it locked in profitable growth, Gamesa continued to improve working capital, which declined by 84% year-on-year to 0.3%[5] of revenues, over 2 percentage points lower than in 2014 (2.5%). As a result of profitable growth, control of working capital and focused capex, Gamesa generated €182[6] million in net free cash flow in 2015 and ended the year with a net cash position of €301 million on the balance sheet, in line with its goal of prioritising a sound balance sheet against a backdrop of expanding activity. The creation and consolidation of Adwen, the joint venture with Areva to operate in the offshore business, had a positive impact of €29 million on EBIT but a negative impact of €5 million on net profit. Including this impact, EBIT amounted to €323 million and net profit to €170 million.

Consolidated key figures 2015

- **Revenues:** €3,504 million (+23.1% y/y)
- **Underlying EBIT pre-Adwen[4]**: €294 million (+54.1% y/y)
- **Underlying net profit pre-Adwen[4]:** €175 million (+73.2% y/y)
- **Net financial debt (NFD)[7]:** -€301 million (-0.6x EBITDA[8])
- **MWe sold:** 3,180 MWe (+21.3% y/y)
- **Firm order intake:** 3,883 MW (+17.1% vs. 2014)

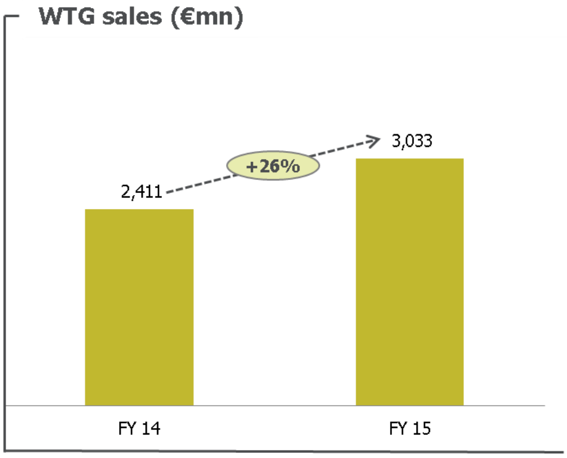
Gamesa Corporación Tecnológica ended 2015 with revenues of €3,504 million, a 23% increase over 2014, due to strong growth in wind turbine manufacturing and sales.

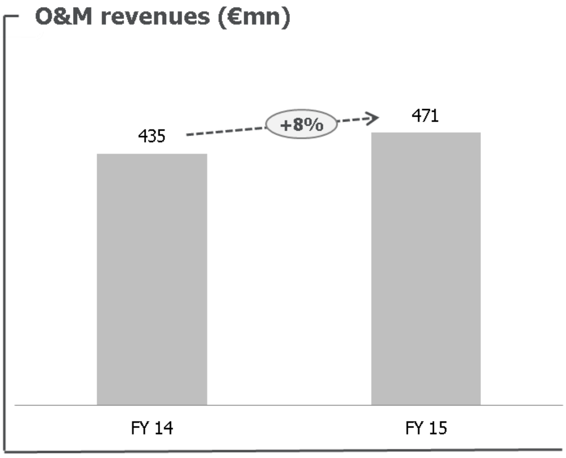
---

[1] Gamesa Corporación Tecnológica engages in wind turbine manufacture, which includes the development, construction and sale of wind farms, as well as operation and maintenance services.
[2] Volume of activity projected for 2017 under the business plan 2015-2017E: 3,500 MWe-3,800 MWe.
[3] Activity volume coverage calculated on the basis of volume guidance for 2016 of 3,800 MWe (guidance for 2016: >3,800 MWe).
[4] EBIT and net profit are expressed net of €29 million and -€5 million, respectively, in 2015 in connection with the creation and recognition of Adwen (equity method). Variations with respect to the 2014 numbers are calculated by excluding those items in 2015. EBIT and net profit in 2014 exclude €9 million in special provisions.
[5] Ratio of working capital to revenues in the last twelve months.
[6] Net free cash flow before dividend payments, amounting to €23 million.
[7] Net financial debt means interest-bearing debt, including subsidised loans, derivatives and other current financial liabilities, less cash and other current financial assets.
[8] Underlying EBITDA pre-Adwen 2015.

Revenues in the Wind Turbine Generator (WTG) division increased by 26% y/y, to €3,033 million, due to growth in volume, favourable currency performance, and the launch of new products such as the G114-2.0 MW and G114-2.5 MW, as well as taller towers. Volume increased by 21% year-on-year to 3,180 MWe, supported by a recovery in sales in Europe and China and growth in India. In terms of customer types, electric utilities and others (industrial groups and promoters) were the main growth drivers (+27% and +28% y/y, respectively), followed by IPPs (+15% y/y).

Revenues from O&M services amounted to €471 million, i.e. 8% higher than in 2014, supported by 6% y/y growth in the average post-warranty fleet under maintenance and higher sales of value-added products, but offset by a reduction in the sale of spare parts.

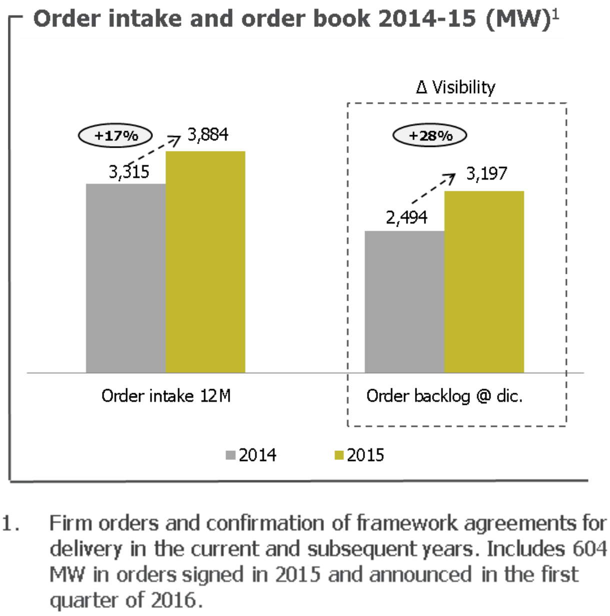




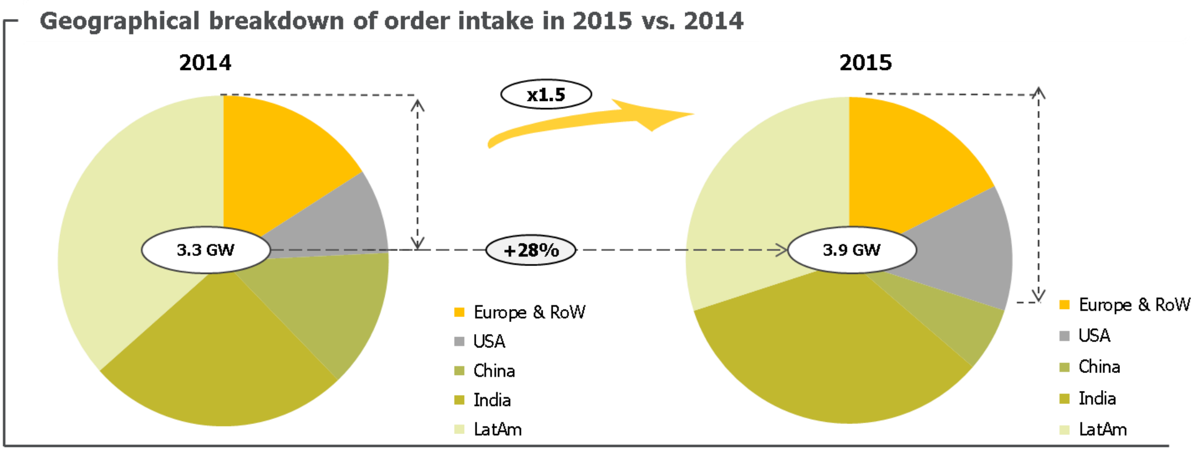
Revenue growth was supported by Gamesa's strong commercial activity in a context of rising demand worldwide. This global growth was driven by the recovery in the US market, acceleration of installations in China, commissioning of offshore installations in Germany and double-digit growth in emerging wind markets, such as India, Brazil and Mexico, where Gamesa has a strong position.

Gamesa's sound competitive position, supported not only by a diversified geographical footprint (presence in 54 countries) but also by an extensive customer base, a portfolio of products and services aimed at maximising the return on wind assets, and a presence throughout the wind value chain, enabled the company to leverage the rising trend in order intake. Gamesa signed orders for **3,883 MW[9] in 2015, 17% more than in 2014,** including 1,042 MW signed in the fourth quarter, 4% more than in the third quarter of 2015**.** The book-to-bill ratio in 2015 [10]was 1.22x, and the **order book at 2015 year-end stood at 3,197 MW, 28% more** than at 2014 year-end. This volume of orders enabled Gamesa to begin 2016 **with 71% of its sales target already covered[11], i.e. seven percentage points** more than the corresponding level at 2014 year-end.

[9] Firm orders and confirmation of framework agreements for delivery in the current and subsequent years. Includes firm orders signed in 4Q 2015 (604 MW) that were announced individually in 1Q 2016.
[10] Ratio of order intake to sales in the period (MWe).
[11] Coverage calculated on the basis of volume guidance for 2016: > 3,800 MWe

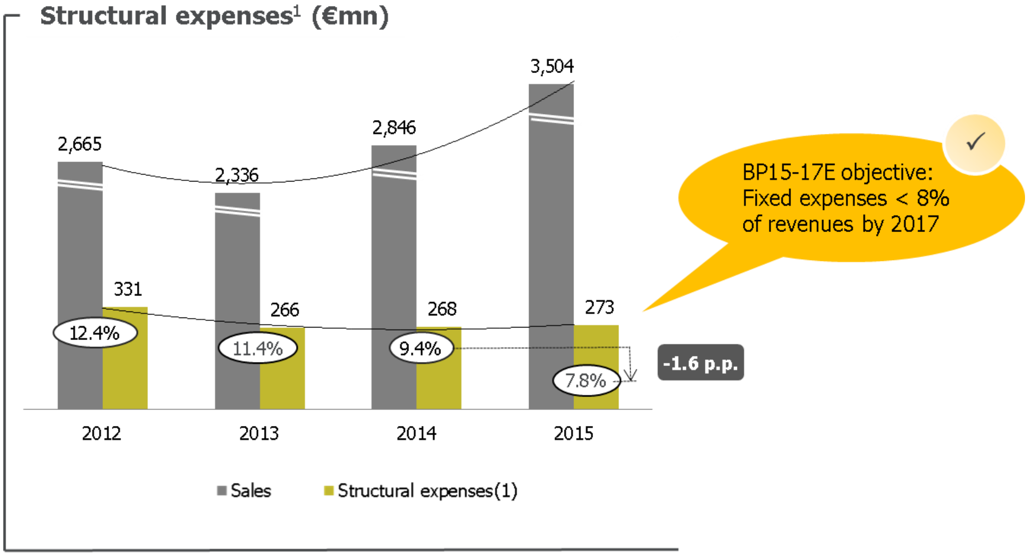


Order intake in 2015 included a strong contribution from new generations of products, the G114 2.0-2.5 MW, whose contribution rose from 26% of order intake in 2014 to 50% in 2015. In geographic terms, there was a 45% surge in demand from mature markets—the US and Europe/RoW—with respect to the 2014 order intake, accounting for 30% of total order intake (24% in 2014). Latin America and India continue to be the main drivers. India experienced a 54% y/y increase in orders to account for 34% of total intake, while order intake in Latin America ex. Brazil doubled.



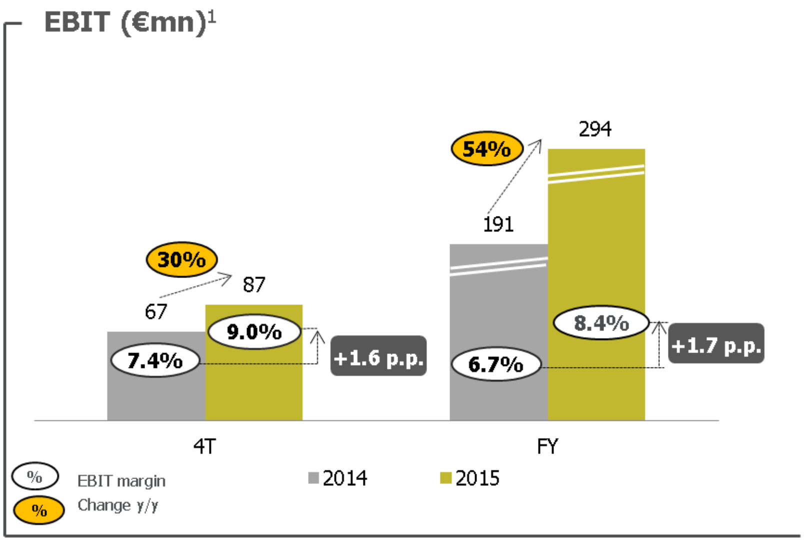
In this context of growing activity, Gamesa remained focused on controlling structural costs so as to maintain a low break-even point. As a result, at 2015 year-end, structural expenses[12] amounted to 7.8% of revenues; accordingly, the company has already achieved the objective for 2017 in its business plan.

[12] Fixed expenses excluding depreciation and amortisation.



1. Structural expenses with a cash impact (excluding D&A)

Control of fixed costs, together with the on-going optimisation of variable costs, has enabled Gamesa to offset a lower relative contribution to group revenues from O&M by enhancing returns in the manufacturing business and steadily increasing total operating profitability. The improvement in profitability was also favoured by a positive exchange rate impact, which contributed 0.6 percentage points to the improvement in operating profitability ratios in the period. **As a result, Gamesa ended 2015 with an underlying EBIT margin pre-Adwen of 8.4%[13]**, nearly two percentage points (+1.7 pp) higher than in 2014, while **underlying EBIT pre-Adwen amounted to €294 million[10], 54% more than in 2014.** Profitability was particularly strong in the fourth quarter, with a 9% EBIT margin, while the exchange rate impact declined, accounting for just 0.1% of the improvement in EBIT margin in the quarter.



1. EBIT excluding impact of creating and consolidating Adwen in 2015 (€29mn in Q1 2015) and non-reccurring provisions in 2014 (€9,4mn in Q4 2014)

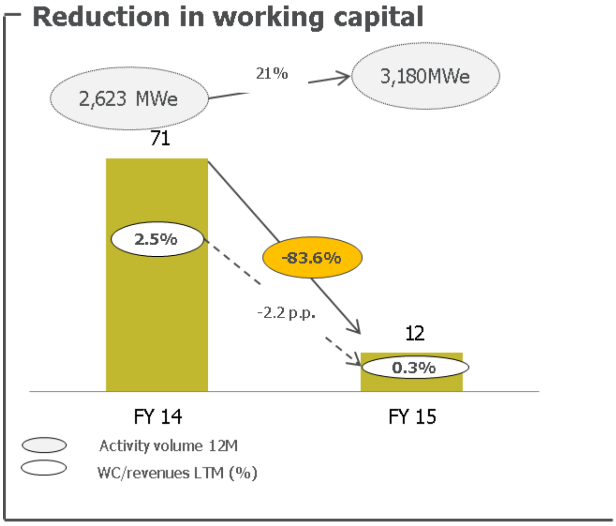
As a result of firming growth in volume and revenues and of rising business profitability, **Gamesa's underlying net profit pre-Adwen increased by 73% in 2015 to €175 million[14].**

[13] EBIT and EBIT margin in 2015 excluding non-recurring impact of capital gains from the creation of the joint venture Adwen, which amounted to €29 million in 1Q 2015 (no impact in the remainder of 2015).

[14] Underlying net profit pre-Adwen, excluding a €5 million negative impact of recognising Adwen in 2015.

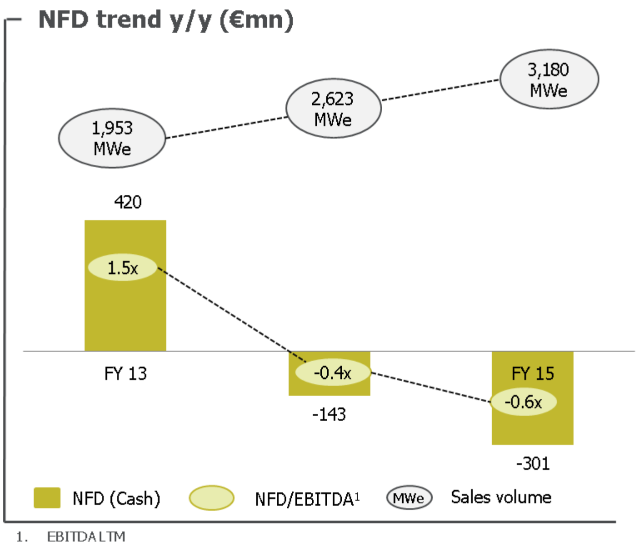
The launch and commissioning of Adwen, the joint venture to operate in the offshore segment, had a non-recurring impact on Gamesa's EBIT and net profit. The impact on EBIT was €29 million, recognised in the first quarter of 2015, which raised reported EBIT in 2015 to €323 million, while the impact on net profit, -€5 million, reduced reported net profit to €170 million.

Gamesa continued to improve management of working capital, reducing average working capital by €98 million in 2015, ending 2015 with €12 million, equivalent to 0.3% of revenues, i.e. over two percentage points lower than in 2014.



Continuing with a modular capex policy tailored to growth needs, Gamesa invested €168 million in fixed assets in 2015, i.e. 4.8% of revenues, in line with the target range for the year (4%-5% of revenues).

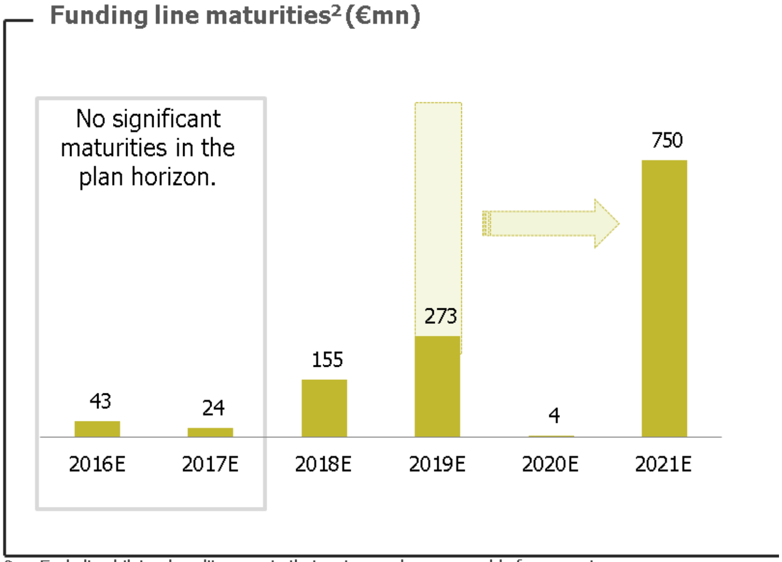
Control of the investment, in a context of profitable growth, enabled Gamesa to generate **€182 million[15] in cash in 2015, ending the year with a net cash position of €301 million on the balance sheet,** equivalent to -0.6 times EBITDA[16]**,** compared with €143 million net cash at 2014 year-end, **fulfilling the goal of a sound balance sheet.**



[15] Net free cash flow before dividend payments (€23 million)

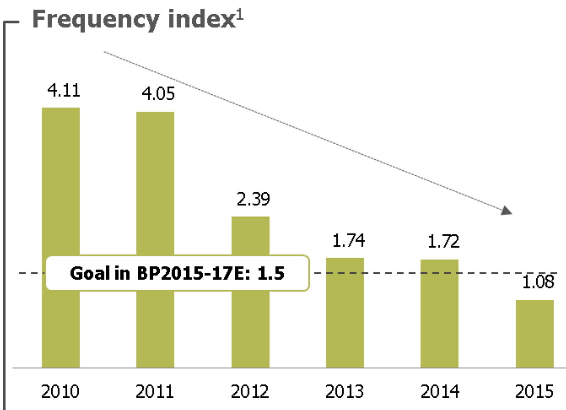
[16] Underlying EBITDA pre-Adwen 2015.

In December, Gamesa extended the maturity and improved the terms of its €750 million syndicated loan. Maturity was extended from 2019 to 2021, which increased the average duration of the group's borrowings; it still has no major maturities within the horizon of the 2015-17E business plan. At 31 December 2015, Gamesa had access to €1,770 million in financing lines.

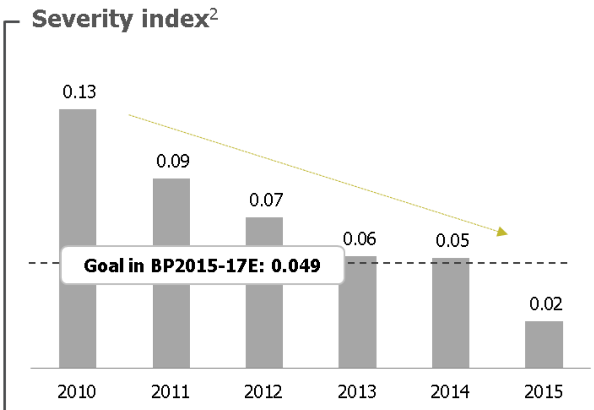


2. Excluding bilateral credit accounts that mature and are renewable from year to year

In the context of fulfilling its targets and steadily improving performance, Gamesa also met its goals in the area of workplace health and safety, continuing to improve accident frequency and severity indices ahead of the goals set for the end of the business plan.



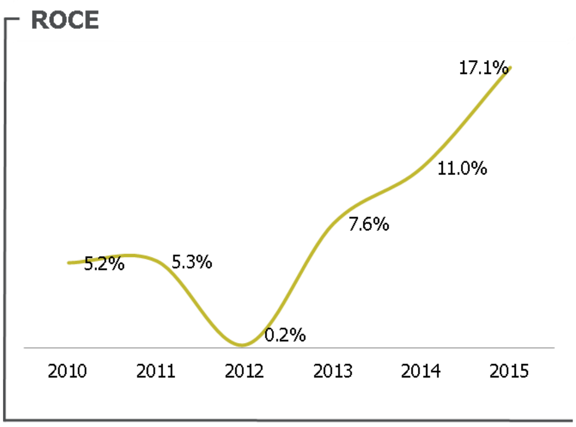
[1] Frequency index: No. of accidents with days lost * 10⁶/No. of hours worked

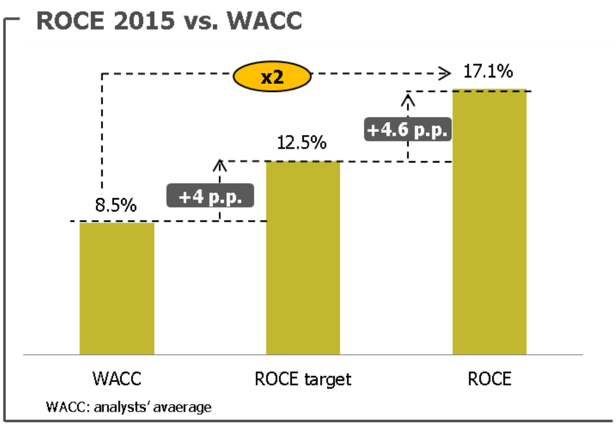


[2] Severity index: No. of days lost * 10³/No. of hours worked

As a result, **Gamesa ended 2015 having exceeded all its commitments while maintaining its focus on creating shareholder value.**

	2014	2015	2015 Guidance		
Volume (MWe)	2,623	**3,180**	c.3,100	✓	**Profitable growth:** revenues +23% y/y and EBIT +54% 2015 vs. 2014
Revenues (€mn)	2,846	**3,504**	c.3,400	✓	
EBIT margin[1]	6.7%	**8.4%**	≥8%	✓	
WC/revenues	2.5%	**0.3%**	<5%	✓✓	**Control of capital consumption and capex**
Capex/revenues	3.1%	**4.8%**	4%-5%	✓	
ROCE	**11%**	**17%**	**≥WACC+4%**	✓✓	**Creating value**
Dividend proposal: pay-out ratio		25%	≥25%		**Dividends resumed**





Main factors

Activity

In 2015, Gamesa sold 3,180 MWe, 21% more than in 2014. This growth was driven mainly by India, China and Europe, while the contribution by customer type was relatively stable with respect to 2014.

	12M 2014	12M 2015	Chg.
WTG sold (MWe)	2,623	3,180	21.3%

Geographical breakdown of wind turbine sales (MWe) (%)	12M 2014	12M 2015
USA	15%	11%
China	9%	13%
India	26%	29%
Latin America	34%	27%
Europe and RoW	16%	18%
TOTAL	100%	100%

Activity in 2015 was concentrated in the Gamesa 2.0 MW segment, which represented 98% of total MW sold, compared with 97% in the same period of 2014. The Gamesa G114 2.0 MW platform accounted for 24% of activity in the period, compared with 6% in 2014, evidencing the new platforms' growing importance.

In the services division, Gamesa had 20,973 MW under operation and maintenance, slightly more than at the end of 2014. Growth in the fleet under maintenance came mainly from emerging markets India and Brazil, which offset a decline in mature markets. The average post-warranty fleet under maintenance increased by 6% in the year.

	12M 2014	12M 2015	Chg.
MW under operation and maintenance at end of period	20,770	20,973	1.0%

Profit & Loss

Revenues amounted to €3,504 million in 2015, 23% more than in 2014. This increase was due mainly to sales by the WTG division.

The main drivers of growth in WTG revenues (which increased by 26% year-on-year) are:

- +21% increase in volume
- Currency appreciation compared with average rates in 2014 (6% positive impact)
- Increase in the average price of WTGs due to larger rotors and higher towers, partially offset by a greater contribution to total sales by China and India

Services revenues increased by 8.2% with respect to 2014. Revenues performed in line with growth in the average post-warranty fleet under contract in 2015 (+6% vs. 2014) and the increase in value-added services, partly offset by lower sales of spare parts.

Gamesa ended 2015 with underlying EBIT pre-Adwen of €294 million. The EBIT margin trended upwards during the year, to 9% in the fourth quarter**, and stood at 8.4% in the full year (vs. 6.7% in 2014).** EBIT performance is attributable to:

- higher volumes (+1.5 percentage points)
- fixed cost performance (-0.1 p.p.),
- contribution margin performance (-0.3 p.p.)
- currency performance (+0.6 p.p.)

The lower contribution margin in 2015 was due to the lower contribution by Operation & Maintenance to total revenues (13% vs. 15% in 2014), and to booking provisions for impairment of the development pipeline (no ordinary provisions in 2014). Programmes to optimise variable costs and retain quality leadership offset the tensions caused by growth, capacity expansion and the learning curve associated with new products.

The exchange rate impact trended in line with projections at the beginning of the year (+/- 0.5 percentage points), falling steadily as the year advanced to reach 0.1 percentage points in the fourth quarter. The steady decline in the currency impact in 2015 was expected because of the company's dynamic hedging policy and greater localisation of component procurement.

Net financial expenses in the period amounted to €33.5 million, down from €42 million in 2014, while exchange losses amounted to €10.6 million, compared with exchange losses of €4 million in 2014, due to greater currency volatility in 2015, particularly in the third quarter.

The tax expense (pre-Adwen) amounted to €68 million, equivalent to a marginal rate of 27%, in line with 2014 and within the guidance range for the year.

As a result, **underlying consolidated net profit before Adwen totalled €175 million (€101 million in 2014).**

The **impact on consolidated profit of recognising Adwen (no impact on cash flow) was as follows**:

- Capital gain: €29.2 million
- Equity-accounted income from the 50% stake in Adwen since March: -€26.0 million
- Tax expense estimate: -€8.2 million
- Total impact on net profit: -€5 million

As a result, including Adwen, EBIT amounted to €323 million, while net profit totalled €170 million.

Balance sheet

As reflected by the main balance sheet indicators**, Gamesa maintained a sound financial position in a context of rising activity.**

	12M 2014	12M 2015
Working capital/Revenues	2.5%	0.3%
NFD/EBITDA	-0.4x	-0.6x
ROCE	11.1%	17.1%

The impact on the balance sheet of including Gamesa's 50% stake in Adwen is summarised below:

- **Net assets contributed to Adwen and derecognised on Gamesa's balance sheet, and transaction costs: €165.8 million** (mainly property, plant and equipment and intangibles)
- **Value assigned to the contribution recognised on Gamesa's balance sheet: €195 million** (€100 million for the equity-accounted 50% stake in the Adwen joint venture, and €95 million in non-current financial assets, i.e. the shareholder loan).

Consolidated Income Statement and Balance Sheet, Key Figures

(€ million)	12M 2014	12M 2015	Chg.
Revenues	2,846	3,504	*+23.1%*
Underlying EBITDA pre-Adwen	366	520	*+42.1%*
Underlying EBITDA pre-Adwen /Revenues (%)	12.9%	14.8%	*+2.0pp*
Underlying EBIT pre-Adwen	191	294	*+54.1%*
Underlying EBIT pre-Adwen/Revenues (%)	6.7%	8.4%	*+1.7pp*
EBIT	181	323	*x1.8*
EBIT/Revenues (%)	6.4%	9.2%	*+2.8pp*
Profit (Loss) pre-Adwen	101	175	*1.7x*
Profit (Loss)	92	170	*1.9x*
NFD	-143	-301	*-159*
Working capital	71	12	*-60*
Capex	109	168	*+59*

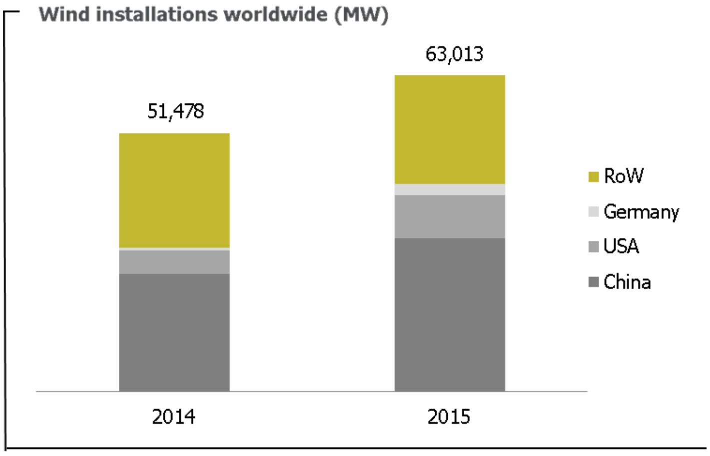
In 2015, in line with the modular capex strategy presented in the business plan 2015-17, Gamesa invested €168 million in property, plant and equipment and intangible assets to cater for expected demand growth, new product launches and operation and maintenance services. In addition to R&D expenditure, Gamesa invested in logistics, tooling, and blade capacity—both new capacity and product replacement due to the introduction and strong penetration by the G114 (2 MW and 2.5 MW) and G126 (2.5 MW) generators—in all regions where it operates.

Outlook

Market

Growth in installations in 2016-17 will continue to be concentrated in emerging markets, where Gamesa has a sound competitive position

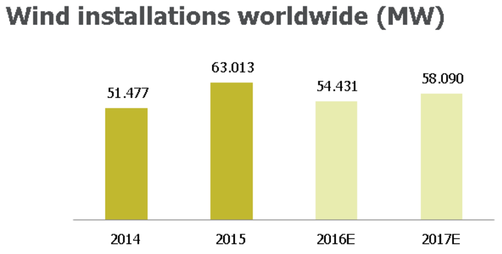
The year 2015 saw a record volume of installations: 63,013 MW[17], as a result of peak levels in China, the US and Germany. These high volumes were the result of specific events that are not expected to recur in the immediate future. In 2015, growth in onshore installations in China (30,500 MW[16], +31% y/y) and the US (8,598 MW[16], +77% y/y) accounted for 70% of gross annual growth and 60% of total onshore installations. In both markets, projects were accelerated by the prospect of regulatory changes: a reduction in feed-in tariffs for wind farms commissioned after 2016 in China, and uncertainty as to whether tax incentives for wind power production would be extended in the US. Germany connected 2,282 MW of offshore[16] capacity, i.e. 62% of total offshore capacity installed in 2015, compared with 543 MW in 2014, due to overcoming grid connection problems, which enabled projects that had been delayed since 2013 to be commissioned.

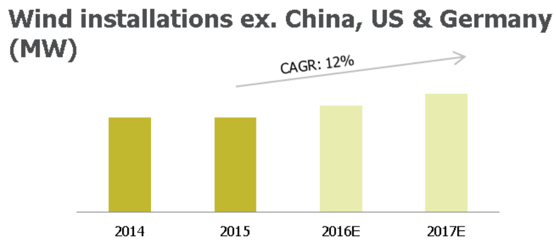


Source: GWEC

The deceleration projected in the pace of installations in 2016-17E is due to the expectation that those three markets will return to more normal levels in those years. However, despite the global deceleration, it is important to note that growth is expected in other geographies, particularly in non-mature markets, where Gamesa has a sound competitive position. In particular, the Asia-Pacific region, excluding China, is expected[18] to register 22% growth (CAGR 15-17E), Latin America, 7% and Africa & the Middle East, 65%. Within Asia-Pacific ex-China, India, which ranks first in terms of new installations (2,623 MW[16], i.e. 84% of the 2015 total), expects 18% growth in that period; within Latin America, Mexico, which ranked second in 2015 (714 MW, 16% of the total installations in the year), expects 31% growth in the period (CAGR 15-17E). Gamesa has a leading position in both countries.

[17] Global Wind Energy Council (GWEC)
[18] Source of market projections for 2016E-17E: MAKE (Global Market Outlook Update for 4Q 2015 and update for US market in January 2016, after the multiannual PTCs extension)

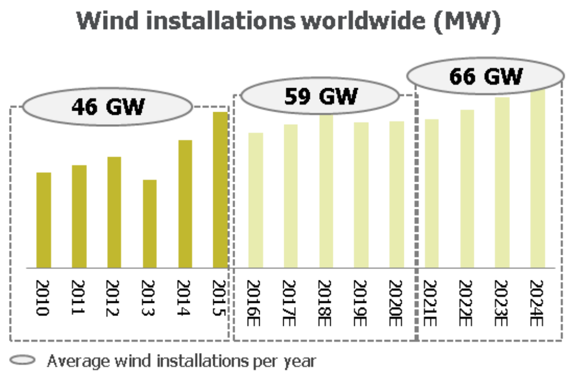




Source: MAKE Q4 Market Outlook Update, including US market update January 2016; Installations 2014-15: GWEC

Regulatory decisions and renewable commitments made in 2015 which support stable long-term growth in wind demand

Beyond the immediate term, regulatory developments and renewable commitments made in 2015 support stable long-term growth in demand; the average pace of installation is expected to rise from 46GW per year in 2010-2015 to 66 GW in 2021-2024E[19].



Source: MAKE 4Q 2015 inc. including US market estimates January 2016; historic data from GWEC

Among the regulatory decisions and renewable commitments, those made during COP21 are particularly important, as is the extension of the tax incentives for wind production in the US, both of which occurred in the fourth quarter of 2015.

- **COP21: global agreement to limit the temperature rise**

During COP21, held in Paris from 30 November to 15 December 2015, a **global agreement was reached to limit the increase in the world's average temperature to 2ºC** with respect to pre-industrial levels, with efforts being made to achieve an even lower increase: 1.5ºC. Climate change is

[19] Source of market projections for 2015E-2024E: MAKE (Global Market Outlook Update for 4Q 2015 and update for US market in January 2016, after the PTCs were extended for several years). Source of historical data: Global Wind Energy Council (GWEC)

recognized as an urgent and potentially irreversible threat to society and the planet that requires swift and concerted global action in which the reduction of greenhouse gases plays a key role.

To achieve the objective of controlling the temperature rise, the 195 signatory countries undertook to reach peak greenhouse gas emissions as soon as possible and then reduce them as quickly as possible in the context of sustainable development.

Before the COP 21, 186 countries sent their voluntary commitments to reduce GHG emissions (INDCs) that served as basis for the negotiations. These INDCs will be reviewed every five years and adjusted upwards as far as possible, the objective being to keep the global temperature rise below 2ºC.

Among the proposals for reducing emissions of greenhouse gases, more than one hundred countries mentioned the increase in the share of renewable energies in their energy mix and seventy specifically mention wind power, with some even proposing specific targets. China, the world's largest wind market, plans to achieve 200 GW in total installed capacity by 2020; India, the second-largest wind market in Asia in terms of installed capacity, plans to reach 60 GW by 2022; Turkey, one of the fastest-growing wind markets and the largest in the EMEA region, targets 16 GW by 2030, while Morocco, one of the main markets in North Africa, plans for wind to contribute 14% of its energy mix in 2020.

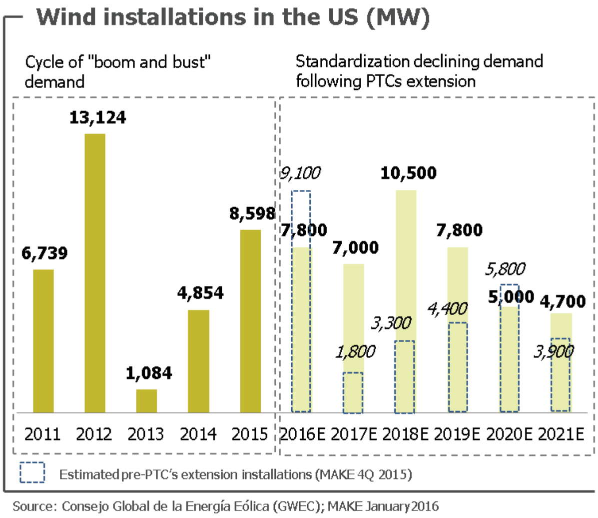
The agreement recognizes that the developed countries must lead this process and that it will take longer for developing countries. There is a continuing need to contribute to financing actions (financial mechanism) to mitigate the effects of climate change in developing nations through, inter alia, a fund to which the minimum annual contribution is €100 billion until 2025 when it will be revised. In addition to the financial mechanism, a **technology mechanism** was established to facilitate the transfer of technology between signatory countries in order to reduce emissions. Additionally, a **cooperation mechanism** was created to enable a country to voluntarily reduce its emissions in another country to reach its objective. This mechanism have similarities with the existing “Clean Development Mechanism” that allows countries to reduce GHG emissions by investing in such projects in developing countries.

- **USA: Extension of tax credits for wind production[20]**

Demand in the US has been subject to fluctuations due to the fact that the main incentive mechanism—production and investment tax credits (PTCs and ITCs)—were available for relatively narrow time windows, which reduced visibility with respect to investment decisions for the medium and, above all, long term. These demand fluctuations were particularly intense in 2011-2015, as the incentive expired in 2012 and was renewed for annual periods in 2013 and 2014 (the latter retroactively).

In this context**, the decision adopted on 18 December to extend the tax credits for five years, over which they would gradually tail off, is clearly positive for wind investment in the US. Not only does it pave the way for relatively normal demand development in the future, but it also greatly increases the prospects of new installations.**

[20] US incentive mechanisms for renewable energy: production tax credits (PTC) and investment tax credits (ITC).



The incentives will tail off gradually on the basis of the year in which construction commences: by 20% per year to zero in 2020. Only projects whose construction commences in 2016 qualify for 100% of the incentive (23 USD/MWh for 10 years). Between 2017 and 2019, the incentive will be reduced by 20% per year.

Start of construction:	2016	2017	2018	2019	2020
PTC[21] (Base=23 USD/MWh)	100%	80%	60%	40%	0%

It is important to note that the IRS[22], which supervises the tax credits, has yet to clarify the two conditions that projects must fulfil to qualify for the incentives:

- "Start of construction", which in previous extensions included not only current commencement but also investment of 5% of the total project cost by, for example, purchasing the WTGs or substation for the project.
- “Continuous progress”: under previous extensions, it was sufficient for the project to enter into service within two years from commencing construction. Lags of more than two years required presentation of additional documentation evidencing "continuous progress".

Subject to those clarifications, projects commissioned before 2019 (whose construction commences in 2016) will receive 100% of the incentive; those commissioned in 2019 (whose construction commences in 2017) will collect 80%; and successively up to 2021.

Commercial operation date (COD):	2016-2018	2019	2020	2021	2022
PTC[21] (Base=23 USD/MWh)	100%	80%	60%	40%	0%

In addition to the extension of tax credits for wind production, offshore projects qualify for investment tax credits (ITC), which will also be phased out. Projects whose construction commences in 2016 will qualify for a 30% investment tax credit. The credit will be 24% for projects whose construction commences in 2017, 18% for those commencing in 2018, and 12% for those commencing in 2019.

2016 Guidance

2015 performance aligned with the priorities in the BP 2015-17.

[21] US incentive mechanisms for renewable energy: production tax credits (PTC) and investment tax credits (ITC).
[22] IRS: Inland Revenue Service.

In this favourable environment for demand in the short, medium and long term, Gamesa ended 2015 fully aligned with the priorities defined in its BP 2015-17E, in terms of both finances and management:

- **Seizing growth opportunities**, due to its sound competitive position in non-mature markets, with the result that revenues increased by 23% y/y to €3,504 million and the order book reached 3,197 MW at year-end, 28% higher than at the end of 2014. The order book and strong commercial activity provide a high degree of visibility for the volume targets this year.
- **Controlling structural expenses and steadily improving variable expenses**, which enabled Gamesa to:
    - fulfil in 2015 its 2017 goal of reducing fixed costs to below 8% of revenues,
    - offset the tensions caused by growth in emerging markets, new product launches and bringing new capacity on stream, and
    - offset the lower revenue contribution from services with higher levels of profitability,

  to end the year with rising profit margins: the underlying EBIT margin pre-Adwen was 8.4%, 1.7 percentage points higher than in 2014.

- **Maintaining a sound balance sheet** due to profitable growth and control of working capital and capex, which enabled it to end the year with a net cash position of €301 million, while working capital amounted to 0.3% of revenues and capex to 4.8% of revenues.
- **Working to boost the competitiveness of the product and service pipelines**, improving our position in mature markets with the launch of the 3.3 MW platform, which was presented at the Paris fair. The addition of the new platform gives Gamesa access to 100% of the onshore market and improves its competitive position in markets where 3 MW machines predominate, such as Canada, South Africa, Australia and Northern Europe.
- Finally**, Gamesa advancing steadily to seek additional growth and value-creation opportunities beyond 2017, entering the offshore business by creating Adwen in 2015 and the beginning of solar photovoltaic activity in India, through the signature of contracts to develop 59 MW of solar projects**; the first project (11 MW) has already been delivered.

Making it possible to step up the commitments for 2017 and bring them forward

The result is that **Gamesa has improved on the commitments made in the business plan 2015-17 and brought them forward to 2016**: more profitable growth, while keeping capex and working capital under control, with the ultimate goal of accelerating shareholder value creation and paying attractive remuneration.

Gamesa now targets double-digit growth, above 19%, to achieve a volume of over 3,800 MWe and underlying EBIT pre-Adwen above €400 million[23], equivalent to over 36% annual growth and an EBIT margin above 9%[23].

In this context of growing beyond initial expectations, Gamesa will maintain its modular capex plan in tune with demand, with a capex goal that is similar to the 2015 objective: 4% to 5% of revenues. However, it has halved its working capital target: from 5% to 2.5% of revenues. In contrast with past trends, Gamesa expects both volume and profitability to be slightly stronger in the first half of 2016.

[23] At 2015 average exchange rate and assuming no change in consolidation scope

	2015	2016 Guidance[1]	2015 Guidance	
Volume (MWe)	3,180	**>3,800**	3,500-3,800	**More** profitable growth: activity >19%; operating profitability ≥36%
Underlying EBIT	294	**>400**	c. 362	
EBIT margin	8.4%	**≥9%**	>8%	
WC/revenues	0.3%	**≤2.5%**	<5%	**Keeping capex and working capital under control**
Capex/revenues	4.8%	**4%-5%**	<3.5%	
ROCE	**17%**	**Rising y/y**	**Rising y/y**	**Accelerating** value creation
Dividend proposal: pay-out ratio	25%	≥25%	≥25%	**Offering attractive remuneration**

1. At January-February 2016 average exchange rate and assuming no change in consolidation scope

Conclusions

In a context of rising global demand, in which Gamesa's competitive position is improving, the company ended 2015 **with growth, profitability and balance sheet numbers that surpassed its commitments for the year and provided a 17% return on capital employed,** 6 percentage points more than in 2014 and double the company's weighted average cost of capital[24].

Revenues amounted to €3,504 million, i.e. 23% higher than in 2014, with an underlying EBIT margin of 8.4%[25], i.e. 1.7 percentage points more than in 2014. Favourable currency performance accounted for 5% growth in revenues and a 0.6-point increase in the margin. **In absolute terms, and excluding Adwen, EBIT amounted to €294 million,** 54% more than in 2014**, while net profit excluding Adwen increased 1.7-fold to €175 million[25].**

The company's sound competitive position was reaffirmed by sustained strong commercial activity, as **order intake increased by 17% y/y to 3,883 MW in 2015**, in line with the upper limit of the business plan target for 2017.The **order book at the end of December 2015 stood at 3,197 MW, 28% more than a year earlier and covering 71%**[26] of the sales volume projected for 2016, i.e. 7 percentage points more than the corresponding figure at 2014 year-end**.**

While increasing revenues and profitability, Gamesa continues to prioritise a sound balance sheet by controlling both working capital and capex. Against a backdrop of rising activity, Gamesa reduced working capital by 84% with respect to the end of 2014 and improved the working capital/revenues ratio by over 2 percentage points, to 0.3%. This reduction in working capital, together with greater operating cash flow and capex planning tied to growth**, enabled Gamesa to end 2015 with a net cash position of €301 million, equivalent to an NFD/EBITDA ratio of -0.6x.**

The fact that Gamesa exceeded its goals for 2015, coupled with its solid competitive positioning and a management focus on shareholder value creation, have enabled the company to **increase its goals for 2017 and bring them forward to 2016[27].** Strong commercial activity, reflected in the order intake reaching the high end of the volume range projected for 2017, makes it possible to project activity exceeding 3,800 MW in 2016. Growth in activity, control of structural expenses and ongoing cost optimisation make it possible to increase absolute profitability goals by 10% with respect to the initial target for 2017 and by 36% with respect to 2015, to €400 million, equivalent to a margin of at least 9%. Gamesa maintains its commitment to a sound balance sheet, which it will fulfill through strict control of working capital, which is targeted not to exceed 2.5% of revenues; capex will continue to be driven by the company's growth needs while remaining approximately in line with 2015 as a percentage of revenues. The company also undertakes to maintain an attractive remuneration policy, with a pay-out ratio of 25%[28] or higher; the final amount will depend on additional growth and value creation opportunities that are within the company's reach.

[24] Weighted average cost of capital: 8.5% based on average from analysis firms and internal calculations.
[25] Excluding the impact of creating and booking Adwen on EBIT (€29 million) and net profit (-€5 million).
[26] Coverage calculated as orders for activity in 2016 with respect to the volume guidance for 2016 (>3,800 MWe).
[27] Guidance at average January-February exchange rate and assuming no change in consolidation scope.
[28] Subject to a proposal by the Board and approval by the Shareholders' Meeting.

Annex

Financial Statements January-September 2015[29]

Gamesa Corporación Tecnológica - Consolidated

Profit and Loss Account - €'000	12M 2014	12M 2015
Turnover	2,846,158	3,503,802
+/- Variation in inventories of finished products and WIP	54,996	79,575
Consumption	-1,996,070	-2,478,142
Other operating revenues	6,382	11,366
Work performed on own assets	52,816	52,082
Personnel expenses	-302,924	-341,050
Other operating expenses	-296,863	-307,490
EBITDA	**364,496**	**520,145**
Depreciation and amortisation	-91,955	-96,053
Provisions	-83,393	-133,305
Net impairment losses	-7,968	0
Gains (losses) on disposal of non-current assets	0	31,957
EBIT	**181,179**	**322,744**[30]
Financial revenues	11,682	13,599
Financial expenses	-54,355	-47,125
Exchange differences (profit/loss)	-3,712	-10,632
Equity-accounted affiliates	-667	-24,988[30]
EBT	**134,127**	**253,598**[30]
Taxes	-38,119	-76,553[30]
Income after taxes (continuing operations)	**96,008**	**177,046**
Income for the period from discontinued operations	-4,839	-7,172
Outside shareholders	679	342
Income attributable to the controlling company	**91,848**	**170,216**[30]

[29] Audited figures

[30] EBIT pre-Adwen 293,580, Equity-accounted affiliates pre-Adwen 751, Taxes pre-Adwen -68,387 and Income attributable to the controlling company pre-Adwen 175,251 (figures - €'000)

Balance Sheet - €'000	12M 2014	12M 2015
Goodwill	386,756	388,410
Operational fixed assets, net	568,584	495,147
Non-current financial assets, net	105,871	274,299
Deferred taxes	405,289	421,788
Inventories	564,492	803,259
Customer and other accounts receivable	1,165,427	1,112,590
Receivable from public authorities	192,529	213,083
Current financial assets	20,359	34,009
Cash and cash equivalents	811,029	869,333
Assets held for sale and discontinued operations	31,516	28,746
Total assets	**4,251,851**	**4,640,664**
Capital and reserves	1,385,412	1,527,203
Non-current provisions and deferred revenues	235,040	256,912
Non-current financial debt	541,497	444,902
Other non-current financial liabilities	53,629	52,073
Deferred tax liabilities	83,405	115,648
Bank loans	99,690	102,899
Trade and other accounts payable	1,686,414	1,937,622
Payable to public authorities	99,859	100,273
Other current liabilities	64,924	102,288
Liabilities associated with assets held for sale	1,980	843
Total liabilities	**4,251,851**	**4,640,664**

Cash flow statement - €'000	12M 2015
Profit (including discontinued activities)	170,216
+ Depreciation and amortisation	96,053
+ Provisions	102,982
- Operating provisions	-74,424
- Non-recurring income	5,035
Gross operating cash flow	**299,862**
- Non-recurring provisions	-13,811
- Variation in working capital	59,567
- Others	3,823
Operating cash flow	**349,441**
- Investments	-167,858
Cash flow for the period	**181,583**
- Variation in treasury stock	-120
- Dividends paid	-22,782
Change in Net Financial Cash	**158,681**
Beginning net financial debt (cash)	-142,513
Ending net financial debt (cash)	301,194

Disclaimer

"This material has been prepared by Gamesa Corporación Tecnológica, S.A., and is disclosed solely for information purposes.

This document contains declarations which constitute forward-looking statements, and includes references to our current intentions, beliefs or expectations regarding future events and trends that may affect our financial condition, earnings and share value.

These forward-looking statements do not constitute a warranty as to future performance and imply risks and uncertainties. Therefore, actual results may differ materially from those expressed or implied by the forward-looking statements, due to different factors, risks and uncertainties, such as economical, competitive, regulatory or commercial factors. The value of any investment may rise or fall and, furthermore, it may not be recovered, partially or completely. Likewise, past performance is not indicative of future results.

The facts, opinions, and forecasts included in this material are furnished as of the date of this document, and are based on the company's estimates and on sources believed to be reliable by Gamesa Corporación Tecnológica, S.A., but the company does not warrant their completeness, timeliness or accuracy, and, accordingly, no reliance should be placed on them in this connection.

Both the information and the conclusions contained in this document are subject to changes without notice. Gamesa Corporación Tecnológica, S.A. undertakes no obligation to update forward-looking statements to reflect events or circumstances that occur after the date the statements were made. The results and evolution of the company may differ materially from those expressed in this document.

None of the information contained in this document constitutes a solicitation or offer to buy or sell any securities or advice or recommendations with regard to any other transaction. This material does not provide any type of investment recommendation, or legal, tax or any other type of advice, and it should not be relied upon to make any investment or decision.

Any and all the decisions taken by any third party as a result of the information, materials or reports contained in this document are the sole and exclusive risk and responsibility of that third party, and Gamesa Corporación Tecnológica, S.A. shall not be responsible for any damages derived from the use of this document or its content.

This document has been furnished exclusively for information purposes, and it must not be disclosed, published or distributed, partially or totally, without the prior written consent of Gamesa Corporación Tecnológica, S.A.

The images captured by Gamesa in the work environment or at corporate events are solely used for professional purposes to inform third parties about corporate activities and to illustrate them.

In the event of doubt, the Spanish language version of this document will prevail.