

#### **Acquisition of MADE**





June 2003

**Transaction's Details** 

#### **Strategic Rationale**

#### **Conclusion**



#### **Transaction's Details**



#### **Transaction's Details** Terms of the Agreement

Gamesa and Endesa have reached an agreement for the purchase of Endesa's WTG manufacturing division, Made. The main conditions are the following:

- Acquisition of Made:
  - Equity Value: EUR 25 MM
  - Enterprise Value: EUR 119 MM

Current Financial debt for EUR 94 MM is extraordinary due to working capital needs and we estimate to be reduced by year end to EUR 40 MM.

- Made's Backlog:
  - Made has contracts with Endesa and other companies to supply WTG equivalent to 1,300 MW.
  - Made will have a First Right of Refusal for further 300 MW of WTG

The Agreement includes the acquisition of 100% of Made's shares with a backlog to supply 1,190 MW of WTG to Endesa and other companies.



#### **Strategic Rationale**



## **Strategic Rationale** Endesa, a Strong Partner

Significant backlog. Endesa will buy 890 MW of WTG to MADE

Possibility to grow. First Right of Refusal for further 300 MW

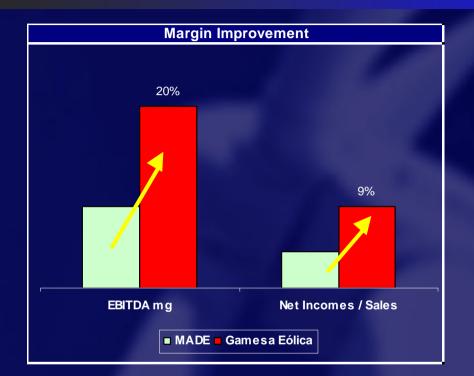
Huge Growth Potential in Europe and the LatAm Market (Endesa is very well positioned in Italy, France, Brazil and Chile)

Access to third party companies related to Endesa.

Gamesa starts a new relationship with Spain's tier 1 "Utility"



## **Strategic Rationale** Sinergies. Margin Improvement



 Product Range Rationalisation
Increased supplies volume
Modular Vertical Integration applied to Made

**Cost Improvements** 

#### Gamesa expects to improve the company's margins substantially



## **Strategic Rationale** Sinergies. Capex, Overheads & Others



Improved Sunk Cost absorption due to bigger scale

Increased R&D team. Experience in WTG integral design

**Experience in Solar Thermal Energy** 

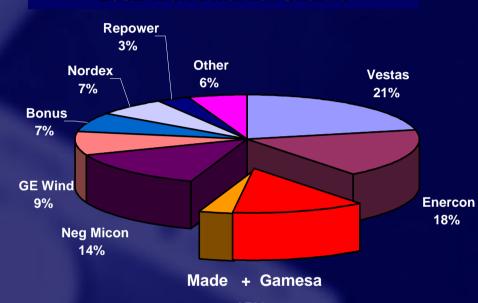
Made's structure will complement Gamesa increasing its value



## Strategic Rationale A Bigger Player

#### Historical WTG Manufacturer Rankings

Yearly Installation (MW)	2001	2002
Vestas	1648	1605
Enercon	1036	1334
Gamesa + MADE	926	1171
Neg Micon	874	1033
Gamesa	735	924
GE Wind	865	638
Bonus	593	509
Nordex	461	504
MADE	191	247
Repower	133	223
Other	539	419
Total	7075	7436



15%

#### The new company ranks top 3 in the world market.

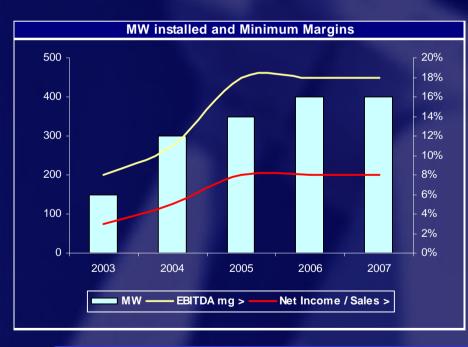
Source: BTM WMU March 20003

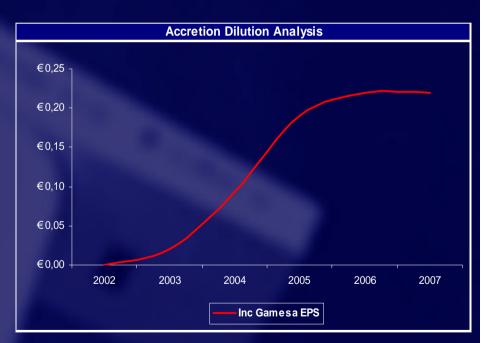


2002 World Market Shares

## **Strategic Rationale** Accretion Dilution Analysis

	2003(*)	2004	2005	2006	2007
MW Sold	150	300	350	400	400
Min EBITDA mg	8%	11%	18%	18%	18%
Min ROS	3%	5%	8%	8%	8%





The transaction is value enhancing from an EPS perspective.







# **Conclusion** Value Creation and Visibility Improvement

**Relationship with Endesa.** Gamesa opens a big new relationship / customer.

**Improved Backlog.** Gamesa increases its backlog by 25%

Fair Value. Gamesa has paid a fair value for the Company.

**Sinergies.** The margin differential and the existence of Spanish facilities Increase Value for Gamesa.

**EPS Enhancing.** All the above leads to an EPS enhancing transaction

Value Creation and Visibility Improvement

