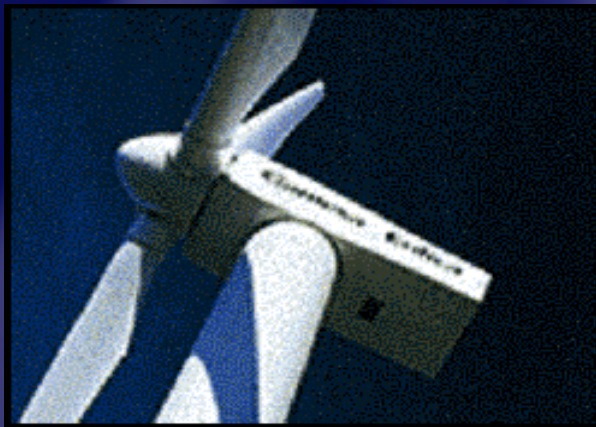


# Gamesa

## Growth Perspectives

2003 Year End Estimate  
& 2004 Forecast



*Please refer to page 33 for Forward Looking Statement*

**OCTOBER 2003**

# Agenda

- I. Introduction**
- II. Gamesa's Recurrent Activities**
- III. Wind Business**
  - a) The Wind Industry
  - b) Gamesa Eólica (WTG Manufacturing)
  - c) Gamesa Energía (Wind Farm Development and Sale)
  - d) Gamesa Servicios (Advanced Services)
- IV. Aeronautics**
  - a) Aeronautic Industry
  - b) Gamesa Aeronáutica
- V. Growth Perspectives**
  - a) 2003 Upgrade
  - b) 2004 Estimate
  - c) Growth Perspectives
- VI. Conclusion**

*Please refer to page 33 for Forward Looking Statement*

# I. Introduction

- Gamesa has successfully consolidated the sale of Windfarms as a recurrent Activity. The contracts signed with several customers in several regions show the recurrence of the strategy. A part of the Financial Community has not recognised this activity as recurrent.
- The company expects to reach its improved guidance of EUR 200 MM in 2003.
- The budget for 2004 shows growth in all activities leaving a Net Income Forecast of EUR 230 MM for 2004.
- The aim of this presentation is to show the recurrent growth perspectives of the company's results. Hence, proving the recurrence of the windfarm development and sale activity.

**Gamesa will show the maintenance and Growth Perspectives of its Net Income in the next years.**

## II. Gamesa's Recurrent Activities

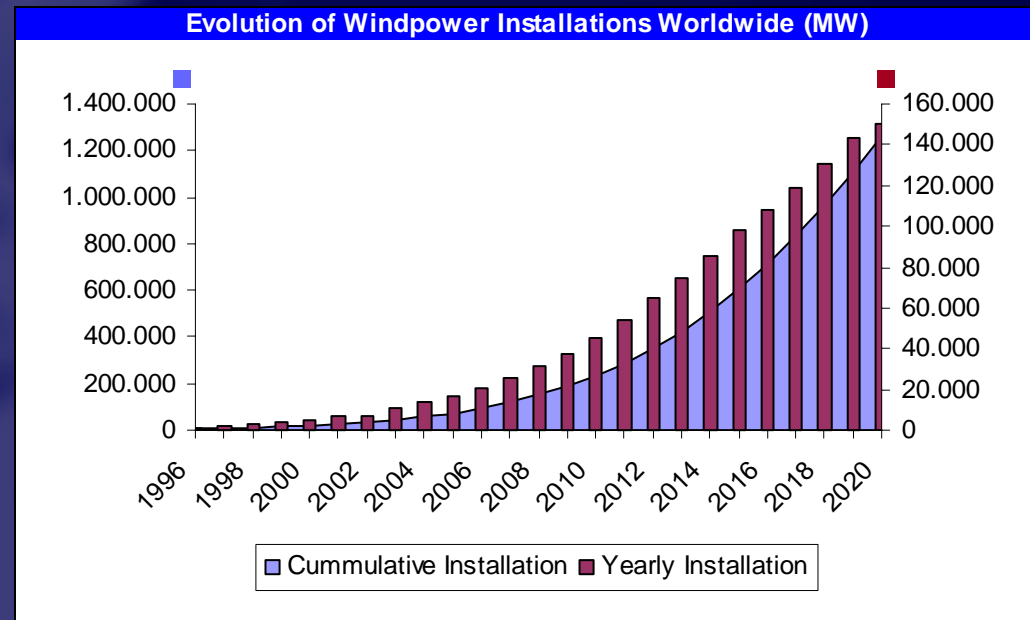
Company	Activity	Main Characteristics
Gamesa Eólica	WTG Manufacturing	<ul style="list-style-type: none"> <li>✓ # 3 in Worldwide Sales</li> <li>✓ #1 in Net Income</li> <li>✓ #1 in Competitiveness</li> </ul>
Gamesa Energía	Windfarm Development & Sale	<ul style="list-style-type: none"> <li>✓ World-leading Developer</li> <li>✓ Presence in Europe, USA, Australia</li> <li>✓ Development Pipeline &gt; 15,074 MW</li> <li>✓ Sale Order Backlog &gt; 1,400 MW</li> </ul>
Gamesa Servicios	Construction, Maintenance & Operation	<ul style="list-style-type: none"> <li>✓ Specialised in Energy Projects</li> <li>✓ Supporting WTG and Windfarm activities</li> </ul>
Gamesa Aeronáutica	Aeronautic Structures	<ul style="list-style-type: none"> <li>✓ World wide Positioning</li> <li>✓ Profitable despite of industry situation</li> <li>✓ Recovery =&gt; Increase Revenues and Profits</li> </ul>
<b>GAMESA</b>		<ul style="list-style-type: none"> <li>✓ Industrial and Technological Leadership</li> <li>✓ High Competitiveness</li> <li>✓ Short / Medium / Long Term Growth</li> </ul>

Please refer to page 33 for Forward Looking Statement

# III. Wind Business

## a) The Wind Industry

- 1997 – 2002 Yearly Growth: 35 %
- 2003 – 2007 Yearly Growth: 25 %
- 2008 – 2012 Yearly Growth: 20 %



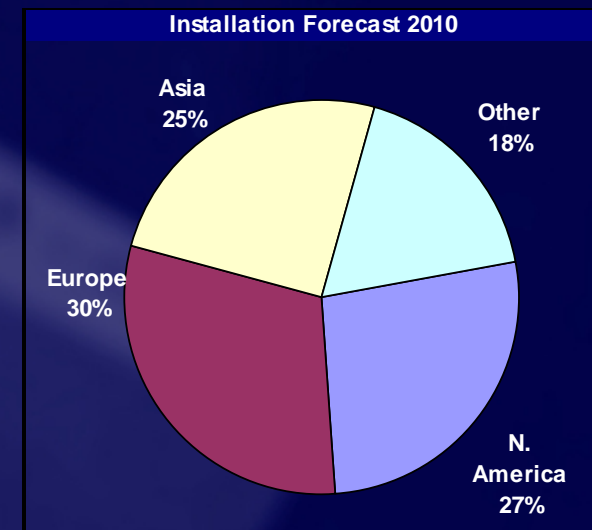
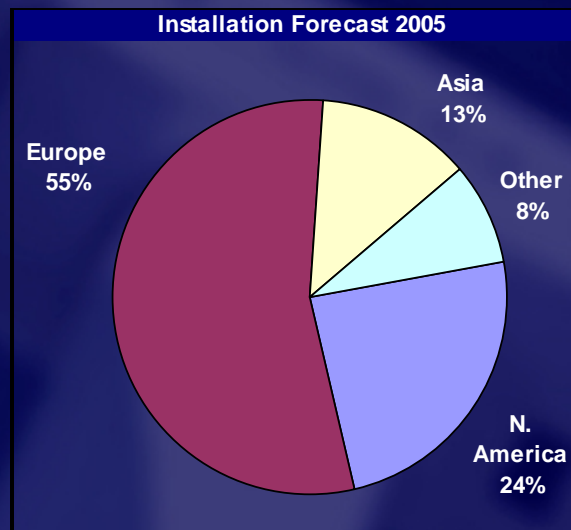
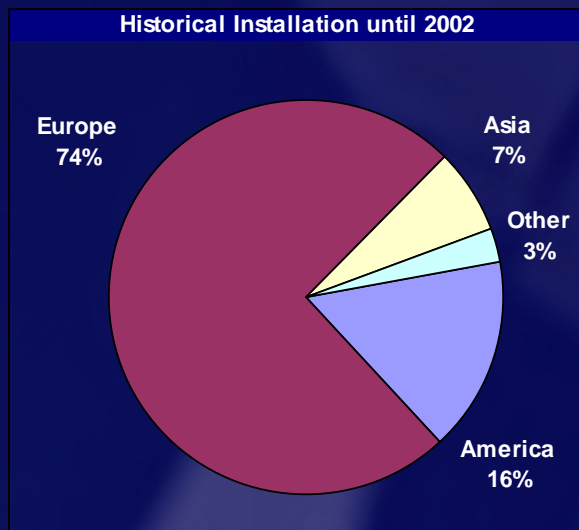
Source: Wind Force 12. Gamesa agrees with wind Force 12 long term forecast, although short term growth may be lower

**The Wind Industry is the industrial activity of highest growth potential in the next 10 to 20 years**

# III. Wind Business

## a) The Wind Industry

- 35% CAGR of yearly Installations in the 97-02 Period
- Future Growth concentrated in Europe, America and Asia
- 22% CAGR expected in 2003-2012



Source: Wind Force 12 and BTM March 2003

**80% of the MW will be installed in Europe and America until 2005**

Please refer to page 33 for Forward Looking Statement

# III. Wind Business

## b) WTG Manufacturing

- Gamesa Eólica & Made Design, Manufacture and Sell Wind Turbine Generators being:

# 3 Worldwide  
in Revenues



# 1 Worldwide  
in Net Income

# 1 Worldwide in  
Competitiveness

- Gamesa is focused in the market's demand:

- Cost per kW
- Availability
- Service

**Gamesa Eólica is a Leading Player in the WTG Industry**

# III. Wind Business

## b) WTG Manufacturing. Backlog

WTG MANUFACTURING					
CLIENT	Frame Agreements	Pending as of 31-12-02	2003	2004	Next 3 Years
GAMESA (Domestic and Foreign)	-	3,544	474	520	2,550
CESA	1,000	934	48	150	736
EHN	1,416	637	25	25	587
IBERDROLA	1,510	1,201	323	329	549
ENDESA	1,000	1,000	150	300	550
URBAENERGIA	600	600	25	150	425
<b>TOTAL MW (Firm Contracts)</b>	<b>5,526</b>	<b>7,916</b>	<b>1,045</b>	<b>1,474</b>	<b>5,397</b>
OTHERS (*)	-	-	278	183	-
Budget (MW)			1,323	1,657	

(\*) Internal estimate for other clients 2004 is higher but has been reduced to achieve a conservative budget

**Improved Backlog guarantees Sales for the next three years**

Please refer to page 33 for Forward Looking Statement





# III. Wind Business

## b) WTG Manufacturing. Margins

### Maintenance of Margins and Profitability above Competitors

#### Advantages

- Modular Vertical Integration
- Royalty disappears
- Higher Prices Outside Spain
- Production Continuity (Visibility)
- Substantial Growth in Revenues (Improved by Made acquisition)



#### Challenges



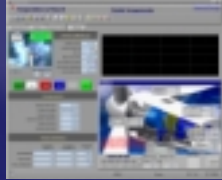

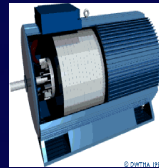



- Transportation Costs
- New Commercial Network
- Increase in R&D
- Increase in Capacity (Capex)

MARGINS		2003		2004
EBITDA / Sales	EOLICA	20 %	} 18.5%	18.5%
	MADE	8 %		
Net Income / Sales	EOLICA	10 %	} 9.5%	8.5%
	MADE	3 %		

**MADE margins start converging in 2004 to Eolica's levels**

# III. Wind Business

## b) WTG Manufacturing. Modular Vertical Integration

Activity	Strategy				
	Blades	Cotrol Software	Gearbox	Generator & Power Electronics	Tower
<b>Design of WTG</b> 	100% in House 	100% in House 	40% in House 	40% in House 	100% in House 
<b>Manufacturing of WTG</b> 	100% in House	100% in House	40% in House	40% in House	30% in House
<b>Maintenance of WTG</b> 	100% in House	100% in House	100% in House	100% in House	100% in House

**Gamesa has internalised the key elements of a WTG.**

# III. Wind Business

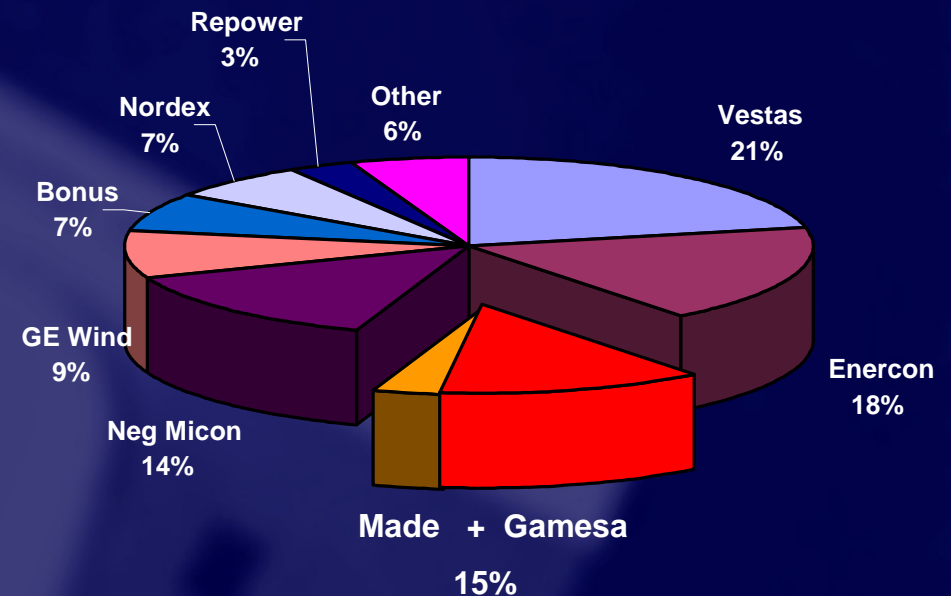
## b) WTG Manufacturing. Market Share

### Historical WTG Manufacturer Rankings

Yearly Installation (MW)	2001	2002
Vestas	1648	1605
Enercon	1036	1334
<b>Gamesa + MADE</b>	<b>926</b>	<b>1171</b>
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
<b>Total</b>	<b>7075</b>	<b>7436</b>

Source: BTM WMU March 2003

### 2002 World Market Shares






The new company ranks top 3 in the world market.

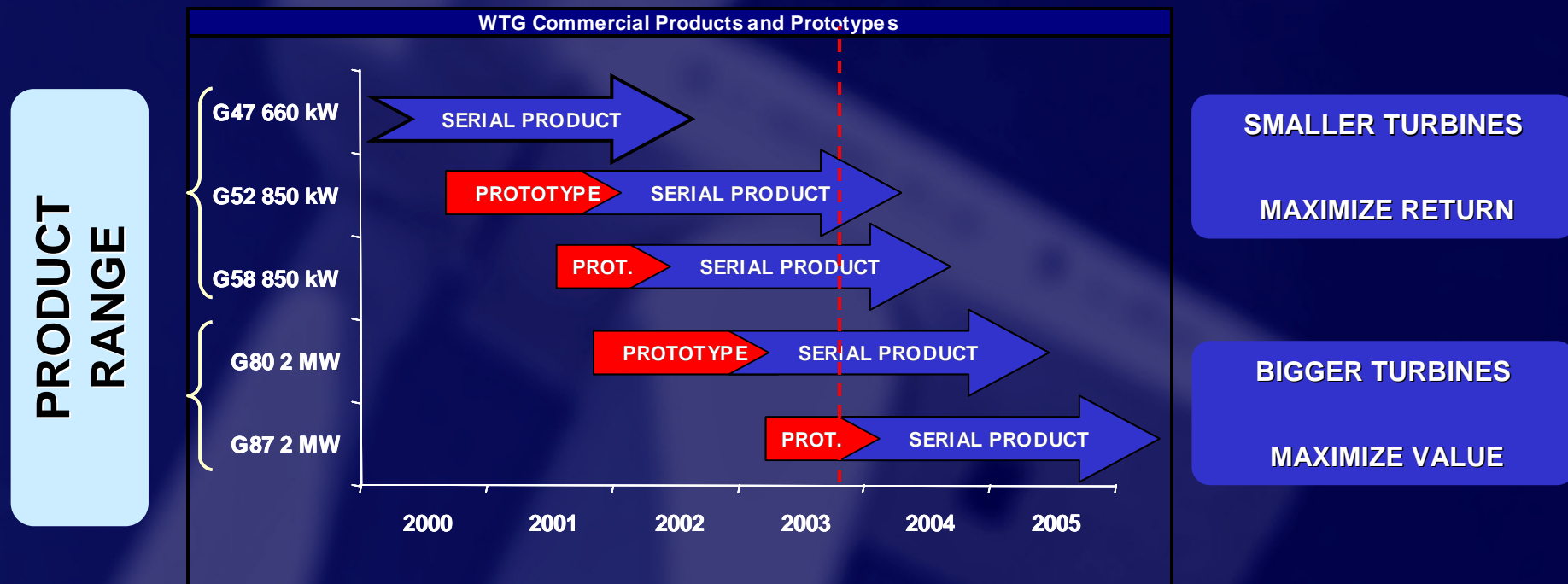
Please refer to page 33 for Forward Looking Statement



# III. Wind Business

## b) WTG Manufacturing. Product Range

-  Reliable and long lasting commercial products
-  Sell well tested Serial Products, not Prototypes
-  Continue developing future serial products



**Gamesa is focused on providing high quality and competitive products to the market**

## III. Wind Business

### b) WTG Manufacturing. International Sales

Eólica (Including MADE)				
Country	2003	%	2004	%
Spain	1,062 (*)	80 %	1,182 (*)	71 %
Germany	-	-	90	5 %
Rest of Europe	185	14 %	154	9 %
USA	50	4 %	100	6 %
Other	26	2 %	131	8 %
<b>TOTAL</b>	<b>1,323</b>	<b>100 %</b>	<b>1,657</b>	<b>100 %</b>

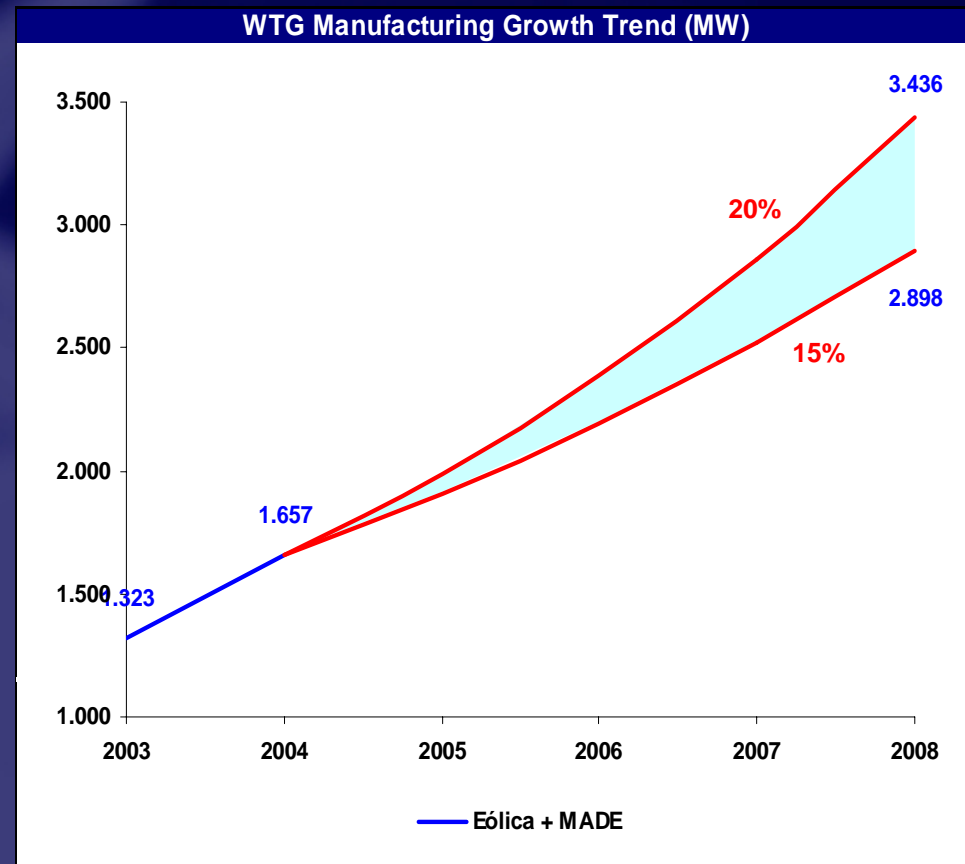
(\*) Includes 150 MW (2003) and 300 MW (2004) of ENDESA

**Gamesa improves its visibility through international markets (20% in 2003 and 29% in 2004)**

# III. Wind Business

## b) WTG Manufacturing. Growth Perspectives

- 25% Growth expected for 2004
- Incorporation of MADE represents a jump in scale
- Future Growth in the 15% - 20% range



Expected growth 04/03 of 25% following a growth pattern between 20% and 15% in the long run

# III. Wind Business


## c) Windfarm Development & Sale. Description

Concept	Description	Main Characteristics
Product	<ul style="list-style-type: none"> <li>✓ Windfarm Development &amp; Sale</li> </ul>	<ul style="list-style-type: none"> <li>✓ Low Capital Intensity during Development</li> <li>✓ Long Lead Times (4 years for development)</li> <li>✓ Local Presence Required</li> <li>✓ Deep Expertise in Windfarm Selling Process</li> </ul>
Technology	<ul style="list-style-type: none"> <li>✓ Site Selection, Micrositing</li> <li>✓ Permissions</li> <li>✓ Effective construction of Windfarm in Term, Quality and Price</li> </ul>	<ul style="list-style-type: none"> <li>✓ Experienced Organization</li> <li>✓ 300 persons               <ul style="list-style-type: none"> <li>- Engineers</li> <li>- Economists</li> <li>- Others</li> </ul> </li> </ul>
Market	<ul style="list-style-type: none"> <li>✓ Worldwide</li> </ul>	<ul style="list-style-type: none"> <li>✓ 12 Operating subsidiaries : Europe (Spain,Italy, Germany, Portugal, France, Greece, ...) USA, Australia, Brazil</li> <li>✓ 15,074 Total Potential MW</li> <li>✓ Growing Client Base (Utilities, Oil Companies, ...)</li> </ul>
Gross Margins	15 % - 25% depending on Wind Conditions and Tariff	<ul style="list-style-type: none"> <li>✓ Attractive Returns</li> </ul>

**Gamesa holds all the skills and experience to run the Windfarm Development and Sale Business recurrently.**

# III. Wind Business

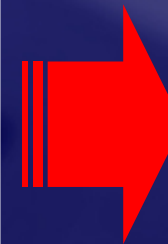
## c) Windfarm Development & Sale. Description

 A windfarm is a set of Wind Turbine Generators installed on a site to absorb energy from the wind and sell it to the electrical pool.



 The Windfarm's Lifecycle

PHASE	GAMESA PRODUCT CYCLE				
	DEVELOPMENT			INSTALLATION	
TIMEFRAME	3 to 4 Years			6 to 9 Months	
ACTIONS	Site Screening	Wind Measurement	Permissions	Civil Works	WTG Installation
TIMEFRAME	6 Months	2 Years	1 Year	4 Months	2 to 5 Months



CLIENT PRODUCT CYCLE
GENERATION
20 + Years
Windfarm runs without further investment, maintenance contract signed with Gamesa Eólica and Gamesa Servicios.


VALUE CREATION PHASES BEFORE GENERATION 

Please refer to page 33 for Forward Looking Statement



## III. Wind Business

### c) Windfarm Development & Sale. Product

-  Recurrent Activity of Development and Sale of Windfarms
-  Yearly Production > 500 MW of New Windfarms (Maintained Growth)
-  The Existing Potential Market can support growth for next 10 – 15 years
-  High demand for the purchase of windfarms from utilities (Iberdrola, Electrabel, FPL, Enel, Nuon), Oil Companies (BP, Shell,...), Investments funds, etc

**Recurrent source of Revenues and Profits**

# III. Wind Business

## c) Windfarm Development & Sale. Market

Country	Windfarm Development Pipeline		
	Total Potential MW	Validated Speeds	Grid Conexion Rights
Spain	6,478	3,763	1,713
Portugal	1,192	1,175	275
Italy	2,318	1,240	1,890
Greece	1,007	500	50
France	500	24	-
Brazil	815	775	-
Australia	88	88	-
Dominican Rep,	90	90	90
USA	1,966	200	-
Others	20	20	20
Germany	600	565	565
<b>Total</b>	<b>15,074</b>	<b>8,440</b>	<b>4,603</b>

Developed and Sold		
Developed (Dec '03)	MW Signed	MW Sold
1,134	1,077	847
18	252	-
20	174	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
50	-	-
-	-	-
-	-	-
<b>1,222</b>	<b>1,503</b>	<b>847</b>

Windfarm Development 2003 (E)

410 MW

(\*) Data estimated as of 31/12/2003

Please refer to page 33 for Forward Looking Statement



## III. Wind Business

### c) Windfarm Development & Sale. Market



The High amount of MW Pipeline and the powerful organizational structure created by Gamesa Energia in different countries (Spain, Italy, Portugal, United Kingdom, France, Germany, USA, etc) guarantee a continuous growth in the following years.

Concept	Area	REAL			FORECAST					
		2000	2001	2002	2003	2004	2005	2006	2007	2008
Windfarm Development	Spain	73	250	300	322	320	320	300	280	280
	USA				50	(*)	130	180	250	300
	Germany					50	70	100	100	100
	Rest of Europe				38	150	160	220	320	400
	Rest of World							50	70	120
Total Wind Farm Development	MW	73	250	300	410	520	680	850	1020	1200
	Δ %		340%	20%	37%	27%	31%	25%	20%	18%

(\*) Potential development of 100 MW in USA in 2004 if PTC is extended

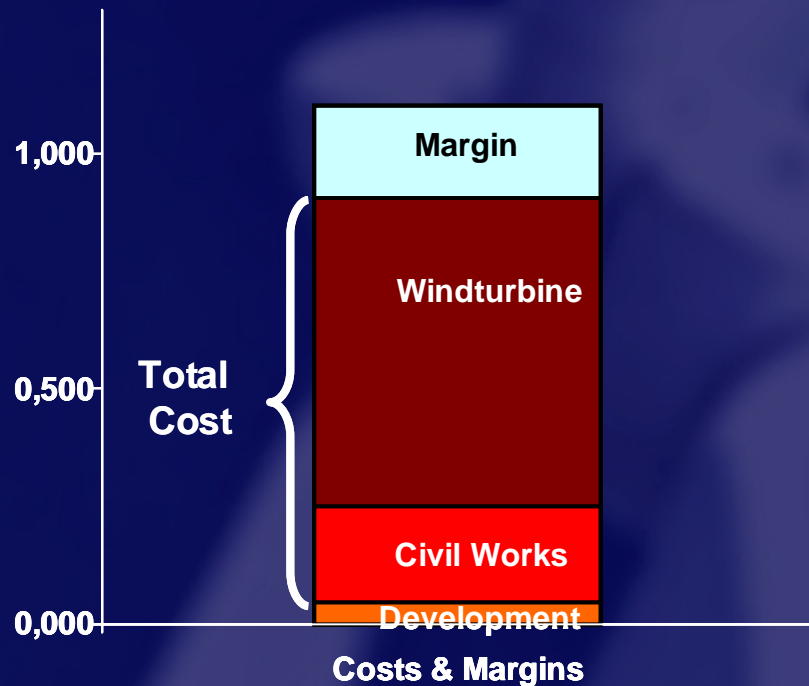
**Growth for the next years will be based on US, Germany, Rest of Europe, etc.**

Please refer to page 33 for Forward Looking Statement

# III. Wind Business

## c) Windfarm Development & Sale. Expected Margins

Break Down of Cost and Margin (EUR MM / MW)



Concept	Main Characteristics
Development Costs Permissions, Wind Measurement,...	Depends on cost of ground (rental), difficulty of permissioning, ...
Civil Works Grid Connection, Road, ...	Depends on Windfarm Access, Electrical Infrastructure...
Windturbine	Depends on size, Class of Turbine, Transportation
Margin Difference between Cost and Price	Depends on Wind Quality, Investments, Tariffs (PTC, Green Certificates, Premiums on Pool, ...)
Revenues Windfarm Sale Price (Enterprise Value)	Depends on all the above and target IRR of customer. Between EUR 1.0 MM/MW and EUR 1.3 MM/MW

NOTE: Fixed Structure Costs of Gamesa Energía are not included in these figures

**Estimated Average Gross Margins: 15% to 25%**

## III. Wind Business

### c) Windfarm Development & Sale. Growth Perspectives

CONCEPT	2002 2003	2004	2005	2006	2007	2008
<b>SOLD MW</b>	710 (+ 137)	520 (+200)	680	850	1,020	1,200
<b>SALES (EUR MM PER MW)</b>	1.129	1.105	EUR 1.0 MM – 1.3 MM per MW			
<b>GROSS MARGIN</b>	23,8%	20.2%	15% to 25%			

**Future Sale of MW in line with Development of MW**

## III. Wind Business

### d) Advanced Services. Growth Perspectives

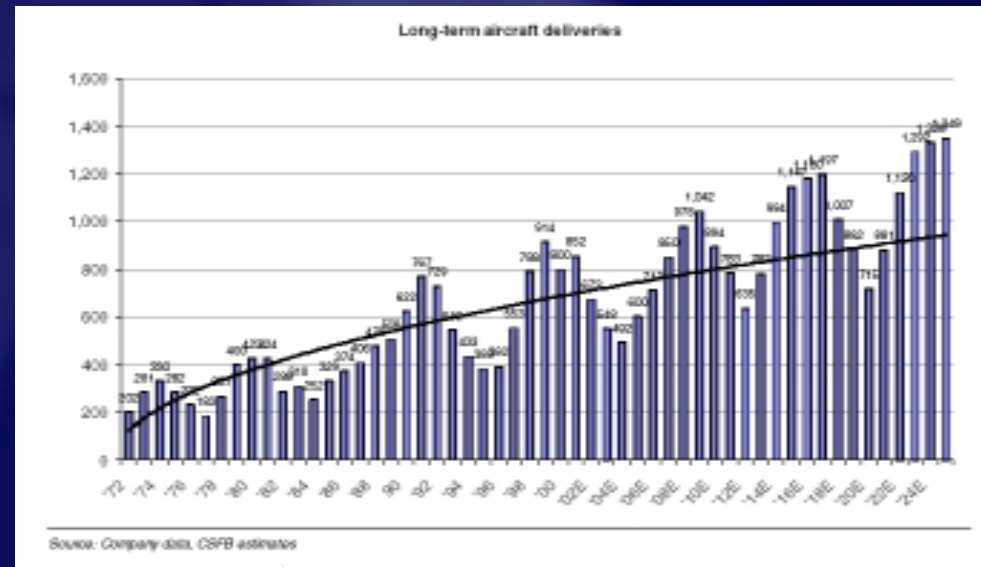
- The Services activity generates synergies in the sale of WTG offering added value to the customers through turnkey projects.
- It helps improving the knowledge about WTG behaviour in real conditions.
- Gamesa Servicios is focused on Renewable Energies and grows in parallel with this activity.
- Set up of branches in Italy, Portugal and Germany to support Gamesa Eólica's activities.

**Gamesa Servicios will grow adding value to the WTG sale business.**

## IV. Aeronautics

### a) Aeronautic Industry. Cycles.

- Cycles strongly correlated with general economic growth
- GDP + 2% Growth expected during the next 20 years
- Typical length of downturn has been three years
- Oversupply situation is going to last until the end of 2004
- Airlines are expected to rebuild profitability during 2004 – 2005



The recovery in production is forecasted for 2005-2006 with an average growth of 4-5% in the long run

# IV. Aeronautics

## a) Aeronautic Industry. Regional Aviation

- Despite the current crisis, civil aerospace remains an attractive long term GDP+ market.
- The growth in Regional Aviation will be larger, getting a 5,8% annually.
- This additional growth will be stimulated by lower fares, growing world trade and airline network improvements, such as increased frequencies and more direct service.

Market Forecast 2003-2022

World Deliveries by Segment - Jets

Segment	2003 - 2012	2013 - 2022	2003 - 2022
30 - 60	1,745	1,765	3,510
61 - 90	1,175	1,415	2,590
91 - 120	1,090	1,420	2,510
<b>TOTAL</b>	<b>4,010</b>	<b>4,600</b>	<b>8,610</b>

World (30-120 seat segment): 8,610 jets (US\$180 billion)



**Regional Aviation will perform better than the Global Industry**



# IV. Aeronautics

## b) Gamesa Aeronáutica. Strategy

### Market Trends

- Leading manufacturers are changing their procurement strategy to continue improving competitiveness
- Drastic reduction in the number of suppliers
- Move from outsourcing to risk sharing
- Good opportunity for competitive suppliers with the appropriated volume

### Gamesa Aeronautica Strategic Guidelines

- Create strong Tier 1 Aeronautic Group
- Intensify commercial approach to North American market (Boeing, Bombardier,...)
- Maintain High Margins

# IV. Aeronautics

## b) Gamesa Aeronáutica. Backlog

Program	Number of Aircrafts					2003 (E)	2004 (E)
	Firm Orders	Options	Total	Delivered (*)	Firm Orders & Backlog		
ERJ 135 / 145	977	573	1550	796	754	95	84
S 92	15	20	35	0	35	0	13
CRJ 700 / 900 (**)	267	468	735	76	659	42	47
ERJ 170 / 190	245	309	554	25	529	25	57
A 380	116	50	166	0	166	0	7
<b>TOTAL</b>	<b>1,620</b>	<b>1,420</b>	<b>3,040</b>	<b>897</b>	<b>2,143</b>	<b>162</b>	<b>208</b>

(\*) Delivered by Gamesa Aeronautica to customers (estimate as of 31/12/2003)

(\*\*) Gamesa Aeronautica applies as a second source

**2003 and 2004 remain visible**

Please refer to page 33 for Forward Looking Statement

## IV. Aeronautics

### b) Gamesa Aeronáutica. Growth Perspectives

- The following issues...
  - Expected improvement in the Aeronautic Cycle after 2005
  - Start of New Programs ERJ 170 / 190, S 92, A-380
  - Significant margin improvement due to learning curve effects
- ... allow us to estimate that...

**Gamesa Aeronáutica will grow around 15% in the following years**

# V. Growth Perspectives

## a) 2003 Upgrade

EUR MM	Revenues			EBITDA			Net Income		
	2002	2003	Δ %	2002	2003	Δ %	2002	2003	Δ %
<b>G. Energía</b>	345	592	71%	168	143	-15%	104	122	17%
<b>G. Eólica</b>	583	833	43%	122	154	26%	64	81	27%
<b>G. Servicios</b>	151	171	13%	10	10	5%	6	6	1%
<b>G. Aeronautica</b>	237	229	-3%	41	39	-5%	20	21	5%
<b>G. Central</b>	5	12	-	-7	-4	-	1	3	-
<b>Goodwill + SESA</b>	-	-	-	-3	-	-	-27	-14	-
<b>Adjustments</b>	-226	-427	-	-50	-21	-	-31	-19	-
<b>GAMESA</b>	1.096	1.410	29%	281	321	14%	136	200	47%

**2003 upgraded forecast will be achieved.**

# V. Growth Perspectives

## b) 2004 Estimate

EUR MM	Revenues			EBITDA			Net Income		
	2003	2004	Δ %	2003	2004	Δ %	2003	2004	Δ %
G. Energía	592	696	18%	143	157	10%	122	132	8%
G. Eólica	833	1.149	38%	154	212	37%	81	97	20%
G. Servicios	171	190	11%	10	12	19%	6	7	16%
G. Aeronautica	229	254	11%	39	44	12%	21	25	15%
G. Central	12	13	2%	-4	-5	-33%	3	-7	-358%
Goodwill + SESA	-	-	-	-	-	-	-14	-14	-
Adjustments	-427	-310	27%	-21	-16	27%	-19	-10	49%
<b>GAMESA</b>	<b>1.410</b>	<b>1.992</b>	<b>41%</b>	<b>321</b>	<b>404</b>	<b>26%</b>	<b>200</b>	<b>230</b>	<b>15%</b>

**15% Growth in 2004.**

Please refer to page 33 for Forward Looking Statement

# V. Growth Perspectives

## c) Future Trend

EUR MM		2003 E	2004 E	Δ %	2005-2008 Growth
Energía	Recurrent	92	104	13%	> 5%
	Non Recurrent	30	28	-7%	-
Eólica		81	97	20%	-
Servicios		6	7	16%	-
Aeronáutica		21	25	15%	-
Gamesa Central		3	-7	-	-
Goodwill & SESA		-14	-14	-	-
Adjustments		-19	-10	-	-
<b>Gamesa Recurrent</b>		<b>170</b>	<b>202</b>	<b>19 %</b>	<b>&gt; 10 %</b>
<b>Gamesa Consolidated</b>		<b>200</b>	<b>230</b>	<b>15 %</b>	

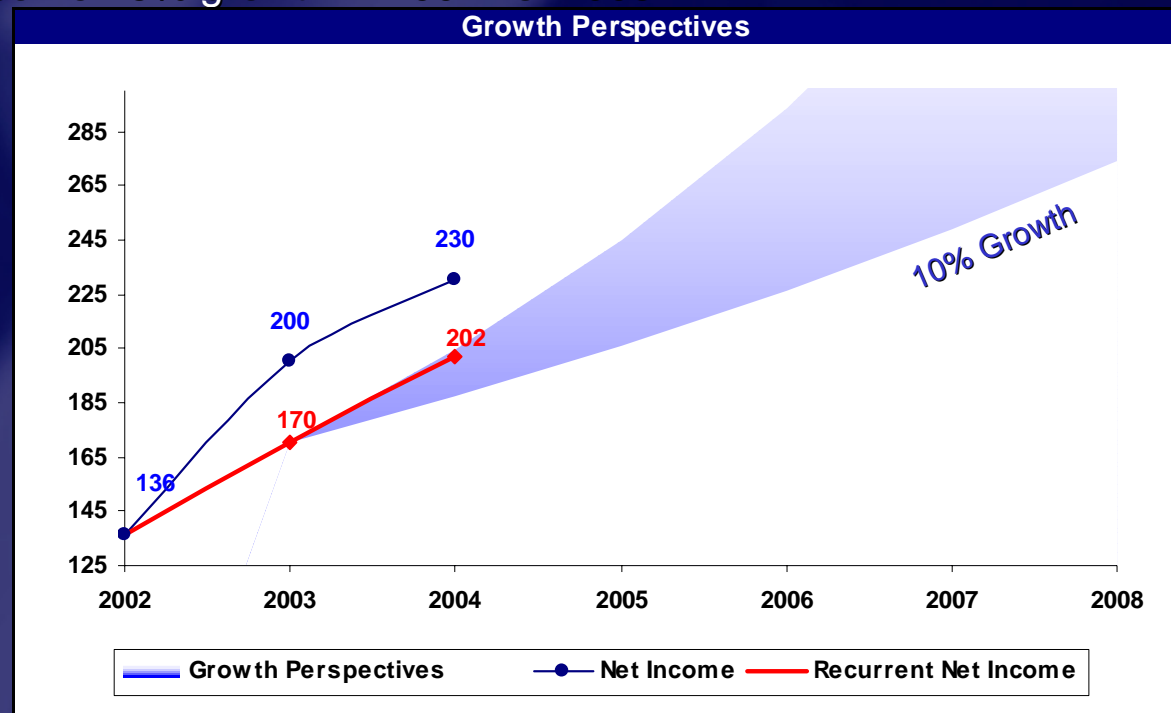
**Long Term Growth Perspectives**

Please refer to page 33 for Forward Looking Statement

# VI. Conclusion

## Growth Perspectives

- **Improved 2003 guidance.** The higher activity of Gamesa Energia has led to an increase in the Net Income guidance to EUR 200 MM.
- **2004 Growth of 15%.** The positive evolution of all business units allows us to forecast some 15% growth in 2004 vs. 2003.



**Recurrent Long Term Growth Perspectives > 10%**

# VI. Conclusion

## Value Recognition

EUR MM	2002	2003 E	2004 E	2004-2002 CAGR
Recurrent Net Income	136	170	202	22%
EPS	1.68	2.10	2.49	22%
P/E @ 20 €/ Share	11.93 x	9.54 x	8.03 x	
P/E @ 22 €/ Share	13.12 x	10.50 x	8.83 x	
P/E @ 24 €/ Share	14.31 x	11.45 x	9.64 x	
P/E IBEX (*)	18.00 x	14.65 x	-	
P/E EuroSTOXX 50 (*)	-	16.30 x	-	

(\*) P/E Calculated with IBEX at 7,000 and EUROSTOXX 50 at 2,500

**Current Multiples are not recognising Gamesa's Growth Perspectives**

Please refer to page 33 for Forward Looking Statement



# Forward Looking Statement

This material has been made up by Gamesa Corporación Tecnológica, S.A., and is disclosed solely as information.

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

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