

# Gamesa

## 2004 RESULTS



February 2005

*Please refer to page 52 for Forward Looking Statement*

# Agenda

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- **Executive Summary**
- **2004 Highlights**
- **Business Units**
  - **WTG Manufacturing**
  - **Windfarm Development & Sale**
  - **Advanced Services**
  - **Aeronautics**
- **Financial Statements**
- **Conclusion**
- **Appendix.**
  - **Divisional Financial Statements**
  - **Gamesa Description**
  - **2005 Budget (published in November 2004)**

*Please refer to page 52 for Forward Looking Statement*






# Agenda

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## **Executive Summary**

*Please refer to page 52 for Forward Looking Statement*

# Executive Summary

-  **2004.** Net Income (EUR 221 MM) represents some 10% more than in 2003.
-  **Substantial Growth in the past.** With these results, Gamesa has achieved a CAGR of 49% from 2000 to 2004.
-  **Wind Farm Stock Reduction.** During 2003 and 2004 the company has reduced the stock of windfarms generating around EUR 30 MM non recurrent results each year.
-  **Weakness in Aeronautics.** Despite of the weak performance of Aeronautics, the group expects to grow in the range of 10% in terms of Net Income.
-  **Consolidating Growth.** After consolidating the group's Net Income Growth in 2005, Gamesa expects double digit growth in the 2006 – 2008 period.

**Despite of the weakness in aeronautics, Gamesa has closed 2004 with EUR 221 MM Net Income, 10% more than in 2003.**

# AGENDA

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## 2004 Highlights

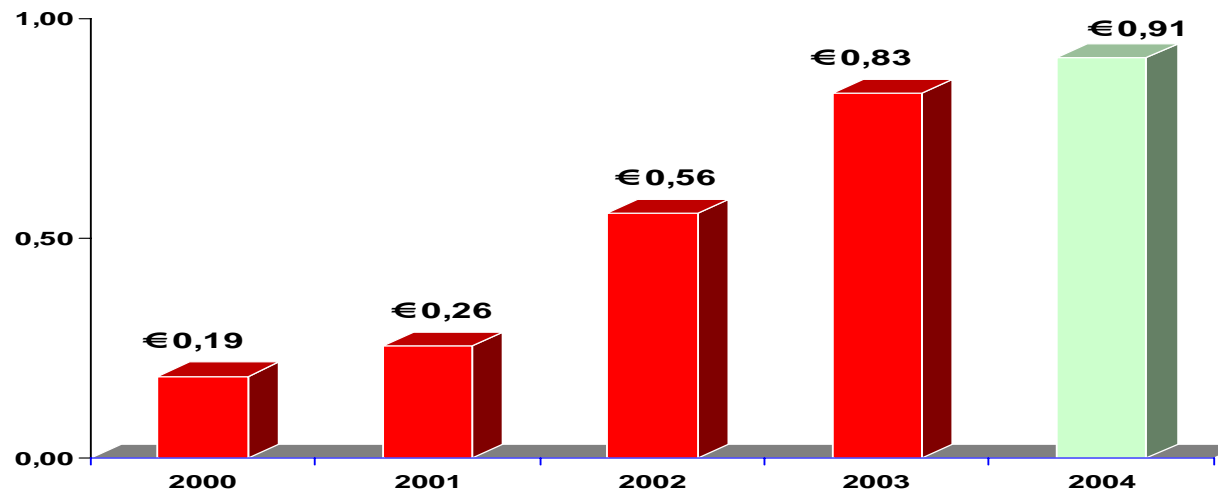
*Please refer to page 52 for Forward Looking Statement*

# 2004 Highlights

## CONSOLIDATED FINANCIALS

EUR MM	2003	2004	Δ %
Revenues	1,603	1,790	12%
EBITDA	326	381	17%
<b>Net Income</b>	<b>202</b>	<b>221</b>	<b>10%</b>

### EPS Evolution







(\*) Please refer to page 7 for accounting note.

Please refer to page 52 for Forward Looking Statement

# 2004 Highlights

## NOTE ON ACCOUNTING

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-  **Work In Progress.** In 2004, Gamesa Energía and Gamesa Aeronáutica started applying work in progress accounting following IFRS procedures.
-  **Comparability with 2003.** This procedure was not applied in 2003 reported accounts. In case of having applied this rule in 2003 Gamesa should have booked 44MM as work in progress increasing Revenues, EBITDA and Net Income in 2003.
-  **Adjustment in 2004 Reported Accounts.** Official Accounts following Spanish GAAP reconcile EUR 44 MM corresponding to work in progress 2003 as an extraordinary result. As these results are based on ordinary activities, in this presentation, they have been booked in 2004 as Revenues and EBITDA (without any changes in Net Income).
-  **Cash Flow unchanged.** In any case, all the above has no effect in terms of cash flow in 2003 or 2004.

# 2004 Highlights

## RELEVANT ISSUES






### Sale of Windfarms

-  557 MW sold
-  445 MW developed
-  Development Pipeline. 5,137 MW in advanced stage of development



### WTG Manufacturing internationalisation

-  1,594 MW sold (+ 16 %)
-  27 % of sales abroad
-  More than 5,800 MW of Backlog



### Weakness in Aeronautics

-  Q4 2004 unhedged to USD exposure has reduced profits
-  Restructuring program for 2005/6 being implemented

**Gamesa has consolidated its growth in its main business units.**



# 2004 Highlights

## DIVISIONAL BREAKDOWN

EUR MM	Revenues			EBITDA			Net Income		
	2003	2004	Δ %	2003	2004	Δ %	2003	2004	Δ %
Windfarm Development & Sale	588	481	-18%	131	147	12%	119	122	2%
WTG Manufacturing	853	1.105	30%	156	201	29%	82	93	13%
Advanced Services	172	240	39%	10	16	55%	6	9	56%
Aeronautics	252	310	23%	43	34	-19%	21	8	-65%
G. Central	3	5		-11	-10		-3	6	
Goodwill + SESA							-14	-14	
Adjustments	-265	-351		-3	-7		-9	-3	
<b>GAMESA</b>	<b>1.603</b>	<b>1.790</b>	<b>12%</b>	<b>326</b>	<b>381</b>	<b>17%</b>	<b>202</b>	<b>221</b>	<b>10%</b>

(\*) Please refer to page 7 for accounting note.

Please refer to page 52 for Forward Looking Statement

# AGENDA

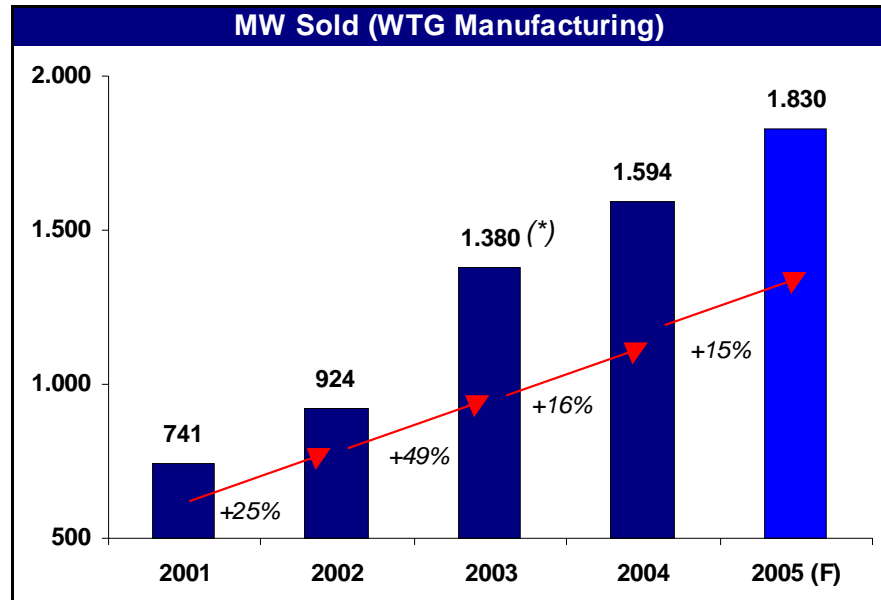
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## **Business Units**

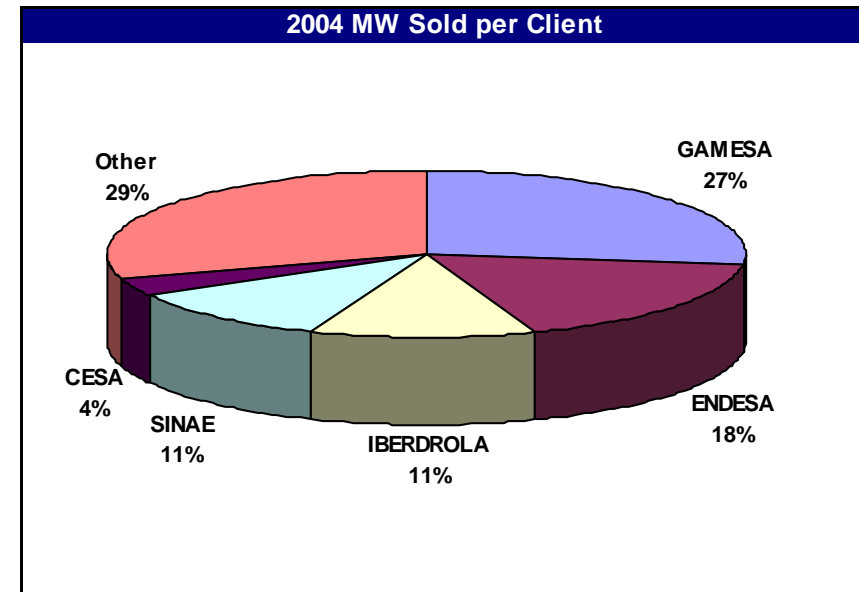
*Please refer to page 52 for Forward Looking Statement*

# Business Units

## WTG MANUFACTURING. MW Sold and Client Mix



(\*) Acquisition of MADE



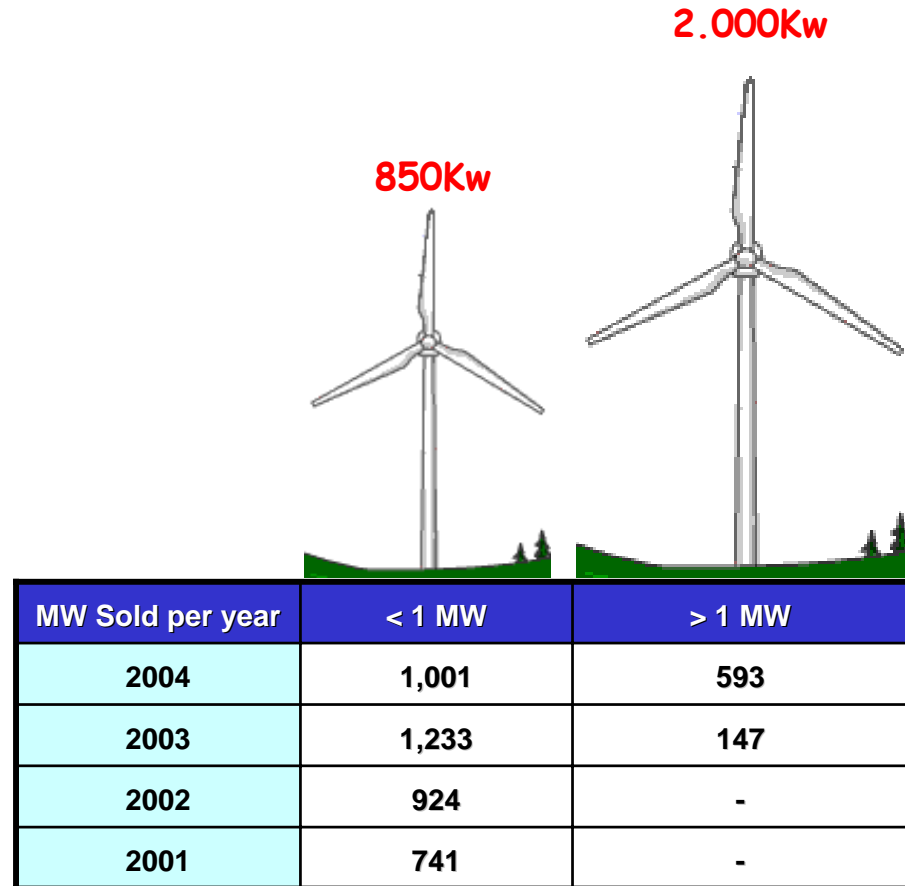
**1,594 MW sold in 2004 (+16%) to a broad portfolio of customers both in and outside of Spain.**

Please refer to page 52 for Forward Looking Statement

# Business Units

## WTG MANUFACTURING. Product Mix Evolution

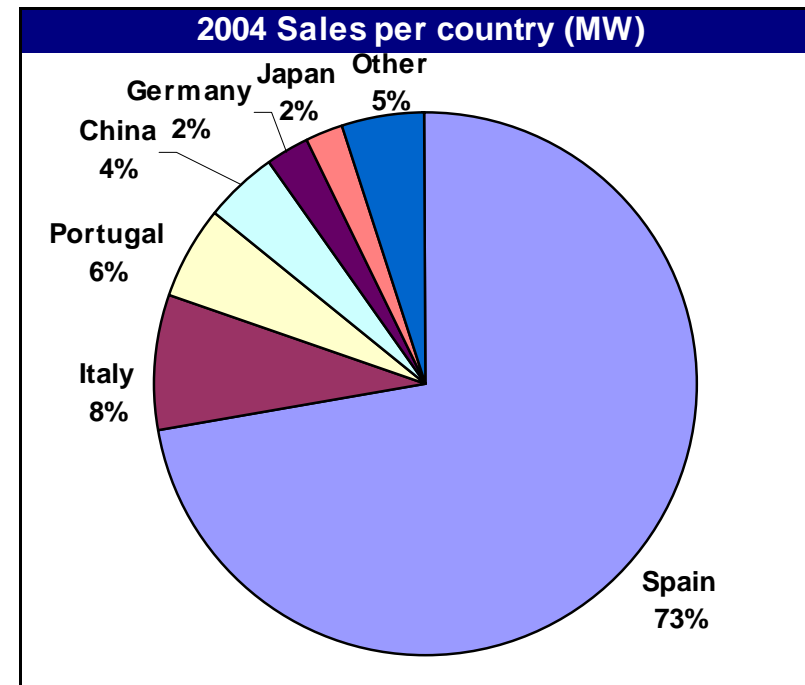
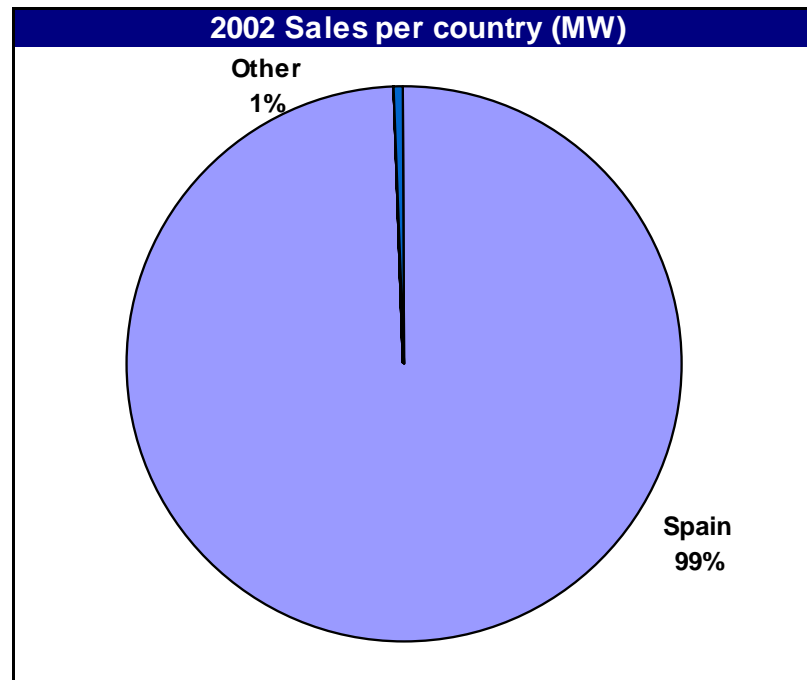
Product Range	
Unitary Power	Model
850 kW	G52 / G58
1.3 MW	G 61
2 MW	G80 / G83 / G87 / G90
> 4 MW	NOT BEFORE 2007



**The 2MW family is becoming a massive seller while G5X family remains at high levels of activity.**

# Business Units

## WTG MANUFACTURING. International Presence



**Gamesa Eólica has increased its international presence from 1% in 2002 to 27% in 2004, while keeping the same activity on Spain.**

*Please refer to page 52 for Forward Looking Statement*

# Business Units

## WTG MANUFACTURING. Backlog



WTG MANUFACTURING					
CLIENT	Frame Agreements	Pending as of 31-12-03	2004	2005	Next 3 Years
GAMESA (Domestic and Foreign)	-	3,070	445	612	> 2,200
CESA	1,000	834	58	84	692
EHN	1,416	596	26	36	534
IBERDROLA	1,510	858	182	151	525
ENDESA	1,000	721	279	196	246
URBAENERGIA	600	600	-	25	575
SINAE	-	124	172	57	-
<b>TOTAL MW (Frame Agreements)</b>	<b>5,526</b>	<b>6,803</b>	<b>1,162</b>	<b>1,161</b>	<b>&gt;4,772</b>
Other	-		432	669	
<b>Budget (MW)</b>			<b>1,594</b>	<b>1,830</b>	

**Growth in the past and in the future is sustained by the visibility of the company's backlog of more than 5,800 MW.**

*Please refer to page 52 for Forward Looking Statement*

# Business Units

## WTG MANUFACTURING. Margins

- 
**Stable EBITDA margin.** Despite of higher raw material costs, vertical integration, operating leverage and higher prices per MW have allowed for a stable EBITDA margin.
- 
**Lower Net Income on Sales.** Larger Depreciation (due to investments in new capacity) and higher provisions (required to cover longer guarantees outside of Spain) have pushed Net Income on Sales down.


MARGINS	2003	2004
EBITDA / Sales	18.3%	18.2%
Net Income / Sales	9.6%	8.4%


**Growth and vertical integration allow for stable operating margins, while net margins fall slightly.**

# Business Units

## WTG MANUFACTURING. Capex & Working Capital

 **Capex.** Gamesa Eólica has invested EUR 65 MM in Capital Expenditures.

 **Increase in R&D.** Additionally, the company has spent EUR 34 MM in Research and Development (improvement of existing WTG and design of future generations).

 **Working Capital Requirements.** Longer collection periods in some foreign markets and change in product mix have increased working capital by EUR 257 MM.

**Net Bank Debt at Gamesa Eólica has increased by EUR 167 MM.**



# Business Units

## WF DEVELOPMENT & SALE. Project Pipeline

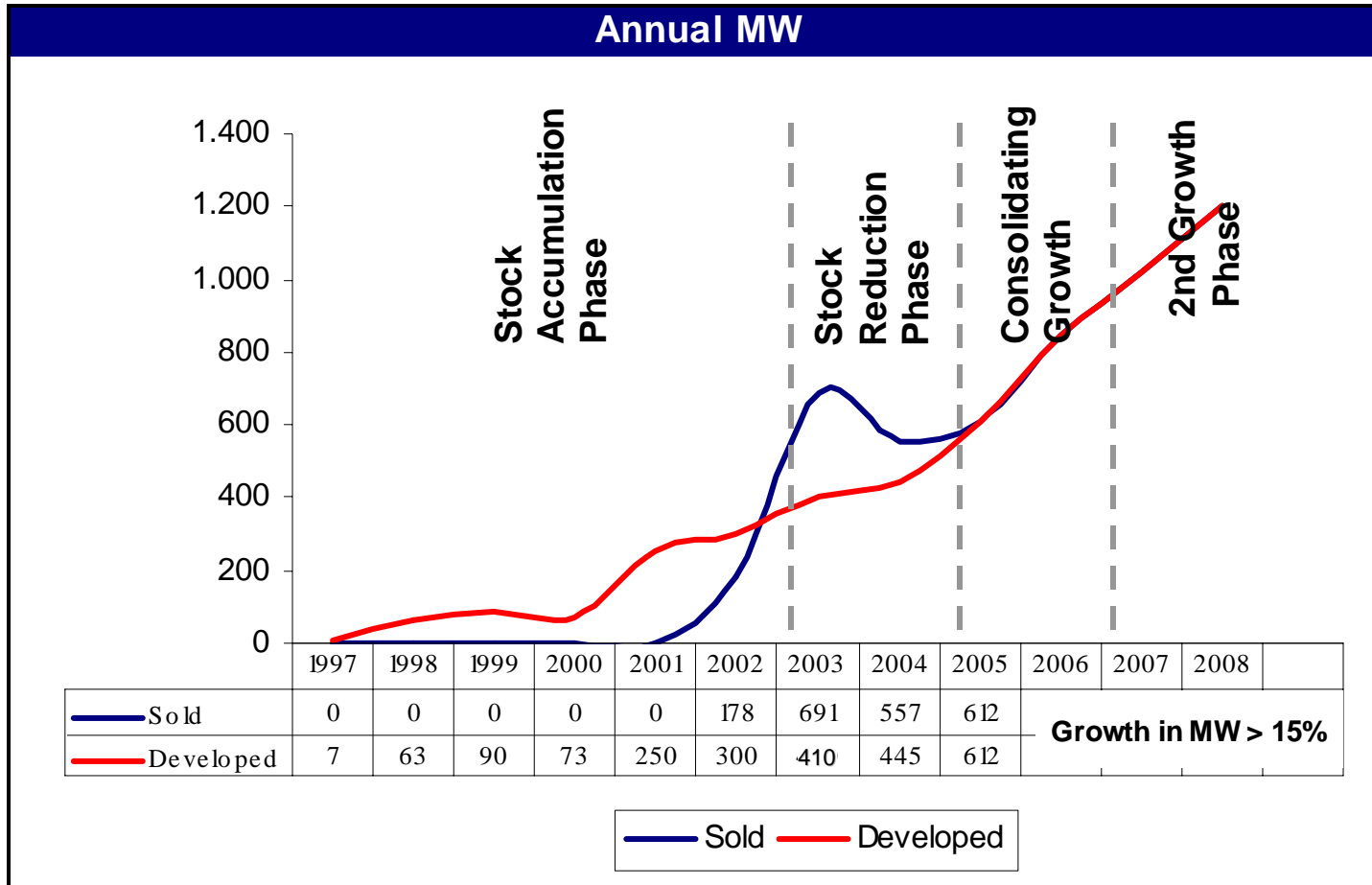
Area	Country	Total Potential MW	Validated Speeds	Grid Connection Rights
Europe	Spain	5,466	4,000	1,214
	Portugal	722	800	287
	Italy	2,466	1,927	2,259
	Greece	820	411	238
	Rest of Europe	2,132	80	-
	Germany	745	665	665
USA	USA	2,289	605	164
RoW	Australia	696	232	-
	Dominican Rep.	110	40	110
	Others	1,105	1,005	200
Total		16,551	9,765	5,137

**The project pipeline of Gamesa Energía ensures the stability of future developments and provides visibility to Gamesa Eólica.**

*Please refer to page 52 for Forward Looking Statement*

# Business Units

## WF DEVELOPMENT & Sale. MW Sold



**Gamesa Energía has finalised the wind farm stock reduction phase in 2004 with 557 MW sold.**

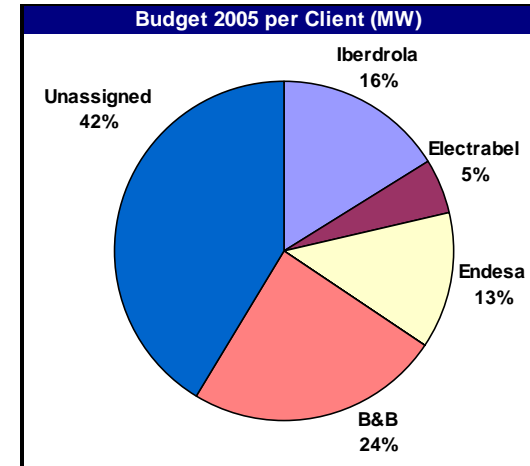
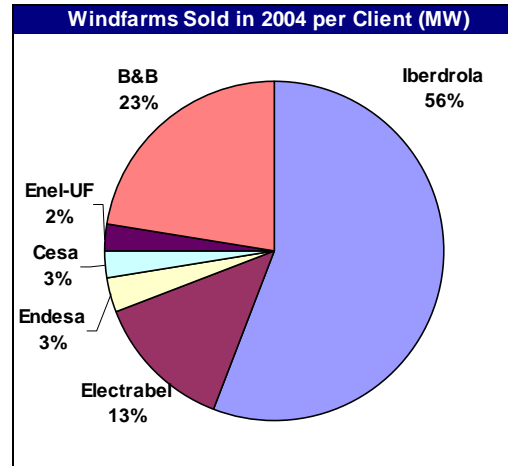
# Business Units

## WF DEVELOPMENT & Sale. Client and Geographical Mix



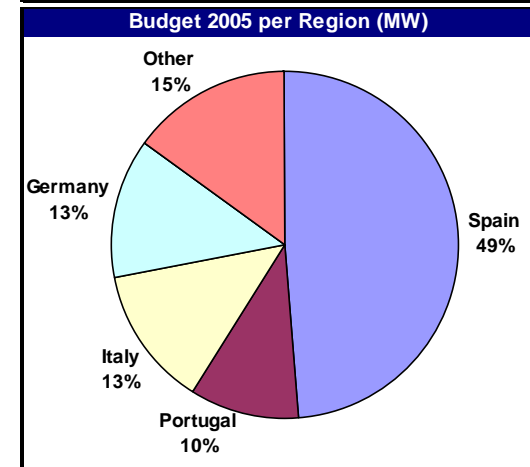
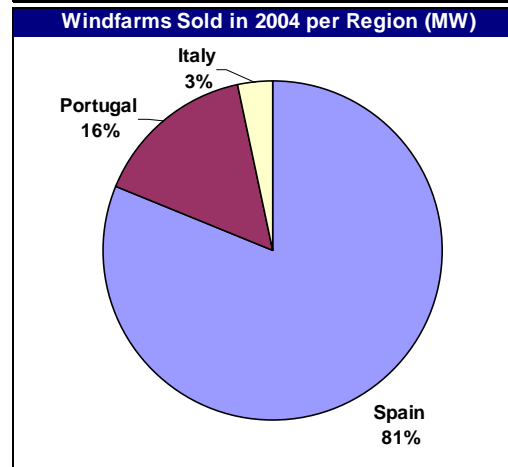
### 2004.

- 557 MW sold
- First Financial Buyer (B&B)
- 19% international sales



### 2005.






- 612 MW to be sold
- 58% of 2005 budget covered by backlog
- Additional 938 MW of backlog for further years



**Increased geographical and client diversification in wind farms sold in 2004 should continue in 2005.**

# Business Units

## WF DEVELOPMENT & SALE. Cash Flow Generation

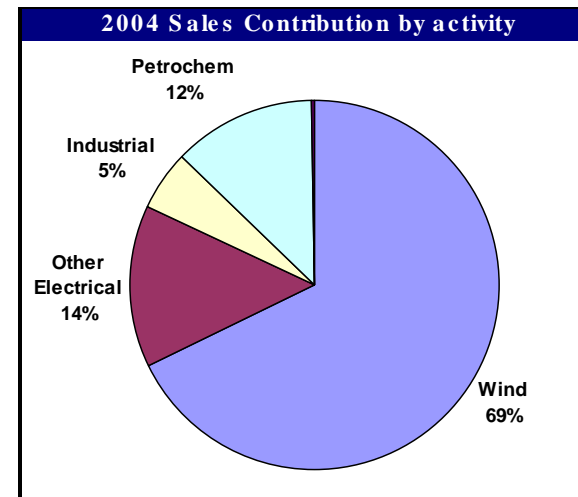
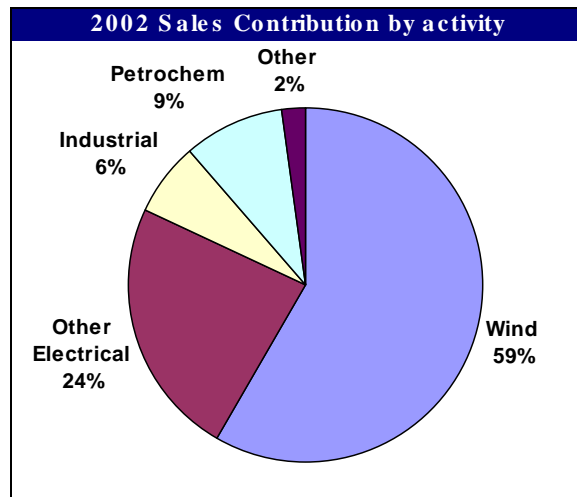
-  **IFRS.** Following IFRS Gamesa Energía has introduced WIP accounting for the sale of windfarms.
-  **Irrevocable Contracts.** Only those wind farms under development that have an irrevocable purchase contract can be accounted as WIP.
-  **MW Sold.** 557 MW sold in 2004.
-  **Work in Progress.** 185 MW included as WIP in the 2004 results.
-  **Cash Impact.** Cash collection of the 185 MW recognised as WIP will occur once installation of the wind farms is finalised.

**Gamesa Energía has increased its Net Bank Debt by EUR 50 MM.**

# Business Units

## ADVANCED SERVICES. Main Issues

- Increased Wind related activity.** Gamesa Servicios has experimented substantial growth in 2004 mainly due to the higher exposure to the wind activity (warranties of WTG expiring).



- Good Prospects for Solar.** Gamesa Solar will have a small contribution to P&L in 2004 and 2005 but is growing strongly.

Units Sold	2004	2005	Δ %
Photovoltaic (MW)	2.3	5.0	117%
Thermal (m <sup>2</sup> of Panels)	13,000	37,000	190%

Please refer to page 52 for Forward Looking Statement

# Business Units





## AERONAUTICS. Fall in 2004

- **Q4 2004 Unhedged to USD exposure.** Gamesa Aeronáutica entered a forward sale of USD with a Knock Out structure at 1.25 \$/€. The knock out was hit in October 2004, leaving the remaining of the year unhedged.
- **Assets (Receivables and Inventories) booked at 1.36\$/€** Assets booked in USD were translated to EUR at the closing rate, while purchases were translated into EUR at the hedged rate of mid 2004. As a consequence, 2004 results are too penalised. This effect will be reversed in 2005.

**The unhedged position plus the effects on receivables and stocks have pushed the profits of 2004 down by EUR 17 MM.**

# Business Units

## AERONAUTICS. Current Situation

-  **Strong reduction in ERJ 135-145 deliveries.** The changes in the industry have accelerated the maturity of the 30-50 seater aircrafts with 650 units expected to be delivered in the next 10 years.
-  **Improved performance of the EMB 170 / 190.** The change in trend has accelerated the deliveries of the EMB 170 / 190 where learning curve is still very low (little margin contribution).
-  **Start of substantial level of deliveries of S 92.** The helicopter should be supplied at 20 – 30 units per year from 2005 onwards.
-  **Weak USD.** The current USD exchange rate represent a big hurdle in the company's profitability (more than 90% of sales in USD and only 30% of costs in USD). 2005 is hedged at 1,30 \$/€ with 50% of the hedge at a k.o. level at 1.37 \$/€

**Gamesa Aeronáutica faces a bad short term situation that needs to be managed.**

# AGENDA

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## Financial Statements

*Please refer to page 52 for Forward Looking Statement*



# Financial Statements

## DIVISIONAL BREAKDOWN

EUR MM	Revenues			EBITDA			Net Income		
	2003	2004	Δ %	2003	2004	Δ %	2003	2004	Δ %
Windfarm Development & Sale	588	481	-18%	131	147	12%	119	122	2%
WTG Manufacturing	853	1.105	30%	156	201	29%	82	93	13%
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<b>GAMESA</b>	<b>1.603</b>	<b>1.790</b>	<b>12%</b>	<b>326</b>	<b>381</b>	<b>17%</b>	<b>202</b>	<b>221</b>	<b>10%</b>

(\*) Please refer to page 7 for accounting note.

Please refer to page 52 for Forward Looking Statement

# Financial Statements

## NET BANK DEBT EVOLUTION

EUR MM	2002	2003	2004	COMMENTS
Windfarm Development & Sale	363	267	318	Windfarms in Operation and Increase Receivables due to WIP Windfarms for 71 MM
WTG Manufacturing	289	446	613	Increase DSO & WIP for 250 MM
Advanced Services	-2	10	11	Increase stocks in solar
Aeronautics	258	189	284	ICSA Acquisition and no factoring at year end for 105 MM
CORPORATE	73	-51	-16	Dividends paid in 2004 for 65 MM
<b>GAMESA CONSOLIDATED</b>	<b>981</b>	<b>861</b>	<b>1,210</b>	

**2004 has been driven by high investments and increases in working capital needs.**

*Please refer to page 52 for Forward Looking Statement*

# Financial Statements

## INVESTMENTS PER BUSINESS UNIT

Capex & R&D	2003	2004
WTG Manufacturing	83.028	98.873
WF Sales		—
Advanced Services	38,6	2.553
Aeronautics	37.630	73.319
Corporate	1.894	973
<b>Total</b>	<b>122.590</b>	<b>175.719</b>

*Please refer to page 52 for Forward Looking Statement*

# Financial Statements

## CASH FLOW

<b>CONSOLIDATED CASH FLOW STATEMENT</b>			
<b>EUR MM</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Net Income</b>	<b>136</b>	<b>202</b>	<b>221</b>
Dep., Amort. & Provisions	66	92	127
Capitalised Expenses	-38	-51	-76
Changes in Working Capital	-74	18	-446
<b>Funds from Operations</b>	<b>90</b>	<b>261</b>	<b>-174</b>
Capex	-322	-73	-87
Financial Investments I/t	-64	-30	-23
Disposals	159		
Change in Minority Interest	1	-8	
Consolidation Adjustments	2		
Dividends		-30	-65
<b>Net Cash Flow</b>	<b>-134</b>	<b>120</b>	<b>-349</b>
<b>Initial Net Bank Debt</b>	<b>847</b>	<b>981</b>	<b>861</b>
<b>Final Net Bank Debt</b>	<b>981</b>	<b>861</b>	<b>1.210</b>

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# AGENDA

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## Conclusion

*Please refer to page 52 for Forward Looking Statement*

# CONCLUSION

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-  **+10% Net Income 2004.** Substantial growth in renewable energies (windfarms, windturbines and services) and weakness in Aeronautics.
-  **Internationalisation.** Both Gamesa Eólica and Gamesa Energía have proven their international presence with substantial contribution in 2004 while keeping very active in the domestic market.
-  **Diversified Client Portfolio.** New clients in windfarms (Babcock & Brown) and a broad customer base in WTG represent a solid base for future evolution.

**2004 closes a growth path started in 2000 and opens the international growth phase that will consolidate in 2005.**

# AGENDA

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## Appendix

*Please refer to page 52 for Forward Looking Statement*

# Appendix

## GAMESA. 2004 Consolidated P&L Account

GAMESA			
EUR Thnd	2003	2004	Δ %
Revenues	1.602.853	1.789.876	12 %
Capitalised In House Work	51.154	76.200	49 %
Cost of Goods Sold	-1.032.173	-1.090.808	6 %
Personnel Expenses	-196.728	-260.954	33 %
Other Operating Expenses	-99.302	-133.086	34 %
<b>EBITDA</b>	<b>325.804</b>	<b>381.228</b>	17 %
Depreciation and Amortisation	-47.253	-69.006	46 %
Provisions	-26.867	-38.455	
<b>EBIT</b>	<b>251.685</b>	<b>273.766</b>	9 %
Financial Results	-27.972	-40.491	45 %
Goodwill Amortisation	-22.415	-19.630	-12 %
<b>Ordinary Profits</b>	<b>201.297</b>	<b>213.646</b>	6 %
Extraordinary Results	9.120	28.854	
<b>Pre Tax Profit</b>	<b>210.417</b>	<b>242.500</b>	15 %
Taxes	-8.657	-21.558	
<b>Net Income</b>	<b>201.760</b>	<b>220.942</b>	10 %
Minority Interest	30	570	
<b>Attributable Net Income</b>	<b>201.790</b>	<b>221.512</b>	10 %

(\*) Please refer to page 7 for accounting note.

Please refer to page 52 for Forward Looking Statement



# Appendix

## GAMESA. 2004 Consolidated Balance Sheet

GAMESA			
EUR Thnd	2003	2004	Δ %
Net Fixed Assets	494.945	613.072	24%
Goodwill	307.829	291.357	-5%
Current Assets	1.192.852	1.746.061	46%
Cash	141.551	56.088	-60%
<b>Total Assets</b>	<b>2.137.178</b>	<b>2.706.577</b>	<b>27 %</b>
Total Equity	533.303	695.071	30%
Capital and Reserves	331.512	473.559	43%
Net Income	201.790	221.512	10%
Minority Interest	2.416	1.319	-45%
Provisions and other	82.446	100.875	22%
Bank Debt s/t and l/t	1.003.440	1.266.447	26%
Other Liabilities	515.574	642.866	25%
<b>Total Liabilities and Equity</b>	<b>2.137.178</b>	<b>2.706.577</b>	<b>27 %</b>

Please refer to page 52 for Forward Looking Statement

# Appendix

## WF DEVELOPMENT & SALE. 2004 P&L Account

WINDFARM DEVELOPMENT			
EUR Thnd	2003	2004	Δ%
Revenues	587.531	481.122	-18%
Capitalised In House Work	2.006	0	
Cost of Goods Sold	-432.727	-301.597	-30%
Personnel Expenses	-9.841	-18.011	83%
Other Operating Expenses	-15.705	-14.747	-6%
<b>EBITDA</b>	<b>131.265</b>	<b>146.767</b>	<b>12%</b>
Depreciation and Amortisation	-2.985	-2.052	-31%
Provisions	-1.189	-7.600	
<b>EBIT</b>	<b>127.091</b>	<b>137.115</b>	<b>8%</b>
Financial Results	-6.736	-9.283	38%
Goodwill Amortisation	-731	-622	-15%
<b>Ordinary Profits</b>	<b>119.623</b>	<b>127.210</b>	<b>6%</b>
Extraordinary Results	-1.600	5.375	
<b>Pre Tax Profit</b>	<b>118.023</b>	<b>132.585</b>	<b>12%</b>
Taxes	1.021	-11.686	
<b>Net Income</b>	<b>119.044</b>	<b>120.899</b>	<b>2%</b>
Minority Interest	61	927	1425%
<b>Attributable Net Income</b>	<b>119.105</b>	<b>121.826</b>	<b>2%</b>

NOTE:: P&L does not include dividend income

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# Appendix

## WF DEVELOPMENT & SALE. 2004 Balance Sheet

Windfarm development & Sale			
EUR Thnd	2003	2004	Δ%
Net Fixed Assets	239.450	244.025	2%
Goodwill	514	4.552	-
Current Assets	242.279	415.640	72%
Cash	17.343	15.722	-9%
<b>Total Assets</b>	<b>499.586</b>	<b>679.939</b>	<b>36%</b>
Total Equity	182.935	222.416	22%
Capital and Reserves	63.830	97.929	53%
Net Income	119.105	124.487	5%
Minority Interest	2.132	-902	-
Provisions and other	958	2.052	114%
Bank Debt s/t and l/t	285.150	333.801	17%
Other Liabilities	28.412	122.573	331%
<b>Total Liabilities and Equity</b>	<b>499.586</b>	<b>679.939</b>	<b>36%</b>

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# Appendix

## WTG MANUFACTURING. 2004 P&L Account

WTG MANUFACTURING			
EUR Thnd	2003	2004	Δ %
Revenues	852.752	1.104.612	30 %
Capitalised In House Work	28.879	43.297	50 %
Cost of Goods Sold	-617.422	-787.406	28 %
Personnel Expenses	-56.578	-84.210	49 %
Other Operating Expenses	-51.777	-75.263	45 %
<b>EBITDA</b>	<b>155.854</b>	<b>201.029</b>	<b>29 %</b>
Depreciation and Amortisation	-26.562	-37.206	40 %
Provisions	-24.782	-35.659	44 %
<b>EBIT</b>	<b>104.509</b>	<b>128.164</b>	<b>23 %</b>
Financial Results	-10.411	-22.199	113 %
Goodwill Amortisation	-2.213	-4.989	125 %
<b>Ordinary Profits</b>	<b>91.885</b>	<b>100.976</b>	<b>10 %</b>
Extraordinary Results	4.421	1.040	-76 %
<b>Pre Tax Profit</b>	<b>96.306</b>	<b>102.016</b>	<b>6 %</b>
Taxes	-14.035	-9.146	-35 %
<b>Net Income</b>	<b>82.271</b>	<b>92.869</b>	<b>13 %</b>
Minority Interest	-4	-186	
<b>Attributable Net Income</b>	<b>82.267</b>	<b>92.683</b>	<b>13 %</b>
<b>Goodwil &amp; Sesa</b>	<b>-14.300</b>	<b>-14.000</b>	<b>-2 %</b>

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# Appendix

## WTG MANUFACTURING. 2004 Balance Sheet

WTG Manufacturing			
EUR Thnd	2003	2004	Δ%
Net Fixed Assets	163.908	217.248	33%
Goodwill	307.141	303.695	-1%
Current Assets	760.205	1.095.307	44%
Cash	4.690	6.516	39%
<b>Total Assets</b>	<b>1.235.944</b>	<b>1.622.766</b>	<b>31%</b>
Total Equity	286.704	356.422	24%
Capital and Reserves	204.437	277.739	36%
Net Income	82.267	92.683	13%
Minority Interest	6	766	-
Provisions and other	40.504	58.285	44%
Bank Debt s/t and l/t(*)	599.462	769.804	28%
Other Liabilities	309.268	423.489	37%
<b>Total Liabilities and Equity</b>	<b>1.235.944</b>	<b>1.622.766</b>	<b>31%</b>

(\*)NOTE: Bank Debt includes EUR 150 MM intercompany loan.

Please refer to page 52 for Forward Looking Statement

# Appendix

## ADVANCED SERVICES. 2004 P&L Account

ADVANCED SERVICES			
EUR Thnd	2003	2004	Δ%
Revenues	172.029	239.784	39%
Capitalised In House Work	204	107	-48%
Cost of Goods Sold	-90.012	-137.935	53%
Personnel Expenses	-56.490	-64.804	15%
Other Operating Expenses	-15.457	-21.213	37%
<b>EBITDA</b>	<b>10.275</b>	<b>15.939</b>	<b>55%</b>
Depreciation and Amortisation	-1.242	-1.359	9%
Provisions	-281	-164	-42%
<b>EBIT</b>	<b>8.751</b>	<b>14.416</b>	<b>65%</b>
Financial Results	-246	-478	94%
Goodwill Amortisation	-16	-19	20%
<b>Ordinary Profits</b>	<b>8.489</b>	<b>13.919</b>	<b>64%</b>
Extraordinary Results	98	-480	-588%
<b>Pre Tax Profit</b>	<b>8.587</b>	<b>13.440</b>	<b>57%</b>
Taxes	-2.877	-4.540	58%
<b>Net Income</b>	<b>5.710</b>	<b>8.900</b>	<b>56%</b>
Minority Interest	-23	-35	51%
<b>Attributable Net Income</b>	<b>5.687</b>	<b>8.865</b>	<b>56%</b>

Please refer to page 52 for Forward Looking Statement

# Appendix

## ADVANCED SERVICES. 2004 Balance Sheet

<b>Advanced Services</b>			
<b>EUR Thnd</b>	<b>2003</b>	<b>2004</b>	<b>Δ%</b>
Net Fixed Assets	4.210	7.065	68%
Goodwill	174	155	-11%
Current Assets	113.822	119.125	5%
Cash	10.925	13.014	19%
<b>Total Assets</b>	<b>129.130</b>	<b>139.359</b>	<b>8%</b>
Total Equity	25.101	32.578	30%
Capital and Reserves	19.414	23.713	22%
Net Income	5.687	8.865	56%
Minority Interest	268	321	20%
Provisions and other	1.673	1.741	4%
Bank Debt s/t and l/t	21.040	23.978	14%
Other Liabilities	81.048	80.741	0%
<b>Total Liabilities and Equity</b>	<b>129.130</b>	<b>139.359</b>	<b>8%</b>

Please refer to page 52 for Forward Looking Statement

# Appendix

## AERONAUTICS. 2004 P&L Account

AERONAUTICS			
EUR Thnd	2003	2004	Δ%
Revenues	251.760	310.370	23%
Capitalised In House Work	18.444	27.913	51%
Cost of Goods Sold	-148.778	-192.612	29%
Personnel Expenses	-63.792	-87.289	37%
Other Operating Expenses	-15.085	-23.973	59%
<b>EBITDA</b>	<b>42.549</b>	<b>34.410</b>	<b>-19%</b>
Depreciation and Amortisation	-15.730	-27.781	77%
Provisions	-359	3.128	
<b>EBIT</b>	<b>26.460</b>	<b>9.757</b>	<b>-63%</b>
Financial Results	-2.541	-8.081	218%
Goodwill Amortisation	869	0	-100%
<b>Ordinary Profits</b>	<b>24.787</b>	<b>1.676</b>	<b>-93%</b>
Extraordinary Results	-3.715	2.372	
<b>Pre Tax Profit</b>	<b>21.072</b>	<b>4.048</b>	<b>-81%</b>
Taxes	119	3.588	
<b>Net Income</b>	<b>21.191</b>	<b>7.636</b>	<b>-64%</b>
Minority Interest	-4	-136	
<b>Attributable Net Income</b>	<b>21.188</b>	<b>7.501</b>	<b>-65%</b>

Please refer to page 52 for Forward Looking Statement



# Appendix

## AERONAUTICS. 2004 Balance Sheet

<b>Aeronautics</b>			
<b>EUR Thnd</b>	<b>2003</b>	<b>2004</b>	<b>Δ%</b>
Net Fixed Assets	284.397	350.177	23%
Goodwill	0	-3.046	-
Current Assets	144.947	217.247	50%
Cash	15.935	1.106	-93%
<b>Total Assets</b>	<b>445.279</b>	<b>565.486</b>	<b>27%</b>
Total Equity	131.879	140.294	6%
Capital and Reserves	110.591	132.793	20%
Net Income	21.288	7.501	-65%
Minority Interest	0	1.140	-
Provisions and other	36.558	43.057	18%
Bank Debt s/t and l/t	205.260	284.881	39%
Other Liabilities	71.582	96.114	34%
<b>Total Liabilities and Equity</b>	<b>445.279</b>	<b>565.486</b>	<b>27%</b>

Please refer to page 52 for Forward Looking Statement

# Appendix

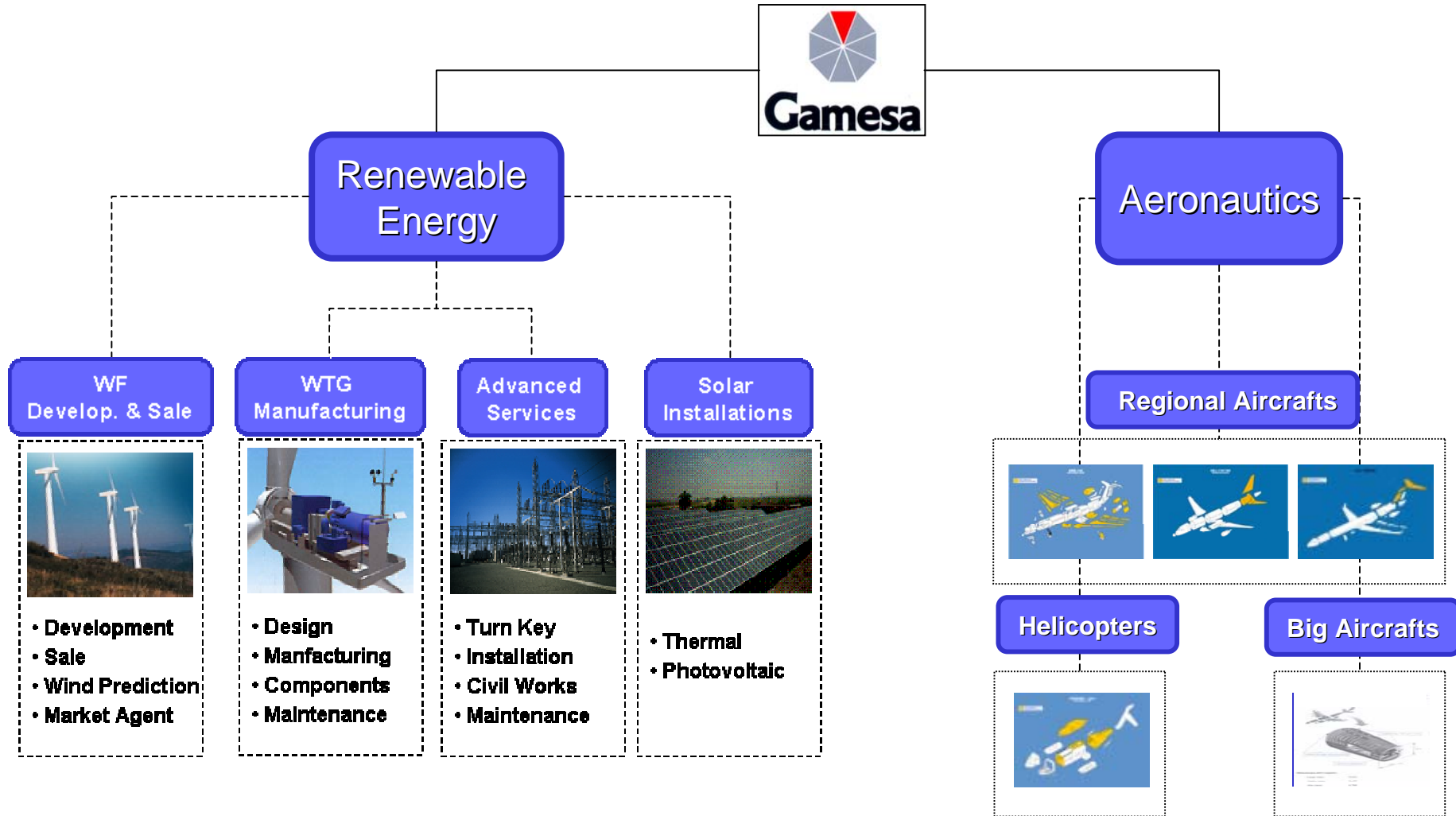
## FINANCIAL CALENDAR

Financial Calendar		
Event	CNMV Deadline	Comments
Q1 Report	11th of May	-Only Consolidated Figures
H1 Report	28th of July	-Divisional Figures -Revision of Forecasts
Q3 Report	10th of November	-Only Consolidated Figures
H2 Report	28th of February 2006	-Divisional Figures -Forecast for Next Year

*Please refer to page 52 for Forward Looking Statement*

# Appendix

## Gamesa Recurrent Activities



# Appendix





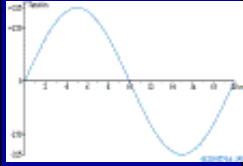

## Gamesa Recurrent Activities

Business Unit	Activity	Main Characteristics
Gamesa Eólica	WTG Manufacturing	<ul style="list-style-type: none"> <li>✓ # 2 in Worldwide Sales 2004 (internal estimate)</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; 16,551 MW</li> <li>✓ Sale Order Backlog &gt; 860 MW</li> </ul>
Gamesa Servicios	Construction, Maintenance & Operation	<ul style="list-style-type: none"> <li>✓ Specialized in Energy Projects</li> <li>✓ Supporting WTG and Windfarm activities</li> </ul>
Gamesa Solar	Manufacturing and sale of Solar Installations (Photovoltaic and Thermal)	<ul style="list-style-type: none"> <li>✓ Activity Launched in Spain</li> <li>✓ Little Investment (shared technology)</li> <li>✓ Very High Growth Potential</li> </ul>
Gamesa Aeronáutica	Aeronautic Structures	<ul style="list-style-type: none"> <li>✓ World wide Positioning</li> <li>✓ Switch from ERJ 145 to EMB 170</li> <li>✓ Weak USD</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 52 for Forward Looking Statement

# Appendix

## Gamesa Recurrent Activities. WTG Manufacturing


	 Blades	 Control Software	 Gearboxes	 Generator	 Power Electronics	 Towers
<b>Design</b>	100% in House	100% in House	40% in House	40% in House	40% in House	100% in House
<b>Manufacturing</b>	100% in House	100% in House	40% in House	40% in House	50% in House	30% in House
<b>Maintenance</b>	100% in House	100% in House	100% in House	100% in House	100% in House	100% in House
<b>Entrance through</b>	Organic Growth	Organic Growth	Acquisition	Acquisition	Acquisition	Organic Growth
<b>% of WTG Cost</b>	20%	5%	15%	10%	5%	20%

**The internalization of all the main elements of the WTG improves the company's profitability**

*Please refer to page 52 for Forward Looking Statement*

# Appendix

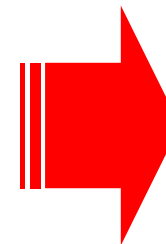
## Gamesa Recurrent Activities. WF Development & Sale

- 
**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.



Please refer to page 52 for Forward Looking Statement

# Appendix

## Gamesa Recurrent Activities. Milestones since IPO

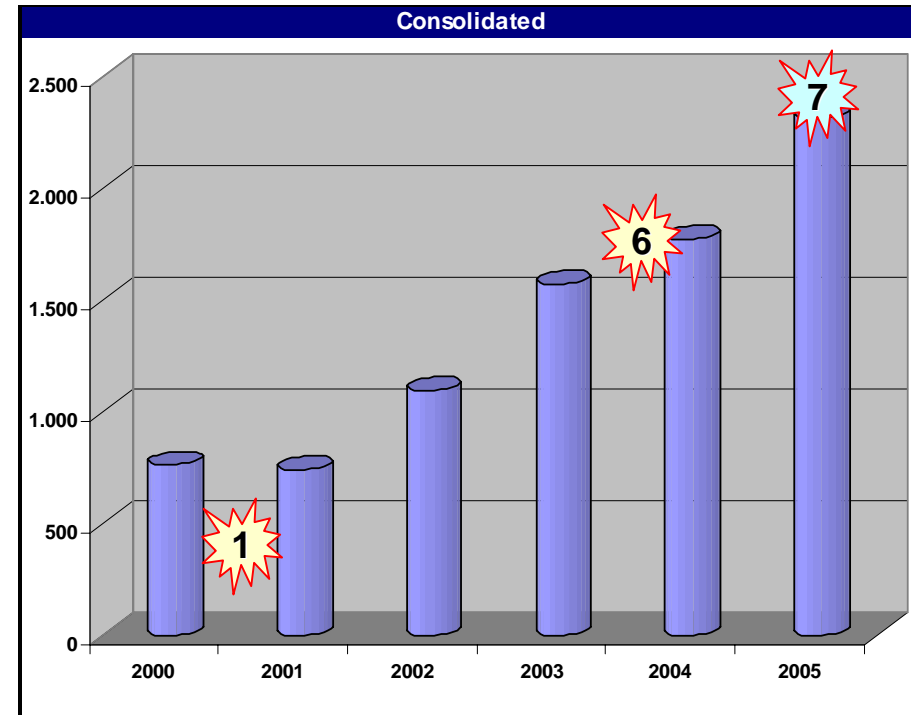
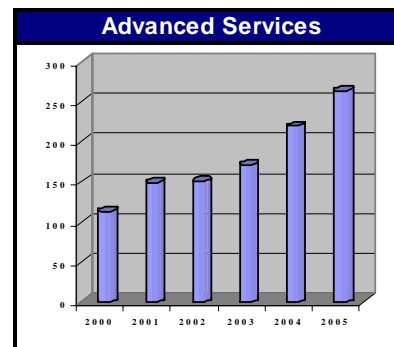
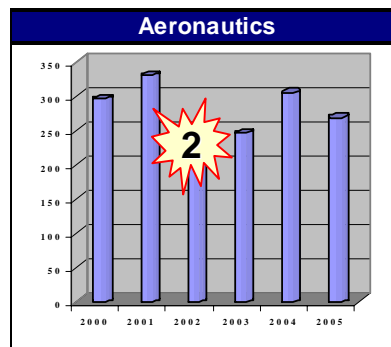
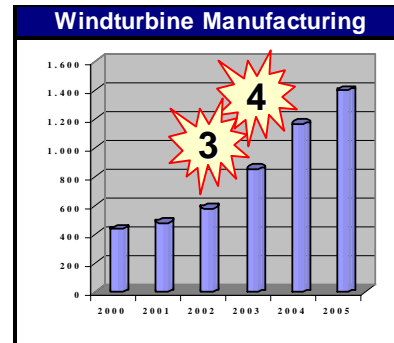
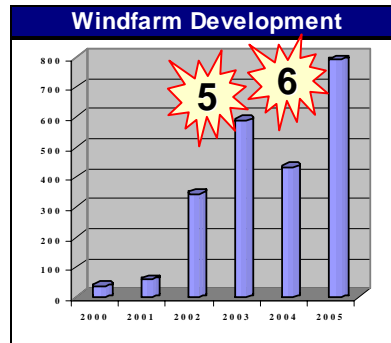
Milestone	Year	Event
1	2000	Initial Public Offering
2	2001	Aeronautical Sector Crisis
3	2001	Acquisition of Vestas stake in Gamesa Eólica
4	2002	Gamesa Eólica starts its international sales
5	2002	Start selling Windfarms and Upgrade of Results
6	2003/4	Windfarm Stock reduction
7	2005	<b>CONSOLIDATING GROWTH + INTERNATIONAL EXPANSION</b>

**After a rapid evolution, 2005 will be the year of consolidating the company's growth.**

*Please refer to page 52 for Forward Looking Statement*

# Appendix

## Gamesa Recurrent Activities. Divisional Revenues



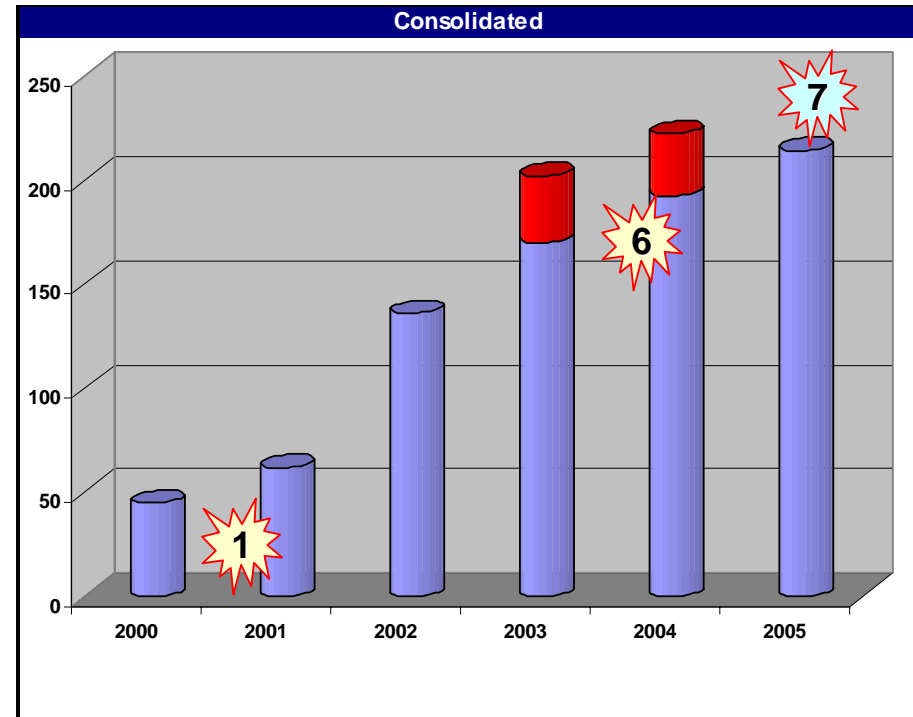
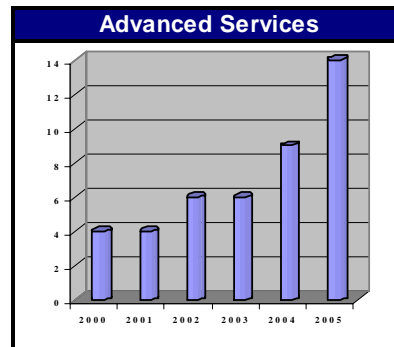
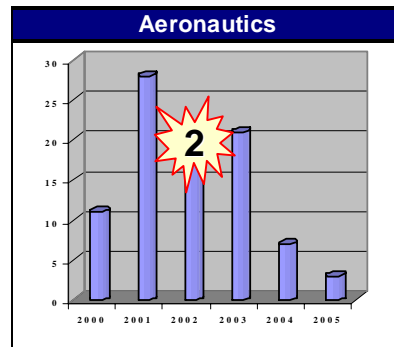
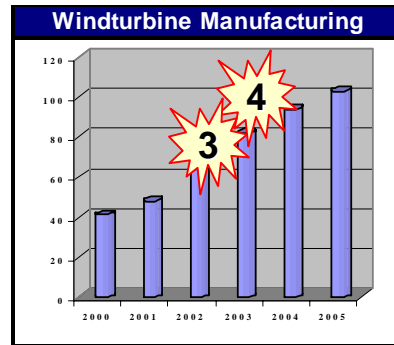
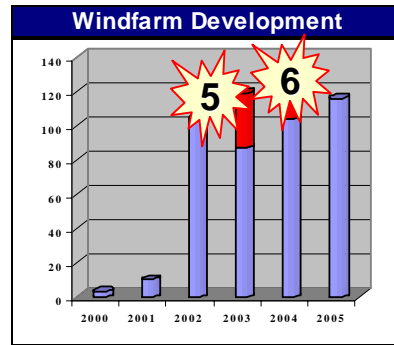
The company has experienced a substantial growth pattern in the past...

Please refer to page 52 for Forward Looking Statement



# Appendix

## Gamesa Recurrent Activities. Divisional Net Income



 Recurrent Net Income     Extraordinary Net Income

**...this Growth will be consolidated in 2005 to continue the trend in the next years.**

Please refer to page 52 for Forward Looking Statement



# Appendix

## 2005 Estimate

EUR MM	REVENUES			EBITDA			NET INCOME		
	2004	2005	%	2004	2005	%	2004	2005	%
<b>G. Energia Recurrent</b>	481	790	64%	147	123	-16%	96	116	21%
<b>Gamesa Energia Non Recurrent</b>							26	-	-
<b>G. Eólica</b>	1.105	1.401	27%	201	261	30%	93	103	11%
<b>G. Servicios</b>	240	264	10%	16	26	63%	9	14	56%
<b>G. Aeronautica</b>	310	269	-13%	34	30	-12%	8	3	-63%
<b>Goodwill+SESA</b>	-	-	-	-	-	-	-14	-14	-
<b>Corporate &amp; Adjustments</b>	-346	-409	-	-17	-6	-	3	-8	-
<b>GAMESA</b>	<b>1.790</b>	<b>2.315</b>	<b>29%</b>	<b>381</b>	<b>434</b>	<b>14%</b>	<b>221</b>	<b>214</b>	<b>-3%</b>
<b>Gamesa Recurrent Net Income</b>							192	214	11%

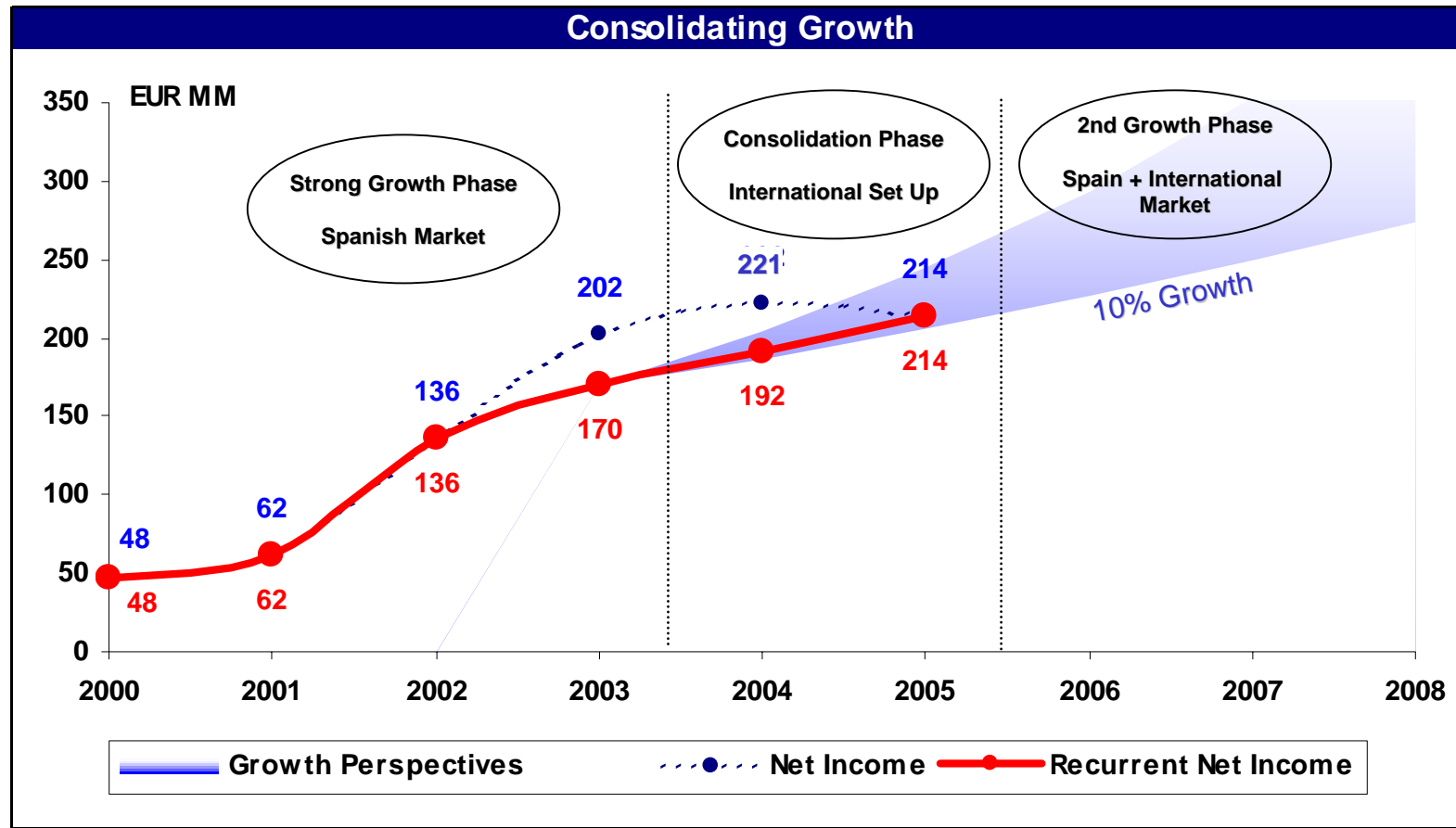
(\*) Please refer to page 7 for accounting note.

**Gamesa Energía consolidates its growth after reducing the windfarm stock and all business lines evolve positively.**

Please refer to page 52 for Forward Looking Statement

# Appendix

## Future Trend



**After consolidating the growth in 2005 (+11% on Recurrent Result), the company should continue a double digit growth path.**

*Please refer to page 52 for Forward Looking Statement*

# Forward Looking Statement

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