



Gamesa, Quarterly Report

1st Quarter 2007

Madrid, May 16th 2007





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- 1 1Q 2007 Results**
- 2 Highlights for the Period
- 3 Business Units
- 4 Targets Achievement
- 5 Conclusions

1Q 2007 Results



- ✿ Sales reach EUR 656 Mil.
- ✿ EBITDA grows to EUR 74 Mil.
- ✿ NFD / EBITDA ratio decreases to 2.2x

% var.
1Q07 vs. 1Q06

+69%

+33%

+42%
Improvement

Acceptable results considering the seasonality, the new facilities' learning curve and supply chain delays.

Note: The figures presented are non audited. Data according to IFRS. Comparative results refer to the same period of the previous year



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International Growth ...

Gamesa positioned as the leading company in North African emerging markets:

- Opening of new Key Strategic Accounts:
 - NREA (241 MW of G5x in Egypt, EUR 280 Mil.)
 - ONE (140 MW of G5x in Morocco, EUR 209 Mil.)



Gamesa ranks as #1 WTG supplier in Egypt and Morocco

The United States and China contribute significantly to growth in the WTG activity

- The United States account for 26% of the MW installed in 1Q2007 vs. 3% in 1Q2006
- Increase of the % of MW installed in China

Wind Farm development agreements in China on track

- New agreements in Jilin are added to the Shandong agreements

... with new production centres ...

Activity keeps on growing:

- Increase in WTG installations (+33%) and Wind Farm deliveries (+188%) compared to 1Q2006

Production increase in the United States and China:

- 21% of nacelles and 20% of blades were manufactured outside Spain in 1Q2007

The new facilities maintain the pace of the start-up curve:

- Activity in the United States in process of being consolidated
 - Increase in production compared to 2006
 - Productivity improvements (reduction in hours and costs per unit)
- Start-up of manufacturing activity in China
 - Increase in production and continuous improvement of productivity at the nacelle facility
 - Start-up of the blade facility (650 MW capacity)

... and tackling new challenges.

... in the supply chain

- Delivery delays for critical components → Spare parts stock outs
- Use of urgent transportation due to delivery delays
- Efficiency of equipment and construction and service means penalized

... in the availability of qualified staff for international growth

- Execution of international projects
- Training of local teams

...in the quick response to trouble shooting

- Implementation of new sources of supply in the United States and China
- Blade manufacturing incidents in the United States:
 - Analysis of affected blades at the facility, cause detection and launch of a correction program

Review of the Spanish Regulation

- Delays in Solar Farm sales due to uncertain outcome



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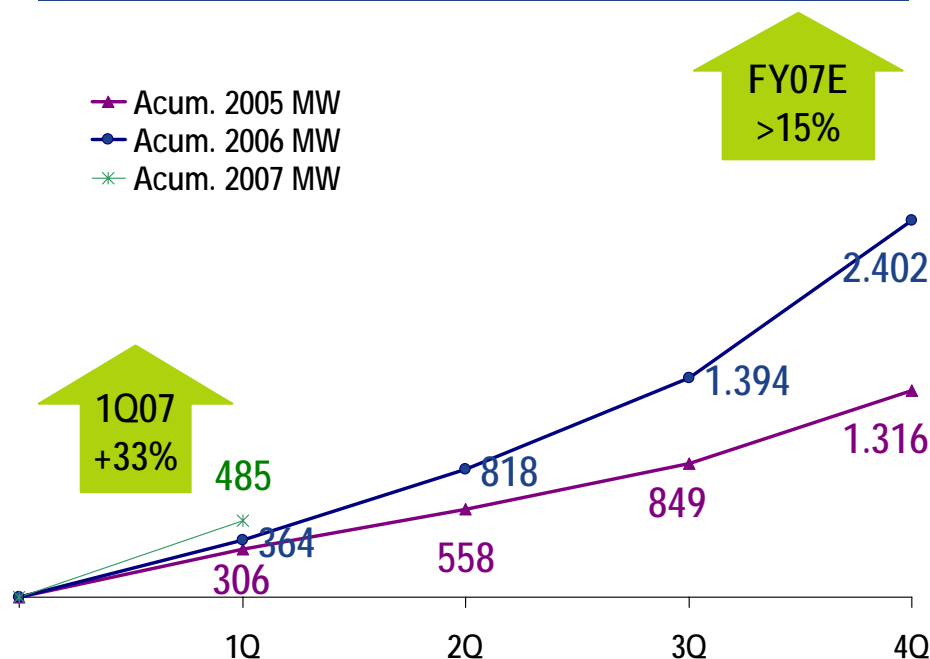


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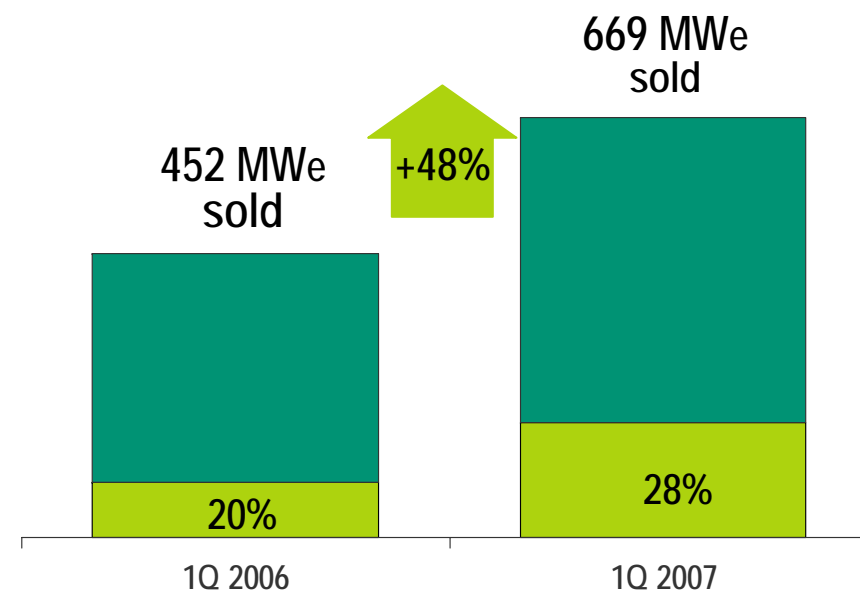


The United States and China drive the increase in activity ...

Evolution of installed MW (1)



Trend of sold MWe



- ⊗ The United States and China account for 30% of installed MWs in 1Q2007
- ⊗ Work in Progress covers the delivery commitments for the second half of the year

(1) Includes ExWorks MWs

... and the growth trend is maintained with a temporary reduction in margins.

EUR Mil.	1Q2007	1Q2006	Variation
Sales	557	356	+57%
EBITDA / Sales	12%	16%	-4 p.p.
Net Income / Sales	2%	6%	-4 p.p.
W.C./ Sales	35%	53%	-18 p.p.
Investments	25	10	-

Main reasons:

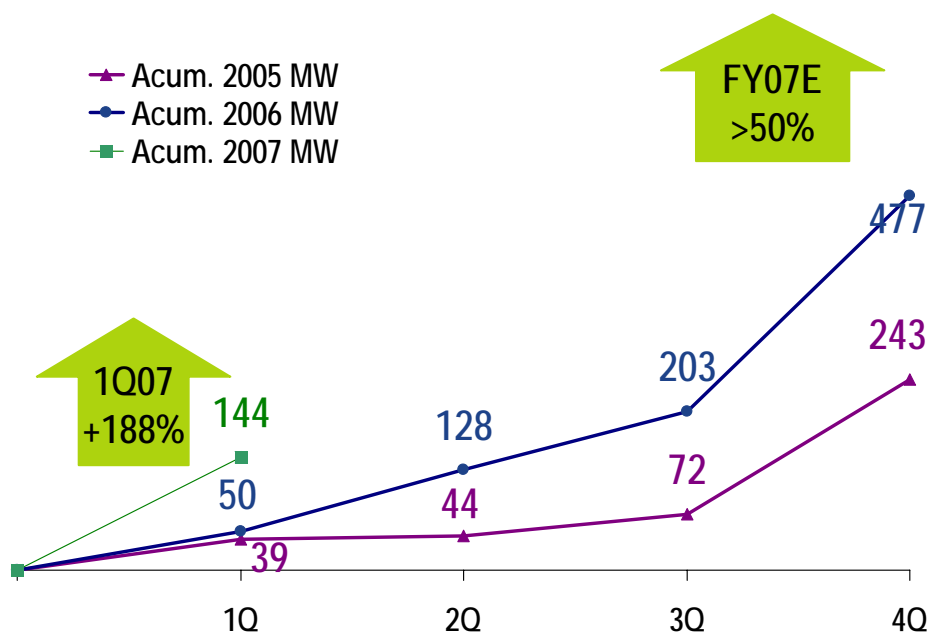
- ✳ Start-up and the learning curve costs in the United States and China
- ✳ Increase in material and transportation costs
- ✳ Sale prices fixed in 2004
- ✳ Defective G87 blades manufactured in the United States

Note: The figures presented are non audited. Data according to IFRS.

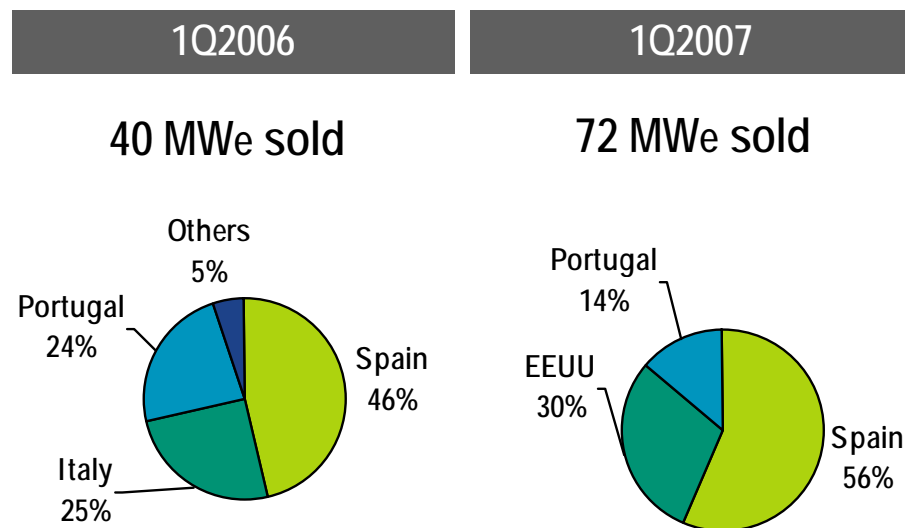


The United States and Project Joint Management contributed to the growth in activity ...

Evolution of Delivered MW ⁽¹⁾



Wind Farm sales' geographic mix (MWe)



- USA contributed with 30% of MWe sold in 1Q2007
- Deliveries driven by Project Joint Management (112 MW)

(1) Includes Project Joint Management MWs



... with an improvement in margins due to an increase in sales.

EUR Mil.	1Q2007	1Q2006	Variation
Sales	78	48	+63%
EBITDA / Sales	10%	0%	+10 p.p.
Net Income	9	1	-
W.C./ Sales	68%	60%	+8 p.p.

Main reasons:

- ✿ Better Wind Farm development margins due to volume effect
- ✿ The final wind farm construction phase requires more working capital

(1) Pro-forma sales assuming 100% of the MW sold with (Provisional Acceptance Certificate PAC)
 Note: The figures presented are non audited. Data according to IFRS.

While solar activity takes off

EUR Mil.	1Q2007	1Q2006	Variation
Sales	46	11	+318%
EBITDA / Sales	10%	5%	+5 p.p.
Net Income / Sales	6%	2%	+ 4p.p.
W.C./ Sales	41%	56%	-15 p.p.

Main reasons:

- ✿ Consolidation of the solar activity:
 - 13 MW_p of projects sold
 - 11 MW_p of works start-ups
- ✿ Better margins due to volume effect

Note: The figures presented are non audited. Data according to IFRS.



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The results maintain the 2008 strategic targets

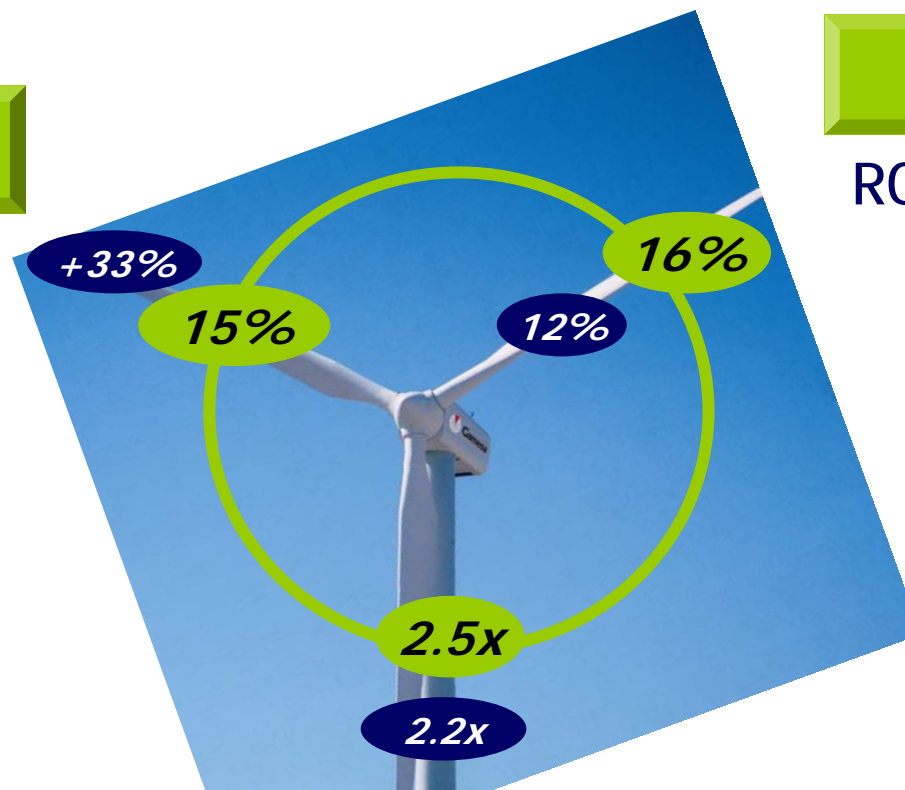


Growth

1Q07 / 1Q06
+33% EBITDA

Profitability

ROCE 1Q07 = 12%



Financial Strength

Net Debt / EBITDA = 2.2x in 1Q07

● 1Q2007

● 2008 Targets



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The quality of execution will be a key factor for reaching 2008 strategic targets



Acceptable economic results

Activity growth in all business units

Activity and productivity improvements in 1Q2007 are not enough to offset extra supply chain costs and maintain margins

The tackling of challenges and risks have specific action programs

Overcoming the learning curve and optimizing the supply chain will enable the 2008 margins target to be reached

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Gamesa. Investor Relations



About Gamesa

- ✿ Gamesa is a company specialised in renewable energies, mainly wind power. Gamesa is the market leader in Spain and China, and is positioned worldwide among the most important WTG manufacturers with a market share of 15% in 2006.
- ✿ In 2006, renewable energy activities took Gamesa's turnover up to EUR 2,401 Mil. with a workforce of 5,400 people.
- ✿ Up to 2006, Gamesa had installed more than 9,800 MW of its main product lines in 20 countries spread out over four continents. The annual equivalent of this production amounts to the electrical power consumption of a city like Madrid over six years, allowing for savings of 7.5 million petroleum equivalent tonnes / year and a reduction in CO2 emissions of 51.9 tonnes / year.
- ✿ With a portfolio of more than 20,000 MW of wind farms in different phases of promotion in Europe, America and Asia and branches in 13 countries, Gamesa is positioned as one of the world's most important companies in wind farm promotion and development activities.
- ✿ In 2006, Gamesa has started-up seven new production facilities with a total investment of over EUR 104 Mil. Two of these are in Spain, four in the USA in the state of Pennsylvania and one in China in Tianjin province.

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GENERAL
Version
5.1.3
INFORMATION CORRESPONDING TO:
PERIOD
First Quarter
YEAR
2007
I. ISSUER'S IDENTIFICATION DETAILS
Trade Name:

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

Registered Address:

C/ RAMÓN Y CAJAL 7 Y 9, 01007 VITORIA-GASTEIZ

Tax Reg. CIF (Corp. Number)

A-01011253

Persons responsible for this information, positions they hold and identification of the power of attorney by virtue of which they are empowered to represent the company:

JUAN RAMÓN IÑARRITU (CFO)

NOTARY: JOSE ANTONIO GONZALEZ ORTIZ

No. 571 OF HIS PROTOCOL FILES, ENTRY 31

Signature:
A) QUARTERLY ADVANCE OF RESULTS

(Concerning consolidated information, solely the column that applies pursuant to prevailing regulations should be filled in)

Units: Thousands of Euros

		INDIVIDUAL		CONSOLIDATED SPANISH STANDARDS		CONSOLIDATED IFRS ADOPTED	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
NET TURNOVER (1)	0800	0	45			651,606	387,776
PRE-TAX RESULTS/PRE-TAX RESULTS FROM ONGOING OPERATIONS (2)	1040	15,198	-5,208			19,925	28,537
FINANCIAL YEAR'S RESULTS FROM ONGOING OPERATIONS (3)	4700					20,756	22,317
RESULTS FOR THE YEAR (4)	1044	15,198	-5,208			21,457	24,969
Results attributed to external shareholders/Financial year's results attributed to minority interests	2050					184	-11
FINANCIAL YEAR'S RESULTS ATTRIBUTED TO PARENT COMPANY/FINANCIAL YEAR'S RESULTS ATTRIBUTED TO HOLDERS OF THE PARENT COMPANY'S NET EQUITY	2060					21,641	24,958
SUBSCRIBED SHARE CAPITAL	0500	41,361	41,361				
AVERAGE NUMBER OF EMPLOYEES	3000	55	36			5,524	9,099

B) EVOLUTION OF THE BUSINESS

(Although brief due to the summarized nature of this quarterly disclosure, the observations to be included in this section should allow investors to form a sufficiently clear opinion about the activity performed by your company or group and about the results obtained during the period covered by this quarterly disclosure, as well as about its financial and asset situation and other essential data on the general evolution of the company or group. Lastly, any observations made about both the consolidated financial figures and, should it be the case, the individual financial figures should be clearly differentiated.)

We attach hereto a presentation on the evolution of operations during this first quarter of 2007.

C) BASIS FOR PRESENTATION OF FINANCIAL STATEMENTS AND VALUATION STANDARDS

(The recognition and valuation principles and criteria set forth in prevailing regulations to draw up financial and accounting information of the annual accounts corresponding to the period referred to by the periodic disclosure being filed should be used to draw up the financial and accounting data and information included in this periodic public disclosure. Exceptionally, should generally accepted accounting principles and criteria required by the relevant prevailing legislation not have been applied to the data and information attached hereto, this fact should be indicated and sufficiently grounded, explaining the influence of the lack of such could have on the assets, financial situation and results of the of your company or consolidated group. In addition and with a similar scope to the foregoing, any modifications, if any, as regards the last audited annual accounts that may have come about in the accounting criteria used to draw up the information attached hereto should be mentioned and commented on. If the same accounting principles, criteria and policies as in the last annual accounts have been applied and if these correspond to those set forth in prevailing accounting regulations that apply to the company, indicate such a fact expressly. If, according to the regulations that apply, any adjustments and/or reclassifications have come about to the preceding period due to changes in accounting policies, corrections of errors or changes in the classification of items, the necessary quantitative and qualitative information in order to understand such adjustments and/or reclassifications should be included in this section).

The financial statements applied generally accepted IFRS principles. This applies to both the quarterly advance of results information for the current year, as well as the comparative data from the previous year.

The same accounting principles, criteria and policies as in the last annual accounts have been applied.

The comparative information corresponding to the first quarter of FY 2006 has been made homogenous in accordance with international financial reporting standards as a result of the operations that were discontinued in said financial year (IFRS 5, paragraph 24).

D) DIVIDENDS DISTRIBUTED DURING THE PERIOD			% of Nominal Value	Euros per Share (x,xx)	Amount (Euros in thousands)
Any dividends effectively paid out since the start of the financial year should be mentioned.					
1.	Ordinary shares	3100			
2.	Preference shares	3110			
3.	Redeemable shares	3115			
4.	Shares without votes	3120			

Additional information about the dividend share-out (interim, supplementary, etc.).

E) RELEVANT EVENTS (*)			YES	NO
1.	Acquisitions or transfers of shareholdings in the capital of companies listed on the stock exchange that give rise to the obligation of disclosure set forth in Art. 53 of the Securities Market Law (5 per cent and multiples thereof).	3200		X
2.	Treasury stock acquisitions that give rise to the obligation of disclosure pursuant to the 1 st Addition Provision of the Securities Market Law (1 per cent).	3210		X
3.	Other significant increases or reductions in non-current investments (shareholdings exceeding 10% in non-listed companies, relevant investments or divestments, etc.).	3220	X	
4.	Increases or decreases in share capital or in the par value of shares.	3230		X
5.	Loan issues, reimbursements or write-offs.	3240		X
6.	Changes in Administrators or the Board of Directors	3250	X	
7.	Amendments to the Corporate Bylaws.	3260		X
8.	Transformations, mergers or spin-offs.	3270		X
9.	Changes in the institutional regulation of the industry having a significant incidence on the Company's or the Group's economic or financial situation.	3280		X
10.	Lawsuits, actions or disputes that could significantly affect the Company's or the Group's assets.	3290		X
11.	Situations of bankruptcy, receivership, etc.	3310		X
12.	Special agreements to wholly or partially limit, assign or waive the voting or economic rights of the Company's shares.	3320		X
13.	Strategic agreements with Spanish or international groups (interchange of shareholdings, etc.)	3330		X
14.	Other significant events.	3340	X	

(*) Mark the relevant box with an "X". If the response is yes, attach an explanatory annex indicating the date of disclosure to the National Securities Market Commission (CNMV) and the Stock Exchange Governing Body (SRBV).

F) EXPLANATORY ANNEX OF SIGNIFICANT EVENTS

3. OTHER SIGNIFICANT INCREASES OR REDUCTIONS IN NON-CURRENT INVESTMENTS (SHAREHOLDINGS EXCEEDING 10% IN NON-LISTED COMPANIES, RELEVANT INVESTMENTS OR DIVESTMENTS, ETC.).

Relevant disclosure 74734: The company hereby notifies that Gamesa Energía, S.A. Unipersonal and Gamesa Energy USA LLC, respectively the Spanish and American subsidiaries of Gamesa Corporación Tecnológica, S.A., and the Australian company Babcock & Brown LP have entered into an agreement for the sale of four wind farms located in the states of Pennsylvania and Illinois once authorization is obtained from the Federal Energy Regulation Commission (F.E.R.C.).

6. CHANGES IN ADMINISTRATORS OR THE BOARD OF DIRECTORS

Relevant disclosure 75003: The Company hereby notifies that Mr. Luis Alberto Martín Zurimendi has vacated office as the Legal Counsel of Gamesa Corporación Tecnológica, S.A. and as the non-voting Deputy Secretary of the Company's Board of Directors as of 1/02/07.

14. OTHER SIGNIFICANT EVENTS

Relevant disclosure 76172: The Company hereby notifies that it has entered into two new agreements awarded through an international tender with the New & Renewable Energy Authority (NREA) for the construction of two wind farms in Zafarana, located on the shores of the Red Sea, in which 241 MW will be installed for an amount of almost € 280 million.

Relevant disclosure 76572: The Company hereby notifies that it has entered into a new agreement with the Moroccan organism Office National de l'Electricité (ONE) for the supply of 165 Gamesa G52-850 kW wind generators for what will become Morocco's largest wind energy facility.

Relevant disclosure 76953: The Company hereby files information on its results for the second half of 2006.

Relevant disclosure 78118: The Company hereby notifies that it has entered into two agreements with the company Verenagest SA for the supply of a total of 136 wind generators.

Notification 22648: Gamesa has finalized the construction of the largest wind farm in Andalusia.

Notification 22732: The Company hereby notifies that a market presentation will be held on February 20 at 11.00 hrs. (Madrid time).

Notification 22758: The Company files a presentation.

Notification 22761: The Company submits a press release on the FY 2006 results.

Notification 22954: Gamesa reaches a total of 10GW installed.

INSTRUCTION TO FILL IN THE QUARTERLY ADVANCE OF RESULTS (GENERAL)

- Unless indicated otherwise, the numerical data requested shall be expressed in thousands of euros without decimals and should be tallied by rounding off.
- Negative amounts shall appear with a negative sign (-) in front of the relevant figure.
- Unless indicated otherwise, the relevant figure for the preceding year shall appear next to any data expressed in figures.
- International financial reporting standards adopted (IRFS adopted) shall be construed as the standards the European Commission has adopted pursuant to the procedure set forth in Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002.
- The financial information contained in this form shall be filled in pursuant to the accounting regulations and principles for recognition and valuation that apply to the company for the drawing up of the annual financial statements to which the periodic public disclosure being filed refers.

Up to the financial years starting as of January 1, 2007, any companies, apart from credit institutions, that are obliged to draw up consolidated annual accounts due to the application of the provisions set forth in the Code of Commerce and that have issued fixed-income securities admitted to trading in a Stock Market and that have chosen to continue applying the standards contained in Section Three, Title II of the First Book of the Code of Commerce and the standards that develop them, as long as the IFRS adopted had not been applied in the preceding year, should file the consolidated public disclosure of Section A) under the heading "Consolidated Spanish Standards".

- DEFINITIONS:

(1) Net turnover: This item shall include the amount of product sales and the provision of services corresponding to the company's ordinary operations, deducting any bonuses and other reductions on sales, along with any value added tax and other taxes directly related to the aforementioned turnover. Should the consolidated figures have to be filed pursuant to the IFRS adapted, the information to be filed in this section shall be drawn up in keeping with such standards.

(2) Pre-tax results from ongoing operations: Companies that periodically file disclosures in accordance with the IFRS adopted shall include the pre-tax result from ongoing activities under this heading.

(3) Financial year's results from ongoing operations: This item shall only be filled in by companies that file their financial disclosures in accordance with the IFRS adopted and it shall reflect the after-tax result from ongoing operations.

(4) Results for the year: Any companies that file their financial disclosures in accordance with the IFRS adopted shall enter in this item the result for the year from ongoing activities reduced or increased by the after-tax results from discontinued operations.

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