



Partial fiscal announcement  
corresponding to the first  
quarter of 2008:  
(03/31/2008)

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Company results corresponding to the first financial quarter and business development:

<b>Euro thousand</b>	<b>1Q2007</b>	<b>1Q2008</b>
Turnover	56.397	92.763
%Growth		64%
Other Income	1.894	2.438
Raw Materials & Consumables	-8.038	-11.575
<b>Gross Margin</b>	<b>50.253</b>	<b>83.626</b>
Gross Margin (%)	89%	90%
Personnel costs	-13.517	-24.242
Other Expenses	-13.038	-19.119
<b>EBITDA</b>	<b>23.698</b>	<b>40.265</b>
EBITDA margin (%)	42%	43%
%Growth		70%
Depreciation	-13.187	-22.914
<b>EBIT</b>	<b>10.511</b>	<b>17.351</b>
EBIT margin (%)	19%	19%
<b>Financials</b>	<b>-2.262</b>	<b>-8.987</b>
Profit before taxes	8.249	8.364
margin (%)	15%	9%
<b>Income Tax</b>	<b>-2.347</b>	<b>-2.256</b>
Tax %	28%	27%
<b>Net Profit After Tax</b>	<b>5.902</b>	<b>6.108</b>
margin NPAT (%)	10%	7%

As can be observed in the above table, the business figures for the company group GAM have increased to 93 million euros, thus indicating a 64% increase with respect to the same financial period in the previous year. The effect of the Easter festive period decreases the number of working days in the year to 61 in the first semester of 2008, compared to 63 from the year 2007. Despite this, the daily sales have experienced a 24% increase compared to the first quarter pro-forma of 2007.

The increase in company figures has been based on:

- The strong evolution in the civil works area, in which the company concentrates 48% of its turnover. Although the number of public works has decreased with respect to the previous year as a consequence of coinciding with the public elections; the increase in the number of bids for civil works in March 2008 reflects a 47% increase with respect to the previous year. (Source: SEOPAN.) Finally, it is interesting to point out that within the approved measures used to stimulate the national economy during the congress of ministers on the 18<sup>th</sup> of April, was the “trimester analysis of the degree of public work execution: in order to boost the amount of works, the reassignment of budgets within each ministry is promoted.” A sign that we positively appreciate when faced with the future evolution in civil works which is expected to recuperate towards the end of the second quarter, whilst maintaining this increase throughout the forthcoming quarters.
- The optimization of the utilization rate of our fleet has come about as a consequence of the internal management of over 60.000 pieces of equipment, making up our industrial fleet. Throughout this first quarter, the company has rotated its machinery between its existing depots for a total replacement value amounting to 12 million euros. 25% of this rotated machinery is sent to the group’s international companies. The efficient management of the fleet could allow the company to achieve its projected sales whilst investing less in 2008 than was originally projected.
- The strong evolution of the company’s specialist divisions (Industrial, Energy, Wind power, Green, Ports, Tracks, Events and ServiGam) has been in line with the company’s expectations. From that we can also highlight that the total profit at the close of this quarter is three times superior to the 10.3 million euros turn over made by these divisions at the end of 2007. This is expected to continue, especially considering that these divisions are linked to medium and long term projects.

Each one of these factors reinforce company confidence in the determination to achieve each of the objectives established in its business plan

The company earnings before interest, tax, depreciation and amortization (EBITDA) has increased in the financial period ending 31<sup>st</sup> march 2008, to 40 million euros which indicates a 70% increase in comparative terms with the same financial period of the previous year. The margin of EBITDA in this first semester has reached 43.4% over sales, thus indicating an increase in profit with respect to March 2007 of 42 %.

The financial expenses in this trimester reached just below 9 million euros, a sum much greater than the 2 million euros remaining at the close of March 2007. The reason for this however is associated with 1) the distribution of convertible bonds of 125 million undertaken in August of 2007, as well as 2) due to the debt associated with its recent acquisitions. Both of these landmarks took place in the second quarter of 2007, which explains why the financial expenses are in line with those corresponding to the expenses incurred in the third and fourth quarters of 2007.

The reported net period result has increased to 6.1 million euros, which indicates a 6.6% margin over sales.

Putting aside the seasonal effect of the Easter period, the company would present a 70% increase in sales, with its EBITDA margin and net result at 45 and 8% respectively.

Euro thousand	1Q2007	1Q2008	1Q08 No seasonality
Turnover	56.397	92.763	95.804
%Growth		64%	70%
EBITDA	23.698	40.265	42.767
EBITDA margin (%)	42%	43%	45%
%Growth		70%	80%
EBIT	10.511	17.351	19.707
EBIT margin (%)	19%	19%	21%
Net Profit After Tax	5.902	6.108	7.904
margin NPAT (%)	10%	7%	8%

In terms of generating cash, the group operates a free cash flow operation (calculated using the Profit before taxes and non cash items) and can report a 65% improvement than in the previous financial quarter.

Euro thousand	1Q2007	1Q2008
Net Profit After Tax	5.902	6.108
margin NPAT (%)	10%	7%
Convertible Bond, non cash impact	-	844
Depreciation 1Q	13.187	22.914
Swaps, non cash impact	-695	527
Operative FCF	18.394	30.393
%Growth		65%

At the close of the trimester, the company's net debt reached 3.3 times higher than the debt/EBITDA ratio. This corresponds with the company objectives at the close of the financial year and is also notably inferior to the same ratio at the close of 2007. It is important to highlight that this reduction has been due in large part to the reduction, in terms of the previous fiscal year, in the average time for receiving payment to 7 days. At the close of the fiscal period, the company reports a cash amount of 60 million euros. Given that the company also has 40% of this figure available, this indicates its strong financial position.

With respect to sales in used machinery, the company has sold machinery totalling an amount of 5 million euros, with the common factor being those pieces of equipment associated with residential activities. This thus reduces the already low exposure GAM dedicates to this particular sector. One must note however, that the profit generated using this equipment has been greater than 20%, which demonstrates how attractive the second hand market in all types of used machinery proves to be.



The eastern European markets in which the company now operates: Romania, Bulgaria and now Poland, are developing favourably. Despite the rental of machinery being some what of a young market in these countries (market penetration around 5-10%) an interest has been detected that has now resulted in 15% of turnover generated through existing Spanish clients. The company is also in the process of opening business in Poland: the fastest rising member of the EU with huge potential in our sector.