



**GAM increases international activity while keeping its focus in internal costs structure to adapt them to domestic market conditions. Quarter results have been severely impacted by bad weather conditions and a slow down in wind power business.**

- **GAM achieved total revenues of € 60.88 million during first quarter, resulting in a recurring EBITDA of €16.16 million.**
- **Sales have been severely impacted by bad weather conditions during the first two months of the quarter, and the slow down experienced in the wind power activity caused by legislation uncertainties. Revenues associated to the wind power business were €3.5 million lower than in the same period 2009. Excluding the above, revenues for non construction business grew 43% compared to same period last year and the international subsidiaries increased sales by 47% (growth of 225% excluding Portugal). Total revenues for diversified and international activities represent 37.6% of total and are expected to continue growing in the future.**
- **GAM continues strongly focused on cash flow optimization and debt reduction. Net debt decreased, totalling € 497.54 million, under € 500 million, in line with Company projections. The company generated a cash flow of €21.68 million before debt repayments and investments, and cash flow of €3.79 million after debt repayments and interests. The Company cash and cash equivalent position at the end of March was €63.10 million.**
- **GAM keeps focused on cost reduction in order to adapt cost structure to domestic economical conditions. In addition to the reduction accomplished in 2009, a new plan has been put in place to reduce additional €40 million (annualized). Out of this amount, €24 million (annualized) have been executed during first quarter.**
- **GAM is implementing a price increase strategy that will contribute to margin improvement**

**1. GAM achieved total revenues of €60.88 million during first quarter, resulting in a recurring EBITDA of €16.16 million.**

Turnover in first quarter 2010 reached €60.88 million, which represents a decrease of 18% compared to same period last year. EBITDA achieved €14.13 million, which includes several expenses associated to cost reduction plan during the first three months equivalent to € 1.86 million and other non recurrent expenses of € 0.16 million. Excluding these extraordinary amounts recurring EBITDA achieved €16.16 million.

**2. Sales have been severely impacted by bad weather conditions during the first two months of the quarter, and the slow down experienced in the wind power activity caused by legislation uncertainties. Revenues associated to the wind power business were €3.5 million lower than in the same period 2009. Excluding the above, revenues for non construction business grew 43% compared to same period last year and the international subsidiaries increased sales by 47% (growth of 225% excluding Portugal). Total revenues for diversified and international activities represent 37.6% of total and are expected to continue growing in the future.**

The severe weather conditions registered during the first months of the quarter have impacted the results of construction companies and other services associated companies. Works have suffered a general slow down and hence overall turnover was low. As per the data published by the AEMET (Spanish Weather Agency), average inclemency (considered as rainfalls over 40 mm/hr; snowfalls and winds over 70 km/hr) during the month of January and February were 8 and 7.3 respectively. Moreover the uncertainties associated to new regulations for the wind power sector and financial market stresses have drastically reduced wind power activities.

Excluding wind power business, revenues associated to non construction business grew 43% compared to same period last year.

International subsidiaries grew significantly by 47% compared to same period last year. Excluding the turnover of Portugal, growth reached 225% based upon the strength of GAM Mexico and GAM Brazil. Company has started operations in Morocco and will start up in Chile in the coming months.

The table below shows the evolution of the main magnitudes.

P&L	1Q 2010	1Q 2009	Var % Vs 09
Sales	60.883	74.605	-18%
EBITDA	14.136	24.595	-43%
Net Result	-9.405	-2.125	343%
Expenses (excluding provisions)	-46.108	-49.187	-6%
Non recurrent expenses	-2.030	-1.521	33%
Recurrent EBITDA	16.166	26.117	-38%
Recurrent Expenses	-44.078	-47.665	-8%

3. GAM continues strongly focused on cash flow optimization and debt reduction. Net debt decreased, totalling €497.54 million, under €500 million, in line with Company projections. The company generated a cash flow of €21.68 million before debt repayments and investments, and cash flow of €3.79 million after debt repayments and interests. The Company cash and cash equivalent position at the end of March was €63.10 million.

Debt service during first quarter of 2010 was €17.89 million (interests and principal).

The company cash and cash equivalent position at the end of March was €63.10 million

The table below shows debt evolution:

Thousand of Euros	Closing 2009	1Q 2010	Var.	Var. Percentage
Gross Debt	553.883,46	540.097,56	-13.785,90	-2,5%
Cash	-10.470,72	-42.550,17	-32.079,45	306,4%
Net Debt	543.412,74	497.547,39	-45.865,35	-8,4%

4. GAM keeps focused on cost reduction in order to adapt cost structure to domestic economical conditions. In addition to the reduction accomplished in 2009, a new plan has been put in place to reduce additional €40 million (annualized). Out of this amount, €24 million (annualized) have been executed during first quarter.

Recurrent expenses have been reduced by 8% compared to same period 2009, despite the growth of international subsidiaries. The centralization of technical and administration services plus the continuous improvement of the operational processes are the main priorities for current year. The Company has put in place a new cost reduction plan to save additional €40 million on a recurrent annual basis.

Average monthly expenses for the last three months in 2009, compared to average expenses in 2008, showed a reduction of 16.4%

**5. GAM is implementing a price increase strategy that will contribute to margin improvement.**

Several contracts have been renegotiated according to the new pricing structure. For the first time in the last 18 months average price rates for GAM show a gradual level of stabilization.