



grupo



2001 Results Announcement

March 2002

www.pickingpack.net

Reuters GPP.MC

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General summary of GPP during 2001: Strong decisions and opportunities ahead

✍ 2001 Summary

- | | |
|--|---|
| <ul style="list-style-type: none">✍ Focus on the profitable digital reprographics, data management and graphic design supplies industry (90% sales, after sale of Logic Control)✍ Partial or total divestments of Ola: expected closing March 02✍ Decision to sell Logic Control, related to Ola. Sold in December 2001 (70m E)✍ Net Debt reduction of 50m E with the sale of Logic Control✍ Continued cost cutting done (Implemented: 6m E in 2001)✍ Maintained stable gross margins in a tough trading environment (above 50% average – 75% digital reprographics, 25% special office supplies) | <ul style="list-style-type: none">✍ SAP investment to improve management control✍ Organic growth in the internet sale channel (+275%)✍ Challenging macro economic environment✍ Stock market performance (-60% in 2001, but still high liquidity average 1% share capital traded daily)✍ Ola Internet still in loss, but improving significantly in Q3 and Q4 2001. Prudent complete write off of investment at GPP SA.✍ Impact of one off extraordinary, mainly non cash and principally associated with Ola, to focus the company towards the digital reprographics |
|--|---|



✍ Opportunities

- ✍ Visibility of core business in 2002, **focused mission and management team**
- ✍ **Q/Q results 2002**
- ✍ **Growth opportunity** of the technical document management process in the digital reprographics industry – 100 Bln Euros fragmented industry
- ✍ **Share price** almost at all time lows
- ✍ **Tax losses carried forward** of 100 M Euros to be compensated in 15 years
- ✍ **Additional cost cutting** to improve margins: 6 M Euros
- ✍ Possibility of **"leveraged" acquisition** with debt and positive cashflow

2001 Consolidated results: Tough in telco but doing well in the traditional business

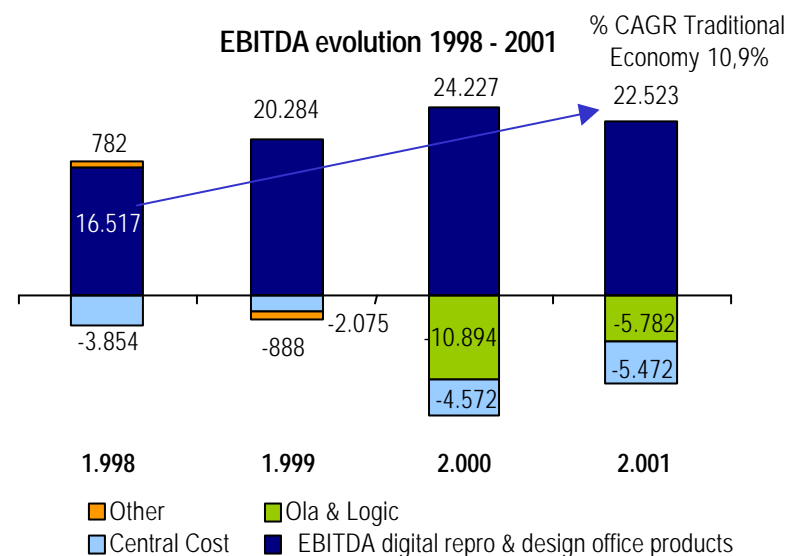
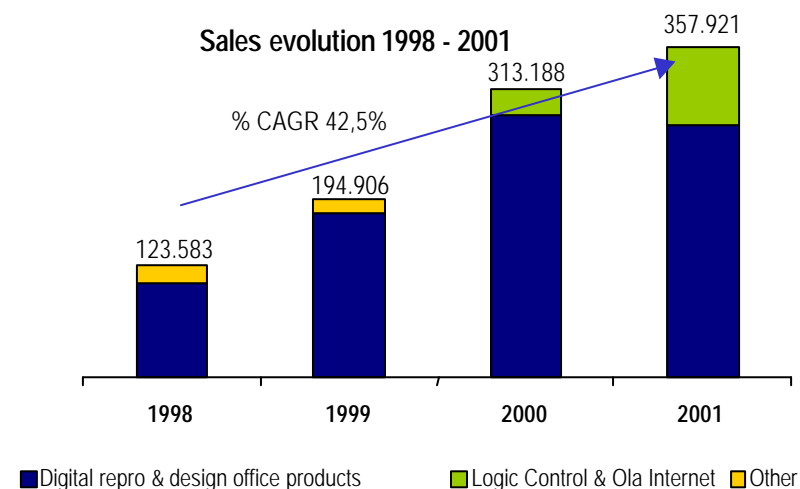
Currency: '000 EUR

Consolidated results

'000 Euros	2.001	Audit 2000	% Dif
Sales	357.921	313.188	14,3%
G. Margin	175.016	146.342	19,6%
EBITDA	11.268	8.761	28,6%
EBIT	-17.998	-12.934	-39,1%
Net Interest	-11.816	-4.522	-161,3%
Extraordinary results	-82.321	-28.491	-188,9%
Profit before Tax (PBT)	-112.135	-45.947	-144,1%
Profit after Tax (PAT)	-110.783	-45.262	-144,8%
<hr/>			
Net Assets	153.641	400.246	-61,6%
Total Assets	373.928	654.830	-42,9%
Cash + S/T Invest	26.985	37.130	-27,3%
Net Debt (31 Dec)	89.971	61.115	47,2%
Net Debt (30 Sep 2001 vs Dec 2001)	124.068		-27,5%
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Net Debt / Net Assets	58,6%	15,3%	283,5%
Net Debt / Total Assets	24,1%	9,3%	157,8%

- Revenues grew to 357,9 M Euros, an increase of 14,3% over the year 2000
- EBITDA increased by 28,6% vs 2000 even though Ola Internet consolidated within GPP full year 2001 -vs- 6 months in 2000. Ola lost at EBITDA level for the whole year 2000 25,4 M Euros vs 12,6 M Euros in 2001
- Logic Control started to consolidate within GPP in Nov 2000. 2001 fully consolidated (P&L, not balance sheet as sold in December)
- Actual Net Financial Debt of 89,9 M Euros. Net Financial Debt has been reduced in Q4 2001 by 50 M Euros (25 M cash + 25 M debt) due to the sale of Logic Control in December 2001. Expected future inflow 20m Euros
- 100% digital reprographic focus will allow the company to improve gross margins
- Cost reduction plan is already in place with savings of 6 M Euros in the year 2001.

Historic evolution (Sales and EBITDA)



P&L 2001: Results by company; traditional economy holding well

Currency: '000 EUR

	Traditional Economy 2.001	Logic Control	Ola Internet	Central Cost	Total GPP Consolidated 2.001	Total GPP Consolidated 2.000	% Difer 01 - 00
Sales	274.123	47.740	36.059		357.921	313.188	14,3%
Gross Margin	137.984	30.793	6.238		175.016	146.342	19,6%
% Sales	50,3%	64,5%	17,3%		48,9%	46,7%	
Personnel	76.380	17.607	9.736	2.049	105.771	85.492	23,7%
% Sales	27,9%	36,9%	27,0%		29,6%	27,3%	
Other Expenses	39.082	6.347	9.123	3.423	57.976	52.089	11,3%
% Sales	14,3%	13,3%	25,3%		16,2%	16,6%	
EBITDA	22.523	6.839	-12.621	-5.472	11.268	8.761	28,6%
% Sales	8,2%	14,3%	-35,0%		3,1%	2,8%	
Depreciation	17.034	2.263	6.357	3.612	29.267	21.695	34,9%
EBIT	5.488	4.576	-18.978	-9.084	-17.998	-12.934	-39,2%
% Sales	2,0%	9,6%	-52,6%		-5,0%	-4,1%	

- **Logic Control and Ola Internet will not consolidate within GPP during 2002:** Logic Control has been sold in December 2001 and Ola is expected to be sold during Q1 2002
- **Reduction of central cost is done:** Without Logic Control and Ola Internet, GPP SA central cost base has been reduced by approximately 2 M Euros in 2002. Also central depreciation has been reduced by approximately 1,3 M Euros for the year 2002 (write off of costs for share capital increase related to Ola and others)

Detail of 2001 one off extraordinary results

Currency: '000 EUR

'000 Euros	Detail of 2001 Extraordinary Results
Ola Internet	65.869
Citadon	10.979
Traditional Economy	5.473
Total Extraordinary	82.321
Total Extraordinary Cash 2001	15.218
Total Extraordinary Cash 2002	4.900

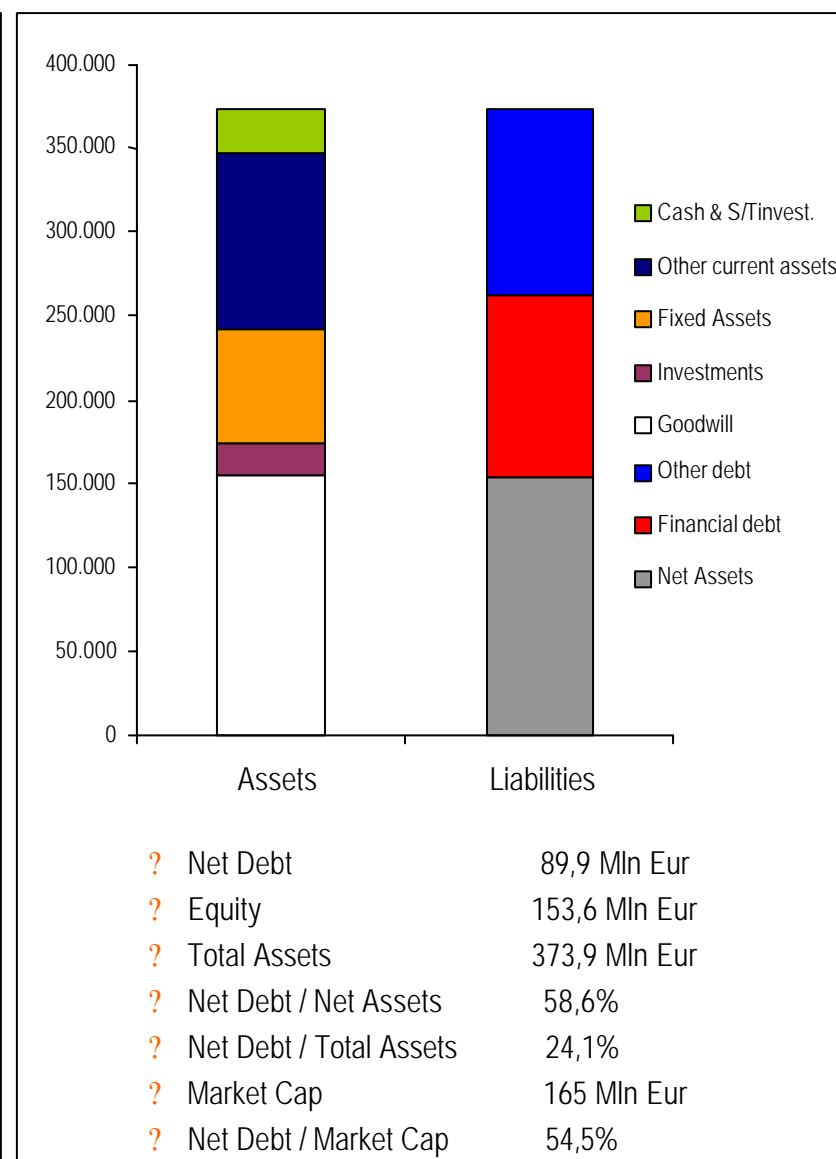
- ? Ola Internet: includes prudent total "write off" of all investments in the IP Network, cost for share capital increase related to Ola and provisions for 2002 costs until the final sale of Ola Internet expected during Q1 2002. Also includes "write off" of old capital increase expenses done in the past, start up cost and stock option plan cost mostly related to Ola and Logic Control.
- ? Citadon includes a prudent write off of the investment in this company in a difficult actual economic environment. GPP continues working with Citadon as technological partner in commercial data management agreements, especially in PPSP UK.
- ? GPP SA: Traditional Economy: includes extraordinary expenses to focus the traditional business 100% into a profitable reprographic company with the objective to increase margins and to give additional value added services to customers (direct delivery, services on-line, technology, consulting etc)

Balance Sheet 2001 (includes write off of the investment in Ola + the sale of Logic Control)

Currency: '000 EUR

	<u>2.001</u>	<u>Audit 2.000</u>		<u>2.001</u>	<u>Audit 2.000</u>
Cash& S/T investments	26.985	37.130	S/T Financial debt	62.104	39.249
Acc. Receivable	45.338	77.167	Acc. Payable	39.113	49.785
Stocks	17.164	21.556	Other S/T liabilities	55.357	75.993
Other Current assets	41.669	25.310			
Fixed Assets	67.846	119.292	L/T Financial debt	46.963	58.996
Investments	20.881	27.367	Other L/T liabilities	16.750	30.561
Goodwill	154.045	347.008	Net Assets	153.641	400.246
Total Assets	373.928	654.830	Total Liabilities	373.928	654.830

- ? Net Financial Debt 2001: 89,9 Mln Eur - includes Logic Control transaction for 50 Mln Eur in 2001 (25 Mln Cash + 25 Mln Logic Financial Debt reduction)
- ? Goodwill: includes prudent 100% "write off" against reserves of Ola Investment for 135 Mln Eur. Actual goodwill is made by Charrette (103,5 Mln Eur), PPSP UK (48 Mln Eur) and PPSP Spain (2,5 Mln Eur).
- ? Balance sheet 2001 only includes Logic Control net profit and there are no assets / liabilities included in the balance sheet since Logic Control was sold in Dec 2001.

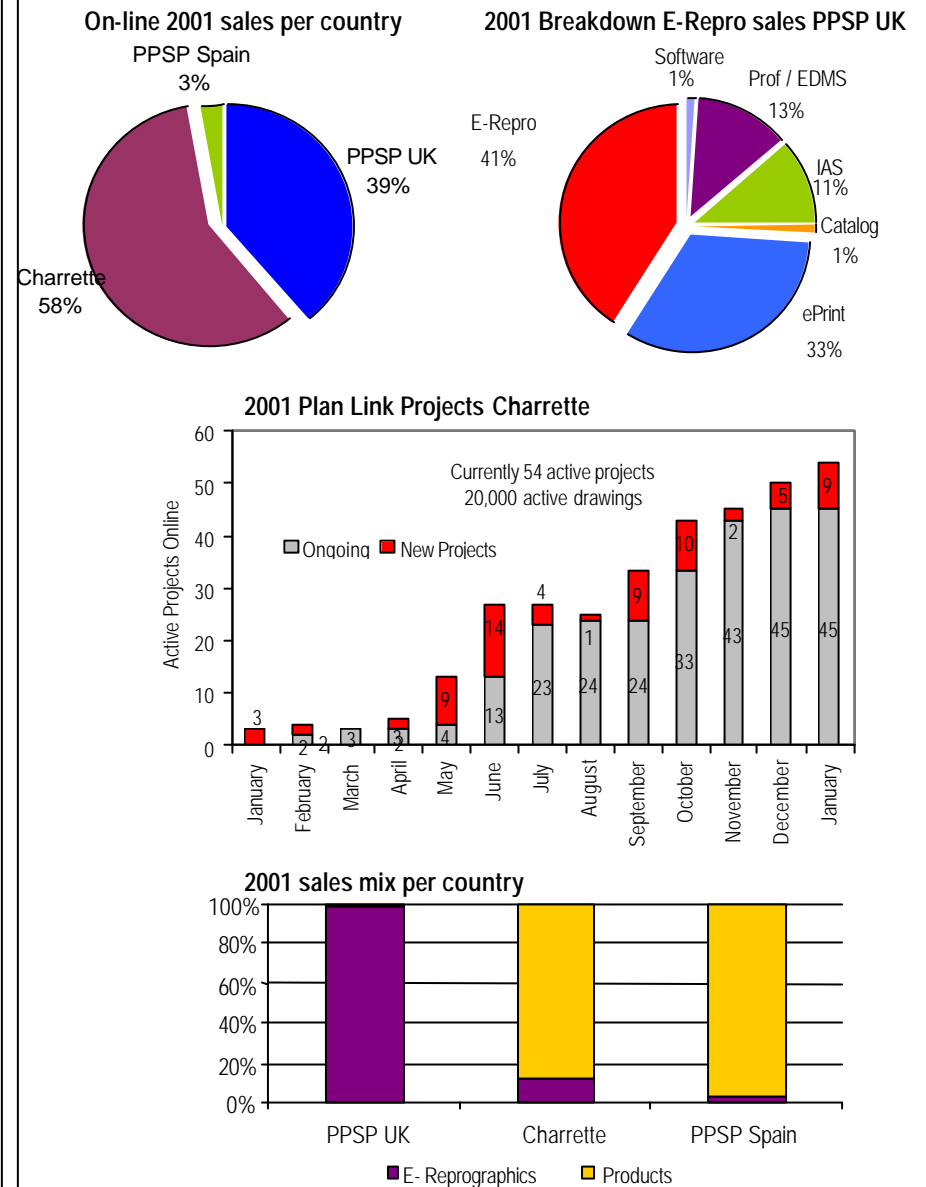


Sales on-line (E-commerce and E-repro): High growth

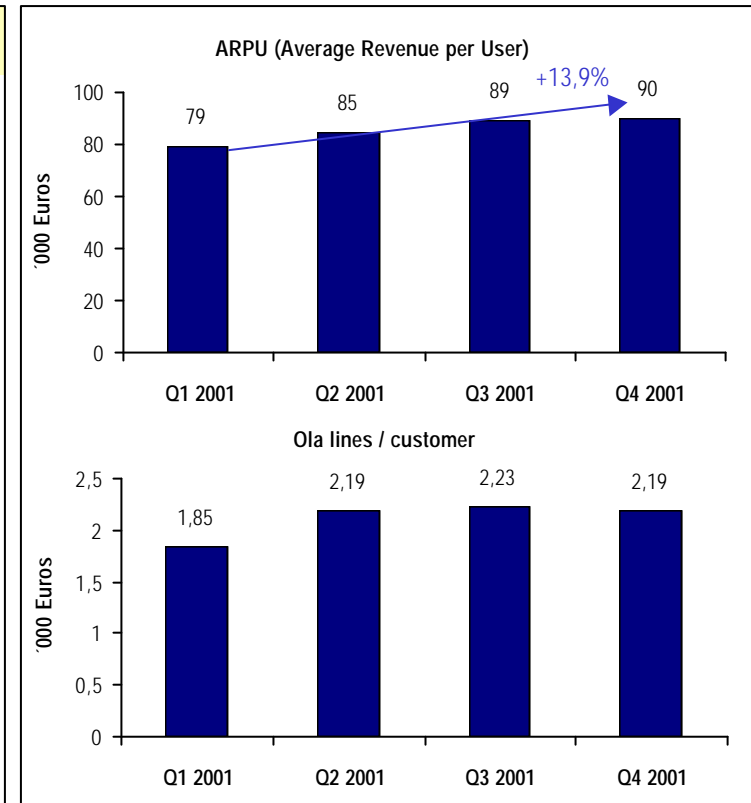
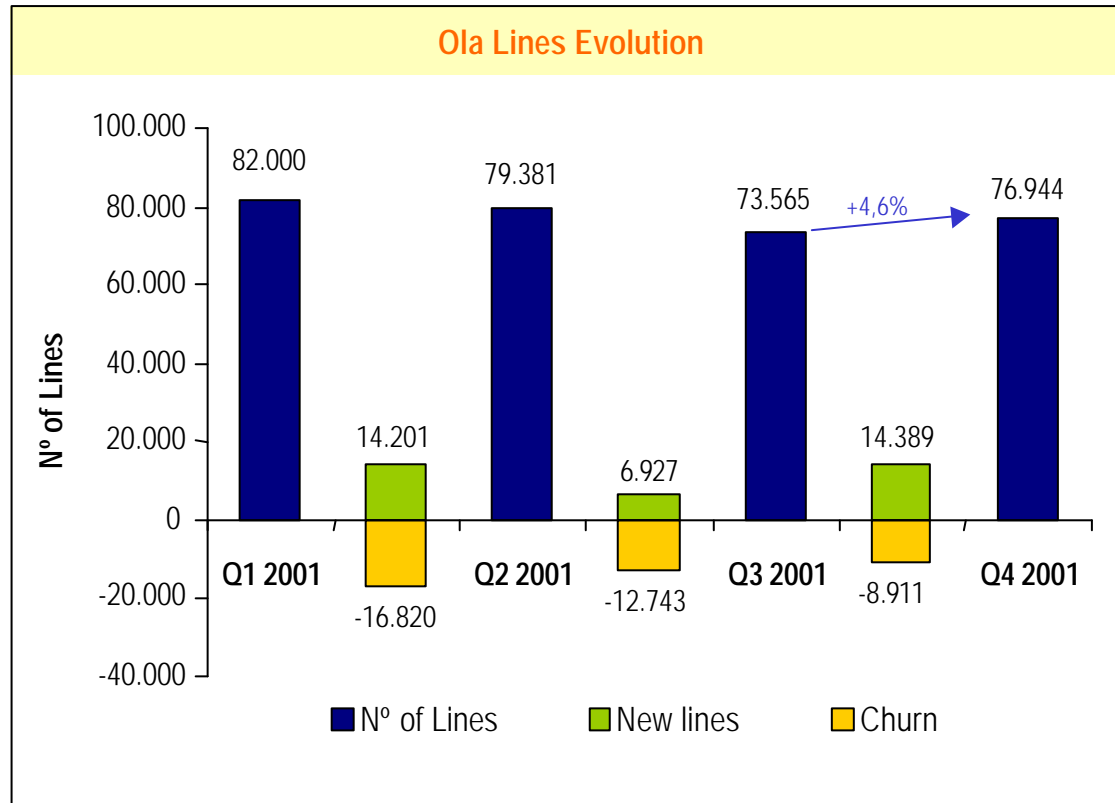
'000 Euros	Total		Total Sales 2000
	E-Repro	E-comm	
PPSP UK	5.936	71	6.007
Charrette	1.134	7.881	9.015
PPSP Spain	13	410	423
Total Sales On-line	7.083	8.361	15.444

Comments

- ? On-line sales represents already 4,3 % of total GPP sales and 5,6% of the reprographic and office products divisions.
- ? On-line sales grew to 15,4 M Euros, an increase of 275% vs-year 2000 (4,1 M Euros)
- ? PPSP UK and PPSP Spain launched these services at the end of year 2000
- ? Charrette on-line sales represent 5,2% of total sales; PPSUK on-line sales represent 8,2% of total Sales; PPSP Spain on-line sales represent 1,5% of total sales
- ? Sales on-line are expected to grow at least by 100% during 2002
- ? GPP will continue to develop this channel leveraging the MIS investment completed in 2001. (Investment approximately 1 M Euros) Margins are higher than the traditional channel due to lower personnel and transport expenses
- ? Services with more potential growth: scanning, e-repro and consulting



Ola: Customer acquisition has remained good throughout the year under reduced advertising and after the impact of the Q3 seasonality



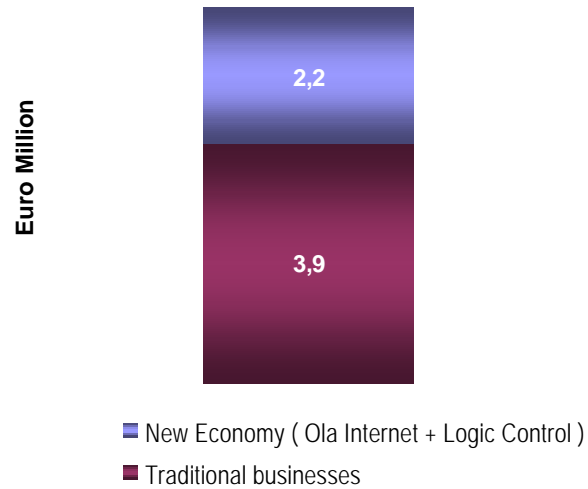
Highlights

- Net N° of lines have increased by 4,6% in Q4 -vs- Q3
- As planned, during Q3 and because of the seasonality, Ola halted abnormally high churn rates. **Q4 results have reached the estimated growth pattern in order to meet the "break even" point during Q2 / Q3 2002**
- Churn lines have decreased significantly (-30%) in Q4-vs- Q3 and -47% -vs- Q2.
- ARPU (Average Revenue Per User) has increased by 1% versus Q3 and 14% versus Q1. Lines per customer are stable around 2,2 lines
- New billing system has been implemented
- Capex model for 2002 with "only" 1 M Euro investments
- 40 million minutes of traffic per month**
- 120+ direct Sales Force and Strong Management Team**

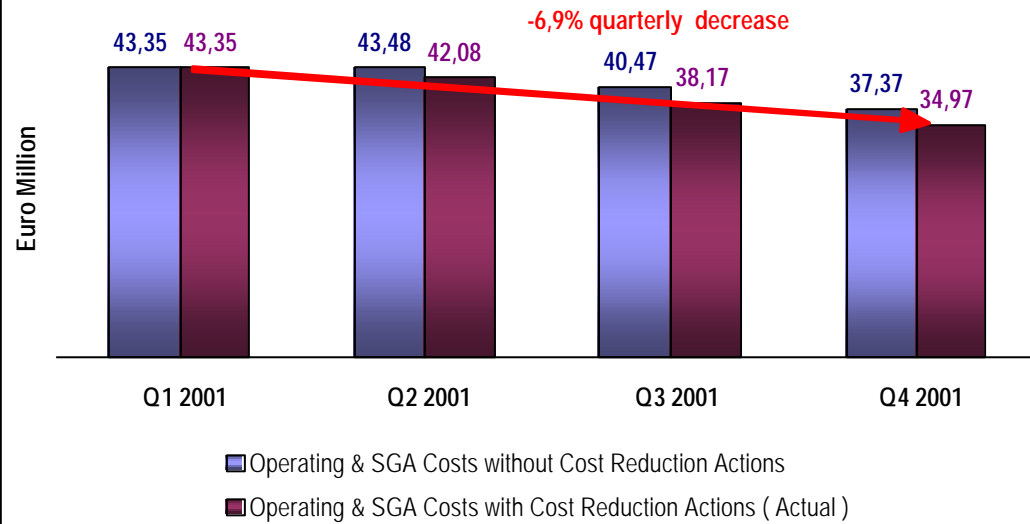
Spanish Number 1 Telco services reseller

Cost reduction programme: 6 M Euros done in 2001 + 6 M Euros in 2002

Total Cost Reduction of 6,1 Mln Euros



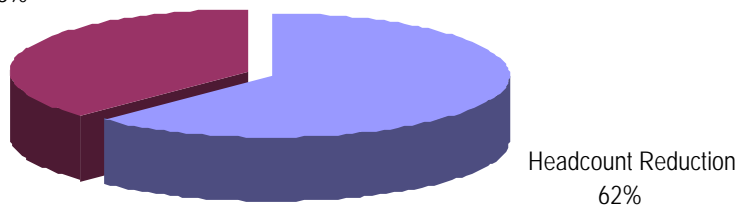
Impact on 2001 P&L of the cost reduction programme by quarter (*)



(*) Cost Reduction Program started in April 2001

Breakdown 2001 Cost Reduction Areas

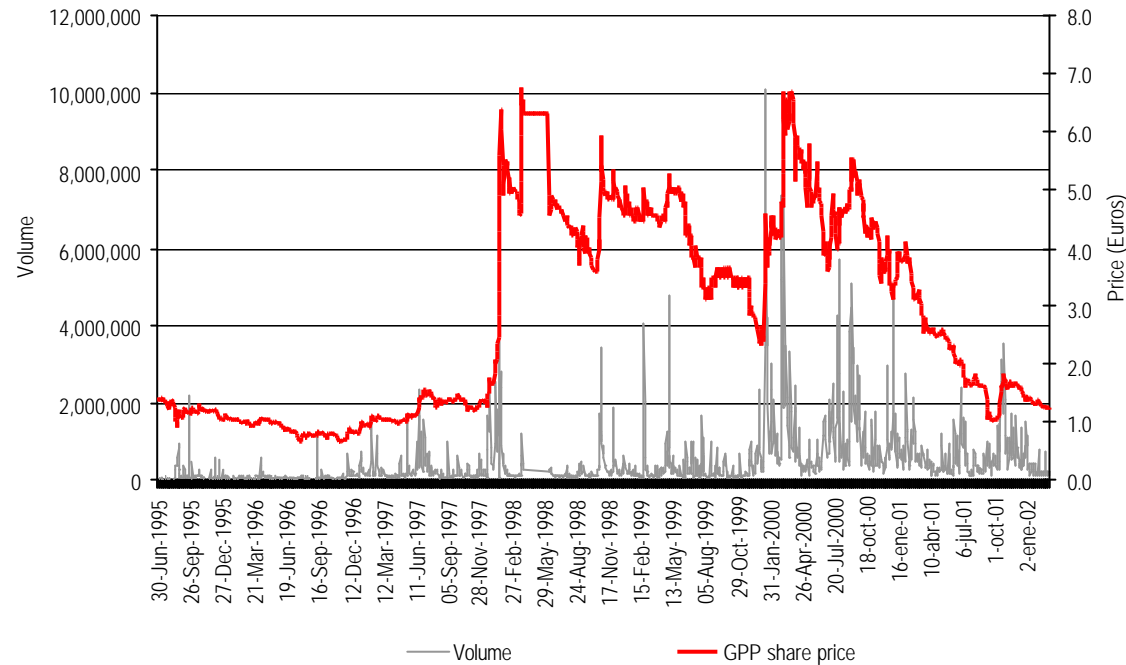
Operating Expenses + SG&A
38%



Further actions will reduce the cost base for an additional 6 M Euros during 2002

GPP share: High liquidity holding well

GPP Share Price and Volumes



Share Volumes








- ? Total shares Number: 136 million (including 5m for SOP)
- ? **High historic volume of traded shares:** 1% share capital traded daily in 2000/2001
- ? **Shareholders** were focused on Ola: once Ola is out ?
 - EBITDA 02
 - Focused company
 - Tax Losses 100M E
 - Industry 100B E

Share price statistics

- ? 1 Jan 2000 - today -47%
- ? 1 Jan 2001 - today: -64%
- ? Latest 120 days change: -21%
- ? Latest 90 days change: -20%
- ? Latest 60 days change: -24%
- ? Latest 30 days change: -8%

Key growth drivers 2002: very focused GPP

Company Drivers

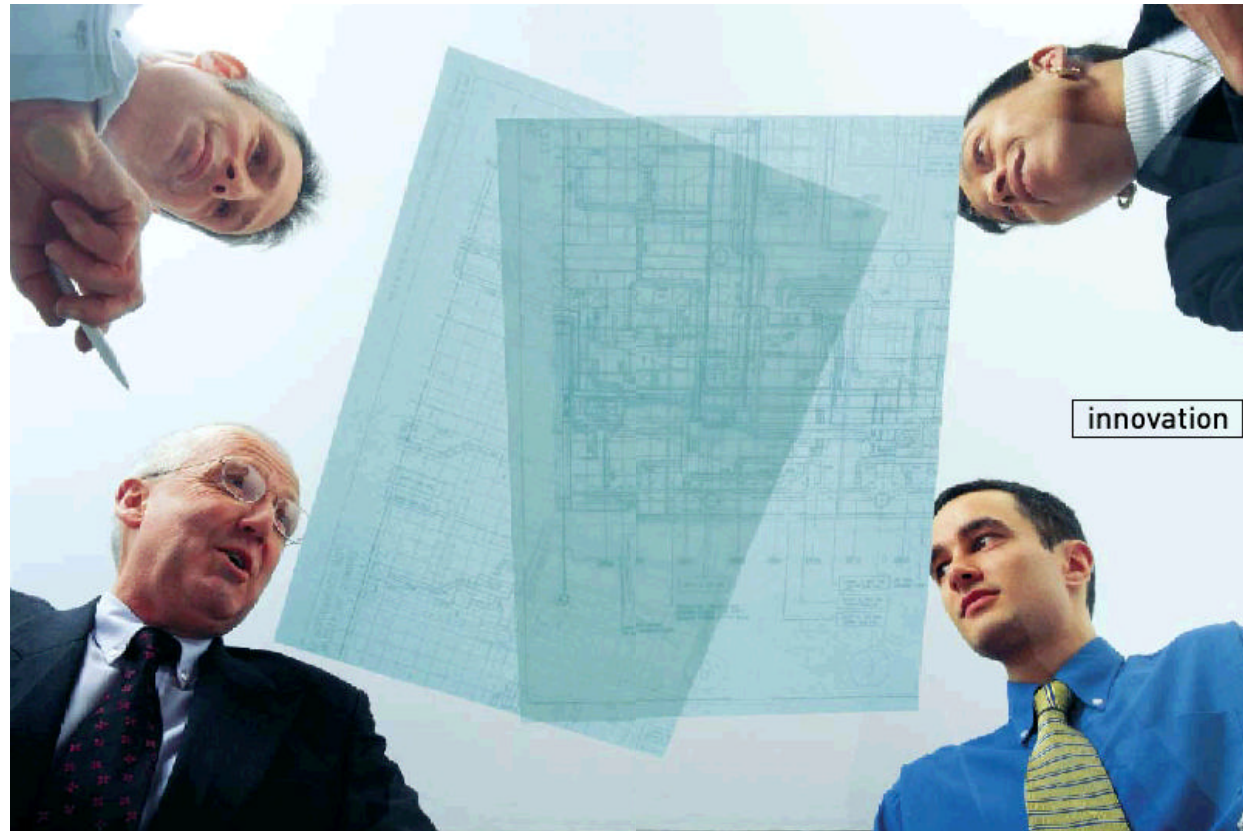
 	<ul style="list-style-type: none"> ? Leverage capex structure repro business ? Direct delivery ? SAP IT system to manage business process
 	<ul style="list-style-type: none"> ? Focus on Facility Management channel ? SAP IT system to manage business process
 	<ul style="list-style-type: none"> ? Outsource non-core activities ? Reduce inventory (WC improvement) 3mE ? Sales mix to repro – Improve margins Pag.18
	<ul style="list-style-type: none"> ? Increase synergies with clients, suppliers ? Consolidate marketing with a focused brand ? Improve working capital efficiency 5mE ? Management training

General Drivers

- ? Facility Management 30-35 M E
- ? E- technology 25-30 M E
- ? Cost Control 4 M Eur

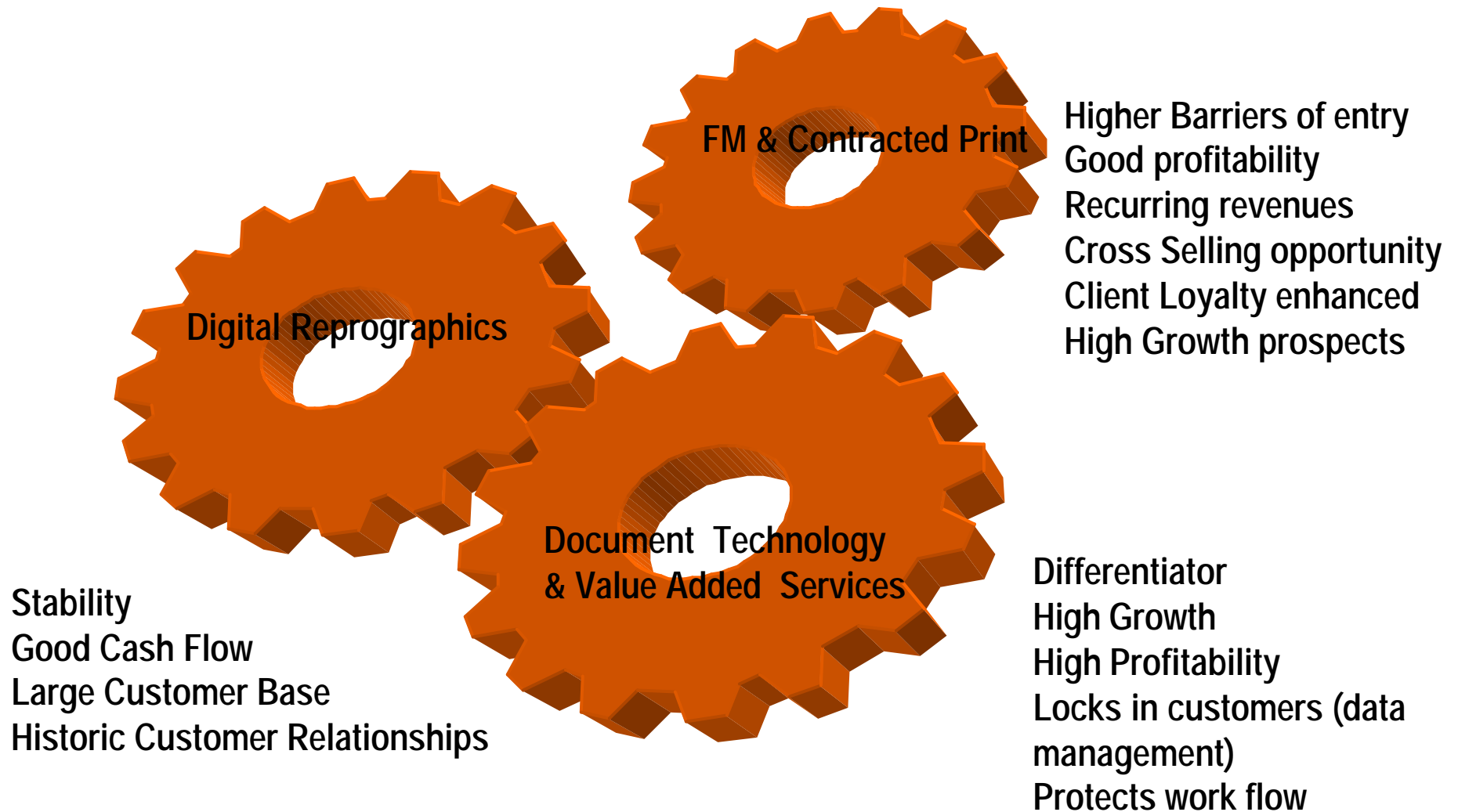
- ? Central cost control 2 M Eur
- ? Identify strategic acquisitions in the digital reprographics industry
- ? Better shareholders profile

GPP Mission Statement is extremely focused



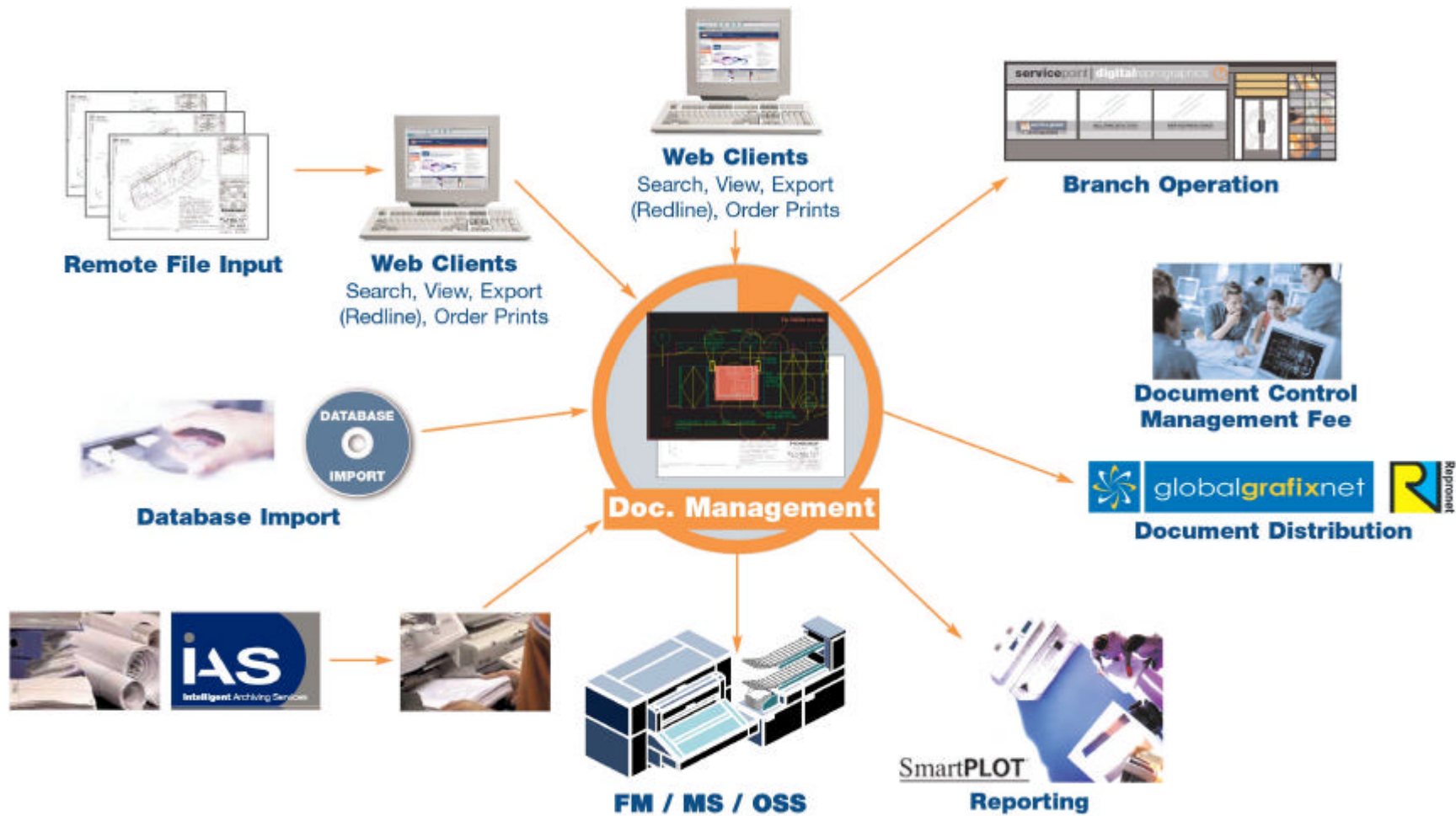
*Lead the technical document management process
in the digital reprographics industry*

GPP reprographics model: Defensive & Offensive



The technical document management process

Total Solutions for the AEC market



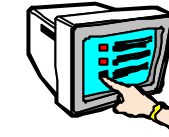
The future of the digital reprographics industry for the AEC segment



Digital reprographics points
(network)



Large FM



E-Repro

10% of market

70% of market

20% of market

GPP key focus
and investment area



Mix of GPP digital reprographics sales

	2001	2002	2004
Service Points	85%	65%	35%
Facility Management	10%	25%	45%
E-repro	5%	10%	20%
Total	100%	100%	100%

GPP is at the forefront of technological repro services (some examples)

Intelligent Archiving System



Hardcopy material is data processed and converted into a personal retrieval and viewing package of your choice. Services include...

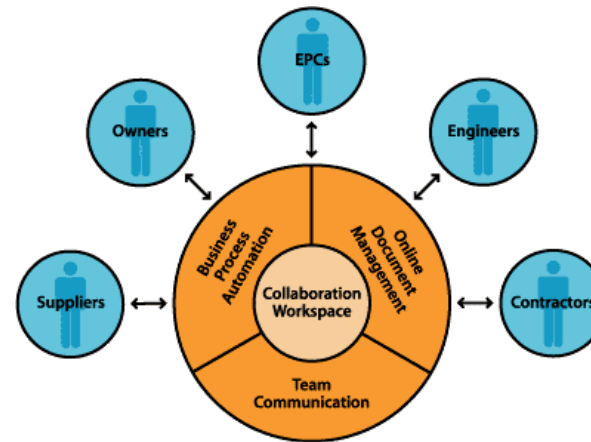


On - Site

According to document sensitivity or classification, IAS fulfillment can also be achieved within your office or your selected national locations.

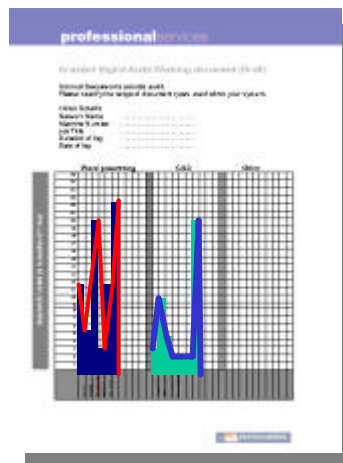
- Save huge amounts of office space and therefore cost
- Clients improve workforce productivity through speed of access to data
- Meets the legal requirements for storing documents

Collaboration



- Value added services
- Consulting
- Training
- Support
- Subscription

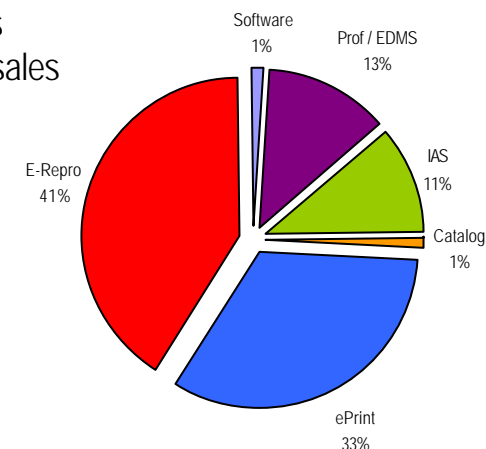
Digital Audit



- Analysis of workflows
- (Internal and external)
- Volume for documents used by a user
- Common file types
- Problematic file types
- Import and export procedures
- Document tracking
- Document life cycle

A sample: 2001 Product mix of PPSP UK technology solutions

Total 6 mln Euros
8% of PPSP UK sales



The reprographics industry: GPP eurografixNet / globalgrafixnet

eurografixNet (recently launched as Globalgrafixnet)



1996, Grupo Picking Pack and Arkitektkopia formed a 50/50 joint venture to develop the leading international digital distribution network for reprographics worldwide



There are over **400** major reprographics operations connected in over **25 countries**

The agreement focuses on joint marketing and shared technology and service development activities

www.globalgrafixnet.com

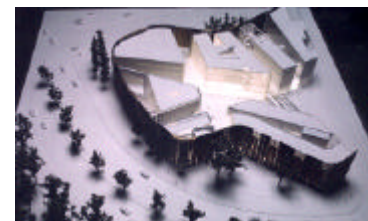
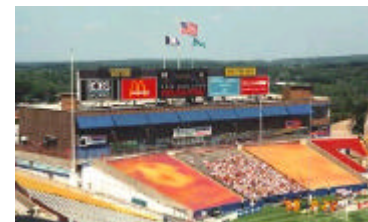


GPP is at the forefront of technological repro services (some examples)

Some of the most representative reprographics projects managed by GPP

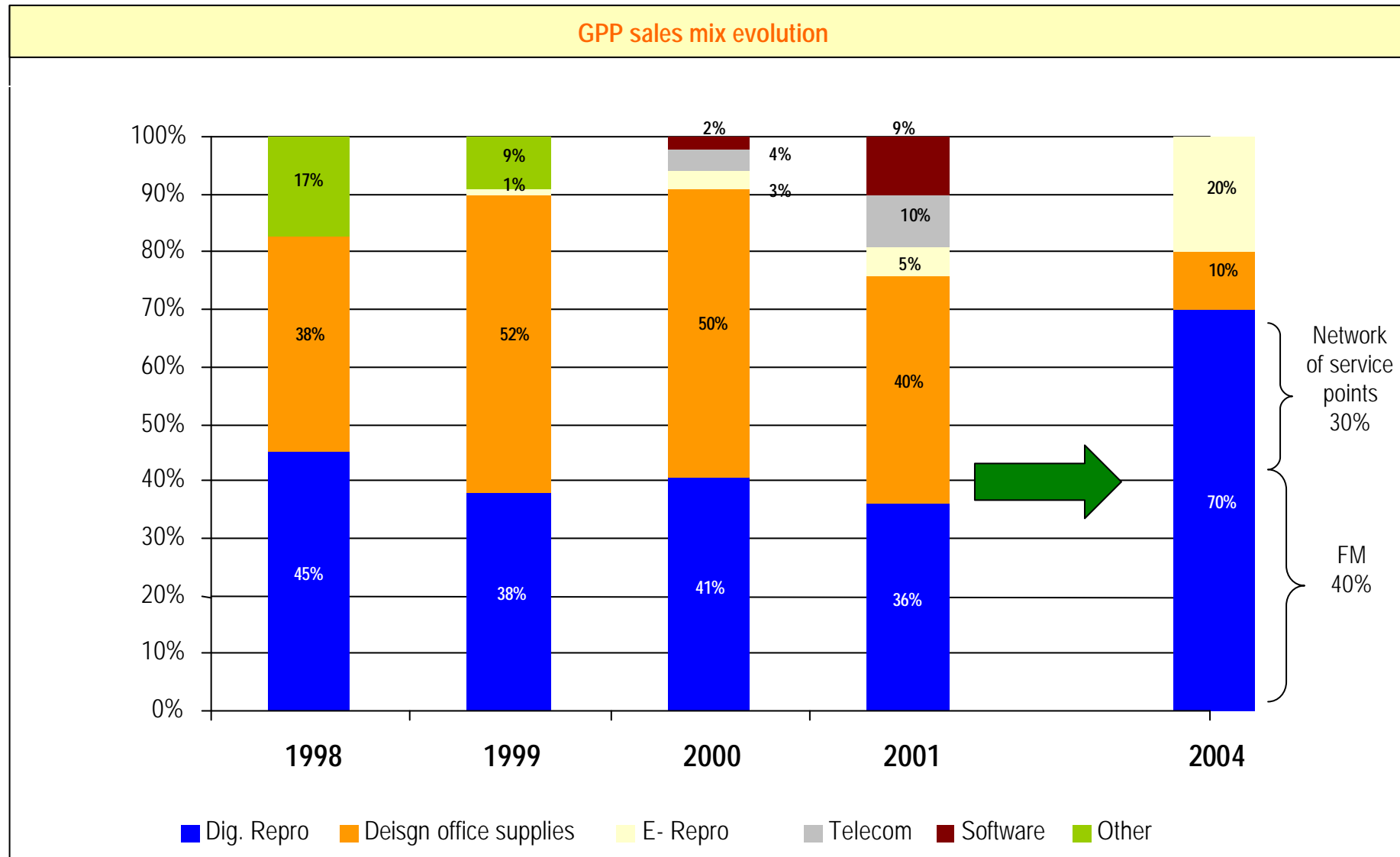


- Technology developed and tested real-time & worldwide collaboration; tunnel collapse, real project collaboration helped re-building
- Document Management Business Unit and Core Technology which allowed for important cost savings
- Central scanning centre for BA headquarters
- Electronic Data Management System; "disaster recovery system"
- Digital reprographics and technical document management through dedicated FM for Jaguar Cars
- Database and management of all documents for the realisation of Heron City, Barcelona
- Workflow and printing
- Print on demand and remote printing
- On site Facility Management for the construction of the Hong Kong International Airport
- Full project management and collaboration, EDMS and remote printing

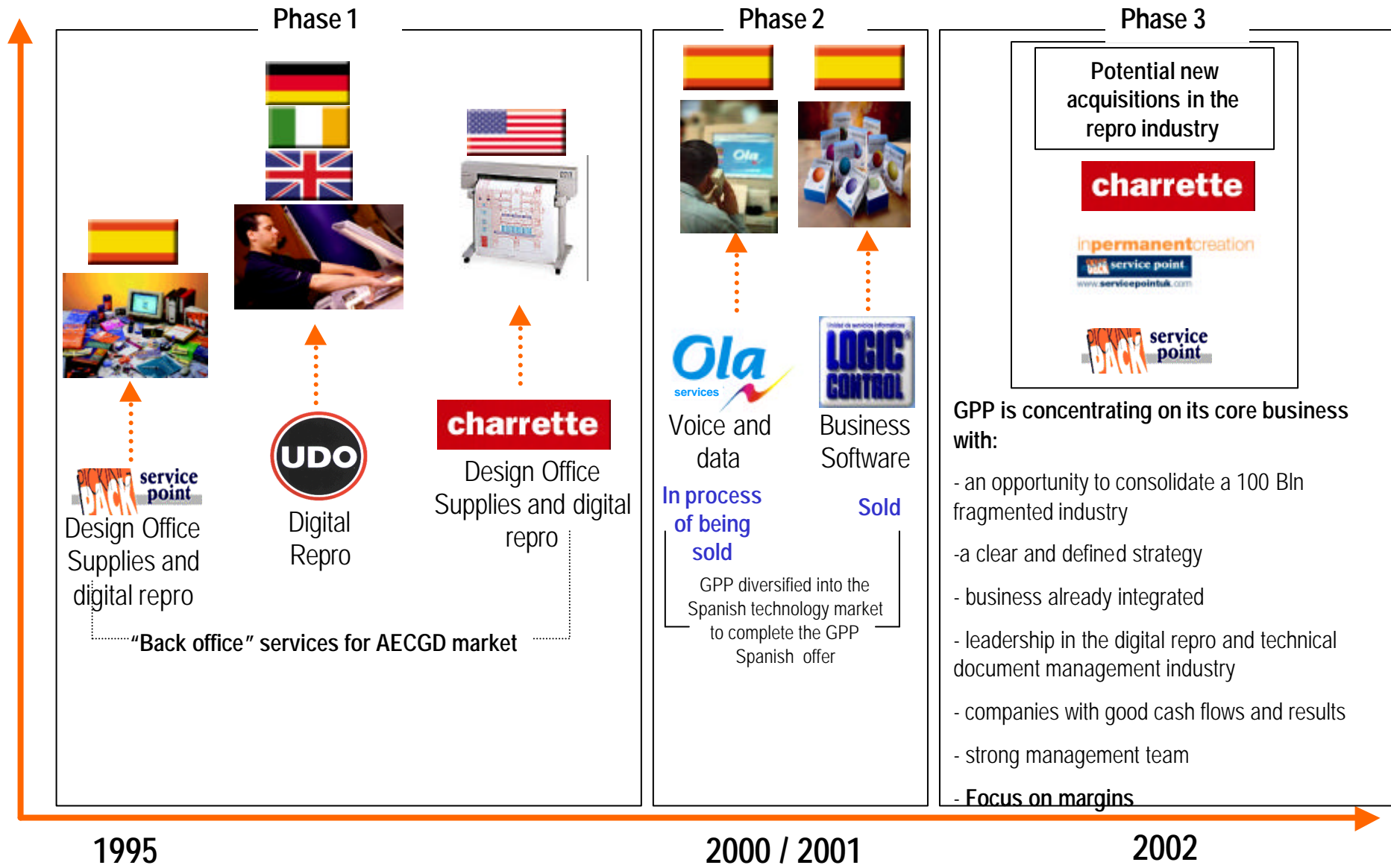


- Millennium Dome, London
- Project Management for the construction of the Fair for the year 2000
- Rail link between the channel tunnel and St Pancras station in London
- 3 year project developed in 3 service point operated by GPP along the course of the railways
- Foxboro Stadium – Massachusetts
- Production of colour poster for one of largest stadiums in Massachusetts
- Construction of 5 embassies of the European Nordic countries in Berlin
- Coordination of data flow for architects and engineers in 7 countries

Improvement in the sales mix to significantly increase high end digital repro services



GPP History



Conclusions: An opportunity

- ✍ GPP is 100% focused on the **digital reprographics** for the **technical document management** process
- ✍ **Divest in Ola:** expected closing March 02
- ✍ Logic Control sold in December 2001 (70 Mln Eur) with a **net debt reduction** in 2001 of 50 Mln Eur
- ✍ Moved 2001 **cost cutting** ahead (target 2002:Additional 6Mln Euros) in order to achieve a even more flexible structure
- ✍ Further develop during 2002 the **Facility Management Channel** with higher margins and flexible cost structure
- ✍ Further develop **high technology services** for repro industry (scanning, EDMS, data management, consulting, etc)
- ✍ Potential **bolt on acquisition of reprographic companies** with high margins and stable cash flows
- ✍ **Target 15% organic growth in the reprographics industry**
- ✍ Management 100% **motivated** and **focused on bottom line** with clear strategy and targets Q/Q
- ✍ An **opportunity** to purchase shares at the current market price and participate to the **consolidation** of the **digital reprographics** and **technical document management industry = Fragmented 100B Euro industry**

✍ **Target share price: 2,50 - 3,00 Euros end 2002**

Q/Q results,
Tax loss value,
High share liquidity,
Increase FM weight

Focused acquisitions,
Improve stock mkt sentiments,
Reducing costs,
Focused company

✍ Next calendar: Q1 Result Announcement: End of April
 AGM (May / June)