

# NICOLÁS CORREA GROUP (GNC)

## IV SEMINAR SPANISH SMALL CAPS

September 27, 2007



# NICOLÁS CORREA GROUP (GNC)

## WHO WE ARE

### GNC is:

- A group of companies
- Under the leadership/ownership of Nicolás Correa, S.A.
- With various subsidiaries:
  - a/ Industrial
  - b/ Commercial



# NICOLÁS CORREA GROUP (GNC)

## SHORT DESCRIPTION OF MOTHER COMPANY NICOLÁS CORREA, S.A.

- **Industrial Co focused on manufacturing milling machines with 60 years of history.**
- **Quoted at Madrid Stock Exchange (continuous market) since 1989.**
- **Merged with INDUSTRIAS ANAYAK effective from 1st January 2006.**



# NICOLÁS CORREA GROUP (GNC)

## REASONS AND ADVANTAGES OF OUR MERGER

- **Need to reach a certain dimension to compete worldwide.**
- **Savings and Synergies:**
  - **Purchasing**
  - **Production**
  - **Sales Organisation**
  - **After Sales Service**
  - **R+D**
- **To take benefit of the strengths of both companies.**



# NICOLÁS CORREA GROUP (GNC)

## INDUSTRIAL SUBSIDIARIES OF GNC

- **GNC MANUFACTURING, S.A.** Build standard milling machines
  - **GNC CALDERERÍA, S.A.** Build sheet metal fabrication
  - **GNC ELECTRÓNICA, S.A.** Build Electrical cabinets
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- **GNC LÁSER, S.A.** (\*) Laser cladding and hardening of high added value mechanical components
  - **GNC KUNMING** (\*) Build standard milling machines at lower cost

(\*) Recent start up



# NICOLÁS CORREA GROUP (GNC)

## RECENT DATA OF INDUSTRIAL SUBSIDIARIES

(Millions €)

	2005	2006	2007(*)	2008(**)
<b>GNC MANUFACTURING</b>				
NET SALES	5,4	5,2	7,4	10,2
EBITDA	0,5	0,6	0,4	0,6
NET PROFIT	0,1	0,1	0,3	0,5
<b>GNC CALDERERÍA</b>				
NET SALES	2,5	3,5	5,1	7,2
EBITDA	0,2	0,4	0,7	1,1
NET PROFIT	0,1	0,1	0,4	0,6
<b>GNC ELECTRÓNICA</b>				
NET SALES	0,8	0,9	1,6	2,5
EBITDA	0	0	0,1	0,3
NET PROFIT	0	0	0,1	0,2

(\*) Forecast

(\*\*) Estimate



# NICOLÁS CORREA GROUP (GNC)

## BASIC DATA OF NICOLAS CORREA, S.A. POST MERGER

(Millions €)



	<b>2006</b>	<b>2007(*)</b>	<b>2008(**)</b>
NET SALES	61,5	84,2	108
EBITDA	3,3	4,2	7,6
PROFIT (Loss)	-3,6	3,1	6,5

(\*) Forecast

(\*\*) Estimate



# NICOLÁS CORREA GROUP (GNC)

## EXPECTED EVOLUTION OF NEW INDUSTRIAL SUBSIDIARIES

(Millions €)

	2007 (*)	2008 (**)	2009 (**)
<b>GNC LASER</b>			
SALES INCOME	0,06	0,19	0,35
EBITDA	-0,02	0,05	0,15
NET PROFIT (Loss)	-0,02	0	0,1
INVESTMENTS	0,4	0	0
<b>GNC KUNMING</b>			
SALES INCOME	2,1	5,8	7,5
EBITDA	-0,1	1,1	1,4
NET PROFIT (Loss)	-0,1	1	1,2
INVESTMENTS	1	2	0

(\*) Forecast

(\*\*) Estimate





# NICOLÁS CORREA GROUP (GNC)

## EXPECTED DATA OF CONSOLIDATED GROUP (GNC) (Millions €)

(Assuming that positive result of commercial subsidiaries may compensate the initial loss of GNC LASER and GNC KUNMING)

	2006	2007(*)	2008(**)
NET SALES	63	87	115
EBITDA	0,3	5,3	9
PROFIT (Loss)	-2,6	4,1	8,1

(\*) Forecast

(\*\*) Estimate



# NICOLÁS CORREA GROUP (GNC)

## WHY THIS DRAMATICAL CHANGE

1. Machine Tool market in upturn
2. Synergies of Merger
3. GNC capacity to grow much bigger than most competitors
4. Clear business strategy focused on reliability





**'TWO BRANDS, ONE LEADER IN RELIABILITY AND SERVICE'**



[www.correaanayak.es](http://www.correaanayak.es)