



## Company Presentation



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## **1. Key business variables**

## Key business variables

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Variables

- Price:

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  - Via equipment rental rates
  
- Utilization Rate:

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  - Via equipment utilization rate
  - Efficient logistics management
  
- Cost Control

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  - Influencing cost arenas by :
    - > Efficiencies of scale: purchase of consumibles, purchase of equipment
    - > Optimum management of trainings, logistics, new depot opening process...

## **Growing Opportunities**

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- **Market share**

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- **Penetration rate**

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- **Target markets**

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- **Acquisition**

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**Variables**

## Growing Opportunities

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- Market Share:

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Using our advantages to outstrip market share from our competitors:

- Size: Investment capacity and economies of scale
- Capillarity / geographical coverage
- Fleet (“One stop-shop”), wide variety of equipment.
- Brand image / Market leaders / Listed Company
- Market leaders: first company in concentrating the sector
- Professional and capable teams
- Expertise: deep market and product knowledge within the organisation
- Central services support: Finance, Human Resources, Sourcing, Commercial, Marketing...
- Planning in advance: We plan and we comply our business plan

- Increasing penetration rate:

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Increasing the penetration rate in current market ,  
and introducing the renting concept vs. “owned” concept  
in new potential markets

## Growing Opportunities

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- Increase target markets:

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- **GEOGRAPHICAL Diversification:**

- There are geographical areas with limited presence:  
Portugal, Mediterranean...with strong development potential

- **MARKET Diversification**

- Decrease our dependence on the construction sector to 60%
- New markets: industrial, gardening, events, waste treatment, agriculture, leisure, maintenance, recycling, water management, environmental, restoration, handling...

## Growing Opportunities

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- Increase target markets:

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- **PRODUCT Diversification**

- Tendency to rent equipments traditionally owned in property.
- Tendency to have equipments with higher profitability:
  - Less operating expenses required
  - Longer and more reliable life
  - Less price pressure due to its limited existence in the markets
- Power Generators : high demand in Spain
- Big size equipment: minimize cost impact
- Equipment linked to civil works or contracts with longer terms (1 to 5 years)

## Growing Opportunities

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- Acquisitions:

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  - Selective acquisitions in strategic areas with limited presence.
  - Atomized sector plenty of opportunities.
  - Selective acquisitions in terms of diversification strategy.



## Business Visibility

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- Execution period of current civil works and new biddings:

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- Execution period of existing works launched 2 to 3 years ago
  - PEIT: 2005-2020 (249.000 million of euros)
  - Increase 16% 2006 vs. 2005 (15%) new biddings

- Other sectors: medium/long term contracts based on our customers fidelity

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- Industrial, renewable energies, wind power, rails, harbours, gardening, forest, handling...



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## **2. General Company/ Sector Over**

## Sector Overview

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- Atomized Sector

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- Small, family business

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- Generational change issues

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- Profitable Sector

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- Growing Sector:
  - New end markets demanding equipments for rent
  - ➔ - Increased trend for outsourcing in business models
  - Growth in demand for renting versus purchasing equipment:  
new products



## **GAM today**

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- Clear and well defined strategy.
- Consolidated brand image.
- Motivated, unified and expert teams.



- We are reference in the equipment rental sector
- Unquestionable leaders
- Drivers of the sector concentration process
- Preferred supplier for our customers

## GAM today

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- Largest rental equipment operator in Spain
  - Among the 15th largest companies in Europe
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- Net Sales of 126 € MM in 2005, more than double of next competitor's
  - 2006 forecast 180 € millones (growth 43%).
  - Approximately 35.000 pieces of equipment and 223.000 m2 of offices & depots.
  - More than 1.300 employees
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- Unique nation-wide operator
  - Extensive footprint covering key regions
  - 53 generalist depots & 4 specialized divisions

## GAM today

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- One “stop-shop” system

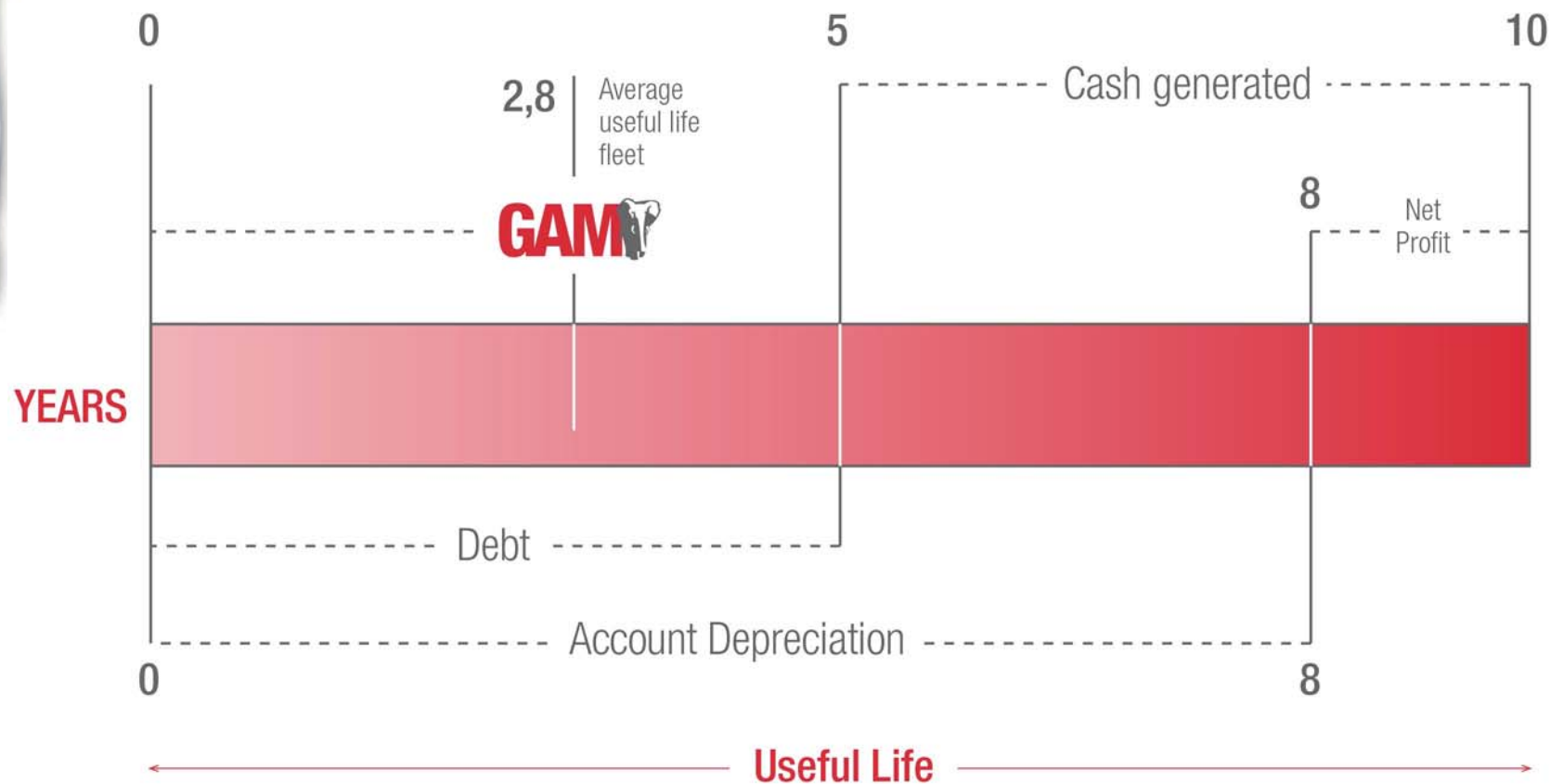
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  - More than 18.000 customers ( 85% repeats)
  
- One of the fastest growing yet profitable player in the industry

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  - Net Sales growth in 2005 of 52.4% (1Q06 vs. 1Q05) and 45,9% (1H06 vs. 1H05)
  - Sustainable 74% average utilization rate

## Economic life of an equipment





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### **3. Trends and Facts**



## Year 2006

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- Revenue growth in all the regions without erosion of EBITDA margins
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- Diversification Plans: Specialized Divisions



New products

New markets

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- Price strategy: rental rates increase pressure
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- New companies acquisitions opportunities
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- Openess to interntational projects: *joint ventures oportunites* with international partners for heavy type of equipment

Having completed the process to be a listed Company, we reinforce our focus to our business

## Year 2006

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- **CAPEX Policy:**

Keep existing long term framework agreements policy with strategic suppliers



- Long term and flexible deliveries agreed
- Stable prices medium term
- Extended guaranteed period
- Minimum stocks agreed for most used type of equipment
- Improvement in acquisition financial terms

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- Tendency to buy large size and market multi-purpose type of equipments: high voltage power generators, telehandling, high height platforms, industrial equipment...

Having completed the process to be a listed Company, we reinforce our focus to our business

## Year 2006

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- **Sales strategy:**

Tendency to increase rental prices rates for high utilized equipment (high demand and limited offer of such equipment in the market)

- Telehandling: used in construction; industrial and agricultural sector
- Miniexcavators
- ➔ - Heavy compactors
- Modular equipment
- High height platforms: used in combined cycle facilities construction

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- Turnover increase due to additional rental income

Having completed the process to be a listed Company, we reinforce our focus to our business

## Year 2006

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- **Markets:**

- **Infrastructures:**

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- Increase of the Public Bidding processes (Central Administration & Regional) by 9,2%, 1H2006 vs 1H2005, being the interannual rate 15,9%\*



- Significant bidding increase of 134% of the Environmental Ministry
    - Important investment increase in Catalonia of 26%
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- Business increase within the biggest construction companies (Ferrovial 1H2006 vs 1H2005 of 12,7%)

\* Up to June 2006

Having completed the process to be a listed Company, we reinforce our focus to our business

## Year 2006

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- **Markets:**

- Other sectors:**

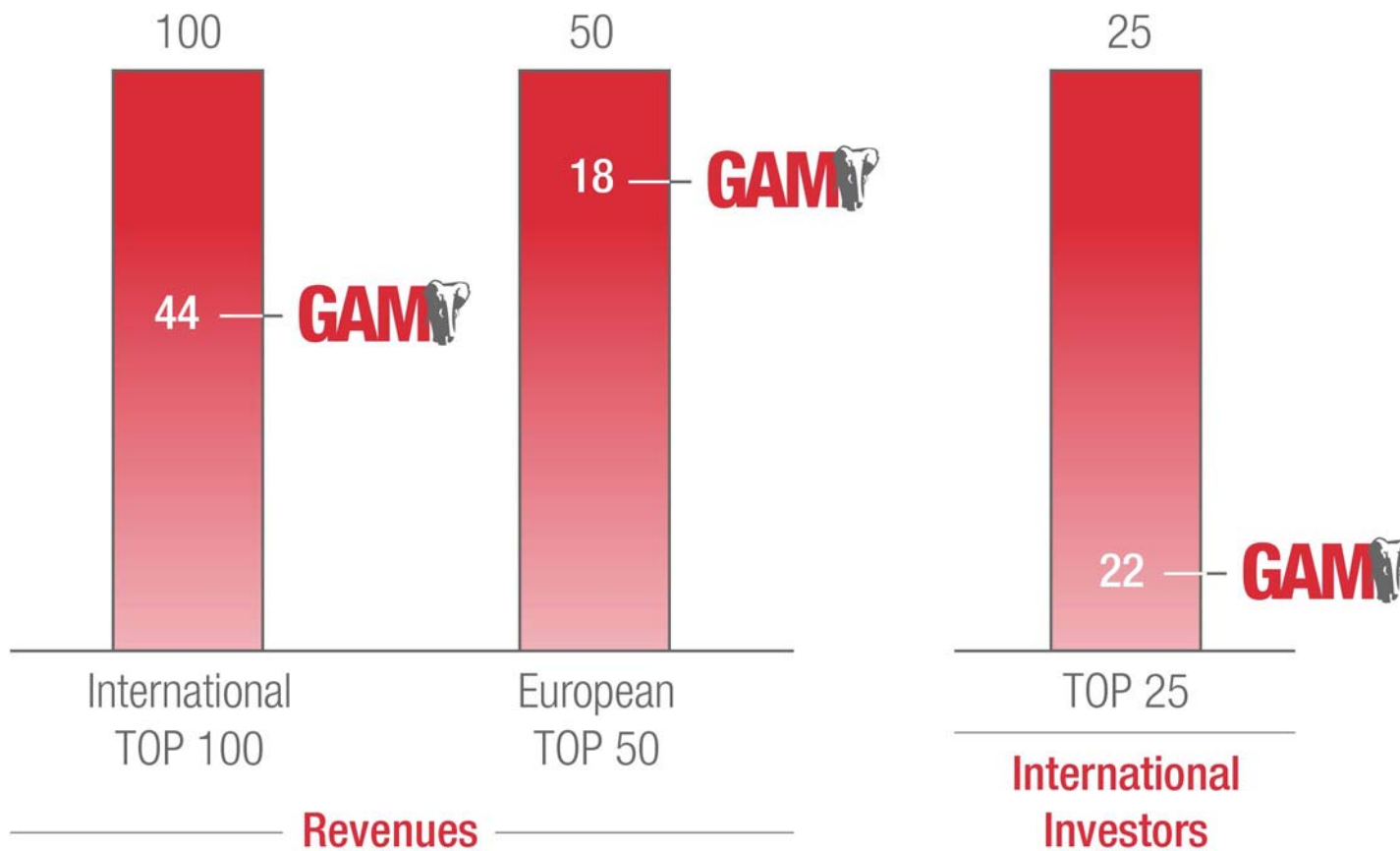
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- **Handling:** Potential global market of approx. 600 MM€ to 1.200 MM€ (Spain has 10.500 pieces of equipment, 60% of the total market, with a replacement value of 1.300 MM€)
    - **Desalination Plants:**  
Plants construction and maintenance (could be for 15 years)  
Awarded works: Torrevieja (Alicante), biggest European production with an investment of approx. 300 MM€
    - **Renewable and sustainable energies:**  
Combined cycle, photovoltaic and biodiesel plants, wind power facilities maintenance (500 MM€ investment).

Having completed the process to be a listed Company, we reinforce our focus to our business

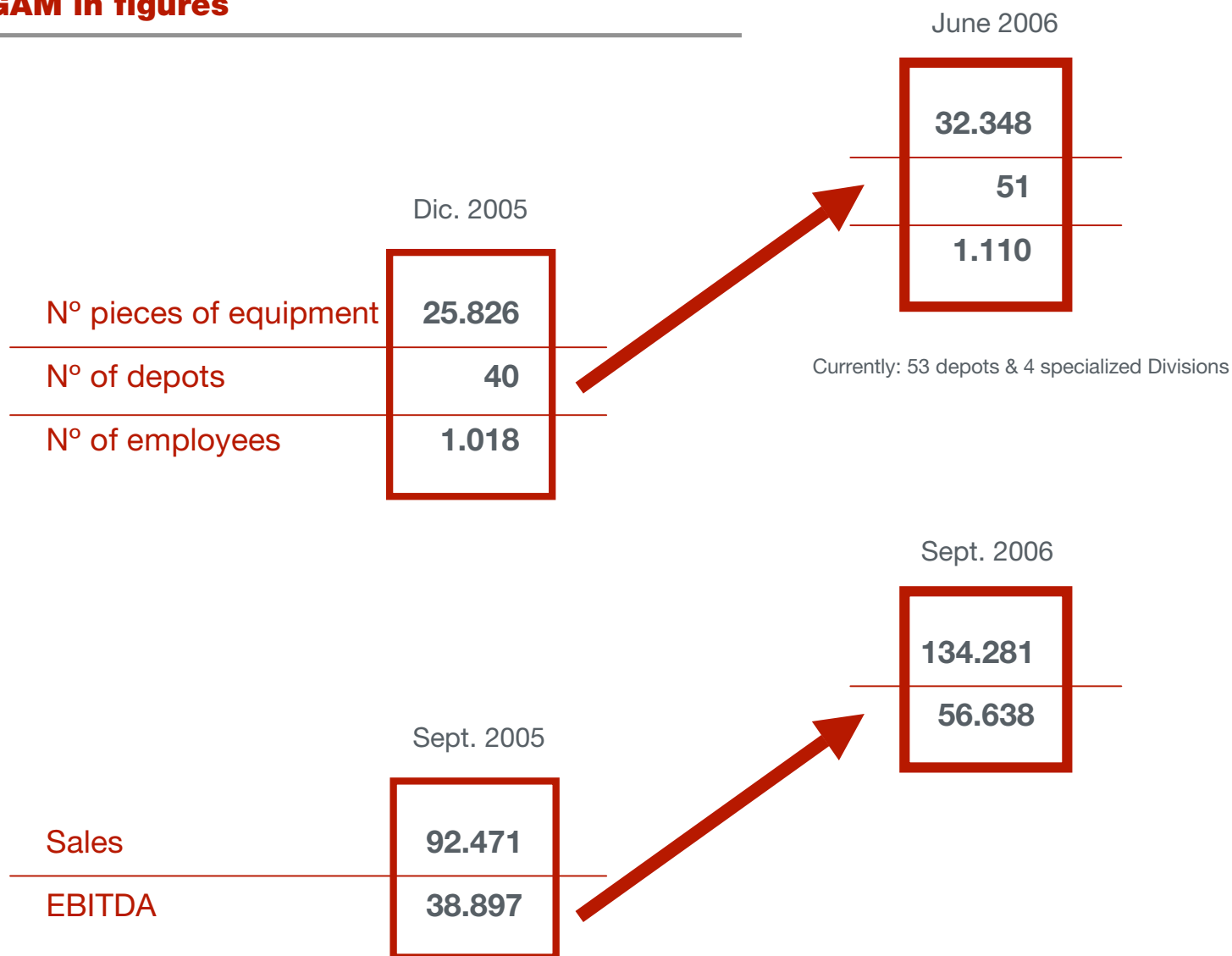
**Year 2006**

• **Competitors:**



Having completed the process to be a listed Company, we reinforce our focus to our business

## GAM in figures



## GAM Depots



**53 depots & specialized Division**

**2006 and future: boost of the Mediterranean zone  
Including openings in Balearic Islands**

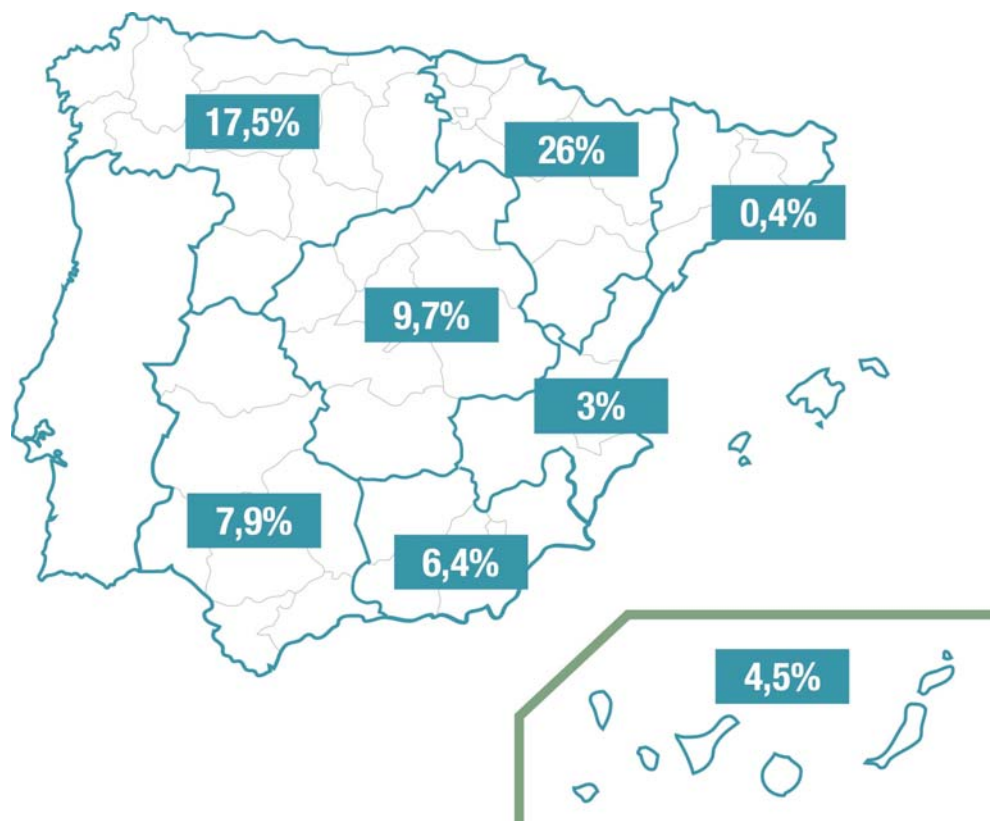


## Turnover depots growth (in thousand of euros)

	First sales month record	Last sales month record (july 2006)
Lugo (July 05)	15	129
Toledo (Nov. 05)	60	253
Motril (April 06)	11	51
Carballiño (March 06)	48	101
Tarragona (Feb. 06)	11	58
Gran Canaria (Feb. 06)	22	165
Albacete (April 06)	3	14
Castellón (April 06)	41	58

**Depots maturity: 18 months**

## Market share per region



### Policy & improvement strategies

- **Catalonia:** Turnover +113% 1H2006 vs. 1H2005. Acquisition opportunities
- **Levante:** Turnover +58% 1H2006 vs. 1H2005. Acquisitions
- **Baleares:** Opening 2 depots in 2H2006. Acquisitions
- **Portugal: 2 openings** forecasted. Important investment in equipment and human resources
- **Remaining areas consolidated:** Organic growth of 45,9% 1H2006 vs. 1H2005 (average)

## Diversification

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	Opening date	Turnover
GAM energía	May 2006	87,3 thousand €
GAM estructuras	June 2006	84,7 thousand €
GAM verde	June 2006	8,3 thousand €

Turnover achieved in the first month of activity



## **4. Listed Company**

## Advantages of being a listed Company

- Competitive advantages associated to brand image
- More visibility and credibility of the service

(customers outsource part of their internal productive process to GAM)



New business opportunities / customers/ vendors/banks  
(even at international level)

- High Professional Board of Directors support
- Central services support to the rest of the organization

Having completed the process to be a listed Company, we reinforce our focus to our businesses

**Reference stakeholders \***

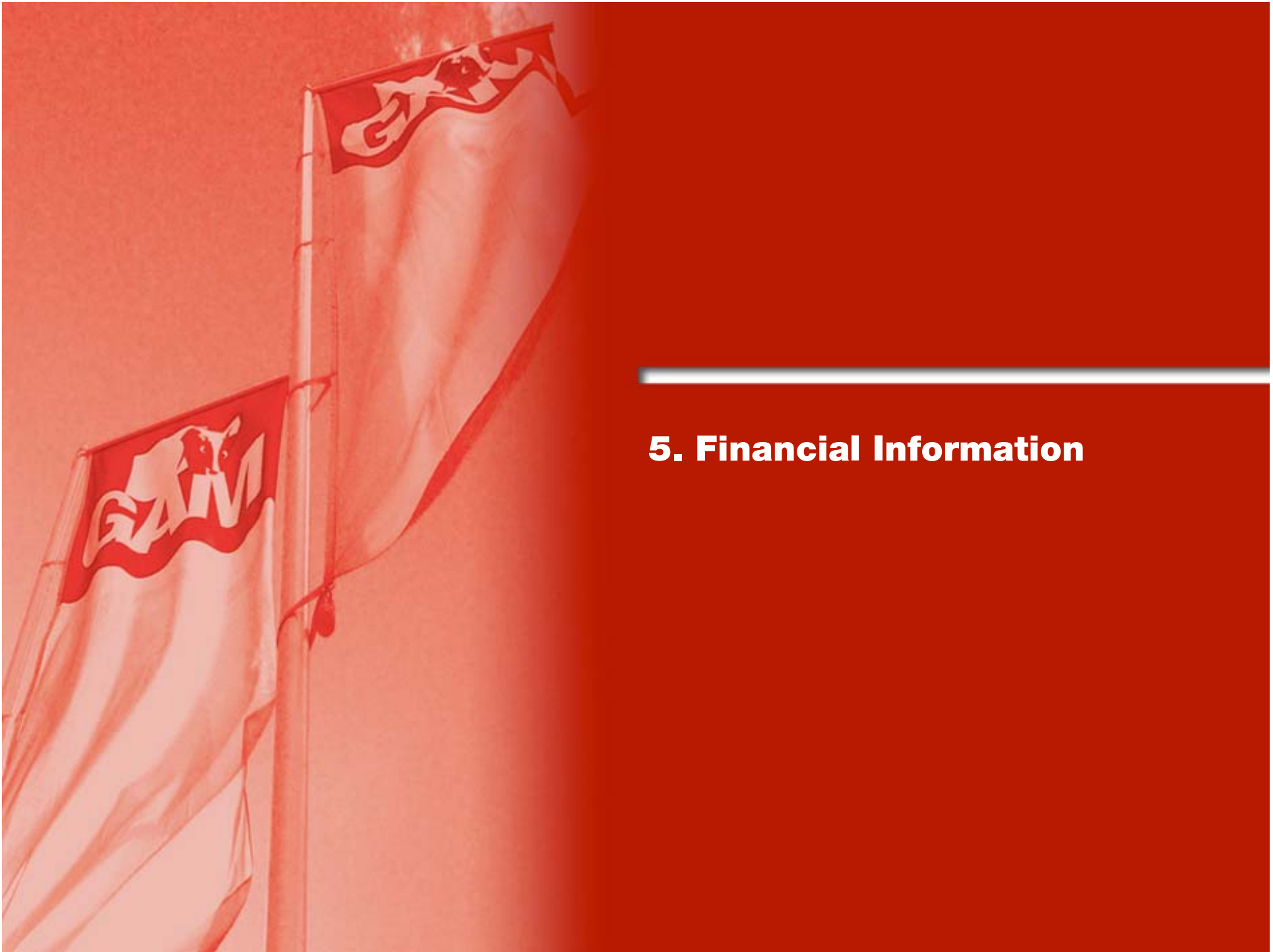
BBK	<b>5,600 %</b>
CAJA DE AHORROS DE ASTURIAS	<b>5,600 %</b>
FIDELITY INTERNATIONAL LIMITED	<b>9,351 %</b>
GONDARAL	<b>5,600 %</b>
INVERSIONES EN ALQUILER DE MAQUINARIA	<b>8,411 %</b>
CAJA NAVARRA	<b>4,400%</b>



**12,70%**

**Full confidence in the project**

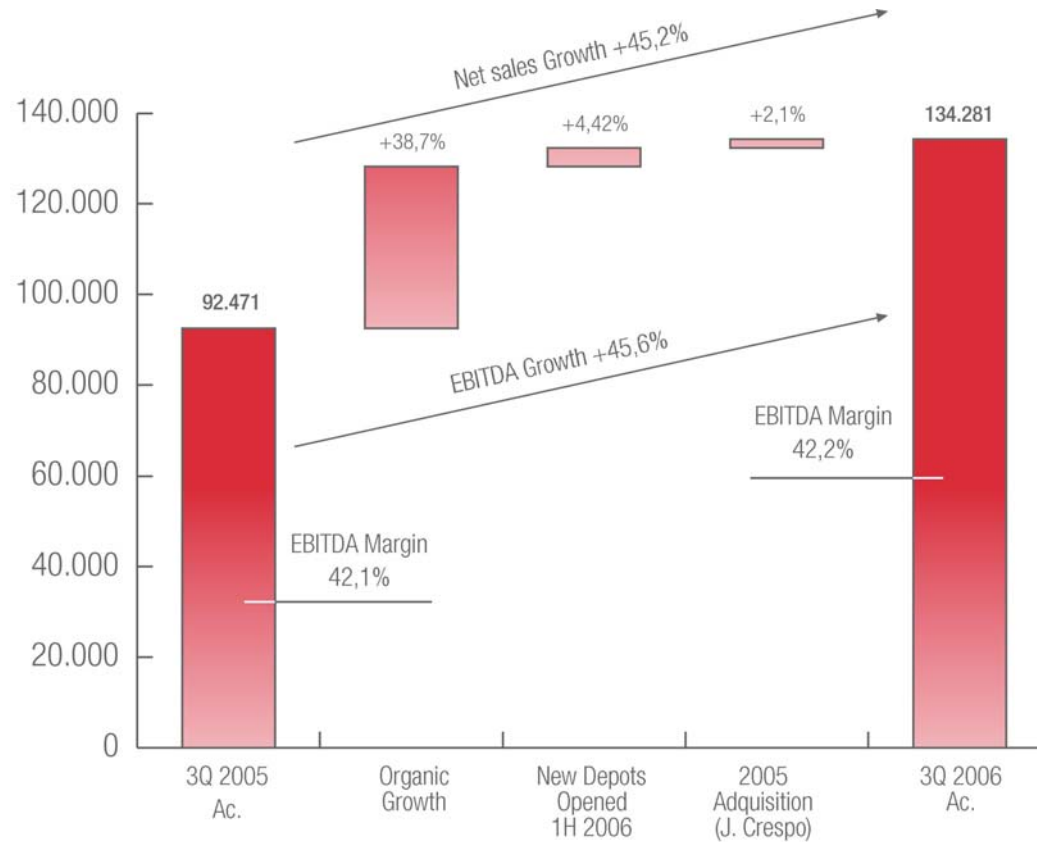
\* As per 29.01.07



## **5. Financial Information**

## Results 3Q 2006 Ac.

### High growth and sustained profitability



IPO Transaction expenses excluded in 2006, recurrent EBITDA

Growth in sales above forecasted plans without jeopardizing margins



## Profit & Loss 2004 - 2006

### Overview

	IFRS			3Q results IFRS		
	2004	2005	% growth	3Q 2006	3Q 2005 (1)	% growth
<b>Net Sales</b>	82.975	126.427	52,4%	134.281	92.471	45,2%
<b>EBITDA</b>	34.824	53.295	53,0%	56.638	38.897	45,6%
<i>% Net Sales</i>	42,0%	42,2%		42,2%	42,1%	
<b>EBIT</b>	15.290	23.707	55,1%	27.089	17.851	51,8%
<i>% Net Sales</i>	18,4%	18,8%		20,2%	19,3%	
<b>Net Profit</b>	9.620	12.943	34,5%	13.922	9.323	49,3%
<i>% Net Sales</i>	11,6%	10,2%		10,4%	10,1%	

(1) IPO Transaction expenses excluded in 2006

Source: 2004 / 2005 IFRS consolidated financial statements; 2006 IFRS consolidated financial information

## Balance Sheet 2004 - 2006

### Overview

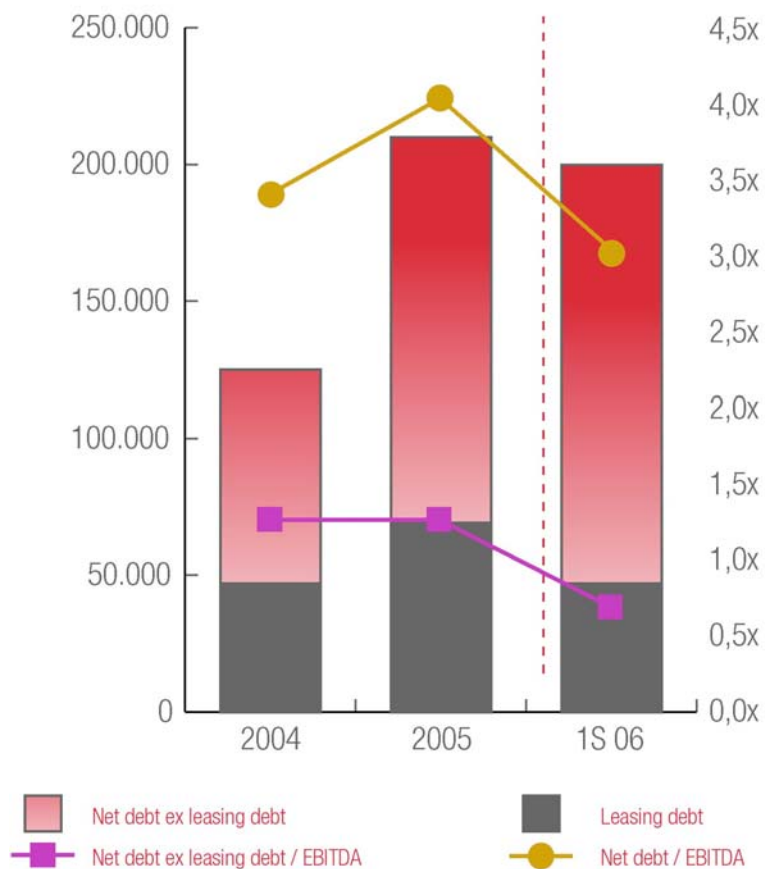
(€'000)	IFRS		
	31/12/2004	31/12/2005	30/06/2006
<b>Fixed assets</b>	134.263	197.601	<b>237.440</b>
<b>Total non current assets</b>	167.473	234.073	<b>275.695</b>
<b>Receivables</b>	48.233	80.947	<b>98.672</b>
<b>Total current assets</b>	58.191	90.667	<b>128.982</b>
<b>Total assets</b>	225.664	324.740	<b>404.677</b>
<b>Shareholder's equity</b>	50.123	63.065	<b>106.230</b>
<b>Leasing debt</b>	52.823	100.387	<b>110.461</b>
<b>Other financial debt</b>	25.480	22.646	<b>25.397</b>
<b>Total non current liabilities</b>	88.360	134.120	<b>146.419</b>
<b>Leasing debt</b>	22.794	37.683	<b>43.980</b>
<b>Total current liabilities</b>	87.181	127.555	<b>152.028</b>
<b>Total liabilities</b>	225.664	324.740	<b>404.677</b>

Source: 2004 / 2005 IFRS consolidated financial statements; 2006 IFRS consolidated financial information

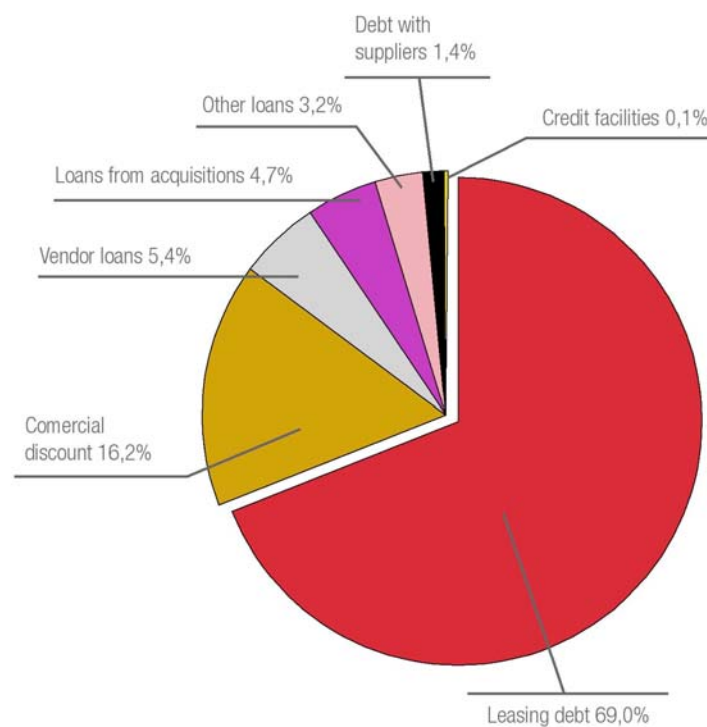
## Balance Sheet

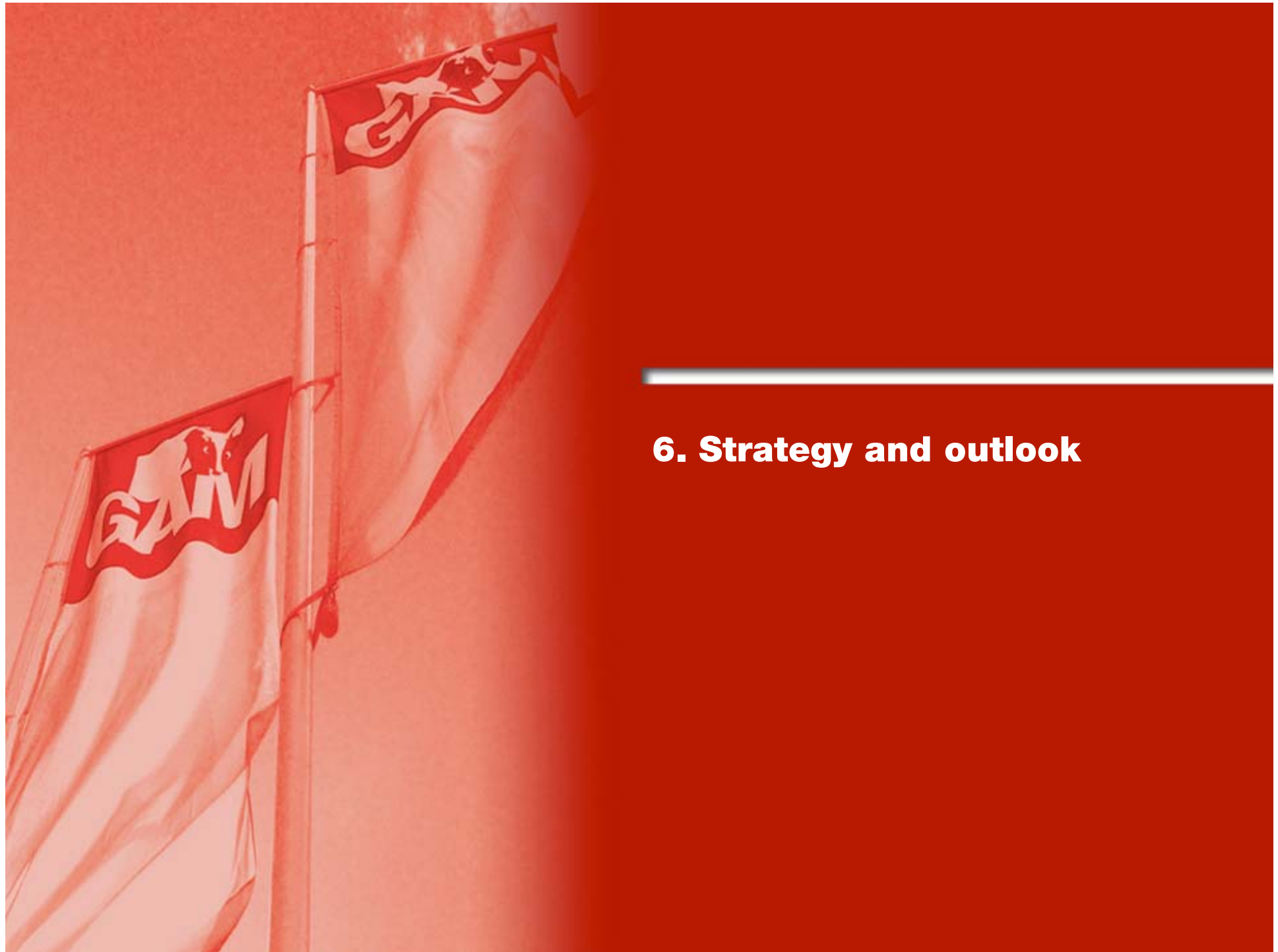
### Net financial debt

Net Debt Position  
(€'000)



Primarily Asset Back Debt - 30 /06/2006





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## **6. Strategy and outlook**

## Strategic Facts

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- Diversification in new sectors/products/regions
- Increase market share:
  - Growth of current depots
  - New openings
  - Acquisition opportunities



**CONSOLIDATION OF LEADERSHIP POSITION**

## Strategic Facts

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- Emphasis on value added service:
  - Nation-wide coverage: close to our customer
  - Variety of products: “One stop-shop”
  - Availability
  - Experience and service of personnel involved



**DISTINGUISHED AND RECOGNISED BY OUR SERVICE**

- Improving operating efficiency



**DO NOT LOOSE PROFITABILITY DESPITE THE GROWTH**



## **7. Specialized Divisions**

## Specialized Divisions

New MARKETS

### Improving on a daily basis

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In GAM we have specialized our businesses to attend, as no other rental equipment company has done before, the specific needs of our customers .





A photograph of a man with dark, curly hair and a light beard, wearing a blue checkered shirt. He is looking out of a window, with his hand resting on the windowsill. The background outside the window is bright and blurred, suggesting a sunny day. The text "Improving communications" is overlaid in red on the right side of the image.

Improving communications

# GAM

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vías

ví

- Dúmpers
- Fork lifts
- Crane trucks
- Railway maintenance
- Wheelbarrow
- Signalling

Improving the Environment,  
facilitating rural works and looking after sports and leisure time zones





- Lawnmover
- Ground clearance
- Equipment for Golf courts
- Bleach cleaners
- Agriculture equipment
- Hand tools

Large structures

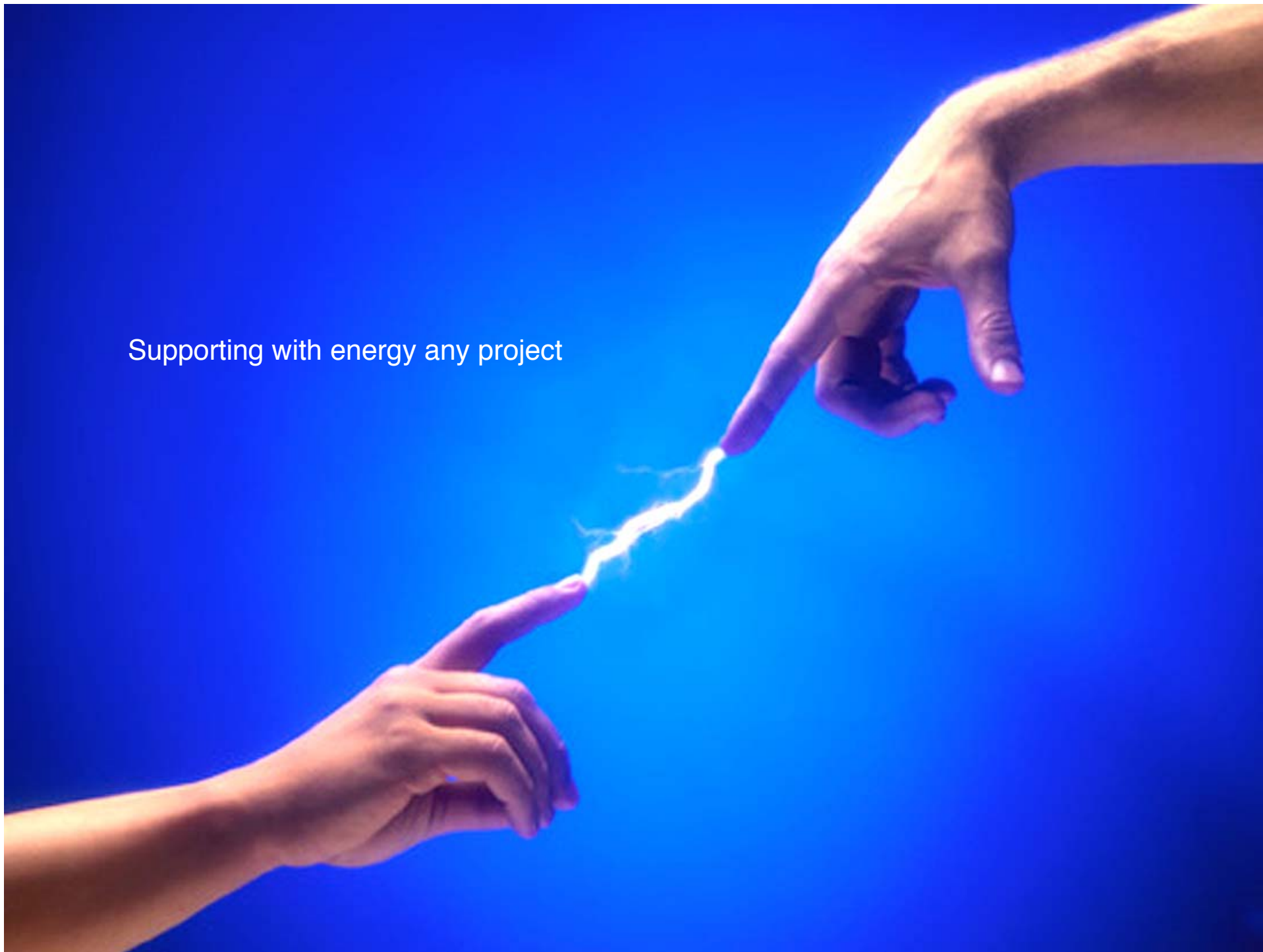
for events and shows



**GAM**  
eventos 

- Scaffolding
- Lighting Towers
- Crane arm trucks
- Modular equipment
- Power generators

Supporting with energy any project





- Compressors
- Generators
- High Power Generators



Helping to take any project to the best port





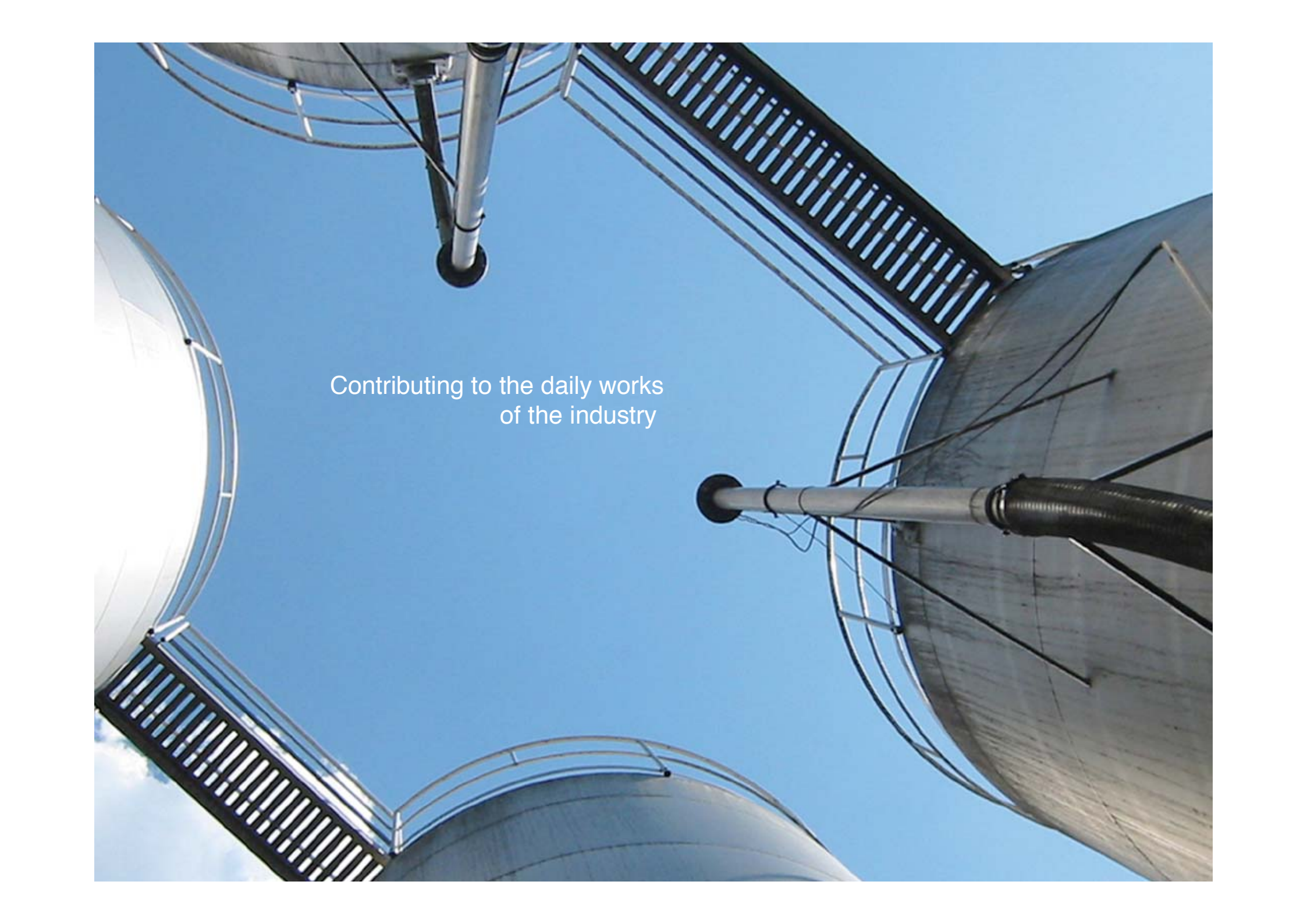
- Harbour cranes
- Platform trucks
- Containers
- Containers Vessels
- Mechanical loaders
- Fork lift truck for large units

Stablishing the basis of the most  
Important building works



**GAM**  
estructuras 

- Scaffolding
- Stands
- Signs and protection
- Plank mould

A low-angle, upward-looking photograph of several large, cylindrical industrial storage tanks. The tanks are metallic and feature walkways with metal railings and ladders. The sky is a clear, bright blue. The perspective creates a sense of height and scale.

Contributing to the daily works  
of the industry

# GAM

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industrial in

- Industrial cleaning
- Lifting
- Compressed Air
- Auxiliary equipment



2006