



**grupo**



***Q1 2002 Results Announcement***

***May 2002***

***[www.pickingpack.net](http://www.pickingpack.net)***

***Reuters GPP.MC***

This document has been filed by GPP with the CNMV on Tuesday 14th May at 13:15

## Disclaimer

This presentation contains forward looking statements subject to risks and uncertainties. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "will" and variations of these words or similar expressions are intended to identify these forward-looking statements. In addition, any statements that refer to expectations, projections or other characterisations of future events or circumstances, including any underlying assumptions, are forward-looking statements. In particular data regarding future revenue, earnings and business plans and goals are subject to and involve risks, which could cause actual results to differ materially from the forward looking information. These forward looking statements are not guarantees of future performance and involve uncertainties and assumptions that are difficult to predict. No representation or warranty or undertaking expressed or implied, is or will be made in relation to, and no responsibility or liability whatsoever is or will be accepted by Grupo Picking Pack, SA or any of its employees as to, or in relation to, the accuracy or completeness of this document. This document is not intended to form the basis on any investment decision, or any decision to provide finance. Investors are advised to consult the company's financial information filed by GPP with the CNMV ([www.cnmv.es](http://www.cnmv.es)) and to seek adequate independent advise. GPP share is included in the Nuevo Mercado Index and its share could experience high volatility on the Stock Market in line with other companies within the technology sector.

## Achievements

- |   |   |                                |
|---|---|--------------------------------|
| ✍ <b>Positive bottom line results</b> of 1,4 m euros                              | ✍ | Improved market perception     |
| ✍ Complete <b>focus</b> on digital reprographics, data management, graphic design | ✍ | Profitable and growth industry |
| ✍ Improvement <b>Q/Q trend</b> traditional business 153,5% EBITDA (Q1 02/ Q4 01)  | ✍ | Better macro-economic outlook  |
| ✍ Success of <b>Facility Management</b> and <b>e-repro</b> 18% on sales           | ✍ | Engines for future growth      |
| ✍ <b>Gross Margin</b> improved by 6%  | ✍ | Higher reprographic sales mix  |
| ✍ Continued <b>costs control</b> : Target 2002 6 m Euros                          | ✍ | Bottom line focus              |

## Opportunities

- |  |   |                                 |
|--|---|---------------------------------|
| ✍ Completion of Ola sale- May                                  | ✍ | Improved market sentiment       |
| ✍ Q/Q continued improvement                                    | ✍ | Underlying growth               |
| ✍ Future macro-economic outlook Q3 / Q4                        | ✍ | Expected improvement UK / US    |
| ✍ 100 B digital reprographics and document management industry | ✍ | Organic growth and acquisitions |
| ✍ Tax losses carried forward 120 m euros                       | ✍ | 0.30 cents per share value      |
| ✍ Share price at historic lows                                 | ✍ | Opportunity                     |

# Q1 2002 Consolidated results: Bottom line positive

Currency: '000 EUR

## Consolidated results

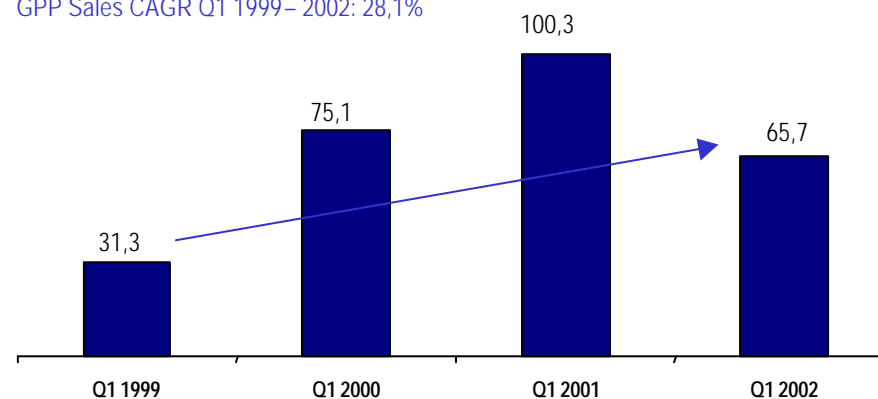
'000 Euros	CNMV Q1 2002	CNMV Q1 2001	% Differ
Sales	65,719	100,278	-34.5%
Gross Margin	34,626	46,589	
% Sales	52.7%	46.5%	
EBITDA	5,004	2,307	116.9%
% Sales	7.6%	2.3%	
EBIT	911	-4,768	119.1%
% Sales	1.4%	-4.8%	
Profit after tax (PBT)	1,367	-7,561	118.1%
% Sales	2.1%	-7.5%	
Net Assets	152,937	390,760	-60.9%
Total Assets	347,682	651,290	-46.6%
Net Debt	101,719	87,584	16.1%
Net Debt / Net Assets	66.5%	22.4%	
Net Debt / Total Assets	29.3%	13.4%	

- ✂ P&L Q1 2001 does not include Ola (Negative EBITDA "only" -1 Mln Eur) and Logic since Logic Control was sold in Dec 2001 and Ola losses have been charged against the provision established for this purpose at the end of 2001.
- ✂ Margins have improved due to the increased weight of the reprographic division in the total GPP sales (33,7% in Q1 2001 -vs- 48,2% Q1 2002)
- ✂ Cost reduction accomplished in 2001 have produced a more flexible cost structure, reducing the "break even" point of the company
- ✂ Extraordinary profit of 1,4 Mln Eur are related to the sale of real estate (ex Logic Control)
- ✂ No tax payments due to tax losses carried forward

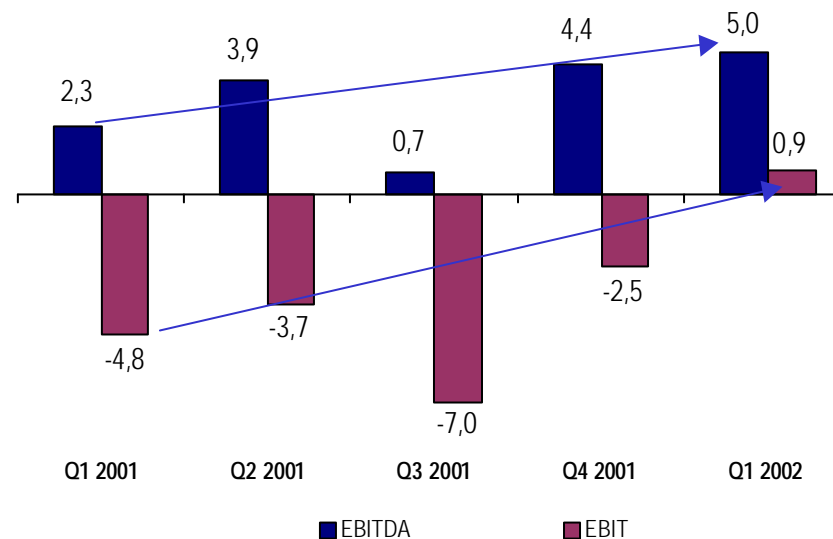
## Sales and EBITDA

### Sales evolution Q1 1999 - 2002 (Mln Eur)

GPP Sales CAGR Q1 1999 - 2002: 28,1%



### Consolidated quarterly EBITDA, EBIT evolution 2001-2002 (Mln Eur)



# Balance Sheet Q1 2002

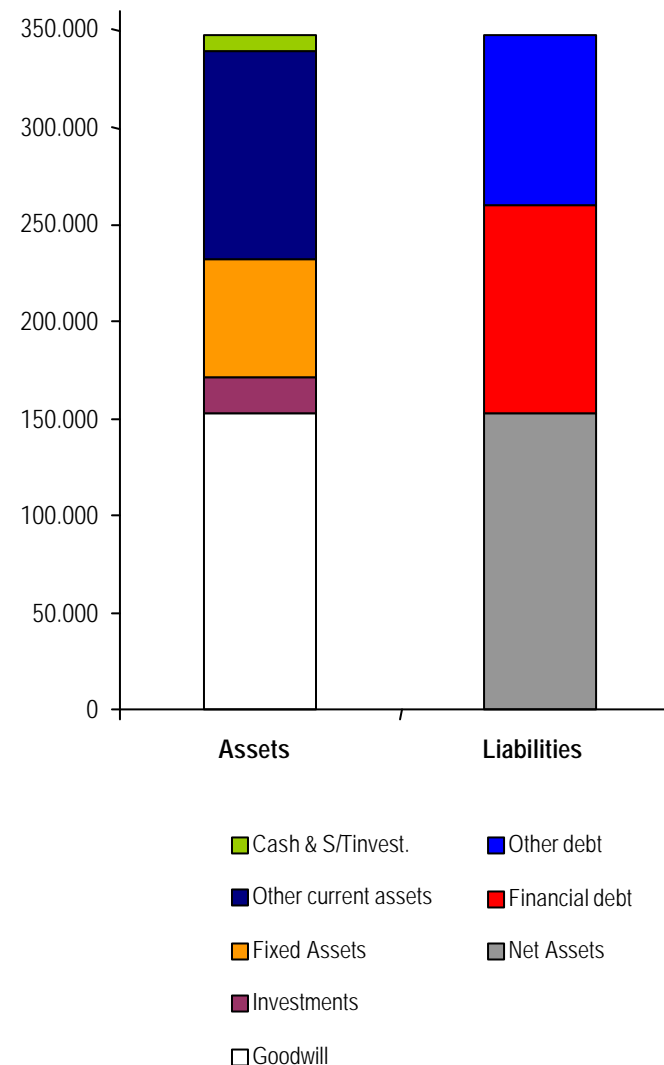
Currency: '000 EUR

	<u>CNMV</u> <u>Q1 2002</u>	<u>CNMV</u> <u>Q1 2001</u>		<u>CNMV</u> <u>Q1 2002</u>	<u>CNMV</u> <u>Q1 2001</u>
Cash& equivalents	8,292	29,792	S/T Financial debt	58,682	52,115
Acc. Receivable	49,373	82,273	Acc. Payable	32,952	63,846
Stocks	16,648	22,150	Other S/T liabilities	40,437	42,076
Other Current assets	41,326	24,876			
Fixed Assets	59,749	132,886	L/T Financial debt	48,992	65,350
Investments	19,944	16,998	Other L/T liabilities	13,682	37,143
Goodwill	152,350	342,315	Net Assets	152,937	390,760
<b>Total Assets</b>	<b>347,682</b>	<b>651,290</b>	<b>Total Liabilities</b>	<b>347,682</b>	<b>651,290</b>

- ? Balance sheet Q1 2002 does not include Logic Control, since the company was sold in Dec 2001. In Dec 2001 Ola investment had been "written off" (135 Mln Eur)
- ? Net Financial Debt Q12002: 101,7 Mln Eur. Difference -vs- Q4 2001(89,9 Mln Euros) are mainly due to cash flow needs of Ola Internet, working capital needs of the traditional economy, lease investments and earnout payments
- ? Goodwill: includes prudent 100% "write off" against reserves of Ola Investment for 135 Mln Eur. Actual goodwill is made of Charrette (102,5 Mln Eur), PPSP UK (47,5 Mln Eur) and PPSP Spain (2,3 Mln Eur).

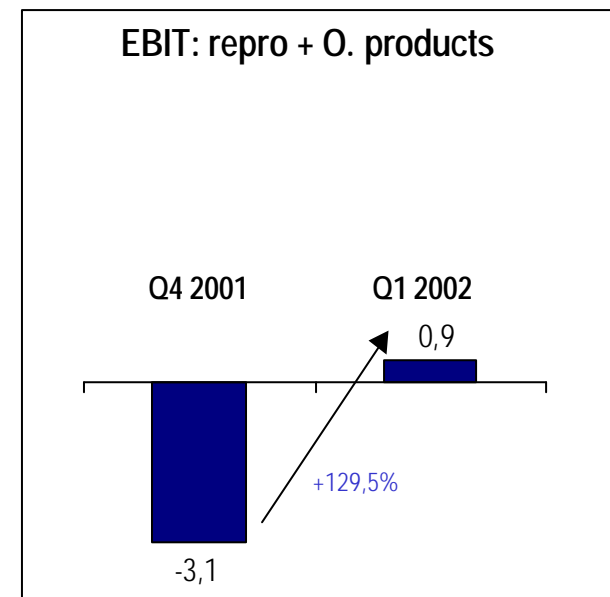
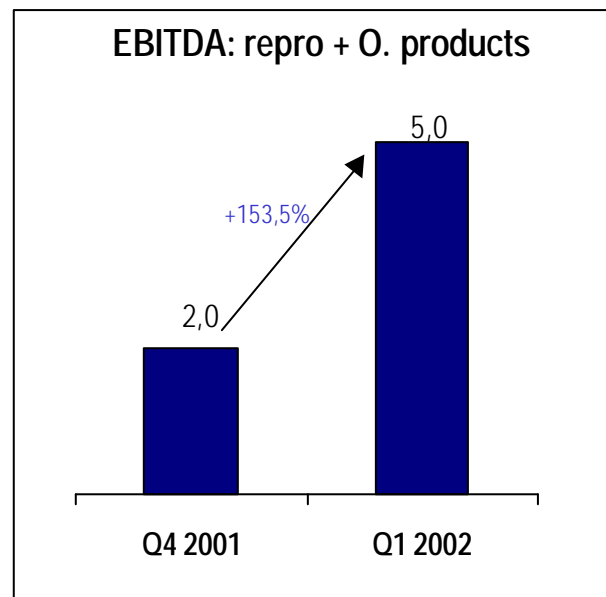
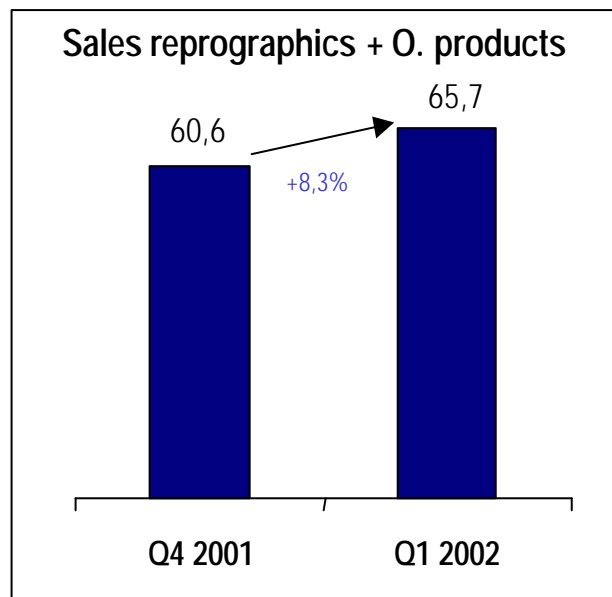
	<b>Q1 2002</b>
? Net Debt	102 Mln Eur
? Equity	153 Mln Eur
? Total Assets	348 Mln Eur
? Net Debt / Net Assets	66,5%
? Net Debt / Total Assets	29,3%
? Market Cap	161 Mln Eur
? Net Debt / Market Cap	63,3%

## Balance Sheet Q1 2002



# Traditional Economy: Q1 2002 improvement driven by a better economic scenario

Currency: Mln EUR



✂ Sales evolution: +8,3% increase Q1 2002 -vs- Q4 2001

✂ Sales have recovered well from a Q4 2001 hit by the economic slow down and by Sept 11<sup>th</sup>

✂ PPSP UK have grown 15,9% -vs- Q4 2001 and Charrette have grown 8,8%

✂ Mainly the growth on sales come from the repro division where the company is growing especially due to new Facility Management contracts, document management and sales on-line.

✂ PPSP UK have signed FM contracts for a total value of 40 Mln Eur over 6 years

✂ FM / OSS sales have increased by 16,1% -vs- Q4 2001 and 11,3% -vs- Q1 2001

✂ On-line sales have increased by 6,8% -vs- Q4 2001 and 16,1% -vs- Q1 2001

✂ EBITDA: + 153,5% increase Q1 2002 -vs- Q4 2001

✂ Gross Margin improvement (2%-vs-Q4 2001 and 6% -vs-Q1 2001) due to the mix of sales (more reprographics + sales on-line)

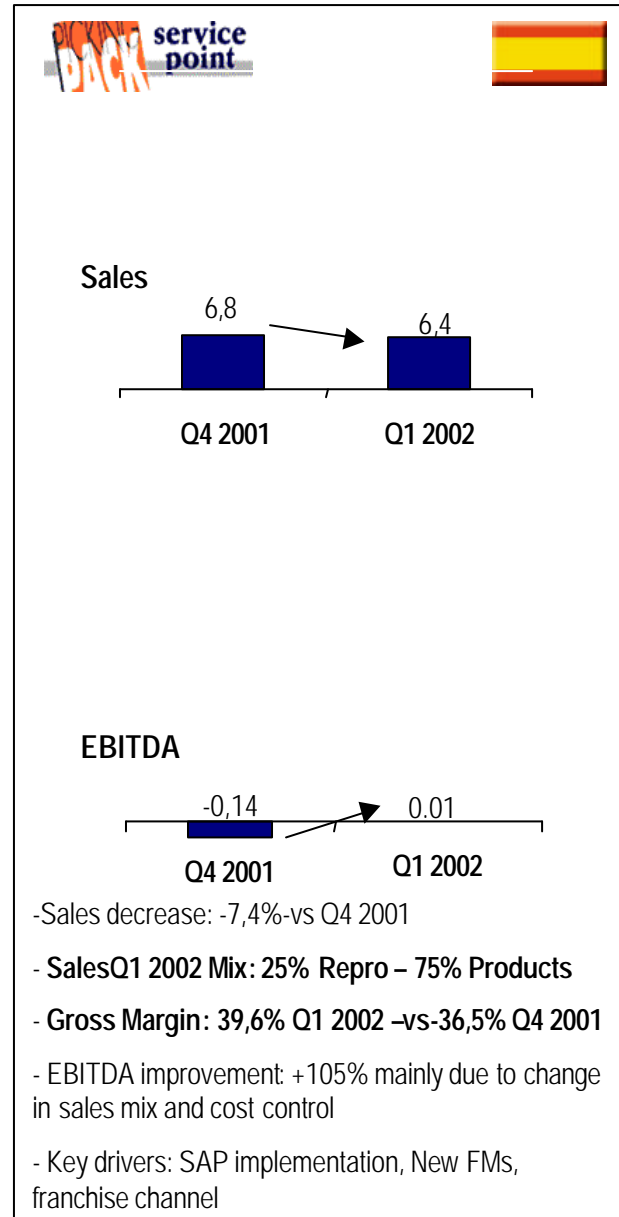
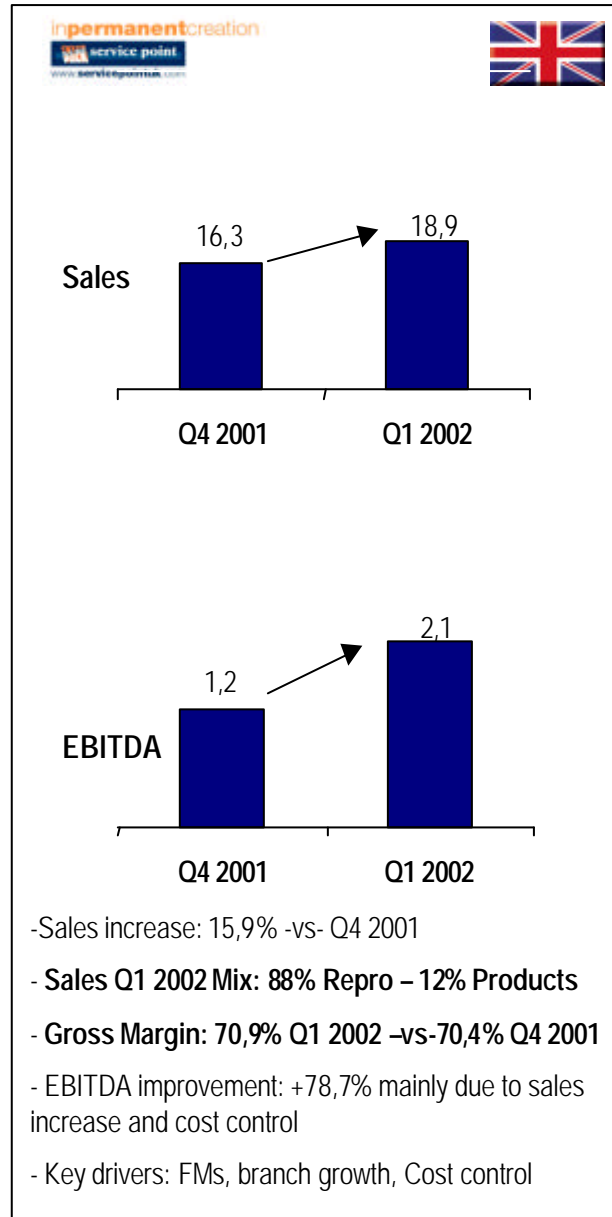
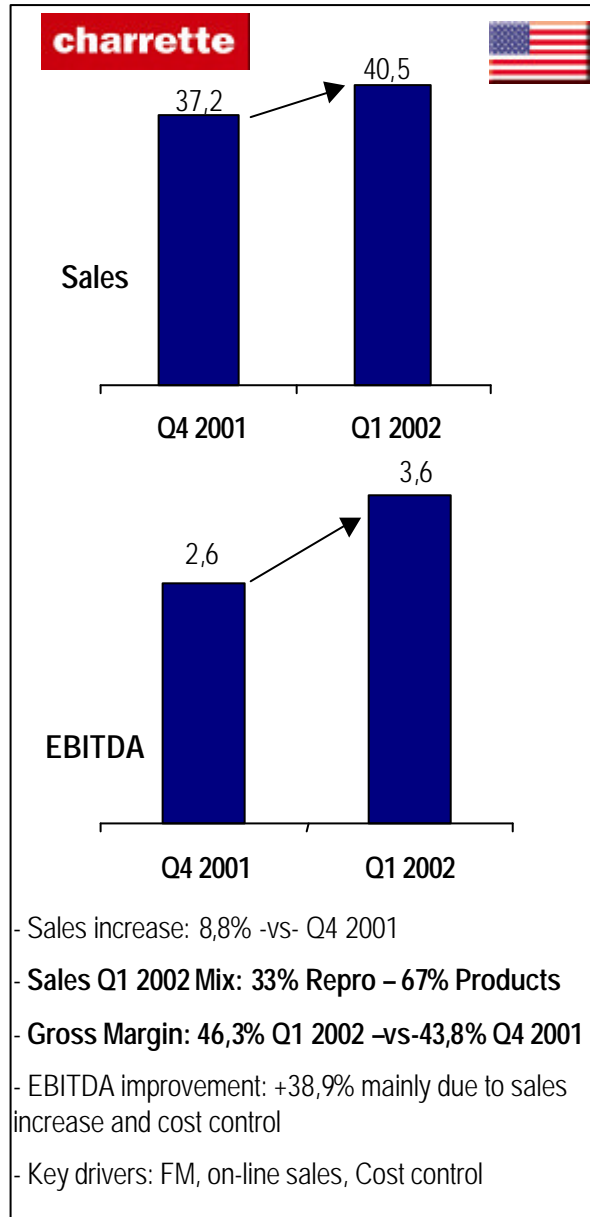
✂ Cost control: flexible structure – lower break even point

✂ GPP SA central cost have been reduced by 1,3 Mln

✂ EBIT: +129,5% increase Q1 2002 -vs- Q4 2001. Lower depreciation of 0,8 Mln Euros

# Traditional Economy: Q1 2002 improvement driven by a better economic scenario

Currency: Mln EUR



# The Outsourcing channel: Facility Management & On Site Services

Currency: '000 EUR

## Why is this channel key in GPP strategy?:

- ? **Project – led Facility Management** as a trend in the construction industry
- ? **Recurring sales**
- ? Service is tailored to clients needs, thereby increasing customer loyalty (recurring sales)
- ? Capex and costs **incurred only if sales are “certain”**
- ? Possibility of increasing service offer with high technology services
- ? Outsourcing trend in scenarios of economic slow-down
- ? 11,7% of GPP sales in Q1 2002

Facility Management	Sales	Sales	% Difference	Sales	% Difference
	Q1 2002	Q1 2001	Q1 02 / Q1 01	Q4 2001	Q1 02 / Q4 01
PPSP UK	1.612	1.331	21,1%	1.119	44,0%
Charrette	1.537	1.218	26,1%	1.488	3,2%
PPSP Spain	298	283	5,0%	254	17,3%
<b>Total FM Sales</b>	<b>3.447</b>	<b>2.832</b>	<b>21,7%</b>	<b>2.861</b>	<b>20,5%</b>

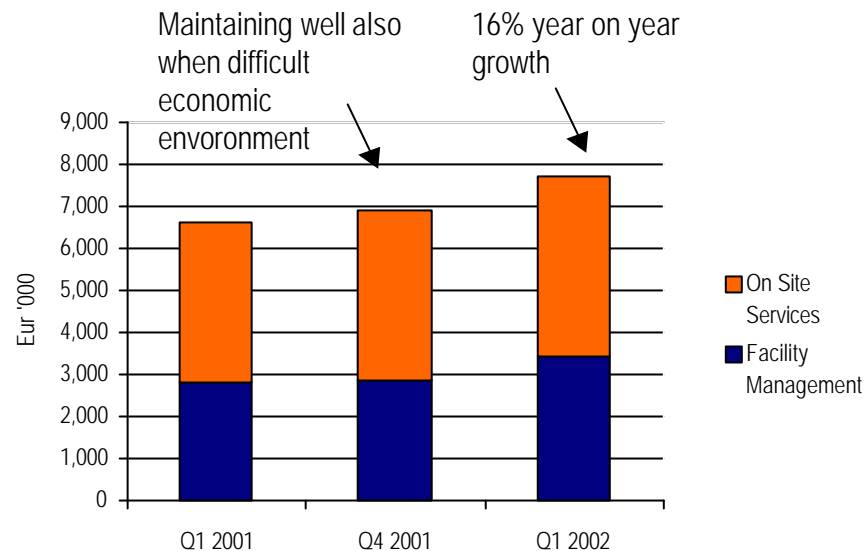
N° total de FMs	PPSP UK	Charrette	PPSP Spain	Total
Total Number of actual FMs Q1 2002	15	16	6	37
Total Number of FMs Q1 2001	11	16	5	32

On Site Service	Sales	Sales	% Difference	Sales	% Difference
	Q1 2002	Q1 2001	Q1 02 / Q1 01	Q4 2001	Q1 02 / Q4 01
PPSP UK	1.538	1.448	6,2%	1.490	3,2%
Charrette	2.728	2.362	15,5%	2.576	5,9%
PPSP Spain	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total OSS Sales</b>	<b>4.265</b>	<b>3.810</b>	<b>12,0%</b>	<b>4.066</b>	<b>4,9%</b>

Total FM / OSS Sales	7.712	6.642	16,1%	6.928	11,3%
----------------------	-------	-------	-------	-------	-------



## Key facts Q1 FM & OSS

- ? PPSP Spain investment 2.5m Euros in FM independent channel
- ? FM contract with Exxon Mobil
- ? Charrette opened its 200<sup>th</sup> OSS
- ? Contract with BAA for new T5 Heathrow Airport – 40m Euros





# Sales on-line (E-commerce and E-repro)

Currency: '000 EUR

Why is this channel key in GPP strategy?:

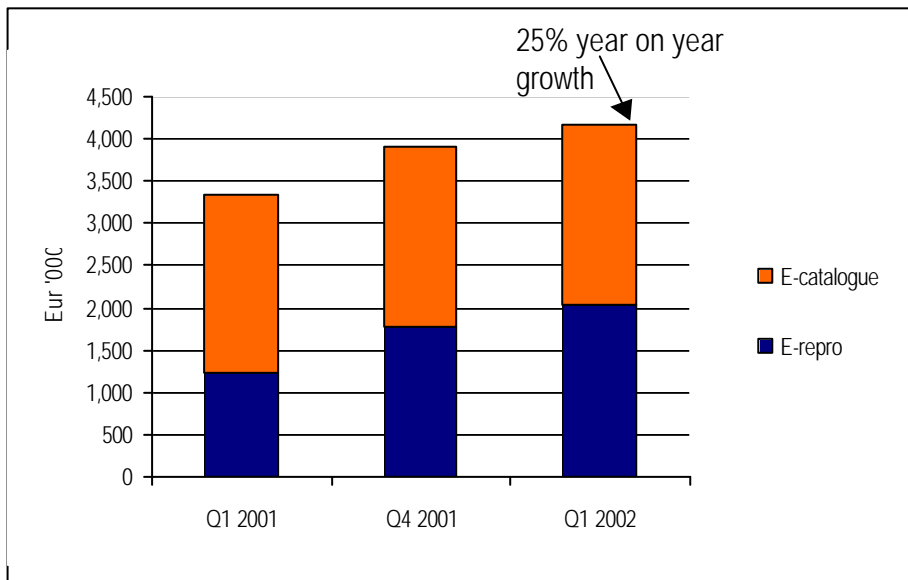
- ? Innovative and differentiating services
- ? Reduction in SG&A costs (i.e. e-print vs transport costs)
- ? Protects control of document and print flow
- ? Tailored services and solutions to lock-in customers
- ? High margin Consulting services
- ? 6,4% of GPP sales in Q1 2002

Sales on-line Q1 2002 -vs- Q4 2001

'000 Euros	Q1 2002		Total Q1 2002	Total Q4 2001	% Dif Q1 / Q4
	E-repro	Catalogue			
PPSP UK	1.333	99	1.431	1.398	2,4%
Charrette	685	1.945	2.630	2.388	10,1%
PPSP Spain	20	86	106	118	-9,6%
<b>Total on-line sales</b>	<b>2.038</b>	<b>2.130</b>	<b>4.168</b>	<b>3.904</b>	<b>6,8%</b>

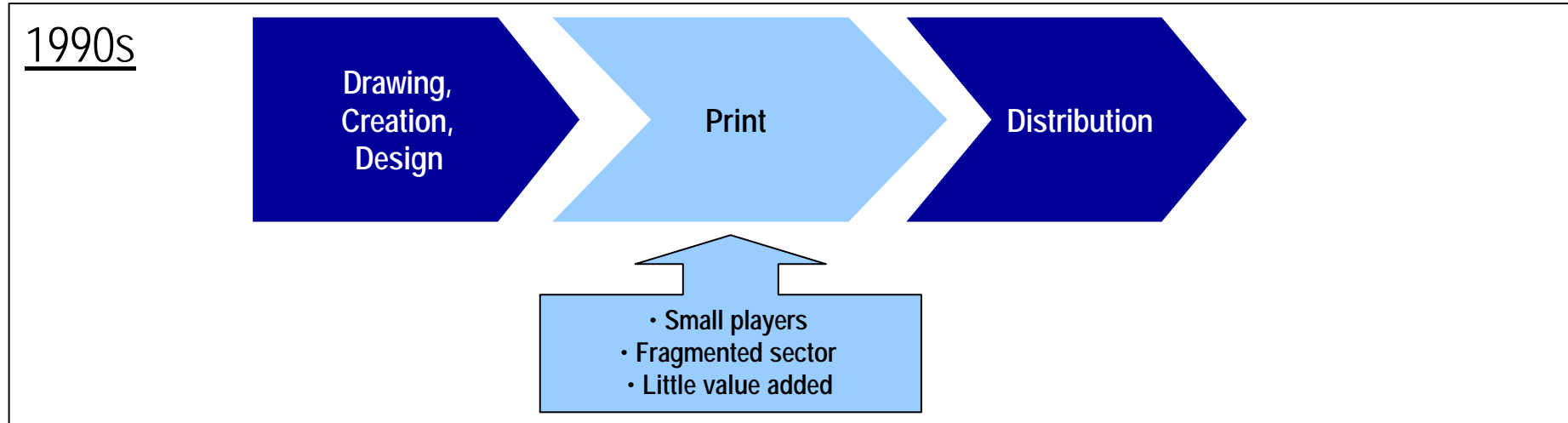
Sales on-line Q1 2002 -vs- Q1 2001

'000 Euros	Q1 2002		Total Q1 2002	Total Q1 2001	% Dif Q1 / Q1
	E-repro	Catalogue			
PPSP UK	1.333	99	1.431	980	46,0%
Charrette	685	1.945	2.630	2.407	9,3%
PPSP Spain	20	86	106	97	9,2%
<b>Total on-line sales</b>	<b>2.038</b>	<b>2.130</b>	<b>4.168</b>	<b>3.485</b>	<b>19,6%</b>

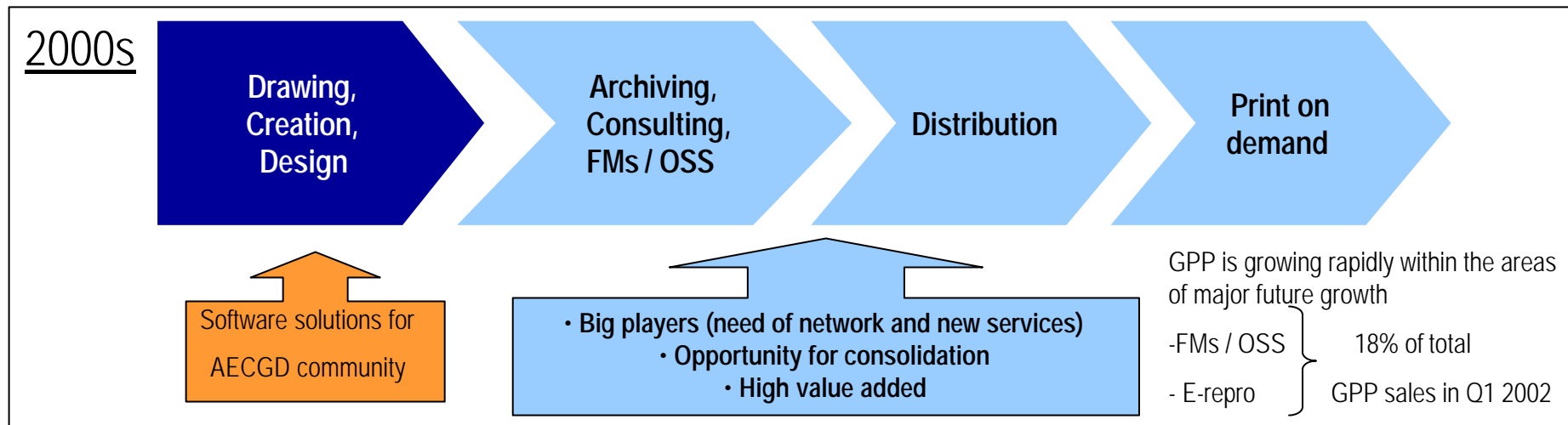


# Where the digital reprographics and document management industry is going

## Traditional Sector

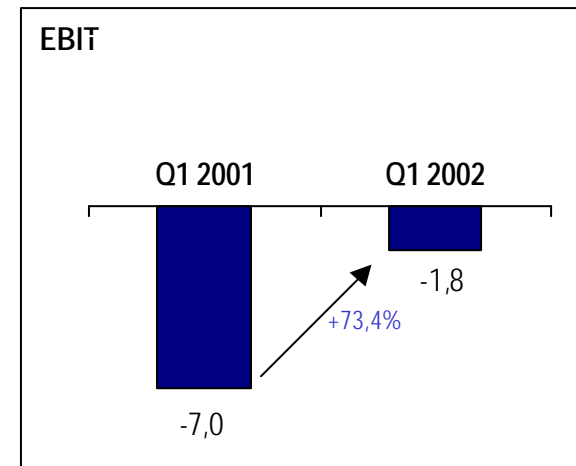
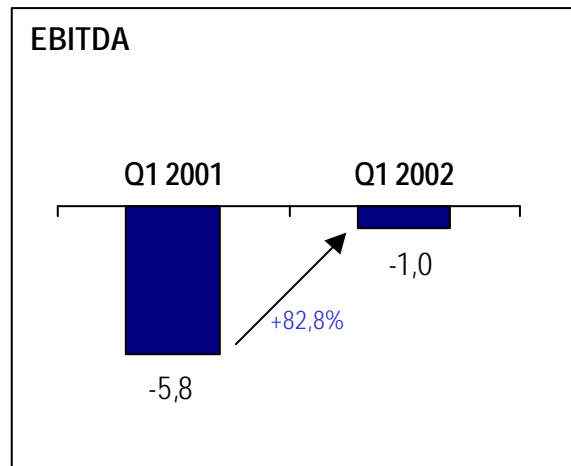
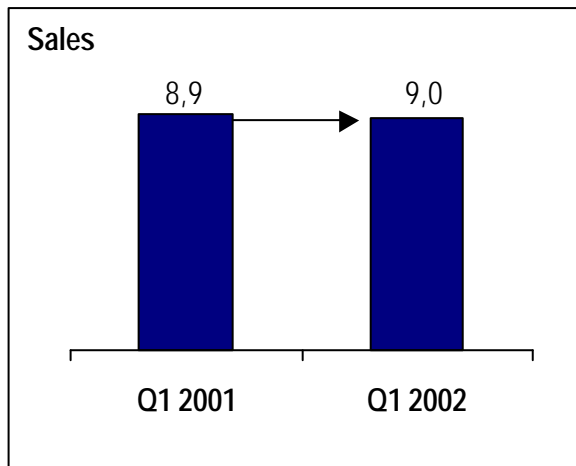


## New trends



# Ola Internet: close to the EBITDA break even point

Currency: Mln EUR



## Comments

- ? High visible improvement in Ola financials: EBITDA +82.8%, EBIT +73.4%
- ? Sales: in line with Q1 2002 but:
  - ? Churn of non profitable customers implemented
  - ? Improved collections (uncollected ratio moved from 20% to 5%)
  - ? Diversified product mix (flat tarif is 51% of sales vs 75% in Q1 2001)
- ? EBITDA: -1 mln Euros + 82.8%
  - ? Gross Margin improvement (from 29% to 38%): success of reseller model + improved competition for services of carriers led to lower cost of sales for Ola
  - ? Cost control (no network costs, reduced marketing and G&A)
- ? EBIT: -1.8 mln Euros + 73.4%
  - ? Depreciation costs reduced by 0.4 mln Euros as network written off
- ? Capex: virtually zero capex to-date in 2002. Total capex budget only 1 million Euros.

\* Ola losses have been charged against the provision established for this purpose at the end of 2001

Ola is getting close to the EBITDA break even point.  
EBITDA march 02: 0,2 Mln Eur

GPP is expecting to sell Ola in May 2002

37,000 SMEs recurrent customers

Good customer quality: 5% uncollectable

95 Euros ARPU per month

"Only" -240,000 Euros EBITDA in March 02

1 / 2 months to EBITDA breakeven

Largest re-seller telco services in Spain

Independent from technology

"Only" 1 million Euro capex per year

35 million minutes traffic per month

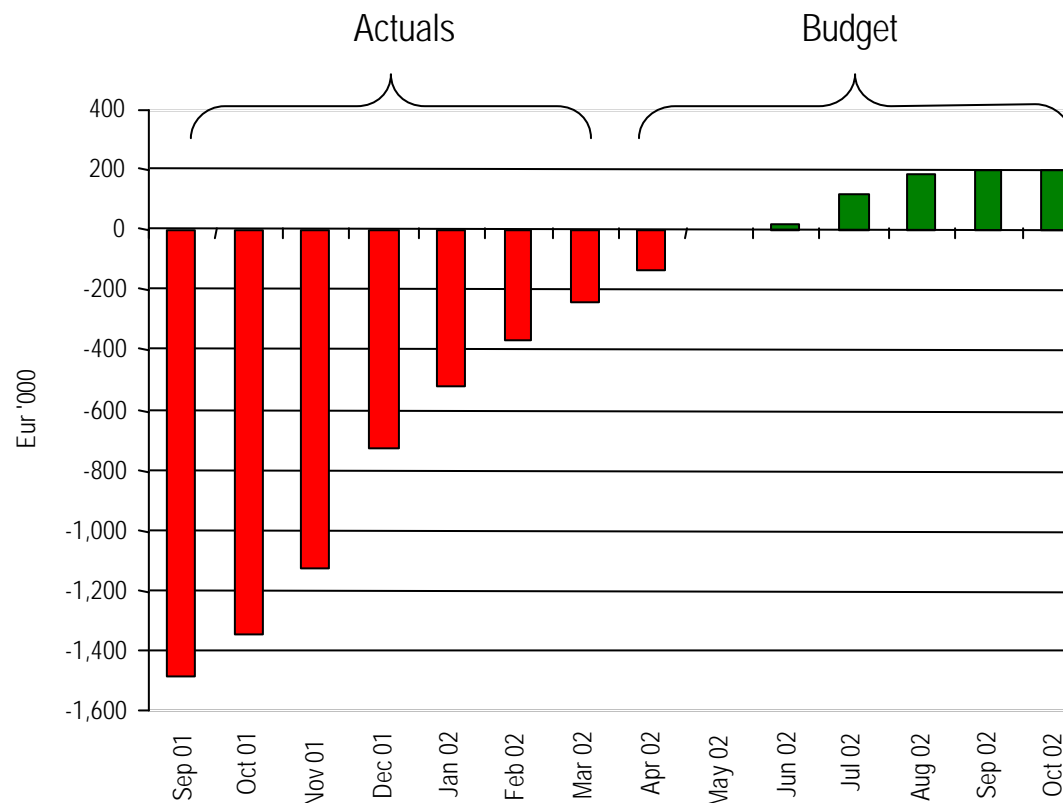
DSL recently launched (reseller, no capex)

128 salesmen, 78 distributors

Experienced management team

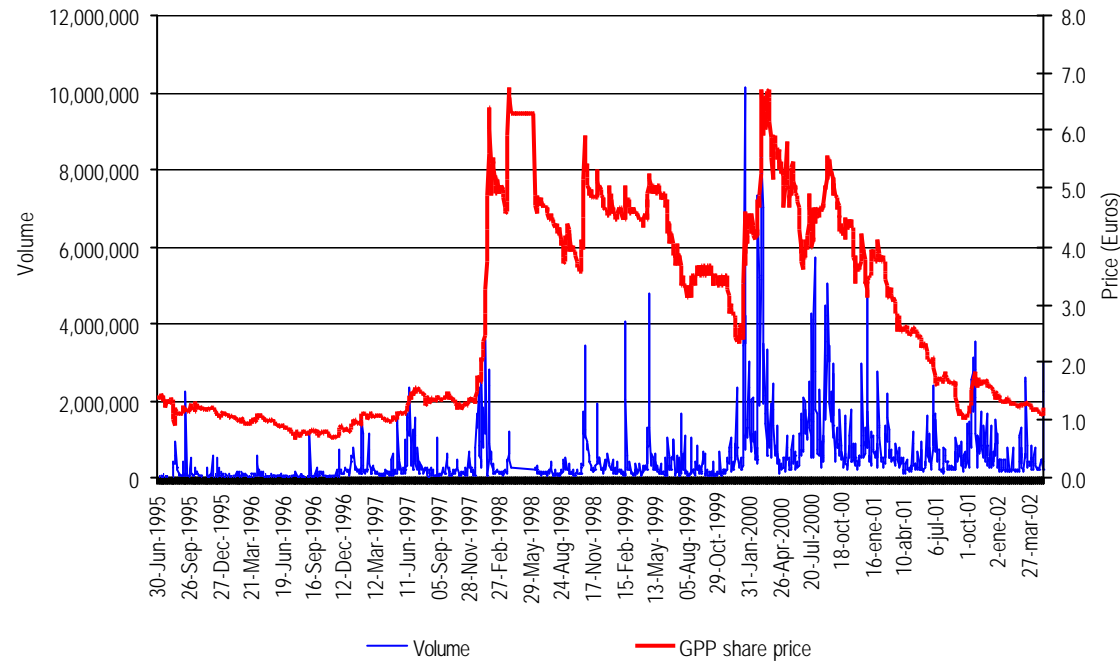
High customer attention: 96% service rate (call centre)

Ola EBITDA Evolution: Euro '000



# GPP share evolution: High liquidity holding well

## GPP share price and volumes



Total number of shares: 136 Mln (including 5 Mln SOP)

High historic volume of traded shares: 1% share capital traded daily 2000 – 2002 YTD

Shareholders were focused on Ola: once Ola is out ?

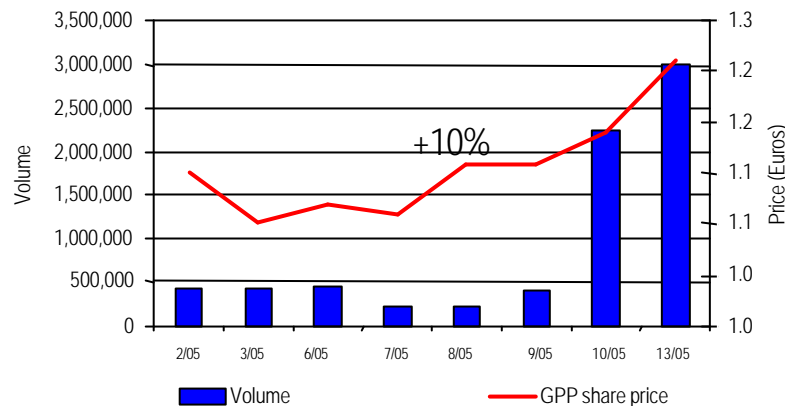
EBITDA 02

Focused company

tax losses 120M E

Industry 100B E

## May 2002 GPP share price and volume



## GPP share price statistics

1 Jan 2001- today: -63,6%

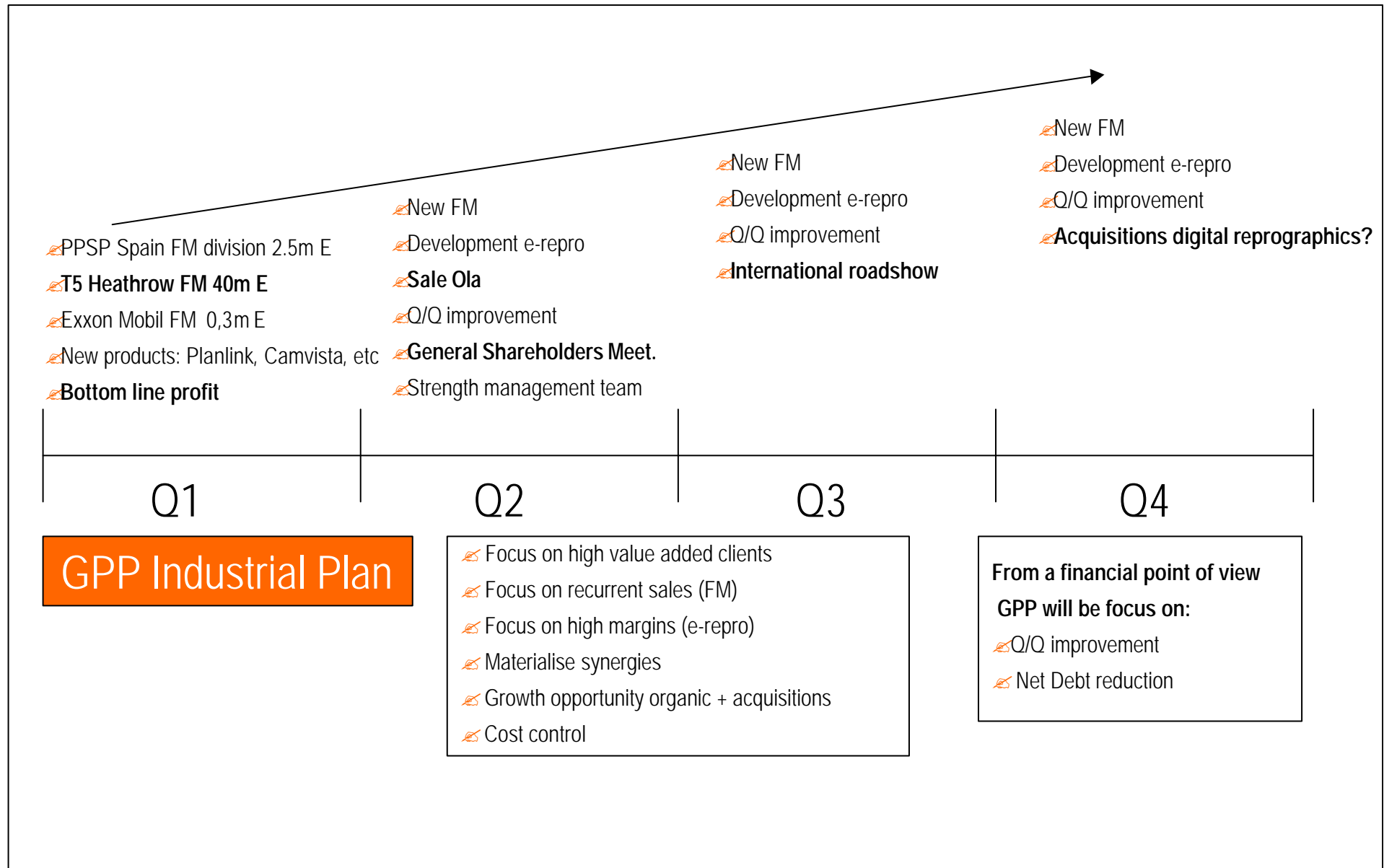
1 Jan 2002- today: -12,9%

Latest 90 days change: -4,7%

Latest 60 days change: -2,4%

Latest 30 days change: +4,2%

# GPP strengthening plan in 2002



## What is GPP doing to create shareholders value

✂ <b>Q/Q results</b>	✂	Major driver to create value
✂ Use of <b>tax assets value</b>	✂	0.30 cents valuation per share
✂ <b>High share liquidity</b>	✂	Possibility of attracting investment funds with Q/Q results – Roadshow Sep.
✂ Invest in <b>growth engines</b> FM / e-repro	✂	Increase EPS and therefore valuation
✂ Release of <b>positive news</b>	✂	Improve market sentiment
✂ <b>Focused</b> in repro and data management	✂	Consolidate fragmented market with organic growth and preparing acquisitions

### ✂ **GPP programme is focused on creating shareholders value by acting on the 4 drivers of value generations**

- ✂ EPS and underlying financials (cost cutting, tax asset, high value added services, FM)
- ✂ Growth (FM, e-repro)
- ✂ Market Sentiment (positive news and full reposition with sale of Ola)
- ✂ Analysts / PR relationships (Q/Q improvement and road- shows)