

AmRest Holdings SE
Management Board

Q4 2008
Teleconference with
Investors

March 2nd 2009





Teleconference Details

- The complete **AmRest Q4 2008 Financial Report** is available to download from Investor Relations section at: <http://www.amrest.pl>
- The AmRest participants:
 - Henry McGovern, Chairman of Supervisory Board
 - Mark Chandler, Chief Financial Officer
 - Piotr Boliński, Finance Director
 - Mateusz Sielecki, IR Manager
 - Dorota Dmowska, IR Jr Manager



AmRest Strategy

Scope

**Achieve market dominance* through acquisitions & operating scalable
(\$50+ m in annual sales), highly profitable (20%+IRR)
branded QSR & CD restaurants concepts**

Our unique value proposition

**Through our „WJM“ culture we will deliver craveble taste
and exceptional service at affordable prices.**

*Dominance defined as clear sales leader in the country



Executive Summary

- Sfinx investment was a big mistake. AmRest results have been negatively impacted. We will work with shareholders and creditors to try to improve the company.
- The European business reached 13.0% EBITDA as we communicated at the beginning of 2008 and the business continues to trade well.
- The US restructuring is going as planned and, as communicated, will end in Q1 2009. Sales continues to weaken.
- Club deal facility completed providing extended terms and additional growth capital
- The current F/X environment is expected to be neutral to our 2009 performance
- Russia turbulent but expected to exceed 2008 performance.

Quick Service Restaurants

Casual Dining

							
AGREEMENT TYPE	FRANCHISE	PROPRIETARY	FRANCHISE	PARTNERSHIP	FRANCHISE	PROPRIETARY	FRANCHISE
AMREST OPERATES IN...							
No. OF AMREST RESTAURANTS	208	7	12	9	76	4	104
No. OF RESTAURANTS WORLDWIDE	13,000	7	11,200	14,000	12,300	4	1,900

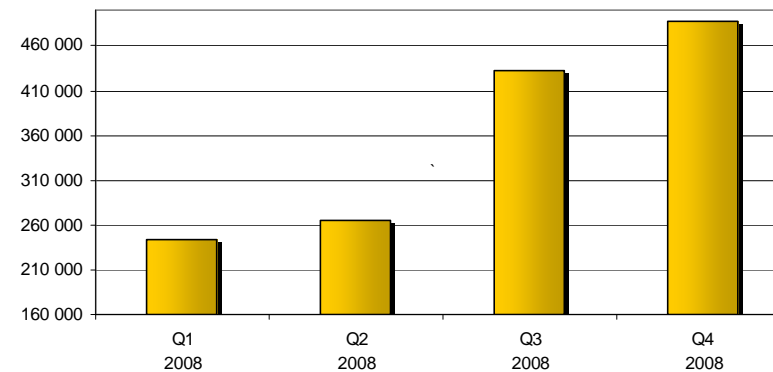
- in total **420** restaurants, **the first BK in Czech Republic** opened in November 2008
- 3 restaurants added to portfolio and 3 closed since the beginning of 2009, including conversion of 3 MultiBrands (joined KFC+PH location) into 3 single KFC
- 171 restaurants added to portfolio and 7 closed in 2008 (net increase of 164) - including 104 restaurants in US (AppleGrove acquisition)



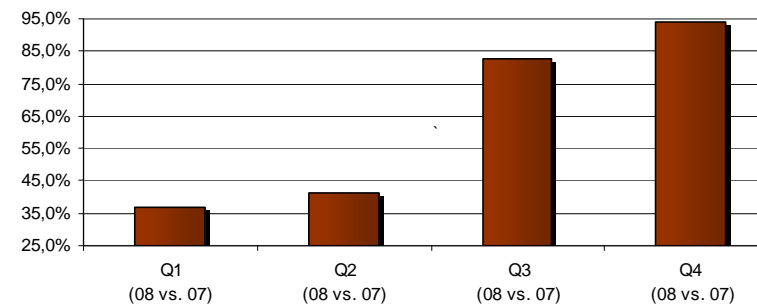
Growth of Sales

- Q4 2008 was the second quarter after adding Applebee's restaurants (US) into our portfolio.
- AmRest restaurants generated **all-time consolidated sales record** PLN 488m and **record high sales dynamics** with an increase of 94% comparing to Q4'07.
- Sale growth came from both **same-store-sales in existing markets as well as new units in US**. As a result of US acquisition additional PLN 161m of sales was added.
- In Q4'08 sales in Europe reached PLN 327m with 67% contribution to total sales.
- In Europe sales revenue grew by 30% in Q4'08 comparing to Q4'07.
- In Q4'08 the split of sales between QSR and CDR was 56% and 44% with the amount of PLN 273,5m and PLN 214,5m respectively.

Sales revenues by quarter [PLN]



Sales increases (quarter on quarter)





Profit & Loss Statement Q4'08 vs. Q4'07

<i>in thousands of Polish zloty</i>	Q4 2008		Q4 2007	
Restaurant sales	488 040		251 626	
Restaurant expenses:				
Cost of food	(156 695)	32,1%	(85 023)	33,8%
Direct marketing expenses	(22 909)	4,7%	(15 334)	6,1%
Direct depreciation and amortization expenses	(18 464)	3,8%	(14 413)	5,7%
Payroll and employee benefits	(119 288)	24,4%	(47 255)	18,8%
Continuing franchise fees	(30 563)	6,3%	(14 860)	5,9%
Occupancy and other operating expenses	(96 253)	19,7%	(45 816)	18,2%
Gross profit on sales	43 868	9,0%	28 925	11,5%
General and administrative (G&A) expenses	(36 109)	7,4%	(19 816)	7,9%
Depreciation and amortization expense (G&A)	(951)	0,2%	(745)	0,3%
Other operating income/(expense), net	11 690	2,4%	2 792	1,1%
Gain/(loss) on the disposal of fixed assets	6 375	1,3%	(1 034)	0,4%
Impairment gain/(losses)	(33 099)	6,8%	(959)	0,4%
EBIT	-8 226	-1,7%	9 163	3,6%
EBITDA	44 288	9,1%	25 280	10,0%
Financing income	10 496	2,2%	5 509	2,2%
Financing costs	(17 326)	3,6%	(3 556)	1,4%
Share of profit of associates	134	0,0%	435	0,2%
Net profit before tax	-14 922	-3,1%	11 551	4,6%
Income tax expense	(2 880)	0,6%	(4 276)	1,7%
Net profit	-17 802	-3,6%	7 275	2,9%
Attributable to:				
Minority interests	(457)	-0,1%	(218)	0,1%
Shareholders of the parent	(17 345)	-3,6%	7 493	3,0%
Net profit for the period	-17 802	-3,6%	7 275	2,9%



Financial 2008 Highlights by Segment

	Q4'08	sales revenues share	margin (% of sales)	Q4'08 YTD	sales revenues share	margin (% of sales)
Sales	488 040			1 428 398		
Poland	189 472	38,8%		693 408	48,5%	
Czech	71 083	14,6%		228 029	16,0%	
Russia	45 592	9,3%		141 669	9,9%	
Other	20 892	4,3%		62 866	4,4%	
Total Europe	327 039	67,0%		1 125 972	78,8%	
US	161 001	33,0%		302 426	21,2%	
EBITDA	44 288		9,1%	150 340		10,5%
Poland	34 651		18,3%	115 998		16,7%
Czech	9 862		13,9%	25 209		11,1%
Russia	1 212		2,7%	11 922		8,4%
Other	(952)		-4,6%	(6 711)		-10,7%
Total Europe	44 773		13,7%	146 418		13,0%
US	(485)		-0,3%	3 922		1,3%
EBIT	-8 226		-1,7%	51 902		3,6%
Poland	(3 422)		-1,8%	54 240		7,8%
Czech	3 359		4,7%	8 186		3,6%
Russia	(709)		-1,6%	4 767		3,4%
Other	(1 991)		-9,5%	(10 559)		-16,8%
Total Europe	(2 763)		-0,8%	56 634		5,0%
US	(5 463)		-3,4%	(4 732)		-1,6%
Finance Costs	-6 696		-1,4%	-11 296		-0,8%
EBT	-14 922		-3,1%	40 606		2,8%
Tax	-2 880		-0,6%	-18 419		-1,3%
Net Profit	-17 802		-3,6%	22 187		1,6%



Profit & Loss Statement Q4'08 YTD vs. Q4'07 YTD

<i>in thousands of Polish zloty</i>	Q4'08 YTD		Q4'07 YTD	
Restaurant sales	1 428 398		853 355	
Restaurant expenses:				
Cost of food	(464 927)	32,5%	(284 332)	33,3%
Direct marketing expenses	(60 774)	4,3%	(38 991)	4,6%
Direct depreciation and amortization expenses	(60 807)	4,3%	(49 388)	5,8%
Payroll and employee benefits	(325 147)	22,8%	(163 017)	19,1%
Continuing franchise fees	(87 350)	6,1%	(50 244)	5,9%
Occupancy and other operating expenses	(270 654)	18,9%	(148 486)	17,4%
Gross profit on sales	158 739	11,1%	118 897	13,9%
General and administrative (G&A) expenses	(94 970)	6,6%	(54 587)	6,4%
Depreciation and amortization expense (G&A)	(3 716)	0,3%	(2 809)	0,3%
Other operating income/(expense), net	18 339	1,3%	8 441	1,0%
Gain/(loss) on the disposal of fixed assets	7 425	0,5%	(1 155)	0,1%
Impairment gain/(losses)	(33 915)	2,4%	(1 708)	0,2%
EBIT	51 902	3,6%	67 079	7,9%
EBITDA	150 340	10,5%	120 984	14,2%
Financing income	18 669	1,3%	3 682	0,4%
Financing costs	(30 748)	2,2%	(7 963)	0,9%
Share of profit of associates	783	0,1%	1 132	0,1%
Net profit before tax	40 606	2,8%	63 930	7,5%
Income tax expense	(18 419)	1,3%	(15 237)	1,8%
Net profit	22187	1,6%	48 693	5,7%
Attributable to:				
Minority interests	(1 714)	0,1%	291	0,0%
Shareholders of the parent	23 901	1,7%	48 402	5,7%
Net profit for the period	22 187	1,6%	48 693	5,7%



Balance Sheet Q4'08 vs. 2007

<i>in thousands of Polish zloty</i>	2008	2007
Assets		
Property, plant and equipment, net	497 756	272 663
Intangible assets	44 684	13 955
Goodwill	321 612	142 475
Investments in associates	34 051	2 353
Other non-current assets	57 054	47 952
Deferred tax assets	15 153	12 279
Total non-current assets	970 310	491 677
Inventories	20 063	11 594
Trade and other receivables	65 952	34 489
Income tax receivable	9 254	403
Other current assets	12 136	11 621
Cash and cash equivalents	37 592	46 873
Derivative financial instruments	-	-
Assets held for sale	292	-
Total current assets	145 289	104 980
Total assets	1 115 599	596 657
Equity		
Issued capital	545	544
Share premium	348 675	320 532
Retained deficit	(10 715)	(58 917)
Current year net profit	23 901	48 564
Cumulative translation adjustment	5 470	(21 576)
Equity attributable to shareholders of the parent	367 876	289 147
Minority interests	12 575	4 316
Total equity	380 451	293 463
Liabilities		
Interest-bearing loans and borrowings	397 666	124 146
Finance lease liabilities	4 072	4 160
Employee benefits	1 548	1 221
Provisions	5 323	5 887
Deferred tax liabilities	9 916	10 124
Other non-current liabilities	14 230	2 337
Total non-current liabilities	432 755	147 875
Interest-bearing loans and borrowings	40 536	38 552
Finance lease liabilities	678	1 442
Trade and other accounts payable	260 785	111 527
Income tax payable	394	3 798
Total current liabilities	302 393	155 319
Total liabilities	735 148	303 194
Total equity, minority interests and liabilities	1 115 599	596 657



Cash Flows Q4'08 YTD vs. Q4'07 YTD

<i>in thousands of Polish zloty</i>	2008	2007
Cash flows from operating activities		
Profit before tax	40 606	63 930
Adjustments for:		
Share of profit of associates	(783)	(1 132)
Amortization	4 426	6 198
Depreciation	60 436	45 999
Interest expense, net	19 653	3 655
Unrealized foreign exchange (gain)/loss	(2 022)	(2 167)
(Gain)/loss on disposal of fixed assets	(7 425)	1 155
Impairment losses	33 915	1 694
Equity-settled share based payments expenses	2 406	1 433
Working capital changes:		
(Increase)/decrease in receivables	(35 980)	1 838
(Increase)/decrease in inventories	(4 322)	(1 995)
(Increase)/decrease in other assets	809	(8 858)
Increase/(decrease) in payables and other liabilities	95 673	26 484
Increase/(decrease) in other provisions and employee benefits	(237)	(3 855)
Income taxes paid	(21 823)	(12 500)
Interest paid	(19 653)	(3 655)
Other	37 191	(4 141)
Net cash provided by operating activities	202 870	114 083
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(145 124)	(71 270)
Proceeds from the sale of property, plant and equipment and intangible assets	10 573	
Proceeds from sale of held-to-maturity financial assets	-	9 984
Acquisition of property, plant and equipment	(178 574)	(99 262)
Acquisition of intangible assets	(13 715)	(6 307)
Acquisition of investment in related parties	(59 857)	-
Net cash used in investing activities	(386 697)	(162 335)
Cash flows from financing activities		
Proceeds from borrowings	536 518	77 000
Repayment of issued bonds	(21 000)	-
Proceeds from issued bonds	30 596	-
Proceeds from share issuance	1 124	-
Repayment of borrowings	(377 543)	(3 760)
Repayment of finance lease	(852)	(2 881)
Net cash provided by/(used in) financing activities	168 843	70 359
Net change in cash and cash equivalents	(14 984)	22 107
Cash and cash equivalents, beginning of period	46 873	25 241
Effect of foreign exchange rate movements	5 703	(475)
Cash and cash equivalents, end of period	37 592	46 873



Key Figures Q4'07 – Q4'08

	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q4 2008 YTD	2007
Sales	251 626	243 023	264 559	432 776	488 040	1 428 398	853 355
<i>Sales growth *</i>	38,3%	36,8%	41,4%	82,6%	94,0%	67,4%	35,6%
<i>Gross Profit (%)</i>	11,5%	14,4%	11,8%	11,1%	9,0%	11,1%	13,9%
EBITDA	25 280	32 714	28 928	44 877	44 288	150 340	120 984
<i>EBITDA (%)</i>	10,0%	13,5%	10,9%	10,4%	9,1%	10,5%	14,2%
EBIT	9 163	18 510	13 929	27 822	-8 226	51 902	67 079
<i>EBIT (%)</i>	3,6%	7,6%	5,3%	6,4%	-1,7%	3,6%	7,9%
Net income	7 275	13 131	10 079	17 184	-17 802	22 187	48 693
<i>Net income (%)</i>	2,9%	5,4%	3,8%	4,0%	-3,6%	1,6%	5,7%
Net debt	115 436	148 112	173 891	364 137	400 610	400 610	115 825
<i>Net debt/EBITDA**</i>	1,0	1,2	1,4	2,5	2,7	2,7	1,0

* the growth vs. corresponding period in the previous year

** 12-months trailing EBITDA

Seasonality of sales:

Seasonality of sales is a characteristic of AmRest business. In the CEE markets lower sales are recorded in the first half of the year, which is attributable primarily to fewer operating days in February and fewer people dining out. In the second half of the year restaurants generate higher sales income, which is linked with the increased tourist traffic in the third quarter of the year and, traditionally, with the strong tendency to dine out during autumn. An important time in the last three months of the year is the pre-Christmas period, when particularly high sales are reported by the restaurants situated in shopping centres. US market is distinguished by the opposite dependence. After the lower sales period during summer months and slightly increased traffic during Christmas period the first half of the year is characteristic for higher sales resulted from usage of gift card, promotional coupons and many holidays and days off in this period.



Growth Outlook

Core Business

- Poland and Czech continue strong performance with EBITDA at our target of 15% and sales continue to be positive

New Brands update

- **freshpoint & Rodeo Drive** – we still operate the total of 4 Rodeo Drives and 7 freshpoints. Although both brands have improved their results (especially freshpoint) they still have not reached satisfactory levels. As reported in our previous call we will not expand them until the results are in line with our expectations and we get our new markets and Starbucks and BK up to critical mass.
- **Burger King** – after we opened the first BK restaurant in Czech Republic in November 2008 and added 1 more restaurant in Poland we currently operate 12 restaurants total in Polish, Bulgarian and Czech market.
- **Starbucks** – we operate the total of 9 restaurants in Prague at the moment. We are opening the first Starbucks in Poland just between Q1'09 and Q2'09.
- **Applebee's** – Q4 2008 is the second quarter since Applebee's restaurants have been consolidated in our results. The US market is extremely soft with declining SSS in the single digits. We expect this to continue.
- **Sphinx** - this investment was a big mistake. AmRest results have been negatively impacted. We will work with shareholders and creditors to try to improve the company.

New Markets update

- **Bulgaria** – in 2008 we introduced Burger King brand to this market and currently operate 2 BK and 2 KFC restaurants in Bulgaria.
- **Serbia** – following our first KFC opening in November 2007 we have not increased the number of our restaurants on this market, although we are pleased with the results of this first unit. Our next steps on this market will depend on how the current political situation develops.
- **Russia** – following the inclusion of single RostiksKFCs in Moscow and some organic development in St. Petersburg we currently operate total of 59 restaurants in this market, 42 KFCs and 17 PHs, in Russia. The market turbulent but expected to exceed 2008 performance.



Questions



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Thank you for the participation

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