WSZYSTKO JEST MOŻLIWE!!!
AmRest Strategy Update

AmRest is uniquely positioned to be the dominant restaurant company in CEE.

The existing market potential for AmRest brands in CEE is over 25 times our current size, thus we intend to significantly increase our growth rate.

AmRest Holdings N.V.
29 May 2007
AmRest’s Three Pillars

THE POWER OF AmRest

- PASSIONATE PEOPLE
- CATEGORY LEADING BRANDS
- ECONOMY OF SCALE
WE CAN BECOME AMREST DIRECTORS AS WELL. WSZYSTKO JEST MOŻLIWE!!!
Successful people believe in AmRest

Donald M. Kendall Sr.

✓ Founder and former CEO of PepsiCo;
✓ Member of many prestigious American business organizations: National Alliance of Businessman, Trade and Economic Council, Grocery Manufacturers of America; Institute for East-West Studies
✓ Inducted by "Fortune" magazine into The Business Hall of Fame;
✓ One of the main investors and member of the AmRest Management Board.
## 6 BRANDS, 243 RESTAURANTS

### Quick Service Restaurants

<table>
<thead>
<tr>
<th>Agreement Type</th>
<th>Franchise</th>
<th>Proprietary</th>
<th>Franchise</th>
<th>Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMREST Operates In...</td>
<td>🇵🇱 🇷🇺</td>
<td>🇵🇱</td>
<td>🇵🇱</td>
<td>to be opened</td>
</tr>
<tr>
<td>No. of AMREST Restaurants</td>
<td>154</td>
<td>5</td>
<td>1</td>
<td>to be opened</td>
</tr>
<tr>
<td>No. of Restaurants Worldwide</td>
<td>13,000</td>
<td>5</td>
<td>11,100</td>
<td>14,000</td>
</tr>
</tbody>
</table>

### Casual Dining

<table>
<thead>
<tr>
<th>Agreement Type</th>
<th>Franchise</th>
<th>Proprietary</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMREST Operates In...</td>
<td>🇵🇱 🇷🇺</td>
<td>🇵🇱</td>
</tr>
<tr>
<td>No. of AMREST Restaurants</td>
<td>81</td>
<td>2</td>
</tr>
<tr>
<td>No. of Restaurants Worldwide</td>
<td>12,300</td>
<td>2</td>
</tr>
</tbody>
</table>

*3 of 6 of our brands were on this year’s BusinessWeek magazine’s list of Top 100 Global Brands.*
THE BENEFITS OF SCALE

Supply

Sustainable cost advantage
leverage scale with suppliers and nationwide distribution

Restaurant cost structure

Stable labor cost: 18.4% in 2006 vs 18.8% in 2001

Brand strength permits favorable rent and locations

17.9% occupancy charges – on constant level vs. 17.3% in 2001

Marketing

Growing scale means better access to all media channels

Annual increase of marketing budget is based on percentage of sales. New brands benefit from existing deals.
Passion & Discipline underpin solid systems

**AmRest Core Values**
- customer focus
- operational excellence
- stretch goals
- open & honest feedback
- commitment to people
- positive energy
- accountability
- profitability

**People**
- **Customermania**
  - JPA, 20/70/10
  - Individual goals
  - OES, VOC, Review Boards

**Brands**
- **CHAMPS**
  - Disciplined Operating Systems (DOS+)

**Scale**
- providing craveable products in 5 countries
- Goals split by Brands on SMT level
- Balance Scorecard
- After-Counter Customer Service
- superb Forbes CG rating
- 80% internal promotion
- Education Fund
  - picnics
  - Annual Ball of AmRest
- Work hard play hard, LUA
- SLA - Service Level Agreements
- AOP
- Weekly FRS brands split

**AmRest university**
- quarterly/annual report, SSS

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**AmRest**
American Restaurants

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AmRest today – summary

Largest independent restaurant company in CEE

- 7000 people in 243 restaurants
- Nationwide market penetration in Poland, Czech Republic and Hungary plus market entry in Bulgaria and Russia in 2007
- 6 QSR and CD brands offering scale and diversity

Proven track record of profit and sales growth

- Sales growth of 63.8% from 2002 to 2006
- Growing economies of scale drive significant increase in EBITDA (2002-2006 CAGR of 27.0%)
- Proven capability in mergers and acquisitions
AmRest – Current State of Affairs

**STRENGTHS**

- Category leading brands form foundation for growth
- Proven, capable management
- BK and SB operations off to an excellent start - very strong teams allocated from the beginning
- Excellent operating system across all brands
- Existing brands and markets performing very well
- Hungarian acquisition and integration ahead of plan

**WEAKNESSES**

- IT systems conversion in H2’07 will be disruptive
- Development department needs strengthening to meet our goals
- AmRest does not have the casual dining expertise it needs to effectively execute the Fortress CEE Strategy
- Coming VAT rate change in Poland starting 1/2008 will be a hit
- Proprietary brands will be slowed as we focus on BK and SB launches
The way we have grown

SALES AND EBITDA GROWTH 2002 – 2007 (PLN Million)

- **29% CAGR in EBITDA**
- **17% CAGR in SALES**

CAIB and Pizza Nord management forecast

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>384</td>
<td>35</td>
</tr>
<tr>
<td>2003</td>
<td>431</td>
<td>48</td>
</tr>
<tr>
<td>2004</td>
<td>463</td>
<td>54</td>
</tr>
<tr>
<td>2005</td>
<td>500</td>
<td>62</td>
</tr>
<tr>
<td>2006</td>
<td>629</td>
<td>91</td>
</tr>
<tr>
<td>2007*</td>
<td>841</td>
<td>125</td>
</tr>
</tbody>
</table>
AmRest Strategy: Building FORTRESS in CEE

Scope

The largest restaurant company in CEE operating scalable ($50 m brand) and highly profitable (ROIC over 20%) branded QSR and CD restaurant concepts

Our unique value proposition

Through our „Wszystko jest możliwe!” culture we will deliver craveable taste and exceptional service at affordable prices
Our sandbox

There is a lot of room to run!

More than 200 million people live in the countries where we now operate

Another 100 million live in the countries where we may expand
Growth strategy on three fronts

- **International expansion**
  - Mergers & Acquisitions
  - Organic Growth in virgin countries

- **Brand Portfolio Expansion**
  - Category leading Brands in CD & QSR segments

- **Increasing Existing Brand Penetration**
  - Brand strength
  - SSSS Growth & new builds
Foundation for rapid sustainable growth

We have category leading brands with proven rapid roll-out capability.

At IPO we promised 15%+ growth and improving margins with regional capability. We have delivered that and now it's time to step up our market penetration significantly.
Potential for AmRest restaurant growth

243 restaurants

5,000*
restaurants

* estimated potential for AmRest current brands and countries
Our Stretch Goal: 3x3

Triple sales in 3 years from YE 2006 to 2009

- **Improve leveraging** of the business – operating cash flow and external financing fund the growth - Debt/Equity ratio at the maximum level of 1.5;

- Target **EBITDA margin of 15% will be impacted in short term** by start-up costs associated with over 100 new builds per year in 2008 and beyond;

- **Continued investment in leadership** capability;

- Continuing **M&A** in the region;

- Continuing expansion of the **existing markets and brands** at a faster pace;

- **New category leading brands.**
A foundation of HUGE opportunities!

- 41 restaurants mainly in St. Petersburg
- Only in Moscow, the restaurant market is estimated at about PLN 9 billion, however the number of restaurants per capita is still 10 times lower than in New York.
- The Russian restaurant market annual growth is impressive – 30% (according to Advanced Research)

- Our first Burger King has opened with great success in Warsaw
- The taste of the Whopper appears to be irresistible!
- Hamburgers are by far the leading category in QSR

- JV partnership for Poland, Czech and Hungary
- Fastest growing restaurant brand in the World
- In 2007 will add 2,400 stores worldwide
The King is back and that’s big news!

OUR BRANDS DRAW CONSUMER AND MEDIA ATTENTION

Pizza Hut i KFC na pewno, Hilton prawdopodobnie

Król hamburgerów powrócił do Warszawy

W Zlotnych Tarasach otworzy Burger King

Burger King wraca do Polski i walczy o kibice Euro 2012

Burger King wchodzi w Polskę, to jest duży sukces dla McDonald’s. W ostatnim tygodniu, podobnie jak w 2011 roku, kibice Euro 2012 w Zlotnych Tarasach otrzymali swoje ulubione hamburgery od Burger Kinga.
The King is back! What an Opening!

- The cooperation with BK as a franchisor has gone very well.
- The opening team achieved the best training results ever (avg score of 98.5%).
- First month’s sales at Burger King Zlote Tarasy higher than KFC.

- Healthy pipeline of new sites; with plan for 7 this year.
- Currently the majority of supply comes from Germany until such time as we achieve scale in CEE and can develop local supply. Even so we are able to achieve acceptable COS thanks to BK’s larger scale in EU and AmRest supplier base.
- Strong Burger King system in EU allows for rapid roll-out.
- AmRest required IRR hurdle rate of 20% is being applied on even the first new units.
- BK is expected to be accretive to EBITDA in its first year.
Summary of Burger King Strategy

**Mission:** To deliver the unique taste of flamed grilled burgers to adults thru natural and friendly service in contemporary and comfortable American style restaurants.

**Stretch Goal:** To be the most profitable burger chain in the CEE
Pizza Nord Key Deal Terms

- The main shareholder of Pizza Nord is Michael Tseytin with ownership through a US C-corp named USS Inc. AmRest has set up a US sub which it will merge with USS. The merged entity will be the owner of Pizza Nord in St. Pete.

- The final price is determined by a multiple of 7 times EBITDA on existing units and units that open within the second half of 2007 less debt and cost to build. Existing management expects $48m of sales and $10m of EBITDA for the adjustment period. Also included in the deal is real estate with estimated value of $11m.

- We will use actual audited results of July 1, 2007 through June 2008 for determining the value. AmRest will become the owner as of July 1, 2007 with full control of the company and will begin IFRS accounting standards from that point.

- The initial price of $48m will be paid 55/45 in cash and stock with the stock held in escrow until the mid year 2008 audit determines the EBITDA reconciliation. Debt balance at closing is expected to be $21m and $1.5m of net current assets, but that will be confirmed by the closing audit.
Pizza Nord: Strong local management

- The management board, a team of three there since the founding, will have 3 year employment contracts. They are 9% shareholders and will receive 55/45 cash and stock for their shares with the shares held in escrow for 1 year. We are very excited by their continued involvement.

- G&A is under invested in, which will require increasing and thus the EBITDA margin is artificially 0.5% better than it will be on a go forward basis.

- We can expect saving from supply chain integration and existing AmRest equipment agreements. AmRest already currently supplies them with many key ingredients.

- Due diligence will be conducted during the month of June but we expected limited surprises as the company has been operating under a franchise agreement with YUM for over 10 years and have proved to have well run operations.

- There are 41 restaurants mainly located in St. Petersburg. Pizza Nord is the only Pizza Hut and Rostik’s-KFC franchisee in St. Pete.
Russia is a dynamic wealthy market which has an explosive restaurant market.

AmRest looks to expand throughout the market but in the early years to focus on St. Petersburg as there is room for more than doubling just in that market.

The operating margins and cost to build are better than the current AmRest levels. Thus the Pizza Nord acquisition is expected to improve overall AmRest growth rate and operating margins.

As in all prior M&A activities we will focus on People-Brand-Scale. We are fortunate that the Pizza Nord management is the best of any company we have previously considered acquiring.

Rents are high in Russia and there is more competition entering the market than any other CEE region.

The average spend in KFC and Pizza Hut are significantly higher than in other CEE markets.
The Starbucks mission statement

Establish Starbucks as the premier purveyor of the finest coffee in the world while maintaining our uncompromising principles while we grow.

- World’s largest chain of specialty coffee shops:
  - Fastest growing brand in the World
  - Nearly 14,000 stores globally (4,000 international)
  - 1,100 stores in Europe
  - 1 store in Central Europe (Bucharest, opened April ’07)
  - In 2007 plan to add 2,400 restaurant worldwide

- A very impressive management team with a very aligned values oriented culture. They provide excellent support

- Distinguishing elements on ambiance, customer service, & coffee quality

- Simply the dominant player in the category!
Всичко е възможно!!!

WSZYSTKO JEST MOŻLIWE!!!

ВСЁ ВОЗМОЖНО!!!

Minden lehetséges!!!

EVERYTHING IS POSSIBLE!!!

Všechno je možné!!!