

AmRest Holdings SE

**Q3 2010**  
**Teleconference with Investors**

15th November 2010



## Teleconference Details

- **AmRest Q3 2010 results** are included in **Q3 2010 Financial Report** which is available to download from Investor Relations section at: <http://www.amrest.eu>
- The recording of this TeleConference will be available at our website within 24 hours
- The AmRest participants:
  - Mark Chandler, Chief Financial Officer
  - Piotr Boliński, Management Board Member, Finance Director
  - Wojciech Mroczyński, Management Board Member, Chief People Officer
  - Maciej Mausch, IR Manager

## Scope

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

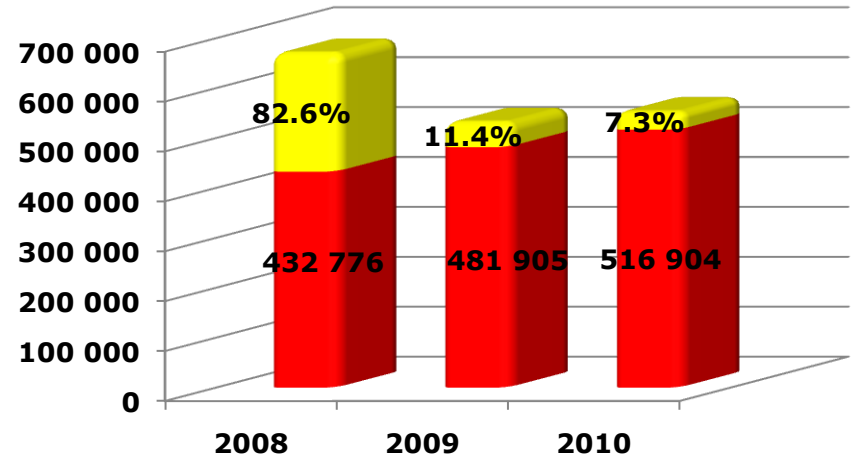
## Our unique value proposition

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

\*Dominance defined as clear sales leader in the country

- **Q3'2010 sales growth of 7.3%** - revenues growth on every market - impressive results in Russia continue and improvement in Poland, Czech Republic and the US also visible
- **All markets improving** though Poland and Czech still soft due to overall consumer weakness but up from lows
- **Minimum 45 new restaurants** to be opened in 2010. Strong focus on opening 100 new restaurants in 2011 with strong pipeline developed
- **Big success of the Colorado Project** - renovated restaurants' sales growth in double digits in previously underperforming territory in US
- **External bank debt refinanced on attractive terms** - balance sheet further solidified
- **EBITDA margin of Q3'2010 at 8.1%** - contraction in comparison to 2009 driven by timing differences of marketing expenses, relatively higher cost of food, and absence of one-time income items booked in 2009

- **Consolidated sales grew by +7.3%** (European business increased by 6.7% and the US business sales up by 8.4%)
- **Polish and Czech markets coming back after tough first half of 2010** (Polish and Czech market sales up by +6.7% and 4.5% respectively)
- **Russian revenues up by +13.8%** primarily driven by strong same-store-sales growth in both KFC and PH
- **US same-store-sales growth supported by favorable FX**



## Quick Service Restaurants



## Casual Dining



AGREEMENT TYPE

FRANCHISE

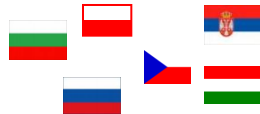
FRANCHISE

PARTNERSHIP

FRANCHISE

FRANCHISE

AMREST OPERATES IN...



No. OF AMREST RESTAURANTS

231

24

19

71

103

No. OF RESTAURANTS WORLDWIDE

13 000

11 200

14 000

12 300

2 000

- Total of **448** restaurants
- 7 new restaurants opened since the last call
- 100 new restaurants will be opened in 2011

- **Bank debt of PLN 440 m refinanced on attractive terms**
  - Currency structure of debt portfolio broadened – USD added as financing currency
  - Greater flexibility achieved by addition of revolving line of PLN 200 m – greater liquidity achieved by negotiating 5 year repayment term
- **Q3'2010 EBITDA at PLN 41.7 m** (down from PLN 46.2 m a year ago)
  - EBITDA margin at 8.1% - contraction compared to LY driven mostly by difference in timing of marketing expenses and slightly higher cost of food
  - Food prices relatively stable – difference compared to a year ago driven mostly by FX impact on EUR denominated food supplies
  - Polish market EBITDA margin stable at 14.3%; Czech profitability improved (11.0%); Russian margin strong (8.6%) – decrease compared to the first half of the year driven by relatively higher marketing spending
  - EBITDA margin of the US business impacted by one-off charges related to Colorado renovations posted in Q3'2010 (write-offs of obsolete assets and higher cost of labor)



## Financial Highlights by Segment

Thousand PLN	Q3 2010	sales revenues share	margin (% of sales)	Q3 2009	sales revenues share	margin (% of sales)
<b>Sales</b>	<b>516 904</b>			<b>481 905</b>		
Poland	203 695	39.4%		190 958	39.6%	
Czech	73 901	14.3%		70 730	14.7%	
Russia	41 666	8.1%		36 602	7.6%	
Other	19 772	3.8%		19 463	4.0%	
<b>Total Europe</b>	<b>339 034</b>	65.6%		<b>317 753</b>	65.9%	
<b>US</b>	<b>177 870</b>	34.4%		<b>164 152</b>	34.1%	
<b>EBITDA</b>	<b>41 782</b>		<b>8.1%</b>	<b>46 330</b>		<b>9.6%</b>
Poland	29 206		14.3%	31 180		16.3%
Czech	8 121		11.0%	8 597		12.2%
Russia	3 579		8.6%	5 094		13.9%
Other	-1 235		-6.2%	-2 192		-11.3%
<b>Total Europe</b>	<b>39 670</b>		11.7%	<b>42 679</b>		13.4%
<b>US</b>	<b>2 112</b>		1.2%	<b>3 651</b>		2.2%
<b>EBIT</b>	<b>15 453</b>		<b>3.0%</b>	<b>26 170</b>		<b>5.4%</b>
Poland	17 033		8.4%	22 015		11.5%
Czech	2 356		3.2%	3 642		5.1%
Russia	1 306		3.1%	5 101		13.9%
Other	-2 698		-13.6%	-3 913		-20.1%
<b>Total Europe</b>	<b>17 997</b>		5.3%	<b>26 845</b>		8.4%
<b>US</b>	<b>-2 544</b>		-1.4%	<b>-675</b>		-0.4%
<b>Net Profit</b>	<b>5 754</b>		<b>1.1%</b>	<b>10 536</b>		<b>2.2%</b>





# Profit & Loss Statement Q1-3 2010 vs. Q1-3 2009

Thousand PLN

Q 1-3 2010

Q 1-3 2009

	Q 1-3 2010		Q 1-3 2009	
<b>Restaurant sales</b>	<b>1 499 026</b>		<b>1 517 398</b>	
Cost of food	-474 467	-31.7%	-479 193	-31.6%
Direct marketing expenses	-71 375	-4.8%	-67 413	-4.4%
Direct depreciation and amortization expenses	-69 345	-4.6%	-60 083	-4.0%
Payroll and employee benefits	-388 157	-25.9%	-393 534	-25.9%
Continuing franchise fees	-79 503	-5.3%	-80 138	-5.3%
Occupancy and other operating expenses	-289 100	-19.3%	-294 765	-19.4%
Total restaurant expenses	-1 371 947	-91.5%	1 375 126	90.6%
<b>Gross profit on sales</b>	<b>127 079</b>	<b>8.5%</b>	<b>142 272</b>	<b>9.4%</b>
General and administrative (G&A) expenses	-78 812	-5.3%	-79 896	-5.3%
Depreciation and amortization expense (G&A)	-6 795	-0.5%	-5 902	-0.4%
Other operating income/(expense). net	16 762	1.1%	21 099	1.4%
Gain/(loss) on the disposal of fixed assets	-3 729	-0.2%	-5 412	-0.4%
Impairment gain/(losses)	915	0.1%	-4 507	-0.3%
<b>EBIT</b>	<b>53 590</b>	<b>3.6%</b>	<b>67 654</b>	<b>4.5%</b>
<b>EBITDA</b>	<b>130 645</b>	<b>8.7%</b>	<b>138 146</b>	<b>9.1%</b>
Financing costs	-26 661	-1.8%	-22 840	-1.5%
Financing income	12 334	0.8%	11 696	0.8%
Share of profit of associates	47	0.0%	-73	0.0%
Loss on sell of associates	0	0.0%	-2 833	-0.2%
Impairment of shares in associate	0	0.0%	0	0.0%
<b>Net profit before tax</b>	<b>39 310</b>	<b>2.6%</b>	<b>53 604</b>	<b>3.5%</b>
Income tax expense	-8 288	-0.6%	-10 034	-0.7%
<b>Profit/Loss from continued operations</b>	<b>31 022</b>	<b>2.1%</b>	<b>43 570</b>	<b>2.9%</b>
Profit/Loss from discontinued operations	-1 363	-0.1%	-6 718	-0.4%
<b>Net profit Attributable to:</b>				
Minority interests	-97	0.0%	757	0.0%
Shareholders of the parent	29 756	2.0%	36 095	2.4%
<b>Net profit for the period</b>	<b>29 659</b>	<b>2.0%</b>	<b>36 852</b>	<b>2.4%</b>

## Key Figures Q3 2010 vs. Q3 2009

Thousand PLN	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	TTM***
<b>Sales</b>	481 905	483 092	481 206	500 916	516 904	1 982 118
<i>Sales growth *</i>	12.2%	-0.1%	-7.8%	-2.5%	7.3%	-
<b>EBITDA</b>	46 330	39 266	48 721	40 141	41 782	169 910
<i>EBITDA (%)</i>	9.6%	8.1%	10.1%	8.0%	8.1%	8,6%
<b>EBIT</b>	26 170	12 170	24 877	13 260	15 453	65 760
<i>EBIT (%)</i>	5.4%	2.5%	5.2%	2.6%	3.0%	3,3%
<b>Net income</b>	10 536	1 722	11 733	12 169	5 754	31 378
<i>Net income (%)</i>	2.2%	0.4%	2.4%	2.4%	1.1%	1,6%
<b>Net debt</b>	377 803	377 878	382 332	86 767	132 195	-
<i>Net debt/EBITDA**</i>	2.1	2.1	2.1	0.5	0.8	-

\* the growth vs. corresponding period in the previous year  
 \*\* 12-months trailing EBITDA  
 \*\*\*trailing 12 months

### Seasonality of sales:

The seasonality of sales and inventories of the AmRest Group is not significant which is typical of the whole restaurant industry. On Central and East European markets, restaurants have lower sales in the first half of the year which is mainly the result of a smaller number of days of sale in February and lower number of customers in the restaurants. The United States market is characterized by stronger first half versus second half sales performance. After a period of lower sales in the summer months and a slight revival related to the Christmas season, the first half of the year is a period of increased activity in connection with the use of holiday vouchers, promotional coupons and a high number of holidays.

# Questions