



AmRest Holdings N.V.  
Management Board  
Q3'2007 Teleconference  
with Investors

15th of November 2007

# Teleconference details



Telephone Number: **+48 71 712 1080**

PIN Number: **6584**

The complete AmRest Q3'2007 Financial Report is available to download in the Investor Relations section at: <http://www.amrest.pl/eng/>

## **The AmRest's participants:**

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# Growth of Sales



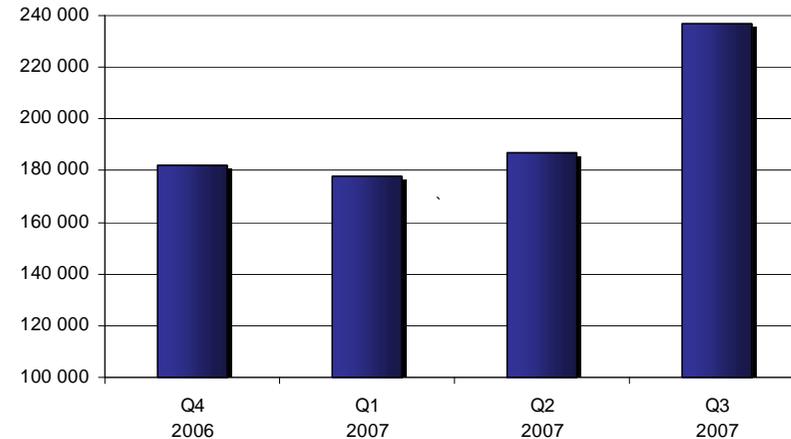
- Q3 2007 was **the second consecutive quarter with all-time AmRest sales record** – PLN 237.1 m and **record high sales dynamic** (increase of 41.7% compared with Q3 2006).

- The rise came from both **same-store-sales in existing markets as well as new units in Russia**. As a result of Russian acquisition additional PLN 28.5 m of sales was added.

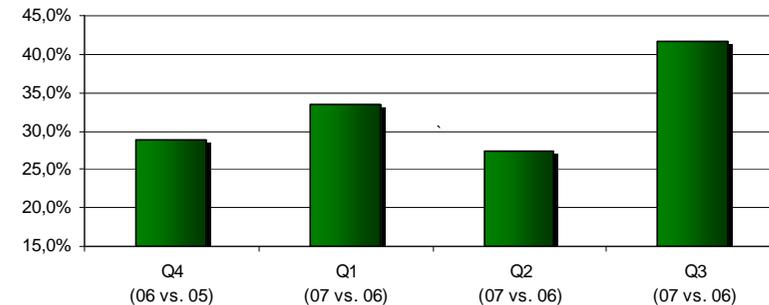
- The split of sales between Poland, Czech Republic, Russia and Hungary in Q3 2007 was the following: **62%, 21%, 12% and 5%**, while YTD Q3 2007 the proportion was: **66%, 23%, 5% and 6%**. In 2006 the share of Polish, Czech and Hungarian businesses amounted to **68%, 26% and 6%** respectively (Q3 2006) and **70%, 27% and 3%** (YTD Q3 2006).

- The Polish sales increased by **29.3%** in Q3 2007 (quarter on quarter) and by **26.4%** YTD Q3 2007. The Czech sales grew up by **13.6%** and by **14.9%** respectively, whereas the Hungarian sales in Q3 2007 increased by **19.4%** (Q/Q).

Sales revenues by quarter [PLN]



Sales increases (quarter on quarter)



# Profit & Loss Account Q3'2007 vs. Q3'2006

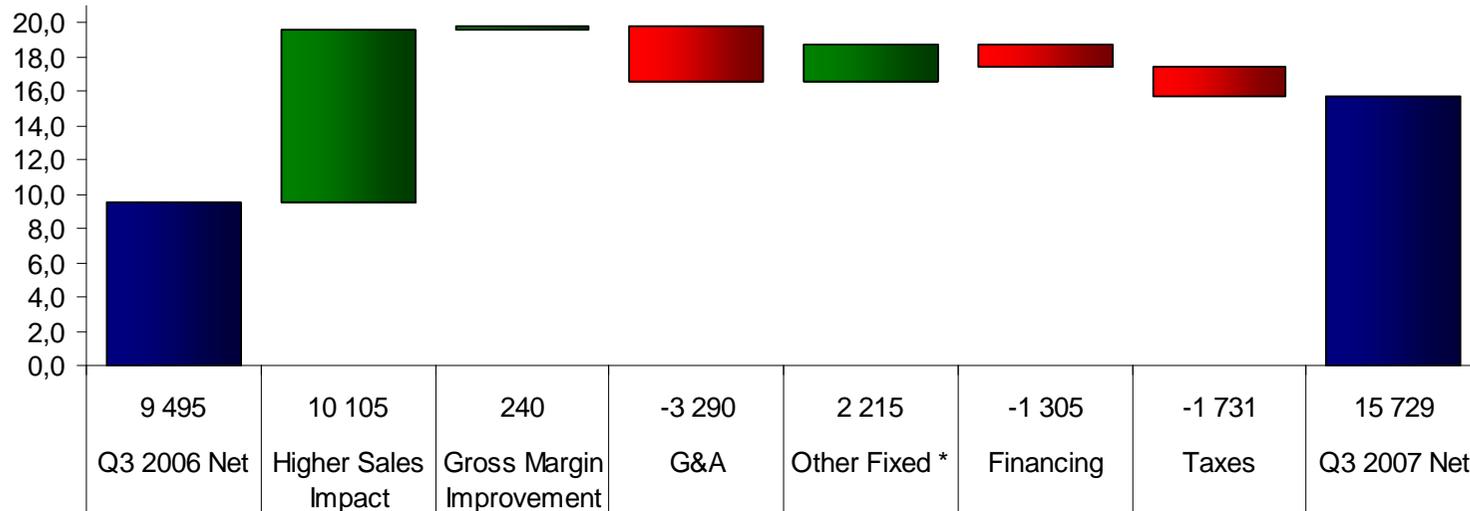


<i>in thousands of Polish zloty</i>	<b>Q3 2007</b>	<b>Q3 2006</b>
<b>Restaurant sales</b>	<b>237 069</b>	<b>167 325</b>
Restaurant expenses:		
Cost of food	(77 963) 32,9%	(56 288) 33,6%
Direct marketing expenses	(9 168) 3,9%	(8 621) 5,2%
Direct depreciation and amortization expenses	(13 501) 5,7%	(9 403) 5,6%
Payroll and employee benefits	(45 727) 19,3%	(32 297) 19,3%
Continuing franchise fees	(13 987) 5,9%	(9 947) 5,9%
Occupancy and other operating expenses	(42 134) 17,8%	(26 525) 15,9%
<b>Gross profit on sales</b>	<b>34 589 14,6%</b>	<b>24 244 14,5%</b>
General and administrative (G&A) expenses	(13 476) 5,7%	(10 186) 6,1%
Depreciation and amortization expense (G&A)	(824) 0,3%	(966) 0,6%
Other operating income/(expense), net	1 447 0,6%	899 0,5%
Gain/(loss) on the disposal of fixed assets	290 0,1%	(236) 0,1%
Impairment gain/(losses)	0 0,0%	(999) 0,6%
<b>EBIT</b>	<b>22 026 9,3%</b>	<b>12 756 7,6%</b>
EBITDA	36 351 15,3%	24 124 14,4%
Financing income	368 0,2%	(2) 0,0%
Financing costs	(2 551) 1,1%	(836) 0,5%
Share of profit of associates	<b>224 0,1%</b>	<b>184 0,1%</b>
<b>Net profit before tax</b>	<b>20 067 8,5%</b>	<b>12 102 7,2%</b>
Income tax expense	(4 338) 1,8%	(2 607) 1,6%
<b>Net profit</b>	<b>15 729 6,6%</b>	<b>9 495 5,7%</b>

# Net Profit Bridge (Q3'2007 vs. Q3'2006)



[ '000 PLN ]



**\*Other Fixed include:**

Depreciation and amortization of G&A), (Loss)/gain on disposal of property, plant and equipment and intangibles, Impairment losses, Other operating income.

# Profit & Loss Account YTD Q3'07 vs. YTD Q3'06

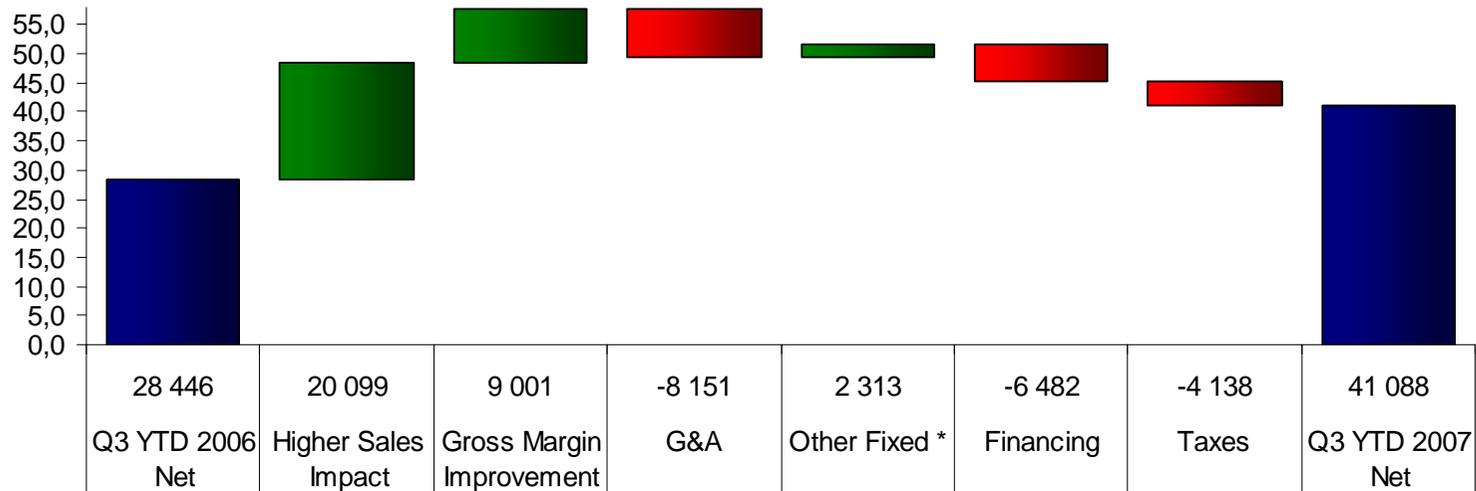


<i>in thousands of Polish zloty</i>	Q3'2007 YTD	Q3'2006 YTD
<b>Restaurant sales</b>	<b>601 729</b>	<b>447 334</b>
Restaurant expenses:		
Cost of food	(199 287) 33,1%	(150 758) 33,7%
Direct marketing expenses	(24 830) 4,1%	(23 032) 5,1%
Direct depreciation and amortization expenses	(34 617) 5,8%	(27 851) 6,2%
Payroll and employee benefits	(116 451) 19,4%	(85 512) 19,1%
Continuing franchise fees	(35 450) 5,9%	(26 549) 5,9%
Occupancy and other operating expenses	(103 761) 17,2%	(75 399) 16,9%
<b>Gross profit on sales</b>	<b>87 333 14,5%</b>	<b>58 233 13,0%</b>
General and administrative (G&A) expenses	(35 528) 5,9%	(27 377) 6,1%
Depreciation and amortization expense (G&A)	(2 006) 0,3%	(1 970) 0,4%
Other operating income/(expense), net	4 898 0,8%	2 625 0,6%
Gain/(loss) on the disposal of fixed assets	(192) 0,0%	1 886 0,4%
Impairment gain/(losses)	(249) 0,0%	(2 403) 0,5%
<b>EBIT</b>	<b>54 256 9,0%</b>	<b>30 994 6,9%</b>
EBITDA	91 128 15,1%	63 218 14,1%
Financing income	689 0,1%	5 743 1,3%
Financing costs	(4 861) 0,8%	(3 257) 0,7%
Share of profit of associates	<b>706 0,1%</b>	<b>530 0,1%</b>
<b>Net profit before tax</b>	<b>50 790 8,4%</b>	<b>34 010 7,6%</b>
Income tax expense	(9 702) 1,6%	(5 564) 1,2%
<b>Net profit</b>	<b>41 088 6,8%</b>	<b>28 446 6,4%</b>

# Net Profit Bridge YTD Q3'07 vs. YTD Q3'06



['000 PLN]



**\*Other Fixed include:**

Depreciation and amortization of G&A), (Loss)/gain on disposal of property, plant and equipment and intangibles, Impairment losses, Other operating income.

# Balance sheet Q3'2007 vs. 2006



<i>in thousands of Polish zloty</i>	<b>30 Sep 2007</b>	<b>2006</b>
<b>Assets</b>		
Property, plant and equipment, net	275 861	191 705
Intangible assets	13 726	12 829
Goodwill	171 353	23 516
Investments in associates	1 926	1 221
Other non-current assets	20 166	17 726
Deferred tax assets	10 080	9 336
<b>Total non-current assets</b>	<b>493 112</b>	<b>256 333</b>
Inventories	9 298	8 134
Trade and other receivables	11 476	11 460
Income tax receivable	-	-
Other current assets	9 119	5 976
Held-to-maturity investments	-	9 984
Cash and cash equivalents	54 900	25 241
Assets held for sale	-	3 861
<b>Total current assets</b>	<b>84 793</b>	<b>64 656</b>
<b>Total assets</b>	<b>577 905</b>	<b>320 989</b>
<b>Equity</b>		
Issued capital	544	519
Share premium	319 959	219 137
Retained deficit	(56 931)	(95 514)
Current year net profit	40 579	38 583
Cumulative translation adjustment	(5 527)	(4 940)
<b>Equity attributable to shareholders of the parent</b>	<b>298 624</b>	<b>157 785</b>
<b>Minority interests</b>	<b>3 996</b>	<b>79</b>
<b>Total equity</b>	<b>302 620</b>	<b>157 864</b>
<b>Liabilities</b>		
Interest-bearing loans and borrowings	154 470	72 140
Finance lease liabilities	5 016	3 326
Employee benefits	1 154	913
Provisions	2 791	5 565
Deferred tax liabilities	7 139	760
Other non-current liabilities	1 406	1 721
<b>Total non-current liabilities</b>	<b>171 976</b>	<b>84 425</b>
Interest-bearing loans and borrowings	12 666	918
Finance lease liabilities	2 579	68
Trade and other accounts payable	85 889	75 448
Income tax payable	2 175	2 266
<b>Total current liabilities</b>	<b>103 309</b>	<b>78 700</b>
<b>Total liabilities</b>	<b>275 285</b>	<b>163 125</b>
<b>Total equity, minority interests and liabilities</b>	<b>577 905</b>	<b>320 989</b>

# Cash Flows YTD Q3'07 vs. YTD Q3'06



<i>in thousands of Polish zloty</i>	Q3'07 YTD	Q3'06 YTD
<b>Cash flows from operating activities</b>		
Profit before tax	50 790	34 010
Adjustments for:		
Share of profit of associates	(705)	(530)
Amortization	5 030	4 486
Depreciation	31 593	25 335
Interest expense, net	3 727	2 940
Unrealized foreign exchange (gain)/loss	(13)	(2 104)
(Gain)/loss on disposal of fixed assets	192	(1 886)
Impairment losses	235	2 403
Equity-settled share based payments expenses	860	194
Waiver of loans	-	(3 396)
Working capital changes:		
(Increase)/decrease in receivables	1 218	8 450
(Increase)/decrease in inventories	431	(478)
(Increase)/decrease in other assets	(2 278)	(999)
Increase/(decrease) in payables and other liabilities	3 986	1 997
Increase/(decrease) in other provisions and employee benefits	(3 951)	(2 087)
Income taxes paid	(10 167)	(3 837)
Interest paid	(3 727)	(2 305)
Other	(1 892)	3 496
<b>Net cash provided by operating activities</b>	<b>75 329</b>	<b>65 689</b>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	(72 211)	(20 235)
Proceeds from the sale of property, plant and equipment	10 930	793
Proceeds from the sale of held-to-maturity financial assets	9 984	-
Acquisition of property, plant and equipment	(63 370)	(34 095)
Acquisition of intangible assets	(5 071)	(967)
Acquisition of investment in related parties	-	(10)
<b>Net cash used in investing activities</b>	<b>(119 738)</b>	<b>(54 514)</b>
Cash flows from financing activities		
Proceeds from borrowings	77 000	7 948
Acquisition of held-to-maturity investments	-	-
Proceeds from issuance of shares	-	-
Repayment of borrowings	(918)	(26 706)
Repayment of finance lease	(1 804)	(161)
<b>Net cash provided by/(used in) financing activities</b>	<b>74 278</b>	<b>(18 919)</b>
<b>Net change in cash and cash equivalents</b>	<b>29 869</b>	<b>(7 744)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>25 241</b>	<b>31 575</b>
<b>Effect of foreign exchange rate movements</b>	<b>(210)</b>	<b>(325)</b>
<b>Cash and cash equivalents, end of period</b>	<b>54 900</b>	<b>23 506</b>

# Key Figures (Q3'2006 – Q3'2007)



'000 PLN	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	(Q4'06 - Q3'07)	2006
<b>Sales</b>	167 325	181 998	177 596	187 064	237 069	783 727	629 326
Sales growth *	28,1%	28,8%	33,4%	27,4%	41,7%	33,1%	25,9%
Gross Profit (%)	14,6%	14,8%	14,8%	14,2%	14,6%	-	13,6%
<b>EBITDA</b>	24 124	27 988	27 713	27 082	36 351	119 134	91 205
EBITDA (%)	14,4%	15,4%	15,6%	14,5%	15,3%	15,2%	14,5%
<b>EBIT</b>	12 756	13 502	16 983	15 247	22 026	67 758	44 495
EBIT (%)	7,6%	7,4%	9,6%	8,2%	9,3%	8,6%	7,1%
<b>Net income</b>	9 495	10 197	13 287	12 072	15 729	51 285	38 642
Net income (%)	5,7%	5,6%	7,5%	6,5%	6,6%	6,5%	6,1%
<b>Net debt</b>	57 458	47 817	52 998	28 826	112 236	112 236	47 817
Net debt/Equity	38,6%	30,3%	31,0%	15,7%	37,1%	37,1%	30,3%

\* the growth vs. corresponding period in the previous year

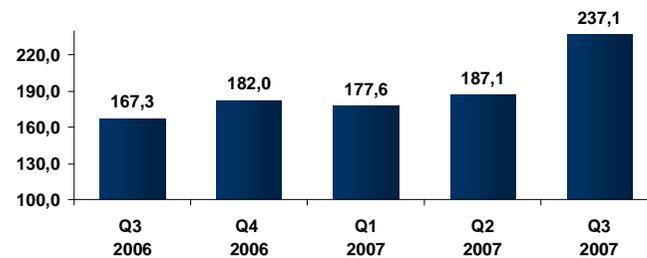
## Seasonality of sales:

The lowest sales are recorded in the first quarter of the year, which is attributable primarily to fewer operating days in February and fewer people dining out. The next quarter in terms of sales is the second quarter, in which the restaurants achieve better results thanks to improving weather and a positive effect of the beginning of the holiday season in June. The highest sales are achieved at the end of the third and at the beginning of the fourth quarter. Very good performance in the third quarter is attributable to the increased tourist traffic. Autumn is traditionally a season when people tend to dine out more frequently, which translates into higher sales. 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.

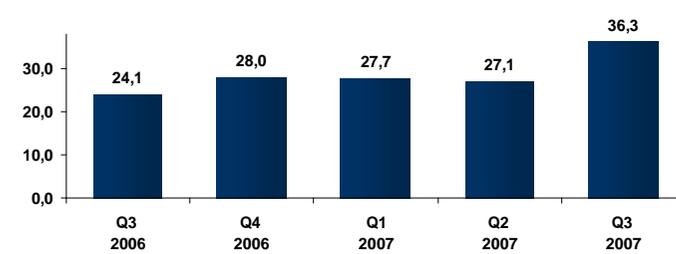
# Key Figures (Q3'2006 – Q3'2007)



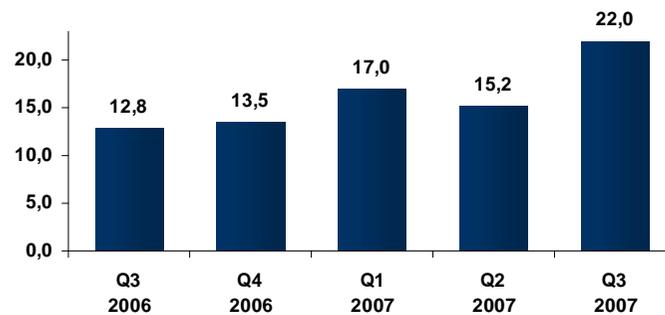
Sales PLN m



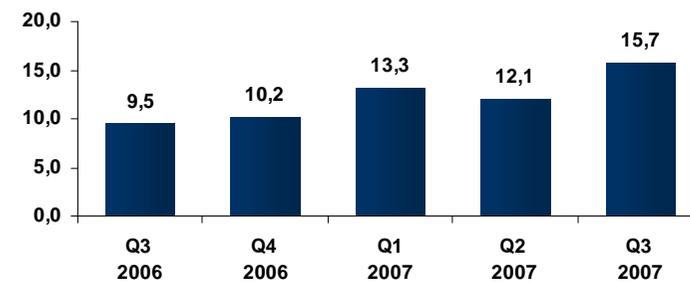
EBITDA PLN m



EBIT PLN m



Net PLN m



# AmRest Portfolio



## Quick Service Restaurants

## Casual Dining

	Quick Service Restaurants				Casual Dining	
<b>AGREEMENT TYPE</b>	FRANCHISE	PROPRIETARY	FRANCHISE	PARTNERSHIP	FRANCHISE	PROPRIETARY
<b>AMREST OPERATES IN...</b>				to be opened		
<b>No. OF AMREST RESTAURANTS</b>	162	7	2	to be opened	77	4
<b>No. OF RESTAURANTS WORLDWIDE</b>	13,000	7	11,100	14,000	12,300	4

- in total **252** restaurants
- 65 restaurants already added to portfolio and 10 already closed since the beginning of 2007 (net increase of 55) - including 41 restaurants in Russia (Pizza Nord acquisition)
- 33 restaurants opened and 5 closed/relocated in 2006 (net increase of 28) – including 17 restaurants in Hungary (Kentucky System acquisition)

# Growth Outlook



- **Core Business** – strong performance of the core from 2006 continues in 2007
- **New Brands update** – The leadership of both new brands, Rodeo Drive and freshpoint has been changed. In September first Rodeo Drive restaurant in Poznan was opened (Stary Browar). In the meantime we opened 1 freshpoint and closed 1. In total we currently operate 4 Rodeo Drives and 7 freshpoints. We will focus on these units until operating results are satisfactory and will begin further development there after.
- **Burger King update** – last week in Wroclaw we opened our 2nd restaurant. Our pipeline of new locations is developing well and we are still very encouraged by the performance of our first restaurant.
- **Starbucks update** – in September AmRest Coffee Czech was established and also in September both companies AmRest Coffee Poland and AmRest Coffee Czech signed with Starbucks the appropriate agreements regarding development and operation of Starbucks stores in Poland and Czech Republic. The Starbucks team continues its immersion process. First Starbucks store is planned for Q1 2008.
- **Bulgaria update** – the construction of the first KFC restaurant is currently at the last stages – the restaurant will be opened shortly.
- **Russia update** – following the acquisition of OOO AmRest (formerly Pizza Nord), we closed 1 Pizza Hut and currently we operate 22 Rostic-KFC and 18 Pizza Hut restaurants in the country. Q3 2007 was the first quarter when the business was consolidated in our P&L. Meantime we signed preliminary agreements regarding the total of 20 additional Rostic-KFC restaurants in Moscow and the purchase of 30% equity interest in Kroshka-Kartoshka quick service restaurant chain operating in Russia and Ukraine (currently about 180 units with 2007 forecasted sales of USD 70 m and EBITDA of over USD 13 m). Both projects are subject to successful due diligence process, which we are currently engaged in.
- **Serbia** – in October we established AmRest Serbia subsidiary (60/40 JV with ProFood) and in November our first KFC has opened with great success in Belgrade.