



AmRest Holdings N.V.
Management Board
Q2'2007 Teleconference
with Investors

14th of August 2007

Teleconference details



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

PIN Number: **6584**

The complete AmRest Q2'2007 Financial Report is available to download in the Investor Relations section at: <http://www.amrest.pl/eng/>

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Growth of Sales



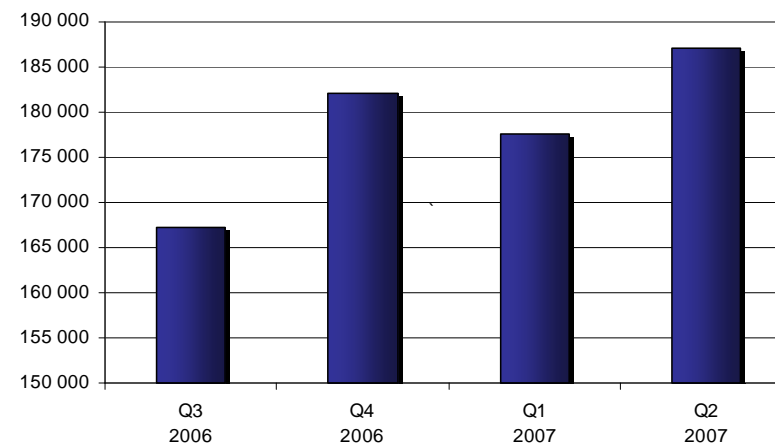
- AmRest finished the Q2 2007 with **all-time sales record** – PLN 187.1 m (increase of 27.4% compared with Q2 2006).

- The rise came from both **same-store-sales in existing markets as well as new units in Hungary**. As a result of Hungarian acquisition additional PLN 11.4 m of sales was added.

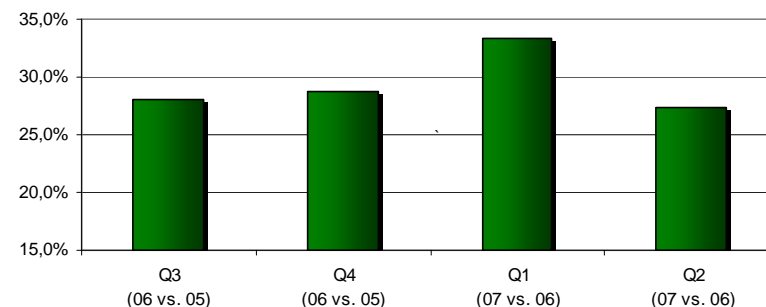
- The split of sales between Poland, Czech Republic and Hungary in Q2 2007 was the following: **69%, 25% and 6%**. As for the total H1 2007, the proportion was exactly the same. In 2006 the share of Polish and Czech businesses amounted to **71% vs. 29%** respectively (for Q2 2006) and **72% vs. 28%** (for H1 2006).

- The Polish sales increased by **24.1%** in Q2 2007 (quarter on quarter) and by **24.7%** in H1 2007. The Czech sales grew up by **8.6%** and by **15.6%** respectively.

Sales revenues by quarter [PLN]



Sales increases (quarter on quarter)



Profit & Loss Account Q2'2007 vs. Q2'2006

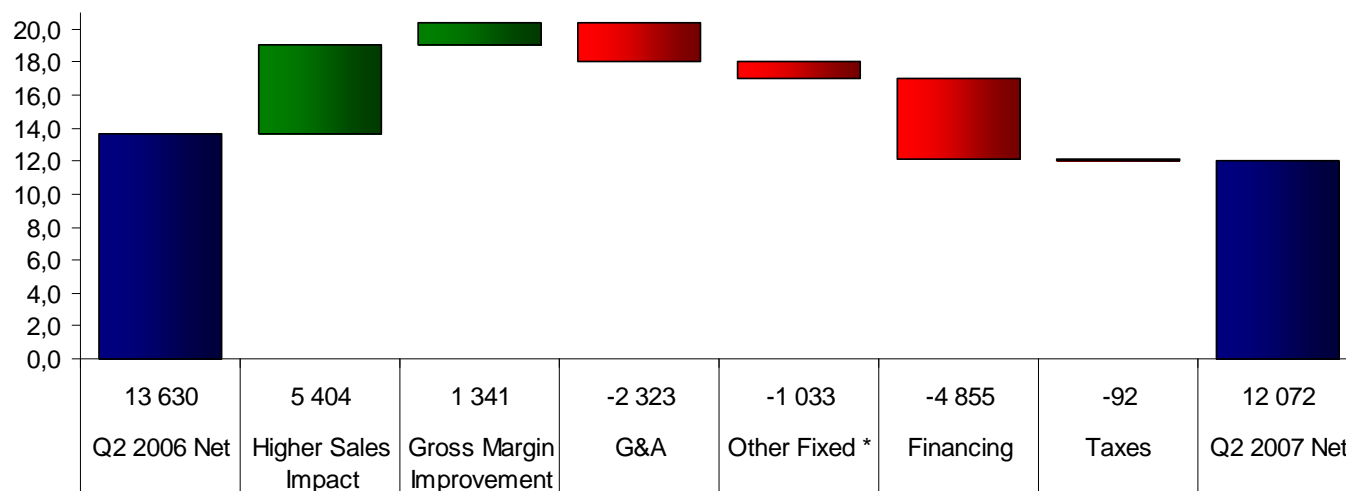


<i>in thousands of Polish zloty</i>	Q2 2007	Q2 2006
Restaurant sales	187 064	146 842
Restaurant expenses:		
Cost of food	(62 361) 33,3%	(49 541) 33,7%
Direct marketing expenses	(8 001) 4,3%	(6 864) 4,7%
Direct depreciation and amortization expenses	(10 980) 5,9%	(9 035) 6,2%
Payroll and employee benefits	(35 830) 19,2%	(27 495) 18,7%
Continuing franchise fees	(10 991) 5,9%	(8 712) 5,9%
Occupancy and other operating expenses	(32 428) 17,3%	(25 467) 17,3%
Gross profit on sales	26 473 14,2%	19 728 13,4%
General and administrative (G&A) expenses	(11 578) 6,2%	(9 255) 6,3%
Depreciation and amortization expense (G&A)	(606) 0,3%	(513) 0,3%
Other operating income/(expense), net	1 689 0,9%	1 091 0,7%
Gain/(loss) on the disposal of fixed assets	(482) 0,3%	2 302 1,6%
Impairment gain/(losses)	(249) 0,1%	(1 495) 1,0%
EBIT	15 247 8,2%	11 858 8,1%
EBITDA	27 082 14,5%	22 901 15,6%
Financing income	66 0,0%	6 021 4,1%
Financing costs	(1 176) 0,6%	(2 198) 1,5%
Share of profit of associates	224 0,1%	146 0,1%
Net profit before tax	14 361 7,7%	15 827 10,8%
Income tax expense	(2 289) 1,2%	(2 197) 1,5%
Net profit	12 072 6,5%	13 630 9,3%

Net Profit Bridge (Q2'2007 vs. Q2'2006)



['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 H1'2007 vs. H1'2006

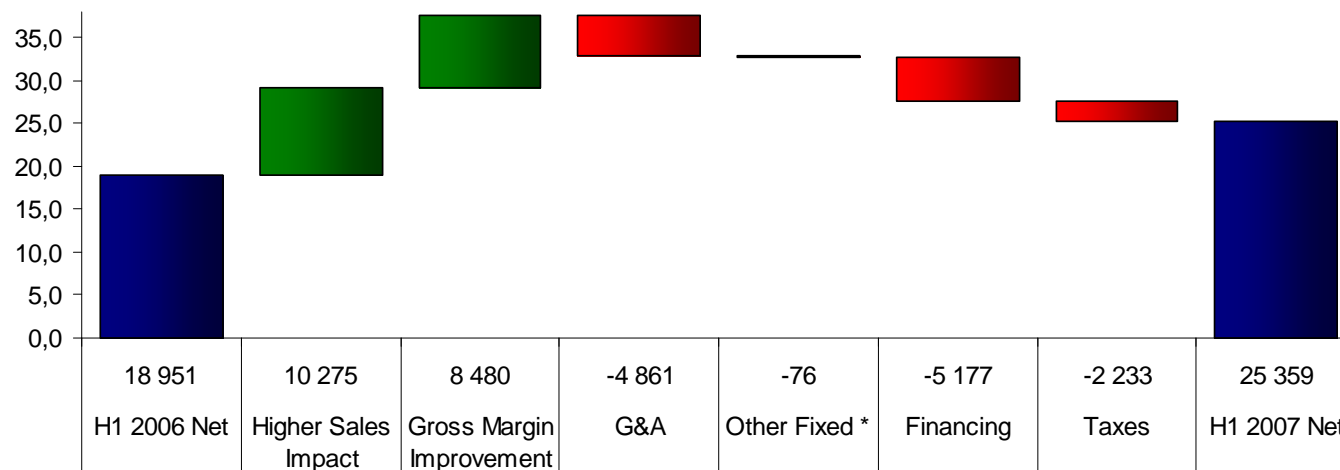


<i>in thousands of Polish zloty</i>	H1 2007	H1 2006
Restaurant sales	364 660	280 009
Restaurant expenses:		
Cost of food	(121 324) 33,3%	(94 470) 33,7%
Direct marketing expenses	(15 662) 4,3%	(14 411) 5,1%
Direct depreciation and amortization expenses	(21 116) 5,8%	(18 448) 6,6%
Payroll and employee benefits	(70 724) 19,4%	(53 215) 19,0%
Continuing franchise fees	(21 463) 5,9%	(16 602) 5,9%
Occupancy and other operating expenses	(61 627) 16,9%	(48 874) 17,5%
Gross profit on sales	52 744 14,5%	33 989 12,1%
General and administrative (G&A) expenses	(22 052) 6,0%	(17 191) 6,1%
Depreciation and amortization expense (G&A)	(1 182) 0,3%	(1 004) 0,4%
Other operating income/(expense), net	3 451 0,9%	1 900 0,7%
Gain/(loss) on the disposal of fixed assets	(482) 0,1%	2 213 0,8%
Impairment gain/(losses)	(249) 0,1%	(1 495) 0,5%
EBIT	32 230 8,8%	18 412 6,6%
EBITDA	54 777 15,0%	39 359 14,1%
Financing income	321 0,1%	6 149 2,2%
Financing costs	(2 310) 0,6%	(2 825) 1,0%
Share of profit of associates	482 0,1%	346 0,1%
Net profit before tax	30 723 8,4%	22 082 7,9%
Income tax expense	(5 364) 1,5%	(3 131) 1,1%
Net profit	25 359 7,0%	18 951 6,8%

Net Profit Bridge (H1'2007 vs. H1'2006)



['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.

Balance sheet Q2'2007 vs. 2006 (in '000 PLN)



<i>in thousands of Polish złoty</i>	30 Jun '07	31 Dec '06
Assets		
Property, plant and equipment, net	208 949	191 705
Intangible assets	13 362	12 829
Goodwill	23 222	23 516
Investments in associates	1 703	1 221
Other non-current assets	17 827	17 726
Deferred tax assets	9 569	9 336
Total non-current assets	274 632	256 333
Inventories	8 671	8 134
Trade and other receivables	10 412	11 460
Income tax receivable	-	-
Other current assets	7 079	5 976
Held-to-maturity investments	-	9 984
Cash and cash equivalents	39 068	25 241
Assets held for sale	-	3 861
Total current assets	65 230	64 656
Total assets	339 862	320 989
Equity		
Issued capital	519	519
Share premium	219 639	219 137
Retained deficit	(56 931)	(95 514)
Current year net profit	24 829	38 583
Cumulative translation adjustment	(4 574)	(4 940)
Equity attributable to shareholders of the parent	183 482	157 785
Minority interests	609	79
Total equity	184 091	157 864
Liabilities		
Interest-bearing loans and borrowings	61 428	72 140
Finance lease liabilities	3 094	3 326
Employee benefits	1 145	913
Provisions	2 882	5 565
Deferred tax liabilities	509	760
Other non-current liabilities	1 486	1 721
Total non-current liabilities	70 544	84 425
Interest-bearing loans and borrowings	6 466	918
Finance lease liabilities	70	68
Trade and other accounts payable	75 679	75 448
Income tax payable	3 012	2 266
Total current liabilities	85 227	78 700
Total liabilities	155 771	163 125
Total equity, minority interests and liabilities	339 862	320 989

Cash Flows H1'2007 vs. H1'2006 (in '000 PLN)



<i>in thousands of Polish zloty</i>	Q2'07 YTD	Q2'06 YTD
Cash flows from operating activities		
Profit before tax	30 723	22 082
Adjustments for:		
Share of profit of associates	(482)	(346)
Amortization	3 164	2 815
Depreciation	19 134	16 637
Interest expense, net	1 094	2 009
Unrealized foreign exchange (gain)/loss	497	(2 544)
(Gain)/loss on disposal of fixed assets	482	(2 213)
Impairment losses	249	1 404
Equity-settled share based payments expenses	502	194
Waiver of loans	-	(3 396)
Working capital changes:		
(Increase)/decrease in receivables	1 067	8 159
(Increase)/decrease in inventories	(537)	(53)
(Increase)/decrease in other assets	(1 194)	(1 891)
Increase/(decrease) in payables and other liabilities	(4)	7 147
Increase/(decrease) in other provisions and employee benefits	(3 869)	(2 498)
Income taxes paid	(3 684)	(1 671)
Interest paid	(1 094)	(1 374)
Other	1 116	(3 110)
Net cash provided by operating activities	47 164	41 351
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(1 900)	(20 235)
Proceeds from the sale of property, plant and equipment	8 581	3 952
Proceeds from the sale of held-to-maturity financial assets	9 984	-
Acquisition of property, plant and equipment	(44 230)	(19 890)
Acquisition of intangible assets	(3 972)	(486)
Acquisition of investment in related parties	-	(10)
Net cash used in investing activities	(31 537)	(36 669)
Cash flows from financing activities		
Proceeds from borrowings	-	5 643
Acquisition of held-to-maturity investments	-	-
Proceeds from issuance of shares	-	-
Repayment of borrowings	(918)	(20 693)
Repayment of finance lease	(230)	(210)
Net cash provided by/(used in) financing activities	(1 148)	(15 260)
Net change in cash and cash equivalents	14 479	(10 578)
Cash and cash equivalents, beginning of period	25 241	31 575
Effect of foreign exchange rate movements	(652)	(384)
Cash and cash equivalents, end of period	39 068	20 613

Key Figures (Q2'2006 – Q2'2007)



'000 PLN	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	(Q3'06 - Q2'07)	2006
Sales	146 842	167 325	181 998	177 596	187 064	713 983	629 326
<i>Sales growth *</i>	20,9%	28,1%	28,8%	33,4%	27,4%	29,4%	25,9%
<i>Gross Profit (%)</i>	13,5%	14,6%	14,8%	14,8%	14,2%	-	13,6%
EBITDA	22 636	24 124	27 988	27 713	27 082	106 907	91 205
<i>EBITDA (%)</i>	15,4%	14,4%	15,4%	15,6%	14,5%	15,0%	14,5%
EBIT	11 684	12 756	13 502	16 983	15 247	58 488	44 495
<i>EBIT (%)</i>	8,0%	7,6%	7,4%	9,6%	8,2%	8,2%	7,1%
Net income	13 630	9 495	10 197	13 287	12 072	45 051	38 642
<i>Net income (%)</i>	9,3%	5,7%	5,6%	7,5%	6,5%	6,3%	6,1%
Net debt	62 339	57 458	47 817	52 998	28 826	28 826	47 817
<i>Net debt/Equity</i>	44,7%	38,6%	30,3%	31,0%	15,7%	15,7%	30,3%

* the growth vs. corresponding period in the previous year

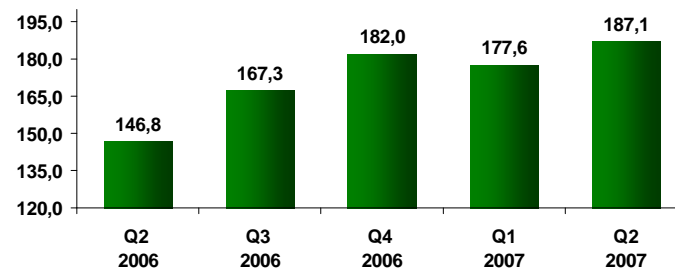
Seasonality of sales:

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.

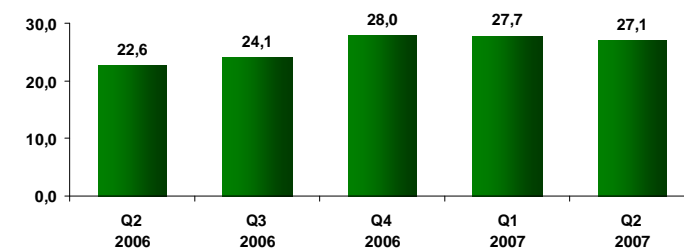
Key Figures (Q2'2006 – Q2'2007)



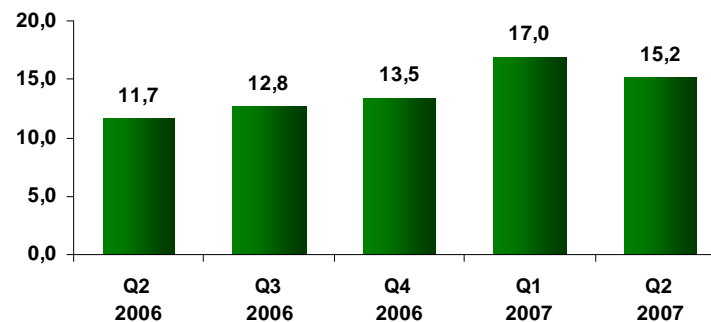
Sales PLN m



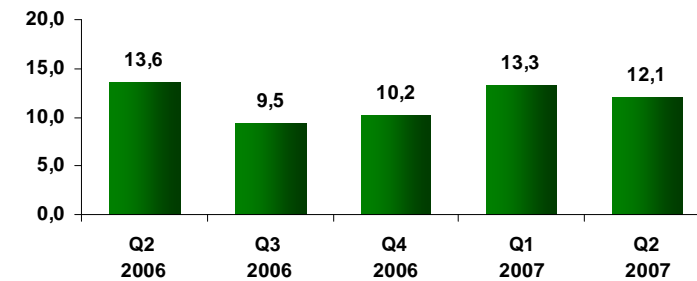
EBITDA PLN m



EBIT PLN m



Net PLN m



AmRest Portfolio



Quick Service Restaurants

Casual Dining

	Quick Service Restaurants				Casual Dining	
AGREEMENT TYPE	FRANCHISE	PROPRIETARY	FRANCHISE	PARTNERSHIP	FRANCHISE	PROPRIETARY
AMREST OPERATES IN...	 			to be opened	 	
No. OF AMREST RESTAURANTS	156	7	1	to be opened	78	3
No. OF RESTAURANTS WORLDWIDE	13,000	7	11,100	14,000	12,300	3

- in total **245** restaurants
- 57 restaurants already added to portfolio and 9 already closed since the beginning of 2007 (net increase of 48) - 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** – in May first Rodeo Drive restaurant in Warsaw was opened (Nowy Swiat). In the meantime we opened 2 freshpoints (including 1st unit outside Warsaw - in Wroclaw). In total we currently operate 3 Rodeo Drives and 7 freshpoints. We continue to open the restaurants to reach the critical mass needed to evaluate our new concepts (4 Rodeo Drives and 9 freshpoints).
- **Burger King update** – we are very pleased with sales revenues generated by our first Burger King opened in Warsaw in May - the next unit will be opened shortly.
- **Starbucks update** – at the end of May we signed the JV Agreements regarding the establishment of JV companies (82% AmRest and 18% Starbucks) in Poland, Czech Republic and Hungary. The Starbucks team has already commenced with the immersion process. AmRest Coffee s.r.o. (the Czech JV subsidiary) is currently in the establishment process.
- **Hungary update** – we continue the development of the business by opening new restaurants and restructuring the existing portfolio. We strengthen KFC brand in the country (since the beginning of 2007 we have already opened 4 KFC restaurants) whereas the Pizza Hut brand is being remodelled and adjusted to AmRest standards (3 units closed in 2007). The business shows positive CF.
- **Bulgaria update** – we increased the capital of AmRest EOOD by BGN 1.2 m. First KFC restaurant is currently under construction - we hope to open it still before the end of 2007.
- **Russia** – at the beginning of July we finalized the acquisition of Pizza Nord, the operator of 22 Rostic-KFC and 19 Pizza Hut. The results of these restaurants will be included in our P&L commencing with the third quarter of 2007 – we anticipate that the Russian business will contribute about PLN 67 m of sales in 2007.