



AmRest Holdings N.V.
Management Board
Q1'2007 Teleconference
with Investors

15th of May 2007

Teleconference details



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

PIN Number: **6584**



The complete AmRest Q1'2007 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



- In Q1 2007 AmRest had a **record sales dynamic** – the sales increased by 33.4% (compared to Q1 2006) and amounted to PLN 177.6 m. It was the third consecutive quarter with all-time sales dynamic record.

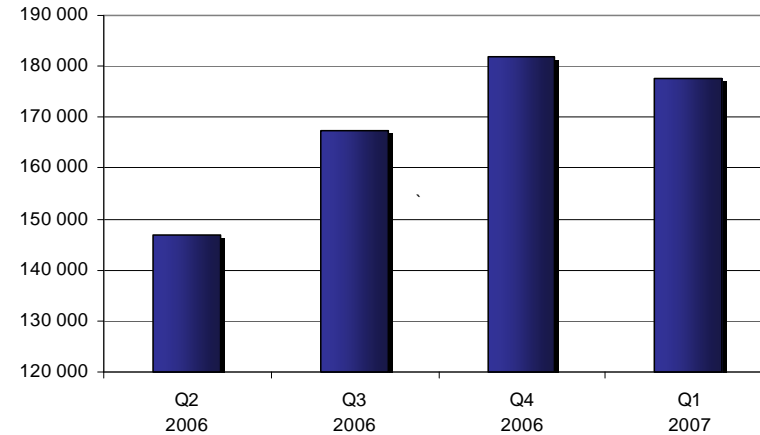
- The rise came from both **same-store-sales in existing markets as well as new units in Hungary**. As a result of Hungarian acquisition additional PLN 11.3 m of sales was added.

- Although the first quarter of the year has usually the lowest sales, in Q1 2007 AmRest had the **second best sales result** in its history.

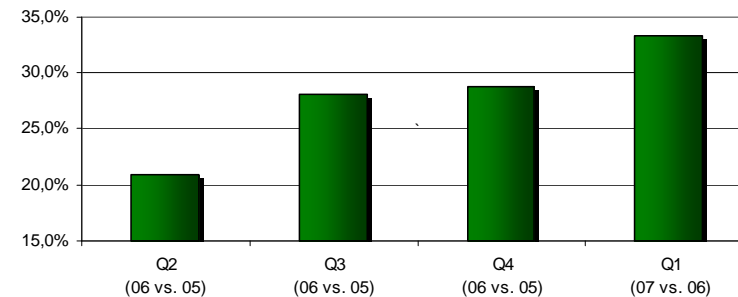
- The split of sales between Poland, Czech Republic and Hungary in Q1 2007 was the following: **68%, 26% and 6%**. In 2006 the share of Polish and Czech businesses amounted to **72% vs. 28%** respectively (for Q1 2006).

- The Polish sales increased by **25.3%** in Q1 2007 (quarter on quarter) and the Czech sales by **23.7%** respectively.

Sales revenues by quarter [PLN]



Sales increases (quarter on quarter)



Profit & Loss Account Q1'2007 vs. Q1'2006

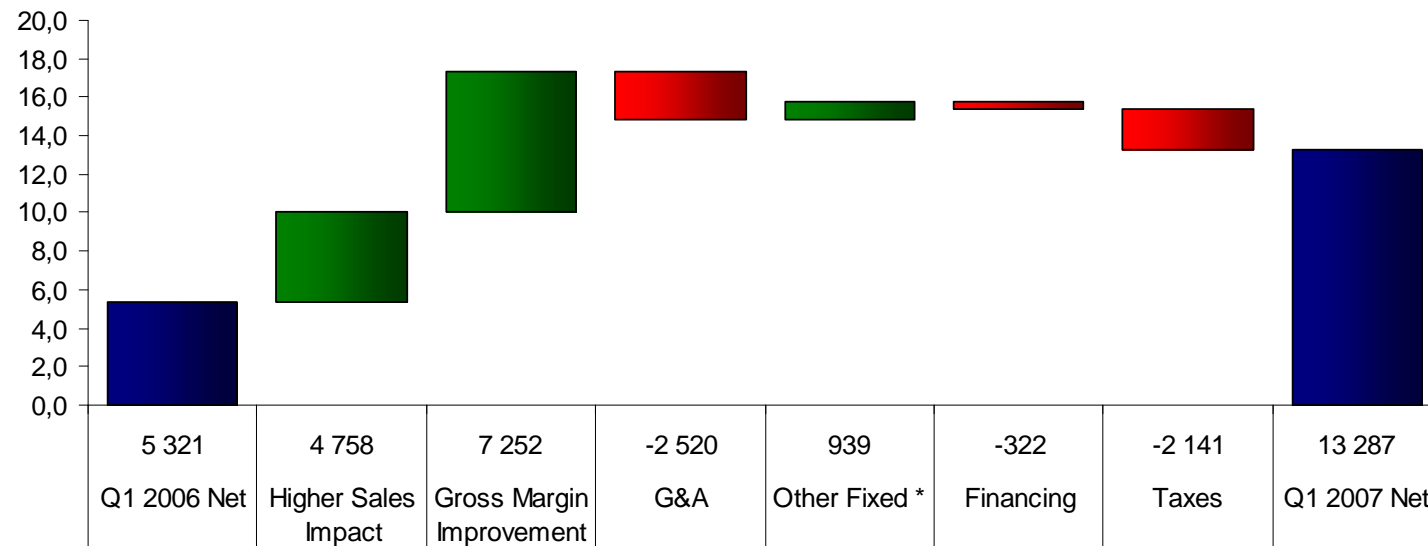


<i>in thousands of Polish złoty</i>	Q1 2007		Q1 2006	
Restaurant sales	177 596		133 167	
Restaurant expenses:				
Cost of food	(58 963)	33,2%	(44 929)	33,7%
Direct marketing expenses	(7 661)	4,3%	(7 547)	5,7%
Direct depreciation and amortization expenses	(10 136)	5,7%	(9 413)	7,1%
Payroll and employee benefits	(34 894)	19,6%	(25 720)	19,3%
Continuing franchise fees	(10 472)	5,9%	(7 890)	5,9%
Occupancy and other operating expenses	(29 199)	16,4%	(23 407)	17,6%
Gross profit on sales	26 271	14,8%	14 261	10,7%
General and administrative (G&A) expenses	(10 456)	5,9%	(7 936)	6,0%
Depreciation and amortization expense (G&A)	(576)	0,3%	(491)	0,4%
Other operating income/(expense), net	1 762	1,0%	809	0,6%
Gain/(loss) on the disposal of fixed assets	-	-	(89)	0,1%
Impairment gain/(losses)	(18)	0,0%	-	-
EBIT	16 983	9,6%	6 554	4,9%
EBITDA	27 713	15,6%	16 458	12,4%
Finance income	255	0,1%	128	0,1%
Finance costs	(1 134)	0,6%	(627)	0,5%
Share of profit of associates	258	0,1%	200	0,2%
Net profit before tax	16 362	9,2%	6 255	4,7%
Income tax expense	(3 075)	1,7%	(934)	0,7%
Net profit	13 287	7,5%	5 321	4,0%

Net Profit Bridge (Q1'2007 vs. Q1'2006)



['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 Q1'2007 vs. 2006 (in '000 PLN)



<i>in thousands of Polish zloty</i>	31 Mar '07	31 Dec '06	Change
Assets			
Property, plant and equipment, net	199 150	191 705	7 445
Intangible assets	12 178	12 829	(651)
Goodwill	23 473	23 516	(43)
Investments in associates	1 479	1 221	258
Other non-current assets	18 494	17 726	768
Deferred tax assets	8 490	9 336	(846)
Total non-current assets	263 264	256 333	6 931
Inventories	8 177	8 134	43
Trade and other receivables	13 557	11 460	2 097
Income tax receivable	-	-	-
Other current assets	6 722	5 976	746
Held-to-maturity investments	9 988	9 984	4
Cash and cash equivalents	19 341	25 241	(5 900)
Assets held for sale	3 861	3 861	-
Total current assets	61 646	64 656	(3 010)
Total assets	324 910	320 989	3 921
Equity			
Issued capital	519	519	-
Share premium	219 344	219 137	207
Retained deficit	(56 931)	(95 514)	38 583
Current year net profit	13 281	38 583	(25 302)
Cumulative translation adjustment	(5 223)	(4 940)	(283)
Equity attributable to shareholders of the parent	170 990	157 785	13 205
Minority interests	85	79	6
Total equity	171 075	157 864	13 211
Liabilities			
Interest-bearing loans and borrowings	68 113	72 140	(4 027)
Finance lease liabilities	3 278	3 326	(48)
Employee benefits	915	913	2
Provisions	3 705	5 565	(1 860)
Deferred tax liabilities	634	760	(126)
Other non-current liabilities	1 626	1 721	(95)
Total non-current liabilities	78 271	84 425	(6 154)
Interest-bearing loans and borrowings	4 226	918	3 308
Finance lease liabilities	70	68	2
Trade and other accounts payable	66 825	75 448	(8 623)
Income tax payable	4 443	2 266	2 177
Total current liabilities	75 564	78 700	(3 136)
Total liabilities	153 835	163 125	(9 290)
Total equity, minority interests and liabilities	324 910	320 989	3 921

Cash Flows Q1'2007 YTD vs. Q1'2006 YTD (in '000 PLN)



<i>in thousands of Polish zloty</i>	Q1'07 YTD	Q1'06 YTD
Cash flows from operating activities		
Profit before tax	16 362	6 255
Adjustments for:		
Share of profit of associates	(258)	(200)
Amortization	1 396	1 412
Depreciation	9 316	8 492
Interest expense, net	517	1 594
Unrealized foreign exchange (gain)/loss	210	1 178
(Gain)/loss on disposal of fixed assets	-	89
Impairment losses	-	-
Equity-settled share based payments expenses	207	-
Forgiveness of loans	-	-
Working capital changes:		
(Increase)/decrease in receivables	(146)	6 419
(Increase)/decrease in inventories	(25)	(13)
(Increase)/decrease in other assets	(668)	(558)
Increase/(decrease) in payables and other liabilities	(8 845)	(1 791)
Increase/(decrease) in other provisions and employee benefits	(1 858)	652
Income taxes paid	(1 309)	(1 126)
Interest paid	(517)	(888)
Other	(168)	123
Net cash provided by operating activities	14 214	21 638
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(1 951)	-
Proceeds from the sale of property, plant and equipment	-	-
Acquisition of property, plant and equipment	(17 799)	(10 230)
Acquisition of intangible assets	(364)	(398)
Acquisition of investment in related parties	-	(10)
Loans repaid/(granted)	-	-
Net cash used in investing activities	(20 114)	(10 638)
Cash flows from financing activities		
Proceeds from borrowings	-	3 922
Acquisition of held-to-maturity investments	-	-
Proceeds from issuance of shares	-	-
Repayment of borrowings	-	(21 941)
Repayment of finance lease	(46)	-
Net cash provided by/(used in) financing activities	(46)	(18 019)
Net change in cash and cash equivalents	(5 946)	(7 019)
Cash and cash equivalents, beginning of period	25 241	31 575
Effect of foreign exchange rate movements	46	(198)
Cash and cash equivalents, end of period	19 341	24 358

Key Figures (Q1'2006 – Q1'2007)



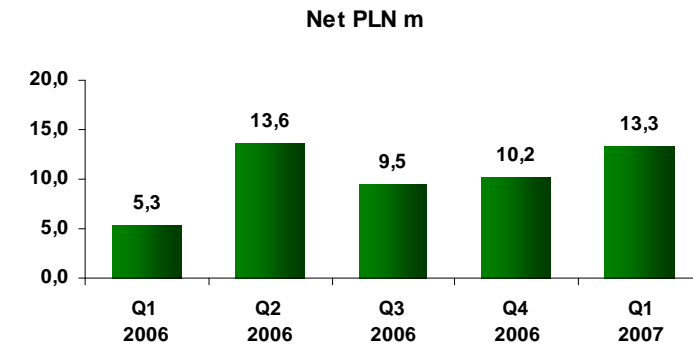
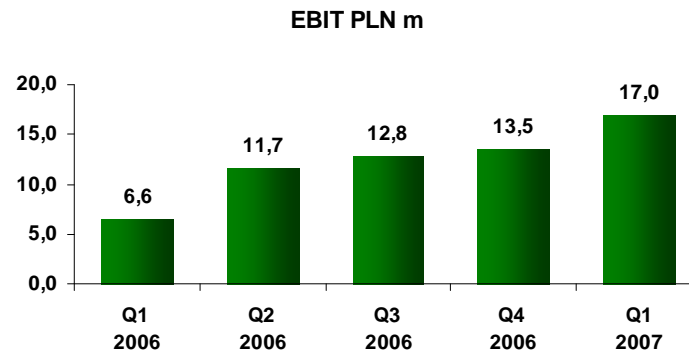
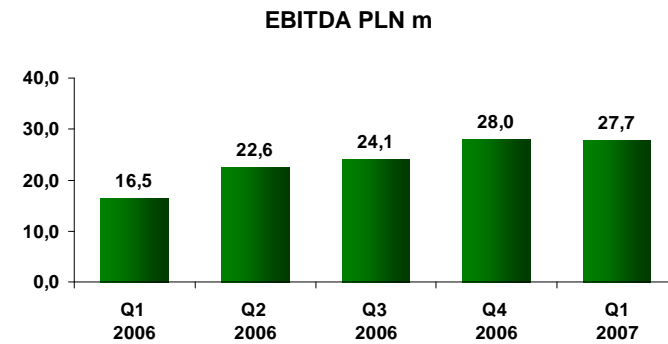
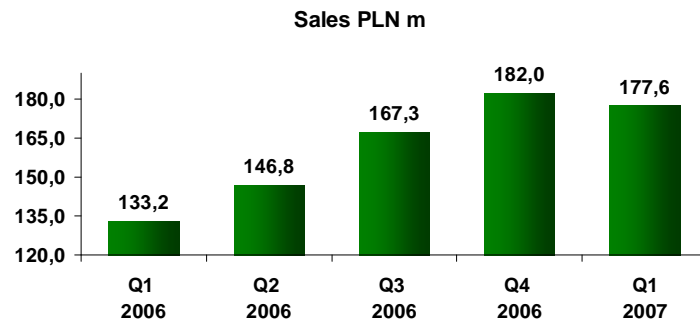
'000 PLN	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	(Q2'06 - Q1'07)	2006
Sales	133 167	146 842	167 325	181 998	177 596	673 761	629 326
Sales growth *	25,1%	20,9%	28,1%	28,8%	33,4%	28,0%	25,9%
Gross Profit (%)	10,8%	13,5%	14,6%	14,8%	14,8%	-	13,6%
EBITDA	16 458	22 636	24 124	27 988	27 713	102 461	91 205
EBITDA (%)	12,4%	15,4%	14,4%	15,4%	15,6%	15,2%	14,5%
EBIT	6 554	11 684	12 756	13 502	16 983	54 925	44 495
EBIT (%)	4,9%	8,0%	7,6%	7,4%	9,6%	8,2%	7,1%
Net income	5 321	13 630	9 495	10 197	13 287	46 609	38 642
Net income (%)	4,0%	9,3%	5,7%	5,6%	7,5%	6,9%	6,1%
Net debt	58 833	62 339	57 458	47 817	52 998	52 998	47 817
Net debt/Equity	46,1%	44,7%	38,6%	30,3%	31,0%	31,0%	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 (Q1'2006 – Q1'2007)



AmRest Group – restaurants



Poland					Czech Republic		Hungary	
81 rest.	51 rest.	1 rest.	5 rest.	1 rest.	43 rest.	1 rest.	8 rest.	11 rest.
QSR	Casual Dining	Casual Dining	QSR	QSR	QSR	Casual Dining	QSR	Casual Dining
Dine In	Dine In	Dine In	Sandwich	Burgers	Dine In	Bar & Grill	Dine In	Dine In
Take-away	Take-away	Bar & Grill	Dine In	Dine In	Take-away	Bar & Grill	Take-away	Take-away
Drive through	Delivery	Dine In	Take away	Take away	Drive through	Dine In	Drive through	Delivery
Delivery							Delivery	

- 11 restaurants already opened and 6 already closed since the beginning of 2007 (net increase of 5)
- 33 restaurants opened and 5 closed/relocated in 2006 (net increase of 28)
- 1st Burger King restaurant opened in Warsaw in May!



Growth Outlook



- **Core Business** – strong performance of the core from 2006 continues in 2007
- **Hungary update** – as planned we develop the business by opening new restaurants and restructuring the existing portfolio (we already opened 3 restaurants and closed 1 in 2007); we continue to improve the elements of the P/L with growing scale of the business; at the same time we are strengthening our local team to support our growth (G&A and start-ups are affected); despite all these initiatives the business shows positive CF ahead of plan.
- **New Brands update** – we continue to meet with delays in our test of new concepts freshpoint and Rodeo Drive. We continue to open the restaurants to reach the critical mass needed to evaluate but given the delays will open 9 freshpoints and 4 Rodeo Drives versus 10 & 5 as originally planned. Due to delays we continue to have operational inefficiencies and development cost overruns. The Brand positioning of each is clear but we are too slow in delivery to market and thus are unable to provide any forward looking guidance on the impact to AmRest's growth.
- **Burger King update** – in March we signed the final agreements with Burger King. Our first Burger King has opened with great success in Warsaw on May 3rd. The taste of the Whopper appears to be irresistible!
- **Starbucks update** – after signing the Preliminary Agreement regarding Poland, Czech and Hungary and following the establishing of AmRest Coffee Sp. z o.o. in Poland we continue our contractual and business planning discussions; we expect to finalize this process in the 2nd quarter of the year;
- **Bulgaria** – following Yum!'s acceptance regarding Bulgaria, we established AmRest EOOD in Sofia. We hope to open the first KFC restaurant before the end of 2007.
- **AmRest Outlook update** – we are planning an investors' conference to summarize the operational and financial aspects of our development plans for May 29th in Warsaw.