



IMPEL SA

Management Presentation

Consolidated Results for 2004



All data according to Polish Accounting Standards




Annual Financial Results

Financial Highlights

PLN '000	2002	2003	2004
Sales revenue	406 417	449 130	568 950
Amortisation/depreciation	16 154	18 756	19 270
EBIT <i>net of subsidies</i>	(61 781)	(71 423)	(63 149)
Subsidies	86 159	96 978	66 974
EBIT	24 378	25 555	3 825
EBITDA	40 532	44 311	23 095
Net profit/(loss)	34 495	22 017	(6 258)
Assets	235 075	393 856	351 467
Cash	16 513	160 320	81 640
Shareholders' equity	89 709	255 684	206 236
Long-term liabilities	7 803	7 140	2 815
Short-term liabilities	109 702	98 954	104 735
Interest-bearing debt	30 442	19 388	8 983

Balance-sheet data as at end of periods.





Quarterly Financial Results

Net profit for Q4 2004

PLN '000	AVQ 2003	Q1 2004	Q2 2004	Q3 2004	Q4 2004
Sales revenue	112 283	130 587	138 331	147 348	152 684
Amortisation/depreciation	4 689	4 593	5 278	5 275	4 124
EBIT <i>net of subsidies</i>	(17 856)	(14 772)	(24 945)	(15 114)	(8 318)
Subsidies	24 245	19 015	2 946	17 285	27 728
EBIT	6 389	4 243	(21 999)	2 171	19 410
EBITDA	11 078	8 836	(16 721)	7 446	23 534
Net profit/(loss)	5 504	3 293	(20 604)	(2 317)	13 370
Assets	393 856	373 059	373 277	355 649	351 467
Cash	160 320	117 698	105 439	86 881	81 640
Shareholders' equity	255 684	220 976	195 255	192 915	206 236
Long-term liabilities	7 140	5 852	5 048	3 987	2 815
Short-term liabilities	98 954	111 657	119 907	104 512	104 753
Interest-bearing debt	19 388	17 868	14 654	12 904	8 983

Balance-sheet data as at end of periods.

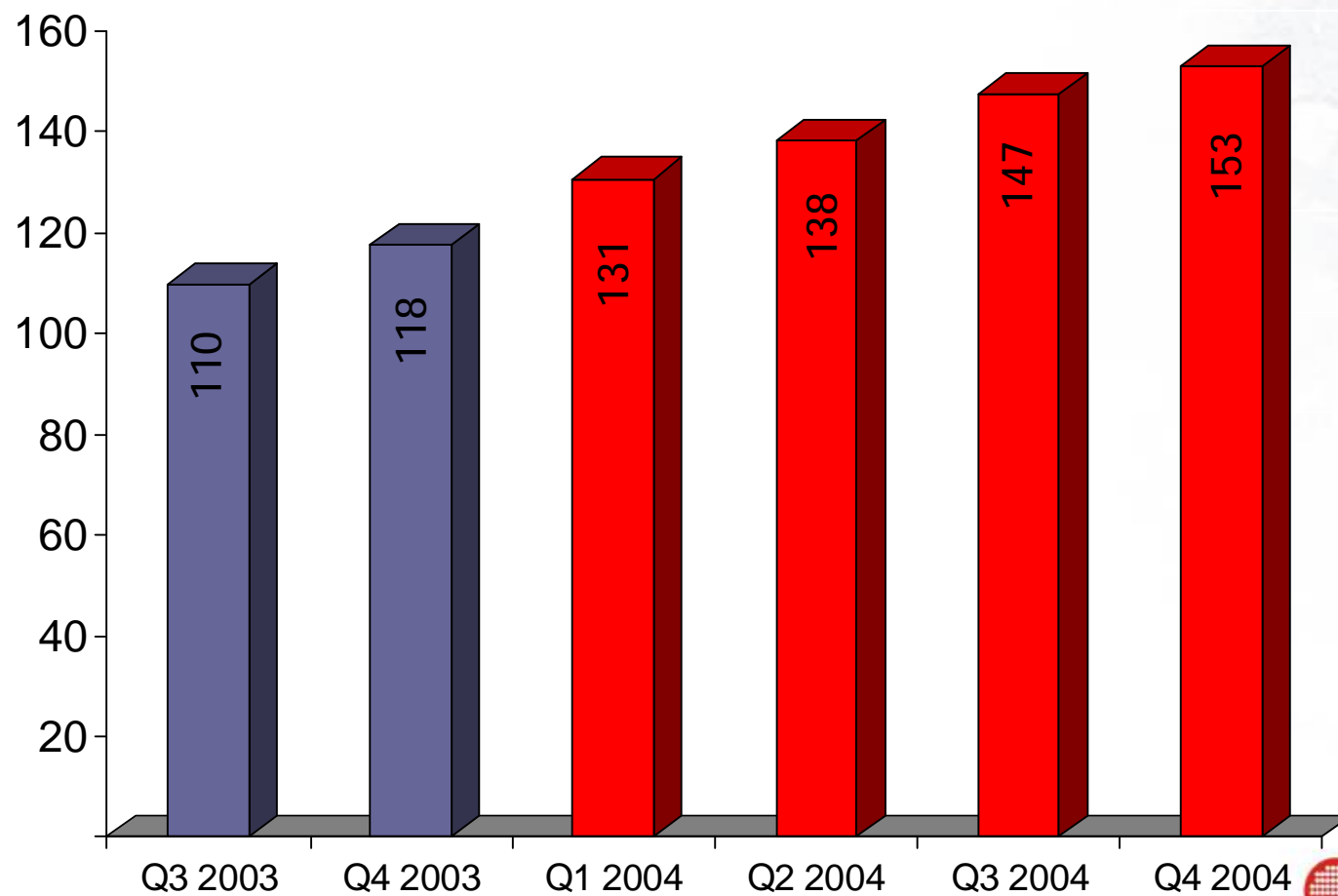




Impel Group Sales Revenue

Quarterly Sales Up by Additional PLN 6m

PLNm

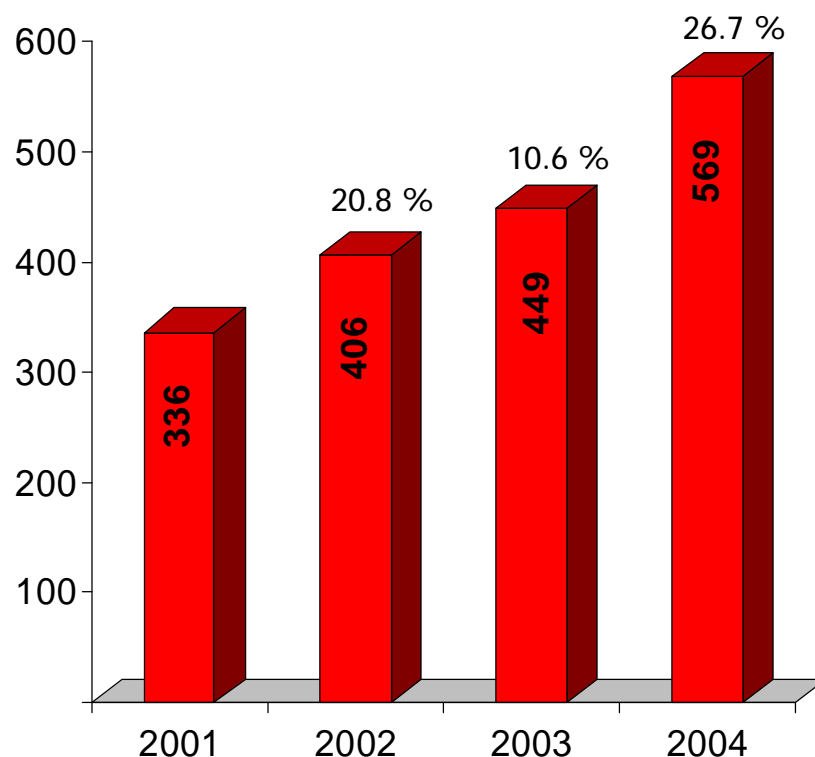




Actual vs. Forecast Sales for 2004

Sales Target Surpassed by PLN12m (2.2%)

PLNm



- Sales up by PLN 120m (26.7%) in relation to 2003
 - 14.8% through organic growth (PLN 66m)
 - 11.9% through acquisitions (PLN 54m)
- The increase is presented after accounting for the effect of termination and loss of contracts resulting from restructuring.



••••• EBIT and Net Profit in Q4 2004

Better Operating Performance

- Significant factors with a bearing on Q4 2004 results:
 - Restructuring costs, EBIT down by PLN 1.4m
 - Release of provisions and settlement of costs – one-off EBIT increase by PLN 2m
 - Retroactive changes in regulations – higher subsidies for previous periods, EBIT up by PLN 13.2m
 - Additional consolidation goodwill write-off relating to GP Bis Sp. z o.o. – net result down by PLN 0.9m
- Improvement of **EBIT before subsidies**, restructuring costs and one-off adjustments – by **PLN 8.9m.**



Actual vs. Forecast Net Result

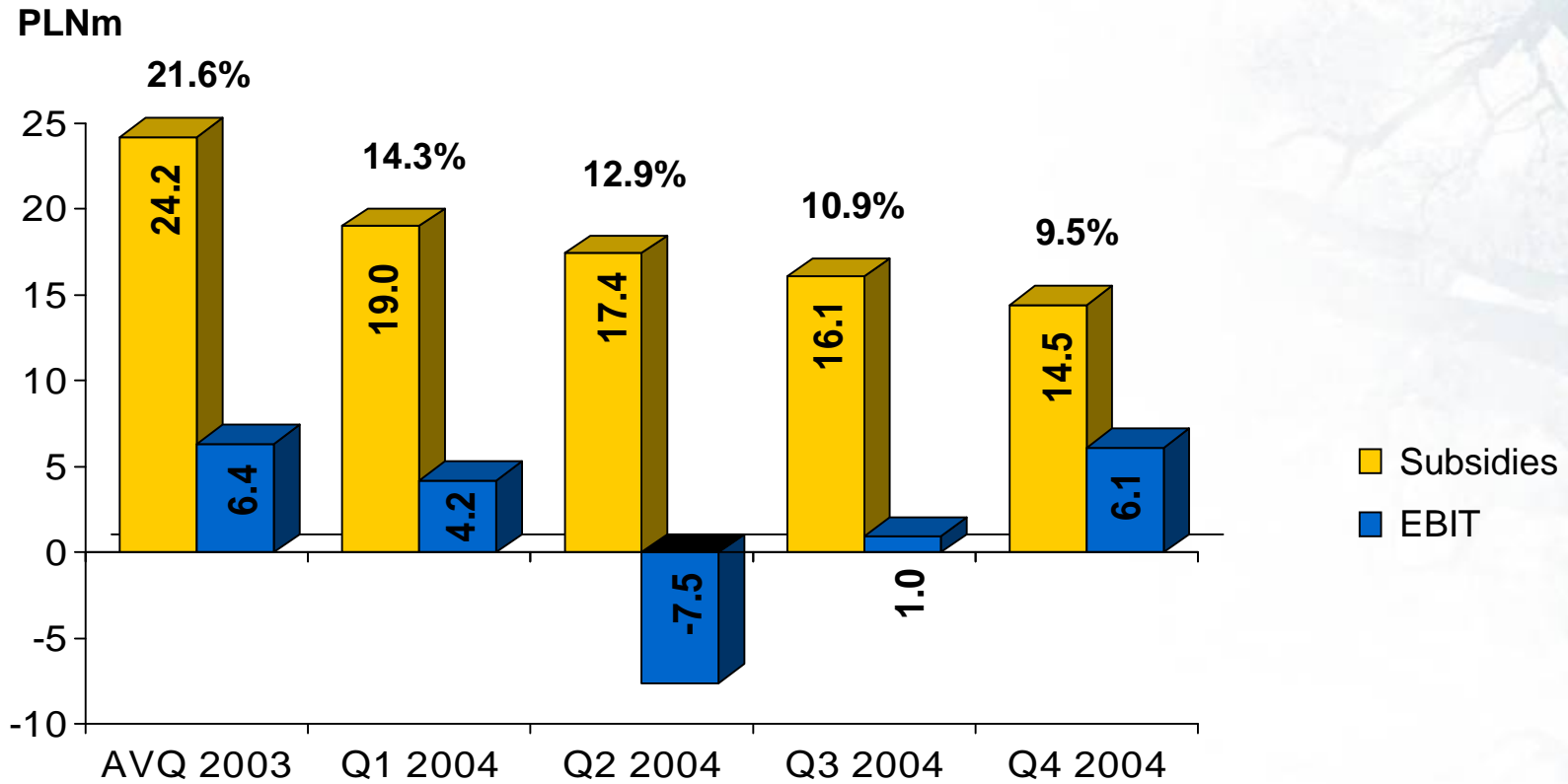
Net Result Target Surpassed by PLN 12.6m

	[PLNm]
Net loss forecast	(18.9)
– better operating results	1.9
– lower-than-anticipated restructuring costs	2.6
– goodwill write-off not made	4.8
– consolidation goodwill write-off relating to GP Bis	(0.9)
– one-off factors	2,0
– subsidies (annual settlement)	4.4
– tax	(2,2)
<hr/> 2004 net result	<hr/> (6.3) <hr/>



EBIT and Subsidies in Q4 2004

EBIT on Par with AVQ2003 Despite Material Drop in Subsidies



- Subsidies and EBIT after accounting for retroactive changes in regulations.
- The percentage values represent the share of subsidies in sales revenue.



••••• Completion of Restructuring Programme (Phase I) Employment Restructuring and Cost Reduction

- Q4 EBIT up by PLN 7.4m (over AVQ EBIT for H1 2004)
- Restructuring costs - PLN 7.3m
- Lower headcount (FTE, employment contracts)
 - 3,298 employees, including 2,830 disabled (in absolute terms)
- Subsidies down to PLN 14.5m* per quarter – 9.5%* share in sales revenue (13.8%* in H1 2004)

* After accounting for retroactive changes in regulations.

Impact of Restructuring on Q4 2004 Performance

Restructuring Effects Higher than Costs

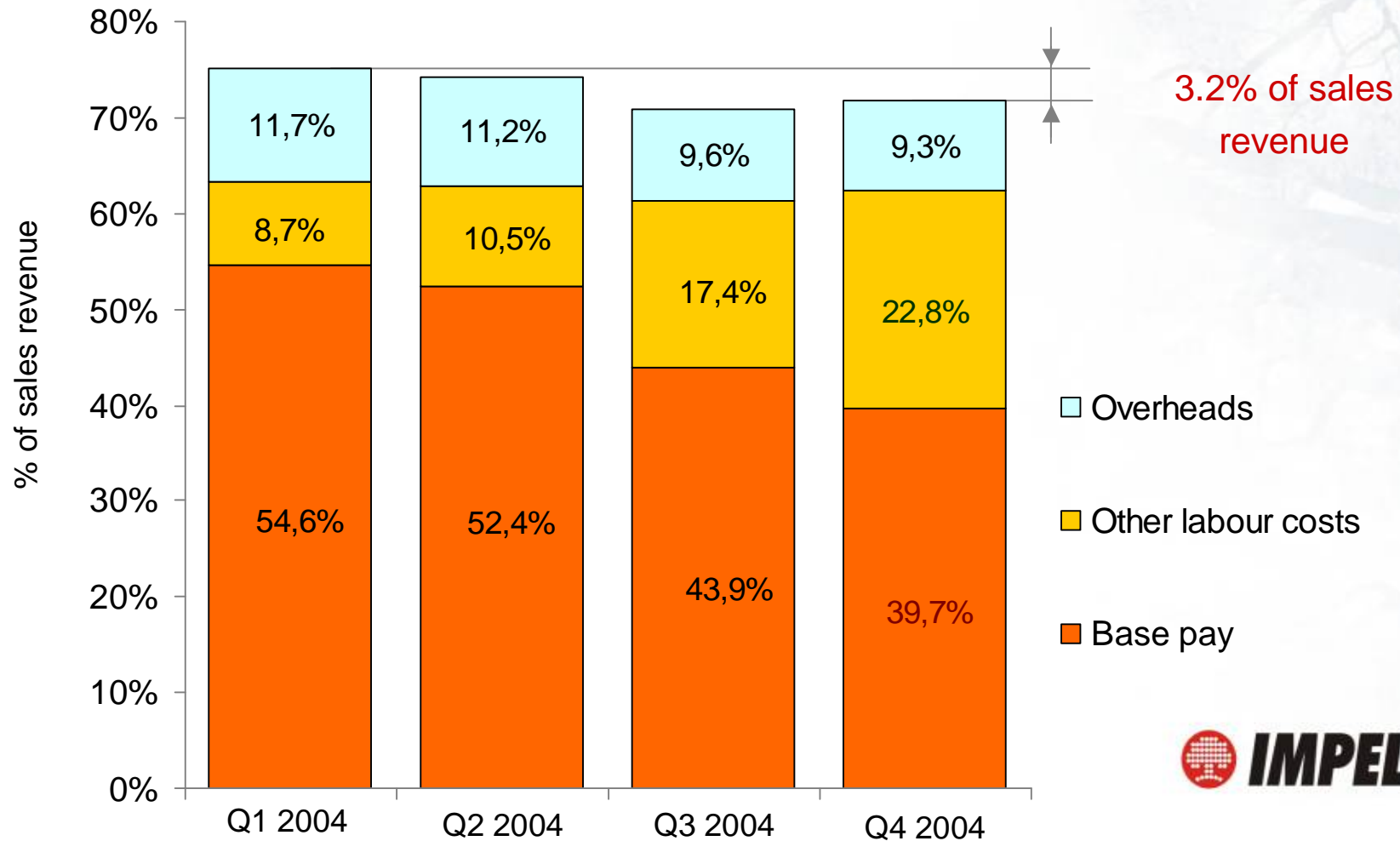
	[PLNm]
Pre-restructuring EBIT before subsidies*	(17.2)
– restructuring effects (cleaning and security services)	7.4
– restructuring costs (Q4 2004 only)	(1.4)
– improved results in catering	0.7
– one-off factors	2.0
– other	0.2
<hr/> Q4 2004 EBIT before subsidies <hr/>	<hr/> (8.3) <hr/>

* Data on pre-restructuring EBIT before subsidies based on H1 2004 results.



Employment Restructuring

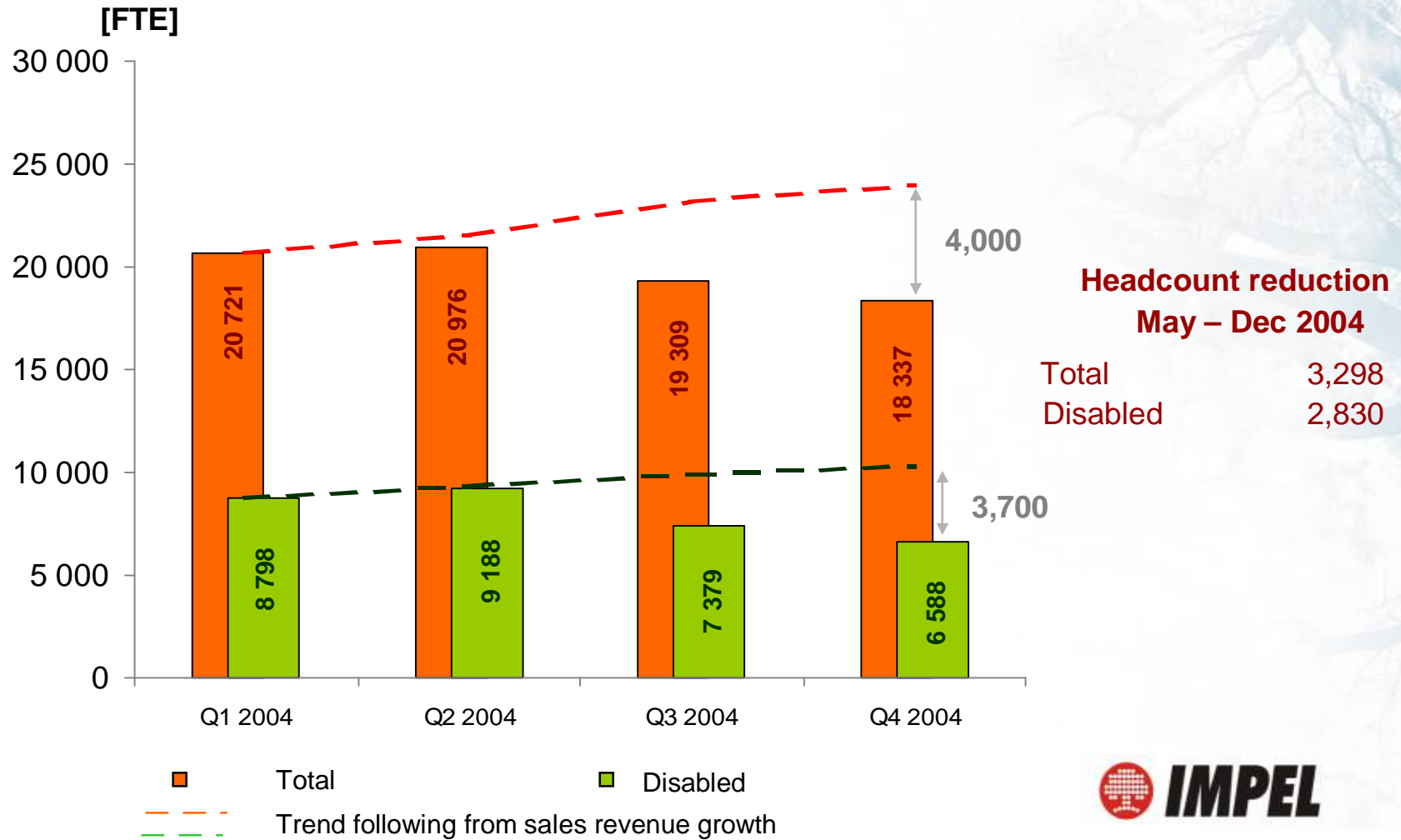
Changed Employment Structure and Lower Labour Costs





Employment at Impel Group

Lower Headcount Despite Higher Sales



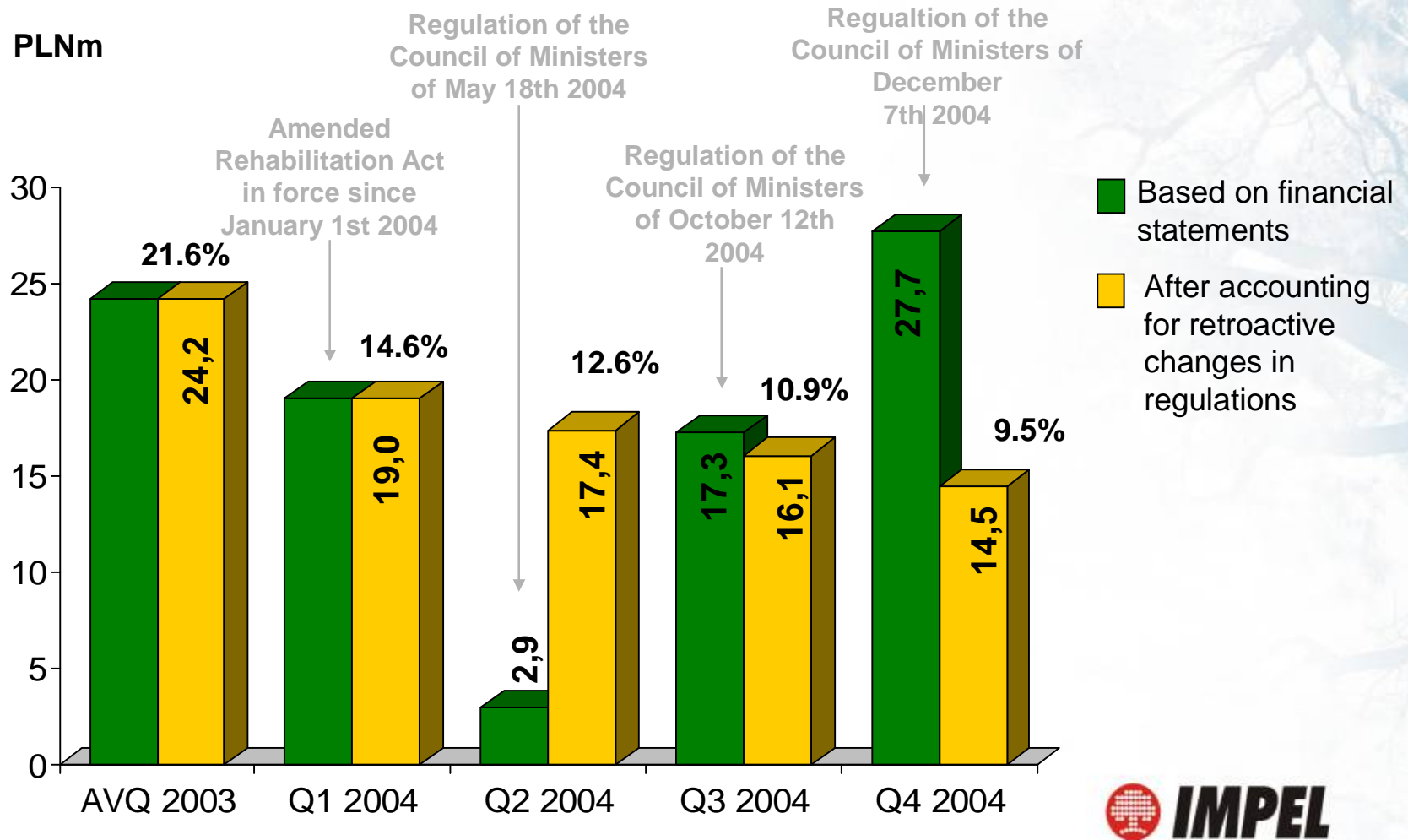
Average employment in quarter – staff under employment contracts





Subsidies at Impel Group in 2004

Impact of Retroactive Changes in Regulations



The percentage values represent the share of subsidies in sales revenue



Regulations on Subsidies

Regulatory Changes Lead to Smaller Numbers of Disabled Employees

- Subsidies for 2004: PLN 67.0m
- Subsidies return following settlement: **only PLN 0.6m**
- Material drop in subsidies following from employment restructuring after the release of Regulation of May 18th 2004
- Negligible impact of Regulation of May 18th 2004 and its two amendments on the value of subsidies per one disabled employee of the Impel Group
- Amendment to the Rehabilitation Act (Gov't Bill of January 18th 2005)
 - will come into force in 2005 or 2006
 - provides for further reductions in subsidies:

	now	under the Government Bill		
		by 2006	2007	2008
Value of subsidies*	100%	85%	78%	70%

* Assuming unchanged minimum pay and existing employment structure at Impel Group

