



IMPEL SA

Management Presentation – Press Conference

Financial Performance in Q3 2004

November 16th 2004



All data according to Polish Accounting Standards



Financial Results

Key Financial Data

PLN thousand	2002	2003	Q1 - Q3 2004
Sales revenue	406 417	449 130	416 266
Amortisation/ depreciation	16 154	18 756	15 146
EBIT, <i>net of subsidies</i>	(61 781)	(71 423)	(54 831)
Subsidies	86 159	96 978	39 246
EBIT	24 378	25 555	(15 585)
EBITDA	40 532	44 311	(439)
Net result	34 495	22 017	(19 628)
Assets	235 075	393 856	355 649
Cash	16 513	160 320	86 881
Equity	89 709	255 684	192 915
Long-term liabilities	7 803	7 140	3 987
Short-term liabilities	109 702	98 954	104 512
Interest-bearing debt	30 442	19 388	12 904

Balance-sheet data as at end of periods






Financial Results

Comparison of Consolidated Quarterly Results

PLN thousand	AVQ 2003	Q1 2004	Q2 2004	Q3 2004
Sales revenue	112 283	130 587	138 331	147 348
Amortisation/ depreciation	4 689	4 593	5 278	5 275
EBIT, net of subsidies	(17 856)	(14 772)	(24 945)	(15 114)
Subsidies	24 245	19 015	2 946	17 285
EBIT	6 389	4 243	(21 999)	2 171
EBITDA	11 078	8 836	(16 721)	7 446
Net result	5 504	3 293	(20 604)	(2 317)
Assets	393 856	373 059	373 277	355 649
Cash	160 320	117 698	105 439	86 881
Equity	255 684	220 976	195 255	192 915
Long-term liabilities	7 140	5 852	5 048	3 987
Short-term liabilities	98 954	111 657	119 907	104 512
Interest-bearing debt	19 388	17 868	14 654	12 904

Balance-sheet data as at end of periods





Q3 2004 Results - Commentary

Restructuring and Subsidies Adjustment

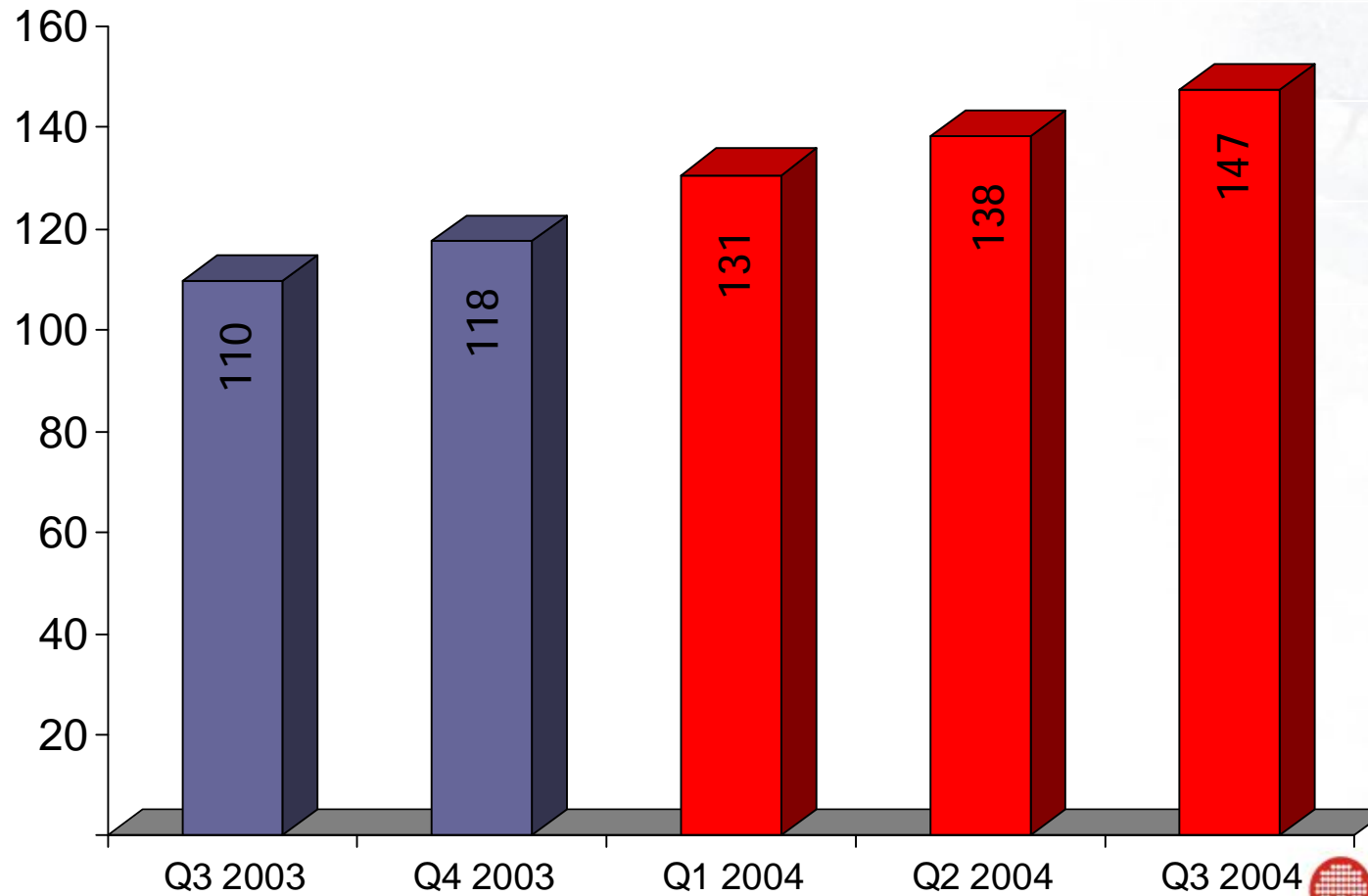
- Significant factors affecting Q3 2004 results:
 - Restructuring costs, EBIT down by PLN 4.4m
 - Retroactive change in regulations – increased subsidies for Q2 2004, EBIT up by PLN 7.8m
 - Accelerated amortisation of consolidation goodwill of BDH Serwis Sp. z o.o., net result down by PLN 2.6m
- Material improvement of **EBIT net off subsidies** – at –PLN 10.7m, excluding restructuring costs



Impel Group's Sales Revenue

Regular Increase in Sales

PLNm





Effects of the Restructuring Efforts

Improved Margins and Lower Costs

- PLN 4.7m Enhanced margin after direct costs
- lower labour cost
 - improved productivity
 - contracts re-negotiations and terminations
- PLN 1.2m Reduced administrative expenses
- employment reduction
 - consolidation of support functions
 - other structural costs (telecommunications, transport, utilities)
- PLN 0.8m Savings in other costs
- rationalised promotion expenses
 - reduction of contracted services
 - other general and administrative expenses

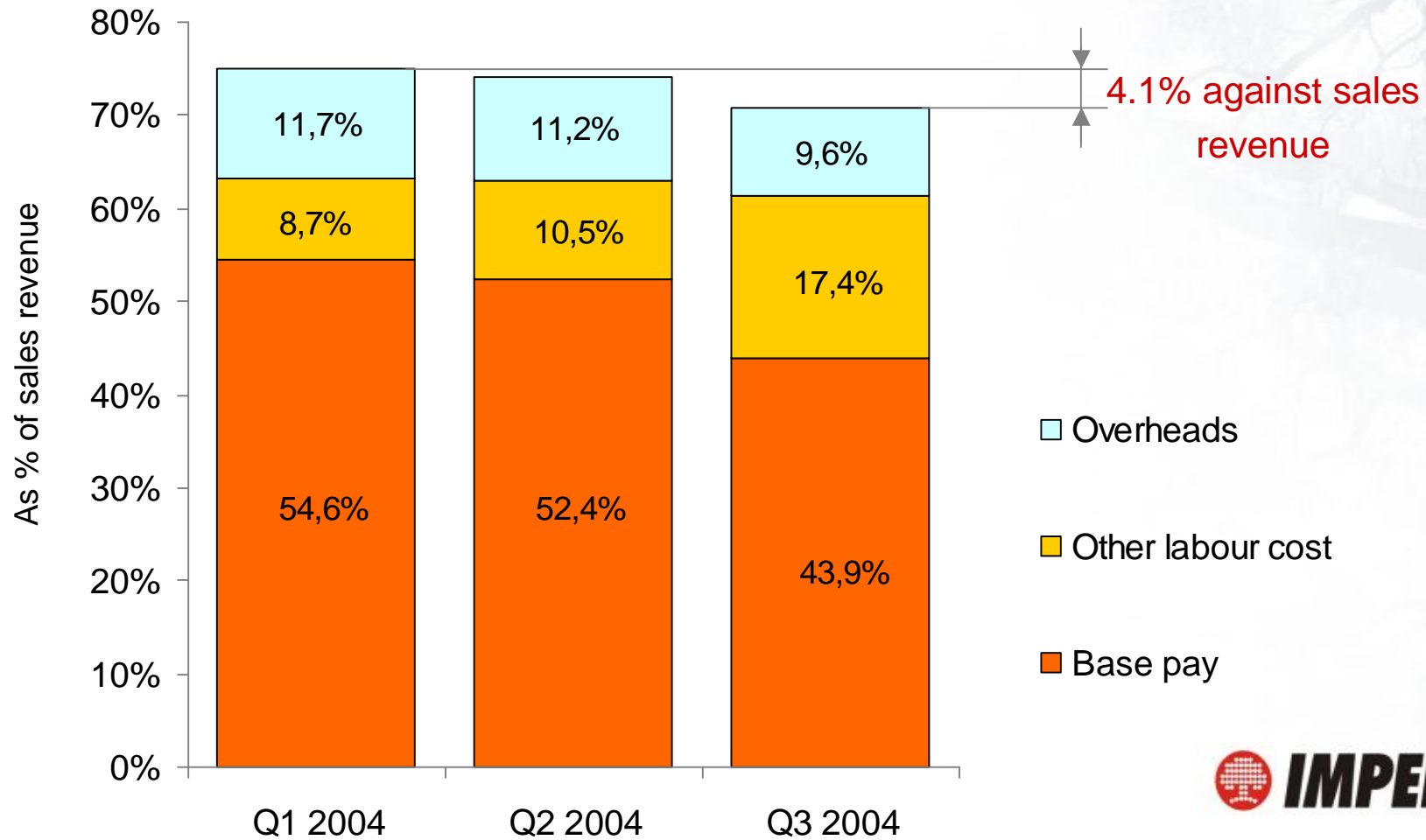
PLN 6.7m Total quarterly effect of the restructuring efforts





Labour Cost in Cleaning and Security Services

Restructuring Brings Labour Cost Down by 4%

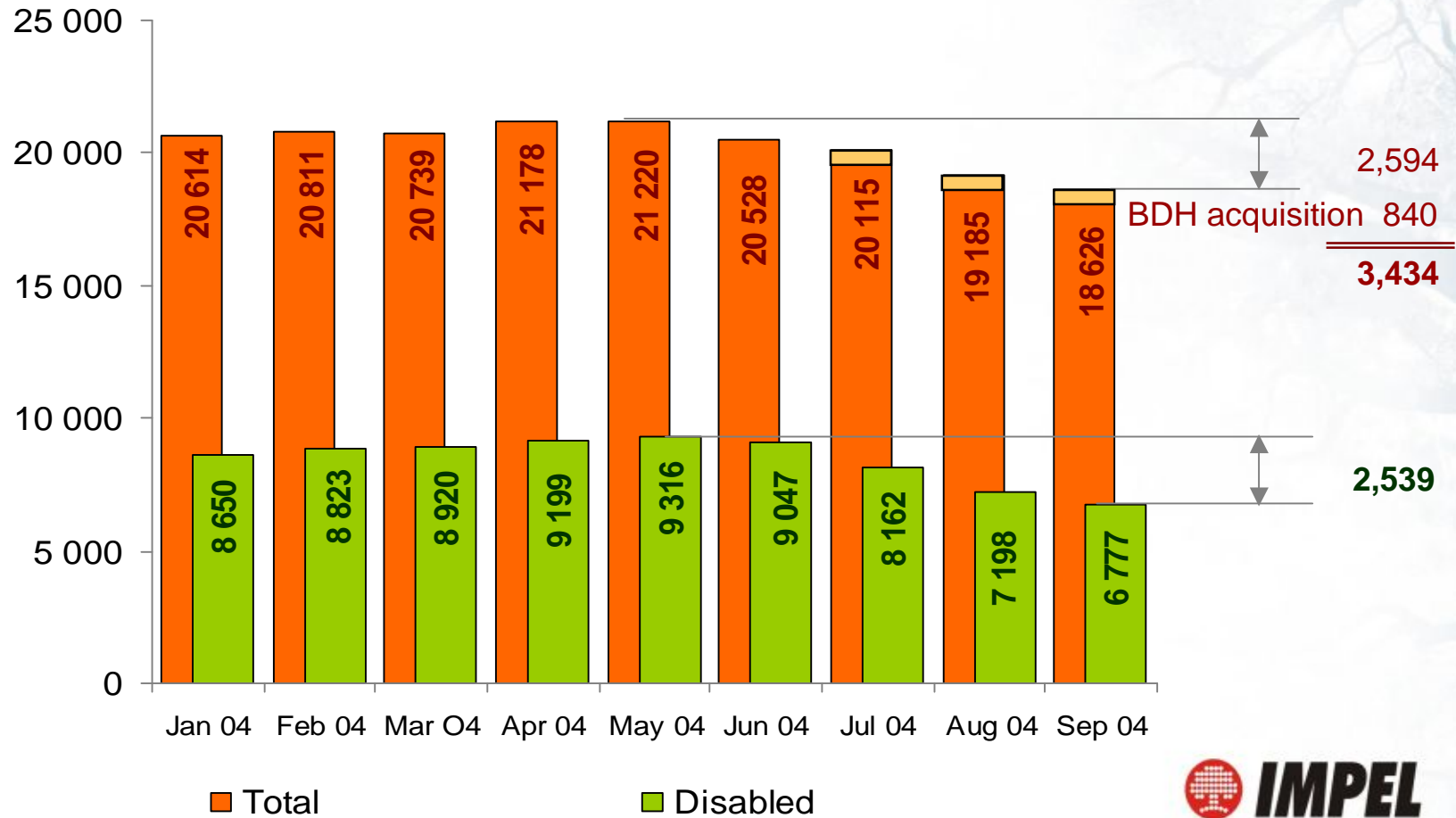




Employment at Impel Group

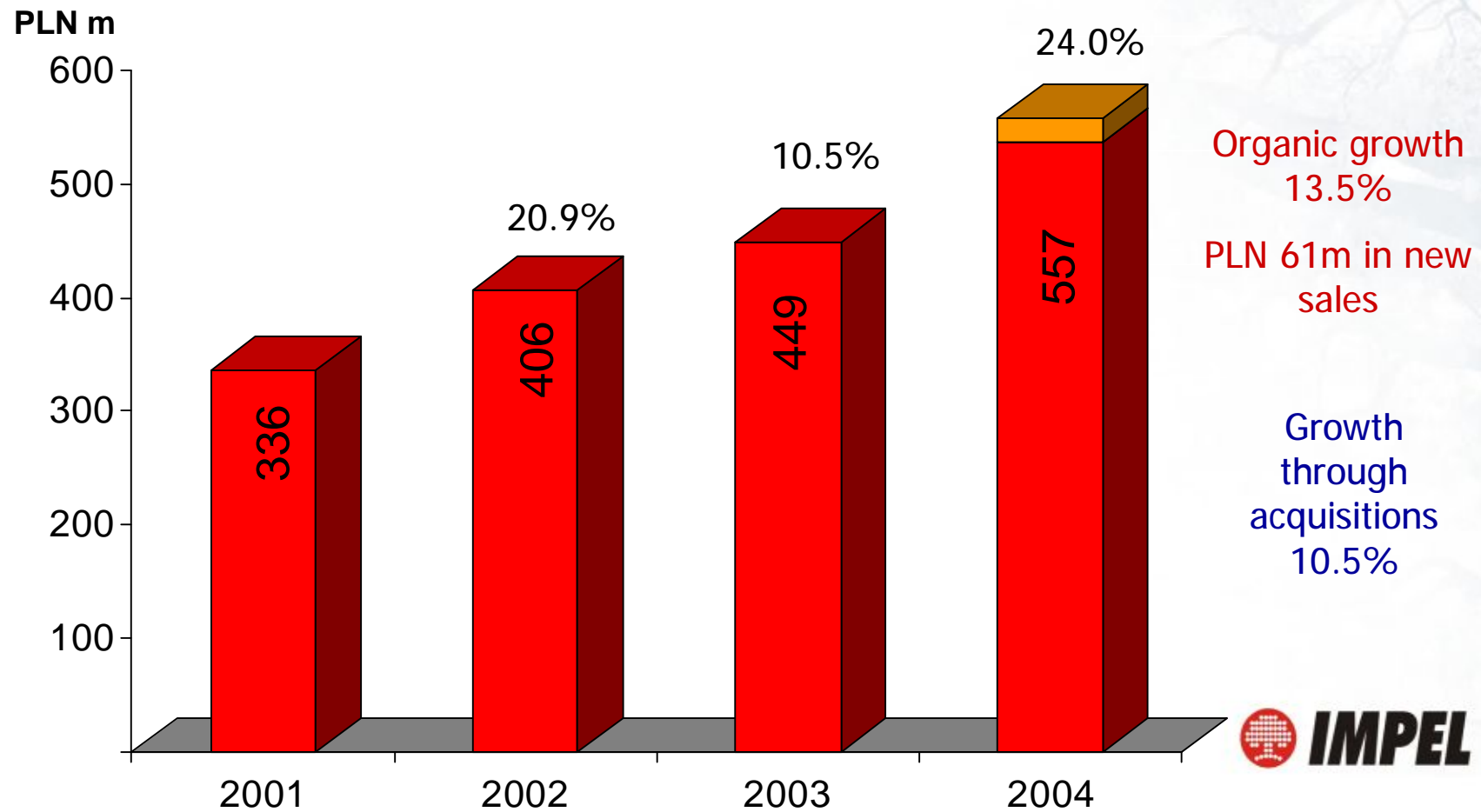
Fewer Disabled Employees

[FTJ equivalent]



As at end of month – personnel under employment contracts

 **2004 Sales Forecast: PLN 557m**
Forecast Up by PLN 20m
PLN 108m Sales Growth in 2004



Growth over previous year shown as %.



2004 Net Result Forecast: **–PLN 31 m**

Effect of Write-Offs, Lower Subsidies and Restructuring Costs

- Effect of amortisation of goodwill and trademark on 2004 consolidated net profit: **–PLN 14.7m**
- Total 2004 restructuring costs estimated at **PLN 9.9m** PLN, including **PLN 4m** to be incurred in Q4
- Subsidies in Q4 planned at c. **PLN 9m**, and **PLN 48m** for entire 2004



Regulations on Subsidies

Continuous Changes in the Legal Environment

- Subsidies received in Q1 2004: PLN 19m
- Regulation of May 18th – quarterly cap on subsidies at c. PLN 2.9m
- Regulation of October 12th – retroactive amendment
 - Q2 subsidies adjusted by PLN 7.8m (up to PLN 10.7m)
 - Q3 subsidies at PLN 9.4m (after adjustment)
 - Expected total subsidies in 2004: c. PLN 48m
- Draft amendment to the Rehabilitation Act
 - To come into force in 2005 or 2006
 - Further reduction of subsidies possible
- Subsidies as percentage of sales revenue shrink from **21.6%** in 2003 to the average of **8.6%** in 2004