



**IMPEL SA**

Management's Presentation

**Q1 2007 Financial Performance**

May 15th 2007





# Consolidated financial results

## Financial statements according to IFRS

PLN'000	2006	Q1 2006	Q1 2007
Sales revenue	748 361	169 426	211 405
Subsidies	50 280	12 923	13 756
Depreciation/amortization	18 084	4 294	4 902
EBIT	16 111	3 806	99
EBIT net of subsidies	(34 169)	(9 117)	(13 657)
EBITDA	34 195	8 100	5 001
EBITDA net of subsidies	(16 085)	(4 823)	(8 755)
Net profit	16 329	2 920	462
Assets	392 060	359 228	420 204
Cash	40 617	68 243	36 222
Equity and reserves	230 155	225 644	229 673
Non-current liabilities	4 966	3 989	6 352
Current liabilities	140 742	118 802	169 574
Interest-bearing debt	3 252	2 163	24 965

*Balance-sheet data as at end of periods*





# Comparison of Consolidated Quarterly Results

Q1 2007 result in line with expectations

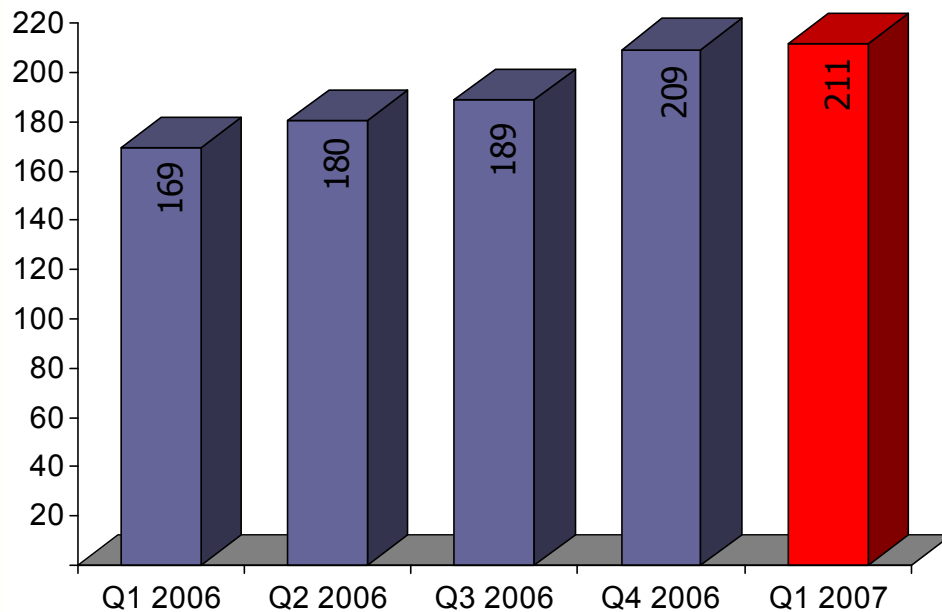
PLN'000	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007
Sales revenue	169 426	180 494	188 999	209 442	211 405
Subsidies	12 923	12 130	11 912	13 315	13 756
Depreciation/amortization	4 294	4 395	4 450	4 946	4 902
EBIT	3 806	3 725	4 151	4 429	99
EBIT net of subsidies	(9 117)	(8 405)	(7 761)	(8 886)	(13 657)
EBITDA	8 100	8 120	8 601	9 375	5 001
EBITDA net of subsidies	(4 823)	(4 010)	(3 311)	(3 940)	(8 755)
Net profit	2 920	3 641	3 777	5 991	462



# Sales Revenue of the Impel Group

High revenue growth rate of the Group – maintained

PLN million



## Q1' 07 relative to Q1' 06

- **Organic** sales growth – by PLN 24.5 million
- **Aquisitions** – sales increase by PLN 17.5 million  
(DC System Group, Krakpol, North Ochrona, PS Asekuracja, TeleBT, SaneChem Service, and Wena Floor System)

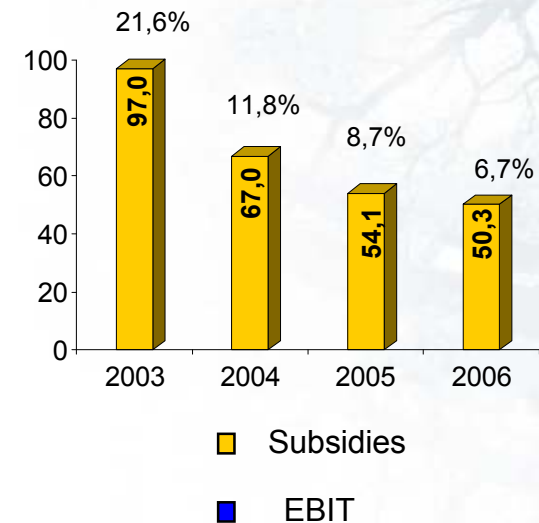
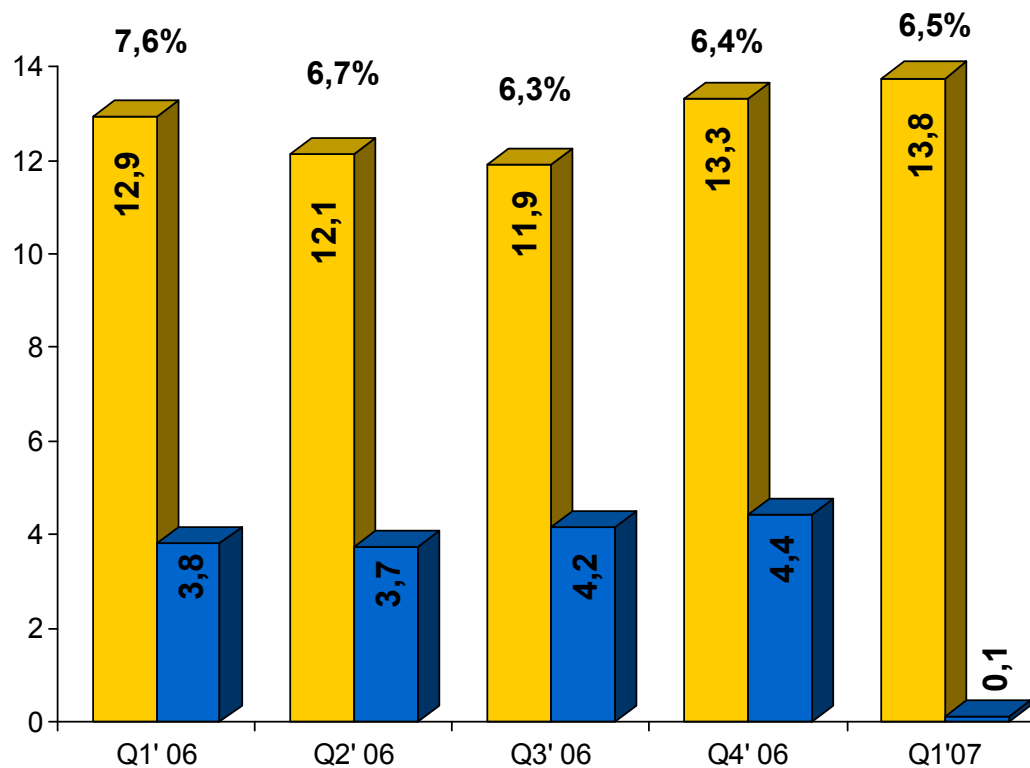




## EBIT and Subsidies in Q1 2007

Subsidies' contribution to total revenue in keeping with the Group's strategy

PLN million



- Subsidies expressed as a percentage of sales revenue





## Change in presentation of business segments

### **Facility Management:**

- indoor and outdoor cleaning services, specialized cleaning services for institutional clients, technical maintenance of facilities

### **Security:**

- manned and electronic security services, alarm systems, CCTV, fire protection services, CIT

### **Staff Management:**

- employee leasing, payroll/personnel, medical service, training for institutional clients

### **Distribution :**

- food preparation and delivery, rental and laundry services for institutional clients, organization of materials and goods delivery, telecom broker's services

### **Other, including:**

- integrated supply chain management, property development



# Performance by Business Segments – Q1 2007

Business segments according to IFRS (IAS 14)

PLN'000	Total	Facility Management	Security	Staff Management	Distribution	Other
	Q1' 07	Q1' 07	Q1' 07	Q1' 07	Q1' 07	Q1' 07
<b>Sales revenue 1)</b>	<b>211 405</b>	<b>89 527</b>	<b>79 813</b>	<b>19 982</b>	<b>20 334</b>	<b>1 750</b>
Subsidies		7 508	5 574	146	83	303
<b>SEGMENT'S RESULT net of charges payable to corporation 2)</b>	<b>4 456</b>	<b>4 153</b>	<b>978</b>	<b>-906</b>	<b>354</b>	<b>-123</b>
EBIT margin 3)	2,1%	4,6%	1,2%	-4,5%	1,7%	-7,0%
Unallocated Group's overhead	(4 462)					
Eliminations	105					
<b>EBIT</b>	<b>99</b>					

1) Revenue on sales outside the Group

2) Charges for trademark, as well as strategic and corporate management services

3) Relative to sales revenue





# Performance by Business Segments– Q1 2007 relative to Q1 2006

Business segments according to IFRS (IAS 14)

PLN'000	Total		Facility Management Former Cleaning		Security		Catering and Other	Staff Management, Distribution and Other
	Q1' 06	Q1' 07	Q1' 06	Q1' 07 <sup>4)</sup>	Q1' 06	Q1' 07	Q1' 06	Q1' 07
<b>Sales revenue 1)</b>	<b>169 426</b>	<b>211 405</b>	<b>68 647</b>	<b>89 527</b>	<b>60 564</b>	<b>79 813</b>	<b>40 215</b>	<b>42 066</b>
Subsidies			7 224	7 508	5 351	5 574	215	532
<b>SEGMENT'S RESULT</b> net of any charges payable to corporation 2)	<b>10 685</b>	<b>4 456</b>	<b>6 002</b>	<b>4 153</b>	<b>2 635</b>	<b>978</b>	<b>2 048</b>	<b>( 675)</b>
EBIT margin 3)	6,3%	2,1%	8,7%	4,6%	4,4%	1,2%	5,1%	-1,6%
Unallocated Group's overhead	(6 108)	(4 462)						
Eliminations	( 771)	105						
<b>EBIT</b>	<b>3 806</b>	<b>99</b>						

1) Revenue on sales outside the Group

2) Charges for trademark, as well as strategic and corporate management services

3) Relative to sales revenue

4) Including technical maintenance of facilities





## Subsidies: Group Policy and Regulatory Environment

Subsidies account for a stable and predictable share of revenues

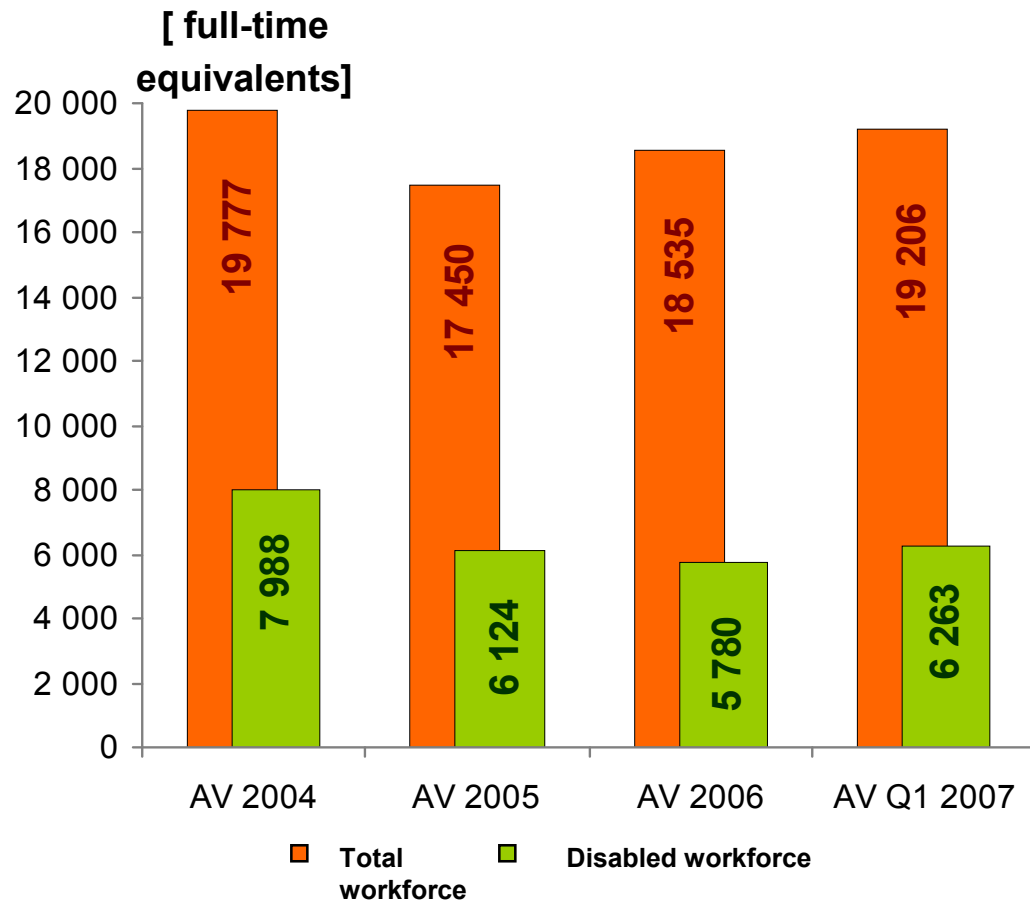
- No legislative changes coming into force in 2007
  - Act on Occupational Rehabilitation and Employment of the Disabled and Regulation of May 18th 2005, as amended (lump-sum subsidies)
- The Sejm filed its Draft of the amended Rehabilitation Act with the Senate on May 10th 2007
- Percentage share of subsidies in total sales revenue falling:
  - 21.6% in 2003
  - 11.8% in 2004
  - 8.7% in 2005
  - 6.7% in 2006
  - 6.5% in Q1 2007





# Impel Group Workforce

Increase in employment results from development of new products and acquisitions



Average employment in the quarter – under employment contracts





## Comment on the Impel Group's Q1 2007 Performance

### Impact of external and internal factors

- Growing cost of labour
- Growing cost of acquiring and implementing new contracts
- Expenses incurred in relation to implementation of management systems



## Impel group's property development business

- Land Bank's market value estimated at PLN 270.8 million
- Design of a housing estate in Ślężna St. (Wrocław) ready – the first property dev. investment
- Commencement of design work on the construction of an office building in Wrocław, total area of approx. 20,000 m<sup>2</sup>
- Commencement of design work on the site located in Rychtalska St. in Wrocław, where the Impel Group owns 6.7 ha land within a 15 ha plot
- Architectural concept work underway for a detached house estate in Sadków near Wrocław
- Purchase of real estate of 0,94 ha in the city centre of Wrocław





## Orientation of the Impel Group's activities in 2007

- Renegotiation of prices for services, reflecting increased labour costs
- Maintenance of subsidies share in sales revenue on the level similar to that reported in 2006
- Implementation of management systems
  - Purchase of license from SAP – commencement of implementation of an Integrated IT System
  - Centralization of Purchasing process for all companies of the Group – improvement in operating efficiency
- Development of new service products
- Property development business – structural phase





**Thank you for your attention**

