

IMPEL GROUP

Performance in H1 2011 Management's Presentation



Warsaw, 30 August 2011

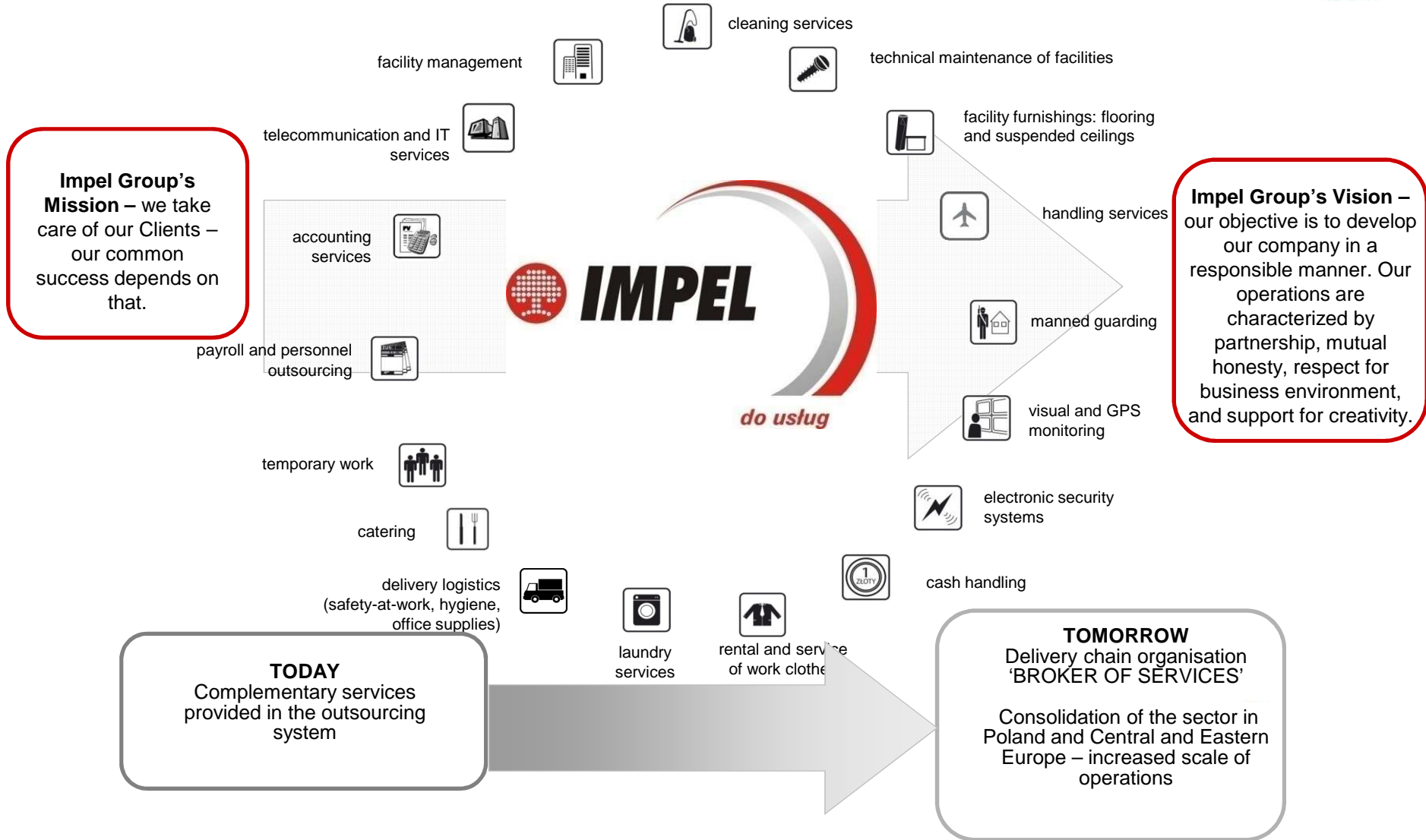


- **Impel Group – most important information**
- Performance in the first half of 2011
- Spinning off the property development activity from Impel S.A. and transferring it to Vantage Development S.A.
- Questions and answers





Impel Group – general information





Impel Group – business highlights



KOMPLEKSOWOŚĆ

comprehensive offer – the **largest** number of services for business on the Polish market



OGÓLNOPOLSKI ZASIĘG

countrywide reach – **30 branches** ensuring service availability in every place in Poland



DOŚWIADCZENIE

experience – **20 years** of competence development in optimising work organisation, technology selection and staff management



CONTACT CENTER

Contact Center – multichannel **platform for communication** with Clients, integrated with the SAP CRM system:

- centralised service for the IMPEL Group's Clients
- centre of knowledge of operational events related to the rendered services
- monitoring of event handling
- receiving complaints and alarm calls
- providing information about the rendered services



Impel Group in figures



No. 1 on the market. Every day we keep clean the area of **9 million square meters** all over Poland. Over **1,500** Clients. We provide cleaning services in **6,000** facilities. Our services are performed by **17,000** trained employees.



For 20 years **among the top three largest entities** on the **manned security** market in Poland. The service is provided by **10,000** employees. We have **1,000** pieces of firearms.



Every day we serve **40,000** meals in **70** facilities. Lunch for companies' employees and service at events and conferences.



Every month we **count** over **12.5 billion** zloty. We have **200** special vehicles to carry out collection services. We make **450,000 "stops"** a year.



We wash over **1 million kg** of linen a month.



Our **clothes rental** service is currently used by **8,000 people**. We deliver **200,000 pieces** of clothing a month.





Impel Group – organisational structure



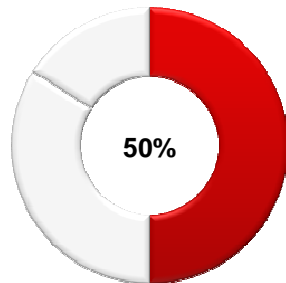
Impel S.A. - parent undertaking in the Impel Group. WSE listed since 2003. Responsible for strategic and corporate issues.

Composition of the Management Board of Impel S.A.

- **Grzegorz Dzik** – President of the Management Board
- **Józef Biegaj** – Vice President responsible for Commercial Function
- **Wojciech Rembikowski** – Vice President responsible for Finance
- **Danuta Czajka** – Vice President responsible for Development

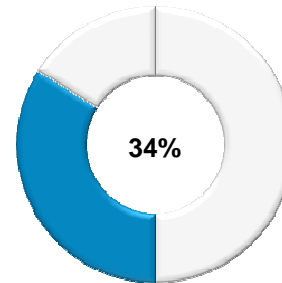
3 BASIC SEGMENTS

FACILITY MANAGEMENT



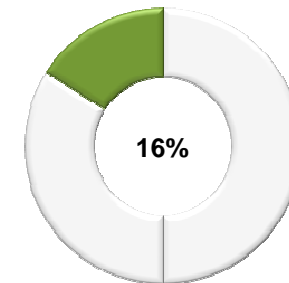
PLN 295 million¹⁾

SECURITY



PLN 200 million¹⁾

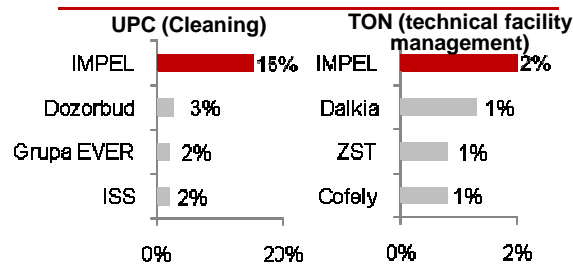
DISTRIBUTION



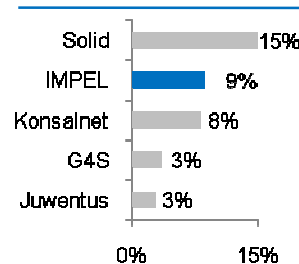
PLN 99 million¹⁾

IMPEL'S COMPETITIVE POSITION ²⁾

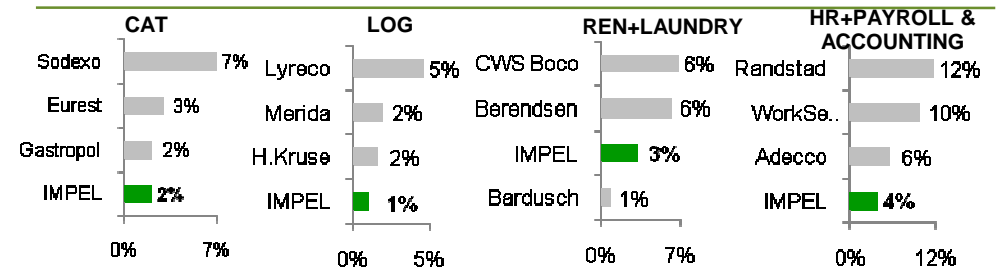
NUMBER 1



NUMBER 2



NUMBER 3-4



1) Share in the Impel Group's revenue in H1 2011 (percentage and value)

2) Data from the Marketing Office of Impel S.A.

3) SOLID - Solid's revenue includes total revenue from activities other than security



Sources of value in the Impel Group



Operating activity

- thorough knowledge of clients + cross-selling
- further streamlining of the capital and business structure
- process optimisation + economies of scale in purchasing
- growing role of service integrator
- new outsourcing services
- steady improvement in the quality of offered services
- incentive schemes

Capital-related activity

- increase in value through acquisitions:
 - whose profile corresponds to *core business*
 - from entities restructuring their activity
 - offering an opportunity of entering new niche segments
 - increasing the foreign market share

Property development activity

- carrying out property development projects
- sale and acquisition of selected land

Ongoing
spinoff
process



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Consolidated financial results



**Increase in revenue by 11.3% in relation to H1 2010.
Higher growth rate.
Comparable net profit (without deferred tax asset).**

PLN'000	2010	H1 2010	H1 2011
Sales revenue	1 110 501	533 567	593 844
Subsidies	37 681	17 943	21 239
EBITDA	91 839	38 219	41 923
<i>EBITDA margin</i>	8,3%	7,2%	7,1%
EBIT	64 792	25 387	26 540
<i>EBIT margin</i>	5,8%	4,8%	4,5%
Depreciation/Amortization	(27 047)	(12 832)	(15 383)
Net profit	52 738	21 839	42 047
Assets	582 712	512 412	626 436
Equity and reserves	300 365	570 511	294 245
Net debt	12 692	5 928	74 796

- revenue higher by **PLN 60.3 million**
- increase by **11.3%**
- revenue from acquisitions of **PLN 28.5 million**

- **PLN 23.8 million** – deferred tax asset

- including **PLN 84 million** – assets intended for transfer to Vantage Development S.A.

- available credit limit of **PLN 53.7 million**





Comparison of consolidated results



Increase corresponding to the specific nature of quarterly results.

<i>PLN'000</i>	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011
Sales revenue	266 329	267 238	275 903	301 201	288 876	304 968
Subsidies	9 019	8 924	9 579	10 159	10 525	10 714
EBITDA	17 507	20 711	28 063	25 606	17 928	23 995
EBIT	11 124	14 262	21 751	17 697	10 329	16 211
Depreciation/ Amortization	(6 383)	(6 449)	(6 312)	(7 909)	(7 599)	(7 784)
Net profit	11 038	10 801	16 682	14 217	7 971	34 076

▪ **PLN 2.5 million** –
profit from sale of land –
a one-off transaction

▪ **PLN 23.8 million** –
deferred tax asset





Business segments



Improved margins in the Facility Management and Distribution segments.

PLN'000	Total		Facility Management		Security		Distribution ⁵⁾	
	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011
Sales revenue ¹⁾	533 567	593 844	247 204	294 650	207 538	200 375	78 825	98 819
BUSINESS SEGMENT'S RESULTS								
EBIT margin ²⁾	4,9%	4,8%	4,5%	5,1%	6,8%	4,9%	1,1%	3,7%
Unallocated Group's overhead ³⁾	- 157	-1 724	<ul style="list-style-type: none"> ▪ companies' revenue from acquisitions + PLN 16.6 million ▪ favourable effect of contract adjustments for inflation ▪ new contracts 		<ul style="list-style-type: none"> ▪ lower volume of counted cash in the cash processing service ▪ price pressure and reduction in rates ▪ employment restructuring costs related to the statutory elimination of a part of subsidies 		<ul style="list-style-type: none"> ▪ companies' revenue from acquisitions + PLN 11.9 million ▪ new more profitable contracts 	
Eliminations ⁴⁾	- 674	- 212						
EBIT	25 387	26 540						

1) Revenue from sales outside the Group

2) Relative to sales revenue, taking account of charges for trademarks, as well as strategic and corporate management services

3) EBIT of Impel S.A. net of dividend

4) Eliminations related to consolidation adjustments

5) Segment includes the companies belonging to the 'Distribution' segment as well as to the former 'Other' segment



Major events in H1 2011



Strengthening the market position

- increased share in the cash processing service market (Citi Handlowy, BH w Warszawie S.A.), visual and GPS monitoring (Ramirent S.A.), and handling services (Enter Air and LOT airways)
- joint concept of contract implementation – Szpital Wojskowy z Przychodnią SP ZOZ (Military Hospital with an Outpatient Clinic) in Żary – cleaning, patient care and catering services
- implementation of an incentive system to activate cross selling

New undertakings in the IMPEL Group

- finalised acquisition of two companies (AGROBUD BHP SA and Brokers Union sp. z o.o.) – returning to the path of development through market acquisitions
- two new entities in Luxemburg – activation of the Impel trademark making use of the international structure
- incorporation of Impel Volleyball – promotion + building the value of financial asset

Payment of dividend for 2010

- payment of dividend at the level of PLN 2.00 per share – the highest dividend in the history of Impel S.A.
- dividend yield of 7.3% for 2010
- ranked 25th among the companies with the highest dividend for 2010



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Decision increasing the value for shareholders



- The Management Board of Impel S.A. made a strategic decision on spinning off the property development activity and transferring it as a whole to Vantage Development S.A. (Vantage)
- **In the opinion of the Management Boards of Impel and Vantage spinning off the property development activity from Impel S.A. is based on sound business grounds and brings a number of benefits for both companies' shareholders**

Benefits for Impel S.A.

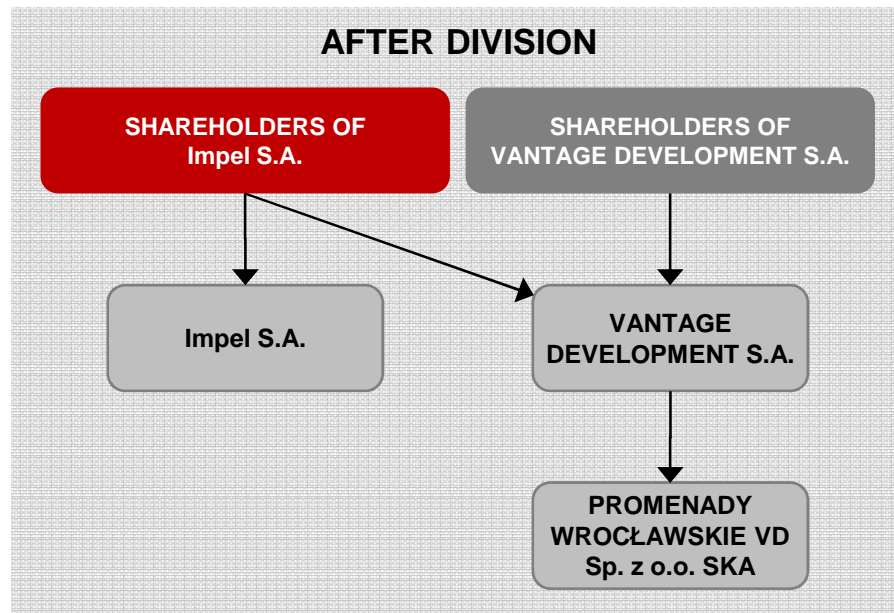
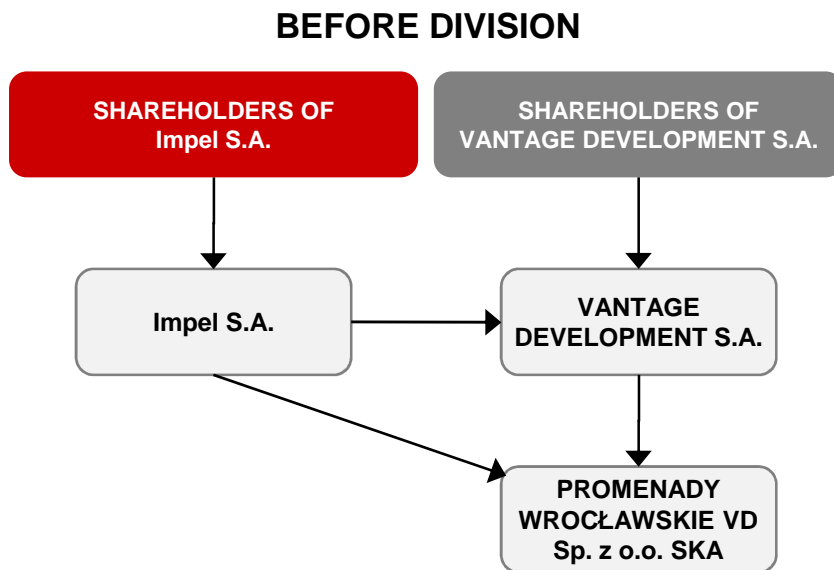
- 1** Enhancing the **transparency and clarity of the Impel Group's structure** for the public market
- 2** **Concentration on core business** owing to the separation of risk related to the property development activity
- 3** **Increased flexibility** for investors enabling them to **frame the risk profile** of their portfolio

Benefits for Vantage Development S.A.

- A** Enabling investors to assess properly the potential and make **valuation** of Vantage's property development activity
- B** Ensuring improved **flexibility for financing** the company's development
- C** Possibilities of increasing the **effectiveness of remuneration programmes** adopted in Vantage

Increased value for Impel and Vantage shareholders

1 Enhanced transparency of the ownership structure



- At present both Impel S.A. and Vantage Development S.A. hold their assets in respective special purpose companies carrying out property development projects
- As a result of the division the ownership of a part of assets held by Impel S.A. will be transferred to Vantage, which will contribute to streamlining and increasing the transparency of the corporate structures of the Impel Group and Vantage Development S.A.
- The present shareholders of Impel S.A. will become the shareholders of Vantage Development S.A. proportionally to the value of the transferred assets, and the shares of Vantage Development S.A. will be traded on WSE



2 Separation of unrelated business activities in the Group



	Impel S.A.	Vantage Development S.A.
Stage in company's development	Mature enterprise	Early stage in development
Main clients	Companies	Natural persons, companies
Products	Wide range of complementary services	Real property
Competition	Service providers for business	Property development companies
Territorial coverage	Countrywide	Focus on Wrocław and its neighbourhood
Financial needs	Related mainly to ongoing activity and acquisitions	Considerable demand for financing related to carrying out property development projects

- The property development activity is not directly related to the core business of the Impel Group, i.e. broadly understood services for business
- The results of Vantage and its prospects did not have a significant impact on the consolidated results recorded by the Impel Group due to the early stage of its activity
- Between the business activities of Impel and Vantage no significant synergies were observed, and their models of operating activity and business strategies were markedly different
- **Separation of unrelated activities, currently concentrated in the Group, will make it possible to focus on Impel's *core business***

3 Optimisation of risk profile for investors



- Impel's present stock investors incurred risk due to the Group's combination of various types of business
- Risk factors attributable to the property development activity (Vantage) are significantly different from the risks typical for the activity consisting in provision of services for business (Impel)
- Investors had no influence on the share of risk related to the property development activity in their investments
- Owing to the separation investors will be able to decide on investing their capital either in Vantage (if they look for exposure to property development) or in Impel (if they look for exposure to services for business) in the proportion corresponding to their investment strategy

The separation will enable investors to match their investment portfolio with the desirable risk profile



Obtaining the market valuation of property development assets



- **Vantage** is a **property development** company focused on the **Wrocław** market.
- It has a number of **attractive real estate areas of the total value exceeding PLN 300 million**, where it carries out residential and office projects.
- The Management Board of Vantage intends to **introduce the company's shares to trading on WSE** in Q4 2011.

Investment theses of the Vantage Group:

- **The land bank** making it possible to carry out projects in 7-10 years' time (100% included in local area development plans)
- **Uniqueness of the location** of owned projects
- **Experienced management staff**
- **Safe and effective business model** (focusing on the property development process management and sales, making use of external services provided by designers, general contractors and facility managers)
- **Sale of projects and products at each stage of the construction process**
- **Disclosing real property assets in the balance sheet according to their current fair values**

Strategic objectives of the Vantage Group:

1. Achieving the position of one of the **leading property developers in Wrocław**:
 - The bank of land owned by the Group will ensure the fulfilment of this objective
2. Maintaining a **diversified project portfolio**:
 - Simultaneous development of **residential and commercial (offices) products**
3. **Expanding the property development activity** in other Polish cities

Listing the company on WSE will enable investors to assess the potential properly and make direct valuation of Vantage's activity

B Improved flexibility of Vantage financing



- Owing to the specific nature of property development projects the capital needs of Vantage (e.g. the time of acquiring capital, its value, period of engagement and the like) are different from those of the Impel Group

After the separation Vantage will be able to take decisions concerning the use of available capital and acquisition of further financing in line with the best interest of Vantage shareholders and on the basis of its own business strategy

- Vantage is a company at an early stage of activity and at present it focuses on Wrocław and its neighbourhood
- As the company has plans of geographic expansion, Vantage does not exclude future acquisitions

When a decision on acquisition of another undertaking is made the shares of Vantage may form one of the elements of transaction settlement

- For the shareholders of potential target companies payment with Vantage shares may be more attractive than payment with the shares of Impel, whose business model would be to a large extent unrelated to the property development activity

Stages of the division process



Impel S.A.

- Effecting the division of Impel S.A.
 - division of Impel S.A. will be effected by transferring a part of its assets, i.e. Zakład Ecoimpel, to Vantage Development S.A. (**division by separation**, Art. 529.1.4 of the Code of Commercial Companies)
 - on 7 June 2011 the Management Boards of Impel S.A. and Vantage Development S.A. signed the **division plan** (specifying, among others, the **parity** for allocation of Vantage Development shares to Impel S.A. shareholders), which was then audited by an expert appointed by the court and published in MSiG (Monitor Sądowy i Gospodarczy - Court and Business Gazette) no. 117/2011 on 17 June 2011 and current report no. 22/2011 of 8 June 2011.
 - next steps include holding General Shareholders Meetings of both companies and **adopting a resolution on division** and submitting relevant applications for **registration of the division** to KRS (National Court Register) and KDPW (National Depository for Securities).

Expected time limit for completing the division process: Q4 2011

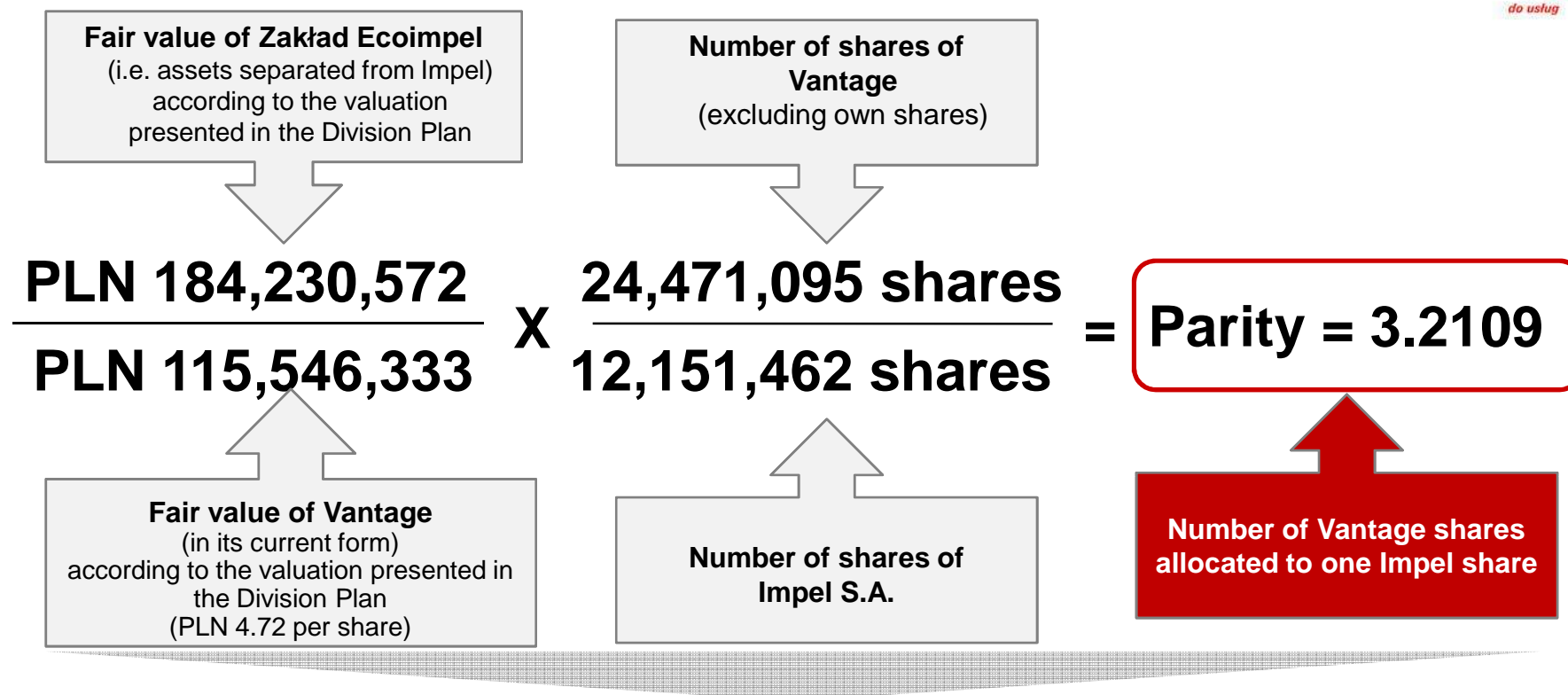
Vantage Development S.A.

- Increase in the share capital
 - **company's share capital will be increased** by the value of assets transferred from Impel S.A.;
 - existing and newly issued shares of Vantage Development S.A. will be **allocated to the present shareholders of Impel S.A.** in exchange for the transferred assets
- Preparation of the issue prospectus and its approval
- Introduction of the company's shares to WSE listing
 - submission of applications to KDPW for registration of the shares and to WSE for their admission to trading
 - resolution of **KDPW** on **registration of the shares** and the resolution of **WSE** on **admitting** the shares to trading
 - **issue and allocation** of Vantage shares to the shareholders of Impel S.A.
 - **WSE resolution** on introducing the shares to trading
 - **debut** of shares on WSE

Expected time limit for admitting the shares to trade on WSE : Q4 2011



Share parity – method of its determination



- On account of holding 1 Impel share the shareholders of Impel S.A. will receive **3.2109** shares of Vantage Development S.A., in exchange for a part of assets of Impel S.A. transferred to Vantage
- The shareholders of Impel S.A. will receive a total of 39,017,129 Vantage division shares
- The shareholders of Impel S.A. will receive additional cash payments in the case where the product of the number of shares held by them and the share exchange ratio (parity) is not an integer



Share exchange according to the parity – example



- The Management Boards of Impel and Vantage will apply to the Management Board of WSE to:
 - determine the price adjustment of Impel shares at the first listing after the division on the basis of the relation of the value of separated assets to the value of Impel according to the valuation presented in the Division Plan (i.e. to arrive at 30.12% of the market value of Impel shares)
 - The value of one Vantage share on the basis of the valuation presented in the Division Plan is PLN 4.72

Investor's portfolio structure (on the assumption WSE has consented to the above)

- Initial status (before the division):

Impel shareholder has 100 Impel shares on the reference day

- As a result of the division:

1

Shareholder has **100 Impel shares** at the adjusted price

2

Shareholder receives, after rounding, **321 Vantage shares**
(100 Impel shares x parity of 3.2109)

3

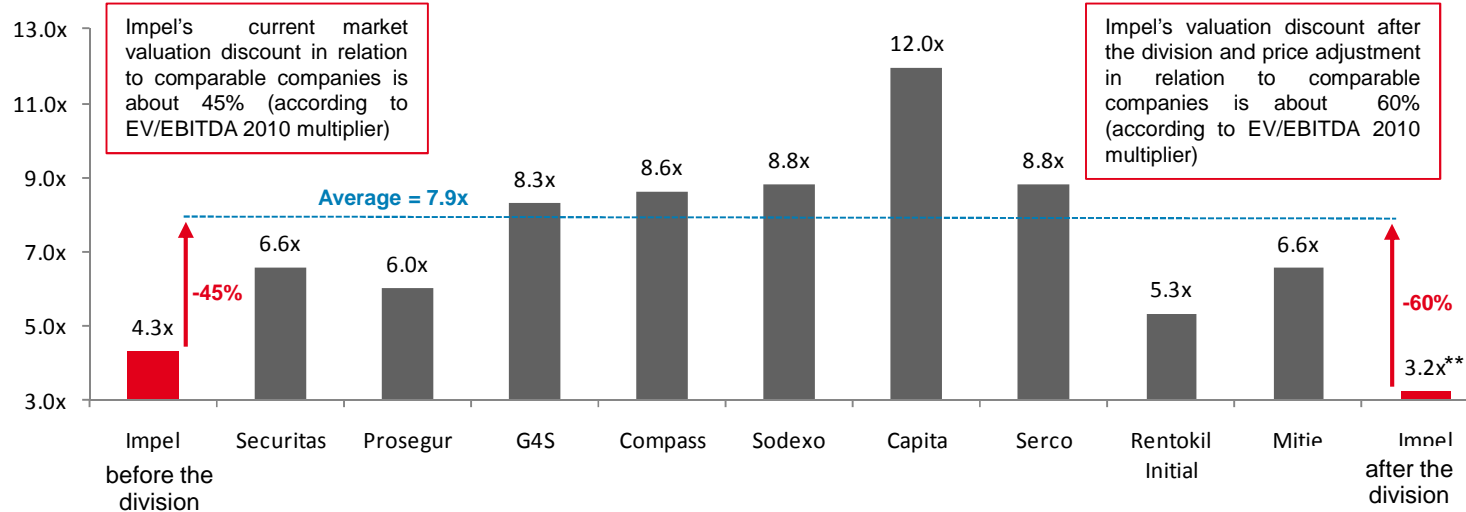
Shareholder receives an **additional cash payment** from supplementary funds of Vantage for a fractional part of a share, rounded down, i.e. **for 0.09 of a share**



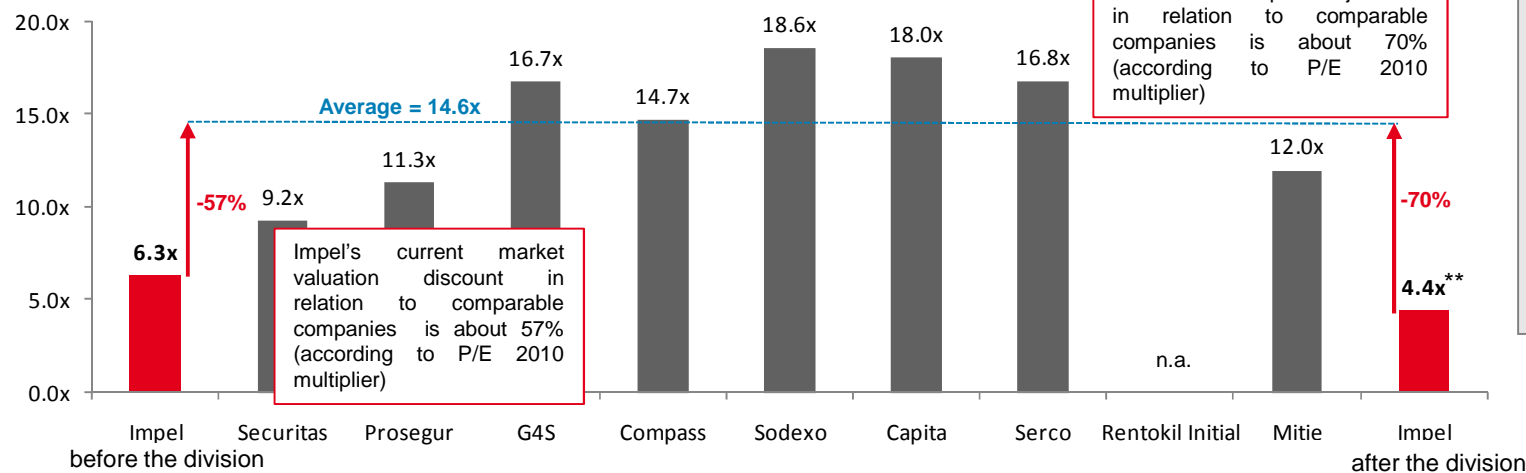
Potential valuation vs. comparable companies



EV ratio / EBITDA 2010 – Impel vs. comparable companies



P/E ratio 2010 – Impel vs. comparable companies



- At present the market valuation of Impel is made with a **discount with regard to comparable international companies**. The discount can be assessed as **about 45-57%**, depending on the analysed multiplier.
- As a result of the division the price of Impel will be adjusted by 30.12% of its current value*, causing a **further increase in Impel's valuation discount** in relation to comparable companies **(to the levels of about 60-70%)**.
- The division **will not have any significant influence** on Impel's operating and financial results
- An **additional upside** for investors will result from the streamlining of Impel's structure and concentration on its *core business*, which may initiate a reduction in the current valuation discount in relation to comparable companies

Source: Bloomberg, status as at 23 August 2011.

*provided the Management Board of WSE accepted Impel's request, vide: previous slide

** Impel's EBITDA and net profit for 2010 used for determination of multipliers "Impel (after the division)" was not adjusted for the results related to the separated assets (the impact of these results on the Group's results in 2010 was immaterial)



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Appendix: Description of the main conditions of the division

- Questions and answers





Main conditions of the division



Division method

The division will be effected pursuant to Art. 529.1.4 of the Code of Commercial Companies, by transferring a part of assets of Impel S.A., i.e. Zakład Ecoimpel, to Vantage Development S.A., in exchange for shares of Vantage Development S.A. The division of Impel S.A. will be carried out without reducing its share capital (separation will be made from the equity, other than the share capital). Concurrently, the share capital of Vantage Development S.A. will be increased from PLN 16,073,115.60 to PLN 35,193,583.28, i.e. by PLN 19,120,467.68, through issuing a new share series (without acquiring and moving any funds from investors to the Company).

Division shares

As the remuneration for the assets received from Impel S.A., in the form of Zakład Ecoimpel, Vantage Development S.A. will allot to the shareholders of Impel S.A. a total of 39,017,129 shares, namely:

- new issue shares – 30,839,464 series E ordinary bearer shares;
- shares forming a part of Zakład Ecoimpel – 6,724,380 series D ordinary bearer shares;
- own shares, held by Vantage Development S.A. – 1,453,285 series B ordinary bearer shares.

Reference day

The Division Shares will be allocated to the shareholders of Impel S.A. through KDPW, according to the status of their holding of Impel S.A. shares on the Reference Day. The persons who have the shares of Impel S.A. recorded in their securities accounts on the Reference Day will be eligible for allotment of the Division Shares. The Management Board of Vantage Development S.A. will be authorised to designate the Reference Day for KDPW.



Główne warunki planu podziału c.d.



Parity

On the Reference Day, in exchange for a part of assets of Impel S.A., in the form of Zakład Ecoimpel, transferred to Vantage Development S.A., the shareholders of Impel S.A. will take up shares according to the share exchange ratio of 1:3.2109. It means that on account of holding each one share of Impel S.A., the shareholder of Impel S.A. will receive 3.2109 Division Shares, retaining the present holding of Impel S.A. shares.

Additional cash payments

As it is impossible to grant fractional parts of shares and taking into consideration that the Parity (Share Exchange Ratio) is not expressed as an integer, the Management Boards of Impel S.A. and Vantage Development S.A. have defined the rules for additional cash payments. The number of Division Shares allotted to the shareholders of Impel S.A. will be determined by rounding it down to the nearest integer. In exchange for a fractional part of the Division Share that has not been granted, an Additional Cash Payment will be made, in the amount equivalent to the fractional part of the value of one Division Share. Additional Cash Payments will be paid to the shareholders of Impel S.A. by wire transfer, into their cash accounts held for the purpose of securities accounts, through KDPW, in the manner and at the dates compliant with the regulations of KDPW.

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