

A background image showing a group of business professionals in a meeting. A man in a light blue shirt and dark tie is leaning over a table, pointing at documents. Other people are seated around the table, looking at the documents. The scene is brightly lit with a blue tint.

IMPEL S.A.

Management's Presentation

Q2 2008 Financial Performance

August 12th 2008



Consolidated financial results

Gradual increase in profitability

PLN'000	2007	H1 2007	H1 2008
Sales revenue	890 050	428 492	489 383
Subsidies	47 833	28 350	14 187
Depreciation/Amortization	20 530	9 911	11 035
EBIT	9 597	6 181	12 034
EBIT net of subsidies	(38 236)	(22 169)	(2 153)
EBITDA	30 127	16 092	23 069
EBITDA net of subsidies	(17 706)	(12 258)	8 882
Net profit	6 284	1 740	5 936
Assets	476 131	442 175	471 466
Cash	34 950	19 934	29 302
Equity and reserves	233 006	232 007	244 175
Non-current liabilities	30 533	21 485	20 282
Current liabilities	196 258	178 187	194 506
<i>including interest bearing debt</i>	71 380	48 938	60 757

balance-sheet data as at end of periods



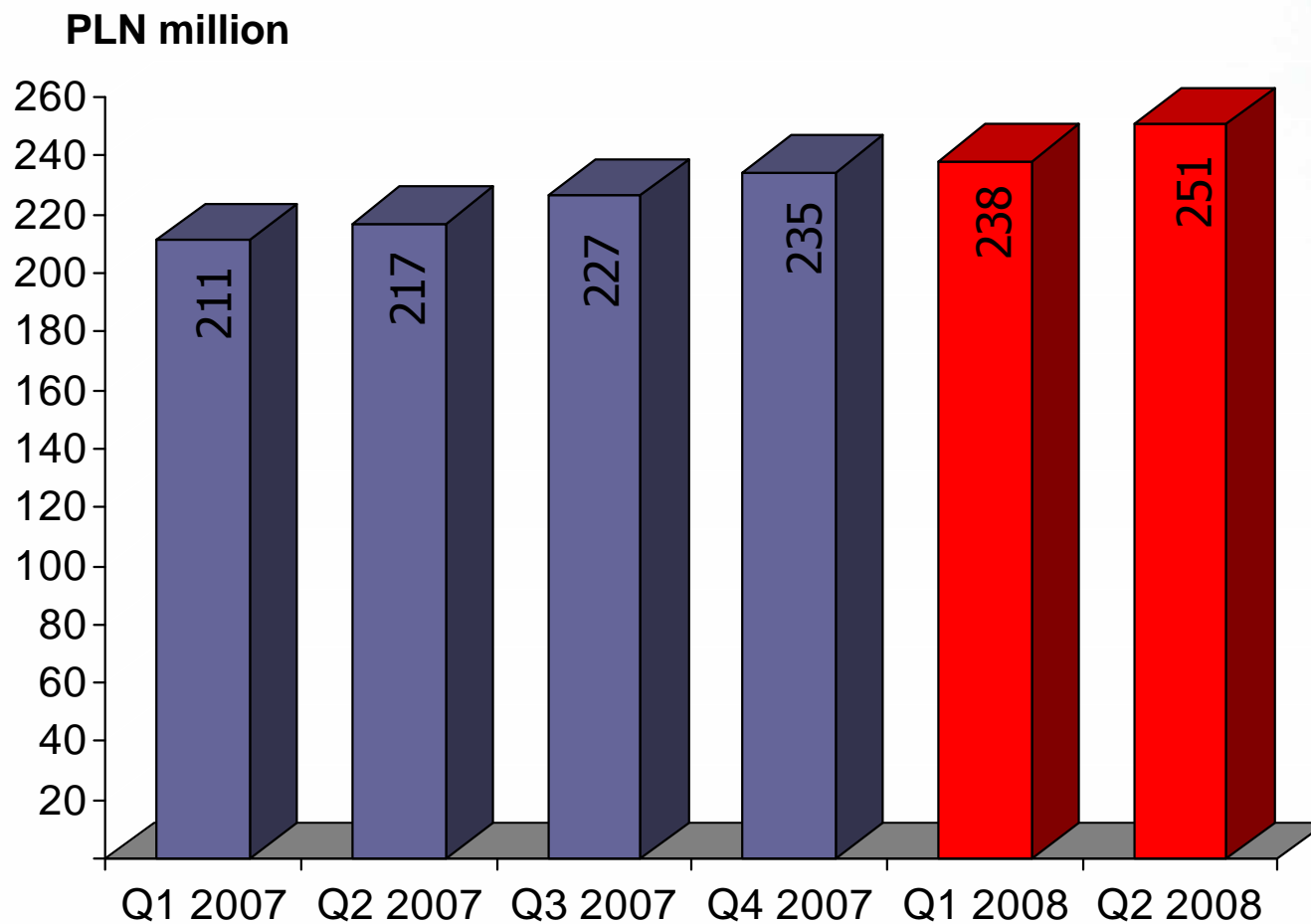
Comparison of Consolidated Quarterly Results

EBIT (net of subsidies) in the black

PLN'000	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008
Sales revenue	211 405	217 087	226 553	234 626	238 380	251 003
Subsidies	13 756	14 594	11 024	7 982	8 114	6 073
Depreciation/Amortization	6 026	5 009	5 108	5 485	5 217	5 818
EBIT	99	6 082	5 594	(2 158)	4 496	7 538
EBIT net of subsidies	(13 657)	(8 512)	(5 430)	(10 140)	(3 618)	1 465
EBITDA	6 125	11 091	10 702	3 327	9 713	13 356
EBITDA net of subsidies	(7 631)	(3 503)	(322)	(4 655)	1 599	7 283
Net profit	462	1 278	2 803	1 696	1 384	4 552

Sales Revenue of the Impel Group

Stable rate of increase in revenue

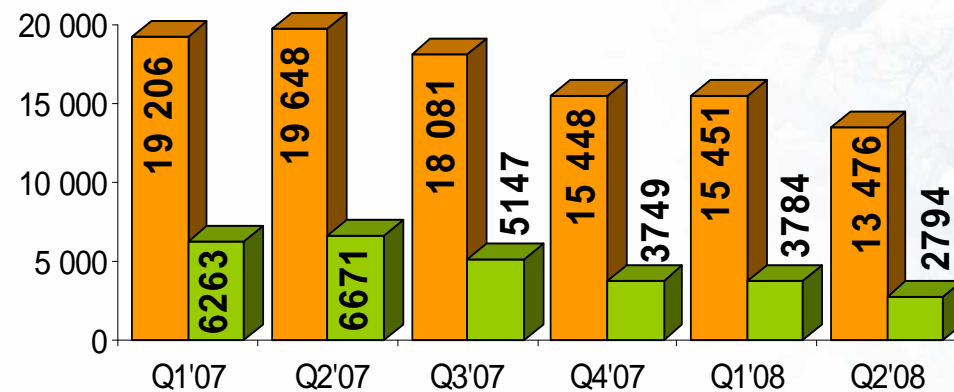




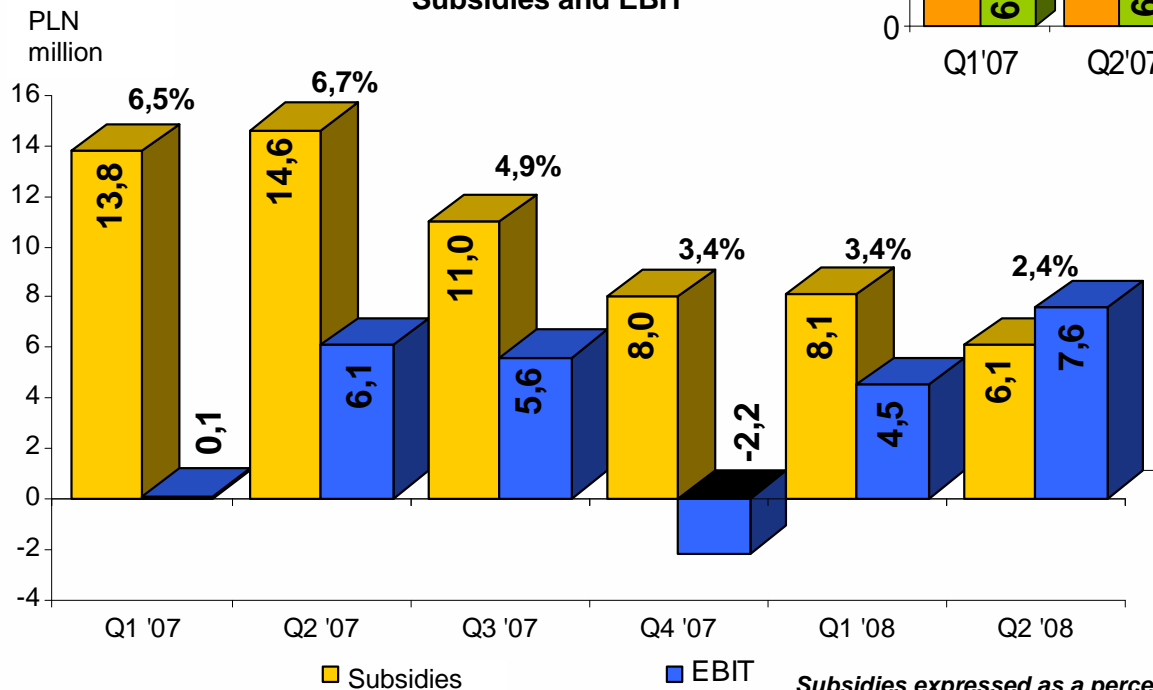
EBIT and subsidies in Q1 2008

Optimization of employment levels and subsidies

Average quarterly employment (FTE)



Subsidies and EBIT



Hiring on the basis of employment contracts

- total
- disabled



Subsidies expressed as a percentage of sales revenue



Performance by Business Segments

Improved profitability of mature services segment

PLN'000	Total			Facility Management			Security			Distribution			Other *		
	Q2'07	Q1'08	Q2'08	Q2'07	Q1'08	Q2'08	Q2'07	Q1'08	Q2'08	Q2'07	Q1'08	Q2'08	Q2'07	Q1'08	Q2'08
Sales revenue 1)	217 087	238 380	251 003	90 940	102 472	105 773	78 247	89 016	97 161	24 388	23 678	25 013	23 511	23 214	23 056
Subsidies	14 594	8 114	6 073	7 408	3 798	1 376	6 598	3 889	4 243	86	77	70	502	350	384
SEGMENT'S RESULT net of charges to Corporation	10 936	10 589	14 486	5 636	9 106	8 841	6 505	4 298	7 412	482	-1 296	-899	-1 687	-1 520	-869
SEGMENT'S RESULT net of charges to Corporation 2)	5,0%	4,4%	5,8%	6,2%	8,9%	8,4%	8,3%	4,8%	7,6%	2,0%	-5,5%	-3,6%	-7,2%	-6,5%	-3,8%
EBIT margin 3)	-4 574	-5 553	-6 219												
Unallocated Group's overhead	-280	-539	-727												
Eliminations	6 082	4 496	7 538												

1) Revenue on sales outside the Group

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

3) Relative to sales revenue



* Relative to Q1 2008 report, the amount of PLN 700,000 was moved from „SEGMENT'S RESULT net of charges to Corporation ” for **Other** segment to „Unallocated Group's overhead” resulting from modified disclosure of these items.



Comment on the Impel Group's Q2 2008 Performance

- Good results of the largest Business Units: Facility Management and Security – increase in revenue and profitability
- Positive EBIT *net of subsidies* in Q2 – resulting from optimization of operation processes and employment systems
- Consistent increase in profitability – strategy of withdrawing from low margin contracts.
- Neutralization of the impact of increase in National Minimum Wage in 2008 as a result of renegotiation of contracts
- Higher prices of new sales :
 - Increased importance of factors other than price when selecting a service provider (quality, comprehensiveness of services, experience)
 - Response of the sector to dynamic change in wages
- Continued cooperation with key account clients (e.g Kredyt Bank, City Council Housing and Letting Office in Poznań etc.)



••••• Current events in the Impel Group

Realization of the Group's Strategy

- Sale of Promedis (disinvestment of selected product lines),
 - August 7th 2008 – signing of a conditional agreement concerning the sale of 100% Promedis shares
 - Initial price of the shares established at PLN **37 million**
 - Final price, according to Impel S.A. estimation, to be not lower than PLN **34 million**
- Further consolidation of the laundry market – purchase of shares in Praxima Hotel Serwis – increased share in Małopolska laundry market; the company provides services mainly to hotels; planned synergy with Krakpol company. Aquisition financed with proceeds from public issue.
- July 1st 2008 – successful implementation of Stage 1 of Integrated IT system – SAP
- Consistent realization of the strategy of extending cooperation with subcontractors in the main product lines of the Impel Group





Increase in National Minimum Wage in 2009

13.3% - another challenge for the Impel Group business

- Directive of the Prime Minister dated July 24th 2008 on National Minimum Wage, which will amount to PLN 1,276 in 2009.
- Estimated increase in the total cost of wages within the Impel Group by approx. 4.5% (relative to the current conditions of the Group's operation).
 - Impact on the expenses within labour-intensive service segments i.e. facility management and security
- Further renegotiations of contracts with a view on minimizing the impact of the change in national minimum wage on the Group's performance
- New sales with increased profit margin

••••• Increase in Minimum Wage in 2009

Effects on the Impel Group

- Increase in minimum wage over the past months

December 2007 - PLN 936
January 2008 - PLN 1,126
January 2009 - PLN 1,276

Increase by over 35%, on accrual basis

is disproportionately high in comparison with other market indexes in those periods:

- inflation: 06'07/06'08 – **4.6%***, 12'07/06'08 – **2.6%****,
 - GDP increase 01'08-06'08 – **6.0%*** (p.a.).
- Growing wage expectations – pressure on further increase in minimum wage up to 50% of average wage (aspiration to reach the EU wage indexes).
 - Lack of possibilities for price indexation with respect to contracts won under Public Procurement Act
 - Draft Amendment - Art. 144 (removal of the possibility of changing the terms of contract due to occurrence of factors beyond parties' control).





Changes in market and legal environment

System of Aid for Employment of the Disabled

– Draft Amendment of the Act on Occupational and Social Rehabilitation and Employment of the Disabled (...)

- Level of subsidies for the disabled maintained
- The draft amendment in line with the general directive of the EU - General Block Exemption Regulation (GBER)
- 75% of the actual cost of hiring a disabled person is the maximum level of refund.
- Probable return of the subsidies for the wages of persons already eligible for retirement
- No information on the final version of the Act and final schedule of changes (the most probable date: effective date – January 1st 2009).



Property development business

Current investments of Vantage Development

- Słoneczne Sady (Sadków near Wrocław):
 - Work commenced on building infrastructure systems for the single-family houses estate.
- Centauris (Wrocław, ul. Ślężna):
 - June 17th 2008 – Building Permit obtained for Stage 1 of the housing estate project.
- Promenady Wrocławskie (Wrocław ul. Rychtalska):
 - Contract entered into with Wrocław based AP Szczepaniak Office for designing Stage 1 of the investment;
 - Stage 1 will include a residential building with usable area of approx. 15,000 sq.m. and an office building of 2,500 sq.m.



Thank you for your attention

