INTER CARS S.A. CAPITAL GROUP

ANNUAL REPORT
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2008

inter cars
części do samochodów

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OPINION OF THE INDEPENDENT CHARTERED AUDITOR

OPINION OF THE INDEPENDENT CHARTERED AUDITOR

For General Meeting of Inter Cars S.A.

We have audited the accompanying consolidated financial statement Of Inter Cars S.A. Capital Group whose parent entity is seated in Warsaw, at ul. Powsińska 64 ("the Capital Group") which consists of the consolidated statement of financial position drawn up as at 31 December 2008, which presents the amount of 1,227,722,000 Polish zlotys, the consolidated statement of profit and loss for the financial year ending on that day, which presents the amount of 25,417,000 Polish zlotys of net profit, the consolidated statement of changes in equity for the financial year ending on that day, which presents an increase of equity amounting to 250,062,000 Polish zlotys, the consolidated statement of cash flows for the financial year ending on that day, which presents an increase of cash assets amounting to 2,043,000 Polish zlotys and explanatory information on the adopted accounting principles and other additional explanatory information.

Responsibility of the Board of Directors

The Company's Board of Directors is responsible for the correctness of ledgers and the preparation and a reliable presentation of this consolidated financial statement pursuant to International Financial Reporting Standards which have been approved by the European Union and other valid regulations. This responsibility covers: designing, implementing and maintaining internal control related to preparing and a reliable presentation of financial statements free from irregularities arising in consequence of purposeful actions or errors, the selection and the application of relevant accounting principles, as well as making accounting estimates respective to arising circumstances.

Responsibility of Chartered Auditor

Our task, on the basis of the conducted audit, is to express an opinion on this consolidated financial statement. We conducted our audit according to section 7 to Accounting Act dated 29 September 1994 (Official Journal of 2002, no 76 item 694 with amendments) ("the Accounting Act"), the ethical norms and regulations of chartered auditor's work issued by the National Board of Chartered Auditors in Poland and International Standards of Auditing. Those regulations impose upon us the obligation to act pursuant to the principles of ethics and plan and perform the audit in such a manner so as to obtain a reasonable assurance that the financial statements are free from material misstatement.

Audit consists in carrying out procedures aiming at obtaining audit evidence concerning the amounts and information disclosed in the financial statement. The selection of the audit procedures depends on our judgment, including assessment of the risk of material irregularity of financial statement as a result of deliberate actions or errors. When conducting the assessment of this risk, we take into account internal control related to preparation and reliable presentation of the financial statement in order to plan audit procedures adequate to the circumstances, rather than to express opinion on the effectiveness of internal control actions in the entity. The audit also covers the assessment of the relevance of the applied accounting principles, the justified character of estimates made by the Board of Directors and the assessment of the overall presentation of the financial statement.

We believe that the audit evidence obtained by us is sufficient and appropriate basis to express our opinion on the audit.

Opinion

In our opinion, the attached consolidated financial statement of the Inter Cars S.A. Capital Group presents reliably and clearly the assets and financial position of the Capital Group as at 31 December 2008, financial result and cash flows for the financial year ending on that day, and was prepared, in all material aspects, according to International Financial Reporting Standards, which were approved by the European Union, and complies with legal regulations affecting the content of the consolidated financial statement which apply to the Capital Group.

Other issues

As required under the Accounting Act, we also report that the report on the Capital Group's activities includes, in all material respects, the information required by article 49 of the Accounting Act and the Resolution of the Ministry of Finance of 19 February 2009 on current and periodical information provided by issuers of securities and the conditions for recognition as equivalent of information required by legal regulations of a state not being a member state (Official Journal of 2009, No 33 item 259 with amendments) and the information is consistent with the consolidated financial statement.

....	....
Chartered Auditor no. 11505/8222 Jędrzej Szalacha	For KPMG Audyt Sp. z o.o. ul. Chłodna 51, 00-867 Warsaw Chartered Auditor no. 90048/7421 Mirosław Matusik, Board Member

27 April 2009
Warsaw, Poland

PART II

CONSOLIDATED ANNUAL FINANCIAL STATEMENT FOR THE PERIOD FROM 1 January to 31 December 2008

INFORMATION ON INTER CARS S.A.

1. Objects of the company's enterprise

The basic activities of Inter Cars Capital Group Spółka Akcyjna („Group", „Inter Cars Group", „Inter Cars Capital Group") include import and distribution of spare parts for passenger cars and commercial vehicles.

2. Registered office - the parent company

Inter Cars S.A.
ul Powsińska 64
02-903 Warsaw
Poland

Central Warehouse:
ul. Gdańska 15
05-152 Czosnów nearby Warsaw

3. Contact details

Phone (+48-22) 714 19 16
fax (+49-22) 714 19 18
bzarzadu@intercars.com.pl
relacje.inwestorskie@intercars.com.pl
www.intercars.com.pl

4. Supervisory Board

Andrzej Oliszewski, the Chairman
Jolanta Oleksowicz-Bugajewska
Maciej Oleksowicz
Michał Marczak
Jacek Klimczak

5. Management Board

Krzysztof Oleksowicz, the President
Robert Kierzek, Deputy President
Krzysztof Soszyński, Deputy President
Wojciech Milewski – Member of the Management Board
Piotr Kraska Member of the Management Board

6. Chartered Auditor

KPMG Audyt Sp. z o.o.
ul. Chłodna 51
00-867 Warsaw

7. Lawyers

W. Olewniczak i Doradcy Kancelaria Prawna Spółka Komandytowa
ul. Marszałkowska 115
Warsaw
Joanna Wasilewska & Partnerzy, Kancelaria Radców Prawnych,
ul. Źródlana 11 a
Poznań

8. Banks (as at the day of approving the financial statement)

BANK PEKAO S.A.
ul. Grzybowska 53/57
00-950 Warsaw

Bank Handlowy w Warszawie S.A.
ul. Senatorska 16
00-923 Warsaw

ING Bank Śląski S.A.
Pl. Trzech Krzyży 10/14
00-499 Warsaw

Kredyt Bank S.A.
ul. Kasprzaka 2/8
01-211 Warsaw

Bank Zachodni WBK S.A.
ul. Rynek 9/11
50-950 Wrocław

ABN Amro S.A.
ul. 1-go Sierpnia 8A
02-134 Warsaw

BRE Bank S.A.
ul. Senatorska 18
00-950 Warsaw

Fortis Bank S.A.
ul. Postępu 15
02-676 Warsaw

Raiffeisen Bank Polska S.A.
ul. Piękna 20
00-549 Warsaw

9. Subsidiaries of Inter Cars - entities included in consolidation as at 31 December 2008

Inter Cars Ukraine
29009 Chmielnicki, Tołstego 1/1
Ukraine

Inter Cars Ceska Republika
Nowodworska 1010/14
142 01 Prague, Czech Republic

Lauber Sp. z o.o. (poprzednio Eltek)
ul. Portowa 35A
76-200 Słupsk

Inter Cars Lietuva UAB
J. Kubiliaus g. 18
Vilnius, Lithuania

Inter Cars Romania s.r.l.
Calea Baciului 87
400230 Cluj-Napoca, Romania

Feber Sp. z o.o. (Ltd).
ul. Powsińska 64
02-903 Warsaw

Q-Service Sp. z o.o.
ul. Gdańska 15
05-152 Cząstków Mazowiecki

Inter Cars Slovenská Republika s.r.o.
Ivánska cesta 2
Bratislava, Slovakia

IC Development&Finance Sp. z o.o. (formerly R-J)
ul. Dorodna 33
03-195 Warsaw

As a result of the merger with JC Auto group, the Inter Cars group, since 29 February 2008, has also included:

ARMATUS Sp. z o.o.
ul. Powsińska 64
02-903 Warsaw

Inter Cars Hungaria kft (formerly JC Auto

JC Auto s.r.o.
Lazensky park 10, c.p. 329
735 03 Karvina - Darkom, the Czech Republic

JC Auto S.A.

Kereskedelmi Kft.)
Klapka Utca 4
H-1134 Budapest, Hungary

Rue du Parc Industriel 3D
1440 Brain-le-Chateau, Belgium

Inter Cars d.o.o. (formerly JC Auto d.o.o.)
Radnička cesta 27
1000 Zagreb, Croatia

JC Auto s.r.l.
Viale A.Doria 48/A
20124 Milan, Italy

5 STERNE FAHWERKSTECHNIK GMBH
Storkower Str 175
10369 Berlin, Germany

Since 30 October 2008 Inter Cars has had shares in SMiOC FRENOPLAST Bułhak i Cieślawski S.A. Korpele 75 12-100 Szczytno.

10. Quotations on stock exchanges

The shares of Inter Cars, i.e. the parent company, are quoted on the Warsaw Stock Exchange in the system of continuous quotations.

11. Declaration of members of the Board of Directors

(1) To our best knowledge, the annual consolidated financial statement and comparable data have been drawn up according to International Financial Reporting Standards, which have been approved by the European Union. The statements reflect in a true, reliable and clear way the assets and financial position of the Group and its financial result and consolidated annual statement of the Board of Directors contains a true reflection of development and accomplishments and the Group's situation, including the description of basic risks and hazards.

2) The entity authorized to audit consolidated financial statements, auditing the annual financial statement, has been selected as specified by law. This entity and chartered auditors conducting this audit met conditions for issuing an impartial and independent audit report, in accordance with relevant regulations of the national law.

Krzysztof Oleksowicz
President of the
Management Board

Robert Kierzek
Vice President of the
Management Board

Krzysztof Soszyński:
Vice President of the
Management Board

Piotr Kraska
Member of the
Management Board

Wojciech Milewski
Member of the
Management Board

Warsaw, 27 April 2009

BALANCE SHEET

(in thousands of PLN)	**note**	**31.12.2008**	**31.12.2007**
ASSETS			
Fixed assets			
Tangible fixed assets	3	181 295	90 596
Investment properties	4	57 328	43 319
Intangible assets	5	152 321	7 789
Investments in related entities	6	3 770	-
Investments available for sale	7	43	43
Receivables	10	4 547	2 367
Prepayments	12	1 480	1 473
Deferred corporate income tax assets	**8**	282	7 591
		401 066	**153 178**
Current assets			
Inventories	9	587 900	482 693
Trade and other receivables	10 11	210 405	154 503
Income tax receivables	10	357	-
Prepayments	12	3 072	2 457
Cash and cash equivalents	13	24 922	22 879
		826 656	**662 532**
TOTAL ASSETS		**1 227 722**	**815 710**

Additional information is an integral part of the aforementioned financial statements.

(in thousands of PLN)

LIABILITIES	note	31.12.2008	31.12.2007
Equity capital			
Share capital	14	27 472	23 642
Supplementary capital from the issue of shares above the face value		247 785	21 415
Supplementary capital		104 595	65 975
Other supplementary capital		5 935	5 192
Foreign exchange rate differences from consolidation		1 226	(1 920)
Retained result from previous years and the current year		31 112	52 608
Equity attributable to the shareholders of the parent entity		**418 125**	**166 912**
Minority capital	**15**	**-**	**1 151**
TOTAL Equity		**418 125**	**168 063**
Long-term liabilities			
Borrowings and finance lease liabilities	16	113 462	38 794
Provisions	17	148	-
Provision for deferred income tax	8	5 182	8 568
Long-term prepaid expenses	12	7	-
		118 799	**47 362**
Short-term liabilities			
Trade and other liabilities	18	247 684	261 412
Borrowings and finance lease liabilities	16	425 124	318 574
Liabilities due to employee benefits	19	2 573	818
Liabilities due to income tax	28	979	10 063
Provisions	17	1 621	851
Short-term prepaid expenses	12	12 817	8 567
		690 798	**600 285**
TOTAL LIABILITIES		**1 227 722**	**815 710**

Additional information is an integral part of the aforementioned financial statements.

PROFIT AND LOSS STATEMENT

(in thousands of PLN)	note	1.01.2008-31.12.2008	1.01.2007-31.12.2007 *Transformed*
Sales revenue on sales of products, goods and materials	21	1 737 956	1 326 894
Cost of sold products, commodities, and materials	22	(1 202 945)	(961 638)
Gross profit on sales		**535 011**	**365 256**
Other operating revenue	24	25 183	19 651
General administrative and sales cost	23	(273 582)	(154 609)
Distribution service costs	23	(195 566)	(127 292)
Costs of management option program	23	(743)	(3 330)
Other operating costs	25	(14 934)	(15 348)
Operating profit		**75 369**	**84 328**
Financial revenue	26	1 658	939
Foreign exchange differences	26	(9 043)	3 389
Financial costs	26	(33 477)	(14 996)
Profit under share in affiliates	6	(106)	-
Pre-tax profit		**34 401**	**73 660**
Income tax	27	(8 984)	(15 696)
Net profit		**25 417**	**57 964**
Attributable to:			
the parent company's shareholders		26 568	58 608
minority shareholders		(1 151)	(644)
		25 417	**57 964**
Profit per one share (PLN)	29		
- basic		1,90	4,90
- diluted		1,86	4,81

Additional information is an integral part of the aforementioned financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

The statement of changes in equity for the period from 1 January 2007 to 30 December 2008

(in thousands of PLN)	Share capital	Supplementary capital on the sale of shares above the face value	Supplementary capital	Currency Exchange differences	Other supplementary capitals	Retained result	**Equity attributable to the shareholders of the parent entity**	Minority share	**TOTAL Equity Capital**
Owner's equity as at 1 January 2007	**23 642**	**21 415**	**49 303**	**(554)**	**1 862**	**14 691**	**110 359**	**1 795**	**112 154**
Profit for the period	-	-	-	-	-	58 608	**58 608**	(644)	**57 964**
Currency Exchange differences	-	-	-	(1 366)	-	-	**(1 366)**	-	**(1 366)**
Establishment of supplementary capital in connection with realization of the management option program	-	-	-	-	3 330	-	**3 330**	-	**3 330**
Distribution of profit from previous period - dividend	-	-	-	-	-	(4 019)	**(4 019)**	-	**(4 019)**
Distribution of profit from the previous period - transfer to supplementary capital	-	-	16 672	-	-	(16 672)	**-**	-	**-**
Owner's equity as at 31 December 2007	**23 642**	**21 415**	**65 975**	**(1 920)**	**5 192**	**52 608**	**166 912**	**1 151**	**168 063**
Profit for the period	-	-	-	-	-	26 568	**26 568**	(1 151)	**25 417**
Issue of shares for shareholders JC Auto S.A.	3 750	225 000	-	-	-	-	**228 750**	-	**228 750**
Correction of 2007.	-	-	-	-	-	6	**6**	-	**6**
Establishment of supplementary capital in connection with realization of the management option program	-	-	-	-	743	-	**743**	-	**743**
Issue of shares under exercising management options	80	1 370	-	-	-	-	**1 450**	-	**1 450**
Distribution of profit from previous period - dividend	-	-	-	-	-	(9 450)	**(9 450)**	-	**(9 450)**
Distribution of profit from the previous period - transfer to supplementary capital	-	-	38 620	-	-	(38 620)	**-**	-	**-**
Currency Exchange differences	-	-	-	3 146	-	-	**3 146**	-	**3 146**
Owner's equity as at 31 December 2008	**27 472**	**247 785**	**104 595**	**1 226**	**5 935**	**31 112**	**418 125**	**-**	**418 125**

(in thousands of PLN)

CASH FLOW STATEMENT

(in thousands of PLN)	**1.01.2008 - 31.12.2008**	**1.01.2007 - 31.12.2007**
Cash Flow on operating activities		
Pre-tax profit	34 401	73 661
Adjustment by items:		
Depreciation	27 709	14 786
Foreign Exchange Differences Loss	11 672	150
(Profit) on sales of tangible fixed assets	(4 464)	(2 249)
Interest, net	28 164	10 280
(Profit) on revaluation of investment real estate	(7 078)	(4 650)
Other net items	3 905	(6 602)
Operating profit before changes in working capital	**94 309**	**85 376**
Change in inventories	(91 448)	(226 725)
Changes in receivables	(39 721)	(62 242)
Change in short-term liabilities	120 865	160 886
Changes in accruals and prepayments	3 786	(3 717)
Cash generated on operation activities	**87 791**	**(46 422)**
Paid income tax	(17 920)	(5 926)
Net cash flow on operating activities	**69 871**	**(52 348)**
Cash Flow on investment activities		
Cash revenues on sales of tangible assets and intangibles	17 628	-
Value of intangible and fixed assets purchased	(70 889)	(65 439)
Purchase of interest in associated companies	(3 676)	-
Cash acquired from JC Auto S.A. decreased by costs of share purchase	2 800	-
Repayment of granted loans	3 676	1 304
Loans granted	(5 893)	(5 869)
Interest received	727	25
Net cash on investment activities	**(55 627)**	**(69 979)**

(in thousands of PLN)

(in thousands of PLN)	**1.01.2008 – 31.12.2008**	**1.01.2007 – 31.12.2007**
Cash Flow on financial activities		
Revenues on issuance of shares	1 450	-
Received/repaid current credits and credits in the current account	89 261	148 884
Interest paid	(29 022)	(10 525)
Payments of liabilities on financial lease contracts	(9 608)	(3 511)
Redemption of debt securities	(54 832)	-
Dividend paid	(9 450)	(4 019)
Net cash on financial activities	**(12 201)**	**130 829**
Net cash flow		
Balance sheet cash change related to foreign exchange differences	-	(150)
Change in cash and net cash equivalents	**2 043**	**8 502**
Cash and cash equivalents at the beginning of the period	**22 879**	**14 527**
Cash and cash equivalents at the end of the period	**24 922**	**22 879**

Additional information is an integral part of the aforementioned financial statements.

(in thousands of PLN)

ADDITIONAL INFORMATION

1. Significant accounting policies

Basis of preparation of the consolidated financial statements

Consolidated annual financial statement of Inter Cars Capital Group ("Financial statement") has been prepared pursuant to International Financial Reporting Standards which have been approved by the European Union (IFRS EU).

IFRS UE contain all International Accounting Standards, International Financial Reporting Standards and related Interpretations beyond the Standards listed below and Interpretations awaiting acceptance by the European Union and Standards and Interpretations which have been approved by the European Union but have not become effective yet.

The Group took advantage of the possibility of prior application of amendments IAS 40 pursuant to the Commission Regulation (EC) NO.70/2009 of 23 January 2009, presenting the real estate under construction as a part of investment real estate rather than fixed assets under construction. Investment real estate under construction was valued according to the fair value model.

Apart from the case described above, the Group did not benefit from the possibility of prior application of new Standards and Interpretations which had already been published and approved by the European Union, and which will become effective after the balance sheet date. In addition, as at the balance sheet date, the Group had not completed the process of estimating the impact of other new Standards and Interpretations that will become effective after the balance sheet date, on the separate financial statement of the Company for the period in which these will be applied for the first time.

Standards and Interpretations approved by the European Union which will become effective after 31 December 2008

Standards and Interpretations approved by the EU	**Type of expected change in accounting principles**	**Possible impact on the financial statement**	**Effective date for periods beginning on the day and later**
Improvements to International Financial Reporting Standards 2008	Improvements to IFRS 2008 contain 35 amendments and have been divided into two parts: - Part I contains 24 amendments to 15 standards which result in changes in principles of presentation and valuation - Part II contains 11 amendments in naming and editorial works. *(Describe the amendments which can have a significant impact on the financial statement)*	Regarding IAS 40 The Group took advantage of the possibility of prior application of amendments to IAS 40 presenting real estate under construction as a part of investment real estate rather than fixed assets under construction. Concerning: other amendments to the standards: The Group has not already completed an analysis concerning impact of the updated standard.	1 January 2009 or - in the case of amendments to IFRS 5 Fixed assets intended for sale - 1 July 2009.
Amendments to IFRS 2 Share-based Payment	The amendments to the standard specify more accurately the definition of vesting conditions and introduce a definition of non-vesting conditions. Non-vesting conditions should be recognized at fair value as at the date of vesting, on the other hand, default on vesting conditions will result in presentation as cancelling of vesting.	The Group has not already completed an analysis concerning impact of the updated standard.	1 January 2009
IFRS 8 Operating	The standard introduces the so-called "management approach" to disclosing	Now the Group presents	1 January 2009

(in thousands of PLN)

segments	information on segments and requires disclosing information about segments based on components of the entity, monitored by executives with regard to operating decision-making. The operating segments are component elements of the entities for which separate financial information, regularly evaluated by key decision makers with regard to resources and evaluation of current results, are available.	information on the segments with division into trade and geographic segments. Zgodnie z podejściem zarządczym, Grupa będzie prezentowała informację na temat segmentów: rynki zbytu i geograficzne. The standard will not have impact on the income statement and equity.	
Updated IAS 1 Presentation of Financial Statements	The updated standard requires accumulation of information in financial statements based on the criterion of common features and introduces a statement of comprehensive income. Income and items comprising comprehensive income may be presented either in a single statement of comprehensive income or in two separate statements (separate income statement and statement of comprehensive income).	At present, the Group analyzes, whether to present s single statement of comprehensive income or 2 separate statements.	1 January 2009
Updated IAS 23 External financing costs	The updated standard will require activation of borrowing costs relating to the components of assets which require significant period of time necessary for their preparation for use or sale.	The Group has not already completed an analysis concerning impact of the updated standard.	1 January 2009
Amendments to IAS 27 Consolidated and separate financial statements	Amendments to IAS 27 eliminate the definition of "purchase price method" present in IAS 27, introducing the requirement that all dividends from subsidiaries, affiliates and entities under common control were shown as revenues in separate financial statements of the investor when the right to dividend is agreed. Additionally, changes give instructions when receiving a dividend may be recognized as a premise for impairment.	It is not expected that the amendments to IAS 27 will influence the financial statement, because these will be applied prospectively.	1 January 2009
Amendments to IAS 32: Financial Instruments – Presentation and IAS 1: *Presentation of financial statement*	The amendments provide exemption from the requirements of IAS 32 for the classification of financial instruments with sale option, possible classification of some of them as equity. According to the requirements resulting from the amendments, the defined financial instruments with put option, issued by the entities, which would be classified as liability, will be classified as capital	The amendments will not apply to the financial statement of the Group because none company of the Group issued in the past instruments with put option to which amendments of the standard	1 January 2009

(in thousands of PLN)

	components, if they meet the specified conditions.	would apply.	
IFRIC 12 Service Concession Arrangements	**The interpretation determines directions for private sector entities with regard to the issues of recognition and valuation, which arise when settling transactions related to licenses given to private entities by public sector entities.**	The Group has not still completed an analysis concerning impact of the new interpretation.	1 January 2008 Pursuant to Commission Regulation No. 254/2009, all entities apply IFRIC 12 no later than when their first financial year starting on the effective date of the Regulation, i.e. on 28 March 2009, commences.
IFRIC 13 Loyalty Programs	**The interpretation explains how the entities offering loyalty programs to customers, who purchase their products, should include in the books the obligation to issue free of charge products, products at reduced prices or to provide services. Entities of this type are obliged to recognize part of revenues from primary sales only after fulfilling the obligations referred to above.**	The Group does not expect that the interpretation will have impact on the consolidated financial statement.	1 July 2008
IFRIC 14 IAS 19 - Limit on valuation of a defined benefit asset, minimum funding requirements and their interactions	This interpretation applies to the following issues: • when the refund or reduction of future premiums may be considered available according to section 58 of IAS 19; • how minimum financing requirements can affect availability of reduction in future premiums; and when minimum financing requirements may lead to creation of a liability.	The Group has not still completed an analysis concerning impact of the new interpretation.	1 January 2008 Pursuant to Commission Regulation No. 1263/2008, all entities apply IFRIC 14 no later than when their first financial year starting after 31 December 2008 commences.

(in thousands of PLN)

Standards and Interpretations which came into force, but have been awaiting approval by EU

Standards and Interpretations awaiting approval by the EU	**Type of expected change in accounting principles**	**Possible impact on the financial statement**	**Effective date for periods beginning on the day and later**
Amendments to IAS 39 Reclassification of Financial Instruments: *Effective date and transformation regulations*	The amendments particularize the date when it is possible to execute requalification of the financial instruments from categories valued at fair value through financial result and from categories available for sale under exceptional circumstances as provided for by the Amendments to IAS 39 published on 27 November 2008. The amendments referred to above apply starting from 1 July 2008 and no amendments may be introduced retrospectively. The change in classification made on 1 November 2008 and later should apply from the date of requalification and cannot be made retrospectively.	The above amendment has no effect on the Group's financial statement.	1 July 2008

Standards and Interpretations awaiting approval by the European Union, which will become effective after 31 December 2008

Standards and Interpretations awaiting approval by the EU	**Type of expected change in accounting principles**	**Possible impact on the financial statement**	**Effective date for periods beginning on the day and later**
Updated IFRS 1 First-time adoption of International Financial Reporting Standards	Updating the standard consists in changing its structure (without changing its technical content) in this manner that all exceptions, which were previously contained in the standard, are transferred to relevant appendixes.	The Group has not already completed an analysis concerning impact of the updated standard.	1 January 2009
Updated IFRS 3 Business Combinations	The scope of the updated standard was amended and the definition of business was broadened. The updated standard contains also other potentially significant changes, including: • All benefits, subject to contingent benefits, provided by the purchaser are recognized and evaluated according to fair value as at the acquisition date. • Any later change to the value of contingent benefits should be presented in profit and loss statement. • Transactions costs, other than the costs of issuing shares or debt, should be recognized in	Because of the fact that the updated standard should not be applied to business combinations taking place prior to the date of the first application of this standard, it is not expected that the updated standard will affect the financial statement with regard to merges of business entities which took place before the effective date of the updated standard.	1 July 2009

	profit and loss statement. • The acquiring company may value minority shares at the fair value as at the acquisition date (goodwill), or as its proportional share in the fair value of assets and liabilities that can be determined for each transaction.		
Updated IAS 27 Consolidated and separate financial statements	In the amended standard, the term "minority interests" was replaced with the term "non-controlling interests" which was defined as "the capital of a subsidiary which cannot be, directly or indirectly, assigned to the parent company". The amended standard also changes the manner of presenting non-controlling interests, losing control in a subsidiary and assigning profit and loss and other comprehensive income to controlling or non-controlling interests.	The Group has not already completed an analysis concerning impact of the updated standard.	1 July 2009
Amendments to IAS 39 Financial Instruments: *Presentation and valuation*	The amendments specify the application of the existing principles for determining whether a specified risk or parts of cash flows may be designated as protected. When determining hedging relation, it should be possible to separate and reliably assess risks or a part of cash flows; inflation may be determined as an item subject to protection only under exceptional conditions.	The Group still has not completed the analysis concerning the impact of the amended standard.	1 July 2009
Amendments to IFRIC 9 and IAS 39 Embedded derivatives	The amendments require the entity to evaluate whether an embedded financial instrument should be separated from the basic agreement at a time when the entity conducts hybrid (total) requalification of a financial asset from the category of assets valued at fair value through financial result. This assessment should be made based on terms binding in the future from two dates: - when the entity becomes a party to the agreement for the first time; i - when, to the terms of agreement, the following changes have been introduced, which significantly modify cash flows which would be required in accordance with the agreement. If the entity is unable to determine separately fair value of the embedded derivative that would be separated at the time of the requalification from the category valued at fair value through financial result, then requalification is not possible and the whole hybrid (total) financial instrument should still be valued at fair value through	The above amendment has no effect on the Group's financial statement.	30 June 2009.

(in thousands of PLN)

	financial result.		
IFRIC 15 Agreements for the Construction of Real Estate	IFRIC 15 specifies that revenues which arise in connection with the performance of construction agreements regarding real estate are presented in connection with the degree of progress in a service in the following cases: • The agreement fulfils definition of a construction contract, in accordance with IAS 11.3; • The agreement applies only to provision of services in accordance with IAS 18 (i.e. the entity is not obliged to deliver construction materials); and • The agreement applies to the sales of goods while the revenues recognition criteria, in accordance with IAS 18.14 are met continuously with the progress of the works. In any other cases, the revenue is recognized when all criteria of recognition of revenues, in accordance with IAS 18.14, are met (i.e. after the end of construction or delivery).	IFRIC 15 will not apply to the Group's activities, as the Group is not a party to real estate construction contracts.	1 January 2009
IFRIC 16 Hedging of shares in net assets in a foreign entity	The interpretation explains the following issues: type of exposition, which can be hedged, in which entities of the Group hedged instrument may be maintained, whether the applied method of consolidation affects effectiveness of hedge, possible form of hedged instrument, as well as values which may be re-qualified from equity to the income statement upon sale of shares in a foreign entity.	The above amendments has no effect on the Group's financial statement	1 October 2008.
IFRIC 17 Distributions of Non-Cash Assets to Owners	The interpretation applies to distribution to owners of a dividend in the form of non-cash assets. According to the interpretation, the obligation to pay dividend should be recognized when dividend has been passed on in the appropriate manner and is not already the company's responsibility. The liabilities referred to above are valued at the fair value of the assets which are to be distributed. The balance sheet value of the liability under dividend should be valued as at each balance sheet date. Changes in the balance sheet value should be presented in equity as adjustment of the dividend's value. Upon dividend payment, the possible	Since the interpretation will be applied prospectively, it will not have any impact on the financial statements for periods from before its first application. In addition, because of the fact that the interpretation applies to future dividends, which will be determined by the board/general meeting, it is not	1 July 2009

(in thousands of PLN)

	difference between the balance sheet value of distributed assets and the balance sheet value of liabilities should be presented in the profit and loss statement.	possible to determine its impact on the financial statement in advance.	
IFRIC 18 Transfers of assets from customers	The interpretation applies to agreements on the basis of which the entity receives tangible assets from its customer which are then used or in order to connect the customer to the network or grant him continuous access to goods or services or for both of these purposes. The interpretation also applies to agreements on the basis of which the entity receives cash from a customer and this cash will be intended for manufacturing or purchasing a component of tangible assets. The entity receiving assets recognizes fixed asset component, if it fulfils the definition of asset. Revenues are recognized on the other side. The moment of recognizing revenues depends on detailed facts and circumstances of the concluded agreement.	The Group has not still completed an analysis concerning impact of the new interpretation.	1 July 2009

The presented consolidated financial statement presents reliably the financial position of the Group as at 31 December 2008, the results on its operations and cash flows for the period of 12 months ending on 31 December 2008.

Consolidated financial statement has been prepared according to the principle of historical cost, except for:

- financial instruments valued at the fair value through financial result - according to the fair value
- financial instruments available for sale - at fair value
- investment properties -according to the fair value

The consolidated financial statement of the Inter Cars SA (Capital Group) includes the statements of: Inter Cars S.A., Inter Cars Ukraina, Inter Cars Ceska Republika, Lauber Sp. z o.o., Feber Sp. z o.o., Inter Cars Slovenska Republika, Q-Service Sp. z o.o., Inter Cars Lietuva, IC Development & Finance Sp. z .o.o., Inter Cars d o.o., Inter Cars Hungaria kft., JC Auto s.r.o., Inter Cars Romania s.r.l., JC Auto S.A., JC Auto s.r.l., Armatus Sp. z o.o., 5 STERNE FAHWERKSTECHNIK GMBH i SMiOC FRENOPLAST Bułhak i Cieślawski S.A. The parent company is Inter Cars S.A. ("the Company").

All values in the financial statement have been presented in PLN '000, unless it has been indicated otherwise.

The presented accounting principles have been adapted by all entities belonging to the Capital Group and, beyond the change described in note 37, have not been changed as compared to the principles used in the statement for 2007.

The consolidated financial statement was approved by the Board for publication on 27 April 2009.

Conversion of items expressed in a foreign currency

(a) Presentation currency and functional currency

The consolidated financial statement is presented in thousand PLN ("PLN"). PLN is the functional currency in Inter Cars, Feber, Lauber, Q-Service, IC Development & Finance, Fenoplast and Armatus Sp. z o.o.. A functional currency for Inter Cars Ukraina, is UAH, for Inter Cars Ceska Republika and JC Auto s.r.o. - CZK, for Inter Cars Slovenska Republika - SKK, for JC Auto s.r.l. and JC Auto S.A. - EUR, for Inter Cars Hungaria Kft - HUF, for Inter Cars d.o.o. - HRK, for Inter Cars Romania s.r.l. – RON, whereas for Inter Cars Lietuva – LTL.

The financial result as well as assets and liabilities of the entities, whose functional currencies are other currencies than PLN, are translated to PLN using the following procedures:

- assets and liabilities of each of the presented balance sheet are recalculated at closing exchange rate for a given day of the balance sheet,
- the revenues and costs in each income statement are recalculated at average exchange rates in the period,
- the generated exchange rate differences are included in a separate equity item

(b) Exchange differences

Transactions expressed in foreign currencies have been presented according to the exchange rate valid as at the day of concluding the transaction. The exchange rate differences are formed as a result of settlement of these transactions as well as valuation as at the balance sheet day of cash assets and liabilities at the average exchange rate from quotations of central banks in particular countries for this day. Exchange rate differences resulting from the settlement adjust the costs of sold products, goods, and materials and the remaining currency differences have been presented in a separate item.

Principles of consolidation

(a) Subsidiary Companies

The subsidiaries are entities controlled by the Parent Company. Control is performed when the Parent Company has capacity to manage directly or indirectly the financial and operational policy of a given entity, in order to obtain the benefits arising from its activities. When evaluating the degree of control, the impact of the existing and of potential voting rights are taken into consideration, which, as the balance sheet date, may be fulfilled or may be subject to conversion.

The financial statements of subsidiaries are considered in the consolidated financial statement starting from the date of obtaining control over them up to the moment of their expiry.

(b) Consolidation correction

The balances of internal settlements between entities of the Group, the transactions concluded within the Group as well as any unexecuted profits or losses resulting from there as well as the revenues and costs of the Group are eliminated during drawing up a consolidated financial statement. The unexecuted profits resulting from transactions with affiliates as well as jointly controlled entities are excluded from the consolidated statement in proportion to the amount of the Group's share in these entities. The unexecuted losses are excluded from the consolidated financial statement on the same principle as the unexecuted profits, until the moment of occurrence of the premises indicating value loss.

Tangible fixed assets

Tangible assets are valued at the purchase price or cost of manufacturing, less cumulated depreciation deductions and impairment losses. Land is not subject to depreciation.

Tangible assets include own fixed assets, investments in external fixed assets, fixed assets under construction and external fixed assets adopted for use by the entity (when the terms of the agreement essentially transfer all potential benefits and risk resulting from their possession to the entity) and constitute means used when delivering goods or providing services as well as for administration purposes or for lease for the benefit of third parties, and the expected time of their use exceeds one period.

The purchase price or the cost of manufacturing include the cost incurred for the purchase or manufacturing of tangible assets, including capitalized interest charged until the receipt of a fixed asset. Expenses incurred at a later period are presented in the balance sheet value if it is probable that the Group will receive economic benefits. The costs of current maintenance of tangible assets are presented in income statement as incurred.

The purchase price or the cost of manufacturing of an item of tangible assets consists of the purchase price, along with customs duties and non-refundable taxes on purchase reduced by commercial discounts and rebates, all other directly attributable costs incurred in order to adjust an asset component to the place and status necessary to start using it according to the intentions of the management and estimated costs of dismantling and removing an asset component and the costs of conducting a renovation of the place in which it was located, to which the entity is obliged.

Tangible assets, except for fixed assets under construction as well assets land are subject to depreciation. The basis for calculating the depreciation is the purchase price or the costs of production decreased by the final value, on the basis of the period of use of an asset component adopted by the entity and periodically verified. Depreciation takes place from the moment when the asset component is available for use and is performed until the previous of the following dates: when the fixed asset is classified as held for sale, is removed from the balance sheet, the final value of asset components exceeds its balance sheet value or has already been completely depreciated. The determined deductions are made using the straight line method according to the following periods:

Buildings and investment in not own buildings	10-40 Years
Machinery and equipment	3-16 Years
Means of transport	5-7 Years
Other fixed assets	Year – 5 years

Profits and losses resulting from derecognition a component of tangible assets from the balance sheet are determined as a difference between net revenue from sale and the balance sheet value and are presented in income statement.

Goodwill

The goodwill on account of an acquisition of a business entity is initially presented according to the purchase price constituting the surplus of costs of merging business entities over the share of the acquiring entity in net fair value of identifiable assets, liabilities and contingent liabilities.

After the initial presentation, the goodwill is presented according to the purchase price reduced by any cumulated impairment losses.

Intangible assets

Identifiable non-cash asset components without a tangible form with a reliably determined purchase price or the cost of manufacturing from which the entity will probably obtain future economic benefits assigned to a given component are presented as intangible assets. Intangible assets components with a specific period of use are subject to depreciation throughout the period of their useful economic life, from the moment when the asset component is available for use. Depreciation stops on the previous of the following dates: when the intangible assets component is classified as held for sale (or included in the group for sale, which is classified as held for sale) according to IFRS 5 "Non-current assets held for sale and discontinued operations" or is removed from the balance sheet records or is completely depreciated. The value of the intangible assets component subject to depreciation is determined after deducting its final value.

Relations with suppliers

Relations with suppliers acquired as a result of acquiring or merging entities are initially presented at the purchase price. The purchase price of relations with suppliers of business entities acquired in the transaction of merger is equal to their fair value as of the merger.

After the initial presentation, relations with suppliers are presented at the purchase price reduced by depreciation deductions and impairment losses. Relations with suppliers acquired in a merging transaction with JC Auto S.A. are depreciated throughout the period of 12 years, consistent with their useful economic life.

Computer software

Licenses for computer software are valued at the amount of costs incurred for their purchase and bringing them to a condition enabling their use.

Costs associated with the development and maintenance of computer software are presented in the costs of the period in which they are incurred. Costs directly associated with the creation of unique computer software for the entity's needs, which will very likely bring economic benefits exceeding the costs over a period longer than one year, are presented as intangible assets components and are depreciated in the period of their use, but no longer than throughout the period of the lease contract.

Investment properties

Investment real estate which is real estate treated as a source of revenue from rents or is held due to the growth in value, or due to both of these benefits and are not used in operating activities nor are intended for sale as part of regular activities. Investment real estate is initially presented at the purchase price increased by the costs of transactions. After initial presentation, it is presented at the fair value and profits or losses resulting from changes to fair value of investment real estate are presented in income statement in this period in which they were created.

The investment real estate is derecognized from the balance sheet in the event of sales or in the case of permanent withdrawal from use, when no future benefits from sales are expected. Any profits or losses, which will be created in this way, are presented in the income statement in the period, in which the liquidation or sales took place.

The transfer of assets to investment real estate is made only in the case of changing their method of use and meeting the conditions for presenting real estate as investment real estate. With regard to this real estate, principles described in the part "Tangible assets" apply until the day when the method of using this real estate changes. Any differences between the fair value of real estate determined as at this day and its previous balance sheet value are presented in reserve capital.

The transfer of assets from investment real estate is made only when their method of use changed as confirmed by the beginning of real estate occupancy for the purpose of operational activities or the beginning of real estate adjustment with the intention of sale.

In the case of investment real estate transfer to real estate used in operating activities or to inventory, the cost of this real estate which is adopted for the purposes of presenting it in a different category of assets is equal to the fair value of this real estate determined as at the day when the method of its use changes.

Financial Instruments

Financial instruments are classified in the following categories: (a) held-to-maturity financial instruments , (b) loans and receivables, (c) financial assets held for sale, or (d) financial instruments valued at the fair value through financial result.

The classification of asset components to the abovementioned categories depends on the purpose for which the financial instruments were purchased. As at balance sheet date re-assessment is made and, possibly, reclassification.

At the moment of initial presentation, the financial instruments are valued at the fair value or, in the case of investments not classified as valued at the fair value through profit and loss statement, increased by transaction costs which may be directly attributed to the purchase or issue of an investment component.

Financial instruments are derecognized from the balance sheet in the event of expiry of rights to receive economic benefits and sustaining the related risks or their transfer to third party.

The fair value of financial instruments which are the object of trade on the active market is determined as compared to the closing price of quotations from the last day of quotations before the balance sheet date.

The fair value of financial instruments not being the object of trade on the active market is determined with the use of valuation techniques which include a comparison with the market value of another instrument having essentially the same characteristics, being the object of trade on the active market, on the basis of forecasted cash flows or models of option valuation taking into account circumstances specific for the entity.

As at the balance sheet date, the entity assesses whether there were objective premises for impairment by particular assets or groups of assets.

(a) held-to-maturity financial instruments

These are financial assets, other than derivative instruments, with specified or identifiable payments and a specified maturity date which the entity intends and has the possibility to hold until maturity, excluding financial assets classified assets financial instruments valued at the fair value through profit and loss statement, investments held for sale and loans and receivables.

Current assets include these assets which will be sold in a period not longer than 12 months from the balance sheet date.

Held-to-maturity investments are valued in the amount of the depreciated cost using the effective interest rate.

(b) loans and receivables

These are financial assets, other than derivative instruments, with specified or identifiable payments, which are not the object of trade on the active market, resulting from spending cash, delivering goods or providing services for the debtor without an intention to classify these receivables as financial assets valued at the fair value through the profit and loss statement. Presented as current assets, except for those for which the maturity date exceeds 12 months after the balance sheet date.

Trade liabilities and other liabilities are valued at the amount of the depreciated cost using the effective interest rate reduced by bad debt provision.

(c) available for sale financial assets

These are financial assets, other than derivatives, considered as held for sale or other than those included in categories (a), (b) or (d). Presented as current assets, unless there is an intention to sell them within 12 months from the balance sheet date. Financial assets held for sale are valued at the fair value except for investments in equity instruments without market price quotations from the active market and the fair value which cannot be reliably measured.

Profits or losses from the valuation of financial assets held for sale are presented as a separate component of equity until their sale or until impairment, when the accumulated profit or loss previously presented in other comprehensive income is presented as profit or loss of the current period.

(d) financial instruments valued at the fair value through financial result.

The instrument is classified as an investment valued at the fair value through the financial result if it is held for trading or it is classified as such after the initial presentation. Financial instruments are classified as ones valued at the fair value through the financial result, if the Group actively manages such investments and makes decisions with regard to purchase and sale on the basis of their fair value. After the initial presentation, transaction costs related to the investment are presented in profit and loss statement as at the date of incurring. Any profits and losses concerning these investments are shown in the income statement.

The fair value of financial instruments classified as valued at the fair value through the financial result or held for sale is their reported current purchase offer as at the balance sheet date.

Asset component impairment

Financial assets

Impairment losses for financial assets are presented when there are objective premises that there have been events which may have negative impact on the value of future cash flows related to a given asset component.

Impairment with regard to financial assets valued at the depreciated cost is estimated as a difference between their balance sheet value and the current value of future cash flows discounted using the primary effective interest rate. Impairment loss of financial assets available for sale is calculated by reference to their current fair value.

The balance sheet value of particular financial assets with individually significant value is subject to assessment as at each balance sheet date for premises indicating their impairment. Other financial assets are collectively assessed in terms of impairment; they are grouped according to a similar level of credit risk.

Impairment deductions are presented in the income statement. If reduction in fair value of financial assets available for sale was presented directly in the revaluation reserve, the cumulated losses that were previously presented in the revaluation reserve, are presented in the income statement.

Impairment losses are reversed if later increase in the value of recoverable value may be objectively assigned to an event after the day of presenting impairment loss. Impairment losses of investments in equity instruments classified as available for sale are not reversed through the financial result. If the fair value of debt instruments classified as held for sale increases and its growth may be objectively attributed to an event after the presentation of impairment, then the previously presented impairment is reversed with the reversal amount presented in profit and loss statement.

Non-financial assets

The balance sheet value of non-financial assets other than investment real estate, inventory and deferred income tax assets is subject to assessment as at each balance sheet day for premises indicating their impairment. If there are such premises, the Group estimates the recoverable value of particular assets. The recoverable value of goodwill, intangible assets with a non-specified period of use and intangible assets which are not fit for use yet is estimated as at each balance sheet day.

Impairment loss is presented when the balance sheet value of an asset component or a cash generating centre exceeds its recoverable value. Cash generating centre is defined as the smallest identifiable group of assets, which earns cash regardless of other assets and their groups. Impairment losses are shown in the financial result. Impairment of cash generating centre is presented, in the first place, as a reduction in goodwill assigned to this centre (group of centres) and then as a reduction in the balance sheet value of other assets of this centre (group of centres), proportionally.

The recoverable value of assets or cash generating centre is defined as a the higher of their attainable net value from sales and their use value. When estimating the use value, future cash flows are discounted using the interest rate before taxation, which reflects the current market assessment of money in time and the risk factors characteristic for a given asset component. In the case of assets which do not generate independent cash flows, the use value is estimated for the smallest identifiable cash generating centre to which a given asset component belongs.

The write-down of goodwill on account of impairment is not reversible. With regard to other assets, impairment losses recognized in the previous periods are subject to assessment as at each balance sheet day for premises indicating the reduction in impairment or its total reversal. Impairment loss is reversed if the estimates used for estimating the recoverable value have changed. Impairment loss is reversed only up to the balance sheet value of an asset component reduced by depreciation deductions which would be presented in the case when impairment loss would not be included.

Lease

a) entity as leaseholder

Fixed assets which are used by the entity on the basis of financial lease contracts, transferring essentially all risks and profits resulting from their possession to the entity, are presented in the balance sheet according to the lower of the fair values of these fixed assets or the current value of future minimal lease payments. Lease fees are divided between financial costs and reduction in the outstanding liability balance, in order to obtain a constant periodic interest rate in relation to the outstanding liability balance. Financial costs are presented directly in profit and loss statement. If there is no justifiable probability of property acquisition at the end of the lease period, fixed assets used on the basis of the financial lease contracts are depreciated throughout the shorter of the two periods: lease period or use period. In other cases, fixed assets are depreciated throughout the period of use.

Lease and lease contracts which essentially leave all risks and profits resulting from the possession of assets with the lessor are presented as operational lease agreements. Costs of lease fees are entered on a straight-line basis in the income statement in the effective term of the agreement.

(b) entity as lessor

Revenues from operational lease are presented in profit and loss statement using the straight line method in the period resulting from the agreement. Assets being the subject matter of agreement are presented in the balance sheet and depreciated on terms identical to those used for similar categories of assets.

Inventories

Inventory is presented according to the lower of the values: the purchase price (production costs) or attainable net value. The cost of inventory includes all purchase costs, the costs of processing and other costs incurred in order to bring the inventory to its present place and status.

The purchase price or the cost of manufacturing of inventory is determined assuming that the components to which the expenditure applies are those which the entity purchased at the earliest (the FIFO method).

Finished products and work in progress are valued based on the costs of design, costs of direct materials and labour as well as appropriate extra charge of indirect costs of manufacturing, assuming normal use of production capacity.

The amounts resulting from discounts and rebates as well as other payments dependent on the size of purchases are presented as the reduction in the purchase price regardless of the date of their actual granting, provided that their receipt is substantiated.

The attainable net value is presented in the amount of the estimated sales price made in the course of regular business activities reduced by estimated finishing costs and costs necessary to bring the sale to effect.

The value of inventory is reduced by write-downs generated when the attainable net sales price (being the price reduced by discounts, rebates and costs associated with the sale) is lower than the purchase price (production costs), determined individually for each inventory assortment.

Cash and cash equivalents

Cash and equivalents include cash in hand, at bank as well as deposits and short-term securities with maturity date no longer than three months.

Share capital

The Share capital is presented in the amount specified in the charter and entered in the court register. The Capital Group's share capital is the parent company's share capital, i.e. share capital of Inter Cars S.A..

Bonus on account of issuing shares at a price exceeding their face value is presented as a separate equity item

The costs of issuing shares reduce the value of equity.

Bank borrowings and loans

Bank credits and loans are initially presented at the purchase price corresponding to the fair value.

In subsequent periods, credits and loans are valued at the depreciated cost using the effective interest rate during the determination of which costs related to obtaining the credit or loan as well as discounts or bonuses obtained when settling liabilities are taken into account.

Provisions

Provisions are created when the entity has a current obligation (legal or customarily expected) resulting from past events, it is likely that meeting the obligation will result in the need for the outflow of assets containing economic benefits and it is possible to estimate the amount of this obligation in a reliable manner.

Revenues

Revenue is recognized at fair value of economic benefits received or due the amount of which may be identified in a credible manner.

a) revenues on sales of commodities and materials

Revenues are shown:

- if significant risks and benefits resulting from the property of rights have been transferred to the buyer,
- the entity is no longer permanently involved in managing the sold goods, products and services to the extent to which such function is usually performed towards goods to which one has the property right, nor is effective control performed over them,
- the amount of revenues may be estimated in a credible manner,
- it is probable that the entity will obtain economic benefits from the transaction,
- the incurred costs as well as those which will be incurred in connection with the transaction may be valued in a credible manner.

Revenues are presented in net value, i.e. without value added tax and with any granted rebates.

Domestic sales revenues are recognized upon the product's delivery. In the case of export, revenues are presented upon releasing the product to the buyer.

In the case of sales through a network of branches with which cooperation agreement have been signed, sales revenues are recognized upon releasing the goods to the final customer.

(b) services

Revenues on services are presented on the basis of the progress degree of the transaction's implementation as at the balance sheet day. The transaction's result is assessed as credible if all of the following conditions have been met:

- the amount of revenues may be estimated in a credible manner,

- it is probable that the entity will obtain economic benefits on account of the conducted transaction,
- the degree of the transaction's implementation as at the balance sheet day may be determined in a credible manner,
- the costs incurred in connection with the transaction and the costs of completing the transaction may be valued credibly.

(c) interest rate revenues

Revenues under interest are recognized at the time of their charging, taking account of effective interest rate, if their receipt is substantiated and their amount can be determined in a credible manner.

(d) dividends

Dividend revenues are recognized upon determining the right to obtain them if receiving them is substantiated.

Operating Costs

Operating costs are presented in the period to which they relate, in such amount in which it is likely that the entity's economic benefits, which may be valued credibly, will decrease.

Costs resulting from the Group's charges by branches, on account of remuneration for the sale of goods made on behalf of the entity, are presented in the period to which they relate.

Costs on account of renting office and warehouse space are presented in profit and loss statement for the period they relate to.

Re-invoiced amounts reduce relevant items of the entity's costs.

Financial costs

Financial costs include mainly interest payable on account of debt, reversing the discount on account of provisions, dividend on account of privileged shares classified as liabilities, losses on account of exchange rate differences, losses on account of change in fair value of financial instruments valued through the financial result, impairment losses for financial assets as well as profits and losses concerning hedging instruments which are presented in profit and loss statement. All costs on account of interest are determined on the basis of the effective interest rate.

Income tax

The calculation of current income tax is based on the profit of a given period determined according to the valid tax regulations. The total tax load takes into account current tax and deferred tax determined using the balance sheet method which is present in connection with temporary differences between the value of assets and liabilities presented in ledgers and their tax value.

The deferred tax is determined taking into account the income tax rates valid in the year in which the liability was created on the basis of passed tax regulations valid in the year for settling provisions and assets.

Assets under deferred income tax are determined in the amount provided in the future for income tax deductions, in connection with negative temporary differences that will result in the future reduction in the basis for calculation of income tax and tax loss possible to be deducted, agreed taking account of the principle of prudence.

Provision under deferred income tax is established in the amount of income tax, requiring payment in the future, in connection with positive temporary differences, namely the differences that will result in increased income tax calculation basis in the future.

The component of assets and the deferred income tax provision are offset in the separate balance sheet if the Entity has an enforceable title to compensate receivables and liabilities on account of current income tax, as well as when the assets and provisions on account of deferred tax relate to income tax imposed by the same tax authority on the same taxpayer.

Foreign exchange differences

Exchange rate differences resulting from the conversion of business activities into PLN are presented in a separate item of the profit and loss statement, excluding exchange rate differences concerning the repayment of liabilities or the payment of receivables associated with deliveries or the sales of goods and services which are entered in the cost of sold products, goods and materials.

Payments in the form of own shares

The program of payments in the form of own shares allows the Group's employees to acquire shares in the Parent Company. Fair value of the granted call option is presented as costs under remunerations in correspondence with increase in equity. Fair value is determined as at the date of granting call options by employees and distributed over a period when employees will acquire the unconditionally right to exercise options. Fair value of options is estimated using the model of binominal tree of valuation, taking into account the terms on which options were granted. The amount encumbering costs is adjusted in order to reflect the current number of the granted options, except for situations when the loss of rights to options is the effect of the situation when shares do not achieve the level of prices relevant for their take-up.

2. Information on business segments

The basic operations of Inter Cars Capital Group is the sale of spare parts and accessories for motor vehicles on ten basic markets: Polish, Ukrainian, Czech, Slovak, Lithuanian, Belgian, Hungarian, Croatian, Italian and Romanian.

The main reporting model of the Inter Cars Group, used for the operating segments is a geographical segment based on the criterion of location of sales. A supplementary model is a geographical segment based on the criterion of location of customers.

Sales on particular markets is conducted by particular entities of Inter Cars Capital Group: Polish market - Inter Cars S.A., Q-Service, Armatus sp. z o.o., Feber, Lauber, the Ukrainian market - Inter Cars Ukraine, Czech market - Inter Cars Ceska Republika, Slovakian market - Inter Cars Slovenska Republika, Lithuanian market - Inter Cars Lietuva, Belgian market - JC Auto S.A. (Belgium), Hungarian market – Inter Cars Hungaria Kft., Croatian market – Inter Cars d.o.o., Italian market - JC Auto s.r.l., Romanian market – Inter Cars Romania s.r.l.

The Inter Cars Capital Group applies uniform accounting principles for all segments. The transactions between the segments are made on market terms. The above transactions were eliminated in this consolidated financial statement.

(in thousands of PLN)

	Poland		Non-allocated		Exclusions		Consolidated	
	1.01.2008-31.12.2008	**1.01.2007-31.12.2007**	**1.01.2008-31.12.2008**	**1.01.2007-31.12.2007**	**1.01.2008-31.12.2008**	**1.01.2007-31.12.2007**	**1.01.2008-31.12.2008**	**1.01.2007-31.12.2007**
Segment revenues from external customers:								
Sales	1 518 576	1 188 214	219 380	138 680	-	-	1 737 956	1 326 894
Operational Result	68 553	77 734	13 654	5 473	(6 838)	1 121	75 369	84 328
Net financial revenues (foreign exchange differences with no interest)	-	-	(9 043)	3 389	-	-	(9 043)	3 389
Tax	-	-	(8 627)	(15 329)	(357)	(367)	(8 984)	(15 696)
Net profit	-	-	24 914	54 568	503	3 396	25 417	57 964
Segment's assets	1 362 978	873 086	-	-	(290 890)	(128 875)	1 072 088	744 211
Unallocated assets	-	-	155 634	71 499	-	-	155 634	71 499
Total assets	**1 362 978**	**873 086**	**155 634**	**71 499**	**(290 890)**	**(128 875)**	**1 227 722**	**815 710**
Segment's liabilities (without credits)	518 549	383 344	51 014	52 924	(257 898)	(80 815)	311 665	355 453

Supplementary division by operating segments based on the criterion of location of customers

(thousands of PLN)	**Poland**	**abroad**	**Consolidation correction**	**Total**
Revenues	1 358 117	542 306	(162 467)	**1 737 956**

In connection with the fact that the parent company Inter Cars S.A. conducts sales both in Poland and for export, the Group have not assigned particular assets as well as investment outlays to particular segments in the supplementary system.

(in thousands of PLN)

3. Tangible fixed assets

	31.12.2008	**31.12.2007**
Land	13 721	5 643
Buildings, premises and land & water engineering facilities	84 354	44 259
Machinery and equipment	24 220	14 350
Means of transport	16 174	5 960
Other fixed assets	23 059	10 284
Capital work in progress	19 701	7 422
Prepayment on capital work in progress	66	2 678
	181 295	**90 596**

The balance sheet value of tangible assets used on the basis of financial lease contracts as at the date of:

• 31 December 2008 – PLN 45,311 thousand,

• 31 December 2007, - PLN 5,302 thousand

The future minimum fees under financial lease to which the Group is obliged as at 31 December 2008.

	Total payments arising from lease contracts	net current value
Liabilities maturing up to 1 year	9 517	7 667
Liabilities maturing more than 1 and less than 5 years	19 745	12 593
Liabilities maturing more than 5 years	18 555	17 590
	47 817	**37 850**

In relation to any components of tangible fixed assets owned by the Group, the right to dispose is not restricted.

(in thousands of PLN)

	Land	buildings, premises and land & water engineering facilities	machinery and equipment	means of transport	other fixed assets	Fixed asset in construction	Total
Gross value as at 1 January 2007	**3 043**	**50 588**	**24 418**	**11 101**	**25 801**	**1 196**	**116 147**
Increase:	2 600	2 536	7 881	3 358	6 759	9 159	**32 293**
Purchase	2 600	1 018	7 653	3 242	5 724	9 159	**29 396**
Transfer	-	1 518	228	116	1 035	-	**2 897**
Reductions	-	-	(552)	(1 745)	(707)	(2 933)	**(5 937)**
Sales	-	-	(481)	(856)	(649)	-	**(1 986)**
Liquidation	-	-	(71)	(889)	(56)	(38)	**(1 054)**
Transfer	-	-	-	-	(2)	(2 895)	**(2 897)**
Currency Exchange differences	-	1	1	16	30	-	**48**
Gross value as at 31 December 2007	**5 643**	**53 125**	**31 748**	**12 730**	**31 883**	**7 422**	**142 551**
Increase:	7 574	44 545	16 690	14 875	22 449	14 617	**120 750**
Purchase	595	1 514	5 258	8 642	8 282	24 149	**48 440**
From the merger with JC Auto S.A.	6 683	36 469	7 189	4 941	9 665	1 060	**66 007**
Transfer	296	6 562	1 770	289	4 502	(10 592)	**2 827**
Lease	-	-	2 473	1 003	-	-	**3 476**
Reductions:	-	(309)	(648)	(3 203)	(486)	(2 634)	**(7 280)**
Sales	-	(309)	(564)	(3 187)	(484)	(1)	**(4 545)**
Liquidation	-	-	(84)	(13)	(2)	(14)	**(113)**
Transfer	-	-	-	-	-	(1 305)	**(1 305)**
Other	-	-	-	(3)	-	(1 314)	**(1 317)**
Currency Exchange differences	524	418	512	423	(2)	296	**2 171**
Gross value as at 31 December 2008	**13 741**	**97 779**	**48 302**	**24 825**	**53 844**	**19 701**	**258 192**

(in thousands of PLN)

	Land	buildings, premises and land & water engineering facilities	machinery and equipment	means of transport	other fixed assets	Fixed asset in construction	Total
Accumulated depreciation and impairment losses as at 1 January 2007	**-**	**6 542**	**13 365**	**5 144**	**17 181**	**-**	**42 232**
Depreciation for the period	-	2 324	4 494	2 345	4 820	-	**13 983**
Sales	-	-	(429)	(537)	(359)	-	**(1 325)**
Liquidation	-	-	(32)	(182)	(43)	-	**(257)**
Currency Exchange differences	-	-	-	-	-	-	**-**
Accumulated depreciation and impairment losses as at 31 December 2007	**-**	**8 866**	**17 398**	**6 770**	**21 599**	**-**	**54 633**
Depreciation for the period	20	2 609	7 187	3 731	9 027	-	**22 574**
Sales	-	(24)	(199)	(2 022)	(299)	-	**(2 544)**
Liquidation	-	-	(2)	-	(14)	-	**(16)**
Other	-	(37)	(212)	-	244	-	**(5)**
Currency Exchange differences	-	10	(90)	172	228	-	**320**
Valuation	-	2 001	-	-	-	-	**2 001**
Accumulated depreciation and impairment losses as at 31 December 2008	**20**	**13 425**	**24 082**	**8 651**	**30 785**	**-**	**76 963**
NET VALUE							
As at 1 January 2007	**3 043**	**44 046**	**11 053**	**5 957**	**8 620**	**1 196**	**73 915**
As at 31 December 2007	**5 643**	**44 259**	**14 350**	**5 960**	**10 284**	**7 422**	**87 918**
As at 1 January 2008	**5 643**	**44 259**	**14 350**	**5 960**	**10 284**	**7 422**	**87 918**
As at 31 December 2008	**13 721**	**84 354**	**24 220**	**16 174**	**23 059**	**19 701**	**181 229**

(in thousands of PLN)

4. Investment properties

From 1 January to 31 December 2008, IC Development & Finance purchased the real estate located in Rzeszów and Wyspa Róż. The real estate in Rzeszów in the form of an investment plot was purchased for PLN 1,105 thousand, while Wyspa Róż was purchased for PLN 1,991 thousand

Increases due to later expenses accounted for mainly the expenses for construction of buildings and structures related to building a branch.

During the year, the Group sold the real estate situated in Warsaw at ul. Burakowska, for approx. PLN 15 million , the profit from sales amounted to approximately PLN 4 million.

The Group contracted valuation to the fair value of the real estate in Warsaw, Lublin, Bielsko-Biała, Szczecin, Gdańsk, Gorzów, Rzeszów and in the Masuria. The valuation was carried out by an independent expert, with recognized professional qualifications, as well as being the holder of experience in valuations of investment real estate.

	31.12.2008	31.12.2007
Value at the beginning of the period	43 319	1 841
Purchase as a result of merging economic entities	2 659	-
Increases due to later expenses	12 423	2 258
Purchase	3 096	34 570
Change in the fair value as identified in the income statement	6 976	4 650
Sale of real estate	(11 145)	-
Value at the end of period	**57 328**	**43 319**

During 2008 there were no transfers from investment real estate to other assets. There were no changes in classification from other assets to investment real estate.

The Group took advantage of the possibility of prior application of amendments IAS 40 pursuant to the Commission Regulation (EC) NO.70/2009 of 23 January 2009, presenting the real estate under construction as a part of investment real estate rather than fixed assets under construction. Investment real estate under construction was valued according to the fair value model.

When determining the fair value of the real estate situated in Gdańsk (acquired as a result of merger) the expert applied the comparative method.

Revenues from the rent of the real estate in Gdańsk obtained in 2008 amount to PLN 87 thousand, from the real estate in Warsaw and Bielsko Biała, PLN 180 thousand each.

Group has no restrictions in disposal of the aforementioned real estates. Other real estate did not bring any revenue to the Group from rent of other real estate. The real estate concern the land for investment purposes (construction of a branch or rental). The value of the land alone as at 31 December 2008 amounted to PLN 43,028 thousand.

(in thousands of PLN)

5. Intangible assets

	31.12.2008	31.12.2007
Computer software	6 905	4 177
Cost of completed development work	129	-
Company value, including:	124 130	-
- goodwill from merger with JC Auto S.A.	124 130	-
Other intangible assets, including:	21 127	3 609
- relations with suppliers	*15 503*	-
- others	*5 624*	-
Advances on intangible assets	30	3
	152 321	**7 789**

The Group conducted a impairment test of assets containing goodwill. On the basis of the above review no impairment was found.

Forecasts of cash flows used to estimate the use value estimated for the whole Group, regarded as one cash generating center. Data used for the forecast for the years 2009, 2010 were prepared on the basis of the approved budget. Cash flows for the years 2011-2013 were determined on the basis of growth rate of 4-5%, while for the remaining years the assumed growth rate is 1.5%. The discount rate used for calculation of use value amounted to 10.5% and was estimated on the basis of average weighted capital cost (WACC).

Value of intangible assets used on the basis of financial lease contracts as at the date of:

- 31 December 2008 – PLN 2,243 thousand,
- 31 December 2007 - PLN 2,974 thousand

The future minimum fees under financial lease to which the Group is obliged as at 31 December 2008:

	Total payments arising from lease contracts	net current value
Liabilities maturing up to 1 year	1 542	1 520
Liabilities maturing more than 1 and less than 5 years	1 302	1 284
Liabilities maturing more than 5 years	-	-
	2 844	**2 804**

Financial lease contracts relate to software used in the Group's activities.

(in thousands of PLN)

Gross value of intangible assets	Goodwill	Cost of completed development work	computer software	Other intangible assets	advance on intangible assets	Total
Gross value as at 1 January 2007	**-**	**-**	**14 650**	**285**	**4**	**14 939**
Purchase	**-**	**-**	4 834	3 719	-	**8 553**
Currency Exchange differences			13	-	(1)	**12**
Gross value as at 31 December 2007	**-**	**-**	**19 497**	**4 004**	**3**	**23 504**
Purchase	-	10	3 126	1 927	30	**5 093**
Manufacturing on its own	-	119	-	-	-	**119**
Merger with JC Auto S.A.	124 130	-	1 497	17 913	-	**143 540**
Other reductions	-	-	(4)	-	(3)	**(7)**
Transfer from investment	-	-	919	-	-	**919**
Gross value as at 31 December 2008	**124 130**	**129**	**25 035**	**23 844**	**30**	**173 168**
Accumulated depreciation and impairment losses as at 1 January 2007	**-**	**-**	**13 185**	**284**	**-**	**13 469**
Depreciation for the period	**-**	**-**	2 135	111	-	**2 246**
Currency Exchange differences	**-**	**-**	-	-	**-**	**-**
Accumulated depreciation and impairment losses as at 31 December 2007	**-**	**-**	**15 320**	**395**	**-**	**15 715**
Depreciation for the period	**-**	**-**	2 813	2 322	-	**5 135**
Reductions	**-**	**-**	(3)	-	**-**	**(3)**
Accumulated depreciation and impairment losses as at 31 December 2008	**-**	**-**	**18 130**	**2 717**	**-**	**20 847**
Net value						
As at 1 January 2007	**-**	**-**	**1 465**	**1**	**4**	**1 470**
As at 31 December 2007	**-**	**-**	**4 177**	**3 609**	**3**	**7 789**
As at 31 December 2008	**124 130**	**129**	**6 905**	**21 127**	**30**	**152 321**

(in thousands of PLN)

6. Investments in related entities

	31.12.2008	31.12.2007
Beginning of the period	**-**	**-**
Increase, including:		
- purchase of Frenoplast,	**3 782**	**-**
- share in the loss of Frenoplast	**(106)**	**-**
- other	**94**	**-**
End of Period	**3 770**	**-**

On 9 December 2008, the District Court in Olsztyn, 8th Commercial Division of the National Court Register, registered increase in the Share capital of "Specjalistyczne Materiały i Okładziny Cierne FRENOPLAST Bułhak i Cieślawski S.A." with registered office in Szczytno - Korpele (FRENOPLAST). The purchased shares are 49% of the Share capital of FRENOPLAST and entitle to exercise 49% of votes at a general meeting, which is 49% of the total number of votes.

The shares taken up will constitute a long-term capital investment of the Company.

The main object of activities of FRENOPLAST is production of asbestos-free friction materials for the railway and industry.

Shares in subsidiaries are not the subject of trade on any market.

Shares in affiliates - as at 31 December 2008

Name (the company) of the entity with indication of legal form	SMiOC FRENOPLAST Bułhak i Cieślawski S.A.
The registered seat	Szczytno
Value of shares (thousand PLN)	3 782
Percentage of owned capital/share in votes	49%
Assets of the entity	11 752
Liabilities	**4 811**
Revenues	**753**
Net loss	**(216)**

7. Investments available for sale

	31.12.2008	31.12.2007
Interest in other entities	43	43
End of Period	**43**	**43**

Shares in other entities include shares in ATR. The share of Company in the share capital of ATR amounts to 3.85%.

(in thousands of PLN)

8. Deferred tax

Deferred income tax assets and deferred income tax provision are recognized with regard to the following items of assets and liabilities:

As at 31 December 2008	Assets	Provision
Intangible assets	-	3 022
Tangible fixed assets	-	8 379
Inventories	4 781	897
Receivables on services and other	96	2 106
Liabilities due to credits and loans	2 101	4
Pension benefits provision	247	-
Provisions for court cases	-	-
Other provisions	1 601	14
Tax losses	-	-
Liabilities due to finance lease	7 540	-
Trade and other liabilities	184	7 028
Assets / deferred income tax provisions	**16 550**	**21 450**
Compensation	**(16 268)**	**(16 268)**
Deferred tax assets/provision shown in the balance sheet	**282**	**5 182**

as at 31 December 2007	Assets	Provision
Intangible assets	-	109
Tangible fixed assets	-	1 740
Inventories	2 780	7
Receivables on services and other	995	13
Cash	-	-
Loans	3	109
Pension benefits provision	97	-
Provisions for court cases	-	-
Other provisions	693	-
Tax losses	373	-
Liabilities due to finance lease	1 661	123
Trade and other liabilities	39	5 395
Consolidation correction	950	1 072
Deferred tax assets/provision shown in the balance sheet	**7 591**	**8 568**

Deferred tax in the presented periods was recognized in relation to all balance sheet items that constitute temporary differences.

Change in deferred income tax assets

	31.12.2008	**31.12.2007**
Status at the beginning of period	7 591	4 908
increase (decrease)	8 959	2 683
Status at the end of period	**16 550**	**7 591**

Change in deferred income tax provision

	31.12.2008	**31.12.2007**
Status at the beginning of period	8 568	4 859
(solution) establishment in the period	12 882	3 709
Status at the end of period	**21 450**	**8 568**

	31.12.2007	**Influence for**	**Impact on**	**31.12.2008**

		profit and loss statement	goodwill	
Assets due to deferred tax	7 591	8 959	-	16 550
Deferred income tax provision	(8 568)	(8 808)	(4 074)	(21 450)
	(977)	**151**	**(4 074)**	**(4 900)**

9. Inventories

	31.12.2008	31.12.2007
Materials	28 612	19 484
Semi finished products and work in progress	16 100	10 294
Finished products	6 491	1 541
Goods	536 697	451 233
Advances on deliveries	-	141
	587 900	**482 693**

Goods	559 112	465 722
Rebates entered into inventory (1)	(21 281)	(13 536)
Ipairment	(1 134)	(953)
	536 697	**451 233**

1) - Inter Cars Group receives rebates from suppliers which, in a part corresponding to bought and sold goods, are entered in a given period into reduction of sold goods. The remaining part of obtained rebates reduces inventory value.

Inventory in the form of commercial goods located in the central warehouse, regional distribution centres and branches are insured against fire and other natural disasters and against theft with burglary and robbery.

Change in inventory write-downs

	31.12.2008	30.12.2007
Status at the beginning of period	953	917
Increase (decrease)	181	36
Status at the end of period	**1 134**	**953**

(in thousands of PLN)

10. Trade and other receivables

	31.12.2008	31.12.2007
Trade liabilities	160 563	110 379
Due to taxes, subsidies, social security and other benefits of health	41 216	39 848
Other debtors	6 311	1 321
Loans granted	6 703	5 294
Short-term trade receivables and other receivables, gross	**214 793**	**156 842**
Change in write-downs of short-term receivables		
Status at the beginning of period	(2 339)	(1 869)
Increase	(2 108)	(1 022)
Decrease	59	552
Status at the end of period	**(4 388)**	**(2 339)**
Short-term trade receivables and other receivables, net	**210 405**	**154 503**
Age structure of trade short-term receivables		
Maturing within 12 months	160 563	110 347
Maturing more than 12 months	-	32
	160 563	**110 379**
Currency structure of trade short-term receivables and other receivables (gross)		
Receivables in Polish currency	126 733	128 917
Receivables in foreign currencies	88 060	27 925
	214 793	**156 842**
Receivables in EUR	50 131	15 061
Receivables in USD	16 285	172
Receivables in other currencies	21 644	12 692
	88 060	**27 925**

Age structure of receivables	**31.12.2008**	
	gross	**iairment**
Up to 180 days	144 079	-
from 181 to 270 days	6 234	1 369
from 271 to 360 days	3 561	466
more than 1 year	6 689	2 553
Total	**160 563**	**4 388**

Age structure of receivables	**31.12.2007**	
	gross	**iairment**
Up to 180 days	96 023	-
from 181 to 270 days	2 602	113
from 271 to 360 days	2 548	156
more than 1 year	9 206	2 070
Total	**110 379**	**2 339**

In accordance with the terms of cooperation agreed between the Inter Cars and entities operating branches basic risk related to impairment rests with branch operators on the basis of the concluded distribution contracts.

	31.12.2008	**31.12.2007**

Loans granted		
Short-term loans	6 703	5 294
Long term loans	1 742	804
	8 445	**6 098**

	31.12.2008	**31.12.2007**
Long term receivables		
Receivables from employees	579	236
Long term loans	1 742	804
Deposits	2 226	1 327
	4 547	**2 367**

Loans for related entities are interest-bearing in the amount of: WIBOR 1M or LIBOR 3M (for a loan in EUR) increased by margin of 1% or 2.5%.

Loans are not secured.

Concentration of credit risk related to trade receivables is limited due to many customers of the Group and their dispersion, mostly in Poland.

Long-term receivables cover the amounts of security deposits paid by the Group and long-term loans.

Credit risk is discussed in Note 34.

RECEIVABLES UNDER INCOME TAX

Age structure of tax related receivables	**31.12.2008**	**31.12.2007**
Maturing within 12 months	357	-
Maturing more than 12 months	-	-
	357	**-**

11. Transactions with related entities

Transactions with related parties are subject to elimination.

Remuneration of the Members of the Board of Directors and of the Supervisory Board (in thousand PLN)

remuneration of the Members of the Board of Directors and of the Supervisory Board (in thousand PLN)	**1.1.2008 - 31.12.2008**	**1.1.2007 - 31.12.2007**
Andrzej Oliszewski - Chairman of the Supervisory Board	34 851	51 701
Maciej Oleksowicz - Member of the Supervisory Board	29 043	33 084
Michał Marczak - Member of the Supervisory Board	29 043	33 084
Wanda Oleksowicz - Member of the Supervisory Board	20 318	33 084
Jolanta Oleksowicz-Bugajewska - Member of the Supervisory Board	29 043	33 084
Jerzy Grabowiecki - Member of the Supervisory Board (up to 18.07.2008)	9 924	-
Jacek Klimczak - Member of the Supervisory Board (from 18.07.2008)	14 299	-
Krzysztof Oleksowicz - Management Board Chairman	638 000	781 827
Robert Kierzek - Vice President of the Management Board	352 000	456 000
Wojciech Milewski - Board Member	286 000	384 000
Krzysztof Soszyński - Vice President of the Management Board	352 000	428 400
Piotr Kraska - Board Member	286 000	182 012
Tomasz Zadroga - Member of the Management Board (up to 31.07.2008)	182 000	231 467

(in thousands of PLN)

2 262 521	**2 647 743**

Pursuant to §4 of the Motivation Program Regulations adopted by the Supervisory Board by resolution No. 20 of 20 December 2006, the List of Peoples Participating in the Program was drawn up, along with the specification of the number of shares of Inter Cars S.A., issued under conditional increase in the Share capital, whose taking up will be possible for particular peoples indicated therein and the terms of taking up these shares. Detailed information on the Motivation Program is presented in note 19.

	number and type of shares for taking up (in pieces)			
	shares of F1 series	Shares of F2 series	shares of F3 series	total
Kierzek Robert	38 667	33 666	33 667	106 000
Milewski Wojciech	35 000	30 000	30 000	95 000
Soszyński Krzysztof	38 666	33 667	33 667	106 000
Kraska Piotr	35 000	30 000	30 000	95 000
Zadroga Tomasz	10 000	30 000	30 000	70 000
	157 333	**157 333**	**157 334**	**472 000**

Mr. Tomasz Zadroga exercised rights to take up shares resulting from the Motivation Program, from F1 series: 10,000 shares and F2 series: 30,000 shares.

In 2008, dividend was paid in the amount of PLN 0.69 per share while the dividend paid in the year 2007 was PLN 0.34 per share.

Board Member Piotr Kraska receives remuneration for performing functions in the bodies of Feber Sp. z o.o. in the amount of PLN 14,000 annually (2007: 14,000 PLN).

The following people seat in management of subsidiaries (remuneration considered earlier):

Krzysztof Oleksowicz - Board Member of Q-Service Sp. z o.o.; Member of the Supervisory Board in Inter Cars Ukraina

Robert Kierzek - Board Member of Q-Service Sp. z o.o.

Piotr Kraska - President of the Board of Feber Sp. z o.o., Armatus Sp. z o.o. IC Development & Finance

Proxies have no impact on management of the Company.

On 29 February 2008, the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, registered into the register of entrepreneurs the merger of the Company with JC Auto S.A.

The merger took place following the procedure of Article 492 § 1 item 1 of the Code of Commercial Companies, by transfer of all assets of JC Auto to the Company in exchange for shares that the Company will issue to shareholders of JC Auto (merger by takeover).

After the merger date, pursuant to resolution of Supervisory Board, two new members were appointed to the Board of Directors of Inter Cars SA.: Mr. Jerzy Józefiak and Mr. Szymon Getka, about which the Company informed in the form of the current report No. 24/2008 on 28 February 2008. The term of office of the Board of Directors' new members began as at entering to the register of entrepreneurs the merger of the Company with the company JC Auto S.A. On 21 April 2008, about which the Company informed in the form of the current report No.58/2008 and No. 59/2008, Mr. Jerzy Józefiak and Mr. Szymon Getka resigned from performing functions of members of the Board of Directors.

On 31 July 2008, Mr. Tomasz Zadroga, Board Member, Finance Director, resigned from the position of Member of the Board of Directors in Inter Cars S.A. As of 31 July 2008, the responsibilities of the Finance Director were taken over by Piotr Kraska - Board Member in Inter Cars S.A.

As at 31 December 2008, the Board of Directors of Inter Cars consisted of 5 people.

The Group concludes transactions with entities that are related to members of the Supervisory Board and of the Board of Directors.

(in thousands of PLN)

The object of the transaction between Inter Cars and Inter Cars Sp. Jawna (Krzysztof Oleksowicz, Andrzej Oliszewski, Jolanta Oleksowicz-Bugajewska) and ANPO Andrzej Oliszewski is rental of real estate. Real estate being the object of agreements is then rented to non-related parties (apart from the agreement with Feber) and is used for conducting distribution operations by the entities operating branches. The whole of purchases of Inter Cars Sp. Jawna and ANPO Andrzej Oliszewski was re-invoiced to non-related entities.

The Group concludes transactions with entities that are related to members of the Supervisory Board and of the Board of Directors and their family members. Value of transactions is presented in the chart below:

Sales revenues	**1.1.2008 - 31.12.2008**	**1.1.2007 - 31.12.2007**
Inter Cars s.j.	37	31
ANPO Andrzej Oliszewski	2	1
FASTFORWARD Maciej Oleksowicz	110	72
P.H. AUTO CZĘŚCI Krzysztof Pietrzak	70	45
AK-CAR Agnieszka Soszyńska	691	266
BEST-CAR Justyna Pietrzak	392	94
	1 302	**509**

purchase of goods and services	**1.1.2008 - 31.12.2008**	**1.1.2007 - 31.12.2007**
Inter Cars s.j.	227	638
ANPO Andrzej Oliszewski	148	154
FASTFORWARD Maciej Oleksowicz	337	283
P.H. AUTO CZĘŚCI Krzysztof Pietrzak	1 768	1 683
AK-CAR Agnieszka Soszyńska	3 697	2 995
BEST-CAR Justyna Pietrzak	1 784	740
	7 961	**6 493**

receivables	**31.12.2008**	**31.12.2007**
Inter Cars s.j.	43	-
FASTFORWARD Maciej Oleksowicz	9	3
P.H. AUTO CZĘŚCI Krzysztof Pietrzak	31	28
AK-CAR Agnieszka Soszyńska	222	60
BEST-CAR Justyna Pietrzak	115	31
	420	**122**

liabilities	**31.12.2008**	**31.12.2007**
Inter Cars s.j.	66	36
ANPO Andrzej Oliszewski	2	1
FASTFORWARD Maciej Oleksowicz	-	6
P.H. AUTO CZĘŚCI Krzysztof Pietrzak	108	35
AK-CAR Agnieszka Soszyńska	194	130
BEST-CAR Justyna Pietrzak	75	62
	445	**270**

The object of the transaction between Inter Cars and FASTFORWARD Maciej Oleksowicz and between Q-Service and FASTFORWARD Maciej Oleksowicz is running Castrol Q-Service rally team headed by Maciej Oleksowicz, and provision of services of promotion of the Companies during car rallies, as well as provision of consulting services with regard to computer software.

The object of the transaction between Inter Cars and P.H. Auto CZĘŚCI Krzysztof Pietrzak, Inter Cars and AK-CAR Agnieszka Soszyńska, and between Inter Cars and BEST-CAR Justyna Pietrzak is settlement under share in the mark-up on sales by the above mentioned companies operating branches in Warsaw and Wyszków.

(in thousands of PLN)

12. Prepayments

	31.12.2008	31.12.2007
Advertising costs	127	98
Insurances	470	251
Licences	243	8
Debt Collection costs	348	295
Telecommunications services	167	-
Courier and transport services	-	1 426
Perpetual usufruct of land	546	324
Rent		982
Marketing and claim bonuses	1 030	-
Corporate welfare benefit fund	-	546
Deduction under economic loss	926	-
Other	695	-
Total prepayments	**4 552**	**3 930**
(minus) short-term part	(3 072)	(2 457)
Long term part	**1 480**	**1 473**

Long-term prepayments constitute: reduction in the corporate income tax of the Słupsk Economic Zone as well as perpetual lease in Feber.

Accruals

	31.12.2008	31.12.2007
Bonuses	671	-
Charged cost of auditing balance sheet	345	-
Charged bonuses for customers	2 704	-
Other	547	1 738
Non-invoiced, charged costs	7 974	5 043
Deferred income	583	1 786
	12 824	**8 567**
Long-term part	(12 817)	(8 567)
Long term part	7	-

13. Cash and cash equivalents

	31.12.2008	31.12.2007
In hand	4 906	5 035
At bank	16 922	15 573
In transit	3 042	2 047
On ZFŚS (Company Social Benefits Fund) accounts	52	224
Cash	**24 922**	**22 879**
In the Polish currency	9 907	11 674
In foreign currencies	15 015	11 205
	24 922	**22 879**

Apart from the funds gathered on the accounts of the Company Social Benefit Fund (ZFŚS), the Group does not have cash whose disposal would be limited.

According to the Polish law, the companies registered in Poland administer ZFŚS on behalf of their employees. The premiums paid to ZFŚS are deposited on separate accounts.

Concentration of credit risk with regard to cash is limited because the Group deposits cash in several recognized financial institutions.

(in thousands of PLN)

14. Share capital and supplementary capital (agio)

The Share capital of Inter Cars, as at 31 December 2008, was 13,736,100 ordinary bearer shares with non-limited rights, A to E series, of face value of PLN 2 each. All shares are approved for public trading by virtue of the decision of the Securities and Exchange Commission of 26 April 2004 and introduced into quotations on the Warsaw Stock Exchange. The first quotation of shares in Inter Cars S.A. was held at the trading session on 26 May 2004.

Nominal value of 1 share: 2 PLN

Agio: Difference on the issue price above the nominal value of shares.

On the basis of the resolution of the Extraordinary General Meeting of Inter Cars S.A. No. 1 of 17 February 2004, division of the Company's shares in the ratio of 1:50 was made (236,422 before the resolution x 50 = 11,821,100 shares after the resolution).

On 18 March 2008, 1,875,000 ordinary G series bearer shares with face value of PLN 2 each, issued in connection with the merger of the Company with JC Auto S.A., were floated on the main market

In August 2008, Mr. Tomasz Zadroga exercised rights to take up shares resulting from the Motivation Program, from F1 series: 10,000 shares and F2 series: 30,000 shares.

	Number of shares	**Date of registration**	**Right to dividend (for date)**	**Nominal value**	**The issue price**	**Agio***
shares of A series	200 000	28.05.1999	28.05.1999	400 000	2,00	-
shares of B series	7 695 600	18.08.1999	28.05.1999	15 391 200	2,00	-
shares of C series	104 400	28.09.1999	28.05.1999	208 800	2,00	-
shares of D series	2 153 850	28.08.2001	01.01.2001	4 307 700	6,85	10 448 676
shares of E series	1 667 250	06.06.2002	01.01.2002	3 334 500	8,58	10 966 504
shares of G series	1 875 000	18.03.2008	01.01.2007	3 750 000	122,00	225 000 000
shares of F1 series	10 000	06.08.2008	01.01.2008	20 000	33,59	315 900
shares of F2 series	30 000	06.08.2008	01.01.2008	60 000	37,13	1 053 900
	13 736 100			**27 472 200**		**247 784 980**

15. Minority capital

As at 1 January 2007	**1 795**
The share of minority shareholders as a result of the period from 1 January to 31 December 2007	(644)
As at 31 December 2007	**1 151**
The share of minority shareholders as a result of the period from 1 January to 31 December 2008	(1 151)
As at 31 December 2008	**-**

The shares of minority groups constitute the shares possessed by Mr. Siergiej Ovsijenko in the share capital of Inter Cars Ukraina (30% of shares).

(in thousands of PLN)

16. Liabilities under credits, loans and other debt instruments

Non-Current	**31.12.2008**	**31.12.2007**
Bank credits	81 817	33 037
Financial Leasing	31 645	5 757
	113 462	**38 794**

Short term		
Bank credits	416 115	259 157
Bonds	-	54 832
Financial Leasing	9 009	4 585
	425 124	**318 574**

Short-term credits and loans	amount by contract (limit)	Used	date of repayment
Bank Pekao S.A. (Inter Cars)	126 500	121 412	31-12-2009
Kredyt Bank S.A. (Inter Cars)	55 000	54 809	29-05-2009
ABN AMRO Bank (Poland) S.A. (Inter Cars)	100 000	99 820	30-03-2009
Bre Bank S.A. (Inter Cars)	70 000	69 836	30-09-2009
Fortis Bank S.A. (Inter Cars)	50 000	49 656	29-05-2009
ABN AMRO Bank (Poland) S.A. (Feber)	16 000	15 937	31-03-2009
ABN AMRO Bank (Poland) S.A. (Lauber)	4 000	4 010	31-03-2009
Budapest Autofinanszirozasi Rt. (IC Hungaria)	374	100	30-07-2010
Fortis Bank SA/NV Hangary (IC Hungaria)	3 790	535	20-01-2016
	425 664	**416 115**	

Long-term credits	amount by contract (limit)	Used	date of repayment
ING Bank Śląski S.A. (Inter Cars)	80 000	78 493	31-01-2010
Budapest Autofinanszirozasi Rt. (IC Hungaria)	374	124	30-07-2010
Fortis Bank SA/NV Hangary (IC Hungaria)	3 790	3 200	20-01-2016
	84 164	**81 817**	

Credits

The following are securities of the credits granted by Bank Pekao S.A.: the court registration pledge on warehouse inventory in the amount of PLN 126.5 million along with assignment of rights under their insurance policy; blank promissory notes with declaration; statement on submission to enforcement of cash benefit and enforcement of property; power of attorney to the bank account.

The credit granted by Kredyt Bank S.A. is secured by: alienation of inventory (spare parts of mechanical vehicles) in the amount of . PLN 55 million along with assignment of rights under the insurance policy; assignment of receivables of the Borrower from the selected contractors for the minimum amount of PLN 8 million monthly.

The credit granted by BRE Bank S.A. is secured by: court registration pledge on inventory, in the form of car parts and car accessories in warehouses in the amount of PLN 66.8 million along with assignment of rights under their insurance policy, own blank promissory note, statement on submission to enforcement.

The credit granted by ABN AMRO Bank (Poland) S.A. (RBS) is secured by: court registration pledge on inventory, in the form of car parts and car accessories in warehouses in the amount of PLN 100 million along with assignment of rights under their insurance policy, statement on submission to enforcement up to the amount of PLN 120 million.

(in thousands of PLN)

The credit granted by ING Bank Śląski S.A. is secured by: registration pledge on inventory, in the form of car parts and car accessories in the amount of PLN 40 million along with assignment of rights under their insurance policy; declaration of submission to enforcement;

The credit granted by Fortis Bank S.A. is secured by: alienation of warehouse inventory (in Kajetany) in the amount of PLN 50 million along with assignment of rights under the insurance policy.

The credit granted by the Budapest Autofinanszirozasi Rt. is secured by: is a court pledge on fixed assets.

The security of the credit granted by Fortis Bank SA/NV Hangary is the guarantee granted by Inter Cars S.A.

The security of the credit granted by ABN AMRO Bank (Poland) S.A. for Febera is the surety from Inter Cars in the form of registration pledge on the inventory of IC in the amount of PLN 16 million along with assignment of rights under the insurance policy concerning the mentioned inventory.

The security of the credit granted by ABN AMRO Bank (Poland) S.A. for Lauber is pledge on inventory of Inter Cars in the amount of PLN 4 million along with transfer of rights under their insurance policy as well as the surety of credit repayment issued by IC.

Credit bears interest at a variable interest rate based on reference rate WIBOR 1M, O/N WIBOR and LIBOR increased by the bank's margin.

Lease liabilities relate to lease of tangible fixed assets, intangible and legal assets. More information on this topic is presented in notes 3 and 5 Additional information.

Financial Leasing

	31.12.2008	**31.12.2007**
Total payments arising from lease contracts	50 661	10 901
Financial cost	(10 007)	(559)
Current value of lease liabilities	**40 654**	**10 342**
Total payments arising from lease contracts		
Less than 1 year	11 059	4 802
Between 1 and 5 years	21 047	6 099
More than 5 years	18 555	-
	50 661	**10 901**
Current value of lease liabilities		
Less than 1 year	9 009	4 585
Between 1 and 5 years	14 055	5 757
More than 5 years	17 590	-
	40 654	**10 342**

In the presented period, the Group repaid capital, paid interests and purchased liabilities under loans.

Bonds

In 2008, Inter Cars issued debt securities. The contract with ING Bank Śląski S.A. signed on 1 February 2007 by Inter Cars is related to the program of bonds issuance. Bonds are offered pursuant to Article 9 item 3 of the Act on Bonds of 29 June 1995 and will not be the object of a public offer as defined by the Act of 29 July 2005 on public offering and terms for introducing financial instruments into the organized trading system and on public companies (Journal of Laws number 184, Item 1539 with amendments) or substituting regulations. According to the above mentioned agreements the Company may issue short-term bonds with the maturity period from 7 days up to 1 year and mid-term bonds with the maturity period from 1 to 3 years. The duration and the maximum amount of the program are, respectively: 5 years and PLN 150,000,000 (say: one hundred fifty million Polish zlotys).

(in thousands of PLN)

The chart below presents specification of bonds issue until the balance sheet date.

Tranche number	Date of obtaining	Maturity date	Value of redemption
26	2008-01-02	2008-01-31	2 000
27	2008-01-03	2008-02-04	5 000
28	2008-01-08	2008-02-08	7 500
29	2008-01-11	2008-02-11	10 100
30	2008-01-18	2008-02-18	13 000
31	2008-01-21	2008-02-21	1 000
32	2008-01-21	2008-02-21	5 000
33	2008-01-28	2008-02-28	10 000
34	2008-01-31	2008-02-29	5 500
35	2008-02-04	2008-03-04	5 000
36	2008-02-08	2008-03-10	7 700
37	2008-02-11	2008-03-11	5 000
38	2008-02-11	2008-05-12	5 100
39	2008-02-18	2008-03-18	6 000
40	2008-02-21	2008-03-21	10 000
41	2008-02-28	2008-03-28	10 000
42	2008-02-29	2008-03-31	5 500
43	2008-03-04	2008-04-04	5 000
44	2008-03-10	2008-04-10	7 700
45	2008-03-11	2008-04-11	5 000
46	2008-03-18	2008-04-18	6 000
47	2008-03-21	2008-04-21	10 000
48	2008-03-28	2008-04-28	13 500
49	2008-03-31	2008-04-30	5 500
50	2008-04-04	2008-05-05	5 000
51	2008-04-10	2008-05-12	7 700
52	2008-04-11	2008-05-13	5 000
53	2008-04-18	2008-05-19	6 000
54	2008-04-21	2008-05-21	13 500
55	2008-04-22	2008-05-21	2 000
56	2008-04-28	2008-05-28	13 500
57	2008-04-30	2008-05-30	7 100
58	2008-05-05	2008-06-05	5 000
59	2008-05-12	2008-06-12	12 800
60	2008-05-13	2008-06-13	5 000
61	2008-05-19	2008-06-19	6 000
62	2008-05-21	2008-06-23	15 500
63	2008-05-28	2008-06-30	13 500
64	2008-05-30	2008-07-02	15 100
65	2008-06-05	2008-07-07	3 500
66	2008-06-12	2008-07-14	12 800
67	2008-06-13	2008-07-15	5 000
68	2008-06-19	2008-07-21	6 000
69	2008-06-23	2008-07-23	15 500
70	2008-06-30	2008-07-31	13 500
71	2008-07-02	2008-08-04	15 100
72	2008-07-07	2008-08-07	3 500
73	2008-07-14	2008-08-14	12 800
74	2008-07-15	2008-08-18	5 000
75	2008-07-21	2008-08-21	6 000
76	2008-07-23	2008-10-23	9 000
77	2008-07-31	2008-08-29	10 000
78	2008-08-04	2008-09-04	15 100
79	2008-08-14	2008-09-15	6 000
80	2008-08-21	2008-09-22	6 000
81	2008-08-29	2008-10-29	5 100
82	2008-08-29	2008-09-29	10 000

(in thousands of PLN)

Tranche number	Date of obtaining	Maturity date	Value of redemption
83	2008-09-04	2008-10-03	15 100
84	2008-09-15	2008-10-15	2 000
85	2008-09-16	2008-10-15	4 000
86	2008-09-22	2008-10-22	6 000
87	2008-09-29	2008-10-29	7 000
88	2008-10-03	2008-11-03	10 100
Total			**502 900**

The purpose of the issue of registered bonds was reduction of the costs of financing activities. Bonds were issued in Polish zloty as bearer securities, unsecured, dematerialized and discount (as bonds with zero coupon). Bonds will be redeemed according to the face value of bonds in the seat of issuance agent.
Until the balance sheet date, the Company redeemed all issued tranches and the balance of liabilities under the bonds is zero.

17. Provisions

	Provision for court cases	Provision for unused leaves	**Total**
As at 1 January 2008	78	773	851
Increase	-	918	**918**
The solution	-	-	-
As at 31 December 2008	**78**	**1 691**	**1 769**
31 December 2008			
(minus) short-term part	(78)	(1 543)	**(1 621)**
long term part	-	148	**148**

	Provision for court cases	Provision for unused leaves	**Total**
As at 1 January 2007	128	689	817
Increase	-	276	**276**
The solution	(50)	(192)	(242)
As at 31 December 2007	**78**	**773**	**851**
31 December 2007			
(minus) short-term part	(78)	(773)	**(851)**
long term part	-	-	**-**

(in thousands of PLN)

18. Trade and other liabilities

	31.12.2008	31.12.2007
Trade liabilities	236 782	258 680
Received advances on deliveries	93	61
Due to taxes, duties, insurances and other benefits	10 438	1 506
Other liabilities	371	1 165
	247 684	**261 412**

Trade liabilities before reduction by charged bonuses for the period	273 445	287 665
Reduction in liabilities under discounts due for the period and which are to be settled in the future period	(36 663)	(28 985)
Balance sheet value of trade liabilities	**236 782**	**258 680**

Age structure of trade liabilities		
Maturing within 12 months	236 782	258 449
Maturing more than 12 months	-	231
	236 782	**258 680**

The currency structure of trade liabilities, under employee benefits and under income tax	31.12.2008	31.12.2007
Liabilities in Polish currency	116 981	204 086
Liabilities in foreign currencies	134 255	68 207
	251 236	**272 293**
Equivalent in the domestic currency		
Liabilities in EUR	110 724	57 398
Liabilities in USD	5 875	(1 004)
Liabilities in other currencies	17 656	11 813
	134 255	**68 207**

19. Liabilities due to employee benefits

	31.12.2008	31.12.2007
Payroll liabilities	1 634	393
Corporate welfare benefit fund	939	425
	2 573	**818**

20. Payments in the form of own shares.

On 6 February 2006, the Extraordinary General Meeting introduced the Motivation Program for members of executive bodies, members of management staff as well as employees crucial for realization of the Capital Group's strategy. On 8 December 2006, the Extraordinary General Meeting introduced changes to the Motivation Program, which were communicated to general public on 8 December 2006, in the form of current report No. 31/2006.

The people participating in the Program will be able to take up no more than 472,000 shares in the period from 1 January 2007 to 31 December 2009. Tranches vary in terms of period in which the options can be exercised. For particular tranches, the exercise period commences on 1 January 2007, 2008 and 2009. It ends, on the other hand, each time on 31 December 2009. According to the Regulations of the motivation program, a person participating in the program loses the right to exercise the option, upon leaving the Company.

The option exercise rate depends on the initial exercise rate, specified in the motivation program (PLN 24.81) and WIG index changes in relation to the initial value stated in the regulations (37,221.99 points). Exercise rate is increased /

(in thousands of PLN)

decreased by percentage increase /decrease in the WIG index until the date of acquiring rights to exercise option (for particular tranches 1 January 2007, 2008 and 2009, respectively).

In the Motivation Program participate five people - five members of the Board of Directors. Jointly, the peoples covered by the 1st tranche obtained the right to take up 157 333 shares in Inter Cars at PLN 33.59 per share. In the 2nd tranche, they obtained the right to take up subsequent 157,333 shares at PLN 37.13 per share.

The fair value of management options is estimated with the use of 3-dimensional binomial trees. Input data is: the exercise rate and the value of WIG index specified in the motivation program regulations at the level of PLN 24.81 and 37,221.99 points, respectively, variability of the rates of return on shares and the WIG index at the level of 33.97% and 16.77%, respectively, interest rate for the period ending on 31 December 2007 at the level of 4.43%. Cost of execution of the motivation program in every year of the program was determined assuming that all authorized peoples would exercise options.

	Weighted average exercise price 2008	**Number of options 2008**	**Weighted average exercise price 2007**	**Number of options 2007**
Options to be exercised as at 1 January	25,74	472 000	35,95	472 000
Options exercised during the period	36,25	(40 000)	-	-
Non-exercised options	18,00	(20 000)	-	-
Options to be exercised as at 31 December	29,49	412 000	35,95	472 000
Options exercisable as at 31 December	**38,00**	**254 667**	**33,39**	**157 334**

	Total	**1.1.2008-31.12.2008**	**1.1.2007-31.12.2007**	**1.1.2006-31.12.2006**
Cost of granted options	**5 935**	743	3 330	1 862

21. Sales revenue on sales of products, goods and materials

	1.01.2008 - 31.12.2008	**1.01.2007 - 31.12.2007**
Revenue on the sale of products	169 468	141 605
Revenues on sales of commodities and materials	1 562 167	1 182 305
Revenue on the sale of services	6 321	2 984
	1 737 956	**1 326 894**

The information on the operating segments is presented in note 2.

(in thousands of PLN)

22. Cost of sold products, commodities, and materials

	1.01.2008 - 31.12.2008	1.01.2007 - 31.12.2007
Value of sold products, commodities, and materials	1 244 244	1 000 012
Reduction in the value of sold products, goods and materials by rebates due for the period	(47 862)	(41 250)
(positive)/negative exchange rate differences	6 563	2 876
Cost of sold products, commodities, and materials presented in the period	**1 202 945**	**961 638**
Rebates due for the period	54 751	42 109
Entered into inventory (to be included in the result of future periods)	(21 281)	(13 536)
Entered into reduction in the value of sold products, goods and materials	**33 470**	**28 573**
Discounts from the previous period reflected in value of products and goods sold (increasing the value of inventories)	13 285	8 645
Change in estimates concerning previous period discounts	1 107	4 032
Surplus of discounts invoiced over the charged ones	-	-
Liabilities value adjustment	-	-
Reduction in the value of sold products, goods and materials by rebates due for the period	**47 862**	**41 250**
Discounts charged in the period entered into inventory	21 281	13 536
Discounts to be settled	-	-
Discounts charged in the period to be included in future periods result	**21 281**	**13 536**

23. General administrative and sales cost

	1.01.2008 - 31.12.2008	1.01.2007 - 31.12.2007
Depreciation	27 709	14 786
Consumption of materials and energy	105 942	87 824
External services	310 119	199 284
Taxes and fees	2 634	1 283
Payroll	88 110	48 812
Social security and other benefits	21 066	10 311
other costs by type	16 768	13 027
Total costs by type	**572 348**	**375 327**
(minus) Cost of products sold	(112 480)	(83 886)
(minus) Change in the balance of finished products and work in progress	10 023	(6 210)
(minus) Distribution service costs	(195 566)	(127 292)
(minus) Motivation program costs	(743)	(3 330)
General administrative and sales cost	**273 582**	**154 609**

Costs of distribution service are a component of costs of "external services" in costs by type.

(in thousands of PLN)

24. Other operating revenue

	1.01.2008 - 31.12.2008	1.01.2007 - 31.12.2007
Claims accepted by suppliers	9	912
Profit on disposal of non-financial fixed assets	4 455	2 294
Received compensations, penalties and fines	246	657
Grants	581	926
Revenues from encumbering branches	1 006	1 803
Marketing discounts	784	675
Discount	5 475	5 579
Write-down of overdue liabilities	91	-
Reimbursement of court fees	-	50
Deposit fees	55	36
Payment of receivables overdue after write-down	23	49
Dissolution of provisions	2 548	-
Reversal of the warehouse valuation	211	1 075
Reversion of write-down of receivables	-	253
Storage surpluses	1 659	-
Revaluation of the investment real estate	7 078	4 650
Dissolution of the provision for IC Premia	-	323
Other	962	369
	25 183	**19 651**

25. Other operating costs

	1.01.2008 - 31.12.2008	1.01.2007 - 31.12.2007
Established write-downs of receivables	975	7 016
Loss on sale of non-financial fixed assets	69	149
Warehouse shortages	-	290
Claims accepted by suppliers	14	211
Damages to goods	1 665	819
Costs of complaints	923	723
Granted discounts	1 746	1 822
Write-down of receivables past the expiration date	5 190	2 424
Write-down of inventory	1 105	1 492
Compensations	276	-
Donations	36	18
Transport damages	60	-
Scrapping	130	-
Reinvoices	865	-
Shortages in deliveries	1 398	-
Other	482	384
	14 934	**15 348**

26. Revenues, financial costs and exchange rate differences

	1.01.2008 - 31.12.2008	1.01.2007 - 31.12.2007
Financial revenue		
Interest	1 605	547
Other financial revenues	53	392
	1 658	**939**
Financial costs		
Interest	29 098	10 526
Other financial cost	4 379	4 470
	33 477	**14 996**

(in thousands of PLN)

Other financial revenues consist, first of all, of interest on bank deposits as well as interest under untimely repayment of receivables. Other financial costs include, first of all, fees under commission from the granted credit lines as well as mandatory charges related to purchase of currencies by Inter Cars Ukraine.

Exchange rate differences in the period from 01.01.08 to 31.12.08	**Entered into the value of sold products, goods and materials**	**Presented as a "exchange rate differences"**	**Total exchange rate differences**
Created in connection with repayment of trade liabilities and receivables	(5 625)	-	(5 625)
Created in connection with repayment of liabilities under bank credits denominated in foreign currencies	-	2 377	2 377
Effected exchange rate differences	**(5 625)**	**2 377**	**(3 248)**
Created in connection with the valuation of trade liabilities and receivables as at the balance sheet date	(938)	-	(938)
Created in connection with the valuation as at the balance sheet date of liabilities under bank credits denominated in foreign currencies	-	(11 672)	(11 672)
Created in connection with the cash valuation	-	252	252
Unrealised exchange rate differences	(938)	**(11 420)**	**(12 358)**
Total exchange rate differences	**(6 563)**	**(9 043)**	**(15 606)**

Exchange rate differences in the period from 1.01.2007 to 31.12.07	**Entered into the value of sold products, goods and materials**	**Presented as a "exchange rate differences"**	**Total exchange rate differences**
Created in connection with repayment of trade liabilities and receivables	475	-	475
Created in connection with repayment of liabilities under bank credits denominated in foreign currencies	-	3 138	3 138
Effected exchange rate differences	**475**	**3 138**	**3 613**
Created in connection with the valuation of trade liabilities and receivables as at the balance sheet date	(3 351)	-	(3 351)
Created in connection with the valuation as at the balance sheet date of receivables under loans denominated in foreign currencies	-	288	288
Created in connection with the cash valuation	-	(37)	(37)
Unrealised exchange rate differences	(3 351)	251	(3 100)
Total exchange rate differences	**(2 876)**	**3 389**	**513**

27. Income tax

	1.01.2008 - 31.12.2008	**1.01.2007 - 31.12.2007**
Income tax	9 134	14 675
Change in deferred income tax	(150)	1 021
Income tax recognised in the income statement	**8 984**	**15 696**

Agreeing tax cost to the value being a product of book profit and relevant tax rates is presented below:

(in thousands of PLN)

Effective tax rate	**1.01.2008 - 31.12.2008**	**1.01.2007 - 31.12.2007**
Gross profit (without share of the result of the affiliate)	**34 401**	**73 660**
Tax based on valid tax rates (15%/19%/24%/25%)*	(5 933)	(13 830)
Permanent differences		
Costs not being included in cost of obtaining a profit	(3 227)	(1 866)
Tax releases on social help SSE	176	-
Income tax recognised in the income statement	**(8 984)**	**15 696**

- Poland 19%, 19% Slovak Republic, Czech Republic 24%, Ukraine 25%, Lithuania 15%

Tax authorities have the right to control ledgers and keep accounting records. Within five years from the end of a year in which the tax return was submitted, may impose additional tax loads along with interest and other penalties. The Board of Directors is not aware of any circumstances that could lead to occurrence of significant liabilities on this account.

28. Liabilities due to income tax

Age structure of tax liabilities	**31.12.2008**	**31.12.2007**
Maturing within 12 months	979	10 063
	979	**10 063**

Currency structure of liabilities under taxes		
Liabilities in Polish currency	87	10 063
Liabilities in a foreign currency, denominated in PLN	892	-
	979	**10 063**

29. Net earnings per 1 share

Basic earnings 1 per share

Net earnings per 1 share calculated on the basis of net profit in the period in the amount of PLN 25,417 thousand (2007: PLN 57,964 thousand) and weighted average number of shares 13,400 thousand (2007: 11,821 thousand shares) presented in the following calculation:

Average weighted number of shares	**2008**	**2007**
Shares issued as at 1 January	11 821 100	11 821 100
Shares issued in connection with merger	1 562 500	-
Shares issued in connection with option exercise	16 667	-
Average weighted number of shares in a year	**13 400 267**	**11 821 100**

Basic earnings per 1 share	**2008**	**2007**
Net profit in the period	**25 417**	**57 964**
Weighted average number of shares	**13 400 267**	**11 821 100**
Net earnings per 1 share	**1,90**	**4,90**

Diluted earnings per 1 share

For the purpose of calculation of diluted earnings per share the Group accepted implementation of diluting effects of the motivation program. Net earnings per 1 share calculated on the basis of net profit in the period in the amount of PLN 25,417 thousand (2007: PLN 57,964 thousand) and weighted average number of shares (diluted) 13,668 thousand shares (2007: 12,051 thousand shares) presented in the following calculation:

	2008	**2007**

Average weighted number of shares (diluted)		
Shares issued as at 1 January	12 088 518	12 050 728
Shares issued in connection with merger	1 562 500	0
Shares issued in connection with option exercise	16 667	0
Average weighted number of shares in a year	**13 667 685**	**12 050 728**

Average market price of shares used for calculation of the effect of diluting the ratio earnings per 1 share was calculated on the basis of price of the Company's shares quoted on the stock exchange.

Diluted earnings per 1 share	**2008**	**2007**
Net profit in the period	25 417	57 964
Weighted average number of diluted shares	13 667 685	12 050 728
Net earnings per 1 share	1,86	4,81

30. Dividend per 1 share

	1.01.2008 - 31.12.2008	**1.01.2007 - 31.12.2007**
Dividend adopted and paid until the balance sheet date	9 450	4 019
Number of shares with granted right to the dividend according to a respective resolution of the General Meeting	13 696 100	11 821 100
Dividend per 1 share (PLN)	0,69	0,34

On 18 July 2008, the Ordinary General Meeting of Inter Cars S.A. adopted a resolution on payment of dividend for 2007 in the amount of PLN 9,450,309.00, i.e. PLN 0.69 per one share. Day of granting the right to dividend is 5 August 2008, and the dividend payment day is 21 August 2008.

31. Contingent liabilities and non-reported liabilities resulting from the concluded contracts

Regulations concerning Value Added Tax, corporate income tax, personal income tax or social security premiums are subject to frequent changes, therefore there is often no reference to fixed regulations or legal precedents. Binding regulations contain also vagueness that cause differences in opinions on legal interpretation of tax regulations both among state bodies, and state bodies and companies. Tax settlements and other settlements (for example, customs or foreign exchange settlements) may be the object of control of bodies that are authorized to impose significant penalties, and additional amounts of liabilities, stated as a result of control, must be paid along with interest. These phenomena make tax risk in Poland higher than usually existing in the countries with more developed tax system.

Tax settlements may be subject to control for a period of five years. As a result, the amounts reported in the financial statement may change at a later date after the final determination of their amount by treasury bodies. The Group was subject to control of the tax bodies. Some of these controls were not completed until the date of the financial statement preparation. The Group created appropriate provisions with regard to probable and quantifiable risks.

As at 31 December 2008, the Company had a customs guarantee provided by TU Allianz Polska S.A. for the amount of PLN 500 thousand valid until 31 January 2009.

32. Operational Leasing

Inter Cars rents out warehouse space to entities operating subsidiaries, and they are not property of the Group (beyond the space in the central warehouse in Czosnów, facility in Kajetany, Gdańsk and Bielsko Biała) but are rented by the Group. Any costs of rental, covered by the Group, are entirely re-invoiced to final users (entities operating subsidiaries) throughout the whole period of use of this space (together with the notice period). As at 31 December 2008, the total value of rents under contracts for an indefinite period of time for the notice periods of these contracts was PLN 4,127 thousand. The total value of rents under contracts for a definite period of time - PLN 17,899 thousand. At the end of 2007, the value of these rents was PLN 2,807 thousand and PLN 9,971 thousand, respectively

(in thousands of PLN)

The total value of future payments under operational lease up to one year is PLN 11,062 thousand, on the other hand, from one to five years is PLN 10,963 thousand. The Group does not have liabilities under operating lease of more than five years.

Group re-invoices the abovementioned rents to cooperating branch operators.

33. Business combinations

Group	Date of purchase	Purchased share in net assets	Purchase price *(thousands of PLN)*	Net fair value of purchased assets *(thousands of PLN)*	Goodwill *(thousands of PLN)*
JC Auto S.A.	29.02.2008	100%	231 775	107 645	124 130

On 13 July 2007, the Boards of Directors of Inter Cars S.A. and JC Auto S.A. signed a plan of merger.

The result of the merger of Companies is: transfer to the Company of the entire rights and obligations of the Target Company by way of universal succession (according to Art. 494, § 1, of the Code of Commercial Companies), loss of legal subjectivity by the Target Company, which without liquidation proceedings is removed from the Register of Entrepreneurs (according to Art. 493 § 1, of the Code of Commercial Companies).

The merger of Inter Cars S.A. and JC Auto S.A. took place by increasing the Share capital of Inter Cars S.A. in order to grant shares to shareholders of the Target Company in exchange for shares owned by them, belonging to the target company, the Extraordinary General Meeting adopted on 14 November 2007, a resolution on merger, i.e. a resolution on increase in the Share capital of the Company by the amount no higher than PLN 3,750,000.00, with coverage in the target company's assets agreed for the needs of merger, by means of issue of up to 1,875,000 ordinary bearer shares, with face value of PLN 2 each (merger shares).

The day before the merger with JC Auto, namely on 28 February 2008, the following personal changes took place in executive bodies of the Parent Company Inter Cars S.A.:

- Mr. Jerzy Grabowiecki (major shareholder and Vice President of the Board of JC Auto) was appointed to the position of a member of the Supervisory Board at the place of Mrs. Wanda Oleksowicz,

- Mr. Jerzy Józefiak (President of JC Auto) and Mr. Szymon Getka (Board Member of JC Auto) were appointed to the position of members of the Board of Directors of Inter Cars.

Merger shares were issued to shareholders of JC Auto in proportion to the held by them shares in the Share capital of JC Auto S.A. using the following parity of exchange, i.e. in proportion of 1 merger share per 4 shares in JC Auto.

The number of merger shares received by each shareholder of the target company was agreed by multiplying the number of shares in JC Auto possessed by the shareholders as at the reference date (5 March 2008) by exchange parity and rounding up the product received in this way (if such a product is not an full number) down to the nearest full number.

Each shareholder of JC Auto who, as the result of above rounding up, was not given a fractional part of merger shares, was entitled to receive extra charge in cash.

(in thousands of PLN)

Net sales revenues and the net financial result of JC Auto S.A. for the period from 1 January 2008 to 29 February 2008 are presented in the chart below:

Group	Net revenue	Net financial result until takeover (thousand PLN)	Net revenues until acquisition (PLN '000)
JC Auto S.A.	29.02.2008	(10 560)	43 393

The Board of Directors estimates that if the merger with JC Auto took place as of 1 January 2008 then the cumulative aggregated revenues of the Company for the period from 1 January 2008 to 31 December 2008 would amount to PLN 1,781,349 thousand, while the aggregated net profit for the same period would amount to PLN 14,857 thousand. At the same time, in the opinion of the Board of Directors, the fair value of assets and liabilities of JC Auto as at 1 January 2008 would be similar to fair value of assets and liabilities as at the date of acquisition, namely 29 February 2008.

Within the execution of the merger plan, JC Auto S.A. sold in 2007 and 2008 to Inter Cars S.A. goods worth more than PLN 140 million.

The basis for determination of the exchange parity by the Boards of Directors of the companies covered:

- future expected market valuation of the merged company taking into consideration the effects of synergies resulting from the merger,
- estimation of synergy effects with regard to JC Auto S.A.,
- valuation of JC Auto S.A. based on market values of the target company,
- volume of shares of particular shareholders in the target company and the resulting volume of their shares in the merged company.

Goodwill identified at the merger is mostly due to anticipated synergies which are to be achieved as a result of merger with JC Auto S.A. It is expected in particular, to achieve the following, measurable benefits related to the merger:

- substantial enlargement of the product range offered after the merger,
- increase in sales in Poland and abroad,
- reduction in costs of advertising and marketing
- reduction in costs of deliveries of products from suppliers,
- higher bargaining power at suppliers,
- more effective use of storage area,
- optimization of the value of inventory and turnover,
- reduction in costs transport of goods to a customer,
- growth in effectiveness of distribution points,
- unification of IT infrastructure.

The merger was registered on 29 February 2008 by the District Court for the capital city of Warsaw 13th Commercial Division of the National Court Register.

Below there is a settlement of financial effects of merger with JC Auto SA Group, that took place based on fair values. This allocation is final.
In comparison with the initial allocation of purchase price as at 30 June 2008, intangible assets (trademarks), goodwill and deferred tax.

(in thousands of PLN)

Data of the JC Auto S.A. Group as at the day of the merger with Inter Cars S.A. (29 February 2008):

ASSETS	Book value as at the day of the merger	Fair value adjustments	Fair values recognized as a result of the merger
Fixed assets	**74 669**	**13 894**	**88 563**
Tangible fixed assets	68 112	(2 105)	66 007
Intangible Assets	2 710	16 700	19 410
Investment properties	2 662	(3)	2 659
Prepayments	87	-	87
Deferred corporate income tax assets	1 098	(698)	400
Current assets	**184 589**	**(2 332)**	**182 257**
Inventories	14 114	-	14 114
Receivables for services and other receivables	164 715	(2 332)	162 383
Income tax receivables	1 974	-	1 974
Prepayments	986	-	986
Other assets	2 800	-	2 800
TOTAL ASSETS	**259 258**	**11 562**	**270 820**
LIABILITIES			
Long-term liabilities due to credits, bonds and finance lease	(45 587)	**-**	(45 587)
Short-term liabilities due to credits, bonds and financial lease	(95 662)	**-**	(95 662)
Provision due to under income tax	(1 774)	(3 376)	(5 150)
Other short term liabilities	(16 776)	**-**	(16 776)
Total liabilities	**(159 799)**	**(3 376)**	**(163 175)**
Net assets	**99 459**	**8 186**	**107 645**
Purchased share in net assets			**100%**
Net fair value of purchased assets			**107 645**
Purchase price			**231 775**
Goodwill			**124 130**

The purchase price of JC Auto S.A. was calculated as the result of multiplying 1,875,000 shares by the issue price of PLN 122 (the price of takeover is PLN 228,750,000) plus the additional cost born in connection with realization of the takeover – total PLN 3m. The issue price would be equal to the market price as at the issue date.

34. Financial Risk Management

Credit Risk

Credit risk applies to other receivables, cash and equivalents and trade receivables. Cash and equivalents are deposited in reputable financial institutions.

The Group applies a credit policy, in accordance with which exposure to credit risk is monitored on a regular basis. The credit credibility assessment is performed in relation to all customers demanding crediting above a specified amount. The Group does not require property security from own customers in relation to financial assets.

As at the balance sheet date, there was no significant concentration of credit risk. The balance sheet value of each financial asset, presents maximum exposure to credit risk:

	31.12.2008	31.12.2007
Investments available for sale	43	43
Loans and receivables	215 309	156 870
Cash and cash equivalents	24 922	22 879
	240 274	**179 792**

Interest rate risk

Exposing the Group to the interest rate risk applies, first of all, to liabilities with variable interest rate.

(in thousands of PLN)

The Group uses liabilities of variable interest rate. As at 31 December 2008, the Group did not use liabilities of fixed interest rate. The Group does not have interest rate swaps.

The table below presents sensitivity of the financial result on possible interest rate fluctuations, assuming invariability of other factors.

As at 31.12.08	**increase/decrease in base points**	**impact on the net result and own equity**
	+ 100 / -100	(1 675) / 1 675
	+ 200 / -200	(3 350) / 3 350

As at 31.12.07	**increase/decrease in base points**	**impact on the net result and own equity**
	+ 100 / -100	(2 811) / 2 811
	+ 200 / -200	(5 622) / 5 622

The amount of incurred costs arising from interest was indicated in notes to the financial statements.

Risk of exchange rate fluctuations

Major part of trade liabilities are expressed in foreign currencies, in particular in EUR. Sale is conducted first of all in PLN and in UAH, EUR, CZK, SKK, HUF, HRK and RON . The Group did not conclude in the period from 1 January to 31 December 2008 currency purchase or sales futures.

The table below presents the sensitivity of the financial result to possible EUR exchange rate fluctuations, assuming invariability of other factors.

As at 31.12.08	**increase/decrease in EUR exchange rate**	**impact on the net result and own equity**
	+ 5% / - 5%	(5 930) / 5 930
	+ 10% / - 10%	(11 860) / 11 860

As at 31.12.07	**increase/decrease in EUR exchange rate**	**impact on the net result and own equity**
	+ 5% / - 5%	(2 116) / 2 116
	+ 10% / - 10%	(4 232) / 4 232

Liquidity Risk

Operating activities are conducted with the assumption of maintenance of constant surplus of liquid cash and open credit lines.

The liquidity situation of the Company is regulated and stable. This can be stated based both on statements and the decisions of representatives of banks, on extended cooperation in the scope of the existing financing, about which the Company informed in current messages. At the same time, the Company conducts works on changing the structure of financing (it comes to reduction in the number of cooperating banks and extension of maturity periods of credits).

The table below presents financial liabilities as at 31 December 2008 by the maturity date on the basis of non-discounted payments:

(in thousands of PLN)

	Current	up to 3 months	from 3 to 12 months	from 1 to 5 years	above 5 years	total
Interest-bearing bank borrowings	-	169 422	246 693	81 284	533	497 932
Bonds	-	-	-	-	-	-
liabilities due to deliveries and services and other	95 878	146 692	5 114	-	-	247 684
	95 878	**316 114**	**251 807**	**81 284**	**533**	**745 616**

Capital management

The main objective of managing capital of the Group is maintenance of a good credit rating and equity ratios, supporting operating activities and increasing shareholders' value.

Depending on changes in economic conditions, the Group may change capital structure by way of dividend payment, capital return or issue of new shares. In the presented period, no changes were introduced to purposes, principles and processes binding in this respect.

The Group analyzes the amount of capitals using leverage ratio, calculated as ratio of net debt to total capitals increased by net debt. Net indebtedness includes interest liabilities under bank credits, bonds and financial lease, trade liabilities and other liabilities, less cash and cash equivalents. Capital includes equity attributable to the shareholders of the parent company's.

	31.12.2008	**31.12.2007**
Liabilities due to credits, loans and finance lease	538 586	357 368
Trade and other liabilities	247 684	272 293
(minus) cash and cash equivalents	(24 922)	(22 879)
Net debt	761 348	606 782
Equity capital	418 125	166 912
Capital and net indebtedness	**1 179 473**	**773 694**

Fair value

The chart below contains specification of fair values of financial assets and liabilities with balance sheet values.

	31.12.2008		**31.12.2007**	
	balance sheet value	fair value	balance sheet value	fair value
Loans granted	8 445	8 445	6 098	6 098
Available-for- sale financial assets	43	*	43	*
Receivables on services and other	214 952	214 952	156 870	156 870
Cash and cash equivalents	24 922	24 922	22 879	22 879
Liabilities under bank loans	(497 932)	(497 932)	(292 194)	(292 194)
Trade and other liabilities	(247 684)	(247 684)	(261 412)	(261 412)
Liabilities under bonds of variable interest rate.	-	-	(54 832)	(54 832)
Liabilities due to finance lease	(40 654)	(40 654)	(10 342)	(10 342)
Net exposure	**(537 908)**	**(537 951)**	**(432 890)**	**(432 933)**

** Assets available for sale include shares in the company, which, due to the special character of activities of this company, cannot be valued as to the fair value.*

In the opinion of the Board of Directors, the sheet balance value of financial assets and liabilities reflects their fair value.

(in thousands of PLN)

35. Events occurring after the balance sheet date

On 23 April 2009, an annex to the credit agreement was signed with ABN AMRO Bank (Polska) S.A. According to the annex, the expiry date of the credit agreement was extended to 30 June 2009.

On 17 April 2009, an annex was signed with Kredyt Bank S.A. According to the annex, the expiry date of the credit agreement was extended to 28 May 2009. the credit limit has been PLN 45 million.

On 8 April 2009, an annex to the credit agreement was signed with Fortis Bank Polska S.A. According to the annex, the expiry date of the credit agreement was extended to 29 May 2009.

36. Significant assessments and estimates

Preparation of financial statements in accordance with IFRS EU requires the Board of Directors of the Company to use assessments and estimates which have impact on the applied accounting principles and reported assets, liabilities, revenues and costs. Assessments and estimates are verified on a regular basis. Changes in estimates are included in the result for the period when the change took place. Information on particularly significant areas subject to assessments and estimates, affecting the financial statement, is disclosed in notes:

- Note 4 Investment Properties,
- Note 8 Write-downs of inventory,
- Note 9 Write-downs of receivables,
- Note 16 Provisions for liabilities,
- Note 19 Payments in the form of own shares,
- Note 32 Business combinations.

37. Change in presentation of financial data

In the financial statement prepared as at 31 December 2008, presentation of unrealized foreign exchange differences from liabilities and receivables was changed. These differences were presented as adjustment of prime cost instead of exchange rate differences. In connection with the above, the comparable data were also presented in the same manner as presented in note 26. Changes in presentation are shown in the chart below.

Items on income statement	**Approved version of statement**	**Change in presentation**	**After changing the presentation**
Cost of sold products, commodities, and materials	(958 287)	(3 351)	(961 638)
Foreign exchange differences	38	3 351	3 389

38. Continuation of activities

The purpose of the Group in capital risk management is to protect the capacity of the Group to continue activities so as to ensure that it is possible to execute return for shareholders and maintain optimal structure of capital in order to reduce its cost.

The financial statement was prepared given the assumption of continuation of business activities in the foreseeable future. In the opinion of the Company's Board of Directors there are no circumstances indicating any threat for continuation of activities by the Company.

Since the second half of 2008 it has been possible to observe significant fluctuations on global financial markets. The effect of the observed situation is, among others, reduction in the level of liquidity of financial markets decrease of financing via capital markets and, as a result, hindered access to capital experienced by Companies and capital groups.

Uncertainty on global financial markets led in some countries to falling banks, companies and other financial institutions as well as initiated numerous rescue programs introduced by state governments. Owing to instability and uncertainty, the Company's Board of Directors is unable to foresee all effects of the present financial crisis.

At the end of the financial year, the Company and the Inter Cars Group financed its activities (and activities of the Group Companies) mostly with bank credits and loans. Availability of credits for the Group, just like for other entities has been reduced recently. These circumstances may affect the possibility of obtaining new financing or refinancing on the terms similar to those binding in previous transactions. Despite these difficulties, in the opinion of the Company's Board of Directors, there is no risk of it losing financial liquidity.

Deterioration in the market situation may still influence the recipients of the Company. This can affect their capacity of payment of the receivables, and may have a significant impact on estimates concerning sales forecasts of the Company for the years to come.

All significant information available as at the date of preparation of the financial statement, including this that can be used for quantification of risk, was included by the Company in the attached financial statement.

39. Consolidated statement

Consolidation covers statements of the Inter Cars and subsidiaries. Consolidation is performed by using the full method, except for Fenoplast, which is being consolidated by using the equity method.

(a) Consolidation for the period from 1 January to 30 December 2007

The consolidation covered the following financial statements:

- Parent entity: INTER CARS S.A. with its registered office in Warsaw,
- Subsidiary companies:
  1. Inter Cars Ukraine, the Ukrainian legal entity, with registered seat in Khmelnytskyi in Ukraine (70% of share of Inter Cars S.A. in the company's share capital),
  2. Lauber Sp. Z.o.o with registered seat in Słupsk (100%),
  3. Q-Service Sp. Z.o.o with registered seat in Warsaw (100%),
  4. Inter Cars Ćeska Republika with registered seat in Prague (100)%,
  5. Feber Sp. z o.o with registered seat in Warsaw (100%),
  6. Inter Cars Slovenska Republika with registered seat in Bratislava (100%),
  7. Inter Cars Lietuva UAB with registered seat in Vilnius (100%),
  8. IC Development & Finance Sp. z o.o. with registered seat in Warsaw (100%).

(b) Consolidation for the period from 1 January to 30 December 2008

The consolidation covered the following financial statements:

- Parent entity: INTER CARS S.A. with its registered office in Warsaw,
- Subsidiary companies:
    1. Inter Cars Ukraine, the Ukrainian legal entity, with registered seat in Khmelnytskyi in Ukraine (70% of share of Inter Cars S.A. in the company's share capital),
    2. Lauber Sp. Z.o.o with registered seat in Słupsk (100%),
    3. Q-Service Sp. Z.o.o with registered seat in Warsaw (100%),
    4. Inter Cars Ćeska Republika with registered seat in Prague (100)%,
    5. Feber Sp. z o.o with registered seat in Warsaw (100%),
    6. Inter Cars Slovenska Republika with registered seat in Bratislava (100%),
    7. Inter Cars Lietuva UAB with registered seat in Vilnius (100%),
    8. IC Development & Finance Sp. z o.o. with registered seat in Warsaw(100%),
    9. Armatus Sp. z o.o with registered seat in Warsaw (100%),
    10. JC Auto s.r.o. with registered seat in Karvina - Darkow (100%),
    11. Inter Cars Hungária Kft with registered seat in Budapest (100%),
    12. JC Auto S.A. with registered seat in Brain-le-Chateau (100%),
    13. Inter Cars d.o.o. with registered seat in Zagreb (100%),
    14. JC Auto s.r.l. whose registered office in Milan (1% byJC Auto s.r.o.),
    15. Inter Cars Romania, whose registered office in Cluj Napoca (100%)

Krzysztof Oleksowicz
President of the Management Board

Robert Kierzek
Vice President of the Management Board

Krzysztof Soszyński:
Vice President of the Management Board

Wojciech Milewski
Member of the Management Board

Piotr Kraska
Member of the Management Board

Julita Pałyska
Person responsible for keeping the accounting books

Warsaw, 27 April 2009

PART III

STATEMENT OF THE OPERATIONS

(in thousands of PLN)

1. Information on basic activities of the Inter Cars Group

1.1 Summary

Inter Cars Group is an importer and distributor of spare parts for passenger cars and commercial vehicles. The Group's offer includes also garage equipment and parts for motorcycles and tuning. The Inter Cars Capital Group is the largest in Poland independent aftermarket distributor of spare parts. The Group conducts business activities in Poland, Ukraine, the Czech Republic, the Republic of Slovakia, Lithuania, and, as a result of the merger with the JC Auto Group from 29 February 2008 also in Hungary, Italy, Croatia and Belgium, on the other hand, in July, the Group extended its activities to Romania.

The Group recorded more than 31% increase in sales revenues as compared to the same period of 2007, which resulted from the merger of the JC Auto S.A. Group, from growth in the scale of operating activities and geographic development of sales chain.

In 2008, the Group opened 14 new branches, which means that as at 31 December 2008 the sales network consisted of total 166 branches; 115 Polish branches and 51 foreign branches.

Gross profit on sales increased by 46% in 2008 as compared to the same period of the previous year. Higher growth rate of profit as compared to the pace of increase in sales revenues resulted from growth in the amount of **profit margin on sales** from 27.8% in 2007 up to 30.8% in 2008.

Basic consolidated financial data are presented in the chart below.

('000)	2008 PLN	2007 PLN	2008 Euro
Profit and loss statement (for period)			
Sales revenues	1 737 956	1 326 894	492 046
Gross Profit (Loss) on sales	535 011	368 607	151 471
Costs of management option program	(743)	(3 330)	(210)
Financial revenue and cost, net	(40 862)	(10 668)	(11 569)
Profit (loss) on operating activities	75 369	87 679	21 338
Net Profit (loss)	25 417	57 964	7 196
Balance (at the end of period)			
Cash and cash equivalents	24 922	22 879	5 973
Balance sheet total	1 227 722	815 710	294 248
Loans, borrowings, financial Leasing	538 586	357 368	129 083
Equity attributable to the shareholders of the parent entity	418 125	166 912	100 212
Minority capital	-	1 151	-
Other financial information			
Cash flow on operating activities	69 871	(52 348)	19 782
Cash flow on investment activities	(55 627)	(69 979)	(15 749)
Cash flow on financial activities	(12 201)	130 829	(3 454)
Basic earnings per 1 share	1,90	4,90	0,54
Sales margin (1)	30,8%	27,8%	
EBITDA margin (2)	5,9%	7,7%	

(1) Sales margin was defined as the quotient of gross profit on sales and revenues.

(2) EBITDA was defined as net profit (loss) before depreciation, net financial revenues (costs), exchange rate differences and income tax.

The revenues of Inter Cars were approx. 87% of the Capital Group's revenues (before consolidation exclusions). **Poland is the main market** of sales for the Capital Group.

Inter Cars conducted **issuance of short-term bonds**, of which revenues were used to finance the Company's current activities. Beneficial terms on which the Company issued bonds allowed obtaining cost savings as compared to the costs of bank credits.

Additionally, the program of issue of bonds allowed the Company to strengthen the image of a reliable and stable issuer of debt securities in the eyes of the investors.

As at the balance sheet date, the Company did not have any liabilities under the issued bonds.

The market of distribution of spare parts is characterized by a significant growth potential. The main factors determining market growth are constant growth in the number of vehicles registered and moving on roads, liberalization of regulations opening access to independent distributors of spare parts to authorized workshops, elimination of barriers import of second-hand cars, growing complication of repairs related to more and more common use of advanced technologies for production of vehicles and a constant increase in intensity of operation of the car fleet, in particular growth in average age of registered vehicles and average mileage. Most important **trends on an independent market of distribution** of spare parts cover intensive sales network development, development of assortment, development of sales support programs, own lines of goods and improvements of computer systems.

The structure of the Inter Cars S.A. Capital Group results from the geographic expansion strategy for the distribution of spare parts (Inter Cars Ukraina, Inter Cars Ceska Republika, Inter Cars Slovenska Republika, Inter Cars Lietuva, JC Auto s.r.o., Inter Cars Hungaria Kft, Inter Cars d.o.o., JC Auto s.r.l., JC Auto S.A, Inter Cars Romania s.r.l) and the development of projects supporting basic activities (Lauber Sp. z .o.o., Feber Sp. z o.o., Q-Service Sp. z o.o., Armatus Sp. z o.o., IC Development & Finance Sp. z o.o.).

The main purpose of the Group is to improve constantly goods flow management quality as well as to achieve leading share in the markets of Central and Eastern Europe. It will be carried out by way of supplementing the existing distribution model with additional elements (subsidiaries, regional warehouses, subsidiaries dealing with distribution outside the borders of Poland). It will result in strengthening the position of Group as the most effective and efficient channel of distribution of spare parts from their manufacturers to final recipients - garages.

Development strategy of Inter Cars has been based on three basic elements: (1) development of distribution chain in Poland and abroad; (2) development of product range; (3) development of partner programmes.

A strategic purpose of the Group is building a distribution system of spare parts for vehicles prevalent in Poland, at the same time with strong representation on the new European markets. The Group intends to achieve share in the Polish market of 25-30%.

1.2 Basic goods and target markets of the Inter Cars Group

Sales revenues of Inter Cars Capital Group with division into **basic categories of goods** are presented in the chart below.

(in thousands of PLN)

	2008 (thousands of PLN)	%	2007 (thousands of PLN)	%
Sales of spare parts and garage equipment	1 556 557	*89,56*	1 265 973	*95,41*
For passenger cars	1 192 663	*68,62*	854 544	*64,40*
for trucks	206 658	*11,89*	294 712	*22,21*
for motorcycles	20 837	*1,20*	15 602	*1,18*
other	136 399	*7,85*	101 115	*7,62*
Other revenue	181 399	*10,44*	60 921	*4,59*
Net revenues from sales	**1 737 956**	*100,00*	**1 326 894**	*100,00*

Subsidiaries, like the parent company, offer both parts for passenger cars and trucks, with addition that the total structure of the Group's sales is dominated by parts for passenger cars.

About 78% of the sales revenues of the Group in 2008 came from the **sales in Poland**.

1.3 Inter Cars - the parent company

Information on basic activities

Inter Cars is an importer and distributor of spare parts for passenger cars and commercial vehicles. The Company's offer includes also garage workshop, in particular devices for service and repairs of cars and parts for motorcycles and tuning. The offer of goods includes mainly parts to cars produced in Europe and in Japan and South Korea. Inter Cars offers the widest range of automotive parts in Eastern Europe. Its offer includes both original parts (in accordance with the definition BER 1400/2001) as well as parts of comparable quality.

Constant growth in the number of vehicles in Poland, including import of second-hand cars, liberalization of regulations resulting in opening access of independent distribution networks of spare parts to authorized car repair networks and changes in cars production technologies open to the spare parts distribution industry exceptional possibilities of growth. **Thanks to adjustment of the offer of goods to the structures of sales of new and second-hand cars and structure of car fleet, the Board of Directors anticipates constant growth in the Company's revenues.**

Strategy of the Company is sales of brand spare parts and constant expansion of the offer of spare parts to cover high quality goods by reputable, world manufacturers, delivering their goods to manufacturers of vehicles for the first installation and to authorized car sales networks.

The purpose of the Company is to build dominant in Poland distribution network of spare parts to cars, with strong representation on new European markets, bringing stable profits and enabling expanding operations by taking over market shares of other entities operating in the industry of distribution and logistics. **The Company intends to achieve share in the Polish market of 25-30% in the years 2012 -2014.**

Total distribution of goods operates on the basis of a logistics centre, chain of 115 own branches in Poland, regional warehouses in Poznań, Tychy and Łódź, and foreign subsidiaries in Ukraine, the Czech Republic, Slovakia, Lithuania, Hungary, Croatia, Italy and Belgium. The central warehouse houses all product groups, branches house only quickly rotating products, however, to the extent to maintain width of the assortment, its quality and availability adequate to the local needs.

Basic goods

Basic **structure of distribution channels** is presented in the chart below.

	2008 (thousands of	(%)	2007 (thousands of PLN)	(%)	2006 (thousands of	(%)

	PLN)				PLN)	
Sales in the country	1 206 003	*80,00%*	905 344	*78,67%*	705 830	*77,3%*
Export sales, including:	301 413	*20,00%*	245 530	*21,33%*	207 273	*22,7%*
Inter Cars Ukraine	15 425	*1,02%*	11 189	*0,97%*	9 785	*1,1%*
Inter Cars Ceska Republika	21 673	*1,44%*	18 345	*1,59%*	14 766	*1,6%*
Inter Cars Slovenska Republika	26 812	*1,79%*	17 467	*1,52%*	7 822	*0,9%*
Inter Cars Lietuva	9 376	*0,62%*	5 273	*0,46%*	189	*0,0%*
Inter Cars Croatia	9 208	*0,61%*	-	-	-	-
Inter Cars Hungaria	4 349	*0,29%*	-	-	-	-
Inter Cars Romania	667	*0,04%*	-	-	-	-
JC Auto Italia	1 757	*0,12%*	-	-	-	-
JC Auto Belgium	958	*0,06%*	-	-	-	-
Total	**1 507 416**	***100%***	**1 150 874**	*100%*	**913 103**	*100,0%*

Dominant sales market of Inter Cars is the domestic market. The share of export sale in the total sales of the Company decreased to 20.00% in 2008 from 21.33% in 2007. Sales in Poland was characterized by higher dynamics of growth than export sales for several basic reasons. Firstly, the sales network on the domestic market developed faster than the sales network outside Poland, among others, by the merger with JC Auto S.A., secondly, subsidiaries operating outside the borders of Poland increased the scale of direct purchases and thirdly, there was a decrease in individual import to Ukraine in connection with exacerbation of the customs regulations and more strict control of the Polish-Ukrainian border. The share of sales to subsidiaries with the total values of export sales was 29.96% in 2008. In 2007, this share reached the level of 21%.

Sales revenues of Inter Cars with breakdown into basic **categories of goods** are presented in the chart below.

	2008		**2007**		**2006**	
	(thousands of PLN)	**(%)**	**(thousands of PLN)**	**(%)**	**(thousands of PLN)**	**(%)**
Sales of automotive parts and garage equipment	1 442 124	*95,67%*	1 092 229	*94,9%*	881 521	*96,5%*
Domestic	1 147 768	*76,14%*	840 174	*73,0%*	678 118	*74,3%*
Export	294 356	*19,53%*	252 055	*21,9%*	203 403	*22,3%*
Other	65 292	*4,33%*	58 645	*5,1%*	31 582	*3,5%*
Domestic	58 235	*3,86%*	54 028	*4,7%*	27 712	*3,0%*
Export	7 057	*0,47%*	4 617	*0,4%*	3 870	*0,4%*
Net revenue	**1 507 416**	***100%***	**1 150 874**	*100,0%*	**913 103**	*100,0%*

Other sales include revenues under re-invoices of costs and sales of marketing services related to basic activities.

Sales of automotive parts and garage equipment in 2009 was nearly higher by 32% than in 2007.

Sales of spare parts for cars and motorcycles and garage equipment with division into different types of vehicles is presented in the chart below.

(in thousands of PLN)

	2008 (thousands of PLN)	(%)	2007 (thousands of PLN)	(%)	2006 (thousands of PLN)	(%)
parts for passenger cars	1 097 549	*76,1%*	797 209	*73,0%*	682 913	*77,5%*
parts for commercial vehicles and buses	186 756	*12,9%*	180 767	*16,6%*	155 126	*17,6%*
parts for motorcycles	19 866	*1,4%*	13 887	*1,3%*	9 633	*1,1%*
Other	137 953	*9,6%*	100 366	*9,2%*	33 849	*3,8%*
Total	**1 442 124**	***100,0%***	**1 092 229**	*100,0%*	**881 521**	*100,0%*

The highest dynamics of growth (approximately 43%) and, at the same time, the lowest volume characterized **sales of parts for motorcycles**. In 2005, the Company started selling Triumph motorcycles and started organizing sales of motorcycle parts under the InterMotors brand. Www.intermotors.pl was launched, dedicated to the sales of motorcycles and spare parts and accessories to those vehicles. Currently, sales of motorcycle parts is performed in 20 points of sale.

Sales of spare parts for passenger cars increased by approximately 38%, which is caused by extending the catalogue offer to cover assortment of car parts sold by JC Auto S.A.

Sales of parts for commercial vehicles increased in 2008 by 3% as compared to 2007 and was approximately 13% of total sales of spare parts by the Company.

The structure of sales of parts including export sales is presented in the chart below.

	2008 (thousands of PLN)	*(%)*	2007 (thousands of PLN)	*(%)*	2006 (thousands of PLN)	*(%)*
Domestic sales	**1 147 768**	***79,6%***	**840 175**	***76,9%***	**678 118**	***76,9%***
parts for passenger cars	854 143	*59,2%*	600 502	*55,0%*	520 848	*59,1%*
parts for commercial vehicles and buses	142 226	*9,9%%*	129 546	*11,9%*	116 605	*13,2%*
other, parts for motorcycles	151 399	*10,5%*	110 127	*10,1%*	40 665	*4,6%*
Export sales	**294 356**	***20,4%***	**252 054**	***23,1%***	**203 403**	***23,1%***
parts for passenger cars	243 406	*16,9%*	196 707	*18,0%*	162 065	*18,4%*
parts for commercial vehicles and buses	44 530	*3,1%*	51 221	*4,7%*	38 521	*4,4%*
other, parts for motorcycles	6 420	*0,4%*	4 126	*0,4%*	2 817	*0,3%*
Total	**1 442 124**	***100%***	**1 092 229**	***100,0%***	**881 521**	***100,0%***

The Company does not depend on any of their recipients - no recipient exceeds 10% of share in total sales revenues.

Inter Cars operates in the segment of distribution of new spare parts, delivered, first of all, to garages independent on car manufacturers. As it appears from data of the Association of Automotive Parts Distributors, an independent distribution segment constitutes approximately 51% of the value of the whole market of spare parts in Poland. **The Company is the largest entity in its industry in Poland.**

Basic factors determining market development

The aftermarket of automotive parts is a natural derivative of the car market, since the necessity for repairs and replacement of wearing consumables leads to a continuous demand for spare parts. In connection with the crisis, sales of new vehicles recorded either stagnation or small growth , and, at the same time, the period of operation of second-hand vehicles is prolonged.

Main factors determining **the market growth** are:

- **constant growth in the number of vehicles** registered in Poland and moving on roads,
- **liberalization of regulations** opening access to independent distributors of spare parts to authorized workshops (Regulation on excluding specified vertical agreements in the sector of automotive vehicles from the ban on agreements restricting competition - effective since 1 November 2003),
- **elimination of barriers** in import resulting in growth in demand for spare parts, owing to higher failure rate of used cars as compared to new vehicles, growth in demand for services of independent car workshops, being the main category of the Company's customers and increase in value of the Company's market by accelerated elimination of the segment of market of spare parts to vehicles from the former Eastern Bloc,
- **growing complication of repairs** related to more and more common use of advanced technologies for production of cars,
- **constant growth in the intensity of operation of the car fleet**, in particular growth in the average age of registered cards and average mileages.

Distributors of spare parts in Poland

The market of distribution of spare parts in Poland remains relatively dispersed, and consolidation trends are noticeable. As it appears from data of Moto Focus, the largest distributors of spare parts (segment of passenger cars) in Poland is:

1. Inter Cars
2. Fota
3. AD Polska
4. Group Auto Union Polska

In the segment of distribution of spare parts for trucks the first four distributors are:

1. Opoltrans
2. Suder&Suder
3. Autos
4. Inter Cars

Most important trends on independent market of distribution of spare parts in 2008 are as follows:

- **intensive sales chain development** - together the largest distribution companies in Poland have approximately 410 points of sale in Poland and outside the borders of Poland,
- **development of product range** - mostly through enrichment of the offer with new lines of goods, as: Garage equipment and after crash parts,
- **development of sales support programs** - as, first of all, development of fleet programs and loyalty programs ("Premium Clubs"),
- **own product lines**, - i.e. expanding the offer of goods sold under its own brand,
- **improving computer systems** - being the condition of efficient goods logistics management and fast generation of data necessary for the customer.

The above trends indicate distinctly that the competitive position of distributors are influenced by more and more factors. In particular; these are traditional factors associated with reaching the customer (location of points of sale) and availability (namely as a result order execution time) and also factors associated with development of qualitative characteristics in reaching the customer. In practice, improvement in the service quality means expansion of the offer of goods to cover new lines enabling the customer to do shopping "under one roof" and ensuring on-line access to any necessary information on goods from the determination of their availability to technical information concerning their assembly. It means for distributors, on the one hand, growth in loyalty and scale of customers' purchases, and, on the other hand, is a huge challenge as it requires expansion of logistic facilities and entry to new market segments often characterized by significantly different "sales philosophy" and competition of specialized entities.

(in thousands of PLN)

Number and structure of vehicles used

The number of vehicles is constantly growing - in the European Union in the period from 1990 to 2004 by 59 million pieces, that is about 38%. In the same period in Poland - by ca.6.7 million pieces, namely approximately by 128%.

Data on the number of vehicles and basic parameters typical of the car market in Poland are presented in the chart below.

('000)	**1990**	**2000**	**2005**	**2006**	**2007**
registered vehicles	7 755	12 755	16 818	18 035	19 472
passenger	5 261	9 991	12 339	13 384	14 589
cars per 1000 people	168	309	441	472	510
passenger cars per 1000 people	138	259	323	350	382

source: own estimates on the basis of the Central Statistical Office (GUS)

The number of vehicles registered in Poland increased in 2007 by 8% as compared to 2006, reaching the average of 510 vehicles for 1000 of the population.

According to the data presented in the study of the Central Statistical Office (GUS) "Transport - Results of operations in 2007" the number of registered passenger cars in Poland at the end 2007 reached 14,589 thousand pieces, which gives approximately 9-percent increase as compared to the previous year. In 2007 in Poland for one passenger car there were on average 2.6 people. To compare with in Germany – 1.8 person, Spain – 2.1 – France 2, Greece – 2.5. This means that we should expect further growth in Poland.

Sales of cars in Poland

In 2008, the sales of both new and second-hand vehicles developed very dynamically. The total of sales of new passenger cars and trucks in Poland in 2007 was approximately 22.6% higher than in 2006. Data relating to volume of sales of new cars in Poland with breakdown into different categories are presented in the chart below.

Sales of new cars ('000)	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
passenger	327	308	354	318	236	239	293	320
including domestic production	43%	25%	15%	15%	13%	9%	6%	6%
trucks	35	32	39	49	47	56	79	0

source: Automotive Market Research Institute Samar

Increase in sales of new passenger cars was accompanied, at the same time, by increase in import of used cars. In 2008, 10% more passenger cars were imported to Poland than in 2006. The chart below presents detailed data.

passenger cars in Poland ('000)	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
sales of new cars	327	308	354	318	236	239	293	320
import of second-hand cars	217	179	33	828	871	817	995	1100
Total	544	487	387	1 146	1 107	1 056	1 288	1420
import of second-hand/sales of new	0,66	0,58	0,09	2,60	3,7	3,4	3,4	3,4

(in thousands of PLN)

source: Automotive Market Research Institute Samar

Total passenger car supply in 2008 was approximately 10% higher than in 2007. At the same time, however, nearly 77% of this supply covered second-hand cars, namely such that fail relatively more often as well as are a traditional target group of the Company's customers.

The structure of second-hand cars that are imported to Poland are dominated by cars manufactured in the Western European countries. According to the Institute of Automotive Market Research Samar preferably imported cars in 2008 were Volkswagen, Opel, Ford, Renault and Audi.

Structure of the car fleet

Offer of goods of the Company is adjusted to the market demand. The detailed data are presented below.

(a) structure of passenger cars sale

Sale of new passenger cars in Poland is dominated by cars produced outside the borders of Poland, mainly in Western Europe. The structure of sales with breakdown into different motor concerns is presented in the chart below.

	2004	2005	2006	2007
Western	77%	72%	72%	72%
Japanese and Korean	21%	24%	25%	27%
Other	*2%*	4%	*3%*	1%

Western: **Skoda, Volkswagen, Seat, Audi, Fiat, Alfa Romeo, Lancia, Peugeot, Citroen,** Renault, Dacia, **Opel, Saab,** Ford**, Volvo, Land Rover, Jaguar, Mercedes, BMW, Porsche, Mini, Smart;**
Japanese and Korean: Toyota, Nissan, Honda, Suzuki, Mitsubishi, Mazda, Daewoo, Hyundai, Kia, Subaru, Ssangyong, Lexus.
source: Automotive Market Research Institute Samar

(b) structure of passenger cars fleet

The structure of sales of spare parts by the Company corresponds to the structure of the registered car fleet. The specification of parts sales structure with the car fleet structure registered in Poland is presented below.

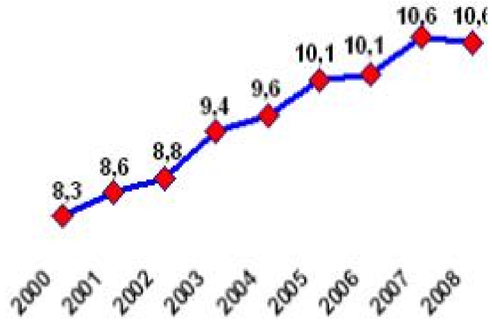
Passenger cars	Structure of sale of a part of the Company		
	2006	2007	2008
(a) Western European	76%	75%	58%
(b) Eastern European	4%	5%	3%
(c) Japanese and Korean	4%	2%	10%
(d) Other	16%	18%	29%

source: Company

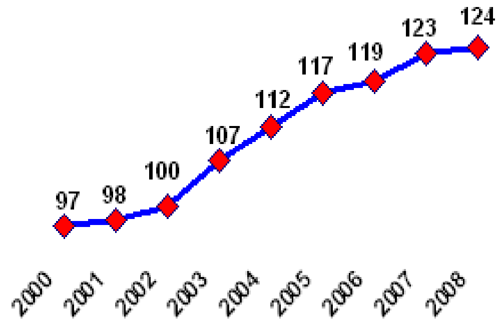
The category "other" includes also significant in terms of value and quantity group of parts which are universal, i.e. are used for different types and brands of cars, including Western European, Japanese and Korean cars. The category includes such goods as tires and oils and lubricants, with systematically growing share in sales of the Company.

(c) the basic characteristics of passenger vehicle fleet

As it appears from data of GIPA currently an average passenger car in Poland has over 10 years. The average mileage of a passenger car in Poland is currently over 124 thousand km. Details presented in below charts (GIPA).



Average age of passenger cars in Poland (in the years)



Average mileage of passenger cars in Poland (in thousand km)

Technologies of cars production

An extremely significant factor for further market development is a systematic growth in share of electronics in the costs of production and repair of vehicles. Technical innovations are more and more rapidly commonly used in mass production. According to the data of GIPA approximately 31% passenger cars registered in Poland are professionally equipped with ABS. In 2002, this share reached the level of 16%. A noticeable issue is also a tendency to mount a large number of devices controlling operation of individual subassemblies that are managed in a network. The consequence of these changes is departure from diagnostics of particular devices in favour of system diagnostics of the whole vehicle (integrated systems). The scope of repairs in the future will be completely different from the present one - the market switches systematically from "work with parts" to "work with systems". At the same time, the diversity of parts also increases. Technological development is done mainly with regard to the following systems: alternative drives, safety systems, navigation systems, active suspension control systems, night control systems, clearance radars, automatic gearboxes, multimedia direct fuel injection systems, variable valve control systems, braking and control systems based on electric systems.

The Company's offer includes goods from a few hundred suppliers. Goods are delivered from the area of the entire world, however, mostly from suppliers from EU countries. A dominant category of suppliers of goods are international concerns for which the Company is one of the largest and the main customers in Central and Eastern Europe. Due to large diversification of suppliers the activities of the company are not particularly dependent on one or several suppliers.

1.4 Inter Cars Ukraine

www.intercars.com.ua

The Company was established in April 2000 - it began its operations in September 2000. The principles of functioning of the company are such as in Inter Cars S.A. Inter Cars Ukraine operates in the field of distribution of parts and accessories on the Ukrainian market. Assortment of goods is no different than that offered by the Inter Cars S.A. The Company offer brand goods, of quality identical as delivered for the first assembly during production of cars, and significantly cheaper, although qualitatively good, by manufacturers delivering their products only for the purpose of the secondary market. The Company buys from Inter Cars as well as directly from the manufacturers.

As at the balance sheet date, Inter Cars Ukraine had sixteen branches, namely two branches more than as at 30 December 2007.

Basic financial data of Company are presented in the chart below.

(in thousands of PLN)

(thousands of PLN)	**2008**	**2007**
Sales revenues	68 827	54 361
Operating profit	1 691	1 593
Net profit	(11 351)	(1 130)

The offer of the company consists of parts for passenger and utility cars. The chart below presents the structure of sales.

	2008		**2007**	
	(thousand UAH)	**(%)**	**(thousand UAH)**	**(%)**
parts for passenger cars	83 809	*63*	74 720	*75*
parts for commercial vehicles and buses	49 738	*37*	24 907	*25*
Total	133 547	*100*	99 627	*100*

The main supplier of the company is the parent company - Inter Cars. In 2008, about 27% of purchases of Inter Cars Ukraine consisted of purchases in Inter Cars.

Inter Cars Ukraine is the second largest importer of spare parts in Ukraine. Share in the market is estimated to approximately 7%.

The basic recipients of the company are forwarding companies, workshops, shops with spare parts as well as large automotive wholesalers. None of the recipients exceeds 10% of share in total sales of the company.

In the 2008 organizational or equity links were not changed. Inter Cars with registered office in Warsaw has 70% of shares in the company's equity. The remaining 30% is owned by Mr. Siergiey Ovsijenko performing the function of the General Director.

The Company did not grant sureties or guarantees in 2008.

In 2008, the company did not issue any securities.

The phenomenon of seasonality has moderate impact on the value of sales of the company. The Company observes relatively lower sale in the first quarter.

The company did not witness any material changes in the basic principles of managing.

As at 31 December 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their position without a valid cause or when their dismissal proceeds for a reason of merging the Issuer by takeover.

As at 31 December 2008, the Company employed 187 workers. As at 31 December 2007 - 184 people.

The Company meets local requirements concerning environmental protection. According to the Ukrainian regulations, it pays quarterly fees for environment contamination caused by vehicle fleet being at the disposal of the company.

The Company did not pay dividend in 2008.

In 2008, its Board of Directors was established. The management board is comprised of:

Siergiej Ovsijenko - General Director

Vasyl Holovach,

Stanislav Lukyanenko,

Vladislav Bugra

The Supervisory Board is comprised of:

Marcin Pawłowski – Chairman of Supervisory Board

Krzysztof Oleksowicz - Member of Supervisory Board

(in thousands of PLN)

Natella Wvsijenko – Member of Supervisory Board

On 15 July 2008, changes in the articles of association were introduced and the Board of Directors was appointed.

1.5. Inter Cars Ceska Republika

www.intercars.cz

The Company was acquired in July 2004 and started operational activities with regard to distribution of replacement parts in November 2004. It conducts distribution of spare parts on the Czech market. The product offer is similar to the offer of Inter Cars. The majority of sales constitutes parts for passenger cars.

In 2008, Inter Cars Ceska Republika successfully conducted a campaign supporting sales of specified brands of products of reputable manufacturers. As at the balance sheet date, the company had ten branches, with addition that the company conducts works on start-up of subsequent ones.

The Company has implemented a modern, integrated IT system, operating on-line in all branch offices. The Company offers to its customers IC-Catalogue in the Czech language version. This program allows current view of the Company's full offer.

The Company has also successfully started several projects constituting additional activities to the classic sales. The most successful was implementation of the AutoCrew service system. Their contribution to the whole of business activities has been growing gradually.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**2008**	**2007**
Sales revenues	71 066	59 101
Operating profit	2 850	2 486
Net profit	1 535	2 133

The offer of the company consists of parts for passenger and utility cars. The chart below presents the structure of sales.

	2008		**2007**	
	(thousand CZK)	***(%)***	**(thousand CZK)**	***(%)***
parts for passenger cars	402 170	*80*	337 241	*78*
parts for commercial vehicles and buses	55 320	*11*	65 334	*15*
Other	46 167	*9*	31 591	*7*
Total	**503 657**	*100*	**434 166**	*100*

The largest supplier of the company in 2008 was Inter Cars. Deliveries from Inter Cars accounted for approximately 41% of total deliveries. Other purchases were executed directly from the manufacturers of parts, mainly from the European Union. Deliveries from Inter Cars are implemented through the regional warehouses in Tychy and Wrocław, which at the same time serve as basic warehouse facilities of the company.

Garages prevail within the structure of recipients of the company. A numerous group also constitute warehouses of spare parts.

The organizational or equity links were not changed. Inter Cars with registered office in Warsaw has 100% of shares in the company's equity.

The Company did not grant sureties or guarantees in the presented period.

In 2008, the company did not issue any securities.

During the year, the following two basic periods can be characterized with higher seasonal sales: spring and winter. In the spring, particular growth in sale of mechanical parts, particularly including shock absorbers and elements of brakes, is noticeable. In the winter, growth can be observed in sales of subassemblies for ignition systems - batteries, spark plugs, cables, etc. in particular

The company did not witness any material changes in the basic principles of managing.

As at 31 December 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their position without a valid cause or when their dismissal proceeds for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 31 December 2008, the company employed 92 peoples, while as at 31 December 2007, the company employed 52 peoples.

The Company does not conduct operations posing threat to the natural environment. Any generated waste is collected by an external company specialized in waste management.

The Company did not pay dividend in 2008.

In the opinion of the Board of Directors of the company, there are currently no events, which could significantly affect its future financial results.

After the balance sheet date, there were no events of material effect on assessment of the presented financial statements as well as financial position of the company.

The board of directors of the company consists of:
Martin Havlik – Managing Director
Martin Havlicek - Sales Director
Emil Elner – CFO

On 25 June 2008, the General Meeting of the company was held. The object of the sessions was approval of the financial statement for 2007 and increase in supplementary capital.

In 2007, no court proceedings, arbitration or administrative procedure were pending, the party to which would be the company.

1.6 Lauber

www.lauber.pl

The Company was acquired in July 2003. The object of activities of Lauber is remanufacturing of automotive parts, including: alternators, starters, steering gears as well as power steering pumps. In 2006, the two basic groups of product were remanufactured starters as well as power steering gears. The third commodity group, in terms of share in sale of the company, were power steering pumps. In July in 2007, a change was made in the business name from "Eltek" to "Lauber".

Remanufacturing consists in reconstruction of mechanical assemblies using technologically advanced devices so as to a rebuilt product had the same operational properties as a new one. Remanufacturing of parts allows avoiding costly purchase of a new part as well as scrapping the old one - the quality of the remanufactured part does not differ from the factory-new part.

The business activities of the Company are conducted in the production plant located in the Słupsk Economic Zone, it is based on knowledge, experience and advisory support obtained as part of the cooperation with other regenerative companies from the Western Europe.

(in thousands of PLN)

To maintain a strong market position as well as possibilities of offering products with a two-year period guarantee, the Company applies strict systems of quality control compliant with certification of the Quality Management System ISO 9001:2000.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**2008**	**2007**
Sales revenues	12 063	7 619
Operating profit	1 741	1 597
Net profit	1 320	1 290

The Company is in constant cooperation with several suppliers. The main supplier of the company is Inter Cars. Its share in purchases of materials is 30%.

In 2008, the sales of the company was performed both on the domestic and on foreign markets. The domestic market is of fundamental importance for the amount of revenue generated by Lauber. According to the development strategy adopted by the Company, distribution of products of the company on the domestic market takes place only through the Inter Cars network. The share of this contractor in the company's revenues amounts in total to 92% sales.

In 2008, export sales was conducted primarily to France, Italy and Germany.

As at 31 December 2008, the Company had a signed contract for working capital credit of 24 December 2007 with ABN AMRO Bank for the amount of PLN 4,000 thousand. Payment date is 31 March 2009.

In the 2008 organizational or equity links were not changed. Inter Cars with registered office in Warsaw has 100% of shares in the company's equity.

The Company did not grant sureties or guarantees in 2008.

Until the balance sheet date, the company did not issue any securities.

The company's sales cannot clearly show the impact of seasonality on the sale in particular periods.

The Company operates on a growing, prospective market. The upward trends result from three basic factors - significant growth in the number of second-hand vehicles, optimization of use of vehicles as well as growing environmental protection requirements.

The company did not witness any material changes in the basic principles of managing.

As at 31 December 2007, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their position without a valid cause or when their dismissal proceeds for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 31 December 2008, the Company employed 68 workers.

Lauber, as a production plant, is obliged to record the generated post-production waste, including hazardous waste. The Company fulfils this obligation. In addition, as a manufacturer introducing products in packages to the market, Lauber pays respective fees from weight of the packaging introduced to the market.

The Company did not pay dividend in 2008.

In 2008, no material changes were introduced in the structure of the business entity. The changes in the company's strategy sale, introduced now, aim at optimizing the use of potential of the whole Group, in particular the sales network of the parent company.

The management board is comprised of:

(in thousands of PLN)

Wojciech Kilianek - President of the Board

Przemysław Wołosewicz - Member of the Management Board

The General Meeting was held on 30 June 2008. The subject of the meeting was examination and approval of the statement of the Board of Directors on the company's operations, the financial statement as well as granting the vote of approval to the members of the Board of Directors for performing their obligations and adopting a resolution concerning distribution of profit for 2007.

In 2008, no court proceedings, arbitration or administrative procedure were pending, the party to which would be the company.

1.7 Feber

The Company was established in September 2004. It conducts production of semitrailers, trailers and structures on trucks.

The table below presents the basic financial data of the company (before consolidation exclusions):

(thousands of PLN)	**2008**	**2007**
Sales revenues	112 868	92 092
Operating profit	5 630	4 485
Net profit	3 468	3 755

The main product of the Company is a tipper semitrailer. It is offered in particular with an aluminium structure (body) as well as with a steel body. They are available practically in all sizes stipulated in the Polish regulations on road traffic.

The majority of sales has been assigned to the domestic market. The vehicles manufactured by the Company found buyers also on the following markets: Russian, German, Scandinavian, French and Czech.

The Company cooperates with many suppliers regarding materials delivered for production. There is no risk of dependence on particular subcontractors, as this market is characterized by great competitiveness. None of the suppliers is formally directly nor indirectly associated with the Company.

The Company has a credit line in ABN Amro Bank (Polska) S.A. in the amount of PLN 15,937 thousand.

In the 2008 organizational or equity links were not changed. Inter Cars with registered office in Warsaw has 100% of shares in the company's equity.

The Company did not grant sureties or guarantees until the balance sheet date of 2008.

Seasonality has no significant impact on the company's activities.

The company did not witness any material changes in the basic principles of managing.

As at 31 December 2007, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their position without a valid cause or when their dismissal proceeds for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 31 December 2008, the Company employed 234 workers.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

(in thousands of PLN)

The board of directors of the company consists of:

Piotr Kraska – President of the Board
Paweł Pietrzak - Vice President of the Management Board

The General Meeting was held on 30 June 2008. The subject of the meeting was examination and approval of the statement of the Board of Directors on the company's operations, the financial statement as well as granting the vote of approval to the members of the Board of Directors for performing their obligations and adopting a resolution concerning distribution of profit/coverage of losses for 2007.
In 2008, no court, arbitration or administrative proceedings were pending, the party to which would be the company.

1.8 Q-Service

www.q-service.com.pl

The main activities of the Company in 2008 covered consulting as well as organization of trainings and seminars with regard to automotive services and automotive market. Good results of the Company were obtained as a result of using the new form of consulting. It consisted in use of experts to search attractive purchase offers of goods and automotive parts. Purchase of goods in 2008 was conducted both in Poland and outside the borders of Poland. The exclusive recipient of the Company was Inter Cars S.A.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**2008**	**2007**
Sales revenues	34 570	26 743
Operating profit	4 614	3 686
Net profit	3 458	3 102

In the 2008 organizational or equity links were not changed. Inter Cars with registered office in Warsaw has 100% of shares in the company's equity.

The Company did not grant sureties or guarantees in 2008.

Seasonality has no significant impact on the company's activities.

The company did not witness any material changes in the basic principles of managing.

As at 31 December 2007, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their position without a valid cause or when their dismissal proceeds for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

The Company meets the requirements associated with environmental protection.

The company employed 2 employees in 2008.

The Company did not pay dividend in 2008.

Management Board

The management board is comprised of:

Kazimierz Neyman - President of the Board

Krzysztof Oleksowicz – Member of the Management Board

Robert Kierzek - Board Member

The General Meeting of the Company was held on 7 July 2008, with the following agenda: examination and approval of the statement of the Board of Directors of the company's operations in 2007, examination and approval of the financial statement for financial year of 2007, granting the vote of approval to the members of the Board of Directors of the company for fulfilment of their obligations in 2007 and adopting a resolution concerning distribution of profit for 2007.

(in thousands of PLN)

In 2008, no court, arbitration or administrative proceedings were pending, the party to which would be the company.

1.9 Inter Cars Slovenska Republika

www.intercars.sk

The Company started operating activities in the field of spare parts in July 2005. It conducts distribution of spare parts on the Slovakian market. The Company was founded in June 2005.

As at the balance sheet date, the company had 10 offices, 4 of which were opened in 2008.

Thanks to development and growth in sales, the Company became one of the largest companies selling spare parts for vehicles on the Slovakian market. The growth in sales was caused by a significant increase of the import of used cars, which resulted in growth in demand for spare parts.

Until the balance sheet date, 9 independent garages were established operating under the brand "Auto-Crew".

The chart below presents the basic financial data of the company (before consolidation exclusions).

(thousands of PLN)	**2008**	**2007**
Sales revenues	52 357	33 617
Operating profit	3 597	1 975
Net profit	3 427	1 664

(in thousands of PLN)

The offer of the company consists of parts for passenger and utility cars. The chart below presents the structure of sales.

	2008 (thousand SKK)	(%)	2007 (thousand SKK)	(%)
parts for passenger cars	410 124	*88*	246 791	*82*
parts for commercial vehicles and buses	25 389	*6*	30 076	*10*
Other	25 378	*6*	24 087	*8*
Total	**460 891**	*100*	**300 954**	*100*

The main supplier of Inter Cars Slovenska Republika is Inter Cars. Deliveries from Inter Cars accounted for approximately 76% of total deliveries. Other purchases were executed directly from the manufacturers of parts, mainly from the European Union. Deliveries from Inter Cars are implemented through a regional warehouse in Tychy, which at the same time serves as basic warehouse facilities of the company.

Car workshops prevail within the structure of recipients. Warehouses of spare parts is the second group in terms of importance.

The goods of the company are covered by insurance contracts, apart from this, the Company has an insurance contract on its property.

The Company did not grant sureties or guarantees in the current year.

Seasonality does not have a large effect on the sales of the company insignificant decrease in sales was observed in the first quarter.

The company did not witness any material changes in the basic principles of managing. As at 31 December 2008 in the seat of the company 10 people were employed. On the other hand, as at 31 December 2007, the company employed 21 people.

The Company does not conduct operations posing threat to the natural environment. Any generated waste is collected by an external company specialized in waste management.

In the current year, no material changes were introduced in the structure of the business entity. Similarly, no restructuring works were conducted nor any considerable long-term investments pursued.

The management board is comprised of:

Tomas Kastil - The Managing Director

Martin Havlik - Sales Director

Mr. Branislav Bucko is a proxy of Inter Cars Slovenska Republika

On 25 June 2008, the General Meeting of the company was held. The subject of the sessions was approval of the financial statement for 2007 and the result distribution.

In 2008, no court proceedings, arbitration or administrative procedure were pending, the party to which would be the company.

1.10 Inter Cars Lietuva

www.intercars.lt

Inter Cars Lithuania, created in September 2006. Operating activities started in December. Currently, the company has three branches. The Company offers parts for passenger cars.

(in thousands of PLN)

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**2008**	**2007**
Sales revenues	14 699	5 754
Operating profit	(560)	(536)
Net profit	(559)	(538)

As at 31 December 2008, the company did not have loans granted by the parent company.

The Company did not grant sureties or guarantees in 2008.

In April 2008, the share capital was increased by the amount of PLN 493.5 thousand.

The phenomenon of seasonality did not have any significant effect on the company's level of sales.

As at 31 December 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their position without a valid cause or when their dismissal proceeds for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 31 December 2008, the Company employed 11 workers.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

The board of directors of the company consists of: Arturas Vansevicius - The Managing Director

In December 2008, Mr. Arturas Vansevicius was dismissed from the position of the Director and Mr. Tomasz Piluch was appointed in his place.

On 23 April 2008, the General Meeting of the company was held, at which the financial statement for 2007 as well as increase in the share capital were approved.

In 2008, no legal, arbitration or administrative proceedings were pending, the party to which would be the company.

1.11 IC Development & Finance Sp. z o.o.

The shares in the Company were purchased on 2 October 2006. IC Development & Finance z .o.o. is presently running activities consisting in rental of the real estate. The following real estate was purchased in 2008:

- styczeń 2008 - nabycie nieruchomości zlokalizowana w Rzeszowie (1.168 tys. zł.)
- lipiec 2008 - nabycie nieruchomości Wyspa Róż (2.096 tys. zł.)

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**2008**	**2007**
Sales revenues	450	148
Profit / loss from operations	66	(26)
Net profit / loss	(120)	(75)

The facility in Warsaw is rented by the Company to two entities, including the parent company (warehouse surface).

As at 31 December 2008, the Company had loans granted by the parent company with the total value of PLN 40,300 thousand. The loans were granted in order to purchase new real estate.

As at 31 December 2008, the company did not have any sureties or guarantees.

(in thousands of PLN)

Seasonality has no significant impact on the company's activities.

The basic managing principles of the company did not witness any material changes, except for the actual takeover of control over the operations by the parent company.

As at 31 December 2007, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their position without a valid cause or when their dismissal proceeds for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 31 December 2008, the Company employed 1 worker.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

The board of directors of the company consists of:

Tomasz Zadroga - President of the Board (to July 2008)

Piotr Kraska - President of the Board (since August 2008)

Mr. Piotr Kraska has performed the function of the Member of the Board of Directors of Inter Cars.

The General Meeting was held on 7 July 2008. The subject of the meeting was examination and approval of the statement of the Board of Directors of the company's operations, the financial statement as well as granting the vote of approval to the members of the Board of Directors for performing obligations and adopting a resolution on coverage of losses for 2007.

In 2008, no court, arbitration or administrative proceedings were pending, the party to which would be the company.

1.12 Inter Cars Hungaria kft

This is a company, which was acquired as a result of the merger of Inter Cars S.A. with the JC Auto S.A. Group of 29 February 2008. The Company has two subsidiaries and plans opening five new branches by the end of the year.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**1.03.2008-31.12.2008**
Sales revenues	8 290
Operating profit	222
Net profit	(275)

The main supplier of Inter Cars Hungaria kft. Is Inter Cars. Deliveries from Inter Cars accounted for approximately 92% of total deliveries.

In 2008, the Company introduced a new operating system, Navision, which is operated by the majority of companies in the Group.

The Company, as the leader on the Hungarian market in sales of spare parts for Japanese vehicles, also introduced a new one broad assortment offered by the Group for sale. Introduction of IC_Catalogue in the Hungarian language version was also a success. This program offers current view of the Company's full offer.

In 2008, the company started daily deliveries from Poland, from the warehouses in Tychy, Kajetany and Czosnów, which enabled the customers to purchase broader assortment on the second day from the placed order.

As at 31 December 2008, the company obtained surety for a long-term credit for construction of a warehouse.

Seasonality has no significant impact on the company's activities.

(in thousands of PLN)

The basic managing principles of the company did not witness any material changes, except for the actual takeover of control over the operations by the parent company.

As at 31 December 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their position without a valid cause or when their dismissal proceeds for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 31 December 2008, the Company employed 45 workers.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

The board of directors of the company consists of: Zsolt Bereczki - Managing Director

In 2008, no court proceedings, arbitration or administrative procedure were pending, the party to which would be the company.

1.13 Inter Cars d o.o.

This is a company, which was acquired as a result of the merger of Inter Cars S.A. with the JC Auto S.A. Group of 29 February 2008.

As at 31 December 2008, the Company had four own branches and one agency branch since September.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**1.03.2008-31.12.2008**
Sales revenues	15 891
Operating profit	(679)
Net profit	(821)

As at 31 December 2008, the company did not grant any sureties or guarantees.

Seasonality has no significant impact on the company's activities.

The Company occupies the fifth place among the companies selling spare parts on the Croatian market. At the same time, the agency branch in Rijeka is the first distributor, offering, within its area, a broad assortment of spare parts for passenger vehicles and truck, oils, or workshop equipment in one place.

The Company was the most rapidly developing company on the Croatian market over the past two years. In 2009, the Company plans relocation to a new main seat in Zagreb, situated in the heart of the industrial district, which should contribute to future sales.

The basic managing principles of the company did not witness any material changes, except for the actual takeover of control over the operations by the parent company.

As at 31 December 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their position without a valid cause or when their dismissal proceeds for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 31 December 2008, the Company employed 64 workers.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

(in thousands of PLN)

The board of directors of the company consists of: Robert Antoncic - The Managing Director

In 2008, no court proceedings, arbitration or administrative procedure were pending, the party to which would be the company.

1.14 JC Auto s.r.l.

This is a company, which was acquired as a result of the merger of Inter Cars S.A. with the JC Auto S.A. Group of 29 February 2008.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**1.03.2008-31.12.2008**
Sales revenues	4 552
Operating profit	(297)
Net profit	(305)

On 2 June 2008, the company paid off credit contracted in JC Auto S.A.

On 20 March 2008, the receivables of Inter Cars S.A were converted to supplementary capital of JC Auto srl. amounting to PLN 1,414.8 thousand.

Seasonality has no significant impact on the company's activities.

The basic managing principles of the company did not witness any material changes, except for the actual takeover of control over the operations by the parent company.

As at 31 December 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their position without a valid cause or when their dismissal proceeds for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 31 December 2008, the Company employed 5 workers.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

The board of directors of the company consists of: Carlo Scovenna - The Managing Director

In 2008, no court proceedings, arbitration or administrative procedure were pending, the party to which would be the company.

1.15 JC Auto S.A. (Belgium)

www.jcauto.be

This is a company, which was acquired as a result of the merger of Inter Cars S.A. with the JC Auto S.A. Group of 29 February 2008.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**1.03.2008-31.12.2008**
Sales revenues	7 734
Operating profit	846
Net profit	809

(in thousands of PLN)

Seasonality has no significant impact on the company's activities.

The basic managing principles of the company did not witness any material changes, except for the actual takeover of control over the operations by the parent company.

As at 30 December 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their position without a valid cause or when their dismissal proceeds for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 31 December 2008, the Company employed 7 workers.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

The board of directors of the company consists of: Karim Cheriha - The Managing Director

In 2008, no court proceedings, arbitration or administrative procedure were pending, the party to which would be the company.

1.16 Armatus Sp. z o.o.

This is a company, which was taken over as a result of merger of Inter Cars S.A. with the JC Auto S.A. Group of 29 February 2008

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**1.03.2008-31.12.2008**
Sales revenues	-
Operating profit	(46)
Net profit	9

The Company is a party to the loan contract for Inter Cars. The details of the contract were presented in the annual report of Inter Cars.

As at 31 December 2008, the company did not have any sureties or guarantees.

Seasonality has no significant impact on the company's activities.

The basic managing principles of the company did not witness any material changes, except for the actual takeover of control over the operations by the parent company.

As at 31 December 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their position without a valid cause or when their dismissal proceeds for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

The Company did not pay dividend in 2008.

The board of directors of the company consists of: Piotr Kraska – President of the Board

In 2008, no court proceedings, arbitration or administrative procedure were pending, the party to which would be the company.

On 07 June 2008, the General Meeting was held. The subject of the meeting was examination and approval of the statement of the Board of Directors of the company's operations, the financial statement as well as granting the vote of approval to the members of the Board of Directors for performing obligations and adopting a resolution on coverage of losses for 2007.

(in thousands of PLN)

1.17 Inter Cars Romania s.r.l.

Inter Cars Romania was established in July 2008 with sales beginning in August 2008. The Company offers parts for passenger cars. In 2009, the Company plans to open four branches.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**2008**
Sales revenues	366
Operating profit	(322)
Net profit	(472)

As at 31 December 2008, the Company had a loan granted by the parent company in the amount of PLN 728 thousand.

The Company did not grant sureties or guarantees in 2008.

Owing to the company's short length of activities, it is not possible to speak about the effect of seasonality on the level of the company's sales.

As at 31 December 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their position without a valid cause or when their dismissal proceeds for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 31 December 2008, the Company employed 12 workers.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

The board of directors of the company consists of:

Marius Mujdei – CEO

Alexandru Abahnencei – CEO

In 2008, no legal, arbitration or administrative proceedings were pending, the party to which would be the company.

1.18 JC Auto sro.

The Company started operating activities in the field of distribution of spare parts in 2003. As a result of merger of Capital Groups of Inter Cars and JC Auto a decision was made to suspend activities of the Company and transfer the distribution chain, fixed assets and operating assets, together with employees to Inter Cars Ceska Republika.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**1.03.2008-31.12.2008**
Sales revenues	71
Operating profit	(467)
Net profit	(470)

2. Contracts significant and essential for activities

Significant agreements

(in thousands of PLN)

Commercial relations with suppliers of Inter Cars are regulated in the form of a written contract only in the case of some suppliers of the Company. In particular, these are agreements determining terms of granting additional discounts by suppliers of the Company. Contracts concluded with suppliers do not impose on the Company obligations to execute turnover of specified value.

Inter Cars is a party to contracts significant for the implementation of the development strategy of the Company. They include, in particular contracts with suppliers of spare parts determining terms of granting discounts. They are usually concluded for a period of one year. In the period until the balance sheet the following contracts were binding:

No.	Date of agreement	Party to the contract
1	12-01-2008	Contitech Antriebssysteme GmgH
2	31-01-2008	Delphi Poland S.A.
3	12-02-2008	Egon von Ruville
4	02-06-2008	Federal Mogul
6	23-01-2008	Robert Bosch
7	01-03-2008	SKF
8	27-02-2008	Valeo
9	02-01-2008	Wix-Filtron
	01-01-2008	ZF Trading

Among contracts significant concerning deliveries of spare parts for an indefinite period of time:

No.	Date of agreement	Page
1	26-01-2005	Triumph Motorcycles LTD

Insurance contract

No.	Date of agreement	Party to the contract	Subject of the contract	Essential terms	Term	Criterion being the basis for considering that a contract is significant/essential
1	09-08-2008	Powszechny Zakład Ubezpieczeń S.A.	insurance of property and current assets of the Company	insurance against fire and other natural disasters, from theft with robbery and burglary	08-08-2009	Total sum insured is PLN 623,274 thousand.

Loan and credit agreements

Contract no. Bank	Date of conclusion	The expiry date	Limit/credit amount	Protection of the contract
1999/20036 Pekao S.A. IV O/Warszawa, ul.Grójecka 1/3; 02-019 Warszawa	30-09-1999	31-12-2009	27 000 000,00	court registration pledge on warehouse inventory in the amount of PLN 27 million along with assignment of rights under their insurance policy; jointly four blank promissory notes with declaration;

(in thousands of PLN)

				statement on submission to enforcement of cash benefit and enforcement of property; power of attorney to the bank account
2008/1019601583 Pekao S.A. IV O/Warszawa, ul.Grójecka 1/3; 02-019 Warszawa	23-06-2008	31-12-2009	25 000 000,00	court registration pledge on warehouse inventory in the amount of PLN 25 million along with assignment of rights under their insurance policy; declaration of submission to enforcement; own blank promissory note with declaration; power of attorney to the bank account
2006/1008742132 Pekao S.A. IV O/Warszawa, ul.Grójecka 1/3; 02-019 Warszawa	27-07-2006	31-12-2009	74 500 000,00	court registration pledge on warehouse inventory in the amount of PLN 74.5 million along with assignment of rights under their insurance policy; declaration of submission to enforcement; own blank promissory note with declaration; power of attorney to the bank account
721380004076 Kredyt Bank S.A. ul. Kasprzaka 2/8, 01-211 Warszawa	06-04-2006	05-04-2009	55 000 000,00	alienation of inventory (spare parts of mechanical vehicles) in the amount of . PLN 55 million along with assignment of rights under the insurance policy; assignment of receivables of the Borrower from the selected contractors in the minimum amount of PLN 8 million a month
Agreement of 07.03.2007 ING Bank Śląski S.A., ul. Sokolska 34, 40-086 Katowice	07-03-2007	31-01-2010	80 000 000,00	registration pledge on inventory, in the form of car parts and car accessories in the amount of million PLN 40 along with assignment of rights under their insurance policy statement on submission to enforcement
02/188/08/Z/VW. Bre Bank S.A., Oddział Korporacyjny w Warszawie, ul. Królewska 14, 00-950 Warszawa	29-07-2008	30-07-2009	20 000 000,00	blank promissory note; registration pledge on inventory (in Kajetany)
02/379/07/Z/OB. Bre Bank S.A., Oddział Korporacyjny w Warszawie, ul. Królewska 14, 00-950 Warszawa	25-09-2007	30-09-2009	50 000 000,00	court registration pledge on inventory, in the form of car parts and car accessories in warehouses in the amount of million PLN 55 along with assignment of rights under their insurance policy own blank promissory note statement on submission to enforcement
WAR/3012/4/433/CB Fortis Bank S.A. ul. Suwak 3 Warsaw	22-12-2004	30-03-2009	50 000 000,00	*alienation of warehouse inventory (in Kajetany) in the amount of 50 million PLN along with assignment of rights under the insurance policy;*
60/2007 ABN AMRO Bank (Polska) S.A., ul. 1-go Sierpnia 8A, 02-134 Warszawa	20-12-2007	30-06-2009	100 000 000,00	court registration pledge on inventory, in the form of car parts and car accessories in warehouses in the amount of million PLN 100 along with assignment of rights under their insurance policy statement on submission to enforcement up to the amount of PLN 120 million
Fortis Bank SA/NV Hungary H-1052 Budapest, Deák Ferenc Street 15. Budapest Autófinanszírozás i Rt	2006-01-18	2016-01-20 2010-07-30	3 790 000,00 374 000,00	the surety of credit repayment by the parent company lien on the object of the credit

(in thousands of PLN)

H-1138 Budapest, Váci Way 188.				

Loan agreements

Date of conclusion of loan contract	Amount of loan	Significant terms of agreement
29-12-2005	5,050,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of Feber Sp. z o.o.
05-10-2006	500,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
12-12-2006	500,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
13-04-2007	600,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
21-05-2007	2,500,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
09-07-2007	250,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of Lauber Sp. z o.o.
22-10-2007	3,900,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
19-11-2007	3,100,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
03-12-2007	17,800,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
08-01-2008	1,200,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
27-02-2008	1,200,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
01-08-2008	9,000,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
26-03-2008	15,500,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of Feber Sp. z o.o.
20-02-2006	30 000 EUR	Loan contract from Inter Cars intended for running and expanding business activities of JC Auto S.A.Belgium
23-07-2008	170 000 EUR	Loan contract from Inter Cars intended for running and expanding business activities of IC Rumunia
29-10-2008	1,150,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of Frenoplast S.A.

Balance of loans for related parties as at 31 December 2008 was PLN 66,652,871.81.

On the other hand, the total value of loans granted to 9 non-related parties reached the value of PLN 7,276,420.43.

(in thousands of PLN)

Contracts between shareholders

The Company has no knowledge about any contracts between shareholders.

3. Changes in organizational or equity links

Structure changes which took place in 2008 included:

- increase in capital in Inter Cars Lietuva- PLN 494 thousand
- increase in reserve capital in JC Auto s.r.l. – PLN 1,414 thousand
- payment for the Share capital in Inter Cars Romania - PLN 179.64.

4. Description of transactions with related parties

Transactions in the Group is presented in Note 11 in the Additional Information.

5. Contracted credits and loans

	31.12.2008		
Short-term credits and loans (currency)	amount by contract (limit)	Used	date of repayment
BANK PEKAO S.A.	126 500	121 412	2009-12-31
Kredyt Bank S.A.	55 000	54 809	2009-04-05
BRE Bank S.A.	70 000	69 836	2009-09-30
ABN AMRO Bank (Poland) S.A.	100 000	99 820	2009-06-30
Fortis Bank S.A.	50 000	49 656	2009-05-29
ABN AMRO Bank (Poland) S.A. (Feber)	16 000	15 937	31-03-2009
ABN AMRO Bank (Poland) S.A. (Lauber)	4 000	4 010	31-03-2009
Budapest Autofinanszirozasi Rt. (IC Hungaria)	374	100	30-07-2010
Fortis Bank SA/NV Hangary (IC Hungaria)	3 790	535	20-01-2016
	425 664	**416 115**	

Long-term credits and loans (currency)	amount by contract (limit)	Used	date of repayment
ING Bank Śląski S.A.	80 000	78 493	2010-01-31
Budapest Autofinanszirozasi Rt. (IC Hungaria)	374	124	30-07-2010
Fortis Bank SA/NV Hangary (IC Hungaria)	3 790	3 200	20-01-2016
	84 164	**81 817**	

6. Warranties, loans and guarantees granted

Loan agreements

Related parties

The information on the loan contracts for the related parties is presented in item 2 of the statement of operations.

Guarantees and sureties

As at 31 December 2008, the total value of contingent liabilities reached the value of PLN 37,515 thousand and consist of lease contract sureties for Inter Cars d o.o. and Lauber Sp. z o.o., sureties for the benefit of suppliers of Inter Cars Ukraina as well as Inter Cars Ceska Republika and Inter Cars Slovenska Republika and the surety of credit repayment for Inter Cars Hungaria kft, Lauber Sp. zo.o. and Feber Sp. z o.o.

Towards	the duration	amount (thousands of PLN)
Inter Cars Hungaria kft	20-02-2016	4 223
Inter Cars d.o.o.	02-02-2009	82
Inter Cars d.o.o.	12-07-2009	49

(in thousands of PLN)

Inter Cars Ceska Republika and Inter Cars Slovenska Republika	31-12-2008	3 338
Inter Cars Czech Republic	31-12-2008	4 172
Lauber	31-03-2009	4 010
Lauber	26-09-2011	197
Feber	31-03-2009	15 937
Inter Cars Ukraine	17-11-2009	4 172
Inter Cars Ukraine	31-12-2008	1 252
Inter Cars Ukraine	for an indefinite period of time	83
		37 515

7. Commercial papers issued

Detailed information is included in Note 16 of the information additional to the annual consolidated financial statement.

8. Seasonal or cyclic character of activities

Total revenues of the Group are not significantly susceptible to the phenomenon of seasonality. The wide range of parts includes goods whose sales depends on season, especially winter. They cover , among others, winter tires, batteries, glow plugs, steel rims, fuel filters and antifreeze and window washer fluids. Goods most susceptible to seasonal, short-term sales such as e.g. winter tires are ordered from suppliers a few months before the planned period of more intense sales (provided that previous purchases are awarded by suppliers with longer payment terms and higher discounts).

The observed regularity is that relatively the bottom sales is recorded in the first quarter of the year.

9. Assessment of financial resources management

The chart below presents the basic financial data of the **Inter Cars S.A. Group** for 2008:

('000)	2008	2007	2008
	PLN	PLN	Euro
Profit and loss statement (for period)			
Sales revenues	1 737 956	1 326 894	492 046
Gross Profit (Loss) on sales	535 011	365 256	151 471
Costs of management option program	(743)	(3 330)	(210)
Financial revenue and cost, net	(40 862)	(10 668)	(11 569)
Profit (loss) on operating activities	75 369	84 328	21 338
Net Profit (loss)	25 417	57 964	7 196
Balance (at the end of period)			
Cash and cash equivalents	24 922	22 879	5 973
Balance sheet total	1 227 722	815 710	294 248
Loans, borrowings, financial Leasing	538 586	357 368	129 083
Equity attributable to the shareholders of the parent entity	418 125	166 912	100 212
Minority capital	-	1 151	-
Other financial information			
Cash flow on operating activities	69 871	(52 348)	19 782
Cash flow on investment activities	(55 627)	(69 979)	(15 749)
Cash flow on financial activities	(12 201)	130 829	(3 454)
Basic earnings per 1 share	1,90	4,90	0,54
Sales margin (1)	30,8%	27,5%	
EBITDA margin (2)	5,9%	7,5%	

(1) Sales margin was defined as the quotient of gross profit on sales and revenues.

(2) EBITDA was defined as net profit (loss) before depreciation, net financial revenues (costs), exchange rate differences and income tax.

(in thousands of PLN)

The Group recorded more than 31% increase in sales revenues as compared to the same period of 2007, which resulted from the merger of the JC Auto S.A. Group, from growth in the scale of operating activities and geographic development of sales chain.

Gross profit on sales increased by 46% in 2008 as compared to the same period of the previous year. Higher growth rate of profit as compared to the pace of increase in sales revenues resulted from growth in the amount of **profit margin on sales** from 27.5% in 2007 up to 30.8% in 2008.

The chart below presents the structure of costs **by type**:

	2008	**2007**
depreciation	27 709	14 786
consumption of materials and energy	105 942	87 824
external services	310 119	199 284
Including: usługa dystrybucji	*195 566*	*127 292*
taxes and fees	2 634	1 283
payroll	88 110	48 812
Including: opcje menedżerskie	*743*	*3 330*
social security and other benefits	21 066	10 311
other costs by type	16 768	13 027
Total costs by type	**572 348**	**375 327**

Distribution service costs - the share of the entity managing a branch in the realized margin. The margin generated on the sale by the branch is divided (50/50) between the branch entity and Inter Cars. The system of branches is based on the principle of delegating management of distribution point (branch) to external entities. The sales is performed on behalf of Inter Cars. External entities (branch entities) employ employees and cover current costs of functioning from revenue, which is share in completed margin on sales of goods. Settlement of share in margin is made in monthly periods. The Company provides organizational and logistic knowledge, capital, suppliers of parts, full assortment and its availability, company sign. Branch entity contributes the knowledge of local market and experienced employees to Inter Cars. Risk of activities of a given entity (branch) is borne by the entrepreneur that, by running own business, optimizes the resources that remain at their disposal.

Total **costs by type** in 2008 increased by 52% as compared to 2007. The greatest impact on increase in costs had a growth in costs of external services by 56%.

Another item of costs, whose growth had impact on total increase in costs were the costs of remuneration that were higher than in 2007 by almost 81%. After excluding the costs of distribution as well as the costs of management options (remuneration costs) costs by type in 2008 were **higher by 54%** as compared to the same period of 2007.

Financial revenues and costs include, first of all, costs and revenues under interest. In 2008 in particular, the Group sustained costs on this account in the amount of PLN 29,098 thousand **Liabilities under credits, loans, debt securities as well as financial lease** as at 31 December 2008, reached the total value of PLN 538,586 thousand. From 1 January to 31 December 2008, the Company carried out issue of 63 tranches of short-term debt securities with the total value of PLN 502,900 thousand. Substantial influence on the result have exchange rate differences. In 2008, total PLN 15 606 thousand was charged to the result on account of negative exchange rate differences.

Charges on account of income tax include input income tax amounting to PLN 9,134 thousand and changes in the value of deferred income tax assets and provisions, reducing tax charges in the period by PLN 150 thousand. The growth in income tax liabilities results from the fact that the Company applies the possibility of a lump settlement of income tax.

(in thousands of PLN)

	2008	2007
Net revenues on sales of commodities and materials	1 737 956	1 326 894
Profit gross on sales	535 011	365 256
Gross sales profitability	*30,78%*	*27,53%*
Operating profit	75 369	84 328
operating return	*4,34%*	*6,36%*
EBITDA	103 078	99 114
Gross profit	34 401	73 660
Net profit	25 417	57 964
net return	*1,46%*	*4,37%*
Balance sheet total	1 227 722	815 709
ROA	*2,07%*	*7,11%*
Fixed assets	401 066	153 178
Equity attributable to the shareholders of the parent entity	418 125	166 912
ROE	*6,08%*	*34,73%*

Sales revenues in 2008 were **31% higher** than in 2007. The following were of **particular importance for sales** results in 2008: (a) further development of the regional sales support system (sales representatives), the result of which was increase in the quantity of active customers, (b) opening new branches and intensification of operations of the already existing ones, (d) important growth in sales of seasonal goods thanks to high availability of the selected assortment groups ("Winter Campaign"), (d) optimization of the inventory management system including both optimization of balances in particular product groups and optimization of supply chain, consisting in, first of all, growth in importance of regional distribution centres and the degree of direct deliveries from manufacturers.

Other factors which have had a significant, positive impact are: significant extension of offer of parts for Asian cars and development of the loyalty program for customers of Inter Cars called "IC-Premia" (www.icpremia.pl).

Gross profit on sales increased by 46% as compared to 2007. Higher growth rate, as compared to the growth rate in sales revenues, resulted from increase in **sales margin** in 2008.

Total **sales costs and overheads** increased by 77% as compared to 2007. This increase resulted, first of all, from the increase in costs of external services – total by 56%. The growth resulted mostly from a higher level of costs incurred for service and development of the data communications system and logistics of goods (transport, warehouse facilities). Then, the costs of remuneration increased - by approx. 81%. The largest item of costs incurred by the Company is a service of distribution, namely share of a branch in worked out margin. Together costs of distribution in 2008 reached PLN 195,566 thousand, i.e.43% of total costs by type.

Discounts received by the Company from suppliers have significant impact on return. In 2008, the Company included in the result total PLN 33,470 on this account. Discounts due the Group are agreed at the end of the financial year in relation to purchases made in the period and reported in the result, depending on turnover. Total PLN 21,281 thousand were entered into inventory and this amount will affect in 2009 reduction in the value of sold goods (first of all, in the 1st quarter).

Operating profit in 2008 was nearly by ca. 11% less than in 2007. **EBITDA** in 2008 was running at the level of around 5,9%.

Financial revenues include, first of all, revenues under interest (under funds on bank accounts, under loans and receivables past the expiration date). **Financial costs**

(in thousands of PLN)

include mainly costs under credits and loans and issue of bonds. **Exchange rate differences** are presented in two items of the income statement. As the adjustment of the value of sold goods, in the part corresponding to realized exchange rate differences related to settlement of trade receivables and liabilities in foreign currencies and other as a separate component of the statement.

Demand for working capital and investments in other tangible assets are financed only by investing the worked out profit and bank credits and financial lease.

Size, structure of working capital and demand for working funds can be found in the chart below.

	2008	**2007**
Current assets	826 656	662 532
Cash and securities	24 922	22 879
Short-term liabilities	690 798	600 285
Short-term interest liabilities	425 124	318 574
Adjusted current assets	801 734	639 653
Adjusted current liabilities	265 674	281 711
Net working capital	536 060	357 942

Value of invested net working capital increased by approximately 50%.

	2008	**2007**
Inventory rotation in days	178	184
Trade receivables turnover cycle in days	44	43
Operating cycle in days	223	226
Trade liabilities turnover cycle in days	75	100
Cash conversion cycle in days	147	127
Current ratio	1,20	1,10
Quick ratio	0,35	0,30
Cash ratio	0,04	0,04

Company's debt ratios are presented in the chart below.

	2008	**2007**
Debt ratio	0,66	0,79
Total debt to equity ratio	1,94	3,88

The Company finances development of activities from own funds and bank credits. In total, at the end of 2008, liabilities on account credits, loans, debt securities and financial lease reached the total value of PLN 538 586 thousand, and **debt ratio** decreased from 0.79 in 2007 to 0.66 in 2008.

Inter Cars pays its liabilities on a regular basis and, in the opinion of the Board of Directors, there are no premises or factors which would constitute any threat to payment of liabilities on time.

(in thousands of PLN)

	2008	2007
Net cash flow on operating activities	69 871	(52 349)
Net cash on investment activities	(55 627)	(69 979)
Net cash on financial activities	(12 201)	130 829
Cash and cash equivalents at the end of the period	24 922	22 878

The value of funds employed in investment activities is at a high level, mainly due to loans granted to subsidiaries and investments in investment real estate.

10. Assessment of the possibility to implement the intended investments

Expenditures on purchases and modernization of tangible fixed assets amounted to PLN 70,825 thousand in 2008. Expenditures were incurred primarily on purchase of replacement fixed assets.
The Group's investments in 2008 were financed in total using own funds.

The investment plan for 2009 envisages investment expenditures in tangible fixed assets, such as replacement and modernization of means of transport and modernization of management support computer system.

11. Factors and non-standard events influencing result

In the fourth quarter of 2008 and in the period until publication of this report the situation in financial markets of the world gave particular importance to the issue of stability of debt financing. The financial situation of the Company is regulated and stable. This can be stated on the basis of both statements and decisions of representatives of banks, on extended cooperation in the scope of the existing financing, about which the Company informed in current messages during the year 2008.

Decrease in the consolidated net result of the 4th quarter in comparison to the results for 3 first quarters is mostly due to a strong depreciation of Polish zloty during the fourth quarter, which was reflected in recognition of negative exchange rate differences from balance sheet valuation of liabilities denominated in foreign currencies.

As a result of the balance sheet valuation of those liabilities the consolidated net result in the 4th quarter was reduced by the total amount of PLN 17 million, which means that the consolidated gross profit in the 4th quarter would exceed PLN 10 million and PLN 51 million respectively throughout the year 2008.

An extremely significant factor for correct assessment of the impact of depreciation of Polish zloty at the end of the year on the present and the future results of the Company is consideration of the potential of generating higher gross margin on sales. As at 31 December 2008 we estimate it at PLN 37 million. The Company does not revaluate the owned inventory. In the case of impairment of Polish zloty market prices of goods purchased in currencies are growing in proportion to the foreign exchange rate changes. Thus, we are dealing with the fact that the negative impact of depreciation of PLN is noticeable immediately, while the positive one is spread in time for the next several months (which results from inventory turnover).

The maintained good business situation in the industry of distribution of spare parts in the whole 2008 as well as in the 4th quarter confirms that the crisis in the automotive industry does not affect this industry, and it applies to manufacturers of vehicles and production components. The Company has in its offer the greatest range of suppliers, which is a means of protection against possible problems of particular suppliers.

The consolidated EBITDA for the period of 12 months of 2008 amounted to PLN 103 million , however, after eliminating from it the impact of negative exchange rate differences from balance sheet valuation of liabilities, the EBITDA adjusted in such a way would amount to PLN 108.6 million.

The Company conducts multi-dimensional actions designed to optimize the costs. As a result of establishment of reserves of storage area in facilities in Kajetany and Błonie in order to use more effectively the logistic potential available there, the project was launched for provision of logistic services for external entities. At the same time, it will be possible to obtain the announced effects of synergies resulting from connection with JC Auto in the area of logistic cost reduction.

The Group conducts optimization of inventory, as a result of which it was possible to reduce inventory at growing sales. It is possible without deterioration in the availability, which is fostered by increase in of warehouse inventory of key suppliers of the Company.

Further decrease in the economic situation on the market of trucks, like in the 3rd quarter, results from thwarting the investments of transport companies and poor economic situation in transport as a whole. As a result, there has been a decrease in dynamics of sale of parts for trucks. There was also a significant decrease in demand for semitrailers and truck bodies produced by Feber Sp. z o.o. Improvement in the economic situation is expected by the Board of Directors of Feber in the second quarter of 2009, along with launching construction projects with regard to road infrastructure. The signs of stimulation are already visible.

In the 4th quarter the Company managed to improve the turnover of receivables. No formation of payment gridlocks was observed. It results from the fact that customers of the Company - vehicle repair garages - hardly use the deferred payment for their services.
When assessing the dynamics of sales revenues of the Group, account should be taken of the fact that average exchange rate of EUR in 2008 is over 7% lower than in 2007.

In 2008, the Company opened subsequent branches - together 7, which means that as at 31 December 2008 it had 115 branches. The Capital Group has a sales network of total 166 branches.
The company has been consistently implementing the policy of territorial expansion within the area of Central and Eastern Europe. These markets show large growth potential and higher net profitability for the industry than the domestic market. A high pace of sales growth in the four quarters of 2008 as compared to the same period in 2007 was recorded by the companies Inter Cars Slovakia, Inter Cars Czech Republic and Inter Cars Ukraine.

Sales to export markets constitutes 31.2% of the Group's sales revenues. The share of export for many years has remained at constant level, while within export the share of Ukraine is decreasing mainly in favour or Slovakia and the Czech Republic.

In addition, according to the Board of Directors, an event in 2008 which affected the financial result was the merger with JC Auto S.A., which is described in more detail in note 33 of Additional Information.

12. External and internal factors significant for development of the Group

Internal factors

According to the Board of Directors, the most important internal factors affecting current and future financial results include:

(i) the merger of Inter Cars and JC Auto - On 13 July 2007, Inter Cars S.A. and JC Auto signed an agreement on the merger of both Companies. The long-term objective of the merger is creation of a company which would be a leader on the market of distribution of spare parts to vehicles in Europe. The Boards of Directors of both Companies indicate effects of synergy related to the merger, which will bring substantial reduction in operating costs of the merged entity and simultaneous increase in total sales and profits. Both Inter Cars and JC Auto are entities conducting activities related to distribution of parts to of vehicles and repair services of automotive vehicles;

(ii) development of sales network - as a result of increase in the number of branches and development of commercial contacts with final recipients - garages;

(iii) ability to select proper development strategy on competitive and changing market - determining growth capacities of the Company in the long run on the market characterized by a high degree of competition and changes in the model of distribution of spare parts in consequence of the EU introducing new regulations and automotive concerns and manufacturers of spare parts changing strategy of activities ;

(iv) development of loyalty programs - introduction of new and development of past ones, determining the Company's capacity to increase loyalty of recipients and, as a result, volume of the Group's sales on these markets;

(v) strictly determined group of products and the area of activity - precisely determined development strategy fully making use of the potential of the Company and allowing its full employment in the spheres where the organization has most competences;

(vi) knowledge of the market - which consists of the capacity to communicate effectively the offer to final recipients and which, as a result of experience in this respect and modern sales support methods, enables Inter Cars to achieve a significant competitive advantage;

(vii) development of sales support tools - fixed introduction of tools and solutions raising quality of customer service, in particular introduction in the Czech Republic, Slovakia and Hungary of a well-known program in Poland, IC-Katalog, in local language versions;

(viii) qualified personnel - being one of the most important factors determining the possibility to maintain and increase competitive position of the Group's entities;

(ix) efficiency of goods logistics system - meaning the ability to optimize continuously the existing processes and introduce new solutions which enable, on the one hand, controlling and reducing effectively costs of trade in goods in the growing network, and, on the other hand, raising effectiveness of supply of the growing sales network, in the conditions of a very broad offer of goods;

(x) computer system efficiency - determining the possibility of maintaining continuously full capacity of the system to both trade in goods and provision of information necessary for management of the Group and performance of any imposed information obligations.

External factors

According to the Board of Directors, the most important external factors affecting current and future financial results include:

(i) macroeconomic situation - which, by the level of economic activities of entities and, as a result, the level of employment level in the national economy, the level of income of the population, determines current and future capacities of prospective customers to purchase cars and sustain costs of their operation and repairs;

(ii) macroeconomic situation in Ukraine, in the Czech Republic, Slovakia and Lithuania - which, by the level of expenditures on cars, depending on the amounts of income of the population and business entities, will affect the value of the market of spare parts in those countries and, at the same time, value of sales of the Group in those countries;

(iii) changes in EUR and USD exchange rates - affecting the level of prices of goods offered y the Company and indirectly its financial results;

(iv) growth in loyalty of recipients - as a result of reduction in the degree of diversification of sources of supply by workshops, resulting in growth in the number and value of orders submitted by particular recipients and reduction in the risk of sudden sales fall;

(v) development of independent workshops - constituting the basic group of the Group's recipients, which are to face important challenges concerning the need to adjust to growing market requirements as a result of growth in the degree of complication of repairs;

(vi) changes in the structure of distribution as a result of changes in legislation of the European Union - making the Group face important challenges and opportunities in the scope of access to the group of recipients being of exclusive customers of car manufacturers with regard to supply with spare parts works as well as through access of independent workshops to technical information of car manufacturers on equal rights as authorized workshops and, as a result, removal of significant barriers in the development of independent workshops, which will increase possibilities of development of the sector of independent repair services - the main customer of goods of the Group;

(vii) changes in the structure of demand for spare parts arising from changes in car production technologies - resulting in the expected growth in demand for relatively more expensive elements and growth in demand for equipment used as workshop equipment;

(viii) car sales volume - determining demand for spare parts in average and long term, through impact on the number of cars used in the countries where the Group conducts operating activities;

(ix) volume of imports of second-hand cars - which together with sales of new cars has a decisive impact on growth in the number of registered vehicles and, as a consequence, on the demand for repair services and spare parts, and the scale of import of second-hand cars, due to their age and mileage, will contribute faster to a higher demand for parts but will affect also the structure of the global demand by a larger demand for relatively cheaper parts and, in the case of a significant replacing of new cars with second-hand cars from import in sales, lower growth in demand of workshop for equipment used for fitting work posts;

(x) industry competitiveness - requiring constant improvement in competences of the organization with regard to sales organization, sales support mechanisms, scope of the offer of goods and location of branches;

(xi) economic situation in the construction industry - the most important market factor affecting the development of Feber is the economic situation on the construction market, in particular with regard to the infrastructure construction industry. The motorway construction program which has been expected to enter the implementation phase for years will result in a significant growth in the demand for the Group's products.

The development of the Company will be also affected significantly by factors determining development of subsidiaries being significant recipients of the Company. Factors important for development of these entities are presented in the consolidated statement of operations of the Group.

13. Events which can significantly affect the future financial results of the Issuer

See note 11

14. Changes in basic Group management principles

In 2008, there were no significant changes in the basic principles of managing the Group.

Changes in the Group's structure, related to its expansion by new entities, have been presented in the statement of operations.

In 2008, the Supervisory Board of Inter Cars changed the composition of the Board of Directors. Detailed data are presented in item 15.

15. Changes in the composition of executives and supervisors of the company throughout the last financial year, principles of appointment and dismissal of executives as well as rights of executives, in particular the right to make decision on issue or redemption of shares

According to the Company's Articles of Association, the Board of Directors is appointed and dismissed by a resolution of the Supervisory Board, except for the first Board of Directors which has been appointed when the Company was founded. The right to make decisions on issue or redemption of shares is vested in the Annual General Meeting.

The composition of the Company's Supervisory Board changed because of the merger of Inter Cars with JC Auto. The change is related to resolution No. 4 of 14 November 2007 of the Extraordinary General Meeting of Inter Cars S.A. On 28 February 2008, Wanda Oleksowicz resigned from membership in the Supervisory Board, while on 29 February 2008 Jerzy Grabowiecki was appointed to the body. The number of peoples in the Company's body remained unchanged.

On 18 July 2008 the Ordinary General Shareholders Meeting dismissed Jerzy Grabowiecki from membership in the Company's Supervisory Board, and Jacek Klimczak was appointed as a new member.

Pursuant to resolution of Supervisory Board, two new members were appointed to the Board of Directors of Inter Cars SA.: Mr. Jerzy Józefiak and Mr. Szymon Getka, about which the Company informed in the form of the current report No. 24/2008 on 28 February 2008. Terms of office of new members of the Board of Directors began on the date of making the entry into the register of entrepreneurs on the merger of the Company with JC Auto S.A. On 21 April 2008, Mr. Jerzy Józefiak and Mr.Szymon Getka submitted resignation from performing the functions of members of the Board of Directors.

Tomasz Zadroga resigned from membership in the Board of Directors, Finance Director on 31 July 2008. As at that day, Piotr Kraska - Member of the Board of Directors of Inter Cars S.A., took over the responsibilities of Finance Director.

16. Contracts concluded between the Company and executives

As at 31 December 2008, no contracts were binding between the Group's Companies and executives, providing for compensation in the event of their resignation or dismissal from their position without a valid cause or when their dismissal proceeds for a reason of merging the Issuer by takeover. Members of the Board of Directors of the parent entities are entitled to 6 month notice period of contracts of employment.

17. Value of remuneration, awards or benefits, including resulting from motivation or bonus programs based on the company's equity, separately for each executive and supervisor in the company, regardless whether or not they were accordingly charged into costs or resulted from the profit distribution

On 6 February 2006, the Extraordinary General Meeting introduced the Motivation Program for members of executive bodies, members of management staff as well as employees crucial for execution of the strategy of the Capital Group, which is referred to below. Detailed data are presented in Note 19 of Additional Information.

The amount of the members of executive bodies and supervisory bodies of the Group entities was presented in Note 11 to the additional information to the consolidated financial statement.

18. Information on shares and stocks in a parent entity and subsidiaries and related rights

Shares of the Issuer and shares in related parties owned by executives and supervisors

Supervisors and executives have total 7,145,013 shares, being 52% of votes at the General Meeting of Inter Cars.

Executives and supervisors do not have any shares or stock in subsidiaries of Inter Cars.

On 8 February 2008, the Board of Directors of Inter Cars S.A. received a notification of a block extra-session sales transaction in shares in Inter Cars S.A. conducted on 6 February 2008 by a member of the Company's Supervisory Board in the quantity of 50 000 pcs. The full notification was published in the current report No. 15/2008 of 28 February 2008.

On 20 March 2008, the Board of Directors of Inter Cars S.A. received a notification of a release of 950 000 G series shares in Inter Cars S.A. made on 18 March 2008 to a Member of the Supervisory Board in exchange for held shares in JC Auto in connection with the merger of Inter Cars S.A. with JC Auto S.A. The full notification was published in the current report No. 38/2008 of 20 March 2008.

On 31 March 2008, the Board of Directors of Inter Cars S.A. received a notification of an in-kind contribution to the company under the business name Aurantia Sp. z o.o. sp. k. on 18 March 2008 of the Company's shares by a Member of the Supervisory Board in the quantity of 950 000 pcs. The full notification was published in the current report No. 46/2008 of 31 March 2008.

On 2 April 2008, the Board of Directors of Inter Cars S.A. received a notification from Aurantia sp.z o.o. sp. k. that the sales transaction for 950 000 G series shares in Inter Cars S.A. held by the Company was settled on 31 March 2008. As a result of the event above, the Company currently does not have shares in Inter Cars S.A. The full notification was published in the current report No. 50/2008 of 2 April 2008.

On 14 July 2008, the Board of Directors of Inter Cars S.A. received two notifications of sales of the company's shares by Member of the Board of Directors on 3 July 2008 and 9 July 2008 in the quantity of 17 530 pcs. The full notification was published in the current report No. 93/2008 of 14 July 2008.

On 2 September 2008, the Board of Directors of Inter Cars S.A. received a notification of the purchase of shares in the company by a Member of the Supervisory Board on 29 August 2008 in the quantity of 20,000 pcs. The full notification was published in the current report No. 113/2008 of 2 September 2008.

On 17 October 2008, the Board of Directors of Inter Cars S.A. received a notification of the purchase of shares in the company by a Member of the Supervisory Board on 14 October 2008 in the quantity of 11,553 pcs and on 15 October 2008 in the quantity of 1,027 pcs. The full notification was published in the current report No. 121/2008 of 17 October 2008.

(in thousands of PLN)

On 22 October 2008, the Board of Directors of Inter Cars S.A. received a notification of the purchase of shares in the company by the Chairman of the Company's Supervisory Board on 20 October 2008 in the quantity of 3 290 pcs. The full notification was published in the current report No. 122/2008 of 22 October 2008.

After the balance sheet date, 17 March 2009, the Board of Directors of Inter Cars S.A. received a notification of the sale of the company's shares by a Member of the Company's Supervisory Board on 17 2009 March, in the quantity of 28 500 pcs. The full notification was published in the current report No. 6/2009 of 19 March 2009.

After the balance sheet date, 19 March 2009, the Board of Directors of Inter Cars S.A. received a notification of the purchase of shares in the company by the Chairman of the Company's Supervisory Board on 17 March 2009 in the quantity of 28 500 pcs. The full notification was published in the current report No. 5/2009 of 19 March 2009.

Changes in proportions of held shares under contracts known to the issuer

The Motivation Program introduced by resolution of the Extraordinary General Meeting assumes signing with the program participants, from the group of executives, members of management staff as well as employees crucial for execution of strategy of the Capital Group, participation contracts. As at the publication of the report, contracts have been signed with five people - five members of the Board of Directors. In total peoples covered by the first tranche obtained the right to take up 157,333 shares of Inter Cars at the price PLN 33.59 per share and covered by the second tranche obtained the right to take up 157,333 shares of Inter Cars at the price 37.13 per share.

The Company is not familiar with contracts concluded between shareholders having impact on activities of the Company.

Special control rights in relation to the Issuer

The Company did not issue any securities giving their holders any particular control rights.

Restrictions in transfer of ownership rights to securities

Securities issued by the Company (shares) are not covered by restrictions in their transfer. All the shares in the Company were approved for public trading by decision of the Securities and Exchange Commission of 26 April 2004.

The Board of Directors of the National Depository for Securities, by Resolution No. 186/04 of 11 May 2004, decided to grant Inter Cars S.A. status of a participant in the National Deposit for Securities, ISSUER type, and approve to the National Deposit for Securities 11,821,100 shares in Inter Cars S.A. and mark them with code PL INTCS00010.

Dividend

On 18 July 2008, the Ordinary General Meeting of Inter Cars S.A. adopted a resolution on payment of dividend for 2007 in the amount of PLN 9,450,309.00, i.e. PLN 0.69 per one share. Day of granting the right to dividend is 5 August 2008, and the dividend payment day is 21 August 2008.

On 7 August 2007, the General Meeting of Inter Cars adopted a resolution on the payment of dividend for 2006 amounting to PLN 0.34 per share. The day of granting the right to dividend was 24 August 2007 and the payment took place on 10 September 2007.

List of shareholders holding at least 5% of the total number of votes as at the day of publishing of this financial statement:

Shareholder	Number of shares	The total nominal value	Share in share capital	Share in the overall number of votes

		(PLN)	(%)	(%)
Krzysztof Oleksowicz	4 972 271	9 944 542	36,20%	36,20%
Andrzej Oliszewski	1 544 370	3 088 740	11,24%	11,24%
AIG Public Pension Fund	1 062 770	2 125 540	7,74%	7,74%
ING Public Pension Fund	745 342	1 490 684	5,43%	5,43%

19. Entity authorized to conduct the audit financial statements

On 30 June 2008, the Company signed a contract with KPMG Audyt Sp. z o.o. for audit and review of the semi-annual financial statement for 2008. Total remuneration under the contract is PLN 450 thousand.

In the year 2007, the Company entrusted auditing the annual and review of the semi-annual financial statement to KPMG Audyt Sp. z o.o.; total remuneration amounted to PLN 305 thousand.

20. Employee program control system

On 6 February 2006, the Extraordinary General Meeting introduced the Motivation Program for members of executive bodies, members of management staff as well as employees crucial for realization of the Capital Group's strategy. On 8 December 2006, the Extraordinary General Meeting introduced changes to the Motivation Program, which were communicated to general public on 8 December 2006, in the form of current report No. 31/2006.

The people participating in the Program will be able to take up no more than 472,000 shares in the period from 1 January 2007 to 31 December 2009. Tranches vary in terms of period in which the options can be exercised. For particular tranches, the exercise period commences on 1 January 2007, 2008 and 2009. It ends, on the other hand, each time on 31 December 2009. According to the Regulations of the motivation program, a person participating in the program loses the right to exercise the option, upon leaving the Company.

The option exercise rate depends on the initial exercise rate, specified in the motivation program (PLN 24.81) and WIG index changes in relation to the initial value stated in the regulations (37,221.99 points). The exercise rate is increased / decreased by the percentage increase /decrease in the WIG index until the date of acquiring rights to exercise the option (for particular tranches,1 January 2007, 2008 and 2009, respectively).

So far, peoples participating in the Motivation Program acquired the right to take up 157 333 shares in Inter Cars at PLN 33.59 (1st tranche) and 157 333 shares at PLN 37.13 (2nd tranche) per share. In August, the rights to take up 10,000 F1 series shares (1st tranche) as well as 30,000 F2 series shares (2nd tranche) were exercised, which was announced to the public on 6 August 2008, in the form of the current report No. 106/2008.

The cost execution of the Motivation Program in 2008 amounted to PLN 743 thousand. The Program's total costs as at 31 December 2008 are estimated at PLN 5,935 thousand.

Executive and supervisory bodies

As at 31 December 2008, the Parent Company's executive and supervisory bodies consisted of:

Supervisory Board

Andrzej Oliszewski, the Chairman

Jolanta Oleksowicz-Bugajewska

Maciej Oleksowicz

Michał Marczak

Jacek Klimczak

The composition of the Company's Supervisory Board changed because of the merger of Inter Cars with JC Auto. The change is related to resolution No. 4 of 14 November 2007 of the Extraordinary General Meeting of Inter Cars S.A. On 28 February 2008, Wanda Oleksowicz resigned from membership in the Supervisory Board, while on 29 February 2008 Jerzy Grabowiecki was appointed to the body. The number of peoples in the Company's body remained unchanged.

On 18 July 2008, the Ordinary General Meeting dismissed Jerzy Grabowiecki from membership in the Company's Supervisory Board, and Jacek Klimczak was appointed as a new member, and the Company informed about the above in the current report No. 98/2008.

Management Board

Krzysztof Oleksowicz, the President

Robert Kierzek, Deputy President

Krzysztof Soszyński, Deputy President

Wojciech Milewski – Member of the Management Board

Piotr Kraska Member of the Management Board

Pursuant to resolution of Supervisory Board, two new members were appointed to the Board of Directors of Inter Cars SA.: Mr. Jerzy Józefiak and Mr. Szymon Getka, about which the Company informed in the form of the current report No. 24/2008 on 28 February 2008. The term of office of the Board of Directors' new members began as at entering to the register of entrepreneurs the merger of the Company with the company JC Auto S.A. On 21 April 2008, about which the Company informed in the form of the current report No.58/2008 and No. 59/2008, Mr. Jerzy Józefiak and Mr. Szymon Getka resigned from performing functions of members of the Board of Directors.

Tomasz Zadroga resigned from membership in the Board of Directors, Finance Director on 31 July 2008. As at that day, Piotr Kraska - Member of the Board of Directors of Inter Cars S.A., took over the responsibilities of Finance Director.

21. Employment

As at 31 December 2008, the Inter Cars employed 1.303 workers. The Group employed 2,041 people.

As at 31 December 2007, the Inter Cars employed 747 workers. The Group employed 1,304 people.

22. Environment protection policy

Inter Cars does not run any activities whose effects would pose a threat to the natural environment. In connection with the above, the Company is not encumbered with any obligations concerning expenditure on the natural environmental protection.

As at 31 December 2008 the Company has permits related to the environmental protection - administrative decisions - whose description is included in the chart below:

(in thousands of PLN)

No.	Number and date of decision	The issuing authority	Area of application	Substantive scope of decision
1	Decision no 62 Dated 27.05.03 (ŚR.-7634/30/1/03)	County Governor of Nowy Dwór Mazowiecki	Cząstków Mazowiecki, ul. Gdanska 15, gm. Czosnów	Permit for generation and storage of hazardous waste, such as: hydraulic oils, oiled cleaning agent, oil filters, used light sources, lead-containing batteries.
2	Decision no 123/2003 Dated 10.12.03 (ŚR-6210/19/2/2003)	County Governor of Nowy Dwór Mazowiecki	Cząstków Mazowiecki, ul. Gdańska 15, gm. Czosnów	The water legal permit for intake of underground water from the quaternary formations from an intake in Cząstków Mazowiecki for household and utility purposes, except for food purposes, as well as watering greenery and for the purposes of water treatment.

Subsidiaries of Inter Cars conduct their activities according to the environmental protection requirements. More detailed information on this issue has been included in item 1 of the Statement of operations.

23. Stance of the Management Board concerning the possibility to realize earlier published forecasts of financial results for year 2008.

The Group did not publish forecasts for 2008.

24. Risk and hazard factors, with specification of the degree of the issuer's exposure

Risk associated with change in the discount policy by manufacturers of spare parts

An important item in the result of the Group covers discounts granted by manufacturers of spare parts. The discount policy rewards recipients making valuably significant purchases. Possible change in this policy, consisting in reduction in the value of discounts or even resignation from their use, would result in a significant deterioration of the Group's results.

In the opinion of the Board of Directors, this situation is, however, hardly likely, and the Group, as a significant recipient, may count on at least equally attractive terms in the future. Possible resignation from discounts would mean most likely reduction in prices of purchase and growth in selling price, namely maintenance of the level of margin earned due to the purchase strength of the Group and significant to replace sources of supply.

Risk associated with adoption of improper strategy

The market where the Group conducts activities is subject to constant changes the direction and intensity of which depend on a number of often mutually exclusive factors. In this situation, the future position of the Group, namely, as a result, revenues and profits, depend on capacity of the Group to develop a strategy which would be effective in the long run. Any possible inapt decisions resulting from improper assessment of the situation or inability to adapt the Group to dynamically changing market conditions may bring about significant adverse financial effects.

To minimize risk of such hazard, a continuous current analysis is conducted of all the factors determining the selection of strategy in two perspectives: short term, including terms of supply, and long-term, including strategy of creation and development of sales network so as to ensure maximally precise determination of the direction and nature of changes in the market environment.

Risks associated with legal regulations

Basic legal regulations on the basis of which the merger is conducted cover the Code of Commercial Companies as well as the Act on the National Court Register. Despite a detailed analysis of any legal aspects which may arise in the merger process, conducted by the Company, we are unable to guarantee that as a result of the interpretation of legal regulations by courts of law or public administration authorities other than the one assumed or adopted by us, the merger procedure will not be prolonged.

Risk associated with changing demand structure

The Group maintains defined stock balances in the wide assortment of goods. Purchases executed by the Group are a function of assessment of the market demand for different assortment groups and as such are exposed to the risk of a wrong assessment of the market or changes in the structure of demand. Possible changes in demand, in particular rapid decrease in the demand for specified groups of goods in the case of previous significant purchases will mean that the Group will suffer significant losses related to freezing working capital or the need to apply discounts of significant value.

In the opinion of the Board of Directors, the occurrence of this type of hazard is unlikely due to domination of linear tendencies of changes in the demand for offered goods. In addition, the Group conducts active policy of working capital management, which has resulted in maintaining stock items of particular goods of low value (organization of deliveries from manufacturers ensuring execution of orders in a relatively short period of time). Additionally, the offer of the Group does not include parts to cars produced in countries of the former Eastern Bloc, phased-out, namely the risk of investing funds in stock of spare parts to a decadent segment of cars has been eliminated.

Risk associated with seasonal sales

Total revenues of the Group are not significantly susceptible to the phenomenon of seasonality. The wide range of parts includes goods whose sales depends on season, especially winter. Goods that are most susceptible to seasonal, short-term sales, such as e.g. winter tires, are ordered with suppliers a few months before the intended period of more intense sales, in view of which, in the case of exceptionally adverse meteorological phenomena, sales of seasonal goods may be substantially lower than the expected one, having, in consequence, adverse impact on financial results of the Group.

Risk associated with bank credits

Bank credits are significant for financing of the Group's activities. As at 31 December 2008, the Group's debt under bank credits, bonds and financial lease amounted to PLN 538,586 thousand, and the total financial costs related to their service (interest) amounted to PLN 33 million. Credits incurred by the Group are interest-bearing at a variable interest rate, thus any possible significant growth in interest rates and, as a result, rates of base credits, by increase in financial costs, would result in reduction in profitability and lowering the Group's capacity to develop measures used for financing further development, and in an extreme case, could constitute a hazard for keeping liquidity. Another type of risk associated with bank credits is the risk of loss or refusal of credit lines. Possible reduction in the possibility of financing activities by means of credits bank as a result of termination some contracts or refusal of their submission will have a significant adverse impact on the development possibilities of the Group, its liquidity and financial results.

The Board of Directors undertakes actions aimed at minimizing this risk factor diversifying the sources of obtaining credits. Taking into account the present level of profit on operating activities and the current level of payment coverage on account of interest, it is unlikely, according to the Board of Directors, that base interest rates will be increased to the level resulting in a significant decrease in the Group's return and the hazard to its liquidity.

Risk associated with initiation of competitive activities towards the Group by an entity that operated a branch

Any possible initiation of activities competitive towards the Group by an entity that terminated or with which a contract for operation of a branch was terminated, consisting in takeover of contacts with recipients, would have a serious adverse impact on sales results in a given region.

In order to minimize this kind of risk in contracts concluded with the entities operating branches high penalties were stipulated in the case of initiating competitive activities following termination of the contract.

Software Risks

Operating activities is based on efficiently operating on-line computer system. Any possible problems with its correct operation would mean reduction in the volume of sales or even inhibit sales. As a result, it would have adverse impact on financial results of the Group.

In order to prevent the occurrence, the Group introduced relevant procedures in case of failure of the system, including the principles of creating backups of data and their restoring and emergency server (, along with necessary network accessories) and emergency links.

Risk associated with independent workshop's failure to adapt to the market requirements

In connection with growing complication of particular subassemblies of manufactured cars, the requirements with regard to operation and repair are growing, both with regard to knowledge and preparation of mechanics and technical equipment of work posts. Independent workshops will be forced thus to improve their qualifications and invest in equipment to be able to service new models of cars. A possible insufficient development of independent workshop's capacities will restrict the target market of the Group and will have adverse impact on its financial results.

In the opinion of the Board of Directors, a counterbalance will be continuously growing commitment of distributors and manufacturers of spare parts in equipping and funding equipment of independent workshop, the possibility of close cooperation between authorized workshop and independent workshops and the right to access technical information of manufacturers themselves for all parties on equal rights (under new provisions), facilitating transfer of know-how to independent workshops. In the long run, we may even expect a selection of independent workshops, i.e. elimination of the weakest ones and workshops development of the ones having the best facilities, namely, in fact, strengthening of the segment of independent workshops, in spite of possible, short-term adverse changes in value of this market segment. Additionally, increase in import of second-hand cars to Poland following its accession to the European Union, will increase demand for services of economical, small workshops, allowing them thereby further growth and accumulation of necessary knowledge and capital.

Risk related to large foreign entities, specializing in wholesale of car parts, entering the Polish market

Market of independent distribution of spare parts in Poland is dominated by businesses with Polish capital. The size of this market and its good prospects surely mean growing probability of foreign distributors of parts entering the market which, offering more favourable purchase terms, may dominate a significant part of the market. Possible increased competitive pressure will have an unfavourable effect on results of the Group, and, in an extreme case, may result in important limitation in the possibility of growth and even decrease in the value of revenues and profits. Another type of risk related to large foreign distributors entering the Polish market is the risk of loss of strategic suppliers for which selected foreign distributors are a much greater recipient.

In the opinion of the Board of Directors, such this hazard is insignificant. Possible expansion in Poland can proceed, first of all, through acquisition of the existing entities, thus growth in competitive pressure will be most likely insignificant, although it may result in reduction in average level of margins.

In view of the foregoing, the Board of Directors will aim at permanent and dynamic sales value growth, so that it was possible to maintain at least the current level of profits, in spite of possible reduction in return. In addition, loss of the possibility of making purchases with particular strategic suppliers as a result of emergence on the Polish market of foreign entities, distributors of these manufacturers in other countries, is limited in view of the fact that manufacturers of parts aim at diversification of sales channels.

Risk associated with diversification of sales channels by manufacturers of spare parts

An important element of the sales strategy of manufacturers of spare parts is a diversification of wholesale sales channels, due to which particular distributors, including the Group, have restricted possibility of increasing market share. In the opinion of the Board of Directors, the Group may achieve maximum share in the Polish market of spare parts (in the independent segment) of 25 - 30%. Achieving this level means that further growth in revenues in Poland will be possible only by growth in the value of the whole market, namely the Group's revenues will become more sensitive to changes in the market environment without a significant possibility of growth by consolidation of the market.

Thus the Board of Directors takes actions aiming at development of a model of activities enabling widening permanently the assortment of the Group's offer, including developing new segments, as e.g. equipment of workshops, fleet management, trailers assembly. In addition, the expansion of activities into neighbouring countries, in particular Ukraine, the Czech Republic, Slovakia, Croatia, Hungary, Lithuania, Italy, Belgium and Romania, is a counterbalance for the expected limitations on the Polish market.

Risk associated with takeover of the production of spare parts by car manufacturers

Unless access to parts manufactured by car manufacturers is possible for all prospective buyers, under the new regulations, the terms of their purchase, most likely, would be less favourable than the terms of purchase of parts from specialized spare parts manufacturers, as it is the case in the present model, i.e. manufacturing of parts for the first assembly and to the secondary market by the same parts manufacturers. Additionally, change in the present model of spare parts production would limit the value of the segment of original spare parts delivered by the parts manufacturers. For the Group this situation would have significant negative impact on financial results.

However, due to far advanced specialization in developing and producing parts (implicating also the ability to offer competitive prices), such scenario is hardly likely in the opinion of the Board of Directors.

Risk associated with acquisition of the network of independent distribution of spare parts by manufacturers of spare parts

Any possible acquisition of independent distributors of spare parts by manufacturers of these parts would mean critical changes in the model of distribution of parts delivered by particular entities, consisting in limiting their sales to other networks, including sales of the Group. In this situation the Group could lose particular sources of supply with parts, which would limit the size of the offer and worsen competitive position of the Group.

However, owing to that the manufacturers of parts aim at the diversification of sales channels and a the degree of replacement of sources of supply is large, in the opinion of the Board of Directors this risk factor should not be a significant hazard for the market position of the Group and achieved financial results.

Risk associated with the macroeconomic situation

The last period is characterized by reduction in dynamics of growth of Polish economy. Growth trends are endangered by a number of internal and external macroeconomic factors. Any possible deterioration of the economic situation in Poland would have indirect, negative impact on results of business activities of Group.

Similarly, the development of operating activities outside the borders of Poland exposes the Group to risks specific for new target markets, in particular in Ukraine, the Czech Republic, Slovakia, Hungary, Croatia, Lithuania, Italy, Belgium and Romania. Any possible deterioration of the economic situation in this countries would have indirect, negative impact on results of business activities of Group.

Risk associated with the economic policy in Poland

The economic, fiscal and monetary policy in Poland determine significantly the rate of growth in the final domestic demand, which determines indirectly the volume of sales of the Group and, as a consequence, its financial results. The Group's result may be worsened due to changes which affect reduction in domestic demand, which brings a risk of failure to execute specified intentions and introduces a significant element of uncertainty in long-term planning of the Group's growth as a result of smaller possible interest of prospective buyers in the goods of the Group.

Similarly, risk associated with economic, fiscal and monetary policy in countries where operating activities are conducted, i.e. in Ukraine, the Czech Republic, Slovakia, Hungary, Croatia, Lithuania, Italy, Belgium and Romania, may have a negative impact on the Group's results.

Risk associated with the structure of foreign recipients

The vast majority of export sales are carried out to minor, foreign recipients who arrange on their own transport of goods beyond the borders of Poland. Most of these recipients come from Ukraine, due to which a substantial part of sales of the Group is exposed to risk typical of recipients' countries, such as: changes in volume and structure of the market of spare parts, changes in the purchasing power of the population, stability of economic and political systems in those countries. Any possible unfavourable changes in those countries which would bring reduction or resignation from purchases made by these entities would have a negative impact on the Group's financial results.

Risk associated with activities regarding regeneration of spare parts

The risk associated with these activities covers, above all: risk related to failures of IT solutions supporting control and management, the risk associated with the need to maintain high stock of production materials and, at the same time, the risk associated with their impairment in the case of changing customer preferences or growing competitive pressure by other entities, the risk associated with activities based on the system of orders without permanent contracts with key recipients as well as the risk related to a permanent increase in competitive pressure, including from manufacturers of cheap parts (Far East).

Risk associated with development of subsidiaries

Subsidiaries are created in countries with reasonable probability of obtaining satisfactory return on invested capital. In practice, the parent Company involves valuably significant funds in the development of activities on completely new markets, characterized by different specific character of many significant aspects of operating activities. In consequence, risk associated with these investments is relatively greater than investment of these funds in further development of activities in Poland where the parent Company has the largest competences and resources, and the position.

(in thousands of PLN)

In order to reduce this risk, the parent entity employs each time for cooperation specialists knowing the local markets and carries out necessary feasibility analyses along with appropriate estimates of risks associated with activities on a new market. At the same time, increasing the geographical range of activities, the parent Company obtains the possibility of diversifying the risk associated with activities in the area of one country, in particular Poland.

25. Indication of averages exchange rates

Any financial data presented in EUR in the report were converted using the following exchange rates:

	2008	2007
exchange rate as at 31 December	4,1724	3,5820
average exchange rate in the period from 1 January to 31December	3,5321	3,7768

The following principles have been used to convert data presented in thousand EURO in selected financial data:

- for data resulting from the income statement - average exchange rate being arithmetic average of exchange rates binding as at the last day of each month in a given period, announced by the President of the National Bank of Poland
- for data resulting from the balance sheet - exchange rate as at 31.12.2008 being average EUR exchange rate valid as at 31.12.2008, announced by the President of the National Bank of Poland

26. Corporate governance

Full text of the statement is available on the website of the Company (www.intercars.com.pl) and of the Warsaw Stock Exchange (www.gpw.pl).

The Company departed from the application of principles no. 20, 28 and 43 (in accordance with "Best Practices in WSE Listed Companies 2005" - adopted by the Board of Directors and the Stock Exchange Management Board and Supervisory Board on 15 December 2004) stating the following substantiation:

- principle no. 20 - According to the articles of association, the Supervisory Board is composed of 5 members appointed by the General Meeting, and three members of the Supervisory Board are selected by the General Meeting from among candidates indicated by the Founding Shareholders. Currently, in the Company none of the shareholders has a block giving more than 50% of the total number of votes.
- principle no. 28 -In the present wording the Regulations of the Supervisory Board do not envisage appointment of committees.
- principle No. 43 - The auditor should be selected by the supervisory board on the basis of the Board of Directors' recommendation

Krzysztof Oleksowicz
President of the Management Board

Robert Kierzek
Vice President of the Management Board

Krzysztof Soszyński:
Vice President of the Management Board

Wojciech Milewski
Member of the Management Board

Piotr Kraska
Member of the Management Board

Warsaw, 27 April 2009

PART IV

REPORT OF AUDIT OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENT

Inter Cars S.A. Capital Group

Supplementary report to the opinion on audit of the consolidated financial statement for the financial year ending on 31 December 2008

Report supplementing the opinion contains 17 pages
Supplementary report to the opinion
on audit of consolidated financial statement
for the financial year ending on
31 December 2008

Table of contents

1. General part of the statement

1.1. Data identifying the Capital Group

1.1.1. Name of Capital Group

Inter Cars S.A. Capital Group

1.1.2. Parent Entity's seat

ul. Powsińska 64
02-903 Warsaw

1.1.3. Parent Entity's registration in the National Court Register

Registration court:	District Court for the Capital City of Warsaw, XIII Commercial Department of the National Register Court.
Date:	23 April 2001
Registration number:	KRS 0000008734

1.1.4. Registration of parent Company in the Tax Revenue Office and Provincial Statistical Office

NIP number:	118-14-52-946
REGON (Polish national register of business entities) number:	014992887

1.2. Information about entities comprising the Capital Group

1.2.1. Entities covered by the consolidated financial statement

As at December 2008 31, the following entities comprising the Capital Group were covered by consolidation:

Parent company:

- Inter Cars S.A.

Subsidiaries covered by consolidation by using the full method:

- Inter Cars Ukraina (Sp. z o.o.)
- Lauber Sp. z o.o.
- Q-Service Sp. z o.o.
- Inter Cars Česká Republika s.r.o.
- Feber Sp. z o.o. (Ltd).
- Inter Cars Slovenska Republika s.r.o.
- Inter Cars Lietuva UAB
- IC Development & Finance Sp. z o.o.
- Armatus Sp. z o.o.
- JC Auto s.r.o.
- Inter Cars Hungária Kft
- JC Auto S.A.

- Inter Cars d.o.o.
- JC Auto s.r.l.
- Inter Cars Romania s.r.l.

The following subsidiaries were covered by consolidation for the first time in the financial year ending on 31 December 2008, in connection with the fact that the parent company took over control:

- Armatus Sp. z o.o. - entity covered by the consolidated financial statement for the period from 1 March 2008 to 31 December 2008,
- JC Auto s.r.o. - entity covered by the consolidated financial statement for the period from 1 March 2008 to 31 December 2008.
- Inter Cars Hungaria Kft - entity covered by the consolidated financial statement for the period from 1 March 2008 to 31 December 2008,
- JC Auto S.A. - entity covered by the consolidated financial statement for the period from 1 March 2008 to 31 December 2008.
- Inter Cars d.o.o. - entity covered by the consolidated financial statement for the period from 1 March 2008 to 31 December 2008.
- JC Auto s.r.l. - entity covered by the consolidated financial statement for the period from 1 March 2008 to 31 December 2008.
- Inter Cars Romania s.r.l. - entity covered by the consolidated financial statement for the period from 16 July 2008 to 31 December 2008.

1.3. *Data identifying chartered auditor [entity authorized to audit financial statements]*

Company:	KPMG Audyt Sp. z o.o.
The registered office:	Warsaw
Address:	Ul. Chłodna 51, 00-867 Warszawa
Registration number:	KRS 0000104753
Registration court:	District Court for the Capital City of Warsaw in Warsaw, 12 Business Department of the National Court Register
Share capital:	125,000 PLN
NIP number:	526-10-24-841

KPMG Audyt Sp. z o.o. is entered into the list of entities authorized to audit financial statements under number 458.

1.4. Legal basis

1.4.1. Share capital

The parent company was established pursuant to the Company Deed of 2 June 1999 for an indefinite period of time.

The share capital of Parent Entity as at 31 December 2008, according to KRS, amounted to PLN 27,472,200.00 and was divided into 13,736,100 shares of face value of 2.00 zlotys each.

The share capital of parent entity increased this year in total by PLN 3,830,000.00, up to the amount PLN 27,472,200.00, which consisted of the following shares issues:

- PLN 3,750,000.00 as a result of issue of shares related to the merger of JC Auto S.A. (registration in the National Court Register on 18 March 2008),

- PLN 80,000.00 as a result of Mr. Tomasz Zadroga exercising the right to option (registration in the National Court Register on 3 December 2008).

The following ownership structure was present in the parent company as at 31 December 2008:

Nazwa akcjonariusza	Liczba akcji	Liczba głosów (w %)	Wartość nominalna akcji zł '000	Udział w kapitale zakładowym (w %)
Krzysztof Oleksowicz	4 972 271	36,20%	9 944,5	36,2%
Andrzej Oliszewski	1 544 370	11,24%	3 088,7	11,2%
AIG Otwarty Fundusz Emerytalny	1 062 770	7,74%	2 125,5	7,7%
ING Otwarty Fundusz Emerytalny	745 342	5,43%	1 490,7	5,4%
Pozostali	5 411 347	39,40%	10 822,7	39,4%
	13 736 100	100,00%	27 472,2	100,0%

1.4.2. Parent Company Manager

The function of the head of the parent company is performed by the Board of Directors of the parent company.

The Parent Company's Board of Directors as at 31 December 2008 consisted of the following members:

- Krzysztof Oleksowicz - President of the Management Board
- Robert Kierzek - Vice President of the Management Board
- Krzysztof Soszyński: - Vice President of the Management Board
- Wojciech Milewski - Member of the Management Board
- Piotr Kraska - Member of the Management Board

Pursuant to resolution of Supervisory Board, two new members were appointed to the Board of Directors of Inter Cars SA.: Mr. Jerzy Józefiak and Mr. Szymon Getka. The term of office of the Board of Directors' new members began as at entering to the register of entrepreneurs the merger of the Company with the company JC Auto S.A. On 21 April 2008, Mr. Jerzy Józefiak and Mr.Szymon Getka submitted resignation from performing the functions of members of the Board of Directors.

Mr. Tomasz Zadroga resigned from performing the function of Member of the Board of Directors of Inter Cars S.A. as at 31 July 2008.

1.4.3. Objects of the company's enterprise

Object of the parent Company's activities in accordance with the Company's Articles of Association includes in particular:

- production of parts and accessories for mechanical vehicles and their engines,
- service and repairs of motor vehicles,
- sales of parts and accessories for mechanical vehicles,
- wholesale of machines, equipment and additional equipment,
- other retail sales of new goods in specialized stores,
- Lease of real estate on its own account,
- data processing,
- wholesale of mechanical vehicles,
- retail sale of motor vehicles.

The object of activities of subsidiaries, comprising the Capital Group, according to their articles of association, is, in particular:

- Inter Cars Ukraine - trade and distribution of spare parts;
- Lauber Sp. z o.o. – remanufacturing of spare parts;
- Q - Service Sp. z o.o. - consulting, training courses and packaging products;
- Inter Cars Ceska Republika - trade and distribution of spare parts
- Feber Sp. z o.o. - production of semitrailers, trailers and truck bodies;
- Inter Cars Slovenska Republika - trade and distribution of spare parts;
- Inter Cars Lietuva UAB - trade and distribution of spare parts;
- IC Development & Finance Sp. z o.o. - activities regarding the lease of real estate consisting of a workshop located in Warsaw (Białołęka neighborhood);
- Armatus Sp. z o.o. - trade and distribution of spare parts;
- JC Auto s.r.o. - trade and distribution of spare parts;
- Inter Cars Hungaria Kft - trade and distribution of spare parts;
- JC Auto S.A. - trade and distribution of spare parts;
- Inter Cars d.o.o. - trade and distribution of spare parts;
- JC Auto s.r.l. - trade and distribution of spare parts;
- Inter Cars Romania s.r.l. - trade and distribution of spare parts

1.5. *Information about the consolidated financial statement for the previous financial year*

The consolidated financial statement for the financial year ending on 31 December 2007 was audited by KPMG Audyt Sp. z o.o. and the opinion of the chartered auditor is without reservations.

The consolidated financial statement was approved by the General Meeting on 18 July 2008.

The closing balance as at 31 December 2007, has been entered correctly into the consolidation documentation as the opening balance of the audited year.

The consolidated financial statement was submitted in the Court of Registration on 29 January 2009 and submitted to be announced in Monitor Polski B on 27 February 2009

1.6. Scope of audit and responsibilities

The following report was prepared for General Shareholders Meeting of Inter Cars SA, with its registered seat in Warsaw, at Powsińska 64 which includes the consolidated statement of financial position drawn up as at 31 December 2008, which presents the amount of PLN 1,233,498 thousand, the consolidated statement of profit and loss for the financial year ending on that day, which presents the amount of PLN 25,417 thousand of net profit, the consolidated statement of changes in equity for the financial year ending on that day, which presents an increase of equity amounting to PLN 250,062 thousand, the consolidated statement of cash flows for the financial year ending on that day, which presents an increase of cash assets amounting to PLN 2,043 thousand and explanatory information on the adopted accounting principles and other additional explanatory information for the consolidated financial statement.

The parent company prepares consolidated financial statement according to International Financial Reporting Standards, which were approved by the European Union, on the basis of the decision of the General Meeting of Shareholders of 21 January 2005

The consolidated financial statement was audited according to the agreement of 3 September 2008, concluded on the basis of a resolution of the Supervisory Board of 30 June 2008 with regard to selection of an entity authorized to audit financial statement.

We audited the consolidated financial statement pursuant to provisions of chapter 7 of the Act on Accounting, the standards of exercising the profession of a chartered auditor, issued by the National Chamber of Statutory Auditors in Poland as well as International Financial Reporting Standards.

The audit of the consolidated financial statement was conducted in the parent Company's seat in the period from 20 to 22 August 2008 and 25 from to 29 August 2008. from 2 to 6 March 2009 and from 9 to 13 March 2009.

The Company's Board of Directors is responsible for the correctness of ledgers and the preparation and a reliable presentation of this consolidated financial statement pursuant to International Financial Reporting Standards which have been approved by the European Union and other valid regulations.

The Parent Company's Board of Directors and members of the Supervisory Board are obliged to ensure that the consolidated financial statement and the statement of operations of the Capital Group meet the requirements provided for in the Act on Accounting.

Our task was to express, on the basis of the conducted audit, opinion and prepare a supplementary report with regard to this consolidated financial statement and the correctness of the accounting books being basis for its preparation.

The Parent Company's Board of Directors submitted on the day of this report a statement on reliability and clarity of the consolidated financial statement presented for audit and non-existence of events influencing substantially the data reported in the consolidated financial statement for the audited year.

During the audit of the consolidated financial statement, the Parent Company's Board of Directors made available all documents and information necessary to issue an opinion and prepare a report.

KPMG Audyt Sp. z o.o., members of its Board of Directors and supervisory bodies as well as other individuals participating in the audit of the consolidated financial statement of the Capital Group fulfil the requirement of independence on the entities comprising the audited Capital Group. The scope of the planned and completed work has not been restricted in any way. The scope and method of the conducted audit result from prepared by us working documentation, available in the seat of KPMG Audyt Sp. z o.o.

1.7. Information about conducted audits of financial statement of entities covered by consolidation

1.7.1. Parent company

The parent company's financial statement for the financial year ending on 31 December 2008 was audited by KPMG Audyt Sp. z o.o., an entity authorized to audit financial statements No. 458 and the issued opinion does not contain any reservations.

1.7.2. Other consolidated entities

Nazwa jednostki	Podmiot uprawniony do badania	Dzień bilansowy	Rodzaj opinii biegłego rewidenta
Feber Sp. z o.o.	KPMG Audyt Sp. z o.o.	31 grudnia 2008 r.	bez zastrzeżeń
Inter Cars Ukraina	nie dotyczy	31 grudnia 2008 r.	nie dotyczy
Lauber Sp. z o.o.	nie dotyczy	31 grudnia 2008 r.	nie dotyczy
Q-Service Sp. z o.o.	nie dotyczy	31 grudnia 2008 r.	nie dotyczy
Inter Cars Česká Republika s.r.o.	nie dotyczy	31 grudnia 2008 r.	nie dotyczy
Inter Cars Slovenska Republika s.r.o.	nie dotyczy	31 grudnia 2008 r.	nie dotyczy
Inter Cars Lietuva UAB	nie dotyczy	31 grudnia 2008 r.	nie dotyczy
IC Development & Finance Sp. z o.o.	nie dotyczy	31 grudnia 2008 r.	nie dotyczy
Armatus Sp. z o.o.	nie dotyczy	31 grudnia 2008 r.	nie dotyczy
JC Auto s.r.o.	nie dotyczy	31 grudnia 2008 r.	nie dotyczy
Inter Cars Hungária Kft	nie dotyczy	31 grudnia 2008 r.	nie dotyczy
JC Auto S.A.	nie dotyczy	31 grudnia 2008 r.	nie dotyczy
Inter Cars d.o.o.	nie dotyczy	31 grudnia 2008 r.	nie dotyczy
JC Auto s.r.l.	nie dotyczy	31 grudnia 2008 r.	nie dotyczy
Inter Cars Romania s.r.l.	nie dotyczy	31 grudnia 2008 r.	nie dotyczy

Except for Feber Sp. z o.o., the entities covered by consolidation were not subject to the obligation of audit by an authorized entity.

The share of balance sheet totals of the entities comprising the Capital Group which were not subject to the obligation of audit by an authorized entity in the consolidated balance sheet total of the Capital Group before intercompany eliminations as at 31 December 2008 amounted to 15%. The share of revenues of these entities in the revenues of the Capital Group, before the elimination of intercompany transactions, for the financial year ending on 31 December 2008, amounted to 15%.

2. Financial analysis of Capital Group

2.1. General analysis of the consolidated financial statement

Skonsolidowany bilans

AKTYWA	31.12.2008 zł '000	% sumy bilansowej	31.12.2007 zł '000	% sumy bilansowej
Aktywa trwałe				
Rzeczowe aktywa trwałe	181 295	14,7	90 596	11,1
Nieruchomości inwestycyjne	57 328	4,7	43 319	5,3
Wartości niematerialne	158 097	12,8	7 789	1,0
Inwestycje w jednostkach powiązanych	3 770	0,3	-	-
Inwestycje dostępne do sprzedaży	43	0,0	43	0,0
Należności	4 547	0,4	2 367	0,3
Przedpłaty	1 480	0,1	1 473	0,2
Aktywa z tytułu odroczonego podatku dochodowego	282	0,0	7 591	0,9
Aktywa trwałe razem	406 842	33,0	153 178	18,8
Aktywa obrotowe				
Zapasy	587 900	47,7	482 693	59,2
Należności z tytułu dostaw i usług oraz pozostałe	210 405	17,1	154 503	18,9
Należności z tytułu podatku dochodowego	357	0,0	-	-
Przedpłaty	3 072	0,2	2 457	0,3
Środki pieniężne i ich ekwiwalenty	24 922	2,0	22 879	2,8
Aktywa obrotowe razem	826 656	67,0	662 532	81,2
SUMA AKTYWÓW	1 233 498	100,0	815 710	100,0

PASYWA	31.12.2008 zł '000	% sumy bilansowej	31.12.2007 zł '000	% sumy bilansowej
Kapitał własny				
Kapitał zakładowy	27 472	2,2	23 642	2,9
Kapitał zapasowy z emisji akcji powyżej wartości nominalnej	247 785	20,1	21 415	2,6
Kapitał zapasowy	104 595	8,5	65 975	8,1
Pozostały kapitał rezerwowy	5 935	0,5	5 192	0,6
Różnice kursowe z konsolidacji	1 226	0,1	(1 920)	0,2
Niepodzielony wynik lat ubiegłych i roku bieżącego	31 112	2,5	52 608	6,5
Kapitał własny akcjonariuszy jednostki dominującej	418 125	33,9	166 912	20,5
Udziały mniejszości	-	-	1 151	0,1
Kapitał własny razem	418 125	33,9	168 063	20,6
Zobowiązania				
Zobowiązania z tytułu kredytów, obligacji oraz leasingu finansowego	113 462	9,2	38 794	4,8
Rezerwy	148	0,0	-	-
Rezerwa z tytułu odroczonego podatku dochodowego	10 958	0,9	8 568	1,0
Długoterminowe rozliczenia międzyokresowe	7	0,0	-	-
Zobowiązania długoterminowe razem	124 575	10,1	47 362	5,8
Zobowiązania z tytułu dostaw i usług oraz pozostałe	247 684	20,1	261 412	32,0
Zobowiązania z tytułu kredytów, obligacji oraz leasingu finansowego	425 124	34,5	318 574	39,1
Zobowiązania z tytułu świadczeń pracowniczych	2 573	0,2	818	0,1
Zobowiązania z tytułu podatku dochodowego	979	0,1	10 063	1,2
Rezerwy	1 621	0,1	851	0,1
Krótkoterminowe rozliczenia międzyokresowe	12 817	1,0	8 567	1,1
Zobowiązania krótkoterminowe razem	690 798	56,0	600 285	73,6
Zobowiązania razem	815 373	66,1	647 647	79,4
SUMA PASYWÓW	1 233 498	100,0	815 710	100,0

2.1.1. Consolidated profit and loss statement

	01.01.2008 - 31.12.2008 zł '000	% przychodów ze sprzedaży	01.01.2007 - 31.12.2007 zł '000 *przekształcone*	% przychodów ze sprzedaży
DZIAŁALNOŚĆ KONTYNUOWANA				
Przychody ze sprzedaży produktów, towarów i materiałów	1 737 956	100,0	1 326 894	100,0
Koszty sprzedanych produktów, towarów i materiałów	(1 202 945)	69,2	(958 287)	72,2
Zysk brutto ze sprzedaży	535 011	30,8	368 607	27,8
Pozostałe przychody operacyjne	25 183	1,4	19 651	1,5
Koszty sprzedaży i ogólnego zarządu	(273 582)	15,7	(154 609)	11,7
Koszty usługi dystrybucyjnej	(195 566)	11,3	(127 292)	9,6
Koszty programu opcji menadżerskich	(743)	0,0	(3 330)	0,2
Pozostałe koszty operacyjne	(14 934)	0,9	(15 348)	1,2
Zysk na działalności operacyjnej	75 369	4,3	87 679	6,6
Przychody finansowe	1 658	0,1	939	0,1
Różnice kursowe	(9 043)	0,5	38	0,0
Koszty finansowe	(33 477)	1,9	(14 996)	1,1
Strata z tytułu udziału w jednostkach stowarzyszonych	(106)	0,0	-	-
Zysk przed opodatkowaniem	*34 401*	2,0	*73 660*	5,6
Podatek dochodowy	*(8 984)*	0,5	*(15 696)*	1,2
Zysk netto	*25 417*	1,5	*57 964*	4,4
w tym przypadający na:				
Akcjonariuszy jednostki dominującej	26 568	1,5	58 608	4,4
Akcjonariuszy mniejszościowych	(1 151)	0,1	(644)	0,0
Zysk netto	25 417		57 964	
Podstawowy (zł)	1,90	0,0	4,90	0,0
Rozwodniony (zł)	1,87	0,0	4,85	0,0

2.2. Selected financial ratios

	2008	2007	2006
1. Rentowność sprzedaży netto			
zysk netto x 100% / przychody netto	1,5%	4,4%	1,9%
2. Rentowność kapitału własnego			
zysk netto x 100% / kapitał własny - zysk netto	6,5%	52,6%	21,2%
3. Szybkość obrotu należności			
średni stan należności z tytułu dostaw i usług brutto x 365 dni / przychody netto	28 dni	26 dni	26 dni
4. Stopa zadłużenia			
zobowiązania x 100% / suma pasywów	66,1%	79,4%	74,8%
5. Wskaźnik płynności			
aktywa obrotowe / zobowiązania krótkoterminowe	1,2	1,1	1,1

- Net revenue from sales of products, goods and materials.
- Average gross trade receivables is arithmetic average of trade receivables at the opening balance and closing balance, excluding write-downs.

2.3. Interpretation of ratios

Net sales return decreased as compared to the previous year because of lower net profit earned by the Group in the audited financial year. The main reasons for lower net profit as compared to last year was faster growth in prime costs and overheads as compared to sales revenues increase, which was influenced mainly by the merger with JC Auto. Additionally, the Group recorded large losses on account of exchange rate differences in the current year, incurred in association with a significant depreciation of PLN as compared to EUR.

Deterioration in return on equity, except for the cause of lower net profit of the current period, results, above all, from significant growth in equity, which was caused mainly by the issue of shares related to the merger with JC Auto.

Liquidity ratios and receivables turnover rate remain at a level similar to previous years.

Indebtedness rate was reduced as compared to the previous year. Reduction in the ratio value is mostly due to significant increase in equity, in connection with the merger with JC Auto.
The Group finances its activities to a large extent with loans and bank credits, mainly short-term ones.

3. Detailed part of the report

3.1. Accounting principles

The parent company has current documentation describing the accounting principles used in the Capital Group, adopted by the parent company's Board of Directors.

The adopted accounting principles have been presented in the additional information to the consolidated financial statement, in the scope required by International Financial Reporting Standards which have been approved by the European Union.

Due to the fact that not all the entities comprising the Capital Group apply the same accounting principles compliant with the principles applied by the parent company, these entities' financial statements were transformed in an appropriate manner for the purposes of preparing the consolidated financial statement, adapting the data to the accounting principles applied in the parent company.

Financial statements of the entities covered by the consolidated financial statement have been prepared as at the same balance sheet date as the financial statement of the parent company.

3.2. Basis of preparation of the consolidated financial statements

Consolidated annual financial statement of Inter Cars S.A. Capital Group has been prepared pursuant to International Financial Reporting Standards which have been approved by the European Union and other valid regulations.

The basis for preparing the consolidated financial statement was the consolidation documentation drawn up on the basis of the requirements of the Regulation of the Minister of Finance of 12 December 2001 on detailed principles for the preparation of financial statements for affiliates for entities other than banks and insurance companies (Journal of Laws dated 2001, number 152, item 1729).

3.3. Method of consolidation

The applied consolidation methodology has been presented in note 1 of the additional information to the consolidated financial statement.

3.4. Goodwill arising on consolidation

The method of determining goodwill from consolidation has been presented in note 33 of the additional information to the consolidated financial statement.

3.5. Consolidation of capitals and determination of minority shares

The Capital Group's share capital is the parent company's share capital.

The calculations of the remaining components of the Capital Group's equity were made by adding relevant components of equity of subsidiaries covered by the consolidated financial statement to particular components of the parent company's equity, corresponding to the percentage share of the parent company in the equity of subsidiaries as at the balance sheet date.

Only these parts of relevant components of equity of subsidiary companies, which were formed after the parent company took control over them, were added to the Capital Group's equity.

The calculations of minority shares in subsidiaries covered by the consolidated financial statement were made on the basis of the percentage share of minority shareholders in the equity of subsidiaries as at the balance sheet date.

3.6. Consolidation exclusions

Consolidation exclusions concerning intercompany settlements were made.

Sales between entities and other intercompany operating revenues and expenses and financial revenues and expenses were eliminated on consolidation.

The consolidation eliminations were based on the accounting records of Inter Cars S.A. and agreed with information received from the subsidiaries.

3.7. Additional information to consolidated financial statement

Data contained in the additional information to the consolidated financial statement containing a description of significant principles and other explanatory information were presented, in all material aspects, completely and correctly. These data are an integral part of the consolidated financial statement.

3.8. Statement of the activities of the Capital Group

The Report of the Management Board of the Parent Company on the Group’s activities includes, in all material respects, the information required by article 49 of the Accounting Act and the Resolution of the Ministry of Finance of 19 February 2009 on current and periodical information provided by issuers of securities and the conditions for recognition as equivalent of information required by legal regulations of a state not being a member state (Official Journal of 2009, No 33 item 259 with amendments) and the information is consistent with the consolidated financial statement.

3.9. Information on the opinion of independent chartered auditor

On the basis of the conducted audit of the consolidated financial statement of the Capital Group drawn up as at 31 December 2008 we issued an opinion without reservations.

....	....
Chartered Auditor no. 11505/8222 Jędrzej Szalacha	For KPMG Audyt Sp. z o.o. ul. Chłodna 51, 00-867 Warszawa Chartered Auditor no. 90048/7421 Mirosław Matusik, Board Member

30 April 2009
Warsaw, Poland