

TRANSLATION

Inter Cars S.A. Capital Group

Opinion and Report of Independent Chartered Auditor
for the financial year ending on 31 December 2007.

This opinion consists of 2 pages. The Report consists of 14 pages.
The Opinion of Independent Chartered Auditor and report to the
opinion from auditing the consolidated financial statement for the
financial year ending on 31 December 2007.

OPINION OF THE INDEPENDENT CHARTERED AUDITOR

For General Shareholders 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 2007, which presents the amount of 815,710,000 Polish zlotys, the consolidated statement of profit and loss for the financial year ending on that day, which presents the amount of 57,964,000 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 55,910,000 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 8,352,000 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 Inter Cars S.A. Capital Group has been prepared and presents fairly the assets and financial position of the Group as at 31 December 2007, and its

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financial performance and cash flows for the financial year ending on that day. It has been prepared in all material aspects in respect to the International Financial Reporting Standards as adopted by the European Union, and it complies with legal regulations and provisions that apply to the consolidated financial statement, applicable to the 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 Accounting Act and Regulation of Ministry of Finance dated 19 October 2005 on current and interim information passed by shares issuers (Official Journal dated 2005, number 209 item 1744 with amendments) and the information is consistent with the consolidated financial statement.

Biegły rewident nr 90061/7541
Marek Gajdziński
Za KPMG Audyt Sp. z o.o.

ul. Chłodna 51, 00-867 Warszawa
Biegły rewident nr 90061/7541
Marek Gajdziński Członek Zarządu

Warsaw, 30 June 2008.

Inter Cars S.A. Capital Group

Report supplementing the opinion from auditing
the consolidated financial statement for the financial year ending on
31 December 2007

Report supplementing the opinion contains 14 pages Supplementary report to the opinion on audit of consolidated financial statement
for the financial year ending on 31 December 2007

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1 General part of the statement

1.1 Identification of the Capital Group

1.1.1 Name of Capital Group

Grupa Kapitałowa Inter Cars S.A.

1.1.2 Registered office of Parent Entity

ul. POWSIŃSKA
64, 02-903
WARSZAWA

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 the 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 2007 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 Ukraine Ltd. (Sp. z o.o.)
- Feber Sp. z o.o. (Ltd).
- Inter Cars Ceska Republika s.r.o.
- Q-Service Sp. z o.o.
- Lauber Sp. z o.o. (formerly Eltek Sp. z o.o.)
- Inter Cars Slovenska Republika s.r.o.

- Inter Cars Lietuva UAB
- ID Development & Finance Sp. z o.o. (formerly R-J Sp. z o.o).

1.3 Data identifying chartered auditor [entity authorized to audit financial statements]

Company:	KPMG Audyt Sp. z o.o.
The registered office:	Warszawa
Address:	ul. Chłodna 51, 00-867 Warsaw KRS 0000104753
Registration number:	District Court for the Capital City of Warsaw, XII Commercial Department of the National Register Court.
Registration court:	125,000 zlotys
	526-10-24-841
Share capital:	NIP
number:	

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 Articles of Association of 2 June 2000 for an indefinite period of time.

The share capital of Parent Entity as at 31 December 2007, according to KRS, amounted to PLN 23,642 and was divided into 11,821,100 shares of face value of 2 zlotys each.

According to resolution of General Shareholders Meeting of 6 February 2006, a Motivation Programme was established, according to which it is possible to purchase managerial options, which later can be exchanged for shares, by the manager employees and members of managing structures of Capital Group, and key employees for realization of the strategy of Inter Cars SA Capital Group. The price assessment as of 31 December 2007 was transferred to supplementary capital.

The following ownership structure was present in the parent company as at 31 December 2007:

Shareholder's name	Liczba akcji	Number of votes (w %)	Value	Share
			nominal of shares zl '000	in share capital (w %)
Krzysztof Oleksowicz	4 972 271	42,06%	9 944,5	42,06%
Andrzej Oliszewski	1 500 000	12,69%	3 000,0	12,69%
Michał Oleksowicz	720 000	6,09%	1 440,0	6,09%
Jolanta Oleksowicz - Bugajewska	604 504	5,11%	1 209,0	5,11%
AIG Otwarty Fundusz Emerytalny	700 000	5,92%	1 400,0	5,92%
Other shareholders <5%	3 324 325	28,12%	6 648,7	28,12%
	11 821 100	100,00%	23 642,2	100,00%

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 Company's Board of Directors as at 31 December 2007 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
Tomasz Zadroga	- Member of the Management Board
Piotr Kraska	- Member of the Management Board

Pursuant to resolution of the Supervisory Board of 18 May 2007, Mr. Tomasz Zadroga and Mr. Piotr Kraska were appointed to become Members of The Board of Directors.

After statement day, 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. 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.

1.4.3 Scope of activities

Object of activities of the Company, pursuant to 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 (LTD) – distribution of spare parts and accessories in Ukrainian market;
- Feber Sp. z o.o. - production of semitrailers, trailers and truck bodies;
- Inter Cars Ceska Republika s.r.o. – distribution of spare parts and accessories on Czech market;
- Q-Service (LTD). – advisory and training services, organizing seminars regarding automotive services and automotive market. At the same time the company sells and distributes automotive installations for LPG systems for motor vehicles;
- Lauber Sp. z o.o. (formerly Eltek Sp. z o.o.) – remanufacturing of automotive spare parts, including: Alternators, starters, steering racks, brake calipers and turbochargers and compressors for air-conditioning systems;
- Inter Cars Slovenska Republika s.r.o. – distribution of spare parts and accessories on Slovak market;
- Inter Cars Lietuva UAB – distribution of spare parts and accessories on Lithuanian market;
- IC Development & Finance Sp. z o.o. (formerly R-J Sp. z o.o.) – real estate development and lease, premises in Białołęka district, Warsaw.

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 2006 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 Shareholders Meeting on 29 June 2007.

The closing balance as at 31 December 2006, has been entered correctly into the consolidation documentation as the opening balance of the audited year.

Financial statement was submitted in Registry Court on 13 July 2007. The financial statement was placed for publication in Polish Monitor on the day of 30 June 2008.

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 (“the Capital Group”) which includes the consolidated statement of financial position drawn up as at 31 December 2007, which presents the amount of 815,710,000 Polish zlotys, the consolidated statement of profit and loss for the financial year ending on that day, which presents the amount of 57,964,000 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 55,910,000 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 8,352,000 Polish zlotys 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 18 September 2007, concluded on the basis of a resolution of the Supervisory Board of 26 June 2007 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 consolidated financial statement was performed in the seat of the Parent Entity between 18 February 2008 to 7 March 2008.

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.

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 Audyty 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 Audyty Sp. z o.o.

1.7 Information about conducted audits of financial statement of entities included in consolidation

The parent company's financial statement and Feber Sp. z o.o. financial statement for the financial year ending on 31 December 2007 were 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.

2 Financial analysis of the Capital Group

2.1 General analysis of the consolidated financial statement

2.1.1 Consolidated balance sheet

ASSETS	31.12.2007	% of the	31.12.2006	% of the
	PLN '000	amount on balance sheet	PLN '000	amount on balance sheet
Fixed assets				
Tangible fixed assets	90 596	11,1	73 915	16,6
Intangible assets	7 789	1,0	1 470	0,3
Investment properties	43 319	5,3	1 841	0,4
Available for sale investments	43	0,0	43	0,0
Receivables for services and other receivables	2 367	0,3	1 241	0,3
Accrued expenses	1 473	0,2	126	0,0
Deferred tax assets	7 591	0,9	4 908	1,1
Total non-current assets	153 178	18,8	83 544	18,8
Current assets				
Inventory	482 693	59,2	256 805	57,7
Receivables for services and other	154 503	18,9	88 345	19,9
Income tax receivables	-	-	154	0,0
Accrued expenses	2 457	0,3	1 498	0,3
Cash and cash equivalents	22 879	2,8	14 527	3,3
Total current assets	662 532	81,2	361 329	81,2
TOTAL ASSETS	815 710	100,0	444 873	100,0
LIABILITIES	31.12.2007	% of the	31.12.2006	% of the
	PLN	amount on	PLN '000	amount on
	'000	balance	balance	sheet
Owner's equity				
Share capital	23 642	2,9	23 642	5,3
Reserve capital from the issue of shares above the face value	21 415	2,6	21 415	4,8
Reserve capital	65 975	8,1	49 303	11,1
Other reserve capitals	5 192	0,6	1 862	0,4
Exchange difference	(1 920)	0,2	(554)	0,1
Retained earnings	52 608	6,4	14 690	3,3
Shareholders' Equity of the parent company's shareholders	166 912	20,9	110 358	25,1
Minority interests	1 151	0,1	1 795	0,4
Own equity total	168 063	21,1	112 153	25,5
Creditors				
Liabilities due to credits, loans and finance lease	38 794	4,8	3 843	0,9
Provision for deferred income tax	8 568	1,1	4 859	1,1
Total non-current liabilities	47 362	5,8	8 702	2,0
Liabilities due to deliveries and services and other liabilities	261 412	32,0	116 315	26,1
Liabilities due to credits, loans and finance lease	318 574	39,1	201 007	45,2
Liabilities due to employee benefits	818	0,1	435	0,1
Liabilities due to under income tax	10 063	1,2	447	0,1
Provisions	851	0,1	926	0,2
Short-term prepaid expenses	8 567	1,1	4 888	1,1
Short-term liabilities in total	600 285	73,6	324 018	72,8
Liabilities in total	647 647	79,4	332 720	74,8
Total equity and liabilities	815 710	100,0	444 873	100,0

2.1.2 Consolidated statement of profit and loss

Calculated profit and loss statement				
	1.01.2007 -	% of sales	1.01.2006 -	% of sales
	31.12.2007	revenue	31.12.2006	revenue
	PLN		PLN '000	
	'000			
Sales revenue	1 326 894	100,0	1 013 105	100,0
Own cost of sales	(958 287)	72,2	(752 077)	74,2
Gross Profit (Loss) from sales	368 607	27,8	261 028	25,8
Other operating revenue				
	19 651	1,5	5 406	0,5
General administrative and sales cost	(154 609)	11,7	(124 327)	12,3
Distribution service costs	(127 292)	9,6	(96 641)	9,5
Costs of management option program	(3 330)	0,3	(1 862)	0,2
Other operating costs	(15 348)	1,2	(8 454)	0,8
Profit (loss) on business activities				
Operational	87 679	6,6	35 150	3,5
Financial revenue	939	0,1	760	0,1
Foreign exchange differences	38	0,0	(652)	0,1
Financial costs	(14 996)	1,1	(10 026)	1,0
Net financial costs	(14 019)	1,2	(9 918)	1,1
	73 660		25 232	
Profit (loss) before taxation		5,6		2,5
Income tax withheld	(15 696)	1,2	(6 020)	0,6
	57 964		19 212	
Net Profit (loss) on business activities				
Continued		4,4		1,9
Net Profit (Loss) for financial year	57 964		19 212	
		4,4		1,9
including attributable to:				
The parent company's shareholders	58 608	4,4	19 597	1,9
Minority shareholders	(644)	0,0	(385)	0,0
Net Profit for financial year	57 964		19 212	
Basic (PLN)	4,96	0,0	1,66	0,0
Diluted (PLN)	4,28	0,0	1,63	0,0

2.2 Selected financial ratios

	2007	2006	2005
1. Net sale profitability			
<u>Net profit x 100%</u>	4,4%	1,9%	0,1%
net revenue			
2. Return on equity			
<u>Net profit x 100%</u>	53,5%	21,2%	0,6%
Own equity - net profit			
3. Receivables turnover rate			
<u>average gross trade receivables x 365 days</u>	26 days	26 days	27 days
net revenue			
4. Debt rate			
<u>Liabilities x 100%</u>	79,4%	74,8%	80,0%
Total liabilities			
5. Liquidity ratio			
<u>Current assets</u>	1,1	1,1	1,1
Short-term liabilities			

- 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

The increase of net sales profitability and profitability of equity capital in 2007, in comparison to 2006 results from mostly the increase of profit margin generated on sales and from increase of discounts given to the Group by the Suppliers. The increase of sales revenue was recorded by all companies which belong to the Capital Group, whereas the biggest increase was recorded by Q-Service Ltd and Feber Ltd.

The ratio of receivables turnover rate remained the same in comparison to previous year.

The Capital Group finances its business activities from own funds and bank credits. Debt rate increased a bit in comparison to previous year, what is mostly a result of taking new credits in current account by the Parent Entity.

Liquidity ratio did not change in comparison to previous year. Increase of current assets was accompanied by proportional increase of short-term liabilities.

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 1 of the additional information to the consolidated financial statement.

3.5 Consolidation of equity 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 eliminations

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 Accounting Act and Regulation of Ministry of Finance dated 19 October 2005 on current and interim information provided by issuers of securities (Official Journal dated 2005, number 209 item 1744 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 2007 we issued an unqualified opinion.

Biegły rewident nr 90061/7541
Marek Gajdziński
Za KPMG Audyt Sp. z o.o. ul.
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Biegły rewident nr 90061/7541
Marek Gajdziński Członek Zarządu

Warsaw, 30 June 2008.