

**CAPITAL GROUP  
INTER CARS S.A.**

*Extended consolidated quarterly report  
Q4 2012*

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**PART I**

**CONSOLIDATED FINANCIAL STATEMENTS FOR FOUR QUARTERS OF 2012**

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## 1. Information on the Inter Cars Group

### **Business Profile**

The core business of the Inter Cars Group (“the Group” or “the Inter Cars Group”) comprises import and distribution of spare parts for cars and other motor vehicles.

### **Registered office of the parent entity**

Inter Cars S.A.  
ul. Powsińska 64  
02-903 Warszawa  
Polska

### *Central Warehouse:*

ul. Gdańska 15  
05-152 Czosnów k/Warszawy

### **Contact details**

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relacje.inwestorskie@intercars.com.pl  
www.intercars.com.pl

### **Supervisory Board**

Andrzej Oliszewski, President  
Piotr Płoszajski  
Maciej Oleksowicz  
Michał Marczak  
Jacek Klimczak

### **Management Board**

Robert Kierzek, President  
Krzysztof Soszyński, Vice president  
Krzysztof Oleksowicz  
Wojciech Milewski  
Witold Kmiecik

### **Auditor**

KPMG Audyty Sp. z o.o. sp. k.  
ul. Chłodna 51  
00-867 Warszawa

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**Inter Cars' Subsidiary Entities Included in Consolidation as at 31 December 2012**

**Inter Cars Ukraine LLC**  
29009 Chmielnicki, Tolstego 1/1  
Ukraine

**Feber Sp. z o.o.**  
ul. Powsińska 64  
02-903 Warsaw  
Poland

**Inter Cars Česká republika s.r.o.**  
Novodvorská 1010/14  
Prague 4  
Czech Republic

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

**Lauber Sp. z o.o.**  
ul. Braci Staniuków 40  
76-200 Słupsk  
Poland

**Inter Cars Slovenská republika s.r.o.**  
Ivánska cesta 2  
Bratislava  
Slovak Republic

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

**IC Development & Finance Sp. z o.o.**  
ul. Powsińska 64  
02-903 Warsaw  
Poland

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

**Armatus sp. z o.o.**  
ul. Powsińska 64  
02-903 Warsaw  
Poland

**Inter Cars d.o.o.**  
Radnička cesta 27  
1000 Zagreb  
Croatia

**Inter Cars Hungária Kft**  
Klapka Utca 4  
H-1134 Budapest  
Hungary

**JC Auto S.A.**  
Rue du Parc Industriel 3D  
1440 Brain-le-Chateau,  
Belgium

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

**Inter Cars Cyprus Limited**  
12 Esperidon Street  
1087 Nicosia  
Cyprus

**Inter Cars Romania s.r.l.**  
Corneliu Coposu 167A  
400235 Cluj-Napoca  
Romania

**Inter Cars Latvija s.i.a**  
Biekensalas Str. 7  
LV-1004 Riga  
Latvia

**Inter Cars Bulgaria Ltd.**  
Alexander Malinov # 91 4/404  
1715 Sofia  
Bulgaria

**Cleverlog-Autoteile GmbH**  
Borigstr 34  
21-465 Reinbek  
Germany

**Inter Cars Marketing Services Sp. z o.o.**  
Płowiecka 57  
04-501 Warsaw

**ILS Sp. Z o.o.**  
Klonowa 48, Kajetany  
05-830 Nadarzyn

**SMiOC FRENOPLAST Bulhak I Cieslawski S.A.**  
Korpele 75  
12-100 Szczytno

**Listing**

Shares of Inter Cars S.A. (the Parent Entity) are listed in the continuous trading system at the Warsaw Stock Exchange.

## 2. Financial Highlights of the Inter Cars Group

(PLN '000')	12 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	zł	zł	euro	euro
<b>Data on growth and profit</b>				
Gross Margin	30,9%	32,4%		
EBITDA	184 116	195 386	44 114	47 194
EBITDA as percentage of sales	6,1%	7,1%		
Net debt/EBITDA	2,49	2,25		
Basic earnings per share (PLN)	7,09	7,37	1,74	1,67
Diluted earnings per share (PLN)	7,09	7,37	1,74	1,67
Operating profit	149 254	160 998	35 761	38 887
Net profit	100 508	104 376	24 082	25 211
<b>Cash flows</b>				
Net cash from operating activities	66 050	54 326	15 826	13 121
Net cash from investing activities	(49 791)	(47 788)	(11 930)	(11 543)
Net cash from financing activities	(40 032)	19 370	(9 592)	4 679
<b>Employment and number of branches as at</b>				
<b>Number of employees</b>	<b>31.12.2012</b>	<b>31.12.2011</b>		
Parent entity	1.340	1.333		
Subsidiaries	1.064	925		
<b>Affiliates</b>				
Parent entity	152	147		
Subsidiaries	122	101		
<b>Statement of financial position (as at)</b>				
	<b>31.12.2012</b>	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Balance sheet total	1 548 794	1 547 470	378 845	350 360
Loans, borrowings, finance lease liabilities	495 383	501 015	121 174	113 434
Equity attributable to owners of the parent company	757 096	668 804	185 191	151 423

The following exchange rates were applied to translate the figures presented into the euro:

- for the items of the statement of financial position – the exchange rate quoted by the National Bank of Poland for 31 Dec 2012 – EUR 1 = PLN 4,0882, the exchange rate quoted for 31 Dec 2011 – EUR 1 = PLN 4,4168
- for the items of the statement of comprehensive income and statement of cash flows – the average of the exchange rates quoted by the National Bank of Poland for the last day of each month for third quarter of 2012 and 2011 respectively: EUR 1 = PLN 4,1736 and EUR 1 = PLN 4,1401.

### 3. Consolidated statement of financial position

(PLN '000')

	31.12.2012 <i>(unaudited)</i>	31.12.2011 <i>(audited)</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	224 586	205 831
Investment property	27 229	46 355
Intangible assets	141 844	141 718
Investments in related entities	3 795	7 510
Investments available for sale	301	43
Receivables	12 877	11 102
Deferred tax asset	12 787	10 328
	<b>423 419</b>	<b>422 887</b>
<b>Current assets</b>		
Inventories	733 715	735 350
Trade and other receivables	354 707	327 493
Receivables due from income tax	30	1 044
Cash and cash equivalents	36 923	60 696
	<b>1 125 375</b>	<b>1 124 583</b>
<b>TOTAL ASSETS</b>	<b>1 548 794</b>	<b>1 547 470</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	28 336	28 336
Share premium account	259 530	259 530
Statutory reserve funds	360 144	258 686
Other capital reserves	5 935	5 935
Currency translation differences	(2 884)	(838)
Retained earnings and current year profit	105 935	117 155
<b>Equity attributable to owners of the parent</b>	<b>757 096</b>	<b>668 804</b>
Non-controlling interest	-	(3 853)
<b>Total equity</b>	<b>757 096</b>	<b>664 951</b>
<b>Non-current liabilities</b>		
Loans, borrowings and finance lease liabilities	34 997	240 986
Deferred tax liability	1 074	88
Other non-current liabilities	149	1 133
	<b>36 220</b>	<b>242 207</b>
<b>Current liabilities</b>		
Trade and other payables	277 359	359 592
Loans, borrowings and finance lease liabilities	460 386	260 029
Employee benefits	10 891	5 779
Income tax liability	6 842	14 912
	<b>755 478</b>	<b>640 312</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 548 794</b>	<b>1 547 470</b>



#### 4. Consolidated Statement of Comprehensive Income

(PLN '000')

	<i>For 3 months Ended</i>		<i>For 9 months ended</i>	
	<b>31.12.2012</b>	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
<b>Continued activities</b>				
Revenue from sales of products, goods and materials	785 393	729 109	3 002 740	2 764 514
Costs of sales of products, goods and materials	(539 819)	(501 079)	(2 073 518)	(1 869 879)
<b>Gross profit on sales</b>	<b>245 574</b>	<b>228 030</b>	<b>929 222</b>	<b>894 635</b>
Other operating income	-	7 119	-	7 119
Selling costs, general and administrative expenses	(121 355)	(93 219)	(440 548)	(389 484)
Cost of distribution services	(78 914)	(84 801)	(316 354)	(315 302)
Other operating expenses	(7 736)	(19 135)	(23 066)	(35 970)
<b>Operating profit</b>	<b>37 569</b>	<b>37 994</b>	<b>149 254</b>	<b>160 998</b>
Financial income	(300)	120	3 562	2 413
Foreign exchange gains/(losses)	5 332	(221)	(369)	(611)
Financial expenses	(7 212)	(8 363)	(32 800)	(32 691)
Interest in associate	-	156	-	156
<b>Profit before tax</b>	<b>35 389</b>	<b>29 686</b>	<b>119 647</b>	<b>130 265</b>
Corporate income tax	(6 310)	(5 381)	(19 139)	(25 889)
<b>Net profit</b>	<b>29 079</b>	<b>24 305</b>	<b>100 508</b>	<b>104 376</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Currency translation differences	(1 798)	(687)	(2 046)	940
Revaluation of hedging instruments	-	1 100	-	1 100
	<b>(1 798)</b>	<b>413</b>	<b>(2 046)</b>	<b>2 040</b>
<b>COMPREHENSIVE INCOME</b>	<b>27 281</b>	<b>24 718</b>	<b>98 462</b>	<b>106 416</b>
Net profit attributable to:				
- owners of the parent entity	28 387	24 284	100 508	108 229
- minority interests	692	21	-	(3 853)
	<b>29 079</b>	<b>24 305</b>	<b>100 508</b>	<b>104 376</b>
Comprehensive income attributable to:				
- owners of the parent entity	26 589	24 697	98 462	110 269
- minority interests	692	21	-	(3 853)
	<b>27 281</b>	<b>24 718</b>	<b>98 462</b>	<b>106 416</b>
<b>Net profit</b>	<b>29 079</b>	<b>24 305</b>	<b>100 508</b>	<b>104 376</b>
<b>Weighted-average number of ordinary shares</b>	<b>14 168 100</b>	<b>14 168 100</b>	<b>14 168 100</b>	<b>14 168 100</b>
<b>Earnings per ordinary share (PLN)</b>	<b>2,05</b>	<b>1,72</b>	<b>7,09</b>	<b>7,37</b>
<b>Weighted-average diluted number of ordinary shares</b>	<b>14 168 100</b>	<b>14 168 100</b>	<b>14 168 100</b>	<b>14 168 100</b>
<b>Diluted earnings per ordinary share (PLN)</b>	<b>2,05</b>	<b>1,72</b>	<b>7,09</b>	<b>7,37</b>

## 5. Consolidated Statement of Changes in Equity

for the period from 1 January 2012 to 31 December 2012

(PLN '000')

	Share capital	Share premium account	Statutory reserve fund	Currency translation differences	Other capital reserves	Retained earnings and current year profit	Equity attributable to owners of the parent entity	Non-controlling interests	Total equity
As at 1 January 2012	28 336	259 530	258 686	(838)	5 935	117 155	668 804	(3 853)	664 951
<b>Statement of comprehensive Income</b>									
Profit for period	-	-	-	-	-	100 508	100 508	-	100 508
Buy-out of Minority interest	-	-	-	-	-	(5 920)	(5 920)	(3 835)	(2 067)
<b>Other comprehensive Income</b>									
Currency translation differences				(2 046)	-	-	(2 046)		(2 046)
Valuation of hedging instrument	-	-	-	-	-	-	-	-	-
<b>Comprehensive income, total</b>				<b>(2 884)</b>	<b>5 935</b>	<b>211 743</b>	<b>761 346</b>	<b>-</b>	<b>761 346</b>
<b>Transactions with owners</b>									
Distribution of retained earnings- dividend	-	-	-	-	-	(4 250)	(4 250)	-	(4 250)
Distribution of retained earnings – transfer to statutory reserve funds	-	-	101 558	-	-	(101 558)	-	-	-
As at 31 Dec 2012	28 336	259 530	360 244	(2 884)	5 935	83 469	757 096	-	757 096

**for the period from 1 January 2011 to 31 Dec 2011**

(PLN '000')

	Share capital	Share premium account	Statutory reserve fund	Currency translation differences	Other capital reserves	Retained earnings and current year profit	Equity attributable to owners of the parent entity	Non-controlling interests	Total equity
As at 1 January 2011	<u>28 336</u>	<u>259 530</u>	<u>198 387</u>	<u>(1 778)</u>	<u>4 835</u>	<u>69 225</u>	<u>558 535</u>	-	<u>558 535</u>
<b>Statement of comprehensive Income</b>									
Profit for period	-	-	-	-	-	108 229	108 229	(3 853)	104 376
<b>Other comprehensive Income</b>									
Currency translation Differences	-	-	-	940	-	-	940	-	940
Valuation of hedging instrument	-	-	-	-	1 100	-	1 100	-	1 100
<b>Comprehensive income, total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>838</u>	<u>5 935</u>	<u>177 454</u>	<u>668 804</u>	<u>(3 853)</u>	<u>664 951</u>
<b>Transactions with owners</b>									
Distribution of retained earnings – transfer to statutory reserve funds	-	-	60 299	-	-	(46 946)	-	-	-
As at 31 Dec 2011	<u>28 336</u>	<u>259 530</u>	<u>258 686</u>	<u>838</u>	<u>5 935</u>	<u>117 155</u>	<u>668 804</u>	<u>(3 853)</u>	<u>664 951</u>

## 6. Consolidated Statement of Cash Flow

(PLN '000')

	<b>1.01.2012 – 31.12.2012</b>	<b>1.01.2011 – 31.12.2011</b>
<b>Cash flow from operating activities</b>		
Profit before tax	119 647	130 265
Total adjustments, including:		
Depreciation and amortisation	34 862	34 388
Foreign exchange (gains)/losses	(2 415)	(611)
(Gain)/loss on disposal of property, plant and equipment	15 643	(351)
Net interest	26 938	25 914
(Gain)/loss on revaluation of investment property	(197)	4 545
Other adjustments, net	(763)	1 816
<b>Operating profit before changes in working capital</b>	<b>193 715</b>	<b>195 966</b>
Change in inventories	1 635	(124 158)
Change in receivables	(23 582)	(56 262)
Change in current liabilities	(77 120)	66 347
<b>Cash generated by operating activities</b>	<b>94 648</b>	<b>81 893</b>
Corporate income tax paid	(28 598)	(27 567)
<b>Net cash from operating activities</b>	<b>66 050</b>	<b>54 326</b>
<b>Cash flows from investing activities</b>		
Sale of intangible assets and property, plant and equipment	5 296	6 167
Acquisition of intangible assets and property, plant and equipment	(53 784)	(45 733)
Acquisition of interest in associates	-	(3 718)
Acquisition of interest in other companies	(51)	-
Sales of shares	2 200	-
Repayment of loans advanced	2 637	5 072
Loans advanced	(6 815)	(9 768)
Interest received	726	192
<b>Cash flows from investing activities</b>	<b>(49 791)</b>	<b>(47 788)</b>
<b>Cash flows from financing activities</b>		
(Repayment) / Issue of bonds	-	(30 000)
(Repayments) / Proceeds from loans and borrowings	(3 002)	81 745
Interest paid	(28 891)	(26 368)
Payments of finance lease liabilities	(3 889)	(6 007)
Dividend paid	(4 250)	-
<b>Net cash from financing activities</b>	<b>(40 032)</b>	<b>19 370</b>
<b>Forex exchange differences on cash</b>	<b>-</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>23 773</b>	<b>25 908</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>60 696</b>	<b>34 788</b>
<b>Cash and cash equivalents at end of period</b>	<b>39 923</b>	<b>60 696</b>

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## 7. Reporting entity

Inter Cars S.A., the parent company (“the Company”), is registered in Poland. These interim financial statements for the period ended 31 December 2012 contain the data of the Company and of the subsidiaries, which are together referred to as the Inter Cars Group („the Group”), as well as the Group’s interest in associated entities.

The consolidated financial statements of the Inter Cars Group for the period ended 31 December 2011 are available at [www.intercars.com.pl](http://www.intercars.com.pl).

The consolidated financial statements comprise the accounts of the following entities (“the Group”):

- parent entity: Inter Cars S.A. with registered office in Warsaw,
- subsidiary entities: Inter Cars Ukraine, incorporated under the Ukrainian law, with registered office in Khmelnytsky, Ukraine (with Inter Cars S.A.’s 70% share in the Entity’s share capital), Lauber Sp. z o.o. of Sáupsk (100%), Q-Service Sp. z o.o. of Warsaw (100%), Inter Cars Česká Republika of Prague (100%), Feber Sp. z o.o. of Warsaw (100%), Inter Cars Slovenska Republika of Bratislava (100%), Inter Cars Lietuva UAB of Vilnius (100%), IC Development & Finance Sp. z o.o. of Warsaw (100%), Armatus Sp. z o.o. of Warsaw (100%), JC Auto s.r.o. of Karvina-Darkom (100%), JC Auto Kereskedelmi Kft. of Budapest (100%), JC Auto S.A. of Brain-le-Chateau (100%), JC Auto d.o.o. of Zagreb (100%), JC Auto s.r.l. of Milan (99%; 1% stake is held by JC Auto s.r.o.), Inter Cars Romania s.r.l. of Cluj-Napoca (100%), Inter Cars Cyprus Limited of Nicosia (100%), Inter Cars Latvija of Ryga (100%) and Inter Cars Bulgaria Ltd of Sofia (100%), Cleverlog-Autoteile GmbH of Reinbek (90%) and Inter Cars Marketing Services Sp. Z o.o. of Warsaw, ILS Sp. z o.o. of Kajetany (100%).
- associated entity: SMiOC FRENOPLAST Bułhak i Cieślowski S.A. with registered office in Szczytno (49%).

## 8. Statement of Compliance with the IFRSs

These condensed consolidated financial statements of the Inter Cars Group and the interim condensed separate financial statements of Inter Cars S.A. (together “the interim condensed financial statements”) cover the period of three months ended 31 December 2012.

The condensed consolidated financial statements for third quarters 2012 comply with the International Accounting Standard IAS 34 Interim Financial Reporting, which applies to interim financial statements and do not contain all the information whose disclosure is required in the annual financial statements.

These condensed consolidated financial statements of the Group are made available to the public along with the condensed standalone financial statements. The condensed standalone financial statements should be read together with these condensed consolidated financial statements in order to fully understand the issuers financial situation and performance.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group’s accounting principles. The areas involving a higher degree of judgment or complexity, or the areas where assumptions and estimates are significant to the financial statements, are presented in Note 14.

These condensed consolidated interim financial statements and condensed standalone interim financial statements were approved for publication by the Management Board on 28 February 2012.

## 9. Basis of Preparation Accounting principles applied in preparing the condensed consolidated financial statements

With the exception of changes presented in „Changes in the Accounting Principles” these condensed consolidated interim financial statements were prepared by the Inter Cars Group following the same principles which were applied in the consolidated financial statements for the period ended 31 December 2011.

These condensed consolidated financial statements were prepared on a going concern basis, i.e. assuming that the Group would continue as a going concern in the foreseeable future and that there are no circumstances indicating any threat to the Group continuing as a going concern.

All amounts presented in these condensed financial statements are expressed in thousands of Polish zloty, unless stated otherwise.

## 10. Changes in Accounting Policies

No changes were made in the accounting policies.

## 11. Foreign exchange rates used to translate financial figures for 4 quarters of 2012

All figures presented in these financial statements in EUR were translated at the following exchange rates:

	<b>2012</b>	<b>2011</b>
exchange rate prevailing on 31 March .....	4,0882	4,4168
Average exchange rate in the period 1 January– 31 September.....	4,1736	4,1401

The following rules were followed when translating the figures presented under the financial highlights in EUR '000:

- for the items of the statement of comprehensive income – the average rate was used, defined as the arithmetic mean of the rates prevailing on the last day of each month within the reporting period, as quoted by the National Bank of Poland;
- for the items of the statement of financial position – the rate on 31 December being the mid exchange rate for the euro prevailing on 31 December, as quoted by the National Bank of Poland;
- for the translation of the share capital – the mid exchange rates for the euro were used, as prevailing on the dates on which share capital increases following issues of consecutive share series were registered.

**PART II**

**REPORT ON THE OPERATIONS OF THE INTER CARS GROUP**

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## 12. Overview of the Group's Operations and Financial Performance on Consolidated and Standalone Basis – Q4 2012

### Summary of financial results of the Inter Cars Group

- The Group recorded a **8,6%** increase in sales revenue compared with the corresponding period of 2011,
- Export sales defined as direct sales (from Inter Cars S.A.) to export partners (mainly to Eastern markets) and sales to subsidiaries increased by 24% on corresponding period of previous year of which:
  - direct sales during 1 quarter of 2012 amounted to PLN 705 million, which is a 26% increase on comparable period;
  - sales executed by foreign subsidiaries during four quarters of 2012 amounted to PLN 270 million, which is a 21% increase;

Continuation of the trend of faster dynamics of sales revenue realised by foreign subsidiaries than the parent sales dynamics is observed. The Group continues its expansion over the territory of the Central and Easter Europe. Sales revenue have grown on all geographical markets. Sales growth potential and profitability of foreign markets is higher than the domestic market.

- Sales revenue of Inter Cars on domestic market constituted 71% of total group revenues (including intercompany eliminations). While this share varies by +/-1 p.p. between quarters when production companies are included, if only distribution companies are taken the share of foreign distribution companies increased by 3.2 p.p. to the level of 23,5% compared to 2011. Therefore Polish market remained the main market.
- Gross margin on sales of merchandise decreased from 32,4% to 30,9%, being **1,5 percentage point**. However, it should be noted that the gross margin was impacted with foreign exchange losses resulting from valuation of trade receivables and payables, if such impact was eliminated on comparable periods, the margin would have decreased only by **1,3 p.p.**. The Board expects improvement of margin starting from the first quarter of the following year.
- Operating profit decreased **by 7,3%** compared to corresponding period of previous year, which was mainly caused by the decrease of margin by 1,5 percentage points and the increase of general and selling cost and general and administrative expenses by 13%.  
The general and selling expenses increased by 13% compared to prior year, while sales revenue increased by 8,6%. However, the ration of selling expenses to sales remained same compared to previous quarters. The increase in operating expense resulted mainly from higher cost dynamics in daughter companies, which generated the highest sales dynamics (over 25%) as well as the increase in salaries and transport cost of the parent company (the increase resulted mainly from higher volumes of merchandise sold and fuel price increase), as well as higher costs of branches and regional hubs resulting from higher turnover of daughter companies.
- Consolidated operating profit increased by 3,9% compared to prior year.
- Consolidated net profit decreased by 3,7% compared to prior year.
- Effective tax rate for the Group in the 12 months 2012 amounted to 15,9% and is equal to expected tax rate for 2012
- During the reporting period the Group disposed investment properties in Warsaw and Bielko-Biała worth PLN 19 million, the net result on disposal is not material.



**Revenue went up in all geographical segments** The Company is consistent in its policy of geographical expansion in the area of Central and Eastern Europe. The CEE markets offer significant growth potential and higher net margins for the industry than the domestic market. The highest year-on-year growth in sales during 4 quarters 2012 (restated in PLN, after consolidation eliminations) was reported by the following operations: Bulgaria (1.407%), Latvia (210%), Romania (57%), Lithuania (37%), Ukraine (34%). The subsidiary entities which generated highest revenue for the Group were apart from Romania, Lithuania and Ukraine were Croatia (19%) and Czech Republic (6%).

**The table below sets forth the financial highlights of the Inter Cars Group for Q4 2012:**

	12 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
(‘000)	PLN	PLN	Euro	Euro
<b>Statement of comprehensive income (for period)</b>				
Sales revenue	3 002 740	2 764 514	719 460	667 741
Gross profit (loss) on sales	929 222	894 635	222 643	216 090
Net financial income/(expenses)	(29 607)	(30 733)	(7 094)	(7 423)
Operating profit (loss)	149 254	160 998	35 761	38 887
Net profit (loss)	100 508	104 376	24 082	25 211
<b>Other financial data</b>				
Net cash from operating activities	66 050	54 326	15 826	13 121
Net cash used in investing activities	(49 791)	(47 788)	(11 930)	(11 543)
Net cash used in financing activities	(40 032)	19 370	(9 592)	4 679
Earnings per share	7,09	7,37	1,74	1,67
Sales margin	30,9%	32,4%		
EBITDA margin	6,1%	7,1%		
<b>Statement of financial position (as at)</b>				
Cash and cash equivalents	36 923	60 696	9 032	13 742
Balance-sheet total	1 548 794	1 540 470	378 845	350 360
Loans, borrowings and finance lease liabilities	495 383	501 015	121 174	113 434
Equity attributable to owners of the parent	757 096	668 804	185 191	151 423
Minority interest	-	(3 853)	-	(872)

**Financial Results of Inter Cars S.A., the Parent Entity**

The table below sets forth the financial highlights of Inter Cars S.A.:

	12 months ended		9 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
(‘000)	PLN	PLN	Euro	Euro
<b>Statement of comprehensive income (for period)</b>				
Sales revenue	2 598 291	2 448 872	622 554	591 501
Gross profit (loss) on sales	693 034	690 674	166 052	166 825
Net financial income/(expenses)	(5 947)	(9 706)	(1 425)	(2 344)
Operating profit (loss)	92 402	138 449	22 140	33 441
Net profit (loss)	72 508	104 339	17 373	25 202
<b>Other financial data</b>				
Net cash from operating activities	99 922	8 093	23 941	1 955
Net cash used in investing activities	(56 360)	(22 691)	(13 504)	(5 481)
Net cash used in financing activities	(48 919)	18 800	(11 721)	4 541
Earnings per share	5,12	7,36	1,23	1,78
Sales margin	26,7%	28,2%		
EBITDA margin	4,5%	6,7%		

Statement of financial position (as at)	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Cash and cash equivalents	12 790	18 147	3 129	4 109
Balance-sheet total	1 481 229	1 498 178	362 318	339 200
Loans, borrowings and finance lease liabilities	480 660	496 099	117 573	112 321
Equity attributable to owners of the parent	698 829	630 571	170 938	142 766

**Sales revenue** in the 4 quarters of 2012 was **8.4% higher** than in the corresponding period of 2011. Sales revenue for the fourth quarter 2012 was **6,1% higher** than in the corresponding period of 2011.

**Gross profit on sales** was 4.8% higher compared with Q4 2011. **Gross margin** in the fourth quarter 2012 decreased to 27,2% from 28,1% compared to corresponding period. The Company continues to grow its margin on passenger vehicle and garage equipment markets, which have a large impact on the results due to their contribution to the total revenue of the company (approx 76% of total sales).

Cumulatively for four quarters 2012 was higher by **0,3%** than in corresponding period of 2011 and gross margin decreased from 28,2% to 26,7%. However, the margin in the reporting period was impacted by foreign exchange gains and losses on translation of foreign trade receivable and payables, had the impact of translation been eliminated, gross margin would decrease by only **0,8 p.p.**

Stand alone result was decreased by negative foreign exchange differences amounting to PLN 20,9 million result from year end valuation.

**Cost of distribution services** – the share of an affiliate branch operator in the sales margin. The affiliate branch's sales margin is shared between the branch operator and Inter Cars on a 50/50 basis. The system of affiliate branches is based on the principle of entrusting the management of a distribution outlet (affiliate branch) to an external operator. Sales are effected on behalf of Inter Cars.

**Financial income and expenses** include mainly interest income and expense. Cumulative for four quarters of 2012 the Company's interest expense amounted to PLN 30 692 thousand.

**Liabilities under loans, borrowings, debt securities and finance leases** totalled PLN 480 660 thousand as at 31 December 2012.

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**13. Factors and events, especially of a non-recurring nature, with a material bearing on the financial performance; description of the company's material achievements and failures along with a list of related key events****Major events with a bearing on current and future operations**

- The consolidated EBITDA for the period of 12 months ended 30 September 2012 amounted to PLN 184 116 thousand (cumulative as operating profit plus depreciation/amortisation) and was lower by PLN 8 093 thousand compared to corresponding 2011 (PLN 192 209 thousand).
- The net debt/EBITDA amounted to **2.49**. The increase of this ratio at the end of the quarter resulted from early discount payment to suppliers
- Sales revenues of the parent entity for October 2012 were record high amounting to **PLN 257 million**, (highest ever monthly sales in the history of Inter Cars SA).
- During the period the Group opened up 26 new branches of which 21 abroad.
- On 19 October 2012 Inter Cars S.A. created a logistic company called ILS Sp. z o.o.. The objective of the company to render logistic services for the Group as well as for external parties such as spare part producers under consignment stock contracts. These activities support business objectives of Inter Cars Group, including targeted business model of hub management
- In September 2012 the new Motointegrator.pl was relaunched that is dedicated for consumers. It is the only internet site on the market which offers spare parts and accessories along with services in a chosen garage.

Motointegrator gained a new refreshed look and owing to the best practice available on the market was equipped with the best product and service presentation, in ergonomics and in information search and ease of use. This solution is ready for use for car drivers as well as for sale representatives of garages, who can easily make an appointment with any garage through internet. Motointegrator.pl thanks to the large distribution network and partnership garages is the only internet platform that can sell car batteries with respect of all security norms and ecology. This move is an element of our strategy to gain a leadership position in the internet. Motointegrator will enable us to secure growth both of our business and partnership garages in the future.

Starting from 2013 we are going to develop our internet activities in Europe. On markets where we are already present we are going to develop the Motointegrator concept as it is due to the existing network of partnership garages. In remaining countries we are going to sell spare parts through internet.

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**14. Material judgments and estimates**

The preparation of the condensed consolidated interim financial statements in conformity with the EU IFRS requires the Company's Management Board to use judgments and estimates that affect the application of accounting principles and reported amounts of assets and liabilities, income and expenses. The judgments and estimates are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised.

Information on particularly significant areas that are subject to judgment and estimates and that affect the interim financial statements did not change from the information presented in the annual financial statements as at 31 December 2011.

**15. Seasonality**

Sales revenue of the Group is characterised by limited seasonality where Q3 normally represents about 26% revenues of annual sales.

**16. Business segments**

The Inter Cars Group's structure has been shaped by the strategy of geographical expansion adopted for distribution of spare parts (Inter Cars Ukraine, 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. and Inter Cars Romania s.r.l., Smartlog-Autoteile GmbH) and development of projects supporting the Group's core business (Lauber Sp. z o.o., Feber Sp. z o.o., Q-Service Sp. z o.o., Armatus Sp. z o.o. and IC Development & Finance Sp. z o.o.) and Inter Cars Cyprus Limited and ILS Sp. z o.o..

As at 30 September 2012, the abovementioned entities were consolidated with the full method. Financial data of FRENOPLAST was consolidated with the equity method. Since 31 December 2011, the date of preparation of the most recently published Inter Cars Group's consolidated financial statements for 2012, no changes have occurred in the composition of the Group, except for the establishment of new company ILS Sp. z o.o..

The Inter Cars Group's core business consists in the sale of spare parts. Additionally, Feber, Lauber and IC Development and ILS are active in other segments, including production of semi-trailers, recovery of spare parts, property development activities and logistic services.

The Inter Cars Group applies uniform accounting policies to all its business segments. Transactions between segments are executed at arms' length, and were eliminated in these condensed consolidated interim financial statements.

## Business segments

	Sales of spare parts		Other		Eliminations		Total	
	1.01.2012- 31.12.2012	1.01.2011- 31.12.2011	1.01.2012- 31.12.2012	1.01.2011- 31.12.2011	1.01.2012- 31.12.2012	1.01.2011- 31.12.2011	1.01.2012- 31.12.2012	1.01.2011- 31.12.2011
Segment's revenues from external customers	2 941 076	2 697 964	61 664	66 550	-	-	3 002 740	2 764 514
Inter-segment revenues	477 831	437 488	85 127	25 933	(562 958)	(463 421)	-	-
Interest revenues	5 562	6 282	47	28	(3 768)	(4 782)	1 841	1 528
Interest expenses	(28 884)	(28 472)	(2 671)	(3 315)	2 664	3 318	(28 891)	(28 469)
Amortization/depreciation	(32 138)	(31 412)	(2 724)	(2 976)	-	-	(34 862)	(34 388)
<b>Profit before tax</b>	<b>81 430</b>	<b>148 927</b>	<b>28 477</b>	<b>(9 479)</b>	<b>9 740</b>	<b>(9 183)</b>	<b>119 647</b>	<b>130 265</b>
Interest in entities settled according to equity method	3 795	7 304	-	-	-	-	3 795	7 304
<b>Total assets</b>	<b>2 373 607</b>	<b>1 924 603</b>	<b>147 773</b>	<b>124 188</b>	<b>(973 686)</b>	<b>(501 321)</b>	<b>1 547 694</b>	<b>1 547 470</b>
Capital expenditure (expenses on purchase of property, plant and equipment, intangible assets and investment property)	(52 874)	(44 667)	(910)	(1 066)	-	-	(53 784)	(45 733)
<b>Total liabilities</b>	<b>1 086 045</b>	<b>1 231 540</b>	<b>90 921</b>	<b>94 379</b>	<b>(385 267)</b>	<b>(443 400)</b>	<b>791 699</b>	<b>882 519</b>

## 17. Dividends

The consolidated net profit for the financial year ended 31 December 2011, based on the resolution of shareholders was contributed to reserve funds in the amount of PLN 100.088.570, and the remaining part of the profit amounting to PLN 4.250.430 being PLN 0,30 per share was decided to be paid out as dividend. The dividend was paid out on 1 August 2012.

## 18. Liabilities under loans, borrowings and other debt instruments

### Syndicated Credit Facility Agreement

On July 29th 2009, a syndicated credit facility agreement for up to PLN 480m was signed by Inter Cars S.A. (the Borrower), Feber Sp. z o.o., IC Development & Finance Sp. z o.o., Inter Cars Ceska Republika s.r.o., Inter Cars Slovenska Republika s.r.o. (Co-Borrowers) and the following banks: Bank Polska Kasa Opieki S.A., ABN AMRO Bank (Polska) S.A., ING Bank Śląski S.A., Bank Handlowy w Warszawie S.A. and BRE Bank S.A.

On 22 November 2012 new annexes to the syndicated credit facility were signed reducing the number of bank participants of the consortium to the original number as described in above paragraph. Furthermore, the maturity date for the facility was altered in this way that the long-term portion should be repaid no later than 29 November 2013 and the short-term portion should be repaid no later than 23 November 2013, which is illustrated in the below table. The interest rate was agreed as a variable rate depending on WIBOR, EURIBOR and LIBOR rates, increased by bank margins (determined at arm's length) for each individual interest period.

Bank loans	amount as per agreement (limit)	carrying amount as at 30Sep 2012	maturity date
	PLN '000	PLN '000	
Syndicated loan	480 000	458 671	short-term portion 29.11.2013
		<b>458 671</b>	

Inter Cars has not issued any commercial bonds during the period.

## 19. Contingent Liabilities and Sureties

Contingent liabilities, granted security and unrecognised liabilities did not change materially from those described in the financial statements as at 31 December 2011.

Sureties issued by Inter Cars S.A.:

(PLN '000)	valid until	as at	
		31 Dec 2012	31 Dec 2011
For the benefit of			
Inter Cars Hungaria Kft.	2016-01-31	2 289	2 456
Lauber Sp. z o.o.	2014-01-13	197	197
Feber Sp. z o.o.	Until revoked	899	972
Inter Cars Ukraina	2013-12-27	204	-
Q-Service Sp.z o.o.	2012-12-31	1 226	1 104
Feber Sp. z o.o.	2012-12-30	-	2 650
Feber Sp. z o.o.	2012-04-14	2 000	2 182
Inter Cars Bulgaria Ltd.	2015-07-05	257	277
		<b>7 072</b>	<b>9 838</b>

## 20. The management board's standpoint regarding possibility of meeting the previously published forecasts for 2012

The Inter Cars Group did not publish any financial forecasts.

## 21. List of Shareholders Holding 5% or More of the Total Vote as at the Date of Releasing the report for publication

List of Shareholders Holding 5% or More of the Total Vote as at the Date of Releasing the report for publication is presented in the below table:

Shareholder	No. of shares	Aggregate par value	Share capital held	Total vote held
		(PLN)	(%)	(%)
Krzysztof Oleksowicz	4 482 271	8 964 542	31,64%	31,64%
Andrzej Oliszewski	1 402 370	2 804 740	9,90%	9,90%
ING OFE	1 214 728	2 429 456	8,57%	8,57%
AMPLICO OFE	903 347	1 806 694	6,38%	6,38%
AVIVA OFE	1 429 607	2 859 214	10,09%	10,09%
AXA OFE	713 916	1 427 832	5,04%	5,04%
<b>Total</b>	<b>10 146 239</b>	<b>20 292 478</b>	<b>71,61%</b>	<b>71,61%</b>

Until the date of issuing this report the Company has not received any notifications on changes of ownership of shares.

## 22. Overview of changes in the number of shares and rights to shares (options) in Inter Cars S.A. held by the company's management and supervisory staff which have occurred since the publication of the previous quarterly report.

The Company's supervisory and management staff hold in aggregate 5 927 809 shares, which confers the right to 44.19% votes in AGM of Inter Cars.

The management and supervisory staff hold no shares or other equity interests in any subsidiary entities of Inter Cars S.A..

Shareholder	No. of shares	Aggregate par value	Share capital held	Total vote held
		(PLN)	(%)	(%)
Krzysztof Oleksowicz	4 482 271	8 964 542	31,64%	31,64%
Andrzej Oliszewski	1 402 370	2 804 740	9,90%	9,90%
Robert Kierzek	29 834	59 668	0,21%	0,21%
Krzysztof Soszyński	9 834	19 668	0,07%	0,07%
Wojciech Milewski	2 500	5 000	0,02%	0,02%
Witold Kmiecik	1 000	2 000	0,01%	0,01%
	<b>5 927 809</b>	<b>11 855 618</b>	<b>41,84%</b>	<b>41,84%</b>

Changes in the ownership of the Company shares held by the management and supervisory staff after the release of the previous quarterly report:

Shareholders	Number of share as of 23.08.2012	Increase	Decrease	Number of shares as of 14.11.2012
Krzysztof Oleksowicz	4 682 271	-	200 000	4 482 271
Andrzej Oliszewski	1 432 370	-	30 000	1 402 370
Robert Kierzek	39 834	-	10 000	29 834
Krzysztof Soszyński	39 834	-	30 000	9 834
Wojciech Milewski	32 500	-	30 000	2 500
Piotr Kraska	32 500	-	32 500	-
Witold Kmiecik	1 000	-	-	1 000
<b>Total</b>	<b>6 260 309</b>	<b>-</b>	<b>332 500</b>	<b>5 927 809</b>

The disposal of the part of shares of above mentioned Board Members results from the realisation of motivation program for the management organized in 2006.

As of 31 December 2012 Mr Piotr Kraska resigned from the Board and the function of Financial Director of Inter Cars S.A..

### 23. Information on Court, Arbitration and Administrative Proceedings

In the reporting period, no proceedings had been brought before any court or administrative body with respect to any liabilities or claims of Inter Cars S.A. or its subsidiary entities whose aggregate value would represent 10% or more of the Company's equity.

Moreover, no proceedings are pending before any court or administrative body with respect to any liabilities or claims of Inter Cars S.A. or its subsidiary entities whose aggregate value would represent 10% or more of the Company's equity.

### 24. Related-party Transaction

(PLN)	1.01.2012-31.12.2012	1.01.2011-31.12.2011
<i>Remuneration of the members of the Supervisory and Management Boards</i>		
Remuneration of the Supervisory Board members	221	203
Remuneration of the Management Board members	5 482	2 706
	<b>5 703</b>	<b>2 909</b>
<i>Related-party transactions</i>		
Revenue on sales to related parties	1 621	1 970
Goods and services purchased from related parties	10 797	11 363
	<b>31.12.2012</b>	<b>31.12.2011</b>
<i>Balance of settlements with related parties</i>		
Receivables from related parties	588	139
Liabilities to related parties	336	15

In the category *Goods and services purchased from related parties* over 80% consist of the standard distribution fee settled according to the same binding rules for all branches. The disclosure was made due to the familial relationship of one of branch directors with one of the board members of Inter Cars S.A..



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**25. Other information which the company deems relevant for the assessment of its personnel, assets, financial position, and its net profit (loss), as well as their changes, and for the assessment of the issuer's ability to perform its obligations**

On 30 October 2012 Mr Piotr Kraska, the financial director resigned effective 31 December 2012 which was reported in the current report no 34/2012.

On 2 January 2013 Mr Piotr Zamora was nominated to the position of the financial director of Inter Cars S.A. replacing Mr Piotr Kraska.

**26. Events subsequent to the balance-sheet date with a potential material bearing on the company's future financial results**

None

**27. Information on material transactions concluded by the issuer with related entities on terms other than at arm's length along with their amounts and information determining the nature of the transactions.**

All transactions with related entities are entered into on arm's length terms.

**28. Factors which in the company's opinion will affect its results in a period covering at least the next quarter**

The most important factors which according to the Management Board will affect the financial results in Q1 2013 include:

- ✓ *trends in the foreign exchange markets, related mainly to the exchange rates of EUR, USD and YEN against PLN, UAH, HUF, CZK, SKK, LTL, HRK and RON;*
- ✓ *trends in the demand from export customers, which is dependent mainly on the political and legal situation in Ukraine;*
- ✓ *changes in the interest rates, which will determine the amount of interest on contracted loans and thus will affect the amount of financial costs;*
- ✓ *planned improvement in the stock turnover, which should reduce the amount of financial costs by lowering the requirement for inventory financing;*
- ✓ *optimisation of logistics processes related to cost reductions;*
- ✓ *enhanced awareness of the Inter Cars brand and new customers, which will contribute to the development of the operating activities.*

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**PART III**

**QUARTERLY STANDALONE FINANCIAL STATEMENTS FOR FOUR QUARTERS OF 2012**

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## 29. Statement of Financial Position

<i>(PLN '000')</i>	<b>31.12.2012</b> <i>(not audited)</i>	<b>31.12.2011</b> <i>(audited)</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	164 407	146 276
Investment property	134 904	136 786
Intangible assets	2 121	2 019
Investments in related entities	111 699	57 236
Assets held for sale	258	-
Receivables	23 313	40 618
Deferred tax asset	-	-
	<b>436 702</b>	<b>382 935</b>
<b>Current assets</b>		
Inventory	581 497	558 229
Trade and other receivables	450 240	538 867
Cash and cash equivalents	12 790	18 147
	<b>1 044 527</b>	<b>1 115 243</b>
<b>TOTAL ASSETS</b>	<b>1 481 229</b>	<b>1 498 178</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	28 336	28 336
Share premium account	259 530	259 530
Statutory reserve funds	332 196	232 108
Other capital reserves	5 935	5 935
Retained earnings and current year profit	72 832	104 662
	<b>698 829</b>	<b>630 571</b>
<b>Non-current liabilities</b>		
Long-term loans, borrowings and finance lease liabilities	21 286	237 006
Provision for deferred tax	3 418	3 418
	<b>24 704</b>	<b>240 424</b>
<b>Current liabilities</b>		
Trade and other payables	296 473	356 262
Short-term loans, borrowings, debt securities and finance lease liabilities	459 374	259 093
Employee benefits	687	3 150
Income tax expense	1 162	8 678
	<b>757 696</b>	<b>627 183</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 481 229</b>	<b>1 498 178</b>

### 30. Statement of Comprehensive Income

(PLN '000')

	<b>3 months Ended</b>		<b>12 months ended</b>	
	<b>31.12.2012</b>	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Sales revenue	688 812	635 423	2 598 291	2 448 872
Cost of sales	(501 648)	(456 762)	(1 905 257)	(1 758 198)
<b>Gross profit on sales</b>	<b>187 164</b>	<b>178 661</b>	<b>693 034</b>	<b>690 674</b>
Other operating income	4 781	(5 926)	7 264	3 732
Selling costs, general and administrative expenses	(94 798)	(74 860)	(332 638)	(289 787)
Cost of distribution services	(59 679)	(65 571)	(242 752)	(251 961)
Licence fees	(23 400)	-	(23 400)	-
Other operating expenses	(398)	2 940	(9 106)	(14 209)
<b>Operating profit</b>	<b>13 670</b>	<b>35 244</b>	<b>78 732</b>	<b>103 205</b>
Financial income	1 154	1 463	25 154	21 139
Foreign exchange gains/(losses)	5 378	124	(411)	109
Financial expenses	(7 456)	(7 823)	(30 690)	(30 954)
<b>Profit before tax</b>	<b>12 746</b>	<b>29 008</b>	<b>86 455</b>	<b>128 743</b>
Corporate income tax	(3 487)	(4 641)	(13 947)	(24 404)
<b>Net profit</b>	<b>9 259</b>	<b>24 367</b>	<b>72 508</b>	<b>104 339</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Revaluation of hedging instruments	-	-	-	-
<b>Total other comprehensive income, net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>COMPREHENSIVE INCOME</b>	<b>12 247</b>	<b>29 601</b>	<b>63 249</b>	<b>79 972</b>
<b>Net profit</b>	<b>12 247</b>	<b>29 601</b>	<b>63 249</b>	<b>79 972</b>
<b>Weighted-average number of ordinary shares</b>	<b>14 168 100</b>	<b>14 168 100</b>	<b>14 168 100</b>	<b>14 168 100</b>
<b>Earnings per ordinary share (PLN)</b>	<b>0,86</b>	<b>2,09</b>	<b>4,46</b>	<b>5,64</b>
<b>Weighted-average diluted number of ordinary shares</b>	<b>14 168 100</b>	<b>14 168 100</b>	<b>14 168 100</b>	<b>14 168 100</b>
<b>Diluted earnings per ordinary share (PLN)</b>	<b>0,86</b>	<b>2,09</b>	<b>4,46</b>	<b>5,64</b>

### 31. Statement of Changes in Equity

for the period from 1 January 2012 to 31 December 2012

(PLN '000)	Share capital	Share premium account	Statutory reserve capital	Other reserve capital	Retained profit and current year profit	Total
<b>As at 1 January 2012</b>	<b>28 336</b>	<b>259 530</b>	<b>232 108</b>	<b>5 935</b>	<b>104 662</b>	<b>630 571</b>
<b>Statement of comprehensive Income</b>						
Profit for period	-	-	-	-	72 508	72 508
<b>Other comprehensive Income</b>						
Valuation of hedging instrument	-	-	-	-	-	-
<b>Comprehensive income, total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72 508</b>	<b>72 508</b>
<b>Transactions with owners</b>						
Distribution of retained earnings – transfer to statutory reserve funds	-	-	100 088	-	(100 088)	-
Dividend	-	-	-	-	(4 250)	(4 250)
<b>As at 31 December 2012</b>	<b>28 336</b>	<b>259 530</b>	<b>332 196</b>	<b>5 935</b>	<b>72 832</b>	<b>689 829</b>

for the period from 1 January 2011 to 31 December 2011

(PLN '000)	Share capital	Share premium account	Statutory reserve capital	Other reserve capital	Retained profit and current year profit	Total
<b>As at 1 January 2011</b>	<b>28 336</b>	<b>259 530</b>	<b>186 104</b>	<b>4 835</b>	<b>46 327</b>	<b>525 132</b>
<b>Statement of comprehensive Income</b>						
Profit for period	-	-	-	-	104 339	<b>104 339</b>
<b>Other comprehensive Income</b>						
Valuation of hedging instrument	-	-	-	1 100	-	<b>1 100</b>
<b>Comprehensive income, total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 100</b>	<b>104 339</b>	<b>105 439</b>
<b>Transactions with owners</b>						
Distribution of retained earnings – transfer to statutory reserve funds	-	-	46 004	-	(46 004)	-
<b>As at 31 December 2011</b>	<b>28 336</b>	<b>259 530</b>	<b>232 108</b>	<b>5 935</b>	<b>104 662</b>	<b>630 571</b>

## 32. Statement of Cash Flows

(PLN '000')

	1.01.2012- 31.12.2012	1.01.2011 – 31.12.2011
<b>Cash flows from operating activities</b>		
Profit (loss) before tax	86 455	128 743
Adjustments, including:		
Depreciation and amortisation	24 423	26 140
Foreign exchange (gains)/losses	(315)	(254)
(Gain)/loss on disposal of property, plant and equipment	(3 227)	(732)
Net interest	22 697	21 169
Profit from revaluation	(102)	749
Dividends	(20 056)	-
Other adjustments, net	(1 008)	-
Operating profit before changes in working capital	<u>108 867</u>	<u>175 815</u>
Change in inventories	(23 396)	(80 362)
Change in receivables	95 077	(134 680)
Change in current liabilities	(59 164)	68 763
Cash generated by operating activities	<u>121 384</u>	<u>29 536</u>
Corporate income tax paid	(21 462)	(21 443)
<b>Net cash from operating activities</b>	<u>99 922</u>	<u>8 093</u>
<b>Cash flows from investing activities</b>		
Sale of property, plant and equipment and intangible assets	4 524	1 846
Acquisition of property, plant and equipment and intangible assets	(41 669)	(30 787)
Acquisition of shares in subordinated entities	3 100	(13 743)
Repayment of loans advanced	24 033	25 578
Loans advanced	(8 847)	(6 205)
Interest received	1 279	620
Acquisition of financial assets in related parties	(58 326)	-
Dividends received	20 056	-
Other	(510)	-
<b>Net cash used in investing activities</b>	<u>(56 360)</u>	<u>(22 691)</u>
<b>Cash flows from financing activities</b>		
Repayments/proceeds from issue of debt securities	-	80 655
Finance lease payments	(4 172)	(5 588)
Repayment of debt instruments	-	(30 000)
Repayments/proceeds from loans and borrowings	(12 168)	-
Interest paid	(28 329)	(26 267)
Dividend paid	(4 250)	-
<b>Net cash used in financing activities</b>	<u>(48 919)</u>	<u>18 800</u>
<b>Net change in cash and cash equivalents</b>	<u>5 357</u>	<u>4 202</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>18 147</u>	<u>13 945</u>
<b>Cash and cash equivalents at end of period</b>	<u>12 790</u>	<u>18 147</u>

### Accounting principles

The accounting policies applied by Inter Cars S.A. are the same as those applied by the Group, except that shares in subsidiary entities are measured at historical cost less valuation allowances.

### 33. Investment in related parties

<b>Investment in related parties as at 31.12.2011</b>	<b>57 236</b>
Sales of share in Polmozbyt S.A.	(3 508)
Contribution to Inter Cars Marketing Services Sp. z o.o.	6 070
Share capital increase in Inter Cars Ukraina	29 942
Repurchase of minority interest Inter Cars Ukraina	1 805
Reserve capital increase Inter Cars d.o.o.	9 575
Reserve capital increase w Inter Cars Hungaria Kft.	10 451
Purchase of Soares in ILS Sp. z o.o.	5
Purchase of share of Cleverlog Autoteile GMBH	10
Decrease of provision for shares	113
<b>Investment in related parties as at 31.12.2012</b>	<b>111 669</b>

### 34. Related-Party Transactions in the Condensed Standalone Financial Statements

	<b>1.01.2012- 31.12.2012</b>	<b>1.01.2011- 31.12.2011</b>
<i>sales revenue</i>		
Inter Cars Ukraina	23 850	26 484
Q-Service Sp. z o.o.	5 282	5 285
Lauber Sp. z o.o.	6 125	4 336
Inter Cars Ceska Republika	55 866	50 894
Inter Cars Slovenska Republika	59 032	54 621
Feber Sp. z o.o.	718	788
Inter Cars Litwa	82 045	60 939
IC Development & Finance Sp. z o.o.	-	1
JC Auto s.r.l.	7 855	7 172
Inter Cars d.o.o.	21 183	23 667
JC Auto S.A.	1	3
Inter Cars Hungária Kft.	11 572	13 920
Inter Cars Romania s.r.l.	72 552	61 365
Armatus sp. z o.o.	107	221
Inter Cars Latvija SIA	14 848	4 783
Cleverlog-Autoteile GmbH	119	9
Inter Cars Bulgaria Ltd.	2 175	51
Inter Cars Marketing Services Sp. z o.o.	427	-
	<b>363 757</b>	<b>314 539</b>
<i>purchase of goods and services</i>		
Q-Service Sp. z o.o.	58 852	73 990
Lauber Sp. z o.o.	25 618	21 431
Inter Cars Ceska Republika	7 569	7 940
Inter Cars Slovenska Republika	1 964	335
Feber Sp. z o.o.	24 447	3 250
Inter Cars Litwa	7 900	8 547
IC Development & Finance Sp. z o.o.	1 201	1 388
JC Auto s.r.l.	4 271	63
Inter Cars d.o.o.	2 287	319
JC Auto S.A.	3 610	2 675
Inter Cars Romania s.r.l.	8 191	11 219
Inter Cars Hungária Kft.	1 762	996
Inter Cars Cyprus Ltd	1 347	5 668
Inter Cars Latvija SIA	125	24
Inter Cars Marketing Services Sp. z o.o.	17 225	-
Inter Cars Bulgaria Ltd.	3	-
	<b>166 372</b>	<b>137 845</b>



## Related-Party Transactions in the Condensed Standalone Financial Statements (continued)

	31.12.2012	31.12.2011
<i>Receivables</i>		
Inter Cars Ukraine LLC	13 817	51 942
Q-service Sp. z o.o.	4 915	-
Lauber Sp. z o.o.	2 177	113
Inter Cars Ceska Republika	17 416	54 316
Inter Cars Slovenska Republika	4 870	4 177
Feber Sp. z o.o.	5 299	6 740
Inter Cars Lietuva UAB	14 256	15 596
JC Auto s.r.l.	7 624	10 426
Inter Cars d.o.o.	34 621	47 561
JC Auto S.A.	1 891	2 042
INTER CARS Hungária Kft.	19 996	34 083
JC Auto s.r.o.	3 952	7 543
Inter Cars Romania s.r.l.	64 292	54 832
Armatus sp. z o.o.	77	100
Inter Cars Latvija SIA	4 055	1 828
Inter Cars Cyprus Ltd.	-	944
Cleverlog-Autoteile GmbH	51	2
Inter Cars Bulgaria Ltd.	2 183	84
Inter Cars Marketing Services Sp. z o.o.	512	-
<b>Receivables gross</b>	<b>202 004</b>	<b>292 329</b>
Impairment provision for (JC Auto s.r.o.)	<b>(3 951)</b>	<b>(3 839)</b>
<b>Receivables net</b>	<b>198 053</b>	<b>288 490</b>
<i>payables</i>		
Inter Cars Ukraine LLC	-	1
Q-Service Sp. z o.o.	46 911	38 105
Lauber Sp. z o.o.	2 407	1 370
Inter Cars Ceska Republika	850	7 294
Inter Cars Slovenska Republika	267	37
Feber Sp. z o.o.	1 360	41
Inter Cars Lietuva UAB	179	892
IC Development & Finance Sp. z o.o.	467	83
JC Auto s.r.l.	-	96
Inter Cars d.o.o.	110	546
JC Auto S.A.	1 796	67
INTER CARS Hungária Kft.	42	1 386
Inter Cars Romania s.r.l.	671	2 036
5 Sterne Fahrwerkstechnik GmbH	-	95
JC Auto s.r.o.	-	3 273
Inter Cars Latvija SIA	4	1
Inter Cars Cyprus Ltd.	3 110	3 871
Inter Cars Bulgaria Ltd.	3	-
Inter Cars Marketing Services Sp. z o.o.	12 360	-
	<b>70 537</b>	<b>59 194</b>

	<u>30.12.2012</u>	<u>31.12.2011</u>
<b>Loans advanced</b>		
<i>Receivables from related companies</i>		
Feber Sp. z o.o.	23 415	21 791
IC Development & Finance Sp. z o.o.	27 124	44 039
Lauber Sp. z o.o.	6 787	6 864
Inter Cars Romania s.r.l.	-	16
SMiOC Frenoplast Buřhak i Cieřlawski S.A.	3 000	1 370
Inter Cars Bulgaria Ltd.	1 002	1 024
	<u><b>61 328</b></u>	<u><b>75 104</b></u>
 <i>Payables to related companies</i>		
Armatus Sp. z o.o.	469	733
	<u><b>469</b></u>	<u><b>733</b></u>