

**CAPITAL GROUP OF  
INTER CARS**

*Quarterly report including interim consolidated  
report on the activities of the Inter Cars S.A. Capital Group  
for the period of 3 months ended on  
30 September 2016*



Selected consolidated financial data of the Inter Cars Group .....	3
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE INTER CARS GROUP .....	4
Interim Consolidated statement of the financial situation .....	4
Interim consolidated statement of comprehensive income.....	5
Interim consolidated statement of changes in equity .....	6
Interim consolidated statement of cash flows.....	8
Explanatory notes to the interim condensed financial statements for the period of 3 months ended on 30 September 2016 .....	9
I. Information about the Inter Cars Capital Group .....	9
II. Composition of the Capital Group .....	10
III. Declaration of compliance with IFRS .....	12
IV. Basis for preparing the condensed interim consolidated financial statements .....	12
V. Changes to the accounting principles .....	12
VI. Foreign Exchange rates applied to calculate the figures for 3 quarter of 2016 .....	12
OTHER INFORMATION ON THE ACTIVITIES OF THE INTER CARS CAPITAL GROUP .....	14
1. Summary of activities and consolidated and separate financial results for three quarters 2016 .....	14
2. Factors and events of a non-recurring nature having a material bearing on the financial result, and a description of the Company's material achievements and failures along with a list of related key events .....	17
3. Material evaluations and estimates.....	17
4. Seasonality .....	17
5. Information on business segments .....	17
6. Dividend.....	18
7. Liabilities due to borrowings and other debt instruments .....	18
8. Contingent liabilities and sureties.....	20
9. The Management Board's standpoint on the feasibility of meeting the previously published forecasts of financial results for 2016 .....	20
10. The list of shareholders holding at least 5% of the total number of the votes as at the date of release of these statements.....	21
11. Changes in the number of shares and rights to shares (options) in Inter Cars S.A. held by the Company's management and supervisory personnel since the publication of the most recent quarterly report. ....	21
12. Information on court, arbitration and administrative proceedings.....	22
13. Transactions with related entities.....	22
14. Other information which the Company deems relevant for the assessment of its personnel, assets, financial position and financial result or changes in any of the foregoing, and for the assessment of the Company's ability to perform its obligations .....	22
15. Events subsequent to the balance sheet day as at which the report was prepared which may have a material bearing on the Company's future financial results.....	22
16. Information on material transactions with related entities concluded on terms other than at arm's length, including information on their amounts and nature.....	23
17. Factors which in the Company's opinion will affect its financial results in the period covering at least the next quarter.....	23
Separate statement of financial position .....	24
Separate statement of comprehensive income .....	25
Separate statement of cash flows .....	27
1. Accounting principles .....	27
2. Investments in subordinated entities.....	28
3. Transactions with related entities in the condensed standalone financial statements.....	28

## Selected consolidated financial data of the Inter Cars Group

	<i>for the period of 9 months ended on 30 September</i>			
	2016	2015	2016	2015
	in thousand PLN	in thousand PLN	EUR '000	EUR '000
<b>Information on growth and profits</b>				
Sales margin	30,5%	30.6%		
EBITDA	272 494	227,870	62 373	54,796
EBITDA as percentage of sales	6,3%	6.6%		
EBITDA (for 12 consecutive months)	295 722	287,131	67 690	69,047
Net debt / EBITDA	2,84	2.38		
Basic earnings per share (PLN)	12,81	10.46	2,93	2.5
Diluted earnings per share (PLN)	12,81	10.46	2,93	2.5
Operating profit	234 043	188,921	53 571	45,430
<b>Net profit</b>	<b>181 457</b>	<b>148,265</b>	<b>41 535</b>	<b>35,653</b>
<b>Cash flows</b>				
Operating cash flows	216 950	48,129	49 659	11,574
Investing cash flows	(91 877)	(102,692)	(21 030)	(24,694)
Financing cash flows	(91 196)	50,700	(20 874)	12,192
<b>Employment and branches</b>				
Employees				
Parent company	376	356		
Subsidiaries	1,719	1,555		
Branches				
Parent company	215	178		
Subsidiaries	222	184		
<b>total</b>	<b>437</b>	<b>362</b>		
<b>Consolidated statement of the financial situation</b>				
	<b>As at</b>		<b>As at</b>	
	<b>30/09/2016</b>	<b>31/12/2015</b>	<b>30/09/2016</b>	<b>31/12/2015</b>
	in thousand PLN	in thousand PLN	EUR '000	EUR '000
Cash and cash equivalents	106 894	73,016	24 790	17,134
Balance sheet total	3 060 802	2,506,364	709 833	588,141
Loans, borrowings and finance lease	946 064	804,645	219 403	188,817
Equity attributable to the shareholders of the parent entity	946 064	1,205,878	318 952	282,970

The following exchange rates were applied to calculate selected financial data in EUR:

- for balance sheet items – the National Bank of Poland exchange rate of 30 September 2016 – 1 EUR = PLN 4.3120, and the National Bank of Poland exchange rate of 31 December 2015 – 1 EUR = PLN 4.2615
- for the profit and loss account and cash flow items – the National Bank of Poland Exchange rate constituting the average National Bank of Poland exchange rate announced on the last day of each month of the 3 quarters of 2016 and 2015: 1 EUR = PLN 4.3688 and 1 EUR = PLN 4.1585 PLN.

## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE INTER CARS GROUP

### Interim Consolidated statement of the financial situation

(in thousand PLN)

	<u>30/09/2016</u> (not audited)	<u>31/12/2015</u> (audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	455,106	392,802
Investment property	24,685	24,685
Intangible assets	149,006	152,070
Investments in related entities	810	810
Investments available for sales	301	301
Receivables	16,365	15,467
Deferred tax assets	61,669	56,806
	<b><u>707,942</u></b>	<b><u>642,941</u></b>
<b>Current assets</b>		
Inventory	1,585,079	1,251,716
Trade and other receivables	658,839	528,446
Corporate income tax receivables	2,048	10,245
Cash and cash equivalents	106,894	73,016
	<b><u>2,352,860</u></b>	<b><u>1,863,423</u></b>
<b>TOTAL ASSETS</b>	<b><u>3,060,802</u></b>	<b><u>2,506,364</u></b>
<b>LIABILITIES</b>		
Share capital	28,336	28,336
Share premium account	259,530	259,530
Statutory reserve funds	730,998	645,998
Other capital reserves	5,935	5,935
Foreign exchange gains /losses	(12,166)	(10,213)
Retained earnings	362,690	276,292
<b>Total equity</b>	<b><u>1,375,323</u></b>	<b><u>1,205,878</u></b>
<b>Long-term liabilities</b>		
Loan, borrowing and finance lease liabilities	428,043	427,478
Other long-term liabilities	8,196	8,529
Provisions for deferred income tax	35,812	33,047
	<b><u>472,051</u></b>	<b><u>469,054</u></b>
<b>Short-term liabilities</b>		
Trade and other liabilities	667,971	439,137
Loan, borrowing and finance lease liabilities	451,628	314,000
Liabilities of the reverse factoring	66,393	63,167
Employee benefits	15,917	6,718
Income tax liabilities	11,519	8,410
	<b><u>1,213,428</u></b>	<b><u>831,432</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>3,060,802</u></b>	<b><u>2,506,364</u></b>

## Interim consolidated statement of comprehensive income

<i>(in thousand PLN)</i>	for the period of 3 months ended on		for the period of 9 months ended on	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
<b>Continued activity</b>				
Sales revenues	1,492,061	1,260,225	4,353,694	3,440,271
Cost of sales	(1,033,529)	(868,908)	(3,026,474)	(2,387,222)
<b>Gross profit on sales</b>	<b>458,532</b>	<b>391,317</b>	<b>1,327,220</b>	<b>1,053,049</b>
Other operating income	654	294	10,295	1,718
Costs of sales and administrative costs	(196,963)	(178,702)	(594,983)	(485,373)
Distribution expenses	(171,376)	(136,273)	(480,930)	(369,325)
Other operating expenses	(5,194)	(2,393)	(27,558)	(11,148)
<b>Operating profit</b>	<b>85,653</b>	<b>74,243</b>	<b>234,043</b>	<b>188,921</b>
Financial income	769	506	2,863	1,673
Foreign exchange gains/losses	759	(356)	459	(790)
Financial expenses	(6,142)	(5,217)	(20,448)	(17,343)
<b>Profit before tax</b>	<b>81,039</b>	<b>69,176</b>	<b>216,917</b>	<b>172,461</b>
Income tax	(13,522)	(9,107)	(35,460)	(24,196)
<b>Net profit</b>	<b>67,517</b>	<b>60,069</b>	<b>181,457</b>	<b>148,265</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Foreign exchange gains /losses	(5,116)	1,479	(1,953)	(2,964)
Total other comprehensive income, net	<b>(5,116)</b>	<b>1,479</b>	<b>(1,953)</b>	<b>(2,964)</b>
<b>COMPREHENSIVE INCOME</b>	<b>62,401</b>	<b>61,548</b>	<b>179,504</b>	<b>145,301</b>
<b>Net profit attributable to:</b>				
- the shareholders of the parent entity	67,517	60,069	181,457	148,265
- minority interests	-	-	-	-
	<b>67,517</b>	<b>60,069</b>	<b>181,457</b>	<b>148,265</b>
<b>Comprehensive income attributable to:</b>				
- the shareholders of the parent entity	62,401	61,548	179,504	145,301
- minority interests	-	-	-	-
	<b>62,401</b>	<b>61,548</b>	<b>179,504</b>	<b>145,301</b>
Net profit	67,517	60,069	181,457	148,265
Weighted-average number of ordinary shares	14,168,100	14,168,100	14,168,100	14,168,100
Earnings per ordinary share (in PLN)	4.77	4.24	12.81	10.46
Weighted-average diluted number of ordinary shares	14,168,100	14,168,100	14,168,100	14,168,100
Diluted earnings per ordinary share (in PLN)	4.77	4.24	12.81	10.46

## Interim consolidated statement of changes in equity

for the period from 01 January 2016 to 30 September 2016 (not audited)

<i>(in thousand PLN)</i>	Share capital	Share premium account	Statutory reserve funds	Foreign exchange gains /losses	Other capital reserves	Retained earnings	Equity attributable to the shareholders of the parent entity	Non-controlling interest	Total equity
<b>As at 01 January 2016</b>	<b>28,336</b>	<b>259,530</b>	<b>645,998</b>	<b>(10,213)</b>	<b>5,935</b>	<b>276,292</b>	<b>1,205,878</b>	-	<b>1,205,878</b>
<b>Statement of comprehensive income</b>									
Net profit in the reporting period	-	-	-	-	-	181,457	181,457	-	181,457
<b>Other comprehensive income</b>									
Foreign exchange gains /losses	-	-	-	(1,953)	-	-	(1,953)	-	(1,953)
<b>Total comprehensive income</b>	-	-	-	<b>(1,953)</b>	-	<b>181,457</b>	<b>179,504</b>	-	<b>179,504</b>
<b>Transactions with shareholders</b>									
Distribution of prior period profit – dividend	-	-	-	-	-	(10,059)	(10,059)	-	(10,059)
Distribution of prior period profit - allocation to reserve capitals	-	-	85,000	-	-	(85,000)	-	-	-
<b>As at 30 September 2016 (not audited)</b>	<b>28,336</b>	<b>259,530</b>	<b>730,998</b>	<b>(12,166)</b>	<b>5,935</b>	<b>362,690</b>	<b>1,375,323</b>	-	<b>1,375,323</b>

for the period from 01 January 2015 to 30 September 2015 (not audited)

<i>(in thousand PLN)</i>	Share capital	Share premium account	Statutory reserve funds	Foreign exchange gains /losses	Other capital reserves	Retained earnings	Equity attributable to the shareholders of the parent entity	Non-controlling interest	Total equity
<b>As at 01 January 2015</b>	<b>28,336</b>	<b>259,530</b>	<b>560,214</b>	<b>(6,076)</b>	<b>5,935</b>	<b>221,109</b>	<b>1,069,048</b>	-	<b>1,069,048</b>
<b>Statement of comprehensive income</b>									
Net profit in the reporting period	-	-	-	-	-	148,265	148,265	-	148,265
<b>Other comprehensive income</b>									
Foreign exchange gains /losses	-	-	-	(2,964)	-	-	(2,964)	-	(2,964)
<b>Total comprehensive income</b>	-	-	-	<b>(2,964)</b>	-	<b>148,295</b>	<b>145,301</b>	-	<b>145,301</b>
<b>Transactions with shareholders</b>									
Distribution of prior period profit – dividend	-	-	-	-	-	(10,059)	(10,059)	-	(10,059)
Distribution of prior period profit - covering loss from reserve capitals	-	-	(3,877)	-	-	3,877	-	-	-
Distribution of prior period profit - allocation to reserve capitals	-	-	89,661	-	-	(89,661)	-	-	-
<b>As at 30 September 2015 (not audited)</b>	<b>28,336</b>	<b>259,530</b>	<b>645,998</b>	<b>(9,040)</b>	<b>5,935</b>	<b>273,531</b>	<b>1,204,290</b>	-	<b>1,204,290</b>

## Interim consolidated statement of cash flows

(in thousand PLN)

	<b>01/01/2016 30/09/2016</b>	<b>01/01/2015 30/09/2015</b>
<b>Cash flows from operating activities</b>		
Profit before tax	216,917	172,461
Adjustments:		
Depreciation and amortization	38,451	38,949
Foreign exchange gains /losses	459	77
(Profit) /loss on the sale of property, plant and equipment	(1,087)	(613)
Net interest	19,756	18,052
Other adjustments, net	(2,427)	(2,906)
Operating profit before changes in the working capital	<b>272,024</b>	<b>226,020</b>
Change in inventories	(333,363)	(324,274)
Change in receivables	(137,051)	(121,497)
Change in short-term liabilities	440,236	291,210
Cash generated by operating activities	<b>241,846</b>	<b>71,459</b>
Corporate income tax paid	(24,896)	(23,330)
<b>Net cash from operating activities</b>	<b>216,950</b>	<b>48,129</b>
<b>Cash flow from investing activities</b>		
Proceeds from the sale of intangible assets, investment property, property, plant and equipment	1,599	2,965
Acquisition of intangible assets, investment property, and property, plant and equipment	(96,786)	(106,321)
Repayment of loans granted	4,173	3,840
Loans granted	(1,088)	(3,472)
Interest received	225	296
<b>Net cash from investing activities</b>	<b>(91,877)</b>	<b>(102,692)</b>
<b>Cash flow from financing activities</b>		
(repayments) / proceeds from loans and lease	120,591	128,698
Payment of finance lease liabilities	(19,637)	(10,991)
Interest paid	(18,874)	(17,185)
Dividend paid	(10,059)	(10,059)
Payment of the reverse factoring	(163,217)	(39,763)
<b>Net cash from financing activities</b>	<b>(91,196)</b>	<b>50,700</b>
<b>Net change in cash and cash equivalents</b>	<b>33,878</b>	<b>(3,863)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>73,016</b>	<b>65,829</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>106,894</b>	<b>61,966</b>



---

**Explanatory notes to the interim condensed financial statements for the period of 3 months ended on 30 September 2016**

**I. Information about the Inter Cars Capital Group**

**Scope of activities**

The principal activities of Grupa Kapitałowa Inter Cars Spółka Akcyjna (hereinafter referred to as "the Group," "the Inter Cars Capital Group," the Inter Cars Group") are import and distribution of spare parts for passenger cars and commercial vehicles. The parent company in the Group is Inter Cars S.A. Company ("the Company", "the parent entity").

**Registered seat– the parent entity**

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

*Central Warehouse:*

ul. Gdańska 15  
05-152 Czosnów nearby/Warsaw

**Contact details**

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

**Supervisory Board**

Andrzej Oliszewski, President  
Piotr Płoszajski  
Tomasz Rusak  
Michał Marczak  
Jacek Klimczak

**Management Board (as at the date of approval of the financial statements)**

Robert Kierzek, President  
Krzysztof Soszyński, Vice-President  
Krzysztof Oleksowicz  
Maciej Oleksowicz  
Wojciech Twaróg  
Piotr Zamora  
Tomáš Kaštil

On the day of 20 June 2016 the Supervisory Board of the Company decided to appoint Mr Maciej Oleksowicz as a Member of the Management Board of the Company as of 1 July 2016. Mr Maciej Oleksowicz replaced Mr Witold Kmieciak in the same position, who was the Member of the Management Board till 30 June 2016.

On the day of 26 September 2016 two new Members of the Board were appointed: Mr Tomáš Kaštil and Mr Piotr Zamora. Moreover, the Supervisory Board of the Company took a decision that the Board of Managers shall be composed of seven persons.

### Statutory auditor

PricewaterhouseCoopers Sp. z o.o.  
Al. Armii Ludowej 14,  
00-638 Warsaw

## II. Composition of the Capital Group

The parent company, Inter Cars S.A. ("the Company") is registered in Poland. The interim consolidated financial statements for the period ended on 30 September 2016 contain information about the Company, its subsidiaries referred to as the Inter Cars Capital Group ("the Group"), and about the Group's share in related entities.

The consolidated financial statements of the Inter Cars Capital Group for the period ended on 31 December 2015 are available at [www.intercars.eu](http://www.intercars.eu).

As at 30 September 2016, the following entities comprised the Inter Cars Capital Group: Inter Cars S.A. as the Parent Entity, and 30 other entities, including:

- 26 subsidiaries of Inter Cars S.A.
- 2 indirect subsidiaries of Inter Cars S.A.

Furthermore, on 4 November 2016, has been registered subsidiary of the Company, seated in Piraeus, Greece, in which the Company holds 100% of the shares.

The Group also holds shares in two related entities.

Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				30/09/2016	30/09/2015
<b>Parent company</b>					
Inter Cars S.A.	Warsaw	Import and distribution of spare parts for passenger cars and commercial vehicles	full	Not applicable	Not applicable
<b>Direct subsidiaries</b>					
Inter Cars Ukraine	Ukraine, Khmelnytsky	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Q-service Sp. z o.o.	Częstków Mazowiecki	Advisory services, organization of trainings and seminars related to automotive services and the automotive market	full	100%	100%
Lauber Sp. z o.o.	Ślupsk	Remanufacturing of car parts	full	100%	100%
Inter Cars Česká republika s.r.o.	Czech Republic, Prague	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Feber Sp. z o.o.	Warsaw	Manufacture of motor vehicles, trailers and semi-trailers	full	100%	100%
IC Development & Finance Sp. z o.o.	Warsaw	Real estate development and lease	full	100%	100%
Armatus sp. z o.o.	Warsaw	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Slovenská republika s.r.o.	Slovakia, Bratislava	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%

Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				30/09/2016	30/09/2015
Inter Cars Lietuva UAB	Lithuania, Vilnius	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
JC Auto s.r.o.	Czech Republic, Karvina-Darkom	The Company does not carry out operating activities	full	100%	100%
JC Auto S.A.	Belgium, BrainL'Allued	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Hungária Kft	Hungary, Budapest	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Italia s.r.l	Italy, Milan	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars d.o.o.	Croatia, Zapresic	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Romania s.r.l.	Romania, Cluj-Napoca	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Cyprus Limited	Cyprus, Nicosia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Latvija SIA	Latvia, Riga	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Cleverlog-Autoteile GmbH	Germany, Berlin	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Bulgaria Ltd.	Bulgaria, Sofia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Marketing Services Sp. z o.o.	Warsaw	Advertising, market and public opinion research	full	100%	100%
ILS Sp. z o.o.	Nadarzyn	Logistics services	full	100%	100%
Inter Cars Malta Holding Limited	Malta	Assets management	full	100%	100%
Q-service Truck Sp. z o.o.	Warsaw	Sale of delivery vans and trucks	full	100%	100%
Inter Cars INT d.o.o.	Slovenia, Ljubljana	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Eesti OÜ	Estonia, Tallin	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Piese Auto s.r.l.*	Kishinev, Moldova	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
<b>Indirect subsidiaries</b>					
Inter Cars Malta Limited	Malta	Sale of spare parts and advisory services related to automotive services and the automotive market	full	100%	100%
Aurelia Auto d o o	Croatia	Distribution of spare parts and real estate rental	full	100%	100%
<b>Associated entities</b>					
SMiOC FRENOPLAST Bułhak i Cieślowski S.A.	Szczytno	Manufacture of friction linings and materials	equity method	49%	49%
InterMeko Europa Sp. z o.o.	Warsaw	Control and assessment of spare parts, components and accessories	equity method	50%	50%

\* The company started operational activity in 1Q2016.

---

In the reporting period there were no changes in the structure of the entity, including business combinations, takeovers or sales entities of the Capital Group of the Company, long-term investments, division, restructuring or cessation of business activities.

**Stock exchange listings**

The shares of Inter Cars S.A., i.e. the parent entity, are listed on the Warsaw Stock Exchange in the continuous trading system.

**III. Declaration of compliance with IFRS**

The condensed interim consolidated financial statements of the Inter Cars Capital Group were prepared for the period of 9 months ended on 30 September 2016.

The condensed interim financial statements covering three quarters of 2016 comply with the requirements of the International Accounting Standard IAS 34 *“Interim Financial Reporting”* related to interim financial statements.

The condensed interim financial statements of the Group are published together with the condensed standalone interim financial statements. The condensed standalone interim financial statements of the Company should be read together with the condensed interim consolidated financial statements of the Group in order to have a comprehensive view of the financial result and the financial situation of the company.

Preparation of financial statements in accordance with IFRS requires application of specific accounting estimates. It also requires from the Management Board to use its own judgement with regard to application of the accounting standards adopted by the Group. The areas a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are presented in note 14.

Interim condensed consolidated financial statement of Inter Cars S.A. Capital Group prepared for the period of 3 months ended on 30 September 2016 with explanatory notes to interim condensed financial statements and quarterly financial information of Inter Cars S.A. 3Q 2016 was approved by the Board of Managers for publication on 29 November 2016.

**IV. Basis for preparing the condensed interim consolidated financial statements**

With the exception of the changes described in “Changes to the accounting principles,” these condensed interim financial statements were prepared by the Inter Cars Capital Group in accordance with the same accounting standards as those applied by the Group to prepare the consolidated financial statements for the period ended on 31 December 2015.

The condensed interim consolidated financial statements were prepared under the assumption that Group will continue as a going concern in the foreseeable future and that there are no circumstances indicating a threat to the continuance of its operations.

All values presented in the condensed interim financial statements are quoted in PLN ‘000, unless otherwise indicated.

**V. Changes to the accounting principles**

During the reporting period the Group made no changes to the accounting principles.

**VI. Foreign Exchange rates applied to calculate the figures for 3 quarter of 2016**

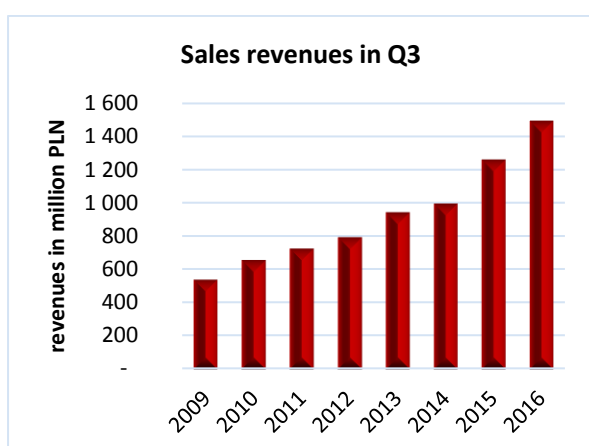
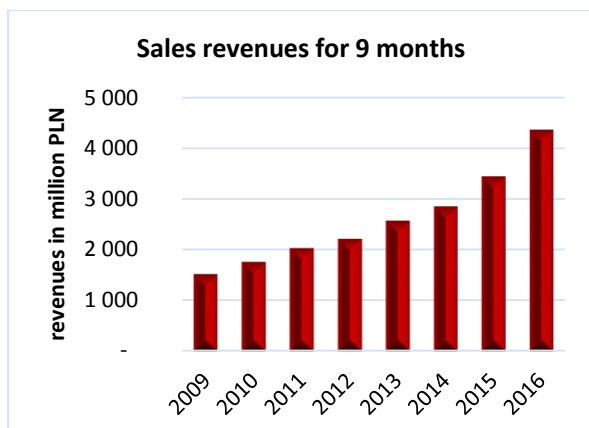
All financial figures presented in the report in EUR were translated according to the following exchange rates:

	Average exchange rate during the reporting period		Exchange rate at the end of the reporting period	
	9 months of 2016	9 months of 2015	30/09/2016	31/12/2015
EUR/PLN	4.3688	4.1585	4.3120	4.2615

The following principles have been used to convert data presented in thousand EUROS in selected financial data:

- the figures resulting from the profit and loss account – the average exchange rate constituting the arithmetic mean of the exchange rates announced by President of the National Bank of Poland on the last day of each month of a given period;
- the figures resulting from the balance sheet – the exchange rate as at 30 September constituting the average EUR exchange rate announced on 30 September by the President of the National Bank of Poland;
- for translating the value of the share capital – the average EUR exchange rates applicable on the day on which an increase in the share capital was registered.

## OTHER INFORMATION ON THE ACTIVITIES OF THE INTER CARS CAPITAL GROUP



### 1. Summary of activities and consolidated and separate financial results for three quarters 2016

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

- In 3Q 2016, the Group recorded an **18,4% increase of consolidated sales revenues** compared to the same period of 2015. **The growth in consolidated sales revenues** for the period of 9 months 2016 reached 26.6%.

**Export sales**, understood as sales by the overseas distribution companies, and direct sales by Inter Cars S.A. to foreign clients (mainly to Eastern European markets) **increased by 35.5%** compared to the analogous period a year before.

Just like in the three quarters of 2015, the sales of the overseas distribution companies have been more dynamic than the export sales of Inter Cars S.A. Export sales from Poland increased by 7.6% in the period of 9 months of 2016, compared to the same period of 2015.

- Inter Cars' domestic revenue accounted for app. **58.7%** of the Group's total **revenue** (including

consolidation exemptions), compared to 60.9% in the same period a year before. The Polish market remains the basic sales market for the Capital Group.

- Within the last 12 months, starting from 1 October 2015, the Group opened **75 new branches** in the country and abroad.
- The consolidated margin** on sale of commodities for 3 quarters reached **30.5%** (30.6% in the same period of 2015). The Board of Directors is expecting to keep the margin in the following quarters. In the reporting period the influence of exchange rates on margin was insignificant.
- The costs of sales and administration in 9 months of 2016 went down to 13.7% compared to the same period of 2015, when it was on the level of 14.1%.
- The consolidated gross profit** for the period of 9 months of 2016 was **higher by PLN 44,456 thousand** (by 25.8%) compared to the same period a year ago.
- The consolidated net profit** for 9 months of 2016 **went up by PLN 33 192 thousand** (by 22,4%), compared to the same period of the previous year.
- The effective tax rate for the Group for 9 months cumulatively was 16.35%.

#### Revenues increased in all geographical markets.

The Company has been consistently expanding its business. This market displays a large potential of growth and a net profitability higher than the domestic market. The highest sales dynamics after 3 quarters of 2016 – compared to the same period of the previous year – (after translation to PLN and consolidation exclusions) was recorded by companies in the following countries: Slovenia (134%), Italy (73%), Hungary (65%), Bulgaria (56%) and Romania (46%). It should be noted that among companies the biggest impact on the Group's revenues are Lithuania (26%) Croatia (37%), the Czech (23%) and Slovakia (23%).

The underlying financial data of the Inter Cars S.A. Group for 3 quarters of 2016 were as follows:

	for the period of 9 months ended on 30 September		for the period of 9 months ended on 30 September	
	2016	2015	2016	2015
	<i>PLN</i>	<i>PLN</i>	<i>EUR</i>	<i>EUR</i>
<i>(’000)</i>				
<b>Profit and loss account (for the period)</b>				
Sales revenues	4,353,694	3,440,271	996,542	827,287
Gross profit (loss) on sales	1,327,220	1,053,049	303,795	253,228
Net financial revenues / costs	(17,126)	(16,460)	(3,920)	(3,958)
Operating profit (loss)	234,043	188,921	53,571	45,430
Net profit (loss)	181,457	148,265	41,535	35,653
<b>Other financial data</b>				
Operating cash flows	216,950	48,129	49,659	11,574
Investing cash flows	(91,877)	(102,692)	(21,030)	(24,694)
Financing cash flows	(91,196)	50,700	(20,874)	12,192
Basic profit per share	12.81	10.46	2.93	2.52
Sales margin	30.5%	30.6%		
EBITDA margin	6.3%	6.6%		
<b>Balance sheet (as at)</b>	<b>30/09/2016</b>	<b>31/12/2015</b>	<b>30/09/2016</b>	<b>31/12/2015</b>
Cash and cash equivalents	106,894	73,016	24,790	17,134
Balance sheet total	3,060,802	2,506,364	709,833	588,141
Loans, borrowings and finance lease	946,064	804,645	219,403	188,817
Equity attributable to the shareholders of the parent entity	1,375,323	1,205,878	318,952	282,970

## Overview of the financial results of the parent company – Inter Cars

The underlying financial data of Inter Cars S.A. were as follows:

	for the period of 9 months ended on 30 September		for the period of 9 months ended on 30 September	
	2016	2015	2016	2015
	PLN	PLN	EUR	EUR
(’000)				
<b>Profit and loss account (for the period)</b>				
Sales revenues	3,507,994	2,899,074	802,965	697,144
Gross profit (loss) on sales	823,825	719,382	188,570	172,991
License fees	(55,118)	(45,463)	(12,616)	(10,933)
Net financial revenues / costs	25,885	52,243	5,925	12,563
Operating profit (loss)	52,369	50,413	11,987	12,123
Net profit (loss)	72,780	92,461	16,659	22,234
<b>Other financial data</b>				
Operating cash flows	165,706	62,074	37,929	14,927
Investing cash flows	(12,958)	(57,227)	(2,966)	(13,761)
Financing cash flows	(149,144)	(14,848)	(34,138)	(3,571)
Basic profit per share	5.14	6.53	1.18	1.57
Sales margin	23.5%	24.8%		
EBITDA margin	2.0%	2.5%		
<b>Balance sheet (as at)</b>	<b>30/09/2016</b>	<b>31/12/2015</b>	<b>30/09/2016</b>	<b>31/12/2015</b>
Cash and cash equivalents	19,587	15,983	4,542	3,751
Balance sheet total	2,639,148	2,300,531	612,047	539,841
Loans, borrowings and finance lease	935,118	849,939	216,864	199,446
Equity	1,076,793	1,014,071	249,720	237,961

**The sales revenues** in 9 months of 2016 were **21% higher** than in the same period of 2015. In the period starting from 1 October 2015, the Company opened 37 new branches.

**The sales margin** for 3 quarters of 2016 was 23.5% (compared to 24.8% in 3 quarters of 2015).

**Distribution costs** – the share of the entity managing the branch in the margin earned. The sales margin generated by a branch is divided between the branch and Inter Cars in the 50/50 ratio. The branch system is based on the assumption of entrusting management of a distribution point (branch) to external entities. Sales are made on behalf of Inter Cars.

**Financial revenues and costs** include primarily costs and revenues due to interest on loans and bonds. In Q3 2016, the Company incurred PLN 16,948 thousand of these costs.

**Liabilities resulting from credits, loans, debt securities and finance lease** as at 30 September 2016 amounted to PLN 935,118 thousand, including borrowings from related companies: PLN 139.727 thousand.



---

## 2. Factors and events of a non-recurring nature having a material bearing on the financial result, and a description of the Company's material achievements and failures along with a list of related key events

### **The major events affecting the current and future business activity of the Inter Cars Group:**

- The consolidated EBITDA for 12 months cumulatively for the period ended on 30 September 2016 was PLN 295,722 thousand (measured as a profit on operating activity plus depreciation).
- The net debt /EBITDA ratio was 2.84 compared to 2.38 as at 30 September 2015.

## 3. Material evaluations 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 evaluations and estimates that affect the application of accounting principles and reported amounts of assets and liabilities, income and expenses. The judgements and estimates are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimate is revised.

Information on particularly significant areas that are subject to evaluations 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 2015.

## 4. Seasonality

Sales revenues display a slight degree of seasonality, with Q3 usually constituting approx. 25% of the annual sales revenues.

## 5. Information on business segments

The core business of the Inter Cars S.A. Capital Group is the sale of spare parts. In addition, the companies Feber, Lauber, IC Development and ILS Sp. z o.o. are active in other business segments, such as the manufacture of semi-trailers, remanufacturing of spare parts, real estate development and logistics; whilst Q-Service Truck Sp. Z o.o. is an authorized dealer of ISUZU commercial vehicles. The above-mentioned business segments may not be recognized as separate business segments individually, hence they are shown in the "Other segments" column.

The Inter Cars Capital Group applies uniform accounting principles to all segments. Transactions between particular segments are carried out at arm's length.

## Information on business segments

for the period of 9 months ended  
on 30 September 2016

	Sale of spare parts	Other segments	Eliminations	Total
External sales	4,283,229	70,465	-	4,353,694
Inter-segment sales	11,627	283,556	(218,511)	-
<b>Profit before tax</b>	<b>229,887</b>	<b>20,701</b>	<b>(33,671)</b>	<b>216,917</b>

for the period of 9 months ended  
on 30 September 2015

	Sale of spare parts	Other segments	Eliminations	Total
External sales	3,335,248	105,023	-	3,440,271
Inter-segment sales	11,468	189,071	(200,539)	-
<b>Profit before tax</b>	<b>235,221</b>	<b>(748)</b>	<b>(62,012)</b>	<b>172,461</b>

Assets by operating segments	Status as at 30/09/2016	Status as at 31/12/2015
Sale of spare parts segment	4,447,786	3,772,872
Other segments	422,278	372,291
Eliminations	(1,809,262)	(1,638,799)
	<b>3,060,802</b>	<b>2,506,364</b>

## 6. Dividend

On 16 June 2016, the General Meeting of Inter Cars S.A. adopted a resolution to pay a dividend of PLN 10,059 thousand, i.e. PLN 0.71 per share from the 2015 profit. Agreed dividend pay-out date was to be 14 July 2016 and the pay-out itself was realized on 28 July 2016.

On 14 July 2015 Inter Cars S.A. paid out to the shareholders of the company a dividend from profit for 2014, amounting to PLN 10,059 thousand, i.e. PLN 0.71 per share.

## 7. Liabilities due to borrowings and other debt instruments

### The syndicated credit facility agreement

As at the balance sheet date, no amendments were made to the syndicated credit facility agreement as compared to 31 December 2015. The terms and conditions of the syndicated credit facility agreement are described in the annual consolidated financial statements of the Group.

Amendments applying to the syndicated credit facility agreement after the balance sheet date are described in point 15.

### Bank credits concluded directly by subsidiary companies:

Inter Cars Česká republika s.r.o. has the following credit facility agreements:

- with Raiffeisenbank a.s. - a credit line agreement for the amount of CZK 150m, repayable by 15 July 2016. Next, in July 2016, an annex was signed to increase the credit line limit to the amount of CZK 178.5m, with the maturity date falling on 31 March 2017.
- A credit line agreement with Citibank Europe plc Bank for the amount of EUR 4m, by extending annex repayable by 26 August 2017.

Inter Cars Slovenská republika s.r.o. concluded a credit line agreement with Citibank Europe PLC for the amount of EUR 5m, repayable by 26 March 2017.

Inter Cars Romania s.r.l. has a credit line agreement with ING Bank N.V. for the amount of RON 15m for the period of one year, the agreement was signed on 30 July 2014. On 28 April 2015, an annex was signed to increase the credit line limit to the amount of RON 42.75m, with the maturity date falling on 28 April 2016. Next, on 14 April 2016, an annex was signed to increase the credit line limit to the amount of RON 90m, with the maturity date falling on 28 April 2017.

#### Loans and borrowings as at 30/09/2016

<b>Current loans and borrowings</b>	Contractual amount (limit)	Used	Maturity date
Syndicated credit	383,000	298,304	15-12-2016
Raiffeisen a.s. (Inter Cars Česká republika s.r.o)	17,248	17,248	31-03-2017
Citibank Europe PLC (Inter Cars Česká republika s.r.o)	28,489	23,940	26-08-2017
Citibank Europe PLC (Inter Cars Slovenská republika s.r.o. )	21,560	21,560	26-03-2017
ING Bank N.V (Inter Cars Romania s.r.l.)	87,075	84,077	28-04-2017
	<b>537,372</b>	<b>445,129</b>	

<b>Non-current loans and borrowings</b>	Contractual amount (limit)	Used	Maturity date
Syndicated credit	270,000	270,000	14-11-2017
	<b>270,000</b>	<b>270,000</b>	

#### Loans and borrowings as at 31/12/2015

<b>Current loans and borrowings</b>	Contractual amount (limit)	Used	Maturity date
Syndicated credit	383,000	235,275	16-11-2016
Raiffeisen a.s. (Inter Cars Česká republika s.r.o)	23,655	20,655	31-05-2016
Citibank Europe PLC (Inter Cars Česká republika s.r.o)	17,046	17,046	31-05-2016
Citibank Europe PLC (Inter Cars Slovenská republika s.r.o. )	21,307	21,305	26-03-2016
ING Bank N.V (Inter Cars Romania s.r.l.)	40,275	30,666	28-04-2016
	<b>485,283</b>	<b>324,947</b>	

<b>Non-current loans and borrowings</b>	Contractual amount (limit)	Used	Maturity date
Syndicated credit	270,000	270,000	18-11-2017
	<b>270,000</b>	<b>270,000</b>	

#### Issuance of bonds

The terms and conditions of the issuance are described in the annual consolidated financial statements of the Group.

In the third quarter of 2016 the value of the bonds issued did not change. Interest on the A-series bonds is paid twice a year, in April and in October.

Below chart presents Bonds issued and planned buyback dates:

Tranche number	Date of issuance	Maturity date	Amount of buyback
Series A	24/10/2014	24/10/2019	150,000
			<b>150,000</b>

## 8. Contingent liabilities and sureties

In the reporting period, Inter Cars S.A. and its subsidiaries did not grant any sureties for credits, loans or other guarantees worth at least 10% of equity capital.

Contingent liabilities, granted security and unrecognized liabilities did not change materially from those described in the financial statements as at 31 December 2015.

Sureties issued by Inter Cars S.A. as at 30 September 2016 are presented in the chart below:

<i>(in thousand PLN)</i>	To	Period covered	As at:	
			30/09/2016	31/12/2015
	RIM Sp. z o.o	31/12/2015	-	337
	Poczta Polska S.A.	30/04/2016	-	21
	BP Europa SE Polish Division	29/05/2016	-	6,000
	Poczta Polska S.A., Warszawa	09/07/2016	-	36
	Poczta Polska SA	20/11/2016	14	14
	Piaggio and C. S.P.A.	31/12/2016	2,156	1,492
	TRW	31/12/2016	8,624	-
	Texa (IC Italy)	08/01/2017	86	-
	Bosch (IC Italy)	08/01/2017	86	-
	Ministarstvo Fin Carinska Uprava (IC Croatia)	01/05/2017	63	-
	Poczta Polska SA	16/05/2017	6	-
	Ducati Motor Holding	30/06/2017	5,174	1,065
	PDC Industrial Center 44 sp. z o.o.	12/07/2017	323	-
	Poczta Polska SA, Warszawa	25/07/2017	11	11
	Malpas	04/08/2017	379	-
	Komenda Wojewódzka, Wrocław	21/06/2018	1	1
	RIM Sp. z o.o.	Until further notice	20	20
	Glob Cars Sp.z o.o.	Until further notice	150	150
	JC Auto Kraków	Until further notice	50	50
	Tomasz Zatoka APC Polska	Until further notice	170	170
	Michał Wierzobolowski Fst M.	Until further notice	250	250
	Intraserv	Until further notice	50	50
	Mann+Hummel	Until further notice	4,700	-
	LeasePlan	30/09/2016	2,160	-
	Raiffeisen Leasing (IC Poland)	10/10/2023	250	250
	Raiffeisen Leasing (IC Czech)	12/06/2030	693	-
	JC Auto Kraków	31/12/2018	3,500	-
			<b>28,916</b>	<b>9,917</b>

## 9. The Management Board's standpoint on the feasibility of meeting the previously published forecasts of financial results for 2016

The Capital Group Inter Cars S.A. did not publish any forecasts of financial results.

**10. The list of shareholders holding at least 5% of the total number of the votes as at the date of release of these statements**

Shareholder	Number of shares	Total nominal value	Percentage of share in the share capital held	Percentage of total vote held
		(PLN)	(%)	(%)
Krzysztof Oleksowicz	3,726,721	7,453,442	26.30%	26.30%
OFE Aviva BZ WBK	1,896,778	3,793,556	13.39%	13.39%
OFE Nationale-Nederlanden	1,418,649	2,837,298	10.01%	10.01%
Andrzej Oliszewski	1,302,370	2,604,740	9.19%	9.19%
<b>Total</b>	<b>8,344,518</b>	<b>16,689,036</b>	<b>58.89%</b>	<b>58.89%</b>

Until the date of release of these financial statements, the Company had not received any other shareholding notifications.

**11. Changes in the number of shares and rights to shares (options) in Inter Cars S.A. held by the Company's management and supervisory personnel since the publication of the most recent quarterly report.**

The Company's supervisory and managing personnel hold a total of 5,060,425 shares, constituting 35.72% of the total vote at the General Shareholders Meeting of Inter Cars.

The managing and supervisory personnel hold no shares in the subsidiaries of Inter Cars.

Shareholder	Number of shares	Total nominal value	Percentage of share in the share capital held	Percentage of total vote held
			(%)	(%)
<b>Management Board</b>				
Krzysztof Oleksowicz	3,726,721	7,453,442	26.30%	26.30%
Robert Kierzek	29,834	59,668	0.21%	0.21%
Tomaš Kaštil	1,500	3,000	0.01%	0.01%
	<b>3,758,055</b>	<b>7,516,110</b>		
<b>Supervisory Board</b>				
Andrzej Oliszewski	1,302,370	2,604,740	9.19%	9.19%
	<b>1,302,370</b>	<b>2,604,740</b>		
<b>Total</b>	<b>5,060,425</b>	<b>10,120,850</b>	<b>35.72%</b>	<b>35.72%</b>

There have been the following changes in shareholding structure of the issuer since the date of publication of the previous report, i.e. 30 August 2016:

Shareholder	Number of shares as at	Increases	Decreases	Number of shares as at
	30/08/2016			29/11/2016
Krzysztof Oleksowicz	4,452,271	-	725,550	3,726,721
Andrzej Oliszewski	1,302,370	-	-	1,302,370
Robert Kierzek	29,834	-	-	29,834
Tomaš Kaštil	1,500	-	-	1,500
<b>Total</b>	<b>5,785,975</b>	<b>-</b>	<b>725,550</b>	<b>5,060,425</b>

## 12. Information on court, arbitration and administrative proceedings

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

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

## 13. Transactions with related entities

<i>(in thousand PLN)</i>	<b>1.01.2016- 30.09.2016</b>	<b>1.01.2015- 30.09.2015</b>
<i>Remuneration of the members of the Supervisory Board and the Management Board</i>		
Remuneration of the members of the Supervisory Board	233	217
Remuneration of the members of the Management Board	12,218	9,127
	<b>12,451</b>	<b>9,344</b>
	<b>1.01.2016- 30.09.2016</b>	<b>1.01.2015- 30.09.2015</b>
<i>Transactions with related entities</i>		
Income on sales to related entities	1,294	459
Purchase of goods and services from related entities	13,778	4,264
	<b>30/09/2016</b>	<b>31/12/2015</b>
<i>Settlements with related entities</i>		
Receivables from related entities	471	240
Liabilities to related entities	(45)	743

80% of the goods and services purchased from related entities relates to the standard distribution service settled based on the same principles as those applicable to all branches. Placement in this category results from the family ties between a branch director and one of the members of the management Board of Inter Cars S.A.

## 14. Other information which the Company deems relevant for the assessment of its personnel, assets, financial position and financial result or changes in any of the foregoing, and for the assessment of the Company's ability to perform its obligations

This information is included in the section entitled "Factors and events of a non-recurring nature having a material bearing on the financial result, and a description of the Company's material achievements and failures along with a list of related key events."

## 15. Events subsequent to the balance sheet day as at which the report was prepared which may have a material bearing on the Company's future financial results

On 14 November 2016 the parent Company concluded a revolving credit and term loan agreement with its subsidiaries: Inter Cars Marketing Services Sp. z o.o., ILS Sp. z o.o., Lauber Sp. z o.o., Q-Service Truck Sp. z o.o., Inter Cars Česká Republika s.r.o., Uždaroji Akcinė Bendrovė "Inter Cars Lietuva", Inter Cars Romania S.r.l., Inter Cars Slovenská Republika s.r.o. and Inter Cars d.o.o. As borrowers and guarantors, Inter Cars (Cyprus) Limited as guarantor, and the following financial institutions: Bank BGŻ BNP Paribas S.A., Bank Handlowy w Warszawie S.A., Bank Polska Kasa Opieki S.A., CaixaBank, S.A. (Spółka Akcyjna) Division in Poland, DNB Bank Polska S.A., ING Bank Śląski S.A. and mBank S.A. („New Credit Facility Agreement”), on the basis of which the Company and other above mentioned as borrowers subsidiaries of Inter Cars S.A. received:

(1) term loans in total maximum value of PLN 500,000,000.00 (five hundred million zlotys), repayable by 14 November 2019, and

---

(2) revolving credit in total maximum value of PLN 600.000.000,00 (six hundred million zlotys), repayable by 14 November 2017.

The rate of interest of the credits is variable and shall depend, for each interest rate period, on WIBOR interest reference rate, plus agreed on the basis of the New Credit Facility Agreement (at arm's length) margins of the creditors.

As security for claims arising from syndicated credit facility agreement have been created: joint contractual mortgage over land owned by the Company; registered pledge over a set of the Company's inventories; financial pledge and registered pledge over the Company's entire holding of shares in ILS sp. z o.o; financial pledges over the Company's receivables under bank account agreements; assignment of the Company's cash receivables under insurance policies. the Board of Directors of the Company informed about the creation of security under syndicated credit facility agreement in current report no. 32/2016.

Credit facilities granted on the basis of the New Credit Facility Agreement shall be used for repayment of currently existing debt of the Company and other entities being a part of Inter Cars Capital Group, including debt of the Company resulting from the credit facility agreement of 29 July 2009, about which the Board of Directors of the Company informed in current report no 29/2009 of 30 July 2009 („Current Credit Facility Agreement”), and for financing current business activity of the Company and the Capital Group of Inter Cars.

Moreover, on 14 November 2016, an annex no 14 to the syndicated loan agreement of 29 July 2009 was signed. As a result, the ultimate date of repayment of overdraft facility in account B was set to be 15 December 2016.

**16. Information on material transactions with related entities concluded on terms other than at arm's length, including information on their amounts and nature.**

All transactions with related entities were concluded at arm's length.

**17. Factors which in the Company's opinion will affect its financial results in the period covering at least the next quarter.**

Factors which in the Management Board's opinion will affect the Company's financial results in Q4 2016 include:

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

## Separate statement of financial position

<i>(in thousand PLN)</i>	<b>30/09/2016</b> <i>not audited</i>	<b>31/12/2015</b> <i>audited</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	151,336	152,713
Intangible assets	136,336	138,326
Investment property	2,048	2,048
Investments in subordinated entities	403,102	345,562
Investments available for sales	258	258
Receivables	20,659	20,250
	<b>713,739</b>	<b>659,157</b>
<b>Current assets</b>		
Inventory	1,073,151	866,519
Trade and other receivables	832,671	752,185
Corporate income tax receivables	-	6,687
Cash and cash equivalents	19,587	15,983
	<b>1,925,409</b>	<b>1,641,374</b>
<b>TOTAL ASSETS</b>	<b>2,639,148</b>	<b>2,300,531</b>
<b>LIABILITIES</b>		
<b>Equity</b>		
Share capital	28,336	28,336
Share premium account	259,530	259,530
Statutory reserve funds	709,886	626,032
Other capital reserves	5,935	5,935
Retained earnings	73,105	94,238
	<b>1,076,792</b>	<b>1,014,071</b>
<b>Long-term liabilities</b>		
Loan, borrowing and finance lease liabilities	425,031	425,736
Provisions for deferred income tax	1,400	6,636
	<b>426,431</b>	<b>432,372</b>
<b>Short-term liabilities</b>		
Trade and other liabilities	619,905	428,646
Loans, borrowings, debt security and finance lease liabilities	443,694	361,036
Liabilities of the reverse factoring	66,393	63,167
Employee benefits	4,733	1,239
Income tax liabilities	1,200	-
	<b>1,135,925</b>	<b>854,088</b>
<b>TOTAL LIABILITIES</b>	<b>2,639,148</b>	<b>2,300,531</b>



## Separate statement of comprehensive income

(in thousand PLN)

	for the period of 3 months ended on 30 September		for the period of 9 months ended on 30 September	
	2016	2015	2016	2015
<b>Continued activity</b>				
Sales revenues	1,197,584	1,024,638	3,507,994	2,899,074
Cost of sales	(923,377)	(761,589)	(2,684,169)	(2,179,692)
Gross profit on sales	<b>274,207</b>	<b>263,049</b>	<b>823,825</b>	<b>719,382</b>
Other operating income	182	877	11,292	1,022
Costs of sales and administrative costs	(131,242)	(141,541)	(384,364)	(349,460)
Distribution expenses	(112,449)	(96,113)	(321,520)	(263,258)
License fees	(18,804)	(15,948)	(55,118)	(45,463)
Other operating expenses	(5,784)	(4,843)	(21,746)	(11,810)
Operating profit	<b>6,110</b>	<b>5,481</b>	<b>52,369</b>	<b>50,413</b>
Financial income	523	646	2,377	2,000
Dividends received	2,519	67,776	42,786	67,776
Foreign exchange gains/losses	2,767	(315)	(754)	(785)
Financial expenses	(5,759)	(5,819)	(18,524)	(16,748)
<b>Profit before tax</b>	<b>6,160</b>	<b>67,769</b>	<b>78,254</b>	<b>102,656</b>
Income tax	2,346	(3,355)	(5,474)	(10,195)
Net profit	<b>8,506</b>	<b>64,414</b>	<b>72,780</b>	<b>92,461</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Total other comprehensive income, net	-	-	-	-
<b>COMPREHENSIVE INCOME</b>	<b>8,506</b>	<b>64,414</b>	<b>72,780</b>	<b>92,461</b>
<b>Net profit</b>	<b>8,506</b>	<b>64,414</b>	<b>72,780</b>	<b>92,461</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 (in PLN)</b>	<b>0.60</b>	<b>4.55</b>	<b>5.14</b>	<b>6.53</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 (in PLN)</b>	<b>0.60</b>	<b>4.55</b>	<b>5.14</b>	<b>6.53</b>

---

**Separate statement of changes in equity**
**for the period from 01 January 2016 to 30 September 2016**

<i>(in thousand PLN)</i>	Share capital	Share premium account	Statutory reserve funds	Other capital reserves	Retained earnings	<b>Total</b>
<b>As at 01 January 2016</b>	<u>28,336</u>	<u>259,530</u>	<u>626,032</u>	<u>5,935</u>	<u>94,238</u>	<u>1,014,071</u>
<b>Statement of comprehensive income</b>						
Net profit in the reporting period	-	-	-	-	72,780	<b>72,780</b>
<b>Transactions with shareholders</b>						
Distribution of prior period profit - allocation to reserve capitals	-	-	83,854	-	(83,854)	-
Distribution of prior period profit – dividend	-	-	-	-	(10,059)	<b>(10,059)</b>
<b>As at 30 September 2016 (not audited)</b>	<u>28,336</u>	<u>259,530</u>	<u>709,886</u>	<u>5,935</u>	<u>73,105</u>	<u>1,076,792</u>

**for the period from 01 January 2015 to 30 September 2015**

<i>(in thousand PLN)</i>	Share capital	Share premium account	Statutory reserve funds	Other capital reserves	Retained earnings	<b>Total</b>
<b>As at 01 January 2015</b>	<u>28,336</u>	<u>259,530</u>	<u>540,422</u>	<u>5,935</u>	<u>95,993</u>	<u>930,216</u>
<b>Statement of comprehensive income</b>						
Net profit in the reporting period	-	-	-	-	92,461	<b>92,461</b>
<b>Transactions with shareholders</b>						
Distribution of prior period profit - allocation to reserve capitals	-	-	85,610	-	(85,610)	-
Distribution of prior period profit – dividend	-	-	-	-	(10,059)	<b>(10,059)</b>
<b>As at 30 September 2015 (not audited)</b>	<u>28,336</u>	<u>259,530</u>	<u>626,032</u>	<u>5,935</u>	<u>92,785</u>	<u>1,012,618</u>

## Separate statement of cash flows

(in thousand PLN)

	<u>1.01.2016- 30.09.2016</u>	<u>1.01.2015- 30.09.2015</u>
<b>Cash flows from operating activities</b>		
Profit (loss) before tax	78,254	102,656
Adjustments:		
Depreciation and amortization	18,121	21,564
Foreign exchange gains /losses	767	119
(Profit) /loss on the sale of property, plant and equipment	4	(128)
Net interest and share in profits	20,339	14,250
Net dividends	(42,786)	(67,776)
Operating profit before changes in the working capital	<u>74,699</u>	<u>70,685</u>
Change in inventories	(206,634)	(212,629)
Change in receivables	(94,337)	(177,855)
Change in short-term liabilities	396,001	392,137
Cash generated by operating activities	<u>169,729</u>	<u>72,337</u>
Corporate income tax paid	(4,023)	(10,263)
<b>Net cash from operating activities</b>	<u>165,706</u>	<u>62,074</u>
<b>Cash flow from investing activities</b>		
Proceeds from the sale of plant, property, equipment and intangible assets	511	6,352
Purchase of property, plant, equipment and intangible assets	(15,097)	(14,460)
Purchase of financial assets in related and other entities	(45,000)	(120,854)
Repayment of loans granted	3,364	6,389
Loans granted	(760)	(3,123)
Interest received	1,238	693
Dividends received	42,786	67,776
<b>Net cash from investing activities</b>	<u>(12,958)</u>	<u>(57,227)</u>
<b>Cash flow from financing activities</b>		
(repayments) / proceeds from loans and lease	63,978	60,240
Interest paid	(20,361)	(15,626)
Payment of finance lease liabilities	(19,485)	(9,600)
Payment of the factoring	(163,217)	(39,763)
Dividend paid	(10,059)	(10,059)
Deposits received (returned)	-	(40)
<b>Net cash from financing activities</b>	<u>(149,144)</u>	<u>(14,848)</u>
<b>Net change in cash and cash equivalents</b>	<u>3,604</u>	<u>(10,001)</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>15,983</b>	<b>20,086</b>
<b>Cash and cash equivalents at the end of the period</b>	<u><b>19,587</b></u>	<u><b>10,085</b></u>

### 1. Accounting principles

The accounting principles applied by Inter Cars are the same as those applied by the Group, with the exception of interest in subsidiaries, valued at the historical costs minus revaluation write-downs.

## 2. Investments in subordinated entities

<b>Investments in subordinated entities as at 31/12/2015</b>	<b>345,562</b>
Increase in share capital in ILS Sp. z o.o.	45,000
Increase in capital reserves of Inter Cars Hungária Kft (receivables conversion)	12,540
<b>Investments in subordinated entities as at 30/09/2016</b>	<b>403,102</b>

## 3. Transactions with related entities in the condensed standalone financial statements

	Sales revenues		Purchase of goods and services	
	1.01.2016- 30.09.2016	1.01.2015- 30.09.2015	1.01.2016- 30.09.2016	1.01.2015- 30.09.2015
Inter Cars Ukraine LLC	34,983	26,580	-	-
Q-Service Sp. z o.o.	4,010	1,181	71,229	68,324
Lauber Sp. z o.o.	4,231	5,149	29,966	29,255
Inter Cars Ceska Republika	88,029	66,950	2,137	7,638
Inter Cars Slovenska Republika	80,584	66,733	990	2,070
Feber Sp. z o.o.	686	647	6,038	26,468
Inter Cars Lietuva UAB	43,601	44,860	10,354	14,778
IC Development & Finance Sp. z o.o.	20	-	784	843
Inter Cars Italia srl.	14,076	9,180	98	-
Inter Cars d.o.o.	63,675	59,708	1,517	3,292
JC Auto S.A.	-	51	65	-
Inter Cars Hungária Kft	93,160	71,960	53,458	40,172
Inter Cars Romania s.r.l.	211,578	185,403	6,590	11,898
Armatus sp. z o.o.	3	6	6,021	5,429
Cleverlog Autoteile BmbH	15,360	7,931	62	-
Inter Cars Latvija SIA	115,164	89,440	1,305	959
Inter Cars Bulgaria Ltd.	10,120	9,972	331	267
Inter Cars Marketing Services Sp. z o.o.	299	168	73,835	83,730
ILS Sp. z o.o.	6,944	5,891	203,570	161,290
Q-Service Truck Sp. z o.o.	419	428	8,686	3,611
Inter Cars Malta Limited	1	-	113,854	92,514
Inter Cars d o.o. (Slovenia)	2,193	1,231	51	-
Inter Cars Eesti OU	71	1	-	-
	<b>789,207</b>	<b>653,470</b>	<b>590,941</b>	<b>552,538</b>

## Transactions with related entities in the condensed standalone financial statements (continued)

<i>Settlement</i>	<b>Receivables as at</b>		<b>Liabilities as at</b>	
	<b>30/09/2016</b>	<b>31/12/2015</b>	<b>30/09/2016</b>	<b>31/12/2015</b>
Inter Cars Ukraine LLC	25,321	20,411	-	-
Q-service Sp. z o.o.	60	188	25,219	12,269
Lauber Sp. z o.o.	14,341	17,320	3,932	2,991
Inter Cars Ceska Republika	16,997	14,071	129	5,622
Inter Cars Slovenska Republika	31,385	26,660	107	343
Feber Sp. z o.o.	150	121	4,243	1,917
Inter Cars Lietuva UAB	10,148	18,174	612	23
Armatius sp. z o.o.	-	-	-	-
IC Development & Finance Sp. z o.o.	22	-	626	359
Inter Cars Italia s.r.l.	24,436	17,850	76	2,625
Inter Cars d.o.o.	71,669	62,498	822	4,219
JC Auto S.A.	221	219	63	-
Inter Cars Hungária Kft.	33,549	31,065	15,179	15,625
JC Auto s.r.o.	4,168	4,119	-	-
Inter Cars Romania s.r.l.	145,004	168,585	48	12,914
Inter Cars Latvija SIA	67,048	58,933	448	959
Inter Cars Cyprus Ltd.	-	334	1,476	1,902
Cleverlog-Autoteile GmbH	2,886	4,215	-	11
Inter Cars Bulgaria EOOD	4,226	5,505	-	-
Inter Cars Marketing Services Sp. z o.o.	271	129	82,071	27,093
ILS Sp. z o.o.	1,383	1,591	21,520	20,804
Inter Cars Malta Holding Limited	-	1,043	(19)	(19)
Inter Cars Malta Limited	1	15,417	28,576	14,925
Q-service Truck Sp. z o.o.	30	25	1,223	708
Inter Cars INT d .o.o. (Slovenia)	388	325	15	854
Inter Cars Eesti OU	35	230	-	653
<b>Gross receivables from subsidiaries</b>	<b>453,739</b>	<b>469,028</b>	<b>186,366</b>	<b>126,797</b>
Revaluation write-down on receivables (JC Auto s.r.o.)	<b>(4,009)</b>	<b>(4,009)</b>	-	-
<b>Net receivables from subsidiaries</b>	<b>449,730</b>	<b>465,019</b>	<b>186,366</b>	<b>126,797</b>

**Settlements on loans and borrowings**

<i>Receivables from subsidiaries</i>	<b>30/09/2016</b>	<b>31/12/2015</b>
Lauber Sp. z o.o.	8,776	9,107
IC Development & Finance Sp. z o.o.	25,307	25,070
SMiOC FRENOPLAST Buřhak i Cieřlawski S.A	121	107
Inter Cars Bulgaria Ltd.	937	1,007
Q-SERVICE TRUCK Sp z o.o.	1,013	953
Inter Cars Malta Ltd	12,837	12,875
CLEVERLOG - AUTOTEILE GMBH	-	1
<b>Net receivables on loans</b>	<b>48,991</b>	<b>49,120</b>

*Liabilities to subsidiaries*

	<b>30/06/2016</b>	<b>31/12/2015</b>
Inter Cars Marketing Services Sp. z o.o.	61,200	61,209
Inter Cars Cyprus Ltd.	76,322	77,601
Feber Sp. z o.o.	2,205	2,200
	<b>139,727</b>	<b>141,010</b>

Sureties issued by Inter Cars S.A. as at 30 September 2016 towards related companies:

(in thousand PLN)

To	The subject of the surety	Period covered	As at:	
			30/09/2016	31/12/2015
Inter Cars Romania S.R.L.	Supplies	31/12/2015	-	552
Inter Cars Malta Holding Limited	Supplies	30/06/2016	-	3,121
Inter Cars Romania S.R.L.	Supplies	31/12/2016	647	639
Inter Cars Latvija SIA	Supplies	31/12/2016	862	-
Inter Cars d o.o.	Supplies	31/12/2016	431	-
Feber Sp. z o.o.	Supplies	16/06/2017	2,000	2,000
Inter Cars d o.o.	Supplies	31/12/2019	689	669
ILS Sp z o.o.	Supplies	30/05/2026	47,513	-
Inter Cars Ukraine LLC	Supplies	2017-11-31	517	511
Feber Sp. z o.o.	Supplies	Until further notice	949	938
Inter Cars Malta Holding Limited	Supplies	Until further notice	578	585
Inter Cars Česká republika s.r.o.	credit facilities	26/03/2017	21,560	21,308
Inter Cars Česká republika s.r.o.	credit facilities	31/03/2017	28,489	24,838
Inter Cars Romania S.R.L.	credit facilities	28/04/2017	87,075	40,275
Inter Cars Česká republika s.r.o.	credit facilities	26/08/2017	17,248	17,898
Inter Cars Česká republika s.r.o.	leasing	30/09/2016	630	-
Inter Cars INT d.o.o	leasing	09/10/2017	125	124
Inter Cars Hungaria Kft	leasing	05/07/2019	2,329	2,271
Inter Cars Hungaria Kft	leasing	05/02/2021	274	267
Inter Cars Hungaria Kft	leasing	05/10/2021	48	-
Inter Cars Česká republika s.r.o.	leasing	12/06/2030	693	-
ICMS Sp. z o.o.	Other	09/05/2017	133	278
			<b>212,790</b>	<b>116,274</b>