

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

*Semi-Annual Report  
for the period January 1<sup>st</sup> - June 30th 2012*

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**Inter Cars S.A. Management Board's Statement**

In compliance with the requirement laid down in the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities, dated February 19th 2009, the Management Board of Inter Cars SA. represents that:

- To the best of its knowledge, the condensed consolidated interim financial statements of the Inter Cars Group („the Inter Cars Group”), the condensed separate interim financial statements of Inter Cars SA, and the comparable data have been prepared in compliance with the International Financial Reporting Standards endorsed by the European Union, issued and effective as at the date of these financial statements, and give an accurate, fair and clear view of the Group’s assets, financial standing and financial results.
- The Directors’ Report on the Inter Cars Group’s operations in the first half of 2012 gives a true picture of its development, achievements and standing.
- KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k., a qualified auditor of financial statements that reviewed the condensed consolidated semi-annual financial statements of Inter Cars Group and the condensed separate semi-annual financial statements of Inter Cars SA, had been appointed in compliance with applicable laws, and both the auditing firm and the qualified auditor who performer the review met conditions required to issue an impartial and independent opinion on the reviewed financial statements, in accordance with applicable laws.

**Warsaw, 23 August 2012**

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*Robert Kierzek*

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*President of the Management Board*

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*Krzysztof Oleksowicz*

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*Member of the Management Board*

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*Wojciech Milewski*

-----  
*Member of the Management Board*

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*Krzysztof Soszyński*

-----  
*Vice-president of the Management Board*

-----  
*Piotr Kraska*

-----  
*Member of the Management Board*

## Financial Highlights of the Inter Cars Group

	<b>Six months ended June 30th</b>			
	2012		2011	
	PLN '000	PLN '000	EUR '000	EUR '000
<b>Data on growth and profit</b>				
Gross margin	31,3%	32,3%		
EBITDA (for 12 consecutive months)	198 324	170 704	46 945	43 028
Net debt/EBITDA	2,05	2,45		
Basic earnings per share (PLN)	3,42	3,29	0,80	0,83
Diluted earnings per share (PLN)	3,42	3,29	0,80	0,83
Operating profit	75 019	73 839	17 758	18 612
Net profit	48 386	46 658	11 453	11 761
<b>Cash flows</b>				
Net cash from operating activities	79 166	28 785	18 739	7 256
Net cash from investing activities	(29 292)	(13 426)	(6 934)	(3 384)
Net cash from financing activities	(49 460)	5 158	(11 708)	1 300
<b>Employment and number of branches as at</b>				
Number of employees				
Parent entity	1 309	1 303		
Subsidiaries	1 030	905		
Affiliates				
Parent entity	149	144		
Subsidiaries	115	95		
<b>Statement of financial position (as at)</b>				
	<b>As at</b>		<b>As at</b>	
	<b>Jun 30</b>	<b>Dec 31</b>	<b>Jun 30</b>	<b>Dec 31</b>
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	PLN '000	PLN '000	EUR '000	EUR '000
Cash and cash equivalents	61 110	60 696	14 341	13 742
Balance sheet total	1 595 994	1 547 470	374 532	350 360
Loans, borrowings, finance lease liabilities	467 127	501 015	109 621	113 434
Equity attributable to owners of the parent	712 092	668 804	167 107	151 423
Non-controlling interest	(4 298)	(3 853)	(1 009)	(872)

EBITDA is calculated as the sum of operating profit and amortization for the reporting period.

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 30 June 2012: EUR 1 = PLN 4,2613, the exchange rate quoted for 31 December 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 two quarters of 2012 and 2011 respectively: EUR 1 = PLN 4,2246 and EUR 1 = PLN 3,9673.

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## 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

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

### 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  
Piotr Kraska

### Auditor

KPMG Audyt Sp. z ograniczoną odpowiedzialnością sp. k.  
ul. Chłodna 51  
00-867 Warszawa

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**Inter Cars' Subsidiary Entities Included in Consolidation as at 30 June 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**  
Titnago 6  
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.**  
Velimira Skorpika 3a/1  
1000 Zagreb  
Croatia

**Inter Cars Hungária Kft**  
Frangepan 44/B  
H-1139 Budapest  
Hungary

**JC Auto S.A.**  
Avenue de l'Artisanat 2B  
1420 Brain L'Allued,  
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.**  
Str. Campul Painii 3-5  
400235 Cluj-Napoca  
Romania

**Inter Cars Latvija s.i.a**  
Dika iela 44  
LV-1004 Riga  
Latvia

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

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

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

**Associate**

Since October 30 th 2008 the Company own interest in **SMiOC FRENOPLAST Bułhak i Cieślowski S.A.** Korpele 75 12-100 Szczytno Poland.

**Listing**

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

## 1. Interim Consolidated Statement of Financial Position

(PLN '000)

	Note	30.06.2012	31.12.2011
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	218 231	205 831
Investment property	13	46 542	46 355
Intangible assets	14	142 206	141 718
Investments in related entities		3 795	7 510
Investments available for sale		43	43
Receivables		12 087	11 102
Deferred tax asset		13 406	10 328
		<b>436 310</b>	<b>422 887</b>
<b>Current assets</b>			
Inventories	15	786 559	735 350
Trade and other receivables	16	295 765	327 493
State receivables		-	1 044
Cash and cash equivalents		55 305	60 696
		<b>1 137 629</b>	<b>1 124 583</b>
<b>TOTAL ASSETS</b>		<b>1 549 994</b>	<b>1 547 470</b>
<b>EQUITY AND LIABILITIES</b>			
	Note	30.06.2012	31.12.2011
Share capital	17	28 336	28 336
Share premium account		259 530	259 530
Statutory reserve funds		358 774	258 686
Other capital reserves		5 935	5 935
Currency translation differences		(2 131)	(838)
Retained earnings and current year profit		61 648	117 155
<b>Equity attributable to owners of the parent</b>		<b>712 092</b>	<b>668 804</b>
Non-controlling interest		<b>(4 298)</b>	<b>(3 835)</b>
<b>Total equity</b>		<b>707 794</b>	<b>664 951</b>
<b>Non-current liabilities</b>			
Loans, borrowings and finance lease liabilities	18	241 358	240 986
Deferred tax liability		173	88
Other non-current liabilities		238	1 133
		<b>241 769</b>	<b>242 207</b>
<b>Current liabilities</b>			
Trade and other payables		402 746	359 592
Loans, borrowings and finance lease liabilities	18	225 381	260 029
Employee benefits		9 999	5 779
Income tax expense		8 305	14 912
		<b>646 431</b>	<b>640 312</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 595 994</b>	<b>1 547 470</b>



## 2. Interim Consolidated Statement of Comprehensive Income

(PLN '000)

	<b>Jan 1 - Jun 30 2012</b>	<b>Jan 1 - Jun 30 2011</b>
<b>Continued activities</b>		
Revenue from sales of products, goods and materials	1 421 858	1 307 169
Costs of sales of products, goods and materials	(977 056)	(885 415)
<b>Gross profit on sales</b>	<b>444 802</b>	<b>421 754</b>
Other operating income	3 989	3 235
Selling costs, general and administrative expenses	(208 537)	(190 060)
Cost of distribution services	(155 779)	(147 566)
Other operating expenses	(9 456)	(13 524)
<b>Operating profit</b>	<b>75 019</b>	<b>73 839</b>
Financial income	1 601	1 292
Foreign exchange gains/(losses)	(692)	(45)
Financial expenses	(17 161)	(15 945)
<b>Profit before tax</b>	<b>58 767</b>	<b>59 141</b>
Corporate income tax	(10 381)	(12 483)
<b>Net profit</b>	<b>48 386</b>	<b>46 658</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Currency translation differences	(1 293)	334
Revaluation of hedging instruments	-	1 100
	<b>(1 293)</b>	<b>1 434</b>
<b>Total other comprehensive income, net</b>	<b>47 093</b>	<b>48 092</b>
<b>COMPREHENSIVE INCOME</b>		
Net profit attributable to:	48 831	49 644
- owners of the parent entity	(445)	(2 986)
- minority interests	<b>48 386</b>	<b>46 658</b>
Comprehensive income attributable to:		
- owners of the parent entity	47 538	51 078
- minority interests	(445)	(2 986)
	<b>47 093</b>	<b>48 092</b>
<b>Net profit</b>	<b>48 386</b>	<b>46 658</b>
<b>Weighted-average number of ordinary shares</b>	<b>14 168 100</b>	<b>14 168 100</b>
<b>Earnings per ordinary share (PLN)</b>	<b>3,42</b>	<b>3,29</b>
<b>Weighted-average diluted number of ordinary shares</b>	<b>14 168 100</b>	<b>14 168 100</b>
<b>Diluted earnings per ordinary share (PLN)</b>	<b>3,42</b>	<b>3,29</b>

### 3. Interim Consolidated Statement of Changes in Equity

For the period January 1st – June 30th 2012

<i>(PLN '000)</i>	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
<b>As at January 1st 2012</b>	<b>28 336</b>	<b>259 530</b>	<b>258 686</b>	<b>(838)</b>	<b>5 935</b>	<b>117 155</b>	<b>668 804</b>	<b>(3 853)</b>	<b>664 951</b>
<b>Statement of comprehensive Income</b>									
Profit for period	-	-	-	-	-	49 644	49 644	(2 986)	46 658
<b>Other comprehensive Income</b>									
Currency translation Differences	-	-	-	334	-	-	334	-	334
Valuation of hedging instrument	-	-	-	-	1 100	-	1 100	-	1 100
<b>Comprehensive income, total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>334</b>	<b>1 100</b>	<b>49 644</b>	<b>51 078</b>	<b>(2 986)</b>	<b>48 092</b>
<b>Transactions with owners</b>									
Distribution of retained earnings – transfer to statutory reserve funds	-	-	46 004	-	-	(46 004)	-	-	-
<b>As at June 30 2012</b>	<b>28 336</b>	<b>259 530</b>	<b>358 774</b>	<b>(2 131)</b>	<b>5 935</b>	<b>61 648</b>	<b>712 092</b>	<b>(4 298)</b>	<b>707 794</b>

For the period January 1st to June 30th 2011

<i>(PLN '000)</i>	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
<b>As at January 1st 2011</b>	<b>28 336</b>	<b>259 530</b>	<b>198 387</b>	<b>(1 778)</b>	<b>4 835</b>	<b>69 225</b>	<b>558 535</b>	<b>-</b>	<b>558 535</b>
<b>Statement of comprehensive Income</b>									
Profit for period	-	-	-	-	-	48 831	49 644	(2 986)	46 658
<b>Other comprehensive Income</b>									
Currency translation Differences	-	-	-	334	-	-	334	-	334
Valuation of hedging instrument	-	-	-	-	1 100	-	1 100	-	1 100
<b>Comprehensive income, total</b>				<b>334</b>	<b>1 100</b>	<b>49 644</b>	<b>51 078</b>	<b>(2 986)</b>	<b>48 092</b>
<b>Transactions with owners</b>									
Distribution of retained earnings – transfer to statutory reserve funds	-	-	46 004	-	-	(46 004)	-	-	-
<b>As at June 30th 2011</b>	<b>28 336</b>	<b>259 530</b>	<b>244 391</b>	<b>(1 444)</b>	<b>5 935</b>	<b>72 865</b>	<b>609 613</b>	<b>(2 986)</b>	<b>606 627</b>

#### 4. Interim Consolidated Statement of Cash Flows

<i>(PLN '000)</i>	<b>Jan 1 – Jun 30 2012</b>	<b>Jan 1 – Jun 30 2011</b>
<b>Cash flow from operating activities</b>		
Profit before tax	58 767	59 141
Total adjustments, including:		
Depreciation and amortisation	18 378	16 620
Foreign exchange (gains)/losses	(1 293)	(45)
(Gain)/loss on disposal of property, plant and equipment	41	(120)
Net interest	14 649	12 416
Other adjustments, net	(1 000)	412
<b>Operating profit before changes in working capital</b>	<b>89 542</b>	<b>88 424</b>
Change in inventories	(31 397)	(175 367)
Change in receivables	(2 953)	(26 597)
Change in current liabilities	42 916	163 398
<b>Cash generated by operating activities</b>	<b>98 108</b>	<b>49 858</b>
Corporate income tax paid	(18 942)	(21 073)
<b>Net cash from operating activities</b>	<b>79 166</b>	<b>28 785</b>
<b>Cash flows from investing activities</b>		
Sale of intangible assets and property, plant and equipment	1 548	5 635
Sales of shares	2 200	-
Acquisition of intangible assets and property, plant and equipment	(17 207)	(17 207)
Acquisition of shares	208	-
Repayment of loans advanced	2 423	1 006
Loans advanced	(3 201)	(2 938)
Interest received	137	78
<b>Net cash from investing activities</b>	<b>(29 292)</b>	<b>(13 426)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issue	-	15 000
(Repayments) / proceeds from loans and borrowings	(31 201)	5 812
Interest paid	(14 859)	(12 576)
Payments of finance lease liabilities	(3 400)	(3 078)
<b>Net cash from financing activities</b>	<b>(49 460)</b>	<b>5 158</b>
<b>Net change in cash and cash equivalents</b>	<b>414</b>	<b>20 517</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>61 110</b>	<b>55 305</b>

## 5. Reporting entity

Inter Cars S.A. („the parent entity) is registered in Poland. These interim condensed consolidated financial statements for the period ended June 30<sup>th</sup> 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.

Interim condensed stand-alone financial statement of Inter Cars S.A. contains financial information of the parent entity Inter Cars S.A.

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 interim condensed 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%), Inter Cars Bulgaria of Sofia (100%), Cleverlog Autoteile GmbH of Reinbek(90%) and Inter Cars Marketing Services Sp. z o.o. of Warsaw(100%).

## 6. Statement of Compliance with the IFRS

These interim 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 six months ended June 30<sup>th</sup> 2012.

The interim condensed financial statements 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. The interim condensed financial statements should be read together with the annual financial statements. The interim condensed financial statements should be read together with the annual financial statements (consolidated or separate, as appropriate).

These condensed consolidated interim financial statements of the Group are made available to the public along with the condensed standalone interim financial statements. The condensed standalone interim financial statements should be read together with these condensed consolidated interim 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 9.

These condensed consolidated interim financial statements and condensed standalone interim financial statements were approved for publication by the Management Board on 23 August 2012.

**7. Basis of Preparation Accounting principles applied in preparing the interim 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 interim condensed consolidated interim 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 interim financial statements are expressed in thousands of Polish zloty, unless stated otherwise.

**8. Changes in Accounting Policies**

No changes were made in the accounting policies.

**9. Significant Judgments and Estimates**

The preparation of the interim condensed consolidated 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 policies and reported amounts of assets and liabilities, income and expenses. The judgments 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 judgment and estimates and that affect the interim financial statements did not change from the information presented in the annual financial statements as at December 31st 2011.

**10. Seasonality**

The sales revenue is characterised by limited seasonability.

**11. Business segments**

The core business of the Inter Cars Group consists in the sale of spare parts. Additionally, Feber, Lauber and IC Developments and IC Marketing Services are active in other segments including production of semi-trailers, recovery of sprare parts and properly development activities.

The Inter Cars Group applies uniform accounting policies to all its business segments. Transactions between segments were eliminated in these condensed consolidated interim financial statements.

**Interim Condensed Consolidated Financial Statements of the Inter Cars Group**

for the period from 1 January – 30 June 2012

(PLN ' 000)

	Sale of spare parts		Other		Eliminations		Total	
	01.01.2012	01.01.2011	01.01.2012	01.01.2011	01.01.2012	01.01.2011	01.01.2012	01.01.2011
	-30.06.2012	-30.06.2011	-30.06.2012	-30.06.2011	-30.06.2012	-30.06.2011	-30.06.2012	-30.06.2011
Segment's revenue from external customers	1 400 719	1 268 034	21 139	39 135	-	-	1 421 858	1 307 169
Inter-segments revenue	219 638	196 745	19 847	10 946	(239 485)	(207 691)	-	-
<b>Profit before tax</b>	<b>52 500</b>	<b>69 622</b>	<b>1 490</b>	<b>(2 598)</b>	<b>4 777</b>	<b>(7 883)</b>	<b>58 767</b>	<b>59 141</b>
	<b>30.06.2012</b>	<b>30.06.2011</b>	<b>30.06.2012</b>	<b>30.06.2011</b>	<b>30.06.2012</b>	<b>30.06.2011</b>	<b>30.06.2012</b>	<b>30.06.2011</b>
<b>Total assets</b>	<b>1 971 853</b>	<b>1 827 527</b>	<b>624 911</b>	<b>132 556</b>	<b>(1 000 770)</b>	<b>(410 089)</b>	<b>1 595 994</b>	<b>1 549 994</b>

## 12. Property, Plant and Equipment

<b>Gross book value as at December 31st 2011</b>	<b>342 979</b>
Acquisition	28 403
Transfer	269
Leasing	317
Sale	(2 970)
Liquidation	(36)
Translation	1 081
<b>Gross book value as at June 30th 2012</b>	<b>370 043</b>
<b>Accumulated depreciation and impairment as at December 31st 2011</b>	<b>137 148</b>
Depreciation for period	15 559
Sale	(1 535)
Transfer	-
Translation	640
<b>Accumulated depreciaton and impairment as at June 30th 2012</b>	<b>151 812</b>
<b>NET VALUE</b>	
As at December 31st 2011	<b>205 831</b>
As at June 30th 2012	<b>218 231</b>

## 13. Investment property

In the period from 1 January to 30 June 2012, the Group did not sell or purchase any real property. There are no material changes to fair value of real estate property, either.



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**14. Intangible Assets**

Impairment test of goodwill is performed at year end or earlier if conditions for such test are met.

According to the management as at 30 June 2012 no impairment was identified. As at December 31st 2011, the Group's assets including goodwill were tested for impairment. No impairment was identified.

Based on the Company's current results, in 2012 the budgets for 2012 and 2013 were updated. There were no material changes in the method of calculation of WACC or the cash flow projections for subsequent years compared with the methodology used as at December 31st 2011.

In the opinion of the Management Board, as at 30 June 2012 the Group's assets were not impaired.

<b>Gross book value as at 31 December 2011</b>	<b>180 497</b>
Acquisition	3 097
Other	210
Currency translation differences	-
<b>Gross book value as at 30 June 2012</b>	<b>183 804</b>
<b>Accumulated amortisation and impairment losses as at 31 December 2011</b>	<b>38 779</b>
Amortisation for period	2 819
Currency translation differences	-
<b>Accumulated amortisation and impairment losses as at 30 June 2012</b>	<b>41 598</b>
<b>Net Value</b>	
As at 31 December 2011	<b>141 718</b>
As at 30 June 2012	<b>142 206</b>

**15. Inventories**

	<b>30.06.2012</b>	<b>31.12.2011</b>
Materials	18 992	34 159
Semi-finished products and work in progress	4 794	5 691
Finished products	9 089	5 318
Goods for resale	733 872	690 182
	<b>766 747</b>	<b>735 350</b>
Goods for resale	757 523	713 034
Discounts charged to goods for resale	(21 641)	(20 766)
Impairment losses on goods for resale	(2 010)	(2 086)
	<b>733 872</b>	<b>690 182</b>

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**16. Trade and other receivables**

	<b>30.06.2012</b>	<b>31.12.2011</b>
Trade receivables	311 374	299 100
Taxes, subsidies, customs duties, social security, health insurance and other benefits receivables	23 228	27 765
Loans advanced	5 375	4 524
Other receivables	11 904	15 937
<b>Current trade and other receivables, gross</b>	<b>351 881</b>	<b>347 326</b>
Impairment provision for receivable	<b>(20 054)</b>	<b>(19 833)</b>
<b>Current trade and other receivables, net</b>	<b>331 827</b>	<b>327 493</b>

**Ageing structure of receivables**

	<b>30.06.2012</b>	
	<b>Gross</b>	<b>Impairment losses</b>
up to 180 days	325 131	-
from 181 to 270 days	4 894	1 207
from 271 to 360 days	2 847	1 020
over 1 year	19 009	17 827
<b>Total</b>	<b>351 881</b>	<b>20 054</b>

**Ageing structure of receivables**

	<b>31.12.2011</b>	
	<b>Gross</b>	<b>Impairment losses</b>
up to 180 days	321 808	-
from 181 to 270 days	3 396	626
from 271 to 360 days	2 519	647
over 1 year	19 603	18 560
<b>Total</b>	<b>347 326</b>	<b>19 833</b>

Relative to December 31th 2011, there were no material changes in the Group's credit risk management policy.

**17. Equity**

Equity includes funds and capital reserves created in accordance with the applicable laws and regulations, i.e. statutory provisions and provisions of the Company's Article of Association.

The share capital comprises 14 168 100 shares with the total par value of PLN 28 336 200. Its amount remained unchanged in the reporting period. The share premium account also remained unchanged at PLN 259 530 475.

**Dividend**

In the reporting period, no dividend was distributed by Inter Cars SA. The profit for the financial year ended December 31st 2011 was contributed to statutory reserves amounting to PLN 100 088 570 and the remaining part amounting to PLN 4 250 430 was paid out as dividend.

(PLN ' 000)

## 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.

Bank loans	Amount as per agreement (limit)	Carrying amount as at 30 June 2012	Maturity date
	In PLN '000	In PLN ' 000	
Banking syndicate	480 000	215 000	long-term portion 29.11.2013
		213 249	Short-term portion 23.11.2013
		<b>428 249</b>	

No issues of bonds have taken place in the reporting period.

### Material covenants of syndicated loan

They have not changed during the reporting period.

### Cash Flow Hedges

As at 30 June 2012 the Group has no open derivatives to hedge financial flows.

## 19. Contingent Liabilities, Security provided in Respect of Liabilities and Future Liabilities (Including under Executed Operating Leases)

Contingent liabilities, granted security and future liabilities (including under operating leases) did not change materially relative to those described in the financial statements prepared as at December 31st 2011.

## 20. Related-Party Transactions

	1.1.2012-30.06.2012	1.1.2011-30.06.2011
<i>Remuneration of Supervisory and Management Board members</i>		
Remuneration of Supervisory Board members	111	96
Remuneration of Management Board members	4 023	1 950
	<b>4 134</b>	<b>2 046</b>
<i>Related-party transactions</i>		
Revenue from sales to related parties	858	1 190
Goods and services purchased from related parties	6 138	6 484

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	<u>30.06.2012</u>	<u>31.12.2011</u>
<i>Balance of settlements with related parties</i>		
Receivables from related parties	445	405
Liabilities to related parties	225	339

**21. Events Subsequent to the Reporting Date with a Potential Material Bearing on the Company's Future Financial Results.****Warsaw, 23 August 2012**.....  
*Robert Kierzek*.....  
*President of the Management Board*.....  
*Krzysztof Oleksowicz*.....  
*Member of the Management Board*.....  
*Krzysztof Soszyński*.....  
*Vice-President of the Management Board*.....  
*Piotr Kraska*.....  
*Member of the Management Board*.....  
*Wojciech Milewski*.....  
*Member of the Management Board*.....  
*Julita Pałyska*.....  
*Chief Accountant*

**PART II**

**INTERIM REPORT ON THE OPERATIONS OF THE INTER CARS GROUP IN THE PERIOD FROM 1 JANUARY – 30 JUNE 2012**

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## **22. Reporting entity description**

Inter Cars S.A., the parent undertaking ("the Company", "the Parent Undertaking"), is registered in Poland. These interim condensed consolidated financial statements of the Inter Cars Group for the period January 1st – June 30th 2012 contain data of the Parent Undertaking and of the subsidiaries, which are together referred to as the Inter Cars Group ("the Group"), and account for the Group's interests in associates.

The interim condensed separate financial statements of Inter Cars S.A. contain data of Parent Undertaking Inter Cars S.A.

The following undertakings (together: "the Group") have been consolidated:

- Parent Undertaking: Inter Cars S.A. of Warsaw,
- subsidiary undertakings: Inter Cars Ukraine, incorporated under the Ukrainian law, with registered office in Khmelnytsky, Ukraine (Inter Cars S.A.'s interest: 70%), Lauber Sp. z o.o. of Słupsk (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 SIA of Riga (100%), Inter Cars Bulgaria of Sofia (100%), Cleverlog Autoteile GmbH in Reinbek (90%) and Inter Cars Marketing Services Sp. z o.o. in Warsaw (100%).

## **23. Basis of Preparation**

These interim 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 six months ended 30 June 20112.

The interim condensed financial statements 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. The interim condensed financial statements should be read together with the annual financial statements (consolidated or separate, as appropriate).

## **24. Overview of the Group's Operations and Financial Performance on Consolidated and Standalone Basis in the Period from January 1st to June 30th 2012**

### **Financial Results of the Inter Cars Group**

- The Group recorded a **8,8%** 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 26% on corresponding period of previous year of which:
  - direct sales during 1H2012 amounted to PLN 119 million, which means a 18% increase in sales dynamics, however, the Board expected a decrease of revenue from this source;
  - sales executed by subsidiaries during 1H2012 amounted to PLN 327 million, which is a 34% increase.

As a result the change in structure of export sales is taking place, where the emphasis is shifting from Ukrainian market (less politically and economically stable) over to the EU countries,

**Interim Report on the Operations of Inter Cars Group**

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Inter Cars' sales revenue generated in Poland accounted for approximately 67% (vs 70% after the 1<sup>st</sup> quarter 2012) of the Group's total sales revenue (after consolidation eliminations). The Polish market remains the key sales market for the Group,

- Gross margin on sales of merchandise decreased from 32,3% to 31,3%, being **1 percentage point** after six months of 2012. 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 in the amount of **PLN 4,9 million**, the margin would have decreased only by **0,6 p.p.**
- Consolidated operating profit for 2Q2012 **increased by 0,7%** compared to corresponding period of previous year,
- Consolidated net profit for six months ended 30 June 2012 **increased by 3,7%** compared to corresponding period of previous year,
- Operating expenses increased by **9,7%** for the period of six months ended 30 June 2012 compared to corresponding period despite the increase in sales of **8,8%**. The increase in operating expense resulted mainly from higher cost dynamics in daughter companies, which generated the highest sales dynamics (**over 34%**) 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.
- Effective tax rate for the Group for the period of six ended 30 June 2012 amounted to 17,7%.
- Cash generated by operating activities was PLN 79 million. The rise in cash flow is mainly due to improved stock rotation, which amounted to **141 days** and improved by **19 days** compared to prior year..

**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 in first half of 2012 (restated in PLN, after consolidation eliminations) was reported by the following operations: Latvia (increase by 425%), Romania (increase by 70%), Lithuania (increase by 48%) and Ukraine (increase by 39%). The subsidiary entities which generated highest revenue for the Group along with Romania, Ukraine and Lithuania were: Slovakia (increase by 7%), Czech Republic (increase by 12%).

**Financial result of Inter Cars Group in the 1st half 2012:**

('000)

	<b>6 months ended June 30<sup>th</sup></b>			
	2012	2011	2012	2011
	PLN	PLN	EURO	EURO
<b>Statement of comprehensive income (for period)</b>				
Sales revenue	1 421 858	1 307 169	336 566	329 486
Gross profit/(loss) on sales	444 802	421 754	105 289	106 308
Net financial income/expenses	(16 252)	(14 698)	(3 847)	(3 705)
Operating profit	75 019	73 839	17 758	18 612
Net profit	48 386	46 658	11 453	11 761
<b>Other financial data</b>				
Net cash from operating activities	79 166	28 785	18 739	7 256
Net cash used in investing activities	(29 292)	(13 426)	(6 934)	(3 384)
Net cash used in financing activities	(49 460)	5 158	(11 708)	1 300
Earnings per share	3,42	3,29	0,80	0,83
Sales margin	31,3%	32,3%		
EBITDA margin	6,6%	6,9%		

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	<b>As at</b>			
	30.06.2012	31.12.2011	30.06.2012	31.12.2011
<b>Statement of financial position</b>	PLN	PLN	EUR	EUR
Cash and cash equivalents	61 110	60 696	14 341	13 742
Balance-sheet total	1 595 994	1 547 470	374 532	350 360
Loans, borrowings and finance lease liabilities	467 127	501 015	109 621	113 434
Equity	712 092	668 804	167 107	151 423
Non-controlling interest	(4 298)	(3 853)	(1 009)	(872)

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 30 June 2012: EUR 1 = PLN 4,2613 the exchange rate quoted for 31 December 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 two quarters of 2012 and 2011 respectively: EUR 1 = PLN 4,2246 and EUR 1 = PLN 3,9673.

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

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

('000)	<b>For 6 months ended June 30th</b>			
	2012	2011	2012	2011
<b>Stand-alone statement of comprehensive income</b>	PLN	PLN	EURO	EURO
Sales revenue	1 242 916	1 156 114	294 209	291 411
Gross profit/(loss) on sales	330 735	320 901	78 288	80 886
Net financial income/expenses	1 157	3 221	274	812
Operating profit	59 320	60 392	14 042	15 222
Net profit	51 002	50 371	12 073	12 697
<b>Other financial data</b>				
Net cash from operating activities	73 185	(7 109)	17 324	(1 792)
Net cash used in investing activities	(8 971)	9 928	(2 124)	2 502
Net cash used in financing activities	(58 980)	5 009	(13 961)	1 263
Earnings per share	3,60	3,56	0,85	0,90
Sales margin	26,6%	27,8%		

	<b>As at</b>			
	30.06.2012	31.12.2011	30.06.2012	31.12.2011
<b>Statement of financial position</b>	PLN	PLN	EUR	EUR
Cash and cash equivalents	23 381	18 147	5 487	4 109
Balance-sheet total	1 545 987	1 498 178	362 797	339 200
Loans, borrowings and finance lease liabilities	451 691	496 099	105 998	112 321
Equity	677 323	630 571	158 948	142 766

**Sales revenue** in the first quarter of 2012 was **7,5% higher** than in the corresponding period of 2011.

**Gross profit on sales** was 3% higher on corresponding period of 2011. However, gross profit for the 1<sup>st</sup> half 2012 was lower by 5% on corresponding period of previous year. **Sales margin** in 1<sup>st</sup> half 2012 went down to 26.6% from 27.8% in comparable period of 2011.



**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 first quarter of 2012 the Company's interest expense amounted to PLN 12 469 thousand compared to PLN 14 873 thousand during comparable period of 2011. **Liabilities under loans, borrowings, debt securities and finance leases** as at 30 June 2012 totalled PLN 468 508 thousand, that is decrease by 9% compared to 452 132 thousand as at 31 December 2011.

**25. 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**

**Main Events Bearing on the Present and Future Financial Performance**

- Consolidated EBITDA calculated on a cumulative basis for the period of 12 months ended June 30th 2012 amounted to PLN 198 324 thousand (operating profit plus depreciation/amortisation).
- On 30 May 2012 Inter Cars S.A. made a contribution of branch Inter Cars S.A. to the new company called Inter Cars Marketing Services Sp. z o.o.. as described further in the note 26.
- On 26 June 2012, based on newly adopted dividend policy, the General Shareholders Meeting made a decision to pay out a dividend amounting to PLN 0,3 per share. The dividend day was set on 17 July 2012 and the payment of dividend was effectuated on 1 August 2012.

According to the dividend policy the Board of Directors of Inter Cars will recommend profit distribution to the General Shareholders and the Supervisory Board providing the consolidated net profit exceed PLN 100 million. The maximum dividend should not exceed 20% of the consolidated net profit and 100% of net profit presented in the standalone financial statements of Inter Cars.

In 2012 the Company paid out dividend amounting to PLN 4,25 million, the remaining profit was transferred to reserve capital.

- Stock rotation ratio improved by 19 days (12%) in comparison to prior year, while stock rotation at Inter Cars SA improved by 11 days (9%) and stock rotation at other distribution companies improved by 32 days (23%). Improvement is mainly due to lowering of orders during the first quarter 2012 and improved availability of stock at producers.
- After the period of 6 months ended 30 June 2012 Feber has realised objectives set. The Board expects to achieve positive profitability in the whole 2012.
- The Company Inter Cars has been analyzing the market of spare parts distribution including new channels of distribution. We have paid our attention especially to internet which continue to gain its share in the sales of spare parts montly in more mature economies. It is usually organized in such a way that specialized sales forces operate based on internet platforms and Contact centers. For several year traditional spare parts distributors have been successfully entering this part of business. Inter Cars has long been using this channel of distribution in our B2B relationships, currently internet business has over Euro 220 million share in our business. In September we plan to re-launch a new version of Motointegrator.pl dedicated for consumers. Currently it has been made public through a Beta version. Our new team of our e-commerce dedicated professionals could have created new processes of customer service and tested various forms of communication with customers. Motointegrator gained a new refreshed look and owing to the best practice available on the market has been enriched with the best product and service presentation, become ergonomic and equipped with information search and is

easy to use. This solution is ready for use for car drivers who can easily make an appointment with any garage through internet. Motointegrator.pl thanks to our large distribution network and partnership garages is the only internet platform that can sell car batteries with respect with all security and ecology norms. This move is an element of our strategy to gain a leadership position in the internet. Motointegrator will enable to 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 Motointegrator concept as it is due to the existing network of partnership garages. In remaining countries we are going to sell spare part through internet.

## 26. Effect of Changes in the Business Entity's Structure

There were no changes in the structure of Inter Cars Group in the reporting period, except for the contribution of the branch of Inter Cars to Inter Cars Marketing Services Sp. z o.o. which is 100% owned by Inter Cars.

On 2 October 2012 Inter Cars SA separated part of the business in the form of independent marketing enterprise (the Branch). The Branch was registered at Commercial Court.

The Branch undertook marketing and promotional activities for the Company and its customers and also took charge of brand management, secured brand development and secured license fees from their use.

Furthermore the Branch was responsible for coordination and setting rules as to the use the brands by the subsidiaries of Inter Cars capital group.

On 30 May 2012 the Company made a contribution of the Branch business to Inter Cars Marketing Services Sp. z o.o. (ICMS). In interim financial statements shares acquired in exchange of the contribution in ICMS were valued at net assets value presented in the balance sheet of the contributed enterprise.

ICMS continues operations of the branch.

## 27. Management Board's Standpoint Regarding the Feasibility of Meeting Previously Published Forecasts for 2012

The Inter Cars Group did not publish any financial forecasts.

## 28. List of Shareholders Holding 5% or More of the Total Vote as at the Report Release Date

Shareholder	Number of share/votes	Aggregate par value (zł)	Percentage of share capital held (%)	Percentage of total vote Held (%)
Krzysztof Oleksowicz	4 682 271	9 364 542	33,05%	33,05%
Andrzej Oliszewski	1 432 370	2 864 740	10,11%	10,11%
AMPLICO Otwarty Fundusz Emerytalny	903 347	1 806 694	6,38%	6,38%
ING Otwarty Fundusz Emerytalny	1 214 728	2 429 456	8,57%	8,57%
AVIVA Otwarty Fundusz Emerytalny	1 303 247	2 606 494	9,20%	9,20%
<b>Total</b>	<b>9 535 963</b>	<b>19 071 926</b>	<b>67,31%</b>	<b>67,31%</b>

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

## 29. Changes in Major Holdings of the Company Shares

There were no changes in major holdings of the Company shares since the date of the most recent quarterly report.

## 30. 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 management staff hold in aggregate 6 259 309 shares, conferring the right to 44.18% of the total vote at the General Shareholders Meeting of Inter Cars S.A.

The management and supervisory staff hold no shares in subsidiary undertakings of Inter Cars S.A.

Shareholder	No. of shares/votes	Aggregate par value	Percentage of share capital held	Percentage of total vote held
		(PLN)	(%)	(%)
Krzysztof Oleksowicz	4 682 271	9 364 542	33,05%	33,05%
Robert Kierzek	39 834	79 668	0,28%	0,28%
Krzysztof Soszyński	39 834	79 668	0,28%	0,28%
Wojciech Milewski	32 500	65 000	0,23%	0,23%
Piotr Kraska	32 500	65 000	0,23%	0,23%
	<b>4 826 939</b>	<b>9 653 878</b>		
<b>Supervisory board</b>				
Andrzej Oliszewski	1 432 370	2 864 740	10,11%	10,11%
	<b>1 432 370</b>	<b>2 864 740</b>		
<b>Total</b>	<b>6 259 309</b>	<b>12 518 618</b>	<b>44,18%</b>	<b>44,18%</b>

Changes in ownership of the Company shares held by the management and supervisory staff since the date of release of the most recent quarterly report:

Shareholder	No. of shares as at May 15 <sup>th</sup> 2012	Increases	Decreases	No. of shares as at August 23 <sup>th</sup> 2012
Krzysztof Oleksowicz	4 682 271	-	-	4 682 271
Andrzej Oliszewski	1 432 370	-	-	1 432 370
Robert Kierzek	39 834	-	-	39 834
Krzysztof Soszyński	39 834	-	-	39 834
Wojciech Milewski	32 500	-	-	32 500
Piotr Kraska	32 500	-	-	32 500
<b>Total</b>	<b>6 259 309</b>	<b>-</b>	<b>-</b>	<b>6 259 309</b>

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

In 2012, no proceedings have been brought 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 subsidiary undertakings whose aggregate value would represent 10% or more of the Company's equity.

**32. Other Information Which the Company Deems Relevant for the Assessment of Its Personnel, Assets, Financial Position, and Net Profit (Loss), 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, 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.

**33. 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 Q3 2012 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.*

**34. Key Threats and Risks Affecting the Months Remaining to the End of the Financial Year**

The risks relating to Q3 2012, as described by the Management Board in Section 33, also relate to the remaining months of the year.

**35. Information on Conclusion by the Company or Its Subsidiary Undertakings of a Single Transaction or a Series of Transactions with Related Parties if such Transactions Are Individually or Jointly Material and Were Not Concluded at Arm's Length**

No such transactions occurred.

**36. Information on Sureties Issued in respect of Loans or Borrowings or Guarantees Issued, in Each Case by the Company or Any of Its Subsidiaries, Jointly to a Single Entity or any Subsidiary of Such Entity, where the Aggregate Value of such Outstanding Sureties or Guarantees Amounts to an Equivalent of 10% or More of the Company's Equity**

<b>Sureties and guarantees issued</b>	<b>Period covered</b>	<b>30.06.2012</b>	<b>31.12.2011</b>
Lauber Sp. Z o.o.	26.09.2008 – 26.09.2011	197	197
Feber Sp. Z o.o.	23.03.2010 – indefinitely	937	972
Feber Sp. Z o.o.	09.12.2011 – 30.12.2012	2 557	2 650
Feber Sp. Z o.o.	15.04.2011 – 14.04.2012	2 000	2 182
Q-Service Sp. Zo.o.	2.12.2010 – 31.12.2011	1 278	-
INTER CARS Hungária Kf.	29.04.2011 – 31.01.2016	2 398	2 456
Inter Cars Bulgaria	28.07.2011 – 05.07.2015	268	277
		<b>9 635</b>	<b>8 734</b>

All guarantees were issued by the parent company to subsidiaries free of charge. One guarantee was issued to INTER CARS Hungária Kf. in order to collateralize bank loan repayment. This bank loan was granted by Uni Credit Bank Hungary Zrt. for the total amount of CHF 676 thousand. The guarantee issued by Inter Cars S.A. covers to the same amount as the bank loan.

Other guarantees aim to secure repayments of trade liabilities.

**Warsaw, 23 August 2012**

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*Robert Kierzek*

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*President of the Management Board*

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*Krzysztof Oleksowicz*

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*Member of the Management Board*

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*Wojciech Milewski*

-----  
*Member of the Management Board*

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*Krzysztof Soszyński*

-----  
*Vice-President of the Management Board*

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*Piotr Kraska*

-----  
*Member of the Management Board*

**PART III**

**INTERIM CONDENSED STAND-ALONE FINANCIAL STATEMENT OF INTER CARS SA FOR PERIOD FROM  
1 JANUARY- 30 JUNE 2012**

<b>37.</b>	<b>Statement of financial position.....</b>	<b>31</b>
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**Interim Condensed Stand-Alone Financial Statement of Inter Cars S.A.**

for the period from 1 January – 30 June 2012

(PLN' 000)

**37. Statement of financial position**

	<b>Note</b>	<b>30.06.2012</b>	<b>31.12.2011</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment		156 519	146 276
Intangible assets		135 354	136 786
Investment property		2 019	2 019
Investment in related entities	42	59 798	57 236
Receivables		41 816	40 618
		<b>395 506</b>	<b>382 935</b>
<b>Current assets</b>			
Inventory		598 336	558 229
Trade and other receivables		528 764	538 867
Cash and cash equivalents		23 381	18 147
		<b>1 150 481</b>	<b>1 115 243</b>
<b>TOTAL ASSETS</b>		<b>1 545 987</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		51 326	104 662
		<b>677 323</b>	<b>630 571</b>
<b>Non-current liabilities</b>			
Long-term loan, borrowing and finance lease liabilities		237 519	241 700
Provision for deferred tax		3 418	3 418
		<b>239 581</b>	<b>240 424</b>
<b>Current liabilities</b>			
Trade and other payables		408 126	356 262
Short-term loans, borrowings, debt securities and finance lease liabilities		215 528	259 093
Employee benefits		2 065	3 150
Income tax liability		3 364	8 678
		<b>629 083</b>	<b>627 183</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 545 987</b>	<b>1 498 178</b>

**Interim Condensed Stand-Alone Financial Statement of Inter Cars S.A.**

for the period from 1 January – 30 June 2012

(PLN' 000)

**38. Statement of comprehensive income**

	<b>1.01.2012 - 30.06.2012</b>	<b>1.01.2011 - 30.06.2011</b>
Sales revenue	1 242 916	1 156 114
Cost of sales	(912 181)	(835 213)
<b>Gross profit on sales</b>	<b>330 735</b>	<b>320 901</b>
Other operating income	1 637	7 220
Selling costs, general and administrative expenses	(148 383)	(136 048)
Cost of distribution services	(120 884)	(120 058)
Other operating expenses	(3 785)	(11 623)
<b>Operating profit</b>	<b>59 320</b>	<b>60 392</b>
Financial income	17 717	18 174
Foreign exchange gains/(losses)	(780)	(22)
Financial expenses	(15 780)	(14 931)
<b>Profit before tax</b>	<b>60 477</b>	<b>63 613</b>
Corporate income tax	(9 475)	(13 242)
<b>Net profit</b>	<b>51 002</b>	<b>50 371</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Revaluation of hedging instruments	-	1 100
<b>Total other comprehensive income, net</b>	<b>-</b>	<b>1 100</b>
<b>COMPREHENSIVE INCOME</b>	<b>51 002</b>	<b>51 471</b>
<b>Net profit</b>	<b>51 002</b>	<b>50 371</b>
<b>Weighted-average number of ordinary shares</b>	<b>14 168 100</b>	<b>14 168 100</b>
<b>Earnings per ordinary share (PLN)</b>	<b>3,60</b>	<b>3,56</b>
<b>Weighted-average diluted number of ordinary shares</b>	<b>14 168 100</b>	<b>14 168 100</b>
<b>Diluted earnings per ordinary share (PLN)</b>	<b>3,60</b>	<b>3,56</b>



**Interim Condensed Stand-Alone Financial Statement of Inter Cars S.A.**  
for the period from 1 January – 30 June 2012  
(PLN '000)

**39. Statement of changes in Equity**

**For the period from 1 January 2012 to 30 June 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>	-	-	-	-	51 002	<b>51 002</b>
profit for period	-	-	-	-	-	-
<b>Comprehensive income, total</b>	-	-	-	-	<b>51 002</b>	<b>51 471</b>
<b>Transactions with shareholders</b>						
Allocation of prior period result to reserve funds	-	-	100 088	-	(100 088)	-
Dividend	-	-	-	-	(4 250)	<b>(4 250)</b>
<b>As at 30 June 2012</b>	<b>28 336</b>	<b>259 530</b>	<b>332 196</b>	<b>5 935</b>	<b>51 326</b>	<b>677 323</b>

**For the period from 1 January 2011 to 30 June 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>	-	-	-	-	50 371	<b>50 371</b>
profit for period	-	-	-	-	-	-
Effective part of changes in fair value in cash flow hedging	-	-	-	1 100	-	<b>1 100</b>
<b>Comprehensive income, total</b>	-	-	-	<b>1 100</b>	<b>50 371</b>	<b>51 471</b>
<b>Transactions with shareholders</b>						
Allocation of prior period result to reserve funds	-	-	46 004	-	(46 004)	-
<b>As at 30 June 2011</b>	<b>28 336</b>	<b>259 530</b>	<b>232 108</b>	<b>5 935</b>	<b>50 694</b>	<b>576 603</b>

**Interim Condensed Stand-Alone Financial Statement of Inter Cars S.A.**  
for the period from 1 January – 30 June 2012  
(PLN '000)

**40. Statement of cash flow**

(PLN '000)

	<b>1.01.2012 – 30.06.2012</b>	<b>1.01.2011 – 30.06.2011</b>
<b>Cash flows from operating activities</b>		
Profit (loss) before tax	60 477	63 613
Adjustments, including:		
Depreciation and amortisation	11 862	12 875
Foreign exchange (gains)/losses	(721)	(25)
(Gain)/loss on disposal of property, plant and equipment	(43)	(445)
Net interest	12 405	9 896
Revaluation of investment property	(15 159)	(15 290)
Other adjustments, net	-	951
<b>Operating profit before changes in working capital</b>	<b>68 821</b>	<b>71 575</b>
Change in inventories	(40 236)	(159 135)
Change in receivables	11 514	(54 809)
Change in current liabilities	47 875	156 827
Cash generated by operating activities	<b>87 974</b>	<b>14 458</b>
Corporate income tax paid	(14 789)	(21 567)
<b>Net cash from operating activities</b>	<b>73 185</b>	<b>(7 109)</b>
<b>Cash flows from investing activities</b>		
Sale of property, plant and equipment and intangible assets	1 472	733
Acquisition of property, plant and equipment and intangible assets	(22 620)	(11 809)
Acquisition of shares in subordinated entities	2200	69
Repayment of loans advanced	195	9 636
Loans advanced	(5 020)	(4 310)
Interest received	153	319
Dividends received	15 159	15 290
	(510)	-
<b>Net cash used in investing activities</b>	<b>(8 971)</b>	<b>9 928</b>
<b>Cash flows from financing activities</b>		
Repayments/proceeds from issue of debt securities	-	15 000
Finance lease payments	(14 572)	(12 469)
Repayments/proceeds from loans and borrowings	(3 596)	(2 775)
Interest paid	(40 812)	5 253
<b>Net cash used in financing activities</b>	<b>(58 980)</b>	<b>5 009</b>
<b>Net change in cash and cash equivalents</b>	<b>5 234</b>	<b>7 828</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>18 147</b>	<b>13 945</b>
<b>Cash and cash equivalents at end of period</b>	<b>23 381</b>	<b>21 773</b>

**41. Investments in related entities**

<b>Investment in related entities as at 31.12.2011</b>	<b>57 236</b>
Payment for share capital of Inter Cars Bulgaria Ltd.	(3 508)
Write-off of 5 Sterne Fahrwerkstechnik GmbH	6 070
<b>Investment in related entities as at 30.06.2012</b>	<b>59 798</b>

**42. Related-Party Transactions in the interim stand-alone financial statement**

<b>Receivables</b>	<b>30.06.2012</b>	<b>31.12.2011</b>
Inter Cars Ukraine LLC	49 203	51 942
Q-Service Sp. z o.o.	2 519	-
Lauber Sp. Z o.o.	2 319	113
Inter Cars Ceska Republika	35 472	54 316
Inter Cars Slovenska Republika	5 534	4 177
Feber Sp. z o.o.	7 076	6 740
Inter Cars Lietuva UAB	15 301	15 596
JC Auto s.r.l.	10 790	10 426
Inter Cars d.o.o.	45 056	47 561
JC Auto S.A.	2 059	2 042
INTER CARS Hungária Kf.	35 411	34 083
JC Auto s.r.o.	7 277	7 543
Inter Cars Romania s.r.l.	59 029	54 832
Armatus sp. z o.o.	17	100
Inter Cars Cyprus Ltd.	-	944
Inter Cars Latvija SIA	3 320	1 828
Cleverlog Autoteile BmbH	51	2
Inter Cars Bulgaria Ltd.	781	84
Inter Cars Marketing Services Sp. z o.o.	86	-
<b>Receivables Gross</b>	<b>281 301</b>	<b>292 329</b>
Impairment provision for receivables (JC Auto s.r.o.)	(3 839)	(3 839)
<b>Receivables Net</b>	<b>277 462</b>	<b>288 490</b>

**Interim Condensed Stand-Alone Financial Statement of Inter Cars S.A.**  
for the period from 1 January – 30 June 2012

(PLN' 000)

<b>Payables</b>	<b>30.06.2012</b>	<b>31.12.2011</b>
Inter Cars Ukraine LLC	1	1
Q-Service Sp. z o.o.	43 665	38 105
Lauber Sp. z o.o.	538	1 370
Inter Cars Ceska Republika	9 205	7 294
Inter Cars Slovenska Republika	37	37
Feber Sp. z o.o.	154	41
Inter Cars Lietuva UAB	413	892
IC Development & Finance Sp. z o.o.	23	83
JC Auto s.r.l.	47	96
Inter Cars d.o.o.	-	546
5 STERNE FAHWERKSTECHNIK GMBH I. GR.	-	95
JC Auto S.A.	-	67
INTER CARS Hungária Kft.	539	1 386
JC Auto s.r.o.	3 158	3 273
Inter Cars Romania s.r.l.	545	2 036
Inter Cars Cyprus Ltd.	3 132	3 871
Inter Cars Latvija SIA	12	1
Inter Cars Marketing Services Sp. z o.o.	4 896	-
	<b>66 365</b>	<b>59 194</b>
	<b>01.01.2012- 30.06.2012</b>	<b>01.01.2011- 30.06.2011</b>
<b>Sales revenue</b>		
Inter Cars Ukraine LLC	9 525	13 188
Q-Service Sp. z o.o.	3 223	3 435
Lauber Sp. z o.o.	3 335	2 099
Inter Cars Ceska Republika	27 093	23 113
Inter Cars Slovenska Republika	29 470	25 394
Feber Sp. z o.o.	370	272
Inter Cars Lietuva UAB	37 657	26 390
JC Auto s.r.l.	4 366	3 268
Inter Cars d.o.o.	10 131	12 255
JC Auto S.A.	1	1
INTER CARS Hungária Kf.	6 168	7 242
Inter Cars Romania s.r.l.	30 463	25 913
Armatus sp. z o.o.	58	121
Cleverlog Autoteile BmbH	30	-
Inter Cars Latvija SIA	6 130	951
Inter Cars Bulgaria Ltd.	729	-
Inter Cars Marketing Services Sp. z o.o.	3	-
	<b>168 752</b>	<b>143 642</b>
	<b>01.01.2012- 30.06.2012</b>	<b>01.01.2011- 30.06.2011</b>
<b>Purchases of goods and services</b>		
Q-Service Sp. z o.o.	33 458	37 273
Lauber Sp. z o.o.	10 980	9 256
Inter Cars Ceska Republika	2 162	2 825
Inter Cars Slovenska Republika	385	168
Feber Sp. z o.o.	8 119	897
Inter Cars Lietuva UAB	1 392	1 980
IC Development & Finance Sp. z o.o.	655	790
JC Auto s.r.l.	985	-
Inter Cars d.o.o.	6	54
JC Auto S.A.	1 073	1 748
INTER CARS Hungária Kf.	540	7
Inter Cars Romania s.r.l.	1 860	2 805

**Interim Condensed Stand-Alone Financial Statement of Inter Cars S.A.**  
for the period from 1 January – 30 June 2012  
(PLN' 000)

Inter Cars Cyprus Ltd.	808	2 818
Inter Cars Latvija SIA	53	3
Inter Cars Marketing Services Sp. z o.o.	3 205	-
	<b>66 681</b>	<b>60 624</b>
<b>Receivables</b>	<b>30.06.2012</b>	<b>31.12.2011</b>
<i>Receivable from related companies</i>		
Feber Sp. z o.o.	26 133	21 791
IC Development & Finance Sp. z o.o.	45 183	44 039
Lauber Sp. z o.o.	7 092	6 864
Inter Cars Romania s.r.l.	-	16
SMiOC Frenoplast Buřhak I Cieřlawski S.A.	1 424	1 370
IC Bulgaria Ltd	1 018	1 024
	<b>80 850</b>	<b>75 104</b>
<i>Payable to related companies</i>		
Armatus Sp. z o.o.	547	733
	<b>547</b>	<b>733</b>
<b>Guarantees issued</b>	<b>30.06.2012</b>	<b>31.12.2011</b>
Lauber Sp. z o.o.	197	197
Feber Sp. z o.o.	937	972
Feber Sp. z o.o.	2 000	2 182
Feber Sp. z o.o.	2 557	2 650
Q-Service Sp. z o.o.	1 278	-
Inter Cars Bulgaria Ltd.	268	277
INTER CARS Hungária Kf.	2 398	2 456
	<b>20 836</b>	<b>8 241</b>

**Warsaw, 23 August 2012**

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*Robert Kierzek*

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*President of the Management Board*

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*Krzysztof Oleksowicz*

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*Member of the Management Board*

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*Krzysztof Soszyński*

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*Vice-President of the Management Board*

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*Piotr Kraska*

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*Wojciech Milewski*

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