CAPITAL GROUP
OF INTER CARS S.A.

Extended
consolidated quarterly report for
the III quarter of 2008

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PART I

CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER OF 2008

1. Information about Inter Cars S.A. Capital Group

Objects of operations

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

Registered office - the parent company

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

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

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

Management Board

Krzysztof Oleksowicz, the President
Robert Kierzek, Deputy President
Krzysztof Soszyński:
Wojciech Milewski
Piotr Kraska

Chartered Auditor

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

Subsidiaries of Inter Cars - entities included in consolidation as at 30 September 2008

Inter Cars Ukraine
29009 Chmielnicki, Tołstego 1/1
Ukraine

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

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

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

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

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

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

5 Sterne Fahrwerkstechnik GmbH
Storkower Str. 175
10369 Berlin,
Germany

Feber Sp. z o.o.
ul. Powsińska 64
02-903 Warszawa

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

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

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

Armatus sp. z o.o.
ul. Burakowska 60
01-794 Warszawa,

Inter Cars Hungaria Kft (formerly JC Auto Kereskedelmi Kft)
Klapka Utca 4
H-1134 Budapest,
Hungary

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

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

Quotations on stock exchanges

Shares in Inter Cars, i.e. Parent Company are quoted on the Warsaw Stock Exchange in the system of continuous trading.

2. Summary of the Capital Group's activities and consolidated financial results - 3 quarters of 2008

Inter Cars Group is an importer and distributor of spare parts for passenger cars and commercial vehicles. The Group's offer includes also garage equipment and parts for motorcycles and tuning. The Inter Cars Capital Group is the largest independent distributor of spare parts in Central and Eastern Europe. The Group conducts operating activities in Poland, Ukraine, the Czech Republic, Slovakia, Belgium, Hungary, Croatia, Italy, Germany, Lithuania and in Romania (since July).

The Group recorded more than 35% increase in sales revenues as compared to the same period of 2007, which resulted from the merger of the JC Auto S.A. Group, from growth in the scale of operating activities and geographic development of sales chain.

In the first three quarters of 2008, the Company opened up 12 new branches which means that as at 30 September 2008 the sales chain consisted of 164 branches, 117 branches in Poland and 47 branches abroad.

The basic financial data of **the Inter Cars S.A. Group** have been presented in the chart below (three quarters cumulatively):

	3 quarters		
	2008	2007	2008
('000)	PLN	PLN	Euro
Profit and loss statement (for period)			
Sales revenues ……	1 292 963	954 918	377 541
Gross Profit (Loss) on sales ……	393 365	263 312	114 861
Costs of management option program ……	(596)	(2 497)	(174)
Financial revenue and cost, net ……	(22 152)	(7 806)	(6 468)
Profit (loss) on operating activities ……	63 189	63 106	18 451
Net profit (loss) ……	34 174	45 491	9 979
Balance (at the end of period)			
Cash and cash equivalents ……	26 460	20 079	7 763
Balance sheet total ……	1 204 395	625 999	353 371
Loans, borrowings, financial Leasing ……	566 036	284 731	166 076
Equity attributable to the shareholders of the parent company …	421 911	153 733	123 789
Minority capital ……	1 644	1 574	482
Other financial information			
Cash flow on operating activities ……	3 092	(39 808)	903
Cash flow on investment activities ……	(36 260)	(20 759)	(10 588)
Cash flow on financial activities ……	36 749	66 181	10 731
Basic earnings per share ……	2,54	3 87	0,74
Sales margin (1) ……	30,4%	27,6%	30,4%
EBITDA margin (2) ……	6,4%	7,8%	6,4%

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

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

The revenues of Inter Cars were approx. 79% of the Capital Group's revenues (before consolidation exclusions). **Poland is the main market** of sales for the Capital Group.

Gross profit on sales increased by 49% in the 3 quarters of 2008 as compared to the same period of the previous year. Higher growth rate of profit as compared to the pace of increase in sales revenues resulted from growth in the amount of **profit margin on sales** from 27.6% in 2007 up to 30.4% in 2008.

Inter Cars conducted **issuance of short-term bonds**, of which revenues were used to finance the Company's current activities. Beneficial terms on which the Company issued bonds allowed obtaining cost savings as compared to the costs of bank credits. Additionally, the program of issue of bonds allowed the Company to strengthen the image of a reliable and stable issuer of debt securities in the eyes of the investors.

3. Balance sheet

(in thousands of PLN)	30.09.2008	31.12.2007	30.09.2007
ASSETS			
Fixed assets			
Tangible fixed assets	176 384	90 596	82 635
Investment properties	46 870	43 319	7 593
Intangible assets	158 500	7 789	1 202
Investments in associated companies	94	-	-
Available for sale investments	43	43	43
Receivables	3 472	2 367	2 516
Prepayments	1 473	1 473	562
Assets due to deferred tax	197	7 591	6 163
	387 033	**153 178**	**100 714**
Current assets			
Inventory	591 176	482 693	391 596
Receivables for services and other receivables	195 380	154 503	111 624
Income tax receivables	-	-	-
Prepayments	4 346	2 457	1 986
Cash and cash equivalents	26 460	22 879	20 079
	817 362	**662 532**	**525 285**
TOTAL ASSETS	**1 204 395**	**815 710**	**625 999**

LIABILITIES	30.09.2008	31.12.2007	30.09.2007
Share capital	27 472	23 642	23 642
Supplementary capital from the issue of shares above the face value	247 785	21 415	21 415
Supplementary capital	104 589	65 975	65 686
Other supplementary capital	5 788	5 192	4 359
Currency Exchange differences	(1 948)	(1 920)	(1 369)
Retained result from previous years and the current year	38 225	52 608	40 000
Equity attributable to the shareholders of the parent company	**421 911**	**166 912**	**153 733**
Minority capital	**1 644**	**1 151**	**1 574**
Own equity in total	**423 555**	**168 063**	**155 307**
Long-term liabilities			
Liabilities due to credits, loans and finance lease	35 551	38 794	3 688
Provision for deferred income tax	8 435	8 568	5 958
Provisions	36	-	-
Long-term prepaid expenses	-	-	813
	44 022	**47 362**	**10 459**
Short-term liabilities			
Liabilities due to deliveries and services and other liabilities	186 867	261 412	163 645
Liabilities due to credits, loans and finance lease	530 485	318 574	281 043
Liabilities due to employee benefits	4 655	818	1 670
Liabilities due to income tax	3 793	10 063	8 491
Provisions	577	851	2 152
Short-term prepaid expenses	10 441	8 567	3 232
	736 818	**600 285**	**460 233**
TOTAL LIABILITIES	**1 204 395**	**815 710**	**625 999**

4. Profit and loss statement

(in thousands of PLN)	1.01.2008 - 30.09.2008	1.07.2008 - 30.09.2008	1.01.2007 - 30.09.2007	1.07.2007 - 30.09.2007
Sales revenue on sales of products, goods and materials	1 292 963	476 840	954 918	345 929
Cost of sold products, commodities, and materials	(899 598)	(341 501)	(691 606)	(253 398)
Gross profit on sales	**393 365**	**135 339**	**263 312**	**92 531**
Other operating revenue	18 826	5 755	11 344	3 728
General administrative and sales cost	(189 971)	(71 550)	(106 210)	(38 403)
Distribution service costs	(138 731)	(49 002)	(93 346)	(33 290)
Costs of management option program	(596)	(147)	(2 497)	(832)
Other operating costs	(19 706)	(6 367)	(9 497)	(3 377)
Operating profit	**63 187**	**14 028**	**63 106**	**20 357**
Financial revenue	1 975	1 163	419	22
Foreign exchange differences	(1 419)	(106)	2 030	2 247
Financial costs	(22 708)	(10 608)	(8 225)	(3 231)
Pre-tax profit	**41 035**	**4 477**	**57 330**	**19 395**
Income tax	(6 861)	695	(11 839)	(4 251)
Net profit	**34 174**	**5 172**	**45 491**	**15 144**
Attributable to:				
the parent company's shareholders .	33 681	4 949	45 712	15 236
minority shareholders	493	223	(221)	(92)
	34 174	**5 172**	**45 491**	**15 144**
Profit per one share (PLN)				
- basic	2,54	0,38	3,87	1,29
- diluted	2,50	0,37	3,75	1,25

5. Changes in equity capital

for the period from 1 January 2008 to 30 September 2008

(in thousands of PLN)	Share capital	Supplementary capital on the sale of shares above the face value	Supplementary capital	Currency Exchange differences	Other supplementary capitals	Retained result from previous years and the current year	**Equity attributable to the shareholders of the parent company**	Minority share	**TOTAL Equity Capital**
As at 1 January 2008	**23 642**	**21 415**	**65 975**	**(1 920)**	**5 192**	**52 608**	**166 912**	**1 151**	**168 063**
Profit for the period	-	-	-	-	-	33 681	**33 681**	493	**34 174**
Issue of shares in connection with the merger with JC Auto	3 750	225 000	-	-	-	-	**228 750**	-	**228 750**
Establishment of supplementary capital in connection with realization of the management option program	-	-	-	-	596	-	**596**	-	**596**
Issue of shares under exercising management options	80	1 370	-	-	-	-	**1 450**	-	**1 450**
Distribution of profit from previous period - dividend	-	-	-	-	-	(9 450)	**(9 450)**	-	**(9 450)**
Distribution of profit from the previous period - transfer to supplementary capital	-	-	38 614	-	-	(38 614)	**-**	-	**-**
Currency Exchange differences	-	-	-	(28)	-	-	**(28)**	-	**(28)**
As at 30 September 2008	**27 472**	**247 785**	**104 589**	**(1 948)**	**5 788**	**38 225**	**421 911**	**1 644**	**423 555**

for the period from 1 January 2007 to 30 September 2007

(in thousands of PLN)	Share capital	Supplementary capital on the sale of shares above the face value	Supplementary capital	Currency Exchange differences	Other supplementary capitals	Retained result from previous years and the current year	**Equity attributable to the shareholders of the parent company**	Minority share	**TOTAL Equity Capital**
As at 1 January 2007	**23 642**	**21 415**	**49 303**	**(554)**	**1 862**	**14 690**	**110 358**	**1 795**	**112 153**
Profit for the period	-	-	-	-	-	45 491	**45 491**	-	**45 491**
Minority share in the result of period	-	-	-	-	-	221	**221**	(221)	**-**
Establishment of supplementary capital in connection with realization of the management option program	-	-	-	-	2 497	-	**2 497**	-	**2 497**
Distribution of profit from previous period - dividend	-	-	-	-	-	(4 019)	**(4 019)**	-	**(4 019)**
Distribution of profit from the previous period - transfer to supplementary capital	-	-	16 383	-	-	(16 383)	**-**	-	**-**
Currency Exchange differences	-	-	-	(815)	-	-	**(815)**	-	**(815)**
As at 30 September 2007	**23 642**	**21 415**	**65 686**	**(1 369)**	**4 359**	**40 000**	**153 733**	**1 574**	**155 307**

6. Cash flow statement

(in thousands of PLN)	1.01.2008 - 30.09.2008	1.01.2007 - 30.09.2007
Cash Flow on operating activities		
Pre-tax profit	41 035	57 330
Adjustment by items:		
Depreciation	19 200	10 960
Foreign Exchange Differences (Profit) / Loss	-	62
(Profit)/loss on sales of tangible fixed assets	(4 698)	(1 950)
Interest, net	19 125	7 060
(Profit)/loss under revaluation of investment real estate	-	(1 977)
Other net items	578	(5 096)
Operating profit before changes in working capital	**75 240**	**66 389**
Change in inventories	(94 369)	(135 628)
Changes in receivables	(22 922)	(22 394)
Change in short-term liabilities	60 616	56 763
Changes in accruals and prepayments	(1 555)	(1 143)
Cash generated on operation activities	**17 010**	**(36 013)**
Paid income tax	(13 918)	(3 795)
Net cash flow on operating activities	**3 092**	**(39 808)**
Cash Flow on investment activities		
Cash revenues on sales of tangible assets and intangibles	16 344	-
Value of intangible and fixed assets purchased	(54 506)	(18 965)
Cash acquired from JC Auto S.A. decreased by costs of share purchase	2 800	-
Repayment of granted loans	3 042	769
Loans granted	(4 533)	(2 588)
Interest received	593	25
Net cash on investment activities	**(36 260)**	**(20 759)**
Cash Flow on financial activities		
Revenues on issuance of shares	1 450	-
Revenue on credits, loans and debt securities	71 877	79 930
Interest paid	(19 820)	(2 560)
Payments of liabilities on financial lease contracts	(7 308)	(7 170)
Dividend paid	(9 450)	(4 019)
Net cash on financial activities	**36 749**	**66 181**
Balance sheet cash change related to foreign exchange differences	-	(62)
Change in cash and net cash equivalents	**3 581**	**5 614**
Cash and cash equivalents at the beginning of the period	**22 879**	**14 527**
Cash and cash equivalents at the end of the period	**26 460**	**20 079**

7. Significant Accounting Policies applied by Inter Cars Group

Basis of preparation of the consolidated financial statements

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

In this consolidated financial statement for the period of three months ending on 30 September 2008, the Group applied all applicable International Financial Reporting Standards (IFRS), adopted by the European Union and valid for periods beginning on 1 January 2008 as well as standards which became effective before 30 September 2008.

The abovementioned standards include also International Accounting Standards (IAS) as well as Interpretations issued by Standing Interpretation Committee as well as International Financial Reporting Interpretations Committee.

This consolidated financial statement has been drawn up pursuant to IAS 34 Interim Financial Reporting, using the same principles for the current and comparable periods.

The consolidated financial statement has been drawn up with the assumption that the Group will continue its activities in the foreseeable future as well as the belief that there are no circumstances indicating any threat to the continuation of activities.

All values in the financial statement have been presented in PLN thousand unless indicated otherwise.

The presented accounting principles have been adapted by all entities belonging to the Capital Group.

The consolidated financial statement was approved for publication by the Board of Directors on 13 November 2008.

Conversion of items expressed in a foreign currency

(a) Presentation currency and functional currency

The consolidated financial statement has been presented in PLN thousand rounded up to full amounts. Polish zloty is functional currency for Inter Cars, Feber, Lauber, Q-Service, Armatus Sp. Z o.o. and IC Development & Finance. A functional currency for Inter Cars Ukraina, is UAH, for Inter Cars Ceska Republika and JC Auto s.r.o. - CZK, for Inter Cars Slovenska Republika - SKK, for Inter Cars Hungaria Kft - HUF, for Inter Cars d.o.o. - HRK, for JC Auto S.A. (Belgia), JC Auto s.r.l. and 5 Sterne Fahrwerkstechnik GmbH - EUR, for Inter Cars Romania s.r.l. - RON, and for Inter Cars Lietuva - LTL.

The financial result as well as assets and financial position of entities whose functional currencies are different than PLN are recalculated into PLN observing the following procedures:

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

(b) Exchange differences

Transactions expressed in foreign currencies have been presented according to the exchange rate valid as at the day of concluding the transaction. Exchange rate differences arising as a result of settling these transactions as well as the balance sheet valuation, using the average exchange rate proper for a particular currency on this day, cash assets and liabilities, are presented in the income statement, while exchange rate differences arising as a result of settling adjust the costs of sold products, goods, and materials and other exchange rate differences are presented in a separate item.

Principles of consolidation

(a) Subsidiary Companies

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

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

(b) Consolidation correction

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

Tangible fixed assets

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

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

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

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

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

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

In the case of observing premises indicating the possibility of impairment, impairment test is conducted. For the needs of the impairment test, assets are grouped at the lowest level at which they generate cash flows regardless of other assets (generating cash centers). If the conducted test indicates that the balance sheet value of a component of tangible assets is lower than its recoverable value, an impairment loss is made to the value equal to the recoverable value.

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

Goodwill

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

After the initial presentation, the goodwill is presented according to the purchase price reduced by any cumulated impairment losses. The impairment test is conducted once a year or more often if applicable premises occur. Goodwill is not subject to depreciation.

As at the day of the takeover, acquired goodwill is allocated for each cash generating centre which may use the merger's synergy. Each centre, or set of centres, for which goodwill has been allocated:

- corresponds to the lowest level in the Group on which goodwill is monitored for internal management purposes and,
- is not greater than one operating segment according to the definition of the basic or supplementary financial reporting model in the Group, specified pursuant to IAS 14 Segment Reporting.

Impairment losses are determined by estimating the recoverable value of the cash generating centre to which a given goodwill has been allocated. When the recoverable value of the cash generating centre is lower than the balance sheet value, an impairment loss is presented. When goodwill is part of the cash generating centre and a part of activities in this centre is sold, goodwill related to the sold activities is incorporated into its balance sheet value when determining profits or losses from the sales of such activities. In such circumstances, the sold goodwill is determined on the basis of the relative value of the sold activities and the value of the preserved part of the cash generating centre.

Intangible assets

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

Trademarks and relationships with suppliers

Trademarks and relationships with suppliers acquired as a result of purchasing or merging entities are initially presented at the purchase price. The purchase price of trademarks and relationships with suppliers obtained in the course of merger transactions is equal to their fair value as at the date of the merger.

After the initial presentation, the trade mark is presented according to the purchase price reduced by any cumulated impairment losses. The impairment test is conducted once a year or more often if applicable premises occur. Trademarks acquired in the transaction of merger with JC Auto S.A. are not subject to depreciation, as the period of their usability is indefinite.

In the case of relationships with suppliers, after the initial presentation, relationships with suppliers are presented at the purchase price less depreciation and impairment losses. Relations with suppliers acquired in a merging transaction with JC Auto S.A. are depreciated throughout the period of 12 years, consistent with their useful economic life.

Computer software

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

Costs associated with the development and maintenance of computer software are presented in the costs of the period in which they are incurred. Costs directly associated with the creation of unique computer software for the entity's needs, which will very likely bring economic benefits exceeding the costs over a period longer than one year, are presented as intangible assets components and are depreciated in the period of their use, but no longer than throughout the period of 3 years.

Investment properties

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

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

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

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

Asset component impairment

Financial assets

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

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

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

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

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

Non-financial assets

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

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

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

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

Financial Instruments

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

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

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

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

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

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

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

(a) held-to-maturity financial instruments

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

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

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

(b) loans and receivables

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

Trade liabilities and other liabilities are valued at the amount of the depreciated cost using the effective interest rate reduced by bad debt provision created based on the aging analysis of receivables. Revaluation takes into account the time and degree of the probability of their payment.

(c) available for sale financial assets

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

Profits or losses from the valuation of financial assets held for sale are presented as a separate component of equity until their sale or until impairment, when the accumulated profit or loss previously presented in other comprehensive income is presented as profit or loss of the current period. Impairment losses presented in the income statement, concerning equity instruments, are not subject to reversion in correspondence with the income statement. Reversion of impairment losses of debt financial instruments is presented in the income statement if the fair value of these financial instruments in subsequent periods, after the presentation of write-down, increased as a result of events after the presentation of the write-down.

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

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

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

Lease

a) entity as leaseholder

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

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

(b) entity as lessor

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

Inventory

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

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

Finished products and work in progress are valued on the basis of costs of design, costs of direct materials and labour as well as an appropriate mark-up of indirect production costs assuming the normal use of the production capacity, excluding the costs of incurred loans and credits.

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

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

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

Cash and cash equivalents

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

Share capital

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

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

The costs of issuing shares reduce the value of equity.

Bank borrowings and loans

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

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

Provisions

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

Revenues

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

a) revenues on sales of commodities and materials

Revenues are shown:

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

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

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

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

(b) services

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

- the amount of revenues may be estimated in a credible manner,
- it is probable that the entity will obtain economic benefits on account of the conducted transaction,

- the degree of the transaction's implementation as at the balance sheet day may be determined in a credible manner,
- the costs incurred in connection with the transaction and the costs of completing the transaction may be valued credibly.

(c) interest rate revenues

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

(d) dividends

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

Operating Costs

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

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

Costs on account of renting office and warehouse space are presented in profit and loss statement for the period they relate to. Amounts re-invoiced to affiliates are not recognized as revenue but reduce relevant items in the Group entities' costs.

Financial costs

Financial costs are charged to the income statement at the time when they are incurred.

Income tax

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

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

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

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

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

Payments in the form of own shares

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

Rights to increase in value of shares are granted to the Management Staff employees. Fair value of the amount to be paid out to employees is presented as cost in correspondence with increase in liabilities. Fair value is estimated initially as at the date of granting and distributed over a period when employees obtain unconditionally the right to payment. Fair value of the right to increase value of shares is calculated on the basis of the Black- Scholes model, given dates and terms on which instruments were granted. Valuation of liability is verified as at each balance sheet day and as at the day of settlement. Any changes in the fair value of liability are reported as headcount costs.

8. Consolidated statement

Consolidation for the period from 1 January to 30 September 2007

The consolidation covered the financial statements ("the Capital Group"):

- Parent Entity: INTER CARS S.A. with its registered office in Warsaw,

- Subsidiary companies: subsidiaries: Inter Cars Ukraine, an entity of the Ukrainian law, with registered office in Khmelnytskyi, Ukraine (70% of Inter Cars S.A. share in the company's equity), Lauber Sp. z o.o. with registered office in Słupsk (100%), Q-Service Sp. z o.o. with registered office in Warsaw (100%), Inter Cars Ćeska Republika with registered office in Prague (100)%, Feber Sp. z o.o. with registered office in Warsaw (100%), Inter Cars Slovenska Republika with registered office in Bratislava (100%), Inter Cars Lietuva UAB with registered office in Vilnius (100%) and IC Development & Finance Sp. z o.o. with registered office in Warsaw (100%).

Consolidation for the period from 1 January to 30 September 2008

The consolidation covered the financial statements ("the Capital Group"):

- Parent Entity: INTER CARS S.A. with its registered office in Warsaw,

- Subsidiary companies: Inter Cars Ukraine, an entity of the Ukrainian law, with registered office in Khmelnytskyi, Ukraine (70% of Inter Cars S.A. share in the company's equity), Lauber Sp. z o.o. with registered office in Słupsk (100%), Q-Service Sp. z o.o. with registered office in Warsaw (100%), Inter Cars Ćeska Republika with registered office in Prague (100%), Feber Sp. z o.o. with registered office in Warsaw (100%), Inter Cars Slovenska Republika with registered office in Bratislava (100%), Inter Cars Lietuva UAB with registered office in Vilnius (100%), IC Development & Finance Sp. z o.o. with registered office in Warsaw (100%), Armatus Sp. z o.o. with registered office in Warsaw (100%), JC Auto s.r.o. with registered office in Karvina-Darkov (100%), Inter Cars Hungaria Kft with registered office in Budapest (100%), JC Auto with registered office in Brain-le-Chateau (100%), Inter Cars d.o.o. with registered office in Zagreb (100%), JC Auto p.r.l. with registered office in Milan (99%)(JC Auto s.r.o. has 1%), 5 Sterne Fahrwerkstechnik GmbH with registered office in Berlin (100%) and Inter Cars Romania p.r.l. with registered office in Cluj-Napoca (100%).

9. Exchange rates used to recalculate data for the third quarter of 2008

Any financial data presented in EUR in the report were converted using the following exchange rates:

	2008	2007
exchange rate as at 30 September ……………………………	3,4083	3,7775
average exchange rate in the period from 1 January to 30 September	3,4247	3,8314

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

- for data resulting from the income statement - average exchange rate being arithmetic average of exchange rates binding as at the last day of each month in a given period, announced by the President of the National Bank of Poland;

- for data resulting from the balance sheet - exchange rate as at September 30 being the average exchange rate for EUR binding as at 30 September announced by the President of NBP;
- average exchange rates for EUR binding on the days of registration of the increase in share capital by further series of shares have been used for converting the value of share capital.

PART II

STATEMENT OF THE INTER CARS CAPITAL GROUP'S OPERATIONS

10. Description of factors and events, in particular of an unusual nature, which have substantial impact on the achieved financial results and description of significant achievements or failures, along with the list of the most important events concerning them

The Capital Group

The Inter Cars Capital Group consists of: Parent Company: Inter Cars S.A. with its seat in Warsaw and subsidiaries:

Inter Cars Ukraine (70% of shares in capital)	**Feber Sp. z o.o.** *(100%)*
Inter Cars Ceska Republika *(100%)*	**Q-Service Sp. z o.o.** *(100%)*
Lauber Sp. z o.o. *(100%)*	**Inter Cars Slovenská Republika s.r.o.** *(100%)*
Inter Cars Lietuva UAB *(100%)*	**IC Development & Finance** *(100%)*
JC Auto s.r.l. *(99%, JC Auto s.r.o. has 1%)*	**Armatus sp. z o.o.** *(100%)*
Inter Cars d.o.o. *(100%)*	**Inter Cars Hungária Kft** *(100%)*
JC Auto S.A. *(100%)*	**JC Auto s.r.o.** *(100%)*
5 Sterne Fahrwerkstechnik GmbH *(100%)*	**Inter Cars Romania s.r.l.** *(100%)*

On 16 July 2008, a new subsidiary Inter Cars Romania s.r.l. was established.

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

The abovementioned entities were covered by consolidation (using the full method) as at 30 September 2008. In the period from 30 September 2008, i.e. the date as at which the last published consolidated financial statement of the Inter Cars Group for the third quarter of 2008 was prepared, there were no changes in the Capital Group's composition.

Information on business segments

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

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

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

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

Basic division according to operating segments

(thousands of PLN)	Revenues	Value of sold goods	Financial result	Balance sheet total
Polska	1 235 224	**887 203**	27 525	1 308 620
Ukraine	51 832	**40 532**	1 642	32 866
Czech Republic	55 186	**39 413**	3 166	54 785
Slovakia	36 600	**22 894**	3 606	18 037
Lithuania	10 159	**7 824**	(285)	8 269
Croatia	**10 712**	**7 350**	**(65)**	**13 409**
Hungary	5 840	3 094	758	13 242
Belgium	5 313	3 673	296	4 907
Italy	3 482	2 450	(84)	4 087
Romania	-	-	(98)	821
Consolidation correction	(121 385)	(114 835)	(2 287)	(254 648)
Total	**1 292 963**	**899 598**	**34 174**	**1 204 395**

Supplementary division according to operating segments

(thousands of PLN)	**Poland**	**abroad**	**Consolidation correction**	**Total**
Revenues	1 011 502	402 846	(121 385)	**1 292 963**

Significant events influencing the current and future business activities

- In the third quarter of 2008 and in the period until the publication of this report, the situation on global financial markets gave particular importance to the issue of debt financing stability. The financial situation of the Company is regulated and stable. This can be stated based both on statements and the decisions of representatives of banks, on extended cooperation in the scope of the existing financing, about which the Company informed in current messages.
- The company has been consistently implementing the policy of territorial expansion within the area of Central and Eastern Europe. These markets show large growth potential and higher net profitability for the industry than the domestic market. The companies Inter Cars Slovakia and Inter Cars Ukraine recorded a high dynamics of sales growth in the 3 quarters of 2008 as compared to the same period of 2007: 63% and 68%, respectively.
- The Company conducts multi-dimensional actions designed to optimize the costs. Logistic services for external entities commenced as a result of the formation of warehouse space reserves in the facility in Kajetany in order to use the logistic potential available there in a more effective manner. Inventory turnover has been improving, which is fostered by the increase in the availability in the warehouses of the Company's key suppliers.
- The negative dynamics of export sales to the eastern markets, mainly Ukraine, Moldova and Belarus, affects largely the Company's result in three quarters. The good results of Inter Cars Ukraine were not enough to fully compensate the reduced domestic turnover with customers from Ukraine. The last month of the third quarter and the beginning of the fourth quarter demonstrated an inversion in the decrease tendency in export sales.
- In 2008, the Company opened next branches - in total 9, in the first three quarters, which means that there were as at 30 September 2008 it operated 117 branches. The Capital Group has a distribution chain consisting of 164 branches in total. In the 3rd quarter, 1 domestic branch and 3 foreign ones were opened.
- In the 3 quarters of 2008 we could observe a significant deterioration in the economic situation on the transport and shipping market. PLN appreciation, increase in fuel prices and remuneration pressure affected transport companies. As a result, there has been a decrease in dynamics of sale of parts for trucks. There was also a significant decrease in demand for semitrailers and truck bodies produced by

Feber Sp. z o.o. Improvement in the economic situation is expected by the Board of Directors of Feber in the second quarter of 2009, along with launching construction projects with regard to road infrastructure.

- Inter Cars Ukraine, mainly due to a favourable changes in exchange rates, reached net profit amounting to PLN 2.2 million.
- The good results of **Q-Service** were obtained as a result of the development of service activities related to training courses for Inter Cars and the distribution chain. Additionally, the Company implements projects regarding development of product lines in niche areas for the Group.
- In the first three quarters of 2008, Inter Cars issued debt securities. The contract with ING Bank Śląski S.A. signed on 1 February 2007 by Inter Cars is related to the program of bonds issuance. Bonds are offered pursuant to Article 9 item 3 of the Act on Bonds of 29 June 1995 and will not be the object of a public offer as defined by the Act of 29 July 2005 on public offering and terms for introducing financial instruments into the organized trading system and on public companies (Journal of Laws number 184, Item 1539 with amendments) or substituting regulations. According to the above mentioned agreements the Company may issue short-term bonds with the maturity period from 7 days up to 1 year and mid-term bonds with the maturity period from 1 to 3 years. The duration and the maximum amount of the program are, respectively: 5 years and PLN 150,000,000 (say: one hundred fifty million Polish zlotys).

  Chart I presents the list of issue of bonds until the balance sheet date.

Chart I

Tranche number	Date of obtaining	Maturity date	Value of redemption
26	2008-01-02	2008-01-31	2 000
27	2008-01-03	2008-02-04	5 000
28	2008-01-08	2008-02-08	7 500
29	2008-01-11	2008-02-11	10 100
30	2008-01-18	2008-02-18	13 000
31	2008-01-21	2008-02-21	1 000
32	2008-01-21	2008-02-21	5 000
33	2008-01-28	2008-02-28	10 000
34	2008-01-31	2008-02-29	5 500
35	2008-02-04	2008-03-04	5 000
36	2008-02-08	2008-03-10	7 700
37	2008-02-11	2008-03-11	5 000
38	2008-02-11	2008-05-12	5 100
39	2008-02-18	2008-03-18	6 000
40	2008-02-21	2008-03-21	10 000
41	2008-02-28	2008-03-28	10 000
42	2008-02-29	2008-03-31	5 500
43	2008-03-04	2008-04-04	5 000
44	2008-03-10	2008-04-10	7 700
45	2008-03-11	2008-04-11	5 000
46	2008-03-18	2008-04-18	6 000
47	2008-03-21	2008-04-21	10 000
48	2008-03-28	2008-04-28	13 500
49	2008-03-31	2008-04-30	5 500
50	2008-04-04	2008-05-05	5 000
51	2008-04-10	2008-05-12	7 700
52	2008-04-11	2008-05-13	5 000
53	2008-04-18	2008-05-19	6 000
54	2008-04-21	2008-05-21	13 500
55	2008-04-22	2008-05-21	2 000

Tranche number	Date of obtaining	Maturity date	Value of redemption
56	2008-04-28	2008-05-28	13 500
57	2008-04-30	2008-05-30	7 100
58	2008-05-05	2008-06-05	5 000
59	2008-05-12	2008-06-12	12 800
60	2008-05-13	2008-06-13	5 000
61	2008-05-19	2008-06-19	6 000
62	2008-05-21	2008-06-23	15 500
63	2008-05-28	2008-06-30	13 500
64	2008-05-30	2008-07-02	15 100
65	2008-06-05	2008-07-07	3 500
66	2008-06-12	2008-07-14	12 800
67	2008-06-13	2008-07-15	5 000
68	2008-06-19	2008-07-21	6 000
69	2008-06-23	2008-07-23	15 500
70	2008-06-30	2008-07-31	13 500
71	2008-07-02	2008-08-04	15 100
72	2008-07-07	2008-08-07	3 500
73	2008-07-14	2008-08-14	12 800
74	2008-07-15	2008-08-18	5 000
75	2008-07-21	2008-08-21	6 000
76	2008-07-23	2008-10-23	9 000
77	2008-07-31	2008-08-29	10 000
78	2008-08-04	2008-09-04	15 100
79	2008-08-14	2008-09-15	6 000
80	2008-08-21	2008-09-22	6 000
81	2008-08-29	2008-10-29	5 100
82	2008-08-29	2008-09-29	10 000
83	2008-09-04	2008-10-03	15 100
84	2008-09-15	2008-10-15	2 000
85	2008-09-16	2008-10-15	4 000
86	2008-09-22	2008-10-22	6 000
87	2008-09-29	2008-10-29	7 000
Total			**492 800**

Chart II presents specification of bonds issued and non-redeemed until the balance sheet date.

Chart II

Tranche number	Date of obtaining	Maturity date	Value of redemption
76	2008-07-23	2008-10-23	9 000
81	2008-08-29	2008-10-29	5 100
83	2008-09-04	2008-10-03	15 100
84	2008-09-15	2008-10-15	2 000
85	2008-09-16	2008-10-15	4 000
86	2008-09-22	2008-10-22	6 000
87	2008-09-29	2008-10-29	7 000
Total			**48 200**

After the balance sheet date, on 3 October, the Company issued one tranche No. 88, with the value of PLN 10,100 thousand, the redemption date is 3 November 2008.

The purpose of the bonds issue is to reduce the costs of financing the activities. Bonds are issued in Polish zloty as bearer securities, unsecured, dematerialized and discount (as bonds with zero coupon). Bonds will be redeemed according to the face value of bonds in the seat of issuance agent.
Until the publication of this report, the Company redeemed all the issued tranches and the balance of liabilities on account of bonds amounts to zero.

- Total revenues of the Group are not significantly susceptible to the phenomenon of **seasonality.** The wide range of parts includes goods whose sales depends on season, especially winter. They cover , among others, winter tires, batteries, glow plugs, fuel filters and antifreeze and screen-wash. Goods most susceptible to seasonal, short-term sales such as e.g. winter tires are ordered from suppliers a few months before the planned period of more intense sales.

Financial Results

The basic financial data of Inter Cars S.A. have been presented in the table below (three quarters cumulatively):

	3 quarters		
('000)	2008	2007	2008
Profit and loss statement (for period)	PLN	PLN	Euro
Sales revenues	1 114 535	828 117	325 440
Gross Profit (Loss) on sales	322 447	221 150	94 153
Costs of management option program	(596)	(2 497)	(174)
Financial revenue and cost, net	(21 563)	(7 105)	(6 296)
Profit (loss) on operating activities	46 613	50 175	13 611
Net Profit (loss)	21 482	36 942	6 273
Balance (at the end of period)			
Cash and cash equivalents	12 486	13 997	3 663
Balance sheet total	1 140 996	588 645	334 770
Loans, borrowings, financial Leasing	543 851	277 189	159 567
Equity capital	405 334	151 845	118 926
Other financial information			
Cash flow on operating activities	6 306	(52 433)	1 841
Cash flow on investment activities	(37 532)	(10 810)	(10 959)
Cash flow on financial activities	30 539	65 979	8 917
Basic earnings per share	1,62	3,13	0,47
Sales margin (1)	28,9%	26,7%	28,9%
EBITDA margin (2)	5,7%	7,1%	5,7%

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

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

Sales revenues in three quarters of 2008 were **35% higher** than revenues in the same period of 2007. Share of export in revenues from sales of goods reached the level of approximately 21%.

Gross profit on sales was higher by 46% as compared to three quarters of 2007. **The profit margin on sales** in 2008 grew to 28.9% from 27.5% in 2007. Realized positive exchange rate differences amounting to total PLN 5,620 thousand were entered to prime cost in 2008.

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

	3 quarters	
('000)	**2008**	**2007**
Depreciation	16 797	8 793
consumption of materials and energy	8 096	3 909
external services	187 251	121 736
Including: Distribution services	*125 227*	*84 935*

………………………………………………………..		
taxes and fees ………………………………………………………..	1 442	561
Remuneration ………………………………………………………..	48 567	26 877
Including: Costs of management option program ……………………………………	*596*	*2 497*
social security and other benefits ……………………………………………………	10 186	5 257
other costs by type ………………………………………………………..	8 261	6 296
Total costs by type ……………………………………………………….	**280 600**	**173 429**

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

Total **costs by type** in 3 quarters of 2008 increased by 62% as compared to three quarters of 2007. The increase in costs resulted from the merger with JC Auto S.A. and the increase in remuneration. After excluding the costs of distribution as well as the costs of management options (remuneration costs) costs by type in 2008 were higher by 56% as compared to the same period of 2007.

Financial revenues and costs include, first of all, costs and revenues under interest. In particular, the Company incurred costs on this account amounting to PLN 18,948 thousand in three quarters of 2008. Total **liabilities on account of credits, loans, debt securities as well as financial lease** as at 30 September 2008 amounted to PLN 543,851 thousand. As at 30 September 2008, the balance on account of issued debt securities amounted to PLN 48,200 thousand. In total PLN 2,579 thousand on account of negative exchange rate differences was attributed to the result in the 3 quarters of 2008.

Charges on account of income tax include input income tax amounting to PLN 6,033 thousand and changes in the value of deferred income tax assets and provisions, reducing tax charges in the period by PLN 2,465 thousand. The growth in income tax liabilities results from the fact that the Company applies the possibility of a lump settlement of income tax.

The basic financial data of the Inter Cars S.A. Group in 3 quarters of 2008 have been presented in the chart below:

	3 quarters		
('000)	2008	2007	2008
Profit and loss statement (for period)	PLN	PLN	Euro
Sales revenues …………………………………………………	1 292 963	954 918	377 541
Gross Profit (Loss) on sales ……………………………………………	393 365	263 312	114 861
Costs of management option program ……………………………………	(596)	(2 497)	(174)
Financial revenue and cost, net ……………………………………………	(22 152)	(7 806)	(6 468)
Profit (loss) on operating activities …………………………………………	63 187	63 106	18 450
Net profit (loss) …………………………………………………………	34 174	45 491	9 979
Balance (at the end of period)			
Cash and cash equivalents ……………………………………………………	26 460	20 079	7 763
Balance sheet total …………………………………………………………	1 204 395	625 999	353 371
Loans, borrowings, financial Leasing ………………………………………	566 036	284 731	166 076
Equity attributable to the shareholders of the parent company …	421 911	153 733	123 789
Minority capital …………………………………………………………	1 644	1 574	482
Other financial information			
Cash flow on operating activities ………………………………………	3 092	(39 808)	903
Cash flow on investment activities ………………………………………	(36 260)	(20 759)	(10 588)
Cash flow on financial activities ………………………………………	36 749	66 181	10 731

Basic earnings per share …………………………………………………	2,54	3,87	0,74
Sales margin (1) ………………………………………………	30,4%	27,6%	30,4%
EBITDA margin (2) ……………………………………………………	6,4%	7,8%	6,4%

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

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

Sales revenues in three quarters of 2008 were **higher by 35%** than in the same period in the year 2007. The revenues of Inter Cars were approx. 79% of the Capital Group's revenues (before consolidation exclusions) in total revenues. **Poland is the main market** of sales for the Capital Group. The chart below presents sales revenues of subsidiaries for the first three quarters of 2008 (before consolidation exclusions). The data of companies acquired after the merger with JC Auto S.A. have been presented for the period from 1 March 2008.

3 quarters ('000)	***2008***	***2007***
Lauber	8 581	4 661
Q-Service	25 109	19 234
Inter Cars Ukraine	51 832	37 675
Inter Cars Ceska Republika	55 063	43 146
Feber	87 751	68 673
IC Litwa	10 193	2 884
IC D&F	199	59
Inter Cars Slovenska Republika	36 622	23 210
JC Auto s.r.l.	3 481	-
Inter Cars d.o.o.	10 712	-
Inter Cars Hungária Kft.	5 853	-
JC Auto S.A.	5 313	-
Armatus sp. z o.o.	-	-
JC Auto s.r.o.	123	-
Inter Cars Romania s.r.l.	-	-
Total	**300 832**	**199 543**

Total sales revenues of subsidiaries were approx. 51% higher in 2008 as compared to 2007 (before consolidation exclusions). The highest sales growth (by value) was recorded by Feber and Inter Cars Ukraine.

Gross profit on sales increased by 49% in the 3 quarters of 2008 as compared to the same period of the previous year. Higher growth rate of profit as compared to the pace of increase in sales revenues resulted from growth in the amount of **profit margin on sales** from 27.6% in 2007 up to 30.4% in 2008. Total PLN 1,419 thousand on account of negative exchange rate differences were entered into the result in the first half of 2008.

The structure of **costs by type** has been presented in the chart below (cumulatively for three quarters):

	3 quarters	
('000)	**2008**	**2007**
Depreciation …………………………………………………………………………	19 200	10 049
consumption of materials and energy ………………………………………………	14 667	7 736
external services …………………………………………………………………..	209 891	137 058
Including: Distribution services ……………………………………………………………..	*138 731*	*93 346*
taxes and fees ………………………………………………………………….	1 897	720
Remuneration …………………………………………………………………..	59 393	31 708
Including: Costs of management option program ……………………………………	*596*	*2 497*
social security and other benefits ………………………………………………………	13 604	6 511
other costs by type …………………………………………………………………..	11 102	8 271
Total costs by type ……………………………………………………………..	**329 754**	**202 053**

Total **costs by type** in 2008 increased by 63% as compared to 2007. The increase in costs resulted from the merger with JC Auto S.A. and the increase in remuneration. After excluding the costs of distribution as well as the costs of management options, costs by type in 2008 were higher by approx. 79% as compared to 2007.

The costs of interest on account of bank credits, loans as well as financial lease amounted to PLN 19,820 thousand in the three quarters of 2008. In 2008, the result was reduced by PLN 2,579 thousand under negative exchange rate differences.

11. Dividend

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

12. Events which took place after the balance sheet date as at which the report was drawn up and which may significantly affect the issuer's future financial results

None

13. Contingent liabilities and sureties

Granted by Inter Cars S.A.:

Towards	the duration	amount (thousands of PLN)
Inter Cars Ceska Republika	31.12.2008	3 354
Inter Cars Ceska Republika i Inter Cars Slovenska Republika	31.12.2008	2 683
Feber Sp. z o.o.	30.12.2008	2 013
INTER CARS Hungária Kft	20.01.2016	3 790
Inter Cars d.o.o.	01.12.2008	33
Inter Cars d.o.o.	02.02.2009	66
Inter Cars d.o.o.	12.07.2009	39
Inter Cars Ukraine	for an indefinite period of time	67
		12 045

14. Stance of the Management Board concerning the possibility to realize earlier published forecasts of financial results for year 2008.

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

15. List of shareholders holding at least 5% of the total number of votes as at the day of approving publishing of this financial statement:

Shareholder	Number of shares	The total nominal value (PLN)	Share in share capital (%)	Share in the overall number of votes (%)
Krzysztof Oleksowicz	4 972 271	9 944 542	36,20%	36,20%
Andrzej Oliszewski	1 512 580	3 025 160	11,01%	11,01%
AIG Otwarty Fundusz Emerytalny	1 062 770	2 125 540	7,74%	7,74%
ING Otwarty Fundusz Emerytalny	745 342	1 490 684	5,43%	5,43%

The Company did not receive other notifications of the status of owned shares until the approval of the financial statement.

16. Business combinations

Group	Date of purchase	Purchased share in net assets	Purchase price *(thousands of PLN)*	Net fair value of purchased assets *(thousands of PLN)*	Goodwill *(tys. zł.)*
JC Auto S.A.	29.02.2008	100%	228 750	142 031	89 744

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

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

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

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

- Mr. Jerzy Grabowiecki (majority shareholder and President of the Board of Directors of JC Auto S.A.) was appointed as member of the Supervisory Board, to replace Wanda Oleksowicz,

- Mr. Jerzy Józefiak and Mr. Szymon Getka (members of the Board of Directors of JC Auto S.A.) were appointed as members of the Board of Directors of Inter Cars.

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

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

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

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

Group	Net revenue	Net financial result until takeover *(thousands of PLN)*	Net revenues until takeover *(thousands of PLN)*
JC Auto S.A.	29.02.2008	(10 560)	43 393

The Board of Directors estimates that if the merger with JC Auto S.A. took place on 1 January 2008, the total aggregate revenues of the Inter Cars Group for the period from 1 January 2008 to 30 September 2008 would amount to PLN 1,157,928 thousand, while the aggregate net profit for the same period would amount to PLN 10,922 thousand. At the same time, in the opinion of the Board of Directors, the fair value of assets and liabilities of JC Auto as at 1 January 2008 would be similar to fair value of assets and liabilities as at the date of acquisition, namely 29 February 2008.

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

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

- future expected market valuation of the merged company taking into consideration the effects of synergies resulting from the merger,

- estimation of synergy effects with regard to JC Auto S.A.,
- valuation of JC Auto S.A. based on market values of the target company,
- volume of shares of particular shareholders in the target company and the resulting volume of their shares in the merged company.

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

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

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

The settlement of financial effects of the merger with the JC Auto S.A. Group, which took place on the basis of estimates of fair values, has been presented below. This allocation is provisional and may change as a result of the verification of fair values of assets, liabilities and contingent liabilities. According to the Board of Directors, this process will be completed until the preparation of the annual financial statement for the financial year ending on 31 December 2008.

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

ASSETS	Book value as at the day of the merger	Fair value adjustments	Provisional fair values recognized as a result of merger
Fixed assets	**73 922**	**51 498**	**125 414**
Tangible fixed assets	66 223	(2 105)	64 118
Intangible Assets	3 758	53 600	57 358
Investment properties	2 662	(3)	2 659
Investments in related parties	94	-	94
Prepayments	87	-	87
Assets due to deferred tax	1 098	-	1 098
Current assets	**186 199**	**-**	**186 199**
Inventory	14 114	-	14 114
Receivables for services and other receivables	166 325	-	166 325
Income tax receivables	1 974	-	1 974
Prepayments	986	-	986
Cash and cash equivalents	2 800	-	2 800
TOTAL ASSETS	**260 121**	**51 498**	**311 613**
LIABILITIES			
Long-term liabilities due to credits, bonds and finance lease	(45 587)	**-**	(45 587)
Short-term liabilities under credits, bonds and financial lease	(95 662)	**-**	(95 662)
Liabilities due to income tax	(1 774)	(9 783)	(11 557)
Other short term liabilities	(16 776)	**-**	(16 776)
Total liabilities	**(159 799)**	**(9 783)**	**(169 582)**
Net assets	**100 322**	**41 715**	**142 031**
Purchased share in net assets			**100%**
Net fair value of purchased assets			**142 031**
Purchase price			**231 775**

Goodwill	**89 744**

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

17. Statement of changes in ownership of shares in Inter Cars S.A. or rights to them (options) by the issuer's executives and supervisors, in the period from submitting the previous quarterly report.

Supervisors and executives have total 7,141,723 shares, being 62% of votes at the General Meeting of Inter Cars.

Executives and supervisors do not have any shares or stock in subsidiaries of Inter Cars.

Management stock options program

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

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

The option exercise rate depends on the initial exercise rate, specified in the motivation program (PLN 24.81) and WIG index changes in relation to the initial value stated in the regulations (37,221.99 points). The exercise rate is increased / decreased by the percentage increase /decrease in the WIG index until the date of acquiring rights to exercise the option (for particular tranches,1 January 2007, 2008 and 2009, respectively).

So far, peoples participating in the Motivation Program acquired the right to take up 157 333 shares in Inter Cars at PLN 33.59 (1st tranche) and 157 333 shares at PLN 37.13 (2nd tranche) per share. In August, the rights to take up 10,000 F1 series shares (1st tranche) as well as 30,000 F2 series shares (2nd tranche) were exercised, which was announced to the public on 6 August 2008, in the form of the current report No. 106/2008.

The cost of execution of the Motivation Program in nine months of 2008 amounted to PLN 596 thousand. The Program's total costs as at 30 September 2008 are estimated at no more than PLN 6,128 thousand.

18. Indication of the proceedings before a court, a competent authority for arbitration proceedings or a public administration authority

In the three quarters of 2008, before a court or a public administration authority no proceedings were initiated concerning obligations or liabilities of the Company or subsidiaries, the total value of which is at least 10% of equity of Inter Cars S.A.

At the same time, we inform you that before a court or a public administration authority no proceedings are pending concerning obligations or liabilities of the Company or its subsidiaries, the total value of which is at least 10% of equity of Inter Cars S.A.

19. Transactions with related entities

Detailed data on the values of transactions in the first three quarters of 2008 with subsidiaries have been presented in the table below:

Sales revenues	**1.01.2008-30.09.2008**	**1.01.2007 – 30.09.2007**
Inter Cars Ukraine	12 246	8 499
Q-Service Sp. z o.o.	2	2
Lauber Sp. z o.o.	1 456	1 397
Inter Cars Ceska Republika	16 616	12 834
Inter Cars Slovenska Republika	19 637	11 890
Feber Sp. z o.o.	1 032	1 030
Inter Cars Litwa	6 621	3 681
IC Development & Finance Sp. Z o.o.	-	7
JC Auto s.r.l.	1 254	-
Inter Cars d.o.o.	6 071	-
JC Auto S.A.	679	-
INTER CARS Hungária Kft.	3 239	-
Inter Cars Romania s.r.l.	311	-
Armatus sp. z o.o.	1	-
	69 165	**39 340**

purchase of goods and services	**1.01.2008-30.09.2008**	**1.01.2007 – 30.09.2007**
Q-Service Sp. z o.o.	24 675	19 234
Lauber Sp. z o.o.	6 327	3 918
Inter Cars Ceska Republika	16 354	9 170
Inter Cars Slovenska Republika	79	72
Feber Sp. z o.o.	1	334
Inter Cars Litwa	696	134
IC Development & Finance Sp. z o.o.	-	16
JC Auto s.r.l.	1 303	-
Inter Cars d.o.o.	14	-
JC Auto s.r.o.	26	-
	49 475	**32 878**

receivables	**30.09.2008**	**30.09.2007**
Inter Cars Ukraine	20 143	16 383
Lauber Sp. z o.o.	221	419
Inter Cars Ceska Republika	36 040	18 668
Inter Cars Slovenska Republika	8 596	9 131
Feber Sp. z o.o.	6 996	15 505
Inter Cars Litwa	7 312	3 298
IC Development & Finance Sp. z o.o.	208	-
JC Auto s.r.l.	3 065	-
Inter Cars d.o.o.	11 212	-
JC Auto S.A.	3771	-
INTER CARS Hungária Kft.	6 377	-
JC Auto s.r.o.	7 069	-
Inter Cars Romania s.r.l.	311	-

Armatus sp. z o.o.	2	-
	111 323	**63 404**

liabilities	**30.09.2008**	**30.09.2007**
Q-Service Sp. z o.o.	8 032	4 159
Lauber Sp. z o.o.	53	160
Inter Cars Ceska Republika	19 317	1 982
Inter Cars Slovenska Republika	211	93
Inter Cars Litwa	696	-
IC Development & Finance Sp. z o.o.	34	11
JC Auto s.r.l.	61	-
Inter Cars d.o.o.	6	-
JC Auto S.A.	894	-
INTER CARS Hungária Kft.	324	-
JC Auto s.r.o.	3 037	-
	32 665	**6 405**

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

Sales revenues	**1.01.2008-30.09.2008**	**1.1.2007 – 30.09.2007**
Inter Cars s.j.	30	25
ANPO Andrzej Oliszewski	2	1
FASTFORWARD Maciej Oleksowicz	98	43
P.H. AUTO CZĘŚCI Krzysztof Pietrzak	34	50
AK-CAR Agnieszka Soszyńska	494	191
BEST-CAR Justyna Pietrzak	298	59
	956	**369**

purchase of goods and services	**1.01.2008-30.09.2008**	**1.1.2007 – 30.09.2007**
Inter Cars s.j.	**169**	**527**
ANPO Andrzej Oliszewski	108	119
FASTFORWARD Maciej Oleksowicz	274	164
P.H. AUTO CZĘŚCI Krzysztof Pietrzak	1 264	1 265
AK-CAR Agnieszka Soszyńska	2 669	2 156
BEST-CAR Justyna Pietrzak	1 332	517
P&W Systems s.c. - Przemysław Wołosewicz, Wojciech Kilianem	560	448
INVEST TEAM Przemysław Wołosewicz	20	55
4 KA Wojciech Kilianem	20	100
ING.Tomas Kastil	215	157
Martin Halik	143	122
ING Branislav Bucko	129	93
	6 903	**4 227**

Receivables	**30.09.2008**	**30.09.2007**
Inter Cars s.j.	35	7
FASTFORWARD Maciej Oleksowicz	-	9
P.H. AUTO CZĘŚCI Krzysztof Pietrzak	7	19
AK-CAR Agnieszka Soszyńska	177	45
BEST-CAR Justyna Pietrzak	109	14
	328	**94**

liabilities	**30.09.2008**	**30.09.2007**
Inter Cars s.j.	49	-
FASTFORWARD Maciej Oleksowicz	-	12

P.H. AUTO CZĘŚCI Krzysztof Pietrzak	-	57
AK-CAR Agnieszka Soszyńska	235	207
BEST-CAR Justyna Pietrzak	92	61
	376	**337**

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

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

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

The object of the transaction between the Group and P&W Systems was: the purchase of fixed assets and semi-finished products: polished slats and casings for power steering racks and the sales of car components.

The object of the transaction between the Group and InvestTeam was a re-invoice for a passenger vehicle. The object of the transaction between the Group and 4KA was sales of car subassemblies. The object of the transaction between the Group and Tomas Kastil, Martin Havlik and Branisław Bucko are consulting services.

The total value of loans granted to subsidiaries amounted to PLN 58,107 thousand. The total value of loans granted to Inter Cars by subsidiaries amounted to PLN 895 thousand.

20. Other information which, in the issuer's opinion, is essential for evaluation of its staff situation, property situation and financial situation and their changes and information that is crucial for evaluation of the possibility of realization of obligations by issuer

In the first three quarters of 2008, there were no other essential factors affecting the assessment of the personnel, assets, financial position or the financial result.

21. Factors which, according to the issuer, will affect results achieved by them in the prospect of at least another quarter

The most important factors which, according to the Board of Directors, will affect the financial results in the 4th quarter of 2008 include:

- ✓ fluctuations in currency exchange rates, mainly EUR and USD, as compared to PLN;
- ✓ fluctuations in the demand reported by export customers, dependent, first of all, on political and legal conditions in Ukraine;
- ✓ fluctuations in interest rates which will affect the value of incurred financial costs by the value of interest on made credits;
- ✓ planned improvement in inventory turnover which should reduce the incurred financial costs through the reduction in the demand for financing warehouse stock;
- ✓ optimization of logistic processes related to cost reductions;
- ✓ growing recognition of the brand "Inter Cars" and attracting new customers and the resulting development of operating activities.

PART III

QUARTERLY SEPARATE FINANCIAL STATEMENT FOR THE THIRD QUARTER OF 2008

22. Balance sheet

(in thousands of PLN)	**30.09.2008**	**31.12.2007**	**30.09.2007**
ASSETS			
Fixed assets			
Tangible fixed assets	137 318	72 011	67 004
Intangible assets	156 251	7 000	330
Investment properties	2 660	11 145	-
Investments in associated companies	33 458	30 876	15 376
Available for sale investments	43	43	43
Receivables	58 283	31 192	5 016
Deferred tax assets	-	-	5 143
	388 013	**152 267**	**92 912**
Current assets			
Inventory	479 489	411 522	326 923
Receivables for services and other receivables	257 372	188 934	153 116
Prepayments	3 636	1 752	1 697
Cash and cash equivalents	12 486	13 173	13 997
	752 983	**615 381**	**495 733**
TOTAL ASSETS	**1 140 996**	**767 648**	**588 645**
LIABILITIES			
Equity capital			
Share capital	27 472	23 642	23 642
Supplementary capital from the issue of shares above the face value	247 785	21 415	21 415
Supplementary capital	102 485	65 163	65 162
Supplementary capital from updated valuation	5 788	5 192	4 359
Retained result from previous years and the current year	21 804	47 095	37 267
	405 334	**162 507**	**151 845**
Long-term liabilities			
Liabilities due to credits, loans and finance lease	33 454	38 748	3 877
Provision for deferred income tax	8 011	1 077	5 029
	41 465	**39 825**	**8 906**
Short-term liabilities			
Liabilities due to deliveries and services and other liabilities	167 903	244 039	140 260
Liabilities due to credits, loans, debt securities and finance lease	510 397	304 737	273 312
Liabilities due to employee benefits	2 653	437	1 280
Liabilities due to income tax	3 055	8 727	8 273
Provisions	76	574	2 012
Short-term prepaid expenses	10 113	6 802	2 757
	694 197	**565 316**	**427 894**
TOTAL LIABILITIES	**1 140 996**	**767 648**	**588 645**

23. Profit and loss statement

(in thousands of PLN)	**1.01.2008 – 30.09.2008**	**1.07.2008 – 30.09.2008**	**1.01.2007 – 30.09.2007**	**1.07.2007 – 30.09.2007**
Sales revenue on sales of products, goods and materials	1 114 535	390 486	828 117	299 653
Cost of sold products, commodities, and materials	(792 088)	(278 165)	(606 967)	(223 559)
Gross profit on sales	**322 447**	**112 321**	**221 150**	**76 094**
Other operating revenue	16 724	4 651	7 370	3 410
General administrative and sales cost	(154 777)	(57 936)	(85 997)	(31 126)
Distribution service costs	(125 227)	(45 048)	(84 935)	(30 021)
Costs of management option program	(596)	(147)	(2 497)	(832)
Other operating costs	(11 958)	(3 377)	(4 916)	(1 740)
Operating profit	**46 613**	**10 464**	**50 175**	**15 785**
Financial revenue	6 307	3 775	891	278
Foreign exchange differences	(2 579)	257	3 457	2 858
Financial costs	(25 291)	(11 250)	(7 996)	(3 141)
Pre-tax profit	**25 050**	**3 246**	**46 527**	**15 780**
Income tax	(3 568)	276	(9 585)	(3 122)
Net profit	**21 482**	**3 522**	**36 942**	**12 658**
Profit per one share (PLN)				
- basic	1,62	0,26	3,13	1,07
- diluted	1,59	0,25	3,06	1,05

24. Changes in equity capital

for the period from 1 January 2008 to 30 September 2008

(in thousands of PLN)	Share capital	Supplementary capital on the sale of shares above the face value	Supplementary capital	Other supplementary capitals	Retained result from previous years and the current year	**Total**
As at 1 January 2008	**23 642**	**21 415**	**65 163**	**5 192**	**47 095**	**162 507**
Profit for the period	-	-	-	-	21 482	**21 482**
Issue of shares under exercising management options	**80**	**1 370**	-	-	-	**1 450**
Distribution of profit from previous period - dividend	-	-	-	-	(9 451)	**(9 451)**
Distribution of profit from the previous period - transfer to supplementary capital	-	-	**37 322**	-	(37 322)	-
Issue of shares in connection with the merger with JC Auto	**3 750**	**225 000**	-	-	-	**228 750**
Establishment of supplementary capital in connection with realization of the management option program	-	-	-	596	-	**596**
As at 30 September 2008	**27 472**	**247 785**	**102 485**	**5 788**	**21 804**	**405 334**

for the period from 1 January 2007 to 30 September 2007

(in thousands of PLN)	Share capital	Supplementary capital on the sale of shares above the face value	Supplementary capital	Other supplementary capitals	Retained result from previous years and the current year	**Total**
As at 1 January 2007	**23 642**	**21 415**	**49 117**	**1 862**	**20 388**	**116 424**
Profit for the period	-	-	-	-	36 942	**36 942**
Distribution of profit from previous period - dividend	-	-	-	-	(4 019)	**(4 019)**
Distribution of profit from the previous period - transfer to supplementary capital	-	-	**16 045**	-	(16 045)	-
Establishment of supplementary capital in connection with realization of the management option program	-	-	-	2 497	-	**2 497**

As at 30 September 2007	**23 642**	**21 415**	**65 162**	**4 359**	**37 266**	**151 844**

25. Cash flow statement

(in thousands of PLN)	1.01.2008 – 30.09.2008	1.01.2007 – 30.09.2007
Cash Flow on operating activities		
Profit (loss) before taxation	25 050	46 527
Adjustment by items:		
Depreciation	16 797	8 793
Foreign Exchange Differences (Profit) / Loss	26	(10)
(Profit)/loss on sales of tangible fixed assets	(4 657)	(1 877)
Interest, net	15 994	6 051
Other net items	596	2 500
Operating profit before changes in working capital	**53 806**	**61 984**
Change in inventories	(65 270)	(119 065)
Changes in receivables	(32 499)	(38 272)
Change in short-term liabilities	62 001	45 419
Changes in accruals and prepayments	494	(305)
Cash generated on operation activities	**18 532**	**(50 239)**
Paid income tax	(12 226)	(2 194)
Net cash flow on operating activities	**6 306**	**(52 433)**
Cash Flow on investment activities		
Cash revenues on sales of tangible assets and intangibles	16 304	166
Value of intangible and fixed assets purchased	(26 266)	(10 143)
Purchase of interest in associated companies	(1 908)	(3 432)
Repayment of granted loans	11 272	11 467
Loans granted	(38 409)	(9 242)
Interest received	974	374
Other net items	501	-
Net cash on investment activities	**(37 532)**	**(10 810)**
Cash Flow on financial activities		
Revenues under credits, loans and debt securities	-	79 448
Revenues on issuance of shares	1 450	-
Payments under financial lease contracts	(6 989)	(2 605)
Repayment of loans and credits	66 932	-
Interest paid	(18 948)	(6 845)
Dividend paid	(9 450)	(4 019)
Other net items	(2 456)	-
Net cash on financial activities	**30 539**	**65 979**
Change in cash and net cash equivalents	**(687)**	**2 736**
Cash and cash equivalents at the beginning of the period	**13 173**	**11 261**
Cash and cash equivalents at the end of the period	**12 486**	**13 997**

Accounting principles

The accounting principles adopted by Inter Cars are the same as those adopted by the Group (described in item 7 of the Group's extended consolidated quarterly report) except for shares in subsidiaries which are valued at the historical cost less write-downs.