

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

*Semi-Annual Report
for the period January 1st - June 30th 2011*

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Inter Cars S.A. Management Board's Statement

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

- To the best of its knowledge, the condensed consolidated interim financial statements of the Inter Cars Group („the Inter Cars Group”), the condensed separate interim financial statements of Inter Cars SA, and the comparable data have been prepared in compliance with the International Financial Reporting Standards endorsed by the European Union, issued and effective as at the date of these financial statements, and give an accurate, fair and clear view of the Group’s assets, financial standing and financial results.
- The Directors’ Report on the Inter Cars Group’s operations in the first half of 2010 gives a true picture of its development, achievements and standing.
- KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k., a qualified auditor of financial statements that reviewed the condensed consolidated semi-annual financial statements of Inter Cars Group and the condensed separate semi-annual financial statements of Inter Cars SA, had been appointed in compliance with applicable laws, and both the auditing firm and the qualified auditor who performer the review met conditions required to issue an impartial and independent opinion on the reviewed financial statements, in accordance with applicable laws.

Warsaw, August 17th 2011

.....
Robert Kierzek

.....
President of the Management Board

.....
Krzysztof Oleksowicz

.....
Member of the Management Board

.....
Wojciech Milewski

.....
Member of the Management Board

.....
Krzysztof Soszyński

.....
Vice-president of the Management Board

.....
Piotr Kraska

.....
Member of the Management Board

Financial Highlights of the Inter Cars Group

	Six months ended June 30th			
	2011		2010	
	PLN '000	PLN '000	EUR '000	EUR '000
Data on growth and profit				
Gross margin	32,3%	33,1%		
EBITDA (for 12 consecutive months)	170 704	134 101	43 028	33 490
Net debt/EBITDA	2,45	2,96		
Basic earnings per share (PLN)	3,29	2,07	0,83	0,52
Diluted earnings per share (PLN)	3,29	2,07	0,83	0,52
Operating profit	73 839	51 482	18 612	12 857
Net profit	46 658	29 314	11 761	7 321
Cash flows				
Net cash from operating activities	28 785	71 825	7 256	17 937
Net cash from investing activities	(13 426)	(4 757)	(3 384)	(1 188)
Net cash from financing activities	5 158	(45 238)	1 300	(11 298)
Employment and number of branches as at				
Number of employees				
Parent entity	1 303	1 236		
Subsidiaries	905	796		
Affiliates				
Parent entity	144	130		
Subsidiaries	95	74		

	As at		As at	
	Jun 30	Dec 31	Jun 30	Dec 31
	2011	2010	2011	2010
	PLN '000	PLN '000	EUR '000	EUR '000
Statement of financial position (as at)				
Cash and cash equivalents	55 305	34 788	13 873	8 784
Balance sheet total	1 549 994	1 322 301	388 801	333 889
Loans, borrowings, finance lease liabilities	473 376	454 742	118 742	114 825
Equity attributable to owners of the parent	609 613	558 535	152 916	141 034
Non-controlling interest	(2 986)	-	(749)	-

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

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

- for the items of the statement of financial position – the exchange rate quoted by the National Bank of Poland for 31 December 2010: EUR 1 = PLN 3,9866, the exchange rate quoted for 31 December 2010: EUR 1 = PLN 3,9603,.
- for the items of the statement of comprehensive income and statement of cash flows – the average of the exchange rates quoted by the National Bank of Poland for the last day of each month for two quarters of 2011 and 2010 respectively: EUR 1 = PLN 3,9673 and EUR 1 = PLN 4,0042.

Information on the Inter Cars Group

Business Profile

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

Registered office of the parent entity

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

Central Warehouse:

ul. Gdańska 15
05-152 Czosnów k/Warszawy

Contact details

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

Supervisory Board

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

Management Board

Robert Kierzek, President
Krzysztof Soszyński, Vice president
Krzysztof Oleksowicz
Wojciech Milewski
Piotr Kraska

Auditor

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

Inter Cars' Subsidiary Entities Included in Consolidation as at 30 June 2011

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Inter Cars Cyprus Limited
12 Esperidon Street
1087 Nicosia
Cyprus

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

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

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

Associate

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

Listing

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

1. Interim Consolidated Statement of Financial Position

(PLN '000)

	Note	30.06.2011	31.12.2010
ASSETS			
Non-current assets			
Property, plant and equipment	12	195 943	197 843
Investment property	13	49 966	49 834
Intangible assets	14	142 049	143 077
Investments in related entities		3 659	3 734
Investments available for sale		-	43
Receivables		8 928	7 159
Deferred tax asset		11 820	4 412
		412 365	406 102
Current assets			
Inventories	15	786 559	611 192
Trade and other receivables	16	295 765	270 219
Cash and cash equivalents		55 305	34 788
		1 137 629	916 199
TOTAL ASSETS		1 549 994	1 322 301
EQUITY AND LIABILITIES			
	Note	30.06.2011	31.12.2010
Share capital	17	28 336	28 336
Share premium account		259 530	259 530
Statutory reserve funds		244 391	198 387
Other capital reserves		5 935	4 835
Currency translation differences		(1 444)	(1 778)
Retained earnings and current year profit		72 865	69 225
Equity attributable to owners of the parent		609 613	558 535
Non-controlling interest		(2 986)	-
Total equity		606 627	558 535
Non-current liabilities			
Loans, borrowings and finance lease liabilities	18	242 258	244 641
Deferred tax liability		68	70
Other non-current liabilities		1 278	257
		243 604	244 968
Current liabilities			
Trade and other payables		454 767	294 642
Loans, borrowings and finance lease liabilities	18	231 118	210 101
Employee benefits		5 337	4 382
Income tax expense		8 541	9 673
		699 763	518 798
TOTAL EQUITY AND LIABILITIES		1 549 994	1 322 301

2. Interim Consolidated Statement of Comprehensive Income

(PLN '000)

	Jan 1 - Jun 30 2011	Jan 1 - Jun 30 2010
Continued activities		
Revenue from sales of products, goods and materials	1 307 169	1 105 099
Costs of sales of products, goods and materials	(885 415)	(739 300)
Gross profit on sales	421 754	365 799
Other operating income	3 235	5 733
Selling costs, general and administrative expenses	(190 060)	(183 007)
Cost of distribution services	(147 566)	(128 969)
Other operating expenses	(13 524)	(8 074)
Operating profit	73 839	51 482
Financial income	1 292	839
Foreign exchange gains/(losses)	(45)	(317)
Financial expenses	(15 945)	(18 514)
Profit before tax	59 141	33 490
Corporate income tax	(12 483)	(4 176)
Net profit	46 658	29 314
OTHER COMPREHENSIVE INCOME		
Currency translation differences	334	(1 963)
Revaluation of hedging instruments	1 100	(2 600)
	1 434	(4 563)
Total other comprehensive income, net	48 092	24 751
COMPREHENSIVE INCOME		
Net profit attributable to:		
- owners of the parent entity	49 644	29 264
- minority interests	(2 986)	50
	46 658	29 314
Comprehensive income attributable to:		
- owners of the parent entity	51 078	24 701
- minority interests	(2 986)	50
	48 092	24 751
Net profit	46 658	29 314
Weighted-average number of ordinary shares	14 168 100	14 168 100
Earnings per ordinary share (PLN)	3,29	2,07
Weighted-average diluted number of ordinary shares	14 168 100	14 168 100
Diluted earnings per ordinary share (PLN)	3,29	2,07

3. Interim Consolidated Statement of Changes in Equity

For the period January 1st – June 30th 2011

<i>(PLN '000)</i>	Share capital	Share premium account	Statutory reserve fund	Currency translation differences	Other capital reserves	Retained earnings and current year profit	Equity attributable to owners of the parent entity	Non-controlling interests	Total equity
As at January 1st 2011	28 336	259 530	198 387	(1 778)	4 835	69 225	558 535	-	558 535
Statement of comprehensive Income									
Profit for period	-	-	-	-	-	49 644	49 644	(2 986)	46 658
Other comprehensive Income									
Currency translation Differences	-	-	-	334	-	-	334	-	334
Valuation of hedging instrument	-	-	-	-	1 100	-	1 100	-	1 100
Comprehensive income, total	-	-	-	334	1 100	49 644	51 078	(2 986)	48 092
Transactions with owners									
Distribution of retained earnings – transfer to statutory reserve funds	-	-	46 004	-	-	(46 004)	-	-	-
As at June 30 2011	28 336	259 530	244 391	(1 444)	5 935	72 865	609 613	(2 986)	606 627

For the period January 1st to June 30th 2010

<i>(PLN '000)</i>	Share capital	Share premium account	Statutory reserve fund	Currency translation differences	Other capital reserves	Retained earnings and current year profit	Equity attributable to owners of the parent entity	Non-controlling interests	Total equity
As at January 1st 2010	28 336	259 530	137 680	1 161	5 935	66 249	498 891	-	498 891
Statement of comprehensive Income									
Profit for period	-	-	-	-	-	29 264	29 264	50	29 314
Other comprehensive Income									
Currency translation Differences	-	-	-	(1 963)	-	-	(1 963)	-	(1 963)
Valuation of hedging instrument	-	-	-	-	(2 600)	-	(2 600)	-	(2 600)
Comprehensive income, total	-	-	-	(1 963)	(2 600)	29 264	24 701	50	24 751
Transactions with owners									
Distribution of retained earnings – transfer to statutory reserve funds	-	-	60 707	-	-	(60 707)	-	-	-
As at June 30th 2010	28 336	259 530	198 387	(802)	3 335	34 806	523 592	50	523 642

4. Interim Consolidated Statement of Cash Flows

<i>(PLN '000)</i>	Jan 1 – Jun 30 2011	Jan 1 – Jun 30 2010
Cash flow from operating activities		
Profit before tax	59 141	33 490
Total adjustments, including:		
Depreciation and amortisation	16 620	17 897
Foreign exchange (gains)/losses	(45)	(317)
(Gain)/loss on disposal of property, plant and equipment	(120)	(654)
Net interest	12 416	14 708
Other adjustments, net	412	(1 034)
Operating profit before changes in working capital	88 424	64 090
Change in inventories	(175 367)	(41 213)
Change in receivables	(26 597)	(16 414)
Change in current liabilities	163 398	71 036
Cash generated by operating activities	49 858	77 499
Corporate income tax paid	(21 073)	(5 674)
Net cash from operating activities	28 785	71 825
Cash flows from investing activities		
Sale of intangible assets and property, plant and equipment	5 635	1 706
Acquisition of intangible assets and property, plant and equipment	(17 207)	(9 517)
Repayment of loans advanced	1 006	4 780
Loans advanced	(2 938)	(1 944)
Interest received	78	218
Net cash from investing activities	(13 426)	(4 757)
Cash flows from financing activities		
Proceeds from share issue	15 000	(25 000)
(Repayments) / proceeds from loans and borrowings	5 812	(1 536)
Interest paid	(12 576)	(14 938)
Payments of finance lease liabilities	(3 078)	(3 764)
Net cash from financing activities	5 158	(45 238)
Net change in cash and cash equivalents	20 517	21 830
Cash and cash equivalents at beginning of period	34 788	27 364
Cash and cash equivalents at end of period	55 305	49 194

5. Reporting entity

Inter Cars S.A. („the parent entity) is registered in Poland. These interim condensed consolidated financial statements for the period ended June 30th 2011 contain the data of the Company and of the subsidiaries, which are together referred to as the Inter Cars Group („the Group”), as well as the Group’s interest in associated entities.

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

The consolidated financial statements of the Inter Cars Group for the period ended 31 December 2010 are available at www.intercars.com.pl.

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

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

6. Statement of Compliance with the IFRS

These interim condensed consolidated financial statements of the Inter Cars Group and the interim condensed separate financial statements of Inter Cars S.A. (together “the interim condensed financial statements”) cover the period of six months ended June 30th 2011.

The interim condensed financial statements comply with the International Accounting Standard IAS 34 *Interim Financial Reporting*, which applies to interim financial statements and do not contain all the information whose disclosure is required in the annual financial statements. The interim condensed financial statements should be read together with the annual financial statements. The interim condensed financial statements should be read together with the annual financial statements (consolidated or separate, as appropriate).

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

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group’s accounting principles. The areas involving a higher degree of judgment or complexity, or the areas where assumptions and estimates are significant to the financial statements, are presented in Note 9.

These condensed consolidated interim financial statements and condensed standalone interim financial statements were approved for publication by the Management Board on August 17th, 2011.

7. Basis of Preparation Accounting principles applied in preparing the interim consolidated financial statements

With the exception of changes presented in „Changes in the Accounting Principles” these condensed consolidated interim financial statements were prepared by the Inter Cars Group following the same principles which were applied in the consolidated financial statements for the period ended December 31st 2010.

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

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

8. Changes in Accounting Policies

No changes were made in the accounting policies.

9. Significant Judgments and Estimates

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

Information on particularly significant areas that are subject to judgment and estimates and that affect the interim financial statements did not change from the information presented in the annual financial statements as at December 31st 2010.

10. Seasonality

The sales revenue is characterised by limited seasonability.

11. Business segments

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

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

Interim Condensed Consolidated Financial Statements of the Inter Cars Group

for the period from 1 January – 30 June 2011

(PLN ' 000)

	Sale of spare parts		Other		Eliminations		Total	
	01.01.2011	01.01.2010	01.01.2011	01.01.2010	01.01.2011	01.01.2010	01.01.2011	01.01.2010
	-30.06.2011	-30.06.2010	-30.06.2011	-30.06.2010	-30.06.2011	-30.06.2010	-30.06.2011	-30.06.2010
Segment's revenue from external customers	1 268 034	1 081 749	39 135	23 350	-	-	1 307 169	1 105 099
Inter-segments revenue	196 745	98 547	10 946	33 549	(207 691)	(132 096)	-	-
Profit before tax	69 622	30 627	(2 598)	4 963	(7 883)	(2 100)	59 141	33 490
	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Total assets	1 827 527	1 500 852	132 556	177 063	(410 089)	(334 434)	1 549 994	1 343 481

12. Property, Plant and Equipment

Gross book value as at December 31st 2010	307 640
Acquisition	16 013
Transfer	(359)
Sale	(5 918)
Liquidation	(22)
Translation	634
Gross book value as at June 30th 2011	317 988
Accumulated depreciation and impairment as at December 31st 2010	109 797
Depreciation for period	14 369
Sale	(2 186)
Transfer	7
Translation	58
Accumulated depreciaton and impairment as at June 30th 2011	122 045
NET VALUE	
As at December 31st 2010	197 843
As at June 30th 2011	195 943

13. Investment property

In the period from January 1st to June 30th 2011, the Group did not sell or purchase any real property. There are no material remeasurements of real property, either.

Interim Condensed Consolidated Financial Statements of the Inter Cars Group

for the period from 1 January – 30 June 2011

(PLN ' 000)

14. Intangible Assets

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

According to the management as at June 30th 2011 no impairment was identified. As at December 31st 2010, the Group's assets including goodwill were tested for impairment. No impairment was identified.

Based on the Company's current results, in 2010 the budgets for 2010 and 2011 were updated. There were no material changes in the method of calculation of WACC or the cash flow projections for subsequent years compared with the methodology used as at December 31st 2009.

In the opinion of the Management Board, as at June 30th 2011 the Group's assets were not impaired.

Gross book value as at 31 December 2010	177 246
Acquisition	1 194
Currency translation differences	51
Gross book value as at 30 June 2011	178 491
Accumulated amortisation and impairment losses as at 31 December 2010	34 169
Amortisation for period	2 251
Currency translation differences	22
Accumulated amortisation and impairment losses as at 30 June 2011	36 442
Net Value	
As at 31 December 2010	143 077
As at 30 June 2011	142 049

15. Inventories

	30.06.2011	31.12.2010
Materials	34 335	36 718
Semi-finished products and work in progress	4 861	8 217
Finished products	4 980	4 388
Goods for resale	742 383	561 869
	786 559	611 192
Goods for resale	767 461	582 088
Discounts charged to goods for resale	(24 259)	(19 565)
Impairment losses on goods for resale	(819)	(654)
	742 383	561 869

As a result of fire accident in the central warehouse of Ukrainian subsidiary, stock amounting to PLN 7 million was destroyed and written off during the period.

Interim Condensed Consolidated Financial Statements of the Inter Cars Group
for the period from 1 January – 30 June 2011

(PLN ' 000)

16. Trade and other receivables

	30.06.2011	31.12.2010
Trade receivables	266 670	235 837
Taxes, subsidies, customs duties, social security, health insurance and other benefits receivables	27 249	30 320
Loans advanced	3 794	12 614
Other receivables	10 341	3 791
Current trade and other receivables, gross	308 054	282 562
Impairment provision for receivable	(12 289)	(12 343)
Current trade and other receivables, net	295 765	270 219

Ageing structure of receivables

	30.06.2011	
	Gross	Impairment losses
up to 180 days	278 603	-
from 181 to 270 days	4 247	462
from 271 to 360 days	3 099	614
over 1 year	22 105	11 213
Total	308 054	12 289

Ageing structure of receivables

	31.12.2010	
	Gross	Impairment losses
up to 180 days	256 075	-
from 181 to 270 days	3 856	478
from 271 to 360 days	2 484	455
over 1 year	20 147	11 410
Total	282 562	12 343

Relative to December 31th 2010, there were no material changes in the Group's credit risk management policy.

17. Equity

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

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

Dividend

In the reporting period, no dividend was distributed by Inter Cars SA. The profit for the financial year ended December 31st 2010 was contributed to statutory reserves.

18. Liabilities under Loans, Borrowings and Other Debt Instruments

Syndicated Credit Facility Agreement

On July 29th 2009, a syndicated credit facility agreement for up to PLN 480m was signed by Inter Cars S.A. (the Borrower), Feber Sp. z o.o., IC Development & Finance Sp. z o.o., Inter Cars Ceska Republika s.r.o., Inter Cars Slovenska Republika s.r.o. (Co-Borrowers) and the following banks: Bank Polska Kasa Opieki S.A., ABN AMRO Bank (Polska) S.A., ING Bank Śląski S.A., Bank Handlowy w Warszawie S.A. and BRE Bank S.A. In 4Q EFG Eurobank Ergasias S.A. joined the credit facility.

On 29 November 2010 new annexes to the syndicated credit facility were signed reducing the number of bank participants of the consortium to the original number as described in above paragraph. Furthermore, the maturity date for the facility was altered in this way that the long-term portion should be repaid no later than 29 November 2013 and the short-term portion should be repaid no later than 24 November 2011, which is illustrated in the below table. The interest rate was agreed as a variable rate depending on WIBOR, EURIBOR and LIBOR rates, increased by bank margins (determined at arm's length) for each individual interest period.

Transition from short-term bilateral loans to medium-term syndicated financing provides Inter Cars S.A. and other members of the Inter Cars Group with stability and constant access to financing for a period of three years, enabling continued rapid development of the Group.

Bank loans	Amount as per agreement (limit)	Carrying amount as at 30 June 2011	Maturity date
	In PLN '000	In PLN '000	
Banking syndicate	430 000	215 000	long-term portion 29.11.2013
		210 132	Short-term portion 24.11.2011
		425 132	

The table presents information on bonds issued during the reporting period.

Tranche No.	Issue date	Redemption date	Redemption amount
93	03.03.2011	03.06.2011	15 000
94	03.06.2011	05.09.2011	15 000
			30 000

The table presents information on the bonds issued and outstanding as at the reporting date.

Tranche No.	Issue date	Redemption date	Redemption amount
94	03.06.2011	05.09.2011	15 000
			15 000

The bonds were issued in the Polish zloty as unsecured, discount (zero-coupon) bearer securities in book-entry form. The bonds will be redeemed at par value at the registered office of the issue agent

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(PLN ' 000)

Maturity date, effective interest rate and currency structure of financial liabilities has not changed materially compared to information provided in the financial statements as at December 31st 2010.

Material covenants of syndicated loan

They have not changed during the reporting period.

Cash Flow Hedges

As at June 30th 2010 the Group used derivative financial instruments to hedge interest rate risk such as Interest Rate Swap (IRS). As a result a loss of PLN 1.1 million was recognized in the reporting period. As at June 30th 2011 there were no open IRS contracts.

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

Contingent liabilities, granted security and future liabilities (including under operating leases) did not change materially relative to those described in the financial statements prepared as at December 31st 2010.

20. Related-Party Transactions

	1.1.2011- 30.06.2011	1.1.2010- 30.06.2010
<i>Remuneration of Supervisory and Management Board members</i>		
Remuneration of Supervisory Board members	96	102
Remuneration of Management Board members	1 950	2 000
	2 046	2 102
	1.1.2011- 30.06.2011	1.1.2010- 30.06.2010
<i>Related-party transactions</i>		
Revenue from sales to related parties	1 190	1 059
Goods and services purchased from related parties	6 484	6 479
	30.06.2011	31.12.2010
<i>Balance of settlements with related parties</i>		
Receivables from related parties	102	188
Liabilities to related parties	-	474

(PLN ' 000)

21. Events Subsequent to the Reporting Date with a Potential Material Bearing on the Company's Future Financial Results.

On July 21st 2011 an Annex to the Syndicated Loan was signed securing additional PLN 50 million from the banks. The total credit facility would amount to PLN 480 million. The increase has been granted through the increase of overdraft limit called loan B. Loan collateral has been actualized in value, however, it has remained unchanged as to its nature. Other material covenants of syndicated loan have not changed.

Warsaw, August 17th 2011

.....
Robert Kierzek

.....
President of the Management Board

.....
Krzysztof Soszyński

.....
Vice-President of the Management Board

.....
Wojciech Milewski

.....
Member of the Management Board

.....
Krzysztof Oleksowicz

.....
Member of the Management Board

.....
Piotr Kraska

.....
Member of the Management Board

.....
Julita Pałyska

.....
Chief Accountant

PART II

**INTERIM REPORT ON THE OPERATIONS OF THE INTER CARS GROUP IN THE
PERIOD FROM 1 JANUARY – 30 JUNE 2011**

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22. Reporting entity description

Inter Cars S.A., the parent undertaking ("the Company", "the Parent Undertaking"), is registered in Poland. These interim condensed consolidated financial statements of the Inter Cars Group for the period January 1st – June 30th 2011 contain data of the Parent Undertaking and of the subsidiaries, which are together referred to as the Inter Cars Group ("the Group"), and account for the Group's interests in associates.

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

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

- Parent Undertaking: Inter Cars S.A. of Warsaw,
- subsidiary undertakings: Inter Cars Ukraine, incorporated under the Ukrainian law, with registered office in Khmelnytsky, Ukraine (Inter Cars S.A.'s interest: 70%), Lauber Sp. z o.o. of Słupsk (100%), Q-Service Sp. z o.o. of Warsaw (100%), Inter Cars Česká Republika of Prague (100%), Feber Sp. z o.o. of Warsaw (100%), Inter Cars Slovenska Republika of Bratislava (100%), Inter Cars Lietuva UAB of Vilnius (100%), IC Development & Finance Sp. z o.o. of Warsaw (100%), Armatus Sp. z o.o. of Warsaw (100%), JC Auto s.r.o. of Karvina-Darkom (100%), JC Auto Kereskedelmi Kft. of Budapest (100%), JC Auto S.A. of Brain-le-Chateau (100%), JC Auto d.o.o. of Zagreb (100%), JC Auto s.r.l. of Milan (99%; 1% stake is held by JC Auto s.r.o.), Inter Cars Romania s.r.l. of Cluj-Napoca (100%), Inter Cars (Cyprus) Limited of Nicosia (100%), Inter Cars Latvija SIA of Riga (100%) and Inter Cars Bulgaria of Sofia (100%).

23. Basis of Preparation

These interim condensed consolidated financial statements of the Inter Cars Group and the interim condensed separate financial statements of Inter Cars S.A. (together "the interim condensed financial statements") cover the period of six months ended June 30th 2011.

The interim condensed financial statements comply with the International Accounting Standard IAS 34 Interim Financial Reporting, which applies to interim financial statements and do not contain all the information whose disclosure is required in the annual financial statements. The interim condensed financial statements should be read together with the annual financial statements (consolidated or separate, as appropriate).

24. Overview of the Group's Operations and Financial Performance on Consolidated and Standalone Basis in the Period from January 1st to June 30th 2011

Financial Results of the Inter Cars Group

- The Group recorded a **18,3%** increase in sales revenue compared with the corresponding period of 2010,
- Export sales defined as direct sales (from Inter Cars S.A.) to export partners (mainly to Eastern markets) and sales to subsidiaries increased by 29% on corresponding period of previous year of which:
 - direct sales during 1H2011 amounted to PLN 100 million, which means a 6% increase in sales dynamics, however, the Board expected a decrease of revenue from this source;
 - sales executed by subsidiaries during 1H2011 amounted to PLN 243 million, which is a 33% increase.

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

Interim Report on the Operations of Inter Cars Group

for the period from 1 January – 30 June 2011

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- Inter Cars' sales revenue generated in Poland accounted for approximately 73% (vs 75% after the 1st quarter 2011) of the Group's total sales revenue (after consolidation eliminations). The Polish market remains the key sales market for the Group,
- Consolidated net profit increased by more than 60% on the corresponding period of previous year,
- Operating profit increased by 43% compared to corresponding period of previous year,
- Operating expenses increased by 3,9% compared to corresponding period despite the increase in sales of 18,3%,
- Effective tax rate for the Group in the 1st quarter 2011 amounted to 24% mainly due to negative unrealized forex exchange losses generated by Inter Cars Ukraine. Both gain and losses resulting from forex exchange differences are permanent in Ukraine for tax purposes. Therefore, in case of reversal of forex exchange losses in the future the effective tax rate will also be reduced. For the period ended June 30th 2011 effective tax rate amounted to 21%.
- Cash generated by operating activities was PLN 29 million.
- Stock level as at June 30th 2011 was above the optimal stock level by approx. PLN 100 million. We expect the decrease in stock rotation in the third quarter 2011.

Revenue went up in all geographical segments The Company is consistent in its policy of geographical expansion in the area of Central and Eastern Europe. The CEE markets offer significant growth potential and higher net margins for the industry than the domestic market. The highest year-on-year growth in sales in first half of 2011 (restated in PLN, after consolidation eliminations) was reported by the following operations: Romania (129%), Lithuania (88%) and Croatia (55%). The subsidiary entities which generated highest revenue for the Group were: Slovakia (21%), Czech Republic (30%), Ukraine (decrease of 9%).

Financial result of Inter Cars Group in the 1st half 2011:

('000)

	6 months ended June 30th			
	2011		2010	
	PLN	PLN	EURO	EURO
Statement of comprehensive income (for period)				
Sales revenue	1 307 169	1 105 099	329 486	275 985
Gross profit/(loss) on sales	421 754	365 799	106 308	91 354
Net financial income/expenses	(14 698)	(17 992)	(3 705)	(4 493)
Operating profit	73 839	51 482	18 612	12 857
Net profit	46 658	29 314	11 761	7 321
Other financial data				
Net cash from operating activities	28 785	71 825	7 256	17 937
Net cash used in investing activities	(13 426)	(4 757)	(3 384)	(1 188)
Net cash used in financing activities	5 158	(45 238)	1 300	(11 298)
Earnings per share	3,29	2,07	0,83	0,52
Sales margin	32,3%	33,1%		
EBITDA margin	6,9%	6,3%		
	As at			
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Statement of financial position	PLN	PLN	EUR	EUR
Cash and cash equivalents	55 305	34 788	13 873	8 784
Balance-sheet total	1 549 994	1 322 301	388 801	333 889
Loans, borrowings and finance lease liabilities	473 376	454 742	118 742	114 816
Equity	609 613	558 535	152 916	141 034
Non-controlling interest	(2 986)	-	(749)	-

Interim Report on the Operations of Inter Cars Group

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- The following exchange rates were applied to translate the figures presented into the euro:
- for the items of the statement of financial position – the exchange rate quoted by the National Bank of Poland for 31 December 2010: EUR 1 = PLN 3,9866, the exchange rate quoted for 31 December 2010: EUR 1 = PLN 3,9603,.
 - for the items of the statement of comprehensive income and statement of cash flows – the average of the exchange rates quoted by the National Bank of Poland for the last day of each month for two quarters of 2011 and 2010 respectively: EUR 1 = PLN 3,9673 and EUR 1 = PLN 4,0042.

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

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

('000)	For 6 months ended June 30th			
	2011	2010	2011	2010
Stand-alone statement of comprehensive income	PLN	PLN	EURO	EURO
Sales revenue	1 156 114	975 717	291 411	243 673
Gross profit/(loss) on sales	320 901	291 680	80 886	72 844
Net financial income/expenses	3 221	(14 873)	812	(3 714)
Operating profit	60 392	40 593	15 222	10 138
Net profit	50 371	21 476	12 697	5 363
Other financial data				
Net cash from operating activities	(7 109)	61 440	(1 792)	15 344
Net cash used in investing activities	9 928	(3 605)	2 502	(900)
Net cash used in financing activities	5 009	(44 284)	1 263	(11 059)
Earnings per share	3,56	1,52	0,90	0,38
Sales margin	27,8%	29,9%		
	As at			
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
	PLN	PLN	EUR	EUR
Statement of financial position				
Cash and cash equivalents	21 773	13 945	5 462	3 521
Balance-sheet total	1 493 574	1 277 225	374 648	322 507
Loans, borrowings and finance lease liabilities	468 508	452 132	117 521	114 166
Equity	576 603	525 132	144 635	132 599

Sales revenue in the first quarter of 2011 was **18% higher** than in the corresponding period of 2010.

Gross profit on sales was 10% higher on corresponding period of 2010. However, gross profit for the 1st half 2011 was higher by 147% on corresponding period of previous year.

Sales margin in 1st half 2011 went down to 27.8% from 29.9% in comparable period of 2010.

Cost of distribution services – the share of an affiliate branch operator in the sales margin. The affiliate branch's sales margin is shared between the branch operator and Inter Cars on a 50/50 basis. The system of affiliate branches is based on the principle of entrusting the management of a distribution outlet (affiliate branch) to an external operator. Sales are effected on behalf of Inter Cars. The affiliate branches employ personnel and cover operating costs from their revenue which is their share in the margin on sales of goods. The share of particular branches in the margin is settled on a monthly basis. The Company provides its full range of goods with ensured availability, the IT system, organisational and logistics know-how and the brand's strong position. The branch operator contributes the knowledge of the local market and experienced personnel. The risk associated with the operations of a branch

operator (affiliate branch) is borne by the operator, which – operating as a separate business – optimises its available resources.

Financial income and expenses include mainly interest income and expense. Cumulative for first quarter of 2011 the Company's interest expense amounted to PLN 12 469 thousand compared to PLN 14 873 thousand during comparable period of 2010. **Liabilities under loans, borrowings, debt securities and finance leases** as at June 30th 2011 totalled PLN 468 508 thousand vs 452 132 thousand as at December 31st 2010.

25. Factors and Events, Especially of a Non-Recurring Nature, with a Material Bearing on the Financial Performance. Description of the Company's Material Achievements and Failures Along with a List of Related Key Events

Main Events Bearing on the Present and Future Financial Performance

Consolidated EBITDA calculated on a cumulative basis for the period of 12 months ended June 30th 2011 amounted to PLN 170 704 thousand (operating profit plus depreciation/amortisation).

- Sales revenue of the parent entity was record high for March 2011 and amounted to PLN 215 million (the highest monthly sales revenue in the history of Inter Cars SA.)
- Due to the fire accident that took place in April 2011 stock of spare parts was destroyed in IC Ukraine causing the damage estimated at PLN 7 million. Consequently logistical issues caused by the fire accident IC Ukraine caused additional loss in sale margin which was estimated at PLN 2 million. Currently, the company has restored all its function due to the launch of the new warehouse in another location in Ukraine. Destroyed inventory was insured. Currently the company is in the process of filing the claim to the insurer. As of the date of publication of this report the Company is not able to estimate recoverable from the insurer.
- Feber's sales increased to 38,9 million, that is by 61% compared to analogical period of 2010 (PLN 24,1million). The Board expects that Feber will be profitable in the entire 2011.

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

There were no changes in the structure of Inter Cars Group in the reporting period.

27. Management Board's Standpoint Regarding the Feasibility of Meeting Previously Published Forecasts for 2011

The Inter Cars Group did not publish any financial forecasts.

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

Shareholder	Number of share/votes	Aggregate par value (zł)	Percentage of share capital held (%)	Percentage of total vote held (%)
Krzysztof Oleksowicz	4 682 271	9 364 542	33,05%	33,05%
Andrzej Oliszewski	1 502 370	3 004 740	10,60%	10,60%
AMPLICO Otwarty Fundusz Emerytalny	903 347	1 806 694	6,38%	6,38%
ING	1 214 728	2 429 456	8,57%	8,57%
AVIVA Otwarty Fundusz Emerytalny	1 303 247	2 606 494	9,20%	9,20%
Total	9 605 963	19 211 926	67,80%	67,80%

Interim Report on the Operations of Inter Cars Group

for the period from 1 January – 30 June 2011

(PLN' 000)

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

29. Changes in Major Holdings of the Company Shares

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

30. Changes in the Number of Shares and Rights to Shares (Options) in Inter Cars S.A. Held by the Company's Management and Supervisory Personnel since the Publication of the Most Recent Quarterly Report

The Company's supervisory and management staff hold in aggregate 6 469 309 shares, conferring the right to 45.67% of the total vote at the General Shareholders Meeting of Inter Cars S.A.

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

Shareholder	No. of shares/votes	Aggregate par value	Percentage of share capital held	Percentage of total vote held
		(PLN)	(%)	(%)
Krzysztof Oleksowicz	4 682 271	9 364 542	33,05%	33,05%
Robert Kierzek	74 834	149 668	0,53%	0,53%
Krzysztof Soszyński	74 834	149 668	0,53%	0,53%
Wojciech Milewski	67 500	135 000	0,48%	0,48%
Piotr Kraska	67 500	135 000	0,48%	0,48%
	4 966 939	9 933 878		
Supervisory board				
Andrzej Oliszewski	1 502 370	3 004 740	10,60%	10,60%
	1 502 370	3 004 740		
Total	6 469 309	12 938 618	45,67%	45,67%

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

Shareholder	No. of shares as at May 15 th 2011	Increases	Decreases	No. of shares as at August 17 th 2011
Krzysztof Oleksowicz	4 682 271	-	-	4 682 271
Andrzej Oliszewski	1 502 370	-	-	1 502 370
Robert Kierzek	74 834	-	-	74 834
Krzysztof Soszyński	74 834	-	-	74 834
Wojciech Milewski	67 500	-	-	67 500
Piotr Kraska	67 500	-	-	67 500
Total	6 469 309	-	-	6 469 309

31. Information on Court, Arbitration and Administrative Proceedings

In 2011, no proceedings have been brought before any court or administrative body with respect to any liabilities or claims of Inter Cars S.A. or its subsidiary undertakings whose aggregate value would represent 10% or more of the Company's equity.

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

32. Other Information Which the Company Deems Relevant for the Assessment of Its Personnel, Assets, Financial Position, and Net Profit (Loss), or Changes in any of the Foregoing, and for the Assessment of the Company's Ability to Perform Its Obligations

This information is included in the Section entitled Factors and Events, Especially of a Non-Recurring Nature, with a Material Bearing on the Financial Performance. Description of the Company's Material Achievements and Failures Along with a List of Related Key Events.

33. Factors Which in the Company's Opinion will Affect Its Results in a Period Covering at Least the Next Quarter

The most important factors which according to the Management Board will affect the financial results in Q3 2011 include:

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

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

The risks relating to Q3 2011, as described by the Management Board in Section 33, also relate to the remaining months of the year.

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

No such transactions occurred.

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

Sureties and guarantees issued	Period covered	30.06.2011	31.12.2010
Lauber Sp. Z o.o.	26.09.2008 – 26.09.2011	197	197
Feber Sp. Z o.o.	23.03.2010 – indefinitely	877	871
Feber Sp. Z o.o.	20.09.2010 – 30.12.2011	2 392	2 376
Feber Sp. Z o.o.	15.04.2011 – 14.04.2012	2 182	-
Q-Service Sp. Zo.o.	2.12.2010 – 31.12.2011	997	990
Inter Cars Ceska Republika, Inter Cars Slovenska Republika	1.01.2011 – 30.12.2011	5 980	-
Inter Cars Ceska Republika, Inter Cars Slovenska Republika	1.04.2011 – 31.12.2011	5 980	-
INTER CARS Hungária Kf.	29.04.2011 – 31.01.2016	2 231	3 807
		20 836	8 241

All guarantees were issued by the parent company to subsidiaries free of charge.

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

Other guarantees aim to secure repayments of trade liabilities.

Warsaw, August 17th 2011

.....
Robert Kierzek

.....
President of the Management Board

.....
Krzysztof Soszyński

.....
Vice-President of the Management Board

.....
Wojciech Milewski

.....
Member of the Management Board

.....
Krzysztof Oleksowicz

.....
Member of the Management Board

.....
Piotr Kraska

.....
Member of the Management Board

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

for the period from 1 January – 30 June 2011

(PLN' 000)

PART III

**INTERIM CONDENSED STAND-ALONE FINANCIAL STATEMENT OF INTER CARS SA FOR PERIOD FROM
1 JANUARY- 30 JUNE 2011**

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

for the period from 1 January – 30 June 2011

(PLN' 000)

37. Statement of financial position

	Note	30.06.2011	31.12.2010
ASSETS			
Non current assets			
Property, plant and equipment		139 710	139 723
Intangible assets		138 153	139 675
Investment property		2 019	2 768
Investment in related entities	42	43 423	43 493
Receivables		70 909	76 667
Deferred tax asset		182	182
		394 396	402 508
Current assets			
Inventory		637 002	477 867
Trade and other receivables		440 403	382 905
Cash and cash equivalents		21 773	13 945
		1 099 178	874 717
TOTAL ASSETS		1 493 574	1 277 225
EQUITY AND LIABILITIES			
Equity			
Share capital		28 336	28 336
Share premium account		259 530	259 530
Statutory reserve funds		232 108	186 104
Other capital reserves		5 935	4 835
Retained earnings and current year profit		50 694	46 327
		576 603	525 132
Non-current liabilities			
Long-term loan, borrowing and finance lease liabilities		237 519	241 700
		237 519	241 700
Current liabilities			
Trade and other payables		445 205	288 244
Short-term loans, borrowings, debt securities and finance lease liabilities		230 989	210 432
Employee benefits		2 271	2 405
Income tax liability		987	9 312
		679 452	510 393
TOTAL EQUITY AND LIABILITIES		1 493 574	1 277 225

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

for the period from 1 January – 30 June 2011

(PLN' 000)

38. Statement of comprehensive income

	1.01.2011 - 30.06.2011	1.01.2010 - 30.06.2010
Sales revenue	1 156 114	975 717
Cost of sales	<u>(835 213)</u>	<u>(684 037)</u>
Gross profit on sales	320 901	291 680
Other operating income	7 220	10 484
Selling costs, general and administrative expenses	(136 048)	(140 271)
Cost of distribution services	(120 058)	(109 403)
Other operating expenses	<u>(11 623)</u>	<u>(11 897)</u>
Operating profit	60 392	40 593
Financial income	18 174	3 522
Foreign exchange gains/(losses)	(22)	(317)
Financial expenses	<u>(14 931)</u>	<u>(18 078)</u>
Profit before tax	63 613	25 720
Corporate income tax	<u>(13 242)</u>	<u>(4 244)</u>
Net profit	50 371	21 476
OTHER COMPREHENSIVE INCOME		
Revaluation of hedging instruments	1 100	(2 600)
Total other comprehensive income, net	<u>1 100</u>	<u>(2 600)</u>
COMPREHENSIVE INCOME	51 471	18 876
Net profit	50 371	21 476
Weighted-average number of ordinary shares	14 168 100	14 168 100
Earnings per ordinary share (PLN)	3,56	1,52
Weighted-average diluted number of ordinary shares	14 168 100	14 168 100
Diluted earnings per ordinary share (PLN)	3,56	1,52

Interim Condensed Stand-Alone Financial Statement of Inter Cars S.A.
for the period from 1 January – 30 June 2011
(PLN '000)

39. Statement of changes in Equity

For the period from 1 January 2011 to 30 June 2011

(PLN '000)	Share capital	Share premium account	Statutory reserve capital	Other reserve capital	Retained profit and current year profit	Total
As at 1 January 2011	28 336	259 530	186 104	4 835	46 327	525 132
Statement of comprehensive income	-	-	-	-	50 371	50 371
profit for period						
Effective part of changes in fair value in cash flow hedging	-	-	-	1 100	-	1 100
Comprehensive income, total	-	-	-	1 100	50 371	51 471
Transactions with shareholders						
Allocation of prior period result to reserve funds	-	-	46 004	-	(46 004)	-
As at 30 June 2011	28 336	259 530	232 108	5 935	50 694	576 603

For the period from 1 January 2010 to 30 June 2010

(PLN '000)	Share capital	Share premium account	Statutory reserve capital	Other reserve capital	Retained profit and current year profit	Total
As at 1 January 2010	28 336	259 530	125 397	5 935	61 030	480 228
Statement of comprehensive income	-	-	-	-	21 476	21 476
profit for period						
Effective part of changes in fair value in cash flow hedging	-	-	-	(2 600)	-	(2 600)
Comprehensive income, total	-	-	-	(2 600)	21 476	18 876
Transactions with shareholders						
Allocation of prior period result to reserve funds	-	-	60 707	-	(60 707)	-
As at 30 June 2010	28 336	259 530	186 104	3 335	21 799	499 104

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(PLN '000)

40. Statement of cash flow

(PLN '000)

	1.01.2011 – 30.06.2011	1.01.2010 – 30.06.2010
Cash flows from operating activities		
Profit (loss) before tax	63 613	25 720
Adjustments, including:		
Depreciation and amortisation	12 875	14 735
Foreign exchange (gains)/losses	(25)	175
(Gain)/loss on disposal of property, plant and equipment	(445)	(418)
Net interest	9 896	11 550
Revaluation of investment property	(15 290)	-
Other adjustments, net	951	(3)
Operating profit before changes in working capital	71 575	51 759
Change in inventories	(159 135)	(44 832)
Change in receivables	(54 809)	(16 715)
Change in current liabilities	156 827	73 418
Cash generated by operating activities	14 458	63 630
Corporate income tax paid	(21 567)	(2 190)
Net cash from operating activities	(7 109)	61 440
Cash flows from investing activities		
Sale of property, plant and equipment and intangible assets	733	970
Acquisition of property, plant and equipment and intangible assets	(11 809)	(4 920)
Acquisition of shares in subordinated entities	69	(300)
Repayment of loans advanced	9 636	4 784
Loans advanced	(4 310)	(4 570)
Interest received	319	431
Dividends received	15 290	-
Net cash used in investing activities	9 928	(3 605)
Cash flows from financing activities		
Repayments/proceeds from issue of debt securities	15 000	(25 000)
Finance lease payments	(12 469)	(14 873)
Repayments/proceeds from loans and borrowings	(2 775)	(3 417)
Interest paid	5 253	(994)
Net cash used in financing activities	5 009	(44 284)
Net change in cash and cash equivalents	7 828	13 551
Cash and cash equivalents at beginning of period	13 945	11 613
Cash and cash equivalents at end of period	21 773	25 164

41. Investments in related entities

Investment in related entities as at 31.12.2010	43 493
Payment for share capital of Inter Cars Bulgaria Ltd.	21
Write-off of 5 Sterne Fahrwerkstechnik GmbH	(91)
Investment in related entities as at 30.06.2011	43 423

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

Receivables	30.06.2011	31.12.2010
Inter Cars Ukraine LLC	35 309	26 563
Q-Service Sp. z o.o.	-	-
Lauber Sp. Z o.o.	636	354
Inter Cars Ceska Republika	31 860	31 827
Inter Cars Slovenska Republika	9 685	3 742
Feber Sp. z o.o.	7 241	7 905
Inter Cars Lietuva UAB	14 286	11 901
IC Development & Finance Sp. z o.o.	-	220
JC Auto s.r.l.	8 456	9 326
Inter Cars d.o.o.	42 576	33 625
JC Auto S.A.	2 722	5 450
INTER CARS Hungária Kf.	25 765	21 531
JC Auto s.r.o.	6 808	7 235
Inter Cars Romania s.r.l.	37 579	25 402
Armatus sp. z o.o.	19	273
Inter Cars Latvija SIA	1 213	602
Inter Cars Cyprus Ltd.	852	1 713
Inter Cars Bulgaria Ltd.	20	-
Receivables Gross	225 027	187 669
Impairment provision for receivables (JC Auto s.r.o.)	(3 746)	(3 746)
Receivables Net	221 281	183 923

Interim Condensed Stand-Alone Financial Statement of Inter Cars S.A.
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(PLN' 000)

Payables	30.06.2011	31.12.2010
Inter Cars Ukraine LLC	1	1
Q-Service Sp. z o.o.	39 232	25 307
Lauber Sp. z o.o.	1 686	933
Inter Cars Ceska Republika	1 764	2 970
Inter Cars Slovenska Republika	130	595
Feber Sp. z o.o.	872	940
Inter Cars Lietuva UAB	1 516	82
IC Development & Finance Sp. z o.o.	687	484
JC Auto s.r.l.	62	25
Inter Cars d.o.o.	166	127
JC Auto S.A.	924	2 583
INTER CARS Hungária Kft.	373	383
Inter Cars Romania s.r.l.	2 626	463
5 STERNE FAHWERKSTECHNIK GMBH I. GR.	86	-
JC Auto s.r.o.	2 955	3 407
Inter Cars Latvija SIA	3	-
Inter Cars Cyprus Ltd.	1 514	-
	54 597	38 300
	01.01.2011- 30.06.2011	01.01.2010- 30.06.2010
Sales revenue		
Inter Cars Ukraine LLC	13 188	8 904
Q-Service Sp. z o.o.	3 435	155
Lauber Sp. z o.o.	2 099	1 829
Inter Cars Ceska Republika	23 113	15 907
Inter Cars Slovenska Republika	25 394	22 841
Feber Sp. z o.o.	272	171
Inter Cars Lietuva UAB	26 390	15 203
IC Development & Finance Sp. Z o.o.	-	2
JC Auto s.r.l.	3 268	4 411
Inter Cars d.o.o.	12 255	6 627
JC Auto S.A.	1	5
INTER CARS Hungária Kf.	7 242	4 247
Inter Cars Romania s.r.l.	25 913	9 971
Armatus sp. z o.o.	121	143
Inter Cars Latvija SIA	951	-
	143 642	90 416
	01.01.2011- 30.06.2011	01.01.2010- 30.06.2010
Purchases of goods and services		
Q-Service Sp. z o.o.	37 273	24 881
Lauber Sp. z o.o.	9 256	8 272
Inter Cars Ceska Republika	2 825	1 606
Inter Cars Slovenska Republika	168	179
Feber Sp. z o.o.	897	852
Inter Cars Lietuva UAB	1 980	113
IC Development & Finance Sp. z o.o.	790	441
JC Auto s.r.l.	-	25
Inter Cars d.o.o.	54	23
JC Auto S.A.	1 748	1 672
INTER CARS Hungária Kf.	7	-
Inter Cars Romania s.r.l.	2 805	390
Inter Cars Latvija SIA	3	-
Inter Cars Cyprus Ltd.	2 818	-
	60 624	38 454

Interim Condensed Stand-Alone Financial Statement of Inter Cars S.A.
for the period from 1 January – 30 June 2011
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	30.06.2011	31.12.2010
Receivables		
<i>Receivable from related companies</i>		
Feber Sp. z o.o.	35 271	40 337
IC Development & Finance Sp. z o.o.	42 900	43 652
Lauber Sp. z o.o.	6 820	6 228
Inter Cars Latvija SIA	81	80
Inter Cars Romania s.r.l.	685	685
SMiOC Frenoplast Buřhak I Cieřlawski S.A.	1 316	1 262
IC Bulgaria Ltd	142	-
	87 215	92 244
 <i>Payable to related companies</i>		
Armatus Sp. z o.o.	704	999
	704	999
 Guarantees issued	30.06.2011	31.12.2010
Lauber Sp. z o.o.	197	197
Feber Sp. z o.o.	877	871
Feber Sp. z o.o.	2 392	2 376
Feber Sp. z o.o.	2 182	-
Q-Service Sp. z o.o.	997	990
Inter Cars Ceska Republika, Inter Cars Slovenska Republika	5 980	-
Inter Cars Ceska Republika, Inter Cars Slovenska Republika	5 980	-
INTER CARS Hungaria Kf.	2 231	3 807
	20 836	8 241

Warsaw, August 17th 2011

.....
Robert Kierzek

.....
President of the Management Board

.....
Krzysztof Oleksowicz

.....
Member of the Management Board

.....
Krzysztof Soszyński

.....
Vice-President of the Management Board

.....
Piotr Kraska

.....
Member of the Management Board

.....
Wojciech Milewski

.....
Member of the Management Board