INTER CARS S.A. CAPITAL GROUP

CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2008

inter cars

części do samochodów

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INFORMATION ON INTER CARS S.A.

1. Objects of the company's enterprise

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.

2. 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

3. 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

4. Supervisory Board

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

5. Management Board

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

6. Chartered Auditor

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

7. Lawyers

W. Olewniczak i Doradcy Kancelaria Prawna Spółka Komandytowa
ul. Marszałkowska 115
Warsaw

Joanna Wasilewska - radca prawny
ul. Dominikańska 7a
61-762 Poznań

Kancelaria Prawna Maximus A.K. Nowakowski Spółka Komandytowa
pl. Powstańców Śląskich 16-18
Wrocław

8. Subsidiaries of Inter Cars - entities covered by consolidation as at 30 June 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. (poprzednio 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

9. Quotations on stock exchanges

The shares of Inter Cars, i.e. the parent company, are quoted on the Warsaw Stock Exchange in the system of continuous quotations.

10. Declaration of members of the Board of Directors

1) To our best knowledge, the consolidated semi-annual financial statement and comparable data have been drawn up in accordance with International Financial Reporting Standard applicable to interim financial reporting (IAS 34) that has been approved by the European Union. The statements reflect in a true, reliable and clear manner, assets and financial position of the Group and its financial result, and the consolidated semi-annual financial statement of the Board of Directors contains a true reflection of development and accomplishments and situation of the Group, including the description of basic risks and hazards.

2) Authorized entity to review financial statements, conducting review of the consolidated semi-annual financial statement has been selected as specified by law. This entity and chartered auditors conducting this review have met conditions for issuing an impartial and independent audit report, in accordance with relevant regulations of the domestic law.

Krzysztof Oleksowicz
President of the Management Board

Robert Kierzek
Vice President of the Management Board

Wojciech Milewski
Member of the Management Board

Krzysztof Soszyński:
Member of the Management Board

Piotr Kraska
Member of the Management Board

BALANCE SHEET

(in thousands of PLN)	**note**	**30.06.2008**	**31.12.2007**	**30.06.2007**
ASSETS				
Fixed assets				
Tangible fixed assets	3	171 694	90 596	75 791
Investment properties	4	38 864	43 319	6 076
Intangible assets	5	154 824	7 789	1 361
Investments in related entities		94	-	-
Investments available for sale	6	43	43	43
Receivables	9	3 243	2 367	1 429
Prepayments	11	548	1 473	562
Deferred corporate income tax assets	**7**	2 117	7 591	5 509
		371 427	**153 178**	**90 771**
Current assets				
Inventories	8	610 511	482 693	337 712
Trade and other receivables	9 10	195 817	154 503	104 219
Prepayments	11	3 041	2 457	1 528
Cash and cash equivalents	12	31 516	22 879	19 068
		840 885	**662 532**	**462 527**
TOTAL ASSETS		**1 212 312**	**815 710**	**553 298**

(in PLN '000)

LIABILITIES	**note**	**30.06.2008**	**31.12.2007**	**30.06.2007**
Equity capital				
Share capital	13	27 392	23 642	23 642
Supplementary capital from the issue of shares above the face value		246 415	21 415	21 415
Supplementary capital		67 267	65 975	49 641
Other supplementary capital		5 641	5 192	3 527
Foreign exchange rate differences from consolidation		(1 789)	(1 920)	(1 482)
Retained result from previous years and the current year		80 333	52 608	44 828
Equity attributable to the shareholders of the parent entity		**425 259**	**166 912**	**141 571**
Minority capital	**14**	**1 421**	**1 151**	**1 666**
TOTAL Equity		**426 680**	**168 063**	**143 237**
Long-term liabilities				
Borrowings and finance liabilities	15	82 988	38 794	2 640
Provisions		36	-	-
Liabilities due to deferred income tax	7	11 116	8 568	4 574
		94 140	**47 362**	**7 214**
Short-term liabilities				
Trade and other liabilities	17	237 363	261 412	136 458
Borrowings and finance lease liabilities	15	434 458	318 574	252 845
Liabilities due to employee benefits	18	4 848	818	1 623
Liabilities due to income tax	27	5 665	10 063	6 920
Provisions	16	1 436	851	1 518
Short-term prepaid expenses	11	7 722	8 567	3 483
		691 492	**600 285**	**402 847**
TOTAL LIABILITIES		**1 212 312**	**815 710**	**553 298**

Additional information is an integral part of the aforementioned financial statements.

PROFIT AND LOSS STATEMENT

(in thousands of PLN)	Note		01.01.2008 - 30.06.2008	01.01.2007 - 30.06.2007
Sales revenue on sales of products, goods and materials	20	10	847 198	608 989
Cost of sold products, commodities, and materials	21	10	(589 056)	(438 208)
Gross profit on sales			**258 142**	**170 781**
Other operating revenue	23		13 076	7 616
General administrative and sales cost	22		(118 504)	(67 807)
Distribution service costs	22		(89 758)	(60 056)
Costs of management option program	19	22	(449)	(1 665)
Other operating costs	24		(13 334)	(6 120)
Operating profit			**49 173**	**42 749**
Financial revenue	25		2 024	397
Foreign exchange differences	25		(1 857)	(217)
Financial costs	25		(12 443)	(4 994)
Pre-tax profit			**36 897**	**37 935**
Income tax	26		(7 610)	(7 588)
Net profit			**29 287**	**30 347**
Attributable to:				
the parent company's shareholders			29 017	30 476
minority shareholders			270	(129)
			29 287	**30 347**
Profit per one share (PLN)	28			
- basic			2,22	2,58
- diluted			2,18	2,52

Additional information is an integral part of the aforementioned financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

The statement of changes in equity for the period from 1 January 2007 to 30 June 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 entity**	Minority share	**TOTAL Equity Capital**
Owner's equity 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	-	-	-	-	-	58 608	**58 608**	(644)	**57 964**
Currency Exchange differences	-	-	-	(1 366)	-	-	**(1 366)**	-	**(1 366)**
Establishment of supplementary capital in connection with realization of the management option program	-	-	-	-	3 330	-	**3 330**	-	**3 330**
Distribution of profit from previous period - dividend	-	-	-	-	-	(4 018)	**(4 018)**	-	**(4 018)**
Distribution of profit from the previous period - transfer to supplementary capital	-	-	16 672	-	-	(16 672)	**-**	-	**-**
Owner's equity as at 31 December 2007	**23 642**	**21 415**	**65 975**	**(1 920)**	**5 192**	**52 608**	**166 912**	**1 151**	**168 063**
Profit for the period	-	-	-	-	-	29 017	**29 017**	270	**29 287**
Issue of shares in connection with the merger with JC AutoS.A.	**3 750**	225 000	-	-	-	-	**228 750**	-	**228 750**
Establishment of supplementary capital in connection with realization of the management option program	-	-	-	-	449	-	**449**	-	**449**
Distribution of profit from the previous period - transfer to supplementary capital	-	-	1 292	-	-	(1 292)	**-**	-	**-**
Currency Exchange differences	-	-	-	131	-	-	**131**	-	**131**
As at 30 June 2008	**27 392**	**246 415**	**67 267**	**(1 789)**	**5 641**	**80 333**	**425 259**	**1 421**	**426 680**

The statement of changes in equity for the period from 1 January to 30 June 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 entity**	Minority share	**TOTAL Equity Capital**
Owner's equity 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	-	-	-	-	-	30 476	**30 476**	(129)	**30 347**
Establishment of supplementary capital in connection with realization of the management option program	-	-	-	-	1 665	-	**1 665**	-	**1 665**
Distribution of profit from the previous period - transfer to supplementary capital	-	-	338	-	-	(338)	**-**	-	**-**
Currency Exchange differences	-	-	-	(928)	-	-	**(928)**	-	**(928)**
Owner's equity as at 30 June 2007	**23 642**	**21 415**	**49 641**	**(1 482)**	**3 527**	**44 828**	**141 571**	**1 666**	**143 237**

Additional information is an integral part of the aforementioned financial statements.

CASH FLOW STATEMENT

(in thousands PLN).

	1.01.2008 - 31.06.2008	**1.01.2007 - 31.06.2007**
Cash Flow on operating activities		
Pre-tax profit	36 897	37 935
Adjustment by items:		
Depreciation	12 502	6 694
Foreign Exchange Differences (Profit) / Loss	70	(670)
(Profit)/loss on sales of tangible fixed assets	(4 598)	(138)
(Profit)/loss under revaluation of investment real estate	-	(1 977)
Interest, net	12 019	4 398
Other net items	660	712
Operating profit before changes in working capital	**57 550**	**46 954**
Change in inventories	(113 704)	(80 907)
Changes in receivables	(18 856)	(15 987)
Change in short-term liabilities	113 175	21 353
Changes in accruals and prepayments	(1 183)	(1 873)
Cash generated on operation activities	**36 982**	**(30 460)**
Paid income tax	(13 907)	(1 431)
Net cash flow on operating activities	**23 075**	**(31 891)**
Cash Flow on investment activities		
Cash revenues on sales of tangible assets and intangibles	15 937	-
Value of intangible and fixed assets purchased	(34 083)	(9 866)
Cash acquired from JC Auto S.A. decreased by costs of share purchase	2 800	-
Repayment of granted loans	1 236	298
Loans granted	(4 383)	(168)
Interest received	351	25
Net cash on investment activities	**(18 142)**	**(9 711)**

(in thousands of PLN)	**1.01.2008 – 31.06.2008**	**1.01.2007 – 30.06.2007**
Cash Flow on financial activities		
Received/repaid current credits and credits in the current account	20 664	52 199
Interest paid	(12 403)	(4 448)
Payments of liabilities on financial lease contracts	(4 417)	(1 526)
Net cash on financial activities	**3 844**	**46 225**
Net cash flow	**8 777**	**4 623**
Balance sheet cash change related to foreign exchange differences	(140)	(82)
Change in cash and net cash equivalents	**8 637**	**4 541**
Cash and cash equivalents at the beginning of the period	**22 879**	**14 527**
Cash and cash equivalents at the end of the period	**31 516**	**19 068**

Additional information is an integral part of the aforementioned financial statements.

ADDITIONAL INFORMATION

1. Significant accounting policies

Basis of preparation of the consolidated financial statements

The Inter Cars Capital Group applies International Financial Reporting Standards, which have been approved by the European Union (IFRS EU).

This consolidated interim financial statement of the Inter Cars Capital Group (Financial statement) was prepared according to IAS 34 - Interim Financial Reporting.

Standards and Interpretations, which will become effective after 30 June 2008

Standards and Interpretations approved by the EU

Standards and Interpretations approved by the EU	**Type of expected change in accounting principles**	**Possible impact on the financial statement**	**Effective date for periods beginning on the day and later**
IFRS 8 *Operating segments*	The standard requires disclosing information on segments based on components of the entity which are monitored by executives with regard to making operating decisions. The operating segments are components of the entity for which a separate financial information is available and regularly assessed by key decision makers with regard to allocation of resources and assessment of activities.	The Group expects that the new standard will have a substantial impact on presentation and disclosure of information on operating segments in the consolidated financial statement	1 January 2009

Standards and Interpretations awaiting approval by the EU

Standards and Interpretations awaiting approval by the EU	Type of expected change in accounting principles	Possible impact on the financial statement	Effective date for periods beginning on the day and later
Updated IAS 23 External financing costs	The updated standard will require activation of borrowing costs relating to the components of assets which require significant period of time necessary for their preparation for use or sale.	The Group has not already completed an analysis concerning impact of the updated standard.	1 January 2009
Updated IAS 1 Presentation of Financial Statements	The updated standard requires aggregation of information in financial statements based on the criterion of common features and introduces statement of comprehensive income. Income and items comprising comprehensive income may be presented either in a single statement of comprehensive income or in two separate statements (separate income statement and statement of comprehensive income).	At present, the Group analyzes, whether to present s single statement of comprehensive income or 2 separate statements.	1 January 2009

(in PLN '000)

IFRIC 12 *Service Concession Contracts*	The interpretation determines directions for private sector entities with regard to the issues of recognition and valuation, which arise when settling transactions related to licenses given to private entities by public sector entities.	The Group has not still completed an analysis concerning impact of the new interpretation.	1 January 2008
IFRIC 13 *Loyalty programs*	The interpretation explains how the entities, which give prizes in loyalty programs for customers buying goods and services from them should book their obligations to execute these awards in the form of sales of goods and services free-of-charge or at reduced prices. Such entities are obliged to allocate a part of its sales revenues for awards in loyalty programs. This portion of sales revenues is recognized only when the entities fulfil their obligations.	The Group does not expect the interpretation to have any impact on the consolidated financial statement.	1 July 2008
IFRIC 14 *IAS 19 – Employee Benefits* - IAS 19 amended for 'Annual Improvements to IFRSs 2007 with regard to negative past service costs and curtailments	The interpretation determines 1) when refunds from the program or reductions in future premiums for the program should be regarded as available according to section 58 of IAS 19; 2) how minimum funding requirements ("MFR") may affect availability of reductions in premiums for the program; and 3) when MFR can result in creation of liability. The employer does not have to recognize additional liability pursuant to IFRIC 14, unless premiums paid under the minimum funding requirements cannot be refunded to the company.	The Group has not still completed an analysis concerning impact of the new interpretation.	1 January 2008
Updated IFRS 3 Business Combinations	The scope of the updated standard includes a part of so far excluded from application standard of business combinations. The definition of business was detailed. The scope of contingent liabilities, to which cost of business combinations can be assigned, has been narrowed. The possibility to present transaction costs in the cost of business combinations has been excluded. The principle of presenting cost of combination determined by the future events. The possibility to value minority shares at fair value has been introduced.	The Group has not already completed an analysis concerning impact of the updated standard.	1 July 2009
Amendments to IAS 27 Consolidated and separate financial statements	In connection with updating IFRS 3 (above), among others, the following amendments have been introduced to IAS 27: - change in the definition of minority shares; - regulation of the method of presentation of transactions with minority shareholders; - change in presentation of	The Group has not already completed an analysis concerning impact of the updated standard.	1 July 2009

(in PLN '000)

	transactions of loss of control over the entity; - new requirements of disclosures.		
Amendments to IFRS 2 Share-based Payment	Particularization of the issues of impact of the terms other than terms of acquiring rights on the valuation of equity instruments.	The Group has not already completed an analysis concerning impact of the updated standard.	1 January 2009
Amendments to IAS 32: Financial Instruments – Presentation and IAS 1: Presentation of financial statements – Financial instruments	The amendments provide exemption from the requirements of IAS 32 for the classification of financial instruments with sale option, possible classification of some of them as equity. Pursuant to the requirements resulting from changes, specified financial instruments, representing final (residual) shares in net assets of the entity, which, otherwise, would be classified as financial liabilities, will be classified as components of capital, if both these financial instruments and general structure of the entity issuing these instruments will meet specified conditions	The Group has not already completed an analysis concerning impact of the updated standard.	1 January 2009
Amendments to and IAS 1IFRS Cost of an 27 Investment in a Subsidiary controlled or associated	**enable the 1Amendments to IFRS time adopter of IFRS to apply-first as at the date of passing in separate statements the assumed cost of recognition of investments controlled-jointly ,in subsidiaries .entities and affiliates** The selection of the assumed cost and its base (the balance sheet value according to previously used generally adopted accounting principles or fair value determined in accordance with IAS 39) is conducted separately for each investment. For first-time adopters of IFRS, using the cost assumed to recognize the investment, additional disclosures in financial statements are planned. **eliminate 27Amendments to IAS purchase price"the definition of ,27present in IAS "method introducing the requirement that ,all dividends from subsidiaries affiliates and entities under control were shown as common revenues in separate financial statements of the investor when .the right to dividend is agreed** The amendments define also the manner of recognition in separate financial statements of newly created entities that become the parent company of another entity in the group with observance of specific conditions.	**The Group has not already completed an analysis concerning impact of the .updated standard**	2009January 1
Improvements	Improvements to IFRS 2008 contain	The Group has not	1 January 2009 or -

to International Financial Reporting Standards 2008	35 amendments and have been divided into two parts: Part I contains 24 amendments to 15 standards which result in changes in principles of presentation and valuation Part II contains 11 amendments to terminology and editorial amendments to 9 standards, with regard to which the International Accounting Standards Board expects that they will not affect the accounting principles or that any resulting changes will be minimum.	already completed an analysis concerning impact of the updated standard.	in the case of amendments to IFRS 5 Fixed assets intended for sale - 1 July 2009.
15IFRIC Agreements for the Construction of Real Estate	The interpretation deals with 11IAS)ndard specification which sta 18Construction Contracts or IAS is to apply to construction (Revenues contracts concerning real estate and specification of the moment of .revenue recognition	will not 15IFRIC apply to the ,s activities'Group as the Group is not real a party to estate construction .contracts	2009January 1
IFRIC 16 Hedging of shares in net assets in a foreign entity	The interpretation applies to all entities using hedges of shares in net assets in foreign entities. The interpretation explains that this kind of hedges may be used only when net assets of a foreign entity are included in statements of the entity.	The Group still has not completed an analysis concerning impact of new interpretation	1 October 2008.

The presented consolidated financial statement presents reliably the financial position of the Group as at 30 June 2008, the results on its activities and cash flows for a period of 6 months ended on 30 June 2008.

Consolidated financial statement has been prepared according to the principle of historical cost, except for:

- financial instruments valued at the fair value through financial result - according to the fair value
- financial instruments available for sale - at fair value
- investment properties -according to the fair value

The consolidated financial statement of the Inter Cars SA (Capital Group) includes the statements of: Inter Cars S.A., Inter Cars Ukraine, Lauber Sp. z o.o., Q-Service Sp. z o.o., Inter Cars Ćeska Republika, Feber Sp. z o.o., Inter Cars Slovenska Republika, Inter Cars Lietuva UAB, IC Development & Finance Sp. z o.o., Armatus Sp. z o.o., JC Auto s.r.o., Inter Cars Hungaria Kft, JC Auto, Inter Cars d.o.o. and JC Auto s.r.l. The parent entity is Inter Cars SA ("the Company").

All values in the financial statement have been presented in PLN '000, unless it has been indicated otherwise.

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

The consolidated financial statement was approved by the Board for publication on 29 September 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, - on the other hand, 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.

Inventories

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.

2. Information on business segments

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

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 (the most important) - Inter Cars, and foreign markets: 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. Transactions are performed on the basis of market conditions. The above transactions have been eliminated in this consolidated financial statement.

	Poland		Non-allocated		Exclusions		Consolidated	
	1.01.2008-30.06.2008	**1.01.2007-30.06.2007**	**1.01.2008-30.06.2008**	**1.01.2007-30.06.2007**	**1.01.2008-30.06.2008**	**1.01.2007-30.06.2007**	**1.01.2008-30.06.2008**	**1.01.2007-30.06.2007**
Segment revenues from external customers:								
Sales	746 595	548 994	100 603	59 995	-	-	847 198	608 989
Operational Result	35 691	37 672	10 259	3 085	3 223	1 992	49 173	42 749
Net financial revenues (foreign exchange differences with no interest)	1 997	600	(3 854)	(817)	-	-	(1 857)	(217)
Net profit	17 864	28 053	8 613	849	2 810	1 445	29 287	30 347
Segment's assets without cash	1 282 217	554 900	121 396	58 705	(222 817)	(79 375)	1 180 796	534 230
Unallocated assets	-	-	-	-	-	-	-	-
Total assets	**1 299 257**	**568 205**	**135 872**	**64 465**	**(228 195)**	**(79 372)**	**1 206 934**	**553 298**
Segment's liabilities (without credits)	384 794	207 971	191 507	57 245	(192 132)	(61 533)	384 169	203 683
Investment outlays:								
-tangible fixed assets	*26 160*	*7 863*	*1 379*	*1 124*	-	-	*27 539*	*8 987*
-Intangible assets	*1 629*	*698*	*25*	*237*	-	-	*1 654*	*935*
Depreciation	11 615	6 636	887	612	-	-	12 502	7 248

Supplementary division by operating segments based on the criterion of location of customers

(thousands of PLN)	**Poland**	**abroad**	**Consolidation correction**	**Total**
Revenues	657 875	266 783	(77 461)	**847 198**

In connection with the fact that the parent company Inter Cars S.A. conducts sales both in Poland and for export, the Group have not assigned particular assets as well as investment outlays to particular segments in the supplementary system.

(in PLN '000)

3. Tangible fixed assets

	30.06.2008	31.12.2007	30.06.2007
Land	12 458	5 643	3 043
Buildings, premises and land & water engineering facilities	78 666	44 259	43 211
Machinery and equipment	22 933	14 350	10 821
Means of transport	13 462	5 960	5 927
Other fixed assets	21 732	10 284	8 776
Capital work in progress	20 525	7 422	3 904
Prepayment on capital work in progress	1 918	2 678	109
	171 694	**90 596**	**75 791**

The balance sheet value of tangible assets used on the basis of financial lease contracts as at the date of:

- 30 June 2007 - PLN 3,359 thousand
- 30 June 2008 - PLN 44.890 thousand

Future minimum fees under financial lease to which the Group is obliged as at 30 June 2008.

	Liabilities	net current value
Liabilities maturing up to 1 year	10 935	8 767
Liabilities maturing more than 1 and less than 5 years	17 784	11 385
Liabilities maturing more than 5 years	23 990	21 291
	52 709	**41 443**

In relation to components of tangible fixed assets owned by the Group the right to dispose is not limited, except for the right to sale assets used on the basis of a lease contract during the effective term of the contract.

(in PLN '000)

	Land	buildings, premises and land & water engineering facilities	machinery and equipment	means of transport	other fixed assets	Fixed asset in construction	Total
Gross value as at 1 January 2007	**3 043**	**50 588**	**24 418**	**11 101**	**25 801**	**1 196**	**116 147**
Increase:	-	290	1 971	1 666	2 352	2 731	**9 010**
Purchase	-	290	1 950	1 664	2 352	2 731	**8 987**
Transfer	-	-	21	2	-	-	**23**
Sales	-	(262)	(183)	(1 308)	(427)	(23)	**(2 203)**
Sales	-	(262)	(183)	(1 281)	(427)	-	**(2 153)**
Liquidation	-	-	-	(27)	-	-	**(27)**
Transfer	-	-	-	-	-	(23)	**(23)**
Currency Exchange differences	-	(27)	(83)	(51)	(68)	-	**(229)**
Gross value as at 30 January 2007	**3 043**	**50 589**	**26 123**	**11 408**	**27 658**	**3 904**	**122 725**
Accumulated depreciation and impairment losses							
Accumulated depreciation and impairment losses as at 1 January 2007	**-**	**6 542**	**13 365**	**5 144**	**17 181**	**-**	**42 232**
Depreciation for the period	-	838	2 027	847	1 976	-	**5 688**
Sales	-		(131)	(505)	(292)	-	**(928)**
Currency Exchange differences	-	(2)	41	(4)	16	-	**51**
Accumulated depreciation and impairment losses as at 30 June 2007	**-**	**7 378**	**15 302**	**5 481**	**18 882**	-	**47 043**
Net value							
As at 30 June 2007	**3 043**	**43 211**	**10 821**	**5 927**	**8 776**	**3 904**	**75 682**

(in PLN '000)

	Land	buildings, premises and land & water engineering facilities	machinery and equipment	means of transport	other fixed assets	Fixed asset in construction	Total
Gross value as at 1 January 2007	**3 043**	**50 588**	**24 418**	**11 101**	**25 801**	**1 196**	**116 147**
Increase:	2 600	2 536	7 881	3 358	6 759	9 159	**32 293**
Purchase	2 600	1 018	7 653	3 242	5 724	9 159	**29 396**
Transfer	-	1 518	228	116	1 035	-	**2 897**
Sales	-	-	(552)	(1 745)	(707)	(2 933)	**(5 937)**
Sales	-	-	(481)	(856)	(649)	-	**(1 986)**
Liquidation	-	-	(71)	(889)	(56)	(38)	**(1 054)**
Transfer	-	-	-	-	(2)	(2 895)	**(2 897)**
Currency Exchange differences	-	1	1	16	30	-	**48**
Gross value as at 31 December 2007	**5 643**	**53 125**	**31 748**	**12 730**	**31 883**	**7 422**	**142 551**
Increase:	6 843	38 099	12 709	9 213	15 881	15 610	**98 355**
Purchase	-	1 258	3 559	4 228	4 241	14 253	**27 539**
From the merger with JC Auto S.A.	6 843	36 841	6 931	4 745	9 403	1 357	**66 120**
Transfer	-	-	-	240	2 237	-	**2 477**
Lease	-	-	2 219	-	-	-	**2 219**
Sales	-	(312)	(283)	(1 285)	(273)	(2 477)	**(4 630)**
Sales	-	(312)	(283)	(1 285)	(273)	-	**(2 153)**
Liquidation	-	-	-	-	-	-	**-**
Transfer	-	-	-	-	-	(2 477)	**(2 477)**
Currency Exchange differences	(28)	(7)	(2)	(41)	(71)	(30)	**(179)**
Gross value as at 30 June 2008	**12 458**	**90 905**	**44 172**	**20 617**	**47 420**	**20 525**	**236 097**

(in PLN '000)

Accumulated depreciation and impairment losses							
Accumulated depreciation and impairment losses as at 1 January 2007	**-**	**6 542**	**13 365**	**5 144**	**17 181**	**-**	**42 232**
Depreciation for the period	-	2 324	4 494	2 345	4 820	-	**13 983**
Sales	-	-	(429)	(537)	(359)	-	**(1 325)**
Liquidation	-	-	(32)	(182)	(43)	-	**(257)**
Currency Exchange differences	-	-	-	-	-	-	**-**
Accumulated depreciation and impairment losses as at 31 December 2007	**-**	**8 866**	**17 398**	**6 770**	**21 599**	**-**	**54 633**
Depreciation for the period	-	1 288	3 864	1 351	4 129	-	**10 632**
sales	-	(24)	(17)	(947)	(14)	-	**(1 002)**
Currency Exchange differences	-	4	(6)	(19)	(26)	-	**(47)**
Write-down	-	2 105	-	-	-	-	**2 105**
Accumulated depreciation and impairment losses as at 30 June 2008	**-**	**12 239**	**21 239**	**7 155**	**25 688**	-	**66 321**
Net value							
As at 1 January 2007	**3 043**	**44 046**	**11 053**	**5 957**	**8 620**	**1 196**	**73 915**
As at 31 December 2007	**5 643**	**44 259**	**14 350**	**5 960**	**10 284**	**7 422**	**87 918**
As at 1 January 2008	**5 643**	**44 259**	**14 350**	**5 960**	**10 284**	**7 422**	**87 918**
As at 30 June 2008	**12 458**	**78 666**	**22 933**	**13 462**	**21 732**	**20 525**	**169 776**

(in PLN '000)

4. Investment properties

From 1 January to 30 June 2008, IC Development & Finance purchased real estate located in Rzeszów. Real estate in the form of investment plot was been purchased for PLN 1.105 thousand.

	30.06.2008	31.12.2007	30.06.2007
Gross value at the beginning of the period	43 319	1 841	1 841
Purchase as a result of merger with JC Auto S.A.	2 660	-	-
Purchase of new real estate	1 105	36 249	4 235
Increases due to later expenses	2 780	579	-
Valuation to fair value	-	4 650	-
Sale of real estate	(11 000)	-	-
Gross value at the end of the period	**38 864**	**43 319**	**6 076**

5. Intangible assets

	30.06.2008	31.12.2007	30.06.2007
Company value, including:	89 744	-	-
- goodwill from merger with JC Auto S.A.	*89 744*	-	-
Computer software	6 208	4 177	1 356
Other intangible assets, including:	58 780	3 609	5
trademarks and relationships with suppliers acquired under transaction of merger with JC Auto	*53 600*	-	-
- others	*5 180*	-	-
Advances on intangible assets	92	3	-
	154 824	**7 789**	**1 361**

Goodwill, trademarks and relationships with suppliers related to the merger with JC Auto are provisionally estimated values.

Value of intangible assets used on the basis of financial lease contracts as at the date of:

- As at 30 June 2007: PLN 146 thousand.
- As at 30 June 2008: PLN 2,874 thousand.

Future minimum fees under financial lease to which the Group is obliged as at 30 June 2008:

	liabilities	net current value
Liabilities maturing up to 1 year	1 399	1 367
Liabilities maturing more than 1 and less than 5 years	2 181	2 141
Liabilities maturing more than 5 years	-	-
	3 580	**3 508**

(in PLN '000)

	computer software	Other intangible assets	advance on intangible assets	**Total**
Gross value of intangible assets				
Gross value as at 1 January 2007	**14 650**	**285**	**4**	**14 939**
Purchase	931	4	-	**935**
Other reductions	-	-	4	**4**
Currency Exchange differences	(54)	-	-	**(54)**
Gross value as at 30 June 2007	**15 527**	**289**	**-**	**15 816**
Accumulated depreciation and impairment losses				
Accumulated depreciation and impairment losses as at 1 January 2007	**13 185**	**284**	**-**	**13 469**
Depreciation for the period	1 006		-	**1 006**
Exchange rate differences from translation - negative, (positive)	(20)			**(20)**
Accumulated depreciation and impairment losses as at 30 June 2007	**14 171**	**284**	**-**	**14 455**
Net value				
As at 30 June 2007	**1 356**	**5**	**-**	**1 361**

(in PLN '000)

	computer software	Other intangible assets	advance on intangible assets	goodwill	**Total**
Gross value as at 1 January 2007	**14 650**	**285**	**4**	-	**14 939**
Purchase	4 834	3 719	-	-	**8 553**
Currency Exchange differences	13	-	(1)	-	**12**
Gross value as at 31 December 2007	**19 497**	**4 004**	**3**	-	**23 504**
Purchase	1 568	-	86	-	**1 654**
From merger with JC Auto S.A., including:	1 616	55 690	-	89 744	**147 050**
- trademarks and relationships with suppliers acquired under transaction of merger with JC Auto		*53 600*			***53 600***
- other	-	*2 090*	-	-	***2 090***
Currency Exchange differences	-	-	-	-	**-**
Gross value as at 30 June 2008	**22 681**	**59 694**	**89**	**89 744**	**172 208**
Accumulated depreciation and impairment losses as at 1 January 2007	**13 185**	**284**	**-**	**-**	**13 469**
Depreciation for the period	2 135	111	-	-	**2 246**
Currency Exchange differences	-	-	**-**	-	**-**
Accumulated depreciation and impairment losses as at 31 December 2007	**15 320**	**395**	**-**	-	**15 715**
Depreciation for the period	1 189	528	-	-	**1 717**
Currency Exchange differences	(36)	(12)	**-**	-	**(48)**
Accumulated depreciation and impairment losses as at 30 June 2008	**16 473**	**911**	**-**	-	**17 384**
Net value					
As at 1 January 2007	**1 465**	**1**	**4**	-	**1 470**
As at 31 December 2007	**4 177**	**3 609**	**3**	**-**	**7 789**
As at 1 January 2008	**4 177**	**3 609**	**3**	-	**7 789**
As at 30 June 2008	**6 208**	**58 783**	**89**	**89 744**	**154 824**

(in PLN '000)

6. Investments available for sale

	30.06.2008	31.12.2007	30.06.2007
Shares in ATR International	43	43	43
End of Period	**43**	**43**	**43**

Shares in ATR are not the object of trade on any market. The share of Inter Cars S.A. in the share capital of the company is 4.17%.

7. Deferred tax

Deferred tax assets and deferred tax provision are recognized with regard to the following items:

as at 30 June 2008	Assets	Liabilities
Intangible assets	-	10 333
Tangible fixed assets	69	8 489
Inventories	709	(2 521)
Receivables on services and other	971	(576)
Cash	-	13
Pension benefits provision	186	-
Other provisions	1 611	13
Liabilities due to finance lease	7 774	-
Liabilities due to deliveries and services and other	89	4 657
Assets/liabilities due to deferred tax	**11 409**	**20 408**
Compensation	**(9 292)**	**(9 292)**
Assets/liability shown in the balance sheet	**2 117**	**11 116**

as at 31 December 2007	Assets	Liabilities
Intangible assets	-	109
Tangible fixed assets	-	1 740
Inventories	3 730	1 079
Receivables on services and other	995	13
Loans	3	109
Pension benefits provision	97	-
Other provisions	693	-
Tax losses	373	-
Liabilities due to finance lease	1 661	123
Liabilities due to deliveries and services and other	39	5 395
Deferred tax assets/liabilities shown in the balance sheet	**7 591**	**8 568**

As at 30 June 2007	Assets	Liabilities
Intangible Assets	-	-
Tangible fixed assets	-	1 119
Inventories	2 802	439
Receivables on services and other	651	65
Cash	-	147
Pension benefits provision	132	-
Provisions for court cases	-	-
Other provisions	398	-
Liabilities due to finance lease	373	-
Liabilities due to deliveries and services and other	1 124	-
Tax losses	29	2 804
Assets / deferred income tax provisions	**5 509**	**4 574**

Deferred tax in the presented periods was recognized in relation to all items of temporary differences.

Change in deferred income tax assets

	30.06.2008	31.12.2007	30.06.2007

(in PLN '000)

Status at the beginning of period	7 591	4 908	4 908
increase (decrease)	3 819	2 683	601
Status at the end of period	**11 410**	**7 591**	**5 509**

Change in deferred income tax provision

	30.06.2008	31.12.2007	30.06.2007
Status at the beginning of period	8 568	4 859	4 859
(solution) establishment in the period	11 840	3 709	(285)
Status at the end of period	**20 408**	**8 568**	**4 574**

Deferred tax included directly in equity results from the transaction of merger with JC Auto S.A. and is PLN 9,783 thousand.

8. Inventories

	30.06.2008	31.12.2007	30.06.2007
Materials	31 239	19 484	14 094
Semi finished products and work in progress	12 464	10 294	4 916
Finished products	7 274	1 541	810
Goods	559 426	451 233	317 873
Advances on deliveries	108	141	19
	610 511	**482 693**	**337 712**

	30.06.2008	31.12.2007	30.06.2007
Goods	580 437	465 722	330 231
Rebates entered into inventory (1)	(19 978)	(13 536)	(11 754)
Write-down	(1 033)	(953)	(604)
	559 426	**451 233**	**317 873**

1) - Inter Cars Group receives rebates from suppliers which, in a part corresponding to bought and sold goods, are entered in a given period into reduction of sold goods. The remaining part of obtained rebates reduces inventory value until they sell.

Inventory in the form of commercial goods located in the central warehouse, regional distribution centres and branches are insured against fire and other natural disasters and against theft with burglary and robbery.

Change in inventory write-downs

	30.06.2008	30.12.2007	30.06.2007
Status at the beginning of period	953	917	917
Increase (decrease)	80	36	(313)
Status at the end of period	**1 033**	**953**	**604**

9. Trade and other receivables

	30.06.2008	31.12.2007	30.06.2007
Trade liabilities	152 755	110 379	95 717
Due to taxes, subsidies, social security and other benefits of health	34 349	39 848	8 663
Other debtors	1 708	1 321	1 272
Loans granted	8 476	5 294	498
Short-term trade receivables and other receivables, gross	**197 288**	**156 842**	**106 150**
Change in write-downs of short-term receivables	**30.06.2008**	**31.12.2007**	**30.06.2007**

(in PLN '000)

Status at the beginning of period	(2 339)	(1 869)	(1 869)
Increase	(3 378)	(1 022)	(62)
Decrease	4 246	552	-
Status at the end of period	**(1 471)**	**(2 339)**	**(1 931)**
Short-term trade receivables and other receivables, net	**195 817**	**154 503**	**104 219**

Maturity structure of short-term trade receivables (net)	**30.06.2008**	**31.12.2007**	**30.06.2007**
Maturing within 12 months	151 284	108 008	93 786
Maturing more than 12 months	-	32	-
	151 284	**108 040**	**93 786**

Currency structure of trade short-term receivables and other receivables (gross)	**30.06.2008**	**31.12.2007**	**30.06.2007**
Receivables in Polish currency	130 480	128 917	80 977
Long-term receivables in foreign currencies	71 735	27 925	25 173
	202 215	**156 842**	**106 150**

	30.06.2008	**31.12.2007**	**30.06.2007**
Receivables denominated in EUR	34 885	15 061	15 178
Receivables denominated in USD	11 416	172	190
Receivables denominated in other currencies	25 434	12 692	9 805
	71 735	**27 925**	**25 173**

Age structure of receivables	**30.06.2008**	
	gross	**Write-down**
Up to 180 days	147 570	-
from 181 to 270 days	2 672	1 037
from 271 to 360 days	1 418	868
more than 1 year	6 022	4 493
Total	**157 682**	**6 398**

Age structure of receivables	**31.12.2007**	
	gross	**Write-down**
Up to 180 days	96 023	-
from 181 to 270 days	2 602	113
from 271 to 360 days	2 548	156
more than 1 year	9 206	2 070
Total	**110 379**	**2 339**

Age structure of receivables	**30.06.2007**	
	gross	**Write-down**
Up to 180 days	90 142	-
from 181 to 270 days	1 043	82
from 271 to 360 days	1 008	17
more than 1 year	3 524	1 832
Total	**95 717**	**1 931**

In the first half of 2008, the Group renegotiated the terms of repayment of part of receivables from own customers. As at 30 June 2008, the value of receivables covered by repayment agreements reached the value of PLN 364 thousand., and as at 31 December 2007: PLN 684 thousand. If these receivables were not covered by agreements, they would be overdue on average by 21 days and in the vast majority they would not be covered by a write-down (below 180 days).

In accordance with the cooperation terms agreed between Inter Cars Group and the entities operating subsidiaries of Inter Cars, the risk associated with impairment rests with branch operators.

	30.06.2008	31.12.2007	30.06.2007
Loans granted			
Short-term loans	8 476	5 294	498
Long term loans	801	804	710
	9 277	**6 098**	**1 208**

	30.06.2008	31.12.2007	30.06.2007
Long term receivables			
Receivables from employees	375	236	197
Long term loans	801	804	710
Paid deposits	2 067	1 327	522
	3 243	**2 367**	**1 429**

Loans are interest-bearing based on WIBOR 1M increased by margin of 1%. Loans are not secured.

The Inter Cars Group does not have any liabilities under corporate income tax.

Long-term receivables cover the amounts of security deposits paid by the Group and long-term loans.

Credit risk is discussed in Note 32.

Concentration of credit risk related to trade receivables is limited due to many customers of the Group and their dispersion, mostly in Poland.

10. Transactions with related entities

Remuneration of the Members of the Board of Directors and of the Supervisory Board (in thousand PLN)

Inter Cars	**1.1.2008 - 30.06.2008**	**1.1.2007 - 30.06.2007**
Andrzej Oliszewski - Chairman of the Supervisory Board	16 333	20 745
Maciej Oleksowicz - Member of the Supervisory Board	13 611	17 288
Michał Marczak - Member of the Supervisory Board	13 611	17 288
Wanda Oleksowicz - Member of the Supervisory Board	4 886	17 288
Jolanta Oleksowicz-Bugajewska - Member of the Supervisory Board	13 611	17 288
Jerzy Grabowiecki - Member of the Supervisory Board,	8 725	-
Krzysztof Oleksowicz - Management Board Chairman	348 000	348 000
Robert Kierzek - Vice President of the Management Board	192 000	192 000
Wojciech Milewski - Board Member	156 000	156 000
Krzysztof Soszyński - Member of the Management Board,	192 000	164 400
Tomasz Zadroga - Board Member	156 000	39 500
Piotr Kraska - Board Member	156 000	291 556
	1 270 777	**1 281 353**

Pursuant to §4 of the Regulation of the Motivation Program, adopted by the Supervisory Board, by resolution No. 20 of 20 December 2006, a list was made of individuals participating in the training program and with specification of the number of shares in Inter Cars S.A., issued under conditional increase in the share capital, and the right to take up them will be vested in individuals indicated on it, and terms of taking up these shares. Detailed information on the Motivation Program have been presented in Note 19.

	number and type of shares for taking up (in pieces)			
	shares of F1 series	shares of F2 series	shares of F3 series	total
Kierzek Robert	38 667	33 666	33 667	106 000
Milewski Wojciech	35 000	30 000	30 000	95 000
Soszyński Krzysztof	38 666	33 667	33 667	106 000
Kraska Piotr	35 000	30 000	30 000	95 000
Zadroga Tomasz	10 000	30 000	30 000	70 000*
	157 333	**157 333**	**157 334**	**472 000**

On the subsidiaries' bodies authorities the following individuals seat:

Krzysztof Oleksowicz - Board Member of Q-Service Sp. z o.o.; Member of the Revision Commission in Inter Cars Ukraine,
Robert Kierzek - Board Member of Q-Service Sp. z o.o.
Piotr Kraska - President of the Board of Directors of Feber Sp. z o.o., Armatus Sp. z o.o. IC Development&Finance Sp. z o.o. (since 31 July 2008),
Tomasz Zadroga - President of the Board of Directors of IC Development&Finance Sp. z o.o. until 31 July 2008,
On 31 July 2008, Mr. Tomasz Zadroga, Board Member, Finance Director, resigned from the position of Member of the Board of Directors in Inter Cars S.A. As of 31 July 2008, the responsibilities of the Finance Director were taken over by Piotr Kraska - Board Member in Inter Cars S.A.
* Mr. Tomasz Zadroga exercised rights to take up shares resulting from the Motivation Program, from F1 series: 10,000 shares and F2 series: 30,000 shares.
Proxies of Inter Cars do not affect management of the whole of the Company.

As of the date of approval of the financial statement, the Board of Directors of Inter Cars S.A. is composed of 5 individuals.

Inter Cars Ukraine (in thousand PLN)	**1.1.2008 – 30.06.2008**	**1.1.2007 – 30.06.2007**
Marcin Pawłowski - Chairman of the Revision Commission	-	-
Krzysztof Oleksowicz - Member of the Revision Commission	-	-
Natella Ovsijenko - Member of the Revision Commission	-	-
Siergiej Ovsijenko - General Director	66	72
	66	**72**

Lauber Sp. z o.o. (in thousands of PLN)	**1.1.2008 – 30.06.2008**	**1.1.2007 – 30.06.2007**
Wojciech Kilianek - President of the Board	49	6
Przemysław Wołosewicz - Member of the Management Board	49	6
	98	**12**

In the company Supervisory Board has not been appointed.

Feber Sp. z o.o. (in thousands of PLN)	**1.1.2008 – 30.06.2008**	**1.1.2007 – 30.06.2007**
Piotr Kraska – President of the Board	12	12
Paweł Pietrzak - Vice President of the Management Board	12	13

	24	**25**

Mr. Paweł Pietrzak is a proxy of Inter Cars.

In the company Supervisory Board has not been appointed.

Inter Cars Ceska Republika (in thousand PLN)	**1.1.2007 – 30.06.2007**	**1.1.2007 – 30.06.2007**
Tomas Kastil - The Managing Director	2	1
Martin Havlik - Sales Director	2	1
	4	**2**

Inter Cars Slovenska Republika (in thousand PLN)	**1.1.2008 – 30.06.2008**	**1.1.2007 – 30.06.2007**
Branislav Bucko - Managing Director	-	13
Tomas Kastil - Board Member	-	-
Martin Havlik - Board Member	-	-
	-	**13**

Q-Service (in thousands of PLN)	**1.1.2008 – 30.06.2008**	**1.1.2007 – 30.06.2007**
Kazimierz Neyman - President of the Board	-	-
Krzysztof Oleksowicz – Member of the Management Board	-	-
Robert Kierzek - Board Member	-	-
	-	**-**

In the Q-Service Supervisory Board has not been appointed. Mr. Krzysztof Oleksowicz and Mr. Robert Kierzek sit on the board of the parent company. Mr. Kazimierz Neyman is an employee of the parent company.

IC Development&Finance Sp. z o.o. (in thousands of PLN)	**1.1.2008 – 30.06.2008**	**1.1.2007 – 30.06.2007**
Piotr Kraska – President of the Board	-	-
	-	**-**

In the company Supervisory Board has not been appointed.

Inter Cars Lietuva (in thousands of PLN)	**1.1.2008 – 30.06.2008**	**1.1.2007 – 30.06.2007**
Artura Vansevicius - The Managing Director	21	-
	21	**-**

In the company Supervisory Board has not been appointed.

JC Auto s.r.l. ***(in thousands of PLN)***	**1.03.2008 – 30.06.2008**
Carlo Scovenna - The Managing Director	201
	201

In the company Supervisory Board has not been appointed.

Inter Cars d o.o. (in thousands of PLN)	**1.03.2008 - 30.06.2008**
Robert Antoncic - The Managing Director	144
	144

In the company Supervisory Board has not been appointed.

Armatus Sp. z o.o. (in thousands of PLN)	**1.03.2008 - 30.06.2008**
Piotr Kraska - The Managing Director	-
	-

In the company Supervisory Board has not been appointed.

Inter Cars Hungaria kft *(in thousands of PLN)*	**1.03.2008 - 30.06.2008**
Zsolt Bereczki - Managing Director	85
	85

In the company Supervisory Board has not been appointed.

JC Auto S.A. (in thousands of PLN)	**1.03.2008 - 30.06.2008**
Karim Cheriha - The Managing Director	61
	61

In the company Supervisory Board has not been appointed.

The Group concludes transactions with entities that are related to members of the Supervisory Board and of the Board of Directors.

The object of the transaction between the Group and Inter Cars Sp. Jawna (Krzysztof Oleksowicz, Andrzej Oliszewski, Jolanta Oleksowicz-Bugajewska) and ANPO Andrzej Oliszewski is rental of the 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 the Group and FASTFORWARD Maciej Oleksowicz is managing rally team Castrol Q-SERVICE headed by Maciej Oleksowicz, and provision of services of promotion of the Company during car rallies and provision of consulting services with regard to computer software.

Between Q-Service Sp. z o.o., and FASTFORWARD Maciej Oleksowicz transactions are conducted, concerning provision of advertising and sponsorship services, aiming at promotion of the Company.

The object of the transaction between the Group and P.H. AUTO CZĘŚCI Krzysztof Pietrzak is settlement under the share in mark-up on sales by P.H. AUTO CZĘŚCI Krzysztof Pietrzak operating branches of Inter Cars in Warsaw.

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.

Sales revenues	**1.1.2008 – 30.06.2008**	**1.1.2007 – 30.06.2007**
Inter Cars s.j.	19	16
ANPO Andrzej Oliszewski	-	1
FASTFORWARD Maciej Oleksowicz	58	23
P.H. AUTO CZĘŚCI Krzysztof Pietrzak	24	43
AK-CAR Agnieszka Soszyńska	321	119
BEST-CAR Justyna Pietrzak	215	25

(in PLN '000)

P&W Systems s.c. - Przemysław Wołosewicz, Wojciech Kilianek	10	-
InvestTeam Przemysław Wołosewicz	140	-
4KA Wojciech Kilianek.	1	-
	788	**227**

purchase of goods and services	**1.1.2008 – 30.06.2008**	**1.1.2007 – 30.06.2007**
Inter Cars s.j.	138	430
ANPO Andrzej Oliszewski	71	80
FASTFORWARD Maciej Oleksowicz	151	118
P.H. AUTO CZĘŚCI Krzysztof Pietrzak	831	858
AK-CAR Agnieszka Soszyńska	1 757	1 416
BEST-CAR Justyna Pietrzak	956	350
JCG sp.z o.o.	8	-
P&W Systems s.c. - Przemysław Wołosewicz, Wojciech Kilianek	225	-
Tomas Kastil	103	-
Martin Havlik	73	-
Branislav Bucko	54	-
	4 367	**3 252**

	30.06.2008	**30.06.2007**
receivables		
Inter Cars s.j.	24	-
FASTFORWARD Maciej Oleksowicz	4	8
P.H. AUTO CZĘŚCI Krzysztof Pietrzak	12	34
AK-CAR Agnieszka Soszyńska	204	30
BEST-CAR Justyna Pietrzak	100	5
InvestTeam Przemysław Wołosewicz	78	-
	422	**77**

liabilities	**30.06.2008**	**30.06.2007**
Inter Cars s.j.	23	244
P.H. AUTO CZĘŚCI Krzysztof Pietrzak	-	74
AK-CAR Agnieszka Soszyńska	190	223
BEST-CAR Justyna Pietrzak	66	60
P&W Systems s.c. - Przemysław Wołosewicz, Wojciech Kilianek	52	-
	331	**601**

11. Prepayments

Prepayments:

	30.06.2008	**31.12.2007**	**30.06.2007**
Advertising costs	242	98	-
Insurances	558	251	181
Licences	-	8	109
Debt Collection costs	323	295	281
Telecommunications services	625	-	3
Courier and transport services	95	1 426	-
Real estate tax	270	324	252
Rent	546	982	633
Corporate welfare benefit fund	508	546	270
Bonds	-	-	2

(in PLN '000)

Other	422	-	359
Total prepayments	**3 589**	**3 930**	**2 090**
(minus) short-term part	(3 041)	(2 457)	(1 528)
Long term part	548	**1 473**	562

Long-term prepayments cover the perpetual lease of land in Feber.

Short-term prepaid expenses accruals:

	30.06.2008	**31.12.2007**	**30.06.2007**
Calculated costs, including:	3 890	1 738	1 569
1) calculated bonuses	*339*	*641*	*176*
2) calculated cost of the balance sheet audit	*582*	*354*	*220*
3) calculated bonuses for customers	*2 037*	*194*	-
4) other	*932*	*549*	*1 173*
Prepayments and accruals, including:	3 419	5 043	1 552
- settlement of costs during the year	3 419	5 043	1 552
Deferred income	413	1 786	361
Total accruals	**7 722**	**8 567**	**3 483**
(minus) short-term part	(7 722)	(8 567)	(3 483)
Long term part	-	-	-

12. Cash and cash equivalents

	30.06.2008	**31.12.2007**	**30.06.2007**
In hand	4 767	5 035	5 628
At bank	21 171	15 573	9 770
In transit	4 981	2 047	3 670
On ZFŚS (Company Social Benefits Fund) accounts	597	224	-
Cash	**31 516**	**22 879**	**19 068**
In the Polish currency	17 943	11 674	12 174
In foreign currencies	13 573	11 205	6 894
	31 516	**22 879**	**19 068**

Apart from funds gathered on accounts of the Company Social Benefits Fund (ZFŚS), the Group did not have cash whose disposal would be limited.

According to the Polish law, the companies registered in Poland administer ZFŚS on behalf of their employees. The premiums paid to ZFŚS are deposited on separate accounts.

Concentration of credit risk with regard to cash is limited because the Group deposits cash in several recognized financial institutions.

13. Share capital and supplementary capital (agio)

The Share capital of Group, as at 30 June 2008, was 13,693,100 ordinary bearer shares with non-limited rights, A to E series, of face value of PLN 2 each. All shares approved for public trading by way of decision of the Securities and Exchange Commission of 26 April 2004 and entered into quotations on the Warsaw Stock Exchange. The first quotation of shares in Inter Cars S.A. was held at the trading session on 26 May 2004.

	Number of shares	**Date of registration**	**Right to dividend (for date)**	**Nominal value**	**The issue price**	**Agio***
shares of A series	200 000	28.05.1999	28.05.1999	400 000	2,00	-
shares of B series	7 695 600	18.08.1999	28.05.1999	15 391 200	2,00	-
shares of C	104 400	28.09.1999	28.05.1999	208 800	2,00	-

(in PLN '000)

series						
shares of D series	2 153 850	28.08.2001	01.01.2001	4 307 700	6,85	10 448 676
shares of E series	1 667 250	06.06.2002	01.01.2002	3 334 500	8,58	10 966 504
shares of G series	1 875 000	18.03.2008	01.01.2007	3 750 000	122,00	225 000 000
	13 696 100			**27 392 200**		**246 415 180**

* Nominal value of 1 share: 2 PLN

Agio: Difference on the issue price above the nominal value of shares.

On the basis of the resolution of the Extraordinary General Meeting of Inter Cars S.A. No. 1 of 17 February 2004 shares were divided in proportion 1:50 (236,422 before the resolution x 50 = 11,821,100 shares after the resolution).

On 18 March 2008, 1,875,000 G series ordinary bearer shares of face value of PLN 2 each were introduced to stock exchange trading on the primary market, issued in connection with the merger of the Company with JC Auto S.A.

14. Minority capital

As at 1 January 2007	**1 795**
The share of minority shareholders in the result of the period from 1 January to 30 June 2006	(129)
As at 30 June 2007	**1 666**
As at 1 January 2007	1 795
The share of minority shareholders as a result of the period from 1 January to 31 December 2006	(644)
As at 31 December 2007	**1 151**
The share of minority shareholders in the result of the period from 1 January to 30 June 2008	270
As at 30 June 2008	**1 421**

The shares of minority groups constitute the shares possessed by Mr. Siergiej Ovsijenko in the share capital of Inter Cars Ukraina (30% of shares).

15. Bank credits, loans and liabilities under financial lease

Non-Current

	30.06.2008	**31.12.2007**	**30.06.2007**
Bank credits	47 899	33 037	-
Financial Leasing	35 089	5 757	2 640
	82 988	**38 794**	**2 640**

Short term

	30.06.2008	**31.12.2007**	**30.06.2007**
Bank credits	353 564	259 157	206 375
Bonds	71 032	54 832	43 139
Financial Leasing	9 862	4 585	3 331
	434 458	**318 574**	**252 845**

Short-term credits at as 30.06.2008	amount by contract (limit)	Used	date of repayment
Bank Pekao S.A. (Inter Cars)	126 500	120 576	31-12-2008
BRE Bank S.A. (Inter Cars)	66 800	66 800	30-09-2008
Abn Amro Bank Polska S.A. (Inter Cars)	50 000	49 733	30-12-2008
Fortis Bank S.A. (Inter Cars)	42 500	42 096	11-08-2008

(in PLN '000)

Kredyt Bank S.A. (Inter Cars)	55 000	54 605	05-04-2009
Banque PSA Finance S.A. (Inter Cars)	167	11	31-08-2008
Abn Amro Bank Polska S.A. (Feber)	16 000	15 468	30-12-2008
Abn Amro Bank Polska S.A. (Lauber)	4 000	3 987	30-12-2008
Budapest Autófinanszírozási Rt.(Inter Cars Hungaria)- short-term part	374	75	30-07-2010
Fortis Bank SA/NV Hungary (Inter Cars Hungaria) – short-term part	3 790	213	20-01-2016
	365 131	**353 564**	

On 29 August 2008, the Parent Company signed an annex increasing limit of credit in Fortis Bank S.A. to the amount of PLN 50 000 thousand with the repayment date of 30 March 2009.
On 25 September 2008, the Parent Company signed with Abn Amro Bank Polska S.A an annex to the credit contract on the basis of which the amount of the credit limit was increased to PLN 100 000 thousand and prolonged period of credit repayment until 30 March 2009.

Long-term credits at as 30.06.2008	amount by contract (limit)	Used	date of repayment
ING Bank Śląski S.A. (Inter Cars)	40 000	39 905	31-01-2010
Fortis Bank S.A. (Inter Cars)	11 000	5 121	05-09-2010
Budapest Autófinanszírozási Rt.(Inter Cars Hungaria)- long-term part	374	115	30-07-2010
Fortis Bank SA/NV Hungary (Inter Cars Hungaria) – long-term part	3 790	2 758	20-01-2016
	55 164	**47 899**	

Credits

Securities of the credits granted by Bank Pekao S.A. is registration pledge on warehouse inventory (PLN 126.5 million) along with assignment of rights under their insurance policy, blank note with declaration, power of attorney to bank account and statement on submission to enforcement of cash benefit and enforcement of items.

Securities of the credit granted by ING Bank Śląski S.A. is registration pledge on inventory (40 million) along with assignment of rights under the insurance policy, statement on submission to enforcement, blank promissory note with declaration and power of attorney to the bank account.

Securities of the credit granted by BRE Bank S.A. is registration pledge on inventory (66.8 million) along with assignment of rights under the insurance policy, blank promissory note and statement on submission to enforcement.

Securities of the credits granted by ABN AMRO Bank S.A. is registration pledge on (50 million) along with assignment of rights under the insurance policy and statement on submission to enforcement.

Securities of the credits granted by Fortis Bank S.A. is an alienation of equipment purchased from the credit along with assignment of rights under insurance policy, statement on submission to enforcement, an alienation of warehouse inventory (34 million), additionally for credit in the current account - transfer of liabilities under all existing and future trade receivables from debtors indicated in the contract; credits for subordinated entities are secured by mortgage on real estate with guarantee of Inter Cars S.A.

Security of the credit granted by Kredyt Bank S.A. is an alienation of inventory (55 million) along with assignment of rights under the insurance policy as well as the assignment of receivables (8 million monthly) from the selected contractors.

Security of the credits granted by Banque PSA Finance S.A. is share amounting to 49/100 parts in ownership of the vehicle along with alienation.

The credit granted by the Budapest Autofinanszirozasi Rt. is secured by: is a court pledge on fixed assets.

Credit bears interest at a variable interest rate based on reference rate WIBOR 1M, T/N WIBOR, WIBOR 1T or LIBOR 1M increased by the bank's margin.

All credits and loans contracted by Inter Cars are denominated in PLN, while credits contracted by subsidiaries are denominated in local currency.

Credits contracted by subsidiaries of Inter Cars are secured with the surety of Inter Cars.

Security on inventory of the Capital Group:

(thousands of PLN)	*Amount of security on inventory*		
Crediting bank	**30.06.2008**	**31.12.2007**	**30.06.2007**
Bank Pekao S.A.	126 500	101 500	101 500
ING Bank Śląski S.A.	40 000	40 000	10 000
BRE Bank S.A.	66 800	66 800	-
Abn Ambro Bank Polska S.A.	50 000	50 000	-
Bank Handlowy S.A.	-	40 000	40 000
Raiffeisen Bank Polska	-	-	50 000
Fortis Bank S.A.	34 000	-	-
Kredyt Bank S.A.	55 000	-	-
Total	**372 300**	**298 300**	**201 500**

Bonds

In the first half 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

(in PLN '000)

Tranche number	Date of obtaining	Maturity date	Value of redemption
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
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
Total			**355 100**

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
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
Total			**71 400**

Chart III presents the specification of issues of bonds after the balance sheet date.

Chart III

Tranche number	Date of obtaining	Maturity date	Value of redemption
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

(in PLN '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				**137 700**

The purpose of the issue is reduction in costs of financing 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.

As at the date of approval of the financial statement, the balance of liabilities under bonds was PLN 48,200 thousand.

Financial Leasing

	30.06.2008	**31.12.2007**	**30.06.2007**
Total payments arising from lease contracts	56 289	10 901	6 281
Financial cost	(11 338)	(559)	(310)
Current value of lease liabilities	**44 951**	**10 342**	**5 971**

Total payments arising from lease contracts	**30.06.2008**	**31.12.2007**	**30.06.2007**
Less than 1 year	12 334	4 802	3 549
Between 1 and 5 years	19 965	6 099	2 732
More than 5 years	23 990	-	-
	56 289	**10 901**	**6 281**

Current value of lease liabilities	**30.06.2008**	**31.12.2007**	**30.06.2007**
Less than 1 year	10 134	4 585	3 331
Between 1 and 5 years	13 526	5 757	2 640
More than 5 years	21 291	-	-
	44 951	**10 342**	**5 971**

In the presented period, the Group repaid capital, paid interests and purchased liabilities under loans.

16. Liabilities reserves

	Provision for court cases	Provision for unused leaves	**Total**
As at 1 January 2008	78	773	**851**
Increase	-	814	**814**
The solution	-	(229)	**(229)**
As at 30 June 2008	**78**	**1 358**	**1 436**
30 June 2008			
(minus) short-term part	(78)	(1 358)	**(1 436)**
long term part	-	-	**-**

	Provision for court cases	Provision for unused leaves	**Total**
As at 1 January 2007	128	689	817
Increase	-	276	**276**
The solution	(50)	(192)	(242)
As at 31 December 2007	**78**	**773**	**851**
31 December 2007			
(minus) short-term part	(78)	(773)	**(851)**
long term part	-	-	**-**

	Other reserve	Provision for unused leaves	**Total**
As at 1 January 2007	237	689	**926**
Increase	638	6	**644**

(in PLN '000)

The solution	(52)	-	**(52)**
As at 30 June 2007	**823**	**695**	**1 518**
30 June 2007			
(minus) short-term part	(823)	(695)	**(1 518)**
long term part	-	-	**-**

17. Trade and other liabilities

	30.06.2008	31.12.2007	30.06.2007
Trade liabilities	224 048	258 680	131 197
Received advances on deliveries	112	61	65
Due to taxes, duties, insurances and other benefits	11 204	1 506	4 034
Other liabilities	1 999	1 165	1 162
	237 363	**261 412**	**136 458**

	30.06.2008	31.12.2007	30.06.2007
Trade liabilities before reduction by charged bonuses for the period	251 277	287 665	150 517
Reduction in liabilities under discounts due for the period and which are to be settled in the future period	(27 229)	(28 985)	(19 320)
Balance sheet value of trade liabilities	**224 048**	**258 680**	**131 197**

	30.06.2008	31.12.2007	30.06.2007
Age structure of trade liabilities			
Maturing within 12 months	224 048	258 449	131 132
Maturing more than 12 months	-	231	65
	224 048	**258 680**	**131 197**

	30.06.2008	31.12.2007	30.06.2007
Currency structure of trade liabilities			
Liabilities in Polish currency	79 190	190 473	13 880
Liabilities denominated in foreign currencies	144 858	68 207	117 317
	224 048	**258 680**	**131 197**
Equivalent in the Polish currency			
Liabilities denominated in EUR	125 674	57 398	90 901
Liabilities denominated in other currencies	19 184	10 809	26 416
	144 858	**68 207**	**117 317**

18. Liabilities due to employee benefits

	30.06.2008	31.12.2007	30.06.2007
Payroll liabilities	3 173	393	956
Corporate welfare benefit fund	1 675	425	667
	4 848	**818**	**1 623**

19. Payments in the form of own shares.

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

(in PLN '000)

Regulations of the motivation program, a person participating in the program loses the right to exercise the option, upon leaving the Company.

Option exercise rate depends on the initial exercise rate specified in the motivation program (PLN 24.81) and changes in the WIG index in relation to the initial value specified 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 included in the first half of 2008 in the amount of PLN 449 thousand was agreed assuming all authorized peoples exercising options. Total costs of the Program as at 30 June 2008 are estimated at maximum PLN 5,640 thousand.

20. Sales revenue on sales of products, goods and materials

	1.01.2008 - 30.06.2008	**1.01.2007 - 30.06.2007**
Revenue on the sale of products	92 481	44 791
Revenues on sales of commodities and materials	754 332	564 198
Revenue on the sale of services	385	-
	847 198	**608 989**

Information on operating segments has been presented in Note 2.

21. Cost of sold products, commodities, and materials

	1.01.2008 - 30.06.2008	**1.01.2007 - 30.06.2007**
Value of sold products, commodities, and materials	617 295	457 293
Reduction in the value of sold products, goods and materials by rebates due for the period	(24 400)	(19 160)
Realized (positive)/negative exchange rates differences	(3 839)	75
Cost of sold products, commodities, and materials presented in the period	**589 056**	**438 208**
Rebates due for the period	28 696	19 320
Entered into inventory (to be included in the result of future periods)	(19 978)	(11 754)
Entered into reduction in the value of sold products, goods and materials	**8 718**	**7 566**
Discounts from the previous period reflected in value of products and goods sold (increasing the value of inventories)	13 288	8 983
Change in estimates concerning previous period discounts	2 394	2 611
Liabilities value adjustment	-	-
Reduction in the value of sold products, goods and materials by rebates due for the period	**24 400**	**19 160**
Discounts charged in the period entered into inventory	19 978	11 754
Discounts charged in the period to be included in future periods result	**19 978**	**11 754**

(in PLN '000)

22. General administrative and sales cost

	1.01.2008 - 30.06.2008	1.01.2007 - 30.06.2007
Depreciation	12 502	7 248
Consumption of materials and energy	64 346	52 642
External services	135 597	90 259
Taxes and fees	1 365	382
Payroll	41 865	22 858
Social security and other benefits	10 025	4 812
other costs by type	7 116	6 162
Total costs by type	**272 816**	**184 363**
(minus) Cost of products sold	(56 635)	(42 571)
(minus) Change in the balance of finished products and work in progress	(7 470)	(12 264)
(minus) Distribution service costs	(89 758)	(60 056)
(minus) Motivation program costs	(449)	(1 665)
General administrative and sales cost	**118 504**	**67 807**

Costs of distribution service are a component of costs of "external services" in costs by type.

23. Other operating revenue

	1.01.2008 - 30.06.2008	1.01.2007 - 30.06.2007
Claims accepted by suppliers	394	366
Profit on disposal of non-financial fixed assets	4 598	167
Received compensations, penalties and fines	98	76
Grants	29	-
Revenues from encumbering branches	756	583
Marketing discounts	135	2
Write-down of overdue liabilities	1	459
Differences in deliveries	-	93
Deposit fees	23	15
Payment of receivables overdue after write-down	17	26
Reversal of the warehouse valuation	45	911
Reversion of write-down of receivables	4 246	373
Marketing discount	-	141
Revaluation of real estate	-	1 977
Other	2 734	2 427
	13 076	**7 616**

24. Other operating costs

	1.01.2008 - 30.06.2008	1.01.2007 - 30.06.2007
Established provision and write-downs	5 133	185
Loss on sale of non-financial fixed assets	-	36
Warehouse shortages	644	23
Damages to goods	4 440	40
Costs of complaints	1 054	1 362
Write-down of receivables past the expiration date	250	948
Write-down of inventory	561	383
Other	287	3 143
Granted discounts	806	-
Scrapping	80	-
Reinvoices	79	-
	13 334	**6 120**

(in PLN '000)

25. Revenues, financial costs and exchange rate differences

	1.01.2008 - 30.06.2008	1.01.2007 - 30.06.2007
Financial revenue		
Interest, including:	2 024	397
-interest on bank deposits	82	15
-other interest	1 942	382
	2 024	**397**
Financial costs		
Interest	12 019	4 398
Other financial cost	424	596
	12 443	**4 994**

Financial revenues are, first of all, interest on bank deposits and interest under untimely repayment of receivables. Other financial costs include, first of all, fees under commission from the granted credit lines as well as mandatory charges related to purchase of currencies by Inter Cars Ukraine.

Exchange rate differences in the period from 01.01.08 to 30.06.08	**Entered into the value of sold products, goods and materials**	**Presented as a "exchange rate differences"**	**Total exchange rate differences**
Created in connection with repayment of trade liabilities and receivables	3 839	-	**3 839**
Effected exchange rate differences	**3 839**	**-**	**3 839**
Created in connection with the valuation of trade liabilities and receivables as at the balance sheet date	-	(1 924)	**(1 924)**
Created in connection with the cash valuation	-	67	**67**
Unrealised exchange rate differences	**-**	**(1 857)**	**(1 857)**
Total exchange rate differences	**3 839**	**(1 857)**	**1 982**

Exchange rate differences in the period from 1.01.2007 to 30.06.2007	**Entered into the value of sold products, goods and materials**	**Presented as a "exchange rate differences"**	**Total exchange rate differences**
Created in connection with repayment of trade liabilities and receivables	(75)	-	(75)
Effected exchange rate differences	(75)	-	**(75)**
Created in connection with the valuation of trade liabilities and receivables as at the balance sheet date	-	(217)	(217)
Created in connection with the valuation as at the balance sheet date of liabilities under bank credits denominated in foreign currencies	-	751	751
Unrealised exchange rate differences	-	**534**	**534**
Total exchange rate differences	**(75)**	**534**	**459**

26. Income tax

	1.01.2008 - 30.06.2008	1.01.2007 - 30.06.2007
Income tax	8 987	8 474
Establishment/inversion of transitional differences	(1 377)	(886)
Income tax recognised in the income statement	**7 610**	**7 588**

(in PLN '000)

Agreeing tax cost to the value being a product of book profit and relevant tax rates is presented below:

Effective tax rate	**1.01.2008 - 30.06.2008**	**1.01.2007 - 30.06.2007**
Gross profit	**36 897**	**37 935**
Tax based on valid tax rates (15%/19%/24%/25%)*	(7 080)	(7 254)
costs constituting tax deductible costs, not being balance sheet expense	570	487
exceeding the limit of advertising and representation	(132)	(210)
Write-down of receivables past the expiration date	(21)	(16)
PFRON and other staff costs	(89)	(378)
contributions to the organization to which membership is not mandatory	-	(46)
costs related to exercising management options	(85)	-
exchange rate differences not constituting tax deductible costs	-	(171)
Other non-deductible expenditures	(773)	-
Income tax recognised in the income statement	**(7 610)**	**(7 588)**

- Tax rates binding in major countries of the Capital Group: Poland 19%, 19% Slovak Republic, Czech Republic 24%, Ukraine 25%, Lithuania 15%

27. Liabilities due to income tax

Age structure of tax liabilities

	30.06.2008	**31.12.2007**	**30.06.2007**
Maturing within 12 months	5 665	**10 063**	6 920
Maturing more than 12 months	-	-	-
	5 665	**10 063**	**6 920**
Currency structure of liabilities under taxes			
Liabilities in Polish currency	4 257	**10 063**	6 202
Liabilities in foreign currencies	1 408	-	718
	5 665	**10 063**	**6 920**

28. Net earnings per 1 share

	1.01.2008 - 30.06.2008	**1.01.2007 - 30.06.2007**
Basic earnings per 1 share		
Basic earnings	29 287	30 347
(Net profit)/net loss in the period attributable to minority shareholders	(270)	129
Net profit in the period attributable to the parent entity	29 017	30 476
Average weighted number of shares in the period until calculating basic profit	13 071 000	11 821 100
Average weighted number of shares in the period until calculating diluted profit	13 298 193	12 049 721
Net earnings per 1 share	2,22	2,58
Diluted earnings per 1 share**	2,18	2,52

* earnings per share are counted as net profit in the period attributable to shareholders of the parent entity divided by average weighted number of shares in the period until calculation of basic profit

** diluted net profit per share is calculated as net profit in the period attributable to shareholders of the parent company divided by the average weighted number of shares in the period to calculate the diluted profit.

29. Dividend per 1 share

	1.01.2008 - 30.06.2008
Dividend for 2007, passed and paid until the balance sheet date	-
Number of shares	13 696 100
Dividend per 1 share (PLN)	-

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 one share. Day of granting the right to dividend is 5 August 2008, and the dividend payment day is 21 August 2008.

30. Contingent liabilities and non-reported liabilities resulting from the concluded contracts

Inter Cars rents Group out warehouse space to entities operating subsidiaries, and they are not property of the Group (beyond the space in the central warehouse in Poland) but are rented by the Group. Costs of rental, covered by the Group, are reinvoiced to end users (entities operating subsidiaries) throughout the whole period of use of this area (together with the notice period), except for premises rented by Inter Cars Ukraine. The total value of rents from contracts for an indefinite period of time for the notice periods for these contracts was PLN 5,000 thousand. The total value of rents under contracts for a definite period of time - PLN 6.294 thousand.

The total value of rents from contracts for an indefinite period of time for the notice periods for these contracts as at 30 June 2007 for the Inter Cars S.A. Group was PLN 2,487 thousand. Total value of rents is PLN 8,328 thousand.

As at 30 December 2007, the Company had a customs guarantee provided by TU Allianz Polska S.A. for the amount of PLN 500 thousand valid until 31 January 2008.

31. 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 took place on 1 January 2008, then cumulative aggregated revenues of the Inter Cars Group for the period from 1 January 2008 to 30 June 2008 would amount to PLN 855,353 thousand, while the aggregated net profit for the same period would amount to PLN 17,457 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.

(in PLN '000)

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
Deferred corporate income tax assets	1 098	-	1 098
Current assets	**186 199**	**-**	**186 199**
Inventories	14 114	-	14 114
Receivables for services and other receivables	166 325	-	166 325
Income tax receivable	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 due to 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.

32. Financial Risk Management

Credit Risk

Credit risk applies to other receivables, cash and equivalents and trade receivables. Cash and equivalents are deposited in reputable financial institutions.

The Group applies a credit policy, in accordance with which exposure to credit risk is monitored on a regular basis. The credit credibility assessment is performed in relation to all customers demanding crediting above a specified amount. The Group does not require property security from own customers in relation to financial assets.

As at the balance sheet date, there was no significant concentration of credit risk. The balance sheet value of each financial asset, presents maximum exposure to credit risk:

	30.06.2008	**31.12.2007**	**30.06.2007**
Loans and receivables	199 060	156 870	105 648
Cash and cash equivalents	31 516	22 879	19 068
	230 576	**179 749**	**124 716**

(in PLN '000)

Interest rate risk

Exposing the Group to the interest rate risk applies, first of all, to liabilities with variable interest rate.

The Group uses liabilities of variable interest rate. As at 30 June 2008, the Group did not use liabilities of fixed interest rate.

The table below presents sensitivity of the financial result on possible interest rate fluctuations, assuming invariability of other factors. The following data show the impact of base points on the net result and equity of the group in 6-month period.

As at 30.06.2008	**increase/decrease in base points**	**impact on the net result and own equity**
	+ 100 / -100	(1 489) / 1 489
	+ 200 / -200	(2 978) / 2 978

As at 30.06.2007	**increase/decrease in base points**	**impact on the net result and own equity**
	+ 100 / -100	(2 165) / 2 165
	+ 200 / -200	(4 330) / 4 330

The amount of incurred costs arising from interest was indicated in notes to the financial statements.

Risk of exchange rate fluctuations

Major part of trade liabilities are expressed in foreign currencies, in particular in EUR. Sale is conducted first of all in PLN and in USD, UAH, CZK and SKK. The Group did not conclude in the period from 1 January to 30 June 2008 currency purchase or sales futures.

The table below presents the sensitivity of the financial result to possible EUR exchange rate fluctuations, assuming invariability of other factors.

As at 30.06.2008	**increase/decrease in EUR exchange rate**	**impact on the net result and own equity**
	+ 5% / - 5%	(3 851) / 3 851
	+ 10% / - 10%	(7 702) / 7 702

As at 30.06.2007	**increase/decrease in EUR exchange rate**	**impact on the net result and own equity**
	+ 5% / - 5%	(2 926) / 2 926
	+ 10% / - 10%	(5 852) / 5 852

Liquidity Risk

Operating activities are conducted with the assumption of maintenance of constant surplus of liquid cash and open credit lines.

The table below presents financial liabilities of the Group as at 30 June 2008 by the date of maturity on the basis of non-discounted payments.

	Current	**more than 3 months**	**from 3 to 12 months**	**from 1 to 5 years**	**above 5 years**	**Total**
Interest-bearing bank borrowings	42 107	66 800	244 369	45 216	2 971	**401 463**
Bonds	71 032	-	-	-	-	**71 032**
liabilities due to deliveries and services and other	237 362	-	-	-	-	**237 362**
	350 501	**66 800**	**244 369**	**45 216**	**2 971**	**709 857**

(in PLN '000)

Capital management

The main objective of managing capital of the Group is maintenance of a good credit rating and equity ratios, supporting operating activities and increasing shareholders' value.

Depending on changes in economic conditions, the Group may change capital structure by way of dividend payment, capital return or issue of new shares. In the presented period, no changes were introduced to purposes, principles and processes binding in this respect.

The Group analyzes the amount of capitals using leverage ratio, calculated as ratio of net debt to total capitals increased by net debt. Net indebtedness includes interest liabilities under bank credits, bonds and financial lease, trade liabilities and other liabilities, less cash and cash equivalents. Capital includes equity attributable to the shareholders of the parent company's.

	30.06.2008	**30.06.2007**
Liabilities due to credits, loans and finance lease	517 446	255 485
Trade and other liabilities	237 362	136 458
(minus) cash and cash equivalents	(31 516)	(19 068)
Net debt	723 292	372 875
Equity capital	419 883	141 571
Capital and net indebtedness	**1 143 175**	**514 446**
finance leverage ratio	63%	*72%*

Fair value

The chart below contains specification of fair values of financial assets and liabilities with balance sheet values.

	30.06.2008		**30.06.2007**	
	balance sheet value	fair value	balance sheet value	fair value
Available-for- sale financial assets	43	*	43	*
Receivables on services and other	199 060	199 060	105 648	105 648
Cash and cash equivalents	31 516	31 516	19 068	19 068
Liabilities under bank loans	401 463	401 463	206 375	206 375
Liabilities under bonds with variable rate	71 032	71 032	43 139	43 139
Liabilities due to finance lease	44 951	44 951	5 971	5 971
Net exposure	**(286 827)**	**(286 827)**	**(130 726)**	**(130 726)**

** Assets available for sale include shares in the company, which, due to the special character of activities of this company, cannot be valued as to the fair value.*

In the opinion of the Board of Directors, the sheet balance value of financial assets and liabilities reflects their fair value.

33. Events occurring after the balance sheet date

On 31 July 2008, Mr. Tomasz Zadroga, Board Member, Finance Director, resigned from the position of Member of the Board of Directors in Inter Cars S.A. As of 31 July 2008, the responsibilities of the Finance Director were taken over by Piotr Kraska - Board Member in Inter Cars S.A. about which we informed in the current report No. 104/2008.

34. Significant assessments and estimates

Preparation of financial statements in accordance with IFRS EU requires the Board of Directors of the Company to use assessments and estimates which have impact on the applied accounting principles and reported assets, liabilities, revenues and costs. Assessments and estimates are verified on a regular basis. Changes in estimates are included in the result for the period when the change took place. Information on particularly significant areas subject to assessments and estimates, affecting the financial statement, is disclosed in notes:

- Note 4 Investment Properties,
- Note 8 Write-downs of inventory,
- Note 9 Write-downs of receivables,
- Note 15 Classification of financial lease contracts,
- Note 16 Provisions for liabilities,
- Note 19 Payments in the form of own shares,
- Note 31 Business combinations .

35. Consolidated statement

Consolidation covers statements of the Inter Cars and subsidiaries. Consolidation is performed by using the full method.

(a) Consolidation for the period from 1 January to 30 June 2007

The consolidation covered the following financial statements:

- Parent entity: INTER CARS S.A. with its registered office in Warsaw,
- Subsidiary companies:
  1. Inter Cars Ukraine, the Ukrainian legal entity, with registered office in Khmelnytskyi in Ukraine (70% of share of Inter Cars S.A. in the company's share capital),
  2. Lauber Sp. Z.o.o with registered seat in Słupsk (100%),
  3. Q-Service Sp. Z.o.o with registered seat in Warsaw (100%),
  4. Inter Cars Ćeska Republika with registered seat in Prague (100)%,
  5. Feber Sp. z o.o with registered seat in Warsaw (100%),
  6. Inter Cars Slovenska Republika with registered seat in Bratislava (100%),
  7. Inter Cars Lietuva UAB with registered seat in Vilnius (100%),
  8. IC Development & Finance Sp. z o.o. with registered seat in Warsaw (100%).

(b) Consolidation for the period from 1 January to 30 June 2008

The consolidation covered the following financial statements:

- Parent entity: INTER CARS S.A. with its registered office in Warsaw,
- Subsidiary companies:
  1. Inter Cars Ukraine, the Ukrainian legal entity, with registered seat in Khmelnytskyi in Ukraine (70% of share of Inter Cars S.A. in the company's share capital),
  2. Lauber Sp. Z.o.o with registered seat in Słupsk (100%),
  3. Q-Service Sp. Z.o.o with registered seat in Warsaw (100%),
  4. Inter Cars Ćeska Republika with registered seat in Prague (100)%,
  5. Feber Sp. z o.o with registered seat in Warsaw (100%),
  6. Inter Cars Slovenska Republika with registered seat in Bratislava (100%),
  7. Inter Cars Lietuva UAB with registered seat in Vilnius (100%),
  8. IC Development & Finance Sp. z o.o. with registered seat in Warsaw(100%),
  9. Armatus Sp. z o.o with registered seat in Warsaw (100%),
  10. JC Auto s.r.o. with registered seat in Karvina - Darkow (100%),
  11. Inter Cars Hungária Kft with registered seat in Budapest (100%),
  12. JC Auto S.A. with registered seat in Brain-le-Chateau (100%),
  13. Inter Cars d.o.o. with registered seat in Zagreb (100%),
  14. JC Auto s.r.l. with registered seat in Milan (1% owned by JC Auto s.r.o.)

Krzysztof Oleksowicz
President of the Management Board

Robert Kierzek
Vice President of the Management Board

Wojciech Milewski
Member of the Management Board

Krzysztof Soszyński:
Member of the Management Board

Piotr Kraska
Member of the Management Board

Julita Pałyska
Person responsible for keeping the accounting books

PART III

STATEMENT OF THE OPERATIONS

36. Information on basic activities of the Inter Cars Group

1.1 Summary

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 in Poland independent aftermarket distributor of spare parts. The Group conducts operating activities in Poland, Ukraine, the Czech Republic, Slovakia, Lithuania, Croatia, Belgium, Hungary and in Italy.

On 29 February 2008 the merger of Inter Cars S.A. and JC Auto S.A. took place The long-term objective of the merger is creation of a company which would be a leader on the market of distribution of spare parts to vehicles in Europe. The Boards of Directors of both Companies indicate effects of synergy related to the merger, which will bring substantial reduction in operating costs of the merged entity and simultaneous increase in total sales and profits. Both Inter Cars and JC Auto are entities conducting activities related to distribution of parts to of vehicles and repair services of automotive vehicles.

Sales revenues in the first half of 2008 were **higher by 39%** than in the same period of 2007. The revenues of Inter Cars were approx. 78% of the Capital Group's revenues (before consolidation exclusions). **Poland is the main market** of sales for the Capital Group. Total sales revenues of subsidiaries were approx. 60% higher in 2008 as compared to 2007 (before consolidation exclusions). The greatest growth in sales (by value) was recorded by Feber, Inter Cars Ukraine, Inter Cars Slovakia and Inter Cars Ceska Republika.

In the first half of 2008, the Company opened up 8 new branches which means that as at 30 June 2008 the sales chain consisted of total 160 branches; 116 branches in Poland and 44 branches abroad.

The gross profit on sales increased by 51% in the first half 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 28% in 2007 up to 30.5% in 2008.

Basic consolidated financial data are presented in the chart below.

	1st half-year		
	2008	2007	2008
('000)	PLN	PLN	Euro
Profit and loss statement (for period)			
Sales revenues	847 198	608 989	243 616
Gross Profit (Loss) on sales	258 142	170 781	74 230
Costs of management option program	(448)	(1 665)	(129)
Financial revenue and cost, net	(12 276)	(4 597)	(3 530)
Profit (loss) on operating activities	49 173	42 749	14 140
Net Profit (loss)	29 287	30 347	8 422
Balance (at the end of period)			
Cash and cash equivalents	31 516	19 068	9 396
Balance sheet total	1 212 312	553 298	361 431
Loans, borrowings, financial Leasing, bonds	517 446	255 485	154 268
Equity attributable to the shareholders of the parent entity	425 259	141 571	126 784
Minority capital	1 421	1 666	424
Other financial information			
Cash flow on operating activities	23 005	(31 140)	6 615
Cash flow on investment activities	(20 942)	(9 711)	(6 022)
Cash flow on financial activities	3 844	45 474	1 105
Basic earnings per 1 share	2,22	2,58	0,66
Sales margin (1)	30,5%	28%	
EBITDA margin (2)	7,3%	8,1%	

(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.

Inter Cars conducted **issue of short-term bonds**, the revenues from which were used as repayment of liabilities to suppliers on the terms allowing obtaining additional revenues. The bond maturity date is correlated with flow of funds from sales of goods.

(in PLN '000)

The market of distribution of spare parts is characterized by a significant growth potential. The main factors determining market growth are constant growth in the number of vehicles registered and moving on roads, liberalization of regulations opening access to independent distributors of spare parts to authorized workshops, elimination of barriers import of second-hand cars, growing complication of repairs related to more and more common use of advanced technologies for production of vehicles and a constant increase in intensity of operation of the car fleet, in particular growth in average age of registered vehicles and average mileage. Most important **trends on an independent market of distribution** of spare parts cover intensive sales network development, development of assortment, development of sales support programs, own lines of goods and improvements of computer systems.

The structure of the Inter Cars S.A. Capital Group results from the geographic expansion strategy for the distribution of spare parts (Inter Cars Ukraina, Inter Cars Ceska Republika, Inter Cars Slovenska Republika, Inter Cars Lietuva, JC Auto s.r.o., Inter Cars Hungaria Kft, Inter Cars d.o.o., JC Auto s.r.l., JC Auto S.A) and the development of projects supporting basic activities (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 main purpose of the Group is to improve constantly goods flow management quality as well as to achieve leading share in the markets of Central and Eastern Europe. It will be carried out by way of supplementing the existing distribution model with additional elements (subsidiaries, regional warehouses, subsidiaries dealing with distribution outside the borders of Poland). It will result in strengthening the position of Group as the most effective and efficient channel of distribution of spare parts from their manufacturers to final recipients - garages.

Development strategy of Inter Cars has been based on three basic elements: (1) development of distribution chain in Poland and abroad; (2) development of product range; (3) development of partner programmes.

A strategic purpose of the Group is building a distribution system of spare parts for vehicles prevalent in Poland, at the same time with strong representation on the new European markets. The Group intends to achieve share in the Polish market of 25-30%.

1.2 Basic goods and target markets of the Inter Cars Group

Sales revenues of Inter Cars Capital Group with division into **basic categories of goods** are presented in the chart below.

	1st half of 2008		2007		1st half of 2007	
	(tys. zł)	%	(tys. zł)	%	(tys. zł)	%
Sales of spare parts and garage equipment	811 588	*95,80%*	1 265 973	*95,41%*	591 573	*97,14%*
For passenger cars	610 267	*72,03%*	854 544	*64,40%*	421 036	*69,14%*
for trucks	169 093	*19,96%*	294 712	*22,21%*	139 174	*22,85%*
other	32 228	*3,81%*	116 717	*8,80%*	31 363	*5,15%*
Other revenue	35 610	*4,20%*	60 921	*4,59%*	17 416	*2,86%*
Net revenues from sales	**847 198**	*100,00%*	**1 326 894**	*100,00%*	**608 989**	*100,00%*

Subsidiaries, like the parent company, offer both parts for passenger cars and trucks, with addition that the total structure of the Group's sales is dominated by parts for passenger cars.

1.3 Inter Cars - the parent company

Information on basic activities

Inter Cars is an importer and distributor of spare parts for passenger cars and commercial vehicles. The Company's offer includes also garage workshop, in particular devices for service and repairs of cars and parts for motorcycles and tuning. The offer of goods includes mainly parts to cars produced in Europe and in Japan and South Korea. **Inter Cars offers the greatest assortment of car parts in Central and Eastern Europe.** Its offer includes both original parts in packaging of spare parts manufacturers(so called: "parts for the first assembly") as well as parts with comparable quality (independent manufacturers declare "the same quality" as of the original parts).

Constant growth in the number of vehicles in Poland, including import of second-hand cars, liberalization of regulations resulting in opening access of independent distribution networks of spare parts to authorized car repair networks and changes in cars production technologies open to the spare parts distribution industry exceptional possibilities of growth. **Thanks to adjustment of the offer of goods to**

the structures of sales of new and second-hand cars and structure of car fleet, the Board of Directors anticipates constant growth in the Company's revenues.

The strategy of the Company is sales of brand spare parts and the constant expansion of the offer of spare parts to cover high quality goods (original parts in packaging of manufacturers) by recognized, global manufacturers, delivering their goods to manufacturers of vehicles for the first installation, as well as to authorized networks of sales of vehicles.

The purpose of the Company is to build dominant in Poland distribution network of spare parts to cars, with strong representation on new European markets, bringing stable profits and enabling expanding operations by taking over market shares of other entities operating in the industry of distribution and logistics. **The Company intends to achieve share in the Polish market of 25-30% in the years 2012 -2014.**

Total distribution of goods operates on the basis of logistic centre, the network of 116 branches in Poland and foreign subsidiaries in Ukraine, Lithuania, Hungary, the Czech Republic, Belgium, Croatia, Italy and Slovakia. In the central warehouse and in regional warehouses there are all product groups, whereas branches have only quickly rotating products, however, to the extent to maintain appropriate to needs the local width of the assortment, its quality and availability.

Basic goods

Basic **structure of distribution channels** is presented in the chart below.

	1st half of 2008		**2007**		**1st half of 2007**	
	(thousands of PLN)	**(%)**	**(thousands of PLN)**	**(%)**	**(thousands of PLN)**	**(%)**
Sales in the country	573 644	*79%*	905 344	*79%*	408 674	77%
Export sales, including:	150 405	*21%*	245 530	*21%*	119 790	23%
Inter Cars Ukraine	7 787	*1%*	11 189	*1%*	5 500	1%
Inter Cars Ceska Republika	10 621	*1%*	18 345	*2%*	8 126	2%
Inter Cars Slovenska Republika	12 768	*2%*	17 467	*2%*	6 603	1%
Inter Cars Lietuva	3 912	*1%*	5 274	*0%*	2 347	0%
Inter Cars kft.	2 008	*0%*	-	-	-	-
Inter Cars doo	3 501	*0%*	-	-	-	-
JC Auto srl	884	*0%*	-	-	-	-
JC Auto S.A.	394	*0%*	-	-	-	-
Total	**724 049**	*100%*	**1 150 874**	*100%*	**528 464**	100%

Dominant sales market of Inter Cars is the domestic market.

Sales revenues of Inter Cars with breakdown into basic **categories of goods** are presented in the chart below.

	1st half of 2008		**2007**		**1st half of 2007**	
	(thousands of PLN)	**(%)**	**(thousands of PLN)**	**(%)**	**(thousands of PLN)**	**(%)**
Sales of automotive parts and garage equipment	677 959	*94%*	1 092 229	*95%*	510 257	97%
Domestic	530 237	*73%*	840 174	*73%*	390 801	74%
Export	147 722	*20%*	252 055	*22%*	119 456	23%
Other	46 090	*6%*	58 645	*5%*	18 207	3%
Domestic	43 407	*6%*	54 028	*5%*	17 873	3%
Export	2 683	*0%*	4 617	*0%*	334	0%
Net revenue	**724 049**	*100%*	**1 150 874**	*100,00%*	**528 464**	100%

Other sales include revenues under re-invoices of costs and sales of marketing services related to basic activities.

Sales of spare parts for cars and motorcycles and garage equipment with division into different types of vehicles is presented in the chart below.

	1st half of 2008		**2007**		**1st half of 2007**	
	(thousands of PLN)	**(%)**	**(thousands of PLN)**	**(%)**	**(thousands of PLN)**	**(%)**
parts for passenger cars	546 079	*81%*	797 209	*73%*	394 088	77%
parts for commercial vehicles and buses	90 488	*13%*	180 767	*17%*	84 848	17%

parts for motorcycles	11 070	*2%*	13 887	*1%*	9 123	2%
other	30 322	*4%*	100 366	*9%*	22 198	4%
Total	**677 959**	***100%***	**1 092 229**	***100%***	**510 257**	100%

Sales of parts to utility cars increased in 2008 by 7% as compared to 2007 and was approximately 13% of total sales of spare parts by the Company. Sales of spare parts for **passenger cars** increased by 39%.

The structure of sales of parts including export sales is presented in the chart below.

	1st half of 2008		**2007**		**1st half of 2007**	
	(thousands of PLN)	**(%)**	**(thousands of PLN)**	**(%)**	**(thousands of PLN)**	**(%)**
Domestic sales	**530 237**	***78%***	**840 175**	***77%***	**390 801**	**77%**
parts for passenger cars	423 907	63%	600 502	55%	299 415	59%
parts for commercial vehicles and buses	67 799	10%	129 546	12%	61 613	12%
other, parts for motorcycles	38 531	6%	110 127	10%	29 773	6%
Export sales	**147 722**	***22%***	**252 054**	***23%***	**119 456**	**23%**
parts for passenger cars	122 172	18%	196 707	18%	94 673	19%
parts for commercial vehicles and buses	22 689	3%	51 221	5%	23 235	5%
other, parts for motorcycles	2 861	0%	4 126	0%	1 548	0%
Total	**677 959**	***100%***	**1 092 229**	***100%***	**510 257**	100%

The Company does not depend on any of their recipients - no recipient exceeds 10% of share in total sales revenues.

Basic factors determining market development

The aftermarket of automotive parts is a natural derivative of the car market, since the necessity for repairs and replacement of wearing consumables leads to a continuous demand for spare parts.

Main factors determining **the market growth** are:

- **constant growth in the number of vehicles** registered in Poland and moving on roads,
- **liberalization of regulations** opening access to independent distributors of spare parts to authorized workshops (Regulation on excluding specified vertical agreements in the sector of automotive vehicles from the ban on agreements restricting competition - effective since 1 November 2003),
- **elimination of barriers** in import resulting in growth in demand for spare parts, owing to higher failure rate of used cars as compared to new vehicles, growth in demand for services of independent car workshops, being the main category of the Company's customers and increase in value of the Company's market by accelerated elimination of the segment of market of spare parts to vehicles from the former Eastern Bloc,
- **growing complication of repairs** related to more and more common use of advanced technologies for production of cars,
- **constant growth in the intensity of operation of the car fleet**, in particular growth in the average age of registered cards and average mileages.
- an increasing care of drivers about technical condition of car resulting in **growth in the number of visits of drivers in garages** for the purpose of replacing running car parts or also prophylactic visits and increase in expenses on spare parts.

Distributors of spare parts in Poland

The market of distribution of spare parts in Poland remains relatively dispersed, and consolidation trends are noticeable. As it appears from data of Moto Focus, the largest distributors of spare parts (segment of passenger cars) in Poland is:

1. Inter Cars
2. Fota
3. AD Polska

4. Group Auto Union Polska

In the segment of distribution of spare parts for trucks the first four distributors are:

1. Opoltrans
2. Suder&Suder
3. Autos
4. Inter Cars

Most important trends on independent market of distribution of spare parts in 2008 are as follows:

- **development of product range** - mostly through enrichment of the offer with new lines of goods, as: Garage equipment and after crash parts,
- **development of sales support programs** - as, first of all, development of fleet programs and loyalty programs ("Premium Clubs"),
- **own product lines**, - i.e. expanding the offer of goods sold under its own brand,
- **improving computer systems** - being the condition of efficient goods logistics management and fast generation of data necessary for the customer.

The above trends indicate distinctly that the competitive position of distributors are influenced by more and more factors. In particular; these are traditional factors associated with reaching the customer (location of points of sale) and availability (namely as a result order execution time) and also factors associated with development of qualitative characteristics in reaching the customer. In practice, improvement in the service quality means expansion of the offer of goods to cover new lines enabling the customer to do shopping "under one roof" and ensuring on-line access to any necessary information on goods from the determination of their availability to technical information concerning their assembly. It means for distributors, on the one hand, growth in loyalty and scale of customers' purchases, and, on the other hand, is a huge challenge as it requires expansion of logistic facilities and entry to new market segments often characterized by significantly different "sales philosophy" and competition of specialized entities.

Number and structure of vehicles used

The number of vehicles is constantly growing - in the European Union in the period from 1990 to 2004 by 59 million pieces, that is about 38%. In the same period in Poland - by ca.6.7 million pieces, namely approximately by 128%.

Data on the number of vehicles and basic parameters typical of the car market in Poland are presented in the chart below.

('000)	**1990**	**2000**	**2005**	**2006**	**2007**
registered vehicles	7 755	12 755	16 818	18 035	19 472
passenger	5 261	9 991	12 339	13 384	14 589
cars per 1000 people	168	309	441	472	510
passenger cars per 1000 people	138	259	323	350	383

source: own estimates on the basis of the Central Statistical Office (GUS)

The number of vehicles registered in Poland increased in 2007 by 8% as compared to 2006, reaching the average of 510 vehicles for 1000 of the population.

According to the data presented in the study of the Central Statistical Office (GUS) "Transport - Results of operations in 2007" the number of registered passenger cars in Poland at the end 2007 reached 14,589 thousand pieces, which gives approximately 9-percent increase as compared to the previous year. In 2007 in Poland for one passenger car there were on average 2.6 people. To compare with in Germany – 1.8 person, Spain – 2.1 – France 2, Greece – 2.5. This means that we should expect further growth in Poland.

Sales of cars in Poland

In 2007, the sales of both new and second-hand vehicles developed very dynamically. The total of sales of new passenger cars and trucks in Poland in 2007 was approximately 22.6% higher than in 2006.

Data relating to volume of sales of new cars in Poland with breakdown into different categories are presented in the chart below.

Sales of new cars ('000)	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
passenger	327	308	354	318	236	239	293
including domestic production	43%	25%	15%	15%	13%	9%	6%
trucks	35	32	39	49	47	56	79

source: Automotive Market Research Institute Samar

Increase in sales of new passenger cars was accompanied, at the same time, by increase in import of used cars. In 2007, 22% more passenger cars were imported to Poland than in 2006. The chart below presents detailed data.

passenger cars in Poland ('000)	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
sales of new cars	327	308	354	318	236	239	293
import of second-hand cars	217	179	33	828	871	817	995
Total	544	487	387	1 146	1 107	1 056	1 288
import of second-hand/sales of new	0,66	0,58	0,09	2,60	3,7	3,4	3,4

source: Automotive Market Research Institute Samar

Total passenger car supply in 2007 was approximately 22% higher than in 2006. At the same time, however, nearly 77% of this supply covered second-hand cars, namely such that fail relatively more often as well as are a traditional target group of the Company's customers.

The structure of second-hand cars that are imported to Poland are dominated by cars manufactured in the Western European countries. According to the Institute of Automotive Market Research Samar preferably imported cars in 2007 were Volkswagen, Opel, Ford, Renault and Audi.

Structure of the car fleet

Offer of goods of the Company is adjusted to the market demand. The detailed data are presented below.

(a) structure of passenger cars sale

Sale of new passenger cars in Poland is dominated by cars produced outside the borders of Poland, mainly in Western Europe. The structure of sales with breakdown into different motor concerns is presented in the chart below.

	2004	**2005**	**2006**	**2007**
Western	77%	72%	72%	72%
Japanese and Korean	21%	24%	25%	27%
Other	*2%*	4%	*3%*	1%

Western: **Skoda, Volkswagen, Seat, Audi, Fiat, Alfa Romeo, Lancia, Peugeot, Citroen,** Renault, Dacia, **Opel, Saab,** Ford**, Volvo, Land Rover, Jaguar, Mercedes, BMW, Porsche, Mini, Smart;**
Japanese and Korean: Toyota, Nissan, Honda, Suzuki, Mitsubishi, Mazda, Daewoo, Hyundai, Kia, Subaru, Ssangyong, Lexus.
source: Automotive Market Research Institute Samar

(b) structure of passenger cars fleet

The structure of sales of spare parts by the Company corresponds to the structure of the registered car fleet. The specification of parts sales structure with the car fleet structure registered in Poland is presented below.

Passenger cars	**Structure of sale of a part of the Company**	
	2006	**2007**
(a) Western European	76%	75%
(b) Eastern European	4%	5%

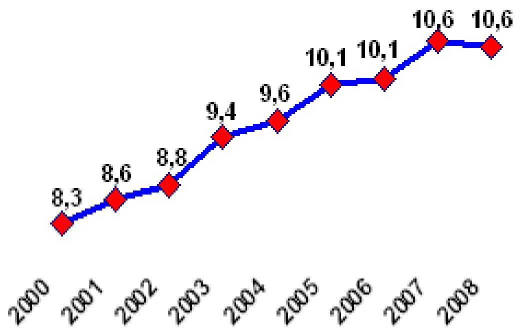
(c) Japanese and Korean	4%	2%
(d) Other	16%	18%

source: Company

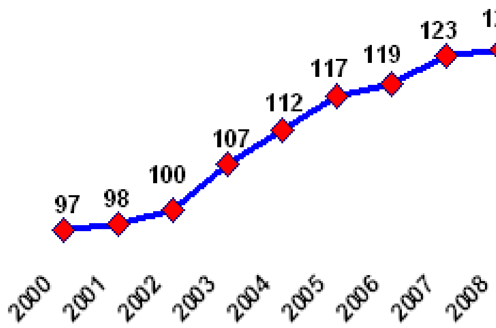
The category "other" includes also significant in terms of value and quantity group of parts which are universal, i.e. are used for different types and brands of cars, including Western European, Japanese and Korean cars. The category includes such goods as tires and oils and lubricants, with systematically growing share in sales of the Company.

(c) the basic characteristics of passenger vehicle fleet

As it appears from data of GIPA currently an average passenger car in Poland has over 10 years. The average mileage of a passenger car in Poland is currently over 124 thousand km. Details presented in below charts (GIPA).



Average age of passenger cars in Poland (in the years)



Average mileage of passenger cars in Poland (in thousand km)

Technologies of cars production

An extremely significant factor for further market development is a systematic growth in share of electronics in the costs of production and repair of vehicles. In 2002, the share of electronics in this market was estimated at 25%, and the forecasts stipulate increase to 35% in 2010. Technical innovations are more and more rapidly commonly used in mass production. According to the data of GIPA approximately 31% passenger cars registered in Poland are professionally equipped with ABS. In 2002, this share reached the level of 16%. A noticeable issue is also a tendency to mount a large number of devices controlling operation of individual subassemblies that are managed in a network. The consequence of these changes is departure from diagnostics of particular devices in favour of system diagnostics of the whole vehicle (integrated systems). The scope of repairs in the future will be completely different from the present one - the market switches systematically from "work with parts" to "work with systems". At the same time, the diversity of parts also increases. Technological development is done mainly with regard to the following systems: alternative drives, safety systems, navigation systems, active suspension control systems, night control systems, clearance radars, automatic gearboxes, multimedia direct fuel injection systems, variable valve control systems, braking and control systems based on electric systems.

The Company's offer includes goods from a few hundred suppliers. Goods are delivered from the area of the entire world, however, mostly from suppliers from EU countries. A dominant category of suppliers of goods are international concerns for which the Company is one of the largest and the main customers in Central and Eastern Europe. Due to large diversification of suppliers the activities of the company are not particularly dependent on one or several suppliers.

1.4 Inter Cars Ukraine

www.intercars.com.ua

The Company was established in April 2000 - it began its operations in September 2000. The principles of functioning of the company are such as in Inter Cars S.A. Inter Cars Ukraine operates in the field of distribution of parts and accessories on the Ukrainian market. Assortment of goods is no different than that offered by the Inter Cars S.A. The Company offer brand goods, of quality identical as delivered for the first assembly during production of cars, and significantly cheaper, although qualitatively good, by manufacturers delivering their products only for the purpose of the secondary market. The Company buys from Inter Cars as well as directly from the manufacturers.

As at the balance sheet date, Inter Cars Ukraine had sixteen branches, namely two branches more than as at 30 June 2007.

Basic financial data of Company are presented in the chart below.

	1st half	
(thousands of PLN)	**2008**	**2007**
Sales revenues	32 884	22 670
Operating profit	860	525
Net profit	900	(430)

The offer of the company consists of parts for passenger and utility cars. The chart below presents the structure of sales.

	1st half			
	2008		**2007**	
	(thousand) UAH)	**(%)**	**(thousand UAH)**	**(%)**
parts for passenger cars	42 818	*60%*	23 704	*60%*
parts for commercial vehicles and buses	28 405	*40%*	15 803	*40%*
Total	71 223	*100%*	39 507	*100%*

The main supplier of the company is the parent company - Inter Cars. In the first half of 2008, approximately 30% of purchases of Inter Cars Ukraine were purchases in Inter Cars.

The basic recipients of the company are forwarding companies, workshops, shops with spare parts as well as large automotive wholesalers. None of the recipients exceeds 10% of share in total sales of the company. Sales terms are agreed individually with each customer depending on its potential. The applied deferment of the payment date for workshops - from 7 to 14 days, for stores and other customers - from 7 to 21 days.

In the first half of 2008, there were no changes in organizational or equity links. Inter Cars with registered office in Warsaw has 70% of shares in the company's equity. The remaining 30% is owned by Mr. Siergiey Ovsijenko performing the function of the General Director.

The Company did not grant sureties or guarantees in the first half of 2008.

In the first half of 2008, the company did not issue any securities.

The phenomenon of seasonality has moderate impact on the value of sales of the company. The Company observes relatively lower sale in the first quarter. Relatively higher sales are recorded by the company in the periods: March - May and October - November.

The company did not witness any material changes in the basic principles of managing.

As at 30 June 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their positions without a valid cause or when their dismissal would proceed for a reason of merging the Issuer by takeover.

As at 30 June 2008, the Company employed 214 workers. As at 30 June 2007 - 170 people.

The Company meets local requirements concerning environmental protection. According to the Ukrainian regulations, it pays quarterly fees for environment contamination caused by vehicle fleet being at the disposal of the company.

The Company did not pay dividend in the first half 2007.

No significant changes took place in the structure of the business entity.

The management board is comprised of:

Siergiej Ovsijenko - General Director

The audit committee is composed of:

Marcin Pawłowski - Chairman of the Revision Commission

Krzysztof Oleksowicz - Member of the Revision Commission

Natella Ovsijenko - Member of the Revision Commission

1.5. Inter Cars Ceska Republika

www.intercars.cz

The Company was acquired in July 2004 and started operational activities with regard to distribution of replacement parts in November 2004. It conducts distribution of spare parts on the Czech market. The product offer is similar to the offer of Inter Cars. The majority of sales constitutes parts for passenger cars.

In the first half of the year 2008, the Company realized turnover and reached margins higher the budgeted ones.

At the end of the first six months, the Company had ten branches, and the company conducts works on start-up of subsequent ones.

The Company has implemented a modern, integrated IT system, operating on-line in all branch offices. The Company offers to its customers IC-Catalogue in the Czech language version. This program allows current view of the Company's full offer.

The Company has also successfully started several projects constituting additional activities to the classic sales. The most successful turned out the project of sales of Feber semitrailers and implementation of the AutoCrew servicing system. Both of them operate in the Czech Republic and in Slovakia. Their contribution to the whole of business activities has been growing gradually.

Basic financial data of Company are presented in the chart below.

	1st half	
(thousands of PLN)	**2008**	**2007**
Sales revenues	36 503	27 774
Operating profit	2 467	1 721
Net profit	768	497

The offer of the company consists of parts for passenger and utility cars. The chart below presents the structure of sales.

	1st half			
	2008		**2007**	
	(thousand CZK)	***(%)***	**(thousand CZK)**	***(%)***
parts for passenger cars	216 230	*82%*	170 360	*83%*
parts for commercial vehicles and buses	29 124	*11%*	30 920	*15%*
Other	18 392	*7%*	2 993	*1%*
Total	**263 746**	*100%*	**204 273**	*100%*

The largest supplier of the company in the first half of the year 2008 was Inter Cars. Deliveries from Inter Cars accounted for approximately 90% of total deliveries. Other purchases were executed directly from the manufacturers of parts, mainly from the European Union. Deliveries from Inter Cars are implemented through a regional warehouse in Tychy, which at the same time serves as basic warehouse facilities of the company.

Garages prevail within the structure of recipients of the company. A numerous group also constitute warehouses of spare parts.

Goods being at the disposal of the company are covered by insurance contracts (CZK 76,000 thousand). . In addition, the company has a property insurance agreement.

The organizational or equity links were not changed. Inter Cars with registered office in Warsaw has 100% of shares in the company's equity.

The Company did not grant sureties or guarantees in the presented period.

In 2008, the company did not issue any securities.

During the year, the following two basic periods can be characterized with higher seasonal sales: spring and winter. In the spring, particular growth in sale of mechanical parts, particularly including shock absorbers and elements of brakes, is noticeable. In the winter, growth can be observed in sales of subassemblies for ignition systems - batteries, spark plugs, cables, etc. in particular

Presently, Inter Cars Ceska Republic is the third biggest distributor of spare parts for the Czech market.

The company did not witness any material changes in the basic principles of managing.

As at 30 June 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their positions without a valid cause or when their dismissal would proceed for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 30 June 2008, the company employed 72 people. As at 30 June 2007 - 41 people.

The Company does not conduct operations posing threat to the natural environment. Any generated waste is collected by an external company specialized in waste management.

The Company did not pay dividend in the period.

In the opinion of the Board of Directors of the company, there are currently no events, which could significantly affect its future financial results.

After the balance sheet date, there were no events of material effect on assessment of the presented financial statements as well as financial position of the company.

In the presented period, no significant changes took place in the structure of the business entity. Similarly, no restructuring works were conducted nor any considerable long-term investments pursued.

The board of directors of the company consists of:
Tomas Kastil - The Managing Director
Martin Havlik - Sales Director

In the period no court, arbitration or administrative proceedings were pending the party to which would be the company.

1.6 Lauber

www.lauber.pl

The Company was acquired in July 2003. The object of activities of Lauber is remanufacturing of automotive parts, including: alternators, starters, steering gears as well as power steering pumps. In 2007, two basic groups of product were power steering and not powered steering gears and power steering pumps. The fourth group, in terms of share in sales of the company, covered starters. In 2008, the highest sales covered power steering gears, brake callipers and starters.

Regeneration consists in reconstruction of mechanical assemblies using technologically advanced devices so as to a rebuilt product had the same operational properties as a new one. Regeneration of parts allows avoiding costly purchase of a new part as well as scrapping the old one - the quality of the recovered part does not differ from the factory-new part.

The business activities of the Company are conducted in the production plant located in the Słupsk Economic Zone, it is based on knowledge, experience and advisory support obtained as part of the cooperation with other regenerative companies from the Western Europe.

To maintain a strong market position and the possibility of offering products with two-year guarantee period, the Company applies strict quality control systems compliant with the certification of the Quality Management System ISO 9001:2000.

Basic financial data of Company are presented in the chart below.

	1st half	
(thousands of PLN)	**2008**	**2007**
Sales revenues	5 608	2 805

(in PLN ‘000)

Operating profit	678	222
Net profit	575	70

The Company is in constant cooperation with several suppliers. The main supplier of the company is Inter Cars. Its share in purchases of materials exceeds 25%.

Sales of the company is conducted both on the domestic and foreign markets. The domestic market is of fundamental importance for the amount of revenue generated by Lauber. According to the development strategy adopted by the Company, distribution of products of the company on the domestic market takes place only through the Inter Cars network. The total share of this contractor in revenues of the company exceeds 90% of the total sales.

In the first half of 2008, the share of export/intra-community deliveries in the sales of goods reached the level of approximately 2.2%. The sales of intra-community deliveries goods is conducted primarily to France.

As at 30 June 2008, the Company had a signed contract for revolving credit of 24 December 2007 with ABN AMRO Bank (Polska) for the amount of PLN 4,000 thousand. Repayment date is 30 December 2008.

In the period organizational or equity links were not changed. Inter Cars with registered office in Warsaw has 100% of shares in the company's equity.

The Company did not grant sureties or guarantees in 2008.

Until the balance sheet date, the company did not issue any securities.

The company's sales cannot clearly show the impact of seasonality on the sale in particular periods. Relatively the highest sales are recorded in the period from November to March. Deviation of sales volume into different months in the first quarter of 2008 did not exceeded 10%. The second quarter of 2008 brought the Company 82% increase in sales, as compared to the first quarter of 2008.

The Company operates on a growing, prospective market. The upward trends result from three basic factors - significant growth in the number of second-hand vehicles, optimization of use of vehicles as well as growing environmental protection requirements.

On the domestic market there are many companies involved in regeneration or repairs of car parts. They are direct competition for Lauber. At the same time, we can witness expansion of large Western European companies offering regenerated products - extending their zones of influence as well as additionally transferring its activities to the Eastern Europe.

The company did not witness any material changes in the basic principles of managing.

As at 30 June 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their positions without a valid cause or when their dismissal would proceed for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 30 June 2008, the Company employed 68 workers. As at 30 June 2008 - 58 people.

Lauber, as a production plant, is obliged to record the generated post-production waste, including hazardous waste. The Company fulfils this obligation. In addition, as a manufacturer introducing products in packages to the market, Lauber pays respective fees from weight of the packaging introduced to the market.

The Company did not pay dividend in the period.

In the first half of the year 2008, no significant changes took place in the structure of the business entity. The changes in the company's strategy sale, introduced now, aim at optimizing the use of potential of the whole Group, in particular the sales network of the parent company.

The management board is comprised of:

Wojciech Kilianek - President of the Board

Przemysław Wołosewicz - Member of the Management Board

The General Meeting was held on 30 June 2008. The subject of the meeting was examination and approval of the statement of the Board of Directors on the company’s operations, the financial statement as well as granting the vote of approval to the members of the Board of Directors for performing their obligations and adopting a resolution concerning distribution of profit/coverage of losses for 2008.

In 2008, no court proceedings, arbitration or administrative procedure were pending, the party to which would be the company.

1.7 Feber

The Company was established in September 2004. It conducts production of semitrailers, trailers and superstructure truck bodies.

Basic financial data of the company are presented in the table below (before consolidation exclusions)

	1st half	
(thousands of PLN)	**2008**	**2007**
Sales revenues	65 135	44 853
Operating profit	5 306	2 592
Net profit	3 119	2 353

The main product of the Company is a tipper semitrailer. It is offered in particular with an aluminium structure (bodu) as well as with a steel body. They are available practically in all sizes stipulated in the Polish regulations on road traffic.

The majority of sales has been assigned to the domestic market. The vehicles manufactured by the Company found buyers also on the following markets: Russian, German, Scandinavian, French and Czech.

The main components used in the produced vehicles are ales, aluminium, steel, and, in the case of semitrailers and tipper bodies, servomotors.

The company cooperates with many suppliers in the above mentioned respect. There is no risk of dependence on particular subcontractors, as this market is characterized by great competitiveness. None of the suppliers is formally directly nor indirectly associated with the Company.

The Company has the following insurance policies: current assets and objects taken over from third parties for the purpose of providing a service to the insured sum of PLN 31,298 thousand and tort civil liability (under conducted business activities) excluding civil liability for damages caused by cars not covered by mandatory civil liability insurance, to the insured sum of PLN 8,000 thousand.

on 26 March 2008, the loan contract was concluded in the amount of PLN 6,000 thousand., then on 9 June 2008 annex no. 1 to the aforementioned contract was signed, increasing loan by PLN 8,000 thousand.

In the 2008 organizational or equity links were not changed. Inter Cars with registered office in Warsaw has 100% of shares in the company's equity.

The Company did not grant sureties or guarantees until the balance sheet date.

Seasonality has no significant impact on the company's activities.

Sales revenues of Feber increased by more than 45% as compared to the similar period last year to the level of PLN 65 million. In the opinion of the Board of Directors of Feber, current results place Feber on the second position in the classification of the largest manufacturers of semitrailers.

The company did not witness any material changes in the basic principles of managing.

As at 30 June 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their positions without a valid cause or when their dismissal would proceed for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 30 June 2008, the Company employed 277 workers. As at 30 June 2007 - 180 people.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

The board of directors of the company consists of:

Piotr Kraska – President of the Board

Paweł Pietrzak - Vice President of the Management Board

The General Meeting was held on 30 June 2008. The subject of the meeting was examination and approval of the statement of the Board of Directors on the company's operations, the financial statement as well as granting the vote of approval to the members of the Board of Directors for performing their obligations and adopting a resolution concerning distribution of profit/coverage of losses for 2007.
In 2008, no court, arbitration or administrative proceedings were pending, the party to which would be the company.

1.8 Q-Service

The main activities of the Company in 2008 covered consulting as well as organization of trainings and seminars with regard to automotive services and automotive market. Good results of the Company were obtained as a result of using the new form of consulting. It consisted in use of experts to search attractive purchase offers of goods and automotive parts. Basic financial data of Company are presented in the chart below.

	1st half	
(thousands of PLN)	**2008**	**2007**
Sales revenues	16 588	12 069
Operating profit	1 946	1 573
Net profit	1 696	1 316

The Company is a party to the loan contract for Inter Cars. The details of the contract were presented in the annual report of Inter Cars.

In the current half of the year, there were no changes in organizational or equity links. Inter Cars with registered office in Warsaw has 100% of shares in the company's equity.

The Company did not grant sureties or guarantees in the first half of 2008.

Seasonality has no significant impact on the company's activities.

As at 30 June 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their positions without a valid cause or when their dismissal would proceed for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

The Company meets the requirements associated with environmental protection.

The Company employs from 1 February 2007 one employee

The Company did not pay dividend in 2008.

Management Board

The management board is comprised of:

Kazimierz Neyman - President of the Board

Krzysztof Oleksowicz – Member of the Management Board

Robert Kierzek - Board Member

The General Meeting was held on 7 July 2008. The subject of the meeting was examination and approval of the statement of the Board of Directors on the company's operations, the financial statement as well as granting the vote of approval to the members of the Board of Directors for performing their obligations and adopting a resolution concerning distribution of profit/coverage of losses for 2007.

In the first half of 2008, no court, arbitration or administrative proceedings were pending, the party to which would be the company.

1.9 Inter Cars Slovenska Republika

www.intercars.sk

The Company started operating activities in the field of spare parts in July 2005. It conducts distribution of spare parts on the Slovakian market. The Company was founded in June 2005.

As at the balance sheet date, the company had seven branches (including one which was built in the current year), and the company conducts works on start-up of subsequent ones. In the first half of the year 2008, five garages were opened, operating under the brand "Auto-Crew". After opening three subsequent ones in the second half of the year, the network will cover all the area of Slovakia.

The chart below presents the basic financial data of the company (before consolidation exclusions).

	1st half	
(thousands of PLN)	**2008**	**2007**
Sales revenues	23 615	14 208
Operating profit	1 753	1 056
Net profit	1 863	907

The offer of the company consists of parts for passenger and utility cars. The chart below presents the structure of sales.

	1st half			
	2008		**2007**	
	(thousand SKK)	**(%)**	**(thousand SKK)**	**(%)**
parts for passenger cars	191 549	88%	108 992	82%
parts for commercial vehicles and buses	13 414	7%	13 665	13%
Other	11 890	5%	3 170	5%
Total	**216 853**	*100%*	**125 827**	100%

The main supplier of Inter Cars Slovenska Republika is Inter Cars. Deliveries from Inter Cars accounted for approximately 80% of total deliveries. Other purchases were executed directly from the manufacturers of parts, mainly from the European Union. Deliveries from Inter Cars are implemented through a regional warehouse in Tychy, which at the same time serves as basic warehouse facilities of the company.

Car workshops prevail within the structure of recipients. Warehouses of spare parts is the second group in terms of importance.

The goods of the company are covered by insurance contracts up to SKK 60,000. Apart from this, the Company has an insurance contract on its property.

The Company did not grant sureties or guarantees in the current year.

Impact of seasonality on the sales value is small. It is observed that seasonal goods are only 5% of the sales of the company.

According to the estimations of the Board of Directors, Inter Cars Slovenska Republika is the second largest distributor of spare parts on the domestic market.

The company did not witness any material changes in the basic principles of managing. As at 30 June 2008, the Company employed 17 workers. As at 30 June 2007 - 3

The Company does not conduct operations posing threat to the natural environment. Any generated waste is collected by an external company specialized in waste management.

In the current year, no material changes were introduced in the structure of the business entity. Similarly, no restructuring works were conducted nor any considerable long-term investments pursued.

The management board is comprised of:

Tomas Kastil - The Managing Director

Martin Havlik - Sales Director

Mr. Branislav Bucko is a proxy of Inter Cars Slovenska Republika

On 25 June 2008, the General Meeting of the company was held. The subject of sessions was approval of the financial statement for 2007 and distributor of the result, which was allocated fully for undistributed result from previous years.

In the first half of 2008, no court, arbitration or administrative proceedings were pending, the party to which would be the company.

1.10 Inter Cars Lietuva

www.intercars.lt

Inter Cars Lithuania was established in September 2006. Operating activities started in December. Currently, the company has three branches, located in Vilnius and Klaipeda.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	1st half 2008	2007
Sales revenues	6 098	2 296
Operating profit	(170)	(217)
Net profit	(168)	(219)

The Company did not grant sureties or guarantees in the first half of 2008.

In April 2008, the share capital was increased by the amount of PLN 493.5 thousand.

As at 30 June 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their positions without a valid cause or when their dismissal would proceed for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 30 June 2008, the Company employed 9 workers.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

The board of directors of the company consists of: Arturas Vansevicius - The Managing Director

In the period from purchase of shares by Inter Cars the General Meeting was not convened.

In the first half of 2008, no court, arbitration or administrative proceedings were pending, the party to which would be the company.

1.11 IC Development & Finance Sp. z o.o.

The shares in the Company were purchased on 2 October 2006. IC Development & Finance z .o.o. is presently running activities consisting in rental of the real estate. In the first half of the year 2008, the Company purchases real estate located in Rzeszów.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	2008	1st half 2007
Sales revenues	135	22
Operating profit	(35)	(79)
Net profit	(64)	(109)

One of facilities in Warsaw is rented by the company to two entities, including the parent company (warehouse space).

As at 30 June 2008, the Company had loans granted by the parent company with total value of PLN 30,629 thousand for further development of activities.

As at 30 June 2008, the company had not granted sureties or guarantees.

Seasonality has no significant impact on the company's activities.

The basic managing principles of the company did not witness any material changes, except for the actual takeover of control over the operations by the parent company.

As at 30 June 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their positions without a valid cause or when their dismissal would proceed for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 30 June 2008, the company employed 2 people.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

The board of directors of the company consists of: Piotr Kraska – President of the Board

Mr. Piotr Kraska performed the function of Finance Director, Member of the Board of Directors of Inter Cars.

The General Meeting was held on 7 July 2008. The subject of the meeting was examination and approval of the statement of the Board of Directors on the company's operations, the financial statement as well as granting the vote of approval to the members of the Board of Directors for performing their obligations and adopting a resolution concerning distribution of profit/coverage of losses for 2007.

In the first half of 2008, no court, arbitration or administrative proceedings were pending, the party to which would be the company.

1.12 Inter Cars Hungaria kft

This is a company, which was acquired as a result of the merger of Inter Cars S.A. with the JC Auto S.A. Group of 29 February 2008. The Company has two subsidiaries and plans opening five new branches by the end of the year.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**1.03.2008-30.06.2008**
Sales revenues	3 280
Operating profit	152
Net profit	545

The main supplier of Inter Cars Hungaria kft. Is Inter Cars. Deliveries from Inter Cars accounted for approximately 85% of total deliveries.

The company is a leader on the Hungarian market in sales of parts for Japanese cars.

As at 30 June 2008, the company did not have granted sureties or guarantees.

Seasonality has no significant impact on the company's activities.

The basic managing principles of the company did not witness any material changes, except for the actual takeover of control over the operations by the parent company.

As at 30 June 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their positions without a valid cause or when their dismissal would proceed for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 30 June 2008, the company employed 47 people.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

The board of directors of the company consists of: Zsolt Bereczki - Managing Director

In the first half of 2008, no court, arbitration or administrative proceedings were pending, the party to which would be the company.

1.13 Inter Cars d o.o.

This is a company, which was acquired as a result of the merger of Inter Cars S.A. with the JC Auto S.A. Group of 29 February 2008.

As at 30 June, the Company had four own branches.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**1.03.2008-30.06.2008**
Sales revenues	6 365
Operating profit	8

Net profit	88

As at 30 June 2008, the company did not grant any sureties or guarantees.

Seasonality has no significant impact on the company's activities.

The basic managing principles of the company did not witness any material changes, except for the actual takeover of control over the operations by the parent company.

As at 30 June 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their positions without a valid cause or when their dismissal would proceed for a reason of merging the Issuer by takeover.

In the first half of the year 2008, the Company began to export to the areas of the former Yugoslavia. The Board of Directors estimates that the share of the Company on the Croatian market amount 2%.

The Company did not conduct transactions related to derivative financial instruments.

As at 30 June 2008, the Company employed 56 workers.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

The board of directors of the company consists of: Robert Antoncic - The Managing Director

In the first half of 2008, no court, arbitration or administrative proceedings were pending, the party to which would be the company.

1.14 JC Auto srl

This is a company, which was acquired as a result of the merger of Inter Cars S.A. with the JC Auto S.A. Group of 29 February 2008.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**1.03.2008-30.06.2008**
Sales revenues	2 077
Operating profit	(70)
Net profit	(75)

On 2 June 2008, the company paid off credit contracted in JC Auto S.A.

As at 30 June 2008, the company did not have granted sureties or guarantees.

On 20 March 2008, the receivables of Inter Cars S.A were converted to supplementary capital of JC Auto srl. amounting to PLN 1,414.8 thousand.

Seasonality has no significant impact on the company's activities.

The basic managing principles of the company did not witness any material changes, except for the actual takeover of control over the operations by the parent company.

As at 30 June 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their positions without a valid cause or when their dismissal would proceed for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 30 June 2008, the Company employed 5 workers.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

The board of directors of the company consists of: Carlo Scovenna - The Managing Director

In the first half of 2008, no court, arbitration or administrative proceedings were pending, the party to which would be the company.

1.15 JC Auto S.A. (Belgium)

This is a company, which was acquired as a result of the merger of Inter Cars S.A. with the JC Auto S.A. Group of 29 February 2008.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**1.03.2008-30.06.2008**
Sales revenues	2 951
Operating profit	379
Net profit	370

Seasonality has no significant impact on the company's activities.

The basic managing principles of the company did not witness any material changes, except for the actual takeover of control over the operations by the parent company.

As at 30 June 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their positions without a valid cause or when their dismissal would proceed for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 30 June 2008, the Company employed 6 workers.

The Company meets the requirements associated with environmental protection.

The Company did not pay dividend in 2008.

The board of directors of the company consists of: Karim Cheriha - The Managing Director

In the first half of 2008, no court, arbitration or administrative proceedings were pending, the party to which would be the company.

1.16 Armatus Sp. z o.o.

This is a company, which was taken over as a result of merger of Inter Cars S.A. with the JC Auto S.A. Group of 29 February 2008

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**1.03.2008-30.06.2008**
Sales revenues	-
Operating profit	(1)
Net profit	19

The Company is a party to the loan contract for Inter Cars. The details of the contract were presented in the annual report of Inter Cars.

As at 30 June 2008, the company did not have granted sureties or guarantees.

Seasonality has no significant impact on the company's activities.

The basic managing principles of the company did not witness any material changes, except for the actual takeover of control over the operations by the parent company.

As at 30 June 2008, no contracts were binding between the issuer and executives, providing for compensation in the event of their resignation or dismissal from their positions without a valid cause or when their dismissal would proceed for a reason of merging the Issuer by takeover.

The Company did not conduct transactions related to derivative financial instruments.

As at 30 June, the Company employed 1 worker.

The Company did not pay dividend in 2008.

The board of directors of the company consists of: Piotr Kraska – President of the Board

In the first half of 2008, no court, arbitration or administrative proceedings were pending, the party to which would be the company.

1.17 JC Auto sro.

The Company started operating activities in the field of distribution of spare parts in 2003. As a result of merger of Capital Groups of Inter Cars and JC Auto a decision was made to suspend activities of the Company and transfer the distribution chain, fixed assets and operating assets, together with employees to Inter Cars Ceska Republika.

Basic financial data of Company are presented in the chart below.

(thousands of PLN)	**1.03.2008-1.06.2008**
Sales revenues	118
Operating profit	(413)
Net profit	(415)

2. Contracts significant and essential for activities

Significant agreements

Commercial relations with suppliers of Inter Cars are regulated in the form of a written contract only in the case of some suppliers of the Company. In particular, these are agreements determining terms of granting additional discounts by suppliers of the Company. Contracts concluded with suppliers do not impose on the Company obligations to execute turnover of specified value.

Inter Cars is a party to contracts significant for the implementation of the development strategy of the Company. They include, in particular contracts with suppliers of spare parts determining terms of granting discounts. They are usually concluded for a period of one year.

In the period until the balance sheet the following contracts were binding:

No.	Date of agreement	Party to the contract
1	12-01-2008	Contitech Antriebssysteme GmgH
2	31-01-2008	Delphi Poland S.A.
3	12-02-2008	Egon von Ruville
4	02-06-2008	Federal Mogul
6	23-01-2008	Robert Bosch
7	01-03-2008	SKF
8	27-02-2008	Valeo
9	02-01-2008	Wix-Filtron
10	01-01-2008	ZF Trading

Among contracts significant concerning deliveries of spare parts for an indefinite period of time:

No.	Date of agreement	Page
1	26-01-2005	Triumph Motorcycles LTD

Insurance contract

No.	Date of agreement	Party to the contract	Subject of the contract	Essential terms	Term	Criterion being the basis for considering that a contract is significant/essential
1	09-08-2008	COMPENSA TU S.A.	insurance of property and current assets of the Company	insurance against fire and other natural disasters, from theft with robbery and burglary	08-08-2009	Total sum insured is PLN 623,274 thousand.
2	09-08-2008	COMPENSA TU S.A.	Civil liability insurance	Civil liability insurance under ownership of property and	08-08-2009	PLN 5,000 thousand.

(in PLN '000)

				carrying out activities		

Loan and credit agreements

Contract no. Bank	Date of conclusion	The expiry date	Limit/credit amount	Protection of the contract
1999/20036 Pekao S.A. IV O/Warszawa, ul.Grójecka 1/3; 02-019 Warszawa	30-09-1999	31-12-2008	27 000 000,00	court registration pledge on warehouse inventory in the amount of PLN 27 million along with assignment of rights under their insurance policy; jointly four blank promissory notes with declaration; power of attorney to the bank account; statement on submission to enforcement of cash and enforcement of property
kredyt obrotowy nr 2008/1019601583 Pekao S.A. IV O/Warszawa, ul.Grójecka 1/3; 02-019 Warszawa	27-07-2006	31-12-2008	25 000 000,00	court registration pledge on warehouse inventory in the amount of PLN 25 million along with assignment of rights under their insurance policy; declaration of submission to enforcement; own blank promissory note with declaration; power of attorney to the bank account
kredyt obrotowy nr 2006/1008742132 Pekao S.A. IV O/Warszawa, ul.Grójecka 1/3; 02-019 Warszawa	27-07-2006	31-12-2008	74 500 000,00	court registration pledge on warehouse inventory in the amount of PLN 74.5 million along with assignment of rights under their insurance policy; declaration of submission to enforcement; own blank promissory note with declaration; power of attorney to the bank account
02/379/07/Z/OB Bre Bank S.A. O/Warszawa, ul. Królewska 14; 00-950 Warszawa	25-09-2007	30-09-2008	66 800 000,00	court registration pledge on inventory in warehouse in the amount of PLN 66.8 million along with assignment of rights under its insurance policy; declaration of submission to enforcement; own blank promissory note
60/2007 ABN AMRO Bank (Polska) S.A. ul. 1-go Sierpnia 8A; 02-134 Warszawa	20-12-2007	30-12-2008	50 000 000,00	court registration pledge on inventory in warehouse in the amount of PLN 50 million along with assignment of rights under its insurance policy; statement on submission to enforcement
WAR/3012/05/88/CB Fortis Bank Polska S.A. ul. Postępu 15; 02-676 Warszawa	18-08-2005	05-09-2010	11 000 000,00	Transfer of title to equipment purchased from the credit (equipment to offices and the warehouse in Kajetany) along with assignment of rights under the insurance policy; statement on submission to enforcement
WAR/3012/4/433/CB Fortis Bank Polska S.A. ul. Postępu 15; 02-676 Warszawa	22-12-2004	11-08-2008	42 500 000,00	Transfer of title to inventory in warehouse, in the amount of PLN 34 million along with assignment of rights under the insurance policy; transfer of liabilities under all existing and future trade receivables from debtors indicated in the contract; statement on submission to enforcement
721380004076 Kredyt Bank S.A. ul. Kasprzaka 2/8; 01-211 Warszawa	06-04-2006	05-04-2009	55 000 000,00	Transfer of title to inventory in the amount of PLN 55 million along with assignment of rights under the insurance policy; assignment of receivables of the Borrower from the selected contractors in the minimum amount of PLN 8 million monthly
ING Bank Śląski ul. Sokolska 34, 40-086 Katowice	07-03-2007	31-01-2010	40 000 000,00	court registration pledge on inventory in warehouses in the amount of PLN 40 million along with assignment of rights under its insurance policy; statement on submission to enforcement,
01E1790003 Banque PSA Finance S.A. O/Polska; Plac Bankowy 2; 00-095 Warszawa	18-08-2008	31-08-2008	83 382,03	Share amounting to 49/100 parts in ownership of the vehicle along with alienation

(in PLN '000)

01E1790002 Banque PSA Finance S.A. O/Polska; Plac Bankowy 2; 00-095 Warszawa	18-08-2008	31-08-2008	83 382,03	Share amounting to 49/100 parts in ownership of the vehicle along with alienation

Loan agreements

Date of conclusion of loan contract	Amount of loan	Significant terms of agreement
29-12-2005	5 050 000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of Feber Sp. z o.o.
05-10-2006	500 000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
12-12-2006	500 000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
13-04-2007	600 000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
21-05-2007	2,500,000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
09-07-2007	500 000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of Lauber Sp. z o.o.
22-10-2007	3 900 000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
19-11-2007	3 100 000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
03-12-2007	17 800 000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
08-01-2008	1 200 000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
27-02-2008	1 200 000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of IC Development&Finance Sp. z o.o.
26-03-2008	14 000 000 PLN	Loan contract from Inter Cars intended for running and expanding business activities of Feber Sp. z o.o.
04-05-2005	35 000 EUR	Loan contract from Inter Cars intended for running and expanding business activities of JC Auto S.A.Belgium
01-08-2005	36 000 EUR	Loan contract from Inter Cars intended for running and expanding business activities of JC Auto S.A.Belgium
19-10-2005	30 000 EUR	Loan contract from Inter Cars intended for running and expanding business activities of JC Auto S.A.Belgium
16-12-2005	25 000 EUR	Loan contract from Inter Cars intended for running and expanding business activities of JC Auto S.A.Belgium
20-02-2006	30 000 EUR	Loan contract from Inter Cars intended for running and expanding business activities of JC Auto S.A.Belgium
19-04-2006	40 000 EUR	Loan contract from Inter Cars intended for running and expanding business activities of JC Auto Ssrl.
19-10-2006	15 000 EUR	Loan contract from Inter Cars intended for running and expanding business activities of ICLithuania

Balance of loans for related parties as at 30 June 2008 was PLN 50,604,137.62.

Total loans granted to 18 non-related parties reached the value of PLN 9,274,269.91.

Contracts between shareholders

The Company has no knowledge about any contracts between shareholders.

3. Changes in organizational or equity links

Changes in organizational or equity links in Inter Cars Group in the period from 1 January to 30 June 2008 related to:

- increase in the Share capital in Inter Cars Lietuva by the amount of PLN 494 thousand;
- increase in reserve capital in JC Auto s.r.l. – PLN 1,414 thousand

4. Description of transactions with related parties

Transactions in the Group is presented in Note 9 in the Additional Information.

5. Contracted credits and loans

Credits	amount by contract (limit) *(in PLN)*	Usage *(in PLN)*	date of repayment
Bank Pekao S.A. (Inter Cars)	126 500 000	120 575 876	31-12-2008
Bre Bank S.A. (Inters Cars)	66 800 000	66 800 000	30-09-2008
ABN AMRO Bank (Polska) S.A. (Inter Cars)	50 000 000	49 732 912	30-12-2008
ING Bank Śląski S.A. (Inter Cars)	40 000 000	39 905 298	31-01-2010
Fortis Bank Polska S.A. (Inter Cars)	11 000 000	5 120 690	05-09-2010
Fortis Bank Polska S.A. (Inter Cars)	42 500 000	42 095 988	19-09-2008
Kredyt Bank S.A.	55 000 000	54 605 019	05-04-2009
Banque PSA Finance S.A. (Inter Cars)	83 382	5 279	31-08-2008
Banque PSA Finance S.A. (Inter Cars)	83 382	5 279	31-08-2008
ABN AMRO Bank (Polska) S.A (Feber)	16 000 000	15 468 404	30-12-2008
ABN AMRO Bank (Polska) S.A (Lauber)	4 000 000	3 986 672	30-12-2008
Budapest Autófinanszírozási Rt.(Inter Cars Hungaria)	374 000	190 000	30-07-2010
Fortis Bank SA/NV Hungary (Inter Cars Hungaria)	3 790 000	2 971 598	20-01-2016
	416 130 764	**401 463 015**	

6. Warranties, loans and guarantees granted

Loan agreements

Related parties

The information on the loan contracts for the related parties is presented in item 2 of the statement of operations.

Guarantees and sureties

As at 30 June 2008, the total value of contingent liabilities reached the value of PLN 12,105 thousand

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.	01.09.2008	60
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
		12 105

7. Commercial papers issued

Detailed information is included in Note 15 to the additional information to the semi-annual financial statement.

8. Seasonal or cyclic character of activities

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, steel rims, fuel filters and antifreeze and window washer fluids. 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 (provided that previous purchases are awarded by suppliers with longer payment terms and higher discounts).

The observed regularity is that relatively the bottom sales is recorded in the first quarter of the year.

9. Assessment of financial resources management

The basic financial data of the **Inter Cars S.A.** in the first half of 2008 have been presented in the chart below (two quarters cumulatively):

	1st half-year		
	2008	2007	2008
('000)	PLN	PLN	Euro
Profit and loss statement (for period)			
Sales revenues	724 049	528 464	208 204
Gross Profit (Loss) on sales	210 125	145 056	60 423
Costs of management option program	(449)	(1 665)	(129)
Financial revenue and cost, net	(11 510)	(4 242)	(3 310)
Profit (loss) on operating activities	39 030	34 390	11 223
Net Profit (loss)	17 959	24 284	5 164
Balance (at the end of period)			
Cash and cash equivalents	16 271	12 983	4 851
Balance sheet total	1 141 523	518 069	340 326
Loans, borrowings, financial Leasing	424 690	248 313	127 125
Equity capital	409 665	142 373	122 135
Other financial information			
Cash flow on operating activities	29 180	(38 461)	29 292
Cash flow on investment activities	(26 188)	(4 053)	(8 006)
Cash flow on financial activities	(395)	44 236	(20 539)
Basic earnings per 1 share	1,31	2,05	0,38
Sales margin (1)	29%	27,4%	
EBITDA margin (2)	6,9%	7,6%	

(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 the first half of 2008 were **37% higher** than revenues in the same period of 2007. Share of export in revenues from sales of goods reached the level of approximately 20%.

Gross profit on sales was higher by 44% as compared to the first six months of 2007. **The profit margin on sales** in 2008 increased to 29% from 27.5% in 2007. Realized positive exchange rate differences amounting to total PLN 2,854 thousand were entered to prime cost in 2008.

The chart below

	1st half-year	
('000)	**2008**	**2007**
Depreciation ………	10 761	5 862
consumption of materials and energy ………	4 843	2 495
external services ………	118 044	78 027
Including: Distribution services ………	*80 179*	*60 056*
taxes and fees ………	970	359
Remuneration ………	30 819	17 094
Including: Costs of management option program ………	*449*	*1 665*
social security and other benefits ………	6 854	3 394
other costs by type ………	5 178	4 219
Total costs by type ………	**177 469**	**111 450**

presents the structure of costs **by type**:

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 the first half of 2008 increased by 59% as compared to the first six months 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 61% as compared to the same period of 2007.

Financial revenues and costs include, first of all, costs and revenues under interest. In particular, in the first half of 2008 the Company incurred costs on this account amounting to PLN 11,821 thousand. **Liabilities under credits, loans, debt securities and financial lease** as at 30 June 2008 reached the total value of PLN 424,690 thousand. The balance on account of issued debt securities as at 30 June 2008 amounted to PLN 71,400 thousand. The result is affected to a large extent by **exchange rate differences**. Total in the first half of the year 2008, in the result PLN 2,836 thousand under negative exchange rate differences were entered.

Charges on account of income tax include input income tax amounting to PLN 5,846 thousand and changes in the value of deferred income tax assets and provisions, reducing tax charges in the period by PLN 2,002 thousand. The growth in income tax liabilities results from the fact that the Company applies the possibility of a lump settlement of income tax. Input tax in the first half of the year is to a significant degree a derivative of cash settlement of discounts.

Basic financial data of the Inter Cars Group in the first half of 2008 are presented in the table below:

	1st half-year		
	2008	2007	2008
('000)	PLN	PLN	Euro
Profit and loss statement (for period)			
Sales revenues …………………………………………………….	847 198	608 989	243 616
Gross Profit (Loss) on sales ………………………………………….	258 142	170 781	74 230
Costs of management option program ………………………………….	(449)	(1 665)	(129)
Financial revenue and cost, net ………………………………………….	(12 276)	(4 597)	(3 530)
Profit (loss) on operating activities ………………………………………	49 173	42 749	14 140
Net profit (loss) …………………………………………………………….	29 287	30 347	8 422
Balance (at the end of period)			
Cash and cash equivalents ………………………………………………	31 516	19 068	9 396
Balance sheet total …………………………………………………………	1 212 312	553 298	361 431
Loans, borrowings, financial Leasing ………………………………………	517 446	255 485	154 268
Equity attributable to the shareholders of the parent company …	425 259	141 571	126 784
Minority capital …………………………………………………………….	1 421	1 666	424
Other financial information			
Cash flow on operating activities ……………………………………	23 005	(31 140)	6 615
Cash flow on investment activities ……………………………………	(20 942)	(9 711)	(6 022)
Cash flow on financial activities ……………………………………	3 844	45 474	1 105
Basic earnings per share …………………………………………………	2,22	2,58	0,66

Sales margin (1) …………………………………………………………	30,5%	28%
EBITDA margin (2) …………………………………………………………	7,2%	8,1%

(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 the first half of 2008 were **higher by 39%** than in the same period of 2007. The revenues of Inter Cars were approx. 78% 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 half-year 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.

1 half-year ('000 PLN)	***2008***	***2007***
Lauber	5 109	2 486
O-Service	16 566	12 069
Inter Cars Ukraina	32 884	22 670
Inter Cars Ceska Republika	36 503	27 774
Feber	65 135	44 853
IC Litwa	5 903	2 296
IC D&F	142	22
Inter Cars Slovenska Republika	23 593	14 208
JC Auto s.r.l.	2 077	-
Inter Cars d.o.o.	6 365	-
Inter Cars Hungária Kft.	3 267	-
JC Auto S.A.	2 951	-
Armatus sp. z o.o.	-	-
JC Auto s.r.o.	118	-
Total	**200 613**	**126 378**

Total sales revenues of subsidiaries were approx. 60% higher in 2008 as compared to 2007 (before consolidation exclusions). The highest sales growth (by value) was recorded by Feber and Inter Cars Ukraine.

The gross profit on sales increased by 51% in the first half of 2008 as compared to the same period of the previous year. Higher profit growth rate, as compared to the growth rate in sales revenues, resulted from increase in sales margin in 2008 to 30.4%, from 28.1% in 2007. Total in the first 1 half of the year 2008, in the result PLN 3,839 thousand were entered under positive foreign exchange differences.

The structure of **costs by type** has been presented in the chart below (cumulative data for two quarters):

	1st half-year	
('000)	**2008**	**2007**
Depreciation ………………………………………………………………………	12 001	6 694
consumption of materials and energy ………………………………………………	9 072	4 730
external services …………………………………………………………	132 826	87 735
Including: Distribution services ……………………………………………………	*89 758*	*60 056*
taxes and fees ………………………………………………………………	1 300	480
Remuneration ………………………………………………………………	37 649	20 173
Including: Costs of management option program ……………………………	*449*	*1 665*
social security and other benefits ………………………………………………	8 974	4 193
other costs by type ………………………………………………………	6 889	5 523
Total costs by type ………………………………………………………	**208 711**	**129 528**

Total **costs by type** in 2008 increased by 61.4% 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. 75% as compared to 2007.

The costs of interest on account of bank credits, loans as well as financial lease amounted to PLN 12,403 thousand in the first half of 2008. In 2008, the result was reduced by PLN 1,857 thousand under negative exchange rate differences.

10. Assessment of the possibility to implement the intended investments

Expenditures on purchases and modernization of tangible fixed assets in the first half a year amounted to PLN 29,192 thousand in 2008. Expenditures were incurred on purchase of replacement fixed assets.

The investment plan for 2008 envisages investment expenditures in tangible fixed assets, such as replacement and modernization of means of transport and modernization of management support computer system. The plans of the Board of Directors for 2008 is also expansion of the office space in Kajetany and construction of a regional warehouse in Lublin. The planned cost of these investments is PLN 70 million and PLN 30 million, respectively. Total investment restoration outlays in 2008 are estimated at an amount equal to annual depreciation. They will be covered from own funds of the Company.

11. Factors and non-standard events influencing result

In the Opinion of the Board of Directors, in the first half of 2008, no non-standard events occurred which could affect the financial results.

Other factors that affected the financial result are presented in the comments to the results.

12. External and internal factors, essential for activities

According to the Board of Directors, the most important internal factors affecting current and future financial results include:

(i) On February 29, 2008 the registration court competent for the Company, i.e. District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register entered into the register of entrepreneurs the Company's merger with JC Auto S.A., with registered office in Warsaw, entered into the register of entrepreneurs of the National Court Register under KRS number 0000185481.

(ii) The appreciation of PLN as compared to EUR was particularly significant for the dynamics of sales results in Inter Cars, achieved in Poland in the first half of 2008. The appreciation of the domestic currency affects reductions in PLN prices with the lack of domestic supply of spare parts. As a result, the more than 16% increase in sales recorded in the first half by Inter Cars S.A., counted in the volume of sales, would amount to nearly 30%.

(iii) The appreciation of PLN as compared to EUR means also that the gross margin on sales - both the percentage and the value one - realized by the Company is lower than that which may be obtained in the conditions of a stable exchange rate.

(iv) A positive aspect of appreciating PLN are positive exchange rate differences which are created as a result of payments with deferred payment date offered by "Premium" manufacturers mainly for European brands.

(v) The negative dynamics of export sales to Ukraine affected largely the Company's results in the first half of the year. The good results of Inter Cars Ukraine were insufficient to fully compensate the reduced domestic turnover with customers from Ukraine.

(vi) In the first half of 2008 we could observe a significant deterioration in the economic situation on the transport and shipping market. Strong PLN, increase in fuel prices and remuneration pressure affected transport companies. As a result, the dynamics of sales for trucks, a significant segment of the activities of Inter Cars, decreased.

(vii) Feber recorded a high, 45% sales growth dynamics in the first half of 2008, as compared to the same period in 2007. The improvement in results is limited, however, by the poorer economic situation on the market of transportation related to the construction industry and, in particular, to the road infrastructure.

(viii) The Company opened next branches - total 8, in the first half-year, which means that as at 30 June 2008 it operated 116 branches. As at 30 June 2007 – 88. The Capital Group has a sales network of total 160 branches.

(ix) 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 system. Additionally, the Company implements projects regarding development of product lines in niche areas for the Group.

13. Events which can significantly affect the future financial results of the Issuer

The most important factors which, according to the Board of Directors, will affect the financial results in the third 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.

14. Changes in basic Group management principles

In the first half of the year 2008 there were not important changes in the basic principles of managing the Group.

Changes in the Group's structure, related to its expansion by new entities, have been presented in the statement of operations.

15. Changes in the composition of executives and supervisors of the company throughout the last financial year, principles of appointment and dismissal of executives as well as rights of executives, in particular the right to make decision on issue or redemption of shares

On 31 July 2008, Mr. Tomasz Zadroga, Board Member, Finance Director, resigned from the position of Member of the Board of Directors in Inter Cars S.A. As of 31 July 2008, the responsibilities of the Finance Director were taken over by Piotr Kraska - Board Member in Inter Cars S.A.

16. Contracts concluded between the Company and executives

As at 30 June 2008, among companies of the Group and executives no contracts were concluded, providing for compensation in the event of their resignation or dismissal from their positions without a valid cause or when their dismissal would proceed for a reason of merging the Issuer by takeover. Members of the Board of Directors of the parent entities are entitled to 6 month notice period of contracts of employment.

17. Value of remuneration, awards or benefits, including resulting from motivation or bonus programs based on the company's equity, separately for each executive and supervisor in the company, regardless whether or not they were accordingly charged into costs or resulted from the profit distribution

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 execution of the strategy of the Capital Group, which is referred to below. Detailed data has presented in item 19 to the consolidated financial statement.

The amount of the members of executive bodies and supervisory bodies of the Group entities was presented in Note 9 to the additional information to the consolidated financial statement.

18. Information on shares and stocks in a parent entity and subsidiaries and related rights

Shares of the Issuer and shares in related parties owned by executives and supervisors

Supervisors and executives have total 7,129,143 shares, being 52% of votes at the General Meeting of Inter Cars.

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

Dividend

(in PLN '000)

No entity in the Group paid dividend in the first half of 2008.

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 one share. Day of granting the right to dividend is 5 August 2008, and the dividend payment day is 21 August 2008.

List of shareholders holding at least 5% of the total number of votes as at the day of 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	36,30%	36,30%
Andrzej Oliszewski	1 500 000	3 000 000	10,95%	10,95%
AIG Otwarty Fundusz Emerytalny	1 062 770	2 125 540	7,76%	7,76%
ING Otwarty Fundusz Emerytalny	745 342	1 490 684	5,44%	5,44%
Michał Oleksowicz	720 000	1 440 000	5,26%	5,26%

19. Entity authorized to conduct the audit financial statements

On 30 June 2008, the Company signed a contract with KPMG Audyt Sp. z o.o. for audit and review of the semi-annual financial statement for 2008. Total remuneration under the contract is PLN 450 thousand.

In the year 2007, the Company entrusted auditing the annual and review of the semi-annual financial statement to KPMG Audyt Sp. z o.o.; total remuneration amounted to PLN 305 thousand.

20. Employee program control system

The Motivation Program is in the additional information to the financial statement.

Executive and supervisory bodies

Executive and supervisory bodies as at 30 June 2008 consisted of:

Supervisory Board

Andrzej Oliszewski, the Chairman

Jolanta Oleksowicz-Bugajewska

Maciej Oleksowicz

Michał Marczak

Wanda Oleksowicz (until 28 February 2008)

Jerzy Grabowiecki (from 29 February 2008)

The composition of the Company's Supervisory Board changed because of the merger of Inter Cars with JC Auto. The change is related to resolution No. 4 of 14 November 2007 of the Extraordinary General Meeting of Inter Cars S.A. On 28 February 2008, Wanda Oleksowicz resigned from membership in the Supervisory Board, while on 29 February 2008 Jerzy Grabowiecki was appointed to the body. The number of peoples in the Company's body remained unchanged.

After the balance sheet date, 18 July 2008, the Ordinary General Meeting dismissed Mr. Jerzy Grabowiecki from the position of a member of the Supervisory Board of the Company, and appointed a new member, Jacek Klimczak, about which the company informed in the current report No. 98/2008.

Management Board

Krzysztof Oleksowicz, the President

Robert Kierzek, Deputy President

Krzysztof Soszyński - Member of the Management Board,

Wojciech Milewski – Member of the Management Board

Piotr Kraska Member of the Management Board

Tomasz Zadroga - Board Member

(in PLN '000)

Pursuant to resolution of Supervisory Board, two new members were appointed to the Board of Directors of Inter Cars SA.: Mr. Jerzy Józefiak and Mr. Szymon Getka, about which the Company informed in the form of the current report No. 24/2008 on 28 February 2008. The term of office of the Board of Directors' new members began as at entering to the register of entrepreneurs the merger of the Company with the company JC Auto S.A. On 21 April 2008, about which the Company informed in the form of the current report No.58/2008 and No. 59/2008, Mr. Jerzy Józefiak and Mr. Szymon Getka resigned from performing functions of members of the Board of Directors.

Tomasz Zadroga resigned from membership in the Board of Directors, Finance Director on 31 July 2008. As at that day, Piotr Kraska - Member of the Board of Directors of Inter Cars S.A., took over the responsibilities of Finance Director.

Employment

As at 30 June 2008, Inter Cars S.A. employed 1.296 people. The Group employed 2,061 people.

As at 30 June 2007, Inter Cars S.A. employed 714 people. The Group employed 1,168 people.

21. Environment protection policy

Inter Cars does not run any activities whose effects would pose a threat to the natural environment. In connection with the above, the Company is not encumbered with any obligations concerning expenditure on the natural environmental protection.

As at 30 June 2008 the Company has permits related to the environmental protection - administrative decisions - whose description is included in the table below:

No.	Number and date of decision	The issuing authority	Area of application	Substantive scope of decision
1	Decision No 62 dated 27.05.2003 r. (ŚR-7634/30/1/03)	County Governor of Nowy Dwór Mazowiecki	Cząstków Mazowiecki, ul. Gdańska 15, gm. Czosnów	Permit for generation and storage of hazardous waste, such as: hydraulic oils, oiled cleaning agent, oil filters, used light sources, lead-containing batteries.
2	Decision No 123/2003 dated10.12.2003 r. (ŚR-6210/19/2/2003)	County Governor of Nowy Dwór Mazowiecki	Cząstków Mazowiecki ul. Gdańska 15, gm. Czosnów	The water legal permit for intake of underground water from the quaternary formations from an intake in Cząstków Mazowiecki for household and utility purposes, except for food purposes, as well as watering greenery and for the purposes of water treatment.

Subsidiaries of Inter Cars conduct their activities according to the environmental protection requirements. More detailed information on this issue has been included in item 1 of the Statement of operations.

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

The Group did not publish forecasts for 2008.

23. Risk and hazard factors, with specification of the degree of the issuer's exposure

Risk associated with change in the discount policy by manufacturers of spare parts

An important item in the result of the Group covers discounts granted by manufacturers of spare parts. The discount policy rewards recipients making valuably significant purchases. Possible change in this policy, consisting in reduction in the value of discounts or even resignation from their use, would result in a significant deterioration of the Group's results.

In the opinion of the Board of Directors, this situation is, however, hardly likely, and the Group, as a significant recipient, may count on at least equally attractive terms in the future. Possible resignation from discounts would mean most likely reduction in prices of purchase and growth in selling price, namely maintenance of the level of margin earned due to the purchase strength of the Group and significant to replace sources of supply.

Risk associated with adoption of improper strategy

The market where the Group conducts activities is subject to constant changes the direction and intensity of which depend on a number of often mutually exclusive factors. In this situation, the future position of the Group, namely, as a result, revenues and profits, depend on capacity of the Group to develop a strategy which would be effective in the long run. Any possible inapt decisions resulting from improper assessment of the situation or inability to adapt the Group to dynamically changing market conditions may bring about significant adverse financial effects.

To minimize risk of such hazard, a continuous current analysis is conducted of all the factors determining the selection of strategy in two perspectives: short term, including terms of supply, and long-term, including strategy of creation and development of sales network so as to ensure maximally precise determination of the direction and nature of changes in the market environment.

Risk associated with changing demand structure

The Group maintains defined stock balances in the wide assortment of goods. Purchases executed by the Group are a function of assessment of the market demand for different assortment groups and as such are exposed to the risk of a wrong assessment of the market or changes in the structure of demand. Possible changes in demand, in particular rapid decrease in the demand for specified groups of goods in the case of previous significant purchases will mean that the Group will suffer significant losses related to freezing working capital or the need to apply discounts of significant value.

In the opinion of the Board of Directors, the occurrence of this type of hazard is unlikely due to domination of linear tendencies of changes in the demand for offered goods. In addition, the Group conducts active policy of working capital management, which has resulted in maintaining stock items of particular goods of low value (organization of deliveries from manufacturers ensuring execution of orders in a relatively short period of time). Additionally, the offer of the Group does not include parts to cars produced in countries of the former Eastern Bloc, phased-out, namely the risk of investing funds in stock of spare parts to a decadent segment of cars has been eliminated.

Risk associated with seasonal sales

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. Goods that are most susceptible to seasonal, short-term sales, such as e.g. winter tires, are ordered with suppliers a few months before the intended period of more intense sales, in view of which, in the case of exceptionally adverse meteorological phenomena, sales of seasonal goods may be substantially lower than the expected one, having, in consequence, adverse impact on financial results of the Group.

Risk associated with bank credits

Bank credits are significant for financing of the Group's activities. As at 30 June 2008, the Group's debt under bank credits, bonds and financial lease was PLN 517,814 thousand. Credits incurred by the Group are interest-bearing at a variable interest rate, thus a possible significant growth in interest rates and, as a result, base rates of credits, by increase in financial costs, would result in reduction in return and the Group's capacity to work out finds which could be used to finance further development, and, in an extreme case, would pose a threat to maintenance of liquidity. Another type of risk associated with bank credits is the risk of loss or refusal of credit lines. Possible reduction in the possibility of financing activities by means of credits bank as a result of termination some contracts or refusal of their submission will have a significant adverse impact on the development possibilities of the Group, its liquidity and financial results.

The Board of Directors undertakes actions aimed at minimizing this risk factor diversifying the sources of obtaining credits. Taking into account the present level of profit on operating activities and the current level of payment coverage on account of interest, it is unlikely, according to the Board of Directors, that base interest rates will be increased to the level resulting in a significant decrease in the Group's return and the hazard to its liquidity.

Risk associated with initiation of competitive activities towards the Group by an entity that operated a branch

Any possible initiation of activities competitive towards the Group by an entity that terminated or with which a contract for operation of a branch was terminated, consisting in takeover of contacts with recipients, would have a serious adverse impact on sales results in a given region.

In order to minimize this kind of risk in contracts concluded with the entities operating branches high penalties were stipulated in the case of initiating competitive activities following termination of the contract.

Software Risks

Operating activities is based on efficiently operating on-line computer system. Any possible problems with its correct operation would mean reduction in the volume of sales or even inhibit sales.

As a result, it would have adverse impact on financial results of the Group.

In order to prevent the occurrence, the Group introduced relevant procedures in case of failure of the system, including the principles of creating backups of data and their restoring and emergency server (, along with necessary network accessories) and emergency links.

Risk associated with independent workshop's failure to adapt to the market requirements

In connection with growing complication of particular subassemblies of manufactured cars, the requirements with regard to operation and repair are growing, both with regard to knowledge and preparation of mechanics and technical equipment of work posts. Independent workshops will be forced thus to improve their qualifications and invest in equipment to be able to service new models of cars. A possible insufficient development of independent workshop's capacities will restrict the target market of the Group and will have adverse impact on its financial results.

In the opinion of the Board of Directors, a counterbalance will be continuously growing commitment of distributors and manufacturers of spare parts in equipping and funding equipment of independent workshop, the possibility of close cooperation between authorized workshop and independent workshops and the right to access technical information of manufacturers themselves for all parties on equal rights (under new provisions), facilitating transfer of know-how to independent workshops. In the long run, we may even expect a selection of independent workshops, i.e. elimination of the weakest ones and workshops development of the ones having the best facilities, namely, in fact, strengthening of the segment of independent workshops, in spite of possible, short-term adverse changes in value of this market segment. Additionally, increase in import of second-hand cars to Poland following its accession to the European Union, will increase demand for services of economical, small workshops, allowing them thereby further growth and accumulation of necessary knowledge and capital.

Risk related to large foreign entities, specializing in wholesale of car parts, entering the Polish market

Market of independent distribution of spare parts in Poland is dominated by businesses with Polish capital. The size of this market and its good prospects surely mean growing probability of foreign distributors of parts entering the market which, offering more favourable purchase terms, may dominate a significant part of the market. Possible increased competitive pressure will have an unfavourable effect on results of the Group, and, in an extreme case, may result in important limitation in the possibility of growth and even decrease in the value of revenues and profits. Another type of risk related to large foreign distributors entering the Polish market is the risk of loss of strategic suppliers for which selected foreign distributors are a much greater recipient.

In the opinion of the Board of Directors, such this hazard is insignificant. Possible expansion in Poland can proceed, first of all, through acquisition of the existing entities, thus growth in competitive pressure will be most likely insignificant, although it may result in reduction in average level of margins.

In view of the foregoing, the Board of Directors will aim at permanent and dynamic sales value growth, so that it was possible to maintain at least the current level of profits, in spite of possible reduction in return. In addition, loss of the possibility of making purchases with particular strategic suppliers as a result of emergence on the Polish market of foreign entities, distributors of these manufacturers in other countries, is limited in view of the fact that manufacturers of parts aim at diversification of sales channels.

Risk associated with diversification of sales channels by manufacturers of spare parts

An important element of the sales strategy of manufacturers of spare parts is a diversification of wholesale sales channels, due to which particular distributors, including the Group, have restricted possibility of increasing market share. In the opinion of the Board of Directors, the Group may achieve maximum share in the Polish market of spare parts (in the independent segment) of 25 - 30%. Achieving this level means that further growth in revenues in Poland will be possible only by growth in the value of the whole market, namely the Group's revenues will become more sensitive to changes in the market environment without a significant possibility of growth by consolidation of the market.

Thus the Board of Directors takes actions aiming at development of a model of activities enabling widening permanently the assortment of the Group's offer, including developing new segments, as e.g. equipment of workshops, fleet management, trailers assembly. In addition, a counterbalance, for the expected constraints on the Polish market is expansion of activities to neighbouring countries, in particular Ukraine, the Czech Republic, Slovakia and Lithuania.

Risk associated with takeover of the production of spare parts by car manufacturers

As it seems from information available, some manufacturers of vehicles consider the possibility to increase the scale of production scale of car parts. Currently, in EU member countries, approximately 20% -23% of spare parts come from car manufacturers. Unless access to parts manufactured by car manufacturers is possible for all prospective buyers, under the new regulations, the terms of their purchase, most likely, would be less favourable than the terms of purchase of parts from specialized spare parts manufacturers, as it is the case in the present model, i.e. manufacturing of parts for the first assembly and to the secondary market by the same parts manufacturers. Additionally, change in the present model of spare parts production would limit the value of the segment of original spare parts delivered by the parts manufacturers. For the Group this situation would have significant negative impact on financial results.

However, due to far advanced specialization in developing and producing parts (implicating also the ability to offer competitive prices), such scenario is hardly likely in the opinion of the Board of Directors.

Risk associated with acquisition of the network of independent distribution of spare parts by manufacturers of spare parts

Any possible acquisition of independent distributors of spare parts by manufacturers of these parts would mean critical changes in the model of distribution of parts delivered by particular entities, consisting in limiting their sales to other networks, including sales of the Group. In this situation the Group could lose particular sources of supply with parts, which would limit the size of the offer and worsen competitive position of the Group.

However, owing to that the manufacturers of parts aim at the diversification of sales channels and a the degree of replacement of sources of supply is large, in the opinion of the Board of Directors this risk factor should not be a significant hazard for the market position of the Group and achieved financial results.

Risk associated with the macroeconomic situation

The last period is characterized by improvement in dynamics of development of the Polish economy but there is no confidence that actions undertaken by the government of the Republic of Poland will bring a constant improvement in expectations of business entities in a long run. Growth trends are endangered by a number of internal and external macroeconomic factors. Any possible deterioration of the economic situation in Poland would have indirect, negative impact on results of business activities of Group.

Similarly, the development of operating activities outside the borders of Poland exposes the Group to risks typical of new target markets, in particular in Ukraine, the Czech Republic, Slovakia, Belgium, Italy, Croatia, Lithuania and Hungary. Any possible deterioration of the economic situation in this countries would have indirect, negative impact on results of business activities of Group.

Risk associated with the structure of foreign recipients

The vast majority of export sales are carried out to minor, foreign recipients who arrange on their own transport of goods beyond the borders of Poland. Most of these recipients come from Ukraine, due to which a substantial part of sales of the Group is exposed to risk typical of recipients' countries, such as: changes in volume and structure of the market of spare parts, changes in the purchasing power of the population, stability of economic and political systems in those countries. Any possible unfavourable changes in those countries which would bring reduction or resignation from purchases made by these entities would have a negative impact on the Group's financial results.

Risk associated with activities regarding regeneration of spare parts

The risk associated with these activities covers, above all: risk related to failures of IT solutions supporting control and management, the risk associated with the need to maintain high stock of production materials and, at the same time, the risk associated with their impairment in the case of changing customer preferences or growing competitive pressure by other entities, the risk associated with activities based on the system of orders without permanent contracts with key recipients as well as the risk related to a permanent increase in competitive pressure, including from manufacturers of cheap parts (Far East).

Risk associated with emigration of workforce

Facilities with regard to undertaking work in the European Union by citizens of the Republic of Poland have increased substantially the scale of the so-called "labour-related emigration". .

The effect of this phenomenon are problems with acquisition of new employees and maintenance of the present ones without significant changes in the level of remuneration. In connection with the above, the entities of the Group may be forced to increase significantly the level of remuneration the direct effect of which is reduction in return on operating activities . In order to counteract the negative effects of this phenomenon, the Group undertakes actions aiming at increase in the degree

of the use of modern work tools which enable automation of a number of processes and, at the same time, slowdown in rate of growth of the number of the employed.

Risk associated with development of subsidiaries

Subsidiaries are created in countries with reasonable probability of obtaining satisfactory return on invested capital. In practice, the parent Company involves valuably significant funds in the development of activities on completely new markets, characterized by different specific character of many significant aspects of operating activities. In consequence, risk associated with these investments is relatively greater than investment of these funds in further development of activities in Poland where the parent Company has the largest competences and resources, and the position.

In order to reduce this risk, the parent entity employs each time for cooperation specialists knowing the local markets and carries out necessary feasibility analyses along with appropriate estimates of risks associated with activities on a new market. At the same time, increasing the geographical range of activities, the parent Company obtains the possibility of diversifying the risk associated with activities in the area of one country, in particular Poland.

24. Indication of averages exchange rates

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

	2008	2007
exchange rate as at 30 June …………………………………	3,3542	3,7658
average exchange rate for the period from 1 January to 30 June	3,4776	3,8486

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 30.06.2008 being average EUR exchange rate valid as at 30.0620.08, announced by the President of the National Bank of Poland

Krzysztof Oleksowicz

President of the

Management Board

Robert Kierzek
Vice President of the Management Board

Wojciech Milewski
Member of the Management Board

Krzysztof Soszyński:
Member of the Management Board

Piotr Kraska
Member of the Management Board

PART IV

SEPARATE SEMI-ANNUAL FINANCIAL STATEMENT OF INTER CARS S.A. FOR THE PERIOD OF 1 JANUARY TO 31 DECEMBER 2008

(in PLN '000)

BALANCE SHEET

(in thousands of PLN)	**30.06.2008**	**31.12.2007**	**30.06.2007**
ASSETS			
Fixed assets			
Tangible fixed assets	134 372	72 011	62 225
Intangible assets	152 635	7 000	443
Investment properties	2 660	11 145	-
Investments in associated companies	33 458	30 876	15 297
Investments available for sale	43	43	43
Receivables	51 959	31 192	2 668
Deferred tax assets	-	-	4 381
	375 127	**152 267**	**85 057**
Current assets			
Inventories	502 321	411 522	280 028
Trade and other receivables	242 701	188 934	138 651
Income tax receivables	-	-	-
Prepayments	2 406	1 752	1 350
Cash and cash equivalents	16 271	13 173	12 983
	763 699	**615 381**	**433 012**
TOTAL ASSETS	**1 138 826**	**767 648**	**518 069**
LIABILITIES			
Equity capital			
Share capital	27 392	23 642	23 642
Supplementary capital from the issue of shares above the face value	246 415	21 415	21 415
Supplementary capital	65 163	65 163	49 117
Other supplementary capital	5 640	5 192	3 527
Retained result from previous years and the current year	65 055	47 095	44 672
	409 665	**162 507**	**142 373**
Long-term liabilities			
Borrowings and finance lease liabilities	80 476	38 748	3 059
Provision for deferred income tax	8 474	1 077	3 797
	88 950	**39 825**	**6 856**
Short-term liabilities			
Trade and other liabilities	210 242	244 039	112 814
Borrowings and finance lease liabilities	414 633	304 737	245 254
Liabilities due to employee benefits	2 992	437	1 315
Liabilities due to income tax	4 069	8 727	6 202
Provisions	1 022	574	1 232
Short-term prepaid expenses	7 253	6 802	2 023
	640 211	**565 316**	**368 840**
TOTAL LIABILITIES	**1 138 826**	**767 648**	**518 069**

PROFIT AND LOSS STATEMENT

(in thousands of PLN)

	1.01.2008 - 30.06.2008	1.01.2007 - 30.06.2007
Sales revenue on sales of products, goods and materials	724 049	528 464
Cost of sold products, commodities, and materials	(513 924)	(383 408)
Gross profit on sales	**210 125**	**145 056**
Other operating revenue	12 073	3 960
General administrative and sales cost	(96 841)	(54 871)
Distribution service costs	(80 179)	(54 914)
Costs of management option program	(449)	(1 665)
Other operating costs	(8 581)	(3 176)
Operating profit	**36 148**	**34 390**
Financial revenue	2 532	613
Foreign exchange differences	(2 836)	599
Financial costs	(14 040)	(4 855)
Pre-tax profit	**21 804**	**30 747**
Income tax	(3 844)	(6 463)
Net profit	**17 960**	**24 284**
Profit per one share (PLN)		
- basic	1,37	2,05
- diluted	1,35	2,02

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

(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**
Owner's equity as at 1 January 2007	**23 642**	**21 415**	**49 117**	**1 862**	**20 388**	**116 424**
Profit for the period	-	-	-	-	24 284	**24 284**
Profit distribution - transfer to supplementary capital	-	-	-	-	-	**-**
Establishment of supplementary capital in connection with realization of the management option program	**-**	**-**	**-**	**1 665**	**-**	**1 665**
Owner's equity as at 30 June 2007	**23 642**	**21 415**	**49 117**	**3 527**	**44 672**	**142 373**

(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**
Owner's equity as at 1 January 2007	**23 642**	**21 415**	**49 117**	**1 862**	**20 388**	**116 424**
Profit for the period	-	-	-	-	46 773	**46 773**
Distribution of profit from previous period - dividend	-	-	-	-	(4 019)	**(4 019)**
Distribution of profit from the previous period - transfer to supplementary capital	-	-	16 046	-	(16 046)	**-**
Establishment of supplementary capital in connection with realization of the management option program	**-**	**-**	**-**	3 330	**-**	**3 330**
Owner's equity as at 31 December 2007	**23 642**	**21 415**	**65 163**	**5 192**	**47 095**	**162 507**
Profit for the period	-	-	-	-	17 960	**17 960**
Issue of shares in connection with the merger with JC Auto	**3 750**	**225 000**	**-**	**-**	-	**228 750**
Establishment of supplementary capital in	**-**	**-**	**-**	**448**	**-**	**448**

(in PLN '000)

connection with realization of the management option program						
As at 30 June 2008	**27 392**	**246 415**	**65 163**	**5 640**	**65 055**	**409 665**

CASH FLOW STATEMENT

(in thousands of PLN)	**1.01.2008 - 30.06.2008**	**1.01.2007 - 30.06.2007**
Cash Flow on operating activities		
Profit (loss) before taxation	21 804	30 747
Adjustment by items:		
Depreciation	10 761	5 862
Foreign Exchange Differences (Profit) / Loss	45	(771)
(Profit)/loss on sales of tangible fixed assets	(4 616)	(71)
Interest, net	10 137	3 896
Other net items	449	1 666
Operating profit before changes in working capital	**38 580**	**41 329**
Change in inventories	(88 101)	(72 170)
Changes in receivables	(14 762)	(22 754)
Change in short-term liabilities	104 679	17 389
Changes in accruals and prepayments	(191)	(690)
Cash generated on operation activities	**40 205**	**(36 896)**
Paid income tax	(11 025)	(1 565)
Net cash flow on operating activities	**29 180**	**(38 461)**
Cash Flow on investment activities		
Cash revenues on sales of tangible assets and intangibles	15 955	166
Value of intangible and fixed assets purchased	(18 728)	(4 353)
Purchase of cash from JC Auto less costs of purchase	501	-
Purchase of interest in associated companies	(1 908)	(3 477)
Repayment of granted loans	9 401	6 816
Loans granted	(31 534)	(3 461)
Interest received	626	256
Net cash on investment activities	**(25 687)**	**(4 053)**

(in thousands of PLN)	1.01.2008 - 30.06.2008	1.01.2007 - 30.06.2007
Cash Flow on financial activities		
Cash inflows on credits and loans	-	51 721
Payments under financial lease contracts	(4 360)	-
Repayment of loans and credits	15 786	(3 213)
Interest paid	(11 821)	-
Dividend paid	-	(4 272)
Other net items	-	-
Net cash on financial activities	**(395)**	**44 236**
Change in cash and net cash equivalents	**3 098**	**1 722**
Cash and cash equivalents at the beginning of the period	**13 173**	**11 261**
Cash and cash equivalents at the end of the period	**16 271**	**12 983**

Accounting principles

The accounting principles applied by Inter Cars are the same as the Group's (which are described in item 1 of the additional information to the consolidated semi-annual financial statement of the Group) except for shares in subsidiaries that are valued at the historical cost, less write-downs.

Explanatory note

Inter Cars in the additional information to the consolidated semi-annual financial statement of the Group included, in the opinion of the Board of Directors, all critical information necessary for proper assessment of the Company's assets and financial position and result for the period from 1 January 2008 to 30 June 2008, in respect of which the separate financial statement of Inter Cars should be read together with the consolidated semi-annual financial statement of the Group.

Krzysztof Oleksowicz
President of the Management Board

Robert Kierzek
Vice President of the Management Board

Wojciech Milewski
Member of the Management Board

Krzysztof Soszyński:
Member of the Management Board

Piotr Kraska
Member of the Management Board

Julita Pałyska

Person responsible for keeping the accounting books

PART V

REPORT ON THE AUDIT OF SEPARATE SEMI-ANNUAL FINANCIAL STATEMENT