



**Inter Cars S.A.**

**Opinion and Report  
of the Independent Auditor  
Financial Year ended  
31 December 2011**

The opinion contains 2 pages  
The report supplementing the auditor's opinion  
contains 9 pages  
Opinion of the independent auditor  
and report supplementing the auditor's opinion  
on the separate financial statements  
for the financial year ended  
31 December 2011

*This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.*

## **OPINION OF THE INDEPENDENT AUDITOR**

*To the General Meeting of Inter Cars S.A.*

We have audited the accompanying separate financial statements of Inter Cars S.A., seated in Warsaw, ul. Powińska 64 (“the Company”), which comprise the separate statement of financial position as at 31 December 2011, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes to the financial statements, comprising of a summary of significant accounting policies and other explanatory information.

### *Management’s and Supervisory Board’s Responsibility for the Financial Statements*

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by European Union and with other applicable regulations and preparation of the Report on the Company’s activities. Management of the Company is also responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) (“the Accounting Act”), Management of the Company and members of the Supervisory Board are required to ensure that the financial statements and the Report on the Company’s activities are in compliance with the requirements set forth in the Accounting Act.

### *Auditor’s Responsibility*

Our responsibility, based on our audit, is to express an opinion on these financial statements and whether the financial statements are derived from properly maintained accounting records. We conducted our audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by the Polish National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accounting records from which they are derived are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Opinion*

In our opinion, the accompanying separate financial statements of Inter Cars S.A. have been prepared and present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2011 and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, are in compliance with the respective regulations and the provisions of the Company's articles of association that apply to the Company's separate financial statements and have been prepared from accounting records, that, in all material respects, have been properly maintained.

*Other Matters*

As required under the Accounting Act, we also report that the Report on the Company's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259 with amendments) and the information is consistent with the financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.  
registration number 3546  
ul. Chłodna 51, 00-867 Warsaw

*Signed on the Polish original*

.....  
Certified Auditor No. 12005  
Maciej Kozysa

*Signed on the Polish original*

.....  
Certified Auditor No. 90048  
Limited Liability Partner  
with power of attorney  
Mirosław Matusik

20 April 2012  
Warsaw



**Inter Cars S.A.**

Report supplementing  
the auditor's opinion  
on the separate financial  
statements  
Financial Year ended  
31 December 2011

The report supplementing the auditor's opinion  
contains 9 pages

Report supplementing the auditor's opinion  
on the separate financial statements  
for the financial year ended  
31 December 2011



**Inter Cars S.A.**

*Report supplementing the opinion on the separate financial statements  
for the financial year ended 31 December 2011*

*This document is a free translation of the Polish original. Terminology current in  
Anglo-Saxon countries has been used where practicable for the purposes of this  
translation in order to aid understanding. The binding Polish original should be  
referred to in matters of interpretation*

## Contents

1.	General	3
1.1.	General information about the Company	3
1.1.1.	Company name	3
1.1.2.	Registered office	3
1.1.3.	Registration in the National Court Register	3
1.1.4.	Management of the Company	3
1.2.	Auditor information	3
1.2.1.	Key certified auditor information	3
1.2.2.	Audit firm information	3
1.3.	Prior period financial statements	4
1.4.	Audit scope and responsibilities	4
2.	Financial analysis of the Company	6
2.1.	Summary of the separate financial statements	6
2.1.1.	Separate statement of financial position	6
2.1.2.	Separate statement of comprehensive income	7
2.2.	Selected financial ratios	8
3.	Detailed report	9
3.1.	Proper operation of the accounting system	9
3.2.	Notes to the separate financial statements	9
3.3.	Report on the Company's activities	9
3.4.	Information on the opinion of the independent auditor	9

## **1. General**

### **1.1. General information about the Company**

#### **1.1.1. Company name**

Inter Cars S.A.

#### **1.1.2. Registered office**

ul. Powsińska 64  
02-903 Warsaw

#### **1.1.3. Registration in the National Court Register**

Registration court:	District Court for the Capital City Warsaw in Warsaw, XIII Commercial Department of the National Court Register
Date:	23 April 2001
Registration number:	KRS 0000008734
Share capital as at balance sheet date:	PLN 28,336,200

#### **1.1.4. Management of the Company**

The Management Board is responsible for management of the Company.

At 31 December 2011, the Management Board of the Company was comprised of the following members:

- Robert Kierzek – President of the Management Board,
- Krzysztof Soszyński – Vice President of the Management Board,
- Krzysztof Oleksowicz – Member of the Management Board,
- Wojciech Milewski – Member of the Management Board,
- Piotr Kraska – Member of the Management Board.

### **1.2. Auditor information**

#### **1.2.1. Key certified auditor information**

Name and surname:	Mirosław Matusik
Registration number:	90048

Name and surname:	Maciej Kozysa
Registration number:	12005

#### **1.2.2. Audit firm information**

Name:	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Address:	ul. Chłodna 51, 00-867 Warsaw
Registration number:	KRS 0000339379
Registration court:	District Court for the Capital City Warsaw in Warsaw, XII Commercial Department of the National Court Register
NIP number:	527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the register of audit firms under number 3546.

### **1.3. Prior period financial statements**

The separate financial statements for the period ended 31 December 2010 were audited by KPMG Audyt Sp. z o.o. and received an unqualified opinion.

The separate financial statements were approved at the General Meeting on 11 May 2011 where it was resolved to allocate the profit of the prior financial year of PLN 46,004,000.00 to reserve capital.

The separate financial statements were submitted to the Registry Court on 19 May 2011 and were published in Monitor Polski B No. 73 on 9 January 2012.

### **1.4. Audit scope and responsibilities**

This report was prepared for the General Meeting of Inter Cars S.A. seated in Warsaw, ul. Powsińska 64 and relates to the separate financial statements comprising: the separate statement of financial position as at 31 December 2011, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended and notes to the financial statements, comprising of a summary of significant accounting policies and other explanatory information.

The audited Company prepares its separate financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of the General Meeting dated 21 January 2005.

The separate financial statements have been audited in accordance with the contract dated 27 July 2011, concluded on the basis of the resolution of the Supervisory Board dated 26 April 2011 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by the Polish National Council of Certified Auditors and International Standards on Auditing.

We audited the separate financial statements in the Company's head office during the period from 5 to 23 March 2012.

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the Report on the Company's activities.

Our responsibility is to express an opinion and to prepare a supplementing report on the separate financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit.

Management of the Company submitted a statement dated the same date as this report as to the true and fair presentation of the separate financial statements presented for audit, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the separate financial statements.

All required statements, explanations and information and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

Key certified auditors and KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. fulfill independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and Their Government, Audit Firms and Public Oversight dated 7 May 2009 (Official Journal from 2009, No. 77, item 649).

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

## 2. Financial analysis of the Company

### 2.1. Summary of the separate financial statements

#### 2.1.1. Separate statement of financial position

ASSETS	31.12.2011 PLN '000	% of total	31.12.2010 PLN '000	% of total
<b>Non-current assets</b>				
Property, plant and equipment	146 276	9,8	139 723	11,0
Intangible assets	136 786	9,1	139 675	10,9
Investments in subsidiaries	57 236	3,8	43 493	3,4
Investment property	2 019	0,1	2 768	0,2
Receivables	40 618	2,7	76 667	6,0
Deferred tax assets	-	-	182	-
<b>Total non-current assets</b>	<b>382 935</b>	<b>25,5</b>	<b>402 508</b>	<b>31,5</b>
<b>Current assets</b>				
Inventories	558 229	37,3	477 867	37,4
Trade and other receivables	538 867	36,0	382 905	30,0
Cash and cash equivalents	18 147	1,2	13 945	1,1
<b>Total current assets</b>	<b>1 115 243</b>	<b>74,4</b>	<b>874 717</b>	<b>68,5</b>
<b>TOTAL ASSETS</b>	<b>1 498 178</b>	<b>100,0</b>	<b>1 277 225</b>	<b>100,0</b>
<b>EQUITY AND LIABILITIES</b>				
	<b>31.12.2011 PLN '000</b>	<b>% of total</b>	<b>31.12.2010 PLN '000</b>	<b>% of total</b>
<b>Equity</b>				
Share capital	28 336	1,9	28 336	2,2
Share premium	259 530	17,3	259 530	20,3
Reserve capital	232 108	15,5	186 104	14,5
Other reserve capital	5 935	0,4	4 835	0,4
Retained earnings	104 662	7,0	46 327	3,6
<b>Total equity</b>	<b>630 571</b>	<b>42,1</b>	<b>525 132</b>	<b>41,0</b>
<b>Liabilities</b>				
Interest-bearing loans and borrowings	237 006	15,8	241 700	18,9
Deferred tax liabilities	3 418	0,2	-	-
<b>Total non-current liabilities</b>	<b>240 424</b>	<b>16,0</b>	<b>241 700</b>	<b>18,9</b>
Trade and other payables	356 262	23,8	288 244	22,6
Interest-bearing loans and borrowings	259 093	17,3	210 432	16,5
Employee benefits	3 150	0,2	2 405	0,2
Income tax payable	8 678	0,6	9 312	0,8
<b>Total current liabilities</b>	<b>627 183</b>	<b>41,9</b>	<b>510 393</b>	<b>40,1</b>
<b>Total liabilities</b>	<b>867 607</b>	<b>57,9</b>	<b>752 093</b>	<b>59,0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 498 178</b>	<b>100,0</b>	<b>1 277 225</b>	<b>100,0</b>

## 2.1.2. Separate statement of comprehensive income

	<b>01.01.2011 - 31.12.2011</b>	<b>% of total sales</b>	<b>01.01.2010 - 31.12.2010</b>	<b>% of total sales</b>
	<b>PLN '000</b>		<b>PLN '000</b>	
<b>CONTINUING OPERATION</b>				
Revenue	2 448 872	100,0	2 133 050	100,0
Cost of sales	(1 758 198)	71,8	(1 516 710)	71,1
<b>Gross profit on sales</b>	<b>690 674</b>	<b>28,2</b>	<b>616 340</b>	<b>28,9</b>
Other operating income	3 732	0,2	4 474	0,2
Costs of sales and general administration	(289 787)	11,8	(290 415)	13,6
Costs of distribution service	(251 961)	10,3	(230 927)	10,8
Other operating expenses	(14 209)	0,6	(16 481)	0,8
<b>Results from operating activities</b>	<b>138 449</b>	<b>5,7</b>	<b>82 991</b>	<b>3,9</b>
Finance income	21 139	0,9	8 018	0,4
Foreign currency exchange rate differences	109	-	(490)	-
Finance expenses	(30 954)	1,3	(35 084)	1,7
<b>Profit before income tax</b>	<b>128 743</b>	<b>5,3</b>	<b>55 435</b>	<b>2,6</b>
Income tax expense	(24 404)	1,0	(9 431)	0,4
<b>Net profit from continuing operations</b>	<b>104 339</b>	<b>4,3</b>	<b>46 004</b>	<b>2,2</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Effective portion of changes in fair value of cash flow hedges	1 100	-	(1 100)	0,1
<b>Other comprehensive income for the period, net of income tax</b>	<b>1 100</b>	<b>-</b>	<b>(1 100)</b>	<b>0,1</b>
<b>Total comprehensive income for the period</b>	<b>105 439</b>	<b>4,3</b>	<b>44 904</b>	<b>2,1</b>
Net profit	104 339		46 004	
Weighted average number of shares	14 168 100		14 168 100	
Earnings per share (PLN)	7,36		3,25	
Diluted weighted average number of shares	14 168 100		14 168 100	
Diluted earnings per share (PLN)	7,36		3,25	

## 2.2. Selected financial ratios

	2011	2010	2009
<b>1. Return on sales</b>			
$\frac{\text{profit for the period}}{\text{revenue}} \times 100\%$	4,3%	2,2%	3,3%
<b>2. Return on equity</b>			
$\frac{\text{profit for the period}}{\text{equity} - \text{profit for the period}} \times 100\%$	19,8%	9,6%	14,5%
<b>3. Debtors' days</b>			
$\frac{\text{average trade receivables (gross)}}{\text{revenue}} \times 365 \text{ days}$	60 days	53 days	54 days
<b>4. Debt ratio</b>			
$\frac{\text{liabilities}}{\text{equity and liabilities}} \times 100\%$	57,9%	58,9%	60,8%
<b>5. Current ratio</b>			
$\frac{\text{current assets}}{\text{current liabilities}}$	1,8	1,7	2,3

- Net revenues are comprised of the sale of finished products, merchandise and raw materials.
- Average trade receivables represent the average of trade receivables at the beginning and at the end of the period, excluding allowances for receivables.

### **3. Detailed report**

#### **3.1. Proper operation of the accounting system**

The Company maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act.

During the audit of the separate financial statements, we tested, on a sample basis, the operation of the accounting system.

On the basis of the work performed, we have not identified material irregularities in the accounting system which have not been corrected and that could have a material impact on the separate financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

The Company performed a physical verification of assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act.

#### **3.2. Notes to the separate financial statements**

All information included in the notes to the separate financial statements, comprising of a summary of significant accounting policies and other explanatory notes, is, in all material respects, presented accurately and completely. This information should be read in conjunction with the separate financial statements.

#### **3.3. Report on the Company's activities**

The Report on the Company's activities includes, in all material respects, information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259 with amendments) and the information is consistent with the separate financial statements.

#### **3.4. Information on the opinion of the independent auditor**

Based on our audit of the separate financial statements as at and for the year ended 31 December 2011, we have issued an unqualified opinion.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.  
registration number 3546  
ul. Chłodna 51, 00-867 Warsaw

*Signed on the Polish original*

.....  
Certified Auditor No. 12005  
Maciej Kozysa

*Signed on the Polish original*

.....  
Certified Auditor No. 90048  
Limited Liability Partner  
with power of attorney  
Mirosław Matusik

20 April 2012  
Warsaw