



Inter Cars S.A.

**Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2014**

The opinion contains 2 pages
The supplementary report contains 9 pages
Opinion of the independent auditor
and supplementary report on the audit
of the separate financial statements
for the financial year ended
31 December 2014

OPINION OF THE INDEPENDENT AUDITOR



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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.

Opinion on the Separate Financial Statements

We have audited the accompanying separate financial statements of Inter Cars S.A., with its registered office in Warsaw, ul. Powsińska 64 ("the Company"), which comprise the separate statement of financial position as at 31 December 2014, 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 comprising 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 the 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 2013, item 330 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 is to express an opinion on these financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit. We conducted our audit in accordance with section 7 of the Accounting Act, National Standards on Auditing issued by the 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 of the Company, 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 2014 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.

Specific Comments on Other Legal and Regulatory Requirements

Report on the Company's Activities

As required under the Accounting Act, we report that the accompanying 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 2014, item 133) and the information is consistent with the financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Chłodna 51
00-867 Warsaw

Signed on the Polish original

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Marek Gajdziński
Key Certified Auditor
Registration No. 90061
Limited Liability Partner
with power of attorney

30 April 2015

REPORT OF THE INDEPENDENT AUDITOR



TRANSLATION

Inter Cars S.A.

**Supplementary report
on the audit of the separate
financial statements
Financial Year ended
31 December 2014**

The supplementary report contains 9 pages

The supplementary report on the audit
of the separate financial statements
for the financial year ended
31 December 2014

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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 register of entrepreneurs of the National Court Register

Registration court: District Court for the Capital City of Warsaw in Warsaw,
XIII Commercial Department of the National Court Register
Date: 23 April 2001
Registration number: KRS 0000008734
Share capital as at
the end of reporting period: PLN 28,336,200.00

1.1.4. Management of the Company

The Management Board is responsible for management of the Company.

As at 31 December 2014, 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,
- Witold Kmieciak – Member of the Management Board,
- Wojciech Twaróg – Member of the Management Board.

1.2. Key Certified Auditor and Audit Firm Information

1.2.1. Key Certified Auditor information

Name and surname: Marek Gajdziński
Registration number: 90061

1.2.2. Audit Firm information

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

KPMG Audyty Spółka z ograniczoną odpowiedzialnością sp.k. is entered into the register of audit firms, maintained by the National Council of Certified Auditors, under number 3546.

1.3. Prior period financial statements

The separate financial statements for the financial year ended 31 December 2013 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. and received an unmodified opinion.

The separate financial statements were approved at the General Meeting on 26 May 2014 where it was resolved to distribute the net profit for the prior financial year of PLN 145,784,319.60 as follows:

- PLN 10,059,351.00 to be paid as a dividend,
- PLN 135,724,968.60 to reserve capital.

The separate financial statements were submitted to the Registry Court on 12 June 2014.

1.4. Audit scope and responsibilities

This report was prepared for the General Meeting of Inter Cars S.A. with its registered office in Warsaw, ul. Powsińska 64 and relates to the separate financial statements comprising: the separate statement of financial position as at 31 December 2014, 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 comprising 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 were audited in accordance with the contract dated 4 July 2014, concluded on the basis of the resolution of the Supervisory Board dated 13 May 2014 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the Accounting Act"), National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing.

We audited the separate financial statements at the Company during the period from 2 March 2015 to 13 March 2015.

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 supplementary report on the audit of 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 as at the same date as this report as to the true and fair presentation of the accompanying separate financial statements, 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 were provided to us by Management of the Company and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

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 the Audit Firm.

The Key Certified Auditor and the Audit Firm fulfill the independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and their Self-Governance, Audit Firms authorized to Audit Financial Statements and Public Oversight dated 7 May 2009 (Official Journal from 2009 No. 77, item 649 with amendments).

2. Financial analysis of the Company

2.1. Summary analysis of the separate financial statements

2.1.1. Separate statement of financial position

ASSETS	31.12.2014	% of total	31.12.2013	% of total
	PLN '000		PLN '000	
Non-current assets				
Property, plant and equipment	146,869	7.8	139,391	8.6
Intangible assets	145,156	7.8	154,474	9.5
Investment property	2,134	0.1	2,100	0.1
Investments in subordinate entities	199,607	10.7	176,654	10.8
Investments available for sale	258	-	258	-
Receivables	30,418	1.6	18,580	1.1
	524,442	28.0	491,457	30.1
Current assets				
Inventories	745,383	39.8	608,822	37.4
Trade and other receivables	582,634	31.1	508,181	31.2
Income tax receivables	-	-	5,433	0.3
Cash and cash equivalents	20,086	1.1	15,802	1.0
	1,348,103	72.0	1,138,238	69.9
TOTAL ASSETS	1,872,545	100.0	1,629,695	100.0
EQUITY AND LIABILITIES				
	31.12.2014	% of total	31.12.2013	% of total
	PLN '000		PLN '000	
Equity				
Share capital	28,336	1.6	28,336	1.8
Share premium	259,530	13.9	259,530	15.9
Reserve capital	540,422	28.9	404,697	24.8
Other reserve capital	5,935	0.3	5,935	0.4
Retained earnings	95,993	5.1	146,108	9.0
	930,216	49.8	844,606	51.9
Non-current liabilities				
Interest-bearing loans, borrowings and finance lease	454,691	24.3	52,406	3.2
Deferred tax liabilities	7,326	0.3	7,888	0.5
	462,017	24.6	60,294	3.7
Current liabilities				
Trade and other payables	263,921	14.1	272,483	16.7
Interest-bearing loans, borrowings, debt securities and finance lease	214,327	11.4	451,035	27.6
Employee benefits	954	-	1,277	0.1
Income tax payable	1,110	0.1	-	-
	480,312	25.6	724,795	44.4
TOTAL EQUITY AND LIABILITIES	1,872,545	100.0	1,629,695	100.0

2.1.2. Separate statement of comprehensive income

	01.01.2014 - 31.12.2014 PLN '000	% of total sales	01.01.2013 - 31.12.2013 PLN '000	% of total sales
Revenue	3,398,051	100.0	3,067,579	100.0
Cost of sales	(2,539,615)	74.7	(2,253,369)	73.5
Gross profit on sales	858,436	25.3	814,210	26.5
Other operating income	5,164	0.2	2,511	0.1
Distribution, general and administrative expenses	(395,149)	11.7	(362,352)	11.8
Costs of distribution service	(319,358)	9.4	(298,510)	9.7
Costs of license	(52,606)	1.6	(47,419)	1.6
Other operating expenses	(17,728)	0.5	(12,413)	0.4
Results from operating activities	78,759	2.3	96,027	3.1
Finance income	3,484	0.1	3,012	0.1
Dividends received	47,003	1.4	86,188	2.8
Exchange differences	(1,258)	-	214	-
Finance expenses	(19,598)	0.6	(20,954)	0.6
Profit before income tax	108,390	3.2	164,487	5.4
Income tax expense	(12,721)	0.4	(18,703)	0.6
Profit	95,669	2.8	145,784	4.8
OTHER COMPREHENSIVE INCOME				
Total comprehensive income	95,669	2.8	145,784	4.8

2.2. Selected financial ratios

	2014	2013	2012
1. Return on sales			
<u>profit for the period x 100%</u> revenue	2.8%	4.8%	2.8%
2. Return on equity			
<u>profit for the period x 100%</u> equity - profit for the period	11.5%	20.9%	11.6%
3. Debtors' days			
<u>average trade receivables (gross) x 365 days</u> revenue	54 days	51 days	61 days
4. Debt ratio			
<u>liabilities x 100%</u> equity and liabilities	50.2%	48.1%	52.9%
5. Current ratio			
<u>current assets</u> current liabilities	2.8	1.6	1.4

- Revenue includes revenue from sales 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, with no deduction made for allowances.

3. Detailed report

3.1. 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 any material irregularities in the accounting system, which have not been corrected and that could have a material effect 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 its assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act, and reconciled and recorded the result thereof in the accounting records.

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 2014, item 133) and the information is consistent with the separate financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Chłodna 51
00-867 Warsaw

Signed on the Polish original

.....
Marek Gajdziński
Key Certified Auditor
Registration No. 90061
Limited Liability Partner
with power of attorney

30 April 2015