AAA AUTO

Press Release

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF AAA AUTO GROUP FOR THE FIRST HALF OF 2012

Regulatory Announcement of Inside Information
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Prague / Budapest, 29 August 2012 – The consolidated financial results for the first half of 2012 that AAA Auto Group N.V. reported today show a stable growth of net income and other selected indicators and trends.

The consolidated financial results show a solid growth in the Group's operating and financial performance compared to the same period last year. Overall the results dynamics confirm the increasing demand on the used car retail market that AAA AUTO Group has been registering since May 2010 in both of its territories of the Czech Republic and Slovakia.

AAA AUTO Group's **total revenues** grew by 26.5% year-on-year to EUR 164.5 million in the first six months of 2012, while the underlying number of cars sold during this period increased by 16.2% yoy (to 25,841 cars). This can be explained by an increase in the average price of a car sold by 5.6% yoy.

The financial results at the top level have been influenced by two main factors. Firstly, the consumers' increasing willingness to take on credit to finance their car purchases was reflected. As a result, the company managed to achieve a **higher penetration** of financial services which bear sufficient profit margins (the number of cars sold on credit or leasing grew to 50.6% in first half of 2012). As the penetration increased, so did also the sales of other financial services (such as insurance) and complementary products. The average price of a car sold also grew, as customers tend to buy more expensive and better equipped cars when financed by credit. Overall this propelled the Group's operating profitability.

The second factor was the growing **gross profit per car sold**. Based on the implementation of a strict control system of its sales and purchasing processes, the gross profit margin on sales improved by 41.6% yoy in 1Q and by 44.4% yoy in 2Q.

"*We managed to increase the metal profit thanks to the fact we do not buy cars in the cheapest category and we focused on buying and selling higher quality cars after 1-2 owners, with low mileage. Such cars do not need costly service repairs and are more liquid. Cheap cars are coming only from trade-ins, where we perceive it as a help and a service for our customers. Also these cars we manage to sell very quickly, albeit with almost zero profit,*" said Karolína Topolová, AAA AUTO general director.

The **total gross profit on sales** grew by 43.1% yoy to EUR 43.6 million. The increase in **operating expenses** of 25% yoy was maintained below the level of the increase in total revenues of 26.5%.

AAA AUTO Group recorded EBITDA of EUR 13.9 million for the first six months of 2012, representing a 91.9% increase compared to the same period last year.

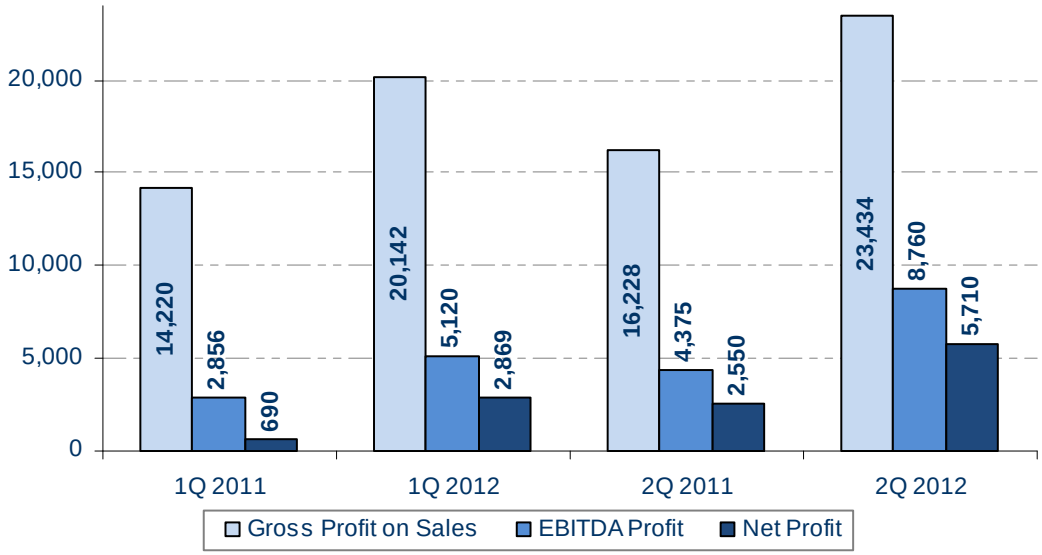
At the level of the financial expenses, a year-on-year drop of **interest expenses** was registered in 1H 2012 (by 36% to EUR 0.6 million) due to the Company's program for

the gradual reduction of the overall debt of the Group (the net debt / equity ratio [1] was reduced to 89% as at the end of June 2012 from 226% as at end of June 2011).

The **profit before tax** grew by 158.6% yoy to EUR 12 million in the first half of 2012.

The Group's total consolidated net profit reached the amount of EUR 8.6 million for the first six months of 2012, which represents an improvement of 164.8% compared to the net profit of EUR 3.2 million the Group recorded for the same period last year.

Development of Gross Profit on Sales, EBITDA and Net Profit



Source: Company data

AAA Auto Group N.V. will today publish also its Half-Yearly 2012 Report, which will be available at the company's website www.aaaauto.nl in the section About Us / Investors / Publications.

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[1] Net Debt / Equity = [(Long and Short Term Borrowings + Finance Lease) – (Cash and Cash Equivalents + Financial Assets)] / Equity

Half-Yearly Consolidated Financial Statements

Interim Condensed Consolidated Financial Information for the 6 months ended 30 June 2012

The financial results are unaudited, consolidated and prepared in accordance with IAS 34, "Interim Financial Reporting", which is an IFRS standard applicable for interim reporting.

The interim report was drawn up according to the same accounting principles and calculation methods as the previous financial statement, for the period that ended on 31 December 2011.

(Note: financial statements and notes to financial statements are in the original English language, which was also used to make the half-yearly report; in case of any questions please contact the Investor Relations department at: investor.relations@aaaauto.cz)

Interim consolidated statement of comprehensive income

(EUR´000)

	Note	Six months ended June 2012	Six months ended June 2011 (restated)
Continuing operations			
Revenue	6.7	**164,524**	**130,011**
Other income		161	607
Changes in inventories and WIP		1,948	1,569
Car inventory sold		(122,895)	(101,132)
Advertising expenses		(3,694)	(2,665)
Employee benefit expenses		(16,355)	(12,668)
Depreciation and amortization expense	12	(1,104)	(1,184)
Impairment of property plant and equipment	12	(660)	(370)
Other expenses		(9,808)	(8,491)
Finance cost		(69)	(1,018)
Profit before tax		**12,048**	**4,659**
Income tax expense	10	(3,470)	(1,419)
Profit for the period from continuing operations		**8,578**	**3,240**
Discontinued operations			
Profit from discontinued operations*	8	0	0
Profit for the period		**8,578**	**3,240**
Other comprehensive income			
Foreign currency translation differences for foreign operations		(1,492)	31
Other comprehensive income for the period, net of income tax		**(1,492)**	**31**
Total comprehensive income for the period		**7,086**	**3,271**
Profit attributable to:			
Equity holders of the company		8,578	3,240
Profit for the period		**8,578**	**3,240**
Total comprehensive income attributable to:			
Equity holders of the company		7,086	3,271
Total comprehensive income for the period		**7,086**	**3,271**
Earnings per share from continuing and discontinuing operations attributable to the equity holders of the company during the year (expressed in EUR cent per share)			
Basic earnings per share		**12.66**	**4.78**
Diluted earnings per share		**12.31**	**4.63**

**) Some amounts have been reclassified and do not correspond to the amounts presented in the interim consolidated financial information for the period ended 30 June 2011. For details see Note 8*

Interim consolidated statement of financial position

(EUR´000)

ASSETS	Note	30 June 2012	31 December 2011
Non-current assets			
Intangible assets	12	135	150
Property, plant and equipment	12	39,268	39,249
Other financial assets		233	206
Deferred tax assets	10	71	62
Total non-current assets		***39,707***	***39,667***
Non-current assets			
Inventories		37,512	28,974
Trade and other receivables		8,285	8,008
Current tax asset	10	-	54
Other non-financial assets		2,861	2,315
Cash and cash equivalents		3,166	5,152
Total current assets		***51,824***	***44,503***
TOTAL ASSETS		**91,531**	**84,170**

EQUITY AND LIABILITIES			
Equity			
Issued capital	13	38,185	38,185
Reserves		7,498	8,353
Accumulated losses		(12,692)	(20,733)
Equity attributable to equity holders of the parent company		**32,991**	**25,805**
Total equity		**32,991**	**25,805**
Non-current liabilities			
Bank and other borrowings	14	18,529	26,321
Deferred tax liabilities		-	62
Total non-current liabilities		***18,529***	***26,383***
Current liabilities			
Trade and other payables		11,939	8,260
Current tax liabilities	10	3,716	2,192
Bank overdrafts and borrowings	14	13,890	14,324
Provisions	15	4,420	3,043
Other financial liabilities		-	761
Other non-financial liabilities		6,046	3,402
Total current liabilities		***40,011***	***31,982***
Total liabilities		**58,540**	**58,365**
TOTAL EQUITY AND LIABILITIES		**91,531**	**84,170**

The accompanying notes form an integral part of the interim consolidated financial information.

Interim consolidated statement of changes in equity

(EUR´000)

	Share capital	Share premium	Equity/legal reserve	Share option reserve	Foreign currency translation reserve	Accumulated losses	Equity attributable to equity holders of the parent Company	Total equity
Balance at 01/01/11	**6,776**	**31,409**	**280**	**418**	**5,747**	**(30,166)**	**14,464**	**14,464**
Profit for the period	-	-	-	-	-	3,240	**3,240**	**3,240**
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	29	-	**29**	**29**
Total comprehensive income for the period	-	-	-	-	29	3,240	**3,269**	**3,269**
Transactions with owners								
Equity legal reserve	-	-	(5)	-	-	5	**-**	**-**
Share options	-	-	-	100	-	-	**100**	**100**
Balance at 30/06/11	**6,776**	**31,409**	**275**	**518**	**5,776**	**(26,921)**	**17,833**	**17,833**
Balance at 01/01/12	**6,776**	**31,409**	**456**	**580**	**7,317**	**(20,733)**	**25,805**	**25,805**
Profit for the period	-	-	-	-	-	8,578	**8,578**	**8,578**
Other comprehensive income								
Foreign currency translation differences	-	-	-	-	(1,492)	-	**(1,492)**	**(1,492)**
Total comprehensive income for the period	-	-	-	-	(1,492)	8,578	**7,086**	**7,086**
Transactions with owners								
Equity legal reserve	-	-	537	-	-	(537)	**-**	**-**
Share options	-	-	-	100	-	-	**100**	**100**
Balance at 30/06/11	**6,776**	**31,409**	**993**	**680**	**5,825**	**(12,692)**	**32,991**	**32,991**

The accompanying notes form an integral part of the interim consolidated financial information.

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Interim consolidated cash flow statement

(EUR´000)

	Notes	Six months ended June 2012	June 2011 (restated)
Cash flows from operating activities			
Profit for the period		8,578	3,240
Adjustments for:			
Income tax expense		3,470	1,419
Depreciation and impairment of PPE	12	1,764	1,554
Provisions		1,286	494
(Gain)/loss on disposal of fixed assets		(79)	(45)
Interest income		(2)	(2)
Interest expense		628	980
Share options		100	100
Foreign exchange (gain)/loss		(743)	(26)
Decrease/(increase) in inventories		(8,442)	(5,290)
Decrease/(Increase) in receivables and other assets*		(6,233)	6,035
Increase/(decrease) in payables and other liabilities		3,428	(4,989)
Interest paid		(331)	(457)
Interest received		2	2
Income tax (paid)/received		(1,963)	(1,079)
Net cash provided by operating activities		1,463	1,936
Cash flows from investing activities			
Purchase of property, plant and equipment		(822)	(3,526)
Proceeds from disposals of property, plant and equipment		158	797
Net cash used in investing activities		(664)	(2,729)
Cash flows from financing activities			
Proceeds from third party loans	14	1,604	5,950
Repayment of third party loans*	14.17	(4,373)	(3,090)
Net cash from financing activities		(2,769)	2,860
Net increase (decrease) in cash and cash equivalents		(1,970)	2,067
Net foreign exchange difference		(16)	(107)
Cash and cash equivalents at the beginning of the period		5,152	3,665
Cash and cash equivalents at the end of the period		3,166	5,625

**Significant non- cash transaction: Settlement of loans with related parties for the trade receivables of TEUR 5.100*

The accompanying notes form an integral part of the interim consolidated financial information.